

[REFERENCE TRANSLATION]

Please note that this translation is to be used solely as reference and the financial statements in this material are unaudited.

In case of any discrepancy between this translation and the Japanese original, the latter shall prevail.

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2021 (Japanese GAAP)

August 12, 2021

Company name : Linical Co., Ltd.
Stock Listing : Tokyo Stock Exchange
Code No. : 2183
URL : <https://www.linical.co.jp/>
Representative : Kazuhiro Hatano, President & Chief Executive Officer
Contact : Akihiro Takahashi, Executive Vice President, Chief Financial Officer

Scheduled date of filing of quarterly report : August 13, 2021
Scheduled date of start of dividend payment : —
Preparation of supplementary materials for the quarterly financial statements : No
Holding of quarterly financial results meeting : No

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Three Months Ended June 30, 2021 (April 1, 2021 to June 30, 2021)

(1) Consolidated Financial Results (cumulative)

(% figures show year-on-year change)

Three Months Ended	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	(¥ million)	change(%)	(¥ million)	change(%)	(¥ million)	change(%)	(¥ million)	change(%)
June 30, 2021	2,784	14.9	145	—	140	—	67	—
June 30, 2020	2,424	△9.6	△150	—	△158	—	△199	—

(Note) Comprehensive income Three Months Ended June30, 2021: ¥85million (—%)
Three Months Ended June30, 2020: ¥△228 million (—%)

Three Months Ended	Net income per share	Diluted net income per share
	(¥)	(¥)
June 30, 2021	3.00	—
June 30, 2020	△8.83	—

(2) Consolidated Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Shareholders' equity ratio (%)	Net asset per share (¥)
As of June 30, 2021	14,579	5,469	37.5	242.17
As of March 31, 2021	15,280	5,712	37.4	252.92

(Reference) Shareholder's equity: As of June 30, 2021: ¥ 5,469million
As of March 31, 2021: ¥ 5,712million

2. Dividends

	Annual dividends per share (¥)				
	1st Quarter End	2nd Quarter End	3rd Quarter End	Fiscal Year End	Total
Year Ended March 31, 2021	—	0.00	—	14.00	14.00
Year Ending March 31, 2022	—				
Year Ending March 31, 2022(Forecast)		0.00	—	14.00	14.00

(Note) Change in the dividend forecast from the most recent announcement: No

3. Forecast of Consolidated Financial Result for the Year Ending March 31, 2022

(April 1, 2021 to March 31, 2022)

(% figures show year-on-year change)

	Net sales		Operating income	
	(¥ million)	%	(¥ million)	%
Full year	10,700	4.1	683	50.6

The forecast of Ordinary income and Profit attributable to owners of parent are undetermined since there are many uncertain factors such as exchange rate fluctuations.

(Note) Change in forecasts of consolidated financial results from the most recent announcement: No

※ Notes

(1)Changes in significant subsidiaries during the period(changes in specified subsidiaries that caused changes in scope of consolidation): : No

New: - (Company Name) -

Exclusion: - (Company Name) -

(2)Adoption of accounting methods specific to the preparation of quarterly consolidated financial statements : No

(3)Changes in accounting policies, accounting estimates and restatement of corrections

1)Changes in accounting policies resulting from the revision of the accounting standards and other regulations : Yes

2)Changes in accounting policies other than 1) : No

3)Changes in accounting estimates : No

4)Restatement of corrections : No

(4)Number of issued shares (Common share)

(a)Number of issued shares at the end of the period (including treasury shares)

As of June 30, 2021 : 24,740,000 shares

As of March 31, 2021 : 24,740,000 shares

(b) Number of treasury shares at the end of the period

As of June 30, 2021 : 2,153,564 shares

As of March 31, 2021 : 2,153,564 shares

(c) Average number of shares during the period

Three Months Ended June 30, 2021 : 22,586,436 shares

Three Months Ended June 30, 2020 : 22,586,527 shares

* This release is outside the scope of the external auditor's quarterly review procedure.

* Explanation on appropriate use of forecast and other special items

This material contains business forecast and other forward-looking statements which are based on available information and certain assumptions that are considered reasonable at the time of preparation. Various factors may cause actual results to be materially different from those expressed in these forward-looking statements.

Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2021	As of June 30, 2021
Assets		
Current assets		
Cash and deposits	5,084,201	4,938,134
Accounts receivable - trade	2,982,090	—
Accounts receivable - trade and contract assets	—	2,577,871
Prepaid expenses	153,407	152,397
Advances paid	1,183,907	1,198,532
Other	355,957	362,246
Allowance for doubtful accounts	△36,850	△45,740
Total current assets	9,722,712	9,183,441
Non-current assets		
Property, plant and equipment	701,164	676,195
Intangible assets		
Goodwill	3,463,418	3,347,732
Other	188,469	174,960
Total intangible assets	3,651,888	3,522,693
Investments and other assets		
Investment securities	294,423	306,001
Long-term prepaid expenses	4,368	7,195
Guarantee deposits	449,803	444,017
Deferred tax assets	456,286	439,613
Total investments and other assets	1,204,882	1,196,827
Total non-current assets	5,557,935	5,395,716
Total assets	15,280,647	14,579,158

Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2021	As of June 30, 2021
Liabilities		
Current liabilities		
Short-term borrowings	610,799	600,000
Current portion of long-term borrowings	539,976	539,976
Accounts payable - other	665,588	586,644
Accrued expenses	455,003	328,418
Income taxes payable	203,409	185,293
Accrued consumption taxes	38,793	104,038
Advances received	1,909,343	1,713,671
Deposits received	635,639	721,231
Provision for bonuses	177,114	90,512
Other	98,155	153,589
Total current liabilities	5,333,824	5,023,375
Non-current liabilities		
Long-term borrowings	3,073,542	2,938,548
Lease obligations	468,192	453,358
Retirement benefit liability	645,066	656,771
Other	47,400	37,412
Total non-current liabilities	4,234,202	4,086,091
Total liabilities	9,568,027	9,109,467
Net assets		
Shareholders' equity		
Share capital	214,043	214,043
Retained earnings	6,142,987	5,882,149
Treasury shares	△657,461	△657,461
Total shareholders' equity	5,699,568	5,438,730
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,084	26,487
Foreign currency translation adjustment	△1,451	508
Remeasurements of defined benefit plans	3,418	3,964
Total accumulated other comprehensive income	13,052	30,960
Total net assets	5,712,620	5,469,691
Total liabilities and net assets	15,280,647	14,579,158

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Net sales	2,424,048	2,784,738
Cost of sales	1,951,386	2,072,164
Gross profit	472,662	712,574
Selling, general and administrative expenses	623,386	566,843
Operating profit (loss)	△150,724	145,730
Non-operating income		
Interest income	3,263	129
Gain on valuation of investment securities	7,166	8,997
Total non-operating income	10,430	9,126
Non-operating expenses		
Interest expenses	3,775	4,034
Foreign exchange losses	12,818	10,356
Other	1,904	7
Total non-operating expenses	18,498	14,398
Ordinary profit (loss)	△158,792	140,458
Extraordinary losses		
Arbitration related expenses	45,321	46,152
Total extraordinary losses	45,321	46,152
Profit (loss) before income taxes	△204,114	94,305
Income taxes - current	5,987	33,879
Income taxes - deferred	△10,685	△7,225
Total income taxes	△4,697	26,654
Profit (loss)	△199,416	67,651
Profit (loss) attributable to owners of parent	△199,416	67,651

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Profit (loss)	△199,416	67,651
Other comprehensive income		
Valuation difference on available-for-sale securities	△33,375	15,403
Foreign currency translation adjustment	3,468	1,959
Remeasurements of defined benefit plans, net of tax	780	545
Total other comprehensive income	△29,126	17,908
Comprehensive income	△228,542	85,559
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	△228,542	85,559