

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended April 30, 2024 (Based on Japanese GAAP)

June 14, 2024

Company name: Link-U Group Inc.
 Stock exchange listing: Tokyo
 Stock code: 4446 URL <https://link-u.group/>
 Representative: Representative Director Group CEO Yuuki Matsubara
 Inquiries: Director Group CAO Fujita Takahiro TEL 03(6260)9279
 Scheduled date to file Quarterly Securities Report: June 14, 2024
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended April 30, 2024 (from August 1, 2023 to April 30, 2024)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended April 30, 2024	2,436	4.4	241	(33.0)	259	(19.3)	191	43.3
Nine months ended April 30, 2023	2,333	42.9	360	146.1	321	150.2	133	80.8

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended April 30, 2024	13.53		13.47	
Nine months ended April 30, 2023	9.46		9.40	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of April 30, 2024	4,171	2,579	59.2
As of July 31, 2023	4,098	2,313	55.4

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended July 31, 2023	–	0.00	–	0.00	0.00
Year ending July 31, 2024	–	0.00	–		
Year ending July 31, 2024 (Forecast)				0.00	0.00

3. Forecast of consolidated financial results for the year ending July 31, 2024 (from August 1, 2023 to July 31, 2024)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	3,289	5.1	342	(21.1)	333	(16.0)	186	(8.7)	13.16

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended April 30, 2024
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of April 30, 2024	14,171,700 shares	As of July 31, 2023	14,171,700 shares
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Number of treasury shares at the end of the period

As of April 30, 2024	68 shares	As of July 31, 2023	68 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended April 30, 2024	14,171,632 shares	Nine months ended April 30, 2023	14,134,203 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of July 31, 2023	As of April 30, 2024
Assets		
Current assets		
Cash and deposits	1,756,004	1,484,313
Trade receivables and contract asset	799,396	636,005
Supplies	622	–
Other	444,812	608,279
Allowance for doubtful accounts	(1,686)	(1,295)
Total current assets	2,999,149	2,727,303
Non-current assets		
Property, plant and equipment	136,617	147,886
Intangible assets		
Goodwill	240,731	377,989
Other	39,335	40,662
Total intangible assets	280,067	418,651
Investments and other assets		
Investment securities	524,077	697,875
Other	158,447	179,172
Total investments and other assets	682,525	877,048
Total non-current assets	1,099,210	1,443,586
Deferred assets	538	827
Total assets	4,098,898	4,171,717
Liabilities		
Current liabilities		
Accrued expenses	561,625	472,083
Current portion of long-term borrowings	44,040	44,040
Income taxes payable	117,282	78,768
Provision for bonuses	–	20,751
Provision for loss on orders received	4,666	–
Other	416,863	249,828
Total current liabilities	1,144,478	865,471
Non-current liabilities		
Long-term borrowings	640,660	707,630
Other	–	19,024
Total non-current liabilities	640,660	726,654
Total liabilities	1,785,138	1,592,125

(Thousands of yen)

	As of July 31, 2023	As of April 30, 2024
Net assets		
Shareholders' equity		
Share capital	477,054	477,054
Capital surplus	368,957	368,957
Retained earnings	1,400,779	1,592,468
Treasury shares	(135)	(135)
Total shareholders' equity	2,246,655	2,438,345
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(22)	90
Foreign currency translation adjustment	22,660	29,758
Total accumulated other comprehensive income	22,638	29,849
Share acquisition rights	420	420
Non-controlling interests	44,045	110,977
Total net assets	2,313,759	2,579,592
Total liabilities and net assets	4,098,898	4,171,717

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended April 30, 2023	Nine months ended April 30, 2024
Net sales	2,333,966	2,436,128
Cost of sales	1,052,024	951,060
Gross profit	1,281,941	1,485,067
Selling, general and administrative expenses	921,412	1,243,641
Operating profit	360,529	241,426
Non-operating income		
Interest income	124	115
Share of profit of entities accounted for using equity method	–	7,507
Subsidy income	9,799	13,895
Other	2,113	5,601
Total non-operating income	12,036	27,119
Non-operating expenses		
Interest expenses	2,815	3,477
Foreign exchange losses	2,607	–
Share of loss of entities accounted for using equity method	31,280	–
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Other	244	447
Total non-operating expenses	50,740	8,733
Ordinary profit	321,825	259,812
Extraordinary income		
Gain on sale of investment securities	–	75,675
Subsidy income	5,960	–
Total extraordinary income	5,960	75,675
Extraordinary losses		
Loss on retirement of non-current assets	1,653	–
Loss on tax purpose reduction entry of non-current assets	4,276	–
Loss on valuation of investment securities	41,645	–
Loss on step acquisitions	29,501	–
Total extraordinary losses	77,076	–
Profit before income taxes	250,709	335,487
Income taxes	120,493	134,659
Profit	130,216	200,828
Profit (loss) attributable to non-controlling interests	(3,545)	9,138
Profit attributable to owners of parent	133,761	191,689

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended April 30, 2023	Nine months ended April 30, 2024
Profit	130,216	200,828
Other comprehensive income		
Valuation difference on available-for-sale securities	–	226
Foreign currency translation adjustment	(1,075)	7,097
Total other comprehensive income	(1,075)	7,324
Comprehensive income	129,140	208,152
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	132,686	198,901
Comprehensive income attributable to non-controlling interests	(3,545)	9,251