



FY 2006

Interim Financial Summary (Consolidated)

April 11, 2006

Listed company name: Link Theory Holdings Co., Ltd. Listed exchange: TSE Mothers
 Code: 3373 Headquarters: Tokyo
 (URL <http://www.link-theory.com/>)
 Representative: President & CEO Chikara Sasaki
 Person to contact with inquiries: Director and Group CFO Hidetsugu Onishi TEL (03) 3407-7502
 Interim Board of Directors meeting: April 11, 2006
 Name of parent company: Fast Retailing Co., Ltd. (Code: 9983)

Percentage of voting rights held by the parent company: 34.0%

Adoption of U.S. accounting standards None

1. FY2006 interim results (September 1, 2005 – February 28, 2006)

(1) Consolidated operating results (Note: Amounts shown are rounded off to the nearest million yen.)

	Net sales		Operating income		Ordinary income	
	(Million yen)	%	(Million yen)	%	(Million yen)	%
Interim FY2006	21,365	17.6	2,479	(-6.5)	2,660	13.4
Interim FY2005	18,160	—	2,651	—	2,345	—
FY 2005	35,646		4,644		4,602	

	Interim (annual) net income		Interim (annual) net income/share		Interim (annual) diluted net income per share	
	(Million yen)	%	(Yen)	(Sen)	(Yen)	(Sen)
Interim FY2006	1,499	18.3	10,272	10	9,281	37
Interim FY2005	1,267	—	88,330	11	—	—
FY 2005	2,586		40,654	62	39,472	92

(Notes) ① Average number of shares during the term (consolidated) Interim FY2006 146,022 shares Interim FY2005 14,351 shares FY2005 61,396 shares

② Change in accounting methods None

③ Percentages for net sales, operating income, ordinary income, and net income show the interim (annual) rate of increase or decrease year on year.

(2) Consolidated financial condition (Note: Amounts shown are rounded off to the nearest million yen.)

	Total assets	Shareholders' equity	Equity ratio	Equity per share	
	(Million yen)	(Million yen)	%	(Yen)	(Sen)
Interim FY2006	39,359	17,754	45.1	117,545	18
Interim FY2005	18,208	5,828	32.0	391,683	10
FY 2005	28,258	16,247	57.5	221,379	22

(Note) Shares outstanding at the end of the term (consolidated) Interim FY2006 151,048 shares Interim FY2005 14,880 shares FY2005 72,984 shares

(3) Consolidated cash flow (Note: Amounts shown are rounded off to the nearest million yen.)

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Balance of cash and cash equivalents at the end of the term
	(Million yen)	(Million yen)	(Million yen)	(Million yen)
Interim FY2006	579	(-12,920)	6,270	4,769
Interim FY2005	2,017	(-304)	(-1,115)	2,226
FY 2005	3,325	(-1,288)	7,189	10,818

(4) Scope of consolidation and equity accounting

Number of consolidated subsidiaries	40	Number of nonconsolidated subsidiaries subject to equity accounting	—	Number of affiliated companies subject to equity accounting	—
-------------------------------------	----	---	---	---	---

(5) Changes in the scope of consolidation and equity accounting

Number of newly consolidated companies	12	Number of companies removed from consolidation	—	Number of nonconsolidated subsidiaries newly subject to equity accounting	—	Number of nonconsolidated subsidiaries no longer subject to equity accounting	—
--	----	--	---	---	---	---	---

2. FY2006 Consolidated Earnings Result Forecast (September 1, 2005 – August 31, 2006)

	Net sales	Ordinary income	Net income
	(million yen)	(million yen)	(million yen)
Annual	47,510	4,573	2,552

(Reference) Estimated net income per share (annual) ¥16,895.29

(Note) The estimated figures above have been forecasted based on information obtainable at the time and contain many factors of uncertainty. Actual results may be different from the above estimated figures due to changes in business conditions and so forth. Refer to page 9 of the attached materials for information concerning the above forecast.

4. Consolidated Interim Financial Statements

(1) Consolidated interim balance sheet

Category	Note No.	End of prior consolidated interim accounting period (Feb. 28, 2005)		End of current consolidated interim accounting period (Feb. 28, 2006)		Prior consolidated fiscal year Summary consolidated balance sheet (Aug. 31, 2005)	
		Amount (¥000)	(%)	Amount (¥000)	(%)	Amount (¥000)	(%)
(Assets)							
I Current assets							
1. Cash and deposits		2,226,010		4,771,314		10,820,525	
2. Accounts receivable		1,631,592		2,822,165		2,525,264	
3. Inventory		3,839,726		6,838,822		3,915,969	
4. Deferred tax assets		943,490		1,123,449		1,087,642	
5. Other		686,502		705,251		289,264	
Allowance for bad debts		(-24,883)		(-162,195)		(-39,805)	
Total current assets		9,302,439	51.1	16,098,808	40.9	18,598,859	65.8
II Fixed assets							
1. Tangible fixed assets	*1,2	875,518	4.8	2,327,048	5.9	1,087,340	3.8
2. Intangible fixed assets							
(1) Trademarks		5,021,050		7,414,723		5,023,339	
(2) Consolidation adjustment account		□		9,528,363		□	
(3) Other		175,094		285,894		201,245	
Total intangible fixed assets		5,196,145	28.5	17,228,981	43.8	5,224,585	18.5
3. Investments and other assets							
(1) Investment securities		3,593		591,503		553,767	
(2) Security deposits	* 2	574,514		909,207		629,953	
(3) Deferred tax assets		1,941,607		1,883,897		1,874,234	
(4) Other		414,495		423,387		393,369	
Allowance for bad debts		(-100,289)		(-103,244)		(-103,2404)	
Total investments and other assets		2,833,922	15.6	3,704,751	9.4	3,348,082	11.9
Total fixed assets		8,905,585	48.9	23,260,781	59.1	9,660,007	34.2
Total assets		18,208,025	100.0	39,359,589	100.0	28,258,867	100.0

Category	Note No.	End of prior consolidated interim accounting period (Feb. 28, 2005)		End of current consolidated interim accounting period (Feb. 28, 2006)		Prior consolidated fiscal year Summary consolidated balance sheet (Aug. 31, 2005)	
		Amount (¥000)	(%)	Amount (¥000)	(%)	Amount (¥000)	(%)
(Liabilities)							
I Current liabilities							
1. Accounts payable	* 2	2,614,223		3,443,078		2,776,914	
2. Short-term debt		380,000		1,039,280		□	
3. Long-term debt scheduled to be repaid within a year		1,410,883		2,100,493		1,371,024	
4. Accrued amount payable		1,095,164		1,652,929		1,003,806	
5. Accrued corporate taxes		895,014		695,280		905,975	
6. Allowance for bonuses		299,872		374,379		400,633	
7. Other		283,656		493,610		406,546	
Total current liabilities		6,978,815	38.3	9,799,053	24.9	6,864,900	24.3
II Fixed liabilities							
1. Long-term debt		4,816,669		9,918,577		4,594,529	
2. Deferred tax liability		—		1,039,901		—	
3. Allowance for directors' retirement bonuses		132,910		170,130		151,410	
4. Consolidation adjustment account		327,138		—		280,404	
5. Other		109,386		661,270		114,000	
Total fixed liabilities		5,386,105	29.6	11,789,878	30.0	5,140,344	18.2
Total liabilities		12,364,920	67.9	21,588,932	54.9	12,005,245	42.5
(Minority interest)							
Minority interest		14,860	0.1	15,692	0.0	6,481	0.0
(Shareholders' equity)							
I Capital							
Capital		2,560,060	14.1	6,332,448	16.1	6,314,668	22.3
II Capital surplus							
Capital surplus		2,475,060	13.5	7,919,272	20.1	7,901,492	28.0
III Retained earnings							
Retained earnings		1,014,992	5.6	3,652,120	9.3	2,333,397	8.3
IV Other marketable securities valuation difference							
Other marketable securities valuation difference		9	0.0	142	0.0	66	0.0
V Foreign exchange translation adjustment account							
Foreign exchange translation adjustment account		(-221,876)	(-1.2)	(-149,017)	(-0.4)	(-302,483)	(-1.1)
Total shareholders' equity		5,828,244	32.0	17,754,965	45.1	16,247,140	57.5
Total liabilities, minority interest, and shareholders' equity		18,208,025	100.0	39,359,589	100.0	28,258,867	100.0

(2) Consolidated Interim Income Statement

Category	Note No.	Prior consolidated interim accounting period (Sept. 1, 2004 - Feb. 28, 2005)		Current consolidated interim accounting period (Sept. 1, 2005 - Feb. 28, 2006)		Prior consolidated fiscal year Summary consolidated income statement (Sept. 1, 2004 - Aug. 31, 2005)					
		Amount (¥000)	(%)	Amount (¥000)	(%)	Amount (¥000)	(%)				
I Net sales			18,160,657	100.0		21,365,723	100.0		35,646,203	100.0	
II Cost of sales			8,455,844	46.6		9,686,164	45.3		16,438,982	46.1	
Gross profit			9,704,813	53.4		11,679,559	54.7		19,207,221	53.9	
III Selling, general and administrative expenses	*1		7,053,159	38.8		9,199,807	43.1		14,563,045	40.9	
Operating income			2,651,654	14.6		2,479,752	11.6		4,644,175	13.0	
IV Non-operating income											
1. Foreign exchange gain			—			278,795			97,376		
2. Amortization of consolidation adjustment account			46,734			28,521			93,468		
3. Other			6,041	52,775	0.3	6,012	313,329	1.5	11,470	202,315	0.6
V Non-operating expenses											
1. Interest paid			65,930			121,922			137,903		
2. New stock issuance expenses			—			1,767			43,467		
3. Listing expenses			—			—			32,633		
4. Foreign exchange loss			226,555			—			—		
5. Other			66,463	358,949	2.0	8,934	132,624	0.6	29,924	243,928	0.7
Ordinary income				2,345,479	12.9		2,660,457	12.5		4,602,562	12.9
VI Extraordinary income											
1. Gain on sales of investment securities			—	—	—	—	—	—	112	112	0.0
VII Extraordinary loss											
1. Loss on sales and disposal of fixed assets	*2		2,345			101,282			48,693		
2. Valuation loss on investment securities			5,000			—			5,000		
3. Loss on product disposal			18,513			1,776			20,192		
4. Loss on lease cancellations			12,969			23,819			47,509		
5. Loss on liquidation of affiliates			42,883			—			33,543		
6. Additional tax on unpaid withholding taxes			27,019			—			—		
7. Loss on disposition of borrowing expenses	*3		—			—			91,558		
8. Other			7,519	116,250	0.6	41,567	168,445	0.8	15,479	261,977	0.7
Interim (annual) net income before adjusting for taxes, etc.				2,229,229	12.3		2,492,011	11.7		4,340,697	12.2
Corporate taxes, local taxes, and business taxes			1,306,719			1,349,256			2,425,464		
Corporate tax adjustment			(-339,124)	967,594	5.3	(-365,217)	984,039	4.6	(-655,862)	1,769,601	4.9
Profit or loss of minority interest				(-5,990)	(-0.0)		8,020	0.0		(-14,935)	(-0.0)
Interim (annual) net income				1,267,625	7.0		1,499,952	7.1		2,586,031	7.3

(3) Consolidated Interim Statement of Surpluses

		Prior consolidated interim accounting period (Sept. 1, 2004 - Feb. 28, 2005)		Current consolidated interim accounting period (Sept. 1, 2005 - Feb. 28, 2006)		Prior consolidated fiscal yr Consolidated statement of surpluses (Sept. 1, 2004 – Aug. 31, 2005)	
Category	Note No.	Amount (¥000)		Amount (¥000)		Amount (¥000)	
(Capital surplus)							
I Capital surplus balance at beginning of term			2,457,420		7,901,492		2,457,420
II Increase in capital surplus							
1. Issuance of new stock by capital increase		—		—		5,423,044	
2. Issuance of new stock by the exercise of stock options		17,640	17,640	17,780	17,780	21,028	5,444,072
III Capital surplus balance at the end of the interim period (year)			2,475,060		7,919,272		7,901,492
(Retained earnings)							
I Retained earnings at beginning of term			(-115,883)		2,333,397		(-115,883)
II Increase in retained earnings							
1. Interim (annual) net income		1,267,625	1,267,625	1,499,952	1,499,952	2,586,031	2,586,031
III Decrease in retained earnings							
1. Dividends		71,250		91,230		71,250	
2. Director's bonuses		65,500	136,750	90,000	181,230	65,500	136,750
IV Balance of retained earnings at the end of the interim period (year)			1,014,992		3,652,120		2,333,397

(4) Consolidated Interim Cash Flow Statement

		Prior consolidated interim accounting period (Sept. 1, 2004 - Feb. 28, 2005)	Current consolidated interim accounting period (Sept. 1, 2005 - Feb. 28, 2006)	Prior consolidated fiscal year Summary cash flow statement (Sept. 1, 2004 - Aug. 31, 2005)
Category	Note No.	Amount (¥000)	Amount (¥000)	Amount (¥000)
I Cash flow from operating activities				
Interim (annual) net income before adjusting for taxes, etc.		2,229,229	2,492,011	4,340,697
Depreciation and amortization		162,539	236,346	340,728
Amortization of consolidation adjustment account		(-46,734)	(-534)	(-93,468)
Increase in allowance for directors' retirement bonuses		28,180	18,720	46,680
Increase or decrease in allowance for bonuses (increase: -)		187,999	(-41,712)	274,947
Increase in allowance for bad debts		2,466	119,885	18,755
Interest and dividend income		(-53)	(-718)	(-603)
Interest paid		65,930	121,922	137,903
Foreign exchange gain/loss		322,706	(-262,919)	20,759
Trademarks amortization		300,156	358,112	595,364
New stock issuance expenses		-	1,767	43,467
Listing expenses		-	-	32,633
Gain on sales of investment securities		-	-	(-112)
Loss on product disposal		18,513	1,776	20,192
Loss on sales and disposal of tangible fixed assets		2,344	101,282	48,693
Valuation loss on investment securities		5,000	-	5,000
Loss on lease cancellations		12,969	23,819	47,509
Loss on liquidation of affiliates		42,883	-	33,543
Loss on disposition of borrowing expenses		-	-	91,558
Increase or decrease in accounts receivable (increase: -)		293,094	830,496	(-674,067)
Increase in inventory		(-224,165)	(-841,632)	(-178,598)
Increase or decrease in purchase liabilities (decrease: -)		(-247,019)	119,446	(-154,581)
Increase or decrease in accrued expenses (decrease: -)		(-42,140)	50,103	(-43,123)
Increase or decrease in accrued consumption taxes, etc. (decrease: -)		(-23,542)	(-71,411)	23,056
directors' bonuses paid		(-65,500)	(-90,000)	(-65,500)
Other		(-73,418)	(-395,236)	469,869
Subtotal		2,951,441	2,771,524	5,381,306
Interest and dividends received		53	694	554
Interest paid		(-49,301)	(-119,317)	(-133,348)
Payment for lease cancellations		(-12,969)	(-23,819)	(-40,945)
Payment of corporate taxes, etc.		(-867,478)	(-1,755,835)	(-1,785,943)
Other		(-4,126)	(-293,698)	(-96,406)
Cash flow from operating activities		2,017,618	579,548	3,325,216

		Prior consolidated interim accounting period (Sept. 1, 2004 - Feb. 28, 2005)	Current consolidated interim accounting period (Sept. 1, 2005 - Feb. 28, 2006)	Prior consolidated fiscal year Summary cash flow statement (Sept. 1, 2004 - Aug. 31, 2005)
Category	Note No.	Amount (¥000)	Amount (¥000)	Amount (¥000)
II Cash flow from investing activities				
Cash used for time deposits		—	—	(-1,984)
Cash used to acquire tangible fixed assets		(-192,427)	(-829,351)	(-517,731)
Proceeds from sales of tangible fixed assets		34,346	14,647	16,326
Cash used to acquire intangible fixed assets		(-69,941)	(-154,196)	(-122,350)
Cash used to acquire investment securities		(-3,529)	(-400)	(-2,543,276)
Proceeds from sales of investment securities		—	—	2,004,110
Cash used by consolidated subsidiaries to acquire stock		—	(-6,896,789)	—
Payment by loans		(-17,477)	(-549)	(-4,131)
Loans collected		1,221	3,200	1,843
Cash used to acquire memberships		—	—	(-13,150)
Cash used to acquire subsidiary stock due to a change in the scope of consolidation		—	(-5,018,815)	—
Other		(-57,131)	(-38,232)	(-108,402)
Cash flow from investing activities		(-304,938)	(-12,920,488)	(-1,288,745)
III Cash flow from financing activities				
Net increase or decrease in short-term debt (decrease: -)		21,539	572,474	(-355,505)
Cash from long-term debt		2,350,000	6,417,135	4,056,855
Cash used to repay long-term debt		(-3,456,270)	(-662,651)	(-5,585,717)
Dividends paid		(-71,250)	(-90,474)	(-71,250)
Proceeds from stock issuance		34,044	33,792	9,170,847
Proceeds from minority interests		6,568	—	6,568
Listing expenditures		—	—	(-32,633)
Cash flow from financing activities		(-1,115,366)	6,270,275	7,189,165
IV Effect of currency rate translation on cash and cash equivalents		(-121,047)	21,296	(-154,943)
V Increase or decrease in cash and cash equivalents (increase: -)		476,264	(-6,049,367)	9,070,691
VI Balance of cash and cash equivalents at the beginning of the term		1,700,396	10,818,369	1,700,396
VII Effect of the change in scope of consolidation on cash and cash equivalents		49,350	—	47,281
VIII Balance of cash and cash equivalents at the end of the interim (year)		2,226,010	4,769,002	10,818,369