



3rd Quarter of the Fiscal Year ending December 31, 2021 Summary of Financial Results

November 12, 2021

YMIRLINK, Inc.

Security identifier code: 4372

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1. Company overview

About company

The origin of our name

“Ymir” is the first giant in Norse mythology and a symbol of creation.

“Link” represents connection.

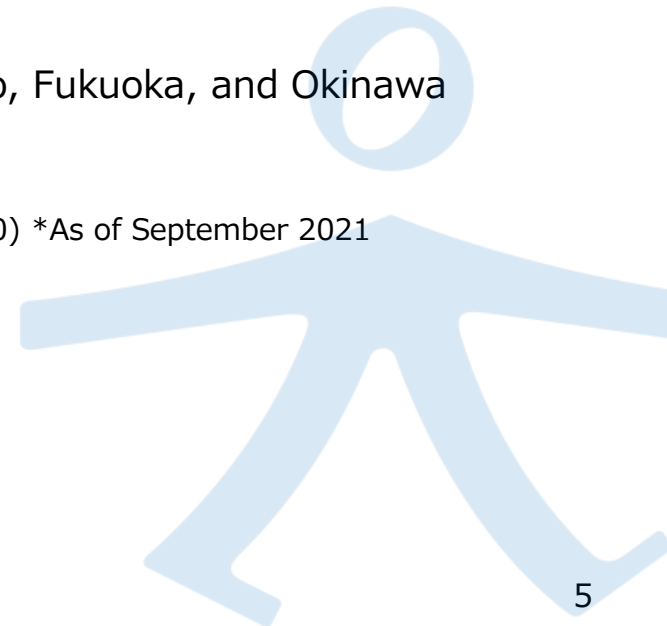
As the origin of the company name suggests,
YMIRLINK is a company that **creates connections.**




Company overview

Provider of a SaaS format messaging solution “Cuenote”

Company name	YMIRLINK, Inc.
Security identifier code	4372 (Tokyo Stock Exchange Mothers)
Date of establishment	July 1999
Representative	Wataru Shimizu, President and CEO
Address	Tokyo (Head Office): Odakyu Southern Tower 12F, 2-2-1, Yoyogi, Shibuya-ku, Tokyo Osaka (Branch Office): Pacific Marks Nishi-Umeda 7F, 2-6-20, Umeda, Kita-ku, Osaka-shi, Osaka Other offices (development bases) in Sapporo, Fukuoka, and Okinawa
Capital	273 million yen
Number of employees	110 (Full-time employees: 110, temporary employees: 0) *As of September 2021
Business	Messaging solution business

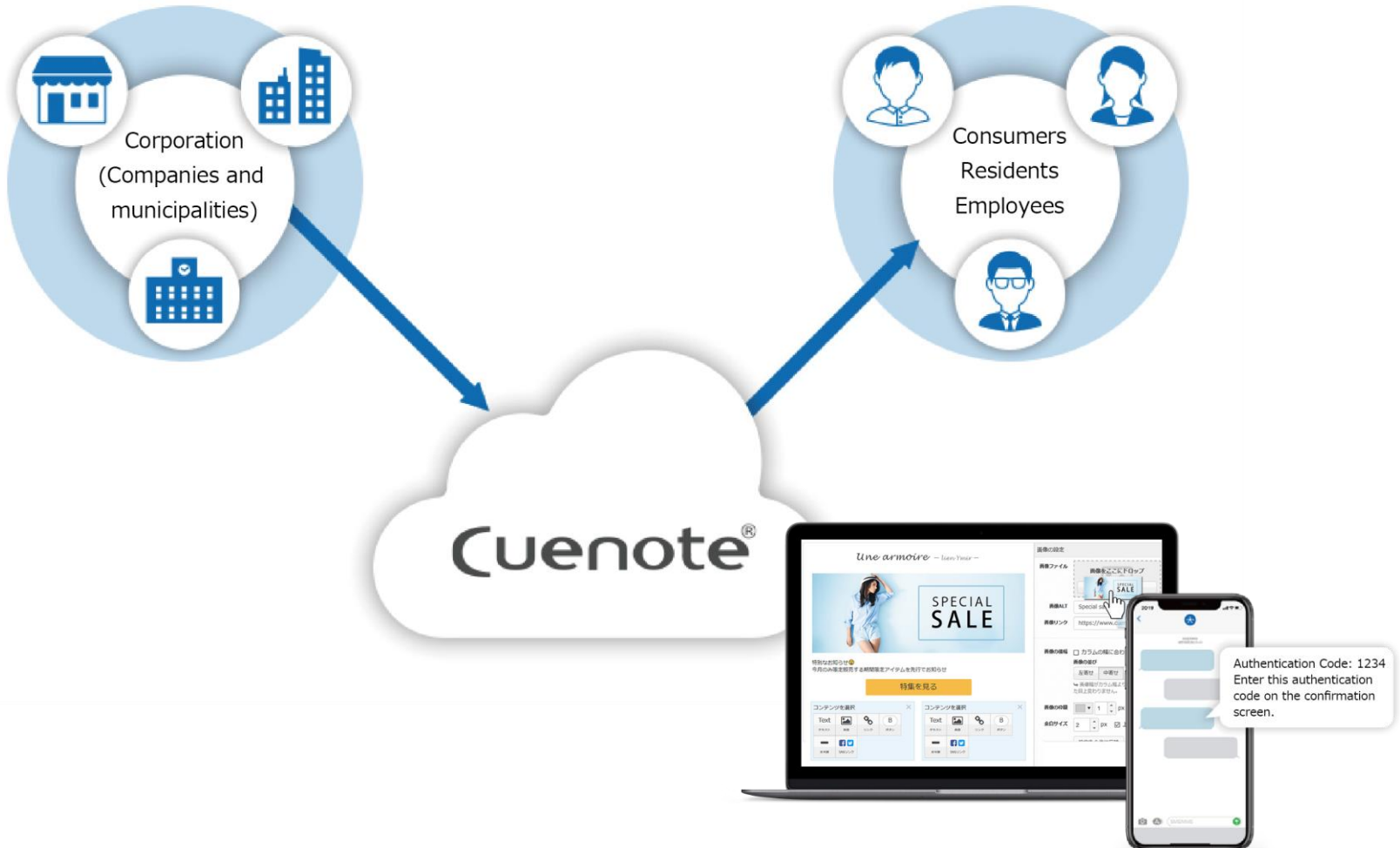


Corporate history

- 
- 1999** Established by students who met through the Internet as a limited liability company that undertook production work for corporate websites and web systems
 - 2000** Reorganized as a stock company, subcontracted to undertake system development for online communities (such as bulletin board and online chat), and software development for email delivery system
 - 2002** Capital participation of CyberAgent as the largest stockholder. Engaged in development and operation of advertisement management system and campaign system of the group
 - 2003** Independently developed high-speed email delivery engine, launched email delivery ASP service, and gradually expanded clients
 - 2005** Cybozu became the largest stockholder
Business transition from contracted system development to a service-based model, including messaging solution business
 - 2006** Formed business partnership with Itec Hanshin (currently Itec Hankyu Hanshin)
 - 2007** Terminated some services to concentrate management resources
 - 2009** Unified products under **Cuenote[®]** brand
 - 2011** Itec Hankyu Hanshin became the largest stockholder, Osaka Branch Office opened for business expansion
 - 2013** Launched Cuenote Survey, SaaS-type survey service
 - 2016** Opened Okinawa Office as a development base
 - 2018** Opened offices in Fukuoka and Sapporo as development bases
Launched Cuenote SMS
 - 2019** Launched Cuenote safety confirmation service
 - 2020** Relocated Osaka Branch Office for business expansion
 - 2021** Listed on the Tokyo Stock Exchange Mothers Index

Messaging solution (Cuenote) business

Provides cloud services to support marketing and communication such as transmission, collection and analysis of information utilizing the Internet (web, email, applications, etc.)



Email delivery system

Cuenote® FC



Includes large-scale,
high-speed delivery performance
and extensive marketing functions

Email relay server

Cuenote® SR-S



Relays SMTP through DNS settings
Solves email delivery delay and non-delivery
Includes delivery error reason analysis
function

SMS delivery service

Cuenote® SMS



Authentication Code: 1234
Enter this authentication
code on the confirmation
screen.

Direct carrier access-type SMS delivery Service
Supports IVR and two-way communication
for sending from API and screen

Online survey and form system

Cuenote® Survey



Creates advanced surveys and
secure forms using a web browser
Supports flexible design and
multiple languages

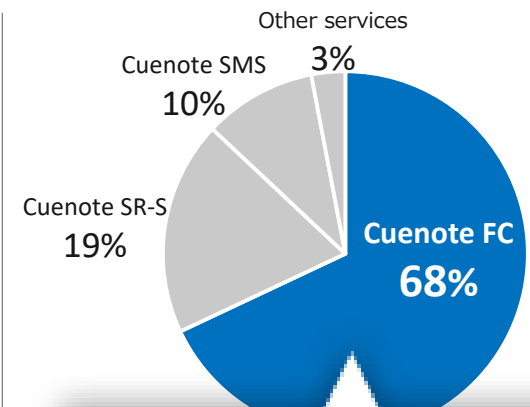
Safety confirmation service

Safety confirmation service

Cuenote®



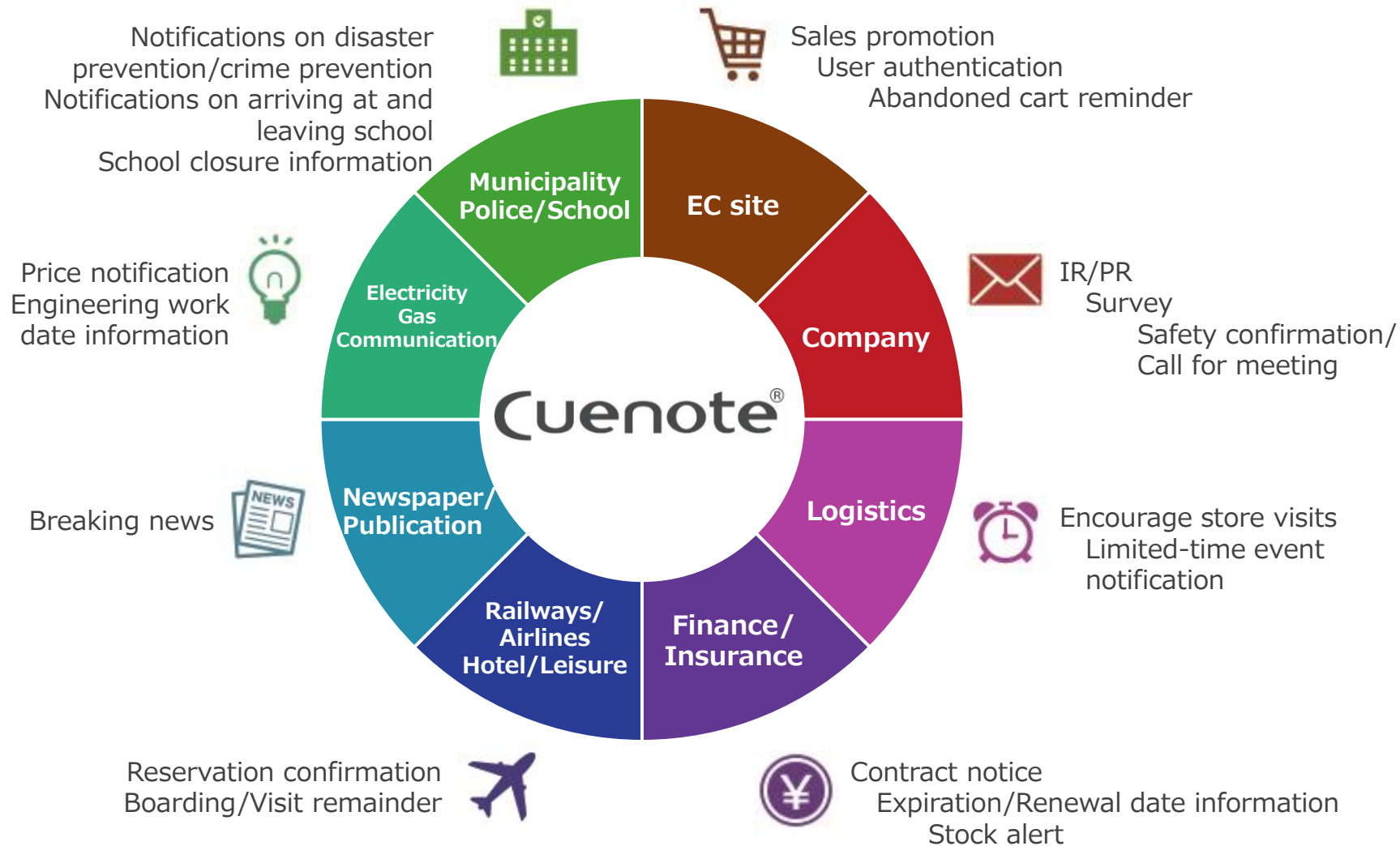
Linked with weather information,
in the event of disaster it automatically
confirms safety status of the employees
in the affected area



Cuenote FC is our key product,
accounting for **68%** of company
sales (Cumulative total for the third
quarter of FY2021)

Where is Cuenote used?

In addition to promotional use, it is used for a variety of purposes and industries



Clients of Cuenote

Since its launch, Cuenote has gained popularity with many clients. Over 1,800 contracts

Tokyo Stock Exchange First Section/ Second Section						Listed companies that use Cuenote 190 companies
						
						
						
Unlisted						
						
						
						
						
						
Government offices						
						

2. Results of the 3rd quarter of the fiscal year ending December 31, 2021

Quarterly results

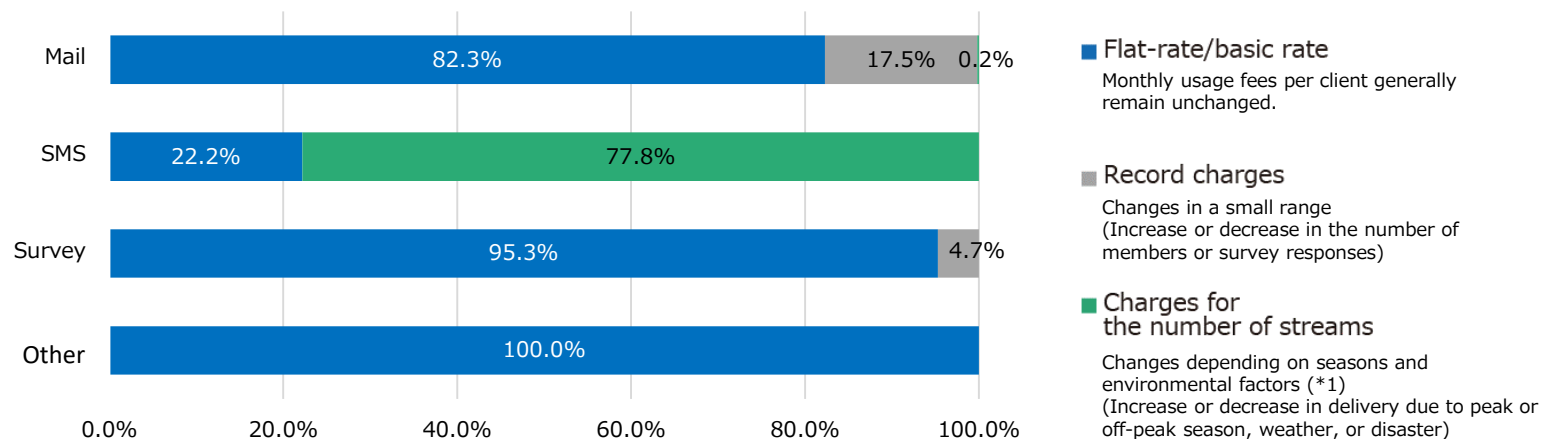
Sales classification

One-time-fee sales

One-time revenue such as initial setup sales and license sales at the time of service launch, and customization sales

Recurring fee sales

Revenue that is expected to continue, such as SaaS service usage sales and software maintenance sales
Different services and plans have different price determination factors.



Recurring fee sales ratio

(Note) The above recurring fee sales composition graph shows the actual results for the period from January to June 2021.

(*1) The monthly delivery charge sales from January to June 2021 for clients who continue to use SMS fluctuated within the range of a 41% decrease to an 84% increase compared to the six-month average for the same period.

Earnings summary

	Cumulative Results up to Q3 for the Fiscal Year ending December 31, 2021	Year-on-year comparison
Net sales	1,408 million yen	16.6 %
Operating profit	288 million yen	16.8 %
Current net profit	187 million yen	9.5 %
End-of-quarter MRR (*1)	162 million yen	22.6 %
Mail	139 million yen	13.1 %
SMS	18 million yen	274.9 %
Survey and other services	4 million yen	8.7 %

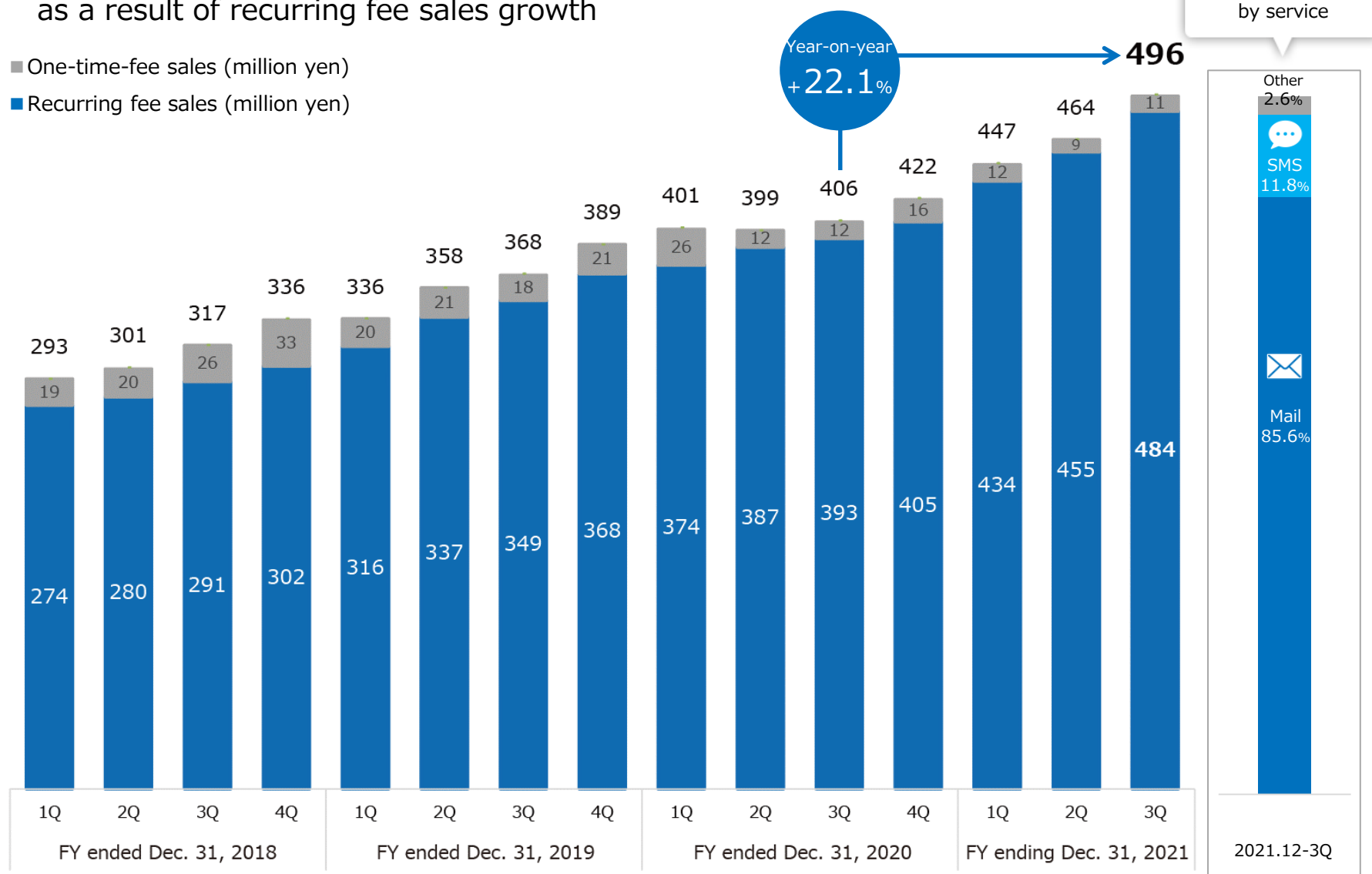
(*1) MRR (Monthly Recurring Revenue):

Revenue from contracts that stipulate services or use for a certain period of time, such as SaaS service usage sales and maintenance sales for purchase type software.

Quarterly sales history

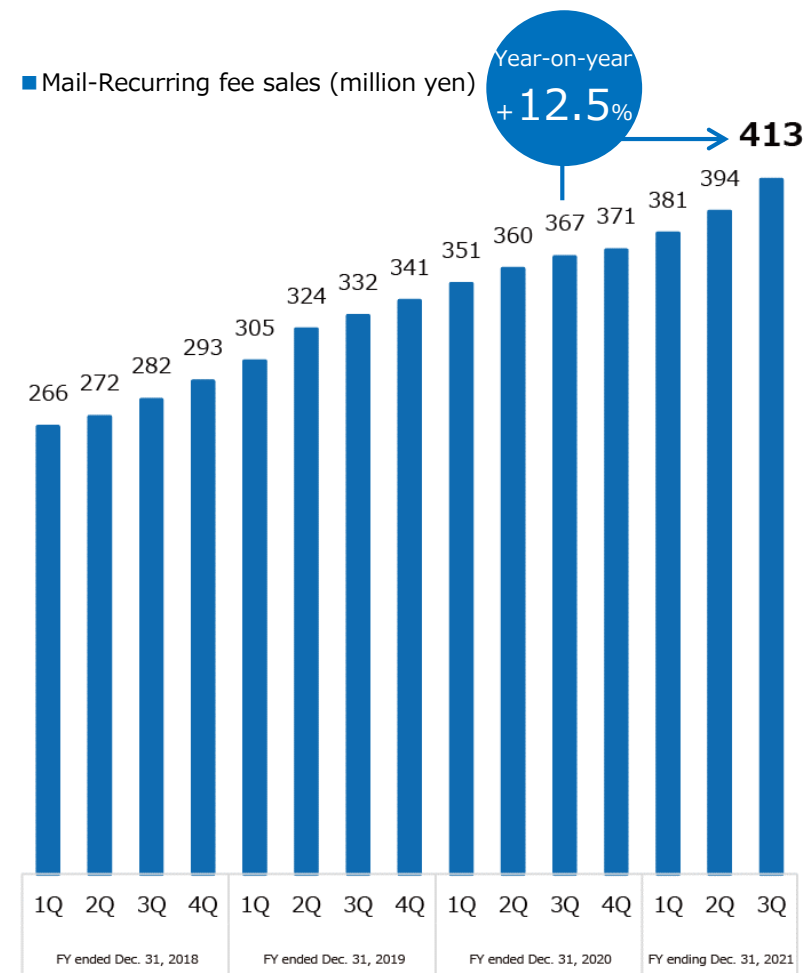
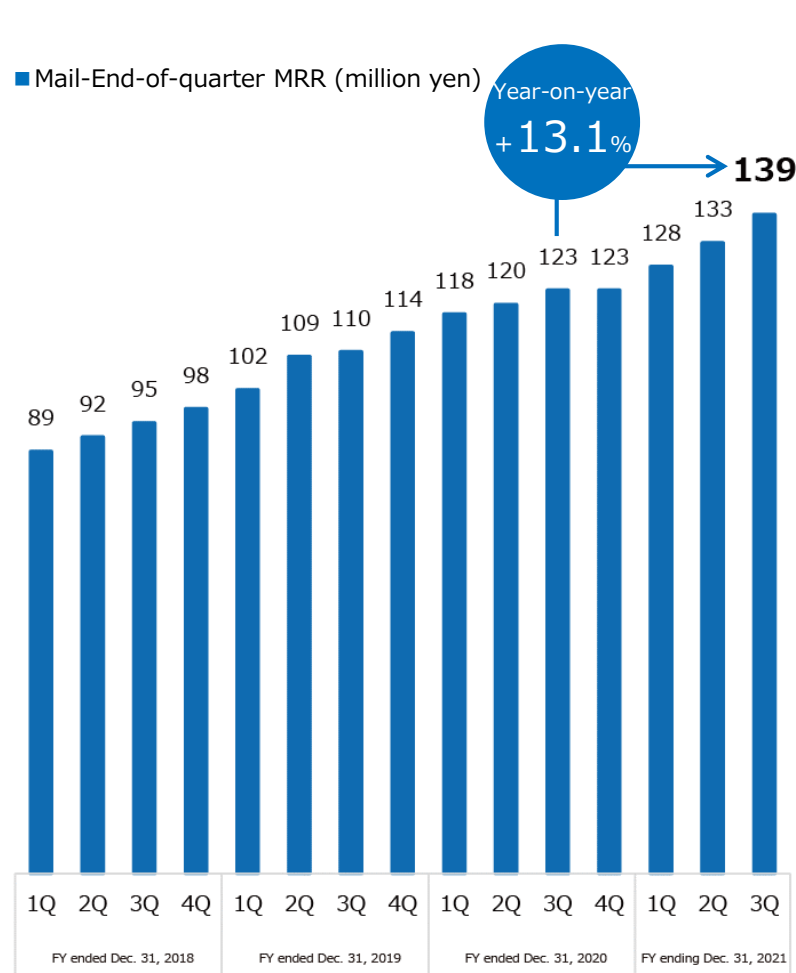
496 million yen, an increase of 22.1% from the same period in the previous year as a result of recurring fee sales growth

- One-time-fee sales (million yen)
- Recurring fee sales (million yen)



Mail End-of-quarter MRR (*1)/Quarterly recurring fee sales

End-of-quarter MRR increased by 16 million yen (13.1%) and Q3 recurring fee sales increased by 12.5% to 413 million yen from the same month previous year



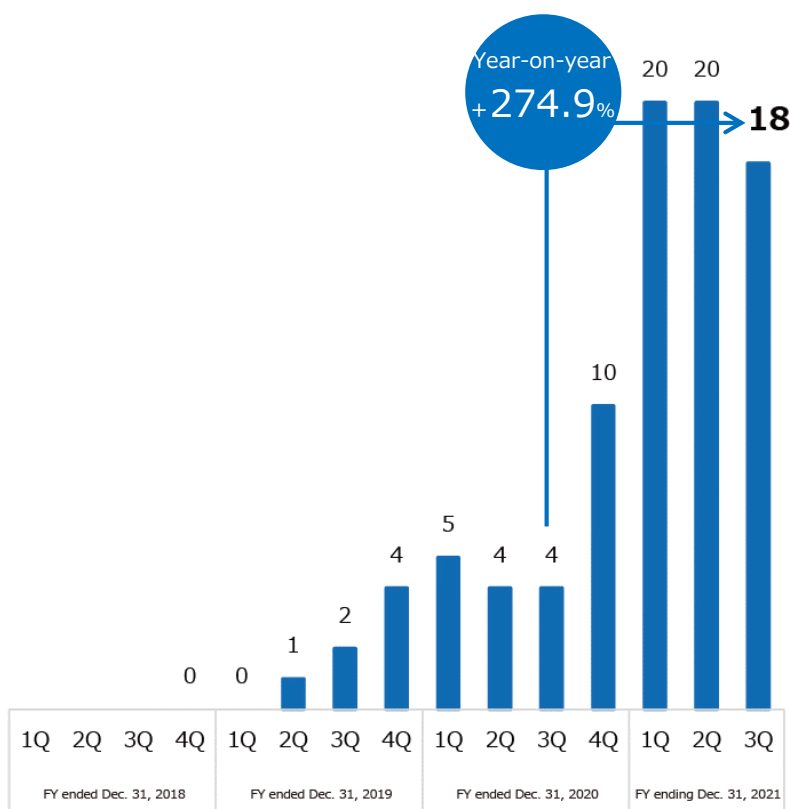
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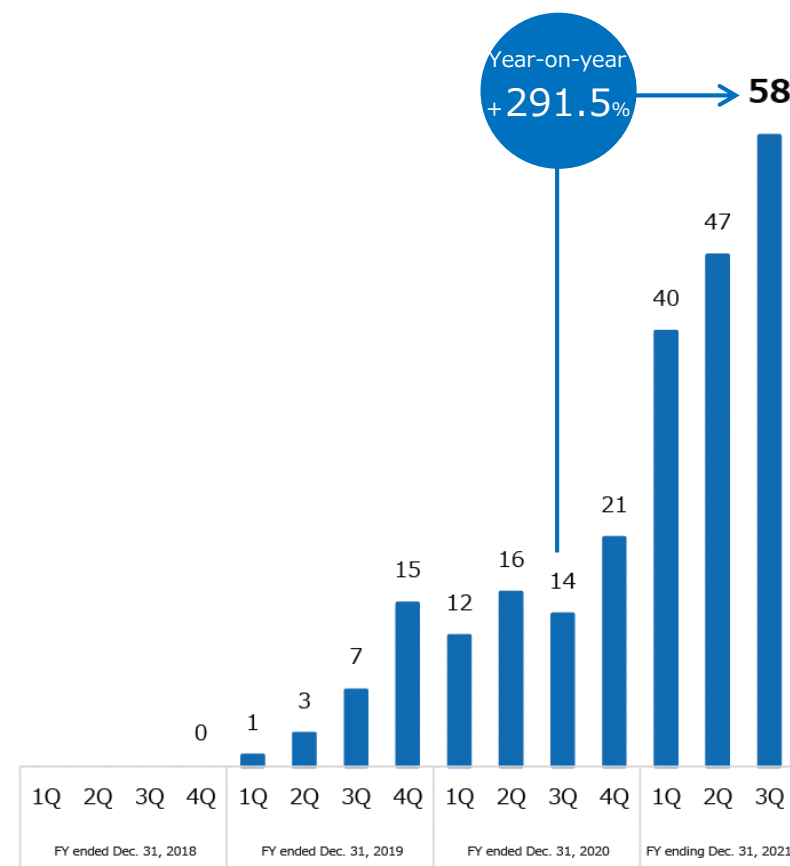
SMS End-of-quarter MRR/Quarterly recurring fee sales

End-of-quarter MRR increased as a result of acquisition of new clients and increase in the number of delivery for existing clients, and Q3 recurring fee sales increased by 291.5% to 58 million yen

■ SMS-End-of-quarter MRR (million yen)



■ SMS-Recurring fee sales (million yen)



(Note) Pay-per-use sales based on the number of delivery accounts for 77.8% of SMS service usage sales. (January to June 2021 results)

The number of monthly delivery may increase or decrease due to seasonal factors such as peak season and off-peak season or environmental factors such as climate and disasters.

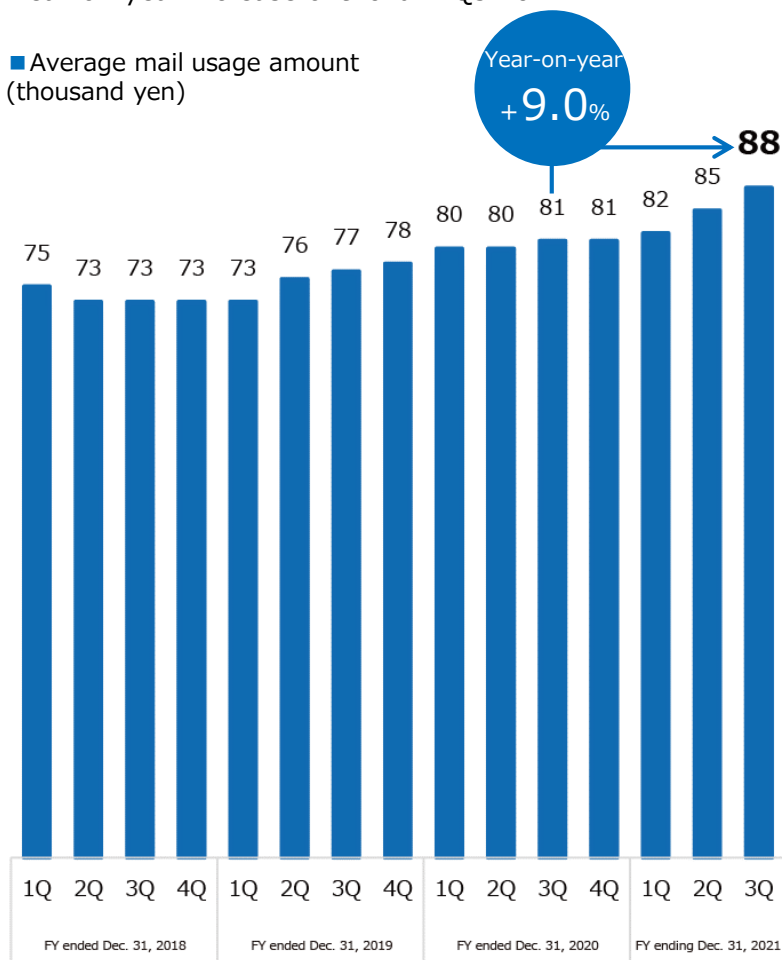
Average usage amount per contract (*1)

Mail

High-priced services, such as DR (disaster recovery) plan that utilizes multiple bases, selling well to push up the average usage amount per contract

Year-on-year increase of 9.0% in Q3 2021.

■ Average mail usage amount
(thousand yen)

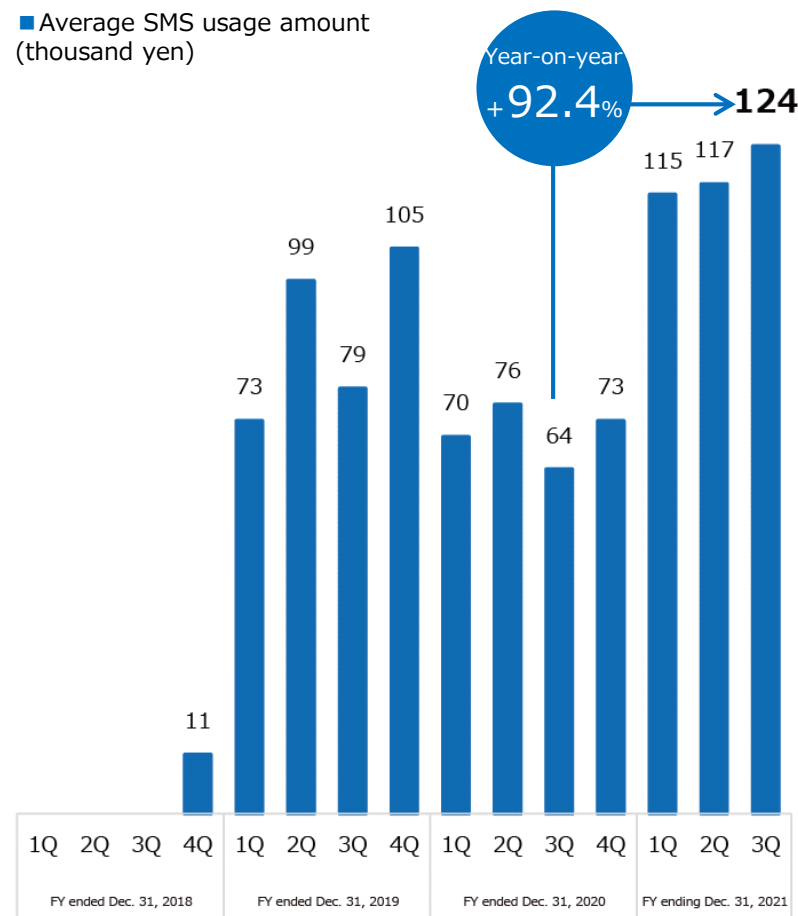


SMS

Increase in the number of monthly delivery for both new and existing clients

Year-on-year increase of 92.4% in Q3 2021.

■ Average SMS usage amount
(thousand yen)

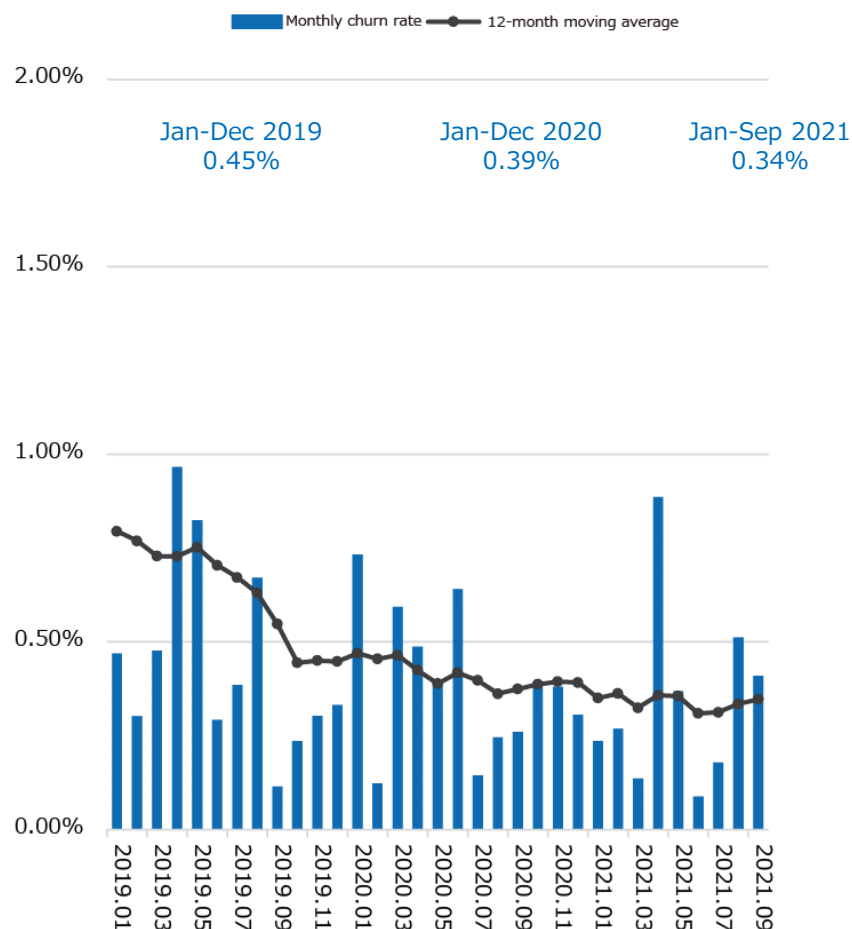


(*1) Temporary sales (One-time-fee sales) such as initial setting and customization are not included in the average usage amount per contract.
This is calculated by the formula: <Total quarterly recurring fee sales / Total number of quarterly contracts>.

Monthly churn rate

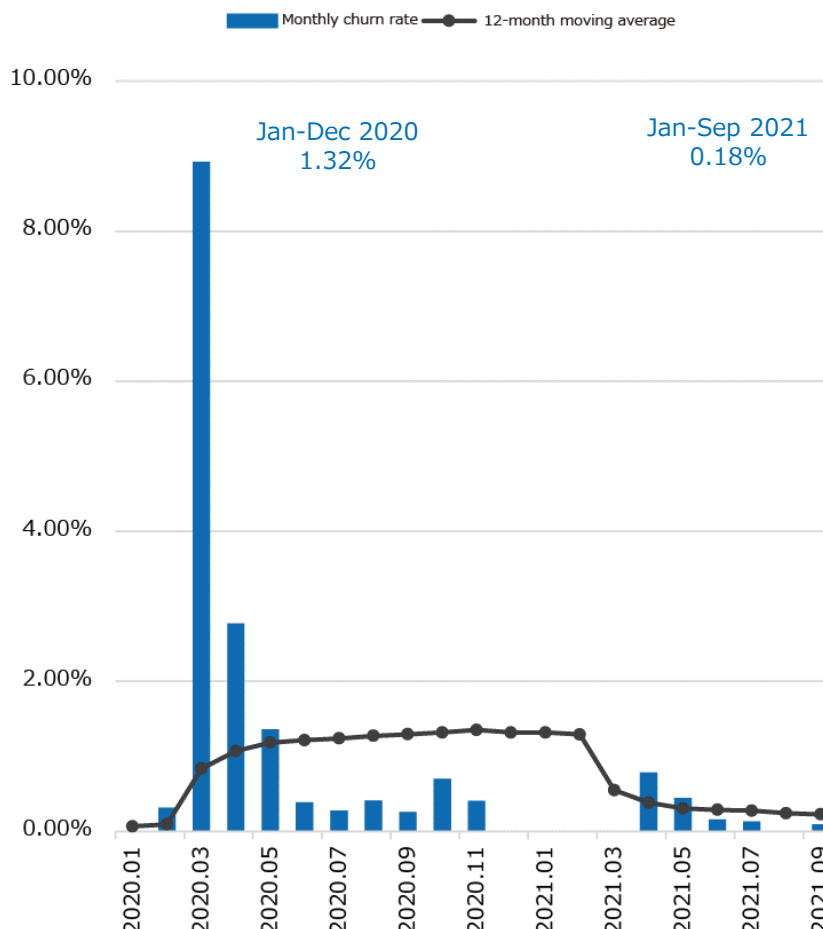
Mail (*1)

The monthly churn rate from January to September 2021 remained low at the average of 0.34%



SMS (*1)(*2)

The churn rate temporarily increased in March 2020, but then decreased. It remained low at 0.18% from January to September 2021



(*1) The churn rate is based on the revenue churn (amount based), and it is calculated by the formula: $\text{Churn Rate} = \frac{\text{Cancellation amount incurred in the month}}{\text{Contract amount at the beginning of the month}} \times 100$.

(*2) Since SMS is mostly pay-per-use based on the number of delivery and monthly usage amounts vary, the churn rate is calculated after determining the average usage amount before the clients left the service.

Income statement

	Cumulative results up to Q3 FY2020	Cumulative results up to Q3 FY2021	Year-on-year	Increase/decrease
Net sales	1,207 million yen	1,408 million yen	16.6 %	200 million yen
Cost of goods sold	352 million yen	460 million yen	30.6 %	107 million yen
Gross profit	854 million yen	947 million yen	10.9 %	92 million yen
Gross profit ratio	70.8 %	67.3 %	(3.5) pts.	— *1
Selling, general and administrative expenses	607 million yen	658 million yen	8.5 %	51 million yen
Operating profit	247 million yen	288 million yen	16.8 %	41 million yen
Operating profit ratio	20.5 %	20.5 %	0.0 pts.	—
Ordinary profit	250 million yen	273 million yen	9.2 %	22 million yen
Quarterly net profit	171 million yen	187 million yen	9.5 %	16 million yen
Quarterly net profit ratio	14.2 %	13.3 %	(0.9) pts.	— *2

*1 Increase in cost operating hours due to restraint on company-wide events as a measure against viral infections (23 million yen), decrease in SG&A operating hours (23 million yen)

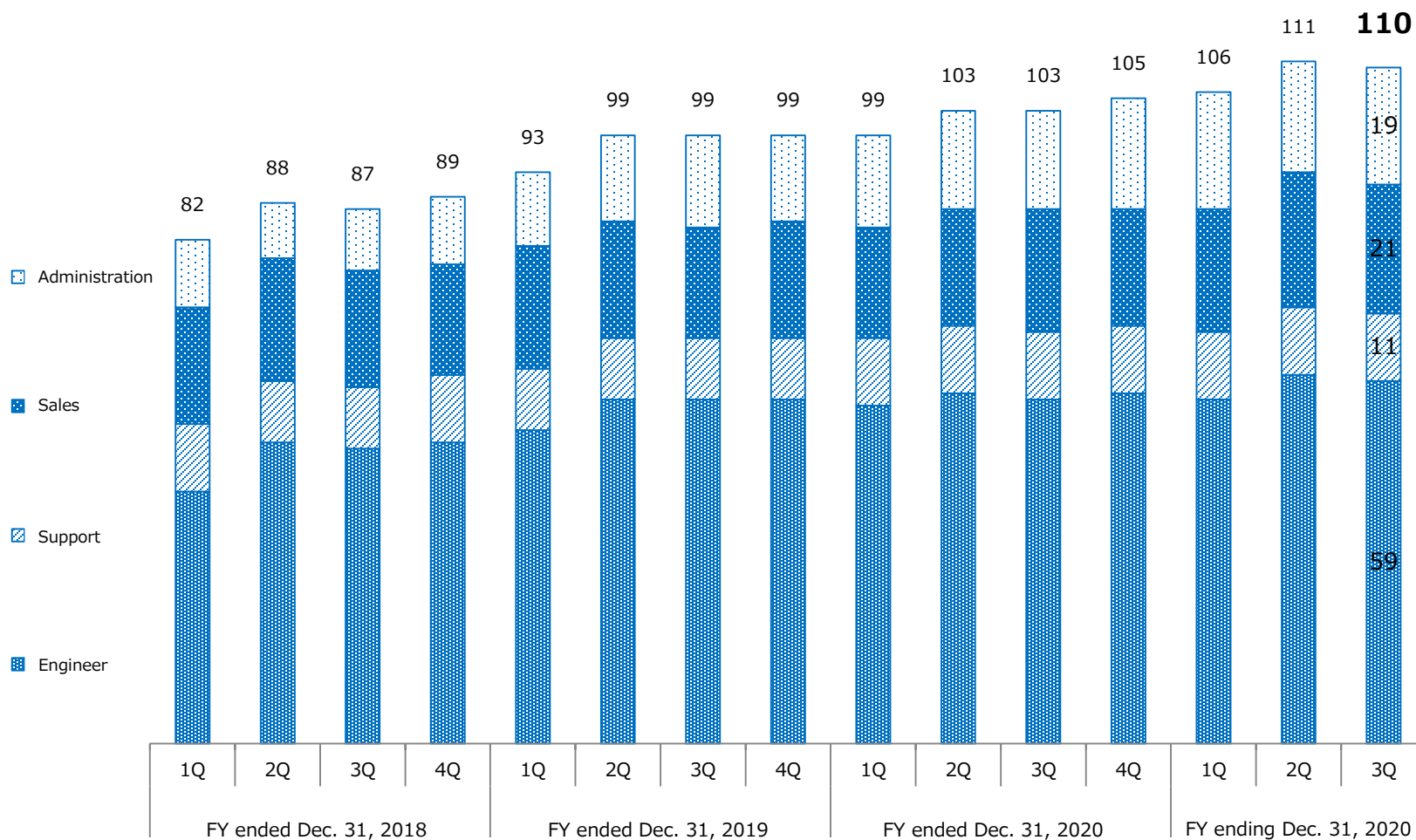
Increase in cost of goods sold for SMS as a result of acquisition of large clients (20 million yen)

*2 Decline in ordinary profit and quarterly net profit due to recording listing-related expenses as non-operating expenses (15 million yen)

Number of employees



Increase of 5 employees (Engineer position: 2/Sales position: 2/
Administrative position: 1) from the end of previous fiscal year



	End of FY2020	End of Q3 FY2021	Increase/decrease
Current assets	1,185 million yen	1,672 million yen	487 million yen(*2)
Fixed assets	257 million yen	285 million yen	28 million yen
Total assets	1,443 million yen	1,958 million yen	515 million yen
Current liabilities	333 million yen	354 million yen	20 million yen
Fixed liabilities	12 million yen	8 million yen	(4) million yen
Total liabilities	346 million yen	362 million yen	16 million yen
Total net assets	1,097 million yen	1,596 million yen	499 million yen
Equity ratio	76.0 %	81.5 %	5.5 pts.
Book value per share	308.66 yen (*1)	449.07 yen	140.42 yen

(*1) Each share of common stock was split into 100 shares as of April 30, 2021, and book value per share is calculated assuming that the said split was conducted at the beginning of the previous fiscal year.

(*2) Increase resulting from recording operating profit and public offering (311 million yen)

3. Full-year forecast for the fiscal year ending December 31, 2021

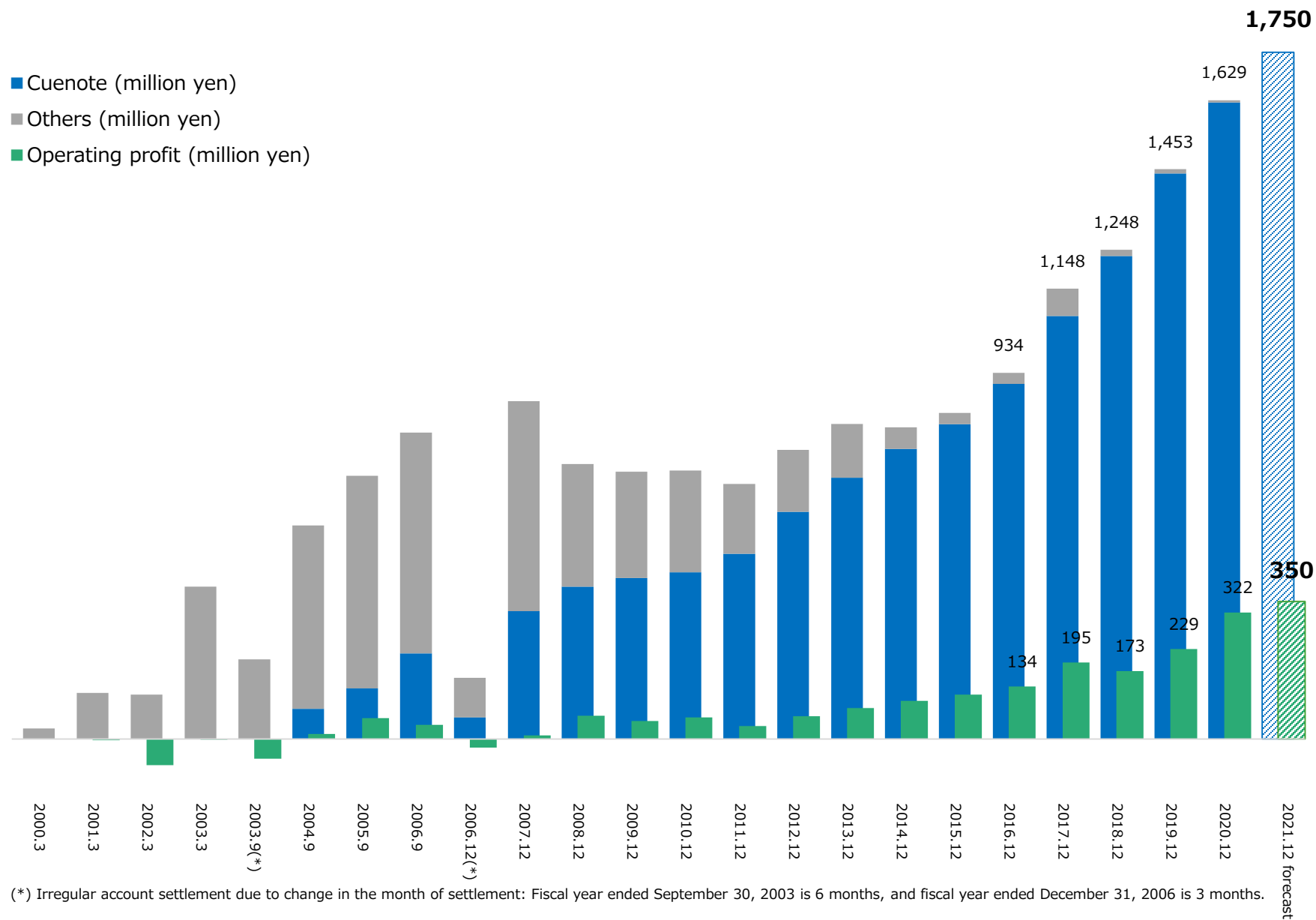
Earnings forecast

Full-year forecast and progress for the fiscal year ending December 31, 2021

 Favorable growth up to Q3 (cumulative) with over 80% progress compared to full-year forecast

	Full-year forecast FY2021	Cumulative results up to Q3 FY2021	Progress rate
Net sales	1,750 million yen	1,408 million yen	80.5 %
Operating profit	350 million yen	288 million yen	82.5 %
Operating profit ratio	20.0 %	20.5 %	—
Ordinary profit	324 million yen	273 million yen	84.1 %
Current net profit	222 million yen	187 million yen	84.5 %
Current net profit ratio	12.7 %	13.3 %	—

Business results development



Business risks, etc.

Dependence on a specific product

Risks

Net sales of the main product, email delivery system “Cuenote FC,” accounts for the majority of our total sales. We are a service provider for messaging solutions, but if the sales of “Cuenote FC” falls significantly due to intensifying competition with competing products and change in market environment, our performance may be significantly compromised.

Measures

Our policy to continue expanding sales of “Cuenote FC” does not change, but we are working to reduce this risk by striving to expand sales of the “Cuenote SMS” delivery service.

Information management system

Risks

Services we provide may include the registration of personal and confidential information held by client companies. In the event that important information assets are leaked to the outside, our business development, performance, and financial position may be affected by damage to the corporate image, loss of public trust, and claims for damages.

Measures

In order to protect these information assets, we established a personal information protection policy and information handling rules to manage and protect information assets appropriately following these policy and rules. In addition, we promote multi-layered reinforcement of information security measures by implementing management process through the acquisition of ISO/ISMS certificates as well as systematic measures such as firewall and countermeasure devices.

Recruitment and training of human resources

Risks

We recognize the importance of securing human resources with expertise in various specialized technologies for sustainable and long-term business development, and we are actively recruiting human resources. However, the circumstances are such that securing necessary human resources continuously is becoming more and more challenging due to the decrease in the working population and changes in industrial structure caused by the declining birthrate and aging population in Japan. Recruitment and personnel costs for securing human resources are rising at the same time. If the securing of necessary human resources does not proceed as planned, if personnel costs continue to rise, or if there is a mass exodus of existing engineers due to intensifying competition in the future, our business development, performance, and financial position may be compromised.

Measures

We strive to reduce this risk by actively recruiting and training human resources through a variety of media and methods.

By further promoting “messaging technology” and
“commercialization of software service,” and through
expansion of the SaaS business area,
we will improve our corporate value and shareholder value



Diversification

As communication tools become more diverse, so do the means of communication between companies and consumers

Improvement of operational efficiency

Platform for integral management of multiple communication channels is effective in improving marketing effectiveness and operational efficiency, and is now essential

Messaging platform

With measure automation and expansion of analysis function, we will establish Cuenote as a messaging platform

Cuenote[®]

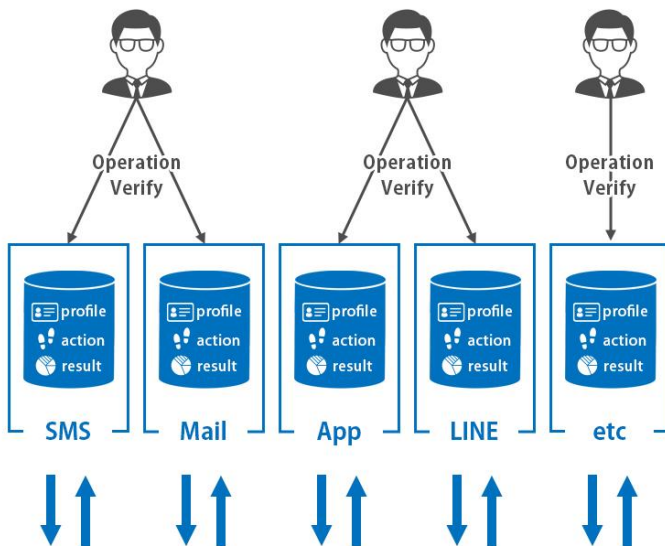
Role of a messaging platform

Background

Diversification of communication methods as a result of the evolution of consumers' lifestyles, and IT tools and technologies

Company

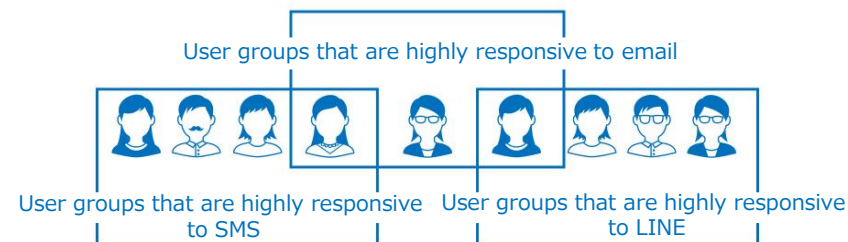
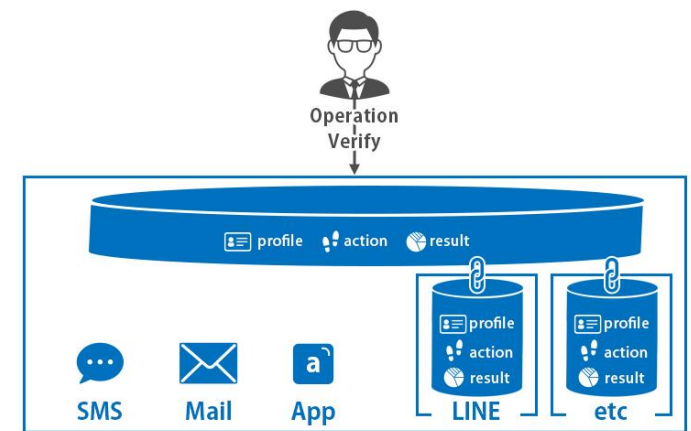
Marketing measures for each communication channel
More complex marketing activities, increased costs



Consumer

Increase in frequency and similarity of received information
Decline in loyalty, departure of customers

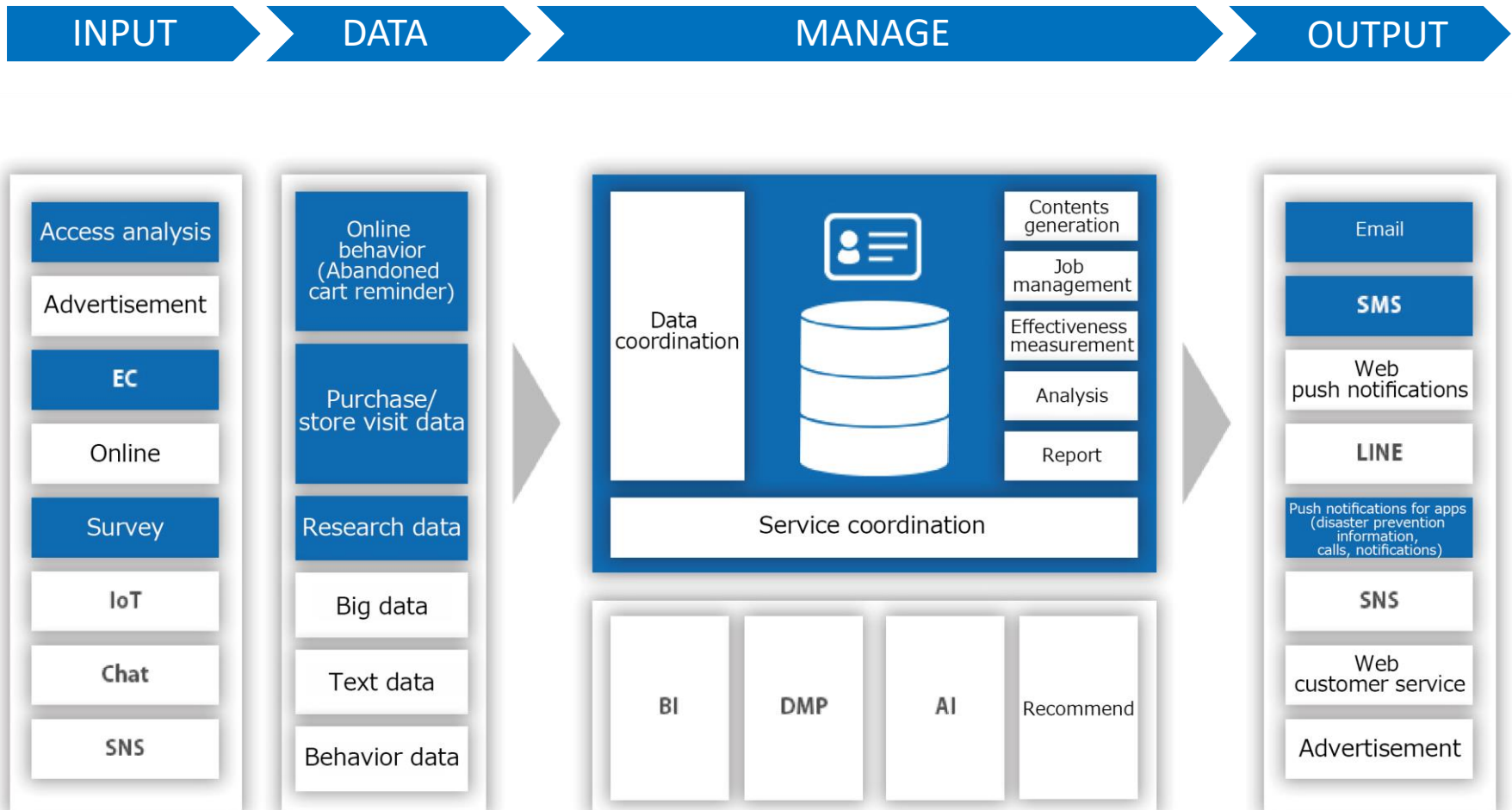
Improvement of the efficiency and sophistication of marketing activities
Realization of consistent or seamless communication
Improvement of effectiveness through user profile and behavior analysis



Receiving information with optimized frequency, amount and timing

Messaging platform conceptual diagram

Expand the areas to be covered through selection and concentration



Vision for future growth

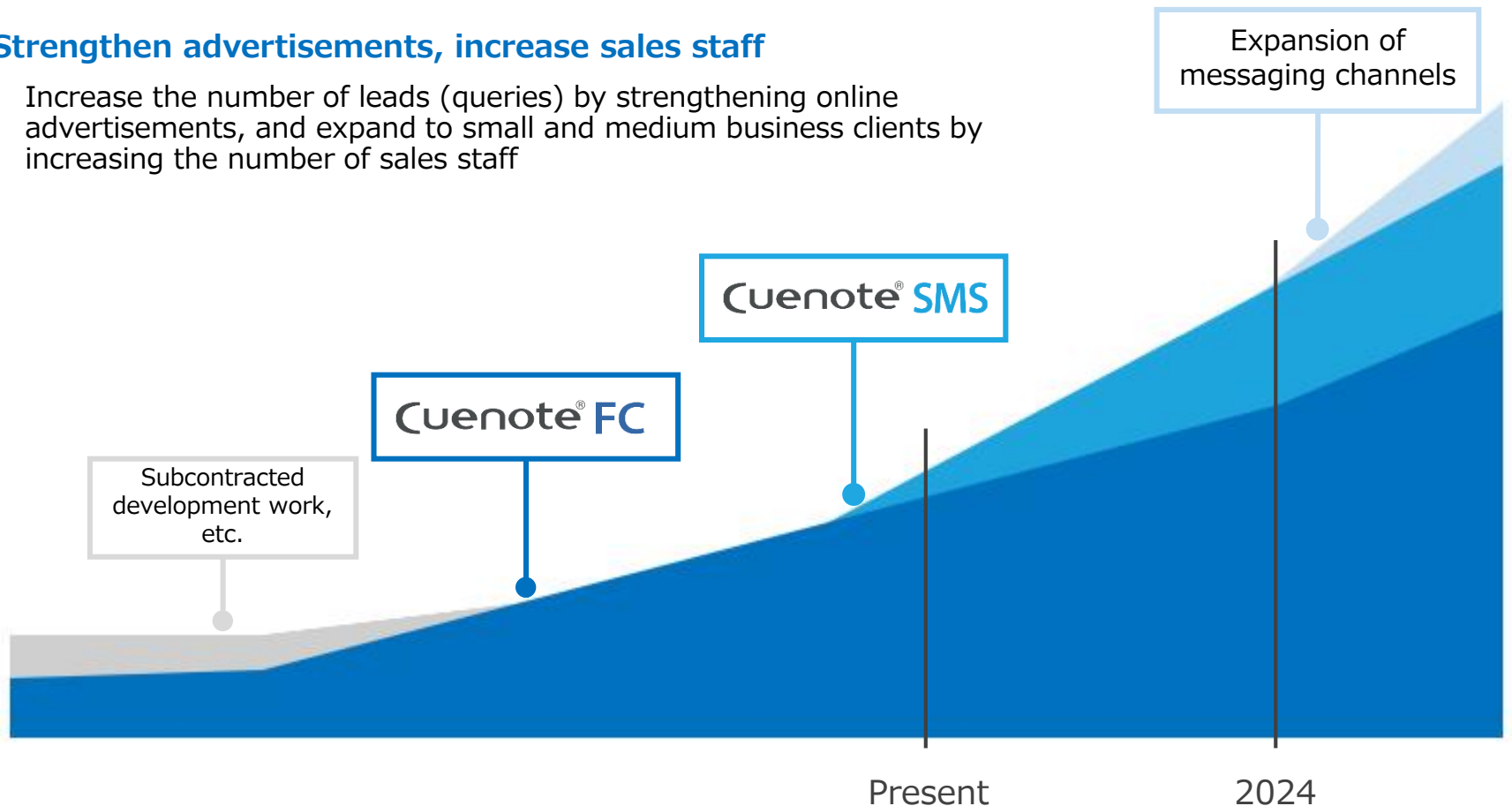
Continue to demonstrate excellent growth by expanding messaging channels (LINE, Web push, etc.) while continuing to strengthen growing email service

Increase of engineers

Strengthen by increasing the number of engineers in 2022-2023
Work on the development of a new messaging channel in 2023

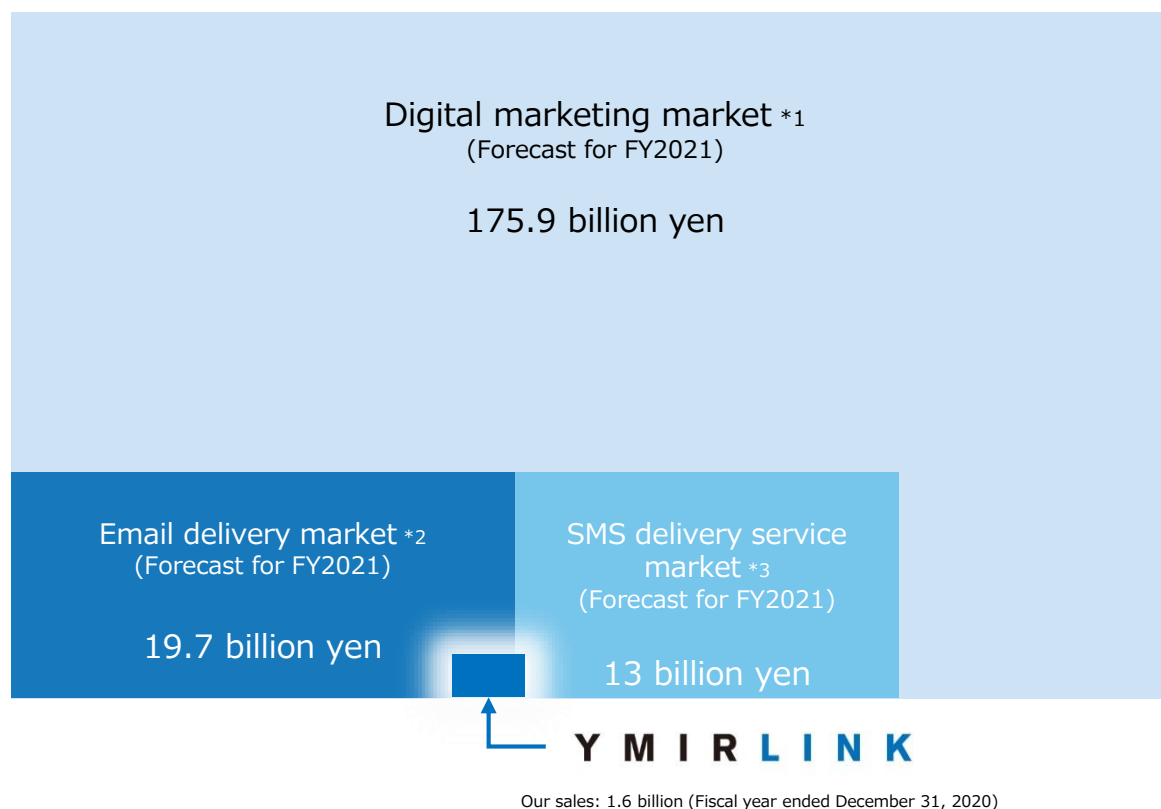
Strengthen advertisements, increase sales staff

Increase the number of leads (queries) by strengthening online advertisements, and expand to small and medium business clients by increasing the number of sales staff



Messaging platform

We believe that the shift in communication with consumers, from physical to digital, will further progress, and the market that we belong to has a lot of room for growth



(*1) Fuji Chimera Research Institute "Software New Market 2020 Edition" Digital marketing market (Forecast for FY2021)

(*2) ITR Corporation "ITR Market View: Email/Web marketing markets 2021" Email delivery market (Forecast for FY2021)

(*3) ITR Corporation "ITR Market View: EC site construction/CMS/SMS delivery service/E-contract service markets 2020" SMS delivery service market (Forecast for FY2021)

4. Appendix

Topics for Q3 2021 onwards

July

- Number of emails delivered per month exceeded 5.2 billion

September

- Listed on the Tokyo Stock Exchange Mothers Index
- Number of emails delivered per month exceeded 5.3 billion

October

- Co-hosted a seminar with Writeup Co., Ltd.
- Co-hosted a seminar with
GMO DIGITAL Lab K.K. and GMO MAKESHOP
- Published our client story on I-O Data Device, Inc.
- Published our client story on PERSOL WORKS DESIGN CO., LTD.

November

- Released a new version of Cuenote FC with updated My Page functions



Email delivery system

Cuenote[®] FC

November 9, 2021

Updated My Page functions

- Membership registration form can be created without using a code -

Improved functions that allow people without knowledge of HTML to create a membership registration form without using a code

Also, supported "responsive design" that optimizes the display according to the screen size of the device

[Allows for intuitive creation]



[Supports responsive design]



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Factors that could cause results to diverge from those described in these statements include but are not limited to changes in domestic and international economic conditions and trends in the industry in which we operate.

Additionally, information regarding matters and organizations other than YMIRLINK is based on publicly available information, and we have not verified and do not guarantee the accuracy and appropriateness of such publicly available information.

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