



First Quarter of the Fiscal Year Ending December 31, 2022 Summary of Financial Results

May 13, 2022

YMIRLINK, Inc.

Security identifier code: 4372

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1. Company Overview

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”

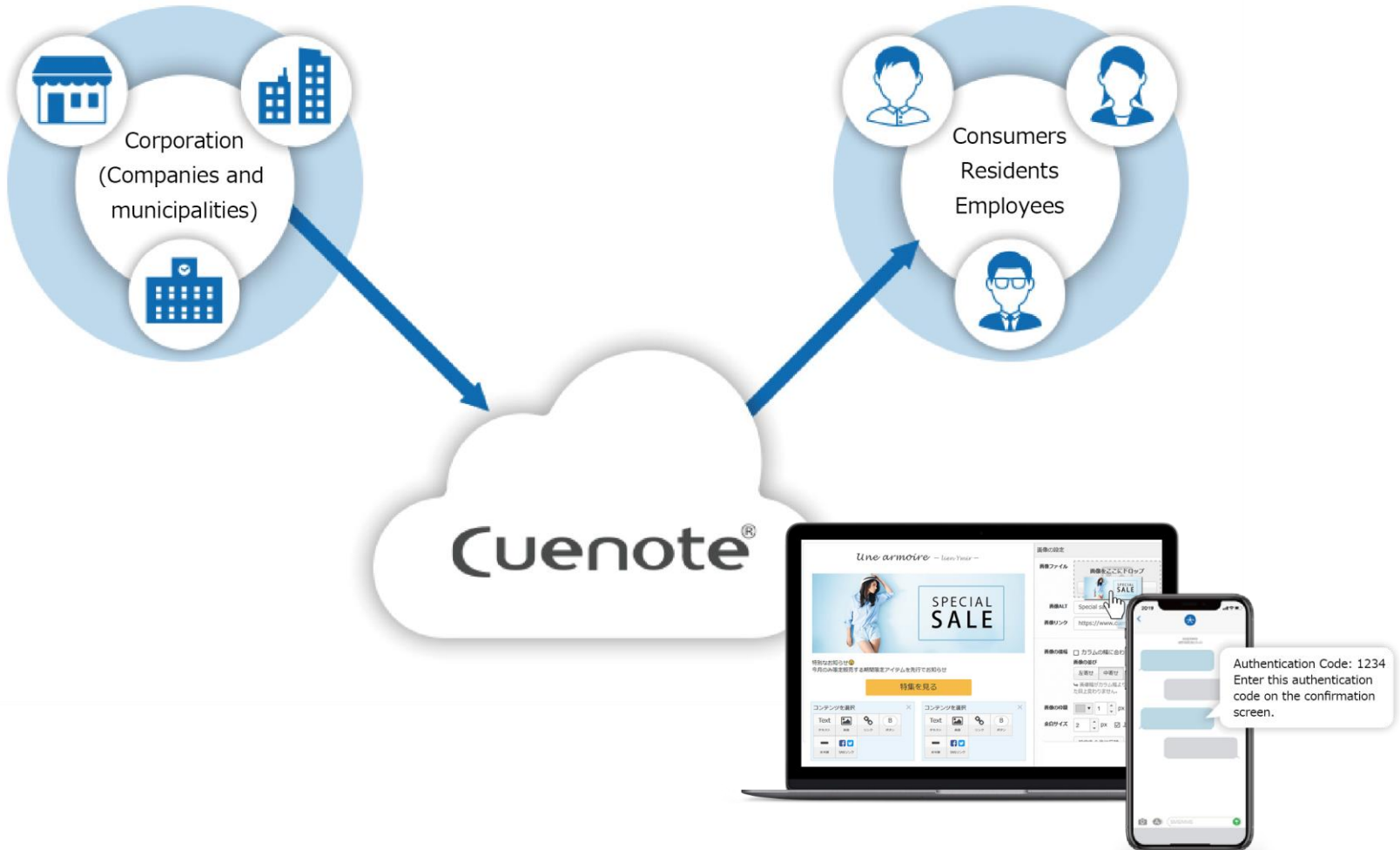
Company name	YMIRLINK, Inc.
Security identifier code	4372 (Tokyo Stock Exchange Growth)
Date of establishment	July 1999
Representative	Wataru Shimizu, President and CEO
Address	Tokyo (Head Office): Odakyu Southern Tower 12F, 2-2-1, Yoyogi, Shibuya-ku, Tokyo Osaka (Branch Office): Pacific Marks Nishi-Umeda 7F, 2-6-20, Umeda, Kita-ku, Osaka-shi, Osaka Other offices (development bases) in Hokkaido, Fukuoka, and Okinawa
Capital	273 million yen
Number of employees	111 (Full-time employees: 111, temporary employees: 0) * As of the end of March 2022
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

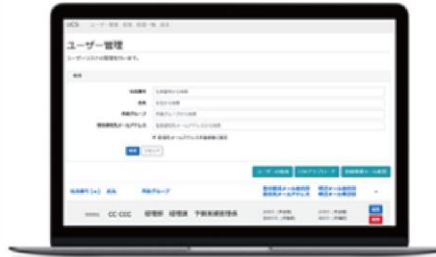


Creates advanced surveys and
secure forms using a web browser
Supports flexible design and
multiple languages

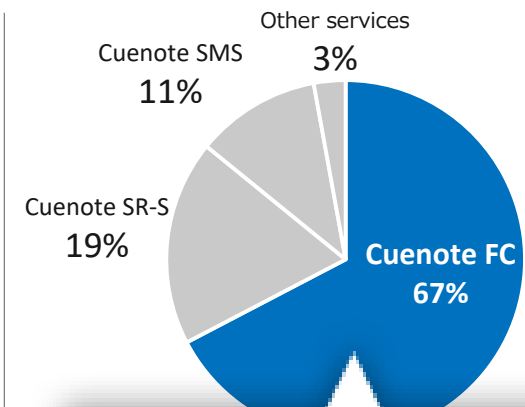
Safety confirmation service

Safety confirmation service

Cuenote®



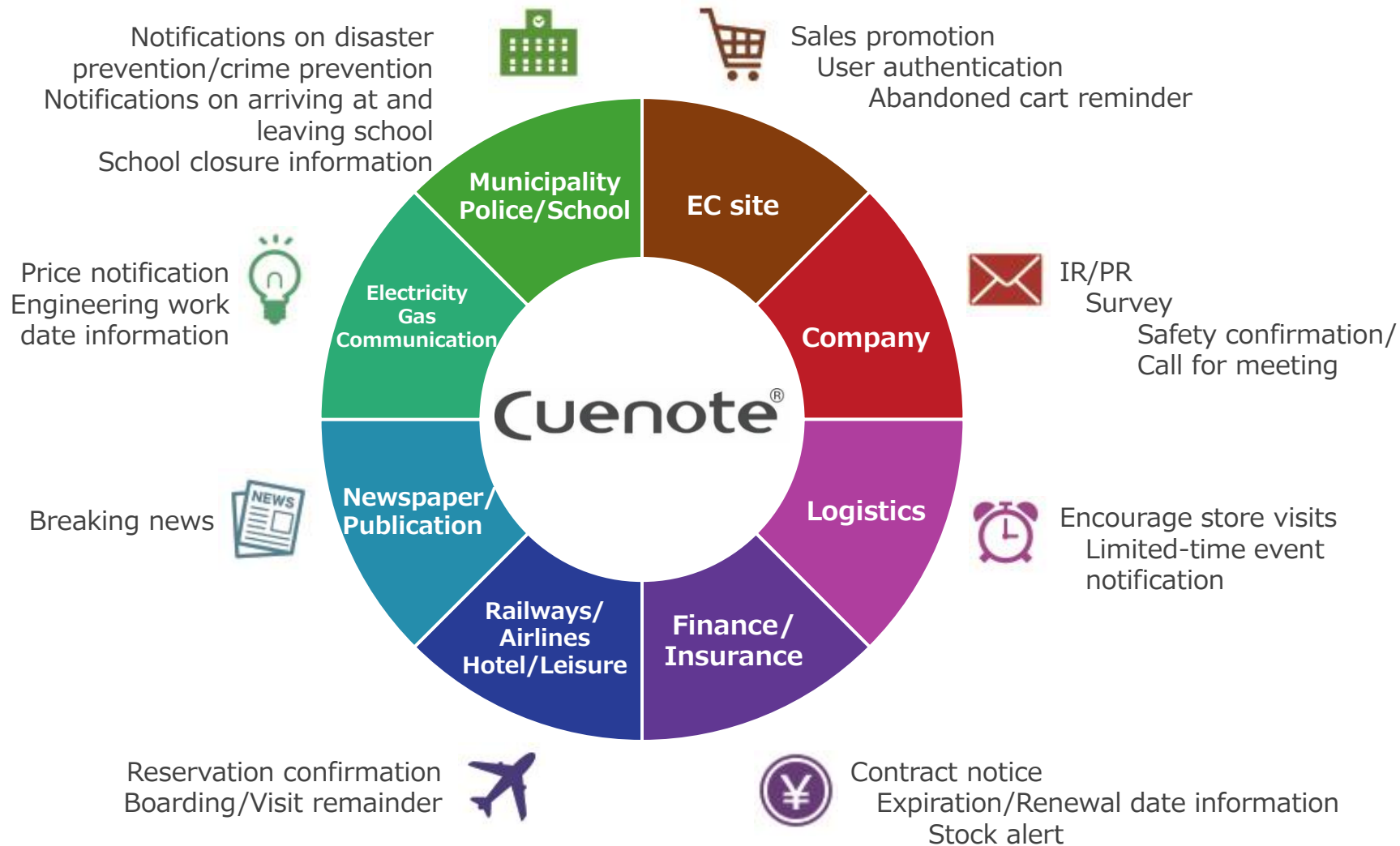
Linked with weather information,
in the event of disaster it automatically
confirms safety status of the employees
in the affected area



Cuenote FC is our key product,
accounting for **67%** of company
sales (Fiscal year ended December 31,
2021)

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 1,900 contracts

Tokyo Stock
Exchange

First Section/
Second Section

 CyberAgent.

 SAPORO

 Canon
キヤノンマーケティングジャパン株式会社

 LIXIL

 松竹

 @cosme

 cookpad

 Leopalace21

 Tabio
tradition in motion

 LIVESENSE

 丸井とすじ
東武鉄道

 I-O DATA

 enigma

 FuRyu

 F@N
COMMUNICATIONS

 ASAHI
CYCLE BASE

 Quest

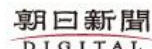
Listed companies
that use Cuenote

220 companies

Unlisted

 CCC
T-SITE

 紀伊國屋書店

 朝日新聞
DIGITAL

 iPROS

 Ponta
Ponta

 FINANTEC

 TOKYU
HANDS

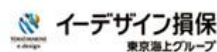
 セイバン

 peach

 SEGA
NETWORKS

 ECM
MEDIA & YOUR CONSCIENCE

 EZニュースEX

 イーデザイン損保
東京海上グループ

 ITSCOM
人と、物と、世界と、つながる。ITシステム

 サンケイリビング新聞社

 JAPAN
PHILHARMONIC
ORCHESTRA

 宝塚歌劇団

 UHB
北海道文化放送

 HVS証券
エイチ・エス証券株式会社

 日本旅行
NIPPON TRAVEL AGENCY

 kinko's
On Demand Solutions

 PARCO

 新横浜ラーメン博物館
SHIN YOKOHAMA RAMEN MUSEUM

 日本ネット経済新聞

 日本流通産業新聞

 マイナビニュース

 NTTiF

 Naturum

 パーソル ワークスデザイン

 CHUBBYGANG®
TOKYO BABY ROCKERS.

 SaNa Uo ga
an experience

 新学社

 FACE

 disk
union

 DTI
dream.jp

 HIBIYA-KADAN

 TRIBECK

 CX Consulting
Partner

 JWA

日本気象協会

Government
offices

文部科学省

 岩手県警察

 神奈川県

 福島県警察

2. Results of the 1st quarter of the fiscal year ending December 31, 2022

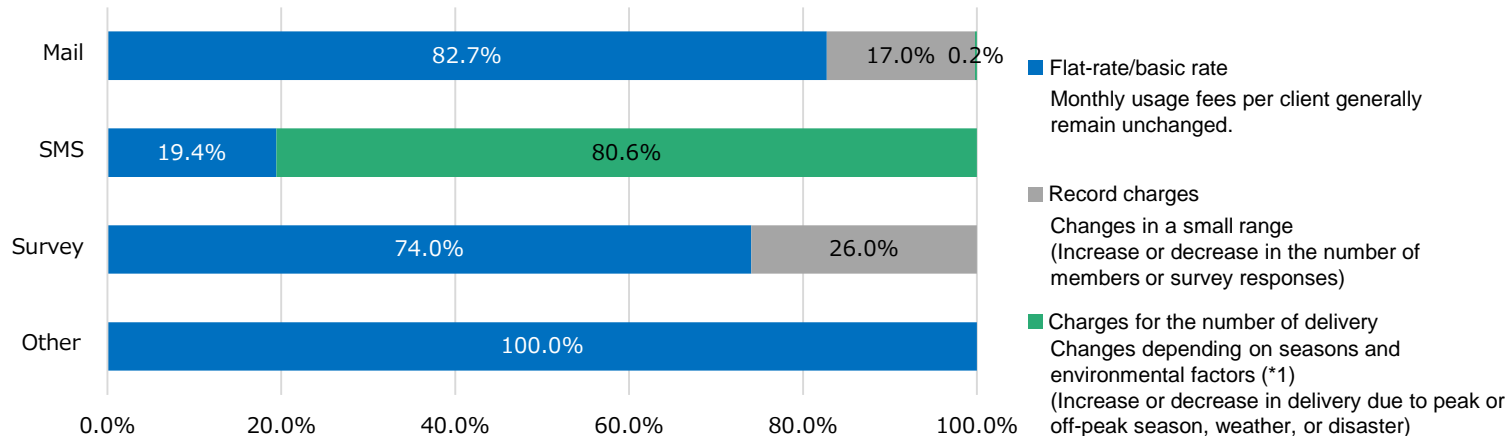
Sales classification

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 sales from SaaS service usage and software maintenance service
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 December 2021.

(*1) The monthly sales for clients who continued to use SMS services from January to December 2021 fluctuated within the range of a 42.6% decrease to an 70.9% increase compared to the average for the same (12-month) period.

Earnings summary

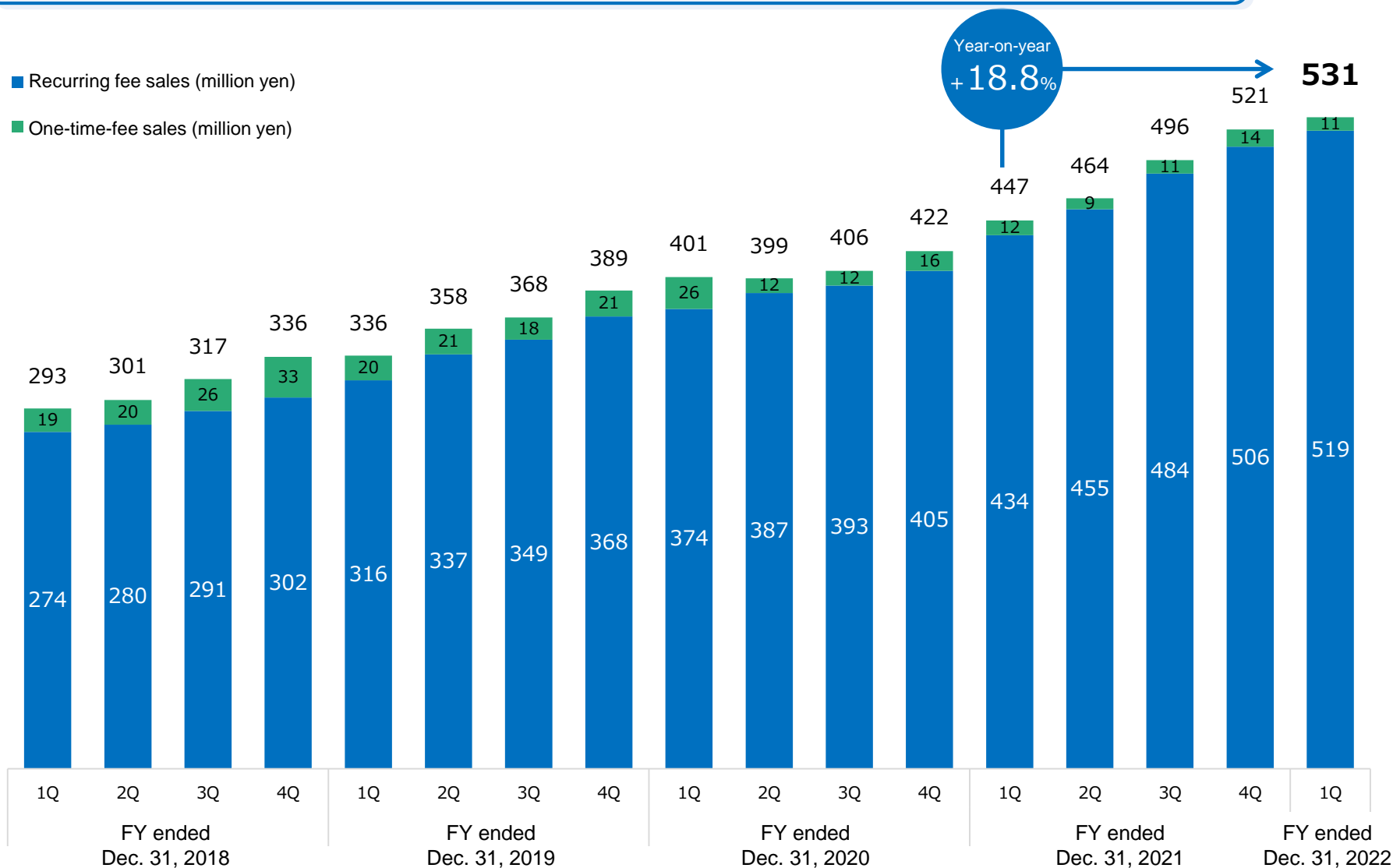
	Q1 of fiscal year ending December 31, 2022	Year-on-year comparison
Net sales	531 million yen	18.8 %
Operating profit	117 million yen	45.4 %
Current net profit	81 million yen	45.1 %
End-of-quarter MRR ^(*1)	169 million yen	10.5 %
Mail	145 million yen	13.1 %
SMS	19 million yen	-5.7 %
Survey and other services	4 million yen	10.5 %

(*1) MRR (Monthly Recurring Revenue):

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

Quarterly sales development by accounting items (One-time-fee/Recurring)

 Recurring fee sales growth in Q1 increased by 18.8% to 531 million yen from the same period in the previous year



Quarterly sales development - Ratio of net sales (Mail, SMS, Survey and other services)

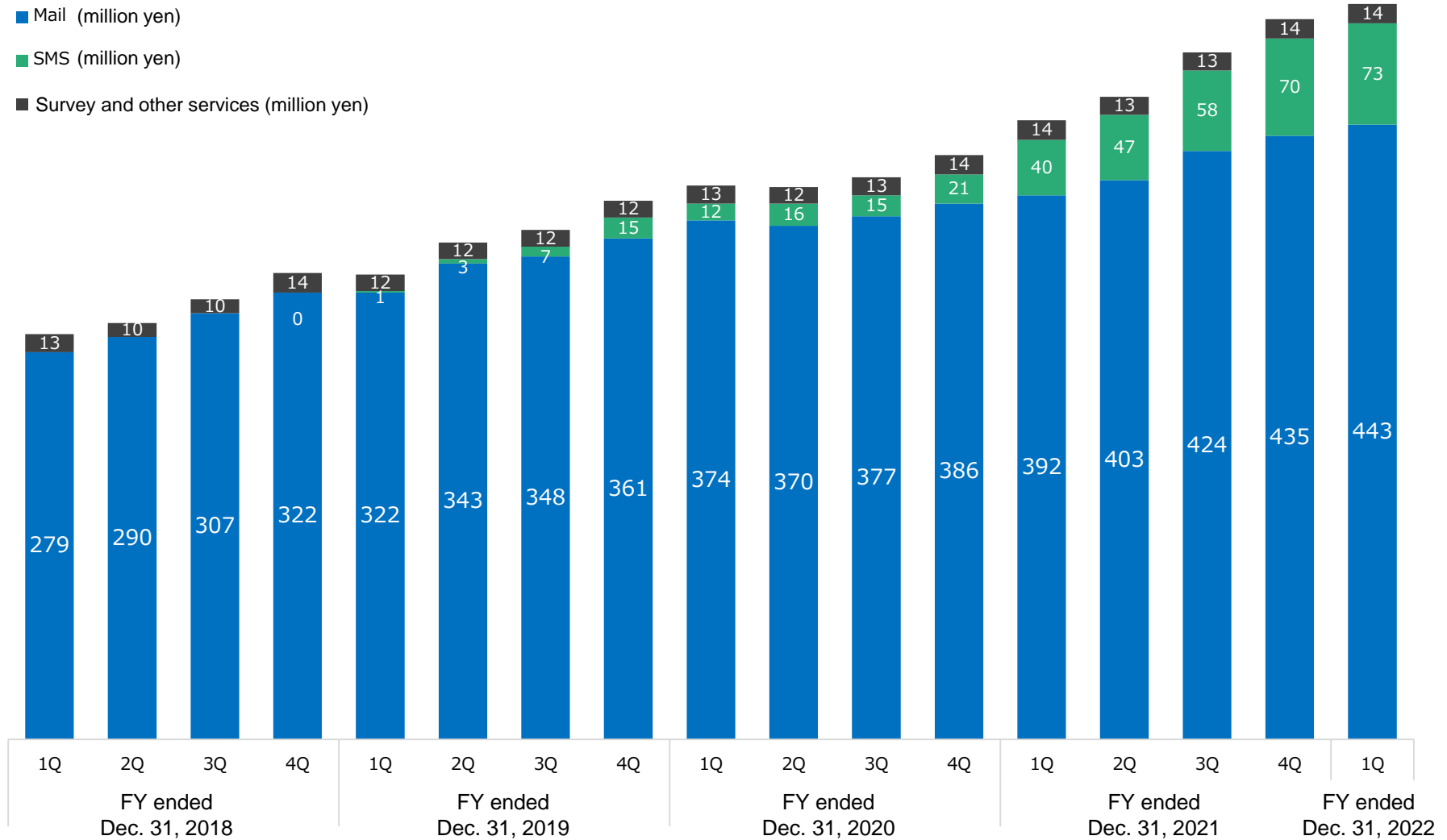


Mail increased 12.9% and SMS increased 81.4% year-on-year

■ Mail (million yen)

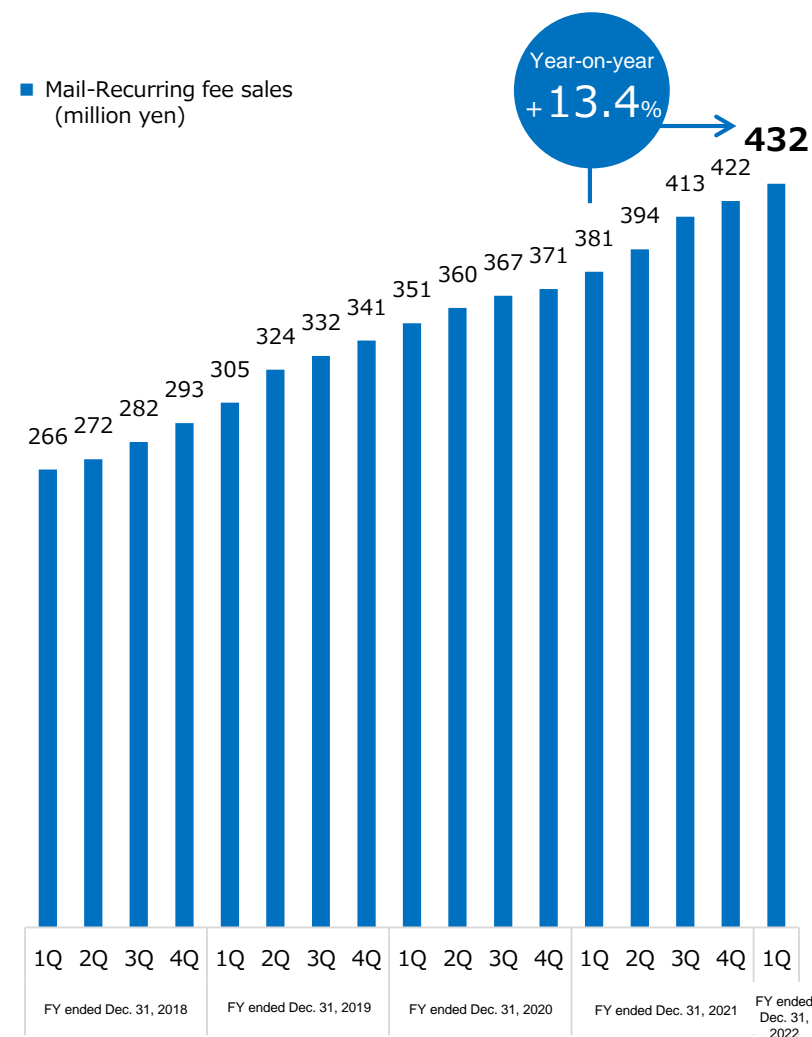
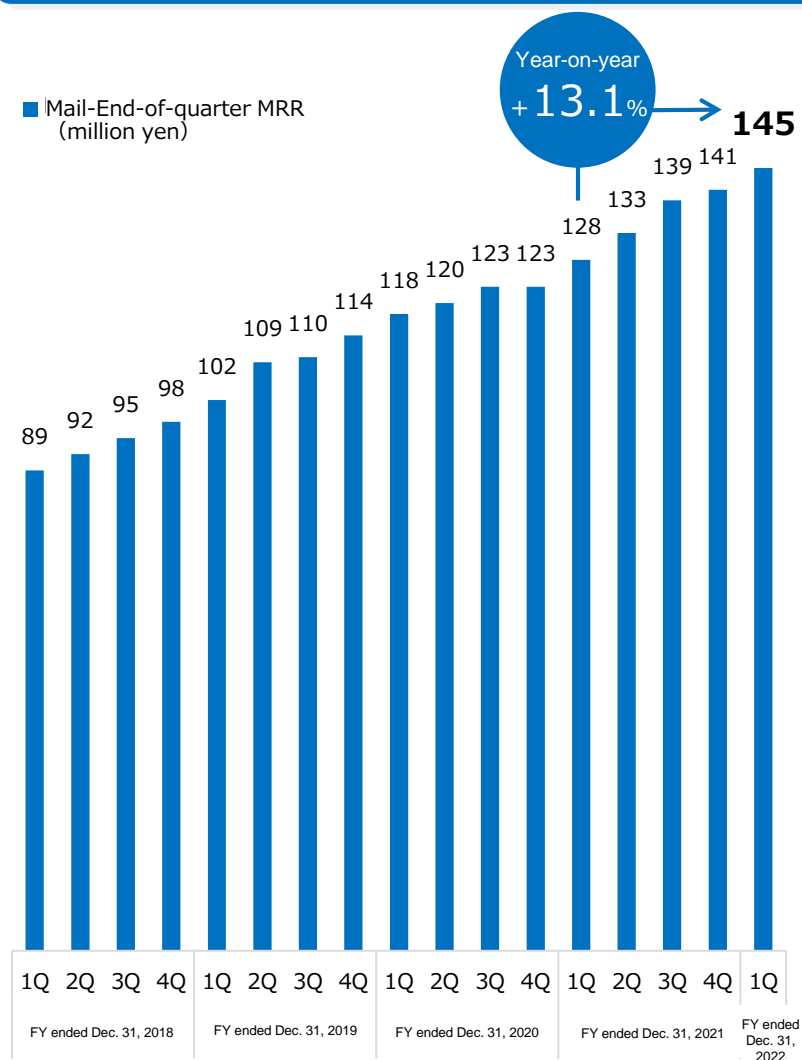
■ SMS (million yen)

■ Survey and other services (million yen)



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

✓ End-of-quarter MRR for Q1 increased by 16 million yen (13.1%) and full-year recurring fee sales increased by 13.4% to 432 million yen year-on-year



(*1) MRR (Monthly Recurring Revenue):

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

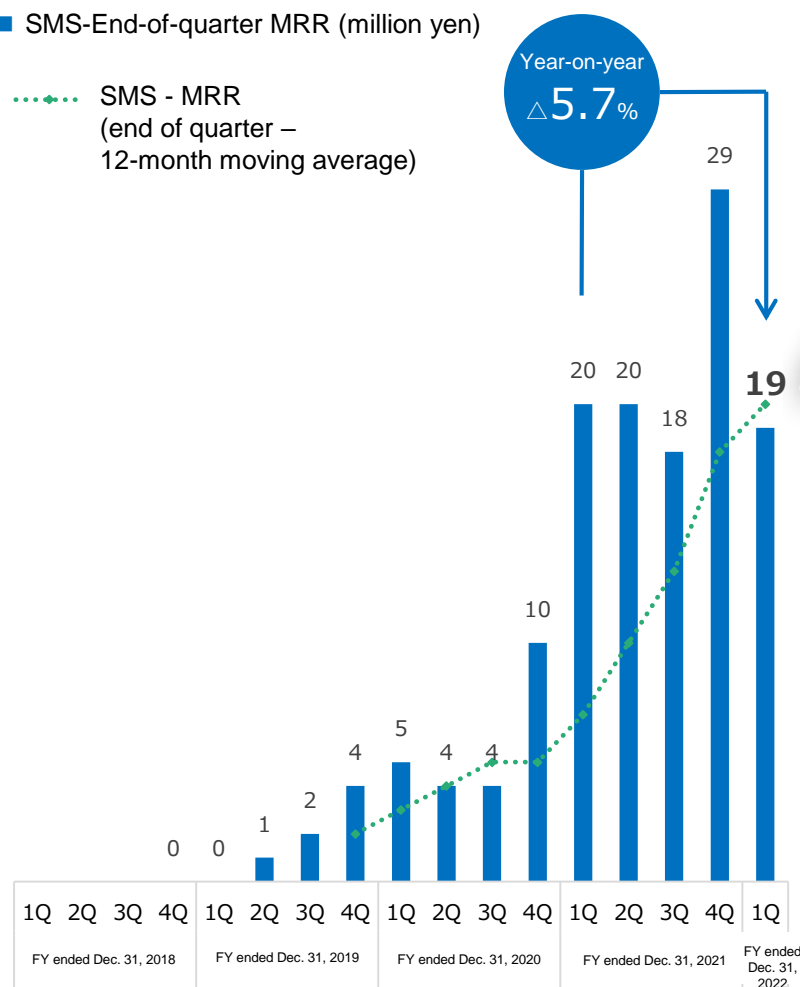
SMS End-of-quarter MRR/Quarterly recurring fee sales



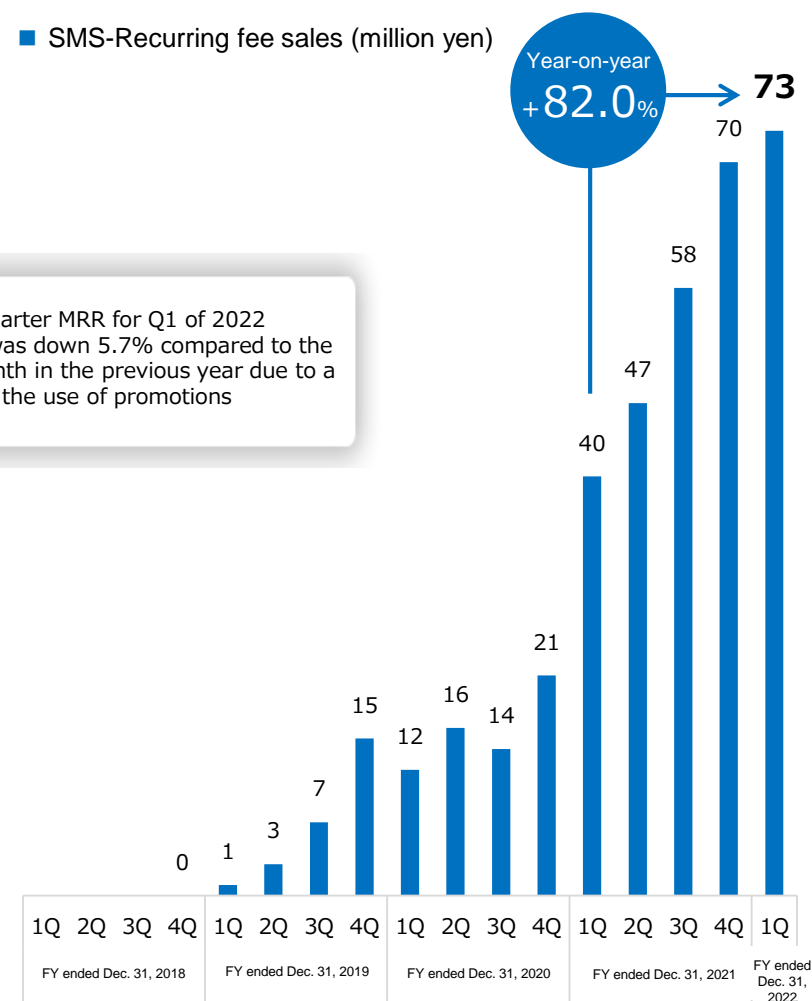
While the number of deliveries is in an upward trend due to an increase in customer numbers, end-of-quarter MRR for Q1 (March) was slightly down year-on-year, and Q1 recurring fee sales were up 82.0% to 73 million yen

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

..... SMS - MRR
(end of quarter –
12-month moving average)



■ SMS-Recurring fee sales (million yen)



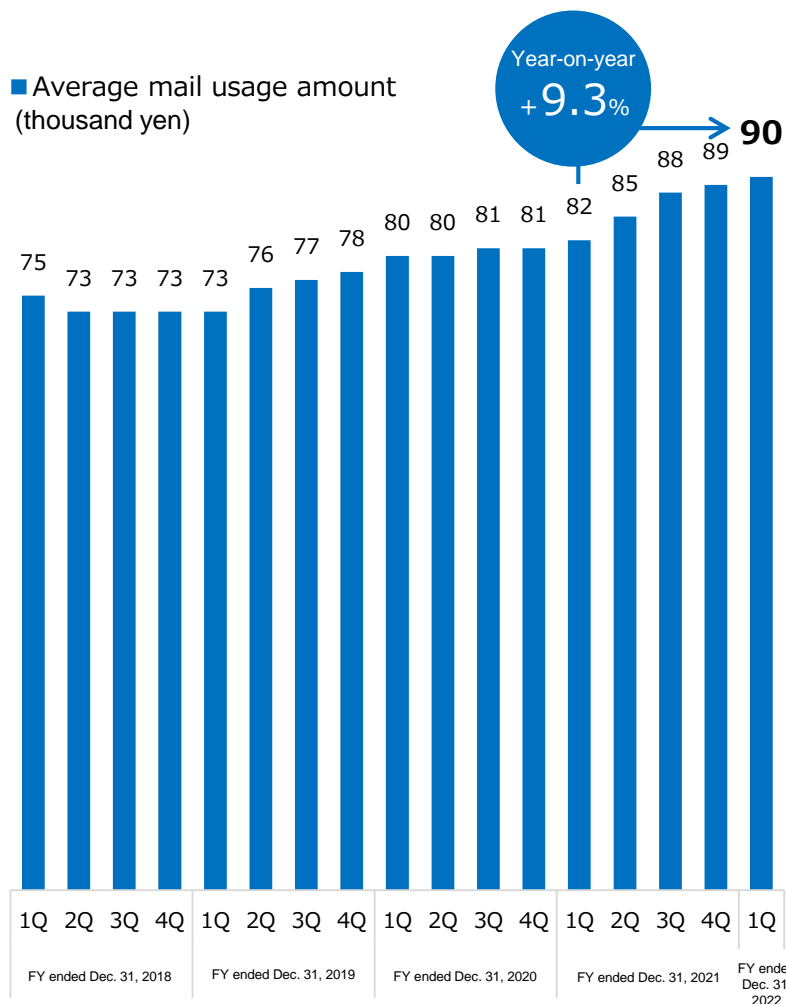
Note: Pay-per-use sales based on the number of delivery accounts for 80.6% of SMS service usage sales (results for January to December 2021).
The number of monthly delivery may increase or decrease due to seasonal factors such as peak season and off-peak season or environmental factors such as climate and disasters.

Average usage amount per contract (*1)

Mail

Increased due to acquisition of users of high price-band plans (disaster recovery plans) and upgrades resulting from an increase in the number of deliveries.

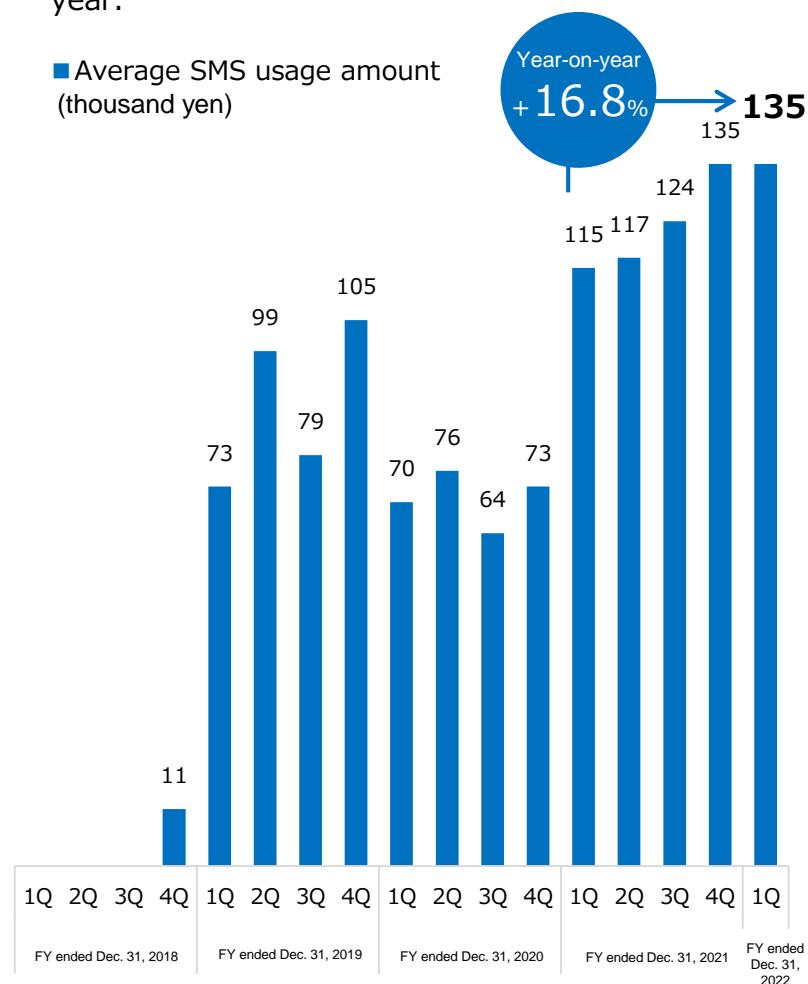
■ Average mail usage amount
(thousand yen)



SMS

Increased due to an increase in the base number of deliveries for customers in the electricity, finance, insurance, and logistics fields acquired in the previous year.

■ Average SMS usage amount
(thousand yen)

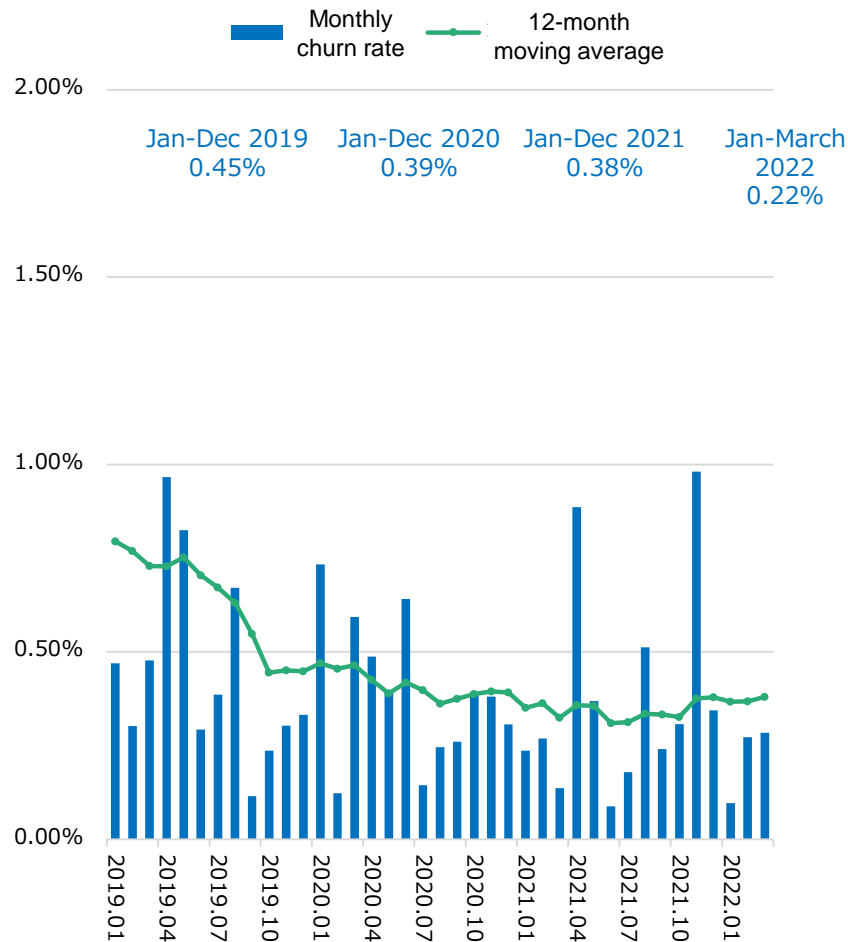


(*1) One-off sales (one-time-fee sales) such as initial setting and customization are not included in the average usage amount.
This is calculated by the formula: <Total quarterly recurring fee sales / Total number of quarterly contracts>

Monthly churn rate

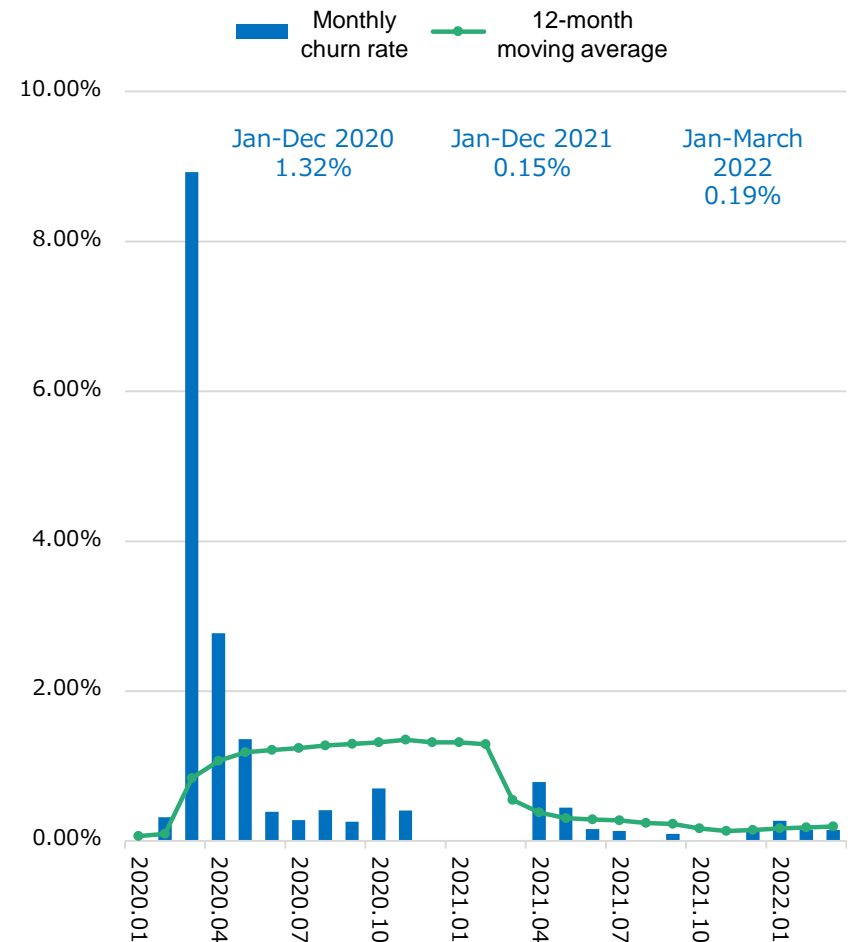
Mail (*1)

The monthly churn rate from January to March 2022 stayed at an average of 0.22%



SMS (*1)(*2)

The monthly churn rate from January to March 2022 stayed at an average of 0.19%



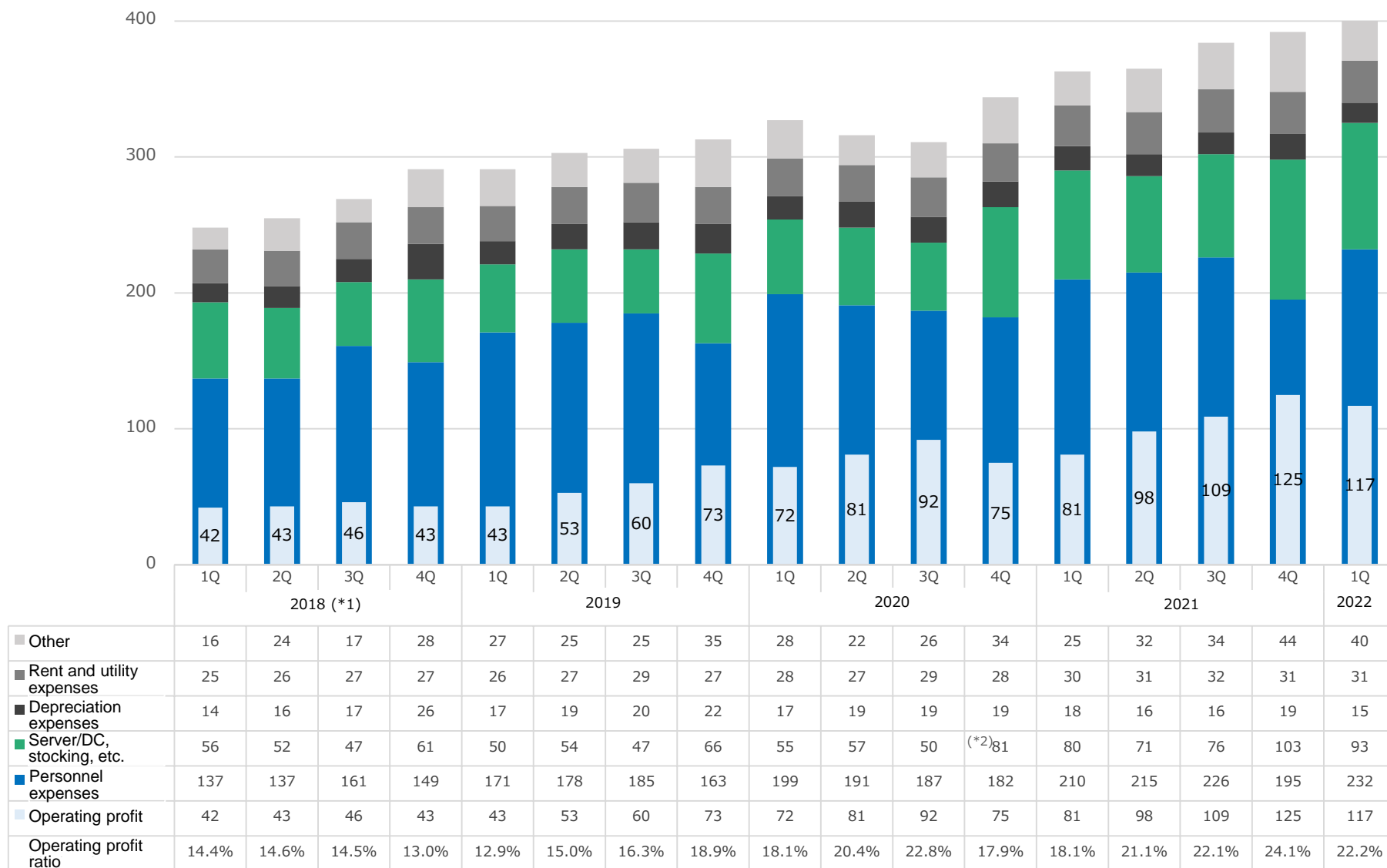
(*1) The churn rate is based on the revenue churn (amount based), and it is calculated by the formula: $\text{Churn Rate} = \frac{\text{Cancellation amount incurred in the month}}{\text{Contract amount at the beginning of the month}} \times 100$.

(*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

	1Q FY2021	1Q FY2022	Rate of increase/decrease	Increase/ decrease
Net sales	447 million yen	531 million yen	18.8 %	83 million yen
Cost of goods sold	155 million yen	174 million yen	12.2 %	18 million yen
Gross profit	291 million yen	356 million yen	22.3 %	64 million yen
Gross profit ratio	65.2 %	67.2 %	1.9 pts.	—
Sales, general and administrative expenses	210 million yen	239 million yen	13.4 %	28 million yen
Operating profit	81 million yen	117 million yen	45.4 %	36 million yen
Operating profit ratio	18.1 %	22.2 %	4.1 pts.	—
Ordinary profit	81 million yen	117 million yen	44.7 %	36 million yen
Current net profit	56 million yen	81 million yen	45.1 %	25 million yen
Current net profit ratio	12.5 %	15.3 %	2.8 pts.	—

Growth of quarterly operating expenses and operating profit



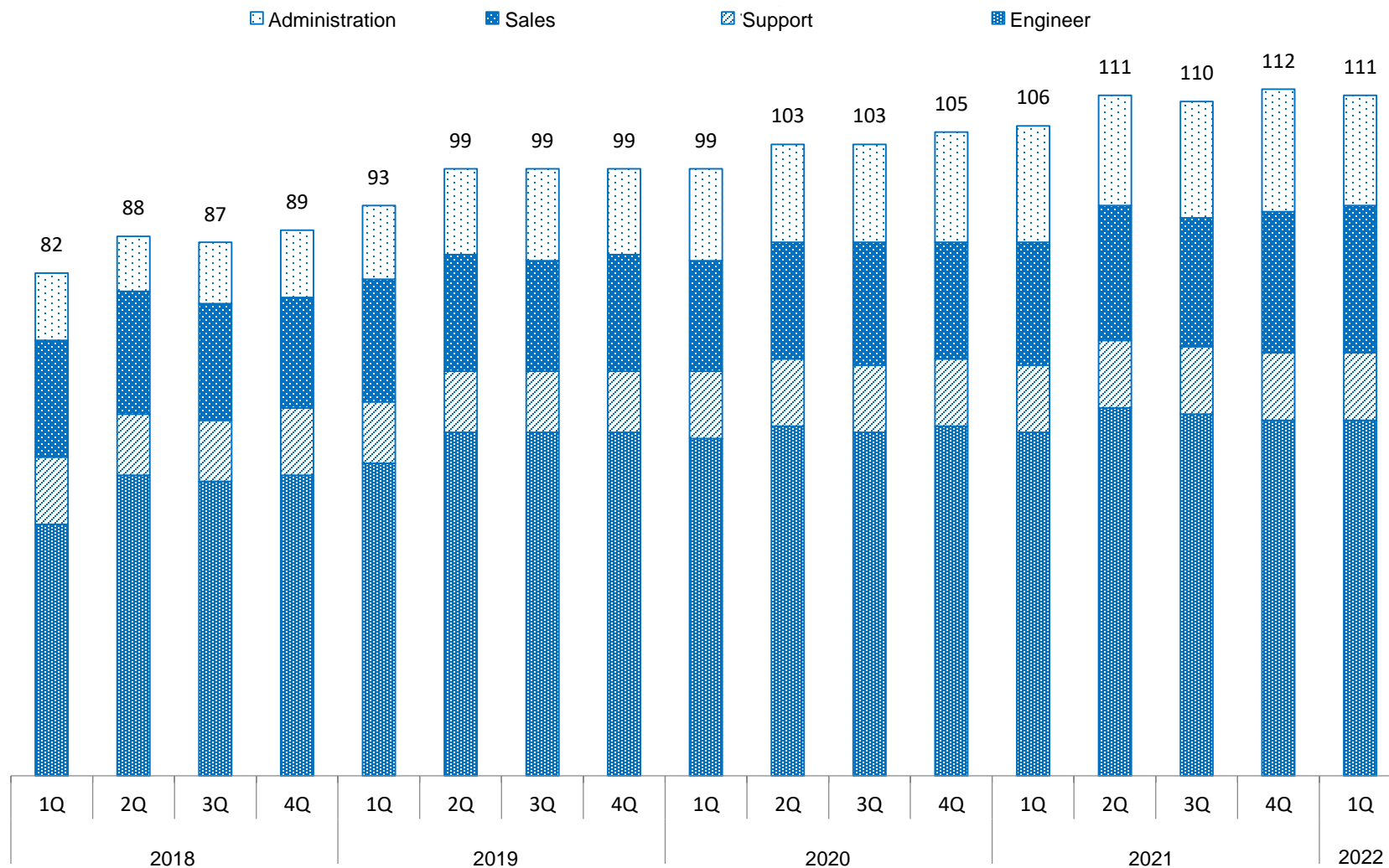
(*1) Figures for the fiscal year ended December 31, 2018 are unaudited figures.

(*2) Q4 of the fiscal year ended December 31, 2020 saw a temporary increase in expenses for server/DC and stocking, etc., due to demands for remote working environments (acquisition of PCs and security software, etc.).

Number of employees



The number of employees at the end of Q1 fell by 1 year-on-year to 111




Balance sheet

	End of FY2021	End of Q1 FY2022	Increase/ decrease	
Current assets	1,820 million yen	1,771 million yen	△ 49 million yen	Cash equivalent (-34 million yen) Accounts receivable (-19 million yen)
Fixed assets	276 million yen	271 million yen	△ 5 million yen	Depreciation (-12 million yen) Acquisition of equipment, etc. (+8 million yen)
Total assets	2,097 million yen	2,042 million yen	△ 54 million yen	
Current liabilities	402 million yen	266 million yen	△ 136 million yen	Accrued expenses (-112 million yen) Corporation tax (-24 million yen)
Fixed liabilities	- million yen	- million yen	- million yen	
Total liabilities	402 million yen	266 million yen	△ 136 million yen	
Total net assets	1,695 million yen	1,776 million yen	81 million yen	
Equity ratio	80.8 %	87.0 %	6.2 pts.	
Book value per share	435.48 yen	456.37 yen	20.89 yen	

3. Financial forecast for the 25th fiscal year (ending December 31, 2022)

Forecast and progress for the fiscal year ending December 31, 2022

 Sales stood at 24.4% and operating profit stood at 25.1% in terms of the full-year forecast

	the fiscal year ending December 31, 2022	1Q FY2022	Progress rate
Net sales	2,175 million yen	531 million yen	24.4 %
Recurring fee sales	2,126 million yen	519 million yen	24.4 %
One-time-fee sales	48 million yen	11 million yen	24.4 %
Operating profit	470 million yen	117 million yen	25.1 %
Operating profit ratio	21.6 %	22.2 %	0.6 pts.
Ordinary profit	470 million yen	117 million yen	25.1 %
Current net profit	321 million yen	81 million yen	25.3 %
Current net profit ratio	14.8 %	15.3 %	0.5 pts.

4. Growth plan

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



Vision for future growth

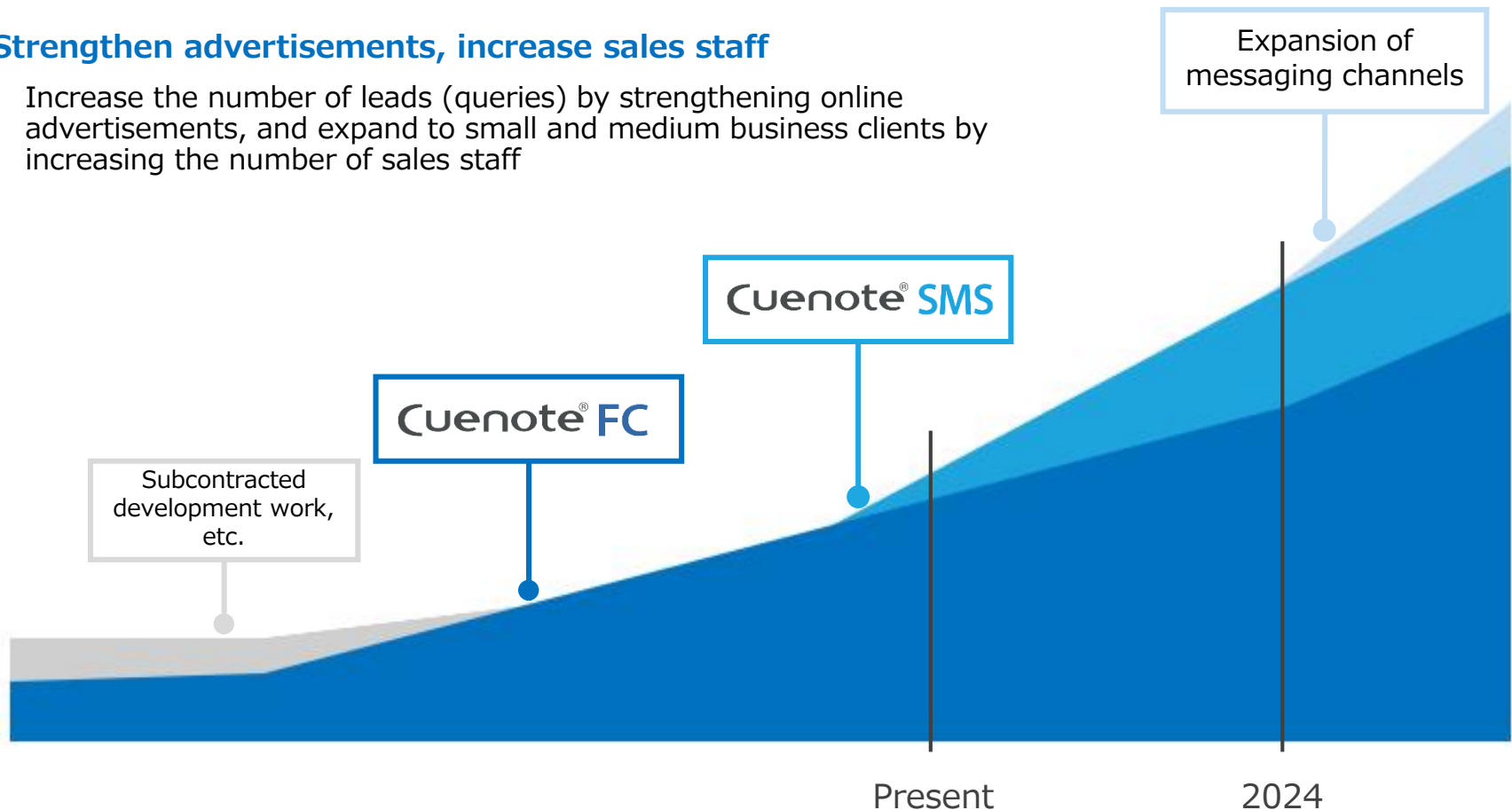
Continue to demonstrate excellent growth by expanding messaging channels (LINE, Web push, etc.) while continuing to strengthen growing email service

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



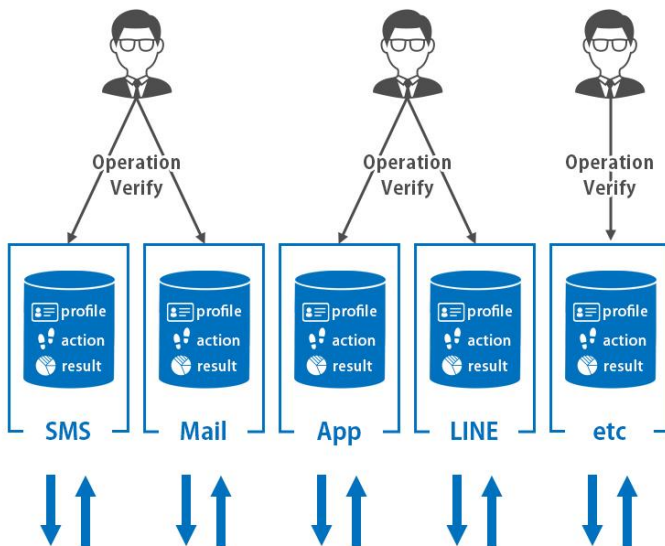
Role of a messaging platform

Background

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

Company

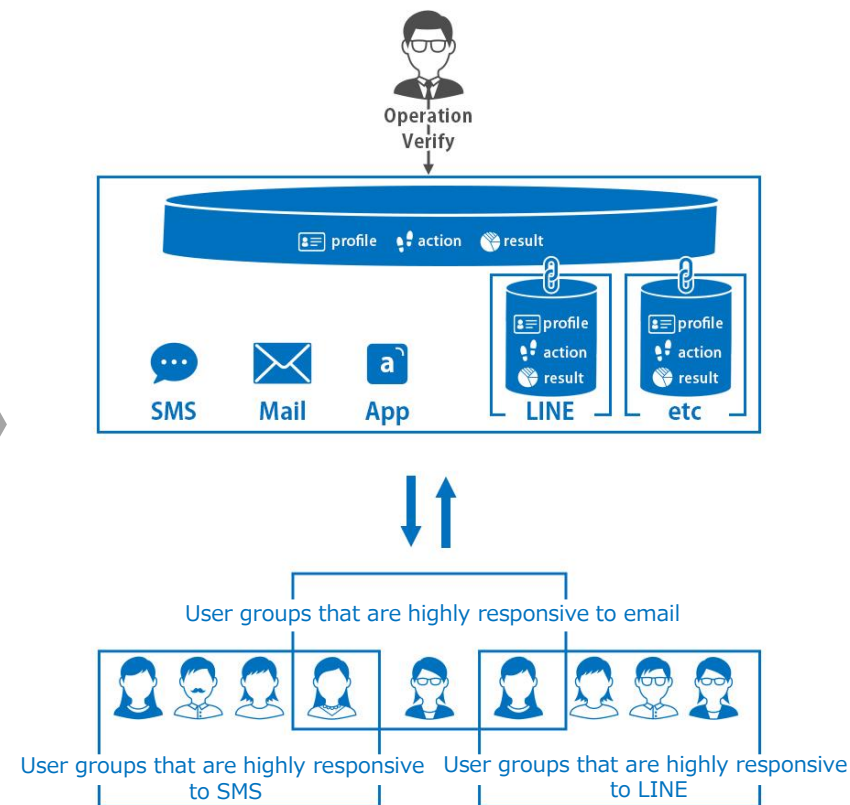
Marketing measures for each communication channel
More complex marketing activities, increased costs



Consumer

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

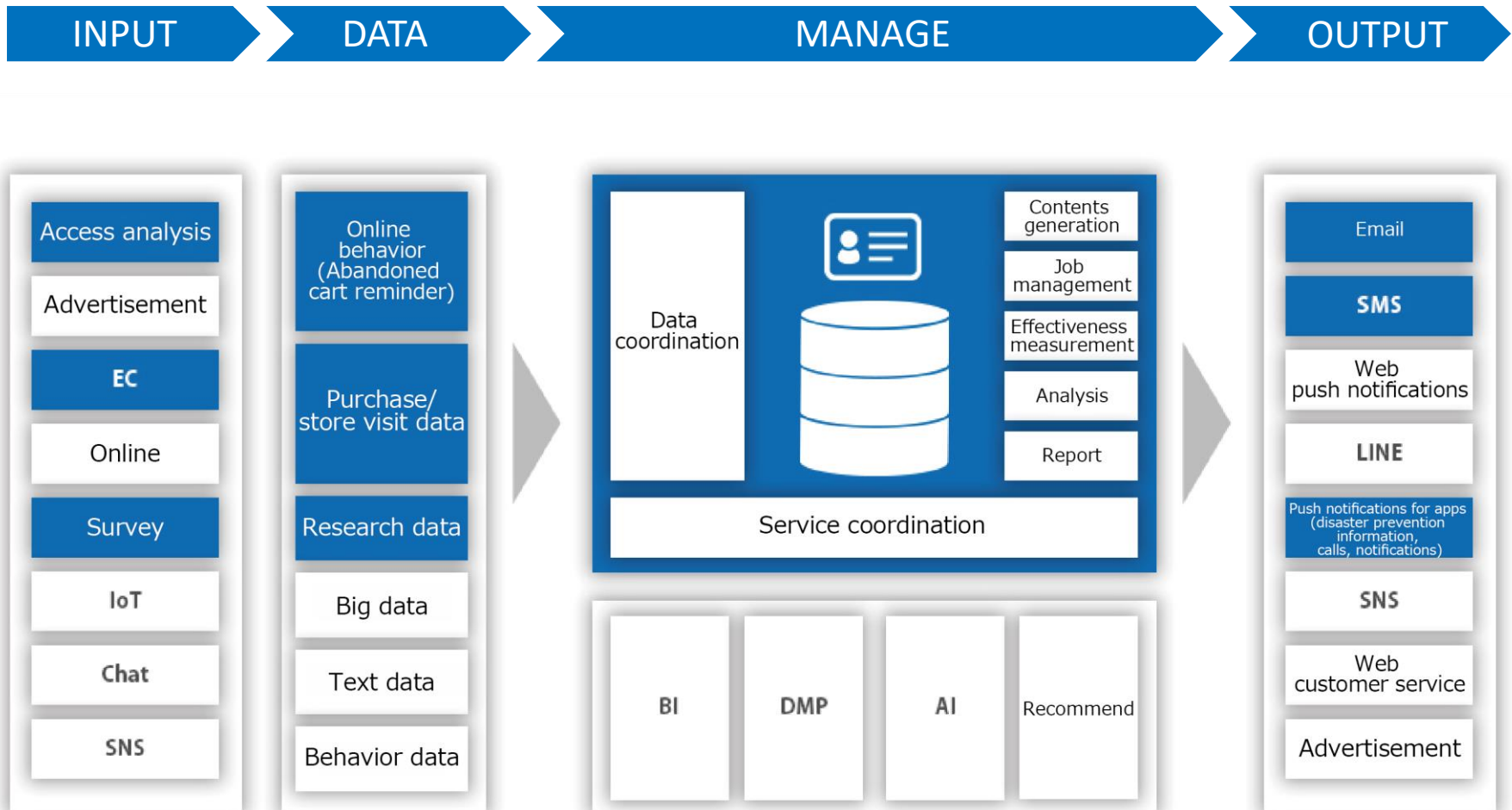
Improvement of the efficiency and sophistication of marketing activities
Realization of consistent or seamless communication
Improvement of effectiveness through user profile and behavior analysis



Receiving information with optimized frequency,
amount and timing

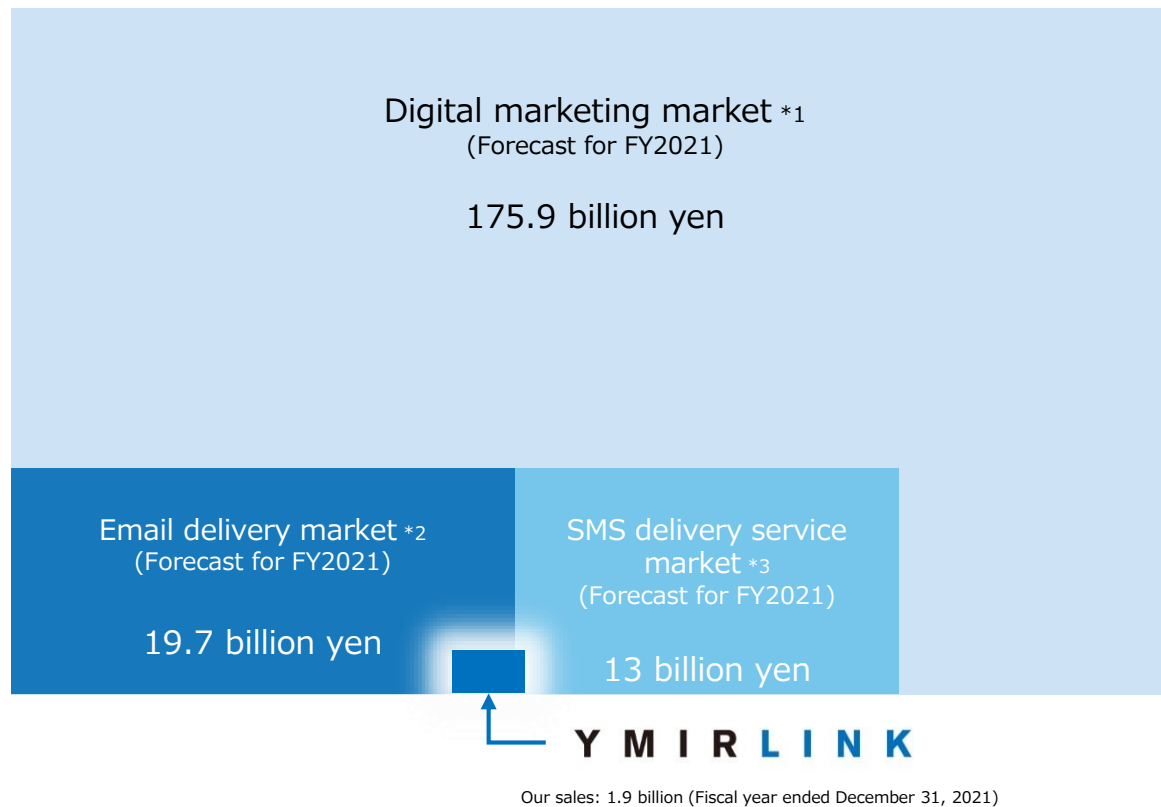
Messaging platform conceptual diagram

Expand the areas to be covered through selection and concentration



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)

5. Appendix

About products

Email delivery system

Cuenote[®] FC



SaaS

Software

This is an email delivery system that is equipped with large-scale, high-speed delivery performance and extensive marketing functions thanks to a unique delivery engine (MTA) developed by us.

This system aims to improve the arrival rate by analyzing more than 6 billion communications per month, thanks to which it can fast and reliable delivery even for large-scale email delivery in which the number of recipients is in excess of tens or hundreds of millions.

About products

Email relay server

Cuenote[®] SR-S



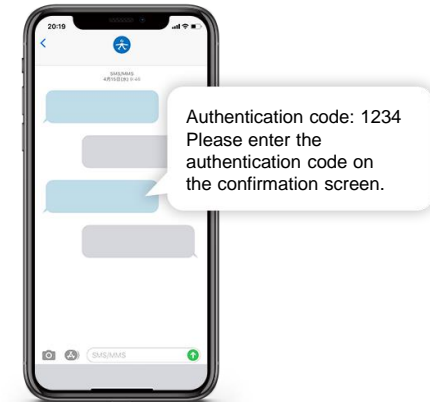
SaaS

Software

It is an email relay server that relays SMTP through DNS settings to eliminate email delivery delay and non-delivery. It includes a delivery error reason analysis function and supports API-based document creation and delivery.

SMS delivery service

Cuenote[®] SMS



SaaS

This is a direct carrier access-type SMS delivery service. It supports IVR and two-way communication for sending from API and screen. It can be used for purposes such as identity verification, important notifications and guidance, demands, promotions, the optimization of call business, etc.

About products

Online survey and form system

Cuenote[®] Survey



SaaS

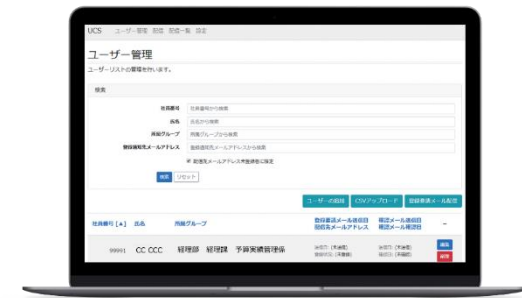
This is a web survey form system provided in SaaS that enables the creation of advanced surveys and secure forms using a web browser (without code).

It supports responsive design, multiple languages, and integrated landing page (LP) forms for use in various situations.

Safety confirmation service

安否確認サービス

Cuenote[®]



SaaS

This is a safety confirmation service that is linked with weather information, and in the event of disaster, it can automatically confirm the safety status of the employees in the affected area.

The Cuenote safety confirmation service provides disaster and emergency support through excellent operability that enables quick notification creation with fast and reliable delivery performance even in times of emergency, allowing you to quickly confirm the safety of members and summon an emergency meeting.

Disclaimer

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

This document includes forward-looking statements. These forward-looking statements are prepared based on the information as of the date hereof. These statements provide no guarantee regarding future results and performance. Such forward-looking statements necessarily include known and unknown risks and uncertainties, and as a result, actual performance and financial status in the future may differ significantly from the future performance and results expressed or implied in the forward-looking statements.

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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