



First Quarter of the Fiscal Year Ending December 31, 2023
Summary of Financial Results

May 11, 2023

YMIRLINK, Inc.

Security identifier code: 4372

1	Financial results for the 1st quarter of the fiscal year ending December 31, 2023	Page 3
2	Full-year forecast for the fiscal year ending December 31, 2023	Page 18
3	Growth plan	Page 21
4	appendix	Page 27

1. Financial results for the 1st quarter of the fiscal year ending December 31, 2023

Earnings summary

- Record Q1 (January - end of March) sales and profit were recorded

Net sales

551 million yen

Year-on-year **3.8% increase**

Record sales in Q1

Operating profit

129 million yen

Year-on-year **9.8% increase**

Record high in Q1 thanks to effects of yield increase

Mail

476 million yen

Year-on-year **7.4% increase**

End-of-year MRR: 157 million yen / growth due to increase in number of contracts

SMS/Auth

60 million yen

Year-on-year **17.1% decrease**

End-of-year MRR: 21 million yen / MRR growth due to increase in number of contracts despite a decline in specific customer deliveries

Survey and other services

14 million yen

Year-on-year **1.6% increase**

End-of-year MRR: 4 million yen / roughly same as previous year

(*) MRR (Monthly Recurring Revenue):

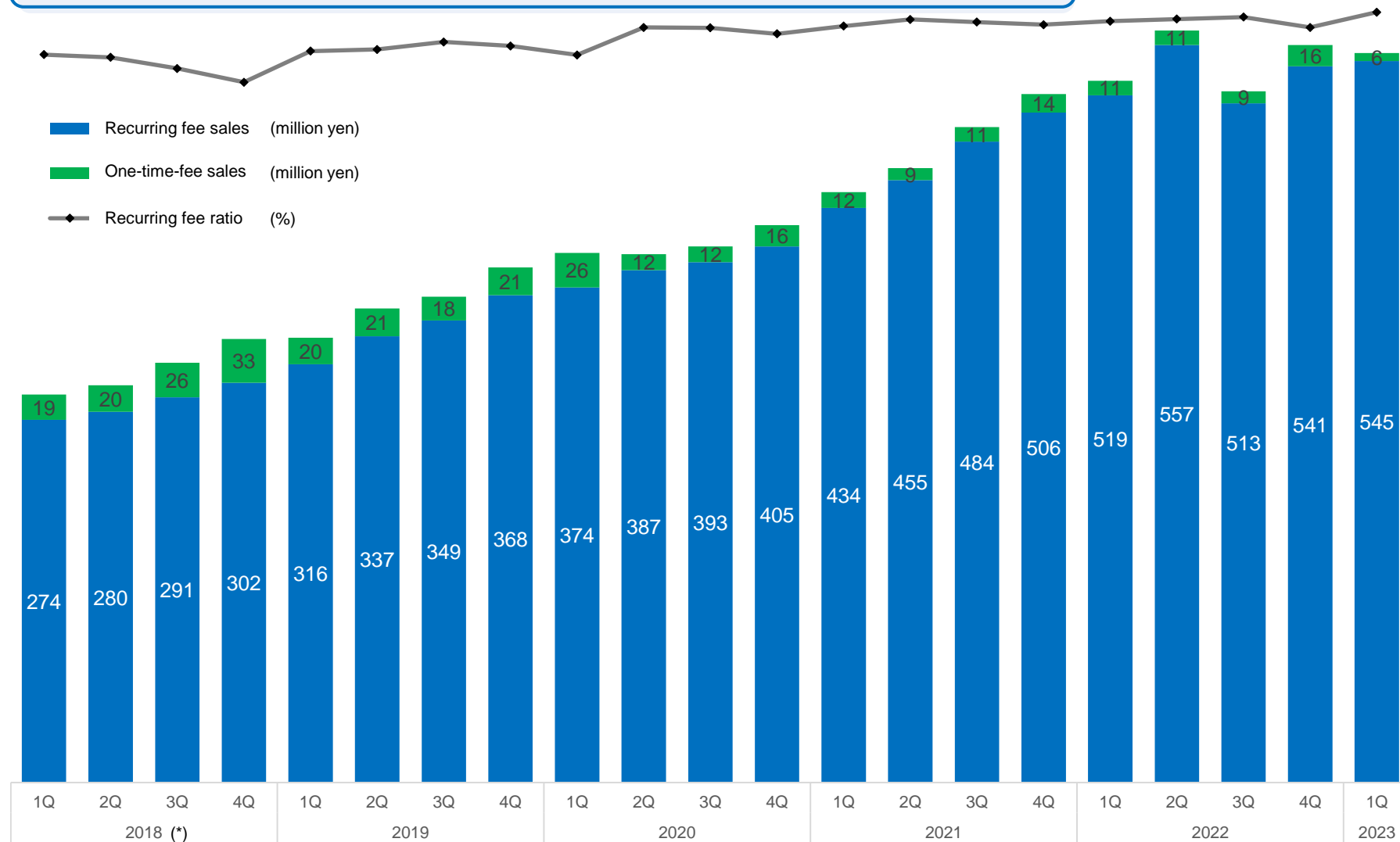
Revenue from contracts that stipulate services or use for a certain period of time, such as sales from SaaS service usage and maintenance service for purchase type software

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



Recurring fee sales ratio remained high at 98.9%

First quarter
recurring fee
ratio
98.9%



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

Quarterly sales development

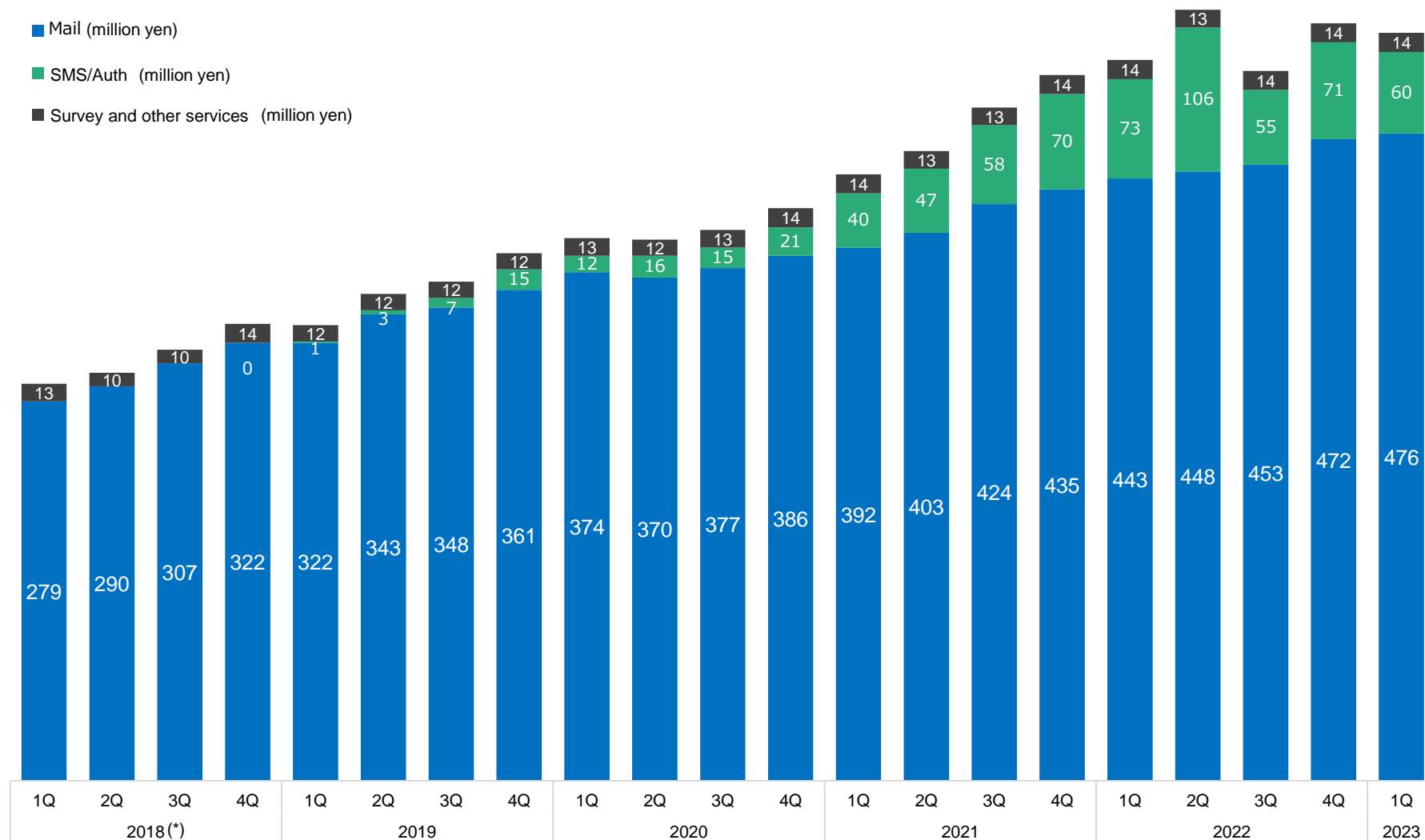
- Ratio of net sales (Mail, SMS/Auth, Survey and other services)

 Quarterly sales increased 3.8% year-on-year thanks to growth in the Mail service

■ Mail (million yen)

■ SMS/Auth (million yen)

■ Survey and other services (million yen)



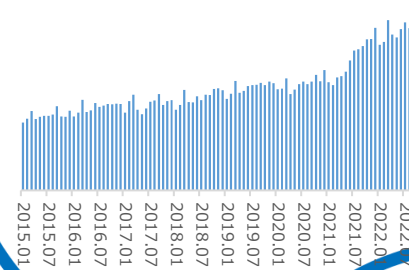
(*) Figures for the fiscal year ended December 31, 2018 are unaudited figures.

Main service highlights

Mail

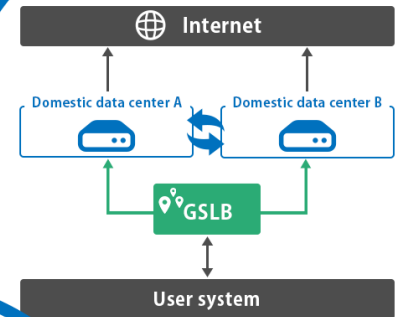
- ✓ Monthly message deliveries reached a record 7.6 billion on the back of DX and a shift to online business.
- ✓ The monthly churn rate for Q1 was 0.37%.

Mail - Monthly deliveries



SMS/Auth

- ✓ While specific customer deliveries declined, MRR grew thanks to an increase in contracts
- ✓ Multiple expected high-yield projects related to both the release of Cuenote SMS for LGWAN for government and local authorities and support for common sender numbers in two-way SMS are underway.
- ✓ The monthly churn rate for Q1 was 0.11%.



SMS - Monthly deliveries

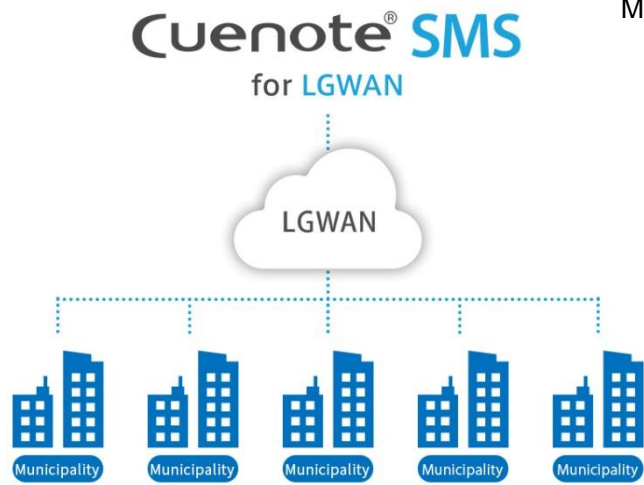


Common

- ✓ Along with an ongoing review for ISMS authentication, we have newly acquired ISMS cloud security authentication (ISO/IEC27017:2015).

Topics Release-related

Launch of Cuenote SMS for LGWAN that enables SMS sending across local government wide area networks



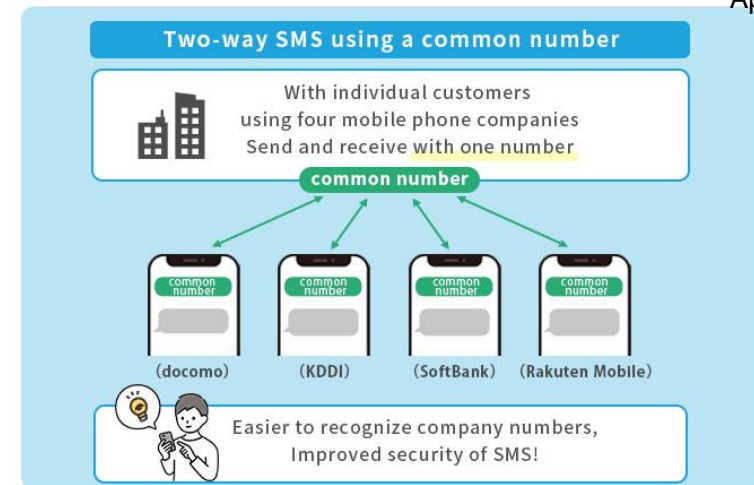
March 2023

Cuenote SMS for LGWAN that connects to across local government wide area networks (LGWAN) has been launched.

Cuenote SMS for LGWAN is an SMS delivery service for government and local government that can connect to an LGWAN (*1) and send SMS messages from a secure network to residents.

(*1) LGWAN: An LGWAN is a high-security government network that is isolated from the internet and interconnects the internal networks of local governments and other such regional public bodies in order to increase communication between such bodies.

Common number support across the four mobile carriers with the two-way SMS function of Cuenote SMS



April 2023

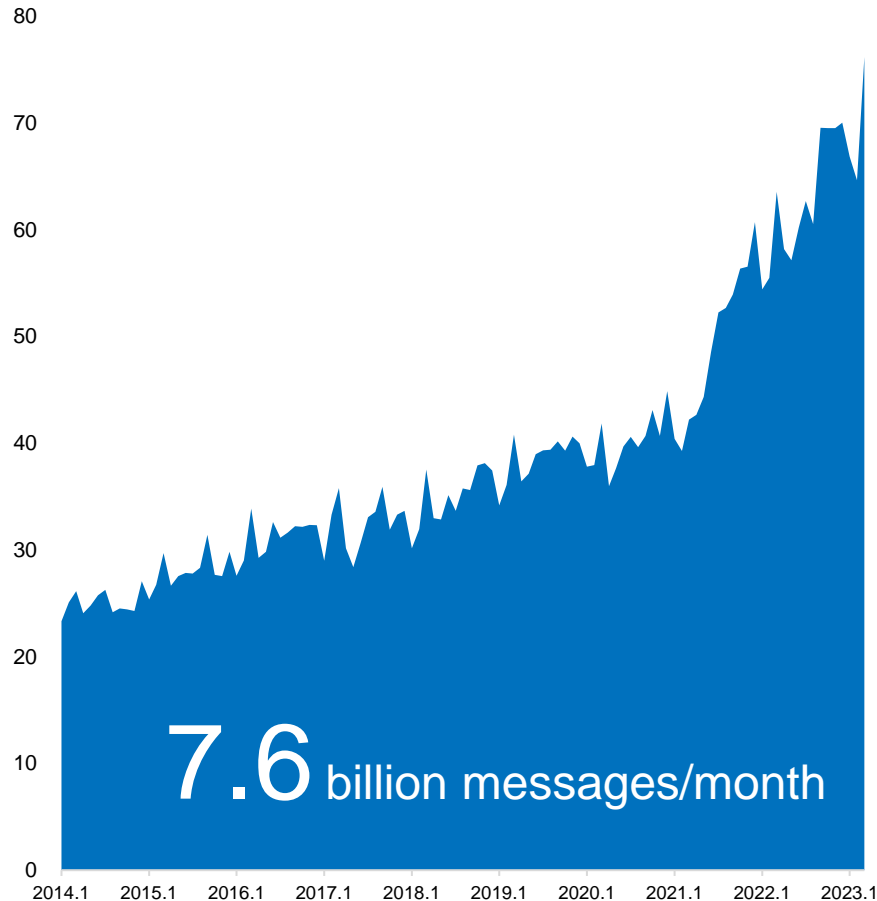
Common number (common short code) support is now provided across the four mobile companies when using the two-way SMS function of Cuenote SMS.

Until now, companies needed a different number for users of each of the four mobile carriers when companies and individuals exchanged SMS messages, but with support for a common number across the four carriers, it is possible to send SMS messages such as ID verification messages, important notifications, administrative messages, and promotions using a single number.

Topics Other matters

Highest ever monthly message deliveries on the back of DX and a shift to online business

(Units: 100m messages)



ISMS cloud security authentication (ISO/IEC 27017:2015) acquired

March 2023

Y M I R L I N K

Obtained ISMS cloud security certification



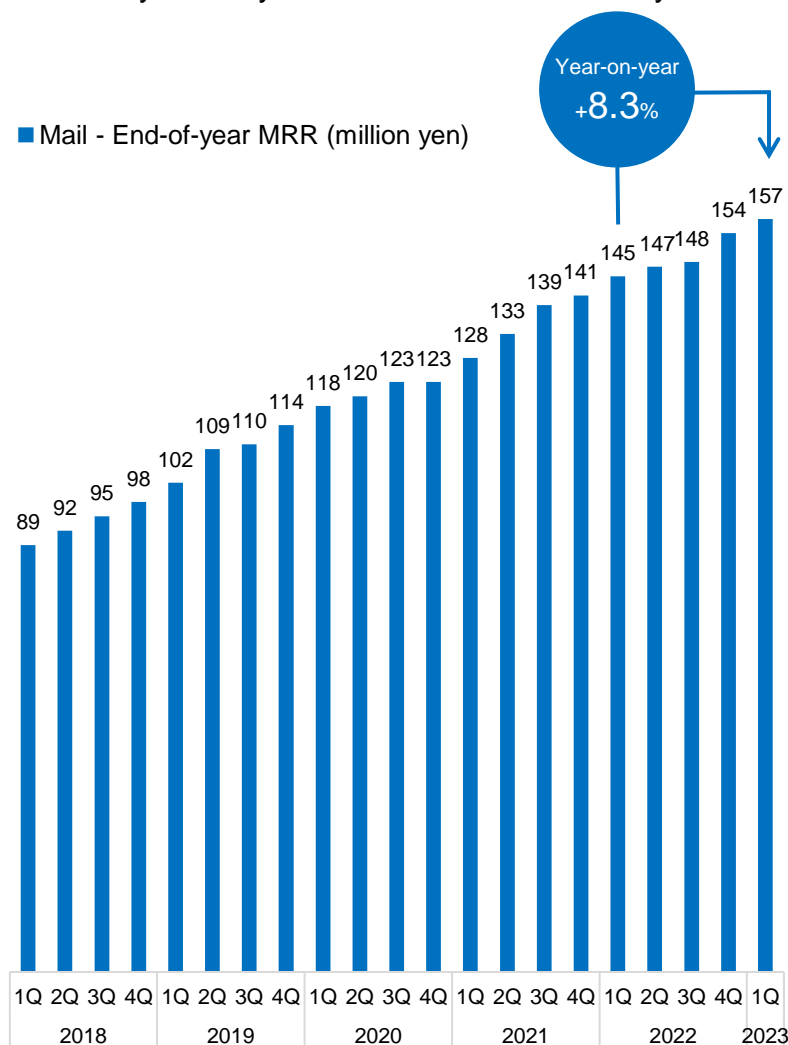
Along with an ongoing review for ISMS authentication (ISO/IEC 27001:2013), we have newly acquired ISMS cloud security authentication (ISO/IEC 27017:2015) with the aim of further increasing our security level.

We will continue to undertake suitable information management, operation, and improvement on the basis of the ISO authentication standard that we have renewed and acquired, and shall enhance our secure cloud services (ASP/SaaS) to provide customers with peace of mind.

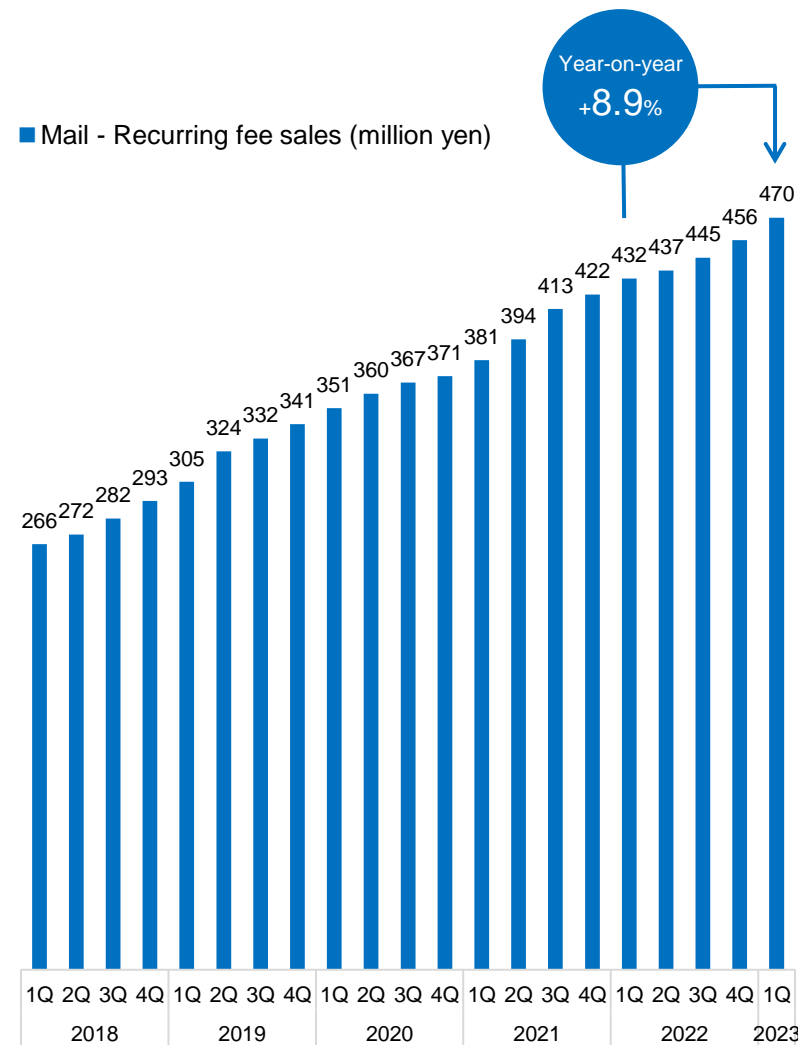
Mail End-of-quarter MRR (*1)/Quarterly recurring fee sales

First quarter (March) MRR increased by 8.3% year-on-year to 157 million yen, and first quarter recurring fee sales saw an 8.9% year-on-year increase to 470 million yen

■ Mail - End-of-year MRR (million yen)



■ Mail - Recurring fee sales (million yen)

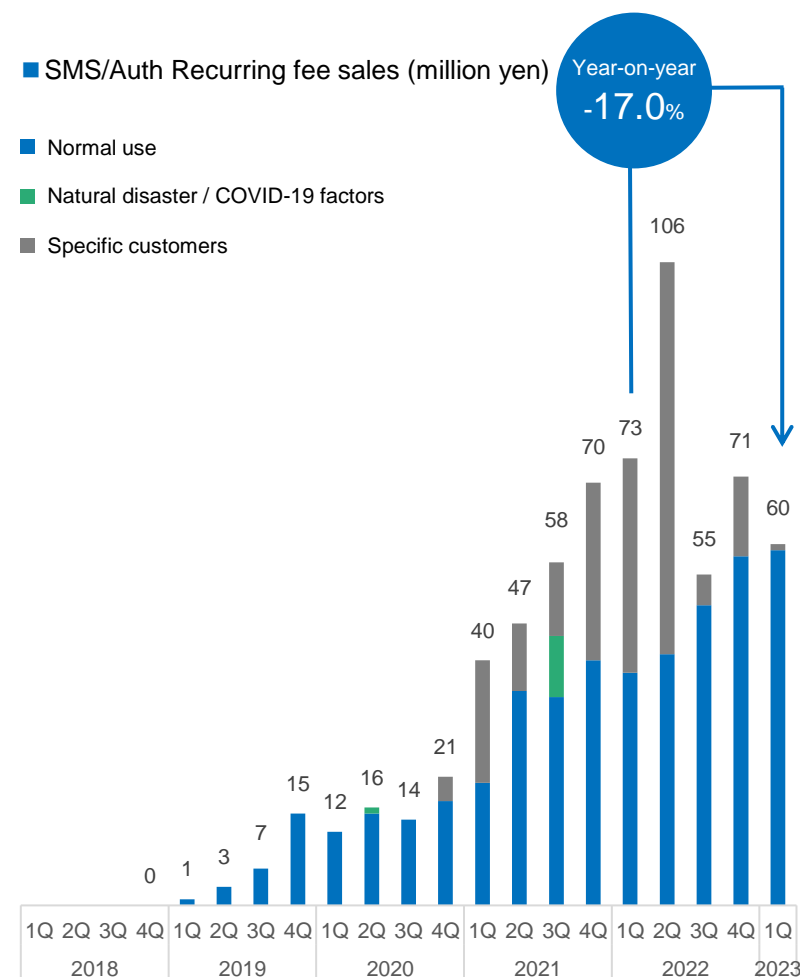
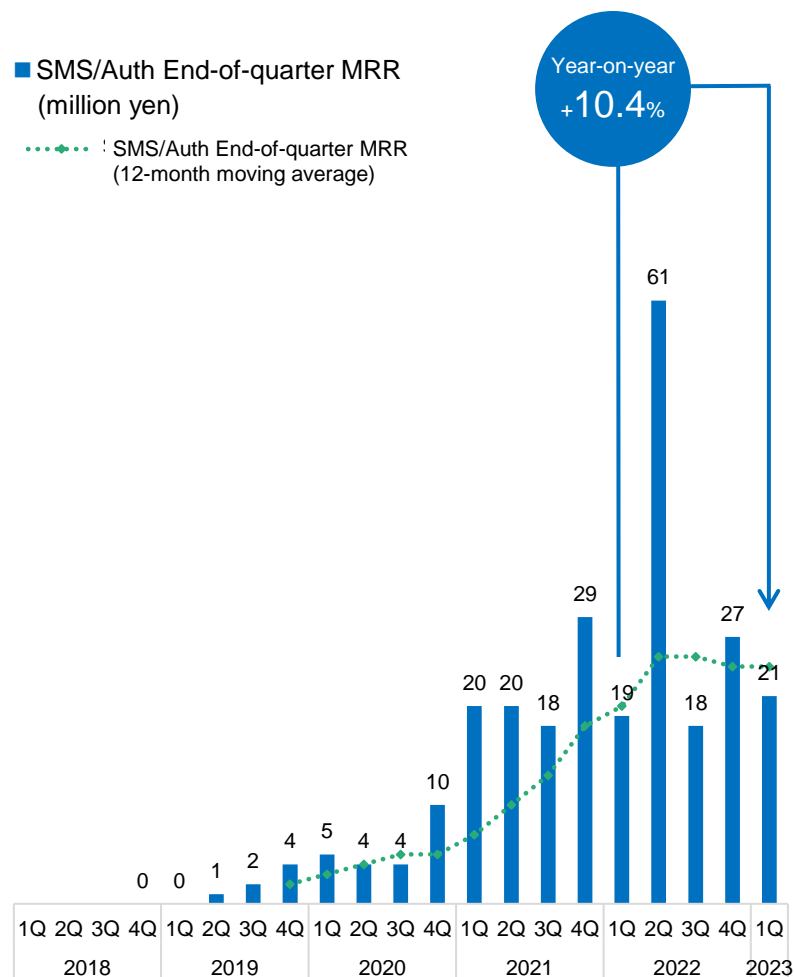


(*1) MRR (Monthly Recurring Revenue):

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

While specific customer deliveries declined, end-of-quarter MRR for Q1 (March) increased by 10.4% due to an increase in the number of contracts. And while the decline in specific customer deliveries resulted in a 17.0% fall in recurring fee sales, normal usage sales steadily built up.



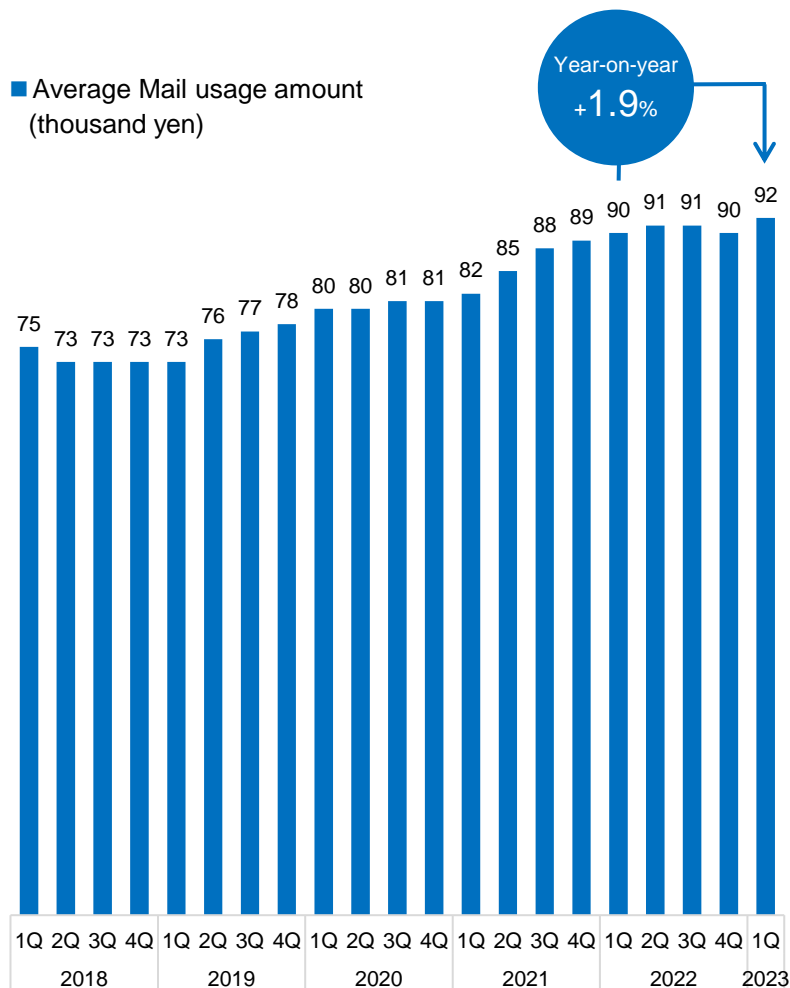
Note: Pay-per-use sales based on the number of delivery account for 74.4% of SMS service usage sales (results for January to December 2022).

The number of monthly deliveries 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)

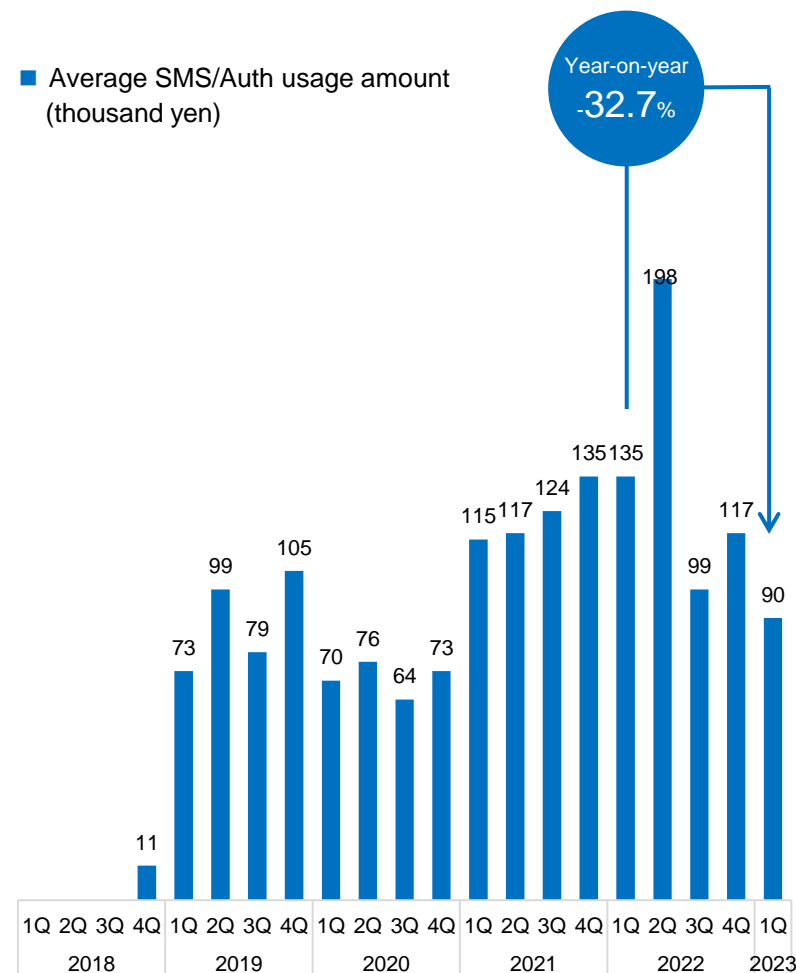
Mail

Average usage amount for the first quarter increased by 1.9% year-on-year



SMS/Auth

Decline in specific customer deliveries resulted in a 32.7% fall in average usage amount

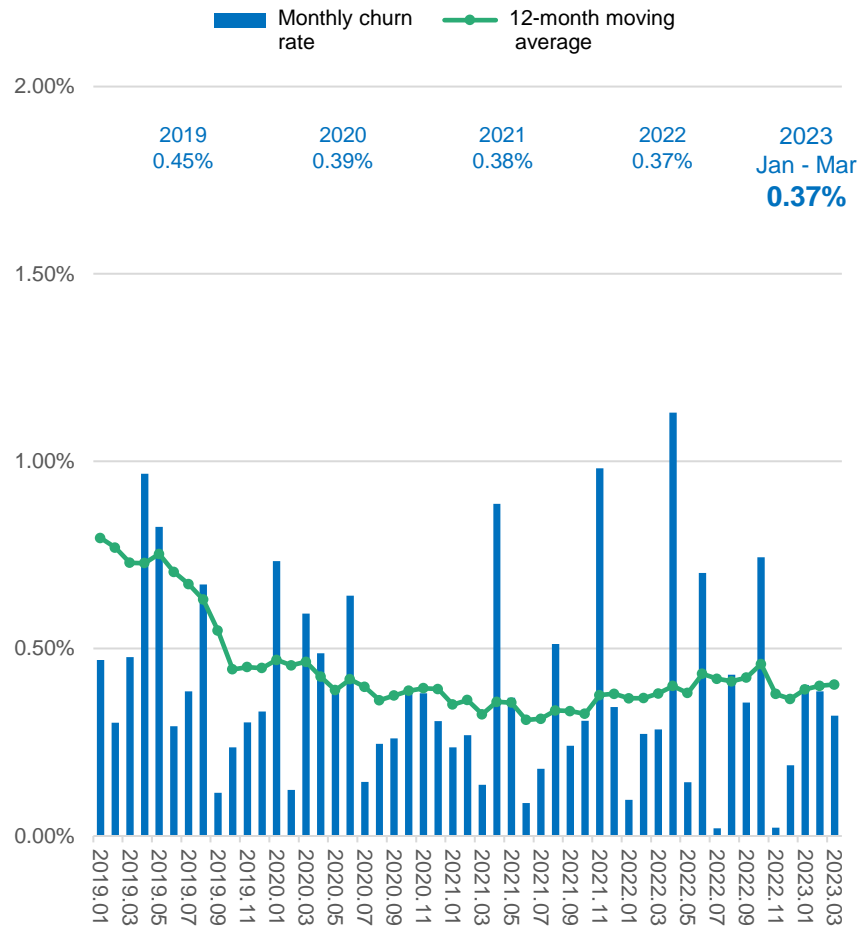


(*1) One-off sales (one-time-fee sales) such as initial setting and customization are not included in the average usage amount per contract
This is calculated by the formula: <Total full-year recurring fee sales / Total number of full-year contracts>

Monthly churn rate

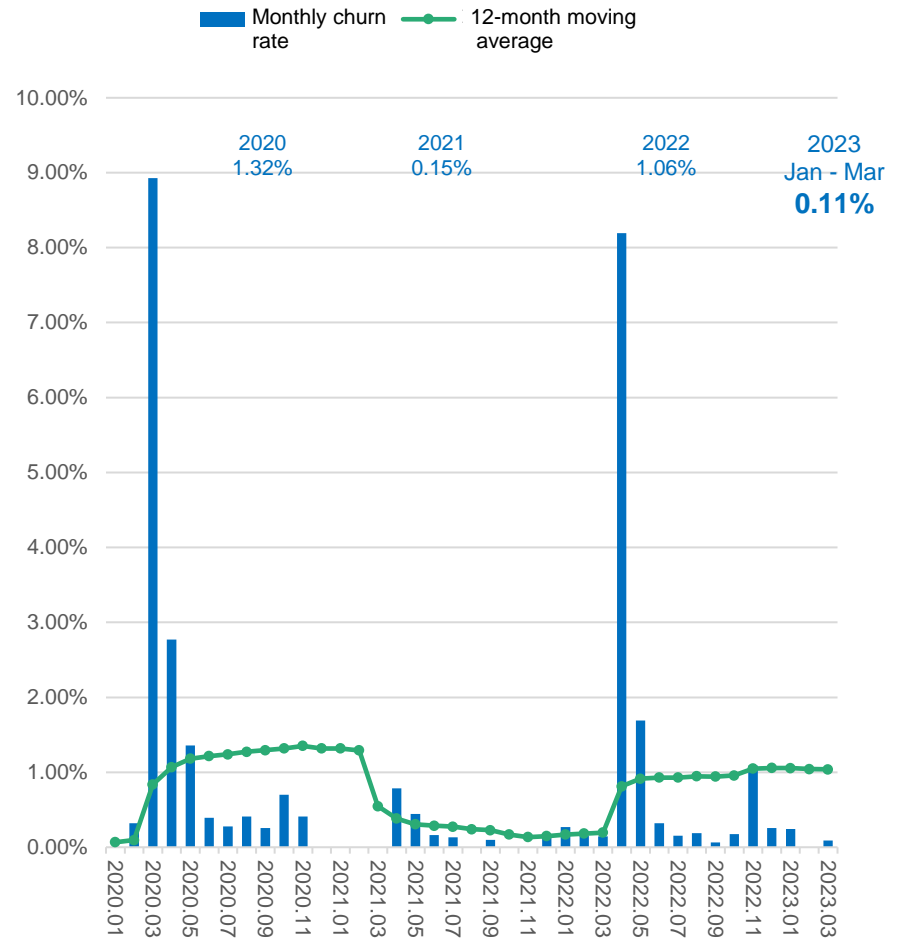
Mail (*1)

The monthly churn rate for Q1 was 0.37%, roughly the same as previous fiscal years



SMS/Auth (*1)(*2)

No large-scale cancellations occurred in Q1, and monthly churn rate was 0.11%



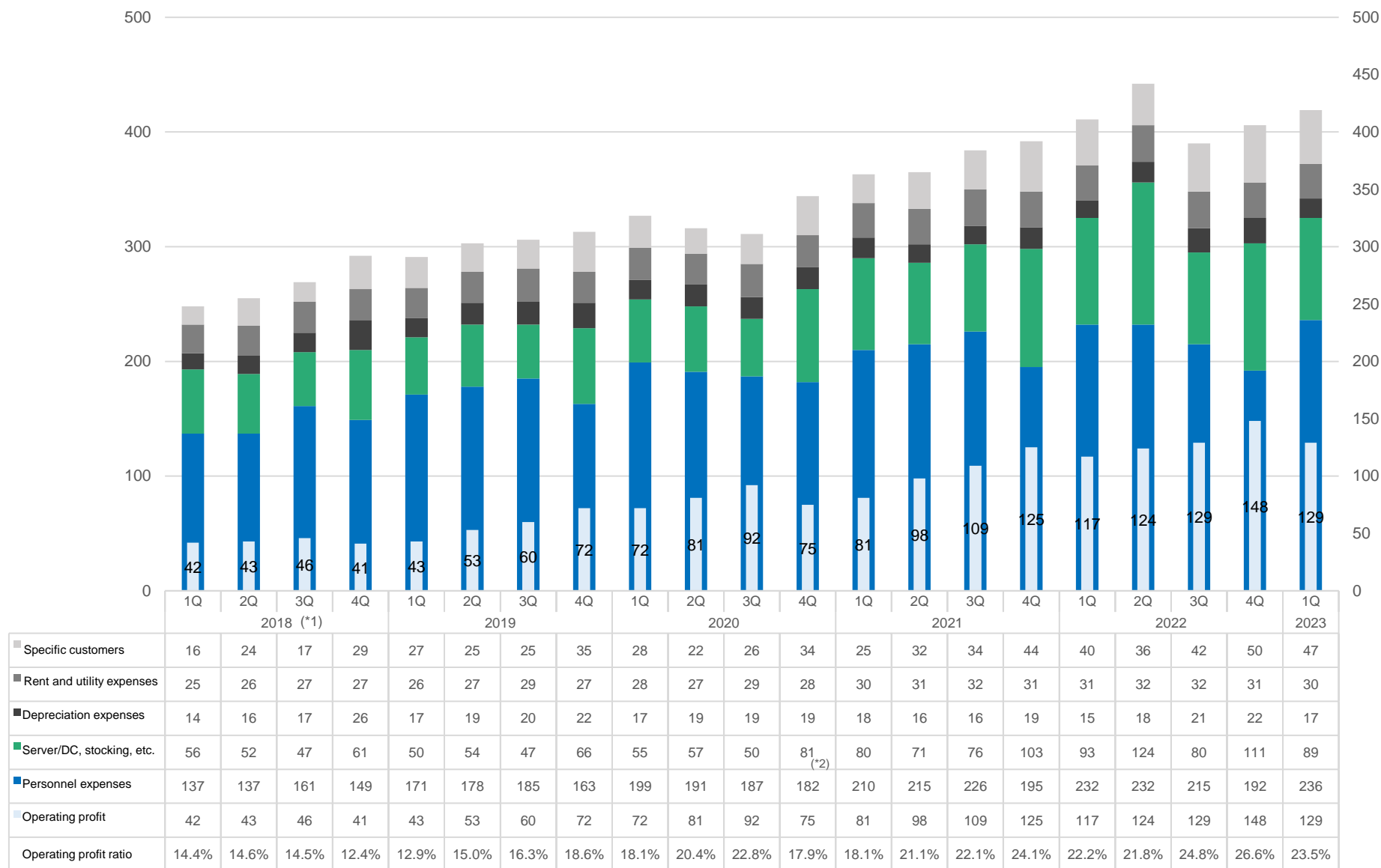
(*1) The churn rate is based on the revenue churn (amount based), and it is calculated by the formula: $\text{Cancellation amount incurred in the month} / \text{Contract amount at the beginning of the month} \times 100$

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

Income statement

	Q1 FY2022	Q1 FY2023	Rate of increase/decrease	Increase/decrease
Net sales	531 million yen	551 million yen	3.8 %	20 million yen
Cost of goods sold	174 million yen	177 million yen	1.7 %	2 million yen
Gross profit	356 million yen	374 million yen	4.9 %	17 million yen
Gross profit ratio	67.2 %	67.8 %	0.7 pts.	-
Sales, general and administrative expenses	239 million yen	244 million yen	2.5 %	5 million yen
Operating profit	117 million yen	129 million yen	9.8 %	11 million yen
Operating profit ratio	22.2 %	23.5 %	1.3 pts.	-
Ordinary profit	117 million yen	129 million yen	9.8 %	11 million yen
Current net profit	81 million yen	89 million yen	10.3 %	8 million yen
Current net profit ratio	15.3 %	16.2 %	0.9 pts.	-

Growth of quarterly operating expenses and operating profit



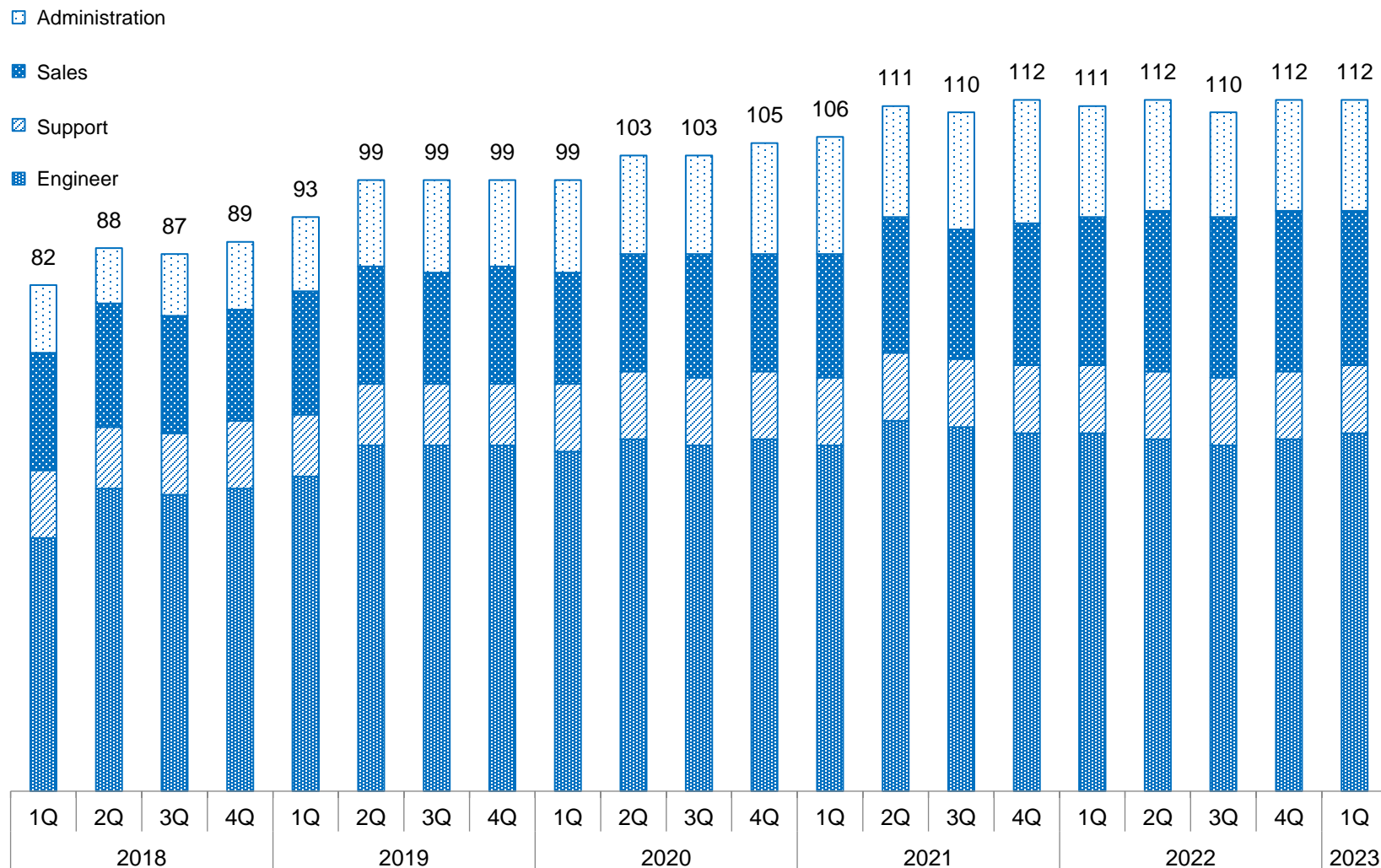
(*1) Figures for the fiscal year ended December 31, 2018 are unaudited figures.

(*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 was the same as the previous year (+1 technical, -1 sales)



Balance sheet

	Fiscal year ending December 31, 2022	Fiscal year to March 31, 2023	Increase/decrease	
Current assets	2,070 million yen	2,003 million yen	-67 million yen	<p>Main causes of increase/decrease of current assets</p> <ul style="list-style-type: none"> • Cash equivalent -19 million yen • Accounts receivable -44 million yen
Fixed assets	306 million yen	306 million yen	0 million yen	
Total assets	2,376 million yen	2,309 million yen	-67 million yen	<p>Main causes of increase/decrease of current liabilities</p> <ul style="list-style-type: none"> • Reduction in accounts payable, etc. -118 million yen • Income taxes payable -64 million yen • Bonus reserve +35 million yen
Current liabilities	440 million yen	283 million yen	-156 million yen	
Fixed liabilities	- million yen	- million yen	- million yen	
Total liabilities	440 million yen	283 million yen	-156 million yen	
Total net assets	1,936 million yen	2,025 million yen	89 million yen	
Equity ratio	81.5 %	87.7 %	6.2 pts.	
Book value per share	508.45 yen	531.99 yen	23.54 yen	

2. Full-year forecast for the fiscal year
ending December 31, 2023

Forecast and progress for the fiscal year ending December 31, 2023

 Sales stand at 23.0% and operating profit stands at 22.5% in terms of the full-year forecast

	Full-year FY2023	Q1 FY2023	Progress rate
Net sales	2,400 million yen	551 million yen	23.0 %
Recurring fee sales	2,351 million yen	545 million yen	23.2 %
One-time-fee sales	48 million yen	6 million yen	12.9 %
Operating profit	575 million yen	129 million yen	22.5 %
Operating profit ratio	24.0 %	23.5 %	-0.5 pts.
Ordinary profit	575 million yen	129 million yen	22.5 %
Current net profit	396 million yen	89 million yen	22.6 %
Current net profit ratio	16.5 %	16.2 %	-0.3 pts.

Financial forecast for the fiscal year ending December 31, 2023

Index of main services

	Fiscal year ending December 31, 2022	Fiscal year ending December 31, 2023	Rate of increase/decrease
Mail			
Full-year recurring fee sales	1,771 million yen	1,939 million yen	9.5 %
End-of-year MRR	154 million yen	168 million yen	9.1 %
Monthly churn rate	0.37 %	0.40 %	0.03 Pts.
SMS			
Full-year recurring fee sales	306 million yen	357 million yen	16.8 %
End-of-year MRR	27 million yen	31 million yen	14.1 %
Monthly churn rate	1.06 %	0.80 %	-0.26 Pts.

3. 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

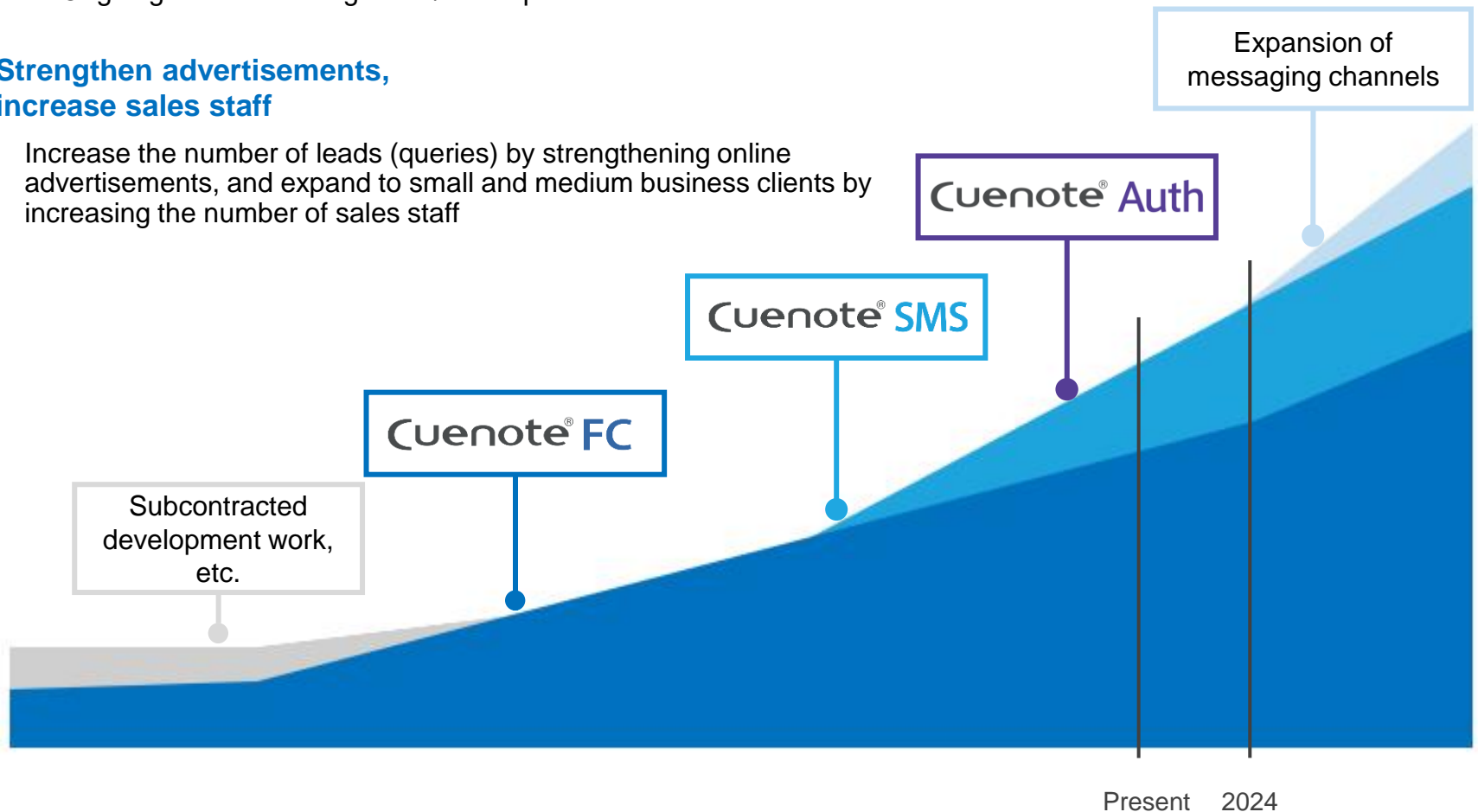
Continue to demonstrate excellent growth by expanding messaging channels (LINE, Web push, etc.) while continuing to strengthen growing email service

Increase of engineers

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

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



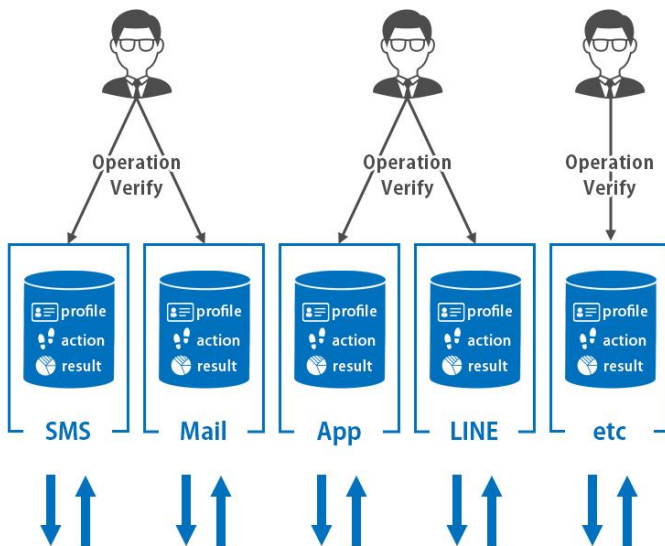
Role of a messaging platform

Background

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

Company

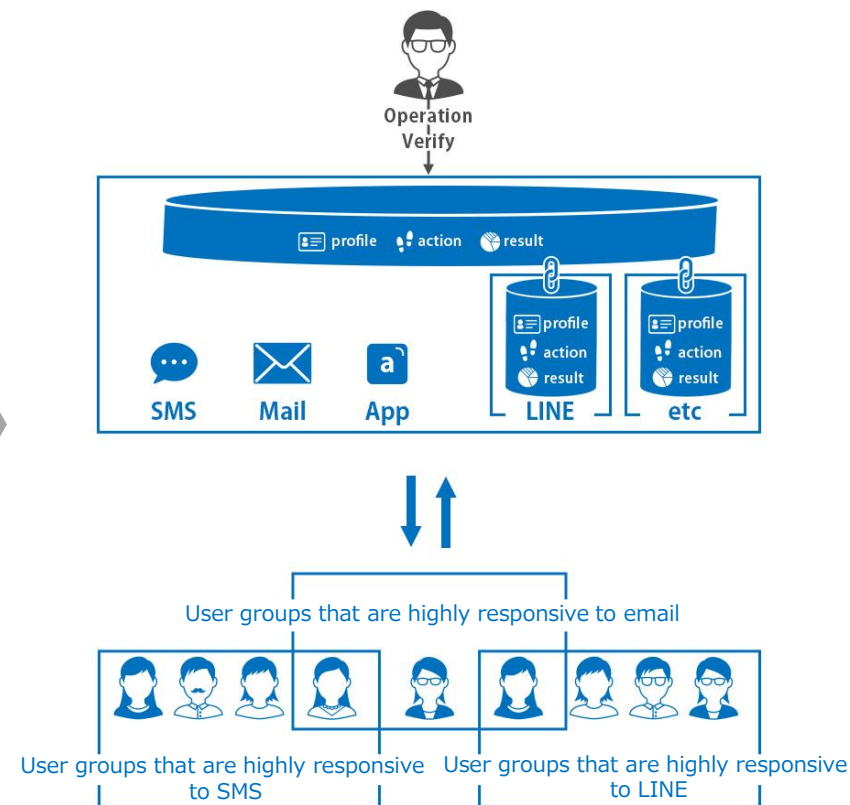
Marketing measures for each communication channel
More complex marketing activities, increased costs



Consumer

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

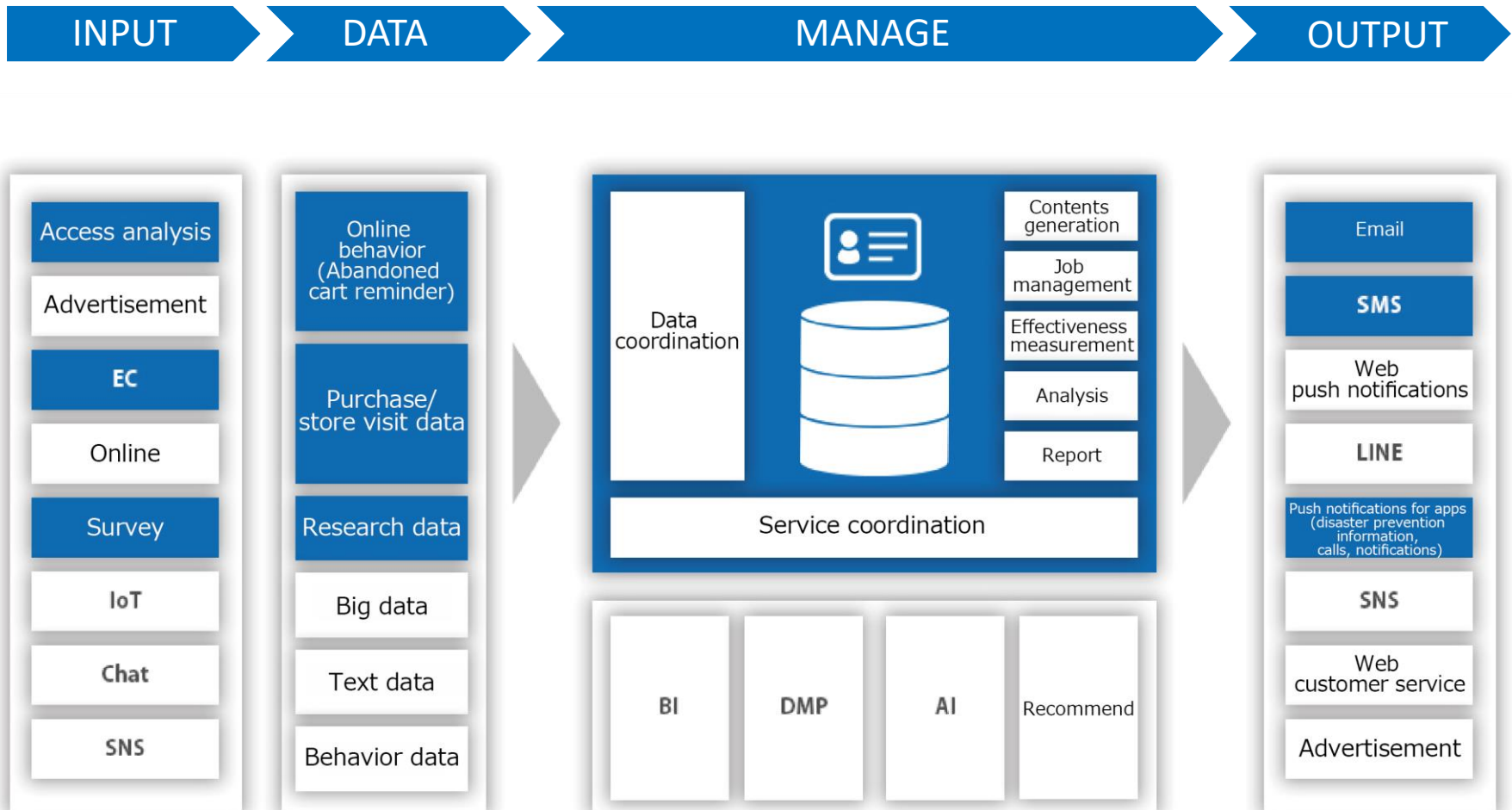
Improvement of the efficiency and sophistication of marketing activities
Realization of consistent or seamless communication
Improvement of effectiveness through user profile and behavior analysis



Receiving information with optimized frequency,
amount and timing

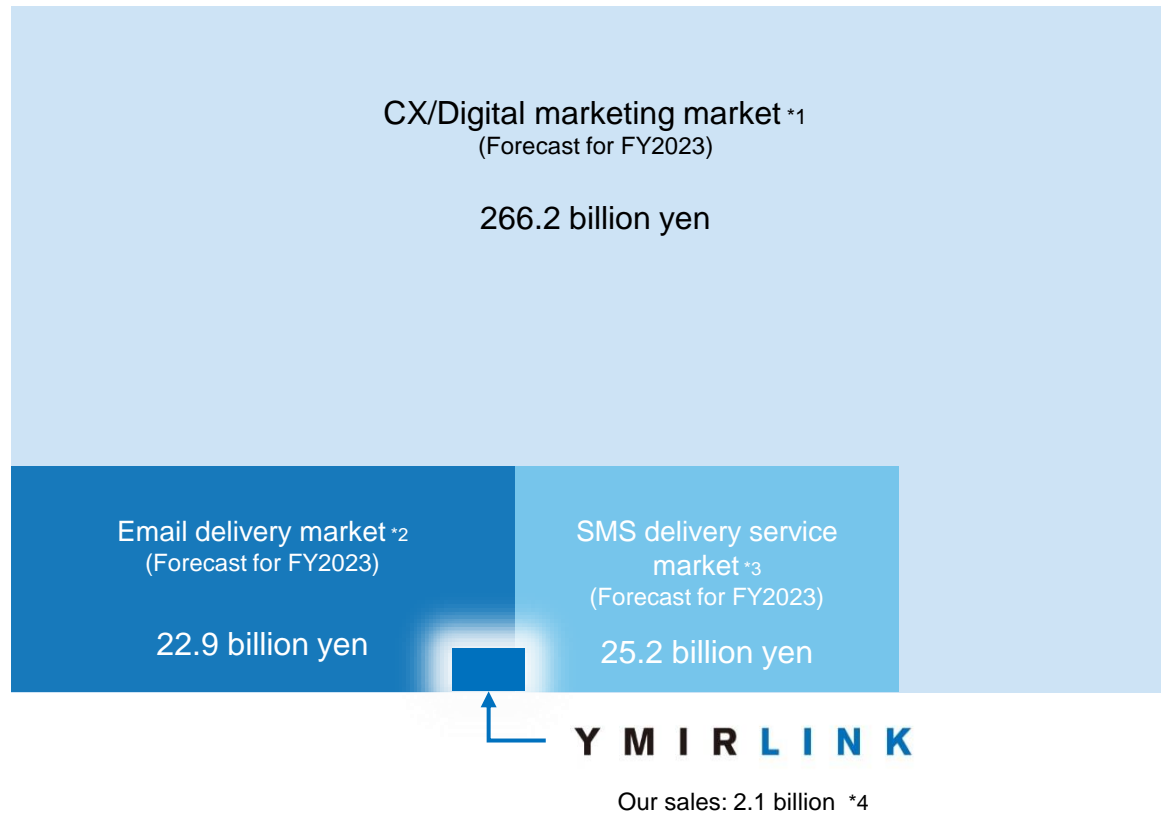
Messaging platform conceptual diagram

Expand the areas to be covered through selection and concentration



Messaging platform

We believe that shifting of 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 Source: Fuji Chimera Research Institute "Software Business New Market 2022 Edition" Digital marketing market (Forecast for FY2023)

*2 Source: ITR Corporation "ITR Market View: Email/Web marketing markets 2023" Email delivery market (Forecast for FY2023)

*3 Source: ITR Corporation "ITR Market View: EC site construction/CMS/SMS delivery service/CLM/E-contract service markets 2022" SMS delivery service market (Forecast for FY2023)

*4 Net sales for fiscal year ended December 31, 2022

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

Company name YMIRLINK Inc. (Tokyo Stock Exchange Growth Market: 4372)

establishment July 1999

Address

Tokyo (Head Office) : 2-2-1, Yoyogi, Shibuya-ku, Tokyo

Osaka Branch Office : 2-6-20, Umeda, Kita-ku, Osaka-shi, Osaka

Hokkaido Office : 1-1-12, Minami Gojo Nishi, Chuo-ku, Sapporo, Hokkaido

Fukuoka Office : 2-2-13, Hakata Higashi, Hakata-ku, Fukuoka, Fukuoka Prefecture

Okinawa Office : 1-17-8, Kitamae, Chatan-cho, Nakagami-gun, Okinawa Prefecture

Capital 273 million yen

Number of employees 112 As of March 2023

Business Messaging solution business

Qualifications/certifications Telecommunications carrier / A-13-4991

ISMS(JIS Q 27001(ISO/IEC 27001)) / MSA-IS-102

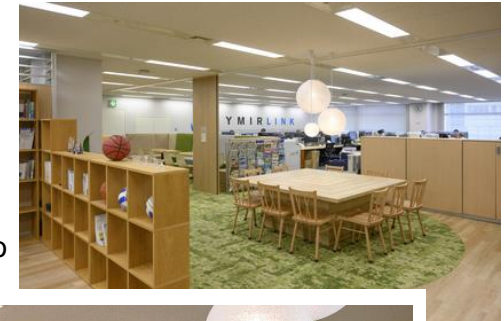
P Mark (JIS Q 15001) / 10820642(09)

Information disclosure certification system for safety/reliability of ASP/SaaS

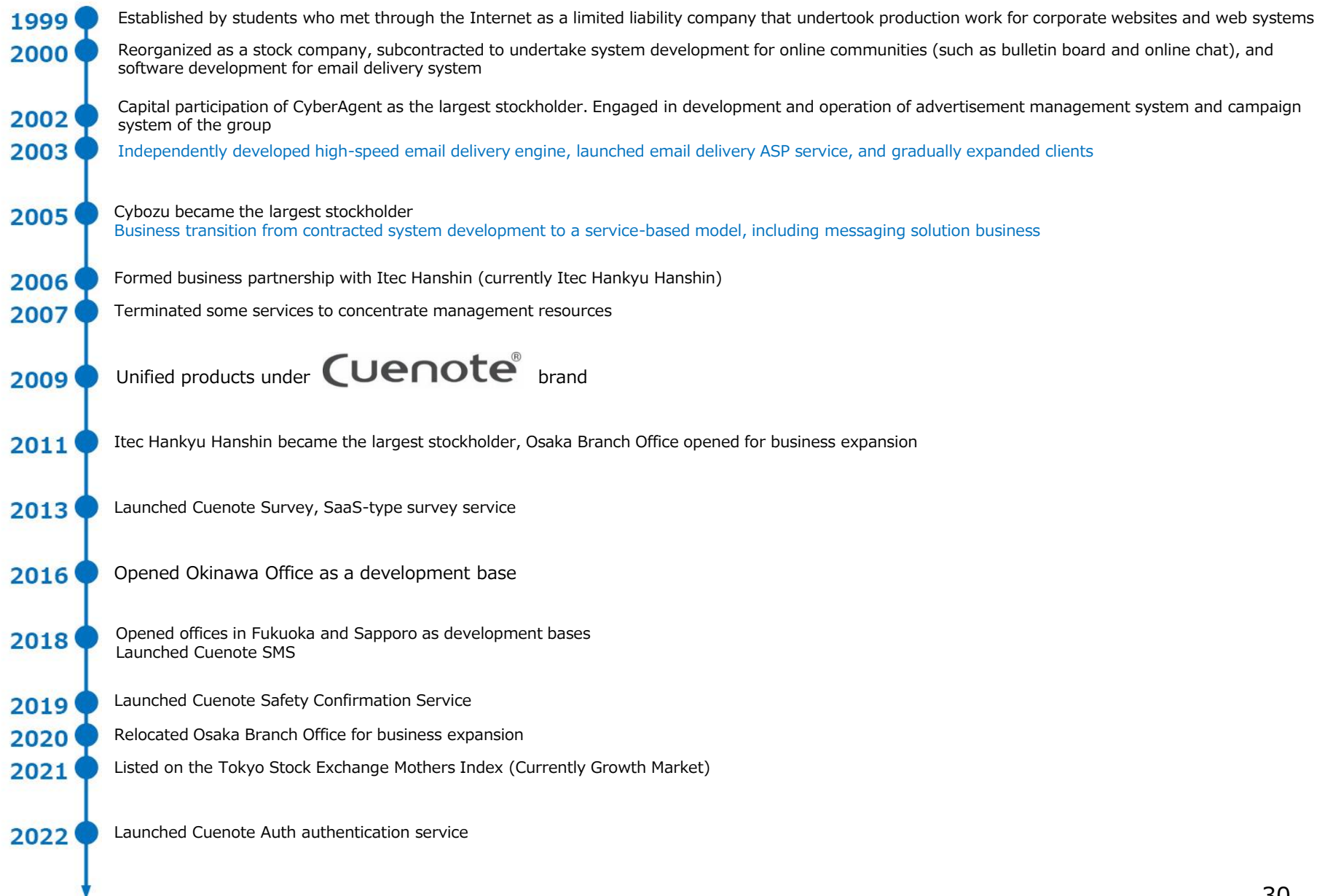
Corporate Philosophy We aim to be a company that contributes to society through the creation and provision of high-value information services, and a company from which great things are anticipated.

Company Policy We will create services to provide enjoyment and satisfaction to customers through technology and passion. We shall respect the individuality of each employee, and support the growth of our employees.

Goal A Leading Japanese SaaS

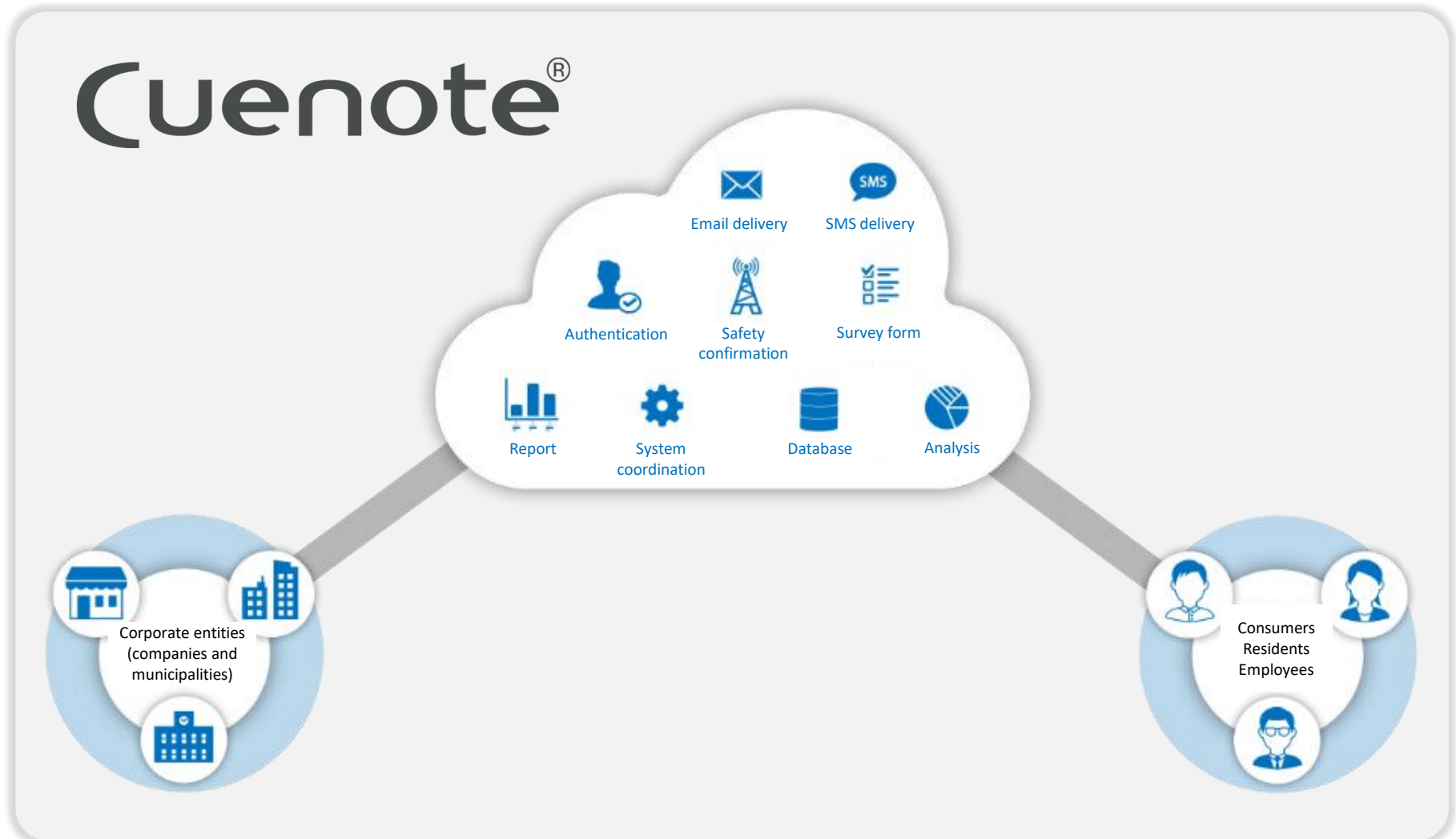


Corporate history



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

Sales ratio 65%

Online survey and form system

Cuenote® Survey



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

Email relay server

Cuenote® SR-S



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

Sales ratio 18%

Safety confirmation service

安否確認サービス Cuenote®



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

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

Sales ratio 14%

Authentication service

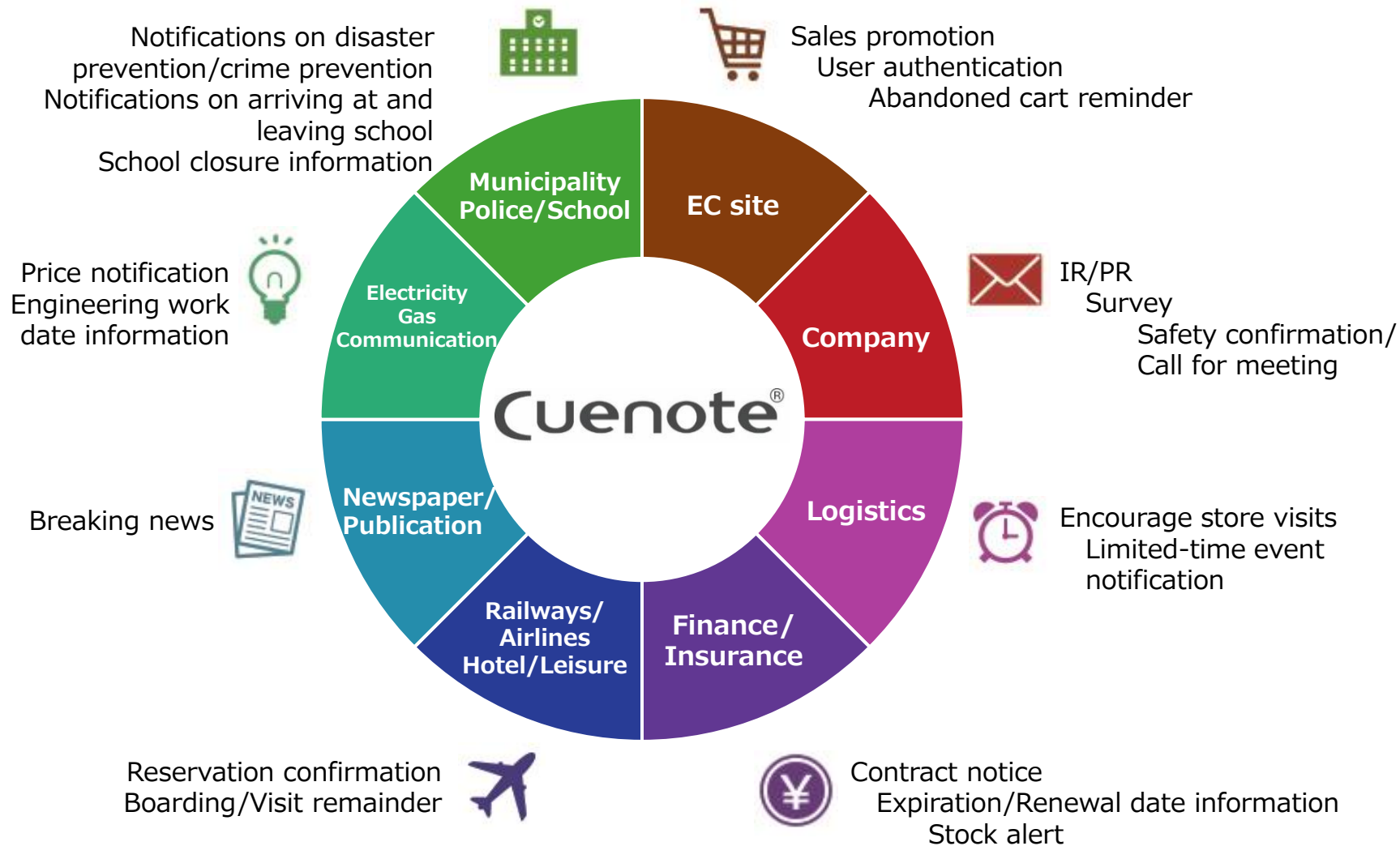
Cuenote® Auth



A service easily implementable with API coordination that utilizes SMS and IVR for secure multi-step authentication

Where is Cuenote used?

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



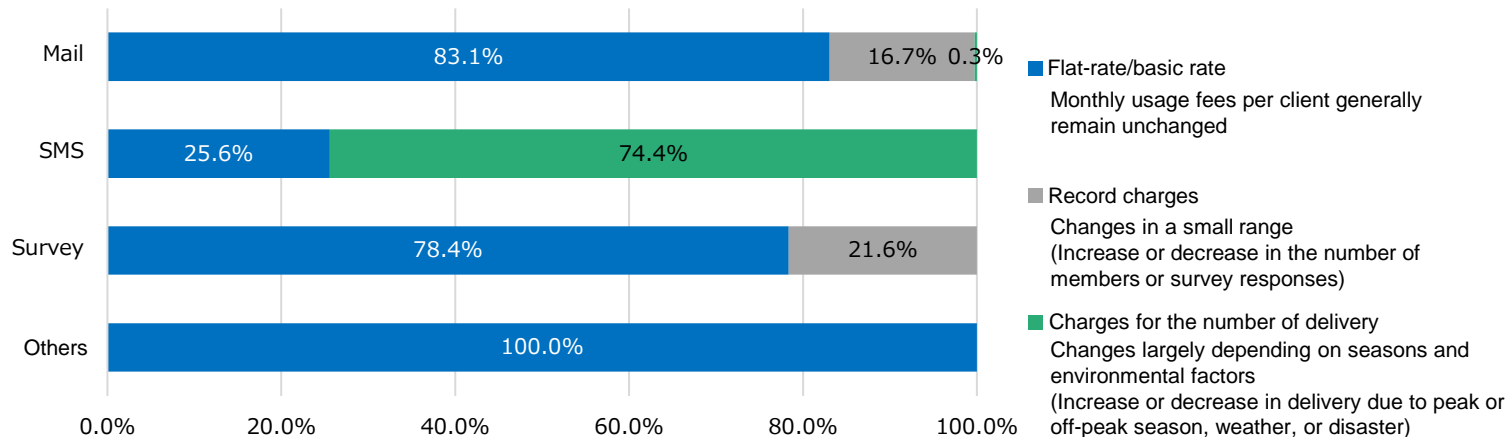
Sales classification

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 2022

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 7.6 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.

Email delivery system

Cuenote[®] SR-S



SaaS

Software

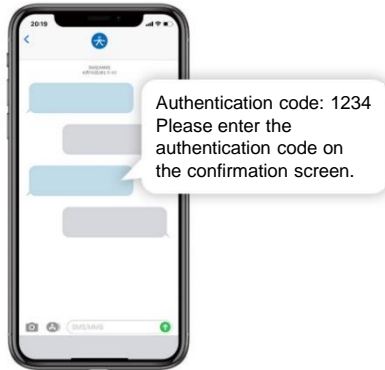
It is an email relay server that relays SMTP through DNS settings to eliminate email delivery delay and non-delivery.

It includes a delivery error reason analysis function and supports API-based document creation and delivery.

About products

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.

Authentication service

Cuenote[®] Auth



SaaS

A secure authentication service utilizing SMS and IVR through phone numbers.

The authentication process can be easily implemented just by making a request to the API, after which an authentication code will be created and sent.

It can be used for purposes such as identity verification, measures against resale for EC websites, unauthorized access prevention, etc.

About products

Online survey and form system

Cuenote® Survey



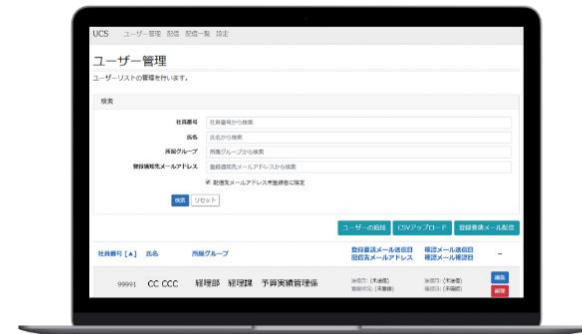
SaaS

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.

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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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