



FY2019/09 First Quarter
Financial Results & Corporate Strategy

LINKBAL INC.

February 5, 2019

TSE Mothers
6046

Cautionary Statement

- In addition to our business and industry trends, this material refers to future prospects based on our current schedule, estimates, expectations, or predictions.
- Announcements regarding these future prospects are accompanied by various risks and uncertainties.
- Risks, uncertainties and other factors already known or unknown may cause results to vary from the future prospects.
- We can not promise that our announcements and forecasts for future prospects are correct and the results may differ significantly from our future prospects.
- The announcements on future prospects in this material was made by the Company as of February 5, 2019 based on available information. We are not updating and changing any statement on future prospects based on future events and circumstances.

- 1 Company Profile
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1 Company Profile





E-commerce Platformer of Experiential Consumption ^{*1} Entering Full-Scale Expansion

Mission

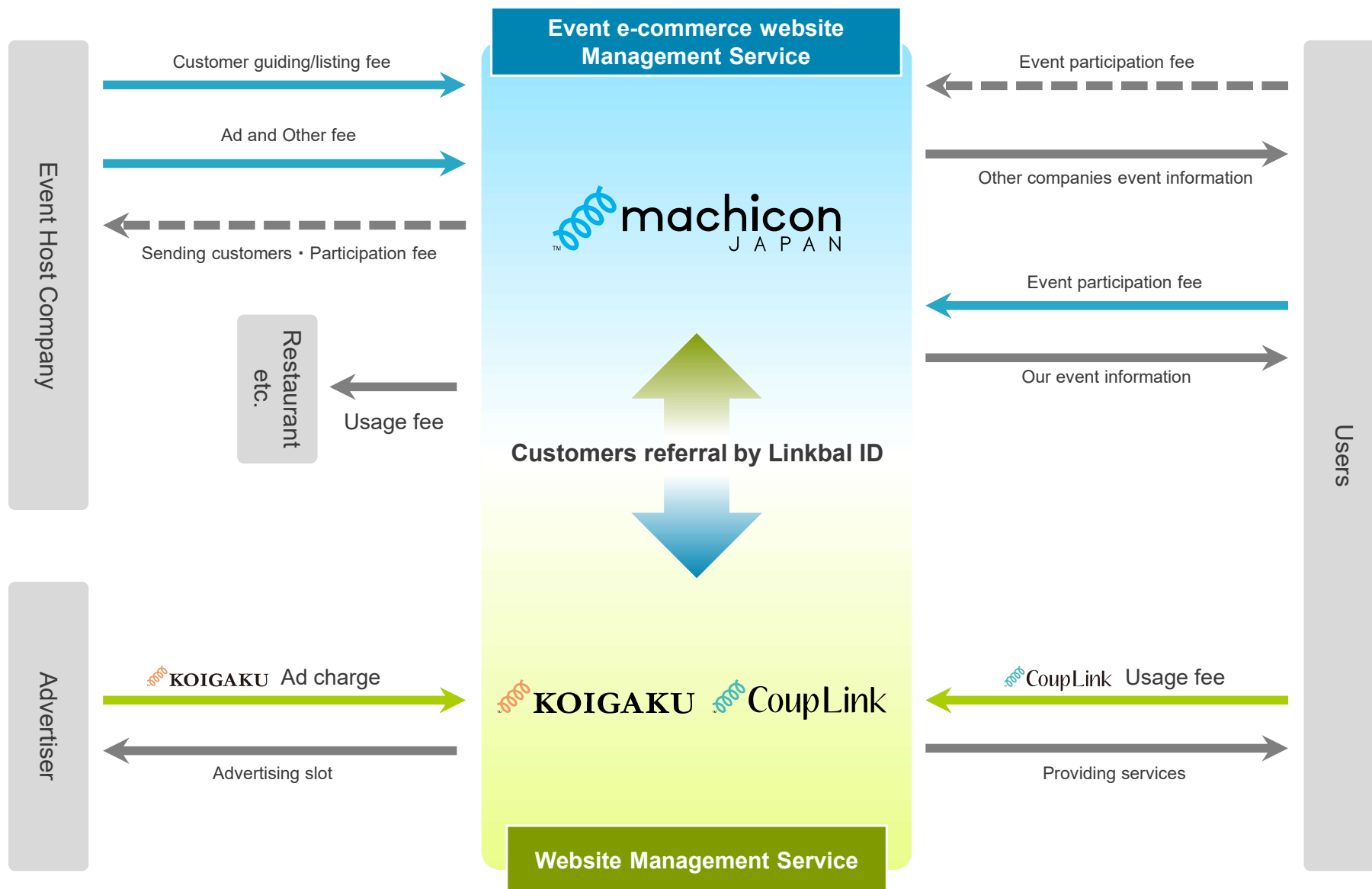
Connect the world

Mission Statement

Creating new value with "idea × technology"
pursuing customer satisfaction and growth.

Note (1) : Consumption to "activities" such as experiencing various services

Our Business Model



Event E-commerce Website Management Service

Providing the largest domestic experiential consumption e-commerce platform , informing more than 180,000 events annually.

Customer base in the 20s and 30s, and various contents for “experience“, "friendship" and "love life".

Experiential consumption e-commerce platform 「machicon JAPAN」



【Overview and features】

- More than 180,000 events annually throughout Japan (Japan's largest)
- Membership (Linkbal ID *1) mainly in the 20s and 30s
- Expanding variation contents

Making friends

Experience

Club

Offline meeting

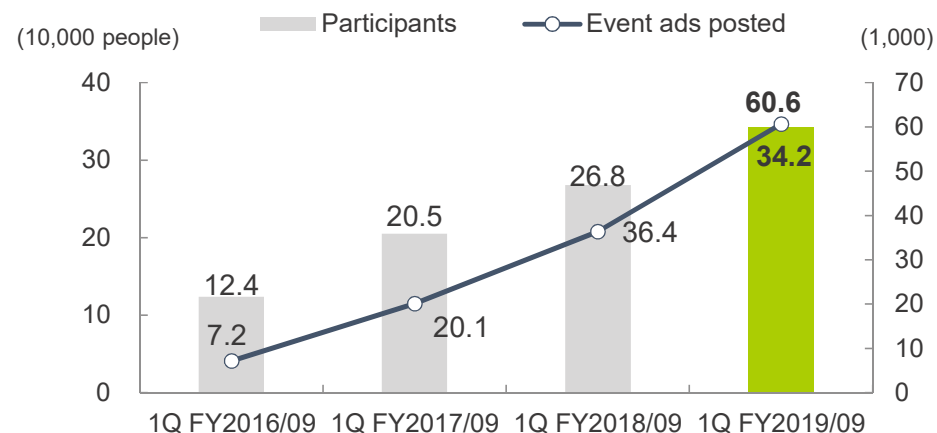
Self-refining

Looking for love
Marriage hunting

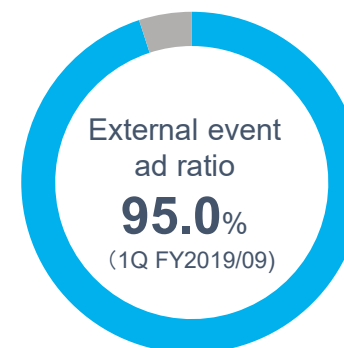
.etc

Note (1) : Linkbal ID is the name of a user ID that can use "machicon JAPAN", "CoupLink", "KOIGAKU"

Event participants



Event ad ratio of machicon JAPAN



Aiming at constructing a profit base beyond existing business by acquiring potential membership through customer exchange with "Experiential consumption e-commerce platform" machicon JAPAN ".

Online application 「CoupLink」



Japan's first dating application to match event participants online

 **CoupLink**



- Provide matching service to look for love/marriage on line
- Free membership registration (LinkbalID*1)
- Subscription business model

【Feature】

- High security and safety that event participants use
- Event participants can exchange messages through the application

Love specialty media 「KOIGAKU」



 **KOIGAKU**

- Provide diverse contents including column articles for women having trouble building a good relationship
- Free membership registration (LinkbalID※1)
- Advertisement revenue

Note(1)Linkbal ID is the name of a user ID that can use "machicon JAPAN", "CoupLink", "KOIGAKU":

2 FY2019/09 First Quarter Summary



1Q FY2019/09 Result Summary

By increasing other company events, event participants increased by 27.8%

In addition, due to cost efficiency, we achieved 89.7% increase in operating income.

Linkbal IDs

Reached

1.6mn

Event participants

Increased by

27.8%

Events posted

Increased by

66.5%

Operating Profit

Increased by

89.7%

Net Profit

Increased by

78.9%

1Q FY2019/09 Outline of PL Statement

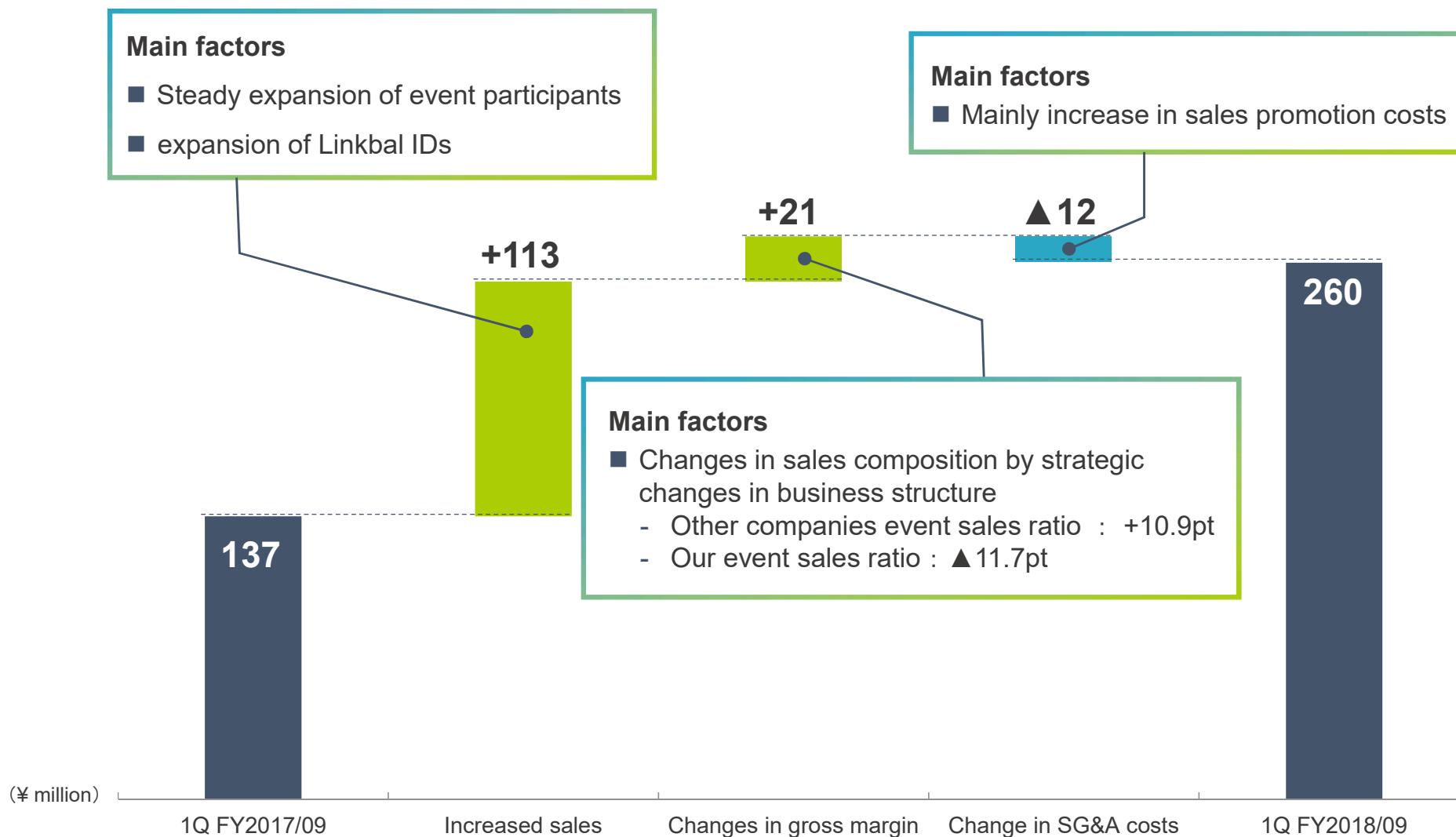
Profitability improved from strategic changes of business structure.

Operating profit increased by 89.7%, exceeding the initial forecasts.

(¥ million)

	1Q FY2018/09	1Q FY2019/09	1H FY2019/09 Initial estimates	YoY	1H FY2019/09 Progress rate
	Actual	Actual			
Sales	621	758	1,585	+21.9%	47.8%
Gross Profit	520	655	-	+26.0%	-
margin(%)	83.6%	86.5%	-	+2.9pt	-
Operating Profit	137	260	498	+89.7%	52.2%
margin(%)	22.1%	34.3%	-	+12.2pt	-
Recurring Profit	137	261	498	+89.8%	52.4%
margin(%)	22.2%	34.5%	-	+12.3pt	-
Net Profit	88	158	308	+78.9%	51.2%
margin(%)	14.2%	20.9%	-	+6.7pt	-

1Q FY2019/09 Changes in Operating Profit



1Q FY2019/09 Sales Overview by Service

With expansion of event participants, the strategic shift to other company events progresses.

Website management service is steadily growing along with expansion of Linkbal IDs

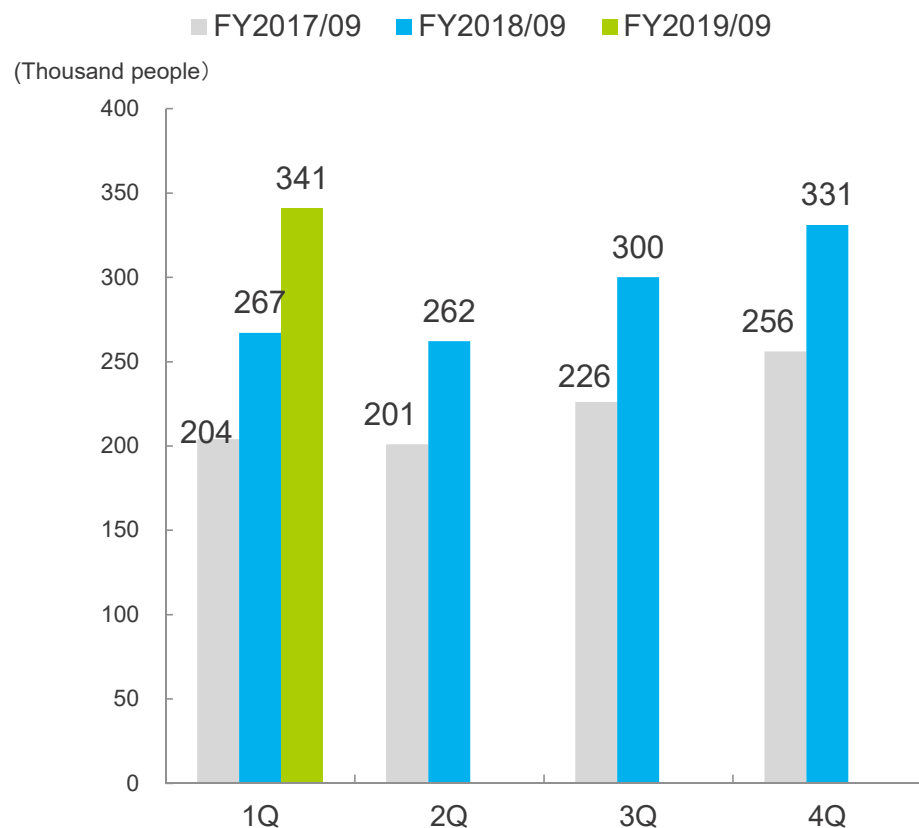
(¥ million)

	1QFY2017/09	1QFY2018/09	1QFY2019/09	YoY
	Actual	Actual	Actual	
Event e-commerce website management service	622	585	695	+18.7%
Composition ratio (%)	96.3%	94.1%	91.7%	▲ 2.4pt
Other company event sales	261	386	535	+38.4%
Ratio in this service(%)	42.1%	66.1%	77.0%	+10.9pt
In-house event sales	342	190	144	▲ 24.0%
Ratio in this service(%)	55.0%	32.5%	20.8%	▲ 11.7pt
Other sales	17	8	15	+75.2%
Ratio in this service(%)	2.9%	1.4%	2.2%	+0.8pt
Website management service	23	36	62	+73.1%
Composition ratio(%)	3.7%	5.9 %	8.3%	+2.4pt

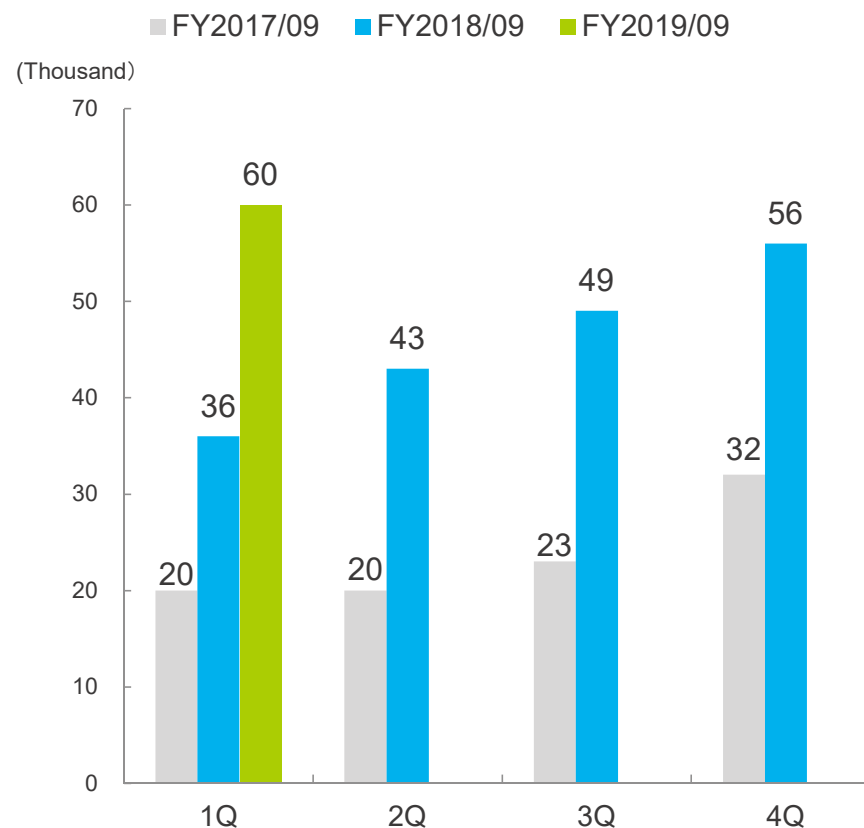
1Q FY2019/09 Trends of Event Participants and Postings

Increasing throughout the year, event participants surpassed 340,000, and event postings exceeded 60,000.

Event participants



Events posted



1Q FY2019/09 BS Summary

Equity ratio rose to 73%, with a large increase in retained earnings due to the expansion of net profit.

(¥ million)

		FY2018/09 term end	1Q FY2019/09	difference
	Current Assets	1,863	1,964	+101
	Cash and deposits	1,661	1,597	▲ 64
	Fixed Assets	210	197	▲ 13
Total Assets		2,074	2,162	+87
	Current Liabilities	613	542	▲ 70
	Fixed Liabilities	31	31	+0
Total Liabilities		644	573	▲ 70
Total net assets		1,430	1,588	+158
Total liabilities / net assets		2,074	2,162	+87

Business Topics - Establishment of Vietnam base

We now have a development base in Vietnam to enhance our technology, where we maintain/develop the experiential consumption e-commerce platform.

LINKBAL VIETNAM CO., LTD.



Base	Hanoi City, Vietnam
Established	December 2018
Representative	TRẦN NGỌC CƯỜNG
Business Description	Software planning, development, operation etc

Japan

- AI
- Data Science
- New software development etc.

Vietnam

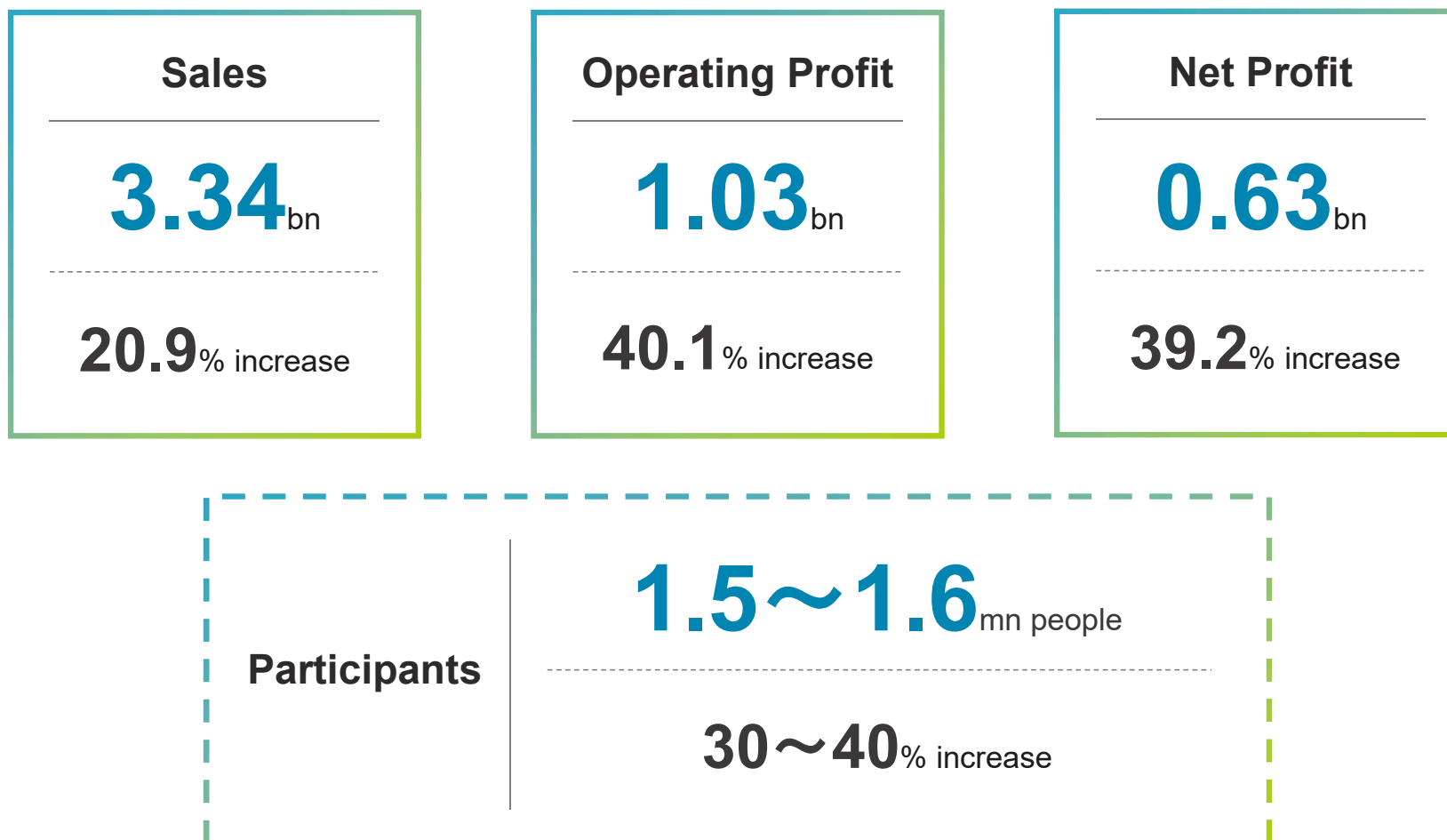
- Started as an offshore development base
- Positioned as a future core base for software development
- Preparing for business expansion mainly in Asia

3 FY2019/09 Forecast



FY2019/09 Forecast Summary

We will bring strategic changes in our businesses which leads to increase in participants for increase sales and profits.



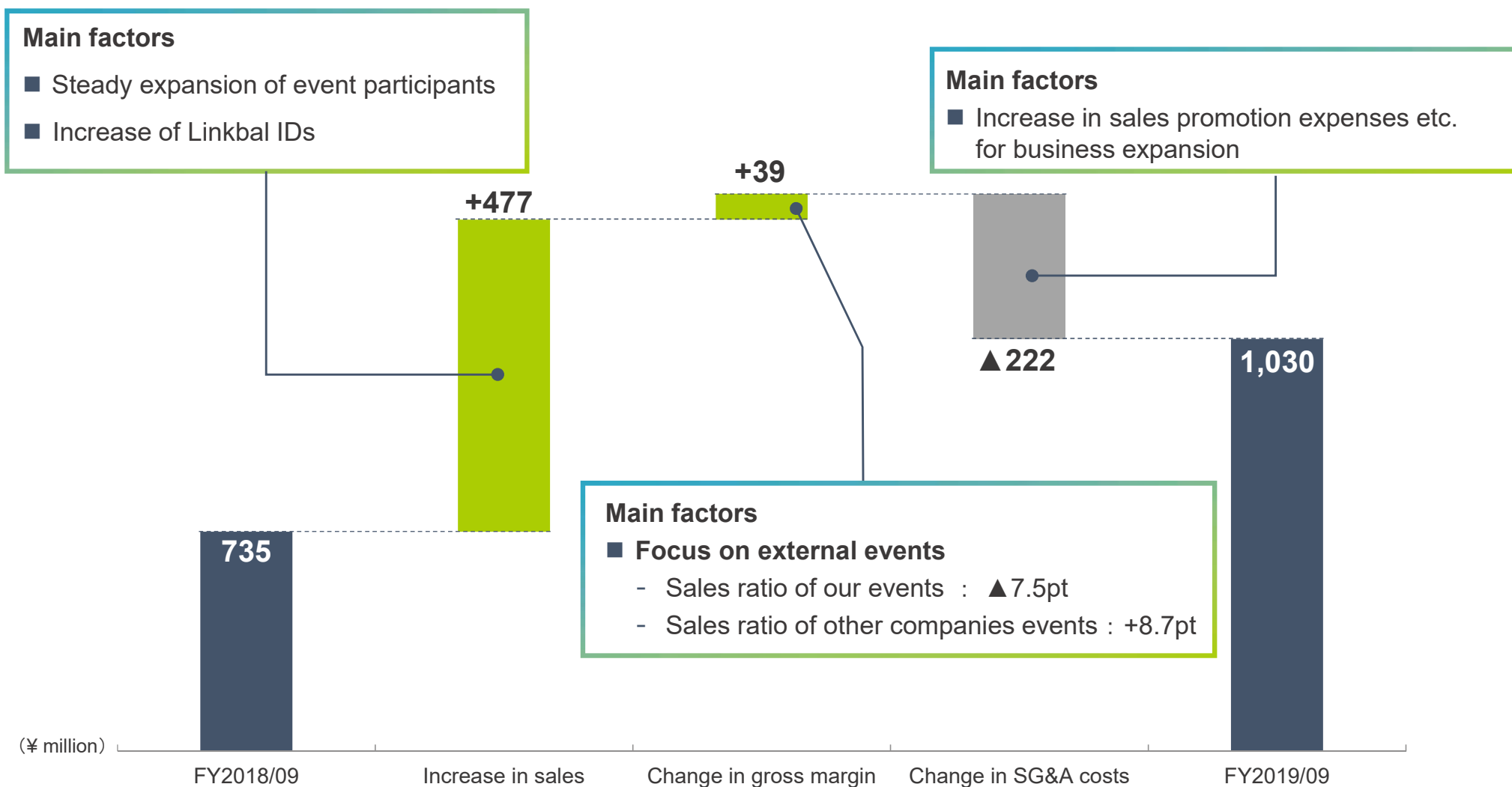
FY2019/09 P/L Forecast

We aim to increase sales by 20%, and operating income by 40%. It is owing to full launch of the application business (CoupLink), and further expanding of the e-commerce platform, supported by experiential consumption related contents and external events.

(¥ million)

	FY2018/09	FY2019/09	YoY
	Actual	Estimate	
Sales	2,769	3,347	+20.9%
Operating Profit	735	1,030	+40.1%
Margin (%)	26.5%	30.8%	+4.3pt
Recurring Profit	738	1,030	+39.6%
Margin (%)	26.7%	30.8%	+4.1pt
Net Profit	458	638	+39.2%
Margin (%)	16.6%	19.1%	+2.5pt

FY2019/09 Analysis of Change in Operating Profit



FY2019/09 Sales Forecasts by Service

Event e-commerce website management service: + 18%, thanks to 30~40% increase in event participants.

Website management service: +61%, supported by full-scale launch of the application business (CoupLink).

(¥ million)

Service	FY2018/09	FY2019/09	YoY
	Actual	Estimate	
Event e-commerce website management service	2,586	3,051	+18.0%
Ratio (%)	93.4%	91.2%	▲ 2.2pt
Website management service	183	296	+61.4%
Ratio (%)	6.6%	8.8%	+2.2pt

4 Towards the next growth stage



"Three Points" Towards Our Growth

1

Expanding from the market of “Machicon(Town Matchmaking Party)/
Kon-Katsu(Marriage Hunting)”
to a much bigger market of **“Experiential consumption”**

2

Key to business development in the experiential consumption
market **“Membership base in the 20s and 30s”**

3

Overwhelming **“Ability to attract customers”** of
the event e-commerce website

Development into the Experiential Consumption Market

From “dating / marriage hunting market” to “experiential consumption market” to expand our targeting market drastically

Up to present ▪ Market size



Age 20-34
Number of unmarried people
Around **12.86** mn people



Expansion



Age 20-59
Number of unmarried people
Around **21.54**mn



Age 20-34



Around **12.86**mn



Age 35-59



Around **8.68**mn

From now on ▪ Market size

Experiential consumption market

Entertainment	Sports	Tourism Excursion	Hobby Creation
47.2 trillion yen	4.0 trillion yen	10.8 trillion yen	7.7 trillion yen

Domestic
tourism
Around **52.40**mn

Eating out
Around **39.80**mn

Movies
Around **34.20**mn

Zoo, Botanical gardens
Aquarium, Museum
Around **30.90**mn

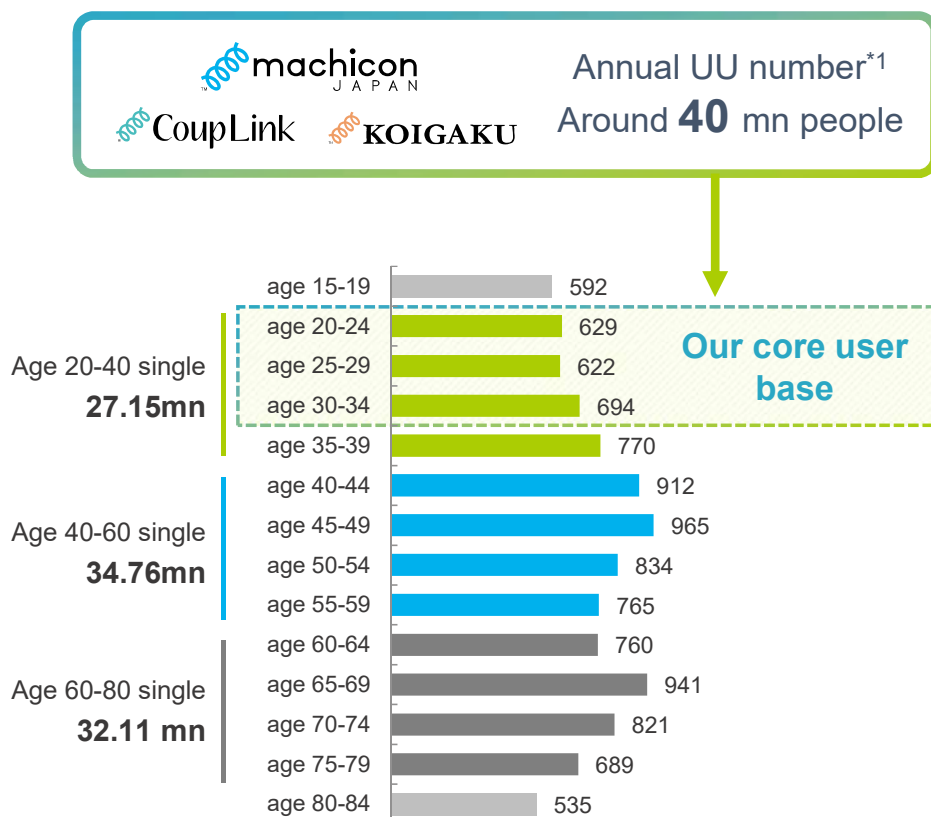
Walking
Around **29.40** mn

Jogging, Marathon
Around **20.00**mn

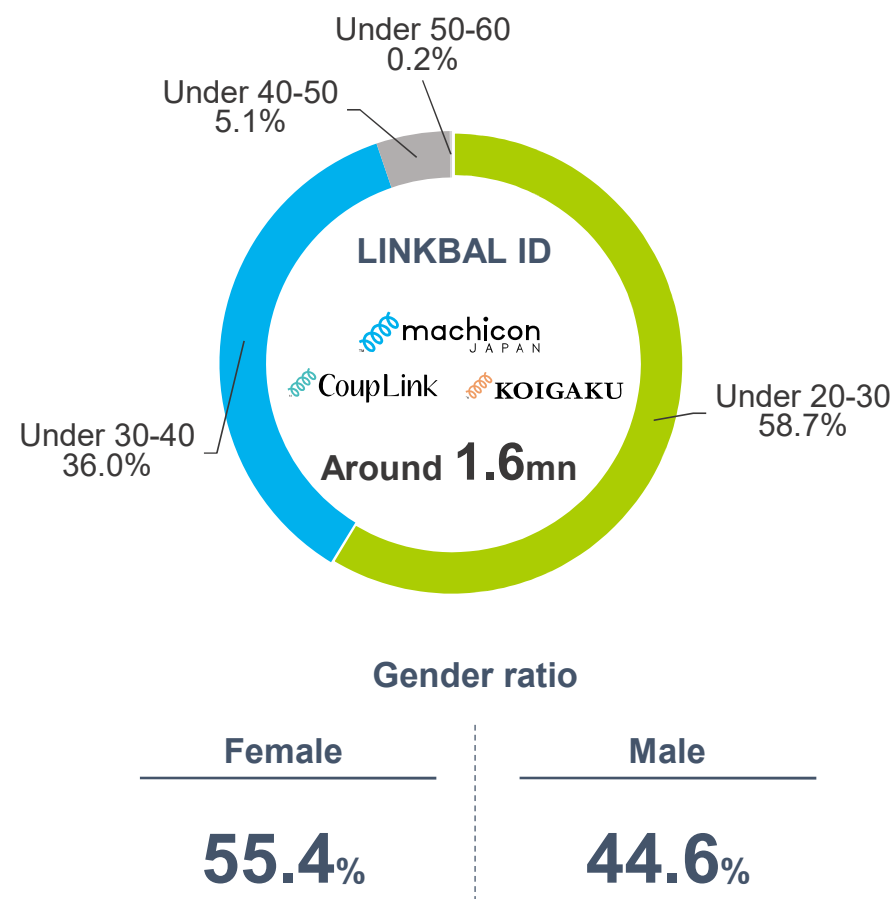
Member Base as Event E-commerce Platformer

Our main websites annual UU : “overwhelming” about 40 million a highly experiential consumer-oriented membership mainly in the 20s and 30s.

Our presence by population structure



Membership base mainly in the 20s and 30s



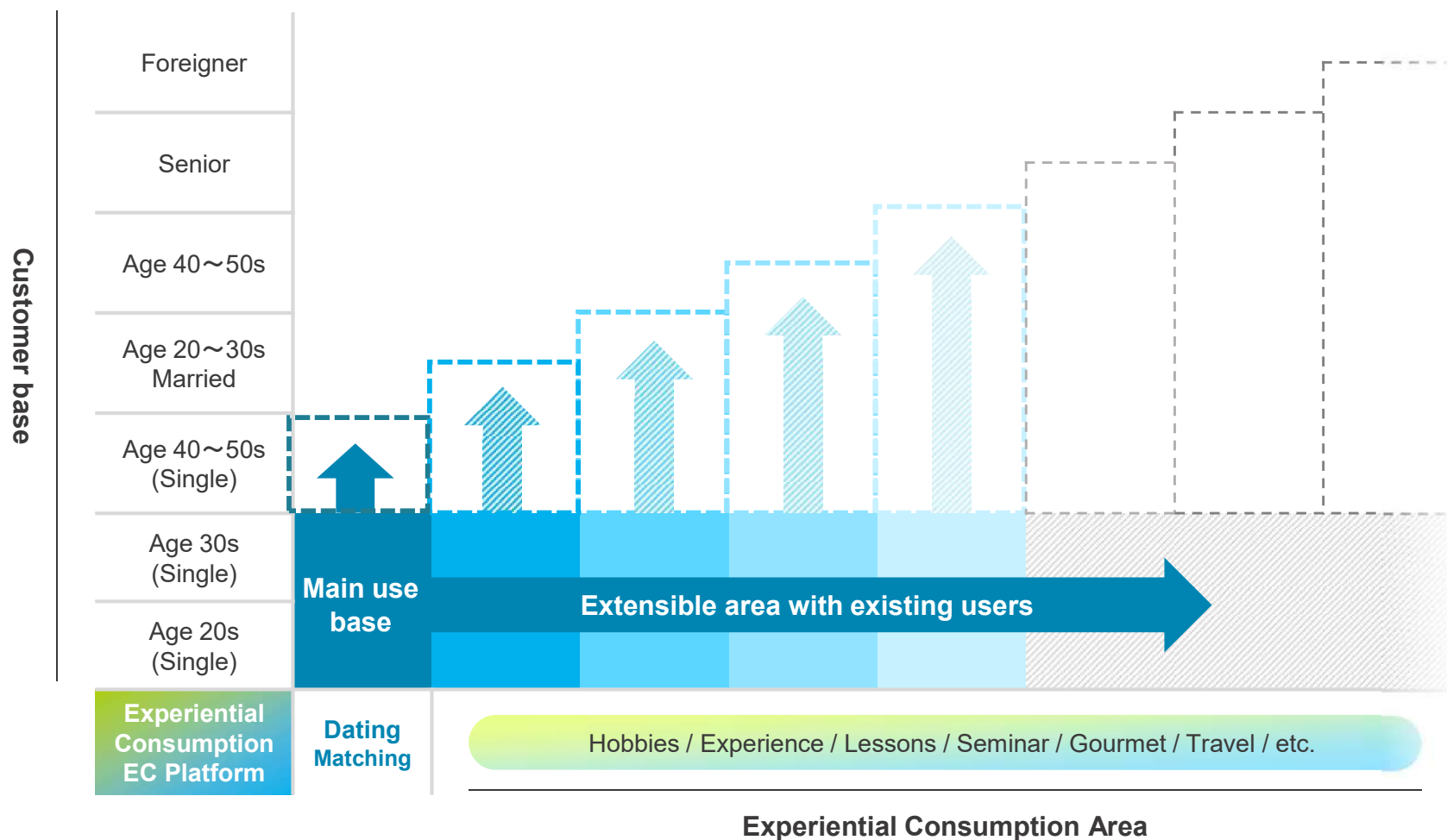
Annotation (1): Annual UU number includes inter-site duplication:

Source: Statistics Bureau, Ministry of Internal Affairs and Communications "Population Estimate September 30, 2018"

Expanding Experiential Consumption Categories

It is possible to expand the area to experiential consumption categories on the basis of the existing users.

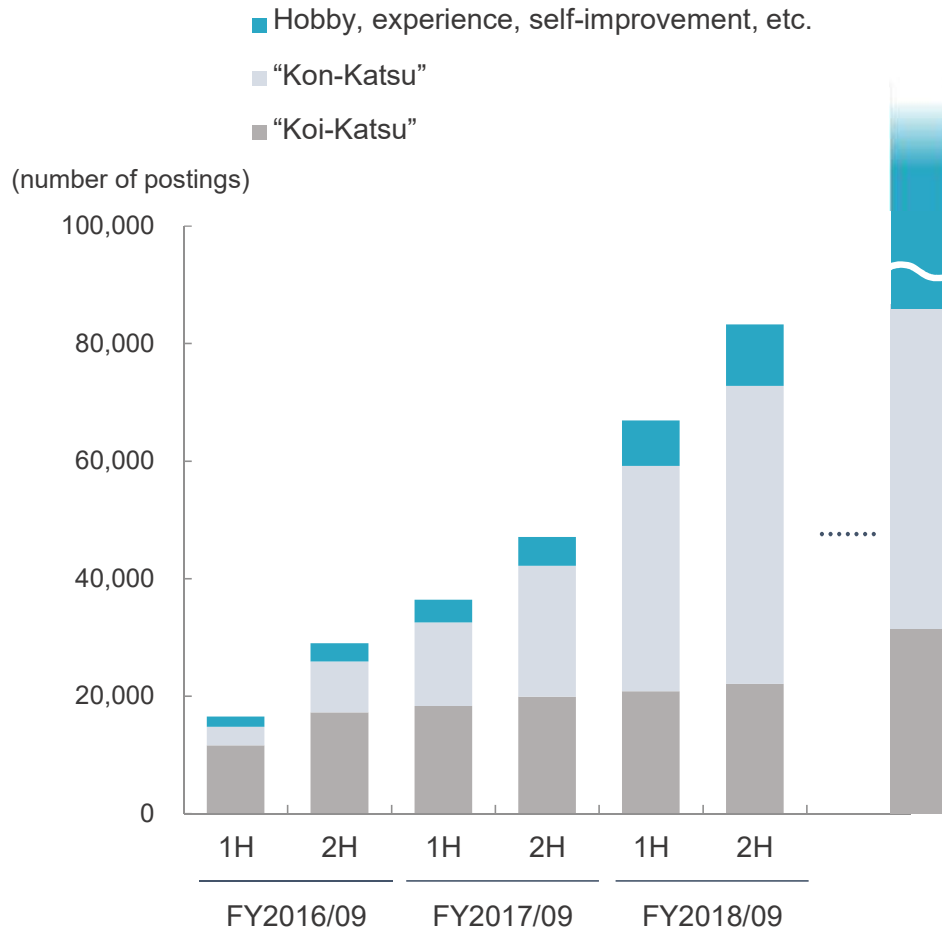
Expanding the categories will result in getting more our users.



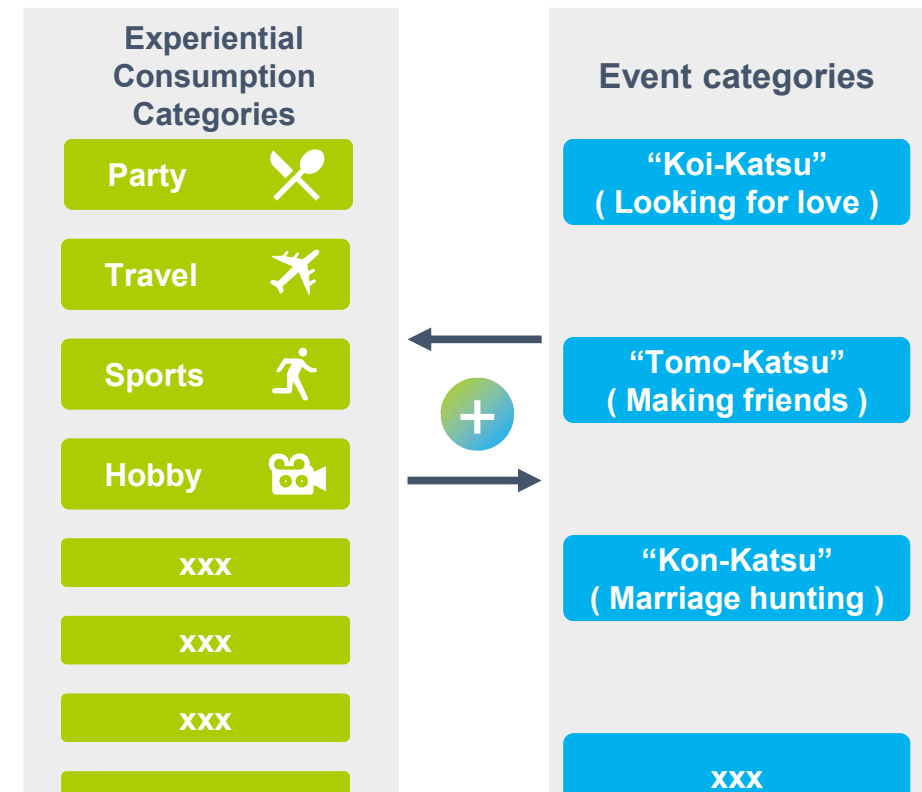
Expanding Customer Attraction by Increasing Experiential Consumption Categories

We have overwhelming user base acquired at our event e-commerce website, which increase our customers in various experiential consumption categories.

Number of postings
in experiential consumption categories



Attract customers
in various experiential consumption categories



Medium and Long-term Growth Image

Our mid- and long-term goal: Aiming to grow as the experiential consumption platformer both in Japan and overseas

