



LINKBAL

FY2019/09 Second Quarter
Financial Results & Corporate Strategy

LINKBAL INC.

May 8, 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 May 8, 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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- 3 FY2019/09 Forecast
- 4 Towards the next growth stage

1 Company Profile



About “ LINKBAL ”



Mission

Connect the world

Mission Statement

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

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

Event E-commerce Website Management Service

Providing the largest domestic experiential consumption e-commerce website , 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 website 「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

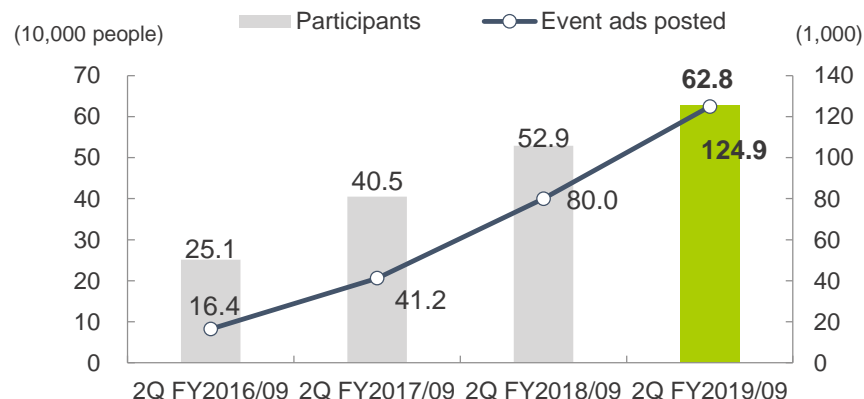
Self-refining

Looking for love
Marriage hunting

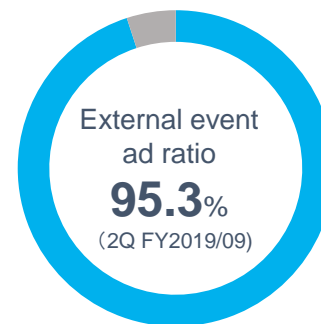
.etc

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 website" 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**

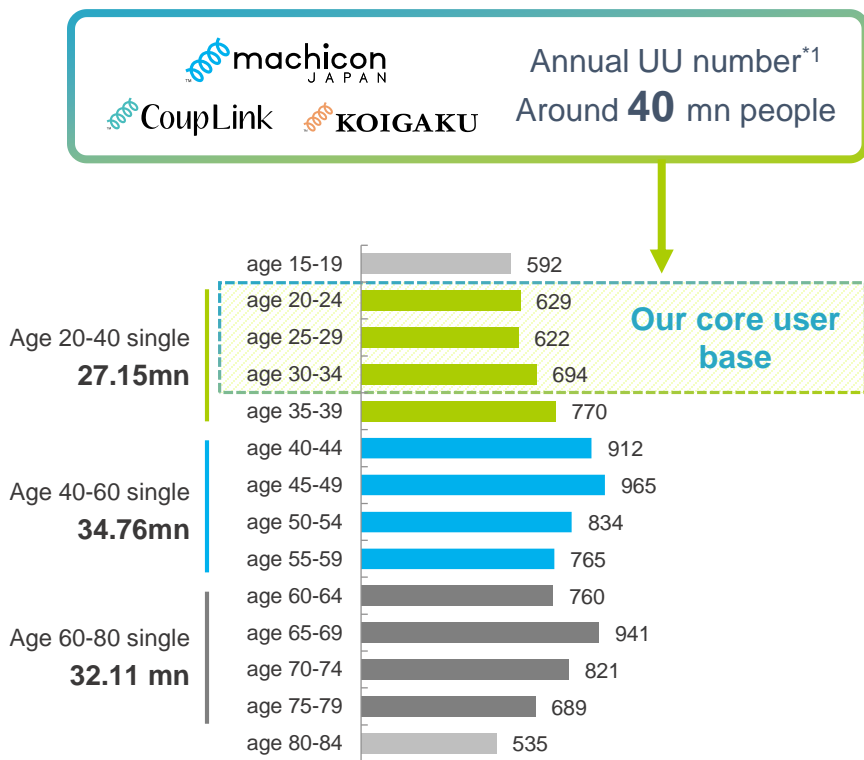
- Provide diverse contents including column articles for women having trouble building a good relationship
- Free membership registration (LinkbalID※1)
- Advertisement revenue

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

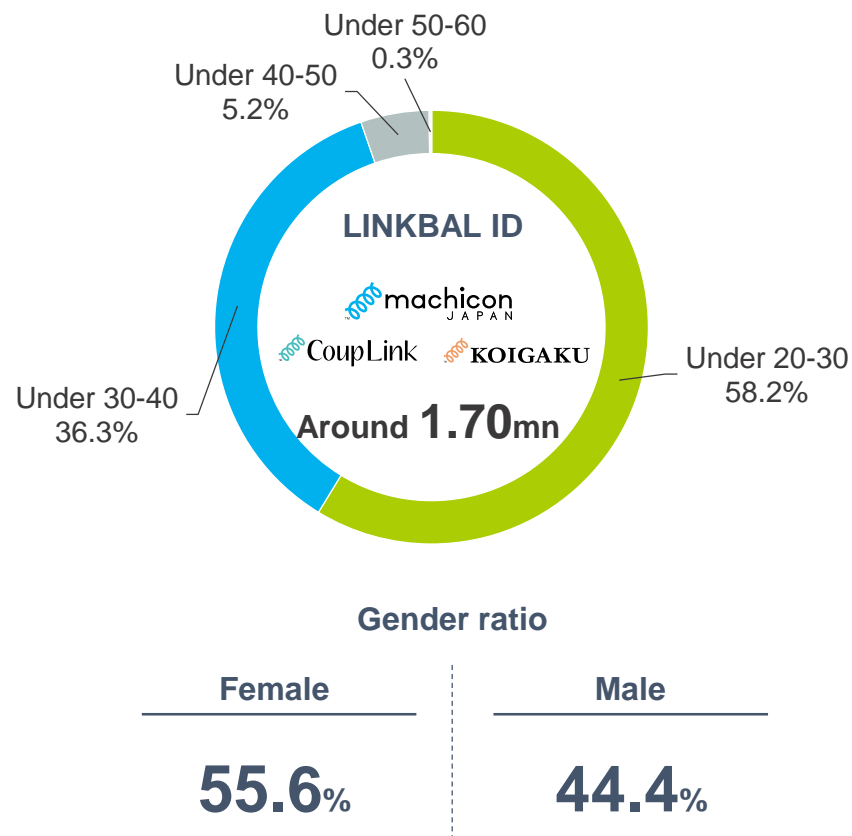
Member Base as Event E-commerce Website

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



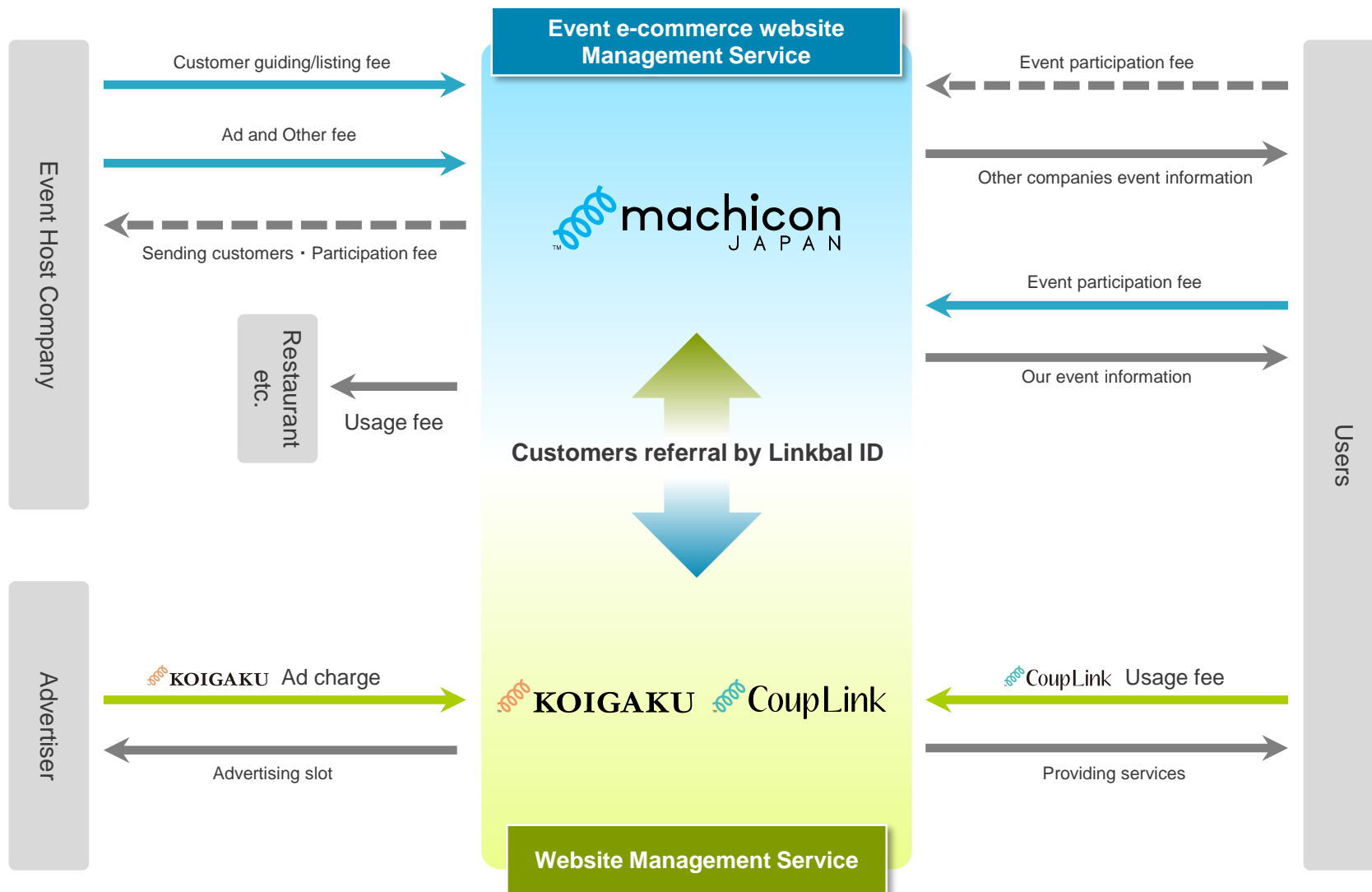
Membership base mainly in the 20s and 30s



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

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

Our Business Model



2 FY2019/09 Second Quarter Summary



2Q FY2019/09 Result Summary

By increasing other company events, event participants increased by 18.6%

In addition, due to cost efficiency, we achieved 82.0% increase in operating income.

Linkbal IDs

Reached

1.7mn

Event participants

Increased by

18.6%

Events posted

Increased by

56.2%

Operating Profit

Increased by

82.0%

Net Profit

Increased by

76.5%

2Q FY2019/09 Outline of PL Statement

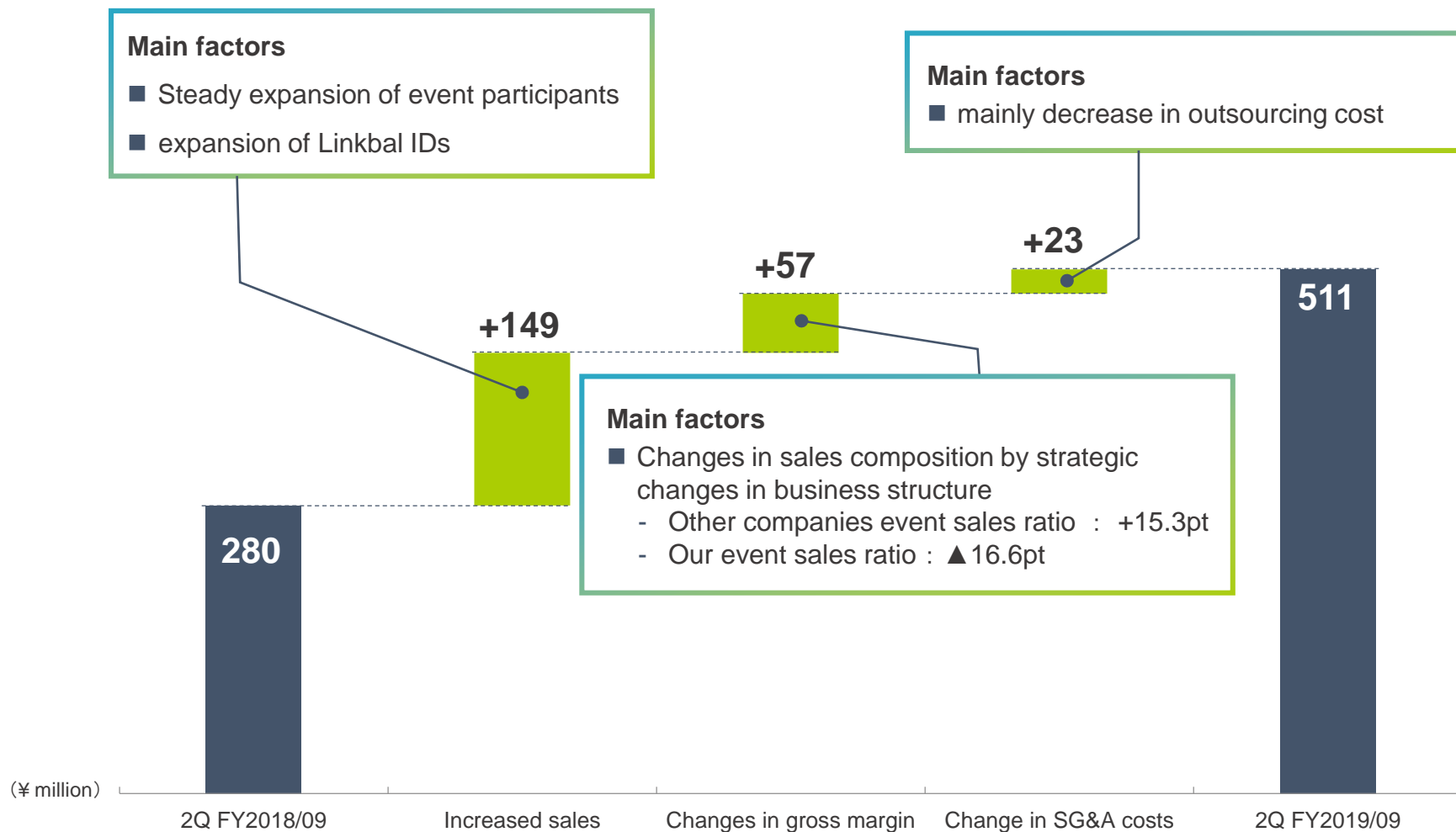
Profitability improved from strategic changes of business structure.

Operating profit increased by 82.0%, exceeding the initial forecasts.

(¥ million)

	2Q FY2018/09	2Q FY2019/09	YoY	2Q FY2019/09 Initial estimates
	Actual	Actual		
Sales	1,261	1,431	+13.4%	1,585
Gross Profit	1,052	1,259	+19.7%	-
margin(%)	83.4%	88.0%	+4.6pt	-
Operating Profit	280	511	+82.0%	498
margin(%)	22.3%	35.7%	+13.4pt	-
Recurring Profit	282	514	+82.0%	498
margin(%)	22.4%	35.9%	+13.5pt	-
Net Profit	177	312	+76.5%	308
margin(%)	14.0%	21.8%	+7.8pt	-

2Q FY2019/09 Changes in Operating Profit



2Q 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)

	2QFY2017/09	2QFY2018/09	2QFY2019/09	YoY
	Actual	Actual	Actual	
Event e-commerce website management service	1,209	1,180	1,307	+10.7%
Composition ratio (%)	95.6%	93.6%	91.3%	▲2.3pt
Other company event sales	501	769	1,050	+36.6%
Ratio in this service(%)	41.5%	65.1%	80.4%	+15.3pt
In-house event sales (*)	670	402	228	▲43.3%
Ratio in this service(%)	55.5%	34.1%	17.5%	▲16.6pt
Other sales	36	9	28	+210.6%
Ratio in this service(%)	3.0%	0.8%	2.1%	+1.3pt
Website management service	55	80	123	+53.3%
Composition ratio(%)	4.4%	6.4 %	8.7%	+2.3pt

(*) Part of our bases have been closed.

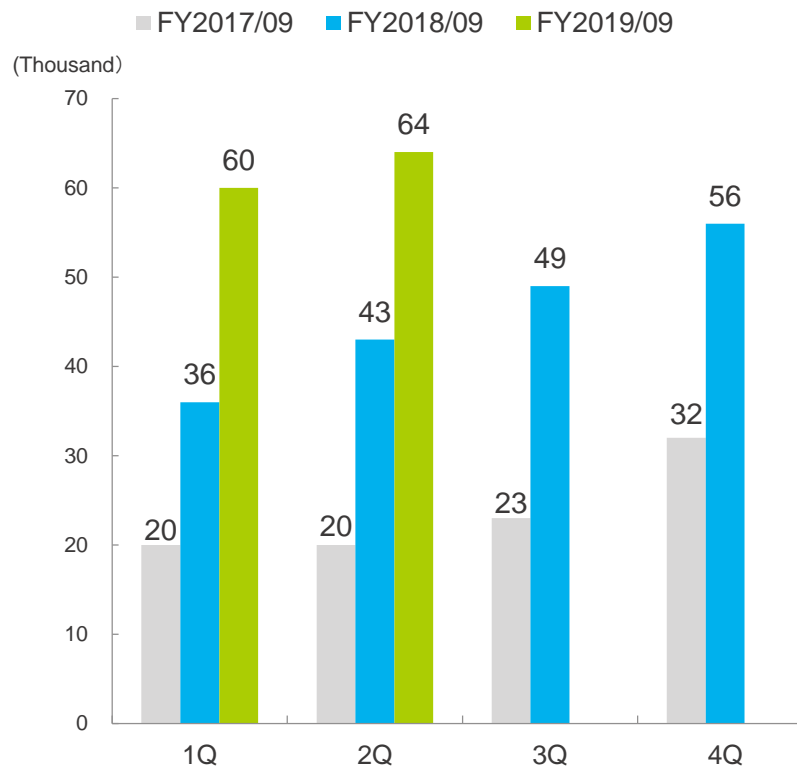
2Q FY2019/09 Trends of Event Participants and Postings

Increasing throughout the year, event participants surpassed 280,000, and event postings exceeded 60,000.

Event participants



Events posted



2Q FY2019/09 BS Summary

Equity ratio rose to 75%, with a large increase in retained earnings due to the expansion of net profit.

(¥ million)

		FY2018/09 term end	2Q FY2019/09	difference
	Current Assets	1,863	2,088	+225
	Cash and deposits	1,661	1,764	+102
	Fixed Assets	210	230	+20
Total Assets		2,074	2,319	+245
	Current Liabilities	613	547	▲ 65
	Fixed Liabilities	31	29	▲ 2
Total Liabilities		644	576	▲ 67
Total net assets		1,430	1,742	+312
Total liabilities / net assets		2,074	2,319	+245
Equity ratio		68.9%	75.1%	+6.2pt

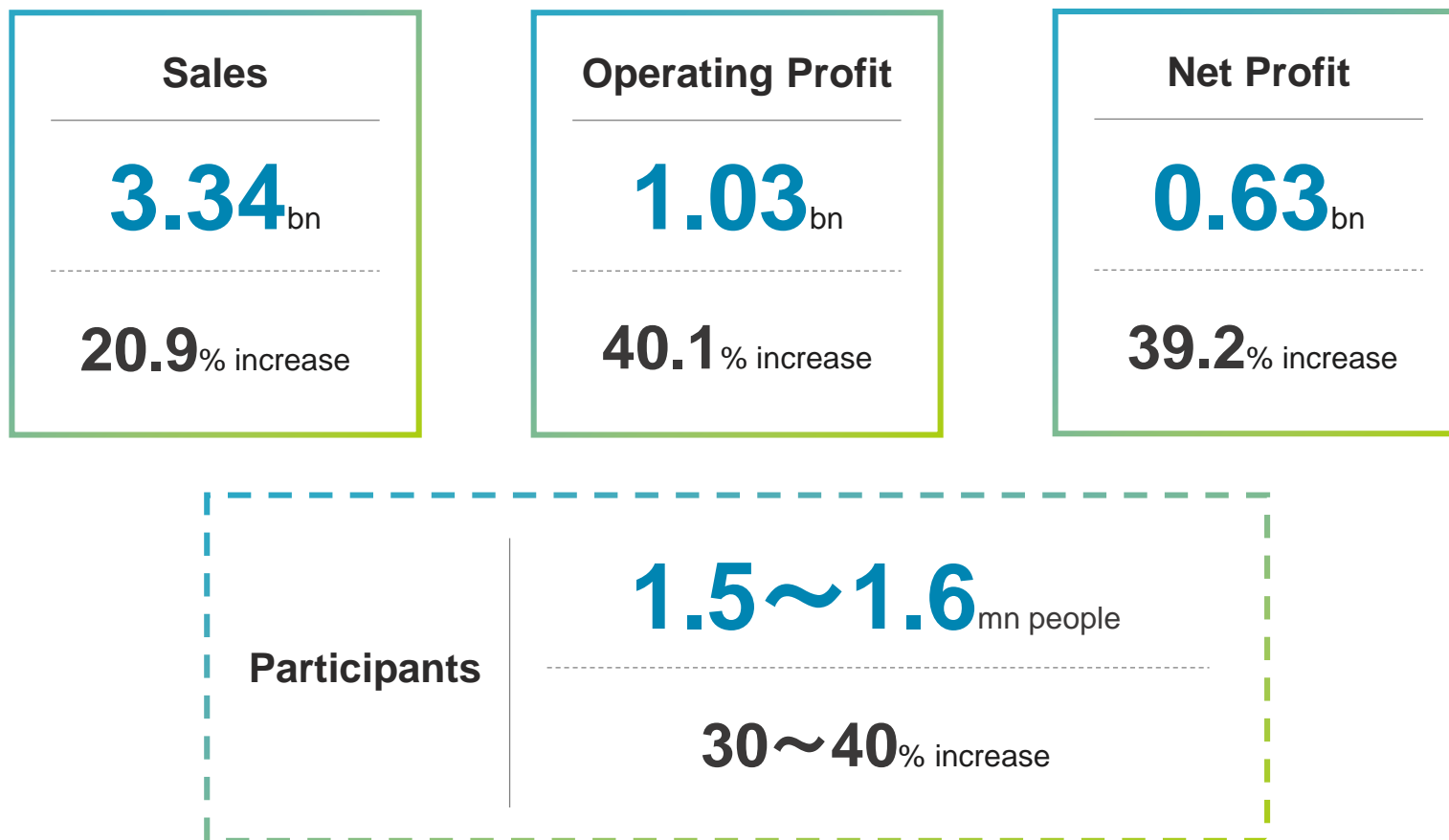
3 FY2019/09 Forecast



LINKBAL

FY2019/09 Forecast Summary

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



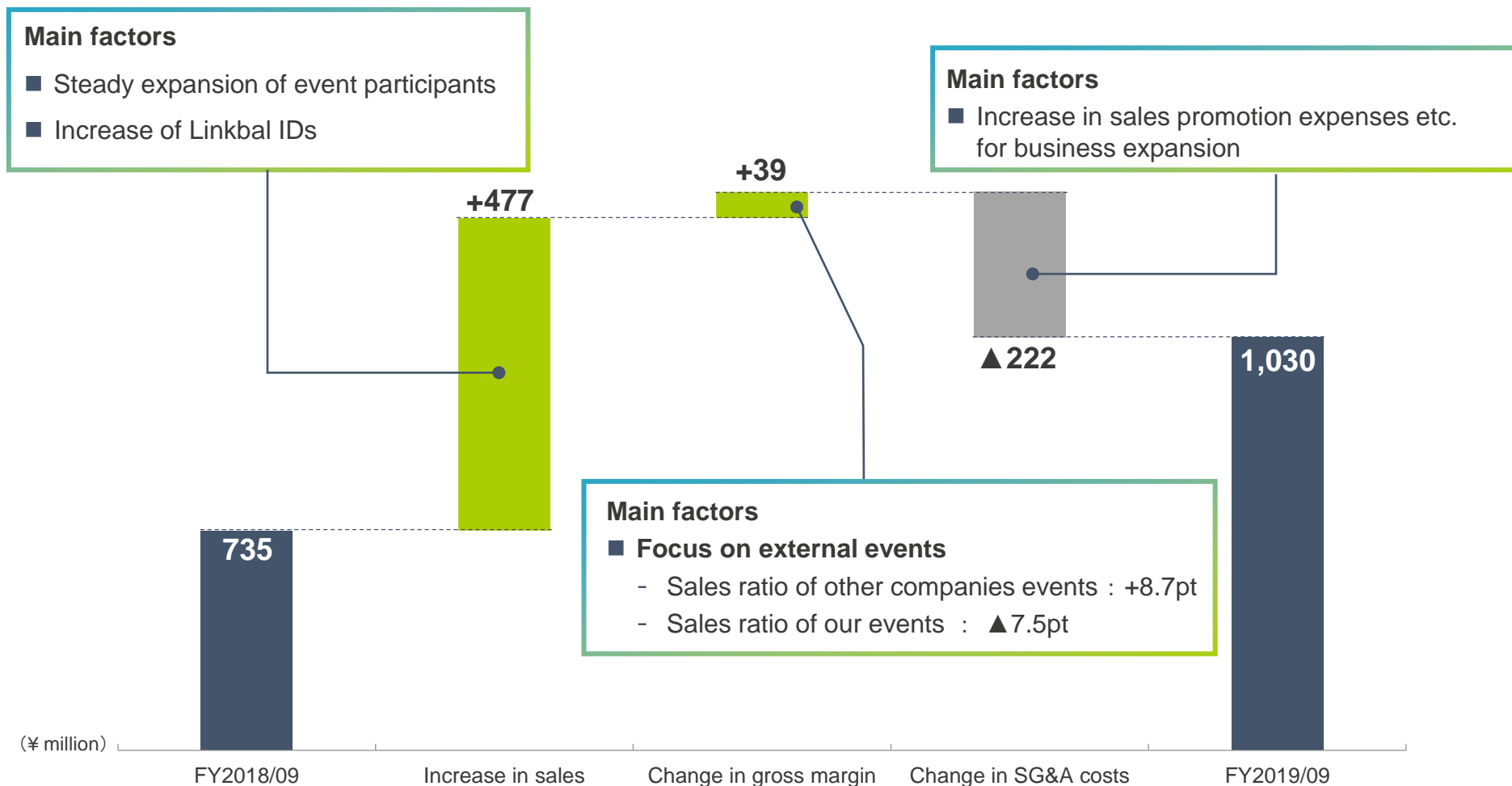
FY2019/09 P/L Forecast

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 website, 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 in the experiential consumption market

1

"Experiential consumption"

>>>Much bigger market

2

"Membership base in the 20s and 30s"

>>>Introducing our over 1.5 million of members to the experiential consumption market

3

"Ability to attract customers"

>>>Around 40 million of annual UU number

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 **21.54mn**



Age 20-34
Around **12.86mn**



Age 35-59
Around **8.68mn**



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 **52.40mn**

Eating out
Around **39.80mn**

Movies
Around **34.20mn**

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

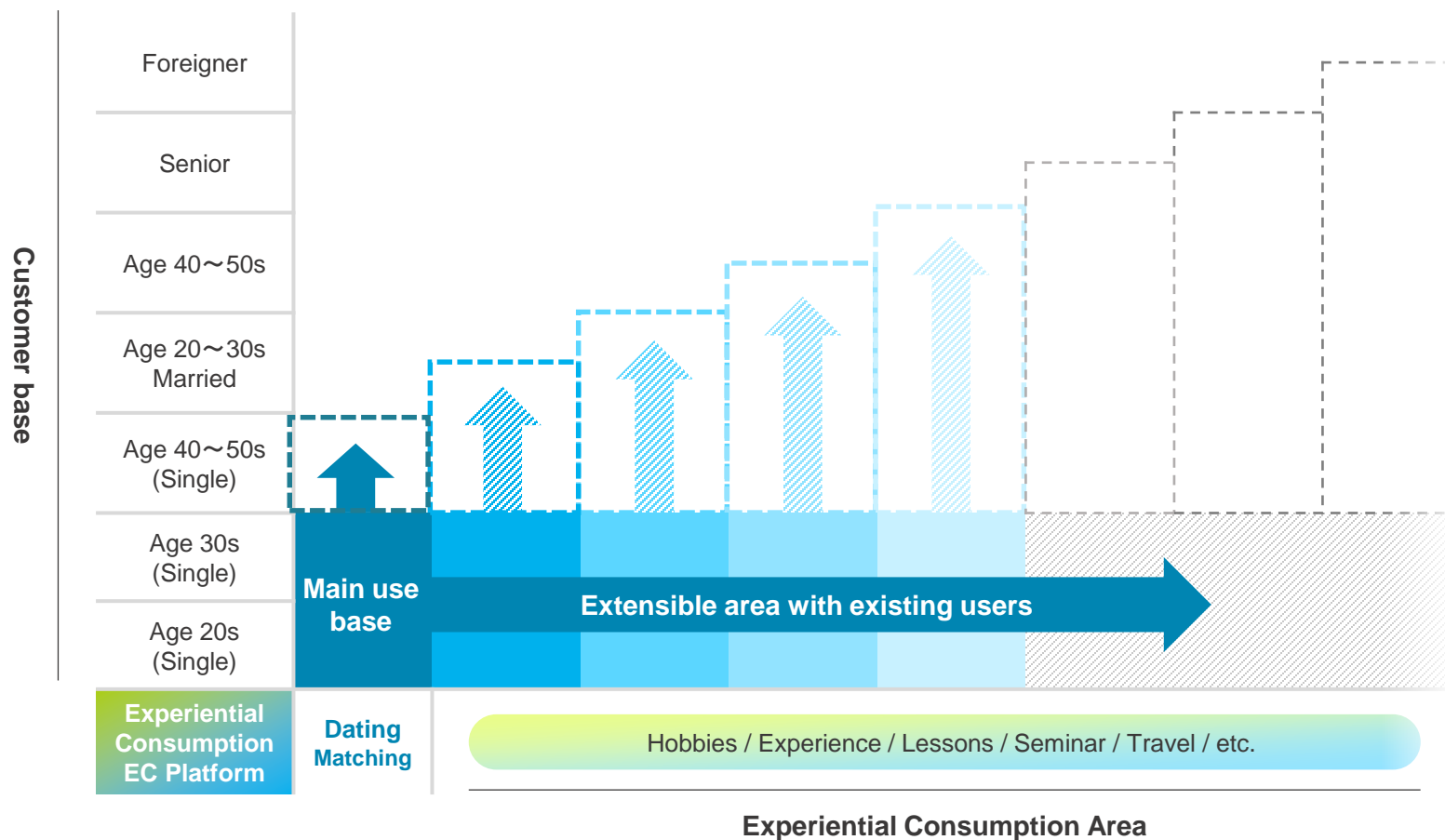
Walking
Around **29.40mn**

Jogging, Marathon
Around **20.00mn**

Expanding Experiential Consumption Categories

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

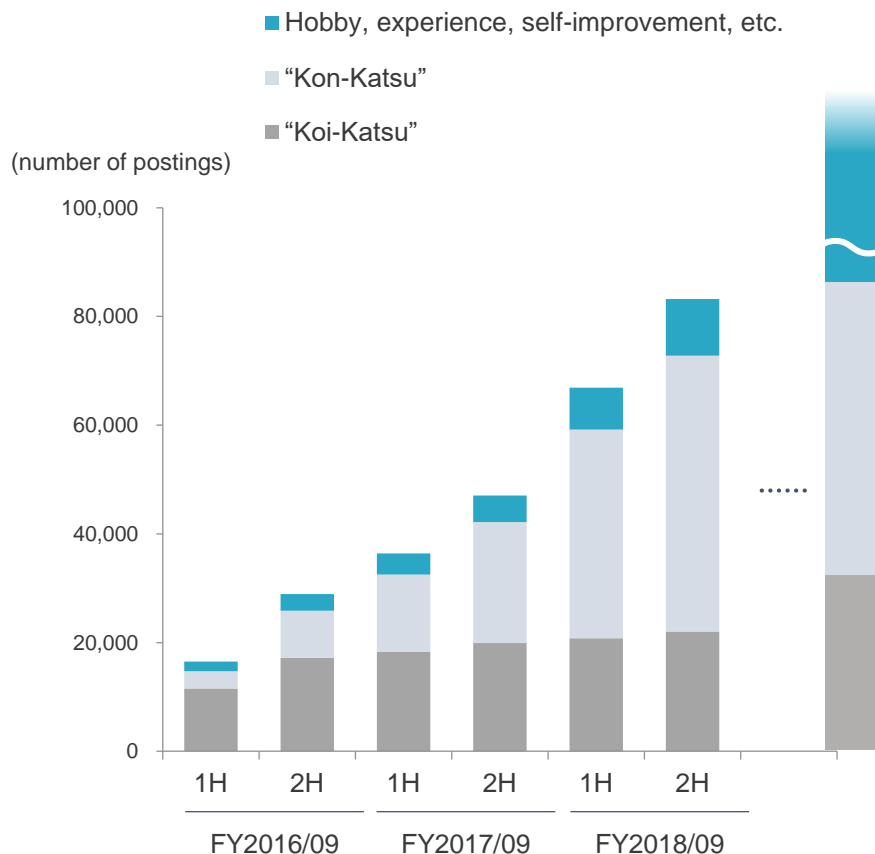
Expanding the categories will result in getting more our users.



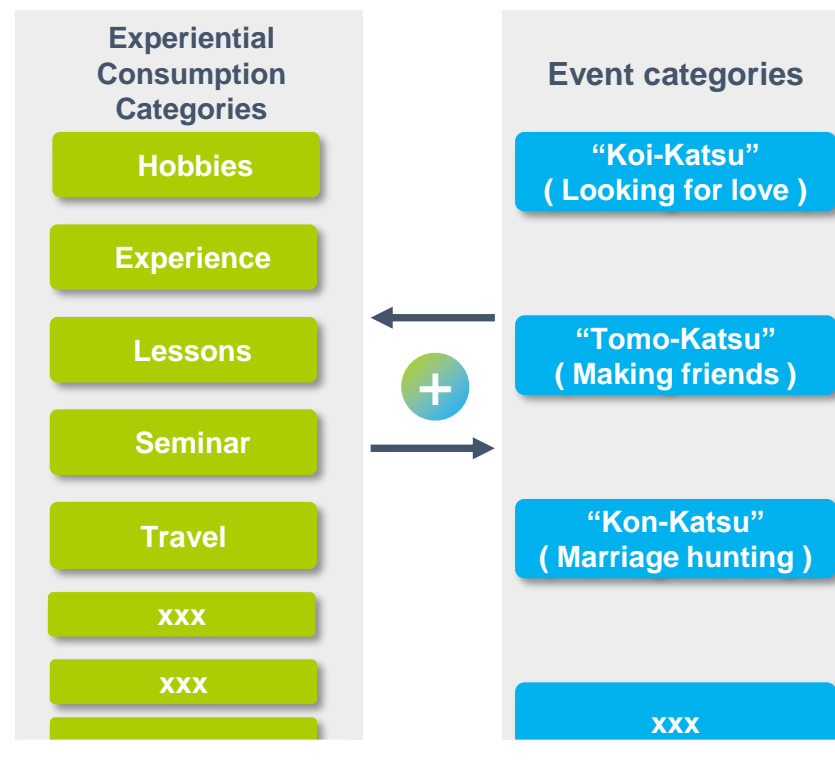
Expanding Customer Attraction by Increasing Experiential Consumption Categories

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 website
both in Japan and overseas

