



LINKBAL

FY2019/09 Financial Results

LINKBAL INC.

November 6, 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 November 6, 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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- 4 Development policy in the experiential consumption market

1 Company Profile



About “ Linkbal ”



Mission

Connect the world

Mission Statement

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

Event E-commerce Website Management Service

“machicon JAPAN”, with 1.87 million members and posting more than 240,000 events per year, is Japan's largest experiential consumption e-commerce website. Various contents for "experience", “making friends”, “looking for love” etc. are posted.

Experiential consumption e-commerce website 「machicon JAPAN」



【Overview and features】

- More than 240,000 events annually throughout Japan (Japan's largest)
- Membership (Linkbal ID*1) mainly in the 20s and 30s
- Expanding variation contents

Making friends

Experience

Club

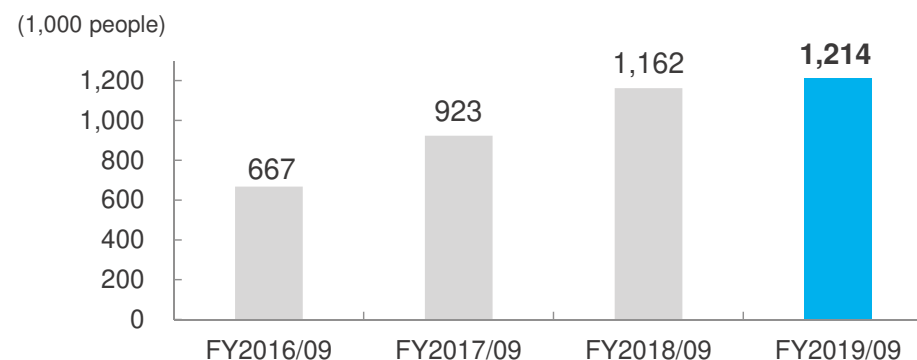
Offline meeting

Self-refining

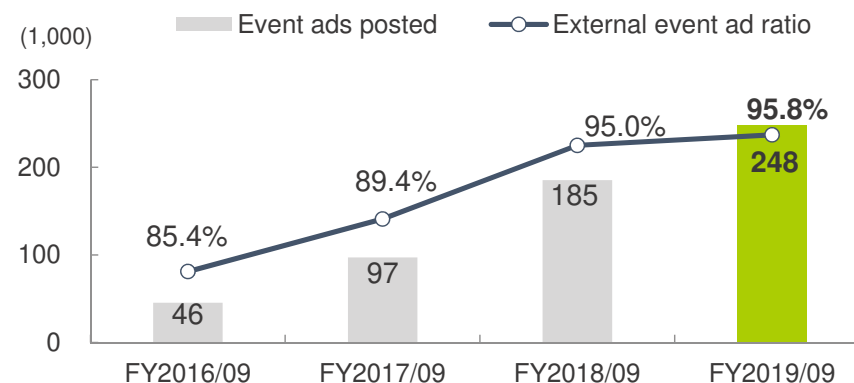
Looking for love
Marriage hunting .etc

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

Event participants



Event ads posted



Our website service including “machicon JAPAN”, acquires potential members and revenue by providing a ecosystem to provide the most appropriate website service to our mutual customers.

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 (Linkbal ID*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**

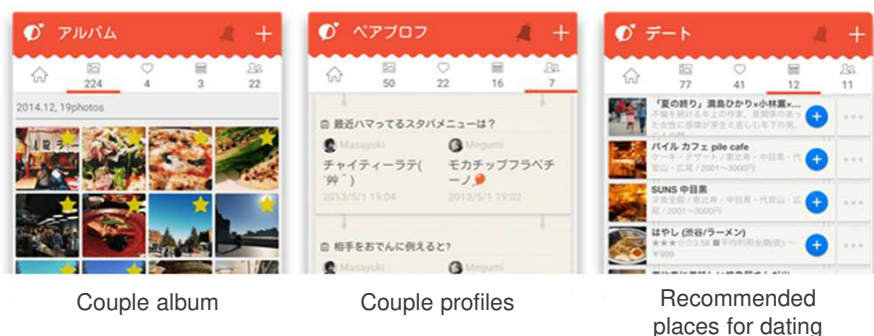
- Provide diverse contents including column articles for women having trouble building a good relationship
- Free membership registration (Linkbal ID*1)
- Advertisement revenue

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

Website Management Service

Our website service including “machicon JAPAN”, acquires potential members and revenue by providing a ecosystem to provide the most appropriate website service to our mutual customers.

Couple-only app 「Paity」



App for couples to share their appointments and memories



- Providing services for couples to share information online
- Free membership registration (Linkbal ID*1)
- Subscription business model

Student and HR matching app 「Jinjitalk」



App that helps meet new job seekers with job offering companies and recruiters

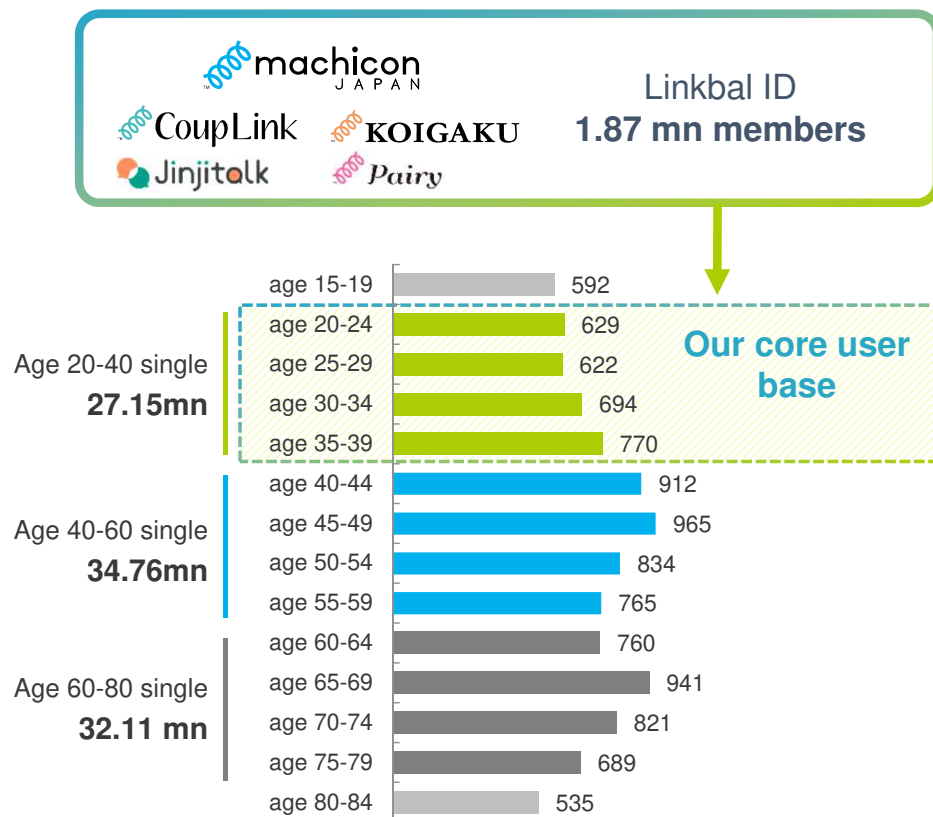
- Offer details corresponding to a wide range of employment forms such as new graduates, short-term internships, long-term internships, and part-time jobs
- Student member registration free (Linkbal ID*1)
- Billing revenue from companies

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

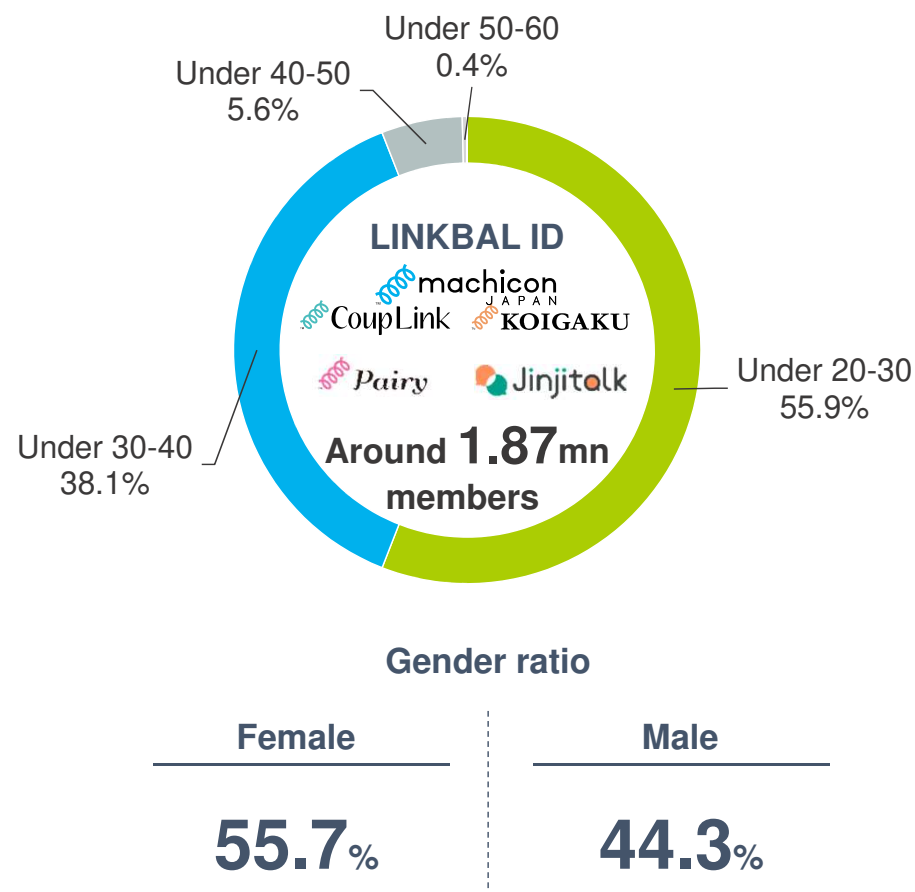
Membership Base as Event E-commerce Website

Linkbal ID has over 1.87 million members (mainly 20-30s).

Our presence by population structure

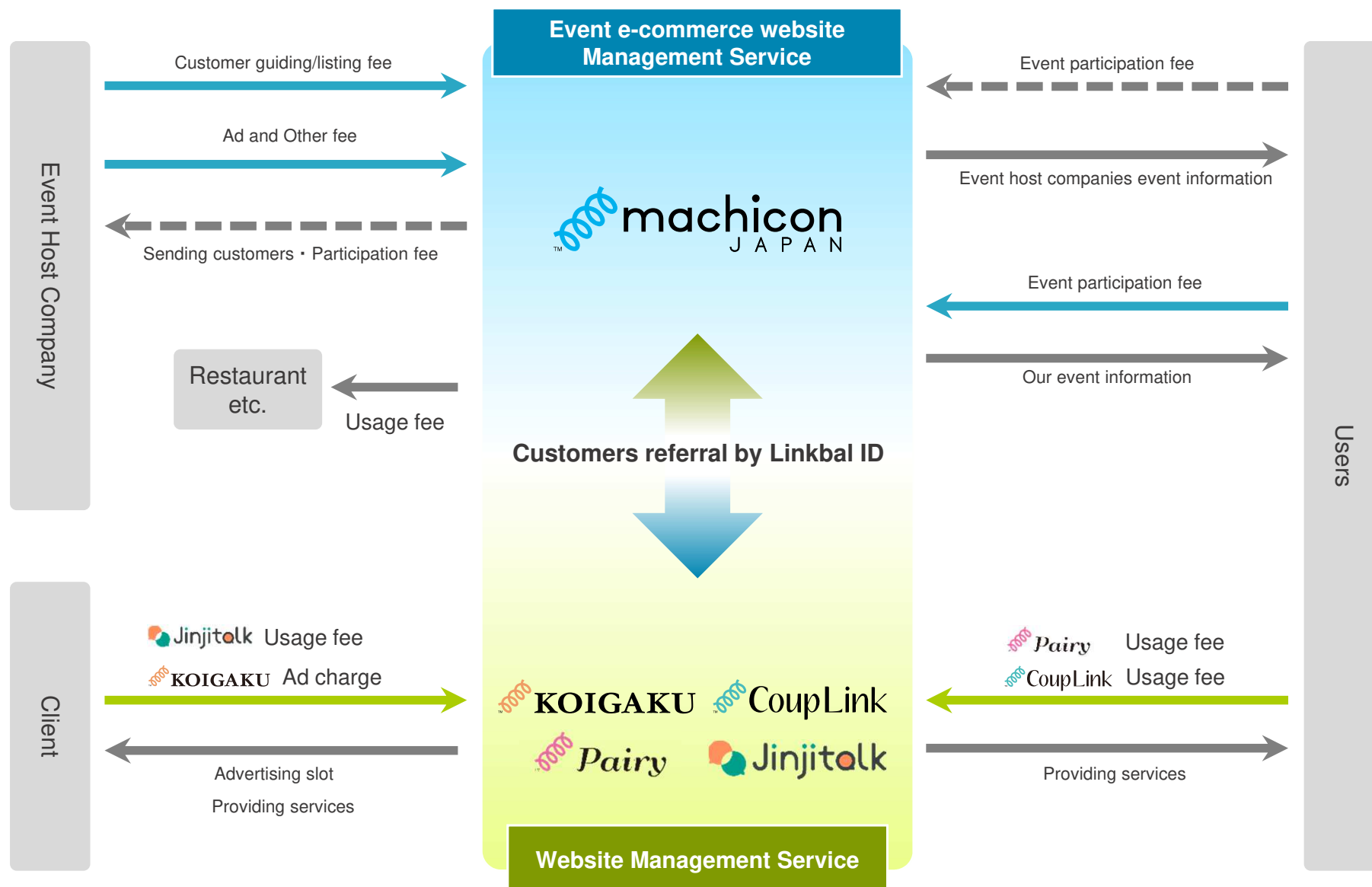


Membership base mainly in the 20s and 30s



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

Our Business Model



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FY2019/09 Summary

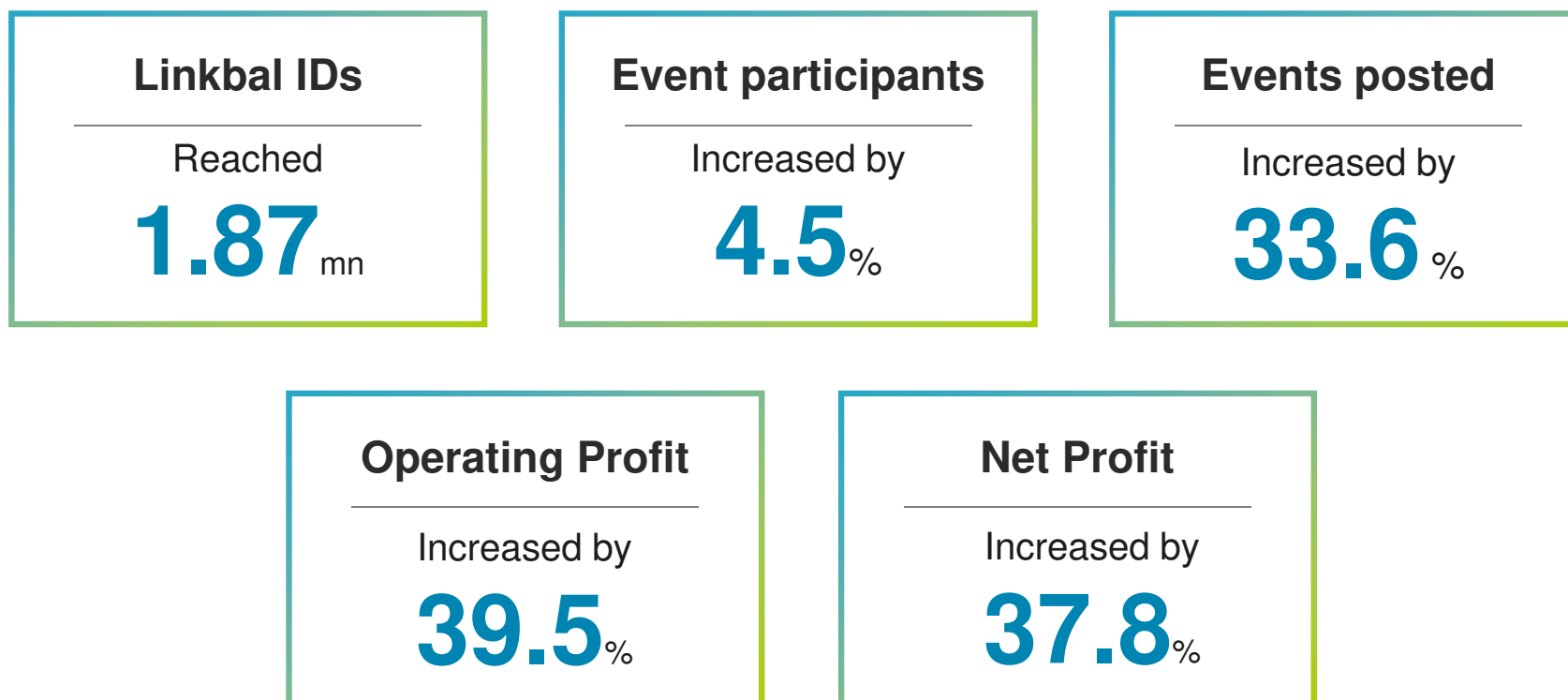


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FY2019/09 Result Summary

As the number of event hosts' events increased, event participants expanded by 4.5% YoY.

Cost efficiency also contributed and operating income increased by 39.5% YoY.



FY2019/09 P/L Summary

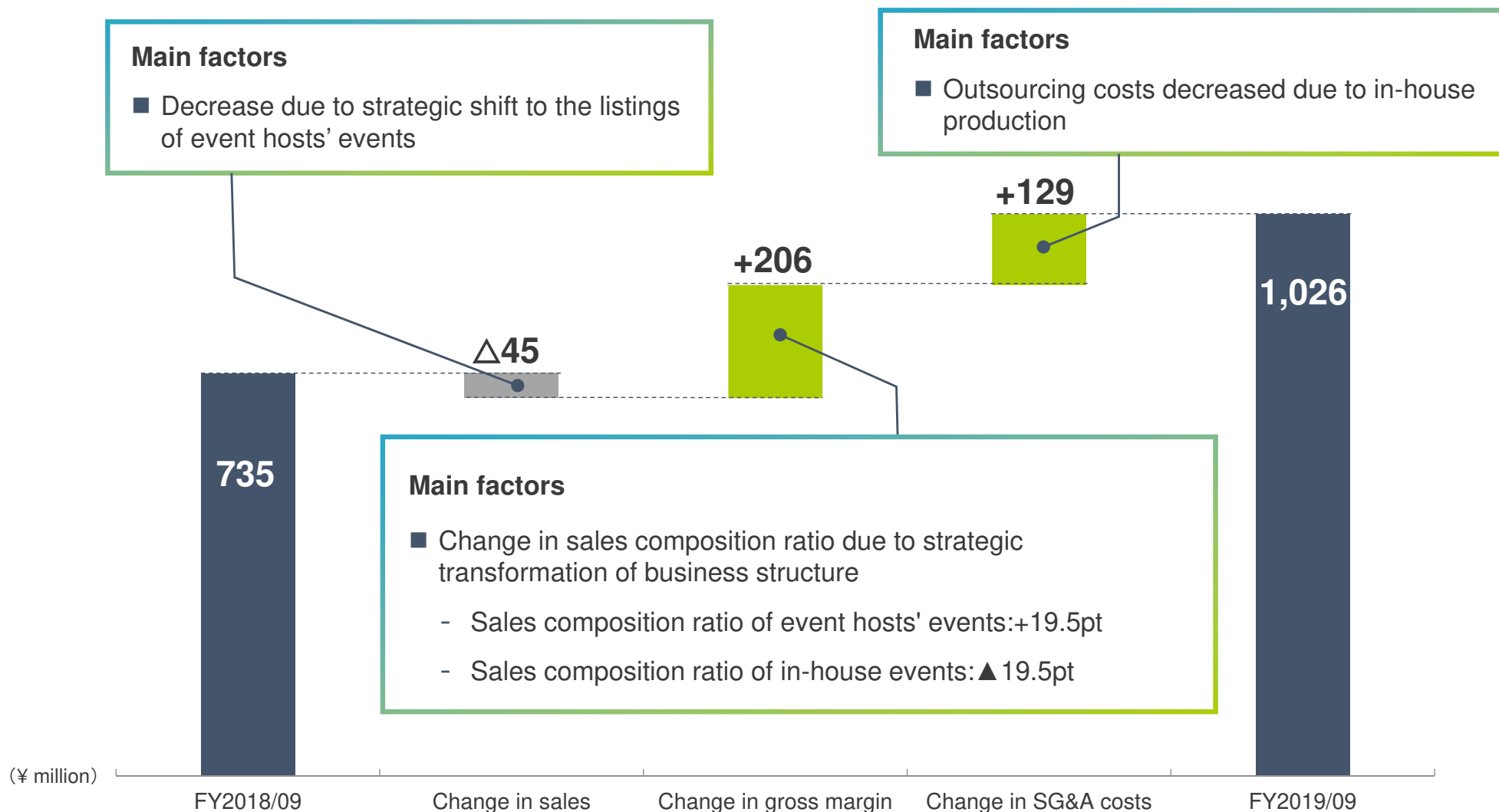
Profitability has improved significantly due to the strategic transformation of the business structure.

Operating profit rose by 39.5% YoY.

(¥ million)

	FY2018/09	FY2019/09		YoY	Compared to Revised estimate
	Actual	Revised estimate	Actual		
Sales	2,769	2,720	2,719	△1.8%	100.0%
Gross Profit	2,290	-	2,450	+7.0%	-
margin(%)	82.7%	-	90.1%	+7.4pt	-
Operating Profit	735	1,030	1,026	+39.5%	99.6%
margin(%)	26.5%		37.7%	+11.2pt	-
Recurring Profit	738	1,030	1,028	+39.4%	99.9%
margin(%)	26.7%		37.8%	+11.1pt	-
Net Profit	458	638	632	+37.8%	99.2%
margin(%)	16.6%		23.3%	+6.7pt	-

FY2019/09 Analysis of Change in Operating Profit



FY2019/09 Sales Overview by Service

Strategic shift is underway to focus on posting event hosts' events.

The website management service is also showing signs of steady expansion due to the increase in the number of Linkbal ID members.

(¥ million)

	FY2017/09	FY2018/09	FY2019/09	YoY
	Actual	Actual	Actual	
Event e-commerce website management service	2,533	2,586	2,482	▲ 4.0%
Composition ratio (%)	95.5%	93.4%	91.3%	▲ 2.1pt
Event host company event sales	1,155	1,670	2,086	+24.9%
Ratio in this service(%)	45.6%	64.5%	84.0%	+19.5pt
In-house event sales	1,310	887	366	▲ 58.7%
Ratio in this service(%)	51.7%	34.3%	14.8%	▲ 19.5pt
Other sales	67	28	29	+2.1%
Ratio in this service(%)	2.7%	1.1%	1.2%	+0.1pt
Website management service	118	183	236	+29.1%
Composition ratio(%)	4.5%	6.6%	8.7%	+2.1pt

(※) Part of our bases have been closed.

FY2019/09 BS Summary

Retained earnings increased significantly due to the increase in net income, and the equity ratio rose to 76%.

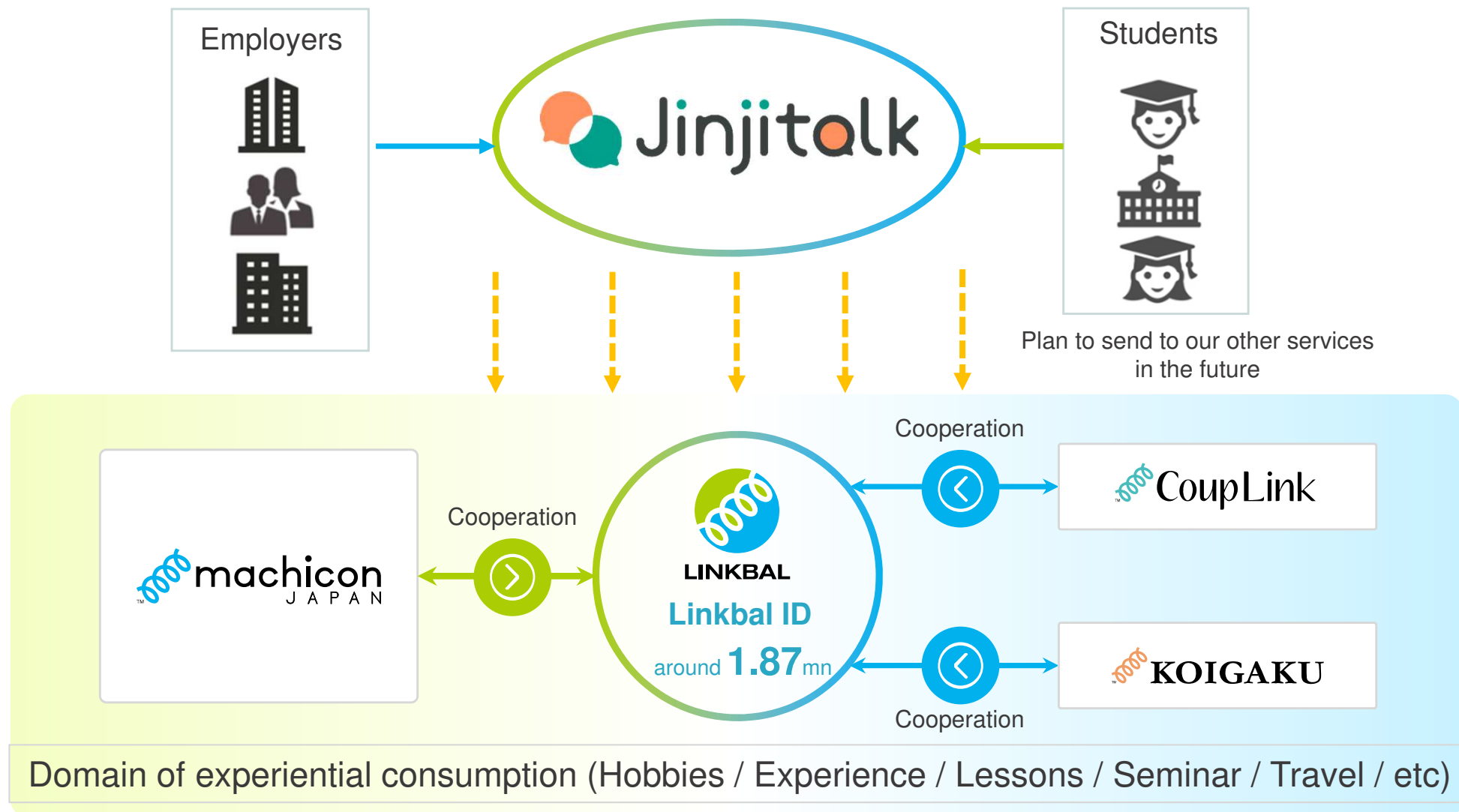
(¥ million)

		FY2018/09 term end	FY2019/09 term end	difference
	Current Assets	1,863	2,460	+596
	Cash and deposits	1,661	2,281	+619
	Fixed Assets	210	230	+19
Total Assets		2,074	2,690	+616
	Current Liabilities	613	598	▲ 14
	Fixed Liabilities	31	29	▲ 2
Total Liabilities		644	628	▲ 16
Total net assets		1,430	2,062	+632
Total liabilities / net assets		2,074	2,690	+616
Equity ratio		68.9%	76.7%	+7.8pt

Business Topics (1/2) ~”Jinjitalk(HR Talk)” service started

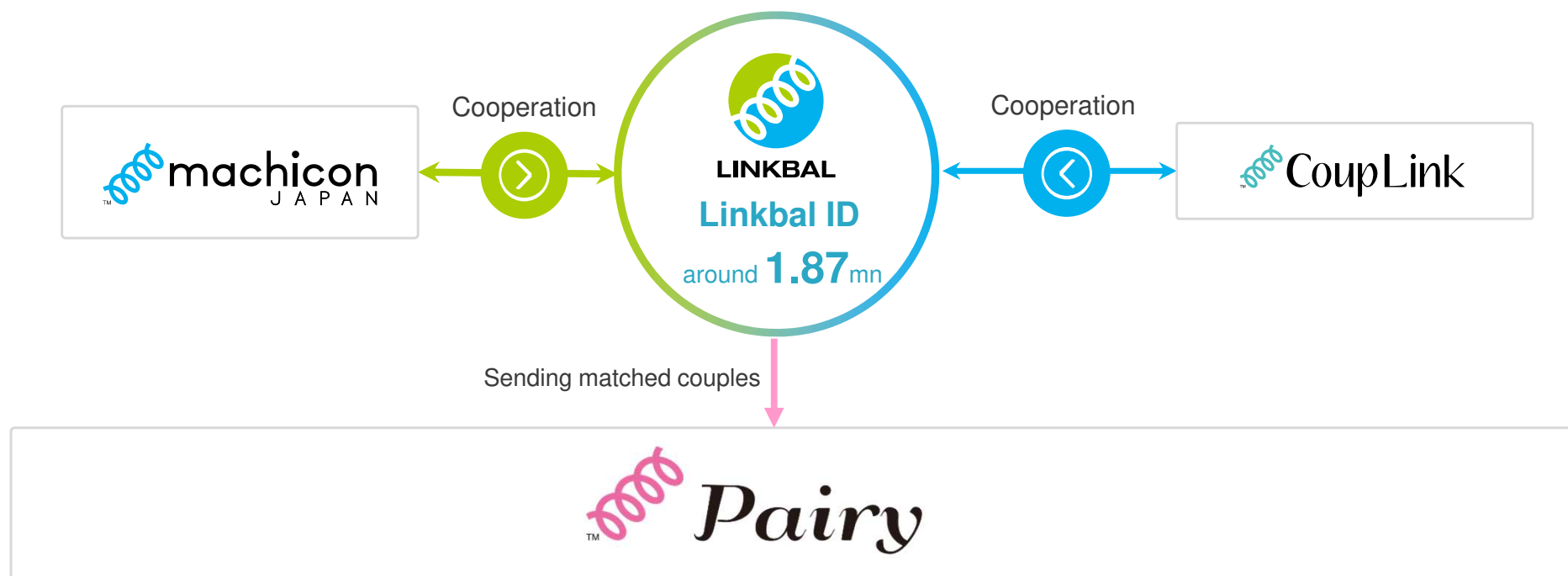
Expanded our service domain to human resources matching territory.

In the future, we plan to send Jinjitalk(HR Talk) users to our other services.



Business Topics (1/2) ~"Paity" service started

After matching, to improve customer experience we will provide experiential consumption services.



Sending couples to domain of experiential consumption after matching

Domain of experiential consumption (Hobbies / Experience / Lessons / Seminar / Travel / etc)

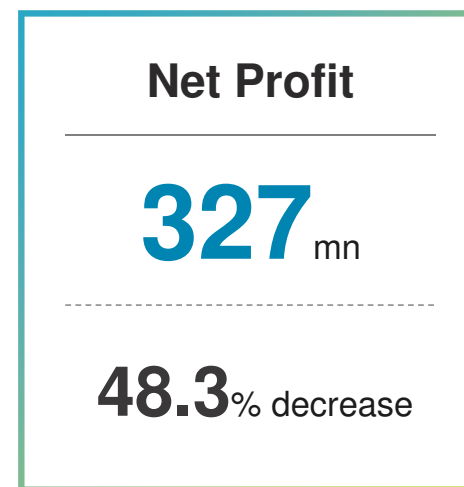
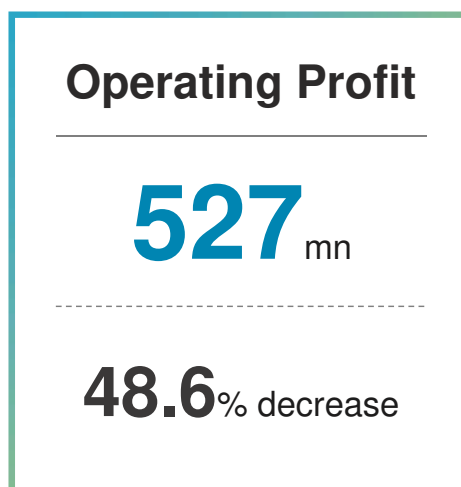
3 FY2020/09 Forecast



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FY2020/09 Forecast Summary

While expecting an increase in sales, we will focus investments for medium- to long-term growth.



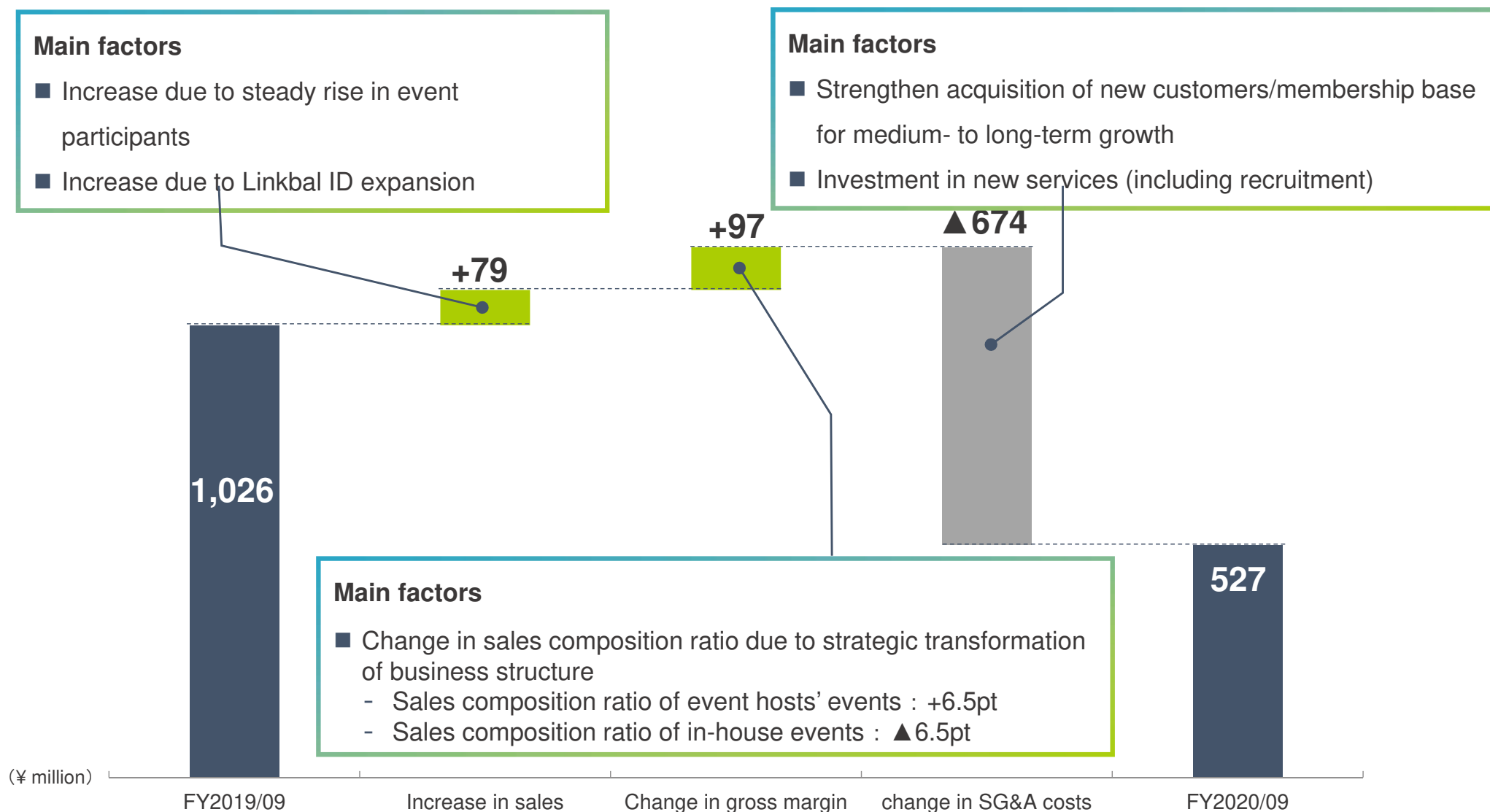
FY2020/09 P/L Forecast

Proactive investment for medium- to long-term growth of Event EC Site and App Business (CoupLink).

(¥ million)

	FY2019/09	FY2020/09	YoY
	Actual	Estimate	
Sales	2,719	2,804	+3.1%
Operating Profit	1,026	527	▲ 48.6%
Margin (%)	37.7%	18.8%	▲ 18.9pt
Recurring Profit	1,028	527	▲ 48.8%
Margin (%)	37.8%	18.8%	▲ 19.0pt
Net Profit	632	327	▲ 48.3%
Margin (%)	23.3%	11.7%	▲ 11.6pt

FY2020/09 Analysis of Change in Operating Profit



FY2020/9 Analysis of changes in operating profit ~Investment for medium- to long-term growth

FY2020/9 is positioned as an investment period for medium- to long-term growth.

1. Strengthen acquisition of new customers/membership base

⇒ Developing potential users and new users

- **Cognitive advertising that contributes to medium- to long- term growth**

⇒ Improvement for repeat ratio of existing customers by improvement of our service

2. Active investment for new services

⇒New services to expand our domain of experiential consumption

- **In-house development/M&A/Collaboration, etc.**

⇒Active recruitment

- **In charge of new business development, etc.**

FY2020/09 Sales Forecasts by Service

Both the Event EC Site Operation Service and the Website Operation Service are expected to expand in revenue due to an increase in users.

(¥ million)

Service	FY2019/09	FY2020/09	YoY
	Actual	Estimate	
Event e-commerce website management service	2,482	2,543	+2.5%
Ratio (%)	91.3%	90.7%	▲ 0.6pt
Website management service	236	261	+10.3%
Ratio (%)	8.7%	9.3%	+0.6pt

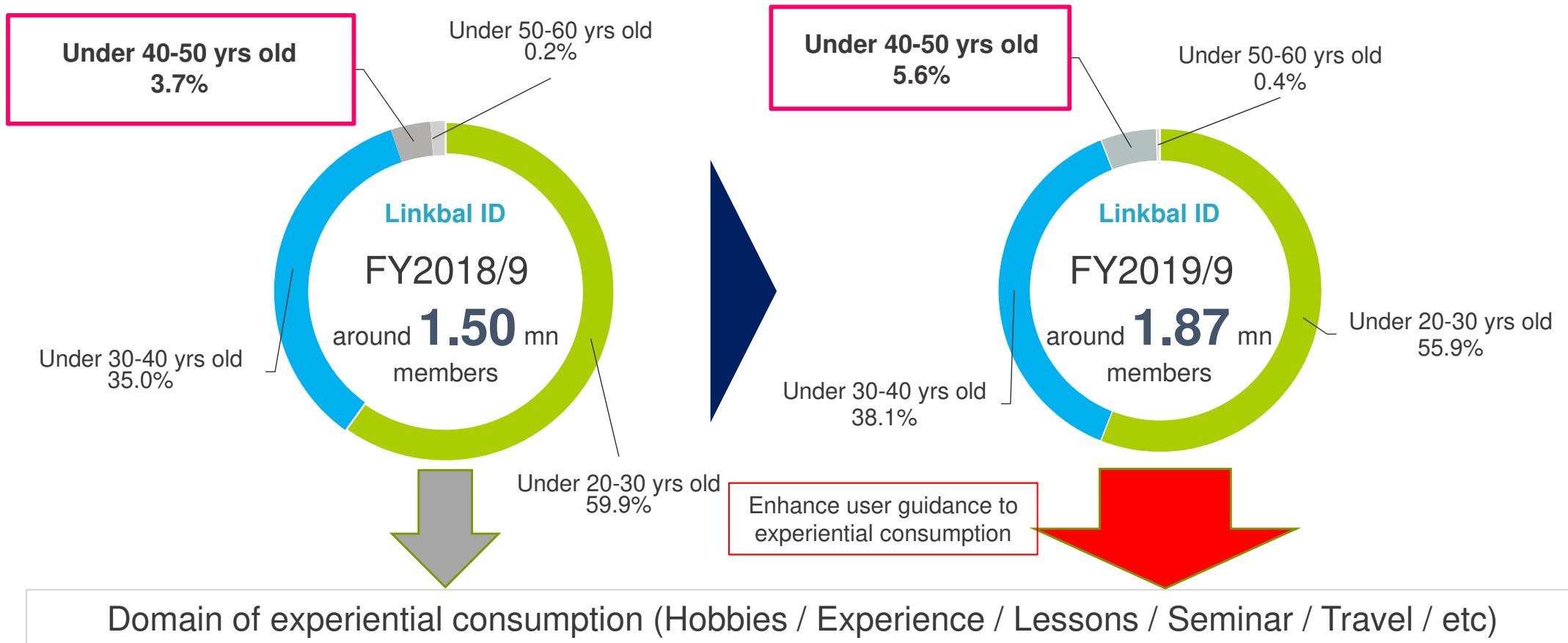
4 Development policy in the experiential consumption market



- 1 「Expanding our user base」
⇒ Expand to the middle generation (40-50s) in addition to our existing user group (20-30s)
- 2 「Utilizing our membership base」
⇒ Guide over 1.8 million members to the experiential consumption market
- 3 「New services」
⇒ In-house development/ M&A / collaboration, etc. Developing new businesses in the domain of experiential consumption

Development policy in the experiential consumption market ~ Expanding our user base

Expanding our user base by increasing events for the middle generation

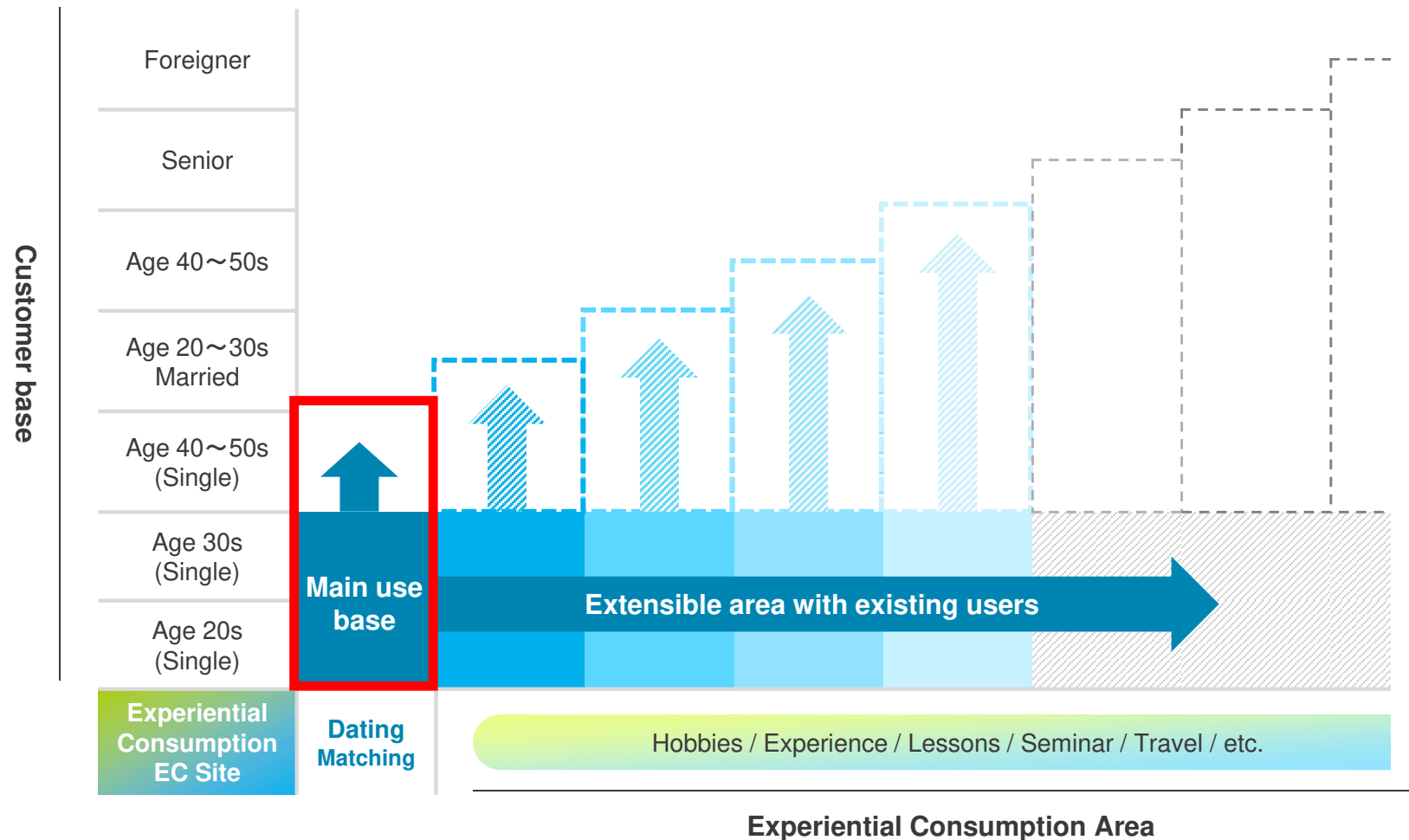


In the year ending September 2019, the number of users in their 40s and 50s increased by about **50,000**.

Development policy in the experiential consumption market

~ Membership base

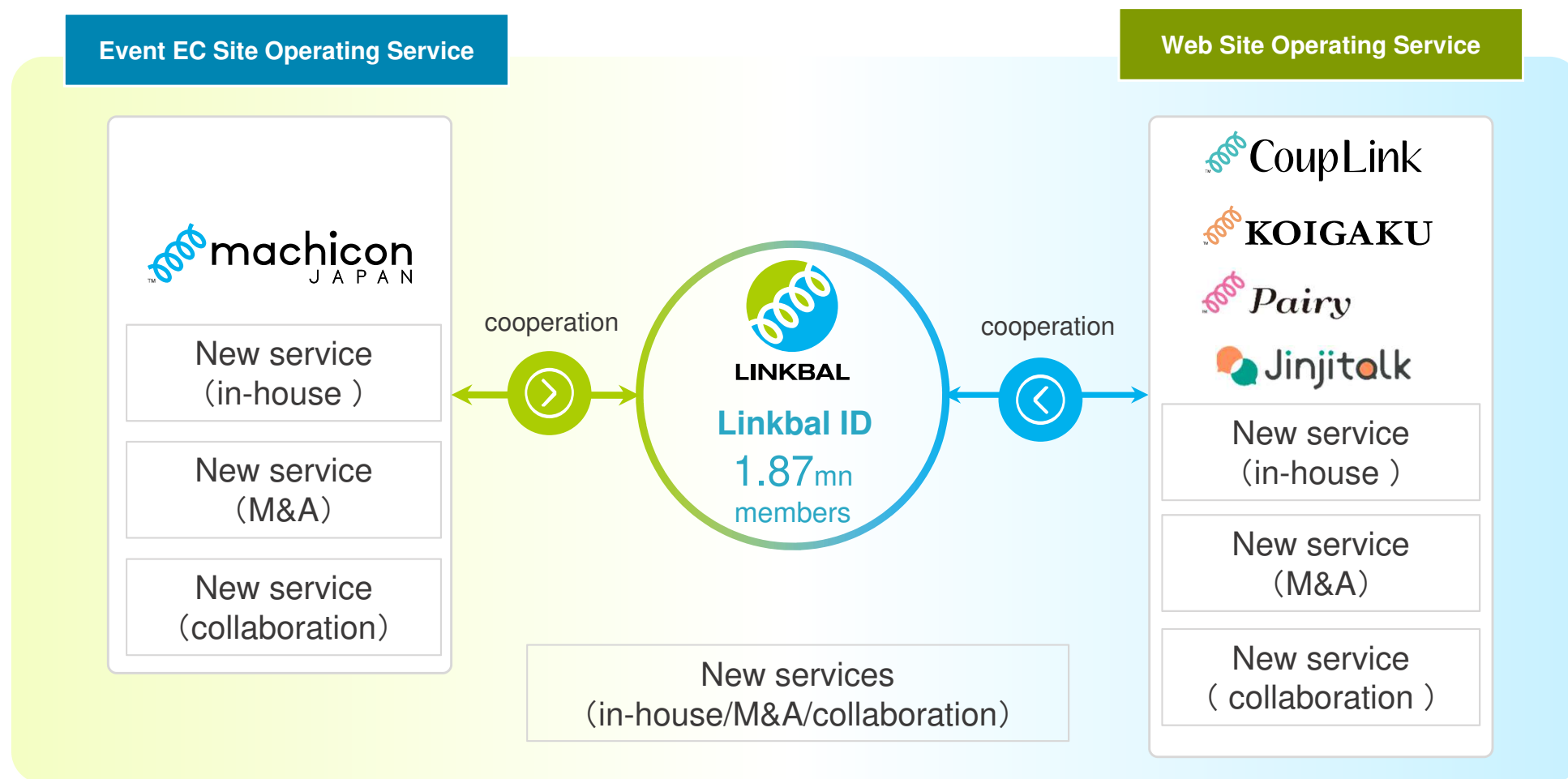
Based on a membership base including the middle generation (40-50s) in addition to existing users, we can grow and expand into the “Experiential Consumption” category.



Development policy in the experiential consumption market

~New services

Actively develop new services that can be expected to generate synergies with our existing services through in-house development / M & A / collaboration. Established New Business Planning Office on October 1, 2019.



~ Memo ~



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