

Y M I R L I N K

First Quarter of the Fiscal Year Ending December 31, 2024
Summary of Financial Results

May 14, 2024

YMIRLINK, Inc.

Security identifier code: 4372

1	Business Overview	Page 3
2	Financial results for the 1st quarter of the fiscal year ending December 31, 2024	Page 10
3	Full-year forecast for the fiscal year ending December 31, 2024	Page 25
4	Growth plan	Page 29
5	appendix	Page 35

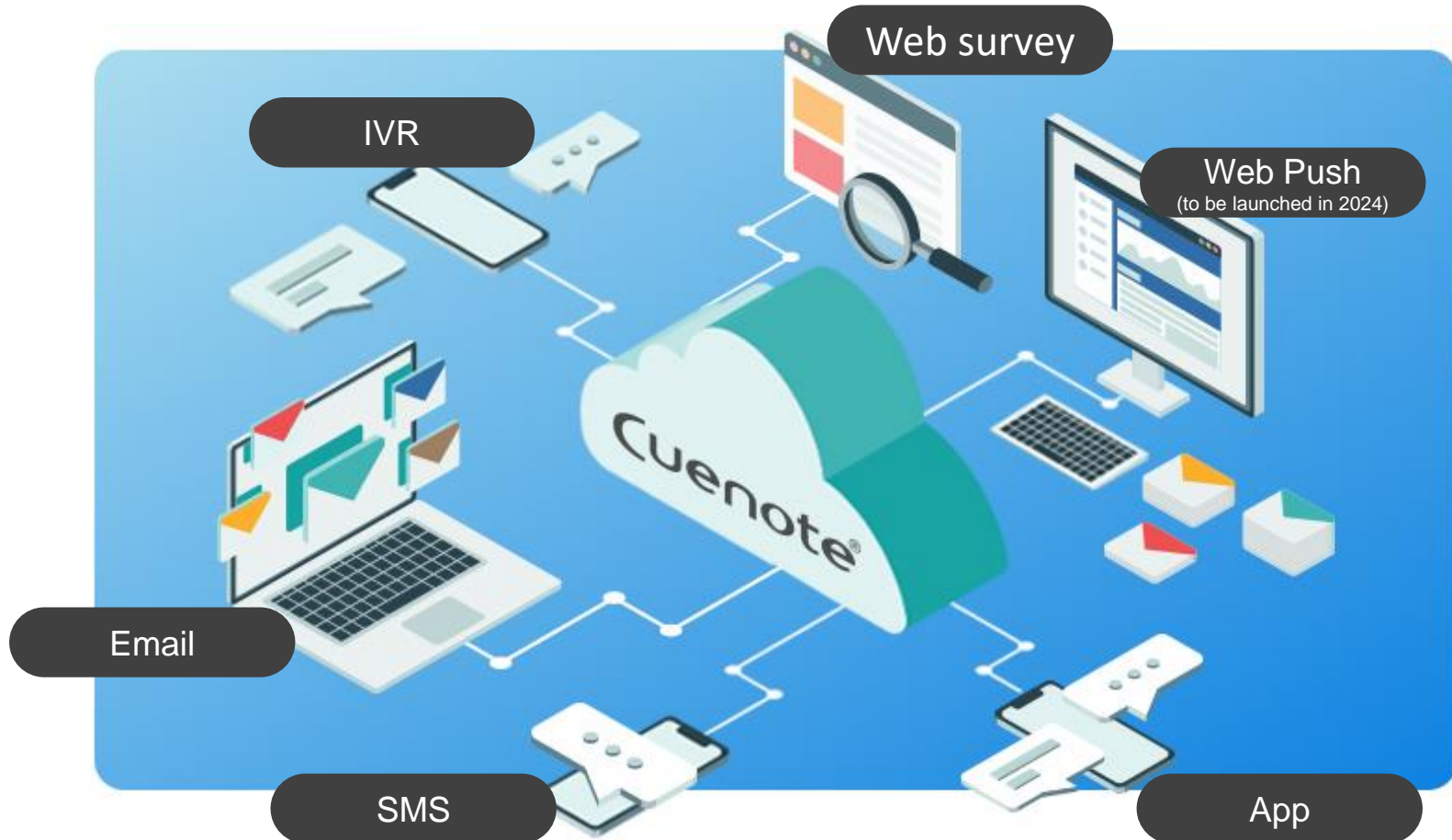


1.

Business Overview

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

Percentage of sales
67.5%

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

Percentage of sales
18.5%

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



Direct carrier access-type SMS delivery Service
Supports IVR and two-way communication for sending from API and screen

Percentage of sales
11.1%

Authorization service
Cuenote® Auth



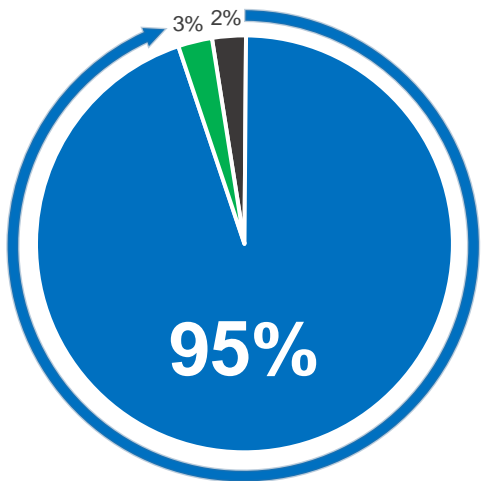
A service that enables the simple implementation of secure multi-factor authentication using SMS/IVR through an API

*The above sales composition ratios are the actual results for the period from January to December 2023.

YMIRLINK Revenue Structure and SaaS Features

- 1 95% of YMIRLINK's revenue comes from SaaS usage fees (see Figure 1)
- 2 SaaS revenue accumulates easily with an improvement in the contract renewal rates (by minimizing withdrawals from the service) (Figure 2)
- 3 The churn rate for YMIRLINK services remains low at an average of 0.48% per month (Figure 3)

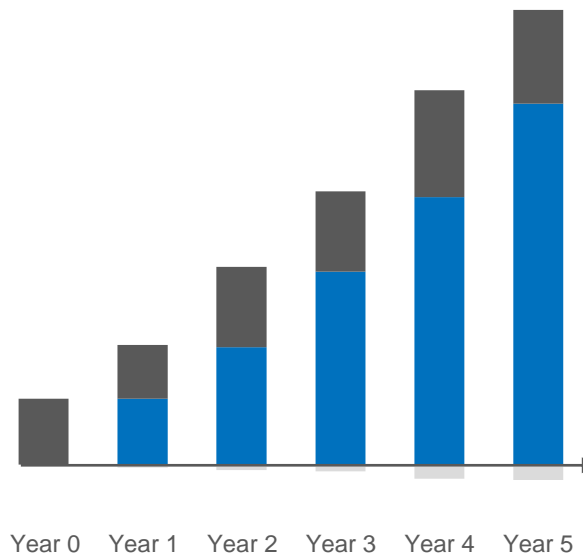
95% comes from service usage fees*1



- One-time fee sales
- Recurring fee sales (Usage fees)
- Recurring fee sales (Maintenance)

Figure 1: YMIRLINK revenue structure

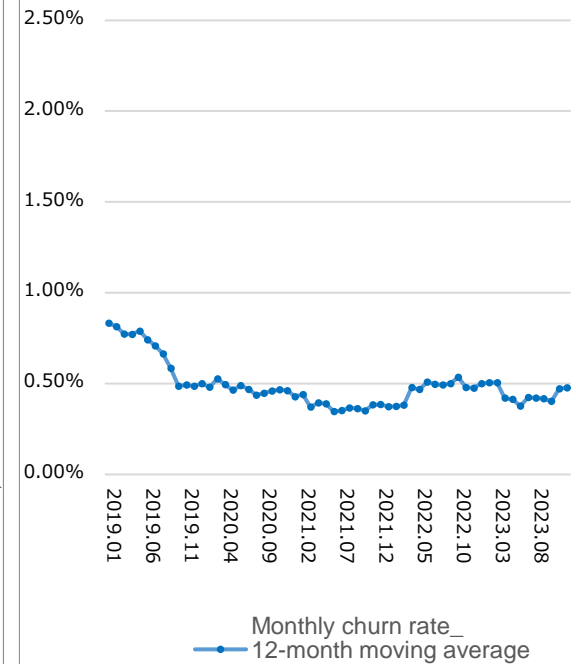
A business model in which revenue accumulates easily



- Renewed contracts
- New contracts
- Cancellations

Figure 2: SaaS features

Low average churn rate of 0.48% per month *2



- Monthly churn rate_
- 12-month moving average

Figure 3: Monthly churn rate for all Cuenote services




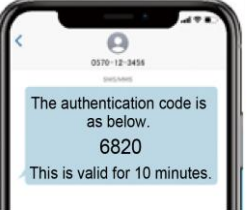
*1 Service fees refers to service fees for SaaS (monthly amount)

*2 This is the 12-month moving average for the churn rate of all Cuenote services from January to December 2023

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

Main Service Characteristics and Uses of Mail and SMS

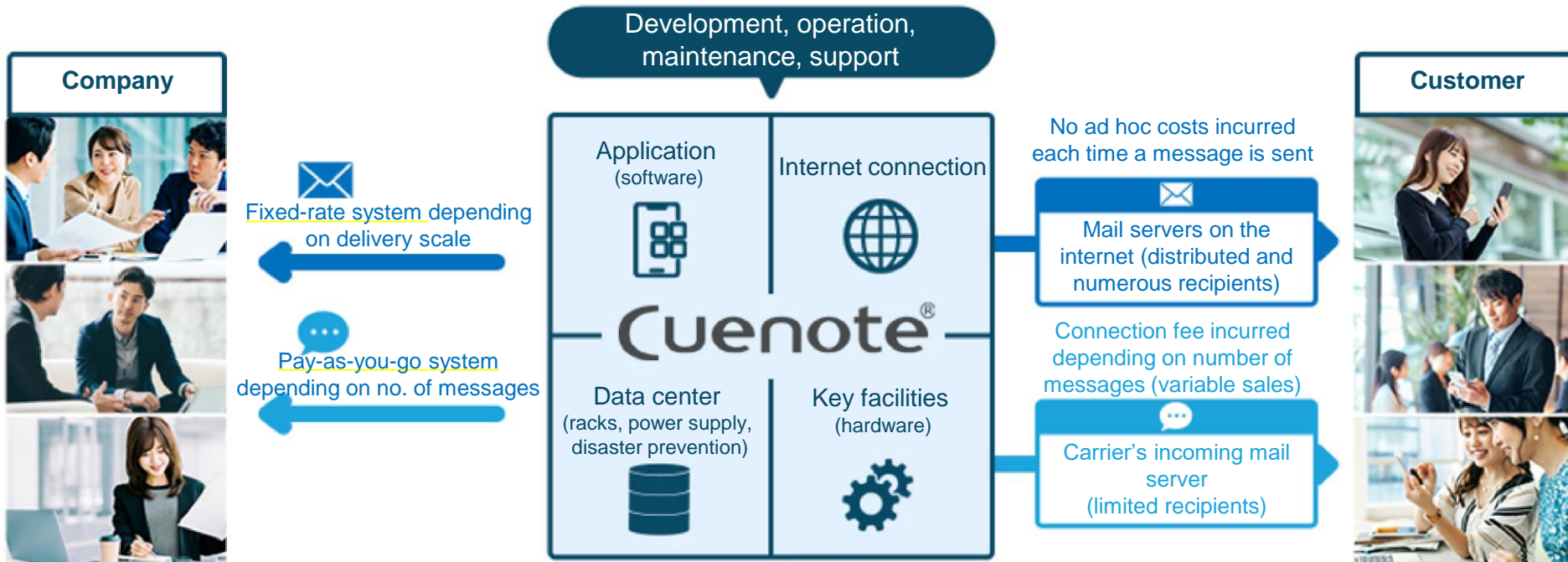
We offer methods for messaging with different characteristics in line with the customer's goals

	 Mail 	 SMS 
Recipient	Email address	Cellular phone number
Content richness	Rich Fonts, images, background color, attachments, etc.	Simple Text information
Sending cost	Very cheap Very cheap at less than a few yen per email	Cheap Costs vary from several yen to a few dozen yen per message. Cheaper than post, etc.
User's viewing environment	Diverse Includes PCs, smartphones, and cloud services	Limited Smartphone *Some telecoms carriers offer a service for viewing on PC
Destination message server	Diverse Sent to diverse destinations such as ISPs, cloud vendors, and mail servers of companies	Limited few Telecoms carriers are the recipients, in Japan's case, the four major carriers
Use and objectives	User authentication (code notification) Batch notifications, reminders, promotions, maintaining relationship with customer	Identity verification (code notification), notifications/communication/reminders (alternative to calling)

Main Service Revenue Structure of Mail and SMS

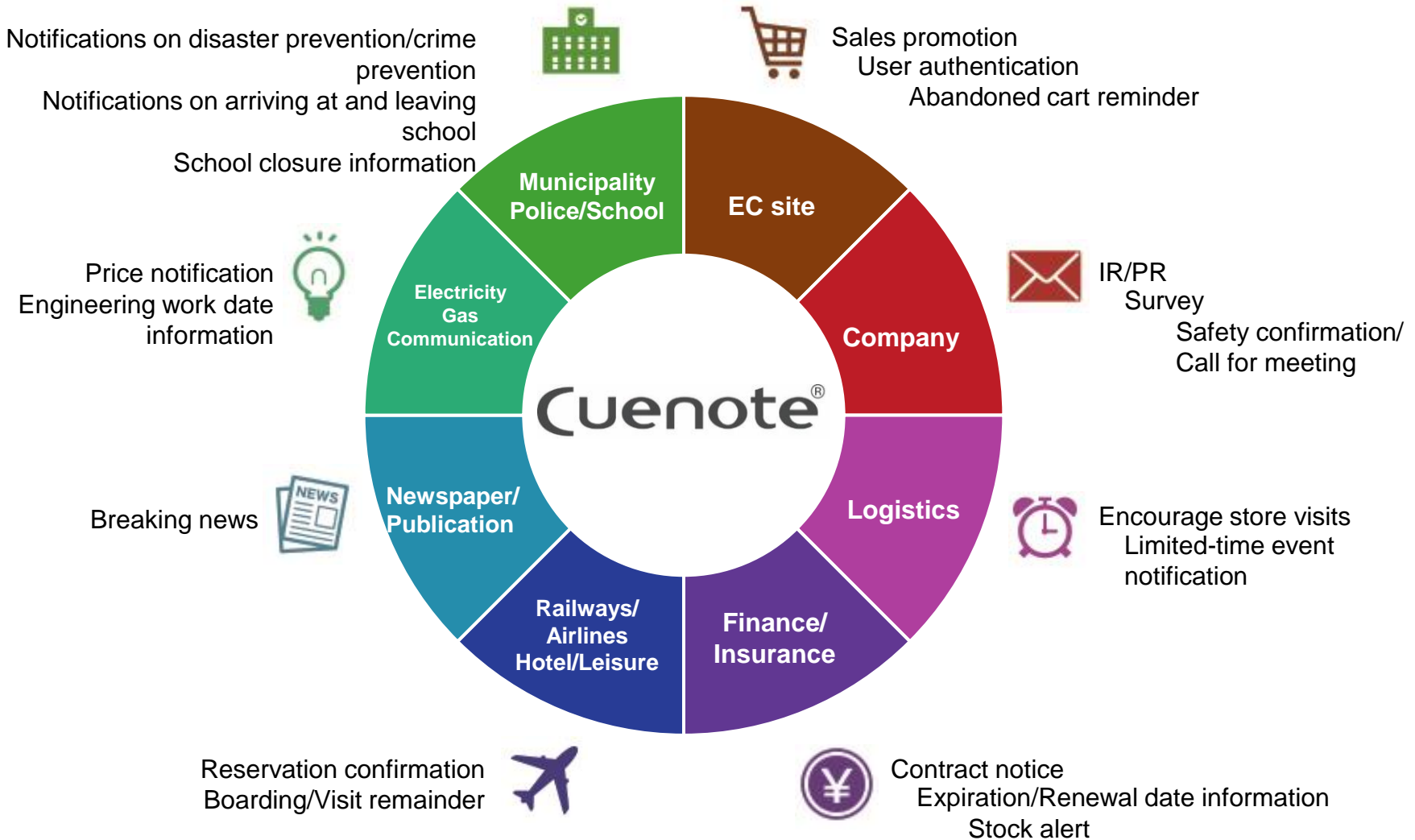
Provision of added value through the development of highly specialized functions and operational support, among other such things, and creation of scale benefits through high functionality, aggregation, and streamlining

Rationalization with unique operating structure



Where is Cuenote used?

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



A stylized white figure, resembling a person or a stick figure, is positioned in the lower-left corner of a blue graphic element. The figure has a circular head, a triangular torso, and four limbs extending outwards. The blue background consists of several overlapping, semi-transparent rectangular shapes in various shades of blue, creating a layered effect.

2.

Financial results for the 1st quarter
of the fiscal year ending December
31, 2024

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

Net sales

648 million yen Year-on-year **17.5% increase**

Record sales in Q1

Operating
profit

146 million yen Year-on-year **13.3% increase**

Record high in Q1 thanks to effects of yield increase

Mail

549 million yen Year-on-year **15.2% increase**

End-of-year MRR: 177 million yen/Gmail^(*) policy changes provides tailwind for MRR^(*) growth

SMS·Auth

84 million yen Year-on-year **39.1% increase**

End-of-year MRR: 26 million yen / MRR growth due to increase in number of contracts

Survey and
other services

14 million yen Year-on-year **1.3% increase**

End-of-year MRR: 4 million yen / 4.5% increase year-on-year

(*1) Gmail is a trademark of Google LLC

(*2) 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

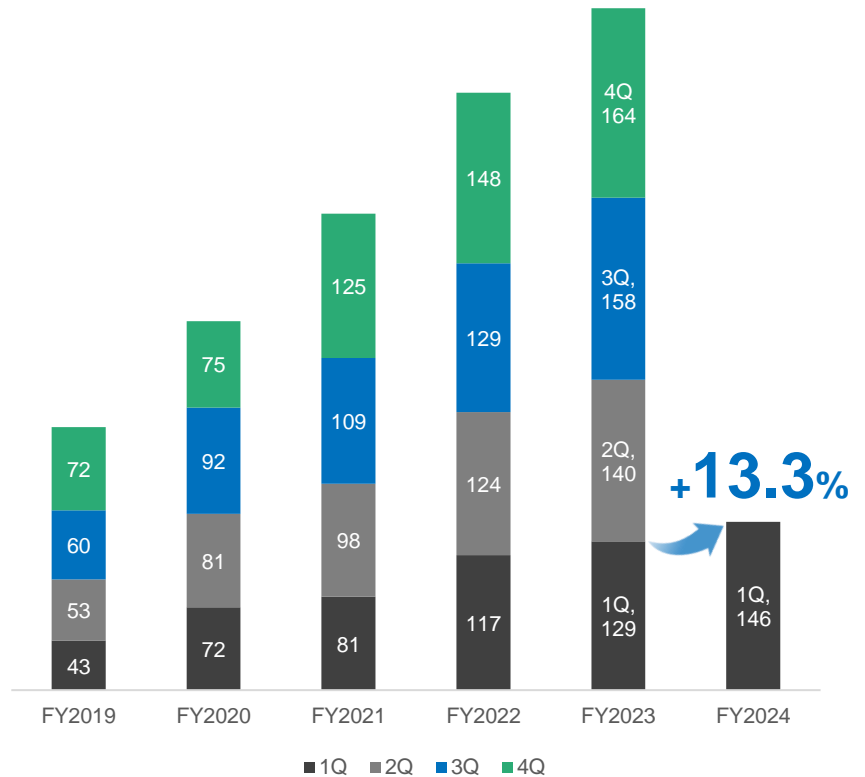
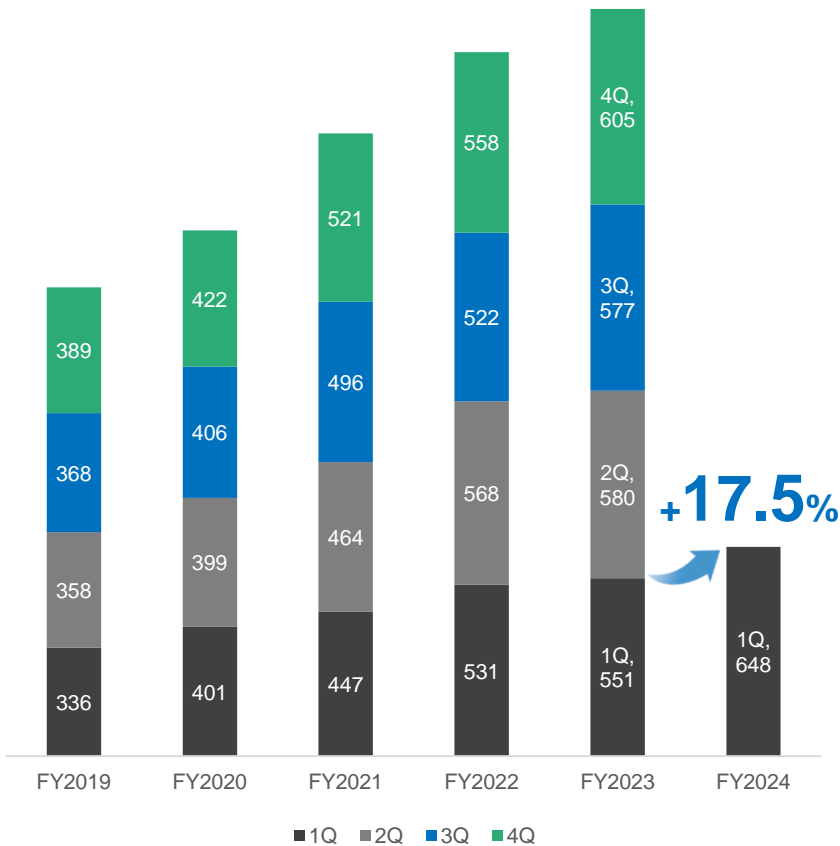
Business Results Development (up to the most recent quarter)




Sales and operating profit both reached record highs for Q1

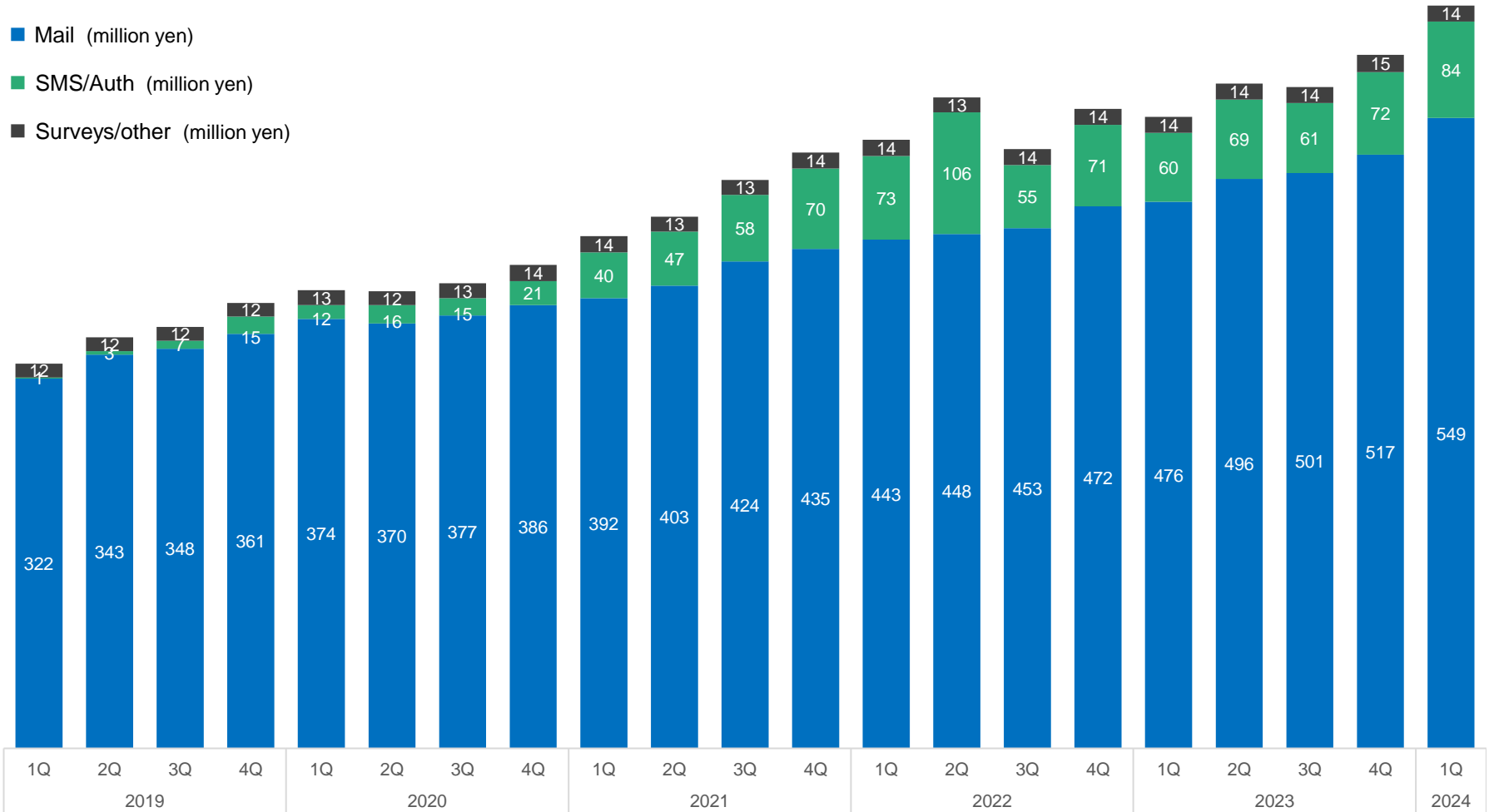
Net sales (million yen)

Operating profit (million yen)



Quarterly Sales Development (by Service)

 Increased revenue for both mail and SMS, mail sees MRR growth and has also benefited from license sales



Main service highlights Mail

- ✓ Enterprise plan continues to be well received on the back of heightened needs for throughput, availability, robustness, and confidentiality

» Main enterprise deployments in Q1 of 2024

Information and communications industry (telecommunications service providers, ISP, Sier), electricity/energy, healthcare-related business

Wholesale/retail industry (supermarkets, online sales, machinery and equipment wholesale)

- ✓ Growing demand for our services due to changes in the Google guidelines for email senders

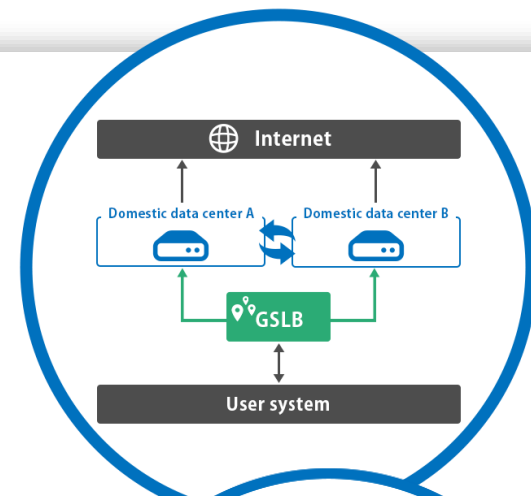
In order to protect recipients from spoofing, phishing, and other malicious email, and to simplify procedures for unsubscribing from mailing lists, the following technical and operational requirements have been established, depending on the purpose and scale of sending.

- Technical requirements for sender authentication
- Technical requirements to maintain safety in communication
- Technical and operational requirements taking recipients into account

- ✓ Events, Talks, and Seminars

Appearances at marketing events and e-commerce exhibitions, etc.

CyberAgent, a Cuenote user company, participated in the MarkeZine event and gave a talk on the effective use of e-mail.



A how-to from cybersecurity professionals!

Gmail

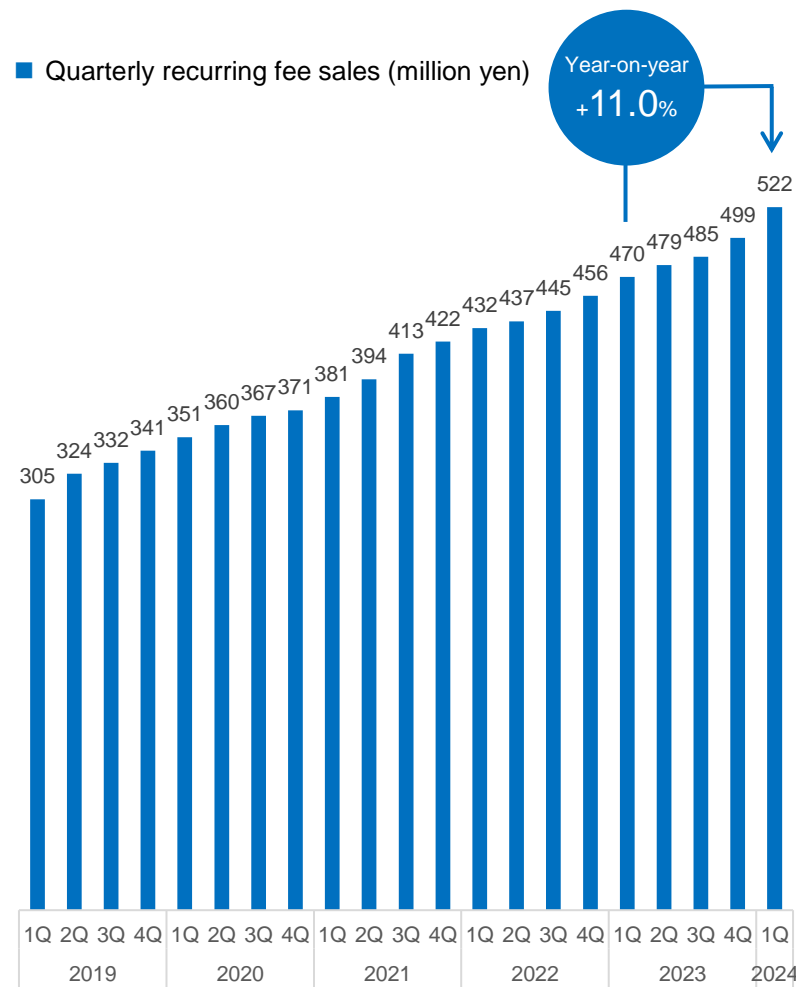
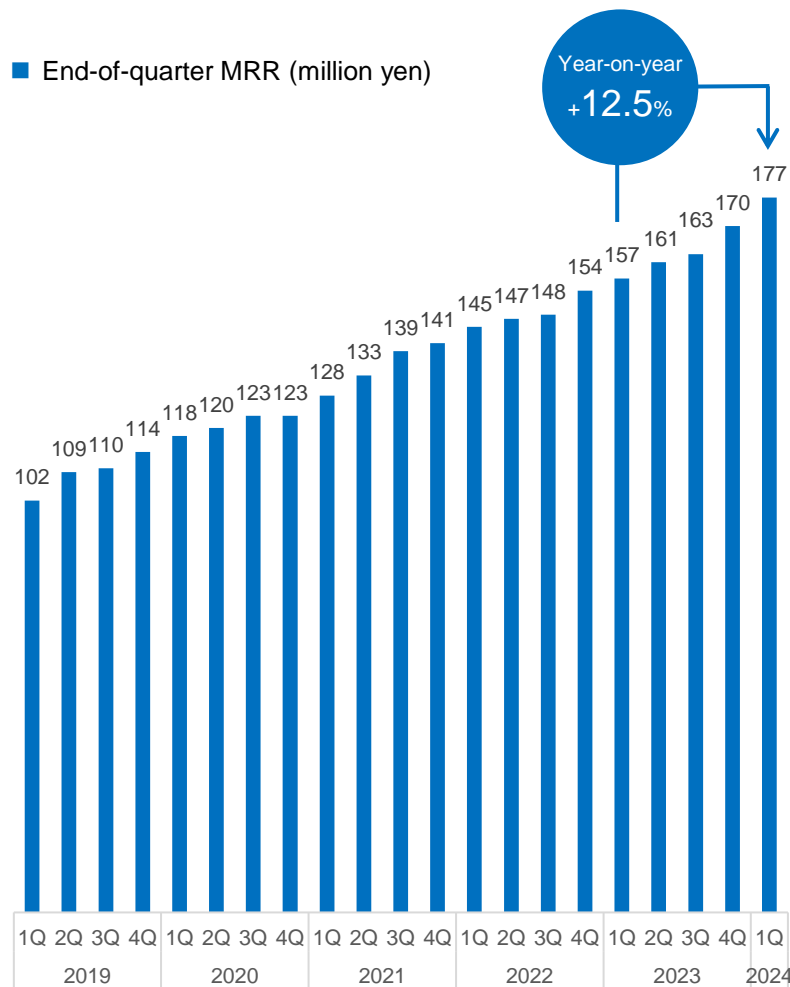
Support for new guidelines

サイバービジョン
ホスティング
BrandKeeper NIMS × Y M I R L I N K



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

MRR at the end of the fiscal year increased by 12.5% over the same period in the previous year to 177 million yen, and first quarter recurring fee sales saw an 11.0% year-on-year increase to 522 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

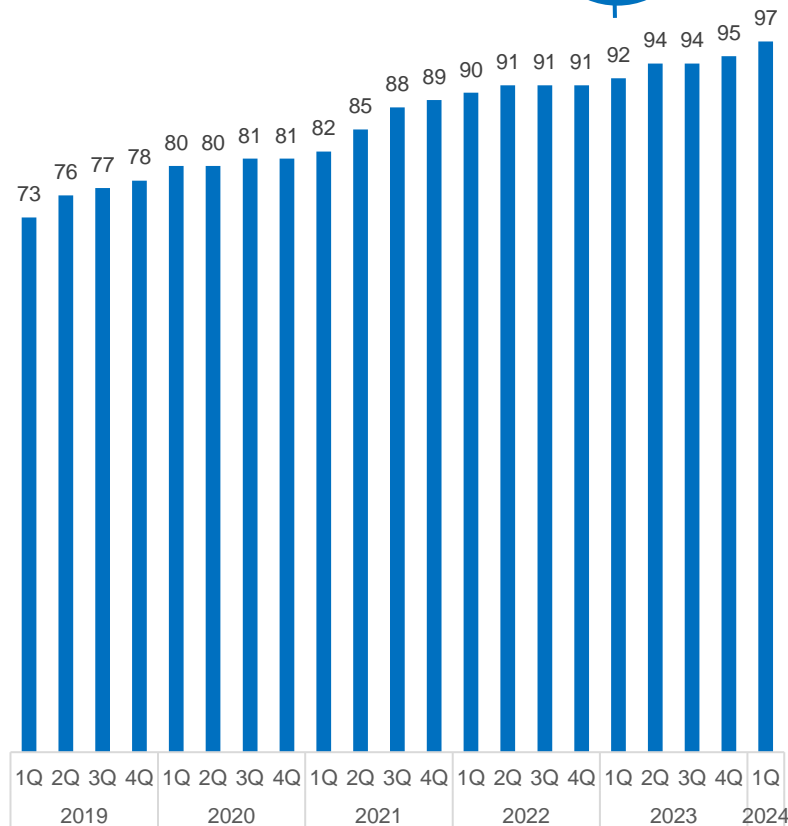
Mail Average usage amount/Monthly churn rate

Average usage amount (*1)

5.8% growth in average usage amount due to increase in enterprise plan contracts

■ Average usage amount (thousand yen)

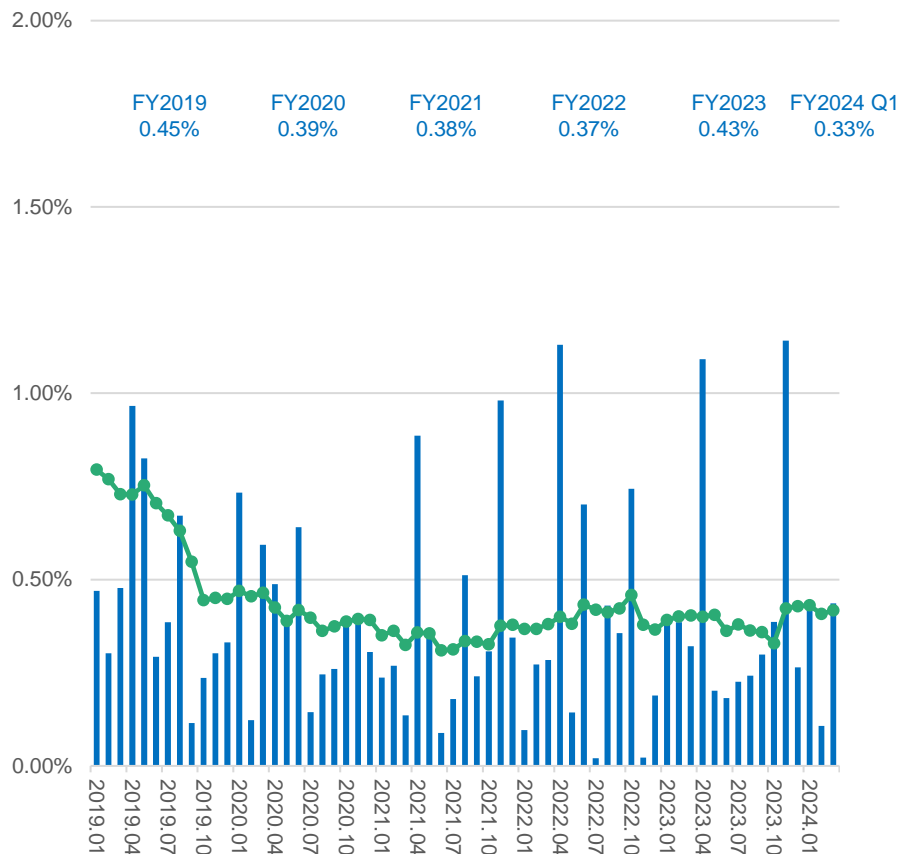
Year-on-year
+5.8%



Churn rate (*2)

The monthly churn rate for Q1 was low at an average of 0.33%

■ Monthly churn rate
● 12-month moving average



(*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]

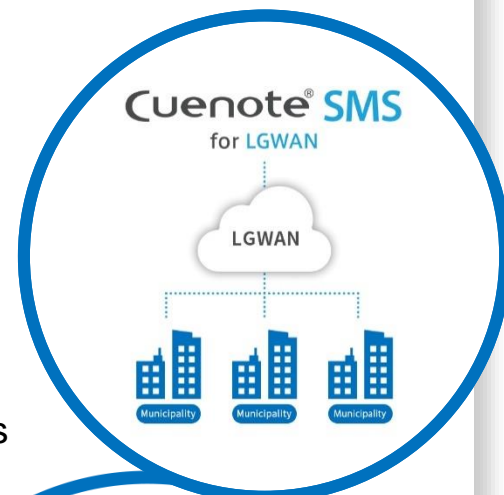
(*2) The churn rate is based on the revenue churn (amount based), and it is calculated by the formula: <Cancellation amount incurred in the month / Contract amount at the beginning of the month x 100>

Main service highlights SMS/Auth

- ✓ Q1 recurring fee sales increased 38.9% year-on-year due to an increase in contracts

» Main deployments in Q1 of 2024

- Identity verification:** Market platforms, machinery and equipment wholesale
- Notifications/contact:** Chemical industry, real estate, lodging, tutoring schools, retail, medical care, local governments
- Promotions:** Automobile sales, real estate, gas, retail
- Prompts and reminders:** Gas, unions



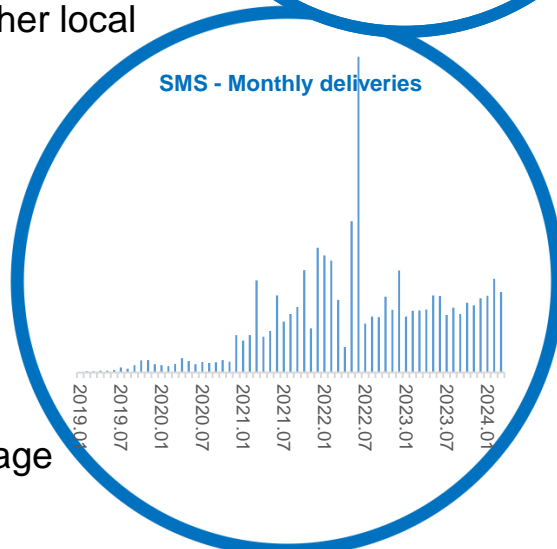
- ✓ Cuenote SMS for LGWAN service for government and local governments
Use commenced by Kariya City, Aichi Prefecture, and several other local governments



Main Reasons for Deployment Decision

- ✓ Peace of mind in terms of security
- ✓ 30% cost reduction, half the work
- ✓ Quick process from consideration to deployment

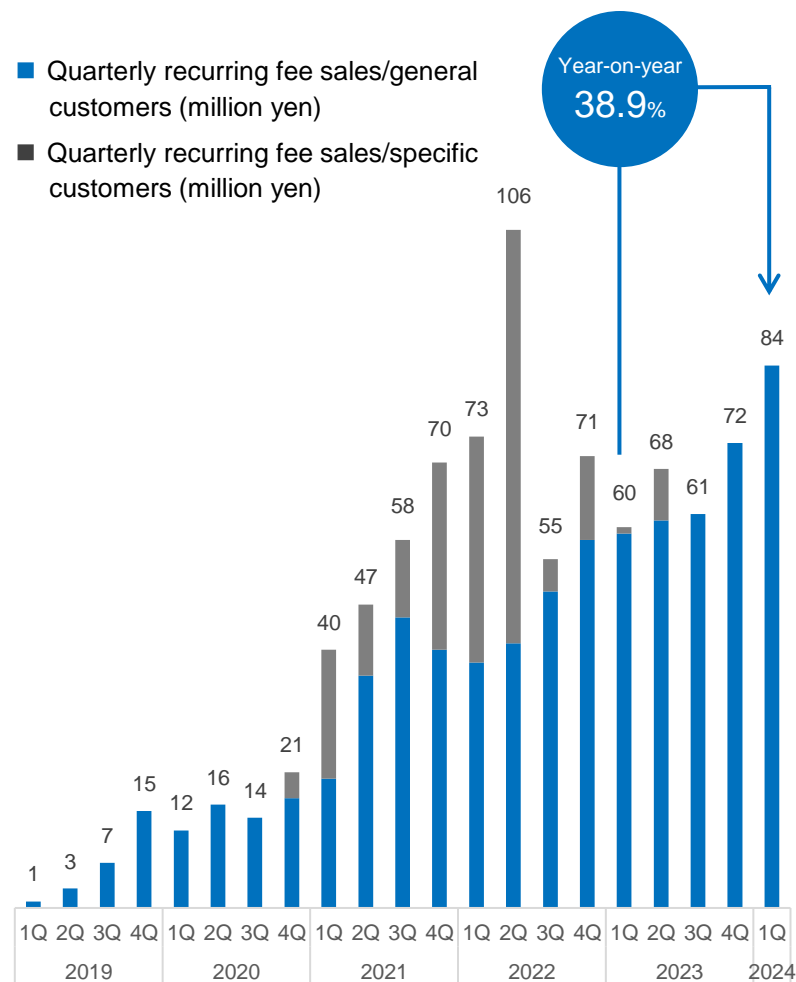
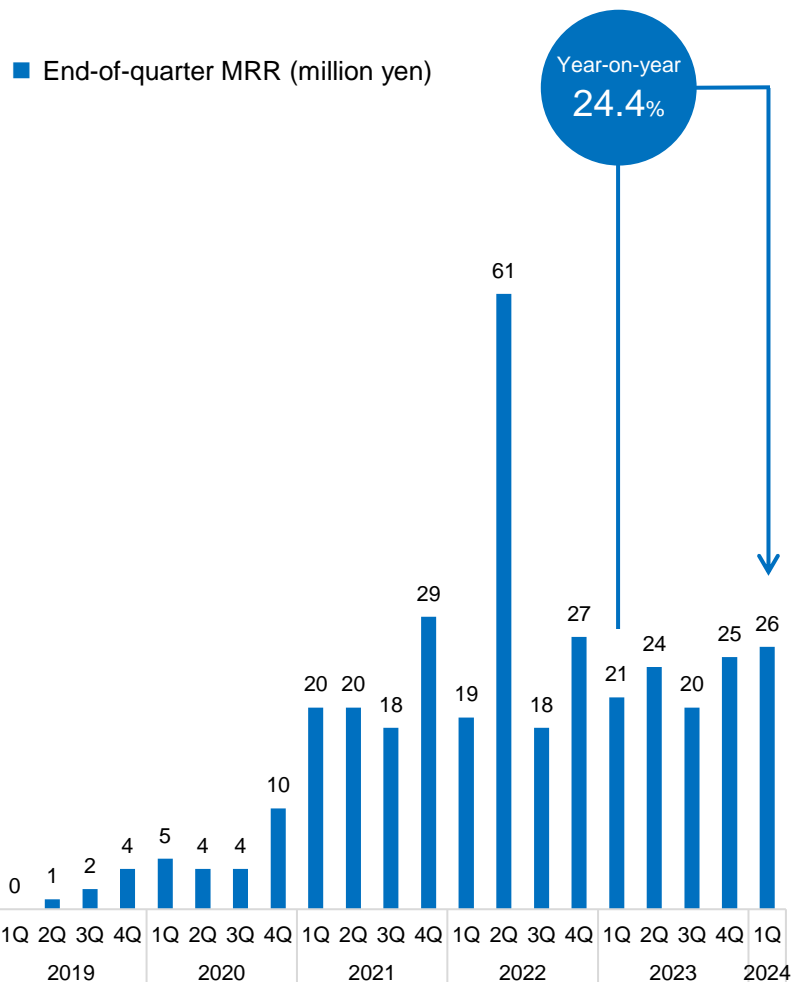
*Examples of use available on product website



- ✓ The monthly churn rate for Q1 of 2024 remained low at the average of 0.05%.

SMS/Auth Quarterly MRR/Quarterly recurring fee sales

End-of-quarter MRR and quarterly recurring fee sales both grew year-on-year and quarter-on-quarter due to increased users



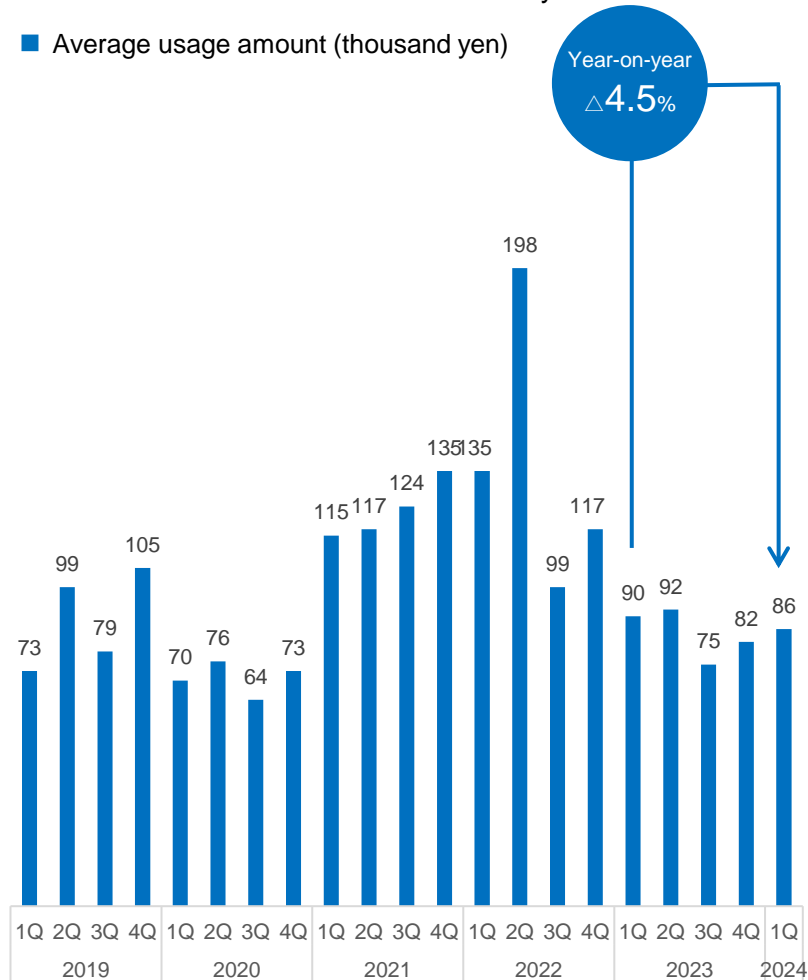
The number of monthly deliveries may increase or decrease due to seasonal factors such as peak season and off-peak season or environmental factors such as climate and disasters.

SMS/Auth Average usage amount/Monthly churn rate

Average usage amount for SMS/Auth (*1)

Decrease of 4.5% in average usage amount year-on-year due to an increase in small-scale delivery customers

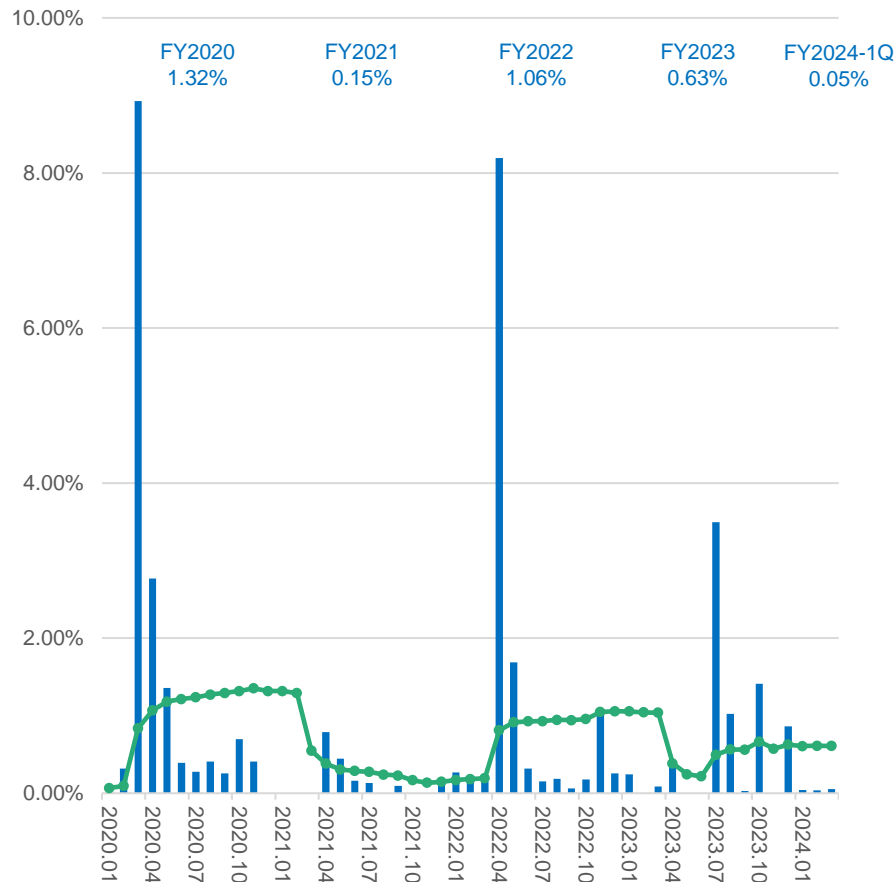
■ Average usage amount (thousand yen)



SMS/Auth churn rate (*2)(*3)

The monthly churn rate for Q1 was low at an average of 0.05%

■ Monthly churn rate
 ● 12-month moving average



(*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]

(*2) The churn rate is based on the revenue churn (amount based), and it is calculated by the formula: <Cancellation amount incurred in the month / Contract amount at the beginning of the month x 100>

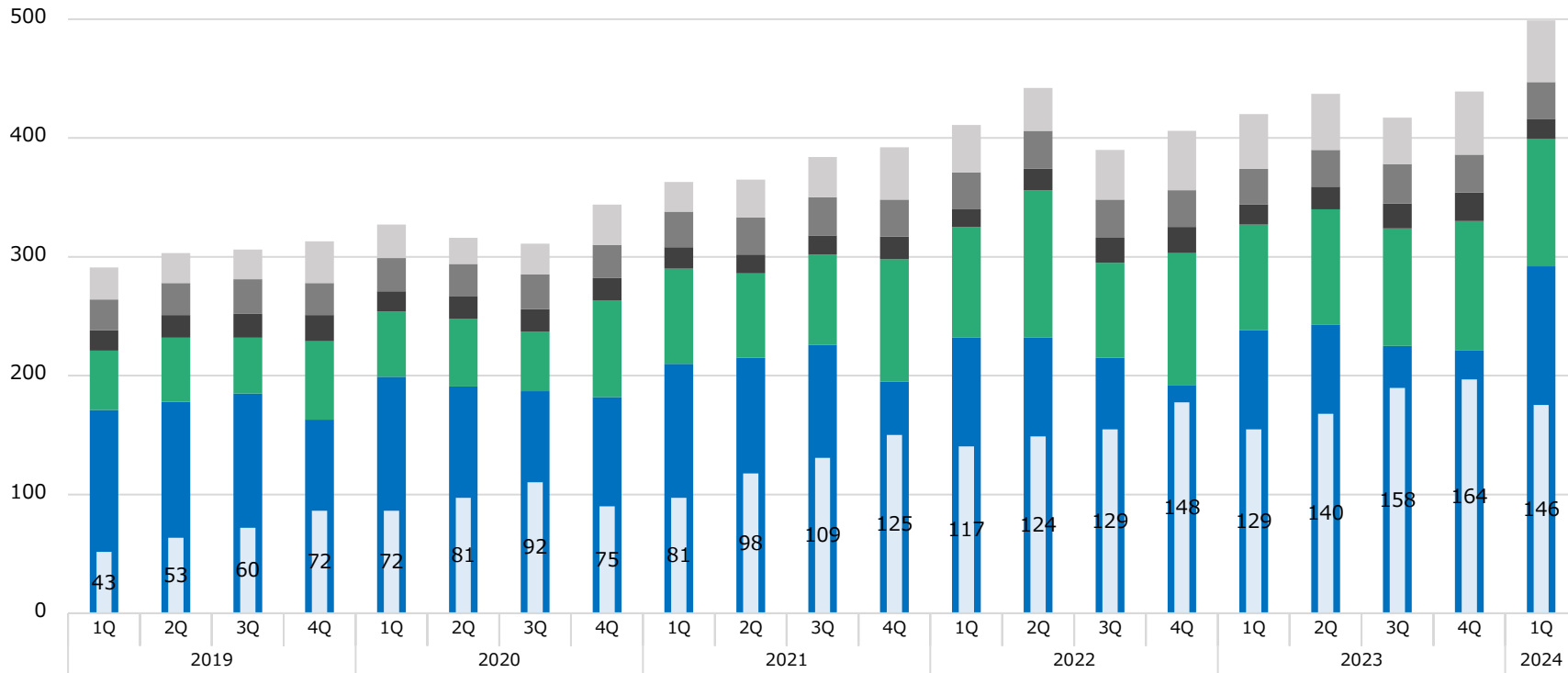
(*3) Since SMS is mostly pay-per-use based on the number of deliveries and monthly usage amounts vary, the churn rate is calculated after determining the average usage amount before the clients left the service

Income statement

	Q1 2023	Q1 2024	Rate of increase/decrease Increase/decrease	
Net sales	551 million yen	648 million yen	17.5 %	96 million yen
Cost of sales	177 million yen	213 million yen	20.4 %	36 million yen
Gross profit	374 million yen	434 million yen	16.1 %	60 million yen
Gross profit ratio	67.8 %	67.0 %	△ 0.8 pts.	—
Sales, general and administrative expenses	244 million yen	288 million yen	17.6 %	43 million yen
Operating profit	129 million yen	146 million yen	13.3 %	17 million yen
Operating profit ratio	23.5 %	22.6 %	△ 0.8 pts.	—
Ordinary profit	129 million yen	146 million yen	13.3 %	17 million yen
Current net profit	89 million yen	101 million yen	13.0 %	11 million yen
Current net profit ratio	16.2 %	15.6 %	△ 0.6 pts.	—


Growth of quarterly operating expenses and operating profit

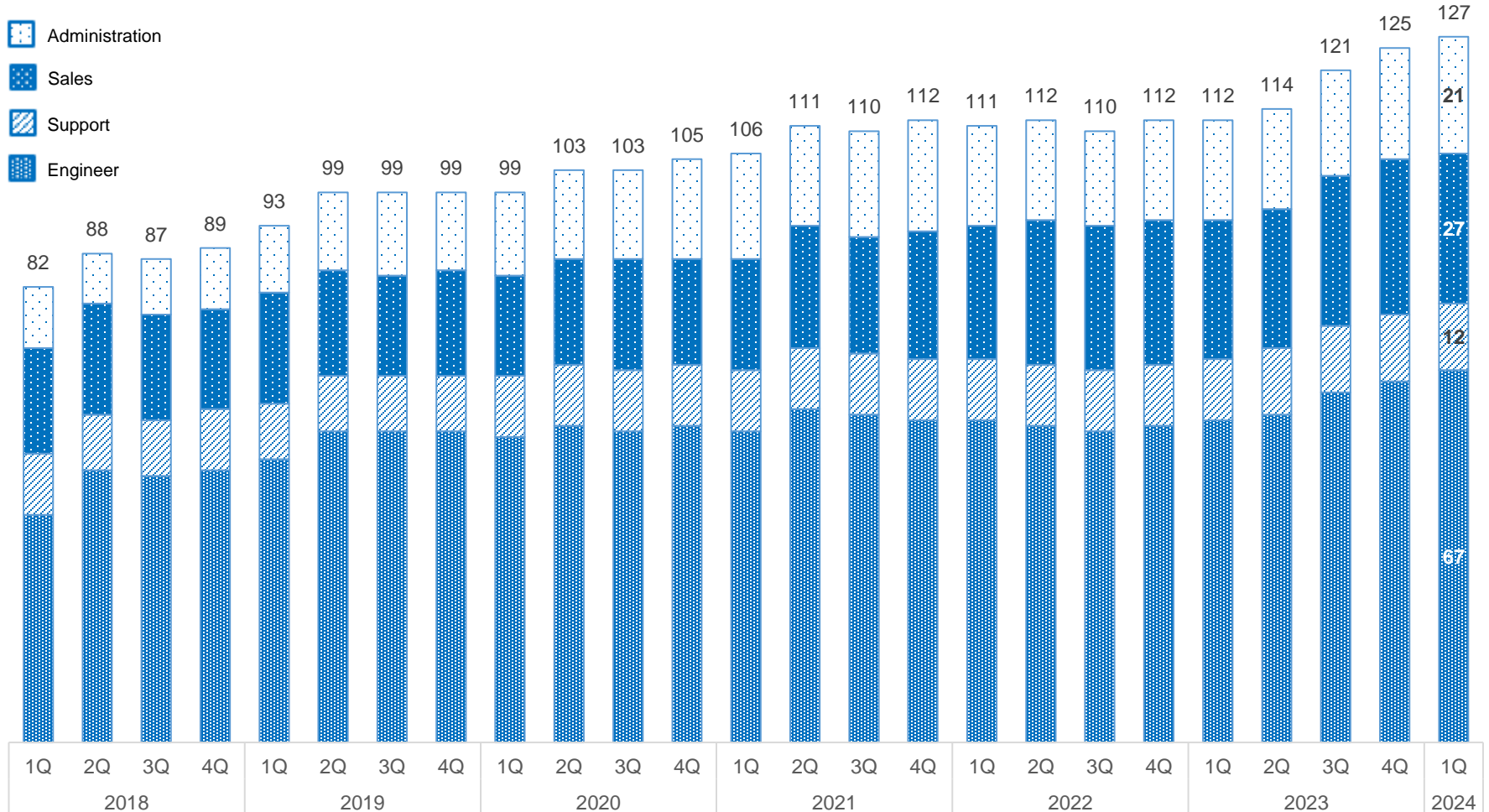
 Increase in personnel expenses due to increase in employees and improved conditions



	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
	2019				2020				2021				2022				2023				2024
Other	27	25	25	35	28	22	26	34	25	32	34	44	40	36	42	50	46	47	39	53	52
Rent and utility expenses	26	27	29	27	28	27	29	28	30	31	32	31	31	32	32	31	30	31	33	32	31
Depreciation expenses	17	19	20	22	17	19	19	19	18	16	16	19	15	18	21	22	17	19	21	24	17
Server/DC, stocking, etc.	50	54	47	66	55	57	50	81	80	71	76	103	93	124	80	111	89	97	99	109	107
Personnel expenses	171	178	185	163	199	191	187	182	210	215	226	195	232	232	215	192	238	243	225	221	292
Operating profit	43	53	60	72	72	81	92	75	81	98	109	125	117	124	129	148	129	140	158	164	146
Operating profit ratio	12.9%	15.0%	16.3%	18.6%	18.1%	20.4%	22.8%	17.9%	18.1%	21.1%	22.1%	24.1%	22.2%	21.8%	24.8%	26.6%	23.5%	24.2%	27.4%	27.1%	22.6%

Number of employees

 Two more employees have joined since the end of the previous period to make the total 127 (tech staff +2, administration +1, sales -1)



Balance sheet

	Fiscal year ended December 31, 2023	Fiscal year to March 31, 2024	Increase/decrease
Current assets	2,466 million yen	2,528 million yen	62 million yen
Fixed assets	314 million yen	330 million yen	16 million yen
Total assets	2,780 million yen	2,859 million yen	79 million yen
Current liabilities	406 million yen	384 million yen	△ 22 million yen
Fixed liabilities	— million yen	— million yen	— million yen
Total liabilities	406 million yen	384 million yen	△ 22 million yen
Total net assets	2,374 million yen	2,475 million yen	101 million yen
Equity ratio	85.4 %	86.6 %	1.2 pts.
Book value per share	619.91 yen	646.36 yen	26.46 yen

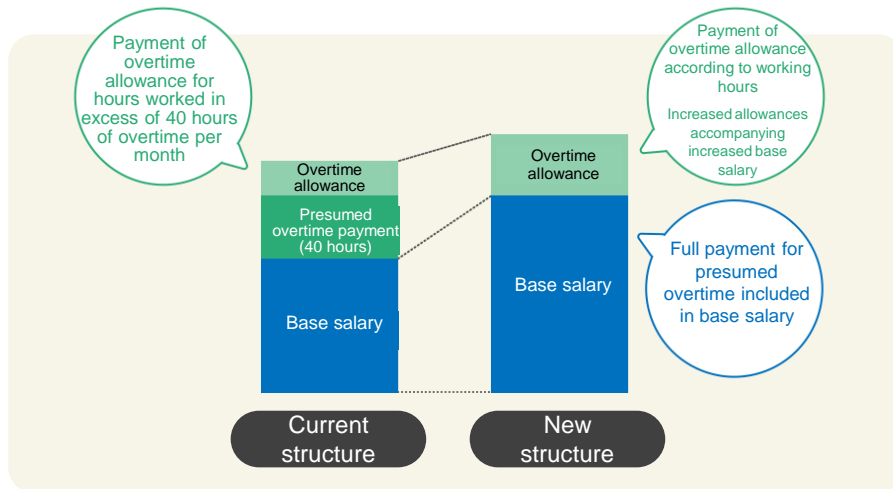
- Liquid assets +78 million yen
- Prepaid expenses -12 million yen
- Deferred tax +10 million yen

- Accounts payable, etc. -40 million yen
- Advances received, etc. +22 million yen
- Accrued tax -52 million yen
- Bonus reserve +44 million yen

Topics

Inclusion of presumed overtime in base salary abolished in order to improve employees' conditions and reform working style

From January 2024



Presumed overtime payment (40 hours per month fixed payment) abolished, with its fixed payment amount now included in base salary in order to improve employees' conditions and reform working style (Disclosed December 26, 2023, implemented January 1, 2024)

New Business Promotion Headquarters established

From January 2024




Business Promotion Headquarters established with the aim of planning and promoting new businesses and projects, and promoting alliance strategies (Disclosed December 14, 2023, implemented January 1, 2024)

A stylized white figure, resembling a person or a stick figure, is positioned in the lower-left corner of a blue graphic element. The figure has a circular head, a horizontal line for arms, and two legs. The blue graphic element consists of several overlapping, semi-transparent rectangular shapes in various shades of blue, creating a layered effect.

3.

Full-year forecast for the fiscal year ending December 31, 2024

Financial forecast for the fiscal year ending December 31, 2024

 Sales stand at 25.2% and operating profit stands at 24.0% in terms of the full-year results forecast

	Full-year FY2024	Q1 2024	Progress rate
Net sales	2,570 million yen	648 million yen	25.2 %
Recurring fee sales	2,508 million yen	621 million yen	24.8 %
One-time-fee sales	61 million yen	26 million yen	44.1 %
Operating profit	610 million yen	146 million yen	24.0 %
Operating profit ratio	23.7 %	22.6 %	△ 1.1 pts.
Ordinary profit	610 million yen	146 million yen	24.0 %
Current net profit	420 million yen	101 million yen	24.1 %
Current net profit ratio	16.4 %	15.6 %	△ 0.7 pts.

Fiscal year ending December 31, 2024 Index of main services

	Fiscal year ended December 31, 2023	Fiscal year ending December 31, 2024	Rate of increase/decrease
Mail			
Full-year recurring fee sales	1,934 million yen	2,157 million yen	11.5 %
End-of-year MRR	170 million yen	187 million yen	9.9 %
Monthly churn rate	0.43 %	0.39 %	△0.03 Pts.
SMS•Auth			
Full-year recurring fee sales	263 million yen	293 million yen	11.2 %
End-of-year MRR	25 million yen	26 million yen	5.6 %
Monthly churn rate	0.63 %	0.80 %	0.17 Pts.

2024 New Release Plan

Web Push is a service to provide push notifications to users via a web browser.

The Web Push service supports iOS devices since March 2023 and is used widely now in marketing for purposes such as promotion notifications, revisit notifications, and building customer loyalty without acquiring any email addresses or other personal information.



Usage scenarios

- EC sites
Campaign notifications
- Media
Notification of new content,
website visit encouragement
- Corporate
IR information, news

A stylized white figure, resembling a person or a stick figure, is positioned on a blue background. The figure has a circular head, a triangular torso, and four limbs extending outwards. The background is a gradient of blue, with a darker blue on the left and a lighter blue on the right.

4. Growth plan

Sustained growth from an increased number of messaging channels and platform creation



Vision for future growth

Strong growth from an increased share in the growing mail and SMS markets and an increased number of messaging channels.

► **Increased and enhanced human capital (increased employee numbers with a focus on technology, human resources development)**

28 staff members to be added over two years from 2024 to 2025

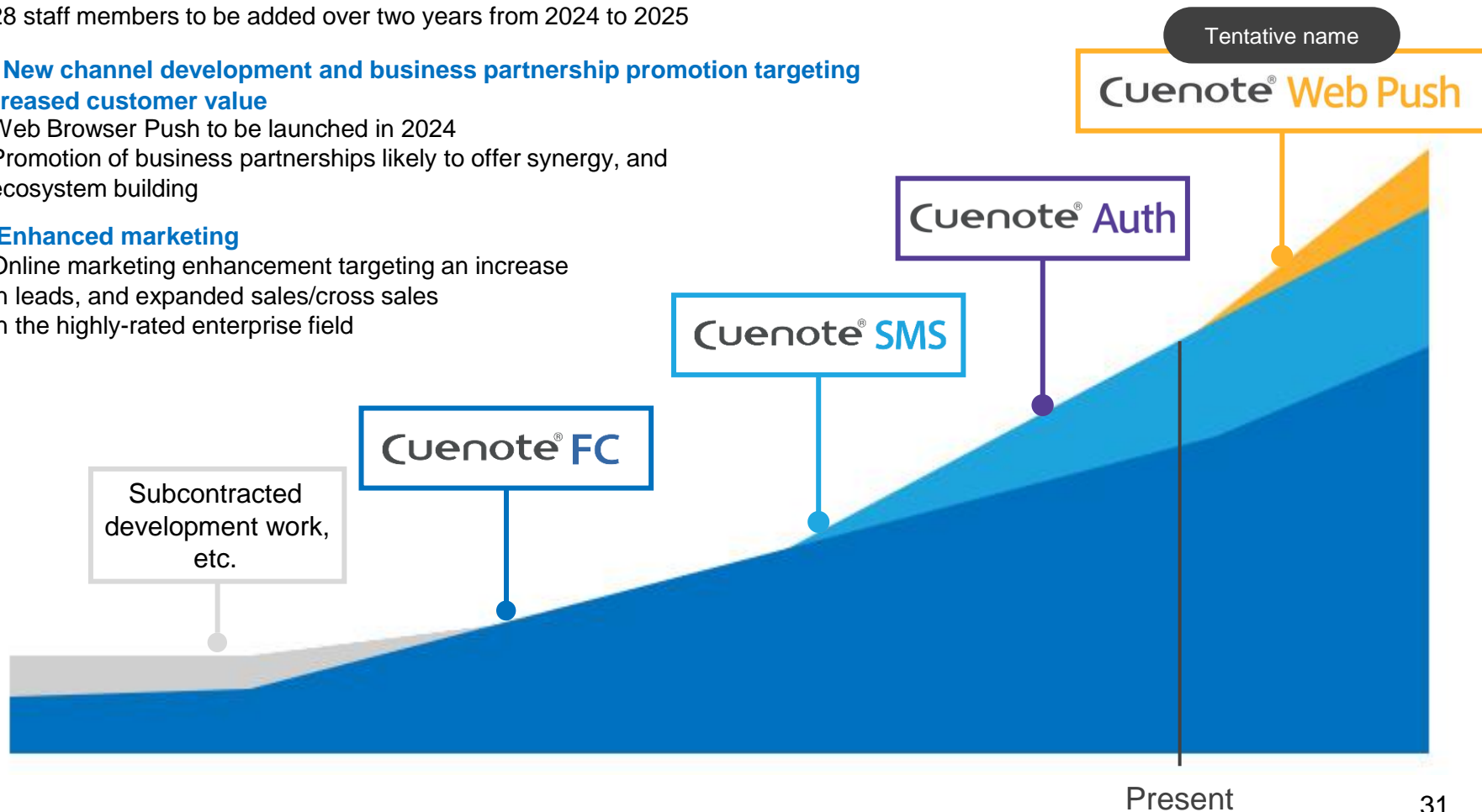
► **New channel development and business partnership promotion targeting increased customer value**

Web Browser Push to be launched in 2024

Promotion of business partnerships likely to offer synergy, and ecosystem building

► **Enhanced marketing**

Online marketing enhancement targeting an increase in leads, and expanded sales/cross sales in the highly-rated enterprise field



Role of a messaging platform

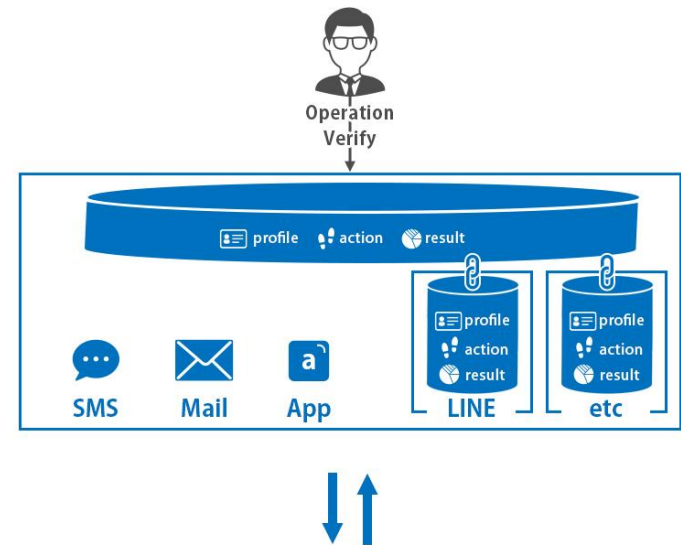
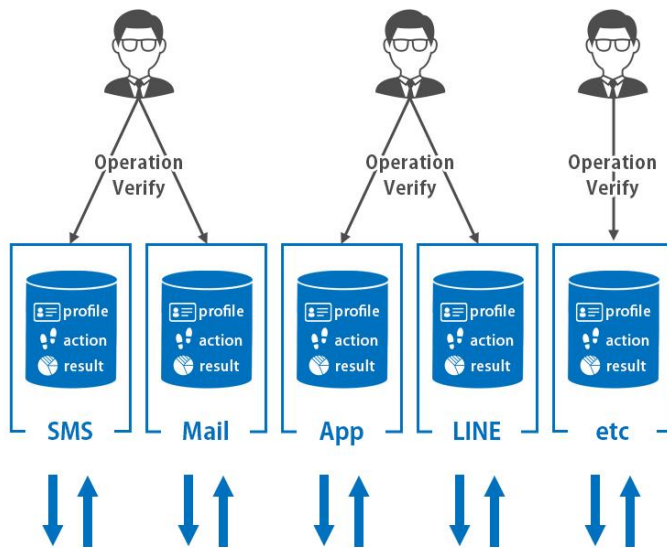
Background

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

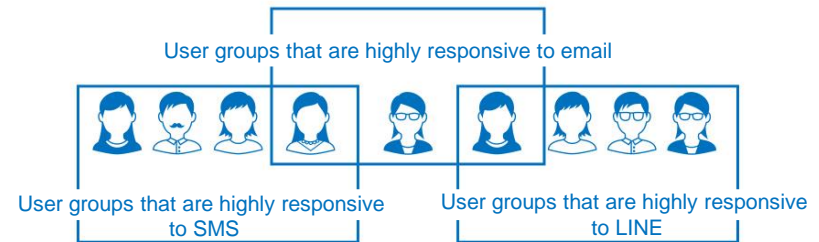
Company

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

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



Consumer

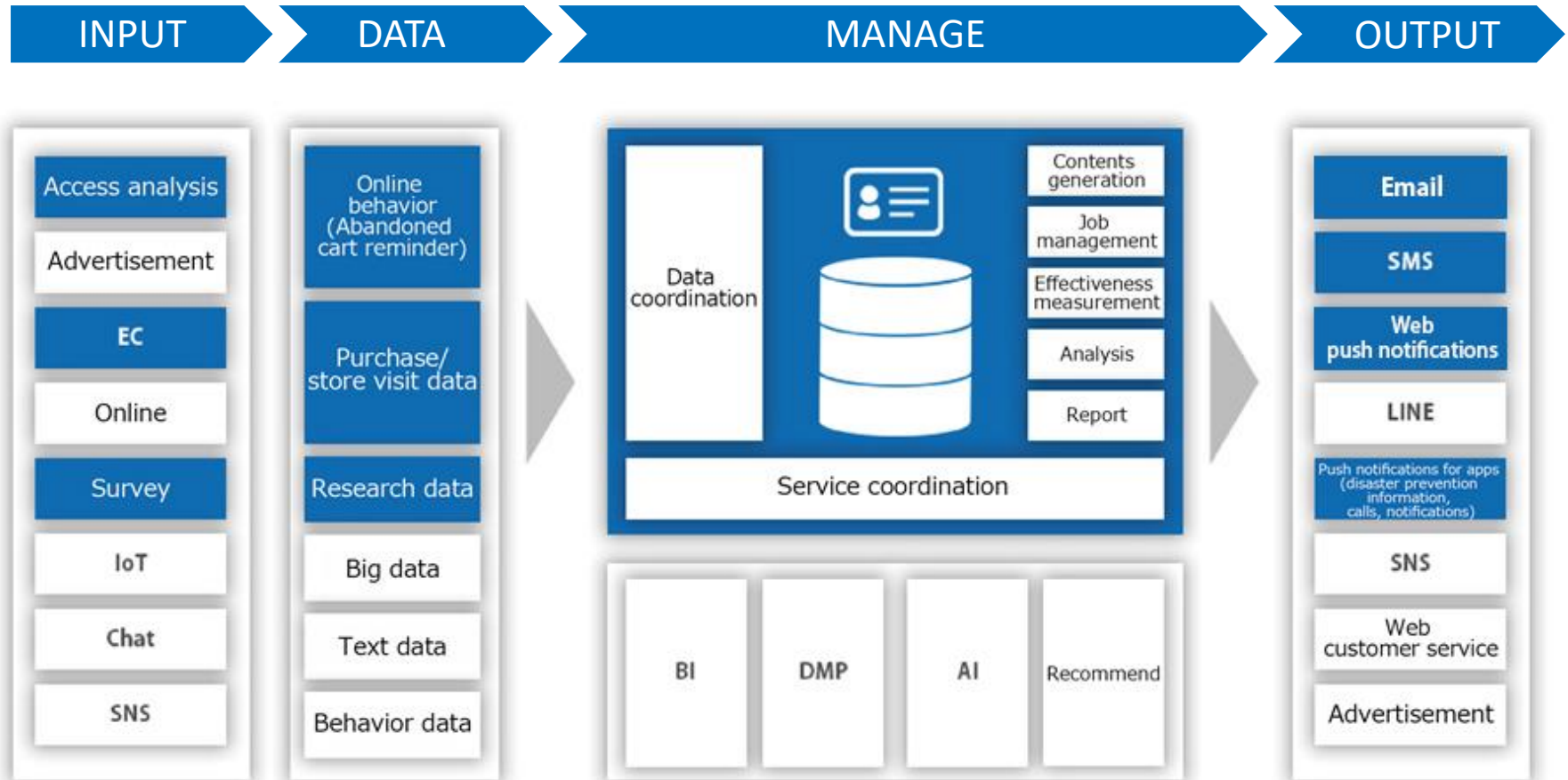


Increase in frequency and similarity of received information
Decline in loyalty, departure of customers

Receiving information with optimized frequency, amount and timing

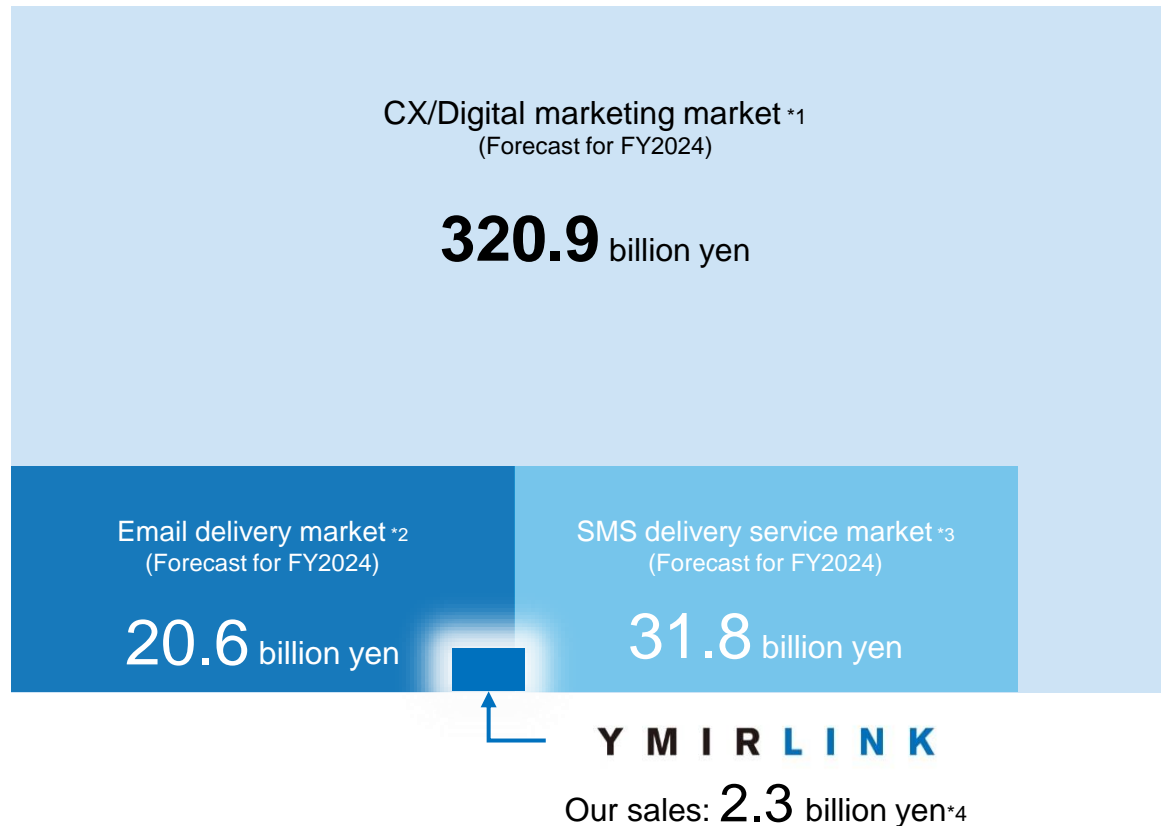
Messaging platform conceptual diagram

Expand the areas to be covered through selection and concentration



Our markets and related markets

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 Source: Fuji Chimera Research Institute "Software New Market 2024 Edition" CX/digital marketing market (Forecast for FY2024)

*2 Source: ITR Corporation "ITR Market View: Email/Web/SNS marketing markets 2024" Email delivery market (Forecast for FY2024)

*3 Source: ITR Corporation "ITR Market View: EC site construction/CMS/SMS delivery service/electronic invoice service/E-contract service markets 2023" SMS delivery service/electronic invoice market (Forecast for FY2024)

*4 Sales for fiscal year ended December 31, 2023

5. appendix



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	127 (Full-time employees: 127, temporary employees: 0) *As of March 2024
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
 - 2022** Launched Cuenote Auth authentication service
 - 2023** Released Cuenote SMS for LGWAN that connects to across local government wide area networks

Clients of Cuenote

Since its launch, Cuenote has gained popularity with many clients.
Over 2,300 contracts

Listed companies that use Cuenote
264 companies*

Listed companies						
Unlisted companies						
	Government offices					

(Note) The number of core subsidiaries of pure holding companies designated by listed companies and Japan Securities Dealers Association (as of the end of March 2024, according to our research)

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



Authentication code: 1234
Please enter the
authentication code on
the confirmation screen.

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. For administrative bodies and local governments, Cuenote SMS for LGWAN that connects to across local government wide area networks (LGWAN) has been launched.

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.

Disclaime

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.

This document has been prepared for an informational purpose only. The purpose of this document is not solicitation of sales or purchase of securities in Japan, the U.S. or other regions.

Y M I R L I N K