

Provider of messaging solution Cuenote to corporate customers

This report is an English translation of part of the report issued on September 24, 2021.
For inquiries concerning the report, please contact info@stock-r.org

[4372 YMIRLINK Sector : Information & Communication]

Fiscal Year	Net sales	YoY	Operating profit	YoY	Ordinary profit	YoY	Profit	YoY	EPS	BPS	DPS
	(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)	(yen)	(yen)	(yen)
Dec. 2019	1,453	16.4	229	-	233	32.2	159	33.0	45.0	245.6	0.0
Dec. 2020	1,629	12.1	322	40.5	326	39.9	224	40.1	63.0	308.7	0.0
Dec. 2021 f	1,750	7.4	350	8.4	324	-0.5	222	-0.7	60.9	-	0.0

Note: Non-consolidated basis. Figures for the fiscal year ending December 2021 are the company's forecasts.
It conducted 1-to-100 stock split on April 30, 2021. Per share indices are adjusted retroactively.

Providing Messaging Solution to Corporate Customers

YMIRLINK provides Cuenote, a software series supporting marketing activities and communication promotion of corporate customers. Cuenote is a system that distributes emails, short messages, etc., but is primarily provided in SaaS format and is developed as a stock type business, under which stable revenue can be gained. Almost all of the company's net sales is generated from the Cuenote series.

Service Lineup of Cuenote

Cuenote is mainly comprised of five services.

The core service is Cuenote FC, an email distribution system which the company's corporate customers use to conduct marketing and promotion, and this accounted for 68% of the net sales in the first half of the fiscal year ending December 2021. It also incorporates a function that measures the email marketing effect.

Cuenote SR-S, which accounted for 18% of the net sales in the first half of the fiscal year ending 2021, is a service made from a portion of the email distribution function of Cuenote FC.

Cuenote SMS is a distribution service used for communication through SMS, not email. It enables transmitting messages to mobile phone numbers for which the owner individual has been identified. Its use is expanding for the purpose of important notices and personal authentications. It accounted for 10% of the net sales in the first half of the fiscal year ending December 2021 and the composition is on an increasing trend.

Other services are the Cuenote Survey, a system that enables relatively easy creation of online survey forms, etc., and an employee safety confirmation service.

Financial Statements

Statement of income	Fiscal Year	Dec.2019		Dec.2020		Six months to Jun. 2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		1,453	100.0	1,629	100.0	912	100.0
Cost of sales		484	33.4	476	29.2	300	33.0
Gross profit		968	66.6	1,153	70.8	611	67.0
Selling, general and administrative expenses		738	50.8	830	50.9	432	47.4
Operating profit		229	15.8	322	19.8	179	19.7
Non-operating income		3	-	3	-	0	-
Non-operating expenses		-	-	-	-	2	-
Ordinary profit		233	16.1	326	20.0	177	19.5
Profit before income taxes		233	16.0	325	20.0	177	19.5
Net profit		159	11.0	224	13.7	121	13.4

Balance sheet	Fiscal Year	Dec.2019		Dec.2020		Jun. 2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		905	76.5	1,185	82.2	1,262	81.9
Cash and deposits		139	11.8	188	13.1	986	63.9
Accounts receivable-trade		193	16.3	205	14.2	239	15.5
Inventories		2	0.2	1	0.1	1	0.1
Non-current assets		278	23.5	257	17.8	279	18.1
Property, plant and equipment		137	11.6	111	7.7	118	7.7
Intangible assets		36	3.1	21	1.5	20	1.3
Investments and other assets		104	8.8	124	8.6	140	9.1
Total assets		1,183	100.0	1,443	100.0	1,542	100.0
Current liabilities		290	24.6	333	23.1	313	20.4
Accounts payable - trade		13	1.1	12	0.8	11	0.8
Non-current liabilities		19	1.6	12	0.9	9	0.6
Net assets		873	73.8	1,097	76.0	1,218	79.0
Owners' equity		873	73.8	1,097	76.0	1,218	79.0

Statement of cash flows	Fiscal Year	Dec.2019	Dec.2020	Six months to Jun. 2021
		(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		326	330	177
Depreciation		79	75	34
Cash flows from investing activities		-269	-281	719
Cash flows from financing activities		-	-	-
Dividends paid		-	-	-
Net increase in cash and cash equivalents		56	49	797
Cash and cash equivalents		139	188	986

Note: Non-consolidated basis.

Source: Prepared by Stock Research Center based on the notifiable prospectus.

About Stock Research Center

Stock Research Center is engaged in the preparation of analyst reports, mainly on companies that are not sufficiently covered by analysts, based on a neutral perspective, and broadly disclose the reports to the public with an aim to revitalize the stock market.

Note: Reports prepared by Stock Research Center are created in reference to the Ministry of Economy, Trade and Industry's Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation.



■ Supporting Members

Tokyo Stock Exchange, Inc.
Nomura Securities Co., Ltd.
Ernst & Young ShinNihon LLC
Deloitte Touche Tohmatsu LLC
H.S. Securities Co., Ltd.
TAKARA PRINTING CO., LTD.
A&A Partners

SMBC Nikko Securities Inc.
Mizuho Securities Co., Ltd.
ICMG Co., Ltd.
SBI SECURITIES Co., Ltd.
Ichiyoshi Securities Co., Ltd.
PRONEXUS INC.

Daiwa Securities Co. Ltd.
KPMG AZSA LLC
Grant Thornton Taiyo LLC
BDO Sanyu
Japan Securities Dealers Association
The Securities Analysts Association of Japan

Certification by Analysts

Analysts indicated in the reports certify that the content indicated in the report precisely reflects the personal opinions of the analysts on all securities and issuer companies discussed in the report. In addition, it is ensured that the opinions directly or indirectly indicated in the report will have no influence on the analyst's compensation in the past, present, and future upon writing the report.

Disclaimer

- The report is prepared by stock analysts affiliated with the Stock Research Center for the purpose of disclosure to a wide range of investors as reference information and not to recommend or solicit to buy or to sell any particular securities or financial instrument.
- The content and indication of the report is based on disclosed information available publicly and is prepared by adding necessary supplementary information gained through interviews by analysts. The writer of the report is, without exception, prohibited to use insider information, or to acquire such information. The information included in the report is believed to be precise and reliable, but its preciseness is not verified objectively. In addition, the report is not intended to comprehensively include all information required by investors.
- The information included in the report may become outdated due to changes in the financial market, economic environment, etc. There are risks that the prices of stocks featured directly or indirectly in the report will fall below the par value due to fluctuations in stock prices, changes in management/financial conditions of the issuers, fluctuations in exchange rates or interest rates, etc. Past performance does not imply or guarantee future performance.
- The opinions indicated in the report are subject to change without notice and the Stock Research Center has no obligation to update the information or opinions included in the report.
- The Stock Research Center does not bear any responsibility for any results, including direct losses, indirect losses, losses of profit and damages, suffered by investors due to using the report or relying on the report. Final investment decisions shall be made by investors themselves and the sole responsibility concerning the investment lies with the investors that viewed the report.
- The copyright of the report belongs to the Stock Research Center and it may not be copied, reproduced, quoted, etc. in any form without prior consent.