



**LINKBAL**

# FY2021/9 Financial Results Briefing Materials

LINKBAL INC.

November 5, 2021

(Stock code: 6046)



# Disclaimer

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Plans, outlook, strategies, and other forward-looking statements included in this material are based on information available by LINKBAL and certain assumptions deemed reasonable by LINKBAL as of the preparation of this material. As such, these statements contain various risks and uncertainties.

Actual results may differ significantly from these statements due to changes in the business environment.

Furthermore, information on LINKBAL stated in this material is quoted from public information and other sources, and LINKBAL makes no guarantee on the accuracy of the information.

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# 1 FY2021/9 Results Summary



## FY2021/9

- Throughout the full-year, suffered from the impact of COVID-19 and the associated declaration of a state of emergency (53.1% decline in net sales, loss recorded for the first time)
- Achieved cost cuts of 319.56 Million yen in SG&A expenses
- As for BS, maintained the same level of cash as the end of the previous fiscal year due in part to deposits returned following office relocation

## FY2022/9

- With the declaration of a state of emergency lifted in October, gradually transition into a recovery trend with a focus on machicon JAPAN
- In existing businesses, aim to turn profits by further enhancing SEO and investing in advertising
- Consider developing new businesses and M&A in order to transition into a management structure that can adapt to the environment

# FY2021/9 P/L Summary

Net sales and profit declined significantly due to the impact of the COVID-19 pandemic, especially from the declaration of a state of emergency and priority measures to prevent the spread of infection. In addition, an impairment loss was recorded in the Maternity Wedding Agent Service with the expectation that the COVID-19 pandemic may continue.

(Millions of yen)

	FY2020/9	FY2021/9		YoY
	Actual results	Initial forecast	Actual results	
Net sales	1,427	-	670	-53.1%
Gross profit	1,319	-	627	-52.4%
Margin (%)	92.4%	-	93.7%	+1.3pt
Operating profit (loss)	50	-	-317	-
Margin (%)	3.5%	-	-	-
Ordinary profit (loss)	59	-	-313	-
Margin (%)	4.2%	-	-	-
Profit (loss)	5	-	-376	-
Margin (%)	0.4%	-	-	-

# FY2021/9 Breakdown of Sales by Service

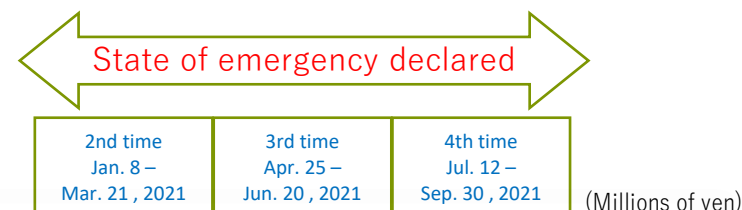
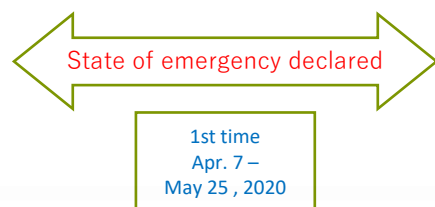
Sales from machicon JAPAN, an event e-commerce website, were heavily impacted by the spread of COVID-19 and a state of emergency declared several times from Q2 onward.

(Millions of yen)

	FY2020/9	FY2021/9		YoY
	Actual results	Initial forecast	Actual results	
Event e-commerce website management service	1,223	-	485	-60.3%
Component ratio (%)	85.7%	-	72.4%	-13.3pt
Website management service	204	-	184	-9.6%
Component ratio (%)	14.3%	-	27.6%	+13.3pt

# FY2021/9 Quarterly Financial Results (YoY Comparison)

Throughout the fiscal year, the impact of the declaration of a state of emergency and priority measures to prevent the spread of infection persisted. Meanwhile, losses were reduced via measures such as by rent reduction through head office relocation and various cost reductions through fully utilizing remote work. However, the impact of lower net sales was significant, resulting in a loss of 370 million yen.

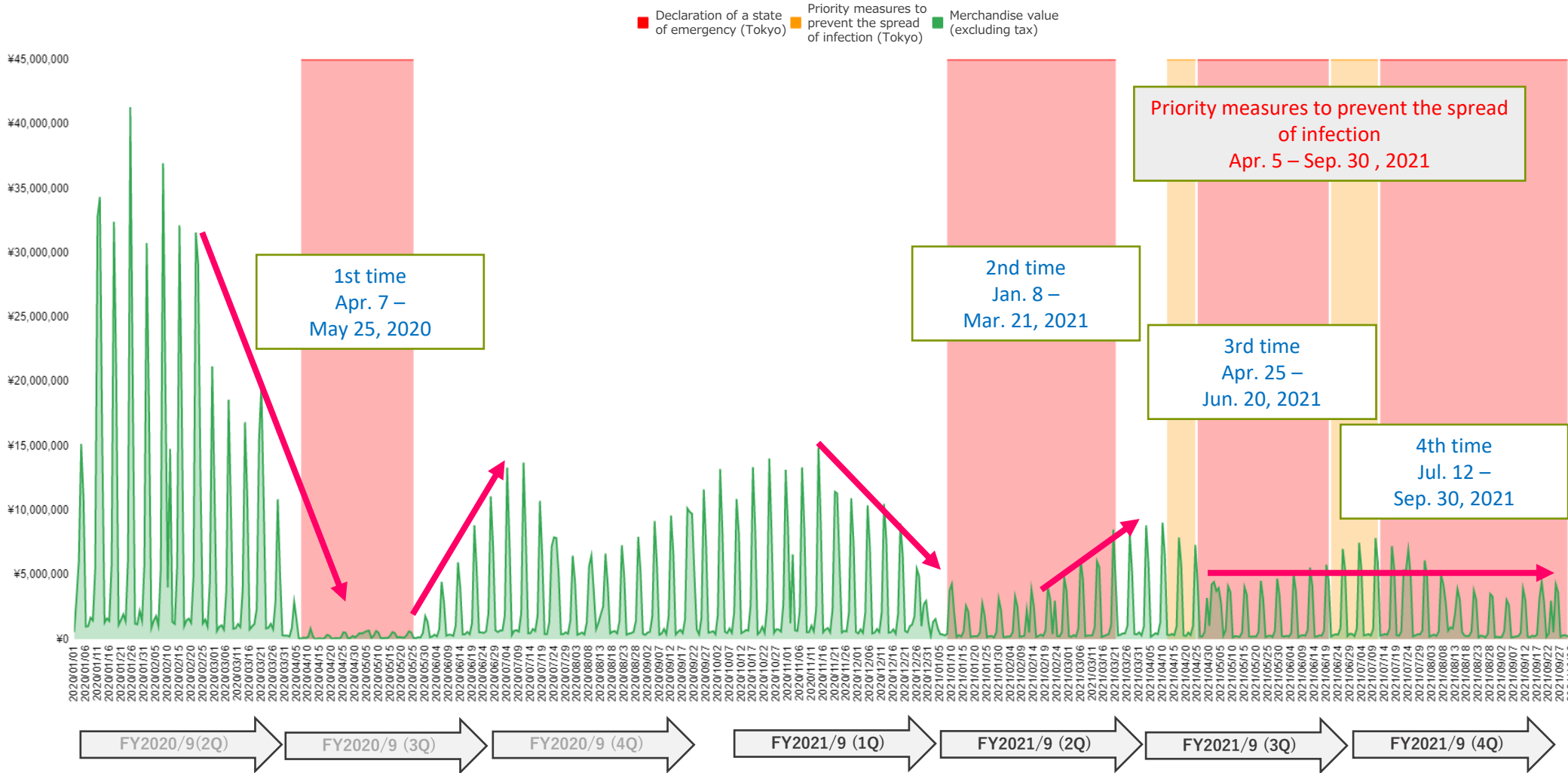


	FY2020/9					FY2021/9				
	1Q	2Q	3Q	4Q	Full-year	1Q	2Q	3Q	4Q	Full-year
Net sales	603	506	113	113	1,427	237	137	137	143	670
Gross profit	558	474	96	96	1,319	225	125	125	134	627
Margin (%)	92.5%	93.8%	85.3%	85.3%	92.4%	94.9%	91.5%	91.5%	94.0%	93.7%
Operating profit (loss)	171	110	-155	-155	50	-31	-108	-108	-90	-317
Margin (%)	28.4%	21.8%	-	-	3.5%	-	-	-	-	-
Ordinary profit (loss)	172	110	-153	-153	59	-31	-104	-104	-90	-313
Margin (%)	28.5%	21.9%	-	-	4.2%	-	-	-	-	-
Profit (loss)	110	69	-94	-94	5	-38	-109	-109	-125	-376
Margin (%)	18.3%	13.8%	-	-	0.4%	-	-	-	-	-



# Merchandise Value in Tokyo Following the Declaration of State of Emergency (1)

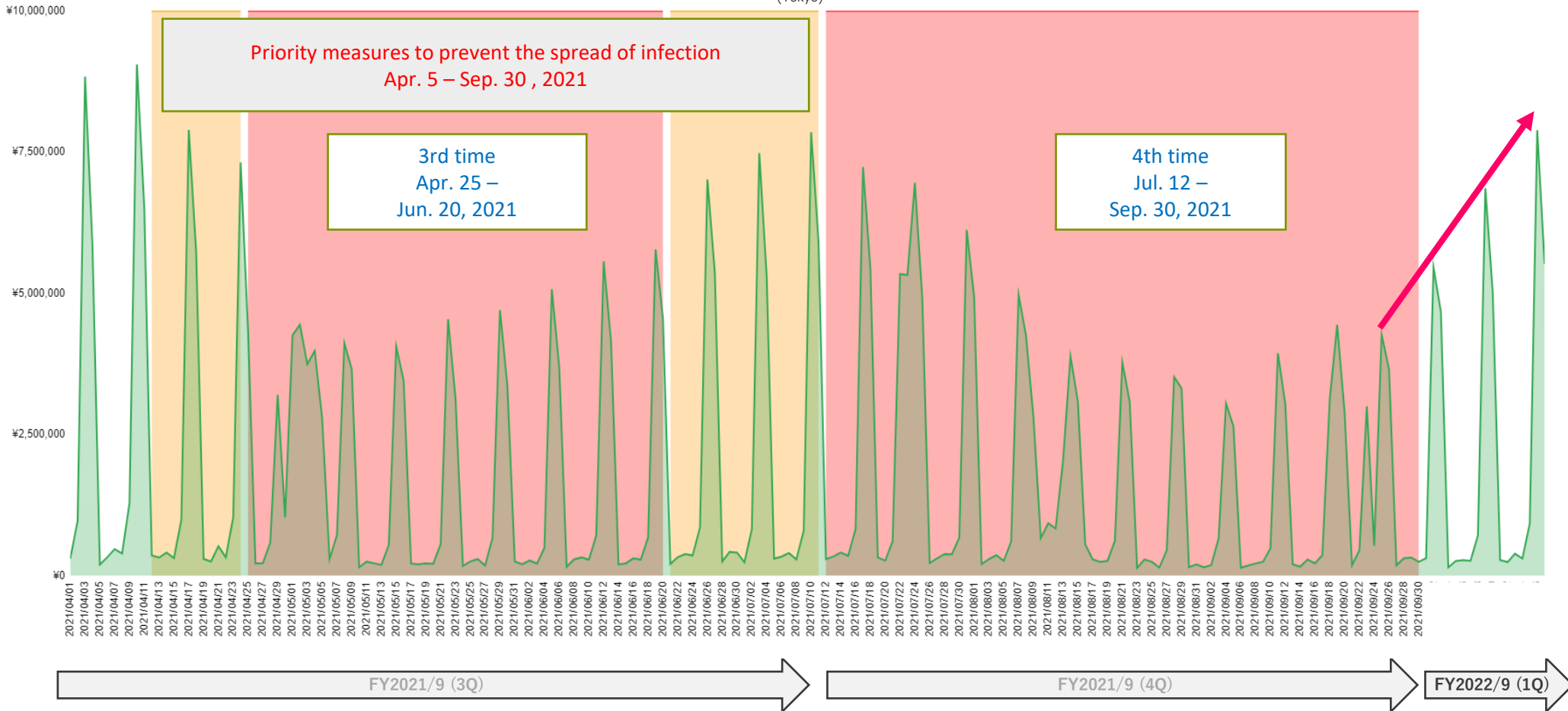
While a state of emergency was declared (first time – fourth time), the number of event participants along with circulation decreased significantly in part due to requests for restaurants and bars to shorten their business hours.



• Trends in merchandise value from Jan. 2020 to Sep. 2021

In part due to the declaration of a state of emergency being lifted in October 2021, the populace is getting more eager to participate in events. The beginning of the fiscal year is off to a good start.

■ Declaration of a state of emergency (Tokyo)  
■ Priority measures to prevent the spread of infection (Tokyo)  
■ Merchandise value (excluding tax)



Maintained the same level of cash as the end of the previous fiscal year due in part to deposits returned following office relocation.

(Millions of yen)

		FY2020/9	FY2021/9	YoY
	Current assets	2,160	1,876	-283
	Cash and deposits	1,817	1,830	12
	Non-current assets	109	65	-43
<b>Total assets</b>		<b>2,269</b>	<b>1,942</b>	<b>-326</b>
	Current liabilities	183	110	-73
	Non-current liabilities	17	139	+122
<b>Total liabilities</b>		<b>200</b>	<b>250</b>	<b>+49</b>
<b>Total net assets</b>		<b>2,068</b>	<b>1,692</b>	<b>-376</b>
<b>Total liabilities and net assets</b>		<b>2,269</b>	<b>1,942</b>	<b>-326</b>
<b>Equity ratio</b>		<b>91.2%</b>	<b>87.1%</b>	<b>-4.1pt</b>

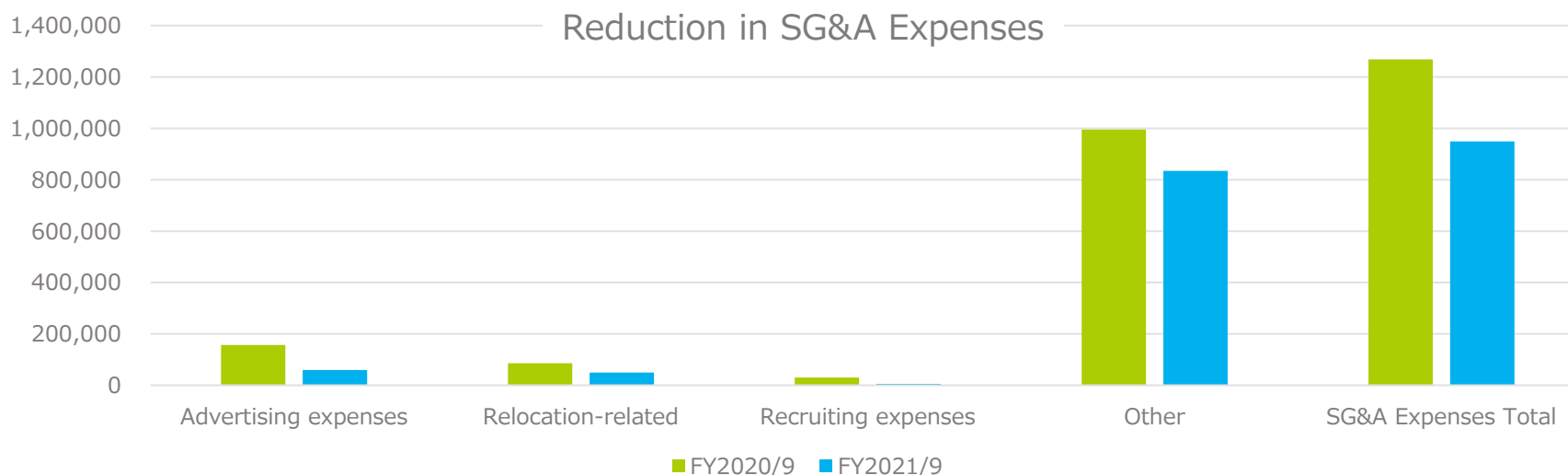
# SG&A Expenses

## Reduced SG&A expenses by 320,000 thousand yen annually compared with the 9th term

- Advertising expenses decreased due to a decrease in the number of events held
- Reduced costs such as rent expenses on land and buildings and commuting and transportation expenses through remote work for all employees
- For recruitment, mostly transitioned into and enhanced referral recruiting, cutting down recruiting expenses
- In other, promotion expenses were reduced and settlement fees decreased

(Thousands of yen)

Accounts	FY2020/9	FY2021/9	Changes
Advertising expenses	156,947	59,386	-97,561
Relocation-related	86,030	49,434	-36,596
Recruiting expenses	30,056	5,432	-24,624
Other	995,568	834,789	-160,779
SG&A Expenses Total	1,268,600	949,041	-319,560



## 2 FY2022/9 Financial Results Outlook



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# Forecast for the 11th Term (FY2022/9)

Turning a profit will be the most important theme for this fiscal year.  
Aim to create a management structure that will remain robust regardless of the environment.

(Millions of yen)

		FY2021/9	FY2022/9	YoY (% change)
		Actual results	Initial forecast	
<b>Overall</b>	<b>Net sales</b>	<b>670</b>	<b>1,287</b>	<b>617</b> <b>(192%)</b>
	<b>Operating profit (loss)</b>	<b>-317</b>	<b>1</b>	<b>318</b> <b>(-)</b>
Event e-commerce website management service	Net sales	485	1,001	516 (206%)
Website management service	Net sales	184	286	102 (155%)

# Position FY2022/9 as a term for re-founding and a year to set course for growth

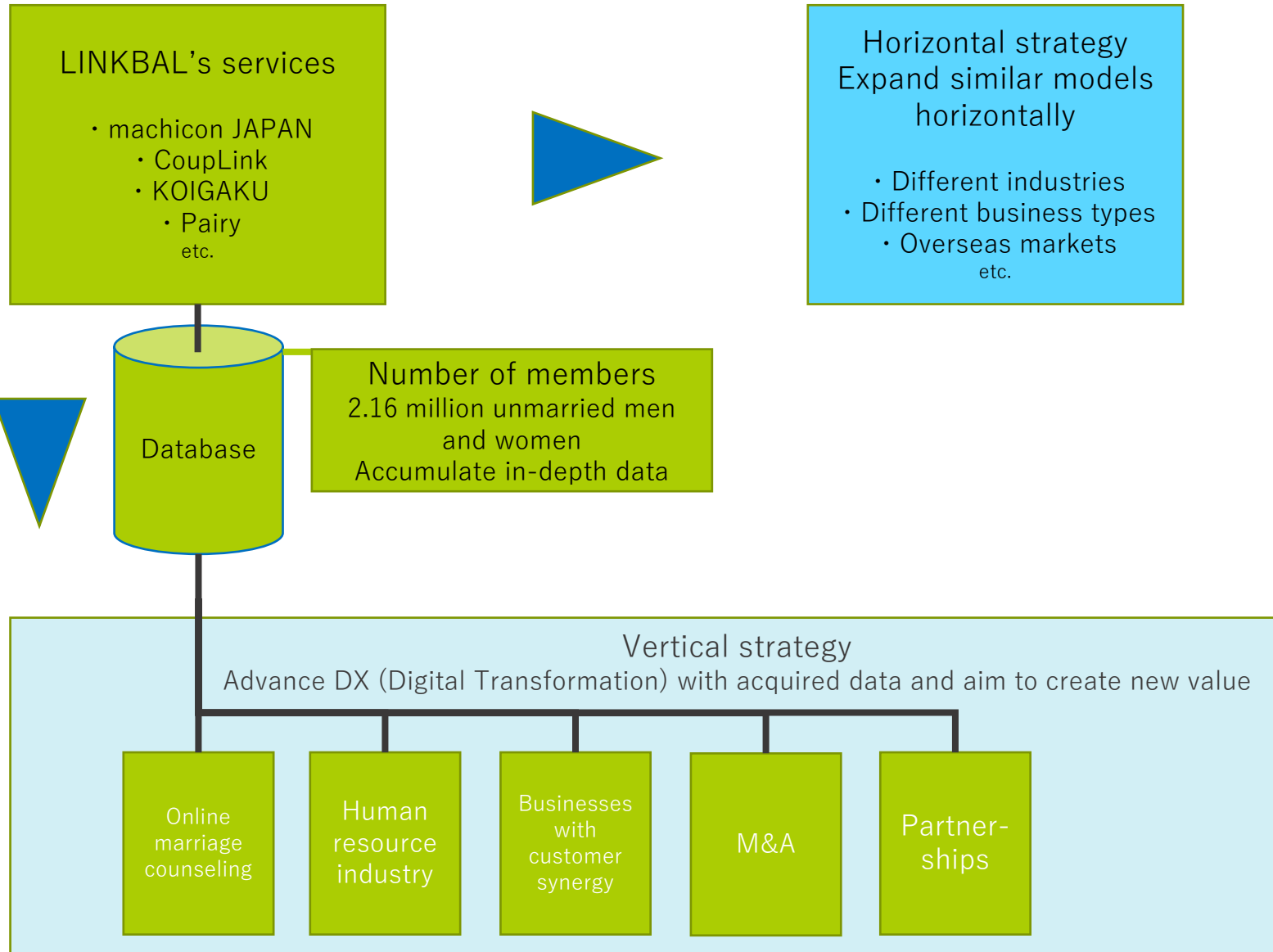
## 1. Improve profitability

- Maintain a low-cost structure
  - Prioritize referral recruiting of human resources and aim to improve enhancement of individual capabilities
  - Further speed up the management cycle for all types of costs

## 2. Establish a management constitution and portfolio that can adapt to the environment

- Quickly make existing businesses self-sufficient and profitable
- Aim to launch new businesses and conduct M&A so they can become the seeds of new revenue sources

# New Strategies Going Forward





## 3 Company Profile



# WHO WE ARE

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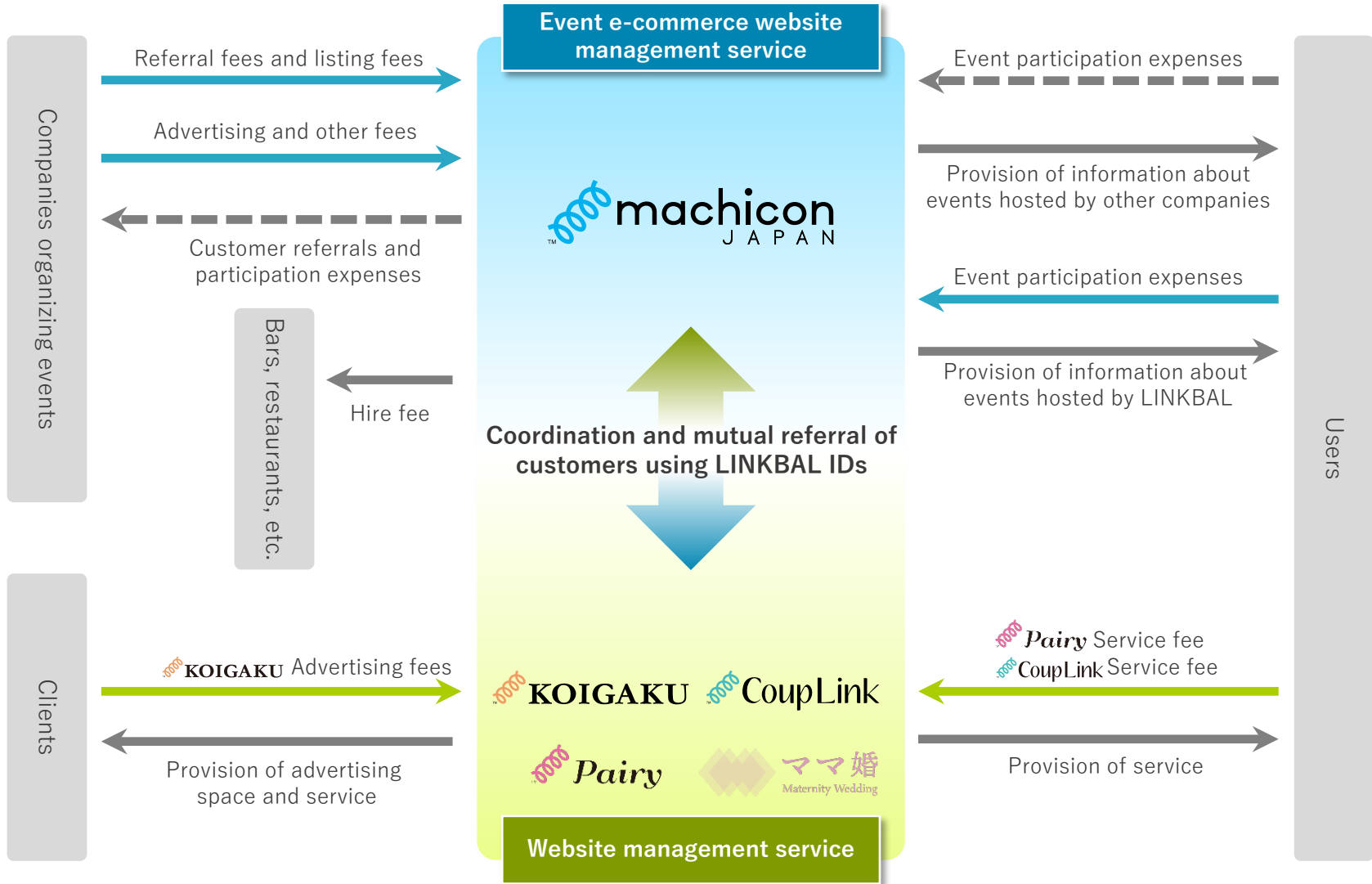
## Mission

Connect the world.

## Vision

Pursuing customer satisfaction  
and corporate growth by  
creating new value based on  
ideas and technologies.

# Business Model



# Event E-commerce Website Management Service

With 2.16 million members and a large selection of event listings, machicon JAPAN is one of Japan’s largest experiential consumer e-commerce websites. The website features a wide range of content for users in search of new experiences, new friends or love.

Experiential consumption e-commerce website “machicon JAPAN”



[Outline and features]

- One of largest websites of its kind in Japan that features information about hosted events nationwide
- Members (holders of LINKBAL IDs\*1) are primarily in their 20s and 30s
- A rich and ever-growing range of content  
Growing range of contents

Making friends	Experiences	Professional networking
Face-to-face meetings	Self-improvement	Dating and marriage

etc.

\*1: LINKBAL ID is a user ID that can be used on “machicon JAPAN,” “CoupLink,”

Through the referral of customers between our website management service and “machicon Japan,” we are tapping into potential customers and building a revenue base in domains surrounding our existing services.

## Online dating app “CoupLink”



Japan's first dating app for matching event participants online



- Provides an online matchmaking service for users looking for love and marriage
- Free membership registration (LINKBAL ID\*1)
- Subscription-based model

[Features]

- App is used by actual event participants, giving users a greater sense of safety and peace of mind
- Event participants can exchange messages via the app

\*1: LINKBAL ID is a user ID that can be used on “machicon JAPAN,” “CoupLink,”

## Dating information media “KOIGAKU”




- Provides articles and various other contents to help women struggling to find love to make their ideal relationship a reality
- Free membership registration
- Supported by advertising revenue

Through the referral of customers between our website management service and “machicon Japan,” we are tapping into potential customers and building a revenue base in domains surrounding our existing services.

## Dedicated app for couples “Pairsty”



App for couples to use to share plans and memories



- Provides an online information sharing service for couples
- Free membership registration
- Subscription-based model

## Maternity wedding agent service



- Agent service to support maternity weddings
- Monetization model based on fees received from wedding venues upon booking
- Expand in collaboration with Maternity Wedding Guide (owned media)



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