



FY2019/09 Third Quarter
Financial Results & Corporate Strategy

LINKBAL INC.

Aug 2, 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 Aug 2, 2019 based on available information. We are not updating and changing any statement on future prospects based on future events and circumstances.



Agenda

1

Company Profile

2

FY2019/09 Third Quarter Summary

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

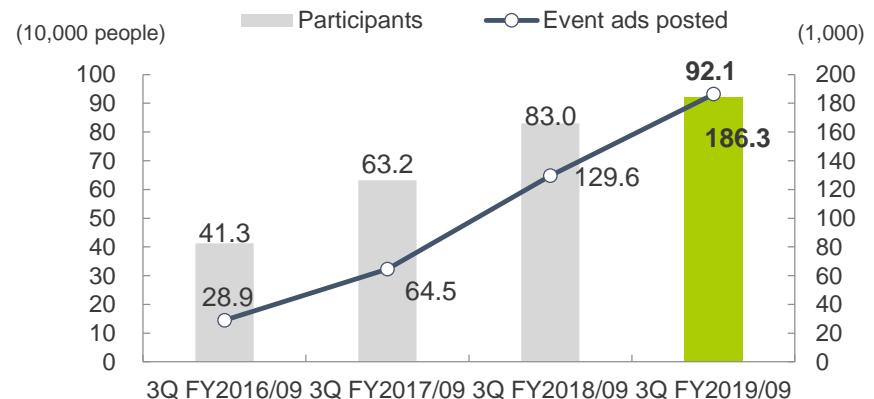
Providing the largest domestic experiential consumption e-commerce website , informing more than 180,000 events annually.

Customer base in the 20s and 30s, and various contents for "experience", "friendship" and "love life".

Experiential consumption e-commerce website 「machicon JAPAN」



Event participants



【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

Event ad ratio of machicon JAPAN



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

Website Management Service

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

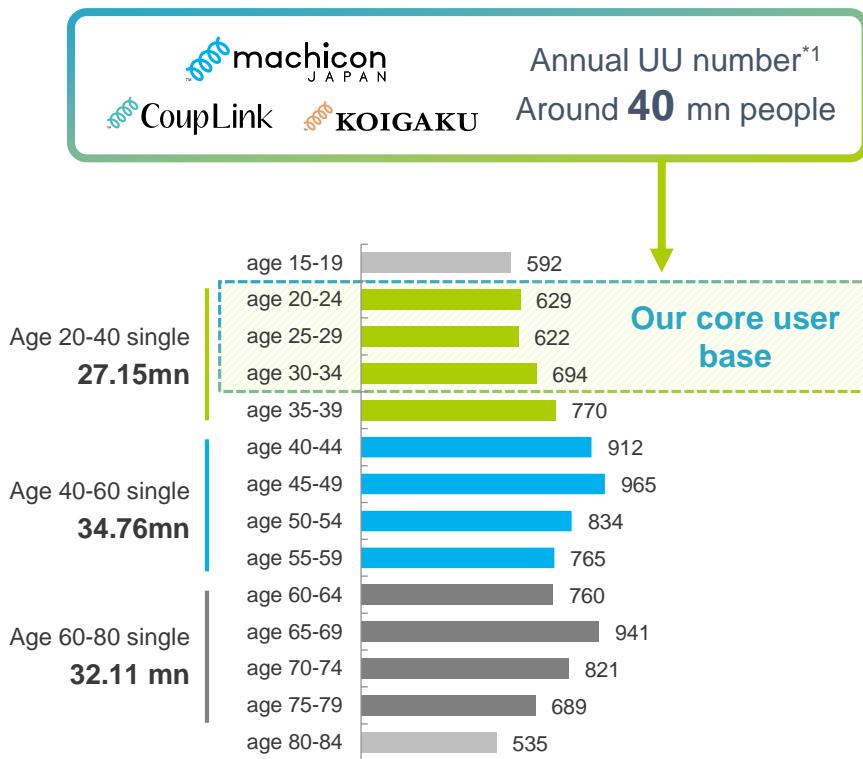
- Provide diverse contents including column articles for women having trouble building a good relationship
- Free membership registration (LinkbalID^{*1})
- Advertisement revenue

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

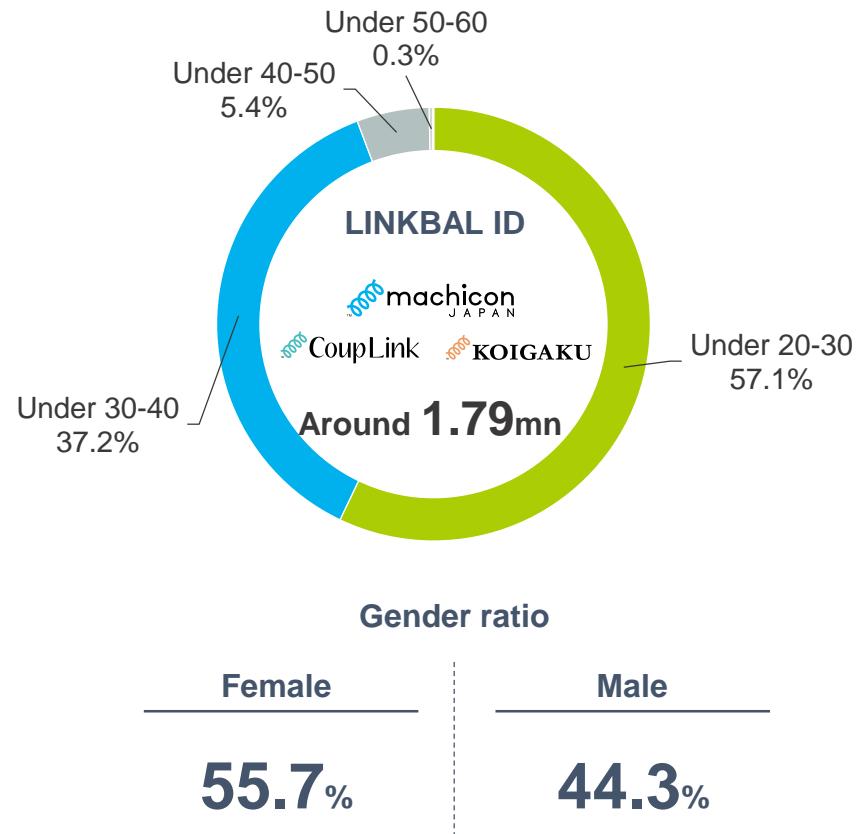
Member Base as Event E-commerce Website

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

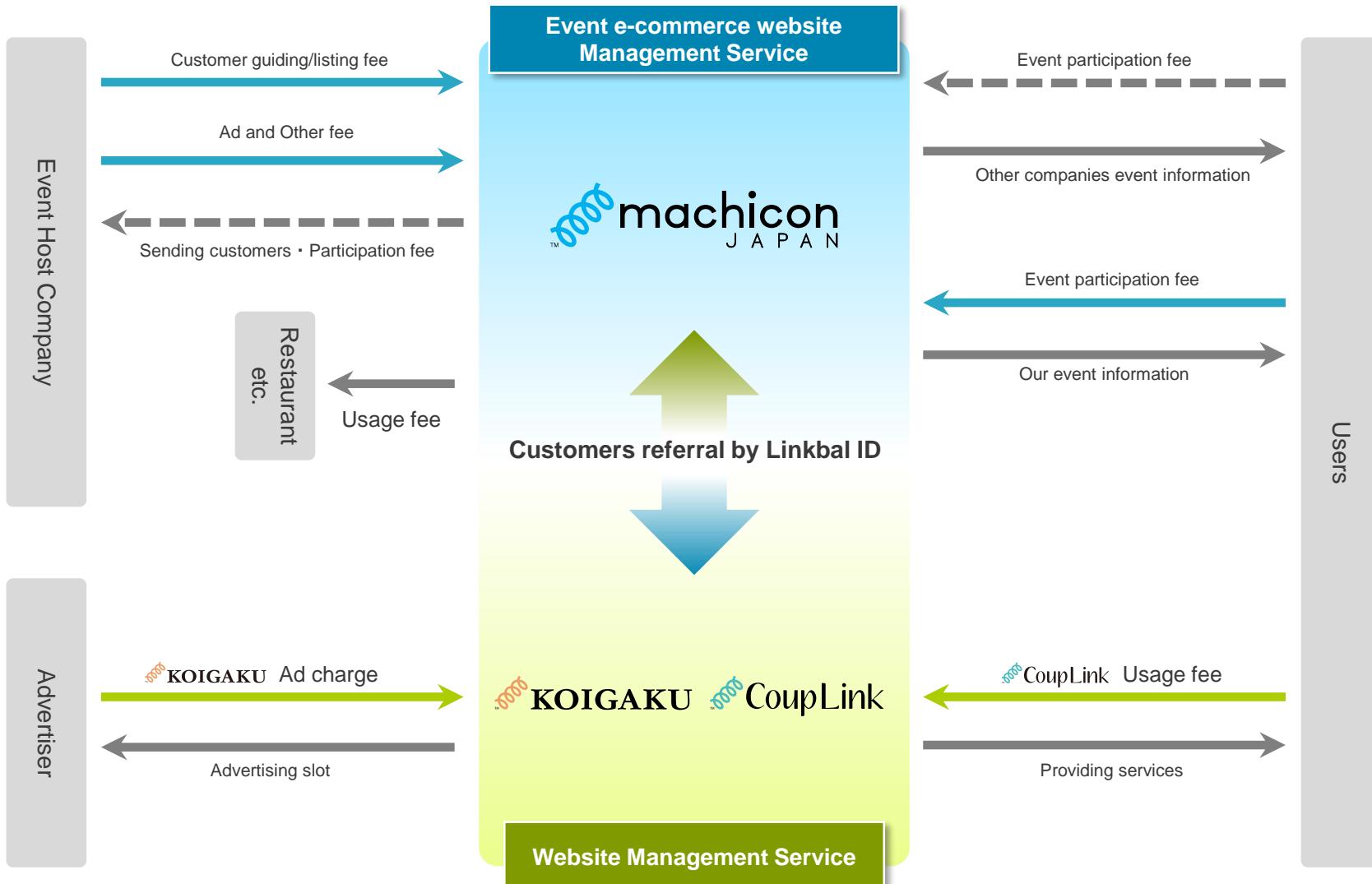


Annotation (1): Annual UU number includes inter-site duplication:

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



Our Business Model



2

FY2019/09 Third Quarter Summary





3Q FY2019/09 Result Summary

By increasing other company events, event participants increased by 11.0%

In addition, due to cost efficiency, we achieved 52.0% increase in operating income.

Linkbal IDs

Reached

1.79mn

Event participants

Increased by

11.0%

Events posted

Increased by

43.8%

Operating Profit

Increased by

52.0%

Net Profit

Increased by

49.2%

3Q FY2019/09 Outline of PL Statement

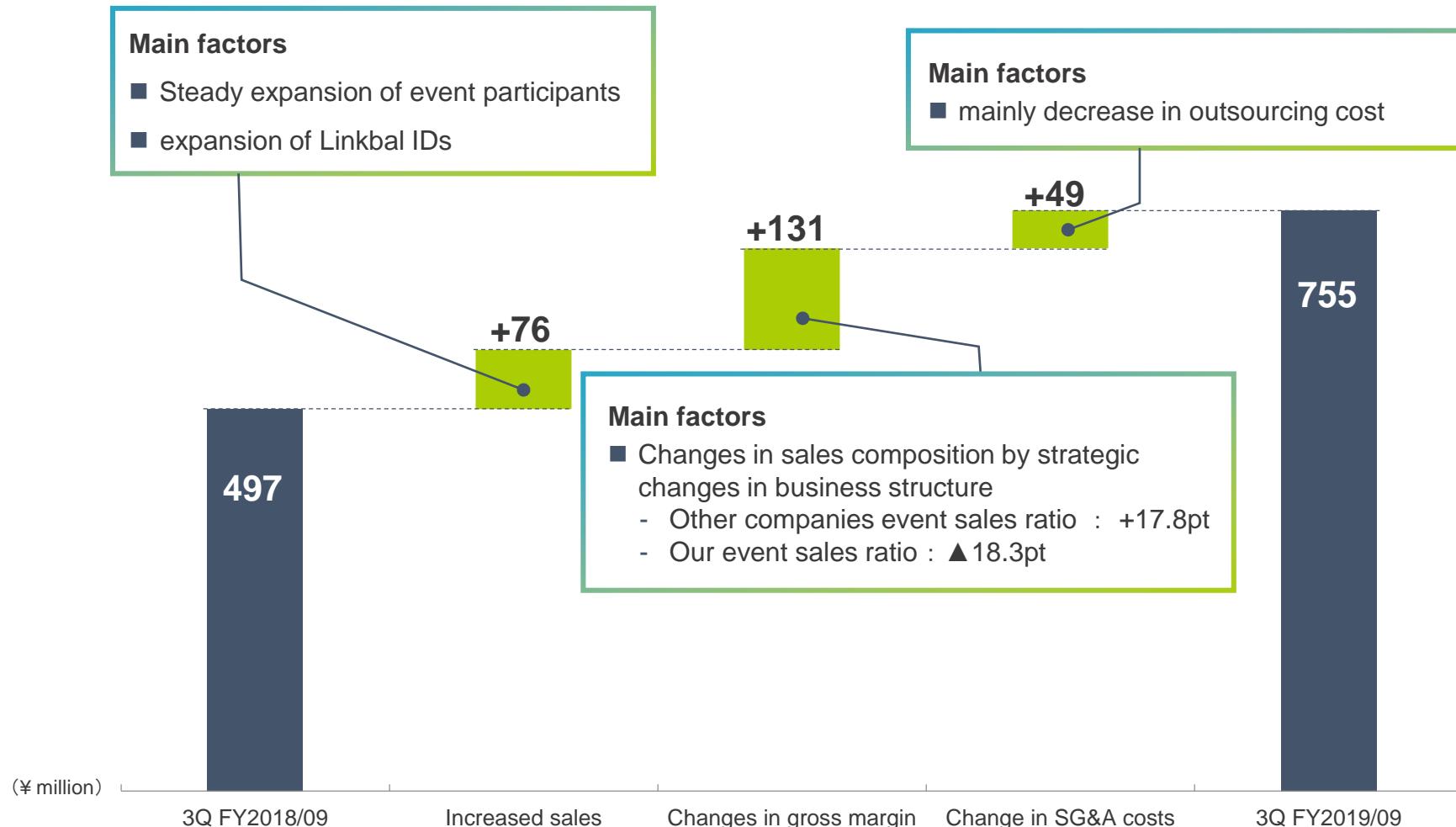
Profitability improved from strategic changes of business structure.

Operating profit increased by 52.0%, exceeding the initial forecasts.

(¥ million)

	3Q FY2018/09	3Q FY2019/09	YoY	FY2019/09 Initial estimates	FY 2019/09 Progress rate
	Actual	Actual			
Sales	1,980	2,067	+4.4%	2,720	76.0%
Gross Profit	1,633	1,842	+12.8%	-	-
margin(%)	82.5%	89.1%	+6.6pt	-	-
Operating Profit	497	755	+52.0%	1,030	73.3%
margin(%)	25.1%	36.5%	+11.4pt	-	-
Recurring Profit	499	758	+51.9%	1,030	73.6%
margin(%)	25.2%	36.7%	+11.5pt	-	-
Net Profit	313	467	+49.2%	638	73.2%
margin(%)	15.8%	22.6%	+6.8pt	-	-

3Q FY2019/09 Changes in Operating Profit





3Q FY2019/09 Sales Overview by Service

LINKBAL

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)

	3QFY2017/09	3QFY2018/09	3QFY2019/09	YoY
	Actual	Actual	Actual	
Event e-commerce website management service	1,827	1,852	1,885	+1.8%
Composition ratio (%)	95.5%	93.5%	91.2%	▲2.3pt
Other company event sales	803	1,196	1,552	+29.7%
Ratio in this service(%)	44.0%	64.6%	82.4%	+17.8pt
In-house event sales (*)	979	636	303	▲52.3%
Ratio in this service(%)	53.6%	34.4%	16.1%	▲18.3pt
Other sales	44	19	29	+52.1%
Ratio in this service(%)	2.4%	1.0%	1.5%	+0.5pt
Website management service	87	128	181	+41.4%
Composition ratio(%)	4.5%	6.5 %	8.8%	+2.3pt

(*) Part of our bases have been closed.

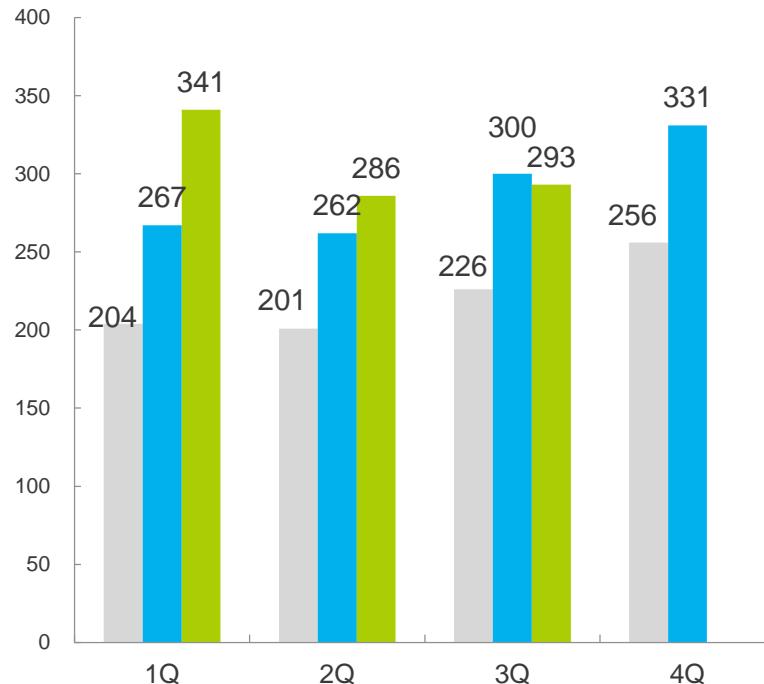
3Q FY2019/09 Trends of Event Participants and Postings

Increasing throughout the year, event participants surpassed 290,000, and event postings exceeded 60,000.

Event participants

■ FY2017/09 ■ FY2018/09 ■ FY2019/09

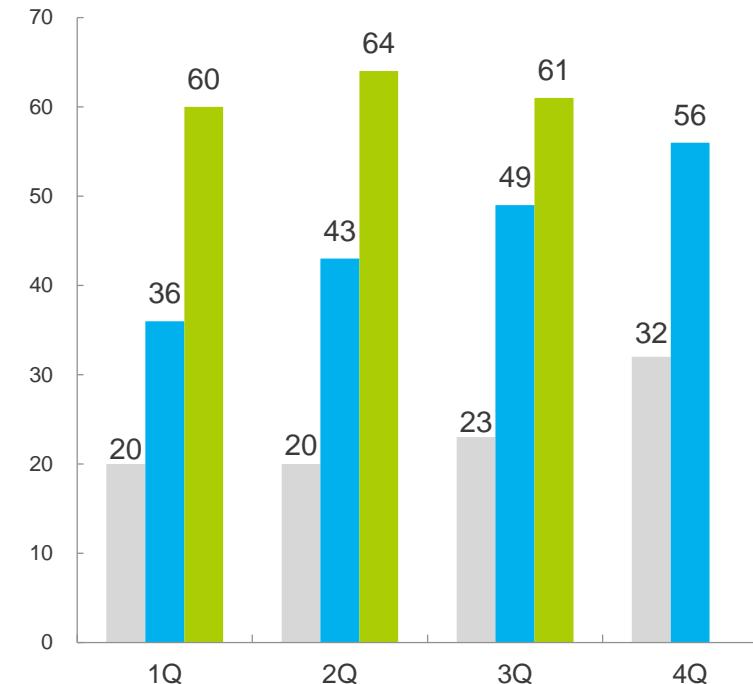
(Thousand people)



Events posted

■ FY2017/09 ■ FY2018/09 ■ FY2019/09

(Thousand)





3Q FY2019/09 BS Summary

Equity ratio rose to 78%, with a large increase in retained earnings due to the expansion of net profit.

(¥ million)

	FY2018/09 term end	3Q FY2019/09	difference
Current Assets	1,863	2,197	+333
Cash and deposits	1,661	1,903	+241
Fixed Assets	210	219	+8
Total Assets	2,074	2,416	+341
Current Liabilities	613	488	▲124
Fixed Liabilities	31	29	▲2
Total Liabilities	644	518	▲126
Total net assets	1,430	1,898	+467
Total liabilities / net assets	2,074	2,416	+341
Equity ratio	68.9%	78.5%	+9.6pt

3

FY2019/09 Forecast



FY2019/09 P/L Forecast

We aim to 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	2,720	▲1.8%
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

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Towards the next growth stage



"Three Points" Towards Our Growth in the experiential consumption market

1

"Experiential consumption"
>>>Much bigger market

2

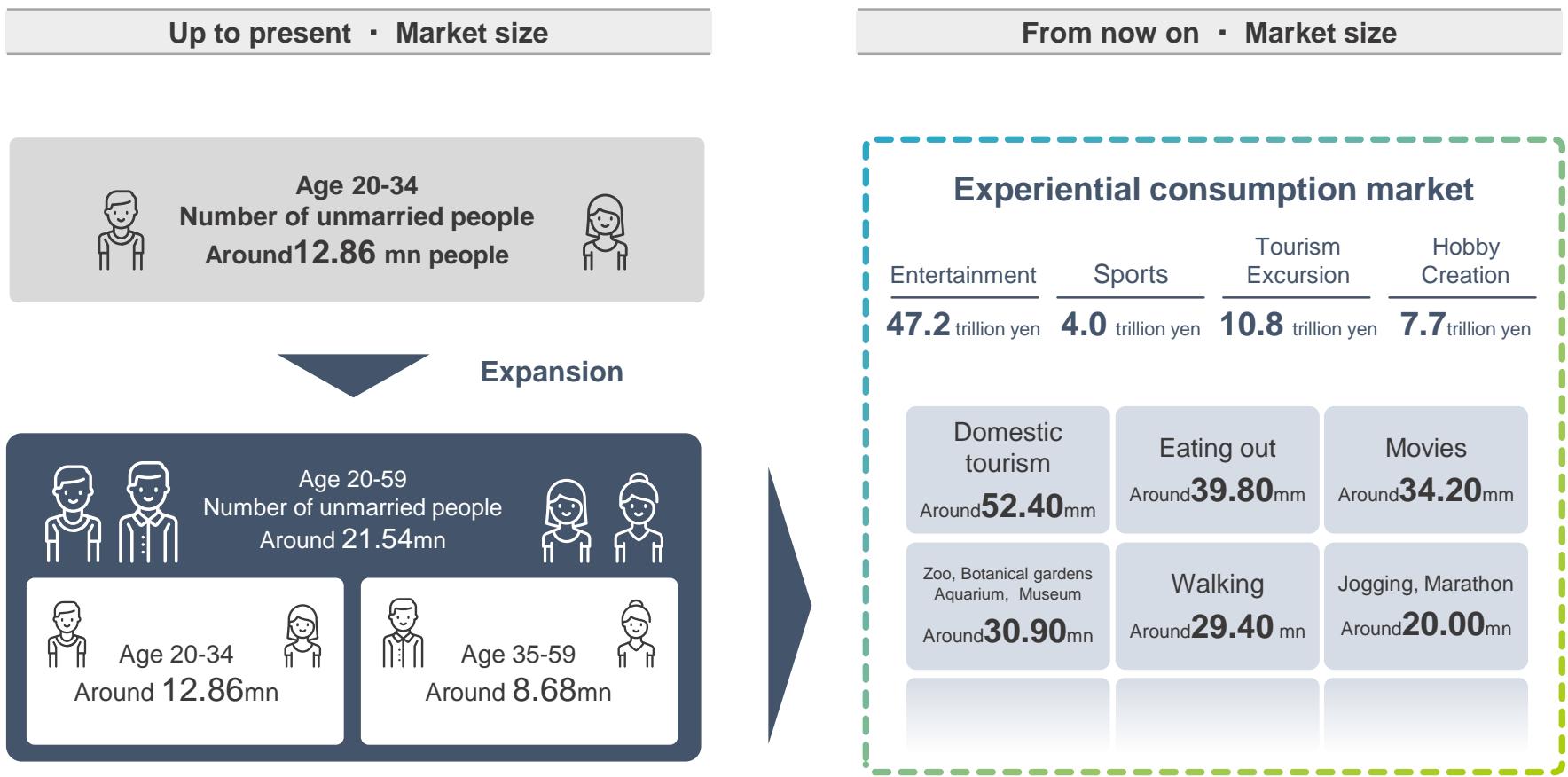
"Membership base in the 20s and 30s"
>>>Introducing our over 1.5 million of members to the experiential consumption market

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



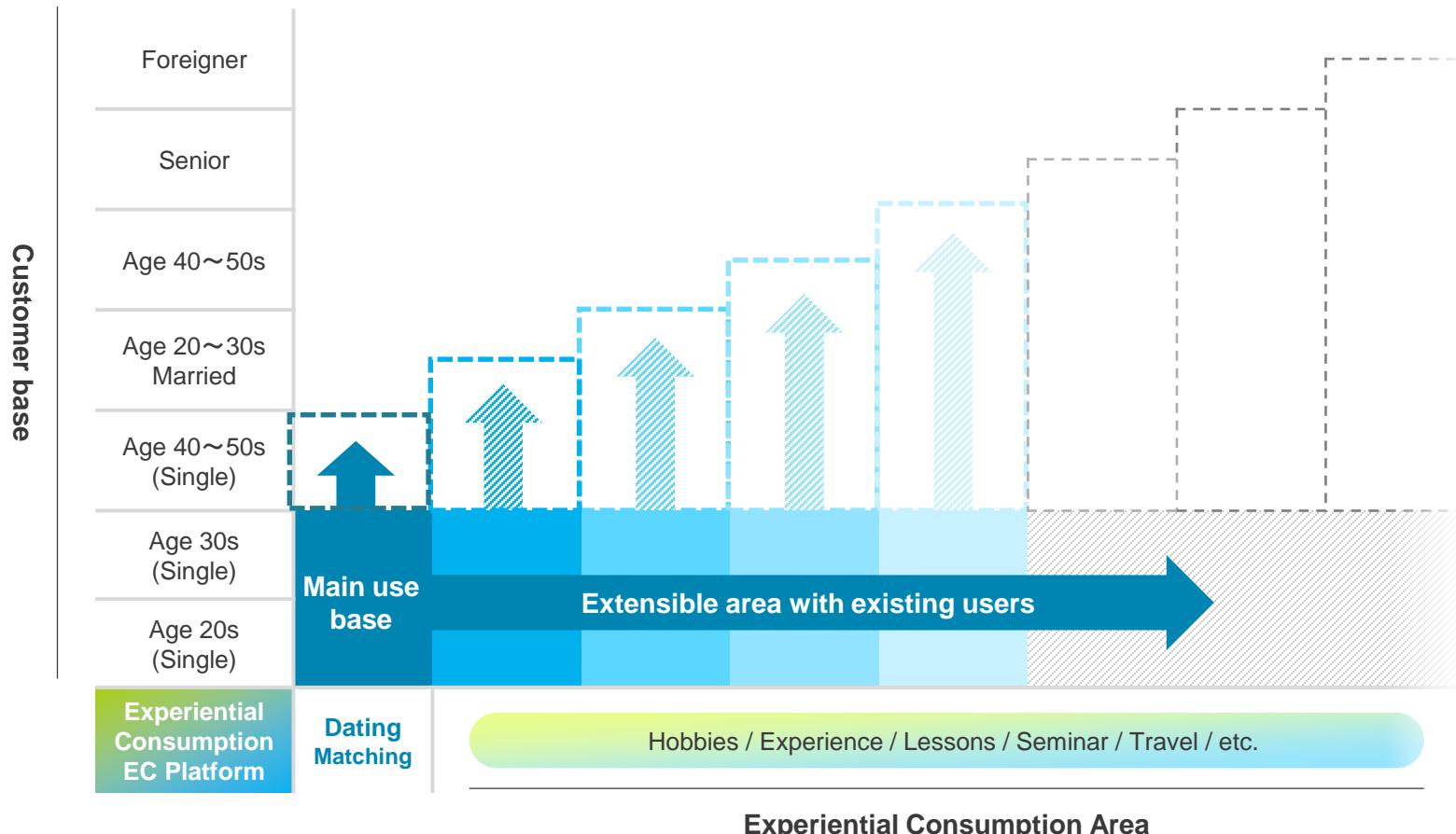
Source: Ministry of Internal Affairs "Census 2015"

Source: Public Interest Incorporated Foundation Japan Productivity Center "Leisure White Paper 2018"

Expanding Experiential Consumption Categories

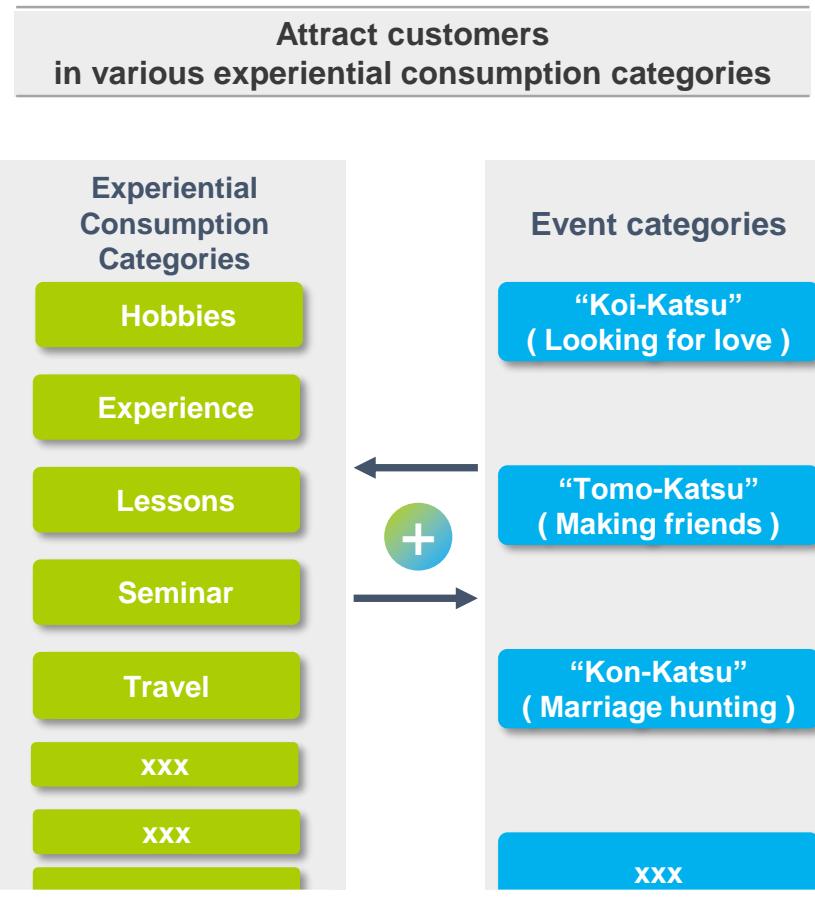
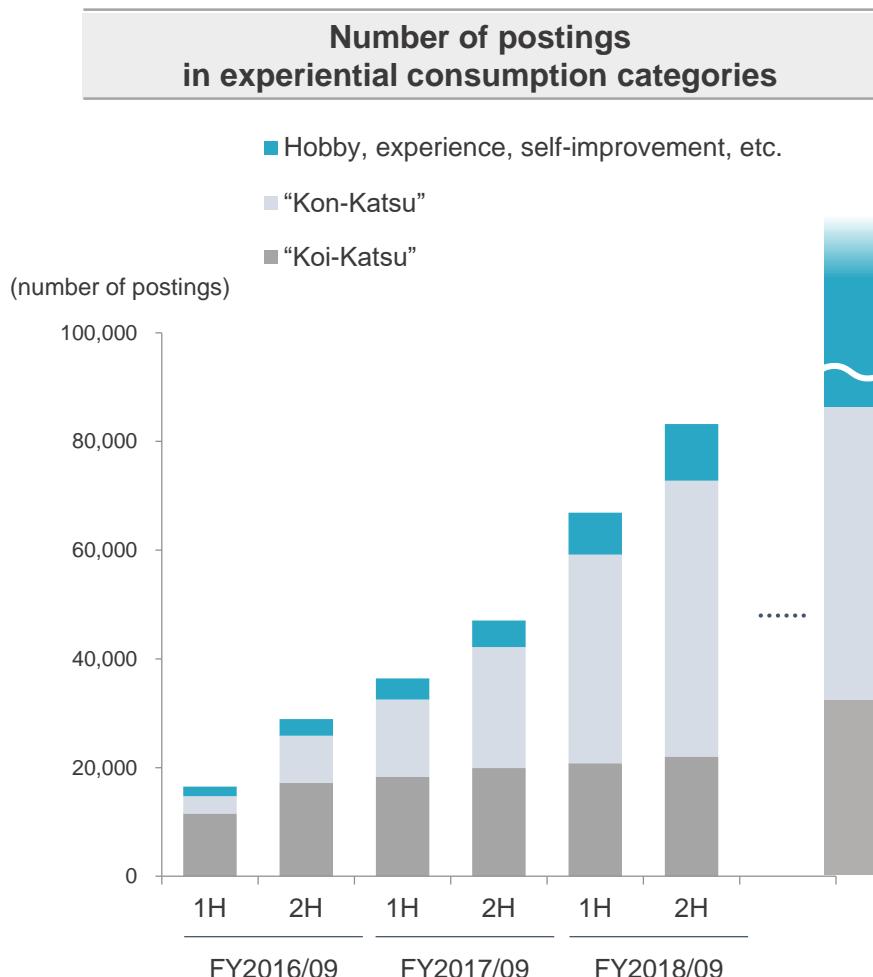
It is possible to expand the area to experiential consumption categories on the basis of the existing users.

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.



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

