

Note: 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.

February 14, 2025

Consolidated Financial Results for the Fiscal Year Ended December 31, 2024 (Under Japanese GAAP)

Company name: YMIRLINK, Inc.
 Listing: Tokyo Stock Exchange
 Securities code: 4372
 URL: <https://www.ymir.co.jp>
 Representative: Wataru Shimizu, President and CEO
 Inquiries: Mikihiro Kobayashi, Managing Director
 Telephone: +81-03-6820-0514
 Scheduled date of regular general meeting of the shareholders: March 27, 2025
 Scheduled date to commence dividend payments: March 28, 2025
 Scheduled date to file annual securities report: March 28, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (For institutional investors and analysts, and for individual investors)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated earnings for fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2024	2,669	—	637	—	637	—	469	—
December 31, 2023	—	—	—	—	—	—	—	—

(Note) Comprehensive income

Fiscal year ended December 31, 2024: ¥469 million

Fiscal year ended December 31, 2023: — (—%)

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary total asset profit ratio	Operating net sales profit ratio
Fiscal year ended	Yen	Yen	%	%	%
December 31, 2024	122.60	—	16.5	18.6	23.9
December 31, 2023	—	—	—	—	—

Reference: Equity method investment profit and loss

As of December 31, 2024: —

As of December 31, 2023: —

(Note) It is only from the fiscal year ended December 31, 2024 that YMIRLINK has created consolidated financial statements. As such, no figures from the fiscal year ended December 31, 2023 are included in this statement.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Book value per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2024	3,435	2,846	82.9	742.96
December 31, 2023	—	—	—	—

Reference: Equity

As of December 31, 2024: ¥2,846 million

As of December 31, 2023: —

(Note) It is only from the fiscal year ended December 31, 2024 that YMIRLINK has created consolidated financial statements. As such, no

figures from the fiscal year ended December 31, 2023 are included in this statement.

(3) Consolidated cash flow status

	Cash flow due to business activities	Cash flow due to investment activities	Cash flow due to financial activities	Cash and cash equivalents at end of the period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
December 31, 2024	601	△ 150	—	2,540
December 31, 2023	—	—	—	—

(Note) It is only from the fiscal year ended December 31, 2024 that YMIRLINK has created consolidated financial statements. As such, no figures from the fiscal year ended December 31, 2023 are included in this statement.

2. Cash dividends

	Annual dividends per share					Overall dividend (total)	Dividend payout ratio	Dividend on equity
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	million yen	%	%
December 31, 2023	—	0.00	—	0.00	0.00	—	—	—
December 31, 2024	—	0.00	—	55.00	55.00	210	44.9	7.4
Fiscal year ending December 31, 2025 (Forecast)	—	0.00	—	19.00	19.00		15.0	

(Notes) 1. Amendments from the most recently published dividend forecast: None

2. End-of-year dividend breakdown for fiscal year ended December 31, 2024: normal dividend at 18.00 yen, commemorative dividend at 37.00 yen

3. Consolidated earnings forecasts for the fiscal year ending December 31, 2025 (from January 1, 2025 to December 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ended December 31, 2025	3,156	—	700	—	701	—	480	—	125.37

(Notes) 1. It is only from the fiscal year ended December 31, 2024 that YMIRLINK has created consolidated financial statements. As such, no year-on-year change ratios are included in this statement.

2. We conduct operation control yearly, so we have omitted the second quarter (cumulative) results forecast. See page 3, "1. Financial overview: (4) Future estimates" of the attached material for details.

* **Notes**

(1) Important changes to the scope of consolidation in the period: Yes

Company (or companies) newly added: ROC Inc

Company (or companies) removed: None

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of outstanding shares (common shares)

(i) Total number of outstanding shares at end of the period (including treasury shares)

As of December 31, 2024	3,892,600 shares
As of December 31, 2023	3,892,600 shares

(ii) Number of treasury shares at end of the period

As of December 31, 2024	60,837 shares
As of December 31, 2023	62,837 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended December 31, 2024	3,831,016 shares
Fiscal year ended December 31, 2023	3,821,939 shares

(Reference) Overview of non-consolidated results

Non-consolidated earnings for fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2024	2,669	15.3	651	10.0	651	10.0	484	18.2
December 31, 2023	2,315	6.1	592	13.8	592	13.8	409	13.9

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
December 31, 2024	126.35	—
December 31, 2023	107.12	—

(Note) The diluted earnings per share for the fiscal year under review are not listed, as there are no dilutive shares.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Book value per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2024	3,375	2,861	84.8	746.70
December 31, 2023	2,780	2,374	85.4	619.91

Reference: Equity

As of December 31, 2024: ¥2,861 million

As of December 31, 2023: ¥2,374 million

* Financial results reports are exempt from review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

(Note regarding projections, etc.)

This communication contains financial forecasts and other projections. These projections are forward-looking statements that are based on the information that is currently available and on the assumptions that the company deems to be reasonable. Accordingly, there can be no assurance that the prospective results are indicative of the future performance of the company. Actual results are subject to a variety of factors and may vary greatly. For information on the assumptions on which result forecasts are based and precautions when using the results forecasts, refer to page 3 of the attached material "1. Financial overview: (4) Future estimates."

(How to obtain supplementary material on quarterly financial results)

We are planning to hold an explanatory meeting for institutional investors on February 21 (Fri), 2025 and for individual investors on the 26th (Wed). Additionally, a financial results explanatory video is being created separately and is scheduled to be posted to our website following the holding of the explanatory meeting aimed at investors.

○ Attached Material Contents

1. Financial overview	2
(1) Operating results summary for the fiscal year under review	2
(2) Financial position summary for the fiscal year under review	3
(3) Cash flow status summary for the fiscal year under review	3
(4) Future estimates	3
2. Fundamental stance related to the selection of accounting standards	3
3. Consolidated financial statements and main notes	4
(1) Consolidated balance sheet	4
(2) Consolidated income statement and consolidated statement of comprehensive income	5
Consolidated income statement	5
Consolidated statement of comprehensive income	6
(3) Consolidated statement of changes in equity	7
(4) Consolidated cash flow statement	8
(5) Notes concerning the consolidated financial statements	9
(Notes on being a going concern)	9
(Notes on segment information, etc.)	9
(Per share information)	9
(Significant events after reporting period)	9

1. Financial overview

ROC Inc has become a consolidated subsidiary after our acquisition of ROC shares, and as such, the group has shifted to consolidated accounting as of the consolidated fiscal year under review. This is the first fiscal year in which we have created a consolidated financial statement, and as such, it does not contain any comparisons with the previous consolidated fiscal year.

(1) Operating results summary for the fiscal year under review

While the Japanese economy saw progress in the normalization of economic activities in the consolidated fiscal year under review, the economic outlook remains uncertain due to the rising raw material costs, a further depreciation of the yen, and inflation by the prolongation of the situation between Russia and Ukraine among other such factors.

On the other hand, the Business Outlook Survey (surveying a period from October to December 2024), released on December 11, 2024, reveals that there is an acute awareness of the importance of investment in facilities in this fiscal year. According to the survey, labor saving and efficiency-improvement by large corporations is considered as the second most important issue across industries (45.3%), and adapting to an information society is considered the second most important issue in the non-manufacturing sector (47.0%) among these. This speaks to how the information communication industry we belong to is going to continue to see opportunities for and profit.

In September 2024, YMIRLINK acquired the social media solution provider ROC Inc as a subsidiary, enabling the group to support social media promotions in addition to email and SMS.

In October and December 2024, we broke our record for the most deliveries in our message delivery service, delivering 8.1 billion messages in a month and 89.1 billion messages for the year.

In such circumstances, YMIRLINK continued to proactively undertake initiatives to grow its SaaS business and increase perceived value for customers.

We have expanded services such as the following in the consolidated fiscal year under review.

- Cuenote SMS (SMS delivery service)

We added the functions below with the aim of improving convenience in February 2024.

Refined delivery function:

This function enables email addressed in the address book to be filtered using specific criteria, and mail sent to the resulting list. Several criteria can be set for filtering email addresses, from basic criteria such as age, prefecture, and date of birth to information such as purchased products and event applied for. This enables you to sort and deliver information according to the attributes of recipients.

Address book management function update:

We added a differential update function for file-based delivery lists. When adding or updating records in an address book, it was previously necessary to overwrite all records using a CSV file or to add or update individual records from the operation screen, but we have now implemented a new file-based differential update function.

Download function for two-way SMS*1 send/receive history:

In two-way SMS, it is possible to download SMS and other messages sent to and received from counterparts, and this can be used to retain communication history over the long term.

Since June 2024, Cuenote SMS has been linked with the OSORA*2 call system for inbound sales. This linkage will allow companies who use OSORA to use SMS messages to provide guidance in addition to voice-based guidance from call centers. The ability to instantly send SMS messages to the telephone number of the caller reduces the burden on operators when providing guidance that is difficult to communicate verbally, such as guidance related to websites and application forms, and increases convenience for customers.

Further, in August 2024, we added and began offering an optional function. The new feature is able to detect if someone else is connecting, reducing the risk of messages being delivered to the wrong person in the event a phone number is changed.

- Cuenote SMS for Salesforce

We started to offer “Cuenote SMS for Salesforce”, which works in coordination with Salesforce*3, from July 2024. This makes it possible to send SMS seamlessly from the Salesforce management screen, increasing the efficiency for users.

- Merusapo and Dejisapo

Since July 2024, we have coordinated with COCOO Corp and started offering “Merusapo”, which supports email delivery, and “Dejisapo”, which provides total digital marketing support. These services provide options that suit our corporate clients according to the mail marketing and digital marketing challenges they are facing.

- Cuenote SMS for kintone

In October 2024, we commenced provision of “Cuenote SMS for kintone” that works in coordination with the cloud-based business app construction service kintone*4 from Cybozu Inc. This enables users to send SMS individually or as a batch and check the delivery results from the kintone management screen, and streamlines users’ work.

*1. Two-way SMS is an optional function.

*2. Provided by Scene Live Inc., OSORA is a call service for inbound sales that streamlines call management. API integration enables excellent system scalability and integration with CRM and other tools. It is equipped with a wealth of functions that are required for inbound sales: including full-call recording, IVR (interactive voice response), incoming call pop ups, and analysis functions.

*3. Salesforce is a cloud-based business application, and is a platform that enables multiple products to be combined for use, with core functions of sales force automation (SFA) and customer relationship management (CRM).

Salesforce is a trademark of Salesforce, Inc.

*4. Kintone is a cloud service that lets users create apps for work computerization and streamlining without the need for programming knowledge or coding.

The following is a summary of net sales by service type.

- Stock-based Revenue: This includes Cuenote SaaS subscriptions (service usage) sales and software maintenance sales. In the consolidated fiscal year under review, stock-based revenue from acquiring enterprise plans to meet the needs of individual customers, an increase in the number of SMS customers, and an increase in demand due to changes to Gmail guidelines was 2,592,520,000 yen, while the amount from fixed-term contracts at the end of the consolidated fiscal year was 226,039,000 yen.
- Spot revenue: This includes Cuenote SaaS sales for newly contracted customers (that include the fees for initial use registration, customization, and proxy acquisition of security certificates, etc.) and software license sales (on-premises). Given robust growth in new SaaS and on-premises sales, net sales in the consolidated fiscal year under review were 76,950,000 yen.

In light of the above, operating results for the consolidated fiscal year under review had net sales of 2,669,470,000 yen, operating profit of 637,593,000 yen, ordinary profit of 637,471,000 yen, and current net profit attributable to owners parent company of 469,681,000 yen.

Please note that we have omitted segment breakdown information as YMIRLINK's messaging solution business is in a single segment.

(2) Financial position summary for the fiscal year under review

The following is the financial situation by assets, liabilities, and net assets.

(Assets)

Assets at the end of the consolidated fiscal year under review were 3,435,222,000 yen. This comprises cash and deposits of 2,540,460,000 yen, accounts receivable - trade of 357,581,000 yen, and goodwill of 108,163,000 yen.

(Liabilities)

Liabilities at the end of the consolidated fiscal year under review were 588,379,000 yen. This comprises accounts payable - other of 68,758,000 yen, accrued expenses of 189,446,000 yen, income taxes payable of 89,430,000 yen, advances received of 75,088,000 yen, long term borrowings 50,040,000 yen, and accounts payable - trade of 48,201,000 yen.

(Net assets)

Net assets at the end of the consolidated fiscal year under review were 2,846,843,000 yen. This comprises capital of 273,853,000 yen, a capital surplus of 191,351,000 yen, and retained earnings of 2,466,188,000 yen.

(3) Cash flow summary for the fiscal year under review

The balance of cash and cash equivalents (hereinafter, "capital") at the end of the consolidated fiscal year under review was 2,540,460,000 yen.

The status of each type of cash flow in the consolidated fiscal year under review and the reasons thereof are as shown below.

(Cash flow due to business activities)

601,378,000 yen of capital was obtained as a result of business activities. The major breakdown of income for the fiscal year under review had current net profit before tax of 637,471,000 yen, depreciation expenses of 82,014,000 yen, stock-based compensation expenses of 8,186,000 yen, and accrued expenses increased by 50,146,000 yen. The major breakdown of expenditures had trade receivables decreased by 35,941,000 yen, long-term prepaid expenses decreased by 21,043,000 yen, and income taxes of 203,912,000 yen paid.

(Cash flow due to investment activities)

150,067,000 yen of capital was used as a result of investment activities. The major breakdown of expenses is an expense of 57,397,000 yen for acquisition of shares in subsidiary resulting in change of scope of consolidation.

(Cash flow due to financial activities)

N/A

(4) Future estimates

In the results for the year ending December 31, 2025, we expect to see the domestic mail delivery market continuing its healthy expansion in addition to the SMS delivery service market having high growth potential, and when combined with the fact that the social media solution provider ROC Inc has become a subsidiary, we forecast sales at 3,156,000,000 yen.

Additionally, through investment in facilities to secure a competitive advantage and active recruiting to reinforce our structure, we expect to see operating profit at 700,000,000 yen, ordinary profit at 701,000,000 yen and current net profit for the fiscal year under review at 480,000,000 yen.

2. Fundamental stance related to the selection of accounting standards

So that we are able to secure comparability to other companies in our industry, we applied the Japanese standard to our accounting standards.

3. Consolidated financial statements and main notes

(1) Consolidated balance sheet

(Unit: 1,000 yen)

	Consolidated fiscal year under review (December 31, 2024)
Assets	
Current assets	
Cash and deposits	2,540,460
Accounts receivable - trade	357,581
Raw materials	1,863
Prepaid expenses	66,706
Other	4,117
Allowance for doubtful accounts	△1,696
Total current assets	2,969,032
Non-current assets	
Property, plant and equipment	
Buildings	58,573
Accumulated depreciation	△32,217
Buildings, net	26,356
Tools, furniture and fixtures	613,918
Accumulated depreciation	△486,341
Tools, furniture and fixtures, net	127,577
Construction in Progress	4,200
Total tangible fixed assets	158,133
Intangible assets	
Goodwill	108,163
Software	15,170
Software in progress	24,150
Other	93
Total intangible assets	147,577
Investments and other assets	
Leasehold and guarantee deposits	89,576
Long-term prepaid expenses	29,989
Deferred tax	40,812
Other	100
Total investments and other assets	160,478
Total non-current assets	466,190
Total assets	3,435,222
Liabilities	
Current liabilities	
Accounts payable - trade	48,201
Long term borrowings to be repaid within a year	9,040
Accounts payable - other	68,758
Accrued expenses	189,446
Advances received	75,088
Income taxes payable	89,430
Accrued consumption taxes	43,950
Other	14,421
Total current liabilities	538,339
Fixed liabilities	
Long term borrowings	50,040
Total fixed liabilities	50,040
Total liabilities	588,379
Net assets	
Shareholders' equity	
Capital	273,853
Capital surplus	191,351
Retained earnings	2,466,188
Treasury shares	△84,551
Total shareholders' equity	2,846,843
Total net assets	2,846,843
Total liabilities and net assets	3,435,222

(2) Consolidated income statement and consolidated statement of comprehensive income
(Consolidated income statement)

(Unit: 1,000 yen)

	Consolidated fiscal year under review (from January 1, 2024 to December 31, 2024)
Net sales	2,669,470
Cost of sales	872,976
Gross profit	1,796,494
Selling, general and administrative expenses	1,158,901
Operating profit	637,593
Non-operating income	
Interest income	265
Commission for contracted services	200
Total non-operating income	465
Non-operating expenses	
Loss on extinguishment of stock-based compensation expenses	349
Casualty loss	238
Total non-operating expenses	587
Ordinary profit	637,471
Current net profit before tax	637,471
Income taxes - current	174,529
Income taxes - deferred	△6,740
Total income taxes	167,789
Current net profit	469,681
Current net profit attributable to owners of parent	469,681

(Consolidated statement of comprehensive income)

(Unit: 1,000 yen)

	Consolidated fiscal year under review (from January 1, 2024 to December 31, 2024)
Current net profit	469,681
Comprehensive income	469,681
(Breakdown)	
Comprehensive income pertaining to owners of parent	469,681

(3) Consolidated statement of changes in equity

Consolidated fiscal year under review (from January 1, 2024 to December 31, 2024)

(Unit: 1,000 yen)

	Shareholders' equity					Total net assets
	Capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	
Balance at beginning of the period	273,853	191,351	1,996,792	△87,908	2,374,089	2,374,089
Changes during the period						
Current net profit attributable to owners of parent			469,681		469,681	469,681
Disposal of treasury stock			△285	3,357	3,072	3,072
Changes during the period in items other than shareholder capital (net amount)						-
Total changes during the period	-	-	469,396	3,357	472,753	472,753
Balance at end of the period	273,853	191,351	2,466,188	△84,551	2,846,843	2,846,843

(4) Consolidated cash flow statement

(Unit: 1,000 yen)

Consolidated fiscal year under review (from January 1, 2024 to December 31, 2024)	
Cash flow due to business activities	
Current net profit before tax	637,471
Depreciation expenses	82,014
Stock-based compensation expenses	8,186
Increase (△ for decrease) in allowance for doubtful accounts	50
Interest and dividend income	△265
Decrease (△ for increase) in trade receivables	△35,941
Decrease (△ for increase) in inventories	609
Increase (△ for decrease) in trade payables	7,625
Increase (△ for decrease) in accrued consumption taxes	6,912
Increase (△ for decrease) in accounts payable - other	24,907
Increase (△ for decrease) in accrued expenses	50,146
Decrease (△ for increase) in prepaid expenses	△4,859
Decrease (△ for increase) in long-term prepaid expenses	△21,043
Other	49,246
Subtotal	805,060
Interest and dividends received	230
Income taxes paid	△203,912
Cash flow due to business activities	601,378
Cash flow due to investment activities	
Purchase of property, plant and equipment	△63,687
Purchase of intangible assets	△29,229
Income from recovery of leasehold and guarantee deposits	246
Expense from acquisition of shares in subsidiary resulting in change of scope of consolidation	△57,397
Cash flow due to investment activities	△150,067
Cash flow due to financial activities	
Cash flow due to financial activities	-
Net increase (△ for decrease) in cash and cash equivalents	451,310
Cash and cash equivalents at beginning of the period	2,089,150
Cash and cash equivalents at end of the period	2,540,460

(5) Notes concerning the consolidated financial statements

(Notes on being a going concern)

N/A

(Notes on segment information, etc.)

[Segment information]

1. Overview of reported segment

We have omitted this section as YMIRLINK's messaging solution business is in a single segment.

(Per share information)

	Consolidated fiscal year under review (from January 1, 2024 to December 31, 2024)
Net asset value per share	742.96 yen
Basic earnings per share	122.60 yen

(Notes) 1. The diluted earnings per share for the fiscal year under review are not listed, as there are no dilutive shares.

2. The basis of calculation for basic earnings per share for the fiscal year under review is as follows.

	Consolidated fiscal year under review (from January 1, 2024 to December 31, 2024)
Basic earnings per share	
Current net profit attributable to owners of parent (1,000 yen)	469,681
Amount not belonging to ordinary shareholders (1,000 yen)	-
Current net profit attributable to owners of parent pertaining to common shares (1,000 yen)	469,681
Average number of common shares during the period (shares)	3,831,016

(Significant events after reporting period)

N/A