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November 12, 2024

Non-consolidated Financial Results for the First Nine Months of the Fiscal Year Ending December 31, 2024 (Under Japanese GAAP)

Company name: YMIRLINK, Inc.
Listing: Tokyo Stock Exchange
Securities code: 4372
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Scheduled date to commence dividend payments: March 28, 2025
Preparation of supplementary material on quarterly financial results: Yes
Holding of quarterly financial results briefing: No

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

1. Non-consolidated financial results for the first nine months of the fiscal year ending December 31, 2024 (from January 1, 2024 to September 30, 2024)

(1) Non-consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2024	1,981	15.9	469	9.7	469	9.6	324	9.7
September 30, 2023	1,709	5.4	428	15.1	428	15.2	295	15.3

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
September 30, 2024	84.68	–
September 30, 2023	77.39	–

(Note) The diluted net profit per share for the fiscal years in question is not listed, as there are no dilutive shares.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2024	3,230	2,701	83.6
December 31, 2023	2,780	2,374	85.4

Reference: Equity
As of September 30, 2024: ¥2,701 million
As of December 31, 2023: ¥2,374 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2023	–	0.00	–	0.00	0.00
Fiscal year ending December 31, 2024	–	0.00	–		
Fiscal year ending December 31, 2024 (Forecast)				53.00	53.00

Note: 1. Revisions to the forecast of cash dividends most recently announced: None
2. End-of-year dividend breakdown for fiscal year ending December 31, 2024: normal dividend at 16.00 yen, commemorative dividend at 37.00 yen

3. Non-consolidated earnings forecasts for the fiscal year ending December 31, 2024 (from January 1, 2024 to December 31, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Basic earnings		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending December 31, 2024	2,570	11.0	610	3.0	610	3.0	420	2.7	109.79

Note: Revisions to the earnings forecast most recently announced: None

*** Notes**

(1) Special accounting methods used in the preparation of the quarterly financial statements: 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 issued shares (common shares)

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

As of September 30, 2024	3,892,600 shares
As of December 31, 2023	3,892,600 shares

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

As of September 30, 2024	60,837 shares
As of December 31, 2023	62,837 shares

(iii) Average number of shares outstanding during the period (up to the most recent quarter)

Nine months ended September 30, 2024	3,830,765 shares
Nine months ended September 30, 2023	3,819,303 shares

* Review conducted by certified public accountants or an audit corporation: None

* 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 2 of the attached material “1. Qualitative Information for the Quarterly Financial Results, (3) Explanation Concerning Results Forecast and Other Future Forecast Information.”

(How to obtain supplementary material on financial results)

Supplementary material on the results summary will be disclosed on TDnet and on our website on the same day.

○ Attached Material Contents

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1. Qualitative Information for the Quarterly Financial Results

(1) Explanation of Operating Results

We expect the Japanese economy to continue its modest recovery in the third quarter, but the economic outlook in Japan remains uncertain due to factors including soaring resource costs.

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

In the first nine months of the current fiscal year, we started to offer “Cuenote SMS for Salesforce”, which coordinates with Salesforce, from July 2024. This makes it possible to send SMS seamlessly from the Salesforce management screen, increasing the efficiency for users.

Also in July, we 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.

Further, in August, we added and began offering an optional function to the “Cuenote SMS” delivery service. 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.

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 first nine months of the current fiscal year, stock-based revenue was 1,918,066,000 yen (a year-on-year increase of 15.0%) due to continued implementation at more enterprise companies in addition to an increase in the number of deliveries, while the amount from fixed-term contracts at the end of the third quarter was 220,302,000 yen (a year-on-year increase of 17.3%).

・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-premise). Given robust growth in new SaaS sales alongside growth in software license sales, cumulative net sales up to the end of the third quarter were 63,212,000 yen (50.7% increase year-on-year).

In light of the above, business performance in the first nine months of the current fiscal year resulted in net sales of 1,981,278,000 yen, operating profit of 469,567,000 yen, ordinary profit of 469,214,000 yen, and quarterly net profit of 324,394,000 yen.

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

*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.

(2) Explanation of Financial Position

Compared to the end of the previous fiscal year, the end of the third quarter of this accounting period was favorable due to an increase in net assets to 327,466,000 yen through quarterly net profit.

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

(Assets)

Compared to the end of the previous fiscal year, total assets at the end of the third quarter of this accounting period increased by 449,740,000 yen to 3,230,445,000 yen. This is mainly from recovery of accounts receivable and an increase in cash and deposits of 289,582,000 yen, an increase of 24,121,000 yen in the software in progress account due to development of the “CuenoteBASE” software that is currently underway, an increase of 87,125,000 yen in shares of subsidiaries and associates, and an increase of 11,250,000 yen in long-term loans receivable from subsidiaries and associates.

(Liabilities)

Compared to the end of the previous fiscal year, total liabilities at the end of the third quarter of this accounting period increased by 122,273,000 yen to 528,889,000 yen. This is due mainly to factors including a decrease in accrued expenses for bonuses of 39,403,000 yen, a decrease in income taxes payable of 27,533,000 yen, an increase in bonus reserves of 110,087,000 yen, and an increase in advances received of 63,582,000 yen.

(Net assets)

Compared to the end of the previous fiscal year, total net assets at the end of the third quarter of this accounting period increased by 327,466,000 yen to 2,701,556,000 yen. This is due to an increase in retained earnings of 324,109,000 yen from the recording of a quarterly net profit, and an increase in disposal of treasury stock as restricted stock units of 3,357,000 yen.

(3) Explanation Concerning Results Forecast and Other Future Forecast Information

There is no change in the results forecast for the year ending December 2024 from that published in the “Summary of financial results for the year ended December 2023” dated February 13, 2024.

2. Quarterly Financial Statements and Main Notes

(1) Quarterly Balance Sheet

(Unit: 1,000 yen)

	Previous fiscal year (December 31, 2023)	First Nine Months of the Current Fiscal Year (September 30, 2024)
Assets		
Current assets		
Cash and deposits	2,089,150	2,378,732
Accounts receivable - trade	308,179	334,533
Raw materials	2,579	1,965
Short-term loans receivable from subsidiaries and associates	-	2,749
Other	67,306	44,821
Allowance for doubtful accounts	(833)	(1,000)
Total current assets	2,466,381	2,761,800
Non-current assets		
Property, plant and equipment		
Buildings	29,366	27,108
Tools, furniture and fixtures	136,316	128,425
Total tangible fixed assets	165,682	155,534
Intangible assets		
Software	17,199	13,198
Software in progress	-	24,121
Other	93	93
Total intangible assets	17,292	37,413
Investments and other assets		
Shares of subsidiaries and associates	-	87,125
Long-term loans receivable from subsidiaries and associates	-	11,250
Leasehold and guarantee deposits	89,559	88,376
Other	41,787	88,945
Total investments and other assets	131,347	275,697
Total non-current assets	314,323	468,645
Total assets	2,780,705	3,230,445
Liabilities		
Current liabilities		
Accounts payable - trade	37,574	43,876
Accrued expenses	132,911	93,507
Advances received	29,565	93,147
Income taxes payable	118,671	91,137
Bonus reserve	-	110,087
Other	87,893	97,132
Total current liabilities	406,616	528,889
Total liabilities	406,616	528,889
Net assets		
Shareholders' equity		
Share capital	273,853	273,853
Capital surplus	191,351	191,351
Retained earnings	1,996,792	2,320,901
Treasury shares	(87,908)	(84,551)
Total shareholders' equity	2,374,089	2,701,556
Total net assets	2,374,089	2,701,556
Total liabilities and net assets	2,780,705	3,230,445

(2) Quarterly Profit and Loss Statement

(First Nine Months of the Fiscal Year)

(Unit: 1,000 yen)

	First Nine Months of the Previous Fiscal Year (from January 1, 2023 to September 30, 2023)	First Nine Months of the Current Fiscal Year (from January 1, 2024 to September 30, 2024)
Net sales	1,709,725	1,981,278
Cost of sales	539,641	671,306
Gross profit	1,170,083	1,309,972
Selling, general and administrative expenses	741,930	840,404
Operating profit	428,152	469,567
Non-operating income		
Interest income	16	234
Total non-operating income	16	234
Non-operating expenses		
Commission expenses	2	0
Loss on extinguishment of stock based compensation expenses	-	349
Casualty loss	-	238
Total non-operating expenses	2	587
Ordinary profit	428,166	469,214
Pre-tax quarterly net profit	428,166	469,214
Income taxes - current	152,516	179,595
Income taxes - deferred	(19,937)	(34,776)
Total income taxes	132,578	144,819
Quarterly net profit	295,587	324,394

(3) Notes Concerning the Quarterly Financial Statements

(Notes on being a going concern)

N/A

(Notes on remarkable changes in shareholder equity amounts if there are any)

Based on a resolution of the board of directors meeting held on April 12, 2024, 2,400 shares of treasury stock have been disposed of as Restricted Stock Units. As a result, in the first nine months of this fiscal year, retained earnings decreased by 285,000 yen and treasury stock decreased by 3,357,000 yen, resulting in retained earnings of 2,320,901,000 yen and treasury stock of 84,551,000 yen at the end of the third quarter accounting period.

(Notes on quarterly cash flow statement)

We did not prepare a quarterly cash flow statement for the first nine months of the fiscal year. Depreciation expenses (including expenses related to intangible assets) in the first nine months of the fiscal year are as shown below.

	First Nine Months of the Previous Fiscal Year (from January 1, 2023 to September 30, 2023)	First Nine Months of the Current Fiscal Year (from January 1, 2024 to September 30, 2024)
Depreciation expenses	58,557,000 yen	59,792,000 yen

(Notes on segment information, etc.)

[Segment information]

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