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## Consolidated Financial Results for the Fiscal Year Ended December 31, 2021 (Under IFRS)

February 14, 2022

Company name: **Direct Marketing MiX Inc.**  
 Listing: Tokyo Stock Exchange  
 Securities code: 7354  
 URL: <https://dmix.co.jp/>  
 Representative: Yuki Kobayashi, Representative Director and President, CEO  
 Inquiries: Motoyoshi Doi, Director, CFO  
 TEL: +81-6-6809-1615  
 Scheduled date of Ordinary General Meeting of Shareholders: March 25, 2022  
 Scheduled date to commence dividend payments: March 4, 2022  
 Scheduled date of the submission of annual securities report: March 28, 2022  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results presentation meeting: Yes (for institutional investors and analysts)

(Yen amounts are rounded to the nearest million, unless otherwise noted.)

### 1. Consolidated financial results for the fiscal year ended December 31, 2021 (from January 1, 2021 to December 31, 2021)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
December 31, 2021	30,286	34.8	4,780	33.3	4,642	32.5	3,217	32.7
December 31, 2020	22,461	30.5	3,586	60.3	3,504	63.6	2,425	66.2

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Millions of yen	%	Yen	Yen
Fiscal year ended						
December 31, 2021	3,217	32.7	3,217	32.7	78.32	66.80
December 31, 2020	2,425	66.2	2,425	66.2	60.47	50.92

	Return on equity attributable to owners of parent	Ratio of profit before tax to total assets	Ratio of operating profit to revenue
	%	%	%
Fiscal year ended			
December 31, 2021	32.8	19.3	15.8
December 31, 2020	35.8	18.0	16.0

Reference: Share of profit (loss) of investments accounted for using equity method:

Fiscal year ended December 31, 2021: ¥ – million

Fiscal year ended December 31, 2020: ¥ – million

Note: The Company conducted a 2-for-1 share split of its common shares on January 1, 2022. “Basic earnings per share” and “Diluted earnings per share” have been calculated assuming that the share split was conducted at the beginning of the fiscal year ended December 31, 2020.

## (2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent	Equity attributable to owners of parent per share
As of	Millions of yen	Millions of yen	Millions of yen	%	Yen
December 31, 2021	26,837	11,599	11,599	43.2	260.91
December 31, 2020	21,251	8,000	8,000	37.6	199.51

Note: The Company conducted a 2-for-1 share split of its common shares on January 1, 2022. "Equity attributable to owners of parent per share" has been calculated assuming that the share split was conducted at the beginning of the fiscal year ended December 31, 2020.

## (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
December 31, 2021	4,140	(1,428)	(1,337)	5,067
December 31, 2020	4,091	(452)	(1,616)	3,692

## 2. Cash dividends

	Dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Annual total
Fiscal year ended	Yen	Yen	Yen	Yen	Yen
December 31, 2020	—	0.00	—	5.00	5.00
December 31, 2021	—	0.00	—	10.00	10.00
Fiscal year ending December 31, 2022 (Forecast)	—	0.00	—	15.00	15.00

	Total cash dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to equity attributable to owners of parent (consolidated)
Fiscal year ended	Millions of yen	%	%
December 31, 2020	100	4.1	1.5
December 31, 2021	222	6.4	2.2
Fiscal year ending December 31, 2022 (Forecast)		19.4	

Note: The Company conducted a 2-for-1 share split of its common shares on January 1, 2022. The amounts of dividends per share for the year ended December 31, 2020 and the year ended December 31, 2021 are the actual amounts before the share split. The forecast amount for the year ending December 31, 2022 is the figure after the share split.

**3. Consolidated earnings forecasts for the fiscal year ending December 31, 2022  
(from January 1, 2022 to December 31, 2022)**

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ending December 31, 2022	32,500	7.3	5,000	4.6	4,960	6.8	3,430	6.6

	Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Yen
Fiscal year ending December 31, 2022	3,430	6.6	77.15

Note: The Company conducted a 2-for-1 share split of its common shares on January 1, 2022. “Basic earnings per share” in the consolidated earnings forecasts for the fiscal year ending December 31, 2022 has been calculated considering the impact of the share split.

**\* Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

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

- (i) Changes in accounting policies required by IFRS: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None

(3) Number of issued shares (ordinary shares)

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

As of December 31, 2021	44,457,200 shares
As of December 31, 2020	40,101,000 shares

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

As of December 31, 2021	278 shares
As of December 31, 2020	50 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

For the fiscal year ended December 31, 2021	41,069,879 shares
For the fiscal year ended December 31, 2020	40,100,995 shares

Note: The Company conducted a 2-for-1 share split of its common shares on January 1, 2022. "Total number of issued shares at end of the period," "Number of treasury shares at end of the period" and "Average number of shares outstanding during the period" have been calculated assuming that the share split was conducted at the beginning of the fiscal year ended December 31, 2020.

**(Reference) Overview of Non-consolidated Financial Results**

**1. Non-consolidated financial results for the fiscal year ended December 31, 2021 (from January 1, 2021 to December 31, 2021)**

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Operating revenue		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2021	4,212	49.2	3,058	49.6	2,952	54.4	2,842	65.0
December 31, 2020	2,822	111.7	2,044	149.8	1,912	165.0	1,722	199.0

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
December 31, 2021	69.20	59.01
December 31, 2020	42.94	36.16

Note: The Company conducted a 2-for-1 share split of its common shares on January 1, 2022. "Basic earnings per share" and "Diluted earnings per share" have been calculated assuming that the share split was conducted at the beginning of the fiscal year ended December 31, 2020.

## (2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2021	18,952	8,741	45.8	195.39
December 31, 2020	16,422	5,495	33.0	134.95

Reference: Equity

As of December 31, 2021: ¥8,687 million

As of December 31, 2020: ¥5,412 million

Note: The Company conducted a 2-for-1 share split of its common shares on January 1, 2022. "Net assets per share" has been calculated assuming that the share split was conducted at the beginning of the fiscal year ended December 31, 2020.

< Reason for changes in non-consolidated financial results from the fiscal year ended December 31, 2020 >

There are changes in the non-consolidated earnings results of the fiscal year ended December 31, 2021, from the fiscal year ended December 31, 2020, due to higher consulting fee income incurred for reassessing operations, etc. to provide management advice to the subsidiaries, together with an increase in dividends received from the subsidiaries, during the fiscal year ended December 31, 2021.

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

**\* Proper use of earnings forecasts, and other special items**

(Caution regarding forward-looking statements and others)

The forecasts and other forward-looking statements in this report are based on currently available information and certain assumptions determined as rational. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual performance may significantly differ from these forecasts due to various factors in the future. The impact of the novel coronavirus disease (COVID-19) on the Group's business results is expected to be immaterial. On the other hand, matters surrounding the impact of COVID-19, such as when it will be resolved, remains unclear. Accordingly, if it becomes necessary to revise the business earnings forecast in light of future business trends, we will disclose such revisions promptly.

(Method of accessing contents of financial results presentation meeting)

On Friday, February 18, 2022, the Company plans to hold a presentation meeting for institutional investors and analysts. The Company plans to post a video of this presentation meeting on its website promptly after the review is held.

(The adoption of International Financial Reporting Standards (IFRS))

The Group has adopted International Financial Reporting Standards (IFRS) from the fiscal year ended December 31, 2019. The financial figures provided under the overview of non-consolidated financial results are prepared in accordance with Japanese generally accepted accounting principles (Japanese GAAP.)

## Consolidated Financial Statements

### (1) Consolidated statement of financial position

(Thousands of yen)

	As of December 31, 2020	As of December 31, 2021
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	3,692,215	5,067,037
Trade and other receivables	3,029,397	4,949,008
Other current assets	155,520	140,480
<b>Total current assets</b>	<b>6,877,132</b>	<b>9,701,525</b>
<b>Non-current assets</b>		
Property, plant and equipment	832,160	1,672,583
Right-of-use assets	1,706,159	2,867,517
Goodwill	10,984,224	10,984,224
Other intangible assets	80,127	76,916
Deferred tax assets	298,256	495,409
Other financial assets	467,345	1,022,457
Other non-current assets	5,686	16,275
<b>Total non-current assets</b>	<b>14,373,958</b>	<b>17,135,381</b>
<b>Total assets</b>	<b>21,251,090</b>	<b>26,836,906</b>

(Thousands of yen)

	As of December 31, 2020	As of December 31, 2021
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	3,339,384	4,177,961
Borrowings	613,040	768,993
Income taxes payable	829,209	1,078,615
Other financial liabilities	581,624	1,014,877
Other current liabilities	709,302	1,019,382
Total current liabilities	<u>6,072,559</u>	<u>8,059,827</u>
Non-current liabilities		
Borrowings	5,886,873	4,972,268
Provisions	193,491	358,573
Other financial liabilities	1,093,196	1,841,879
Other non-current liabilities	4,622	5,182
Total non-current liabilities	<u>7,178,182</u>	<u>7,177,903</u>
Total liabilities	<u>13,250,741</u>	<u>15,237,730</u>
Equity		
Share capital	1,600,000	1,866,828
Capital surplus	1,609,578	1,854,394
Retained earnings	4,707,624	7,824,058
Treasury shares	(69)	(463)
Other components of equity	83,216	54,358
Total equity attributable to owners of parent	<u>8,000,349</u>	<u>11,599,176</u>
Total equity	<u>8,000,349</u>	<u>11,599,176</u>
Total liabilities and equity	<u><u>21,251,090</u></u>	<u><u>26,836,906</u></u>

(2) Consolidated statement of profit or loss and consolidated statement of comprehensive income  
(Consolidated statement of profit or loss)

(Thousands of yen)

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021
Revenue	22,461,405	30,285,976
Operating expenses	(18,902,490)	(25,569,712)
Other income	39,216	68,085
Other expenses	(12,055)	(4,688)
Operating profit	3,586,077	4,779,661
Finance income	40,121	4,093
Finance costs	(121,836)	(141,300)
Profit before tax	3,504,362	4,642,453
Income tax expense	(1,079,545)	(1,425,767)
Profit	2,424,817	3,216,686
Profit attributable to		
Owners of parent	2,424,817	3,216,686
Profit	2,424,817	3,216,686
Earnings per share		
Basic earnings per share (Yen)	60.47	78.32
Diluted earnings per share (Yen)	50.92	66.80

(Consolidated statement of comprehensive income)

(Thousands of yen)

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021
Profit	<u>2,424,817</u>	<u>3,216,686</u>
Comprehensive income	<u>2,424,817</u>	<u>3,216,686</u>
Comprehensive income attributable to		
Owners of parent	<u>2,424,817</u>	<u>3,216,686</u>
Comprehensive income	<u>2,424,817</u>	<u>3,216,686</u>

## (3) Consolidated statement of changes in equity

(Thousands of yen)

	Share capital	Capital surplus	Retained earnings	Treasury shares
Balance as of January 1, 2020	1,600,000	1,609,578	2,282,807	–
Profit	–	–	2,424,817	–
Total comprehensive income	–	–	2,424,817	–
Increase / decrease in stock acquisition rights	–	–	–	–
Transfer-restricted stock-based compensation	–	–	–	–
Purchase of treasury shares	–	–	–	(69)
Dividends of surplus	–	–	–	–
Total transactions with owners	–	–	–	(69)
Balance as of December 31, 2020	1,600,000	1,609,578	4,707,624	(69)
Profit	–	–	3,216,686	–
Total comprehensive income	–	–	3,216,686	–
Increase / decrease in stock acquisition rights	226,502	226,502	–	–
Transfer-restricted stock-based compensation	40,326	18,314	–	–
Purchase of treasury shares	–	–	–	(394)
Dividends of surplus	–	–	(100,252)	–
Total transactions with owners	266,828	244,816	(100,252)	(394)
Balance as of December 31, 2021	1,866,828	1,854,394	7,824,058	(463)

(Thousands of yen)

	Other components of equity	Total equity attributable to owners of parent	Total equity
Balance as of January 1, 2020	51,288	5,543,673	5,543,673
Profit	–	2,424,817	2,424,817
Total comprehensive income	–	2,424,817	2,424,817
Increase / decrease in stock acquisition rights	31,928	31,928	31,928
Transfer-restricted stock-based compensation	–	–	–
Purchase of treasury shares	–	(69)	(69)
Dividends of surplus	–	–	–
Total transactions with owners	31,928	31,859	31,859
Balance as of December 31, 2020	83,216	8,000,349	8,000,349
Profit	–	3,216,686	3,216,686
Total comprehensive income	–	3,216,686	3,216,686
Increase / decrease in stock acquisition rights	(28,857)	424,147	424,147
Transfer-restricted stock-based compensation	–	58,640	58,640
Purchase of treasury shares	–	(394)	(394)
Dividends of surplus	–	(100,252)	(100,252)
Total transactions with owners	(28,857)	382,141	382,141
Balance as of December 31, 2021	54,358	11,599,176	11,599,176

## (4) Consolidated statement of cash flows

(Thousands of yen)

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021
Cash flows from operating activities		
Profit before tax	3,504,362	4,642,453
Depreciation and amortization	734,627	1,101,964
Loss on retirement of fixed assets	7,587	697
Increase (decrease) in allowance for doubtful accounts	4,050	(10,493)
Finance income	(40,121)	(4,093)
Finance costs	121,836	141,300
Share-based remuneration expenses	29,333	83,590
Accrued paid absences	58,103	98,667
Decrease (increase) in trade and other receivables	(470,191)	(1,216,990)
Increase (decrease) in trade and other payables	1,105,885	776,560
Increase (decrease) in provision for bonuses	20,121	201,284
Other	(1,585)	(23,588)
Subtotal	5,074,007	5,791,351
Interest received	17	33
Interest paid	(54,118)	(41,144)
Income taxes paid	(928,926)	(1,610,508)
Net cash provided by (used in) operating activities	4,090,980	4,139,732
Cash flows from investing activities		
Purchase of property, plant and equipment	(331,264)	(834,102)
Purchase of intangible assets	(9,580)	(25,140)
Payments of leasehold and guarantee deposits	(109,478)	(400,943)
Other	(1,543)	(167,844)
Net cash provided by (used in) investing activities	(451,864)	(1,428,029)
Cash flows from financing activities		
Repayments of long-term borrowings	(1,320,000)	(7,105,000)
Proceeds from long-term borrowings	260,000	6,300,000
Dividends paid	-	(100,252)
Proceeds from issuance of share acquisition rights	2,594	-
Proceeds from exercise of share acquisition rights	-	399,197
Purchase of treasury shares	(69)	(394)
Repayments of lease liabilities	(558,912)	(830,431)
Net cash provided by (used in) financing activities	(1,616,387)	(1,336,881)
Net increase (decrease) in cash and cash equivalents	2,022,729	1,374,823
Cash and cash equivalents at beginning of period	1,669,486	3,692,215
Cash and cash equivalents at end of period	3,692,215	5,067,037