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## Consolidated Financial Results for the Fiscal Year Ended December 31, 2023 (Under IFRS)

February 13, 2024

Company name: **Direct Marketing MiX Inc.**  
 Listing: Tokyo Stock Exchange  
 Securities code: 7354  
 URL: <https://dmix.co.jp/>  
 Representative: Yuki Kobayashi, President and CEO, Representative Executive Officer  
 Inquiries: Motoyoshi Doi, Executive Officer and CFO  
 TEL: +81-6-6809-1615  
 Scheduled date of Ordinary General Meeting of Shareholders: March 22, 2024  
 Scheduled date to commence dividend payments: March 5, 2024  
 Scheduled date of the submission of annual securities report: March 25, 2024  
 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, 2023 (from January 1, 2023 to December 31, 2023)

(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, 2023	26,851	(22.6)	1,220	(78.9)	1,180	(79.4)	310	(91.8)
December 31, 2022	34,674	14.5	5,771	20.7	5,731	23.4	3,803	18.2

	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, 2023	310	(91.8)	173	(95.4)	6.73	6.57
December 31, 2022	3,803	18.2	3,768	17.1	85.09	78.86

	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, 2023	2.2	4.2	4.5
December 31, 2022	28.0	20.0	16.6

Reference: Share of profit (loss) of investments accounted for using equity method:  
 Fiscal year ended December 31, 2023: ¥— million  
 Fiscal year ended December 31, 2022: ¥— million

(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, 2023	26,175	13,085	13,085	50.0	284.54
December 31, 2022	30,532	15,585	15,585	51.0	331.90

(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, 2023	1,612	(1,234)	(3,527)	4,459
December 31, 2022	5,117	(769)	(1,807)	7,608

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended	Yen	Yen	Yen	Yen	Yen
December 31, 2022	—	0.00	—	17.00	17.00
December 31, 2023	—	0.00	—	3.00	3.00
Fiscal year ending December 31, 2024 (Forecast)	—	0.00	—	3.00	3.00

	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, 2022	798	20.0	5.7
December 31, 2023	138	44.6	1.0
Fiscal year ending December 31, 2024 (Forecast)		21.1	

3. 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.)

	Revenue		Operating profit		Profit before tax		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ending December 31, 2024	21,000	(21.8)	1,000	(18.1)	1,000	(15.2)	655	111.1

	Profit attributable to owners of parent		Basic earnings per share
Fiscal year ending December 31, 2024	Millions of yen	%	Yen
	655	111.1	14.23

\* 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: Yes

(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, 2023	47,172,800 shares
As of December 31, 2022	46,956,800 shares

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

As of December 31, 2023	1,186,560 shares
As of December 31, 2022	324 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, 2023	46,090,872 shares
For the fiscal year ended December 31, 2022	44,693,039 shares

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

**1. Non-consolidated financial results for the fiscal year ended December 31, 2023  
(from January 1, 2023 to December 31, 2023)**

(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, 2023	2,380	(48.7)	902	(73.3)	838	(74.8)	(2,302)	—
December 31, 2022	4,640	10.2	3,376	10.4	3,321	12.5	3,178	11.8

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
December 31, 2023	(49.94)	—
December 31, 2022	71.12	65.91

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
December 31, 2023	15,943	7,210	45.0	156.10
December 31, 2022	20,486	12,137	59.1	257.84

Reference: Equity

As of December 31, 2023: ¥7,178 million  
As of December 31, 2022: ¥12,107 million

< Reason for differences compared with the non-consolidated financial results for the fiscal year ended December 31, 2022 >

Differences have arisen between the actual results for the fiscal year ended December 31, 2022 and the actual results for the fiscal year ended December 31, 2023 due to a decrease in dividends received from subsidiaries and the recording of a loss on valuation of shares of subsidiaries and associates for the fiscal year ended December 31, 2023.

\* **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 forward-looking statements, including earnings forecasts contained 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.

(Method of accessing supplementary material on financial results and contents of financial results presentation meeting)

Supplementary material on financial results is disclosed on the same day on TDnet. Additionally, on Thursday, February 15, 2024, 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, 2022	As of December 31, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	7,608,309	4,458,722
Trade and other receivables	5,305,183	3,333,741
Other current assets	169,823	588,846
<b>Total current assets</b>	<b>13,083,315</b>	<b>8,381,309</b>
<b>Non-current assets</b>		
Property, plant and equipment	1,736,817	1,628,263
Right-of-use assets	2,792,262	2,236,900
Goodwill	10,984,224	11,390,547
Other intangible assets	54,980	698,387
Deferred tax assets	561,729	237,703
Other financial assets	1,306,702	1,574,348
Other non-current assets	12,175	27,572
<b>Total non-current assets</b>	<b>17,448,888</b>	<b>17,793,720</b>
<b>Total assets</b>	<b>30,532,203</b>	<b>26,175,029</b>

(Thousands of yen)

	As of December 31, 2022	As of December 31, 2023
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	4,498,074	2,686,633
Borrowings	769,954	1,897,599
Provisions	—	59,420
Income taxes payable	1,197,781	185,182
Other financial liabilities	1,088,639	999,382
Other current liabilities	1,131,027	1,608,098
Total current liabilities	8,685,475	7,436,314
Non-current liabilities		
Borrowings	4,209,043	3,830,616
Provisions	381,741	621,182
Other financial liabilities	1,664,885	1,197,729
Other non-current liabilities	6,000	4,084
Total non-current liabilities	6,261,668	5,653,611
Total liabilities	14,947,144	13,089,925
Equity		
Share capital	2,099,058	2,184,626
Capital surplus	2,086,802	2,124,374
Retained earnings	11,404,796	10,916,546
Treasury shares	(536)	(2,000,457)
Other components of equity	(5,061)	(139,985)
Total equity attributable to owners of parent	15,585,059	13,085,104
Total equity	15,585,059	13,085,104
Total liabilities and equity	30,532,203	26,175,029

(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, 2022	Fiscal year ended December 31, 2023
Revenue	34,673,503	26,851,302
Operating expenses	(28,941,994)	(25,381,754)
Other income	66,601	79,456
Other expenses	(27,415)	(328,537)
Operating profit	5,770,695	1,220,466
Finance income	3,467	4,295
Finance costs	(43,580)	(45,130)
Profit before tax	5,730,583	1,179,631
Income tax expense	(1,927,560)	(869,621)
Profit	3,803,022	310,010
Profit attributable to		
Owners of parent	3,803,022	310,010
Profit	3,803,022	310,010
Earnings per share		
Basic earnings per share (Yen)	85.09	6.73
Diluted earnings per share (Yen)	78.86	6.57

(Consolidated statement of comprehensive income)

(Thousands of yen)

	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
Profit	3,803,022	310,010
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(34,710)	(136,804)
Total of items that will not be reclassified to profit or loss	(34,710)	(136,804)
Total other comprehensive income	(34,710)	(136,804)
Comprehensive income	3,768,312	173,206
Comprehensive income attributable to		
Owners of parent	3,768,312	173,206
Comprehensive income	3,768,312	173,206



## (3) Consolidated statement of changes in equity

(Thousands of yen)

	Share capital	Capital surplus	Retained earnings	Treasury shares
Balance as of January 1, 2022	1,866,828	1,854,394	7,824,058	(463)
Profit	—	—	3,803,022	—
Other comprehensive income	—	—	—	—
Total comprehensive income	—	—	3,803,022	—
Increase / decrease in stock acquisition rights	188,605	188,605	—	—
Transfer-restricted stock-based compensation	43,625	43,802	—	—
Purchase of treasury shares	—	—	—	(73)
Dividends of surplus	—	—	(222,285)	—
Total transactions with owners	232,230	232,408	(222,285)	(73)
Balance as of December 31, 2022	2,099,058	2,086,802	11,404,796	(536)
Profit	—	—	310,010	—
Other comprehensive income	—	—	—	—
Total comprehensive income	—	—	310,010	—
Increase / decrease in stock acquisition rights	9,015	9,015	—	—
Transfer-restricted stock-based compensation	76,553	28,557	—	—
Purchase of treasury shares	—	—	—	(1,999,921)
Dividends of surplus	—	—	(798,260)	—
Total transactions with owners	85,568	37,572	(798,260)	(1,999,921)
Balance as of December 31, 2023	2,184,626	2,124,374	10,916,546	(2,000,457)

## Other components of equity

	Stock acquisition rights	Financial assets measured at fair value through other comprehensive income	Total other components of equity	Total equity attributable to owners of parent	Total equity
Balance as of January 1, 2022	54,358	—	54,358	11,599,176	11,599,176
Profit	—	—	—	3,803,022	3,803,022
Other comprehensive income	—	(34,710)	(34,710)	(34,710)	(34,710)
Total comprehensive income	—	(34,710)	(34,710)	3,768,312	3,768,312
Increase / decrease in stock acquisition rights	(24,709)	—	(24,709)	352,501	352,501
Transfer-restricted stock-based compensation	—	—	—	87,427	87,427
Purchase of treasury shares	—	—	—	(73)	(73)
Dividends of surplus	—	—	—	(222,285)	(222,285)
Total transactions with owners	(24,709)	—	(24,709)	217,571	217,571
Balance as of December 31, 2022	29,649	(34,710)	(5,061)	15,585,059	15,585,059
Profit	—	—	—	310,010	310,010
Other comprehensive income	—	(136,804)	(136,804)	(136,804)	(136,804)
Total comprehensive income	—	(136,804)	(136,804)	173,206	173,206
Increase / decrease in stock acquisition rights	1,881	—	1,881	19,910	19,910
Transfer-restricted stock-based compensation	—	—	—	105,110	105,110
Purchase of treasury shares	—	—	—	(1,999,921)	(1,999,921)
Dividends of surplus	—	—	—	(798,260)	(798,260)
Total transactions with owners	1,881	—	1,881	(2,673,161)	(2,673,161)
Balance as of December 31, 2023	31,530	(171,514)	(139,985)	13,085,104	13,085,104

## (4) Consolidated statement of cash flows

(Thousands of yen)

	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
Cash flows from operating activities		
Profit before tax	5,730,583	1,179,631
Depreciation and amortization	1,463,621	1,617,945
Loss on sale and retirement of fixed assets	24,176	134,196
Increase (decrease) in allowance for doubtful accounts	(2,154)	3,943
Finance income	(3,467)	(4,295)
Finance costs	43,580	45,130
Share-based remuneration expenses	101,704	104,453
Accrued paid absences	118,958	(90,837)
Decrease (increase) in trade and other receivables	(731,509)	1,848,586
Increase (decrease) in trade and other payables	369,366	(1,832,774)
Increase (decrease) in provision for bonuses	2,057	(251,915)
Other	(40,358)	465,661
Subtotal	7,076,556	3,219,724
Interest received	52	60
Interest paid	(23,008)	(24,992)
Income taxes paid	(1,936,936)	(1,583,050)
Net cash provided by (used in) operating activities	5,116,664	1,611,742
Cash flows from investing activities		
Purchase of property, plant and equipment	(427,173)	(128,362)
Purchase of intangible assets	(7,930)	(14,957)
Payments for loans receivable	(115,985)	(1,500)
Payments for acquisition of subsidiaries (net of cash and cash equivalents acquired)	—	(685,941)
Purchase of investment securities	(145,980)	(439,783)
Proceeds from sale of investment securities	—	18,774
Payments of leasehold and guarantee deposits	(75,923)	(265)
Other	4,400	17,969
Net cash provided by (used in) investing activities	(768,591)	(1,234,065)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	—	1,000,000
Proceeds from long-term borrowings	—	800,000
Repayments of long-term borrowings	(773,320)	(1,305,952)
Dividends paid	(222,285)	(798,260)
Proceeds from exercise of share acquisition rights	338,225	16,121
Purchase of treasury shares	(73)	(1,999,921)
Repayments of lease liabilities	(1,149,349)	(1,239,252)
Net cash provided by (used in) financing activities	(1,806,802)	(3,527,264)
Net increase (decrease) in cash and cash equivalents	2,541,271	(3,149,587)
Cash and cash equivalents at beginning of period	5,067,037	7,608,309
Cash and cash equivalents at end of period	7,608,309	4,458,722