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# Consolidated Financial Results for the Nine Months Ended September 30, 2024 (Under IFRS)

November 14, 2024

Company name: **Direct Marketing MiX Inc.**
Listing: Tokyo Stock Exchange
Securities code: 7354
URL: https://dmix.co.jp/
Representative: Daisuke Uehara, President and CEO, Representative Executive Officer
Inquiries: Motoyoshi Doi, Executive Officer and CFO
TEL: +81-6-6809-1615
Scheduled date to commence dividend payments: —
Preparation of supplementary material on financial results: Yes
Holding of financial results presentation meeting: None

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

## 1. Consolidated financial results for the nine months ended September 30, 2024 (from January 1, 2024 to September 30, 2024)

(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 | % |
| Nine months ended | | | | | | | | |
| September 30, 2024 | 15,721 | (28.4) | 1,179 | (35.3) | 1,148 | (35.9) | 604 | (45.0) |
| September 30, 2023 | 21,958 | (15.9) | 1,822 | (62.1) | 1,792 | (62.5) | 1,097 | (64.0) |

| | 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 |
| Nine months ended | | | | | | |
| September 30, 2024 | 604 | (45.0) | 533 | (51.2) | 13.07 | 12.95 |
| September 30, 2023 | 1,097 | (64.0) | 1,093 | (63.7) | 23.78 | 23.19 |

Note: At the end of the fiscal year ended December 31, 2023, the provisional accounting treatment for business combination was finalized. The figures for the nine months ended September 30, 2023 reflect the finalization of the provisional accounting treatment.

(2) Consolidated financial position

| | Total assets | Total equity | Equity attributable to owners of parent | Ratio of equity attributable to owners of parent |
|---|---|---|---|---|
| | Millions of yen | Millions of yen | Millions of yen | % |
| As of | | | | |
| September 30, 2024 | 24,771 | 13,525 | 13,525 | 54.6 |
| December 31, 2023 | 26,175 | 13,085 | 13,085 | 50.0 |

## 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 | — | 3.00 | 3.00 |
| Fiscal year ending December 31, 2024 | — | 0.00 | — | | |
| Fiscal year ending December 31, 2024 (Forecast) | | | | 3.00 | 3.00 |

Note: Revisions to the forecast of cash dividends most recently announced: None

## 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) | 1,500 | 22.9 | 1,460 | 23.8 | 880 | 183.9 |

| | Profit attributable to owners of parent | | Basic earnings per share |
|---|---|---|---|
| | Millions of yen | % | Yen |
| Fiscal year ending December 31, 2024 | 880 | 183.9 | 19.05 |

Note: Revisions to the earnings forecasts most recently announced: Yes
Regarding revisions to the consolidated earnings forecasts, please refer to the “Notice Concerning Reporting of Impairment Losses and Revisions to Financial Results Forecasts ” released today (November 14, 2024).

*** Notes**

(1) Significant changes in the scope of consolidation during the period: 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 September 30, 2024 | 47,521,136 shares |
| As of December 31, 2023 | 47,172,800 shares |

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

| | |
|---|---|
| As of September 30, 2024 | 1,171,739 shares |
| As of December 31, 2023 | 1,186,560 shares |

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

| | |
|---|---|
| For the nine months ended September 30, 2024 | 46,190,573 shares |
| For the nine months ended September 30, 2023 | 46,122,040 shares |

*** Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes (mandatory)**

*** 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)
Supplementary material on financial results is disclosed on the same day on TDnet.

## Condensed Quarterly Consolidated Financial Statements

(1) Condensed quarterly consolidated statement of financial position

(Thousands of yen)

| | As of December 31, 2023 | As of September 30, 2024 |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | 4,458,722 | 4,788,711 |
| Trade and other receivables | 3,333,741 | 2,754,145 |
| Other current assets | 588,846 | 480,405 |
| Total current assets | 8,381,309 | 8,023,261 |
| Non-current assets | | |
| Property, plant and equipment | 1,628,263 | 1,156,045 |
| Right-of-use assets | 2,236,900 | 1,916,683 |
| Goodwill | 11,390,547 | 11,390,547 |
| Other intangible assets | 698,387 | 647,569 |
| Deferred tax assets | 237,703 | 280,443 |
| Other financial assets | 1,574,348 | 1,338,041 |
| Other non-current assets | 27,572 | 18,147 |
| Total non-current assets | 17,793,720 | 16,747,475 |
| Total assets | 26,175,029 | 24,770,736 |

(Thousands of yen)

| | As of December 31, 2023 | As of September 30, 2024 |
|---|---|---|
| Liabilities and equity | | |
| Liabilities | | |
| Current liabilities | | |
| Trade and other payables | 2,686,633 | 1,681,382 |
| Borrowings | 1,897,599 | 2,147,728 |
| Provisions | 59,420 | 115,863 |
| Income taxes payable | 185,182 | 183,385 |
| Other financial liabilities | 999,382 | 875,505 |
| Other current liabilities | 1,608,098 | 831,465 |
| Total current liabilities | 7,436,314 | 5,835,329 |
| Non-current liabilities | | |
| Borrowings | 3,830,616 | 3,909,878 |
| Provisions | 621,182 | 497,634 |
| Other financial liabilities | 1,197,729 | 999,499 |
| Other non-current liabilities | 4,084 | 3,617 |
| Total non-current liabilities | 5,653,611 | 5,410,628 |
| Total liabilities | 13,089,925 | 11,245,957 |
| Equity | | |
| Share capital | 2,184,626 | 2,232,348 |
| Capital surplus | 2,124,374 | 2,083,635 |
| Retained earnings | 10,916,546 | 11,382,230 |
| Treasury shares | (2,000,457) | (1,963,072) |
| Other components of equity | (139,985) | (210,361) |
| Total equity attributable to owners of parent | 13,085,104 | 13,524,779 |
| Total equity | 13,085,104 | 13,524,779 |
| Total liabilities and equity | 26,175,029 | 24,770,736 |

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

(Condensed quarterly consolidated statement of profit or loss)

(Thousands of yen)

| | Nine months ended September 30, 2023 | Nine months ended September 30, 2024 |
|---|---|---|
| Revenue | 21,957,855 | 15,720,932 |
| Operating expenses | (20,160,604) | (14,221,706) |
| Other income | 51,736 | 28,231 |
| Other expenses | (26,589) | (348,275) |
| Operating profit | 1,822,398 | 1,179,182 |
| Finance income | 3,214 | 3,392 |
| Finance costs | (33,305) | (34,116) |
| Profit before tax | 1,792,308 | 1,148,459 |
| Income tax expense | (695,400) | (544,816) |
| Profit | 1,096,908 | 603,643 |
| | | |
| Profit attributable to | | |
| Owners of parent | 1,096,908 | 603,643 |
| Profit | 1,096,908 | 603,643 |
| | | |
| Earnings per share | | |
| Basic earnings per share (Yen) | 23.78 | 13.07 |
| Diluted earnings per share (Yen) | 23.19 | 12.95 |

(Condensed quarterly consolidated statement of comprehensive income)

(Thousands of yen)

| | Nine months ended September 30, 2023 | Nine months ended September 30, 2024 |
|---|---|---|
| Profit | 1,096,908 | 603,643 |
| Other comprehensive income | | |
| Items that will not be reclassified to profit or loss | | |
| Financial assets measured at fair value through other comprehensive income | (3,888) | (70,636) |
| Total of items that will not be reclassified to profit or loss | (3,888) | (70,636) |
| Total other comprehensive income | (3,888) | (70,636) |
| Comprehensive income | 1,093,020 | 533,007 |
| | | |
| Comprehensive income attributable to | | |
| Owners of parent | 1,093,020 | 533,007 |
| Comprehensive income | 1,093,020 | 533,007 |

(3) Condensed quarterly consolidated statement of changes in equity

First nine months of the fiscal year ended December 31, 2023 (from January 1, 2023 to September 30, 2023)

(Thousands of yen)

| | Share capital | Capital surplus | Retained earnings | Treasury shares |
|---|---|---|---|---|
| Balance as of January 1, 2023 | 2,099,058 | 2,086,802 | 11,404,796 | (536) |
| Profit | — | — | 1,096,908 | — |
| Other comprehensive income | — | — | — | — |
| Total comprehensive income | — | — | 1,096,908 | — |
| Increase / decrease in stock acquisition rights | 9,015 | 9,015 | — | — |
| Transfer-restricted stock-based compensation | 76,553 | (2,008) | — | — |
| Purchase of treasury shares | — | — | — | (1,999,921) |
| Disposal of treasury shares | — | — | — | — |
| Dividends of surplus | — | — | (798,260) | — |
| Total transactions with owners | 85,568 | 7,007 | (798,260) | (1,999,921) |
| Balance as of September 30, 2023 | 2,184,626 | 2,093,809 | 11,703,444 | (2,000,457) |

| | Other components of equity | | | Total equity attributable to owners of parent | Total equity |
|---|---|---|---|---|---|
| | Stock acquisition rights | Financial assets measured at fair value through other comprehensive income | Total other components of equity | | |
| Balance as of January 1, 2023 | 29,649 | (34,710) | (5,061) | 15,585,059 | 15,585,059 |
| Profit | — | — | — | 1,096,908 | 1,096,908 |
| Other comprehensive income | — | (3,888) | (3,888) | (3,888) | (3,888) |
| Total comprehensive income | — | (3,888) | (3,888) | 1,093,020 | 1,093,020 |
| Increase / decrease in stock acquisition rights | 1,170 | — | 1,170 | 19,199 | 19,199 |
| Transfer-restricted stock-based compensation | — | — | — | 74,545 | 74,545 |
| Purchase of treasury shares | — | — | — | (1,999,921) | (1,999,921) |
| Disposal of treasury shares | — | — | — | — | — |
| Dividends of surplus | — | — | — | (798,260) | (798,260) |
| Total transactions with owners | 1,170 | — | 1,170 | (2,704,437) | (2,704,437) |
| Balance as of September 30, 2023 | 30,819 | (38,598) | (7,779) | 13,973,642 | 13,973,642 |

First nine months of the fiscal year ending December 31, 2024 (from January 1, 2024 to September 30, 2024)

(Thousands of yen)

| | Share capital | Capital surplus | Retained earnings | Treasury shares |
|---|---|---|---|---|
| Balance as of January 1, 2024 | 2,184,626 | 2,124,374 | 10,916,546 | (2,000,457) |
| Profit | — | — | 603,643 | — |
| Other comprehensive income | — | — | — | — |
| Total comprehensive income | — | — | 603,643 | — |
| Increase / decrease in stock acquisition rights | — | — | — | — |
| Transfer-restricted stock-based compensation | 47,722 | (7,506) | — | — |
| Purchase of treasury shares | — | — | — | — |
| Disposal of treasury shares | — | (33,233) | — | 37,385 |
| Dividends of surplus | — | — | (137,959) | — |
| Total transactions with owners | 47,722 | (40,739) | (137,959) | 37,385 |
| Balance as of September 30, 2024 | 2,232,348 | 2,083,635 | 11,382,230 | (1,963,072) |

| | Other components of equity | | | Total equity attributable to owners of parent | Total equity |
|---|---|---|---|---|---|
| | Stock acquisition rights | Financial assets measured at fair value through other comprehensive income | Total other components of equity | | |
| Balance as of January 1, 2024 | 31,530 | (171,514) | (139,985) | 13,085,104 | 13,085,104 |
| Profit | — | — | — | 603,643 | 603,643 |
| Other comprehensive income | — | (70,636) | (70,636) | (70,636) | (70,636) |
| Total comprehensive income | — | (70,636) | (70,636) | 533,007 | 533,007 |
| Increase / decrease in stock acquisition rights | 259 | — | 259 | 259 | 259 |
| Transfer-restricted stock-based compensation | — | — | — | 40,216 | 40,216 |
| Purchase of treasury shares | — | — | — | — | — |
| Disposal of treasury shares | — | — | — | 4,151 | 4,151 |
| Dividends of surplus | — | — | — | (137,959) | (137,959) |
| Total transactions with owners | 259 | — | 259 | (93,332) | (93,332) |
| Balance as of September 30, 2024 | 31,789 | (242,150) | (210,361) | 13,524,779 | 13,524,779 |

(4) Condensed quarterly consolidated statement of cash flows

(Thousands of yen)

| | Nine months ended September 30, 2023 | Nine months ended September 30, 2024 |
|---|---|---|
| Cash flows from operating activities | | |
| Profit before tax | 1,792,308 | 1,148,459 |
| Depreciation and amortization | 1,193,889 | 1,093,144 |
| Loss on sale and retirement of fixed assets | 17,856 | 13,612 |
| Increase (decrease) in allowance for doubtful accounts | 3,079 | (944) |
| Finance income | (3,214) | (3,392) |
| Finance costs | 33,305 | 34,116 |
| Share-based remuneration expenses | 77,623 | 45,365 |
| Accrued paid absences | (118,742) | (88,844) |
| Decrease (increase) in trade and other receivables | 1,431,656 | 228,328 |
| Increase (decrease) in trade and other payables | (1,559,226) | (1,037,873) |
| Increase (decrease) in provision for bonuses | 216,384 | 184,997 |
| Other | 224,413 | (464,248) |
| Subtotal | 3,309,330 | 1,152,719 |
| Interest received | 60 | 457 |
| Interest paid | (18,177) | (23,303) |
| Income taxes refund (paid) | (1,642,527) | (206,026) |
| Net cash provided by (used in) operating activities | 1,648,686 | 923,848 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (92,013) | (88,672) |
| Purchase of intangible assets | — | (2,439) |
| Payments for loans receivable | (1,500) | — |
| Payments for acquisition of subsidiaries (net of cash and cash equivalents acquired) | (685,941) | — |
| Purchase of investment securities | (439,783) | (20,000) |
| Payments of leasehold and guarantee deposits | (210) | (123) |
| Proceeds from refund of leasehold and guarantee deposits | 48 | 165,093 |
| Other | 16,998 | (3,671) |
| Net cash provided by (used in) investing activities | (1,202,400) | 50,187 |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | 1,000,000 | — |
| Proceeds from long-term borrowings | 800,000 | 1,000,000 |
| Repayments of long-term borrowings | (1,080,951) | (675,003) |
| Dividends paid | (798,260) | (137,959) |
| Proceeds from exercise of share acquisition rights | 16,121 | 3,707 |
| Purchase of treasury shares | (1,999,921) | — |
| Repayments of lease liabilities | (931,863) | (834,791) |
| Net cash provided by (used in) financing activities | (2,994,874) | (644,046) |
| Net increase (decrease) in cash and cash equivalents | (2,548,588) | 329,989 |
| Cash and cash equivalents at beginning of period | 7,608,309 | 4,458,722 |
| Cash and cash equivalents at end of period | 5,059,721 | 4,788,711 |