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

February 14, 2025

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 of Ordinary General Meeting of Shareholders: March 28, 2025
Scheduled date to commence dividend payments: March 11, 2025
Scheduled date of the submission of annual securities report: March 31, 2025
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, 2024 (from January 1, 2024 to December 31, 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	%
Fiscal year ended								
December 31, 2024	20,952	(22.0)	1,434	17.5	1,391	17.9	834	169.1
December 31, 2023	26,851	(22.6)	1,220	(78.9)	1,180	(79.4)	310	(91.8)

	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, 2024	834	169.1	756	336.2	18.05	17.89
December 31, 2023	310	(91.8)	173	(95.4)	6.73	6.57

	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, 2024	6.2	5.4	6.8
December 31, 2023	2.2	4.2	4.5

Reference: Share of profit (loss) of investments accounted for using equity method:
Fiscal year ended December 31, 2024: ¥— million
Fiscal year ended December 31, 2023: ¥— 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
	Millions of yen	Millions of yen	Millions of yen	%	Yen
As of					
December 31, 2024	24,968	13,756	13,756	55.1	296.80
December 31, 2023	26,175	13,085	13,085	50.0	284.54

(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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended				
December 31, 2024	2,002	(101)	(1,192)	5,168
December 31, 2023	1,612	(1,234)	(3,527)	4,459

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
December 31, 2024	—	0.00	—	4.50	4.50
Fiscal year ending December 31, 2025 (Forecast)	—	0.00	—	6.00	6.00

	Total cash dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to equity attributable to owners of parent (consolidated)
	Millions of yen	%	%
Fiscal year ended			
December 31, 2023	138	44.6	1.0
December 31, 2024	209	24.9	1.5
Fiscal year ending December 31, 2025 (Forecast)		25.3	

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.)

	Revenue		Operating profit		Profit before tax		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ending December 31, 2025	22,000	5.0	1,800	25.5	1,750	25.8	1,100	31.8

	Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Yen
Fiscal year ending December 31, 2025	1,100	31.8	23.73

*** 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: 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, 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 December 31, 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 fiscal year ended December 31, 2024	46,230,497 shares
For the fiscal year ended December 31, 2023	46,090,872 shares

(Reference) Overview of Non-consolidated Financial Results

1. Non-consolidated financial results for the 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.)

	Operating revenue		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
December 31, 2024	2,176	(8.6)	1,206	33.7	1,145	36.5	586	—
December 31, 2023	2,380	(48.7)	902	(73.3)	838	(74.8)	(2,302)	—

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended		
December 31, 2024	12.68	12.57
December 31, 2023	(49.94)	—

(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, 2024	16,423	7,760	47.0	166.73
December 31, 2023	15,943	7,210	45.0	156.10

Reference: Equity
As of December 31, 2024: ¥7,726 million
As of December 31, 2023: ¥7,178 million

< Reason for differences compared with the non-consolidated financial results for the fiscal year ended December 31, 2023 >
Differences have arisen between the actual results for the fiscal year ended December 31, 2023 and the actual results for the fiscal year ended December 31, 2024 due to 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 Tuesday, February 18, 2025, 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, 2023	As of December 31, 2024
Assets		
Current assets		
Cash and cash equivalents	4,458,722	5,167,540
Trade and other receivables	3,333,741	2,615,125
Other current assets	588,846	518,697
Total current assets	8,381,309	8,301,362
Non-current assets		
Property, plant and equipment	1,628,263	1,096,713
Right-of-use assets	2,236,900	1,914,276
Goodwill	11,390,547	11,390,547
Other intangible assets	698,387	634,310
Deferred tax assets	237,703	285,753
Other financial assets	1,574,348	1,326,778
Other non-current assets	27,572	18,550
Total non-current assets	17,793,720	16,666,926
Total assets	26,175,029	24,968,289

(Thousands of yen)

	As of December 31, 2023	As of December 31, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	2,686,633	2,097,898
Borrowings	1,897,599	2,147,344
Provisions	59,420	79,995
Income taxes payable	185,182	215,258
Other financial liabilities	999,382	847,903
Other current liabilities	1,608,098	725,684
Total current liabilities	7,436,314	6,114,083
Non-current liabilities		
Borrowings	3,830,616	3,623,455
Provisions	621,182	479,524
Other financial liabilities	1,197,729	991,742
Other non-current liabilities	4,084	3,013
Total non-current liabilities	5,653,611	5,097,734
Total liabilities	13,089,925	11,211,816
Equity		
Share capital	2,184,626	2,232,348
Capital surplus	2,124,374	2,092,782
Retained earnings	10,916,546	11,612,883
Treasury shares	(2,000,457)	(1,963,072)
Other components of equity	(139,985)	(218,468)
Total equity attributable to owners of parent	13,085,104	13,756,472
Total equity	13,085,104	13,756,472
Total liabilities and equity	26,175,029	24,968,289

(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, 2023	Fiscal year ended December 31, 2024
Revenue	26,851,302	20,952,415
Operating expenses	(25,381,754)	(19,190,635)
Other income	79,456	33,110
Other expenses	(328,537)	(361,003)
Operating profit	1,220,466	1,433,887
Finance income	4,295	4,285
Finance costs	(45,130)	(47,040)
Profit before tax	1,179,631	1,391,131
Income tax expense	(869,621)	(556,835)
Profit	310,010	834,296
Profit attributable to		
Owners of parent	310,010	834,296
Profit	310,010	834,296
Earnings per share		
Basic earnings per share (Yen)	6.73	18.05
Diluted earnings per share (Yen)	6.57	17.89

(Consolidated statement of comprehensive income)

(Thousands of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Profit	310,010	834,296
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(136,804)	(78,743)
Total of items that will not be reclassified to profit or loss	(136,804)	(78,743)
Total other comprehensive income	(136,804)	(78,743)
Comprehensive income	173,206	755,553
Comprehensive income attributable to		
Owners of parent	173,206	755,553
Comprehensive income	173,206	755,553

(3) Consolidated statement of changes in equity

(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	—	—	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)
Profit	—	—	834,296	—
Other comprehensive income	—	—	—	—
Total comprehensive income	—	—	834,296	—
Increase / decrease in stock acquisition rights	—	—	—	—
Transfer-restricted stock-based compensation	47,722	1,642	—	—
Purchase of treasury shares	—	—	—	—
Disposal of treasury shares	—	(33,233)	—	37,385
Dividends of surplus	—	—	(137,959)	—
Total transactions with owners	47,722	(31,591)	(137,959)	37,385
Balance as of December 31, 2024	2,232,348	2,092,782	11,612,883	(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, 2023	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
Profit	—	—	—	834,296	834,296
Other comprehensive income	—	(78,743)	(78,743)	(78,743)	(78,743)
Total comprehensive income	—	(78,743)	(78,743)	755,553	755,553
Increase / decrease in stock acquisition rights	259	—	259	259	259
Transfer-restricted stock-based compensation	—	—	—	49,364	49,364
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	(84,184)	(84,184)
Balance as of December 31, 2024	31,789	(250,258)	(218,468)	13,756,472	13,756,472

(4) Consolidated statement of cash flows

(Thousands of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Cash flows from operating activities		
Profit before tax	1,179,631	1,391,131
Depreciation and amortization	1,617,945	1,402,910
Loss on sale and retirement of fixed assets	134,196	16,057
Increase (decrease) in allowance for doubtful accounts	3,943	(268)
Finance income	(4,295)	(4,285)
Finance costs	45,130	47,040
Share-based remuneration expenses	104,453	54,513
Accrued paid absences	(90,837)	(46,243)
Decrease (increase) in trade and other receivables	1,848,586	361,708
Increase (decrease) in trade and other payables	(1,832,774)	(766,791)
Increase (decrease) in provision for bonuses	(251,915)	(9,841)
Other	465,661	(227,485)
Subtotal	3,219,724	2,218,447
Interest received	60	457
Interest paid	(24,992)	(34,079)
Income taxes refund (paid)	(1,583,050)	(182,946)
Net cash provided by (used in) operating activities	1,611,742	2,001,879
Cash flows from investing activities		
Purchase of property, plant and equipment	(128,362)	(123,879)
Purchase of intangible assets	(14,957)	(3,839)
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)
Proceeds from sale of investment securities	18,774	—
Retirement of asset retirement obligations	—	(115,439)
Payments of leasehold and guarantee deposits	(265)	(153)
Proceeds from refund of leasehold and guarantee deposits	1,020	165,423
Other	16,948	(3,611)
Net cash provided by (used in) investing activities	(1,234,065)	(101,498)
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	(1,305,952)	(962,504)
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	(1,239,252)	(1,094,807)
Net cash provided by (used in) financing activities	(3,527,264)	(1,191,562)
Net increase (decrease) in cash and cash equivalents	(3,149,587)	708,818
Cash and cash equivalents at beginning of period	7,608,309	4,458,722
Cash and cash equivalents at end of period	4,458,722	5,167,540