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## Consolidated Financial Results for the Six Months Ended June 30, 2023 (Under IFRS)

October 13, 2023

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  
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Scheduled date of the submission of quarterly securities report: October 13, 2023

Scheduled date to commence dividend payments: —

Preparation of supplementary material on quarterly financial results: Yes

Holding of quarterly financial results presentation meeting: None

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

### 1. Consolidated financial results for the six months ended June 30, 2023 (from January 1, 2023 to June 30, 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	%
Six months ended								
June 30, 2023	15,642	(14.9)	1,863	(52.7)	1,844	(52.9)	1,208	(51.9)
June 30, 2022	18,373	22.3	3,936	34.9	3,915	39.8	2,513	31.3

	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
Six months ended						
June 30, 2023	1,208	(51.9)	1,208	(51.3)	26.16	25.47
June 30, 2022	2,513	31.3	2,479	29.5	56.42	52.30

#### (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				
June 30, 2023	28,171	14,062	14,062	49.9
December 31, 2022	30,532	15,585	15,585	51.0

## 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, 2022	—	0.00	—	17.00	17.00
Fiscal year ending December 31, 2023	—	0.00			
Fiscal year ending December 31, 2023 (Forecast)			—	—	—

Note: Revisions to the forecast of cash dividends most recently announced: None  
The forecast of the fiscal year-end dividend for the fiscal year ending December 31, 2023 is currently undetermined.

## 3. Consolidated earnings forecasts for the fiscal year ending December 31, 2023 (from January 1, 2023 to December 31, 2023)

Note: Revisions to the earnings forecasts most recently announced: None  
We have not disclosed a consolidated earnings forecast for the fiscal year ending December 31, 2023, as it is difficult to make a reasonable calculation at this point in time. We will promptly disclose the consolidated earnings forecast as soon as a reasonable calculation becomes possible.

**\* 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 June 30, 2023	47,172,800shares
As of December 31, 2022	46,956,800shares

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

As of June 30, 2023	1,171,924shares
As of December 31, 2022	324shares

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

For the six months ended June 30, 2023	46,183,626shares
For the six months ended June 30, 2022	44,549,450shares

**\* Quarterly financial results reports are exempt from quarterly reviews 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 quarterly financial results)

Supplementary material on quarterly 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, 2022	As of June 30, 2023
Assets		
Current assets		
Cash and cash equivalents	7,608,309	5,930,219
Trade and other receivables	5,305,183	3,528,810
Other current assets	169,823	234,851
Total current assets	13,083,315	9,693,880
Non-current assets		
Property, plant and equipment	1,736,817	1,648,862
Right-of-use assets	2,792,262	2,676,865
Goodwill	10,984,224	11,786,115
Other intangible assets	54,980	51,034
Deferred tax assets	561,729	569,121
Other financial assets	1,306,702	1,735,716
Other non-current assets	12,175	9,095
Total non-current assets	17,448,888	18,476,809
Total assets	30,532,203	28,170,689

(Thousands of yen)

	As of December 31, 2022	As of June 30, 2023
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	4,498,074	2,725,771
Borrowings	769,954	1,934,613
Income taxes payable	1,197,781	635,453
Other financial liabilities	1,088,639	1,156,415
Other current liabilities	1,131,027	1,311,650
Total current liabilities	8,685,475	7,763,903
Non-current liabilities		
Borrowings	4,209,043	4,476,997
Provisions	381,741	405,826
Other financial liabilities	1,664,885	1,456,346
Other non-current liabilities	6,000	5,945
Total non-current liabilities	6,261,668	6,345,115
Total liabilities	14,947,144	14,109,018
Equity		
Share capital	2,099,058	2,184,626
Capital surplus	2,086,802	2,067,443
Retained earnings	11,404,796	11,814,662
Treasury shares	(536)	(2,000,457)
Other components of equity	(5,061)	(4,602)
Total equity attributable to owners of parent	15,585,059	14,061,671
Total equity	15,585,059	14,061,671
Total liabilities and equity	30,532,203	28,170,689

(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)

	Six months ended June 30, 2022	Six months ended June 30, 2023
Revenue	18,372,584	15,642,449
Operating expenses	(14,447,955)	(13,776,929)
Other income	29,548	18,235
Other expenses	(18,656)	(20,297)
Operating profit	3,935,522	1,863,458
Finance income	1,665	2,110
Finance costs	(22,682)	(21,983)
Profit before tax	3,914,504	1,843,586
Income tax expense	(1,401,168)	(635,459)
Profit	2,513,336	1,208,127
Profit attributable to		
Owners of parent	2,513,336	1,208,127
Profit	2,513,336	1,208,127
Earnings per share		
Basic earnings per share (Yen)	56.42	26.16
Diluted earnings per share (Yen)	52.30	25.47

## (Condensed quarterly consolidated statement of comprehensive income)

(Thousands of yen)

	Six months ended June 30, 2022	Six months ended June 30, 2023
Profit	2,513,336	1,208,127
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)	—
Total of items that will not be reclassified to profit or loss	(34,710)	—
Total other comprehensive income	(34,710)	—
Comprehensive income	2,478,626	1,208,127
Comprehensive income attributable to		
Owners of parent	2,478,626	1,208,127
Comprehensive income	2,478,626	1,208,127

## (3) Condensed quarterly consolidated statement of changes in equity

First six months of the fiscal year ended December 31, 2022 (from January 1, 2022 to June 30, 2022)

(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	—	—	2,513,336	—
Other comprehensive income	—	—	—	—
Total comprehensive income	—	—	2,513,336	—
Increase / decrease in stock acquisition rights	11,232	11,232	—	—
Transfer-restricted stock-based compensation	43,625	178	—	—
Purchase of treasury shares	—	—	—	(37)
Dividends of surplus	—	—	(222,285)	—
Total transactions with owners	54,857	11,410	(222,285)	(37)
Balance as of June 30, 2022	1,921,685	1,865,804	10,115,110	(500)

	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, 2022	54,358	—	54,358	11,599,176	11,599,176
Profit	—	—	—	2,513,336	2,513,336
Other comprehensive income	—	(34,710)	(34,710)	(34,710)	(34,710)
Total comprehensive income	—	(34,710)	(34,710)	2,478,626	2,478,626
Increase / decrease in stock acquisition rights	6,684	—	6,684	29,149	29,149
Transfer-restricted stock-based compensation	—	—	—	43,802	43,802
Purchase of treasury shares	—	—	—	(37)	(37)
Dividends of surplus	—	—	—	(222,285)	(222,285)
Total transactions with owners	6,684	—	6,684	(149,371)	(149,371)
Balance as of June 30, 2022	61,043	(34,710)	26,333	13,928,432	13,928,432



First six months of the fiscal year ending December 31, 2023 (from January 1, 2023 to June 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	—	—	1,208,127	—
Other comprehensive income	—	—	—	—
Total comprehensive income	—	—	1,208,127	—
Increase / decrease in stock acquisition rights	9,015	9,015	—	—
Transfer-restricted stock-based compensation	76,553	(28,374)	—	—
Purchase of treasury shares	—	—	—	(1,999,921)
Dividends of surplus	—	—	(798,260)	—
Total transactions with owners	85,568	(19,359)	(798,260)	(1,999,921)
Balance as of June 30, 2023	2,184,626	2,067,443	11,814,662	(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	—	—	—	1,208,127	1,208,127
Other comprehensive income	—	—	—	—	—
Total comprehensive income	—	—	—	1,208,127	1,208,127
Increase / decrease in stock acquisition rights	459	—	459	18,488	18,488
Transfer-restricted stock-based compensation	—	—	—	48,179	48,179
Purchase of treasury shares	—	—	—	(1,999,921)	(1,999,921)
Dividends of surplus	—	—	—	(798,260)	(798,260)
Total transactions with owners	459	—	459	(2,731,515)	(2,731,515)
Balance as of June 30, 2023	30,108	(34,710)	(4,602)	14,061,671	14,061,671

## (4) Condensed quarterly consolidated statement of cash flows

(Thousands of yen)

	Six months ended June 30, 2022	Six months ended June 30, 2023
Cash flows from operating activities		
Profit before tax	3,914,504	1,843,586
Depreciation and amortization	711,471	776,121
Loss on sale and retirement of fixed assets	17,993	17,742
Increase (decrease) in allowance for doubtful accounts	233	3,097
Finance income	(1,665)	(2,110)
Finance costs	22,682	21,983
Share-based remuneration expenses	53,062	50,545
Accrued paid absences	59,184	(70,760)
Decrease (increase) in trade and other receivables	(340,026)	1,290,415
Increase (decrease) in trade and other payables	(684,228)	(1,787,019)
Increase (decrease) in provision for bonuses	(78,857)	(17,576)
Other	(209,555)	192,856
Subtotal	3,464,799	2,318,878
Interest received	24	35
Interest paid	(11,838)	(11,771)
Income taxes paid	(603,156)	(644,780)
Net cash provided by (used in) operating activities	2,849,830	1,662,361
Cash flows from investing activities		
Purchase of property, plant and equipment	(181,938)	(51,774)
Purchase of intangible assets	(7,930)	—
Payments for loans receivable	—	(1,500)
Payments for acquisition of subsidiaries (net of cash and cash equivalents acquired)	—	(685,941)
Purchase of investment securities	(96,000)	(399,783)
Payments of leasehold and guarantee deposits	(48,211)	(210)
Other	11,620	16,768
Net cash provided by (used in) investing activities	(322,459)	(1,122,441)
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	(386,660)	(618,058)
Dividends paid	(222,285)	(798,260)
Proceeds from exercise of share acquisition rights	19,889	16,121
Purchase of treasury shares	(37)	(1,999,921)
Repayments of lease liabilities	(559,210)	(617,892)
Net cash provided by (used in) financing activities	(1,148,303)	(2,218,010)
Net increase (decrease) in cash and cash equivalents	1,379,068	(1,678,090)
Cash and cash equivalents at beginning of period	5,067,037	7,608,309
Cash and cash equivalents at end of period	6,446,105	5,930,219