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## Consolidated Financial Results for the Three Months Ended March 31, 2023 (Under IFRS)

May 10, 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: May 10, 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 three months ended March 31, 2023 (from January 1, 2023 to March 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	%
Three months ended								
March 31, 2023	8,686	(14.3)	1,633	(39.4)	1,623	(39.5)	1,075	(38.0)
March 31, 2022	10,137	42.5	2,696	84.6	2,685	98.2	1,733	87.1

	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
Three months ended						
March 31, 2023	1,075	(38.0)	1,075	(36.7)	23.16	22.52
March 31, 2022	1,733	87.1	1,698	83.3	38.98	36.09

#### (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				
March 31, 2023	26,906	13,899	13,899	51.7
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	—				
Fiscal year ending December 31, 2023 (Forecast)		0.00	—	18.00	18.00

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

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

(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, 2023	36,000	3.8	5,800	0.5	5,760	0.5	3,770	(0.9)

	Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Yen
Fiscal year ending December 31, 2023	3,770	(0.9)	81.24

Note: Revisions to the earnings forecasts most recently announced: None

**\* 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 March 31, 2023	47,048,600shares
As of December 31, 2022	46,956,800shares

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

As of March 31, 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 three months ended March 31, 2023	46,406,500shares
For the three months ended March 31, 2022	44,460,275shares

**\* 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 March 31, 2023
<b>Assets</b>		
Current assets		
Cash and cash equivalents	7,608,309	3,634,933
Trade and other receivables	5,305,183	5,586,772
Other current assets	169,823	175,171
Total current assets	<u>13,083,315</u>	<u>9,396,876</u>
Non-current assets		
Property, plant and equipment	1,736,817	1,644,355
Right-of-use assets	2,792,262	2,675,427
Goodwill	10,984,224	10,984,224
Other intangible assets	54,980	47,903
Deferred tax assets	561,729	561,729
Other financial assets	1,306,702	1,587,580
Other non-current assets	12,175	8,402
Total non-current assets	<u>17,448,888</u>	<u>17,509,621</u>
Total assets	<u><u>30,532,203</u></u>	<u><u>26,906,496</u></u>

(Thousands of yen)

	As of December 31, 2022	As of March 31, 2023
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	4,498,074	3,353,239
Borrowings	769,954	770,189
Income taxes payable	1,197,781	548,923
Other financial liabilities	1,088,639	1,087,827
Other current liabilities	1,131,027	1,302,732
Total current liabilities	8,685,475	7,062,910
Non-current liabilities		
Borrowings	4,209,043	4,017,926
Provisions	381,741	382,040
Other financial liabilities	1,664,885	1,539,348
Other non-current liabilities	6,000	5,495
Total non-current liabilities	6,261,668	5,944,809
Total liabilities	14,947,144	13,007,719
Equity		
Share capital	2,099,058	2,106,829
Capital surplus	2,086,802	2,116,385
Retained earnings	11,404,796	11,681,101
Treasury shares	(536)	(2,000,457)
Other components of equity	(5,061)	(5,081)
Total equity attributable to owners of parent	15,585,059	13,898,777
Total equity	15,585,059	13,898,777
Total liabilities and equity	30,532,203	26,906,496

(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)

	Three months ended March 31, 2022	Three months ended March 31, 2023
Revenue	10,136,500	8,686,301
Operating expenses	(7,454,486)	(7,046,505)
Other income	15,699	9,969
Other expenses	(1,967)	(16,971)
Operating profit	2,695,746	1,632,794
Finance income	845	1,064
Finance costs	(11,616)	(10,364)
Profit before tax	2,684,975	1,623,495
Income tax expense	(951,853)	(548,929)
Profit	1,733,122	1,074,566
Profit attributable to		
Owners of parent	1,733,122	1,074,566
Profit	1,733,122	1,074,566
Earnings per share		
Basic earnings per share (Yen)	38.98	23.16
Diluted earnings per share (Yen)	36.09	22.52

(Condensed quarterly consolidated statement of comprehensive income)

(Thousands of yen)

	Three months ended March 31, 2022	Three months ended March 31, 2023
Profit	1,733,122	1,074,566
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	1,698,412	1,074,566
Comprehensive income attributable to		
Owners of parent	1,698,412	1,074,566
Comprehensive income	1,698,412	1,074,566

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

First three months of the fiscal year ended December 31, 2022 (from January 1, 2022 to March 31, 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	—	—	1,733,122	—
Other comprehensive income	—	—	—	—
Total comprehensive income	—	—	1,733,122	—
Increase / decrease in stock acquisition rights	7,766	7,766	—	—
Transfer-restricted stock-based compensation	—	21,990	—	—
Purchase of treasury shares	—	—	—	(37)
Dividends of surplus	—	—	(222,285)	—
Total transactions with owners	7,766	29,756	(222,285)	(37)
Balance as of March 31, 2022	1,874,595	1,884,151	9,334,895	(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	—	—	—	1,733,122	1,733,122
Other comprehensive income	—	(34,710)	(34,710)	(34,710)	(34,710)
Total comprehensive income	—	(34,710)	(34,710)	1,698,412	1,698,412
Increase / decrease in stock acquisition rights	2,792	—	2,792	18,325	18,325
Transfer-restricted stock-based compensation	—	—	—	21,990	21,990
Purchase of treasury shares	—	—	—	(37)	(37)
Dividends of surplus	—	—	—	(222,285)	(222,285)
Total transactions with owners	2,792	—	2,792	(182,007)	(182,007)
Balance as of March 31, 2022	57,150	(34,710)	22,440	13,115,581	13,115,581



First three months of the fiscal year ending December 31, 2023 (from January 1, 2023 to March 31, 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	—	—	1,074,566	—
Other comprehensive income	—	—	—	—
Total comprehensive income	—	—	1,074,566	—
Increase / decrease in stock acquisition rights	7,771	7,771	—	—
Transfer-restricted stock-based compensation	—	21,812	—	—
Purchase of treasury shares	—	—	—	(1,999,921)
Dividends of surplus	—	—	(798,260)	—
Total transactions with owners	7,771	29,583	(798,260)	(1,999,921)
Balance as of March 31, 2023	2,106,829	2,116,385	11,681,101	(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	—	—	—	1,074,566	1,074,566
Other comprehensive income	—	—	—	—	—
Total comprehensive income	—	—	—	1,074,566	1,074,566
Increase / decrease in stock acquisition rights	(20)	—	(20)	15,521	15,521
Transfer-restricted stock-based compensation	—	—	—	21,812	21,812
Purchase of treasury shares	—	—	—	(1,999,921)	(1,999,921)
Dividends of surplus	—	—	—	(798,260)	(798,260)
Total transactions with owners	(20)	—	(20)	(2,760,848)	(2,760,848)
Balance as of March 31, 2023	29,629	(34,710)	(5,081)	13,898,777	13,898,777

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

(Thousands of yen)

	Three months ended March 31, 2022	Three months ended March 31, 2023
Cash flows from operating activities		
Profit before tax	2,684,975	1,623,495
Depreciation and amortization	353,170	384,047
Loss on sale and retirement of fixed assets	1,861	16,298
Increase (decrease) in allowance for doubtful accounts	1,557	2,686
Finance income	(845)	(1,064)
Finance costs	11,616	10,364
Share-based remuneration expenses	26,594	23,476
Accrued paid absences	70,808	(81,858)
Decrease (increase) in trade and other receivables	(2,261,944)	(284,275)
Increase (decrease) in trade and other payables	(166,500)	(1,122,165)
Increase (decrease) in provision for bonuses	208,852	233,612
Other	(8,176)	18,901
Subtotal	921,967	823,516
Interest received	24	35
Interest paid	(5,980)	(5,244)
Income taxes paid	(1,078,618)	(1,197,786)
Net cash provided by (used in) operating activities	(162,607)	(379,479)
Cash flows from investing activities		
Purchase of property, plant and equipment	(117,751)	(31,443)
Purchase of intangible assets	(6,250)	—
Purchase of investment securities	—	(299,803)
Payments of leasehold and guarantee deposits	(3,698)	(162)
Other	(1,634)	19,970
Net cash provided by (used in) investing activities	(129,333)	(311,438)
Cash flows from financing activities		
Repayments of long-term borrowings	(193,330)	(193,330)
Dividends paid	(222,285)	(798,260)
Proceeds from exercise of share acquisition rights	13,721	13,858
Purchase of treasury shares	(37)	(1,999,921)
Repayments of lease liabilities	(280,131)	(304,806)
Net cash provided by (used in) financing activities	(682,063)	(3,282,459)
Net increase (decrease) in cash and cash equivalents	(974,003)	(3,973,376)
Cash and cash equivalents at beginning of period	5,067,037	7,608,309
Cash and cash equivalents at end of period	4,093,034	3,634,933