A Total Sales/Marketing Solution Provider for Maximizing Client Profitability

Direct Marketing MiX Inc.

Financial results briefing (FY12/2024 1Q)

May 15th, 2024

DmMiX
(7354)

Financial Results Highlights (FY12/2024 1Q)

- Sales revenue: Down approximately 2.7 billion yen YoY, due to contraction of inbound businesses. Despite this, progress toward the full-year forecast was as planned
- Operating profit: Down approximately 800 million yen YoY as a result of the decline in sales revenue. However, orders have also been received in the highly-profitable spot business, and a high rate of progress has been achieved toward the full-year forecast

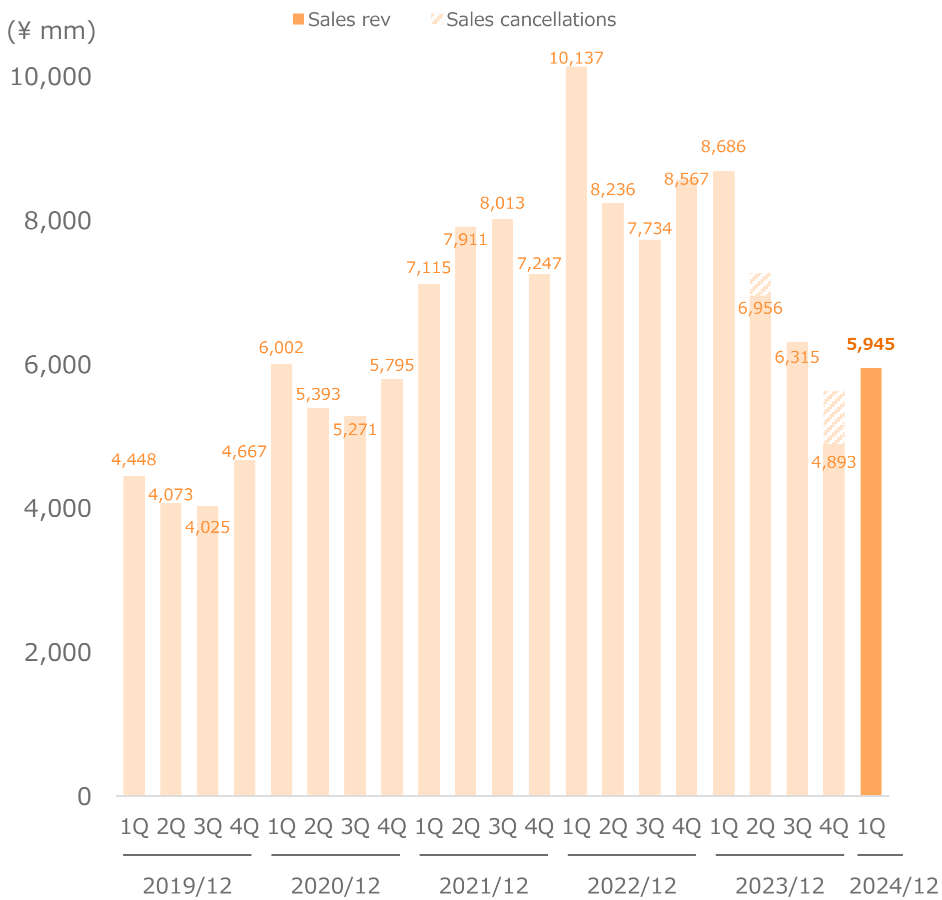
(¥ mm)	2023/12 1Q	2024/12 1Q			
	Results	Results	YoY change (%)	Full-year earnings forecast	Progress rate*2
Sales revenue	8,686	5,945	(2,741) (-31.6%)	21,000	28.3%
Operating profit	1,633	784	(849) (-52.0%)	1,000	78.4%
Profit attributable to owners of parent	1,075	455	(619) (-57.6%)	655	69.6%
EBITDA*1	2,017	1,150	(866) (-43.0%)	2,451	46.9%

*1 EBITDA = operating profit + depreciation + amortization
*2 2024/12 progress rate against the full-year earnings forecast

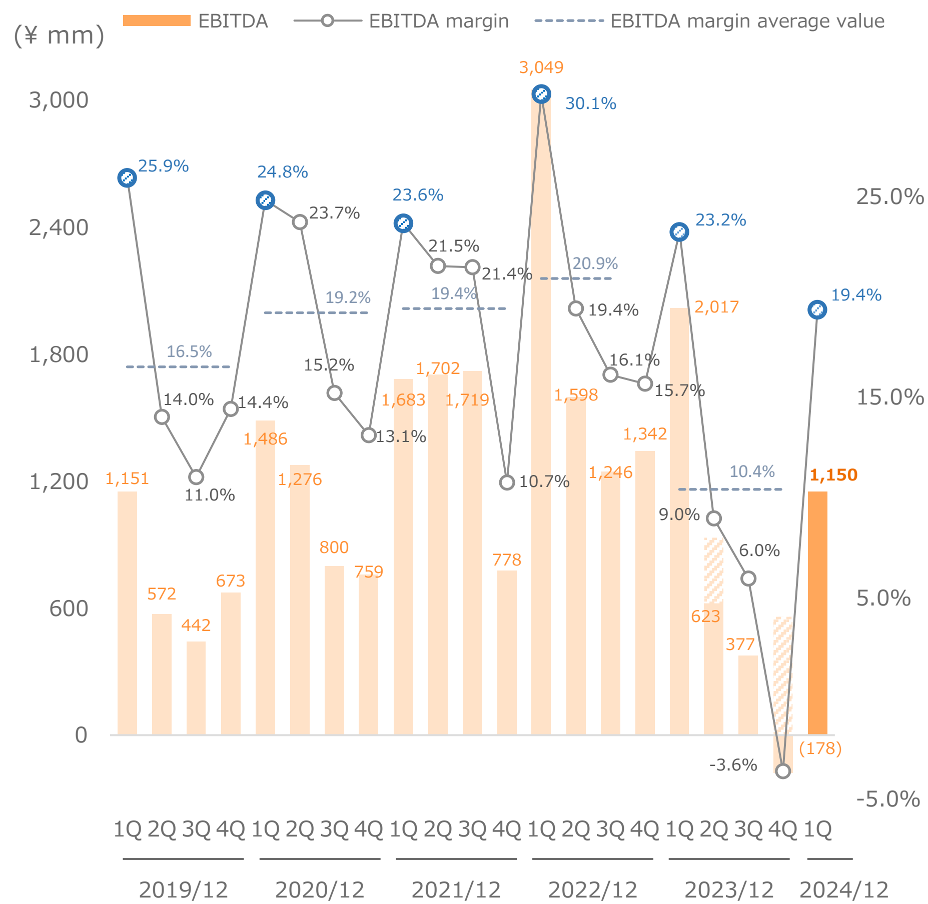
Quarterly Results

- Sales revenue: Down YoY due to the loss of inbound businesses, but solid QoQ growth was achieved
- EBITDA: Steady QoQ growth was achieved, partly due to seasonal factors. Margins fell slightly below the levels of typical years as excess capacity is being acquired this fiscal year in preparation for growth over the medium to long term, but they steadily improved

Quarterly changes in consolidated sales revenue



Quarterly trends in EBITDA･ EBITDA margin

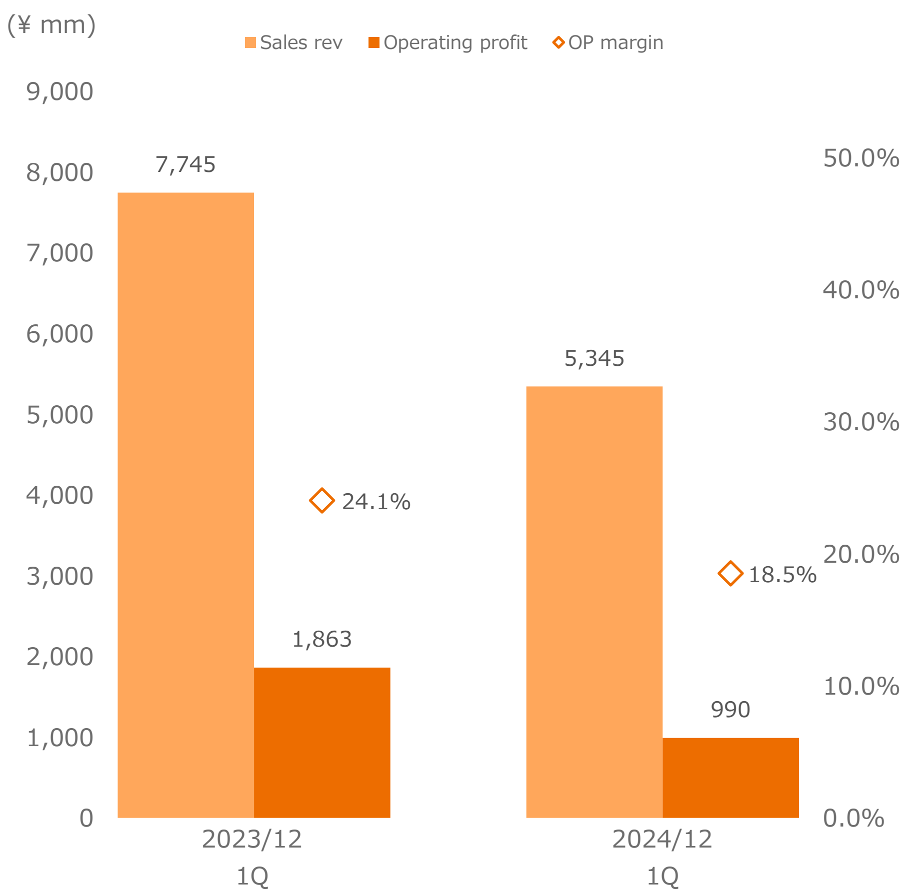


* EBITDA = operating profit + depreciation + amortization
* The shaded area indicates the sales cancellation portion

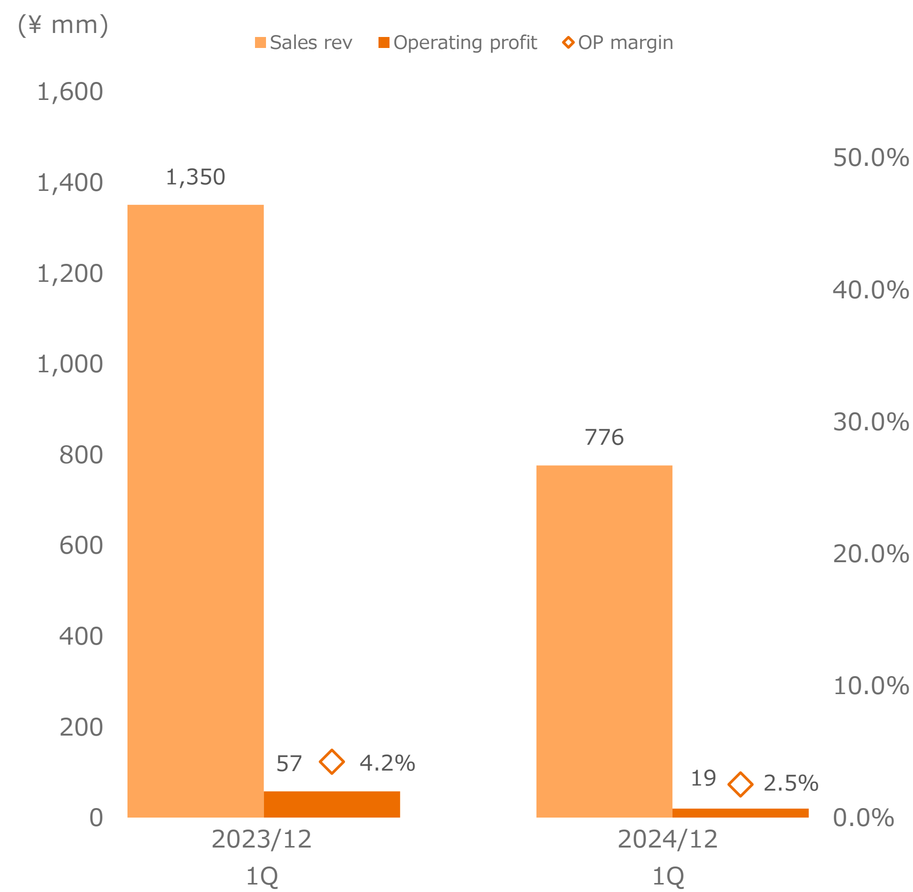
Results per Segment

- **Marketing business: Sales revenue was down 2,399 million yen YoY (-31.0%), and operating profit was down 873 million yen YoY (-46.9%)**
- **On-site business: Sales revenue was down 574 million yen YoY (-42.5%), and operating profit was down 38 million yen YoY (-66.1%)**

Marketing business



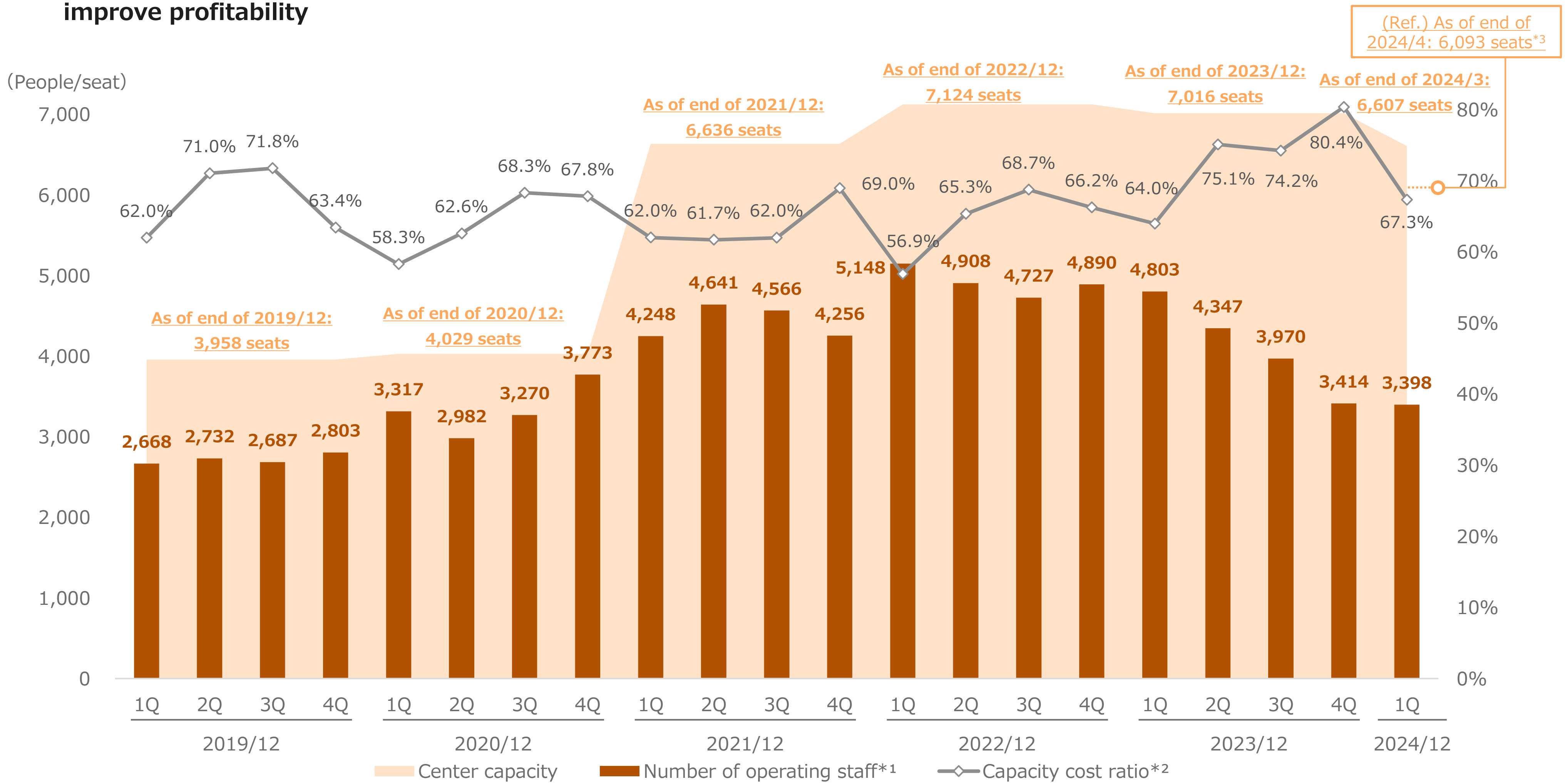
On-site business



* Figures on this page include inter-segment transactions

Changes in Capacity Cost Ratio

■ **There were effects from liquidation of some sites and the capacity cost ratio improved QoQ. Going forward, we will maintain our policy of securing excess capacity to a certain degree in preparation for business expansion over the medium to long term while implementing appropriate controls according to the business environment and seeking to improve profitability**

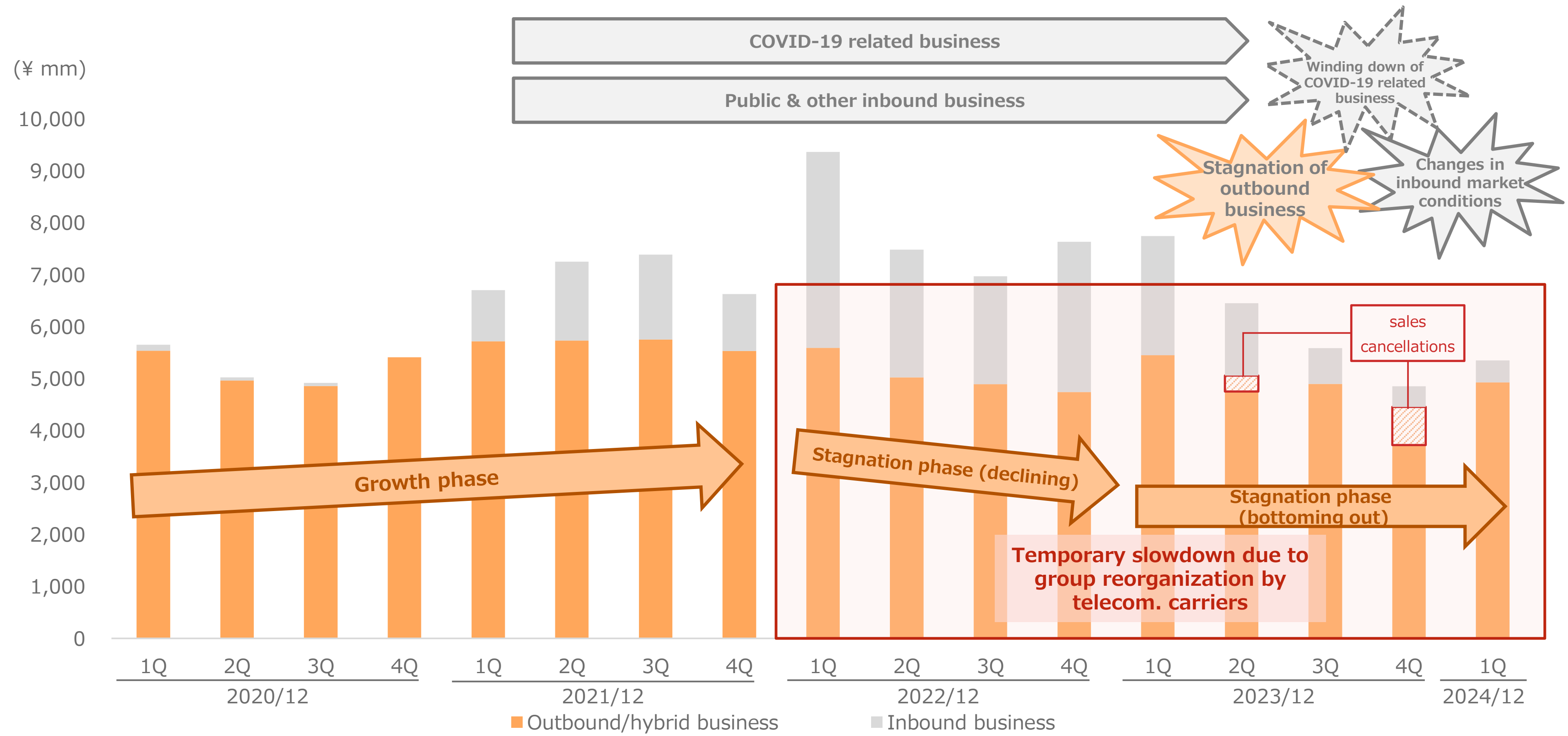


*1 The number of operating staff in marketing business (including external operating personnel such as field sales, etc.)
*2 Capacity cost ratio = (personnel expenses + temporary staffing fees + rent expenses on land and buildings + rent expenses + depreciation and amortization) ÷ sales revenue. Figures from the marketing business (including inter-segment transactions) are used for each value
*3 Number of seats as of the end of April 2024, excluding those at sites set to liquidate at the same date

Order Trends in the Marketing Business

- **In the outbound/hybrid business, despite an ongoing temporary stagnation phase resulting from group reorganization by telecom. carriers and other factors, demand is steady**
- **In inbound business, we will select businesses and focus only on highly-profitable operations**

Changes in sales in the outbound/hybrid business and inbound business



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FY12/2024 1Q B/S and C/F

- Operating cash flow was negative, the same as in the previous fiscal year, due in part to seasonal factors
- Investment cash flow was positive as a result of limited new capital investment as well as effects from refunds of security deposits in conjunction with liquidation of business sites

Consolidated B/S

(¥ mm)	End of 2023/12	End of 2024/3	Change
Total assets	**26,175**	**25,483**	**(692)**
Current assets	8,381	7,939	(442)
Non-current assets	17,794	17,544	(250)
Goodwill	11,391	11,391	+0
Total liabilities	**13,090**	**12,053**	**(1,037)**
Current liabilities	7,436	6,674	(762)
Non-current liabilities	5,654	5,379	(274)
Total equity	**13,085**	**13,430**	**+345**
Total equity attributable to owners of parent	13,085	13,430	+345
Total liabilities & equity	**26,175**	**25,483**	**(692)**

Consolidated C/F

(¥ mm)	2023/12 1Q	2024/12 1Q	Change	2023/12 Full year (Ref.)
Operating cash flow	(379)	(126)	+253	1,612
Investment Cash flow	(311)	79	+390	(1,234)
Financial Cash flow	(3,282)	(651)	+2,632	(3,527)
Free Cash flow	**(691)**	**(48)**	**+643**	**378**

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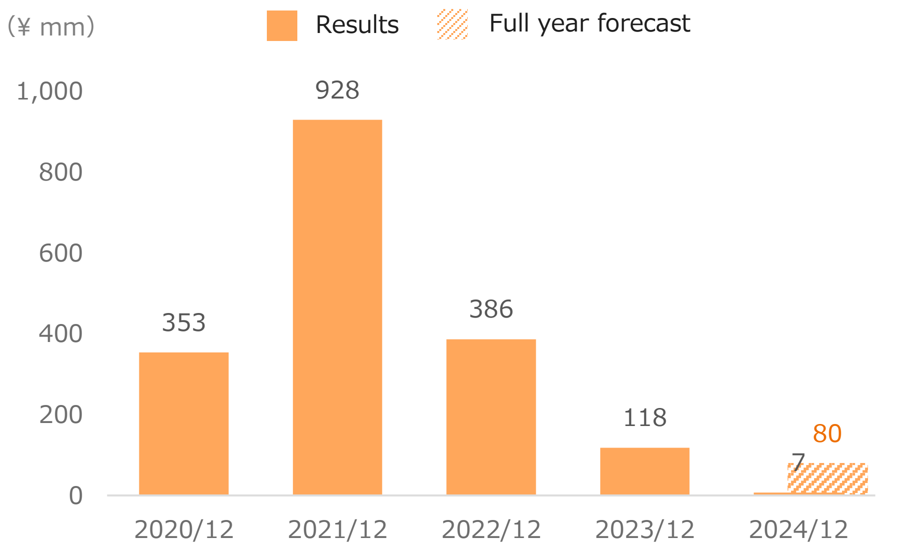
Investment Plan and Progress

Capital investment

- Expenses for buildings and accompanying facilities were slightly higher than initially planned due to the occurrence of unexpected construction costs

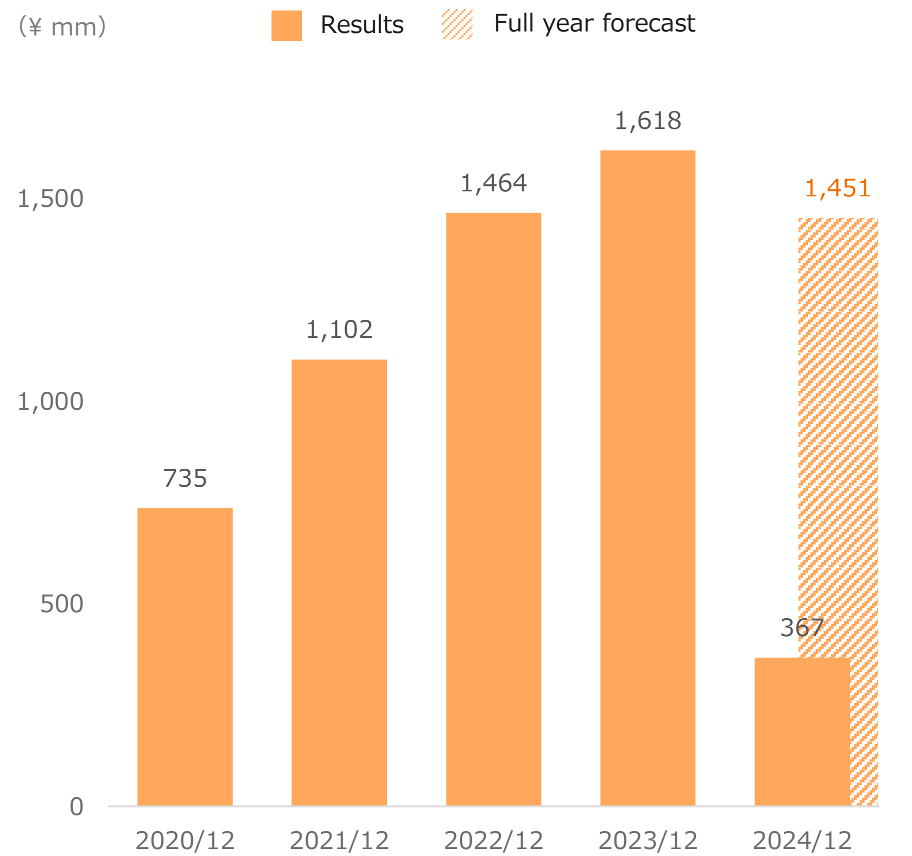


Major capital investment breakdown

(¥ mm)	2020	2021	2022	2023	2024	
	Results	Results	Results	Results	1Q Results	Full year Forecast
Buildings and accompanying facilities	177	492	165	60	6	4
Tools, furniture and fixtures	165	405	213	57	1	75
Software	11	31	8	1	0	0

Depreciation & Amortization

- A slight decrease is expected in FY12/2024 in conjunction with the completion of depreciation of large-scale capital investments made in FY12/2021



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