mixi

FY2015 Second-Quarter Earnings Result Briefing Session
(July1st 2015 – September 30th 2015)

mixi, Inc.
http://mixi.co.jp/
TSE Mothers 2121

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No guarantee of the accuracy of that information is stated or implied.
The public should be aware of the possibility that actual earnings may diverge from these forecasts due to changes in any number of factors.

Financial Condition

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Profit / Loss (Cumulative)

- Net sales and profit exceeds earnings estimates

Unit: millions of yen

	FY2015/1H (Apr - Sept 2015)	Earnings Estimates	% of Year-End Estimates	FY2014/1H (Apr - Sept 2014)	Change (half year on half year)
Net Sales	95,351	185,000	51.5%	34,954	172.8%
Operating Income	43,674	80,000	54.6%	14,350	204.4%
Ordinary Income	43,352	80,000	54.2%	14,342	202.3%
Profit Attributable to Owners of Parent	28,429	52,000	54.7%	9,082	213.0%

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Segment Adjusted EBITDA

・Segment operating income before depreciation and amortization (EBITDA)

Unit: millions of yen

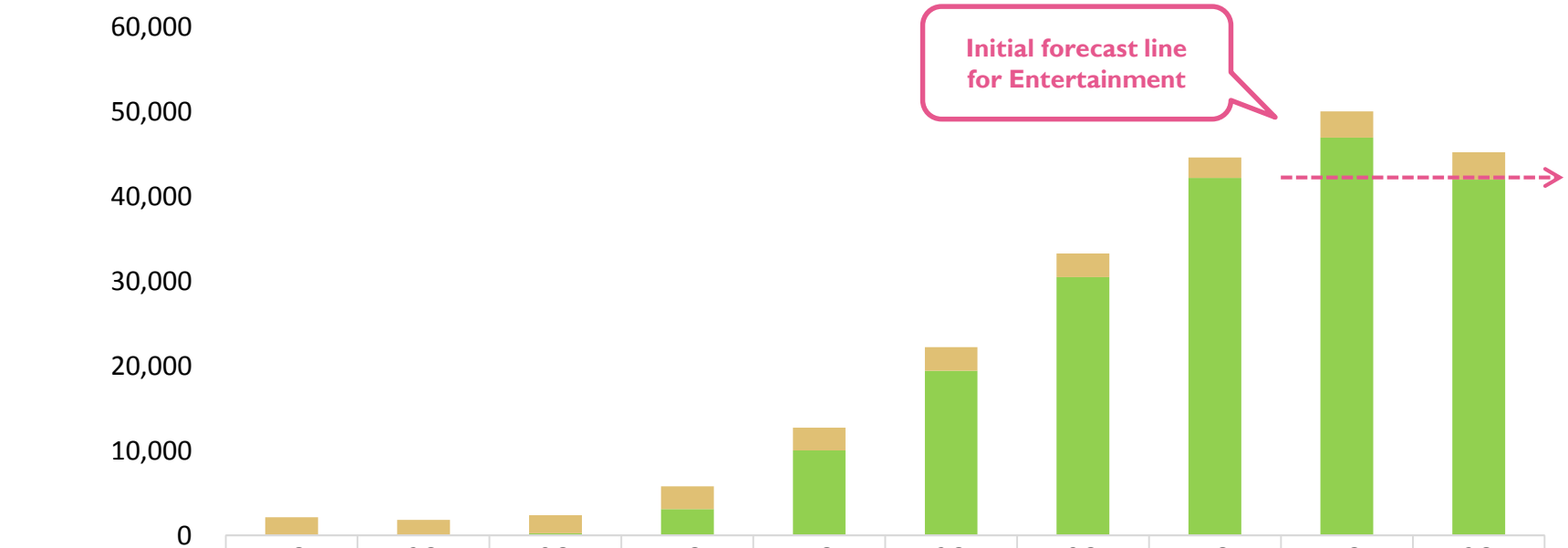
	FY2015/1H (Apr - Sept 2015)	FY2014/1H (Apr - Sept 2014)	Change (half year on half year)
Entertainment			
Net Sales	89,027	29,497	201.8%
Segment Operating Income (EBITDA)	45,670	14,257	220.3%
Media Platform			
Net Sales	6,324	5,457	15.9%
Segment Operating Income (EBITDA)	1,152	1,190	-3.2%

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Sales Trend (Quarterly)

- Entertainment: In line with year-end earnings estimate of ¥169 billion (¥42.2 billion/quarter)
  - Negatives: Temporary decrease in ARPPU as existing paying users took advantage of beginner's pack
  - Positives: Beginner's packs contribute to the increase in paying users; paying user rate continues at high level in October
- Media platforms: steady growth of Ticket Camp

Unit: millions of yen



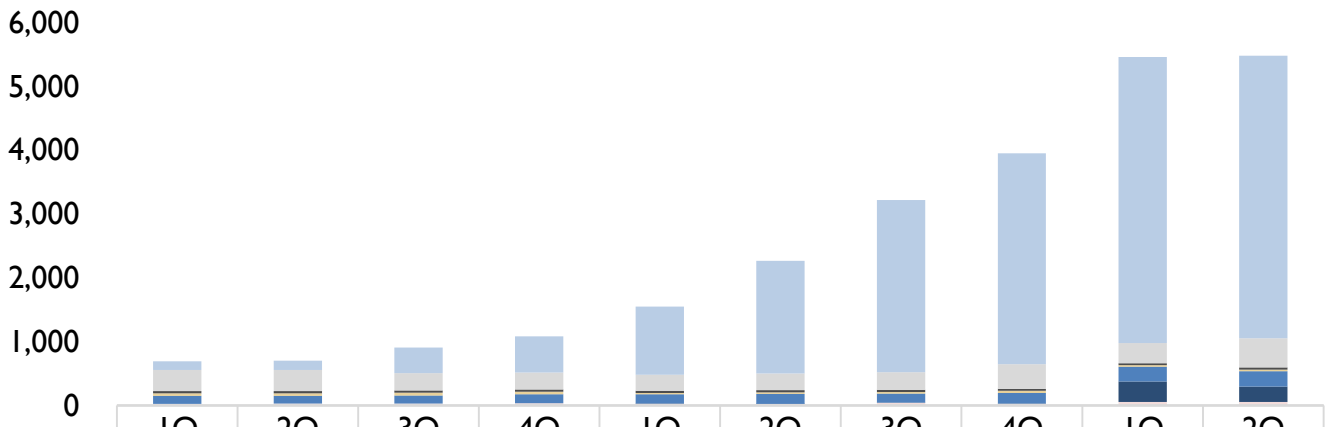
	FY2013				FY2014				FY2015	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Mediaplatform	2,144	1,835	2,116	2,685	2,674	2,782	2,783	2,426	3,078	3,246
Entertainment	-	-	261	3,113	10,044	19,452	30,528	42,226	47,002	42,025

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Cost of Sales (Quarterly)

- Outsourcing costs: Approximately ¥700 million for new titles and 3DS development costs

Unit: millions of yen



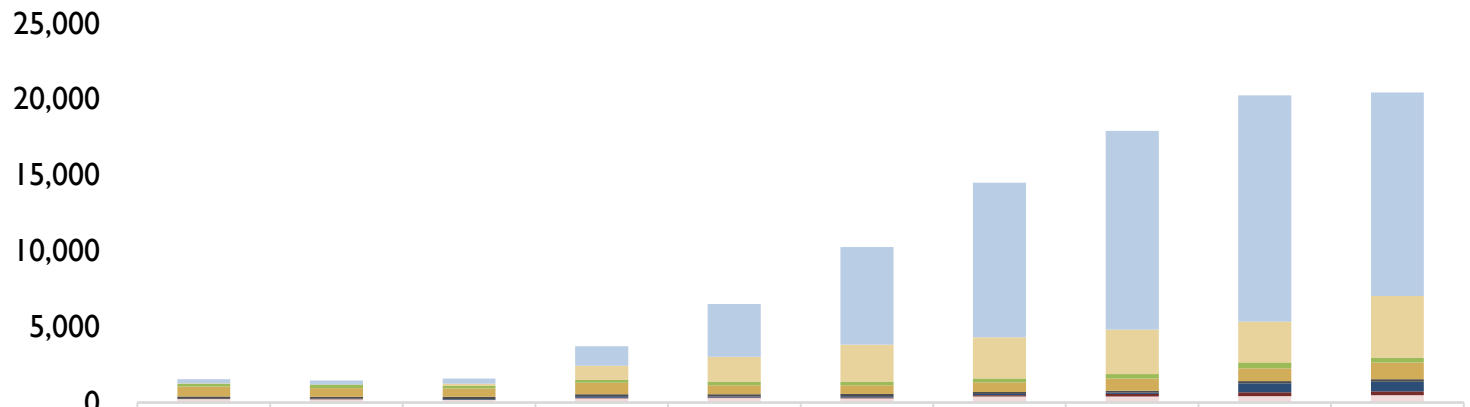
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
	FY2013				FY2014				FY2015	
Outsourcing	135	145	401	569	1,068	1,764	2,702	3,307	4,482	4,428
Personnel expenses for development	329	330	267	264	250	262	273	383	314	461
Content procurement expenses	37	35	35	35	35	34	34	34	34	34
Depreciation	39	38	47	42	22	24	29	32	23	25
Rental charges	123	123	124	137	145	156	140	168	232	237
Purchases	-	-	-	-	1	1	1	1	319	243
Others	29	31	33	38	31	27	44	29	58	57

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SG&A expenses (Quarterly)

- Advertising costs: Approximately ¥600 million for marketing of Ticket Camp

Unit: millions of yen



	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
	FY2013				FY2014				FY2015	
Settlement fees	275	258	348	1,294	3,486	6,439	10,210	13,131	14,938	13,429
Advertising	15	17	149	941	1,665	2,459	2,711	2,924	2,693	4,075
Outsourcing	192	217	166	178	220	244	266	293	376	326
Personnel	662	573	552	759	591	568	621	803	843	1,083
Rents on properties	138	140	137	133	147	142	140	139	162	183
Amortization of Goodwill	22	22	37	101	72	72	72	72	585	621
Tax and public charge	9	8	7	39	35	65	99	181	255	250
Others	216	205	180	272	290	274	385	390	413	484

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Business Condition

- Entertainment Business
- Media Platform Business

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Entertainment Business

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モンスターストライク
MONSTER STRIKE



ありがとう！2周年！

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Number of Downloads

Unit: 10,000s of people



3,500
3,000
2,500
2,000
1,500
1,000
500
0

Launch on iOS
Launch on Android
Start of TV commercials
Launch of Taiwan version
Launch of North America version
Launch of South Korea version
Launch of China version
Launch of Hong Kong and Macao version
Stop providing China version

Oct-2013 Jan-2014 Apr Jul Oct Jan-2015 Apr Jul Oct

Domestic Overseas China

*Number of downloads: Monster Strike
*Number of downloads does not include multiple downloads from the same device

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Domestic

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Enhancement of Brand Recognition and Sales

eSport





Grand Prize Tournament

In-Game Events



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Games





3DS

Direct Contacts



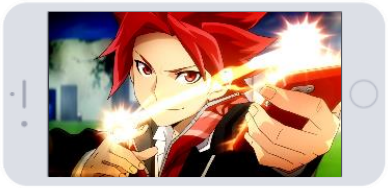


Offline Events

TV Commercials



Video Contents



Anime



Video Website

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In-Game Collaboration

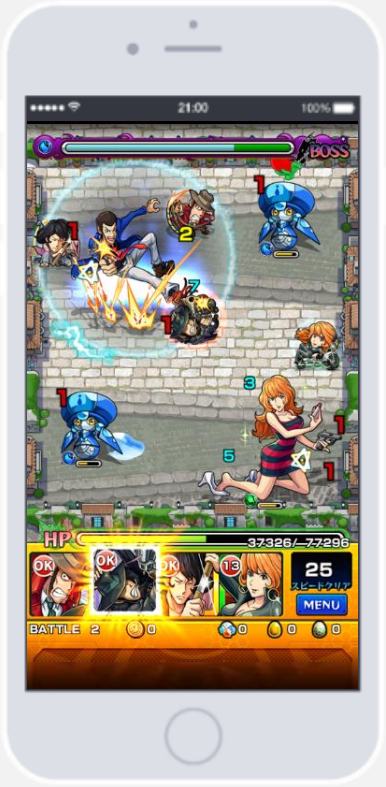
- Collaboration with Lupin III, users can obtain characters by completing quests
- Advance user participation campaign, broadcast of TV commercials for the collaboration

9/17 - 30





<TV Commercial: Lupin III Collaboration>



<Quest image>

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e-Sports Promotion

- Cooperating in "Monster Strike Gran Prix 2016 Tokaigi Cup" hosted by e-Sports Distribution Organization



- ✓ Details: Monst Stadium tournament
  Four-player teams
- ✓ Prizes: ¥50 million
- ✓ Qualifications: at least 18 years old (no high school students)
- ✓ Schedule: Regional qualifying match starting in December; Final in January 31

*e-Sports: "electronic sports" Organized multiplayer video games in competitive matches and viewed online via streaming or in stadiums around the world

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Monster Strike Anime

- Broadcast on YouTube in 11 languages*1, new anime formats for the smartphone era
- New way to make the game more fun by linking anime and Monster Strike

Over 5 million views*2



①Watch anime



＜Spell Input Screen＞

Anime Character in App



＜Anime Character＞



＜App Character＞

- ✓ Puzzle Solving
- ✓ Story
- ✓ Characters and Stages



＜App＞

②Linking anime to the app make the game more fun

*1: Japanese, English, Chinese (traditional), Chinese (simplified), Korean, French, German, Spanish (Castillian), Spanish (Latin American), Portuguese (continental), Portuguese (Brazilian)
*2: Anime started in October 10, achieved over 5 million views in October 25

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Pre-Order for Monster Strike 3DS version

- Approach to younger users who don't have their own smartphones, considering the coverage to the app in the future

On Sale December 17



Nintendo Monster Strike 3DS version

Launch Date: December 17
Pre-Order: Starting October 2
Price: ¥4,500
Developer: TOSE Co., Ltd.
Pre-Order Bonus: Oragon Earphone Jack Plug Accessory



Pre-Order Bonus

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Overseas

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Overseas Updates

Taiwan / Hong Kong / Macao

- Sales at high level in all three regions
- Collaboration with Ultra Street Fighter IV
- Over 100,000 users registered on official YouTube channel

North America

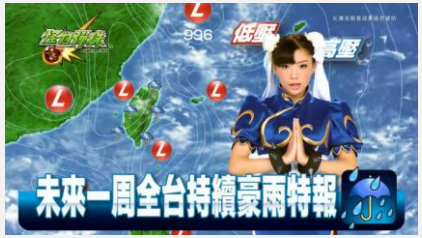
- Selecting marketing partners, preparing to undertake joint marketing on large-scale, scheduled to start before end of FY2015
- Major renewal of app is planned

In-Game Collaborations

Monster Strike x Ultra Street Fighter IV

10/16 - 10/29





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<Collaboration TV Commercial>

YouTube channel



North America Version*



<Before>



<After>

*The design is subject to change

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New Apps

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“BLACK KNIGHT STRIKERS”



Three-player cooperative play, and battle this time

Planned for launch before end of year

*Release date is subject to change due to the situation of approval by app stores
*Logo is subject to change

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Co-produced by mixi, Inc., The Walt Disney Company (Japan) Ltd., and NHN PlayArt Corp.

“MARVEL TSUM TSUM”



Planned for launch in Spring 2016

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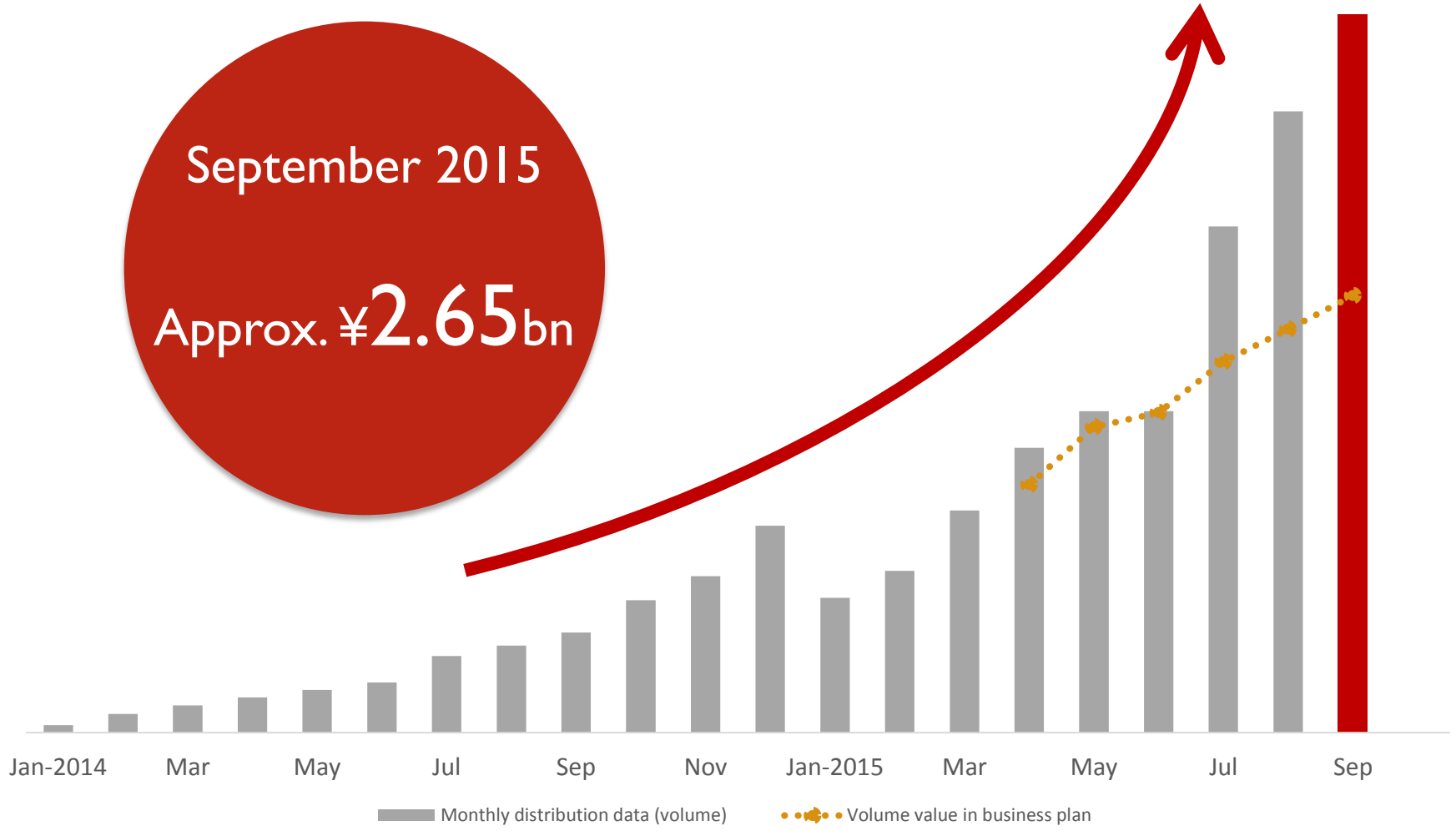
Media Platform Business

- TicketCamp
- Service Updates

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TicketCamp's Monthly Transaction Value

- Monthly transaction value is much higher than initially estimated
- New TV commercials planned to start in November



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Service Updates

nohana



Kao Bioré u x nohana
<Original Design Photobook Image>

- Respect for the Aged Day campaign with Kao Bioré u
- nohana New Year's cards 2016 shows strong growth in orders

ノハナ年賀状
2016

mixi agent

NEW

Started in August 2015



<Consultant introductions page>

- mixi Recruitment launched new job-search support site

→ specializing in people looking for jobs in Web industry; multifaceted support from industry-specialist job-search consultants

家族アルバム みてね

Kazoku Album "Mitene"



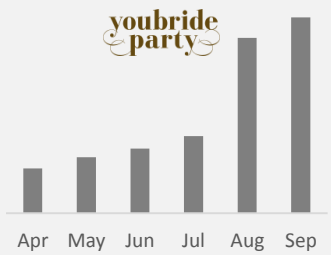
<On the Scene: "mitene Tea Ceremony">

- First user event:"mitene Tea Party"
- Steady growth in number of active users

youbride / youbride party

ミクシィグループの婚活支援サービス

No. of participants



- Marriage partners site "youbride" achieved total of over 1 million users in September 2015
- Marriage activity parties "youbride Party" sees steady growth in participants

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Earnings Estimates

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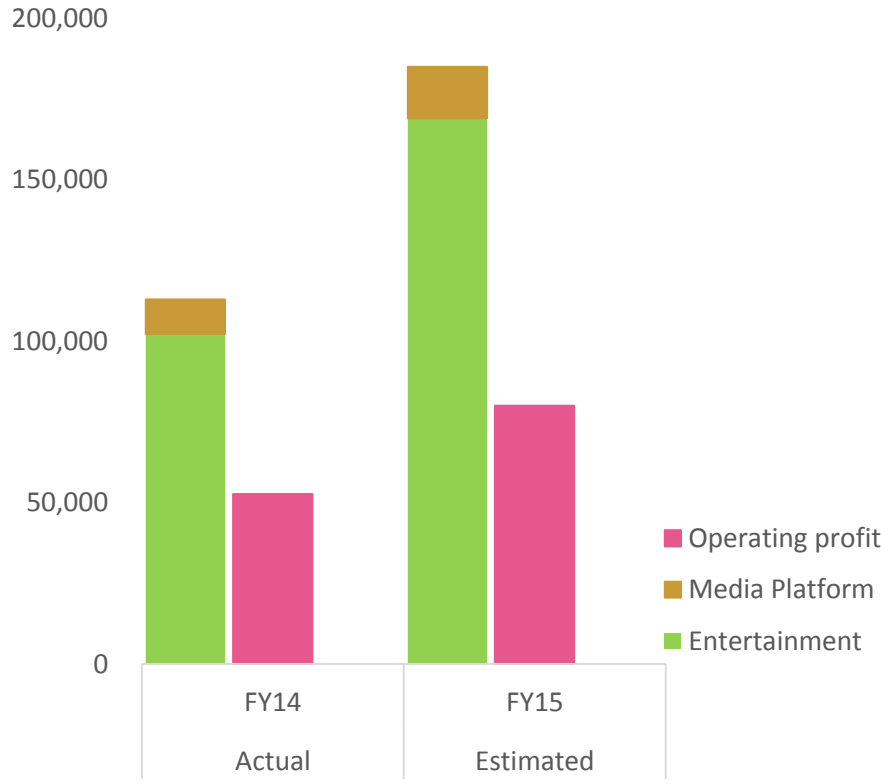
FY2015 Earnings Estimates

- Estimated consolidated net sales in October is approximately ¥16.5 billion
- Earnings estimates remain unchanged, taking into consideration of upside potential from Monster Strike in Japan, 3DS, overseas developments and new titles, and upfront investments

Unit: millions of yen

	FY2015 (Apr 2015 - Mar 2016)
Sales	185,000
Operating profit	80,000
Recurring profit	80,000
Net profit	52,000

Unit: millions of yen



Appendix

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BS / CF

Unit: millions of yen

	FY2015/2Q (end of Sep 2015)	FY2014/1Q (end of Sep 2014)
Current assets	102,102	38,845
Non-current assets	22,377	4,771
Total assets	124,480	43,617
Current liabilities	29,654	12,278
Non-current liabilities	—	9
Net assets	94,826	31,329

	FY2015/2Q (Apr 2015-Sep 2015)	FY2014/2Q (Apr 2014-Sep 2014)
CFs from operating activities	20,308	11,174
CFs from investing activities	▲832	237
CFs from financing activities	▲757	312
Cash and cash equivalents at end of period	84,133	28,549

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Company Overview

Company name	mixi, Inc.			
Establishment	June 3, 1999			
Capital	9.69 billion yen			
Location of main office	Sumitomo Shibuya First Tower Building 7F, 1-2-20 Higashi, Shibuya-ku, Tokyo, 150-0011			
Executive officers and directors	President	Hiroki Morita	Outside Director	Ichiya Nakamura
	Director	Yasuhiro Ogino	Outside Director	Tatsuya Aoyagi
	Director	Shuhei Nishio	Corporate Auditor	Takako Kato
	Director and Founder	Kenji Kasahara	Outside Corporate Auditor	Takayuki Sato
			Outside Corporate Auditor	Hiroyuki Wakamatsu
Employees	513 (regular employee only)			
Total number of shares issued	84,295,500 shares			

Major Shareholders (As of Sep 30, 2015)		
	Kenji Kasahara	43.27%
	(individual shareholder)	2.37%
	SBI SECURITIES Co.,Ltd.	1.92%
	NORTHERN TRUST GLOBAL SERVICES LIMITED, LUXEMBOURG RE CLIENTS NON-TREATY ACCOUNT	1.79%
	MSCO CUSTOMER SECURITIES	1.67%

As of Sep 30, 2015

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History

1997	November	Start of operations of "Find Job !" Internet site for Help Wanted business
1999	June	Founding of E-Mercury, Inc.
2000	October	Reorganization of E-Mercury
2001	February	Start of "@Press" for proxy distribution of news releases
2004	February	Start of social networking service SNS"mixi"
2006	February	Company name changed to mixi, Inc.
	September	Shares listed on Tokyo Stock Exchange, Mothers Market
2011	April	Find Job! spun off as separate company, mixi recruitment, Inc.
2012	March	Established mixi America, Inc. in the U.S.
2013	January	Acquired Internet research business, added as subsidiary mixi research, Inc.
	July	Established I-Mercury Capital, Inc.
	September	Established nohana, Inc.
	October	Start of operations for smartphone games app Monster Strike
	November	Acquired all shares of Confianza, Inc. converted to subsidiary
	December	Acquired all shares of Diverse, Inc. converted to subsidiary
	December	mixi research, Inc. acquires mystery shopping business
2014	March	Received approximately 6.5 billion yen from public offering funded capital increase
2015	March	Acquired all shares of MUSE & Co., Ltd. converted to subsidiary
		Acquired all shares of Hunza, Inc. converted to subsidiary
	July	Received approximately 17.5 billion yen from public offering funded capital increase

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Group Companies

Business Units

mixi, Inc.

Providing SNS mixi and Monster Strike

minimo みてね

mixi recruitment, Inc.

Providing Find Job!, a platform for matching companies and job-seekers, specializing in Internet sector personnel

Find Job!

mixi research, Inc.

Providing mystery shopping services for "blind" market research

Shopper's Eye

nohana, Inc.

Providing nohana family photo book service, fostering family communication through photographs

nohana

Diverse, Inc.

Providing youbride and YYC, online wedding support platforms for people who want to be married

youbride YYC

Confianza&Co.,Inc.

Providing dating events for people to meet new friends and lovers

ecle ~えくる~

MUSE & Co., Ltd.

Providing MUSE & Co., a fashion commerce service for women

MUSE&Co.

Hunza, Inc.

Providing Ticket Camp, a ticket flea-market service

TicketCamp

Investment companies

I-Mercury Capital, Inc.

mixi America, Inc.

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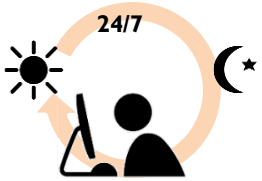
Systems Supporting a Healthy mixi and Monster Strike

mixi systems for keeping the network clean and healthy

We are taking further measures to improve the healthiness of our services, mixi and Monster Strike, so all of our users can continue to enjoy them in safety and confidence. In so doing, we hope to contribute to the improvement the health and safety of the Internet community.

SNS"mixi"

Patrolling by humans, systems



- Proprietary tools for oversight
- Inquiries, comments round-the-clock, every day

Zoning of young users



- Access controls based on user age
- Ability to block ads, etc.

Education, enlightenment activities



- Setting up user education content inside services
- Participation in symposia, lectures

Monster Strike



Illicit actions



Investigation and analysis of cheating tools

Improved functionality through updates



Blocking accounts



* Checks and responses: supervision and reporting of malevolent users

- Took measures against actions that clearly upset the balance of the game, as some users used cheating tools to alter game data and gain illicit access to items and higher levels

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