



FY2017 Q2 Earnings Result Briefing Session

mixi, Inc.

- Financial Condition
- Business Condition
 - Entertainment Business
 - Media Platform Business
- FY2017 Earnings Estimates
- Appendix

Financial Condition

Quarterly Profit/Loss

Unit: millions of yen

	FY2017 / Q2 (Jul 2016 – Sep 2016)	FY2016 / Q2 (Jul 2015 – Sep 2015)	Change (YoY)	FY2017 / IQ (Apr 2016 – Jun 2016)
Net Sales	39,325	45,271	-13.1%	47,344
Operating Income	14,153	19,329	-26.8%	20,130
Ordinary Income	13,836	19,014	-27.2%	19,973
Profit Attributable to Owners of Parent	9,301	12,468	-25.4%	13,578

Segment Adjusted EBITDA

- Segment operating income before depreciation and amortization (EBITDA)

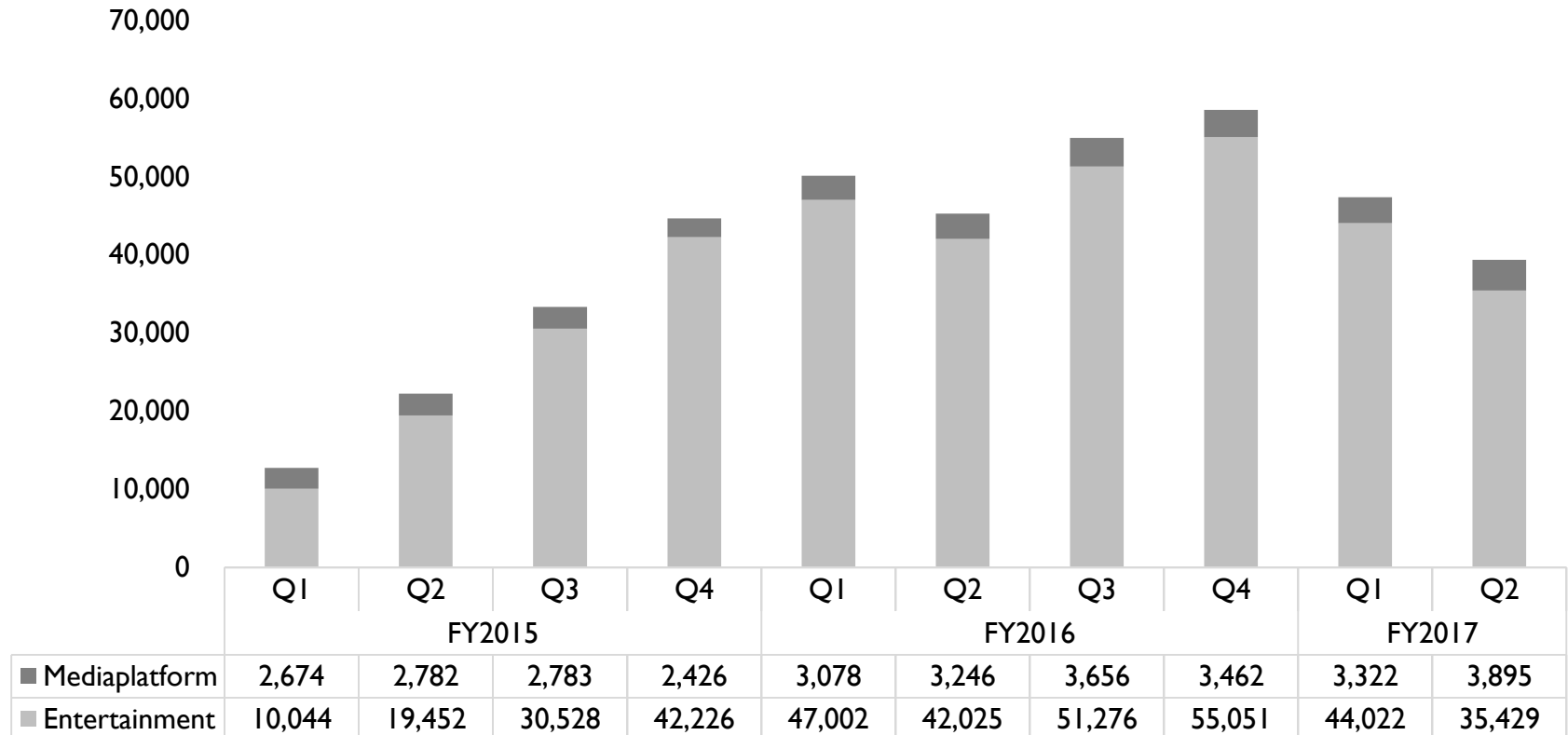
Unit: millions of yen

	FY2017/IH (Apr 2016 – Sep 2016)	FY2016/IH (Apr 2015 – Sep 2015)	Change (YoY)
Entertainment			
Net Sales	79,452	89,027	-10.8%
Segment Operating Income (EBITDA)	36,899	45,670	-19.2%
Media Platform			
Net Sales	7,217	6,324	14.1%
Segment Operating Income (EBITDA)	955	1,152	-17.1%

Quarterly Sales

- Active users down about 8% QoQ
- Monthly revenue significantly fell short of the projection in September

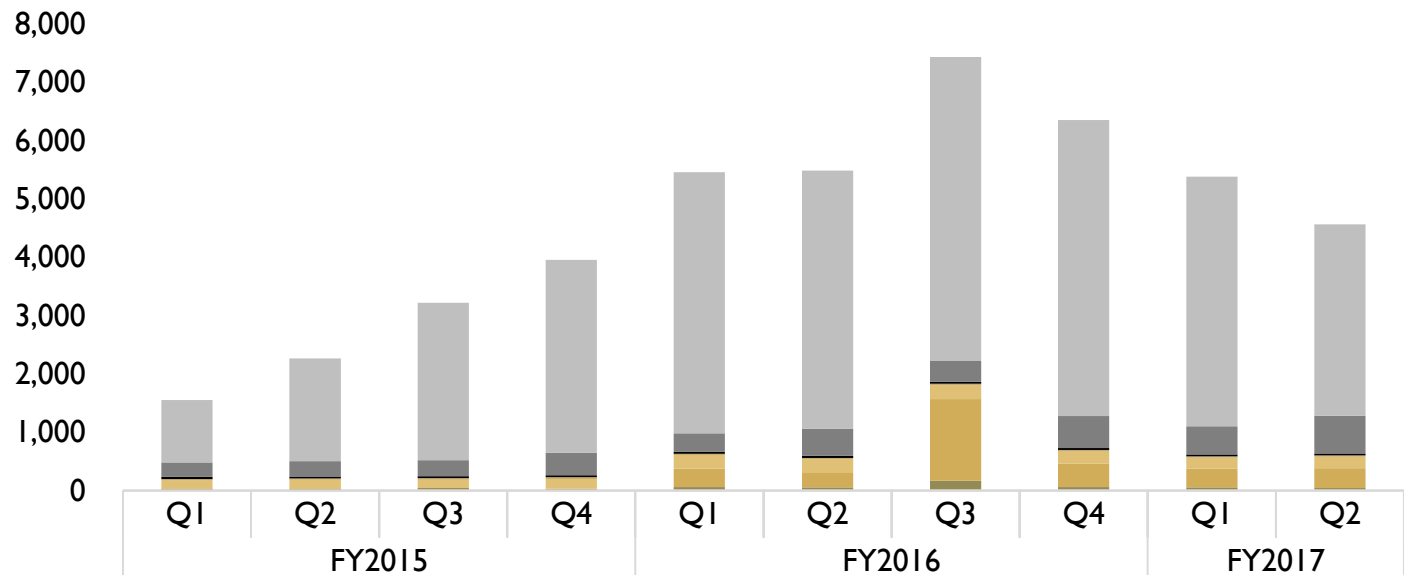
Unit: millions of yen



Quarterly Cost of Sales

- Personnel expenses: temporary increase with provision for bonuses

Unit: millions of yen

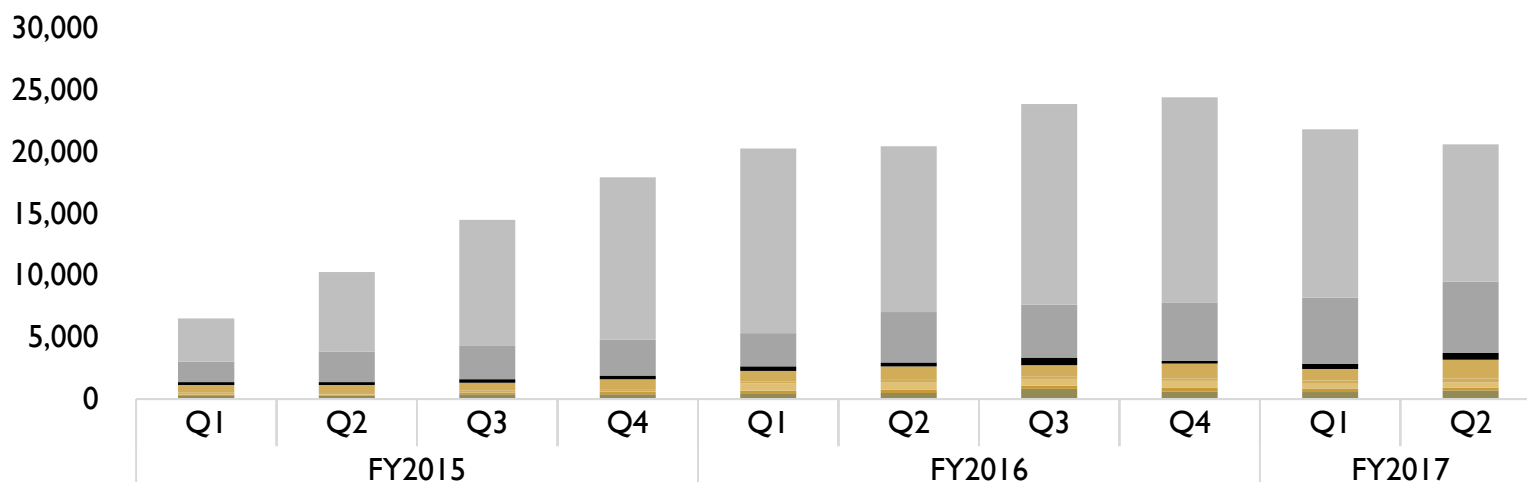


	FY2015				FY2016				FY2017	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
■ Outsourcing	1,068	1,764	2,702	3,307	4,482	4,428	5,212	5,076	4,284	3,284
■ Personnel expenses for development	250	262	273	383	314	461	358	551	483	649
■ Content procurement expenses	35	34	34	34	34	34	33	33	33	33
■ Depreciation	22	24	29	32	23	25	25	26	19	20
■ Rental charges	145	156	140	168	232	237	237	208	189	197
■ Purchases	1	1	1	1	319	243	1,400	403	321	340
■ Others	31	27	44	29	58	57	170	59	56	45

Quarterly SG&A Expenses

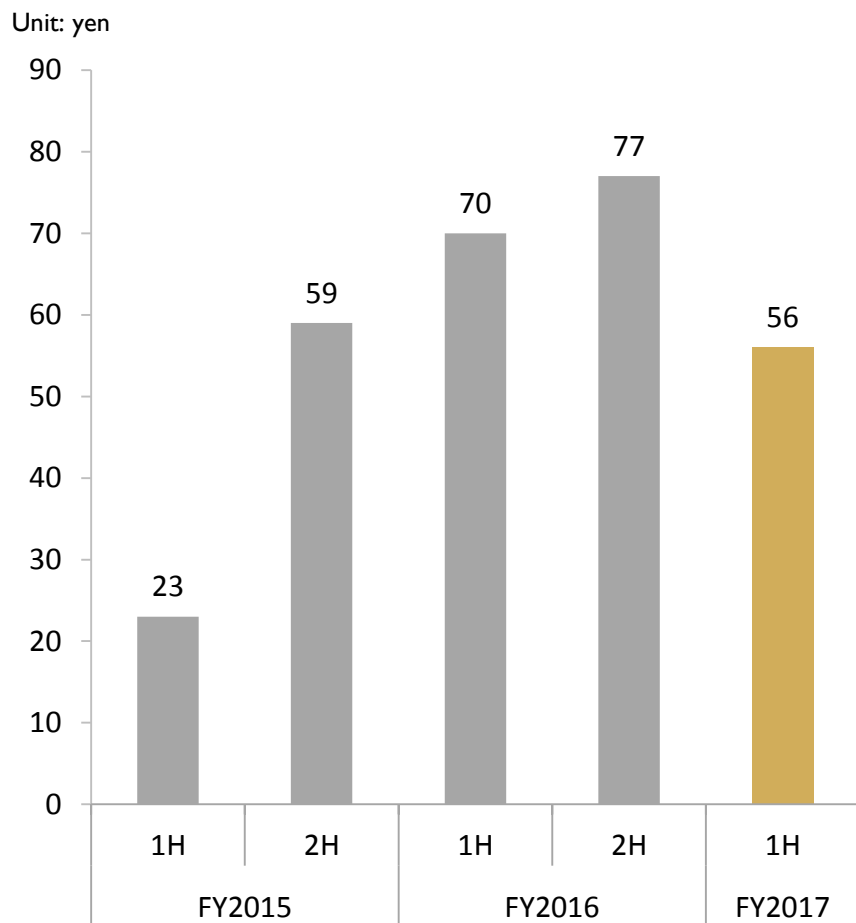
- Personnel expenses: temporary increase with provision for bonuses
- Others: increase in cost of additional office floor space

Unit: millions of yen



	FY2015				FY2016				FY2017	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
■ Settlement fees	3,486	6,439	10,210	13,131	14,938	13,429	16,235	16,599	13,632	11,095
■ Advertising	1,665	2,459	2,711	2,924	2,693	4,075	4,299	4,750	5,341	5,776
■ Outsourcing	220	244	266	293	376	326	594	217	418	554
■ Personnel	591	568	621	803	843	1,083	929	1,200	951	1,536
■ Rents on properties	147	142	140	139	162	183	189	190	237	291
■ Amortization of Goodwill	72	72	72	72	585	621	544	566	409	409
■ Tax and public charge	35	65	99	181	255	250	257	311	283	254
■ Others	290	274	385	390	413	484	814	589	550	680

Dividends Per Share



Share Repurchase

Class of Shares to be Repurchased	Common Shares of mixi
Total Number of Shares to be Repurchased	Up to 3,000,000 shares
Total Repurchase Price of Shares	Up to 10,000,000,000 yen
Repurchase Period	From November 10, 2016 to March 31, 2017
Repurchase Method	Market Purchases on the Tokyo Stock Exchange (Market purchases under a discretionary trading contract)

Business Condition

- Entertainment Business
- Media Platform Business



XFLAG PARK2016

September 25, 2016

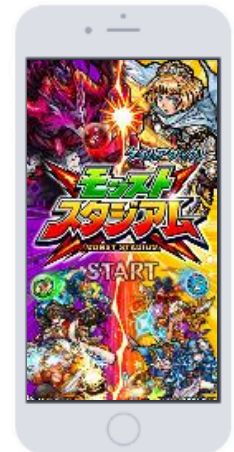
- Held pre-registration event XFLAG PARK2016, invited around 20,000 on the day
- Title stage featuring XFLAG's game titles such as Monster Strike; in addition, implemented trial offering of new user experience transcending the "game" framework



Monster Strike Gran Prix 2016 Championship

September 25, 2016

- e-Sport Distribution Organization plans to hold "Monster Strike Gran Prix 2016 Championship" to decide the best Monster Strike team
- Top team chosen from the approximately 2,500 teams/10,000 people applying



In-Game Collaboration① / Major update

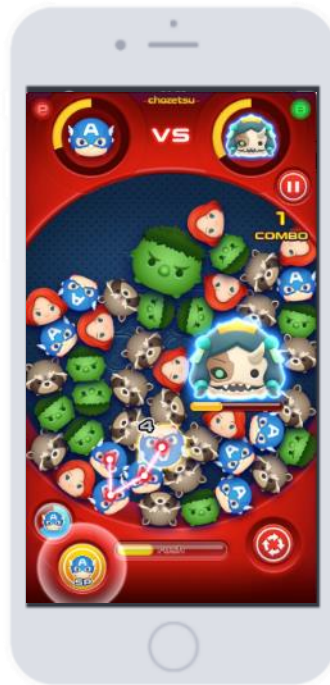
“MARVEL TSUM TSUM” × “Monster Strike”

September 16 to October 2

Implemented reciprocal collaboration with MARVEL TSUM TSUM ; characters from both appearing in game



<Monster Strike>



<MARVEL TSUM TSUM>

Major update

October 6, 2016

Major update to ver.8.0



3-year appreciation campaign

- Implemented large-scale campaign for 3-year anniversary (period: Oct. 8 to Oct. 10)
- Large-scale marketing endeavors: in-game campaign, plus TV commercial, live events, etc.



<OOH (Shibuya)>



<Event>

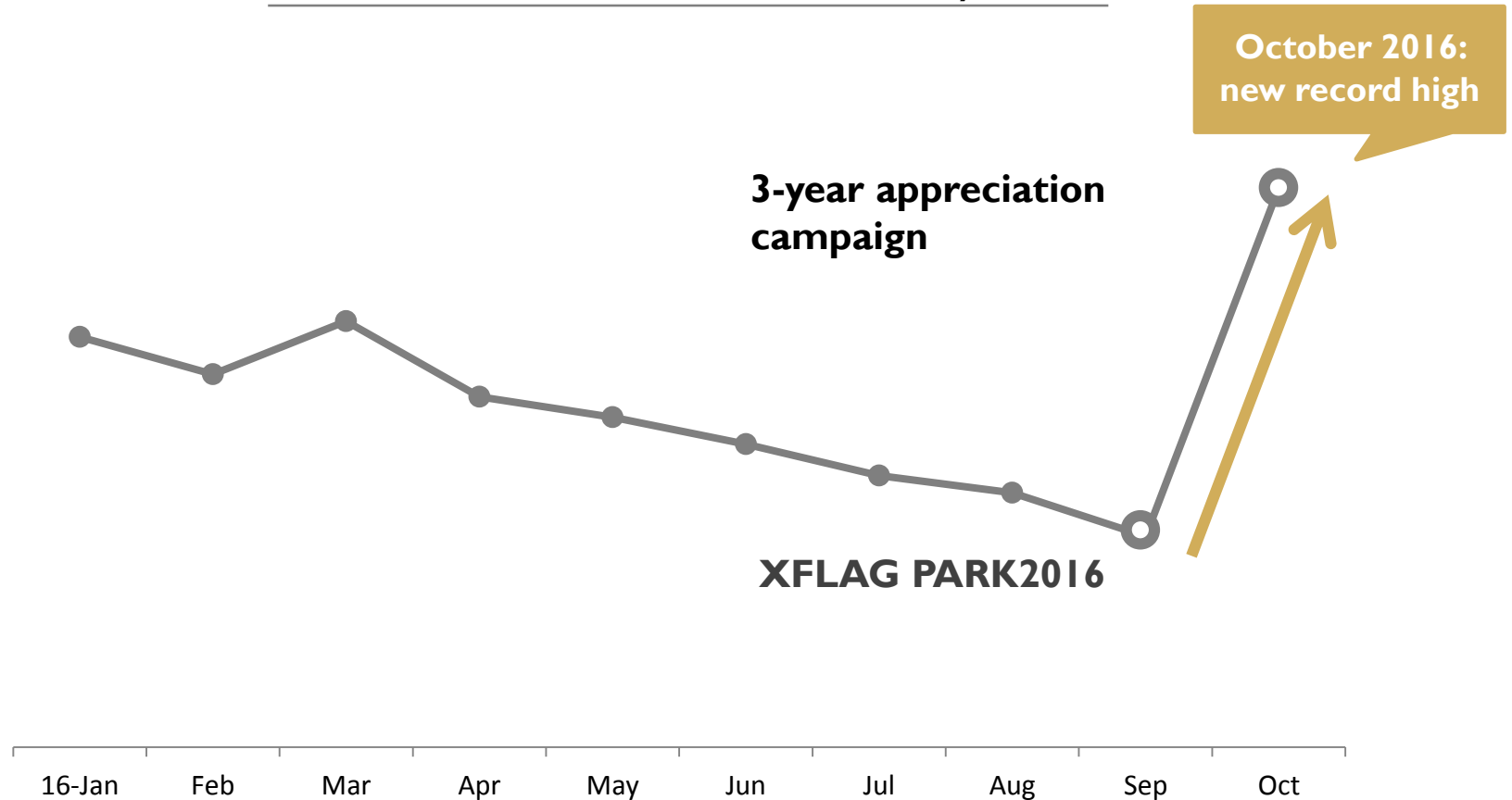


<TVCM>

State of Monster Strike domestically in October

- After the 3-year anniversary campaign, October has set a new record for the number of domestic active users

Transition of active user numbers
for Monster Strike domestically



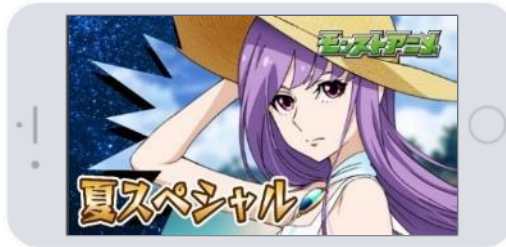
- Collaboration with TV animation “Yu☆Yu☆Hakusho” determined



Coming Soon

Video Contents : Anime “Monster Strike”

- Passed 100-million mark for number of global views*
- Indication of revenue contribution by animation broadcast; more proactive from October onward with coordination in animation/games



< Anime >

< Anime >

Added to characters' charm through animation



*As of August 27, 2016

YouTube broadcast: calculation of overall total of playbacks as well as average playbacks per episode for the period from October 10, 2015 to August 27, 2016 of episodes 1 to 37 of the animation as well as the summer special "Mermaid" in Japanese, English, Chinese (traditional), Chinese (simplified), Korean, French, German, Spanish (Catalan), Spanish (Latin), Portuguese (Continental), and Portuguese (Brazil); summary from YouTube Analytics

Video Contents : "Monster Strike THE MOVIE"

mixi GROUP

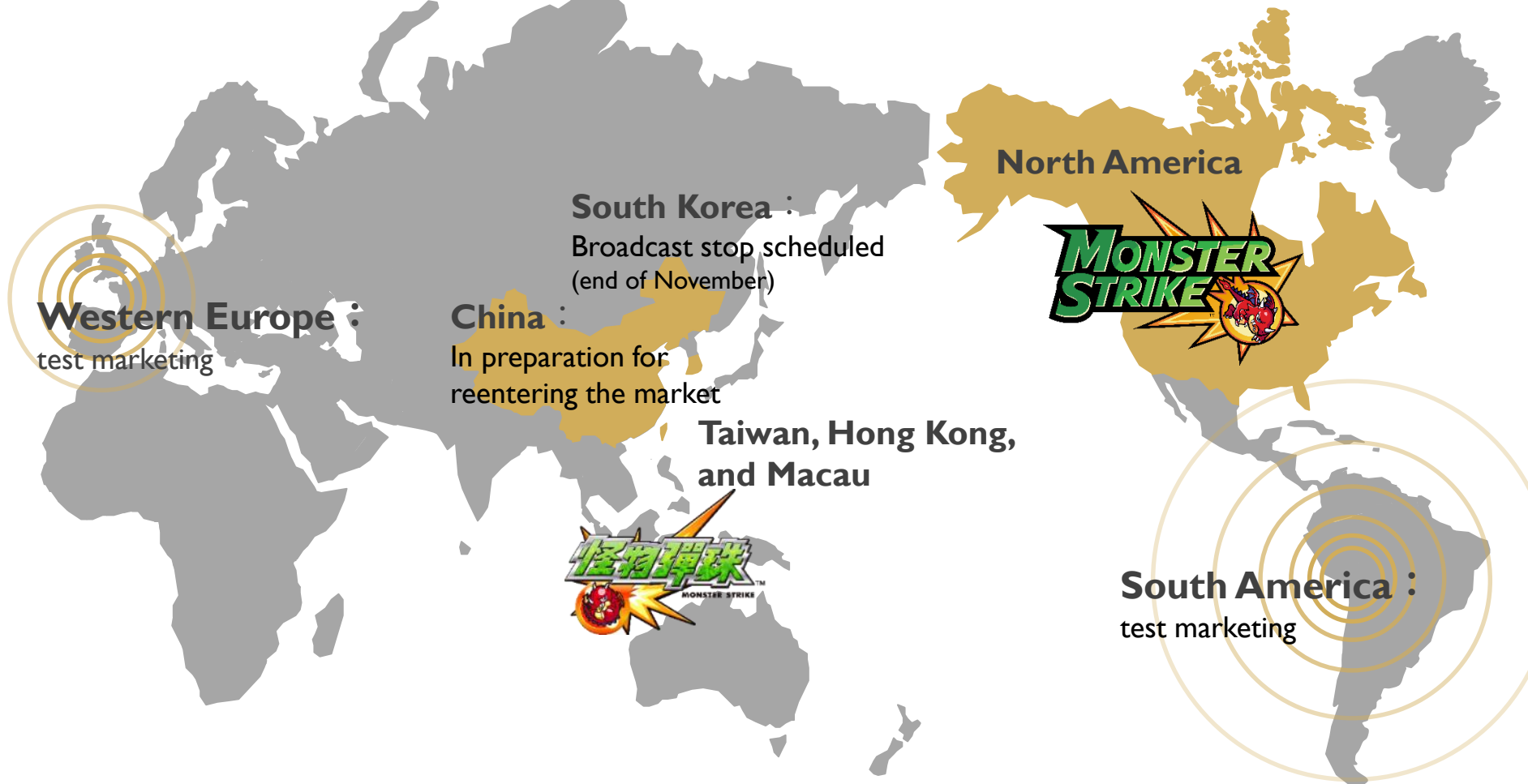


December 10, 2016

Production : XFLAG
Distribution : Warner Bros.
Screening in 300 cinemas nationwide

©mixi, Inc. All rights reserved.

- Started test marketing in South America and Western Europe*
Plan to further increase the number of countries where English version is offered making the game that can be enjoyed globally



*Broadcasting to 16 South American countries (Brazil, Mexico, Argentina, etc.) and 17 Western European countries (England, France, Germany, Italy, Spain, etc.) for a total of 33 countries (as of November 9, 2016)

MARVEL TSUM TSUM

- In addition to North America, began offering to 150+ countries worldwide*1
- Over 6 million users*2



©2016 MARVEL

*1 : Released in October 26, 2016.

153 markets on the Apple App Store® and 121 markets on GooglePlay™, including UK, France, Italy, Germany, Latin America, Korea, Hong Kong, Taiwan etc.

*2 : As of November 3, 2016

Business Condition

- Entertainment Business
- Media Platform Business

One of the Largest Ticket Flea Market Apps in Japan



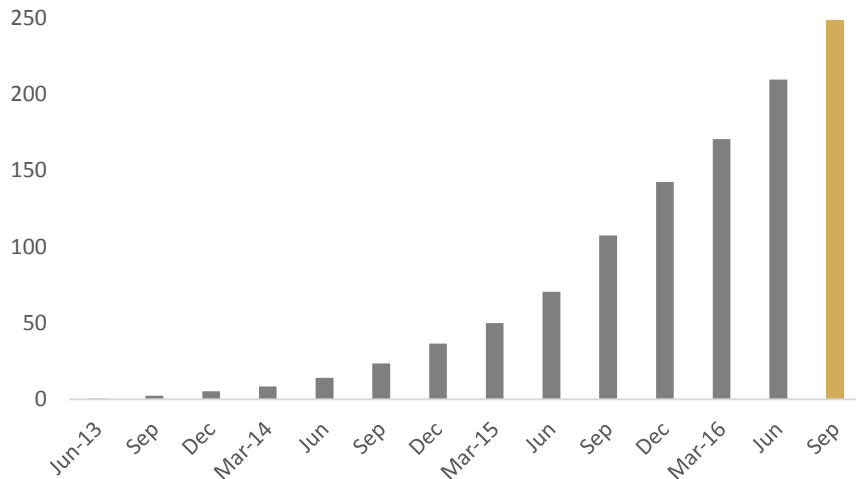
Released in June 2013



- The GMV steadily expanding along with the number of users
- Reached high of 60% for app ratio*1

Cumulative Total Number of Registered Members

Unit: 10,000s of users



*1 : App ratio = (Distribution total by app usage)/(Distribution total)
As of September 2016

Beauty Salon reservation app

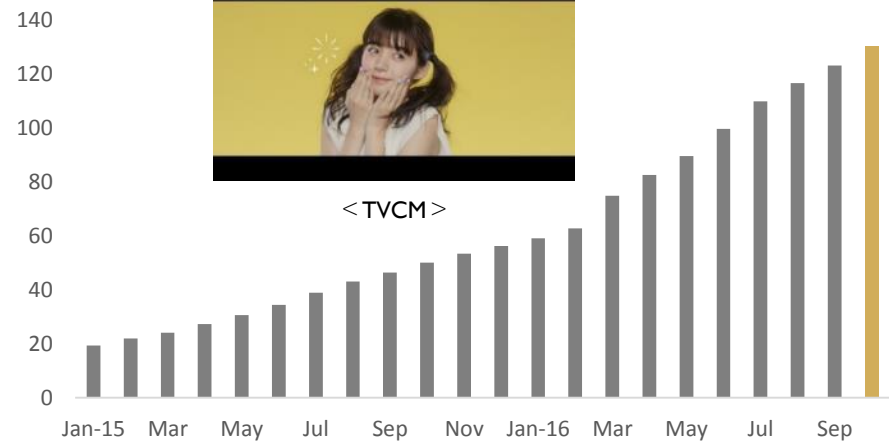


Released in January 2014

- Passed 1.3 million mark for cumulative users*2
- First TV commercial broadcast from November 4, featuring Elaiza Ikeda

Cumulative Total Number of Users

Unit: 10,000s of users



*2 : As of October 2016

Children's Photo/Video Sharing App



Released in April 2015

- Over 700,000 users with 20 million photos uploaded per month*
- Release of photo book service
- Received 2016 Good Design Award, selected for Best 100

Number of Active Users



*As of October 2016

Social Networking Service



Official released in March 2004

- Continuing offer of services focused on community and centered on connection through interest/admiration
- "Link-a-Nation" (PC browser game) launched from October 31 with collaborative content by Tomu, Co., Ltd.



©Link-a-Nation Copyright © 2016 TMS ENTERTAINMENT CO.,LTD.

FY2017 Earnings Estimates

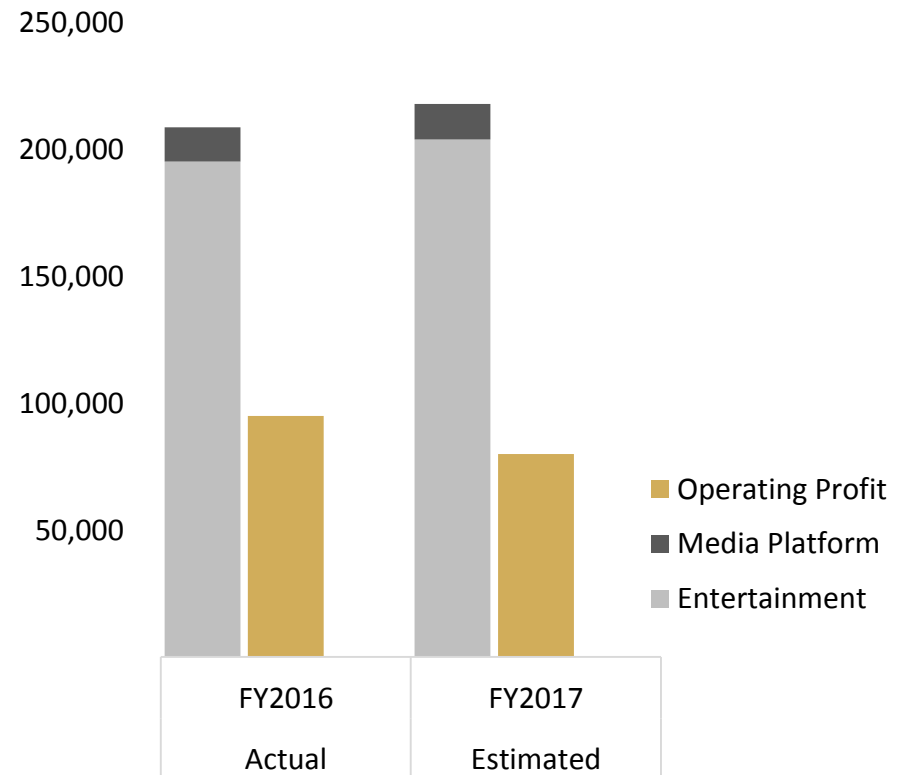
FY2017 Earnings Estimates

- Sales (consolidated) for October ¥18 billion (expected): new record for domestic Monster Strike active users
- Considering current business and seasonal variation, earnings forecast remains unchanged

Unit: millions of yen

	FY2017 (Apr 2016 – Mar 2017)
Sales	218,000
Operating Income	80,000
Ordinary Income	80,000
Profit Attributable to Owners of Parents	54,000

Unit: millions of yen



Appendix

Unit: millions of yen

	FY2017/Q2 (End of Sep 2016)	FY2016/Q2 (End of Sep 2015)
Current Assets	131,689	102,102
Non-Current Assets	23,041	22,377
Total Assets	154,730	124,480
Current Liabilities	26,594	29,654
Non-Current Liabilities	119	0
Net Assets	128,015	94,826

	FY2017/Q2 (Apr 2016 – Sep 2016)	FY2016/Q2 (Apr 2015 – Sep 2015)
CFs from Operating Activities	10,601	20,308
CFs from Investing Activities	-930	-832
CFs from Financing Activities	-16,804	-757
Cash and Cash Equivalents at End of Period	119,144	84,133

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 As of Oct 25, 2016	President	Hiroki Morita	Outside Director	Tatsuya Aoyagi
	Director	Yasuhiro Ogino	Corporate Auditor	Takako Kato
	Director	Koki Kimura	Outside Corporate Auditor	Takayuki Sato
	Director and Founder	Kenji Kasahara	Outside Corporate Auditor	Hiroyuki Wakamatsu
Employees	678 (regular employee only)			
Total number of shares issued	81,879,450 shares			
Major Shareholders	Kenji Kasahara			44.47%
	THE BANK OF NEW YORK			1.44%
	STATE STREET BANK AND TRUST COMPANY			1.28%
	CHASE MANHATTAN BANK GTS CLIENTS ACCOUNT ESCROW			1.20%
	CBLDN-CDSIL AS DEPOSITARY FOR OLD MUTUAL GLOBAL INVESTORS SERIES			1.07%

As of Sep 30, 2016

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”
	March	Official 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	July	Established I-Mercury Capital, Inc.
	September	Established nohana, Inc.
	October	Start of operations for smartphone games app Monster Strike
	December	Acquired all shares of Diverse, Inc. converted to subsidiary
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

Business Units

mixi, Inc.

SNS mixi and Monster Strike



mixi recruitment, Inc.

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



nohana, Inc.

nohana family photo book service, fostering family communication through photographs

nohana

Diverse, Inc.

Matching platform focused on marriage



MUSE & Co., Ltd.

MUSE & Co., a fashion commerce service for women

MUSE&Co.

Hunza, Inc.

Ticket Camp, a ticket flea-market service



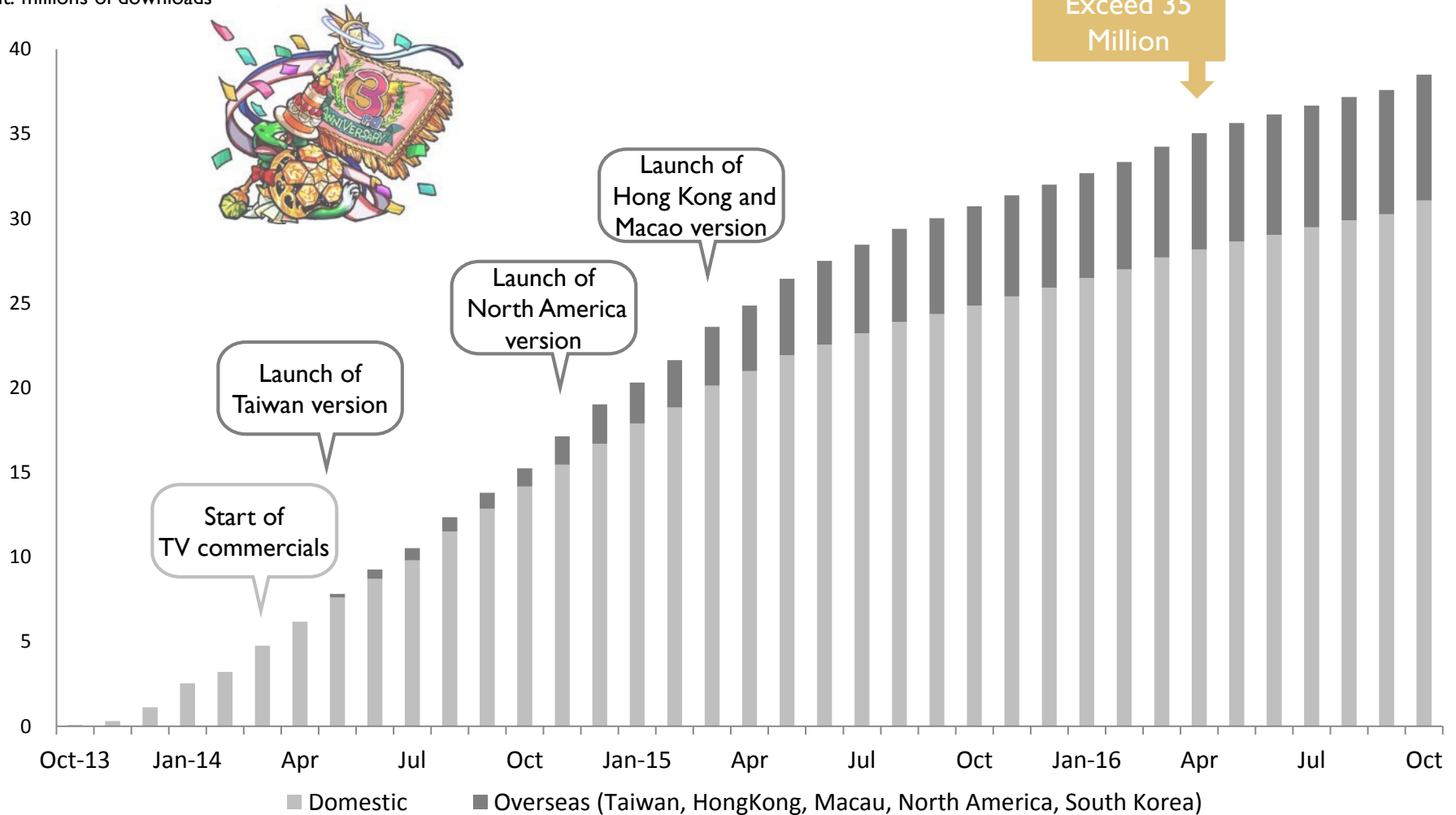
Investment companies

I-Mercury Capital, Inc.

mixi America, Inc.

Monster Strike Number of Downloads

Unit: millions of downloads



*Exceed 35 million downloads worldwide on April 29, 2016

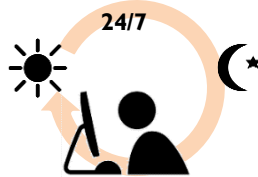
*Number of downloads does not include multiple downloads from the same device

mixi group systems for keeping the network clean and healthy

We are taking further measures to improve the healthiness of our services, 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.

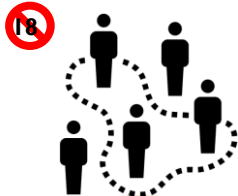
SNS“mixi”

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



The opinions and forecasts contained in these materials are based on mixi's knowledge as of the time the materials were created.

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.