



Consolidated Financial Results for the Six Months Ended September 30, 2024 [Japanese GAAP]

January 14, 2025

Company name: MIXI, Inc.
 Stock exchange listing: Tokyo Stock Exchange
 Securities code: 2121
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 Scheduled date of filing semi-annual securities report: January 14, 2025
 Date of commencing dividend payments: December 9, 2024
 Availability of supplementary briefing material on financial results: Available
 Schedule of financial results briefing session: Scheduled (conference call for institutional investors and securities analysts)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Six Months Ended September 30, 2024 (April 1, 2024 to September 30, 2024)

(1) Consolidated Operating Results (Cumulative) (% indicates changes from the previous corresponding period.)

	Net sales		EBITDA*		Operating income		Ordinary income		Profit attributable to owners of parent	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Six months ended										
September 30, 2024	68,820	7.6	11,110	86.9	8,748	129.5	9,016	139.7	5,227	132.3
September 30, 2023	63,968	(2.7)	5,943	(55.9)	3,811	(66.1)	3,760	(64.3)	2,250	14.8

* EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) is amount based on operating income excluding depreciation and amortization of goodwill.

(Note) Comprehensive income: Six months ended September 30, 2024: ¥7,885 million [204.4 %]
 Six months ended September 30, 2023: ¥2,590 million [(15.7)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	¥	¥
September 30, 2024	74.94	74.06
September 30, 2023	31.37	31.00

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	¥ million	¥ million	%
As of September 30, 2024	213,259	175,500	81.1
As of March 31, 2024	207,342	175,730	83.6

(Reference) Equity: As of September 30, 2024: ¥172,948 million
 As of March 31, 2024: ¥173,411 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	¥	¥	¥	¥	¥
Fiscal year ended March 31, 2024	–	55.00	–	55.00	110.00
Fiscal year ending March 31, 2025	–	55.00	–	–	–
Fiscal year ending March 31, 2025 (Forecast)	–	–	–	55.00	110.00

(Note) Revision to the dividends forecast announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		EBITDA		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Full year	147,000	0.1	23,000	(2.1)	18,500	(3.5)	17,500	11.7	12,000	69.4	170.67

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Significant changes in the scope of consolidation during the period: Yes

Excluded: 1 company (Tech Growth Capital LLP)

(2) Accounting policies adopted specially for the preparation of semi-annual consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

September 30, 2024: 73,730,850 shares

March 31, 2024: 73,730,850 shares

2) Total number of treasury shares at the end of the period:

September 30, 2024: 4,946,379 shares

March 31, 2024: 3,420,835 shares

3) Average number of shares during the period (cumulative):

Six months ended September 30, 2024: 69,756,331 shares

Six months ended September 30, 2023: 71,754,173 shares

*These semi-annual financial results are outside the scope of review by a certified public accountant or an audit firm.

* Explanation of the proper use of earnings forecast and other notes

1. The financial results forecasts of this document are judgments made by MIXI based on information currently available which include latent risks and uncertainties. Please be acknowledged that actual results may differ from these forecasts due to changes in various factors when making investment decisions.

2. MIXI has scheduled a financial results briefing session for institutional investors and securities analysts on January 14, 2025. Financial results briefing material for the session will be posted on MIXI's website shortly.

Semi-annual Consolidated Financial Statements and Primary Notes

(1) Semi-annual Consolidated Balance Sheets

(Unit: ¥ million)

	FY2024 (As of March 31, 2024)	2Q of FY2025 (As of September 30, 2024)
Assets		
Current assets		
Cash and deposits	105,910	103,486
Notes and accounts receivable – trade	13,227	13,730
Operational investment securities	23,620	27,303
Securities	–	863
Merchandise	566	559
Other	11,152	12,398
Allowance for doubtful accounts	(241)	(248)
Total current assets	154,236	158,093
Non-current assets		
Total property, plant and equipment	17,532	18,596
Intangible assets		
Goodwill	8,467	8,267
Customer-related assets	4,960	4,621
Trademark right	2,198	2,060
Other	1,335	1,425
Total intangible assets	16,961	16,375
Investments and other assets		
Investment securities	7,391	6,158
Long-term loans receivable	2,745	7,535
Deferred tax assets	4,452	2,654
Other	5,090	5,729
Allowance for doubtful accounts	(1,067)	(1,883)
Total investments and other assets	18,611	20,193
Total non-current assets	53,105	55,166
Total assets	207,342	213,259
Liabilities		
Current liabilities		
Short-term borrowings	1,090	2,066
Accounts payable – other	12,101	9,290
Income taxes payable	958	3,516
Accrued consumption taxes	576	547
Provision for bonuses	1,830	1,220
Other	6,436	7,933
Total current liabilities	22,992	24,574
Non-current liabilities		
Long-term borrowings	6,341	10,850
Deferred tax liabilities	2,121	1,966
Other	156	368
Total non-current liabilities	8,619	13,185
Total liabilities	31,611	37,759
Net assets		
Shareholders' equity		
Paid-in capital	9,698	9,698
Capital surplus	9,662	9,669
Retained earnings	163,190	164,546
Treasury shares	(10,310)	(14,574)
Total shareholders' equity	172,240	169,339

(Unit: ¥ million)

	FY2024 (As of March 31, 2024)	2Q of FY2025 (As of September 30, 2024)
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	366	2,890
Foreign currency translation adjustment	803	717
Total accumulated other comprehensive income	1,170	3,608
Subscription rights to shares	1,109	1,098
Non-controlling interests	1,209	1,454
Total net assets	175,730	175,500
Total liabilities and net assets	207,342	213,259

(2) Semi-annual Consolidated Statements of Income and Semi-annual Consolidated Statements of Comprehensive Income

Semi-annual Consolidated Statements of Income

(Unit: ¥ million)

	2Q of FY2024 (Apr. 1, 2023 to Sep. 30, 2023)	2Q of FY2025 (Apr. 1, 2024 to Sep. 30, 2024)
Net sales	63,968	68,820
Cost of sales	20,690	23,253
Gross profit	43,277	45,567
SG&A expenses	*1 39,466	*1 36,818
Operating income	3,811	8,748
Non-operating income		
Interest income	12	28
Dividend income	–	7
Share of profit of entities accounted for using equity method	–	132
Foreign exchange gains	391	–
Gain on sale of businesses	–	181
Other	154	162
Total non-operating income	558	512
Non-operating expenses		
Interest expenses	28	47
Share of loss of entities accounted for using equity method	476	–
Foreign exchange losses	–	1
Provision of allowance for doubtful accounts	–	135
Other	104	59
Total non-operating expenses	609	244
Ordinary income	3,760	9,016
Extraordinary income		
Gain on sales of non-current assets	6	6
Gain on redemption of investment securities	–	98
Reversal of allowance for doubtful accounts	–	210
Gain on step acquisitions	–	89
Other	0	0
Total extraordinary income	7	404
Extraordinary losses		
Loss on sales and retirement of non-current assets	2	1
Loss on valuation of investment securities	–	81
Provision of allowance for doubtful accounts	131	–
Loss on change in equity	–	72
Other	–	0
Total extraordinary losses	133	155
Income before income taxes	3,633	9,264
Income taxes - current	794	3,279
Income taxes - deferred	584	538
Total income taxes	1,378	3,817
Period net income	2,255	5,447
Profit attributable to non-controlling interests	4	220
Profit attributable to owners of parent	2,250	5,227

Semi-annual Consolidated Statements of Comprehensive Income

(Unit: ¥ million)

	2Q of FY2024 (Apr. 1, 2023 to Sep. 30, 2023)	2Q of FY2025 (Apr. 1, 2024 to Sep. 30, 2024)
Period net income	2,255	5,447
Other comprehensive income		
Valuation difference on available-for-sale securities	51	2,515
Foreign currency translation adjustment	281	(85)
Share of other comprehensive income of entities accounted for using equity method	2	8
Total other comprehensive income	335	2,437
Comprehensive income	2,590	7,885
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,585	7,665
Comprehensive income attributable to non-controlling interests	4	220

(3) Semi-annual Consolidated Statements of Cash Flows

(Unit: ¥ million)

	2Q of FY2024 (Apr. 1, 2023 to Sep. 30, 2023)	2Q of FY2025 (Apr. 1, 2024 to Sep. 30, 2024)
Cash flows from operating activities		
Income before income taxes	3,633	9,264
Depreciation	666	919
Amortization of intangible assets	796	745
Amortization of goodwill	669	693
Increase (decrease) in allowance for doubtful accounts	(0)	(128)
Increase (decrease) in provision for bonuses	(1,713)	(610)
Interest and dividend income	(12)	(35)
Interest expenses	28	47
Foreign exchange losses (gains)	(141)	2
Share of loss (profit) of entities accounted for using equity method	476	(132)
Reversal of allowance for doubtful accounts	—	(210)
Provision of allowance for doubtful accounts	131	135
Loss (gain) on sale of businesses	—	(181)
Loss (gain) on sales and retirement of non-current assets	(4)	(4)
Loss (gain) on valuation of investment securities	—	81
Loss (gain) on redemption of investment securities	—	(98)
Loss (gain) on change in equity	—	72
Loss (gain) on step acquisitions	—	(89)
Decrease (increase) in notes and accounts receivable – trade	2,472	(489)
Decrease (increase) in operational investment securities	(2,397)	(48)
Decrease (increase) in inventories	(187)	40
Decrease (increase) in advance payments to suppliers	(176)	(2,735)
Increase (decrease) in accounts payable – other	(1,756)	(1,372)
Increase (decrease) in accrued consumption taxes	(1,411)	(31)
Increase (decrease) in contract liabilities	1,663	1,715
Increase (decrease) in deposits received	3,061	(236)
Decrease (increase) in other assets	(1,769)	1,418
Other, net	(128)	(415)
Subtotal	3,897	8,316
Interest and dividends received	12	46
Interest expenses paid	(28)	(46)
Income taxes refund (paid)	(4,385)	224
Net cash provided by (used in) operating activities	(504)	8,541

(Unit: ¥ million)

	2Q of FY2024 (Apr. 1, 2023 to Sep. 30, 2023)	2Q of FY2025 (Apr. 1, 2024 to Sep. 30, 2024)
Cash flows from investing activities		
Purchase of non-current assets	(1,666)	(4,010)
Proceeds from redemption of investment securities	—	1,333
Purchase of investment securities	(1,364)	(4)
Loan advances	(1,800)	(4,000)
Proceeds from collection of loans receivable	1,200	210
Payments for guarantee deposits	(45)	(508)
Proceeds from refund of guarantee deposits	6	94
Proceeds from sale of businesses	—	181
Payment for acquisition of the subsidiary resulting in change in scope of consolidation	—	(255)
Other, net	6	11
Net cash provided by (used in) investing activities	(3,663)	(6,947)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	404	981
Proceeds from long-term borrowings	—	4,700
Repayments of long-term loans payable	(290)	(268)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	(53)
Purchase of treasury shares	(7,522)	(4,538)
Cash dividends paid	(4,011)	(3,867)
Other, net	(9)	(13)
Net cash provided by (used in) financing activities	(11,429)	(3,058)
Effect of exchange rate change on cash and cash equivalents	337	(94)
Net increase (decrease) in cash and cash equivalents	(15,259)	(1,558)
Cash and cash equivalents at beginning of period	118,703	105,688
Cash and cash equivalents at end of period	*1 103,443	*1 104,130

(4) Notes to Semi-annual Consolidated Financial Statements

(Notes on going concern assumption)

There is no relevant information.

(Notes on significant changes in the amount of shareholders' equity)

For the six months ended September 30, 2023 (April 1, 2023 to September 30, 2023)

Pursuant to resolution at the Board of Directors meeting held on May 12, 2023, MIXI repurchased 2,810,600 treasury shares. In addition, pursuant to resolution at the Board of Directors meeting held on June 21, 2023, MIXI disposed of 135,700 treasury shares as restricted stock compensation on July 12, 2023, and pursuant to resolution at the Board of Directors meeting held on September 22, 2023, cancelled 4,500,000 treasury shares on September 29, 2023. Moreover, MIXI disposed of 11,900 treasury shares upon exercise of stock options during the six months ended September 30, 2023.

As a result, retained earnings and treasury shares decreased by ¥13,657 million and ¥6,562 million, respectively, during the six months ended September 30, 2023, and retained earnings and treasury shares amounted to ¥162,234 million and ¥10,338 million, respectively, at September 30, 2023.

For the six months ended September 30, 2024 (April 1, 2024 to September 30, 2024)

Pursuant to resolution at the Board of Directors meeting held on May 10, 2024, MIXI repurchased 1,616,200 treasury shares. In addition, pursuant to resolution at the Board of Directors meeting held on June 26, 2024, MIXI disposed of 82,500 treasury shares as restricted stock compensation on July 17, 2024. Moreover, MIXI disposed of 8,200 treasury shares upon exercise of stock options during the six months ended September 30, 2024.

As a result, treasury shares increased by ¥4,264 million during the six months ended September 30, 2024, and treasury shares amounted to ¥14,574 million at September 30, 2024.

(Changes in accounting policies)

(Application of "Accounting Standard for Current Income Taxes," etc.)

MIXI applied the "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022; hereinafter the "2022 Revised Accounting Standard"), etc. effective from the beginning of the six months ended September 30, 2024.

Regarding the revision to accounting classification of income taxes (taxation on other comprehensive income), MIXI follows the transitional treatment stipulated in the proviso to Paragraph 20-3 of the 2022 Revised Accounting Standard and the transitional treatment stipulated in the proviso to Paragraph 65-2 (2) of the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022; hereinafter the "2022 Revised Guidance"). This change in accounting policy does not affect the semi-annual consolidated financial statements.

Additionally, MIXI applied the 2022 Revised Guidance effective from the beginning of the six months ended September 30, 2024 in connection to the revision regarding the review of treatment in consolidated financial statements when the gains or losses arising on the sale of subsidiaries' shares, etc. within a consolidated group are deferred for tax purposes. This change in accounting policy is applied retrospectively, and the semi-annual and full-year consolidated financial statements for the previous fiscal year have been retrospectively adjusted. This change in accounting policy does not affect the semi-annual and full-year consolidated financial statements for the previous fiscal year.

(Additional information)

(Regarding the improper transactions by a consolidated subsidiary's officer and employee)

In late October 2024, we became aware of suspicions that an officer and employee of our consolidated subsidiary Chariloto Co., Ltd. (hereinafter, "The Officer and Employee") engaged in improper transactions with service providers. In response, an investigation team consisting of outside experts was formed on October 30, 2024 to conduct an investigation, and we received the investigation report on December 26, 2024.

The results of the investigation were that the improper transactions by The Officer and Employee totaled ¥1,026 million: ¥357 million by the former representative director and ¥668 million by the former employee.

The effect on the interim consolidated financial statements for the current interim period, including an increase in corporate taxes, is a net loss attributable to owner of parent of ¥552 million.

(Semi-annual consolidated statements of income)

*1. The major components and amounts of SG&A expenses are as follows:

(Unit: ¥ million)

	2Q of FY2024 (Apr. 1, 2023 to Sep. 30, 2023)	2Q of FY2025 (Apr. 1, 2024 to Sep. 30, 2024)
Advertising expenses	10,606	8,156
Settlement fees	13,602	12,762

(Semi-annual consolidated statements of cash flows)

*1. The ending balance of cash and cash equivalents and its relationship to the amounts of items listed in the semi-annual consolidated balance sheets are as follows:

(Unit: ¥ million)

	2Q of FY2024 (Apr. 1, 2023 to Sep. 30, 2023)	2Q of FY2025 (Apr. 1, 2024 to Sep. 30, 2024)
Cash and deposits account	103,664	103,486
Time deposits with maturities of three months or more	(221)	(220)
Investment securities (MMF)	—	863
Cash and cash equivalents	103,443	104,130

(Segment information and others)

For the six months ended September 30, 2023 (April 1, 2023 to September 30, 2023)

1. Information on net sales, profit or loss, and disaggregation of revenue by reportable segment

(Unit: ¥ million)

	Reportable segment					Adjustment (Note 1)	Amount recorded in Semi-annual Consolidated Financial Statements (Note 2)
	Digital Entertainment Business	Sports Business	Lifestyle Business	Investment Business	Total		
Net sales							
Revenue from contracts with customers (Note 3)	43,051	15,050	4,550	–	62,652	170	62,822
Other revenue	–	–	–	1,145	1,145	–	1,145
Net sales to external customers	43,051	15,050	4,550	1,145	63,798	170	63,968
Inter-segment net sales or transfers	–	–	–	–	–	–	–
Total	43,051	15,050	4,550	1,145	63,798	170	63,968
Segment profit/loss	13,440	(876)	(682)	698	12,579	(8,768)	3,811
Other							
Depreciation	84	803	128	0	1,016	445	1,462
Amortization of goodwill	–	478	190	–	669	–	669

(Notes) 1. The segment profit/loss adjustment of ¥(8,768) million includes depreciation of ¥(1,016) million, amortization of goodwill of ¥(669) million, company-wide net sales of ¥170 million, and company-wide expenses of ¥(7,251) million not allocated to each reportable segment. Company-wide items comprise mainly those relating to MIXI's administrative departments not belonging to any reportable segment.

2. Segment profit/loss is adjusted with operating income in the semi-annual consolidated statements of income.

3. Net sales of MIXI Group mainly consists of Monster Strike, a game for smart devices in the Digital Entertainment Business.

2. Information on impairment loss on non-current assets or goodwill and others by reportable segment

There is no relevant information.

For the six months ended September 30, 2024 (April 1, 2024 to September 30, 2024)

1. Information on net sales, profit or loss, and disaggregation of revenue by reportable segment

(Unit: ¥ million)

	Reportable segment					Adjustment (Note 1)	Amount recorded in Semi-annual Consolidated Financial Statements (Note 2)
	Digital Entertainment Business	Sports Business	Lifestyle Business	Investment Business	Total		
Net sales							
Revenue from contracts with customers (Note 3)	40,139	18,236	5,455	–	63,831	35	63,867
Other revenue	–	–	–	4,953	4,953	–	4,953
Net sales to external customers	40,139	18,236	5,455	4,953	68,785	35	68,820
Inter-segment net sales or transfers	–	–	–	–	–	–	–
Total	40,139	18,236	5,455	4,953	68,785	35	68,820
Segment profit/loss	16,175	718	(513)	2,407	18,788	(10,039)	8,748
Other							
Depreciation	80	1,022	111	0	1,214	453	1,667
Amortization of goodwill	–	478	215	–	693	–	693

(Notes) 1. The segment profit/loss adjustment of ¥(10,039) million includes depreciation of ¥(1,214) million, amortization of goodwill of ¥(693) million, company-wide net sales of ¥35 million, and company-wide expenses of ¥(8,166) million not allocated to each reportable segment. Company-wide items comprise mainly those relating to MIXI's administrative departments not belonging to any reportable segment.

2. Segment profit/loss is adjusted with operating income in the semi-annual consolidated statements of income.

3. Net sales of MIXI Group mainly consists of Monster Strike, a game for smart devices in the Digital Entertainment Business.

2. Information on impairment loss on non-current assets or goodwill and others by reportable segment

There is no relevant information.