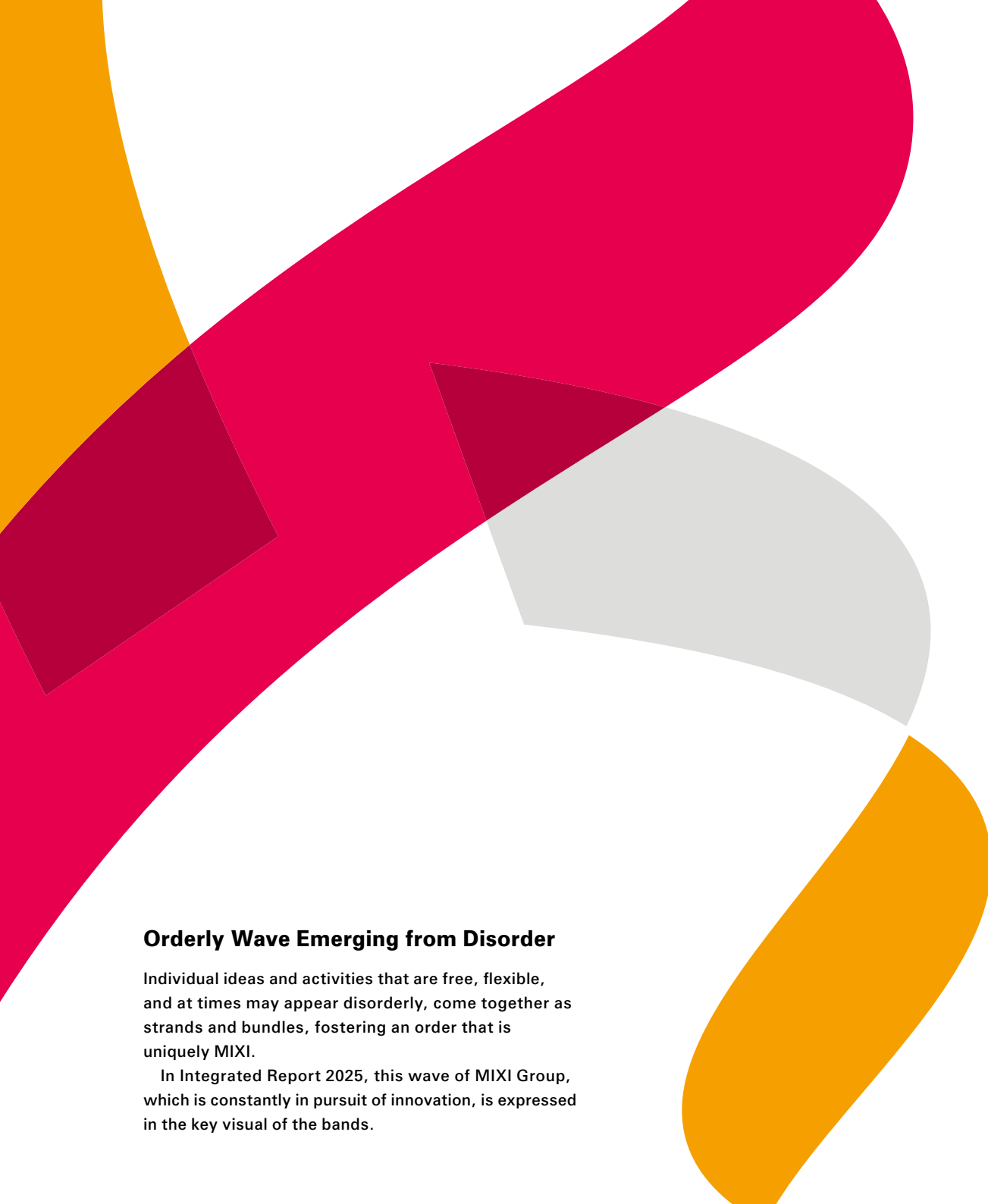




# **MIXI INTEGRATED REPORT 2025**

Fiscal Year Ended March 31, 2025



## Orderly Wave Emerging from Disorder

Individual ideas and activities that are free, flexible, and at times may appear disorderly, come together as strands and bundles, fostering an order that is uniquely MIXI.

In Integrated Report 2025, this wave of MIXI Group, which is constantly in pursuit of innovation, is expressed in the key visual of the bands.

## Editorial Policy

### Creating more meaningful connections with our stakeholders

We would like to thank all who take the time to read this report. We are pleased to present MIXI Group Integrated Report 2025.

Covering all aspects, the report gives a complete picture of MIXI Group as it aims to enrich communication while further enhancing its corporate value and achieving growth. We hope that the report will help us gain the support of stakeholders and create deeper connections between us. Please feel free to start reading at whichever page catches your interest.

### Reporting period

In principle, this report mainly covers our business activities and results for fiscal year 2025 (April 1, 2024, through March 31, 2025). The report also contains financial forecasts and other information on our activities before and after fiscal year 2025.

### Scope of the report

MIXI, Inc. and MIXI Group companies

### Month published

October 2025

### Referenced guidelines

- The International Integrated Reporting Framework published by the International Financial Reporting Standards (IFRS) Foundation (formerly the Value Reporting Foundation [VRF])
- The Ministry of Economy, Trade and Industry Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation

### Disclaimer regarding future-oriented statements

This report contains future-oriented statements concerning plans, strategies, and results. These reflect management assumptions based on information available to management as of the date of this report's publication and are thus subject to risks and uncertainties that may cause actual results to differ significantly from such statements. These risks and uncertainties include, but are not limited to, the economic environment in which MIXI Group's businesses operate, changes in the development status of products and services, and fluctuations in currency exchange rates.

### MIXI Group Integrated Report 2025 Editorial Contributors

Corporate Planning Division, Public Relations Division, HR Strategy Division, Brand Design Department, Legal Affairs Division, Labor Management Division, Finance Planning Division



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## ABOUT MIXI



# ABOUT MIXI

Rather than merely providing efficient means to connect people, MIXI aims to inspire deeper, richer connections through the sharing of joy, excitement, and warmth.

MIXI will continue to create places and opportunities for meaningful connection, bringing delight and wonder to the world through authentic emotions and vibrant communication.

## TAGLINE

Connection with meaning.



## PURPOSE

Enriching communication and  
inspiring moments of joy.

Since our founding, we have maintained this singular purpose and we intend to deepen our commitment to it moving forward.

Rather than focus on increasing the quantity and frequency of communication, we strive to promote deep and meaningful connection. Through this endeavor, we believe we can inspire the creation of more moments of joy in the world.



# MISSION

**To provide space and opportunity  
for truly meaningful connections.**

Simply connecting people is not enough to fulfill our purpose. We must enable the building of deep emotional ties.

We achieve this by providing both fun and exciting content that inspires communication, as well as the space and opportunity to connect meaningfully with friends and family around the world.

# MIXI WAY

**User surprise first.**

To accomplish our mission, we will continue to focus on user surprise above all else.

Before prioritizing a user-first approach, marketing concerns, or even our own interests, we start with the question, "Would this be a pleasant surprise?"

This consideration applies to everything from production to management-level decisions.

# VALUES

**Innovation / Passion / Integrity**

## **Be bold.**

Forge a new path and shatter expectations.

## **Start from the heart.**

Share aspirations and grow together.

## **Stay sincere.**

Be honest with yourself and others.

# BRAND SYMBOL COLORS



The color red expresses the spirit of excitement and adrenaline. MIXI RED stands for the excitement in connections provided by our Digital Entertainment and Sports businesses.

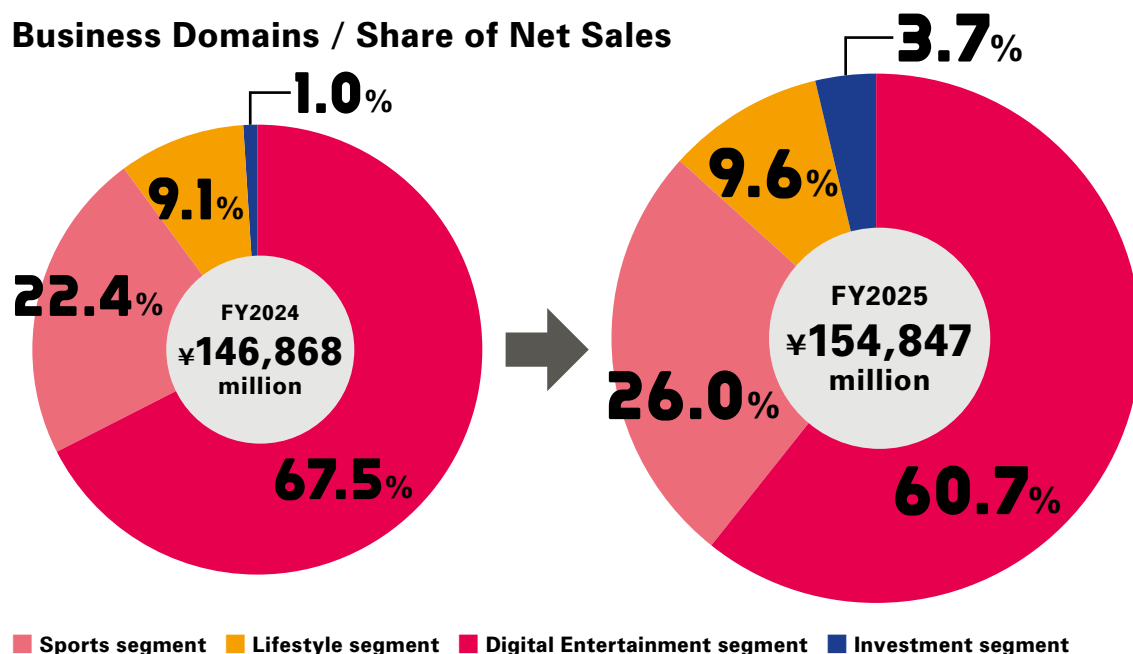
The color orange symbolizes the comfort and warmth in connections that make up the DNA of MIXI. MIXI ORANGE stands for the comfort in connections provided by our Lifestyle businesses.

## MIXI GROUP AT A GLANCE



# OVERVIEW

Business Domains / Share of Net Sales



Server-side  
technology  
that can support  
more than

**10 million** monthly  
active users (MAU)

Related information on page 10

AI technology  
realizing operational  
efficiency and  
service quality  
enhancement

Related information on page 10

**MONSTER STRIKE** (as of July 31, 2025)

Cumulative  
net sales  
Over

¥**1.4** trillion

Users  
Over

**64** million



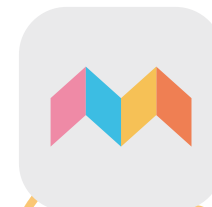
**FamilyAlbum** (as of July 31, 2025)

Percentage of  
overseas users  
Over

**33**%

Global reach

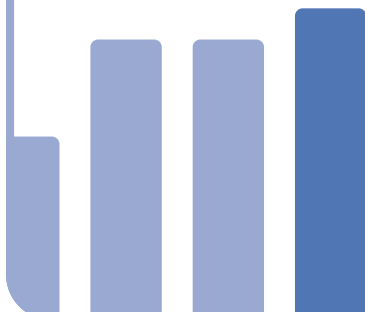
**175** countries in  
**7** languages



### Net Sales

(FY2025)

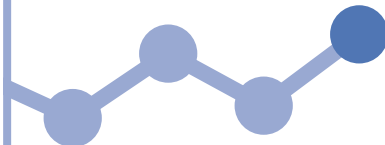
¥**154,847**  
million →



### EBITDA

(FY2025)

¥**31,694**  
million →



### Cash and Deposits

(as of March 31, 2025)

¥**108,174**  
million →

Maintaining at the same level while  
paying dividends and engaging in M&A



### Equity Ratio

(as of March 31, 2025)

**79.4%** →

Stable management, maintaining  
the equity ratio at around 80% level  
since FY2017



### Engagement Score

(non-consolidated, FY2025)

**75%** ↗

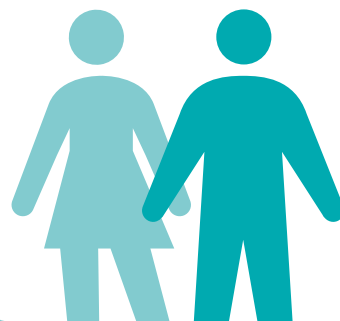


### Number of Permanent Employees by Gender

(consolidated; as of March 31, 2025)

Male: **1,176** ↗

Female: **541** ↗



### Percentage of Permanent Employees by Gender

(consolidated, FY2025)

Male: **69.7%** ↗

Female: **30.3%** ↗



### Percentage of Permanent Employees that Return After Parental Leave

(non-consolidated, FY2025)

Male and Female: **100%** →

Maintaining at 100% since FY2020



## MIXI GROUP'S HISTORY

### CORPORATE ACTIVITIES

**JUNE 1999**

E-Mercury, Y.K. is established

**OCT. 2000**

E-Mercury, Y.K. is restructured to form E-Mercury, Inc.

**FEB. 2006**

Company name is changed to mixi, Inc.

**SEPT. 2006**

Listed on the Mothers Section of the Tokyo Stock Exchange

**APR. 2011**

The *Find Job!* business is spun off and established as mixi recruitment, Inc.

**SEPT. 2013**

Family photobook creation service provider nohana, Inc. established as a consolidated subsidiary

**DEC. 2013**

All shares of matchmaking service provider Diverse, Inc. are acquired, making it a subsidiary

### DIGITAL ENTERTAINMENT



**OCT. 2013**

Official launch of the mobile game *MONSTER STRIKE*

**SEPT. 2015**

*MONSTER STRIKE* takes the No. 1 spot\* for the first time in the sales ranking  
\* "App Annie Worldwide Index" games sales ranking



**OCT. 2019**

Publishing rights for *Kotodaman* are transferred to mixi

### LIFESTYLE



**NOV. 1997**

Official launch of *Find Job!*



**FEB. 2004**

Official launch of the social network *mixi*



**JAN. 2014**

Launch of *minimo*



**APR. 2015**

Official launch of *FamilyAlbum*



**JUNE 2019**

All shares of *SFIDANTE* Inc. acquired

# HISTORY

■ Sports Segment / Digital Entertainment Segment

■ Lifestyle Segment

■ Corporate Activities

### SPORTS



**FEB. 2019**

All shares of *Chariloto* Co., Ltd. acquired



**OCT. 2019**

Majority of shares in *Chiba Jets* Funabashi Co., Ltd., the operator of the *CHIBA JETS*, acquired



**NOV. 2019**

All shares of *Net Dreamers* Co., Ltd., the owner of *netkeiba*, acquired

## MAY 2018

Closure of Hunza, Inc.'s service *TicketCamp*

## JULY 2018

All shares of Diverse, Inc. are transferred

## MAR. 2019

All shares of nohana, Inc. are transferred

## JUNE 2020

Stock market listing transferred to the First Section (currently Prime Market) of the Tokyo Stock Exchange

## MAR. 2021

Business alliance with HUB CO., LTD.

## APR. 2022

Corporate brand renewal

## OCT. 2022

Company name changed to MIXI, Inc.



**MAY 2025**  
*MONSTER STRIKE* surpasses 64 million users



**APR. 2025**  
Cumulative downloads of *minimo* app exceeded 7 million

**JULY 2025**  
Cumulative number of *FamilyAlbum* users exceeded 27 million



**DEC. 2024**  
Launch of the social network *mixi2*



**JUNE 2020**  
Official launch of *TIPSTAR*



**DEC. 2020**  
Official launch of *netkeirin*



**APR. 2021**  
Launch of *Fansta*



**FEB. 2022**  
All shares of TOKYO FOOTBALL CLUB Co., Ltd. acquired



**APR. 2024**  
Completed Lala arena TOKYO-BAY, a large, multi-purpose arena

\* This service was terminated on September 30, 2023.

## MIXI GROUP'S APPROACH TO VALUE CREATION

MIXI Group will continue to create space and opportunity for meaningful connection, bringing delight and wonder to the world through authentic emotion and vibrant communication.

# VALUE CREATION PROCESS

## PURPOSE

Enriching communication and inspiring moments of joy.

## Value Created

### Manufactured Capital

- Creation of communication services that are beyond our users' imaginations and expectations
- Promotion of the safe and secure use of internet services

### Intellectual Capital

- Creation of new experiences, economic zones, and culture by making communication more dynamic between users and the people they are close to

### Human Capital

- Fostering of a corporate culture that supports employee diversity
- Contribution to the development of the IT industry and IT professionals

### Social Capital

- Provision of new experiences through the combination of online and offline services
- Contribution to regional revitalization through collaboration with local governments

### Financial Capital

- Proactive shareholder returns in line with profits
- Creation of new markets and services through active promotion of M&A and other activities

## Value Creation Cycle

- Project development based on positioning services in a unique way
- Design that encourages the exponential growth of services
- Service planning that embodies the MIXI Way of user surprise first

## MISSION

To provide space and opportunity for truly meaningful connections.

## MIXI WAY

User surprise first.

## VALUES

Innovation / Passion / Integrity

- Management and marketing that enable the exponential growth of services
- Provision of spaces and opportunities for users to engage in exciting communication with the people they are close to

- Achievement of a high continued-usage rate and attraction of new customers at a low cost by utilizing social graphs
- Stimulating consumer confidence because users can share excitement with the people they are close to

- Service growth through reinvestment in existing businesses
- Establishing a stable revenue base and creating a sufficient foundation for new services
- Regional revitalization through collaboration with regional communities

## Eight Material Issues



## Business Domains



## MIXI GROUP BUSINESS CONDUCT GUIDELINES ▶P22

## Sources of Value

### Manufactured Capital

#### Ability to create and manage IPs and content that enrich communication

- Wide range of technical human resources (planners, engineers, designers, creators, and more) that support our communication services
- Planning and management capabilities for long-standing services such as the social network *mixi* and *MONSTER STRIKE*
- External partnerships that create synergies

#### A strong foundation in supporting the safety, security, and stable operation of services

- Server-side technology that can support more than 10 million monthly active users (MAU)
- Robust security and monitoring system

#### AI technology realizing operational efficiency and service quality enhancement

### Intellectual Capital

#### Marketing ability

- Mass marketing / viral marketing know-how applied to our product design and planning

### Human Capital

#### Diverse human resources and organization that promote the creation of new culture

- Organizational climate dedicated to the MIXI Way of user surprise first
- Support system for the diverse activities and work styles of our human resources
- Framework and system that enable each individual to take on challenges

### Social Capital

#### A passionate user base

- Our users use our services as a way to gather and have fun (game apps, apps for publicly-managed betting sports, social media, etc.)

#### Areas where we provide unique experiences

- Online services such as games and media
- Offline sports spectating, supported through business activities such as managing keirin stadiums (velodromes) and sports teams

#### Relationships of trust with local governments

- Building and maintaining positive relationships with local governments through the management of publicly-managed betting sport facilities and sports teams

### Financial Capital

#### Stable and safe finance that supports sustainable growth

- Ample liquidity on hand with cash and deposits of approximately ¥110 billion
- A high equity ratio of 79.4% (as of March 31, 2025)

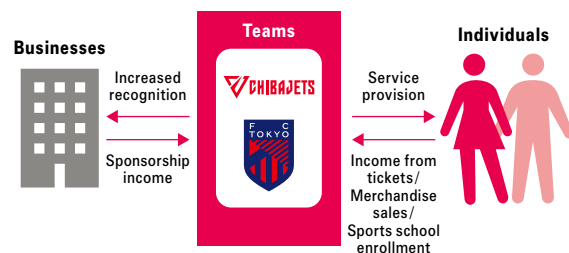
## MIXI GROUP'S BUSINESS MODELS

### SPORTS SEGMENT

# BUSINESS MODELS



#### Overview of CHIBA JETS and FC TOKYO



#### CHIBA JETS, B.LEAGUE professional basketball team FC TOKYO, J1 League professional football club

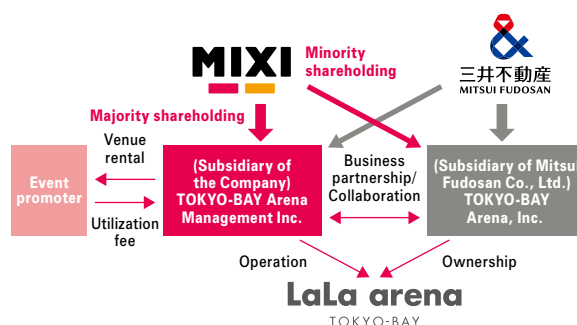
Based on sponsorship income from businesses, operations for our professional sports teams include ticket sales, merchandise sales, and the management of sports schools for younger generations.

The CHIBA JETS aim to become a part of local communities, aspiring to popularize basketball and be a standout club that is loved by fans and players alike.

FC TOKYO strives to be a truly "community-based" J.LEAGUE club that is committed to the long term by collaborating with the local community, government, and businesses.

#### LaLa arena TOKYO-BAY

#### Overview of LaLa arena TOKYO-BAY



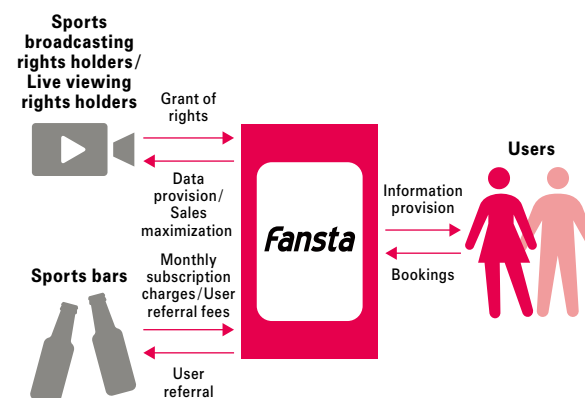
#### LaLa arena TOKYO-BAY

Completed in April 2024 in Funabashi City, Chiba Prefecture, LaLa arena TOKYO-BAY is a large-scale, multipurpose arena for a wide range of events such as concerts, sports events, and corporate exhibitions. It will also be used as the home arena of the CHIBA JETS.

Of the subsidiaries established jointly by MIXI and Mitsui Fudosan, TOKYO-BAY Arena Management is tasked with the facility's operation and management, and TOKYO-BAY Arena with its construction and ownership. The two companies will operate as a unit for the business management of the arena.

#### Fansta

#### Overview of Fansta



#### Fansta

Fansta helps sports fans find sports bars by area or by what soccer and baseball matches they want to watch.

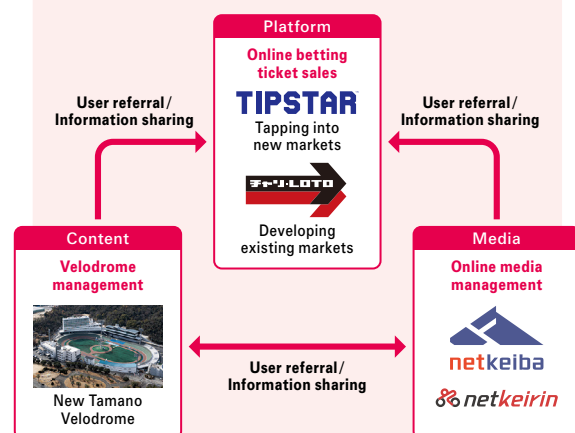
Under the motto of "On game day, the bar is our stadium," fans who cannot make it to the stadium to support their team and people who just want to watch sports can find nearby sports bars with DAZN channels so they can watch sports with their friends.



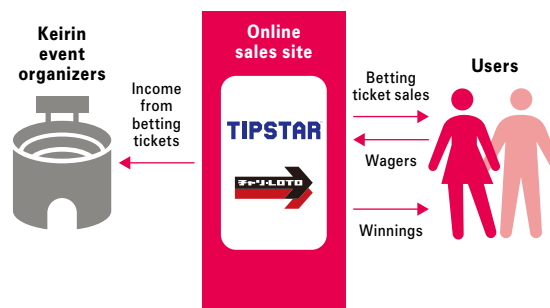
## Creating synergies in our betting business

As part of our betting business, we manage betting ticket sales platforms (*TIPSTAR* and *Chariloto*), as well as keirin stadiums (velodromes), an important part of our value chain for content generation. We also operate media such as *netkeirin*, which refers users to these services.

While each service has achieved high growth on its own, we aim to establish a unique position and realize further growth by linking them to create synergies.



### Overview of *TIPSTAR* and *Chariloto*



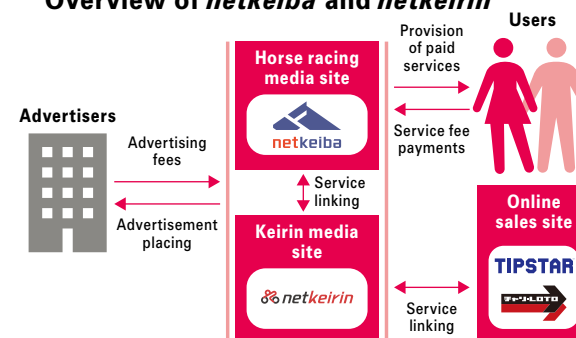
### *TIPSTAR* and *Chariloto*

*TIPSTAR* is an online service that enables users to bet on keirin and auto race events. It is the only betting service in Japan in which users can enjoy betting together with their friends and has highly entertaining features such as "mirror betting," which lets users place bets that match the predictions of other users.

Our consolidated subsidiary Chariloto Co., Ltd. operates *Chariloto*, an online betting ticket sales site for keirin and auto races. In addition, it operates outlets called "Chariloto Plazas" for purchasing betting tickets in physical locations such as velodromes and their external betting ticket sales buildings. By utilizing the expertise gained through these operations, *Chariloto* has been able to secure stable earnings as the comprehensive business operator of Tamano Velodrome, Takamatsu Velodrome, Komatsushima Velodrome, Hiroshima Velodrome, and Ito Onsen Velodrome, and as the owner of Toyama Velodrome and Ito Onsen Velodrome. In addition, by utilizing these facilities as bases for entertainment, *Chariloto* will continue to boost its presence in the keirin market while engaging in regional revitalization.



### Overview of *netkeiba* and *netkeirin*



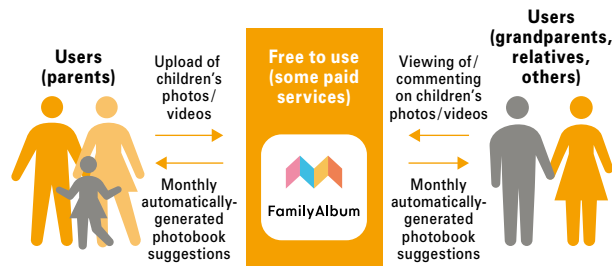
### *netkeiba* and *netkeirin*

*netkeiba* has been in operation since 1999 and is currently one of the largest websites for horse racing in Japan. With monthly users surpassing 17 million, it has a wide range of content, including the latest race information and a database of racehorses and jockeys. Via the paid plan, users can access various services such as video streaming of all races provided by the Japan Racing Association (JRA). Utilizing the expertise gained through operating *netkeiba.com*, in 2020 we launched a sister site for keirin, named *netkeirin*. With easy access possible between these two websites, as well as *TIPSTAR* and *Chariloto* both being linked to *netkeirin*, we can expand the fan base for publicly-managed betting sports.

# LIFESTYLE SEGMENT

## FamilyAlbum

**FamilyAlbum, private family photo and video sharing app**



This app helps parents share photos and videos of their children in real time while keeping it all in the family. It is well-received for being free to use, offering unlimited storage, and facilitating fun communication among family members. The service was launched in April 2015 in Japan, with English support starting in July 2017. The service is currently offered in seven languages, and the cumulative number of users surpassed 27 million in July 2025. Overseas users account for approximately 40% of the total, with North America accounting for about 20% of the total users. In 2023, the utilization rate of *FamilyAlbum* in relation to the number of births in Japan reached approximately 60%, indicating that domestic usage is also expanding.

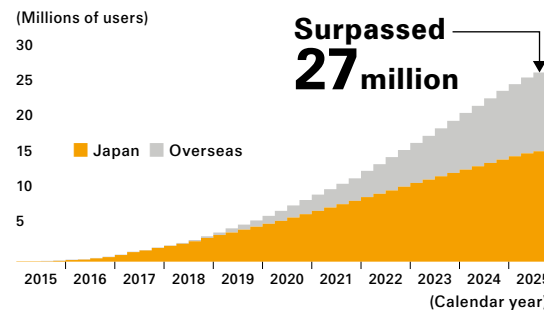
### Steadily improving profitability

In April 2019, we launched a premium service with a monthly subscription fee that offers more features than the basic service. In June 2019, we acquired SFIDANTE Inc., which engages in the smartphone photo printing business, making it a subsidiary, and using its expertise, we began providing

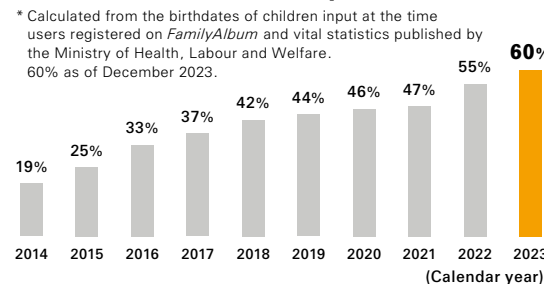
*FamilyAlbum New Year Cards*, a new service for creating traditional Japanese New Year greeting cards. In March 2022, we acquired Lovegraph Inc. as a subsidiary, adding to our portfolio an on-location photography service that provides a photographic team for children's *shichigosan* ceremonies (coming-of-age celebrations at ages three, five, and seven years) and other family occasions and events. In this way, we are promoting business growth through synergistic business investments and M&A.

Furthermore, we are expanding earnings opportunities by developing additional services, including a photo-printing service that allows users to create lasting memories by printing photos shared on *FamilyAlbum*, and the *FamilyAlbum GPS Guardian*, a GPS protection service for children. By combining user assets of *FamilyAlbum*, we will work to provide new value and to reinforce the business going forward.

### Cumulative number of users of *FamilyAlbum*

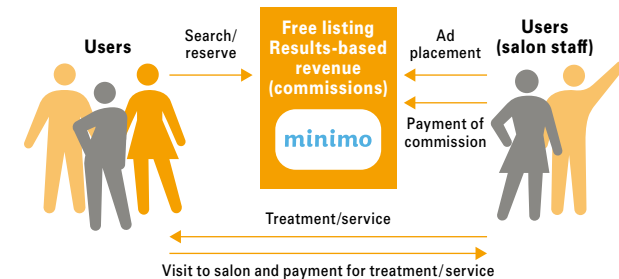


### Utilization rate of *FamilyAlbum* against the number of births in Japan



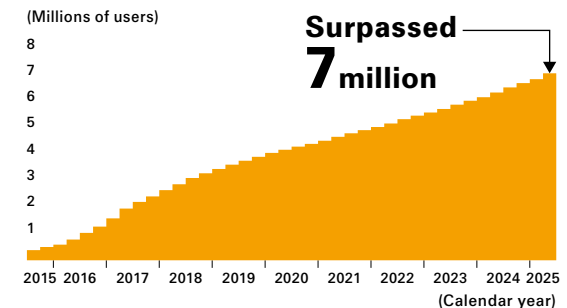
## minimo

**minimo, direct salon staff booking app**



This app, launched in January 2014, allows customers to book appointments directly with individual salon staff members, such as hairstylists, nail artists, and eye makeup artists 24 hours a day. Ignoring the convention of booking appointments for a salon, *minimo* allows customers to choose and book salon staff members directly and consult with them in advance about their desired service to prevent mismatches. Highly appreciated by both salon staff and customers, the app surpassed seven million downloads in April 2025.

### Cumulative number of users of *minimo*

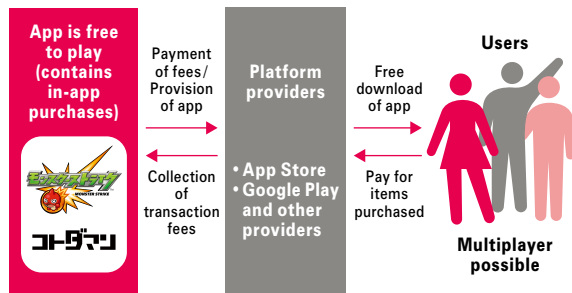


# DIGITAL ENTERTAINMENT SEGMENT

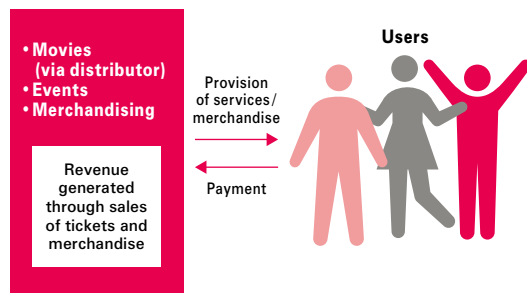


コトダマン

**MONSTER STRIKE**, hunting action role-playing game (RPG) / **KOTODAMAN**, innovative word-battle RPG



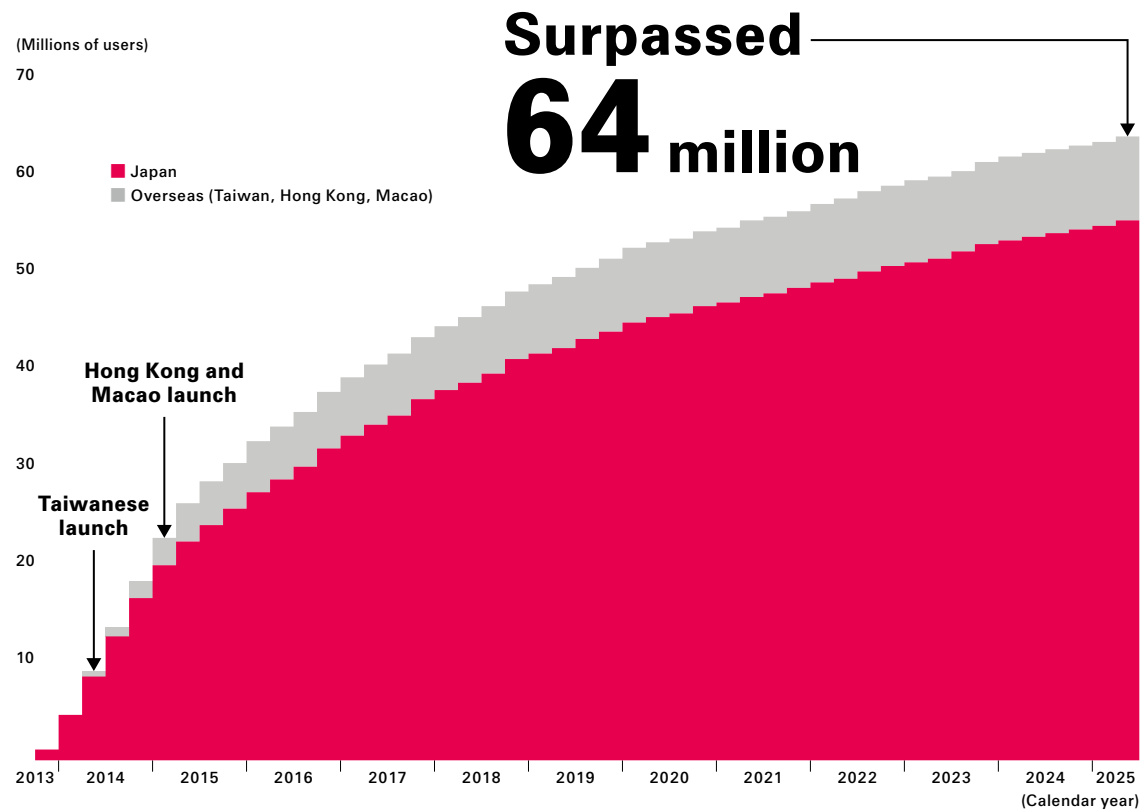
**MONSTER STRIKE** and related businesses



*MONSTER STRIKE* is an exhilarating multiplayer action RPG that anybody can easily enjoy. The game's key feature is its multiplayer co-op system, which allows up to four friends in the same area to play together. *MONSTER STRIKE* was first released in October 2013 in Japan.

It is currently also available in Taiwan, Hong Kong, and Macao. Not just a game app, *MONSTER STRIKE* consists of an expansive media mix including merchandising, live events, video streaming, and more. The app surpassed 64 million users worldwide in May 2025.

**Cumulative number of users of *MONSTER STRIKE* worldwide**





TO OUR STAKEHOLDERS

**Becoming a corporate group that reinvents play through AI and leads the way in shaping the future of communication**

**We will pursue further growth by combining our strength in communication with AI to create innovative services that deliver strong profitability.**

MIXI has built steady growth through services centered on meaningful communication between people. We are now evolving into a more innovative and high-profit corporate group by combining our cultivated strengths with AI. To date, MIXI Group has primarily leveraged AI to enhance productivity. For example, in the Lifestyle segment service *FamilyAlbum*, AI generates 1s Movies that capture a child's growth from the photos and videos users upload, providing families with a unique way to enjoy and cherish those moments. In the Sports segment, AI enhances the viewing experience by instantly editing live footage of keirin and auto race events, adding captions and background music for more engaging broadcasts.

These are services that previously required considerable human effort to deliver. Productivity gains through AI are expected to advance even further. The most significant impact is expected in programming for game development. By delegating routine tasks to AI, highly skilled engineers can focus their time on higher-value work such as decision-making and problem-solving.



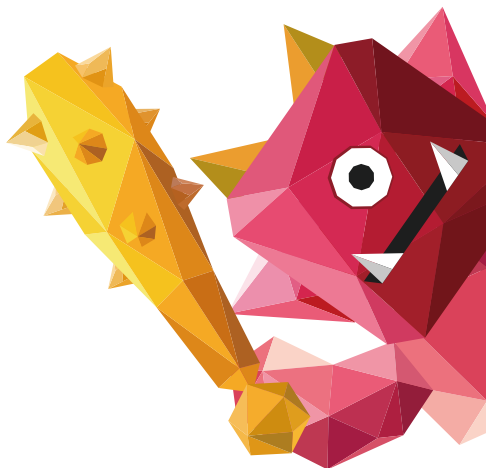


# TO OUR STAKE- HOLDERS

**Koki Kimura**

**President and Representative Director  
Senior Corporate Officer and CEO**

**For MIXI, AI is a powerful advantage. It amplifies our strength of having a vast user base and rich data.**



Beyond productivity gains, we believe AI will spark diverse forms of reinventing play in the years ahead. For example, with AI support, these developers will be able to create content for smartphones that was previously too difficult to produce. From the user's perspective, AI will make it easier to enjoy types of games that previously had a high barrier to entry, such as complex simulation games and cooperative games with friends.

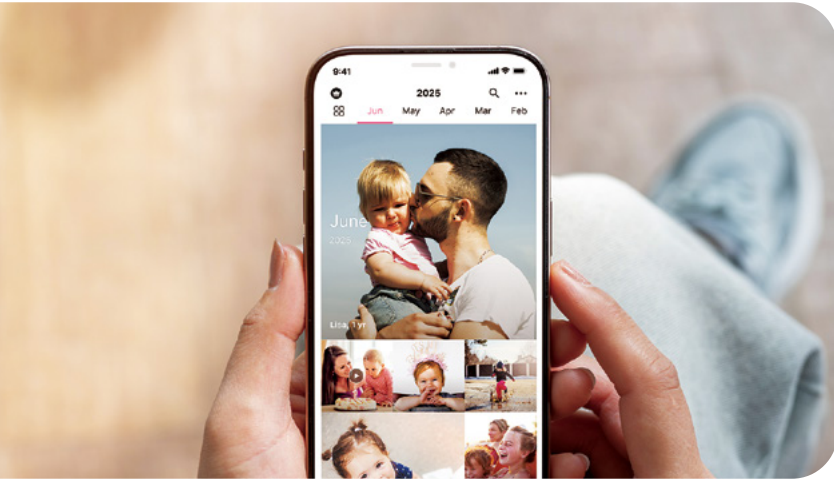
We also expect AI to bring positive changes to social media, where conflicts often stem from misinterpreting the context of posts or from intentional attacks between users. I believe we are moving toward a world where AI will play a role in human communication, making adjustments that help it flow more smoothly. There is no point in people needlessly hurting one another. With the evolution of AI technology, I look forward to communication between people advancing to an entirely new stage. In response to the changes in play and communication driven by AI, MIXI Group will continue to take on the challenge of creating new value.

MIXI is growing ever more confident in the reliability and strength of our business centered on communication services. Our track record shows that our user base is expanding both in Japan and overseas, and once gained, we continue to maintain it. This has been possible because MIXI's services go beyond simply providing content. Our services provide spaces for communication, and this has allowed us to sustain a large and active user base. We are confident that by integrating AI into the communication spaces consistently sought by our many users and creating new value, we can further strengthen our business.

MIXI's strength in communication services lies in the long-standing services we have continued to provide. Over nearly a decade, we have accumulated extensive data on user play styles and on the characters they prefer. *MONSTER STRIKE* has exceeded 64 million downloads, *FamilyAlbum* has surpassed 27 million, and *netkeiba* boasts 17 million monthly active users (MAU).

In our business, the strength lies in having a vast user base and associated data. For a strong company like MIXI, mastering AI gives us a powerful advantage. It will enable us to demonstrate outstanding competitiveness in our services.





## Building on our success in Japan to expand overseas and establish a winning model for global growth



MIXI Group has defined its Purpose as “Enriching communication and inspiring moments of joy.” Today, expanding into overseas markets is a key priority in the growth strategies of our Sports, Lifestyle, and Digital Entertainment segments.

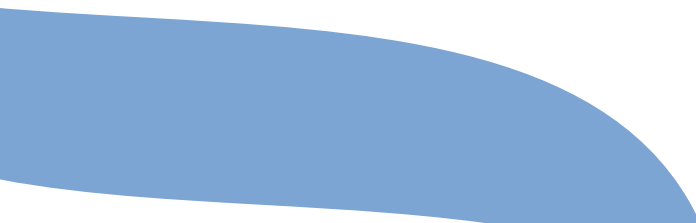
Our basic policy for global business development is to roll out the services that have proven successful in Japan overseas. A prime example of this policy working successfully is *FamilyAlbum* in the Lifestyle segment. For *FamilyAlbum*, user base growth overseas now exceeds that in Japan. In the Sports segment, we aim to expand into Australia by combining the social expertise gained from our betting business *TIPSTAR* with the business foundation of PointsBet Holdings Limited (“PointsBet”), whose shares we are now in the process of acquiring. In the Digital Entertainment segment, we are planning to expand *MONSTER STRIKE* into emerging markets. *MONSTER STRIKE* is currently available in Taiwan, Hong Kong, and Macao, and we are reinforcing its business model as we take on the challenge of expanding into India and Southeast Asia, where populations are growing and smartphone adoption is accelerating.

AI is set to be a powerful driver of success in the global strategies of each business. For example, in Digital Entertainment, if AI streamlines the work of staff who have spent over a decade operating *MONSTER STRIKE* while maintaining and enhancing its appeal, their expertise can be redirected to support overseas expansion. We aim to establish a winning model by leveraging the human capital that has built success in Japan to drive growth overseas.



## Strengthening competitiveness by bringing in top-tier talent

## Creating an environment where AI serves as a partner in taking on the future



In the AI era, we believe the value of human resources with skills and achievements that cannot be replaced by AI will only increase, and MIXI is focusing on attracting top-level leaders. This fiscal year, we welcomed a top-tier executive with an exceptional track record in the mobile gaming and entertainment industries. Our new corporate officer, Sadaaki Kaneyoshi, is known for inventing the gacha model and establishing it as the standard in mobile gaming.

He firmly believes that new business models lead to new entertainment and joined MIXI because he identified with our culture of pursuing innovation. His background is marked by believing in the power of viral marketing, creating social games, and turning them into major hits. It makes him a fitting leader for MIXI, a company that has grown its business through the power of virality.

The addition of top creators and producers has greatly inspired our teams, and we believe this will elevate MIXI's approach to creation and planning to the next level.

Since assuming the role of president and CEO, 2024 has been the most challenging year I have faced. Using the Politics, Economy, Society, Technology (PEST) framework, the spotlight often falls on changes in politics, such as mutual tariffs or capital regulations in different countries. However, for MIXI, the greatest challenge lay in technology, specifically, how to integrate AI. Many companies declare their intent to adopt AI, yet struggle to make real progress in its implementation. Underlying this, I believe, is a mindset that views AI as the enemy. If frontline staff who support the business are anxious that AI might take away their jobs, its adoption cannot move forward. At MIXI, we needed to instill a mindset among employees that AI is not an enemy taking away jobs, but an ally that enhances creativity. To promote the adoption of AI, it is important that productivity gains translate into higher employee compensation, so we are considering introducing a new evaluation system.

This has allowed us to make significant progress in shifting employee mindsets. Initially, some resisted change, saying they did not want to abandon traditional methods or that AI output lacked accuracy. However, with advances in generative AI, including more sophisticated reasoning models, usage has increased among both engineers and non-engineers.



## Gaining momentum in improving our profit structure and transforming our business model

I, too, have been using generative AI. At first, I felt a sense of guilt, questioning whether it was acceptable to use AI-generated output as it was. Now, however, I have come to embrace it naturally as a new partner in creative work.

2024 marked the year when the results of our accumulated efforts began to surface, bringing positive momentum to our business. The profit structure of *MONSTER STRIKE* is improving, enabling us to channel the profits gained into investments for IP development, such as media collaborations with anime.

2024 was also the year when the business model transformation of MIXI Group through sports, initiated in 2019, began to deliver results. Although my involvement in MIXI's growth has been through games, I have always had a strong passion for sports. Games captivate users by constantly evolving with new ideas, while sports, with rules for matches and races that remain basically unchanged, inspire excitement and emotion across generations. While both games and sports move people emotionally, I have been drawn to sports, which have business characteristics, such as profit structure, that differ entirely from games, both as a manager and as an individual. Unlike games such as *MONSTER STRIKE*, sports do not generate a large amount of sales in short periods. However, through steady efforts in both betting and spectator businesses, we have built a stronger and more resilient revenue base.



## **Strengthening corporate governance through careful cultivation of our corporate culture**

In light of the misconduct at a consolidated subsidiary revealed in October 2024, MIXI is addressing governance reinforcement as a top priority. The most important aspect of governance is embedding our corporate culture throughout the Group.

MIXI Group positions business expansion through M&A as one of its growth strategies, but for us, M&A is not merely the act of acquiring businesses. We also aim to bring in exceptional talent, including outstanding leaders, to join us as partners and lend their strength. A key to strengthening governance is instilling MIXI's culture, which upholds integrity as a core value, in the talent we welcome into the Group. In addition to training programs and engagement surveys, we are advancing the development of our organizational structure, including improving our internal audits. However, these efforts alone are not enough. Organizational mechanisms alone cannot ensure that people embrace MIXI's unique culture and generate synergy. With MIXI's officers fully engaged in post-merger integration (PMI) and carefully embedding our culture, we will advance business expansion through M&A under solid governance.

To foster an ethical and disciplined organizational culture trusted worldwide, MIXI Group has established the MIXI Group Business Conduct Guidelines, reflecting both international standards and our own values, and is ensuring they are thoroughly instilled in every individual. In addition to basic compliance, such as respect for human rights and fair, honest business practices, these guidelines reflect MIXI's unique commitment to safe, secure services and to innovation. Positioned as a code of conduct for all employees, they serve as the foundation for advancing our growth strategies, including M&A.

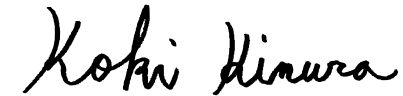
## **Pursuing global growth with profit margins befitting an IT company**

I am firmly focused on achieving profit margins befitting an IT company. In the world of digital entertainment, the maturing market has made it increasingly difficult to generate new game hits. Nevertheless, investment and development costs continue to rise, and many projects are yielding returns below the profit levels that IT businesses should inherently achieve. To ensure appropriate profit levels, we are reviewing our business investment disciplines and advancing a growth strategy that prioritizes the balance between costs and returns. We believe this approach will help optimize the cost of shareholders' equity. By pursuing higher profit margins to build a stronger financial foundation and channeling these gains into shareholder returns and employee rewards, we aim to create a virtuous cycle that supports stock price stability and strengthens talent acquisition.

We now have an opportunity to fundamentally transform MIXI's profit structure through initiatives such as introducing in-house payment systems for in-app purchases and enhancing productivity with AI. We aim to become a high-margin company, rolling out services that connect people worldwide, driving further growth.

I ask all of our stakeholders for your continued support and invite you to raise your expectations of us higher still.

August 2025



President and Representative Director  
Senior Corporate Officer and CEO

## MIXI Group Business Conduct Guidelines

**These guidelines are a shared code of conduct that everyone at MIXI Group is expected to follow. By acting in accordance with the guidelines and speaking up against behavior that does not align with them, we will realize MIXI Group's vision of global compliance: rich with individuality, yet ethical and disciplined.**

► For more details on the Business Conduct Guidelines, please visit the website below.

<https://mixi.co.jp/en/about/conductguidelines/>

### 01 Responsible operation of services

We provide high-quality services responsibly and work to prevent problems in our services to ensure that they can be enjoyed with peace of mind.

### 02 Innovation and IP

We recognize the value of IP and new solutions and work to create innovative services while adhering to ethics.

### 03 Connection with customers

We value our connection with customers. We not only create innovative services by promoting innovative development, but also identify issues based on customer feedback and promote the provision of services aimed at solving them. We strive to communicate with our customers in good faith and provide them with information promptly to achieve the above.

### 04 Fairness and integrity in business activities

We build and maintain proper business relationships through business activities that are conducted with fairness and integrity. We adhere to relevant laws and regulations as well as internal rules, avoid engaging in activities that conflict with the interests of the company, and maintain sound and transparent relationships with political and administrative bodies.

### 05 Handling of information assets

We strictly manage and protect the confidential information of MIXI Group, our business partners, customers, and employees through the proper handling of information assets. We do this by raising awareness of relevant domestic and overseas laws and regulations, as well as internal rules, and implementing sufficient measures to maintain the trust of our stakeholders.

### 06 Respect for human rights

We respect fundamental human rights in accordance with international human rights standards. We also protect human rights by prohibiting discrimination and respecting the right to privacy. We respond appropriately to any problems that arise and protect affected persons to ensure their human rights are upheld.

### 07 Working environment

We create a culture that allows the various individuals of our workforce to speak freely and develop their careers by promoting diversity, equity, and inclusivity both inside and outside MIXI Group.

### 08 Trusting relationships with stakeholders

We inform stakeholders of our activities accurately and listen to their opinions to increase corporate value through two-way communication.

### 09 Connection with local communities

We value that we are members of our local communities. We actively contribute to the local communities and place importance on our connections with them.

### 10 Environment initiatives

We take responsibility for confronting environmental issues and are highly conscious in our efforts to reduce environmental impacts in order to achieve a sustainable society.

### 11 Crisis management

MIXI Group regularly prepares for emergencies, with a risk management system in place to address crises and risks in a prompt manner.

### 12 Internal reporting system

We have established an internal reporting system that strictly safeguards the privacy and interests of whistleblowers and all related parties.

**MIXI GROUP'S FINANCIAL STRATEGY**



# **MIXI GROUP'S FINANCIAL STRATEGY**

**Kohei Shimamura**

Director  
Senior Corporate Officer  
CFO





# We strive to enhance corporate value through advanced business portfolio management and a new capital allocation policy.

In fiscal year 2025, the Sports and Lifestyle segments achieved strong growth in net sales, delivering solid results. In the Digital Entertainment segment, net sales of *MONSTER STRIKE* declined slightly year on year; however, cost efficiency improvements exceeded expectations. In the Investment segment, we recorded a gain on the sale of shares of Timee, Inc. Reflecting these factors, in February 2025 we revised our full-year consolidated earnings forecast upward, and results were in line with the revised forecast. The following provides an overview of performance by segment in fiscal year 2025, together with the forecast for fiscal year 2026, during which we plan to actively allocate business earnings to growth investments.

## FY2025 overview by segment and FY2026 financial results forecast

### Sports segment

In our betting businesses, ticket sales through *TIPSTAR* and *Chariloto* grew steadily. *TIPSTAR* in particular saw a solid increase in MAU (monthly active users), supported by product enhancements. Even without additional marketing costs, the user base began to expand organically, confirming strong market acceptance. In the fourth quarter of fiscal year 2025, combined

net sales from *TIPSTAR*, *Chariloto*, *netkeiba*, and *netkeirin* rose 26.0% year on year, with *TIPSTAR* alone achieving growth of 54.2%, driving overall performance.

In the spectator business, LaLa arena TOKYO-BAY, the home arena of the CHIBA JETS, was completed in April 2024, followed by an unveiling event in May. The opening of LaLa arena TOKYO-BAY doubled the seating capacity for the CHIBA JETS, resulting in strong ticket sales, with the average number of spectators this season reaching approximately 10,000. Demand in the arena's venue rental business was also robust, with concerts and various events keeping weekend and holiday utilization rates near 100%. For FC TOKYO, merchandise sales were strong, and we also recorded transfer fee income from overseas player transfers.

Overall, the Sports segment delivered significant growth, with a five-year sales CAGR of 33%. Although the segment had recorded losses in prior fiscal years due to upfront investment, achieving positive EBITDA in fiscal year 2025 was a major milestone. Looking ahead to fiscal year 2026, we will pursue active investment in user acquisition, leveraging AI to elevate *TIPSTAR* to a top-tier service in the domestic market. In addition, upon the completion of the acquisition of PointsBet, we intend to combine PointsBet's business foundation in Australia with the social functionality expertise developed through *TIPSTAR* to further expand market share.

## Lifestyle segment

In *FamilyAlbum*, net sales expanded steadily as both MAU increased and key offerings such as *FamilyAlbum Premium*, *photo prints*, and the *FamilyAlbum GPS Guardian* performed strongly, resulting in higher average revenue per user (ARPU). For *FamilyAlbum GPS Guardian*, one of the core offerings, sales volumes grew year on year, supported by the launch of a new model and a partnership with Keikyu Corporation, while subscription contracts continued to accumulate steadily. Although we are actively investing in promotions and organizational capabilities to acquire overseas users, revenue growth helped reduce segment losses, and EBITDA approached the point of breaking even.

In Japan, we will continue to leverage high brand recognition to strengthen monetization by expanding advertising revenue and enhancing digital offerings. Overseas, as in Japan, we will pursue business expansion by advancing the development of new merchandise while continuing active marketing to acquire users. *FamilyAlbum* has already been making proactive use of AI, and going forward, we will continue to leverage AI and other technologies to achieve more efficient service operations.

For fiscal year 2026, we expect significant revenue growth driven by the expansion of the *FamilyAlbum* economic sphere, including peripheral businesses. However, due to upfront investments in overseas user acquisition for *FamilyAlbum* and in *mixi2*, EBITDA is expected to show only a slight increase.

## Digital Entertainment segment

In fiscal year 2024, we withdrew from six *MONSTER STRIKE* series titles to focus management resources on the main *MONSTER STRIKE* title. Furthermore, the 10th anniversary initiatives for *MONSTER STRIKE* proved successful, demonstrating to the market that the title is expected to continue generating stable earnings over the medium to long term. From a KPI perspective, ARPU rose through sales of new characters, while MAU declined slightly, resulting in a modest decrease in sales. However, EBITDA increased

## Summary of FY2025 financial results

| (Millions of yen)                       | FY2023  | FY2024  | FY2025  | YoY change |
|-----------------------------------------|---------|---------|---------|------------|
| Net sales                               | 146,867 | 146,868 | 154,847 | 5.4%       |
| Gross profit                            | 105,121 | 102,629 | 106,043 | 3.3%       |
| Gross profit margin                     | 71.6%   | 69.9%   | 68.5%   | -1.4pp     |
| SG&A expenses                           | 80,301  | 83,452  | 79,443  | -4.8%      |
| SG&A margin                             | 54.7%   | 56.8%   | 51.3%   | -5.5pp     |
| EBITDA                                  | 29,482  | 23,497  | 31,694  | 34.9%      |
| Operating income                        | 24,820  | 19,177  | 26,600  | 38.7%      |
| Operating income margin                 | 16.9%   | 13.1%   | 17.2%   | 4.1pp      |
| Ordinary income                         | 18,250  | 15,669  | 26,511  | 69.2%      |
| Profit attributable to owners of parent | 5,161   | 7,082   | 17,601  | 148.5%     |

## Breakdown of SG&A expenses for FY2025

| (Millions of yen)        | FY2023 | FY2024 | FY2025 | YoY change |
|--------------------------|--------|--------|--------|------------|
| SG&A expenses            | 80,301 | 83,452 | 79,443 | -4.8%      |
| Personnel                | 11,491 | 11,746 | 12,746 | 8.5%       |
| Advertising              | 16,726 | 20,571 | 17,728 | -13.8%     |
| Outsourcing              | 5,815  | 5,463  | 6,203  | 13.5%      |
| Rents on properties      | 3,159  | 3,253  | 3,345  | 2.8%       |
| Settlement fees          | 32,092 | 31,061 | 26,828 | -13.6%     |
| Depreciation             | 2,859  | 2,520  | 2,520  | 0.0%       |
| Amortization of goodwill | 1,293  | 1,338  | 1,417  | 5.9%       |
| Taxes and public charge  | 882    | 894    | 1,023  | 14.4%      |
| Others                   | 5,981  | 6,602  | 7,629  | 15.6%      |

significantly, up 10.7% year on year, driven by cost reductions. Lower online payment fees and other efficiency measures contributed to improved profitability. In Japan, initiatives such as releasing animations on YouTube and other media mix strategies helped increase IP recognition, and we will continue to invest actively in enhancing the value of the *MONSTER STRIKE* IP. For global reach, we are developing plans to roll out *MONSTER STRIKE* in the Indian market, with a release targeted for fiscal year 2026.

On AI initiatives, under the leadership of corporate officer Sadaaki Kaneyoshi, who assumed the role in fiscal year 2025, we are pursuing new developments. Kaneyoshi has an extensive track record of innovation, including inventing the now-prevalent gacha model and enabling cross-platform talent utilization by laterally expanding home console game development engines to mobile platforms. Leveraging this experience and expertise, we aim to create new entertainment experiences powered by AI.

## Capital Cost Management and Business Portfolio Management

To enhance corporate value and achieve sustainable growth, MIXI Group is pursuing management with a clear focus on capital cost. At the core of this approach is business portfolio management. The year-on-year improvement in the rate of return in the Digital Entertainment segment was largely the result of a process of business selection and the focusing of resources. In fiscal year 2025, we transferred the karaoke video distribution app *KARASTA* to an external company and sold our shares in Decolte Holdings Corporation, which operates a wedding photo business, thereby advancing the streamlining of non-core businesses beyond the Digital Entertainment segment.

We recognize that not every business we pursue will succeed. With the understanding that failure is possible, we believe it is vital to make swift decisions to withdraw and to learn from those experiences. By applying

### Summary of FY2026 consolidated earnings forecasts

| (Millions of yen)                       | FY2025  | FY2026 forecast | YoY change |
|-----------------------------------------|---------|-----------------|------------|
| Net sales                               | 154,847 | 155,000         | 0.1%       |
| Sports segment                          | 40,206  | 45,000          | 11.9%      |
| Betting sports                          | 28,674  | 34,000          | 18.6%      |
| Spectator sports                        | 11,532  | 11,000          | -4.6%      |
| Lifestyle segment                       | 14,795  | 18,000          | 21.7%      |
| Digital Entertainment segment           | 94,082  | 90,000          | -4.3%      |
| Investment segment                      | 5,696   | 2,000           | -64.9%     |
| EBITDA                                  | 31,694  | 25,000          | -21.1%     |
| Operating income                        | 26,600  | 20,000          | -24.8%     |
| Operating income margin                 | 17.2%   | 12.9%           | -4.3pp     |
| Ordinary income                         | 26,511  | 19,000          | -28.3%     |
| Profit attributable to owners of parent | 17,601  | 13,000          | -26.1%     |

these lessons, we will continue to establish a management framework that consistently drives the cycle of optimizing our business portfolio.

## New Capital Allocation Policy

### Approach to business investment and M&A

Our core belief remains unchanged: maximizing profits and increasing share value is the most fundamental form of shareholder return. To this end, we will pursue business investments and M&A under our new capital allocation policy. Specifically, for investments that contribute to the organic growth of our three existing segments, we will, in principle, allocate resources from the cash flows of stable-income businesses, led by *MONSTER STRIKE*, which continues to maintain high profitability.



Conversely, for the development of new core businesses aligned with our Purpose, as well as M&A that generates synergies to accelerate the growth of existing businesses, we will allocate resources using a combination of cash and cash equivalents and borrowings. Relying solely on cash and cash equivalents could restrict our options if additional funding is required in the future. Based on the view that preserving financial flexibility and increasing financial leverage contribute to improving ROE, we will actively utilize borrowings in executing M&A.

## Achieving an appropriate level of shareholders' equity through shareholder returns

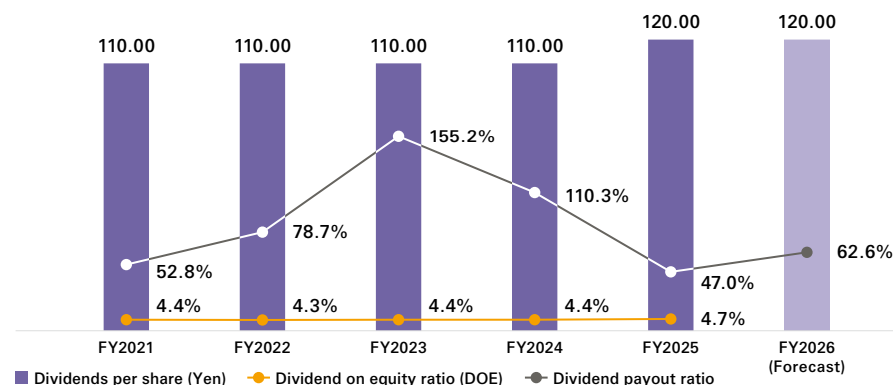
To further enhance corporate value, MIXI Group is continuing proactive business investment while also placing emphasis on optimizing shareholders' equity. Historically, when actual business investment fell below the assumed level, the difference was allocated to the purchase of treasury shares.

In fiscal year 2024, we introduced a new policy to pay out a total return ratio of 100% until ROE exceeds the cost of shareholders' equity. Based on this policy, in fiscal year 2025 we executed a purchase of treasury shares of up to ¥7.5 billion. Supported by strong results, ROE temporarily reached 10%, surpassing the cost of shareholders' equity.

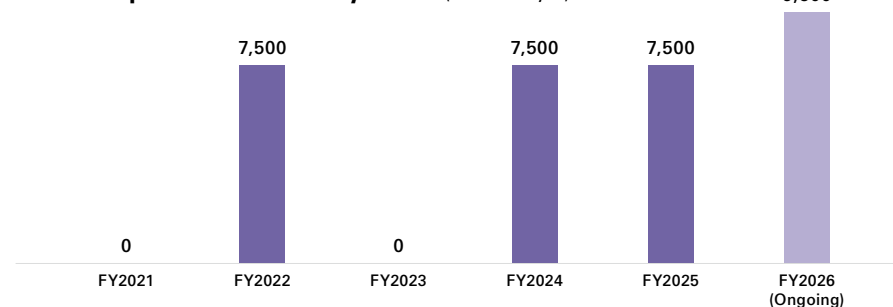
However, given fluctuations in our business performance, we believe ROE should be assessed over the medium to long term rather than on a single-year basis. Indeed, the average ROE for the past three years was 5.6%, still below the cost of shareholders' equity. We therefore recognize the ongoing need to optimize shareholders' equity in order to achieve sustained improvements in capital efficiency.

Reflecting this recognition, we revised part of our shareholder return policy to newly stipulate that shareholder returns will continue at a total return ratio of 100% until the three-year average ROE exceeds the cost of shareholders' equity. For fiscal year 2026, we are planning a purchase of treasury shares of up to ¥9.5 billion while further reinforcing engagement with the capital markets.

## Shareholder returns trends and forecast for FY2026

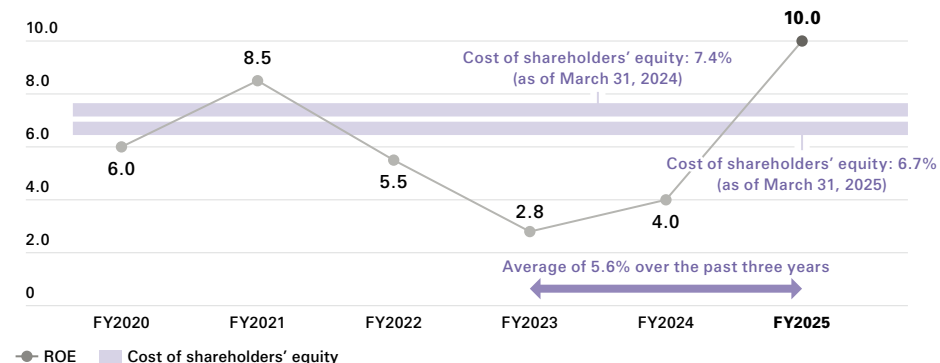


## Record of purchase of treasury shares (Millions of yen)



## ROE and cost of shareholders' equity\* (%)

ROE has recently trended lower than the cost of shareholders' equity.



\* The cost of shareholders' equity is calculated by several methods, including calculation based on the capital asset pricing model (CAPM) and earnings yield.

## To our stakeholders

I sincerely apologize to our stakeholders for the considerable inconvenience and concern caused by the inappropriate exchange of funds between a former officer and employee of Chariloto Co., Ltd. and their service providers. Taking this matter to heart, MIXI Group is firmly committed to implementing thorough reoccurrence prevention measures and to working diligently to restore trust. Looking ahead, we will also strengthen governance in M&A by establishing a more robust framework in which multiple officers are actively involved in PMI, thereby ensuring smooth post-integration operations and maximizing synergies.

What is essential for the Group's future is to foster an environment where employees can continually take on challenges that generate new value.

Even in the event of failure, we will establish systems that fairly recognize and reward employees who apply the insights gained to achieve future results. To that end, we will reinforce human capital investment, reviewing the overall management structure—including compensation structures and personnel systems—so that taking on challenges and learning are directly connected to organizational growth. We believe that nurturing a culture where each employee acts proactively and drives change is the foundation of our future competitiveness. To ensure that these initiatives translate into results, we will also further advance business portfolio management. By practicing quantitative management based on KPIs, we will continuously monitor investment effectiveness and capital cost for each business,

and ensure optimal allocation of resources. Through decisions grounded in data and facts, rather than subjective judgment or temporary conditions, we will aim for the sustainable enhancement of corporate value.

Taking on challenges, properly evaluating outcomes, and driving business growth through objective management and strategic resource allocation—by firmly establishing this virtuous cycle, MIXI Group will continue to achieve steady growth even in an environment of constant change. I sincerely ask our shareholders and stakeholders for your continued and unwavering support.





# AI EMPOWERED COMMUNICATION FOR EVERYONE

**Taking communication to the next level through AI initiatives that maximize surprise, delight, and meaningful connection**

AI today is not merely a tool for improving operational efficiency; it has become a source of competitive advantage and a critical factor shaping future growth. Recognizing this, the Company is accelerating and advancing AI utilization across the entire organization. Already, 99% of employees have incorporated AI into their work, making it an integral part of daily operations. This has led to improved cost efficiency as well as tangible improvements in service quality. In addition, we are taking on the challenge of creating new services through AI, aiming to generate unique experiential value by combining AI with communication. In this section, we introduce the current state of AI utilization at the Company and provide an overview of the AI strategy we are currently implementing.



**Tatsuma Murase**  
Director  
Senior Corporate Officer

## MIXI's AI journey so far

The Company has long been engaged in AI utilization. Initially, we used it within the scope of games, such as when analyzing play data in order to adjust the game balance of *MONSTER STRIKE*. Then we began to utilize AI for *FamilyAlbum*, where we introduced features such as automatic generation of one-second videos through the analysis of millions of photos per year, and personalized photo review functions enabled by a face detection model. In the Sports segment, we independently developed the automated editing system *BreezeCast* for public sports competitions, enabling automatic highlight video editing for more than 20,000 races annually. While continuing these business-specific initiatives, we began full-scale verification in 2023 in response to the rapid evolution of generative AI.

From 2023 to 2024, which we designated as the verification phase, we established AIDX (AI Consultation Service) to centrally receive AI-related inquiries and ideas from across the organization. As a result, we received more than 150 inquiries, leading to numerous proofs of concept and trial operations.

Beginning in 2025, we transitioned to the introduction phase through a top-down approach from management. We established the AI Committee, consisting of management and business section heads, and introduced the AI Ambassador system by appointing AI promotion officers within each division to strengthen collaboration with AIDX and the AI Committee. We also implemented AI training for managers to reinforce leadership toward AI adoption.



Looking ahead to the full-scale introduction of AI into major products and business processes, I personally oversee and drive our company-wide AI strategy. We are enhancing our internal structures to instill a culture in which all employees—not only in technology but also in design, marketing, planning, and administration—use AI in their daily operations.

## Our vision and policy for AI strategy

As the banner of our AI strategy, the Company has established the vision of AI Empowered Communication for Everyone. In the introduction phase, we are promoting AI utilization across the entire organization. However, the objective goes beyond improving operational efficiency. Our true aim is to enrich communication through AI, creating new value that dramatically deepens the user experience in line with the MIXI Way of “user surprise first,” and to continue delivering excitement and delight to our users.

In a competitive environment where other companies are also turning to AI, it is essential to maintain competitiveness through rapid service updates without falling behind the global wave of AI-driven technological innovation. For this reason, aggressive investment in AI and early adoption are indispensable. We position the promotion of AI strategy as a growth engine for the future, driving value creation that MIXI Group aspires to achieve. Beyond strengthening and advancing existing businesses, we also envision AI utilization in the creation of new businesses and in overseas business expansion.

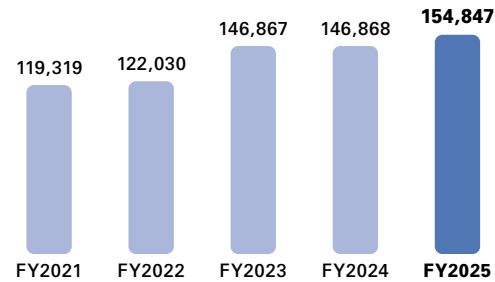
At the same time, reinforcing governance and risk management is indispensable to promoting AI utilization. To this end, we have established a cross-organizational AI Risk Committee, where relevant sections—including legal affairs, IP, information security, and compliance sections—work together to review AI introduction. Furthermore, we are integrating our AI strategy with ESG and sustainability policies.

Through these multifaceted initiatives, MIXI Group aims to provide not only convenience, but also maximize excitement, delight, and meaningful connection through AI, while simultaneously contributing to society and realizing sustainable growth as a corporate group.

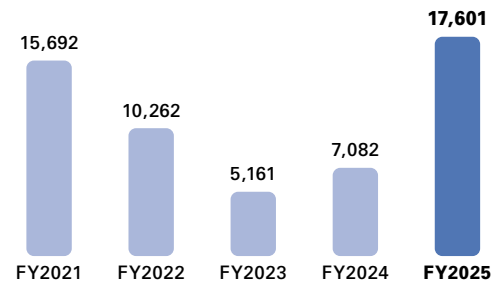
# FINANCIAL DATA



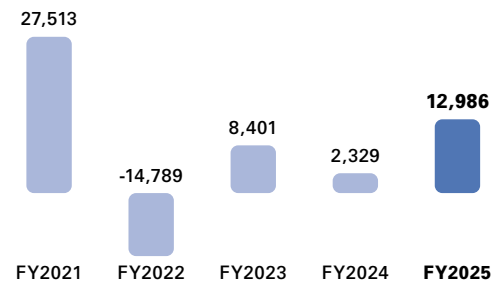
**Net sales** (Millions of yen)



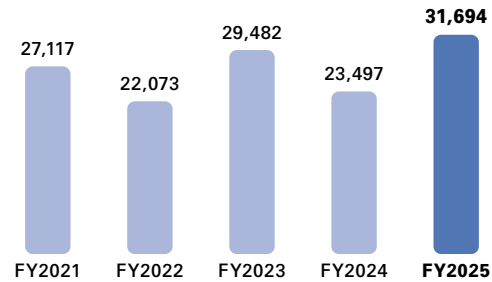
**Profit attributable to owners of parent**  
(Millions of yen)



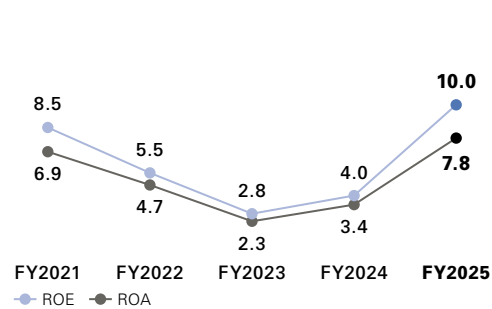
**Free cash flow** (Millions of yen)



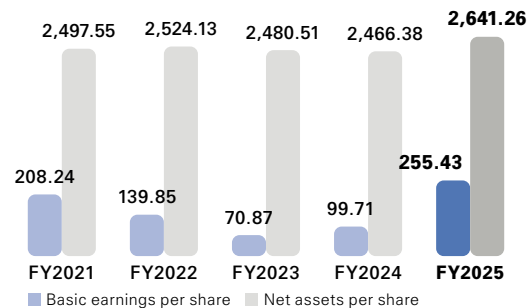
**EBITDA** (Millions of yen)



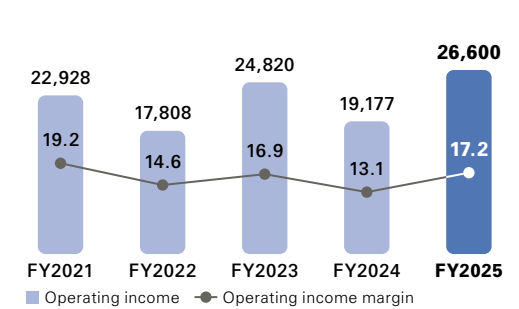
**ROE (%) / ROA (%)**



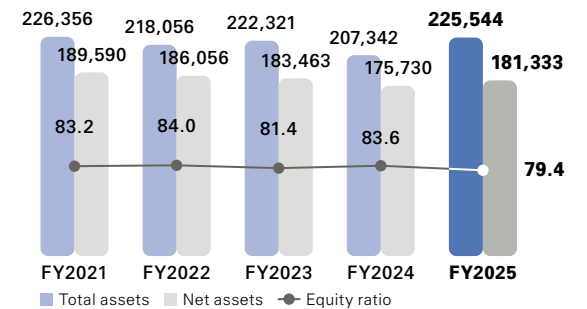
**Basic earnings per share** (Yen) /  
**Net assets per share** (Yen)



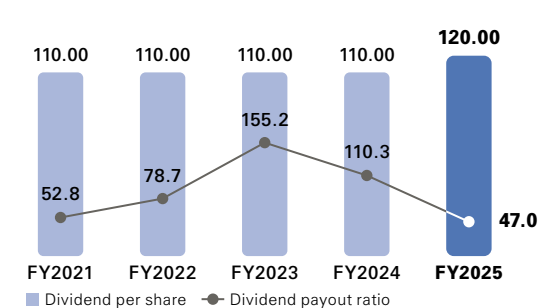
**Operating income** (Millions of yen) /  
**Operating income margin** (%)



**Total assets** (Millions of yen) /  
**Net assets** (Millions of yen) / **Equity ratio** (%)



**Dividend per share** (Yen) /  
**Dividend payout ratio** (%)



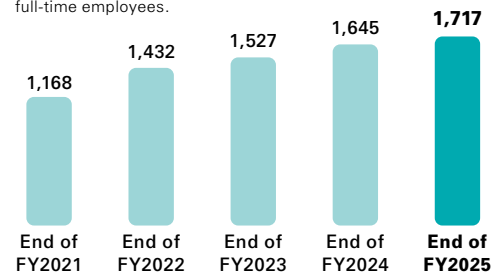
# NON-FINANCIAL DATA

More information on our non-financial data is available on our corporate website.

<https://mixi.co.jp/en/sustainability/nonfinancialdata/data/>

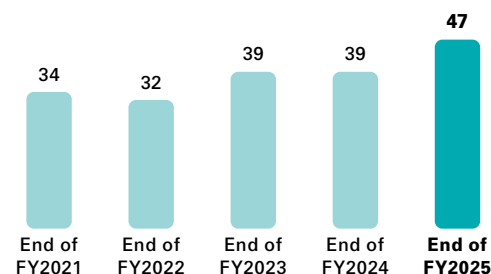
## Number of employees

The number of employees is the total of (consolidated) full-time employees.

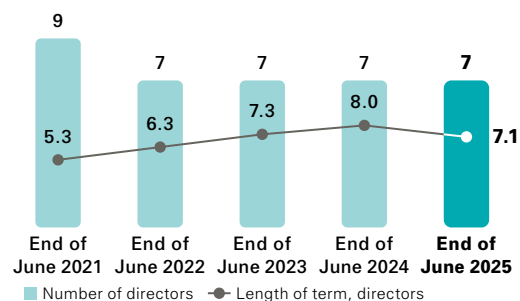


## Number of foreign employees

The calculation scope covers only MIXI, Inc.

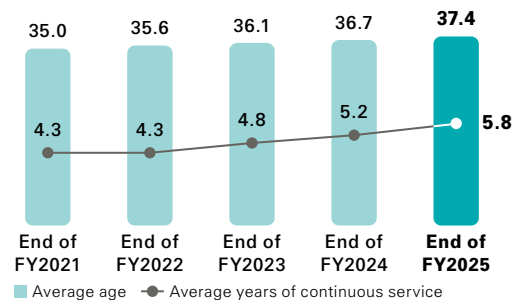


## Number of directors / Length of term, directors (Years)



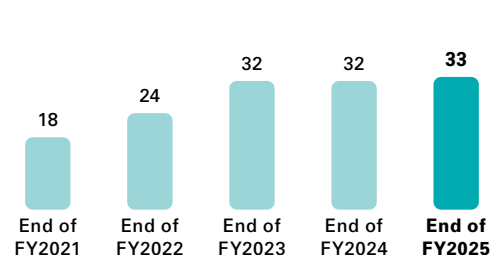
## Average age (Years) / Average years of continuous service

The calculation scope covers only MIXI, Inc.

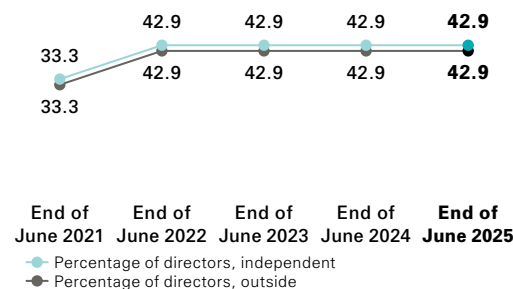


## Number of workers with disabilities

The calculation scope covers MIXI, Inc. and a special subsidiary, MIXI EMPOWERMENT, Inc.

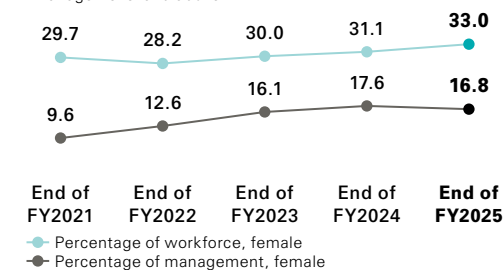


## Directors, independent (%) / Directors, outside (%)



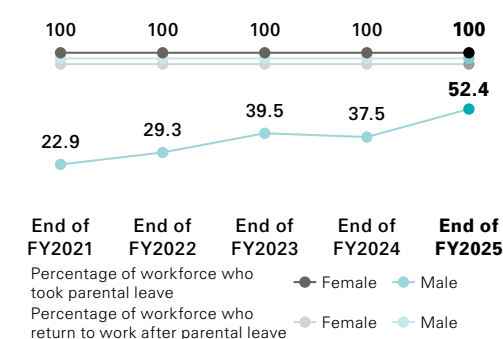
## Workforce, female (%) / Management, female (%)

The calculation scope covers only MIXI, Inc. Starting with this Integrated Report, the coverage has been revised from "assistant manager level and above" to "manager level and above."

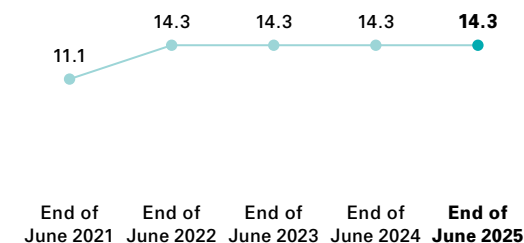


## Workforce who took parental leave (%) / Workforce who return to work after parental leave (%)

The calculation scope covers only MIXI, Inc.



## Directors, female (%)





## SEGMENT OVERVIEW AND STRATEGY | SPORTS



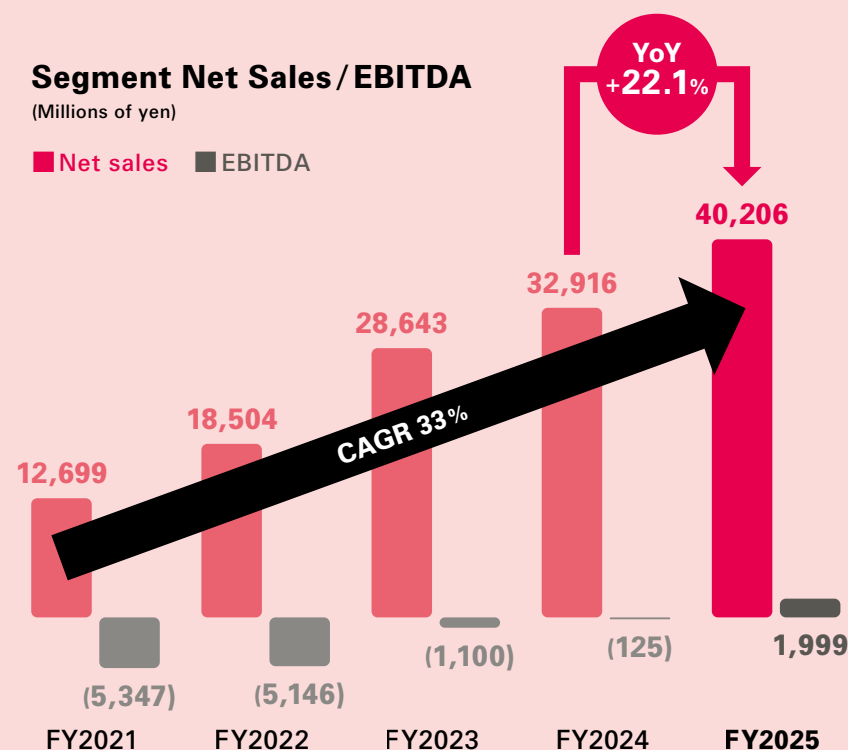
# SPORTS

### Segment Net Sales / EBITDA

(Millions of yen)

■ Net sales

■ EBITDA



### Business Results and Outlook for the Next Fiscal Year

In fiscal year 2025, in the betting business, online betting ticket sales increased for keirin and auto race betting services *TIPSTAR* and Chariloto Co., Ltd., and net sales expanded steadily compared to the previous fiscal year. In the spectator sports business, segment profit increased due to strong sales of FC TOKYO merchandise and CHIBAJETS tickets, as well as one-time expenses recorded in the previous fiscal year due to the termination of some of the Company's services. In addition, construction of LaLa arena TOKYO-BAY, the new home arena of the CHIBAJETS, was completed in April 2024, and a launch event was held in May.

In fiscal year 2026, in the betting business, alongside seeking business growth from our consolidated subsidiaries Chariloto Co., Ltd. and Net Dreamers Co., Ltd., we will promote growth investments aimed at business expansion by refining *TIPSTAR*'s differentiating factors. In the spectator sports business, we will promote growth by increasing spectator attendance for the CHIBAJETS and FC TOKYO.

# VIEWPOINT

**We will enhance communication features and further develop our betting businesses as services based on socialization.**

**Sho Okuyama**  
Senior Corporate Officer  
In charge of the Social Betting  
Business Department and  
Corporate Development Department



**Q There have been changes to the structure for promoting the betting business. Could you tell us more about what those changes were?**

The betting business spans three areas: *TIPSTAR*, our keirin and auto race betting service; Chariloto Co., Ltd.'s *Chariloto* keirin betting ticket sales and comprehensive velodrome operations; and the media operations of *netkeiba* and *netkeirin* by our consolidated subsidiary Net Dreamers Co., Ltd. In April 2025, the Investment and Business Promotion Department, which had previously overseen Chariloto Co., Ltd. and Net Dreamers Co., Ltd., was reorganized as the Corporate Development Department. With this change, the Social Betting Business Department assumed oversight of Chariloto Co., Ltd. and Net Dreamers Co., Ltd., establishing an integrated structure to manage the betting business both in Japan and overseas. This has laid the groundwork for further growth of the betting business both in Japan and overseas.

**Q Could you share the current status of your business development and your plans going forward?**

In fiscal year 2025, all areas saw steady growth, with *TIPSTAR* in particular recording a significant increase in monthly active users (MAU). This outcome reflects the time we have invested in refining the service to deliver on the value we aim to provide: a platform that encourages users to actively engage with its communication features. We see *TIPSTAR* as having finally entered its growth phase.

With this outlook, we plan to ramp up marketing investment in fiscal year 2026 to drive new user acquisition and aim for a leading share of Japan's betting market. Thanks to its communication features, *TIPSTAR* tends to see higher user engagement than competing services. That's why this round of investment will focus squarely on marketing efforts that encourage users to try out *TIPSTAR*.

## Q You've been working on upgrading velodromes. Could you share your strategy going forward?

Although we promote a business portfolio strategy focused on capital efficiency, Chariloto Co., Ltd. holds non-current assets, including velodromes. While this may be seen as a negative from a capital efficiency standpoint, the velodromes we operate are designed to offer more people the opportunity to enjoy live keirin and to serve as areas where we provide unique experiences.

For example, at Tamano Velodrome in Okayama Prefecture, we have redeveloped the facility, including the construction of a new hotel, turning it into a park-like space where people of all ages, including families, can enjoy their time. Hiroshima Velodrome in Hiroshima Prefecture, slated to open in fall 2025, is being redeveloped as Urban Cycle Parks Hiroshima, an urban park that brings together keirin and urban cycle sports\* in a way that lets members of the public participate, making effective use of the venue's large parking area.

While providing spaces like these may seem inefficient at first glance, we believe this seemingly roundabout approach is in fact a strategic shortcut to expanding the keirin market and a distinctive strength that sets us apart from other companies offering web-based services. Through these initiatives, we aim to fulfill our Mission of providing "space and opportunity for truly meaningful connections" and to bring to life a social betting culture.

\* "Urban cycle sports" is a combination of urban sports and cycling and generally includes wheel-based riding sports, such as BMX, skateboarding, and balance biking. (As defined by Chariloto Co., Ltd.)

## Q Could you tell us about how AI is being used in the betting business?

We have long incorporated AI-powered predictions for keirin and horse racing tickets into our services. We are also using AI to streamline how we respond to user inquiries. Our services, including *TIPSTAR*, generate a great deal of communication among users. As such, looking ahead, we plan to leverage AI to further enhance these interactions and drive business growth.

## Q Could you tell us about your globalization efforts in the betting business?

In terms of globalization, we have focused on expanding social betting in the Australian betting market, which is not only large in scale but also has a strong culture of betting together with friends and acquaintances. To accelerate our efforts by partnering with companies that already have an established business foundation, we have been seeking business partners. At present, we are pursuing the acquisition of PointsBet, a company with strong brand recognition and market share that provides B2C services centered on betting in Australia and Canada. We will differentiate our socialization-based services in the global market as well by combining the betting technology of PointsBet with our communication functionality.

## Q What is your message to stakeholders?

I sincerely apologize to our stakeholders for the considerable inconvenience and concern caused by the inappropriate exchange of funds between an officer and employee of Chariloto Co., Ltd. and its service providers, which came to light in October 2024. We are implementing reoccurrence prevention measures and will work diligently to regain trust. Above all, we will continue working to make an even greater contribution to the growth of the keirin industry.

There is significant growth potential for our Group's services, both in Japan and worldwide. We will continue striving to create communication-based services around betting sports that users are eager to enjoy on a daily basis.



## We are working with HUB Co., Ltd., an operator of British-style pubs, to create new value.

TOPIC

In 2021, amid the COVID-19 pandemic, we formed a capital and business alliance with HUB Co., Ltd. This was driven by our desire to give more people the opportunity to experience spectator sports. We saw HUB, a British-style pub, as an ideal place for people to casually enjoy spectator sports, even if they cannot make it to the stadium.

We are now working with HUB and *Fansta*, a search and reservation service specializing in spectator sports, to offer a system that lets fans reserve spots for sports viewing at HUB locations in advance. During the time when G1 horse racing events are held in spring and autumn, HUB Co., Ltd. and Net Dreamers Co., Ltd. also collaborate to create a casual betting experience by serving cocktails named after racehorses at HUB locations and giving original coasters to those who order them. HUB has also opened a sports bar in the infield restaurant area of Tokyo Racecourse, offering exclusive drinks with special benefits that have been very popular with visitors.



### Lead for Overseas Investment Deals

**My goal is for  
MIXI to be chosen  
internationally as  
both an investor and  
a strategic partner.**

### Anastasiia Denisova

Investment Division  
Manager,  
Overseas Investment Group

Since MIXI launched its dedicated overseas investment team in 2024, I have overseen a wide range of overseas investment initiatives, including M&A, venture capital funds, and startup investments.

As the lead for the PointsBet M&A deal, I oversaw the entire process from strategy development through the signing of the acquisition agreement, took part in PMI preparations, and handed off the deal when I went on maternity leave. This was both MIXI's first acquisition of a publicly listed overseas company and its largest M&A deal to date. With the strong support of my supervisors, colleagues, and advisors, we were able to make steady progress step by step. From the outset of this project, I took part in a broad scope of responsibilities, leading direct negotiations with PointsBet, working closely with domestic and international advisors, reviewing contracts and negotiating terms from a business perspective, and preparing related documentation. As anticipated, the process required overcoming many challenging negotiations and adjustments, yet every step turned out to be an immensely rewarding experience. In addition, the experience of learning extensively about different M&A structures in Australia, the practices of listed-company acquisitions, and the related regulatory frameworks will be invaluable to my future career growth.

In the future, I aim to expand my involvement beyond the sports sector to a broader range of overseas investments and M&A, contributing to establishing MIXI as a trusted investor and strategic partner of choice on the global stage. Personally, based on my own experience as a mother, I aspire to pursue investments and M&A that support the global expansion of family-oriented services, including *FamilyAlbum*.

**Note: As this matter concerns M&A, the schedule and terms may change as circumstances evolve.  
The latest updates are available on our corporate website under IR News.**

## SEGMENT OVERVIEW AND STRATEGY | LIFESTYLE

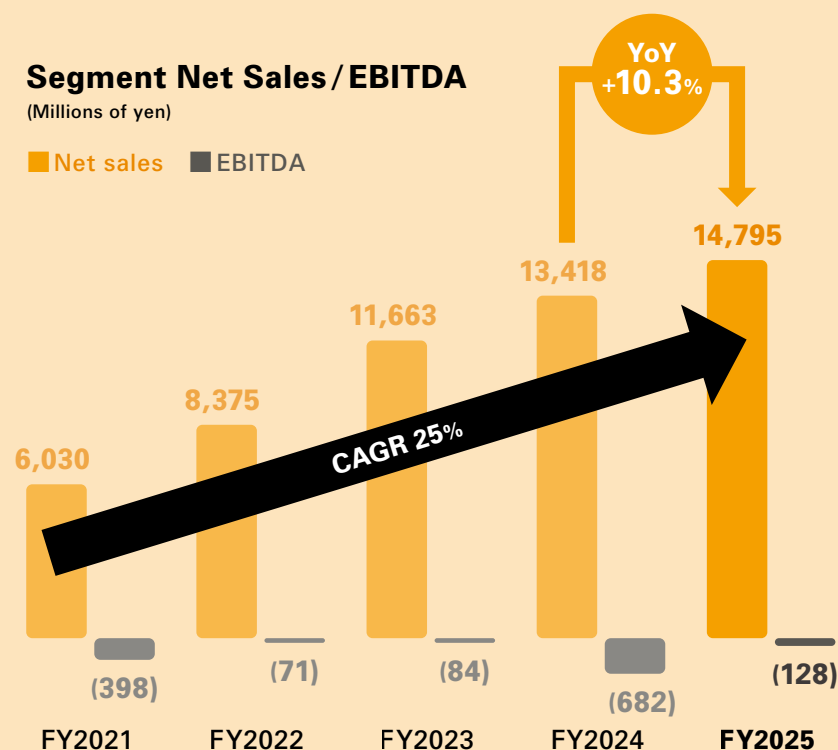
# LIFESTYLE

### Segment Net Sales / EBITDA

(Millions of yen)

■ Net sales

■ EBITDA



### Business Results and Outlook for the Next Fiscal Year

In fiscal year 2025, in the *FamilyAlbum* business, sales grew steadily compared to the previous corresponding period due to strong sales of our major products (*FamilyAlbum Premium*, *photo prints*, and *FamilyAlbum GPS Guardian*). We are actively investing in promotions and system reinforcements to acquire overseas users, and segment loss has decreased as a result of sales growth.

In fiscal year 2026, we will continue to make upfront investments to expand the *FamilyAlbum* business in Japan, drive its growth overseas, and scale up the *mixi2* business.



## We aim to deliver services worldwide that enrich users' lives through communication.



**Kenji Kasahara**  
Director/Founder  
Senior Corporate Officer  
In charge of Vantage Studio/  
FamilyAlbum Business  
Department

### Could you review the performance of the Lifestyle segment in FY2025?

First, *FamilyAlbum* has evolved. Specifically, we introduced features long requested by users, including tagging, comment search, and improved upload and download functions. In the Premium service, we introduced a system that allows family members to pay in place of parents, improving convenience and driving growth in Premium users.

As a new initiative, we also began displaying advertisements for users who are using the service for free. While ads are not shown to premium users, we decided it was important to secure some revenue from free users as well to ensure the stable continuation of the business. By displaying ads, we are able to let users continue to enjoy the service without any added cost.

*FamilyAlbum* stands out as a service used across three generations—parents, grandparents, and children—and is becoming one of the largest media services in Japan. We have received many requests from advertisers as well, and by bringing the two sides together, we believe this will also provide users with useful information.

*mixi2*, launched in December 2024, had a strong start with more than 1.2 million users registering within its first seven days. The launch was driven by our strong commitment to communication services. Social networking services were originally meant to deepen connections with friends and acquaintances, but today many have shifted into media platforms that push stimulating content to keep users engaged longer. In this environment, we saw an opportunity to make an impact by offering a peaceful social network that does not harm people.



The development team brings together a diverse mix of members, including veterans from the original *mixi* business, people with experience in other fields, and young new graduates. By combining the know-how of experienced members with the sensibilities of the younger generation, we are continuously improving functionality. We aim to harness the expectations of users who have long supported *mixi* as a valuable asset, while also recognizing that attracting younger generations, including university students, is a key challenge ahead.

One of the steadily growing businesses in the Lifestyle segment is *minimo*, a direct salon staff booking app launched in January 2014. Although it has rarely been in the spotlight, it has continued to grow as a highly profitable business. As a beauty salon booking platform, it is especially popular among younger users and has grown into a widely supported service. Both the organization and the business are steadily growing. Looking ahead, we will draw on the expertise we have cultivated in social communication to pursue a growth strategy that strengthens connections among users.

### How is AI being used in the Lifestyle segment?

In this segment, we have actively leveraged AI technology to enhance the user experience and create new value. For example, *FamilyAlbum* has used deep learning since before the emergence of ChatGPT to enable features such as automatically generating 1s Movies, suggesting photos for photobooks, and separating albums by individual. In today's LLM\* era, we are developing more advanced search functions and creating new experiences through enhanced photo and video editing.

The conversational AI robot *Romi* is a service built entirely around AI. We have independently developed a conversation engine based on transformer technology and equipped it with innovative features such as visual recognition and long-term memory. Competition has intensified with the rise of ChatGPT, but we aim to deliver the first AI robot that comes to mind for households, focusing on more natural speech synthesis and smoother real-time conversational responses.

\* LLM stands for Large Language model, and refers to a large-scale AI language model capable of understanding and generating natural text.

### Please tell us about the global expansion of *FamilyAlbum*.

In Japan, awareness of *FamilyAlbum* has grown significantly and MAU continue to increase, but with the declining birthrate, we expect the service will eventually reach a peak. At the same time, we view overseas markets as having significant growth potential. Currently, our business is focused on English-speaking markets in the West as well as South Korea and Taiwan, but awareness in these regions remains limited.

Overseas, as well as in Japan, users value the ability to easily share photos and videos of their children with family and to stay updated in real time on their children or grandchildren even from a distance. In Japan, there are similar services and strong demand for child-rearing-focused platforms. However, in overseas markets, particularly in English-speaking countries, such services are scarce, and most families rely on social networks or general cloud services instead. At the same time, privacy concerns about posting children's photos on social networks are even stronger overseas than in Japan. By highlighting the joy of sharing photos and videos within the family, we will work to raise awareness.

In expanding overseas, we need to refine the service to better align



with local sensibilities while also developing products that can generate revenue. When it comes to advertising, creatives must be refined with a local sensibility, so we are stepping up recruitment of people who either live in those markets or have the necessary expertise.

## **What are your prospects for the future of *FamilyAlbum*?**

For *FamilyAlbum*, our goal is to build a global service that serves as a lasting

I joined MIXI because I was inspired by the vision behind *FamilyAlbum*. I began my career here as a copywriter, primarily handling localization. Today, my role has expanded to encompass all aspects of *FamilyAlbum*'s marketing, from planning and producing creatives for overseas markets to analyzing their performance and driving continuous improvement.

Although *FamilyAlbum* offers the same features worldwide, the way we communicate them has to adapt to cultural contexts. For example, in Europe and the United States, where privacy is a particularly strong concern, we place greater emphasis on reassuring families that their cherished photos, videos, and personal data remain safe and secure with *FamilyAlbum*.

Focusing on *FamilyAlbum*'s global expansion, I'm constantly reminded that parents around the world are alike in their desire to take photos of their children and share those photos with loved ones. The challenge is finding how to best convey the value of using *FamilyAlbum* to do it. I remember clearly the first time I produced a hit creative that dramatically improved overseas user acquisition. This achievement not only validated the value of strong creative work but also led to the establishment of our global creative team, which I now have the honor of leading.

Looking ahead, my goal is to establish *FamilyAlbum* worldwide as the go-to app for parents from the moment they begin their parenting journey. With the use of AI and other production tools, we are now able to consistently produce creatives at scale. While quality has always been at the core of our work, we are committed to raising the bar even higher to accelerate *FamilyAlbum*'s growth globally.

part of family life, a kind of emotional infrastructure for families. No prior generation has taken so many photos and videos of their children before. We see these photos and videos of children as a precious asset for humanity and are committed to preserving them for future generations. It is a wonderful experience to raise your own children while seeing how you yourself were raised. While smartphones are the mainstream today, we want to ensure the service continues to evolve so it can adapt to whatever devices come next. We will continue to deliver services worldwide that enrich users' lives by making communication more meaningful.

## **Marketer Driving *FamilyAlbum*'s Global Expansion**

**My goal is to establish *FamilyAlbum* worldwide as the go-to app for parents the moment they begin their parenting journey.**

**Megan Dick**  
**FamilyAlbum Marketing**  
**Department**  
**User Growth Group**  
**Global Creative Team Leader**



## SEGMENT OVERVIEW AND STRATEGY | DIGITAL ENTERTAINMENT

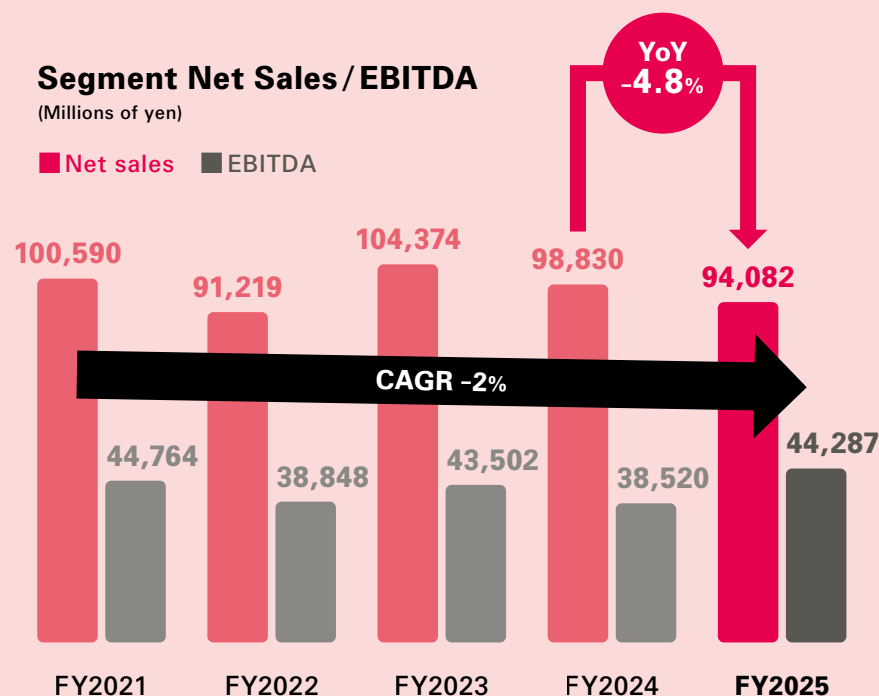
# DIGITAL ENTERTAINMENT

### Segment Net Sales/EBITDA

(Millions of yen)

■ Net sales

■ EBITDA



### Business Results and Outlook for the Next Fiscal Year

In fiscal year 2025, while *MONSTER STRIKE* saw an increase in ARPU, its MAU declined relative to the prior fiscal year due to the impact of 10th anniversary initiatives carried out then, leading to a decrease in net sales compared with the previous fiscal year. However, segment profit increased due to the absence of costs for 10th anniversary initiatives that were recorded in the previous fiscal year, as well as cost savings from business withdrawals.

In fiscal year 2026, net sales of *MONSTER STRIKE* are projected to decline slightly based on recent performance, but we will work to achieve upside beyond plan by strengthening planning and marketing and improving profitability.

## VIEWPOINT



**Creating spaces where people can share impulses and emotions, the kind that make you want to spontaneously reach out to those around you, through the mechanism of entertainment**

**Koji Ishii**  
Digital Entertainment  
Publishing Department  
Chief General Manager



### **What led you to join MIXI?**

After studying artificial intelligence in graduate school, I worked as a logistics systems consultant at a major electronics manufacturer. However, seeing how overseas companies successively drove game-changing shifts, from host computers to Unix and then to Windows, led me to question the competitiveness of Japanese companies in the systems industry. At the same time, I believed that manufacturing was a field where Japanese strengths could truly be leveraged, and that by studying it in India where business culture and practices are distinctive, I could build the expertise needed to thrive on the front lines. Back in the days before smartphones, without having maps in India, I immersed myself in local companies, gaining firsthand experience of the culture and business practices there. After returning to Japan, I spent about four years at a joint venture between a major Indian systems integrator and a foreign telecommunications company, bringing the total to seven years of work connected to India.

I first came across MIXI around 2010. The CTO at the time, who was seeking someone to launch our operations in China, remarked, "Since salaries there are one-tenth of those in Japan, if we offer Japan-level salaries, we should be able to attract even more outstanding talent than in Japan. I'd love to leverage this to create a world-class base of operations." This struck a chord with me and I decided to join the Company.



## Q What was your impression after joining MIXI? And what businesses have you been involved in since then?

Up to that point, my sense of identity was tied to completing the projects I was assigned. But around 2015, when I was put in charge of the China version of the *MONSTER STRIKE* project, I came face to face with the B2C reality that unless you release a high-quality service, users will not choose it, and no one will be happy. That experience profoundly changed my own sense of identity.

Following the China project, I became Head of the Business Strategy Office for our Digital Entertainment (DE) brand XFLAG, where I worked on formulating and driving the vertical integration strategy. The current MIXI Way, “user surprise first,” was also established during that period. After that, I oversaw the Sports segment, leading the acquisitions of FC TOKYO and the CHIBA JETS, and more recently, as producer of the Betting segment, I brought *TIPSTAR* to profitability. In February 2024, the Digital Entertainment Publishing (DEP) Department was established, and I became the Chief General Manager, taking on the challenge of driving the global expansion of the DE business.

## Q How is the global expansion progressing? Could you also tell us about your AI initiatives?

The DEP Department’s latest initiative is focused on entering the Indian market, but its core mission is to create entertainment globally. The first thing I did was build a team of members who supported the new policy of expanding into India. To avoid repeating the missteps of the *MONSTER STRIKE* expansion projects into the U.S. and mainland China a decade ago, our goal isn’t to release our product as soon as possible, but instead start with a strategy that places the highest priority on delivering high-quality service. In developing the global version of *MONSTER STRIKE*, we visited not only India, but also countries like Brazil and Indonesia and studied their level of gaming literacy. We found that in many regions, the mainstream is not yet anime or RPG titles, but rather instinctive, impulse-driven games such as shooters. In Japan, various different games have trended over the past 20 years or so, and I see *MONSTER STRIKE* as a natural extension of that progression. However, I came to realize that for users in other countries to understand Japan’s unique gaming culture, we must clearly communicate the

goal of the game and where we stand. For example, with *MONSTER STRIKE*, we needed to make its core concept, and by that I mean why you fling monsters, clearer and more intuitive for players to grasp.

In India, we have already begun user testing and are running a cycle that channels feedback directly into development. While game development takes place in Japan, we are also building a framework in India for quality testing. In addition, we are working on hiring local talent, primarily to handle marketing.

On the technical side, we are also advancing the use of AI. For example, we are trying out converting the Japanese version of *MONSTER STRIKE*, which is written in different programming languages, into new ones. In global marketing, we are experimenting with bots trained on marketing materials to simulate conversations with Indian personas.

## Q How did you go about redefining MIXI’s identity while working on global expansion? Could you tell us more about that approach and the initiatives behind it?

In fiscal year 2025, alongside developing the global version of *MONSTER STRIKE*, we also focused on articulating MIXI’s unique identity. The background to this was our realization that within MIXI Group, the word “communication” had gradually shifted from a unique strength into a constraint. Something that only a handful of exceptional individuals can turn into a strength cannot form the basis of an organizational culture. By articulating MIXI’s unique identity, we aimed to establish a way to achieve repeatable success across the organization.



Screenshots are from a development version and do not represent the final product.

After about a year of discussion, we developed a unique concept we call “What of the Playground,” a way of defining the core essence of a playground and the experiences it should create. This concept defines MIXI’s mission not as simply developing games but as using entertainment as a mechanism to spark the impulses that make people want to connect with others. For instance, it could be an experience designed to make you want to say to a friend, “Let’s play this together.”

This approach allowed us to draw together our diverse experiences, ranging from the successes and setbacks of XFLAG, including *MONSTER STRIKE*, to the success of *TIPSTAR*, and articulate MIXI’s unique identity. I consider this one of my most significant accomplishments since joining the Company.

## **Creating communication is really the essence of MIXI, isn’t it?**

Advances in technology have made services more personalized and convenient, but they have also resulted in significantly more solitary consumption, leaving people feeling even more isolated. We believe that even with connections on social media, opportunities for genuine emotional exchange are growing increasingly sparse. For MIXI Group, communication at its core is the exchange of emotions. For example, the social networks *mixi* and *mixi2* provide platforms for sharing the ups and downs of daily emotions. *FamilyAlbum* is a place to share feelings of love and happiness, embodied



On the streets of India, it is common to see groups of young people gathered together playing on their smartphones.

by oxytocin\*. Meanwhile, our betting and DE businesses offer spaces to share the adrenaline-fueled excitement of competition. The essence of MIXI’s business is creating diverse spaces where people can exchange a wide range of emotions.

Some of the leaders currently involved in the global version of *MONSTER STRIKE* have not yet had the experience of releasing a product at MIXI. In April 2025, Sadaaki Kaneyoshi, who has a track record of producing major social game hits, joined the Company as a corporate officer and the general manager of the Entertainment Creation Division. By sharing our definition of MIXI’s unique identity across the team and working in close collaboration with the highly talented Kaneyoshi, I am confident we can compete globally, beginning with India. In addition, with Kaneyoshi taking the lead, we are working to create new experiential value by fusing AI with entertainment.

\*Oxytocin: A hormone secreted in the brain that is believed to enhance feelings of attachment, empathy, and trust.

## **What are your aspirations for the future?**

I feel there is a growing thirst for emotional exchange all over the world. That is why I hold a firm belief in delivering the kind of rich communication that is unique to MIXI Group and bringing happiness to people around the world. Creating products that embody MIXI’s unique identity is complex and comes with its share of growing pains, but our developments are steadily bringing us closer to our ideal. I believe the day will come when people around the world will be inclined to give whatever MIXI releases a try. With that in mind, I want to make the DEP Department the most unique and outstanding organization in the world.





MIXI GROUP'S SUSTAINABILITY



# MIXI GROUP'S SUSTAINABILITY

## SUSTAINABILITY POLICY

**We will contribute to the enrichment of society through the creation of communication services that connect hearts and minds.**

MIXI has continually developed and offered services with the vision of enriching lives and the future by improving communication and forging connections between friends, family, and people who share common interests.

Technological innovations have made many aspects of our lives more convenient. However, as individuals find themselves surrounded more and more by information that has been specifically optimized for them, we are increasingly seeing discussions about our society becoming more divided, isolating, and fraught with anxiety. Against this backdrop, it is no wonder the proper role and meaning of communication are in question.

We intend to foster inspiration and empathy by connecting people's hearts and minds through communication—whether online or offline—while striving toward a future brimming with fun and opportunity. Toward this end, we will continue to innovate in the tech world and provide reliable services that create spaces and opportunities for enjoyable communication to take place. Discussions with our users, local communities, and stakeholders will be integral as we do our utmost to contribute to the creation of a sustainably prosperous world through our business activities.

# MIXI'S MATERIAL ISSUES

## Eight material issues (focus themes)

Considering the impact on our corporate activities and stakeholders, we have referenced SDGs and the Global Risks Report to establish eight material issues as themes to implement throughout our corporate activities.

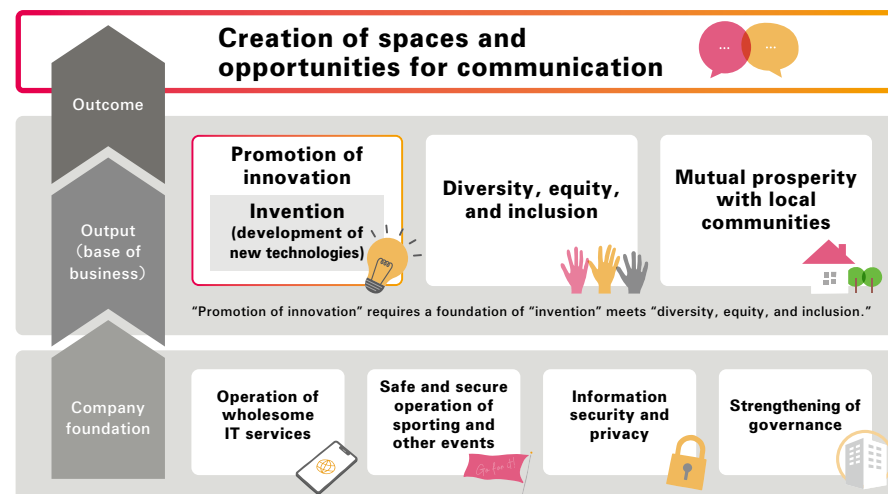
[https://mixi.co.jp/en/sustainability/materiality\\_sdgs/](https://mixi.co.jp/en/sustainability/materiality_sdgs/)

| Material Issues                                               | MIXI Initiatives                                                                                                                                                                                                                                                                                           | Relevant SDGs                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|---------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Creation of spaces and opportunities for communication</b> | Communication is one of the values our company was founded on, and, through the provision of communication services, we strive to solve various social issues such as isolation.                                                                                                                           |                                                                                                                                                                                                                                                                |
| <b>Promotion of innovation</b>                                | We strive to develop products and services that not only innovate in the field of technology but promote positive cultural changes in society.                                                                                                                                                             |                                                                                                                                                                             |
| <b>Diversity, equity, and inclusion</b>                       | We believe that our human resources are our greatest asset. We strive to create a comfortable work environment for our employees, recruit diverse talents, and help develop their skills so that they can express their individuality and play active roles in the company.                                |       |
| <b>Mutual prosperity with local communities</b>               | Through various corporate and social initiatives, we will contribute to the economic, educational, and cultural revitalization of regions, and work toward mutual growth and development alongside residents.                                                                                              |                                                                                                                                                                             |
| <b>Operation of wholesome IT services</b>                     | Operating our services in a manner that protects underage users and prevents cybercrimes, money laundering, and other criminal activity is a responsibility we take very seriously.                                                                                                                        |                                                                                     |
| <b>Safe and secure operation of sporting and other events</b> | We ensure the safety and security of our operations by aligning with industry regulations and taking appropriate measures to prevent terrorism, violence, and crime.                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                               |
| <b>Information security and privacy</b>                       | To ensure the long-term peace of mind of our users, we have taken the initiative against cyberattacks and data leaks through the implementation of appropriate information management practices.                                                                                                           |                                                                                                                                                                                                                                                          |
| <b>Strengthening of governance</b>                            | We will strive to realize highly reliable and transparent management for our shareholders, users, employees, and other stakeholders. In addition, we strive to stay prepared through measures such as BCP maintenance so we are able to continue providing our services even in the event of an emergency. |                                                                                                                                                                                                                                                          |

## Approach to material issues

We organize our material issues into three categories and establish evaluation indicators for each material issue to promote various activities.

As a company that continually strives to enrich communication, we place “creation of spaces and opportunities for communication” as the outcome of our activities. To achieve this, we regard “promotion of innovation” as the most important output, and regard four material issues, one of which being “operation of wholesome IT services,” as the foundation of our Company. We will work diligently on each material issue to create more spaces and opportunities for communication, as well as strive to strengthen and improve our management base.



## Evaluation indicators and performance of material issues

We set evaluation indicators for each material issue and continuously monitor the performance and progress of the initiatives\*. The Chief Sustainability Officer reports to the Board of Directors once every three months.

| Material Issues                                               | Evaluation Indicators and Results                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|---------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Creation of spaces and opportunities for communication</b> | <b>Evaluation indicators</b><br>The annual average number of monthly active users for products offered by MIXI and the total number of visitors to games and events managed by MIXI Group companies                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>FY2025 results</b><br>—*                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Promotion of innovation</b>                                | <b>Innovation</b><br><b>Evaluation indicators: We provide services that meet the following criteria</b> <ul style="list-style-type: none"> <li>Market impact (a significant impact that will “revamp culture” by providing the service)</li> <li>Customer engagement (building outstanding customer engagement through the service)</li> </ul>                                                                                                                                                                                                                                                                                                                                  | <b>FY2025 results</b><br>1 item (development and provision of <i>mixi2</i> )                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|                                                               | <b>Invention</b><br><b>Evaluation indicators</b><br>Development and introduction of new technologies: <ul style="list-style-type: none"> <li>Development for the transition to new business processes and infrastructure</li> <li>Initiatives for infrastructure development</li> <li>Development of new technology platforms</li> <li>Shortening product development cycles</li> <li>Resolutions of technological problems and breakthroughs</li> <li>Introduction of reproducible measures in terms of network effect</li> </ul> Intellectual property: <ul style="list-style-type: none"> <li>Number of patent applications</li> <li>Number of registered patents</li> </ul> | <b>FY2025 results</b><br>Development and introduction of new technologies: 27 items <ul style="list-style-type: none"> <li>Automatic detection of inappropriate images posted on <i>mixi2</i> (development for the transition to new business processes and infrastructure)</li> <li>Optimization of minimo’s recommendation verification flow (shortening product development cycles)</li> <li>Development of AI odds forecasting for Chihō Keiba (resolutions of technological problems and breakthroughs), etc.</li> </ul> Intellectual property: <ul style="list-style-type: none"> <li>Number of patent applications: 252</li> <li>Number of registered patents: 244</li> </ul> |

|                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Diversity, equity, and inclusion</b>                       | <p>■ <b>Evaluation indicators and FY2025 results (as of March 31, 2025)</b></p> <p><b>Human capital management</b> MIXI non-consolidated results and targets below</p> <ul style="list-style-type: none"> <li>● Engagement score from organizational surveys: 75% (FY2026 goal: Over 75%)</li> <li>● Percentage of women in management: 16.8% (Next goal: Over 20%)</li> <li>● Percentage of mid-career employees in management: 90.9%</li> <li>● Percentage of non-Japanese workers in management: 1.4%</li> <li>● Percentage of men who take parental leave: 52.4%</li> <li>● Percentage of men who return after parental leave: 100%</li> </ul> <p>The FY2026 budget for training and self-development expenses per employee is ¥107,445 for the whole fiscal year (¥10,174 higher than the previous fiscal year).</p> | <p><b>Health management</b></p> <p>We have acquired the following certifications for three consecutive years.</p> <ul style="list-style-type: none"> <li>● Silver rating for excellent employee health (Tokyo Federation of the National Federation of Health Insurance Societies)</li> <li>● Certified by the 2025 Health &amp; Productivity Management Outstanding Organizations Recognition Program (Ministry of Economy, Trade and Industry)</li> </ul> <p><b>Nurturing the next generation (full-year cumulative total)</b></p> <ul style="list-style-type: none"> <li>● Number of middle and high school students who visited the Company: 92 schools, 138 hours, 842 participants</li> </ul> |
| <b>Mutual prosperity with local communities</b>               | <p>■ <b>Evaluation indicators and FY2025 results (full-year cumulative total)</b></p> <p>MIXI:</p> <ul style="list-style-type: none"> <li>● Kids VALLEY: 48 days, 153 hours, 1,056 participants</li> <li>● Programming Summer Camp: 1 day, 3 hours, 22 participants</li> <li>● Support for Shibuya club activities: 28 days, 56 hours, 49 participants</li> <li>● Educational support for private junior high schools in Shibuya: 15 days, 31 hours, 599 participants</li> </ul>                                                                                                                                                                                                                                                                                                                                          | <p>FC TOKYO:</p> <p>Number of community contribution activities: 1,187</p> <p>CHIBAJETS:</p> <p>Number of community contribution activities: 145</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Operation of wholesome IT services</b>                     | <p>■ <b>Evaluation indicators</b></p> <p><b>Awareness activities and response to misconduct</b></p> <ul style="list-style-type: none"> <li>● Providing lectures on information ethics to schools and municipalities</li> <li>● Handling of account suspension for smartphone games</li> <li>● Handling of gambling dependency for <i>TIPSTAR</i></li> <li>● Inquiries from investigative agencies</li> <li>● Cancellation of contracts for minors</li> </ul>                                                                                                                                                                                                                                                                                                                                                              | <p>■ <b>FY2025 results</b></p> <p>—*</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Safe and secure operation of sporting and other events</b> | <p>■ <b>Evaluation indicators</b></p> <p><b>Safe and secure operation of events</b></p> <p>MIXI:</p> <p>Visitor management through our own ticket sales site, MONST TICKET, as well as other measures</p> <p>FC TOKYO:</p> <p>Games are held in accordance with “J.LEAGUE Manners &amp; Rules for Spectators” and “FC TOKYO Match Management Regulations.”</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <p>CHIBAJETS:</p> <p>Games are held in accordance with “B.LEAGUE Manners and Rules for Spectators” and “CHIBAJETS Official Manners and Rules for Spectators.”</p> <p>■ <b>FY2025 results</b></p> <p>—*</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Information security and privacy</b>                       | <p>■ <b>Evaluation indicators and FY2025 results (full-year cumulative total)</b></p> <p>Information security training</p> <p>Number of attendees: 1,425/1,425 attendees (100% participation rate, as of March 31, 2025)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Strengthening of governance</b>                            | <p>■ <b>Evaluation indicators and FY2025 results (full-year cumulative total)</b></p> <p><b>Compliance</b></p> <ul style="list-style-type: none"> <li>● Number of serious noncompliance cases: 1 (regarding improper transactions by an officer and employee of Chariloto Co., Ltd.)</li> <li>● Compliance training (as of March 31, 2025)</li> </ul> <p>Number of attendees: 1,425/1,425 attendees (100% participation rate)</p> <p><b>Evaluation by an external evaluation agency</b> (as of March 2025)</p> <ul style="list-style-type: none"> <li>● MSCI “AA” Rating</li> </ul>                                                                                                                                                                                                                                       | <p><b>Corporate governance</b> (as of June 27, 2025)</p> <ul style="list-style-type: none"> <li>● Percentage of female directors: 14.3%,<br/>percentage of outside directors: 42.9%,<br/>percentage of independent directors: 42.9%</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

\* Evaluation indicators and results, specific initiatives, etc., are set for the purpose of understanding progress within the Group and for considering future measures and policies. As a result, only certain evaluation indicators and results are shown on this page, while others remain undisclosed.

# SUSTAINABILITY INITIATIVES

# ENVIRONMENT

## Disclosure based on TCFD recommendations

MIXI announced its support for the TCFD\* recommendations in June 2022. We will continue to monitor the amount of greenhouse gas emitted by our business activities and disclose information when appropriate.

<https://mixi.co.jp/en/sustainability/issue/environment/tcfid/>



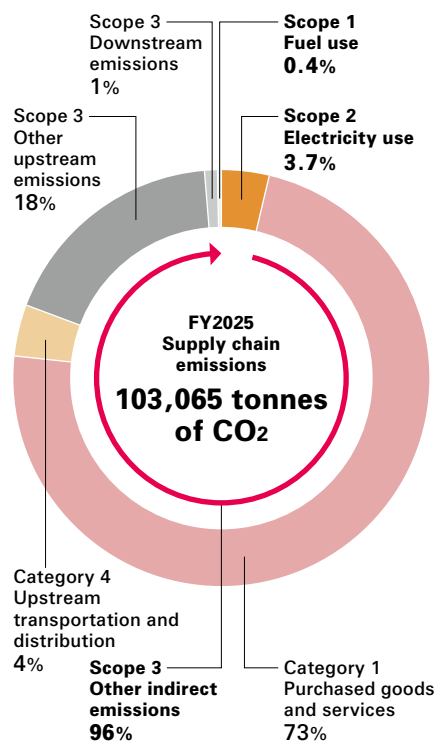
MIXI evaluates climate-related risks and opportunities in its business activities in line with the framework of “governance, strategy, risk management, and metrics and targets” recommended by the TCFD. We are also committed to appropriate information disclosure.

In fiscal year 2025, we conducted scenario analysis based on the TCFD recommendations again to identify risks and opportunities and to consider necessary responses. The results of our analysis uncovered no significant risks associated with climate change in MIXI Group’s businesses, but we will continue to understand and manage the impact of climate-related issues on our businesses through governance and risk management initiatives, while also working to seize opportunities.

In addition to calculating emissions of greenhouse gases from Scope 1 and 2, we also calculate Scope 3 emissions. MIXI Group recognizes that the impacts caused by climate change may become a management risk. Going forward, we will continue calculating emissions while striving to reduce emissions in each segment through energy conservation, the use of renewable energy, and other measures.

For details on disclosure based on TCFD recommendations and precise figures for greenhouse gas emissions, please refer to our corporate website.

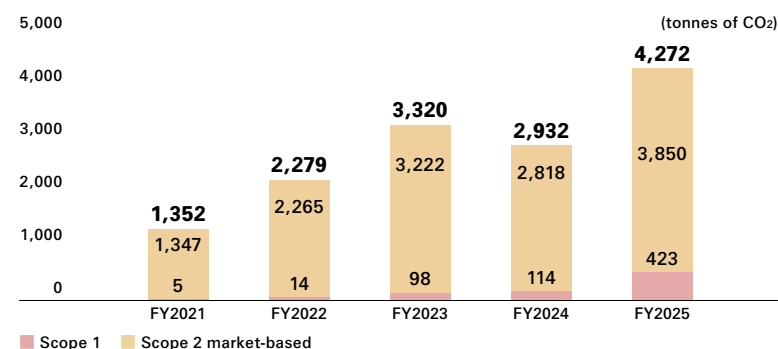
Supply chain emissions (tonnes of CO<sub>2</sub>)



Emission trend (tonnes of CO<sub>2</sub>)

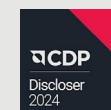
| Emission Trends (tonnes of CO <sub>2</sub> ) | FY2021       | FY2022       | FY2023        | FY2024         | FY2025         |
|----------------------------------------------|--------------|--------------|---------------|----------------|----------------|
| Scope 1                                      | 5            | 14           | 98            | 114            | 423            |
| Scope 2 market-based                         | 1,347        | 2,265        | 3,222         | 2,818          | 3,850          |
| <b>Scope 1 and 2 subtotal</b>                | <b>1,352</b> | <b>2,279</b> | <b>3,320</b>  | <b>2,932</b>   | <b>4,272</b>   |
| Scope 3                                      | —            | —            | 92,162        | 104,064        | 98,793         |
| <b>Supply chain emission total</b>           | <b>—</b>     | <b>—</b>     | <b>95,482</b> | <b>106,996</b> | <b>103,065</b> |
| Reference: Scope 2 location-based            | 1,342        | 2,174        | 2,974         | 3,264          | 4,194          |

Emission trends for Scope 1 and 2 (tonnes of CO<sub>2</sub>)



\* TCFD: Task Force on Climate-related Financial Disclosures, a climate-related financial disclosure task force established by the Financial Stability Board (FSB) at the request of the G20

Since 2022, MIXI has been responding to questionnaires regarding climate change published by CDP, an international non-profit organization. We adhere to TCFD recommendations for our disclosures, including those found in our securities reports.





## Disclosure Based on TNFD Recommendations

**MIXI announced its support for the TNFD\*1 recommendations in May 2025 and discloses the following information based on those recommendations. We will continue to monitor the impact our business activities have on biodiversity and disclose information when appropriate.**

<https://mixi.co.jp/en/sustainability/issue/environment/tnfd/>



### Governance

The CFO, director, and senior corporate officer in charge of the department responsible for sustainability operations is designated as the person responsible for responding to nature-related issues (hereinafter, the "Head of Sustainability"). The Sustainability Secretariat, an advisory body to the Head of Sustainability, reviews our response to nature-related issues at least once a year and reports the results of the review to the Board of Directors through the Head of Sustainability at least once a year. The Sustainability Secretariat seeks advice from the Risk Management Committee as appropriate and conducts interviews with each department and Group company as necessary in order to identify and assess dependencies, impacts, risks, and opportunities related to nature and to consider how to respond to them. The Sustainability Secretariat also conducts annual reviews of nature-related dependencies, impacts, risks, and opportunities and the progress of response measures. We have established the MIXI Group Human Rights Policy and the MIXI Group Business Conduct Guidelines, and our Head of Sustainability and the Sustainability Secretariat will ensure that human rights are given due consideration with regard to regional communities and other stakeholders when addressing nature-related issues.

### Strategies

We use the Locate, Evaluate, Assess, Prepare (LEAP) approach as a reference as we analyze nature-related issues related to the direct operation of our Digital Entertainment, Sports, and Lifestyle segments. For the analysis, we used tools such as ENCORE, IBAT, and WRI Aqueduct\*2 to assess dependence and impact for each business segment, proximity to critical biodiversity areas, and presence of water risks. In the business segments covered, none of the operations were rated

as highly dependent or impactful on natural capital, and water risks were not high for any operating location. In the future, we will expand the scope of our analysis in line with changes in our businesses and consider scenario analysis to identify risks and opportunities. Please see the heat map below for dependence and impact on natural capital by business segment.

### Risk and Impact Management

The Sustainability Secretariat uses the LEAP approach as a reference to identify and assess nature-related dependencies and impacts. Going forward, we will

identify nature-related risks and opportunities associated with any businesses that have been identified as having significant dependencies or impacts, and assess and establish response measures. When appropriate, advice on nature-related impacts and risks will be sought from the Risk Management Committee in order to manage them in an integrated manner with other risks. Any serious nature-related dependencies, impacts, risks, and opportunities are reported to the Board of Directors by the Head of Sustainability.

#### Dependence

VL = Very Low, L = Low, M = Medium, H = High, VH = Very High

| Segment                          | Provisioning Services |                   |                  |                       | Regulating/Maintenance Services |                    |                             |                  |                       |                             |
|----------------------------------|-----------------------|-------------------|------------------|-----------------------|---------------------------------|--------------------|-----------------------------|------------------|-----------------------|-----------------------------|
|                                  | Biomass Supply        | Freshwater Supply | Genetic Material | Animal-Derived Energy | Pollution                       | Biological Control | Soil and Sediment Retention | Flood Mitigation | Water Flow Regulation | Rainfall Pattern Regulation |
| Digital Entertainment, Lifestyle |                       | VL                |                  |                       |                                 | VL                 | VL                          | VL               | VL                    | VL                          |
| Sports (Betting)                 |                       | VL                |                  |                       |                                 | VL                 | VL                          | VL               | VL                    | VL                          |
| Sports (Spectator)               | L                     | L                 |                  | M                     |                                 | VL                 | VL                          | M                | M                     | M                           |

| Segment                          | Regulating/Maintenance Services |                           |                                          |                         |                         |                  |                    |                |                   |                          |
|----------------------------------|---------------------------------|---------------------------|------------------------------------------|-------------------------|-------------------------|------------------|--------------------|----------------|-------------------|--------------------------|
|                                  | Local Climate Regulation        | Global Climate Regulation | Nursery Habitat/ Environment Maintenance | Solid Waste Remediation | Soil Quality Regulation | Storm Mitigation | Water Purification | Air Filtration | Noise Attenuation | Others (Excluding Noise) |
| Digital Entertainment, Lifestyle | L                               | VL                        |                                          |                         |                         | VL               |                    |                |                   |                          |
| Sports (Betting)                 | L                               | VL                        |                                          | VL                      |                         | VL               |                    |                | VL                |                          |
| Sports (Spectator)               | L                               | M                         | VL                                       | M                       | VL                      | M                | VL                 | L              | VL                | VL                       |

#### Impact

| Segment                          | Land            | Freshwater        |                       | Ocean               | Resources                                | Atmosphere    |                   | Pollution             |                           |                            |
|----------------------------------|-----------------|-------------------|-----------------------|---------------------|------------------------------------------|---------------|-------------------|-----------------------|---------------------------|----------------------------|
|                                  | Land Usage Area | Water Consumption | Freshwater Usage Area | Seafloor Usage Area | Extraction of Other Biological Resources | GHG Emissions | Non-GHG Emissions | Solid Waste Discharge | Toxic Pollutant Emissions | Disturbance (Noise, Light) |
| Digital Entertainment, Lifestyle | M               | L                 |                       |                     |                                          | L             | VL                | VL                    | L                         | L                          |
| Sports (Betting)                 | M               | L                 |                       |                     |                                          | VL            | VL                | L                     | VL                        | VL                         |
| Sports (Spectator)               | M               | L                 | L                     | L                   | VL                                       | L             | VL                | L                     | L                         | M                          |

\*1 The Taskforce on Nature-related Financial Disclosures, an international initiative to assess and disclose corporate risks and opportunities related to natural capital

\*2 ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure): A tool for assessing the dependence and impact of a project on nature  
 IBAT (Integrated Biodiversity Assessment Tool): A tool for analyzing biodiversity risks in a specific region  
 WRI Aqueduct: A tool developed by the World Resources Institute (WRI) to analyze water risks (pollution, flooding, drought, etc.) around the world

## Promotion of innovation

**We strive to develop products and services that not only innovate in the field of technology but also promote positive cultural changes in society.**

<https://mixi.co.jp/en/sustainability/materiality/innovation/>

# SOCIAL

MIXI entered the sports sector in 2019 and has been pushing AI technology forward in the sports world since then. Examples include the automation of race video editing for publicly-managed betting sports and the development of auto-tracking camera systems using positioning and image analysis technologies. In December 2024, we began collaborating with Playbox Inc. on research and development to build an analytical platform that leverages data such as tracking and event detection, in addition to AI analysis of sports footage.

### High-precision automatic estimation of GSR in soccer matches

Game State Reconstruction (GSR), a technology that automatically identifies the roles and positional information of players, referees, and others from soccer match footage, is extremely important for tactical analysis and play evaluation. Achieving such technology requires the integration of multiple AI techniques, including detecting the field and players, distinguishing between players, tracking, and estimating positional relationships. Each of these techniques must be refined to reach practical application.

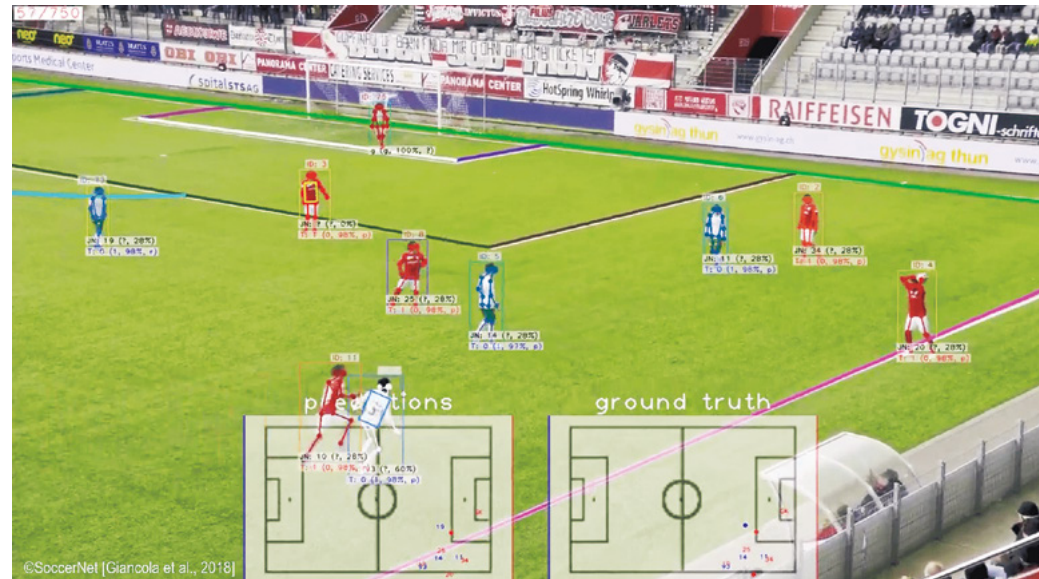
In collaboration with Playbox Inc., we have succeeded in delivering a substantial improvement in accuracy beyond conventional methods. This was made possible by combining advanced deep learning models, geometric reasoning (camera calibration), and heuristic optimization that leverages knowledge of soccer rules and player characteristics (e.g., goalkeepers typically remain near the goal).

### Achieved fourth place at the world-leading international conference CVPR 2025

Based on our research achievements, MIXI and Playbox Inc. formed a joint team to participate in the SoccerNet Challenge (Game State Reconstruction) at CVPR 2025, one of the world's foremost international conferences in AI and computer vision. The team received worldwide recognition by securing fourth place.

The knowledge and technologies gained through this

initiative can be applied to tactical analysis, training, and enhancing the fan experience in sports. Going forward, we will advance research and development toward more sophisticated analytical technologies and, through AI-driven innovation unique to MIXI, create new value in communication.



## Information security and privacy

**We take initiatives to combat cyberattacks and prevent data leaks through appropriate information management.**

**We also respond through measures such as the business continuity plan (BCP).**

<https://mixi.co.jp/en/sustainability/materiality/security/>

### Establishing a safe and secure environment for AI utilization

MIXI is advancing initiatives to promote the active use of generative AI within the Company, with a balanced focus on both proactive innovation and risk management. From the initial stages of adoption, we established guidelines covering legal and regulatory compliance, IP, and information security. These guidelines are continuously updated to create an environment where employees can leverage AI safely and with peace of mind. We have also built a cross-functional structure that brings together business divisions with the legal, IT, and security departments

to enable the responsible use of generative AI while addressing a wide range of risks.

For employees, in order to promote the appropriate use of generative AI, we provide training programs in addition to existing information security training. This training covers AI-specific points of caution, rules for information security and privacy, and the latest security threats, risks, and methods of AI utilization.

Furthermore, we apply rigorous information security measures and risk analyses to outputs created using generative AI, including vulnerability diagnostics

of applications and security monitoring of service infrastructure. Looking ahead, we will maintain and strengthen these measures to ensure a consistent level of safety, regardless of whether AI is used, while preparing for a future where AI and employees work together more closely.

We remain committed to the responsible use of AI so that customers can continue to enjoy our services with peace of mind.

## Diversity, equity, and inclusion

**At MIXI, we provide an environment that enables all employees to maintain mental and physical health and perform their best. We therefore pursue health management measures that will make employees and their families happy.**

<https://mixi.co.jp/en/sustainability/materiality/diversity/>

### Promotion of health management

At MIXI, the president and representative director serves as the head of health management, with the Board of Directors and Management Council regularly reviewing health issues and future strategies. We also actively invest to support employees in taking the initiative to maintain and improve their health.

Specific initiatives include hosting various events

and training programs to enhance health literacy, as well as introducing a subsidy program for optional medical examinations to make it easier for employees to undergo the tests they need.

Going forward, we will continue to implement health initiatives for each theme based on our strategy map, with the aim of realizing well-being for every employee.



**Recognized by the 2025 Certified Health & Productivity Management Outstanding Organizations Recognition Program (run by the Ministry of Economy, Trade and Industry). This marks three years in a row of being recognized.**

## Operation of wholesome IT services

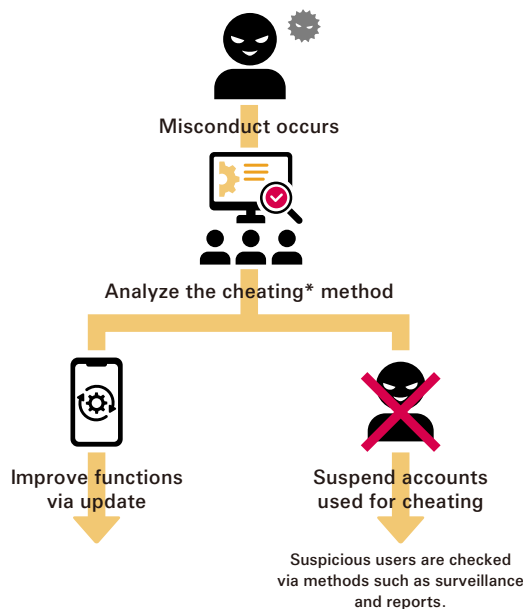
**We operate services for all of our customers responsibly, ensuring that we protect underage users as well as prevent cybercrime, money laundering, and other criminal activity.**

<https://mixi.co.jp/en/sustainability/materiality/itservice/>

### Monitoring misconduct

We have appointed several specialist engineers to monitor our systems and check thoroughly for any misconduct. For *MONSTER STRIKE* and other smartphone apps provided by MIXI, we are taking strict action such as suspending the accounts of those that try to gain an unfair advantage and obtain items/characters through illegitimate means such as falsifying data with malicious third-party tools.

We have also taken steps to ensure a fair experience for all our users, such as improving game functionality through updates.



\* "Cheating" refers to the act of manipulating a game or program in order to perform actions impossible through legitimate usage, such as using unauthorized methods to increase in-game currencies or the number of rare items they possess, or rapidly raise the levels of their characters. (Definition from the official website of the Tokyo Metropolitan Police Department)

### Patrol system

We monitor our services to ensure that they can be used safely, checking that user behavior and communication do not violate our terms of service. We have keyword detection for posted content and risk checks for the prevention of troublesome behavior, including unwanted, continuous contact from other users.

### Preventing users under 20 from racking up charges in games

Incidents are occurring where young people are using their parents' credit cards or other payment methods without permission to purchase in-game items. Within these have also been cases where large charges are being incurred while parents are unaware. To prevent anyone under 20 years old from spending excessive amounts of money in games, we have established a maximum monthly spending limit of ¥5,000 for minors up to 15 years of age, and a limit of ¥20,000 for people between 16 and 19 years of age.

We are also cooperating with industry associations to conduct seminars to nurture information ethics instructors who work to raise awareness of how to play games safely. During the seminars, we explain to parents the importance of using parental control functions such as those that are provided by the operating system.

### Preventing video game addiction

The World Health Organization (WHO) has officially approved "Gaming Disorder" to be included as an entry in the International Classification of Diseases, effective January 2022. The disorder is characterized by excessive game playing that has a negative impact on a person's life. Against this background, MIXI Group is working together with the Japan Online Game

Association (JOGA) to create a website that explains how to play games in appropriate moderation, as well as guidelines that outline how to engage in planning, development, and operation for safe and secure games.

### Preventing gambling addiction

Gambling addiction can not only cause significant harm to a person's and their family's life at home and within society, but can also lead to serious societal problems including crime and the accrual of multiple debts. In accordance with Japan's Basic Act on Countermeasures Against Gambling Addiction, MIXI Group has provided warnings, an inquiry service, and a self-check tool on the websites of *Chariloto* and *TIPSTAR*. We accept requests for service suspension from the user as well as the user's family. Upon completion of written confirmation or the like as determined by us, we may suspend the use of deposit, withdrawal, betting, and other services. Furthermore, the user can set a limit on the amount of money they can spend on betting tickets bought through the service in advance, ensuring that they can enjoy the service within a reasonable range for their play style.

As part of our own initiatives, we are also conducting seminars with the help of external experts to deepen understanding of gambling addiction for our employees who are involved in app planning, development, and operation. We will continue to cooperate closely with external expert organizations to implement countermeasures when appropriate and create a framework where users can enjoy purchasing betting tickets in a healthy manner.

## External Evaluation, Recognition, and Initiatives

MIXI's sustainability activities have been recognized by various domestic and international organizations, and we have been selected as a constituent of various ESG indices. Of the six ESG indices used by the Government Pension Investment Fund (GPIF) which are based on domestic equities, we have been selected as a constituent of five.

<https://mixi.co.jp/en/sustainability/recognition/>

### Evaluations from ESG rating agencies



#### MSCI ESG Ratings

In 2024, Morgan Stanley Capital International (MSCI) awarded MIXI an AA rating in their MSCI ESG Ratings, which rank companies worldwide based on their ESG initiatives and information disclosure.

### Inclusion in ESG Indices

2025 CONSTITUENT MSCI NIHONKABU  
ESG SELECT LEADERS INDEX

#### MSCI Japan ESG Select Leaders Index\*

This index is constructed by MSCI by selecting Japanese companies that excel in ESG evaluations.

2025 CONSTITUENT MSCI JAPAN  
EMPOWERING WOMEN INDEX (WIN)

#### MSCI Japan Empowering Women Index (WIN)\*

This index is constructed by MSCI by selecting Japanese companies that are actively engaged in promoting gender diversity.



**FTSE Blossom  
Japan Sector  
Relative Index**

#### FTSE Blossom Japan Sector Relative Index

MIXI, Inc. has recently become a constituent of the FTSE Blossom Japan Sector Relative Index. The FTSE Blossom Japan Sector Relative Index, created by global index provider FTSE Russell, reflects the relative ESG performance of Japanese companies in each sector. The index is designed to be sector-neutral. To promote the transition to a low-carbon economy, only companies that are evaluated as making improvements through the Transition Pathway Initiative (TPI) Management Quality Score, especially those with high greenhouse gas emissions, are included.



#### S&P/JPX Carbon Efficient Index

This index is calculated and published by the Tokyo Stock Exchange and determines the weighting of constituents by focusing on the status of environmental information disclosure and the level of carbon efficiency among the companies that make up the TOPIX.



#### Morningstar Japan ex-REIT Gender Diversity Tilt

Based on data and evaluation methods provided by Equileap, the index targets Japanese companies whose policies and initiatives on gender diversity are pervasive in their corporate culture and those committed to equal opportunities for their employees regardless of gender. The constituents are divided into five groups based on their scores. MIXI was classified as Group 1, the highest of the five levels.

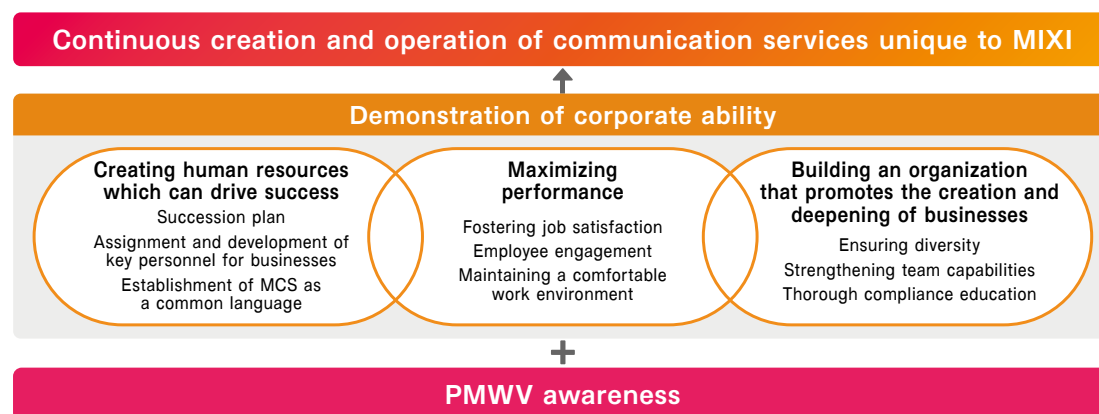
\* Disclaimer regarding the MSCI ESG Index logo:  
[https://info.msci.com/l/36252/2017-06-27/kj6v2j/36252/198943/MSCI\\_ESG\\_Index\\_logo\\_disclaimer\\_license\\_2017\\_COMPANY\\_NAME\\_final2.pdf](https://info.msci.com/l/36252/2017-06-27/kj6v2j/36252/198943/MSCI_ESG_Index_logo_disclaimer_license_2017_COMPANY_NAME_final2.pdf)

The information provided is as of the end of August 2025.

# Human Capital Management

Our mission, “to provide space and opportunity for truly meaningful connections,” is embodied in the very communication services we provide. The human resources responsible for these services are the source of MIXI’s value creation and competitive advantage. We therefore regard human capital as one of the most important forms of capital and are making active investments in this area.

<https://mixi.co.jp/en/sustainability/materiality/diversity/human-capital/>



At MIXI, we define the goal of human capital management as the continuous creation and operation of communication services unique to MIXI. To achieve this goal, we have established two pillars of our human resource strategy: PMWV awareness (Purpose, Mission, MIXI Way, and Values) and the demonstration of corporate ability.

By organically linking initiatives based on these pillars, we are working to maximize the value of human capital and realize the continuous creation and operation of communication services unique to MIXI.

## Key initiatives in human capital management (Excerpt)

### 1. PMWV awareness

**Target state:** All MIXI employees are united under the same purpose and values and are sincerely committed

to achieving them. In April 2022, we renewed our philosophy system and established PMWV. We aim for each employee to deeply identify with PMWV and take action on their own initiative.

### Main initiatives:

- **Creating an atmosphere through design:** Incorporating designs that evoke PMWV into office equipment and facilities to raise awareness and foster a sense of unity (examples include redesigning the company-wide morning meeting and renewing MIXI’s slide templates).
- **Messages from management:** The management team actively communicates about PMWV through internal newsletters, company-wide meetings, and external media. In addition, items related to PMWV communication have been added to 360-degree feedback for chief general managers

and division managers to further encourage such communication.

- **MIXI AWARD:** Once a year, we hold the MIXI AWARD, an internal recognition event that uses PMWV as the selection criteria, honoring individuals and teams who embody PMWV.

**Survey results:** In the employee survey for fiscal year 2025, the rates of “recognition,” “understanding,” and “identification” regarding PMWV each exceeded 80%, while the “action” phase remained at 68%.

### PMWV awareness survey results

|                | FY2023 | FY2024 | FY2025 | FY2026 (Target) |
|----------------|--------|--------|--------|-----------------|
| Recognition    | 69.8%  | 84.3%  | 86.2%  | 100%            |
| Understanding  | 74.8%  | 85.7%  | 86.8%  | 95% or above    |
| Identification | 70.8%  | 76.9%  | 82.0%  | 90% or above    |
| Action         | 56.5%  | 67.1%  | 68.3%  | 85% or above    |

**Issues and future actions:** We view the factors behind the score for the “action” phase as stemming from weak linkage with individual job responsibilities and insufficient opportunities for personal ownership. Going forward, we will address these issues through the following actions.

- Introduction of an evaluation system with a stronger linkage to PMWV



- Implementation of workshops to promote action
- Planning and production of videos to reinforce value awareness
- Execution of an outer branding strategy with a view to promoting awareness of PMWV among employees

## 2. Establishment of MCS as a common language

**Target state:** This initiative is designed to continuously create and operate MIXI-like communication services (MCS), such as the social network *mixi* and *MONSTER STRIKE*. It is aimed at fostering human resources who remain passionately committed to the challenge of innovation and at enhancing the reproducibility of MCS.

### Main initiatives:

- Establishment of a dedicated team within the Human Resources Department (from April 2025)
- Redefinition of “What is MCS?” and codification of its essence and values
- Design of concepts and programs for MCS human resource development
- Design of training programs to cultivate human resources capable of leading product development

Going forward, we will take a phased approach in line with our action plan, including “program improvement and implementation” and “KPI design,” to foster the creation of human resources who will drive the development of MCS.

## 3. Succession plan

**Target state:** To continuously create and operate MCS, it is essential not only to support day-to-day business operations but also to have management talent who can adapt to change even under uncertain conditions and lead long-term value creation. At MIXI, we aim to ensure a sustainable pipeline of management talent by systematically developing and selecting those who will lead the Company in the future.

### Main initiatives:

- Development meetings targeting senior corporate officers, corporate officers, and chief general managers twice a year (As of March 31, 2025, there were seven candidates for management succession.)
- Formulation of a roadmap for succession planning and definition of the ideal president/CEO profile and evaluation criteria, one of the most important positions in management, to build a successor pool of CEO candidates
- Implementation of 360-degree feedback based on role definitions for each position
- Provision of learning opportunities tailored to individual issues
- Follow-up support for newly appointed managers
- English education, primarily for higher-level management

Going forward, we will focus on building an operational framework that includes the selection of successor candidates and the formulation and implementation of development plans.

## 4. Employee engagement

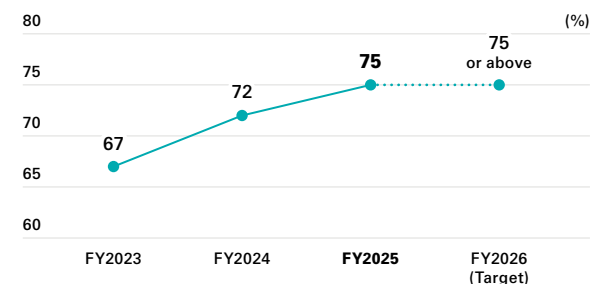
**Target state:** A state in which the potential of each employee is maximized and translated into both autonomous growth and organizational performance. We aim to develop an environment where employees can become deeply engaged (“immersed”), enabling individual capabilities to be demonstrated, collaboration to take place, and value creation to be achieved.

**Survey results:** Among the questions in the survey, we calculate the engagement score as the combined percentage of positive responses to the following three questions: “willingness to make voluntary contributions,” “affection and pride in the Company,” and “sense of achievement through work.”

Over the past three years, the engagement scores have been as shown below. For fiscal year 2025, the actual result reached the target of 75%. At present,

we regard this as above a favorable level, and for fiscal year 2026, we have set a target of maintaining or exceeding the current level of 75%.

### Engagement survey results



**Issues and future actions:** Among the items that show a strong correlation with the engagement score, the one with the lowest percentage of positive responses—“the management team’s attitude toward communicating and listening”—represents MIXI’s greatest potential for improvement.

We recognize that insufficient communication of management policies and decision-making intentions to the front lines, as well as limited opportunities for information distribution and dialogue across organizational layers, are the main factors behind this issue. To address these, we are implementing the following.

- Opportunities for discussions involving management-level employees
- Enhanced sharing of management information with division and department heads
- Review of regular meetings to ensure greater alignment with management

Going forward, we will continue to strengthen opportunities for communication from management and promote initiatives to narrow the distance between management and managers, who serve as the point of contact between management and the front lines, in order to improve how information is transmitted through organizational layers.

# INFORMATION SECURITY MANAGEMENT

## INFORMATION SECURITY INITIATIVES

**We will establish trust in our services in order to further enrich communication.**



**Naoki Kameyama**  
Corporate Officer and CISO\*  
\* Chief Information Security Officer

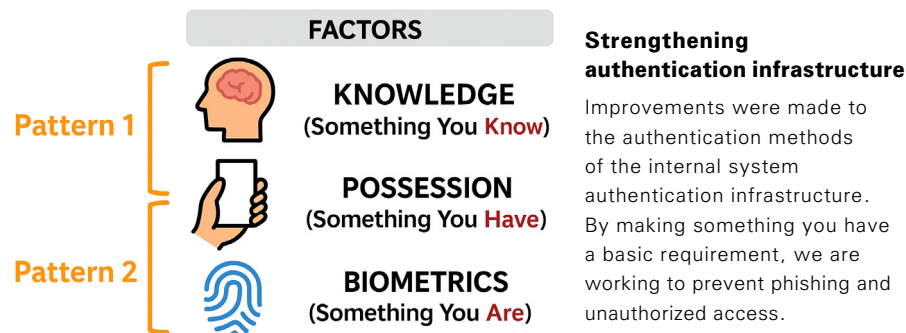
### Role of the Security Division and alliances with other divisions

The Security Division is the organization responsible for information security measures. The main roles of the division are to monitor and diagnose vulnerability in the security of MIXI's services and internal PCs and systems, introduce security tools to prevent damage from phishing attacks on employees, and countermeasures in areas subject to attack. The division also operates "mixirt," which is MIXI's version of CSIRT\*1 to quickly detect and respond to security issues.

The operation of our businesses involves the handling of customer information. I think that carefully protecting information, making sure that people trust our services, and continually maintaining these activities are also an important role of the Security Division. Working closely with the business segments and the IT department is also essential to our work, and we take care to cooperate with the employees in such areas in implementing countermeasures.

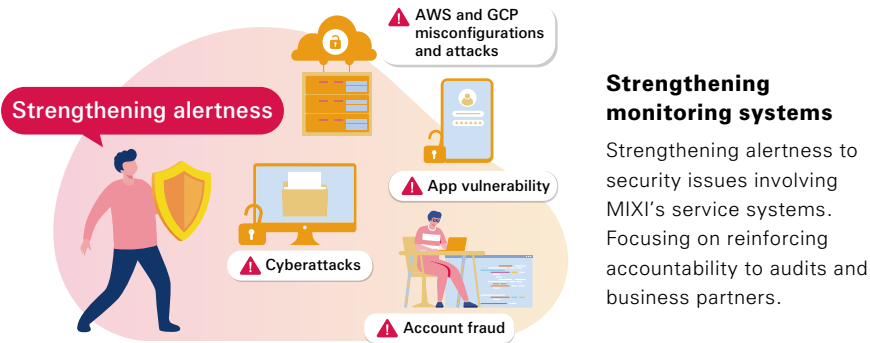
### My significance as CISO, and developing human resources

The role of the Chief Information Security Officer (CISO) is to make it clear that MIXI Group will maintain a firm focus on security both internally and externally. It has been two years since the role of CISO was created, and in the first term, I continued to place priority on strengthening the authentication infrastructure as well as organizational systems. At the beginning of the previous fiscal year, we established a team focused on management and a team focused on existing technology to reinforce governance across Group companies, including in the context of PMI. Working in collaboration with the technical team, the management team has taken responsibility for overseeing information systems and risks, operating mixirt (CSIRT), and responding to



new M&A projects, further solidifying the maintenance and management of information security. Going forward, we will continue to strengthen our organizational and management systems to reinforce governance and to formulate and execute strategies that take into account the latest threat trends.

The Security Division is also responsible for developing the human resources who will implement such measures. Because MIXI Group provides a wide range of services, we need to handle a wide array of operations,



rather than handling the same processes over and over. We therefore have new members begin from the area they have worked in the past, then encourage them to learn other tasks once they have become acclimated, and urge them to gradually expand their range of competency.

MIXI is already an official member of the Security Camp Committee\*2 and we will consider further participation in these types of activities as they benefit society and help us uncover human resources.

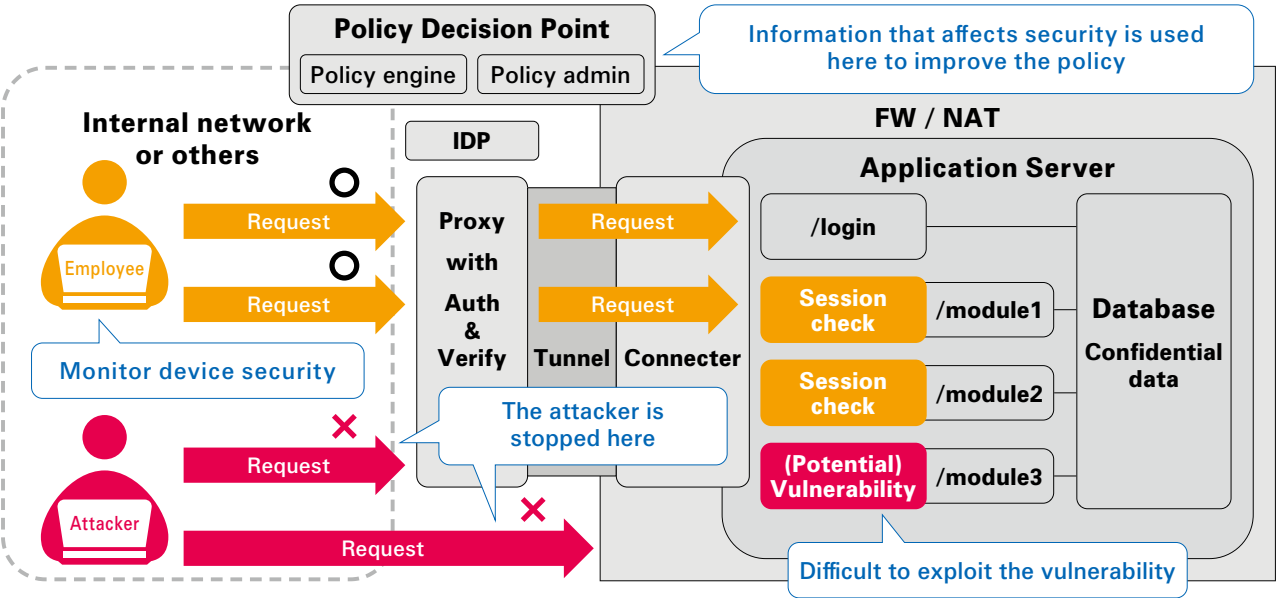
\*1 CSIRT (Computer Security Incident Response Team): A general term for an organization that combats incidents related to computer security; they engage in activities such as gathering and analyzing information on incidents, and formulating the response policy and procedures.

\*2 Security Camp Committee: A committee that organizes training camp-style courses in security technology and related areas, known as "security camps"

## Utilization of AI and automation in the information security domain

We are advancing the utilization of AI and automation in our information security operations. AI has already been introduced in certain exercises in information security training, and automation is being applied for responses

to minor incidents and alerts. However, we recognize that the emergence and evolution of generative AI expands on how automation can be done and where it can be applied. While design and operation must be premised on consideration of risks such as hallucination, we will place even greater emphasis on the utilization of AI and automation going forward.



### Security initiatives applying Zero Trust

We are working to upgrade our information security infrastructure based on the Zero Trust approach, which eliminates threats by implementing more rigorous authentication and inspection across all networks and locations.

## SPECIAL FEATURE

### STRENGTHENING GROUP GOVERNANCE



**Kohei Shimamura**

Director, Senior  
Corporate Officer, CFO  
In charge of the Corporate  
Promotion Department\*1

**Kanji Kobayashi**

Senior Corporate Officer  
In charge of the CS Department  
and Compliance Department\*1

\*1 Organizations responsible for strengthening corporate governance at MIXI Group and their roles

- Corporate Promotion Department: Responsible for establishing the Group-wide decision-making framework and regulations, supporting the operation of committees and approval rules, and managing the practical aspects of designing and strengthening the governance structure, thereby providing cross-organizational support for effective Group governance
- Compliance Department: Responsible for developing the Group-wide risk management structure, conducting compliance training, and supporting the establishment and operation of internal regulations and internal controls, thereby reinforcing institutional functions

## Accelerating Group Governance Reinforcement in the Wake of the Chariloto Co., Ltd. Issue

At MIXI Group we are accelerating the development of an effective compliance structure by reviewing Group-wide management systems, reinforcing internal controls and regulation operations, and ensuring the thorough implementation of company-wide training. We spoke with the heads of the two responsible departments about the current status of these initiatives and the approach to Group governance the Company should pursue going forward.

**How do you analyze the background and factors behind the compliance issue at Chariloto Co., Ltd., which came to light in October 2024?**

**Kobayashi** In October 2024, at our consolidated subsidiary Chariloto Co., Ltd., it was identified that the representative director and one employee had engaged in inappropriate fund transactions totaling

¥1,026 million. The Company regarded this as a serious governance issue, resolved at the subsidiary's Extraordinary General Meeting of Shareholders to dismiss the representative director, and subsequently completed a

fact-finding investigation and root cause analysis by external experts. We are now steadily implementing the reoccurrence prevention measures that were formulated.

We recognize that the most fundamental problem in this case was that internal monitoring and control mechanisms did not function effectively, failing to detect and correct the issue at an early stage. Specifically, we acknowledge that corporate governance involvement by MIXI itself was limited, and that a culture of compliance awareness and information sharing had not been sufficiently established.

**Shimamura** I share the same view. Chariloto Co., Ltd. became our wholly owned subsidiary in 2019. Out of respect for its unique expertise, including business know-how and relationships with municipalities, we chose to maintain its management structure to a certain extent following the acquisition. However, this led to insufficient Group-level regulation and monitoring of management transparency and internal controls, ultimately allowing inappropriate actions by management to go unchecked.

In January 2022, we newly established our corporate philosophy, PMWV (Purpose, Mission, MIXI Way, and Values), and in June 2023, we launched the PMWV Awareness Project. Furthermore, in April 2024 we introduced the MIXI Group Business Conduct Guidelines as a common code of conduct for all employees across MIXI Group, and we have been working to foster a culture based on these principles. Nevertheless, at the time of this compliance issue, these initiatives had not yet fully permeated the Group. We believe this situation may have been one factor contributing to a lack of compliance awareness.

## Based on analysis of the cause, how were the reoccurrence prevention measures considered and formulated?

**Shimamura** Following the occurrence of the compliance issue, the Company promptly established an investigation team of external experts, which carried out fact-finding and root cause analysis. In parallel, we also advanced our own Group-led analysis and began developing reoccurrence prevention measures. The measures announced in January 2025 were formulated under the leadership of MIXI Group while also comprehensively incorporating the recommendations of the external investigation team. Through this process, we gained an important realization: building an effective compliance framework requires collaboration within the organization and an approach that is

both systemic and practical.

The reoccurrence prevention measures formulated cover a broad range of initiatives, including raising awareness among officers and employees, reviewing subsidiary governance, enhancing transparency in relationships with business partners, and restructuring the internal audit framework.

**Kobayashi** What proved particularly important was focusing on effectiveness, rather than being satisfied after merely introducing systems. This included officers committing to PMI from the pre-decision stage, as well as unifying control frameworks such as the internal control reporting system (J-SOX) and information security. We became acutely aware that what is required are measures that go beyond preparing rules and frameworks to also drive changes in corporate culture and on-site behavior.

## Overview of Reoccurrence Prevention Measures

|                            | Reoccurrence Prevention Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Group-wide</b>          | <ul style="list-style-type: none"> <li>a. Periodically issue messages from top management to foster compliance awareness</li> <li>b. <ul style="list-style-type: none"> <li>● Conduct misconduct prevention training for MIXI and its subsidiaries</li> <li>● Establish a Compliance Committee within Chariloto Co., Ltd. to deliberate and promote related initiatives</li> </ul> </li> <li>c. Dismissal or disciplinary dismissal of the individuals who committed misconduct, as well as dissemination of the details of the disciplinary action internally and externally</li> </ul>                                                                                                                                                                                     |
| <b>MIXI, Inc.</b>          | <ul style="list-style-type: none"> <li>a. <ul style="list-style-type: none"> <li>● Review appointment requirements for subsidiary directors and auditors; rigorously verify candidates' equity interests and information on business relationships</li> <li>● Expand the scope of duties of company auditors at key subsidiaries to include the auditing of business executions</li> </ul> </li> <li>b. Establish and regularly convene a new meeting body attended by auditors of Group companies and MIXI's chief general manager in charge of compliance and chief general manager in charge of management of subsidiaries</li> <li>c. Call on all officers and employees of the Group to actively use the internal reporting system and bring awareness to it</li> </ul> |
| <b>Chariloto Co., Ltd.</b> | <ul style="list-style-type: none"> <li>● Make it mandatory to keep records of meetings with business partners</li> <li>● Introduce a system where multiple people take turns being in charge of business relationships</li> <li>a. Establish a screening department to conduct selection reviews and management of vendors</li> <li>b. Create/revise rules regarding authority and responsibilities, create contracts in a thorough manner, and review existing contracts</li> <li>● Make the Internal Audit Division report directly to the Board of Directors instead of the president, and increase the number of Internal Audit Division members</li> </ul>                                                                                                              |



## How are you currently strengthening Group-wide governance structure and initiatives?

**Shimamura** In line with the reoccurrence prevention measures announced in January 2025 for Chariloto Co., Ltd. and other Group companies, we are steadily reinforcing officer appointment processes, internal controls, and transaction practices. In the officer appointment process, we have added compliance awareness as a selection criterion and now also verify their relationships with relevant companies, outside employment status, and whether they have transactions with MIXI Group. For key subsidiaries where the scope of auditors had previously been limited to accounting audits, we have lifted that restriction and established a framework under which the annual audit plan is reported to the chief general manager in charge of compliance for the Company.

**Kobayashi** We also hold regular information-sharing gatherings between auditors of Group companies, the Company's chief general manager in charge of the management sections, and Company's chief general manager in charge of compliance. At key Group companies, we are promoting the establishment of effective governance structures by appointing governance officers, conducting awareness-raising activities to prevent misconduct, and introducing monitoring of approval decisions.

## As the Group pursues further growth, how do you plan to strengthen the management foundation?

**Shimamura** At MIXI Group, non-linear growth

through M&A is a core strategy. However, in light of the recent compliance issue, we have once again recognized that strengthening the management foundation is the highest priority for ensuring sustainable growth. At the heart of this effort lies the enhancement and proper execution of Group governance functions.

In pursuing M&A, we focus on acquiring core businesses that align with our corporate philosophy and emphasize the creation of synergies with existing operations. Post-acquisition, we enforce robust PMI and subsidiary governance, with multiple directors engaged in PMI projects from the consideration stage. In addition, by adopting the Three Lines Model<sup>\*2</sup> and applying common management frameworks such as J-SOX and information security, we are reinforcing governance across the entire Group, including subsidiaries, while regularly monitoring synergy realization and cultural integration.

<sup>\*2</sup> At the Company, business divisions and indirect divisions that provide services are regarded as the first line. This line is primarily responsible for the achievement of organizational objectives, compliance with internal control rules, and the soundness of business processes, and these aspects are subject to verification.

The second line consists of the management divisions that support the first line. For these organizations, verification covers the establishment and implementation of segregation of duties, compliance with internal rules, monitoring of the Company and Group companies, and the status of governance support.

The third line, the Internal Audit Division, operates independently from the first and second lines. It conducts risk assessments to determine audit priorities and provides assurance and advisory services accordingly.

## What initiatives do you believe are necessary to foster a sound organizational culture?

**Kobayashi** Building a sound organizational culture requires clearly articulating shared

values and establishing frameworks that ensure their consistent adoption and practice. At MIXI Group, through training programs based on the MIXI Group Business Conduct Guidelines, we are instilling values such as acting with integrity and making sound judgments into employees' daily work.

**Shimamura** Above all, it is essential for senior management to continually articulate their values and perspectives on governance, while engaging closely with each Group company through on-the-ground dialogue and implementation.

**Kobayashi** Equally important is cultivating an organizational environment that fosters open and constructive communication. We must establish psychological safety that enables employees to speak up confidently and report early signs of misconduct, thereby building a culture of mutual trust and collaboration. Through regular surveys and interviews with officers and employees, we seek to accurately assess the state of our organizational culture and translate those insights into ongoing improvements.



Following the incident, Yosuke Ishihara, who assumed the position of president of Chariloto Co., Ltd., shared details of the incident and subsequent response measures with each subsidiary, reinforcing awareness of reoccurrence prevention across the entire Group.



## Looking back, how has the Group's governance structure evolved over time?

**Shimamura** The governance structure of MIXI Group has evolved through a series of critical milestones. A major turning point came with the misconduct involving *TicketCamp*, operated by then-consolidated subsidiary Hunza, Inc., between 2017 and 2018. President Kimura, who assumed office after the incident, reflected that “our PMI processes following M&A and our subsidiary governance structure had shortcomings,” which underscored the vital importance of establishing robust regulation of subsidiaries.

In response to this lesson, we advanced measures in line with the corporate governance code, strengthening the functions of the Board of Directors, enhancing internal controls, and expanding our internal reporting systems. More recently, the compliance issue at Chariloto Co., Ltd. has further accelerated our initiatives to strengthen Group corporate governance.

## As the Company looks toward global expansion, particularly with the anticipated integration of PointsBet Holdings Limited, what governance structure will be required?

**Kobayashi** For global expansion, where overseas subsidiaries operate under diverse cultures and business practices, a fully integrated approach of PMI × Cultural integration × Governance will be indispensable. It is not enough to create value through M&A;

we must also embed MIXI Group's ethical standards and commitment to transparency. As Shimamura emphasized regarding the strengthening of the Group's management foundation, the keys to success lie in planning PMI with the early involvement of officers before acquisition, conducting ongoing monitoring of synergies and cultural alignment, and strengthening of corporate governance through the Three Lines Model.

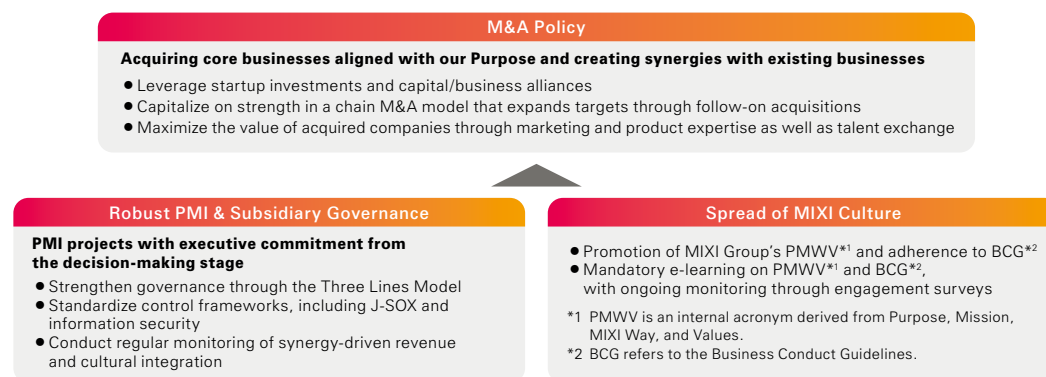
**Shimamura** When integrating overseas companies into the Group, robust PMI and subsidiary governance are absolutely essential. While the specific methods of regulation differ depending on the nature of the business and whether it is listed or unlisted, the prevention of misconduct and the cultivation of corporate culture are critical priorities. Moreover, to address the varying legal and cultural environments in each country, it is imperative to establish a Group-wide risk management

framework at the global level and to implement compliance training tailored to local conditions. With regard to PointsBet Holdings Limited, its status as a company listed on the Australian Securities Exchange imposes inherent limitations on the direct and institutional controls we can exercise. Therefore, we will pursue risk management by ensuring strict compliance with local laws and insider trading regulations, while actively collecting information, offering guidance, and regulating to the greatest extent possible.

**Kobayashi** In light of our recent compliance issue, MIXI Group is committed to rebuilding Group management to ensure that growth, strengthening of corporate governance, and cultural integration advance in equal measure. By applying the lessons learned from this experience, we will establish a more robust and effective governance structure and reinforce the management foundation that underpins sustainable growth.

### A Triangular Approach of PMI × Cultural Integration × Governance

- Prioritize establishing a management structure where governance functions are fully effective, alongside driving growth through M&A
- Reflecting on the recent subsidiary compliance issue, strengthen efforts to embed culture across the Group



# CORPORATE GOVERNANCE

## DIRECTORS

(As of June 26, 2025)



**Koki Kimura**

**President, Representative Director, and CEO**

Feb. 2003 Joined Mobileproduction Co., Ltd.  
 Mar. 2005 Joined Index Corporation  
 June 2008 Joined the Company  
 Aug. 2012 "Product owner" of Product Development Division of the Company  
 Nov. 2013 Producer of Monster Strike Studio of the Company  
 Apr. 2014 General Manager of Monster Strike Studio of the Company  
 Nov. 2014 Corporate Officer of the Company  
 Jan. 2015 Chief General Manager of Monster Strike Studio of the Company  
 June 2015 Director of the Company  
 Aug. 2015 Chief General Manager of XFLAG Studio of the Company  
 Apr. 2017 Chief General Manager of XFLAG Business Department of the Company  
 Apr. 2018 Corporate Officer of the Company  
 June 2018 President and Representative Director of the Company (current)  
 Apr. 2022 Senior Corporate Officer of the Company (current)

FY2025 Attended 16 of 16 Board of Directors' meetings (100%)



**Kohei Shimamura**

**Director**

Apr. 2004 Joined USEN CORPORATION (currently U-NEXT HOLDINGS Co., Ltd)  
 May 2008 Joined IBM Business Consulting Services KK (currently IBM Japan, Ltd.)  
 Oct. 2011 Joined GREE, Inc. (currently GREE Holdings, Inc.)  
 Apr. 2016 Joined the Company  
 Oct. 2017 General Manager of the Corporate Planning Division of Corporate Promotion at the Company  
 Apr. 2019 Chief General Manager of Corporate Planning at the Company  
 Apr. 2020 Corporate Officer and Chief General Manager of Corporate Promotion at the Company  
 Mar. 2023 Outside Director of bitbank, Inc.  
 Apr. 2023 Senior Corporate Officer of the Company (current)

FY2025 Attended — of — Board of Directors' meetings (—%)



**Tatsuma Murase**

**Director**

Jan. 2005 Joined E-Mercury, Inc. (currently MIXI, Inc.)  
 Dec. 2009 Director of KH2O, Inc.  
 Jan. 2012 Joined Q-Games Ltd.  
 Feb. 2013 Joined the Company  
 May 2014 Senior Director of Group 2 of the System Coordination Division of Cross Function Department of the Company  
 July 2016 General Manager of the Game Development Division of XFLAG Studio Department of the Company  
 Jan. 2018 Chief General Manager of XFLAG Development Department (currently Development Department) of the Company  
 Apr. 2018 Corporate Officer of the Company  
 June 2019 Director of the Company (current)  
 Jan. 2021 Chief General Manager of Design Department of the Company  
 Apr. 2022 Senior Corporate Officer of the Company (current)

FY2025 Attended 16 of 16 Board of Directors' meetings (100%)



**Kenji Kasahara**

**Director / Founder**

June 1999 Established E-Mercury, Y.K. (currently MIXI, Inc.)  
 Director of E-Mercury, Y.K.  
 Oct. 2000 Changed organizational structure of E-Mercury, Inc. (currently MIXI, Inc.) from *yugen gaisha* (limited company) to *kabushiki gaisha* (joint-stock company)  
 President and Representative Director of E-Mercury, Inc.  
 Feb. 2006 Company name changed to mixi, Inc. (currently MIXI, Inc.)  
 President and Representative Director of the Company  
 May 2008 Chairperson at MIXI Shanghai, Inc.  
 Oct. 2008 Representative Director of NexPas, Inc. (currently Torchlight, Inc.)  
 Apr. 2011 Representative Director of mixi recruitment, Inc. (company name changed in 2022 to MIXI RECRUITMENT, Inc.)  
 July 2011 Corporate Officer of the Company  
 June 2013 Chairman of the Board of Directors of the Company  
 Apr. 2016 Chief General Manager of Vantage Studio of the Company (current)  
 Apr. 2018 Corporate Officer of the Company  
 June 2021 Director and Founder of the Company (current)  
 Apr. 2022 Senior Corporate Officer of the Company (current)

FY2025 Attended 16 of 16 Board of Directors' meetings (100%)



**Akihisa Fujita**  
Outside Director

Apr. 1991 Joined DENTSU INC.  
 July 1996 Director of cyber communications Inc. (currently CARTA COMMUNICATIONS, Inc.)  
 June 2000 President and Representative Director of D2 COMMUNICATIONS INC. (currently D2C Inc.)  
 June 2010 Senior Managing Director of Dentsu Digital Holdings, Inc. (currently Dentsu Innovation Partners Inc.)  
 June 2014 Vice President and Representative Director of Gurunavi, Inc.  
 June 2017 Vice President and Director of PADO Corporation (currently CHUCO MEDIA SOLUTIONS CO., LTD.)  
 June 2018 President and Representative Director of SETOUCHI BRAND CORPORATION  
 Apr. 2021 Director of SETOUCHI BRAND CORPORATION  
 June 2022 Outside Director of INFOCOM CORPORATION  
 Director of the Company (current)  
 May 2023 Outside Director of Signpost Corporation (current)  
 Sept. 2024 Outside Director of LIPPS Co., Ltd. (current)

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FY2025 Attended 16 of 16 Board of Directors' meetings (100%)



**Hiromi Watase**  
Outside Director

Apr. 1988 Joined Recruit Co., Ltd.  
 Apr. 2011 Established Alea Co., Ltd. Representative Director of Alea Co., Ltd. (current)  
 Apr. 2013 Established TRIUM PARTNERS Co., Ltd. Representative Director of TRIUM PARTNERS Co., Ltd.  
 June 2014 Representative Director of PADO Corporation (currently CHUCO MEDIA SOLUTIONS CO., LTD.)  
 May 2016 Outside Director of MAXVALU NISHINIHON CO., LTD. (currently FUJI CO., LTD.) (current)  
 June 2016 Outside Director of Partner Agent, Inc. (currently Tameny Inc.) (current)  
 Jan. 2017 Director of TRIUM PARTNERS Co., Ltd.  
 June 2018 Outside Director of The Shoko Chukin Bank, Ltd.  
 Sept. 2019 Outside Director of DLE, Inc. (current)  
 Apr. 2020 Chief Incubation Officer of ARCH Toranomon Hills Incubation Center, Mori Building Co., Ltd. (current)  
 Sept. 2021 Visiting Professor at Kaishi Professional University (current)  
 May 2022 Outside Director of KASUMI CO., LTD. (current)  
 June 2022 Director of The Jikei University (current)  
 June 2024 Director of the Company (current)  
 Feb. 2025 Outside Director of HIOKI E.E. CORPORATION (current)

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FY2025 Attended 12 of 12 Board of Directors' meetings (100%)



**Toshiaki Kawai**  
Outside Director

Apr. 1982 Joined Tokyo Broadcasting System, Inc. (currently TBS HOLDINGS, INC.)  
 Apr. 2012 Division President of Technology Division of Tokyo Broadcasting System Television, Inc.  
 Apr. 2013 Executive Officer, Division President of Technology Division of Tokyo Broadcasting System Television, Inc.  
 Feb. 2014 Executive Officer of Tokyo Broadcasting System Television, Inc.  
 Mar. 2014 Director of Tokyo Broadcasting System Television, Inc.  
 Apr. 2014 Executive Officer of TBS HOLDINGS, INC.  
 June 2014 Director of TBS HOLDINGS, INC.  
 Apr. 2015 Managing Director of Tokyo Broadcasting System Television, Inc.  
 Apr. 2016 Managing Director of TBS HOLDINGS, INC.  
 June 2018 Senior Managing Director and Representative Director of TBS HOLDINGS, INC.  
 Senior Managing Director and Representative Director of Tokyo Broadcasting System Television, Inc.  
 June 2020 Representative Director of TBS HOLDINGS, INC.  
 Executive Vice President and Board Director of Tokyo Broadcasting System Television, Inc.  
 June 2024 Executive Advisor of Tokyo Broadcasting System Television, Inc. (current)

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FY2025 Attended — of — Board of Directors' meetings (—%)

## AUDIT & SUPERVISORY BOARD MEMBERS

(As of June 26, 2025)



**Yuichiro Nishimura**  
Outside Audit & Supervisory Board Member (Full-time)

Apr. 1982 Joined Nissan Motor Co., Ltd.  
 June 1985 Seconded to Nissan Cherry Shizuoka Sales Co., Ltd. (currently Nissan Prince Shizuoka Sales Co., Ltd.)  
 June 1987 Returned to Nissan Motor Co., Ltd.  
 Apr. 1998 Seconded to Nissan Koei Co., Ltd. (currently Nissan Creative Services Co., Ltd.) Deputy General Manager of the General Affairs Department of Nissan Koei Co., Ltd.  
 Jan. 2000 Returned to Nissan Motor Co., Ltd.  
 Apr. 2005 Seconded to Yorozu Corporation Group Chief of the Administration Department  
 Oct. 2005 Permanent transfer to Yorozu Corporation  
 June 2008 Chief of the CSR Promotion Office of Yorozu Corporation  
 Apr. 2014 General Manager of the General Affairs Department of Yorozu Corporation  
 June 2019 Audit & Supervisory Board member of the Company (current)

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FY2025 Attended 16 of 16 Board of Directors' meetings (100%)  
 Attended 19 of 19 Audit & Supervisory Board meetings (100%)



**Nozomi Ueda**  
Outside Audit & Supervisory Board Member

Apr. 1999 Registered as a lawyer  
 Apr. 1999 Joined Tokyo Themis (currently Kioizaka Themis)  
 Mar. 2013 Partner at Kioizaka Themis (current)  
 June 2019 Audit & Supervisory Board member of the Company (current)  
 June 2021 Outside Director (Audit & Supervisory Committee Member) of Anritsu Corporation  
 June 2023 Outside Director of Anritsu Corporation (current)  
 June 2025 Corporate Auditor of TOBA, INC. (current)

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FY2025 Attended 16 of 16 Board of Directors' meetings (100%)  
 Attended 19 of 19 Audit & Supervisory Board meetings (100%)



**Sumiko Takayama**  
Outside Audit & Supervisory Board Member

Apr. 1997 Joined EBARA CORPORATION  
 Oct. 2001 Joined Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC)  
 July 2005 Registered as a certified public accountant  
 Jan. 2019 Representative of Sumiko Takayama Certified Public Accountant Office (current)  
 June 2019 Non-Member Auditor of Pal-System Tokyo Cooperative Society  
 Jan. 2020 Executive of LEGALEX Co Ltd.  
 Dec. 2022 Outside Director of SHOEI CO., LTD. (current)  
 June 2024 Audit & Supervisory Board member of the Company (current)  
 June 2025 External Director (Audit & Supervisory Committee Member) of TOKYO SEIMITSU CO., LTD. (current)

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FY2025 Attended 12 of 12 Board of Directors' meetings (100%)  
 Attended 14 of 14 Audit & Supervisory Board meetings (100%)

# MESSAGES FROM OUTSIDE DIRECTORS



## Supporting the realization of “ONE MIXI” for the MIXI Group’s value creation

**Akihisa Fujita**  
Outside Director

### Evolution and challenges of the business portfolio

In fiscal year 2025, MIXI Group achieved steady progress while also facing strains that could be described as growing pains. At Board of Directors’ meetings, we continue to engage in discussions not only on seriously addressing immediate circumstances, but also on implementing structural reforms that will underpin long-term growth.

What I regard as particularly important is avoiding a conglomerate discount and ensuring the realization of true value creation for MIXI Group. As an outside director, I am committed to fully supporting MIXI Group in bringing its diverse businesses and talents together to create value in a way other companies can’t. We call this goal “ONE MIXI.” At the same time, I am prepared to offer calm and objective judgment and help make difficult decisions when necessary, such as divestments or withdrawals from businesses.

### Realizing our corporate philosophy

For discussions in Board of Directors’ meetings, the focus should not solely be on forecasting current trends, but include backcasting as well. We ask ourselves: In a future where PMWV (our corporate

philosophy established in 2021), now firmly embedded, has been realized, how will each business function? How will the businesses work together? What pieces are missing, and how should they be filled? These are the points we consider collectively. By maintaining discussions from both the perspective of the present and the perspective of the future, the story of MIXI’s value creation will continue to advance and evolve.

### Toward a new stage in strengthening the governance structure

In fiscal year 2026, I assumed the position of chair of the Nomination and Compensation Committee. I regard this as a significant turning point in MIXI Group’s corporate governance evolution. Until now, the CEO had served as the committee chair, which created a structural inconsistency. It was also difficult in practice for a busy CEO to dedicate sufficient time to the role. I highly commend CEO Kimura for recognizing this issue himself and taking the initiative to lead reform. Under the new structure, we will enhance the committee’s effectiveness with the systematic planning of succession, strategic design of the compensation system, and succession across the entire Board of Directors.



### Reflections on my first year

My first impression upon joining the Board of Directors was that those responsible for each agenda item demonstrated a high level of expertise and provided well-structured materials. This left me with the strong sense that MIXI was a disciplined and well-organized company, contrary to the common preconceptions one might have about an entertainment business. Within this context, I placed particular emphasis on, and made

proposals regarding, the need for clearer explanations of the objectives behind each agenda item.

In management decision-making, there is no issue when everyone is aligned in the same direction. However, when both advantages and disadvantages coexist and decisions are difficult, it becomes critical that the decision-making criteria are shared clearly among all directors. Based on this belief, during fiscal year 2024, we discussed challenging themes such as

## Expanding the power to create communication and entertainment in new areas

### Hiromi Watase

Outside Director

investment projects and responses to misconduct. I also regard it as a significant step forward that, reflecting my proposals, the objectives of each agenda item are now being explained with greater clarity.

While our path to the global stage is by no means easy, I highly value the way the entire Group is united in its efforts. In this respect, I see my role as supporting the Company's progress while minimizing risks.

### Expectations for a new growth strategy

MIXI is working to reduce its dependence on *MONSTER STRIKE* and has identified net sales excluding *MONSTER STRIKE* as an important performance indicator. In fiscal

year 2025, the betting business recorded steady growth, giving us confidence that it can become a core driver of future expansion. At the same time, with respect to realizing globalization, one of our designated growth strategies, I believe we are now in the crucial phase of firmly establishing the foundation.

I also hope to see MIXI extend its strength—its ability to create captivating communication and entertainment—beyond games and sports betting into B2B2C fields such as education and healthcare. I expect that utilizing both globalization and B2B2C as growth engines will lay the groundwork for a new growth strategy with a decade-long outlook.



## Empowering heartfelt communication and building an online brand around trust

### Toshiaki Kawai

Outside Director

### Background to my appointment as an outside director

I have spent many years in the broadcasting industry. Television once enjoyed overwhelming popularity and influence, but from the 2000s onward, as the internet spread and video distribution, social media, and games proliferated, younger audiences in particular increasingly turned away from television.

Today, when we look at the internet—especially social media platforms—we see fake news, malicious posts, and intrusive advertising that undermine the user experience. In such an environment, I have strongly felt that internet services require proper governance and order.

It was against this backdrop that I was invited to serve as an outside director. Seeing MIXI's Purpose, Mission, and the tagline "Connection with meaning" left a deep impression on me. MIXI isn't driven solely by profits. They value communication highly and build entertainment on top of that foundation. With how turbulent the internet has become, I find this approach aspirational.

### Trust as the ultimate lifeline

I see services such as *FamilyAlbum* and *mixi2* as a reflection of MIXI's commitment to creating a welcoming communication that brings people closer together through social connections. While monetization takes time, these services build trust that not only strengthens the Company's overall brand value but also enhances confidence in its other services.

From my background in broadcasting, I am convinced that trust is the ultimate lifeline—and that it is what defines a brand. At the same time, striking the right balance between trust and monetization is a critical challenge for MIXI's sustainable growth. As an outside director, I see my role as helping to assess and support that balance.

In addition, I intend to draw on my prior experience of engaging extensively with investors and incorporating shareholder perspectives into management to contribute to corporate governance and to strengthen relationships with investors and shareholders.



# COMPOSITION OF OFFICERS

The table below presents the areas where the Company expects each director and Audit & Supervisory Board member to particularly demonstrate their expertise and experience during the fiscal year under review. This table is revised based on the policies for each fiscal year.

| Position                          | Name                                                | <div>Male</div> <div>Female</div> | Expected Skills / Description                                                                                                                                   |                                                                  |                                                                                                              |                                                                                                 |                                                                                                 |                                             |                                     |
|-----------------------------------|-----------------------------------------------------|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|---------------------------------------------|-------------------------------------|
|                                   |                                                     |                                   | Management strategy                                                                                                                                             | Business strategy / Marketing strategy                           | Organizational development / Personnel development                                                           | M&A / PMI                                                                                       | Technology / R&D                                                                                | Risk management                             | Corporate governance                |
|                                   |                                                     |                                   | Setting medium- to long-term management goals from a global perspective / Management resource allocation / Linking corporate philosophy and management strategy | Business and marketing strategy based on the management strategy | Organizational and human resource development and creation of a framework to embody the corporate philosophy | Valuation of investment targets / Creation of synergies and maximization of integration effects | Judgment on technical feasibility of business strategies / Innovation and creation of framework | Identifying, avoiding, and mitigating risks | Reliable and transparent management |
| Directors                         | Koki Kimura                                         | ●                                 | ●                                                                                                                                                               | ●                                                                |                                                                                                              |                                                                                                 |                                                                                                 |                                             | ●                                   |
|                                   | Kohei Shimamura                                     | ●                                 | ●                                                                                                                                                               |                                                                  | ●                                                                                                            | ●                                                                                               |                                                                                                 | ●<br>Finance, accounting                    | ●                                   |
|                                   | Tatsuma Murase                                      | ●                                 | ●                                                                                                                                                               |                                                                  | ●                                                                                                            |                                                                                                 | ●                                                                                               | ●<br>Technology                             |                                     |
|                                   | Kenji Kasahara                                      | ●                                 | ●                                                                                                                                                               | ●                                                                |                                                                                                              |                                                                                                 | ●                                                                                               |                                             |                                     |
|                                   | Akihisa Fujita <span>Outside Independent</span>     | ●                                 | ●                                                                                                                                                               | ●                                                                |                                                                                                              | ●                                                                                               |                                                                                                 |                                             | ●                                   |
|                                   | Hiroimi Watase <span>Outside Independent</span>     | ●                                 | ●                                                                                                                                                               | ●                                                                |                                                                                                              |                                                                                                 | ●                                                                                               |                                             | ●                                   |
|                                   | Toshiaki Kawai <span>Outside Independent</span>     | ●                                 | ●                                                                                                                                                               | ●                                                                | ●                                                                                                            |                                                                                                 |                                                                                                 |                                             | ●                                   |
| Audit & Supervisory Board members | Yuichiro Nishimura <span>Outside Independent</span> | ●                                 |                                                                                                                                                                 |                                                                  |                                                                                                              |                                                                                                 |                                                                                                 | ●<br>HR                                     | ●                                   |
|                                   | Nozomi Ueda <span>Outside Independent</span>        | ●                                 |                                                                                                                                                                 |                                                                  |                                                                                                              |                                                                                                 |                                                                                                 | ●<br>Legal affairs, compliance              | ●                                   |
|                                   | Sumiko Takayama <span>Outside Independent</span>    | ●                                 |                                                                                                                                                                 |                                                                  |                                                                                                              |                                                                                                 |                                                                                                 | ●<br>Finance, accounting                    | ●                                   |

The table below shows the material issues closely related to each skill.

| Material Issues |                                                        | Skill               |                                        |                                                    |           |                  |                 |                      |
|-----------------|--------------------------------------------------------|---------------------|----------------------------------------|----------------------------------------------------|-----------|------------------|-----------------|----------------------|
|                 |                                                        | Management strategy | Business strategy / Marketing strategy | Organizational development / Personnel development | M&A / PMI | Technology / R&D | Risk management | Corporate governance |
| Opportunity     | Creation of spaces and opportunities for communication | ●                   | ●                                      | ●                                                  | ●         |                  |                 |                      |
|                 | Promotion of innovation                                | ●                   | ●                                      | ●                                                  | ●         | ●                |                 |                      |
|                 | Mutual prosperity with local communities               | ●                   | ●                                      |                                                    | ●         |                  |                 |                      |
| Risk            | Operation of wholesome IT services                     | ●                   |                                        |                                                    | ●         | ●                | ●               |                      |
|                 | Safe and secure operation of sporting and other events | ●                   |                                        |                                                    | ●         |                  | ●               |                      |
| Corporate       | Information security and privacy                       | ●                   |                                        |                                                    |           | ●                | ●               |                      |
|                 | Diversity, equity, and inclusion                       | ●                   |                                        | ●                                                  |           |                  | ●               | ●                    |
|                 | Strengthening of governance                            | ●                   |                                        |                                                    | ●         |                  | ●               | ●                    |

# CORPORATE GOVERNANCE STRUCTURE

(As of June 26, 2025)

## Continuing to strengthen and enhance our governance structure

### FY2024

- Expanded C-level positions in core areas (new posts of CISO and CDO)
- Changed directors' stock compensation from stock options to shares with restrictions on transfer ("restricted shares")
- Established Officer Information Exchange Meeting as a quarterly forum for discussion with outside officers

### FY2025

- Disclose and implement initiatives for future business growth and corporate value enhancement
  - ▶ Carry out business investment and M&A based on the business portfolio management policy to maximize profit and optimize shareholders' equity

### FY2026 (current year)

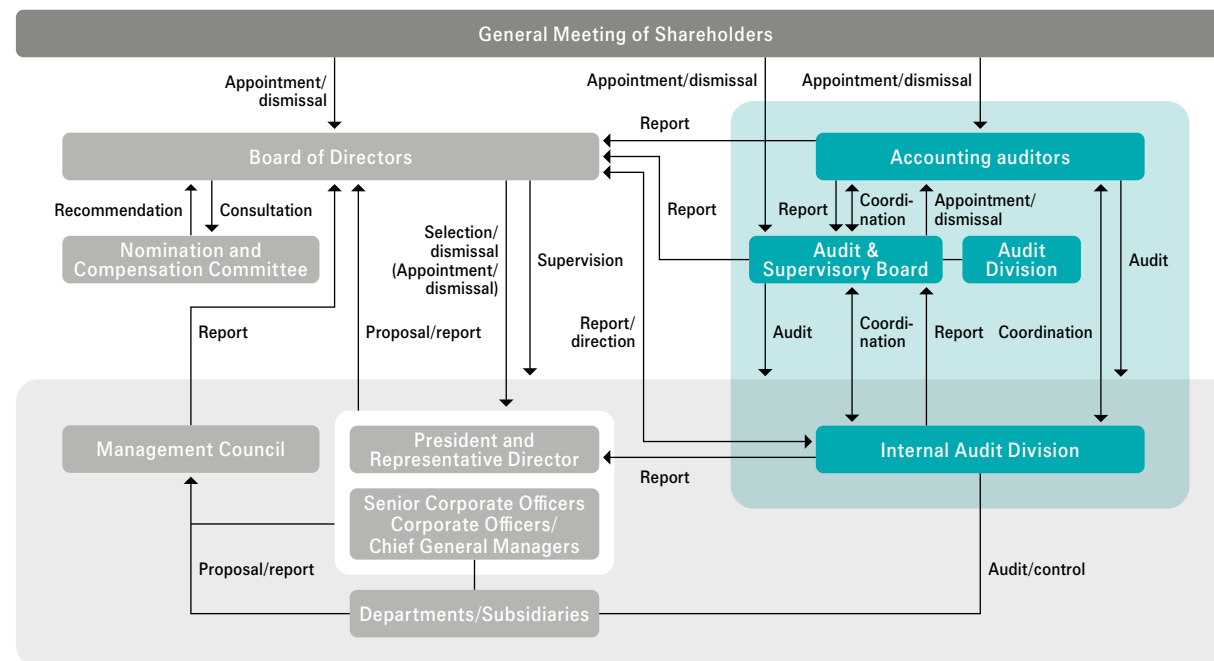
- Change the chair of the Nomination and Compensation Committee from the president and representative director to an outside director
- Promote initiatives to strengthen Group governance
  - ▶ Strengthen the fraud risk management structure of Group companies as well as the structure for audits by Group company Audit & Supervisory Board members

## Basic approach to corporate governance

We recognize corporate governance as a means for maximizing corporate value. As such, we reorganize our organizational structure when appropriate to accommodate the expansion of our business ventures, to manage profits and losses of each of our businesses, and to further clarify authority and responsibilities. We also focus on further enhancing the capabilities of the Board of Directors (which serves as the Company's decision-making body) and of Audit & Supervisory Board members and the Audit & Supervisory Board to monitor directors' performance of their duties, as well as on improving the ability of our systems for internal control to prevent improprieties in the execution of business activities.

In addition, to continually increase management transparency and fairness, we appropriately present statutory disclosure documents and actively conduct investor relations (IR) activities using our website and other means. Our corporate governance report is posted on our website (<https://mixi.co.jp/en/sustainability/materiality/governance/overview/>).

## Corporate governance structure



Board of Directors

The Board of Directors has seven members, consisting of four internal directors (currently without female directors) and three outside directors (including one female director). In principle, Board of Directors’ meetings are held monthly, constituting a system that allows speedy and efficient decision-making. To clarify the managerial responsibilities of directors and create a management system that is able to respond swiftly to changes in the management environment, the term of service for directors is prescribed as one year.

Management Council

The Management Council is a decision-making body composed primarily of internal directors that conducts important discussions and makes decisions related to business operations. In principle, Management Council meetings are held once a week but may be held whenever necessary. The content discussed by the Management Council is shared as appropriate with outside officers.

Audit & Supervisory Board

We are a company with an Audit & Supervisory Board as stipulated in Japan’s Companies Act. The Audit & Supervisory Board consists of three outside Audit & Supervisory Board members (including two female members). We conduct audits based on our annual plan with cooperation from internal auditors (personnel or divisions) and accounting auditors. The results and details of these audits are discussed at Audit & Supervisory Board meetings held at least once a month. Based on these discussions, we provide appropriate advice to the Board of Directors or individual directors as we strive to ensure sound and efficient management.

Nomination and Compensation Committee

We have established a Nomination and Compensation Committee to strengthen transparency and objectivity by obtaining the opinions and advice of outside directors before the Board of Directors deliberates on matters related to individual nomination proposals and the compensation of directors (excluding outside directors).

- Nomination and Compensation Committee responsibilities:
- (1)Nominations for and appointments of director candidates along with human resource policy proposals

- (2)Policy proposals for director compensation systems
- (3)Compensation condition proposals for directors (including calculation method)
- (4)Compensation condition proposals for individual directors (including calculation method)
- (5)Other matters requested by the president and representative director

Composition of Nomination and Compensation Committee (As of June 26, 2025)

| Composition                |                 |
|----------------------------|-----------------|
| Chair (outside director)   | Akihisa Fujita  |
| Member (outside director)  | Hiromi Watase   |
| Member (outside director)  | Toshiaki Kawai  |
| Member (internal director) | Koki Kimura     |
| Member (internal director) | Kohei Shimamura |

In fiscal year 2025, the Nomination and Compensation Committee met four times. Deliberations included director evaluations, personnel matters concerning individual directors, proposed compensation amounts for individual directors, and compensation structure for directors. The committee also discussed personnel matters concerning individual senior corporate officers, corporate officers, and C-level officers, and succession plan initiatives, and the establishment of additional C-level positions.

Appointment policy and nomination procedure for directors

The following is our policy regarding the appointment of director candidates (excluding outside directors).

- Proposals for the position of director (excluding outside director) are made considering both the diversity and appropriate size of the Board of Directors. Directors must possess the balance of knowledge, experience, and abilities necessary to efficiently fulfill their roles and responsibilities.
- Proposals for the position of corporate officer are made from among the directors (excluding outside directors) by identifying candidates who can make forward-looking, accurate, appropriate, and swift business decisions and execution to help the Company achieve continual growth and higher corporate value over the medium to long term.

Candidate directors (excluding outside directors) are selected in accordance with this policy, and final decisions are made by a resolution of the Board of Directors after deliberation by the Nomination and Compensation Committee.

The nomination of outside director candidates is made so as to ensure an overall balance of knowledge, experience, and abilities and to achieve an appropriate composition of the Board of Directors in terms of both diversity and size.

Policy for determining director compensation

(1) Basic policy

Our basic policy for director compensation is to provide a sound incentive for continuous growth by establishing an appropriate ratio between cash compensation and stock compensation.

(2) Compensation system

Based on this policy, compensation for directors (excluding outside directors) consists of two components: monthly cash compensation and stock compensation (“restricted shares”) issued annually after the Ordinary General Meeting of Shareholders. More specifically, compensation can be categorized as base compensation, stock-based compensation, and performance-based compensation. Base compensation consists of cash compensation; stock-based compensation consists of stock compensation (restricted shares); and performance-based compensation gives the recipient the choice of either monthly cash compensation or stock compensation (restricted shares) issued annually after the Ordinary General Meeting of Shareholders. Proposals for the ratio of base compensation, stock-based compensation, and performance-based compensation are individually designed based on the roles, responsibilities, and positions of the relevant director, with reference to the Company’s past results and shared compensation data of listed companies in Japan compiled by external professional organizations, deliberated by the Nomination and Compensation Committee, and then decided on by the Board of Directors.

To maintain their independent status, compensation for outside directors consists of monthly cash compensation only.

Furthermore, a retirement benefit system for directors has not been established.

**Composition of compensation for directors  
(where evaluation regarding performance-based  
compensation is the standard)**

|                |                                       |                                                               |
|----------------|---------------------------------------|---------------------------------------------------------------|
| 3              | 2                                     | 3                                                             |
| Base<br>(cash) | Stock-based<br>(restricted<br>shares) | Performance-based<br>(choice of cash or<br>restricted shares) |
| Fixed          |                                       | Variable                                                      |

**(3) Compensation details and method of determination**

The structure of director compensation and the methodology for determining it are as follows:

● **Compensation for directors  
(excluding outside directors)**

The level of base compensation and stock-based compensation is determined by factors including representation rights, the director's roles, responsibilities, and positions. The purpose of stock-based compensation is to provide an incentive to take action to enhance corporate value over the medium to long term and to share value with shareholders of the Company. Restricted shares, or shares with restrictions on transfer from the date on which the shares are issued until resignation or retirement from the position of director, senior corporate officer, corporate officer, or employee of the Company, or a subsidiary or affiliate of the Company (including, where the title of the position occupied has changed, the position occupied after the change), are issued and compensation is paid in the form of a monetary claim to be exchanged for the restricted shares. Performance-based compensation is determined by first determining the percentage of the evaluation that will be based on the director's position and the scope of the business they are responsible for. An overall evaluation is then conducted that considers the performance of the entire company and the actual fulfillment of the role expected of the individual. The base amount for performance-based compensation (based on the director's base compensation) is multiplied by a performance coefficient corresponding to the overall evaluation to determine the final amount of performance-based compensation. Performance evaluations are based on net sales, operating income, and profit attributable to owners of parent for the entire Company, and the evaluation is performed by comparing actual results against forecasts and year-on-year change. When stock compensation (restricted shares) issued annually

after the Ordinary General Meeting of Shareholders is chosen for the performance-based compensation, that compensation will be the same as the compensation stated above, and monetary claims equivalent to the amount of the performance-based compensation determined as stated above will be paid.

**Calculating performance-based compensation**

|                                                                         | Performance Evaluation<br>for the Entire Company                                                                         | Evaluation of<br>Individual Role |
|-------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|----------------------------------|
| Evaluation Indicator                                                    | Consolidated net sales<br>Consolidated<br>operating income<br>Consolidated profit<br>attributable to owners<br>of parent | —                                |
| Evaluation ratio<br>for the president<br>and representative<br>director | 50%                                                                                                                      | 50%                              |
| Evaluation ratio<br>for other internal<br>directors                     | 40%                                                                                                                      | 60%                              |

Notes:

1. We recognize performance evaluations as important indicators for the improvement of performance and corporate value and therefore use consolidated net sales, consolidated operating income, and consolidated profit attributable to owners of parent as indicators. In addition, based on ROE results, the Nomination and Compensation Committee considers raising or lowering the performance evaluation of the entire company.
2. With respect to each indicator for performance-based compensation, consolidated net sales, consolidated operating income, and consolidated profit attributable to owners of parent were evaluated as the performance indicators for the entire company. The forecast achievement rate for consolidated net sales was scored as being of standard level, as was the year-on-year change for both consolidated net sales and consolidated operating income. Meanwhile, the forecast achievement rate for both consolidated operating income and consolidated profit attributable to owners of parent was scored as exceeding the standard, as was the year-on-year change for consolidated net income. These factors resulted in the performance evaluation of the entire company as having outperformed the standard (consolidated net sales of ¥154,847 million, consolidated operating income of ¥26,600 million, and consolidated profit attributable to owners of parent of ¥17,601 million for the fiscal year under review).

● **Outside director compensation**

The amount of compensation is decided in accordance with factors that include the job responsibilities of the individual in question, taking into consideration information such as compensation market survey data for Japan-based listed companies provided by external professional organizations.

**(4) Decision process**

The compensation system and method for deciding

compensation for directors (excluding outside directors) is determined by the Board of Directors based on deliberation by the Nomination and Compensation Committee, whose members consist of all outside directors, the president and representative director, and one internal director. All actions are carried out from the perspective of ensuring objectivity and transparency in the decision-making process.

Compensation for individual directors is determined by the Board of Directors. Decisions in regard to directors (excluding outside directors) are deliberated by the Nomination and Compensation Committee before being decided by the Board of Directors.

**Compensation amount for directors and  
Audit & Supervisory Board members**

(Millions of yen)

| Category                                                           | Number<br>of Officers<br>Eligible for<br>Compensation | Compensation Amount by Type |             |                   | Total       |
|--------------------------------------------------------------------|-------------------------------------------------------|-----------------------------|-------------|-------------------|-------------|
|                                                                    |                                                       | Base                        | Stock-based | Performance-based |             |
| Directors<br>(outside<br>directors)                                | 8<br>(4)                                              | 148<br>(27)                 | 79          | 149               | 378<br>(27) |
| Audit &<br>Supervisory<br>Board<br>members<br>(outside<br>members) | 4<br>(4)                                              | 29<br>(29)                  | —           | —                 | 29<br>(29)  |

Notes:

1. The total compensation amount for directors does not include employee salaries payable to directors concurrently serving as employees.
2. By resolution of the 17th Ordinary General Meeting of Shareholders, held on June 28, 2016, and by the change thereto made at the 24th Ordinary General Meeting of Shareholders, held on June 21, 2023, the maximum total compensation amount for directors is set at ¥1 billion per annum to cover the combined monetary claims for monthly paid compensation and stock compensation (restricted shares), included in which is a maximum amount of ¥100 million per annum for outside directors. By resolution of the 24th Ordinary General Meeting of Shareholders, held on June 21, 2023, the number of members of the Board of Directors is set at seven (including three outside directors). This compensation does not include employee salaries payable to directors concurrently serving as employees.
3. It was resolved at the Extraordinary General Meeting of Shareholders, held on August 26, 2004, that the maximum total compensation amount for Audit & Supervisory Board members would be ¥50 million per annum. The number of Audit & Supervisory Board members present at the meeting for the resolution was one.
4. Directors receive non-monetary compensation in the form of restricted shares. The allocation of restricted shares is set at a maximum of 300,000 common shares of the Company in each fiscal year. Directors who receive allocation of restricted shares are required to conclude with the Company an agreement on the allocation of restricted shares that stipulates among other things that directors who receive an allocation must have continuously occupied the position of director, senior

corporate officer, corporate officer, or employee of the Company, or a subsidiary or affiliate of the Company, from the date of issue of the restricted shares until the date of the following Ordinary General Meeting of Shareholders, and that the transfer restriction is lifted on the date of resignation or retirement from all such positions.

5. The above compensation amounts include expenses reported for the relevant fiscal year in relation to restricted shares (¥199 million for directors).

## Evaluating the effectiveness of the Board of Directors

The Company conducts yearly assessment and analysis of the effectiveness of its Board of Directors with the aim of enhancing its capabilities and maximizing corporate value.

## Method for evaluating the effectiveness of the Board of Directors for FY2025

A survey of all directors and Audit & Supervisory Board members was conducted from January through February 2025. Anonymity was ensured by having directors reply directly to an external organization. Based on the results of the survey, the Board was analyzed, discussed, and evaluated at the regularly scheduled Board of Directors' meeting in April 2025.

### Survey focus points:

- Composition of the Board of Directors
- Management of the Board of Directors
- Board of Directors' discussions
- Board of Directors' monitoring function
- Director and Audit & Supervisory Board member support systems
- Discussions with shareholders (investors)

## Analysis/evaluation of the Board effectiveness survey

The evaluations from survey responses were generally positive in nature, and the Board of Directors as a whole was evaluated as operating effectively. High evaluations were awarded on the following points:

- Board of Directors' meetings are held with sufficient frequency and deliberation time, enabling open and constructive discussions and exchanges of opinions.
- The Board of Directors engages in thorough discussions with an understanding of how management strategies and plans align with the Company's sustainable growth and creation of medium- to long-term corporate value.

- Directors and Audit & Supervisory Board members are provided with the information necessary to perform their duties, including well-substantiated financial reports and feedback on dialogues with shareholders and investors.

- The Board of Directors appropriately delegates matters for which delegation to the president and representative director or to the Management Council (an executive body composed primarily of internal directors) is deemed appropriate, thereby ensuring sufficient time for deliberations by the Board.

- Decisions on business execution made by the Management Council are in line with the management strategy.

These were not the only positive points. A comparison with the Board of Directors' evaluation for the previous fiscal year revealed that, particularly in items that had been the focus of improvement initiatives, overall scores had improved and confirmed that the functions of the Board of Directors are being appropriately fulfilled through actions taken to achieve improvement. At the same time, there are opinions that the Board of Directors' monitoring structure for subsidiaries and the risk detection mechanisms across the Group have room for improvement, and we recognize the need to implement corrective measures.

## FY2025 initiatives for improving the effectiveness of the Board of Directors

Based on evaluations of the Board of Directors from the previous fiscal year, the Board of Directors and Secretariat of the Board of Directors have worked on the following points.

### ● Allocation of appropriate amount of time

Continuing from the previous fiscal year, we reduced the number of agenda items for the Board of Directors through a policy of transferring competencies when deemed appropriate from the Board of Directors to the Management Council or other bodies. This made it possible to secure appropriate time for each meeting and adequate discussion time for each of the items dealt with by the Board of Directors. We promoted the effectiveness of the discussions by arranging advance discussion of each agenda item by the Management Council or other

body and having the chair of the Board of Directors share the content of the discussion at its meetings.

### ● Improvement of meeting materials / improvement in the method of sharing information

By sharing in advance an outline of each agenda item and the main discussion points, we made efforts to facilitate understanding by directors and Audit & Supervisory Board members. Additionally, by establishing a discussion forum that is separate from the Board of Directors and meets quarterly, we made time available for information sharing on management strategy and agenda items and other matters due to be presented for discussion to the Board of Directors and also for more in-depth discussion of these agenda items.

### ● Enhancement of strategy discussion / enrichment of discussions for medium- to long-term growth

We conducted regular monitoring of the progress of the ongoing medium-term management plan and enhanced discussions aimed at improving medium- to long-term corporate value. In addition, to realize management with a strong focus on profitability and capital efficiency, we formulated management plans with full consideration of ROE, promoted strategic decision-making, and established a shareholder return policy mindful of the cost of shareholders' equity.

### ● Earlier sharing of financial risk information

We strengthened interdepartmental collaboration to enable early identification of risk information related to impairment and other matters at subsidiaries and affiliates, and reported to the Board of Directors on a quarterly basis.

## Future initiatives

Going forward, we will continue to work on establishing an effective information provision framework and enhancing discussions aimed at medium- to long-term growth. In light of the need to bring the focus of management toward global expansion, and the occurrence of misconduct at a subsidiary, we recognize the search for a form of Board of Directors suited to the Company and the strengthening of monitoring related to Group governance as priority issues.

With the results of the evaluation, we will continue to improve the Board of Directors' overall effectiveness.



# RISK FACTORS

MIXI Group has reviewed the risks surrounding the Group that could have a great impact on investors' decisions. Concerns regarding future risks are based on the Company's judgment as of the 26th Ordinary General Meeting of Shareholders, held on June 26, 2025, and may differ from actual results due to inherent uncertainty.

## 1. Business environment-related risk

### (1) Mobile market

MIXI Group provides various services via smart devices, and the expansion of the mobile-related market is a basic condition for business development. However, the introduction of new legal regulations, technical innovation, changes in trends at communications carriers, and other factors may cause rapid and significant changes in the mobile-related market.

### (2) Competition

If users of our services spend more time on competing services, the demand for our services may decrease.

### (3) Technical innovation

Technical innovation and changes in customer needs are rapid in the internet industry, and new services are being introduced one after another. If MIXI Group is unable to respond to change appropriately and in a timely manner, our competitiveness may decline despite securing outstanding engineers and adopting cutting-edge technology in research and systems.

## 2. Business-related risk

### (1) Response to changes in user tastes, interests, and concerns

The main users of our services are ordinary mobile users, including young people, and user acquisition, user retention, frequency of use, and the amount of money spent are greatly affected by changes in user tastes. If MIXI Group is unable to accurately identify user needs and provide content that satisfies them in an appropriate and timely manner, the appeal of our services to users may decline.

Sales of paid content in games provided by the Digital Entertainment segment account for the majority of Group revenue, and there is a significant dependence on sales of a specific title (*MONSTER STRIKE*).

Therefore, a decline in the competitiveness of that title could cause a decrease in user numbers, the percentage of spending users, and in purchases of paid content, etc. Moreover, if the popularity of our newly developed titles and the amount of spending do not progress as anticipated, it may have an impact on our Group's businesses, performance, and financial position.

### (2) Dependence on external enterprises for user acquisition

Services in the Digital Entertainment segment are provided via platform providers such as Apple Inc. and Google LLC, but in the event that maintaining agreements with these providers becomes difficult or changes arise in regard to their operational policies, fees, etc., it may impact the Group's businesses, performance, and financial position. Furthermore, we contract operations to various external enterprises for the development and provision of services, and if relationships with those external enterprises were to deteriorate, it may pose a problem for the maintenance of and new developments for our services.

### (3) Global expansion

If MIXI Group is unable to address potential risks, including the differences in local laws and regulations, political and social circumstances, culture, religion, user preferences, local commercial practices, and exchange rate fluctuations, expected outcomes may not be achieved. When releasing smart device apps to global markets, MIXI Group and its services may not be as accepted as they are in Japan and could be exposed to user criticism.

### (4) Trust and social confidence in MIXI Group and MIXI Group's products, services, and businesses

Unsubstantiated rumors among users may damage the reputation and trust of MIXI Group and the services the Group provides. This, together with inappropriate or illegal behavior on the part of some malicious users, may cause a reduction in the safety and reliability of services and a decrease in the number of users. In addition, if an external enterprise to which operations are contracted leaks personal information or commits some other illegal or inappropriate act, the reputation of MIXI Group or its services may decline.

MIXI Group's brand value may also decline if the Group is unable to make the investments needed to maintain and enhance its brand value or if a competitor establishes a more competitive brand.

We have established the following system to ensure that managerial decisions take into consideration this kind of reputational and compliance risk.

### ► Establishment of a risk management system and Risk Management Committee

We have appointed a corporate officer in charge of risk management and established our Compliance Operations in order to build a Group-wide risk management system that can take a complete overview of the Group's risk situation and establish a swift response to any incidents that occur. We have also set up the Risk Management Committee, overseen by the corporate officer in charge of risk management, as a body for defining and evaluating risks and considering countermeasures across every sector of the organization when launching new businesses or conducting M&A. The results of the deliberation by the committee will be provided as feedback to relevant business divisions, the Board of Directors, and others, with the aim of improving risk management and compliance systems.

### **3. Business promotion system-related risk**

#### **(1) Securing and developing human resources**

If securing and developing outstanding human resources, such as the leaders that become necessary as business expands, does not proceed as planned, the MIXI Group's competitiveness may decline and business expansion may be restricted.

#### **(2) Internal management systems**

If the development of adequate internal management systems fails to keep pace with rapid business expansion, the appropriate operation of business and the development of management systems may become difficult.

#### **(3) Information management system**

The possibility of leaks, tampering, improper use, etc., of personal and other information held by MIXI Group cannot be completely ruled out. In consideration of this, the Group is enrolled in insurance that covers leaks of personal information, but this may not be able to completely compensate for all such losses. If a situation like this were to arise, the burden of considerable costs for an appropriate response, claims for compensation for damages, and a decline in confidence in MIXI Group, etc., may occur.

### **4. System-related risk**

#### **(1) Continuous equipment and systems investment accompanying business expansion**

MIXI Group plans continuous capital expenditure in systems infrastructure, etc., to prepare for future increases in users and access volume. However, if there is a sharp increase in the number of users and access volume exceeding forecasts, it is possible that we could be forced to change the timing, content, and scale of capital expenditure, increasing the burden of capital expenditure and depreciation costs.

#### **(2) Systems failure and natural disasters**

Computer systems may fail due to various factors that cannot be predicted, including temporary overloads due to sudden increases in traffic, power outages, software bugs, failures of external linked systems, computer viruses and external intrusions into computers by illegal means, natural disasters, and accidents.

### **5. Legal regulation-related risk**

MIXI Group businesses are subject to various laws and regulations, as well as the guidelines of regulatory agencies. It is possible that the Group's businesses could be subject to new restrictions or that existing regulations could be strengthened as a result of the establishment or revision of these laws and regulations, the cancellation of approvals or imposition of penalties by regulatory agencies, or the establishment or revision of new guidelines or voluntary regulations.

### **6. IP rights-related risk**

Accompanying the possibility that IP rights which MIXI Group has not recognized could already be established or that new IP rights could be established, it is possible that MIXI Group could be subject to claims for compensation for damages or injunctions due to infringement of the IP rights of third parties or that there could be claims against MIXI Group for royalties for the IP rights. Furthermore, it is also possible that the usage of IPs in open-source software we use in systems development may be restricted for unforeseeable reasons.

### **7. Investment and lending-related risk**

As we invest in expanding our business portfolio, we expect to realize business synergies between individual investee companies and MIXI Group or contributions to profits by investee companies. However, an impairment loss may be recorded depending on the performance of investee companies, or anticipated synergies not being realized. Furthermore, in the case of minority investment, it is possible that the management teams of investee companies could make decisions that do not align with the intentions of MIXI Group, or that we would be forced to sell our equity in their companies. In addition, it is possible that investment capital cannot be recovered if an unlisted company into which an investment partnership (fund) invests suffers a decline in performance.

### **8. Operational alliance and M&A-related risk**

Regarding the implementation of operational and capital alliances and M&A with companies that are highly compatible with MIXI Group services, if integration with an acquired company or the development and strengthening of relations with an alliance partner do not progress as planned, or if the business synergies, etc., initially anticipated due to the integration or alliance cannot be obtained, or if the operational alliance in question is dissolved for any reason, it is possible that profit commensurate with investment, time, and other expenses may not be returned.

### **9. New business-related risk**

If additional expenditure arises when creating and developing new services and new businesses, it is possible that profitability may decline. Also, in cases where MIXI Group has limited experience concerning a new service or business, operations may not be able to proceed smoothly due to this lack of experience. If the development of new services and businesses does not proceed as planned, or if plans are canceled, or if the new businesses are not able to achieve their anticipated profitability, it may affect MIXI Group's businesses, performance, and financial position.

### **10. Trends in financial results**

Since fiscal year 2017, there has been a downward trend in revenue from *MONSTER STRIKE* due to factors such as a decline in active users, and a trend of falling sales and profits continued into the consolidated financial results for fiscal year 2020. We plan to continue to implement measures to raise and maintain the profitability of *MONSTER STRIKE* and actively invest in the Sports segment. However, if these efforts are not executed in an appropriate and timely manner, or if they do not yield results, it may have an impact on the Group's businesses, performance, and financial position.



# **FINANCIAL INFORMATION**

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# CONSOLIDATED FINANCIAL STATEMENTS

## Consolidated Balance Sheets

(Millions of yen)

|                                                     | FY2024<br>(As of March 31, 2024) | FY2025<br>(As of March 31, 2025) |
|-----------------------------------------------------|----------------------------------|----------------------------------|
| <b>Assets</b>                                       |                                  |                                  |
| Current assets                                      |                                  |                                  |
| Cash and deposits                                   | 105,910                          | <b>110,666</b>                   |
| Notes and accounts receivable — trade (Note 7 (*1)) | 13,227                           | <b>15,812</b>                    |
| Operational investment securities                   | 23,620                           | <b>30,571</b>                    |

(Millions of yen)

|                                     | FY2024<br>(As of March 31, 2024) | FY2025<br>(As of March 31, 2025) |
|-------------------------------------|----------------------------------|----------------------------------|
| <b>Liabilities</b>                  |                                  |                                  |
| Current liabilities                 |                                  |                                  |
| Short-term borrowings (Note 7 (*2)) | 1,090                            | <b>1,865</b>                     |
| Accounts payable — other            | 12,101                           | <b>10,143</b>                    |
| Income taxes payable                | 958                              | <b>7,686</b>                     |

|                                     |         |                |
|-------------------------------------|---------|----------------|
| Securities                          | –       | <b>2,807</b>   |
| Merchandise                         | 566     | <b>622</b>     |
| Other                               | 11,152  | <b>9,692</b>   |
| Allowance for doubtful accounts     | (241)   | <b>(241)</b>   |
| Total current assets                | 154,236 | <b>169,931</b> |
| Non-current assets                  |         |                |
| Property, plant and equipment       |         |                |
| Buildings                           | 10,845  | <b>12,217</b>  |
| Accumulated depreciation            | (1,670) | <b>(2,461)</b> |
| Buildings, net (Note 7 (*2))        | 9,174   | <b>9,755</b>   |
| Tools, furniture and fixtures       | 6,926   | <b>8,635</b>   |
| Accumulated depreciation            | (4,605) | <b>(5,343)</b> |
| Tools, furniture and fixtures, net  | 2,321   | <b>3,291</b>   |
| Land (Note 7 (*2))                  | 2,699   | <b>2,699</b>   |
| Construction in progress            | 3,303   | <b>4,162</b>   |
| Other                               | 56      | <b>152</b>     |
| Accumulated depreciation            | (22)    | <b>(40)</b>    |
| Other, net                          | 34      | <b>111</b>     |
| Total property, plant and equipment | 17,532  | <b>20,020</b>  |
| Intangible assets                   |         |                |
| Goodwill                            | 8,467   | <b>7,265</b>   |
| Customer-related assets             | 4,960   | <b>4,284</b>   |
| Trademark right                     | 2,198   | <b>1,937</b>   |
| Other                               | 1,335   | <b>1,305</b>   |
| Total intangible assets             | 16,961  | <b>14,793</b>  |
| Investments and other assets        |         |                |
| Investment securities (Note 7 (*3)) | 7,391   | <b>6,023</b>   |
| Long-term loans receivable          | 2,745   | <b>7,540</b>   |
| Deferred tax assets                 | 4,452   | <b>3,328</b>   |
| Other                               | 5,090   | <b>5,789</b>   |
| Allowance for doubtful accounts     | (1,067) | <b>(1,883)</b> |
| Total investments and other assets  | 18,611  | <b>20,798</b>  |
| Total non-current assets            | 53,105  | <b>55,612</b>  |
| Total assets                        | 207,342 | <b>225,544</b> |

|                                                       |          |                 |
|-------------------------------------------------------|----------|-----------------|
| Accrued consumption taxes                             | 576      | <b>2,203</b>    |
| Provision for bonuses                                 | 1,830    | <b>1,816</b>    |
| Other (Note 7 (*4))                                   | 6,436    | <b>7,664</b>    |
| Total current liabilities                             | 22,992   | <b>31,380</b>   |
| Non-current liabilities                               |          |                 |
| Long-term borrowings (Note 7 (*2 *5))                 | 6,341    | <b>10,587</b>   |
| Deferred tax liabilities                              | 2,121    | <b>1,632</b>    |
| Other                                                 | 156      | <b>609</b>      |
| Total non-current liabilities                         | 8,619    | <b>12,829</b>   |
| Total liabilities                                     | 31,611   | <b>44,210</b>   |
| <b>Net assets</b>                                     |          |                 |
| Shareholders' equity                                  |          |                 |
| Paid-in capital                                       | 9,698    | <b>9,698</b>    |
| Capital surplus                                       | 9,662    | <b>9,669</b>    |
| Retained earnings                                     | 163,190  | <b>173,149</b>  |
| Treasury shares                                       | (10,310) | <b>(17,491)</b> |
| Total shareholders' equity                            | 172,240  | <b>175,026</b>  |
| Accumulated other comprehensive income                |          |                 |
| Valuation difference on available-for-sale securities | 366      | <b>3,070</b>    |
| Foreign currency translation adjustment               | 803      | <b>883</b>      |
| Total accumulated other comprehensive income          | 1,170    | <b>3,954</b>    |
| Subscription rights to shares                         | 1,109    | <b>1,082</b>    |
| Non-controlling interests                             | 1,209    | <b>1,270</b>    |
| Total net assets                                      | 175,730  | <b>181,333</b>  |
| Total liabilities and net assets                      | 207,342  | <b>225,544</b>  |

## Consolidated Financial Statements

### Consolidated Statements of Income

(Millions of yen)

|                                                                           | FY2024<br>(Apr. 1, 2023 to Mar. 31, 2024) | FY2025<br>(Apr. 1, 2024 to Mar. 31, 2025) |
|---------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| Net sales (Note 8 (*1))                                                   | 146,868                                   | 154,847                                   |
| Cost of sales                                                             | 44,238                                    | 48,803                                    |
| Gross profit                                                              | 102,629                                   | 106,043                                   |
| SG&A expenses (Note 8 (*2 *3 ))                                           | 83,452                                    | 79,443                                    |
| Operating income                                                          | 19,177                                    | 26,600                                    |
| Non-operating income                                                      |                                           |                                           |
| Interest income                                                           | 18                                        | 67                                        |
| Dividend income                                                           | —                                         | 39                                        |
| Foreign exchange gains                                                    | 478                                       | 3                                         |
| Share of profit of entities accounted for using equity method             | —                                         | 148                                       |
| Gain on sale of business                                                  | —                                         | 181                                       |
| Compensation income                                                       | 80                                        | —                                         |
| Other                                                                     | 147                                       | 242                                       |
| Total non-operating income                                                | 725                                       | 682                                       |
| Non-operating expenses                                                    |                                           |                                           |
| Interest expenses                                                         | 57                                        | 111                                       |
| Share of loss of entities accounted for using equity method (Note 8 (*4)) | 3,045                                     | —                                         |
| Provision of allowance for doubtful accounts                              | —                                         | 135                                       |
| Loss on withdrawal from business                                          | 930                                       | 47                                        |
| Donations                                                                 | —                                         | 113                                       |
| Special investigation expenses                                            | —                                         | 213                                       |
| Other                                                                     | 200                                       | 150                                       |
| Total non-operating expenses                                              | 4,233                                     | 770                                       |
| Ordinary income                                                           | 15,669                                    | 26,511                                    |
| Extraordinary income                                                      |                                           |                                           |
| Gain on sales of non-current assets (Note 8 (*5))                         | 11                                        | 17                                        |
| Gain on redemption of investment securities                               | —                                         | 156                                       |
| Gain on sale of shares of subsidiaries and associates (Note 8 (*6))       | 30                                        | —                                         |
| Reversal of allowance for doubtful accounts                               | 0                                         | 210                                       |
| Gain on step acquisitions                                                 | —                                         | 89                                        |



|                                                                  |        |               |
|------------------------------------------------------------------|--------|---------------|
| Gain on reversal of share acquisition rights                     | 6      | <b>17</b>     |
| Other                                                            | 0      | <b>0</b>      |
| Total extraordinary income                                       | 48     | <b>491</b>    |
| Extraordinary losses                                             |        |               |
| Loss on sales and retirement of non-current assets (Note 8 (*7)) | 8      | <b>14</b>     |
| Impairment loss (Note 8 (*8))                                    | 269    | <b>0</b>      |
| Loss on valuation of investment securities (Note 8 (*9))         | 2,677  | <b>81</b>     |
| Provision of allowance for doubtful accounts                     | 131    | <b>—</b>      |
| Amortization of goodwill                                         | —      | <b>396</b>    |
| Loss on change in equity                                         | —      | <b>72</b>     |
| Other                                                            | 1      | <b>4</b>      |
| Total extraordinary losses                                       | 3,087  | <b>568</b>    |
| Income before income taxes                                       | 12,630 | <b>26,434</b> |
| Income taxes — current                                           | 3,571  | <b>9,383</b>  |
| Income taxes — deferred                                          | 2,118  | <b>(594)</b>  |
| Total income taxes                                               | 5,689  | <b>8,788</b>  |
| Period net income                                                | 6,940  | <b>17,645</b> |
| Profit (loss) attributable to non-controlling interests          | (141)  | <b>43</b>     |
| Profit attributable to owners of parent                          | 7,082  | <b>17,601</b> |

## Consolidated Statements of Comprehensive Income

(Millions of yen)

|                                                                                   | FY2024<br>(Apr. 1, 2023 to Mar. 31, 2024) | FY2025<br>(Apr. 1, 2024 to Mar. 31, 2025) |
|-----------------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| Period net income                                                                 | 6,940                                     | <b>17,645</b>                             |
| Other comprehensive income                                                        |                                           |                                           |
| Valuation difference on available-for-sale securities                             | (15)                                      | <b>2,695</b>                              |
| Foreign currency translation adjustment                                           | 293                                       | <b>80</b>                                 |
| Share of other comprehensive income of entities accounted for using equity method | (0)                                       | <b>7</b>                                  |
| Total other comprehensive income (Note 9 (*1))                                    | 276                                       | <b>2,783</b>                              |
| Comprehensive income                                                              | 7,217                                     | <b>20,429</b>                             |
| Comprehensive income attributable to:                                             |                                           |                                           |
| Comprehensive income attributable to owners of parent                             | 7,359                                     | <b>20,385</b>                             |
| Comprehensive income attributable to non-controlling interests                    | (141)                                     | <b>43</b>                                 |

## Consolidated Financial Statements

### Consolidated Statements of Changes in Shareholders' Equity

Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(Millions of yen)

|                                                                                           | Shareholders' equity |                 |                   |                 |                            |
|-------------------------------------------------------------------------------------------|----------------------|-----------------|-------------------|-----------------|----------------------------|
|                                                                                           | Paid-in capital      | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| <b>Balance at beginning of period</b>                                                     | 9,698                | 9,662           | 177,655           | (16,900)        | 180,116                    |
| Changes of items during period                                                            |                      |                 |                   |                 |                            |
| Dividends of surplus                                                                      |                      |                 | (7,880)           |                 | (7,880)                    |
| Profit attributable to owners of parent                                                   |                      |                 | 7,082             |                 | 7,082                      |
| Purchase of treasury shares                                                               |                      |                 |                   | (7,499)         | (7,499)                    |
| Disposal of treasury shares                                                               |                      | (68)            |                   | 490             | 421                        |
| Cancellation of treasury shares                                                           |                      | (13,599)        |                   | 13,599          | —                          |
| Transfer to capital surplus from retained earnings                                        |                      | 13,667          | (13,667)          |                 | —                          |
| Change in ownership interest of parent due to transactions with non-controlling interests |                      |                 |                   |                 | —                          |
| Net changes of items other than shareholders' equity                                      |                      |                 |                   |                 | —                          |
| Total changes of items during period                                                      | —                    | —               | (14,465)          | 6,589           | (7,876)                    |
| <b>Balance at end of period</b>                                                           | 9,698                | 9,662           | 163,190           | (10,310)        | 172,240                    |

|                                                                                           | Accumulated other comprehensive income                |                                         |                                              | Subscription rights to shares | Non-controlling interests | Total net assets |
|-------------------------------------------------------------------------------------------|-------------------------------------------------------|-----------------------------------------|----------------------------------------------|-------------------------------|---------------------------|------------------|
|                                                                                           | Valuation difference on available-for-sale securities | Foreign currency translation adjustment | Total accumulated other comprehensive income |                               |                           |                  |
| <b>Balance at beginning of period</b>                                                     | 383                                                   | 510                                     | 893                                          | 1,127                         | 1,324                     | 183,463          |
| Changes of items during period                                                            |                                                       |                                         |                                              |                               |                           |                  |
| Dividends of surplus                                                                      |                                                       |                                         |                                              |                               |                           | (7,880)          |
| Profit attributable to owners of parent                                                   |                                                       |                                         |                                              |                               |                           | 7,082            |
| Purchase of treasury shares                                                               |                                                       |                                         |                                              |                               |                           | (7,499)          |
| Disposal of treasury shares                                                               |                                                       |                                         |                                              |                               |                           | 421              |
| Cancellation of treasury shares                                                           |                                                       |                                         |                                              |                               |                           | —                |
| Transfer to capital surplus from retained earnings                                        |                                                       |                                         |                                              |                               |                           | —                |
| Change in ownership interest of parent due to transactions with non-controlling interests |                                                       |                                         |                                              |                               |                           | —                |
| Net changes of items other than shareholders' equity                                      | (16)                                                  | 293                                     | 276                                          | (17)                          | (115)                     | 143              |
| Total changes of items during period                                                      | (16)                                                  | 293                                     | 276                                          | (17)                          | (115)                     | (7,733)          |
| <b>Balance at end of period</b>                                                           | 366                                                   | 803                                     | 1,170                                        | 1,109                         | 1,209                     | 175,730          |

|                                                                                           | Shareholders' equity |                 |                   |                 |                            |
|-------------------------------------------------------------------------------------------|----------------------|-----------------|-------------------|-----------------|----------------------------|
|                                                                                           | Paid-in capital      | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| <b>Balance at beginning of period</b>                                                     | <b>9,698</b>         | <b>9,662</b>    | <b>163,190</b>    | <b>(10,310)</b> | <b>172,240</b>             |
| Changes of items during period                                                            |                      |                 |                   |                 |                            |
| Dividends of surplus                                                                      |                      |                 | (7,635)           |                 | (7,635)                    |
| Profit attributable to owners of parent                                                   |                      |                 | 17,601            |                 | 17,601                     |
| Purchase of treasury shares                                                               |                      |                 |                   | (7,458)         | (7,458)                    |
| Disposal of treasury shares                                                               |                      | (6)             |                   | 276             | 270                        |
| Cancellation of treasury shares                                                           |                      |                 |                   |                 | —                          |
| Transfer to capital surplus from retained earnings                                        |                      | 6               | (6)               |                 | —                          |
| Change in ownership interest of parent due to transactions with non-controlling interests |                      | 7               |                   |                 | 7                          |
| Net changes of items other than shareholders' equity                                      |                      |                 |                   |                 | —                          |
| Total changes of items during period                                                      | —                    | 7               | 9,959             | (7,181)         | 2,785                      |
| <b>Balance at end of period</b>                                                           | <b>9,698</b>         | <b>9,669</b>    | <b>173,149</b>    | <b>(17,491)</b> | <b>175,026</b>             |

|                                                                                           | Accumulated other comprehensive income                |                                         |                                              | Subscription rights to shares | Non-controlling interests | Total net assets |
|-------------------------------------------------------------------------------------------|-------------------------------------------------------|-----------------------------------------|----------------------------------------------|-------------------------------|---------------------------|------------------|
|                                                                                           | Valuation difference on available-for-sale securities | Foreign currency translation adjustment | Total accumulated other comprehensive income |                               |                           |                  |
| <b>Balance at beginning of period</b>                                                     | <b>366</b>                                            | <b>803</b>                              | <b>1,170</b>                                 | <b>1,109</b>                  | <b>1,209</b>              | <b>175,730</b>   |
| Changes of items during period                                                            |                                                       |                                         |                                              |                               |                           |                  |
| Dividends of surplus                                                                      |                                                       |                                         |                                              |                               |                           | (7,635)          |
| Profit attributable to owners of parent                                                   |                                                       |                                         |                                              |                               |                           | 17,601           |
| Purchase of treasury shares                                                               |                                                       |                                         |                                              |                               |                           | (7,458)          |
| Disposal of treasury shares                                                               |                                                       |                                         |                                              |                               |                           | 270              |
| Cancellation of treasury shares                                                           |                                                       |                                         |                                              |                               |                           | —                |
| Transfer to capital surplus from retained earnings                                        |                                                       |                                         |                                              |                               |                           | —                |
| Change in ownership interest of parent due to transactions with non-controlling interests |                                                       |                                         |                                              |                               |                           | 7                |
| Net changes of items other than shareholders' equity                                      | 2,703                                                 | 80                                      | 2,783                                        | (27)                          | 61                        | 2,817            |
| Total changes of items during period                                                      | 2,703                                                 | 80                                      | 2,783                                        | (27)                          | 61                        | 5,603            |
| <b>Balance at end of period</b>                                                           | <b>3,070</b>                                          | <b>883</b>                              | <b>3,954</b>                                 | <b>1,082</b>                  | <b>1,270</b>              | <b>181,333</b>   |

## Consolidated Financial Statements

### Consolidated Statements of Cash Flows

(Millions of yen)

|                                                                      | FY2024<br>(Apr. 1, 2023 to Mar. 31, 2024) | FY2025<br>(Apr. 1, 2024 to Mar. 31, 2025) |
|----------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| <b>Cash flows from operating activities</b>                          |                                           |                                           |
| Income before income taxes                                           | 12,630                                    | <b>26,434</b>                             |
| Depreciation                                                         | 1,445                                     | <b>2,187</b>                              |
| Amortization of intangible assets                                    | 1,535                                     | <b>1,488</b>                              |
| Amortization of goodwill                                             | 1,338                                     | <b>1,813</b>                              |
| Increase (decrease) in allowance for doubtful accounts               | (4)                                       | <b>(136)</b>                              |
| Increase (decrease) in provision for bonuses                         | (1,018)                                   | <b>(13)</b>                               |
| Interest and dividend income                                         | (18)                                      | <b>(106)</b>                              |
| Interest expenses                                                    | 57                                        | <b>111</b>                                |
| Foreign exchange losses (gains)                                      | (163)                                     | <b>151</b>                                |
| Share of loss (profit) of entities accounted for using equity method | 3,045                                     | <b>(148)</b>                              |
| Reversal of allowance for doubtful accounts                          | (0)                                       | <b>(210)</b>                              |
| Provision of allowance for doubtful accounts                         | 131                                       | <b>135</b>                                |
| Impairment loss                                                      | 269                                       | <b>0</b>                                  |
| Loss (gain) on sale of businesses                                    | —                                         | <b>(181)</b>                              |
| Loss on withdrawal from business                                     | 930                                       | <b>47</b>                                 |
| Gain on reversal of share acquisition rights                         | (6)                                       | <b>(17)</b>                               |
| Loss (gain) on sales and retirement of non-current assets            | (3)                                       | <b>(3)</b>                                |
| Loss (gain) on valuation of investment securities                    | 2,677                                     | <b>81</b>                                 |
| Loss (gain) on redemption of investment securities                   | —                                         | <b>(156)</b>                              |
| Loss (gain) on sale of shares of subsidiaries and associates         | (30)                                      | <b>—</b>                                  |
| Loss (gain) on change in equity                                      | —                                         | <b>72</b>                                 |
| Loss (gain) on step acquisitions                                     | —                                         | <b>(89)</b>                               |
| Decrease (increase) in notes and accounts receivable — trade         | 522                                       | <b>(2,570)</b>                            |
| Decrease (increase) in operational investment securities             | (4,041)                                   | <b>(2,782)</b>                            |
| Decrease (increase) in inventories                                   | (54)                                      | <b>(44)</b>                               |
| Increase (decrease) in accounts payable — other                      | (2,402)                                   | <b>(813)</b>                              |
| Increase (decrease) in accrued consumption taxes                     | (994)                                     | <b>1,640</b>                              |
| Decrease (increase) in other assets                                  | 289                                       | <b>1,112</b>                              |
| Other, net                                                           | 1,339                                     | <b>1,433</b>                              |

|                                                                                         |                |                 |
|-----------------------------------------------------------------------------------------|----------------|-----------------|
| Subtotal                                                                                | 17,475         | <b>29,436</b>   |
| Interest income received                                                                | 12             | <b>92</b>       |
| Interest expenses paid                                                                  | (53)           | <b>(106)</b>    |
| Income taxes paid                                                                       | (8,253)        | <b>(1,944)</b>  |
| Net cash provided by (used in) operating activities                                     | 9,181          | <b>27,476</b>   |
| <b>Cash flows from investing activities</b>                                             |                |                 |
| Payments into time deposits                                                             | —              | <b>(5,081)</b>  |
| Purchase of non-current assets                                                          | (3,462)        | <b>(6,483)</b>  |
| Proceeds from redemption of investment securities                                       | —              | <b>1,391</b>    |
| Purchase of investment securities                                                       | (2,734)        | <b>(47)</b>     |
| Loan advances                                                                           | (1,800)        | <b>(4,000)</b>  |
| Proceeds from collection of loans receivable                                            | 1,200          | <b>210</b>      |
| Payments of leasehold and guarantee deposits                                            | (105)          | <b>(535)</b>    |
| Proceeds from refund of leasehold and guarantee deposits                                | 8              | <b>105</b>      |
| Proceeds from sale of businesses                                                        | —              | <b>181</b>      |
| Payment for acquisition of the subsidiary resulting in change in scope of consolidation | —              | <b>(255)</b>    |
| Other, net                                                                              | 41             | <b>24</b>       |
| Net cash provided by (used in) investing activities                                     | (6,852)        | <b>(14,490)</b> |
| <b>Cash flows from financing activities</b>                                             |                |                 |
| Net increase (decrease) in short-term borrowings                                        | 204            | <b>781</b>      |
| Proceeds from long-term borrowings                                                      | —              | <b>9,429</b>    |
| Repayments of long-term loans payable                                                   | (558)          | <b>(5,261)</b>  |
| Purchase of shares of subsidiaries not resulting in change in scope of consolidation    | —              | <b>(201)</b>    |
| Purchase of treasury shares                                                             | (7,522)        | <b>(7,480)</b>  |
| Cash dividends paid                                                                     | (7,875)        | <b>(7,648)</b>  |
| Other, net                                                                              | 21             | <b>3</b>        |
| Net cash provided by (used in) financing activities                                     | (15,730)       | <b>(10,378)</b> |
| Effect of exchange rate change on cash and cash equivalents                             | 386            | <b>(123)</b>    |
| Net increase (decrease) in cash and cash equivalents                                    | (13,014)       | <b>2,485</b>    |
| Cash and cash equivalents at beginning of period                                        | 118,703        | <b>105,688</b>  |
| Cash and cash equivalents at end of period (Note 11 (*1))                               | <b>105,688</b> | <b>108,174</b>  |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## 1. Important matters that form the basis of preparing consolidated financial statements

### 1. Matters related to the scope of consolidation

#### (1) Number of consolidated subsidiaries: 26

Names of the major consolidated subsidiaries:  
Chariloto Co., Ltd.  
Net Dreamers Co., Ltd.

In the fiscal year ended March 31, 2025, picon, Inc. was included in the scope of consolidation through a stock acquisition, and MIXI Australia Pty Ltd was included through its new establishment.

In addition, Tech Growth Capital LLP and one other company were removed from the scope of consolidation due to liquidation in the fiscal year ended March 31, 2025.

#### (2) Name of the major non-consolidated subsidiary

E-Mercury, Inc.

(Reason for exclusion from the scope of consolidation)  
E-Mercury, Inc. and four other companies have been excluded from the scope of consolidation as they are of small-scale with combined total assets, net sales, profit or loss (amount corresponding to equity interest) and retained earnings (amount corresponding to equity interest) that have no significant impact on consolidated financial statements.

### 2. Matters related to the application of equity method

#### (1) Number of equity-method associates: 5

Names of the major equity-method associates:  
bitbank, inc.  
HUB CO., LTD.  
Decollte Holdings Corporation

In the fiscal year ended March 31, 2025, CALL DOCTOR Co., Ltd. was excluded from the scope of application of the equity method through sales of shares.

#### (2) Names of the major non-consolidated subsidiaries and affiliates to which the equity method is not applicable

E-Mercury, Inc.

(Reason for not applying the equity method)  
E-Mercury, Inc. and four other companies are excluded from the scope of equity method application since their exclusion has an insignificant impact on the consolidated financial statements in terms of profit or loss (amount corresponding to equity interest) and retained earnings (amount corresponding to equity interest).

#### (3) Matters deemed necessary to be specifically stated regarding the procedure for applying the equity method

For equity-method associates with different balance sheet dates, financial statements corresponding to their respective fiscal years are used.

### 3. Matters related to the fiscal year of consolidated subsidiaries

Among consolidated subsidiaries, the balance sheet date of Scrum Ventures Fund I, L.P. and four other companies is December 31, the balance sheet date of TOKYO FOOTBALL CLUB Co., Ltd. is January 31, and the balance sheet date of AA Fund Investment LPS and one other company is February 28 or 29. Their financial statements use their respective balance sheet dates.

However, necessary adjustments are made to reflect important transactions that occurred during the period from their respective balance sheet dates to the consolidated balance sheet date. In addition, the balance sheet date of Chiba Jets Funabashi Co., Ltd. and one other company is June 30, although it uses the financial statement based on a provisional settlement of accounts.

### 4. Matters related to accounting policies

#### (1) Valuation standards and valuation methods of significant assets

##### 1) Securities

Available-for-sale securities (including operational investment securities)

Securities other than shares, etc. without market value  
Stated at market value (all valuation gains or losses are treated as a component of net assets, with the cost of securities sold calculated according to the moving-average method).

Shares, etc. without market value

Mainly stated at cost using the moving-average method. Investments in investment partnerships and others are based on the financial statements for the most recent balance sheet date using the net amount proportionate to MIXI's ownership interests.

##### 2) Valuation standards and valuation methods of inventories

Merchandise

Stated at cost determined by the first-in, first-out (FIFO) method (the book value in the balance sheet is written down based on the decline in profitability).



## **(2) Depreciation and amortization methods of significant depreciation assets**

- 1) Property, plant and equipment (excluding leased assets)

The declining balance method is primarily applied.

However, the straight line method is applied for buildings (excluding facilities attached to buildings) acquired on or after April 1, 1998 and facilities attached to buildings acquired on or after April 1, 2016.

The principal useful lives are as follows:

|                                |               |
|--------------------------------|---------------|
| Buildings:                     | 2 to 50 years |
| Tools, furniture and fixtures: | 2 to 20 years |

- 2) Intangible assets (excluding leased assets)

The straight line method is applied.

The amortization period for software for internal use is based on its useful life within MIXI (5 years).

In addition, trademark rights are amortized based on economic useful life (5 to 13 years), customer-related assets are amortized based on economic useful life (5 to 18 years), and other intangible assets are amortized based on economic useful life (5 years).

- 3) Leased assets

Leased assets pertaining to finance leases other than those in which the title of the leased property transfers to the lessee

The straight line method, substituting the lease term for the useful life and assuming no residual value, is applied.

## **(3) Accounting standards for significant allowances and provisions**

- 1) Allowance for doubtful accounts

In order to provide for losses due to bad debt, including on notes and accounts receivable – trade, for general receivables, an estimated uncollectible amount is recorded according to the historical bad debt ratio. For specific receivables at risk of becoming bad debt, an estimated uncollectible amount is recorded by assessing the collectability of each receivable individually.

- 2) Provision for bonuses

In order to provide for payment of bonuses to employees, the amount of bonuses estimated to be incurred in the consolidated fiscal year under review is recorded.

## **(4) Accounting standards for significant revenue and expenses**

MIXI Group recognizes revenue based on the following five-step model.

Step 1: Identify the contract with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) a performance obligation is satisfied

The revenue recognition standard for each of the major revenue categories is as follows. The amount of variable considerations such as discounts, rebates and returns included in revenue is immaterial. In addition, the amount of considerations promised is generally received within one year and does not include significant financing component.

- 1) Operation of services for smart device games such as *MONSTER STRIKE*

The Group operates services for smart device games such as *MONSTER STRIKE*. The Group determines that the performance obligations under contracts with customers are to maintain an environment in which the users can use the characters, etc. Therefore, the Group recognizes revenue over an estimated period of use of characters, etc. obtained by users by consuming the in-game currency “orbs” etc. However, the characters, etc. that users continue to use are limited to those with high rarity, and other characters, etc. are rarely used for a long period of time after acquisition. Therefore, the Group determines that there will be no significant differences between the amount of revenue recognized over an estimated period of use of characters, etc. obtained and the amount of revenue recognized when “orbs” are consumed.

Under the revenue recognition standard, etc., paid orbs, etc. and free orbs, etc. do not have significant functional differences and are equivalent in value. Therefore, transaction prices are allocated regardless of whether consumed orbs, etc. are paid or free.

- 2) Operation of services for a horse racing information website “netkeiba.com”

The Group provides services that provide information for paying members and race forecast information from tipsters “Umai Baken” through the use of a horse racing information website “netkeiba.com.” Revenue related to the flat-rate service of information provision for paying members is recognized over a contract period as performance obligations are satisfied over time. Revenue related to “Umai Baken” is recognized when information is delivered, as performance obligations are deemed to be satisfied mainly when the Group presents relevant information.

- 3) Operation of services for “Chariloto,” an online voting website for keirin and auto race betting tickets, and *TIPSTAR*, a sports betting service

The Group provides online voting systems to users through the use of “Chariloto,” an online voting website for keirin and auto race betting tickets, and *TIPSTAR*, a sports betting service. Revenue related to them is recognized on the day when a race is finished, as performance obligations are deemed to be satisfied when the payout and settlement on betting tickets is completed on the same day after the race is held.

- 4) Operation of professional sport teams

The Group operates two professional sport teams, Chiba Jets Funabashi and F.C.Tokyo. With respect to advertising fee revenue, which is the principal source of revenue, the Group provides uniforms, signage at game venues, and other printed materials as advertising media. Revenue is recognized over time such as the contract period, because the performance obligation is deemed to be satisfied over time when the advertisement or project is placed over time. On the other hand, when the advertisement is placed for a single game or project, the performance obligation is

## Notes to Consolidated Financial Statements

deemed to be satisfied at the time of the event, and revenue is recognized at a point in time of the end of the event.

### 5) Operation of services for *FamilyAlbum*

The Group provides a monthly service *FamilyAlbum Premium* that allows users to use the app more conveniently and sells photo books, DVDs and other merchandise through the use of *FamilyAlbum*. Revenue related to *FamilyAlbum Premium* is recognized over a contract period, as performance obligations are satisfied over time. With respect to the sale of photo books, DVDs and other merchandise, while performance obligations are deemed to be satisfied when goods are delivered to users, the Group determines that the period from the time of shipment to the time when control of the product is transferred to the customer is a normal period and therefore recognizes revenue at the time of shipment.

### 6) Operation of services for the New Year Cards app *FamilyAlbum New Year Cards*

The Group provides a service of creating New Year's cards for printing through the use of the New Year Cards app *FamilyAlbum New Year Cards*. With respect

to this service, while performance obligations are deemed to be satisfied by manufacturing New Year's cards for printing according to the order received from a user and delivering them to the user, the Group determines that the period from the time of shipment to the time when control of the product is transferred to the customer is a normal period and therefore recognizes revenue at the time of shipment.

### 7) Operation of services for a beauty staff direct appointment app *minimo*

The Group provides a salon reservation support service to users through the use of a beauty staff direct appointment app *minimo*. Revenue related to this service is recognized on the day when a general consumer visits the salon, as performance obligations are deemed to be satisfied when the reservation made by the general consumer at the salon or other listed service provider is fulfilled.

### (5) Translation of significant assets and liabilities denominated in foreign currencies into Japanese yen

Monetary receivables and payables denominated in foreign currencies have been translated into Japanese

yen at the spot exchange rate on the consolidated balance sheet date, and translation adjustments are recorded as gains or losses. Assets, liabilities, income, and expenses of overseas consolidated subsidiaries are translated into Japanese yen using the spot exchange rate on the consolidated balance sheet date, and translation adjustments are included in foreign currency translation adjustment and non-controlling interests under "Net assets."

### (6) Amortization method and amortization period of goodwill

Amortization of goodwill is estimated for each period in which it is expected to emerge, and then equally amortized over the designated amortization period (4 to 13 years).

### (7) Scope of cash and cash equivalents in the consolidated statements of cash flows

Cash and cash equivalents consist of cash on hand, deposits that can be withdrawn at any time and short-term investments with a maturity of three months or less from the date of acquisition that are readily convertible into cash and subject to minimum risk of price fluctuations.

## 2. Significant accounting estimates

### Impairment of operational investment securities and investment securities

Operational investment securities and investment securities stood at ¥30,571 million and ¥6,023 million, respectively, as of March 31, 2025. Of these, the Group assesses impairment on unlisted shares such as shares, convertible-bond-type bonds with subscription rights to shares, etc. (excluding shares of equity-method associates)

of ¥15,834 million as described below.

In the valuation of unlisted shares, etc., if the net asset value or market value of the shares, etc. declined approximately 50% or more compared with the acquisition cost, an impairment loss is recognized unless recoverability is supported by sufficient evidence. In the case that such unlisted shares of a company were purchased at a price higher than the net asset value per share, which can be

obtained from financial statements, reflecting excess earning power of the company, if the excess earning power can no longer be expected and if the net asset value reflecting the loss of excess earning power declined approximately 50% or more compared with the acquisition cost, an impairment loss is recognized.

Moreover, a loss that is not reflected in the current book value or irrecoverableness of the book value may arise

owing to future decline in fair value or poor performance or deterioration of the financial condition of an investee and it may become necessary to recognize an impairment loss.

### **Impairment of goodwill and other intangible assets**

Goodwill, customer-related assets and trademark right stood at ¥13,369 million as of March 31, 2025. The Group assesses whether it is necessary to recognize an impairment. Assessment is carried out by means of the following four steps.

#### **(1) Identification of the asset or the asset group to which the intangible assets belong (hereinafter referred to as “asset group”)**

Events that indicate the possibility of impairment of an asset (hereinafter referred to as “indication of impairment”) are identified according to asset groups. The Company groups assets mainly by each subsidiary because the businesses operated by the Company’s subsidiaries are different from one another.

#### **(2) Identification of indication of impairment**

Indication of impairment is identified if profit or cash flows from operating activities for which the asset group is used have remained negative or are expected to remain negative, or deterioration of the business environment is recognized.

#### **(3) Recognition of impairment**

For an asset group with indication of impairment, undiscounted future cash flow is calculated based on the mid- to long-term business plan etc. If it is below the asset group’s book value, an impairment loss is recognized.

#### **(4) Measurement of impairment**

For an asset or an asset group regarding which it is judged that an impairment loss should be recognized, the book value is reduced to the recoverable value and the amount of the reduction is recognized as an impairment loss and recorded for the current fiscal year.

Forecasts of future sales and expenses and the operating income ratio and other assumptions used for the above calculation of cash flow are determined according to management’s best estimates and judgment based on the historical data and the business plan approved by the Company’s management, which is based on the business plan at the time of acquisition and incorporates changes reflected in the budget for the next fiscal year approved by the management, and changes that are likely to persist. Assumptions may be affected by change of the business strategy and change of the market environment. If any change to assumptions is required, there may be a significant impact on the amount of an impairment loss to be recognized.

## **3. 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 fiscal year ended March 31, 2025.

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 consolidated financial statements.

Additionally, MIXI applied the 2022 Revised Guidance effective from the beginning of the fiscal year ended March 31, 2025 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 consolidated financial statements for the previous fiscal year have been retrospectively adjusted. This change in accounting policy does not affect the consolidated financial statements for the previous fiscal year.

#### 4. Accounting standards, etc. not applied

- “Accounting Standard for Leases” (ASBJ Statement No. 34, September 13, 2024)
- “Implementation Guidance on Accounting Standard for Leases” (ASBJ Guidance No. 33, September 13, 2024)

In addition, amendments to related accounting standards, implementation guidance, practical solutions and transferred guidance will be applied.

##### 1. Overview

As with the international accounting standards, these standards and relevant guidance require a lessee to recognize assets and liabilities for all leases.

##### 2. Scheduled date of application

The scheduled date of application is at the start of the fiscal year ending March 31, 2028.

##### 3. Impact of application of the said accounting standards, etc.

At the time of preparation of these consolidated financial statements, the financial impact was in the process of evaluation.

#### 5. Changes in presentation

##### Consolidated statements of income

“Sponsorship money income” and “Subsidy income” under “Non-operating income,” which had been presented separately in the consolidated fiscal year ended March 31, 2024, have decreased in importance and are therefore included in “Other” from the consolidated fiscal year ended March 31, 2025.

As a result, ¥4 million in “Sponsorship money income,” ¥33 million in “Subsidy income,” and ¥109 million in “Other,” which had been presented under “Non-operating income” in the consolidated statements of income in the consolidated fiscal year ended March 31, 2024, have been reclassified as ¥147 million under “Other.”

In addition, “Reversal of allowance for doubtful accounts,” which had been included in “Other” under “Extraordinary income” in the consolidated fiscal year ended March 31, 2024, has increased importance in terms of amount and is therefore reported separately from the consolidated fiscal year ended March 31, 2025.

As a result, ¥0 million in “Other” presented under “Extraordinary income” in the consolidated statements of income in the consolidated fiscal year ended March 31, 2024, has been reclassified as ¥0 million in “Reversal of allowance for doubtful accounts” and ¥0 million in “Other.”

##### Consolidated statements of cash flows

“Reversal of allowance for doubtful accounts,” which had been presented in “Increase (decrease) in allowance for doubtful accounts” under “Cash flows from operating activities” in the consolidated fiscal year ended March 31, 2024, has increased importance in terms of amount and is therefore presented separately from the consolidated fiscal year ended March 31, 2025.

As a result, ¥(0) million in “Increase (decrease) in allowance for doubtful accounts” under “Cash flows from operating activities” in the consolidated statements of cash flows of the consolidated fiscal year ended March 31, 2024, has been reclassified as

¥(0) million in “Reversal of allowance for doubtful accounts.”

“Purchase of property, plant and equipment” and “Purchase of intangible assets” under “Cash flows from investing activities,” which had been presented separately in the consolidated fiscal year ended March 31, 2024, have been considered their importance and are therefore presented as “Purchase of non-current assets” from the consolidated fiscal year ended March 31, 2025.

As a result, ¥(2,993) million in “Purchase of property, plant and equipment” and ¥(468) million in “Purchase of intangible assets,” which had been presented under “Cash flows from investing activities” in the consolidated statements of cash flows of the consolidated fiscal year ended March 31, 2024, have been reclassified as ¥(3,462) million in “Purchase of non-current assets.”

## 6. 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 consolidated financial statements for the consolidated fiscal year ended March 31, 2025, including an increase in corporate taxes, is a net loss attributable to owner of parent of ¥452 million.

In addition, costs related to the special investigation into this matter are recorded as "Special investigation expenses" under "Non-operating expenses."

## 7. Consolidated balance sheets

\*1. The amounts of notes receivable — trade and accounts receivable — trade from contracts with customers are as follows:

(Millions of yen)

|                             | FY2024<br>(Apr. 1, 2023 to Mar. 31, 2024) | FY2025<br>(Apr. 1, 2024 to Mar. 31, 2025) |
|-----------------------------|-------------------------------------------|-------------------------------------------|
| Notes receivable — trade    | 0                                         | —                                         |
| Accounts receivable — trade | 13,226                                    | 15,812                                    |

\*2. Assets pledged as collateral and collateralized liabilities

Assets pledged as collateral and collateralized liabilities are as follows:

(Millions of yen)

|           | FY2024<br>(Apr. 1, 2023 to Mar. 31, 2024) | FY2025<br>(Apr. 1, 2024 to Mar. 31, 2025) |
|-----------|-------------------------------------------|-------------------------------------------|
| Buildings | 5,050                                     | 4,781                                     |
| Land      | 2,698                                     | 2,698                                     |
| Total     | 7,749                                     | 7,480                                     |

(Millions of yen)

|                       | FY2024<br>(Apr. 1, 2023 to Mar. 31, 2024) | FY2025<br>(Apr. 1, 2024 to Mar. 31, 2025) |
|-----------------------|-------------------------------------------|-------------------------------------------|
| Short-term borrowings | 516                                       | 516                                       |
| Long-term borrowings  | 6,320                                     | 5,803                                     |
| Total                 | 6,836                                     | 6,320                                     |

## Notes to Consolidated Financial Statements

\*3. Items pertaining to non-consolidated subsidiaries and associates are as follows:

(Millions of yen)

|                                | FY2024<br>(Apr. 1, 2023 to Mar. 31, 2024) | FY2025<br>(Apr. 1, 2024 to Mar. 31, 2025) |
|--------------------------------|-------------------------------------------|-------------------------------------------|
| Investment securities (shares) | 4,561                                     | 4,650                                     |
| Investment securities (bonds)  | 1,235                                     | —                                         |

\*4. The amount of contract liabilities included in “Other” under current liabilities is as follows:

(Millions of yen)

|                      | FY2024<br>(Apr. 1, 2023 to Mar. 31, 2024) | FY2025<br>(Apr. 1, 2024 to Mar. 31, 2025) |
|----------------------|-------------------------------------------|-------------------------------------------|
| Contract liabilities | 2,888                                     | 4,180                                     |

\*5. Loan commitment agreement

Chariloto Co., Ltd., a consolidated subsidiary of the Company, has entered into a loan commitment agreement with one bank with a continuing business relationship in order to raise funds efficiently for its business.

The unused balance of the borrowings under the loan commitment agreement is as follows as follows:

(Millions of yen)

|                                  | FY2024<br>(Apr. 1, 2023 to Mar. 31, 2024) | FY2025<br>(Apr. 1, 2024 to Mar. 31, 2025) |
|----------------------------------|-------------------------------------------|-------------------------------------------|
| Total amount of loan commitment  | —                                         | 9,000                                     |
| Unused balance of the borrowings | —                                         | 4,700                                     |
| Net amount                       | —                                         | 4,300                                     |

## 8. Consolidated statements of income

\*1. Revenue from contracts with customers

MIXI does not disaggregate revenue from contracts with customers and other sources of revenue. The amount of revenue from contracts with customers is presented in “Notes to Consolidated Financial Statements [Segment information].”



\*2. The major components and amounts of SG&A expenses are as follows:

(Millions of yen)

|                      | FY2024<br>(Apr. 1, 2023 to Mar. 31, 2024) | FY2025<br>(Apr. 1, 2024 to Mar. 31, 2025) |
|----------------------|-------------------------------------------|-------------------------------------------|
| Advertising expenses | 20,571                                    | 17,728                                    |
| Settlement fees      | 31,061                                    | 26,828                                    |

\*3. Research and development expenses included in general and administrative expenses are as follows:

(Millions of yen)

|  | FY2024<br>(Apr. 1, 2023 to Mar. 31, 2024) | FY2025<br>(Apr. 1, 2024 to Mar. 31, 2025) |
|--|-------------------------------------------|-------------------------------------------|
|  | 29                                        | 61                                        |

\*4. Share of loss of entities accounted for using equity method

**For the consolidated fiscal year ended March 31, 2024** (April 1, 2023 to March 31, 2024)

Of the unamortized balance of goodwill associated with investment in CALL DOCTOR Co., Ltd., an equity-method associate, impairment loss of ¥1,063 million was included in share of loss of entities accounted for using equity method. This was a result of MIXI reassessing the business plan in light of changes in the business environment.

\*5. The breakdown of gain on sales of non-current assets are as follows:

(Millions of yen)

|                               | FY2024<br>(Apr. 1, 2023 to Mar. 31, 2024) | FY2025<br>(Apr. 1, 2024 to Mar. 31, 2025) |
|-------------------------------|-------------------------------------------|-------------------------------------------|
| Tools, furniture and fixtures | 10                                        | 17                                        |
| Other                         | 0                                         | —                                         |
| Total                         | 11                                        | 17                                        |

\*6. Gain on sale of shares of subsidiaries and associates

**For the consolidated fiscal year ended March 31, 2024** (April 1, 2023 to March 31, 2024)

This is gain on sale of shares of Music Securities, Inc., an affiliate of the Company not accounted for using equity method.

\*7. The breakdown of loss on sales and retirement of non-current assets is as follows:

(Millions of yen)

|                               | FY2024<br>(Apr. 1, 2023 to Mar. 31, 2024) | FY2025<br>(Apr. 1, 2024 to Mar. 31, 2025) |
|-------------------------------|-------------------------------------------|-------------------------------------------|
| Buildings                     | —                                         | 1                                         |
| Tools, furniture and fixtures | 6                                         | 4                                         |
| Software                      | 1                                         | 8                                         |
| Other                         | 0                                         | 0                                         |
| Total                         | 8                                         | 14                                        |

## Notes to Consolidated Financial Statements

### \*8. Impairment loss

**For the consolidated fiscal year ended March 31, 2024** (Apr. 1, 2023 to Mar. 31, 2024)

MIXI Group posted impairment loss on the following assets.

| Business        | Application     | Place                         | Classification                        | Amount<br>(Millions of yen) |
|-----------------|-----------------|-------------------------------|---------------------------------------|-----------------------------|
| Sports Business | Business assets | Koto Ward, Tokyo, etc.        | Buildings                             | 2                           |
|                 |                 |                               | Tools, furniture and fixtures         | 2                           |
|                 |                 |                               | Property, plant and equipment (Other) | 0                           |
|                 |                 |                               | Software                              | 20                          |
|                 |                 |                               | Trademark right                       | 18                          |
|                 |                 |                               | Long-term prepaid expenses            | 104                         |
|                 |                 | Ito City, Shizuoka Prefecture | Buildings                             | 96                          |
|                 |                 | Victoria, Australia           | Tools, furniture and fixtures         | 12                          |
|                 |                 |                               | Intangible assets (Other)             | 11                          |

Assets are grouped mainly based on business segmentation. Idle assets and assets to be disposed of are grouped by relevant asset.

In the Sports Business, the Company recognized impairment losses on non-current assets related to TOKYO FOOTBALL CLUB Co., Ltd., Chariloto Co., Ltd. and MGB AUSTRALIA PTY LTD., as the Company has determined that it will take time to achieve projected figures due to delays in achieving projected earnings, among other reasons.

Recoverable value of these assets is calculated by estimating the collectible amount, which amounts to zero due to the fact that no future cash flow can be anticipated.

### \*9. Loss on valuation of investment securities

**For the consolidated fiscal year ended March 31, 2024** (April 1, 2023 to March 31, 2024)

The Company has examined the market value and collectability of convertible bonds issued by its equity-method associate CALL DOCTOR Co., Ltd., and recorded an extraordinary loss of ¥2,677 million, which is the difference between the book value and market value, as this amount was determined to be uncollectable.

## 9. Consolidated statements of comprehensive income

\*1. Reclassification adjustments, income taxes and tax effect associated with other comprehensive income

(Millions of yen)

|                                                                                   | FY2024<br>(Apr. 1, 2023 to Mar. 31, 2024) | FY2025<br>(Apr. 1, 2024 to Mar. 31, 2025) |
|-----------------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| Valuation difference on available-for-sale securities:                            |                                           |                                           |
| Gains (losses) arising during the period                                          | 68                                        | <b>7,671</b>                              |
| Reclassification adjustments                                                      | (89)                                      | <b>(3,745)</b>                            |
| Amount before income taxes and tax effect                                         | (20)                                      | <b>3,925</b>                              |
| Income taxes and tax effect                                                       | 4                                         | <b>(1,230)</b>                            |
| Valuation difference on available-for-sale securities                             | (15)                                      | <b>2,695</b>                              |
| Foreign currency translation adjustment:                                          |                                           |                                           |
| Gains (losses) arising during the period                                          | 293                                       | <b>80</b>                                 |
| Reclassification adjustments                                                      | —                                         | <b>—</b>                                  |
| Amount before income taxes and tax effect                                         | 293                                       | <b>80</b>                                 |
| Income taxes and tax effect                                                       | —                                         | <b>—</b>                                  |
| Foreign currency translation adjustment                                           | 293                                       | <b>80</b>                                 |
| Share of other comprehensive income of entities accounted for using equity method |                                           |                                           |
| Gains (losses) arising during the period                                          | (0)                                       | <b>7</b>                                  |
| Reclassification adjustments                                                      | —                                         | <b>—</b>                                  |
| Share of other comprehensive income of entities accounted for using equity method | (0)                                       | <b>7</b>                                  |
| Total other comprehensive income                                                  | 276                                       | <b>2,783</b>                              |

## 10. Consolidated statements of changes in shareholders' equity

For the consolidated fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

### 1. Matters related to class and total number of issued shares

| Class of shares        | As of April 1, 2023 | Increase | Decrease  | As of March 31, 2024 |
|------------------------|---------------------|----------|-----------|----------------------|
| Common shares (Shares) | 78,230,850          | —        | 4,500,000 | 73,730,850           |

### (Summary of causes of changes)

Decrease due to cancellation of treasury shares: 4,500,000 shares

## Notes to Consolidated Financial Statements

### 2. Matters related to class and total number of treasury shares

| Class of shares        | As of April 1, 2023 | Increase  | Decrease  | As of March 31, 2024 |
|------------------------|---------------------|-----------|-----------|----------------------|
| Common shares (Shares) | 5,257,825           | 2,819,710 | 4,656,700 | 3,420,835            |

#### (Summary of causes of changes)

|                                                                                    |                  |
|------------------------------------------------------------------------------------|------------------|
| Increase due to purchase of treasury shares:                                       | 2,810,600 shares |
| Increase due to purchase of shares less than one unit:                             | 10 shares        |
| Increase due to free acquisition of restricted stock:                              | 9,100 shares     |
| Decrease due to cancellation of treasury shares:                                   | 4,500,000 shares |
| Decrease due to disposal of shares upon exercise of subscription rights to shares: | 21,000 shares    |
| Decrease due to disposal of shares upon allotment of restricted stock:             | 135,700 shares   |

### 3. Matters related to subscription rights to shares

| Company name | Details                                          | Class of shares<br>subject to<br>subscription rights | Number of shares subject to subscription rights |          |          |                      | Balance as of<br>March 31, 2024<br>(Millions of yen) |
|--------------|--------------------------------------------------|------------------------------------------------------|-------------------------------------------------|----------|----------|----------------------|------------------------------------------------------|
|              |                                                  |                                                      | As of April 1, 2023                             | Increase | Decrease | As of March 31, 2024 |                                                      |
| MIXI         | Subscription rights to<br>shares as stock option |                                                      |                                                 | —        |          |                      | 1,109                                                |
|              | Total                                            |                                                      |                                                 | —        |          |                      | 1,109                                                |

### 4. Matters related to dividends of surplus

#### (1) Cash dividends paid

| Resolution                                         | Class of shares | Total amount of dividends<br>(Millions of yen) | Dividends per share (Yen) | Record date        | Effective date    |
|----------------------------------------------------|-----------------|------------------------------------------------|---------------------------|--------------------|-------------------|
| Board of Directors Meeting<br>on May 12, 2023      | Common shares   | 4,013                                          | 55                        | March 31, 2023     | June 6, 2023      |
| Board of Directors Meeting<br>on November 10, 2023 | Common shares   | 3,867                                          | 55                        | September 30, 2023 | December 11, 2023 |

**(2) Dividends with record dates within the consolidated fiscal year ended March 31, 2024, but with effective dates belonging to the following consolidated fiscal year**

| Resolution                                    | Class of shares | Funds for dividends | Total amount of dividends<br>(Millions of yen) | Dividends per share (Yen) | Record date    | Effective date |
|-----------------------------------------------|-----------------|---------------------|------------------------------------------------|---------------------------|----------------|----------------|
| Board of Directors Meeting<br>on May 10, 2024 | Common shares   | Retained earnings   | 3,867                                          | 55                        | March 31, 2024 | June 11, 2024  |

**For the consolidated fiscal year ended March 31, 2025** (April 1, 2024 to March 31, 2025)**1. Matters related to class and total number of issued shares**

| Class of shares               | As of April 1, 2024 | Increase | Decrease | As of March 31, 2025 |
|-------------------------------|---------------------|----------|----------|----------------------|
| <b>Common shares (Shares)</b> | <b>73,730,850</b>   | —        | —        | <b>73,730,850</b>    |

**(Summary of causes of changes)**

There is no relevant information.

**2. Matters related to class and total number of treasury shares**

| Class of shares               | As of April 1, 2024 | Increase         | Decrease      | As of March 31, 2025 |
|-------------------------------|---------------------|------------------|---------------|----------------------|
| <b>Common shares (Shares)</b> | <b>3,420,835</b>    | <b>2,639,369</b> | <b>92,600</b> | <b>5,967,604</b>     |

**(Summary of causes of changes)**

Increase due to purchase of treasury shares: 2,639,300 shares  
Increase due to purchase of shares less than one unit: 69 shares  
Decrease due to disposal of shares upon exercise of subscription rights to shares: 10,100 shares  
Decrease due to disposal of shares upon allotment of restricted stock: 82,500 shares

**3. Matters related to subscription rights to shares**

| Company name | Details                                                      | Class of shares<br>subject to<br>subscription rights | Number of shares subject to subscription rights |          |          |                      | Balance as of<br>March 31, 2025<br>(Millions of yen) |
|--------------|--------------------------------------------------------------|------------------------------------------------------|-------------------------------------------------|----------|----------|----------------------|------------------------------------------------------|
|              |                                                              |                                                      | As of April 1, 2024                             | Increase | Decrease | As of March 31, 2025 |                                                      |
| <b>MIXI</b>  | <b>Subscription rights<br/>to shares as<br/>stock option</b> |                                                      |                                                 | —        |          |                      | <b>1,082</b>                                         |
| <b>Total</b> |                                                              |                                                      |                                                 | —        |          |                      | <b>1,082</b>                                         |

## Notes to Consolidated Financial Statements

### 4. Matters related to dividends of surplus

#### (1) Cash dividends paid

| Resolution                                                | Class of shares      | Total amount of dividends<br>(Millions of yen) | Dividends per share (Yen) | Record date               | Effective date          |
|-----------------------------------------------------------|----------------------|------------------------------------------------|---------------------------|---------------------------|-------------------------|
| <b>Board of Directors Meeting<br/>on May 10, 2024</b>     | <b>Common shares</b> | <b>3,867</b>                                   | <b>55</b>                 | <b>March 31, 2024</b>     | <b>June 11, 2024</b>    |
| <b>Board of Directors Meeting<br/>on November 8, 2024</b> | <b>Common shares</b> | <b>3,783</b>                                   | <b>55</b>                 | <b>September 30, 2024</b> | <b>December 9, 2024</b> |

#### (2) Dividends with record dates within the consolidated fiscal year ended March 31, 2025, but with effective dates belonging to the following consolidated fiscal year

| Resolution                                                | Class of shares      | Funds for dividends      | Total amount of<br>dividends<br>(Millions of yen) | Dividends per share (Yen) | Record date           | Effective date       |
|-----------------------------------------------------------|----------------------|--------------------------|---------------------------------------------------|---------------------------|-----------------------|----------------------|
| <b>Board of Directors<br/>Meeting<br/>on May 14, 2025</b> | <b>Common shares</b> | <b>Retained earnings</b> | <b>4,404</b>                                      | <b>65</b>                 | <b>March 31, 2025</b> | <b>June 11, 2025</b> |

## 11. 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 consolidated balance sheets are as follows:

(Millions of yen)

|                                                       | FY2024<br>(Apr. 1, 2023 to Mar. 31, 2024) | FY2025<br>(Apr. 1, 2024 to Mar. 31, 2025) |
|-------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| Cash and deposits account                             | 105,910                                   | <b>110,666</b>                            |
| Time deposits with maturities of three months or more | (221)                                     | <b>(5,299)</b>                            |
| Investment securities (MMF)                           | —                                         | <b>2,807</b>                              |
| Cash and cash equivalents                             | 105,688                                   | <b>108,174</b>                            |



## 12. Lease transactions

Operating lease transactions

(As a lessee)

Accrued lease payments related to non-cancellable operating lease transactions

(Millions of yen)

|                  | FY2024<br>(Apr. 1, 2023 to Mar. 31, 2024) | FY2025<br>(Apr. 1, 2024 to Mar. 31, 2025) |
|------------------|-------------------------------------------|-------------------------------------------|
| Less than 1 year | 3,380                                     | 4,871                                     |
| More than 1 year | 14,923                                    | 40,031                                    |
| Total            | 18,303                                    | 44,902                                    |

## 13. Financial instruments

### 1. Matters related to status of financial instruments

#### (1) Policy on financial instruments

In regard to fund management, MIXI Group only invests its funds in highly safe short-term financial assets. The Group's policy on financing for consolidated subsidiaries is to use internal funds and loans from banks and other financial institutions.

#### (2) Details of financial instruments, related risks, and risk management system

The main financial assets are cash and deposits, accounts receivable — trade, operational investment securities, investment securities and securities. Deposits are mainly composed of ordinary deposits and short-term time deposits, and are exposed to the credit risk of parties holding the deposits but these parties are banks with high creditworthiness. Accounts receivable — trade are exposed to the credit risk of customers but in addition to regular management of the due dates and balance of each customer by credit management personnel in accordance with credit management policies, the Group also strives for the early detection and mitigation of concerns for recovery due to reasons such as the deterioration of a customer's financial situation. Operational investment securities and investment securities are composed mainly of shares in companies with which the Group has business relationships and investments in investment partnerships and are exposed to credit risk but the Group monitors the financial situation of issuers and investment partnerships on a regular basis. Securities are foreign currency-denominated MMFs and are highly safe financial products, but are exposed to the risk of exchange rate fluctuations.

Financial liabilities consist mainly of accounts payable — other, income taxes payable, and long-term borrowings (including the current portion of long-term borrowings). Accounts payable — other are mainly due within one month. Long-term borrowings (including the current portion of long-term borrowings) are mainly for financing capital investment of subsidiaries. In regard to liquidity risk whereby financing is no longer possible, MIXI has abundant cash reserves and has secured liquidity. For consolidated subsidiaries, the department responsible manages the liquidity risk by preparing and updating the cash management plan in a timely manner.

#### (3) Supplementary explanation concerning matters related to fair value of financial instruments, etc.

The measurement of fair value of financial instruments incorporates variable factors, and the adoption of different assumptions may result in different fair values.

### 2. Matters related to fair value and others of financial instruments

The amounts recorded in the consolidated balance sheets, fair value and the difference between the two as of the balance sheet date are as follows. Furthermore, cash and deposits, notes and accounts receivable — trade, investment securities (MMF), short-term borrowings (excluding the current portion of long-term borrowings), accounts payable — other, income taxes payable and accrued consumption taxes are settled in a short period of time, and their fair values approximate their book values. Therefore, the notes are omitted.

## Notes to Consolidated Financial Statements

**For the consolidated fiscal year ended March 31, 2024** (as of March 31, 2024)

(Millions of yen)

|                                                                                                                 | Amount recorded on consolidated<br>balance sheets (*1) | Fair value (*1) | Difference |
|-----------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|-----------------|------------|
| (1) Operational investment securities                                                                           | 3,422                                                  | 3,422           | —          |
| (2) Investment securities                                                                                       |                                                        |                 |            |
| 1) Shares of subsidiaries and associates                                                                        | 1,447                                                  | 2,717           | 1,269      |
| 2) Available-for-sale securities                                                                                | 2,744                                                  | 2,744           | —          |
| (3) Long-term loans receivable                                                                                  | 2,955                                                  |                 |            |
| 1) Allowance for doubtful accounts (*2)                                                                         | (1,260)                                                |                 |            |
|                                                                                                                 | 1,694                                                  | 1,694           | —          |
| (4) Lease and guarantee deposits (*3)                                                                           | 1,301                                                  | 1,281           | (20)       |
| Total assets                                                                                                    | 10,610                                                 | 11,860          | 1,249      |
| (5) Long-term borrowings                                                                                        |                                                        |                 |            |
| (including the current portion of long-term borrowings)                                                         | (6,873)                                                | (6,873)         | 0          |
| (6) Long-term accounts payable — other (including the<br>current portion of long-term accounts payable — other) | —                                                      | —               | —          |
| Total liabilities                                                                                               | (6,873)                                                | (6,873)         | 0          |

**For the consolidated fiscal year ended March 31, 2025** (as of March 31, 2025)

(Millions of yen)

|                                                                                                                 | Amount recorded on consolidated<br>balance sheets (*1) | Fair value (*1) | Difference   |
|-----------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|-----------------|--------------|
| (1) Operational investment securities                                                                           | <b>6,896</b>                                           | <b>6,896</b>    | —            |
| (2) Investment securities                                                                                       |                                                        |                 |              |
| 1) Shares of subsidiaries and associates                                                                        | <b>1,027</b>                                           | <b>2,351</b>    | <b>1,324</b> |
| 2) Available-for-sale securities                                                                                | <b>1,331</b>                                           | <b>1,331</b>    | —            |
| (3) Long-term loans receivable                                                                                  | <b>7,750</b>                                           |                 |              |
| 1) Allowance for doubtful accounts (*2)                                                                         | <b>(2,076)</b>                                         |                 |              |
|                                                                                                                 | <b>5,674</b>                                           | <b>5,674</b>    | —            |
| (4) Lease and guarantee deposits (*3) (*4)                                                                      | <b>1,436</b>                                           | <b>1,390</b>    | <b>(46)</b>  |
| Total assets                                                                                                    | <b>16,366</b>                                          | <b>17,644</b>   | <b>1,277</b> |
| (5) Long-term borrowings                                                                                        |                                                        |                 |              |
| (including the current portion of long-term borrowings)                                                         | <b>(11,113)</b>                                        | <b>(11,113)</b> | <b>(0)</b>   |
| (6) Long-term accounts payable — other (including the<br>current portion of long-term accounts payable — other) | <b>(207)</b>                                           | <b>(202)</b>    | <b>(5)</b>   |

|                   |          |          |     |
|-------------------|----------|----------|-----|
| Total liabilities | (11,320) | (11,315) | (5) |
|-------------------|----------|----------|-----|

(\*1) Items recorded as liabilities are denoted by ( ).

(\*2) Allowance for doubtful accounts related to long-term loans receivable has been deducted.

(\*3) The unamortized balance of lease and guarantee deposits that are recognized as ultimately unrecoverable (the estimated cost of restoring leasehold buildings) has been deducted.

(\*4) ¥500 million of lease and guarantee deposits is not included in "Lease and guarantee deposits" because it is difficult to calculate the fair value as the repayment date is undecided.

(\*5) Shares, etc. without market value are not included in "(1) Operational investment securities and (2) Investment securities." The amounts recorded on consolidated balance sheet of such financial assets are as follows:

(Millions of yen)

| Classification                                   | As of March 31, 2024 | As of March 31, 2025 |
|--------------------------------------------------|----------------------|----------------------|
| Shares of subsidiaries and associates (unlisted) | 3,113                | 3,622                |
| Operational investment securities (unlisted)     | 10,780               | 13,015               |
| Investment securities (unlisted)                 | 85                   | 41                   |

(\*6) Investments in partnerships and other similar entities for which the amount corresponding to equity interest is recorded on the consolidated balance sheet are omitted. The amount recorded on consolidated balance sheet of such financial assets is as follows:

(Millions of yen)

| Classification                          | As of March 31, 2024 | As of March 31, 2025 |
|-----------------------------------------|----------------------|----------------------|
| Contribution to investment partnerships | 9,417                | 10,659               |

(Note 1) Scheduled redemption amount of monetary receivables after the consolidated balance sheet date

**For the consolidated fiscal year ended March 31, 2024** (as of March 31, 2024)

(Millions of yen)

|                                          | Less than 1 year | More than 1 year<br>and less than 5 years | More than 5 years<br>and less than 10 years | More than 10 years |
|------------------------------------------|------------------|-------------------------------------------|---------------------------------------------|--------------------|
| Cash and deposits                        | 105,910          | —                                         | —                                           | —                  |
| Notes and accounts receivable —<br>trade | 13,227           | —                                         | —                                           | —                  |
| Long-term loans receivable (*1)          | 1,694            | —                                         | —                                           | —                  |
| Total                                    | 120,832          | —                                         | —                                           | —                  |

(\*1) ¥1,260 million is not included because the redemption amount cannot be estimated. Loans receivable that are expected to be renewed are classified as long-term loans receivable.

**For the consolidated fiscal year ended March 31, 2025** (as of March 31, 2025)

(Millions of yen)

|                                          | Less than 1 year | More than 1 year<br>and less than 5 years | More than 5 years<br>and less than 10 years | More than 10 years |
|------------------------------------------|------------------|-------------------------------------------|---------------------------------------------|--------------------|
| Cash and deposits                        | 110,666          | —                                         | —                                           | —                  |
| Notes and accounts receivable —<br>trade | 15,812           | —                                         | —                                           | —                  |
| Long-term loans receivable (*1)          | —                | —                                         | —                                           | 5,674              |
| Total                                    | 126,479          | —                                         | —                                           | 5,674              |

(\*1) ¥2,076 million is not included because the redemption amount cannot be estimated.

## Notes to Consolidated Financial Statements

(Note 2) Scheduled repayment amount of short-term borrowings and long-term borrowings (including the current portion of long-term borrowings) after the consolidated balance sheet date

**For the consolidated fiscal year ended March 31, 2024** (as of March 31, 2024)

(Millions of yen)

|                                                                                    | Less than 1 year | More than 1 year<br>and less than 2 years | More than 2 years<br>and less than 3 years | More than 3 years<br>and less than 4 years | More than 4 years<br>and less than 5 years | More than 5 years |
|------------------------------------------------------------------------------------|------------------|-------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|-------------------|
| Short-term borrowings                                                              | 558              | —                                         | —                                          | —                                          | —                                          | —                 |
| Long-term borrowings (including<br>the current portion of<br>long-term borrowings) | 532              | 525                                       | 1,840                                      | 351                                        | 351                                        | 3,272             |
| Total                                                                              | 1,090            | 525                                       | 1,840                                      | 351                                        | 351                                        | 3,272             |

**For the consolidated fiscal year ended March 31, 2025** (as of March 31, 2025)

(Millions of yen)

|                                                                                    | Less than 1 year | More than 1 year<br>and less than 2 years | More than 2 years<br>and less than 3 years | More than 3 years<br>and less than 4 years | More than 4 years<br>and less than 5 years | More than 5 years |
|------------------------------------------------------------------------------------|------------------|-------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|-------------------|
| Short-term borrowings                                                              | <b>1,340</b>     | —                                         | —                                          | —                                          | —                                          | —                 |
| Long-term borrowings (including<br>the current portion of<br>long-term borrowings) | <b>525</b>       | <b>1,996</b>                              | <b>507</b>                                 | <b>507</b>                                 | <b>507</b>                                 | <b>7,067</b>      |
| Total                                                                              | <b>1,865</b>     | <b>1,996</b>                              | <b>507</b>                                 | <b>507</b>                                 | <b>507</b>                                 | <b>7,067</b>      |

### 3. Matters related to the breakdown of fair value of financial instruments, etc. by appropriate category

The fair value of financial instruments is classified into the following three levels according to the observability and materiality of inputs used to measure fair value.

Level 1 fair value: Fair value measured using quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 fair value: Fair value measured using directly or indirectly observable inputs other than Level 1 inputs

Level 3 fair value: Fair value measured using significant unobservable inputs

If multiple inputs that significantly impact the fair value measurement are used, the fair value is categorized in its entirety in the lowest level of priority for fair value measurement to which those inputs belong.

(1) Financial instruments recorded on the consolidated balance sheets at fair value

**For the consolidated fiscal year ended March 31, 2024** (as of March 31, 2024)

(Millions of yen)

| Category                          | Fair value |         |         |       |
|-----------------------------------|------------|---------|---------|-------|
|                                   | Level 1    | Level 2 | Level 3 | Total |
| Operational investment securities |            |         |         |       |

|                               |     |   |       |       |
|-------------------------------|-----|---|-------|-------|
| Available-for-sale securities | 605 | — | 2,817 | 3,422 |
| Investment securities         |     |   |       |       |
| Available-for-sale securities | 309 | — | 2,434 | 2,744 |
| Total assets                  | 914 | — | 5,251 | 6,166 |

**For the consolidated fiscal year ended March 31, 2025** (as of March 31, 2025)

(Millions of yen)

| Category                          | Fair value   |         |              |              |
|-----------------------------------|--------------|---------|--------------|--------------|
|                                   | Level 1      | Level 2 | Level 3      | Total        |
| Operational investment securities |              |         |              |              |
| Available-for-sale securities     | <b>5,131</b> | —       | <b>1,764</b> | <b>6,896</b> |
| Investment securities             |              |         |              |              |
| Available-for-sale securities     | <b>319</b>   | —       | <b>1,012</b> | <b>1,331</b> |
| Total assets                      | <b>5,450</b> | —       | <b>2,777</b> | <b>8,227</b> |

(2) Financial instruments other than those recorded on the consolidated balance sheets at fair value

**For the consolidated fiscal year ended March 31, 2024** (as of March 31, 2024)

(Millions of yen)

| Category                                                                                                 | Fair value |         |         |         |
|----------------------------------------------------------------------------------------------------------|------------|---------|---------|---------|
|                                                                                                          | Level 1    | Level 2 | Level 3 | Total   |
| Investment securities                                                                                    |            |         |         |         |
| Shares of subsidiaries and associates                                                                    | 2,717      | —       | —       | 2,717   |
| Long-term loans receivable                                                                               | —          | 1,694   | —       | 1,694   |
| Lease and guarantee deposits                                                                             | —          | 1,281   | —       | 1,281   |
| Total assets                                                                                             | 2,717      | 2,975   | —       | 5,693   |
| Long-term borrowings (including the current portion of long-term borrowings)                             | —          | (6,873) | —       | (6,873) |
| Long-term accounts payable — other (including the current portion of long-term accounts payable — other) | —          | —       | —       | —       |
| Total liabilities                                                                                        | —          | (6,873) | —       | (6,873) |

\* Items recorded as liabilities are denoted by ( ).

## Notes to Consolidated Financial Statements

**For the consolidated fiscal year ended March 31, 2025** (as of March 31, 2025)

(Millions of yen)

| Category                                                                                                 | Fair value   |                 |         | Total           |
|----------------------------------------------------------------------------------------------------------|--------------|-----------------|---------|-----------------|
|                                                                                                          | Level 1      | Level 2         | Level 3 |                 |
| Investment securities                                                                                    |              |                 |         |                 |
| Shares of subsidiaries and associates                                                                    | <b>2,351</b> | —               | —       | <b>2,351</b>    |
| Long-term loans receivable                                                                               | —            | <b>5,674</b>    | —       | <b>5,674</b>    |
| Lease and guarantee deposits                                                                             | —            | <b>1,390</b>    | —       | <b>1,390</b>    |
| <b>Total assets</b>                                                                                      | <b>2,351</b> | <b>7,064</b>    | —       | <b>9,416</b>    |
| Long-term borrowings (including the current portion of long-term borrowings)                             | —            | <b>(11,113)</b> | —       | <b>(11,113)</b> |
| Long-term accounts payable — other (including the current portion of long-term accounts payable — other) | —            | <b>(202)</b>    | —       | <b>(202)</b>    |
| <b>Total liabilities</b>                                                                                 | —            | <b>(11,315)</b> | —       | <b>(11,315)</b> |

\* Items recorded as liabilities are denoted by ( ).

(Notes)

1. Explanation of the valuation techniques and inputs used in the fair value measurements

### Operational investment securities and investment securities

Listed shares are measured using stock exchange prices. As listed shares are traded in active markets, their fair values are classified as Level 1. If a quoted price is not available, the fair value is measured using a valuation method such as the discounted present value method based on future cash flows. If the fair value is measured using significant unobservable inputs, it is classified as Level 3.

### Long-term loans receivable

The fair value of long-term loans receivable with floating interest rates is stated at the relevant book value, as they reflect market interest rates in a short period of time and their fair value approximates their book value unless the credit status of the borrower has changed significantly since the loan was made.

However, the fair value of receivables at risk of becoming bad debt is stated at the amount on the consolidated balance sheet as of the consolidated settlement date less current estimated bad debts, as such amount approximates the fair value.

The fair value of long-term loans receivable is therefore classified as Level 2.

### Leasehold and guarantee deposits

The fair value of leasehold and guarantee deposits is measured at the present value of future cash flow discounted at the rate based on appropriate indicators including JGB yields, and is classified as Level 2.

### Long-term borrowings

The fair value of long-term borrowings is measured at the present value of the total amount of principal and interest discounted at the interest rate that would be expected if a new similar loan were made, and is classified as Level 2. The current portion of long-term borrowings (on the consolidated balance sheets, ¥525 million is included in “short-term borrowings” under current liabilities) is included in long-term borrowings.

#### Long-term accounts payable — other

The fair value of long-term accounts payable — other is measured at the present value of future scheduled payments discounted at an appropriate interest rate such as the government bond yield, and is classified as Level 2. The current portion of long-term accounts payable — other (on the consolidated balance sheets, ¥46 million is included in “accounts payable — other” under current liabilities) is included in long-term accounts payable — other.

#### 2. Information about Level 3 fair value of financial instruments recorded on consolidated balance sheets at fair value

##### (1) Reconciliation of the beginning balances and the ending balances

(Millions of yen)

|                                                                                                                                                                       | FY2024<br>(Apr. 1, 2023 to Mar. 31, 2024) | FY2025<br>(Apr. 1, 2024 to Mar. 31, 2025) |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| Balance at beginning of period                                                                                                                                        | 4,992                                     | 5,251                                     |
| Recorded in profit or loss (*1)                                                                                                                                       | (2,826)                                   | (1,280)                                   |
| Recorded in other comprehensive income (*2)                                                                                                                           | —                                         | (187)                                     |
| Purchase, sales, issuance and settlement, etc.                                                                                                                        | 3,085                                     | (1,006)                                   |
| Balance at end of period                                                                                                                                              | 5,251                                     | 2,777                                     |
| Loss (gain) on valuation of financial assets and financial liabilities held on the consolidated balance sheet date, out of the amount recorded in profit or loss (*1) | (2,826)                                   | (1,280)                                   |

(\*1) The amount is included in “Cost of sales,” “Share of loss of entities accounted for using equity method,” and “Loss on valuation of investment securities” in the consolidated statements of income.

(\*2) The amount is included in “Valuation difference on available-for-sale securities” in the consolidated statements of comprehensive income.

##### (2) Explanation of valuation processes used for fair value measurements

The department of the Group in charge of preparing financial statements has established policies and procedures for measuring fair value, as well as procedures related to the specifications of a fair value valuation model. MIXI verifies whether valid valuation techniques and inputs are used for the fair value measurement and level classification.

In measuring fair value, the fair value of financial instruments which have not been held for a specified period of time is measured using the most recent transaction price.



## Notes to Consolidated Financial Statements

### 14. Securities

#### 1. Available-for-sale securities

**For the consolidated fiscal year ended March 31, 2024** (as of March 31, 2024)

(Millions of yen)

| Classification                                                                       | Amount recorded on consolidated balance sheets | Acquisition cost | Difference |
|--------------------------------------------------------------------------------------|------------------------------------------------|------------------|------------|
| Amount recorded on consolidated balance sheets that exceeds acquisition cost         |                                                |                  |            |
| Shares                                                                               | 605                                            | 66               | 539        |
| Subtotal                                                                             | 605                                            | 66               | 539        |
| Amount recorded on consolidated balance sheets that does not exceed acquisition cost |                                                |                  |            |
| Convertible-bond-type bonds with subscription rights to shares, etc.                 | 5,251                                          | 8,491            | (3,239)    |
| Other                                                                                | 309                                            | 309              | —          |
| Subtotal                                                                             | 5,561                                          | 8,800            | (3,239)    |
| Total                                                                                | 6,166                                          | 8,867            | (2,700)    |

(Note) Unlisted shares (amount recorded on consolidated balance sheets: ¥13,979 million) and contribution to investment partnerships (amount recorded on consolidated balance sheets: ¥9,417 million) are not included in the above table of "Available-for-sale securities" as market value is not available and fair value is deemed extremely difficult to determine.

**For the consolidated fiscal year ended March 31, 2025** (as of March 31, 2025)

(Millions of yen)

| Classification                                                                       | Amount recorded on consolidated balance sheets | Acquisition cost | Difference     |
|--------------------------------------------------------------------------------------|------------------------------------------------|------------------|----------------|
| Amount recorded on consolidated balance sheets that exceeds acquisition cost         |                                                |                  |                |
| Shares                                                                               | <b>5,131</b>                                   | <b>417</b>       | <b>4,714</b>   |
| Subtotal                                                                             | <b>5,131</b>                                   | <b>417</b>       | <b>4,714</b>   |
| Amount recorded on consolidated balance sheets that does not exceed acquisition cost |                                                |                  |                |
| Convertible-bond-type bonds with subscription rights to shares, etc.                 | <b>2,777</b>                                   | <b>4,490</b>     | <b>(1,713)</b> |
| Other                                                                                | <b>319</b>                                     | <b>319</b>       | —              |
| Subtotal                                                                             | <b>3,096</b>                                   | <b>4,809</b>     | <b>(1,713)</b> |
| Total                                                                                | <b>8,227</b>                                   | <b>5,226</b>     | <b>3,001</b>   |

(Note) Unlisted shares (amount recorded on consolidated balance sheets: ¥13,057 million) and contribution to investment partnerships (amount recorded on consolidated balance sheets: ¥10,659 million) are not included in the above table of "Available-for-sale securities" as market value is not available and fair value is deemed extremely difficult to determine.

## 2. Available-for-sale securities sold

**For the consolidated fiscal year ended March 31, 2024** (as of March 31, 2024)

(Millions of yen)

| Classification                                                         | Amount sold | Total gain on sale | Total loss on sale |
|------------------------------------------------------------------------|-------------|--------------------|--------------------|
| Operational investment securities including unlisted shares and others | 283         | 185                | 21                 |
| Total                                                                  | 283         | 185                | 21                 |

**For the consolidated fiscal year ended March 31, 2025** (as of March 31, 2025)

(Millions of yen)

| Classification                                                         | Amount sold  | Total gain on sale | Total loss on sale |
|------------------------------------------------------------------------|--------------|--------------------|--------------------|
| Operational investment securities including unlisted shares and others | <b>4,567</b> | <b>3,870</b>       | <b>90</b>          |
| Total                                                                  | <b>4,567</b> | <b>3,870</b>       | <b>90</b>          |

## 3. Securities for which impairment loss is recognized

For the fiscal year ended March 31, 2024, an impairment loss of ¥3,323 million was recorded for securities (¥558 million of operational investment securities including unlisted shares and others and ¥2,764 million of convertible-bond-type bonds with subscription rights to shares, etc.).

For the fiscal year ended March 31, 2025, an impairment loss of ¥1,910 million was recorded for securities (¥548 million of operational investment securities including unlisted shares and others, ¥81 million of investment securities including unlisted shares and others, and ¥1,280 million of convertible-bond-type bonds with subscription rights to shares, etc.).

## 15. Retirement benefits

### 1. Outline of retirement benefit plans

MIXI has adopted a defined contribution plan and an advance payment plan with optional plans.

### 2. Defined contribution plan

The amount contributed by MIXI to the defined contribution plan was ¥219 million for the previous consolidated fiscal year and ¥238 million for the current consolidated fiscal year.

## Notes to Consolidated Financial Statements

### 16. Stock options

#### 1. Amount recorded as expenses related to stock options and item in which such expenses are recorded

(Millions of yen)

|               | FY2024 | FY2025 |
|---------------|--------|--------|
| SG&A expenses | 32     | 14     |

#### 2. Amount recorded as income due to expiration of non-exercise of rights

(Millions of yen)

|                                              | FY2024 | FY2025 |
|----------------------------------------------|--------|--------|
| Gain on reversal of share acquisition rights | 6      | 17     |

#### 3. Details and volume of stock options and changes thereto

##### (1) Details of stock options

|                                                            | 2016 Stock Option                           | 2017 Stock Option                       | 2018 Stock Option 1                     |
|------------------------------------------------------------|---------------------------------------------|-----------------------------------------|-----------------------------------------|
| Classification and number of persons granted stock options | MIXI's directors: 3 persons                 | MIXI's directors: 4 persons             | MIXI's directors: 4 persons             |
| Number of stock options (Note)                             | Common shares: 133,800 shares               | Common shares: 95,500 shares            | Common shares: 205,500 shares           |
| Grant date                                                 | August 29, 2016                             | August 29, 2017                         | August 29, 2018                         |
| Vesting conditions                                         | No conditions                               | Same as on the left                     | Same as on the left                     |
| Period of service eligible                                 | No requirement for period of service        | Same as on the left                     | Same as on the left                     |
| Exercise period                                            | From August 30, 2016 to August 29, 2046     | From August 30, 2017 to August 29, 2047 | From August 30, 2018 to August 29, 2048 |
|                                                            | 2018 Stock Option 2                         | 2019 Stock Option 1                     | 2019 Stock Option 2                     |
| Classification and number of persons granted stock options | MIXI's corporate officers: 7 persons        | MIXI's directors: 5 persons             | MIXI's corporate officers: 7 persons    |
| Number of stock options (Note)                             | Common shares: 57,400 shares                | Common shares: 368,900 shares           | Common shares: 36,800 shares            |
| Grant date                                                 | November 26, 2018                           | July 16, 2019                           | July 16, 2019                           |
| Vesting conditions                                         | No conditions                               | Same as on the left                     | Same as on the left                     |
| Period of service eligible                                 | No requirement for period of service        | Same as on the left                     | Same as on the left                     |
| Exercise period                                            | From November 27, 2019 to November 26, 2024 | From July 17, 2019 to July 16, 2049     | From July 17, 2020 to July 16, 2025     |

|                                                            | 2020 Stock Option 1                    | 2021 Stock Option 1                    | 2021 Stock Option 2                    |
|------------------------------------------------------------|----------------------------------------|----------------------------------------|----------------------------------------|
| Classification and number of persons granted stock options | MIXI's directors: 5 persons            | MIXI's directors: 5 persons            | MIXI's corporate officers: 5 persons   |
| Number of stock options (Note)                             | Common shares: 285,500 shares          | Common shares: 129,200 shares          | Common shares: 17,500 shares           |
| Grant date                                                 | July 13, 2020                          | July 12, 2021                          | July 12, 2021                          |
| Vesting conditions                                         | No conditions                          | Same as on the left                    | Same as on the left                    |
| Period of service eligible                                 | No requirement for period of service   | Same as on the left                    | Same as on the left                    |
| Exercise period                                            | From July 14, 2020 to<br>July 13, 2050 | From July 13, 2021 to<br>July 12, 2051 | From July 13, 2022 to<br>July 12, 2027 |

|                                                            | 2022 Stock Option                      | 2023 Stock Option                              |
|------------------------------------------------------------|----------------------------------------|------------------------------------------------|
| Classification and number of persons granted stock options | MIXI's directors: 3 persons            | MIXI's employees: 56 persons                   |
| Number of stock options (Note)                             | Common shares: 93,200 shares           | Common shares: 94,500 shares                   |
| Grant date                                                 | July 13, 2022                          | March 15, 2023                                 |
| Vesting conditions                                         | No conditions                          | Same as on the left                            |
| Period of service eligible                                 | No requirement for period of service   | Same as on the left                            |
| Exercise period                                            | From July 14, 2022 to<br>July 13, 2052 | From February 28, 2025 to<br>February 27, 2028 |

(Note) The number of stock options is presented by converting into the number of shares.

## (2) Volume of stock options and changes thereto

The following table shows information related to the stock options that existed during the current consolidated fiscal year (fiscal year ended March 31, 2025). The number of stock options is presented by converting into the number of shares.

### 1) Number of stock options

|                                          | 2016 Stock Option | 2017 Stock Option | 2018 Stock Option 1 |
|------------------------------------------|-------------------|-------------------|---------------------|
| Before vesting of stock options (Shares) |                   |                   |                     |
| As of March 31, 2024                     | —                 | —                 | —                   |
| Granted                                  | —                 | —                 | —                   |
| Expired                                  | —                 | —                 | —                   |
| Vested                                   | —                 | —                 | —                   |
| Not vested                               | —                 | —                 | —                   |
| After vesting of stock options (Shares)  |                   |                   |                     |
| As of March 31, 2024                     | 47,000            | 28,500            | 120,800             |
| Vested                                   | —                 | —                 | —                   |
| Exercised                                | —                 | —                 | —                   |
| Expired                                  | —                 | —                 | —                   |
| Not vested                               | 47,000            | 28,500            | 120,800             |

## Notes to Consolidated Financial Statements

|                                          | 2018 Stock Option 2 | 2019 Stock Option 1 | 2019 Stock Option 2 |
|------------------------------------------|---------------------|---------------------|---------------------|
| Before vesting of stock options (Shares) |                     |                     |                     |
| As of March 31, 2024                     | —                   | —                   | —                   |
| Granted                                  | —                   | —                   | —                   |
| Expired                                  | —                   | —                   | —                   |
| Vested                                   | —                   | —                   | —                   |
| Not vested                               | —                   | —                   | —                   |
| After vesting of stock options (Shares)  |                     |                     |                     |
| As of March 31, 2024                     | 8,200               | 222,400             | 1,900               |
| Vested                                   | —                   | —                   | —                   |
| Exercised                                | —                   | —                   | 1,900               |
| Expired                                  | 8,200               | —                   | —                   |
| Not vested                               | —                   | 222,400             | —                   |
|                                          |                     |                     |                     |
|                                          | 2020 Stock Option 1 | 2021 Stock Option 1 | 2021 Stock Option 2 |
| Before vesting of stock options (Shares) |                     |                     |                     |
| As of March 31, 2024                     | —                   | —                   | —                   |
| Granted                                  | —                   | —                   | —                   |
| Expired                                  | —                   | —                   | —                   |
| Vested                                   | —                   | —                   | —                   |
| Not vested                               | —                   | —                   | —                   |
| After vesting of stock options (Shares)  |                     |                     |                     |
| As of March 31, 2024                     | 196,300             | 98,600              | 11,000              |
| Vested                                   | —                   | —                   | —                   |
| Exercised                                | —                   | —                   | 8,200               |
| Expired                                  | —                   | —                   | —                   |
| Not vested                               | 196,300             | 98,600              | 2,800               |
|                                          |                     |                     |                     |
|                                          | 2022 Stock Option   | 2023 Stock Option   |                     |
| Before vesting of stock options (Shares) |                     |                     |                     |
| As of March 31, 2024                     | —                   | —                   |                     |

|                                         |        |        |
|-----------------------------------------|--------|--------|
| Granted                                 | —      | —      |
| Expired                                 | —      | —      |
| Vested                                  | —      | —      |
| Not vested                              | —      | —      |
| After vesting of stock options (Shares) |        |        |
| As of March 31, 2024                    | 93,200 | 94,500 |
| Vested                                  | —      | —      |
| Exercised                               | —      | —      |
| Expired                                 | —      | 16,500 |
| Not vested                              | 93,200 | 78,000 |

2) Unit price information

|                                                      | 2016 Stock Option                | 2017 Stock Option   | 2018 Stock Option 1              |
|------------------------------------------------------|----------------------------------|---------------------|----------------------------------|
| Exercise price (Yen)                                 | 1                                | 1                   | 1                                |
| Average stock price at exercise (Yen)                | —                                | —                   | —                                |
| Fairly evaluated unit price (as of grant date) (Yen) | 1,897                            | 3,944               | 1,380                            |
|                                                      | 2018 Stock Option 2              | 2019 Stock Option 1 | 2019 Stock Option 2              |
| Exercise price (Yen)                                 | 1                                | 1                   | 1                                |
| Average stock price at exercise (Yen)                | —                                | —                   | 3,446                            |
| Fairly evaluated unit price (as of grant date) (Yen) | A: 2,319<br>B: 2,207<br>C: 2,101 | 928                 | A: 2,012<br>B: 1,911<br>C: 1,814 |
|                                                      | 2020 Stock Option 1              | 2021 Stock Option 1 | 2021 Stock Option 2              |
| Exercise price (Yen)                                 | 1                                | 1                   | 1                                |
| Average stock price at exercise (Yen)                | —                                | —                   | 2,896                            |
| Fairly evaluated unit price (as of grant date) (Yen) | 1,065                            | 1,576               | A: 2,698<br>B: 2,594<br>C: 2,494 |
|                                                      | 2022 Stock Option                | 2023 Stock Option   |                                  |
| Exercise price (Yen)                                 | 1                                | 2,631               |                                  |
| Average stock price at exercise (Yen)                | —                                | —                   |                                  |
| Fairly evaluated unit price (as of grant date) (Yen) | 1,080                            | 461                 |                                  |

(Note) As conditions for exercise in phases have been established for 2018, 2019, and 2021 Stock Option 2, three kinds of fairly evaluated unit prices are stated in accordance with different expected remaining periods.

## Notes to Consolidated Financial Statements

### 4. Method of estimation of the number of stock options vested

As it is difficult to reasonably estimate the number of stock options that will expire in the future, only the number of stock options which actually expired is reflected.

## 17. Restricted share compensation

### 1. Amount recorded as expenses related to restricted share compensation and item in which such expenses are recorded

(Millions of yen)

|               | FY2024 | FY2025 |
|---------------|--------|--------|
| SG&A expenses | 262    | 271    |

### 2. Details and volume of restricted share compensation and changes thereto

#### (1) Details of restricted share compensation

|                                                                               | Resolution at Board of Directors Meeting<br>on February 27, 2023                   |  | Resolution at Board of Directors Meeting<br>on June 21, 2023 |                                                                                     |
|-------------------------------------------------------------------------------|------------------------------------------------------------------------------------|--|--------------------------------------------------------------|-------------------------------------------------------------------------------------|
| Classification and number of persons<br>granted restricted share compensation | MIXI's senior corporate officers: 1 person<br>MIXI's corporate officers: 3 persons |  | MIXI's directors: 3 persons                                  | MIXI's senior corporate officers: 4 persons<br>MIXI's corporate officers: 4 persons |
| Class and number of shares granted                                            | Common shares: 20,900 shares                                                       |  | Common shares: 100,500 shares                                | Common shares: 35,200 shares                                                        |
| Grant date                                                                    | March 15, 2023                                                                     |  | July 12, 2023                                                | July 12, 2023                                                                       |
| Transfer restriction period                                                   | From March 15, 2023 to<br>March 31, 2025                                           |  | (Note 1)                                                     | From July 12, 2023 to<br>March 31, 2026                                             |
| Conditions for lifting transfer restriction                                   | (Note 2)                                                                           |  | (Note 3)                                                     | (Note 4)                                                                            |

|                                                                               | Resolution at Board of Directors Meeting<br>on June 26, 2024 |                                                                                     |
|-------------------------------------------------------------------------------|--------------------------------------------------------------|-------------------------------------------------------------------------------------|
| Classification and number of persons<br>granted restricted share compensation | MIXI's directors: 3 persons                                  | MIXI's senior corporate officers: 3 persons<br>MIXI's corporate officers: 3 persons |
| Class and number of shares granted                                            | Common shares: 57,600 shares                                 | Common shares: 24,900 shares                                                        |
| Grant date                                                                    | July 17, 2024                                                | July 17, 2024                                                                       |
| Transfer restriction period                                                   | (Note 1)                                                     | From July 17, 2024 to<br>March 31, 2027                                             |
| Conditions for lifting transfer restriction                                   | (Note 5)                                                     | (Note 6)                                                                            |

(Notes) 1. From the grant date of such shares to resignation or retirement from all positions of director, senior corporate officer, corporate officer, or employee (including the renamed positions in the event of a change in the name of such positions) of the Company, or its subsidiaries or affiliates

2. The transfer restriction shall be lifted at the expiration of the transfer restriction period with respect to all of the allotted shares held by the eligible allottee at that point in time, on the condition that



the eligible allottee continuously holds any of the positions of director, senior corporate officer, corporate officer, or employee of the Group from the commencement date of the transfer restriction period to the end of the first fiscal year of the Company thereafter. However, if the eligible allottee resigns or retires from all positions of director, senior corporate officer, corporate officer, or employee of the Group prior to the expiration of the transfer restriction period due to reasons deemed justifiable by the Board of Directors of the Company or other certain reasons, the transfer restriction shall be lifted at the time immediately after the resignation or retirement with respect to a calculated number of allotted shares. The number of allotted shares for which the transfer restriction shall be lifted is calculated by dividing by 12 the number of months from April 2022 to the month that includes the date when the eligible allottee resigns or retires from all positions of director, senior corporate officer, corporate officer, or employee of the Group (however, if the result of the calculation exceeds one, it shall be set as one), and then multiplying that number by the number of allotted shares held by the eligible allottee at that point in time (however, if the calculation results in a fraction less than one share, it shall be rounded down).

3. The transfer restriction shall be lifted at the expiration of the transfer restriction period with respect to all of the allotted shares held by the eligible allottee at that point in time, on the condition that the eligible allottee continuously holds any of the positions of director, senior corporate officer, corporate officer, or employee of the Group from the commencement date of the transfer restriction period to the date of the first Ordinary General Meeting of Shareholders of the Company to be held thereafter. However, if the eligible allottee resigns or retires from all positions of director, senior corporate officer, corporate officer, or employee of the Group by the date before the first Ordinary General Meeting of Shareholders of the Company to be held after the commencement date of the transfer restriction period due to reasons deemed justifiable by the Board of Directors of the Company, the transfer restriction shall be lifted at the time immediately after the resignation or retirement from all positions of director, senior corporate officer, corporate officer, or employee of the Group with respect to a calculated number of allotted shares. The number of allotted shares for which the transfer restriction shall be lifted is calculated by dividing by 12 the number of months from July 2023 to the month that includes the date when the eligible allottee resigns or retires from all positions of director, senior corporate officer, corporate officer, or employee of the Group, and then multiplying that number by the number of allotted shares held by the eligible allottee at that point in time (however, if the calculation results in a fraction less than one share, it shall be rounded down).
4. The transfer restriction shall be lifted at the expiration of the transfer restriction period with respect to all of the allotted shares held by the eligible allottee at that point in time, on the condition that the eligible allottee continuously holds any of the positions of director, senior corporate officer, corporate officer, or employee of the Group from the commencement date of the transfer restriction period to the end of the first fiscal year of the Company thereafter. However, if the eligible allottee resigns or retires from all positions of director, senior corporate officer, corporate officer, or employee of the Group prior to the expiration of the transfer restriction period due to reasons deemed justifiable by the Board of Directors of the Company, the transfer restriction shall be lifted at the time immediately after the resignation or retirement with respect to a calculated number of allotted shares. The number of allotted shares for which the transfer restriction shall be lifted is calculated by dividing by 12 the number of months from April 2023 to the month that includes the date when the eligible allottee resigns or retires from all positions of director, senior corporate officer, corporate officer, or employee of the Group (however, if the result of the calculation exceeds one, it shall be set as one), and then multiplying that number by the number of allotted shares held by the eligible allottee at that point in time (however, if the calculation results in a fraction less than one share, it shall be rounded down).
5. The transfer restriction shall be lifted at the expiration of the transfer restriction period with respect to all of the allotted shares held by the eligible allottee at that point in time, on the condition that the eligible allottee continuously holds any of the positions of director, senior corporate officer, corporate officer, or employee of the Group from the commencement date of the transfer restriction period to the date of the first Ordinary General Meeting of Shareholders of the Company to be held thereafter. However, if the eligible allottee resigns or retires from all positions of director, senior corporate officer, corporate officer, or employee of the Group by the date before the first Ordinary General Meeting of Shareholders of the Company to be held after the commencement date of the transfer restriction period due to reasons deemed justifiable by the Board of Directors of the Company, the transfer restriction shall be lifted at the time immediately after the resignation or retirement from all positions of director, senior corporate officer, corporate officer, or employee of the Group with respect to a calculated number of allotted shares. The number of allotted shares for which the transfer restriction shall be lifted is calculated by dividing by 12 the number of months from July 2024 to the month that includes the date when the eligible allottee resigns or retires from all positions of director, senior corporate officer, corporate officer, or employee of the Group, and then multiplying that number by the number of allotted shares held by the eligible allottee at that point in time (however, if the calculation results in a fraction less than one share, it shall be rounded down).
6. The transfer restriction shall be lifted at the expiration of the transfer restriction period with respect to all of the allotted shares held by the eligible allottee at that point in time, on the condition that the eligible allottee continuously holds any of the positions of director, senior corporate officer, corporate officer, or employee of the Group from the commencement date of the transfer restriction period to the end of the first fiscal year of the Company thereafter. However, if the eligible allottee resigns or retires from all positions of director, senior corporate officer, corporate officer, or employee of the Group prior to the expiration of the transfer restriction period due to reasons deemed justifiable by the Board of Directors of the Company, the transfer restriction shall be lifted at the time immediately after the resignation or retirement with respect to a calculated number of allotted shares. The number of allotted shares for which the transfer restriction shall be lifted is calculated by dividing by 12 the number of months from April 2024 to the month that includes the date when the eligible allottee resigns or retires from all positions of director, senior corporate officer, corporate officer, or employee of the Group (however, if the result of the calculation exceeds one, it shall be set as one), and then multiplying that number by the number of allotted shares held by the eligible allottee at that point in time (however, if the calculation results in a fraction less than one share, it shall be rounded down).

## (2) Volume of restricted share compensation and changes thereto

### 1) Number of restricted share compensation

|                              |         |
|------------------------------|---------|
| March 31, 2024 - outstanding | 147,500 |
| Granted                      | 82,500  |
| Acquired for free            | —       |
| Lifted                       | 117,600 |
| March 31, 2025 - outstanding | 112,400 |

## Notes to Consolidated Financial Statements

### 2) Unit price information

|                                                             | Resolution at Board of Directors<br>Meeting on February 27, 2023 | Resolution at Board of Directors<br>Meeting on June 21, 2023 | Resolution at Board of Directors<br>Meeting on June 26, 2024 |
|-------------------------------------------------------------|------------------------------------------------------------------|--------------------------------------------------------------|--------------------------------------------------------------|
| <b>Fairly evaluated unit price (as of grant date) (Yen)</b> | <b>2,631</b>                                                     | <b>2,786</b>                                                 | <b>2,988</b>                                                 |

## 18. Tax effect accounting

### 1. Breakdown by main causes of deferred tax assets and deferred tax liabilities

(Millions of yen)

|                                                                    | FY2024<br>(As of March 31, 2024) | FY2025<br>(As of March 31, 2025) |
|--------------------------------------------------------------------|----------------------------------|----------------------------------|
| Deferred tax assets:                                               |                                  |                                  |
| Overdepreciation                                                   | 59                               | 148                              |
| Tax losses carried forward (Note 1)                                | 1,208                            | 1,566                            |
| Software                                                           | 3,258                            | 2,685                            |
| Investment securities                                              | 1,031                            | 2,524                            |
| Bonds of subsidiaries and associates                               | 907                              | —                                |
| Accounts payable — other                                           | 542                              | 325                              |
| Allowance for doubtful accounts                                    | 645                              | 345                              |
| Enterprise tax payable                                             | 66                               | 384                              |
| Provision for bonuses                                              | 556                              | 557                              |
| Subscription rights to shares                                      | 411                              | 495                              |
| Contract liabilities                                               | 150                              | 162                              |
| Other                                                              | 769                              | 661                              |
| Subtotal of deferred tax assets                                    | 9,607                            | 9,858                            |
| Valuation allowance for tax losses carried forward                 | (1,208)                          | (1,566)                          |
| Valuation allowance for aggregate deductible temporary differences | (3,614)                          | (3,096)                          |
| Subtotal of valuation allowance (Note 1)                           | (4,822)                          | (4,662)                          |
| Total deferred tax assets                                          | 4,785                            | 5,195                            |
| Deferred tax liabilities:                                          |                                  |                                  |
| Valuation difference on available-for-sale securities              | (176)                            | (1,406)                          |
| Valuation difference related to business combination               | (2,194)                          | (1,951)                          |
| Other                                                              | (84)                             | (142)                            |

|                                |         |                |
|--------------------------------|---------|----------------|
| Total deferred tax liabilities | (2,454) | <b>(3,500)</b> |
| Net deferred tax assets        | 2,330   | <b>1,695</b>   |

(Note) 1. Breakdown of tax losses carried forward and deferred tax assets by expiry date

**For the consolidated fiscal year ended March 31, 2024** (as of March 31, 2024)

(Millions of yen)

|                                 | Less than 1 year | More than 1 year and less than 2 years | More than 2 years and less than 3 years | More than 3 years and less than 4 years | More than 4 years and less than 5 years | More than 5 years | Total   |
|---------------------------------|------------------|----------------------------------------|-----------------------------------------|-----------------------------------------|-----------------------------------------|-------------------|---------|
| Tax losses carried forward (*1) | 0                | 8                                      | 25                                      | 35                                      | 0                                       | 1,138             | 1,208   |
| Valuation allowance             | (0)              | (8)                                    | (25)                                    | (35)                                    | (0)                                     | (1,138)           | (1,208) |
| Deferred tax assets             | —                | —                                      | —                                       | —                                       | —                                       | —                 | —       |

(\*1) The amount is calculated by multiplying the corresponding tax loss carried forward by statutory tax rate.

**For the consolidated fiscal year ended March 31, 2025** (as of March 31, 2025)

(Millions of yen)

|                                 | Less than 1 year | More than 1 year and less than 2 years | More than 2 years and less than 3 years | More than 3 years and less than 4 years | More than 4 years and less than 5 years | More than 5 years | Total          |
|---------------------------------|------------------|----------------------------------------|-----------------------------------------|-----------------------------------------|-----------------------------------------|-------------------|----------------|
| Tax losses carried forward (*2) | <b>2</b>         | <b>25</b>                              | <b>35</b>                               | —                                       | <b>49</b>                               | <b>1,453</b>      | <b>1,566</b>   |
| Valuation allowance             | <b>(2)</b>       | <b>(25)</b>                            | <b>(35)</b>                             | —                                       | <b>(49)</b>                             | <b>(1,453)</b>    | <b>(1,566)</b> |
| Deferred tax assets             | —                | —                                      | —                                       | —                                       | —                                       | —                 | —              |

(\*2) The amount is calculated by multiplying the corresponding tax loss carried forward by statutory tax rate.

## Notes to Consolidated Financial Statements

### 2. Breakdown of main items that cause difference when an important difference arises between the statutory tax rate and effective tax rate of income taxes and others after application of tax effect accounting

(%)

|                                                                                                                 | FY2024<br>(As of March 31, 2024) | FY2025<br>(As of March 31, 2025) |
|-----------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------|
| Statutory tax rate                                                                                              | 30.6                             | <b>30.6</b>                      |
| (Adjustment)                                                                                                    |                                  |                                  |
| Share of loss (profit) of entities accounted for using equity method                                            | 6.9                              | <b>(0.2)</b>                     |
| Amortization of goodwill                                                                                        | 2.8                              | <b>2.1</b>                       |
| Valuation allowance                                                                                             | 8.7                              | <b>(1.3)</b>                     |
| Per capita inhabitants' tax                                                                                     | 0.2                              | <b>0.1</b>                       |
| Impact of liquidation of consolidated subsidiaries                                                              | (3.1)                            | —                                |
| Tax rate difference                                                                                             | 0.2                              | <b>0.0</b>                       |
| Tax deduction under the wage increase promotion tax program                                                     | (3.3)                            | —                                |
| Reserve for open innovation incentive                                                                           | (0.3)                            | <b>(0.4)</b>                     |
| Changes to deferred tax assets and deferred tax liabilities as of March 31, 2025<br>due to changes in tax rates | —                                | <b>(0.8)</b>                     |
| Share acquisition cost                                                                                          | —                                | <b>1.0</b>                       |
| Difference due to amended tax returns                                                                           | —                                | <b>1.0</b>                       |
| Other                                                                                                           | 0.5                              | <b>0.3</b>                       |
| Effective tax rate of income taxes and others after application of tax effect accounting                        | 43.0                             | <b>32.5</b>                      |

### 2. Changes to deferred tax assets and deferred tax liabilities due to changes in income tax rates

The “Act on Partial Revision of the Income Tax Act, etc.” (Act No. 13 of 2025) was enacted by the Diet on March 31, 2025, and a “Defense Special Income Tax” will be levied from fiscal years beginning on or after April 1, 2026.

Accordingly, the statutory tax rate for the calculation of deferred tax assets and deferred tax liabilities pertaining to temporary differences and others that are expected to be resolved in or after fiscal years beginning on or after April 1, 2026 has been changed from 30.62% to 31.52%.

As a result of this change, deferred tax assets (the amount after deducting deferred tax liabilities), income taxes — deferred and valuation difference on available-for-sale securities for the fiscal year ended March 31, 2025 decreased by ¥36 million, ¥3 million yen, and ¥39 million, respectively.

## 19. Asset retirement obligations

### 1. Asset retirement obligations reported on the consolidated balance sheets

#### (1) Overview of asset retirement obligations

The Group recognizes liabilities relating to the restoration of a building to its original state when vacating the premises, based on the real estate leasing contract of the building, as asset retirement obligations.

For part of the asset retirement obligations, instead of recognizing these asset retirement obligations as liabilities, the Group has adopted the method of making reasonable estimates of leasehold and guarantee deposits relating to real estate leasing contracts which are ultimately expected not to be recovered and reporting the amount belonging to the current fiscal year as expenses.

#### (2) Calculation method for the amount of the asset retirement obligations

The average number of years in business is used as the expected period of use, upon taking into account business strategies, terms and conditions of the real estate leasing contract and other factors. Additionally, the Group uses the yield of the government bonds as the discount rate corresponding to the expected period of use to calculate the amount of asset retirement obligations.

#### (3) Changes in the total amount of asset retirement obligations

(Millions of yen)

|                                                           | FY2024<br>(Apr. 1, 2023 to Mar. 31, 2024) | FY2025<br>(Apr. 1, 2024 to Mar. 31, 2025) |
|-----------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| Balance at beginning of period                            | 44                                        | 154                                       |
| Increase due to purchase of property, plant and equipment | 109                                       | 271                                       |
| Adjustments due to passage of time                        | 0                                         | 5                                         |
| Appropriation for payment due to performance              | —                                         | (11)                                      |
| Balance at end of period                                  | 154                                       | 419                                       |

### 2. Asset retirement obligations not reported on the consolidated balance sheets

Regarding the obligations that adopt the method of making reasonable estimates of leasehold deposits that are ultimately expected to be unrecoverable and reporting the amount belonging to the previous fiscal year as expenses instead of recognizing these asset retirement obligations as liabilities, the amount belonging to the consolidated fiscal year ended March 31, 2025 was ¥51 million, and the amount of leasehold deposits ultimately deemed unrecoverable as of March 31, 2025 was ¥2,257 million.

In addition, obligations to restore some of the buildings used by consolidated subsidiaries to the original state may arise under the fixed-term lease agreement when returning the buildings upon termination of the lease agreement. In light of the continuation of business activities, however, there is neither a clear lease term of the leased property nor distinct possibility of costs arising for restoration, and there is no plan of vacating the premises. Asset retirement obligations are therefore not recognized as it is difficult to reasonably estimate such obligations.

(Revenue recognition)

#### (1) Disaggregation of revenue from contracts with customers

Please refer to “Notes to Consolidated Financial Statements [Segment information].”

#### (2) Basic information for understanding revenue

Please refer to “Notes to Consolidated Financial Statements (Important matters that form the basis of preparing consolidated financial statements) 4. Matters related to accounting policies.”

## Notes to Consolidated Financial Statements

### (3) Information for understanding the amounts of revenue for the fiscal year ended March 31, 2025 and subsequent fiscal years

- Balances of contract assets and contract liabilities

(Millions of yen)

|                                                                 | FY2024<br>(Apr. 1, 2023 to Mar. 31, 2024) | FY2025<br>(Apr. 1, 2024 to Mar. 31, 2025) |
|-----------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| Receivables from contracts with customers (beginning of period) | 13,736                                    | 13,227                                    |
| Receivables from contracts with customers (end of period)       | 13,227                                    | 15,812                                    |
| Contract liabilities (beginning of period)                      | 2,199                                     | 2,888                                     |
| Contract liabilities (end of period)                            | 2,888                                     | 4,180                                     |

Revenue recognized in the fiscal year ended March 31, 2024 that was included in the contract liability balance at the beginning of the period was ¥2,199 million.

Revenue recognized in the fiscal year ended March 31, 2025 that was included in the contract liability balance at the beginning of the period was ¥2,888 million.

- Transaction prices allocated to the remaining performance obligations

The Group has applied the practical expedient to the notes on transaction prices allocated to the remaining performance obligations, and do not include contracts with an original expected duration of one year or less in the notes.

## 20. Segment information

### 1. Overview of reportable segments

MIXI Group's reportable segments are components for which separate financial information is available and whose operating results are regularly reviewed by the Board of Directors to decide on the allocation of management resources and assess business performance.

The Group has four reportable segments, namely "Digital Entertainment Business," "Sports Business," "Lifestyle Business" and "Investment Business."

The "Digital Entertainment Business" is engaged in providing games for smart devices, primarily *MONSTER STRIKE*, along with organizing related events and producing and selling various goods, among other services. The "Sports Business" is engaged in services including the betting and spectator businesses. The "Lifestyle Business" provides services including the family-focused photo- and video-sharing app *FamilyAlbum*, beauty staff direct appointment application *minimo*, and social media services such as "mixi" and "mixi2." The "Investment Business" invests in startups and venture capital funds.

### 2. Calculation method of amounts of net sales, profit or loss, assets, liabilities and other items by reportable segment

The accounting methods for business segments reported are substantially the same as those described in "Important matters that form the basis for preparing consolidated financial statements." Profit of reportable segments is the amount based on operating income (EBITDA), excluding depreciation and amortization of goodwill.

Segment assets and liabilities are omitted as they are not subject to review for decision on the allocation of operating resources and assessment of business performance.

### 3. Information on net sales, profit or loss and other items and disaggregation of revenue by reportable segment

**For the consolidated fiscal year ended March 31, 2024** (April 1, 2023 to March 31, 2024)

(Millions of yen)

|                                                   | Reportable segment                |                 |                    |                        |         | Adjustment<br>(Note 1) | Amount recorded<br>in consolidated<br>financial statements<br>(Note 2) |
|---------------------------------------------------|-----------------------------------|-----------------|--------------------|------------------------|---------|------------------------|------------------------------------------------------------------------|
|                                                   | Digital Entertainment<br>Business | Sports Business | Lifestyle Business | Investment<br>Business | Total   |                        |                                                                        |
| Net sales                                         |                                   |                 |                    |                        |         |                        |                                                                        |
| Revenue from contracts with<br>customers (Note 3) | 98,830                            | 32,916          | 13,418             | —                      | 145,165 | 230                    | 145,396                                                                |
| Other revenue                                     | —                                 | —               | —                  | 1,472                  | 1,472   | —                      | 1,472                                                                  |
| Net sales to external customers                   | 98,830                            | 32,916          | 13,418             | 1,472                  | 146,638 | 230                    | 146,868                                                                |
| Inter-segment net sales or<br>transfers           | —                                 | —               | —                  | —                      | —       | —                      | —                                                                      |
| Total                                             | 98,830                            | 32,916          | 13,418             | 1,472                  | 146,638 | 230                    | 146,868                                                                |
| Segment profit (loss)                             | 38,520                            | (125)           | (682)              | 105                    | 37,817  | (18,640)               | 19,177                                                                 |
| Other                                             |                                   |                 |                    |                        |         |                        |                                                                        |
| Depreciation                                      | 156                               | 1,602           | 246                | 0                      | 2,005   | 975                    | 2,980                                                                  |
| Amortization of goodwill                          | —                                 | 957             | 380                | —                      | 1,338   | —                      | 1,338                                                                  |
| Impairment loss                                   | 0                                 | 269             | —                  | —                      | 269     | —                      | 269                                                                    |

(Notes) 1. The segment profit (loss) adjustment of ¥(18,640) million includes depreciation of ¥(2,005) million, amortization of goodwill of ¥(1,338) million, company-wide net sales of ¥230 million, and company-wide expenses of ¥(15,526) 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 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..

**For the consolidated fiscal year ended March 31, 2025** (April 1, 2024 to March 31, 2025)

(Millions of yen)

|                                                   | Reportable segment                |                 |                    |                        |                | Adjustment<br>(Note 1) | Amount recorded<br>in consolidated<br>financial statements<br>(Note 2) |
|---------------------------------------------------|-----------------------------------|-----------------|--------------------|------------------------|----------------|------------------------|------------------------------------------------------------------------|
|                                                   | Digital Entertainment<br>Business | Sports Business | Lifestyle Business | Investment<br>Business | Total          |                        |                                                                        |
| Net sales                                         |                                   |                 |                    |                        |                |                        |                                                                        |
| Revenue from contracts with<br>customers (Note 3) | <b>94,082</b>                     | <b>40,206</b>   | <b>14,795</b>      | —                      | <b>149,084</b> | <b>66</b>              | <b>149,151</b>                                                         |
| Other revenue                                     | —                                 | —               | —                  | <b>5,696</b>           | <b>5,696</b>   | —                      | <b>5,696</b>                                                           |
| Net sales to external customers                   | <b>94,082</b>                     | <b>40,206</b>   | <b>14,795</b>      | <b>5,696</b>           | <b>154,780</b> | <b>66</b>              | <b>154,847</b>                                                         |
| Inter-segment net sales or<br>transfers           | —                                 | —               | —                  | —                      | —              | —                      | —                                                                      |
| Total                                             | <b>94,082</b>                     | <b>40,206</b>   | <b>14,795</b>      | <b>5,696</b>           | <b>154,780</b> | <b>66</b>              | <b>154,847</b>                                                         |
| Segment profit (loss)                             | <b>44,287</b>                     | <b>1,999</b>    | <b>(128)</b>       | <b>1,981</b>           | <b>48,139</b>  | <b>(21,539)</b>        | <b>26,600</b>                                                          |
| Other                                             |                                   |                 |                    |                        |                |                        |                                                                        |
| Depreciation                                      | <b>187</b>                        | <b>2,333</b>    | <b>215</b>         | <b>0</b>               | <b>2,736</b>   | <b>940</b>             | <b>3,676</b>                                                           |
| Amortization of goodwill                          | —                                 | <b>953</b>      | <b>464</b>         | —                      | <b>1,417</b>   | —                      | <b>1,417</b>                                                           |
| Amortization of goodwill<br>(extraordinary loss)  | —                                 | —               | <b>396</b>         | —                      | <b>396</b>     | —                      | <b>396</b>                                                             |
| Impairment loss                                   | <b>0</b>                          | —               | —                  | —                      | <b>0</b>       | —                      | <b>0</b>                                                               |

## Notes to Consolidated Financial Statements

(Notes) 1. The segment profit (loss) adjustment of ¥(21,539) million includes depreciation of ¥(2,736) million, amortization of goodwill of ¥(1,417) million, company-wide net sales of ¥66 million, and company-wide expenses of ¥(17,452) 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 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.

### [Related information]

**For the consolidated fiscal year ended March 31, 2024** (April 1, 2023 to March 31, 2024)

#### 1. Information by product or service

This information is omitted because the same information is disclosed in the segment information.

#### 2. Information by region

##### (1) Net sales

This information is omitted because the amount of net sales to external customers in Japan exceeds 90% of the amount of net sales recorded in the consolidated statements of income.

##### (2) Property, plant and equipment

This information is omitted because the amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment recorded in the consolidated balance sheets.

#### 3. Information by major customer

This information is omitted because among the sales to external customers there are no counterparties to whom the sales account for 10% or more of net sales recorded in the consolidated statements of income.

**For the consolidated fiscal year ended March 31, 2025** (April 1, 2024 to March 31, 2025)

#### 1. Information by product or service

This information is omitted because the same information is disclosed in the segment information.

#### 2. Information by region

##### (1) Net sales

This information is omitted because the amount of net sales to external customers in Japan exceeds 90% of the amount of net sales recorded in the consolidated statements of income.

##### (2) Property, plant and equipment

This information is omitted because the amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment recorded in the consolidated balance sheets.

#### 3. Information by major customer

This information is omitted because among the sales to external customers there are no counterparties to whom the sales account for 10% or more of net sales recorded in the consolidated statements of income.



**[Information on impairment loss on non-current assets by reportable segment]**

**For the consolidated fiscal year ended March 31, 2024** (April 1, 2023 to March 31, 2024)

This information is omitted because the same information is disclosed in the segment information.

**For the consolidated fiscal year ended March 31, 2025** (April 1, 2024 to March 31, 2025)

This information is omitted because the same information is disclosed in the segment information.

**[Information regarding amortization of goodwill and unamortized balance of goodwill by reportable segment]**

**For the consolidated fiscal year ended March 31, 2024** (April 1, 2023 to March 31, 2024)

(Millions of yen)

|                            | Reportable segment             |                 |                    |                     |       | Corporate / Elimination | Total |
|----------------------------|--------------------------------|-----------------|--------------------|---------------------|-------|-------------------------|-------|
|                            | Digital Entertainment Business | Sports Business | Lifestyle Business | Investment Business | Total |                         |       |
| Amortization for the year  | —                              | 957             | 380                | —                   | 1,338 | —                       | 1,338 |
| Balance at end of the year | —                              | 7,348           | 1,118              | —                   | 8,467 | —                       | 8,467 |

**For the consolidated fiscal year ended March 31, 2025** (April 1, 2024 to March 31, 2025)

(Millions of yen)

|                            | Reportable segment             |                 |                    |                     |              | Corporate / Elimination | Total        |
|----------------------------|--------------------------------|-----------------|--------------------|---------------------|--------------|-------------------------|--------------|
|                            | Digital Entertainment Business | Sports Business | Lifestyle Business | Investment Business | Total        |                         |              |
| Amortization for the year  | —                              | <b>953</b>      | <b>464</b>         | —                   | <b>1,417</b> | —                       | <b>1,417</b> |
| Balance at end of the year | —                              | <b>6,395</b>    | <b>869</b>         | —                   | <b>7,265</b> | —                       | <b>7,265</b> |

(Note) In accordance with the provision of Paragraph 32 of the Practical Guidelines on the Procedures to Consolidate Equity Accounts in Consolidated Financial Statements (ASBJ Transferred Guidance No. 4, July 1, 2024), amortization of goodwill of ¥396 million was recorded as an extraordinary loss for a part of goodwill in the Lifestyle Business reporting segment, but this amount is not included above.

**[Information regarding negative goodwill by reportable segment]**

**For the consolidated fiscal year ended March 31, 2024** (April 1, 2023 to March 31, 2024)

There is no relevant information.

**For the consolidated fiscal year ended March 31, 2025** (April 1, 2024 to March 31, 2025)

There is no relevant information.

**[Information regarding related parties]**

**1. Transactions with related parties**

**(1) Transactions between the company submitting the consolidated financial statements and its related parties**

1) Executive officers and major shareholders (limited to individuals) of the company submitting the consolidated financial statements

## Notes to Consolidated Financial Statements

### For the consolidated fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

| Type                                   | Name of company or individual | Location | Paid-in capital or investments | Description of business or occupation            | Ownership ratio of voting rights | Relationships with related parties | Detail of transactions                             | Transaction amount (Millions of yen) | Item | Year-end balance (Millions of yen) |
|----------------------------------------|-------------------------------|----------|--------------------------------|--------------------------------------------------|----------------------------------|------------------------------------|----------------------------------------------------|--------------------------------------|------|------------------------------------|
| Person equivalent to executive officer | Kanji Kobayashi               | —        | —                              | Senior Corporate Officer of the Company          | (Owned) Direct 0.15%             | —                                  | Exercise of subscription rights to shares (Note 1) | 10                                   | —    | —                                  |
| Person equivalent to executive officer | Kohei Shimamura               | —        | —                              | Senior Corporate Officer of the Company          | (Owned) Direct 0.13%             | —                                  | Exercise of subscription rights to shares (Note 1) | 16                                   | —    | —                                  |
| Person equivalent to executive officer | Yuko Nemoto                   | —        | —                              | Senior Corporate Officer of the Company (Note 2) | (Owned) Direct 0.00%             | —                                  | Exercise of subscription rights to shares (Note 1) | 10                                   | —    | —                                  |

(Notes) 1. It indicates the status of exercise during the consolidated fiscal year ended March 31, 2024 of the subscription rights to shares granted based on the resolution at the Company's Board of Directors meeting held on June 26, 2020. The transaction amount column represents the amount calculated by multiplying the number of shares granted through the exercise of the rights by the unit price of treasury shares at the time of exercise.

2. Ms. Yuko Nemoto resigned the position of senior corporate officer of the Company on December 1, 2023, and the above table shows the transaction during her term of office.

### For the consolidated fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

There is no relevant information.

2) Non-consolidated subsidiaries and associates of the company submitting the consolidated financial statements

### For the consolidated fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

There is no relevant information.

### For the consolidated fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

| Type      | Name of company or individual | Location         | Paid-in capital or investments | Description of business or occupation | Ownership ratio of voting rights | Relationships with related parties     | Detail of transactions  | Transaction amount (Millions of yen) | Item                       | Year-end balance (Millions of yen) |
|-----------|-------------------------------|------------------|--------------------------------|---------------------------------------|----------------------------------|----------------------------------------|-------------------------|--------------------------------------|----------------------------|------------------------------------|
| Associate | TOKYO-BAY Arena, Inc.         | Chuo Ward, Tokyo | ¥100 million                   | Construction of a multi-purpose arena | (Ownership) Direct 40.0%         | Lending of funds Interlocking officers | Lending of funds (Note) | 4,000                                | Long-term loans receivable | 5,800                              |
|           |                               |                  |                                |                                       |                                  |                                        | Receipt of interest     | 25                                   | Accrued interest           | 24                                 |

(Note) Interest rates for lending of funds are reasonably determined in consideration of market interest rates. No collateral is received.

## 2. Notes on the parent company or significant associates

### (1) Summary of financial information of significant associates

The significant associate is bitbank, inc. and the summary of its financial information is as follows:

(Millions of yen)

|                               | FY2024  | FY2025  |
|-------------------------------|---------|---------|
| Total current assets          | 278,840 | 671,146 |
| Total non-current assets      | 532     | 1,058   |
| Total current liabilities     | 268,070 | 658,742 |
| Total non-current liabilities | 7       | 34      |
| Total net assets              | 11,295  | 13,427  |
| Net sales                     | 3,862   | 7,947   |
| Income before income taxes    | 719     | 2,905   |
| Period net income             | 542     | 2,102   |

## 21. Per share information

(Yen)

|                            | FY2024<br>(Apr. 1, 2023 to Mar. 31, 2024) | FY2025<br>(Apr. 1, 2024 to Mar. 31, 2025) |
|----------------------------|-------------------------------------------|-------------------------------------------|
| Net assets per share       | 2,466.38                                  | 2,641.26                                  |
| Basic earnings per share   | 99.71                                     | 255.43                                    |
| Diluted earnings per share | 98.56                                     | 252.43                                    |

(Note) Basis for calculation of basic earnings per share and diluted earnings per share is as follows:

| Item                                                                                                        | FY2024<br>(Apr. 1, 2023 to Mar. 31, 2024)                                                               | FY2025<br>(Apr. 1, 2024 to Mar. 31, 2025) |
|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|-------------------------------------------|
| Basic earnings per share (Yen)                                                                              |                                                                                                         |                                           |
| Profit attributable to owners of parent (Millions of yen)                                                   | 7,082                                                                                                   | 17,601                                    |
| Amount not attributable to common shareholders (Millions of yen)                                            | —                                                                                                       | —                                         |
| Profit attributable to owners of parent relating to common shares (Millions of yen)                         | 7,082                                                                                                   | 17,601                                    |
| Average number of common shares for the period under review (Shares)                                        | 71,031,698                                                                                              | 68,910,259                                |
| Diluted earnings per share                                                                                  |                                                                                                         |                                           |
| Amount of adjustment to profit attributable to owners of parent (Millions of yen)                           | —                                                                                                       | —                                         |
| Number of increased common shares (Shares)                                                                  | 826,831                                                                                                 | 819,766                                   |
| (Subscription rights to shares) (Shares)                                                                    | (826,831)                                                                                               | (819,766)                                 |
| Summary of potential shares not included in diluted earnings per share due to their lack of dilutive effect | 24th subscription rights to shares<br>No. of subscription rights: 945<br>(Common shares: 94,500 shares) | —                                         |

## **22. Significant subsequent events**

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### **Repurchase of own shares**

At the Board of Directors meeting held on May 14, 2025, MIXI resolved matters relating to repurchase of own shares based on provisions of Article 459, Paragraph 1, Item 1 of the Companies Act.

#### **1. Reason for repurchase of own shares**

In order to improve capital efficiency as well as to enhance returns to shareholders

#### **2. Outline of the matters relating to the repurchase**

- (1) Class of shares to be repurchased: Common shares of MIXI
- (2) Total number of shares to be repurchased: Up to 4,750,000 shares (7.01% of the total outstanding shares, other than treasury shares)
- (3) Total share repurchase cost: Up to ¥9,500 million
- (4) Repurchase period: May 15, 2025 to March 31, 2026
- (5) Repurchase method: Market purchases on the Tokyo Stock Exchange

## **23. Cancellation of treasury shares**

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At the Board of Directors meeting held on May 14, 2025, MIXI resolved matters relating to cancellation of treasury shares pursuant to Article 178 of the Companies Act.

#### **1. Outline of the matters relating to the cancellation**

- (1) Class of shares to be canceled: Common shares of MIXI
- (2) Total number of shares to be canceled: 2,400,000 shares (3.26% of the total issued shares before cancellation)
- (3) Scheduled cancellation date: May 30, 2025
- (4) Total number of issued shares after cancellation: 71,330,850 shares

## **24. Announcement of off-market takeover bid to acquire PointsBet Holdings Limited**

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On June 26, 2025, MIXI and its consolidated subsidiary MIXI Australia Pty Ltd (hereinafter “MIXI Australia”) announced that they would conduct an off-market takeover bid (hereinafter the “Takeover Bid”) through MIXI Australia to acquire PointsBet Holdings Limited (hereinafter “PointsBet”), a company engaged in the sports betting business in Australia and Canada (hereinafter the “Acquisition”).

MIXI originally planned to implement the Acquisition based on a Scheme of Arrangement under Australia’s Corporations Act (hereinafter the “SOA”). The implementation of the Acquisition based on the SOA requires approval of the SOA at the shareholders’ meeting of PointsBet (at least 75% of the voting rights, and a majority in the number of shareholders present and voting), approval of the SOA by the Australian court, and approval of share acquisition for the Acquisition from Australia’s Foreign Investment Review Board. The approval of the SOA was, however, not obtained at the PointsBet’s shareholders’ meeting that was held on June 25, 2025.

To prepare for the event that the approval of the SOA was not obtained at the shareholders’ meeting of PointsBet and to ensure smooth execution of the Takeover Bid, MIXI and MIXI Australia had entered into a Bid Implementation Deed (hereinafter the “BID”) with PointsBet, which set forth the agreed terms regarding an acquisition through the Takeover Bid, on June 16, 2025. As mentioned above, the failure to obtain approval of the SOA satisfies the condition precedent to the effectiveness of the BID, and MIXI and MIXI Australia accordingly issued a release to the effect that they would conduct the Takeover Bid.

## 1. Outline of the Takeover Bid

### (1) Timeline of the Takeover Bid

Pursuant to terms agreed in the BID, the timeline for the share acquisition through the Takeover Bid as of June 26, 2025 is expected to be as follows:

| Procedure                                                                                     | Scheduled Date                                                                                                                                                                                   |
|-----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Dispatch of Bidder's Statement to PointsBet shareholders and commencement of the Takeover Bid | July 2025 (tentative) (Note 1)                                                                                                                                                                   |
| Offer period for PointsBet shareholders to accept the Takeover Bid                            | July to August 2025 (tentative) (Note 2)                                                                                                                                                         |
| Closing of the share acquisition                                                              | Subject to satisfaction of the Takeover Bid conditions, to be carried out by the earlier of one month after the Takeover Bid becomes unconditional or 21 days after the end of the offer period. |

(Notes) 1. Required to be implemented within 2 months from June 26, 2025, and as soon as practicable within July.

2. The offer period of the Takeover Bid is planned to be 1 month from the commencement of the Takeover Bid, subject to extension.

### (2) Purchase price under the Takeover Bid

AUD 1.2 per common share of PointsBet

### (3) Future outlook

The share acquisition through the Takeover Bid is conditional upon the acceptance of the offer by 50.1% or more of the issued common shares of PointsBet by the end of the offer period and other conditions, including an approval from Australia's Foreign Investment Review Board and other regulatory authorities. Therefore, the share acquisition may not be achieved if these conditions are not met.

## Notes to Consolidated Financial Statements

### Consolidated Supplementary Schedules

#### [Schedule of bonds]

There is no relevant information.

#### [Schedule of borrowings and others]

| Classification                                   | As of April 1, 2024<br>(Millions of yen) | As of March 31, 2025<br>(Millions of yen) | Average interest rate (%) | Deadline for repayment             |
|--------------------------------------------------|------------------------------------------|-------------------------------------------|---------------------------|------------------------------------|
| Short-term borrowings                            | 1,090                                    | 1,865                                     | 0.71                      | —                                  |
| Current portion of lease obligations             | 11                                       | —                                         | —                         | —                                  |
| Long-term borrowings (excluding current portion) | 6,341                                    | 10,587                                    | 1.18                      | From April 2026<br>to January 2041 |
| Total                                            | 7,443                                    | 12,453                                    | —                         | —                                  |

(Notes) 1. "Average interest rate" is the weighted average interest rate on the balance of borrowings at end of period.

2. For those with a floating interest rate, the interest rate as of March 31, 2025 is used.

3. Average interest rate of lease obligations is omitted because lease obligations were recorded in the consolidated balance sheets at the amount before deducting the portion equivalent to interest.

4. Scheduled repayment amounts of long-term borrowings (excluding current portion) after the consolidated balance sheet date are as follows:

|                         | (Millions of yen)                         |                                            |                                            |                                            |                   |
|-------------------------|-------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|-------------------|
| Classification          | More than 1 year and less<br>than 2 years | More than 2 years and less<br>than 3 years | More than 3 years and less<br>than 4 years | More than 4 years and less<br>than 5 years | More than 5 years |
| Long-term<br>borrowings | 1,996                                     | 507                                        | 507                                        | 507                                        | 7,067             |

#### [Schedule of asset retirement obligations]

The schedule of asset retirement obligations is omitted as the items to be stated in this schedule are stated as notes provided for in Article 15-23 of the Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements.

## Other

Half-year financial information and others for the current consolidated fiscal year

|                                                           | 1H of FY2025 | FY2025  |
|-----------------------------------------------------------|--------------|---------|
| Net sales (Millions of yen)                               | 68,820       | 154,847 |
| Income before income taxes (Millions of yen)              | 9,264        | 26,434  |
| Profit attributable to owners of parent (Millions of yen) | 5,227        | 17,601  |
| Basic earnings per share (Yen)                            | 74.94        | 255.43  |

# FINANCIAL STATEMENTS

## Balance Sheets

(Millions of yen)

|                                           | FY2024<br>(As of March 31, 2024) | FY2025<br>(As of March 31, 2025) |
|-------------------------------------------|----------------------------------|----------------------------------|
| <b>Assets</b>                             |                                  |                                  |
| Currenat assets                           |                                  |                                  |
| Cash and deposits                         | 88,374                           | <b>91,451</b>                    |
| Accounts receivable — trade (Note 5 (*1)) | 9,761                            | <b>8,961</b>                     |
| Operational investment securities         | 14,719                           | <b>19,210</b>                    |
| Securities                                | —                                | <b>2,807</b>                     |
| Merchandise                               | 371                              | <b>345</b>                       |
| Advance payments — trade (Note 5 (*1))    | 317                              | <b>59</b>                        |
| Prepaid expenses (Note 5 (*1))            | 1,721                            | <b>2,581</b>                     |
| Other (Note 5 (*1))                       | 11,800                           | <b>11,768</b>                    |
| Allowance for doubtful accounts           | (1,038)                          | <b>(1,293)</b>                   |
| Total current assets                      | 126,028                          | <b>135,891</b>                   |
| Non-current assets                        |                                  |                                  |
| Property, plant and equipment             |                                  |                                  |
| Buildings                                 | 4,770                            | <b>4,756</b>                     |
| Accumulated depreciation                  | (981)                            | <b>(1,198)</b>                   |
| Buildings, net                            | 3,788                            | <b>3,557</b>                     |
| Tools, furniture and fixtures             | 5,672                            | <b>5,850</b>                     |
| Accumulated depreciation                  | (3,995)                          | <b>(4,243)</b>                   |
| Tools, furniture and fixtures, net        | 1,676                            | <b>1,606</b>                     |
| Construction in progress                  | 2                                | <b>2</b>                         |
| Other                                     | 0                                | <b>4</b>                         |
| Accumulated depreciation                  | (0)                              | <b>(0)</b>                       |
| Other, net                                | 0                                | <b>3</b>                         |

(Millions of yen)

|                                        | FY2024<br>(As of March 31, 2024) | FY2025<br>(As of March 31, 2025) |
|----------------------------------------|----------------------------------|----------------------------------|
| <b>Liabilities</b>                     |                                  |                                  |
| Current liabilities                    |                                  |                                  |
| Accounts payable — other (Note 5 (*1)) | 7,620                            | <b>6,803</b>                     |
| Accrued expenses                       | 15                               | <b>0</b>                         |
| Income taxes payable                   | 121                              | <b>6,755</b>                     |
| Accrued consumption taxes              | 195                              | <b>1,236</b>                     |
| Contract liabilities                   | 1,334                            | <b>1,835</b>                     |
| Deposits received                      | 2,859                            | <b>2,462</b>                     |
| Provision for bonuses                  | 1,678                            | <b>1,601</b>                     |
| Provision for point card certificates  | 17                               | <b>31</b>                        |
| Other                                  | 2                                | <b>0</b>                         |
| Total current liabilities              | 13,847                           | <b>20,727</b>                    |
| Non-current liabilities                |                                  |                                  |
| Long-term accounts payable — other     | —                                | <b>160</b>                       |
| Lease obligations                      | —                                | <b>2</b>                         |
| Other                                  | 1                                | <b>0</b>                         |
| Total non-current liabilities          | 1                                | <b>163</b>                       |
| Total liabilities                      | 13,849                           | <b>20,890</b>                    |



|                                                                            |         |                |
|----------------------------------------------------------------------------|---------|----------------|
| Total property, plant and equipment                                        | 5,469   | <b>5,171</b>   |
| Intangible assets                                                          |         |                |
| Software                                                                   | 187     | <b>164</b>     |
| Other                                                                      | 105     | <b>144</b>     |
| Total intangible assets                                                    | 292     | <b>309</b>     |
| Investments and other assets                                               |         |                |
| Investment securities                                                      | 1,364   | <b>1,124</b>   |
| Shares of subsidiaries and associates                                      | 30,681  | <b>31,525</b>  |
| Bonds of subsidiaries and associates                                       | 1,235   | <b>—</b>       |
| Investments in capital                                                     | 111     | <b>112</b>     |
| Investments in capital of subsidiaries and associates                      | 11,018  | <b>10,257</b>  |
| Long-term loans receivable                                                 | 1,050   | <b>840</b>     |
| Long-term loans receivable from subsidiaries and associates (Note 5 (*1))  | 3,903   | <b>9,794</b>   |
| Claims provable in bankruptcy, claims provable in rehabilitation and other | 2       | <b>2</b>       |
| Long-term prepaid expenses                                                 | 1,230   | <b>1,015</b>   |
| Deferred tax assets                                                        | 4,462   | <b>3,378</b>   |
| Lease and guarantee deposits                                               | 3,226   | <b>3,124</b>   |
| Other (Note 5 (*1))                                                        | 0       | <b>62</b>      |
| Allowance for doubtful accounts                                            | (1,053) | <b>(2,501)</b> |
| Total investments and other assets                                         | 57,235  | <b>58,738</b>  |
| Total non-current assets                                                   | 62,997  | <b>64,218</b>  |
| Total assets                                                               | 189,025 | <b>200,110</b> |

|                                                       |          |                 |
|-------------------------------------------------------|----------|-----------------|
| <b>Net assets</b>                                     |          |                 |
| Shareholders' equity                                  |          |                 |
| Paid-in capital                                       | 9,698    | <b>9,698</b>    |
| Capital surplus                                       |          |                 |
| Legal capital surplus                                 | 9,668    | <b>9,668</b>    |
| Total capital surplus                                 | 9,668    | <b>9,668</b>    |
| Retained earnings                                     |          |                 |
| Other retained earnings                               |          |                 |
| Reserve for open innovation incentive                 | 2,596    | <b>2,823</b>    |
| Retained earnings brought forward                     | 162,272  | <b>170,511</b>  |
| Total retained earnings                               | 164,868  | <b>173,334</b>  |
| Treasury shares                                       | (10,310) | <b>(17,491)</b> |
| Total shareholders' equity                            | 173,925  | <b>175,210</b>  |
| Valuation and translation adjustments                 |          |                 |
| Valuation difference on available-for-sale securities | 140      | <b>2,926</b>    |
| Total valuation and translation adjustments           | 140      | <b>2,926</b>    |
| Subscription rights to shares                         | 1,109    | <b>1,082</b>    |
| Total net assets                                      | 175,175  | <b>179,219</b>  |
| Total liabilities and net assets                      | 189,025  | <b>200,110</b>  |

## Financial Statements

### Statements of Income

(Millions of yen)

|                                                                     | FY2024<br>(Apr. 1, 2023 to Mar. 31, 2024) | FY2025<br>(Apr. 1, 2024 to Mar. 31, 2025) |
|---------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| Net sales                                                           | 114,922                                   | 118,052                                   |
| Cost of sales                                                       | 25,205                                    | 26,166                                    |
| Gross profit                                                        | 89,716                                    | 91,886                                    |
| SG&A expenses (Note 6 (*1))                                         | 70,278                                    | 65,605                                    |
| Operating income                                                    | 19,438                                    | 26,280                                    |
| Non-operating income                                                |                                           |                                           |
| Interest income                                                     | 43                                        | 113                                       |
| Dividend income                                                     | —                                         | 39                                        |
| Foreign exchange gains                                              | 444                                       | 120                                       |
| Gain on sale of business                                            | —                                         | 181                                       |
| Compensation income                                                 | 80                                        | —                                         |
| Outsourcing service income from subsidiaries and associates         | 54                                        | 18                                        |
| Other                                                               | 56                                        | 158                                       |
| Total non-operating income                                          | 679                                       | 631                                       |
| Non-operating expenses                                              |                                           |                                           |
| Loss on investments in partnership                                  | 524                                       | 599                                       |
| Commission fee                                                      | 22                                        | 22                                        |
| Loss on withdrawal from business                                    | 930                                       | 47                                        |
| Donations                                                           | —                                         | 113                                       |
| Special investigation expenses                                      | —                                         | 184                                       |
| Other                                                               | 95                                        | 11                                        |
| Total non-operating expenses                                        | 1,573                                     | 978                                       |
| Ordinary income                                                     | 18,544                                    | 25,934                                    |
| Extraordinary income                                                |                                           |                                           |
| Gain on sales of non-current assets (Note 6 (*2))                   | 10                                        | 17                                        |
| Gain on redemption of investment securities                         | —                                         | 156                                       |
| Gain on sale of shares of subsidiaries and associates (Note 6 (*3)) | 30                                        | —                                         |
| Gain on liquidation of subsidiaries and associates (Note 6 (*4))    | 911                                       | —                                         |
| Other                                                               | 6                                         | 17                                        |
| Total extraordinary income                                          | 959                                       | 191                                       |

|                                                                          |        |        |
|--------------------------------------------------------------------------|--------|--------|
| Extraordinary losses                                                     |        |        |
| Loss on sales and retirement of non-current assets (Note 6 (*5))         | 2      | 1      |
| Impairment loss                                                          | 0      | 0      |
| Loss on valuation of investment securities (Note 6 (*6))                 | 2,764  | 81     |
| Loss on valuation of shares of subsidiaries and associates (Note 6 (*7)) | 4,087  | 1,478  |
| Provision of allowance for doubtful accounts (Note 6 (*8))               | 474    | 1,123  |
| Other                                                                    | 1      | 0      |
| Total extraordinary losses                                               | 7,331  | 2,686  |
| Income before income taxes                                               | 12,172 | 23,439 |
| Income taxes — current                                                   | 2,324  | 7,533  |
| Income taxes — deferred                                                  | 2,528  | (201)  |
| Total income taxes                                                       | 4,852  | 7,331  |
| Period net income                                                        | 7,319  | 16,107 |

## Cost of Sales Statements

| FY2024<br>(Apr. 1, 2023 to Mar. 31, 2024) |                             |                          | FY2025<br>(Apr. 1, 2024 to Mar. 31, 2025) |                          |
|-------------------------------------------|-----------------------------|--------------------------|-------------------------------------------|--------------------------|
| Classification                            | Amount<br>(Millions of yen) | Composition ratio<br>(%) | Amount<br>(Millions of yen)               | Composition ratio<br>(%) |
| (I) Labor cost                            | 4,202                       | 17.4                     | 4,309                                     | 17.1                     |
| (II) Costs*1                              | 20,003                      | 82.6                     | 20,930                                    | 82.9                     |
| Total manufacturing costs                 | 24,205                      | 100.0                    | 25,239                                    | 100.0                    |
| Beginning goods                           | 318                         |                          | 371                                       |                          |
| Cost of purchased goods                   | 1,052                       |                          | 899                                       |                          |
| Total                                     | 25,577                      |                          | 26,511                                    |                          |
| Ending goods                              | 371                         |                          | 345                                       |                          |
| Cost of sales                             | 25,205                      |                          | 26,166                                    |                          |

\*1. Major breakdown of costs is as follows:

(Millions of yen)

| Item                 | FY2024<br>(Apr. 1, 2023 to Mar. 31, 2024) | FY2025<br>(Apr. 1, 2024 to Mar. 31, 2025) |
|----------------------|-------------------------------------------|-------------------------------------------|
| Subcontract expenses | 16,198                                    | 14,148                                    |
| Rent expenses        | 2,541                                     | 3,110                                     |
| Content expenses     | 61                                        | 48                                        |
| Depreciation         | 187                                       | 217                                       |

## Financial Statements

### Statements of Changes in Shareholders' Equity

**Fiscal year ended March 31, 2024** (April 1, 2023 to March 31, 2024)

(Millions of yen)

|                                                      | Shareholders' equity |                       |                       |                       |                                       |                                   |                         |
|------------------------------------------------------|----------------------|-----------------------|-----------------------|-----------------------|---------------------------------------|-----------------------------------|-------------------------|
|                                                      | Paid-in capital      | Capital surplus       |                       |                       | Retained earnings                     |                                   |                         |
|                                                      |                      | Legal capital surplus | Other capital surplus | Total capital surplus | Other retained earnings               |                                   | Total retained earnings |
|                                                      |                      |                       |                       |                       | Reserve for open innovation incentive | Retained earnings brought forward |                         |
| <b>Balance at beginning of period</b>                | 9,698                | 9,668                 | —                     | 9,668                 | 2,391                                 | 176,705                           | 179,097                 |
| Changes of items during period                       |                      |                       |                       |                       |                                       |                                   |                         |
| Dividends of surplus                                 |                      |                       |                       |                       |                                       | (7,880)                           | (7,880)                 |
| Period net income                                    |                      |                       |                       |                       |                                       | 7,319                             | 7,319                   |
| Purchase of treasury shares                          |                      |                       |                       |                       |                                       |                                   |                         |
| Disposal of treasury shares                          |                      |                       | (68)                  | (68)                  |                                       |                                   |                         |
| Cancellation of treasury shares                      |                      |                       | (13,599)              | (13,599)              |                                       |                                   |                         |
| Provision of reserve for open innovation incentive   |                      |                       |                       |                       | 204                                   | (204)                             | —                       |
| Transfer to capital surplus from retained earnings   |                      |                       | 13,667                | 13,667                |                                       | (13,667)                          | (13,667)                |
| Net changes of items other than shareholders' equity |                      |                       |                       |                       |                                       |                                   |                         |
| Total changes of items during period                 | —                    | —                     | —                     | —                     | 204                                   | (14,433)                          | (14,228)                |
| <b>Balance at end of period</b>                      | 9,698                | 9,668                 | —                     | 9,668                 | 2,596                                 | 162,272                           | 164,868                 |

|                                                      | Shareholders' equity |                            | Valuation and translation adjustments                 |                                             | Subscription rights to shares | Total net assets |
|------------------------------------------------------|----------------------|----------------------------|-------------------------------------------------------|---------------------------------------------|-------------------------------|------------------|
|                                                      | Treasury shares      | Total shareholders' equity | Valuation difference on available-for-sale securities | Total valuation and translation adjustments |                               |                  |
| <b>Balance at beginning of period</b>                | (16,900)             | 181,564                    | 181                                                   | 181                                         | 1,127                         | 182,873          |
| Changes of items during period                       |                      |                            |                                                       |                                             |                               |                  |
| Dividends of surplus                                 |                      | (7,880)                    |                                                       |                                             |                               | (7,880)          |
| Period net income                                    |                      | 7,319                      |                                                       |                                             |                               | 7,319            |
| Purchase of treasury shares                          | (7,499)              | (7,499)                    |                                                       |                                             |                               | (7,499)          |
| Disposal of treasury shares                          | 490                  | 421                        |                                                       |                                             |                               | 421              |
| Cancellation of treasury shares                      | 13,599               | —                          |                                                       |                                             |                               | —                |
| Provision of reserve for open innovation incentive   |                      | —                          |                                                       |                                             |                               | —                |
| Transfer to capital surplus from retained earnings   |                      | —                          |                                                       |                                             |                               | —                |
| Net changes of items other than shareholders' equity |                      | —                          | (40)                                                  | (40)                                        | (17)                          | (58)             |
| Total changes of items during period                 | 6,589                | (7,639)                    | (40)                                                  | (40)                                        | (17)                          | (7,698)          |
| <b>Balance at end of period</b>                      | (10,310)             | 173,925                    | 140                                                   | 140                                         | 1,109                         | 175,175          |

**Fiscal year ended March 31, 2025** (April 1, 2024 to March 31, 2025)

(Millions of yen)

|                                                      | Shareholders' equity |                       |                       |                       |                                       |                                   |                         |
|------------------------------------------------------|----------------------|-----------------------|-----------------------|-----------------------|---------------------------------------|-----------------------------------|-------------------------|
|                                                      | Paid-in capital      | Capital surplus       |                       |                       | Retained earnings                     |                                   |                         |
|                                                      |                      | Legal capital surplus | Other capital surplus | Total capital surplus | Other retained earnings               |                                   | Total retained earnings |
|                                                      |                      |                       |                       |                       | Reserve for open innovation incentive | Retained earnings brought forward |                         |
| Balance at beginning of period                       | 9,698                | 9,668                 | —                     | 9,668                 | 2,596                                 | 162,272                           | 164,868                 |
| Changes of items during period                       |                      |                       |                       |                       |                                       |                                   |                         |
| Dividends of surplus                                 |                      |                       |                       |                       |                                       | (7,635)                           | (7,635)                 |
| Period net income                                    |                      |                       |                       |                       |                                       | 16,107                            | 16,107                  |
| Purchase of treasury shares                          |                      |                       |                       |                       |                                       |                                   |                         |
| Disposal of treasury shares                          |                      |                       | (6)                   | (6)                   |                                       |                                   |                         |
| Cancellation of treasury shares                      |                      |                       |                       |                       |                                       |                                   |                         |
| Provision of reserve for open innovation incentive   |                      |                       |                       |                       | 227                                   | (227)                             | —                       |
| Transfer to capital surplus from retained earnings   |                      |                       | 6                     | 6                     |                                       | (6)                               | (6)                     |
| Net changes of items other than shareholders' equity |                      |                       |                       |                       |                                       |                                   |                         |
| Total changes of items during period                 | —                    | —                     | —                     | —                     | 227                                   | 8,238                             | 8,465                   |
| Balance at end of period                             | 9,698                | 9,668                 | —                     | 9,668                 | 2,823                                 | 170,511                           | 173,334                 |

|                                                      | Shareholders' equity |                            | Valuation and translation adjustments                 |                                             | Subscription rights to shares | Total net assets |
|------------------------------------------------------|----------------------|----------------------------|-------------------------------------------------------|---------------------------------------------|-------------------------------|------------------|
|                                                      | Treasury shares      | Total shareholders' equity | Valuation difference on available-for-sale securities | Total valuation and translation adjustments |                               |                  |
| <b>Balance at beginning of period</b>                | <b>(10,310)</b>      | <b>173,925</b>             | <b>140</b>                                            | <b>140</b>                                  | <b>1,109</b>                  | <b>175,175</b>   |
| Changes of items during period                       |                      |                            |                                                       |                                             |                               |                  |
| Dividends of surplus                                 |                      | <b>(7,635)</b>             |                                                       |                                             |                               | <b>(7,635)</b>   |
| Period net income                                    |                      | <b>16,107</b>              |                                                       |                                             |                               | <b>16,107</b>    |
| Purchase of treasury shares                          | <b>(7,458)</b>       | <b>(7,458)</b>             |                                                       |                                             |                               | <b>(7,458)</b>   |
| Disposal of treasury shares                          | <b>276</b>           | <b>270</b>                 |                                                       |                                             |                               | <b>270</b>       |
| Cancellation of treasury shares                      |                      | <b>—</b>                   |                                                       |                                             |                               | <b>—</b>         |
| Provision of reserve for open innovation incentive   |                      | <b>—</b>                   |                                                       |                                             |                               | <b>—</b>         |
| Transfer to capital surplus from retained earnings   |                      | <b>—</b>                   |                                                       |                                             |                               | <b>—</b>         |
| Net changes of items other than shareholders' equity |                      | <b>—</b>                   | <b>2,786</b>                                          | <b>2,786</b>                                | <b>(27)</b>                   | <b>2,759</b>     |
| Total changes of items during period                 | <b>(7,181)</b>       | <b>1,284</b>               | <b>2,786</b>                                          | <b>2,786</b>                                | <b>(27)</b>                   | <b>4,043</b>     |
| <b>Balance at end of period</b>                      | <b>(17,491)</b>      | <b>175,210</b>             | <b>2,926</b>                                          | <b>2,926</b>                                | <b>1,082</b>                  | <b>179,219</b>   |

# NOTES TO FINANCIAL STATEMENTS

## 1. Matters related to significant accounting policies

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### 1. Valuation standards and valuation methods of securities

#### (1) Shares of subsidiaries and associates

Stated at cost using the moving-average method.

#### (2) Available-for-sale securities (including operational investment securities)

Securities other than shares, etc. without market value  
Stated at market value (all valuation gains or losses are treated as a component of net assets, with the cost of securities sold calculated according to the moving-average method).

Shares, etc. without market value

Stated at cost using the moving-average method.

Investments in investment partnerships and others are based on the financial statements for the most recent balance sheet date using the net amount proportionate to MIXI's ownership interests.

### 2. Valuation standards and valuation methods of inventories

Merchandise

Stated at cost determined by the first-in, first-out (FIFO) method (the book value in the balance sheet is written down based on the decline in profitability).

### 3. Depreciation and amortization methods of non-current assets

#### (1) Property, plant and equipment (excluding leased assets)

The declining balance method is applied.

However, the straight line method is applied for buildings (excluding facilities attached to buildings) acquired on or after April 1, 1998 and facilities attached to buildings acquired on or after April 1, 2016.

The principal useful lives are as follows:

|                                |               |
|--------------------------------|---------------|
| Buildings:                     | 8 to 50 years |
| Tools, furniture and fixtures: | 2 to 15 years |

#### (2) Intangible assets (excluding leased assets)

The straight line method is applied.

The amortization period for software for internal use is based on its useful life within MIXI (5 years).

#### (3) Leased assets

Leased assets pertaining to finance leases other than those in which the title of the leased property transfers to the lessee

The straight line method, substituting the lease term for the useful life and assuming no residual value, is applied.

### 4. Translation of significant assets and liabilities denominated in foreign currencies into Japanese yen

Monetary receivables and payables denominated in foreign currencies have been translated into Japanese yen at the spot exchange rate at the balance sheet date, and translation adjustments are recorded as gains or losses.

### 5. Accounting standards for allowances and provisions

#### (1) Allowance for doubtful accounts

In order to provide for losses due to bad debt, including on notes and accounts receivable - trade, for general receivables, an estimated uncollectible amount is recorded according to the historical bad debt ratio. For specific receivables at risk of becoming bad debt, an estimated uncollectible amount is recorded by assessing the collectability of each receivable individually.

#### (2) Provision for bonuses

In order to provide for payment of bonuses to employees, the amount of bonuses estimated to be incurred in the fiscal year under review is recorded.

### 6. Accounting standards for revenue and expenses

The Company recognizes revenue based on the following five-step model.

Step 1: Identify the contract with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) a performance obligation is satisfied

The Company is mainly engaged in the operation of services for smart device games *MONSTER STRIKE* and *Kotodaman* in the Digital Entertainment Business, the operation of sports betting service *TIPSTAR* in the Sports Business, and the operation of services for *FamilyAlbum*, the New Year Cards app *FamilyAlbum New Year Cards*, and a beauty staff direct appointment app *minimo* in the Lifestyle Business.

The revenue recognition standard for each of the major revenue categories is as follows. The amount of variable considerations such as discounts, rebates and returns included in revenue is immaterial. In addition, the amount of considerations promised is generally received within one year and does not include significant financing component.

**(1) Operation of services for smart device games such as *MONSTER STRIKE***

The Company operates services for smart device games such as *MONSTER STRIKE*. The Company determines that the performance obligations under contracts with customers are to maintain an environment in which the users can use the characters, etc. Therefore, the Company recognizes revenue over an estimated period of use of characters, etc. obtained by users by consuming the in-game currency “orbs” etc. However, the characters, etc. that users continue to use are limited to those with high rarity, and other characters, etc. are rarely used for a long period of time after acquisition. Therefore, the Company determines that there will be no significant differences between the amount of revenue recognized over an estimated period of use of characters, etc. obtained and the amount of revenue recognized when “orbs” are consumed.

Under the revenue recognition standard, etc., paid orbs, etc. and free orbs, etc. do not have significant functional differences and are equivalent in value. Therefore, transaction prices are allocated regardless of whether consumed orbs, etc. are paid or free.

**(2) Operation of *TIPSTAR*, a sports betting service**

The Company provides online voting systems to users through the use of *TIPSTAR*, a sports betting service. Revenue related to them is recognized on the day when a race is finished, as performance obligations are deemed to be satisfied when the payout and settlement on betting tickets is completed on the same day after the race is held.

**(3) Operation of services for *FamilyAlbum***

The Company provides a monthly service *FamilyAlbum Premium* that allows users to use the app more conveniently and sells photo books, DVDs and other merchandise through the use of *FamilyAlbum*. Revenue related to *FamilyAlbum Premium* is recognized over a contract period, as performance obligations are satisfied over time. With respect to the sale of photo books, DVDs and other merchandise, while performance obligations are deemed to be satisfied when goods are delivered to users, the Company determines that the period from the time of shipment to the time when control of the product is transferred to the customer is a normal period and therefore recognizes revenue at the time of shipment.

**(4) Operation of services for the New Year Cards app *FamilyAlbum New Year Cards***

The Company provides a service of creating New Year's cards for printing through the use of the New Year Cards app *FamilyAlbum New Year Cards*. With respect to this service, while performance obligations are deemed to be satisfied by manufacturing New Year's cards for printing according to the order received from a user and delivering them to the user, the Company determines that the period from the time of shipment to the time when control of the product is transferred to the customer is a normal period and therefore recognizes revenue at the time of shipment.

**(5) Operation of services for a beauty staff direct appointment app *minimo***

The Company provides a salon reservation support service to users through the use of a beauty staff direct appointment app *minimo*. Revenue related to this service is recognized on the day when a general consumer visits the salon, as performance obligations are deemed to be satisfied when the reservation made by the general consumer at the salon or other listed service provider is fulfilled.

## 2. Significant accounting estimates

**Impairment of operational investment securities, investment securities, and shares of subsidiaries and associates**

Operational investment securities, investment securities, and shares of subsidiaries and associates stood at ¥19,210 million, ¥1,124 million, and ¥31,525 million, respectively, as of March 31, 2025. Of these, unlisted shares and others account for ¥14,321 million of operational investment securities (including ¥4,672 million of shares, convertible-bond-type bonds with subscription rights to shares, etc.), ¥1,124 million of investment securities, and ¥29,569 million of shares of

subsidiaries and associates, and MIXI assesses impairment on these as described below.

In the valuation of unlisted shares, etc., if the net asset value or market value of the shares, etc. declined approximately 50% or more compared with the acquisition cost, an impairment loss is recognized unless recoverability is supported by sufficient evidence. In the case that such unlisted shares of a company were purchased at a price higher than the net asset value per share, which can be obtained from financial statements, reflecting excess earning power of the company, if the excess earning power can no longer be expected and if

the net asset value reflecting the loss of excess earning power declined approximately 50% or more compared with the acquisition cost, an impairment loss is recognized.

Moreover, a loss that is not reflected in the current book value or irrecoverableness of the book value may arise owing to future decline in fair value or poor performance or deterioration of the financial condition of an investee and it may become necessary to recognize an impairment loss.

### 3. 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 fiscal year ended March 31, 2025.

Regarding the revision to accounting classification of income taxes, MIXI follows the transitional treatment stipulated in the proviso to Paragraph 20-3 of the 2022 Revised Accounting Standard. This change in accounting policy does not affect the financial statements.

### 4. Changes in presentation

#### Statements of income

“Sponsorship money income” under “Non-operating income,” which had been presented separately in the fiscal year ended March 31, 2024, has decreased in importance and is therefore included in “Other” from the fiscal year ended March 31, 2025.

As a result, ¥4 million in “Sponsorship money income” and ¥52 million in “Other,” which had been presented under “Non-operating income” in the statements of income in the fiscal year ended March 31, 2024, have been reclassified as ¥56 million in “Other.”

### 5. Balance sheets

\*1. Monetary receivables and payables in relation to subsidiaries and associates

(Millions of yen)

|                                 | FY2024<br>(Apr. 1, 2023 to Mar. 31, 2024) | FY2025<br>(Apr. 1, 2024 to Mar. 31, 2025) |
|---------------------------------|-------------------------------------------|-------------------------------------------|
| Short-term monetary receivables | 7,469                                     | 7,661                                     |
| Long-term monetary receivables  | 5,138                                     | 9,794                                     |
| Short-term monetary payables    | 2,182                                     | 1,773                                     |

\*2. Guarantee obligation

(Millions of yen)

|                                                                    | FY2024<br>(Apr. 1, 2023 to Mar. 31, 2024) | FY2025<br>(Apr. 1, 2024 to Mar. 31, 2025) |
|--------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| Commitment to guarantee for borrowings from financial institutions |                                           |                                           |
| Chariloto Co., Ltd.                                                | 5,017                                     | 9,367                                     |
| Joint and several guarantees on contracts with local governments   |                                           |                                           |
| Chariloto Co., Ltd.                                                | 500                                       | 500                                       |
| Joint and several guarantees on trade payables                     |                                           |                                           |
| SFIDANTE Inc. (Note)                                               | 1,730                                     | 1,730                                     |



(Note) The total amount of joint and several guarantees is stated.

In addition to the above, MIXI has concluded a guarantee contract with a government authority that promises to maintain the bank guarantee for an affiliated company at a specified level in MIXI's overseas business.

## 6. Statements of income

\*1. Approximate ratio of selling expenses to SG&A expenses was 69.6% and 65.2% for the previous fiscal year and the current fiscal year, respectively. Approximate ratio of general and administrative expenses to SG&A expenses was 30.4% and 34.8% for the previous fiscal year and the current fiscal year, respectively.

Major components and amounts of SG&A expenses are as follows:

(Millions of yen)

|                      | FY2024<br>(Apr. 1, 2023 to Mar. 31, 2024) | FY2025<br>(Apr. 1, 2024 to Mar. 31, 2025) |
|----------------------|-------------------------------------------|-------------------------------------------|
| Advertising expenses | 18,632                                    | 17,059                                    |
| Settlement fees      | 30,064                                    | 25,479                                    |

\*2. The breakdown of loss on sales and retirement of non-current assets is as follows:

(Millions of yen)

|                               | FY2024<br>(Apr. 1, 2023 to Mar. 31, 2024) | FY2025<br>(Apr. 1, 2024 to Mar. 31, 2025) |
|-------------------------------|-------------------------------------------|-------------------------------------------|
| Tools, furniture and fixtures | 10                                        | 17                                        |
| Total                         | 10                                        | 17                                        |

\*3. Gain on sale of shares of subsidiaries and associates

**For the fiscal year ended March 31, 2024** (April 1, 2023 to March 31, 2024)

This is gain on sale of shares of Music Securities, Inc.

\*4. Gain on liquidation of subsidiaries and associates

**For the fiscal year ended March 31, 2024** (April 1, 2023 to March 31, 2024)

This is gain on liquidation of MIXI RECRUITMENT, Inc. and SmartHealth, Inc.

\*5. The breakdown of loss on sales and retirement of non-current assets is as follows:

(Millions of yen)

|                               | FY2024<br>(Apr. 1, 2023 to Mar. 31, 2024) | FY2025<br>(Apr. 1, 2024 to Mar. 31, 2025) |
|-------------------------------|-------------------------------------------|-------------------------------------------|
| Buildings                     | —                                         | 0                                         |
| Tools, furniture and fixtures | 2                                         | 1                                         |
| Software                      | —                                         | 0                                         |
| Total                         | 2                                         | 1                                         |

## Notes to Financial Statements

\*6. Loss on valuation of investment securities

**For the fiscal year ended March 31, 2024** (April 1, 2023 to March 31, 2024)

The Company had examined the market value and collectability of convertible bonds issued by CALL DOCTOR Co., Ltd., and the difference between the book value and market value was recorded as an extraordinary loss, as it was determined to be uncollectable.

\*7. Loss on valuation of shares of subsidiaries and associates

**For the fiscal year ended March 31, 2024** (April 1, 2023 to March 31, 2024)

These items are related to investments in, and loans to, CALL DOCTOR Co., Ltd., MGB AUSTRALIA PTY LTD, Decolte Holdings Corporation, and BS YOSHIMOTO CO., LTD., whose financial status deteriorated.

**For the fiscal year ended March 31, 2025** (April 1, 2024 to March 31, 2025)

These items are related to investments in, and loans to, Lovegraph Inc. and Decolte Holdings Corporation, whose financial status deteriorated.

\*8. Provision of allowance for doubtful accounts

**For the fiscal year ended March 31, 2024** (April 1, 2023 to March 31, 2024)

These items are related to investments in, and loans to, MGB AUSTRALIA PTY LTD and PIST6 Inc., whose financial status deteriorated.

**For the fiscal year ended March 31, 2025** (April 1, 2024 to March 31, 2025)

These items are related to investments in, and loans to, MGB AUSTRALIA PTY LTD, i-mercury Capital, Inc., and MIXI Global Investments, Inc., whose financial status deteriorated.

## 7. Securities

Shares of subsidiaries and associates

**For the fiscal year ended March 31, 2024** (as of March 31, 2024)

(Millions of yen)

| Classification       | Balance sheet amount | Fair value | Difference |
|----------------------|----------------------|------------|------------|
| Shares of associates | 818                  | 769        | (49)       |

(Note) Balance sheet amounts of shares of subsidiaries and associates without market value that are not included in the above table are as follows:

(Millions of yen)

| Classification                         | FY2024<br>(As of March 31, 2024) |
|----------------------------------------|----------------------------------|
| Shares of subsidiaries                 | 26,848                           |
| Shares of associates                   | 3,014                            |
| Investments in capital of subsidiaries | 11,018                           |
| Total                                  | 40,881                           |

**For the fiscal year ended March 31, 2025** (as of March 31, 2025)

(Millions of yen)

| Classification       | Balance sheet amount | Fair value | Difference |
|----------------------|----------------------|------------|------------|
| Shares of associates | 1,956                | 2,351      | 395        |

(Note) Balance sheet amounts of shares of subsidiaries and associates without market value that are not included in the above table are as follows:

(Millions of yen)

| Classification                         | <b>FY2025</b><br><b>(As of March 31, 2025)</b> |
|----------------------------------------|------------------------------------------------|
| Shares of subsidiaries                 | <b>26,554</b>                                  |
| Shares of associates                   | <b>3,014</b>                                   |
| Investments in capital of subsidiaries | <b>10,257</b>                                  |
| Total                                  | <b>39,826</b>                                  |

## 8. Tax effect accounting

### 1. Breakdown by main causes of deferred tax assets and deferred tax liabilities

(Millions of yen)

|                                                       | <b>FY2024</b><br>(As of March 31, 2024) | <b>FY2025</b><br>(As of March 31, 2025) |
|-------------------------------------------------------|-----------------------------------------|-----------------------------------------|
| Deferred tax assets:                                  |                                         |                                         |
| Software                                              | 3,214                                   | <b>2,591</b>                            |
| Operational investment securities                     | 754                                     | <b>2,235</b>                            |
| Shares of subsidiaries and associates                 | 3,228                                   | <b>3,306</b>                            |
| Bonds of subsidiaries and associates                  | 861                                     | —                                       |
| Allowance for doubtful accounts                       | 640                                     | <b>1,195</b>                            |
| Accounts payable — other                              | 454                                     | <b>263</b>                              |
| Enterprise tax payable                                | 20                                      | <b>335</b>                              |
| Rent expenses on land and buildings                   | 52                                      | <b>64</b>                               |
| Provision for bonuses                                 | 513                                     | <b>490</b>                              |
| Subscription rights to shares                         | 332                                     | <b>329</b>                              |
| Contract liabilities                                  | 150                                     | <b>162</b>                              |
| Other                                                 | 448                                     | <b>491</b>                              |
| Subtotal of deferred tax assets                       | 10,672                                  | <b>11,467</b>                           |
| Valuation allowance                                   | (6,147)                                 | <b>(6,741)</b>                          |
| Total deferred tax assets                             | 4,524                                   | <b>4,726</b>                            |
| Deferred tax liabilities:                             |                                         |                                         |
| Valuation difference on available-for-sale securities | (61)                                    | <b>(1,347)</b>                          |
| Total deferred tax liabilities                        | (61)                                    | <b>(1,347)</b>                          |
| Net deferred tax assets                               | 4,462                                   | <b>3,378</b>                            |

## Notes to Financial Statements

### 2. Breakdown of main items that cause significant difference between statutory tax rate and effective tax rate of income taxes and others after application of tax effect accounting

(%)

|                                                                                          | FY2024<br>(As of March 31, 2024) | FY2025<br>(As of March 31, 2025) |
|------------------------------------------------------------------------------------------|----------------------------------|----------------------------------|
| Statutory tax rate                                                                       | 30.6                             | —                                |
| (Adjustment)                                                                             |                                  | —                                |
| Entertainment and other non-deductible expenses                                          | 0.1                              | —                                |
| Dividend and other non-taxable income                                                    | (2.3)                            | —                                |
| Impact of liquidation of consolidated subsidiaries                                       | (3.4)                            | —                                |
| Income taxes due to amended tax returns                                                  | (0.0)                            | —                                |
| Reserve for open innovation incentive                                                    | (0.3)                            | —                                |
| Tax deduction                                                                            | (3.7)                            | —                                |
| Valuation allowance                                                                      | 18.9                             | —                                |
| Other                                                                                    | (0.1)                            | —                                |
| Effective tax rate of income taxes and others after application of tax effect accounting | 39.9                             | —                                |

(Note) Notes are omitted for the fiscal year ended March 31, 2025 as the difference between statutory tax rate and effective tax rate of income taxes and others after application of tax effect accounting is 5% or less of the statutory tax rate.

### 3. Changes to deferred tax assets and deferred tax liabilities due to changes in income tax rates

The “Act on Partial Revision of the Income Tax Act, etc.” (Act No. 13 of 2025) was enacted by the Diet on March 31, 2025, and a “Defense Special Income Tax” will be levied from fiscal years beginning on or after April 1, 2026.

Accordingly, the statutory tax rate for the calculation of deferred tax assets and deferred tax liabilities pertaining to temporary differences and others that are expected to be resolved in or after fiscal years beginning on or after April 1, 2026 has been changed from 30.62% to 31.52%.

As a result of this change, deferred tax assets (the amount after deducting deferred tax liabilities) for the fiscal year ended March 31, 2025 increased by ¥10 million, and income taxes – deferred and valuation difference on available-for-sale securities decreased by ¥49 million and ¥39 million, respectively.

## 9. Revenue recognition

As this is stated in “Notes to Consolidated Financial Statements (Revenue recognition),” the information is omitted.

## 10. Significant subsequent events

### Repurchase of own shares

### Cancellation of treasury shares

### Announcement of off-market takeover bid to acquire PointsBet Holdings Limited

As the above matters are stated in “Notes to Consolidated Financial Statements (Significant subsequent events),” the information is omitted.

## Supplementary Schedules

### (Schedule of property, plant and equipment and others)

(Millions of yen)

| Type of assets                      | Balance at beginning of period | Increase during the period | Decrease during the period | Balance at end of period | Amount of accumulated depreciation as of March 31, 2024 | Amount of depreciation | Difference at end of period |
|-------------------------------------|--------------------------------|----------------------------|----------------------------|--------------------------|---------------------------------------------------------|------------------------|-----------------------------|
| Property, plant and equipment       |                                |                            |                            |                          |                                                         |                        |                             |
| Buildings                           | 4,770                          | 2                          | 16<br>(—)                  | 4,756                    | 1,198                                                   | 232                    | 3,557                       |
| Tools, furniture and fixtures       | 5,672                          | 709                        | 532<br>(—)                 | 5,850                    | 4,243                                                   | 772                    | 1,606                       |
| Construction in progress            | 2                              | 13                         | 13<br>(—)                  | 2                        | —                                                       | —                      | 2                           |
| Other                               | 0                              | 3                          | —<br>(—)                   | 4                        | 0                                                       | 0                      | 3                           |
| Total property, plant and equipment | 10,446                         | 728                        | 561<br>(—)                 | 10,613                   | 5,442                                                   | 1,005                  | 5,171                       |
| Intangible assets                   |                                |                            |                            |                          |                                                         |                        |                             |
| Software                            | 679                            | 84                         | 14<br>(0)                  | 749                      | 585                                                     | 106                    | 164                         |
| Other                               | 877                            | 81                         | 39<br>(—)                  | 919                      | 774                                                     | 3                      | 144                         |
| Total intangible assets             | 1,557                          | 165                        | 54<br>(0)                  | 1,668                    | 1,359                                                   | 109                    | 309                         |
| Long-term prepaid expenses          | 2,099                          | 63                         | 138                        | 2,024                    | 1,009                                                   | 279                    | 1,015                       |

(Notes) 1. Major components of the increase during the period are as follows:

Tools, furniture and fixtures: Purchase of additional PCs (¥205 million)

Tools, furniture and fixtures: Expansion of servers (¥263 million)

2. Major components of the decrease during the period are as follows:

Tools, furniture and fixtures: Transfer and retirement of PCs (¥265 million)

3. Figures in parentheses of the decrease during the period column represent the amount of impairment loss recognized, which is included in the amount of the decrease indicated above.

## Notes to Financial Statements

### (Schedule of allowances)

(Millions of yen)

| Classification                        | Balance at beginning<br>of period | Increase during<br>the period | Decrease during<br>the period<br>(use for intended<br>purpose) | Decrease during<br>the period (other) | Balance at end<br>of period |
|---------------------------------------|-----------------------------------|-------------------------------|----------------------------------------------------------------|---------------------------------------|-----------------------------|
| Allowance for doubtful accounts       | 2,092                             | 1,946                         | 26                                                             | 217                                   | 3,794                       |
| Provision for bonuses                 | 1,678                             | 1,601                         | 1,678                                                          | —                                     | 1,601                       |
| Provision for point card certificates | 17                                | 3,531                         | 3,517                                                          | —                                     | 31                          |

(Note) Decrease during the period (other) of allowance for doubtful accounts includes reversed amount of ¥217 million.

### Details of Major Assets and Liabilities

Due to the availability of consolidated financial statements, information regarding major assets and liabilities is omitted.

### Other

There is no relevant information.

## SUMMARY OF IR ACTIVITIES

### Investor relations (IR) activities

In order to engage with shareholders and investors in active dialogue, we hold a financial results briefing session for securities analysts and institutional investors after each quarterly financial results announcement. Committed to making disclosures that are fair to all investors, we quickly post meeting materials and videos to our website. In addition, we hold dialogues with investors in Japan and overseas through web conferences and telephone calls, and also provide visiting opportunities for direct investments through overseas IR activities.

As tools of information disclosure, we post the following on our corporate website: financial results reports and other timely disclosures, semi-annual securities reports (securities reports are published in Japanese only), presentation materials, videos of financial results presentations, and sponsored research reports that investigate and analyzes MIXI from a third-party perspective (free of charge for all viewers to read).

Going forward, we will continue to conduct IR activities that focus on the medium to long term while strengthening engagement and valuing dialogue with shareholders and investors with the aim of achieving sustainable growth in corporate value.

### Major IR activities

| Details                                                                                 | FY2024 | FY2025 |
|-----------------------------------------------------------------------------------------|--------|--------|
| Meetings and conference calls with domestic investors                                   | 140    | 143    |
| Meetings and conference calls with overseas investors                                   | 37     | 39     |
| Overseas roadshows                                                                      | 0      | 2      |
| Financial results briefing sessions for securities analysts and institutional investors | 4      | 4      |

Note: "Domestic investors" are investors with an office in Japan. All other investors are regarded as "overseas investors."

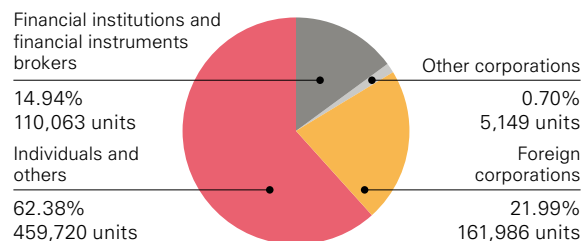
## INVESTOR INFORMATION (As of March 31, 2025)

### Corporate information

|                                                 |                                                                                                                                                             |
|-------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Company name                                    | MIXI, Inc.                                                                                                                                                  |
| Representative                                  | Koki Kimura<br>President and Representative Director                                                                                                        |
| Established                                     | June 3, 1999                                                                                                                                                |
| Paid-in capital                                 | ¥9,698 million                                                                                                                                              |
| Head office                                     | 36F, Shibuya Scramble Square,<br>2-24-12 Shibuya, Shibuya-ku,<br>Tokyo 150-6136, Japan                                                                      |
| Number of employees                             | 1,717 (consolidated, full-time only)                                                                                                                        |
| Group companies                                 | Chariloto Co., Ltd.<br>Net Dreamers Co., Ltd.<br>Chiba Jets Funabashi Co., Ltd.<br>TOKYO FOOTBALL CLUB Co., Ltd.<br>SFIDANTE Inc.<br>MIXI EMPOWERMENT, Inc. |
| Corporate website                               | http://mixi.co.jp/en                                                                                                                                        |
| Stock exchange listing                          | Prime Market, Tokyo Stock Exchange                                                                                                                          |
| Securities code                                 | 2121                                                                                                                                                        |
| Fiscal year-end                                 | March 31                                                                                                                                                    |
| Annual Ordinary General Meeting of Shareholders | June                                                                                                                                                        |
| Independent public accountants                  | PricewaterhouseCoopers Japan LLC                                                                                                                            |
| Total number of shares                          | Authorized: 264,000,000 shares<br>Issued: 73,730,850 shares                                                                                                 |
| Number of shareholders                          | 17,118 (Including fractional shareholders)                                                                                                                  |
| Stock transfer agent                            | Sumitomo Mitsui Trust Bank, Limited                                                                                                                         |

### Breakdown of shareholders by type

(Number of shares per unit: 100 shares)



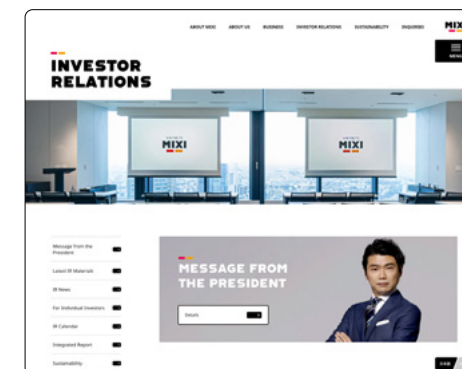
### Principal shareholders

| Name                                                 | Number of shares held | Percentage of total |
|------------------------------------------------------|-----------------------|---------------------|
| Kenji Kasahara                                       | 32,521,900            | 47.99               |
| The Master Trust Bank of Japan, Ltd. (trust account) | 6,302,000             | 9.30                |
| Custody Bank of Japan, Ltd. (trust account)          | 1,785,400             | 2.63                |
| Koki Kimura                                          | 1,349,200             | 1.99                |
| STATE STREET BANK AND TRUST COMPANY 505001           | 1,263,204             | 1.86                |

Note: The Company has 5,967,604 treasury shares. As these shares carry no voting rights, they are omitted from the principal shareholders above and subtracted from calculations for the percentage of total.

### IR web page

<https://mixi.co.jp/en/ir/>



**Connection with meaning.**

