March 31, 2025

Company name:	Direct Marketing MiX Inc.
Name of representative:	Daisuke Uehara, President and CEO, Representative Executive Officer (Securities code: 7354; Prime Market of the Tokyo Stock Exchange)
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Notice Regarding Plan for Compliance with Listing Maintenance Criteria

As of the reference date (December 31, 2024), Direct Marketing MiX Inc. (the "Company") was not in compliance with the criteria for maintaining listing on the Prime Market. We have prepared a plan to comply with the listing maintenance criteria, as set forth below, and hereby provide notice of the plan.

1. Current status of compliance with the listing maintenance criteria by the Company and plan period

The status of the Company's compliance with the listing maintenance criteria for the Prime Market as of the reference date (December 31, 2024) is as indicated in the table below. The "market capitalization of tradable shares" criterion is not satisfied. As indicated in the table, the Company is taking various measures to comply with the listing maintenance criteria so that it will be in compliance with the market capitalization of tradable shares criterion.

	No. of shareholders	No. of tradable shares	Market capitalization of tradable shares	Tradable shares ratio	Average daily trading value
The Company's compliance status (As of reference date)	5,311 persons	247,729 units	6.28 billion yen	52.1%	0.08 billion yen
Listing maintenance criteria	800 persons	20,000 units	10.0 billion yen	35.0%	0.02 billion yen
Plan period			By end of December 2026		

Notes

1. The Company's compliance status was calculated based on the status of distribution of the Company's shares and so on, determined by the Tokyo Stock Exchange as of the reference date.
2. Regarding the average daily trading value of the Company's shares, the value was calculated by the Tokyo Stock Exchange for the period from January 1, 2024 to December 31, 2024.

2. Fundamental policy on measures to comply with the listing maintenance criteria

The constituent elements of "market capitalization of tradable shares," the criterion that the Company does not satisfy, are "market capitalization" and "tradable shares ratio." Therefore, we have adopted a fundamental policy to increase market capitalization by raising corporate value and improve the tradable shares ratio by reviewing the shareholder composition with the objective of complying with the criteria.

3. Issues regarding compliance with the listing maintenance criteria and details of measures

Issues

While the Company has secured a certain number of shareholders and number of tradable shares, it does not satisfy the criterion for market capitalization of tradable shares. To increase the market capitalization of tradable shares, the Company sees the issue as one of earning recognition from the stock market by enhancing corporate value, thereby pushing up the stock price.

To address this issue, the Company is taking the following measures.

Details of Measures

(1) Increase market capitalization by raising corporate value

(i) Achieve the progress plan

We believe that in FY12/2025, the business process outsourcing (BPO) market, which consists mainly of sales, will continue to expand against a backdrop of labor shortages caused by a low birth rate and aging population, as well as workstyle reforms and other factors. Also, integration of sales channels as well as the transformation of inbound call centers, which in the past were cost centers, into profit centers through the diversification of contacts with users is progressing, and we expect the sales BPO market to expand even further. In addition, we expect new needs to emerge in a variety of fields due to the implementation of digital transformation (DX), changes in consumption trends, and other developments.

Under this environment, the Company's forecast of financial results for FY12/2025 is as follows: sales revenue of 22,000 million yen (a 5% year-on-year increase), operating profit of 1,800 million yen (a 25.5% increase), profit before tax of 1,750 million yen (a 25.8% increase), net income of 1,100 million yen (a 31.8% increase), and profit attributable to owners of the parent of 1,100 million yen (a 31.8% increase).

For details of the financial results for FY12/2024 and the plan for FY12/2025, refer to the financial briefing documents on the Company's website (URL: https://ssl4.eir-parts.net/doc/7354/ir_material_for_fiscal_ym2/173186/00.pdf).

By achieving our plan for FY12/2025, we will strengthen the company's business foundations, which will lead to continuous expansion of sales revenue and operating profit in FY12/2026 and later, thereby further enhancing corporate value.

(ii) Steady implementation of medium- to long-term management vision

The DmMiX Group announced the DmMiX Vision 500 (the "Vision 500"), our vision covering the period from the current fiscal year to FY12/2030 for achieving continuous growth and enhancement of corporate value over the medium to long term. For details of Vision 500, refer to the Company's website (URL: https://ssl4.eir-parts.net/doc/7354/tdnet/2587792/00.pdf). The English version of Vision 500 will be released on our website at a later date.

Vision 500 defines three focus domains—outbound, hybrid, and DX fulfillment—from among the business domains previously categorized under the outbound/hybrid sector. By implementing the business strategies described below in each domain with FY12/2026 as the target timeline, we will endeavor to enhance profitability and strengthen financial foundations, thereby working toward enhancement of the Group's corporate value.

(a) Outbound

In this domain, where we engage with users to promote upselling and cross-selling of strategic products, key challenges include securing strategic products in telecommunications areas and products in non-telecommunications areas. To do this, in addition to deepening our involvement in existing telecommunications sectors including FTTH and mobile communications, we will pursue collaboration with the financial sector and develop products in non-telecommunications sectors such as electricity and gas. In addition, in sectors other than telecommunications and infrastructure, we will establish a new business development team and advance the opening of the sales BPO market, centering on companies handling high LTV materials requiring a high level of sales quality and companies engaged in universal services.

(b) Hybrid

As the organic integration of user interaction channels, such as shops, social media, and call centers, progresses, there is growing demand for proactive user engagement across all channels. We will embrace these moves to integrate sales channels and moves aimed at establishing profit centers by providing conventional inbound call centers with sales functions (hybridization). Conventional inbound call centers have not been a core strategy of the Group, but as businesses seek to transform them into profit centers, we believe that the need for "sales mechanisms," one of the Group's areas of expertise, will increase, and we will pursue active entry into this area. To achieve this, the Group will pursue multi-channel operations and expand our solution lineup for all customer contacts including non-voice communications, such as chat and social media.

(c) DX fulfillment

In the social implementation and operational processes of new digital services (DX fulfillment), significant human resources are needed not only for sales and marketing to acquire member stores and users, but also at the operational stage for administrative processing, personnel recruitment, and training. The Group will handle social implementation of new digital services by providing these complex business processes in bundled formats under outsourcing arrangements. From the perspective of digital service providers, these operations are necessary for the speedy launch of services. Moreover, since they are non-core business activities, continuously securing resources leads to increased costs. For this reason, outsourcing is progressing and these businesses are expected to expand even further in the future. Under these circumstances, in addition to expanding our solutions lineup to respond to diversifying needs, the Group will strive to gather information from the conceptual stage of new digital services and pursue rapid expansion of the scope of business in tandem with the rapid growth of this market.

Through these initiatives, our plans for FY12/2026 are sales revenue of 8,700 million yen in the outbound domain, 9,200 million yen in the hybrid domain, and 3,000 million yen in the DX fulfillment domain. By achieving these plans, we aim to further strengthen our revenue base and enhance our corporate value.

(iii) Policy on shareholder returns

The Company positions shareholder returns as one of its highest priority management issues, and our fundamental policy is to calculate dividend amounts according to EPS growth, taking into comprehensive consideration the levels of internal reserves and surplus while securing adequate internal reserves for future business development and reinforcement of financial foundations.

We set a target for total return ratio, including stock repurchases, of 40% and will strive to enhance shareholder returns.

(iv) Reinforcement of investor relations activities

To deepen understanding by shareholders and investors of the Group's current status and initiatives, we continuously strive to enhance information disclosures through investor relations and public relations activities. In addition, we actively hold briefings and interviews for institutional investors and analysts and so on and take measures to enhance both the quality and quantity of communications.

(2) Improvement of the tradable shares ratio by reviewing the shareholder composition

As of the reference date, the Company's tradable shares ratio satisfies the listing maintenance criteria, but we see the tradable shares ratio as a matter requiring improvement.

As of the reference date, the Company held 1,171,739 shares of treasury stock (a shareholding ratio of 2.46%). The Company plans to examine the active use of treasury shares and increase the number of tradable shares in order to implement M&A necessary for future business growth and for granting stock options to continuously secure talented human resources necessary for enhancing corporate value.

Furthermore, we will request the cooperation of shareholders categorized as major shareholders or corporate entities and the like regarding the sale of all or part of their holdings of Company shares when necessary, taking into account the status of their transactions and relationships with the Company, thereby increasing the number of tradable shares. However, as large-scale releases of shares into the stock market could cause declines in stock prices, we will examine effective methods while closely monitoring market trends.

Through these initiatives, the Company will work to satisfy the listing maintenance criteria at the earliest possible time, and we request your continued understanding and support.