

ITmedia Inc.
Consolidated Financial Report
For the Nine-month period ended December 31, 2020 (IFRS)

Tokyo, January 28, 2021

1. Financial Highlights

(Millions of yen; amounts less than one million yen are omitted)

(1) Results of Operations

(Percentages are shown as year-on-year changes)

	Revenue		Operating income		Income before income tax		Net income		Net income attributable to owners of the parent		Total comprehensive income	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Nine-month period ended December 31, 2020	¥4,854	28.5	¥1,488	80.5	¥1,431	88.8	¥954	60.0	¥954	60.5	¥1,185	133.0
Nine-month period ended December 31, 2019	¥3,776	14.1	¥824	60.3	¥758	59.4	¥596	118.7	¥595	109.8	¥508	11.8

	Basic earnings per share (yen)	Diluted earnings per share (yen)
Nine-month period ended December 31, 2020	¥48.18	¥48.18
Nine-month period ended December 31, 2019	¥30.15	¥30.06

(2) Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets (%)
As of December 31, 2020	¥8,287	¥6,814	¥6,814	82.2
As of March 31, 2020	¥7,235	¥5,887	¥5,887	81.4

2. Dividends

	Dividends per share				
	First quarter	Second quarter	Third quarter	Fourth quarter	Total
	(yen)	(yen)	(yen)	(yen)	(yen)
Fiscal year ended March 31, 2020	—	6.00	—	6.00	12.00
Fiscal year ending March 31, 2021	—	7.00	—		
Fiscal year ending March 31, 2021 (Forecasted)				8.00	15.00

Note:

Revisions of the forecast from recently announced figures : Yes

3. Consolidated forecasts for the fiscal year ending March 31, 2021

(April 1, 2020 to March 31, 2021)

(Millions of yen)

(Percentages are shown as year-on-year changes)

	Revenue		Operating profit		Profit attributable to owners of parent		Basic earnings par share (yen)
	Amount	%	Amount	%	Amount	%	Amount
Fiscal year ending March 31, 2021	¥6,600	25.0	¥1,900	62.1	¥1,200	53.7	¥60.55

Note:

Revisions of the forecast from recently announced figures : Yes

*** Notes**

- (1) Significant changes in scope of consolidation (changes in scope of consolidation of specified subsidiaries): None
Newly consolidated : None
Excluded from consolidation : None
- (2) Changes in accounting policies and accounting estimates
 - [1] Changes in accounting policies required by IFRSs : None
 - [2] Changes in accounting policies other than those in [1] : None
 - [3] Changes in accounting estimates : None
- (3) Number of shares issued (common stock)
 - [1] Number of shares issued (including treasury stock):
 - As of December 31, 2020 : 20,532,600 shares
 - As of March 31, 2020 : 20,532,600 shares
 - [2] Number of treasury stock:
 - As of December 31, 2020 : 713,074 shares
 - As of March 31, 2020 : 713,036 shares
 - [3] Number of average stock during Nine-month period (April-December):
 - As of December 31, 2020 : 19,819,538 shares
 - As of December 31, 2019 : 19,733,733 shares

*** This interim consolidated financial report is not subject to interim review procedures.**

*** Notes to forecasts on the consolidated results of operations and other items**

The descriptions regarding the future are estimated based on the information that the Company is able to obtain at the present point and assumptions which are deemed to be reasonable. However, actual results may be different due to various factors.

Consolidated Financial Report

(1) Interim Condensed Consolidated Statement of Financial Position

(Thousands of yen)

	As of March 31, 2020	As of December 31, 2020
Asset		
Current assets		
Cash and cash equivalents	4,302,014	5,317,003
Trade and other receivables	803,053	818,547
Other financial assets	500,008	500,000
Inventories	9,814	12,394
Other current assets	83,743	82,335
Total current assets	5,698,634	6,730,279
Non-current assets		
Property and equipment	157,857	140,268
Right of use assets	229,082	57,270
Goodwill	415,719	415,719
Intangible assets	277,958	236,883
Investments accounted for using equity method	36,085	51,335
Other financial assets	296,061	632,241
Deferred tax assets	121,517	15,755
Other non-current assets	2,166	7,378
Total non-current assets	1,536,450	1,556,852
Total assets	7,235,085	8,287,132
Liabilities and equity		
Current liabilities		
Trade and other payables	267,026	258,222
Lease liabilities	218,001	43,601
Income taxes payable	199,923	325,122
Other current liabilities	588,347	778,367
Total current liabilities	1,273,298	1,405,314
Non-current liabilities		
Lease liabilities	7,373	4,002
Provisions	38,600	38,600
Other non-current liabilities	28,505	25,147
Total non-current liabilities	74,478	67,749
Total liabilities	1,347,777	1,473,063
Equity		
Equity attributable to owners of parent		
Share capital	1,735,570	1,735,570
Capital surplus	1,824,058	1,824,058
Retained earnings	2,612,258	3,308,664
Treasury stock	(344,454)	(344,517)
Accumulated other comprehensive income	59,874	290,292
Total equity attributable to owners of parent	5,887,308	6,814,068
Total equity	5,887,308	6,814,068
Total liabilities and equity	7,235,085	8,287,132

Consolidated Financial Report

(2) Condensed Interim Consolidated Statement of Income

(Thousands of yen)

	Nine-month period ended December 31, 2019	Nine-month period ended December 31, 2020
Continuing operations		
Revenue	3,776,680	4,854,763
Cost of sales	(1,475,856)	(1,671,374)
Gross profit	2,300,824	3,183,388
Selling, general and administrative expenses	(1,476,722)	(1,695,246)
Other income and expenses, net	835	613
Operating profit	824,936	1,488,755
Other non-operating income and expenses	(565)	(802)
Share of profit (loss) of investments accounted for using equity method	(66,162)	(56,750)
Profit before tax from continuing operations	758,208	1,431,202
Income tax expense	(254,815)	(476,357)
Profit from continuing operations	503,393	954,845
Discontinued operations		
Profit (loss) from discontinued operations	93,476	—
Profit	596,869	954,845
Profit attributable to		
Owners of parent	595,018	954,845
Non-controlling interests	1,851	—
	596,869	954,845
Earning per share attributable to owners of parent		
Basic earning per (loss) share (yen)		
Continuing operations	25.51	48.18
Discontinued operations	4.64	—
Basic earnings per share	30.15	48.18
Diluted earning (loss) per share (yen)		
Continuing operations	25.43	48.18
Discontinued operations	4.63	—
Basic earnings per share	30.06	48.18

(3) Condensed Interim Consolidated Statement of Comprehensive Income

(Thousands of yen)

	Nine-month period ended December 31, 2019	Nine-month period ended December 31, 2020
Profit	596,869	954,845
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Equity financial assets at FVTOCI	(88,157)	230,417
Total items that will not be reclassified to profit or loss	(88,157)	230,417
Total other comprehensive income	(88,157)	230,417
Total comprehensive income	508,712	1,185,262
Total comprehensive income attributable to		
Owners of parent	506,860	1,185,262
Non-controlling interests	1,851	—
	508,712	1,185,262

(4) Condensed Interim Consolidated Statement of Changes in Equity

For the Nine-month period ended December 31, 2019

(Thousands of yen)

	Equity attributable to owners of parent						Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	Accumulated other comprehensive income	Total		
As of April 1, 2019	1,709,272	1,798,192	2,054,062	(344,414)	185,347	5,402,461	(34,905)	5,367,556
Comprehensive income								
Profit(loss)	—	—	595,018	—	—	595,018	1,851	596,869
Other comprehensive income (loss)	—	—	—	—	(88,157)	(88,157)	—	(88,157)
Total comprehensive income	—	—	595,018	—	(88,157)	506,860	1,851	508,712
Transactions with owners and other transactions								
Issuance of new shares	26,298	25,866	—	—	—	52,164	—	52,164
Dividends	—	—	(235,891)	—	—	(235,891)	—	(235,891)
Loss of control of subsidiaries	—	—	13,508	—	—	13,508	33,053	46,562
Total transactions with owners and other transactions	26,298	25,866	(222,382)	—	—	(170,218)	33,053	(137,164)
As of December 31, 2019	<u>1,735,570</u>	<u>1,824,058</u>	<u>2,426,698</u>	<u>(344,414)</u>	<u>97,190</u>	<u>5,739,104</u>	<u>—</u>	<u>5,739,104</u>

For the Nine-month period ended December 31, 2020

	Equity attributable to owners of parent						Total equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	Accumulated other comprehensive income	Total	
As of April 1, 2020	1,735,570	1,824,058	2,612,258	(344,454)	59,874	5,887,308	5,887,308
Comprehensive income							
Profit(loss)	—	—	954,845	—	—	954,845	954,845
Other comprehensive income	—	—	—	—	230,417	230,417	230,417
Total comprehensive income	—	—	954,845	—	230,417	1,185,262	1,185,262
Transactions with owners and other transactions							
Dividends	—	—	(258,439)	—	—	(258,439)	(258,439)
Purchase of treasury shares	—	—	—	(63)	—	(63)	(63)
Total transactions with owners and other transactions	—	—	(258,439)	(63)	—	(258,502)	(258,502)
As of December 31, 2020	<u>1,735,570</u>	<u>1,824,058</u>	<u>3,308,664</u>	<u>(344,517)</u>	<u>290,292</u>	<u>6,814,068</u>	<u>6,814,068</u>

(5) Interim Condensed Consolidated Statement of Cash Flows

(Thousands of yen)

	Nine-month period ended December 31, 2019	Nine-month period ended December 31, 2020
Cash flows from operating activities		
Profit before tax from continuing operations	758,208	1,431,202
Profit (loss) before tax from discontinued operations	53,321	—
Depreciation and amortization	244,099	246,373
Share of profit (loss) of investments accounted for using equity method	66,162	56,750
Gain on sales of shares of subsidiaries	(45,607)	—
Increase/decrease in trade and other receivables	75,104	(15,494)
Increase/decrease in trade and other payables	(4,922)	3,174
Other	(23,853)	179,607
Subtotal	1,122,513	1,901,614
Interest and dividends received	1,380	265
Interest paid	(244)	(176)
Income taxes paid	(235,654)	(351,158)
Net cash provided by operating activities	887,994	1,550,546
Cash flows from investing activities		
Payment into time deposits	(400,000)	(400,000)
Proceeds from withdrawal of time deposits	400,000	400,000
Purchase of property, equipment, and intangible assets	(6,051)	(27,876)
Purchase of investments accounted for using equity method	(84,000)	(72,000)
Payments for sales of investments in subsidiaries with loss of control	(15,743)	—
Other	7,049	—
Net cash used in investing activities	(98,745)	(99,876)
Cash flows from financing activities		
Proceeds from issuance of shares	52,164	—
Purchase of treasury shares	—	(63)
Dividends paid	(234,904)	(257,847)
Repayments of lease liabilities	(171,874)	(177,771)
Net cash used in financing activities	(354,615)	(435,681)
Increase/decrease in cash and cash equivalents	434,633	1,014,988
Cash and cash equivalents at the beginning of the period	3,383,007	4,302,014
Cash and cash equivalents at the end of the period	3,817,640	5,317,003