

**ITmedia Inc.**  
**Consolidated Financial Report**  
**For the six-month period ended September 30, 2017 (IFRS)**

Tokyo, October 31, 2017

**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)

	Net sales		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	%
<b>Six-month period ended September 30, 2017</b>	<b>¥2,096</b>	<b>(3.3)</b>	<b>¥254</b>	<b>(22.5)</b>	<b>¥255</b>	<b>(21.1)</b>	<b>¥151</b>	<b>(28.8)</b>	<b>¥170</b>	<b>(20.8)</b>	<b>¥150</b>	<b>(28.9)</b>
Six-month period ended September 30, 2016	¥2,167	8.2	¥327	(6.7)	¥323	(10.2)	¥212	(12.9)	¥215	(11.8)	¥211	(25.2)

	Basic earnings per share (yen)	Diluted earnings per share (yen)
<b>Six-month period ended September 30, 2017</b>	<b>¥8.80</b>	<b>¥8.66</b>
Six-month period ended September 30, 2016	¥11.05	¥10.73

**(2) Financial Position**

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets (%)
<b>As of September 30, 2017</b>	<b>¥5,777</b>	<b>¥4,891</b>	<b>¥4,879</b>	<b>84.5</b>
As of March 31, 2017	¥5,697	¥4,831	¥4,800	84.3

**2. Dividends**

	Dividends per share				
	First quarter	Second quarter	Third quarter	Fourth quarter	Total
	(yen)	(yen)	(yen)	(yen)	(yen)
Fiscal year ended March 31, 2017	—	5.00	—	5.00	10.00
Fiscal year ending March 31, 2018	—	5.00			
Fiscal year ending March 31, 2018 (Forecasted)			—	5.00	10.00

Note:

Revisions of the forecast from recently announced figures : None

**3. Consolidated forecasts for the fiscal year ending March 31, 2018**

**(April 1, 2017 to March 31, 2018)**

(Millions of yen)

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

	Net sales		Operating income		Net income attributable to owners of the parent		Basic earnings par share (yen)
	Amount	%	Amount	%	Amount	%	Amount
Fiscal year ending March 31, 2018	¥4,800	7.8	¥790	11.3	¥530	11.5	¥27.29

Note:

Revisions of the forecast from recently announced figures : None

**\* 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 September 30, 2017 : 20,135,700 shares  
As of March 31, 2017 : 20,091,900 shares  
[2] Number of treasury stock:  
As of September 30, 2017 : 712,999 shares  
As of March 31, 2017 : 712,999 shares  
[3] Number of average stock during six-month period (April-September):  
As of September 30, 2017 : 19,399,332 shares  
As of September 30, 2016 : 19,516,741 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 figures 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.

**(1) Condensed Interim Consolidated Statements of Financial Position**

(Thousands of yen)

	As of March 31, 2017	As of September 30, 2017
<b>Asset</b>		
<b>Current aseets</b>		
Cash and cash equivalents	2,569,660	2,689,895
Trade and other receivables	746,092	667,774
Other financial assets	505,299	663,530
Inventories	12,326	13,575
Other current assets	62,118	76,237
Total current aseets	<u>3,895,497</u>	<u>4,111,014</u>
<b>Non-current Asset</b>		
Property and equipment	217,200	204,015
Goodwill	480,463	480,463
Intangible assets	357,832	417,813
Other financial assets	569,535	405,960
Deferred tax assets	176,882	156,060
Other non-current assets	—	1,856
Total non-current assets	<u>1,801,915</u>	<u>1,666,170</u>
<b>Total assets</b>	<u><u>5,697,412</u></u>	<u><u>5,777,184</u></u>
<b>Liabilities and equity</b>		
<b>Current liabilities</b>		
Trade and other payables	196,669	163,352
Interest-bearing debt and other financial liabilities	6,011	4,584
Income tax payables	19,809	82,447
Other current liabilities	565,742	559,846
Total current liabilities	<u>788,232</u>	<u>810,232</u>
<b>Non-current liabilities</b>		
Interest-bearing debt and other financial liabilities	13,083	12,030
Provisions	38,600	38,600
other non-current liabilities	26,302	24,765
Total non-current liabilities	<u>77,986</u>	<u>75,395</u>
<b>Total liabilities</b>	<u>866,219</u>	<u>885,628</u>
<b>Equity</b>		
<b>Equity attributable to owners of the parent</b>		
Common stock	1,699,800	1,703,355
Capital surplus	1,814,079	1,817,575
Retained earnings	1,561,077	1,634,943
Treasury stock	(344,414)	(344,414)
Accumulated other comprehensive income	69,963	68,492
Total equity attributable to owners of the parent	<u>4,800,506</u>	<u>4,879,952</u>
<b>Non-controlling interests</b>	<u>30,687</u>	<u>11,602</u>
<b>Total equity</b>	<u>4,831,193</u>	<u>4,891,555</u>
<b>Total liabilities and equity</b>	<u><u>5,697,412</u></u>	<u><u>5,777,184</u></u>

## (2) Condensed Interim Consolidated Statements of Income and Comprehensive Income

### Condensed Interim Consolidated Statements of Income

(Thousands of yen)

	Six-month period ended September 30, 2016	Six-month period ended September 30, 2017
<b>Net sales</b>	2,167,552	2,096,922
Cost of sales	(832,876)	(906,724)
<b>Gross profit</b>	1,334,676	1,190,197
Selling, general and administrative expenses	(1,012,245)	(936,181)
Gain from remeasurement relating to business combination	5,384	—
Other operating income	5	137
<b>Operating income</b>	327,820	254,153
Other non-operating income (loss)	(2,952)	1,035
Income (loss) on equity method investments	(1,572)	—
<b>Income before income tax</b>	323,295	255,188
Income taxes	(110,330)	(103,512)
<b>Net income</b>	212,965	151,676
<b>Net income attributable to</b>		
Owners of the parent	215,693	170,760
Non-controlling interests	(2,727)	(19,084)
	212,965	151,676
<b>Earning per share attributable to owners of the parent</b>		
Basic earning per share (yen)	11.05	8.80
Diluted earning per share (yen)	10.73	8.66

Condensed Interim Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Six-month period ended September 30, 2016	Six-month period ended September 30, 2017
<b>Net income</b>	212,965	151,676
<b>Other comprehensive income, net of tax</b>		
<b>Items that may be reclassified subsequently to profit or loss</b>		
Available-for-sale financial assets	(1,570)	(1,471)
Total items that may be reclassified subsequently to profit or loss	(1,570)	(1,471)
<b>Total other comprehensive income, net of tax</b>	(1,570)	(1,471)
<b>Total comprehensive income</b>	211,395	150,205
<b>Total comprehensive income attributable to</b>		
Owners of the parent	214,122	169,289
Non-controlling interests	(2,727)	(19,084)
	211,395	150,205

### (3) Condensed Interim Consolidated Statements of Changes in Equity

For the six-month period ended September 30, 2016

(Thousands of yen)

	Equity attributable to owners of the parnet					Total	Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	Accumulated other comprehensive income			
<b>As of April 1, 2016</b>	1,670,507	1,775,830	1,262,022	(44,456)	72,183	4,736,087	—	4,736,087
<b>Comprehensive income</b>								
Net income	—	—	215,693	—	—	215,693	(2,727)	212,965
Other comprehensive income (loss)	—	—	—	—	(1,570)	(1,570)	—	(1,570)
<b>Total comprehensive income</b>	—	—	215,693	—	(1,570)	214,122	(2,727)	211,395
<b>Transactions with owners and other transactions</b>								
Issuance of new shares	25,324	24,908	—	—	—	50,232	—	50,232
Cash dividends	—	—	(77,717)	—	—	(77,717)	—	(77,717)
Change attributable to obtaining control of subsidiaries	—	—	—	—	—	—	28,387	28,387
share-based payment transactions	—	6,550	—	—	—	6,550	—	6,550
<b>Total Transactions with owners and other transactions</b>	25,324	31,458	(77,717)	—	—	(20,935)	28,387	7,452
<b>As of September 30, 2016</b>	<u>1,695,831</u>	<u>1,807,288</u>	<u>1,399,997</u>	<u>(44,456)</u>	<u>70,613</u>	<u>4,929,274</u>	<u>25,659</u>	<u>4,954,934</u>

For the six-month period ended September 30, 2017

	Equity attributable to owners of the parnet					Total	Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	Accumulated other comprehensive income			
<b>As of April 1, 2017</b>	1,699,800	1,814,079	1,561,077	(344,414)	69,963	4,800,506	30,687	4,831,193
<b>Comprehensive income</b>								
Net income (loss)	—	—	170,760	—	—	170,760	(19,084)	151,676
Other comprehensive income (loss)	—	—	—	—	(1,471)	(1,471)	—	(1,471)
<b>Total comprehensive income</b>	—	—	170,760	—	(1,471)	169,289	(19,084)	150,205
<b>Transactions with owners and other transactions</b>								
Issuance of new shares	3,555	3,496	—	—	—	7,051	—	7,051
Cash dividends	—	—	(96,894)	—	—	(96,894)	—	(96,894)
<b>Total Transactions with owners and other transactions</b>	3,555	3,496	(96,894)	—	—	(89,842)	—	(89,842)
<b>As of September 30, 2017</b>	<u>1,703,355</u>	<u>1,817,575</u>	<u>1,634,943</u>	<u>(344,414)</u>	<u>68,492</u>	<u>4,879,952</u>	<u>11,602</u>	<u>4,891,555</u>

Fiscal year ending

**(4) Condensed Interim Consolidated Statements of Cash Flows**

	Six-month period ended September 30, 2016	Six-month period ended September 30, 2017
<b>Cash flows from operating activities</b>		
Income before income taxes	323,295	255,188
Depreciation and amortization	85,588	63,809
Gain from remeasurement relating to business combination	(5,384)	—
Income (loss) on equity method investments	1,572	—
Increase/decrease in trade and other receivables	122,376	78,317
Increase/decrease in trade and other payables	4,460	(33,316)
Other	(69,702)	(27,144)
Subtotal	462,206	336,854
Interest and dividends received	2,869	2,460
Interest paid	(82)	(154)
Income taxes paid	(202,308)	(19,374)
Net cash provided by operating activities	262,683	319,786
<b>Cash flows from investing activities</b>		
Payment into time deposits	(200,000)	(200,000)
Proceeds from withdrawal of time deposits	200,000	200,000
Purchase of property, equipment, and intangible assets	(181,143)	(110,605)
Proceeds from acquisition of control over subsidiaries	4,366	—
Payments for guarantee deposits	(92,760)	—
Proceeds from collection of guarantee deposits	70,987	—
Other	(33,899)	3,094
Net cash used in investing activities	(232,448)	(107,510)
<b>Cash flows from financing activities</b>		
Proceeds from issuance of common shares	50,232	7,051
Cash dividends paid	(77,408)	(96,612)
Other	(1,928)	(2,479)
Net cash used in financing activities	(29,104)	(92,040)
<b>Increase/decrease in cash and cash equivalents</b>	1,130	120,235
<b>Cash and cash equivalents at the beginning of the period</b>	2,768,080	2,569,660
<b>Cash and cash equivalents at the end of the period</b>	2,769,211	2,689,895