

**ITmedia Inc.**  
**Consolidated Financial Report**  
**For the Nine-month period ended December 31, 2019 (IFRS)**

Tokyo, January 31, 2020

**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	%
<b>Nine-month period ended December 31, 2019</b>	<b>¥3,776</b>	<b>14.1</b>	<b>¥824</b>	<b>60.3</b>	<b>¥758</b>	<b>59.4</b>	<b>¥596</b>	<b>118.7</b>	<b>¥595</b>	<b>109.8</b>	<b>¥508</b>	<b>11.8</b>
Nine-month period ended December 31, 2018	¥3,309	—	¥514	—	¥475	—	¥272	(15.0)	¥283	(15.8)	¥455	42.5

	Basic earnings per share (yen)	Diluted earnings per share (yen)
<b>Nine-month period ended December 31, 2019</b>	<b>¥30.15</b>	<b>¥30.06</b>
Nine-month period ended December 31, 2018	¥14.55	¥14.36

**(2) Financial Position**

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets (%)
<b>As of December 31, 2019</b>	<b>¥6,953</b>	<b>¥5,739</b>	<b>¥5,739</b>	<b>82.5</b>
As of March 31, 2019	¥6,351	¥5,367	¥5,402	85.1

**2. Dividends**

	Dividends per share				
	First quarter	Second quarter	Third quarter	Fourth quarter	Total
	(yen)	(yen)	(yen)	(yen)	(yen)
Fiscal year ended March 31, 2019	—	5.00	—	6.00	11.00
Fiscal year ending March 31, 2020	—	6.00	—		
Fiscal year ending March 31, 2020 (Forecasted)				6.00	12.00

Note:

Revisions of the forecast from recently announced figures : Yes

**3. Consolidated forecasts for the fiscal year ending March 31, 2020**

**(April 1, 2019 to March 31, 2020)**

(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, 2020	¥5,150	9.5	¥1,100	24.8	¥750	99.1	¥37.84

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): Yes  
Newly consolidated : None  
Excluded from consolidation : Knowledge onDemand K.K
- (2) Changes in accounting policies and accounting estimates  
[1] Changes in accounting policies required by IFRSs : Yes  
[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, 2019 : 20,532,600 shares  
As of March 31, 2019 : 20,208,600 shares  
[2] Number of treasury stock:  
As of December 31, 2019 : 712,999 shares  
As of March 31, 2019 : 712,999 shares  
[3] Number of average stock during Nine-month period (April-December):  
As of December 31, 2019 : 19,733,733 shares  
As of December 31, 2018 : 19,489,709 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, 2019	As of December 31, 2019
<b>Asset</b>		
<b>Current assets</b>		
Cash and cash equivalents	3,383,007	3,817,640
Trade and other receivables	824,332	702,716
Other financial assets	500,019	615,004
Inventories	26,248	10,862
Other current assets	81,002	80,214
<b>Total current assets</b>	<b>4,814,611</b>	<b>5,226,437</b>
<b>Non-current assets</b>		
Property and equipment	173,629	156,636
Right of use assets	—	286,352
Goodwill	415,719	415,719
Intangible assets	335,461	286,218
Investments accounted for using equity method	54,148	71,986
Other financial assets	479,476	350,505
Deferred tax assets	75,924	156,656
Other non-current assets	2,765	2,736
<b>Total non-current assets</b>	<b>1,537,126</b>	<b>1,726,812</b>
<b>Total assets</b>	<b>6,351,737</b>	<b>6,953,250</b>
<b>Liabilities and equity</b>		
<b>Current liabilities</b>		
Trade and other payables	234,988	210,386
Lease liabilities	3,937	235,066
Income taxes payable	124,645	143,806
Other current liabilities	546,231	517,256
<b>Total current liabilities</b>	<b>909,803</b>	<b>1,106,516</b>
<b>Non-current liabilities</b>		
Lease liabilities	5,767	42,285
Provisions	38,600	38,600
Other non-current liabilities	30,009	26,744
<b>Total non-current liabilities</b>	<b>74,377</b>	<b>107,629</b>
<b>Total liabilities</b>	<b>984,180</b>	<b>1,214,145</b>
<b>Equity</b>		
<b>Equity attributable to owners of parent</b>		
Share capital	1,709,272	1,735,570
Capital surplus	1,798,192	1,824,058
Retained earnings	2,054,062	2,426,698
Treasury stock	(344,414)	(344,414)
Accumulated other comprehensive income	185,347	97,190
<b>Total equity attributable to owners of parent</b>	<b>5,402,461</b>	<b>5,739,104</b>
<b>Non-controlling interests</b>	<b>(34,905)</b>	<b>—</b>
<b>Total equity</b>	<b>5,367,556</b>	<b>5,739,104</b>
<b>Total liabilities and equity</b>	<b>6,351,737</b>	<b>6,953,250</b>

## Consolidated Financial Report

### (2) Condensed Interim Consolidated Statement of Income

(Thousands of yen)

	Nine-month period ended December 31, 2018	Nine-month period ended December 31, 2019
<b>Continuing operations</b>		
<b>Revenue</b>	3,309,563	3,776,680
Cost of sales	(1,437,610)	(1,475,856)
<b>Gross profit</b>	1,871,952	2,300,824
Selling, general and administrative expenses	(1,360,280)	(1,476,722)
Other income and expenses, net	3,016	835
<b>Operating profit</b>	514,689	824,936
Other non-operating income and expenses	549	(565)
Share of profit (loss) of investments accounted for using equity method	(39,433)	(66,162)
<b>Profit before tax from continuing operations</b>	475,804	758,208
Income tax expense	(173,678)	(254,815)
<b>Profit from continuing operations</b>	302,125	503,393
<b>Discontinued operations</b>		
<b>Profit (loss) from discontinued operations</b>	(29,266)	93,476
<b>Profit</b>	272,859	596,869
<b>Profit attributable to</b>		
Owners of parent	283,648	595,018
Non-controlling interests	(10,788)	1,851
	272,859	596,869
<b>Earning per share attributable to owners of parent</b>		
<b>Basic earning per (loss) share (yen)</b>		
Continuing operations	15.50	25.51
Discontinued operations	(0.95)	4.64
Basic earnings per share	14.55	30.15
<b>Diluted earning (loss) per share (yen)</b>		
Continuing operations	15.30	25.43
Discontinued operations	(0.94)	4.63
Basic earnings per share	14.36	30.06

## (3) Condensed Interim Consolidated Statement of Comprehensive Income

(Thousands of yen)

	Nine-month period ended December 31, 2018	Nine-month period ended December 31, 2019
<b>Profit</b>	272,859	596,869
<b>Other comprehensive income</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Equity financial assets at FVTOCI	182,331	(88,157)
Total items that will not be reclassified to profit or loss	182,331	(88,157)
<b>Items that may be reclassified to profit or loss</b>		
Debt financial assets at FVTOCI	(137)	-
Total items that may be reclassified to profit or loss	(137)	-
<b>Total other comprehensive income</b>	182,194	(88,157)
<b>Total comprehensive income</b>	455,053	508,712
<b>Total comprehensive income attributable to</b>		
Owners of parent	465,842	506,860
Non-controlling interests	(10,788)	1,851
	455,053	508,712

(4) Condensed Interim Consolidated Statement of Changes in Equity

For the Nine-month period ended December 31, 2018

	Equity attributable to owners of parent					Total	Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury stock	Accumulated other comprehensive income			
	(Thousands of yen)							
<b>As of April 1, 2018</b>	1,708,712	1,797,642	1,861,367	(344,414)	68,481	5,091,789	10,602	5,102,391
<b>Comprehensive income</b>								
Profit(loss)	—	—	283,648	—	—	283,648	(10,788)	272,859
Other comprehensive income (loss)	—	—	—	—	182,194	182,194	—	182,194
<b>Total comprehensive income</b>	—	—	283,648	—	182,194	465,842	(10,788)	455,053
<b>Transactions with owners and other transactions</b>								
Issuance of new shares	97	95	—	—	—	193	—	193
Dividends	—	—	(194,893)	—	—	(194,893)	—	(194,893)
Transfer from accumulated other comprehensive income to retained earnings	—	—	10,837	—	(10,837)	—	—	—
<b>Total transactions with owners and other transactions</b>	97	95	(184,055)	—	(10,837)	(194,699)	—	(194,699)
<b>As of December 31, 2018</b>	<u>1,708,810</u>	<u>1,797,737</u>	<u>1,960,959</u>	<u>(344,414)</u>	<u>239,838</u>	<u>5,362,932</u>	<u>(186)</u>	<u>5,362,745</u>

For the Nine-month period ended December 31, 2019

	Equity attributable to owners of parent					Total	Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury stock	Accumulated other comprehensive income			
<b>As of April 1, 2019</b>	1,709,272	1,798,192	2,054,062	(344,414)	185,347	5,402,461	(34,905)	5,367,556
<b>Comprehensive income</b>								
Profit(loss)	—	—	595,018	—	—	595,018	1,851	596,869
Other comprehensive income	—	—	—	—	(88,157)	(88,157)	—	(88,157)
<b>Total comprehensive income</b>	—	—	595,018	—	(88,157)	506,860	1,851	508,712
<b>Transactions with owners and other transactions</b>								
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
<b>Total transactions with owners and other transactions</b>	26,298	25,866	(222,382)	—	—	(170,218)	33,053	(137,164)
<b>As of December 31, 2019</b>	<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>

## (5) Interim Condensed Consolidated Statement of Cash Flows

(Thousands of yen)

	Nine-month period ended December 31, 2018	Nine-month period ended December 31, 2019
<b>Cash flows from operating activities</b>		
Profit before tax from continuing operations	475,804	758,208
Profit (loss) before tax from discontinued operations	(28,928)	53,321
Depreciation and amortization	90,977	244,099
Share of profit (loss) of investments accounted for using equity method	39,433	66,162
Increase/decrease in trade and other receivables	175,375	75,104
Increase/decrease in trade and other payables	(14,768)	(4,922)
Other	(160,426)	(69,461)
Subtotal	577,468	1,122,513
Interest and dividends received	843	1,380
Interest paid	(145)	(244)
Income taxes paid	(316,425)	(235,654)
Net cash provided by operating activities	261,740	887,994
<b>Cash flows from investing activities</b>		
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	(94,984)	(6,051)
Payments for sales of investments in subsidiaries with loss of control	—	(15,743)
Purchase of investments accounted for using equity method	(120,000)	(84,000)
Proceeds from sales and redemption of investment securities	117,112	—
Other	1,980	7,049
Net cash used in investing activities	(95,892)	(98,745)
<b>Cash flows from financing activities</b>		
Proceeds from issuance of shares	193	52,164
Dividends paid	(193,955)	(234,904)
Repayments of lease liabilities	(3,463)	(171,874)
Net cash used in financing activities	(197,225)	(354,615)
<b>Increase/decrease in cash and cash equivalents</b>	(31,376)	434,633
<b>Cash and cash equivalents at the beginning of the period</b>	3,111,133	3,383,007
<b>Cash and cash equivalents at the end of the period</b>	3,079,756	3,817,640