

ITmedia Inc.
Consolidated Financial Report
For the fiscal year ended March 31, 2022 (IFRS)

Tokyo, April 28, 2022

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	%
Fiscal year ended March 31, 2022	¥8,092	17.4	¥2,687	32.9	¥2,680	39.8	¥1,800	43.5	¥1,800	43.5	¥1,739	25.6
Fiscal year ended March 31, 2021	¥6,891	30.6	¥2,022	72.5	¥1,917	79.4	¥1,255	60.4	¥1,255	60.8	¥1,385	110.9

	Basic earnings per share (yen)	Diluted earnings per share (yen)	Ratio of net income to equity, attributable to owners of the parent (%)	Ratio of income before income tax to total assets (%)	Ratio of operating income to net sales (%)
Fiscal year ended March 31, 2022	¥90.94	¥89.35	23.9	28.0	33.2
Fiscal year ended March 31, 2021	¥63.32	¥61.82	19.3	23.5	29.3

(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 (%)	Equity per share attributable to owners of the parent (yen)
As of March 31, 2022	¥10,048	¥7,932	¥7,932	78.9	401.34
As of March 31, 2021	¥9,074	¥7,117	¥7,117	78.4	359.11

(3) Cash Flows

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at the end of the year
Fiscal year ended March 31, 2022	¥1,989	¥152	(¥1,203)	¥6,815
Fiscal year ended March 31, 2021	¥2,212	(¥161)	(¥475)	¥5,877

2. Dividends

	Dividends per share					Total amount of dividends (Annual) (Millions of yen)	Payout ratio (consolidated) %	Ratio of dividend to equity attributable to owners of the parent (consolidated) %
	First quarter	Second quarter	Third quarter	Fourth quarter	Total			
	(yen)	(yen)	(yen)	(yen)	(yen)			
Fiscal year ended March 31, 2021	-	7.00	-	9.00	16.00	¥317	25.3	4.9
Fiscal year ended March 31, 2022	-	11.00	-	12.00	23.00	¥455	25.3	6.0
Fiscal year ending March 31, 2023 (Forecasted)	-	14.00	-	14.00	28.00		28.1	

3. Consolidated forecasts for the fiscal year ending March 31, 2023
(April 1, 2022 to March 31, 2023)

(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, 2023	¥8,730	7.9	¥2,920	8.7	¥1,970	9.4	¥99.67

*** 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 March 31, 2022 : 20,837,300 shares

As of March 31, 2021 : 20,532,600 shares

[2] Number of treasury stock:

As of March 31, 2022 : 1,072,098 shares

As of March 31, 2021 : 713,074 shares

[3] Average number of shares outstanding during the period:

Fiscal year ended March 31, 2022 : 19,804,438 shares

Fiscal year ended March 31, 2021 : 19,819,535 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.

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(1) Interim Condensed Consolidated Statement of Financial Position

(Thousands of yen)

	As of March 31, 2021	As of March 31, 2022
Asset		
Current assets		
Cash and cash equivalents	5,877,480	6,815,771
Trade and other receivables	1,183,931	1,293,583
Other financial assets	500,000	500,000
Inventories	13,839	16,939
Other current assets	92,066	101,746
Total current assets	<u>7,667,317</u>	<u>8,728,040</u>
Non-current assets		
Property and equipment	142,977	122,057
Right of use assets	—	175,986
Goodwill	415,719	443,471
Intangible assets	237,416	208,801
Investments accounted for using equity method	4,797	—
Other financial assets	486,537	146,919
Deferred tax assets	113,671	219,514
Other non-current assets	6,048	3,800
Total non-current assets	<u>1,407,169</u>	<u>1,320,551</u>
Total assets	<u><u>9,074,487</u></u>	<u><u>10,048,592</u></u>
Liabilities and equity		
Current liabilities		
Trade and other payables	377,409	401,342
Lease liabilities	3,688	162,671
Income taxes payable	562,786	586,677
Contract liabilities	324,963	322,641
Other current liabilities	625,375	577,901
Total current liabilities	<u>1,894,223</u>	<u>2,051,234</u>
Non-current liabilities		
Lease liabilities	3,684	2,403
Provisions	28,950	28,950
Other non-current liabilities	30,297	33,352
Total non-current liabilities	<u>62,932</u>	<u>64,705</u>
Total liabilities	<u>1,957,156</u>	<u>2,115,940</u>
Equity		
Equity attributable to owners of parent		
Share capital	1,735,570	1,825,609
Capital surplus	1,926,189	2,108,276
Retained earnings	3,607,628	5,143,378
Treasury stock	(344,517)	(1,144,612)
Accumulated other comprehensive income	192,460	—
Total equity attributable to owners of parent	<u>7,117,330</u>	<u>7,932,652</u>
Total equity	<u>7,117,330</u>	<u>7,932,652</u>
Total liabilities and equity	<u><u>9,074,487</u></u>	<u><u>10,048,592</u></u>

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(2) Condensed Interim Consolidated Statement of Income

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Revenue	6,891,223	8,092,222
Cost of sales	(2,347,909)	(2,753,732)
Gross profit	4,543,314	5,338,490
Selling, general and administrative expenses	(2,522,102)	(2,652,637)
Other income and expenses, net	943	1,403
Operating profit	2,022,155	2,687,256
Other non-operating income and expenses	(1,855)	(2,417)
Share of profit (loss) of investments accounted for using equity method	(103,288)	(4,797)
Profit before tax	1,917,012	2,680,040
Income tax expense	(661,954)	(879,053)
Profit	1,255,057	1,800,987
Profit attributable to		
Owners of parent	1,255,057	1,800,987
Non-controlling interests	—	—
	1,255,057	1,800,987
Earning per share attributable to owners of parent		
Basic earning per share (yen)	63.32	90.94
Diluted earning per share (yen)	61.82	89.35

(3) Condensed Interim Consolidated Statement of Comprehensive Income

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	1,255,057	1,800,987
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Equity financial assets at FVTOCI	130,552	(61,240)
Total items that will not be reclassified to profit or loss	130,552	(61,240)
Total other comprehensive income	130,552	(61,240)
Total comprehensive income	1,385,609	1,739,746
Total comprehensive income attributable to		
Owners of parent	1,385,609	1,739,746
Non-controlling interests	—	—
	1,385,609	1,739,746

(4) Condensed Interim Consolidated Statement of Changes in Equity

For the fiscal year ended March 31, 2021

(Thousands of yen)

	Equity attributable to owners of parent					Total	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	Accumulated other comprehensive income		
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)	—	—	1,255,057	—	—	1,255,057	1,255,057
Other comprehensive income	—	—	—	—	130,552	130,552	130,552
Total comprehensive income	—	—	1,255,057	—	130,552	1,385,609	1,385,609
Transactions with owners and other transactions							
Issuance of new shares	—	—	—	—	—	—	—
Dividends	—	—	(257,654)	—	—	(257,654)	(257,654)
Purchase of treasury shares	—	—	—	(63)	—	(63)	(63)
Share-based payment transactions	—	102,130	—	—	—	102,130	102,130
Transfer to retained earnings	—	—	(2,033)	—	2,033	—	—
Total transactions with owners and other transactions	—	102,130	(259,687)	(63)	2,033	(155,587)	(155,587)
As of March 31, 2021	<u>1,735,570</u>	<u>1,926,189</u>	<u>3,607,628</u>	<u>(344,517)</u>	<u>192,460</u>	<u>7,117,330</u>	<u>7,117,330</u>

For the fiscal year ended March 31, 2022

	Equity attributable to owners of parent					Total	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	Accumulated other comprehensive income		
As of April 1, 2021	1,735,570	1,926,189	3,607,628	(344,517)	192,460	7,117,330	7,117,330
Comprehensive income							
Profit(loss)	—	—	1,800,987	—	—	1,800,987	1,800,987
Other comprehensive income(loss)	—	—	—	—	(61,240)	(61,240)	(61,240)
Total comprehensive income	—	—	1,800,987	—	(61,240)	1,739,746	1,739,746
Transactions with owners and other transactions							
Issuance of new shares	90,038	88,239	—	—	—	178,278	178,278
Issuance of share acquisition rights	—	366	—	—	—	366	366
Dividends	—	—	(396,456)	—	—	(396,456)	(396,456)
Purchase of treasury shares	—	(3,550)	—	(800,094)	—	(803,644)	(803,644)
Share-based payment transactions	—	97,030	—	—	—	97,030	97,030
Transfer to retained earnings	—	—	131,219	—	(131,219)	—	—
Total transactions with owners and other transactions	90,038	182,087	(265,237)	(800,094)	(131,219)	(924,425)	(924,425)
As of March 31, 2022	<u>1,825,609</u>	<u>2,108,276</u>	<u>5,143,378</u>	<u>(1,144,612)</u>	<u>—</u>	<u>7,932,652</u>	<u>7,932,652</u>

(5) Interim Condensed Consolidated Statement of Cash Flows

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before tax	1,917,012	2,680,040
Depreciation and amortization	351,062	284,321
Share of profit (loss) of investments accounted for using equity method	103,288	4,797
Share-based payment expenses	102,130	97,060
Increase/decrease in trade and other receivables	(380,878)	(109,652)
Increase/decrease in trade and other payables	122,226	23,491
Increase/decrease in trade and contract liabilities	168,746	(2,322)
Other	179,817	(69,589)
Subtotal	2,563,404	2,908,147
Interest and dividends received	336	295
Interest paid	(211)	(337)
Income taxes paid	(351,169)	(919,018)
Net cash provided by operating activities	2,212,361	1,989,086
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	(78,400)	(57,780)
Proceeds from sales of investment securities	—	201,589
Purchase of investments accounted for using equity method	(72,000)	—
Proceeds from guarantee deposits	—	48,798
Payments for acquisition of businesses	—	(40,000)
Other	(10,890)	(120)
Net cash provided by (used in) investing activities	(161,291)	152,487
Cash flows from financing activities		
Proceeds from issuance of shares	—	178,249
Proceeds from issuance of share acquisition rights	—	366
Dividends paid	(257,539)	(397,033)
Purchase of treasury shares	(63)	(800,094)
Repayments of lease liabilities	(218,001)	(179,592)
Other	—	(5,179)
Net cash used in financing activities	(475,604)	(1,203,283)
Increase/decrease in cash and cash equivalents	1,575,466	938,290
Cash and cash equivalents at the beginning of the period	4,302,014	5,877,480
Cash and cash equivalents at the end of the period	5,877,480	6,815,771