

**ITmedia Inc.**  
**Consolidated Financial Report**  
**For the fiscal year ended March 31, 2018 (IFRS)**

Tokyo, May 7, 2018

**1. Financial Highlights**  
**(1) Results of Operations**

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

(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>Fiscal year ended March 31, 2018</b>	<b>¥4,608</b>	<b>3.5</b>	<b>¥746</b>	<b>5.1</b>	<b>¥744</b>	<b>4.8</b>	<b>¥477</b>	<b>(0.1)</b>	<b>¥494</b>	<b>4.0</b>	<b>¥475</b>	<b>0.0</b>
Fiscal year ended March 31, 2017	¥4,451	1.7	¥709	(13.3)	¥709	(13.8)	¥477	(12.8)	¥475	(13.3)	¥475	(19.0)

	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 (%)
<b>Fiscal year ended March 31, 2018</b>	<b>¥25.46</b>	<b>¥25.05</b>	<b>10.0</b>	<b>12.5</b>	<b>16.2</b>
Fiscal year ended March 31, 2017	¥24.26	¥23.69	10.0	12.5	15.9

**(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)
<b>As of March 31, 2018</b>	<b>¥6,178</b>	<b>¥5,102</b>	<b>¥5,091</b>	<b>82.4</b>	<b>261.27</b>
As of March 31, 2017	¥5,697	¥4,831	¥4,800	84.3	247.72

**(3) Cash flows**

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at the end of the year
<b>Fiscal year ended March 31, 2018</b>	<b>¥748</b>	<b>¥2</b>	<b>(¥209)</b>	<b>¥3,111</b>
Fiscal year ended March 31, 2017	¥539	(¥317)	(¥420)	¥2,569

**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, 2017	-	5.00	-	5.00	10.00	¥195	41.2	4.1
Fiscal year ending March 31, 2018	-	5.00	-	5.00	10.00	¥194	39.3	3.9
Fiscal year ending March 31, 2019 (Forecasted)	-	5.00	-	5.00	10.00		41.5	

**3. Consolidated forecasts for the fiscal year ending March 31, 2019 (April 1, 2018 to March 31, 2019)** (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, 2019	¥5,000	8.5	¥780	4.6	¥470	(4.9)	¥24.12

**\* 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, 2018 : 20,201,700 shares

As of March 31, 2017 : 20,091,900 shares

[2] Number of treasury stock:

As of March 31, 2018 : 712,999 shares

As of March 31, 2017 : 712,999 shares

[3] Number of average stock during twelve-month period (April-March):

Fiscal year ended March 31, 2018 : 19,417,984 shares

Fiscal year ended March 31, 2017 : 19,601,621 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.

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

(Thousands of yen)

	As of March 31, 2017	As of March 31, 2018
<b>Asset</b>		
<b>Current aseets</b>		
Cash and cash equivalents	2,569,660	3,111,133
Trade and other receivables	746,092	800,795
Other financial assets	505,299	500,221
Inventories	12,326	13,402
Other current assets	62,118	69,369
Total current assets	<u>3,895,497</u>	<u>4,494,922</u>
<b>Non-current asset</b>		
Property and equipment	217,200	191,997
Goodwill	480,463	480,463
Intangible assets	357,832	439,621
Other financial assets	569,535	390,415
Deferred tax assets	176,882	173,566
Other non-current assets	—	7,346
Total non-current assets	<u>1,801,915</u>	<u>1,683,411</u>
<b>Total assets</b>	<u><u>5,697,412</u></u>	<u><u>6,178,334</u></u>
<b>Liabilities and equity</b>		
<b>Current liabilities</b>		
Trade and other payables	196,669	246,465
Interest-bearing debt and other financial liabilities	6,011	4,628
Income tax payables	19,809	185,644
Other current liabilities	565,742	562,723
Total current liabilities	<u>788,232</u>	<u>999,462</u>
<b>Non-current liabilities</b>		
Interest-bearing debt and other financial liabilities	13,083	9,705
Provisions	38,600	38,600
Other non-current liabilities	26,302	28,174
Total non-current liabilities	<u>77,986</u>	<u>76,480</u>
<b>Total liabilities</b>	<u>866,219</u>	<u>1,075,942</u>
<b>Equity</b>		
<b>Equity attributable to owners of the parent</b>		
Common stock	1,699,800	1,708,712
Capital surplus	1,814,079	1,797,642
Retained earnings	1,561,077	1,861,367
Treasury stock	(344,414)	(344,414)
Accumulated other comprehensive income	69,963	68,481
Total equity attributable to owners of the parent	<u>4,800,506</u>	<u>5,091,789</u>
<b>Non-controlling interests</b>	30,687	10,602
<b>Total equity</b>	<u>4,831,193</u>	<u>5,102,391</u>
<b>Total liabilities and equity</b>	<u><u>5,697,412</u></u>	<u><u>6,178,334</u></u>

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

### Condensed Interim Consolidated Statements of Income

(Thousands of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
<b>Net sales</b>	4,451,405	4,608,805
Cost of sales	<b>(1,745,407)</b>	<b>(1,947,832)</b>
<b>Gross profit</b>	2,705,998	2,660,972
Selling, general and administrative expenses	<b>(2,001,713)</b>	<b>(1,917,659)</b>
Gain from remeasurement relating to business combination	5,384	—
Other operating income (loss)	220	2,715
<b>Operating income</b>	709,889	746,028
Other non-operating income (loss)	1,422	<b>(1,940)</b>
Income (loss) on equity method investments	<b>(1,572)</b>	—
<b>Income before income tax</b>	709,739	744,088
Income taxes	<b>(231,960)</b>	<b>(266,998)</b>
<b>Net income</b>	<b>477,779</b>	<b>477,090</b>
<b>Net income attributable to</b>		
Owners of the parent	475,479	494,298
Non-controlling interests	2,299	<b>(17,207)</b>
	<b>477,779</b>	<b>477,090</b>
<b>Earning per share attributable to owners of the parent</b>		
Basic earning per share (yen)	24.26	25.46
Diluted earning per share (yen)	23.69	25.05

Condensed Interim Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
<b>Net income</b>	477,779	477,090
<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	(2,219)	(1,481)
Total items that may be reclassified subsequently to profit or loss	(2,219)	(1,481)
<b>Total other comprehensive income, net of tax</b>	(2,219)	(1,481)
<b>Total comprehensive income</b>	475,559	475,608
<b>Total comprehensive income attributable to</b>		
Owners of the parent	473,259	492,816
Non-controlling interests	2,299	(17,207)
	475,559	475,608

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

For the fiscal year ended March 31, 2017

	Equity attributable to owners of the parent					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	—	—	475,479	—	—	475,479	2,299	477,779
Other comprehensive income (loss)	—	—	—	—	(2,219)	(2,219)	—	(2,219)
<b>Total comprehensive income</b>	—	—	475,479	—	(2,219)	473,259	2,299	475,559
<b>Transactions with owners and other transactions</b>								
Issuance of new shares	29,293	28,811	—	—	—	58,104	—	58,104
Issuance of subscription rights to shares	—	4,266	—	—	—	4,266	—	4,266
Cash dividends	—	—	(176,424)	—	—	(176,424)	—	(176,424)
Purchase of treasury stock	—	(1,379)	—	(299,957)	—	(301,337)	—	(301,337)
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>	29,293	38,248	(176,424)	(299,957)	—	(408,840)	28,387	(380,453)
<b>As of March 31, 2017</b>	1,699,800	1,814,079	1,561,077	(344,414)	69,963	4,800,506	30,687	4,831,193

For the fiscal year ended March 31, 2018

	Equity attributable to owners of the parent					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)	—	—	494,298	—	—	494,298	(17,207)	477,090
Other comprehensive income	—	—	—	—	(1,481)	(1,481)	—	(1,481)
<b>Total comprehensive income</b>	—	—	494,298	—	(1,481)	492,816	(17,207)	475,608
<b>Transactions with owners and other transactions</b>								
Issuance of new shares	8,912	8,765	—	—	—	17,677	—	17,677
Cash dividends	—	—	(194,008)	—	—	(194,008)	—	(194,008)
Changes in ownership interests in subsidiaries without losing control	—	(25,202)	—	—	—	(25,202)	(2,877)	(28,080)
<b>Total transactions with owners and other transactions</b>	8,912	(16,437)	(194,008)	—	—	(201,532)	(2,877)	(204,410)
<b>As of March 31, 2018</b>	1,708,712	1,797,642	1,861,367	(344,414)	68,481	5,091,789	10,602	5,102,391

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

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
<b>Cash flows from operating activities</b>		
Income before income taxes	709,739	744,088
Depreciation and amortization	133,009	126,003
Gain from remeasurement relating to business combination	(5,384)	—
Income (loss) on equity method investments	1,572	—
Increase/decrease in trade and other receivables	34,542	(54,703)
Increase/decrease in trade and other payables	(18,475)	43,316
Other	23,625	(19,792)
Subtotal	878,630	838,912
Interest and dividends received	5,089	7,494
Interest paid	(219)	(278)
Income taxes paid	(343,882)	(97,729)
Net cash provided by operating activities	539,618	748,398
<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	(266,907)	(176,109)
Proceeds from redemption of investment securities	—	150,000
Proceeds from acquisition of control over subsidiaries	4,366	—
Payments for guarantee deposits	(92,760)	—
Proceeds from collection of guarantee deposits	71,255	—
Other	(33,527)	28,277
Net cash used in investing activities	(317,573)	2,167
<b>Cash flows from financing activities</b>		
Proceeds from issuance of common shares	58,104	17,677
Proceeds from issuance of subscription rights to shares	4,266	—
Cash dividends paid	(175,932)	(193,930)
Purchase of treasury stock	(299,957)	—
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	(28,080)
Other	(6,945)	(4,761)
Net cash used in financing activities	(420,464)	(209,094)
<b>Increase/decrease in cash and cash equivalents</b>	(198,420)	541,472
<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>	2,569,660	3,111,133