

**ITmedia Inc.**  
**Consolidated Financial Report**  
**For the Six-month period ended September 30, 2019 (IFRS)**

Tokyo, October 31, 2019

**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)

	Revenue		Operating profit		Profit		Profit attributable to owners of parent		Total comprehensive income	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<b>Six-month period ended September 30, 2019</b>	<b>¥2,440</b>	<b>12.5</b>	<b>¥490</b>	<b>50.9</b>	<b>¥319</b>	<b>82.0</b>	<b>¥318</b>	<b>75.0</b>	<b>¥233</b>	<b>(25.3)</b>
Six-month period ended September 30, 2018	¥2,169	-	¥324	-	¥175	15.9	¥181	6.4	¥312	108.1

	Basic earnings per share (yen)	Diluted earnings per share (yen)
<b>Six-month period ended September 30, 2019</b>	<b>¥16.15</b>	<b>¥16.08</b>
Six-month period ended September 30, 2018	¥9.33	¥9.20

**(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 September 30, 2019</b>	<b>¥6,799</b>	<b>¥5,582</b>	<b>¥5,582</b>	<b>82.1</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)				5.00	11.00

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	¥5,000	6.3	¥1,000	13.4	¥600	59.3	¥30.27

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 September 30, 2019 : 20,532,600 shares  
As of March 31, 2019 : 20,208,600 shares  
[2] Number of treasury stock:  
As of September 30, 2019 : 712,999 shares  
As of March 31, 2019 : 712,999 shares  
[3] Number of average stock during six-month period (April-September):  
As of September 30, 2019 : 19,690,564 shares  
As of September 30, 2018 : 19,489,612 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 September 30, 2019
<b>Asset</b>		
<b>Current assets</b>		
Cash and cash equivalents	3,383,007	3,650,052
Trade and other receivables	824,332	767,818
Other financial assets	500,019	524,569
Inventories	26,248	8,213
Other current assets	81,002	58,512
Total current assets	4,814,611	5,009,166
<b>Non-current assets</b>		
Property and equipment	173,629	162,293
Right of use assets	—	343,623
Goodwill	415,719	415,719
Intangible assets	335,461	298,501
Investments accounted for using equity method	54,148	60,180
Other financial assets	479,476	353,157
Deferred tax assets	75,924	155,822
Other non-current assets	2,765	1,347
Total non-current assets	1,537,126	1,790,646
<b>Total assets</b>	6,351,737	6,799,812
<b>Liabilities and equity</b>		
<b>Current liabilities</b>		
Trade and other payables	234,988	147,243
Lease liabilities	3,937	233,351
Income taxes payable	124,645	127,868
Other current liabilities	546,231	540,280
Total current liabilities	909,803	1,048,743
<b>Non-current liabilities</b>		
Lease liabilities	5,767	101,737
Provisions	38,600	38,600
Other non-current liabilities	30,009	27,832
Total non-current liabilities	74,377	168,170
<b>Total liabilities</b>	984,180	1,216,913
<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	2,268,675
Treasury stock	(344,414)	(344,414)
Accumulated other comprehensive income	185,347	99,008
Total equity attributable to owners of parent	5,402,461	5,582,898
<b>Non-controlling interests</b>	(34,905)	—
<b>Total equity</b>	5,367,556	5,582,898
<b>Total liabilities and equity</b>	6,351,737	6,799,812

## Consolidated Financial Report

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

(Thousands of yen)

	Six-month period ended September 30, 2018	Six-month period ended September 30, 2019
<b>Continuing operations</b>		
<b>Revenue</b>	2,169,402	2,440,040
Cost of sales	(950,870)	(967,915)
<b>Gross profit</b>	1,218,532	1,472,125
Selling, general and administrative expenses	(894,882)	(982,572)
Other income and expenses, net	981	465
<b>Operating profit</b>	324,631	490,018
Other non-operating income and expenses	2,019	(97,888)
Share of profit (loss) of investments accounted for using equity method	(22,281)	(37,968)
<b>Profit before tax from continuing operations</b>	304,369	354,161
Income tax expense	(112,548)	(127,709)
<b>Profit from continuing operations</b>	191,820	226,452
<b>Discontinued operations</b>		
<b>Profit (loss) from discontinued operations</b>	(16,017)	93,476
<b>Profit</b>	175,802	319,928
<b>Profit attributable to</b>		
Owners of parent	181,748	318,077
Non-controlling interests	(5,946)	1,851
	175,802	319,928
<b>Earning per share attributable to owners of parent</b>		
<b>Basic earning per (loss) share (yen)</b>		
Continuing operations	9.84	11.50
Discontinued operations	(0.52)	4.65
Basic earnings per share	9.33	16.15
<b>Diluted earning (loss) per share (yen)</b>		
Continuing operations	9.71	11.45
Discontinued operations	(0.51)	4.63
Basic earnings per share	9.20	16.08

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

(Thousands of yen)

	Six-month period ended September 30, 2018	Six-month period ended September 30, 2019
<b>Profit</b>	175,802	319,928
<b>Other comprehensive income</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Equity financial assets at FVTOCI	136,889	(86,339)
Total items that will not be reclassified to profit or loss	136,889	(86,339)
<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>	136,752	(86,339)
<b>Total comprehensive income</b>	312,555	233,588
<b>Total comprehensive income attributable to</b>		
Owners of parent	318,501	231,737
Non-controlling interests	(5,946)	1,851
	312,555	233,588

(4) Condensed Interim Consolidated Statements of Changes in Equity

For the six-month period ended September 30, 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			
<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)	—	—	181,748	—	—	181,748	(5,946)	175,802
Other comprehensive income (loss)	—	—	—	—	136,752	136,752	—	136,752
<b>Total comprehensive income</b>	—	—	181,748	—	136,752	318,501	(5,946)	312,555
<b>Transactions with owners and other transactions</b>								
Issuance of new shares	97	95	—	—	—	193	—	193
Dividends	—	—	(97,443)	—	—	(97,443)	—	(97,443)
Transfer from accumulated other comprehensive income to retained earnings	—	—	10,837	—	(10,837)	—	—	—
<b>Total transactions with owners and other transactions</b>	97	95	(86,605)	—	(10,837)	(97,250)	—	(97,250)
<b>As of September 30, 2018</b>	<u>1,708,810</u>	<u>1,797,737</u>	<u>1,956,510</u>	<u>(344,414)</u>	<u>194,396</u>	<u>5,313,040</u>	<u>4,656</u>	<u>5,317,696</u>

For the six-month period ended September 30, 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)	—	—	318,077	—	—	318,077	1,851	319,928
Other comprehensive income	—	—	—	—	(86,339)	(86,339)	—	(86,339)
<b>Total comprehensive income</b>	—	—	318,077	—	(86,339)	231,737	1,851	233,588
<b>Transactions with owners and other transactions</b>								
Issuance of new shares	26,298	25,866	—	—	—	52,164	—	52,164
Dividends	—	—	(116,973)	—	—	(116,973)	—	(116,973)
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	(103,464)	—	—	(51,300)	33,053	(18,247)
<b>As of September 30, 2019</b>	<u>1,735,570</u>	<u>1,824,058</u>	<u>2,268,675</u>	<u>(344,414)</u>	<u>99,008</u>	<u>5,582,898</u>	<u>—</u>	<u>5,582,898</u>

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

(Thousands of yen)

	Six-month period ended September 30, 2018	Six-month period ended September 30, 2019
<b>Cash flows from operating activities</b>		
Profit before tax from continuing operations	304,369	354,161
Profit (loss) before tax from discontinued operations	(15,792)	53,321
Depreciation and amortization	63,137	162,836
Share of profit (loss) of investments accounted for using equity method	22,281	37,968
Increase/decrease in trade and other receivables	122,427	10,003
Increase/decrease in trade and other payables	(76,455)	(67,912)
Other	(46,946)	78,330
Subtotal	373,020	628,709
Interest and dividends received	753	719
Interest paid	(102)	(174)
Income taxes paid	(185,300)	(124,486)
Net cash provided by operating activities	188,370	504,767
<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	(40,989)	—
Payments for sales of investments in subsidiaries with loss of control	—	(15,743)
Purchase of investments accounted for using equity method	(120,000)	(44,000)
Proceeds from sales and redemption of investment securities	117,112	—
Other	—	649
Net cash used in investing activities	(43,877)	(59,094)
<b>Cash flows from financing activities</b>		
Proceeds from issuance of shares	193	52,164
Dividends paid	(97,363)	(116,654)
Repayments of lease liabilities	(2,303)	(114,137)
Net cash used in financing activities	(99,473)	(178,628)
<b>Increase/decrease in cash and cash equivalents</b>	45,019	267,045
<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>	3,156,153	3,650,052