

ITmedia Inc.
Consolidated Financial Report
For the three-month period ended June 30, 2020 (IFRS)

Tokyo, July 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	%
Three-month period ended June 30, 2020	¥1,425	26.2	¥350	82.5	¥327	276.0	¥218	49.9	¥218	51.8	¥239	216.9
Three-month period ended June 30, 2019	¥1,129	7.8	¥192	48.2	¥87	(29.6)	¥146	105.1	¥144	96.7	¥75	(62.3)

	Basic earnings per share (yen)	Diluted earnings per share (yen)
Three-month period ended June 30, 2020	¥11.04	¥11.04
Three-month period ended June 30, 2019	¥7.37	¥7.30

(2) Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets (%)
As of June 30, 2020	¥7,198	¥6,007	¥6,007	83.5
As of March 31, 2020	¥7,235	¥5,887	¥5,887	81.4

2. Dividends

	Dividends per share				
	First quarter	Second quarter	Third quarter	Fourth quarter	Total
	(yen)	(yen)	(yen)	(yen)	(yen)
Fiscal year ended March 31, 2020	—	6.00	—	6.00	12.00
Fiscal year ending March 31, 2021	—				
Fiscal year ending March 31, 2021 (Forecasted)		7.00		7.00	14.00

Note:

Revisions of the forecast from recently announced figures : Yes

3. Consolidated forecasts for the fiscal year ending March 31, 2021

(April 1, 2020 to March 31, 2021)

(Millions of yen)

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

	Revenue		Operating profit		Profit attributable to owners of parent		Basic earnings per share (yen)
	Amount	%	Amount	%	Amount	%	Amount
Six-month period ended September 30, 2020	¥3,050	25.0	¥800	63.3	¥510	60.3	¥25.73
Fiscal year ending March 31, 2021	¥5,888	11.5	¥1,482	26.4	¥950	21.7	¥47.93

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): 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 June 30, 2020 : 20,532,600 shares
 - As of March 31, 2020 : 20,532,600 shares
 - [2] Number of treasury stock:
 - As of June 30, 2020 : 713,036 shares
 - As of March 31, 2020 : 713,036 shares
 - [3] Number of average stock during three-month period (April-June):
 - As of June 30, 2020 : 19,819,564 shares
 - As of June 30, 2019 : 19,560,110 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, 2020	As of June 30, 2020
Asset		
Current assets		
Cash and cash equivalents	4,302,014	4,360,482
Trade and other receivables	803,053	742,909
Other financial assets	500,008	500,003
Inventories	9,814	9,995
Other current assets	83,743	57,632
Total current assets	<u>5,698,634</u>	<u>5,671,025</u>
Non-current assets		
Property and equipment	157,857	151,994
Right of use assets	229,082	171,811
Goodwill	415,719	415,719
Intangible assets	277,958	263,307
Investments accounted for using equity method	36,085	85,198
Other financial assets	296,061	325,935
Deferred tax assets	121,517	112,119
Other non-current assets	2,166	1,731
Total non-current assets	<u>1,536,450</u>	<u>1,527,819</u>
Total assets	<u><u>7,235,085</u></u>	<u><u>7,198,844</u></u>
Liabilities and equity		
Current liabilities		
Trade and other payables	267,026	238,797
Lease liabilities	218,001	160,283
Income taxes payable	199,923	108,830
Other current liabilities	588,347	610,923
Total current liabilities	<u>1,273,298</u>	<u>1,118,834</u>
Non-current liabilities		
Lease liabilities	7,373	6,253
Provisions	38,600	38,600
Other non-current liabilities	28,505	27,385
Total non-current liabilities	<u>74,478</u>	<u>72,239</u>
Total liabilities	<u>1,347,777</u>	<u>1,191,074</u>
Equity		
Equity attributable to owners of parent		
Share capital	1,735,570	1,735,570
Capital surplus	1,824,058	1,824,058
Retained earnings	2,612,258	2,712,244
Treasury stock	(344,454)	(344,454)
Accumulated other comprehensive income	59,874	80,350
Total equity attributable to owners of parent	<u>5,887,308</u>	<u>6,007,770</u>
Total equity	<u>5,887,308</u>	<u>6,007,770</u>
Total liabilities and equity	<u><u>7,235,085</u></u>	<u><u>7,198,844</u></u>

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(2) Condensed Interim Consolidated Statement of Income

(Thousands of yen)

	Three-month period ended June 30, 2019	Three-month period ended June 30, 2020
Continuing operations		
Revenue	1,129,536	1,425,981
Cost of sales	(473,273)	(514,185)
Gross profit	656,263	911,795
Selling, general and administrative expenses	(464,232)	(561,336)
Other income and expenses, net	211	308
Operating profit	192,242	350,767
Other non-operating income and expenses	(85,604)	(142)
Share of profit (loss) of investments accounted for using equity method	(19,471)	(22,887)
Profit before tax from continuing operations	87,165	327,737
Income tax expense	(34,591)	(108,834)
Profit from continuing operations	52,574	218,903
Discontinued operations		
Profit (loss) from discontinued operations	93,476	—
Profit	146,051	218,903
Profit attributable to		
Owners of parent	144,199	218,903
Non-controlling interests	1,851	—
	146,051	218,903
Earning per share attributable to owners of parent		
Basic earning per (loss) share (yen)		
Continuing operations	2.69	11.04
Discontinued operations	4.68	—
Basic earnings per share	7.37	11.04
Diluted earning (loss) per share (yen)		
Continuing operations	2.66	11.04
Discontinued operations	4.64	—
Basic earnings per share	7.30	11.04

(3) Condensed Interim Consolidated Statement of Comprehensive Income

(Thousands of yen)

	Three-month period ended June 30, 2019	Three-month period ended June 30, 2020
Profit	146,051	218,903
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Equity financial assets at FVTOCI	(70,515)	20,475
Total items that will not be reclassified to profit or loss	(70,515)	20,475
Total other comprehensive income	(70,515)	20,475
Total comprehensive income	<u>75,535</u>	<u>239,379</u>
Total comprehensive income attributable to		
Owners of parent	73,684	239,379
Non-controlling interests	1,851	—
	<u>75,535</u>	<u>239,379</u>

(4) Condensed Interim Consolidated Statement of Changes in Equity

For the three-month period ended June 30, 2019

(Thousands of yen)

	Equity attributable to owners of parent					Total	Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	Accumulated other comprehensive income			
As of April 1, 2019	1,709,272	1,798,192	2,054,062	(344,414)	185,347	5,402,461	(34,905)	5,367,556
Comprehensive income								
Profit(loss)	—	—	144,199	—	—	144,199	1,851	146,051
Other comprehensive income (loss)	—	—	—	—	(70,515)	(70,515)	—	(70,515)
Total comprehensive income	—	—	144,199	—	(70,515)	73,684	1,851	75,535
Transactions with owners and other transactions								
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
Total transactions with owners and other transactions	26,298	25,866	(103,464)	—	—	(51,300)	33,053	(18,247)
As of June 30, 2019	<u>1,735,570</u>	<u>1,824,058</u>	<u>2,094,797</u>	<u>(344,414)</u>	<u>114,832</u>	<u>5,424,845</u>	<u>—</u>	<u>5,424,845</u>

For the three-month period ended June 30, 2020

	Equity attributable to owners of parent					Total	Non-controlling interests	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)	—	—	218,903	—	—	218,903	—	218,903
Other comprehensive income	—	—	—	—	20,475	20,475	—	20,475
Total comprehensive income	—	—	218,903	—	20,475	239,379	—	239,379
Transactions with owners and other transactions								
Dividends	—	—	(118,917)	—	—	(118,917)	—	(118,917)
Total transactions with owners and other transactions	—	—	(118,917)	—	—	(118,917)	—	(118,917)
As of June 30, 2020	<u>1,735,570</u>	<u>1,824,058</u>	<u>2,712,244</u>	<u>(344,454)</u>	<u>80,350</u>	<u>6,007,770</u>	<u>—</u>	<u>6,007,770</u>

(5) Interim Condensed Consolidated Statement of Cash Flows

(Thousands of yen)

	Three-month period ended June 30, 2019	Three-month period ended June 30, 2020
Cash flows from operating activities		
Profit before tax from continuing operations	87,165	327,737
Profit (loss) before tax from discontinued operations	53,321	—
Depreciation and amortization	81,510	82,224
Share of profit (loss) of investments accounted for using equity method	19,471	22,887
Increase/decrease in trade and other receivables	252,399	60,143
Increase/decrease in trade and other payables	(21,655)	(16,167)
Other	(5,393)	48,178
Subtotal	466,820	525,003
Interest and dividends received	79	74
Interest paid	(93)	(70)
Income taxes paid	(128,996)	(203,983)
Net cash provided by operating activities	337,808	321,024
Cash flows from investing activities		
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	—	(16,500)
Purchase of investments accounted for using equity method	—	(72,000)
Payments for sales of investments in subsidiaries with loss of control	(15,743)	—
Other	(351)	—
Net cash used in investing activities	(16,094)	(88,500)
Cash flows from financing activities		
Proceeds from issuance of shares	52,164	—
Dividends paid	(111,226)	(115,217)
Repayments of lease liabilities	(75,680)	(58,837)
Net cash used in financing activities	(134,743)	(174,055)
Increase/decrease in cash and cash equivalents	186,970	58,468
Cash and cash equivalents at the beginning of the period	3,383,007	4,302,014
Cash and cash equivalents at the end of the period	3,569,978	4,360,482