

ITmedia Inc.
Consolidated Financial Report
For the Nine-month period ended December 31, 2021 (IFRS)

Tokyo, January 31, 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)

	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	%
Nine-month period ended December 31, 2021	¥5,715	17.7	¥1,985	33.4	¥1,976	38.1	¥1,343	40.7	¥1,343	40.7	¥1,216	2.6
Nine-month period ended December 31, 2020	¥4,854	28.5	¥1,488	80.5	¥1,431	88.8	¥954	60.0	¥954	60.5	¥1,185	133.0

	Basic earnings per share (yen)	Diluted earnings per share (yen)
Nine-month period ended December 31, 2021	¥67.80	¥66.51
Nine-month period ended December 31, 2020	¥48.18	¥48.18

(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 December 31, 2021	¥8,926	¥7,302	¥7,302	81.8
As of March 31, 2021	¥9,074	¥7,117	¥7,117	78.4

2. Dividends

	Dividends per share				
	First quarter	Second quarter	Third quarter	Fourth quarter	Total
	(yen)	(yen)	(yen)	(yen)	(yen)
Fiscal year ended March 31, 2021	—	7.00	—	9.00	16.00
Fiscal year ending March 31, 2022	—	11.00			
Fiscal year ending March 31, 2022 (Forecasted)				12.00	23.00

Note:

Revisions of the forecast from recently announced figures : Yes

3. Consolidated forecasts for the fiscal year ending March 31, 2022 (April 1, 2021 to March 31, 2022) (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, 2022	¥7,880	14.3	¥2,620	29.6	¥1,770	41.0	¥89.59

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 December 31, 2021 : 20,828,600 shares
As of March 31, 2021 : 20,532,600 shares
[2] Number of treasury stock:
As of December 31, 2021 : 1,072,098 shares
As of March 31, 2021 : 713,074 shares
[3] Number of average stock during Nine-month period (April-December):
As of December 31, 2021 : 19,818,050 shares
As of December 31, 2020 : 19,819,538 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.

This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Consolidated Financial Report

(1) Interim Condensed Consolidated Statement of Financial Position

(Thousands of yen)

	As of March 31, 2021	As of December 31, 2021
Asset		
Current aseets		
Cash and cash equivalents	5,877,480	5,916,540
Trade and other receivables	1,183,931	972,687
Other finacial assets	500,000	500,000
Inventories	13,839	18,212
Other current assets	92,066	64,430
Total current aseets	<u>7,667,317</u>	<u>7,471,870</u>
Non-current assets		
Property and equipment	142,977	131,440
Right of use assets	—	219,983
Goodwill	415,719	443,471
Intangible assets	237,416	219,423
Investments accounted for using equity method	4,797	—
Other financial assets	486,537	251,595
Deferred tax assets	113,671	184,517
Other non-current assets	6,048	4,556
Total non-current assets	<u>1,407,169</u>	<u>1,454,989</u>
Total assets	<u><u>9,074,487</u></u>	<u><u>8,926,860</u></u>
Liabilities and equity		
Current liabilities		
Trade and other payables	377,409	293,078
Lease liabilities	3,688	177,305
Income taxes payable	562,786	276,313
Contract liabilities	324,963	344,755
Other current liabilities	625,375	444,722
Total current liabilities	<u>1,894,223</u>	<u>1,536,174</u>
Non-current liabilities		
Lease liabilities	3,684	32,078
Provisions	28,950	28,950
Other non-current liabilities	30,297	26,805
Total non-current liabilities	<u>62,932</u>	<u>87,833</u>
Total liabilities	<u>1,957,156</u>	<u>1,624,008</u>
Equity		
Equity attributable to owners of parent		
Share capital	1,735,570	1,823,038
Capital surplus	1,926,189	2,004,786
Retained earnings	3,607,628	4,554,843
Treasury stock	(344,517)	(1,144,612)
Accumulated other comprehensive income	192,460	64,794
Total equity attributable to owners of parent	<u>7,117,330</u>	<u>7,302,851</u>
Total equity	<u>7,117,330</u>	<u>7,302,851</u>
Total liabilities and equity	<u><u>9,074,487</u></u>	<u><u>8,926,860</u></u>

Consolidated Financial Report

(2) Condensed Interim Consolidated Statement of Income

(Thousands of yen)

	Nine-month period ended December 31, 2020	Nine-month period ended December 31, 2021
Revenue	4,854,763	5,715,246
Cost of sales	(1,671,374)	(1,917,455)
Gross profit	3,183,388	3,797,791
Selling, general and administrative expenses	(1,695,246)	(1,813,882)
Other income and expenses, net	613	1,403
Operating profit	1,488,755	1,985,312
Other non-operating income and expenses	(802)	(4,341)
Share of profit (loss) of investments accounted for using equity method	(56,750)	(4,797)
Profit before tax	1,431,202	1,976,172
Income tax expense	(476,357)	(632,500)
Profit	954,845	1,343,672
Profit attributable to		
Owners of parent	954,845	1,343,672
Non-controlling interests	—	—
	954,845	1,343,672
Earning per share attributable to owners of parent		
Basic earning per share (yen)	48.18	67.80
Diluted earning per share (yen)	48.18	66.51

(3) Condensed Interim Consolidated Statement of Comprehensive Income

(Thousands of yen)

	Nine-month period ended December 31, 2020	Nine-month period ended December 31, 2021
Profit	954,845	1,343,672
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Equity financial assets at FVTOCI	230,417	(127,665)
Total items that will not be reclassified to profit or loss	230,417	(127,665)
Total other comprehensive income	230,417	(127,665)
Total comprehensive income	1,185,262	1,216,007
Total comprehensive income attributable to		
Owners of parent	1,185,262	1,216,007
Non-controlling interests	—	—
	1,185,262	1,216,007

(4) Condensed Interim Consolidated Statement of Changes in Equity

For the Nine-month period ended December 31, 2020

(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)	—	—	954,845	—	—	954,845	954,845
Other comprehensive income	—	—	—	—	230,417	230,417	230,417
Total comprehensive income	—	—	954,845	—	230,417	1,185,262	1,185,262
Transactions with owners and other transactions							
Dividends	—	—	(258,439)	—	—	(258,439)	(258,439)
Purchase of treasury shares	—	—	—	(63)	—	(63)	(63)
Total transactions with owners and other transactions	—	—	(258,439)	(63)	—	(258,502)	(258,502)
As of December 31, 2020	<u>1,735,570</u>	<u>1,824,058</u>	<u>3,308,664</u>	<u>(344,517)</u>	<u>290,292</u>	<u>6,814,068</u>	<u>6,814,068</u>

For the Nine-month period ended December 31, 2021

	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)	—	—	1,343,672	—	—	1,343,672	1,343,672
Other comprehensive income(loss)	—	—	—	—	(127,665)	(127,665)	(127,665)
Total comprehensive income	—	—	1,343,672	—	(127,665)	1,216,007	1,216,007
Transactions with owners and other transactions							
Issuance of new shares	87,468	85,725	—	—	—	173,193	173,193
Issuance of share acquisition rights	—	366	—	—	—	366	366
Dividends	—	—	(396,456)	—	—	(396,456)	(396,456)
Purchase of treasury shares	—	(5,179)	—	(800,094)	—	(805,273)	(805,273)
Share-based payment transactions	—	(2,315)	—	—	—	(2,315)	(2,315)
Total transactions with owners and other transactions	87,468	78,597	(396,456)	(800,094)	—	(1,030,486)	(1,030,486)
As of December 31, 2021	<u>1,823,038</u>	<u>2,004,786</u>	<u>4,554,843</u>	<u>(1,144,612)</u>	<u>64,794</u>	<u>7,302,851</u>	<u>7,302,851</u>

(5) Interim Condensed Consolidated Statement of Cash Flows

(Thousands of yen)

	Nine-month period ended December 31, 2020	Nine-month period ended December 31, 2021
Cash flows from operating activities		
Profit before tax	1,431,202	1,976,172
Depreciation and amortization	246,373	210,218
Share of profit (loss) of investments accounted for using equity method	56,750	4,797
Increase/decrease in trade and other receivables	(15,494)	211,243
Increase/decrease in trade and other payables	3,174	(84,113)
Increase/decrease in trade and contract liabilities	160,622	19,791
Other	18,984	(176,638)
Subtotal	1,901,614	2,161,473
Interest and dividends received	265	215
Interest paid	(176)	(273)
Income taxes paid	(351,158)	(918,973)
Net cash provided by operating activities	1,550,546	1,242,440
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	(27,876)	(48,915)
Purchase of investments accounted for using equity method	(72,000)	—
Proceeds from guarantee deposits	—	48,798
Payments for acquisition of businesses	—	(40,000)
Other	—	(120)
Net cash provided by (used in) investing activities	(99,876)	(40,237)
Cash flows from financing activities		
Proceeds from issuance of shares	—	173,160
Proceeds from issuance of share acquisition rights	—	366
Purchase of treasury shares	(63)	(800,094)
Dividends paid	(257,847)	(396,112)
Repayments of lease liabilities	(177,771)	(135,283)
Other	—	(5,179)
Net cash used in financing activities	(435,681)	(1,163,143)
Increase/decrease in cash and cash equivalents	1,014,988	39,060
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	5,317,003	5,916,540