

ITmedia Inc.
Consolidated Financial Report
For the Six-month period ended September 30, 2022 (IFRS)

Tokyo, October 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	%
Six-month period ended September 30, 2022	¥4,206	13.3	¥1,392	10.2	¥1,390	10.7	¥946	10.6	¥946	10.6	¥946	24.3
Six-month period ended September 30, 2021	¥3,711	19.6	¥1,263	45.3	¥1,255	51.8	¥855	53.9	¥855	53.9	¥761	(27.0)

	Basic earnings per share (yen)	Diluted earnings per share (yen)
Six-month period ended September 30, 2022	¥47.85	¥47.26
Six-month period ended September 30, 2021	¥43.09	¥42.18

(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 September 30, 2022	¥10,326	¥8,644	¥8,644	83.7
As of March 31, 2022	¥10,048	¥7,932	¥7,932	78.9

2. Dividends

	Dividends per share				
	First quarter	Second quarter	Third quarter	Fourth quarter	Total
	(yen)	(yen)	(yen)	(yen)	(yen)
Fiscal year ended March 31, 2022	—	11.00	—	12.00	23.00
Fiscal year ending March 31, 2023	—	14.00			
Fiscal year ending March 31, 2023 (Forecasted)			—	14.00	28.00

Note:

Revisions of the forecast from recently announced figures : None

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)

	Revenue		Operating profit		Profit attributable to owners of parent		Basic earnings per share (yen)
	Amount	%	Amount	%	Amount	%	Amount
Fiscal year ending March 31, 2023	¥8,730	7.9	¥2,920	8.7	¥1,970	9.4	¥99.59

Note:

Revisions of the forecast from recently announced figures : None

*** 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 September 30, 2022 : 20,853,400 shares
As of March 31, 2022 : 20,837,300 shares
[2] Number of treasury stock:
As of September 30, 2022 : 1,072,098 shares
As of March 31, 2022 : 1,072,098 shares
[2] Average number of shares outstanding during the period:
As of September 30, 2022 : 19,772,911 shares
As of September 30, 2021 : 19,852,103 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, 2022	As of September 30, 2022
Asset		
Current assets		
Cash and cash equivalents	6,815,771	7,214,674
Trade and other receivables	1,293,583	1,262,833
Other financial assets	500,000	500,000
Inventories	16,939	17,816
Other current assets	101,746	131,833
Total current assets	<u>8,728,040</u>	<u>9,127,157</u>
Non-current assets		
Property and equipment	122,057	113,233
Right of use assets	175,986	87,993
Goodwill	443,471	443,471
Intangible assets	208,801	177,821
Other financial assets	146,919	146,919
Deferred tax assets	219,514	221,688
Other non-current assets	3,800	7,990
Total non-current assets	<u>1,320,551</u>	<u>1,199,118</u>
Total assets	<u><u>10,048,592</u></u>	<u><u>10,326,276</u></u>
Liabilities and equity		
Current liabilities		
Trade and other payables	401,342	307,882
Lease liabilities	162,671	74,667
Income taxes payable	586,677	446,566
Contract liabilities	322,641	281,481
Other current liabilities	577,901	509,008
Total current liabilities	<u>2,051,234</u>	<u>1,619,606</u>
Non-current liabilities		
Lease liabilities	2,403	1,754
Provisions	28,950	28,950
Other non-current liabilities	33,352	31,071
Total non-current liabilities	<u>64,705</u>	<u>61,776</u>
Total liabilities	<u>2,115,940</u>	<u>1,681,382</u>
Equity		
Equity attributable to owners of parent		
Share capital	1,825,609	1,830,367
Capital surplus	2,108,276	2,106,833
Retained earnings	5,143,378	5,852,305
Treasury stock	<u>(1,144,612)</u>	<u>(1,144,612)</u>
Total equity attributable to owners of parent	<u>7,932,652</u>	<u>8,644,894</u>
Total equity	<u>7,932,652</u>	<u>8,644,894</u>
Total liabilities and equity	<u><u>10,048,592</u></u>	<u><u>10,326,276</u></u>

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(2) Condensed Interim Consolidated Statement of Income

(Thousands of yen)

	Six-month period ended September 30, 2021	Six-month period ended September 30, 2022
Revenue	3,711,505	4,206,849
Cost of sales	(1,244,666)	(1,492,060)
Gross profit	2,466,839	2,714,789
Selling, general and administrative expenses	(1,203,867)	(1,322,461)
Other income and expenses, net	275	338
Operating profit	1,263,247	1,392,666
Other non-operating income and expenses	(2,525)	(2,582)
Share of profit (loss) of investments accounted for using equity method	(4,797)	—
Profit before tax	1,255,924	1,390,083
Income tax expense	(400,508)	(443,974)
Profit	855,416	946,109
Profit attributable to		
Owners of parent	855,416	946,109
Non-controlling interests	—	—
	855,416	946,109
Earning per share attributable to owners of parent		
Basic earning per share (yen)	43.09	47.85
Diluted earning per share (yen)	42.18	47.26

(3) Condensed Interim Consolidated Statement of Comprehensive Income

(Thousands of yen)

	Six-month period ended September 30, 2021	Six-month period ended September 30, 2022
Profit	855,416	946,109
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Equity financial assets at FVTOCI	(94,412)	—
Total items that will not be reclassified to profit or loss	(94,412)	—
Total other comprehensive income	(94,412)	—
Total comprehensive income	<u>761,003</u>	<u>946,109</u>
Total comprehensive income attributable to		
Owners of parent	761,003	946,109
Non-controlling interests	—	—
	<u>761,003</u>	<u>946,109</u>

(4) Condensed Interim Consolidated Statement of Changes in Equity

For the six-month period ended September 30, 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, 2021	1,735,570	1,926,189	3,607,628	(344,517)	192,460	7,117,330	7,117,330
Comprehensive income							
Profit(loss)	—	—	855,416	—	—	855,416	855,416
Other comprehensive income	—	—	—	—	(94,412)	(94,412)	(94,412)
Total comprehensive income	—	—	855,416	—	(94,412)	761,003	761,003
Transactions with owners and other transactions							
Issuance of new shares	78,307	76,750	—	—	—	155,058	155,058
Issuance of share acquisition rights	—	366	—	—	—	366	366
Dividends	—	—	(178,375)	—	—	(178,375)	(178,375)
Purchase of treasury shares	—	(3,700)	—	(570,388)	—	(574,088)	(574,088)
Share-based payment transactions	—	(2,315)	—	—	—	(2,315)	(2,315)
Total transactions with owners and other transactions	78,307	71,101	(178,375)	(570,388)	—	(599,355)	(599,355)
As of September 30, 2021	<u>1,813,878</u>	<u>1,997,290</u>	<u>4,284,668</u>	<u>(914,906)</u>	<u>98,047</u>	<u>7,278,979</u>	<u>7,278,979</u>

For the six-month period ended September 30, 2022

	Equity attributable to owners of parent					Total	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total		
As of April 1, 2022	1,825,609	2,108,276	5,143,378	(1,144,612)	7,932,652	7,932,652	
Comprehensive income							
Profit(loss)	—	—	946,109	—	946,109	946,109	
Total comprehensive income	—	—	946,109	—	946,109	946,109	
Transactions with owners and other transactions							
Issuance of new shares	4,757	4,656	—	—	9,414	9,414	
Dividends	—	—	(237,182)	—	(237,182)	(237,182)	
Share-based payment transactions	—	(6,099)	—	—	(6,099)	(6,099)	
Total transactions with owners and other transactions	4,757	(1,442)	(237,182)	—	(233,867)	(233,867)	
As of September 30, 2022	<u>1,830,367</u>	<u>2,106,833</u>	<u>5,852,305</u>	<u>(1,144,612)</u>	<u>8,644,894</u>	<u>8,644,894</u>	

(5) Interim Condensed Consolidated Statement of Cash Flows

(Thousands of yen)

	Six-month period ended September 30, 2021	Six-month period ended September 30, 2022
Cash flows from operating activities		
Profit before tax	1,255,924	1,390,083
Depreciation and amortization	140,106	138,673
Share of profit (loss) of investments accounted for using equity method	4,797	—
Share-based payment expenses	(2,282)	(6,103)
Increase/decrease in trade and other receivables	111,538	30,750
Increase/decrease in trade and other payables	(152,229)	(100,321)
Increase/decrease in trade and contract liabilities	(14,594)	(41,159)
Other	(154,403)	(98,072)
Subtotal	1,188,857	1,313,850
Interest and dividends received	141	153
Interest paid	(196)	(92)
Income taxes paid	(562,280)	(586,574)
Net cash provided by operating activities	626,522	727,336
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	(18,300)	(12,015)
Proceeds from guarantee deposits	48,798	—
Payments for acquisition of businesses	(40,000)	—
Net cash provided by (used in) investing activities	(9,502)	(12,015)
Cash flows from financing activities		
Proceeds from issuance of shares	155,025	9,418
Proceeds from issuance of share acquisition rights	366	—
Purchase of treasury shares	(570,388)	—
Dividends paid	(179,183)	(237,182)
Repayments of lease liabilities	(90,174)	(88,652)
Other	(3,700)	—
Net cash used in financing activities	(688,056)	(316,416)
Increase/decrease in cash and cash equivalents	(71,036)	398,903
Cash and cash equivalents at the beginning of the period	5,877,480	6,815,771
Cash and cash equivalents at the end of the period	5,806,443	7,214,674