

ITmedia Inc.
Consolidated Financial Report
For the Nine-month period ended December 31, 2022 (IFRS)

Tokyo, January 31, 2023

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, 2022	¥6,417	12.3	¥2,171	9.4	¥2,163	9.5	¥1,467	9.2	¥1,467	9.2	¥1,467	20.7
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

	Basic earnings per share (yen)	Diluted earnings per share (yen)
Nine-month period ended December 31, 2022	¥74.20	¥73.30
Nine-month period ended December 31, 2021	¥67.80	¥66.51

(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, 2022	¥10,228	¥8,895	¥8,895	87.0
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	¥99.54

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 December 31, 2022 : 20,863,900 shares
As of March 31, 2022 : 20,837,300 shares
[2] Number of treasury stock:
As of December 31, 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 December 31, 2022 : 19,778,396 shares
As of December 31, 2021 : 19,818,050 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 December 31, 2022
Asset		
Current assets		
Cash and cash equivalents	6,815,771	7,191,238
Trade and other receivables	1,293,583	1,220,439
Other financial assets	500,000	500,000
Inventories	16,939	14,052
Other current assets	101,746	136,806
Total current assets	<u>8,728,040</u>	<u>9,062,537</u>
Non-current assets		
Property and equipment	122,057	121,916
Right of use assets	175,986	43,996
Goodwill	443,471	443,471
Intangible assets	208,801	179,385
Other financial assets	146,919	146,919
Deferred tax assets	219,514	221,688
Other non-current assets	3,800	8,909
Total non-current assets	<u>1,320,551</u>	<u>1,166,287</u>
Total assets	<u><u>10,048,592</u></u>	<u><u>10,228,824</u></u>
Liabilities and equity		
Current liabilities		
Trade and other payables	401,342	321,105
Lease liabilities	162,671	30,650
Income taxes payable	586,677	227,204
Contract liabilities	322,641	242,409
Provisions	—	9,650
Other current liabilities	577,901	451,595
Total current liabilities	<u>2,051,234</u>	<u>1,282,614</u>
Non-current liabilities		
Lease liabilities	2,403	1,428
Provisions	28,950	19,300
Other non-current liabilities	33,352	29,931
Total non-current liabilities	<u>64,705</u>	<u>50,659</u>
Total liabilities	<u>2,115,940</u>	<u>1,333,274</u>
Equity		
Equity attributable to owners of parent		
Share capital	1,825,609	1,833,470
Capital surplus	2,108,276	2,109,872
Retained earnings	5,143,378	6,096,820
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>8,895,550</u>
Total equity	<u>7,932,652</u>	<u>8,895,550</u>
Total liabilities and equity	<u><u>10,048,592</u></u>	<u><u>10,228,824</u></u>

Consolidated Financial Report

(2) Condensed Interim Consolidated Statement of Income

(Thousands of yen)

	Nine-month period ended December 31, 2021	Nine-month period ended December 31, 2022
Revenue	5,715,246	6,417,450
Cost of sales	(1,917,455)	(2,245,424)
Gross profit	3,797,791	4,172,025
Selling, general and administrative expenses	(1,813,882)	(2,000,587)
Other income and expenses, net	1,403	489
Operating profit	1,985,312	2,171,927
Other non-operating income and expenses	(4,341)	(8,900)
Share of profit (loss) of investments accounted for using equity method	(4,797)	—
Profit before tax	1,976,172	2,163,026
Income tax expense	(632,500)	(695,463)
Profit	1,343,672	1,467,562
Profit attributable to		
Owners of parent	1,343,672	1,467,562
Non-controlling interests	—	—
	1,343,672	1,467,562
Earning per share attributable to owners of parent		
Basic earning per share (yen)	67.80	74.20
Diluted earning per share (yen)	66.51	73.30

(3) Condensed Interim Consolidated Statement of Comprehensive Income

(Thousands of yen)

	Nine-month period ended December 31, 2021	Nine-month period ended December 31, 2022
Profit	1,343,672	1,467,562
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Equity financial assets at FVTOCI	(127,665)	—
Total items that will not be reclassified to profit or loss	(127,665)	—
Total other comprehensive income	(127,665)	—
Total comprehensive income	1,216,007	1,467,562
Total comprehensive income attributable to		
Owners of parent	1,216,007	1,467,562
Non-controlling interests	—	—
	1,216,007	1,467,562

(4) Condensed Interim Consolidated Statement of Changes in Equity

For the Nine-month period ended December 31, 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)	—	—	1,343,672	—	—	1,343,672	1,343,672
Other comprehensive income	—	—	—	—	(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>

For the Nine-month period ended December 31, 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)	—	—	1,467,562	—	1,467,562	1,467,562	
Total comprehensive income	—	—	1,467,562	—	1,467,562	1,467,562	
Transactions with owners and other transactions							
Issuance of new shares	7,860	7,695	—	—	15,555	15,555	
Dividends	—	—	(514,120)	—	(514,120)	(514,120)	
Share-based payment transactions	—	(6,099)	—	—	(6,099)	(6,099)	
Total transactions with owners and other transactions	7,860	1,596	(514,120)	—	(504,664)	(504,664)	
As of December 31, 2022	<u>1,833,470</u>	<u>2,109,872</u>	<u>6,096,820</u>	<u>(1,144,612)</u>	<u>8,895,550</u>	<u>8,895,550</u>	

(5) Interim Condensed Consolidated Statement of Cash Flows

(Thousands of yen)

	Nine-month period ended December 31, 2021	Nine-month period ended December 31, 2022
Cash flows from operating activities		
Profit before tax	1,976,172	2,163,026
Depreciation and amortization	210,218	215,811
Share of profit (loss) of investments accounted for using equity method	4,797	—
Increase/decrease in trade and other receivables	211,243	73,143
Increase/decrease in trade and other payables	(84,113)	(109,513)
Increase/decrease in trade and contract liabilities	19,791	(80,232)
Other	(176,638)	(165,211)
Subtotal	2,161,473	2,097,023
Interest and dividends received	215	219
Interest paid	(273)	(121)
Income taxes paid	(918,973)	(1,057,111)
Net cash provided by operating activities	1,242,440	1,040,010
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	(48,915)	(32,986)
Proceeds from guarantee deposits	48,798	—
Payments for acquisition of businesses	(40,000)	—
Other	(120)	—
Net cash provided by (used in) investing activities	(40,237)	(32,986)
Cash flows from financing activities		
Proceeds from issuance of shares	173,160	15,561
Proceeds from issuance of share acquisition rights	366	—
Purchase of treasury shares	(800,094)	—
Dividends paid	(396,112)	(514,120)
Repayments of lease liabilities	(135,283)	(132,996)
Other	(5,179)	—
Net cash used in financing activities	(1,163,143)	(631,556)
Increase/decrease in cash and cash equivalents	39,060	375,467
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	5,916,540	7,191,238