

Measures to Promote Management With an Awareness of Cost of Capital and Share Price

Last updated on June 27, 2024

ITmedia Inc. (the “Company”) hereby announces that, At the Board of Directors meeting held on June 27,2024, the Company resolved to take measures to promote management with an awareness of cost of capital and share price in order to achieve sustainable growth and an increase in corporate value over the medium and long term. The details are as follows.

1. Assessment of the current situation

Due to the decrease in revenue and income for the fiscal year ended March 31, 2024, ROE, an indicator of capital efficiency, was 15.3%. Meanwhile, equity-to-asset ratio, an indicator of financial soundness, was 86.2%, up 1.7pt from the end of the previous fiscal year.

Under these circumstances, on January 31, 2024, the Company resolved and announced a policy on “Measures to Promote Management With an Awareness of Cost of Capital and Share Price”. Based on this policy, the Company changed its dividend policy, and implemented a significant enhancement of shareholder returns.

As a result, PBR, an indicator of stock price, was 3.62 times, up 1.2 times from the previous fiscal year.

The Company will continue to optimize the cost of capital by utilizing funds for business growth and improving capital efficiency, while maintaining sufficient financial soundness.

	Fiscal year ended March 31,2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Revenue(Millions of yen)	5,278	6,891	8,092	8,752	8,001
Operating income (Millions of yen)	1,172	2,022	2,687	2,930	2,228
Net income attributable to owners of the parent (Millions of yen)	780	1,255	1,800	1,974	1,501
Total asset turnover ratio (Times)	0.73	0.76	0.81	0.78	0.70
Equity-to-asset ratio (%)	81.4	78.4	78.9	84.5	86.2
ROE (%)	13.3	17.6	22.7	20.9	15.3
Year-end share price (Yen)	750	1,863	1,808	1,399	1,832
Net assets per share (Yen)	297.05	359.11	401.34	476.37	505.95
PBR (Times)	2.52	5.19	4.50	2.94	3.62
Dividend payout ratio (%)	30.4	25.3	25.3	28.1	149.4
Total payout ratio (%)	30.4	25.3	69.7	28.1	191.8

2. Policies and targets

Based on the analysis of the current situation, the Company has established the following policies and will promote related initiatives.

(1) Growth strategy

- Conduct M&A that will increase the likelihood of achieving medium-term targets
- Expand our business fields
- Appropriately allocate management resources through business portfolio management

(2) Financial strategy

- Review the capital structure and improve capital efficiency by consolidating surplus funds
- Increase shareholder returns
- Actively utilize interest-bearing debt

(3) Enhancement of investor relations (IR) activities

- Promote dialogue with shareholders and investors
- Broaden English disclosure
- Enhance IR information by renewing the IR website