

**ITmedia Inc.**  
**Consolidated Financial Report**  
**For the Nine-month period ended December 31, 2018 (IFRS)**

Tokyo, January 31, 2019

**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	%
<b>Nine-month period ended December 31, 2018</b>	<b>¥3,481</b>	<b>5.6</b>	<b>¥485</b>	<b>(3.4)</b>	<b>¥446</b>	<b>(11.4)</b>	<b>¥272</b>	<b>(15.0)</b>	<b>¥283</b>	<b>(15.8)</b>	<b>¥455</b>	<b>42.5</b>
Nine-month period ended December 31, 2017	¥3,298	3.6	¥503	13.1	¥504	13.1	¥321	6.6	¥337	11.8	¥319	6.7

	Basic earnings per share (yen)	Diluted earnings per share (yen)
<b>Nine-month period ended December 31, 2018</b>	<b>¥14.55</b>	<b>¥14.36</b>
Nine-month period ended December 31, 2017	¥17.36	¥17.08

**(2) Financial Position**

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets (%)
<b>As of December 31, 2018</b>	<b>¥6,113</b>	<b>¥5,362</b>	<b>¥5,362</b>	<b>87.7</b>
As of March 31, 2018	¥6,178	¥5,102	¥5,091	82.4

**2. Dividends**

	Dividends per share				
	First quarter	Second quarter	Third quarter	Fourth quarter	Total
	(yen)	(yen)	(yen)	(yen)	(yen)
Fiscal year ended March 31, 2018	—	5.00	—	5.00	10.00
Fiscal year ending March 31, 2019	—	5.00	—		
Fiscal year ending March 31, 2019 (Forecasted)				5.00	10.00

Note:

Revisions of the forecast from recently announced figures : None

**3. Consolidated forecasts for the fiscal year ending March 31, 2019 (April 1, 2018 to March 31, 2019)** (Millions of yen)

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

	Revenue		Operating income		Net income attributable to owners of the parent		Basic earnings par share (yen)
	Amount	%	Amount	%	Amount	%	Amount
Fiscal year ending March 31, 2019	¥5,000	8.5	¥780	4.6	¥470	(4.9)	¥24.12

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 : Yes
  - [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, 2018 : 20,202,900 shares
    - As of March 31, 2018 : 20,201,700 shares
  - [2] Number of treasury stock:
    - As of December 31, 2018 : 712,999 shares
    - As of March 31, 2018 : 712,999 shares
  - [3] Number of average stock during six-month period (April-September):
    - As of December 31, 2018 : 19,489,709 shares
    - As of December 31, 2017 : 19,408,873 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.

**(1) Condensed Interim Consolidated Statements of Financial Position**

(Thousands of yen)

	As of March 31, 2018	As of December 31, 2018
<b>Asset</b>		
<b>Current assets</b>		
Cash and cash equivalents	3,111,133	3,079,756
Trade and other receivables	800,795	625,419
Other financial assets	500,221	500,008
Inventories	13,402	19,895
Other current assets	69,369	151,912
Total current assets	<u>4,494,922</u>	<u>4,376,992</u>
<b>Non-current asset</b>		
Property and equipment	191,997	182,144
Goodwill	480,463	480,463
Intangible assets	439,621	446,736
Investments accounted for using the equity method	—	80,566
Other financial assets	390,415	539,145
Deferred tax assets	173,566	3,413
Other non-current assets	7,346	4,259
Total non-current assets	<u>1,683,411</u>	<u>1,736,729</u>
<b>Total assets</b>	<u><u>6,178,334</u></u>	<u><u>6,113,721</u></u>
<b>Liabilities and equity</b>		
<b>Current liabilities</b>		
Trade and other payables	246,465	225,217
Interest-bearing debt and other financial liabilities	4,628	4,177
Income tax payables	185,644	1,675
Other current liabilities	562,723	449,256
Total current liabilities	<u>999,462</u>	<u>680,326</u>
<b>Non-current liabilities</b>		
Interest-bearing debt and other financial liabilities	9,705	6,693
Provisions	38,600	38,600
Other non-current liabilities	28,174	25,355
Total non-current liabilities	<u>76,480</u>	<u>70,648</u>
<b>Total liabilities</b>	1,075,942	750,975
<b>Equity</b>		
<b>Equity attributable to owners of the parent</b>		
Common stock	1,708,712	1,708,810
Capital surplus	1,797,642	1,797,737
Retained earnings	1,861,367	1,960,959
Treasury stock	(344,414)	(344,414)
Accumulated other comprehensive income	68,481	239,838
Total equity attributable to owners of the parent	<u>5,091,789</u>	<u>5,362,932</u>
<b>Non-controlling interests</b>	10,602	(186)
<b>Total equity</b>	<u>5,102,391</u>	<u>5,362,745</u>
<b>Total liabilities and equity</b>	<u><u>6,178,334</u></u>	<u><u>6,113,721</u></u>

## (2) Condensed Interim Consolidated Statements of Income and Comprehensive Income

### Condensed Interim Consolidated Statements of Income

(Thousands of yen)

	Nine-month period ended December 31, 2017	Nine-month period ended December 31, 2018
<b>Revenue</b>	3,298,137	3,481,857
Cost of sales	(1,396,577)	(1,558,265)
<b>Gross profit</b>	1,901,559	1,923,591
Selling, general and administrative expenses	(1,398,927)	(1,440,820)
Other operating income (loss)	461	3,016
<b>Operating income</b>	503,093	485,787
Other non-operating income (loss)	1,360	522
Income (loss) on equity method investments	—	(39,433)
<b>Income before income tax</b>	504,454	446,875
Income taxes	(183,354)	(174,016)
<b>Net income</b>	321,099	272,859
<b>Net income attributable to</b>		
Owners of the parent	337,023	283,648
Non-controlling interests	(15,923)	(10,788)
	321,099	272,859
<b>Earning per share attributable to owners of the parent</b>		
Basic earning per share (yen)	17.36	14.55
Diluted earning per share (yen)	17.08	14.36

## Condensed Interim Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Nine-month period ended December 31, 2017	Nine-month period ended December 31, 2018
<b>Net income</b>	321,099	272,859
<b>Other comprehensive income, net of tax</b>		
<b>Items that will not be reclassified subsequently to profit or loss</b>		
Equity financial assets at FVTOCI	—	182,331
Total items that will not be reclassified subsequently to profit or loss	—	182,331
<b>Items that may be reclassified subsequently to profit or loss</b>		
Available-for-sale financial assets	(1,737)	—
Debt financial assets at FVTOCI	—	(137)
Total items that may be reclassified subsequently to profit or loss	(1,737)	(137)
<b>Total other comprehensive income, net of tax</b>	(1,737)	182,194
<b>Total comprehensive income</b>	319,361	455,053
<b>Total comprehensive income attributable to</b>		
Owners of the parent	335,285	465,842
Non-controlling interests	(15,923)	(10,788)
	319,361	455,053

### (3) Condensed Interim Consolidated Statements of Changes in Equity

For the Nine-month period ended December 31, 2017

(Thousands of yen)

	Equity attributable to owners of the parent					Total	Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	Accumulated other comprehensive income			
<b>As of April 1, 2017</b>	1,699,800	1,814,079	1,561,077	(344,414)	69,963	4,800,506	30,687	4,831,193
<b>Comprehensive income</b>								
Net income	—	—	337,023	—	—	337,023	(15,923)	321,099
Other comprehensive income (loss)	—	—	—	—	(1,737)	(1,737)	—	(1,737)
<b>Total comprehensive income</b>	—	—	337,023	—	(1,737)	335,285	(15,923)	319,361
<b>Transactions with owners and other transactions</b>								
Issuance of new shares	4,236	4,167	—	—	—	8,404	—	8,404
Cash dividends	—	—	(194,008)	—	—	(194,008)	—	(194,008)
<b>Total transactions with owners and other transactions</b>	4,236	4,167	(194,008)	—	—	(185,603)	—	(185,603)
<b>As of December 31, 2017</b>	<u>1,704,037</u>	<u>1,818,246</u>	<u>1,704,092</u>	<u>(344,414)</u>	<u>68,225</u>	<u>4,950,187</u>	<u>14,763</u>	<u>4,964,951</u>

For the Nine-month period ended December 31, 2018

	Equity attributable to owners of the parent					Total	Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	Accumulated other comprehensive income			
<b>As of April 1, 2018</b>	1,708,712	1,797,642	1,861,367	(344,414)	68,481	5,091,789	10,602	5,102,391
<b>Comprehensive income</b>								
Net income (loss)	—	—	283,648	—	—	283,648	(10,788)	272,859
Other comprehensive income	—	—	—	—	182,194	182,194	—	182,194
<b>Total comprehensive income</b>	—	—	283,648	—	182,194	465,842	(10,788)	455,053
<b>Transactions with owners and other transactions</b>								
Issuance of new shares	97	95	—	—	—	193	—	193
Cash dividends	—	—	(194,893)	—	—	(194,893)	—	(194,893)
Transfer from accumulated other comprehensive income to retained earnings	—	—	10,837	—	(10,837)	—	—	—
<b>Total transactions with owners and other transactions</b>	97	95	(184,055)	—	(10,837)	(194,699)	—	(194,699)
<b>As of December 31, 2018</b>	<u>1,708,810</u>	<u>1,797,737</u>	<u>1,960,959</u>	<u>(344,414)</u>	<u>239,838</u>	<u>5,362,932</u>	<u>(186)</u>	<u>5,362,745</u>

**(4) Condensed Interim Consolidated Statements of Cash Flows**

	Nine-month period ended December 31, 2017	Nine-month period ended December 31, 2018
<b>Cash flows from operating activities</b>		
Income before income taxes	504,454	446,875
Depreciation and amortization	94,880	90,977
Income (loss) on equity method investments	—	39,433
Increase/decrease in trade and other receivables	76,838	175,375
Increase/decrease in trade and other payables	(23,223)	(14,768)
Other	(98,779)	(160,426)
Subtotal	554,170	577,468
Interest and dividends received	3,631	843
Interest paid	(219)	(145)
Income taxes paid	(97,206)	(316,425)
Net cash provided by operating activities	460,376	261,740
<b>Cash flows from investing activities</b>		
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	(147,733)	(94,984)
Purchase of interests in investments accounted for using the equity method	—	(120,000)
Proceeds from sales of investment securities	—	17,112
Proceeds from redemption of investment securities	100,000	100,000
Other	5,342	1,980
Net cash used in investing activities	(42,391)	(95,892)
<b>Cash flows from financing activities</b>		
Proceeds from issuance of common shares	8,404	193
Cash dividends paid	(193,054)	(193,955)
Other	(3,617)	(3,463)
Net cash used in financing activities	(188,268)	(197,225)
<b>Increase/decrease in cash and cash equivalents</b>	229,716	(31,376)
<b>Cash and cash equivalents at the beginning of the period</b>	2,569,660	3,111,133
<b>Cash and cash equivalents at the end of the period</b>	2,799,376	3,079,756