

ITmedia Inc.
Consolidated Financial Report
For the fiscal year ended March 31, 2021 (IFRS)

Tokyo, April 30, 2021

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)

	Net sales		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	%
Fiscal year ended March 31, 2021	¥6,891	30.6	¥2,022	72.5	¥1,917	79.4	¥1,255	60.4	¥1,255	60.8	¥1,385	110.9
Fiscal year ended March 31, 2020	¥5,278	12.2	¥1,172	33.0	¥1,068	30.9	¥782	136.2	¥780	107.2	¥656	43.1

	Basic earnings per share (yen)	Diluted earnings per share (yen)	Ratio of net income to equity, attributable to owners of the parent (%)	Ratio of income before income tax to total assets (%)	Ratio of operating income to net sales (%)
Fiscal year ended March 31, 2021	¥63.32	¥61.82	19.3	23.5	29.3
Fiscal year ended March 31, 2020	¥39.51	¥39.42	13.8	15.7	22.2

(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 (%)	Equity per share attributable to owners of the parent (yen)
As of March 31, 2021	¥9,074	¥7,117	¥7,117	78.4	359.11
As of March 31, 2020	¥7,235	¥5,887	¥5,887	81.4	297.05

(3) Cash Flows

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at the end of the year
Fiscal year ended March 31, 2021	¥2,212	(¥161)	(¥475)	¥5,877
Fiscal year ended March 31, 2020	¥1,316	¥15	(¥413)	¥4,302

2. Dividends

	Dividends per share					Total amount of dividends (Annual) (Millions of yen)	Payout ratio (consolidated) %	Ratio of dividend to equity attributable to owners of the parent (consolidated) %
	First quarter	Second quarter	Third quarter	Fourth quarter	Total			
	(yen)	(yen)	(yen)	(yen)	(yen)			
Fiscal year ended March 31, 2020	-	6.00	-	6.00	12.00	¥237	30.4	4.2
Fiscal year ended March 31, 2021	-	7.00	-	9.00	16.00	¥317	25.3	4.9
Fiscal year ending March 31, 2022 (Forecasted)	-	11.00	-	11.00	22.00		27.6	

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)

	Net sales		Operating income		Net income attributable to owners of the parent		Basic earnings par share (yen)
	Amount	%	Amount	%	Amount	%	Amount
Six-month period ended September 30, 2021	¥3,610	16.3	¥1,080	24.2	¥720	29.5	¥36.33
Fiscal year ending March 31, 2022	¥7,580	10.0	¥2,380	17.7	¥1,580	25.9	¥79.72

*** 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 March 31, 2021 : 20,532,600 shares
As of March 31, 2020 : 20,532,600 shares
[2] Number of treasury stock:
As of March 31, 2021 : 713,074 shares
As of March 31, 2020 : 713,036 shares
[3] Number of average stock during twelve-month period (April-March):
Fiscal year ended March 31, 2021 : 19,819,535 shares
Fiscal year ended March 31, 2020 : 19,755,080 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.

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(1) Interim Condensed Consolidated Statement of Financial Position

(Thousands of yen)

	As of March 31, 2020	As of March 31, 2021
Asset		
Current assets		
Cash and cash equivalents	4,302,014	5,877,480
Trade and other receivables	803,053	1,183,931
Other financial assets	500,008	500,000
Inventories	9,814	13,839
Other current assets	83,743	92,066
Total current assets	5,698,634	7,667,317
Non-current assets		
Property and equipment	157,857	142,977
Right of use assets	229,082	—
Goodwill	415,719	415,719
Intangible assets	277,958	237,416
Investments accounted for using equity method	36,085	4,797
Other financial assets	296,061	486,537
Deferred tax assets	121,517	113,671
Other non-current assets	2,166	6,048
Total non-current assets	1,536,450	1,407,169
Total assets	7,235,085	9,074,487
Liabilities and equity		
Current liabilities		
Trade and other payables	267,026	377,409
Lease liabilities	218,001	3,688
Income taxes payable	199,923	562,786
Other current liabilities	588,347	950,339
Total current liabilities	1,273,298	1,894,223
Non-current liabilities		
Lease liabilities	7,373	3,684
Provisions	38,600	28,950
Other non-current liabilities	28,505	30,297
Total non-current liabilities	74,478	62,932
Total liabilities	1,347,777	1,957,156
Equity		
Equity attributable to owners of parent		
Share capital	1,735,570	1,735,570
Capital surplus	1,824,058	1,926,189
Retained earnings	2,612,258	3,607,628
Treasury stock	(344,454)	(344,517)
Accumulated other comprehensive income	59,874	192,460
Total equity attributable to owners of parent	5,887,308	7,117,330
Total equity	5,887,308	7,117,330
Total liabilities and equity	7,235,085	9,074,487

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(2) Condensed Interim Consolidated Statement of Income

(Thousands of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Continuing operations		
Revenue	5,278,570	6,891,223
Cost of sales	(2,007,994)	(2,347,909)
Gross profit	3,270,575	4,543,314
Selling, general and administrative expenses	(2,099,207)	(2,522,102)
Other income and expenses, net	835	943
Operating profit	1,172,203	2,022,155
Other non-operating income and expenses	(1,626)	(1,855)
Share of profit (loss) of investments accounted for using equity method	(102,062)	(103,288)
Profit before tax from continuing operations	1,068,513	1,917,012
Income tax expense	(379,560)	(661,954)
Profit from continuing operations	688,952	1,255,057
Discontinued operations		
Profit (loss) from discontinued operations	93,476	—
Profit	782,429	1,255,057
Profit attributable to		
Owners of parent	780,578	1,255,057
Non-controlling interests	1,851	—
	782,429	1,255,057
Earning per share attributable to owners of parent		
Basic earning per (loss) share (yen)		
Continuing operations	34.87	63.32
Discontinued operations	4.64	—
Basic earnings per share	39.51	63.32
Diluted earning (loss) per share (yen)		
Continuing operations	34.79	61.82
Discontinued operations	4.63	—
Basic earnings per share	39.42	61.82

(3) Condensed Interim Consolidated Statement of Comprehensive Income

(Thousands of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Profit	782,429	1,255,057
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Equity financial assets at FVTOCI	(125,473)	130,552
Total items that will not be reclassified to profit or loss	(125,473)	130,552
Total other comprehensive income	(125,473)	130,552
Total comprehensive income	656,956	1,385,609
Total comprehensive income attributable to		
Owners of parent	655,104	1,385,609
Non-controlling interests	1,851	—
	656,956	1,385,609

(4) Condensed Interim Consolidated Statement of Changes in Equity

For the fiscal year ended March 31, 2020

	Equity attributable to owners of parent					Total	Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	Accumulated other comprehensive income			
As of April 1, 2019	1,709,272	1,798,192	2,054,062	(344,414)	185,347	5,402,461	(34,905)	5,367,556
Comprehensive income								
Profit(loss)	—	—	780,578	—	—	780,578	1,851	782,429
Other comprehensive income (loss)	—	—	—	—	(125,473)	(125,473)	—	(125,473)
Total comprehensive income	—	—	780,578	—	(125,473)	655,104	1,851	656,956
Transactions with owners and other transactions								
Issuance of new shares	26,298	25,866	—	—	—	52,164	—	52,164
Dividends	—	—	(235,891)	—	—	(235,891)	—	(235,891)
Purchase of treasury shares	—	—	—	(39)	—	(39)	—	(39)
Loss of control of subsidiaries	—	—	13,508	—	—	13,508	33,053	46,562
Total transactions with owners and other transactions	26,298	25,866	(222,382)	(39)	—	(170,258)	33,053	(137,204)
As of March 31, 2020	<u>1,735,570</u>	<u>1,824,058</u>	<u>2,612,258</u>	<u>(344,454)</u>	<u>59,874</u>	<u>5,887,308</u>	<u>—</u>	<u>5,887,308</u>

For the fiscal year ended March 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, 2020	1,735,570	1,824,058	2,612,258	(344,454)	59,874	5,887,308	5,887,308
Comprehensive income							
Profit(loss)	—	—	1,255,057	—	—	1,255,057	1,255,057
Other comprehensive income	—	—	—	—	130,552	130,552	130,552
Total comprehensive income	—	—	1,255,057	—	130,552	1,385,609	1,385,609
Transactions with owners and other transactions							
Dividends	—	—	(257,654)	—	—	(257,654)	(257,654)
Purchase of treasury shares	—	—	—	(63)	—	(63)	(63)
Share-based payment transactions	—	102,130	—	—	—	102,130	102,130
Transfer to retained earnings	—	—	(2,033)	—	2,033	—	—
Total transactions with owners and other transactions	—	102,130	(259,687)	(63)	2,033	(155,587)	(155,587)
As of March 31, 2021	<u>1,735,570</u>	<u>1,926,189</u>	<u>3,607,628</u>	<u>(344,517)</u>	<u>192,460</u>	<u>7,117,330</u>	<u>7,117,330</u>

(5) Interim Condensed Consolidated Statement of Cash Flows

(Thousands of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit before tax from continuing operations	1,068,513	1,917,012
Profit (loss) before tax from discontinued operations	53,321	—
Depreciation and amortization	325,952	351,062
Share of profit (loss) of investments accounted for using equity method	102,062	103,288
Gain on sales of shares of subsidiaries	(45,607)	—
Share-based payment expenses	—	102,130
Increase/decrease in trade and other receivables	(25,231)	(380,878)
Increase/decrease in trade and other payables	39,656	122,226
Other	48,999	348,564
Subtotal	1,567,666	2,563,404
Interest and dividends received	1,587	336
Interest paid	(318)	(211)
Income taxes paid	(252,015)	(351,169)
Net cash provided by operating activities	1,316,920	2,212,361
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	(6,051)	(78,400)
Collection of loans receivable	121,400	—
Payments for sales of investments in subsidiaries with loss of control	(15,743)	—
Purchase of investments accounted for using equity method	(84,000)	(72,000)
Other	(351)	(10,890)
Net cash provided by (used in) investing activities	15,254	(161,291)
Cash flows from financing activities		
Proceeds from issuance of shares	52,164	—
Dividends paid	(235,351)	(257,539)
Purchase of treasury shares	(39)	(63)
Repayments of lease liabilities	(229,940)	(218,001)
Net cash used in financing activities	(413,168)	(475,604)
Increase/decrease in cash and cash equivalents	919,006	1,575,466
Cash and cash equivalents at the beginning of the period	3,383,007	4,302,014
Cash and cash equivalents at the end of the period	4,302,014	5,877,480