ITmedia Inc.
Consolidated Financial Report
For the three-month period ended June 30, 2018 (IFRS)

Tokyo, July 31, 2018

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	%
Three-month period ended June 30, 2018	**¥1,097**	**13.1**	**¥124**	**56.3**	**¥118**	**47.3**	**¥71**	**67.2**	**¥73**	**41.1**	**¥200**	**381.3**
Three-month period ended June 30, 2017	**¥970**	**(4.9)**	**¥79**	**(33.5)**	**¥80**	**(30.8)**	**¥42**	**(36.7)**	**¥51**	**(22.8)**	**¥41**	**(37.1)**

	Basic earnings per share (yen)	Diluted earnings per share (yen)
Three-month period ended June 30, 2018	**¥3.76**	**¥3.71**
Three-month period ended June 30, 2017	**¥2.68**	**¥2.63**

(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 (%)
As of June 30, 2018	**¥6,027**	**¥5,205**	**¥5,197**	**86.2**
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	—				
Fiscal year ending March 31, 2019 (Forecasted)		5.00	—	5.00	10.00

Note:
Revisions of the forecast from recentry 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 recentry 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 June 30, 2018 : 20,202,900 shares
As of March 31, 2018 : 20,201,700 shares
[2] Number of treasury stock:
As of June 30, 2018 : 712,999 shares
As of March 31, 2018 : 712,999 shares
[3] Number of average stock during three-month period (April-June):
As of June 30, 2018 : 19,489,320 shares
As of June 30, 2017 : 19,388,893 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, 2017	As of March 31, 2018
Asset		
Current aseets		
Cash and cash equivalents	3,111,133	2,897,404
Trade and other receivables	800,795	644,539
Other finacial assets	500,221	600,557
Inventories	13,402	16,496
Other current assets	69,369	103,399
Total current aseets	4,494,922	4,262,397
Non-current asset		
Property and equipment	191,997	193,416
Goodwill	480,463	480,463
Intangible assets	439,621	437,668
Investments accounted for using the equity method	—	112,166
Other financial assets	390,415	461,905
Deferred tax assets	173,566	72,191
Other non-current assets	7,346	6,964
Total non-current assets	1,683,411	1,764,777
Total assets	6,178,334	6,027,174
Liabilities and equity		
Current liabilities		
Trade and other payables	246,465	163,015
Interest-bearing debt and other financial liabilities	4,628	4,650
Income tax payables	185,644	5,272
Other current liabilities	562,723	574,208
Total current liabilities	999,462	747,146
Non-current liabilities		
Interest-bearing debt and other financial liabilities	9,705	8,534
Provisions	38,600	38,600
Other non-current liabilities	28,174	27,234
Total non-current liabilities	76,480	74,369
Total liabilities	1,075,942	821,516
Equity		
Equity attributable to owners of the parent		
Common stock	1,708,712	1,708,810
Capital surplus	1,797,642	1,797,737
Retained earnings	1,861,367	1,848,077
Treasury stock	(344,414)	(344,414)
Accumulated other comprehensive income	68,481	186,946
Total equity attributable to owners of the parent	5,091,789	5,197,157
Non-controlling interests	10,602	8,500
Total equity	5,102,391	5,205,658
Total liabilities and equity	6,178,334	6,027,174

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

Condensed Interim Consolidated Statements of Income (Thousands of yen)

	Three-month period ended June 30, 2017	Three-month period ended June 30, 2018
Revenue	970,576	1,097,417
Cost of sales	(433,878)	(494,513)
Gross profit	536,697	602,904
Selling, general and administrative expenses	(457,277)	(478,873)
Other operating income (loss)	127	266
Operating income	79,546	124,296
Other non-operating income (loss)	793	1,909
Income (loss) on equity method investments	—	(7,833)
Income before income tax	80,340	118,373
Income taxes	(37,740)	(47,158)
Net income	42,599	71,214
Net income attributable to		
Owners of the parent	51,953	73,316
Non-controlling interests	(9,353)	(2,101)
	42,599	71,214
Earning per share attributable to owners of the parent		
Basic earning per share (yen)	2.68	3.76
Diluted earning per share (yen)	2.63	3.71

Condensed Interim Consolidated Statements of Comprehensive Income (Thousands of yen)

	Three-month period ended June 30, 2017	Three-month period ended June 30, 2018
Net income	42,599	71,214
Other comprehensive income, net of tax		
Items that will not be reclassified subsequently to profit or loss		
Equity financial assets at FVTOCI	—	129,404
Total items that will not be reclassified subsequently to profit or loss	—	129,404
Items that may be reclassified subsequently to profit or loss		
Available-for-sale financial assets	(940)	—
Debt financial assets at FVTOCI	—	(102)
Total items that may be reclassified subsequently to profit or loss	(940)	(102)
Total other comprehensive income, net of tax	(940)	129,302
Total comprehensive income	41,659	200,516
Total comprehensive income attributable to		
Owners of the parent	51,013	202,618
Non-controlling interests	(9,353)	(2,101)
	41,659	200,516

(3) Condensed Interim Consolidated Statements of Changes in Equity

For the three-month period ended June 30, 2018

(Thousands of yen)

	Equity attributable to owners of the parent							
	Common stock	Capital surplus	Retained earnings	Treasury stock	Accumulated other comprehensive income	Total	Non-controlling interests	Total equity
As of April 1, 2017	1,699,800	1,814,079	1,561,077	(344,414)	69,963	4,800,506	30,687	4,831,193
Comprehensive income								
Net income	—	—	51,953	—	—	51,953	(9,353)	42,599
Other comprehensive income (loss)	—	—	—	—	(940)	(940)	—	(940)
Total comprehensive income	—	—	51,953	—	(940)	51,013	(9,353)	41,659
Transactions with owners and other transactions								
Issuance of new shares	1,120	1,101	—	—	—	2,221	—	2,221
Cash dividends	—	—	(96,894)	—	—	(96,894)	—	(96,894)
Total transactions with owners and other transactions	1,120	1,101	(96,894)	—	—	(94,672)	—	(94,894)
As of June 30, 2017	1,700,920	1,815,180	1,516,136	(344,414)	69,023	4,756,846	21,333	4,778,180

For the three-month period ended June 30, 2018

	Equity attributable to owners of the parent							
	Common stock	Capital surplus	Retained earnings	Treasury stock	Accumulated other comprehensive income	Total	Non-controlling interests	Total equity
As of April 1, 2018	1,708,712	1,797,642	1,861,367	(344,414)	68,481	5,091,789	10,602	5,102,391
Comprehensive income								
Net income (loss)	—	—	73,316	—	—	73,316	(2,101)	71,214
Other comprehensive income	—	—	—	—	129,302	129,302	—	129,302
Total comprehensive income	—	—	73,316	—	129,302	202,618	(2,101)	200,516
Transactions with owners and other transactions								
Issuance of new shares	97	95	—	—	—	193	—	193
Cash dividends	—	—	(97,443)	—	—	(97,443)	—	(97,443)
Transfer from accumulated other comprehensive income to retained earnings	—	—	10,837	—	(10,837)	—	—	—
Total transactions with owners and other transactions	97	95	(86,605)	—	(10,837)	(97,250)	—	(97,250)
As of June 30, 2018	1,708,810	1,797,737	1,848,077	(344,414)	186,946	5,197,157	8,500	5,205,658

(4) Condensed Interim Consolidated Statements of Cash Flows

	Three-month period ended June 30, 2017	Three-month period ended June 30, 2018
Cash flows from operating activities		
Income before income taxes	80,340	118,373
Depriciation and amortization	32,231	31,691
Income (loss) on equity method investments	—	7,833
Increase/decrease in trade and other receivables	267,037	158,266
Increase/decrease in trade and other payables	(17,399)	(76,970)
Other	(69,793)	(31,032)
Subtotal	292,417	208,160
Interest and dividends received	940	91
Interest paid	(76)	(54)
Income taxes paid	(34,893)	(187,055)
Net cach provided by operating activities	258,387	21,142
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	(41,356)	(37,637)
Proceeds from sales of investment securities	—	17,112
Purchase of interests in investments accounted for using the equity method	—	(120,000)
Other	187	—
Net cash used in investing activities	(41,169)	(140,525)
Cash flows from financing activities		
Proceeds from issuance of common shares	2,221	193
Cash dividends paid	(94,027)	(93,390)
Other	(1,353)	(1,148)
Net cash used in financing activities	(93,159)	(94,346)
Increase/decrease in cash and cash equivalents	124,058	(213,728)
Cash and cash equivalents at the beginning of the period	2,569,660	3,111,133
Cash and cash equivalents at the end of the period	2,693,719	2,897,404