ITmedia Inc.
Consolidated Financial Report
For the Six-month period ended September 30, 2020 (IFRS)

Tokyo, October 30, 2020

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	%
Six-month period ended September 30, 2020	**¥3,103**	**27.2**	**¥869**	**77.4**	**¥827**	**133.6**	**¥555**	**73.7**	**¥555**	**74.8**	**¥1,042**	**346.5**
Six-month period ended September 30, 2019	¥2,440	12.5	¥490	50.9	¥354	16.4	¥319	82.0	¥318	75.0	¥233	(25.3)

	Basic earnings per share (yen)	Diluted earnings per share (yen)
Six-month period ended September 30, 2020	**¥28.05**	**¥28.05**
Six-month period ended September 30, 2019	¥16.15	¥16.08

(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 September 30, 2020	**¥8,377**	**¥6,811**	**¥6,811**	**81.3**
As of March 31, 2020	¥7,235	¥5,887	¥5,887	81.4

2. Dividends

	Dividends per share				
	First quarter	Second quarter	Third quarter	Fourth quarter	Total
	(yen)	(yen)	(yen)	(yen)	(yen)
Fiscal year ended March 31, 2020	—	6.00	—	6.00	12.00
Fiscal year ending March 31, 2021	—	7.00			
Fiscal year ending March 31, 2021 (Forecasted)				7.00	14.00

Note:
Revisions of the forecast from recentry announced figures : None

3. Consolidated forecasts for the fiscal year ending March 31, 2021 (April 1, 2020 to March 31, 2021)

(Millions of yen)
(Percentages are shown as year-on-year changes)

	Revenue		Operating profit		Profit attributable to owners of parent		Basic earnings par share (yen)
	Amount	%	Amount	%	Amount	%	Amount
Fiscal year ending March 31, 2021	¥6,380	20.9	¥1,730	47.6	¥1,120	43.5	¥56.51

Note:
Revisions of the forecast from recentry announced figures : Yes

*** 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 September 30, 2020 : 20,532,600 shares
As of March 31, 2020 : 20,532,600 shares
[2] Number of treasury stock:
As of September 30, 2020 : 713,074 shares
As of March 31, 2020 : 713,036 shares
[3] Number of average stock during six-month period (April-September):
As of September 30, 2020 : 19,819,545 shares
As of September 30, 2019 : 19,690,564 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 September 30, 2020
Asset		
Current aseets		
Cash and cash equivalents	4,302,014	4,936,947
Trade and other receivables	803,053	877,627
Other finacial assets	500,008	500,008
Inventories	9,814	12,390
Other current assets	83,743	48,599
Total current aseets	5,698,634	6,375,573
Non-current assets		
Property and equipment	157,857	146,131
Right of use assets	229,082	114,541
Goodwill	415,719	415,719
Intangible assets	277,958	251,669
Investments accounted for using equity method	36,085	65,865
Other financial assets	296,061	1,006,797
Deferred tax assets	121,517	—
Other non-current assets	2,166	1,297
Total non-current assets	1,536,450	2,002,022
Total assets	7,235,085	8,377,595
Liabilities and equity		
Current liabilities		
Trade and other payables	267,026	238,443
Lease liabilities	218,001	102,252
Income taxes payable	199,923	271,485
Other current liabilities	588,347	782,020
Total current liabilities	1,273,298	1,394,201
Non-current liabilities		
Lease liabilities	7,373	5,129
Provisions	38,600	38,600
Deferred tax liabilities	—	102,080
Other non-current liabilities	28,505	26,266
Total non-current liabilities	74,478	172,076
Total liabilities	1,347,777	1,566,277
Equity		
Equity attributable to owners of parent		
Share capital	1,735,570	1,735,570
Capital surplus	1,824,058	1,824,058
Retained earnings	2,612,258	3,049,192
Treasury stock	(344,454)	(344,517)
Accumulated other comprehensive income	59,874	547,012
Total equity attributable to owners of parent	5,887,308	6,811,317
Total equity	5,887,308	6,811,317
Total liabilities and equity	7,235,085	8,377,595

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(2) Condensed Interim Consolidated Statement of Income

(Thousands of yen)

	Six-month period ended September 30, 2019	Six-month period ended September 30, 2020
Continuing operations		
Revenue	2,440,040	3,103,482
Cost of sales	(967,915)	(1,093,084)
Gross profit	1,472,125	2,010,397
Selling, general and administrative expenses	(982,572)	(1,141,174)
Other income and expenses, net	465	308
Operating profit	490,018	869,531
Other non-operating income and expenses	(97,888)	30
Share of profit (loss) of investments accounted for using equity method	(37,968)	(42,220)
Profit before tax from continuing operations	354,161	827,341
Income tax expense	(127,709)	(271,489)
Profit from continuing operations	226,452	555,851
Discontinued operations		
Profit (loss) from discontinued operations	93,476	—
Profit	319,928	555,851
Profit attributable to		
Owners of parent	318,077	555,851
Non-controlling interests	1,851	—
	319,928	555,851
Earning per share attributable to owners of parent		
Basic earning per (loss) share (yen)		
Continuing operations	11.50	28.05
Discontinued operations	4.65	—
Basic earnings per share	16.15	28.05
Diluted earning (loss) per share (yen)		
Continuing operations	11.45	28.05
Discontinued operations	4.63	—
Basic earnings per share	16.08	28.05

(3) Condensed Interim Consolidated Statement of Comprehensive Income

(Thousands of yen)

	Six-month period ended September 30, 2019	Six-month period ended September 30, 2020
Profit	319,928	555,851
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Equity financial assets at FVTOCI	(86,339)	487,138
Total items that will not be reclassified to profit or loss	(86,339)	487,138
Total other comprehensive income	(86,339)	487,138
Total comprehensive income	233,588	1,042,990
Total comprehensive income attributable to		
Owners of parent	231,737	1,042,990
Non-controlling interests	1,851	—
	233,588	1,042,990

(4) Condensed Interim Consolidated Statement of Changes in Equity

For the six-month period ended September 30, 2019

(Thousands of yen)

	Equity attributable to owners of parent							
	Share capital	Capital surplus	Retained earnings	Treasury shares	Accumulated other comprehensive income	Total	Non-controlling interests	Total equity
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)	—	—	318,077	—	—	318,077	1,851	319,928
Other comprehensive income(loss)	—	—	—	—	(86,339)	(86,339)	—	(86,339)
Total comprehensive income	—	—	318,077	—	(86,339)	231,737	1,851	233,588
Transactions with owners and other transactions								
Issuance of new shares	26,298	25,866	—	—	—	52,164	—	52,164
Dividends	—	—	(116,973)	—	—	(116,973)	—	(116,973)
Loss of control of subsidiaries	—	—	13,508	—	—	13,508	33,053	46,562
Total transactions with owners and other transactions	26,298	25,866	(103,464)	—	—	(51,300)	33,053	(18,247)
As of September 30, 2019	1,735,570	1,824,058	2,268,675	(344,414)	99,008	5,582,898	—	5,582,898

For the six-month period ended September 30, 2020

	Equity attributable to owners of parent						
	Share capital	Capital surplus	Retained earnings	Treasury shares	Accumulated other comprehensive income	Total	Total equity
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)	—	—	555,851	—	—	555,851	555,851
Other comprehensive income	—	—	—	—	487,138	487,138	487,138
Total comprehensive income	—	—	555,851	—	487,138	1,042,990	1,042,990
Transactions with owners and other transactions							
Dividends	—	—	(118,917)	—	—	(118,917)	(118,917)
Purchase of treasury shares	—	—	—	(63)	—	(63)	(63)
Total transactions with owners and other transactions	—	—	(118,917)	(63)	—	(118,980)	(118,980)
As of September 30, 2020	1,735,570	1,824,058	3,049,192	(344,517)	547,012	6,811,317	6,811,317

(5) Interim Condensed Consolidated Statement of Cash Flows

(Thousands of yen)

	Six-month period ended September 30, 2019	Six-month period ended September 30, 2020
Cash flows from operating activities		
Profit before tax from continuing operations	354,161	827,341
Profit (loss) before tax from discontinued operations	53,321	–
Depriciation and amortization	162,836	164,326
Share of profit (loss) of investments accounted for using equity method	37,968	42,220
Increase/decrease in trade and other receivables	10,003	(74,574)
Increase/decrease in trade and other payables	(67,912)	(16,521)
Other	78,330	224,823
Subtotal	628,709	1,167,615
Interest and dividends received	719	171
Interest paid	(174)	(129)
Income taxes paid	(124,486)	(199,927)
Net cach provided by operating activities	504,767	967,730
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	–	(23,830)
Purchase of investments accounted for using equity method	(44,000)	(72,000)
Payments for sales of investments in subsidiaries with loss of control	(15,743)	–
Other	649	–
Net cash used in investing activities	(59,094)	(95,830)
Cash flows from financing activities		
Proceeds from issuance of shares	52,164	–
Dividends paid	(116,654)	(118,911)
Purchase of treasury shares	–	(63)
Repayments of lease liabilities	(114,137)	(117,992)
Net cash used in financing activities	(178,628)	(236,967)
Increase/decrease in cash and cash equivalents	267,045	634,932
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	3,650,052	4,936,947