

ITmedia Inc.
Consolidated Financial Report
For the fiscal year ended March 31, 2023 (IFRS)

Tokyo, April 28, 2023

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, 2023 | ¥8,752 | 8.2 | ¥2,930 | 9.0 | ¥2,923 | 9.1 | ¥1,974 | 9.6 | ¥1,974 | 9.6 | ¥1,974 | 13.5 |
| Fiscal year ended March 31, 2022 | ¥8,092 | 17.4 | ¥2,687 | 32.9 | ¥2,680 | 39.8 | ¥1,800 | 43.5 | ¥1,800 | 43.5 | ¥1,739 | 25.6 |

| | 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, 2023 | ¥99.82 | ¥98.64 | 22.7 | 27.6 | 33.5 |
| Fiscal year ended March 31, 2022 | ¥90.94 | ¥89.35 | 23.9 | 28.0 | 33.2 |

Reference: Share of profit (loss) of investments accounted for using equity method

For the fiscal year ended March 31, 2023: ¥ – million

For the fiscal year ended March 31, 2022: (¥400) million

(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, 2023 | ¥11,158 | ¥9,429 | ¥9,429 | 84.5 | 476.37 |
| As of March 31, 2022 | ¥10,048 | ¥7,932 | ¥7,932 | 78.9 | 401.34 |

(3) Cash Flows

| | Operating activities | Investing activities | Financing activities | Cash and cash equivalents at the end of the year |
|----------------------------------|----------------------|----------------------|----------------------|--|
| Fiscal year ended March 31, 2023 | ¥1,876 | (¥53) | (¥660) | ¥7,978 |
| Fiscal year ended March 31, 2022 | ¥1,989 | ¥152 | (¥1,203) | ¥6,815 |

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, 2022 | – | 11.00 | – | 12.00 | 23.00 | ¥455 | 25.3 | 6.0 |
| Fiscal year ended March 31, 2023 | – | 14.00 | – | 14.00 | 28.00 | ¥554 | 28.1 | 6.4 |
| Fiscal year ending March 31, 2024 (Forecasted) | – | 15.00 | – | 15.00 | 30.00 | | 29.4 | |

3. Consolidated forecasts for the fiscal year ending March 31, 2024 (April 1, 2023 to March 31, 2024) (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 ending September 30, 2023 | ¥4,210 | 0.1 | ¥1,210 | (13.1) | ¥820 | (13.3) | ¥41.43 |
| Fiscal year ending March 31, 2024 | ¥9,150 | 4.5 | ¥3,000 | 2.4 | ¥2,020 | 2.3 | ¥102.05 |

*** 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, 2023 : 20,865,900 shares
As of March 31, 2022 : 20,837,300 shares
[2] Number of treasury stock:
As of March 31, 2023 : 1,072,098 shares
As of March 31, 2022 : 1,072,098 shares
[3] Average number of shares outstanding during the period:
Fiscal year ended March 31, 2023 : 19,781,948 shares
Fiscal year ended March 31, 2022 : 19,804,438 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.

Consolidated Financial Report

(1) Interim Condensed Consolidated Statement of Financial Position

(Thousands of yen)

| | As of March 31, 2022 | As of March 31, 2023 |
|--|--------------------------|--------------------------|
| Asset | | |
| Current assets | | |
| Cash and cash equivalents | 6,815,771 | 7,978,694 |
| Trade and other receivables | 1,293,583 | 1,339,026 |
| Other financial assets | 500,000 | 500,000 |
| Inventories | 16,939 | 17,813 |
| Other current assets | 101,746 | 161,357 |
| Total current assets | <u>8,728,040</u> | <u>9,996,891</u> |
| Non-current assets | | |
| Property and equipment | 122,057 | 175,734 |
| Right of use assets | 175,986 | — |
| Goodwill | 443,471 | 443,471 |
| Intangible assets | 208,801 | 174,143 |
| Other financial assets | 146,919 | 146,919 |
| Deferred tax assets | 219,514 | 213,411 |
| Other non-current assets | 3,800 | 7,684 |
| Total non-current assets | <u>1,320,551</u> | <u>1,161,364</u> |
| Total assets | <u><u>10,048,592</u></u> | <u><u>11,158,256</u></u> |
| Liabilities and equity | | |
| Current liabilities | | |
| Trade and other payables | 401,342 | 431,256 |
| Lease liabilities | 162,671 | 1,302 |
| Income taxes payable | 586,677 | 472,466 |
| Contract liabilities | 322,641 | 238,046 |
| Provisions | — | 12,000 |
| Other current liabilities | 577,901 | 513,428 |
| Total current liabilities | <u>2,051,234</u> | <u>1,668,499</u> |
| Non-current liabilities | | |
| Lease liabilities | 2,403 | 1,100 |
| Provisions | 28,950 | 19,300 |
| Other non-current liabilities | 33,352 | 40,149 |
| Total non-current liabilities | <u>64,705</u> | <u>60,549</u> |
| Total liabilities | <u>2,115,940</u> | <u>1,729,049</u> |
| Equity | | |
| Equity attributable to owners of parent | | |
| Share capital | 1,825,609 | 1,834,061 |
| Capital surplus | 2,108,276 | 2,135,830 |
| Retained earnings | 5,143,378 | 6,603,927 |
| Treasury stock | <u>(1,144,612)</u> | <u>(1,144,612)</u> |
| Total equity attributable to owners of parent | <u>7,932,652</u> | <u>9,429,206</u> |
| Total equity | <u>7,932,652</u> | <u>9,429,206</u> |
| Total liabilities and equity | <u><u>10,048,592</u></u> | <u><u>11,158,256</u></u> |

Consolidated Financial Report

(2) Condensed Interim Consolidated Statement of Income

(Thousands of yen)

| | Fiscal year ended March 31, 2022 | Fiscal year ended March 31, 2023 |
|---|-------------------------------------|-------------------------------------|
| Revenue | 8,092,222 | 8,752,503 |
| Cost of sales | <u>(2,753,732)</u> | <u>(3,033,448)</u> |
| Gross profit | 5,338,490 | 5,719,055 |
| Selling, general and administrative expenses | <u>(2,652,637)</u> | <u>(2,789,094)</u> |
| Other income and expenses, net | 1,403 | 489 |
| Operating profit | 2,687,256 | 2,930,450 |
| Other non-operating income and expenses | <u>(2,417)</u> | <u>(6,731)</u> |
| Share of profit (loss) of investments accounted for using equity method | <u>(4,797)</u> | — |
| Profit before tax | 2,680,040 | 2,923,719 |
| Income tax expense | <u>(879,053)</u> | <u>(949,049)</u> |
| Profit | <u>1,800,987</u> | <u>1,974,669</u> |
| | | |
| Profit attributable to | | |
| Owners of parent | 1,800,987 | 1,974,669 |
| Non-controlling interests | — | — |
| | <u>1,800,987</u> | <u>1,974,669</u> |
| | | |
| Earning per share attributable to owners of parent | | |
| Basic earning per share (yen) | 90.94 | 99.82 |
| Diluted earning per share (yen) | 89.35 | 98.64 |

(3) Condensed Interim Consolidated Statement of Comprehensive Income

(Thousands of yen)

| | Fiscal year ended March 31, 2022 | Fiscal year ended March 31, 2023 |
|--|-------------------------------------|-------------------------------------|
| Profit | 1,800,987 | 1,974,669 |
| Other comprehensive income | | |
| Items that will not be reclassified to profit or loss | | |
| Equity financial assets at FVTOCI | (61,240) | — |
| Total items that will not be reclassified to profit or loss | (61,240) | — |
| Total other comprehensive income | (61,240) | — |
| Total comprehensive income | 1,739,746 | 1,974,669 |
| | | |
| Total comprehensive income attributable to | | |
| Owners of parent | 1,739,746 | 1,974,669 |
| Non-controlling interests | — | — |
| | 1,739,746 | 1,974,669 |

(4) Condensed Interim Consolidated Statement of Changes in Equity

For the fiscal year ended March 31, 2022

(Thousands of yen)

| | 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, 2021 | 1,735,570 | 1,926,189 | 3,607,628 | (344,517) | 192,460 | 7,117,330 | 7,117,330 |
| Comprehensive income | | | | | | | |
| Profit(loss) | — | — | 1,800,987 | — | — | 1,800,987 | 1,800,987 |
| Other comprehensive income | — | — | — | — | (61,240) | (61,240) | (61,240) |
| Total comprehensive income | — | — | 1,800,987 | — | (61,240) | 1,739,746 | 1,739,746 |
| Transactions with owners and other transactions | | | | | | | |
| Issuance of new shares | 90,038 | 88,239 | — | — | — | 178,278 | 178,278 |
| Issuance of share acquisition rights | — | 366 | — | — | — | 366 | 366 |
| Dividends | — | — | (396,456) | — | — | (396,456) | (396,456) |
| Purchase of treasury shares | — | (3,550) | — | (800,094) | — | (803,644) | (803,644) |
| Share-based payment transactions | — | 97,030 | — | — | — | 97,030 | 97,030 |
| Transfer to retained earnings | — | — | 131,219 | — | (131,219) | — | — |
| Total transactions with owners and other transactions | 90,038 | 182,087 | (265,237) | (800,094) | (131,219) | (924,425) | (924,425) |
| As of March 31, 2022 | <u>1,825,609</u> | <u>2,108,276</u> | <u>5,143,378</u> | <u>(1,144,612)</u> | <u>—</u> | <u>7,932,652</u> | <u>7,932,652</u> |

For the fiscal year ended March 31, 2023

| | Equity attributable to owners of parent | | | | | Total equity |
|--|---|------------------|-------------------|--------------------|------------------|------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total | |
| As of April 1, 2022 | 1,825,609 | 2,108,276 | 5,143,378 | (1,144,612) | 7,932,652 | 7,932,652 |
| Comprehensive income | | | | | | |
| Profit(loss) | — | — | 1,974,669 | — | 1,974,669 | 1,974,669 |
| Total comprehensive income | — | — | 1,974,669 | — | 1,974,669 | 1,974,669 |
| Transactions with owners and other transactions | | | | | | |
| Issuance of new shares | 8,451 | 8,274 | — | — | 16,725 | 16,725 |
| Dividends | — | — | (514,120) | — | (514,120) | (514,120) |
| Share-based payment transactions | — | 19,280 | — | — | 19,280 | 19,280 |
| Total transactions with owners and other transactions | 8,451 | 27,554 | (514,120) | — | (478,115) | (478,115) |
| As of March 31, 2023 | <u>1,834,061</u> | <u>2,135,830</u> | <u>6,603,927</u> | <u>(1,144,612)</u> | <u>9,429,206</u> | <u>9,429,206</u> |

(5) Interim Condensed Consolidated Statement of Cash Flows

(Thousands of yen)

| | Fiscal year ended March 31, 2022 | Fiscal year ended March 31, 2023 |
|---|-------------------------------------|-------------------------------------|
| Cash flows from operating activities | | |
| Profit before tax | 2,680,040 | 2,923,719 |
| Depreciation and amortization | 284,321 | 290,676 |
| Share of profit (loss) of investments accounted for using equity method | 4,797 | — |
| Share-based payment expenses | 97,060 | 19,274 |
| Increase/decrease in trade and other receivables | (109,652) | (45,442) |
| Increase/decrease in trade and other payables | 23,491 | (58,322) |
| Increase/decrease in trade and contract liabilities | (2,322) | (84,594) |
| Other | (69,589) | (111,864) |
| Subtotal | 2,908,147 | 2,933,445 |
| Interest and dividends received | 295 | 308 |
| Interest paid | (337) | (138) |
| Income taxes paid | (919,018) | (1,057,158) |
| Net cash provided by operating activities | 1,989,086 | 1,876,456 |
| 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 | (57,780) | (53,150) |
| Proceeds from sales and redemption of investment securities | 201,589 | — |
| Proceeds from guarantee deposits | 48,798 | — |
| Payments for acquisition of businesses | (40,000) | — |
| Other | (120) | — |
| Net cash provided by (used in) investing activities | 152,487 | (53,150) |
| Cash flows from financing activities | | |
| Proceeds from issuance of shares | 178,249 | 16,731 |
| Proceeds from issuance of share acquisition rights | 366 | — |
| Dividends paid | (397,033) | (514,441) |
| Purchase of treasury shares | (800,094) | — |
| Repayments of lease liabilities | (179,592) | (162,671) |
| Other | (5,179) | — |
| Net cash used in financing activities | (1,203,283) | (660,382) |
| Increase/decrease in cash and cash equivalents | 938,290 | 1,162,923 |
| Cash and cash equivalents at the beginning of the period | 5,877,480 | 6,815,771 |
| Cash and cash equivalents at the end of the period | 6,815,771 | 7,978,694 |