

The slide features a red diagonal banner on the left side. The background is a light blue and white graphic of a globe with circuit board patterns overlaid on it. The text is white and positioned on the red banner.

ITmedia Inc.

The Three-Month Period  
Ended June 30, 2022

# Earnings Briefing

July 29, 2022

Securities code: 2148

Tokyo Stock Exchange Prime Market



*This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translation and the Japanese original, the original shall prevail.*

- Forward-looking comments appearing in this material, such as earnings outlooks, are based on information available when the material was created and include uncertainties. Actual earnings may substantially differ from the forecasts due to changes in various factors and business conditions.
- Items that could impact the Company's earnings are listed in the "Business Risk" section of the Securities Report (*Yukashokenhokokusho*) For the Fiscal Year Ended March 31, 2022. Please refer to that. However, it should be noted that factors that could impact earnings are not limited to those listed in the "Business Risk" section. Risks and uncertainties include the possibility of future events that may have a serious and unpredictable impact on the Company.
- We have carefully prepared the information included in this material, but readers should be aware that we do not guarantee the accuracy or certainty of that information.
- This material is not provided to solicit investments. Decisions regarding investments should be made by investors themselves.
- The unauthorized use of this material and data are strictly prohibited.
  
- The Company voluntarily applied International Financial Reporting Standards (IFRS) starting with the 1Q FY16.
- For the fiscal year ended March 31, 2020, Knowledge onDemand Inc. was classified as a discontinued business because of the transfer of shares. Therefore, income and losses from discontinued businesses are given separately from continuing businesses in the Condensed Interim Statement of Income. Revenue and operating income are the monetary amount of continuing businesses. For the fiscal year ended March 31, 2019, a similar reclassification was carried out.



The Three-Month Period  
Ended June 30, 2022,  
Earnings Overview

Sustainability

Fiscal Year Ending March  
31, 2023, Earnings Forecast  
and Dividend Forecast

# Record earnings

Continuing growth  
**Steady growth**  
towards achieving  
the earnings forecast



**Revenue**  
**¥1,980 million**  
**(+13%)**

Lead Generation Business +8%  
Media Ad Business +17%

- Digital shift within marketing continued
- Stronger demand among manufacturing and cloud/SaaS customers because of accelerated DX
- Firm sponsored digital events
- Programmatic Ad revenue increased

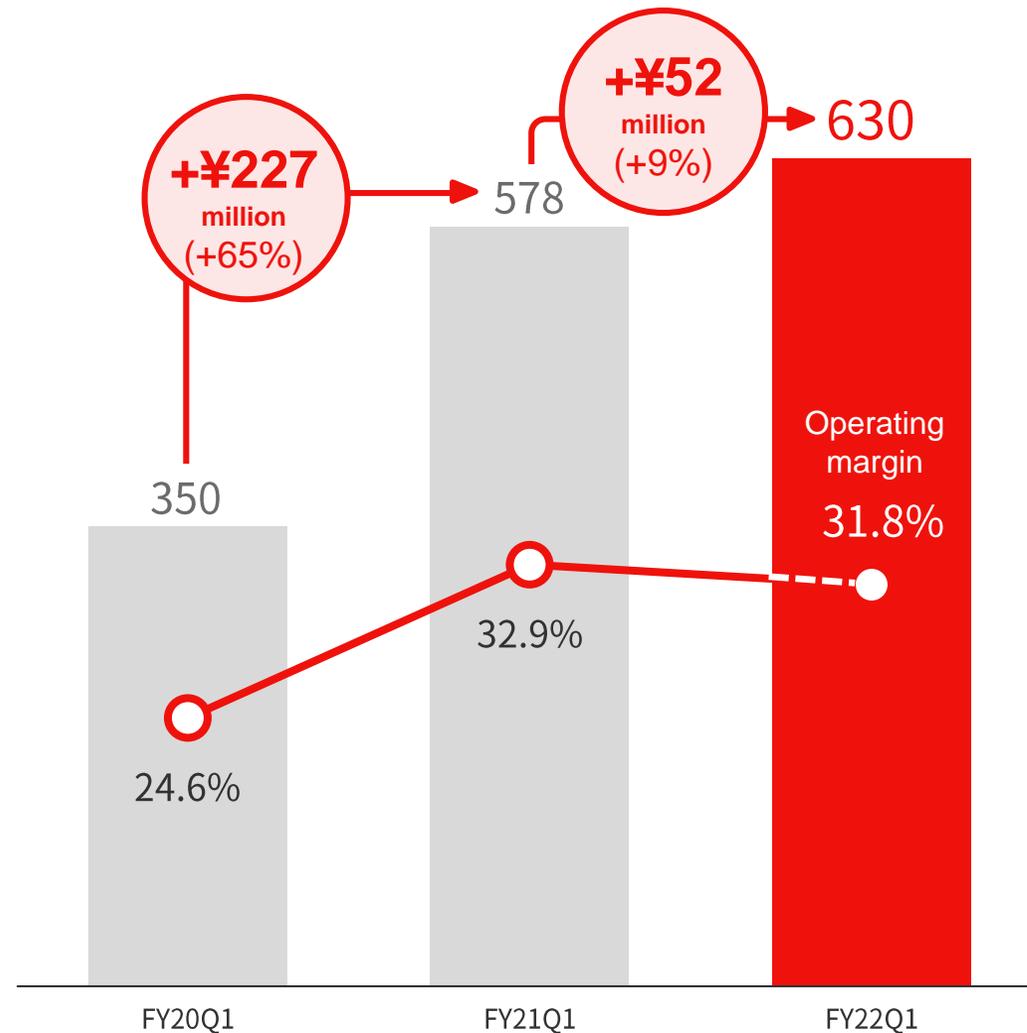
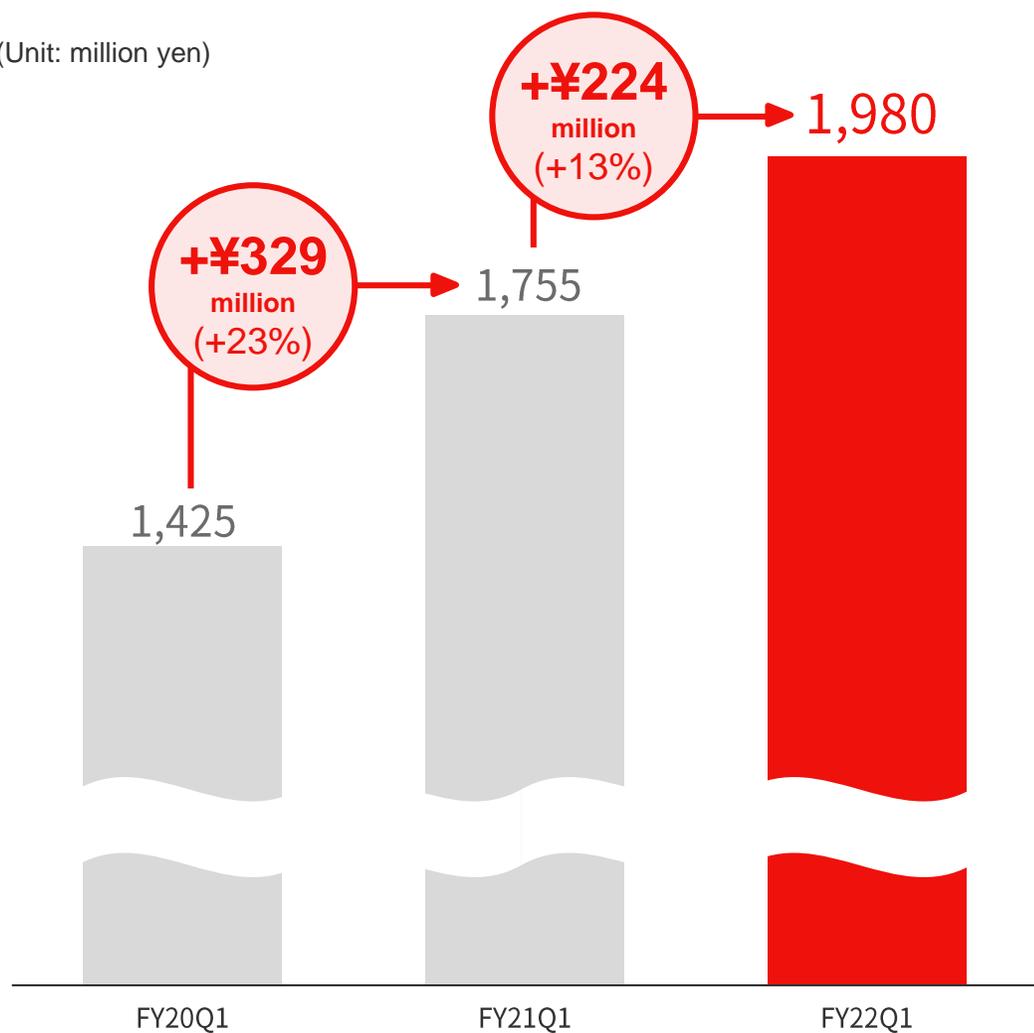
**Operating income**  
**¥630 million (+9%)**



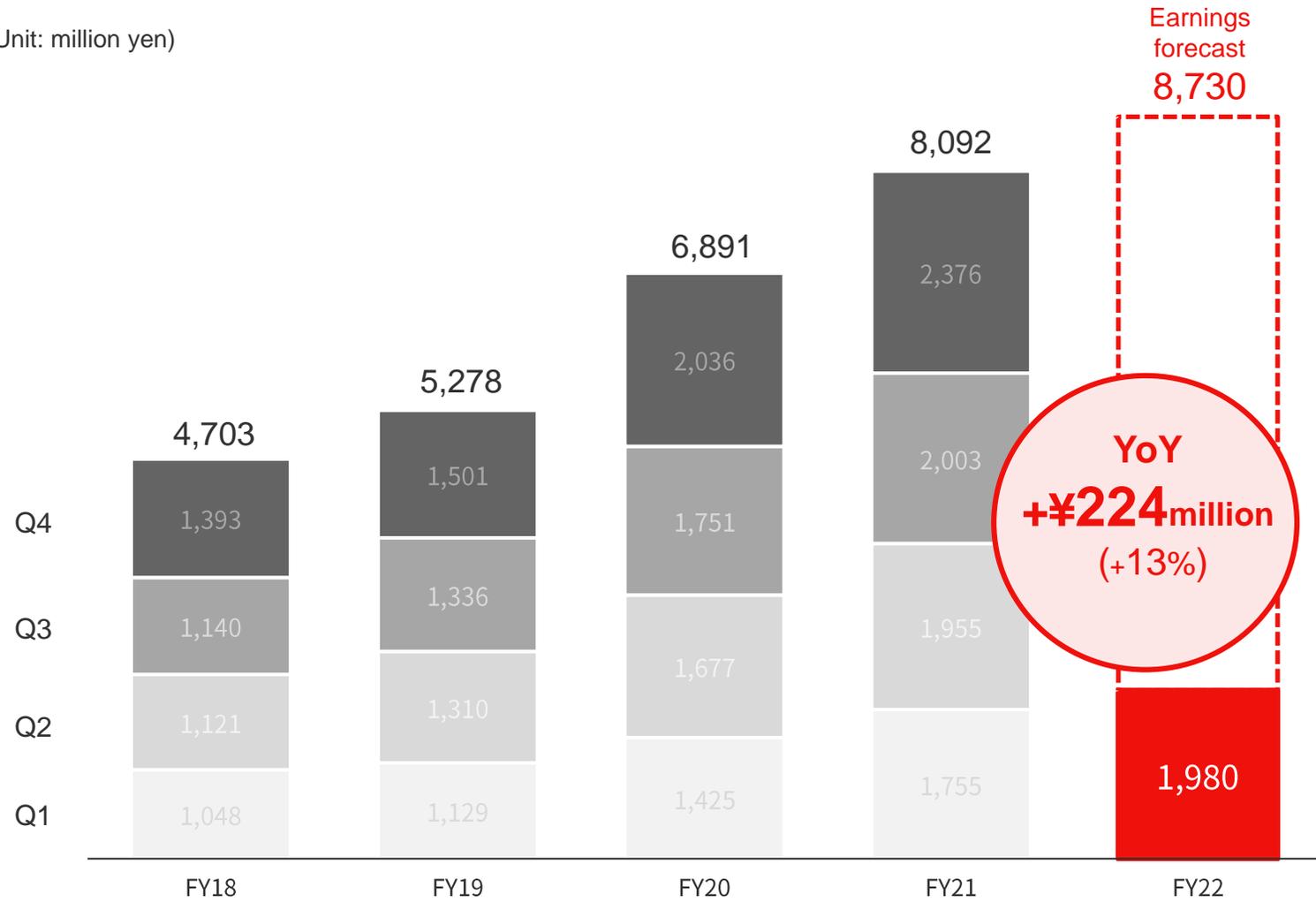
Revenue

Operating income

(Unit: million yen)



(Unit: million yen)

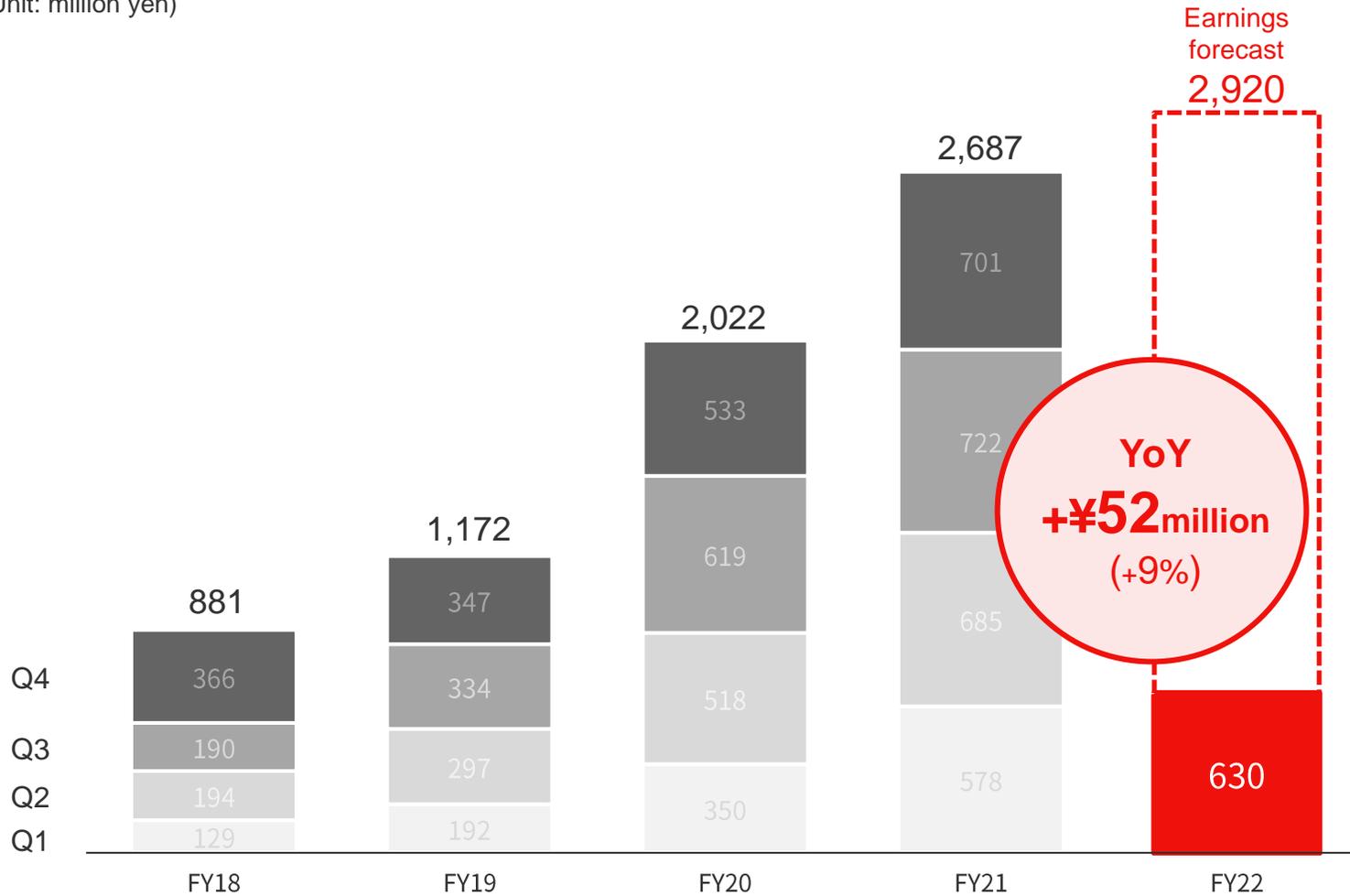


Historic Q1 revenue

Q1 **¥1,980 million**

YoY change **+¥224 million (+13%)**

(Unit: million yen)



Historic Q1  
operating income

Q1

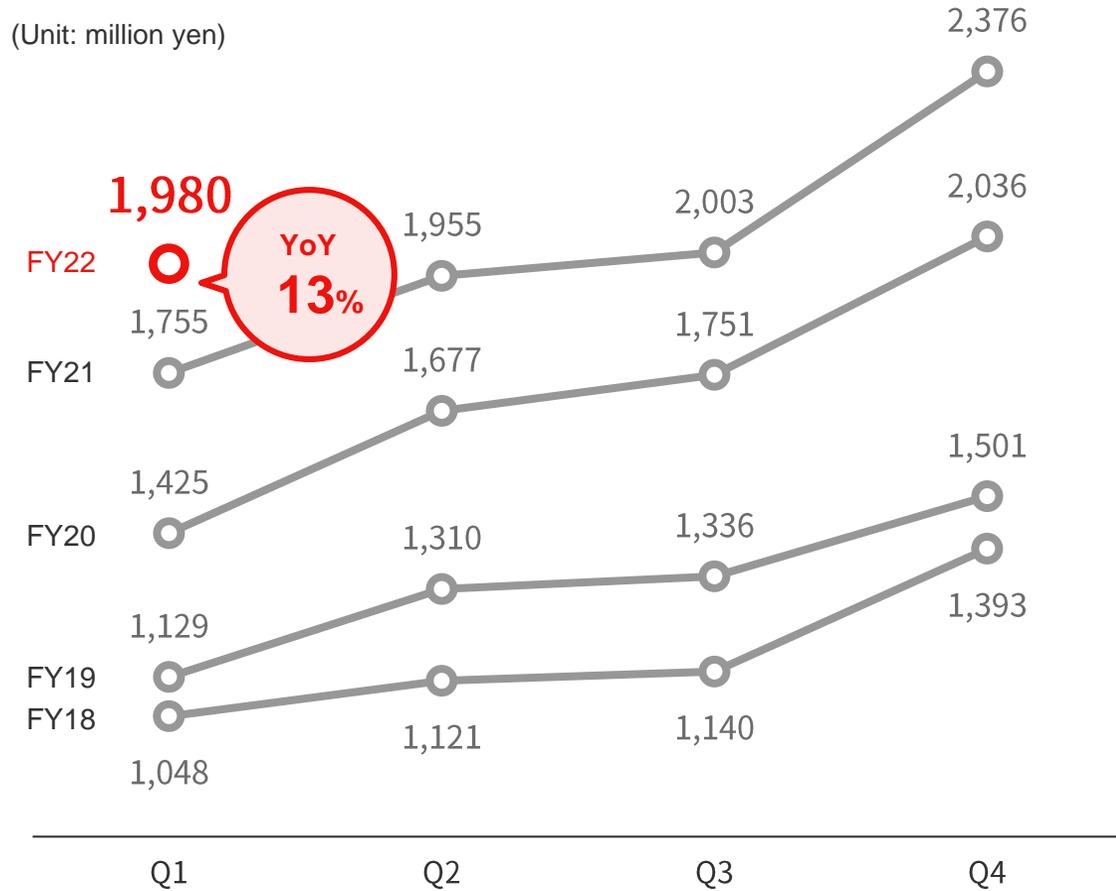
**¥630 million**

YoY change

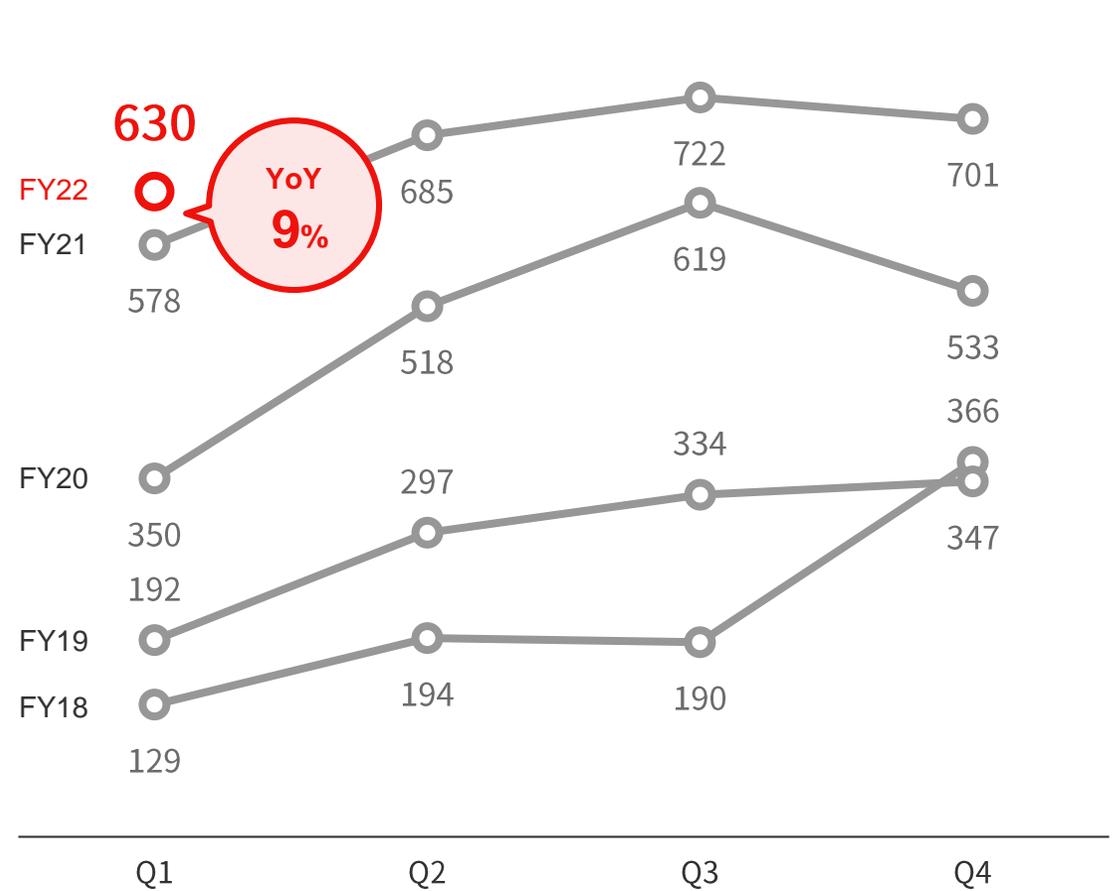
**+¥52 million**  
**(+9%)**

Quarterly trend will continue in the current fiscal year.  
Good progress has been made

Revenue



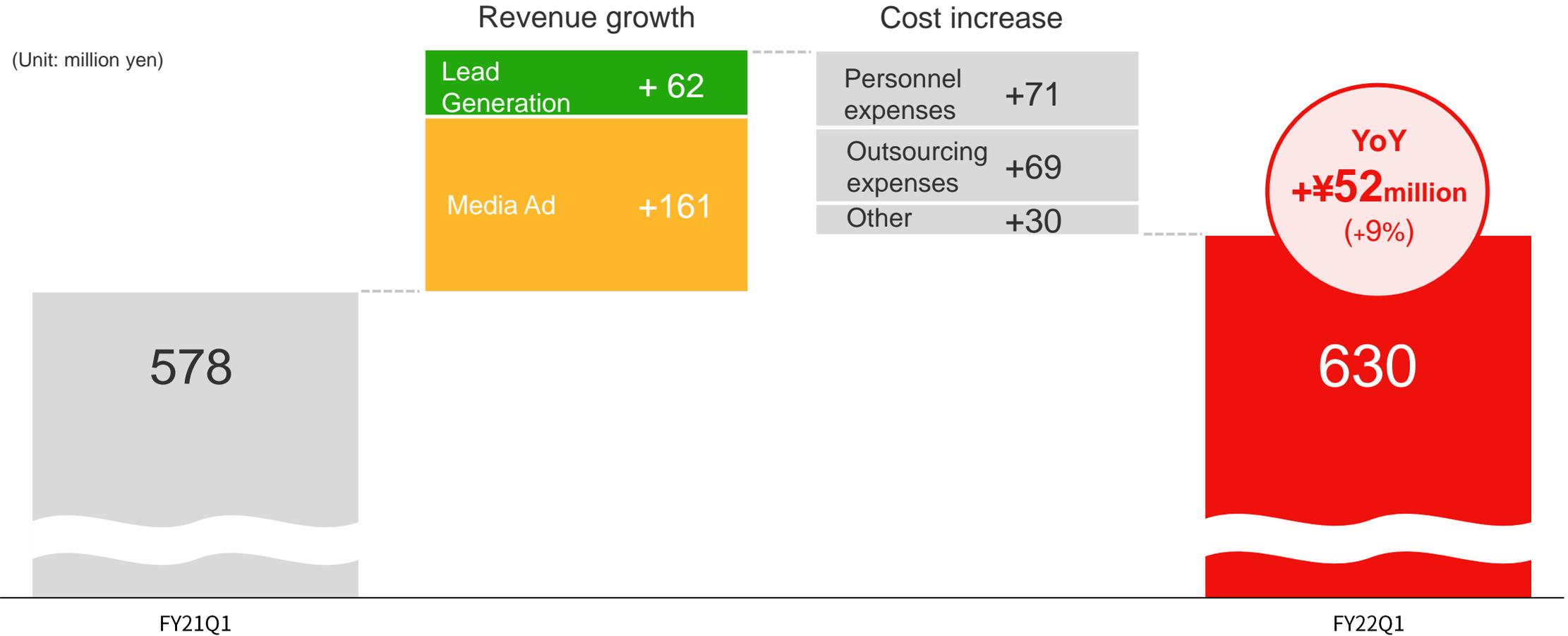
Operating income



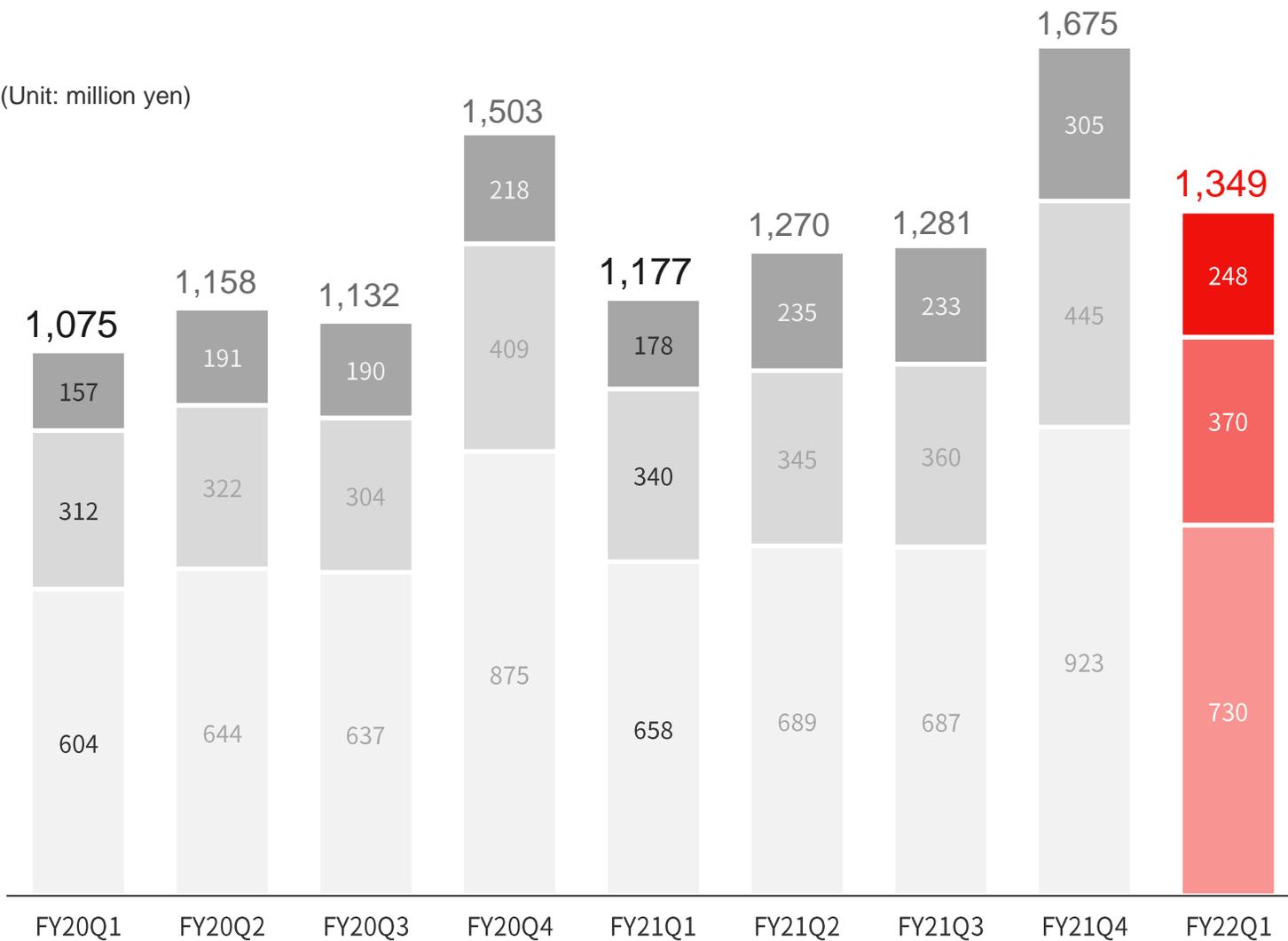
(Unit: million yen)	FY21Q1		FY22Q1		Increase	% change
	Amount	As % of revenue	Amount	As % of revenue		
Revenue	1,755	100.0%	1,980	100.0%	+224	+12.8%
Total cost	1,177	67.1%	1,349	68.2%	+171	+14.6%
(of which are personnel expenses)	658	37.5%	730	36.9%	+71	+10.9%
EBITDA	645	36.8%	693	35.0%	+47	+7.4%
Operating income	578	32.9%	630	31.8%	+52	+9.1%
Income before income tax	572	32.6%	629	31.8%	+57	+10.0%
Net income	387	22.1%	428	21.6%	+40	+10.4%
Net income attributable to owners of parent	387	22.1%	428	21.6%	+40	+10.4%

\* EBITDA: Operating income + depreciation + amortization on intangible assets + impairment loss + stock-based compensation expenses - other one-time revenue + other one-time expenses  
 Stock-based compensation expenses were included in EBITDA from the disclosure of the Q4 financial results for the fiscal year ended March 31, 2022, and the amount for the previous fiscal year was calculated in the same way.

Income rose because of growth in revenue.  
We strengthened content investment in growth fields



(Unit: million yen)



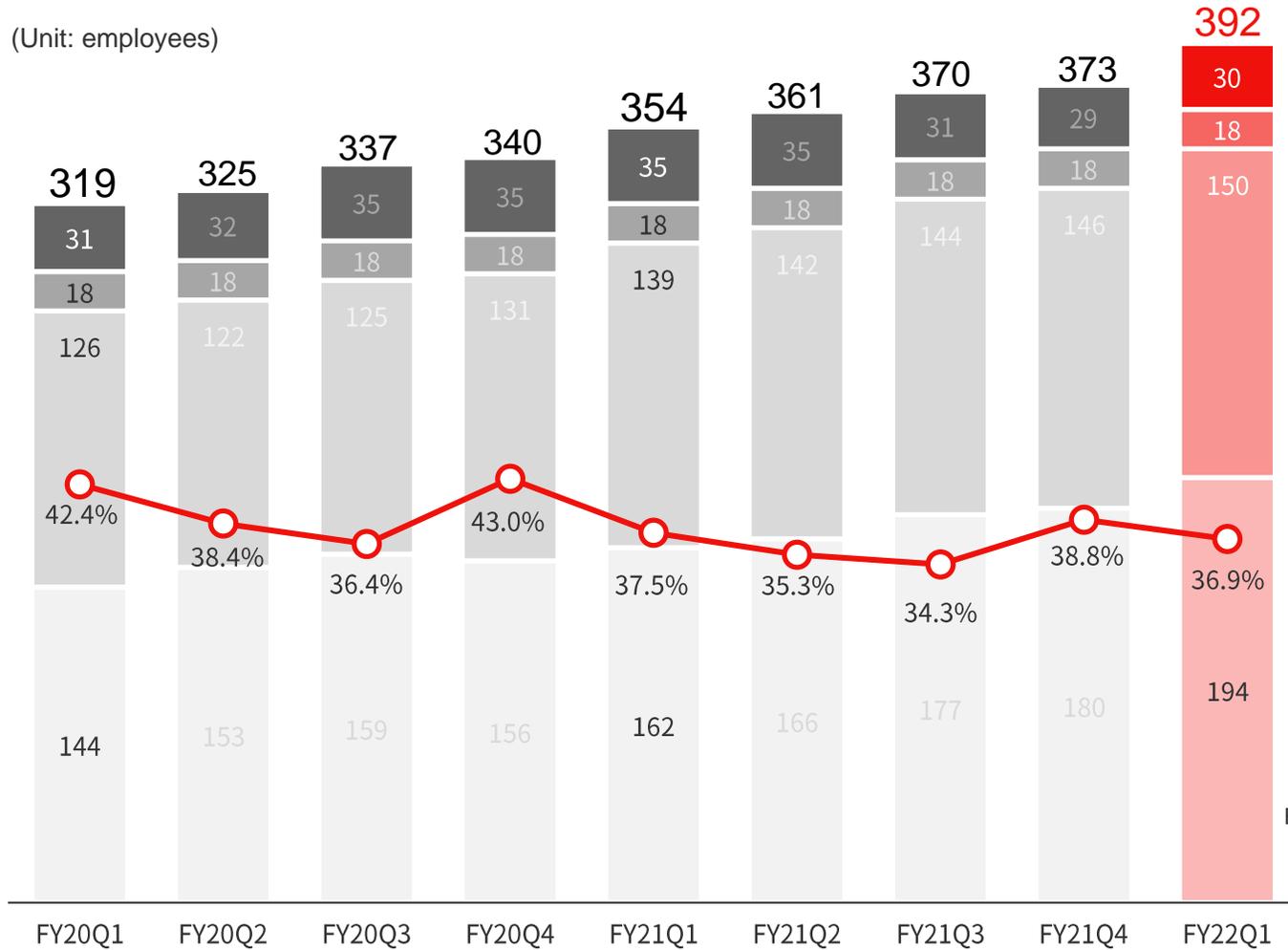
Q1	YoY change	As percent of total
----	------------	---------------------

Total	+14.6%	100%
Outsourcing expenses	+38.9%	18.4%
Other	+9.1%	27.5%
Personnel expenses	+10.9%	54.1%

Main factors behind year-on-year change

- Personnel expenses +71
  - Increase in number of employees in growth fields
- Outsourcing expenses +69
  - Increase in content investment
  - Linked to increase in digital events
- Other +30
  - Business environment, system

(Unit: employees)



	Q1	YoY change	As percent of total
Total		+38	100%
Administrative and other		(5)	7.7%
Technical		±0	4.6%
Sales and planning		+11	38.3%
Editing		+32	49.5%

\* Includes contract, temporary, and part-time employees

Ratio of personnel expenses to revenue =  $\frac{[\text{SG\&A expenses}] \text{ personnel expenses} + [\text{cost of sales}] \text{ labor costs}}{\text{Revenue}} \times 100$

(Unit: million yen)	FY21Q1	FY22Q1	Change
Cash flows from operating activities	188	77	(111)
Cash flows from investing activities	35	(5)	(41)
Cashflows from financing activities	(218)	(273)	(54)
Change in cash and cash equivalents	5	(201)	(207)
Cash and cash equivalents at beginning of the period	5,877	6,815	+938
Cash and cash equivalents at end of the period	5,882	6,613	+730

### Main items of operating CF

Income before income tax	+629
Income taxes paid	(586)
Depreciation and amortization	+69

### Main items of investing CF

Purchase of property, equipment, and intangible assets	(5)
--------------------------------------------------------	-----

### Main items of financing CF

Proceeds from issuance of shares	+1
Dividends paid	(230)

# Consolidated Statement of Financial Position

(Unit: million yen)		At the end of March 2022	At the end of June 2022	Change
Assets	Current assets	8,728	8,336	(391)
	Non-current assets	1,320	1,254	(65)
	Total assets	10,048	9,591	(457)
Liabilities	Current liabilities	2,051	1,409	(642)
	Non-current liabilities	64	63	(1)
	Total liabilities	2,115	1,472	(643)
Equity	Share capital/capital surplus	3,933	3,928	(4)
	Retained earnings	5,143	5,334	+191
	Treasury stock	(1,144)	(1,144)	-
	Accumulated other comprehensive income	-	-	-
	Total equity attributable to owners of parent	7,932	8,118	+186
	Total equity	7,932	8,118	+186
Equity attributable to owners of parent per share	¥401.34	¥410.72	+¥9.37	
Ratio of equity attributable to owners of parent to total assets	78.9%	84.6%	+ 5.7pt	

## Total assets

Cash and cash equivalents	(201)
Trade and other receivables	(192)
Right-of-use assets	(43)

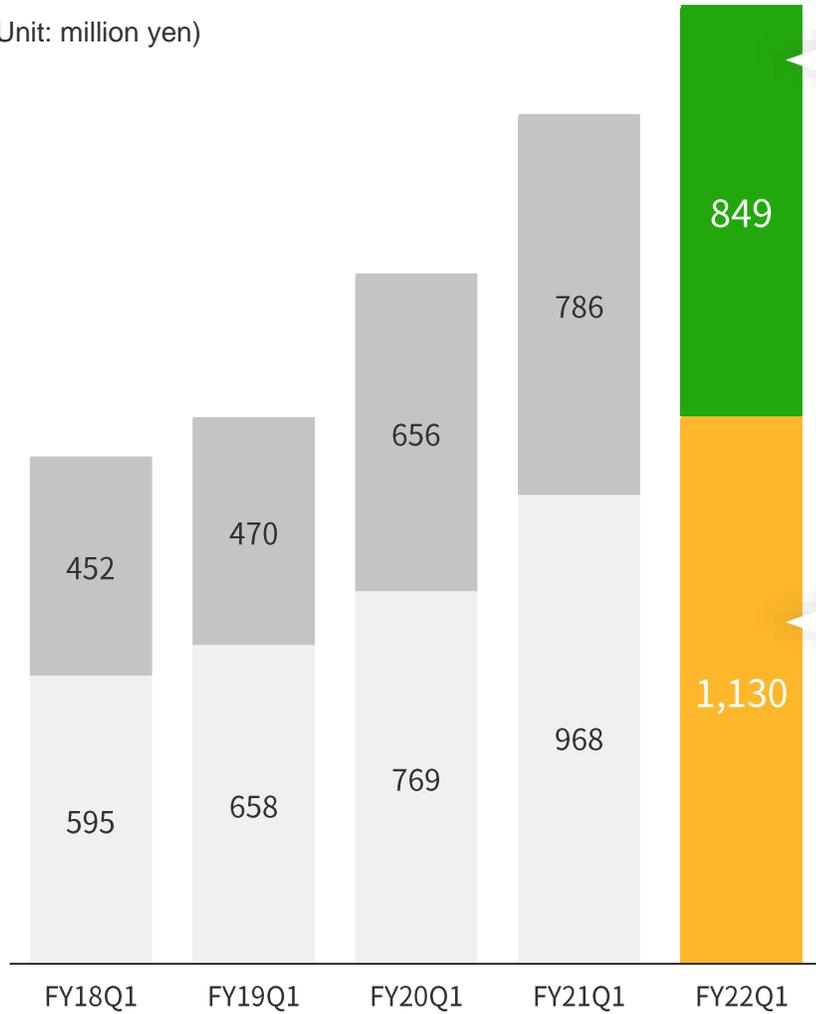
## Total liabilities

Income tax payable	(384)
Trade and other payables	(130)
Lease liabilities	(44)
Other current liabilities	(64)

## Total equity

Retained earnings	+191
Of which is net income (loss)	+428
Of which is dividends from retained earnings	(237)

(Unit: million yen)



**Lead Generation Business**

786

FY21Q1

YoY  
**+¥62 million**  
(+8%)

849

FY22Q1

- Digital shift within marketing continued

**Media Ad Business**

968

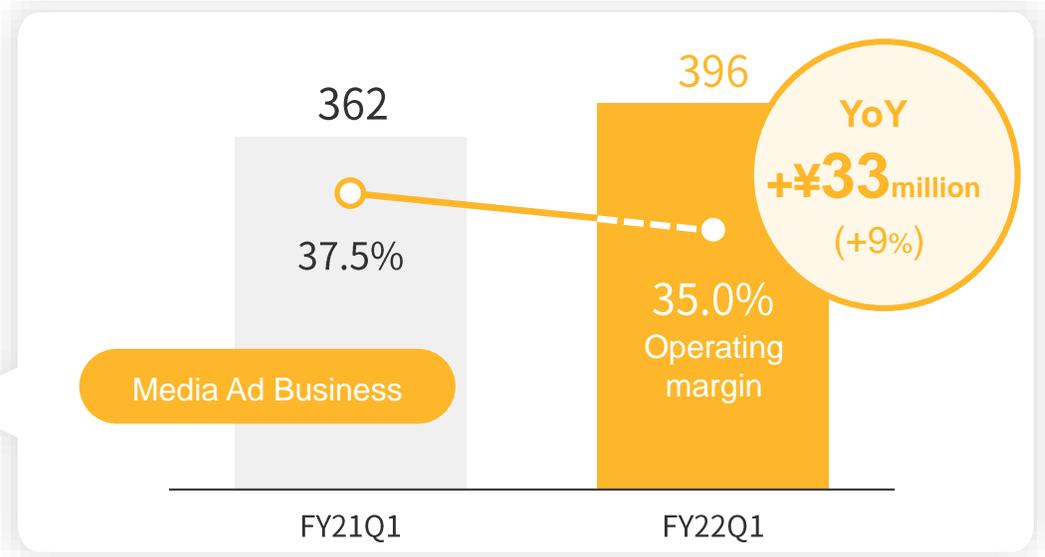
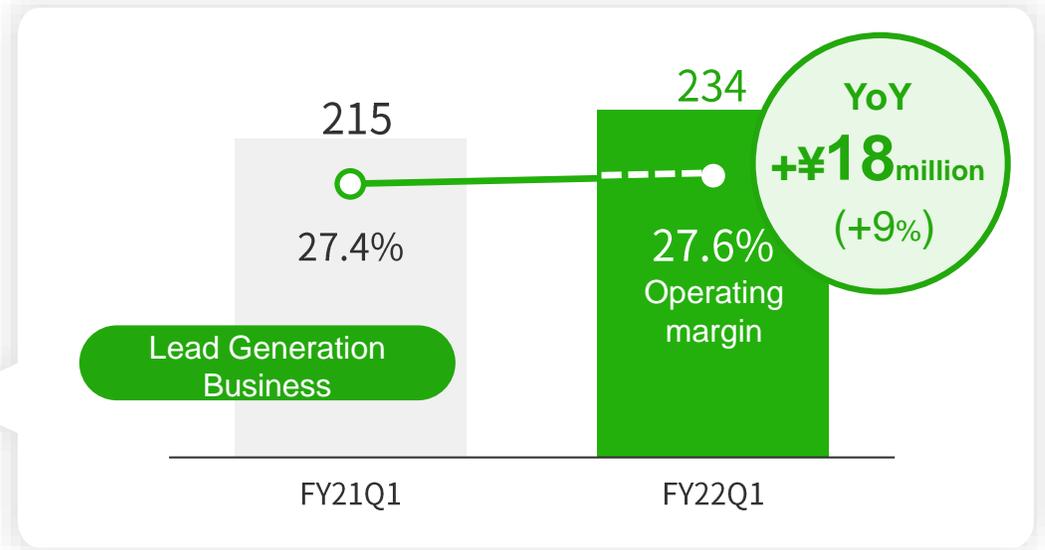
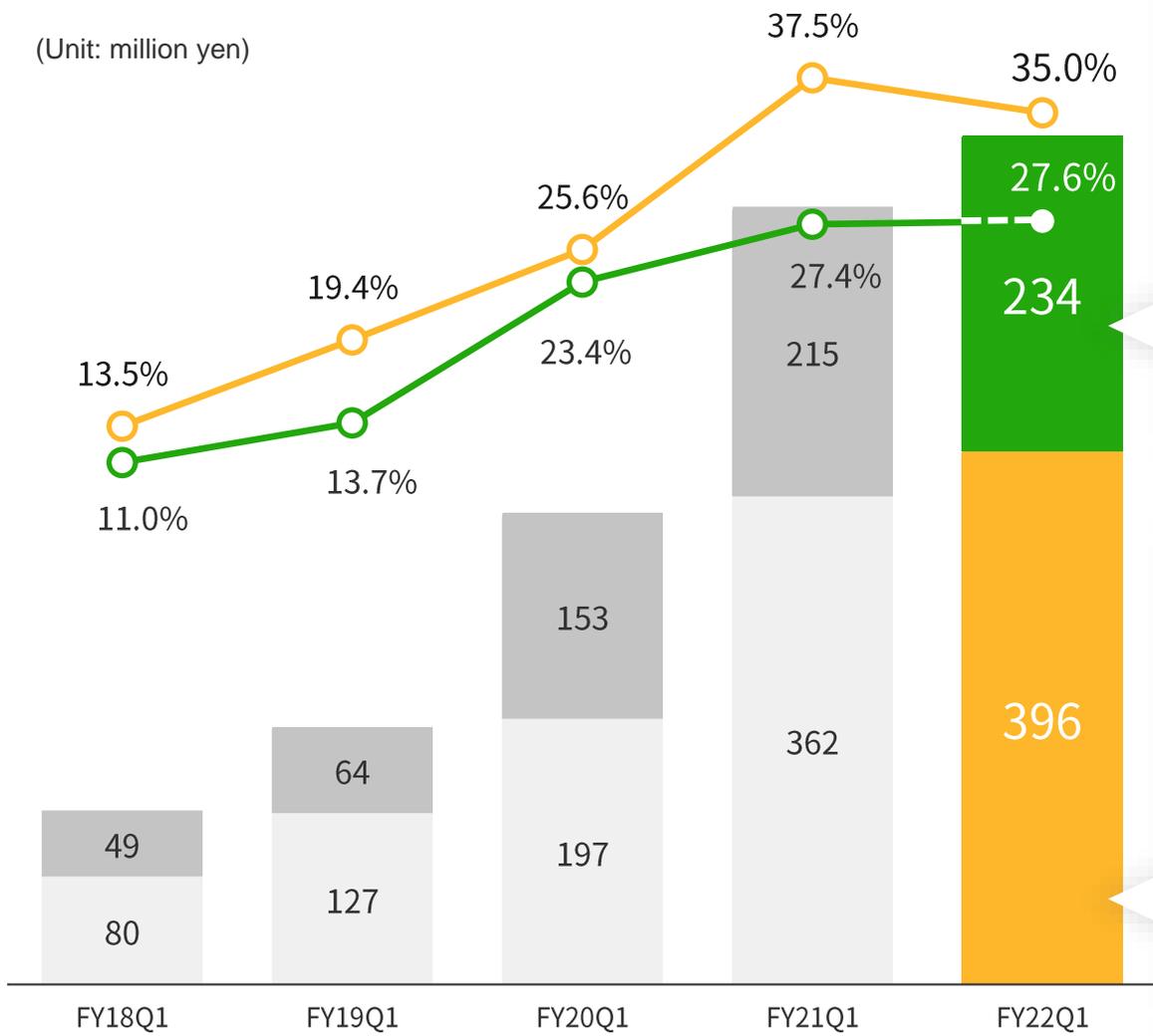
FY21Q1

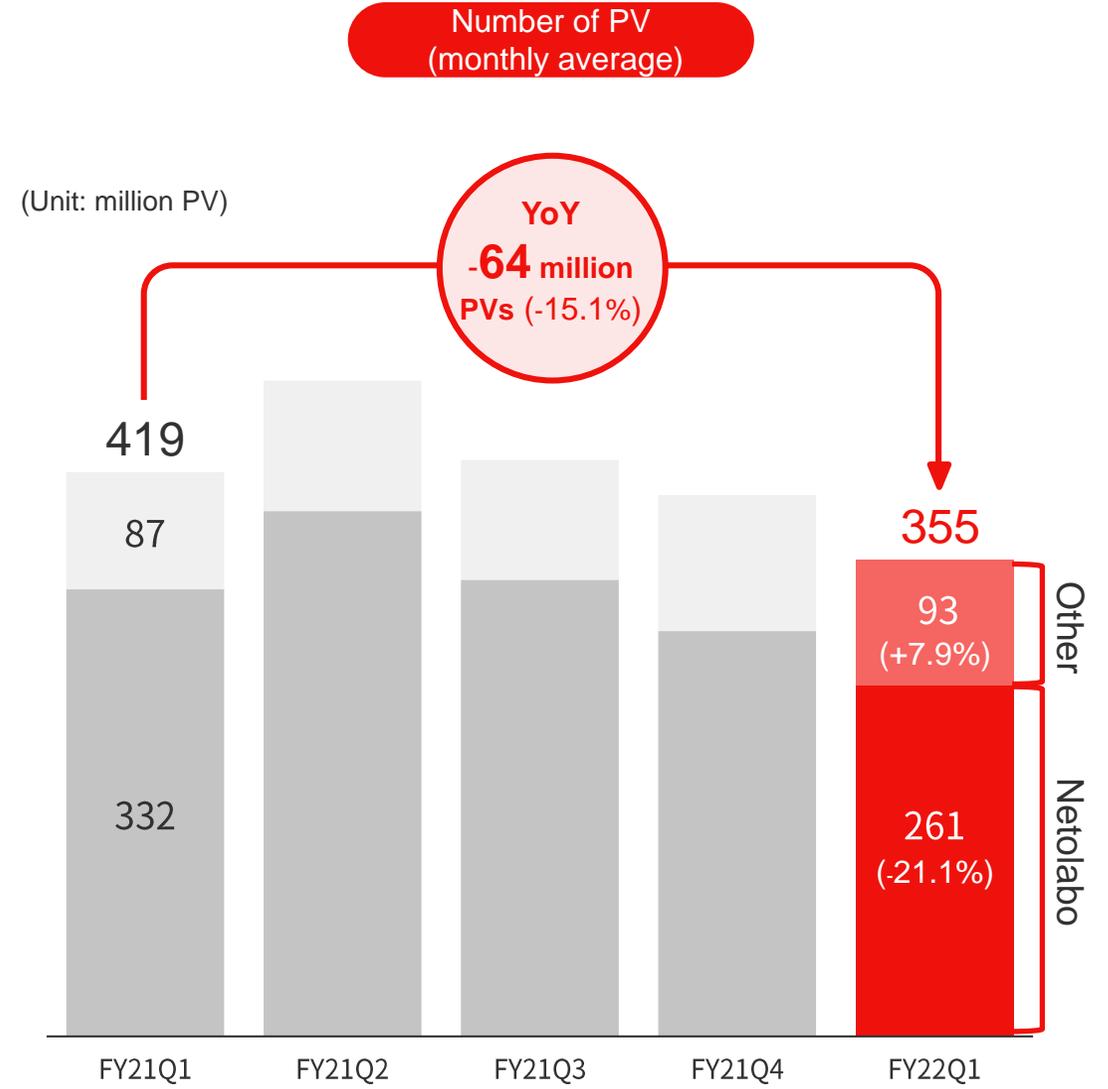
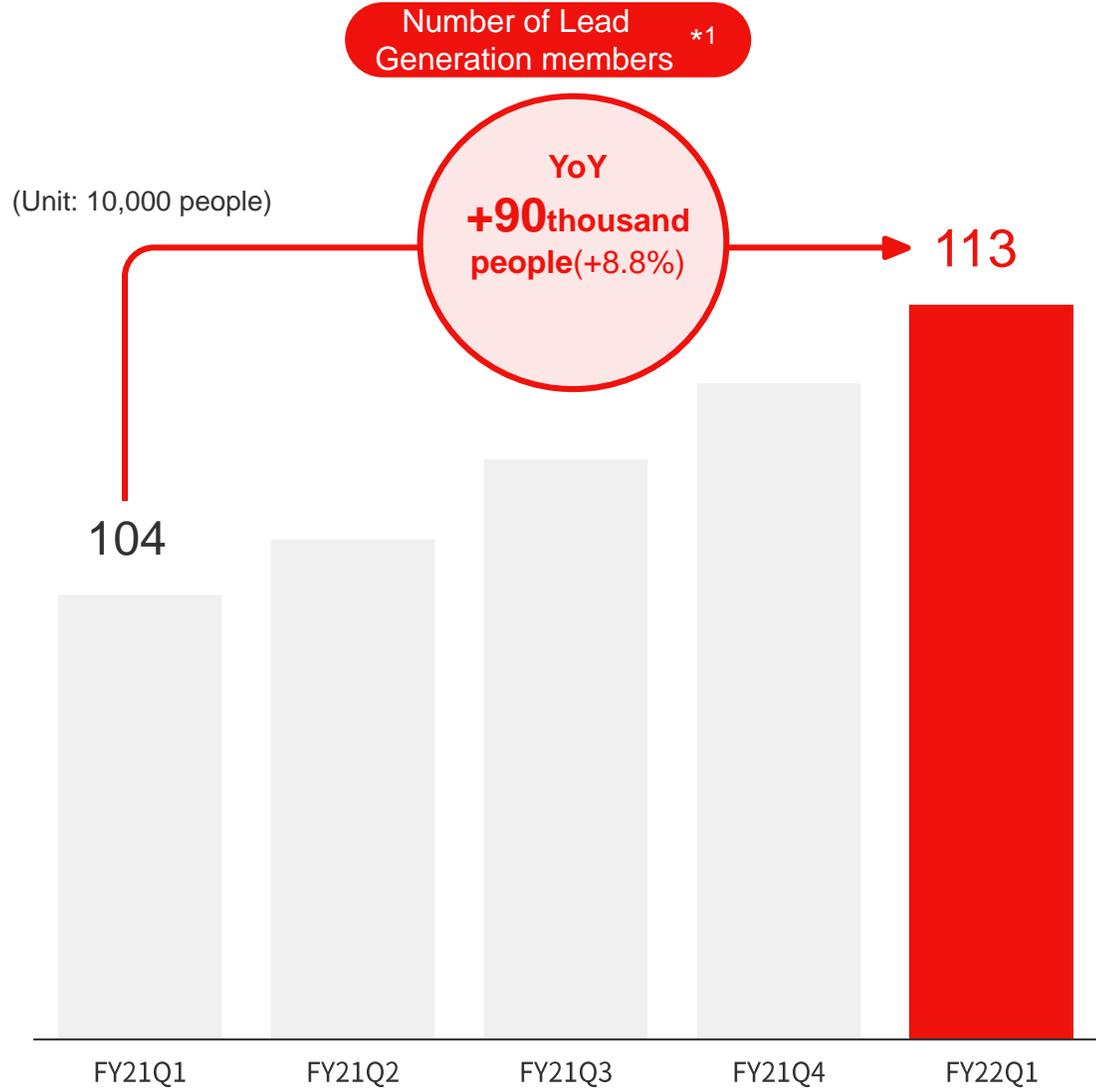
YoY  
**+¥161 million**  
(+17%)

1,130

FY22Q1

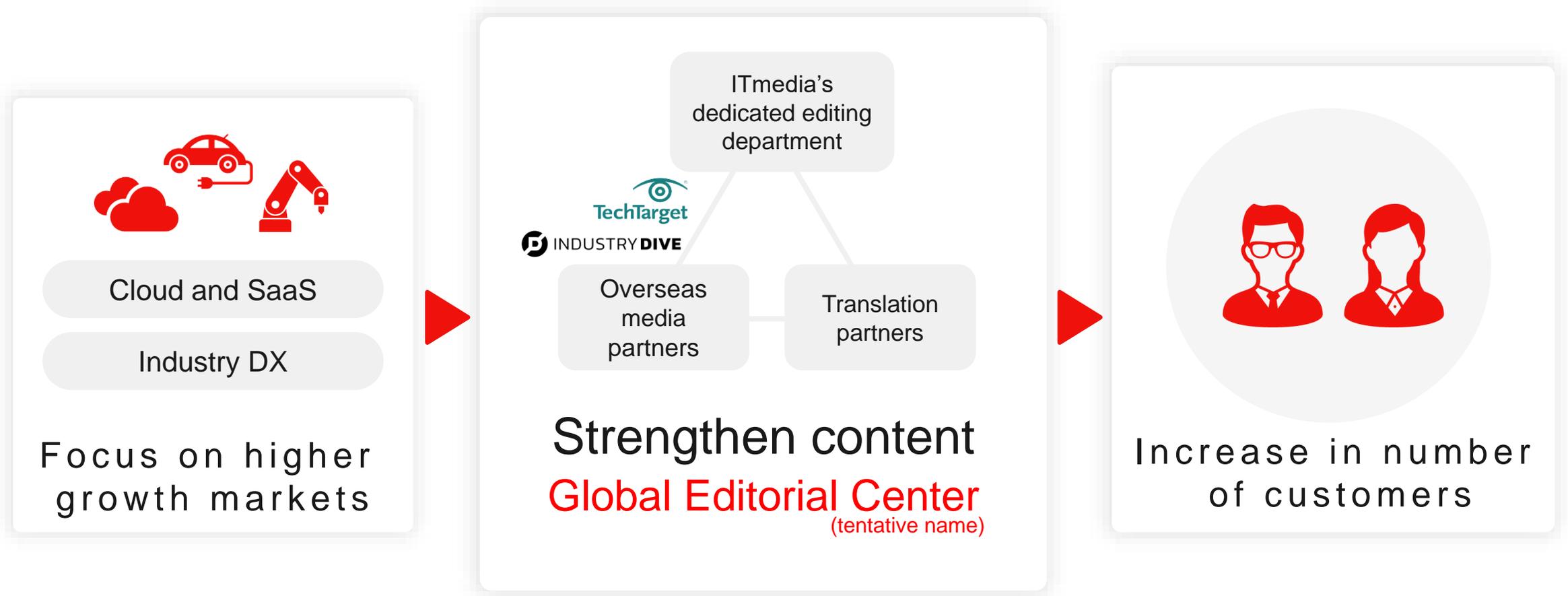
- Stronger demand among manufacturing and cloud/SaaS customers because of accelerated DX
- Firm sponsored digital events
- Programmatic Ad revenue increased



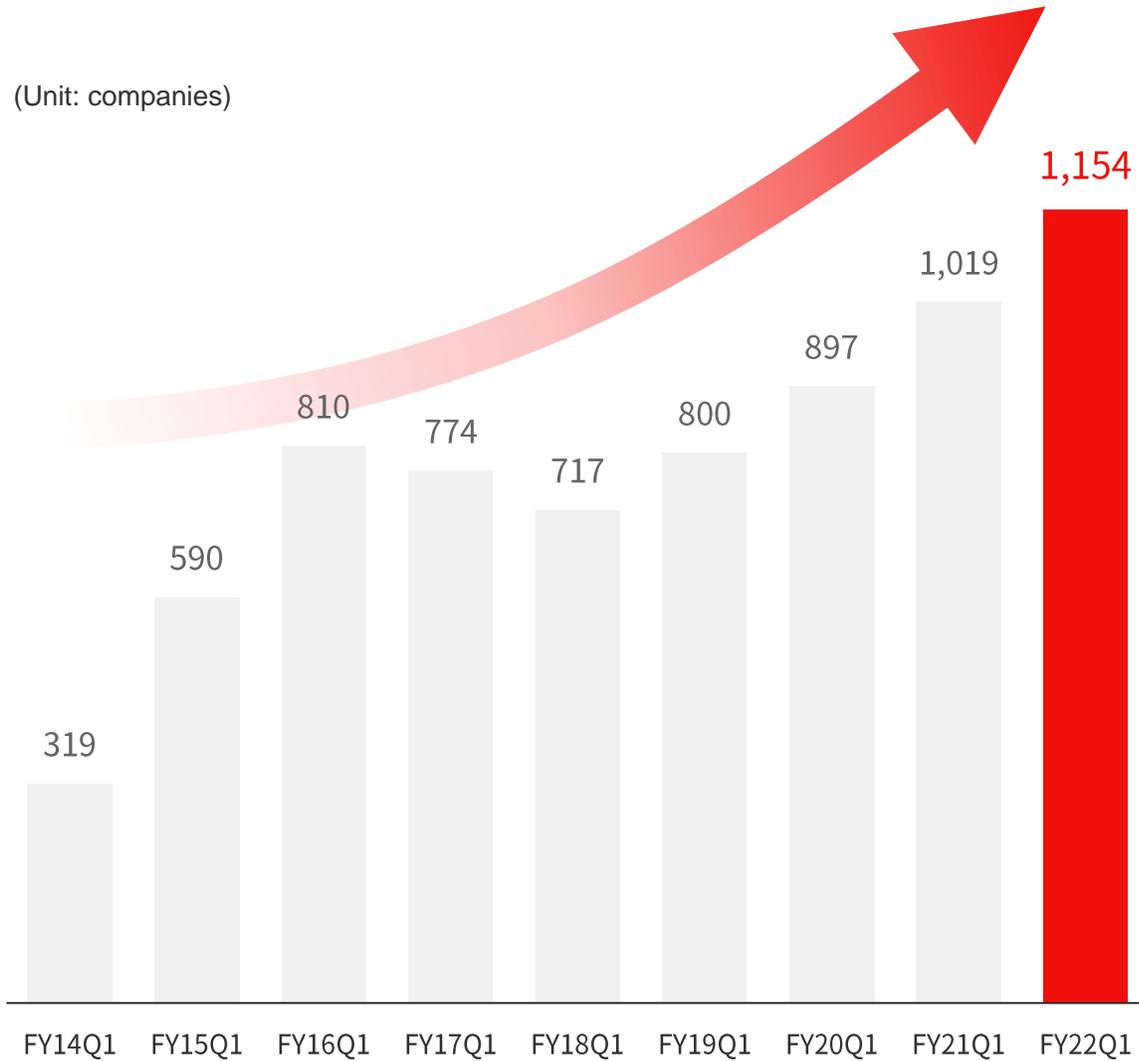


1. Members eligible for Lead Generation service because of ITmedia ID, common member platform

# Strengthen content investment to achieve Medium-Term Target X40



(Unit: companies)



\* Number of companies to which sales were recorded during the period

Strengthen contents  
in cloud/SaaS  
and industry DX fields



Increase in number of  
customers in each field

Lead Generation

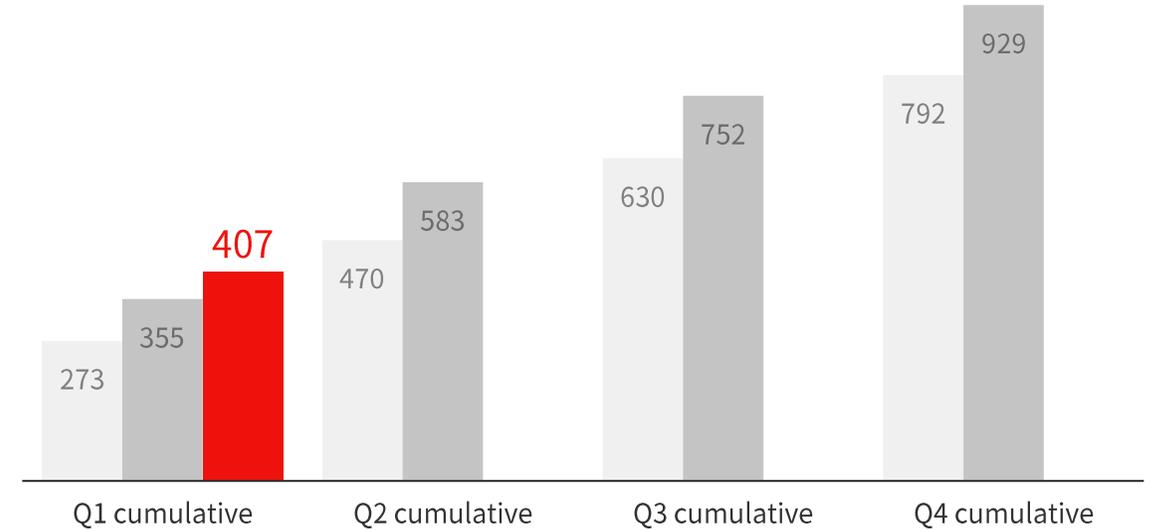
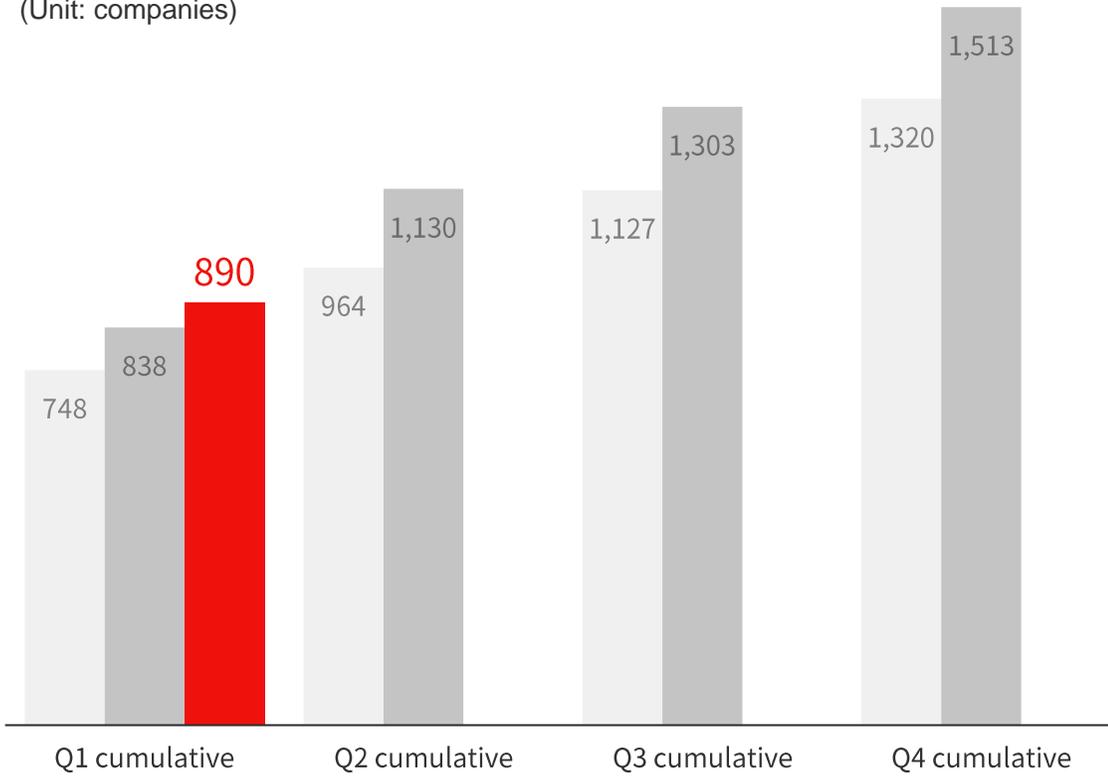
Media Ad

■ FY20 ■ FY21 ■ FY22

■ FY20 ■ FY21 ■ FY22

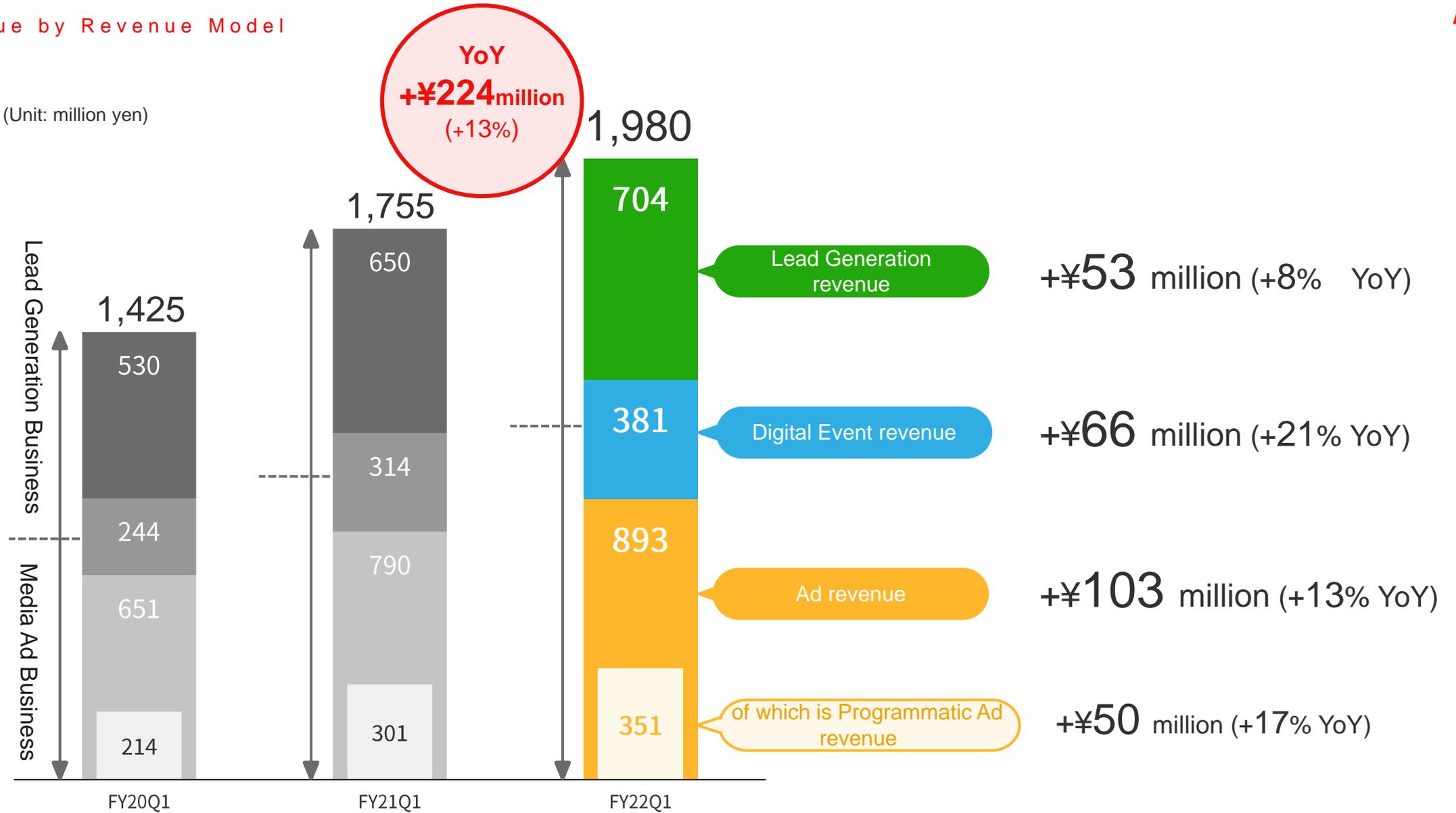
(Unit: companies)

(Unit: companies)

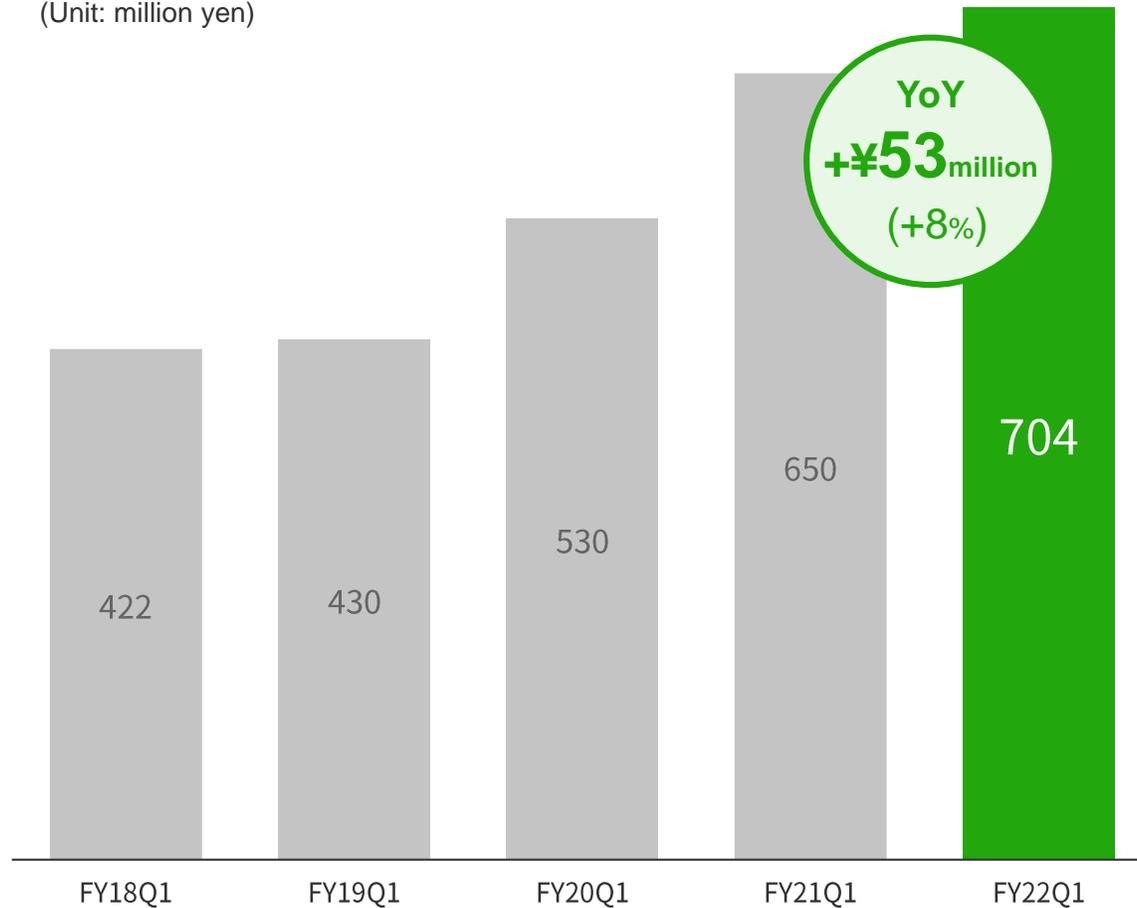


\* Number of companies to which sales were recorded during the period

(Unit: million yen)

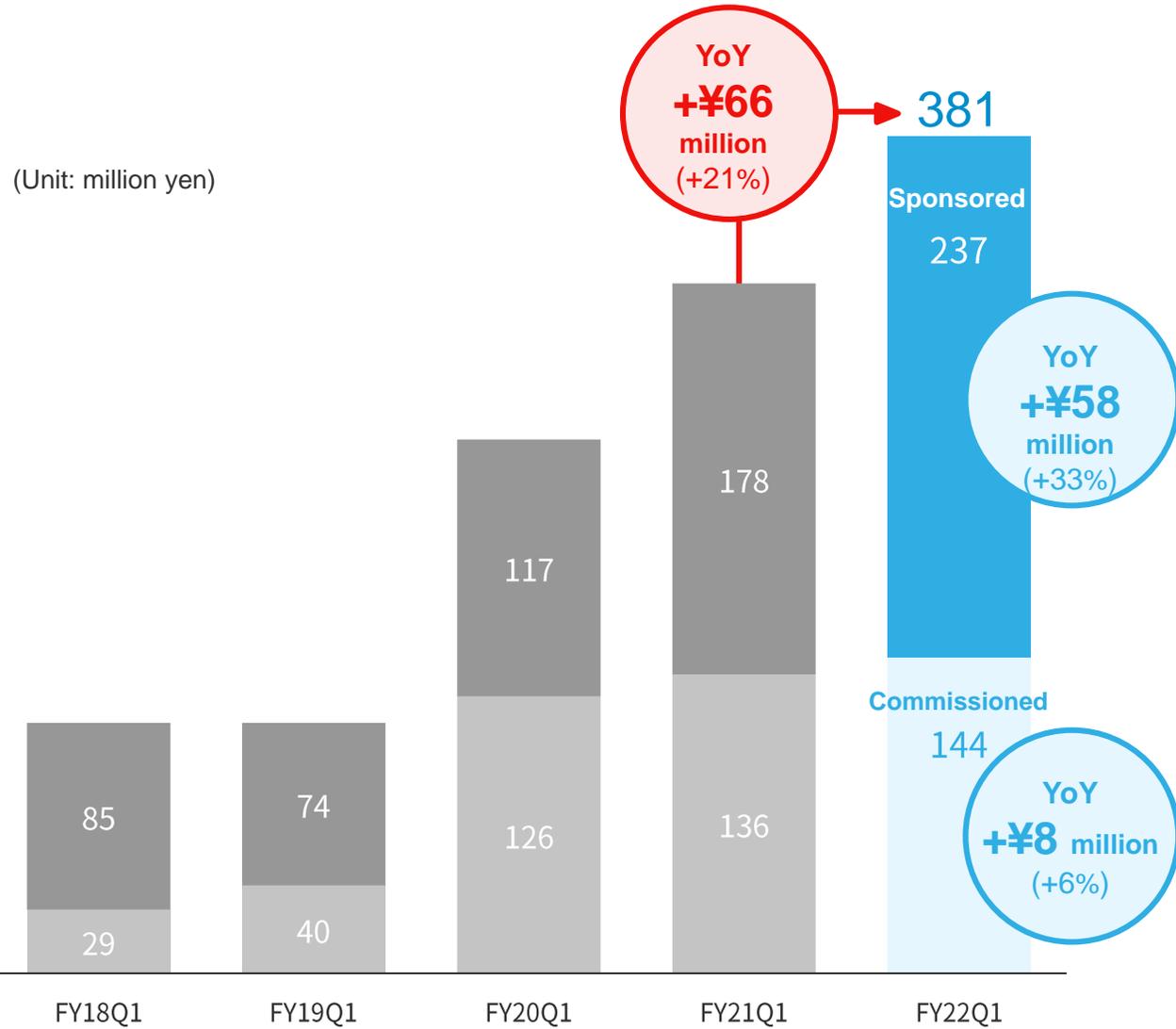


(Unit: million yen)



Demand continues  
to grow  
Firm growth

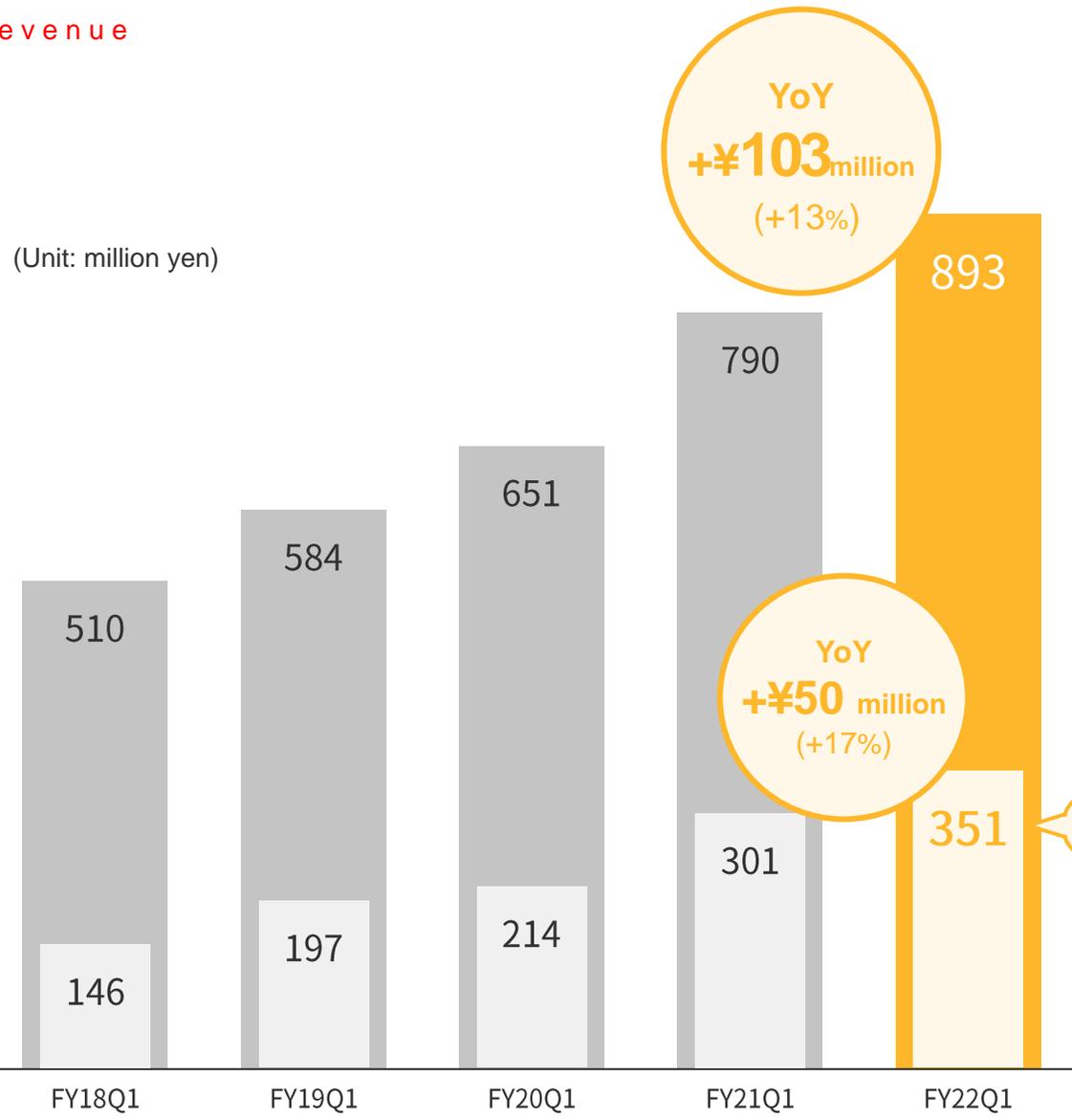
Effect of content  
investment is expected  
to continue beyond Q1



# Digital shift continued

Growth mainly driven by sponsored events

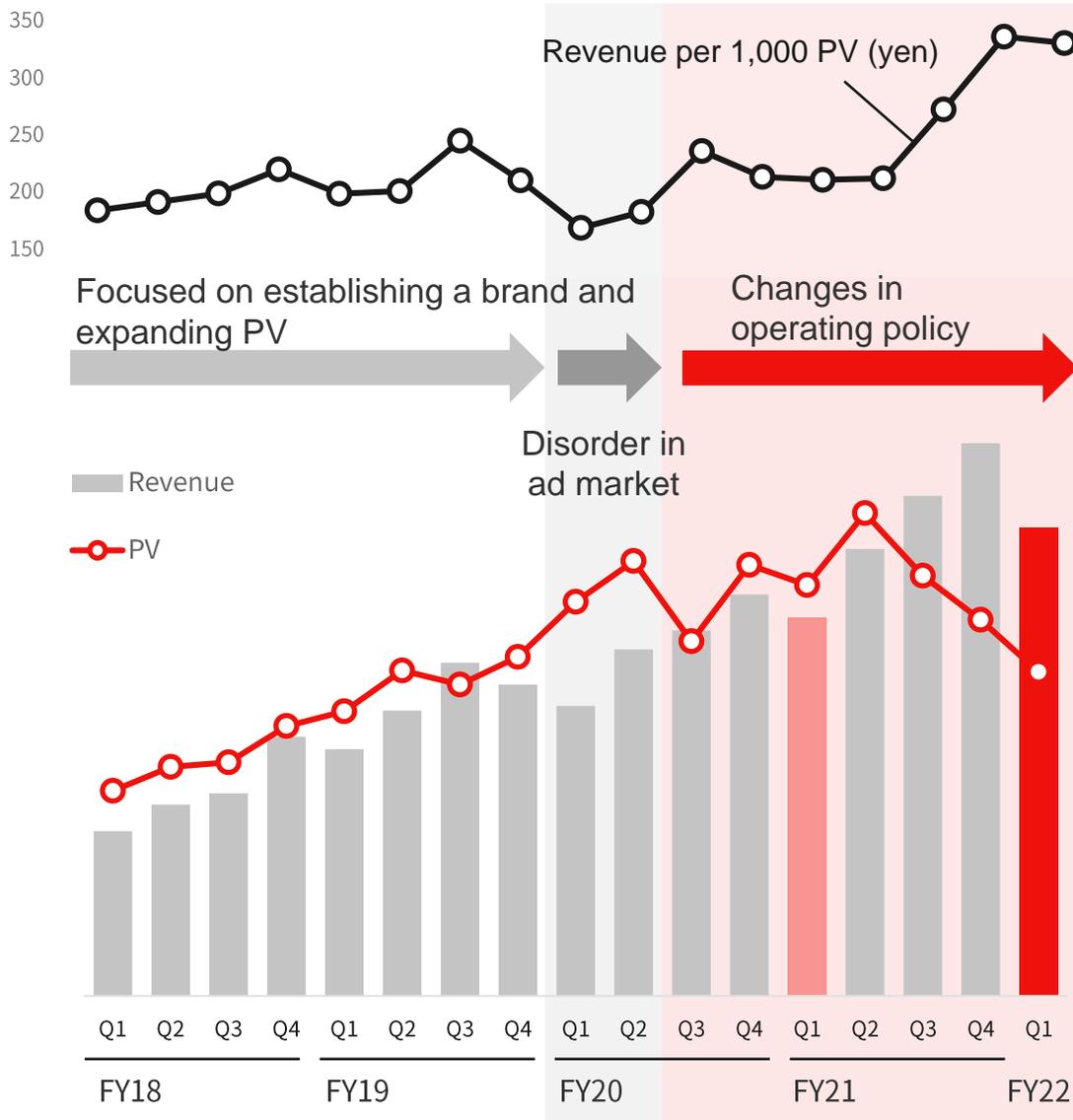




# Smart and social Programmatic ads drive growth

of which is Programmatic Ad revenue

## Ad Revenue: Netolabo—Revenue and PV



### Projections for FY22

Fruits of changing policy since Q3 of FY20  
 Total PVs growth will slow down  
 High profit margin PVs will continue to grow  
 +  
 Ad market unit prices are expected to improve after the pandemic

### Situation in Q1

Trends in PV and ad unit price are within expectations  
 Revenue continues to grow  
 Updated programmatic ad management system



The Three-Month Period  
Ended June 30, 2022,  
Earnings Overview

**Sustainability**

Fiscal Year Ending March  
31, 2023, Earnings Forecast  
and Dividend Forecast

# Here is a description of our quarterly progress

## Sustainability: Priority topics for this fiscal year (announced on April 28, 2022)

**Q1** 

Identify materiality  
(material issues)

**Q1** 

Broaden English  
disclosure

**Q2  
and  
beyond  
plan** 

Respond to climate change (1)  
Expand  
decarbonization-related content

**Q1** 

Promote diversity

**Q2  
and  
beyond  
plan** 

Expand  
SDGs-related  
content

**Q2  
and  
beyond  
plan** 

Respond to climate change (2)  
Broaden  
related disclosure



ITmedia Inc.

Corporate mission

# Contribute to Information Revolution by Innovating Professional Media

- We believe profession makes media reliability
- Technology leads conventional media to innovation
- Providing media community as a social knowledge platform



Disclosed information

<https://corp.itmedia.co.jp/sustainability/>

## Deliver a bright future for humanity through the information revolution



1

Materiality

Producing a large number of excellent IT professionals, advancing the IT industry and spreading technology to improve productivity throughout society and to encourage the solution of social issues, thereby contributing to the development of human society.

Social value

## Achieve an equitable society through the provision of a social knowledge platform



2

Materiality

Developing a platform that provides reliable knowledge and information with high added value to all, thereby eliminating digital divide and realizing an equal society where no one is left behind.



3

Materiality

## Responsible use of information technology

Communicating reliable information in the right way and fostering an environment where information and technology are used in an ethical and appropriate manner, thereby strengthening the foundation for promoting innovation.

Power of media

## Promote work styles that respect diversity



4

Materiality

Creating an environment in which a diverse workforce can fulfill their abilities without anxiety, thereby increasing employees' motivation and productivity while pursuing sustainable corporate growth.



5

Materiality

## Develop a strong and transparent governance structure

Developing a strong governance structure with increased transparency that leads to mid- to long-term corporate growth, thereby winning the trust of all stakeholders.

Responsible management base

	Materiality	Description	Social issues	SDGs
1	Deliver a bright future for humanity through the information revolution	Producing a large number of excellent IT professionals, advancing the IT industry and spreading technology to improve productivity throughout society and to encourage the solution of social issues, thereby contributing to the development of human society.	<ul style="list-style-type: none"> <li>• Increase in productivity</li> <li>• Training and fostering the next generation to address the shortage of IT professionals</li> <li>• Improvement of IT literacy in society</li> </ul>	   
2	Achieve an equitable society through the provision of a social knowledge platform	Developing a platform that provides reliable knowledge and information with high added value to all, thereby eliminating digital divide and realizing an equal society where no one is left behind.	<ul style="list-style-type: none"> <li>• Providing a social knowledge platform</li> <li>• Ensuring accessibility and eliminating digital divide</li> <li>• Ensuring reliability and credibility of information</li> </ul>	   
3	Responsible use of information technology	Communicating reliable information in the right way and fostering an environment where information and technology are used in an ethical and appropriate manner, thereby strengthening the foundation for promoting innovation.	<ul style="list-style-type: none"> <li>• Fair marketing</li> <li>• Ensuring information security</li> <li>• Appropriate use of technology</li> </ul>	 
4	Promote work styles that respect diversity	Creating an environment in which a diverse workforce can fulfill their abilities without anxiety, thereby increasing employees' motivation and productivity while pursuing sustainable corporate growth.	<ul style="list-style-type: none"> <li>• Prohibition of discrimination and harassment</li> <li>• Promoting work styles that respect diversity</li> </ul>	  
5	Develop a strong and transparent governance structure	Developing a strong governance structure with increased transparency that leads to mid- to long-term corporate growth, thereby winning the trust of all stakeholders.	<ul style="list-style-type: none"> <li>• Developing a transparent governance structure</li> <li>• Effective utilization of intellectual property rights</li> <li>• Appropriate disclosure of information</li> </ul>	 



## Smart work

Q1 telework implementation rate: 88%

Minimized risks despite concerns of resurgence of COVID-19



## Strengthened governance structure

Strengthened leadership in the data driven field

Outside Director Keiko Watanabe  
Executive Officer Takeshi Muto



## Diversity

A project started to promote female participation and career advancement

Target: Ratio of females in management  
30%

An action plan is under development



## Disclosure

Strengthening disclosure of sustainability-related information including Materiality

Strengthening disclosure of information in English, such as Earnings Briefing



The Three-Month Period  
Ended June 30, 2022,  
Earnings Overview

Sustainability

Fiscal Year Ending March  
31, 2023,  
Earnings Forecast and  
Dividend Forecast

- Continue to post record earnings
- Bring forward investment for medium-term growth

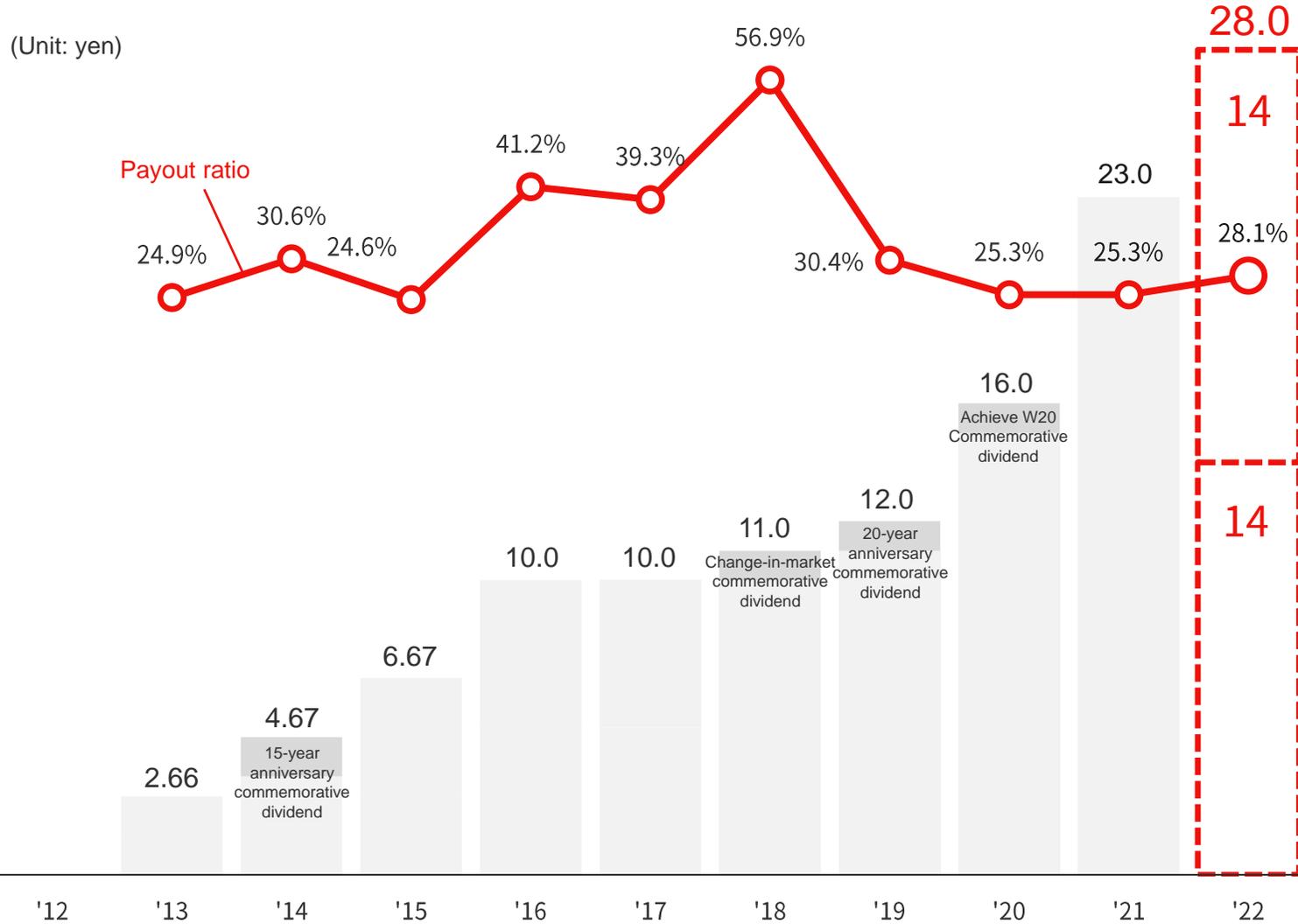


Progressing  
as expected

(Unit: million yen)

	Revenue	Operating income	Net income attributable to owners of parent
Full fiscal year	8,730	2,920	1,970
YoY change	(+7.9%)	(+8.7%)	(+9.4%)
FY21 Actual	8,092	2,687	1,800

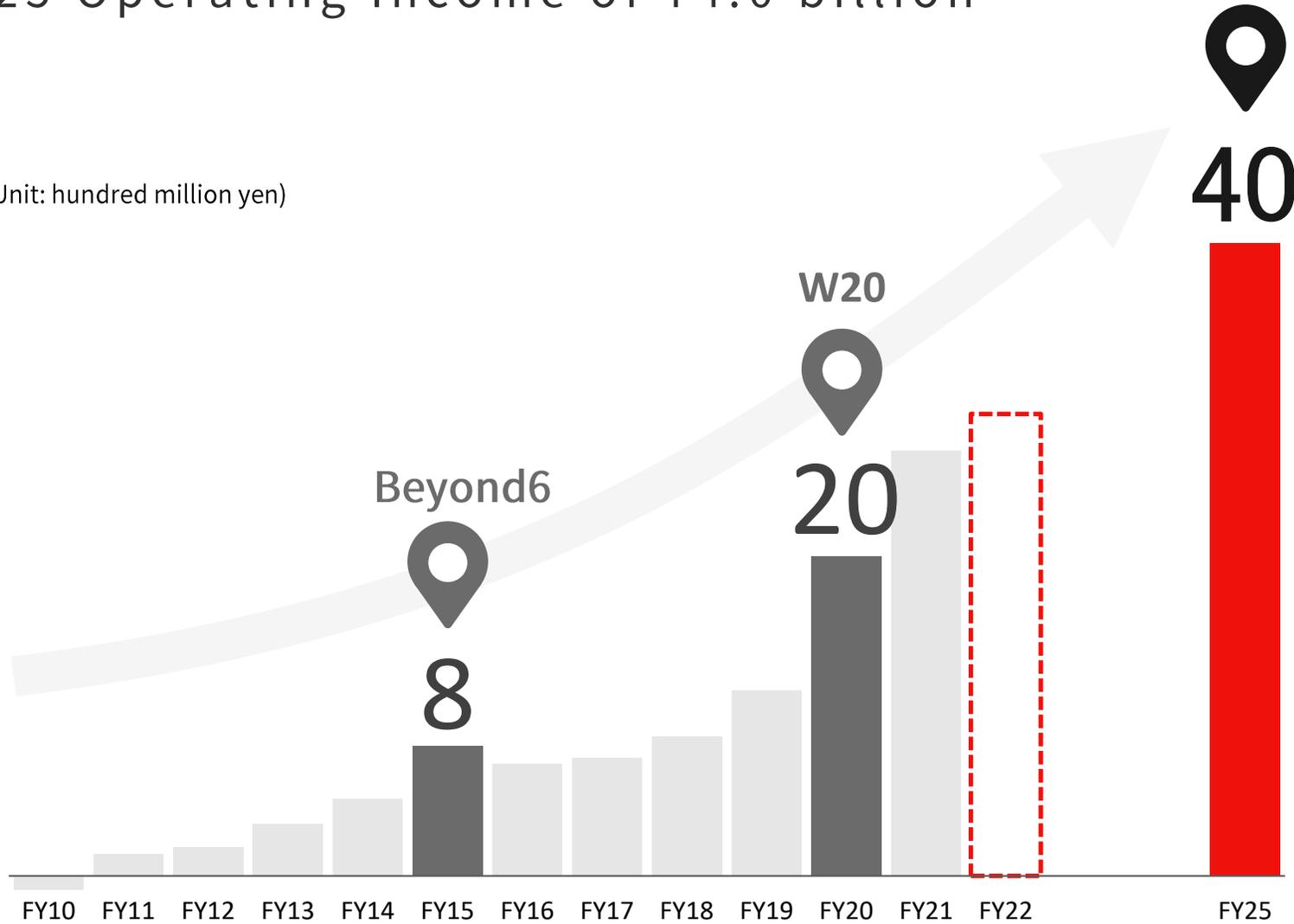
Forward-looking comments noted above, such as earnings outlooks, are based on information available when the material was created and certain assumptions deemed rational, and the Company does not guarantee they will occur. Actual earnings may substantially differ due to various factors.



For full  
fiscal year  
**28 yen**  
\* Payout ratio 28.1%

# FY25 Operating Income of ¥4.0 billion

(Unit: hundred million yen)



FY25 Operating Income

4.0 Billion yen achieved  
||  
X40



ITmedia Inc.

Our Mission

Contribute to Information Revolution  
by Innovating Professional Media



**ITmedia Inc.**

Inquiries

ITmedia Inc.  
Kioicho Building 3-12, Kioicho, Chiyoda-ku,  
Tokyo 102-0094

Inquiries: [ir@sml.itmedia.co.jp](mailto:ir@sml.itmedia.co.jp)