ITmedia Inc.
The Three-Month Period Ended June 30, 2023
Earnings Briefing

July 31, 2023
Securities code: 2148
Tokyo Stock Exchange Prime Market
Forward-looking statements, 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, 2023. 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.

The information included in this material has been carefully prepared, but readers should be aware that we do not guarantee the accuracy or certainty of that information.

This material is not intended to solicit investments. We shall advise you to make your final investment decision at your own risk.

The unauthorized use of this material and data is 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 operation because of the transfer of shares. Income and losses arising from discontinued operations are given separately from continuing operations in the Condensed Interim Statement of Income. Revenue and operating income are the monetary amount of continuing operations. We have applied this classification to the Condensed Interim Statement of Income for the fiscal year ended March 31, 2019.
Reclassification of Reportable Segments Effective from FY2023

**Former classification**

- **Lead Generation Business**
  - Revenue: ¥816 million
  - Operating income: ¥182 million

- **Media Ad Business**
  - Revenue: ¥986 million
  - Operating income: ¥232 million

**New classification**

- **BtoB Media Business**
  - Revenue: ¥1,500 million
  - Operating income: ¥361 million

- **BtoC Media Business**
  - Revenue: ¥301 million
  - Operating income: ¥53 million
Introduction | Segments and Revenue Model

**BtoB Media Business**
- **Lead Generation revenue**
- **Digital Event revenue**
- **Ad revenue**

**BtoC Media Business**
- **Programmatic Ad revenue**

**Revenue model**
- **Revenue format**
  - Provide sales leads
  - Provide intent data etc.
  - Commissioned
  - Supporting events
  - Sponsored
  - Sponsor revenue
  - Sales of ad slots
  - Tie-up plans
  - Ad networks

**Revenue sources**

**KPIs**
- Number of members
- PVs

**Value provided**
- Customer acquisition
- Raise awareness

**Sales format**
- One of Japan’s largest sales networks, focusing on specialized targets
  - Integrated proposal of wide-ranging solutions as a digital marketing consultant
  - Principal customer segments: BtoB (IT/business, industrial technology fields)

Sales resources not required
- Sales by partners with superior ad technology
FY23 Q1 Earnings Overview

BtoB Media Business
BtoC Media Business
FY23 Earnings Forecast
Company Business Overview and Growth Strategy
Shareholder Return & Sustainability
Decreased revenue and profit in Q1. Uncertain external environment worse than expected. Impact is expected to last throughout the current period.

<table>
<thead>
<tr>
<th>Earnings</th>
<th>External Environment &amp; Overview</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Q1 actual</strong></td>
<td><strong>Impact of market conditions surrounding the Company increased in the short term</strong></td>
</tr>
<tr>
<td>Decreased revenue and profit</td>
<td>U.S. technology market declined</td>
</tr>
<tr>
<td>Revenue ¥1,802 million (-9%)</td>
<td>• Ad placements by foreign companies slowed down</td>
</tr>
<tr>
<td>• Lead Generation revenue +0%</td>
<td>There was a return to in-person activity due to the expected end of the pandemic</td>
</tr>
<tr>
<td>• Digital Event revenue -17%</td>
<td>• Demand for digital events, especially from Japanese companies, slowed down</td>
</tr>
<tr>
<td>• Ad revenue -11%</td>
<td>Programmatic Ad market declined more than expected</td>
</tr>
<tr>
<td>• Programmatic Ad revenue -14%</td>
<td>Traffic decay occurred on some search engine algorithms</td>
</tr>
<tr>
<td>Operating income ¥414 million (-34%)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Earnings forecast</th>
<th>Market conditions are expected to remain bearish</th>
</tr>
</thead>
<tbody>
<tr>
<td>Slowdown is expected to peak in the first quarter Impact is expected to last throughout the current period</td>
<td>U.S. technology market expected to decline</td>
</tr>
<tr>
<td>Revenue ¥8,320 million (-5%)</td>
<td>• Expected to improve in the second half onward</td>
</tr>
<tr>
<td>Operating income ¥2,400 million (-18%)</td>
<td>There will be a return to in-person activity due to the expected end of the pandemic</td>
</tr>
<tr>
<td></td>
<td>• This return is expected to peak in the first half</td>
</tr>
<tr>
<td></td>
<td>Programmatic Ad market</td>
</tr>
<tr>
<td></td>
<td>• Moderate improvement is expected</td>
</tr>
</tbody>
</table>

We will repurchase common shares.
FY23 Q1 Earnings Overview

**Revenue**

Cumulative period
Unit: million yen

<table>
<thead>
<tr>
<th>Period</th>
<th>Revenue (¥ million)</th>
<th>YOY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY22Q1</td>
<td>1,980</td>
<td>-178 (9%)</td>
</tr>
<tr>
<td>FY23Q1</td>
<td>1,802</td>
<td></td>
</tr>
</tbody>
</table>

**Operating Income**

<table>
<thead>
<tr>
<th>Period</th>
<th>Operating Income (¥ million)</th>
<th>YOY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY22Q1</td>
<td>630</td>
<td>-215 (34%)</td>
</tr>
<tr>
<td>FY23Q1</td>
<td>414</td>
<td></td>
</tr>
</tbody>
</table>

**BtoB Media Business**

<table>
<thead>
<tr>
<th>Period</th>
<th>Revenue (¥ million)</th>
<th>Operating Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY22Q1</td>
<td>1,500</td>
<td>31.8%</td>
</tr>
<tr>
<td>FY23Q1</td>
<td>506</td>
<td></td>
</tr>
</tbody>
</table>

**BtoC Media Business**

<table>
<thead>
<tr>
<th>Period</th>
<th>Revenue (¥ million)</th>
<th>Operating Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY22Q1</td>
<td>301</td>
<td></td>
</tr>
<tr>
<td>FY23Q1</td>
<td>123</td>
<td>23.0%</td>
</tr>
</tbody>
</table>

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Decreased revenue and profit. Personnel expenses increased while we curbed outsourcing expenses.

Cumulative period
Unit: million yen

FY22Q1

Revenue decrease
BtoB Media Business
-128
-8%
BtoC Media Business
-49
-14%

Cost increase
Outsourcing expenses
-37
Personnel expenses
+47
Other
+27

FY23Q1

YoY
-¥215 million (-34%)
## FY23 Q1 Earnings Overview | Consolidated Statement of Income

<table>
<thead>
<tr>
<th>Cumulative period</th>
<th>FY22Q1</th>
<th>FY23Q1</th>
<th>Increase</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit: million yen</td>
<td>Amount</td>
<td>As % of revenue</td>
<td>Amount</td>
<td>As % of revenue</td>
</tr>
<tr>
<td>Revenue</td>
<td>1,980</td>
<td>100.0%</td>
<td>1,802</td>
<td>100.0%</td>
</tr>
<tr>
<td>Total cost</td>
<td>1,349</td>
<td>68.2%</td>
<td>1,387</td>
<td>77.0%</td>
</tr>
<tr>
<td>(of which are personnel expenses)</td>
<td>730</td>
<td>36.9%</td>
<td>777</td>
<td>43.1%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>693</td>
<td>35.0%</td>
<td>482</td>
<td>26.7%</td>
</tr>
<tr>
<td>Operating income</td>
<td>630</td>
<td>31.8%</td>
<td>414</td>
<td>23.0%</td>
</tr>
<tr>
<td>Income before income tax</td>
<td>629</td>
<td>31.8%</td>
<td>417</td>
<td>23.2%</td>
</tr>
<tr>
<td>Net income</td>
<td>428</td>
<td>21.6%</td>
<td>280</td>
<td>15.6%</td>
</tr>
<tr>
<td>Net income attributable to owners of parent</td>
<td>428</td>
<td>21.6%</td>
<td>280</td>
<td>15.6%</td>
</tr>
</tbody>
</table>

*EBITDA: Operating income + depreciation + amortization on intangible assets + impairment loss + stock-based compensation expenses - other one-time revenue + other one-time expenses*
# FY23 Q1 Earnings Overview | Consolidated Statement of Cash Flows

<table>
<thead>
<tr>
<th>Cumulative period</th>
<th>FY22Q1</th>
<th>FY23Q1</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit: million yen</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash flows from operating activities</td>
<td>77</td>
<td>148</td>
<td>+71</td>
</tr>
<tr>
<td>Cash flows from investing activities</td>
<td>(5)</td>
<td>(125)</td>
<td>(119)</td>
</tr>
<tr>
<td>Cash flows from financing activities</td>
<td>(273)</td>
<td>(301)</td>
<td>(27)</td>
</tr>
<tr>
<td>Change in cash and cash equivalents</td>
<td>(201)</td>
<td>(277)</td>
<td>(75)</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of the period</td>
<td>6,815</td>
<td>7,978</td>
<td>+1,162</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of the period</td>
<td>6,613</td>
<td>7,701</td>
<td>+1,087</td>
</tr>
</tbody>
</table>

## Main items of operating CF
- Net income (loss) before income tax: +417
- Depreciation and amortization: +67
- Decrease in trade and other receivables: +243
- Decrease in trade and other payables: (93)
- Income taxes paid: (472)

## Main items of investing CF
- Purchase of property, equipment, and intangible assets: (113)

## Main items of financing CF
- Dividends paid: (268)
- Payments of lease liabilities: (34)
## Consolidated Statement of Financial Position

<table>
<thead>
<tr>
<th>Unit: million yen</th>
<th>At the end of March 2023</th>
<th>At the end of June 2023</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td>9,996</td>
<td>9,450</td>
<td>(546)</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>1,161</td>
<td>1,395</td>
<td>+234</td>
</tr>
<tr>
<td>Total assets</td>
<td>11,158</td>
<td>10,845</td>
<td>(312)</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td>1,668</td>
<td>1,254</td>
<td>(413)</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>60</td>
<td>156</td>
<td>+95</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>1,729</td>
<td>1,411</td>
<td>(317)</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share capital/capital surplus</td>
<td>3,969</td>
<td>3,971</td>
<td>+1</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>6,603</td>
<td>6,607</td>
<td>+3</td>
</tr>
<tr>
<td>Treasury stock</td>
<td>(1,144)</td>
<td>(1,144)</td>
<td>–</td>
</tr>
<tr>
<td>Accumulated other comprehensive income</td>
<td>–</td>
<td>0</td>
<td>+0</td>
</tr>
<tr>
<td>Total equity attributable to owners of parent</td>
<td>9,429</td>
<td>9,434</td>
<td>+5</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>9,429</td>
<td>9,434</td>
<td>+5</td>
</tr>
</tbody>
</table>

### Total assets
- Cash and cash equivalents: (277)
- Trade and other receivables: (243)
- Other current assets: (23)
- Right-of-use assets: +224

### Total liabilities
- Trade and other payables: (169)
- Lease liabilities: +214
- Income tax payable: (335)
- Other current liabilities: (27)

### Total equity
- Retained earnings: +3
  - Of which is net income: +280
  - Of which are dividends from retained earnings: (277)
FY23 Q1 Earnings Overview | Revenue (Quarterly)

Unit: million yen

Q1 ￥1,802 million

Decrease revenue

YoY change

-￥178 million (-9%)
FY23 Q1 Earnings Overview | Operating Income (Quarterly)

Unit: million yen

Decrease profit

Q1 ¥414 million

YoY change

-¥215 million (-34%)
Q1: Profit decline accelerated in comparison to revenue decline due to a large proportion of fixed costs.
FY23 Q1 Earnings Overview | Cost Breakdown by Quarter

**Accounting period**
Unit: million yen

<table>
<thead>
<tr>
<th></th>
<th>FY21Q1</th>
<th>FY21Q2</th>
<th>FY21Q3</th>
<th>FY21Q4</th>
<th>FY22Q1</th>
<th>FY22Q2</th>
<th>FY22Q3</th>
<th>FY22Q4</th>
<th>FY23Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>1,177</td>
<td>1,270</td>
<td>1,281</td>
<td>1,675</td>
<td>1,349</td>
<td>1,464</td>
<td>1,431</td>
<td>1,576</td>
<td>1,387</td>
</tr>
<tr>
<td>Outsourcing expenses</td>
<td>178</td>
<td>235</td>
<td>233</td>
<td>305</td>
<td>248</td>
<td>297</td>
<td>272</td>
<td>274</td>
<td>211</td>
</tr>
<tr>
<td>Other</td>
<td>340</td>
<td>345</td>
<td>360</td>
<td>445</td>
<td>370</td>
<td>405</td>
<td>402</td>
<td>472</td>
<td>398</td>
</tr>
<tr>
<td>Personnel expenses</td>
<td>658</td>
<td>689</td>
<td>687</td>
<td>923</td>
<td>730</td>
<td>761</td>
<td>756</td>
<td>830</td>
<td>777</td>
</tr>
</tbody>
</table>

**Q1**
<table>
<thead>
<tr>
<th>YoY change</th>
<th>As percent of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>+2.8%</td>
</tr>
<tr>
<td>Outsourcing expenses</td>
<td>-15.0%</td>
</tr>
<tr>
<td>Other</td>
<td>+7.5%</td>
</tr>
<tr>
<td>Personnel expenses</td>
<td>+6.4%</td>
</tr>
</tbody>
</table>

**Main factors behind year on year change**

- Personnel expenses: +47
  - Increase in the number of employees (hired in the previous fiscal year)
  - Six new graduates joined the Company in the current fiscal year

- Outsourcing expenses: -37
  - Curtailed, especially for digital events

- Other: +27
  - Business environment, system
**FY23 Q1 Earnings Overview | Employee Breakdown by Quarter**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>YoY change</th>
<th>As percent of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>+33</td>
<td>100%</td>
</tr>
<tr>
<td>Administrative and other</td>
<td>+7</td>
<td>8.7%</td>
</tr>
<tr>
<td>Technical</td>
<td>+1</td>
<td>4.5%</td>
</tr>
<tr>
<td>Sales and planning</td>
<td>+7</td>
<td>36.9%</td>
</tr>
<tr>
<td>Editing</td>
<td>+18</td>
<td>49.9%</td>
</tr>
</tbody>
</table>

Includes contract, temporary, and part-time employees

**Ratio of personnel expenses to revenue**

\[
\text{Ratio} = \left( \frac{[\text{SG&A expenses} + \text{personnel expenses}]}{\text{Revenue}} \right) \times 100
\]
Number of customers increased despite decrease in revenue. Hacchu Navi expanded.

Cumulative period
Unit: companies

Number of companies to which sales were recorded during the period
FY23 Q1 Earnings Overview

BtoB Media Business

BtoC Media Business

FY23 Earnings Forecast

Company Business Overview and Growth Strategy

Shareholder Return & Sustainability
FY23 Q1 Earnings Overview | BtoB Media Business Earnings

Cumulative period
Unit: million yen

Revenue

- FY22Q1: 1,628
- FY23Q1: 1,500
  - YoY: ¥128 million (-8%)

Operating income

- FY22Q1: 506
  - Operating margin: 31.1%
- FY23Q1: 361
  - YoY: ¥145 million (-29%)
  - Operating margin: 24.1%
FY23 Q1 Earnings Overview | Revenue by Revenue Model

Cumulative period
Unit: million yen

1,628

FY22Q1

FY23Q1

1,500

704

Lead Generation revenue
Maintained previous year's revenue
+¥0 million (+0% YoY)

381

Digital Event revenue
Decrease due to the return to in-person activity
-¥66 million (-17% YoY)

315

542

480

Ad revenue
Decrease in revenue, mainly from foreign companies
-¥62 million (-11% YoY)
First half expected to be the peak of the return to in-person activity
Reasons for decrease

- Digital Event revenue from customers in Japan
- Ad revenue from foreign customers
Impact of market conditions surrounding the Company increased in the short term

Customers in Japan
- Return to in-person activity
- Digital Events decreased

Foreign customers
- U.S. technology market decline
- Reduction of ad costs
- Lead Generation remained flat
- Ads decreased
FY23 Q1 Earnings Overview | State of KPI

Number of Lead Generation members*

Unit: 10,000 people

FY22Q1: 113
FY22Q2: 93
FY22Q3: 82
FY22Q4: 121
FY23Q1: 113

YoY +80 thousand people (+7.5%)

Number of PVs (monthly average)

Unit: million PVs

FY22Q1: 93
FY22Q2: 93
FY22Q3: 93
FY22Q4: 82
FY23Q1: 121

YoY -11 Million PVs (-12.6%)

Number of customers

Unit: companies
FY22: 1,182
FY23: 1,182
FY22Q1: 1,065
FY22Q2: 1,346
FY22Q3: 1,612
FY22Q4: 1,838

Number of customers increased despite decrease in revenue. Hacchu Navi expanded

*1. Members eligible for Lead Generation service because of ITmedia ID, common member platform
FY23 Q1 Earnings Overview | Growth of Subsidiary, Hacchu Navi Inc.

- BtoB Media Business subsidiary
- Specialized for system development companies
- Subscription-type Lead Generation services
- Expands the number of member companies through freemium model

- **June 2023**
  - 4,000 companies
- **May 2022**
  - 3,000 companies
- **Nov. 2019**
  - 2,000 companies
- **Feb. 2018**
  - 1,000 companies

**Revenue increased 2.5 times in 4 years**

**FY18**
**FY19**
**FY20**
**FY21**
**FY22**

**Accelerated Growth**

**Ordering company**
**matching**
**Development company**

Hacchu Navi is a vendor selection support service specialized in system development.
FY23 Q1 Earnings Overview

BtoB Media Business

BtoC Media Business

FY23 Earnings Forecast

Company Business Overview and Growth Strategy

Shareholder Return & Sustainability
FY23 Q1 Earnings Overview | BtoC Media Business Earnings

**Revenue**

Cumulative period
Unit: million yen

- FY22Q1: 351
- FY23Q1: 301

YoY -¥49 million (-14%)

**Operating income**

- FY22Q1: 123
- FY23Q1: 53

YoY -¥70 million (-57%)

Operating margin: 17.7%
FY23 Q1 Earnings Overview | BtoC Media Business: Netolabo—Revenue and PVs

Revenue per 1,000 PVs (yen)

Focused on establishing a brand and expanding PVs

Change in operating policy (increase in earnings)

Accounting period
- Revenue
- PV

Disorder in ad market

Reasons for decrease

- No improvement in market unit price
  - Decrease in unit price of ads
- Algorithm impact*1
  - Decrease in traffic
- Increase in number of articles
  - Increase in traffic

*1 Temporary traffic decay occurred on some search engine algorithms like Google's

Q1 Q2 Q3 Q4
FY18

PV
FY19

FY20

FY21

FY22

FY23

Revenue
PV
FY23 Q1 Earnings Overview
BtoB Media Business
BtoC Media Business

FY23 Earnings Forecast
Company Business Overview and Growth Strategy
Shareholder Return & Sustainability
Risks expected to emerge within predicted scope. Situation expected to continue, particularly during first half.

**COVID-19**
- Growing short term unpredictability, particularly among overseas clients
- Temporary slow down in Digital Event business
- Continuing digital shift within marketing

**Situation in Ukraine**
- Growing downturn in US
- Growing expectation over the end of the COVID-19 pandemic
- Maintain growth in the Lead Generation Business

**FX rate fluctuations Concerns over inflation**
- Situation continues, particularly during first half

**Downturn, financially instability, particularly in US**
- Digital shift within marketing will continue
Worse than initially expected. Improvement is expected after bottoming out in Q1, but the impact will remain throughout FY23.
Worse than initially expected. Improvement is expected after bottoming out in Q1, but the impact will remain throughout FY23

<table>
<thead>
<tr>
<th></th>
<th>Revenue</th>
<th>Operating income</th>
<th>Quarterly net income attributable to owners of parent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>First half</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revised forecast</td>
<td>3,960</td>
<td>1,100</td>
<td>740</td>
</tr>
<tr>
<td>YoY change</td>
<td>[-5.9%]</td>
<td>[-21.0%]</td>
<td>[-21.8%]</td>
</tr>
<tr>
<td>Previous forecast</td>
<td>4,210</td>
<td>1,210</td>
<td>820</td>
</tr>
<tr>
<td>Revised increase/decrease</td>
<td>[-250]</td>
<td>[-110]</td>
<td>[-80]</td>
</tr>
<tr>
<td>FY22, 1st half (actual)</td>
<td>4,206</td>
<td>1,392</td>
<td>946</td>
</tr>
<tr>
<td><strong>Full year</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revised forecast</td>
<td>8,320</td>
<td>2,400</td>
<td>1,620</td>
</tr>
<tr>
<td>YoY change</td>
<td>[-4.9%]</td>
<td>[-18.1%]</td>
<td>[-18.0%]</td>
</tr>
<tr>
<td>Previous forecast</td>
<td>9,150</td>
<td>3,000</td>
<td>2,020</td>
</tr>
<tr>
<td>Revised increase/decrease</td>
<td>[-830]</td>
<td>[-600]</td>
<td>[-400]</td>
</tr>
<tr>
<td>FY22, full year (actual)</td>
<td>8,752</td>
<td>2,930</td>
<td>1,974</td>
</tr>
</tbody>
</table>

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.
Despite slowdown, medium- to long-term growth scenario remains unchanged

COVID-19 pandemic sets off
The shift to digital accelerated

U.S. technology market
Decline
Return to in-person activity

Prevalence of DX and full-scale popularization of AI
Expansion of data driven marketing

Evolution of technology, digital shift in sales and marketing continues
FY23 Q1 Earnings Overview
BtoB Media Business
BtoC Media Business
FY23 Earnings Forecast
Company Business Overview and Growth Strategy
Shareholder Return & Sustainability
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
Innovate professional media
Contribute through information

Social innovation through technology

Development of a sustainable society
Company Business Overview and Growth Strategy | One of Japan’s Largest Digital Media Content Providers

**Customer/user scale**

- Number of potential customers: 7,000 companies
- Number of customers: 2,000 companies
- Profile members: 1.2 million people
- Number of readers: 25 million people, 50 million UB

**Media/data scale**

- Number of digital events held: 200 times/year
- Number of specialized media: 30 media
- Number of articles: 6,000 articles/month
- Monthly PVs: 400 million PVs

**Staff**

- Direct sales staff: 100 people
- Outside writers: 1,000 writers
- Internal writers: 100 writers

© 2023 ITmedia Inc. All Rights Reserved.
One of the largest holders of data in Japan that brings technology buyers and sellers together

- **Companies providing technology**
  - Potential customers: 7,000 companies
  - Current visible market: 2,000 companies
  - Market expansion through growing digital transformation

- **In-house DX staff / IT buyers**
  - Member readers: 1.2 million people
  - Site run by ITmedia
  - Readers: 25 million people

- **Engagement**
  - Customer acquisition platform
  - Data/information media
  - Innovation
  - Data

- **Companies participating in the platform**
  - ¥20 trillion market
    - Payments for digital customer acquisition: ¥100 billion–¥200 billion (0.5%-1.0%)

- **Technology industry**
  - 50,000 companies

- **Business/industry**
  - Payments for technology
Service that allows digital media and content to perform sales functions (exchanging business cards)

- Analog era
- Digital era

Sales acquire contacts

Digital content acquires contacts
Major changes in BtoB purchasing processes
The availability of specialized information online has removed the sales side’s information advantage

Digital media content now fulfills the role of sales
One of Japan’s largest technology-focused digital media content provider

Monthly
400 million PVs

Total number of members
1.2 million people

Number for new monthly articles
6,000 articles

100% first-party data*

* User information collected by the company’s own site. First-party data is more reliable and provides greater added value than standard third-party data.

1 in 4.5 members are corporate managers, company executives, department leaders

Department leader or above: 22.6%

- Sub-section leaders: 20.1%
- Section leaders: 17.4%
- Department leaders: 11.4%
- General employees: 39.9%
- Corporate managers/executives: 11.2%

From registration information on Lead Generation members
Improving sales productivity is a major social problem for Japanese companies

Reason why sales productivity in Japan is lower than global standards

**Low** net sales per sales employee is low
- The role of the sales employee is unclear and inefficient
- There are numerous tasks of responding to customers outside of the sales approach (handling complaints, etc.)
- There are many miscellaneous tasks outside of sales activities

**Low** sales efficiency (= high sales cost component)
- Slowness in transitioning to digital-based sales
- Room for cost-cutting in areas across multiple businesses

**High** personnel expenses per sales employee
- Inefficient salary systems and incentive designs amid a lack of clarity in skill requirements and evaluation systems

Value provided by the Company

Concentration on core operations
- Enabling sales reps to concentrate on approaches to the prospective customers by having our services supporting lead (potential-customer) acquisition and lead nurturing

Optimization through CRM and other digital processes, and improving efficiency
- Switching to digital-based sales processes by combining digital tools with our data. Enabling efficient sales that are not personnel oriented
- Specifying sales priorities based on data, such as companies to approach. Improving in order efficiency
- Better quality of business administration using process visualization

ROI clarification in marketing investment
- Services that make customer prioritization and ROI analysis of marketing and sales easier.
- Proposals by sales reps to customers of optimal marketing mixes

Companies want digital-based solutions

Achieving “sales DX” through digital data

*1 Reference: McKinsey & Company “Why is Japan sales productivity so low?” (February 2021)
Our company engages in the digital transformation of Sales and Marketing
Market expected to expand $2.9 \times$ over 10 years

Average 5-year growth rate: 27%

2020: ¥156.4 billion
2030: ¥450 billion

“Future outlook for the digital transformation market; market edition/vendor strategy edition” summary (published March 15, 2022, number 22025) Fuji Chimera Research Institute, Inc.
https://www.fcr.co.jp/pr/22025.htm
Transformation from being advertising centric to being centered on services close to customer acquisition using lead generation, digital events, etc.
Response to information needs for ChatGPT

Number of new articles posted monthly that are generative AI related articles

(Unit: articles)

- '2211: 8
- '2212: 26
- '2301: 47
- '2302: 121
- '2303: 251
- '2304: 235
- '2305: 287
- '2306: 304

More than 200 articles in the last four months
Company Business Overview and Growth Strategy | Engage with Growth Vectors

Previously

- **Innovation of society**
  - IT
  - Industrial technology
  - Cloud and SaaS

- **Innovation of marketing**
  - Lead Generation
  - Digital Events
  - Data Driven
  - Next-generation Digital Events

- **Innovation of media**
  - Established as a dedicated online business
  - Smart and Social
  - Metaverse
  - AI (e.g. ChatGPT)

In future

- Industry DX
Partnership

Our Mission
Contribute to information revolution by innovating professional media

Multiple specialist media corporations in various industries

Cooperating to provide edification on digital transformation in each industry
Contributing to the media industry
Company Business Overview and Growth Strategy | New Initiatives: Image of Industrial DX

Our company ×20

Alliance ×100

Domestic ×1,000

Medicine /pharmaceuticals
Bio
Agriculture
Public projects
Education
Finance
Distribution/retail
Logistics
IT
...
Expansion of mutual revenue opportunities through alliances with specialist media of various industries

**Specialist media company**
- Brands which represent an industry
- Ad revenue
- Reader Fee revenue
- High quality content assets

**Our company**
- Strong direct sales platform (proposals to customers and fruition)
- Ad revenue
- Programmatic Ad revenue
- Digital Event revenue
- Lead Generation revenue
- Data Driven revenue
- Cloud-optimized media platform
Contributions to media companies: Promotion of DX awareness in society

Realization of sustainable society

Industry-specific media partners (Content assets)

Readers/Companies
(Use side)

Customers
Sellers
(Provision side)

The Company (ecosystem)

Promotion of industry DX in Japan
Preemptively form alliances with some specialist media companies for digital event collaboration.
Preemptively form alliances with some specialist media companies for digital event collaboration.
The largest BtoB holders of data that brings buyers and sellers together from all industries

“Campaign Central Concept”
Centralized data management infrastructure for data driven marketing
→ Implement first stage during the current fiscal year

Expand fields of development from IT industry to all industries

Expand opportunities for integrating and acquiring data
FY23 Q1 Earnings Overview
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Shareholder Return & Sustainability
We determined today to purchase own shares to allow us to bolster shareholder return and implement agile capital strategy as required for the changes in the business environment.

<table>
<thead>
<tr>
<th>Class of shares to be purchased</th>
<th>Common shares of the Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchasing period</td>
<td>From August 1, 2023 to October 31, 2023</td>
</tr>
<tr>
<td>Total shares that can be purchased</td>
<td>500,000 shares (maximum)</td>
</tr>
<tr>
<td></td>
<td>(Ratio to the total number of issued shares excluding treasury stock: 2.5%)</td>
</tr>
<tr>
<td>Total value of share purchase</td>
<td>¥0.65 billion (maximum)</td>
</tr>
<tr>
<td>Method of purchase</td>
<td>Market purchase by discretionary trading</td>
</tr>
</tbody>
</table>

Please see the news release “Notice of Decision on Matters Related to Purchase of Own Shares,” which was released today.
Shareholder Return & Sustainability | FY23 Dividend Forecast

Unit: yen

Payout ratio

¥2 dividend increase

¥30

Payout ratio 36.7%

24.9% 30.6% 24.6% 41.2% 39.3% 56.9% 30.4% 25.3% 25.3% 28.1% 23.0 28.0 30.0 36.7%

FY12 FY13 FY14 FY15 FY16 FY17 FY18 FY19 FY20 FY21 FY22 FY23

2.66 4.67 6.67 10.0 10.0 11.0 12.0 16.0

Dividend to commemorate 15-year anniversary
Dividend to mark change in market conditions
Dividend to commemorate 20-year anniversary
Dividend to celebrate achievement of W20
Here is a description of our quarterly progress

Disclosed our ESG data book FY2022 edition

(In Q2 and later) Strengthening our ESG promotion system
Contribute to Information Revolution by Innovating Professional Media