ITmedia Inc.
The Six-Month Period Ended September 30, 2023
Earnings Briefing

October 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.
Understanding the Current Situation and Future Policies

FY23 Q2  Earnings Overview
         BtoB Media Business
         BtoC Media Business
FY23 Earnings Forecast
Company Business Overview
Growth Strategies and New Initiatives
Shareholder Return and Sustainability
Decreased revenue and profit. Q2 slightly below expectations but improved from Q1.

<table>
<thead>
<tr>
<th>Unit: million yen</th>
<th>Q1</th>
<th>Q2</th>
<th>Q2 cumulative</th>
<th>Annual forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>1,802 (-9%)</td>
<td>2,039 (-8%)</td>
<td>3,841 (-9%)</td>
<td>8,320 (-5%)</td>
</tr>
<tr>
<td>Operating income</td>
<td>414 (-34%)</td>
<td>637 (-16%)</td>
<td>1,052 (-24%)</td>
<td>2,400 (-18%)</td>
</tr>
<tr>
<td>Net income</td>
<td>280 (-34%)</td>
<td>436 (-16%)</td>
<td>717 (-24%)</td>
<td>1,620 (-18%)</td>
</tr>
</tbody>
</table>
Market conditions surrounding the Company

- Digital Event
- Digital marketing shift
- Lead Gen
- Programmatic Ad
- SaaS turning point
- PVs • members
- post pandemic rebound
End of the accelerated growth period triggered by COVID-19
Growth slowdown and reactionary decline

While the digital shift is certain to continue, the period of acceleration has temporarily ended, and there was a reactionary decline.
Impact of market conditions surrounding the Company continues

Customers in Japan

Return to in-person activity

Digital Events decreased

Foreign customers

U.S. technology market growth slowdown
Reduction of ad costs

Lead Generation remained flat

Ads decreased
Growth of technology companies slows down as pandemic ends

Large-scale restructuring as a result of the above, coupled with concerns about U.S. business conditions

COVID-19 pandemic

- Shift to digital
- Acceleration of DX and IT investment

Pandemic ends

- Growing concern about U.S. business conditions
- IT investment slowdown

- Sales expansion/increase employees

- Growth slowdown (end of acceleration period)
- Stock price decline
- Increased pressure for restructuring

Major restructuring

Marketing budget restraint
Understanding the Current Situation and Future Policies | BtoC Media Business: Netolabo—Revenue and PVs

- **Revenue per 1,000 PVs (yen)**
  - **Focused on establishing a brand and expanding PVs**
  - **COVID-19 pandemic**
  - **Change in operating policy (increase in earnings)**
  - **Disorder in ad market**

- **Accounting period**
  - **PV**

- **Reasons for decrease**
  - No improvement in market unit price
  - Decrease in unit price of ads

- **Algorithm impact**
  - Decrease in traffic
  - Increase in number of articles

- **Traffic maintained**

- **FY18**
  - Q1
  - Q2
  - Q3
  - Q4

- **FY19**
  - Q1
  - Q2
  - Q3
  - Q4

- **FY20**
  - Q1
  - Q2
  - Q3
  - Q4

- **FY21**
  - Q1
  - Q2
  - Q3
  - Q4

- **FY22**
  - Q1
  - Q2
  - Q3
  - Q4

- **FY23**
  - Q1
  - Q2

*1 Temporary traffic decay occurred on some search engine algorithms like Google’s.*
High growth including some special demand

Sales almost doubled in 5 years

Digital marketing dominance

Special demand subsides

FY17 FY18 FY19 FY20 FY21 FY22 FY23

46 47 52 68 80 87 83 (Forecast)
Strengthen earnings development for the next fiscal year and beyond, with an eye on growth markets.
Aiming for S-shaped recovery with FY24 as a turning point

- Impact of recovery from COVID-19 is larger than expected
- Progress of digital shift is certain in the mid- to long-term
- No restructuring or curbing significant costs
- New initiatives to boost growth
- Growth recovery trend in FY24-25
X40 targets unchanged, but backtracked

Operating income target

40 hundred million yen to be achieved

X40

FY21  FY22  FY23  FY24  FY25  . . . . .  FYXX
Understanding the Current Situation and Future Policies

FY23 Q2  Earnings Overview
BtoB Media Business
BtoC Media Business

FY23 Earnings Forecast
Company Business Overview
Growth Strategies and New Initiatives
Shareholder Return and Sustainability
Introduction | Segments and Revenue Model

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

Revenue model:
- Commissioned
  - Supporting events
- Sponsored
  - Sponsor revenue
  - Sales of ad slots
  - Tie-up plans

Revenue format:
- Provide sales leads
- Provide intent data etc.
- Ad networks

Revenue sources:
- Number of members
- Customer acquisition
- Strong content media

KPIs:
- PVs
- Raise awareness

Value provided:
- 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 format:
- Sales resources not required
- Sales by partners with superior ad technology
Decreased revenue and profit. Q2 slightly below expectations but improved from Q1. Impact of market deterioration expected to remain throughout FY23.

### Earnings

**Q2 Actual**

- Decreased revenue and profit
  - Revenue: ¥3,841 million (-9%)
    - Lead Generation revenue: -2%
    - Digital Event revenue: -20%
    - Ad revenue: -6%
    - Programmatic Ad revenue: -12%
  - Operating income: ¥1,052 million (-24%)

**Earnings Forecast**

- Will remain within planned range
  - Revenue: ¥8,320 million (-5%)
  - Operating income: ¥2,400 million (-18%)
  - We purchased own shares

### External Environment & Overview

**Impact of market conditions surrounding the Company continued**

- U.S. technology market growth slowdown
  - Decreased revenues from foreign customers
- There was a return to in-person activity due to the expected end of the pandemic
  - Demand for digital events slowed down
- Programmatic Ad market declined more than expected
- Traffic decay occurred on some search engine algorithms

**Market conditions are expected to remain bearish**

- U.S. technology market growth slowdown
  - Expected to improve in the second half onward
- There was a return to in-person activity due to the expected end of the pandemic
  - Digital Events special demand subsides
- Programmatic Ad market
  - Moderate improvement is expected
FY23 Q2 Earnings Overview | Earnings

**Revenue**

Cumulative period
Unit: million yen

<table>
<thead>
<tr>
<th></th>
<th>FY22Q2</th>
<th>FY23Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>4,206</td>
<td>3,841</td>
</tr>
<tr>
<td>BtoB Media Business</td>
<td>3,480</td>
<td>3,201</td>
</tr>
<tr>
<td>BtoC Media Business</td>
<td>726</td>
<td>639</td>
</tr>
</tbody>
</table>

YoY: -365 million (-9%)

**Operating income**

<table>
<thead>
<tr>
<th></th>
<th>FY22Q2</th>
<th>FY23Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>1,392</td>
<td>1,052</td>
</tr>
<tr>
<td>BtoB Media Business</td>
<td>1,133</td>
<td>919</td>
</tr>
<tr>
<td>BtoC Media Business</td>
<td>259</td>
<td>133</td>
</tr>
</tbody>
</table>

YoY: -339 million (-24%)

Operating margin: 27.4%
Decreased revenue and profit.
Decreased total cost, mainly outsourcing expenses.

Cumulative period
Unit: million yen

<table>
<thead>
<tr>
<th>Business</th>
<th>FY22Q2</th>
<th>FY23Q2</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>BtoB Media Business</td>
<td>-279</td>
<td>-8%</td>
<td></td>
</tr>
<tr>
<td>BtoC Media Business</td>
<td>-86</td>
<td>-12%</td>
<td></td>
</tr>
<tr>
<td>Outsourcing expenses</td>
<td>+91</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel expenses</td>
<td>+54</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>+11</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Revenue decrease: 1,392
Cost decrease: 1,052

YoY -￥339 million (-24%)
<table>
<thead>
<tr>
<th>Cumulative period Unit: million yen</th>
<th>FY22Q2</th>
<th></th>
<th>FY23Q2</th>
<th></th>
<th>Increase</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount</td>
<td>As % of revenue</td>
<td>Amount</td>
<td>As % of revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>4,206</td>
<td>100.0%</td>
<td>3,841</td>
<td>100.0%</td>
<td>(365)</td>
<td>(8.7)%</td>
</tr>
<tr>
<td>Total cost</td>
<td>2,814</td>
<td>66.9%</td>
<td>2,788</td>
<td>72.6%</td>
<td>(25)</td>
<td>(0.9)%</td>
</tr>
<tr>
<td>(of which are personnel expenses)</td>
<td>1,491</td>
<td>35.5%</td>
<td>1,546</td>
<td>40.3%</td>
<td>+54</td>
<td>+3.6%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>1,525</td>
<td>36.3%</td>
<td>1,168</td>
<td>30.4%</td>
<td>(356)</td>
<td>(23.4)%</td>
</tr>
<tr>
<td>Operating income</td>
<td>1,392</td>
<td>33.1%</td>
<td>1,052</td>
<td>27.4%</td>
<td>(339)</td>
<td>(24.4)%</td>
</tr>
<tr>
<td>Income before income tax</td>
<td>1,390</td>
<td>33.0%</td>
<td>1,056</td>
<td>27.5%</td>
<td>(333)</td>
<td>(24.0)%</td>
</tr>
<tr>
<td>Net income</td>
<td>946</td>
<td>22.5%</td>
<td>717</td>
<td>18.7%</td>
<td>(228)</td>
<td>(24.2)%</td>
</tr>
<tr>
<td>Net income attributable to owners of parent</td>
<td>946</td>
<td>22.5%</td>
<td>717</td>
<td>18.7%</td>
<td>(228)</td>
<td>(24.2)%</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
<table>
<thead>
<tr>
<th>Financial Category</th>
<th>FY22Q2</th>
<th>FY23Q2</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities</td>
<td>727</td>
<td>775</td>
<td>+47</td>
</tr>
<tr>
<td>Cash flows from investing activities</td>
<td>(12)</td>
<td>(105)</td>
<td>(93)</td>
</tr>
<tr>
<td>Cash flows from financing activities</td>
<td>(316)</td>
<td>(724)</td>
<td>(408)</td>
</tr>
<tr>
<td>Change in cash and cash equivalents</td>
<td>398</td>
<td>(54)</td>
<td>(453)</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>7,214</td>
<td>7,923</td>
<td>+709</td>
</tr>
</tbody>
</table>

**Main items of operating CF**
- Net income (loss) before income tax: +1,056
- Depreciation and amortization: +116
- Decrease in trade and other receivables: +69
- Income taxes paid: (472)

**Main items of investing CF**
- Purchase of property, equipment, and intangible assets: (142)
- Leasehold and guarantee deposits: +49

**Main items of financing CF**
- Dividends paid: (276)
- Purchase of treasury shares: (387)
- Payments of lease liabilities: (63)
## FY23 Q2 Earnings Overview | 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 September 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>9,809</td>
<td>(187)</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>1,161</td>
<td>1,319</td>
<td>+158</td>
</tr>
<tr>
<td>Total assets</td>
<td>11,158</td>
<td>11,129</td>
<td>(28)</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>1,518</td>
<td>(149)</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>60</td>
<td>125</td>
<td>+64</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>1,729</td>
<td>1,644</td>
<td>(84)</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>3,973</td>
<td>+3</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>6,603</td>
<td>7,044</td>
<td>+440</td>
</tr>
<tr>
<td>Treasury stock</td>
<td>(1,144)</td>
<td>(1,532)</td>
<td>(387)</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>9,485</td>
<td>+56</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total equity</td>
<td>9,429</td>
<td>9,485</td>
<td>+56</td>
</tr>
</tbody>
</table>

### Total assets
- Cash and cash equivalents: (54)
- Trade and other receivables: (69)
- Other current assets: (55)
- Right-of-use assets: +195
- Other financial assets: (49)

### Total liabilities
- Trade and other payables: (89)
- Lease liabilities: +184
- Income tax payable: (132)
- Other current liabilities: (52)

### Total equity
- Retained earnings: +440
  - Of which is net income: +717
  - Of which are dividends from retained earnings: (277)
- Treasury shares: (387)
FY23 Q2 Earnings Overview | Revenue (Quarterly)

Unit: million yen

<table>
<thead>
<tr>
<th>Quarter</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>1,129</td>
<td>1,425</td>
<td>1,755</td>
<td>1,980</td>
<td>1,802</td>
</tr>
<tr>
<td>Q2</td>
<td>1,310</td>
<td>1,677</td>
<td>1,955</td>
<td>2,226</td>
<td>2,039</td>
</tr>
<tr>
<td>Q3</td>
<td>1,336</td>
<td>1,751</td>
<td>2,003</td>
<td>2,210</td>
<td></td>
</tr>
<tr>
<td>Q4</td>
<td>1,501</td>
<td>2,036</td>
<td>2,376</td>
<td>2,335</td>
<td></td>
</tr>
</tbody>
</table>

Earnings Forecast: 8,320

Decreased revenue

Q2 ￥2,039 million

YoY change

-￥187 million (-8%)
FY23 Q2 Earnings Overview | Operating Income (Quarterly)

Unit: million yen

<table>
<thead>
<tr>
<th>Quarter</th>
<th>FY19</th>
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<tbody>
<tr>
<td>Q1</td>
<td>192</td>
<td>350</td>
<td>578</td>
<td>630</td>
<td>414</td>
</tr>
<tr>
<td>Q2</td>
<td>297</td>
<td>518</td>
<td>685</td>
<td>762</td>
<td>637</td>
</tr>
<tr>
<td>Q3</td>
<td>334</td>
<td>619</td>
<td>701</td>
<td>758</td>
<td>637</td>
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<tr>
<td>Q4</td>
<td>347</td>
<td>533</td>
<td>722</td>
<td>779</td>
<td>-</td>
</tr>
</tbody>
</table>

Earnings Forecast: 2,400 million yen

Decreased profit
Improved compared to Q1

Q2: ¥637 million

YoY change: -¥124 million (-16%)
FY23 Q2 Earnings Overview | Revenue and Operating Income by Quarter

Decreased profit, Improved compared to Q1

Revenue

Operating income

Accounting period
Unit: million yen

<table>
<thead>
<tr>
<th></th>
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<td>1,501</td>
<td>2,036</td>
<td>2,376</td>
<td>2,335</td>
</tr>
</tbody>
</table>

YoY -8%

<table>
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<th>FY22</th>
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<td>347</td>
<td>533</td>
<td>701</td>
<td>758</td>
<td>758</td>
</tr>
</tbody>
</table>

YoY -16%
<table>
<thead>
<tr>
<th>Accounting period</th>
<th>Unit: million yen</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>
<th>FY23Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td></td>
<td>1,177</td>
<td>1,270</td>
<td>1,281</td>
<td>1,675</td>
<td>1,464</td>
<td>1,576</td>
<td>1,387</td>
<td>1,401</td>
<td>243</td>
<td></td>
</tr>
<tr>
<td>Outsourcing expenses</td>
<td></td>
<td>178</td>
<td>235</td>
<td>233</td>
<td>305</td>
<td>297</td>
<td>274</td>
<td>211</td>
<td>217</td>
<td>389</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td>340</td>
<td>345</td>
<td>360</td>
<td>445</td>
<td>405</td>
<td>472</td>
<td>398</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel expenses</td>
<td></td>
<td>658</td>
<td>689</td>
<td>687</td>
<td>923</td>
<td>761</td>
<td>830</td>
<td>777</td>
<td>769</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Main factors behind year on year change**

- **Personnel expenses**: +7
  - Curtailed of new recruitment
  - Six new graduates joined the Company in the current fiscal year
- **Outsourcing expenses**: -53
  - Curtailed, especially for digital events
- **Other**: -16
  - Downsize offices

**Q2** | **YoY change** | **As percent of total**
--- | --- | ---
Total | -4.3% | 100%
Outsourcing expenses | -18.1% | 17.4%
Other | -4.1% | 27.8%
Personnel expenses | +1.0% | 54.9%
Number of customers increased despite decrease in revenue. Hacchu Navi expanded.

*Number of companies to which sales were recorded during the period
*Hacchu Navi has been consolidated since October 2015
Understanding the Current Situation and Future Policies

FY23 Q2  Earnings Overview
BtoB Media Business
BtoC Media Business
FY23 Earnings Forecast
Company Business Overview
Growth Strategies and New Initiatives
Shareholder Return and Sustainability
FY23 Q2 Earnings Overview | BtoB Media Business Earnings

Cumulative period
Unit: million yen

Revenue

- FY22Q2: 3,480
- FY23Q2: 3,201
  - YoY: ¥279 million (-8%)

Operating income

- FY22Q2: 1,133
- FY23Q2: 919
  - YoY: ¥213 million (-19%)
FY23 Q2 Earnings Overview | Revenue by Revenue Model

Cumulative period
Unit: million yen

<table>
<thead>
<tr>
<th></th>
<th>FY22Q2</th>
<th>FY23Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,128</td>
<td>1,056</td>
</tr>
<tr>
<td>Ad revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Digital Event revenue</td>
<td>748</td>
<td></td>
</tr>
<tr>
<td>Foreign company slows down</td>
<td>-¥183 million (-20% YoY)</td>
<td></td>
</tr>
<tr>
<td>Lead Generation revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decrease due to the return to in-person activity</td>
<td></td>
<td>-¥23 million (-2% YoY)</td>
</tr>
<tr>
<td>Decrease in revenue, mainly from foreign companies</td>
<td></td>
<td>-¥72 million (-6% YoY)</td>
</tr>
</tbody>
</table>
Cumulative period
Unit: million yen

<table>
<thead>
<tr>
<th>Period</th>
<th>Sponsored</th>
<th>Commissioned</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY22Q2</td>
<td>748</td>
<td>365</td>
</tr>
<tr>
<td>FY23Q2</td>
<td>487</td>
<td>261</td>
</tr>
</tbody>
</table>

- **YoY** -¥183 million (-20%)
- **YoY** -¥78 million (-14%)
- **YoY** -¥104 million (-29%)

Established market from the pandemic, but special demand subsides

Digital Event examples

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FY23 Q2 Earnings Overview | State of KPI

Number of Lead Generation members*1

Unit: 10,000 people

FY22Q2 FY22Q3 FY22Q4 FY23Q1 FY23Q2
115
124
1182
1346
1,612
YoY +80 thousand people (+7.6%)

Number of PVs (monthly average)

Unit: million PVs

FY22Q2 FY22Q3 FY22Q4 FY23Q1 FY23Q2
95
80
1,182
1,346
1,472
YoY -15 Million PVs (-15.8%)

Number of customers

Unit: companies

FY22 FY23
1,065 1,182
1,346 1,472
1,612 HacchuNavi expanded
1,838

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

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FY23 Q2 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

Revenue increased 2.5 times in 4 years

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

Hacchu Navi is a vendor selection support service specialized in system development.

Ordering company → matching → Development company
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FY23 Q2 Earnings Overview | BtoC Media Business Earnings

Cumulative period
Unit: million yen

Revenue

YoY
-¥86
million
(-12%)

FY22Q2: 726
FY23Q2: 639

Operating income

YoY
-¥126
million
(-49%)

FY22Q2: 259
Operating margin: 35.7%
FY23Q2: 133
Operating margin: 20.8%

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Netolabo channels dedicated to animals
100 million page views per month in August 2023

Expansion of content fields

Improved content production methods

100 mil. PVs exceeded
70 mil. PVs exceeded
30 mil. PVs exceeded
10 mil. PVs exceeded

15 Apr. 2016

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Understanding the Current Situation and Future Policies

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          BtoC Media Business

FY23 Earnings Forecast

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Shareholder Return and Sustainability
The impact will remain throughout the current fiscal year, decrease in revenue and profit is expected.

Progressing as expected

<table>
<thead>
<tr>
<th>Unit: million yen</th>
<th>Revenue</th>
<th>Operating income</th>
<th>Net income attributable to owners of parent</th>
</tr>
</thead>
<tbody>
<tr>
<td>full year</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>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.
Understanding the Current Situation and Future Policies

FY23 Q2  Earnings Overview
         BtoB Media Business
         BtoC Media Business

FY23 Earnings Forecast

**Company Business Overview**

Growth Strategies and New Initiatives

Shareholder Return and 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
Development of a sustainable society
Social innovation through technology
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 liable 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%

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

From registration information on Lead Generation members
Company Business Overview | One of Japan’s Largest Digital Media Content Provider

**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
Company Business Overview | Core Company Foundations

One of the largest media in the BtoB technology market

One of the largest holders of data in Japan that brings technology buyers and sellers together

Contribute to digital transformation of Sales and Marketing

Data on purchasing behavior for BtoB technology products
Developing innovative services unique to digital

Lead Generation
Digital Event
Ad
One of the largest holders of data in Japan that brings technology buyers and sellers together

Companies providing technology
- Potential customers: 7,000 companies
- Customers: 2,000 companies
- Market expansion through growing digital transformation

Engagement
- Companies participating in the platform
- Customer acquisition
- Information acquisition platform

In-house DX staff / IT buyers
- Member readers: 1.2 million people
- Potential users
- Business/industry Payments for technology
- Technology industry: 50,000 companies
- Payments for digital customer acquisition: ¥100 billion–¥200 billion (0.5%–1.0%)
- ¥20 trillion market

Site run by ITmedia
- Readers: 25 million people

Current visible market
- Innovation
- Data

Potential customers
- Current visible market
Our company engages in the digital transformation of Sales and Marketing.
Market expected to expand $2.9 \times$ over 10 years.

- **¥156.4 billion** in 2020
- **Average 5-year growth rate 27%**
- **¥450 billion** in 2030

*Data Era: Demonstrating the superiority of digital media*

"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](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.
Understanding the Current Situation and Future Policies

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Company Business Overview

Growth Strategies and New Initiatives
Shareholder Return and Sustainability
## Growth Strategies and New Initiatives

### Engage with Growth Vectors

**Previously**

<table>
<thead>
<tr>
<th>Innovation of society</th>
<th>IT</th>
<th>Manufacturing and Electronics</th>
<th>Cloud and SaaS</th>
<th>Industry DX</th>
</tr>
</thead>
</table>

**In future**

<table>
<thead>
<tr>
<th>Innovation of marketing</th>
<th>Lead Generation</th>
<th>Digital Events</th>
<th>Data Driven</th>
<th>Next-generation Digital Events</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Innovation of media</th>
<th>Established as a dedicated online business</th>
<th>Smart and Social</th>
<th>Metaverse</th>
<th>AI (e.g. ChatGPT)</th>
</tr>
</thead>
</table>

---

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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 FY23Q2
Expansion of mutual revenue opportunities through alliances with specialist media of various industries

DX
Digital transformation

- Medicine/pharmaceuticals
- Bio
- Agriculture
- Public projects
- Education
- Finance
- Distribution/retail
- Logistics
- Manufacturing
- Electronics
- Mobility
- Construction
- Smart energy
- Chemistry/materials

Our company × 20
Alliance × 100 (target)
Domestic × 1,000
Finance, accounts, automotive, logistics, retail, etc.
Partner collaboration in Digital Events

Jointly operated Account Zone with Zeimu Kenkyukai Inc. at SaaS EXPO, an exhibition-type digital event hosted by the Company.
Leveraging partnerships with leading global media companies in industry DX

Enhancing translation of content

Sales collaborations and joint products

Digital events
The Campaign Central Concept

Revenue Base = Accumulated Buyer and Seller Data

1. Audience data and leads from all customer campaigns are stored and tied to ITmedia IDs.

2. Visualization and dashboarding of each customer's unique pipeline (prospect DB) are based on accumulated results and lead information.

3. Creation of results (i.e., acquisition of business opportunities) is supported through pipeline operations by sales consultants with knowledge and expertise.

Changing customer awareness of the campaign from a one-time cost to an accumulative investment.
Completed development of infrastructure collaboration between Digital Events and Lead Generation

**Back-end data integration**
- FY23Q2 Digital Event and Lead Generation collaboration completed
- Continued to promote tie-ups, mail ads, and other advertising collaborations

**Front-end features/UI development**
- Developing functions to visualize and utilize integrated data
- Plans to develop sales support functions and customer dashboards on two fronts

*Image of customer dashboard*
*Image of customer campaigns*
Growth Strategies and New Initiatives | Our Company’s Take on AI

As a topic for content

Number of AI-related articles published (cumulative)

<table>
<thead>
<tr>
<th>Month</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nov.</td>
<td>8</td>
</tr>
<tr>
<td>Dec.</td>
<td>34</td>
</tr>
<tr>
<td>Jan.</td>
<td>81</td>
</tr>
<tr>
<td>Feb.</td>
<td>202</td>
</tr>
<tr>
<td>Mar.</td>
<td>453</td>
</tr>
<tr>
<td>Apr.</td>
<td>688</td>
</tr>
<tr>
<td>May</td>
<td>975</td>
</tr>
<tr>
<td>June</td>
<td>1,279</td>
</tr>
<tr>
<td>July</td>
<td>1,625</td>
</tr>
<tr>
<td>Aug.</td>
<td>1,884</td>
</tr>
<tr>
<td>Sep.</td>
<td>2,126</td>
</tr>
</tbody>
</table>

For use in content creation

Number of articles produced with AI published (cumulative)

<table>
<thead>
<tr>
<th>Month</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>June</td>
<td>50</td>
</tr>
<tr>
<td>July</td>
<td>160</td>
</tr>
<tr>
<td>Aug.</td>
<td>228</td>
</tr>
<tr>
<td>Sep.</td>
<td>257</td>
</tr>
<tr>
<td>Oct.</td>
<td>508</td>
</tr>
</tbody>
</table>

For use in business operations

Use of AI in various operations
Utilization of SaaS tools that use AI is underway

- Copywriting
- Ad serving & UI optimization
- Sales management
- Legal
- Office productivity etc.

Development of No.1 media in the AI domain

Dedicated AI Media Development Division launched in October 2023

Promoting further use
Digital transformation of content production

AI-assisted article creation

Competent reporters and editors

Imagination of article production style and efficiency

Data application

Dedicated AI Media Development Division launched in October 2023

In October, over 250 AI-assisted articles were produced (3% of the total)
Aiming for 1/4 cost and 4x time efficiency = max of 16x production efficiency

Reference: July 5, 2023 press release https://corp.itmedia.co.jp/pr/releases/2023/07/05/itmedia_ai/
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Shareholder Return and Sustainability
We purchased own shares

<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 20, 2023</td>
</tr>
<tr>
<td>Total shares that can be purchased</td>
<td>500,000 shares (actual)</td>
</tr>
<tr>
<td>(Ratio to the total number of issued shares excluding treasury stock: 2.5%)</td>
<td></td>
</tr>
<tr>
<td>Total value of share purchase</td>
<td>¥571,799,500 (actual)</td>
</tr>
<tr>
<td>Method of purchase</td>
<td>Market purchase by discretionary trading</td>
</tr>
</tbody>
</table>

Please see the news release “Notice Regarding the Status and Completion of Acquisition of Own Shares,” which was released October 20, 2023.
Shareholder Return and Sustainability | FY23 Dividend Forecast

Unit: yen

¥2 dividend increase

For full fiscal year ¥30

Payout ratio 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

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

**Effective October 1, 2023 strengthened systems**
Establishment of a dedicated organization

**Strengthened management base and governance topics**

**ERP renewal in October 2023**

- Strengthened management base to support earnings growth
- SaaS application
- BPR, optimized input
- Strengthened data application
- Improved accuracy of business performance management

**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.
Our Mission

Contribute to Information Revolution by Innovating Professional Media