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.
1. Business Status and Growth Strategies
   - Business Overview
   - FY23 Q3 Earnings Overview
     - BtoB Media Business
     - BtoC Media Business
   - Initiatives for Growth

2. Measures to Promote Management With an Awareness of Cost of Capital and Share Price

3. Earnings and Dividend Forecasts
1. Business Status and Growth Strategies
   
   Business Overview
   
   FY23 Q3  Earnings Overview
   BtoB Media Business
   BtoC Media Business
   Initiatives for Growth

2. Measures to Promote Management With an Awareness of Cost of Capital and Share Price

3. Earnings and Dividend Forecasts
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
Contributing to the realization of a sustainable society through sustainability initiatives

1. **Deliver a bright future for humanity through the information revolution**
   - Contributing to the development of humanity by encouraging the spread of technology, promoting increases in the overall productive efficiency of society and the resolution of problems.

2. **Achieve an equitable society through the provision of a social knowledge platform**
   - Providing reliable, high-value-added knowledge and information to resolve digital divide and contribute to a society in which no one is left behind.

3. **Responsible use of information technology**
   - Creating an environment that fosters ethical and appropriate use of technology to prevent adverse effects on society from information and technology.

4. **Promote work styles that respect diversity**
   - Creating an environment in which a diverse workforce can fulfill their potential without anxiety, thereby increasing employees' motivation and productivity while pursuing sustainable corporate growth.

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.

Topics Q3

December 1, 2023 Established “ITmedia Compliance Code of Conduct”
https://corp.itmedia.co.jp/sustainability/governance/code_of_conduct/ (in Japanese only)
### Business Overview | Segments and Revenue Model

#### BtoB Media Business

- **Revenue model**
  - Lead Generation revenue

- **Revenue format**
  - Provide sales leads
  - Provide intent data etc.

- **Revenue sources**
  - Number of members

#### BtoC Media Business

- **Revenue model**
  - Programmatic Ad revenue

- **Revenue format**
  - Ad networks

- **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)

---

**Strong content media**

**KPIs**

- Number of members

**Value provided**

- Customer acquisition

**PVs**

- Raise awareness

**Sales resources not required**

- Sales by partners with superior ad technology
**Business Overview | One of Japan’s Largest Digital Media Content Provider**

**Customer/user scale**
- Number of potential customers: 7,000 companies
- Number of sellers: 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
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

Seller

Buyer

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
  - Current visible market: 2,000 companies
  - Market expansion through growing digital transformation: Technology industry 50,000 companies

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

- **In-house DX staff / IT buyers**
  - Member readers: 1.2 million people
  - Site run by ITmedia: Readers 25 million people
  - Current visible market: Potential users
  - Market expansion through growing digital transformation: Business/industry Payments for technology

- **Payments for digital customer acquisition**
  - ¥20 trillion market
  - ¥100 billion–¥200 billion (0.5%–1.0%)
Expand business domains through new business development only possible with the Internet.

- Lead Generation
- Ad
- Digital Event revenue
- Lead Generation revenue
- Programmatic Ad revenue
- Ad revenue

FY07 FY08 FY09 FY10 FY11 FY12 FY13 FY14 FY15 FY16 FY17 FY18 FY19 FY20 FY21 FY22
Shift from being advertising centric to customer acquisition-oriented services using lead generation, digital events, etc.
1. Business Status and Growth Strategies
   Business Overview
   FY23 Q3 Earnings Overview
   BtoB Media Business
   BtoC Media Business
   Initiatives for Growth

2. Measures to Promote Management With an Awareness of Cost of Capital and Share Price

3. Earnings and Dividend Forecasts
**Executive Summary**

Decreased revenue and profit. The situation from the first half continues. Impact of market deterioration expected to remain throughout FY23.

<table>
<thead>
<tr>
<th>Earnings</th>
<th>External Environment &amp; Overview</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Q3 Actual</strong></td>
<td><strong>Impact of market conditions surrounding the Company continued</strong></td>
</tr>
<tr>
<td>Decreased revenue and profit</td>
<td>U.S. technology market growth slowdown</td>
</tr>
<tr>
<td>Revenue: ¥5,769 million (-10%)</td>
<td>• Decreased revenues from foreign customers</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 -19%</td>
<td>• Demand for digital events slowed down</td>
</tr>
<tr>
<td>• Ad revenue -12%</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: ¥1,564 million (-28%)</td>
<td></td>
</tr>
<tr>
<td><strong>Earnings Forecast</strong></td>
<td><strong>Improvement of market environment for the next fiscal year + new revenue development</strong></td>
</tr>
<tr>
<td>Will remain within planned range</td>
<td>U.S. technology market</td>
</tr>
<tr>
<td>Revenue: ¥8,320 million (-5%)</td>
<td>• Expected to improve from the next fiscal year onward</td>
</tr>
<tr>
<td>Operating income: ¥2,400 million (-18%)</td>
<td>Expansion of media in industrial fields in response to the expansion of DX</td>
</tr>
<tr>
<td>We purchased own shares (Oct.)</td>
<td>• Data-driven, company-wide enhancement of products</td>
</tr>
<tr>
<td>Revised dividend policy and the fiscal year-end dividend forecast</td>
<td>Programmatic Ad market</td>
</tr>
<tr>
<td></td>
<td>• Moderate improvement is expected</td>
</tr>
<tr>
<td></td>
<td>• Improving media capabilities through the use of AI</td>
</tr>
</tbody>
</table>
Market conditions surrounding the Company

- Digital marketing shift
- Post pandemic rebound
- Lead Gen
- SaaS turning point
- PVs • members
- Digital Event
- Programmatic Ad
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
FY23 Q3 Earnings Overview | Earnings

**Revenue**

Cumulative period
Unit: million yen

- **FY22Q3:** 6,417
- **FY23Q3:** 5,769

**YoY:** -¥647 million (-10%)

**BtoB Media Business**
- **FY22Q3:** 5,248
- **FY23Q3:** 4,769
- **YoY:** -¥481 million (-9.4%)  

**BtoC Media Business**
- **FY22Q3:** 1,169
- **FY23Q3:** 1,000

**Operating income**

- **FY22Q3:** 2,171
- **FY23Q3:** 1,564

**YoY:** -¥607 million (-28%)

- **FY22Q3:** 1,718
- **FY23Q3:** 1,337
- **Operating margin:** 33.8%

- **FY22Q3:** 453
- **FY23Q3:** 226
- **Operating margin:** 27.1%
Decreased revenue and profit. Decreased total cost

Cumulative period
Unit: million yen

Revenue decrease
Fuel expenditure -478
-9%

Cost decrease
BtoC Media Business -169
-14%

YoY
¥607 million
(-28%)

Outsourcing expenses -128
Personnel expenses +75
Other +13

FY22Q3
2,171

FY23Q3
1,564
### FY23 Q3 Earnings Overview | Consolidated Statement of Income

<table>
<thead>
<tr>
<th>Cumulative period</th>
<th>FY22Q3</th>
<th>FY23Q3</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>
</tr>
<tr>
<td>Revenue</td>
<td>6,417</td>
<td>100.0%</td>
<td>5,769</td>
<td>100.0%</td>
</tr>
<tr>
<td>Total cost</td>
<td>4,245</td>
<td>66.2%</td>
<td>4,205</td>
<td>72.9%</td>
</tr>
<tr>
<td>(of which are personnel expenses)</td>
<td>2,248</td>
<td>35.0%</td>
<td>2,324</td>
<td>40.3%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>2,362</td>
<td>36.8%</td>
<td>1,729</td>
<td>30.0%</td>
</tr>
<tr>
<td>Operating income</td>
<td>2,171</td>
<td>33.8%</td>
<td>1,564</td>
<td>27.1%</td>
</tr>
<tr>
<td>Income before income tax</td>
<td>2,163</td>
<td>33.7%</td>
<td>1,560</td>
<td>27.0%</td>
</tr>
<tr>
<td>Net income</td>
<td>1,467</td>
<td>22.9%</td>
<td>1,051</td>
<td>18.2%</td>
</tr>
<tr>
<td>Net income attributable to owners of parent</td>
<td>1,467</td>
<td>22.9%</td>
<td>1,051</td>
<td>18.2%</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>Cumulative period</th>
<th>FY22Q3</th>
<th>FY23Q3</th>
<th>Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities</td>
<td>1,040</td>
<td>808</td>
<td>(231)</td>
</tr>
<tr>
<td>Cash flows from investing activities</td>
<td>(32)</td>
<td>(122)</td>
<td>(89)</td>
</tr>
<tr>
<td>Cash flows from financing activities</td>
<td>(631)</td>
<td>(1,313)</td>
<td>(682)</td>
</tr>
<tr>
<td>Change in cash and cash equivalents</td>
<td>375</td>
<td>(627)</td>
<td>(1,003)</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>7,191</td>
<td>7,350</td>
<td>+159</td>
</tr>
</tbody>
</table>

### Main items of operating CF

- **Net income (loss) before income tax**: +1,560
- **Depreciation and amortization**: +166
- **Decrease in trade and other receivables**: +197
- **Income taxes paid**: (939)

### Main items of investing CF

- **Purchase of property, equipment, and intangible assets**: (159)
- **Leasehold and guarantee deposits**: +49

### Main items of financing CF

- **Dividends paid**: (567)
- **Purchase of treasury shares**: (651)
- **Payments of lease liabilities**: (98)
## FY23 Q3 Earnings Overview | Consolidated Statement of Financial Position

### Assets

<table>
<thead>
<tr>
<th>Unit: million yen</th>
<th>At the end of March 2023</th>
<th>At the end of December 2023</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9,996</td>
<td>9,133</td>
<td>(863)</td>
<td></td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1,161</td>
<td>1,301</td>
<td>+140</td>
<td></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>11,158</td>
<td>10,435</td>
<td>(722)</td>
</tr>
</tbody>
</table>

### Liabilities

<table>
<thead>
<tr>
<th>Unit: million yen</th>
<th>At the end of March 2023</th>
<th>At the end of December 2023</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1,668</td>
<td>1,078</td>
<td>(589)</td>
<td></td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>60</td>
<td>94</td>
<td>+33</td>
<td></td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>1,729</td>
<td>1,173</td>
<td>(555)</td>
</tr>
</tbody>
</table>

### Equity

<table>
<thead>
<tr>
<th>Unit: million yen</th>
<th>At the end of March 2023</th>
<th>At the end of December 2023</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Share capital/capital surplus</strong></td>
<td>3,969</td>
<td>3,972</td>
<td>+2</td>
</tr>
<tr>
<td><strong>Retained earnings</strong></td>
<td>6,603</td>
<td>7,085</td>
<td>+481</td>
</tr>
<tr>
<td><strong>Treasury stock</strong></td>
<td>(1,144)</td>
<td>(1,795)</td>
<td>(651)</td>
</tr>
<tr>
<td><strong>Accumulated other comprehensive income</strong></td>
<td>-</td>
<td>0</td>
<td>+0</td>
</tr>
<tr>
<td><strong>Total equity attributable to owners of parent</strong></td>
<td>9,429</td>
<td>9,262</td>
<td>(166)</td>
</tr>
</tbody>
</table>

### Total equity

<table>
<thead>
<tr>
<th>Unit: million yen</th>
<th>At the end of March 2023</th>
<th>At the end of December 2023</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total equity</strong></td>
<td>9,429</td>
<td>9,262</td>
<td>(166)</td>
</tr>
</tbody>
</table>

| **Equity attributable to owners of parent per share** | 476.37円 | 481.81円 | +5.44円 |

| **Ratio of equity attributable to owners of parent to total assets** | 84.5% | 88.8% | +4.3pt |

### Total assets

- Cash and cash equivalents: (627)
- Trade and other receivables: (197)
- Right-of-use assets: +165

### Total liabilities

- Trade and other payables: (115)
- Income tax payable: (429)

### Total equity

- Retained earnings: +481
  - Of which is net income: +1,051
    - Of which are dividends from retained earnings: (569)
  - Treasury shares: (651)
FY23 Q3 Earnings Overview | Revenue (Quarterly)

Unit: million yen

- **Earnings Forecast**: 8,320
- **YoY**: -¥282 million (-13%)

**Decreased revenue**

**Q3 ¥1,928 million**

**YoY change**

- **-¥282 million (-13%)**
FY23 Q3 Earnings Overview | Operating Income (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>1,172</td>
<td>2,022</td>
<td>2,687</td>
<td>2,930</td>
<td></td>
</tr>
<tr>
<td>Q2</td>
<td>347</td>
<td>533</td>
<td>701</td>
<td>758</td>
<td>511</td>
</tr>
<tr>
<td>Q3</td>
<td>334</td>
<td>619</td>
<td>722</td>
<td>779</td>
<td></td>
</tr>
<tr>
<td>Q4</td>
<td>297</td>
<td>518</td>
<td>685</td>
<td>762</td>
<td>637</td>
</tr>
</tbody>
</table>

Decreased profit

Q3  ¥637 million

YoY change

-¥267 million (-34%)
Decreased revenue and profit
FY23 Q3 Earnings Overview | Cost Breakdown by Quarter

<table>
<thead>
<tr>
<th></th>
<th>Q3</th>
<th>YoY change</th>
<th>As percent of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>-1.0%</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Outsourcing expenses</td>
<td>-13.9%</td>
<td>16.6%</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>+0.6%</td>
<td>28.5%</td>
<td></td>
</tr>
<tr>
<td>Personnel expenses</td>
<td>+2.8%</td>
<td>54.9%</td>
<td></td>
</tr>
</tbody>
</table>

Main factors behind year on year change:
- **Personnel expenses**: +20
  - Curtailed of new recruitment
  - Six new graduates joined the Company in the current fiscal year
- **Outsourcing expenses**: -37
  - Curtailed, especially for digital events
- **Other**: +2
  - Business environment, systems
FY23 Q3 Earnings Overview | Employee Breakdown by Quarter

Unit: employees

<table>
<thead>
<tr>
<th></th>
<th>Q3</th>
<th>YoY change</th>
<th>As percent of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td></td>
<td>+11</td>
<td>100%</td>
</tr>
<tr>
<td>Admin.</td>
<td></td>
<td>+3</td>
<td>8.8%</td>
</tr>
<tr>
<td>Tech.</td>
<td></td>
<td>+1</td>
<td>4.8%</td>
</tr>
<tr>
<td>Sales</td>
<td></td>
<td>+1</td>
<td>37.5%</td>
</tr>
<tr>
<td>Ed.</td>
<td></td>
<td>+6</td>
<td>48.9%</td>
</tr>
</tbody>
</table>

Includes contract, temporary, and part-time employees

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

Cumulative period
Unit: companies

FY14Q3 FY15Q3 FY16Q3 FY17Q3 FY18Q3 FY19Q3 FY20Q3 FY21Q3 FY22Q3 FY23Q3
600 1,064 1,153 1,188 1,148 1,286 1,423 1,609 1,768 1,965

* Number of companies to which sales were recorded during the period
* Hacchu Navi has been consolidated since October 2015

Number of consolidated customers
1. Business Status and Growth Strategies
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3. Earnings and Dividend Forecasts
Cumulative period
Unit: million yen

<table>
<thead>
<tr>
<th></th>
<th>FY22Q3</th>
<th>FY23Q3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lead Generation revenue</td>
<td>2,153</td>
<td>2,150</td>
</tr>
<tr>
<td>Foreign company slows down</td>
<td>-¥3 million (-0% YoY)</td>
<td></td>
</tr>
<tr>
<td>Digital Event revenue</td>
<td>1,362</td>
<td>1,097</td>
</tr>
<tr>
<td>Decrease due to the return to in-person activity</td>
<td>-¥265 million (-19% YoY)</td>
<td></td>
</tr>
<tr>
<td>Ad revenue</td>
<td>1,731</td>
<td>1,521</td>
</tr>
<tr>
<td>Decrease in revenue, mainly from foreign companies</td>
<td>-¥210 million (-12% YoY)</td>
<td></td>
</tr>
</tbody>
</table>
FY23 Q3 Earnings Overview | Digital Event Revenue

Cumulative period
Unit: million yen

<table>
<thead>
<tr>
<th></th>
<th>FY22Q3</th>
<th>FY23Q3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sponsored</td>
<td>841</td>
<td>717</td>
</tr>
<tr>
<td>Commissioned</td>
<td>521</td>
<td>380</td>
</tr>
<tr>
<td>Total</td>
<td>1,362</td>
<td>1,097</td>
</tr>
</tbody>
</table>

YoY:
- Sponsored: ¥123 million (-15%)
- Commissioned: ¥141 million (-27%)
- Total: ¥265 million (-19%)

Established market from the pandemic, but special demand subsides

Digital Event examples
FY23 Q3 Earnings Overview | State of KPI

**Number of Lead Generation members**
- Unit: 10,000 people
- FY22Q3: 117 thousand people
- FY23Q3: 127 thousand people (YoY +11 thousand people, +8.6%)

**Number of PVs (monthly average)**
- Unit: million PVs
- FY22Q3: 114 million PVs
- FY23Q3: 80 million PVs (YoY -33 million PVs, -29.6%)

**Number of customers**
- Unit: companies
- FY22Q3: 1,065 companies
- FY23Q3: 1,182 companies (Q1 cumulative)
- Q2 cumulative: 1,346 companies
- Q3 cumulative: 1,672 companies
- Q4 cumulative: 1,799 companies
- FY22Q3: 1,182 companies
- FY23Q3: 1,799 companies (YoY +617 companies, +52.1%)

*1 Members eligible for Lead Generation service because of iTmedia ID, common member platform
*2 Number of companies to which sales were recorded during the period

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FY23 Q3 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

- FY18
- FY19
- FY20
- FY21
- FY22

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

Ordering company  matching  Development company

FY22 is a vendor selection support service specialized in system development.

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SaaS Information Media “IT Select powered by Hacchu Navi” launched

- Expert concierges help customers select SaaS products
- Provide comparative information and user reviews of IT and SaaS products

Joint venture between ITmedia and subsidiary Hacchu Navi

https://itselect.itmedia.co.jp/ (in Japanese only)
1. Business Status and Growth Strategies
   Business Overview
   FY23 Q3 Earnings Overview
   BtoB Media Business
   BtoC Media Business
   Initiatives for Growth

2. Measures to Promote Management With an Awareness of Cost of Capital and Share Price

3. Earnings and Dividend Forecasts
Cumulative period
Unit: million yen

**Revenue**

- FY22Q3: 1,169 million yen (YoY -169 million yen, -14%)
- FY23Q3: 1,000 million yen

**Operating income**

- FY22Q3: 453 million yen (Operating margin 38.8%, YoY -227 million yen, -50%)
- FY23Q3: 226 million yen (Operating margin 22.6%)
FY23 Q3 Earnings Overview | Netolabo—Revenue and PVs

Revenue per 1,000 PVs (yen)

- Focused on establishing a brand and expanding PVs
- Accounting period
- Disorder in ad market

Change in operating policy (increase in earnings)

COVID-19 pandemic

Reasons for decrease

- No improvement in market unit price
- Decrease in unit price of ads
- Algorithm impact
- Increase in number of articles
- Traffic maintained

*1 Temporary traffic decay occurred on some search engine algorithms like Google’s
1. Business Status and Growth Strategies
   - Business Overview
   - FY23 Q3 Earnings Overview
   - BtoB Media Business
   - BtoC Media Business

   Initiatives for Growth

2. Measures to Promote Management With an Awareness of Cost of Capital and Share Price

3. Earnings and Dividend Forecasts
<table>
<thead>
<tr>
<th>Previously</th>
<th>In future</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Innovation of society</strong></td>
<td></td>
</tr>
<tr>
<td>Expansion on both buy-side and sell-side</td>
<td>IT</td>
</tr>
<tr>
<td><strong>Innovation of marketing</strong></td>
<td></td>
</tr>
<tr>
<td>Increasingly sophisticated and diverse solutions</td>
<td>Lead Generation</td>
</tr>
<tr>
<td><strong>Innovation of media</strong></td>
<td></td>
</tr>
<tr>
<td>Adapting to innovative media technology. Developing the new markets that emerge</td>
<td>Established as a dedicated online business</td>
</tr>
</tbody>
</table>
The largest BtoB holders of data that brings buyers and sellers together from all industries

**Initiative 01**

*Industry DX (media alliance)*
Expansion of media in industrial fields in response to the expansion of DX

Expand fields of development from IT industry to all industries

**Initiative 02**

*“Campaign Central Concept”*
Centralized data management infrastructure for data driven marketing

Expand opportunities for integrating and acquiring data

Various digital-specific solutions

- Content
- Ad
- Lead Generation
- Digital Event
Expansion of mutual revenue opportunities through alliances with specialist media of various industries

Our company × 20
Alliance × 100 (target)
Domestic × 1,000
Expand partnerships into new domains

Realize partnerships newly in pharmaceuticals and food domains

*Jointly operated Account Zone with Zeimu Kenkyukai Inc. at SaaS EXPO, an exhibition type digital event hosted by the Company*
Expand partnerships into new domains

- Chemistry/materials
- Logistics
- Finance
- Construction
- Medical/pharmaceuticals
- Distribution/retail
- Education
- Mobility
- Financial accounting
- Food

Realize partnerships newly in pharmaceuticals and food domains.
Digital Advantage:
As data accumulates and becomes more connected, it becomes more valuable.

“Campaign Central Concept”

Enhancement of media
Information & content
Readers & members
Quality & attributes
Gross & accumulation

Increasing data

Connecting

Utilizing

01 Improved services for readers and members
02 Enhancement of existing products
03 Development of data-based products
04 Sales innovation through data
Initiatives for Growth | Our Company's Take on AI

**As a topic for content**
Number of AI-related articles published (cumulative)

- **Nov.**: 8
- **Dec.**: 34
- **Jan.**: 81
- **Feb.**: 202
- **Mar.**: 453
- **Apr.**: 688
- **May**: 975
- **June**: 1,279
- **July**: 1,625
- **Aug.**: 1,846
- **Sep.**: 2,575
- **Oct.**: 3,062
- **Nov.**: 3,590

**For use in content creation**
Number of articles produced with AI published (cumulative)

- **June**: 50
- **July**: 160
- **Aug.**: 228
- **Sep.**: 257
- **Oct.**: 536
- **Nov.**: 794
- **Dec.**: 1,090

**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
Medium-term Targets to be Reestablished

Operating income target

FY29

40 hundred million yen
1. Business Status and Growth Strategies
   - Business Overview
   - FY23 Q3 Earnings Overview
   - BtoB Media Business
   - BtoC Media Business
   - Initiatives for Growth

2. Measures to Promote Management With an Awareness of Cost of Capital and Share Price

3. Earnings and Dividend Forecasts
Measures to Promote Management With an Awareness of Cost of Capital and Share Price | Analysis and Evaluation of Current Situation

**ROE**
- Remains high above cost of equity
- Established a highly profitable business model

**Stock price and PBR**
- Although it temporarily exceeded 5 times, it has recently been on a downtrend.
- Promoting growth strategies as a top priority

**Net assets**
- Accumulated over consolidated revenue
- Reducing and optimizing cost of capital
Optimizing cost of capital by utilizing funds for business growth and improving capital efficiency

**Financial strategy**
- **Short-term**
  - Enhancing shareholder returns
  - Optimizing net assets
  - Utilizing interest-bearing debt
- **Mid-to long-term**

**Growth strategy**
- **Optimization of management resource allocation**
  - M&A to increase the speed and certainty of plan achievement
  - Expanding business domains

**IR & sustainability**
- Promoting dialogue
  - Enhancing disclosure in English
  - Enhancing IR content
  - Issuing integrated reports

**Outcomes**
- Maintaining and improving high ROE
- Controlling the cost of equity
- Improvement of corporate value and formation of appropriate stock price
1. Business Status and Growth Strategies
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3. Earnings and Dividend Forecasts
Strengthen new earnings development for the next fiscal year and beyond

Current Environment
- Return to in-person activity from digital events
- U.S. technology market growth slowdown (Restructuring)
- Programmatic Ad market unit price decline

Environmental Outlook
- Short-term recovery is not expected
- Signs of improvement in some fields

New Revenue Development Initiatives
- Data-driven, company-wide enhancement of products (Campaign Central)
- Expansion of media in industrial fields in response to the expansion of DX (Industry DX)
- Acceleration of media capabilities Use of AI
Earnings and Dividend Forecasts | FY23 Revision of Consolidated Earnings Forecast

- Progressing as expected
- Strengthen new earnings development for the next fiscal year and beyond

Current forecasts are maintained

<table>
<thead>
<tr>
<th></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>

Unit: million yen

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.
Implementing management resource allocation with an awareness of cost of capital and capital efficiency.

Target payout ratio
(applicable through FY28)

70\% or more
Revision of fiscal year-end dividend forecast to ¥100 per share and annual dividend to ¥115 per share

1. Revision of the fiscal year-end dividend forecast

<table>
<thead>
<tr>
<th></th>
<th>Annual dividend</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Second quarter-end</td>
</tr>
<tr>
<td>Previous forecast</td>
<td>¥15.00</td>
</tr>
<tr>
<td><strong>Revised forecast</strong></td>
<td></td>
</tr>
<tr>
<td>Results for the current fiscal year</td>
<td>¥15.00</td>
</tr>
<tr>
<td>Results for the previous fiscal year (Fiscalyearended March 31, 2023)</td>
<td>¥14.00</td>
</tr>
</tbody>
</table>

2. Future dividend forecast

<table>
<thead>
<tr>
<th></th>
<th>Second quarter-end</th>
<th>Fiscal year-end</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal Year Ending March 31, 2024 (Current fiscal year)</td>
<td>¥15.00</td>
<td>¥100.00</td>
<td>¥115.00</td>
</tr>
<tr>
<td>Fiscal Year Ending March 31, 2025</td>
<td>—</td>
<td>¥100.00</td>
<td>¥100.00</td>
</tr>
<tr>
<td>Fiscal Year Ending March 31, 2026 onward</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*The Company has set a target of 70% or higher for the consolidated dividend payout ratio.*
Balance sheet optimization ahead of schedule in current and upcoming fiscal years

Unit: yen

Consolidated payout ratio
70% or more

24.9% 30.6% 24.6% 41.2% 39.3% 56.9% 30.4% 25.3% 25.3% 28.1% 115.0 (Forecast)
2.66 4.67 6.67 10.0 10.0 11.0 12.0 16.0 23.0 28.0 115.0 (Forecast)

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