

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

ITmedia Inc.

The Nine-Month Period Ended December 31, 2023

# Earnings Briefing

January 31, 2024

Securities code: 2148

Tokyo Stock Exchange Prime Market



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

- Forward-looking 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



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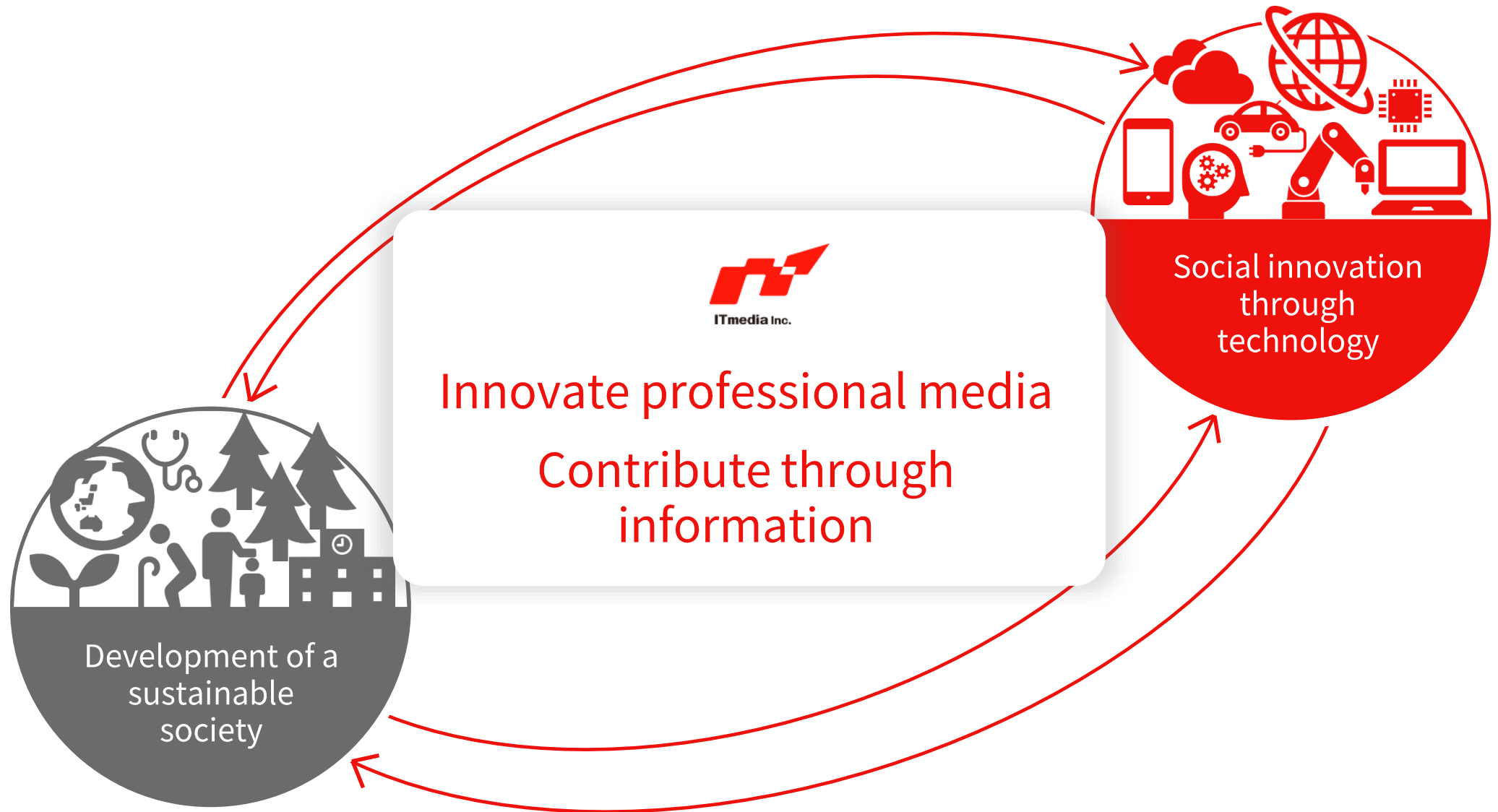
3. Earnings and Dividend Forecasts



## Our Mission

# Contribute to Information Revolution by Innovating Professional Media

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

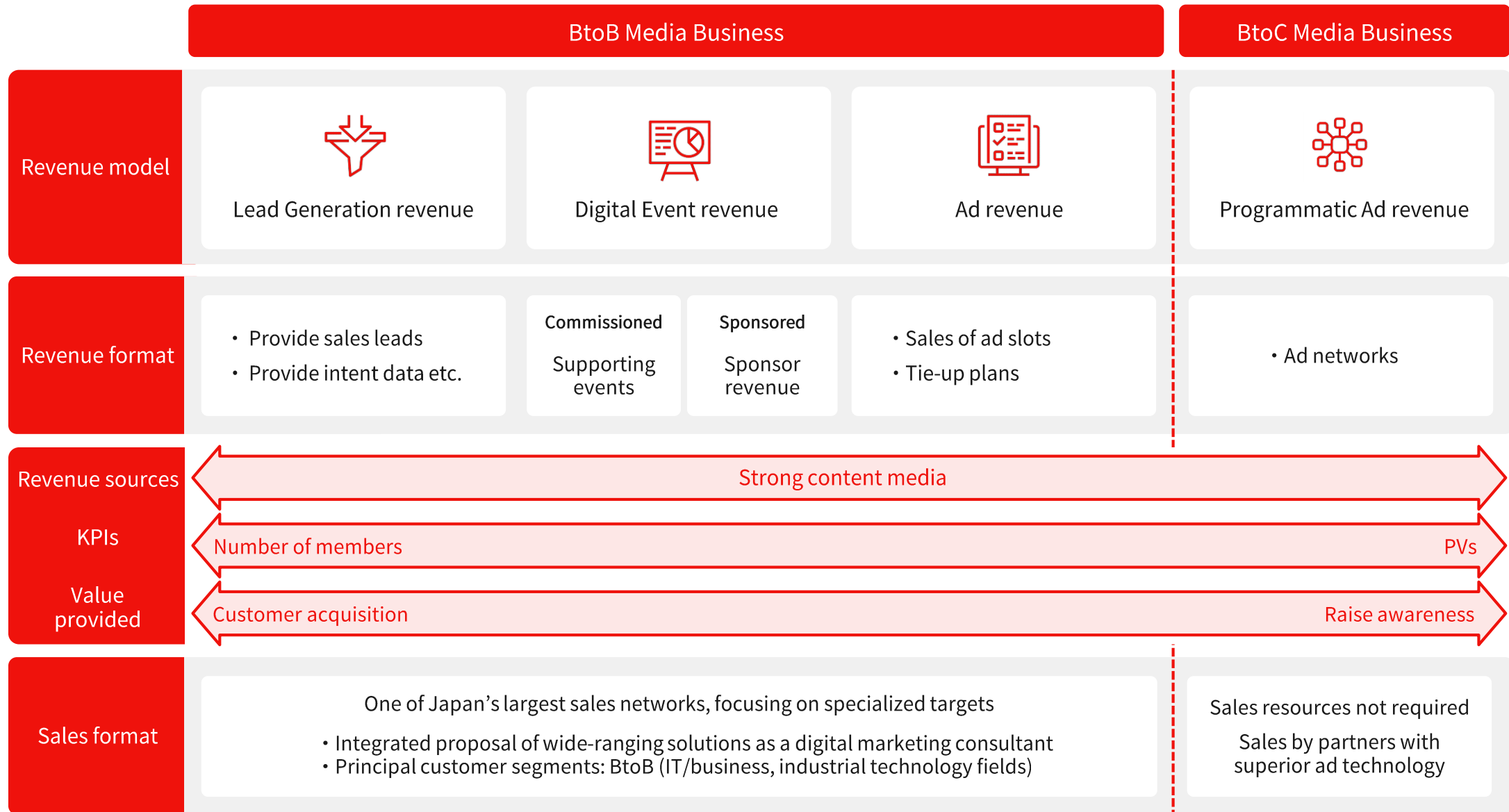




# Contributing to the realization of a sustainable society through sustainability initiatives




December 1, 2023 Established “ITmedia Compliance Code of Conduct”  
[https://corp.itmedia.co.jp/sustainability/governance/code\\_of\\_conduct/](https://corp.itmedia.co.jp/sustainability/governance/code_of_conduct/) (in Japanese only)







Customer/user scale

 Number of potential customers


**7,000**  
companies

 (Sellers)  
Number of customers

**2,000**  
companies


 (Buyers)  
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

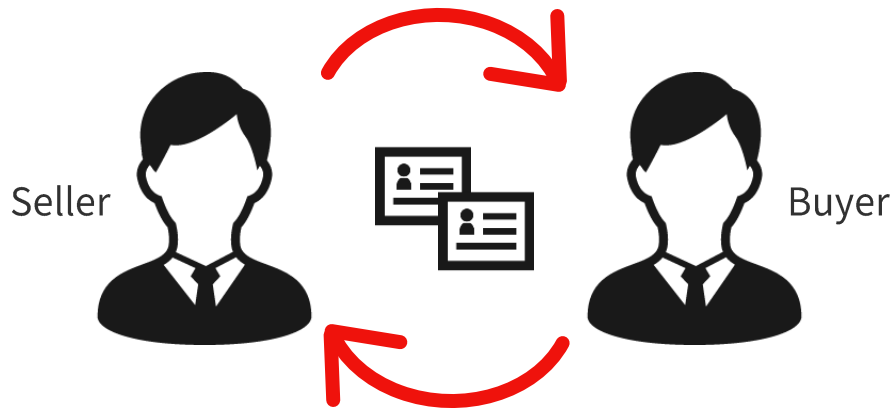
 Internal writers

**100** writers



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

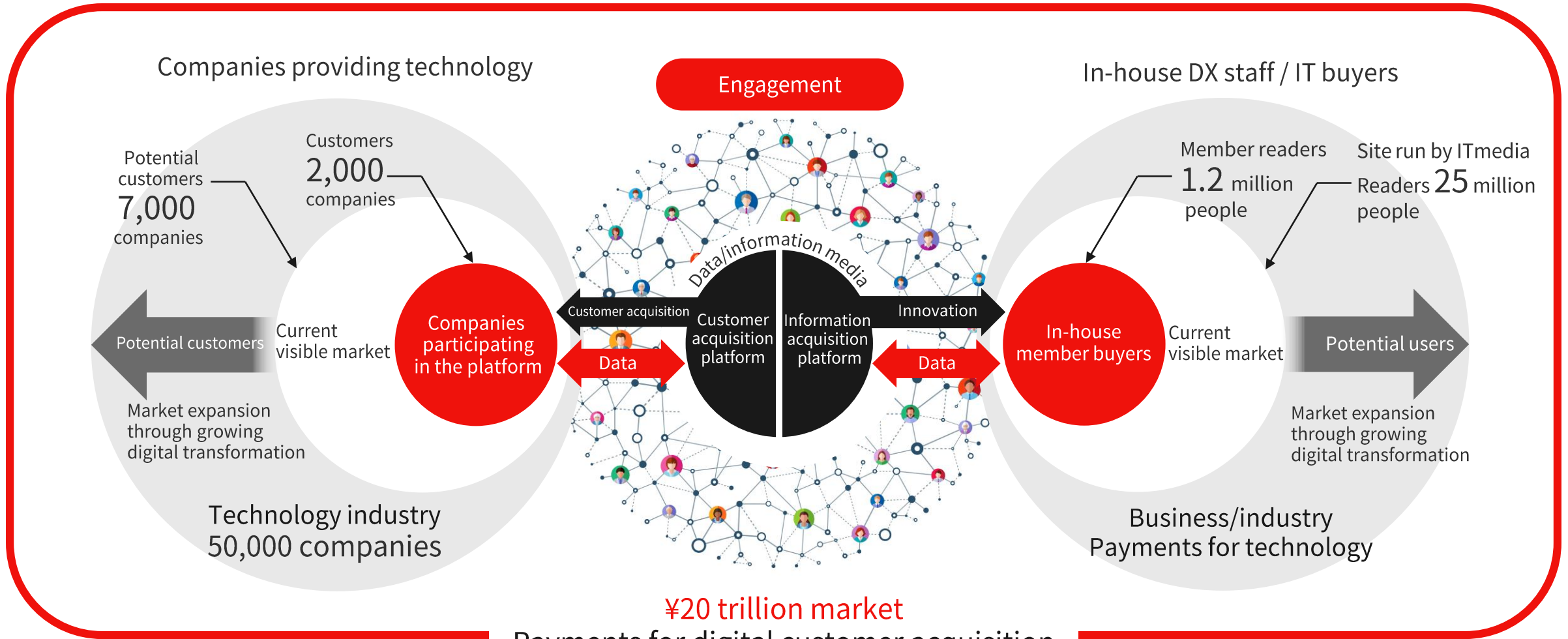


Digital Event

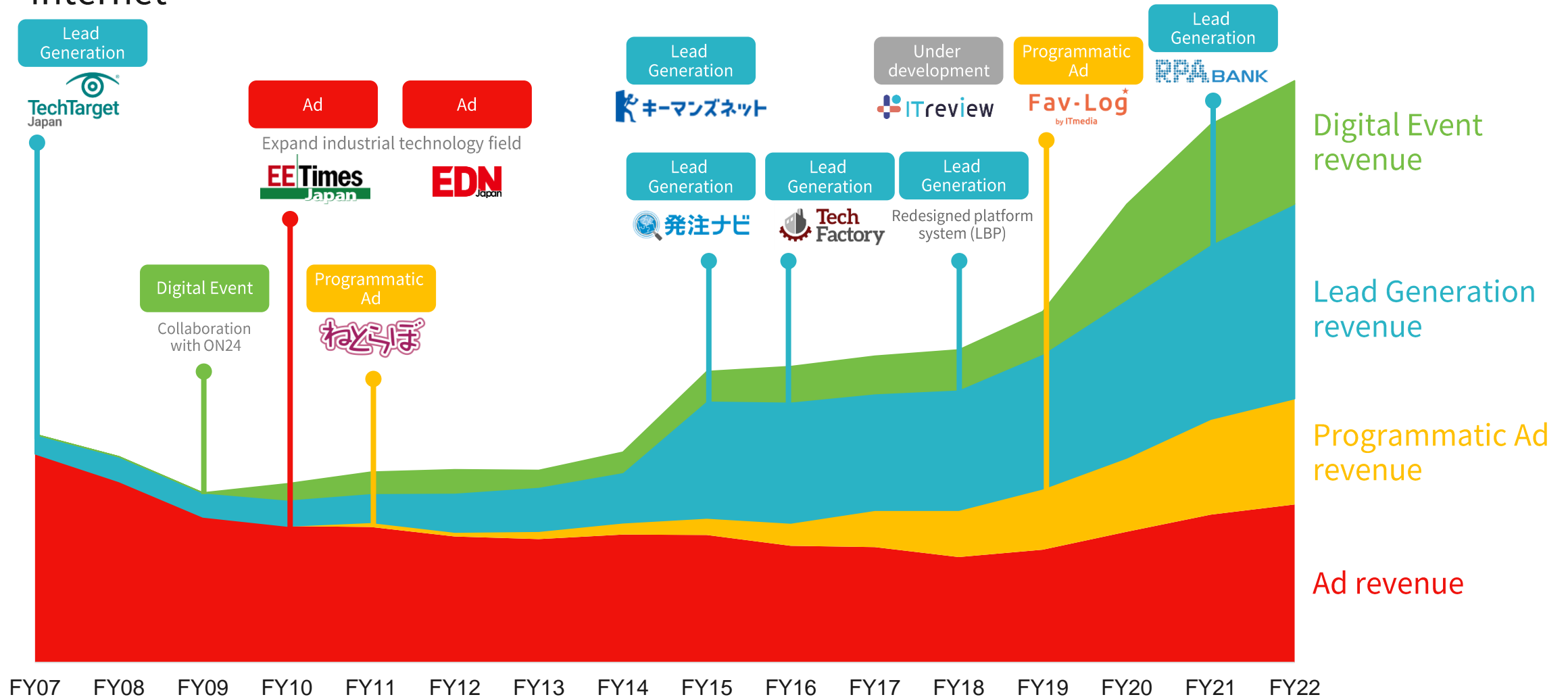


Ad

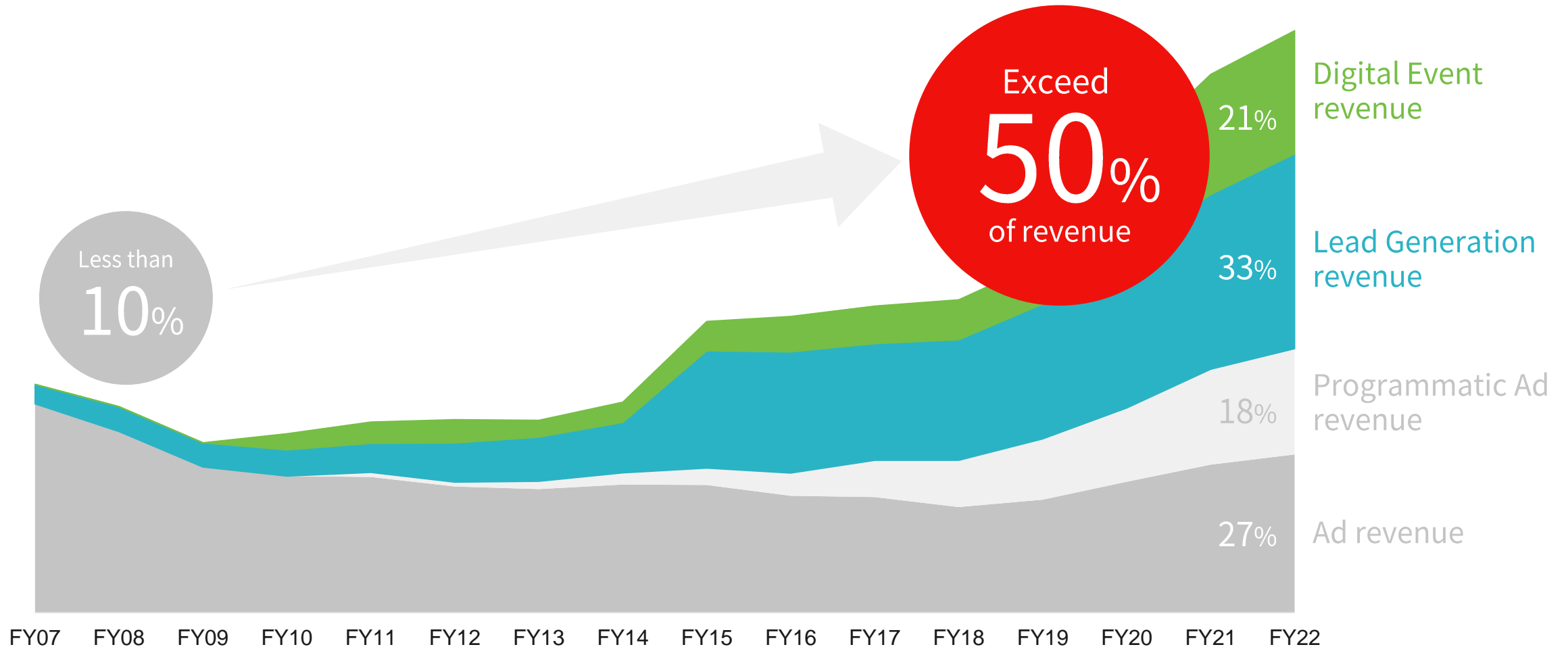
# One of the largest holders of data in Japan that brings technology buyers and sellers together



# Expand business domains through new business development only possible with the Internet



Shift from being advertising centric to customer acquisition-oriented services using lead generation, digital events, etc.





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

Earnings

External Environment & Overview

Q3 Actual

Decreased revenue and profit

Revenue: ¥5,769 million (-10%)

- Lead Generation revenue -0%
- Digital Event revenue -19%
- Ad revenue -12%
- Programmatic Ad revenue -14%

Operating income : ¥1,564 million (-28%)

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

Earnings Forecast

Will remain within planned range

Revenue : ¥8,320 million ( -5%)

Operating income : ¥2,400 million (-18%)

We purchased own shares (Oct.)

Revised dividend policy and the fiscal year-end dividend forecast

Improvement of market environment for the next fiscal year + new revenue development

U.S. technology market

- Expected to improve from the next fiscal year onward

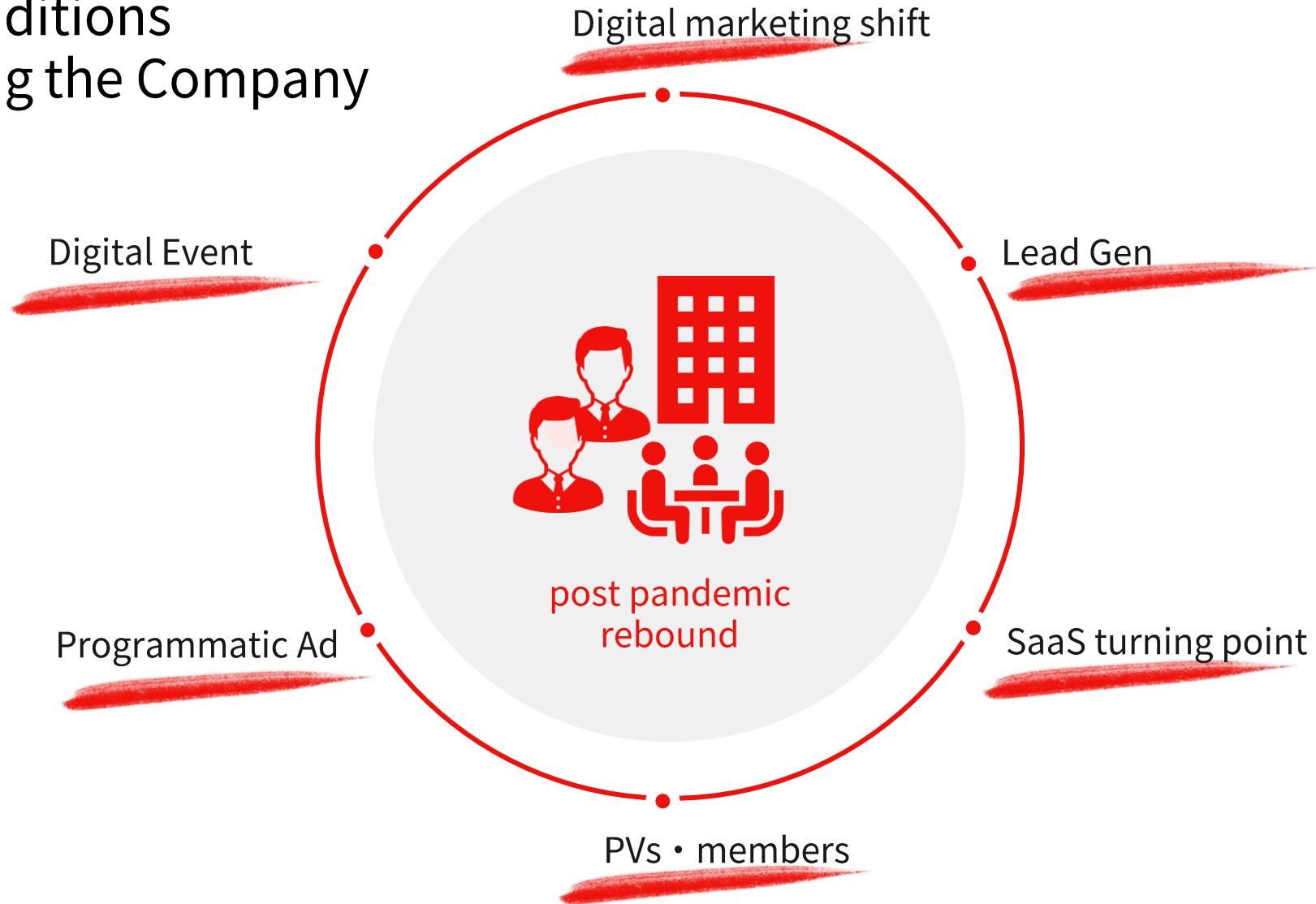
Expansion of media in industrial fields in response to the expansion of DX

- Data-driven, company-wide enhancement of products

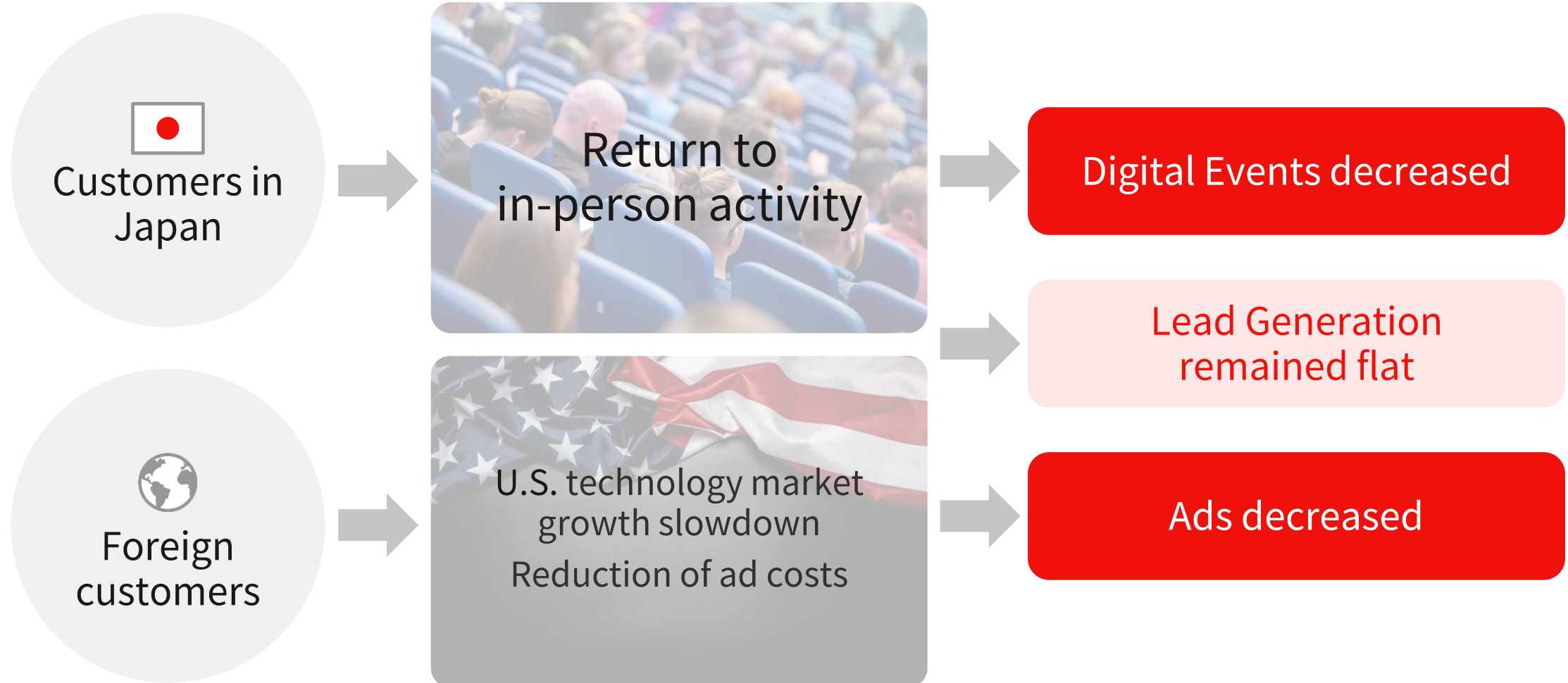
Programmatic Ad market

- Moderate improvement is expected
- Improving media capabilities through the use of AI

# Market conditions surrounding the Company

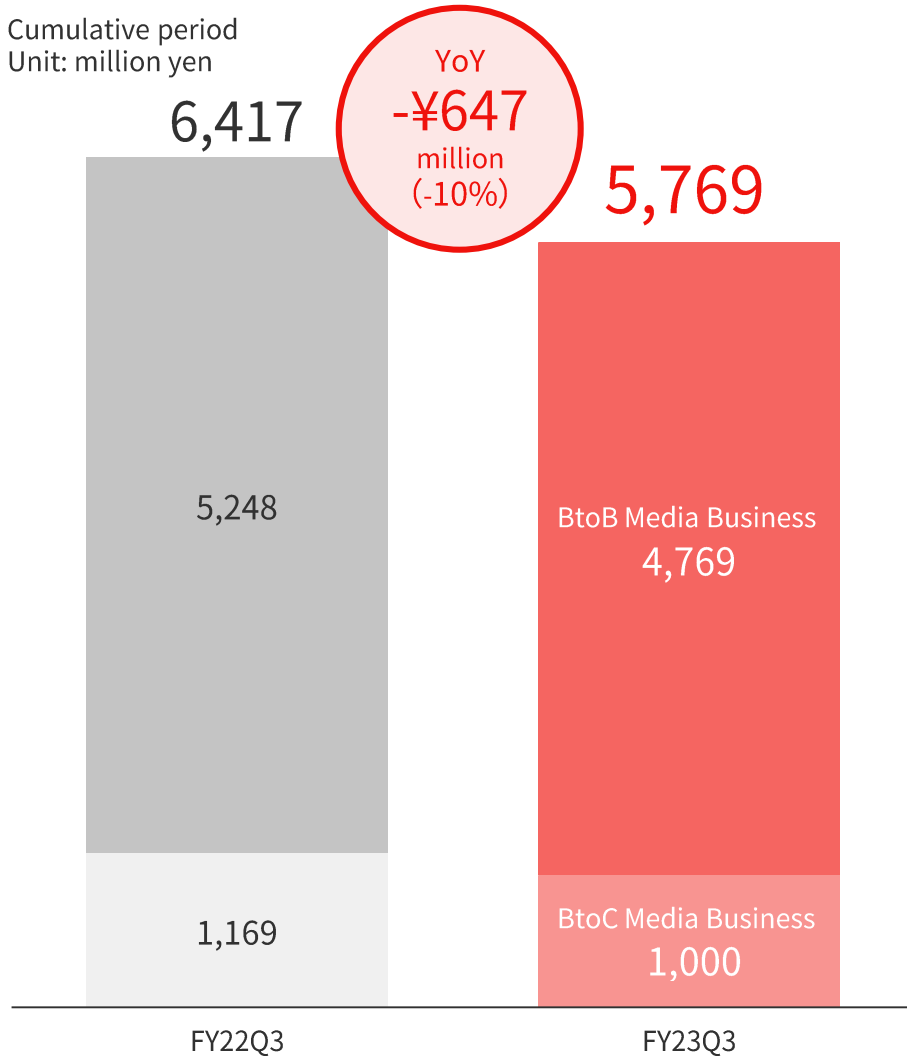


# Impact of market conditions surrounding the Company continues

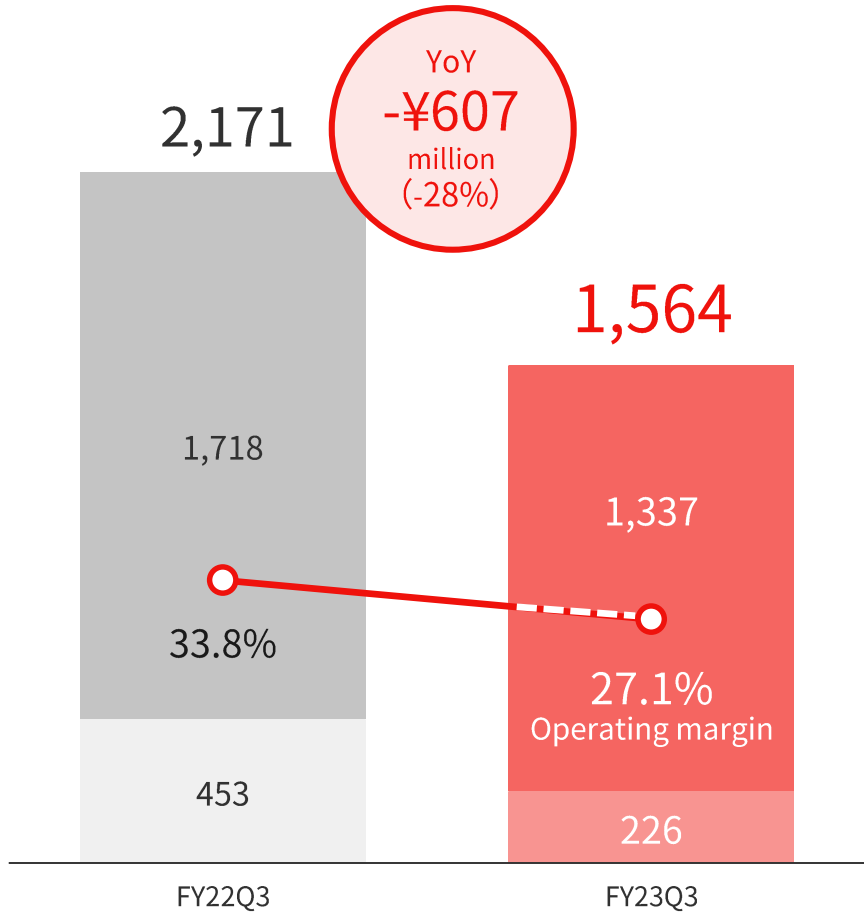


Revenue

Cumulative period  
Unit: million yen

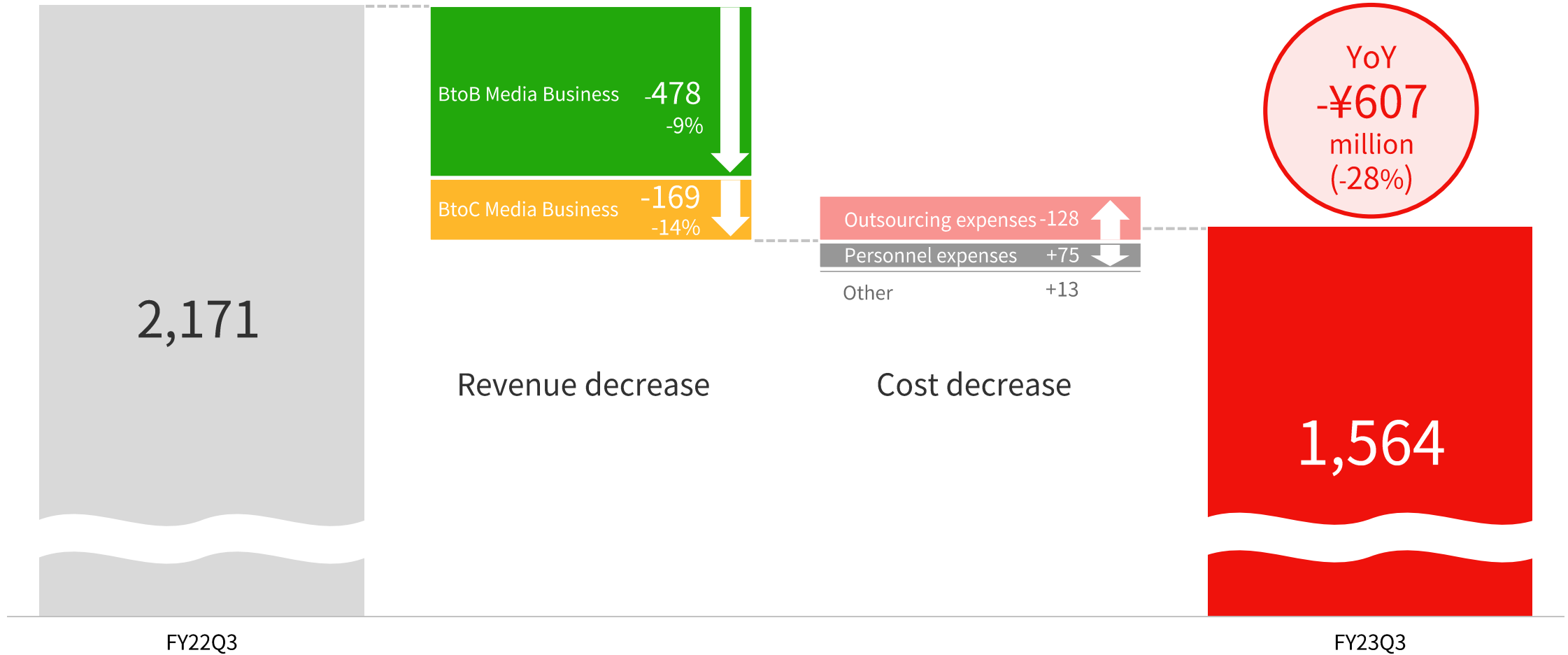


Operating income



# Decreased revenue and profit. Decreased total cost

Cumulative period  
Unit: million yen



Cumulative period Unit: million yen	FY22Q3		FY23Q3		Increase	% change
	Amount	As % of revenue	Amount	As % of revenue		
Revenue	6,417	100.0%	5,769	100.0%	(647)	(10.1)%
Total cost	4,245	66.2%	4,205	72.9%	(39)	(0.9)%
(of which are personnel expenses)	2,248	35.0%	2,324	40.3%	+75	+3.4%
EBITDA	2,362	36.8%	1,729	30.0%	(632)	(26.8)%
Operating income	2,171	33.8%	1,564	27.1%	(607)	(28.0)%
Income before income tax	2,163	33.7%	1,560	27.0%	(602)	(27.8)%
Net income	1,467	22.9%	1,051	18.2%	(416)	(28.4)%
Net income attributable to owners of parent	1,467	22.9%	1,051	18.2%	(416)	(28.4)%

\* EBITDA: Operating income + depreciation + amortization on intangible assets + impairment loss + stock-based compensation expenses - other one-time revenue + other one-time expenses



Cumulative period Unit: million yen	FY22Q3	FY23Q3	Change
Cash flows from operating activities	1,040	808	(231)
Cash flows from investing activities	(32)	(122)	(89)
Cash flows from financing activities	(631)	(1,313)	(682)
Change in cash and cash equivalents	375	(627)	(1,003)
Cash and cash equivalents at beginning of the period	6,815	7,978	+1,162
Cash and cash equivalents at end of the period	7,191	7,350	+159

### 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)

Unit: million yen		At the end of March 2023	At the end of December 2023	Change
Assets	Current assets	9,996	9,133	(863)
	Non-current assets	1,161	1,301	+140
	Total assets	11,158	10,435	(722)
Liabilities	Current liabilities	1,668	1,078	(589)
	Non-current liabilities	60	94	+33
	Total liabilities	1,729	1,173	(555)
Equity	Share capital/capital surplus	3,969	3,972	+2
	Retained earnings	6,603	7,085	+481
	Treasury stock	(1,144)	(1,795)	(651)
	Accumulated other comprehensive income	-	0	+0
	Total equity attributable to owners of parent	9,429	9,262	(166)
	Total equity	9,429	9,262	(166)
	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

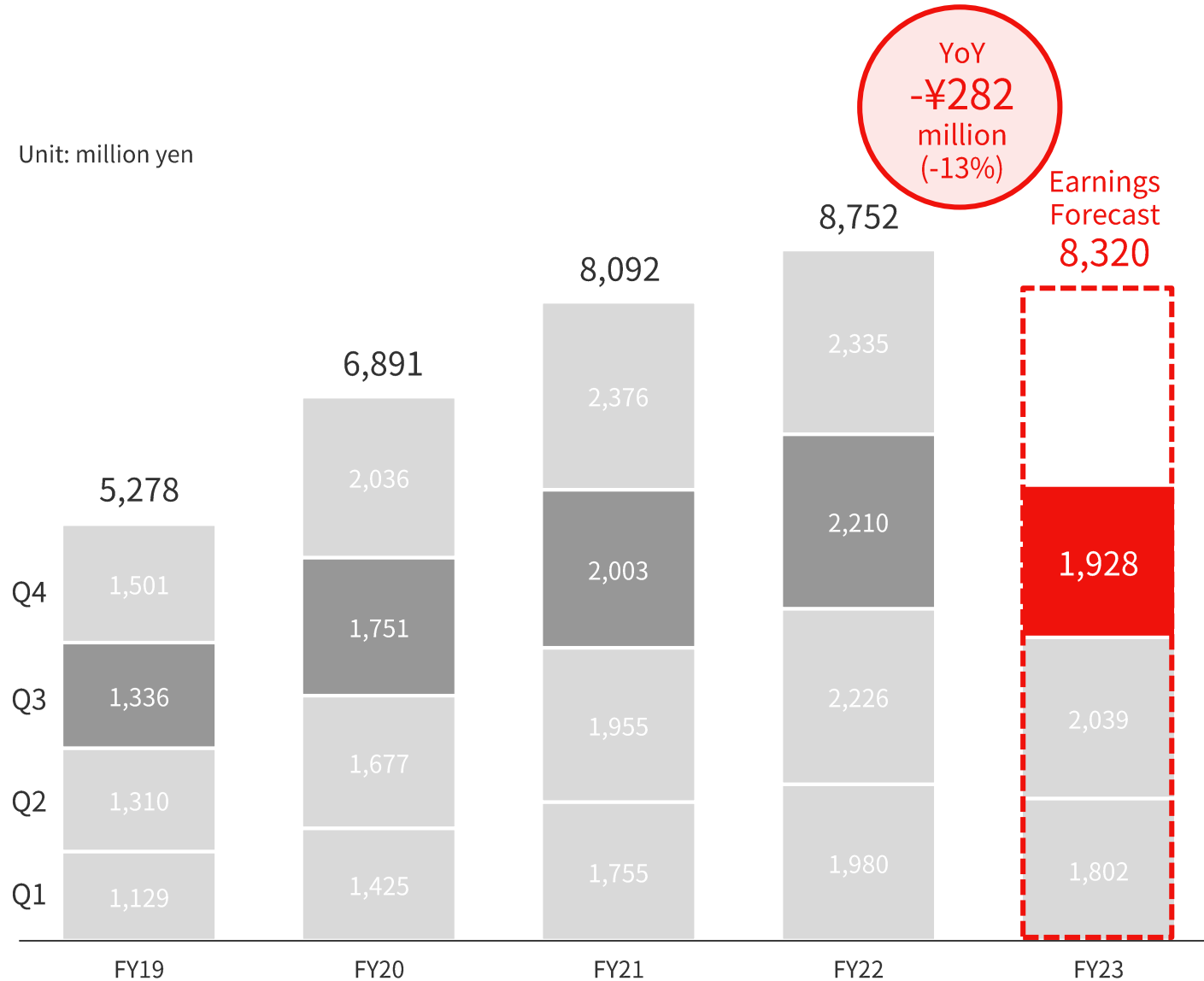
### Total liabilities

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)

Unit: million yen



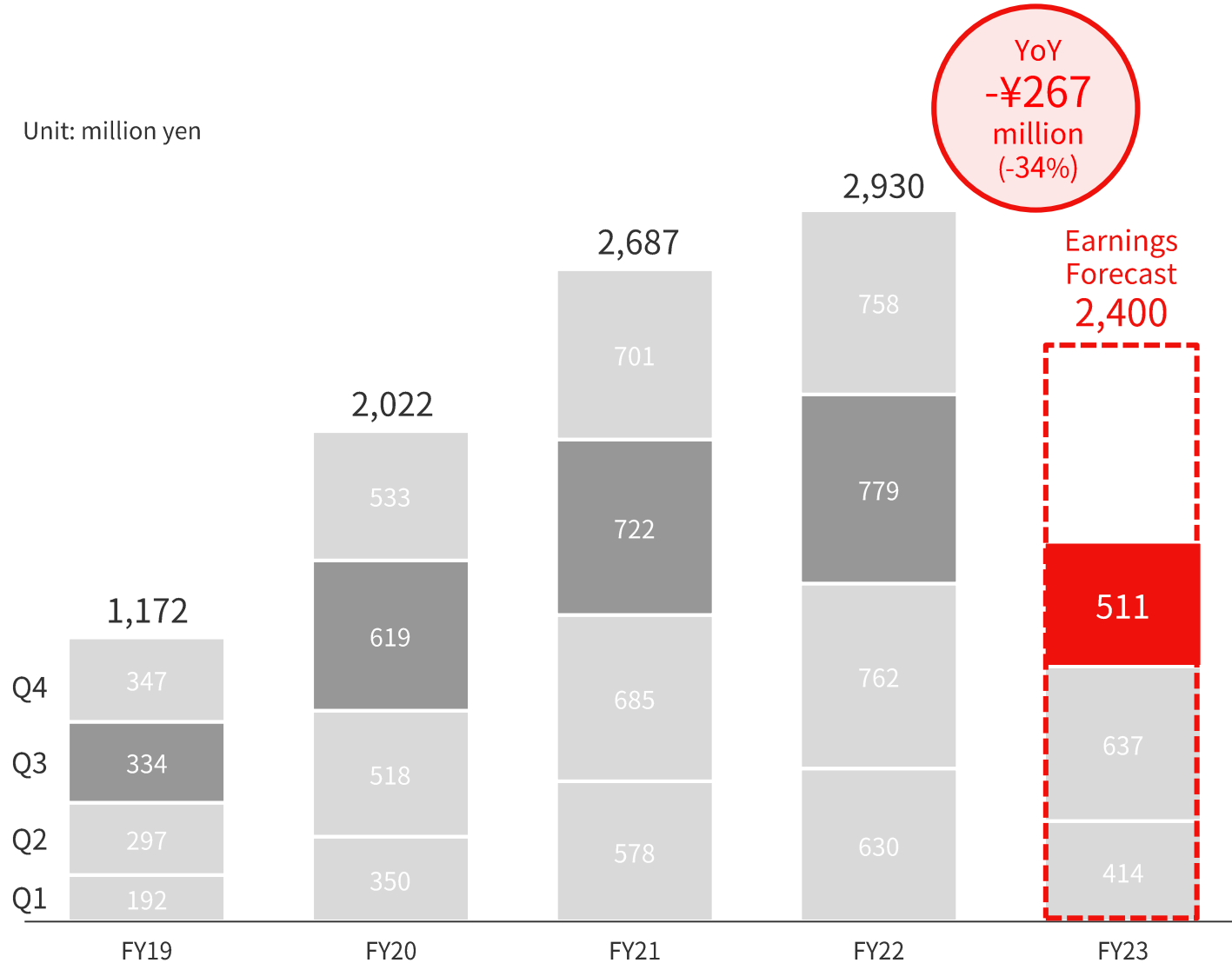
Decreased revenue

Q3 **¥1,928** million

YoY change

**-¥282** million  
(-13%)

Unit: million yen



Decreased profit

Q3 **¥637 million**

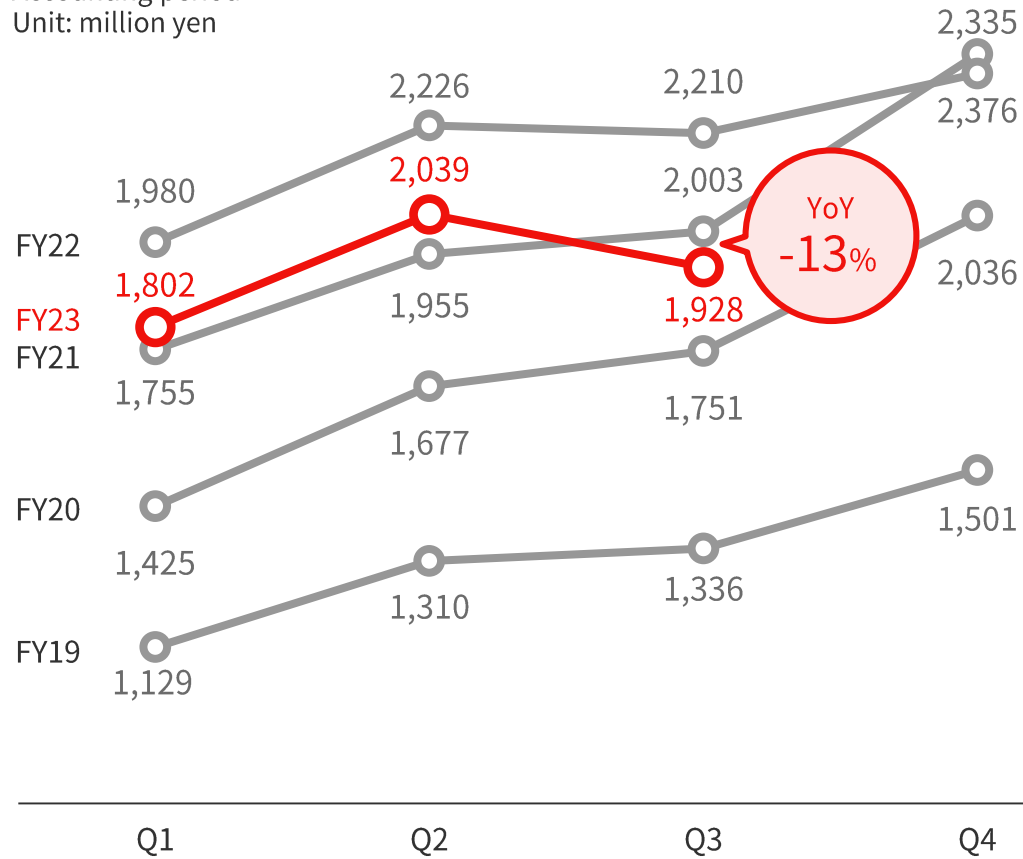
YoY change

**-¥267 million**  
**(-34%)**

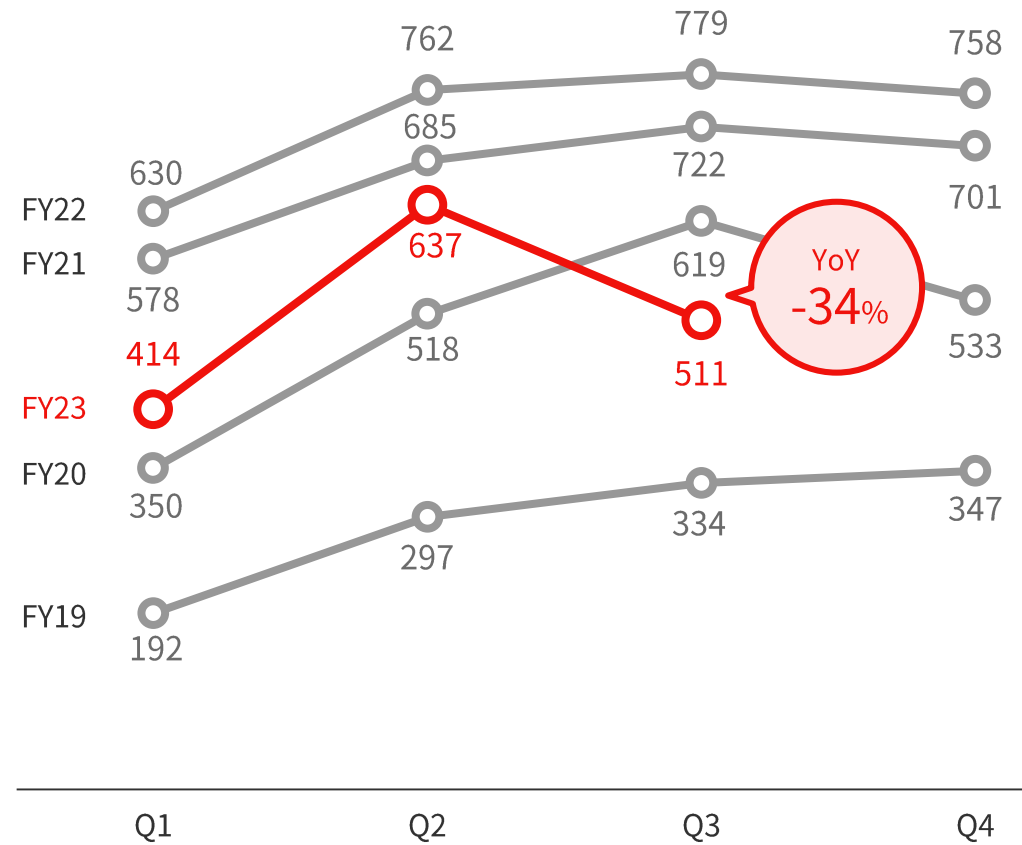
# Decreased revenue and profit

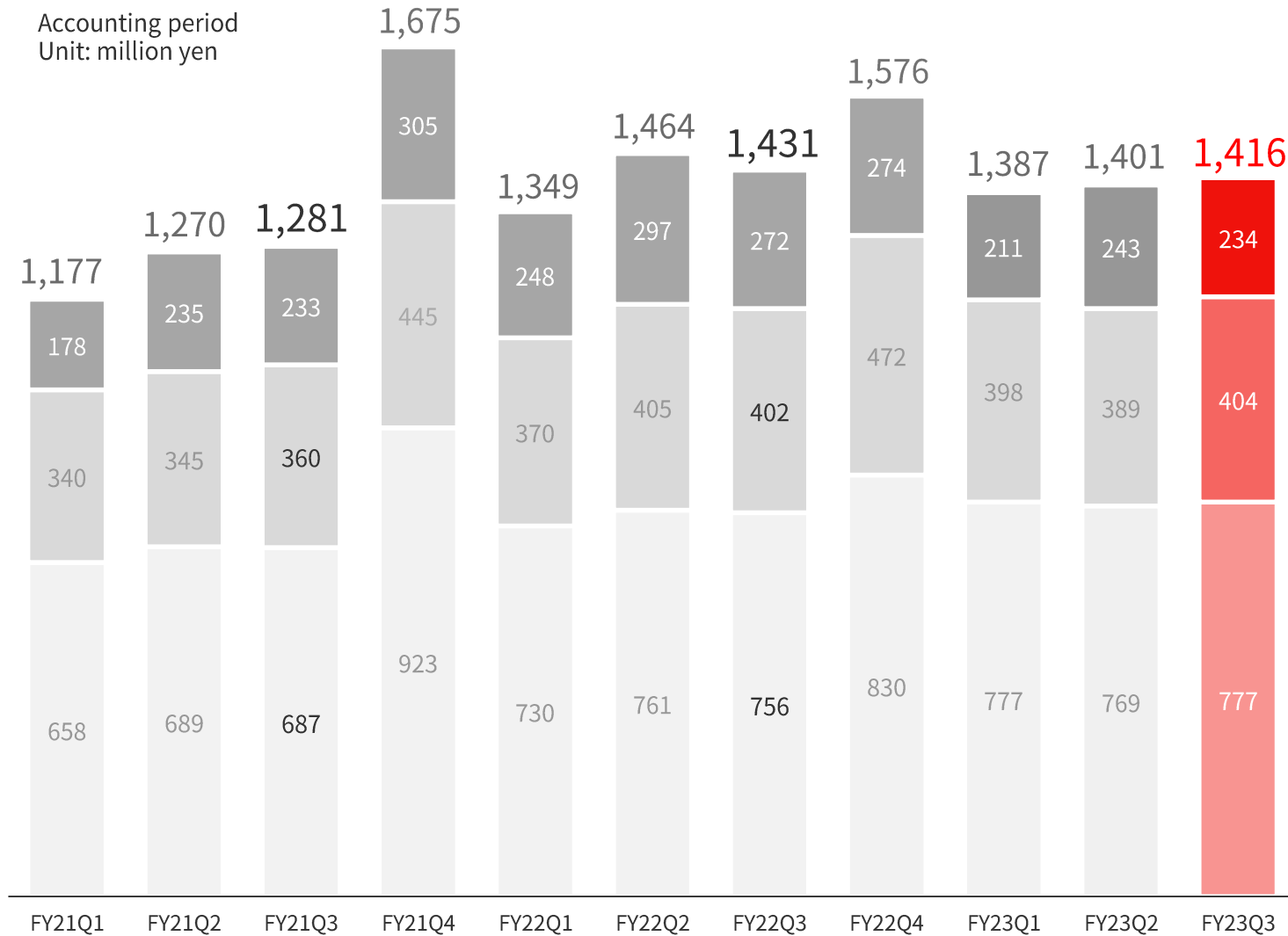
Revenue

Accounting period  
Unit: million yen



Operating income



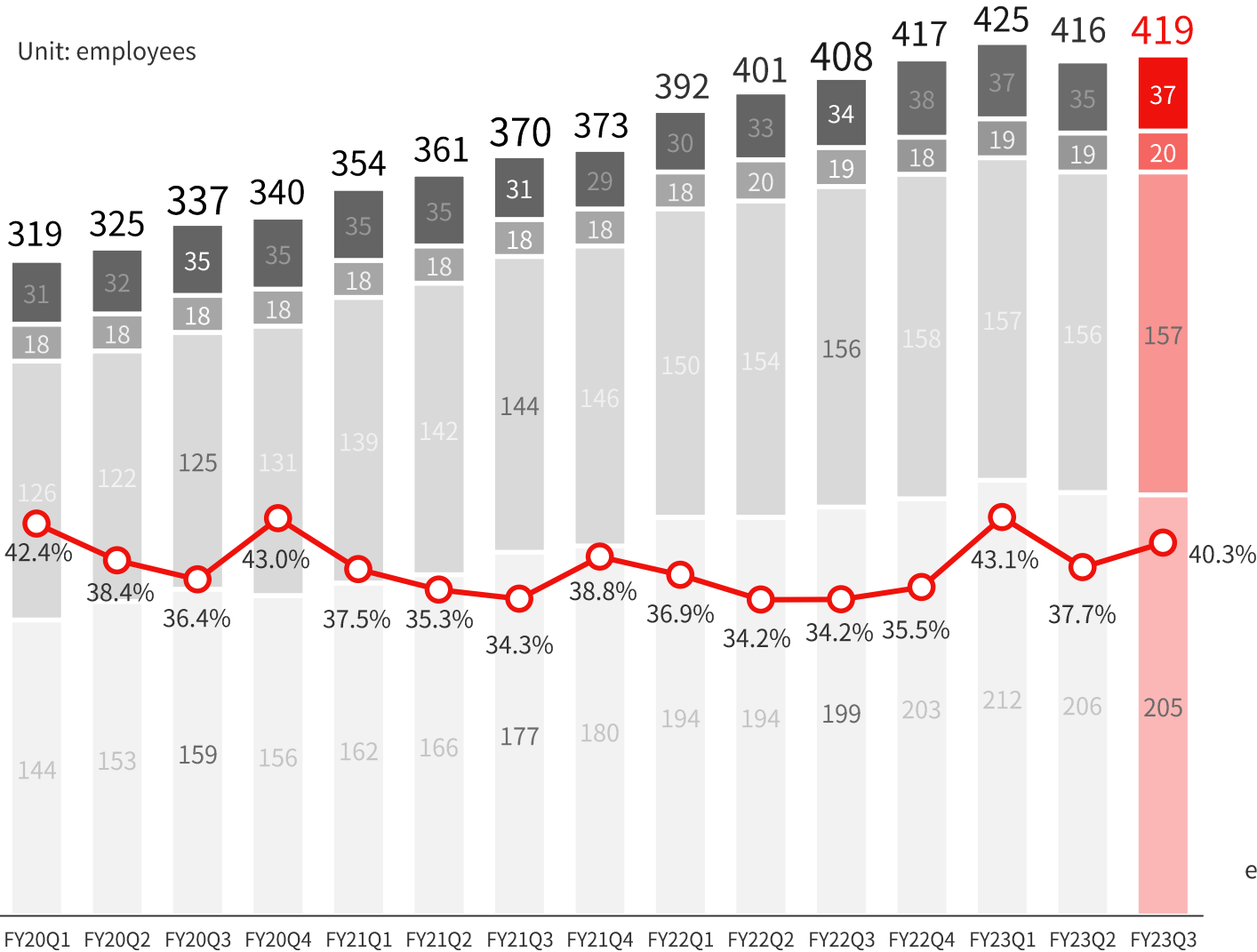


	Q3	YoY change	As percent of total
Total		-1.0%	100%
Outsourcing expenses		-13.9%	16.6%
Other		+0.6%	28.5%
Personnel expenses		+2.8%	54.9%

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



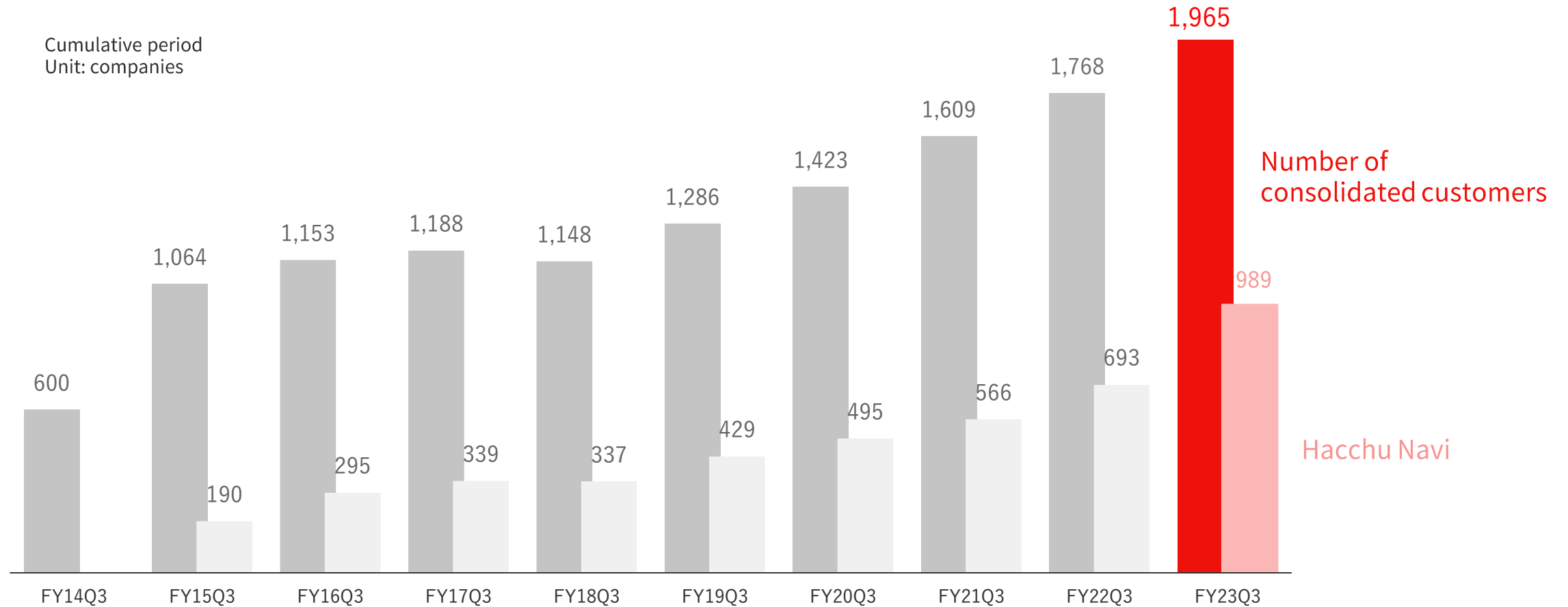


	Q3	YoY change	As percent of total
Total		+11	100%
Administrative and other		+3	8.8%
Technical		+1	4.8%
Sales and planning		+1	37.5%
Editing		+6	48.9%

Includes contract, temporary, and part-time employees

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

# Hacchu Navi expanded



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

\* Hacchu Navi has been consolidated since October 2015



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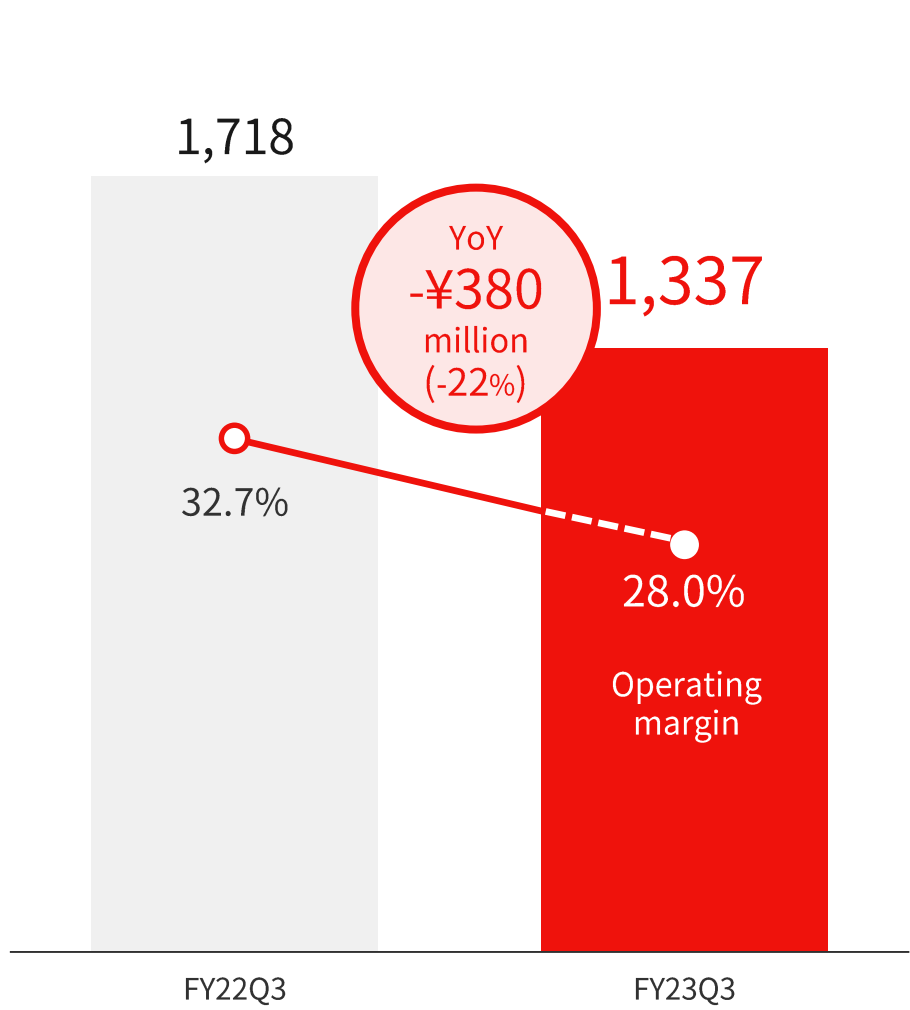
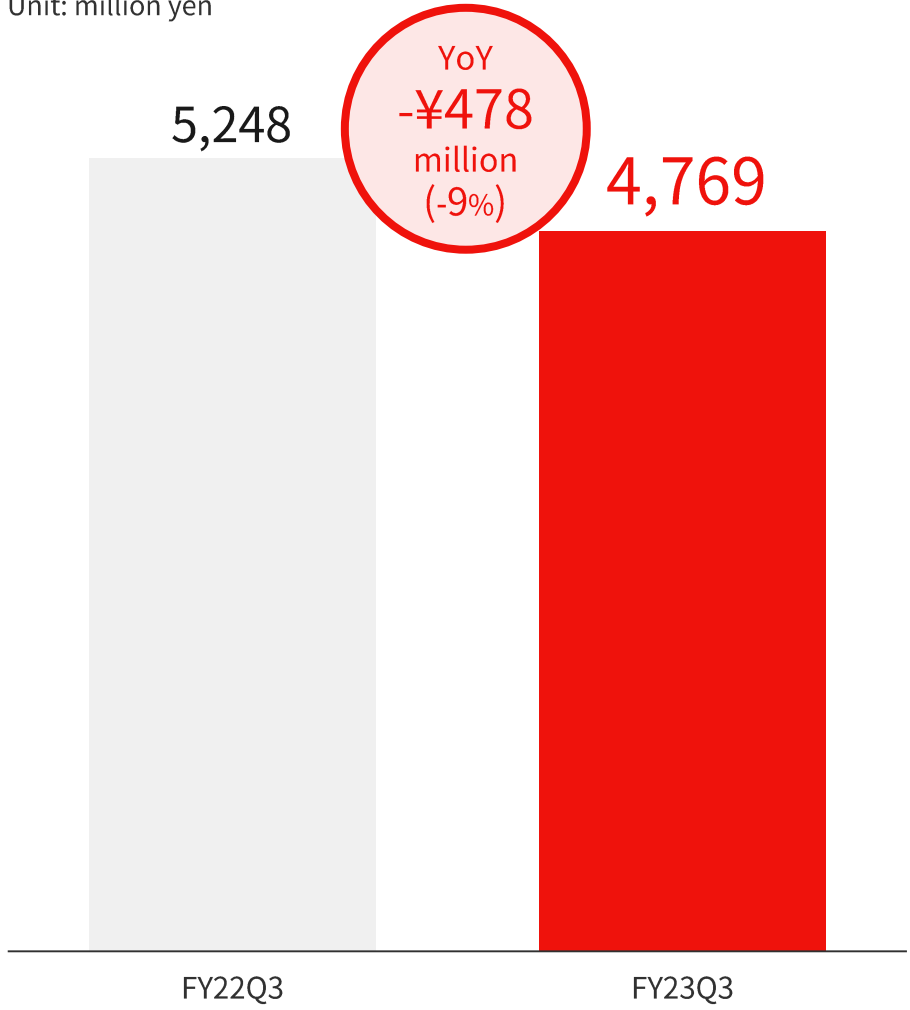
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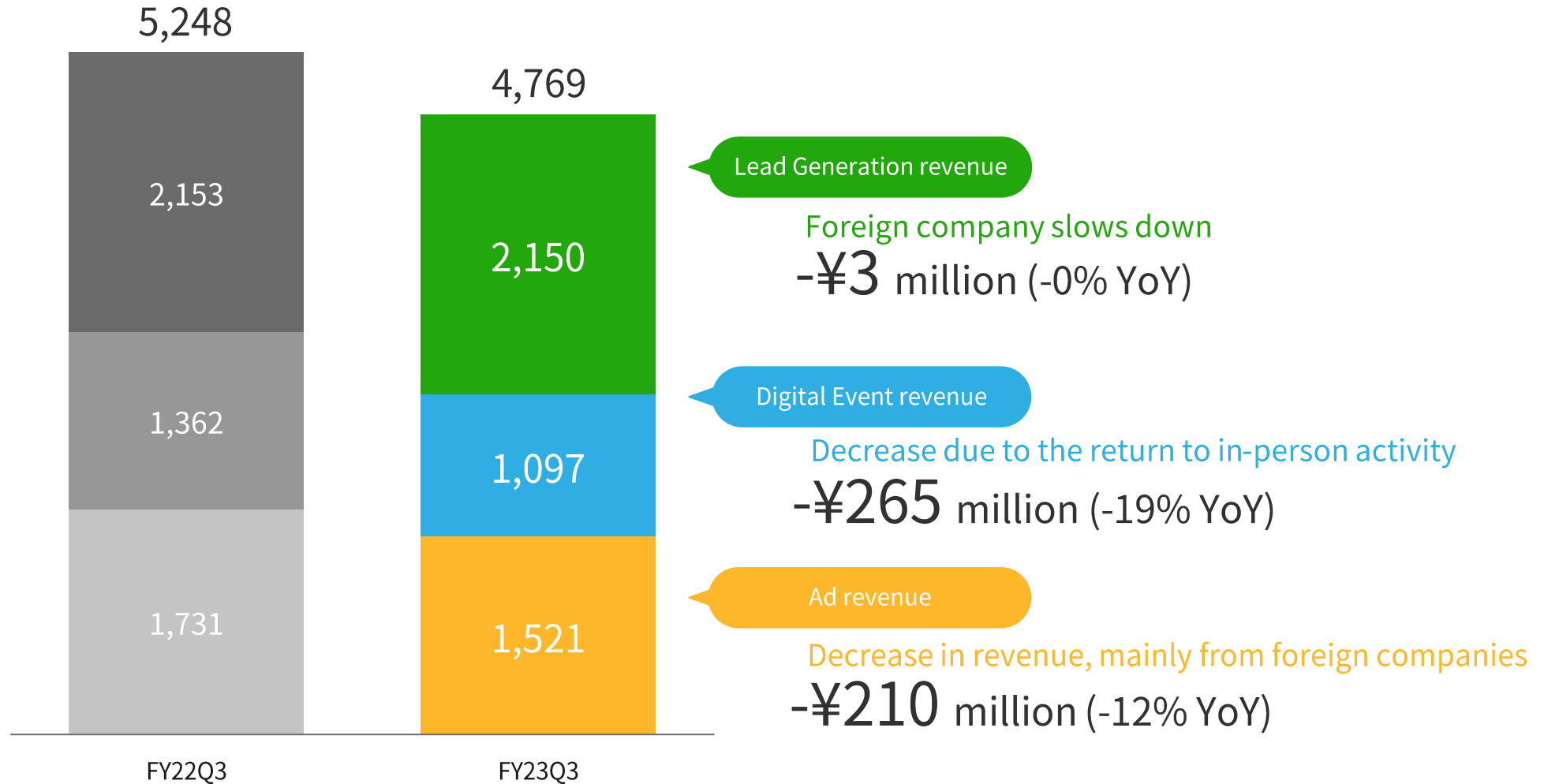
Revenue

Operating income

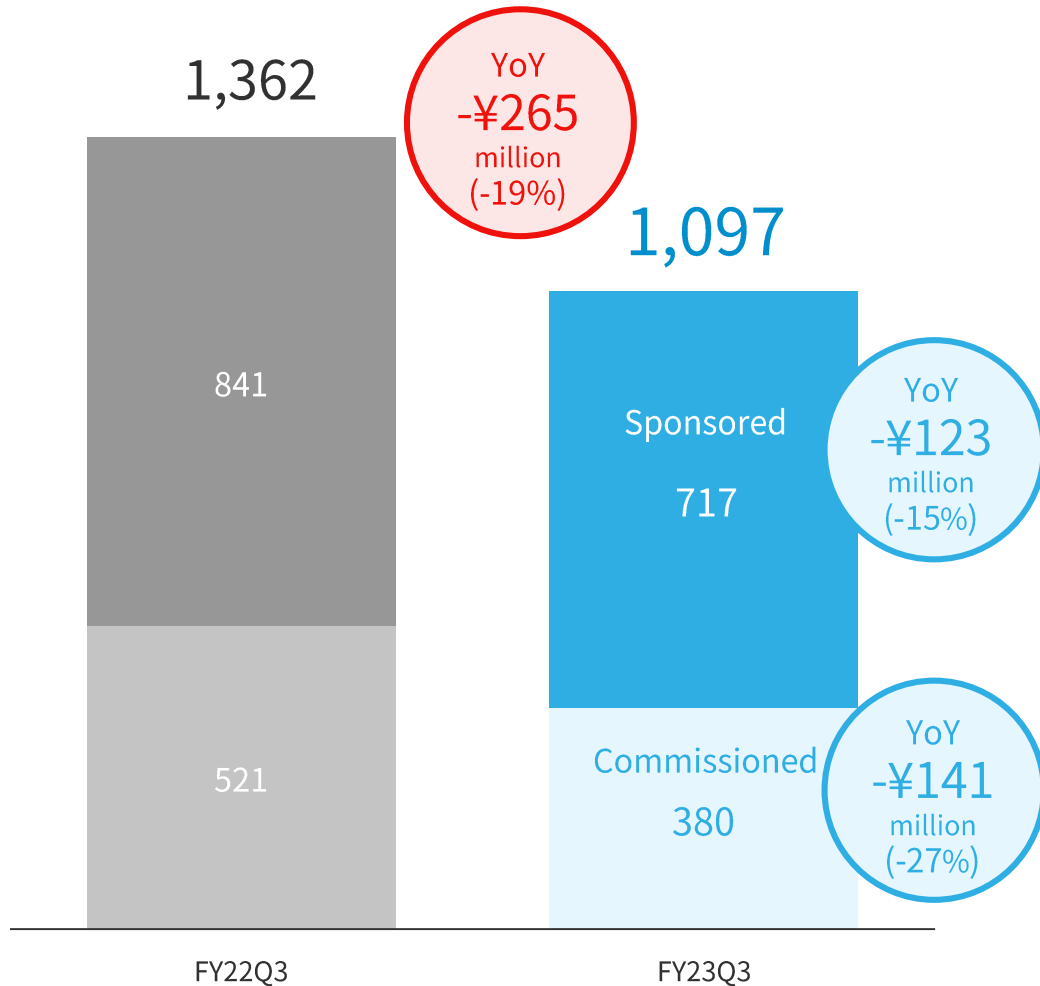
Cumulative period  
Unit: million yen



Cumulative period  
Unit: million yen



Cumulative period  
Unit: million yen



Established market from the pandemic, but special demand subsides

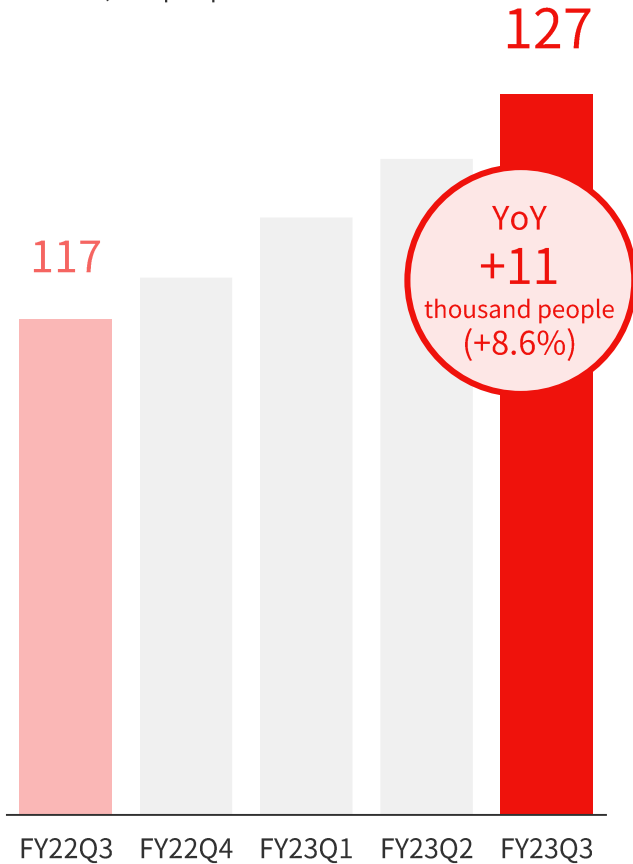
Digital Event examples

- Supply Chain Innovation: 2023 11/6 (Mon) ~ 7 (Tue)
- ITmedia DX Summit vol.18: 2023 11/10 (Fri)
- CARBON NEUTRAL TECHNOLOGY FAIR 2023 winter: 2023 11/27 (Mon) ~ 28 (Tue)
- MONOist DX Forum 2023 winter: 2023 12/13 (Wed) ~ 14 (Thu)
- ITmedia DX Summit vol.18 (Digital Foundation/Usage): 2023 11/20 (Mon) ~ 21 (Tue)
- @IT Cloud Native Week 2023 winter: 2023 12/6 (Wed) ~ 8 (Fri)
- ITmedia Security week 2023 winter: 2023 11.27 (Mon) ~ 12.4 (Mon)



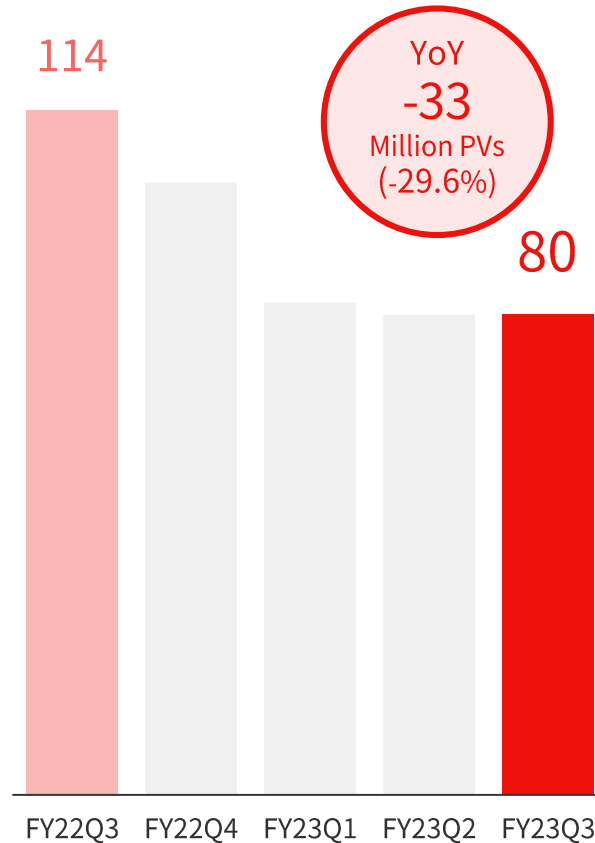
Number of Lead Generation members\*1

Unit: 10,000 people



Number of PVs (monthly average)

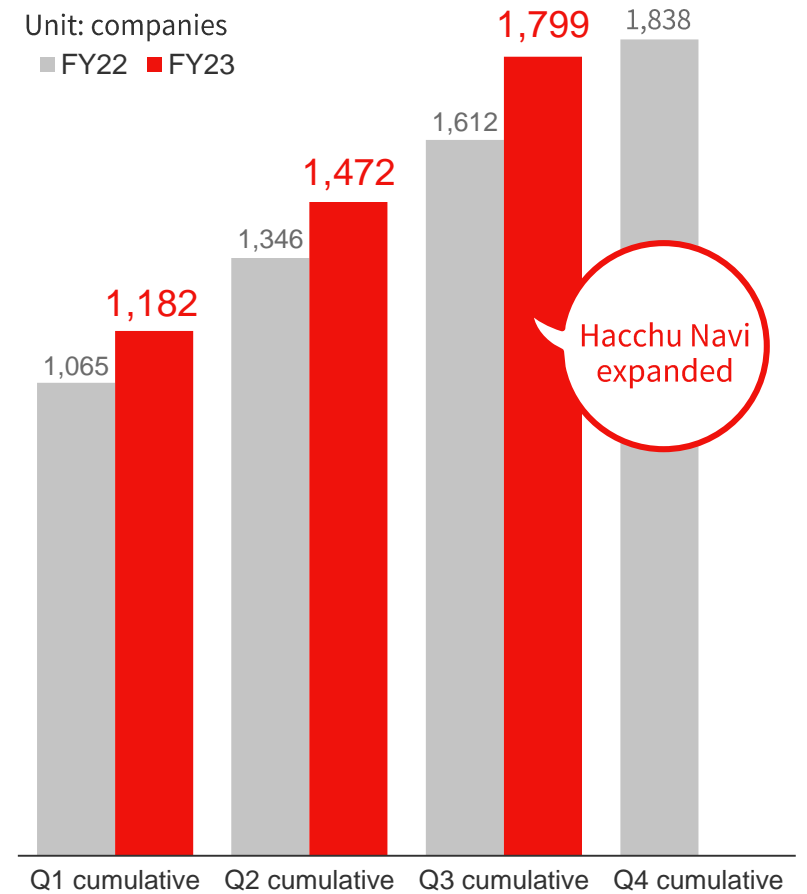
Unit: million PVs



Number of customers\*2

Unit: companies

■ FY22 ■ FY23

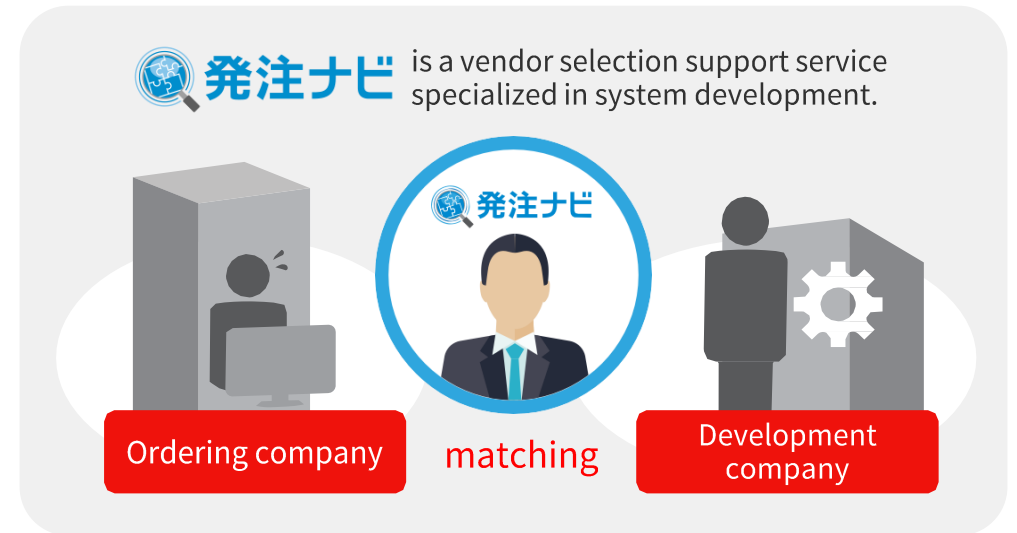
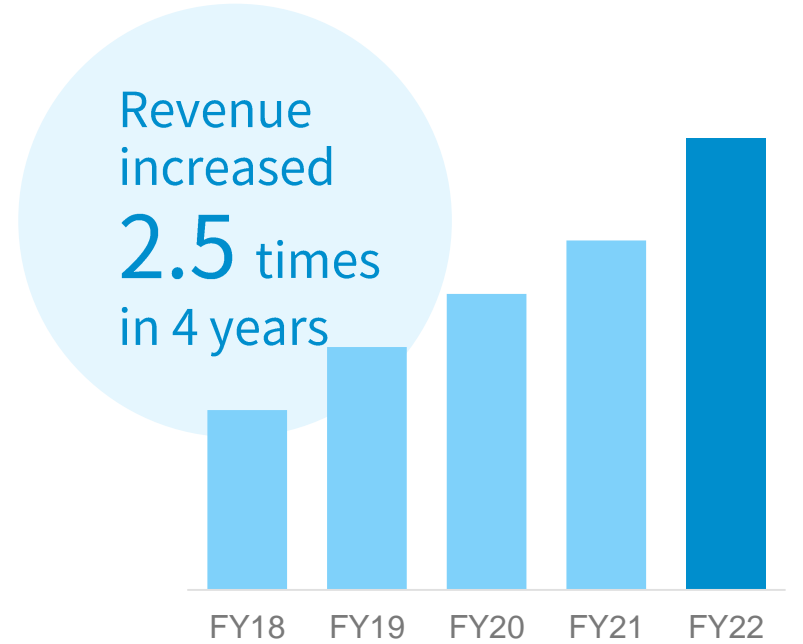
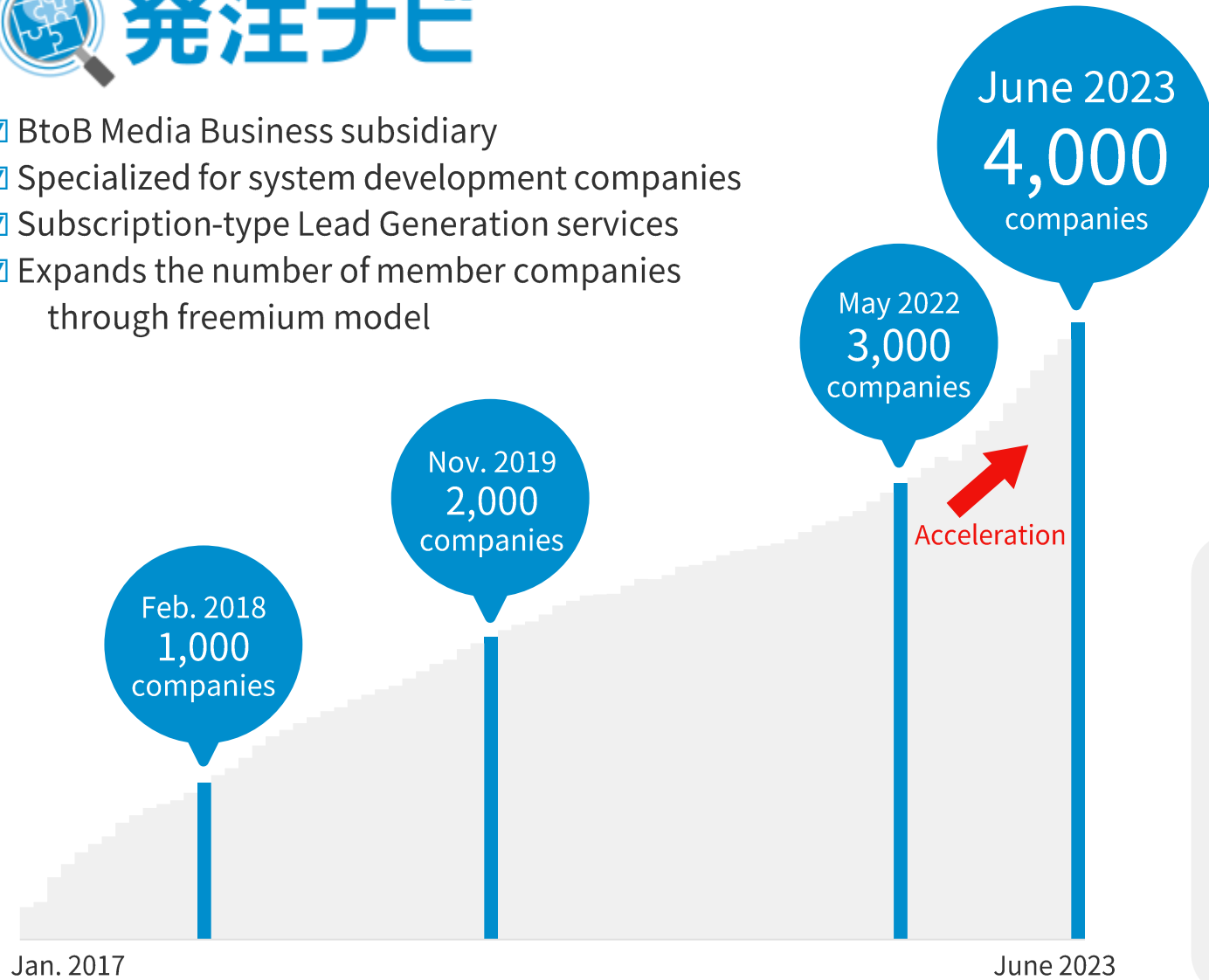


\*1 : Members eligible for Lead Generation service because of ITmedia ID, common member platform

\*2 : Number of companies to which sales were recorded during the period

# 発注ナビ

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



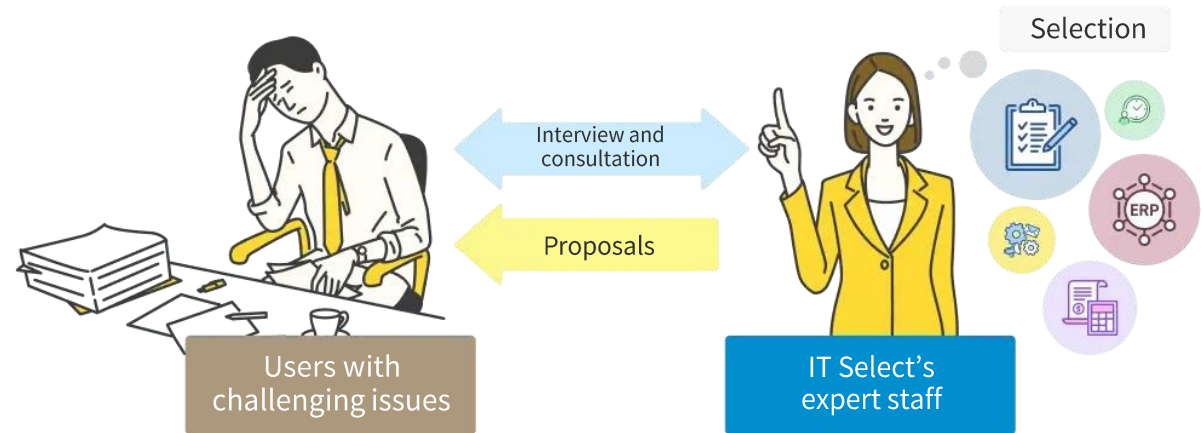


# SaaS Information Media “IT Select powered by Hacchu Navi” launched



<https://itselect.itmedia.co.jp/> (in Japanese only)

- ✔ 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



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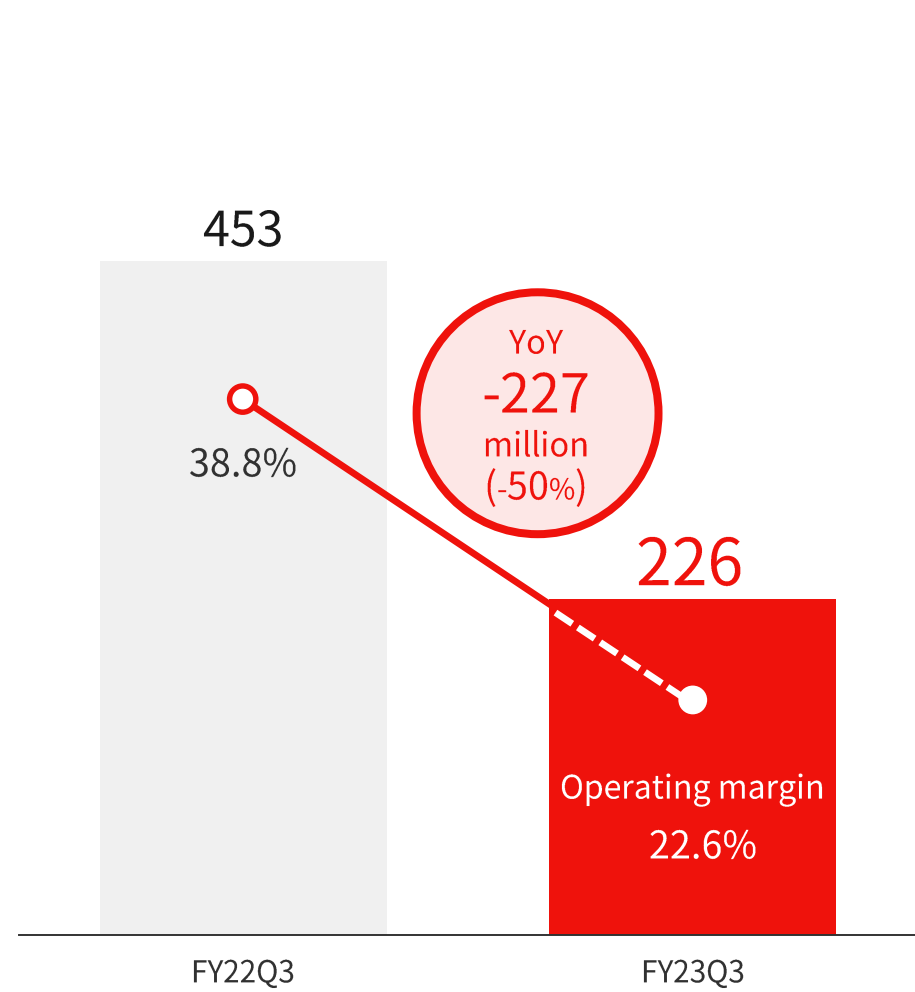
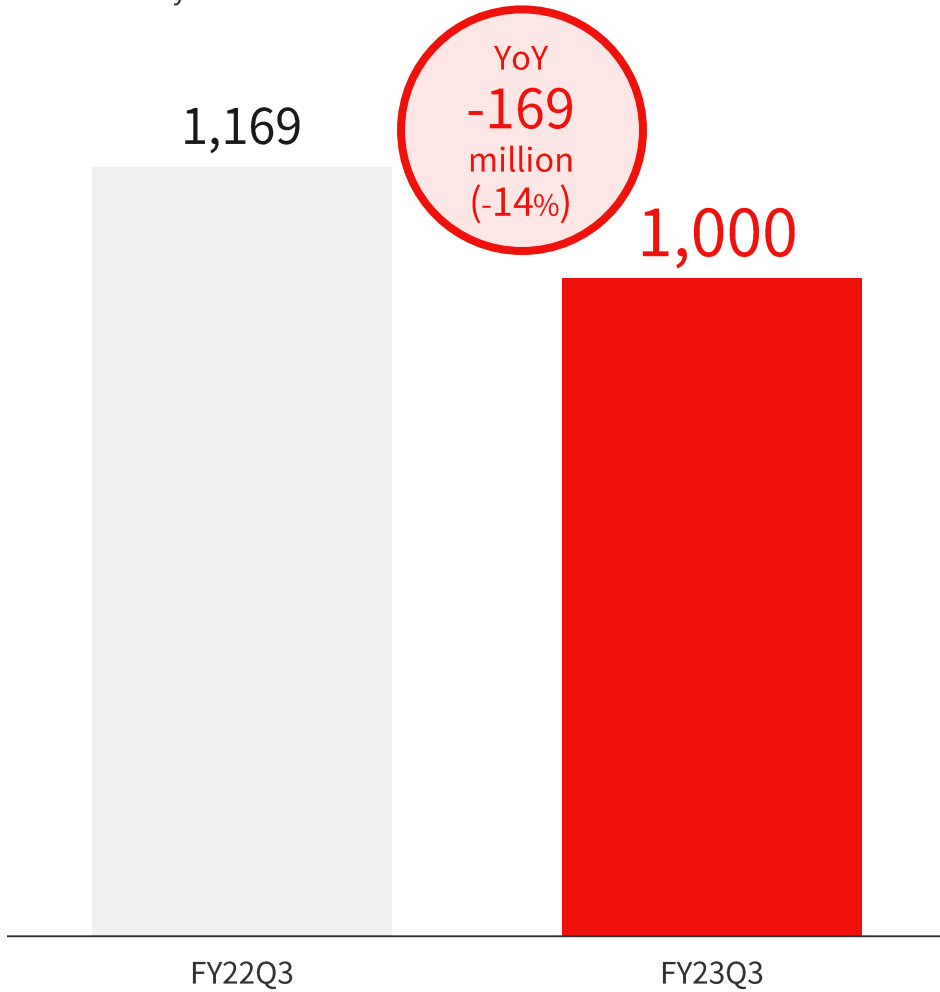
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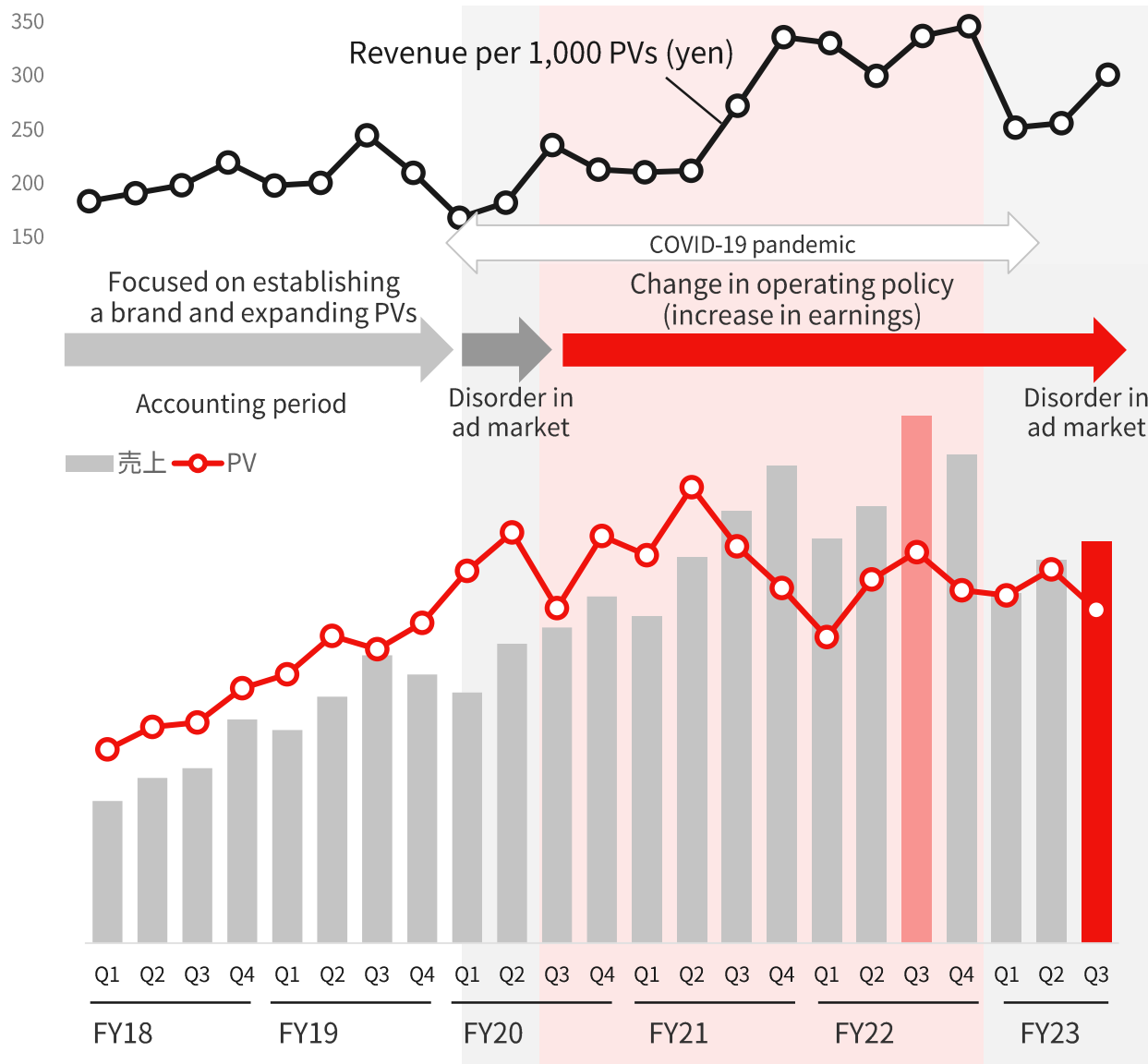


Revenue

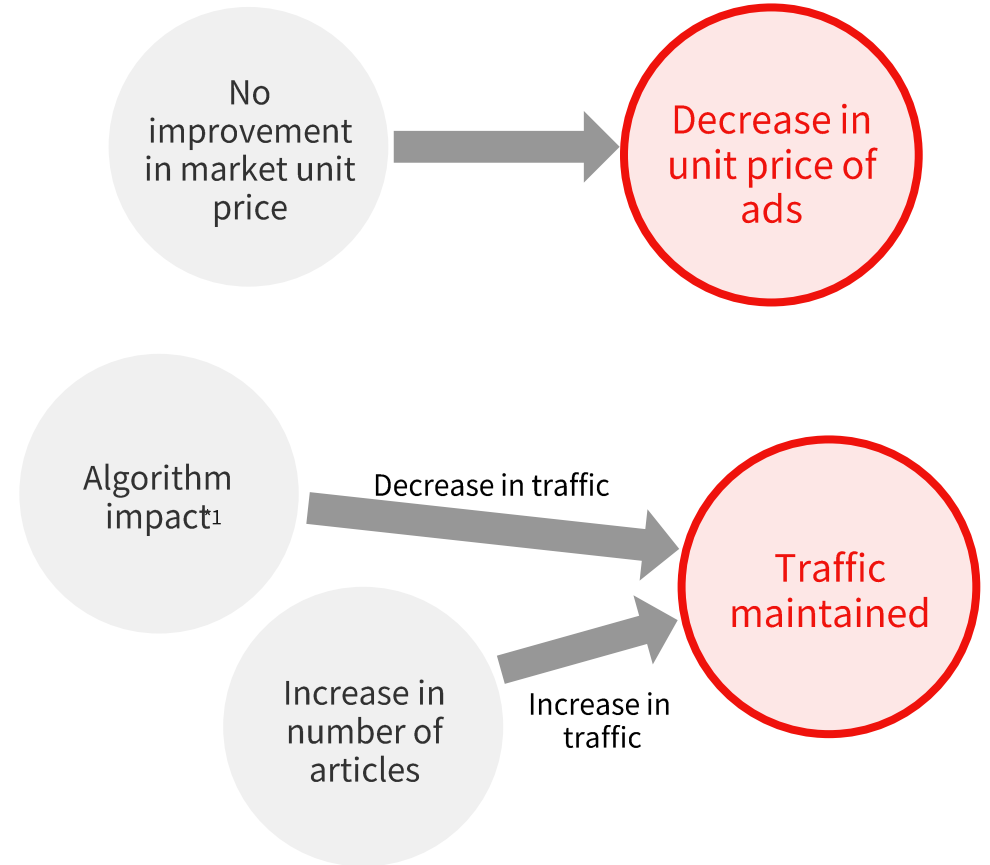
Operating income

Cumulative period  
Unit: million yen





Reasons for decrease



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



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Limitless possibilities of technology

Social development

Our growth

Automatic driving

AI

Digital shift of society and industries

Wearable

Metaverse

Robotics

DX

XR

Digital twin technology

Quantum computing

AI semiconductor

IoT

Cloud and SaaS

Blockchain

Computing

Semiconductor

Sensor

Device

Network

Security



Previously

In future



Innovation of society

Expansion on both buy-side and sell-side

IT

Manufacturing and  
Electronics

Cloud and SaaS

Industry DX



Innovation of marketing

Increasingly sophisticated and diverse solutions

Lead Generation

Digital Events

Data Driven

Next-generation  
Digital Events



Innovation of media

Adapting to innovative media technology. Developing the new markets that emerge

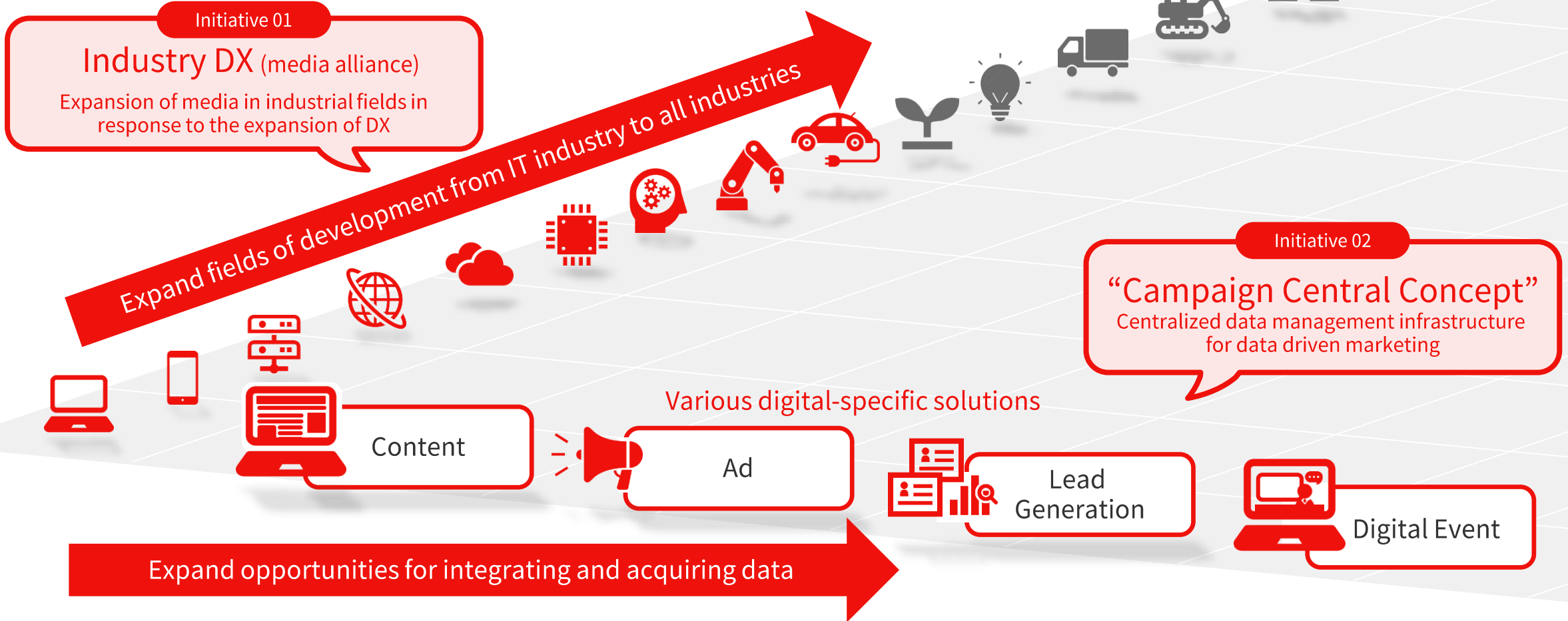
Established as a  
dedicated online  
business

Smart and Social

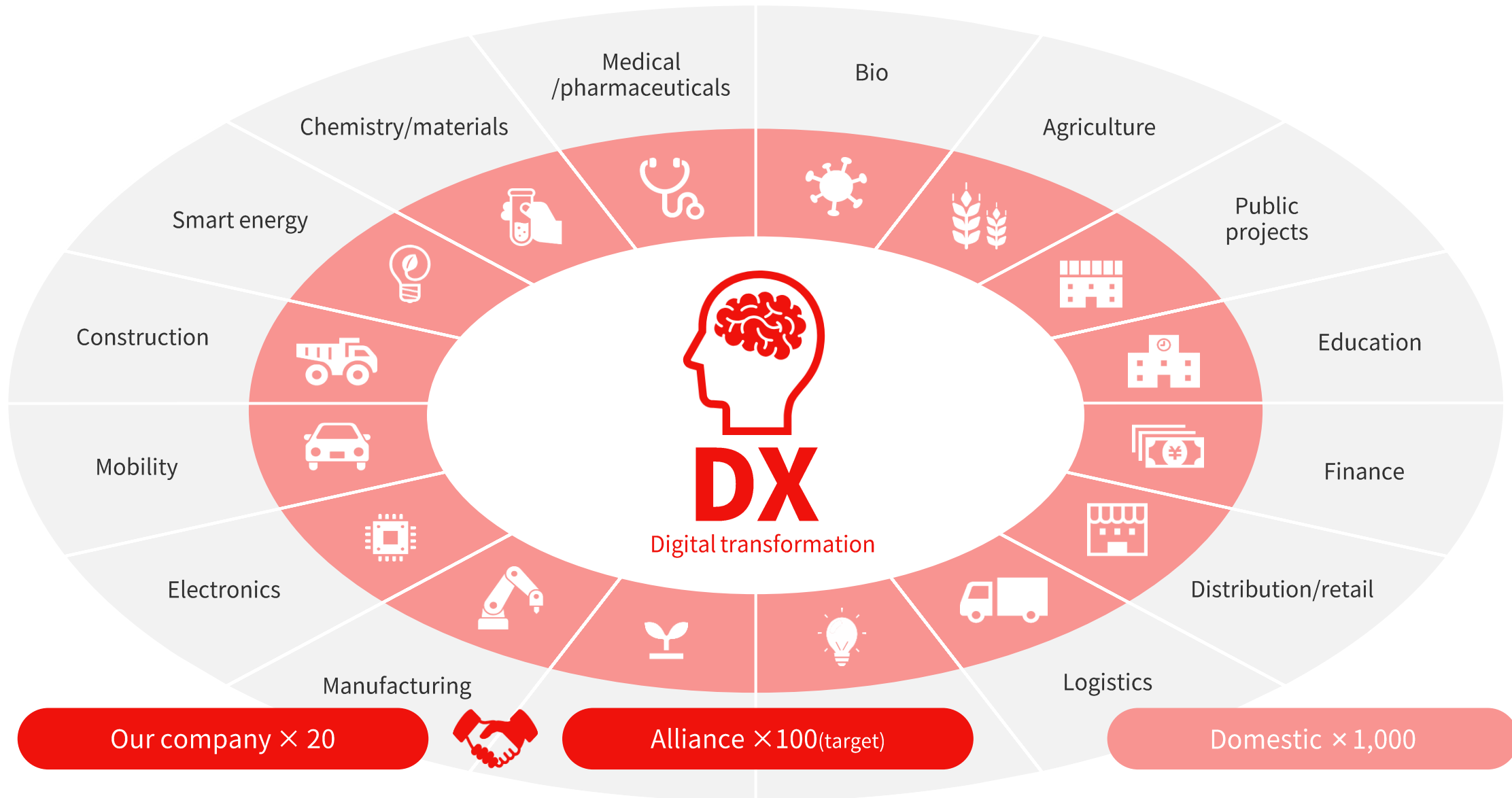
Metaverse

AI  
(e.g. ChatGPT)

# The largest BtoB holders of data that brings buyers and sellers together from all industries



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







# Expand partnerships into new domains

Chemistry/materials

LOGISTICS TODAY

Logistics

一般社団法人  
金融財政事情研究会

Finance

建設ITワールド  
Construction IT World

Construction

New  
Medical/  
pharmaceuticals

Realize partnerships newly  
in pharmaceuticals and  
food domains

リテールガイド

Distribution/  
retail

日本教育新聞  
NIKKYO WEB

Education

media  
vague

Mobility

税務研究会  
ZEIMUKENKYUKAI

Financial accounting

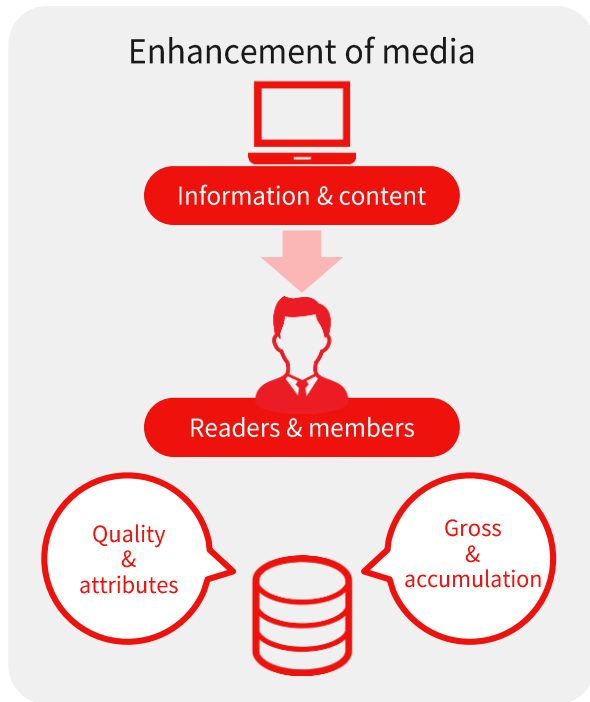
日本食糧新聞社

New  
Food

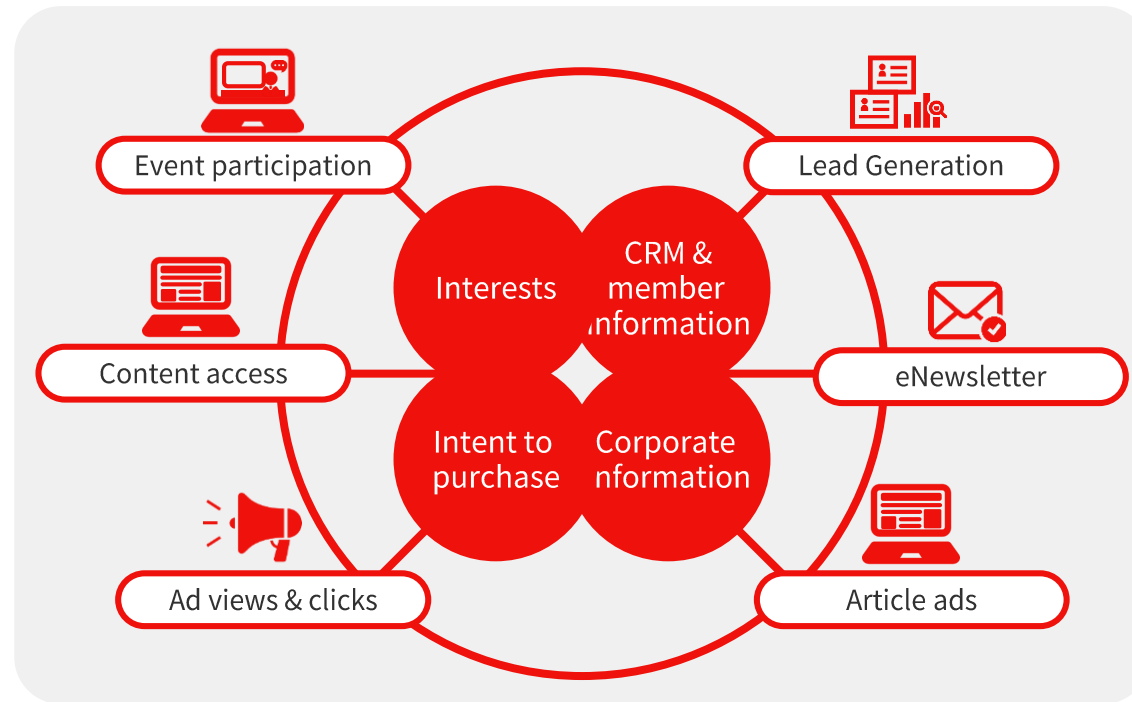
\*Joint exhibition type digital event hosted by the Company

Digital Advantage:  
As data accumulates and becomes more connected, it becomes more valuable.

### “Campaign Central Concept”



Increasing data



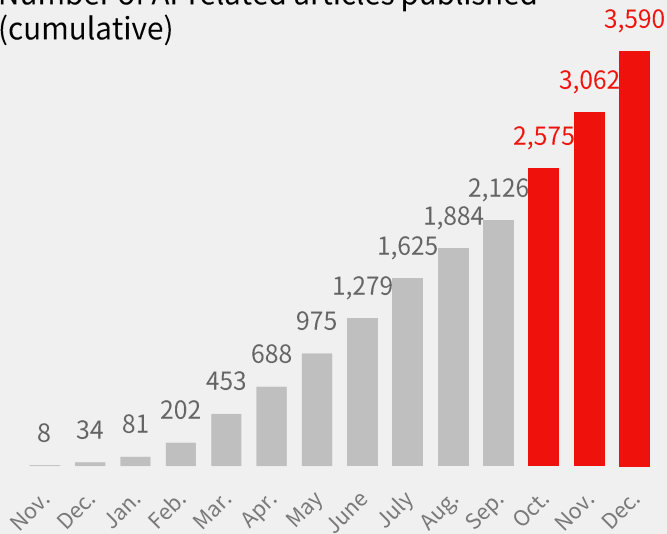
Connecting



Utilizing

### As a topic for content

Number of AI-related articles published (cumulative)

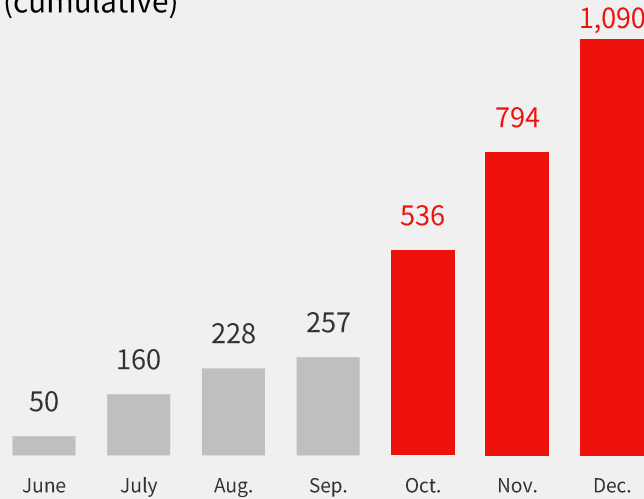


Development of No.1 media in the AI domain



### For use in content creation

Number of articles produced with AI published (cumulative)



Dedicated AI Media Development Division launched in October 2023



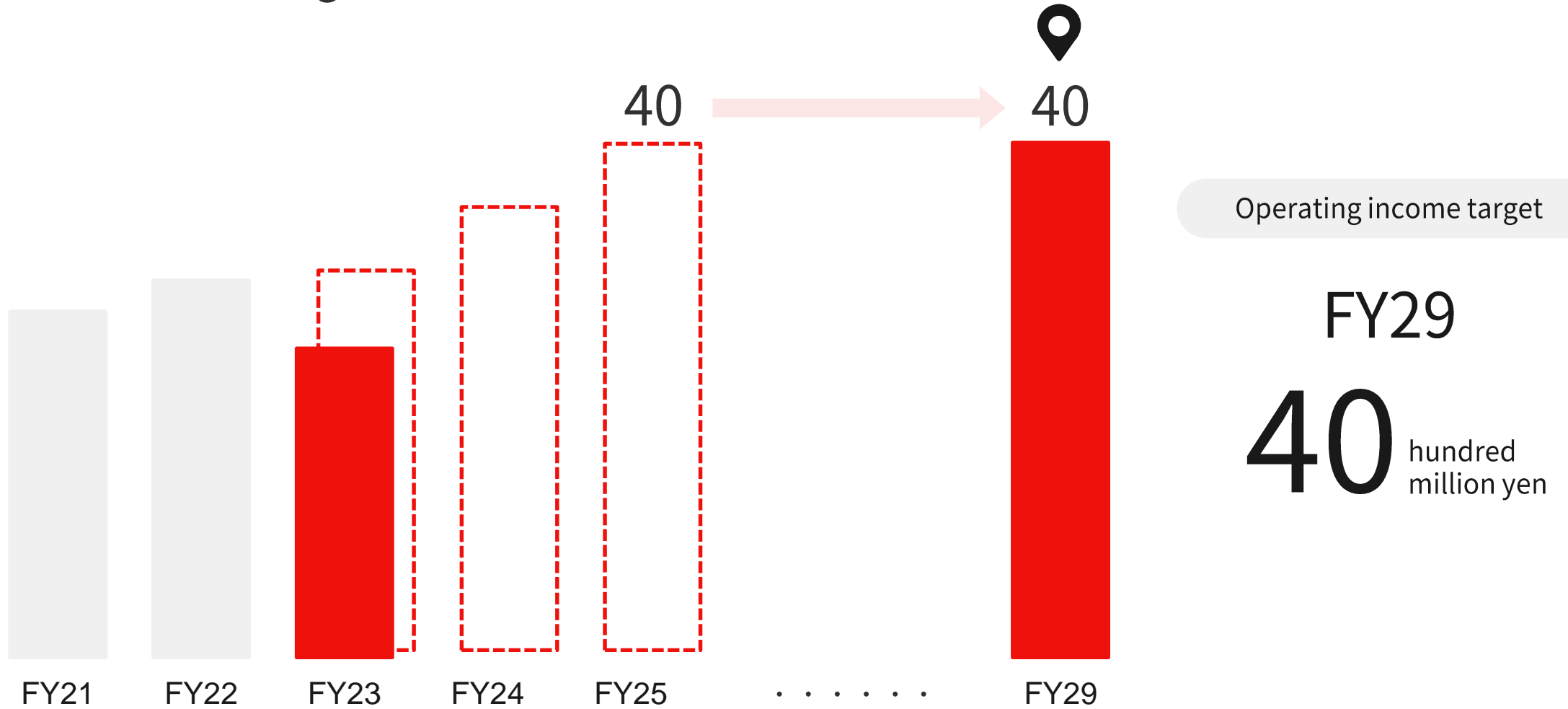
### For use in business operations

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.

Promoting further use

## Medium-term Targets to be Reestablished







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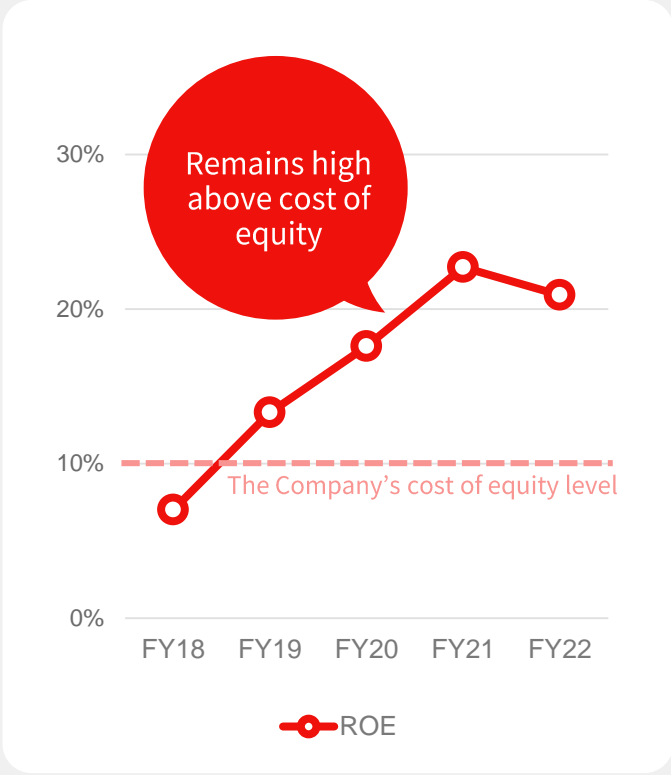
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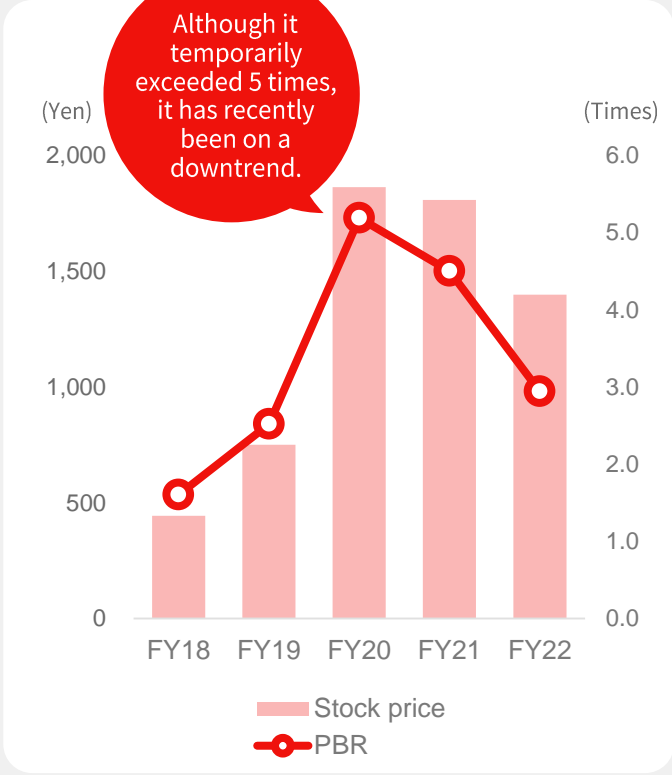
## 3. Earnings and Dividend Forecasts

### ROE



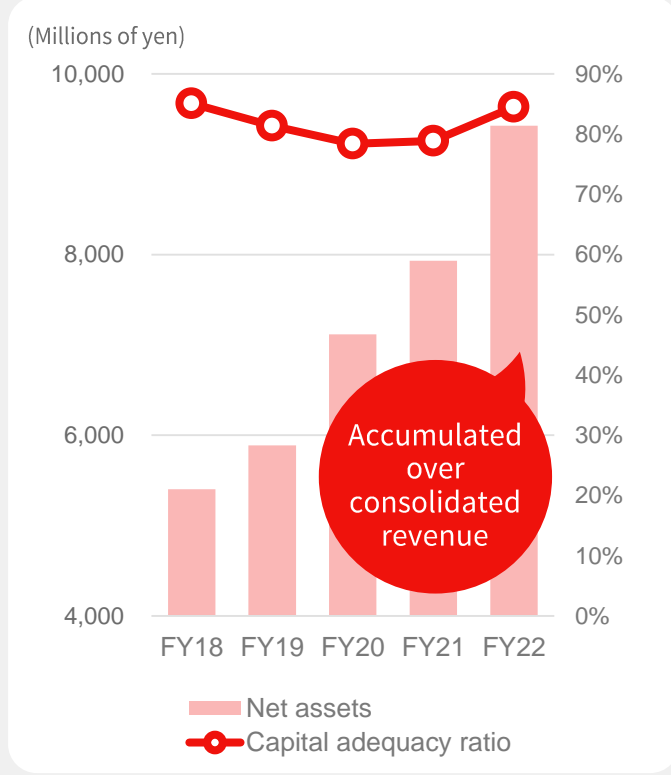
Established a highly profitable business model

### Stock price and PBR



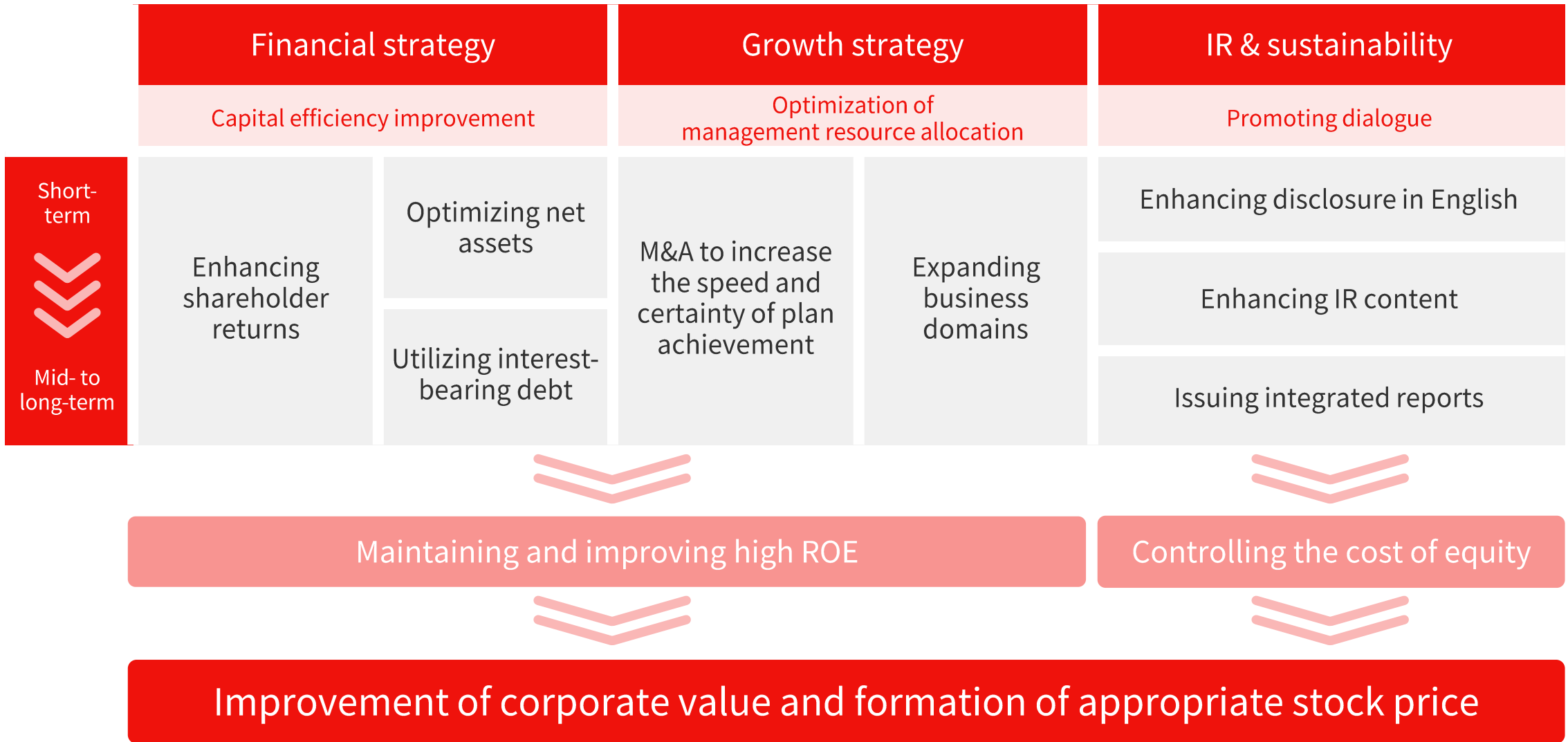
Promoting growth strategies as a top priority

### Net assets



Reducing and optimizing cost of capital

## Optimizing cost of capital by utilizing funds for business growth and improving capital efficiency





## 1. Business Status and Growth Strategies

Business Overview

FY23 Q3 Earnings Overview

BtoB Media Business

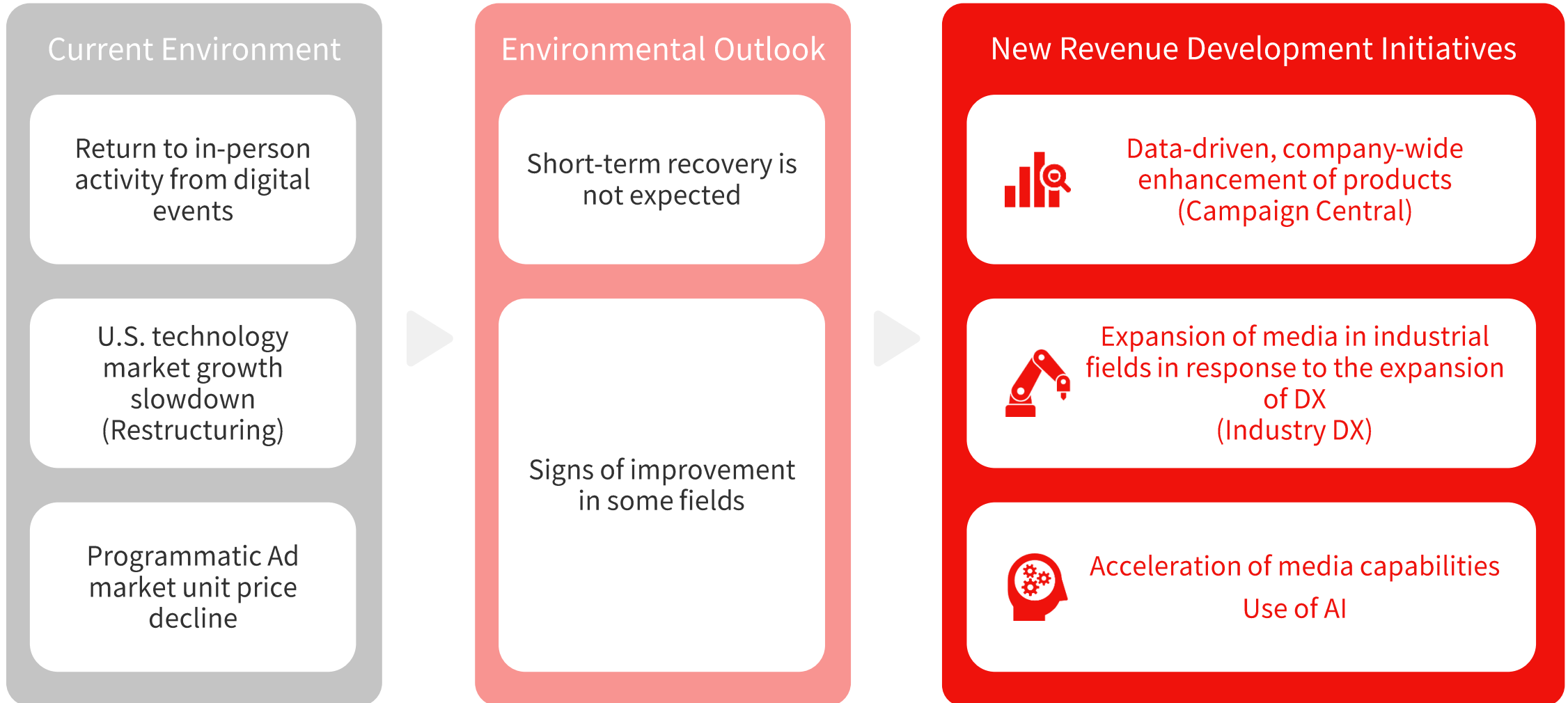
BtoC Media Business

Initiatives for Growth

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

3. Earnings and Dividend Forecasts

## Strengthen new earnings development for the next fiscal year and beyond



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



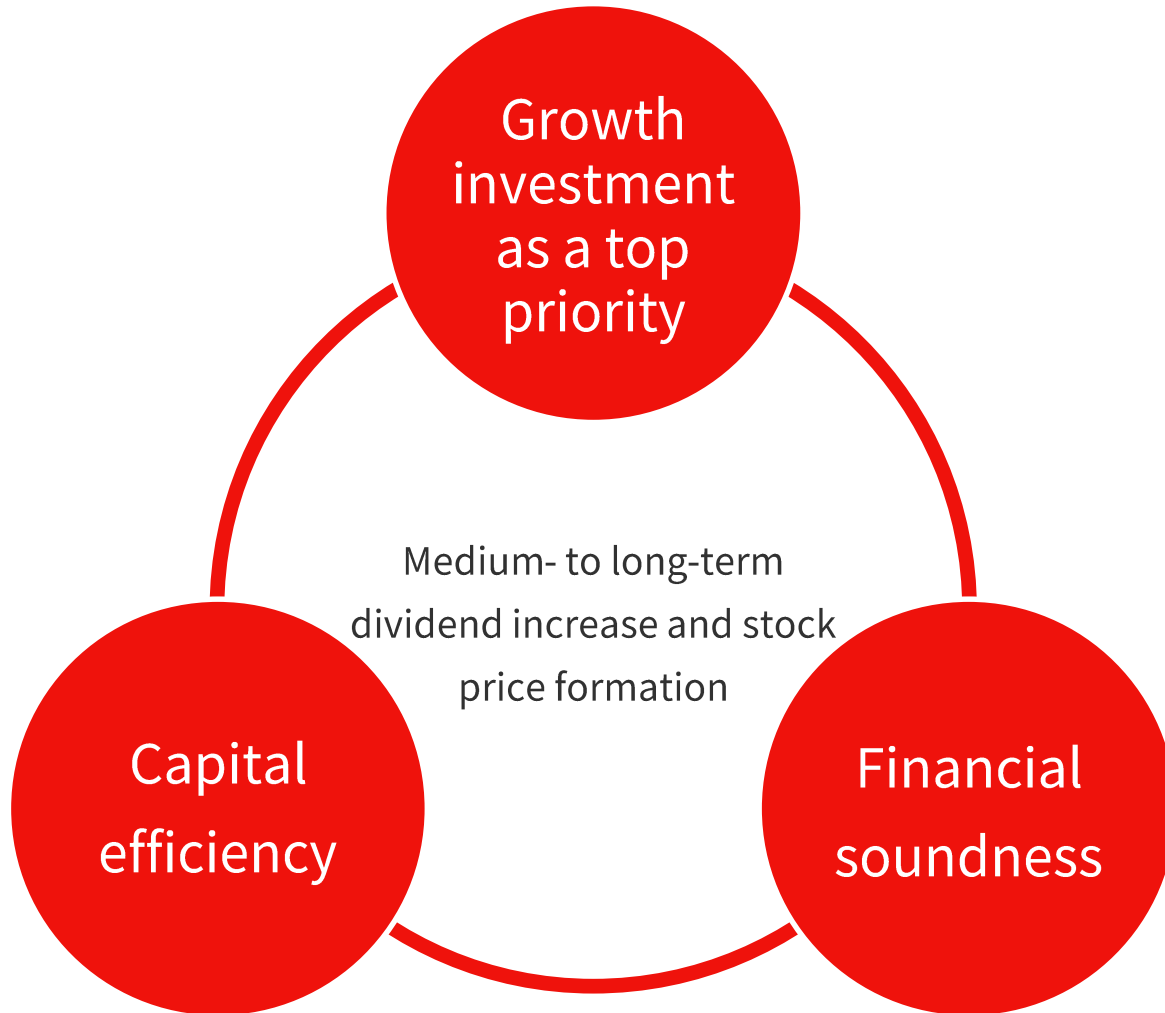
**Current forecasts are maintained**

Unit: million yen

	Revenue	Operating income	Net income attributable to owners of parent
full year	8,320	2,400	1,620
YoY change	(4.9%)	(18.1%)	(18.0%)
FY22, full year (actual)	8,752	2,930	1,974

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

	Annual dividend		
	Second quarter-end	Fiscal year-end	Total
Previous forecast	¥15.00	¥15.00	¥30.00
Revised forecast		¥100.00	¥115.00
Results for the current fiscal year	¥15.00		
Results for the previous fiscal Year (Fiscal year ended March 31, 2023)	¥14.00	¥14.00	¥28.00

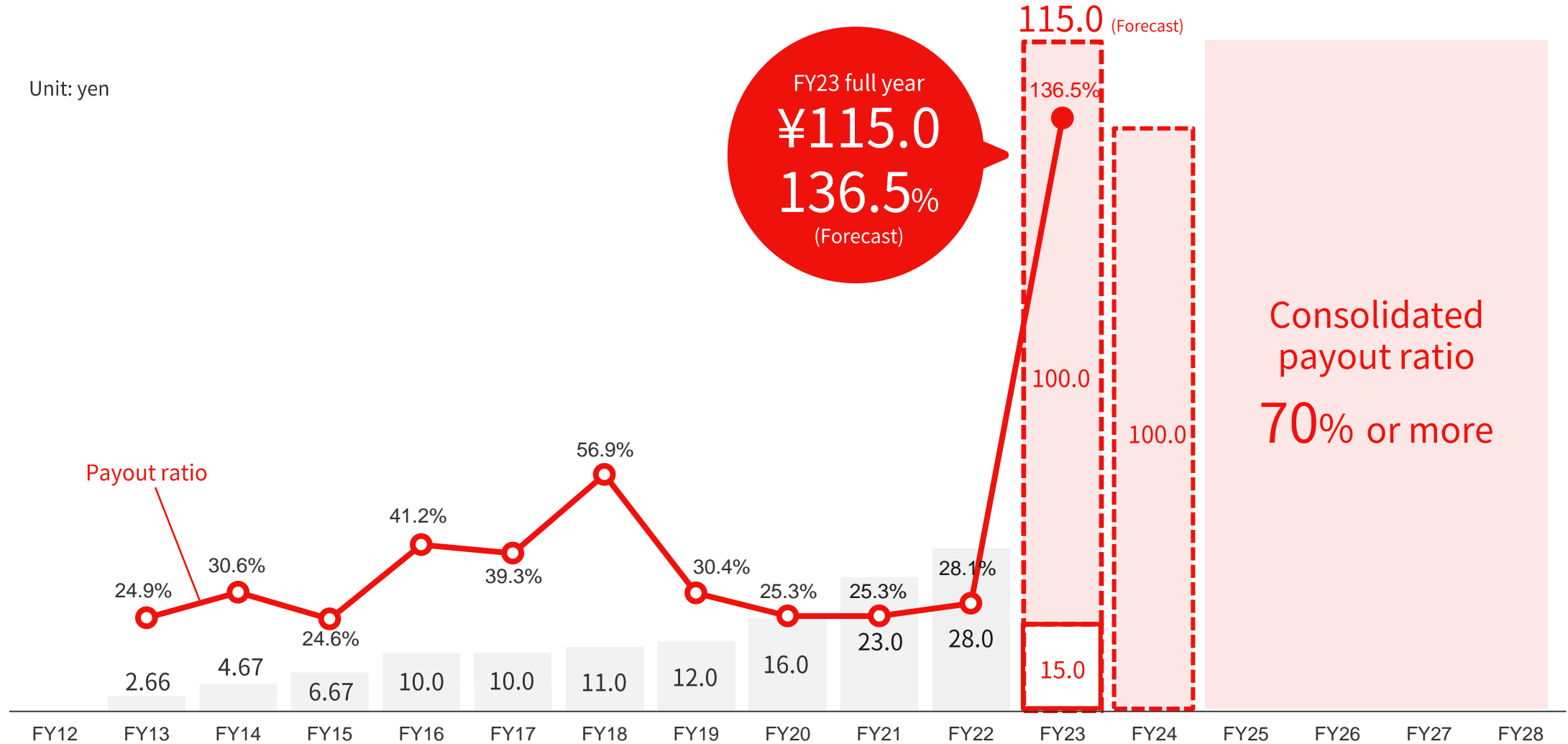
### 2. Future dividend forecast

	Second quarter-end	Fiscal year-end	Total
Fiscal Year Ending March 31, 2024 (Current fiscal year)	¥15.00	¥100.00	¥115.00
Fiscal Year Ending March 31, 2025	—	¥100.00	¥100.00
Fiscal Year Ending March 31, 2026 onward	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





Our Mission

Contribute to Information Revolution  
by Innovating Professional Media



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