

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, 2022

Earnings Briefing

January 31, 2023

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, 2022. 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 are strictly prohibited.

- The Company voluntarily applied International Financial Reporting Standards (IFRS) starting with the 1Q FY16.
- For the fiscal year ended March 31, 2020, Knowledge onDemand Inc. was classified as a discontinued 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 Condensed Interim Statement of Income for the fiscal year ended March 31, 2019.



The Nine-Month Period Ended
December 31, 2022, Earnings
Overview

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

Sustainability

Record Revenue and Operating Income

Continuing growth

Steady growth
towards achieving
the earnings
forecast



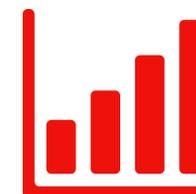
Revenue

¥6,417 million
(+12%)

Lead Generation revenue	+13%
Digital Event revenue	+11%
Ad revenue	+12%
of which is Programmatic	
Ad revenue	+16%

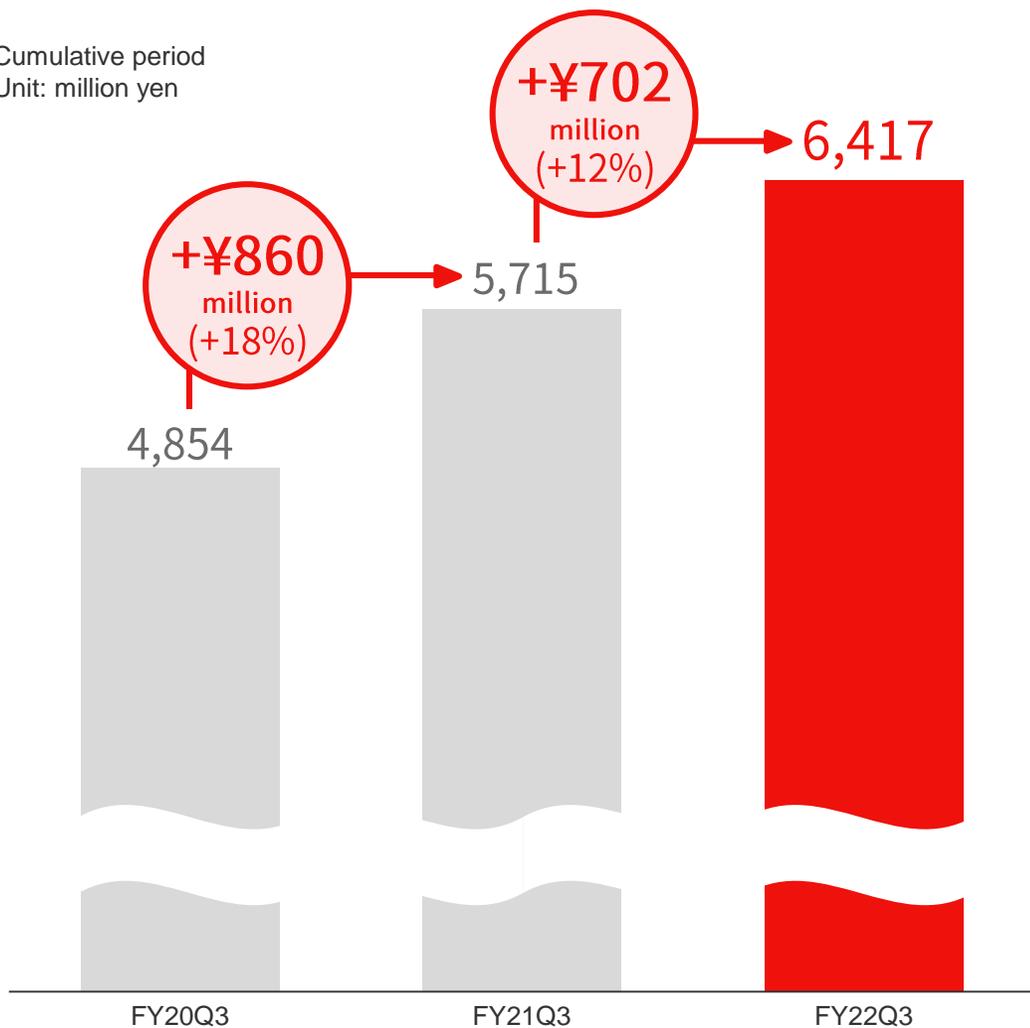
Operating income

¥2,171 million
(+9%)

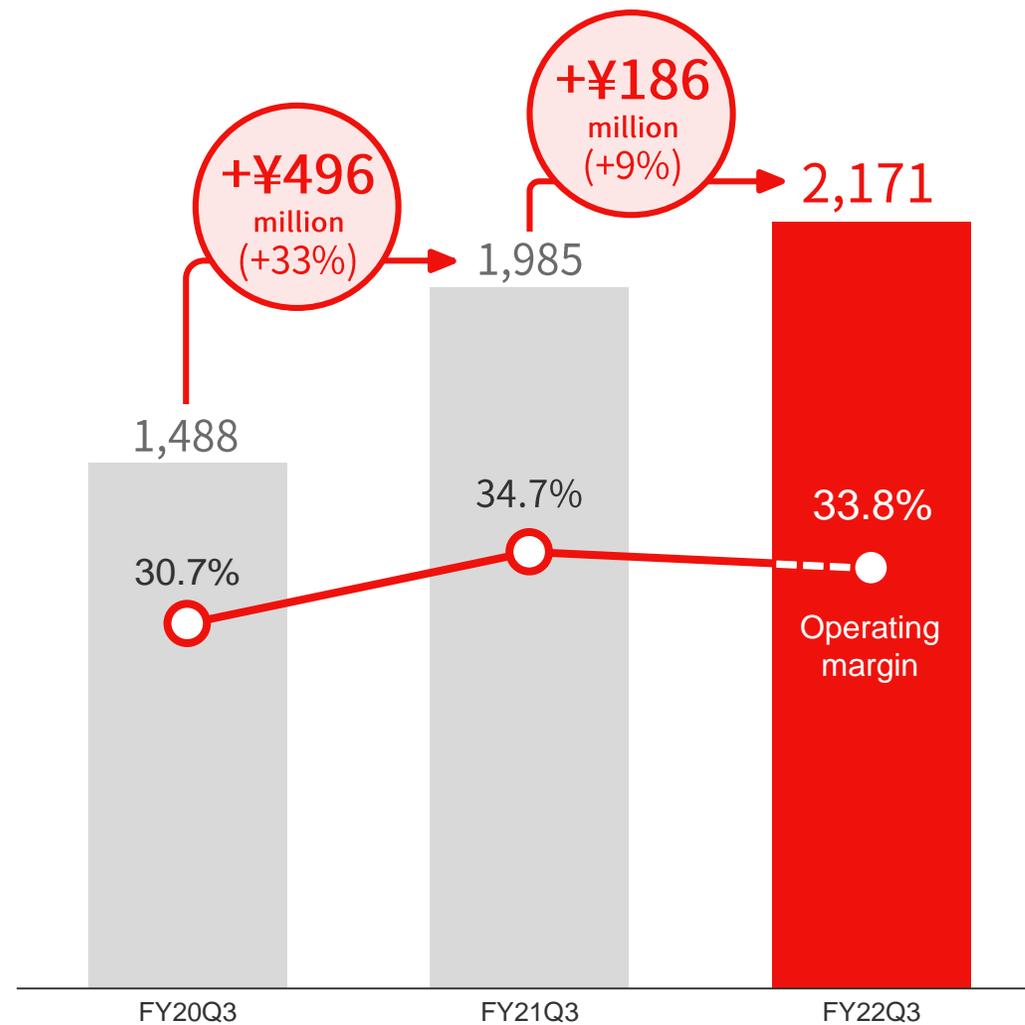


Revenue

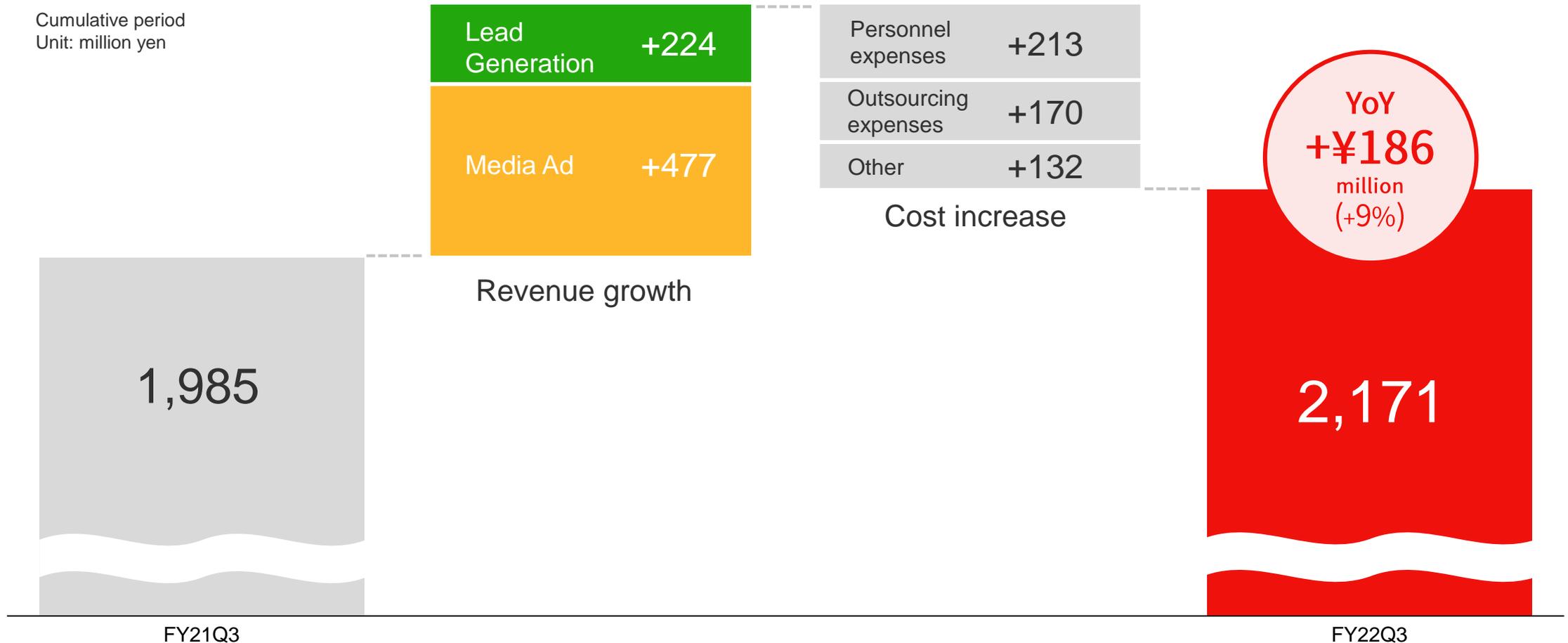
Cumulative period
Unit: million yen



Operating income



Income rose because of growth in revenue.
Strengthened content investment in growth fields.



Cumulative period Unit: million yen	FY21Q3		FY22Q3		Increase	% change
	Amount	As % of revenue	Amount	As % of revenue		
Revenue	5,715	100.0%	6,417	100.0%	+702	+12.3%
Total cost	3,729	65.3%	4,245	66.2%	+515	+13.8%
(of which are personnel expenses)	2,035	35.6%	2,248	35.0%	+213	+10.5%
EBITDA	2,193	38.4%	2,362	36.8%	+168	+7.7%
Operating income	1,985	34.7%	2,171	33.8%	+186	+9.4%
Income before income tax	1,976	34.6%	2,163	33.7%	+186	+9.5%
Net income	1,343	23.5%	1,467	22.9%	+123	+9.2%
Net income attributable to owners of the parent	1,343	23.5%	1,467	22.9%	+123	+9.2%

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

Cumulative period Unit: million yen	FY21Q3	FY22Q3	Change
Cash flows from operating activities	1,242	1,040	(202)
Cash flows from investing activities	(40)	(32)	+7
Cash flows from financing activities	(1,163)	(631)	+531
Change in cash and cash equivalents	39	375	+336
Cash and cash equivalents at beginning of the period	5,877	6,815	+938
Cash and cash equivalents at end of the period	5,916	7,191	+1,274

Main items of operating CF

Income before income tax	+2,163
Decrease in trade and other receivables	+73
Decrease in trade and other payables	(109)
Income taxes paid	(1,057)

Main items of investing CF

Purchase of property, equipment, and intangible assets	(32)
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Main items of financing CF

Dividends paid	(514)
Payments of lease liabilities	(132)

Consolidated Statements of Financial Position

Unit: million yen		At the end of March 2022	At the end of December 2022	Change
Assets	Current assets	8,728	9,062	+334
	Non-current assets	1,320	1,166	(154)
	Total assets	10,048	10,228	+180
Liabilities	Current liabilities	2,051	1,282	(768)
	Non-current liabilities	64	50	(14)
	Total liabilities	2,115	1,333	(782)
Equity	Share capital/capital surplus	3,933	3,943	+9
	Retained earnings	5,143	6,096	+953
	Treasury stock	(1,144)	(1,144)	-
	Accumulated other comprehensive income	-	-	-
	Total equity attributable to owners of parent	7,932	8,895	+962
	Total equity	7,932	8,895	+962
Equity attributable to owners of parent per share	¥401.34	¥449.46	+¥48.11	
Ratio of equity attributable to owners of parent to total assets	78.9%	87.0%	+8.0pt	

Total assets

Cash and cash equivalents	+375
Trade and other receivables	(73)
Right-of-use assets	(131)

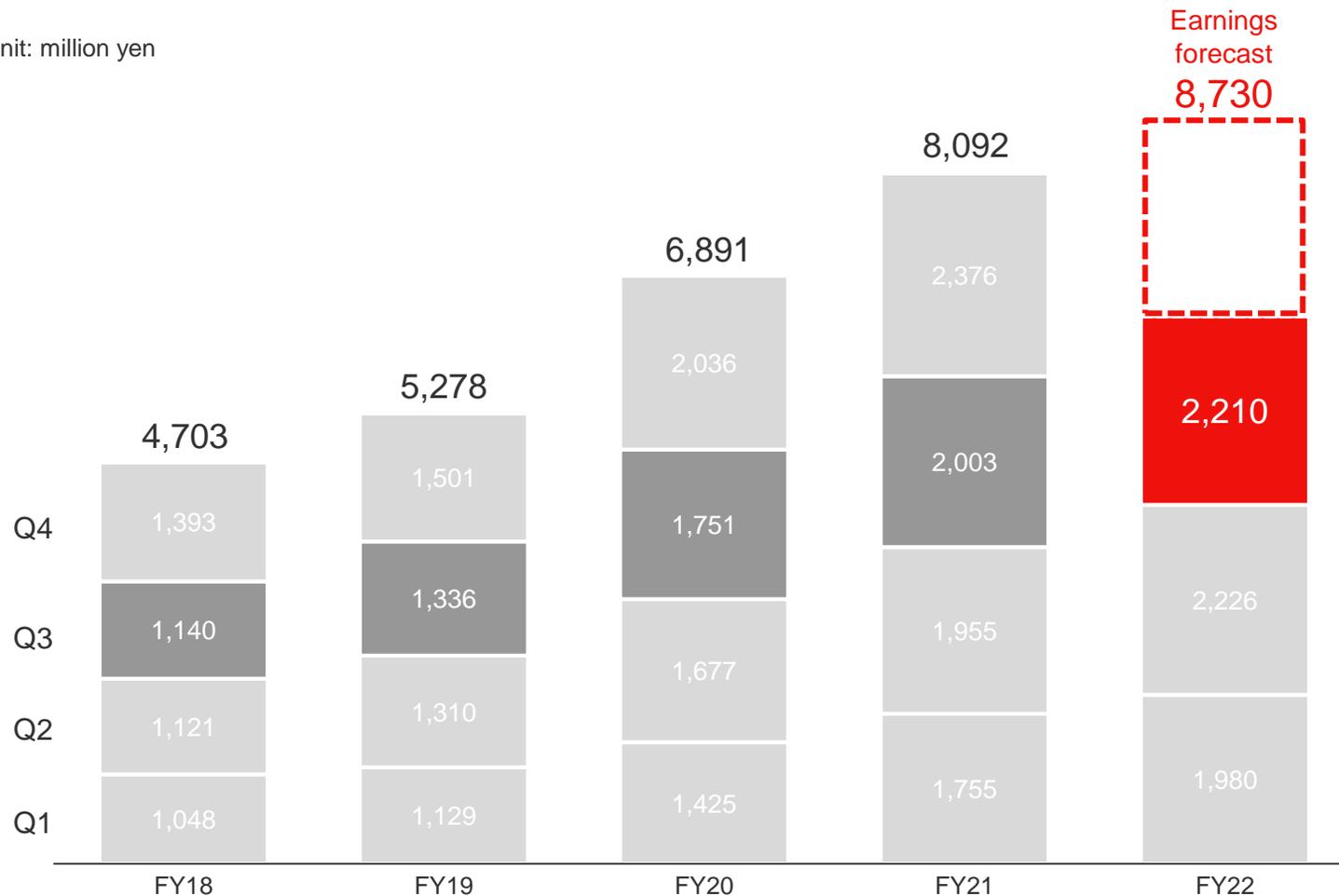
Total liabilities

Trade and other payables	(80)
Lease liabilities	(132)
Income tax payable	(359)
Contract liabilities	(80)
Other current liabilities	(126)

Total equity

Retained earnings	+953
Of which is net income (loss)	+1,467
Of which are dividends from retained earnings	(514)

Unit: million yen



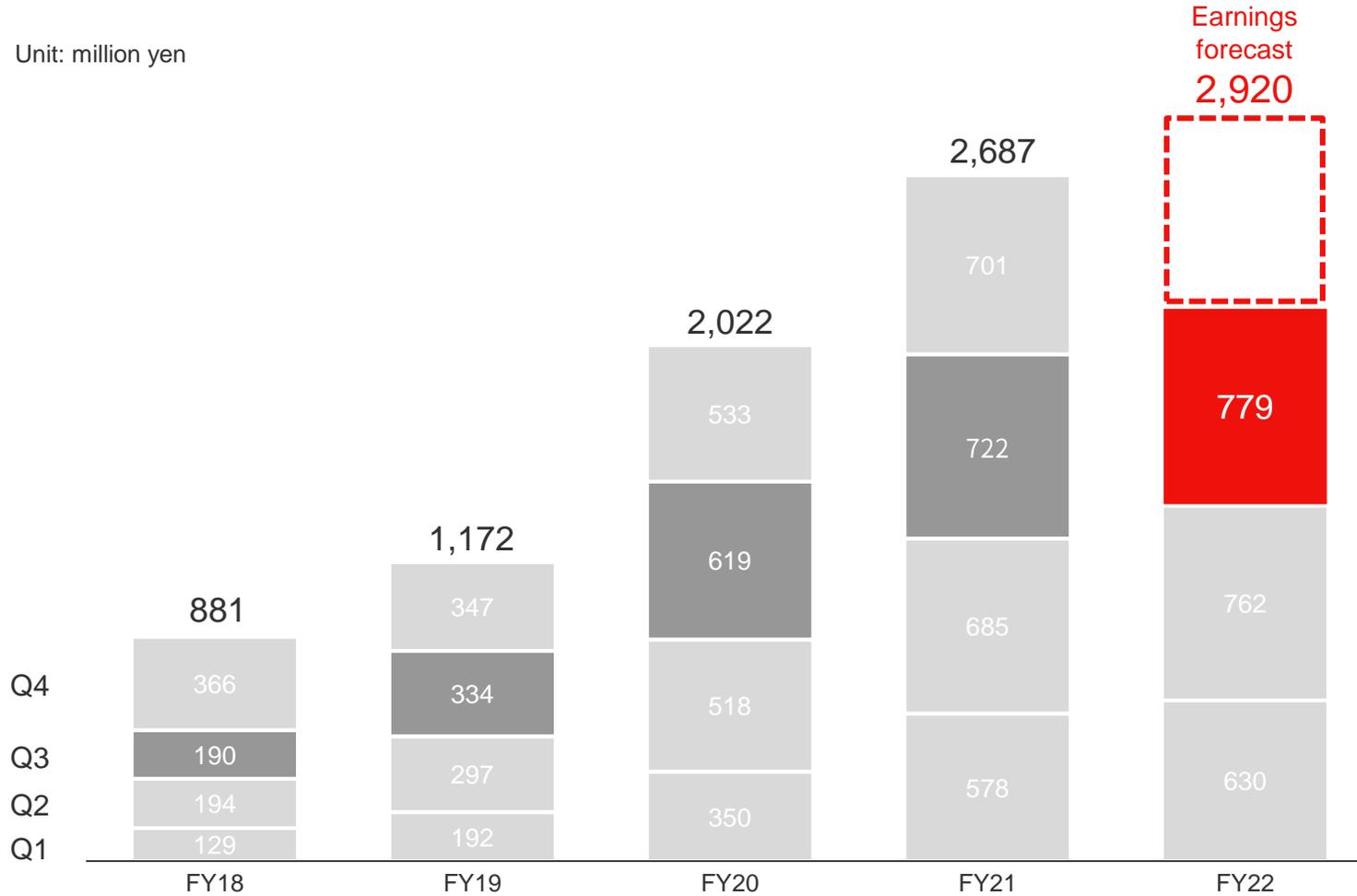
Historic Q3 revenue

Q3 **¥2,210**million

YoY change

+¥206million
(+10%)

Unit: million yen



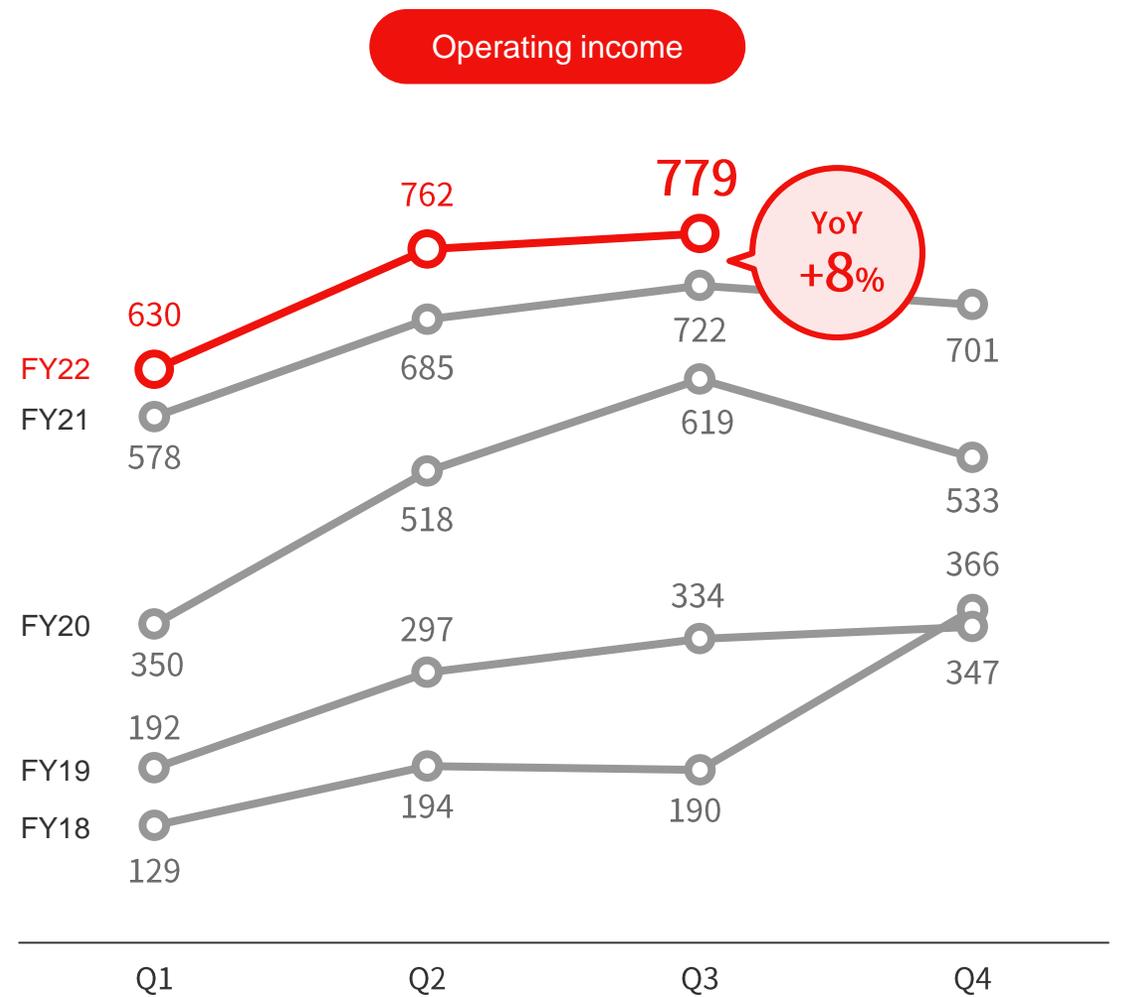
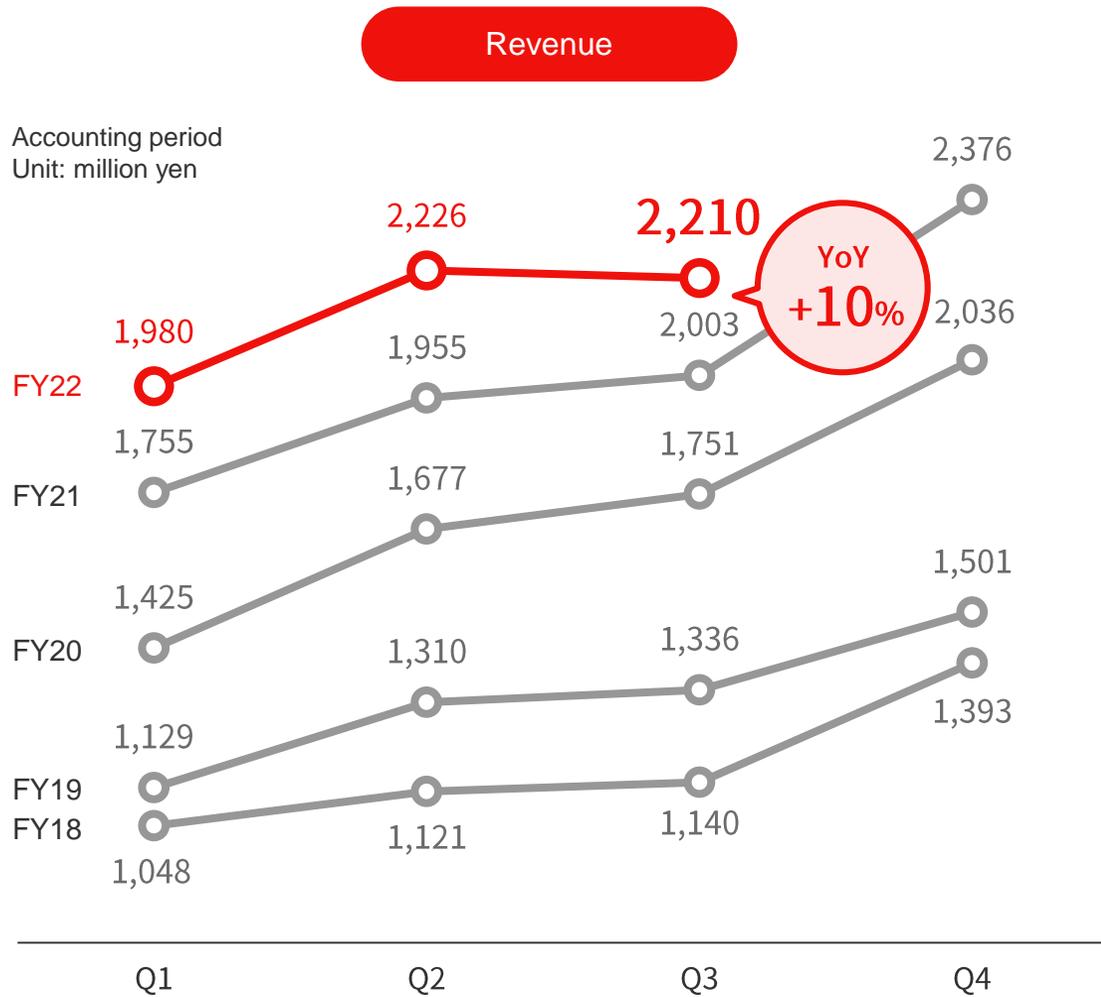
Record quarterly earnings

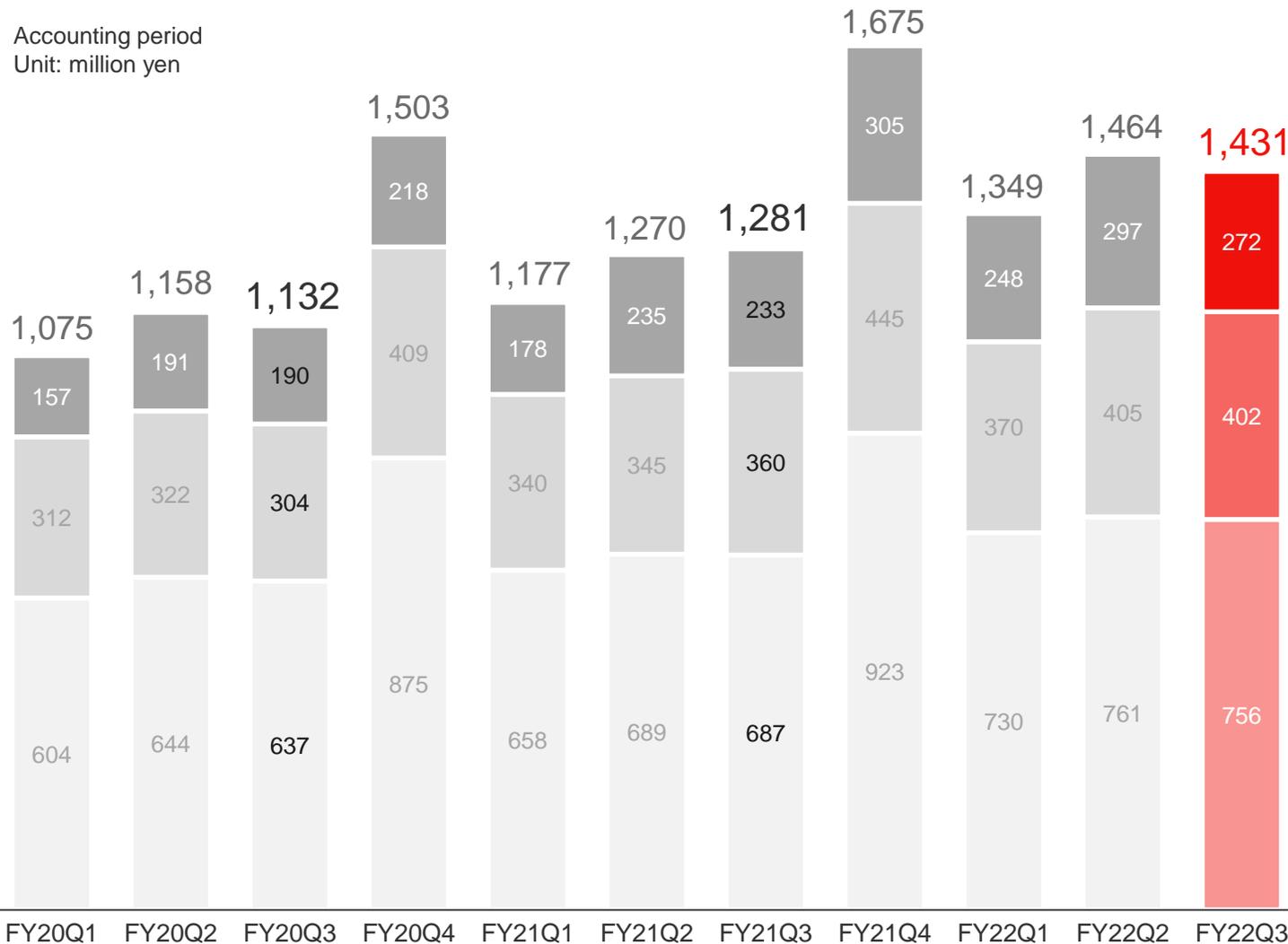
Q3 **¥779**million

YoY change

+¥57 million
(+8%)

Q3 operating income marked record quarterly result





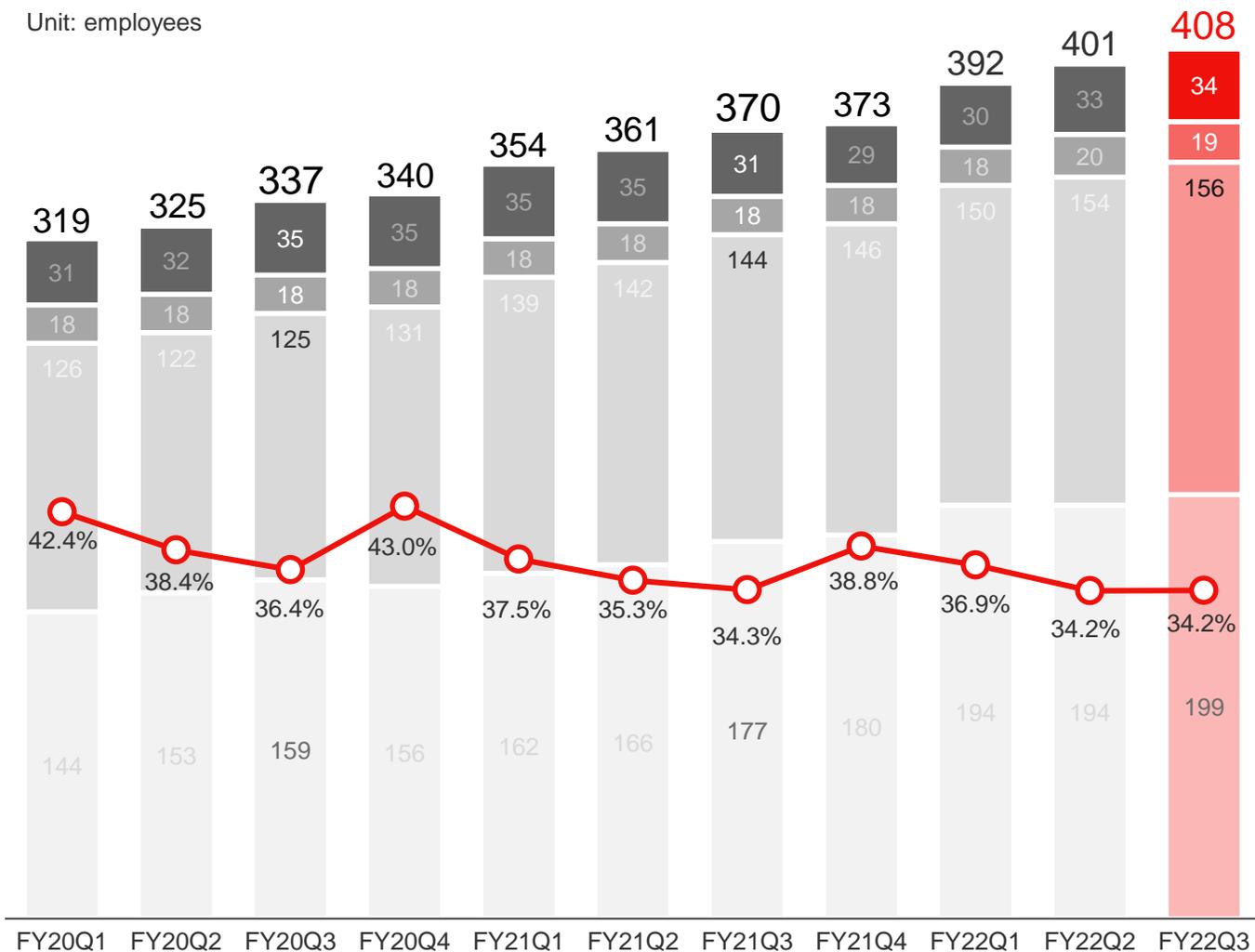
Q3	YoY change	As percent of total
Total	+11.7%	100%
Outsourcing expenses	+16.6%	19.0%
Other	+11.4%	28.1%
Personnel expenses	+10.2%	52.9%

Main factors behind year-on-year change

- Personnel expenses +69**
 - Increase in number of employees in growth fields
- Outsourcing expenses +38**
 - Increase in content investment
 - Link to increase in digital events
 - Strengthening of external ad placements
- Other +41**
 - Business environment, system
 - Acceleration of depreciation in line with decision to downsize offices

Employee Breakdown by Quarter

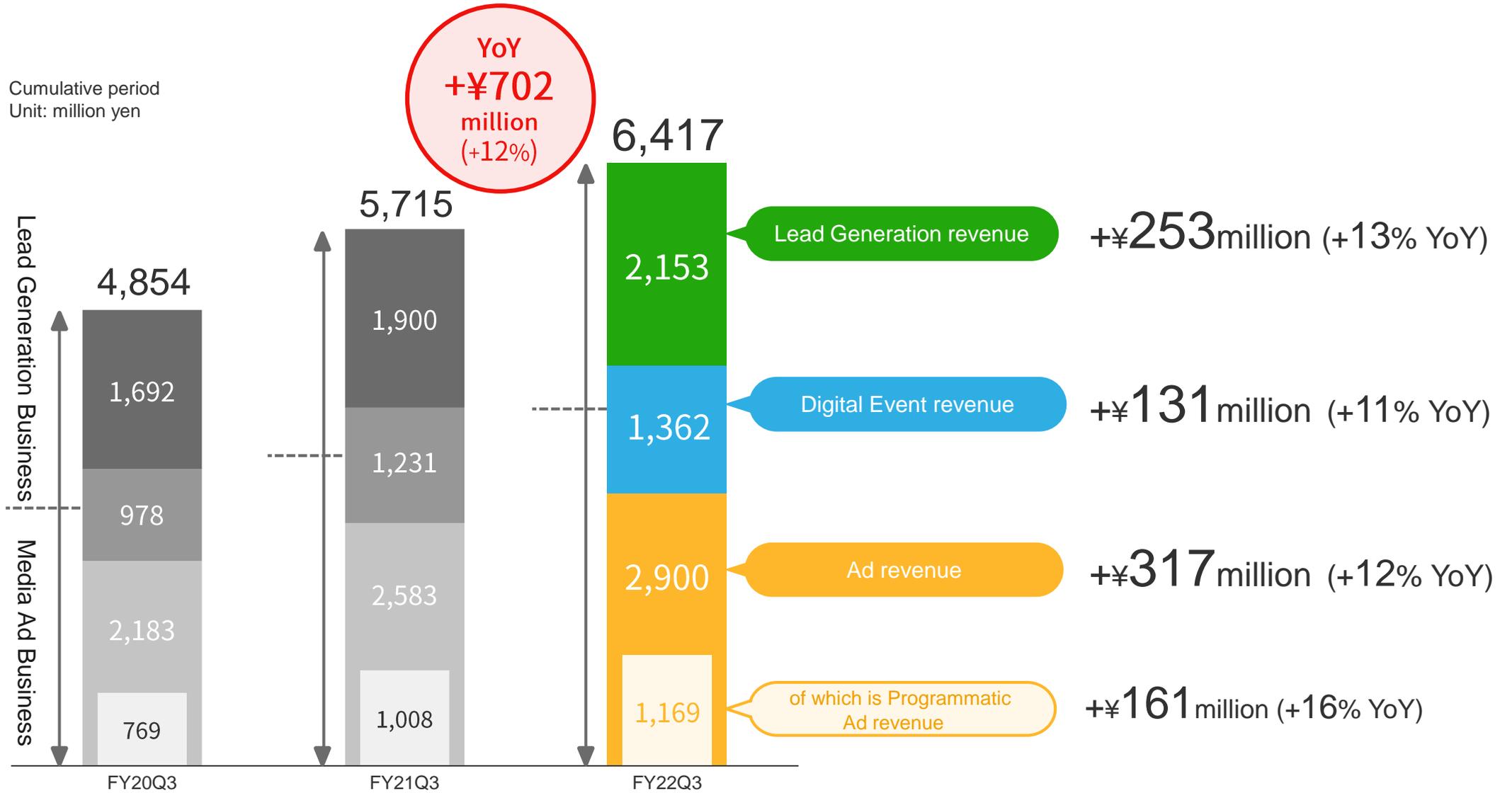
Unit: employees

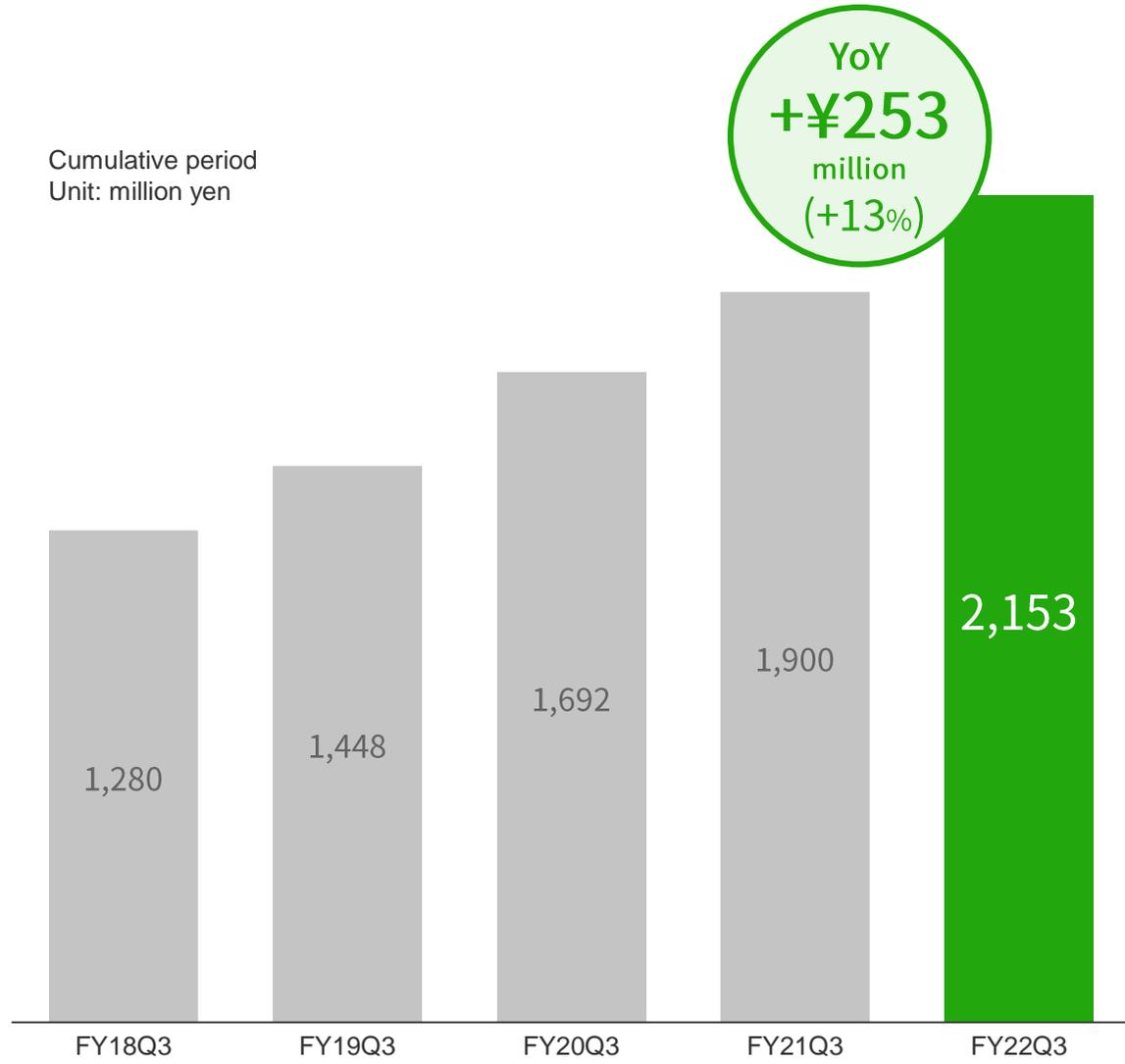


	Q3	YoY change	As percent of total
Total		+38	100%
Administrative and other		+3	8.3%
Technical		+1	4.7%
Sales and planning		+12	38.2%
Editing		+22	48.8%

• Includes contract, temporary, and part-time employees

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

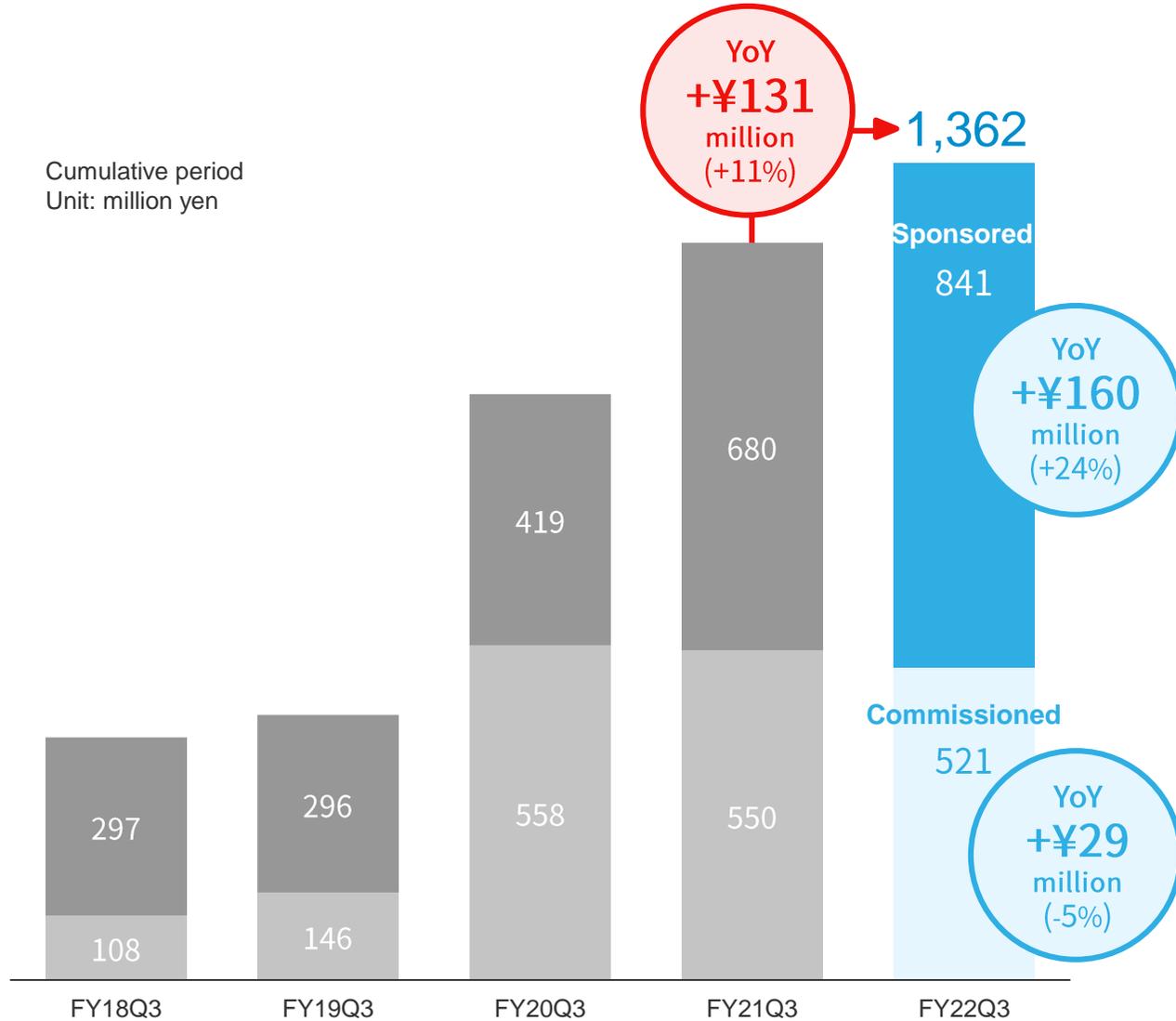




Demand continues to grow

Success in strengthening content

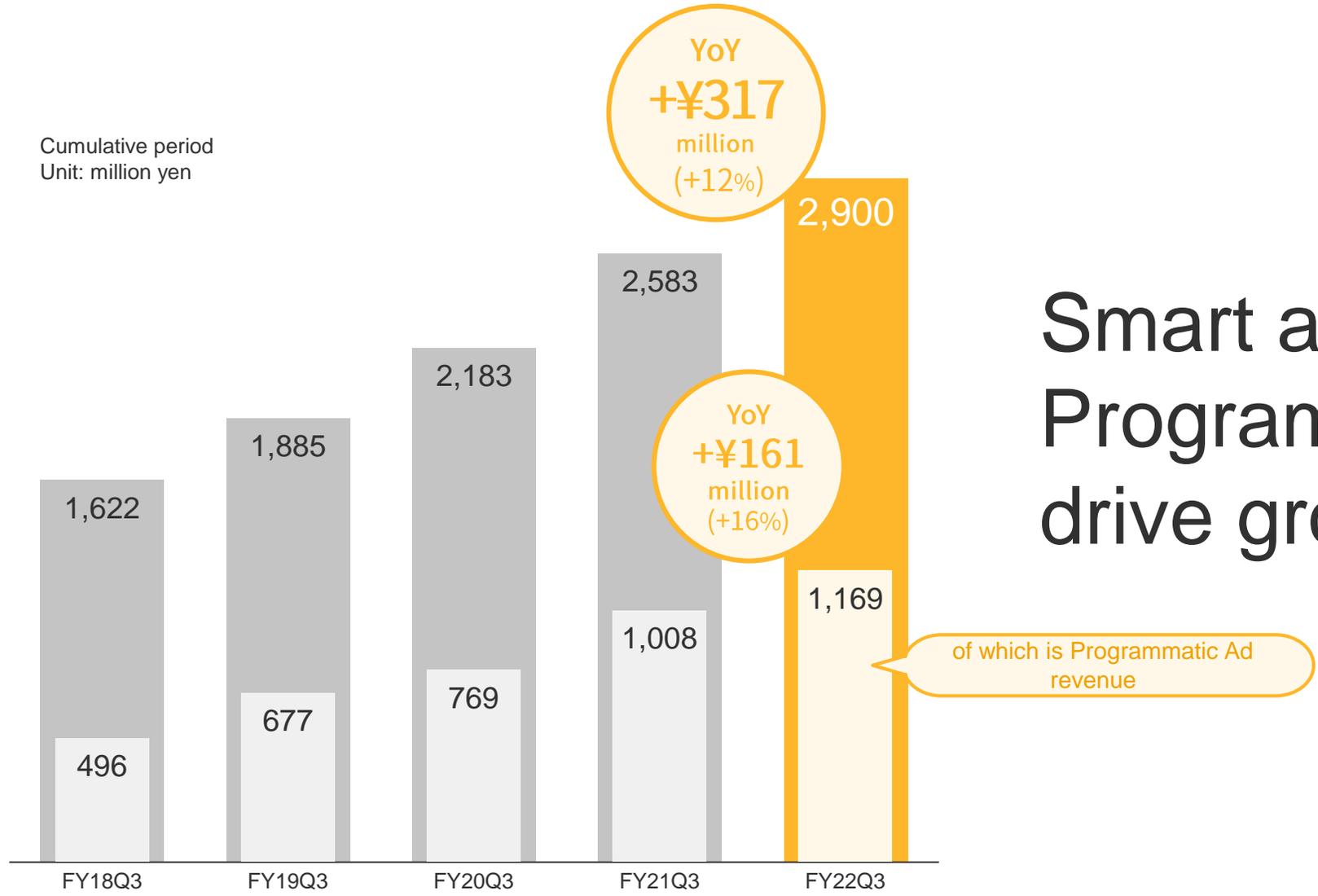
Cumulative period
Unit: million yen



Growth mainly driven by sponsored events

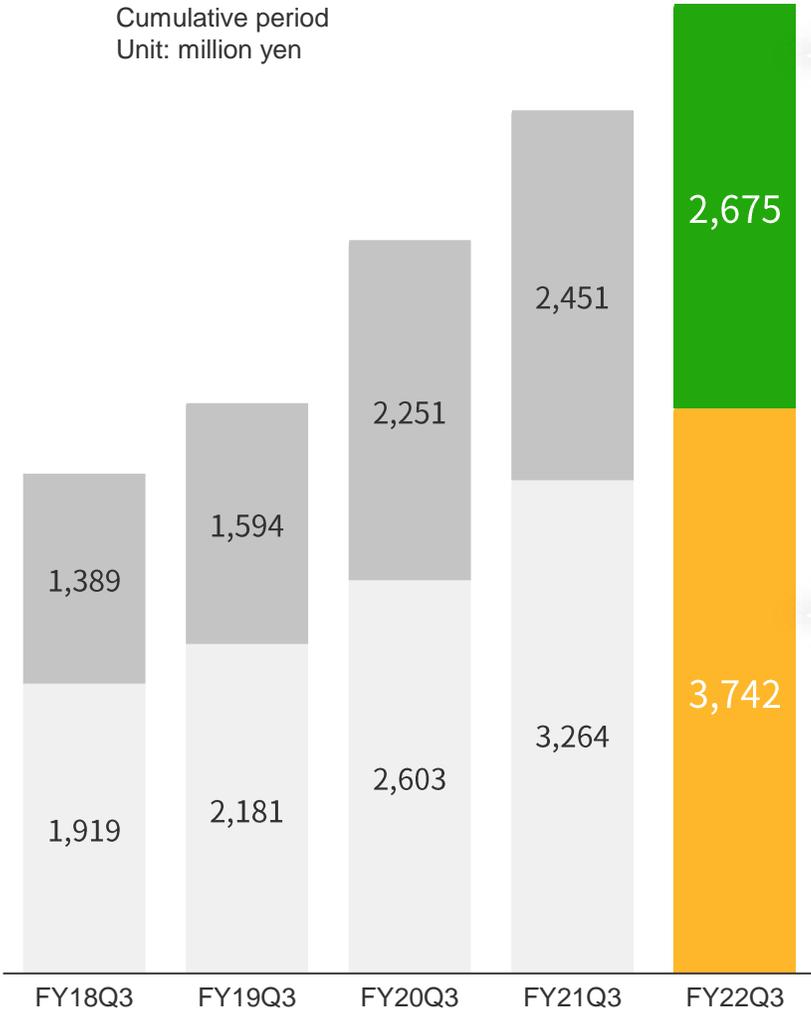


Cumulative period
Unit: million yen



Smart and social Programmatic ads drive growth

of which is Programmatic Ad revenue



Lead Generation Business

YoY +¥224 million (+9%)

2,451 (FY21Q3) vs 2,675 (FY22Q3)

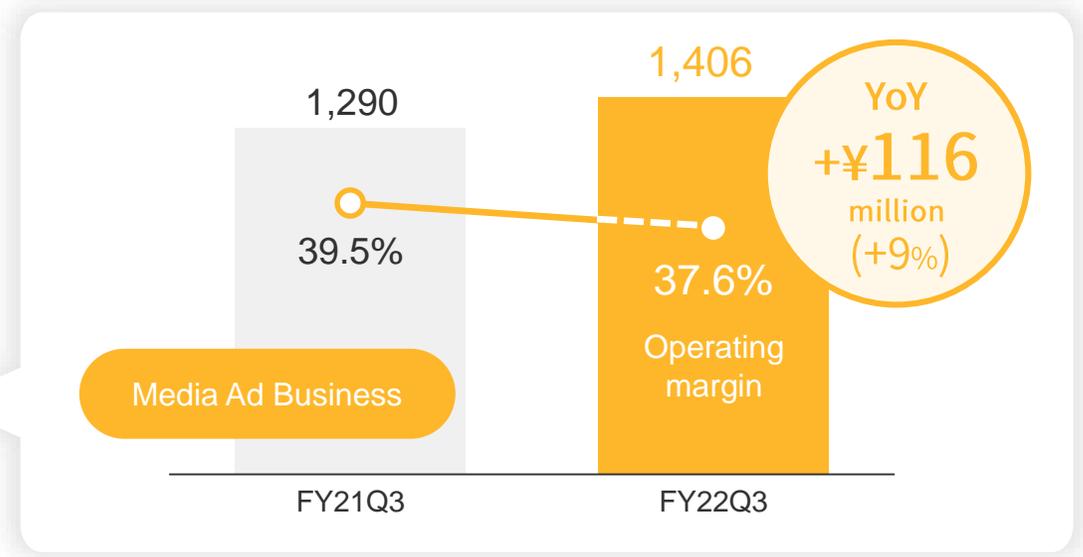
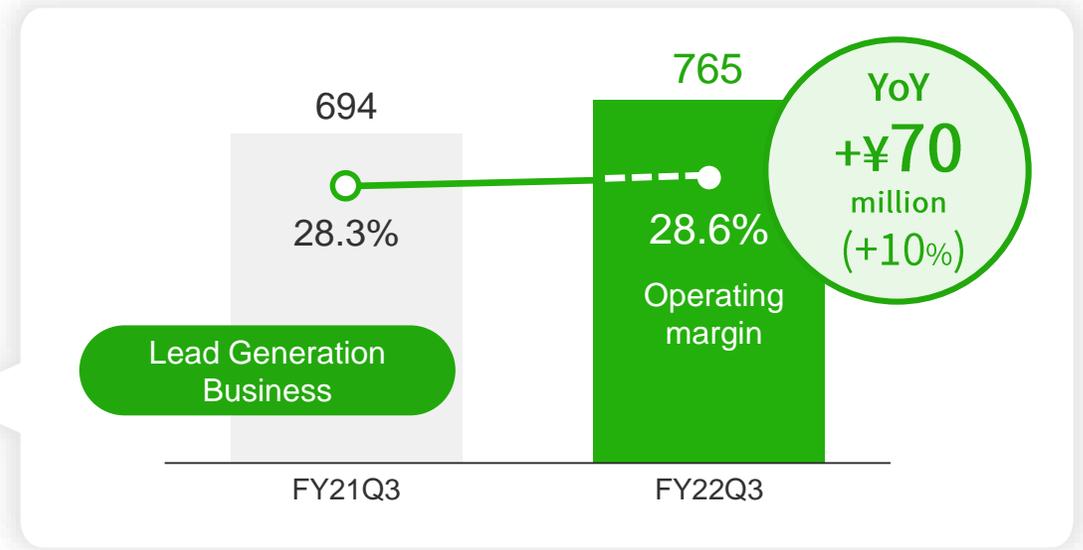
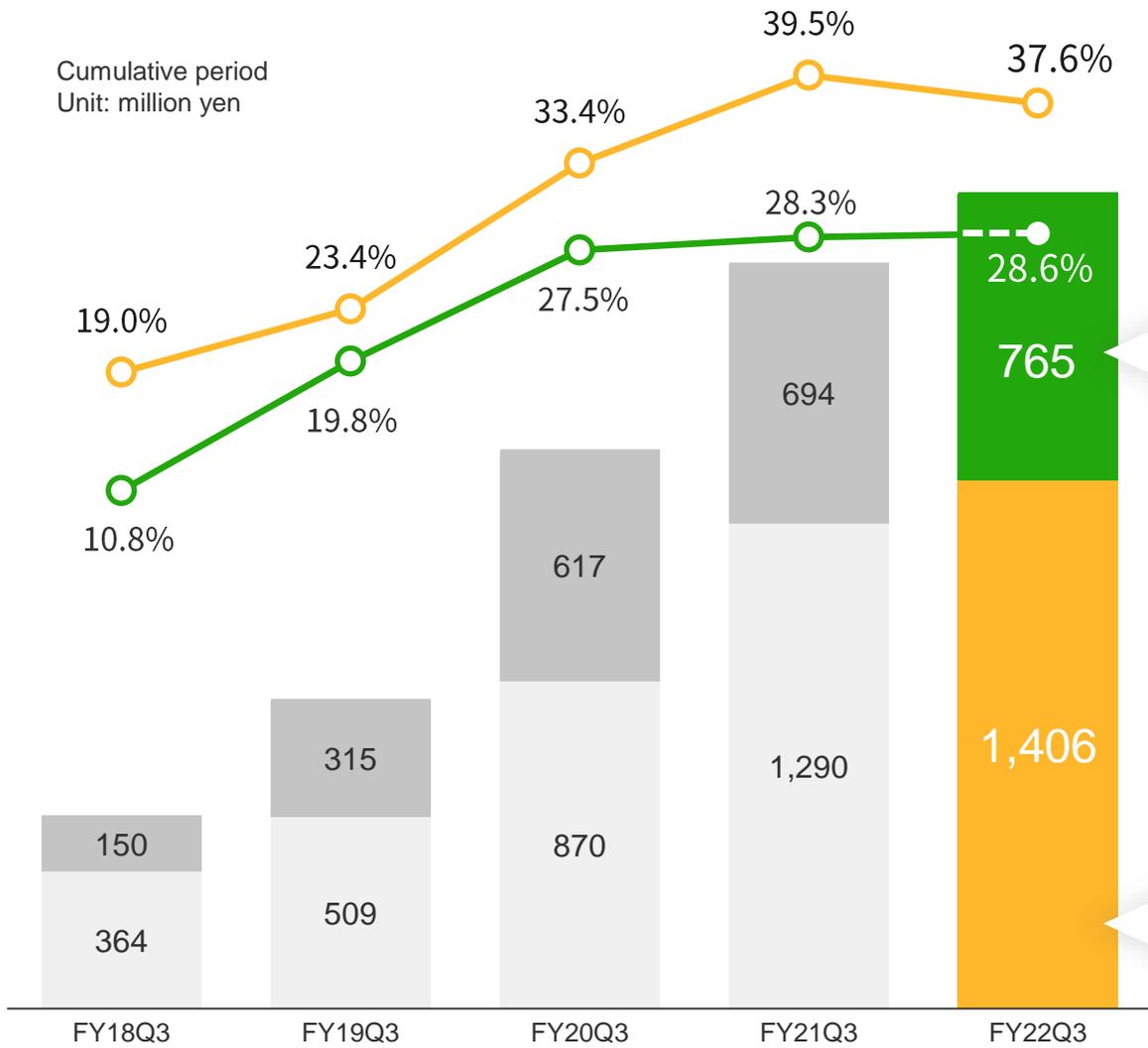
- Digital shift within marketing continues

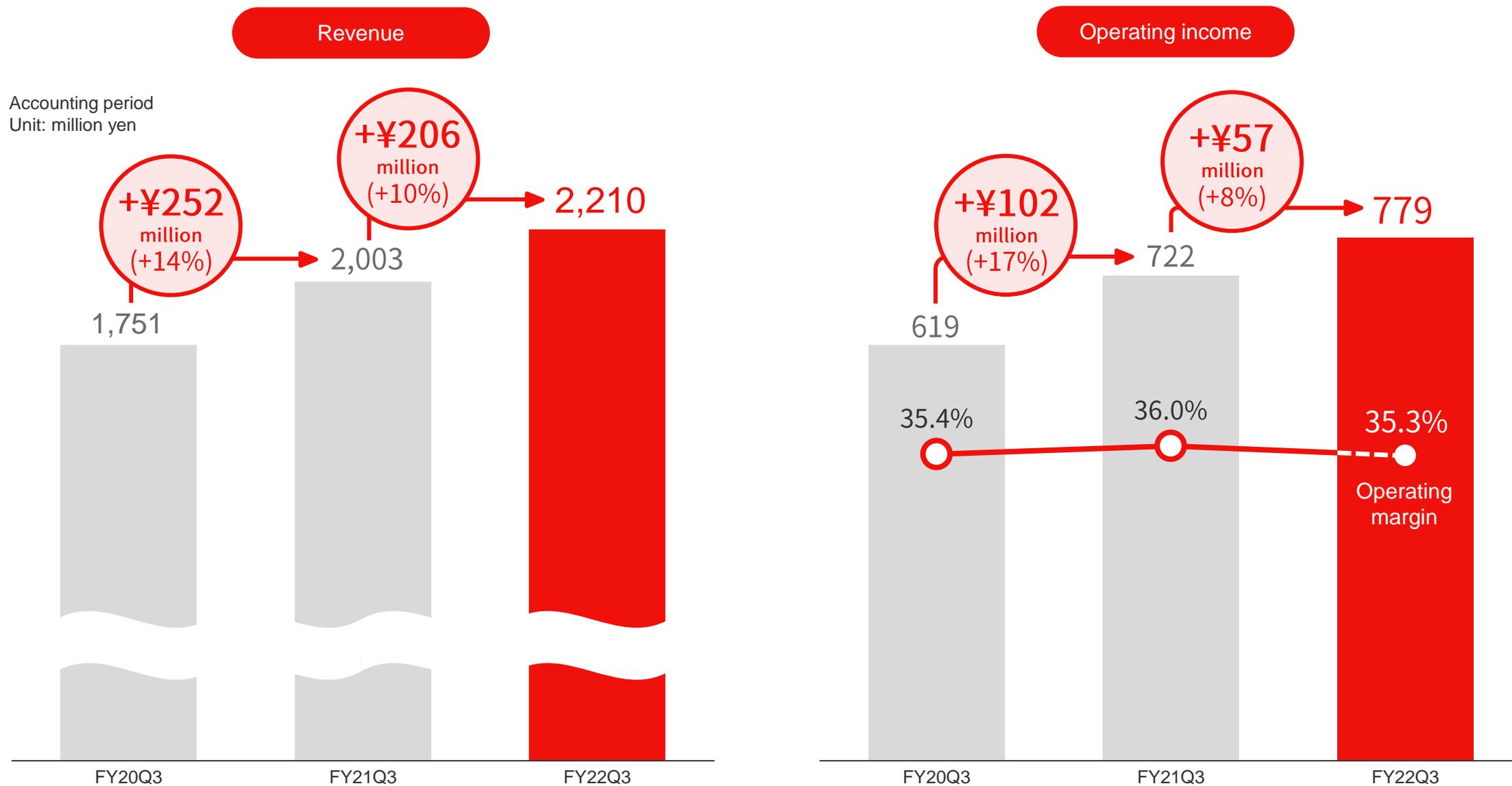
Media Ad Business

YoY +¥477 million (+15%)

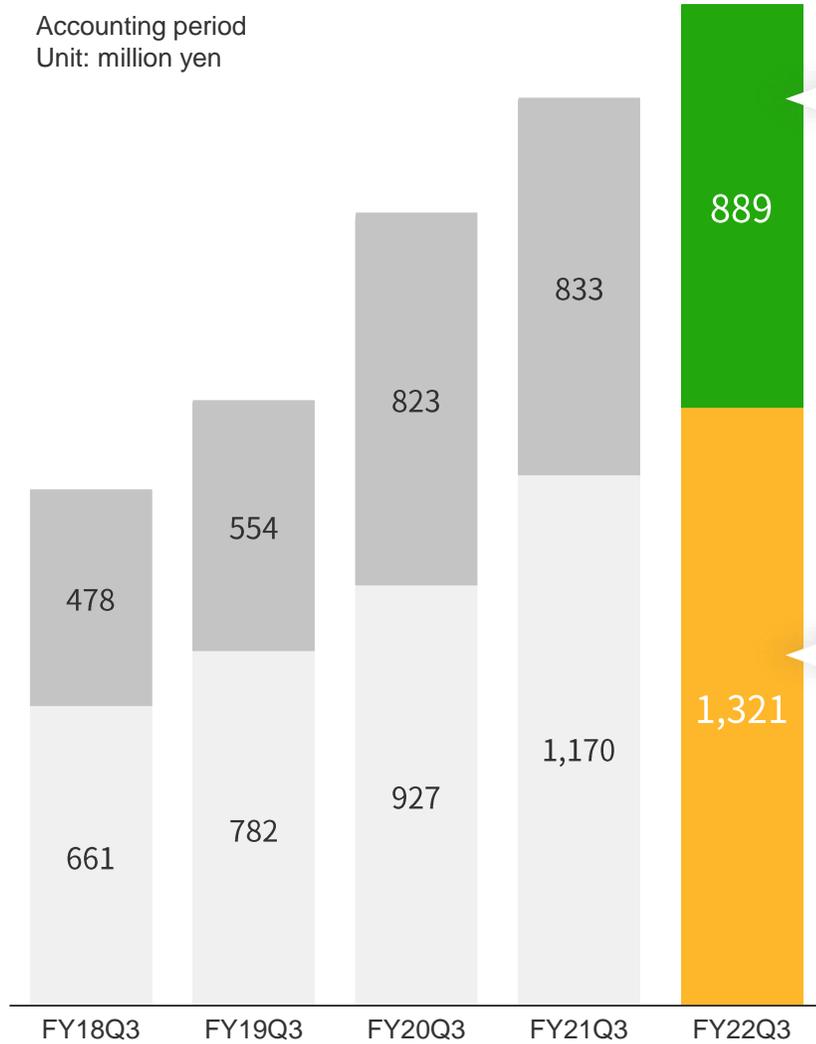
3,264 (FY21Q3) vs 3,742 (FY22Q3)

- DX accelerated and needs from manufacturing and cybersecurity industries expanded
- Firm sponsored digital events
- Programmatic Ad revenue increased





Accounting period
Unit: million yen



Lead Generation Business

YoY
+¥56 million
(+7%)

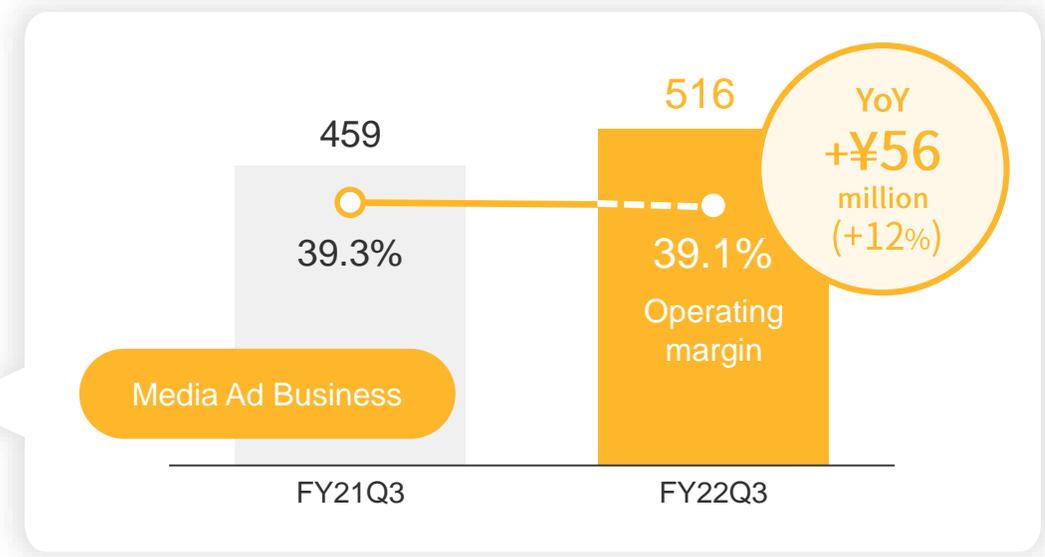
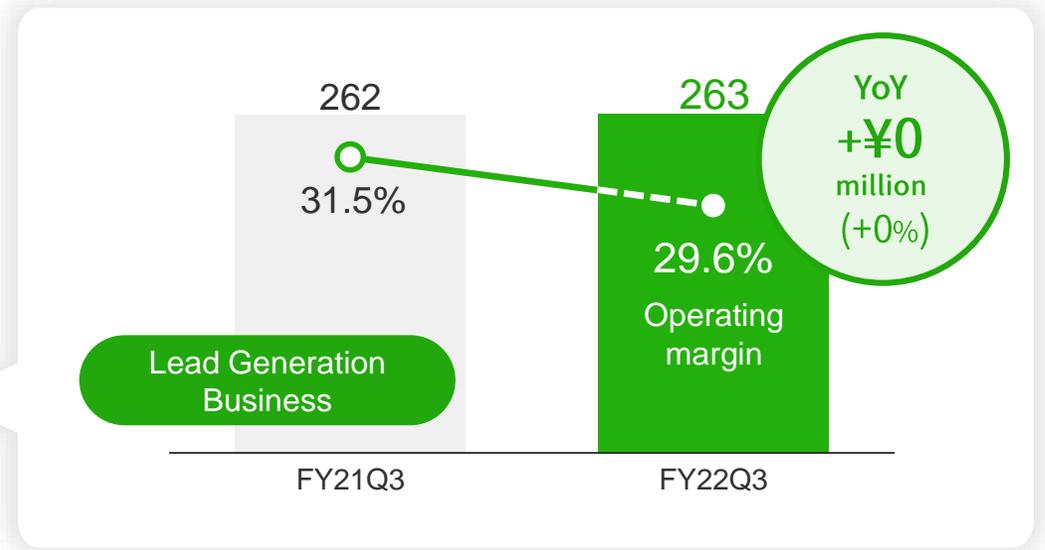
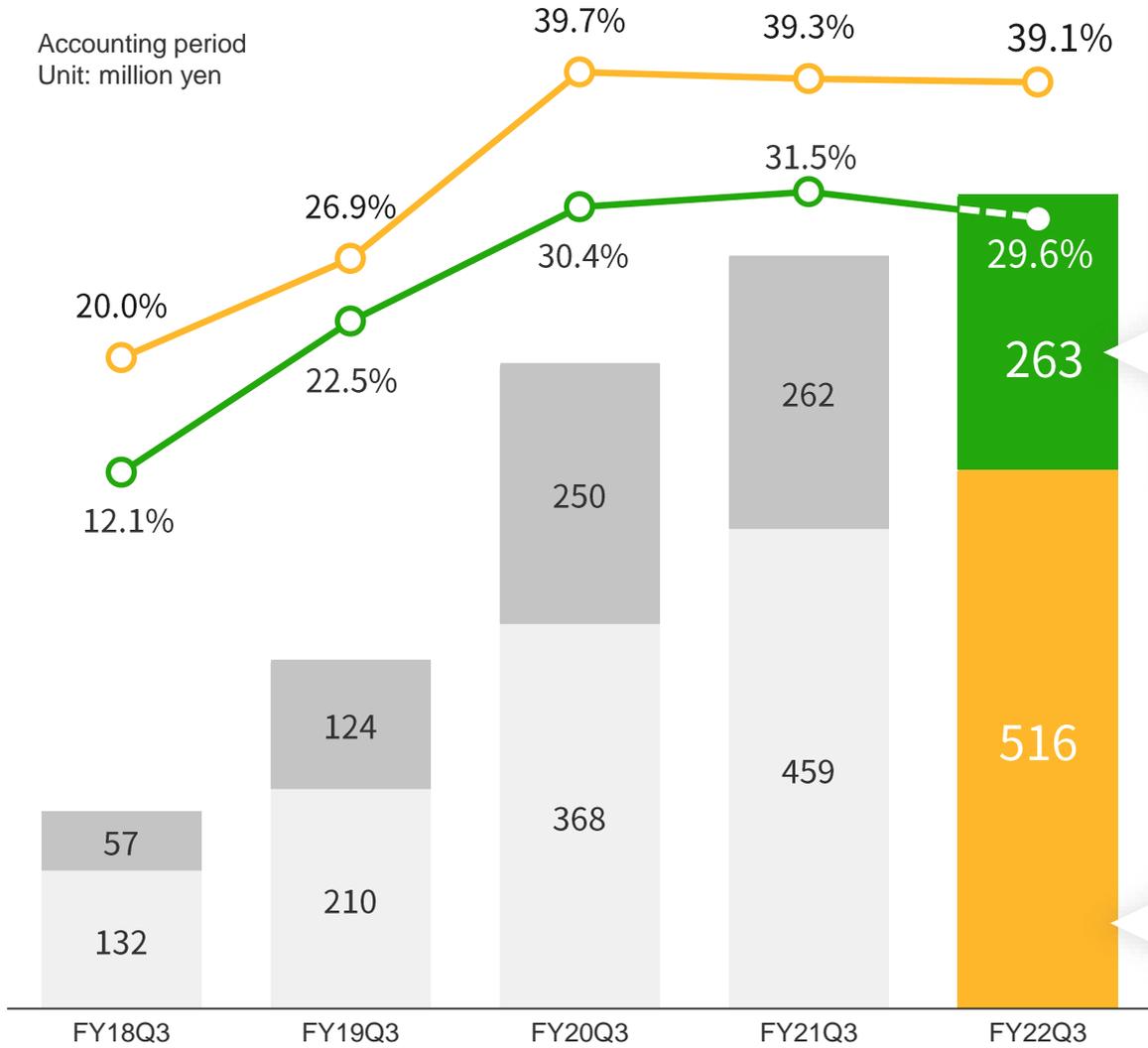
- Revenue from commissioned digital events decreased
- Firm Lead Generation revenue

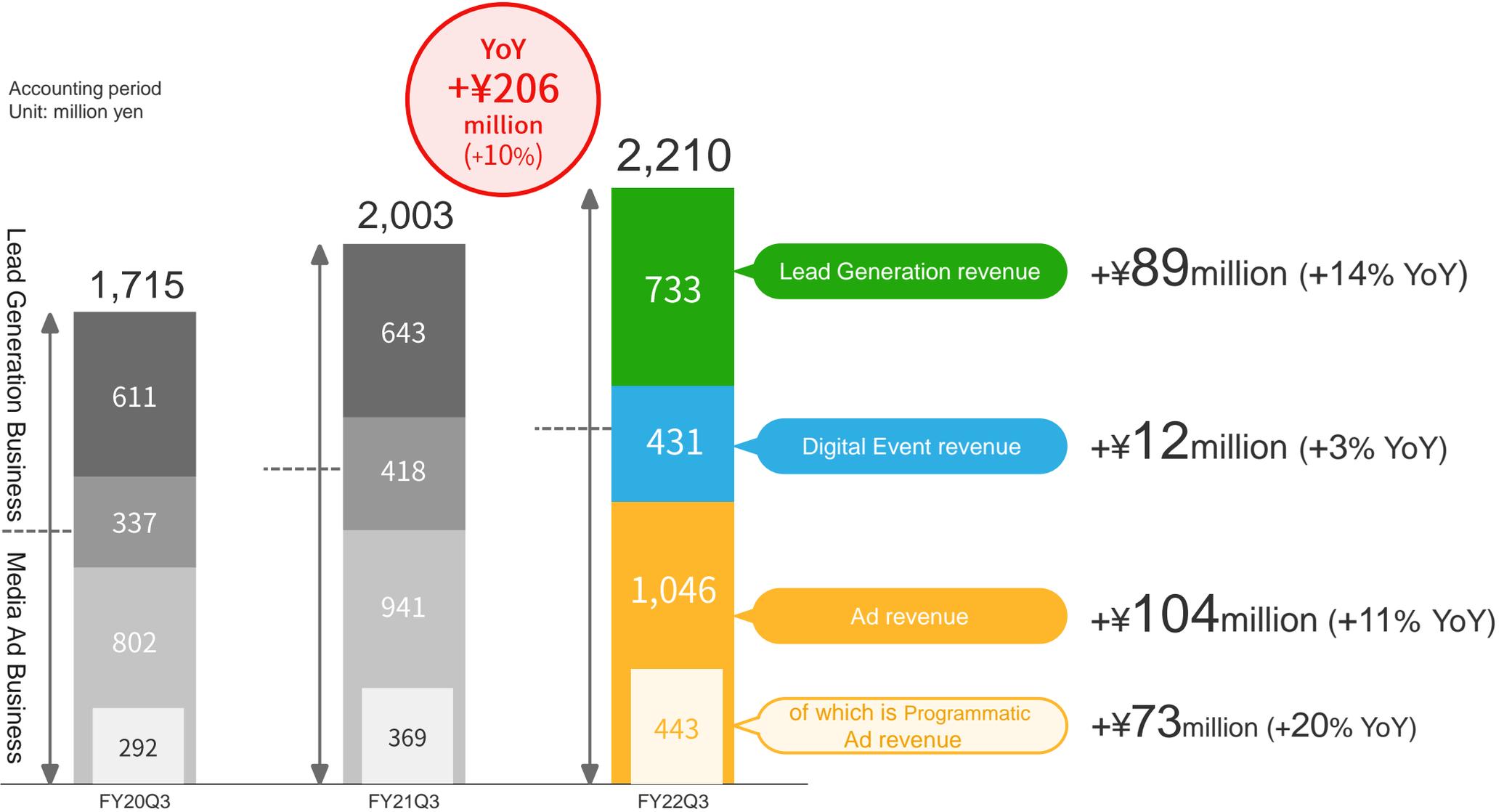
Media Ad Business

YoY
+¥150 million
(+13%)

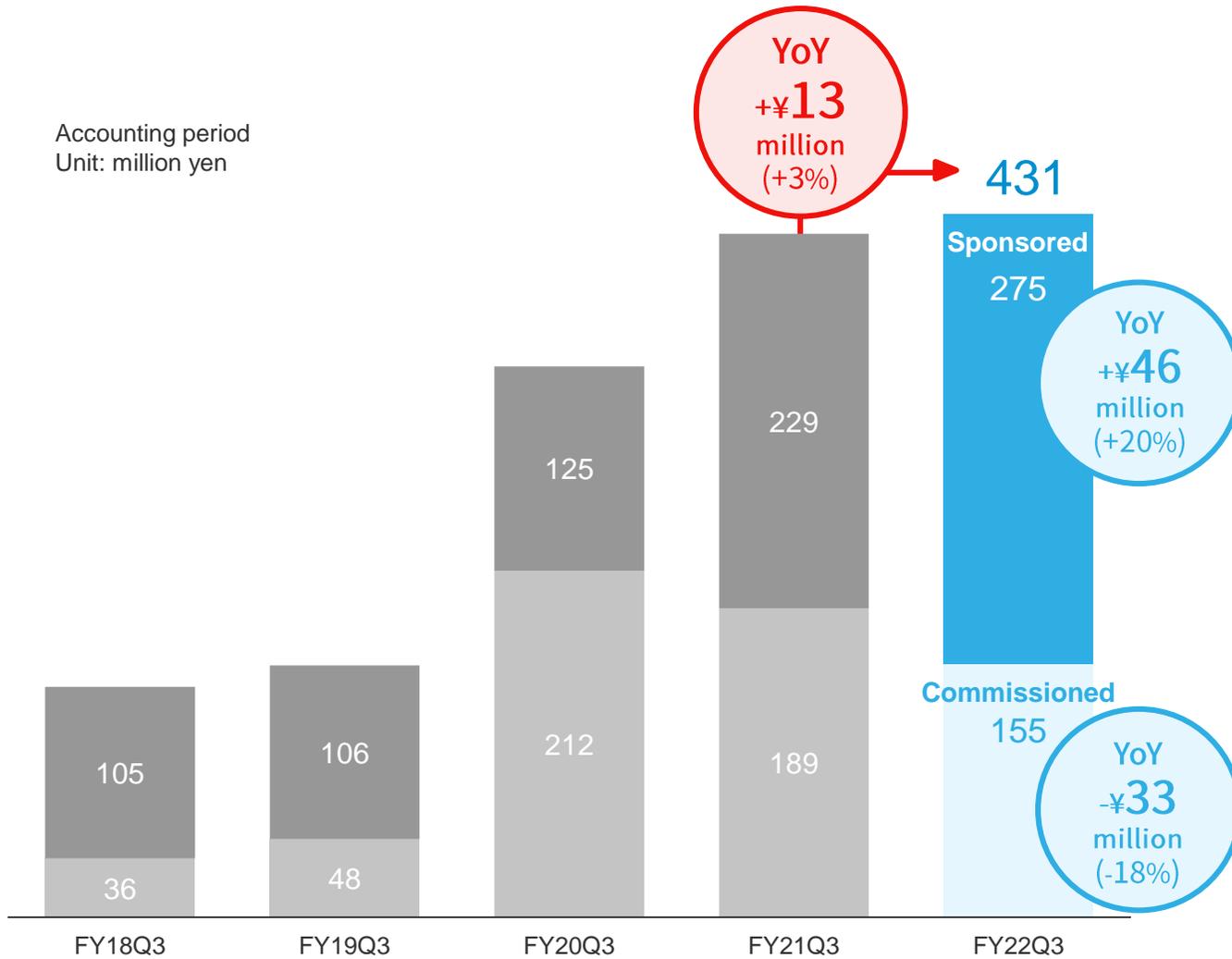
- DX accelerated and needs from manufacturing and cybersecurity industries expanded
- Firm sponsored digital events
- Programmatic Ad revenue increased

Q3 Operating Income by Segment





Accounting period
Unit: million yen

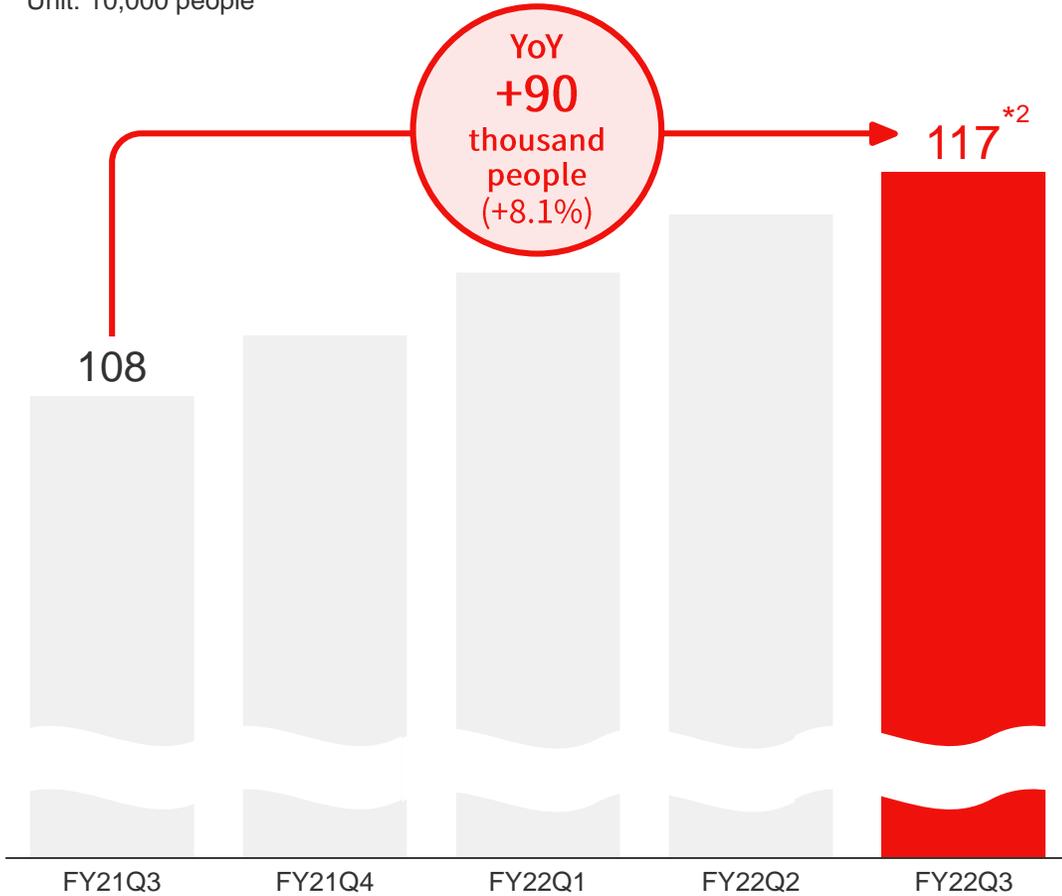


Commissioned event revenue decreased
But sponsored event revenue continued to grow



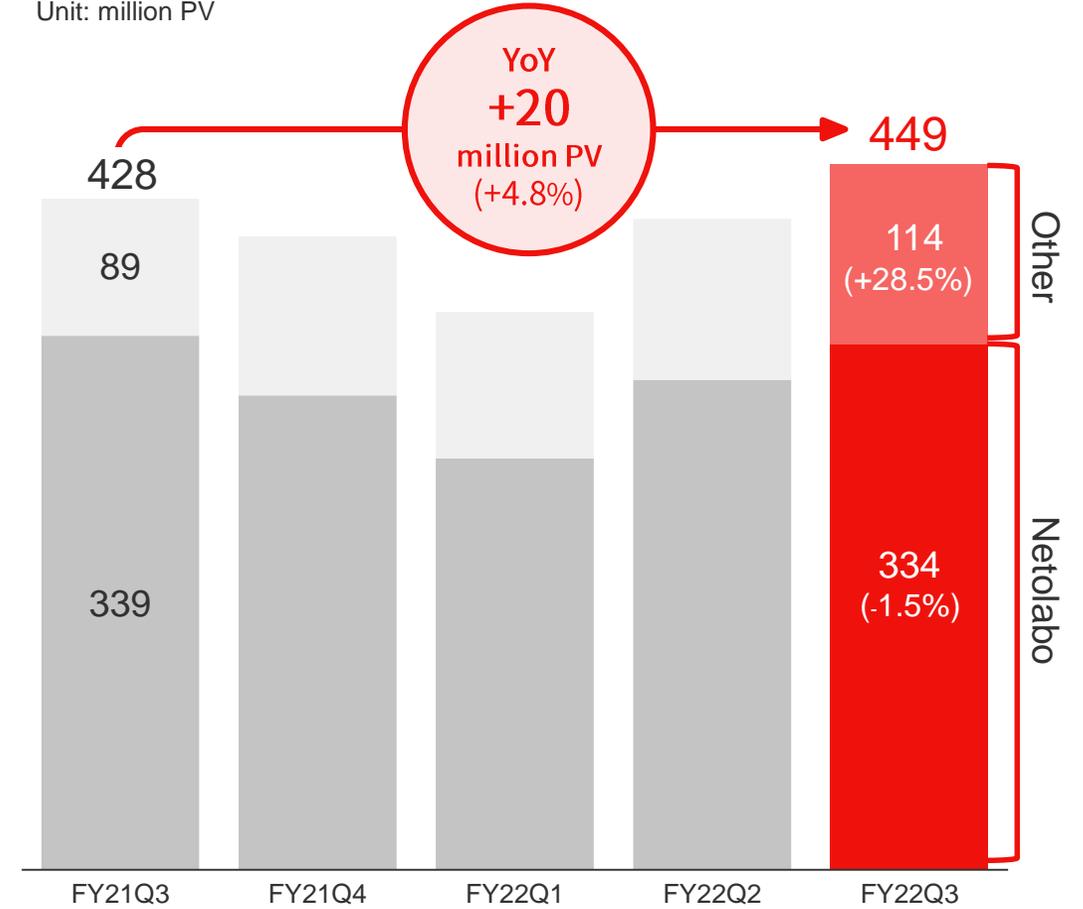
Number of Lead Generation members*1

Unit: 10,000 people



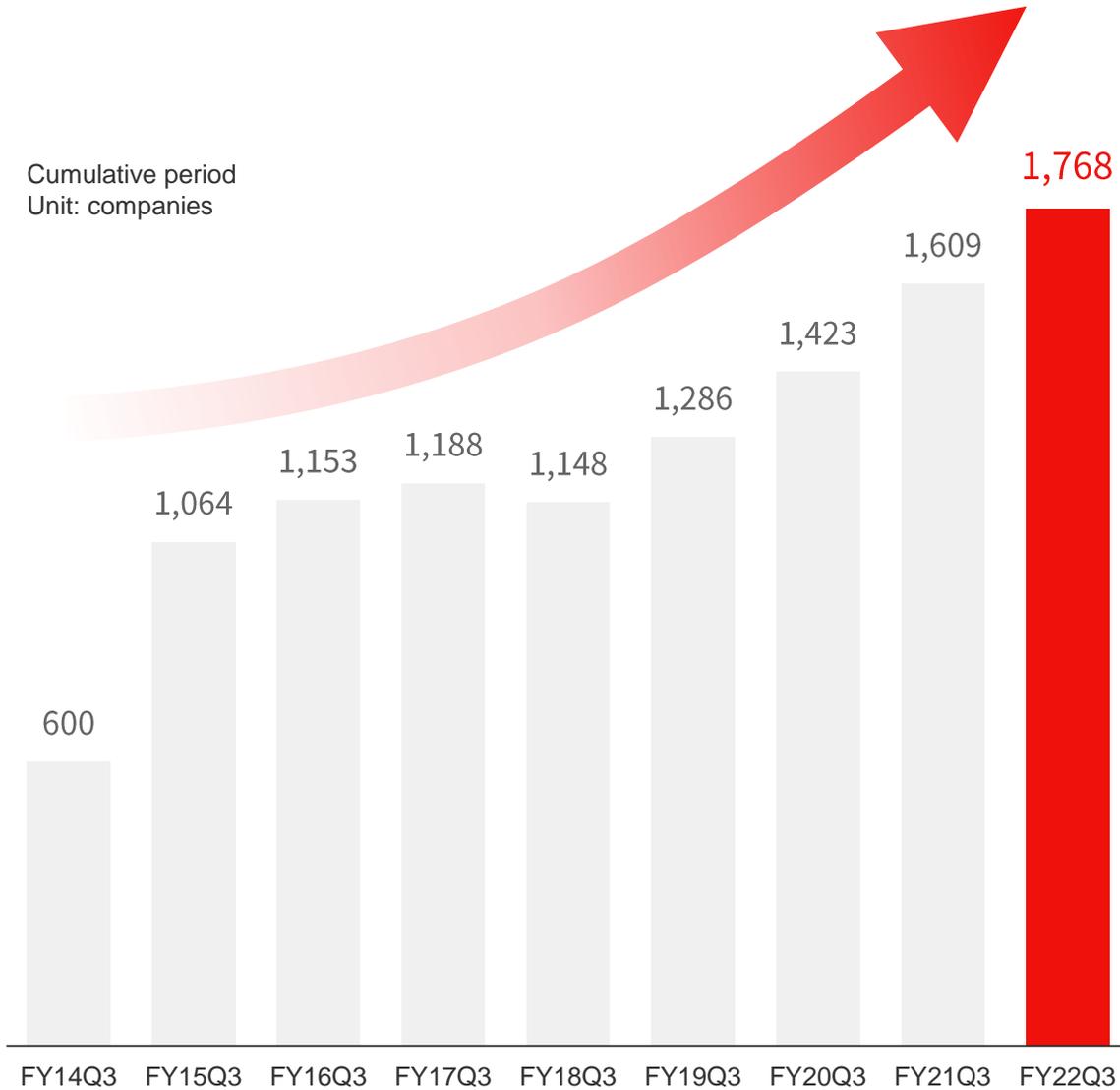
Number of PV (monthly average)

Unit: million PV



1. Members eligible for Lead Generation service because of ITmedia ID, common member platform
 2. Inspected inaccurate member data to improve quality. Excluded data on around 6,000 members

Number of Cumulative Customers in Q3



Strengthening content
in growth fields



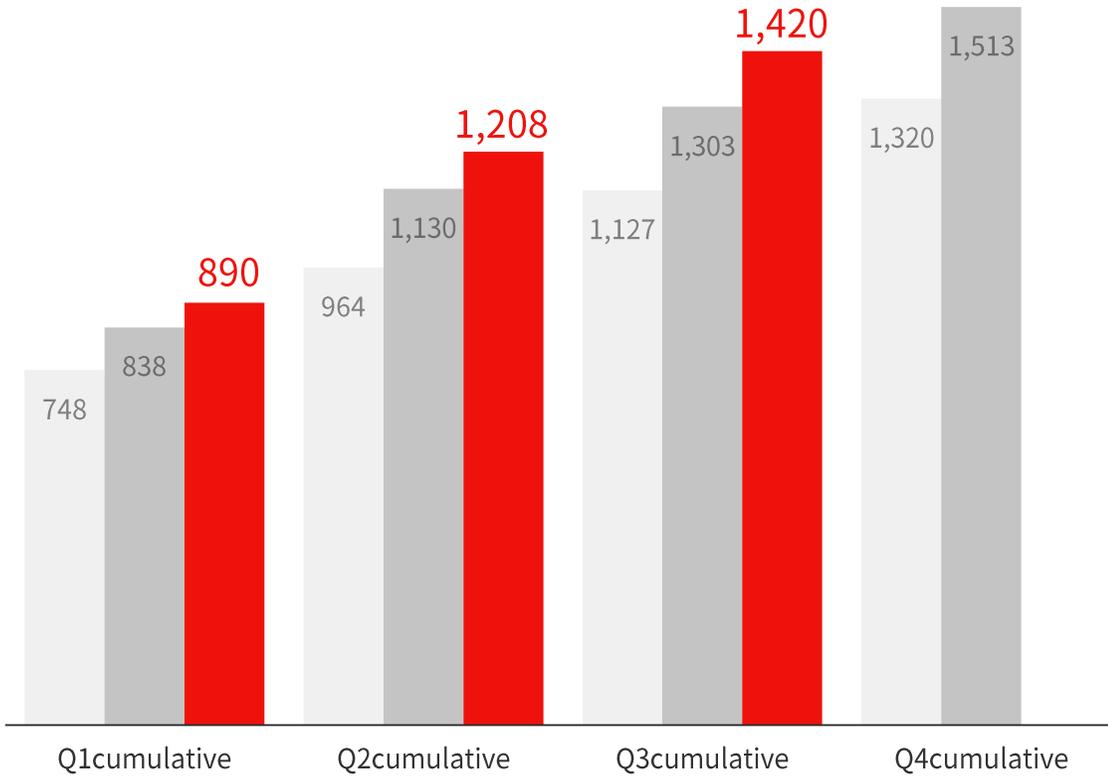
Increase in number of
customers

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

Lead Generation

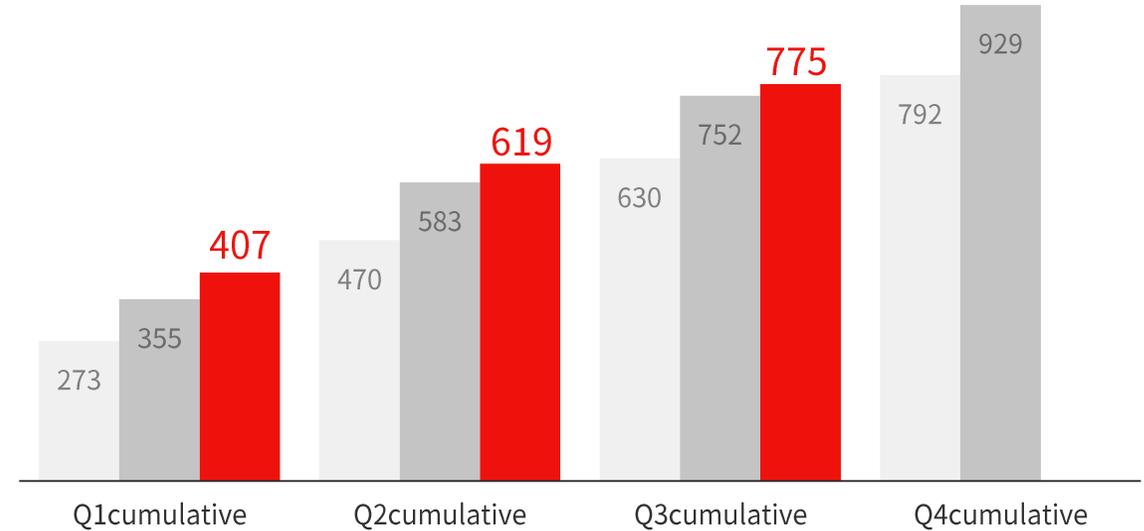
Cumulative period
Unit: companies

FY20 FY21 FY22



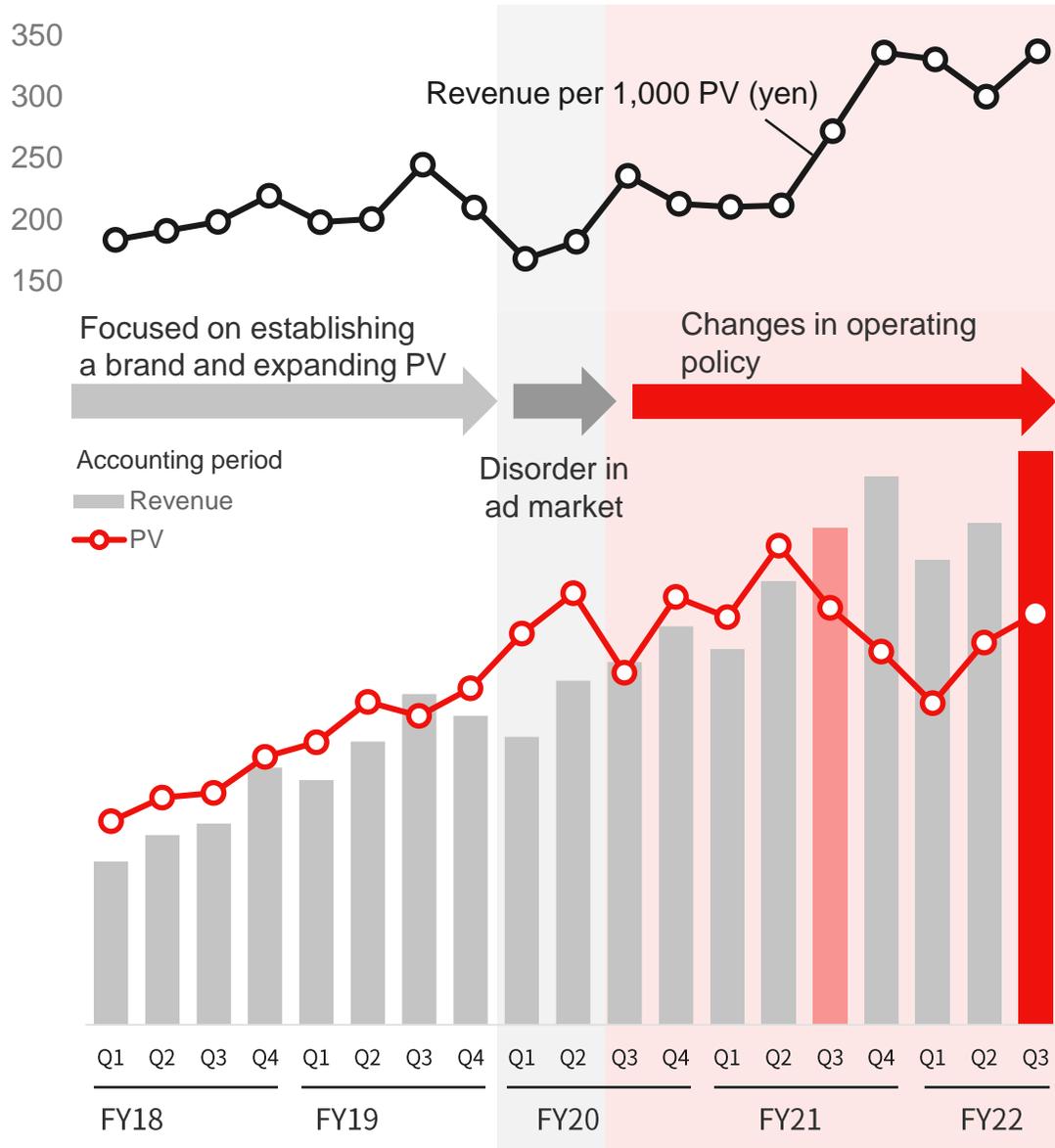
Media Ad

FY20 FY21 FY22



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

Ad Revenue: Netolabo—Revenue and PV



Projections for FY22

Policy change since Q3 of FY20 will pay off
 Total number of PVs will slightly slow down
 Continued growth in profitable PVs
 +
 The unit prices in Ad market are expected to improve after COVID-19 pandemic ends

Situation in 2H

Revenue continues to grow
 PV control is going well
 Ad market unit prices continue to improve
 Updated programmatic ad management system



The Nine-Month Period Ended
December 31, 2022, Earnings
Overview

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

Sustainability

No change in short-term environmental recognition

COVID-19

**Situation
in Ukraine**

**FX rate fluctuations
Concerns over
inflation**

No sign of calming, and uncertainty increased in the short term

- Earnings slowdown in some companies, especially major foreign firms

Envisioned due to pandemic being gotten under control

- Digital shift within marketing will continue
- Digital Event revenue: slow down in the short term
- Programmatic Ad revenue: unit price will improve

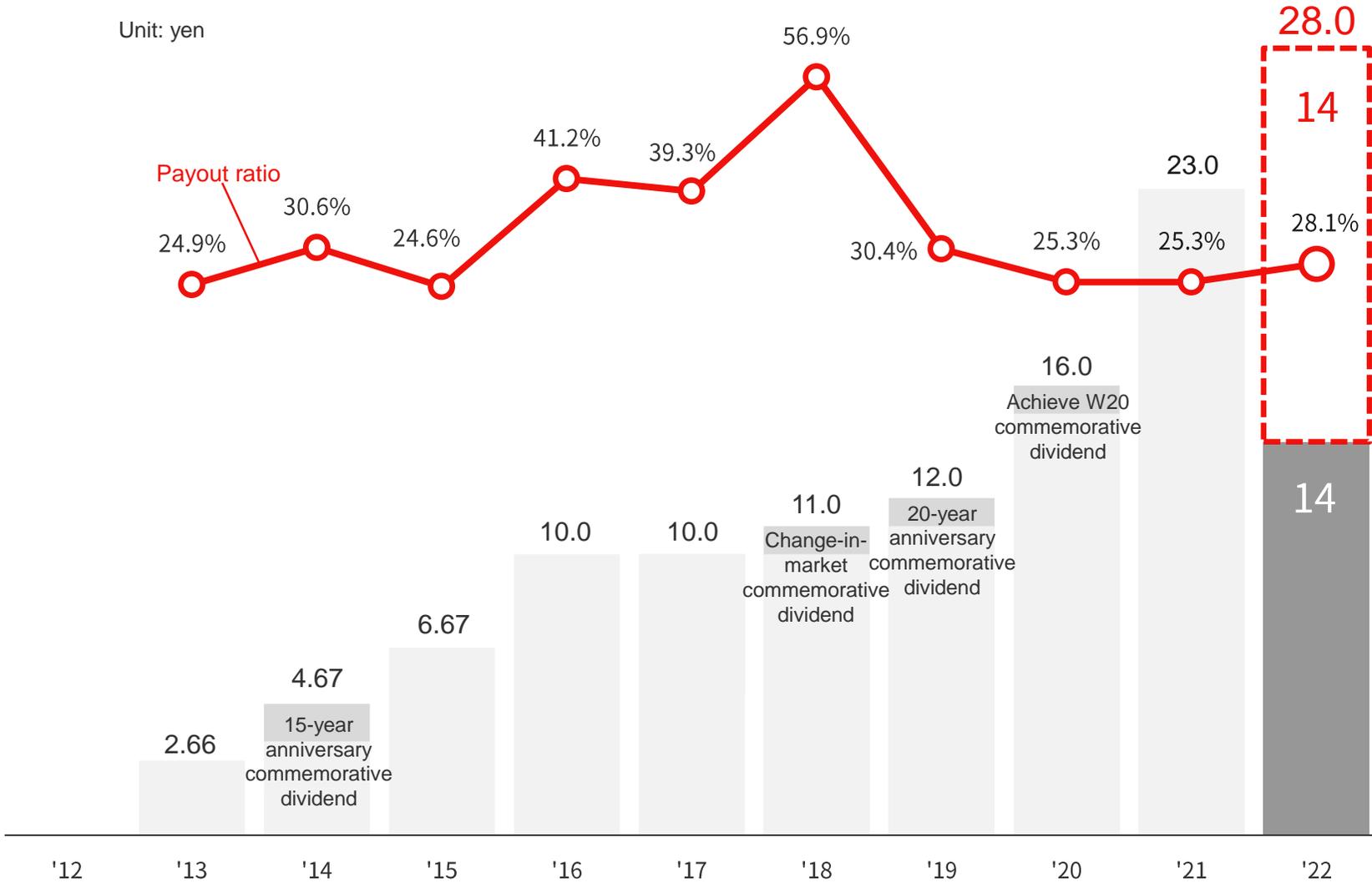
- Performance has been firm so far
- Increased uncertainty in business conditions
- Temporary cost addition in 2H
(Accelerated depreciation of an office)

▶ Current forecasts are maintained

Unit: million yen

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

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



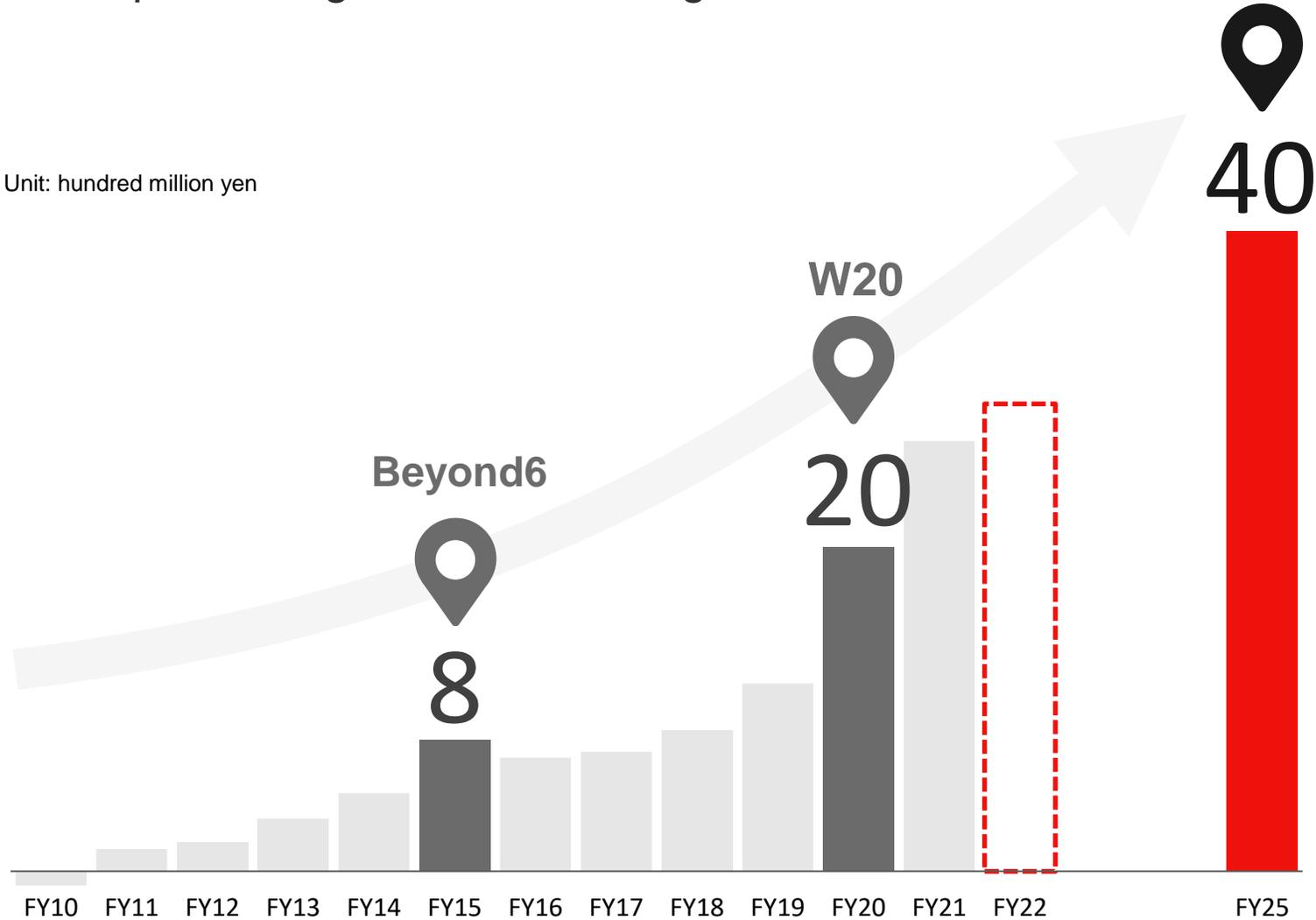
No change to our original forecast

For full fiscal year
28yen

* Payout ratio 28.1%

FY25 Operating Income Target: ¥4.0 billion

Unit: hundred million yen



FY25 Operating Income Target

40 hundred million yen to be achieved
||
X40



The Nine-Month Period Ended
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Forecast

Sustainability

Summary of our quarterly progress

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



Identify
materiality



Broaden disclosure in
English



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



Promote
diversity and inclusion



Increase SDGs-related
content



Respond to climate change (2)
Disclose ESG data

Started to disclose our ESG data book in Q3

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

アイティメディア ESGデータブック 2021年度版

アイティメディア株式会社
最終更新日:2023年1月31日

アイティメディアの事業活動におけるESG(環境、社会、ガバナンス)に関わるデータを集約したデータブックです。

報告対象期間: 2021年度(2021年4月1日~2022年3月31日)

報告対象組織: グループ連結(単体を使用する場合は「対象範囲」に記載)

E(環境) >

S(社会) >

G(ガバナンス) >

アイティメディア株式会社 サステナビリティ情報サイト
~ 基本的な方針やマテリアリティなどを掲載しております ~
<https://corp.itmedia.co.jp/sustainability/>



ITmedia Inc.

Agreed with the purpose of the Digital Days and Digital Month, held various related events in Q3.



[Main Supportive Events]

- ITmedia Security Week 2022 Winter
- ITmedia Industry Technology Fair 2022 Winter
- ITmedia DX Summit vol14 DIGITAL World 2022 Winter
- @IT NETWORK Live Week 2022 Autumn
- @IT Cloud Native Week 2022 Winter
- Cloud Strategy Days
- Digital Business Days 2022 Autumn
- Sales Enablement Day
- Latest expertise for teleworking to smoothen work and grow company
- [Accounting Day] Complete guide for the “combined response” to the Electronic Book Storage Act - the Invoice System
- Innovation of supply chains - What is resilience against soaring material prices and parts shortage? -

*Digital Days

These days were established in 2021 as an opportunity for society as a whole to take a regular look back on, experience, and review digital issues. The government and private sector are working together to implement various initiatives using digital-related technology and services and bolster momentum towards a more digitalized society.



ITmedia Inc.

Our Mission

Contribute to Information Revolution
by Innovating Professional Media



ITmedia Inc.

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