

Revolutionary New Cloud Game Fully Integrating Smartphones and TV



“Zoids Material Hunters” Now Available!



Zoids Material Hunters
Game genre Action Game
Price Free (with in-game purchases)
Available on Google play (Android OS)
 App Store (iOS)



How to play “Zoids Material Hunters”

“ATTACK” Battle!

Complete the mission to strengthen your ZOID!

As you strengthen your ZOID, the number of islands you can explore and the number of missions available also increases.



“COLLECT” Get them!

Defeat the enemies and get the materials necessary to strengthen your weapons!

There are many types and levels of materials you can find on missions. Gather the materials you need to enhance your ZOID.



“ENHANCE COMBAT CAPABILITIES” Get stronger!

Use the materials you've gathered to build the strongest ZOID possible!

The combination of materials changes your ZOID's enhancement system. Raise your ZOID in your own style.



Official websites for “Zoids Material Hunters” ▶ <http://gcluster.jp/games/zoids/>

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Introduction to the Corporate Site

Updated regularly with the latest news, as well as press releases and investor relations information.

Links to individual and corporate services, as well as group company sites, will help you find the information you need quickly. Please make use of our website as your resource.

<http://www.broadmedia.co.jp/>



Broadmedia Corporation

Aoyama Tower Place 6F, 8-4-14 Akasaka, Minato-ku, Tokyo 107-0052, Japan

2015

Business Report

For the FY2014
 (April 1, 2014 to March 31, 2015)



Broadmedia

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Broadmedia Corporation

Securities Code: 4347

We will work to make the cloud gaming business a success and to improve our corporate structure in order to achieve profitability.



Taro Hashimoto
CEO

Q Please tell us about the financial results for the current fiscal year and the challenges faced by management in response.

In the fiscal year ended March 31, 2015, a substantial loss was recorded as Group-wide revenue was significantly weighed down mainly by impairment arising from the delayed launch of the cloud gaming business.

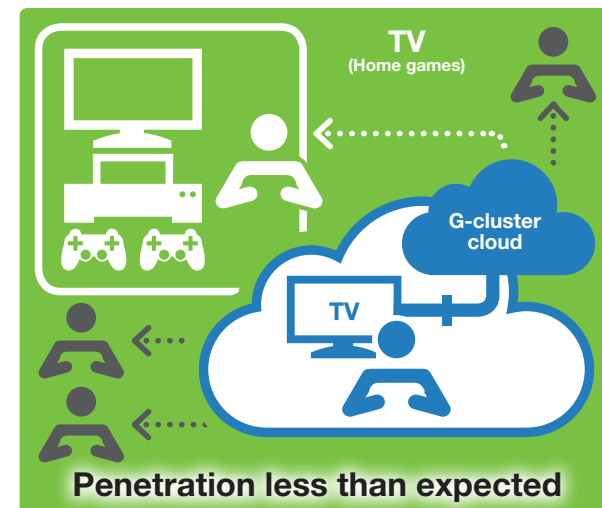
Although the Broadcast segment saw growth in financial results, in the cloud gaming business, which is the cause of the impairment, we conducted a write-down on inventory of gaming consoles and other devices as well as program rights during the third quarter, and in education services the number of students admitted at the newly established Renaissance Osaka High School was lower than anticipated.

In addition, a decrease in orders in the program sales business and production business of the Studio segment also had an impact.

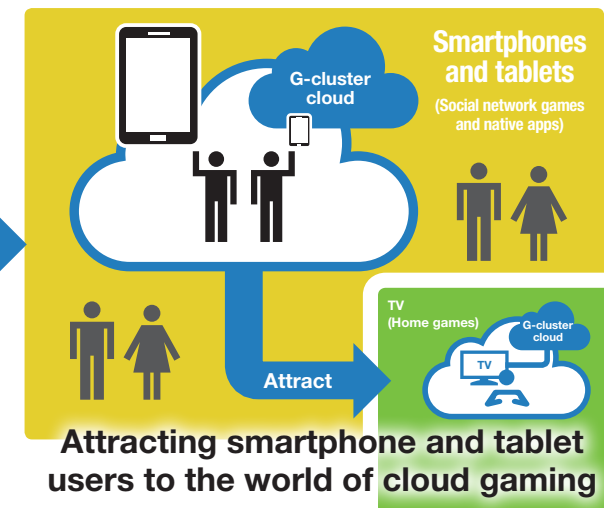
In light of such financial results for the current fiscal year, we consider revision of the cost structure to be an important management challenge, and are working to improve the corporate structure with a view to achieving profitability through cost reductions and improvements to a operational efficiency including company-wide business integration, among other measures. Meanwhile, we have

been channeling efforts into the cloud gaming business to make this a business that will support the Company in the future, and we will continue to concentrate management resources on cloud gaming with the aim of quickly establishing a foundation for growth. In addition, ongoing investments will be necessary in the medium term for the growth of the cloud gaming business, and we aim to stabilize the financial base to support this business strategy.

Launch of cloud gaming service for TV (home gaming market)



Shift to development in the growing market of smartphones and tablets



Q Please tell us about the future development of the cloud business.

The Company's "cloud business" can be broadly divided into the cloud gaming business and the video service business. The cloud gaming business in particular has attracted considerable attention, but the current situation is that it has taken longer than anticipated to ramp-up the business since the launch of the service in June 2013.

The scenario we envisioned initially was to penetrate the market with our cloud gaming service by focusing first on the TV (home gaming market), and we put our efforts into the sale of the G-cluster cloud gaming micro-console and promoting the penetration of G-cluster ready TVs. However, seeing that penetration had not progressed as anticipated, we shifted our strategy to attracting users from the rapidly expanding growth market of smartphones and tablets (social network game market) and migrating them to cloud gaming.

In line with this new business strategy, from December 2014, we began providing G-cluster technology for DIVE IN, a streaming service operated by SQUARE ENIX CO., LTD., and started distributing FINAL FANTASY® XIII, a gaming app for smartphones and tablets provided by the Company.

Furthermore, we began providing our original game "ZOIDS Material Hunters" in May 2015. While this game can be played as a smartphone/tablet app alone, linking the game with the G-cluster cloud gaming service allows players to enjoy the powerful world of ZOIDS on a large TV screen, and lets them tackle cloud-exclusive missions that cannot be experienced on the smartphone/tablet app. Many people have been playing the game from its launch, and we have received valuable feedback on areas for improvement. We will be sure to address these opinions as well in order to develop the game further.

We will continue to develop original games for devices such as smartphones and tablets, while promoting the adaptation of popular game titles for the cloud as we pursue greater penetration of cloud gaming services.

In the video service business, which supports the cloud business from another angle, we will pursue two initiatives in order to carry out a shift to multiple devices with smartphones and tablets in mind. The first is a plan to combine into a new updated service the video services within the Group through the integration in summer 2015 of "Dramax Arena," which distributes overseas dramas for personal computers and smartphones, and "T's TV," which distributes the latest foreign and Japanese films for TV. As for the second initiative, we are

in discussion with TOHOKUSHINSHA FILM CORPORATION regarding the launch of a new video service, with a plan to distribute online the broadcasting content held by both company groups. Details will be announced separately, but we will strive to provide a never-before-seen video service through a partnership that leverages the strengths of each company.

Q Please describe the new management structure.

The market environment surrounding the Group has changed rapidly over the past few years. The CS broadcast member service, a business we had been pursuing since our foundation and which had played the role of growth driver for the Company up to now,

Consolidated financial results forecast by segment for full year ending March 2016 (Unit: millions of yen)

	Revenue			Operating profit		
	First half (April to September)	Second half (October to March)	Full year	First half (April to September)	Second half (October to March)	Full year
Content	1,100	1,700	2,800	(345)	40	(305)
Broadcast	2,430	2,470	4,900	175	145	320
Studio	1,250	1,350	2,600	10	75	85
Technology	700	800	1,500	10	65	75
Network Sales	600	700	1,300	(75)	(50)	(125)
Total	6,080	7,020	13,100	(225)	275	50

was terminated in May 2014, and we moved to a new stage both in name and in reality. In addition, the broadcast business and education business, in which we had been making prior investments as growth fields, have grown significantly and have become increasingly important in the Group. Under these circumstances, under the belief that the shift to a functional management structure in accordance with the actual state of Group management will contribute to the Group's development, we have decided to have the business managers in charge of the broadcast business and education business respectively to participate directly in the Group's management.

The Company is now channeling its efforts into developing the cloud gaming business, which is a major new business for the Group. Of course, growth of the cloud gaming business requires a certain amount of time; in the meantime, therefore, we must support our financial results with our existing businesses. In particular, we want to see the broadcast business and education business take up the role of driver previously played by the CS broadcast member service.

Furthermore, in terms of Group management, we would like our management structure to be as transparent as possible for all our stakeholders. By having a management

structure in which the faces of the chief business managers are visible, we will make relations among Group companies even stronger than before, sharing the Group's management strategy as we create a structure to conduct business activities as one large corporate body.

Q What is your message to the shareholders?


As discussed earlier, the financial results for the current fiscal year have been extremely severe. We will deal with the aforementioned management challenges right away, and the entire company will unite in an effort to achieve profitability during the next fiscal year. To our great regret, we must inform shareholders that a dividend will not be paid out for the current fiscal year.

Despite these difficult circumstances, we are very grateful to the many shareholders holding stocks of the Company, and the number of shareholders has reached approximately 14,000. In order to meet the expectations of our shareholders, we will make the cloud gaming business a success, and will take even greater care to carry out timely disclosure and business progress reports. I would be most grateful to our shareholders for their continuing support.

World of G-cluster - A new era in Cloud Gaming!

[Smartphones/tablets] & [Cloud games]

Shifting focus of our cloud gaming business to smartphones and tablets, a growth market, to acquire new users

<p>POINT 1</p> <p>Providing a platform for game companies and cable companies</p> <p>Since December, 2014, we have been providing G-cluster technology for Square Enix's streaming service "DIVE IN." We are also scheduled to provide a cloud game platform to Jupiter Telecommunications (J:COM), Japan's largest cable television provider.</p>	<p>POINT 2</p> <p>Providing attractive content</p> <p>The smartphone and tablet version of the cloud game "Final Fantasy® XIII" was launched on the App Store and Google Play in April 2015.</p>	<p>POINT 3</p> <p>Gaming app for smartphones and tablets "ZOIDS Material Hunters"</p> <p>Launched in May 2015. Players can now enjoy an even deeper world of ZOIDS by linking to G-cluster.</p>
		

Attracting smartphone and tablet users to the world of cloud gaming

How cloud gaming works All programs are executed in the cloud. The user plays the game in the cloud with their game controller or smartphone/tablet. Video and sound are streamed via broadband to a G-cluster ready TV, G-cluster microconsole-connected TV or to a smartphone/tablet.



Content

“T’s TV rental video” will be revamped as “Crank-In! video”

Operation of our video distribution service “T’s TV Rental Video” will be transferred to our Group company HOLLYWOOD CHANNEL INC., and relaunched as the service “Crank-In! video.”

クランクイン!ビデオ



More HD content!
“Crank-In! video” will deliver more HD video content to customers.

Multi-device play supported
Customers can enjoy content on televisions, personal computers, smartphones, and tablets.

Earn points with the monthly “Premium Plan”
Customers can take advantage of the ¥900/month (excluding tax) “Premium Plan” and get ¥2,000 worth of points.

On-campus courses at all campuses Renaissance High School Group

In November 2014, the wide-area online general course high school “Renaissance High School” operated by Renaissance Academy Corporation opened its Shinjuku-Yoyogi Campus. Accordingly, on campus courses have been established at all campuses in the Renaissance Senior High School Group, including the Toyota Station Front Campus of Toyota High School and Renaissance Osaka High School.



Broadcast

釣りビジョン Popular programming in ultra hi-def! “Fishing Vision” is powering up!

Japan’s only channels dedicated to fishing, “Fishing Vision” and “BS Fishing Vision,” can be watched in 4,850,000 households*, and viewable through 298 cable systems* across Japan. Now available on even more devices, Fishing Vision is easier to watch than ever!

* As of April 30, 2015



(Left) “Fishing Café” now on-air on Channel 4K



“Tsure Hajimemasu!,” the new program for aspiring fishers. (Right)

CHECK 1

We were the first to establish a 4K production system and promote the transition to ultra hi-def programming

On Next Generation Television & Broadcasting Promotion Forum (NexTV-F)’s Channel 4K, we offer “Nippon Tsure Yonkei (4K)” (Four genres of Japan Fishing (4K)) and “Fishing Café.” 4K content is also provided for J:COM and HIKARI-TV.

CHECK 2

The new program for new-comers to fishing “Tsure Hajimemasu!” (I’m starting fishing!) is now on-air

Do you want to try fishing, but don’t know where to start? The new documentary program “Tsure Hajimemasu!” teaches the know-how required for fishing on one’s own. A navigation site has also been launched to help viewers search for fishing spots in line with the program.

Call the all-fishing channel “Fishing Vision” at 0120-260-251 (10:00 a.m. to 8:00 p.m. including weekends and holidays)

“Content procurement capabilities”

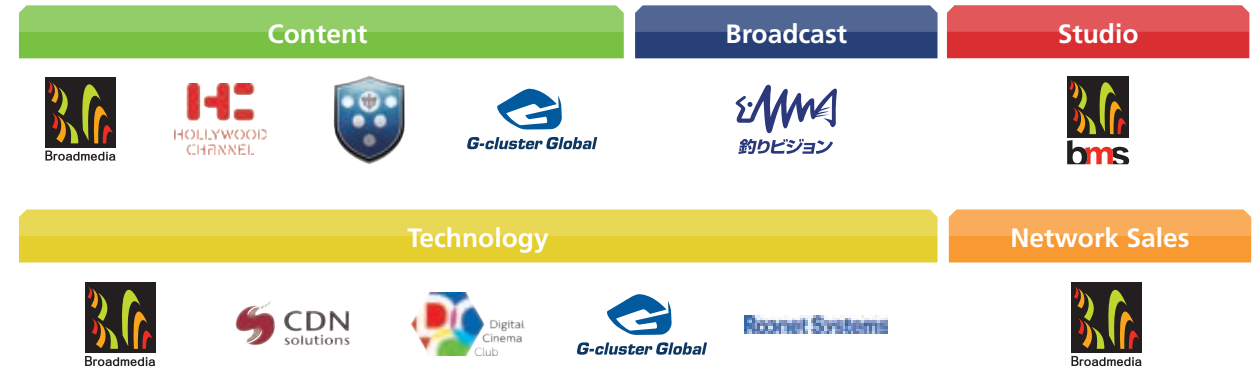


“Technology for stable, high quality distribution of content”

Our strength lies in originality that combines both content procurement and distribution technology

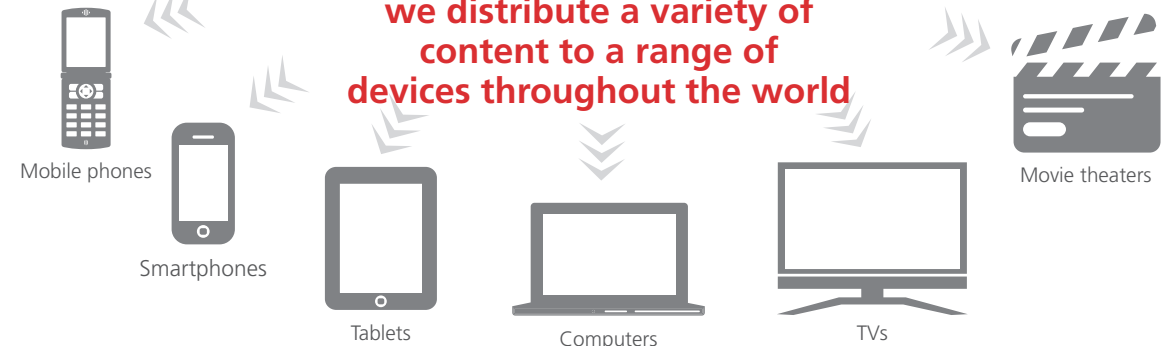
Through tight-knit collaboration and mutual cooperation among the five business segments below, we put our corporate philosophy of “aiming to contribute to the development of a more affluent community through the dissemination of high quality products and services that are derived from creativity” into practice.

Five business segments



Services for Individuals / Services for Businesses

In combination with our unique technology, we distribute a variety of content to a range of devices throughout the world

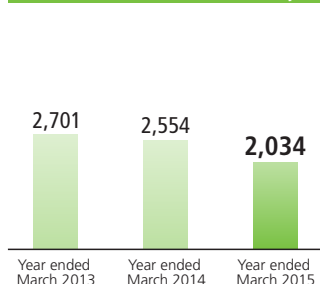


Content

Revenue
2,034 million yen
(down 20.4% YOY)

Operating loss
(1,072) million yen
(Operating loss of 435 million yen in the previous fiscal year)

Revenue Trend (Unit: millions of yen)



Business and Service
Home entertainment / Video service / CS broadcast member service / Mobile service / Education service / Other service

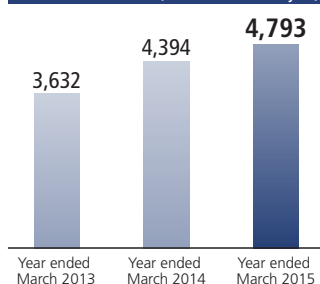
In the cloud gaming business, we began new services for smartphones and tablets. Although sales are increasing, loss increased as a result of factors including a write-down of inventories such as game consoles. In addition, in education services, we opened "Renaissance Osaka High School," our third school, in April 2014 and started offering on-campus courses.

Broadcast

Revenue
4,793 million yen
(up 9.1% YOY)

Operating profit
330 million yen
(Operating profit of 164 million yen in the previous fiscal year)

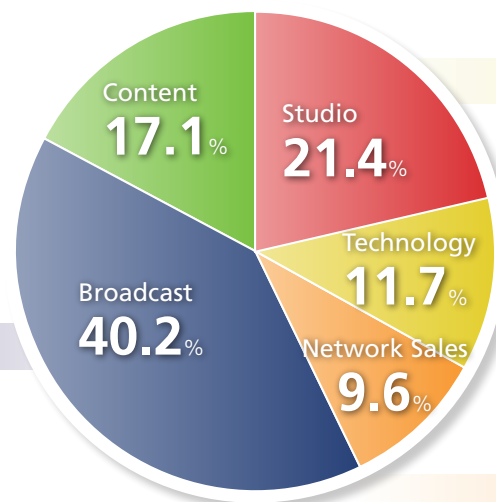
Revenue Trend (Unit: millions of yen)



Business and Service
Fishing channel "Fishing Vision"

In addition to brisk sales of the production business, viewing fee income was also buoyant. As a result of the termination of standard-definition broadcasting by SKY PerfecTV!, sales promotion expenses relating to the transition of subscribers decreased.

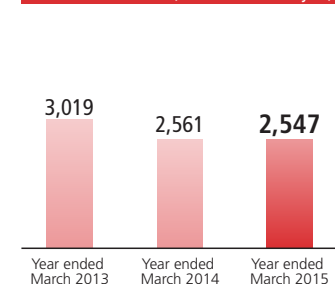
Total Revenue
11,918 million yen



Revenue
2,547 million yen
(down 0.6% YOY)

Operating loss
(253) million yen
(Operating loss of 177 million yen in the previous fiscal year)

Revenue Trend (Unit: millions of yen)



Business and Service
Production business / Program sales business / Film distribution business

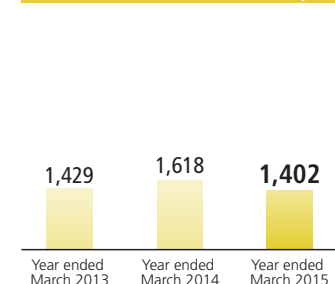
Although earnings increased in the film distribution business due to growth in video sales among other factors, orders decreased in the program sales business and production business. A rise in the cost ratio in the production business also had a negative impact, and loss increased.

Technology

Revenue
1,402 million yen
(down 13.3% YOY)

Operating profit
45 million yen
(Operating profit of 75 million yen in the previous fiscal year)

Revenue Trend (Unit: millions of yen)



Business and Service
CDN service / Digital cinema service

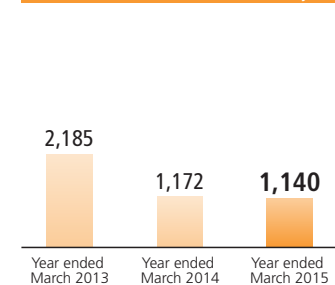
Revenue decreased because of lower sales of equipment in the digital cinema service and transfer of part of the CDN business. A new Internet service provider business for hotel guest rooms and meeting rooms was launched.

Network Sales

Revenue
1,140 million yen
(down 2.7% YOY)

Operating loss
(197) million yen
(Operating loss of 246 million yen in the previous fiscal year)

Revenue Trend (Unit: millions of yen)



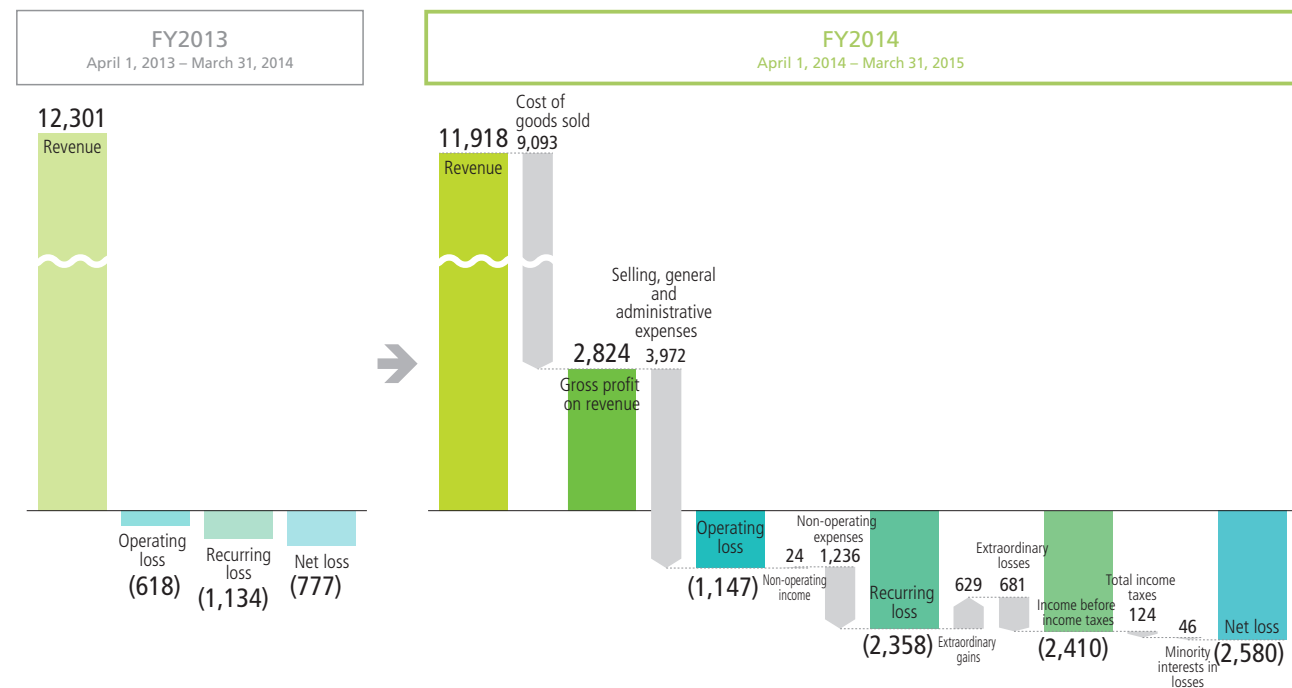
Business and Service
ISP service sales / Handling of mobile phone service / Broadband line sales

Although earnings decreased for the full year due to a decline in ISP service sales, revenue was on a recovery track and increased in the second half (October-March) compared to the previous fiscal year. The cost ratio also improved as a result of a drop in the cancellation reserve rate.

11 Consolidated Financial Review

Operating Results

(Unit: millions of yen)



Guidance on our site "IR" (Investor Information)



Please visit our "IR" site to see the most recent financial results and their summary videos.

[Information disclosed on the site] Electronic notices, consolidated financial results, annual securities reports (yukashokenhokokusho), business reports, notices of general meeting of shareholders, etc.

<http://www.broadmedia.co.jp/ir/>

Revenue

Although earnings in "Broadcast" increased, earnings in the other four segments decreased, resulting in a decrease in revenue.

Operating loss / Recurring loss

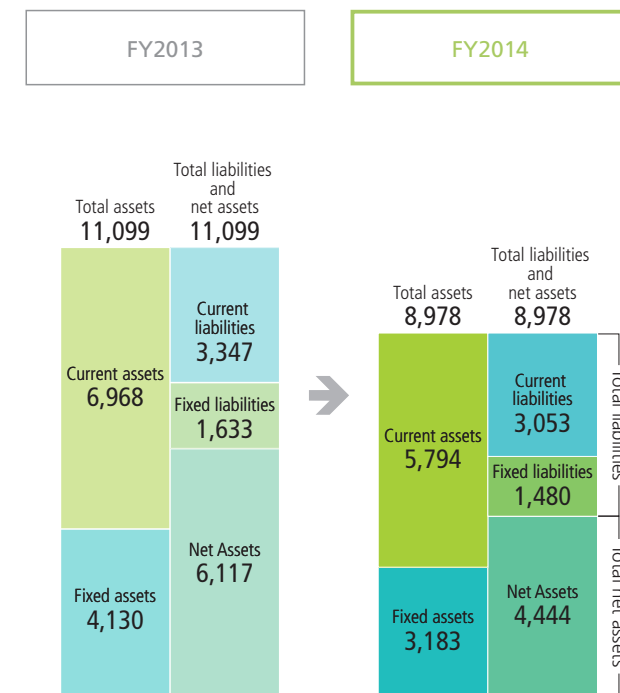
Loss increased due to the significant impact of a write-down of inventories carried out in "Content" during the third quarter. In addition, an increase in non-operating expenses stemming from impairment of goodwill related to investment in G-cluster Global Corporation also had an influence on the increase in recurring loss.

Net loss

Whereas extraordinary profit was recorded in line with the transfer of part of the CDN business and partial transfer of shares in a subsidiary, provision of allowance for doubtful accounts was recorded as an extraordinary loss.

Financial Position

(Unit: millions of yen)



Total assets

Whereas notes and accounts receivable-trade increased, program rights and merchandise and finished goods (gaming consoles etc.) were written down. As a result, total assets declined by 19.1% compared to the end of the previous fiscal year.

Total liabilities

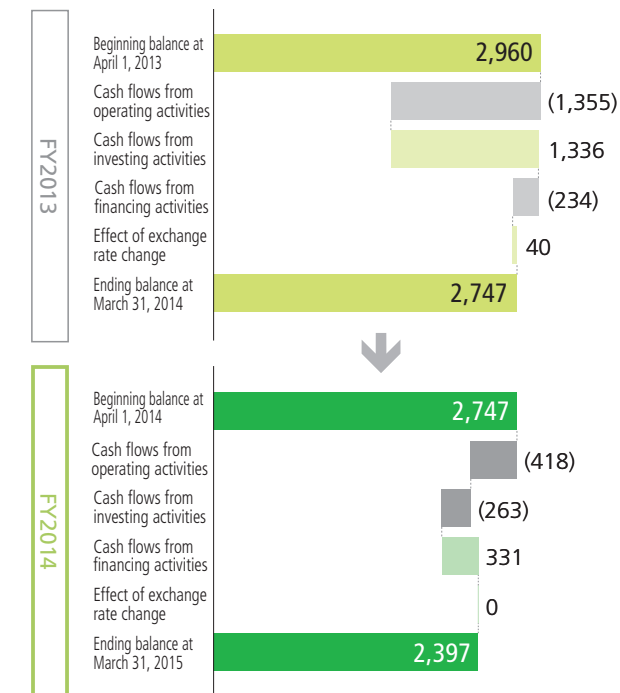
Total liabilities declined by 9.0% compared to the end of the previous fiscal year because of decreases in accounts payable-trade, other current liabilities, and long-term lease obligations.

Total net assets

Total net assets declined by 27.3% compared to the end of the previous fiscal year mainly due to posting a net loss, despite an increase in paid-in capital and capital surplus resulting from exercise of stock acquisition rights. As a result, the equity ratio stood at 39.7%.

Cash Flows

(Unit: millions of yen)



Cash flows from operating activities

Although 2,410 million yen was recorded as net loss before income taxes, this includes equity in losses of affiliates, provision of allowance for doubtful accounts and a write-down of inventories, which are not associated with cash outflows. As a result, net cash used in operating activities was 418 million yen.

Cash flows from investing activities

Net cash used in investing activities was 263 million yen because of payments of loans receivable and purchase of fixed assets, despite the proceeds from the transfer of part of the CDN business and partial transfer of shares in a consolidated subsidiary of the Company.

Cash flows from financing activities

Net cash provided by financing activities was 331 million yen mainly because of proceeds from sale of treasury stock and exercise of stock acquisition rights, despite repayment of lease obligations and loans payable.

13 Company Information

As of March 31, 2015

Company Profile

Company Name	Broadmedia Corporation
Established	September 5, 1996
Paid-in Capital	2,932,496 (thousands of yen)
Employees	49 (consolidated: 410)
URL	http://www.broadmedia.co.jp/

Group companies



Fishing Vision Co., Ltd.

<http://www.fishing-v.jp/>

Produces the program dedicated to fishing, "Fishing Vision," and distributes programs for BS broadcasting, SKY PerfecTV! Premium Service, cable TV and others.

Established March 1998
Location Shinjuku-ku, Tokyo



Renaissance Academy Corporation

<http://www.renaissance-academy.co.jp/>

Operates "Renaissance High School," "Renaissance Toyota High School," and "Renaissance Osaka High School," a new type of online high school system where students can learn via smartphones, tablets, etc. On-campus courses are also available. Also operates the "Science Certification Test" that encourages people to experience the joy of science.

Established October 2005
Location Chuo-ku, Tokyo



HOLLYWOOD CHANNEL INC.

<http://www.hollywood-ch.com/company>

Distributes video, mainly new foreign and Japanese films and dramas, for TVs, personal computers, smartphones, and tablets. Also, distributes entertainment news, provides promotional services, and undertakes production of official websites with focus on movies and dramas.

Established April 2003
Location Chuo-ku, Tokyo



Roonet Systems Co., Ltd.

<http://www.roonets.co.jp/>

Provides comprehensive solutions for hospitality institutions including hotels and hospitals, ranging from design of the Internet environment for a local area to operation, maintenance, and management.

Established May 2014
Location Chuo-ku, Tokyo

Executive Directors and Auditors

As of June 24, 2015

CEO	Taro Hashimoto	Auditor (full-time)	Takeshi Urasawa
Executive Director	Yasutaka Shimamura	Auditor	Kosei Tsuchihashi
Executive Director	Ryuichiro Hisamatsu	Auditor	Fumito Shiraishi
Executive Director	Hideaki Oshio	Auditor	Kenji Kitatani
Executive Director (part-time)	Ryo Arisawa		
Executive Director (part-time)	Takayoshi Momoi		
Director	Nobuhiko Seki		

*Nobuhiko Seki is an outside director.

*Takeshi Urasawa, Fumito Shiraishi, and Kenji Kitatani are outside auditors.



Broadmedia Studios Corporation

<http://www.bmstd.com/>

Sales of TV broadcast rights of foreign films and dramas, production of Japanese-language versions of foreign films and dramas (subtitles, dubbing), and theatrical distribution and promotion of foreign films, sales and promotion of DVD videos, etc.

Established August 2000
Location Chuo-ku, Tokyo



CDN Solutions K.K.

<http://www.cdn-sol.co.jp/>

Pioneer of CDN services. Primary agent of Akamai services. CDN Solutions offers acceleration, security, global delivery and other commercial website solutions tailored to customers' environments.

Established April 2001
Location Chiyoda-ku, Tokyo

*Relocated in May 2015.



Digital Cinema Club, Inc.

<http://www.dcinema.jp/>

Offers VPF services for film distributors and theaters promoting installation of digital equipment in movie theaters.

Established April 2010
Location Minato-ku, Tokyo



G-cluster Global Corporation

<http://www.gcluster.com/>

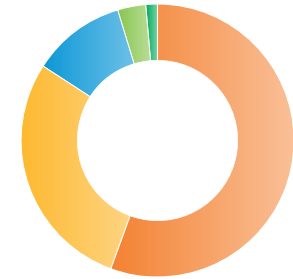
Provides IPTV operators and publishers, etc. with distribution services for games, video, and other content using G-cluster cloud distribution technologies.

Established October 2007
Location Minato-ku, Tokyo

14 Stock Information

As of March 31, 2015

Distribution of Shareholders



	Number of shares held (thousands)	Shareholding ratio (%) ^{*3}
Other Japanese institutions	38,646	55.83
Individuals and others ^{*2}	19,797	28.60
Japanese securities companies	7,648	11.05
Japanese financial institutions	2,188	3.16
Overseas institutions	943	1.36

Stock Information

Number of shares authorized	128,000,000 shares
Number of shares issued ^{*1}	69,223,516 shares
Number of shareholders	14,005

Major Shareholders

Shareholder name	Shares held (thousands)	Shareholding ratio (%)
SBBM Corporation	9,878	14.51
SBI Entertainment Fund No. 2	5,627	8.27
SBI Holdings, Inc.	3,354	4.93

^{*1} The total number of shares issued includes treasury stock (1,157,332 shares).

^{*2} "Individuals and others" in Distribution of Shareholders includes treasury stock.

^{*3} The shareholding ratio for major shareholders is calculated excluding treasury stock.

Shareholders' Memo

Fiscal year	April 1 to March 31 (every year)
Ordinary general meeting of shareholders	June every year
Record date for year-end dividend	March 31
Record date for interim dividend	September 30
Stock exchange listings	Tokyo Stock Exchange, JASDAQ Standard
Method for public notice	Electronic public notice (posted on the Company's website) http://www.broadmedia.co.jp/ When notifications are unable to be made due to unavoidable reasons, notifications will be posted in The Nikkei.
Transfer agent	Mizuho Trust & Banking Co., Ltd. 1-2-1 Yaesu, Chuo-ku, Tokyo

	If you have an account at a securities company which you have dealings with.	In the case of a special account
Mailing Address	Securities company	2-8-4 Izumi, Suginami-ku, Tokyo 168-8507
Inquiry by Telephone Agency		0120-288-324 (Toll-free in Japan)
Notice	For payment of dividends unclaimed (*) and issuance of payment statement, please use the mailing address, the contact for inquiry by telephone, and the agent in "In the case of a special account" on the right.	Head office and all branches nationwide of Mizuho Trust & Banking Co., Ltd. Head office and all branches nationwide of Mizuho Securities Co., Ltd.

*Solely payments of dividends unclaimed are handled at the head office and all branches nationwide of Mizuho Bank, Ltd.