



BROADEN THE BORDERS OF MEDIA



Top Management Interview

We will overcome the coronavirus pandemic and accelerate growth through group consolidation.

Taro Hashimoto, CEO



Financial results for FY2019

For the financial results in the fiscal year ended March 31, 2020, we recorded a large increase in income, with revenue increasing and operating income approximately tripling compared to the previous fiscal year. Ordinary income also increased, due partly to the receipt of insurance money. Net income rose as well, as a result of factors including the posting of refunds for local taxes for last year at Fishing Vision Co., Ltd. as well as the posting of a part of settlement proceeds from a damage claim as extraordinary income, even though tax expenses for subsidiaries increased, resulting in increases in both revenue and income.

surplus and the acquisition of treasury shares, while ensuring the flexibility and agility of future capital policies. To that end, we had our shareholders resolve to approve a capital reduction without compensation at the general meeting of shareholders.

As a result of this resolution, it has become possible to reconcile the negative earned surplus amount as of March 31, 2020 (final settlement) up to the maximum by the capital reduction without compensation, and to utilize all extraordinary income of 1,700 million yen incurred in April due to a merger with six subsidiaries as a resource for future shareholder return. The total of the 1,700 million yen and retained earnings including the income (loss) for the current fiscal period, will be what is termed the "earnings available for dividends" for the current fiscal period.



Objective of capital reduction, and shareholder return

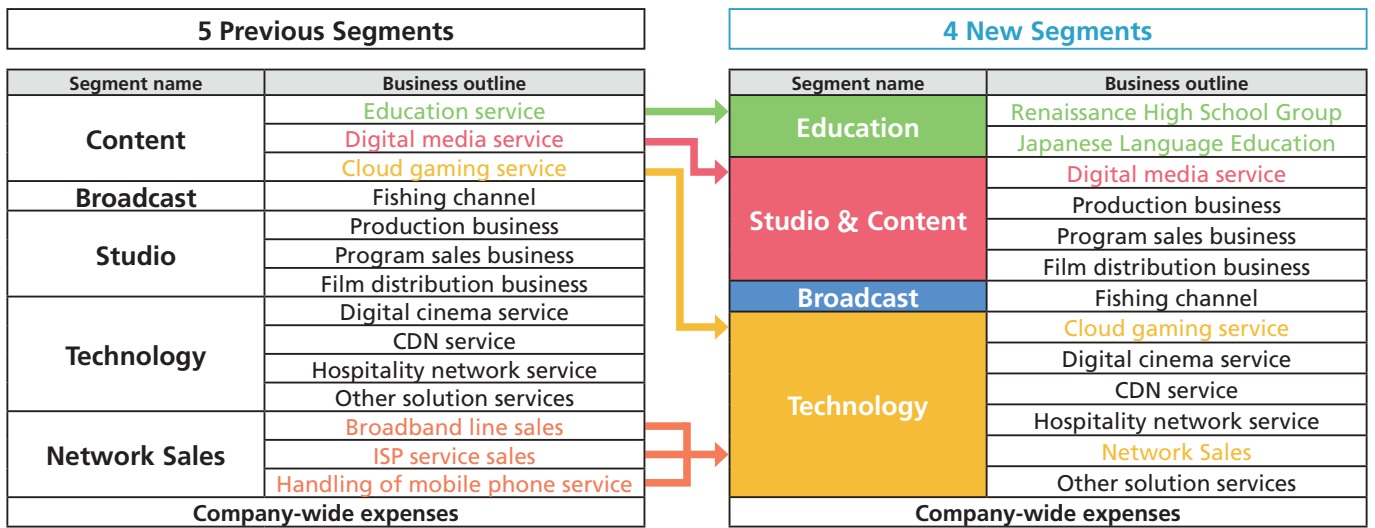
We sincerely regret that we did not pay a year-end dividend for FY2019 as the earned surplus is negative. This is because we are not able to return profits due to previous losses, although financial results remain favorable. First of all, we must resolve that issue and make it possible to realize shareholder return measures, such as the allocation of future



Group consolidation and change of segments

The Company implemented an absorption-type merger with six subsidiaries in April this year and integrated the business segments to enhance the effectiveness of the consolidation. As a result, starting from April this year, we reorganized into four business segments—Education, Studio & Content, Broadcast, and Technology—and put in place a category of Company-wide Expenses (Corporate Management Division).

Top Management Interview



We believe that consolidation means thoroughly ensuring total optimization that is greater than the sum of piece-by-piece optimization. For us, "total optimization" means engaging in business activities that are truly beneficial for people and society, in line with our mission, not simply the pursuit of profits. We hope to develop businesses that benefit people and society by instilling our mission in all our employees.

Our Mission

We contribute to communities through quality content and services produced by human creativity.



Group consolidation and changes resulting from the coronavirus pandemic

Two changes are simultaneously underway right now at the Company: "changes due to group consolidation" and "changes due to the coronavirus pandemic." Going forward, we will pursue the benefits of consolidation, such as improving operational efficiency and implementing personnel exchange, as well as adapting to this era of life with the coronavirus.

The coronavirus pandemic has led to major changes in employee work schedules and lifestyle rhythms, and as a result, each employee has had the opportunity to reassess their work-life balance. We will actively utilize this opportunity to allow diversity in work styles and, thereby, to improve employee health and productivity at the same time.



To our shareholders

Initially, we thought that given the stable content of the financial results for FY2019, we could expect positive financial forecasts for FY2020.

However, unfortunately, as it is extremely difficult to foresee how long the impact of the coronavirus will continue, the financial forecast for FY2020 is undecided at this time. The outlook remains uncertain, but amid the mid-to long-term trends, we will pursue business development not only with income targets but also with the aim of growing as a company that coexists with society.

More than ten years before the 2015 UN Summit, which issued the SDGs (Sustainable Development Goals), we launched the Renaissance High School Group based on the same idea as the SDGs of ensuring quality education for all. In addition, through the business of Fishing Vision Co., Ltd., we have promoted the targets of protecting life below water and protecting life on land for more than 20 years. The technology segment has been promoting the target of industry, innovation and infrastructure and other efforts centered on the CDN business, and our other businesses also share the SDGs philosophy and targets. We believe it is important to have a philosophy and objectives in common with the SDGs, and we also are convinced that sharing the SDGs philosophy and objectives is an essential requirement for all companies growing in the medium to long term, not only Broadmedia.

I would be most grateful to our shareholders for their continuing support.

Broadmedia and the SDGs

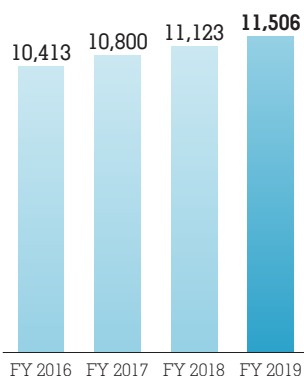


SUSTAINABLE DEVELOPMENT GOALS

Financial Highlights for FY2019

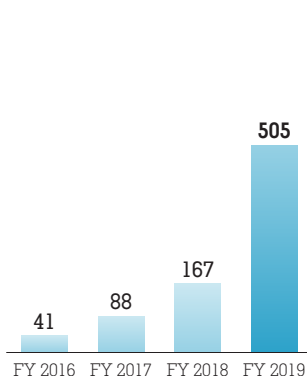
Revenue

(Unit: millions of yen)



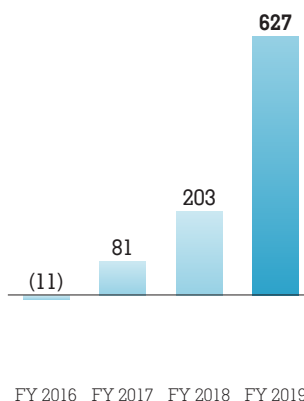
Operating income

(Unit: millions of yen)



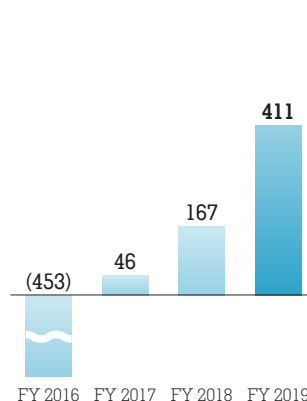
Ordinary income

(Unit: millions of yen)



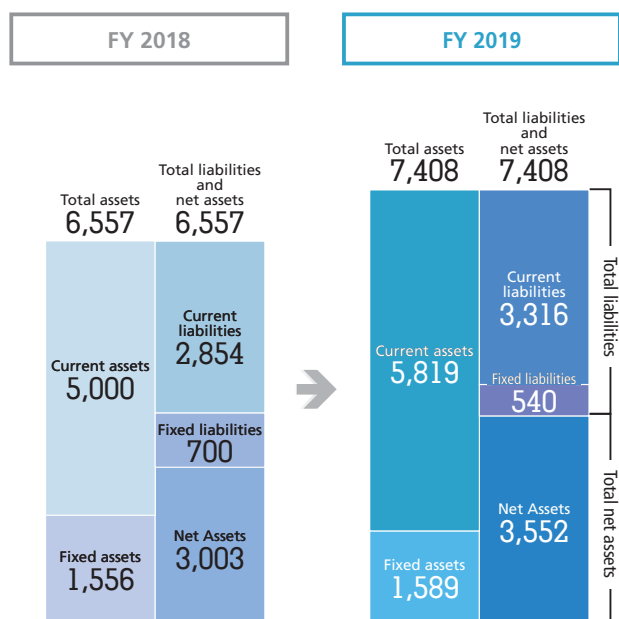
Net income attributable to owners of parent

(Unit: millions of yen)



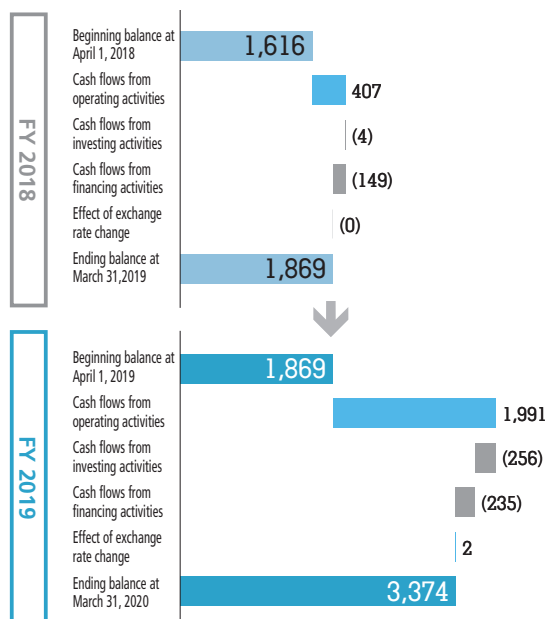
Financial Position

(Unit: millions of yen)



Cash Flows

(Unit: millions of yen)



Introduction to the Corporate Website

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.



For added convenience, our website is now available on your smartphone.

The Company's website can be browsed from smartphones and tablets, enabling access to the Company's information on the go.



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

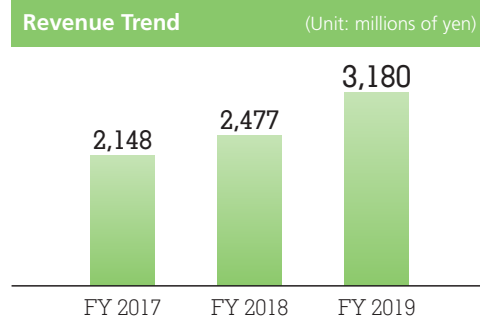
Broadmedia

検索

Content

Revenue **3,180** million yen
(up 28.3% YOY)

Operating income **385** million yen
(Operating income of 146 million yen in the previous fiscal year)



Business and Service

- ▶ Cloud gaming service
- ▶ Digital media service
- ▶ Education service

TOPICS Launching of 10 or so cloud games on 5G, including "Dynasty Warriors 9" and "Final Fantasy® XV," available with "d game play ticket" provided by NTT DOCOMO

In March 2020, a cloud gaming service using the G-cluster technology was made available with the "d game play ticket" * provided by NTT DOCOMO. 10 or so games are now being distributed, including "Dynasty Warriors 9" and "Final Fantasy® XV," which are the first cloud games for smartphones to be launched in Japan.



Available since April 22

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dゲーム



Available since May 21

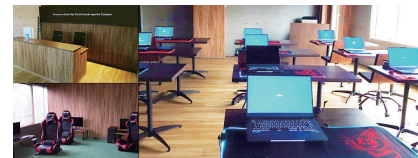
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MAIN CHARACTER DESIGN : TETSUYA NOMURA
LOGO ILLUSTRATION : © 2016 YOSHITAKA AMANO

Cloud games for the d game service are compatible with 5G, which enables high-speed, large-capacity communication, meaning that you can easily play high-end games without downloading apps or large amounts of data onto your smartphone or tablet.

* d game play ticket is a cloud game service available on the "d-game" portal provided by NTT DOCOMO, INC.

TOPICS Expanding Renaissance High School Group's eSports Campus, and strengthening the online class system

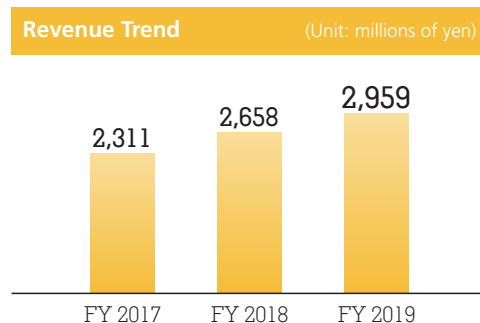
Renaissance High School Group has increased the student capacity of the Shinjuku Yoyogi Campus and opened a second campus on the Umeda eSports Campus in response to the increasing number of applicants for the eSports course. The group has also set up a dedicated online room on both campuses, and are strengthening the online lesson system so that eSports classes can be taken at home like classes in other subjects. At the Shinjuku Yoyogi Campus, eSports live streaming lessons taught by real game commentators from the Yoyogi Animation Academy have started. At the Umeda eSports Campus and 2nd Campus, joint verification of optimal high-speed communication lines for eSports with NTT WEST has started. In the future, by making use of the knowhow gained from these activities, the group will set up a curriculum specialized in online learning of eSports so that it becomes possible to take eSports courses outside the bases in Tokyo, Osaka, and Nagoya.



Technology

Revenue **2,959** million yen
(up 11.3% YOY)

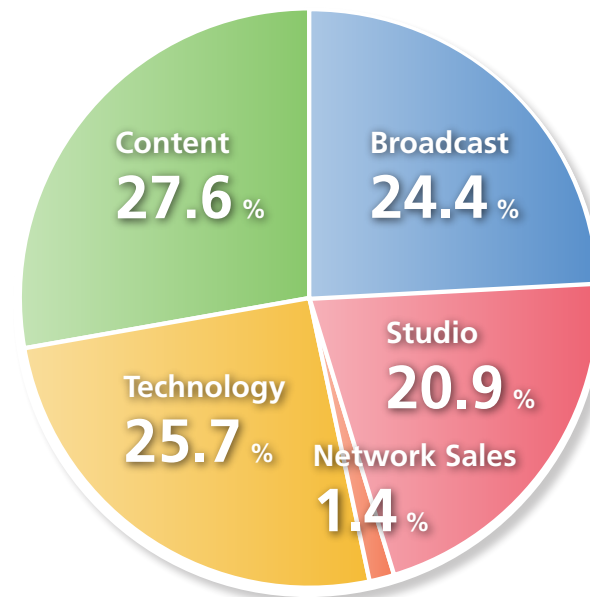
Operating income **510** million yen
(Operating income of 460 million yen in the previous fiscal year)



Business and Service

- ▶ Digital cinema service
- ▶ CDN service
- ▶ Hospitality network service
- ▶ Other solution services

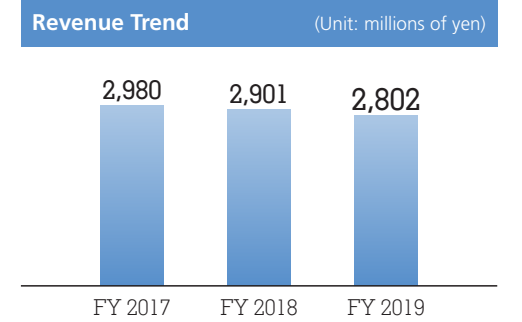
Total Revenue **11,506** million yen



Broadcast

Revenue **2,802** million yen
(down 3.4% YOY)

Operating income **292** million yen
(Operating income of 162 million yen in the previous fiscal year)

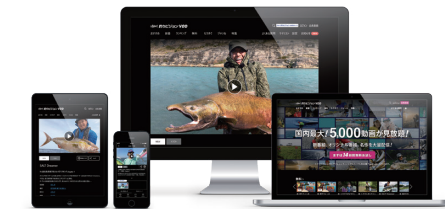


Business and Service

- ▶ Fishing channel

TOPICS Launching "Fishing Vision VOD," a fishing video distribution service Watch fishing videos anytime, anywhere

釣りビジョン VOD



<https://vod.fishing-v.jp/>

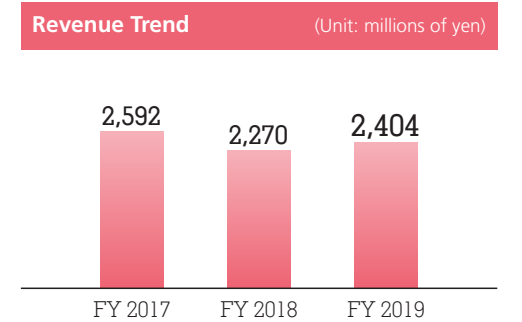
In April 2020, Fishing Vision Co., Ltd. launched "Fishing Vision VOD," the largest fishing video distribution service in Japan. * This service allows you to watch more than 5,000 programs and other content as much as you like for a monthly fee of 1,200 yen (excluding tax). You can watch your favorite fishing programs anytime, anywhere on a computer, smartphone, or tablet. In addition, new programs are made available on the service on the same day as they are broadcast on TV, so even if you miss a program, you can watch it immediately without waiting for a rebroadcast. A free trial period of 14 days from the registration date is offered, so feel free to try it out.

*As of April 21, 2020, according to our own research

Studio

Revenue **2,404** million yen
(up 5.9% YOY)

Operating income **(187)** million yen
(Operating loss of 36 million yen in the previous fiscal year)



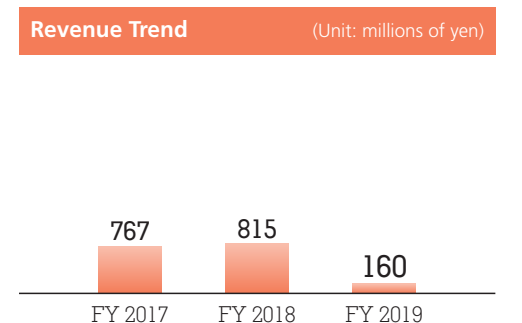
Business and Service

- ▶ Production business
- ▶ Program sales business
- ▶ Film distribution business

Network Sales

Revenue **160** million yen
(down 80.4% YOY)

Operating income **(18)** million yen
(Operating income of 6 million yen in the previous fiscal year)



Business and Service

- ▶ Broadband line sales
- ▶ ISP service sales
- ▶ Handling of mobile phone service

Building a high-speed and secure corporate network to take the place of a VPN (virtual private network) Akamai EAA—the next-generation remote access service

Recently, the supply of VPNs has not been able to keep up with the rapidly increasing number of teleworkers, and security measures against the increasing number of cyber attacks are becoming a social issue. EAA (Enterprise Application Access) is now in the spotlight with a new concept called Zero Trust, which will solve these problems and provide only the necessary people with access only to the applications they need.

Guidance on the shareholder incentive system

To eligible shareholders, we will give out points that can be used in the video distribution service, “Crank-In! Video” and the digital comics service “Crank-In! Comic”. (1 point is equivalent to 1 yen)

クランクイン!ビデオ クランクイン!コミック



Please receive shareholder incentive points from the dedicated Shareholder Incentives website via a personal computer, a smartphone, or a tablet.



URL : <https://video.crank-in.net/shareholder>

For eligible shareholders, we will deliver a Guide to Shareholder Incentives in late September. For details, please see the Guide.

Eligible shareholders

All shareholders registered or recorded as holding 1,000 shares (10 units) or more in the Company's shareholders' register as of March 31 every year.

Timing of the grant

We mail a “Guidance on Shareholder Incentives” once a year to eligible shareholders after the conclusion of the ordinary general meeting of shareholders.

Contents of shareholder incentives

Number of shares held	Shareholding duration	
	Less than 1 year	1 year or more *1
1,000 to 4,999 shares	2,000 points	2,500 points
5,000 shares or more	4,000 points	6,000 points

*1. Shareholders who are registered in the Company's shareholders' register as of March 31 every year and also recorded as holding either 1,000 shares or more, or 5,000 shares or more under an identical shareholder number in the Company's shareholders' register consecutively as of both March 31 and September 30 of the preceding year.

*2. Shareholders who wish to use the shareholder incentive points must register with either “Crank-In! Video” or “Crank-In! Comic” as members. Either membership allows shareholders to use both the video and comic distribution services.

Company Profile / Information on Shares/ Shareholders' Memo

Company Profile (As of March 31, 2020)

Company Name	Broadmedia Corporation
Established	September 5, 1996
Paid-in Capital	3,457,496 (thousands of yen)
Employees	43 (consolidated: 421)
URL	https://www.broadmedia.co.jp/

Executive Directors and Auditors (As of July 30, 2020)

CEO	Taro Hashimoto	Auditor (full-time)	Shunichi Furuya
Executive Director	Toshihito Kubo	Auditor	Kenji Kitatani
Executive Director	Takayoshi Momoi	Auditor	Jyunko Sato
Executive Director	Yasutaka Shimamura	Auditor	Misao Kume-kawa
Executive Director	Hideaki Oshio		
Director (outside)	Jun Yamada		

*Shunichi Furuya, Kenji Kitatani, Jyunko Sato, and Misao Kume-kawa are outside auditors.

Stock Information (As of May 31, 2020)

Number of shares authorized	128,000,000 shares
Number of shares issued*	79,147,323 shares
Number of shareholders	15,835

* The total number of shares issued includes treasury stock (1,157,427 shares).

Distribution of Shareholders (As of May 31, 2020)

	Number of shares held (thousands)	Shareholding ratio (%)
Individuals and others*	64,485	81.47
Japanese securities companies	4,741	5.99
Overseas institutions	6,203	7.84
Other Japanese institutions	2,616	3.31
Japanese financial institutions	1,102	1.39

* “Individuals and others” includes treasury stock.

Shareholders' Memo (As of July 31, 2020)

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
Transfer agent and administration institution for special accounts	Sumitomo Mitsui Trust Bank, Limited 1-4-1, Marunouchi, Chiyoda-ku, Tokyo
Postal address / Telephone enquiry line	Stock Transfer Agency Business Planning Dept. Sumitomo Mitsui Trust Bank, Limited 2-8-4, Izumi, Suginami-ku, Tokyo 168-0063 Phone: 0120-782-031 (Toll-free in Japan) Business hours: 9:00-17:00 (except weekends and holidays)
Method for public notice	Electronic public notice (posted on the Company's website) https://www.broadmedia.co.jp/ When notifications are unable to be made due to unavoidable reasons, notifications will be posted in The Nikkei.



Group companies



Fishing Vision Co., Ltd.
Established March 1998
Location Shinjuku-ku, Tokyo



Broadmedia eSports Corporation
Established February 2020
Location Minato-ku, Tokyo



Broadmedia Corporation

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

(Securities Code: 4347)



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