



Summary of Financial Results for the First Three Quarters of the Fiscal Year Ending March 31, 2022

Broadmedia Corporation

January 28, 2022

The statements contained here indicate the Company's current plans, expectations, strategies, and beliefs. Any statements that are not historical facts are forward-looking statements regarding future business performance. This document contains forecasts determined by the Company's management based on information presently available. The Company asks that you do not rely completely on these forward-looking statements because actual business results may vary materially from these statements due to various risks and uncertain factors.

Financial Summary for the First Three Quarters of FY2021

Financial Forecasts for FY2021

Result of treasury stock acquisition

Topics

[Reference Documents]

- **Business segment content and Topics**
- **Consolidation of Shares**
- **Progress in the case of damages suffered from fraud involving Fishing Vision Co., Ltd.**

Consolidated Financial Results for the First Three Quarters (April – December)



(Unit: Million yen)(Amounts are rounded down to the nearest million yen)

	FY2020 3Q	FY2021 3Q	Difference	Rate of difference	Financial Forecasts (announced on Oct. 27)	Achievement ratio
Revenue	8,058	9,170	↑ 1,112	14%	12,000	76%
Operating income	284	637	↑ 352	124%	720	89%
Ordinary income	278	686	↑ 407	146%	750	91%
Net income	14	721	↑ 707	4917%	750	96%

- ✓ Both revenue and income increased from a year earlier, making a smooth start of the fiscal year.
- ✓ Strong results were achieved thanks to a solid performance in the first half and the posting of gains on the sale of an equity method affiliate as extraordinary income in the third quarter.
- ✓ Net income increased substantially thanks to the financial impact from the extraordinary income related to above.

Consolidated Financial Results by Business Segment



(Unit: Million yen)(Amounts are rounded down to the nearest million yen)

	Revenue			Operating income		
	FY2020 3Q	FY2021 3Q	Difference	FY2020 3Q	FY2021 3Q	Difference
Education	1,647	2,001	353	380	525	144
Studio & Content	2,050	2,304	254	(128)	47	176
Broadcast	1,990	1,978	(12)	238	225	(12)
Technology	2,369	2,886	517	203	311	108
Corporate expenses				(409)	(472)	(63)
Total	8,058	9,170	1,112	284	637	352

Consolidated Financial Results by Business Segment



(Unit: Million yen)(Amounts are rounded down to the nearest million yen)

	Revenue			Operating income		
	FY2020 3Q	FY2021 3Q	Difference	FY2020 3Q	FY2021 3Q	Difference
Education	1,647	2,001	↑ 353	380	525	↑ 144
			+21%			+38%

- ✓ The number of students enrolled is a record high for the sixth consecutive year.
- ✓ The scope of business increased thanks to the opening of the Yokohama Campus and expansion of Osaka Campus, and Hakata Campus scheduled to open in April 2022.
- ✓ An increase in both revenue and income following the first half drove consolidated results.

◆ Operation of online credit-based e-learning high schools
Renaissance High School Group

◆ Japanese Language Education

Consolidated Financial Results by Business Segment



(Unit: Million yen)(Amounts are rounded down to the nearest million yen)

	Revenue			Operating income		
	FY2020 3Q	FY2021 3Q	Difference	FY2020 3Q	FY2021 3Q	Difference
Studio & Content	2,050	2,304	↗ 254	(128)	47	↗ 176
			+12%			Profitability restored

- ✓ In the production business, revenue and income significantly increased due to Japanese dubbing productions, contributing to a revenue increase and the restoration of overall segment profitability.
- ✓ In the content licensing business, sales of programs to TV stations decreased.
- ✓ Digital Media Services continued to experience weakening advertising revenue.

◆ Digital Media services

◆ Content licensing business

◆ Production business

Consolidated Financial Results by Business Segment



(Unit: Million yen)(Amounts are rounded down to the nearest million yen)

	Revenue			Operating income		
	FY2020 3Q	FY2021 3Q	Difference	FY2020 3Q	FY2021 3Q	Difference
Broadcast	1,990	1,978	➡ (12)	238	225	➡ (12)
			(1%)			(5%)

- ✓ Subscription revenue continues to decline.
- ✓ Revenue from sponsors which fell sharply in the previous year recovered thanks to the resumption of the production of new programs that had been suspended due to the COVID-19 pandemic.
- ✓ Revenue increased for Fishing Vision VOD which had begun operating in the previous year.

◆ *"Fishing Vision"*,
a channel dedicated to fishing programs

◆ *"Fishing Vision VOD"*,
a streaming service for multiple devices

Consolidated Financial Results by Business Segment



(Unit: Million yen)(Amounts are rounded down to the nearest million yen)

	Revenue			Operating income		
	FY2020 3Q	FY2021 3Q	Difference	FY2020 3Q	FY2021 3Q	Difference
Technology	2,369	2,886	↑ 517	203	311	↑ 108
			+22%			+53%

- ✓ CDN (Akamai) services maintained good performance.
- ✓ The deficit in the cloud solution services decreased.
- ✓ Delivery services (digital cinema services) remained sluggish.
- ✓ From the second quarter, System Design Development Co., Ltd. joined the consolidated group.

◆ CDN services ◆ Cloud solution services ◆ Digital cinema services ◆ Network sales
 ◆ Hospitality network ◆ System development ◆ Other solution services

Consolidated Financial Results by Business Segment



(Unit: Million yen)(Amounts are rounded down to the nearest million yen)

Operating income			
	FY2020 3Q	FY2021 3Q	Difference
Corporate expenses	(409)	(472)	(63)
			16% cost increase

- ✓ Temporary expenses were incurred for security measures and company acquisition.
- ✓ A temporary adjustment of tax expenses was required for the group consolidation in the previous fiscal year.

- ◆ Operating costs for the administrative division of the Group headquarters (Broadmedia)
- ◆ Costs for supporting the entire Group (improving productivity and efficiency and enhancing governance, etc.)

Consolidated Financial Position



Condition of assets, liabilities, and net assets

(Unit: Million yen)(Amounts are rounded down to the nearest million yen)

	FY2020	FY2021 3Q	Difference	Rate of difference
Total assets	6,994	8,370	1,375	20%
Liabilities	3,287	3,971	683	21%
Net assets	3,706	4,398	692	19%
Shareholders' equity	2,748	3,272	523	19%
Stock acquisition rights for non-controlling shareholders	957	1,126	168	18%
Shareholders' equity ratio	39%	39%	—	—

Total assets

While program accounts decreased, cash and deposit and accounts receivable increased.

Liabilities

Advances received decreased, while loans and deposits received increased.

Net assets

Net assets increased due to the posting of net income despite the acquisition of treasury stock.

Consolidated Financial Position



Condition of Cash flow	FY2020 3Q	FY2021 3Q
Operating cash flow	(456)	675
Investing cash flow	(140)	48
Financing cash flow	(357)	48
Changes in cash and cash equivalents	(961)	777
Year-end balance of cash and cash equivalents	2,413	4,202

(Unit: Million yen)(Amounts are rounded down to the nearest million yen)

Note: The table above does not reflect the effects of the exchange rate change on cash and cash equivalents.

Operating cash flow

Increased 675 million yen due to an increase in accounts receivable, earnings before tax of 1,103 million yen posted, an increase in deposits received, and other factors.

Investing cash flow

Increased 48 million yen mainly due to the transfer of an equity method affiliate, despite the acquisition of assets associated with the expansion of sites for the education business and shares of subsidiaries.

Financing cash flow

Increased 48 million yen with the issuance of bonds and new short-term loans despite the repayment of lease obligations and loans and acquisition of treasury shares.

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Consolidated Financial Forecasts



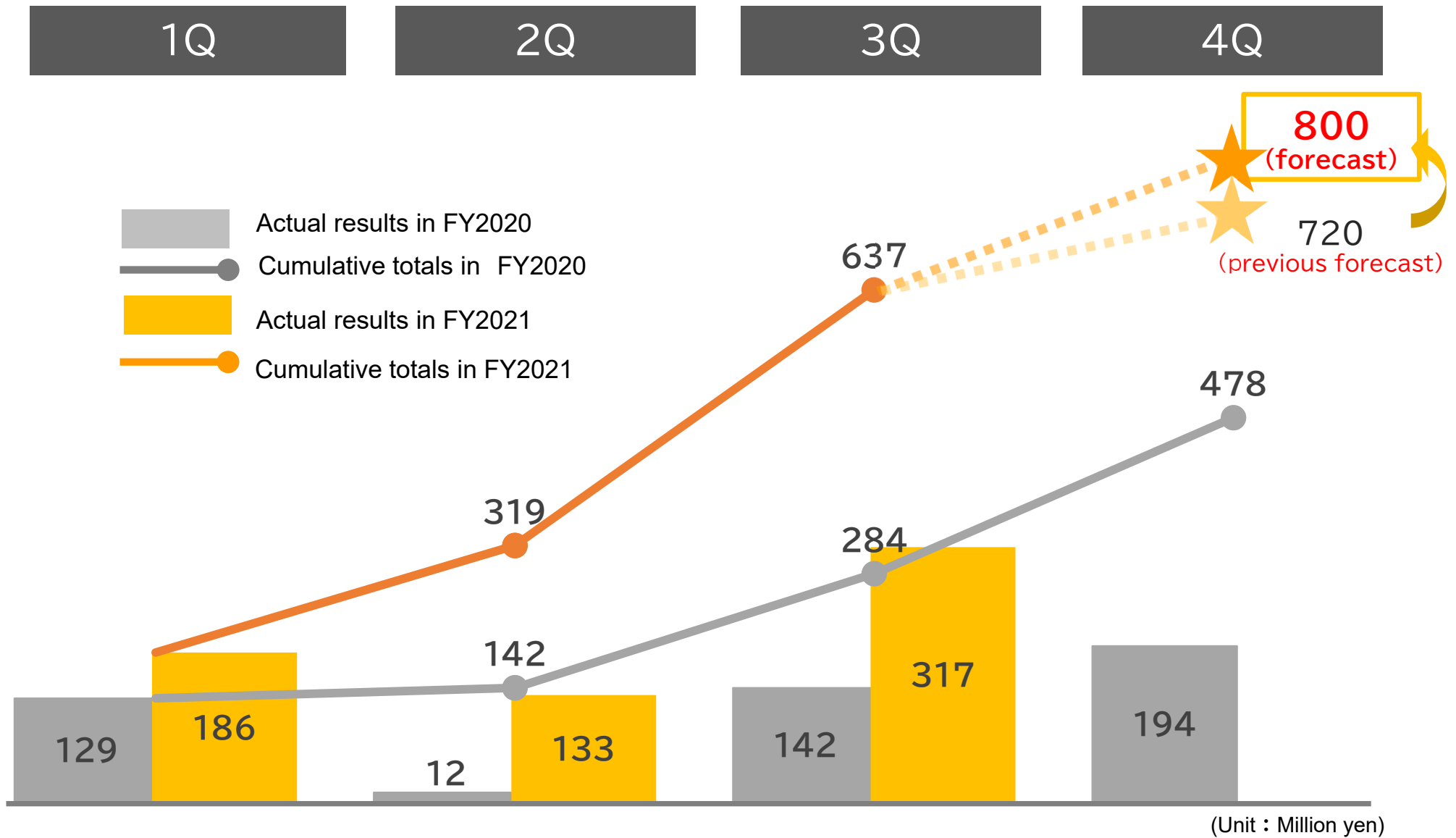
(Unit: Million yen)(Amounts are rounded down to the nearest million yen)

	Previously forecast (announced on Oct.27)	Revised forecast (announced on Jan.28)	Difference	Rate of difference	Ref; FY2020 Results
Revenue	12,000	12,000	—	—	10,991
Operating income	720	800	↗ 80	11%	478
Ordinary income	750	850	↗ 100	13%	476
Net income	750	850	↗ 100	13%	151

- ✓ Revenue was obtained as assumed, so the previous forecast was not changed.
- ✓ Operating income, ordinary income and net income were revised upward, reflecting the strong results in the first nine months of the year.

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Changes in Operating Income (YoY)

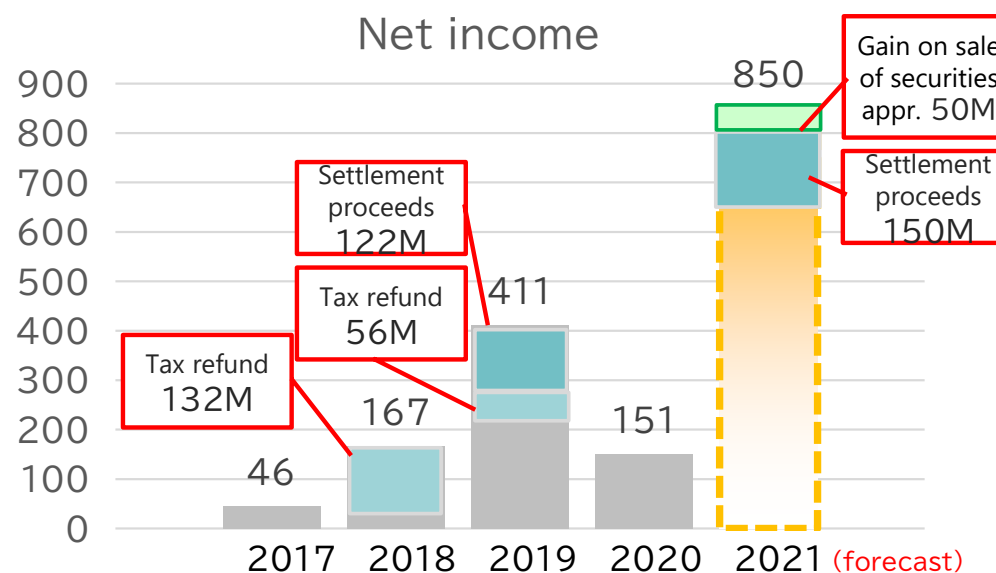
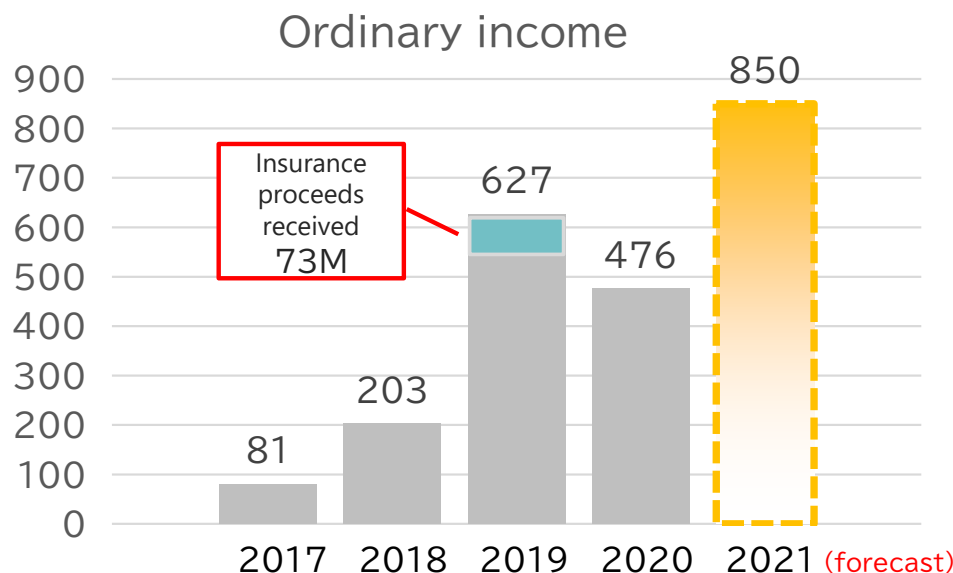
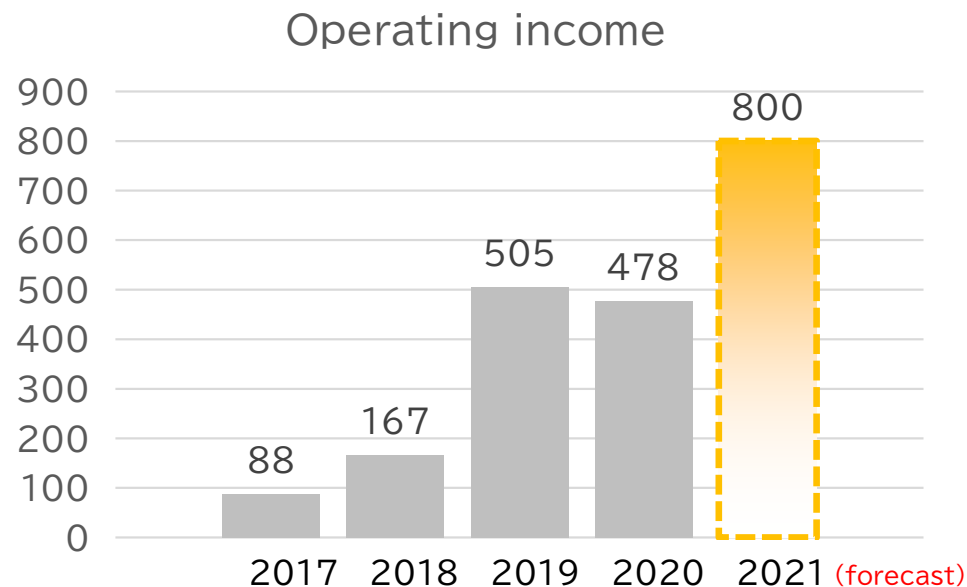
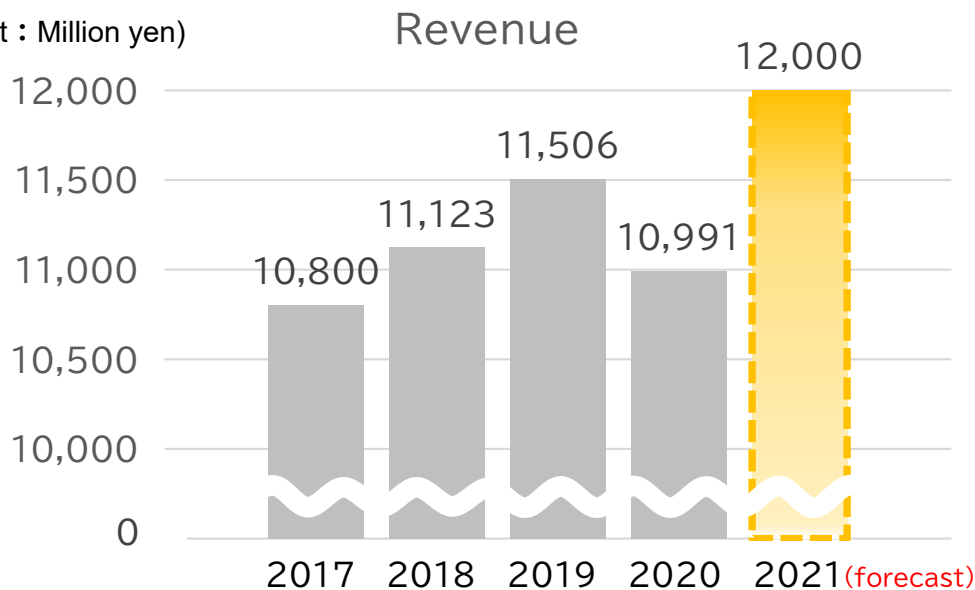


Operating income increased sharply in the third quarter as in the first half. Operating income will continue to rise steadily in the fourth quarter (January - March).

Changes in Operating Income and Financial Forecasts



(Unit : Million yen)



Revenue and income at each level are expected to be the highest in the past five years.

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At a Board of Directors' meeting held on October 27, the Company passed a resolution for acquiring treasury stock.

[Total purchase price and number of shares to be acquired: up to 250 million yen and 300,000 shares.]

■ Acquisition result

Type of shares to be acquired	common shares of the Company
Total number of acquirable shares	299,500 share (progress ratio: 99.8%)
Total share acquisition value	249,997,600 yen (progress ratio: 99.9%)
Acquisition period	from November 1, 2021, to January 26, 2022 (Contract basis)

【reference】 as of January 27, 2022

Number of issued shares (excluding treasury stock)	7,369,159 shares
Number of treasury stock	545,573 shares

Shareholders Return



Our firm recognizes that one crucial issue for its management is simultaneously securing competitiveness in our business lines and returning profits to our shareholders.

⇒ We will acquire treasury stock to return profit and execute an agile capital policy.

The Company will continue to proactively examine shareholder returns, considering the need to balance it with investments necessary for growth.

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Topics (Education)



ルネサンス高等学校グループ



Broadmedia

The Hakata Campus will open in April 2022.
The campus is the fifth location in Japan to provide
an eSports program.



Each campus is fully equipped with leading-edge gaming equipment and provides original eSports program classes that have been producing players who have excelled at national competitions.

Efforts will continue to be made to increase the number of locations, going forward.

Topics (eSports)



Held three online eSports competitions, in which ordinary people were able to participate regardless of skill level, in collaboration with Optage Inc.



Vol1; held on Dec. 11, 2021



Vol2; held on Jan. 15, 2022

Vol3; to be held soon, 2022

<https://eonet.jp/event/esports2020/index.html?cid=eo200002>

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Topics (Technology, cloud solution)



The G-cluster technology has been provided to Tsumiki Seisaku for the cloud-based delivery of digital twins* to facilitate DX in the company's development of towns.



* Digital twins
A range of elements such as things that exist in real space, as well as the condition of spaces copied or reproduced in digital spaces, such as virtual spaces available in computers and networks like twins



Efforts will be made to promote the utilization of cloud-based delivery technologies for game engines in the non-gaming area as well as VR, AR and the metaverse.

Introduction of new Fishing Vision programs for 2022



"Junretsu Fish 2"

First broadcast: January 9

The part 2 of the fishing program in which Yujiro Shirakawa, the lead vocal of the Junretsu Japanese song vocal group with four members, appears as a regular. The program features Yujiro in a straightforward way as he enjoys fishing, his lifetime hobby.



"Fierce fishing competition 2022 - Yomiuri Giants professional baseball players"

First broadcast: February 20

"Fierce fishing competition 2022 - professional baseball legends"

First broadcast: March 20

Viewers will watch professional baseball superstars enjoy fishing. The memorable part 1 features Yomiuri Giants' star players engaging in a fishing battle in the Tokyo Bay on a group-by-group basis. In the part 2, professional baseball legends, three fishing-freak ex-star pitchers, Daisuke Matsuzaka, Kyuji Fujikawa and Shigekazu Mori, discuss the appeal of fishing while also exchanging their views on the baseball.

Programs are available 24 hours on the Fishing Vision VOD !

Thank you for your attention.



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Consolidated Financial Results by Business Segment



Breakdown of revenue by income type

upper row: revenue(Unit:Million yen)(Amounts are rounded down to the nearest million yen)

lower row: Composition ratio

	Total	Breakdown of income by stock/flow		Breakdown of revenue from original products/others	
		Stock	Flow	Original products	Products other than original products
Education	2,001	2,001 100%	0 0%	2,001 100%	— —
Studio & Content	2,304	354 15%	1,950 85%	1,711 74%	593 26%
Broadcast	1,978	1,607 81%	370 19%	1,978 100%	— —
Technology	2,886	2,348 81%	537 19%	630 22%	2,255 78%
Total	9,170	6,311 69%	2,859 31%	6,321 69%	2,849 31%

- ✓ Revenue from Education and Broadcast mainly consists of stock income with a high continuity.
- ✓ Revenue from Studio & Content mainly came from flow income that fluctuates considerably over the short term.
- ✓ Income from Technology centered on products other than original products.

Activity Report for CYCLOPS



Cyclops has won the right to participate in the Six Invitational 2022, a tournament to decide the world's number 1 team in the Rainbow Six Siege.



BlackRay



Anitun



SuzuC



gatorada



Ayagator



Fuji3

The world's top-ranking 16 teams and 4 teams representing respective regions will participate. Cyclops was chosen to represent the Asia-Pacific region for the second straight year.

Consolidation of Shares



consolidate shares at a ratio of 10 to 1
(Effective date: October 1, 2021)

Adjusted to “between 50,000 yen and 500,000 yen,” the investment unit level considered desirable in the TSE Securities Listing Regulations.

Note: on the basis of the numbers of shares held by shareholders recorded in the list of shareholders as of September 30, 2021.

To Shareholders Holding Odd-Lot Shares,

You may ask us to purchase your odd-lot shares.
Please contact your securities companies or our shareholder registry administrator.

Progress in the case of damages suffered from fraud involving Fishing Vision Co., Ltd.



Civil procedure

(remedy through a claim for damages, etc.)

=> Settled a damage suit against a former executive by reconciliation.

A settlement of 350 million yen was paid by the insurance company under a directors and officers liability insurance policy.

Criminal procedure (ongoing)

=> A complaint was accepted by the police.

Fishing Vision will continue to cooperate in the investigations.

Our Mission



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

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



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