



Summary of Financial Results for the Fiscal Year Ended March 31, 2022

Broadmedia Corporation

April 27, 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.

Summary of Financial Results for FY2021

Financial Forecasts for FY2022

Shareholder Return

Restricted Stock Compensation Plan for Directors

[Reference Documents]

- Business Segment Content**
- Topics**

Consolidated Financial Results for FY2021

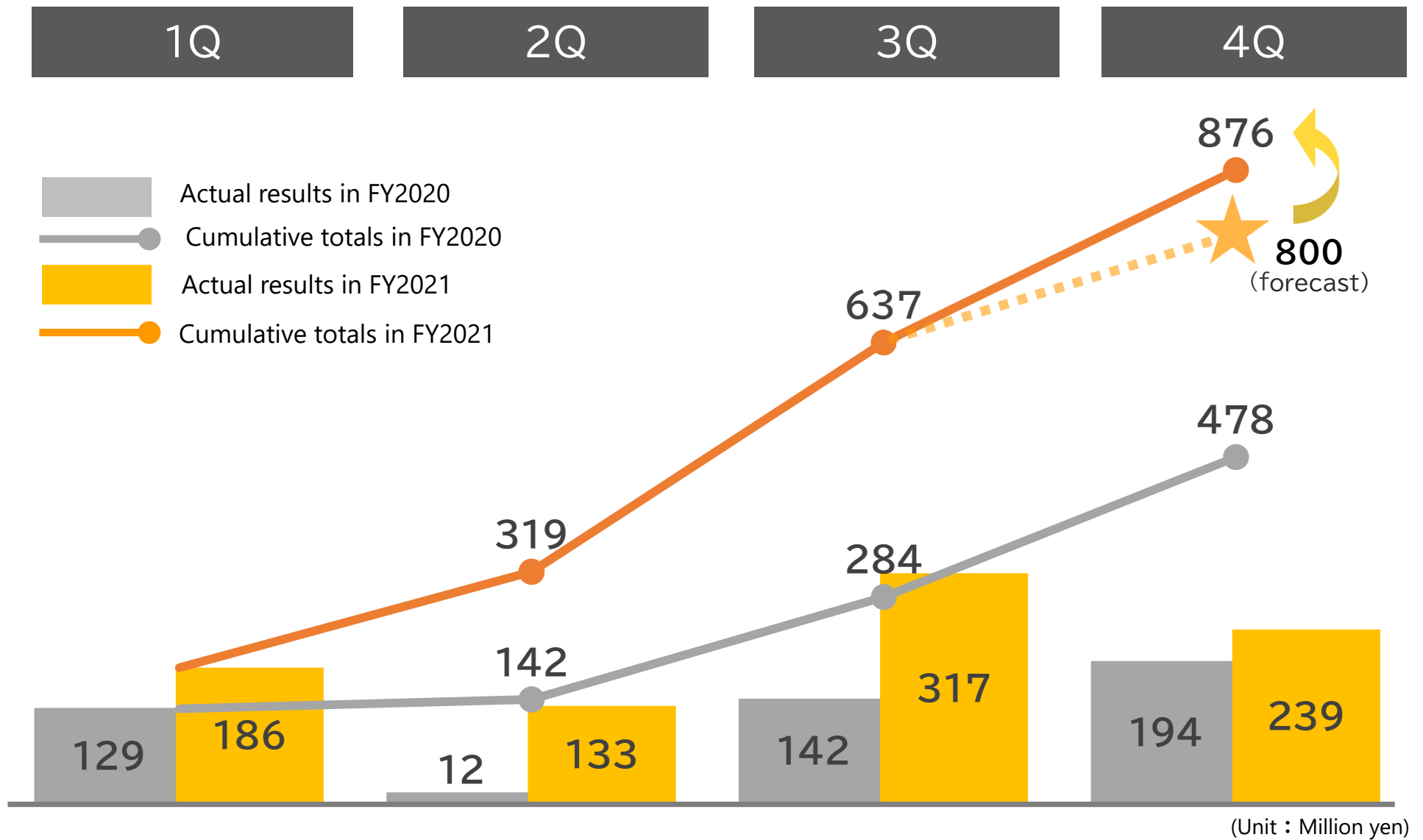


(Unit: Million yen)(Amounts are rounded down to the nearest million yen)

	FY2020	FY2021	Difference	Rate of difference	Financial Forecasts (announced on Jan. 28)	Achievement ratio
Revenue	10,991	12,339	↑ 1,348	+12%	12,000	103%
Operating income	478	876	↑ 398	+83%	800	110%
Ordinary income	476	935	↑ 458	+96%	850	110%
Net income	151	1,011	↑ 859	+569%	850	119%

- ✓ Both revenue and income increased compared to the previous year.
- ✓ Extraordinary income was posted in relation to a settlement payment for a lawsuit involving compensation for damages for Fishing Vision and gains on the sale of an equity method affiliate.
- ✓ Net income increased significantly because deferred tax assets were posted in the fourth quarter.
- ✓ Revenue and all income levels topped the full-year forecast.

Changes in Operating Income (year over year)



The results in each quarter exceeded those in the previous fiscal year.

Consolidated Financial Results by Business Segment



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

	Revenue			Operating income		
	FY2020	FY2021	Difference	FY2020	FY2021	Difference
Education	2,297	2,784	486	596	786	190
Studio & Content	2,729	3,008	278	(156)	48	204
Broadcast	2,681	2,641	(39)	319	283	(36)
Technology	3,282	3,906	623	304	441	137
Corporate expenses				(585)	(682)	(97)
Total	10,991	12,339	1,348	478	876	398

Consolidated Financial Results by Business Segment



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

	Revenue			Operating income		
	FY2020	FY2021	Difference	FY2020	FY2021	Difference
Education	2,297	2,784	↑ 486	596	786	↑ 190
			+21%			+32%

- ✓ The number of students enrolled was a record high for the sixth consecutive year.
- ✓ The increase is thanks to the opening of the Yokohama Campus and expanded scope of business of Osaka Campus, and Hakata Campus and Namba eSport Campus opened in April.

◆ 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	FY2021	Difference	FY2020	FY2021	Difference
Studio & Content	2,729	3,008	↑ 278	(156)	48	↑ 204
			+10%			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	FY2021	Difference	FY2020	FY2021	Difference
Broadcast	2,681	2,641	→ (39)	319	283	↘ (36)
			(1%)			(11%)

- ✓ Subscription revenue declined.
- ✓ Revenue from sponsors and event sales, which declined due to COVID-19 pandemic in the previous fiscal year, recovered thanks to the resumed program productions and events.
- ✓ 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	FY2021	Difference	FY2020	FY2021	Difference
Technology	3,282	3,906	623	304	441	137
			+19%			+45%

- ✓ CDN (Akamai) services maintained good performance.
- ✓ The deficit in the cloud solution services decreased.
- ✓ Digital cinema services remained sluggish.
- ✓ From the second quarter, System Design Development Co., Ltd. joined the consolidated group, and contributed to the increase in revenue and operating income in the technology segment.

◆ 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	FY2021	Difference
Corporate expenses	(585)	(682)	↘ (97)
			17% 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 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	2,784	2,784 100%	0 0%	2,784 100%	— —
Studio & Content	3,008	467 16%	2,540 84%	2,202 73%	805 27%
Broadcast	2,641	2,132 81%	508 19%	2,641 100%	— —
Technology	3,906	3,214 82%	691 18%	856 22%	3,049 78%
Total	12,339	8,598 70%	3,741 30%	8,484 69%	3,855 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.

Consolidated Financial Position



Condition of assets, liabilities, and net assets

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

	FY2020	FY2021	Difference	Rate of difference
Total assets	6,994	8,940	1,945	+28%
Liabilities	3,287	4,329	1,041	+32%
Net assets	3,706	4,610	904	+24%
Shareholders' equity	2,748	3,466	718	+26%
Stock acquisition rights for non-controlling shareholders	957	1,143	185	+19%
Shareholders' equity ratio	39%	39%	—	—

Total assets

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

Liabilities

While lease obligations decreased, loans payable and advances 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	FY2021
Operating cash flow	558	1,934
Investing cash flow	(136)	42
Financing cash flow	(432)	(118)
Changes in cash and cash equivalents	(6)	1,876
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	—	56 *2
Year-end balance of cash and cash equivalents	3,368	5,301

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

Note: *1 The table above does not reflect the effects of the exchange rate change on cash and cash equivalents.

*2 Increase due to new consolidation of System Design Development Co., Ltd.

Operating cash flow

Increased 1,934 million yen mainly due to increased advances received and decreased inventory as well as income before income taxes of 1,311 million yen posted.

Investing cash flow

Increased 42 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

Decreased 118 million yen due to the repayment of lease obligations and loans payable and the acquisition of treasury shares which could not be offset by revenue from corporate bond issuance and short-term borrowings.

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Consolidated Financial Forecasts



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

	FY2020 actual results	FY2021 Full-year forecasts	Difference	Rate of difference
Revenue	12,339	13,600	↑ 1,261	+10%
Operating income	876	1,000	↑ 124	+14%
Ordinary income	935	1,050	↑ 115	+12%
Net income	1,011	1,050	↑ 39	+4%

- ✓ Revenue is expected to increase in all segments.
- ✓ Operating income will increase, led by growth in Education and Technology.
- ✓ Net income is expected to rise due to the expected posting of deferred tax assets in FY2022 as in the previous fiscal year.
- ✓ Broadmedia eSports Corporation will become a consolidated subsidiary from FY2022.

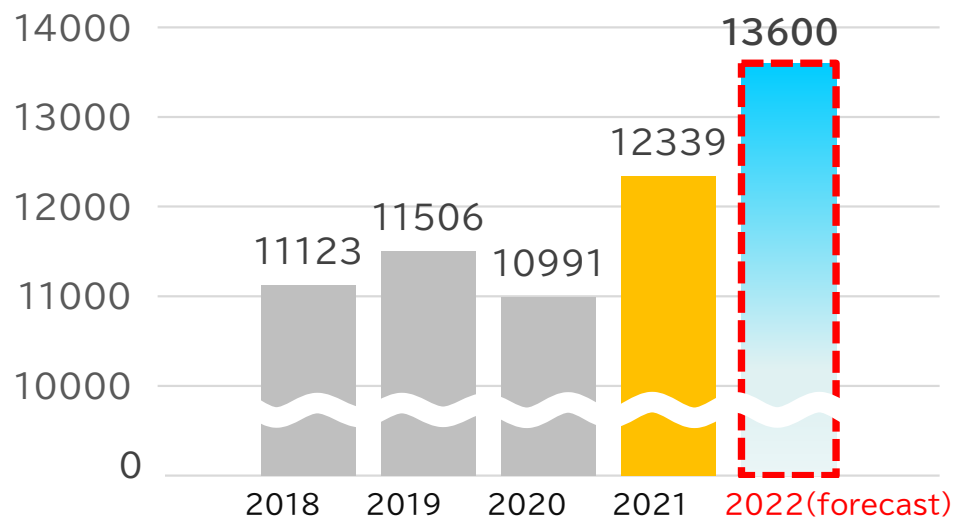
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Full-year earnings trends and forecasts

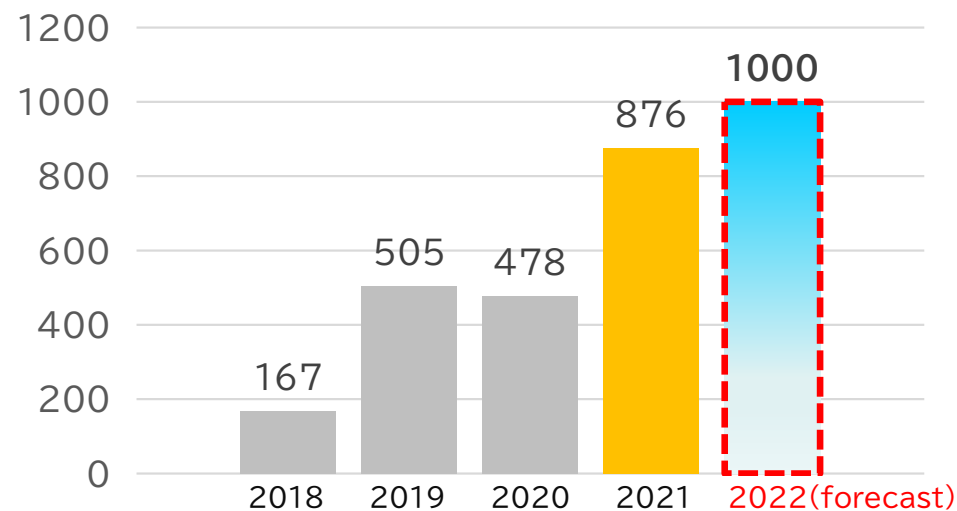


(Unit : Million yen)

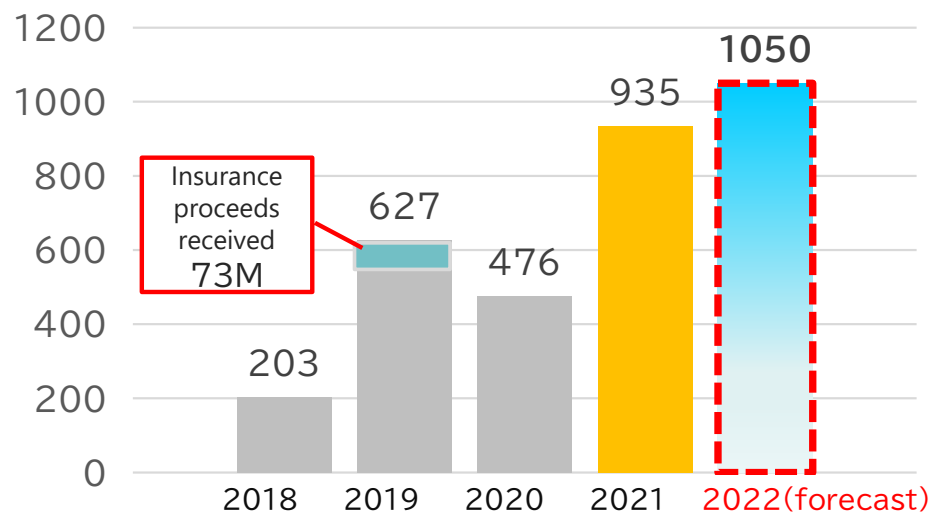
Revenue



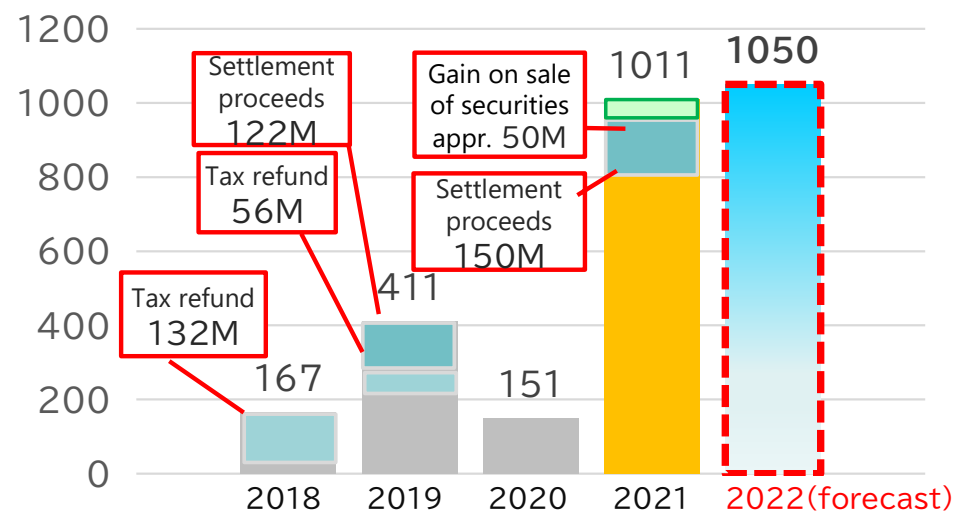
Operating income



Ordinary income



Net income



The Company aims to increase revenue and income through sustainable growth in each business.

Medium-to-Long-Term Initiatives

The Broadmedia Group will grow with sustainable and ethical businesses.



(1) Accelerate incubation (business development) within the range of increased revenue and income

1. eSports business (Education + Subsidiary BM eSports + Technology)

- ✓ Pursue digital education that allows freedom with fewer restrictions
- ✓ Aim to become a leading eSports business operator by focusing on Education (eSports course) and CYCLPOS (professional team)

2. Japanese language education business (Education + Studio & Content + Technology)

- ✓ Develop online education and high-quality unique teaching materials
- ✓ Examine an entry into the online direct education market targeting Japanese language learners
- ✓ Aim to receive orders for large-scale online Japanese language education from major companies
- ✓ Japanese language education in the Renaissance High School Group, etc.

(2) Aim for further exponential growth mainly in the fields of Education and Technology, while bringing M&A into view

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Shareholder Return



- ✓ Dividends resumed for the first time in nine years. A year-end dividend of 25 yen per share (payout ratio: 18.8%) will be paid.
- ✓ To be submitted to the Ordinary General Meeting of Shareholders scheduled in June 2022
- ✓ Total return ratio including acquisition of treasury shares (250 million yen) is 42.9%.

	Annual Dividends (per share)	Total Dividend	Payout ratio
FY 2020 (results)	0.00yen	—	—
FY 2021	25.00yen	184Million yen	18.8%
FY 2022 (planned)	30.00yen	220Million yen	21.0%

- ✓ Dividends for the next fiscal year are expected to be 30 yen per share (payout ratio: 21.0%).

Shareholder 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 continue to provide shareholder returns, considering the need to balance it with investments necessary for growth.

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Restricted Stock Compensation Plan for Directors



- ✓ Looked at introducing a restricted stock compensation plan for the purpose of enhancing incentives for continued improvement of corporate value and to promote value sharing with shareholders.
- ✓ Change the officers' remuneration system, which is now limited to monetary compensation up to 200 million yen, to a system where the remuneration is provided as monetary compensation and stock compensation up to 200 million yen in total.

To be submitted to the Ordinary General Meeting of Shareholders scheduled in June 2022

(The details of the change will be determined and announced later.)

Thank you for your attention.



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The Hakata Campus and The Namba eSports Campus opened in April 2022.



As the number of applicants for eSports course increased, two new campuses were established, and now there are six campuses throughout Japan.

Providing eSports classes unique to the Renaissance High School Group

Holding a video creator event at the Renaissance High School Amika Club from April 2022



Through the contact with Amika-san of the popular YouTube channel unit Four Eight 48 and those who are actively working as video creators, students can learn the fascination of planning, shooting and editing videos.

Responding to the students' willingness to try what they want

Topics (Education)



ルネサンス高校グループ



April 2022

Adopted Roblox, a gaming platform with more than 200 million users worldwide, for classes in the eSports course



This is image.

Through Roblox Programming Class of Educational Design Co., Ltd., the students learn programming thinking and develop their ability to find issues, think logically, and think rationally.

Roblox is a trademark or registered trademark of Roblox Corporation in the United States.
As of April 2022: It has begun to be provided at Renaissance Osaka High School and Renaissance Toyota High School.

March 2022

The 3-in-1 projector with integrated lighting, Pop-in Aladdin released Crank In! Video app



Be blown away watching Crank In! videos on a massive screen!

April 2022

Fishing Vision VOD is now compatible with Amazon Fire TV and Android TV.



釣りビジョン VOD TV対応 スタート!

7,000本以上の釣り動画が見放題

FireTVStick等、100名様にプレゼントが当たる!

「TVで観ようキャンペーン」開催期間 | 2022年4月28日(木)~6月17日(金)

14日間無料お試し

A beautiful fishing video with a you-are-there feeling seen on a large TV screen
Aim to increase the number of viewers by improving user-friendliness

February 10, 2022

Started distribution of the cloud game app, I am an Air Traffic Controller 4 Sendai



This is the seventh entry in the popular air traffic control puzzle game, I am an Air Traffic Controller 4 series.

We'll continue to create and provide services utilizing the features of Cloud Gaming Technology.

Our Mission



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

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



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