



Broadmedia

Business report
For the FY2021
(April 1, 2021 to March 31, 2022)

BROADEN THE BORDERS OF MEDIA

Broadmedia Corporation
(Securities Code: 4347)

Top Management Interview

We aim to grow with sustainable and ethical businesses.

Taro Hashimoto, CEO



How was the performance of FY2021?

In FY2021, revenue and income both increased over the previous fiscal year. Net income, in particular, rose 6.7 fold, a substantial year-on-year increase.

Performance by segment saw continued strength in "Education" and "Technology," which drove results throughout the year.

(Unit: millions of yen)

	FY2020	FY2021	Difference	Rate of difference
Revenue	10,991	12,339	↗ 1,348	+12%
Operating Income	478	876	↗ 398	+83%
Ordinary Income	476	935	↗ 458	+96%
Net Income	151	1,011	↗ 859	+569%



A full-year performance forecast for FY2022 also shows increases in revenue and income.

We anticipate revenue to increase across all segments, and project that growth in "Education" and "Technology" will drive overall results. Although we will no longer have the one-time extraordinary income that arose from the settlement of a FY2021 lawsuit and gain on sale of securities, etc. (approximately 200 million yen), we predict net income to rise slightly in FY2022 on expectations that we will again record deferred tax

assets, as we did in FY2021.

Broadmedia eSports Corporation, which manages a professional eSports team and was previously a non-consolidated subsidiary, will be brought within the scope of consolidation due to its prospects for future growth and the increased importance of strategic initiatives.

(Unit: millions of yen; announcement on April 27, 2022)

	FY2021 results	FY2022 full-year forecast	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%



Please tell us about your mid- to long-term initiatives.

The Broadmedia Group is committed to "growing with sustainable and ethical businesses" as a key theme. The initiatives that we are currently undertaking are as follows.

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 few restrictions
- Aim to become a leading eSports business operator by focusing on Education (eSports courses) and **CYCLOPS** (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

① is the acceleration of incubation (business development). Specifically, we are carrying out two initiatives.

The first is the eSports business, with eSports courses provided by the Renaissance High School Group in the "Education" segment, and cultivation of CYCLOPS athlete gaming, the professional eSports team of subsidiary Broadmedia eSports Corporation. The eSports courses offer a highly effective education and aim to educate not only professional athletes but also a wide variety of professionals with digital skills. In addition, professional eSports teams are positioned as a starting point for the growth of eSports as an industry. The Group aims to become a cutting-edge business operator based on these two eSports businesses.

The second is cultivation of the Japanese language education business. Of course, English language education is important, but I believe that it is Japanese language education for non-Japanese people that will meet the social demands of our country and play a role in the future internationalization of our society. Japan will increasingly need to enlist the help of people from other countries, especially Asia, in order to solve the widespread labor shortage. We aim to grow our Japanese language education business by further honing the long-cultivated methods we use to teach the Japanese language.

We will accelerate incubation (business development) in both the eSports and Japanese language education businesses to the extent that both increase revenue and income.

② is an initiative that aims to achieve significant growth in primarily "Education" and "Technology," fields of high originality. For areas not currently handled by the Group, we will also consider M&A to achieve growth.

Q Please discuss the return of profits to shareholders.

As resolved at the 26th Ordinary General Meeting of Shareholders, we will pay a year-end dividend of 25 yen per share for FY2021. This marks a resumption in the payment of dividends after a nine-year hiatus. Total dividends to be paid amount to 184 million yen, and the dividend ratio is 18.8%. Separately, since the Company has acquired treasury stock totaling 250 million yen in FY2021, the total return ratio, including dividends, will be 42.9%. In addition, we expect both revenue and income to increase in the next fiscal year (FY2022), and are planning a dividend of 30 yen for the next fiscal year.

We will continue to return profits to shareholders while maintaining a balance with investment funds (retained earnings) for growth.

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

Q Please tell us about the introduction of a restricted stock compensation plan (RS) for Directors.

The General Meeting of Shareholders also approved the introduction of RS for Directors (excluding Outside Directors) as an incentive to sustainably increase corporate value and to promote value sharing with shareholders. While the Company had provided exclusively monetary compensation to officers of up to 200 million yen, we changed to a system of compensation that combines both monetary and stock compensation within that current limit of 200 million yen. We are committed to management that is more conscious than ever of improving corporate value over the medium to long term.

Q Do you have a message for your shareholders?

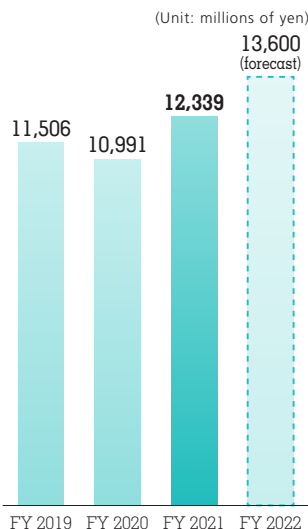
The Company is endeavoring for "growth with sustainable and ethical businesses." The Renaissance High School Group's operations in the "Education" segment fall under this category, but it is nothing less than putting into effect our mission (purpose) that "we contribute to communities through quality content and services produced by human creativity."

To realize "growth with sustainable and ethical businesses," it will be necessary to make investments and nurture the human resources suitable to bringing about such a future. Together with thoroughly strengthening governance and educating on compliance, I would like to see even greater investments and efforts made to develop our workforce.

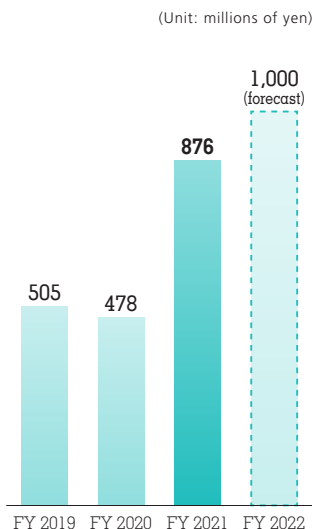
I would be most grateful to our shareholders for their continuing support.

Financial Highlights for FY2021

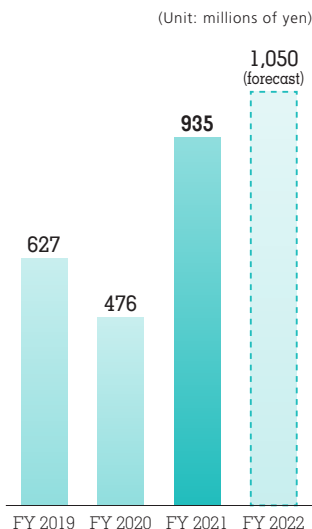
Revenue



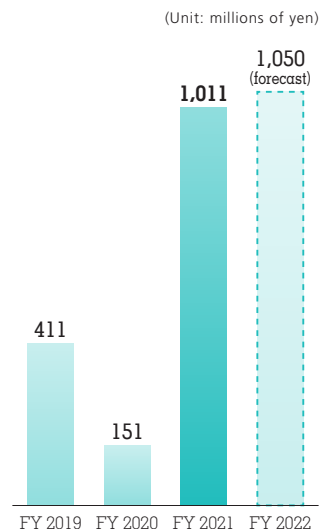
Operating income



Ordinary income

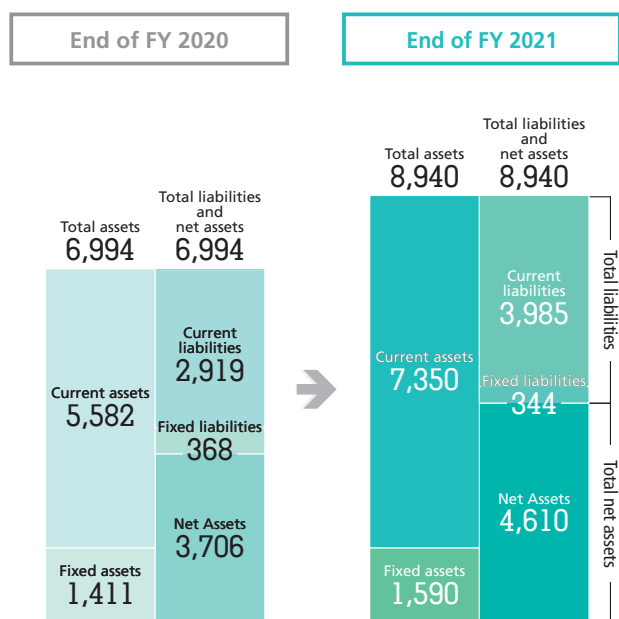


Net income attributable to owners of parent



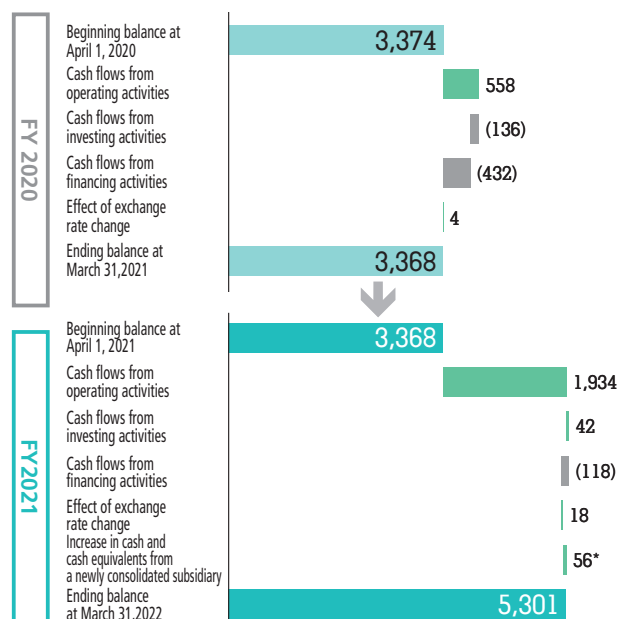
Financial Position

(Unit: millions of yen)



Cash Flows

(Unit: millions of yen)



*Increase on account of System Design Development Co., Ltd. newly entering the scope of consolidation.

Introduction to the Corporate Website

The site is updated as needed with the latest news, press releases and investor information.

It also provides video presentations of quarterly financial results. Please take advantage of the fact that you can also view the site on a smartphone or tablet.



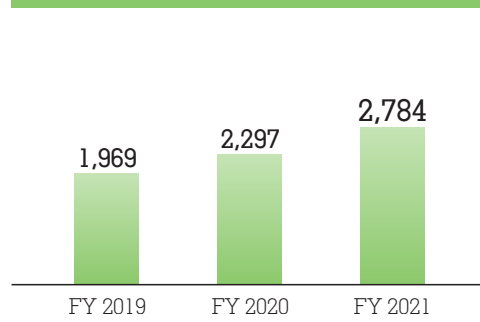
<https://www.broadmedia.co.jp/>

Education

Revenue **2,784** million yen
(up 21.2% YOY)

Operating income **786** million yen
(Operating income of 596 million yen in the previous fiscal year)

Revenue Trend (Unit: millions of yen)



Business and Service

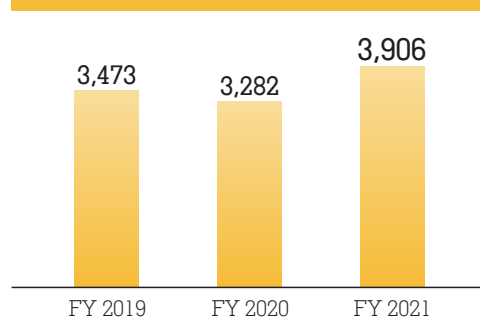
- ▶ Online high school (Renaissance High School Group)
- ▶ Japanese language education

Technology

Revenue **3,906** million yen
(up 19.0 YOY)

Operating income **441** million yen
(Operating income of 304 million yen in the previous fiscal year)

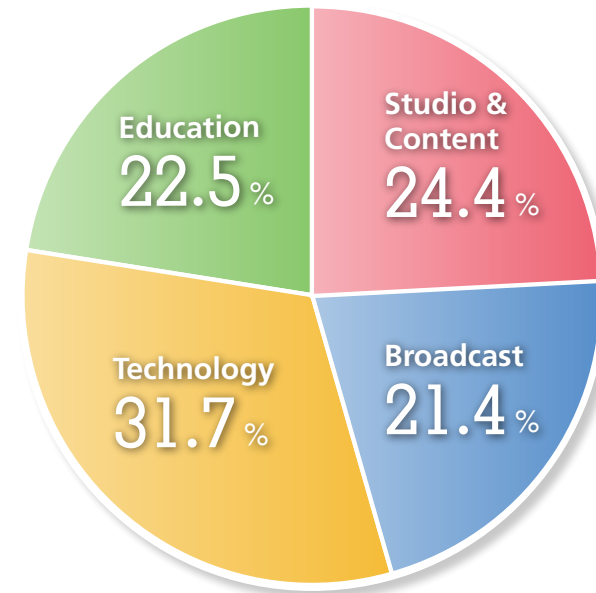
Revenue Trend (Unit: millions of yen)



Business and Service

- ▶ CDN (Akamai) services
- ▶ Cloud solutions
- ▶ Digital cinema services
- ▶ Hospitality network service
- ▶ Network sales
- ▶ System development
- ▶ Other solution services

Total Revenue **12,339** million yen

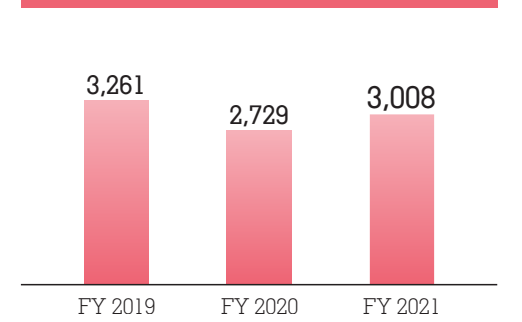


Studio & Content

Revenue **3,008** million yen
(up 10.2% YOY)

Operating income **48** million yen
(Operating loss of 156 million yen in the previous fiscal year)

Revenue Trend (Unit: millions of yen)



Business and Service

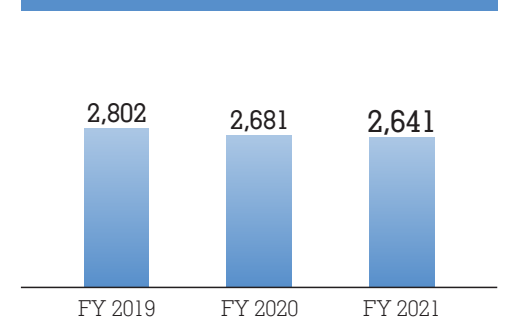
- ▶ Digital media services
- ▶ Content sales business
- ▶ Production business

Broadcast

Revenue **2,641** million yen
(down 1.5% YOY)

Operating income **283** million yen
(Operating income of 319 million yen in the previous fiscal year)

Revenue Trend (Unit: millions of yen)



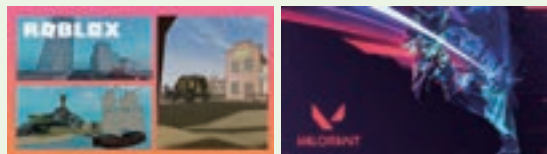
Business and Service

- ▶ Fishing channel (Fishing Vision)
- ▶ Fishing Vision VOD

TOPICS Renaissance High School Group grows presence to Hakata and Namba, further expanding eSports course curriculum!

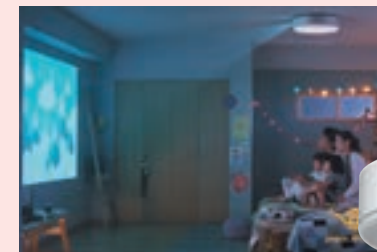
Renaissance High School Group, which offers studies online, in April 2022 newly opened its "Hakata Campus" and "Namba eSports Campus" in Fukuoka and Osaka, respectively. Also, in collaboration with Educational Design Co., Ltd., Renaissance High School Group has led the way in introducing a "Roblox programming class," based on educational materials for the Roblox gaming platform, which is already in use in the educational space in Europe and the United States, to its eSports courses in Fukuoka, Osaka and Nagoya. Furthermore, upon permission from Riot Games, Inc., Renaissance High School Group has commenced its "VALORANT Course," an original educational material formatted on "VALORANT," a tactical shooter game that is extremely popular among high school students.

We will continue to expand the range of learning for current students and strengthen our system to support them in realizing their post-graduation dreams.



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TOPICS Launch of "Crank In! Video" app with 3-in-1 projector "popIn Aladdin"



We've commenced offering an app for "Crank In! Video" which enables viewing of our video distribution service of the same name, for "popIn Aladdin," the world's first 3-in-1 projector available from popIn Inc.

Installing the Crank In! Video app will give viewers the ability to enjoy the latest popular movies and animation on an awe-inspiring big screen while using their Crank In! points for a great value.



TOPICS Putting cloud gaming technology "G-cluster" to use to address DX initiatives

In recent years, an increasing amount of attention has been focused on DX initiatives in manufacturing, construction, and other non-entertainment domains. In collaboration with Tsumiki Seisaku Co., Ltd., the Company has combined its G-cluster technology that enables high-quality streaming to various devices, together with that company's exceptional CG production technology. In so doing, it has become possible to offer customers even easier-to-use and high-quality solutions. Last year, we used a browser-based cloud streaming service to provide full CG throughout the "Yukari-ga-oka" area which was developed by Yamaman Co., Ltd. With an eye toward the upcoming post-pandemic era, we will make further inroads into offering services in the non-entertainment domain.



TOPICS "Fishing Vision VOD" compatibility with Amazon Fire TV and Android TV

Fishing Vision Co., Ltd. has made its "Fishing Vision VOD," an unlimited access streaming service of over 7,000 fishing videos, compatible with Amazon Fire TV and Android TV.

It's now possible to enjoy watching "Fishing Vision VOD" videos on a large-screen TV using an Amazon Fire TV stick or an Android-equipped TV. We have also released full HD, high-definition version videos for viewing beautiful, immersive big-screen TV images.



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://user.crank-in.net/shareholder>

Shareholders eligible for our shareholder incentive system will receive a notice to that effect enclosed within this package (called “Guidance on Shareholder Incentives”). Please refer to that notice for more details.

Eligible shareholders

All shareholders registered or recorded as holding 100 shares (1 units) or more in the Company’s shareholders’ register as of March 31, 2022.

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

		Shareholding duration	
		Less than 1 year	1 year or more *1
Number of shares held	100 to 499 shares	2,000 points	2,500 points
	500 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 100 shares or more, or 500 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.

*3. On October 1, 2021, we executed a 10-for-1 reverse stock split.

Company Profile / Information on Shares / Shareholders’ Memo (As of March 31, 2022)

Company Profile

Company Name	Broadmedia Corporation
Established	September 5, 1996
Paid-in Capital	600,000 (thousands of yen)
Employees	370 (consolidated: 487)

Executive Directors and Auditors (As of June 24, 2022)

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

Stock Information

Number of shares authorized	30,000,000 shares
Number of shares issued*	7,914,732 shares
Number of shareholders	13,240

* The total number of shares issued includes treasury stock (549,943 shares).

Distribution of Shareholders

	Number of shares held (thousands)	Shareholding ratio (%)
Individuals and others*	6,298	79.59
Japanese securities companies	321	4.06
Overseas institutions	988	12.49
Other Japanese institutions	227	2.88
Japanese financial institutions	77	0.98

* “Individuals and others” includes 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 Standard Market*
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 weekend 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.

*Effective April 4, 2022, the market classification was changed to “Tokyo Stock Exchange Standard Market.”

Group companies



Fishing Vision Co., Ltd.
<https://www.fishing-v.jp/>
Established March 1998
Location Shinjuku-ku, Tokyo



Broadmedia eSports Corporation
<https://www.broadmediaesports.co.jp/>
Established February 2020
Location Minato-ku, Tokyo



System Design Development Co., Ltd.
<https://www.sddgrp.co.jp/>
Established August 1985
Location Sapporo-shi, Hokkaido



Broadmedia Corporation
(Securities Code: 4347)

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

