



# **Summary of Financial Results for the First Half of the Fiscal Year Ending March 31, 2023**

**Broadmedia Corporation**

**October 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 Half of FY2022**

## **Shareholder Return**

## **Topics**

### **[Reference Documents]**

- **Consolidated Financial Results by Business Segment  
Breakdown of revenue by income type**

# Consolidated Financial Results for the First Half (April – September)



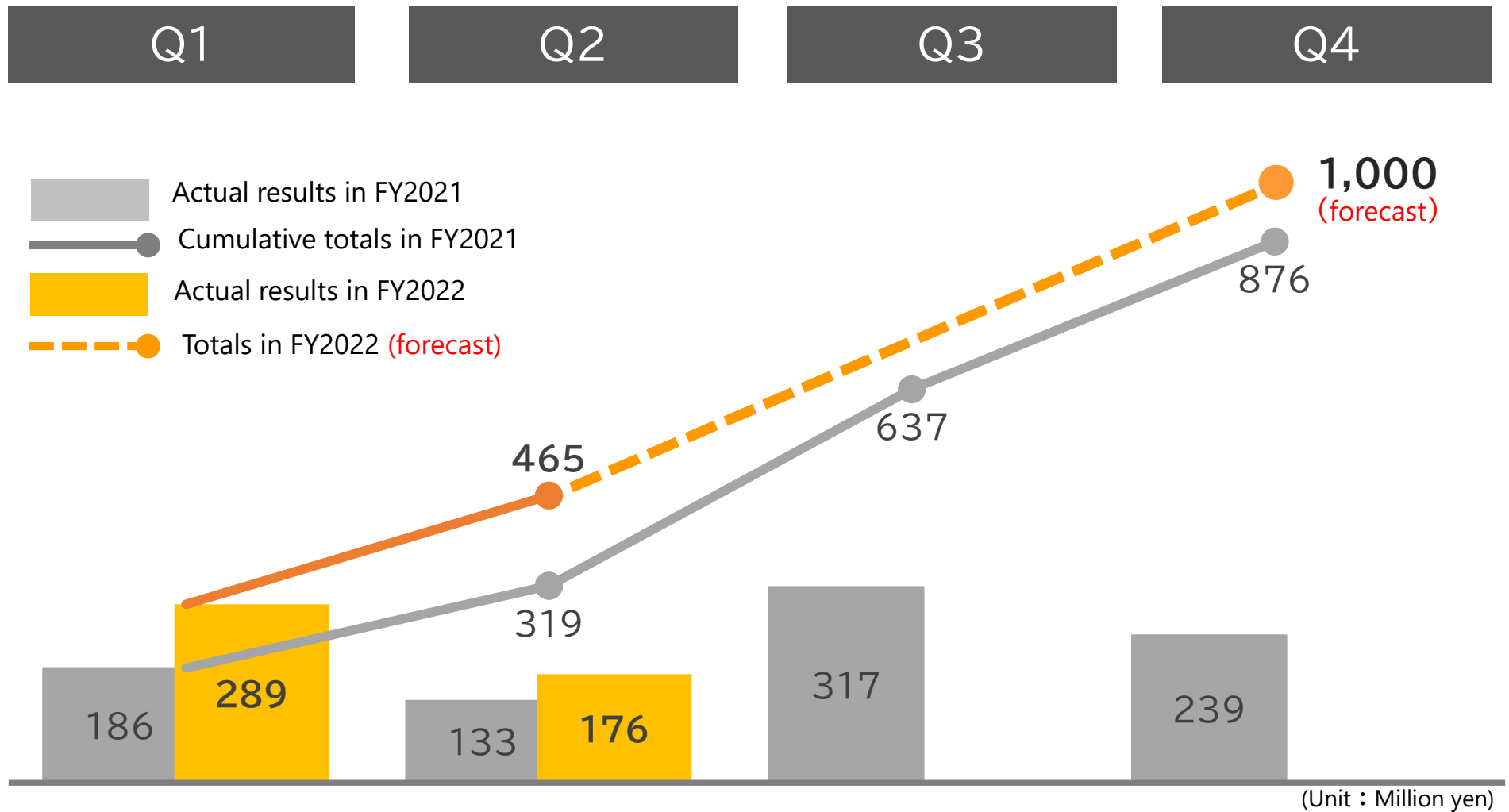
(Unit: Million yen)(Amounts are rounded down to the nearest million yen)

	FY2021 1H	FY2022 1H	Difference	Rate of difference	Financial Forecasts (announced on Apr. 27)	Achievement ratio
Revenue	5,967	6,323	356	+6%	13,600	46%
Operating income	319	465	146	+46%	1,000	47%
Ordinary income	355	503	147	+42%	1,050	48%
Net income	413	326	(86)	(21%)	1,050	31%

- ✓ Revenue increased from a year earlier.
- ✓ Both operating income and ordinary income increased significantly.
- ✓ Net income decreased with the posting of a loss (110 million yen) on withdrawal from the foreign movie theatrical distribution business in Studio & Content.

In the same period of the previous year, the result was affected by the settlement money (150 million yen) received by Fishing Vision Co., Ltd. in a damages suit.

# Changes in Operating Income (year over year)



Operating income continued to increase year on year in the second quarter, making generally steady progress towards the full-year forecast.

# Consolidated Financial Forecasts



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

	FY2021 1H	FY2022 1H	Difference	Rate of difference	Financial Forecasts (announced on Apr. 27)	Achievement ratio
Revenue	5,967	6,323	356	+6%	13,600	46%
Operating income	319	465	146	+46%	1,000	47%
Ordinary income	355	503	147	+42%	1,050	48%
Net income	413	326	(86)	(21%)	1,050	31%

- ✓ Full-year forecasts remain unchanged
- ✓ Net income is expected to absorb the impact of extraordinary losses through the accumulation of deferred tax assets.
- ✓ The dividend forecast (30 yen per share) also remains unchanged.

# Consolidated Financial Results by Business Segment



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

	Revenue			Operating income		
	FY2021 1H	FY2022 1H	Difference	FY2021 1H	FY2022 1H	Difference
Education	1,306	1,667	↗ 360	324	498	↗ 174
Studio & Content	1,455	1,324	↘ (131)	(7)	(61)	↘ (53)
Broadcast	1,288	1,248	↘ (39)	131	115	↘ (16)
Technology	1,719	2,005	↗ 286	160	226	↗ 65
Others	197	77	↘ ※2	30	(17)	↘ ※2
Corporate expenses				(319)	(295)	↗ 24
<b>Total</b>	<b>5,967</b>	<b>6,323</b>	<b>↗ 356</b>	<b>319</b>	<b>465</b>	<b>↗ 146</b>

\*1 From Q1 of FY2022, the Others segment was established and a portion of the Technology segment was reclassified into the Others segment. Therefore, the results for Q2 of FY2021 are shown after being reclassified under the new segment.

\*2 Difference in the Others segment is not mentioned due to lack of continuity of business subject to comparison.

# Consolidated Financial Results by Business Segment



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

	Revenue			Operating income		
	FY2021 1H	FY2022 1H	Difference	FY2021 1H	FY2022 1H	Difference
Education	1,306	1,667	↑ 360	324	498	↑ 174
			+28%			+54%

- ✓ The number of new students reached a record high in seven consecutive periods, resulting in growth in both revenue and income.
- ✓ Launched in April 2021, the Yokohama Campus helped increase new students.
- ✓ The Hakata Campus and the Namba eSports Campus were established in April 2022.  
More campuses will be opened to expand operations.
- ✓ Progress is made in the preparation for new businesses in Japanese language education.

◆ 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		
	FY2021 1H	FY2022 1H	Difference	FY2021 1H	FY2022 1H	Difference
Studio & Content	1,455	1,324	↓ (131)	(7)	(61)	↓ (53)
			(9%)			loss increased

- ✓ In the production business, both revenue and income grew thanks to an increase in orders received from large VOD business operators.
- ✓ In digital media services, the loss increased due to a decline in advertising revenue.
- ✓ In the content licensing business, a deficit increased due to heavy burden of the amortization of past works in the theatrical distribution of foreign movies and a decrease in Movie & TV Licensing to TV stations.

◆ 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		
	FY2021 1H	FY2022 1H	Difference	FY2021 1H	FY2022 1H	Difference
Studio & Content	1,455	1,324	↓ (131)	(7)	(61)	↓ (53)
			(9%)			loss increased

[Business withdrawal (foreign movie theatrical distribution business)]

- ✓ The performance of the foreign movie theatrical distribution business remained sluggish and a future recovery was deemed unlikely; thus the decision to withdraw from the business was made.
- ✓ Devaluation of inventories (rights to works purchased in the past) was posted as an extraordinary loss on business withdrawal (110 million yen).
- ✓ The amount of amortization is expected to decrease in and after the second half of the fiscal year under review due to the posting of the extraordinary loss.

◆ 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		
	FY2021 1H	FY2022 1H	Difference	FY2021 1H	FY2022 1H	Difference
Broadcast	1,288	1,248	→ (39)	131	115	→ (16)
			(3%)			(12%)

- ✓ Revenue dropped slightly. While revenue from sponsors and "Fishing Vision Club (VOD)" sales expanded, the downward trend of subscription fee revenue continued.
- ✓ Operating income decreased due to an increase in production cost and SG&A expenses despite the reduction in satellite usage fees for broadcasting.

◆ "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		
	FY2021 1H	FY2022 1H	Difference	FY2021 1H	FY2022 1H	Difference
Technology	1,719	2,005	↑ 286	160	226	↑ 65
			+17%			+41%

- ✓ CDN (Akamai) services maintained good performance.
- ✓ In cloud solution services, sales of game apps and orders received for development contracted.
- ✓ From Q2 of the previous year, System Design Development Co., Ltd. joined the consolidated group, and contributed to the increase in revenue and operating income in the technology segment.

\*1 From Q1 of FY2022, the Others segment was established and a portion of the Technology segment was reclassified into the Others segment.

\*2 The results for Q2 of FY2021 are shown after being reclassified under the new segment.

- ◆ Akamai (CDN) services
- ◆ Cloud solution services
- ◆ Digital cinema services
- ◆ 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)

	Revenue			Operating income		
	FY2021 1H	FY2022 1H	Difference	FY2021 1H	FY2022 1H	Difference
Others	197	77	—	30	(17)	—

- ✓ The figures for Q1 of FY2021 represent the results of network sales only.
- ✓ In network sales, sales of broadband lines plunged due to the suspension of activities for acquiring new customers.
- ✓ From this quarter, Broadmedia eSports Corporation joined the consolidated group.

The business (income from prize money, distribution, sponsorship, etc.) is still in its early stage and posted a deficit.

- \*1 From Q1 of FY2022, the Others segment was established and a portion of the Technology segment was reclassified into the Others segment.
- \*2 The results for Q2 of FY2021 are shown after being reclassified under the new segment.
- \*3 Difference in the Others segment is not mentioned due to lack of continuity of business subject to comparison.


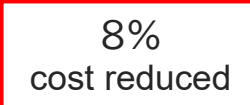
◆ Promotion of professional eSports

◆ Network sales

# Consolidated Financial Results by Business Segment



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

Operating income			
	FY2021 1H	FY2022 1H	Difference
Corporate expenses	(319)	(295)	 24
			 8% cost reduced

- ✓ Expenses dropped because temporary expenses for company acquisition and for additional security measures were not incurred, although they had been in the same period in the preceding 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)

	FY2021	FY2022 1H	Difference	Rate of difference
Total assets	8,940	8,663	(276)	(3%)
Liabilities	4,329	3,920	(408)	(9%)
Net assets	4,610	4,742	132	+3%
Shareholders' equity	3,466	3,615	148	+4%
Stock acquisition rights for non-controlling shareholders	1,143	1,127	(16)	(1%)
Shareholders' equity ratio	39%	42%	—	—

### Total assets

While accounts receivable and prepaid expenses increased, cash and deposits and program accounts decreased.

### Liabilities

While deposits received increased, advances received and accrued taxes payable decreased.

### Net assets

Net assets increased due to the posting of net income despite dividends paid.

# Consolidated Financial Position



## Condition of Cash flow

	FY2021 1H	FY2022 1H
Operating cash flow	330	(311)
Investing cash flow	(237)	(134)
Financing cash flow	349	(324)
Changes in cash and cash equivalents	443	(746)
Year-end balance of cash and cash equivalents	3,868	4,572

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

The table above does not reflect the effect of changes in exchange rates on cash and cash equivalents and an increase due to the addition of Broadmedia eSports Corporation to consolidation.

### Operating cash flow

Cash outflow of 311 million yen due to a decrease in payable and advances received and an increase in trade receivables, despite the posting of 391 million yen as profit before income taxes and an increase in deposits received.

### Investing cash flow

Decreased 134 million yen, resulting mainly from asset acquisition for expansion of sites in the high school correspondence course business.

### Financing cash flow

Decreased 324 million yen mainly for reasons of dividend payment and the repayment of lease liabilities, and redemption of corporate bonds.

# Financial Summary for the First Half of FY2022

## Shareholder Return

### Topics

#### [Reference Documents]

- **Consolidated Financial Results by Business Segment**  
**Breakdown of revenue by income type**



# Shareholder Return



The midterm dividend for FY2022 will not be paid as planned at the beginning of the fiscal year.

The year-end dividend for FY2022 is planned to be 30 yen per share.

	Dividends per Share		Consolidated Payout ratio
	Midterm Dividend	Year-End Dividend	
FY2022 (planned)	0.00 yen	30.00 yen	21.1%
FY2021 (results)	0.00 yen	25.00 yen	18.8%

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

# Financial Summary for the First Half of FY2022

## Shareholder Return

### Topics

#### [Reference Documents]

- **Consolidated Financial Results by Business Segment**  
**Breakdown of revenue by income type**

# Restricted Stock Compensation Plan

Payment for the disposal of treasury stock has been completed as restricted stock compensation.

(For details, please refer to the disclosure document dated on July 22, 2022.)

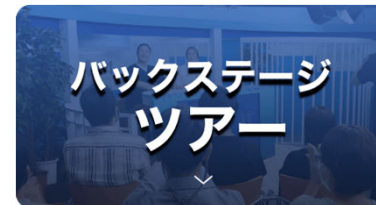
## ■ for Directors

Date of the disposal	August 22, 2022
Class and number of shares to be disposed of	Common stock of the Company 16,200 shares
Disposition amount	1,234 yen per share
Total disposition amount	19,990,800 yen
Planned recipients of compensation and number of shares to be disposed of	Directors of the Company 5 people 16,200 shares

## ■ for Employees

Date of the disposal	October 28, 2022
Class and number of shares to be disposed of	Common stock of the Company 44,040 shares
Disposition amount	1,234 yen per share
Total disposition amount	54,345,360 yen
Planned recipients of compensation and number of shares to be disposed of	Regular employees and contract employees of the Company 351 people 40,000 shares Regular employees and contract employees of the Company's subsidiaries 37 people 4,040 shares

## Introducing “*Fishing Vision Club*”



In addition to “Fishing Vision VOD,” we offer various benefits to enjoy fishing more.

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

## Providing G-cluster Technology to the high-resolution CG distribution service, Luxstream, an architectural space provided by Tsumiki Seisaku Co Ltd.

【TSUMIKISEISAKU | 3D Visualization】Luxstream



G-cluster Technology is provided to the cloud distribution service of CG and VR reproducing an architectural space with ever more beautiful graphics available on multiple devices as an online customer service DX tool in the construction and real estate industries.

Promoting the use of cloud-based distribution technology in digital twins (non-entertainment domain)



*"I Am an Air Traffic Controller 4 Naha"s  
very difficult stage.  
"Extend Scenario 1" is released*



ぼくは航空管制官4 那覇 Naha

**EXTEND SCENARIO.1**  
エクステンドシナリオ

ぼくシナリオライター  
**F氏からの挑戦状!**  
超高難度! 大型台風襲来!!  
ゲームステージ×2+エクストラステージ×2  
全4ステージ収録!  
君はSランクに到達できるか!?

TechnoBrain in G-cluster APP

那覇追加ステージ集  
**「エクステンドシナリオ1」登場!!**  
離島便の欠航や遅延機、F-15のスクランブル発進や緊急ミッションなど・・・  
大型台風による影響で空港は大混乱。F氏からの挑戦を見事乗り越えて、目指せSランククリア!

好評配信中

ぼくは航空管制官4  
本編  
通常価格 8,000円(税込)

ぼくは航空管制官4 那覇 エクステンドシナリオ1 通常価格 **1,600円(税込)**  
「エクステンドシナリオ1」はアプリ本編ご購入後、ご購入いただけるアプリ内課金アイテムです。単体でご購入いただくことは出来ません。

© TechnoBrain CO.,LTD.

We will continue to improve and develop our services.

# Topics

(Others; Promotion of Professional eSports)



CYCLOPS athlete gaming,  
concluded a sponsorship agreement with Mouse  
Computer Co., Ltd.



Receiving the high-performance gaming  
machine, G-Tune, and the iiyama display used  
in many eSports events and online live  
broadcasting game events

Aim for a further breakthrough in competitions using high-  
performance and reliable G-Tune.

# Topics

(Others; Promotion of Professional eSports)



Professional eSports league operated by NTT Docomo

## X-MOMENT

『 Rainbow Six Siege 』



『Rainbow Six Japan League 2022』

**2nd Place**

『 PUBG MOBILE 』



『PUBG MOBILE JAPAN LEAGUE』

SEASON2 Phase2 **3rd Place**

『 Rainbow Six Siege 』

『APAC North 2022 Stage3』 **Winner**



**Entry in Six Jönköping Major 2022**, a world competition held in Sweden, **was finalized!**

Expect great performance on the global eSports scene





## Fishing Vision Co., Ltd. supports the activities of environmental protection groups.



“What we, anglers, can do now for the future of fish and fields”

### Donations of part of viewing fees to environmental protection groups



Enoshima Fisherman's Project



JOY MARINE



Marine Sweeper

### Introduction of environmental protection activities on programs



Activities are introduced on the fishing entertainment information program, “Tsuru Weebu (Fishing Wave)” (weekly)

Promoting support for activities for the future of fish and fishing environment.

# Thank you for your attention.



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 Half of FY2022

## Shareholder Return

## Topics

### **[Reference Documents]**

- **Consolidated Financial Results by Business Segment  
Breakdown of revenue by income type**

# 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	1,667	1,667 100%	— —	1,667 100%	— —
Studio & Content	1,324	219 17%	1,104 83%	1,033 78%	290 22%
Broadcast	1,248	1,019 82%	229 18%	1,248 100%	— —
Technology	2,005	1,771 88%	234 12%	402 20%	1,602 80%
Others	77	16 21%	60 79%	66 85%	11 15%
Total	6,323	4,694 74%	1,629 26%	4,418 70%	1,905 30%

- ✓ 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.

# Our Mission



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

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



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.