

Regarding the shareholder incentive system

The deadline for eligible shareholders as of March 31, 2022, to acquire shareholder incentive points is fast approaching.

Until December 28, 2022

What you need

Please refer to the Guidance on Shareholder Incentives mailed in late June.

- 1 Shareholder number
- 2 Coupon code

Please have the above information ready in order to receive incentive points from the dedicated Shareholder Incentives website.



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

Shareholder incentive points accepted for use are valid for a period of 12 months from the day they are acquired.

クランクイン!ビデオ クランクイン!コミック



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)

Number of shares held		Shareholding duration Less	
		than 1 year	One year or more*1
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.

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.

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



Information on the system for electronic provision of materials for general meetings of shareholders

In accordance with the amendments to the Companies Act, measures to provide materials for general meetings of shareholders by electronic means have been introduced as of September 1, 2022.

For more information on the system of electronic provision of materials, please visit the website below.

<https://www.smtb.jp/personal/procedure/agency/kaisyahou>



To shareholders holding odd-lot shares

Shareholders holding odd-lot shares may request the Company to purchase them. For details of the procedure, please contact your securities broker or the shareholder registry administrator of the Company.



The Second quarter business report

Business Report

For the First Half of FY2022

(April 1, 2022 to September 30, 2022)

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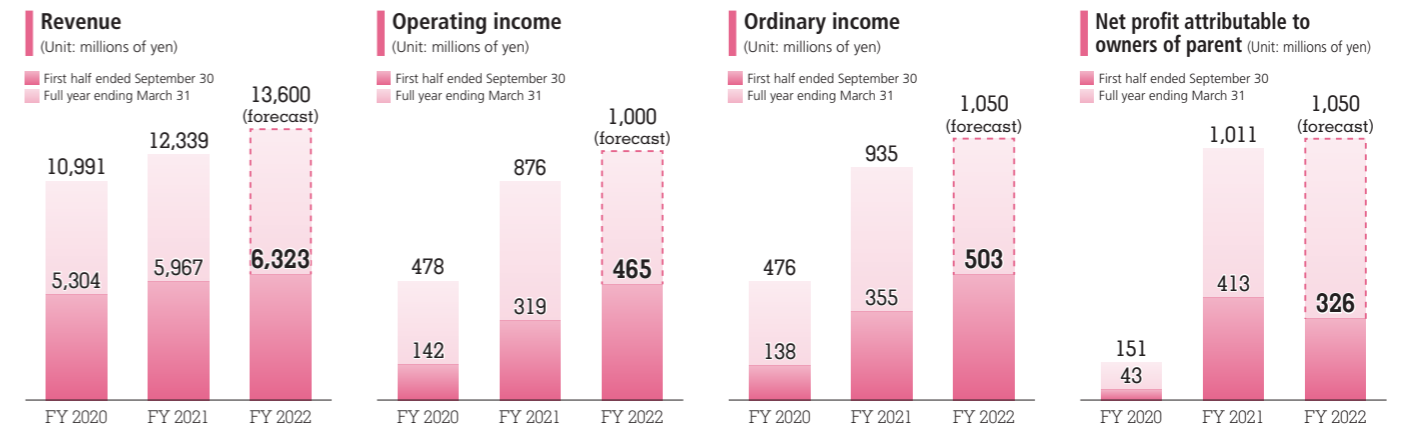
Broadmedia Corporation

(Securities Code: 4347)

Greeting

We would like to express our heartfelt gratitude to our shareholders for their continued support and understanding of the Company's business. Along with reporting on the business results for the first half of FY2022, we herein offer an explanation on the progress of management and business operations. Thank you for taking the time to read this report.

Financial Highlights for the First Half of FY2022



Company Profile / Information on Shares / Shareholders' Memo (As of September 30, 2022)

Company Profile

Company Name	Broadmedia Corporation
Established	September 5, 1996
Paid-in Capital	600,000 (thousands of yen)
Employees	386 (consolidated: 514)

Executive Directors and Auditors

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 Kumekawa
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	12,115

Distribution of Shareholders

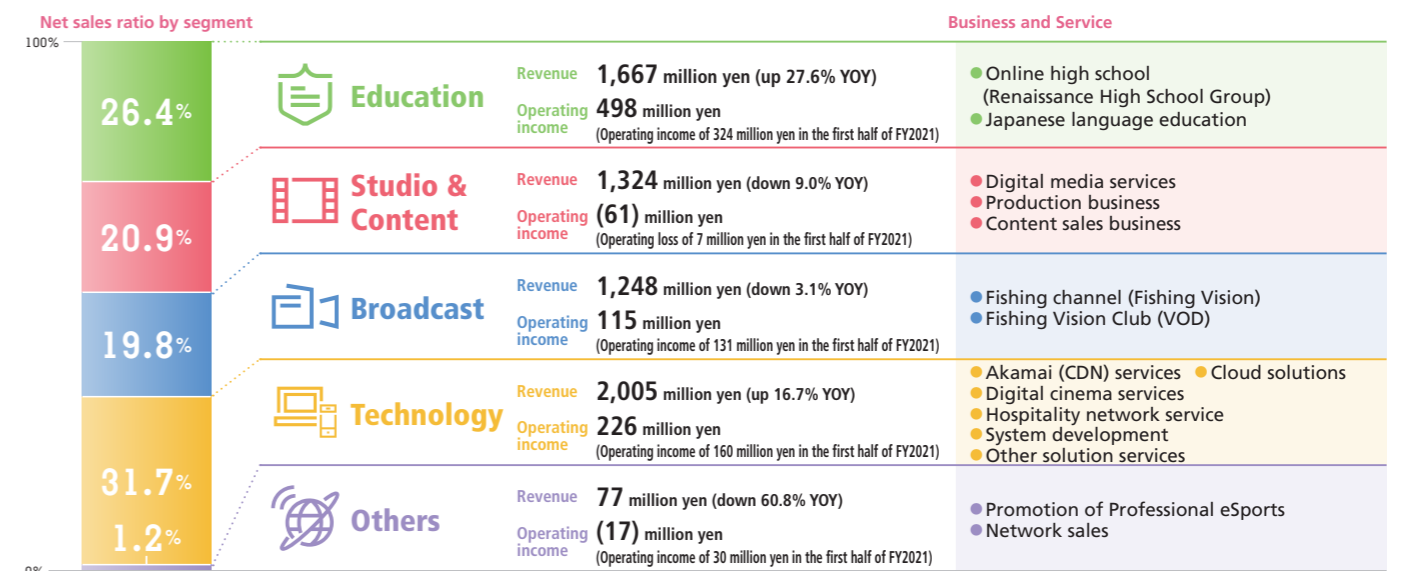
	Number of shares held (thousands)	Shareholding ratio (%)
Individuals and others*	5,733	72.44
Japanese securities companies	546	6.91
Overseas institutions	1,172	14.82
Other Japanese institutions	223	2.82
Japanese financial institutions	238	3.01

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/en/ When notifications are unable to be made due to unavoidable reasons, notifications will be posted in The Nikkei.

Financial Results by Segment

*Reporting segments have been changed from the first quarter of FY2022.





We will consider even more aggressive growth scenarios.

Taro Hashimoto, CEO

Q How was the performance of the first half of FY2022?

In the first half of the fiscal year ending March 31, 2023, revenue was up 6% year on year, operating income increased by 46%, ordinary income also increased by 42%, and net income was down 21%. Although revenue, operating income, and ordinary income held steady, net income decreased mainly due to the recording of a loss (110 million yen) related to our withdrawal from the foreign film theatrical distribution business in the "Studio & Content" segment.

Looking at our performance by segment, the "Education" and "Technology" segments drove overall performance, with a sustained increase in revenue and income.

Q What is your outlook for the full-year performance forecast?

Looking at the trends in quarterly operating income, the second quarter continued the trend of the first quarter with its increased year-on-year income, and we are generally on track toward our full-year forecast of 1.0 billion yen. Although we saw extraordinary losses in terms of net income, as mentioned above, we expect to absorb the impact of the extraordinary losses by increasing deferred tax assets against the backdrop of our strong performance.

Since our performance tends to be stronger in the second half of the year than in the first half, we have decided to leave our initial forecast at the beginning of the fiscal year unchanged.

(Unit: millions of yen) (Rounded down to the nearest million)

	The first half of FY2021	The first half of FY2022	Difference	Rate of difference	Full-year forecast (announced on April 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%

Q Please tell us about the dividends for FY2022.

No interim dividend will be paid in FY2022, and the Company will instead pay a single dividend at the end of the fiscal year, as in the previous fiscal year. As forecast, we plan to pay a dividend of 30 yen per share, an increase of 5 yen per share from the previous fiscal year.

We will continue to return profits to shareholders while maintaining a balance with investments for growth.

	Dividends per Share		Consolidated Payout Ratio
	Midterm	Year-End	
FY 2022 (forecast)	00.00 yen	30.00 yen	21.1%
FY 2021 (results)	00.00 yen	25.00 yen	18.8%

Q Please give us an update on the Company's incubation (business development) initiatives.

We are accelerating incubation (business development) in the fields of eSports and Japanese language education.

In the eSports business, the Renaissance High School Group is expanding its operations by opening a new eSports campus in Ikebukuro (scheduled for April 2023).

We are also preparing new projects in the Japanese language education business. Although the new project is officially part of the "Education" segment, it is a cross-cutting project to produce content (curriculum) and learning management systems in cooperation with the production business in the "Studio & Content" segment and System Design Development Co., Ltd. from the "Technology" segment. We will provide more details at the earliest opportunity.

Q Please tell us about the changes in your business portfolio.

Broadmedia eSports Corporation, the operating entity of the professional eSports team Cyclops athlete gaming, became a consolidated subsidiary from this fiscal year. Although the company is still in the process of starting up and is small in scale, it was consolidated in consideration of its future potential. On the other hand, following the suspension of new acquisitions in network sales this fiscal year, we withdrew from the foreign film theatrical distribution business, as reported.

We continually review our businesses from a sustainability perspective, and suspend or withdraw from businesses that have completed their missions. Regarding the personnel involved, we are reassigning them to other business units to the furthest extent possible, absorbing the expertise and other assets they had cultivated until now.

I believe that our business portfolio will continue to change in response to shifting circumstances. We integrated our management through the One Broadmedia initiative the year before last. This has not only strengthened our governance and compliance, but also enhanced our ability to respond to such changes in the environment.

Q Do you have a message for your shareholders?

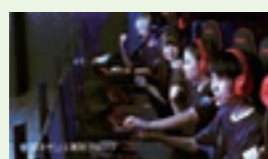
With your support, we were able to achieve strong performance in this second quarter. We plan to build on this performance over the course of the full fiscal year and pay a higher year-end dividend than in the previous fiscal year.

Our performance has been good, but there is still room for growth. We are therefore increasing our cash on hand so that we can make the required investments to accelerate this growth. From this point on, we will consider more aggressive growth scenarios in addition to our incubation (business development) initiatives. Our primary fields of focus will be "Education," "Technology," and related fields that offer opportunities for synergy. We will also further enhance the collaboration between segments.

Going forward, we will continue to strive for growth with sustainable and ethical businesses to enhance our corporate value. I would be most grateful to our shareholders for their continuing support.

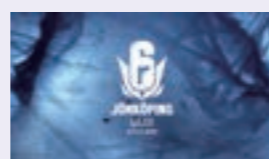
TOPICS Renaissance High School Group opens its Ikebukuro Campus in Ikebukuro, Tokyo, hallowed ground for pop culture!

Renaissance High School Group will open its new Ikebukuro Campus in April 2023. The flagship campus will offer eSports courses as the seventh Renaissance High School Group location in Japan and one of the Group's largest campuses in the Greater Tokyo Area. With Ikebukuro as our new home, we will strengthen our system to support students in realizing their dreams by providing original eSports courses in typical Renaissance High School fashion in a classroom equipped with a state-of-the-art gaming environment.

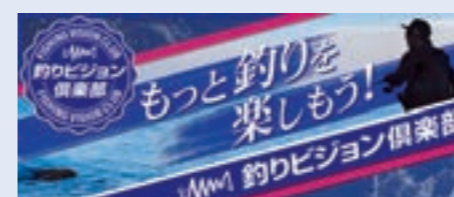


TOPICS CYCLOPS takes first place at the APAC North Division 2022 Stage 3 international Rainbow Six Siege games!

CYCLOPS athlete gaming, a professional eSports team managed by Broadmedia eSports Corporation, took first place in the international games for the FPS game *Rainbow Six Siege*, thereby qualifying for the world championships. They have also performed well in X-Moment, one of the largest professional eSports leagues in Japan. We look forward to their continued success in the future.



TOPICS "Fishing Vision VOD" renewed as Fishing Vision Club with special offers to enjoy fishing more!



Fishing Vision Co., Ltd.'s video distribution service specializing in fishing called "Fishing Vision VOD" was renewed and renamed the Fishing Vision Club in August 2022 with a variety of benefits for anglers to enjoy. The monthly fee remains the same, but benefits such as the offering of original goods, a backstage tour, and premium fishing experience have been added.

In addition, in October, we started an initiative to donate a portion of the viewing fees to organizations engaged in environmental conservation to support their activities. We have also begun incorporating their activities in our informational programs. We will continue to leverage our characteristics as one of the fishing media to support the future of the environment for fish and fishing.

