



Summary of Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2024

Broadmedia Corporation

July 28, 2023

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 Q1 FY2023

Shareholder Return

[Reference Documents]

- **Restricted Stock Compensation for Directors**
- **Sustainability (Human Capital) Initiatives**
- **Topics**

Consolidated Financial Results for the First Quarter (April – June)

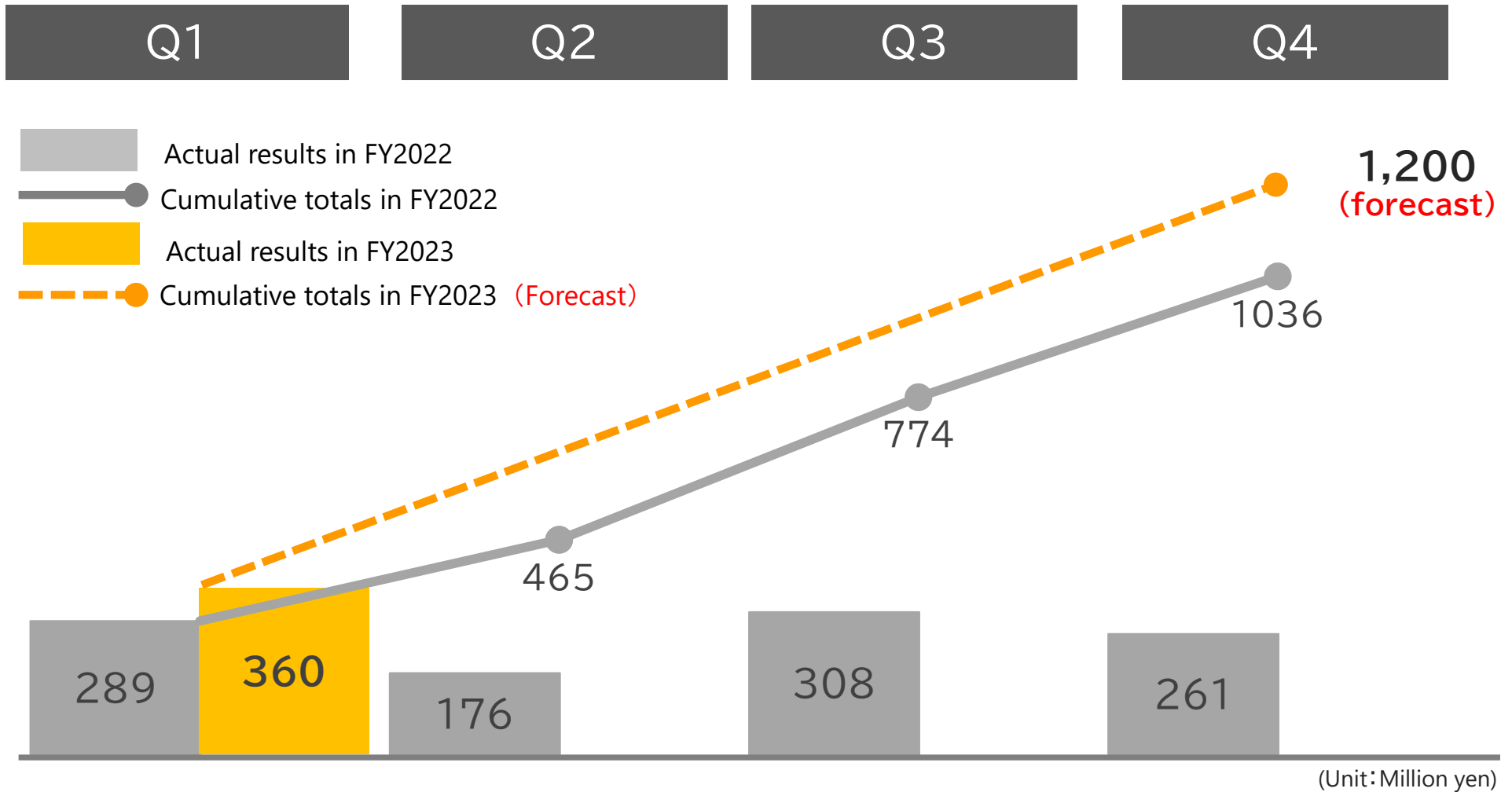


(Unit: Million yen)(Amounts are rounded down to the nearest million yen)

	FY2022 Q1	FY2023 Q1	Difference	Rate of difference	Financial Forecasts (announced on May 9)	Achievement ratio
Revenue	3,203	3,556	↗ 353	+11%	14,300	25%
Operating income	289	360	↗ 70	+24%	1,200	30%
Ordinary income	314	394	↗ 79	+25%	1,200	33%
Net income	272	278	↗ 6	+2%	1,000	28%

- ✓ Revenue and income increased from a year earlier.
- ✓ Full-year forecasts remain unchanged.

Changes in Operating Income (year over year)



The Group made a good start in the first quarter.

Consolidated Financial Results by Business Segment



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

	Revenue			Operating income		
	FY2022 Q1	FY2023 Q1	Difference	FY2022 Q1	FY2023 Q1	Difference
Education	960	1,289	↗ 328	318	475	↗ 156
Media Content	177	161	↘ (15)	(69)	(41)	↗ 27
Studio & Production	407	384	↘ (22)	16	0	↘ (17)
Broadcast	634	579	↘ (55)	78	17	↘ (60)
Technology	989	1,101	↗ 111	108	112	↗ 3
Others	33	40	↗ 6	(14)	(21)	↘ (6)
Corporate expenses				(148)	(181)	↘ (32)
Total	3,203	3,556	353	289	360	70

※ Reporting segments have been changed from this fiscal year.

- The Studio & Content segment was divided into the Media Content segment and the Studio & Production segment.
- The Pocket Company, which we have invested in, became a consolidated subsidiary in the Others segment.
- The results of Media Content and Studio & Production segments for Q1 of FY2022 are shown after being reclassified under the new segment.

Media Content Segment Overview

◆ Digital Media services

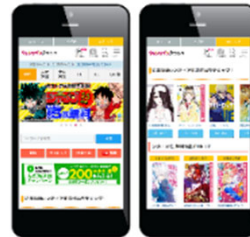
Video Distribution service

クランクイン!ビデオ



Digital Comic services

クランクイン!コミック



Information site

クランクイン!

- ✓ An entertainment website providing news centered around movies and dramas.
- ✓ Interviews with notable actors and movie features are also included.

クランクイン! trend

- ✓ A trend information site for active women who want to enjoy every day

◆ Content licensing business

- Licensing the TV broadcasting rights and VOD rights of foreign movies and TV dramas; Selling and promoting DVDs and Blu-ray discs.
- Production, promotion and distribution of theatrical films

Amid the growing shift away from television, we will respond to changes in the environment surrounding video content and focus on the growth of Digital Media services.



Studio & Production Segment Overview

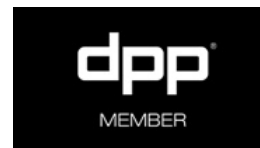


◆ Production business

- Japanese subtitling and dubbing; Multilingual translation
- Production of closed captions for the hearing-impaired
- Production of audio descriptions for the visually impaired
- DCP production for theaters, master creation for broadcasting and video distribution platforms
- Production of promotional videos such as trailers, program advertisements, and advertising images
- Post-production work



We are a certified Netflix Post Partner Program (NP3) partner for dubbing and audio descriptions in Japanese.



As an official member of Britain's Digital Production Partnership (DPP), we support the popularization of IMF, the Interoperable Mastering Format, in Japan. IMF is a file format for delivery and storage adopted by broadcasting stations and rights owners in Europe and the United States.

Reviewed by the Trusted Partner Network (TPN) in accordance with the Content Security Standards of the Motion Picture Association (MPA), and we hold a current assessment

Responding to the expansion of the video distribution service market

Others Segment Overview



◆ Promotion of professional eSports



eSports (100% subsidiary)

- Management of professional eSports team CYCLOPS athlete gaming
- Planning and organization of eSports-related events



◆ Game Publishing



(100% subsidiary)

- Design, develop, sell, and distribute games for the Nintendo Switch
- Design, develop, sell, and distribute VR software

◆ Network sales

- Wholesaling of Internet connections and the mobile phone services of major communication carriers, etc.
- The acquisition of new customers has ended, and this business is to be terminated at the end of the current fiscal year.

Proceed with the incubation and liquidation of businesses

Consolidated Financial Results by Business Segment



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

	Revenue			Operating income		
	FY2022 Q1	FY2023 Q1	Difference	FY2022 Q1	FY2023 Q1	Difference
Education	960	1,289	↑ 328	318	475	↑ 156
			+34%			+49%

- ✓ The number of new students reached a record high in eight consecutive periods, resulting in growth in both revenue and income.
- ✓ The total number of students of the three schools is 8,621, and 817 of them are students of eSports courses (as of May 1).
- ✓ While we continue to increase the number of locations, responses to rapid growth such as the securing of teachers and increasing the enrollment limit are issues in the future.
- ✓ Renaissance Japanese Language Academy began offering "Japanese Language Teacher Training Course (e-Learning)."

◆ 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		
	FY2022 Q1	FY2023 Q1	Difference	FY2022 Q1	FY2023 Q1	Difference
Media Content	177	161	(15)	(69)	(41)	27
			(9%)			loss reduced

- ✓ In Digital Media services, the loss decreased with an upward turn in advertising revenue and the effects of cost control.
- ✓ In the content licensing business, sales in Movie & TV Licensing to TV stations were decreased.
- ✓ The organization was reexamined and a business category conversion is in progress to improve performance and enable growth.

* The results of Media Content segment for Q1 of FY2022 are shown after being reclassified under the new segment.

◆ Digital Media services

◆ Content licensing business

Consolidated Financial Results by Business Segment



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

	Revenue			Operating income		
	FY2022 Q1	FY2023 Q1	Difference	FY2022 Q1	FY2023 Q1	Difference
Studio & Production	407	384	↓ (22)	16	0	↓ (17)
			(6%)			loss recorded

- ✓ Both revenue and operating income declined, mainly reflecting the transition to recording revenue from overseas drama series, etc. in a lump sum after delivery of all episodes of each series.
- ✓ A slight loss was posted due in part to an increase in personnel expenses in addition to a decrease in revenue.
- ✓ While orders received have remained steady, we will watch for the future impact of the strike by the Screen Actors Guild - American Federation of Television and Radio Artists (SAG-AFTRA) and the Writers Guild of America in Hollywood, U.S.

* The results of Studio & Production segment for Q1 of FY2021 are shown after being reclassified under the new segment.

◆ Production business

Consolidated Financial Results by Business Segment



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

	Revenue			Operating income		
	FY2022 Q1	FY2023 Q1	Difference	FY2022 Q1	FY2023 Q1	Difference
Broadcast	634	579	↓ (55)	78	17	↓ (60)
			(9%)			(78%)

- ✓ Revenue of "Fishing Vision Club" increased.
- ✓ On the other hand, revenue and operating income dropped because the impact of a fall in revenue from sponsors and the continued downward trend of subscription fee revenue could not be eliminated completely.
- ✓ Fishing Vision Club (VOD+α) is being developed into a business on par with Broadcast.

◆ "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		
	FY2022 Q1	FY2023 Q1	Difference	FY2022 Q1	FY2023 Q1	Difference
Technology	989	1,101	↑ 111	108	112	↑ 3
			+11%			+3%

- ✓ The mainstay CDN (Akamai) services are driving segment performance with initiatives including the expansion of services to existing customers.
- ✓ Contributing to the DX of each business in the Group

- ◆ 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		
	FY2022 Q1	FY2023 Q1	Difference	FY2022 Q1	FY2023 Q1	Difference
Others	33	40	↑ 6	(14)	(21)	↓ Δ 6
			+20%			loss expanded

- ✓ As for promotion of professional eSports, the business (income from prize money, distribution, sponsorship, etc.) is still in its early stage and posted a deficit.
- ✓ The Pocket Company posted a deficit because it did not launch any new titles in the quarter under review.

The release of new titles is expected in the second half.

◆ Promotion of professional eSports

◆ Game Publishing

◆ Network sales

Consolidated Financial Results by Business Segment



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

	Operating income		
	FY2022 Q1	FY2023 Q1	Difference
Corporate expenses	(148)	(181)	↓ (32)
			22% cost increased

- ✓ There were increases mainly in personnel expenses due to the enhancement of the administrative division associated with the Group's growth.

- ◆ 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)

	FY2022	FY2023 Q1	Difference	Rate of difference
Total assets	9,948	9,582	(366)	(4%)
Liabilities	4,498	4,110	(387)	(9%)
Net assets	5,450	5,471	21	+0%
Shareholders' equity	4,300	4,357	56	+1%
Stock acquisition rights for non-controlling shareholders	1,149	1,114	(35)	(3%)
Shareholders' equity ratio	43%	45%	—	—

Total assets While prepaid expenses increased, cash and deposits decreased.

Liabilities While deposits received increased, advances received and provision for bonuses increased.

Net assets While net income has been posted, the figure was nearly at the same level as at the end of the previous fiscal year due to dividend payment.

Consolidated Financial Position



Condition of Cash flow	FY2022 Q1	FY2023 Q1
Operating cash flow	(429)	(224)
Investing cash flow	(92)	(63)
Financing cash flow	(206)	(248)
Changes in cash and cash equivalents	(711)	(519)
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	※2 17	0
Year-end balance of cash and cash equivalents	4,607	5,347

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

※1 The table above does not reflect the effect of changes in exchange rates on cash and cash equivalents.

※2 An increase due to the addition of Broadmedia eSports Corporation to consolidation

Operating cash flow

Decreased 224 million yen chiefly due to a decrease in advances received and the payment of bonuses, despite the posting of 393 million yen as income before income taxes.

Investing cash flow

Decreased 63 million yen, resulting mainly from asset acquisition for expansion of sites in the high school correspondence course business.

Financing cash flow

Decreased 248 million yen mainly for reasons of dividend payment and repayment of lease liabilities.

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Shareholder Return

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- **Restricted Stock Compensation for Directors**
- **Sustainability (Human Capital) Initiatives**
- **Topics**

Shareholder Return

For the current fiscal year, we plan to pay a year-end dividend of 33 yen per share (est. payout ratio: 24.0%).

	Annual Dividends (per share)	Total Dividend	Payout ratio
FY2021 (results)	25.00 yen	184 Million yen	18.8%
FY2022 (results)	30.00 yen	218 Million yen	19.9%
FY2023 (forecast)	33.00 yen	239 Million yen	24.0%

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

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	1,289	1,289 100%	— —	1,289 100%	— —
Media Content	161	107 67%	53 33%	42 26%	118 74%
Studio & Production	384	— —	384 100%	384 100%	— —
Broadcast	579	491 85%	88 15%	579 100%	— —
Technology	1,101	999 91%	101 9%	185 17%	915 83%
Others	40	6 15%	34 85%	35 87%	5 13%
Total	3,556	2,894 81%	662 19%	2,517 71%	1,039 29%

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

Restricted Stock Compensation for Directors



- ✓ The aim is to give them an incentive to work on the sustainable enhancement of the Company's corporate value and promote the further sharing of values with the Company's shareholders.
- ✓ It was passed at the General Meeting of Shareholders held on June 24, 2022.

The Board of Directors approved the disposal of treasury stock as restricted stock compensation at its meeting held on July 28, 2023.

Date of the disposal	August 25, 2023
Class and number of shares to be disposed of	Common stock of the Company 15,000 shares
Disposition amount	1,525 yen per share
Total disposition amount	22,875,000 yen
Planned recipients of compensation and number of shares to be disposed of	Directors of the Company 5 people 15,000 shares (excluding outside directors)

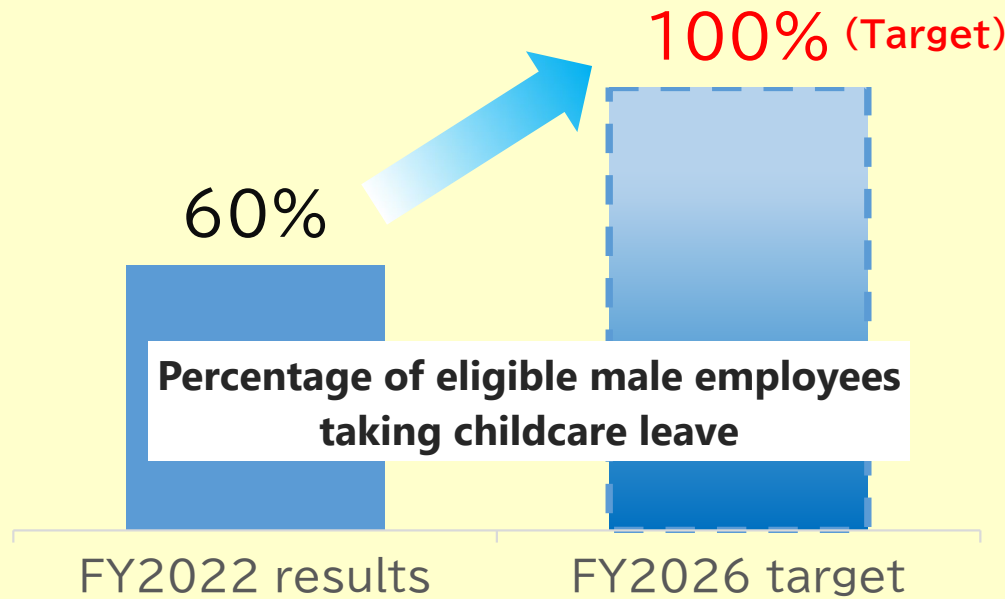
Sustainability (Human Capital) Initiatives



FY2022

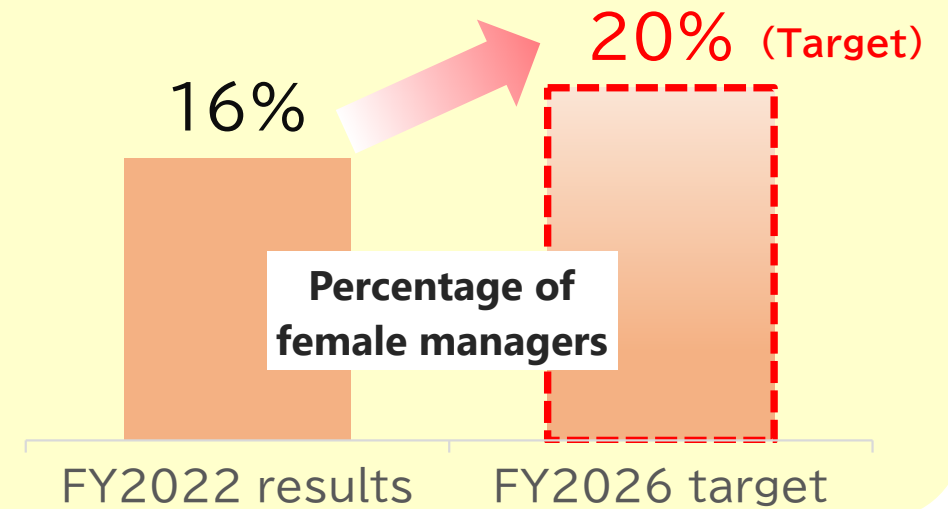
Percentage of eligible employees taking childcare leave:

Female employees: 100%,
Male employees: 60%



FY2022

Percentage of female managers
16%



Build and operate an environment and systems that enable all employees to work with high motivation

Launch of the Overwatch 2 Course, an eSports course of the Renaissance High School Group



An action shooter game based on team-to-team competition, with each team consisting of five members

Fostering a strong mentality, communication skills, multi task capability, and other abilities through strategic team play

Holding eSports Caravan in WAKAYAMA supported by Adventure World, jointly with Wakayama Prefectural Government



eスポーツの集中合宿で豪華講師陣が指導にあたります!
eスポーツキャラバン 2泊3日

eSports CARAVAN

eスポーツキャラバン in WAKAYAMA
supported by アドベンチャーワールド

日程 8/28 MON - 30 WED

開催 和歌山マリーナシティホテル
和歌山県和歌山市毛見1517

対象者 高校生

参加料 29,800円
(宿泊費、食事代込み)

イベント限定ユニフォームやグッズも贈呈!

6組30名

お申し込みはこちら

※顧問の先生、ご家族、ご友人も帯同可能です。
※1チームにつき顧問1名は宿泊費、食事代無料とさせていただきます。
※なお、応募者多数の際には先着順とさせていただきます、定員になり次第受付を終了させていただきます。

An eSports camp with lecturers from eSports courses of the Renaissance High School Group

Take various initiatives to revitalize regions and eSports through eSports events

July 2023

Opened Nagoya eSports Campus, a dedicated facility for eSports

-- Expanded and relocated from Nagoya-Sakae Campus --



A full-scale eSports environment, among the largest in the Tokai area Renaissance Junior High School, an eSports and programming course, was also opened.

Interim results in STAGE:0 2023, the largest high school eSports festival in Japan

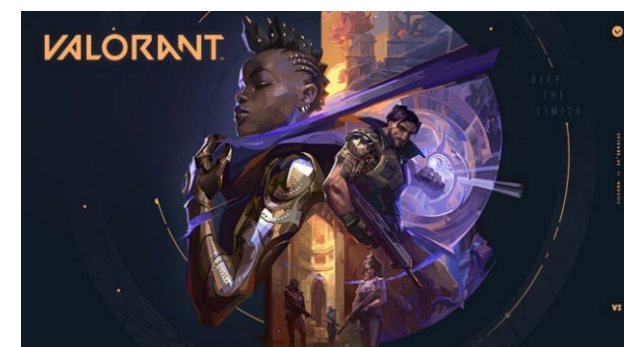


**League of Legends Division
Qualified for the national
competition!**

“XxKareha childrenxX”



**“Fortnite” Division
Of 44 teams qualifying for
the national competition, 25
teams are from the Renaissance
High School Group.**



**“VALORANT” Division
Qualified for the national
competition!**

“Queimar”, “Inawazairebun”

Please cheer for students of the eSports courses.

*Coca-Cola STAGE:0 eSPORTS High-School Championship 2023:

This competition is attracting attention as the largest high school eSports festival in Japan. Last year, the event attracted 6,728 high school students in 2,559 teams from 2,060 schools all over Japan. The total number of viewers of the live stream of this competition was approx. 10 million.

Topics (Media Content)

The movie, *Spice-yori Ai-wo Komete* (lit. From spice with love), was released nationwide, including Shinjuku Piccadilly, on Friday, June 2, 2023.

A story of youths searching for a lost spice in Kanazawa, the home of curry



A sparkling "Spice Movie" featuring a story of youths, produced by curry lovers for curry lovers

Topics

(Others; Promotion of Professional eSports)

CYCLOPS
ATHLETE GAMING



Japan's top official fighting game team league competition hosted by CAPCOM CO., LTD **Street Fighter League: Pro-JP 2023**



From CYCLOPS, four players, who are former fighting game world champions, will participate in the competition.

In the competition in 2023,
they aim to be the champions in their first appearance.

Topics

(Others; Promotion of Professional eSports)

CYCLOPS
ATHLETE GAMING



Participating in Gamers8,
one of the world's largest eSports and game festivals, which will be
held in Saudi Arabia in the coming summer



An exceptional tournament with total prize money at 45 million dollars, the largest ever

Participating in the Rainbow Six Siege category as one of the eight
competitive teams from around the world

Our Mission



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

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



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