



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

Broadmedia Corporation

October 27, 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 the First Half of FY2023

Shareholder Return

Topics

[Reference Documents]

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

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



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

	FY2022 1H	FY2023 1H	Difference	Rate of difference	Financial Forecasts (announced on May 9)	Achievement ratio
Revenue	6,323	6,861	↗ 537	+8%	14,300	48%
Operating income	465	552	↗ 86	+19%	1,200	46%
Ordinary income	503	589	↗ 86	+17%	1,200	49%
Net income	326	447	↗ 121	+37%	1,000	45%

- ✓ Revenue and income increased from a year earlier, with steady growth.
- ✓ Net income rose significantly given the absence of losses related to the withdrawal from the foreign film distribution business that occurred in the same period of the previous fiscal year

Consolidated Financial Forecasts

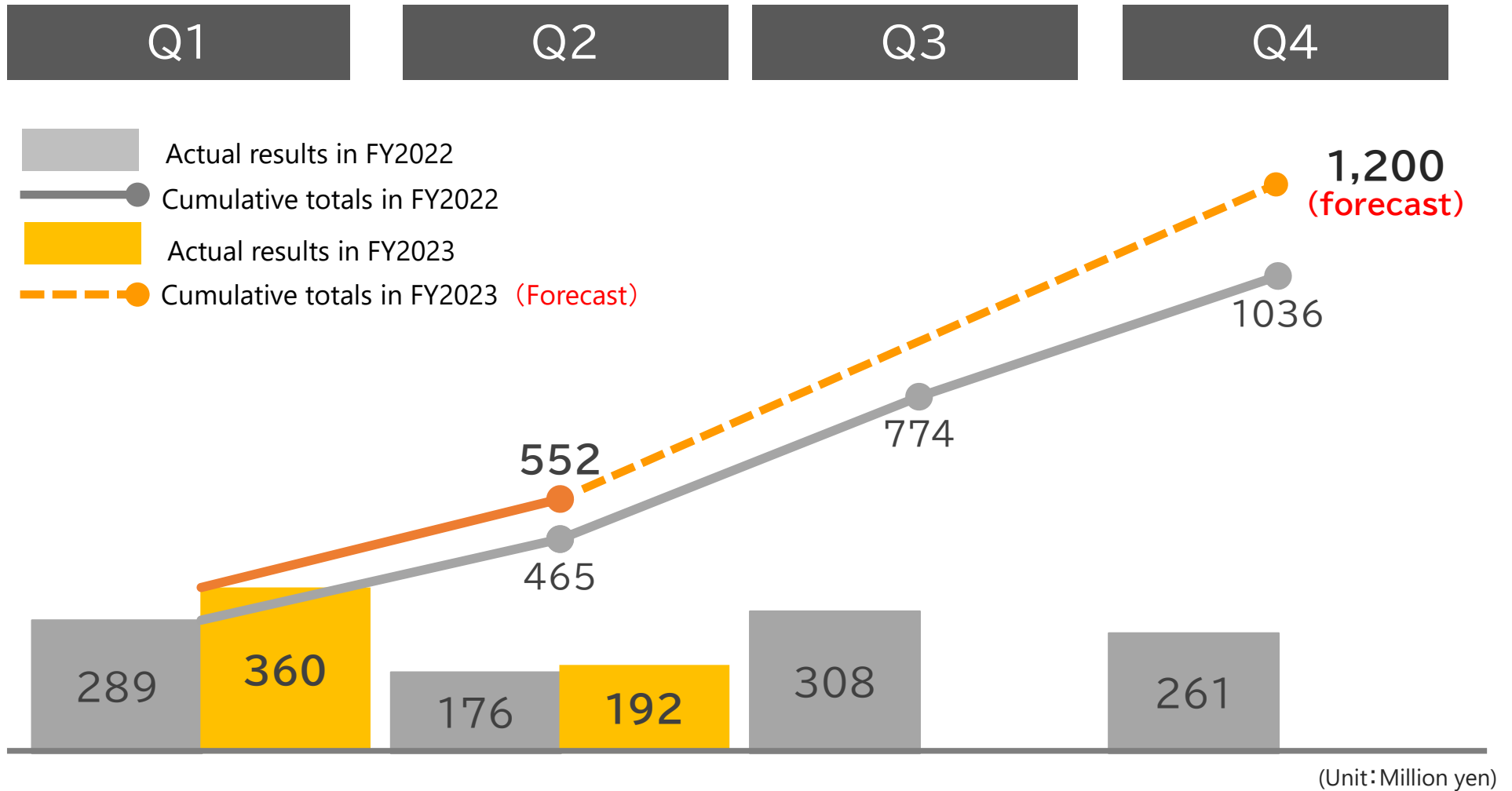


(Unit: Million yen)(Amounts are rounded down to the nearest million yen)

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- ✓ Full-year forecasts remain unchanged.
- ✓ The dividend forecast also remains unchanged, with a 33 yen per share (+3 yen increase) fiscal year-end dividend planned.

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 Results for the First Half (April – September)



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

	Revenue			Operating income		
	FY2022 1H	FY2023 1H	Difference	FY2022 1H	FY2023 1H	Difference
Education	1,667	2,177	↑ 510	498	698	↑ 200
Media Content	389	318	↓ (70)	(136)	(88)	↑ 48
Studio & Production	934	899	↓ (35)	75	51	↓ (23)
Broadcast	1,248	1,166	↓ (81)	115	22	↓ (92)
Technology	2,005	2,188	↑ 182	226	242	↑ 16
Others	77	110	↑ 32	(17)	(31)	↓ (13)
Corporate expenses				(295)	(343)	↓ (48)
Total	6,323	6,861	↑ 537	465	552	↑ 86

※ 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 1H of FY2022 are shown after being reclassified under the new segment.

Consolidated Financial Results by Business Segment



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

	Revenue			Operating income		
	FY2022 1H	FY2023 1H	Difference	FY2022 1H	FY2023 1H	Difference
Education	1,667	2,177	↑ 510	498	698	↑ 200
			+31%			+40%

- ✓ The number of new students reached a record high for the 8th consecutive year, resulting in growth in both revenue and income.
- ✓ Continued business expansion such as with the opening of Ikebukuro campus, the expansion of the Nagoya eSports campus and Namba eSports campus.
- ✓ On the other hand, responses to rapid growth such as the securing of teachers and increasing the enrollment limit are issues in the future.
- ✓ Renaissance Japanese Language Academy focuses on promotional activities for the Japanese language teacher training course (e-Learning)

◆ Operation of online credit-based e-learning high schools
Renaissance High School Group

◆ Japanese Language Education
Renaissance Japanese Language Academy

Consolidated Financial Results by Business Segment



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

	Revenue			Operating income		
	FY2022 1H	FY2023 1H	Difference	FY2022 1H	FY2023 1H	Difference
Media Content	389	318	(70)	(136)	(88)	48
			(18%)			loss reduced

- ✓ In Digital Media services, revenue decreased on sluggish advertising revenues, but losses were reduced thanks to cost containment effects.
- ✓ In the content licensing business, sales to TV stations decreased.
- ✓ Organizational reforms underway to improve business performance and achieve growth.

* The results of Media Content segment for 1H 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 1H	FY2023 1H	Difference	FY2022 1H	FY2023 1H	Difference
Studio & Production	934	899	↓ (35)	75	51	↓ (23)
			(4%)			(31%)

- ✓ Both revenue and income declined, mainly reflecting the impact from the transition in the first quarter to a system under which revenue from overseas drama series, etc. is recorded in a lump sum after delivery of all episodes of each series.
- ✓ Increase in costs, such as personnel expenses
- ✓ 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 1H of FY2022 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 1H	FY2023 1H	Difference	FY2022 1H	FY2023 1H	Difference
Broadcast	1,248	1,166	↓ (81)	115	22	↓ (92)
			(7%)			(80%)

- ✓ Sponsorship revenues are also declining as subscription fee revenue continues to fall.
- ✓ Sales of Fishing Vision Club (VOD) increased, but this could not offset the above effects, resulting in a decrease in both revenue and income.
- ✓ 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 1H	FY2023 1H	Difference	FY2022 1H	FY2023 1H	Difference
Technology	2,005	2,188	↑ 182	226	242	↑ 16
			+9%			+7%



- ✓ 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 1H	FY2023 1H	Difference	FY2022 1H	FY2023 1H	Difference
Others	77	110	 32	(17)	(31)	 (13)
			+42%			loss expanded

- ✓ As for promotion of professional eSports, the business (income from prize money, distribution, sponsorship, etc.) is still at the stage of establishment. It posted a deficit although revenue increased.
- ✓ The Pocket Company posted a deficit because it launched no new title in the first half of the fiscal year under review.
New Nintendo Switch™ title "Uchitore" to be released in November

◆ 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 1H	FY2023 1H	Difference
Corporate expenses	(295)	(343)	↓ (48)
			16% 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 1H	Difference	Rate of difference
Total assets	9,948	9,892	(56)	(1%)
Liabilities	4,498	4,230	(267)	(6%)
Net assets	5,450	5,661	210	+4%
Shareholders' equity	4,300	4,545	244	+6%
Stock acquisition rights for non-controlling shareholders	1,149	1,115	(34)	(3%)
Shareholders' equity ratio	43%	46%	—	—

Total assets

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

Liabilities

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

Net assets

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

Consolidated Financial Position



Condition of Cash flow	FY2022 1H	FY2023 1H
Operating cash flow	(311)	(65)
Investing cash flow	(134)	(112)
Financing cash flow	(324)	(343)
Effect of exchange rate change on cash and cash equivalents	23	28
Changes in cash and cash equivalents	(746)	(493)
Year-end balance of cash and cash equivalents	4,572	5,373

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

* The table above does not reflect increase (17 million yen) due to the addition of Broadmedia eSports Corporation to consolidation.

Operating cash flow

Cash outflow of 65 million yen due to a decrease in payable and advances received and an increase in trade receivables, despite the posting of 570 million yen as profit before income taxes and an increase in deposits received.

Investing cash flow

Decreased 112 million yen, resulting mainly from asset acquisition for expansion of sites in the high school correspondence course business.

Financing cash flow

Decreased 343 million yen mainly for reasons of dividend payment, repayment of lease liabilities and the redemption of corporate bonds.

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[Reference Documents]

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

Shareholder Return



As planned at the beginning of the fiscal year, the midterm dividend for FY2023 will not be paid.

The year-end dividend for FY2023 is planned to be 33 yen (+3 yen increase) per share.

	Midterm Dividends (per share)	Year-End Dividends (per share)	Payout ratio
FY2023 (planned)	00.00 yen	33.00 yen	24.0%
FY2022 (results)	00.00 yen	30.00 yen	19.9%

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

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- **Other Topics**

Full-scale dedicated eSports facilities are being opened one after another across the country

In September, Renaissance Junior High School, an eSports and programming course, opened in Okayama.



In October, Namba eSports Campus was extended to double the scale.



Following the opening of Ikebukuro campus in April and the expansion and relocation of Nagoya eSports campus in July, we will continue to promote the opening of campuses.

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

“League of Legends”
Division

WINNER

“XxKareha childrenxX”

“Fortnite”
Division

Finished Second

“wkey yametekudasai”

“VALORANT”
Division

WINNER

“Queimar”



Thank you very much for all your support!

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

This competition is attracting attention as the largest high school eSports festival in Japan with 2,134 teams and 7,031 participants in 2023.

Tie-up with Zest Inc., entertainment management company for female idol group SKE48, etc.



Zest Entertainment High School to open next spring to support students who want to balance academics and the performing arts.



Murphy Hana has been appointed as the image character of Renaissance Japanese Language Academy.



<https://youtu.be/eVAQS1R-v-w>

A bilingual influencer who is immensely popular among the younger generation

Promotion of training Japanese language teachers from Generation Z.

Topics

(Others; Game Publishing)

ポケット



UCHITORE software for Nintendo Switch™ - [as little as 4 minutes] Muscle Training & Aerobic Exercise New release on November 30



(C)2022 Pocket

An authentic fitness game that combines high-intensity muscle training HIIT and aerobic exercise to provide an efficient workout in a short time.

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	2,177	2,174 100%	2 0%	2,177 100%	— —
Media Content	318	213 67%	105 33%	86 27%	232 73%
Studio & Production	899	— —	899 100%	899 100%	— —
Broadcast	1,166	982 84%	184 16%	1,166 100%	— —
Technology	2,188	1,954 89%	233 11%	393 18%	1,794 82%
Others	110	12 11%	98 89%	100 91%	10 9%
Total	6,861	5,338 78%	1,523 22%	4,824 70%	2,037 30%

- ✓ Revenue from Education and Broadcast mainly consists of stock income with a high continuity.
- ✓ Income from Technology and 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.

Restricted Stock Compensation for Directors



The disposal of treasury stock was completed for the restricted stock compensation resolved on July 28, 2023.

- ✓ 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.

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



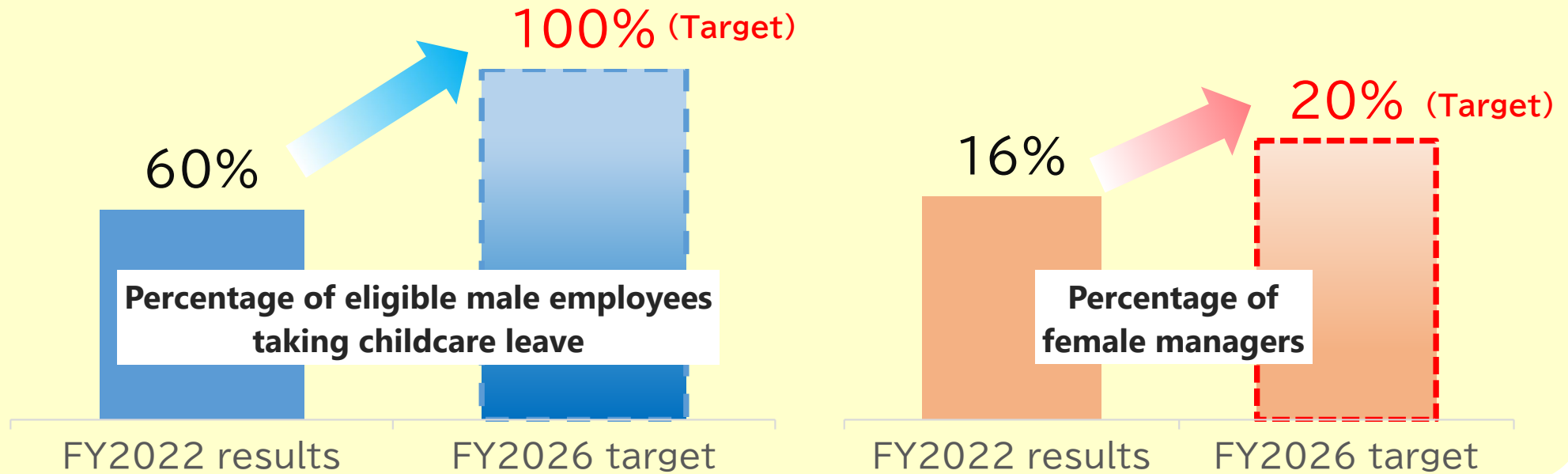
FY2022

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

Released Crank In! News apps

Check out all the entertainment news!

Earn points every day that can be used for Video & Comic!



Free delivery of selected articles on general entertainment and lifestyle information for women

Topics

(Others; Promotion of Professional eSports)



Competing in the Rainbow Six Siege World Championship BLAST R6 Major Atlanta 2023



Twenty four of the world's best teams gather in Atlanta, USA
The event will run from October 31 to November 12, local time.

Our Mission



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

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



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