



# **Summary of Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2025**

**Broadmedia Corporation**

**July 30, 2024**

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 FY2024

Shareholder Return

Sustainability (Human Capital) Initiatives

Topics

[Reference Documents]

- Restricted Stock Compensation for Directors
- Other Topics

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

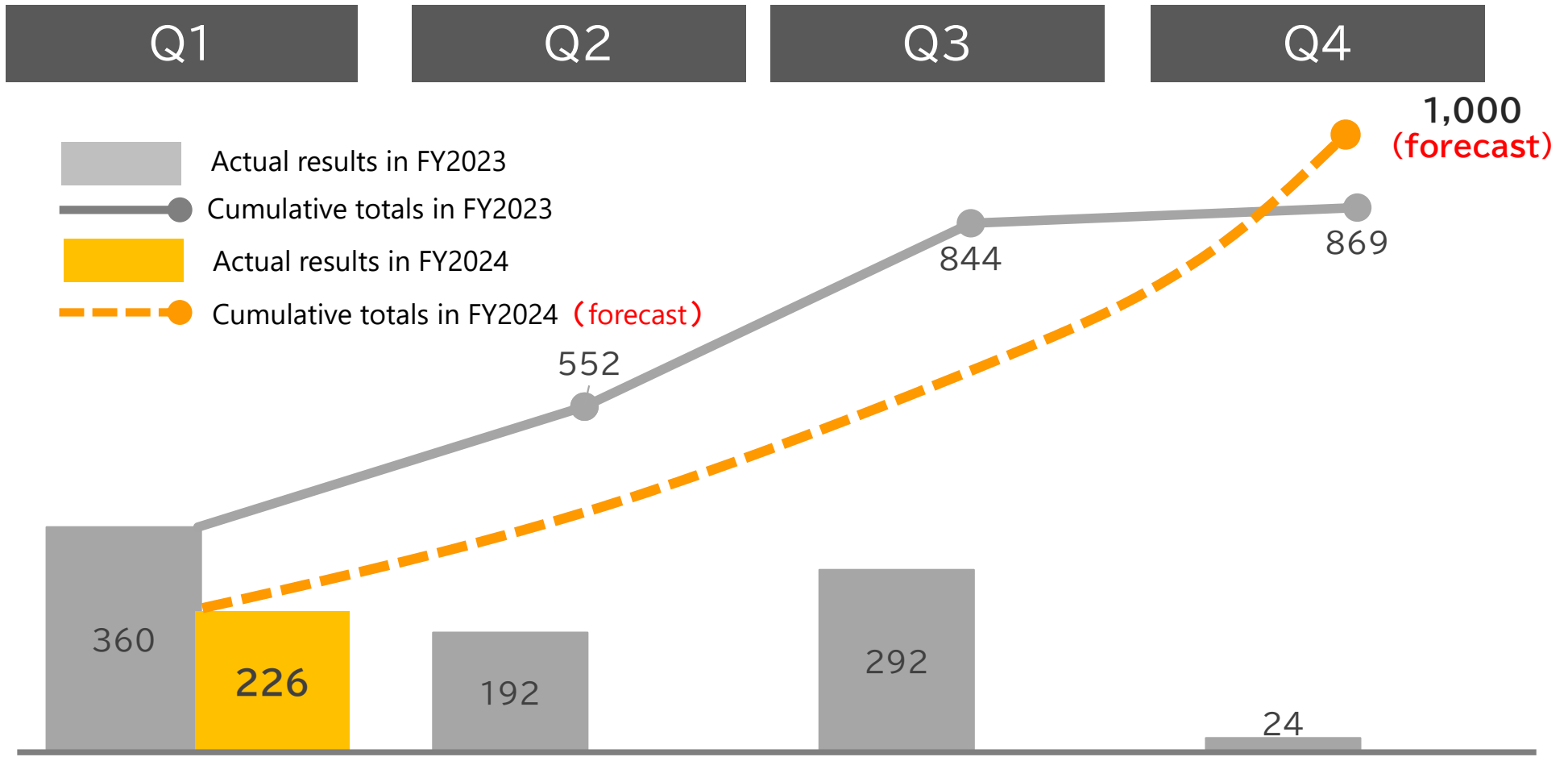


(Unit: Million yen)(Amounts are rounded down to the nearest million yen)

	FY2023 Q1	FY2024 Q1	Difference	Rate of difference	Financial Forecasts (announced on May 10)	Achievement ratio
Revenue	3,556	4,197	640	+18%	17,000	25%
Operating income	360	226	(133)	(37%)	1,000	23%
Ordinary income	394	245	(149)	(38%)	1,000	25%
Net income	278	94	(184)	(66%)	800	12%

- ✓ Education, Technology, and Others performed steadily. Revenue increased but income decreased from a year earlier due to the acquisition of div Inc. and divx Inc.
- ✓ Net income decreased significantly, reflecting not only lower ordinary income, but also the direct impact of losses from div Inc. and divx Inc. (Note: Gains and losses cannot be aggregated for tax purposes at this time because some of shares have not yet been acquired.)
- ✓ Despite income in the first quarter decreasing from the same period of the previous year, overall, results were in line with expectations. The full-year forecasts remain unchanged.

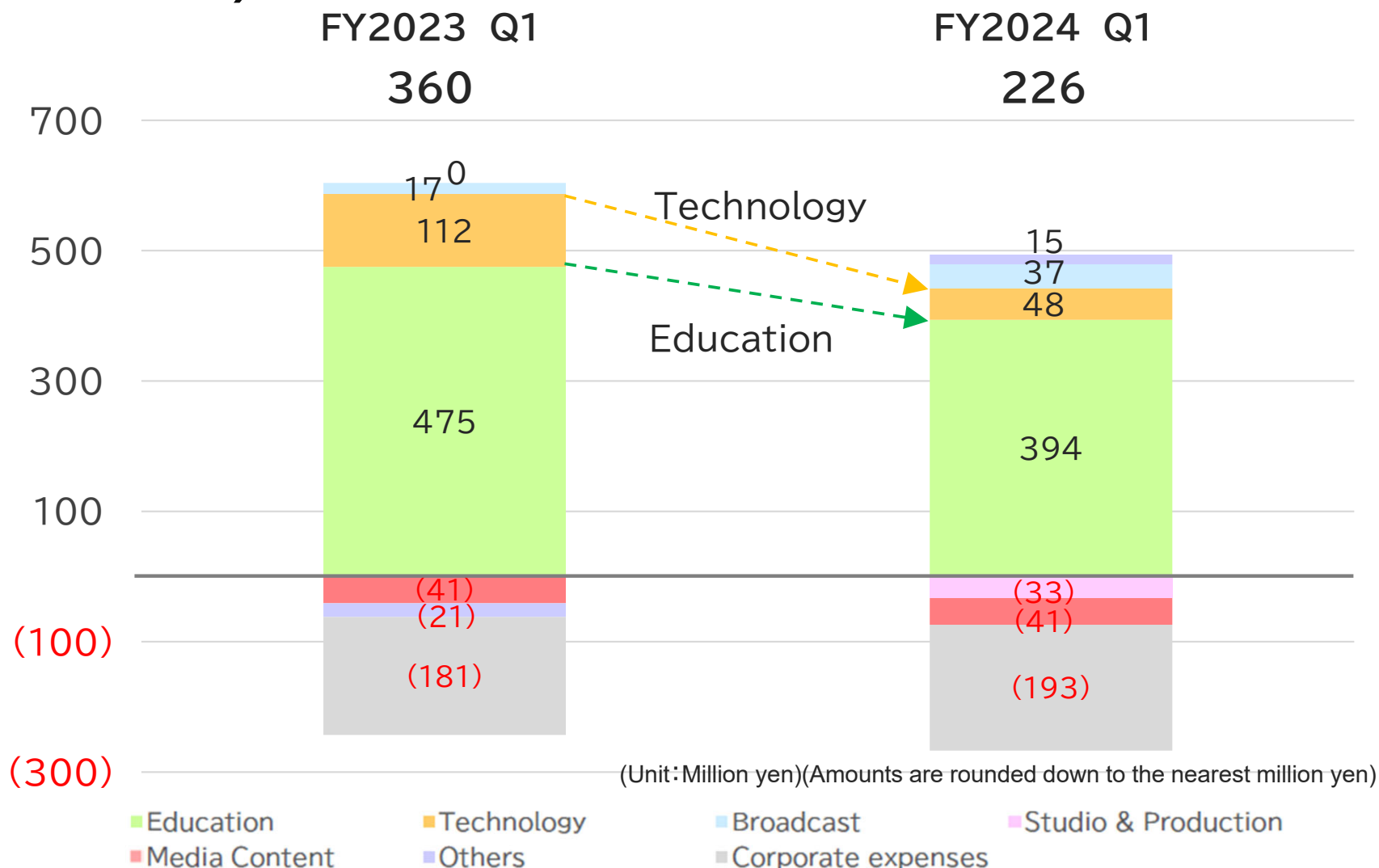
# Changes in Operating Income (Year-over-Year)



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

The Group started generally in line with expectations in the first quarter.

# Operating Income for the 1st quarter of the fiscal year (Year-over-Year)

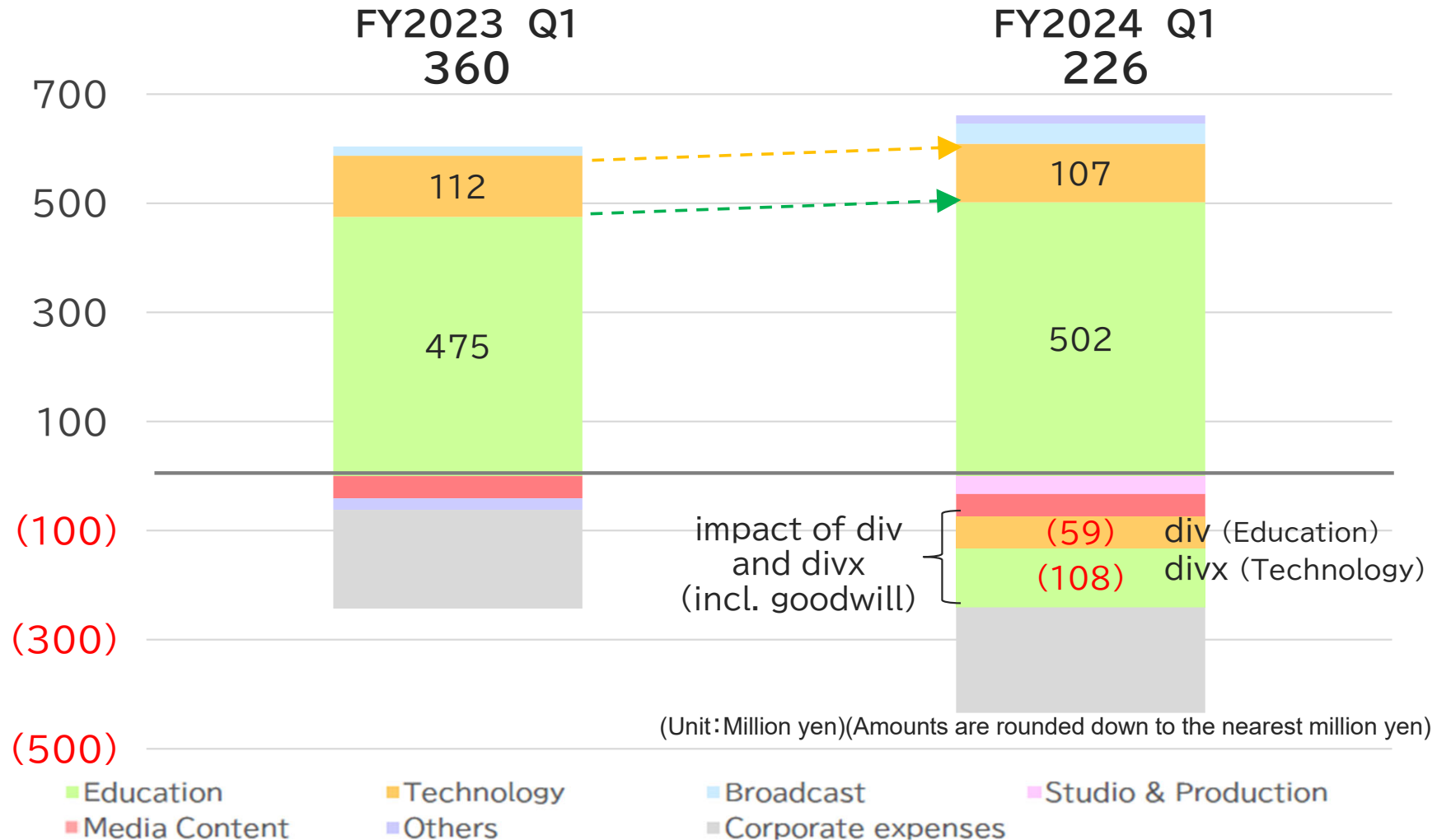


- ✓ Existing business in Education achieved strong results.
- ✓ div Inc. (Education) and divx Inc. (Technology) posted operating losses.
- ✓ The expenses of Corporate (an administrative department) increased due to higher personnel costs.

# Operating Income for the 1st quarter of the fiscal year (Year-over-Year)



— Breakdown of operating income with div Inc. and divx Inc. shown separately from their respective segments —



- ✓ Existing business in Education achieved strong results.
- ✓ The impact of div Inc. and divx Inc. is approximately (167) million yen.

# Consolidated Financial Results by Business Segment



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

	Revenue			Operating income		
	FY2023 Q1	FY2024 Q1	Difference	FY2023 Q1	FY2024 Q1	Difference
Education (Incl. divx impact/goodwill)	1,289	1,661 [202]	372	475	394 [(108)]	(80)
Media Content	161	126	(34)	(41)	(41)	0
Studio & Production	384	359	(24)	0	(33)	(32)
Broadcast	579	582	2	17	37	19
Technology (Incl. divx impact/goodwill)	1,101	1,298 [170]	197	112	48 [(59)]	(64)
Others	40	167	127	(21)	15	36
Corporate expenses				(181)	(193)	(12)
<b>Total</b>	<b>3,556</b>	<b>4,197</b>	<b>640</b>	<b>360</b>	<b>226</b>	<b>(133)</b>

# Consolidated Financial Results by Business Segment



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

	Revenue			Operating income		
	FY2023 Q1	FY2024 Q1	Difference	FY2023 Q1	FY2024 Q1	Difference
Education (Incl. divx impact/goodwill)	1,289	1,661 [202]	↑ 372	475	394 [(108)]	↓ (80)
			+29%			(17%)
			Existing business only +13%			Existing business only +6%

- ✓ A record high 9,410 students were enrolled in the online high schools, across three schools, leading to increased revenue and income. (Note: Basic School Survey Comparison)
- ✓ Enrollment in the on-campus courses, including the eSports course, also increased.
- ✓ On the other hand, recruitment and personnel expenses temporarily increased due to the large-scale hiring of teachers.
- ✓ Measures continued to be taken to address issues attributable to rapid growth such as the securing of teachers, increase of enrollment limits, etc.
- ✓ Enrollment in the Japanese language education program increased.

- ◆ Online credit-based e-learning high schools (Renaissance High School Group)
- ◆ Japanese Language Education (Renaissance Japanese Language Academy)
- ◆ Programming Education



# Consolidated Financial Results by Business Segment



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

	Revenue			Operating income		
	FY2023 Q1	FY2024 Q1	Difference	FY2023 Q1	FY2024 Q1	Difference
Education (Incl. divx impact/goodwill)	1,289	1,661 [202]	↑ 372	475	394 [(108)]	↓ (80)
			+29%			(17%)
			Existing business only +13%			Existing business only +6%

## Impact of div Inc. which was acquired as a subsidiary

- ✓ Compared to the previous quarter (January to March), revenue increased by 27 million yen, and operating losses improved by 21 million yen.
- ✓ While the losses are expected to affect the Group in the short term, efforts will be made to improve profitability with an eye toward achieving more robust growth.

- ◆ Online credit-based e-learning high schools (Renaissance High School Group)
- ◆ Japanese Language Education (Renaissance Japanese Language Academy)
- ◆ Programming Education

# Consolidated Financial Results by Business Segment



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

	Revenue			Operating income		
	FY2023 Q1	FY2024 Q1	Difference	FY2023 Q1	FY2024 Q1	Difference
Media Content	161	126	(34)	(41)	(41)	0
			(21%)			similar level

- ✓ Entertainment news websites maintained revenue levels similar to the same period of the previous year, while video distribution and digital comic service revenue declined.
- ✓ Due to cost-control measures, losses remained at the same level as the same period of the previous year.
- ✓ The Content Licensing business ended at the end of the previous fiscal year.
- ✓ The Company continues to consider its options strategically.

- ◆ Digital Media services
  - Video distribution and Digital comic service
  - Entertainment news website, etc.

# Consolidated Financial Results by Business Segment



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

	Revenue			Operating income		
	FY2023 Q1	FY2024 Q1	Difference	FY2023 Q1	FY2024 Q1	Difference
Studio & Production	384	359	↓ (24)	0	(33)	↓ (32)
			(6%)			loss expanded

- ✓ The impact of the strike in Hollywood in May 2023 continued, resulting in decreased revenue and losses.
- ✓ This is expected to continue to have an impact through the first half of the year.
- ✓ Our medium-term goal is to provide high-value-added products and services through operational improvements and the use of AI.

## ◆ Production business

# Consolidated Financial Results by Business Segment



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

	Revenue			Operating income		
	FY2023 Q1	FY2024 Q1	Difference	FY2023 Q1	FY2024 Q1	Difference
Broadcast	579	582	→ 2	17	37	↗ 19
			similar level			100%

- ✓ Subscription fee revenue continues to fall.
- ✓ Increased sponsorship revenues and sales from Fishing Vision Club (VOD) offset the impact of the above, resulting in a slight increase in revenue compared to the same period of the previous year.
- ✓ Operating income increased due to the effect of cost control.
- ✓ The Company continues to consider its options strategically.

- ◆ "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		
	FY2023 Q1	FY2024 Q1	Difference	FY2023 Q1	FY2024 Q1	Difference
Technology (Incl. divx impact/goodwill)	1,101	1,298 [170]	↑ 197	112	48 [(59)]	↓ (64)
			+18%			(57%)
			Existing business only +13%			Existing business only (4%)

- ✓ Our flagship Akamai (CDN) service remained at the same level as the same period of the previous year.
- ✓ While System Design Development revenue increased, costs were higher, resulting in a loss.
- ✓ 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		
	FY2023 Q1	FY2024 Q1	Difference	FY2023 Q1	FY2024 Q1	Difference
Technology (Incl. divx impact/goodwill)	1,101	1,298 [170]	↑ 197	112	48 [(59)]	↓ (64)
			+18%			(57%)
			Existing business only +13%			Existing business only (4%)

## Impact of divx Inc. which was acquired as a subsidiary

- ✓ Compared to the previous quarter (January to March), revenue decreased by 60 million yen and operating losses increased by 49 million yen.
- ✓ Due to the absence of large commissioned projects which were present in the previous quarter, revenue declined and losses increased, including the amortization of goodwill.
- ✓ We aim to achieve profitability quickly.

- ◆ 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		
	FY2023 Q1	FY2024 Q1	Difference	FY2023 Q1	FY2024 Q1	Difference
Others	40	167	↑ 127	(21)	15	↑ 36
			+315%			returning to profit

- ✓ Game Publishing returned to profitability with increased revenues from major development projects and the release of new titles.
- ✓ Promotion of Professional eSports recorded revenue and operating losses at the same level as the same period of the previous year.

- ◆ Game Publishing
- ◆ Promotion of professional eSports (income from prize money, distribution, sponsorships, etc.)

# Consolidated Financial Results by Business Segment



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

Operating income			
	FY2023 Q1	FY2024 Q1	Difference
Corporate expenses	(181)	(193)	↓ (12)
			7% cost increased

- ✓ Personnel expenses increased due to the enhancement of the administrative division and new graduate recruitment 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)

	FY2023	FY2024 Q1	Difference	Rate of difference
Total assets	11,890	11,021	(868)	(7%)
Liabilities	5,981	5,441	(539)	(9%)
Net assets	5,909	5,579	(329)	(6%)
Shareholders' equity	4,774	4,454	(320)	(7%)
Stock acquisition rights for non-controlling shareholders	1,134	1,125	(8)	(1%)
Shareholders' equity ratio	40%	40%	—	—

### 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

Despite the posting of net income, net assets decreased as a result of dividend payments and the repurchase of treasury stock.

# Consolidated Financial Position



## Condition of Cash flow

	FY2023 Q1	FY2024 Q1
Operating cash flow	(224)	(571)
Investing cash flow	(63)	(63)
Financing cash flow	(248)	(477)
Effect of exchange rate change on cash and cash equivalents	17	13
Changes in cash and cash equivalents	(519)	(1,099)
Year-end balance of cash and cash equivalents	5,347	4,726

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

### Operating cash flow

Decreased 571 million yen, mainly due to the increase of accounts receivable, decrease of advances received, and bonus payments, despite the posting of 245 million yen in 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 477 million yen, mainly due to dividend payments and the repurchase of treasury stock.

# Summary of Financial Results for Q1 FY2024

## Shareholder Return

## Sustainability (Human Capital) Initiatives

## Topics

### [Reference Documents]

- Restricted Stock Compensation for Directors
- Other Topics

# Shareholder Return; (1)Dividend



- ✓ In FY2023, we paid a dividend of 33 yen per share (consolidated payout ratio: 35.3%).
- ✓ The dividend forecast for FY2024 is 40 yen per share (consolidated payout ratio: 35.6%).

	Annual Dividend (per share)	Total Dividend Amount ( millions of JPY )	Payout Ratio (Consolidated)
FY 2021 (results)	25.00	184	18.8%
FY 2022 (results)	30.00	218	19.9%
FY 2023 (planned)	33.00	240	35.3%
FY 2024 (forecasts) ※	40.00	283	35.6%

※ Total dividend amount and consolidated payout ratio for FY2024 (forecast) take into account the impact of share repurchases (200,000 shares) and cancellations.

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

# Shareholder Return; (2) Cancellation of Treasury Stock



The Company completed the cancellation of its treasury stock in accordance with the resolution of the Board of Directors on May 10, 2024.

## 【Cancellation of Treasury Stock】

Total number of shares cancelled	414,732 shares (5.24% of total number of outstanding shares before the cancellation)
Date of cancellation	June 11, 2024

(Reference as of June 30, 2024)

- Number of issued shares: 7,500,000 shares (excluding treasury stock: 7,164,939 shares)
- Number of treasury stock: 335,061 shares

# Shareholder Return; (3) Acquisition of Treasury Stock



Acquisition of treasury stock is ongoing in accordance with the Board of Directors' resolution of May 10, 2024.

## 【Status of Acquisition of Treasury Stock】(as of June 30, 2024)

Total number of acquired shares	108,900 shares (Progress against the upper limit of 200,000 shares: 54.5%)
Total share acquisition value	172 million yen (Progress toward the upper limit of 260 million yen: 66.4%)
Acquisition period	from May 13, 2024, to July 31, 2024
Acquisition method	market purchase through discretionary investment performed by a securities company

(Reference as of June 30, 2024)

- Number of issued shares: 7,500,000 shares (excluding treasury stock: 7,164,939 shares)
- Number of treasury stock: 335,061 shares

**Today, the Company resolved to extend the acquisition period.**

# Shareholder Return; (3) Acquisition of Treasury Stock



- ✓ Extension of acquisition period

【Before change】(Resolution of the Board of Directors dated May 10, 2024)

Total number of acquired shares	200,000 shares (upper limit) Their ratio to the total number of outstanding shares (excluding treasury stock): 2.75% *
Total share acquisition value	260 million yen (upper limit)
Acquisition period	from May 13, 2024, to July 31, 2024
Acquisition method	market purchase through discretionary investment performed by a securities company

\* Ratio to the total number of outstanding shares (excluding treasury stock) of 7,276,109 shares as of March 31, 2024



【After change】(Resolution of the Board of Directors dated July 30, 2024)

Total number of acquired shares	200,000 shares (upper limit) Their ratio to the total number of outstanding shares (excluding treasury stock): 2.79% *
Total share acquisition value	260 million yen (upper limit)
Acquisition period	from May 13, 2024, to <b>October 31, 2024</b>
Acquisition method	market purchase through discretionary investment performed by a securities company

\* Ratio to the total number of outstanding shares, (excluding treasury stock) of 7,164,939 shares as of June 30, 2024

# Shareholder Return Policy



Our company recognizes that one crucial issue for its management is simultaneously securing competitiveness in our business lines and returning profits to our shareholders.

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



# Summary of Financial Results for Q1 FY2024

## Shareholder Return

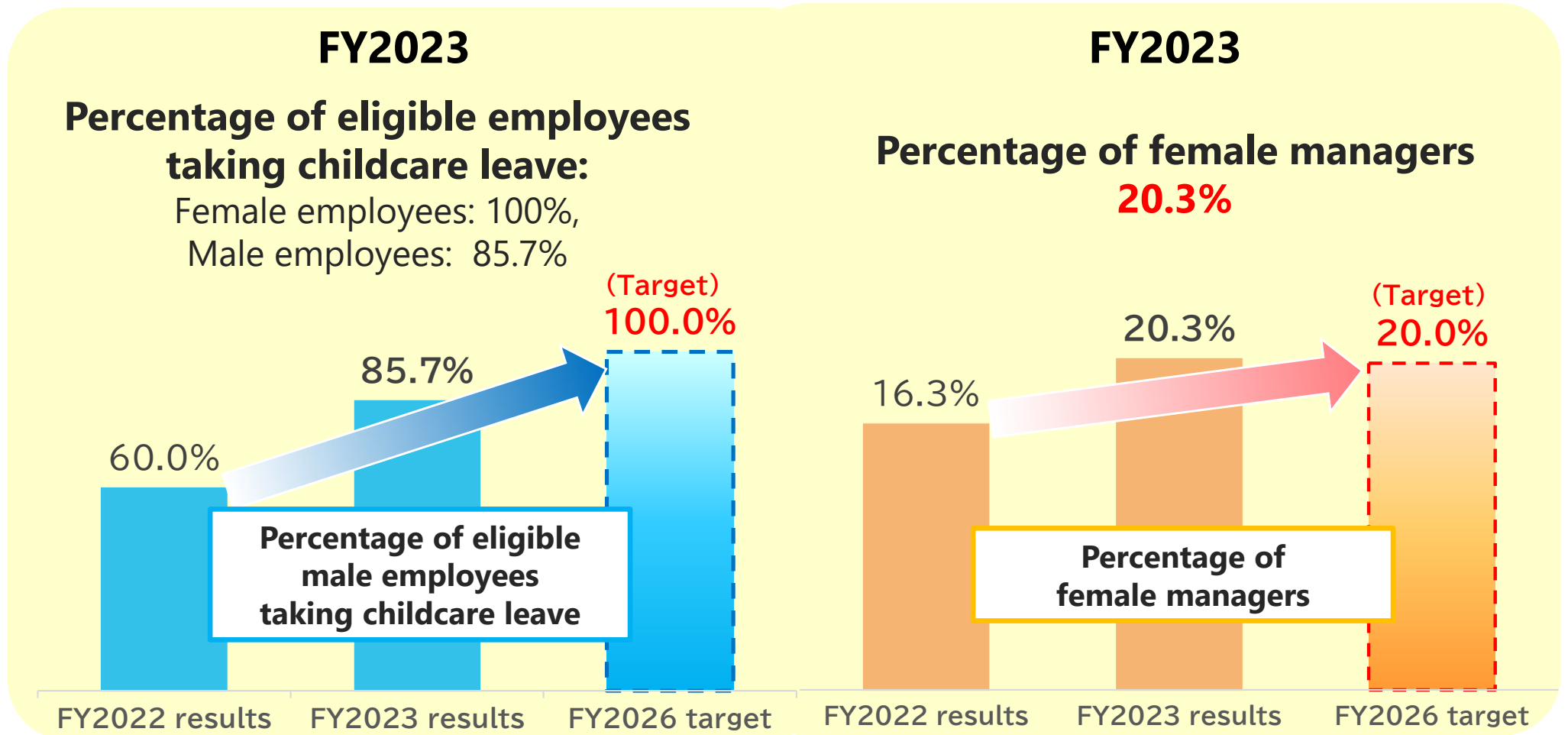
## **Sustainability (Human Capital) Initiatives**

## Topics

### [Reference Documents]

- **Restricted Stock Compensation for Directors**
- **Other Topics**

# Sustainability (Human Capital) Initiatives



\* Both results and targets are on a non-consolidated basis.

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

# Summary of Financial Results for Q1 FY2024

Shareholder Return

Sustainability (Human Capital) Initiatives

## Topics

[Reference Documents]

- Restricted Stock Compensation for Directors
- Other Topics

## Renaissance High School Group Launches Programming Course that Teaches Professional-Level IT Engineering Skills



<https://www.r-ac.jp/curriculum/course/programming/>



<https://tech-camp.in/lps/highschool/>

Enrollment Is Now Open for the 2024 and 2025 Academic Years

- ✓ Creation of the programming course with the full cooperation of div.
- ✓ div Inc. opened TECH CAMP High School and provides services to other online high schools.

# Programming School TECH CAMP Develops Information I Test Prep Materials in Collaboration with Yoyogi Seminar

**代々木ゼミナール** ×  **TECH CAMP**

**Study materials for the new Information I subject in the  
standardized university entrance exam starting in January 2025.**

**Provides materials that incorporate TECH CAMP's  
expertise in programming education.**

## Renaissance High School Yokohama Campus New On-Campus Standard Course Launched in July



**Allows students to enjoy high school life in a relaxed, self-paced learning environment.**

**Offers an original curriculum focused on active learning, free from subject constraints.**



# The Japanese Language Teacher National Exam Prep Course Launched



<https://www.rn-ac.jp/course/nihongo-teacher-exam/>

**Provides strong support with specialized knowledge during exam preparation.**

**Aims to train high-quality Japanese language teachers and increase the number of nationally certified professionals.**



# Thank you for your attention.



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# Summary of Financial Results for Q1 FY2024

## Shareholder Return

## Sustainability (Human Capital) Initiatives

## Topics

### **[Reference Documents]**

- **Restricted Stock Compensation for Directors**
- **Other Topics**

# 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	1,661	1,422 86%	238 14%	1,661 100%	— —
Media Content	126	85 67%	41 33%	40 32%	86 68%
Studio & Production	359	— —	359 100%	359 100%	— —
Broadcast	582	483 83%	99 17%	582 100%	— —
Technology	1,298	1,166 90%	132 10%	356 27%	942 73%
Others	167	2 1%	165 99%	167 100%	— —
<b>Total</b>	<b>4,197</b>	<b>3,160</b> 75%	<b>1,037</b> 25%	<b>3,169</b> 76%	<b>1,028</b> 24%

- ✓ 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 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.

The Board of Directors approved the disposal of treasury stock as restricted stock compensation at its meeting held on July 26, 2024.

Date of the disposal	August 23, 2024
Class and number of shares to be disposed of	Common stock of the Company 17,500 shares
Disposition amount	1,720 yen per share
Total disposition amount	30,100,000 yen
Planned recipients of compensation and number of shares to be disposed of	Directors of the Company 6 people 17,500 shares (Excluding outside directors and directors who are members of the Audit & Supervisory Committee)

## Renaissance High School Group Hosts KITAKU eSPORTS SUMMER FESTIVAL with Support from Osaka's Kita Ward



**An exciting eSports event for everyone from elementary to high school students.**

**Aims to showcase the allure of eSports and help energize its future development.**

# Topics

(Others; Promotion of Professional eSports)

**CAG** OSAKA



## Esports World Cup

in Saudi Arabia This Summer: Over \$60 Million Prize Pool

**Our team is competing as one of the 28 top teams in the world in the PUBG MOBILE category!**



**Thank you for your enthusiastic support!**



# Topics

(Others; Promotion of Professional eSports)

**CAG** OSAKA



## Sponsorship Agreement signed with eSports place MAKUHARI ACE, an eSports café



**Partnering in event planning and campaigns hosted by  
eSports place MAKUHARI ACE.**

**We are hosting eSports events at the café!**

## The RIZAP for Nintendo Switch — Experience Rhythm-based Exercise — software for the Nintendo Switch™ released on June 27.



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<https://www.pckt.co.jp/rizap/>

**Experiential rhythm training game jointly developed under the full supervision of RIZAP Inc.**

## System Design Development Co., Ltd. and Career Bank Co., Ltd. Form a Business Alliance for Stress Check Services



Career Bank provides multilingual support and business process expertise, while System Design Development constructs the system.



Aims to achieve the nationwide operation of the cloud-based stress check service *Kokoro Do!?!*



## DIVX Partners with UPBOND for Technical Collaboration



**Achieves ID integration and centralized customer data management using the Web3-based authentication platform Login3.0.**

**Expands solutions to enhance problem-solving capabilities and accelerate digital transformation (DX).**

# Our Mission



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

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



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