



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

**Broadmedia Corporation**

**January 30, 2025**

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.

Broadmedia

# Financial Summary for the First Three Quarters of FY2024

## Shareholder Return

## Topics

### [Reference Documents]

- Sustainability (Human Capital) Initiatives
- Other Topics

# Consolidated Financial Results for the First Three Quarters (April – December)



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

	FY2023 Q3	FY2024 Q3	Difference	Rate of difference	Financial Forecasts (announced on Oct. 30)	Achievement ratio
Revenue	10,320	11,724	1,404	+14%	17,000	69%
Operating income	844	477	(367)	(43%)	1,000	48%
Ordinary income	875	484	(390)	(45%)	1,000	48%
Net income	653	106	(546)	(84%)	680	16%

- ✓ In succession, revenue increased but income decreased from a year earlier.
- ✓ In particular, net income decreased significantly mainly due to the following:
  - 1) Extraordinary losses posted in the second quarter due to the business transfer in Media Content business (approx. 113 million yen).
  - 2) Income taxes - deferred (74 million yen) were posted as expenses due to partial reversal of deferred tax assets, more than offsetting the tax-saving effect (approx. -40 million yen) that resulted from the div/divx's joining in the Japanese Group Relief System in the third quarter.

# Consolidated Financial Results for the First Three Quarters (April – December)



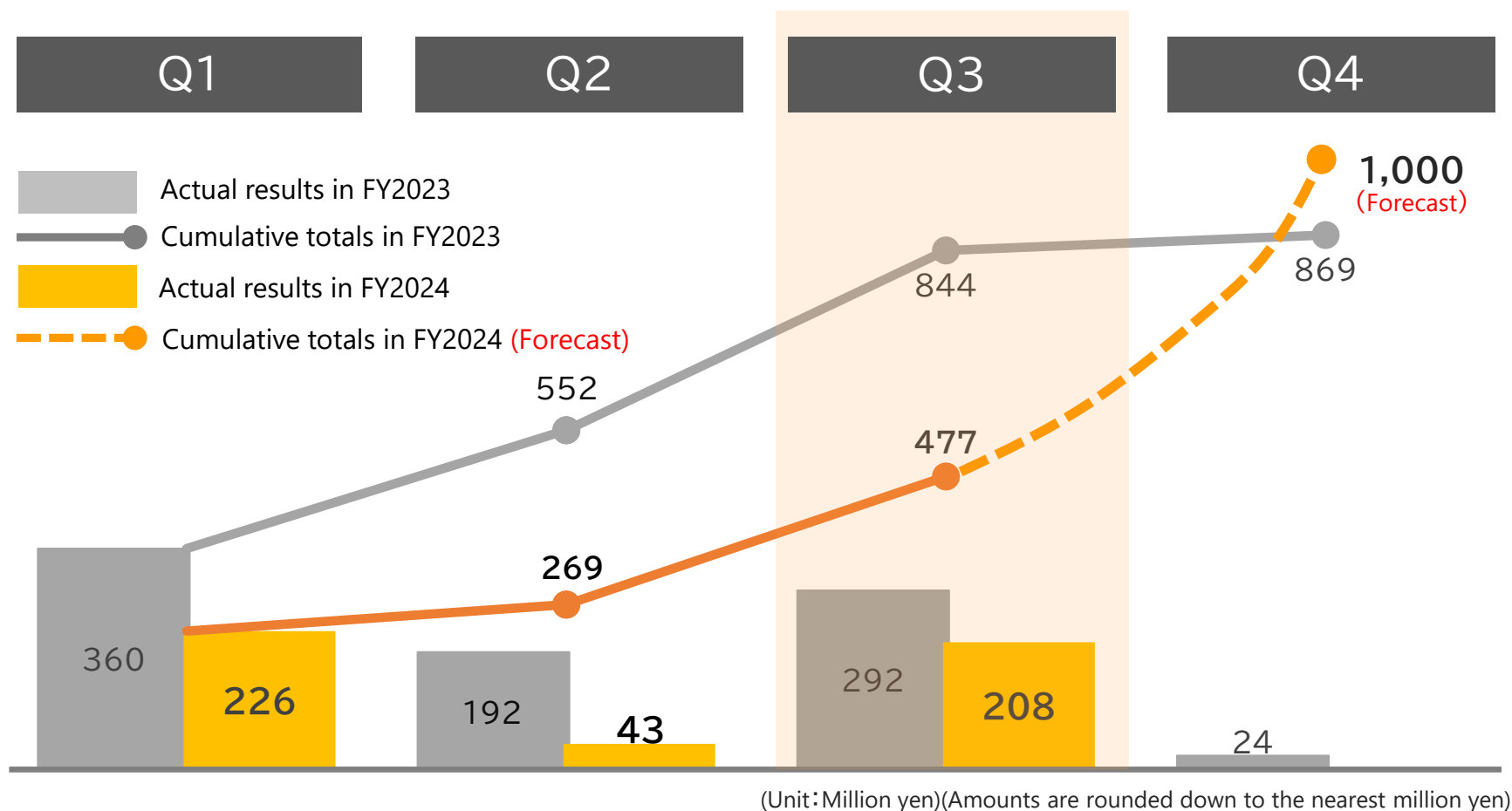
## Progress against financial forecasts

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

	FY2023 Q3	FY2024 Q3		Difference	Rate of difference	Financial Forecasts (announced on Oct. 30)	Achievement ratio
Revenue	10,320	11,724		1,404	+14%	17,000	69%
Operating income	844	477		(367)	(43%)	1,000	48%
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Net income	653	106		(546)	(84%)	680	16%

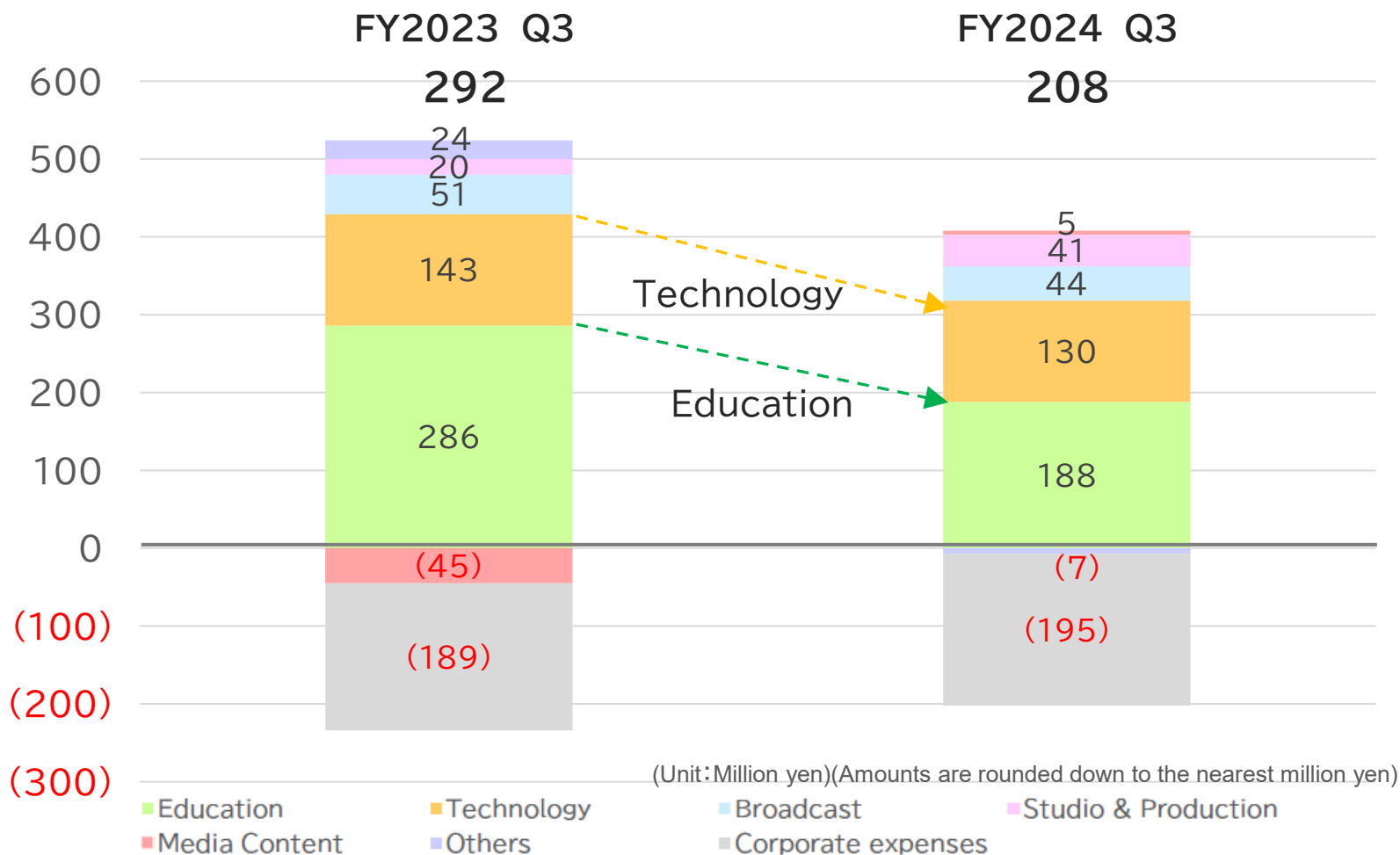
- ✓ Revenue, operating income, and ordinary income remained in line with the assumptions though dispersions can be seen among segments.
- ✓ Achievement rate of net income is no higher than 16% in part due to the impact of reversal of deferred tax assets in the third quarter.
- ✓ Financial forecasts for the full year remain unchanged at present because of uncertainties in the fourth quarter, including accumulation of deferred tax assets and feasibility of strategic options.

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



Decrease of 84 million yen in the third quarter compared to the same period of the previous year

# Operating Income for the 3rd quarter of the fiscal year (Year-over-Year)

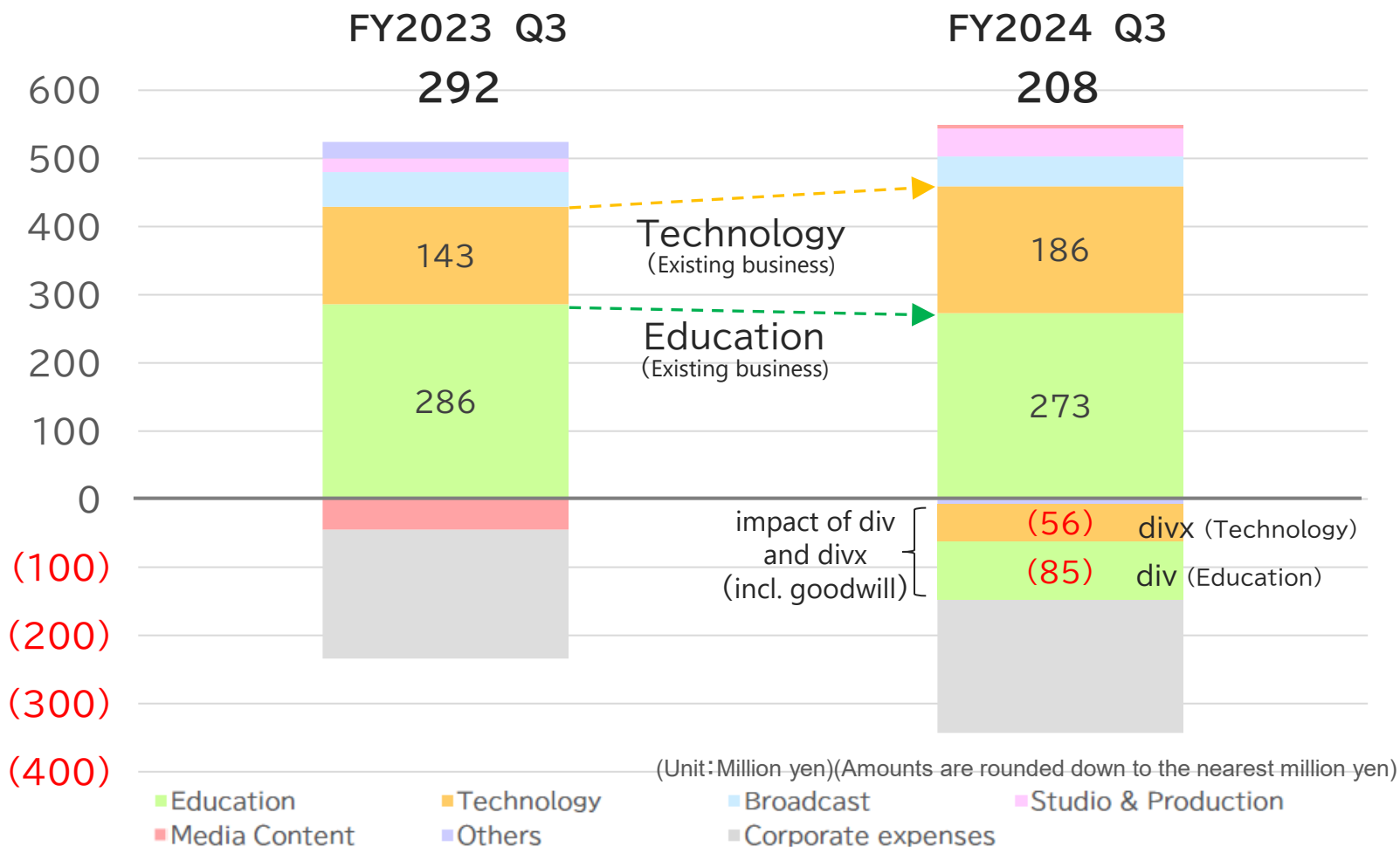


- ✓ On a segment-by-segment basis (incl. div and divx), Education and Technology experienced a decline in profits.
- ✓ Studio & Production reported an increase in profits.

# Operating Income for the 3rd quarter of the fiscal year (Year-over-Year)

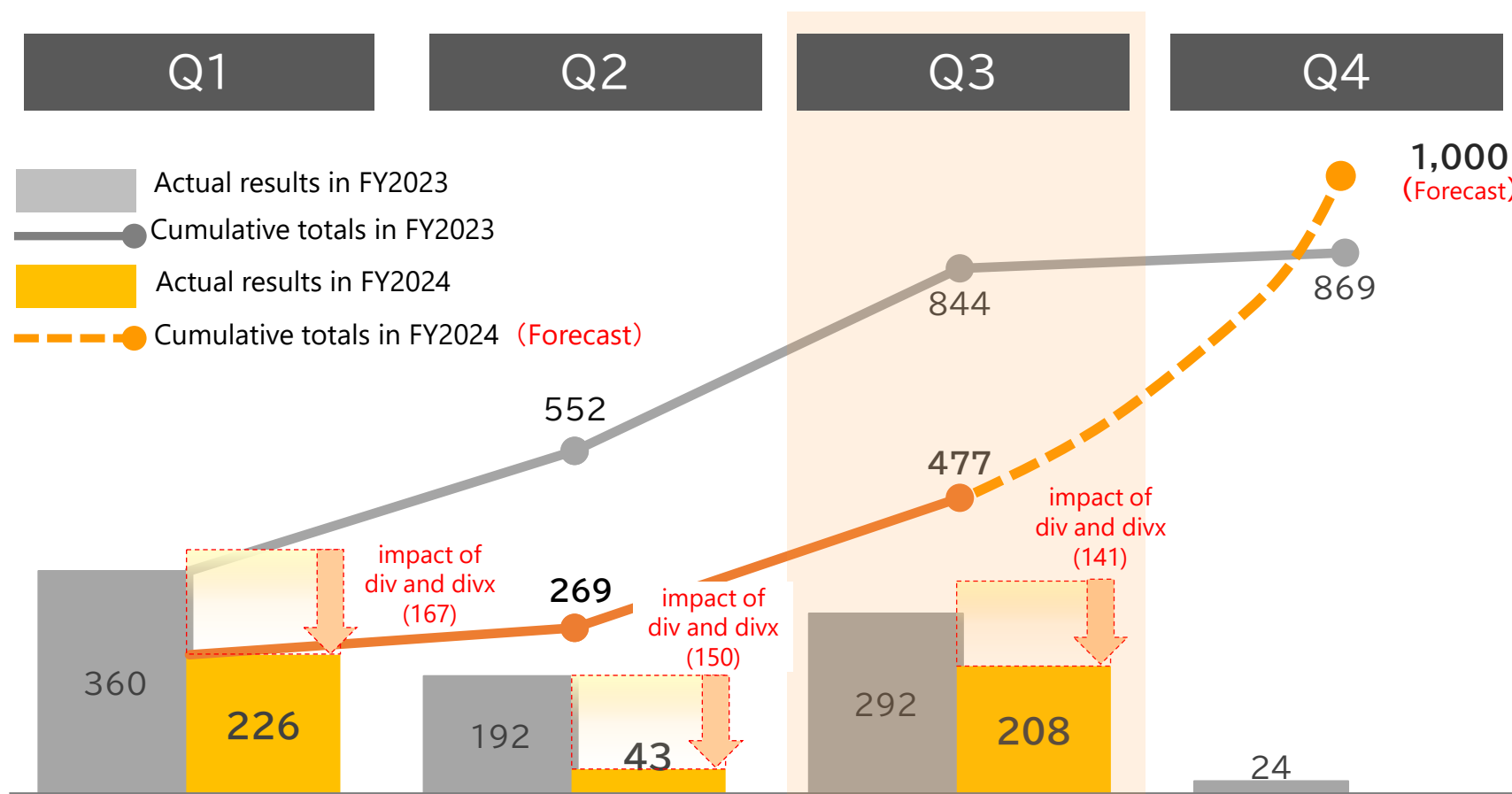


— Breakdown of operating income with div Inc. and divx Inc. shown separately from their respective segments —



- ✓ Existing businesses in the Technology segment performed well, while those in Education saw a slight decrease in profit.
- ✓ Both div Inc. and divx Inc. negatively impacted operating income (including goodwill).

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



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

- ✓ There was a decrease of 84 million yen in the third quarter compared to the same period of the previous year.
- ✓ Excluding the effects of div/divx, income from existing businesses increased in profit compared to the same period of the previous year.



# Consolidated Financial Results by Business Segment



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

	Revenue			Operating income		
	FY2023 Q3	FY2024 Q3	Difference	FY2023 Q3	FY2024 Q3	Difference
Education (Incl. div impact/goodwill)	3,185	4,079 (514)	↗ 893	985	705 [(295)]	↘ (280)
Media Content	475	345	↘ (130)	(134)	(71)	↗ 63
Studio & Production	1,359	1,163	↘ (195)	72	(15)	↘ (88)
Broadcast	1,770	1,742	↘ (28)	73	115	↗ 41
Technology (Incl. divx impact/goodwill)	3,306	4,063 (491)	↗ 757	386	299 [(164)]	↘ (87)
Others	222	329	↗ 107	(6)	1	↗ 7
Corporate expenses				(532)	(556)	↘ (23)
<b>Total</b>	<b>10,320</b>	<b>11,724</b>	↗ 1,404	<b>844</b>	<b>477</b>	↘ (367)

# Consolidated Financial Results by Business Segment



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

	Revenue			Operating income		
	FY2023 Q3	FY2024 Q3	Difference	FY2023 Q3	FY2024 Q3	Difference
Education (Incl. div impact/goodwill)	3,185	4,079 (514)	↑ 893	985	705 [(295)]	↓ (280)
			+28%			(28%)
			Existing business only +12%			Existing business only +1%

- ✓ Overall, business segments saw an increase in revenue but a decrease in income, although existing businesses increased in both revenue and income.
- ✓ Online high school saw record enrollment, leading to increased revenue and income.
- ✓ Enrollment in the on-campus courses, including the eSports course, also increased.
- ✓ At the same time, labor and educational costs increased.
- ✓ Measures will continue 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 teacher training courses 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 Q3	FY2024 Q3	Difference	FY2023 Q3	FY2024 Q3	Difference
Education (Incl. div impact/goodwill)	3,185	4,079 (514)	↑ 893	985	705 [(295)]	↓ (280)
			+28%			(28%)
			Existing business only +12%			Existing business only +1%

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

- ✓ Div operating loss pushed segment income down by 295 million yen (including goodwill amortization).
- ✓ In the third quarter (Oct.-Dec.), revenue decreased (by 27 million yen) compared to the previous quarter (Jul.-Sep.), but the deficit was reduced (by 16 million yen) due to cost containment measures.
- ✓ 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 Q3	FY2024 Q3	Difference	FY2023 Q3	FY2024 Q3	Difference
Media Content	475	345	(130)	(134)	(71)	63
			(27%)			loss reduced

- ✓ Completed business transfer after considering strategic options. All operations within this segment will be concluded in the third quarter.
- ✓ Performance of video and comic service for the period until October 31 and performance of entertainment information service for the period until November 30 have been reflected.

- ◆ 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 Q3	FY2024 Q3	Difference	FY2023 Q3	FY2024 Q3	Difference
Studio & Production	1,359	1,163	(195)	72	(15)	(88)
			(14%)			loss recorded

- ✓ Revenue and income decreased in the first half of this year due to the continued impact of the Hollywood strike in May 2023.
- ✓ Order levels recovered in the third quarter (October - December), and profit of approx. 42 million yen was posted.
- ✓ 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 Q3	FY2024 Q3	Difference	FY2023 Q3	FY2024 Q3	Difference
Broadcast	1,770	1,742	(28)	73	115	41
			(2%)			211%

- ✓ Subscription fee revenue continues to fall.
- ✓ Revenue decreased slightly despite increases in sponsor revenue and sales from Fishing Vision Club (VOD).
- ✓ 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 Q3	FY2024 Q3	Difference	FY2023 Q3	FY2024 Q3	Difference
Technology (Incl. divx impact/goodwill)	3,306	4,063 (491)	757	386	299 [(164)]	(87)
			+23%			(23%)
			Existing business only +8%			Existing business only +20%

- ✓ Overall business segment saw an increase in revenue but a decrease in income, although existing businesses increased in both revenue and income.
- ✓ Our flagship Akamai (CDN) service increased income and profit.
- ✓ System Design Development co., Ltd recorded a profit.
- ✓ Contributing to DT and security measures 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 Q3	FY2024 Q3	Difference	FY2023 Q3	FY2024 Q3	Difference
Technology (Incl. divx impact/goodwill)	3,306	4,063 (491)	757	386	299 [(164)]	(87)
			+23%			(23%)
			Existing business only +8%			Existing business only +20%

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

- ✓ Divx operating loss pushed segment income down by 164 million yen (including goodwill amortization).
- ✓ The above resulted from elimination of intra-group transactions pertaining to compensation (approx. 100 million yen) for DT and security measures of businesses within the Group.
- ✓ In the third quarter (October - December), performance before the consolidation elimination was improved to zero profit and loss.

- ◆ 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 Q3	FY2024 Q3	Difference	FY2023 Q3	FY2024 Q3	Difference
Others	222	329	↑ 107	(6)	1	↑ 7
			+48%			returning to profit


- ✓ The Game Publishing business saw a significant increase in revenue and returned to profitability due to a commission for a large-scale development project and new releases in the first quarter.
- ✓ Both sales and profit of Promotion of Professional eSports decreased, despite an increase in income from prize money, due to decreases in income from sponsors and that from licenses.

- ◆ 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 Q3	FY2024 Q3	Difference
Corporate expenses	(532)	(556)	 (23)

4%  
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)

	FY2023	FY2024 Q3	Difference	Rate of difference
Total assets	11,890	10,616	(1,273)	(11%)
Liabilities	5,981	5,066	(914)	(15%)
Net assets	5,909	5,549	(359)	(6%)
Shareholders' equity	4,774	4,403	(371)	(8%)
Stock acquisition rights for non-controlling shareholders	1,134	1,146	12	+1%
Shareholders' equity ratio	40%	41%	—	—

### 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 Q3	FY2024 Q3
Operating cash flow	124	(665)
Investing cash flow	(989)	(59)
Financing cash flow	(364)	(722)
Effect of exchange rate change on cash and cash equivalents	10	4
Changes in cash and cash equivalents	(1,219)	(1,442)
Year-end balance of cash and cash equivalents	4,647	4,383

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

### Operating cash flow

Decreased 665 million yen, mainly due to the increase of accounts receivable and decrease of advances received, despite the posting of 397 million yen in income before income taxes and an increase in deposits received

### Investing cash flow

Decreased 59 million yen, resulting mainly from asset acquisition for expansion of sites in the high school correspondence course business

### Financing cash flow

Decreased 722 million yen, due to dividend payments, the repurchase of treasury stock, and the repayment of debt

# Financial Summary for the First Three Quarters of FY2024

## Shareholder Return

### Topics

#### [Reference Documents]

- Sustainability (Human Capital) Initiatives
- Other Topics

# Shareholder Return; Dividend



- ✓ The year-end dividend for FY2024 is planned to be 40 yen per share (+7 yen increase), as forecasted at the beginning of the fiscal year.

	Mid-term Dividend (per share)	Year-end Dividend (per share)	Payout Ratio (Consolidated)
FY2024 (planned)	00.00 yen	40.00 yen	42.1%
FY2023 (results)	00.00 yen	33.00 yen	35.3%
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.**

# Financial Summary for the First Three Quarters of FY2024

## Shareholder Return

## Topics

### [Reference Documents]

- Sustainability (Human Capital) Initiatives
- Other Topics



**Renaissance Japanese Language Academy was certified as an educational institution for training students to become Japanese language teachers (national certification: "registered Japanese language teacher") by the Ministry of Education, Culture, Sports, Science and Technology of Japan.**

**NEW**  
**登録日本語教員養成・実践研修コース**

国籍不問 学歴不問 年齢不問

登録日本語教員養成機関 (C0241311)  
登録実践研修機関 (B0241309)

ルネサンス日本語学院講師  
高嶋 幸太

経済産業省  
リスクリソングを通じた  
キャリアアップ支援事業

厚生労働省  
教育訓練給付制度  
(一般教育訓練)

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

**Aiming to achieve further growth of the Japanese language education business by driving measures to eliminate the shortage of teachers and create employment opportunities.**



## Report of activities of students in the eSports Course of Renaissance High School Group

### “Fortnite” Division



WINNER

Renaissance High School  
“TaylerShelom”

Finished 3rd

Renaissance Osaka High School  
“Tension 0 100”

### “League of Legends” Division



WINNER

Renaissance High School  
“GateinteinDX”

### “VALORANT” Division



WINNER

Renaissance Osaka High School  
“Haven Liberty”

Finished 2nd

Renaissance High School  
“Queimar”

## 1st place winners in three divisions of the 2nd NASEF JAPAN National High School Esports Championship

\* NASEF JAPAN National High School Esports Championship is an eSports competition for high school students that is hosted by NASEF JAPAN (North America Scholastic Esports Federation).

# Thank you for your attention.



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# Financial Summary for the First Three Quarters of FY2024

## Shareholder Return

## Topics

### **[Reference Documents]**

- **Sustainability (Human Capital) Initiatives**
- **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	4,079	3,437 84%	641 16%	4,079 100%	— —
Media Content	345	214 62%	130 38%	129 37%	216 63%
Studio & Production	1,163	— —	1,163 100%	1,163 100%	— —
Broadcast	1,742	1,441 83%	300 17%	1,742 100%	— —
Technology	4,063	3,570 88%	493 12%	1,111 27%	2,952 73%
Others	329	5 2%	324 98%	329 100%	— —
Total	11,724	8,669 74%	3,055 26%	8,555 73%	3,169 27%

- ✓ 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 and Others mainly came from flow income that fluctuates considerably over the short term.

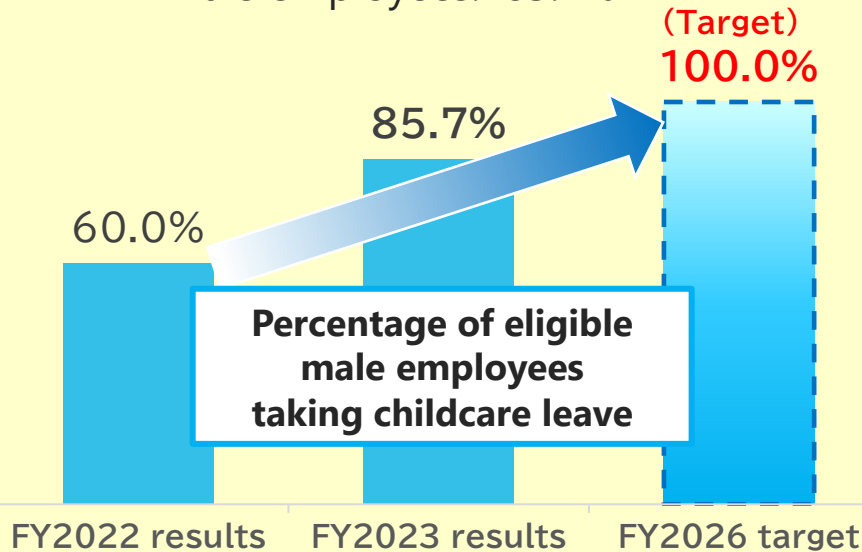
# Sustainability (Human Capital) Initiatives



## FY2023

### Percentage of eligible employees taking childcare leave:

Female employees: 100%,  
Male employees: 85.7%

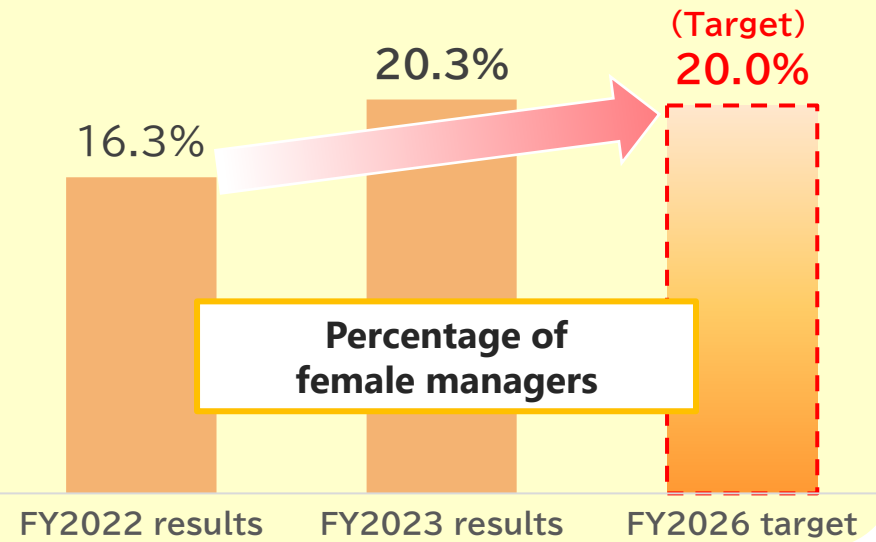


Percentage of eligible male employees taking childcare leave

## FY2023

### Percentage of female managers

**20.3%**



Percentage of female managers

\* 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

**The Kumon Learning Method, which teaches students the fundamentals of mathematics and English, was implemented in the Basic Class of Renaissance Junior High School.**



<https://www.r-ac.jp/junior/basicclass/>

Even students who have trouble learning can enjoy acquiring academic skills steadily, at a pace suited for each.

**We will continue to provide learning tools and opportunities which allow students to enjoy learning.**

# Participating in the Six Invitational 2025, the largest official world tournament of the Rainbow Six Siege.



To be held in Boston, Massachusetts, USA, in February 2025  
CAG is to participate in the tournament for the fourth time after an interval of  
two years since 2023.

**We highly appreciate your support for the team.**

# Our Mission



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



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



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