Financial Results Briefing Material for the Second Quarter of the Fiscal Year 2021

Bushiroad Inc.

Securities code: 7803

March 16, 2021

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Keyword

from
Investment phase

to
Growth phase!



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NOTICE

The Company has changed its fiscal year end **from July 1 to June 30** since FY2021.

Now FY2021 is **11 months** from August 1, 2020 to June 30, 2021.

1Q: Aug.-Oct.
2Q: Nov.-Jan.
3Q: Feb.-Apr.
4Q: **May and June**

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FY2021 Second Quarter Financial Results Summary/Overview

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2Q of FY2021: Financial Results Summary

Net sales maintained
almost same level as the previous FY.

Get out of Red of 1Q to Black
just in a Quarter.

- Net sales was almost same level as the 2Q in the previous FY that had achieved the highest record, and deficit in 1Q turned to the black just in a quarter.
- Digital IP business segment achieved **the highest net sales in two quarters in a row** since 1Q, due to **contribution by "D4DJ Groovy Mix" during the current quarter**. Advertising and promotion expenses decreased compared to 1Q, but due to **higher cost rate in MD Dept. and MOG Dept. and increasing depreciation for TV animation**, **segment profit was the black only slightly**.
- Live IP business segment **turned to the black** after four previous quarters, due to **organizing a big match "WRESTLE KINGDOM 15"(Ittenyon)** of New Japan Pro-Wrestling.
- **Extraordinary loss of 179 million yen was allocated** as impairment of goodwill.

Unit: million yen	FY21 2Q (①)	FY20 2Q (②)	+/- amount (①−②=③)	+/- % (③／②)	FY21 1Q (④)	+/- amount (①−④=⑤)	+/- % (⑤／④)
Net sales	**9,054**	**9,123**	-69	-0.7%	**8,971**	+83	+0.9%
Operating profit	**241**	**1,029**	-788	-76.5%	**-82**	+323	–
Ordinary profit	**256**	**1,036**	-780	-75.2%	**-93**	+349	–
Profit (loss) attributable to owners of parent	**-36**	**635**	-671	–	**-154**	+118	–
	Digital IP business						
Net sales	**6,708**	**6,218**	+490	+7.8%	**6,651**	+57	+0.8%
Segment profit	**24**	**502**	-478	-95.2%	**3**	+21	–
	Live IP business						
Net sales	**2,347**	**2,904**	-557	-19.1%	**2,320**	+27	+1.1%
Segment profit	**215**	**502**	-287	-57.1%	**-91**	+306	–

* For segment profit, amount of adjusted inventories is not shown.

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Goodwill Impairment of Hikosen Theater Company

◆Background

We recognized that live stages would be further important as an element in IP production, so after acquiring Hikousen, some synergy has gradually emerged such as producing/operating “We are RAISE A SUILEN -BanG Dream! The Stage-”, a live stage utilizing our in-house IP.

Meanwhile, Hikosen **expects to show a deficit in the immediate future** because more than 180 stages from August, 2020 to March, 2021 are cancelled due to widespread of COVID-19, and as such it was decided that **its goodwill should be been fully booked as impairment loss considering uncertainty and other factors under the environment of COVID-19**.

This will lead, **during the second half and onward, no more burden caused by amortization of goodwill which costs about 40 million yen per year concerning Hikosen Theater Company.**

◆Balance of goodwill

Before impairment loss	183,321,000 yen
Impairment loss	179,439,000 yen
Balance	3,881,000 yen

Hikosen Theater Company

Established: 1966
Capital: 43,789,000 yen

For over 50 years, it produced “Mask Play Musical” centered on World Masterpiece Theater and performed all over Japan and overseas. In recent years it has also engaged in planning and production of 2.5-dimensional musical stages.

It became a subsidiary of Bushiroad Inc. in February, 2020.



“The Seven Baby Goats and the Wolf”

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Action Plan of Hikosen Theater Company

◆Expanding stage production

- **Converting Bushiroad IP into live stages,** and distributing and selling the video
- **Approaching major IPs,** and converting them into live stages as mask play musical.

  “PreCure” series are very popular live stages organized every year since 2014.
  The latest “Healin’ Good ♥ PreCure Dream Stage♪” was played at 22 places nationwide.



“We are RAISE A SUILEN -BanG Dream! The Stage-”
July, 2020

◆Mid-term growth strategy

Through providing new values of live stages, a subscription model of live stages should be established, aiming at **increasing corporate value by sustained growth**.

- **Fusion of real stage and online stage**

  The stage performances provide unprecedented special feeling for the audience who watch on-site, and using special video effects in the online shows would make the audience move because of the experience not found in the daily life.

- **3D anime / 3D picture book**

  3D anime will be developed emphasizing worldview of animation which attracts people having less interests in live stages, also aiming at further evolution of theatrical shows as 3D picture books.



“Healin’ Good ♥ PreCure Dream Stage♪”
Aug. 2020-Feb. 2021

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Summary Income Statement (Consolidated)

- **Cumulative net sales in the first half period exceeded the same in the precious FY**. In addition, **cumulative operating profit and ordinary profit in the first half period returned to the black**.
- Due to several factors such as increased depreciation for TV animation programs (*1) broadcasted last autumn, higher percentage of in-house distribution of MOG, and higher cost rates of MD / live stages / events, **gross profit decreased**.
- Advertising expenses increased due to launching new application games (*2), but its amount has been held down as compared to the same incurred in relation to launching D4DJ during 1Q. In addition, effects of cost-cutting carried out as measures against COVID-19 still continue. In these contexts, **SG&A expenses returned to normal level**.

	Quarter				Cumulative total			
Unit: million yen	FY21 2Q (①)	FY20 2Q (②)	+/- amount (①−②=③)	+/- % (③／②)	FY21 2Q (④)	FY20 2Q (⑤)	+/- amount (④−⑤=⑥)	+/- % (⑥／⑤)
Net sales	**9,054**	**9,123**	-69	-0.7%	**18,026**	**17,429**	+597	+3.4%
Gross profit	**3,200**	**4,256**	-1,056	-24.8%	**6,625**	**8,146**	-1,521	-18.6%
SG&A expenses	**2,960**	**3,226**	-266	-8.2%	**6,466**	**5,913**	+553	+9.3%
Advertising expenses	**1,436**	**1,347**	+89	6.6%	**3,293**	**2,454**	+839	+34.1%
Promotion expenses	**158**	**515**	-357	-69.3%	**375**	**828**	-453	-54.7%
Operating profit	**241**	**1,029**	-788	-76.5%	**158**	**2,233**	-2,075	-92.9%
Operating profit margin	**2.6%**	**11.3%**	-8.7pt	–	**0.8%**	**12.8%**	-12.0pt	–
Ordinary profit	**256**	**1,036**	-780	-75.2%	**162**	**2,260**	-2,098	-92.8%
Ordinary profit rate	**2.8%**	**11.4%**	-8.6pt	–	**0.9%**	**13.0%**	-12.1pt	–
Profit (loss) attributable to owners of parent	**-36**	**635**	-671	–	**-191**	**1,278**	-1,469	–

*1 “Assault Lily BOUQUET” and “D4DJ First Mix”.
*2 “Assault Lily Last Bullet” (released on Jan. 20, 2021), “ARGONAVIS from BanG Dream! AAside” (released on Jan. 14, 2021), and “GRISAIA -CHRONOS REBELLION-” (released on Nov. 26, 2020).

* As consolidated performance forecasts are not disclosed, progress thereof is not shown.

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Future prospects concerning cost of sales

Cost rate of MOG

Since in-house distribution is accounted as gross allocation, its cost rate is higher than net allocation for external distribution.
Application games of in-house distribution type have been increased, such as “D4DJ Groovy Mix” and “Vanguard ZERO”, which aim at extending top lines making greater amount of gross profit.
Cost rates may continue to shift depending on net sales proportion of in-house distribution and external distribution.

Depreciation for TV animation

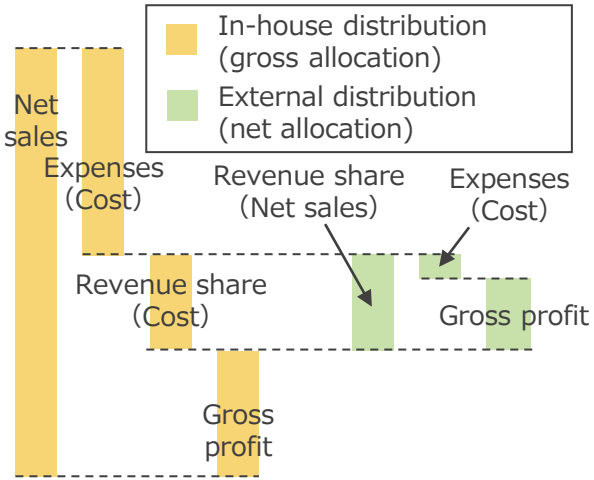
Depreciation for TV animation programs broadcasted last autumn has passed its peak during 2Q and will decrease. In addition, production of TV animation will be put back from 100% investment to production committee style, thereby holding down total expenses incurred by the Company.

Cost rates of MD / music live shows / pro-wrestling events

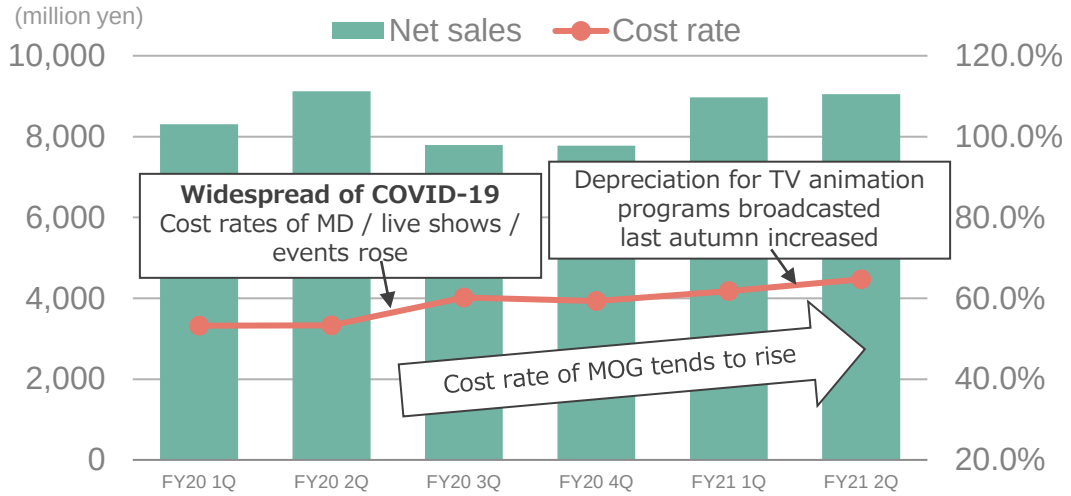
As the impacts of COVID-19 become smaller and consequently economic activities would recover gradually then consumption demand for MD and attendance rates in music live shows and pro-wrestling events would improve, cost rates would be better as well.

Also, by making effective use of various supportive measures such as “J-LODlive (*1)”, expenses related to organizing events will be supplemented. (*2)

(ref.) Image of MOG allocation

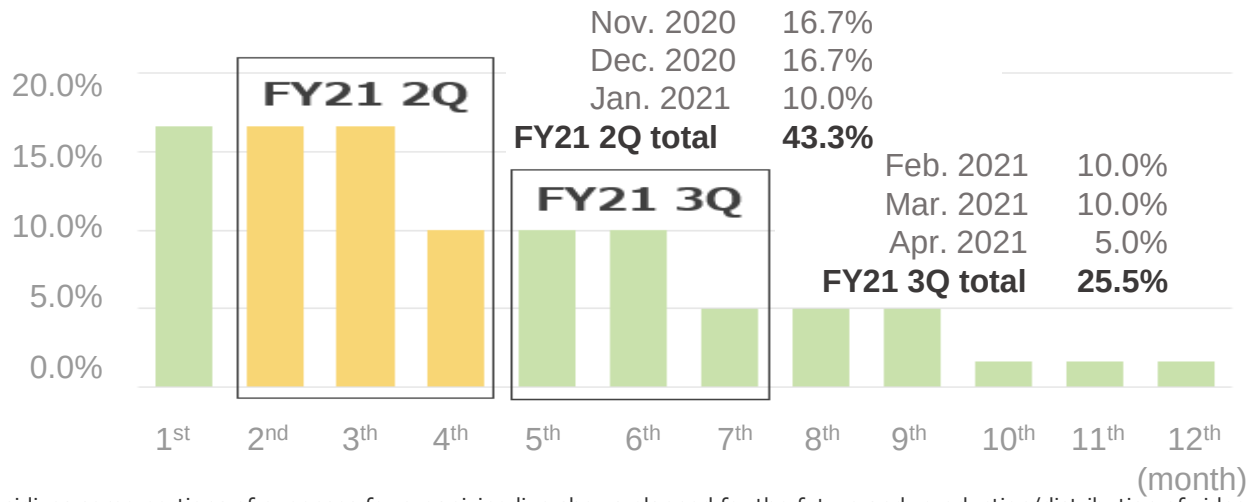


Quarterly Trend of Consolidated Net Sales and Cost Rate



(ref.) Monthly percentage of depreciation for TV animation

*Based on in-house criteria. Before depreciation, these are allocated as work in progress on the consolidated BS.
* Depreciation starts in the month of starting broadcast, and the table below shows an example where Oct. 2020 is the 1st month.



*1 “J-LODlive" = Content Global demand creation promotion business expenses subsidy
It is a supportive measure for organizers having postponed/cancelled public shows due to COVID-19, which subsidizes some portions of expenses for organizing live shows planned for the future and production/distribution of videos making use of such shows recorded.
*2 Upon receiving, such subsidies will be recognized as non-operating profit.

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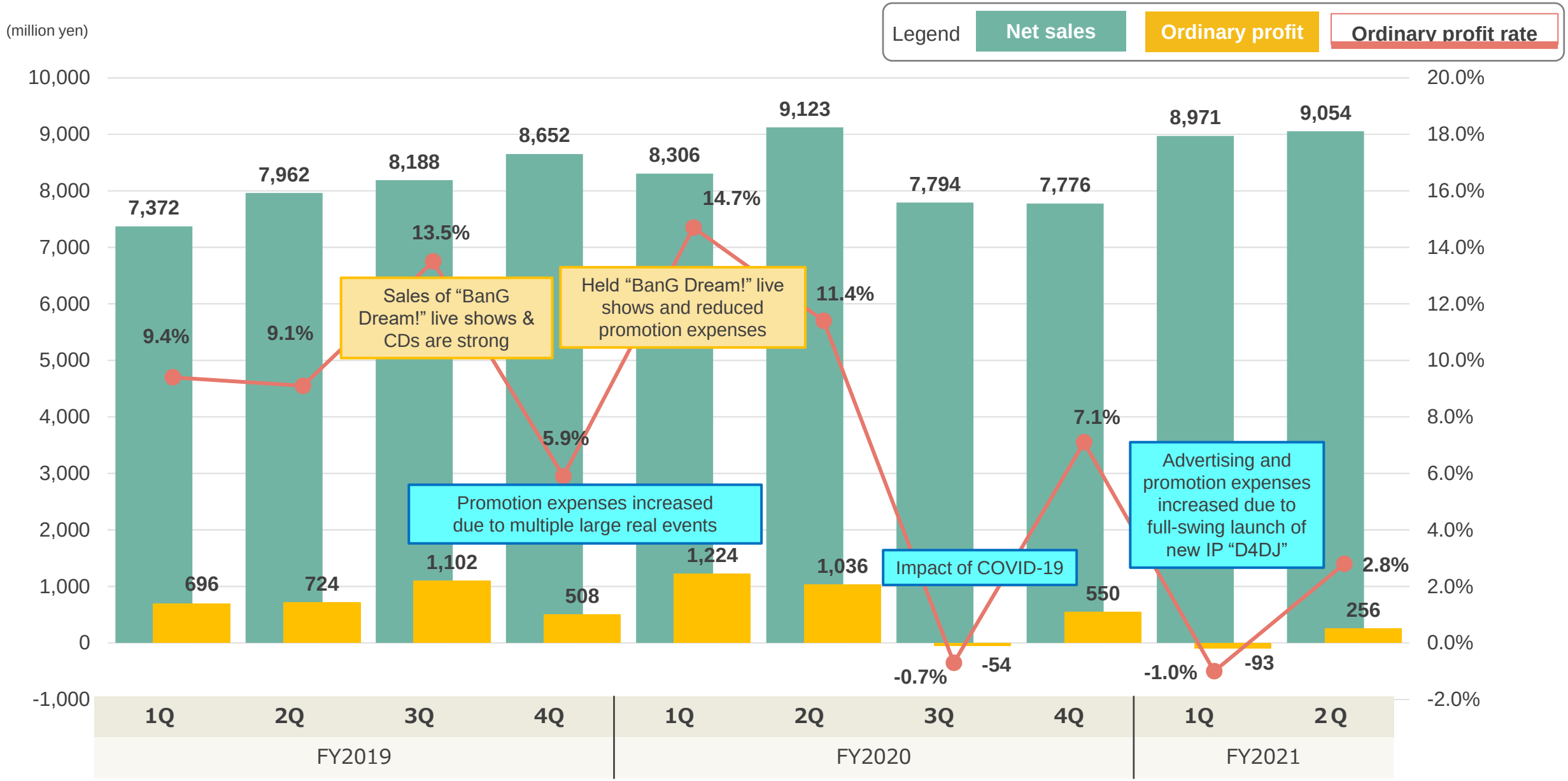
Quarterly Trend of Consolidated Performances



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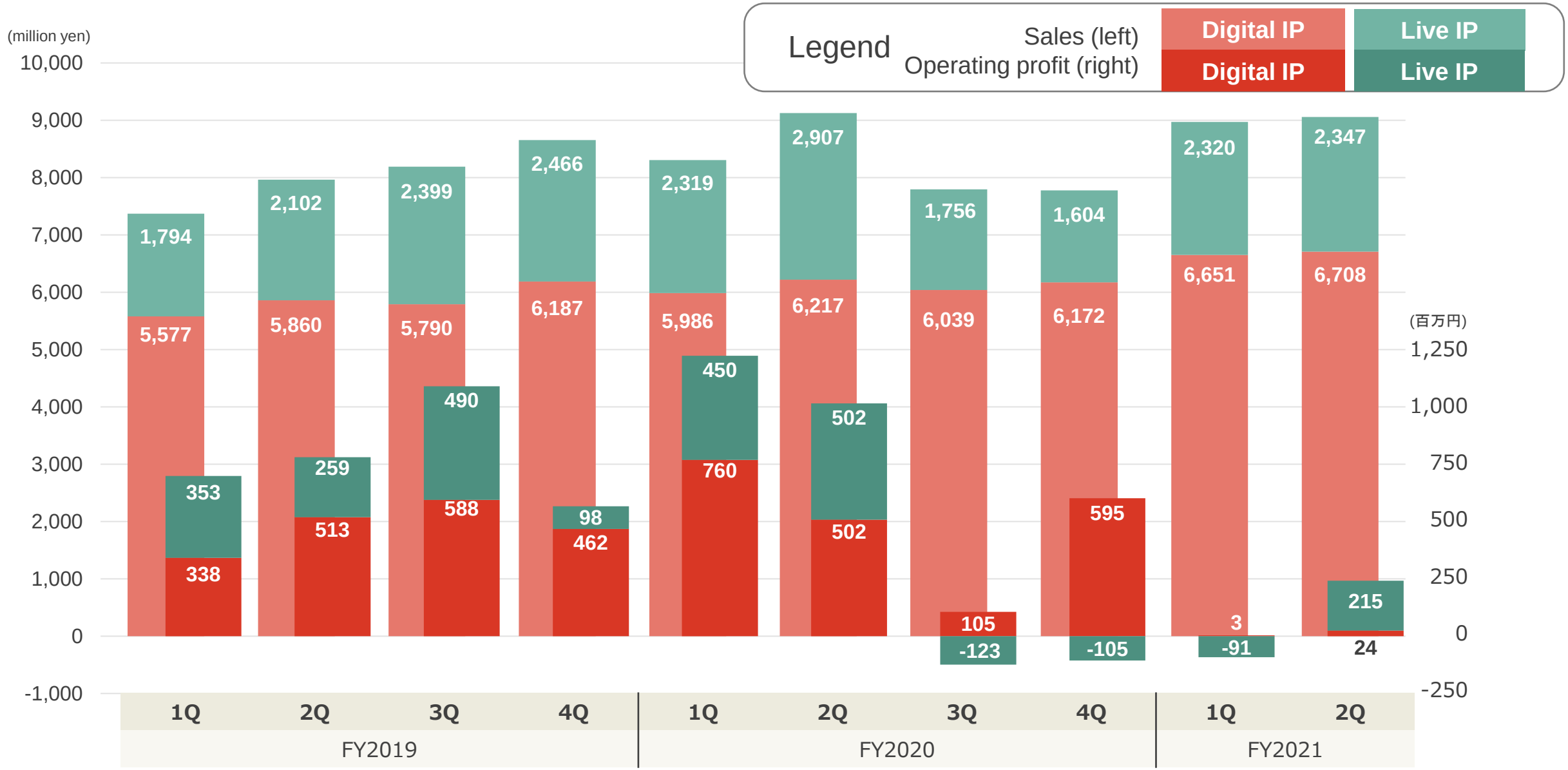
Quarterly Trend of Sales and Operating Profit by Segments



* Segment sales are sales to external customers. * For segment operating profit, adjusted amount is not shown.

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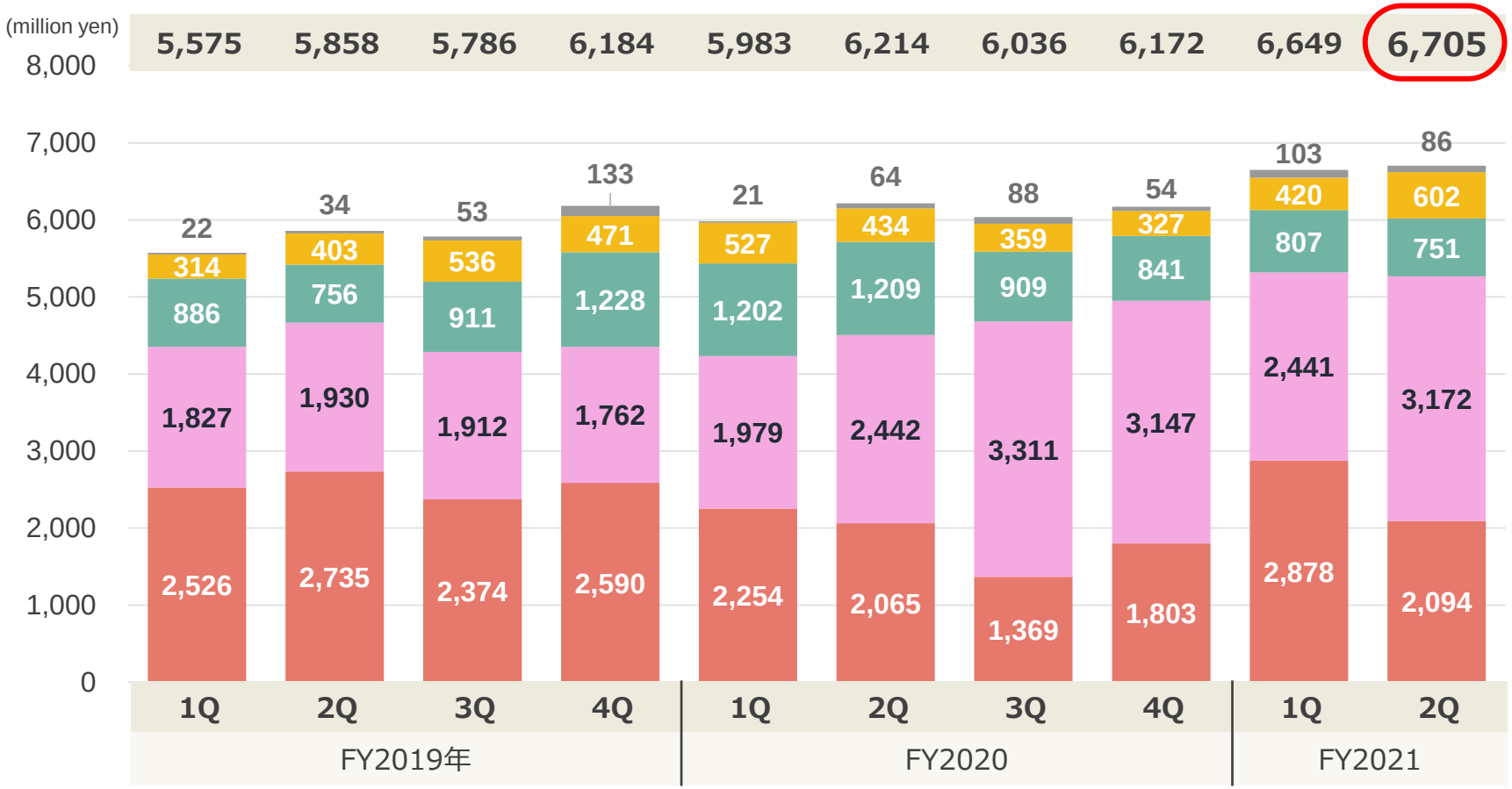
Quarterly Trend of Net Sales by Department: ① Digital IP Business



Legend

TCG Dept.	MOG Dept.	MD Dept.	Media Dept.	Other
YonY → QonQ ↓	YonY ↑ QonQ ↑	YonY ↓ QonQ →	YonY ↑ QonQ ↑	

The highest sales in two successive quarters!

Media Dept.: Projects outside the Group in ad agency business continuously increased, resulting in higher net sales.

MD Dept.: Affected by scale-down, postponement and cancellation of real events due to reissuance of the state of emergency, net sales in this department got softened ongoingly.

MOG Dept.: **Contribution of "D4DJ Groovy Mix" throughout the quarter** and **releasing new applications** helped net sales growing up to as much as 3 billion yen.

TCG Dept.: Net sales decreased due to **withholding release of Vanguard products before shifting them to new series**, but it could arrive at as much as pre-COVID-19 level of 2 billion yen.

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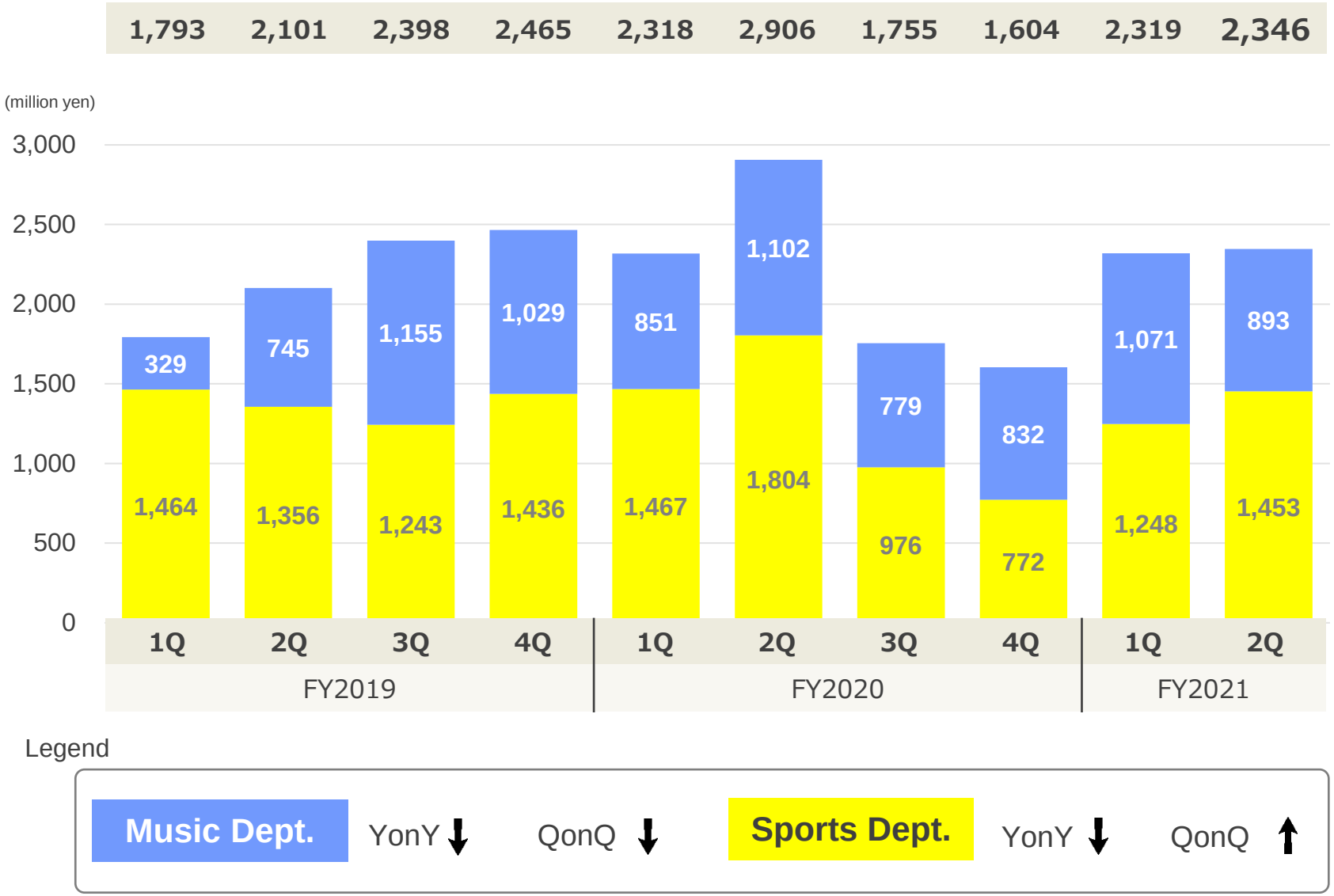
Quarterly Trend of Net Sales by Department: ② Live IP Business



Music Dept.: **Music software maintained steady growth**, such as releasing 12 single-CDs and 2 albums, mainly those of “BanG Dream!” and “D4DJ”, and notably Poppin’Party 16th Single “Photograph” achieving No.1 on the Oricon weekly singles ranking. As for live shows/stages, music live shows/stages are organized: live shows of “BanG Dream!”, “Girls☆Musical Revue Starlight” and “D4DJ”, and the first stage of new IP “ROAD59-SHINJIDAI NINKYOU TOKKU”. However, **reissuance of the state of emergency in January, 2021 caused postponement/cancellation of a portion of events**, consequently **net sales decreased as compared to 1Q**.

Sports Dept.: One of the biggest events organized by New Japan Pro-Wrestling, **“WRESTLE KINGDOM 15” was held for two days** as done last year, attracting 20,490 spectators. Besides, New Japan Pro-Wrestling organized 53 events, and STARDOM, a brand of women’s pro-wrestling, organized 26 events, leading to **higher net sales as compared to 1Q**.
Meanwhile, **number of paid subscribers** of the video streaming service “New Japan Pro-Wrestling World” **reached 116,000, the highest ever**. (*1)

*1 As of Jan. 2021

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Topics

New application games were released

Three new application games were released during the current 2Q. In particular, “Assault Lily Last Bullet” allows enjoying stories linked to the TV animation “Assault Lily BOUQUET” broadcasted in October, which is appreciated well among mainly IP fans.

For every application, vitalization of game-playing will be pursued through updating such as organizing in-game events and functional modification.



GRISAIA -CHRONOS REBELLION-
(released on Nov. 26, 2020)

Developed by Frontwing Lab. Inc.
Distributed by Bushiroad Inc.



Assault Lily Last Bullet
(released on Jan. 20, 2021)

Developed by Pokelabo Inc. and Bushiroad Inc.
Distributed by Pokelabo Inc.



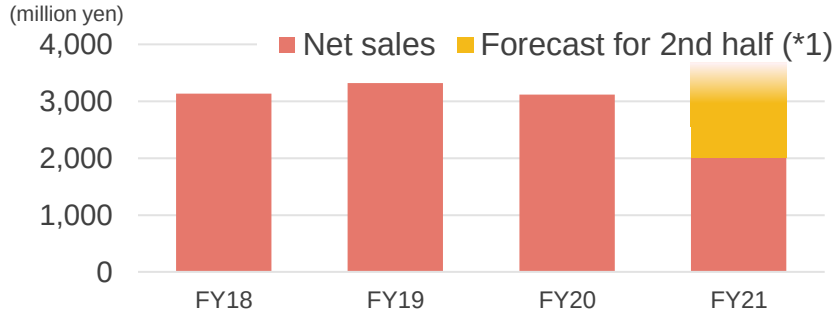
ARGONAVIS from BanG Dream! AAside
(released on Jan. 14, 2021)

Developed and distributed by DeNA Co., Ltd.

TCG “Weiss Schwarz” going well

It achieved net sales of 2 billion yen in the first half period.
Overseas sales have grown mainly in East Asia, maintaining a pace which may achieve the highest net sales for the full-term.

Change in net sales of Weiss Schwarz related products



*1 5 months from Feb. 2021

Web comic site “COMIC BUSHIROAD WEB”, was opened on Jan. 22, 2021.

Including Bushiroad's IP converted into comic, which is called "comicalized" version, and WEB-original new series, a lot of updated comics are delivered which can be enjoyed regardless gender and genre.

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Financing: Loan

◆**The Company borrowed 2,700 million yen as a supplemental loan for working capital.**

(1) Lender	Mizuho Bank, Ltd., MUFG Bank, Ltd., Sumitomo Mitsui Banking Corp.
(2) Amount	2,700 million yen
(3) Rate	Fixed rate
(4) Execution date	December, 2020
(5) Repayment method	Principal equal repayment
(6) Final repayment date	5 years from execution date
(7) Collaterals	No collateral and guarantee required

◆**(ref.) Past bank loans and financing**

Execution date	Amount	Use of funds
Dec. 2018	2,490 million yen	Working capital, and additional acquisition of shares in a subsidiary
Dec. 2019	3,450 million yen	Working capital
Mar. 2020	8,050 million yen	Measures against COVID-19
Aug. 2020 (*1)	5,000 million yen	IP development, IP expansion

*1 Convertible bond-type bonds with subscription rights to shares

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Upcoming Activities

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Upcoming Activities ①: Scheduled Principal Projects

*Below listed ones are as announced as of Mar. 16, 2021, to be held/released.
*Order of listing may not be in line with actual timing of holding/releasing.

D4DJ / ARGONAVIS / ROAD59 -SHINJIDAI NINKYOU TOKKU
BanG Dream! / Assault Lily / CARDFIGHT!! VANGUARD
Girls☆Musical Revue Starlight / New Japan Pro-Wrestling

Mar. → Apr. → From May

Live Shows/Stages

- ARGONAVIS 3rd LIVE 「CROSSING」
- アサルトリリィ BOUQUET スペシャルライブベント「Edel Lilie」
- アルゴナビス Acoustic Tour 2021 - Spring Session-
- 舞台「ROAD59 -新時代任侠特区-」 摩天楼ヨザクラ抗争
- Poppin'Party×SILENT SIREN 対バンライブ 「NO GIRL NO CRY -Round 2-」
- ハロー、ハッピーワールド！ Sound Only Live 「うぇるかむ to OUR MUSIC♪」
- RAISE A SUILEN ZEPP TOUR 2021「BE LIGHT」
- BanG Dream! Special☆LIVE Girls Band Party! 2020→2021
- Happy Around! 2nd LIVE 「みんなにハピやね♪」
- 燐舞曲 1st LIVE 「[Re] incarnation ー甦生ー」
- Merm4id 1st LIVE 「Luv♡4U」
- Lyrical Lily×Merm4id 合同LIVE「NYAN-NYAN SHAKE!」
- Peaky P-key×Photon Maiden 合同LIVE「Ultimate Melodies」
- Fantôme Iris 1st LIVE C'est la vie!

Fuji-Q Highland Conifer Forest
- D4DJ D4 FES. -Be Happy- REMIX
- ARGONAVIS LIVE 2021 JUNCTION A-G

- 舞台「ARGONAVIS the Live Stage」

Music/Video Software

- Afterglow 1st Album
- TVアニメ アサルトリリィ BOUQUET #3
- Happy Around! 2nd Single
- 「少女☆歌劇 レヴュースタァライト」 ベストアルバム（*1）
- GYROAXIA 1st Album
- Peaky P-key 2nd Single
- RAISE A SUILEN 7th Single
- TVアニメ アサルトリリィ BOUQUET #4
- Poppin'Party×SILENT SIREN 「NO GIRL NO CRY」
- Pastel＊Palettes 1st Album
- Photon Maiden 2nd Single
- Argonavis 4th Single
- Merm4id 2nd Single

*1 Released from PONY CANYON INC.

Topics

TOKYO DOME CITY “Gallery AaMo”
- ガルパ4周年記念展
- D4DJ展
- リリィ展
- スタァライト展
- ヴァンガード展

- TVアニメ「カードファイト ヴァンガード overDress」放送開始
- 劇場版「BanG Dream! Episode of Roselia Ⅰ：約束」
- ブシロードカードゲーム祭2021
- 新日本プロレス 「WRESTLE GRAND SLAM」
- 劇場版「少女☆歌劇 レヴュースタァライト」
- 劇場版「BanG Dream! Episode of Roselia Ⅱ：Song I am.」

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Upcoming Activities ②: “CARDFIGHT!! VANGUARD”

“CARDFIGHT!! VANGUARD” series marked their 10th anniversary on Feb. 2021. Celebrating this, a new TV animation program titled “CARDFIGHT!! VANGUARD overDress” will start from Apr. 2021, which appeals widely and strongly to not only those enjoying VANGUARD now but also those who would be new or returning players of TCG.



←Start Deck

Booster Pack→







◆Schedule of releasing new series articles

Mar. 25: 3 types of Start Deck
Apr. 3: 2 types of Start Deck
Apr. 17: The first Booster Pack

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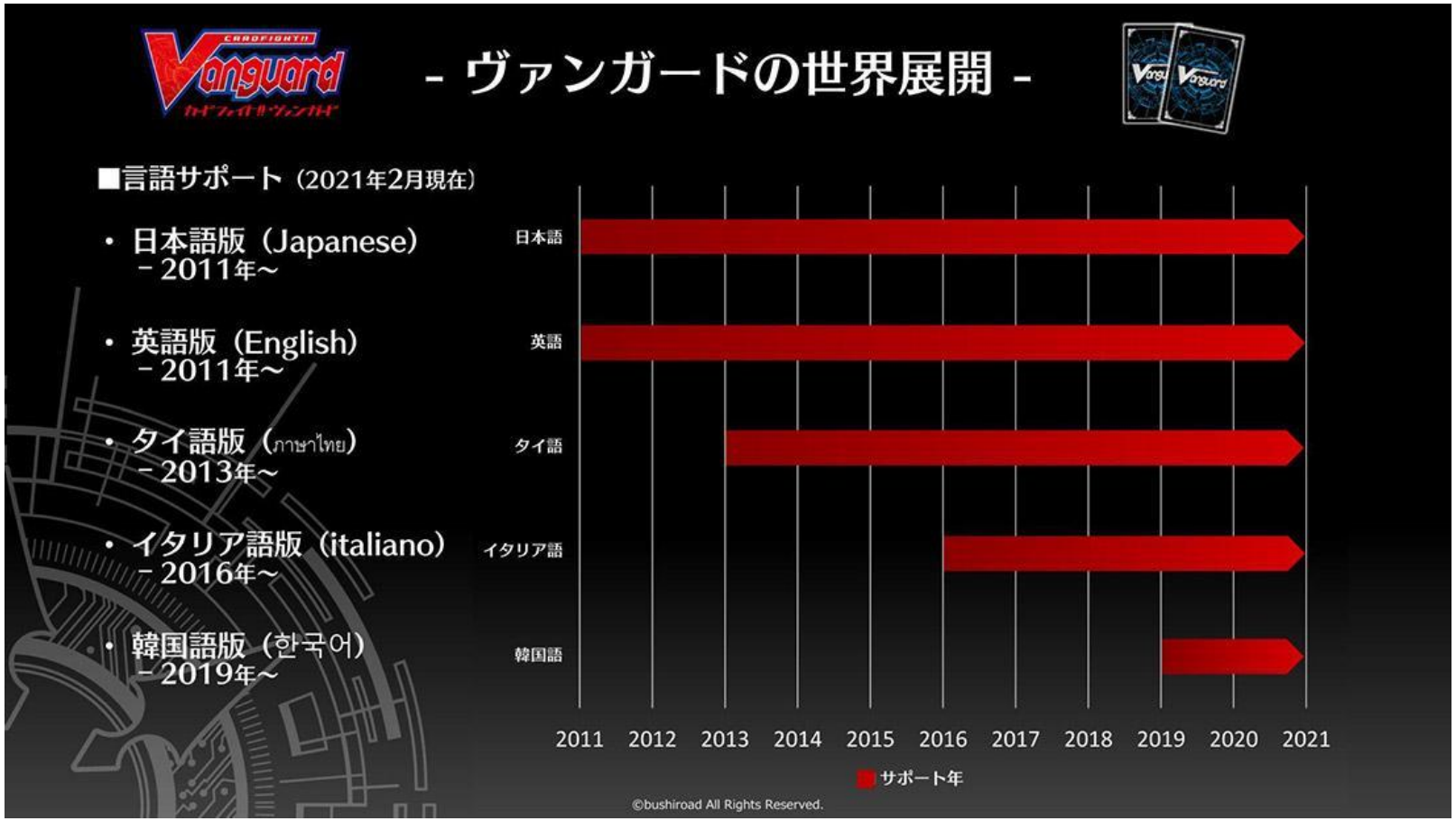
Upcoming Activities ③: “CARDFIGHT!! VANGUARD”

As of Mar. 2021, video works of “CARDFIGHT!! VANGUARD” series are available in more than 30 countries/territories, and TCG products are translated into five different languages. For “CARDFIGHT!! VANGUARD” **to be a global service in the future**, we enhance simultaneous dispatch of information and products’ distribution so that **the market overseas expands**.







©VANGUARD overDress Character Design ©2021 CLAMP・ST ©bushiroad All Rights Reserved.

Upcoming Activities ④: BanG Dream!

“BanG Dream! Girls Band Party!” 4th anniversary



Our application game “BanG Dream! Girls Band Party!”, also called "Garupa", marked its 4th anniversary on Mar. 16, 2021. Besides the updates of application, BanG Dream! project provides a variety of campaigns and events.

Production of “theater version” animation





“BanG Dream! Episode of Roselia I: Promise”, a movie of “Roselia” performing also as a real band, will be on screen at more than 100 theaters nationwide from Apr. 23. In addition, its second part titled “BanG Dream! Episode of Roselia II: Song I am.” comes next from June 25.

Large-scale music live shows

BanG Dream! Special★LIVE
Girls Band Party!
2020→2021

BanG Dream! 9th☆LIVE

“BanG Dream! Special☆LIVE Girls Band Party! 2020→2021” will be held on June 5 and 6 at MetLife Dome. And “BanG Dream! 9th☆LIVE” will be held on Aug. 21 and 22 also on Sept. 4 and 5 at Fuji-Q Highland Conifer Forest. These are high-profile large-scale music live shows.

Nintendo SwitchTM ver.

NINTENDO SWITCH × BanG Dream! ガールズバンドパーティ！

Scheduled to be released in 2021.

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Upcoming Activities ⑤: MOG



Since its release in Oct. 2020, number of downloads of **"D4DJ Groovy Mix"** exceeded one million in just three months, and a major update was carried out in Feb. 2021. In Jan. 2021, a **large-scale event that collaborated with "Monster Hunter"**, a very popular hunting action game, was held where seven music numbers remixed for this event were implemented. Moreover, original pieces of many artists such as "hololive production", "Nana Mizuki", "Momoiro Clover Z" and "Claris" were implemented. **These strengthen the application as the platform for music games**.







In the event **"WRESTLE KINGDOM 15",** the news of releasing application game of New Japan Pro-Wrestling titled "New Japan Pro-Wrestling STRONG SPIRITS" was announced. The application is developed with Drecom Co., Ltd., and would be released at the same moment worldwide in 2021.



A global version of **"INVICTUS: Lost Soul"**, a real-time card controlled PvP fighting game which has been rolled out in South-East Asia since Aug. 2020, was released on Mar. 1, 2021 from Bushiroad International Pte. Ltd.

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Upcoming Activities ⑥

TV animation “Joran: The Princess of Snow and Blood” Press conference



Press conference for a TV animation **“Joran: The Princess of Snow and Blood”** to be broadcasted from Apr. 2021 was held at Meijiza.
The theme songs of opening and ending for the anime are sung by "RAISE A SUILEN", a real band from the BanG Dream! project. And, Raychell who is the bassist & vocalist of this band acts as Elena Hanakaze appearing in this program. In addition, a live stage version of this piece is planned to be performed at Meijiza with the same casting as TV animation in the next autumn.

“D_CIDE TRAWMEREI” Project Announcement



As a new project produced by Sumzap, Inc., Drecom Co., Ltd. and Bushiroad Inc., production of **“D_CIDE TRAWMEREI”** was announced on Mar. 16, 2021. TV animation version is planned to start next summer 2021, which is produced by SANZIGEN Inc. In addition, an application game of this piece is also planned to be released next summer 2021.





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Upcoming Activities ⑦



“ROAD59-SHINJIDAI NINKYOU TOKKU-” 2nd live stage is coming

“ROAD59-SHINJIDAI NINKYOU TOKKU-” is a new media-mix project with its theme as a new-generation “Ninkyoumono” (Japanese chivalrous story).
Following the first in Dec. 2020, the second live stage of **“ROAD59-SHINJIDAI NINKYOU TOKKU-” Matenrou Yozakura Kousou** will be performed at Kanagawa Arts Theatre on Apr. 15 through18, 2021.

OP/ED themes for the TV animation “Bokutachi no Remake (Remake our Life!)” are played by two real bands “Poppin’ Party” and “Argonavis”.







For the TV animation **“Bokutachi no Remake (Remake our Life!)”** starting next July 2021, its opening and ending themes are played by Poppin’ Party and by Argonavis, respectively. Also in this piece, Aimi who is the guitarist & vocalist of Poppin’ Party acts the voice of Nanako Kogure, and Masahiro Ito who is the vocalist of Argonavis acts the voice of Kyoya Hashiba.

Movie “White Snake” Japanese-dubbed version is distributed jointly.



Japanese-dubbed version of the animation movie **“White Snake”** that has made a huge hit in China will be distributed jointly by Bushiroad Move, and it will be on screen in the next summer. As the main casts, Suzuko Mimori from HiBiKi acts the voice of Blanca, and Daisuke Sakuma, a member of "Snow Man", acts the voice of Xuan.

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Upcoming Activities ⑧: Pro-Wrestling



New Japan Pro-Wrestling partners with Roku Started internet broadcasting in the USA, Canada, and UK

We have started the internet broadcasting in the USA, Canada and UK from Feb. 2021 on **“The Roku Channel”,** a major streaming service in the USA with more than 40 million users.
New Japan Pro-Wrestling is the very first pro-wrestling company that entered into Advertising Video On Demand of “The Roku Channel”.



May 15 and 29, 2021 Big matches at Yokohama Stadium and Tokyo Dome

It was announced that big match **“WRESTLE GRAND SLAM”** would be held on May 15 and 19, 2021.
It is a challenging attempt for New Japan Pro-Wrestling to organize such events successively at two major stadiums in just three weeks, and we expect it to be a huge event that following “WRESTLE KINGDOM” in Jan. and “G1 CLIMAX” in July and Aug. (*1) each year.

*1 In 2020, it was held from Sept. 19 to Oct. 18.

Women’s pro-wrestling “STARDOM” Their first event at Nippon Budokan



Giulia, left, and Tam Nakano fought in the main match at Nippon Budokan

“LEC Presents STARDOM’s 10th Anniversary -Hinamatsuri ALLSTAR DREAM CINDERELLA- ”, the first event at Nippon Budokan for STARDOM, was held on Mar. 3, 2021, attracting 3,318 spectators.
On Apr.4, 2021, another at Yokohama Budokan will be held.

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Appendix

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Bushiroad Group's management philosophy

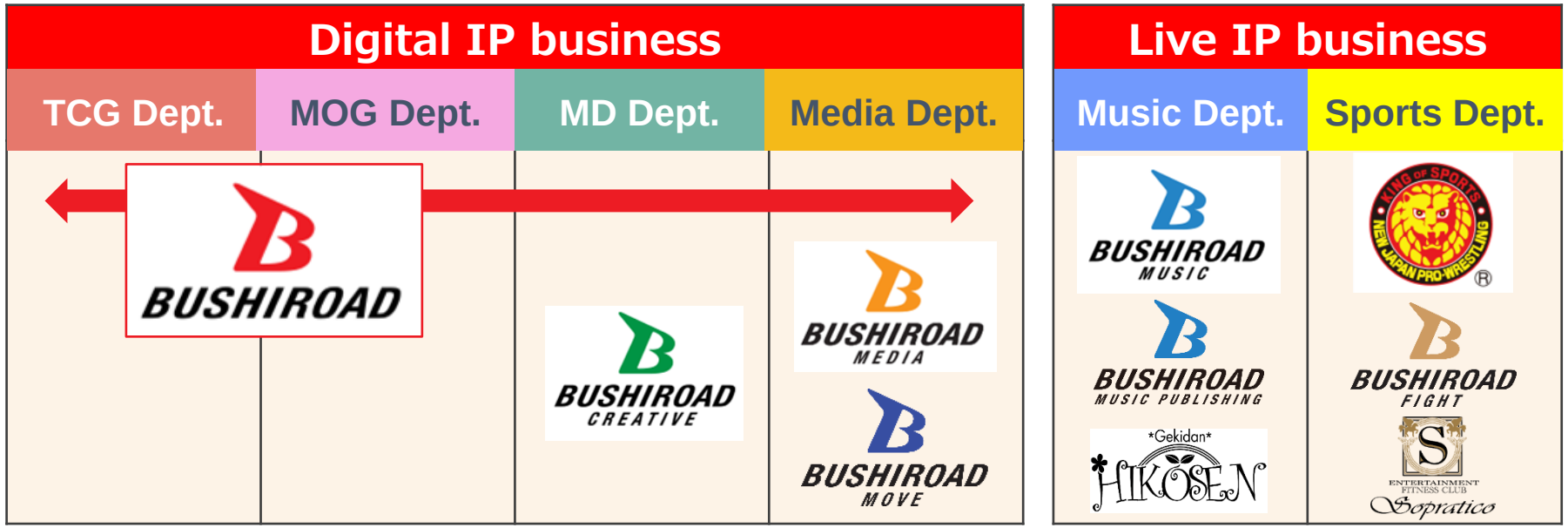
IP DEVELOPER

Creating entertainment of new era

Intellectual **P**roperty

The Company uses this term to mean entertainment works, characters and a variety of other products.

Bushiroad Group's business and departments



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What is the IP Developer Strategy?

“One-stop media mix” is to carry out various corporate activities, essential for IP creation/growth speedily, within the Group.
And IP will be widely perceived upon strong dissemination by group-wide **“promotion development”** using of our know-how and alliance.
This is the Bushiroad’s **“IP Developer Strategy”**.

A case of BanG Dream! Project





It is a new generation girls band project where anime, games, comics and live performances all come together as a media mix. Among many music related anime contents, the project took **the initiative in style that the voice actresses of the characters actually play instruments and perform in live events**. Its feature is allowing to see the growth of characters through anime, games, and comics at the same time that real bands also grow through live stages and releasing songs.

Music Dept.



Media Dept.





MD Dept.





TCG Dept.





MOG Dept.



One-stop media mix

Various promotion strategies

- TV commercials
- Transit Advertising
- SNS
- Events
- Web advertisement
- Recital
- Distribution

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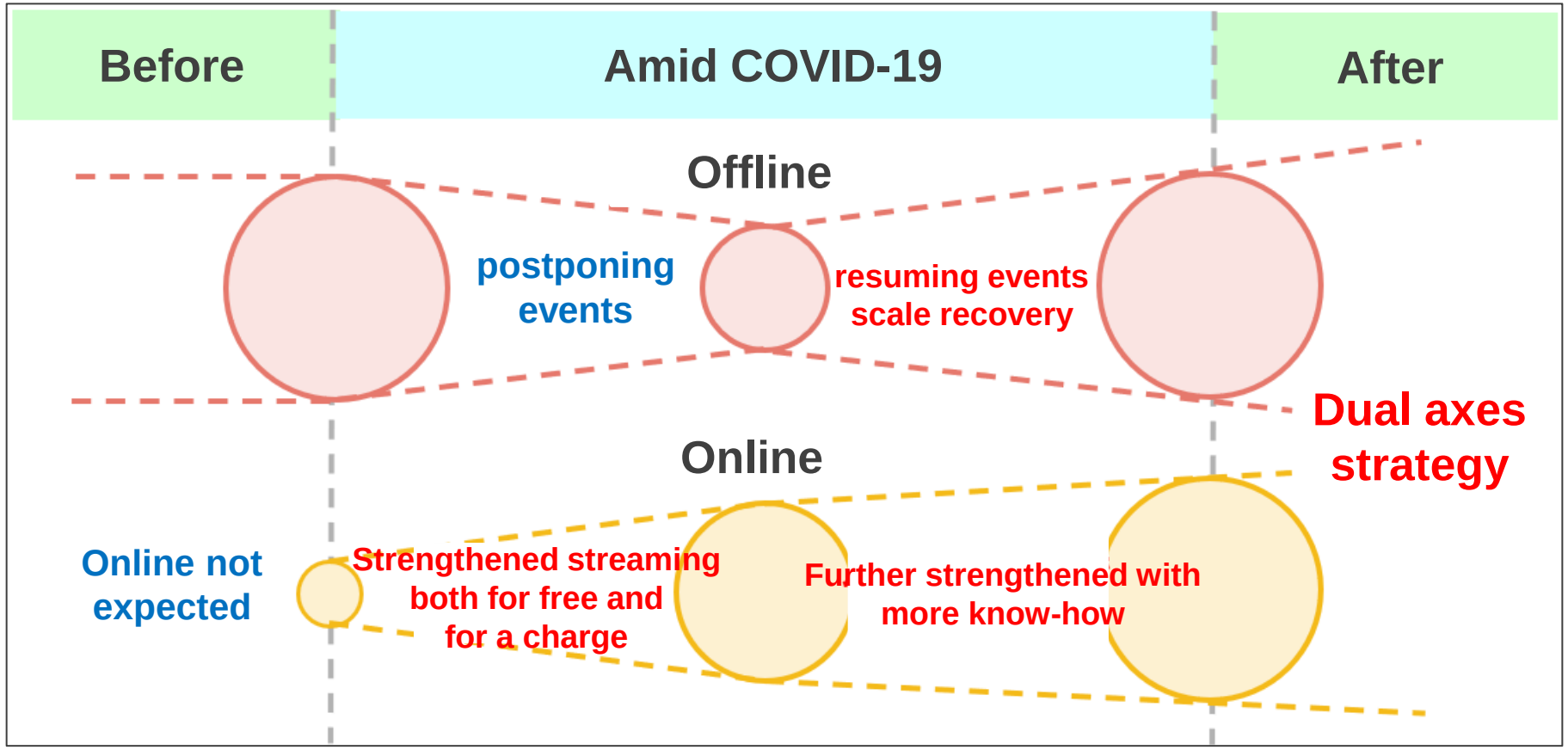
Image of shift in IP Developer Strategy amid COVID-19

◆To a strategy with dual axes of offline and online

- Amid COVID-19, the development in offline areas has been contracted and thus exploration in online areas became necessary, which resulted in obtaining much know-how in online areas, such as free live streaming and one with charge.
- In view of recovery in offline areas and strengthening online areas, the Strategy shifted to the one with dual axes.



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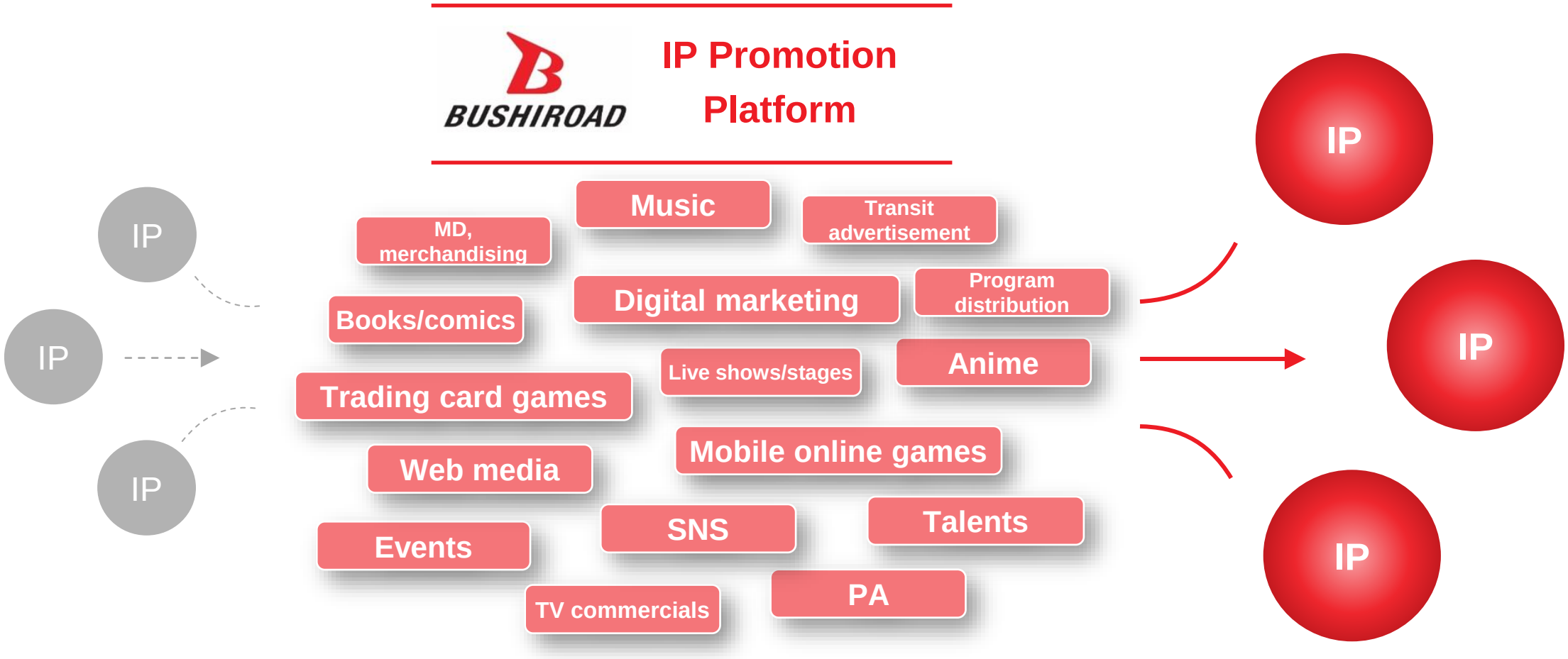
Toward an IP Promotion Platform

We aim to enhance our presence in the entertainment market more by strengthening our position as a **“platform company”** that make more value of IPs by leveraging know-how to create in-house IPs and collaborate with other companies’ leading IPs.



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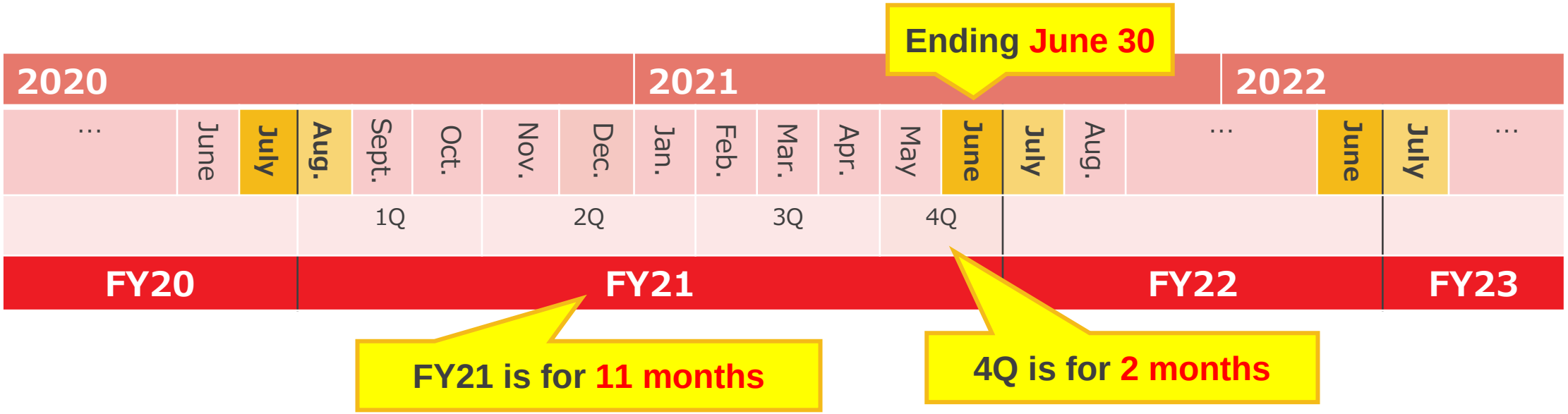
Notice on changing business year

From FY2021, the company **has changed its fiscal year end from July 1 to June 30**.
As a transitional period for changing business year, the term of FY2021 is for **11 months** from August 1, 2020 to June 30, 2021.



◆Reason for the change

As Live IP business has its peak in July and August every year due to its business characteristics, this changing is required so as to mitigate impacts of seasonal factors on the financial results including net sales and to gain more efficiency in business operations, as well as to improve transparency in management by disclosing management information such as financial results timely and properly.

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