



July 28, 2016

Press Release

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 Representative Representative CEO Taro Hashimoto  
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## Notice of Revision to Financial Forecasts

Broadmedia Corporation (hereinafter referred to as “the Company”) announces that it has revised the financial forecasts for the first six months in the fiscal year ending March 31, 2017, announced on April 28, 2016. Details are as follows.

### 1. Revision to consolidated financial forecasts for the first six month in the fiscal year ending March 31, 2017

(April 1, 2016 to September 30, 2016)

	Revenue	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previously forecast (A)	6,000	(140)	(180)	(280)	(4.11)
<b>Revised forecast (B)</b>	<b>6,300</b>	<b>(20)</b>	<b>(60)</b>	<b>(170)</b>	<b>(2.49)</b>
Difference (B—A)	300	120	120	110	—
Increase/Decrease (%)	5.0	—	—	—	—
(For reference) Financial results for the first six months in the previous year (First six months in the fiscal year ended March 31, 2016)	5,896	(78)	(216)	(589)	(8.67)

### 2. Reason for the revision

#### <Revenue>

The revenue from the program sales business and production business in the Studio segment was higher than expected in the first quarter. Distribution to theaters, which also performed better than expected, is forecast to remain strong in digital cinema services of the Technology segment. In light of these factors, we have decided to make upward revisions to the initial forecasts.

# <Income>

In addition to the above, we are continuing the cost reduction measures that were implemented in the previous consolidated fiscal year in the educational services of the Content segment and Studio segment. We also expect to post lower-than-expected expenses on a Group-wide basis. Consequently, the initial forecasts have been revised upward.

In addition, we have also made upward revisions to the ordinary income and quarterly net income attributable to the owners of parent for the same reason.

However, in regards to consolidated financial forecasts for the fiscal year ending March 31, 2017, we have decided not to revise the previous forecasts due to the impact of a contract that was concluded ahead of the initial timeframe of the second half, as well as the uncertain outlook for cloud game services and digital media services in the Content segment.

[For reference]

The following is a segment-by-segment breakdown of financial forecasts for the first six months and the fiscal year ending March 31, 2017

(Unit: Million yen)

	Revenue			Operating income		
	Financial forecasts for the first six months	Financial forecast for the second half (October – March)	Financial forecasts for FY2016	Financial forecasts for the first six months	Financial forecast for the second half (October – March)	Financial forecasts for FY2016
Total	6,300	6,700	13,000	(20)	170	150
Content	900	1,300	2,200	(180)	80	(100)
Broadcast	2,800	2,700	5,500	160	130	290
Studio	1,300	1,200	2,500	100	30	130
Technology	900	900	1,800	130	130	260
Network sales	400	600	1,000	10	30	40
Corporate expenses	—	—	—	(240)	(230)	(470)

\*The forward-looking statements above, including financial forecasts, are based on information currently available to the Company and certain assumptions judged to be reasonable. The Company can provide no assurance that its expectations will be achieved. Actual results may differ due to a range of factors. In particular, such results may fluctuate materially depending on conditions in the cloud gaming business.

For inquiries regarding this press release:

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