



November 30, 2018

Press Release

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Notice on Recording Extraordinary Loss and Extraordinary Profit and Revision of Full-Year Earnings Forecast

Broadmedia Corporation (hereinafter, “the Company”) announces that it passed a resolution concerning the adjustment of transfer value of shares of Fishing Vision Co., Ltd. sold in March 2015 and the sale of investment securities owned by the Company at the Board of Directors’ meeting held on November 30, 2018. Accordingly, the Company expects to record an extraordinary profit and an extraordinary loss for the third quarter of the consolidated fiscal year ending March 31, 2019. Hence, it has revised its full-year earnings forecast from those announced on May 30, 2018. Details are provided below.

1. Contents and amount of extraordinary profit

In March 2015, the Company sold part of its holding of shares in Fishing Vision Co., Ltd., its consolidated subsidiary. Included in the calculation of the share value on which said sale was based were estimated future earnings in relation to “Damages from Fictitious Transactions Suffered by Consolidated Subsidiary” announced after January 2018.

Accordingly, the Company recalculated the share value by deducting the impact of the fictitious transactions, upon consultation with the purchaser, and recently reached an agreement with the purchaser on the recalculated share value.

As the Company recognized the possibility of adjustment in said share trading value, it had conservatively reduced profit on the sale of shares posted as extraordinary income in the financial summary and securities report for the fiscal year ended March 31, 2015, which the Company revised in July 2018.

As a result of recalculation of the trading value, which was agreed with the purchaser, a difference arose between the adjusted share value and the reduced amount of profit on the sale of shares and the Company will post the difference, amounting to 88 million yen, as extraordinary profit.

2. Contents and amount of extraordinary loss

The Company decided to sell one specific security out of its portfolio of investment securities in order

to improve its asset efficiency and financial standing. As a result, it will post loss on sales of investment securities of 42 million yen.

3. Revision to the consolidated financial forecasts for the fiscal year ending March 31, 2019
(April 1, 2018 to March 31, 2019)

	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)	11,700	50	40	(80)	(1.03)
Revised forecast (B)	11,700	50	40	(34)	(0.44)
Difference (B – A)	—	—	—	46	
Increase/Decrease (%)	—	—	—	—	
(For reference)					
Financial results for the previous year (the FY ended March 31, 2018)	10,800	88	81	46	0.64

4. Reason for revision

In the fiscal year ending March 31, 2019, net income attributable to owners of parent is expected to increase by 46 million yen as the Company will post the items described in 1 and 2 above.

Depending on trends in consolidated operating performance from the third quarter, reassessment procedures for consumption taxes and corporate income tax in relation to Fishing Vision Co., Ltd. and other factors, the Company's full-year earnings forecast may be modified in the future. If it is determined that revisions are necessary, it will disclose those revisions immediately.

End

For inquiries regarding this press release:

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