



May 15, 2020

Press Release

Head office address	8-4-14 Akasaka, Minato-ku, Tokyo
Company name	Broadmedia Corporation (Code: 4347)
Representative	Representative CEO Taro Hashimoto
Contact for inquiries	Executive Director CFO Hideaki Oshio

Notice of Extraordinary Income (Gain on Extinguishment of Tie-in Shares) due to Absorption-type Merger of Consolidated Subsidiary

Broadmedia Corporation (the “Company”) announces that the Company implemented an absorption-type merger on April 1, 2020, according to the plan reported in the “Notice of Absorption-type Merger (Simplified Merger/Short-Form Merger) with Consolidated Subsidiaries” on October 30, 2019, with its six consolidated subsidiaries (Renaissance Academy Corporation, Broadmedia Studios Corporation, Broadmedia Technologies Co. Ltd., Digital Cinema Club Inc., Broadmedia GC Corporation and HOLLYWOOD CHANNEL INC.; hereinafter called the “Six Consolidated Subsidiaries”). In conjunction with this merger, the Company will post extraordinary income (gain on extinguishment of tie-in shares) for the financial results for the first quarter of the fiscal year ending March 31, 2021. Details are as follows:

1. Description

The Company treats the difference between net assets received from the Six Consolidated Subsidiaries and the book value of their shares (tie-in shares), as of the merger effective date, as a gain on extinguishment of tie-in shares, and will post this difference as extraordinary income.

(1) Gain on the extinguishment of tie-in shares: 1,738 million yen

(2) Effective date: April 1, 2020

2. Impact on financial results

(1) Consolidated financial results

Extraordinary income will not impact the consolidated financial results for the fiscal year ending March 31, 2021, because it is eliminated by offsetting in consolidated accounting.

(2) Nonconsolidated financial results

The Company will post 1,738 million yen as extraordinary income (gain on extinguishment of tie-in shares) for the first quarter of the fiscal year ending March 31, 2021.

End

For inquiries regarding this press release:

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