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Press Release

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Notice of Financial Forecasts

Broadmedia Corporation (the “Company”) announces that the Company determined its consolidated financial forecasts for the fiscal year ending March 31, 2021, which the Company had left undecided in Consolidated Financial Results (Japanese Accounting Standards) for the Fiscal Year Ended March 31, 2020 published on May 15, 2020. Details are as follows.

- The consolidated financial forecasts for the fiscal year ending March 31, 2021
(April 1, 2020 to March 31, 2021)

	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)	—	—	—	—	—
Revised forecast (B)	11,000	400	400	190	2.44
Difference (B – A)	—	—	—	—	
Increase/Decrease (%)	—	—	—	—	
(For reference) Financial results for the previous year (the FY ended March 31, 2020)	11,506	505	627	411	5.27

- Reason for the revision

The Company left consolidated financial forecasts for the fiscal year ending March 31, 2021 undecided because a rational calculation was difficult given the expanding effects of COVID-19. The Company decided to publish the consolidated financial forecasts for the year calculated on the basis of information available at this point.

< Revenue, Operating income >

In the online high school business in the Education segment, the number of new students reached a record high for the second consecutive year. CDN (Akamai) services in the Technology segment also performed strongly. Results for these businesses are expected to rise from the fiscal year ended March 31, 2020. In the meantime, in digital cinema services in the Technology segment, income from the theatrical content distributors of the VPF service, a 10-year fixed term business, ended in the first half of the fiscal year ending March 31, 2021. In addition, COVID-19 adversely affected the production business in the Studio & Content

segment. Results for these businesses are expected to decline year on year. Meanwhile, aggressive sales promotion activities for winning new subscribers are planned for the Fishing Vision VOD service in the Broadcast segment. Incorporating the anticipated developments stated above, the Company forecasts that both revenues and income will decrease year on year.

< Ordinary income, Net income attributable to owners of parent >

The Company expects ordinary income to decline year on year based on the absence of insurance proceeds received in the fiscal year ended March 31, 2020, in addition to a decline anticipated in operating income.

The Company also expects net income attributable to owners of parent to fall year on year. The Company bases this prediction on the absence of extraordinary income from the partial settlement of a damage suit in connection with damages from fictitious transactions at Fishing Vision Co., Ltd. that occurred in the fiscal year ended March 31, 2020, and the absence of a refund for income taxes for prior periods, even though effects generated by the absorption-type merger of six consolidated subsidiaries are likely to reduce tax expenses substantially.

*Forward-looking statements contained in this press release, including performance forecasts, are based on information available to the Company at this point and certain assumptions the Company judges to be rational. Various factors may cause actual performance to differ from those statements.

End

For inquiries regarding this press release:

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