



Broadmedia



JASDAQ

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Press Release

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Notice of Extraordinary Losses

Broadmedia Corporation (the “Company”) announces that it has posted extraordinary losses for the fiscal year ending March 31, 2021.

1. Details and Amount of extraordinary losses

In May 2016, the Company consolidated the Cloud Gaming business both the Company and its Group companies were operating, into Broadmedia GC Corporation, a consolidated subsidiary of the Company. Since then, it has steadily reduced extraordinary losses by integrating business operations and adjusting its earnings structure.

In addition, as of April 1, 2020, the Company absorbed its Group companies and has taken over the Cloud Gaming business as cloud solutions in the “Technology” segment. With this, it has continuously sought to strengthen the business structure and improve profitability.

However, operating results for the fiscal year under review were lower than initially expected and losses are projected to increase from the previous year, reflecting a significant decrease in development orders and delays in business development at partner companies due to the COVID-19 pandemic, despite the robust sales of game apps.

Under these circumstances, the Company carefully considered the future recoverability of fixed assets, including goodwill related to its cloud solutions, and decided to record 104 million yen as an impairment loss on extraordinary losses for the third quarter of the fiscal year ending March 31, 2021.

2. Future outlook

The above details and amount are reflected in the “Consolidated Financial Results (Japanese Accounting Standards) for the First Three Quarters of the Fiscal Year Ending March 31 2021” announced today. The consolidated earnings forecast for the fiscal year ending March 31, 2021 is currently under review, and will be announced immediately if any revisions to the forecast are required in the future.

End

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