



September 26, 2024

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 Business Transfer and Recording of Extraordinary Losses**

Broadmedia Corporation (the "Company") announces that a meeting of the Board of Directors held today has resolved to transfer the entertainment information service and video / comic service business operated under its Media Content segment. Details are as follows. The Company also announces that it expects to post extraordinary losses due to this business transfer.

Although the Timely Disclosure Standards do not apply, the Company is disclosing the matter voluntarily because it has decided that it is useful information. For this reason, the Company omits certain information.

### **1. Reason for Business Transfer**

The Group consist of six segments, namely, Education, Media Content, Studio & Production, Broadcast, Technology and Others, and covers a wide range of business areas. The Company announced in the Summary of Financial Results for the Fiscal Year Ended March 31, 2024 released on May 10, 2024 and other notices that it will facilitate the further growth of Education and Technology in particular, as these segments have been playing a central role in improving the Group's performance. At the same time, it will also strive to improve the Group's overall performance and capital efficiency through significant initiatives, including consideration of strategic choices for certain existing businesses.

In this situation, as a result of reviewing its business portfolio, the Company has decided that it is appropriate for the Company to transfer the entertainment information service business and video / comic service that have been operated under the Media Content segment to parties with whom they have a high affinity in terms of their business areas and content. It also believes such transfer will be beneficial to the businesses that are subject to transfer.

### **2. Overview of Business Transfer**

#### **(i) Entertainment information service business**

##### **(1) Content of business subject to transfer**

Crank In!, an entertainment news website and Crank In! Trend, a trend information website for women

##### **(2) Transfer price**

The transfer price cannot be disclosed due to the confidentiality agreement.

(3) Overview of counterpart

(1)	Name	Lawson Entertainment, Inc.
(2)	Location	17th Floor, East Tower, Gate City Osaki, 1-11-2 Osaki, Shinagawa-ku, Tokyo
(3)	Name and title of representative	Toru Noguchi, Representative Director and President
(4)	Business description	The Company operates a ticket business, entertainment, sales and service business, and other businesses including planning, development and operation.
(5)	Capital stock	100 million yen
(6)	Date of establishment	July 23, 1992

(4) Schedule

(1)	Date of resolution by the Board of Directors	September 26, 2024
(2)	Date of agreement	Beginning of October 2024 (plan)
(3)	Date of the business transfer	December 1, 2024 (plan)

**(ii) Video / comic service business**

(1) Content of business subject to transfer

Crank In! Video, video distribution service and Crank In! Comic, digital comic service

(2) Transfer price

The transfer price cannot be disclosed due to the confidentiality agreement.

(3) Overview of counterpart

(1)	Name	ZITTO, Inc.
(2)	Location	1-25-9 Higashi Ikebukuro, Toshima-ku, Tokyo
(3)	Name and title of representative	Shoko Saito, Representative Director and President
(4)	Business description	Digital content business for consumers BtoBtoC Solutions business
(5)	Capital stock	110 million yen
(6)	Date of establishment	April 1, 2014

(4) Schedule

(1)	Date of resolution by the Board of Directors	September 26, 2024
(2)	Date of agreement	Beginning of October 2024 (plan)
(3)	Date of the business transfer	November 1, 2024 (plan)

### **3. Recording of Extraordinary Losses**

As a result of this business transfer, the Company expects to record content rights and other expenses amounting to approximately 120 million yen as extraordinary losses for the second quarter of the consolidated fiscal year ending March 31, 2025.

### **4. Future Outlook**

As a result of this business transfer, the entertainment information service business and the video / comic service business in the Media Content segment will cease to operate on the last business day of November 2024 and that of October 2024 respectively. The Company expects that the impact of this share transfer on its consolidated financial results in the fiscal year ending March 31, 2025 will be minor. However, it is carefully examining this matter, and will make announcements promptly if any disclosure is required in the future.

End

For inquiries regarding this press release:

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