



Press Release



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

Broadmedia Corporation (hereinafter, “the Company”) announces that it expects to record an extraordinary loss for the fourth quarter of the fiscal year ended March 31, 2025, as described below. Hence, it has revised its full-year earnings forecast for the fiscal year ended March 31, 2025, which was announced on October 30, 2024. Details are provided below.

### 1. Details and amount of extraordinary losses

In the Studio & Production segment, the Company is reducing costs and enhancing operations in the video production business, which includes the creation of Japanese subtitles and dubbing. Additionally, the Company is working to increase profitability by adding greater value. However, both revenue and income were lower than the initial forecasts for the fiscal year ended March 31, 2025, due to a slow recovery of orders following the strikes by the Writers Guild of America (WGA), the Screen Actors Guild and the American Federation of Television and Radio Artists (SAG-AFTRA) in Hollywood, USA.

Given these circumstances, the Company conducted a thorough review of the future recoverability of its fixed assets in this business. Consequently, the Company plans to decrease the book value to the recoverable amount and record an impairment loss of approximately 202 million yen as an extraordinary loss.

### 2. Revision to Financial Forecasts

#### (1) Revision to the consolidated financial forecasts for the fiscal year ended March 31, 2025

(April 1, 2024 to March 31, 2025)

(Amounts are rounded down to the nearest million yen)

	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)	17,000	1,000	1,000	680	95.04
<b>Revised forecast (B)</b>	<b>15,533</b>	<b>707</b>	<b>719</b>	<b>335</b>	<b>46.86</b>
Difference (B – A)	(1,466)	(292)	(280)	(344)	
Increase/Decrease (%)	(8.6)	(29.3)	(28.0)	(50.7)	
(For reference)					
Financial results for the previous year (the FY ended March 31, 2024)	14,179	869	910	680	93.50

### 3. Reason for revision

#### < Revenue, Operating income and Ordinary income >

During the first three quarters of the fiscal year ended March 31, 2025, revenue and income roughly matched the forecasts, although this varied across different segments. However, during the fourth quarter, the number of students gained was lower than expected, especially in the eSports course of the online high school business in the Education segment.

In Studio & Production, orders rebounded in the third quarter, leading to the recording of a profit. However, in the fourth quarter, orders were weak, and both revenue and income fell significantly short of the forecasts.

At div Inc., performance improvements were slower than initially expected, and one-time expenses resulting from the relocation of the office were incurred. At divx Inc., a profit was recorded in the fourth quarter, but both revenue and income were below expectations.

Revenue, operating income and ordinary income are all expected to be lower than the forecasts, reflecting the performance described above.

#### < Net income attributable to owners of parent >

Due to estimated revenue, operating income and ordinary income being lower than projected and an expected impairment loss that will be recorded in the fourth quarter, as described in 1. Details and amount of extraordinary losses, net income attributable to owners of parent is forecast to be below the current forecast.

The forecast for the year-end dividend remains unchanged from the level announced on May 10, 2024, which was 40 yen per share.

\* Financial results forecasts and other forward-looking statements contained in this document are based on information available to the Company at the time of the publication of this document and certain assumptions that are deemed to be reasonable. Therefore, actual results may differ from these forward-looking statements due to various factors.

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