



May 19, 2017

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 Abolition of Directors' Retirement Benefits Plan and Posting of Extraordinary Profit

Broadmedia Corporation (hereinafter, the "Company") announces that it passed a resolution at its Board of Directors Meeting held on May 19, 2017 to abolish the retirement benefit plan as detailed below. Accordingly, the Company will post an extraordinary profit in association with the reversal of provision for directors' retirement benefits.

1. Reasons for system abolition

As part of the review of the directors' compensation system, the Company has decided to abolish the current directors' retirement benefit plan which has strong elements related to a seniority system and deferred payment of compensation, at the conclusion of the 21st ordinary general shareholders' meeting to be held on June 23, 2017.

2. Cut-off payments associated with plan abolition

With the abolition of this plan, we will submit at the 21st ordinary shareholders' meeting to be held on June 23, 2017 the agenda for the final payment of benefits to retiring directors and corporate auditors, as well as incumbent directors and corporate auditors who will be re-elected, which payment will correspond to the period of his or her term of office until the abolition of the plan. It should be noted that the timing of payments shall be when he or she ceases to be a director or corporate auditor.

The Company has been notified by incumbent directors who are expected to be re-elected, including Taro Hashimoto, Yasutaka Shimamura, Toshihito Kubo, Hideaki Oshio, Ryo Arisawa, and Takayoshi Momoi, as well as former directors Ryuichiro Hisamatsu and Yasuhiko Uemura, of their intention to decline the retirement benefit payment.

3. Impact on business results

In the first quarter of the fiscal year ending March 31, 2018, the Company will post 64 million yen

as an extraordinary profit in association with the reversal of the provision for the directors' retirement benefit plan in response to the intentions expressed by the directors and former directors to decline the benefit payment offer. The Company will disclose any updates as soon as they are deemed necessary to the Consolidated Business Result Estimates for the Fiscal Year Ending March 31, 2018, which was announced on April 28, 2017.

For inquiries regarding this press release:

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