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Press Release

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Notice of Establishment of a Third-Party Committee

Broadmedia Corporation (hereinafter referred to as the “Company”) announced today that its Board of Directors resolved to establish a third-party committee consisting of outside specialists (such as lawyers) at its meeting held today. Details are as follows.

1. Overview of the event concerned and the circumstances leading to its occurrence

The Internal Investigation Committee established by the Company undertook an investigation into the damages from fictitious transactions suffered by Fishing Vision Co., Ltd. (hereinafter referred to as “Fishing Vision”), a consolidated subsidiary of the Company, as reported in a press release dated January 30, 2018 titled “Broadmedia Corporation Announced Damages from Fictitious Transactions Suffered by Consolidated Subsidiary and Postponement of Announcement of Financial Results for the First Three Quarters of the Fiscal Year Ending March 31, 2018” and another press release dated March 14, 2018 titled “Notice of Current Status Related to Damages from Fictitious Transactions Suffered by a Consolidated Subsidiary.”

The Internal Investigation Committee reported to the Company that the Committee did not confirm any insider involvement in the damages from fictitious transactions as described in the “Notice of Status of Investigation into Damages from Fictitious Transactions Suffered by a Consolidated Subsidiary” released today. However, an insider who had completed interviews and investigations by the Internal Investigation Committee reported to the Company that additional investigations of the directors of the Company should be undertaken.

The Company understands that the Internal Investigation Committee performed necessary and sufficient investigations. However, after repeated consideration, the Company judges that the scope of the investigations must be expanded more cautiously in light of the possibility mentioned in the report concerned that its directors may have been aware of the fictitious transactions. This judgment led the Company to its decision to establish a third-party committee to conduct additional investigations.

2. Outlook for the future

The Company will establish a third-party committee consisting of outside specialists (such as lawyers) to consider additional investigations of its directors as proposed by the insider.

3. Establishment of a third-party committee

The Company will establish a third-party committee consisting of outside specialists (such as lawyers) as stated above. The members of this committee are currently in the stage of selection. The Company will announce its members immediately after deciding on them formally.

The Company plans to operate the third-party committee in accordance with the Guidelines for a Third-Party Committee in Corporate and Other Scandals established by the Japan Federation of Bar Associations.

4. Future measures

The effects of the event concerned and the like have not yet been made clear. The Company intends to advance the investigation and the confirmation of facts promptly and complete investigations within the target period of about two months. The Company will disclose facts in a timely manner as soon as they are confirmed.

The Company offers its sincerest apologies to shareholders, customers and other stakeholders for causing those significant difficulties and concerns in connection with this decision to apply for the postponement of the announcement.

End

For inquiries regarding this press release:

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