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Press Release

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Company name	Broadmedia Corporation (Code: 4347)
Representative	Representative CEO Taro Hashimoto
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Notice of Reduction in Compensation for Directors

Broadmedia Corporation (hereinafter referred to as the “Company”) announced today that the Company has decided to reduce the compensation for its directors to clarify their management responsibilities for matters including the damages from fictitious transactions suffered by Fishing Vision Co., Ltd. (hereinafter referred to as “Fishing Vision”), a consolidated subsidiary of the Company, and the delayed announcement of the Company’s financial results for the first three quarters of the fiscal year ended March 31, 2018. Details are as follows.

1. Reasons for the Reduction in Compensation

The Internal Investigation Committee established by the Company undertook an investigation into the damages from fictitious transactions suffered by Fishing Vision 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 Company recently received an investigation report from the Internal Investigation Committee.

As explained in the “Notice of Status of Investigation into Damages from Fictitious Transactions Suffered by a Consolidated Subsidiary” released today, the case concerned was a fraud committed by outsiders. No insider has been confirmed to have taken part in the case at the time of this press release. However, the Company judged that its systems for the management of subsidiaries and the like were not sufficient.

Today the Company will announce its financial results for the first three quarters of the fiscal year ended March 31, 2018, whose publication was delayed twice with approval. The announcement of the financial results will be two months after the original deadline, and the report on quarterly reviews has a disclaimer of conclusion. As stated in the “Notice of Revision to Financial Forecasts and Extraordinary Losses” released on March 14, 2018, the Company projected that the results for the fiscal year ended March 31, 2018 would fall substantially below the initial forecasts.

The Company decided to reduce the compensation for its directors as stated below to clarify their management responsibilities for these results.

As advised in the “Notice of Establishment of a Third-Party Committee” released today, the Company also decided to establish a third-party committee on damages from fictitious transactions suffered by Fishing Vision. The Company may decide on further punishment and the like in cases where new facts and the like become known through the course of the investigations to be undertaken by the third-party committee.

2. Details of Reduction in Compensation

CEO:	Taro Hashimoto: monthly compensation cut by 50%
Executive Director:	Yasutaka Shimamura: monthly compensation cut by 15%
Executive Director:	Toshihito Kubo: monthly compensation cut by 10%
Executive Director:	Hideaki Oshio: monthly compensation cut by 25%
Executive Director:	Takayoshi Momoi: monthly compensation cut by 10%

Applicable period: April 2018 to June 2018 (three months)

End

For inquiries regarding this press release:

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