



May 11, 2018

Press Release

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Company name	Broadmedia Corporation (Code: 4347)
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Notice of Postponement of Announcement of Financial Results for the Fiscal Year Ended March 31, 2018

Broadmedia Corporation (hereinafter referred to as the “Company”) announces that it will postpone the announcement of its financial results for the fiscal year ended March 31, 2018. Details are as follows.

1. Reasons for postponement of announcement of financial results

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 press release “Notice of Status of Investigation into Damages from Fictitious Transactions Suffered by a Consolidated Subsidiary” dated April 13, 2018. 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, the Company judges that the scope of the investigations must be expanded more cautiously after repeating the examinations 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 advance the investigation and the confirmation of facts as described in “Notice of Establishment of a Third-Party Committee” announced on April 13, 2018.

Regarding the announcement of the consolidated financial results for the fiscal year ended March 31, 2018, the Company had been proceeding with account settlement operations with a view to disclosure within 45 days after the end of the fiscal year. However, given that the abovementioned Third-Party Committee aims to make its report to the Company by the end of May and that the report's impact on the consolidated financial statements will then need to be confirmed, the Company decided to postpone the announcement of its consolidated financial results.

2. Future schedule

The postponed date of the announcement of consolidated financial results has yet to be determined, but the Company will announce its consolidated financial results once it has received the investigation report from the Third-Party Committee and is able to confirm its impact on the consolidated financial statements. The Company will promptly announce the actual date as soon as it is set.

Regarding the filing of revised reports for annual securities reports and quarterly reports already filed for prior years and for quarters up to and including the second quarter of the fiscal year ended March 31, 2018, provided there are no serious issues, etc. in the investigation report findings of the Third-Party Committee, the Company expects to be able to file reports covering periods from the first quarter of the fiscal year ended March 31, 2016 to the second quarter of the fiscal year ended March 31, 2018, which the currently appointed audit corporation is responsible for, by the time it files the annual securities report for the fiscal year ended March 31, 2018.

Regarding the filing of revised reports for periods prior to the first quarter of the fiscal year ended March 31, 2016, the Company has yet to appoint an audit corporation that will accept this engagement despite approaching a number of audit corporations. If the Company cannot find an audit corporation that will accept this engagement soon, or if the Company finds an audit corporation but audit procedures will nonetheless take time to complete, the Company may not be able to file these reports by the time it files the annual securities report for the fiscal year ended March 31, 2018. The Company will make an announcement as soon as the situation becomes clear.

The Company offers its sincerest apologies to shareholders, customers and other stakeholders for causing those significant difficulties and concerns.

End

For inquiries regarding this press release:

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