



May 30, 2018

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 Reasons for Postponement of Announcement of Financial Results for the Fiscal Year Ended March 31, 2018 and Matters Regarding Disclosure of Financial Results in the Future

Broadmedia Corporation (hereinafter referred to as the “Company”) disclosed today its consolidated financial results for the fiscal year ended March 31, 2018. The Company announces as follows the reasons why the disclosure was more than 50 days after the end of the fiscal year and its intentions regarding the disclosure of financial results in the future.

1. Reasons for disclosure of financial results for the fiscal year ended March 31, 2018 more than 50 days after the end of the concerned fiscal year

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 find 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.

For the reasons stated above, the Company decided to set up a third-party committee to investigate and confirm facts as described in the “Notice of Postponement of Announcement of Financial Results for the Fiscal Year Ended March 31, 2018” released on May 11, 2018.

The Company found no new fraudulent act or fresh fact that should be added to the content of an investigation report by the Internal Investigation Committee informed in the “Notice of Status of Investigations into Damage from Fictitious Transactions Suffered by Consolidated Subsidiary” dated April 13, 2018 in an investigation report it received from the third-party committee on May 23, 2018. It took the Company more than 50 days after the end of the fiscal year ended March 31, 2018 to disclose the financial results for the fiscal year because the Company reflected the content of the report in the financial results it announced.

2. Matters regarding disclosure of financial results in the future

The Company has adopted 30 days after the end of each settlement term as its rough target for the disclosure of financial results. Taking this disclosure postponement seriously, the Company will step up efforts to develop and enhance its internal structures again to maintain the early announcement of financial results.

As stated in the “Notice of Postponement of Announcement of Financial Results for the Fiscal Year Ended March 31, 2018” dated May 11, 2018, no audit corporation has been appointed to perform the audit commissioned for filing revised reports for the fiscal year ended March 31, 2015 and prior accounting periods. The Company is continuing negotiations with a candidate audit corporation at present. The completion of audit procedures may take time even if this audit corporation is contracted to perform the audit. The Company will announce the periods for filing the revised reports and the like as soon as they become known.

The Company will also announce an audit agreement with a commissioned audit corporation promptly after an agreement is reached.

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:

IR Dept., Broadmedia Corporation (E-mail: ir@broadmedia.co.jp)