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Press Release

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Company name	Broadmedia Corporation (Code: 4347)
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Notice of Disposal of Treasury Stock as Restricted Stock Compensation for the Employees of Broadmedia Corporation and Its Subsidiaries

Broadmedia Corporation (the "Company") announces that its Board of Directors, at a meeting held today, resolved to dispose of treasury stock ("the Disposal of Treasury Stock") to provide restricted stock compensation to the regular and contract employees of the Company and its subsidiaries who meet the prescribed requirements (the "Eligible Employees"). Details are as follows.

1. Overview of the disposal

(1) Date of the disposal	October 28, 2022
(2) Class and number of shares to be disposed of	Common stock of the Company 47,420 shares
(3) Disposition amount	1,234 yen per share
(4) Total disposition amount	58,516,280 yen
(5) Planned recipients of compensation and number of shares to be disposed of	Regular employees and contract employees of the Company 379 people 43,180 shares Regular employees and contract employees of the Company's subsidiaries 39 people 4,240 shares
(6) Other	A notice of securities on the Disposal of Treasury Stock has been submitted under the Financial Instruments and Exchange Act.

2. Purpose and reasons for the disposal

At the meeting held today, the Company's Board of Directors resolved to provide monetary compensation claims totaling 58,516,280 yen to the Eligible Employees, who number 418, and to grant 47,420 common shares of the Company ("the Allotted Shares") to them through the Disposal of Treasury Stock announced here to give the said Eligible Employees holding the Company's shares a sense of unity, encourage them to share greater values with the Company's shareholders and increase their motivation to enhance corporate value. To encourage the Eligible Employees to continue to work for the Company for the medium to long term, the Company restricts transfer of the Allotted Shares and has set the period of restrictions to about two years and two months.

The Eligible Employees shall pay all the monetary claims provided as value contributed in kind and subscribe for the common shares to be allotted through the Disposal of Treasury Stock. The Company will conclude a restricted stock allotment agreement related to the Disposal of Treasury Stock with the Eligible Employees. An outline of the agreement is described below.

The Allotted Shares will be allotted only to the Eligible Employees who want to subscribe. The salaries of the Eligible Employees will not be reduced in the stock compensation plan.

An outline of the restricted stock allocation agreement

(1) Period of transfer restrictions

The Eligible Employees shall not transfer the Allotted Shares, establish security interests on them, or make other dispositions from October 28, 2022 (date of the disposal) to December 1, 2024.

(2) Conditions for removing transfer restrictions

If the Eligible Employee continues to be an employee of the Company or a director, an auditor or an employee of a subsidiary of the Company during the period of transfer restrictions, the transfer restrictions related to all Allotted Shares shall be lifted on the date of expiration of the period of transfer restrictions. Provided, however, that the transfer restrictions on all of the Allotted Shares shall be lifted at the point of the expiration of the period of transfer restrictions in cases where an Eligible Employee loses his or her position as an employee of the Company, or a director, an auditor or an employee of a subsidiary of the Company for death or any other reason which the Board of Directors considers as justifiable during the period of transfer restrictions. (The expiration of the period of employment shall not be included in justifiable reasons.)

(3) Acquisition by the Company for no consideration

The Company shall naturally acquire the Allotted Shares whose transfer restrictions are not lifted at the expiration of the period of transfer restrictions or immediately after the Eligible Employee is no longer an employee of the Company or a director, an auditor or an employee of a subsidiary of the Company for reasons other than those mentioned in (2) that the Board of Directors of the Company considers justifiable during the period of transfer restrictions.

(4) Management of shares

The Allotted Shares shall be managed in the accounts exclusively for restricted stock shares that are opened by the Eligible Employees at Daiwa Securities during the period of transfer restrictions to prevent the transfer of shares, the establishment of security interests on shares, or other dispositions.

(5) Measures to be taken in relation to organizational restructuring, etc.

If a joint venture agreement in which the Company is a dissolving company, a stock exchange agreement in which the Company is a wholly owned subsidiary, a share transfer plan, or other matters related to organizational restructuring is approved at a General Meeting of Shareholders (or the Board of Directors, if there is no need to obtain approval at a General Meeting of Shareholders for organizational restructuring, etc.) during the period of transfer restrictions, the Company may lift the transfer restrictions related to all the Allotted Shares by resolution of the Board of Directors before the business day immediately preceding the day when the organizational restructuring, etc. takes effect.

3. Basis of calculation of the amount to be paid

For the Disposal of Treasury Stock, monetary claims are provided as value contributed to the recipients of compensation. To eliminate arbitrariness, the amount to be paid is set at 1,234 yen, the closing price of the common stock of the Company on the Tokyo Stock Exchange on July 21, 2022 (the business day immediately preceding the date of resolution of the Board of Directors). The amount is the market price immediately before the date of resolution of the Board of Directors and a reasonable amount reflecting the Company's corporate value properly unless there are any special circumstances that indicate the latest stock price is unreliable. We believe the amount is not particularly advantageous for the Eligible Employees.

End

For inquiries regarding this press release:

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