



July 28, 2023

Press Release

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 Company name Broadmedia Corporation (Code: 4347)
 Representative Representative CEO Taro Hashimoto
 Contact for inquiries Executive Director CFO Hideaki Oshio

Notice of Disposal of Treasury Stock as Restricted Stock Compensation for Directors

Broadmedia Corporation (the "Company") announces that at a meeting held today, the Board of Directors resolved to dispose of treasury stock ("the Disposal of Treasury Stock") for providing restricted stock compensation. Details are as follows.

1. Overview of the disposal

(1) Date of the disposal	August 25, 2023
(2) Class and number of shares to be disposed of	Common stock of the Company 15,000 shares
(3) Disposition amount	1,525 yen per share
(4) Total disposition amount	22,875,000 yen
(5) Planned recipients of compensation and number of shares to be disposed of	Directors of the Company 5 people 15,000 shares * Excluding outside directors.
(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 a meeting held on May 19, 2022, the Company's Board of Directors resolved to introduce a restricted stock compensation plan (the "Plan") as a new compensation plan for the Company's directors (excluding outside directors; the same applies hereinafter) to give them an incentive to work on the sustainable enhancement of the Company's corporate value and promote the further sharing of values with the Company's shareholders.

Further, at the 26th Ordinary General Meeting of Shareholders held on June 24, 2022, the Company obtained approval for matters including (1) the provision of compensation to directors for granting them restricted shares based on the Plan, and the establishment of the period from the issuance date for the shares to the date of departure or retirement from the position of the Company's director or any other position determined by the Board of Directors as the period of transfer restrictions, (2) the granting of restricted shares by means of the issuance or disposal of the Company's common shares in exchange for a contribution in kind of all monetary compensation claims provided to directors, and (3) 40,000 or less set as the total number of the Company's common shares annually issued or disposed of under the Plan, and 40,000,000 yen or less set as the annual amount of such shares within the existing limit for monetary compensations.

At a meeting held today, the Company's Board of Directors resolved to provide monetary compensation claims totaling 22,875,000 yen to the Company's five (5) directors (the "Eligible Directors"), have them contribute the said claims in kind, and dispose of the Company's common shares totaling 15,000 as restricted

shares, taking the objectives of the Plan, the scope of each Eligible Director's responsibilities and other circumstances into consideration.

An outline of the restricted stock allocation agreement

The Company and each of the Eligible Directors will conclude a restricted stock allotment agreement (the "Allotment Agreement") with the disposal of treasury stock. The outline of the Allotment Agreement is as follows.

(1) Period of transfer restrictions

The Eligible Directors may not transfer the Company's common shares allotted to them based on the Allotment Agreement (the "Allotted Shares"), attach security interest on them or dispose of them otherwise during the period from August 25, 2023 (the disposal date) to the date of their departure or retirement from the position of director, Executive Director or employee at the Company or any of its subsidiaries.

(2) Conditions for removing transfer restrictions

Transfer restrictions on all of the Allotted Shares will be lifted at the point of the expiration of the period of transfer restrictions on condition that the Eligible Directors continue to occupy the position of director, Executive Director or employee at the Company or any of its subsidiaries during the period from the date of the Ordinary General Meeting of the Company's Shareholders immediately preceding the disposal date to the date of the Ordinary General Meeting of the Company's Shareholders to be held two years thereafter (the "Service Period"). Provided, however, transfer restrictions on the Allotted Shares, whose number will be calculated by dividing the number of months from the month immediately after the month in which the Service Period begins to the month including the concerned departure date by 24 and multiplying the result by the number of the Allotted Shares (any resulting fraction of less than 1 share shall be rounded down), in cases where an Eligible Director leaves the position of director, Executive Director or employee at the Company or any of its subsidiaries during the Service Period due to the death or any other reason the Company's Board of Directors considers as justifiable.

(3) Acquisition by the Company for no consideration

The Company will naturally acquire for no consideration all the Allotted Shares for which transfer restrictions were not removed at the end of 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 Directors 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

The disposal of treasury stock announced here will be performed with monetary compensation claims provided to planned creditors in accordance with the Plan as contributed assets. To eliminate arbitrariness, The Company sets 1,525 yen, the closing price for the Company's common shares on the Tokyo Stock

Exchange on July 27, 2023 (the business day immediately preceding the date of Board of Directors resolution), as the amount to be paid. 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 special circumstances that indicate the latest stock price is unreliable. We believe the amount is not particularly advantageous for the Eligible Directors.

End

For inquiries regarding this press release:

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