



July 10, 2025

Press Release

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

Broadmedia Corporation (the "Company") announces that the Company resolved at a meeting of the Board of Directors on July 10, 2025, to dispose of treasury stock ("the Disposal of Treasury Stock") for providing restricted stock compensation to directors of the Company's subsidiaries. Details are as follows.

1. Overview of the disposal

(1) Date of the disposal	August 8, 2025
(2) Class and number of shares to be disposed of	Common stock of the Company 2,500 shares
(3) Disposition amount	1,917 yen per share
(4) Total disposition amount	4,792,500 yen
(5) Planned recipients of compensation and number of shares to be disposed of	Directors of the Company's subsidiaries 5 people 2,500 shares * Excluding directors of the Company who concurrently serve as directors of its subsidiaries

2. Purpose and reasons for the disposal

At today's Board of Directors meeting, the Company resolved to grant restricted stock to five directors of the Company's subsidiaries (hereinafter, the "Eligible Subsidiary Directors") with the aim of providing incentives to enhance the sustainable corporate value of the Broadmedia Group, and further align interests with our shareholders. Specifically, the Company will provide the Eligible Subsidiary Directors with a total monetary compensation claim of 4,792,500 yen, which will be contributed in-kind, and in exchange for which the Company will dispose of 2,500 shares of its common stock as restricted stock.

An outline of the restricted stock allocation agreement

The Company and each of the Eligible Subsidiary 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 Subsidiary 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 8, 2025 (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 Subsidiary 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 Shareholders of the relevant subsidiary immediately preceding the disposal date to the date of the Ordinary General Meeting of Shareholders of the relevant subsidiary 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 Subsidiary Directors 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 Subsidiary 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 1,917 yen, the closing price for the Company's common shares on the Tokyo Stock Exchange on July 9, 2025 (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 Subsidiary Directors.

End

For inquiries regarding this press release:

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