



April 28, 2017

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 Merger and Change of Trade Names of Consolidated Subsidiaries**

Broadmedia Corporation (hereinafter, the "Company") announces that CDN Solutions K.K., (hereinafter, "CDNS") and Roonet Systems Co., Ltd. (hereinafter, "Roonet"), two of its wholly owned subsidiaries, have decided to implement an absorption-type merger in which CDNS will be the surviving company, and change its tradename to Broadmedia Technologies Co., Ltd.

### 1. Purpose of the merger

The Company group, which comprises the Company and its 10 consolidated subsidiaries, is working to establish a more efficient system to strengthen its group management structure and improve profitability.

As part of this effort, it acquired additional shares of Renaissance Academy, one of its consolidated subsidiaries, and made it a wholly owned subsidiary in March 2017.

The Company had decided to carry out a merger between CDNS and Roonet to enhance management efficiency and further accelerate the growth of the technology segments. Through the merger, it will consolidate technology resources and seek to improve profitability.

### 2. Summary of the merger

#### (1) Schedule of the merger

Board of Directors' meeting to resolve the merger (companies involved in the merger):

April 27, 2017

Effective date of the merger agreement: April 28, 2017

General shareholders' meeting to approve the merger (companies involved in the merger):

April 28, 2017

Merger date (effective date): June 2, 2017 (scheduled)

#### (2) Allocation pertaining to the merger

The merger, which is taking place between the Company's wholly owned subsidiaries, is an absorption-type merger in which there will be no issuance of new shares or cash payment.

### 3. Outlines of the companies involved in the merger (as of March 31, 2017)

(1) Trade name	CDN Solutions K.K.	Roonet Systems Co., Ltd.
(2) Location	3-12 Kioicho, Chiyoda-ku, Tokyo	1-14-7, Tsukishima, Chuo-ku, Tokyo
(3) Name of Representative	Yasuhiko Uemura President & Representative Director	Toshihito Kubo President & Representative Director
(4) Business description	Provision of content delivery networks (CDN)	Provision of total solutions including the design of internet environments in hotels and other facilities, and the operation/maintenance/management thereof
(5) Date of foundation	April 13, 2001	May 1, 2014
(6) Capital	300 million yen	11 million yen
(7) Closing date of fiscal year	March 31	March 31
(8) Major shareholders and voting rights ratio	Broadmedia Corporation: 100%	Broadmedia Corporation: 100%

### 4. Status after the merger and change of trade names

(1) Trade name	Broadmedia Technologies Co., Ltd.
(2) Location	3-12 Kioicho, Chiyoda-ku, Tokyo
(3) Name of Representative	Toshihito Kubo President & Representative Director
(4) Capital	300 million yen
(5) Business description	<ul style="list-style-type: none"> <li>• Provision of content delivery networks (CDN)</li> <li>• Provision of total solutions including the design of internet environments in hotels and other facilities, and the operation/maintenance/management thereof</li> <li>• Other services</li> </ul>

### 5. Future outlook

The impact of the merger on the Company's consolidated results will be immaterial because it is a merger between wholly owned subsidiaries. Consolidated results including the impact of the merger are reflected in 3. forecasts for the consolidated results for the fiscal year ending March 31, 2018 (April 1, 2017 – March 31, 2018) in the summary of (consolidated) financial results (Japanese accounting standard) for the fiscal year ended March 31, 2017 announced on April 28, 2017.

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