

November 26<sup>th</sup>, 2007

Location of head office: 8-4-14, Akasaka, Minato-ku, Tokyo  
Company Name: Broadmedia Corporation  
(Code: 4347)  
Representative: Taro Hashimoto,  
CEO  
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## Notice Regarding Corporate Split-off of Broadmedia's Game Business

During the Board of Directors' Meeting held on November 26<sup>th</sup>, 2007, a decision was made to split-off the game business—which is centered on the G-cluster service—and transfer it to our wholly-owned subsidiary, G-cluster Global Corporation, effective as of January 1<sup>st</sup> 2008.

### 1. Objectives of Corporate Split

The split-off of the game business is part of the reorganization of the business development structure that was announced on October 31<sup>st</sup>, 2007. By establishing a business structure that specializes in games, we can actively pursue business and capital alliances with partners such as domestic and international venture capitalists, game companies and telecommunications carriers, and facilitate the acquisition of highly skilled personnel. Through the split, we will accelerate the launch of the game business and promote its further development and expansion.

### 2. Summary of Corporate Split

#### (1) Schedule

Board of Director's Meeting to approve corporate split agreement	November 26 <sup>th</sup> , 2007
Signing of corporate split agreement	November 26 <sup>th</sup> , 2007
Approval of corporate split agreement by the Shareholders' Meeting (successor company)	November 26 <sup>th</sup> , 2007
Effective date of corporate split	January 1 <sup>st</sup> , 2008 (Scheduled)
Registration of corporate split	January 4 <sup>th</sup> , 2008 (Scheduled)

Note: In accordance with the provisions of Article 784-3 (simple absorption type corporate split) of the Corporation Law, the corporate split does not require approval of a Shareholder's Meeting as stipulated under Article 793 of the Corporation Law.

#### (2) Method

An absorption type corporate split with Broadmedia as the separating company and the wholly-owned subsidiary, G-cluster Global, as the successor company. G-cluster Global was formerly Club iT Mini Corporation before its corporate name was changed to "G-cluster Global" on October 1<sup>st</sup>, 2007.

#### (3) Allocation of Shares

The successor company will issue 24,980 shares of common stock in relation to the split, all of which will be allocated to Broadmedia.

The increase in capital and capital reserves for the successor company will be calculated based on the appropriate book value of the capital to be transferred, immediately prior to the split. As the successor company is a wholly-owned subsidiary of Broadmedia, and as the split will not affect its stockholding ratio, the number of shares to be allocated was

determined in consideration of the successor company's shareholder's equity per share after the split.

(4) Decrease in Capital etc., Resulting from corporate split  
No relevant items.

(5) Handling of Share Warrants  
Although we issue share warrants, no changes will be made to the handling of such warrants as a result of this split.

(6) Payments  
There will be no payments made in relation to the split.

(7) Rights and Obligations Transferred to Successor Company  
As stipulated in the corporate split agreement, all capital and accompanying rights and obligations of the game business will be transferred to the successor company on the execution date of the corporate split. In addition, all employees involved mainly in the game business will continue to be employed by Broadmedia and will be temporarily transferred to the successor company.

(8) Fulfillment of Obligations  
Broadmedia and G-cluster Global both expect to fulfill the financial obligations incurred by this split.

### 3. Overview of Separating Company and Successor Company

(1) Company Name	Broadmedia Corporation (Separating company)	G-cluster Global Corporation (Successor company)
(2) Business Type	Spreads its activities in 3 segments (content services, technology services and network sales) as a content distributor with its own technological platform.	Provides games for broadband networks through the G-cluster service and conducts research and development for its core technologies.
(3) Date of Establishment	September 5 <sup>th</sup> , 1996	October 1 <sup>st</sup> , 2007
(4) Location of Head Office	8-4-14 Akasaka, Minato-ku, Tokyo	8-4-14 Akasaka, Minato-ku, Tokyo
(5) Representative	CEO: Taro Hashimoto	Representative Director: Taro Hashimoto
(6) Capital	655 Million yen (as of September 30 <sup>th</sup> , 2007)	1 Million yen (as of November 26 <sup>th</sup> , 2007)
(7) Total Issues Shared	35,212,153 shares (as of September 30 <sup>th</sup> , 2007)	20 shares (as of November 26 <sup>th</sup> , 2007)
(8) Shareholders' Equity	2,209 Million yen (as of September 30 <sup>th</sup> , 2007)	1 Million yen (as of November 26 <sup>th</sup> , 2007)
(9) Total Assets	9,046 Million yen (as of September 30 <sup>th</sup> , 2007)	1 Million yen (as of November 26 <sup>th</sup> , 2007)
(10) Fiscal Term	March 31 <sup>st</sup>	March 31 <sup>st</sup>
(11) Number of Employees	99 (as of September 30 <sup>th</sup> , 2007)	0 (as of November 26 <sup>th</sup> , 2007)
(12) Principal Shareholders and Shareholding Ratio	SBBM Corporation 46.01% SOFTBANK Broadmedia Corporation 16.14% Broadmedia Soken Corporation 3.41% (As of September 30 <sup>th</sup> , 2007)	Broadmedia Corporation 100% (As of November 26 <sup>th</sup> , 2007)
(13) Main Bank	Mizuho Corporate Bank, Ltd.	Mizuho Corporate Bank, Ltd.
(14) Business Results for the Last 3 Fiscal Years		
	Broadmedia Corporation (Separating company)	G-Cluster Global Corporation (Successor company)

Fiscal Term	March 2005 (Millions of yen)	March 2006 (Millions of yen)	March 2007 (Millions of yen)	(Date)	(Date)	(Date)
Revenue	10,935	8,634	7,574			
Operating Profit	2,137	2,781	843			
Recurring Profit	2,168	2,785	819			
Net Profit or Loss	(2,947)	1,716	404	As the company was established on October 1 <sup>st</sup> , 2007, there are no relevant items.		
Net Profit or Loss Per Share	(352.60) yen	101.05 yen	11.54 yen			
Dividend Per Share	—	10.0 yen	5.0 yen			
Shareholders' Equity Per Share	103.60 yen	159.09 yen	84.24 yen			

#### 4. Description of Business to be Split-off

##### (1) Description of Game Business

Since its inception, our company has been providing games for broadband networks. The game business provides such services through the G-cluster service, and conducts research and development for its core technologies as well.

##### (2) Financial Results of Game Business for Fiscal Year Ended March 2007 (Consolidated)

	Game Business (a)	Broadmedia Corporation (b)	Ratio (a/b)
Revenue	120 Million yen	10,668 Million yen	1.1%
Operating Profit or Loss	(681) Million yen	1,076 Million yen	—

Note: The above are the consolidated results.

##### (3) Assets and Liabilities to be Transferred (as of September 30<sup>th</sup>, 2007)

Assets		Liabilities	
Item	Book Value	Item	Book Value
Current Assets	136 Million yen	Current Liabilities	—
Fixed Assets	835 Million yen	Fixed Liabilities	—
Total	971 Million yen	Total	—

#### 5. Overview of Broadmedia after Split

Aside from the transfer of the game business to the successor company, there will be no changes to Broadmedia's basic information such as corporate name, location of head office, representative, or capital.

#### 6. Impact on Financial Results

The impact is expected to be very minor, and has already been reflected on the projected individual and consolidated results for FY 2007 that were announced on October 31<sup>st</sup>, 2007.

Inquiries about this press release may be directed to:

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