

January 7th, 2008

Location of head office: 8-4-14, Akasaka, Minato-ku, Tokyo
Company Name: Broadmedia Corporation
(Code: 4347)
Representative: Taro Hashimoto, Representative
CEO
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Notice Regarding Issuance of New Shares through Third-Party Allotment by Wholly-Owned Subsidiary, G-cluster Global Corporation

As announced on November 26th, 2007, our game business—which is centered on the G-cluster service—was split off and transferred to our wholly-owned subsidiary, G-cluster Global Corporation (Head office: Minato-ku, Tokyo; Representative Director: Taro Hashimoto; hereafter referred to as GCG) as of January 1st, 2008. During the extraordinary shareholders' meeting held on January 7th, 2008, a decision was made to issue new shares of GCG totaling 2 billion yen to 3 investment partnerships managed by SBI Investment Co., Ltd. and SBI Broadband Capital K.K.

1. Use of Funds

We plan to use the funds obtained through the allotment of shares to promote the expansion of the G-cluster service in the North America and other markets worldwide. The funds will be allocated to content investment, system development, etc. We will also continue to promote capital and business alliances necessary to accelerate the launch of the G-cluster service.

2. Overview of Newly Issued Shares by GCG

1. Number of Shares Issued 20,000 shares (common stock)
2. Total Value of Shares Issued 2 billion yen (Amount capitalized: 1 billion yen)
3. Payment Date January 8th, 2008
4. Recipient and Shares Allotted SBI Broadband Fund #1, Limited Liability Investment Partnership: 6,200 shares
SBI BB Mobile Investment Limited Liability Investment Partnership: 6,000 shares
SBI BB Media, Limited Liability Investment Partnership: 4,000 shares
SBI Broadband Capital K.K.: 3,800 shares

3. Overview of GCG (As of January 7th, 2008)

1. Company Name G-cluster Global Corporation
2. Business Type Broadband game services centered on the G-cluster platform;
Research and development of core technologies
3. Date of Establishment October 1st, 2007
4. Opening of Business January 1st, 2008
5. Location of Head Office 8-4-14 Akasaka, Minato-ku, Tokyo
6. Representative CEO: Taro Hashimoto
7. Fiscal Term March 31st
8. Subsidiaries G-cluster America, Inc. (USA)
Oy Gamecluster Ltd. (Finland)
9. Capital 511 million yen
10. Total Issues Shared 25,000 shares
11. Shareholders and Shareholding Ratio Broadmedia Corporation: 100%

4. GCG Capital, Shareholders, and Total Number of Shares After Capital Increase

1. Capital	1.511 billion yen
2. Total Issues Shared	45,000 shares
3. Shareholders and Shareholding Ratio	Broadmedia Corporation: 55.6%
	SBI Broadband Fund #1, Limited Liability Investment Partnership: 13.8%
	SBI BB Mobile Investment Limited Liability Investment Partnership: 13.3%
	SBI BB Media, Limited Liability Investment Partnership: 8.9%
	SBI Broadband Capital K.K.: 8.4%

5. Effect on Results

As a result of the third-party allotment of GCG shares, our shareholding ratio decreased from 100% to 55.6%. We plan to book the profit of approximately 700 million yen, which is expected as a result of the change in the shareholding ratio, as extraordinary profit in our consolidated results. We have taken the effects of these changes into account and are currently reviewing the projected results for the full fiscal year, which are scheduled to be announced during the financial results for the third quarter of FY 2007 at the end of January 2008.

Inquiries about this press release may be directed to:

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