



July 1, 2016

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 Business Transfer to a Subsidiary Operating the Cloud Game Business

Broadmedia Corporation (hereinafter referred to as “the Company”) hereby confirms the completion of the transfer of the Company’s cloud game business to Broadmedia GC Corporation (hereinafter referred to as “BMGC”), a wholly owned subsidiary of the Company, effective as of July 1, 2016. Details are as follows.

1. Reasons for the Business Transfer

The Company and its consolidated subsidiaries (hereinafter referred to as “the Group”) aim to streamline business management, accelerate business expansion and achieve greater growth through the latest business transfer that works to consolidate the cloud game business at BMGC.

2. Outline of the Business Transfer

(1) Details of the Transferred Division

The Company’s cloud game business

- Provision of cloud game services
- Provision of cloud game platforms to telecommunications service providers
- Provision of cloud game functions to game business operators

BMGC provides services that G-cluster Global Corporation (hereinafter referred to as “GCG”), a former equity method non-consolidated subsidiary of the Company, had offered prior to its dissolution, based on technologies (patents) and other assets acquired from GCG, as informed in the “Notice of Dissolution of an Equity-Method Affiliate” dated April 22, 2016 and the “Notice of the Filing of a Petition for the Commencement of Bankruptcy Proceedings by an Equity-Method Unconsolidated Subsidiary and the Transfer of its Assets to a Subsidiary” dated May 24, 2016.

Through the latest business transfer, the cloud game business within the Group was consolidated at BMGC. The Group will provide all cloud game services through BMGC from this point on.

(2) Outline of the Subsidiary Concerned

(1) Name	Broadmedia GC Corporation
(2) Address	8-4-14 Akasaka, Minato-ku, Tokyo
(3) Name and title of representative	Taro Hashimoto, President and Representative Director
(4) Business descriptions	Provision of the G-cluster cloud game service and provision of cloud game platforms to customers, such as telecommunications service providers and game companies
(5) Paid-in capital	10 million yen
(6) Establishment	September 2004
(7) Large shareholders and their shareholding ratios	Broadmedia Corporation: 100%

3. Outlook for the Future

The effects of the business transfer stated above on the Company's consolidated financial results forecast for the fiscal year ending March 2017 are reflected in "3. Forecast for the year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)" in the "Summary of Consolidated Financial Results (Japanese Accounting Standards) for the Fiscal Year Ended March 31, 2016" dated April 28, 2016.

Reference: Consolidated financial results forecast for the current fiscal year (announced on April 28, 2016) and consolidated financial results for the previous fiscal year

	Consolidated revenue	Consolidated operating income	Consolidated ordinary income	Net income attributable to the owners of the parent company
Consolidated financial results forecast for the current fiscal year (fiscal year ending March 2017)	13,000	150	70	△220
Consolidated financial results for the previous fiscal year (fiscal year ended March 2016)	12,117	71	△198	△1,082

For inquiries regarding this press release:

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