



Broadmedia



JASDAQ

March 21, 2021

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 Consolidation of Shares and Partial Revision of the Articles of Incorporation

Broadmedia Corporation (the “Company”) announces that, at a meeting held today, the Board of Directors resolved to submit proposals related to the consolidation of shares and the partial revision of the Articles of Incorporation to the 25th Ordinary General Meeting of Shareholders scheduled on June 25, 2021 (the “General Meeting of Shareholders”). Details are as follows.

1. Consolidation of shares

(1) Consolidation purpose

The number of shares issued by the Company totaled 79,147,323 as of March 31, 2021. The Company will consolidate them such that 10 common shares will become one share.

The price and investment unit for the Company’s shares (as of May 20, 2021) are 84 yen and 8,400 yen, respectively. The investment unit is far below the range of 50,000 yen to 500,000 yen stated as desirable in the Securities Listing Regulations of the Tokyo Stock Exchange. The Company aims to improve this situation through the consolidation of shares described above.

(2) Consolidation details

(i) Type of shares to be consolidated

Common shares

(ii) Consolidation ratio

The Company will consolidate its common shares at a ratio of 10 to 1. (The consolidation will be performed on the basis of the numbers of shares held by shareholders stated or recorded in the list of shareholders as of September 30, 2021.)

(iii) Effective date

October 1, 2021

(iv) Scheduled decrease in number of shares as a result of the consolidation

Total number of outstanding shares before the consolidation (as of March 31, 2021)	79,147,323 shares
Scheduled decrease in number of shares as a result of the consolidation	71,232,591 shares
Total number of outstanding shares after the consolidation	7,914,732 shares

Note: The scheduled decrease in number of shares as a result of the consolidation and the total number of outstanding shares after the consolidation are theoretical values calculated on the basis of the total number of outstanding shares before the consolidation and the consolidation ratio.

(3) Scheduled decrease in number of shareholders as a result of the consolidation

The composition of shareholders assuming the list of shareholders as of March 31, 2021 is as follows.

	Numbers (ratios) of shareholders		Numbers (ratios) of shares held	
Total number of shareholders	17,956	(100.0%)	79,147,323	(100.0%)
Holders of fewer than 10 shares	463	(2.6%)	1,086	(0.0%)
Holders of 10 or more but fewer than 100 shares	239	(1.3%)	6,107	(0.0%)
Holders of 100 or more but fewer than 1,000 shares	10,170	(56.6%)	2,581,322	(3.3%)
Holders of 1,000 or more shares	7,084	(39.5%)	76,558,808	(96.7%)

The holders of fewer than 10 shares, totaling 463 in number (with holdings totaling 1,086 shares), will lose their status as shareholders when the consolidation of shares is performed in the manner described above.

In addition, the holders of 100 or more but fewer than 1,000 shares, totaling 10,170 in number (with holdings totaling 2,581,322 shares), will lose their ability to trade their shares on the stock exchange, and the right to vote at General Meetings of Shareholders.

Holders of shares less than one unit may request the Company to buy their odd-lot shareholdings in accordance with Article 192, Paragraph 1 of the Companies Act and the provisions of the Company's Articles of Incorporation. The Company asks such shareholders to address their inquiries to their securities company or to the administrator of the list of the Company's shareholders.

(4) Processing in cases where fractions of less than one share arise

Where fractions of less than one share arise as a result of the consolidation of shares, the Company will collectively dispose of the fractions based on the provisions of the Companies Act, and distribute the proceeds of their disposal to shareholders for whom the fractions emerged in proportion to the ratios of the fractions.

(5) Conditions for the consolidation

The consolidation of shares is subject to the approval of a proposal related to the consolidation of shares and a proposal related to the partial revision of the Articles of Incorporation at the General Meeting of Shareholders.

2. Partial revision of the Articles of Incorporation

(1) Reason for revising the Articles of Incorporation

The Company will revise Article 6 of the current Articles of Incorporation (Total number of Authorized Shares) in order to make the total number of authorized shares fair and reasonable in connection with the decrease in the total number of outstanding shares resulting from the consolidation of shares described above.

The revision of the Articles of Incorporation stated above will take effect on the effective date for the consolidation of shares (October 1, 2021) subject to the approval of the proposal related to the consolidation of shares and the completion of their consolidation.

(2) Revision details

(Revised sections are underlined.)

Current Articles of Incorporation	Proposed revisions
Chapter 2: Shares (Total number of authorized shares) Article 6: The total number of authorized shares of the Company shall be <u>128,000,000</u> .	Chapter 2: Shares (Total number of authorized shares) Article 6: The total number of authorized shares of the Company shall be <u>30,000,000</u> .

3. Schedule

- | | |
|--|------------------------|
| (1) Resolution by the Board of Directors | May 21, 2021 |
| (2) Resolution at the General Meeting of Shareholders | June 25, 2021 (plan) |
| (3) Effective date for the consolidation of shares | October 1, 2021 (plan) |
| (4) Effective date for the revision of the Articles of Incorporation | October 1, 2021 (plan) |

End

For inquiries regarding this press release:

IR Dept., Broadmedia Corporation (E-mail: ir@broadmedia.co.jp)