



July 2, 2021

Press Release

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| 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 Acquisition of Shares (Making Target Company a Subsidiary)

Broadmedia Corporation (the “Company”) hereby announces that it acquired 100% of the outstanding shares of System Design Development Co., Ltd. (the “Target”), making the Target a wholly owned subsidiary of the Company as of July 2, 2021. Details are as follows.

1. Reasons for share acquisition

The Broadmedia Group is comprised of two core businesses: “Content” in a broad sense, including video streaming, broadcasting, studio and education, and “Technology” in a broad sense, including online distribution and security. In the “Technology” segment, distribution technology services such as content distribution network (CDN) and digital cinema are offered, while another mission of this segment is to support the Group’s “Content” business domain.

The Target is a system development company that offers one-stop services to enterprises, from system design and software development to maintenance and operation. It leverages its extensive experience and excellent technology to offer system development to local enterprises, large and small, in a wide range of fields, mainly agriculture-related businesses, distribution/manufacturing businesses, food businesses, medical-related businesses and the service industry.

By making the Target a subsidiary, the Company will expand the business domains in the “Technology” segment and work to improve the Group’s enterprise value.

2. Outline of the new subsidiary

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| (1) Name | System Design Development Co., Ltd. | |
| (2) Location | 10-1-2 Minami-ichijo Nishi, Chuo-ku, Sapporo-shi, Hokkaido | |
| (3) Name and title of representative | Mitsuru Kanno, Representative Director | |
| (4) Business description | Software development business, cloud service business, business process outsourcing (BPO) business | |
| (5) Capital stock | 38 million yen | |
| (6) Date of establishment | August 1, 1985 | |
| (7) Relationship between the listed company and the Target | Capital relationship | Not applicable |
| | Personal relationship | Not applicable |
| | Business relationship | Not applicable |
| (8) Target’s net sales for fiscal year ended July 31, 2020: | 284 million yen | |

3. Number of shares acquired, acquisition price, and status of shares held before and after acquisition

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| (1) Number of shares held before the transfer | 0 shares (shareholding ratio: 0%, number of voting rights: 0) |
| (2) Number of shares acquired | 760 shares (Number of voting rights: 760) |
| (3) Acquisition price | The Company refrains from disclosing the acquisition price in consideration of the Target's wishes among other factors. |
| (4) Number of shares held after the transfer | 760 shares (shareholding ratio: 100%, number of voting rights: 760) |

4. Schedule

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| (1) Date of the execution of the share transfer | July 2, 2021 (today) |
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5. Future outlook

This share acquisition will have only a minor impact on the Broadmedia Group's consolidated business performance for the fiscal year ending March 31, 2022. However, from a medium- to long-term perspective, the Company believes that the transaction will contribute to the improvement of the Group's corporate value.

If matters to be disclosed arise in the future, such matters will be promptly disclosed.

End

For inquiries regarding this press release:

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