

August 16, 2019

Notification on Merger of ADK Emotions Inc. and d-rights Inc. and New Trade Name for North American Subsidiary

ADK Emotions Inc. (head office: Minato Ward, Tokyo; Representative Director: Takahiro Noda; "ADK EM" below) has decided to merge with d-rights Inc. (head office: Minato Ward, Tokyo; President: Shuji Wada) on October 1, 2019.

1. Purpose of the Merger

When Asatsu-DK Inc. transitioned to a holding company structure, ADK Emotions was established in January 2019 to take over Asatsu-DK's contents business, as well as to act more independently and with a greater degree of specialization.

Meanwhile, d-rights was established in 1988. In 2014, ADK took a 51% stake in the company and in 2018 acquired all stock to turn d-rights into a wholly-owned subsidiary. The company produces a wide range of content, performing everything from content planning to production for original characters, cartoons, video games, the web and more. In addition, in the North American market, Sunrights Inc. (head office: New York City; CEO: Shuji Wada), a wholly-owned subsidiary, operates a business focused on the popular "Beyblade" franchise.

Since its establishment, ADK Emotions has been working to expand a business founded on developing new IP, stronger rollouts overseas, and developing new business with a digital focus. The merger is a part of this strategy. By combining with d-rights' production and sales network, which is largely overseas, we will accelerate the growth of our contents business.

2. Date of Merger

October 1, 2019

3. Method of Merger

Merger by acquisition, with ADK Emotions as the surviving company

4. Overview of Companies Involved in Merger

	Merging/Surviving Company	Merged/Dissolved Company
Company Name	ADK Emotions Inc.	d-rights Inc.
Address	1-23-1 Toranomom, Minato-ku, Tokyo	1-23-1 Toranomom, Minato-ku, Tokyo
Representative	Representative Director : Takahiro Noda	President : Shuji Wada
Business	Planning, production, import/export and sale of various content; intellectual property (IP) business planning and production, including rights management of cartoons and other IP.	Wide-ranging production, from content planning to production and development, of original characters, cartoons, video games, web content and more.
Capital	100 million yen	80 million yen
Employees	About 70	About 30
Major Shareholders and Shares of Stock	ADK Holdings Inc. 100%	ADK Emotions Inc. 100%

5. Post-Merger Status

	Post-Merger Corporate Information
Company Name	ADK Emotions Inc.
Address	1-23-1 Toranomom, Minato-ku, Tokyo
Executives	Director, Chairman : Shinichi Ueno Representative Director : Takahiro Noda Director : Shuji Wada Auditor : Fumikatsu Nakayama Auditor : Katsumi Tatsumoto
Capital	100 million yen
Employees	About 100
Major Shareholders and Shares of Stock	ADK Holdings Inc. 100%

6. New Trade Name for North American Subsidiary

In conjunction with the merger, Sunrights Inc. (head office: New York City; CEO: Shuji Wada), a wholly-owned subsidiary of d-rights Inc., will change its trade name to ADK Emotions NY Inc. as of October 1, 2019.