



March 21, 2017

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

## **Broadmedia Corporation Will Acquire 100% Ownership of a Consolidated Subsidiary Through Additional Share Purchase**

Broadmedia Corporation (the “Company”) announces that its Board of Directors resolved at its meeting held on March 21, 2017 that the Company will acquire additional shares of Renaissance Academy Corporation, one of its consolidated subsidiaries, and make it a wholly owned subsidiary.

### 1. Reason for share purchase

To further strengthen the Group’s management structure and to increase the profitability of the Group and improve corporate value, the Company resolved to make Renaissance Academy Corporation (“Renaissance Academy”) a wholly owned subsidiary through the additional purchase of its shares by the Company and the purchase of its treasury shares by Renaissance Academy.

After Renaissance Academy becomes a wholly owned subsidiary, the Company’s consolidated business results will no longer be subject to subtraction of amounts attributable to non-controlling interests. In addition, it can enjoy tax benefits since it will be subject to the consolidated tax payment system. We therefore believe that this matter will contribute to the improvement of the consolidated bottom line results from the next term.

Please note that the shares will be acquired from Wao Corporation, a shareholder since the foundation of Renaissance Academy and with which a cooperative relationship has been developed in the educational business. Renaissance Academy and Wao Corporation will continue their close relationship as important partners.

### 2. Outline of the consolidated subsidiary

(1) Corporate name	Renaissance Academy Corporation
(2) Location	1253, Oaza-asakawa, Daigo-machi, Kuji-gun, Ibaraki Prefecture
(3) Name of representative	Takayoshi Momoi, President
(4) Business description	Management of a credit-based correspondence course high school
(5) Amount of capital	262 million yen
(6) Date of foundation	October 3, 2005
(7) Total number of issued shares	7,300
(8) Major shareholders and voting rights ratio	Broadmedia Corporation: 63.0% Wao Corporation: 37.0%

(9) Business results and financial status in the last three years			
Fiscal term	Year ended March 2014	Year ended March 2015	Year ended March 2016
Net sales	1,649 million yen	1,442million yen	1,375 million yen
Ordinary profit	120 million yen	(111 million yen)	177 million yen
Net profit	69 million yen	(203million yen)	190 million yen
Amount of net assets	491 million yen	287million yen	478 million yen
Total amount of assets	1,360 million yen	1,113 million yen	1,227 million yen

### 3. Outline of the company from which the shares will be acquired

Wao Corporation	The Company has no capital relationship, personnel relationship, or business relationship to be mentioned with Wao Corporation. But the Company will continue to maintain good relations with it through Renaissance Academy.
-----------------	---

### 4. Number of shares purchased, and number of shares owned and the status of voting rights before and after purchase

(1) Number of shares owned before purchase	4,600 (Proportion of voting rights: 63.0%)
(2) Number of shares purchased	2,060
(3) Number of shares owned after purchase	6,660 (Proportion of voting rights: 100.0%)

\* 1 In accordance with the agreement with the seller, the purchase cost is not disclosed. Please note that it was decided upon consultation with the seller with reference to the calculation result of the share value by the third party calculation agent in order to ensure fairness and adequacy.

\* 2 Renaissance Academy will purchase 640 treasury shares (ownership percentage: 8.8%). As a result, the Company's ownership percentage will be 91.2%, while the proportion of voting rights after subtracting its treasury shares will be 100.0%.

### 5. Schedule

(1) Date of resolution of Board of Directors	March 21, 2017
(2) Date of conclusion of the share transfer agreement	March 21, 2017
(3) Date of share purchase	March 27, 2017

### 6. Future prospects

This matter will have only minor impact on the consolidated results for the fiscal year ending March 31, 2017.

The consolidated earnings forecast for the fiscal year ending March 31, 2018 reflecting the impact of this matter is scheduled to be announced in the "Consolidated Financial Results (Japanese Accounting Standards) for the Fiscal Year Ending March 31, 2017 (Consolidated)," which is scheduled to be announced in April, 2017.

For inquiries regarding this press release:

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