



Press Release



December 26, 2023

Head office address	8-4-14 Akasaka, Minato-ku, Tokyo
Company name	Broadmedia Corporation (Code: 4347)
Representative	Representative CEO Taro Hashimoto
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Notice of Acquisition of Shares (Making Target Companies Subsidiary and Sub-Subsidiary) and Change in Specified Subsidiaries

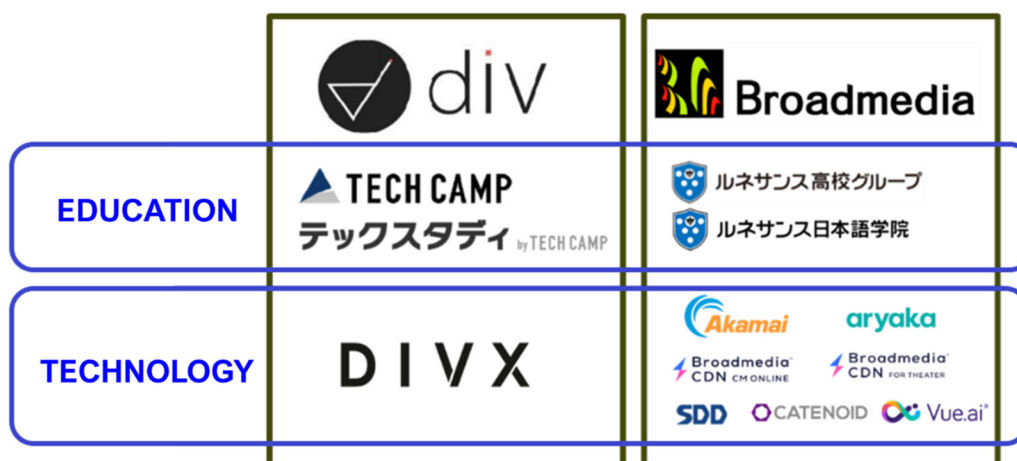
Broadmedia Corporation (the "Company") announces that it has acquired the shares of div Inc. (hereinafter "div Inc."), making it a subsidiary. Details are as follows. In conjunction with the share acquisition, divx Inc. (hereinafter "divx Inc."), which is a wholly owned subsidiary of div Inc., will become a sub-subsubsidiary of the Company.

In addition, div Inc. falls under the category of a specified subsidiary of the Company because it has an amount of capital equivalent to more than 10% of that of the Company.

1. Reason for share purchase

As a content business operator with technology platforms, the Group's basic policy is aiming to achieve growth through the provision of services featuring a high level of originality. With this in mind, it has been working to develop and cultivate a number of businesses, chiefly in the domain that combines Education with Technology.

As part of such initiatives, the Company has recently decided to acquire the shares of div Inc., converting it to a subsidiary of the Company. div Inc. offers a variety of programming education businesses that suit customers' purposes. Among them are TECH CAMP, which enables people with no experience to start a new job as an engineer, TECH CAMP Programming Education, which enables people with no experience to acquire programming skills, and TECH CAMP Corporate Training Service for companies. Meanwhile, divx Inc., a wholly owned subsidiary of div Inc., is a developer of AI technology-assisted software featuring superb responsiveness and quality. It also provides solutions.



The business conducted by div Inc. is a new business domain for the Group. Even so, given a range of developments such as education on programming becoming a required subject at high schools, the Group expects that the two parties will facilitate their growth through collaboration with the Renaissance High School Group in the Company's education segment and the development of new services, among other means.

Meanwhile, the business that divx Inc. engages in is expected to expand due to not only enhanced engineering resources in the Company's technology segment but also the utilization of each other's sales foundations.

Taking these matters into consideration, the Company has decided that making div Inc. and divx Inc. subsidiaries are in line with the Group's medium- to long-term initiatives and will contribute to the growth of the Company and improvement of its corporate value going forward.

2. Outline of subsidiaries and sub-subsidiaries to be transferred

div Inc. (subsidiary)

(1)	Name	div Inc.			
(2)	Location	1-12-16 Jinnan, Shibuya-ku, Tokyo			
(3)	Name and title of representative	President and Representative Director Kei Ishihara			
(4)	Business description	Programming school management, IT engineer introduction service, etc.			
(5)	Paid-in Capital	244 million yen			
(6)	Date of establishment	March 22, 2012			
(7)	Major shareholders and shareholding ratio	Eight Roads Ventures Japan II L.P. 19.9% Yukinari Mako 16.2% MORI TRUST CO., LTD. 9.6% Others 54.3%			
(8)	Relationship between the listed company and the relevant company	Capital relationship	Not applicable		
		Personal relationship	Not applicable		
		Business relationship	Not applicable		
(9)	Operating results and financial position indicators of the company for the last three years, as well as forecasts for the ongoing year				
	Closing period	Year ended Dec. 2020	Year ended Dec. 2021	Year ended Dec. 2022	Year ending Dec. 2023 (forecast)
	Net assets	1,293 million yen	107 million yen	(794) million yen	—
	Total assets	3,630 million yen	1,784 million yen	551 million yen	—
	Net assets per share	6,255 yen	519 yen	(3,842) yen	—
	Revenue	4,381 million yen	2,646 million yen	1,055 million yen	943 million yen
	Operating income	(691) million yen	(1,332) million yen	(720) million yen	(298) million yen
	Ordinary income	(683) million yen	(1,214) million yen	(722) million yen	(292) million yen
	Net income	(760) million yen	(1,186) million yen	(893) million yen	(301) million yen
	Net income per share	(6,220) yen	(9,704) yen	(7,311) yen	—
	Dividends per share	—	—	—	—

The forecasts for the fiscal year ending December 31, 2023 are based on information available to the Company

as of the date of announcement and certain assumptions that the Company considers to be reasonable. Actual results may differ due to a range of factors.

divx Inc. (sub-subsidiary)

(1)	Name	divx Inc.			
(2)	Location	19-1 Maruyama-cho, Shibuya-ku, Tokyo			
(3)	Name and title of representative	Representative Director Kei Ishihara			
(4)	Business description	Development of software and provision of solutions utilizing AI technology, etc.			
(5)	Paid-in Capital	10 million yen			
(6)	Date of establishment	January 20, 2021			
(7)	Major shareholders and shareholding ratio	div Inc. 100%			
(8)	Relationship between the listed company and the relevant company	Capital relationship	Not applicable		
		Personal relationship	Not applicable		
		Business relationship	Not applicable		
(9)	Operating results and financial position indicators of the company for the last three years, as well as forecasts for the ongoing year				
	Closing period	Year ended Dec. 2020	Year ended Dec. 2021	Year ended Dec. 2022	Year ending Dec. 2023 (forecast)
	Net assets	—	57 million yen	98 million yen	—
	Total assets	—	141 million yen	212 million yen	—
	Net assets per share	—	285 yen	490 yen	—
	Revenue	—	278 million yen	684 million yen	852 million yen
	Operating income	—	45 million yen	35 million yen	(104) million yen
	Ordinary income	—	55 million yen	55 million yen	(103) million yen
	Net income	—	37 million yen	41 million yen	(110) million yen
	Net income per share	—	185 yen	205 yen	—
	Dividends per share	—	—	—	—

1. The operating results and financial position indicators of divx Inc., which was established on January 20, 2021, reflect those for over the last two years.

2. The forecasts for the fiscal year ending December 31, 2023 are based on information available to the Company as of the date of announcement and certain assumptions that the Company considers to be reasonable. Actual results may differ due to a range of factors.

(Reference) Simply combined operating results, financial position indicators and forecasts for the ongoing year of div Inc. and those of divx Inc.

Closing period	Year ended Dec. 2020	Year ended Dec. 2021	Year ended Dec. 2022	Year ending Dec. 2023 (forecast)
Net assets	1,293 million yen	164 million yen	(696) million yen	—
Total assets	3,630 million yen	1,925 million yen	764 million yen	—
Revenue	4,381 million yen	2,924 million yen	1,740 million yen	1,796 million yen
Operating income	(691) million yen	(1,287) million yen	(684) million yen	(402) million yen
Ordinary income	(683) million yen	(1,158) million yen	(667) million yen	(395) million yen
Net profit	(760) million yen	(1,149) million yen	(852) million yen	(411) million yen

1. Since neither div Inc. nor divx Inc. prepares consolidated financial statements, calculations have been made by simply combining numbers. Therefore, the above numbers do not reflect the offsetting of internal transactions. Neither net assets per share nor profit per share have been presented here.

2. The forecasts for the fiscal year ending December 31, 2023 are based on information available to the Company as of the date of announcement and certain assumptions that the Company considers to be reasonable. Actual results may differ due to a range of factors.

3. Outline of the parties from which the shares will be acquired

(1)	Name	Eight Roads Ventures Japan II L.P.	
(2)	Location	Pembroke Hall, 42 Crow Lane, Pembroke, HM 19, Bermuda	
(3)	Name and title of representative	General Partner Eight Roads GP Director Driaan Viljoen	
(4)	Business description	Investment businesses	
(5)	Relationship between the listed company and the fund	Relationship between the listed company and the fund	Not applicable
		Relationship between the listed company and the managing partner	Not applicable
		Relationship between the listed company and domestic agent	Not applicable

At the request of the other party, the Company will refrain from disclosing the date of formation, total amount of investment, investor/investment ratio, outline of the investor, outline of the managing partner, and outline of the domestic agent.

(1)	Name	Yukinari Mako
(2)	Address	Shibuya-ku, Tokyo
(3)	Relationship between the listed company and the individual concerned	There is no capital, personal, or business relationship to be noted between the Company and the individual.

(1)	Name	MORI TRUST CO., LTD.	
(2)	Location	4-1-1 Toranomom, Minato-ku, Tokyo	
(3)	Name and title of representative	President and Representative Director Miwako Date	
(4)	Business description	Real estate development, hotel management and investment business	
(5)	Capital	30,000 million yen (As of March 31, 2023)	
(6)	Date of establishment	June 10, 1970	
(7)	Net assets (consolidated)	559,912 million yen (As of March 31, 2023)	
(8)	Total assets (consolidated)	1,254,665 million yen (As of March 31, 2023)	
(9)	Major shareholders and shareholding ratios	MORI TRUST HOLDINGS CO., LTD. 100%	
(10)	Relationship between the listed company and the Target	Capital relationship	Not applicable
		Personal relationship	Not applicable
		Business relationship	Not applicable
		Status as a related party	Not applicable

The Company has acquired shares from 14 companies and 7 individuals. In consideration of the confidentiality obligations in the stock transfer agreement, it will refrain from further disclosure. There is nothing to be disclosed about the target from the perspective of capital, personal and business relationships, or from that of the status of applicability as other related parties.

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

(1)	Number of shares held before the transfer	0 shares	number of voting rights:	0	Voting rights ratio:	0%	
(2)	Number of shares acquired	common stock	122,224 shares	number of voting rights:	122,224	Voting rights ratio:	100%
		Class A preferred stock	11,000 shares	number of voting rights:	11,000	Voting rights ratio:	100%
		Class B preferred stock	30,005 shares	number of voting rights:	30,005	Voting rights ratio:	100%
		Class C preferred stock	43,287 shares	number of voting rights:	43,287	Voting rights ratio:	99.4%
		Class D preferred stock	48,148 shares	number of voting rights:	48,148	Voting rights ratio:	100%

	Total stock shares	254,664	number of voting rights:	254,664	Voting rights ratio:	99.9%	
(3)	Acquisition price The acquisition price, which the Company will refrain from disclosing due to confidentiality obligations in the share transfer agreement, has been determined through negotiation by the two parties based on the share value calculated by a third party to ensure fairness and reasonableness.						
(4)	Number of shares held after the transfer	common stock	122,224 shares	number of voting rights:	122,224	Voting rights ratio:	100%
		Class A preferred stock	11,000 shares	number of voting rights:	11,000	Voting rights ratio:	100%
		Class B preferred stock	30,005 shares	number of voting rights:	30,005	Voting rights ratio:	100%
		Class C preferred stock	43,287 shares	number of voting rights:	43,287	Voting rights ratio:	99.4%
		Class D preferred stock	48,148 shares	number of voting rights:	48,148	Voting rights ratio:	100%
		Total stock shares	254,664	number of voting rights:	254,664	Voting rights ratio:	99.9%

5 . Schedule

(1)	Date decided	December 26, 2023
(2)	Date of Contract	December 26, 2023
(3)	Date of the execution of the share transfer	January 1, 2024 (planned)

6 . Future outlook

Starting from the fourth quarter of the fiscal year ending March 31, 2024, div Inc. and divx Inc. will fall within the scope of consolidation of the Company. The amount, accounting treatment and other details of goodwill, which are expected to accrue as a result of the share acquisition, are currently being reviewed. In addition, the effects on the Company's consolidated results for the fiscal year ending March 31, 2024 are also being reviewed. If there is any information that should be disclosed going forward, the Company will make announcements promptly.

End

For inquiries regarding this press release:

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