

**Sunrise Capital II's partial divestiture of shareholding in K.K. BC Ings**

**Tokyo – Monday, 30 October, 2017** – CLSA Capital Partners, the asset management business of CLSA, is pleased to announce that Sunrise Capital II (“Sunrise II”) has reached an agreement to divest part of its shareholding in K.K. BC Ings (“BC Ings” or “Company”), a leading regional cram school operator headquartered in Japan’s Hiroshima prefecture, to the Hiroshima Innovation Fund (“the Fund”). Following the transaction, BC Ings will issue new shares, which will be acquired by the Fund. The transaction is anticipated to close on 8 November, 2017. Sunrise II is a CLSA Capital Partners’ fund that invests in established, mid-cap companies with strong growth potential in Japan.

The Hiroshima Innovation Fund is a public-private investment fund managed by Hiroshima Innovation Network Inc. a fully funded subsidiary of Hiroshima Prefectural Government. Following the partial divestment, Sunrise II will continue to own a majority of BC Ings’ shares. The founder and current Chairman and Representative Director of BC Ings, Mr. Hiroki Tanaka, will maintain a minority stake in the Company. The Fund will acquire a Board seat, but there will be no material changes to the management team, company name, brand name and /or operational policies.

Sunrise II’s investment in BC Ings was completed in April 2016. Since investing, Sunrise II has supported the geographical expansion and the development of BC Ing’s service offering. This will continue going forward, with plans to expand into new geographies and extend service coverage into the nursery school segment and provide services targeting the lower grades of elementary school. By collaborating with the Hiroshima region, government-backed, Hiroshima Innovation Fund, BC Ings will be able to draw on the Fund’s significant expertise in providing “innovation” to companies in Hiroshima and will be in a good position to pursue further growth.

The CEO of Hiroshima Innovation Network, Mr. Kiyoshi Ozaki, commented: “BC Ings is a full-service educational services provider based in Hiroshima, loved by its students present and past, and with over 30 years of history in providing superior education. The Company has also been actively expanding their business, potentially eyeing an IPO and has been endeavoring to expand into socially significant areas such as nursery school and after school education. We are very honoured to be able to participate in this capital alliance. ”

Mr. Kiyoshi Ozaki, added: “With our knowledge of Hiroshima and backing from the Hiroshima regional government, alongside Sunrise Capital’s expertise of supporting numerous Japanese mid-cap companies, we are extremely confident of the future growth potential of BC Ings. Going forward, we will take a new step in providing more excellent services and cultivating new areas such as nursery school education businesses along with Mr. Tanaka and BC Ings’ management.”

The CEO of BC Ings, Mr. Manabu Kawasumi noted: “Tanaka Gakushukai (brand name of BC Ings) is a place not simply to study, but to enhance students’ humanitarian and social values through mutual respect and encouragement. Our goal of helping students to learn the importance of contributing to society and supporting others has contributed to growing our businesses. As a company based in Hiroshima, we intend to utilise the Hiroshima Innovation Fund’s expertise to further enhance our services. With their support, we look forward to expanding our activities and meeting new students and parents.”

## MEDIA RELEASE

Head of Sunrise Capital, Mr. Megumi Kiyozuka said, "Hiroshima Innovation Fund has a robust network within Hiroshima, significant expertise in developing new businesses and an exceptional track record of supporting companies in the prefecture. The combined capabilities of the Hiroshima Innovation Fund and Sunrise Capital, ensure that we can take BC Ings to the next level in the regional cram school operator space."

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### **About BC Ings**

Headquartered in Hiroshima prefecture, BC Ings operates approximately 80 cram schools spanning the prefectures of Hiroshima, Okayama, Kagawa, Fukuoka and Osaka. BC Ings has approximately 200 employees and its sales in the fiscal year ending November 2016 were approximately JPY3.7 billion. The number of students has consistently been growing since its inception in 1990 and currently there are 14,000 students enrolled at its cram schools (as of August 2017). For further information on "Tanaka Gakushukai", please visit <http://www.tanakagakushukai.com>

### **About Hiroshima Innovation Fund, Hiroshima Innovation Network Inc.**

The Hiroshima Innovation Fund is a public-private investment fund operated by Hiroshima Innovation Network Inc. The Hiroshima Innovation Network Inc. is a 100% subsidiary of Hiroshima Prefectural Government. Hiroshima Innovation Fund supports companies based in Hiroshima pursuing new businesses, by providing "innovative" solutions. For further information on "Hiroshima Innovation Network/Hiroshima Innovation Fund", please visit <http://www.hinet.co.jp/english/about/index.php>

### **About Sunrise Capital**

Sunrise Capital is a Japan-dedicated private equity strategy, capitalising on opportunities in the mid-cap buyout sector. Sunrise Capital's unique features include a hands-on approach, in assisting portfolio companies realise their growth potential, and support with overseas expansion through CLSA's global network. Sunrise Capital has completed investments in 11 companies since its establishment in 2006.

### **About CLSA Capital Partners**

CLSA Capital Partners is the asset management arm of CLSA, Asia's leading capital markets and investment group. CLSA Capital Partners has more than US\$4 billion under management and offices across the region, including Hong Kong, Singapore and Tokyo. CLSA Capital Partners offers a diversified and increasing range of investment strategies managed by a diverse team of industry professionals with expertise in private equity, banking and finance, law and accountancy and various industry specialisations. For more information visit [www.clsacapital.com](http://www.clsacapital.com)

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