

## Announcement on Subscription to Tender Offer for Purchasing SBI Life Living's Shares

SBI Holdings, Inc. ("SBIH") hereby announces that it has decided to enter into a tender offer agreement in response to a plan by LL Holdings, Inc. (hereinafter the "Tender Offeror"), which belongs to a fund to which Advantage Partners, LLP offers services (hereinafter the "AP Fund"), to start its tender offer (hereinafter the "Tender Offer") on December 12, 2014. This tender offer is for purchasing the shares, etc. of SBI Life Living Co., Ltd. (hereinafter "SBI Life Living"), which is a consolidated subsidiary of SBIH listed on the TSE Mothers market. Under the tender offer agreement, SBIH will subscribe to the tender offer of all the 8,515,000 shares that it owns.

### 1. Reason for subscribing to the Tender Offer

Before becoming a consolidated subsidiary of SBIH by means of share acquisition in September 2007, SBI Life Living provided the services related to development, sales, planning and design of investment properties as a company listed on the TSE Mothers market (former corporate name: Living Corporation Co., Ltd.; Changed to the current corporate name in July 2009). In July 2009, SBI Life Living took over the Internet business from SBIH. It currently conducts the real estate business (development, sales, brokerage, etc. of "Branche" series (rental designer condominiums) and apartments for investors) and the Internet business including the "Ticket Distribution Center."

The SBI Group currently focuses on the three core businesses – Financial Services, Asset Management, and Biotechnology-related Business, and has actively sold other businesses. As for Financial Services Business, the SBI Group has a basic policy to center on securities, banking and insurance as its three core businesses. It also focuses on other businesses that can generate synergies with one of these core businesses. The SBI Group is currently promoting "Selection and Concentration" of its businesses and the generation of cash flows (e.g. sale of SBI Veri Trans Inc., (currently VeriTrans Inc.) in March 2012 and SBI Mortgage Co., Ltd. in August 2014).

Under these circumstances, SBIH, a parent company of SBI Life Living, received a tender offer proposal from AP Fund for the purchase of SBI Life Living's shares, and has conducted relevant negotiations with AP Fund that conducts private equity investment business. AP Fund proposed the privatization of SBI Life Living. More specifically, AP Fund proposed to make SBI Life Living a wholly-owned subsidiary of the Tender Offeror and to give support to SBI Life Living as a new partner for future business development. The tender offer price that AP Fund presents is JPY 1,070 per share, which is considered a premium price (i.e. 6.8% against JPY 1,002 that is the closing price of SBI Life Living's common stock at TSE on December 10, 2014 (the day before the tender offer announcement date), 12.4% against JPY 951.6 that is the average closing price for the past one month, 22.7% against JPY 872.3 that is the average closing price for the past three months, and 35.3% against JPY 790.8 that is the average closing price for the past six months (by rounding the prices to one decimal place)). As a result, SBIH has decided to subscribe to the Tender Offer of all the shares of SBI Life Living that it owns.

Upon completion of the Tender Offer, SBIH is scheduled to invest JPY 995 million (investment ratio: 19.9%) in the Tender Offeror in terms of common shares, and is also planning to continue providing support to AP Fund in further enhancing SBI Life Living's corporate value by using the SBI Group's brand and business base.

### 2. Outline of SBI Life Living (as of September 30, 2014)

(1) Name	SBI Life Living Co., Ltd.
(2) Address	1-14-6 Dougenzaka, Shibuya-ku, Tokyo
(3) Title/name of representative	Shiho Aihara, Representative Director, President and CEO
(4) Business	1. Pre-development planning and design of investee real estate

	2. Developing and selling investee real estate 3. Proposing useful means of land use and contracting construction etc. 4. Internet-based EC and mediation services websites 5. Composition and fee estimate services websites		
(5) Capital	JPY 524 million		
(6) Date of establishment	February 28, 1990		
(7) Major shareholder and shareholding ratio	SBI Holdings, Inc.	67.60%	
	CHASE MANHATTAN BANK GTS CLIENTS ACCOUNT ESCROW (Standing proxy: Mizuho Bank, Ltd.)	2.01%	
	Shuichi Miwa	1.68%	
	Japan Trustee Services Bank, Ltd. (Trust account)	1.58%	
	JAPAN SECURITIES FINANCE CO., LTD.	1.11%	
	Hiroyuki Yoshioka	0.77%	
	BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC) (Standing proxy: The Bank of Tokyo-Mitsubishi UFJ, Ltd)	0.77%	
	Trust & Custody Services Bank, Ltd. (Security investment trust account)	0.62%	
	Takeichi Imai	0.60%	
	Toshimitsu Masuda	0.48%	
(8) Relationship between the listed company and SBI Life Living	Capital relationship	SBIH owns 67.60% of the total number of issued shares of SBI Life Living.	
	Personal relationship	SBIH's director is concurrently serving as an executive of SBI Life Living, and also employees are temporarily transferred.	
	Business relationship	SBIH is subleasing offices to SBI Life Living.	
(9) Business results and financial conditions of SBI Life Living in the previous three years			
Fiscal Year Ended	March 31, 2012 (Consolidated)	March 31, 2013 (Non-consolidated)	March 31, 2014 (Non-consolidated)
Net assets	JPY 2,846,285 thousand	JPY 3,370,268 thousand	JPY 4,357,744 thousand
Total assets	JPY 8,712,052 thousand	JPY 8,154,109 thousand	JPY 8,983,906 thousand
Net assets per share	JPY 227.38	JPY 293.73	JPY 375.33
Operating revenue	JPY 5,677,267 thousand	JPY 6,066,602 thousand	JPY 7,345,845 thousand
Operating income	JPY 744,895 thousand	JPY 1,106,243 thousand	JPY 1,570,255 thousand
Ordinary income	JPY 646,391 thousand	JPY 1,024,241 thousand	JPY 1,510,537 thousand
Net income	JPY 644,949 thousand	JPY 675,516 thousand	JPY 906,357 thousand
Net income per share	JPY 51.67	JPY 55.03	JPY 78.35
Dividend per share	—	—	—

\* Since SBI Life Living's absorption-type merger of its consolidated subsidiary was conducted on March 31, 2012, SBI Life Living has not prepared its financial statements on a consolidated basis for the corresponding consolidated fiscal year. Therefore, the figures of net assets, total assets and net assets per share for the fiscal year ended March 31, 2012 are non-consolidated results.

### 3. Outline of the company that will be purchasing shares (as of December 11, 2014)

(1) Name	LL Holdings, Inc.
(2) Address	1-28, 4-chome, Toranomom, Minato-ku, Tokyo
(3) Title/name of representative	Shinichiro Kita, Representative Director
(4) Business	Investments

(5) Capital	JPY 50 thousand * The amount of capital is planned to increase by JPY 2,497,450 thousand, due to the investment of JPY 3,999,900 thousand from AP Fund and JPY 995,000 thousand from SBIH, by the settlement start date.	
(6) Date of establishment	September 30, 2014	
(7) Net assets	JPY 50 thousand	
(8) Total assets	JPY 50 thousand	
(9) Major shareholder and shareholding ratio	Advantage Partners, LLP. IV-S	100.00%
(10) Relationship between the listed company and LL Holdings	Capital relationship	None
	Personal relationship	None
	Business relationship	None
	Status of relationship with related parties	None

#### 4. Number of shares for subscription, price, and the status of shares held before and after subscription

(1) Number of shares held before subscription (consolidated basis)	8,515,000 shares (Number of voting rights: 85,150) (Ownership ratio of voting rights: 73.27%)
(2) Scheduled number of shares for subscription (consolidated basis)	8,515,000 shares (Number of voting rights: 85,150) (Share transfer price: JPY 9,111 million (JPY 1,070 per share))
(3) Number of shares held after subscription (consolidated basis)	0 shares (Number of voting rights: 0) (Ownership ratio of voting rights: 0.00%)

#### 5. Date of the Tender Offer

(1) Conclusion of tender offer agreement	December 11, 2014
(2) Period of purchase	From December 12, 2014 to February 2, 2015
(3) Date of result announcement	February 3, 2015
(4) Settlement start date	February 9, 2015

#### 6. Future outlook

If the Tender Offer is successful, SBI Life Living will no longer be a consolidated subsidiary of SBIH as a result of subscribing to the Tender Offer. Meanwhile, the impact of subscribing to the Tender Offer on SBIH's consolidated financial results for the fiscal year ending March 31, 2015 will be immaterial.

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For further information, please contact:

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