

SBI Group's Tender Offer for ARUHI—Positive Impact on ARUHI's Business Foundation

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on Tender Offer for the shares of ARUHI Corporation (security code: 7198) by SBI Non-Bank Holdings Co., Ltd., a wholly owned subsidiary of SBI Holdings, Inc. (security code: 8473) and Business Alliance Agreement between ARUHI Corporation and SBI Holdings, Inc.

- (1) On September 14, SBI Holdings, Inc. (SBIHD) announced that it would acquire common shares of ARUHI Corporation ("ARUHI") through a tender offer by its wholly owned subsidiary, SBI Non-Bank Holdings Co., Ltd. The tender offer period will last until October 31, and SBIHD aims to own up to 51% of ARUHI's shares to make it a consolidated subsidiary, while ARUHI's shares will remain listed after the TOB is completed. ARUHI has expressed its opinion in favor of the TOB, judging that establishing a strong collaborative relationship with SBI Group in terms of business will contribute to its growth strategy. On the same day, ARUHI and SBIHD entered into a business alliance agreement, aiming to jointly develop and provide housing loan products.
- (2) JCR believes that the TOB and the business alliance will strengthen ARUHI's business foundation and positively affect its creditworthiness, allowing it to provide its housing loans such as Flat 35 to the customer bases of Shinsei Bank Limited, an SBI Group company, and regional financial institutions with which it has a capital and business alliance. In addition, group synergies such as the ability to handle housing loans with variable interest rates, etc. provided by SBI Group's financial institutions through ARUHI's sales channels are expected.
- (3) If ARUHI becomes a consolidated subsidiary or affiliate of SBIHD, rating of ARUHI may reflect the likelihood of support by the SBI Group. JCR believes that if the degree of control and involvement by the SBI Group or the degree of ARUHI's managerial importance in the SBI Group is considered high, the SBI Group's group creditworthiness could become a supporting factor for ARUHI's rating. In addition to confirming the ratio of voting rights, the status of dispatch of directors, and the status of management control, JCR will pay attention to the positioning of ARUHI in the SBI Group's retail business strategy and the status of its business collaboration with the SBI Group companies.

Hidekazu Sakai, Kenta Asada

<Reference>

Issuer: ARUHI Corporation

Long-term Issuer Rating: A- Outlook: Positive

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