

**A R U H I**

**CORPORATE PROFILE**

COMPANY HISTORY

ENHANCING LIFESTYLES

GETTING A MORTGAGE

FINDING A HOME

WHAT'S ARUHI

## WHAT'S ARUHI

# ARUHI is the largest mortgage bank in Japan

### MISSION

Our mission is to materialize the joys of home ownership by helping consumers to find homes, get mortgages, and enhance their lifestyles.

- Finding Homes through ARUHI House search  
We created highly beneficial real estate fintech service
- Getting a Mortgage  
We are Japan's largest mortgage bank, offering services that leverage diverse products, channels, and technologies
- Enhancing Lifestyles  
We provide an array of services that enhance the home ownership experience

Life is made up of an accumulation of ARUHI, Japanese for “one days”. And the day you get to own your home is like no other. At ARUHI, we will help make this important day a wonderful one for you by offering a range of home loan products to meet your various needs through various channels such as our nationwide stores.

We will also provide support at each life stage for making your new life more enjoyable and complete from powerful house-searching tools to exclusive customer benefits that keep your daily living costs down.

From the moment your new life begins, ARUHI will, as a “home life producer”, stay by your side to help make your home life even richer.

The logo for ARUHI is displayed in a large, bold, sans-serif font. The letters are black, except for the letter 'U', which is filled with a bright yellow color. The logo is centered horizontally in the lower half of the page.

# ARUHI

# FINDING A HOME THROUGH ARUHI HOUSE SEARCH

## Helping consumers find the right homes online

### ARUHI House Search for Matching Homes and Loans to Current Rents

#### ARUHI House Search

In November 2016, we revamped the Beta version of our *le to Hito* service that we launched in March that year as a searchable database of home purchases by customers who had concluded mortgage agreements with ARUHI, renaming it ARUHI House Search. We also launched our Recommended Property Assessment Service. By answering a few simple questions, such as about their rent and age, users can see recommended areas based on their current rents and properties matching their requirements. In March 2017, we started the ARUHI House Search chat service, which enables people to find properties or search our mortgage database.



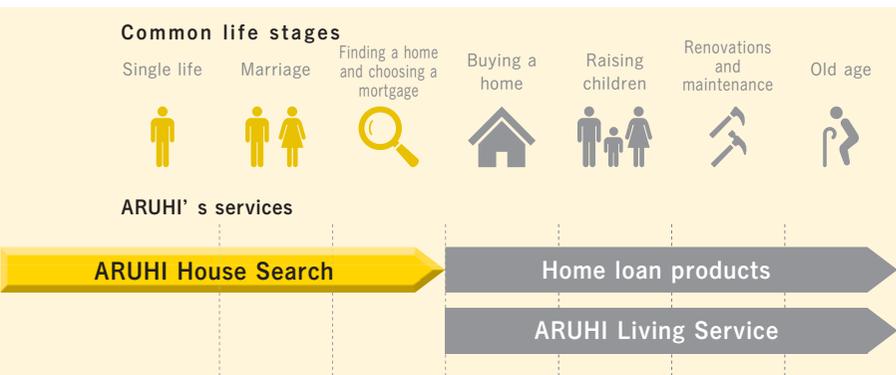
① Website assessing recommended properties

② Assessment returns

③ ARUHI House Search chat on LINE

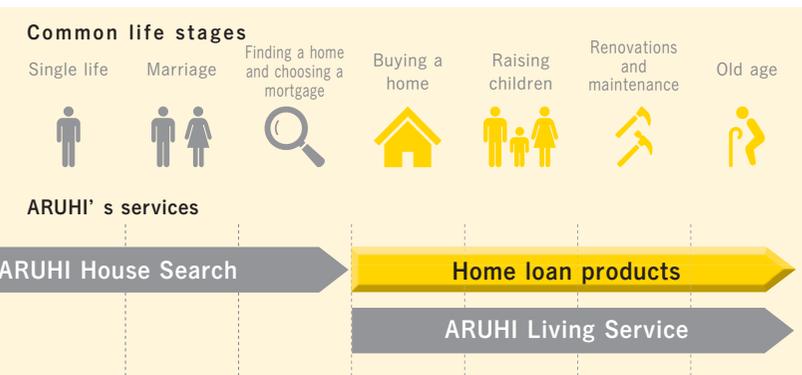
#### ARUHI Magazine

In February 2017, we relaunched the *le to Hito Magazine* as the ARUHI Magazine. The new publication provides a range of content for better living. This includes interviews with consumers when buying their homes, mortgage advice columns by financial planners, money counseling case studies, housing news, and lifestyle tips.



# GETTING A MORTGAGE

## Catering to Diverse Customer Needs



### POINT

## Top Market Share for “Flat 35” for Seven Consecutive Years

Since we began offering Flat 35 home loans in 2004, we have provided this product at some of the lowest interest rates(\*) for that product in the industry. In fiscal 2016, ended March 31, 2017, we accounted for more than 20% of Flat 35 loans extended, giving us the No. 1 spot for the seventh consecutive year (based on ARUHI research into the number of Flat 35 loans extended in Japan in fiscal 2010 through 2016). We now have loans outstanding to about 120,000 customers.

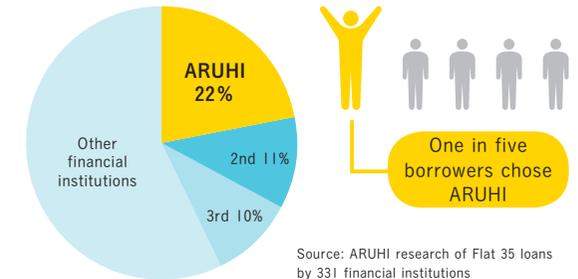
We will build on our position as Japan's biggest specialist housing lender by continuing to offer services that satisfy our customers.

(\*)Source: ARUHI

### What is Flat 35?

This is a long-term fixed-interest home loan offered by private-sector financial institutions in partnership with the Japan Housing Finance Agency. Because the loan interest rate and repayments are fixed for the life of the loan, they offer the advantage of making it easy for borrowers to make long-term life plans.

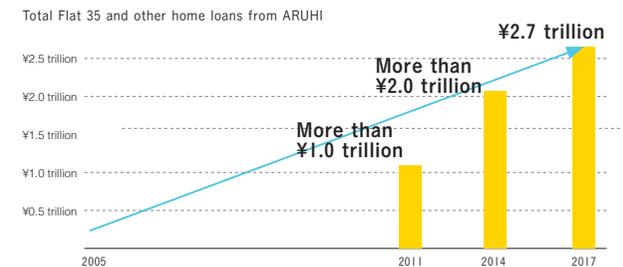
1 Accounting for around 22% of Flat 35 loans extended in fiscal 2016



2 Ranked sixth in fiscal 2015 in terms of total loans from major banks and other financial institutions  
Source: ARUHI

3 About 120,000 ARUHI borrowers as of March 2017

4 About ¥2.7 trillion in loans outstanding as of March 2017



## A Full Range of Unique Home Loan Products, Including “Flat 35”

**W**e develop an array of financial products to cater to diverse customer needs.

We augment Flat 35 offerings, which fix interest over the life of loans, with a broad range of home loan alternatives. They include variable rate products of partner banks we extend as bank agency service, as well as Miscellaneous Costs and Renovations

Loans, Investment Condominium Loans and insurance products.

Proprietary services for customers looking to refinance their mortgages include Refinancing Simulation, in which we diagnose differences in repayments with existing mortgages, and Ratewatcher, which notifies customers by email when it is optimal to refinance their loans.

### Key Products (as of October,2017)

#### Home Loans

##### FLAT 35 Products

- ARUHI Flat 35  
Fixed interest for life of loan, up to 35 years.
- ARUHI Super Flat; Flat 35 (Guarantee Program)  
ARUHI original fixed-interest home loan using “Flat 35 (Purchase Program)”.
- ARUHI Flat 35a  
Borrow up to 100% of the price of the property.
- ARUHI Flat 35 (PROPERTY AND RENOVATIONS)  
Borrow the funds for renovations at the same time as the home loan when purchasing a second-hand property.

- Household Budget Support Plan  
An ARUHI Flat 35 loan that helps customers improve their cash flows.

#### Distribution of Variable and Fixed Interest Loans as bank agency service\*

Loan products from SBI Sumishin Net Bank,Ltd., Sony Bank Incorporated and Rakuten Bank,Ltd.

\* Available only through our directly managed branches and not through franchisees

#### Complementary Product

- ARUHI Flat Bridging Loan  
Bridging loan for land purchase, interim building finance, etc.  
Funds can be drawn up to four times
- Miscellaneous Costs and Renovations Loan  
Loan for miscellaneous costs and renovations, exclusive to ARUHI Flat 35 customers
- Insurance Products  
Fire Insurance  
8 Disease Protection Insurance/  
Unemployment Protection Insurance

#### Other Products

- Investment Condominium Loan
- Home disaster finance
- Mortgages for existing houses which are purchased and renovated by real estate agencies to resale

## Optimizing Customer Support with the Most Branches of Any Mortgage Provider in Japan

**A**RUHI has 128(\*) stores all over Japan, the most of any specialist housing lender. Our expert staff will offer you careful, face-to-face advice, from advice about our home loan products to assistance with the loan application process. Our branches have received positive feedback from customers who are unsure about anything in the application process, or who feel uncertain about completing the process only on the Internet.



\* Number of branches as of September,2017

## Enhancing Customer Convenience with Technology

**W**e launched ARUHI Direct, which enables customers to apply for preliminary mortgage screenings and refinancing online, with our professionals using video and text chats to advise on home loans and explain procedures. For people applying for ARUHI Flat 35, we were the first in our industry to deploy a proprietary format that cuts the number of items that people need to fill out by

up to 50%. We use Optical Character Recognition to scan in resident cards, billing statements, and other verification documentation, eliminating the need to import this information. We also employ Robotic Process Automation to streamline clerical processes for customers, partners, and stores.

# ENHANCING LIFESTYLES

## Helping to Improve the Joys of Ownership

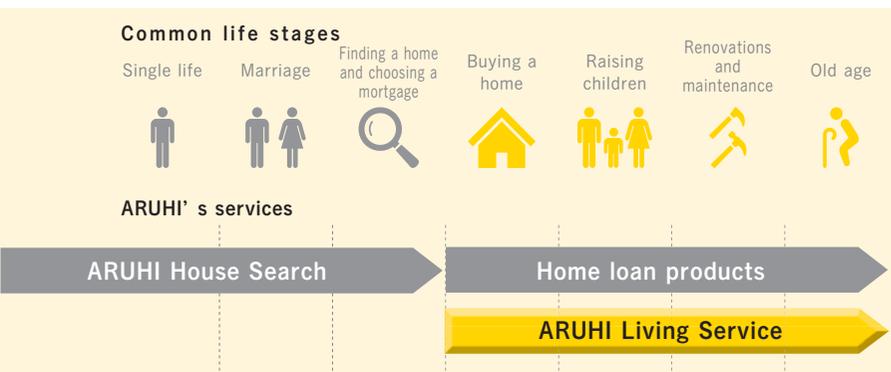
## ARUHI Exclusive Customer Benefits through ARUHI Living Service

We have partnered with many companies to provide a range of exclusive benefits that help enhance lifestyles and lower costs for our customers. We will provide many comprehensive services that match daily and life stage needs.

We help people embarking on new stages in their lives through special discounts on house moving, furniture and interiors, appliances, and other goods and services. They can also cut their daily costs through online supermarket, car sharing, child care and other services, and enhance their lifestyles through special deals on leisure, travel, and beauty care.

### Key Partners

| House moving   | Interiors   | Appliances  | Automobiles   |
|--|---|---|---|
|   |    |    |    |
| Domestic services  | Recycling and reuse   | Food and daily necessities  | Parenting   |
|   |    |    |    |
| Leisure and travel   | Beauty, health, and fashion   | Life events   | Dining out  |
|   |  |  |  |



# COMPANY HISTORY

## A Track Record of Numerous Firsts that Have Propelled ARUHI to Leadership in the Housing Finance Sector

### HISTORY

|           |  |
|-----------|--|
| May 2001  | Started offering the "Good Home Loan" as Japan's first mortgage bank (financial institution specializing in securitized home loans).   |
| Nov 2001  | Became first in Japan to offer online advanced repayments.   |
| Apr 2004  | Became Japan's first mortgage broker (home loan brokerage services for multiple financial institutions) as SBI Mortgage Consulting Co., Ltd.   |
| May 2005  | Changed company name to SBI Mortgage Co., Ltd.   |
| Sep 2006  | Through partnership with a life insurance agency, set up Japan's first full-scale home loan agency system.   |
| Oct 2006  | Became the first in Japan to start offering securitized investment real estate loans with fixed interest for the life of the loan.   |
| Nov 2006  | Started offering home loans with 8-disease protection insurance attached, the first loan product with ancillary services among Flat 35 loans provided in partnership with the Japan Housing Finance Agency (JHF) |
| Sept 2008 | Became Japan's first mortgage bank to obtain a license for bank agency service   |
| Apr 2012  | Became the first Japanese company to list on the Korea Exchange (KOSPI). (Ended listing after becoming part of Carlyle Group in Feb 2015)  |
| Jul 2012  | Commenced handling of package loans for renovations, the first in Japan for loans using JHF housing finance insurance  |
| Mar 2015  | Started handling housing loans of SBI Sumishin Net Bank, Ltd. as bank agency service   |
| May 2015  | Changed name to ARUHI Corporation  |
| Jul 2015  | Launched Members' Cub (current ARUHI Living Service) to offer exclusive benefits of partner company services and products  |
| Mar 2016  | Launched Ie to Hito β, an online service to support customers in their property searches, based on examples of other homebuyers  |
| Oct 2016  | Launched "ARUHI Super Flat"  |
| Nov 2016  | Started handling housing loans of Sony Bank Incorporated as bank agency service, bolstering our lineup of variable rate products   |
| Jan 2017  | Was first in Japan to leverage Robotic Process Automation to streamline home loan application form processes for customers, partners, and stores   |
| Jul 2017  | Established ARUHI Marketing Corporation  |

### VALUES

- Pursuing customer satisfaction
- Ethical conduct, consistency, and sustainability
- Respect and appreciation
- Teamwork and good corporate culture
- Positive workplace and diverse human resources
- Innovation, fearlessness, and speed

### Committed to becoming an attractive employer

ARUHI empowers all of its employees to reach their full potential by providing workplaces that accommodate diverse working and lifestyles practices.

- Up to three years of childcare leave
- 100% of people taking childcare leave returned to work in 2016
- Shortening daily working hours for people with childcare commitments (through the end of primary school) by up to 4.75 hours
- Staggered working hours program
- Companywide reforms project launched to foster work practice diversity



# ARUHI

## ARUHI Corporation Company Overview

|                        |  |
|------------------------|--|
| Company name           | ARUHI Corporation  |
| Address                | 22F Izumi Garden Tower, 1-6-1 Roppongi, Minato-ku, Tokyo                                 |
| Establishment          | 9 June 2000  |
| Main lines of business | Provision and brokerage of home loans, insurance agency business,<br>bank agency service |
| Capital                | ¥6,000,000,000 (as of July 1, 2017)  |
| Number of employees    | 306 (as of July 1, 2017)   |
| Representative         | Hiroshi Hamada, Chairman of the Board , CEO  |
| Website                | <a href="http://www.aruhi-group.co.jp/">http://www.aruhi-group.co.jp/</a>                |