

## **Notification on Share Acquisition of SOHGOH REAL ESTATE CO., LTD. by Haseko and Subsidiary, Making It a Subsidiary of Haseko**

Haseko Corporation (the “Company” or “Haseko”) today announces that it made a resolution at its board of directors meeting held on April 23, 2015 that it and Fuji Kensetsu Co., Ltd. (“Fuji Kensetsu”), a subsidiary of Haseko, will acquire all shares of SOHGOH REAL ESTATE CO., LTD. (“SOHGOH REAL ESTATE”) and make it a subsidiary of Haseko, as described below.

### Details

#### 1. Reason for Share Acquisition

The Haseko Group conducts a variety of condominium-related businesses, setting the three major metropolitan areas as its main trade areas. In particular, it positions the construction-related business, which primarily targets the market for new housing supply, etc., and the service-related business including condominium management business, which is centered on the market related to existing residences, etc., as the two pillars of its businesses and builds on these to further expand revenues.

On the other hand, the SOHGOH REAL ESTATE Group has supplied approximately 64,000 condominium units in its for-sale condominium business in the Tokyo metropolitan area and the Kinki area under the “Renai Series” brand it promotes. Moreover, the Group is engaged in such businesses as real estate solution, rental management, condominium management (SOHGOH HOUSING SERVICE Co., Ltd.) and asset management (Sohgoh Real Estate Investment Management Co., Ltd.). As such, the Group has proprietary know-how in relation to condominiums.

In the construction-related business, integrating the Haseko Group’s construction achievements, which has surpassed 560,000 units, and SOHGO REAL ESTATE’s experience and know-how obtained through being directly involved with clients as a developer should allow the Company to reflect the customers’ needs to design and architecture more deeply and broadly, making it possible to propose and provide more enhanced services, design and construction methods, etc.

In the service-related business, the real estate solution business is expected to see synergistic effects arise with Haseko Real Estate, Inc. and Haseko Livenet, Inc., the Haseko Group companies engaged in the similar businesses. For the for-sale condominium management business, the number of units under consigned management by Haseko and SOHGOH REAL ESTATE will surpass 350,000 units when combined (with approximately 309,000 units by the Haseko Group and approximately 43,000 units by the SOHGOH REAL ESTATE Group). For the rental condominium management business, the number of units consigned to manage will increase to around 74,000 units when combined (with approximately 57,000 units by the Haseko Group and approximately 17,000 units by the SOHGOH REAL ESTATE Group). An increase in the number of units under consigned management should allow the Company to enjoy the economies of scale through joint order placement and other measures, as well as to broadly offer more advanced services through the fusion of the know-how of both Groups.

Due to the reasons stated above, the Company determined that the two Groups should produce high synergetic

effects in a variety of businesses relating to condominiums, and resolved to acquire the shares of SOHGOH REAL ESTATE.

## 2. Overview of the Company (SOHGOH REAL ESTATE) Becoming a Subsidiary of Haseko

- (1) Company name: SOHGOH REAL ESTATE CO., LTD.  
 (2) Head office: 2-4-1 Shibakoen, Minato-ku, Tokyo  
 (3) Representative: Yoshiaki Tokuda, President and Representative Director  
 (4) Major line of business: Real estate sales, real estate solutions and condominium management businesses  
 (5) Paid-in capital: 5,644 million yen  
 (6) Established: December 2001  
 (7) Ownership of shares: Goban Investments Ltd., GINSEN CO., LTD., Stracs Co., Ltd., Sanoyas Rides Corporation. and Sumitomo Mitsui Banking Corporation

### (8) Relationship with Haseko:

Haseko has received orders from SOHGOH REAL ESTATE for constructing condominiums. Haseko and its subsidiaries have had business transactions of small amounts with the company. There is no material capital or personnel relationship to note between the company and Haseko.

### (9) Business performance and financial status in last 3 years

	Year ended March 2012	Year ended March 2013	Year ending March 2014
Net sales	43,005 million yen	31,465 million yen	38,787 million yen
Operating income	1,377 million yen	947 million yen	924 million yen
Ordinary income	509 million yen	857 million yen	772 million yen
Net income	111 million yen	166 million yen	104 million yen
Net income per share	395 yen	594 yen	373 yen
Dividend per share	- yen	- yen	- yen
Total assets	71,670 million yen	66,919 million yen	56,940 million yen
Net assets	7,331 million yen	7,502 million yen	7,607 million yen
Net assets per share	26,182 yen	26,792 yen	27,166 yen

\*Financial results for the year ended March 2015 are being compiled by SOHGOH REAL ESTATE and will be announced as soon as they are fixed after the share acquisition is closed

## 3. Overview of Sellers of the Shares

- (1) Fund name: Goban Investments Ltd.  
 (2) Address: Second Floor, Zephyr House, 122 Mary Street, P.O. Box 709, George Town, Grand Cayman, Cayman Islands, British West Indies

### (3) Relationship with Haseko:

There is no capital or personnel relationship to note between Haseko and the fund. The fund does not fall under the category of related parties of Haseko, either.

- (1) Company name: GINSEN CO., LTD.  
 (2) Address: 4-6-12 Koraibashi, Chuo-ku, Osaka-shi  
 (3) Representative: Kohei Katsukawa, President and Representative Director  
 (4) Paid-in capital: 370 million yen  
 (5) Relationship with Haseko:

There is no capital or personnel relationship to note between Haseko and the

company. The company does not fall under the category of related parties of Haseko, either.

- (1) Company name: Stracs Co., Ltd.
- (2) Address: 3-5-5 Iwamotocho, Chiyoda-ku, Tokyo
- (3) Representative: Mikihiko Katsumata, President
- (4) Paid-in capital: 100 million yen
- (5) Relationship with Haseko:  
There is no capital or personnel relationship to note between Haseko and the company. The company does not fall under the category of related parties of Haseko, either.

- (1) Company name: Sanoyas Rides Corporation.
- (2) Address: 5-2-7 Kitakagaya, Suminoe-ku, Osaka-shi
- (3) Representative: Keiji Shiraga, President and Representative Director
- (4) Paid-in capital: 200 million yen
- (5) Relationship with Haseko:  
There is no capital or personnel relationship to note between Haseko and the company. The company does not fall under the category of related parties of Haseko, either.

- (1) Company name: Sumitomo Mitsui Banking Corporation
- (2) Address: 1-1-2 Marunouchi, Chiyoda-ku, Tokyo
- (3) Representative: Takeshi Kunibe, President
- (4) Line of business: Banking
- (5) Paid-in capital: 1,770,996 million yen
- (6) Established: June 1996
- (7) Net assets: 7,372,534 million yen (as of September 30, 2014)
- (8) Total assets: 144,064,112 million yen (as of September 30, 2014)
- (9) Major shareholder and shareholding ratio:  
Sumitomo Mitsui Financial Group, Inc. (100%)

- (10) Relationship with Haseko:  
Haseko has borrowed funds from Sumitomo Mitsui Banking Corporation. There is no material capital or personnel relationship to note between the bank and Haseko. The bank does not fall under the category of related parties of Haseko, either.

#### <Items for Overview of Sellers of the Shares>

As a result of discussions with the sellers of the relevant shares, no disclosure is made for Goban Investments Ltd. regarding its rationale of establishment, purposes of formation, date of formation, total amount of the investment, overview of the investors, overview of the operating partners and overview of the agent in Japan, and for GINSEN CO., LTD., Stracs Co., Ltd. and Sanoyas Rides Corporation. regarding their date of establishment, net assets, total assets, and major shareholders and shareholding ratios.

#### 4. Status of Number of Shares to Be Acquired and Shares Owned Before and After Transfer

- (1) Number of shares owned before transfer: 0 (Ownership ratio: 0%)

- (2) Number of shares to be acquired (planned): 280,000 shares
- (3) Number of shares owned after transfer: 280,000 shares (Ownership ratios: 99% by Haseko and 1% by Fujikensetsu)
- (4) Acquisition price: The acquisition price is not disclosed as a result of discussions with the sellers of the shares.
- (5) Method to determine the acquisition price:  
To determine the acquisition price, assessment has been made by employing the DCF method and other methods based on the estimated future profits for respective businesses. Discussions were made with the sellers of the shares about the financial situation of SOHGOH REAL ESTATE, in consideration of the market valuation, appraisal value, investment returns and other factors for its real estate and based on the results of due diligence by external experts (for financial, tax and legal matters) for its debts and credits, etc. The acquisition price has been determined through these procedures and set at a fairly low value.

#### 5. Overview of the Subsidiary (Fujikensetsu)

- (1) Company name: Fujikensetsu Co., Ltd.
- (2) Address: 5-5 Shiba 3-chome, Minato-ku, Tokyo
- (3) Representative: Tadao Yonekawa, President and Representative Director
- (4) Line of business: Construction
- (5) Paid-in capital: 200 million yen
- (6) Ownership of shares: A 91%-owned subsidiary of Haseko Corporation

#### 6. Schedule

- April 23, 2015: Resolution by the board of directors
- April 23, 2015: Signing of share transfer agreement
- May 28, 2015 (planned): Transfer of shares

#### 7. Future Outlook

The impact of the share acquisition on the consolidated business performance of the Company for the fiscal year ending March 2016 is currently under close investigation.

#### 8. Other matters to note

The share acquisition shall be subject to the review by the Japan Fair Trade Commission of the filing pursuant to Article 10-2 of the Antimonopoly Act, confirming that there exists no factor that hinders the implementation of the share acquisition, such as issuance of cease and desist order.