

【News Release】

April 5, 2013

Advantage Partners, LLP

**Announcement Concerning Tender Offer of 1st Holdings, Inc.**

Advantage Partners, LLP (“AP”) announced today, that funds served by AP including, AP Cayman Partners I, L.P., AP Cayman Partners I-B, L.P., as well as parallel funds Advantage Partners MBI Fund III I.L.P., AP Investment Fund 14, and AP Investment Fund 14-B (collectively referred to as “AP Funds”) have signed an agreement to tender all 11,253,643 shares of 1st Holdings, Inc. (“1st HD”) to Monolith Holdings Inc. (“Monolith”) in a tender offer process, scheduled on April 8, 2013.

As part of the tender offer agreement, AP Funds have agreed to comply with Monolith on the following terms, regarding voting rights and other shareholder rights at the General Shareholder Meeting being held on May 20, 2013. The rights include distribution of surplus, appointment of five Board of Directors, and the payment of directors’ bonuses (maximum amount to be within the amount decided at the 42<sup>nd</sup> General Shareholder Meeting), provided that Monolith does not advise on (1) voting against, abstain from voting, or act in essentially the same manner with regards to the appointment of Atsushi Akaike as Director, (2) exercising voting rights regarding a bill which includes the appointments of five Board of Directors, excluding Atsushi Akaike as one of the candidates.

Since investment in March 2004, AP Funds have valued 1st HD as a Japan-originated business with potential to enhance product technology globally, not only in the area of business and IT integration, but also as a provider of superior services and products in its core software business, utilizing its creativity and problem-solving skills. Following the investment, AP Funds assisted in a variety of initiatives such as executing a capital alliance with strategic partners NEC Corporation and Ricoh Company, Ltd., transforming the organizational structure into a structure capable of executing flexible and efficient management decisions (established a holding company structure with manufacturing and sales functions in parallel), completing an IPO and listing on the JASDAQ section of OSE in 2010, strengthening its “security” area of the business through the acquisition of VarioSecure Networks, Inc. in 2011, as well as securing a

strategic alliance with Salesforce.com, inc. and listing on the second section of TSE in 2012.

The tender offer will be completed as part of a management buyout process (“MBO”) initiated by the management of 1st HD, with the assistance of the ORIX Corporation (“ORIX”). This transaction was decided based on 1st HD’s CEO, Hiroyuki Uchino’s belief that it would be in the best interest of the company to conduct a MBO, to protect the company’s competitiveness in a drastically changing management environment, as well as ensure stable and sustainable corporate value enhancement in the future. AP Funds also believe this to be the optimal solution for 1st HD to further pursue growth.

Following the MBO, 1st HD will accelerate execution of its growth strategies with the support of ORIX, pursuing new products and services suitable for the era of “cloud/big data”, to further enhance corporate value.

\*Please refer to the press release of 1st Holdings, Inc. for further details.