

February 13, 2013

## **To Our Valued Shareholders and Investors**

I would like to highlight certain events and performances for the first quarter of fiscal 2013, our 19th business year.

As described elsewhere, we have been promoting measures since the last fiscal year to get all the Group's business segments back into the black. In the core investment banking business and the principal investment business, the first quarter did not yield the desired results, with revenues insufficient to offset expenses. In other business segments, the balance between revenue and expenditure is within sight; that is, the preparations are made and now we wait for revenues to grow.

Our investors must be frowning and thinking, "Why does it take so long to get into the black?" I ask for your patience. Please know that everyone here, executives and employees alike, has specific targets to beat, and we are all thoroughly committed to achieving our goals. Our efforts will bear fruit. It is a matter of time.

So then, to specifics.

In the investment banking business the emphasis is on services to support real estate development securitization, renewable energy projects, rural community revitalization and real estate investment. Generally, the segment brought in many transactions and adjusting participation among the parties concerned proved to be a challenge. But each of these deals is generating tangible results. Inquiries in all areas are varied and considerable, and to enhance the effectiveness of responses to these inquiries, all management resources in FinTech Global Securities, Inc., except the securities business, were transferred to FGI and links between the Principal Investment Business Department and the International Business Department were reinforced. I believe removing the walls that separated Group companies will encourage greater cooperation and thus expedite arrangement operations.

In the public finance-related business, which is closely connected to the investment banking business, public accounting consultant Public Management Consulting Corporation boasts enormous fixed assets data on local governments and will work with the Public Finance Institute Ltd. to encourage more public-private collaboration and private capital supply solutions for clients in local government. Efforts will be focused not on old-style PFI (private financial initiative) activity but rather real investment schemes that lift 100% of the financing burden from local governments.

In the principal investment business, investment exits require careful consideration. Since all portfolio companies are doing well now, if favorable exit conditions are not currently attainable, we need to keep the investments on our books and derive profits from them through some other means than the sale of equity. Some of the corporate groups in our venture fund portfolio have extremely promising futures and have grown well, so current

holdings should deliver returns next fiscal year or later when the investments are eventually sold. We will also capitalize on new investment opportunities with other companies that present growth potential. In any case, corporate investment activities are doing well.

The situation we face has never been more challenging than it is right now. Recovery will take time, but we have planted seeds for growth and a good crop of business results is in our future. I ask for the continued support of you, our valued shareholders and investors.

Nobumitsu Tamai  
President & CEO, FinTech Global Incorporated