

Results for First Quarter of Fiscal 2014, ending September 30, 2014

February 2014

FinTech Global Incorporated

Mothers Stock Code: 8789

<http://www.fgi.co.jp/>

Fiscal 2014 First Quarter Consolidated Performance

(Millions of yen)	Fiscal 2013 First Quarter (A)	Fiscal 2014 First Quarter (B)	YOY Change (B)-(A)	Fiscal 2013 Full Year
Revenues	243	282	39	1,603
Gross profit	208	213	4	1,468
Operating loss	(249)	(195)	54	(31)
Ordinary loss	(217)	(76)	141	88
Net loss	(148)	(82)	66	182

First Quarter Business Overview

Point ① ⇒ Investment banking business showed favorable results, thanks to enhanced marketing structure; fee income steadily increased

No investment exits in first quarter. Exits on large investments are scheduled for February 2014 and should add ¥1,050 million to net revenues and operating income in the second quarter on a consolidated basis and nonconsolidated basis.

Point ② ⇒ Provided investment opportunities through accountant route and other channels opened through the public accounting business. Expanded personal connections as well.

Point ③ ⇒ Directed investment into unique business startups

Business Outlook

- Pursue new businesses derived through real estate operations, including a Moomin theme park.
- Reinforce investments in renewable energy projects.
- Enhance real estate business to support better lives for individuals.

Business Summary by Segment

	(Millions of yen)	Fiscal 2013 First Quarter	Fiscal 2014 First Quarter	YOY Change	Principal Consolidated Subsidiaries
1	Investment Banking Business	Revenues 27 Operating income (loss) (7)	116 61	88 68	FinTech Global Incorporated (FGI)
2	Asset Management Business	Revenues 49 Operating income (loss) 4	56 17	6 12	FinTech Global Asset Management Inc. (FAM)
3	Portfolio Business	Revenues 124 Operating income (loss) (42)	104 (88)	(19) (46)	Better Life Support Co., Ltd. (BELS) Crane Reinsurance Limited
4	Public Finance-Related Business	Revenues 45 Operating income (loss) (3)	19 (8)	(25) (4)	Public Management Consulting Corporation (PMC)
	Adjustment	Revenues (3) Operating income (loss) (201)	(14) (177)	(11) 23	
	Amount Booked on Consolidated Statement of Income	Revenues 243 Operating income (loss) (249)	282 (195)	39 54	

Investment Banking Business

- Promoted business offering investment opportunities to clients. Expanded network of contacts, especially accountants and business entities.
- Undertook arrangements to support capitalization increase plans by regional financial institutions.

1 Corporate Investment

- Formed Moomin Monogatari, Ltd., a joint venture to establish and operate a Moomin theme park.
- Invested in Finland-based All Things Commerce Helsinki Oy, which operates an e-commerce site for Moomin-related merchandise. This company set up an office in Japan in January 2014 to run an e-commerce site locally.

2

FinTech Asset Management posted revenue, buoyed by requests for management support services and financial advisory services related to M&A activities. An assisted-living housing project for seniors moved out of the development phase and into the operation phase. The company received a request for continued asset management services.

3

Better Life Support saw favorable results from its homeowner services division. Began homeowner support services for a company with 400,000 employees. Rental services division felt the impact from the end of a client's corporate housing program, but moving services for the people who had to leave these residences made up for lost revenues. Crane Re showed an increase in commissions paid, owing to legal fees and other costs associated with continued arbitration proceedings.

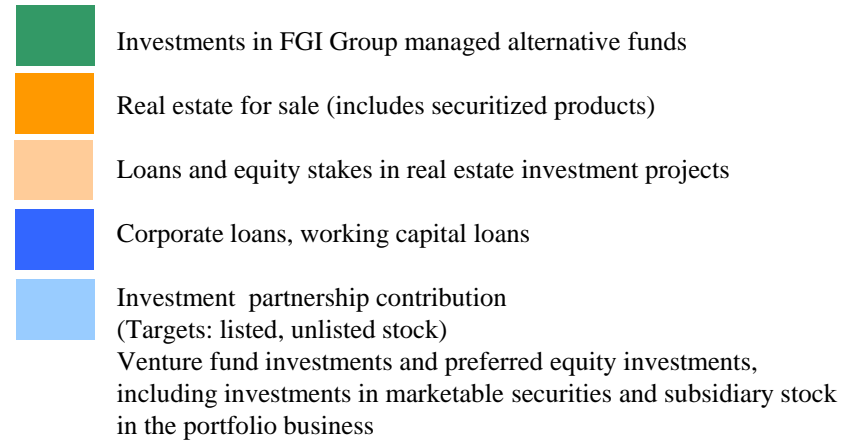
4

Public Management Consulting encountered slower sales of packaged accounting software through alliance with partner companies. At local government offices, budgets related to administrative plans and measures for public finance have been incorporated into the next fiscal year's budget, and services to support plan design should expand from the third quarter.

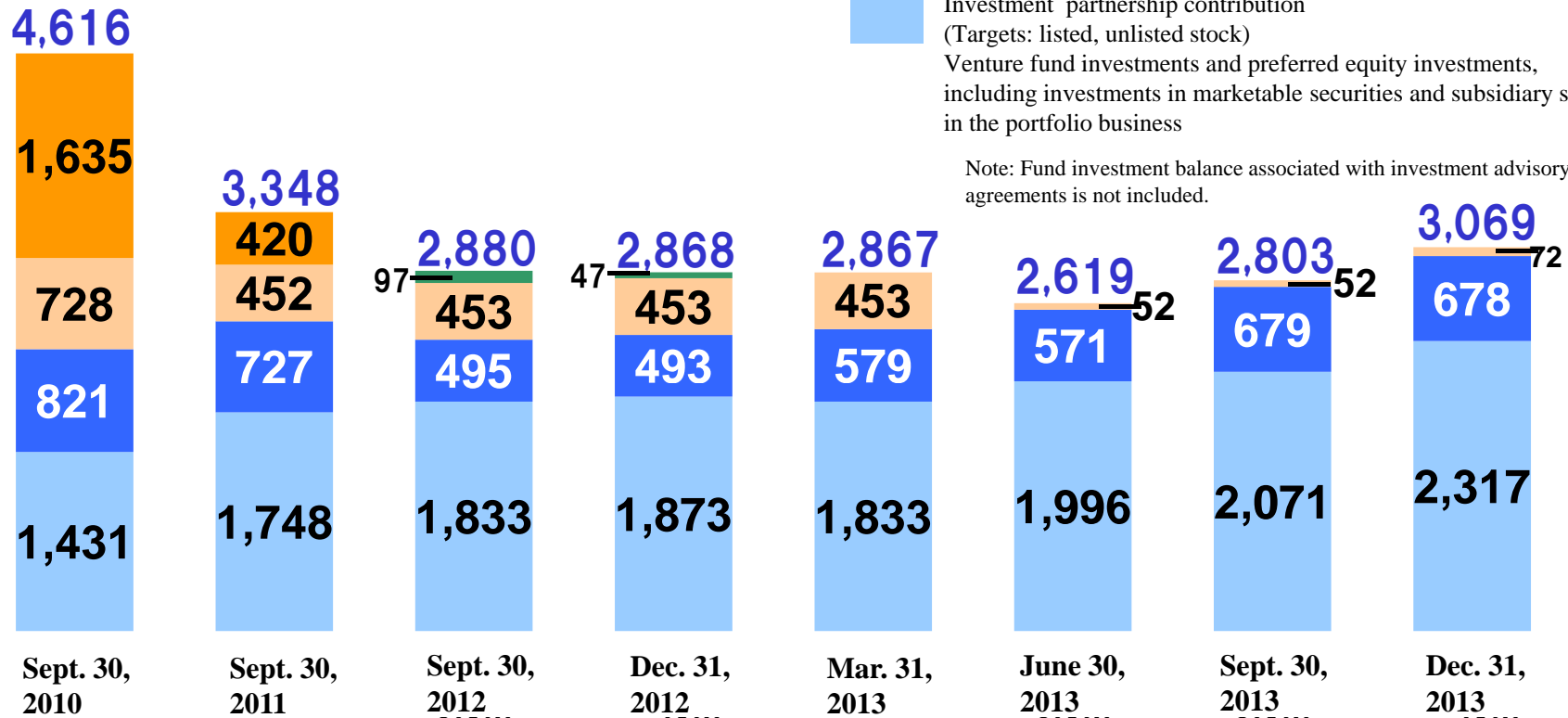
Changes in the Principal Investment Portfolio

(Millions of yen; amounts exclude claims for which an allowance has been set aside to cover the entire amount outstanding)

FINTECH GIMV FUND,L.P. (FGF) is excluded from the scope of consolidation, effective from the first quarter of fiscal 2013. For the sake of continuity in disclosure, amounts for prior periods have been restated to exclude the FGF portions. FGF's whole investment balance is \$24,630 thousands as of Sep. 30, 2013. FGI's holding ratio is about 45% .



Note: Fund investment balance associated with investment advisory agreements is not included.



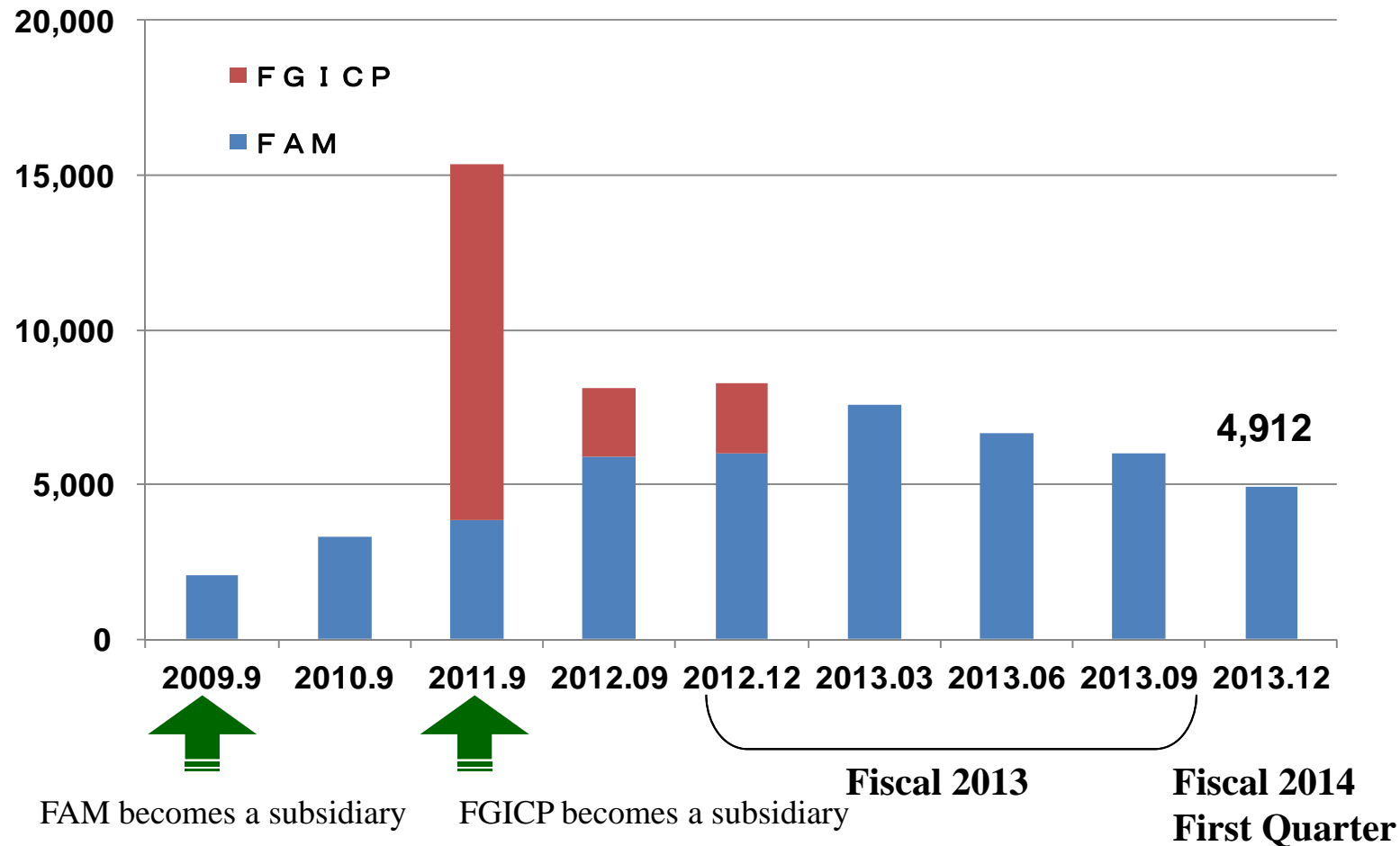
Fiscal 2013

Fiscal 2014
First Quarter 3

Changes in the FGI Group's Assets under Management Balance

For Fiscal 2014 First Quarter, despite an increase through added funds for portfolio investment and refinancing that followed the completion of assisted-living homes for seniors, assets under management decreased due to restricted exit activity on asset management deals using real estate.

(Millions of yen)



Amounts from the first quarter of fiscal 2014 and for prior periods have been restated to exclude the FGF portions. FGF's net assets of \$27 million have been excluded, as of Sep. 30, 2013.

Consolidated Balance Sheets

Assets	Fiscal 2013	Fiscal 2014 First Quarter	Change
Current Assets	4,148,573	4,055,209	(93,364)
Cash and deposits	1,644,879	1,220,249	(424,629)
Accounts receivable, trade	110,261	153,942	43,681
1 Investments in securities, trade	1,617,268	1,880,705	263,436
Deffered tax assets	6,113	8,604	2,490
Loans receivable, trade	826,118	836,831	10,713
Other current assets	143,464	158,075	14,611
Allowance for doubtful assets	(199,533)	(203,200)	(3,666)
Noncurrent assets	622,164	636,220	14,055
Property, plant and equipment	130,167	125,859	(4,307)
Intangible assets	201,864	190,409	(11,454)
Investments and other assets	290,133	319,950	29,817
Total assets	4,770,738	4,691,429	(79,309)

1 Increase reflects investment into funds for portfolio investment, investment in companies connected to Moomin e-commerce operation and theme park development, and foreign exchange fluctuations (dollar-denominated investments)

Liabilities	Fiscal 2013	Fiscal 2014 First Quarter	Change
Current liabilities	419,295	471,748	52,453
Short-term loans payables	26,000	66,000	40,000
Deposits received	72,192	87,298	15,105
Accrued liabilities	101,812	126,510	24,697
Other	219,289	191,940	(27,349)
Noncurrent liabilities	1,635,207	1,628,537	(6,669)
Bonds payables	40,000	40,000	0
Reserve for contract of insurance	1,406,936	1,406,936	0
Other	188,270	181,600	(6,669)
Total liabilities	2,054,502	2,100,286	45,784

Net Assets

Shareholders' equity	2,688,361	2,545,839	(142,521)
Common stock	2,312,517	2,312,517	0
Additional paid-in capital	12,490	12,542	52
Retained earnings	363,446	220,796	(142,650)
Treasury Stock	(92)	(16)	76
Stock acquisition rights	2,050	2,226	175
Minority interests	25,824	43,077	17,253
Total net assets	2,716,236	2,591,143	(125,093)
Total liabilities and net assets	4,770,738	4,691,429	(79,309)

Consolidated Statements of Income

	Fiscal 2013 First Quarter	Fiscal 2014 First Quarter	Change	
Revenues	243,415	282,421	39,005	
Cost of revenues	34,942	69,219	34,276	
Gross profit/(loss)	208,472	213,201	4,729	
Selling, general and administrative	1	458,134	408,851	(49,283)
Operating income/(loss)	(249,662)	(195,649)	54,012	
Other income	32,503	2	120,107	87,603
Other expenses	295	676	381	
Ordinary profit/(loss)	(217,453)	(76,218)	141,234	
Extraordinary profit	68,062	17	(68,044)	
Extraordinary loss	767	4,033	3,266	
Income/(Loss) before income taxes	(150,158)	(80,234)	69,923	
Income taxes	(2,237)	(4,813)	(2,576)	
Income/(Loss) before minority interests	(147,921)	(75,420)	72,500	
Minority Interests/(loss)	651	6,767	6,116	
Net income/(loss)	(148,572)	(82,188)	66,384	

1

Personnel expenses were down ¥38 million year-on-year (previous first quarter was prior to group reorganization)
Impact of arbitration costs pertaining to Crane Re caused ¥12 million increase in commissions paid compared with first quarter of fiscal 2013

2

Booked ¥119 million in foreign exchange gains.

Reference Materials

- **Quarterly Non-Consolidated Financial Statements (Balance Sheets and Statements of Income)**
- **Changes in Financial Indicators (Consolidated)**
- **Summary of Subsidiary Results**

Quarterly Non-Consolidated Balance Sheets

(Thousands of yen)

Assets	Fiscal 2013	Fiscal 2014 First Quarter	Change
Current Assets	2,833,305	2,827,706	(5,599)
Cash and deposits	472,887	121,036	(351,850)
Accounts receivable, trade	1,360	55,356	53,996
Investments in securities, trade	1,613,125	1,875,583	262,458
Loans receivable, trade	847,078	857,791	10,713
Short-term loans receivable	20,177	15,089	(5,088)
Other	98,965	126,820	27,854
Allowance for doubtful accounts	(220,288)	(223,971)	(3,683)
Noncurrent assets	1,151,754	1,177,139	25,385
Property, plant and equipment	118,958	115,323	(3,635)
Intangible assets	3,046	2,674	(371)
Investments and other assets	1,029,749	1,059,141	29,391
Total assets	3,985,060	4,004,846	19,785

Liabilities	Fiscal 2013	Fiscal 2014 First Quarter	Change
Current liabilities	383,983	488,495	104,512
Short-term debt	265,100	295,100	30,000
Accrued expenses	26,833	55,451	28,617
Deposits received	55,359	64,443	9,084
Other	36,690	73,500	36,810
Noncurrent Liabilities	936,869	941,068	4,199
Long-term loans payable	841,684	841,684	0
Accrued retirement benefits	56,962	58,837	1,874
Other	38,222	40,546	2,324
Total liabilities	1,320,852	1,429,564	108,711

Net Assets

Shareholders' equity	2,662,156	2,573,055	(89,101)
Common stock	2,312,517	2,312,517	0
Additional paid-in capital	14	14	0
Retained earnings	349,624	260,522	(89,101)
Stock acquisition rights	2,050	2,226	175
Total net assets	2,664,207	2,575,281	(88,926)
Total liabilities and net assets	3,985,060	4,004,846	19,785

Non-Consolidated Statements of Income

(Thousands of yen)

	Fiscal 2013 First Quarter	Fiscal 2014 First Quarter	Change
Revenues	67,040	142,121	75,080
Cost of revenues	1,741	51,344	49,602
Gross profit/(loss)	65,299	90,777	25,478
Selling, general and administrative	232,073	219,021	(13,051)
Operating income/(loss)	(166,774)	(128,244)	38,529
Other income	6,302	96,498	90,195
Other expenses	983	1,176	192
Ordinary profit/(loss)	(161,455)	(32,923)	128,532
Extraordinary profit	1,707	17	(1,689)
Extraordinary loss	587	0	(587)
Income/(Loss) before income taxes	(160,336)	(32,905)	127,430
Income taxes	302	(4,265)	(4,568)
Net income/(loss)	(160,638)	(28,639)	131,998

Changes in Key Financial Data

Fiscal Year		Fiscal 2009	Fiscal 2010	Fiscal 2011	Fiscal 2012	Fiscal 2013	First quarter Fiscal 2014
Net Revenues	(millions of yen)	10,385	3,465	6,988	2,038	1,603	282
Gross profit	(millions of yen)	(7,326)	935	3,509	908	1,468	213
Ordinary income (loss)	(millions of yen)	(21,197)	(2,604)	1,220	(915)	88	(76)
Net income (loss)	(millions of yen)	(12,091)	(2,172)	1,404	(1,274)	182	(82)
Net assets	(millions of yen)	5,447	3,164	4,870	3,632	2,716	2,591
Total assets	(millions of yen)	15,766	7,352	7,682	6,417	4,770	4,691
Net assets per share	(yen)	3,851.31	2,024.72	3,152.33	1,981.69	2,222.87	2,105.34
Net income (loss) per share	(yen)	(10,008.43)	(1,798.88)	1,168.69	(1,069.83)	152.06	(67.97)
Diluted net income (loss) per share	(yen)	—	—	1,168.05	—	152.06	—
Equity to total asset ratio	(%)	29.5	33.3	48.9	36.8	56.4	54.3
Equity to net income ratio	(%)	(112.7)	(61.2)	45.3	(41.7)	7.2	—
Proce earning ratio (PER)	(times)	—	—	2.6	—	21.9	—
Cash flow from operating activities	(millions of yen)	8,333	626	1,953	959	(464)	—
Cash flow from investing activities	(millions of yen)	7,687	(2,281)	(631)	80	85	—
Cash flow from financing activities	(millions of yen)	(19,674)	(3,376)	(413)	(233)	(128)	—
Cash and cash equivalents at the end of the fiscal year	(millions of yen)	5,811	829	1,711	2,522	1,644	—
Number of employees(consolidated)(part-time employee)	(employees)	117 (16)	72 (13)	70 (17)	60(19)	51(13)	50(7)
Number of employees(non-consolidated)(part-time employee)	(employees)	50 (5)	40 (2)	15 (2)	20(3)	26(3)	24(2)

Summary of Subsidiary Results

(Millions of yen)

Better Life Support	Fiscal 2012			Fiscal 2013			Fiscal 2014
	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half
Revenues	253	302	555	248	256	505	103
Gross profit (loss)	212	261	474	207	216	424	83
Ordinary profit (loss)	25	58	83	2	3	5	(10)

Public Management Consulting	Fiscal 2012			Fiscal 2013			Fiscal 2014
	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half
Revenues	118	89	208	78	69	147	19
Gross profit (loss)	27	24	51	33	26	60	4
Ordinary profit (loss)	(53)	(53)	(107)	(4)	9	4	(8)

FinTech Asset Management (FAM)	Fiscal 2012			Fiscal 2013			Fiscal 2014
	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half
Revenues	54	82	136	118	73	191	56
Gross profit (loss)	54	81	135	117	73	191	56
Ordinary profit (loss)	(16)	(4)	(21)	36	(7)	29	17

Crane Reinsurance	Fiscal 2012			Fiscal 2013			Fiscal 2014
	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half
Revenues	—	—	—	—	—	—	—
Gross profit (loss)	7	(396)	(388)	9	17	27	—
Ordinary profit (loss)	8	(428)	(420)	(19)	(105)	(124)	(52)

Disclaimer

Certain statements made in these materials, including some management targets, may contain forward-looking statements which reflect management's views and assumptions. Management targets represent goals that management will strive to achieve through the successful implementation of business strategies for the FGI Group. The Group may not be successful in implementing its business strategies, and management may fail to achieve its targets. Management targets and other forward-looking statements involve current assumptions of future events as well as risks and uncertainties that could significantly affect expected results, including adverse economic conditions in Japan, the United States or other countries; declining real estate and/or stock prices; additional corporate bankruptcies or additional problems in business sectors to which Group companies lend; difficulties or delays in integrating businesses and achieving desired cost savings; increased competitive pressures; changes in laws and regulations applicable to the Group's businesses; and adverse changes in Japanese economic policies.

To the extent materials containing forward-looking statements remain in available documents, we have no obligation nor the intent to update such forward-looking statements.