

Results for First Two Quarters of Fiscal 2014, ending September 30, 2014

May 2014

FinTech Global Incorporated

Mothers Stock Code: 8789

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

Fiscal 2014 First Two Quarters: Consolidated Performance

(Millions of yen)	Fiscal 2013 First Two Quarters (A)	Fiscal 2014		Fiscal 2014 First Two Quarters (B)	YOY Change (B)-(A)	Fiscal 2013 Full Year
		Fiscal 2014 First Quarter	Fiscal 2014 Second Quarter			
Revenues	608	282	1,387	1,670	1,061	1,603
Gross profit	535	213	1,452	1,665	1,129	1,468
Operating income (loss)	(242)	(195)	1,036	841	1,083	(31)
Ordinary profit (loss)	(176)	(76)	989	913	1,089	88
Net income (loss)	(64)	(82)	1,112	1,029	1,094	182

Business Overview for First Two Quarters

Point 1 ⇒ Revenue and income soared, reflecting exits on large investments.

Booked ¥1.2 billion in revenue and operating income on a consolidated basis from these exits.

Point 2 ⇒ Enhanced real estate business supporting better life for individuals.

Turned Okayama Corporation (construction company) and Unihouse Co., Ltd., along with its subsidiary Three Oak Co., Ltd. (real estate company) into subsidiaries. These companies worked with existing subsidiary Better Life Support Co., Ltd. (BELS) to address various homeowner needs. (Consolidated results for the first two quarters of fiscal 2014 include balance sheet data only. No profit or loss data is included in the table above.)

Point 3 ⇒ Raised funds through issue and exercise of share warrants (¥740 million in March, ¥760 million in April)

Point 4 ⇒ Arbitration proceedings for subsidiary Crane Reinsurance was settled out-of-court

Settlement led to ¥174 million reversal in loss reserve on insurance policies (cost of revenue reduced by ¥174 million)

Looking Forward

Apply procured funds to develop business activities

- New business to establish Moomin theme park (details on page 5)
- Investment in project to upgrade hydroelectric power generation facilities under government's feed-in-tariff (FIT) system of fixed prices over a specific period.
- Develop better life support business (acquire land for homes, and build and sell residences)

Business Summary by Segment

(Note)Revenues include inter-segment transactions.

	(Millions of yen)	Fiscal 2013 First Two Quarters	Fiscal 2014 First Two Quarters	YOY Change	Principal Consolidated Subsidiaries	
1	Investment Banking Business	Revenues	142	1,261	1,119	FinTech Global Incorporated (FGI)
		Operating income	104	1,123	1,019	
2	Asset Management Business	Revenues	140	179	38	FinTech Global Asset Management Inc. (FAM)
		Operating income	29	106	76	
3	Portfolio Business	Revenues	250	211	(39)	Better Life Support Co., Ltd. (BELS) Crane Reinsurance Limited
		Operating income (loss)	(75)	5	80	
4	Public Finance-Related Business	Revenues	78	36	(41)	Public Management Consulting Corporation (PMC)
		Operating income (loss)	(4)	(19)	(14)	
	Adjustment	Revenues	(4)	(18)	(14)	
		Operating income (loss)	(296)	(375)	(78)	
	Amount Booked on Consolidated Statement of Income	Revenues	608	1,670	1,061	
		Operating income (loss)	(242)	841	1,083	

Investment Banking Business

Handled arrangement procedures for a citizens' fund and offered advice on structure and operation of scheme using securitization as arrangement technique. Strengthened connections, particularly with regional financial institutions.

Corporate Investment, Real Estate-related Investment

- Exited large investment deals.
 - Moomin Monogatari Ltd., which is handling the Moomin theme park project, selected a location and partners.
 - In January 2014, established Japanese office of e-commerce business for Moomin-related merchandise. Expect to launch site for Japanese consumers in May.
 - Invested in Three Oak through FGI Strategic Fund, making the company a subsidiary, with the objective of entering the single-family subdivision home business. Working on getting suitable properties.

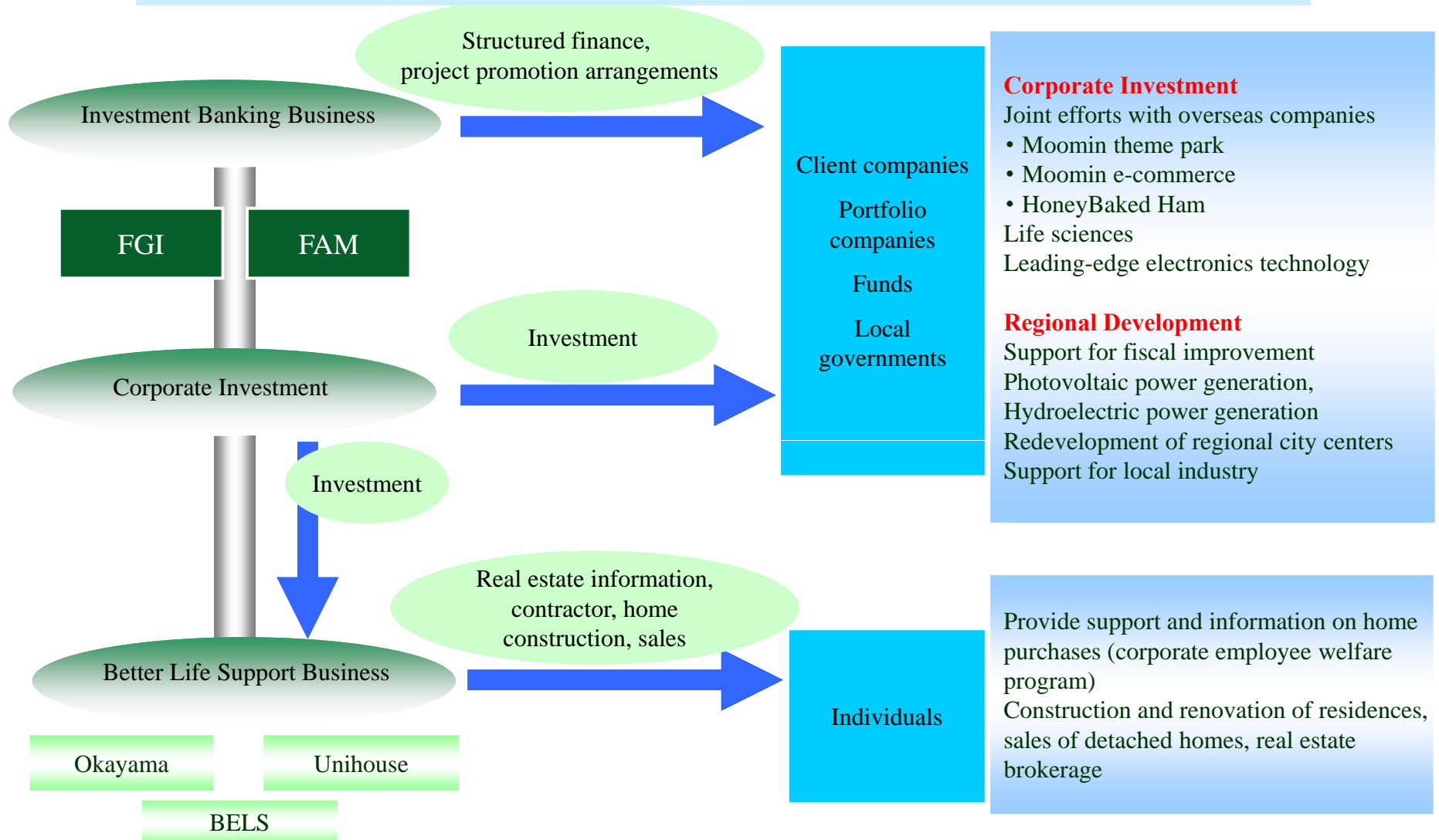
- FAM booked profit associated with investment exits on FGI's large investment deals. Taking a Group perspective, FAM promoted the purchase of shares in Okayama Corporation and Unihouse, to which it had provided management support services. FAM also received a second request for asset management to facilitate assisted living accommodations for seniors.

- For BELS, the impact of business recovery as well as the start of services for a company with about 400,000 employees sustained positive momentum in the homeowner services division. Even with the termination of a client's company housing program, demand for lifestyle support services was favorable. For Crane Re, the arbitration settlement reached in April 2014 led to a reversal in loss reserve on insurance policies, and the company's cost of revenue was reduced by the same amount. Concerns over an adjustment increase were wiped away.

- PMC encountered sluggish sales of public accounting software, owing to wait-and-see attitude of local governments, which tend to follow trends in public accounting upgrades set by the Ministry of Internal Affairs and Communications. Going forward, efforts will be directed into consultations and sales aimed at local governments to address creation of financial documents based on standardized format described in ministry notification in April 2014. Also, at local government offices, budgets related to administrative plans and measures for public finance have been incorporated into next fiscal year's budget, and administrative services to support plan design should expand from third quarter

Next Stage in Business Development — Setting Up Better Life Support Business

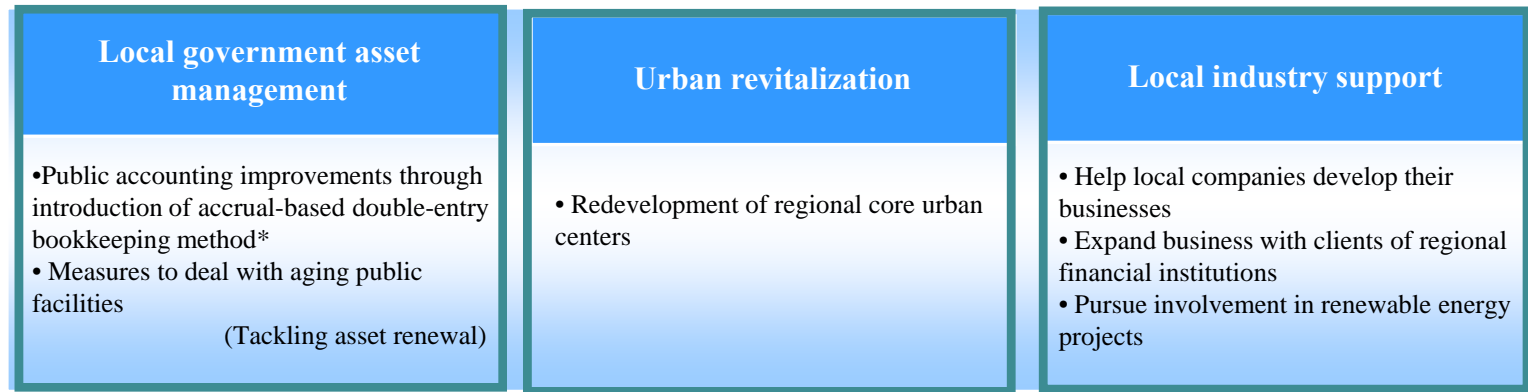
Projects, particularly in the corporate investment and investment banking businesses, are becoming more diversified and deeper in scope.
 Provision of services for individuals also expanding.



Next Stage in Business Development — Regional Support Program

We will promote various local support programs to help communities become more vibrant and more active.

Local Support by FGI Group



• According to notification released on April 30, 2014, by Japan's Ministry of Internal Affairs and Communications, local governments will be required to prepare financial documents and other materials based on a standardized format within three years from January 2015.

- Public accounting consultations
- Public facilities management consultations

Arrangements and asset management for redevelopment projects

- Business support for local companies (create business plans, execute financing and arrangements, support development of sales routes)
- Support regional financial institutions as well as business activities of their clients



FGI Group

Next Stage in Business Development — Status of Moomin Theme Park Development

In November 2013, FGI took a 50% stake in Moomin Monogatari, Ltd., which has the task of setting up and operating a Moomin-inspired theme park in Japan. The Company is helping the joint venture with preparations for business. FGI aims to enhance medium- to long-term corporate value through the expansion of Moomin Monogatari business activities.



Moomin Monogatari corporate logo

1. Theme park candidate sites

- ☉ Candidate sites have been narrowed down and discussions are under way with relevant parties on various conditions pursuant to use.
- ☉ All candidate sites are within the Tokyo metropolitan region and cover an area of about 9,918 m².
- ☉ Structures will dot about one-third of the site by the time the park opens.
- ☉ After opening, more structures will be added and existing facilities will be expanded on a regular basis.

2. Details

- ☉ Park will incorporate five design concepts—community, experience, sustainability, business and communication—that allow visitors to experience and participate.
- ☉ World view presented in the Moomin stories will be central to themes about the Moomins development as well as the life, philosophy and art of Moomin creator Tove Jansson, and the nature and culture of Northern Europe and Finland, in particular, where the Moomins originated.
- ☉ Visitors will not only encounter Moomins and Northern European culture but also gain practical insight into ecology and Northern European culture.

3. Facilities

- ☉ Facilities will include Moominhouse, a museum about Jansson, a physical ride-on virtual reality theater, attractions using 3D projection mapping and other technology, and amusements that involve physical participation.

Note: FGI prepared the above materials based on information provided by Moomin Monogatari. The company's business plans may change, however; and FGI makes no guarantee of explanation, completeness of data or infallibility of said plans.

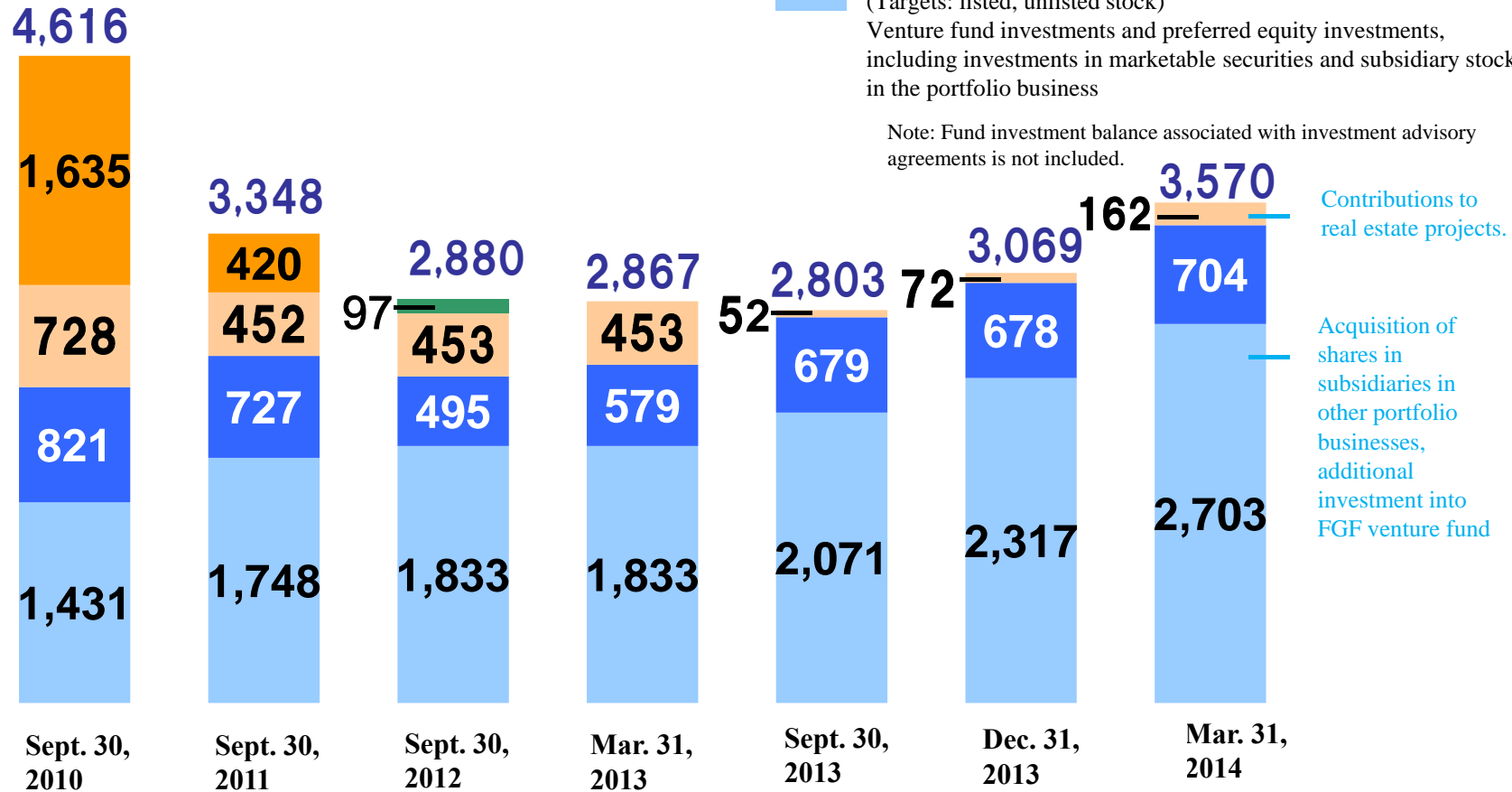
Changes in the Principal Investment Portfolio

(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 \$25,200 thousands as of Dec. 30, 2014. FGI's holding ratio is about 45% .

- Investments in FGI Group managed alternative funds
- Real estate for sale (includes securitized products)
- Loans and equity stakes in real estate investment projects
- Corporate loans, working capital loans
- Investment partnership contribution
(Targets: listed, unlisted stock)
Venture fund investments and preferred equity investments, including investments in marketable securities and subsidiary stock in the portfolio business

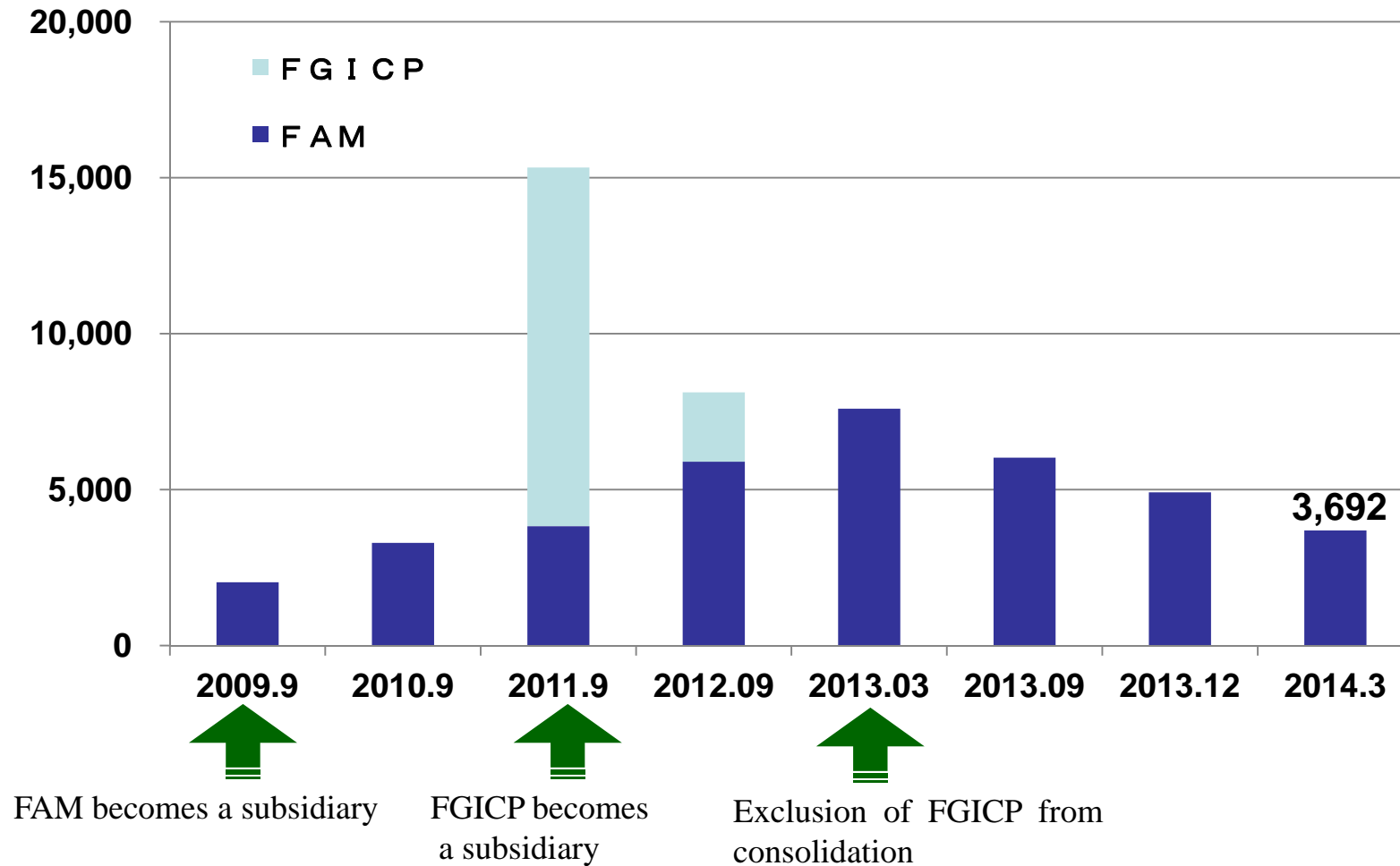
Note: Fund investment balance associated with investment advisory agreements is not included.



Changes in the FGI Group's Assets under Management Balance

Despite a request to manage assets on a project for seniors' assisted living housing, exits on some projects where FAM managed real estate assets caused assets under management to decline in the second quarter (January to March 2014).

(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 \$26 million have been excluded, as of Dec. 31, 2013.

Consolidated Balance Sheets

Assets	(Thousands of yen)		
	Fiscal 2013	Fiscal 2014 First Two Quarters	Change
Current assets	4,148,573	5,638,234	1,489,661
Cash and time deposits	1,644,879	2,123,441	478,562
Notes and accounts receivable, trade	110,261	102,540	(7,721)
Completed construction contracts, accounts receivable	—	237,251	237,251
Costs on uncompleted construction contracts	—	55,729	55,729
Real estate for sale in progress	—	116,324	116,324
Investments in securities, trade	1,617,268	2,164,958	547,690
Deferred tax assets	6,113	5,326	(787)
Loans receivable, trade	826,118	859,382	33,264
Other current assets	143,464	205,735	62,270
Allowance for doubtful assets	(199,533)	(232,456)	(32,923)
Noncurrent assets	622,164	721,316	99,151
Property, plant and equipment	130,167	190,504	60,336
Intangible fixed assets	201,864	179,029	(22,835)
Investments and other assets	290,133	351,782	61,649
Total assets	4,770,738	6,359,550	1,588,812

1 Booking and increase due to consolidation of Okayama, Unihouse and Three Oak

2 Increase reflects investment in fund targeting corporate investment, investment in companies related to Moomin e-commerce and theme park businesses, investment in FGF venture fund, and exchange rate fluctuations on dollar-denominated investments

3 Drop in loss reserve on insurance policies following settlement of arbitration (reflects total payment limit at ¥1.3 billion and partial payment of arbitration)

4 Exercise of share warrants led to increase of ¥404 million in common stock and increase of ¥368 million in additional paid-in capital

Liabilities	(Thousands of yen)		
	Fiscal 2013	Fiscal 2014 First Two Quarters	Change
Current liabilities	419,295	1,363,861	944,566
Notes and accounts payable, trade	26,945	206,960	180,015
Accounts payable for construction contracts	—	233,566	233,566
Short-term loans payable	26,000	398,250	372,250
Deposits received	72,192	228,012	155,819
Accounts payables, other	101,812	81,128	(20,683)
Other current liabilities	192,344	215,942	23,597
Noncurrent liabilities	1,635,207	525,609	(1,109,597)
Bonds payable	40,000	32,000	(8,000)
Provision for retirement benefits	109,966	135,930	25,964
Loss reserve on insurance policies	1,406,936	288,000	(1,118,936)
Other noncurrent liabilities	78,304	69,678	(8,625)
Total liabilities	2,054,502	1,889,470	(165,031)

Net assets

Shareholders' equity	2,688,361	4,431,224	1,742,863
Common stock	2,312,517	2,716,918	404,401
Additional paid-in capital	12,490	381,366	368,876
Retained earnings	363,446	1,332,963	969,516
Treasury Stock	(92)	(24)	68
Subscription rights to shares	2,050	12,469	10,419
Minority interests	25,824	26,385	561
Total net assets	2,716,236	4,470,080	1,753,844
Total liabilities and net assets	4,770,738	6,359,550	1,588,812

4 Exercise of share warrants led to increase of ¥404 million in common stock and increase of ¥368 million in additional paid-in capital

Consolidated Statements of Income

	Fiscal 2012 First Two Quarters	Fiscal 2013 First Two Quarters	(Thousands of yen) Change
Revenues	608,162	1,670,130	1,061,968
Cost of revenues	72,411	4,863	(67,548)
Gross profit/(loss)	535,750	1,665,267	1,129,517
Selling, general and administrative	1 778,375	824,227	45,852
Operating income/(loss)	(242,624)	841,040	1,083,664
Other income	68,494	2 74,889	6,394
Other expenses	2,229	2,532	302
Ordinary profit/(loss)	(176,359)	913,396	1,089,755
Extraordinary profit	110,386	3 178,200	67,813
Extraordinary loss	1,382	6,161	4,778
Income/(Loss) before income taxes	(67,355)	1,085,435	1,152,790
Income taxes	(2,377)	49,729	52,107
Income/(Loss) before minority interests	(64,977)	1,035,705	1,100,682
Minority Interests/(loss)	(47)	5,726	5,774
Net income/(loss)	(64,929)	1,029,979	1,094,908

1 Personnel costs down ¥72 million, compared with corresponding period a year ago. Previous first two-quarter period saw reorganization of the Group and associated personnel costs.

Commissions paid grew ¥42 million over the corresponding period a year ago, reflecting the impact of arbitration costs for Crane Re. Despite a transfer of ¥3 million to allowance for doubtful accounts, the final amount was ¥98 million higher than the corresponding period a year ago because of a reversal booked in that period.

2 Booked ¥72 million in foreign exchange gains.

3 Gain on negative goodwill of ¥178 million related to acquisition of Okayama Corporation stock.

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 Two Quarters	Change
Current Assets	2,833,305	3,928,928	1,095,623
Cash and time deposits	472,887	1,011,167	538,279
Accounts receivable, trade	1,360	6,800	5,440
Investment securities, trade	1,613,125	2,157,455	544,330
Loan receivable, trade	847,078	880,342	33,264
Short-term loans, receivable	20,177	18,570	(1,607)
Other current assets	98,965	78,550	(20,414)
Allowance for doubtful assets	(220,288)	(223,957)	(3,669)
Noncurrent assets	1,151,754	1,268,616	116,862
Property, plants and equipment	118,958	111,688	(7,270)
Intangible fixed assets	3,046	2,377	(669)
Investments and other assets	1,029,749	1,154,551	124,802
Total assets	3,985,060	5,197,545	1,212,485

Liabilities	Fiscal 2013	Fiscal 2014 First Two Quarters	Change
Current liabilities	383,983	951,935	567,952
Short-term loans payable	265,100	185,100	(80,000)
Current portion of long-term debt	—	541,684	541,684
Accrued expenses	26,833	38,451	11,617
Deposits received	55,359	67,228	11,869
Others	36,690	119,470	82,780
Long-term liabilities	936,869	90,162	(846,707)
Long-term loans payable	841,684	-	(841,684)
Provision for retirement benefits	56,962	59,549	2,587
Others	38,222	30,612	(7,609)
Total liabilities	1,320,852	1,042,097	(278,755)
Net assets			
Shareholders' equity	2,662,156	4,142,978	1,480,821
Capital stock	2,312,517	2,716,918	404,401
Additional paid-in capital	14	368,811	368,796
Retained earnings	349,624	1,057,248	707,624
Subscription rights to shares	2,050	12,469	10,419
Total net assets	2,664,207	4,155,448	1,491,240
Total liabilities and net	3,985,060	5,197,545	1,212,485

Non-Consolidated Statements of Income

(Thousands of yen)

	Fiscal 2012 First Two Quarters	Fiscal 2013 First Two Quarters	Change
Revenues	240,180	1,310,180	1,070,000
Cost of revenues	3,861	131,204	127,343
Gross profit	236,318	1,178,975	942,656
Selling, general and administrative expenses	366,655	445,362	78,706
Operating income (loss)	(130,336)	733,613	863,950
Other income	6,588	97,932	91,343
Other expenses	1,813	40,890	39,077
Ordinary income (loss)	(125,561)	790,655	916,216
Extraordinary profit	25,754	137	(25,617)
Extraordinary loss	119,782	2,127	(117,655)
Income (loss) before income taxes	(219,589)	788,665	1,008,254
Income taxes	(9,013)	20,579	29,592
Net income (loss)	(210,575)	768,086	978,661

Changes in Key Financial Data

Fiscal Year		Fiscal 2009	Fiscal 2010	Fiscal 2011	Fiscal 2012	Fiscal 2013	First two quarters Fiscal 2014
Net Revenues	(millions of yen)	10,385	3,465	6,988	2,038	1,603	1,670
Gross profit	(millions of yen)	(7,326)	935	3,509	908	1,468	1,665
Ordinary income (loss)	(millions of yen)	(21,197)	(2,604)	1,220	(915)	88	913
Net income (loss)	(millions of yen)	(12,091)	(2,172)	1,404	(1,274)	182	1,029
Net assets	(millions of yen)	5,447	3,164	4,870	3,632	2,716	4,470
Total assets	(millions of yen)	15,766	7,352	7,682	6,417	4,770	6,359
Net assets per share	(yen)	38.51	20.25	31.52	19.82	22.23	33.90
Net income (loss) per share	(yen)	(100.08)	(17.99)	11.69	(10.70)	1.52	8.45
Diluted net income (loss) per share	(yen)	—	—	1,168.05	—	152.06	8.40
Equity to total asset ratio	(%)	29.5	33.3	48.9	36.8	56.4	69.7
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)	(781)
Cash flow from investing activities	(millions of yen)	7,687	(2,281)	(631)	80	85	536
Cash flow from financing activities	(millions of yen)	(19,674)	(3,376)	(413)	(233)	(128)	700
Cash and cash equivalents at the end of the fiscal year	(millions of yen)	5,811	829	1,711	2,522	1,644	2,113
Number of employees(consolidated)(part-time employee)	(employees)	117 (16)	72 (13)	70 (17)	60(19)	51(13)	107(7)
Number of employees(non-consolidated)(part-time employee)	(employees)	50 (5)	40 (2)	15 (2)	20(3)	26(3)	20(2)

FGI executed a stock split, effected on April 1, 2014, that split each share into 100 shares. Consequently, net assets per share, net income (loss) per share and net income per share after adjustment for diluted shares have been calculated as if the aforementioned stock split had occurred at the beginning of fiscal 2009.

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	209
Gross profit (loss)	212	261	474	207	216	424	169
Ordinary profit (loss)	25	58	83	2	3	5	(9)

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	36
Gross profit (loss)	27	24	51	33	26	60	5
Ordinary profit (loss)	(53)	(53)	(107)	(4)	9	4	(18)

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	179
Gross profit (loss)	54	81	135	117	73	191	179
Ordinary profit (loss)	(16)	(4)	(21)	36	(7)	29	105

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	154
Ordinary profit (loss)	8	(428)	(420)	(19)	(105)	(124)	39

No nonconsolidated performance results are presented for Okayama Corporation, Unihouse Co., Ltd, or Three Oak Co., Ltd., all of which were turned into consolidated subsidiaries through the acquisition of shares in the second quarter of fiscal 2014, because only balance sheet references are required for consolidated subsidiaries.

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.