**UNOFFICIAL TRANSLATION**
The formal official press release document is in Japanese.

# Summary of Financial Statements
# For the First Three Quarters of Fiscal 2014

August 11, 2014

Company Name: FinTech Global Incorporated (Code Number: 8789 TSE Mothers)
(URL: http://www.fgi.co.jp/) TEL: +81-3-5733-2121
Representative: President and Chief Executive Officer Name: Nobumitsu Tamai
For Inquiries: Managing Director and Executive Officer Name: Seigo Washimoto
Head of Business Management Department

Scheduled date for filing of securities report: August 13, 2014
Scheduled date of commencement of dividend payment: －
Preparation of explanatory materials for quarterly financial results: Yes
Information meetings arranged related to quarterly financial results: None

(Rounded down to the nearest million)

1. Overview of financial conditions and business results for the first three quarters of fiscal 2014
(October 1, 2013 – June 30, 2014)

(1) Business results (The percentages in the table indicate year-on-year changes.)

| | Revenue | | Operating income (loss) | | Ordinary profit (loss) | | Net income(loss) | |
|---|---|---|---|---|---|---|---|---|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| First three quarters of fiscal 2014 | 2,756 | 179.7 | 663 | － | 709 | － | 861 | － |
| First three quarters of fiscal 2013 | 985 | (43.2) | (306) | － | (213) | － | (87) | － |

(Note) Comprehensive income: 866 million (－)% for the first three quarters of fiscal 2014
(99) million (－)% for the first three quarters of fiscal 2013

| | Net income/(loss) per share | Net income/(loss) per share (diluted) |
|---|---|---|
| | Yen | Yen |
| First three quarters of fiscal 2014 | 6.69 | 6.65 |
| First three quarters of fiscal 2013 | (0.73) | － |

(Note) FGI split each share of common stock held by shareholders of registry as of March 31, 2014, into 100 shares, effective April 1, 2014. Consequently, quarterly net income per share and quarterly net income per share after adjustment for diluted shares have been calculated as if the aforementioned stock split had occurred at the beginning of the preceding consolidated fiscal year.

(2) Consolidated financial position

| | Total assets | Net assets | Shareholders' equity ratio |
|---|---|---|---|
| | Million yen | Million yen | % |
| First three quarters of fiscal 2014 | 7,385 | 5,474 | 73.7 |
| Fiscal 2013 | 4,770 | 2,716 | 56.4 |

(Reference) Shareholders' equity: 5,444 million yen for the first three quarters of fiscal 2014
2,688 million yen for fiscal 2013

2. Dividends

| | Dividends per share | | | | |
|---|---|---|---|---|---|
| | End of first quarter | End of second quarter | End of third quarter | End of fiscal year | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal 2013 (Actual) | — | 0.00 | — | 50.00 | 50.00 |
| Fiscal 2014 (Actual) | — | 0.00 | — | | |
| Fiscal 2014 (Forecast) | | | | 0.50 | 0.50 |

(Note) 1. Revision of the dividends forecast for this quarter: None

2. FGI split each share of common stock held by shareholders of registry as of March 31, 2014 into 100 shares, effective April 1, 2014.Actual dividends prior to the aforementioned stock split are shown for the fiscal year ended September 30, 2013.

3. Performance forecast for fiscal 2014 (October 1, 2013 - September 30, 2014)

| | Revenue | | Operating income (loss) | | Ordinary profit (loss) | | Net income(loss) | | Net income/(loss) per share |
|---|---|---|---|---|---|---|---|---|---|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % | Yen |
| Full-year net income | 3,760 | 134.5 | 550 | — | 590 | 570.2 | 770 | 320.9 | 5.77 |

(Note) FGI split each share of common stock held by shareholders of registry as of March 31, 2014, into 100 shares, effective April 1, 2014. Consequently, quarterly net income per share after adjustment for diluted shares have been calculated as if the aforementioned stock split had occurred at the beginning of the fiscal year ending September 30, 2014.

( Notes)

(1) Transfer of principal consolidated subsidiaries during the term
(Transfer of specified subsidiary with change in scope of consolidation.): Applicable
New: - (Company names: - )
Excluded: 1 (Company names: SP&W Asklepius Investment Partnership No. 4)

(2) Adoption of simplified and special accounting policies for quarterly financial statements: N/A

(3) Changes in accounting policies
1. Changes due to changes in accounting standard: N/A
2. Other changes in accounting standard: N/A
3. Changes in accounting estimates: N/A
4. Restatement of corrections: N/A

(4) Number of shares issued (common stock)
1. Number of shares issued (including treasury stock): 147,196,800 shares for the first three quarters of fiscal 2014
120,924,300 shares for fiscal 2013
2. Number of treasury shares: — shares for the first three quarters of fiscal 2014
— shares for fiscal 2013
3. The average number of shares issued during the first three quarters (cumulative):
128,755,121 shares for the first three quarters of fiscal 2014
119,727,675 shares for the first three quarters of fiscal 2013

(Note) FGI split each share of common stock held by shareholders of registry as of March 31, 2014 into 100 shares, effective April 1, 2014.Consequently, number of shares has been calculated as if this stock split occurred at the beginning of the preceding consolidated fiscal year.

*Implementation status of quarterly review processes

This summary of financial statements is not subject to quarterly review procedures based upon the Financial Instruments and Exchange Act. Thus, at the time of disclosure of the financial statements, the quarterly financial statement review procedures based upon the Financial Instruments and Exchange Act, had not been completed.

* Information concerning proper use of forward-looking statements and other special instructions

(1) Forward-looking statements in this document are based on data available to management as of August 11, 2014, and certain assumptions which are believed to be rational. Actual results may differ from these estimates owing to unforeseen factors.
(2) FGI split each share of common stock held by shareholders of registry as of March 31, 2014, into 100 shares, effective April 1, 2014.

## 1. Qualitative Information on Quarterly Consolidated Performance

### (1) Consolidated business results

The economic environment in Japan during the first three quarters (October 1, 2013 - June 30, 2014) of fiscal 2014—the consolidated accounting period for the FinTech Global Incorporated (FGI) Group ending September 30, 2014—was marked by improvement in corporate earnings, largely due to government economic policies and monetary easing by the Bank of Japan. In this environment, capital spending grew while positive employment news and other factors sustained a gradual recovery trend. But an increase in the consumption tax prompted a rush of purchasing ahead of implementation, on April 1, 2014, causing some pressure on the economy in the third quarter.

Against this backdrop, FGI, as a boutique investment bank for all companies in all industries, emphasized investment banking and portfolio investment to expand Group business while supporting growth through various solutions geared to corporate needs. The Company also encouraged active investment in the development of local industry. FGI orchestrated exits from investment business limited partnerships which had sold holdings in portfolio companies once corporate value had reached a suitably high level through financial and management support from FGI Group companies. This added ¥12 billion to consolidated revenues and operating income and drove revenue and profits dramatically higher year-on-year. During the third quarter, an emphasis was placed on fee income from arrangement services for public sector finance related endeavors, including renewable energy projects. FGI utilized these arrangements as opportunities for investment and loan activity, increasing its principal investment balance. Also, to accelerate growth, stabilize earnings and add depth to the business portfolio, FGI acquired a real estate company and a construction company in the second quarter, turning them into subsidiaries and setting the stage for a new business segment hinging on real estate and construction services. In the real estate business, the brokerage service structure was reviewed and an aggressive approach was taken to acquire land for detached homes. And in the construction business, the new addition to the FGI Group saw a favorable shift in contractor orders tied close to the community.

Of note, to procure working capital to add still more speed to its business expansion process, FGI issued on March 4, 2014, its 12th series of share warrants (through third-party allotment) with option to revise exercise price and then on May 15, 2014, exercised all rights to these share warrants with exercise rights. This generated a total of ¥1,833 million (excluding miscellaneous costs associated with issuance).

Through the activities described above, consolidated revenue for the first three quarters of fiscal 2014 skyrocketed 179.7% year-on-year, to ¥2,756 million. Despite a ¥174 million reversal in the loss reserve on insurance policies, cost of revenue zoomed 622.9%, to ¥771 million, owing to cost of materials and cost of outsourcing caused by turning the construction company into a consolidated subsidiary. Gross profit still jumped 125.9%, to ¥1,985 million. Selling, general and administrative expenses rose 11.4%, to ¥1,321 million, despite a decrease in personnel costs, mainly because of higher rent and advertising costs, reflecting more subsidiaries under the Group umbrella, and also because transfer to allowance for doubtful accounts, while only ¥2 million in the first three quarters of fiscal 2014, was ¥96 million higher than a year ago when the Company booked a reversal in allowance for doubtful accounts. However, with the higher revenue starting point, FGI escaped from the red zone in all income categories, with operating income, at ¥663 million, replacing the operating loss—¥306 million—posted in the first three quarters of fiscal 2013; ordinary income, at ¥709 million, buoyed by ¥49 million in gain on foreign exchange, instead of an ordinary loss—¥213 million; and net income of ¥861 million, a solid turnaround from the net loss of ¥87 million a year ago, because the market value of net assets in Okayama Corporation exceeded the acquisition price at the time shares in this company were acquired and the difference (¥178 million) was booked under extraordinary profit as gain on negative goodwill.

A breakdown of three-quarter performance by business segment is presented under the following four categories. Note that reporting segments have been changed, as outlined below, which reflects wider business content paralleling the addition of subsidiaries, effective from the third quarter of fiscal 2014.

• “Investment Banking Business” and “Asset Management Business” have been combined under “Investment Banking

Business”.

• “Portfolio Business” and “Public Finance-related Business” have been eliminated.

• “Real Estate Business” and “Construction Business” have been newly established.

Business segments that do not fall into these reporting segments have been put into “Other Businesses”.

| Reporting Segment | Main Business Activities | Parent Company and Principal Consolidated Companies |
|---|---|---|
| Investment Banking Business | Investments and loans with own capital<br>Financial advisory services<br>Financial arrangement services<br>Public finance, for such deals as renewable energy projects, and asset management services, including real estate investment management and investment fund management | FGI<br>FinTech Asset Management Inc. |
| Real Estate Business | Employee welfare services for corporate clients, real estate brokerage, real estate development, real estate sales | Better Life Support Holdings Ltd.<br>Better Life Support Co., Ltd.<br>Unihouse Co., Ltd.<br>Better Life House Co., Ltd.<br>Jonan Development Co., Ltd.<br>Three Oak Co., Ltd. |
| Construction Business | Construction | Okayama Corporation |

Main business activities in segments that do not fall under reporting segments, and the principal companies involved in these operations are described below.

| | Main Business Activities | Principal Companies |
|---|---|---|
| Other | Includes public accounting consultation services, reinsurance services and other businesses | Public Management Consulting Corporation<br>Crane Reinsurance Limited |

1. Investment Banking Business

In the investment banking business, the number of deals for arrangement services to facilitate renewable energy-related projects increased, with a notable first—a joint effort with a leading EPC provider—in the third quarter. Fee income was also up from the corresponding period a year ago. These results reflect demand for know-how accumulated through the FGI-driven services provided to date and a wider network of interested investors and other fund sources which attract and then expedite the execution of arrangement services. In addition, FGI utilized investment and loan opportunities incidental to these arrangements to extend principal investment services to associated clients. All told, investment banking business revenue soared 204.7% year-on-year, to ¥1,522 million. Operating income surged 299.9%, to ¥1,277 million.

2. Real Estate Business

At Better Life Support Co., Ltd. (BELS), the homeowner services division continued to be a performance driver in employee welfare services, with solid demand for services a reflection of improved business conditions at client companies. Business steadily expanded, thanks to new requests for corporate housing services and efforts to laterally extend the scope of services to support better lifestyles, notably, the introduction of a no annual fee gold card.

The real estate brokerage business—new to the FGI Group through the acquisition of shares in a company involved in this business—was reviewed upon acquisition of associated companies, prompting a bigger advertising push toward the client sectors contracting BELS for employee welfare services.

In the real estate sales business, more land was purchased for homes but no actual sales were made in the third quarter. Sales of real estate held by the newly consolidated real estate company contributed to segment results.

In the end, the real estate business posted revenue of ¥583 million, jumping 51.0% year-on-year, and an operating loss of ¥15 million, compared with operating income of ¥21 million a year ago.

3. Construction Business

The construction business is enjoying a favorable shift in order activity, and despite poor profitability on some projects due to skyrocketing labor costs, a review of the income/expense control system should lead the segment to turn a profit for the full year.

But for the period through to June 30, 2014, the segment contributed revenue of ¥606 million but suffered an operating loss of ¥7 million.

Note that Okayama Corporation was brought into the FGI Group on February 28, 2014, and turned into an FGI subsidiary. No year-on-year comparisons are provided in the above description because the associated reporting segment was just established, from the third quarter, to reflect Okayama Corporation's performance in consolidated results for the first three quarters of fiscal 2014.

4. Other Businesses

In the public accounting business, consulting requests stalled as local governments waited to see what direction the Ministry of Internal Affairs and Communication would take with regard to a standardized model for regional public accounting.

In the reinsurance business, arbitration proceedings that had involved Crane Reinsurance Limited for some time finally wrapped up. Cost of revenue was negative, at ¥174 million, due to a reversal in the loss reserve on insurance policies. This led to gross profit of ¥174 million. After accounting for legal expenses and other costs associated with the arbitration proceedings, Crane Re was left with operating profit of ¥18 million. With the elimination of all claims and debts associated with reinsurance policies, a decision was made to liquidate the company. The liquidation process has already begun.

The other businesses segment posted revenue of ¥55 million, tumbling 47.2% year-on-year, but the operating loss dropped to ¥14 million, compared with ¥142 million a year ago.

**(2) Consolidated financial position**

During the first three quarters of fiscal 2014, FGI exited large investment deals, procured funds through the issue and exercise of share warrants, increased portfolio investment and turned two acquisitions—a construction company and a real estate company—into subsidiaries. These business activities led to the consolidated financial position described below.

(Total assets)

Total assets stood at ¥7,385 million on June 30, 2014, up 54.8% from September 30, 2013. This change is mainly due to the following increases: ¥715 million in cash and deposits; ¥671 million in investment in securities, trade; ¥373 million in real estate for sale in progress; ¥195 million in completed construction contracts, accounts receivable; and ¥279 million in real estate for sale.

(Liabilities)

Liabilities stood at ¥1,910 million, down 7.0% from September 30, 2013. This change reflects increases of ¥246 million in notes and accounts payable, trade; ¥139 million in accounts payable for construction contracts; ¥611 million in short-term loans payable; and ¥169 million deposits received, which together negated a reduction of ¥1,406 million in loss reserve on insurance policies.

(Net assets)

Net assets stood at ¥5,474 million on June 30, 2014, up 101.6%. This change is largely due to increases of ¥1,039 million in common stock through the exercise of share warrants and ¥916 million in additional paid-in capital, as well as an ¥801 million increase in retained earnings. mainly due to the booking of quarterly net income.

**(3) Consolidated performance forecast**

In the second quarter, FinTech Global (hereafter, "FGI" and "the Company") turned several companies, including Okayama Corporation and Unihouse Co., Ltd., into consolidated subsidiaries, to accelerate growth, stabilize earnings and add depth to the business portfolio. In the third quarter, the Company pushed ahead on the establishment of a business management structure designed to create business synergies among Group companies. While a business plan hinging on these structural changes was still being written, management was unable to predict consolidated performance with suitable accuracy and therefore announced no forecast.

Now, however, management has a clearer picture of performance potential for fiscal 2014 and is able to disclose expectations.

FGI is promoting groupwide application of a system for investment and loan transactions to secure investment returns while at the same time collect revenue through outsourced administration services. In public sector finance related deals, such as renewable energy projects, the goal is to achieve revenue during fiscal 2014 on transactions combining arrangements with investments and loans, and management conservatively estimates formation this fiscal year. Of note, revenue is expected to increase significantly, buoyed by the real estate and construction businesses undertaken by the companies recently turned into consolidated subsidiaries.

Key points in determining the performance forecast are described below.

1. **Increase in investments and arrangements for renewable energy projects in the investment banking business**
   Several large, combined arrangement and investment and loan transactions are currently being packaged. It is unclear if they will be completed and exited before the end of the fiscal year, so management has taken a conservative position and has not reflected these transactions in the performance forecast. The FGI Group has accumulated know-how in the formation of arrangements for solar power generation projects through actual experience in the packaging process, and inquires for the Group's expertise are increasing. FGI intends to promote arrangement formation and expand fee income through such approaches as collaboration with leading EPC (engineering, procurement, construction) providers, temporary use of FGI's own principal for investment and loans, and additional human resources.

2. **Development of real estate business (acquire land for detached homes, develop properties and sell)**
   In the real estate business, efforts in the third quarter were directed toward the acquisition of property for detached homes. Total real estate for sale in process and real estate for sale stood at ¥650 million as of June 30, 2014. In the fourth quarter, activities will focus on the sale of these properties and further acquisition of real estate.

3. **Anticipating favorable shift in construction business**
   Building orders are steady, and the business should post profit for the full year. Also, a contract has been signed to transfer the construction-use temporary materials depot, and the resulting ¥104 million in proceeds from the sale of fixed assets will be recorded under extraordinary profit.

4. **No impact expected on investments into fund targeting life science and information and telecommunications companies**
   FGI expects to exit investments in the FinTech GIMV FUND, L.P. (FGF), but the portion that the Company is entitled to is based on the fund's year-end—in December—so the exits are not going to impact fiscal 2014 performance.

## 2. Summary Information (Notes)

### (1) Change in the status of principal subsidiaries during the quarter

During the third quarter of fiscal 2014, the liquidation of SP&W Asklepius Investment Partnership No. 4 was completed and the partnership was excluded from the scope of consolidation.

### (2) Application of simplified accounting treatment and accounting treatment specific to the preparation of consolidated quarterly financial statements

Not applicable.

### (3) Changes in accounting policies, accounting estimates and restatement of corrections.

Not applicable.

## Quarterly Consolidated Financial Statements

***FinTech Global Incorporated and Consolidated Subsidiaries***

***As of and for the nine months ended June 30, 2014***

(1) Quarterly Consolidated Balance Sheets

(Thousands of yen)

| | Fiscal 2013 (As of September 30, 2013) | At end of third quarter of fiscal 2014 (As of June 30, 2014) |
|---|---|---|
| (Assets) | | |
| Current assets | | |
| Cash and deposits | 1,644,879 | 2,360,038 |
| Notes and accounts receivable, trade | 110,261 | 130,149 |
| Completed construction contracts, accounts receivable | — | 195,318 |
| Investments in securities, trade | 1,617,268 | 2,288,466 |
| Loans receivable, trade | 826,118 | 830,266 |
| Real estate for sale | — | 279,211 |
| Real estate for sale in progress | — | 373,156 |
| Costs on uncompleted construction contracts | — | 65,610 |
| Deferred tax assets | 6,113 | 6,385 |
| Other current assets | 143,464 | 166,946 |
| Allowance for doubtful assets | (199,533) | (231,812) |
| Total current assets | 4,148,573 | 6,463,739 |
| Noncurrent assets | | |
| Property, plant and equipment | 130,167 | 190,819 |
| Intangible fixed assets | | |
| Goodwill | 195,111 | 162,563 |
| Other intangible fixed assets | 6,753 | 13,401 |
| Total intangible fixed assets | 201,864 | 175,964 |
| Investments and other assets | | |
| Investments in securities | 97,135 | 128,979 |
| Others | 192,998 | 426,044 |
| Total investments and other assets | 290,133 | 555,023 |
| Total noncurrent assets | 622,164 | 921,808 |
| Total assets | 4,770,738 | 7,385,547 |

| | Fiscal 2013 (As of September 30, 2013) | At end of third quarter of fiscal 2014 (As of June 30, 2014) |
|---|---|---|
| (Liabilities) | | |
| Current liabilities | | |
| Notes and accounts payable, trade | 26,945 | 273,209 |
| Accounts payable for construction contracts | – | 139,471 |
| Advances received on uncompleted construction contracts | – | 8,169 |
| Short-term loans payable | 26,000 | 637,250 |
| Current portion of bonds | 16,000 | 16,000 |
| Current portion of long-term loans payable | – | 7,888 |
| Income taxes payable | 11,747 | 18,221 |
| Deposits received | 72,192 | 241,568 |
| Provision for bonuses | 24,376 | 20,688 |
| Other current liabilities | 242,033 | 204,415 |
| Total current liabilities | 419,295 | 1,566,883 |
| Noncurrent liabilities | | |
| Bonds payables | 40,000 | 32,000 |
| Long-term loans payable | – | 102,743 |
| Provision for retirement benefits | 109,966 | 144,696 |
| Deferred tax liabilities | 64,919 | 51,841 |
| Loss reserve on insurance policies | 1,406,936 | – |
| Other noncurrent liabilities | 13,384 | 12,784 |
| Total noncurrent liabilities | 1,635,207 | 344,065 |
| Total liabilities | 2,054,502 | 1,910,949 |
| (Net assets) | | |
| Shareholders' equity | | |
| Common stock | 2,312,517 | 3,351,561 |
| Additional paid-in capital | 12,490 | 929,339 |
| Retained earnings | 363,446 | 1,164,570 |
| Treasury Stock | (92) | (24) |
| Total shareholders' equity | 2,688,361 | 5,445,447 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | – | (1,298) |
| Total accumulated other comprehensive income | – | (1,298) |
| Subscription rights to shares | 2,050 | 3,514 |
| Minority interests | 25,824 | 26,934 |
| Total net assets | 2,716,236 | 5,474,598 |
| Total liabilities and net assets | 4,770,738 | 7,385,547 |

(2) Quarterly Consolidated Statements of Income and Quarterly Statements of Comprehensive Income

Quarterly Consolidated Statements of Income (Cumulative)

(Thousands of yen)

| | First three quarters of Fiscal 2013 (From October 1, 2012 to June 30, 2013) | First three quarters of Fiscal 2014 (From October 1, 2013 to June 30, 2014) |
|---|---|---|
| Revenue | 985,722 | 2,756,648 |
| Cost of revenue | 106,670 | 771,082 |
| Gross profit/(loss) | 879,052 | 1,985,565 |
| Selling, general and administrative expenses | 1,185,955 | 1,321,594 |
| Operating income/(loss) | (306,903) | 663,970 |
| Other income | | |
| Interest income | 717 | 983 |
| Gain on bad debts recovered | 4,538 | ― |
| Foreign exchange gains | 93,966 | 49,686 |
| Other | 2,933 | 5,482 |
| Total other income | 102,156 | 56,152 |
| Other expenses | | |
| Interest expense | 480 | 2,770 |
| Bond interest expense | 481 | 2,631 |
| Office transfer expenses | 6,478 | ― |
| Miscellaneous loss | 710 | 4,434 |
| Other | 615 | 918 |
| Total other expenses | 8,766 | 10,755 |
| Ordinary profit/(loss) | (213,513) | 709,368 |
| Extraordinary profit | | |
| Gain on sale of subsidiaries and affiliates' stocks | 25,434 | ― |
| Gain on transfer of business | 65,712 | ― |
| Gain on bargain purchase | ― | 178,062 |
| Gain on reversal of subscription rights to shares | 16,627 | 137 |
| Other | 6,987 | ― |
| Total extraordinary profit | 114,762 | 178,200 |
| Extraordinary loss | | |
| Loss on retirement of noncurrent assets | 923 | ― |
| Loss on valuation of stocks of subsidiaries and affiliates | 179 | 2,127 |
| Provision for loss on liquidation of subsidiaries and affiliates | ― | 7,023 |
| Loss on sales of investment securities | 587 | ― |
| Special retirement expenses | ― | 4,033 |
| Total extraordinary loss | 1,690 | 13,184 |
| Income/(Loss) before income taxes | (100,441) | 874,383 |
| Income taxes | 14,849 | 19,870 |
| Income taxes adjustment | (15,347) | (13,348) |
| Total Income taxes | (498) | 6,521 |
| Income/(Loss) before minority interests | (99,943) | 867,862 |
| Minority interests/(loss) | (12,756) | 6,275 |
| Net income/(loss) | (87,186) | 861,586 |

Quarterly Consolidated Statements of Comprehensive Income (Cumulative)

(Thousands of yen)

| | First three quarters of fiscal 2013 (From October 1, 2012 to June 30, 2013) | First three quarters of fiscal 2014 (From October 1, 2013 to June 30, 2014) |
|---|---|---|
| Income/(loss) before minority interests | (99,943) | 867,862 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | － | (1,298) |
| Total other comprehensive income | － | (1,298) |
| Comprehensive income | (99,943) | 866,563 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of the parent | (87,186) | 860,288 |
| Comprehensive income attributable to minority interests | (12,756) | 6,275 |

(3) Assumption of going concern, nine months ended June 30, 2014

Not applicable.

(4) Notes to remarkable changes in shareholders' equity

For the first three quarters of fiscal 2014, FGI recorded increases of ¥1,039, 043 thousand in common stock through the exercise of share warrants and ¥916,769 thousand in additional paid-in capital. Consequently, common stock at the end of the third quarter was 3,351,561 thousand and additional paid-in capital was ¥929,339 thousand.

(5) Segment information

Ⅰ. Nine months ended June 30, 2013 (October 1, 2012 to June 30, 2013)

1. Revenue and profit/loss by reporting segment

（Thousands of yen）

| | Reporting Segment | | | | Other (Note *1) | Total | Adjusted (Note *2) | Amount in the quarterly consolidated statement of income (Note *3) |
|---|---|---|---|---|---|---|---|---|
| | Investment banking business | Real estate business | Construction business | Total | | | | |
| Revenue | | | | | | | | |
| Revenue from external customers | 497,334 | 386,240 | ― | 883,575 | 102,147 | 985,722 | ― | 985,722 |
| Inter-segment revenue and transfers | 2,243 | ― | ― | 2,243 | 2,700 | 4,943 | (4,943) | ― |
| Total | 499,578 | 386,240 | ― | 885,818 | 104,847 | 990,666 | (4,943) | 985,722 |
| Segment profit (loss) | 319,549 | 21,644 | ― | 341,193 | (142,117) | 199,076 | (505,979) | (302,903) |

Notes 1. Adjusted segment profit (loss) of ¥(505,979,000) includes deleted inter-segment transactions of ¥94,679,000 and all-companies expenses of ¥(600,658,000) that cannot be allocated to any individual reportable segment. All-company expenses are primarily administrative general expenses which do not belong to any reporting segment in particular.

2. Segment profit (loss) is adjusted with operating loss of the quarterly consolidated statement of income. Management advisory fees earned by FGI are taken into account, in the amounts of ¥51,190,000 for the investment banking business, ¥15,960,000 for the real estate business and ¥13,500,000 for other.

2. Information concerning loss on impairment of fixed assets or goodwill and other assets by reporting segment

Not applicable.

Ⅱ. Nine months ended June 30, 2014 (October 1, 2013 to June 30, 2014)

1. Revenue and profit/loss by reporting segments

(Thousands of yen)

| | Reporting Segment | | | | Other (Note *1) | Total | Adjusted (Note *2) | Amount in the quarterly consolidated statement of income (Note *3) |
|---|---|---|---|---|---|---|---|---|
| | Investment banking business | Real estate business | Construction business | Total | | | | |
| Revenue | | | | | | | | |
| Revenue from external customers | 1,514,088 | 583,341 | 606,593 | 2,704,023 | 52,624 | 2,756,648 | — | 2,756,648 |
| Inter-segment revenue and transfers | 8,203 | — | — | 8,203 | 2,750 | 10,953 | (10,953) | — |
| Total | 1,522,291 | 583,341 | 606,593 | 2,712,226 | 55,374 | 2,767,601 | (10,953) | 2,756,648 |
| Segment profit (loss) | 1,277,851 | (15,736) | (7,677) | 1,254,437 | (14,975) | 1,239,461 | (575,490) | 663,970) |

Notes 1 Adjusted segment profit (loss) of ¥(575,490,000) includes deleted inter-segment transactions of ¥82,081,000 and all-company expenses of ¥(657,572,000) that cannot be allocated to any individual reporting segment. Corporate expenses are primarily administrative general expenses which do not belong to any reporting segment in particular.

2 Segment profit (loss) is adjusted with operating loss of the quarterly consolidated statement of income. Management advisory fees earned by FGI are taken into account, in the amounts of ¥28,003,000 for the investment banking business, ¥11,730,000 for the real estate business, and ¥13,951,000 for other.

2. Information concerning changes in reporting segments

FGI took an equity position in Okayama Kensetsu Holdings, Ltd., to facilitate acquisition of shares in Okayama Corporation, with both companies becoming consolidated subsidiaries on the deemed acquisition date of February 28, 2014. Okayama Holdings was subsequently merged into Okayama Corporation in May 2014, with Okayama Corporation the surviving company and the holding company ceasing to exist as a corporate entity. Income (loss) attributed to these consolidated companies is included in the scope of consolidation from the third quarter, and a new business segment—construction business—was added as a reporting segment.

FGI also turned the following companies into consolidated subsidiaries on the deemed acquisition date of February 28, 2014: Unihouse Holdings Co., Ltd., (now, Unihouse Co., Ltd.), Unihouse Co., Ltd. (now Jonan Kaihatsu Co., Ltd.) and Three Oak Co., Ltd., and during the third quarter, the Company made Okayama Holdings (now, Better Life House Co., Ltd.) a consolidated subsidiary. These companies as well as business segments at Better Life Support Co., Ltd., that are not included in the portfolio business have been put into another newly added reporting segment—real estate business—from the third quarter of fiscal 2014.

In addition to the reporting segments listed above, FGI reviewed existing consolidated reporting segments and made the following changes, effective from the third quarter.

- "Investment Banking Business" and "Asset Management Business" were combined under "Investment Banking Business".
- "Portfolio Business" and "Public Finance-related Business" were eliminated and business segments not included within "Investment Banking Business," "Real Estate Business" and "Construction Business" were put into "Other Businesses".

Note that segment information for the first three quarters of fiscal 2013 has been prepared using the new segment breakdown and appears in the section 1. **Revenue and profit/loss by reporting segment** for the nine months ended June 30, 2013 (October 1, 2012 to June 30, 2013).

3. Information concerning loss on impairment of loss on fixed assets, goodwill and negative goodwill by reporting segment

(Significant gain on negative goodwill)

In the construction business, the purchase of shares in Okayama Corporation by consolidated subsidiary Okayama Holdings, Ltd., on February 28, 2014, and the subsequent inclusion of Okayama Corporation in the scope of consolidation caused FGI to book ¥178,062 thousand in gain on negative goodwill for the first three quarters of fiscal 2014.