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Summary of Financial Statements
For the First Quarter of Fiscal 2016
<under Japanese GAAP>

February 10, 2016

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
Contact: Member of the Board, Senior Executive Officer Name: Seigo Washimoto
Scheduled date for filing of securities report: February 12, 2016
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. Consolidated results for the first quarter of fiscal 2016
(October 1, 2015 – December 31, 2015)

(1) Business results (Percentages indicate year-on-year changes.)

	Revenue		Operating income/(loss)		Ordinary profit/(loss)		Profit/(loss)attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First quarter of fiscal 2016	2,355	144.9	(278)	–	(295)	–	(289)	–
First quarter of fiscal 2015	961	240.5	(109)	–	63	–	73	–

(Note) Comprehensive income: (352) million yen (－)% for the first quarter of fiscal 2014
72 million yen (－)% for the first quarter of fiscal 2015

	Net income/(loss) per share	Net income/(loss) per share (diluted)
	Yen	Yen
First quarter of fiscal 2016	(1.79)	–
First quarter of fiscal 2015	0.50	0.50

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
First quarter of fiscal 2016	11,011	7,428	67.0
Fiscal 2015	11,958	7,879	65.4

(Reference) Shareholders' equity: 7,374 millions of yen for the first quarter of fiscal 2016
7,822 million s of yen for fiscal 2015

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 2015 (Actual)	—	0.00	—	0.60	0.60
Fiscal 2016 (Actual)	—				
Fiscal 2016 (Estimates)		0.00	—	0.60	0.60

(Note) Change from the latest dividend forecast: None

3. Consolidated performance forecast for fiscal 2016 (October 1, 2015– September 30, 2016)

(Percentages indicate amount of change from the corresponding period in the previous fiscal year.)

	Revenues		Operating income		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal 2016	7,700	41.8	230	100.0	180	(24.1)	170	(24.3)	1.05

(Notes) 1. Recent revisions to performance forecast for fiscal 2016: None

2. Performance forecast for the first two quarters of fiscal 2016: None

4. Notes

(1) Transfer of principal consolidated subsidiaries during the term

(Transfer of any specified subsidiary causing change in scope of consolidation.): None

(2) Adoption of simplified and special accounting policies for quarterly financial statements: None

(3) Changes in accounting policies

1. Changes due to changes in accounting standard: Yes
2. Other changes in accounting standard: None
3. Changes in accounting estimates: None
4. Restatement of corrections: None

(4) Number of shares issued (common stock)

1. Number of shares issued (including treasury stock): 161,912,600 shares in the first quarter of fiscal 2016
   161,912,600 shares in fiscal 2015
2. Number of treasury shares: — shares for the first quarter of fiscal 2016
   — shares for fiscal 2015
3. Average number of shares issued during the first quarter:
   161,912,600 shares in the first quarter of fiscal 2016
   147,196,800 shares in the first quarter of fiscal 2015

*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 these financial statements, quarterly financial statement review procedures based upon the Financial Instruments and Exchange Act have not been completed.

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

Forward-looking statements in this document are based on data available to management as of February 10, 2016, and certain reasonable assumptions. Actual results may differ from these estimates due to unforeseen factors.

1. Qualitative Information on Business Results and Financial Position

(1) Business Results

The economic environment in Japan during the first quarter—October 1, 2015 to December 31, 2015—of the fiscal 2016 consolidated accounting period for FinTech Global Incorporated (FGI) ending September 30, 2016, was characterized by a sustained gradual recovery amid better corporate earnings and positive employment news fostered by the beneficial effects of economic policies introduced by the government and monetary easing by the Bank of Japan. Investment in housing rebounded, thanks to steady improvement on employment and personal income fronts. But the path ahead remained uncertain, obscured by various issues, particularly concerns over the impact that slowdowns in emerging nations might have on domestic activities.

In this environment, FGI—as a boutique investment bank for all companies in all industries—focused on investment banking and corporate investment to expand Group business while supporting growth through various solutions matched to the needs of corporate clients and robustly pursuing opportunities to invigorate and underpin local industry. In the investment banking business, FGI endeavored to secure solar power generation development projects as targets for its arrangement transaction services, but external changes limited the number of excellent projects to be had, leading to a decrease in the number of arrangement transactions conducted and closed.

Nevertheless, successful efforts to find investors and sell them on the excellent projects that FGI is involved in as well as favorable progress in the real estate business led to consolidated revenues of ¥2,355 million for the first quarter of fiscal 2016, soaring 144.9% over the corresponding period a year ago. Gross profit slipped 4.4% year on year, to ¥400 million, as the sale of investment assets in projects and an increase in the sale of homes in the real estate business caused cost of revenue to balloon 260.2%, to ¥1,954 million. Selling, general and administrative expenses jumped 28.4%, to ¥678 million, reflecting higher personnel costs paralleling reinforced staffing levels to handle expanding activities in the investment banking business and on the Metsä project to build facilities that will enable visitors to experience the world of the Moomins in a Northern European atmosphere. As a result, the operating loss widened to ¥278 million, compared with ¥109 million a year ago. FGI also booked a consolidated ordinary loss of ¥295 million, a turnaround from ordinary profit of ¥63 million a year ago, and a net loss attributable to owners of the parent of ¥289 million, compared with an income position of ¥73 million in the first quarter of fiscal 2015.

A breakdown of performance by business segment is presented below. Note that FGI sold its entire holding of shares in Okayama Corporation in fiscal 2015. Since the construction business hinged on this company, its exclusion from consolidated operations leaves FGI with only the investment banking business and the real estate business as Group reporting segments, effective from the first quarter of fiscal 2016.

a. Investment Banking Business

In the investment banking business, FGI took steps to sharpen its ability to access excellent solar power generation projects amid heightened competition and to respond flexibly to investor needs by securing excellent projects and then introducing and selling investors on these investment opportunities while promoting arrangement transaction services. The segment booked revenue of ¥980 million through the sale of investment assets in excellent projects, but a challenging environment for arrangement transaction services caused a drop in the number of arrangements put together, squeezing the scope of commission income from highly profitable business of arrangement transaction services.

In corporate investment activities, no revenue was recorded from investment exits. However, new investments were made into venture firms in the field of "fintech"—integrating finance and information technology—and through these investments, the balance of investments and loans (the total of investments in securities–trade, loans receivable–trade, investments in securities, equity in affiliated companies, investment in capital to affiliated companies, and investment in capital) reached ¥2,416 million, on a consolidated basis, up ¥68 million from the end of fiscal 2015.

In asset management services, FinTech Asset Management Incorporated (FAM) attracted new interest in services related to Article 2, Paragraph 4-3 of the Real Estate Specified Joint Enterprise Law, which pushed the balance of assets under management to ¥8,603 million, up ¥952 million from the end fiscal 2015.

In the Metsä business, FGI established the Metsä Planning Office—an in-house section dedicated to the Metsä project—which is working on a business concept and basic plan for theme park operations, based on a variety of fine-tuned marketing approaches. The office is also making progress on various licensing applications and reports, mainly at the local government level, to expedite development and improvement of the site and its constituent facilities, and has held discussions on activities to improve the area surrounding the site.

As described above, the segment generated revenue from investors capitalizing on the opportunities afforded by FGI's connection to excellent projects, but further growth was hampered by a drop in commission income on arrangement services and the absence of revenue through exits from the corporate investment portfolio. As a result, segment revenue surged 381.5% year on year, to ¥1,038 million, but the amount was not enough to offset rising expenses, which caused operating income to retreat 32.0%, to ¥112 million.

b. Real Estate Business

A review of marketing structure and the office network was launched in the first quarter to create real estate operations in tune with the industry shift toward e-commerce, which enables potential property buyers to find sites through a direct online search. Revenue from all operations in this segment was steady, and through successful efforts to reduce cost of revenue and selling, general and administrative expenses, the segment achieved a 103.6% improvement in revenue, to ¥1,310 million, and reversed out of the red—operating loss of ¥26 million booked in the first quarter of fiscal 2015—with operating income of ¥13 million.

Note that real estate for sale and real estate for sale in progress totaled ¥2,712 million at the end of the first quarter of fiscal 2016, up 11.0% from the end of fiscal 2015, owing to aggressive acquisition of land by Better Life Support Co., Ltd., (BELS) and Better Life House Co., Ltd., which holds assets in detached homes and land for homes on subdivided lots.

c. Other

Moomin Monogatari, Ltd., reinforced staffing levels to support future business development and directed efforts into defining the concept and drafting and reviewing the content of a business plan for Metsä operations. Adacotech Incorporated is attracting greater interest from major corporations, particularly in regard to verification tests on a system that will ensure the safety of trains and their passengers.

All told, the other segment generated revenue of ¥10 million, down 44.6% year on year, and due to higher cost of revenue and selling, general and administrative expenses at Moomin Monogatari, the operating loss deepened, falling to ¥22 million from the ¥8 million posted a year ago.

(2) Consolidated Financial Position

Assets

Total assets stood at ¥11,011 million at December 31, 2015, down 7.9% from the end of fiscal 2015 on September 30, 2015. This change is largely due to a ¥1,455 million decrease in cash and time deposits and a ¥203 million decrease in notes and accounts receivable, trade, but would have been even lower had it not been for the positive impact of a ¥1,276 million increase in real estate for sale.

Liabilities

Total liabilities stood at ¥3,583 million on December 31, 2015, down 12.1% from the end of fiscal 2015 on September 30, 2015. The main components of this change were a ¥155 decrease in short-term loans payable and a ¥206 million decrease in long-term loans payable.

Net assets

Net assets were ¥7,428 million as of December 31, 2015, down 5.7% from the end of fiscal 2015 on September 30, 2015. This change is primarily due to a ¥386 million decrease in retained earnings, owing to the application of funds for distribution of dividends and the booking of loss attributable to owners of the parent.

(3) Information on Forward-Looking Statements, including Consolidated Performance Forecasts

In the investment banking business, efforts to promote arrangement services and asset management services hinge on securing new projects for which such services are required and cultivating new areas of demand. With regard to anticipated transactions, FGI is improving its tracking system, which will enhance its ability to close more deals. In addition, the Company will on occasion take an aggressive approach to transaction services and apply principal financing techniques, including the purchase of buildings, to facilitate certain projects. Arrangement services for solar power generation providers are in the spotlight, and since investors are still keen to invest in power generation businesses, FGI will strive to respond flexibly to the needs of both power generation facility developers and investors and put together lots of deals. In corporate investment activities, no large exits are expected during the current fiscal year. However, FGI will actively invest in companies with growth potential, especially those in the “fintech” (finance + information technology) domain at home and abroad.

Efforts began at the start of fiscal 2016 to review marketing structure and the office network in the real estate business. The structure will be further improved, which should reinforce operations and boost profitability.

Based on future business expansion, as outlined above, the consolidated performance forecast for fiscal 2016 disclosed in the fiscal 2015 financial report dated November 13, 2015 requires no revision. Note that performance forecasts are based on reasonable assumptions and information available to management of the Company as of the date these materials were announced, and various factors could cause actual results to differ from stated expectations.

2. Summary Information (Notes)

(1) Transfer of significant subsidiaries during current quarter under review

Not applicable.

(2) Adoption of special accounting methods for preparation of quarterly consolidated financial statements

Not applicable.

(3) Changes in accounting policy, changes in accounting estimates and retrospective restatement

(Change in accounting policy)

The Company applies “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, issued September 13, 2013), “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No.22, issued September 13, 2013), “Accounting Standard for Business Divestiture” (ASBJ Statement No. 7 of September 13, 2015) and related standards, effective from the first quarter of the current consolidated fiscal year. Consequently, accounting methods have changed. The Company now reports as additional paid-in capital any differences resulting from revised equity positions in subsidiaries and affiliates where it maintains controlling interest, and also expenses any acquisition-related costs in the consolidated fiscal year in which such acquisitions occurred. Furthermore, for any business combination that takes place after October 1, 2015, that is, the beginning of the first quarter of the current consolidated financial year, appraisal of purchase price allocation, pursuant to the final determination of provisional accounting treatment, is reflected in the quarterly consolidated financial statements for the period in which such business combinations occur. In addition, changes have been made in the presentation of consolidated financial statements concerning “net income,” and “minority interests” has been renamed “non-controlling interests.” To reflect these changes in presentation, reclassification adjustments were made to the consolidated financial statements for the first quarter of the previous fiscal year and for the previous fiscal year as well.

The implementation of Accounting Standards for Business Combinations and related standards is subject to transitional treatment set forth in the provisions of Article 58-2 (4) of Accounting Standard for Business Combinations, Article 44-5 (4) of Accounting Standard for Consolidated Financial Statements, and Article 57-4 (4) of Accounting Standard for Business Divestiture, adopted from the first quarter of the current consolidated financial year onward.

The effect of this change on the quarterly consolidated financial statements of the current fiscal year is minor.

FinTech Global Incorporated and Consolidated Subsidiaries

As of and for the three months ended December 31, 2015

(1) Quarterly Consolidated Balance Sheets

(Unit: Thousands of yen)

	Fiscal 2015 (As of September 30, 2015)	**First Quarter of Fiscal 2016** (As of December 31, 2015)
(Assets)		
Current assets		
Cash and time deposits	4,617,855	3,162,250
Notes and accounts receivable, trade	237,393	33,582
Investments in securities, trade	1,565,930	1,538,456
Loans receivable, trade	761,902	717,893
Real estate for sale	1,515,740	2,792,305
Real estate for sale in progress	1,135,958	1,100,260
Deferred tax assets	4,342	6,756
Other current assets	870,335	292,035
Allowance for doubtful accounts	(202,015)	(170,244)
Total current assets	10,507,445	9,473,295
Noncurrent assets		
Property, plant and equipment	841,025	846,196
Intangible assets		
Goodwill	97,468	86,619
Other intangible assets	32,235	30,456
Total intangible assets	129,704	117,075
Investments and other assets		
Investments in securities, trade	86,505	86,891
Others	420,855	515,371
Allowance for doubtful accounts	(27,430)	(27,055)
Total investments and other assets	479,929	575,207
Total noncurrent assets	1,450,659	1,538,479
Total assets	11,958,104	11,011,774

(Unit: Thousands of yen)

	Fiscal 2015 (As of September 30, 2015)	First Quarter of Fiscal 2016 (As of December 31, 2015)
(Liabilities)		
Current liabilities		
Notes and Accounts payable, trade	41,639	47,688
Short-term loans payable	2,372,557	2,217,399
Current portion of bonds	46,000	46,000
Current portion of long-term loans payable	163,284	163,884
Income taxes payable	41,396	11,942
Deferred tax liabilities	265	150
Accrued employee bonuses	42,466	27,389
Other current liabilities	402,315	317,918
Total current liabilities	3,109,925	2,832,371
Long-term liabilities		
Bonds payable	98,000	90,000
Long-term loans payable	691,779	485,565
Net defined benefit liability	105,646	110,446
Deferred tax liabilities	37,606	33,824
Other long-term liabilities	35,261	31,208
Total long-term liabilities	968,294	751,044
Total liabilities	4,078,219	3,583,416
(Net assets)		
Shareholders' equity		
Common stock	4,548,138	4,548,138
Additional paid-in capital	2,125,950	2,121,736
Retained earnings	1,266,792	880,045
Total shareholders' equity	7,940,881	7,549,921
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(118,455)	(175,130)
Total accumulated other comprehensive income	(118,455)	(175,130)
Stock acquisition rights	16,729	20,645
Non-controlling interests	40,728	32,921
Total net assets	7,879,885	7,428,358
Total liabilities and net assets	11,958,104	11,011,774

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

Quarterly Consolidated Statements of Income

(Unit: Thousands of yen)

	First Quarter of Fiscal 2015 (From October 1, 2014, to December 31, 2014)	**First Quarter of Fiscal 2016** (From October 1, 2015 to December 31, 2015)
Revenues	961,693	2,355,096
Cost of revenues	542,593	1,954,471
Gross profit/(loss)	419,100	400,624
Selling, general and administrative expenses	528,612	678,717
Operating income/(loss)	(109,512)	(278,093)
Other income		
Interest income	1,794	568
Equity in earnings of affiliates	13	386
Foreign exchange gains	179,189	4,334
Other	1,080	702
Total other income	182,077	5,991
Other expenses		
Interest expense	5,298	18,509
Commission paid	3,274	3,854
Other	81	1,526
Total other expenses	8,654	23,890
Ordinary profit/(loss)	63,909	(295,992)
Extraordinary profit		
Gain on reversal of subscription rights to shares	101	—
Total extraordinary profit	101	—
Extraordinary loss		
Loss on sales of stocks of subsidiaries and affiliates	737	—
Loss on retirement of noncurrent assets	542	89
Total extraordinary loss	1,280	89
Income/(Loss) before income taxes	62,731	(296,082)
Income taxes	1,345	6,393
Income taxes adjustment	(10,774)	(6,196)
Total income taxes	(9,428)	197
Profit/(loss)	72,160	(296,280)
Profit attributable to non-controlling interests/(loss)	(1,295)	(6,681)
Profit attributable to owners of parent /(loss)	73,455	(289,599)

Quarterly Consolidated Statements of Comprehensive Income

(Unit: Thousands of yen)

	First Quarter of Fiscal 2015 (From October 1, 2014, to December 31, 2014)	**First Quarter of Fiscal 2016** (From October 1, 2015, to December 31, 2015)
Profit/(loss)	72,160	(296,280)
Other comprehensive income		
Valuation difference on available-for-sale securities	—	(56,675)
Total other comprehensive income	—	(56,675)
Comprehensive income	72,160	(352,955)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	73,455	(346,274)
Comprehensive income attributable to non-controlling interests	(1,295)	(6,681)

(3) Notes to Quarterly Consolidated Financial Statements Assumption

(Assumption of Going Concern, for the Three Months ended December 31, 2015)

Not applicable.

(Material Change in Shareholders' Equity)

Not applicable.

(Segment Information)

I. Three months ended December 31, 2014 (October 1, 2014, to December 31, 2014)

Revenues and profit/loss for each reporting segment

(Thousands of yen)

	Reporting Segments				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				
Revenues								
Revenues from external customers	214,160	643,371	85,971	943,504	18,189	961,693	—	961,693
Intersegment revenues and transfers	1,500	22	—	1,522	900	2,422	(2,422)	—
Total	215,660	643,394	85,971	945,027	19,089	964,116	(2,422)	961,693
Segment income (loss)	164,919	(26,023)	(9,380)	129,516	(8,503)	121,012	(230,524)	(109,512)

Notes:

1. Other is a segment for businesses that do not fall under reporting segments. This includes the public accounting consulting business and other businesses.
2. Adjustment of segment income (loss), at ¥(230,524) thousand, includes elimination of transactions among segments of ¥15,775 thousand and corporate expenses of ¥(246,299) thousand which are not allocatable to reporting segments. Corporate expenses are mainly general and administrative expenses which do not belong to any reporting segments.
3. Segment income (loss) is reconciled with operating loss in the quarterly consolidated statements of income.

Ⅱ. Three months ended December 31, 2015 (October 1, 2015 to December 31, 2015)

1. Revenues and profit/loss for each reporting segment

(Thousands of yen)

	Reporting Segments			Other (Note 1)	Total	Adjusted (Note 2)	Amount in the quarterly consolidated statement of income (Note 3)
	Investment Banking Business	Real Estate Business	Total				
Revenues							
Revenues from external customers	1,035,308	1,310,118	2,345,426	9,669	2,355,096	—	2,355,096
Intersegment revenues and transfers	3,200	—	3,200	900	4,100	(4,100)	—
Total	1,038,509	1,310,118	2,348,627	10,569	2,359,196	(4,100)	2,355,096
Segment income (loss)	112,210	13,798	126,009	(22,758)	103,250	(381,344)	(278,093)

Notes:

1. Other is a segment for businesses that do not fall under reporting segments. This includes the software development and sales business and other businesses.
2. Adjustment of segment income (loss), at ¥(381,344) thousand, includes elimination of transactions among segments of

¥6,435thousand and corporate expenses of ¥(387,779) thousand which are not allocatable to reporting segments. Corporate expenses are mainly general and administrative expenses which do not belong to any reporting segments.

3. Segment income (loss) is reconciled with operating loss in the quarterly consolidated statements of income.

2. Changes to reporting segments

In fiscal 2015, FGI sold its entire holding in Okayama Construction, on which the Group's construction business hinged. Consequently, the Company reports consolidated business performance in only two segments—the investment banking business and the real estate business—effective from the first quarter of fiscal 2016.