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**~Promoting Real Estate Securitization that Contributes to Regional Renaissance~
Notice concerning transfer of MOOMINVALLEY PARK site, capital investment plan
and borrowing of funds as well as subsidiary transition**

Tokyo, July 12, 2017—FinTech Global Incorporated (hereafter, “FGI” and “the Company”) provides notice of a resolution by the Board of Directors at its meeting today pertaining to transfer of the MOOMINVALLEY PARK site to Hanno Local Resource Utilization LLC (hereafter, “Local SPC”), which was established primarily to own and manage MOOMINVALLEY PARK real estate, and other resolutions, namely, a capital investment plan for special interior and exterior features and borrowing of funds, and a decision to turn Local SPC into a consolidated subsidiary. Details are provided below.

Note that the purpose of this MOOMINVALLEY PARK site transfer is to facilitate securitization of the real estate, which will contribute to regional renaissance. Total assets of Local SPC, which is a special purpose company for securitization, are expected to be in excess of ¥7.5 billion at the time MOOMINVALLEY PARK opens. This will be one of the largest development-type real estate securitization deals for regional renaissance.

Details

1. Transfer of MOOMINVALLEY PARK site through securitization

As described in “Notice Regarding Start of Metsä Construction,” dated June 28, 2017, civil engineering work for Metsä Village, the zone where visitors will get to experience the Northern European lifestyle, started on July 3, 2017, along with construction of MOOMINVALLEY PARK, the zone built around the Moomin storybook characters. FGI signed a Basic Agreement on Local Renaissance on June 30, 2015, with the city of Hanno, in Saitama Prefecture—the local government in the jurisdiction where the planned Metsä construction site will be built—and is promoting local renaissance in Hanno through alliances and cooperation that showcase Metsä.

Against this backdrop, the Board of Directors at FGI decided at its meeting on July 12, 2017, to transfer MOOMINVALLEY PARK real estate held by the Company to Local SPC, which would lead to securitization of said real estate with the goal of developing Metsä into an attractive crowd-drawing destination firmly rooted in the local community. If this were an

ordinary transaction, the difference between assets (book value*) and transfer price would be recognized as revenue. But from a legal perspective, even though ownership will change hands, no revenue will be booked, mainly owing to accounting standard requirements, as described in 2.

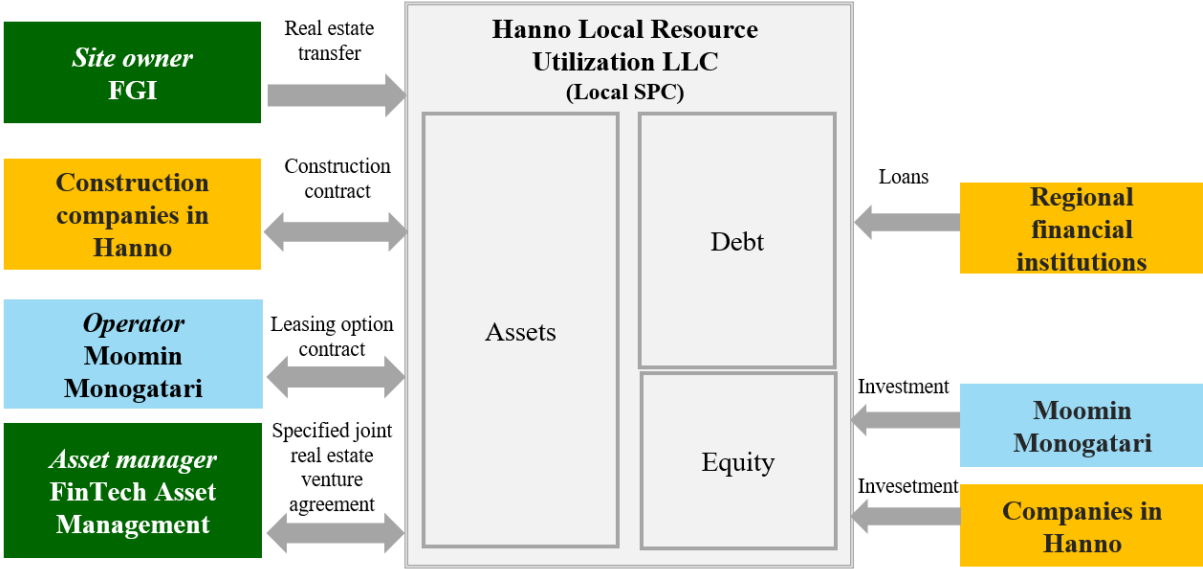
Turning Local SPC into consolidated subsidiary.

Outline of Transfer

Location	Oaza Miyazawa, Hanno, Saitama Prefecture
Area subject to sale	About 47,000m ² The MOOMINVALLEY PARK premises, in addition to the above, include Hanno-administrated public land that the city gave FGI permission to use. Local SPC has applied for permission to use this land, and management expects permission to switch from FGI to Local SPC.
Transfer price	¥2 billion
Contract date	July 12, 2017
Transfer date	July 14, 2017 (expected)

Note: Local SPC has signed a fixed-term building lease option that will enable Moomin Monogatari, Ltd., to lease all buildings and premises once MOOMINVALLEY PARK has opened.

Scheme following real estate securitization



2. Turning Local SPC into consolidated subsidiary

In addition to the resolution regarding the above-mentioned transfer of the MOOMINVALLEY PARK site, the FGI Board of Directors also decided that consolidated subsidiary FinTech Asset Management Incorporated would sign a specified joint real estate venture agreement with Local SPC and undertake management of said real estate, and that consolidated subsidiary Moomin Monogatari would sign a silent partnership agreement with Local SPC and invest in the silent

partnership for Local SPC. Given these circumstances, FGI resolved to include Local SPC in the scope of consolidation, effective from the beginning of the fourth quarter of the fiscal year ending September 30, 2017, under control criteria pursuant to accounting standards for consolidated financial statements.

FGI will account for the transfer of said real estate as a financial transaction, based on “Practical Guidelines on Accounting by Transferors for Derecognition of Real Estate Securitized by means of Special Purpose Companies,” because the Company will have continuing involvement, mainly through the subsidiary entrusted with management of said real estate and through ownership (investment in Local SPC) of securities issued by Local SPC by another subsidiary. Therefore, as noted above, FGI will account for said real estate on its balance sheets rather than on its statements of income. In this regard, if FGI terminated its involvement, that is, pulled out of its investment in Moomin Monogatari as well as capital participation in Local SPC through Moomin Monogatari and essentially no longer had continuing involvement in MOOMINVALLEY PARK, then revenue might be recognized. However, management believes that by remaining involved, primarily through arrangement transaction services and investment, and contributing to the local community through these activities, FGI will fulfill its duty as an investment bank, which will lead to enhanced long-term corporate value. For this reason, no revenue will be booked at this time. But on a cash basis, the transfer is considered a partial exit on investment. Notwithstanding, from an accounting perspective, if at some point in the future FGI is no longer involved in Moominvalley Park, the difference between assets (book value) and the recent site transfer price will be recognized as revenue.

Note: Total book value for MOOMINVALLEY PARK, Metsä Village and other sites attached to these properties, which are owned by FGI, amounted to ¥685 million, as of May 31, 2017.

3. Capital investment plan

FGI only signed contracts for construction work at MOOMINVALLEY PARK (payment to contractor, about ¥3.4 billion) and civil engineering work at Metsä Village (payment to contractor, about ¥1.2 billion), with construction starting July 3, 2017, in accordance with these contracts. However, the Board of Directors approved today the following additional capital investment proposals (purchase of fixed assets).

(1) Capital investment plan for special interior and exterior features at MOOMINVALLEY PARK

- Anticipated capital investment cost About ¥2.5 billion
(Excludes consumption tax. Amount could change.)
Added to the contractor’s payment of about ¥3.4 billion, under the contract for construction related to MOOMINVALLEY PARK, the total amount becomes about ¥5.9 billion.

(2) Construction of Metsä Village by FGI and installation of multi-level parking structure

- Anticipated capital investment cost About ¥1.5 billion
(Excludes consumption tax. Amount could change.)
Added to the contractor’s payment of about ¥1.2 billion, under the contract for civil

engineering work related to Metsä Village, the total amount becomes about ¥2.7 billion.

4. Borrowing of funds and other fund-raising for Local SPC

At today's Board of Directors' meeting, FGI approved borrowing of funds and an invitation to invest through a silent partnership agreement to enable Local SPC to pay for MOOMINVALLEY PARK land and construction work.

(1) Summary of borrowings

Lenders	Four financial institutions
Total amount to be borrowed (planned)	¥5.6 billion

Note: The plan, as of July 14, 2017, is to borrow ¥2.4 billion. The total amount to be borrowed (planned), noted above, is the amount that will have been provided through financial institutions by the time scheduled construction wraps up on October 3, 2018. For borrowings, proof of financing from financial institutions will be obtained. The lenders and the total amount to be borrowed may increase, depending on future negotiations.

(2) Summary of invitation to invest through silent partnership

Silent partners	Moomin Monogatari, three companies in Hanno
Total investment	¥750 million
Contract date	July 12, 2017
Effective date	July 13, 2017 (planned)

Note: Fund procurement through silent partnership investment will probably continue.

5. Subsidiary transition

(1) Outline of subsidiary to be converted to consolidated status (Local SPC)

1. Name	Hanno Local Resource Utilization LLC	
2. Address	Hanno Sun Plaza, 4th Floor, 12-10, Nakacho, Hanno, Saitama Prefecture	
3. Name and title of representative	Kazuya Arakawa, Executive Manager Representative Partner, Association for Hanno Regional Resource Utilization	
4. Business activities	1. Purchase, own and sell real estate 2. Rent and manage properties 3. Special ventures, based on Act on Specified Joint Real Estate Ventures 4. Matters incidental to or related to the above business activities	
5. Amount of investment	¥750 million (This is the amount after investment based on silent partnership agreement described in 4. (2) above.)	
6. Investors	1. Moomin Monogatari, Ltd. ¥650 million 2. Three companies in Hanno ¥100 million (These are the amounts after investment based on silent partnership agreement described in 4. (2) above.)	
7. Date of establishment	May 17, 2017	
8. Major shareholders	Not applicable	
9. Relationship with FGI	Capital relationship	Consolidated subsidiary Moomin Monogatari will execute a silent partner investment into Local SPC, as described in 4. (2) above.
	Personnel relationship	Not applicable.
	Business relationship	FGI will execute a real estate transaction, as described in 1. above. FGI plans to lend funds to Local SPC. FGI has signed an arrangement transaction services agreement with Local SPC to handle a private placement. Consolidated subsidiary FinTech Asset Management has signed a specified joint real estate venture agreement with Local SPC. Consolidated subsidiary Moomin Monogatari has signed a fixed-term building lease option with Local SPC. Plans call for the company to provide debt guarantees on borrowings extended to Local SPC following completion of MOOMINVALLEY PARK.

Note: Local SPC will become a subsidiary under control criteria pursuant to accounting standards for consolidated financial statements.

(2) Transition date

July 13, 2017 (planned)

6. Outlook

(1) Impact on business results

Transfer of the MOOMINVALLEY PARK site, approval of the capital investment plan, the borrowing of funds and the transition of Local SPC to subsidiary status will have only a minor impact on business results. As described in “Notice Regarding Start of Metsä Construction,” the forecast for fiscal 2017 consolidated performance will be disclosed as soon as financial arrangement deals close and the situation makes an announcement possible.

(2) Investment exit policy going forward

This real estate transfer is intended to utilize securitization to move the real estate off the balance sheets and improve investment efficiency while minimizing risk as part of risk management efforts. Going forward, FGI will maintain an investment exit policy for Metsä-related business that emphasizes this same technique.

(3) Promoting real estate securitization that contributes to regional renaissance

As noted above, the formation of Local SPC has largely generated all but some of the fund-procurement needs for constructing MOOMINVALLEY PARK, with real estate securitization executed to realize a partial return on the investment. This development-type real estate securitization is a product that has been a key to growth for listed companies. Going forward, FGI will draw on accumulated know-how and apply it to real estate securitization that contributes to regional renaissance.

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