UNOFFICIAL TRANSLATION
The following is a translation, for convenience only,
of the original document issued in Japanese

Summary of Financial Statements for the First Quarter of Fiscal 2019 <under Japanese GAAP>

February 12, 2019

Company Name: FinTech Global Incorporated (Code Number: 8789 TSE Mothers)
(URL: http://www.fgi.co.jp/english/) TEL: +81-3-6456-4600

Representative: President and Chief Executive Officer Name: Nobumitsu Tamai
Contact: Member of the Board, Senior Executive Officer Name: Takashi Senda

Scheduled date for filing of securities report: February 14, 2019
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 2019
(October 1, 2018 – December 31, 2018)

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

	Revenues		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 2019	1,020	66.8	(747)	–	(804)	–	(599)	–
First quarter of fiscal 2018	611	(76.3)	(241)	–	(261)	–	40	(74.9)

(Note) Comprehensive income: (827) million yen (―)% for the first quarter of fiscal 2019
(1) million yen (―)% for the first quarter of fiscal 2018

	Net income/(loss) per share	Net income/(loss) per share (diluted)
	Yen	Yen
First quarter of fiscal 2019	(3.21)	–
First quarter of fiscal 2018	0.25	0.25

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
First quarter of fiscal 2019	15,893	8,341	43.5
Fiscal 2018	14,016	8,551	52.2

(Reference) Shareholders' equity: 6,913 million yen for the first quarter of fiscal 2019
7,311 million yen for fiscal 2018

2. Dividends

	Dividend 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 2018 (Actual)	—	0.00	—	0.00	0.00
Fiscal 2019 (Actual)	—				
Fiscal 2019 (Estimates)		0.00	—	—	—

(Note) Change from the latest dividend forecast: None
The dividend forecast for fiscal year ending September 30, 2019 is yet to be determined.

3. Full-year performance forecasts for fiscal 2019 (October 1, 2018 – September 30, 2019)

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

	Revenues		Operating income		Ordinary profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
First two quarters	—	—	—	–	—	–
Fiscal 2019	11,040	199.3	510	–	310	–

(Note) 1. Change from the latest dividend forecast: None
2. Performance forecasts for the first two quarters of fiscal 2019: None
3. Gross profit forecast is 6,880 million yen.
4. Management does not disclose a forecast for profit/(loss) attributable to owners of parent.

4. Notes

(1) Transfer of principal consolidated subsidiaries during the term
(Transfer of any specified subsidiary causing change in scope of consolidation.): Yes
New: 1 (Company name: Metsa 2go Investment Limited Partnership <Before the changes: FGT Venture Fund A Investment Limited Partnership.>)

(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: None
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): 189,103,600 shares in the first quarter of fiscal 2019
185,986,400 shares in fiscal 2018
2. Number of treasury shares: — shares for the first quarter of fiscal 2019
— shares for fiscal 2018
3. Average number of shares issued during the first quarter:
186,496,991 shares in the first quarter of fiscal 2019
161,940,797 shares in the first quarter of fiscal 2018

* This summary of financial statements is not subject to quarterly review procedures.

* 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 12, 2019, 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

In the first quarter—October 1, 2018 to December 31, 2018—of the fiscal 2019 consolidated accounting period for FinTech Global Incorporated (FGI) ending September 30, 2019, a major development was the October 2018 completion of construction of Metsä—Metsä Village and Moominvalley Park— which began in July 2017. Metsä Village opened first, on November 9, 2018, and began bringing in tenant rental income and revenue from the use of facilities and services. Moominvalley Park is scheduled to open on March 16, 2019. The number of visitors to Metsä Village topped 100,000 on December 2, 2018, and the site continues to attract favorable attention. In the core investment banking business, the emphasis shifted from investment exits with the potential to deliver significant returns but for which timing and scale are hard to estimate. The new focus centered on capturing real estate and aircraft asset management income, arrangement fees and Metsä rental income. As a result, the segment made progress toward building a structure with an improved capacity to secure stable revenue.

On a consolidated basis, revenues jumped 66.8% year on year, to ¥1,020 million, despite the absence of investment exits. This improvement reflects higher revenue from real estate asset management and M&A-related services, as well as the contribution made by an increase in subsidiaries under consolidation since the second quarter of fiscal 2018. Cost of revenues skyrocketed 223.7% year on year, to ¥564 million, owing to operating expenses at Metsä Village and the increase in subsidiaries under the FGI Group umbrella. Gross profit edged up 4.2% year on year, to ¥455 million. Selling, general and administrative expenses climbed 77.3% year on year, to ¥1,202 million, reflecting operating expenses at Metsä Village, an increase in expenses in preparation for the opening of Moominvalley Park and the impact of more subsidiaries under consolidation. Consequently, the operating loss deepened, to ¥747 million, from ¥241 million a year ago, and the ordinary loss was also a darker shade of red, at ¥804 million, compared with ¥261 million in the first quarter of fiscal 2018. FGI recorded loss attributable to owners of parent of ¥599 million, a turnaround from ¥40 million in profit attributable to owners of parent a year ago, owing to a ¥211 million loss attributable to non-controlling interests.

(Unit: Millions of yen)

	First Quarter of Fiscal 2018	First Quarter of Fiscal 2019	YOY Change
Revenues	611	1,020	408
Investment banking business	480	405	(74)
Public management consulting business	92	182	90
Entertainment service business	43	484	441
Other	2	7	5
Elimination	(7)	(60)	(53)
Gross profit	436	455	18
Investment banking business	391	249	(141)
Public management consulting business	37	88	50
Entertainment service business	11	131	119
Other	2	7	4
Elimination	(6)	(21)	(15)
Operating income/ (loss) 〔Segment income/ (loss)〕	(241)	(747)	(505)
Investment banking business	229	(128)	(358)
Public management consulting business	(6)	10	16
Entertainment service business	(183)	(392)	(208)
Other	(6)	(4)	2
Elimination or corporate expenses	(274)	(232)	41
Ordinary income/ (loss)	(261)	(804)	(543)
Income /(Loss) before income taxes	18	(803)	(822)
Income/ (Loss) attributable to owners of parent	40	(599)	(639)

On November 8, 2018, the Board of Directors resolved that FGI would issue Series 19 stock acquisition rights (third-party allocation), and on November 15, 2018, the Board agreed on the conditions for Series 19. The purpose of this series is to raise funds to acquire real estate including trust beneficiary rights, for building subdivided real estate investment products and for capitalizing on M&A opportunities. Series 19 was issued on December 4, 2018. Anticipated net proceeds through the issue of Series 19 stock acquisition rights and subsequent exercise of such rights will be ¥1,759 million, if all rights are exercised at the initial exercise price.

A breakdown of performance by business segment is presented below. Revenues include intersegment revenues and transfers.

a. Investment Banking Business

In the investment banking business, revenues were up on real estate asset management and M&A-related services. However, there were no investment exits from investment and loan services, namely asset investment and corporate investment, and FGI posted an evaluation loss on corporate investment. New investments and loans emphasized additional investment into subsidiaries. The aircraft asset management business, undertaken by SGI-Group B.V. and its four subsidiaries, is doing well, but these companies' statements of income do not fall under consolidated accounting until the second quarter of fiscal 2018.

A master lease agreement between FGI and Moomin Monogatari Ltd., a consolidated subsidiary, for Metsä Village went into effect, leading to rental income from this agreement for FGI.

Given the above developments, the investment banking business saw revenue drop 15.6% year on year, to ¥405 million, and booked a segment loss of ¥128 million, compared with income of ¥229 million a year ago.

b. Public Management Consulting Business

The public management consulting business offers consulting services on the preparation of financial documents under a unified standard in fiscal accounting for local governments as well as consulting services on such topics as possible introduction of public-private partnership/public financial initiative techniques—demand for which is expected to grow. For clients already being served, the segment complements consultations for creating financial documents with services for the preparation of financial analysis reports and formation of management strategies for public enterprises.

In the urban infrastructure management system business, undertaken by Geoplan Namtech, existing maintenance projects are moving along well. Note that the statement of income for Geoplan Namtech falls under consolidated accounting from the third quarter of fiscal 2018. Business is steadily expanding through the capture of new projects.

The public management consulting business generated revenues of ¥182 million in the first quarter of fiscal 2019, soaring 97.9% over the corresponding period a year ago. In addition, the segment posted income of ¥10 million, rebounding from a ¥6 million loss a year ago.

c. Entertainment Service Business

With the opening of Metsä Village, the entertainment service business began leasing space to tenants and operating restaurants and parking lots. A concerted effort was made to attract guests, including events such as an interactive light display called "teamLab: Digitized Lakeside and Forest," which debuted in December 2018. At Moominvalley Park, which is scheduled to open in March 2019, the emphasis was on landscaping and facility improvements in line with specific interior and exterior features as well as preparations for site operation following the grand opening. In December 2018, the price of admission — adults: ¥1,500; children: ¥1,000 — and additional charges for attractions with a separate fee structure were decided, and advance sales of admission tickets commenced in January 2019.

Rights and Brands Japan Co., Ltd., in which Moomin Monogatari has a 44.5% stake, fell under the scope of consolidation, effective from the first quarter of fiscal 2019 due to increased materiality. Rights and Brands Japan is involved in the sublicensing business and grants exclusive access to Moomin characters in Japan. Going forward, however, the company will expand the scope of its business to include content development and license management for original projects sold at Moominvalley Park.

The entertainment service business achieved a massive increase in revenue — up 1,025.6% year on year — to ¥484 million, reflecting the opening of Metsä and consolidation of Rights and Brands Japan. But Metsä Village operating expenses and costs incurred in preparations for the opening of Moominvalley Park caused the segment loss to deepen, settling at ¥392 million, compared with ¥183 million a year ago.

d. Other

Adacotech Incorporated welcomed numerous inquiries for applying and building analytical systems into operations and pushed ahead on several application projects.

The segment posted a significant increase in revenue—195.0%—over the first quarter of fiscal 2018, to ¥7 million, and while still showing a loss, at ¥4 million, this was an improvement over the ¥6 million loss a year ago.

(2) Consolidated Financial Position

Assets

Total assets stood at ¥15,893 million, up 13.4% from the end of fiscal 2018 on September 30, 2018. The change reflects increases—¥100 million in notes and accounts receivable, trade, ¥3,932 million in real estate for sale, due to transfer from real estate for sale in progress, ¥378 million in the construction account, mainly due to work on interior and exterior features at Moominvalley Park, and ¥82 million in goodwill, as Rights and Brands Japan was brought under consolidation—which offset decreases of ¥1,262 million in cash and deposits and, due to completion of Metsä Village and other real estate development projects, ¥2,757 million in real estate for sale in progress.

Liabilities

Total liabilities stood at ¥7,551 million, up 38.2% from the end of fiscal 2018 on September 30, 2018. This change is primarily due to increases of ¥908 million in short-term loans payable and ¥253 million in long-term loans payable, borrowed to have access to funds needed for the opening of Metsä.

Net assets

Net assets reached ¥8,341 million, down 2.5% from the end of fiscal 2018 on September 30, 2018. This change comes about mainly because increases of ¥149 million in common stock, ¥48 million in additional paid-in capital and ¥190 million in non-controlling interests were overshadowed by a ¥592 million decrease in retained earnings, caused by the booking of a loss attributable to owners of parent in the first quarter.

Note that FGI applies "Partial Amendments to Accounting Standard for Tax Effect Accounting" (Accounting Standards Board of Japan Statement No. 28, issued February 16, 2018) from the first quarter of fiscal 2019. To facilitate an understanding of changes in the Company's financial status, management retroactively applied the amended standard to year-end figures for fiscal 2018 to compare with fiscal 2019 first quarter figures.

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

(Unit: Millions of yen)

	Revenue	Gross profit	Operating income (loss)	Ordinary income (loss)
Fiscal 2019 Full Year (Forecast)	11,040	6,880	510	310
Fiscal 2018 Full Year (Actual)	3,689	2,261	(1,072)	(1,227)
YOY Change Ratio	199.3%	204.3%	—	—
YOY Change Amount	7,350	4,618	1,582	1,537

As mentioned above, there are no changes to the consolidated performance forecast that was disclosed in the financial report for fiscal 2018, which was released on November 8, 2018.

The first quarter loss was caused by an increase in upfront expenses in preparation for Metsä opening against revenue contribution limited to that generated at Metsä Village since Moominvalley Park does not open until March 2019 and also by the absence of investment exits in the investment banking business. These factors were considered in the initial performance forecast.

In the investment banking business, the first quarter saw a year-on-year improvement in revenues from real estate asset management and M&A-related services, as well as rental income from Metsä facilities. Going forward, revenues from these activities should continue to rise. In this way, the segment is redirecting its focus, away from investment exits and more toward building a structure that will ensure stable revenue from services, such as real estate asset management and M&A-related services, and rental income. And in this approach, the investment banking business is expected to derive revenue from investment exits as well as from the formation and sale of of arrangements, particularly subdivided real estate investment products, using capital raised through the issue and the exercises of Series 19 stock acquisition rights (third-party allocation).

Also, management has given full consideration to such factors as attendance levels at Metsä Village, where attendance levels have exceeded expectations since the opening in November 2018, and believes there is no need to change the consolidated performance forecast announced at the end of fiscal 2018.

An increase in non-controlling interests paralleling third-party allocation of shares by Moomin Monogatari has the potential to impact profit attributable to owners of parent. The result may also influence investor trends, which makes it difficult to reasonably predict profit attributable to owners of parent at the present time. Management has therefore decided not to provide a forecast for profit attributable to owners of parent.

FinTech Global Incorporated and Consolidated Subsidiaries

As of and for the three months ended December 31, 2018

(1) Quarterly Consolidated Balance Sheets

(Unit: Thousands of yen)

	Fiscal 2018 (As of September 30, 2018)	**First Quarter of Fiscal 2019** (As of December 31, 2018)
(Assets)		
Current assets		
Cash and time deposits	4,267,738	3,005,450
Notes and accounts receivable, trade	644,824	744,827
Investments in securities, trade	1,017,184	944,856
Loans receivable, trade	576,924	561,696
Real estate for sale	304,516	4,236,779
Real estate for sale in progress	2,781,914	24,220
Merchandise	15,298	9,672
Raw materials and supplies	1,634	20,551
Other current assets	386,376	807,256
Allowance for doubtful accounts	(117,232)	(106,090)
Total current assets	9,879,178	10,249,221
Noncurrent assets		
Property, plant and equipment		
Construction in progress	2,455,866	2,834,273
Other property, plant and equipment	861,847	1,305,933
Total property, plant and equipment	3,317,713	4,140,206
Intangible assets		
Goodwill	268,344	350,939
Other intangible assets	74,843	581,788
Total intangible assets	343,188	932,727
Investments and other assets		
Investments in securities, trade	85,248	76,304
Others	391,206	495,273
Allowance for doubtful accounts	(264)	(266)
Total investments and other assets	476,191	571,312
Total noncurrent assets	4,137,093	5,644,247
Total assets	14,016,272	15,893,469

(Unit: Thousands of yen)

	Fiscal 2018 (As of September 30, 2018)	**First Quarter of Fiscal 2019** (As of December 31, 2018)
(Liabilities)		
Current liabilities		
Notes and accounts payable, trade	293,215	285,555
Short-term loans payable	—	908,000
Current portion of long-term loans payable	3,586,081	3,969,447
Income taxes payable	73,216	55,085
Accrued employee bonuses	114,928	115,332
Other current liabilities	734,587	1,209,709
Total current liabilities	4,802,029	6,543,130
Long-term liabilities		
Long-term loans payable	532,787	786,238
Net defined benefit liability	91,640	96,464
Other long-term liabilities	38,664	126,142
Total long-term liabilities	663,091	1,008,846
Total liabilities	5,465,120	7,551,976
(Net assets)		
Shareholders' equity		
Common stock	5,551,419	5,700,766
Additional paid-in capital	4,149,561	4,198,048
Retained earnings	(2,387,101)	(2,979,984)
Total shareholders' equity	7,313,879	6,918,830
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,166	(3,200)
Foreign currency translation adjustment	(13,754)	(1,836)
Total accumulated other comprehensive income	(2,588)	(5,036)
Stock acquisition rights	54,605	51,996
Non-controlling interests	1,185,254	1,375,702
Total net assets	8,551,151	8,341,492
Total liabilities and net assets	14,016,272	15,893,469

(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 2018 (From October 1, 2017, to December 31, 2017)	**First Quarter of Fiscal 2019** (From October 1, 2018 to December 31, 2018)
Revenues	611,489	1,020,148
Cost of revenues	174,501	564,807
Gross profit	436,987	455,340
Selling, general and administrative expenses	678,376	1,202,697
Operating income/(loss)	(241,389)	(747,356)
Other income		
Interest income	2,818	960
Gain on outlawed debt	2,979	—
Settlement received	—	5,821
Other	4	—
Total other income	5,802	6,781
Other expenses		
Interest expense	16,339	30,332
Commission paid	6,788	21,461
Other	2,301	12,224
Total other expenses	25,429	64,019
Ordinary profit/(loss)	(261,016)	(804,593)
Extraordinary profit		
Gain on sales of subsidiaries and associates	267,387	—
Gain on reversal of subscription rights to shares	11,374	1,448
Other	1,179	—
Total extraordinary profit	279,941	1,448
Extraordinary loss		
Loss on liquidation of investments	—	178
Total extraordinary loss	—	178
Income/(Loss) before income taxes	18,925	(803,323)
Income taxes	23,635	10,395
Income taxes adjustment	—	(3,085)
Total income taxes	23,635	7,310
Profit/(Loss)	(4,710)	(810,633)
Profit/(Loss) attributable to non-controlling interests	(45,208)	(211,278)
Profit /(Loss) attributable to owners of parent	40,497	(599,355)

Quarterly Consolidated Statements of Comprehensive Income

(Unit: Thousands of yen)

	First Quarter of Fiscal 2018 (From October 1, 2017, to December 31, 2017)	**First Quarter of Fiscal 2019** (From October 1, 2018 to December 31, 2018)
Profit/(loss)	(4,710)	(810,633)
Other comprehensive income		
Valuation difference on available-for-sale securities	3,469	(14,366)
Foreign currency translation adjustment	–	(2,442)
Total other comprehensive income	3,469	(16,809)
Comprehensive income	(1,241)	(827,443)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	43,966	(615,559)
Comprehensive income attributable to non-controlling interests	(45,208)	(211,884)

(3) Notes to Quarterly Consolidated Financial Statements Assumption

(Assumption of Going Concern, for the Three Months ended December 31, 2018)

Not applicable.

(Additional information)

(Application of "Partial Amendments to Accounting Standard for Tax Effect Accounting" and relevant guidance)

The Company has applied "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No.28, February 16, 2018) and relevant guidance, effective from the beginning of the first quarter of the fiscal year ending September 30, 2019. Accordingly, deferred tax assets are presented under "Investment and other assets," and deferred tax liabilities are presented under " Long-term liabilities."

(Material Change in Shareholders' Equity)

During the first quarter of fiscal 2019, the exercise of stock acquisition rights pushed common stock as well as additional paid-in capital up ¥149,346 thousand. Due to this and other changes, common stock reached ¥5,700,766 thousand and additional paid-in capital reached ¥4,198,098 thousand, as of December 31, 2018.

(Segment Information)

I. Three months ended December 31, 2017 (October 1, 2017 to December 31, 2017)

1. Revenues and profit/loss for each reporting segment

(Thousands of yen)

	Reporting Segments				Other (Note 1)	Total	Adjustment (Note 2)	Amount in the quarterly consolidated statement of income (Note 3)
	Investment Banking Business	Public Management Consulting Business	Entertainment Service Business	Total				
Revenues								
Revenues to third party	474,829	92,168	41,863	608,861	2,628	611,489	—	611,489
Inter-segment revenues and transfers	5,825	—	1,185	7,010	—	7,010	(7,010)	—
Total	480,654	92,168	43,048	615,871	2,628	618,499	(7,010)	611,489
Segment income (loss)	229,823	(6,607)	(183,630)	39,585	(6,516)	33,069	(274,458)	(241,389)

Notes:

1. Other is a segment for businesses that do not fall under reporting segments. This includes software research, development, manufacturing and sales.
2. Adjustment of segment income (loss), at ¥(274,458) thousand, includes elimination of transactions among segments of ¥12,855 thousand and corporate expenses of ¥(287,313) 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. Information on assets by reporting segment

In the first quarter of fiscal 2018, all shares held by FGI in Better Life Holdings Co., Ltd., were sold, and the company was removed from the scope of consolidation. Consequently, segment assets in the real estate business dropped ¥5,740,285 thousand, compared with the end of fiscal 2017 on September 30, 2017.

3. Information related to goodwill and impairment loss on fixed assets by reporting segment

<u>Significant impairment loss on fixed assets</u>

Not applicable.

Significant change in amount of goodwill

In the investment banking business, SGI Investment LLC, established by FGI consolidated subsidiary FinTech Global Trading Incorporated., newly acquired shares in SGI-Group B.V. in the first quarter of fiscal 2018. This led to ¥196,518 thousand in goodwill in the investment banking business.

Significant gain on negative goodwill

Content has been omitted because significance is negligible.

Ⅱ. Three months ended December 31, 2018 (October 1, 2018 to December 31, 2018)

1. Revenues and profit/loss for each reporting segment

(Thousands of yen)

	Reporting Segments				Other (Note 1)	Total	Adjustment (Note 2)	Amount in the quarterly consolidated statement of income (Note 3)
	Investment Banking Business	Public Management Consulting Business	Entertainment Service Business	Total				
Revenues								
Revenues to third party	351,411	179,377	481,606	1,012,396	7,751	1,020,148	―	1,020,148
Inter-segment revenues and transfers(Note 4)	54,432	3,000	2,946	60,378	―	60,378	(60,378)	―
Total	405,844	182,377	484,552	1,072,774	7,751	1,080,526	(60,378)	1,020,148
Segment income (loss)	(128,531)	10,090	(392,341)	(510,781)	(4,089)	(514,870)	(232,485)	(747,356)

Notes:

1. Other is a segment for businesses that do not fall under reporting segments. This includes software research, development, manufacturing and sales.
2. Adjustment of segment income (loss), at ¥(232,485) thousand, includes elimination of transactions among segments of ¥61,142 thousand and corporate expenses of ¥(293,628) 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.
4. Intersegment revenues and transfers in the investment banking business include Metsä Village rental income of ¥47,922 thousand that FGI, under the investment banking business, receives from Moomin Monogatari, a consolidated subsidiary under the entertainment service business.

2. Information on assets by reporting segment

Not applicable.

3. Information related to goodwill and impairment loss on fixed assets by reporting segment

Significant impairment loss on fixed assets

Not applicable.

Significant change in amount of goodwill

In the entertainment service business, bringing Rights and Brands Japan Co., Ltd., under consolidation generated goodwill of ¥107,802 thousand.

Significant gain on negative goodwill

Not applicable.