

UNOFFICIAL TRANSLATION
The official press release is in Japanese.

Company Name:	FinTech Global Incorporated
Representative:	Nobumitsu Tamai, President and CEO
Stock Listing:	Tokyo Stock Exchange Mothers Section
Stock Code:	8789
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Notice Regarding Establishment of FinTech Business Succession Fund Co., Ltd.

April 10, 2019—Today, FinTech Global Incorporated (hereafter, “FGI” and “the Company”) established FinTech Business Succession Fund Co., Ltd. (hereafter, “FinTech Business Succession Fund”), to operate a business succession fund and handle associated investment services. Details on this wholly owned subsidiary of FGI are provided below.

Details

1. Purpose of subsidiary establishment

FGI has built experience in management buyouts (MBOs) by temporarily acquiring shares in companies struggling to keep their businesses running, which gives successors time to prepare for the transfer of business. Drawing on these results, FGI reinforced its business structure, which included the establishment of FinTech M&A Solution Incorporated in March 2018 to facilitate the search for business successors at a time when the challenge to find a company or an individual to take over from an entrepreneur ready to retire is becoming a major issue affecting Japan’s economy. FGI then initiated full-scale M&A introduction services. FGI’s policy—that companies seeking advice may be small in scale but none will be refused even if in a loss position—is matched to times, and this stance has attracted the attention of tax accountants, financial accountants, financial institutions and other businesses whose clients are unable to find successors. Many succession-related issues were solved over the past year through M&A introduction services.

From a group perspective, the FGI Group has amassed know-how and experience to execute financial arrangements based on structured finance, financial intermediary services and investments and can present suggestion beyond simple M&As to solution-style M&As that solve the business succession worries of client companies. Efforts to promote M&As matched to client needs are undoubtedly a major factor in the increase in transactions.

The purpose of FinTech Business Succession Fund established at this time is to facilitate a flexible response to business succession issues that come to light through inquiries and to provide solutions for solving the issues that concern operators seeking advice. FinTech Business Succession Fund supports business succession by temporarily acquiring shares in a target company and then based on the status of the client company, management concerns and corporate needs, preparing options such as share transfer to a successor or the sale of shares to a third party through M&A.

2. Outline of new company

The plan is for FinTech Business Succession Fund to create a special purpose company for each transaction, with total capital, including these special purpose companies, at ¥3 billion. The necessary capital will be come from investment by FGI and from investors jointly contributing capital with FGI as well as from loans extended by financial institutions.

FinTech Business Succession Fund will hold shares for one to three years, and once an initial public offering is conducted or corporate concerns are resolved, the company will carry out an MBO or M&A to promote business successions meaningful from a social perspective. To take on as many transactions as possible, FinTech Business Succession Fund will acquire shares in many companies looking for a successor but will not set a lower limit on the amount it invests.

An outline of FinTech Business Succession Fund is provided below.

(1) Name	FinTech Business Succession Fund Co., Ltd.	
(2) Address	Meguro Central Square, 15th Floor 3-1, Kamiosaki 1-chome, Shinagawa-ku, Tokyo	
(3) Name and title of representative	Toru Mitsuhashi Representative Director	
(4) Business activities	Operate business succession fund and provide associated investment services	
(5) Paid-in capital	¥1 million	
(6) Date of establishment	April 10, 2019	
(7) Major shareholders and shareholding ratios	FGI 100%	
(8) Relationships with FGi	Capital relationship	• Wholly owned subsidiary of FGI.
	Personnel relationship	An executive officer at FGI holds a concurrent position as the representative director at FinTech Business Succession Fund
	Business relationship	• Not applicable

3. Schedule

Date of company establishment April 10, 2019

4. Outlook

In Japan, the inability to find a company or individual to keep a small business running has become a social problem, and going forward, the need for an M&A approach to ensure business longevity is likely to rise. Despite a particularly urgent need for successors at small and medium-sized businesses, it is difficult to find suitable takers these days. From this perspective, the need for a business succession fund is high, and the establishment of FinTech Business Succession Fund is thus expected to contribute to an improvement in consolidated performance over the

medium to long term. The impact on fiscal 2019 results will be disclosed when management has a better idea of how the new company is doing.

END

For more information about this business, please contact FinTech M&A Solution Incorporated

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