

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 M&A Solution Incorporated

March 16, 2018— FinTech Global Incorporated (hereafter, “FGI”) hereby gives notice that its Board of Directors gave approval today to establish FinTech M&A Solution Incorporated (hereafter, “FMA”), which will engage in merger and acquisition agency services. Details are provided below.

Details

1. Purpose in establishing new subsidiary

The Ministry of Economy, Trade and Industry estimates that within the next 10 years, the number of small and medium-sized enterprise and small business operators over the age of 70 (average age when operators stop working) will reach around 2.45 million. And of this number, roughly half — 1.27 million people, representing about 30 % of all companies in Japan — do not know who will take over the business when they retire. Also, if left unresolved, this situation could lead to a sudden increase in the closure of small and medium-sized enterprises that would put about 6.50 million people out of work and erode gross domestic product by about ¥22 trillion in total over the 10 years to 2025.

Seeking to help mitigate this social issue, FGI will establish an M&A agency that is attractive to small and medium-sized enterprises and thereby enable many in need of a successor to find the next-generation operator who will keep the business going. Also, management feels that the agency will contribute to greater activity in domestic industry circles by providing support to promote business expansion.

A factor that may keep the number of M&A contracts from increasing is the high commission fee charged by M&A agencies. The fee is not at a level that encourages ordinary small and medium-sized enterprises to pursue advice.

As outlined below, FMA will adopt a structure that makes consultations easy for all companies but especially attractive to small and medium-sized enterprises. The company will strive to enable as many small and medium-sized enterprises as possible to stay in business under new operators and to encourage further business growth. Ultimately, the goal is to be the most widely accepted M&A agency in Japan.

1. The major M&A agencies charge a contract commission fee of about 5%. FMA will

- establish a reasonable fee structure. Even the minimum fee that FMA charges will be seen as low and invite use of these M&A agency services.
2. FMA will offer no-fee consultations, corporate appraisals and proposals, since the objective is to facilitate a discussion regarding M&A options. The company will also offer various M&A support services matched to client needs.
 3. FMA will create a support system to carefully follow up with clients after their respective M&A is completed.

2. Outline of new company

(1)	Name	FinTech M&A Solution Incorporated	
(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	M&A agency services, M&A advisory services	
(5)	Paid-in capital	¥10 million	
(6)	Date of establishment	March 16, 2018	
(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 FMA
		Business relationship	Not applicable

3. Schedule

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| (1) | Resolution by FGI Board of Directors | March 16, 2018 |
| (2) | Date of company establishment | March 16, 2018 |

4. Outlook

Currently, business succession has become a social issue requiring attention. Given this situation, management believes that companies will increasingly seek M&A opportunities as a way to address business succession. In addition, M&A agency services will take advantage of the Group's existing expertise in sourcing projects and arrangements for the investment banking business and in building growth strategies for corporate investment activities, and thus, management sees the new company being a highly compatible addition to the Group. Management anticipates medium- to long-term improvement in consolidated business results, but the impact on fiscal 2018 business results is under review and will take into consideration other business trends. An announcement will therefore be made once a clearer picture is known.

END

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

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