Results for First Quarter of Fiscal 2018, ending September 30, 2018

February 2018

FinTech Global Incorporated
Mothers Stock Code: 8789
http://www.fgi.co.jp/english/

Fiscal 2018 First Quarter Business Summary

Investment Banking Business

Investment Banking

Favorable shift in real estate securitization arrangements and asset management. Asset investment exits generating profit.

- Revenues, notably, from real estate securitization arrangements, trended in favorable direction. Asset management fees increased, reflecting investment management subsidiary consolidation.
- Securitized land adjacent to Metsâ project site, adding ¥255 million to revenues and ¥194 million to operating income.
- Invested in city-center real estate development projects, seeking to generate profit through sale, beginning in second half of fiscal 2018 and continuing into fiscal 2019.
- Shares acquired in aircraft asset management company — SGI-Aviation Services — which turned the company into a consolidated subsidiary.

Corporate Investment

Continuing new investment activity. Captured profit through existing fund investment exits.

- New U.S. fund investment. Profit capture on exits from existing fund investments.

Metsä Project

Construction work moving according to plan. Memorandum signed with Hanno to carry some of project expenses.

- Major infrastructure installations and civil engineering work progressing. Construction shifted to foundation work, as planned.
- Memorandum of understanding signed with Hanno for city to carry ¥150 million of Metsä Village improvement expenses. Also, given promotion effect on local industry and tourism, Hanno also to contribute ¥50 million to Hanno Local Resource Utilization LLC for use in Moominvalley Park construction.
- Board decided on December 26, 2017, to issue 18th series of stock acquisition rights to raise capital for Metsä Village construction. Executed January 12, 2018. Expect to raise about ¥2.5 billion.

Real Estate Business

Sold stake in real estate business intermediate holding company. Removed from scope of consolidation, as of first quarter.

- Booked extraordinary profit of ¥267 million (consolidated). Share transfer amount of ¥368 million and loan recovery of ¥992 million to be used as growth capital.

Entertainment Service Business

Metsä Village to open November 2018.

- Efforts, hinging on Moomin Monogatari, moving ahead on Metsä Village tenant agreements.
- Higher revenues, fueled by increased supply of Moomin-related goods from Moomin Monogatari under Hanno program utilizing Japan's "hometown tax" system
- Selling, general and administrative expenses higher, owing to upfront investment in Metsä project. Segment posted loss.

Public Finance Consulting Business

Setting stage for PPP/PFI public enterprise accounting consultations to parallel financial document consultations.

- Offered consulting services on preparation of financial documents under unified standard in fiscal accounting that national government requires all local governments to comply with as of fiscal year ending March 31, 2018.
- Readied consulting service structure to deal with possible introduction of public-private partnership/public financial initiative techniques—demand for which is expected to grow—and application of public enterprise accounting.

Fiscal 2018 First Quarter Consolidated Performance

(Millions of yen)	Fiscal 2017 First Quarter (A)	Fiscal 2018 First Quarter (B)	YOY Change (B)-(A)	Fiscal 2017 Full Year
Revenues	2,579	611	(1,967)	7,182
Gross profit	715	436	(278)	1,626
Operating income(loss)	72	(241)	(313)	(1,319)
Ordinary profit(loss)	173	(261)	(434)	(1,341)
Profit(loss) attributable to owners of parent	161	40	(121)	(1,358)

★ Revenues tumbled 76.3% year on year, and cost of revenues dropped 90.6%, reflecting removal of subsidiaries in real estate business from scope of consolidation as well as a decrease in revenue from asset investment.

Gross profit margin improved, jumping from 27.7% in first quarter of fiscal 2017 to 71.5% in the corresponding period of fiscal 2018.

★ Although investment exits spurred improvement in profit margin for investment banking business, higher selling, general and administrative expenses due to upfront investment in Metsä project led to operating loss. Investment banking business profit margin rose from 24.0% in first quarter of fiscal 2017 to 48.4% in corresponding period of fiscal 2018.

★ Booked extraordinary profit of ¥267 million, through sale of shares in real estate business intermediate holding company (a subsidiary) that was a component of corporate investment. Bottom line was in the black.

Business Summary by Segment

Unit: Millions of yen, Revenue includes intersegment transactions.

Reporting Segments		Fiscal 2017 First Quarter	Fiscal 2018 First Quarter	YOY Change	Principal Consolidated Subsidiaries
Investment Banking Business	Revenue	1,669	480	(1,188)	FinTech Global Inc. FinTech Asset Management Inc. FinTech Global Trading, FGI Capital Partners
	Operating income	401	229	(171)	
Public Management Business	Revenue	–	92	92	Public Management Consulting Corporation
	Operating income	–	(6)	(6)	
Entertainment Service Business	Revenue	37	43	6	Moomin Monogatari Ltd. Hanno Local Resource Utilization LLC Toranomon Ham
	Operating income	(68)	(183)	(114)	
Others	Revenue	0	2	2	Adacotech Incorporated
	Operating income	(8)	(6)	1	
(Real Estate Business)	Revenue	873	–	(873)	Better Life Support Holdings Co., Ltd. Better Life Support Co., Ltd. ,Unihouse Co.,Ltd. Better Life House Co.,Ltd. Better Life Property Co.,Ltd.
	Operating income	(0)	–	0	
Adjustment	Revenue	(0)	(7)	(6)	
	Operating income	(250)	(274)	(23)	
Amount Booked on Consolidated Statement of Income	Revenue	2,579	611	(1,967)	
	Operating income	72	(241)	(313)	

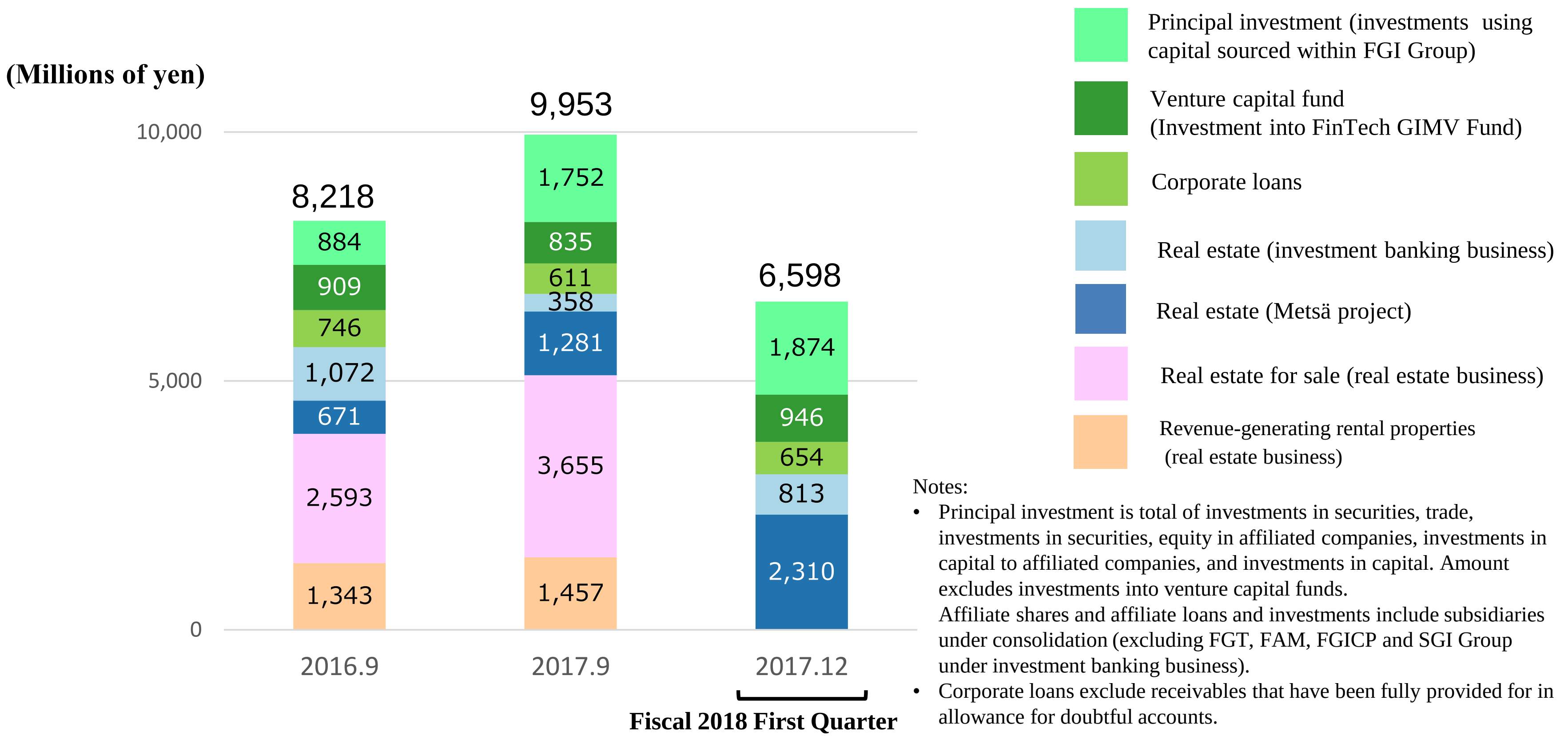
Notes:

1. Public Management Consulting falls under the scope of consolidation from the second quarter of fiscal 2017. Hanno Local Resource Utilization LLC falls under the scope of consolidation from fiscal 2017.
2. Consolidated subsidiaries in real estate business excluded from the scope of consolidation, effective from the first quarter of fiscal 2018, due to sale of shares. For companies in the SGI Group, shares in which were acquired in December 2017, statements of income will be included in consolidated results (investment banking business) from the second quarter of fiscal 2018.
3. The ¥274 million operating loss for the first quarter of fiscal 2018, under adjustment, includes intersegment elimination (¥12 million in the first quarter of fiscal 2018) as well as corporate expenses (¥287 million in the same period) that are not allocated to any reporting segment. Corporate expenses are general and administrative expenses not associated with any reporting segment, mainly because it is difficult to justifiably allocate such expenses to any particular reporting segment.
4. Reporting segments changed in fiscal 2017. Consequently, results for the first quarter of fiscal 2017 have been restated to facilitate year-on-year comparison.

Changes in Investments and Loans

Key Components of Change in First Quarter of Fiscal 2018

- Venture capital fund: New investment in U.S. venture fund targeting technology companies. Existing fund investment up, owing to profit capture.
- Real estate (investment banking business): Acquired land for real estate development projects in city-center, leading to increase.
- Real estate (Metsä project): Although land adjacent to Metsä site sold, construction work at Metsä Village and Moominvalley Park site caused increase.
- Real estate for sale (real estate business) and revenue-generating rental properties (real estate business) showed zero balance, owing to sale of subsidiaries in real estate business.

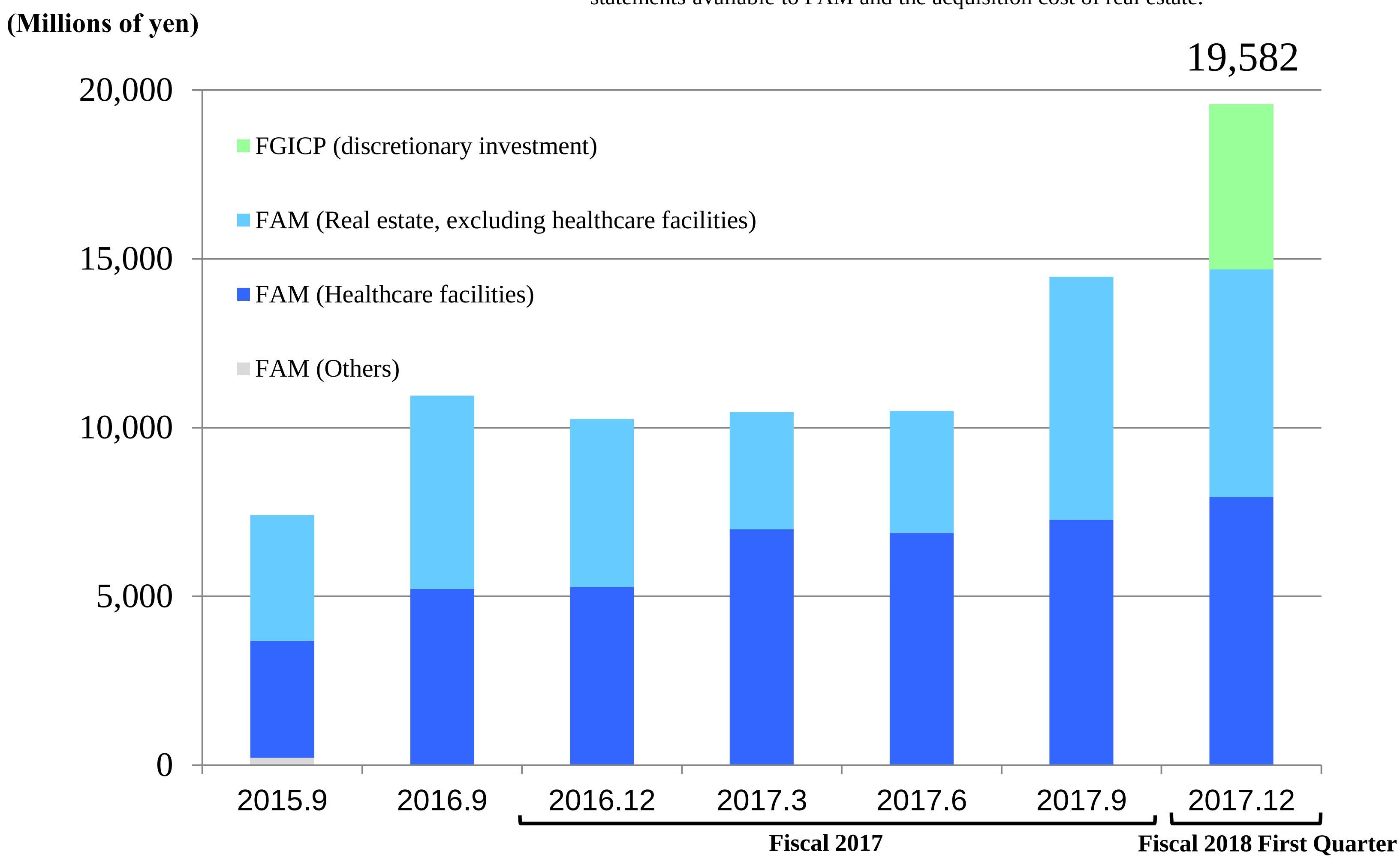


Notes:
- Principal investment is total of investments in securities, trade, investments in securities, equity in affiliated companies, investments in capital to affiliated companies, and investments in capital. Amount excludes investments into venture capital funds.
  Affiliate shares and affiliate loans and investments include subsidiaries under consolidation (excluding FGT, FAM, FGICP and SGI Group under investment banking business).
- Corporate loans exclude receivables that have been fully provided for in allowance for doubtful accounts.

Changes in Assets under Management

Assets under management grew with discretionary investments, paralleling newly consolidated FGI Capital Partners activities under FGI Group umbrella. Real estate investment under management also grew, pushing Group's balance of assets under management 35.3% higher than at the end of fiscal 2017.

*Health care facilities: Mainly housing for seniors.
*The balance of assets under management is calculated on the basis of such factors as recent financial statements available to FAM and the acquisition cost of real estate.



Stock Acquisition Rights — 18th Series

The Board of Directors resolved at its meeting on December 26, 2017, that FGI would issue its 18th series of stock acquisition rights through third-party allocation to raise funds for construction work at Metsä Village and other facility-related investments. The series was issued on January 12, 2018,

Item	Content
Name of Stock Acquisition Rights	FinTech Global Incorporated Stock Acquisition Rights (Private Placement) - Series 18
Allotment date and payment date	January 12, 2018
Issue price of each Stock Acquisition Right	70 yen (0.7 yen per share to be delivered upon exercise of Stock Acquisition Rights) （Aggregate issue price of Stock Acquisition Rights: 16,800,000 yen）
Number of dilutive shares from issuance of stock acquisition rights	24,000,000 shares of common stock of the Company (Percentage of total outstanding shares : 14.8%)
Floor exercise price	64 yen
Amount raised	2,541,800,000 yen (estimated net proceeds) (Note)
Exercise price and reset of exercise price	Initial Exercise Price: 106 yen On and after January 15, 2018, the Exercise Price shall be reset to 90% of the closing price of shares of Common Stock in ordinary trading on the Tokyo Stock Exchange on the trading day immediately preceding the effective date of a request for exercise of Stock Acquisition Rights (a "Reset Date") as of such Reset Date (if there is no closing price on such day, the then available most recent closing price); provided, however, that if the Exercise Price as a result of the calculation above would be less than the floor Exercise Price (the “Floor Exercise Price”), the Floor Exercise Price shall be the Exercise Price after the reset.
Offering method	All Stock Acquisition Rights will be allotted to Barclays Bank PLC by way of private placement
Period during which Stock Acquisition Rights may be exercised	January 15, 2018 – January 14, 2020

Note: The anticipated amount raised (about ¥2.5 billion) is based on the Initial Exercise Price determined on December 26, 2017, when the Board of Directors decided to go ahead with the issuance of Stock Acquisition Rights, and subtracts the estimated amount of issuance expenses from the total amount to be paid plus the amount of property to be contributed at the time of exercise.

Consolidated Balance Sheets

(Thousands of yen)

Assets	Fiscal 2017	Fiscal 2018 First Quarter	Change
Current assets	10,122,083	7,059,201	(3,062,881)
Cash and time deposits	3,219,805	2,878,638	(341,166)
1 Notes and accounts receivable, trade	196,840	439,211	242,371
2 Investments in securities, trade	1,069,032	1,175,367	106,335
Loans receivable, trade	609,147	588,319	(20,828)
3 Real estate for sale	2,287,519	661,209	(1,626,309)
4 Real estate for sale in progress	2,556,159	1,122,483	(1,433,675)
Merchandise	10,084	11,442	1,358
Other current assets	257,235	268,150	10,914
Allowance for doubtful assets	(83,739)	(85,622)	(1,882)
Noncurrent assets	2,810,440	2,245,631	(564,808)
Property, plant and equipment	2,238,234	1,635,401	(602,833)
5 Intangible fixed assets	38,609	239,399	200,789
6 Investments and other assets	533,596	370,830	(162,765)
Total assets	12,932,524	9,304,833	(3,627,690)

1 Mainly, an increase due to consolidation of SGI Group.

2 Increase reflects new investment in U.S. venture fund targeting technology companies and revenue capture on existing fund investments

3 Decrease due to removal of real estate business subsidiaries from scope of consolidation and sale of land adjacent to Metsä site.

4 Posted decrease, despite investment into real estate development projects and payments for Metsä Village construction work, owing to removal of real estate business subsidiaries from scope of consolidation.

5 Despite increase in account for Moominvalley Park construction in progress, posted decrease in real estate for rental purposes, due to removal of real estate business subsidiaries from scope of consolidation.

6 Booked goodwill, due to consolidation of SGI Aviation and other companies.

7 Loans were down, reflecting removal of real estate business subsidiaries from scope of consolidation.

Liabilties	Fiscal 2017	Fiscal 2018 First Quarter	Change
Current liabilities	3,785,430	895,713	(2,889,716)
Notes and accounts payable, trade	152,025	149,537	(2,488)
7 Short-term loans payable	2,751,380	74,998	(2,676,382)
7 Current portion of bonds	30,000	–	(30,000)
7 Current portion of long-term loans payable	293,847	141,249	(152,597)
Income taxes payable	42,335	33,610	(8,725)
Deferred tax liabilities	7,967	217	(7,749)
Accrued employee bonuses	72,795	55,064	(17,730)
Other current liabilities	435,078	441,036	5,957
Noncurrent liabilities	3,820,631	3,269,854	(550,776)
7 Bonds payable	30,000	–	(30,000)
7 Long-term loans payable	3,513,399	3,158,648	(354,751)
Net defined benefit liability	113,485	–	(113,485)
Deferred tax liability	119,661	100,354	(19,306)
Other noncurrent liabilities	44,085	10,852	(33,233)
Total liabilities	7,606,062	4,165,568	(3,440,493)

Net Assets	Fiscal 2017	Fiscal 2018 First Quarter	Change
Shareholders' equity	4,800,789	4,753,519	(47,269)
Common stock	4,549,016	4,551,791	2,774
Additional paid-in capital	1,812,727	1,744,565	(68,161)
Retained earnings	(1,560,954)	(1,542,837)	18,117
Accumulated other comprehensive income	(530)	2,938	3,469
Subscription rights to shares	50,142	34,953	(15,188)
Non-controlling interests	476,060	347,852	(128,207)
Total net assets	5,326,461	5,139,264	(187,197)
Total liabilities and net assets	12,932,524	9,304,833	(3,627,690)

Consolidated Statement of Income

(Thousands of yen)

	Fiscal 2017 First Quarter	Fiscal 2018 First Quarter	Change
Revenues	2,579,239	611,489	(1,967,749)
Cost of revenues	1,863,715	174,501	(1,689,214)
Gross profit	715,523	436,987	(278,535)
Selling, general and administrative expenses	643,345	678,376	35,031
Operating income/(loss)	72,178	(241,389)	(313,567)
Other income	125,748	5,802	(119,946)
Other expenses	24,013	25,429	1,415
Ordinary profit/(loss)	173,913	(261,016)	(434,929)
Extraordinary profit	6,544	279,941	273,396
Extraordinary loss	296	—	(296)
Income before income taxes	180,161	18,925	(161,236)
Income taxes	19,006	23,635	4,628
Profit /(loss)	161,154	(4,710)	(165,865)
Profit /(loss) attributable to non-controlling interests	(416)	(45,208)	(44,791)
Profit /(loss) attributable to owners of parent	161,571	40,497	(121,074)

1 Revenues tumbled 76.3% and cost of revenues dropped 90.6% year-on-year, reflecting removal of real estate business subsidiaries from the scope of consolidation as well as lower revenue on asset investment activities.

2 Although no expenses were booked in the real estate business, other expenses grew in preparing or the opening of Metsä.

3 Gain on sale of shares in affiliates reached ¥267 million, owing to sale of shares in real estate business subsidiaries.

Reference Materials

- Non-Consolidated Financial Statements (Balance Sheets and Statement of Income)
- Changes in Key Financial Data (Six years)
- Corporate Data

Non-Consolidated Balance Sheets

(Thousands of yen)

Assets	Fiscal 2017	Fiscal 2018 First Quarter	Change
Current Assets	6,090,329	6,128,506	38,176
Cash and time deposits	1,801,547	1,902,654	101,107
Accounts receivable, trade	6,646	10,939	4,293
Investment securities, trade	970,092	1,077,682	107,589
Loans receivable, trade	609,147	588,319	(20,828)
Short-term loans, receivable	1,998,294	1,185,294	(813,000)
Real estate for sale	346,503	304,516	(41,987)
Real estate for sale in progress	407,183	1,122,483	715,300
Other current assets	192,498	188,127	(4,370)
Allowance for doubtful assets	(241,583)	(251,512)	(9,928)
Noncurrent assets	2,545,382	3,004,392	459,009
Property, plant and equipment	500,242	671,377	171,135
Intangible assets	19,278	18,870	(408)
Investments and other assets	2,025,862	2,314,145	288,283
Total assets	8,635,712	9,132,898	497,186

Liabilties	Fiscal 2017	Fiscal 2018 First Quarter	Change
Current liabilities	649,984	551,827	(98,156)
Accounts payable-trade	1,249	871	(378)
Short-term loans payable	225,000	169,998	(55,002)
Current portion of long-term debt	144,866	136,214	(8,652)
Accounts payable-others	52,203	72,746	20,543
Deposits received	89,525	21,969	(67,555)
Advances received	19,995	8,187	(11,807)
Accrued employee bonuses	38,446	10,956	(27,489)
Others	78,699	130,884	52,185
Long-term liabilities	2,297,051	2,740,484	443,433
Long-term loans payable	2,173,634	2,631,730	458,096
Provision for retirement benefits	91,842	96,179	4,337
Others	31,574	12,574	(19,000)
Total liabilities	2,947,035	3,292,312	345,276

Net Assets			
Shareholders' equity	5,640,763	5,807,052	166,289
Capital stock	4,549,016	4,551,791	2,774
Additional paid-in capital	2,114,239	2,117,014	2,774
Retained earnings	(1,022,492)	(861,753)	160,739
Valuation difference on available-for-sale securities	–	3,037	3,037
Subscription rights to shares	47,913	30,496	(17,417)
Total net assets	5,688,677	5,840,586	151,909
Total liabilities and net assets	8,635,712	9,132,898	497,186

Non-Consolidated Statement of Income

(Thousands of yen)

	Fiscal 2017 First Quarter	Fiscal 2018 First Quarter	Change
Revenue	858,343	440,687	(417,656)
Cost of revenue	461,311	88,153	(373,158)
Gross profit	397,032	352,534	(44,498)
Selling, general and administrative expenses	335,404	397,535	62,130
Operating income/(loss)	61,627	(45,001)	(106,628)
Other income	227,001	44,606	(182,394)
Other expenses	79,744	20,922	(58,822)
Ordinary income/(loss)	208,885	(21,316)	(230,201)
Extraordinary profit	6,544	208,599	202,054
Extraordinary loss	—	300	300
Income before income taxes	215,430	186,982	(28,447)
Income taxes	(15,821)	26,242	42,064
Net income	231,252	160,739	(70,512)

Changes in Key Financial Data

		Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	First Quarter Fiscal 2018
Revenues	(millions of yen)	1,603	3,911	5,429	7,485	7,182	611
Gross profit	(millions of yen)	1,468	2,398	2,495	1,496	1,626	436
Operating income/(loss)	(millions of yen)	(31)	555	115	(1,031)	(1,319)	(241)
Ordinary income (loss)	(millions of yen)	88	684	237	(1,369)	(1,341)	(261)
Profit /(loss) attributable to owners of parent	(millions of yen)	182	923	224	(1,384)	(1,358)	40
Net assets	(millions of yen)	2,716	5,534	7,879	6,312	5,326	5,139
Total assets	(millions of yen)	4,770	7,452	11,958	10,975	12,932	9,304
Net assets per share	(yen)	22.23	37.41	48.31	38.66	29.64	29.60
Net income (loss) per share	(yen)	1.52	6.92	1.48	(8.56)	(8.39)	0.25
Diluted net income (loss) per share	(yen)	1.52	6.89	1.47	−	−	0.25
Equity to total asset ratio	(%)	56.4	73.9	65.4	57.0	37.1	51.1
Equity to net income ratio	(%)	7.2	22.5	3.4	(19.7)	(24.6)	−
Price earning ratio (PER)	(times)	21.9	9.2	84.7	−	−	−
Cash flow from operating activities	(millions of yen)	(464)	(2,208)	(1,791)	(1,305)	(1,153)	−
Cash flow from investing activities	(millions of yen)	85	509	(644)	(302)	(1,026)	−
Cash flow from financing activities	(millions of yen)	(128)	2,065	4,761	(751)	2,937	−
Cash and cash quivalents at the end of the fiscal year	(millions of yen)	1,644	2,024	4,612	2,240	2,969	−
Number of employees(consolidated) (part-time employees)	(employees)	51(13)	109(7)	117(8)	114(20)	143(27)	104(30)
Number of employees(non-consolidated)(part-time employees)	(employees)	26(3)	24(3)	38(3)	45(8)	40(6)	35(6)

FGI executed a stock split on April 1, 2014, that split each share into 100 shares. Consequently, net assets per share, net income (loss) per share and net income per share after adjustment for diluted shares have been calculated as if the aforementioned stock split had occurred at the beginning of fiscal 2013.

Corporate Data: FinTech Global Incorporated

Head office	Meguro Central Square 15th Floor, 3-1-1, Kamiosaki, Shinagawa-ku, Tokyo 141-0021
Establishment	December 7, 1994
Representative	Nobumitsu Tamai, President and Chief Executive Officer
Data of listing	June 8, 2005
Securities Code	8789 (TSE Mothers)
Fiscal year-end	September 30
Main business	I. Investment banking business II. Public management consulting business Ⅲ. Entertainment service business
Number of issued shares	161,986,400 shares (As of of December 31, 2017)
Minimum trading unit	100
Capital stock	¥4,551 million (As of of December 31, 2017)
Net assets (consolidated)	¥5,139 million (As of of December 31, 2017)
Major shareholders (As of September 30, 2017)	Nobumitsu Tamai 20,095,500 shares (12.41%) Yuko Fujii 3,776,400 shares (2.33 %) Masaaki Aoshima 1,708,000 shares (1.05 %) Naotake Tamura 1,576,000 shares (0.97 %) Robert Hirst 1,535,000 shares (0.95 %)
Number of employees	Consolidated: 104 (As of of December 31, 2017, excludes temporary staff)

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Disclaimer

Certain statements made in these materials, including some management targets, may contain forward-looking statements which reflect management's views and assumptions. Management targets represent goals that management will strive to achieve through the successful implementation of business strategies for the FGI Group. The Group may not be successful in implementing its business strategies, and management may fail to achieve its targets. Management targets and other forward-looking statements involve current assumptions of future events as well as risks and uncertainties that could significantly affect expected results, including adverse economic conditions in Japan, the United States or other countries; declining real estate and/or stock prices; additional corporate bankruptcies or additional problems in business sectors to which Group companies lend; difficulties or delays in integrating businesses and achieving desired cost savings; increased competitive pressures; changes in laws and regulations applicable to the Group's businesses; and adverse changes in Japanese economic policies.

To the extent materials containing forward-looking statements remain in available documents, we have no obligation nor the intent to update such forward-looking statements.