FGI FinTech Global Incorporated

The firm of innovative financing

Results for Fiscal 2018, ended September 30, 2018

November 2018

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

Fiscal 2018 Consolidated Business Summary

- ✓ **Despite higher income on lower revenues, unable to cover upfront Metsä expenses, leading to operating loss.**
- ✓ **On a non-consolidated basis, FGI returned to a profit position.**
- ✓ **Management resources shifted back into investment banking business. Gross profit jumped 39.1% year on year, to ¥2.2 billion, mainly due to investment exits. Investment banking business on recovery track.**

Gross Profit

New investments and loans and increase in investment exits for investment banking business. Brought aircraft asset management company under consolidation. Gross profit for investment banking business hit ¥ 2.0 billion*, up ¥ 1.4 billion. (*before intersegment elimination)

- ✓ Redirected capital resources, captured mainly through sale of subsidiaries in real estate business and securitization of land adjacent to Metsä site, as well as human resources back into highly profitable, core investment banking business.
- ✓ More new investments and loans in investment banking business. New investments and loans in previous fiscal year* stalled at ¥483 million, but reached ¥1,953 million in fiscal 2018 and some of this activity was booked under revenue in fiscal 2018. Moving forward on steps to capture revenue in fiscal 2019 as well.

  *Limited to transactions booked under investments in securities, trade, loans receivable, trade, real estate for sale and real estate for sale in progress
- ✓ Revenues dropped ¥4,713 million, due to sale of subsidiaries in real estate business, but revenues from high-profit investment banking operations—such as those listed below—increased, pushing gross profit to ¥2,261 million, up 39.1%, or ¥635 million, year on year.
  - In corporate investment activity, gross profit of ¥420 million on exits from FGF venture fund
  - Gross profit of ¥589 million through newly consolidated aircraft asset management company

Operating Income

SG&A expenses up 13%, mainly due to costs related to preparations for Metsä opening

- ✓ SG&A expenses for entertainment service business rose ¥641 million, to ¥1,012 million, reflecting upfront investment to prepare for Metsä opening.
- ✓ SG&A expenses for investment banking business grew ¥692 million, to ¥1,154 million, owing to higher personnel costs and addition of aircraft asset management company to scope of consolidation.
- ✓ SG&A expenses—¥777 million—for real estate business in previous fiscal year were eliminated.
- ✓ Given these factors, SG&A expenses reached ¥3,333 million, up ¥388 million year on year, and led to an operating loss of ¥1,072 million, down slightly from ¥1,319 million in fiscal 2017.
- ✓ Real estate business model characterized by high cost ratio and high SG&A expense ratio, so impact on operating income through exclusion from scope of consolidation was minimal. (Segment income of real estate business was ¥149 million in previous fiscal year.)

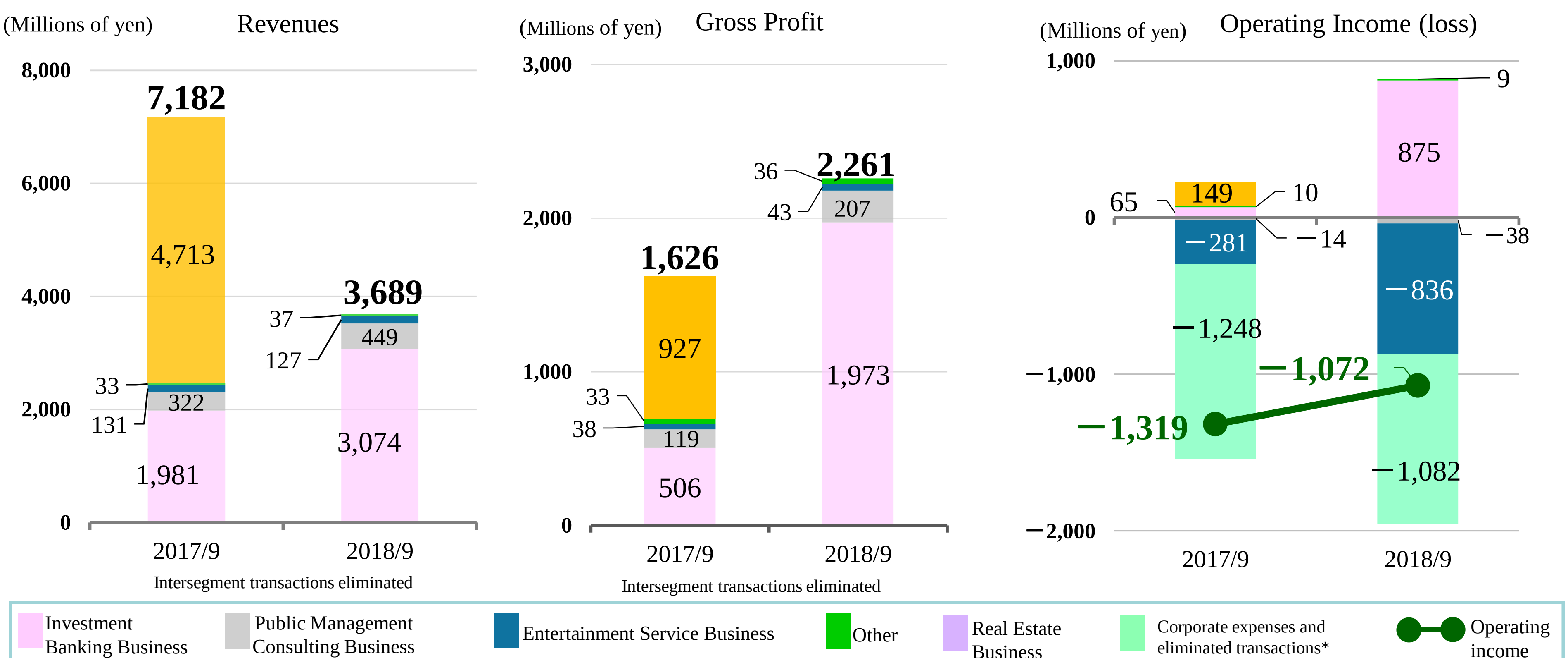
Extraordinary Profit

Booked ¥ 267 million in proceeds from sale of shares in subsidiaries and affiliates(first quarter)

- ✓ Proceeds—¥267 million—from sale of real estate companies in FGI's investment portfolio were booked under extraordinary profit rather than operating income because the companies were consolidated subsidiaries.

Fiscal 2018 Consolidated Performance

(Millions of yen)	Fiscal 2017	Fiscal 2018	YOY Change	Forecast (As of May 2018)	Comparison
Revenues	7,182	3,689	(3,493)	4,160	(470)
Gross profit	1,626	2,261	635	2,600	(338)
Operating income (loss)	(1,319)	(1,072)	246	(950)	(122)
Ordinary income (loss)	(1,341)	(1,227)	114	(1,160)	(67)
Profit/(loss) attributable to owners of parent	(1,358)	(820)	538	(730)	(90)



*Corporate expenses are general administrative expenses not attributable to any particular reporting segment mainly due to the fact that they cannot be realistically allocated, and eliminated transactions are eliminated intersegment transactions.

Business Summary by Segment

(Millions of yen)
Revenues, gross profit and operating income include intersegment transactions.

Reporting Segments		Fiscal 2017	Fiscal 2018	YOY Change	Key Consolidated Companies
Investment Banking Business *	Revenue	2,018	3,137	1,118	FinTech Global Inc. FinTech Asset Management Inc. FinTech Global Trading, FGI Capital Partners FinTech M&A Solition,SGI-Aviation Services
	Gross profit	542	2,035	1,493	
	Operating income	80	880	800	
Public Management Consulting Business	Revenue	324	457	132	Public Management Consulting Corporation Geoplan Namtech
	Gross profit	120	214	94	
	Operating income	(18)	(60)	(41)	
Entertainment Service Business	Revenue	135	129	(5)	Moomin Monogatari Ltd. Hanno Local Resource Utilization LLC Toranomon Ham
	Gross profit	42	45	2	
	Operating income	(328)	(966)	(638)	
Others	Revenue	33	37	3	Adacotech Incorporated
	Gross profit	33	36	2	
	Operating income	(2)	(6)	(4)	
（Real Estate Business）	Revenue	4,713	–	(4,713)	(Better Life Support Holdings Co., Ltd. Better Life Support Co., Ltd. ,Unihouse Co.,Ltd. Better Life House Co.,Ltd. Better Life Property Co.,Ltd.)
	Gross profit	927	–	(927)	
	Operating income	149	–	(149)	
Adjustment （Elimination of transactions among segments and corporate expenses)	Revenue	(43)	(72)	(29)	
	Gross profit	(40)	(71)	(30)	
	Operating income	(1,199)	(919)	280	
Amount Booked on Consolidated Statement of Income	Revenue	7,182	3,689	(3,493)	
	Gross profit	1,626	2,261	635	
	Operating income	(1,319)	(1,072)	246	

* The October 2017 sale of shares in Better Life Support Holdings Co., Ltd., which was in FGI's corporate investment portfolio and the heart of the FGI Group's real estate business, generated proceeds of ¥267 million. This was booked under extraordinary profit rather than revenues and operating income for the investment banking business.

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 the fourth quarter of 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.
3. SGI-Aviation Services B.V. fell under consolidation in the second quarter of fiscal 2018, and FinTech M&A Solution, Inc., and Geoplan Namtech Inc. fell under consolidation in the third quarter of fiscal 2018.
4. The ¥(919) million operating loss fiscal 2018, under adjustment, includes intersegment elimination (¥165 million fiscal 2018) as well as corporate expenses (¥(1,084) 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.

Business and Financial Details

- Business Summary by Segment
- Investment Banking Business—Revenues and Gross Profit by Service
- Trends in New Investment and Loan Amount in Investment Banking Business
- Trends in Balance of Investments and Loans, Changes in Assets under Management
- Efforts to Promote M&A Business
- Moving toward Metsä Opening
- Metsä Business — Status of Investment Related to Development
- Consolidated Financial Statements

Fiscal 2018: Business Summary by Segment

Investment Banking Business

Investment banking services

Directed management resources into asset investment/asset management/M&A.

- Brought investment management company under consolidation in first quarter.
- In asset investment, securitized real estate adjacent to Metsä site and exited investments through sale of investment real estate.
- Acquired shares in SGI-Aviation Services, an aircraft asset management company, and included profit (loss) in consolidated results from second quarter.
- Full-scale start to M&A agency services to meet need for business succession advice and action.

Corporate investment

Significant returns through fund investment exits.

- New investment in securities, trade and loan receivables, trade into such targets as U.S. funds and domestic companies brought overall new investments and loans to ¥1.1 billion.
- Booked revenue of ¥420 million on exit from FinTech GIMV Fund life science project.
- Proceeds of ¥267 million from sale of real estate companies in investment portfolio booked under extraordinary profit.

Metsä business (Metsä Village development project)

Construction work progressed as planned, was completed and ownership transferred on October 2, 2018, after books closed.

- Issued 18th series of stock acquisition rights to raise funds for construction work at Metsä Village, with all rights exercised by August 10.
- Raised ¥1,970 million (net proceeds amount)
- Full-scale sales of development real estate, including securitization, to start from next fiscal year.

Entertainment Service Business

Moomin Monogatari raised ¥2.8 billion between February and November 2018 through third-party allocation of shares.
Local SPC raised ¥5.6 billion in long-term loans from regional financial institutions in October 2018.

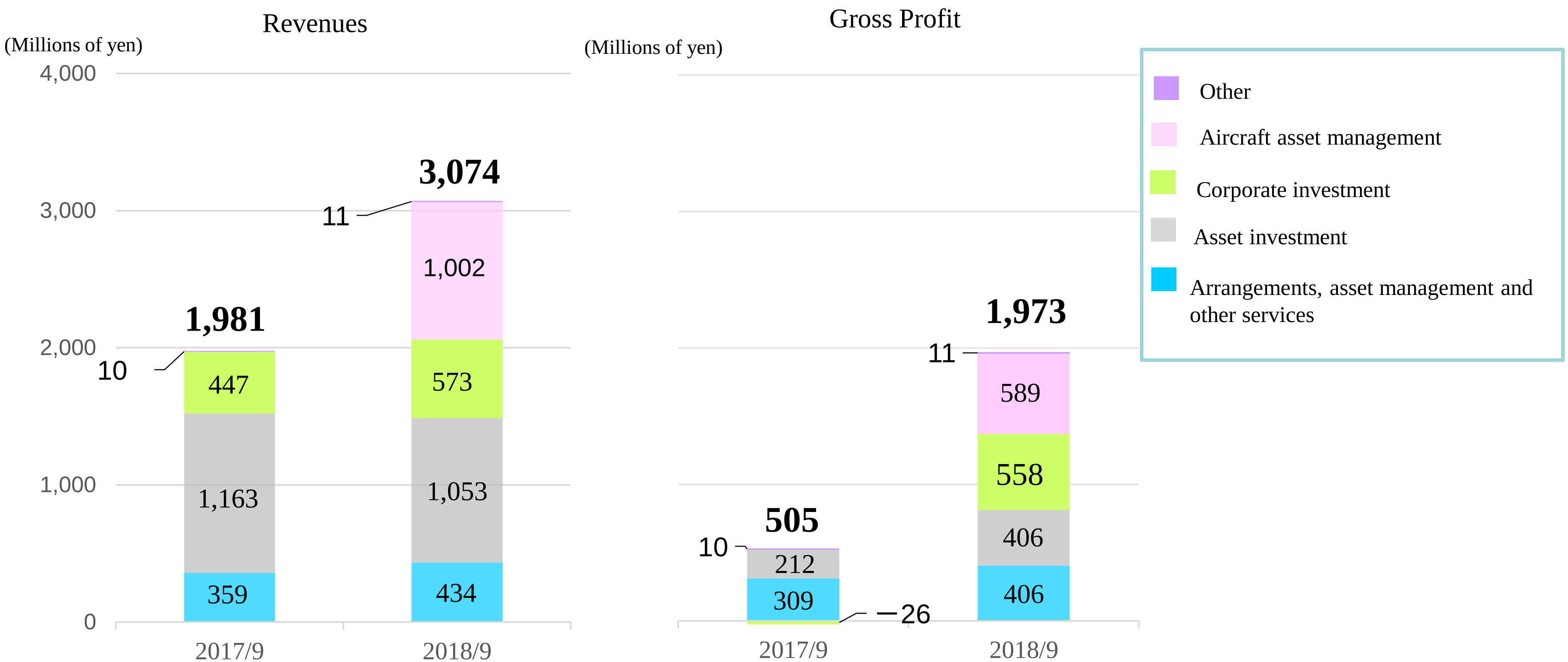
- Established Rights and Brands Japan Co., Ltd., to manage all Moomin copyrights in Japan, and welcomed start of business in April 2018.
  Plan to bring company under consolidation in fiscal 2019. (Moomin Monogatari holds 44.5% equity)
- Worked to sign up tenants for Metsä Village, scheduled to open on November 9, 2018, with all shops to open in November.
- Hanno Local Resource Utilization LLC, a special purpose company—local SPC—that owns Moominvalley Park real estate, borrowed total of ¥5.6 billion from four financial institutions on October 2, 2018, in line with loan agreements signed in July 2017.
- Concluded leasing agreement to procure ¥942 million to cover cost of construction for interior and exterior features.

Public Management Consulting Business

Parallel to financial document consulting, created consulting structure for PPP/PFI and public enterprise accounting,

- Discussed feasibility of introducing public-private partnership/public financial initiative techniques—demand for which is expected to grow.
- Promoted consulting services to existing local government clients on management strategies for public enterprises.

Investment Banking Business—Revenues and gross profit by service



*Intersegment transactions use eliminated values

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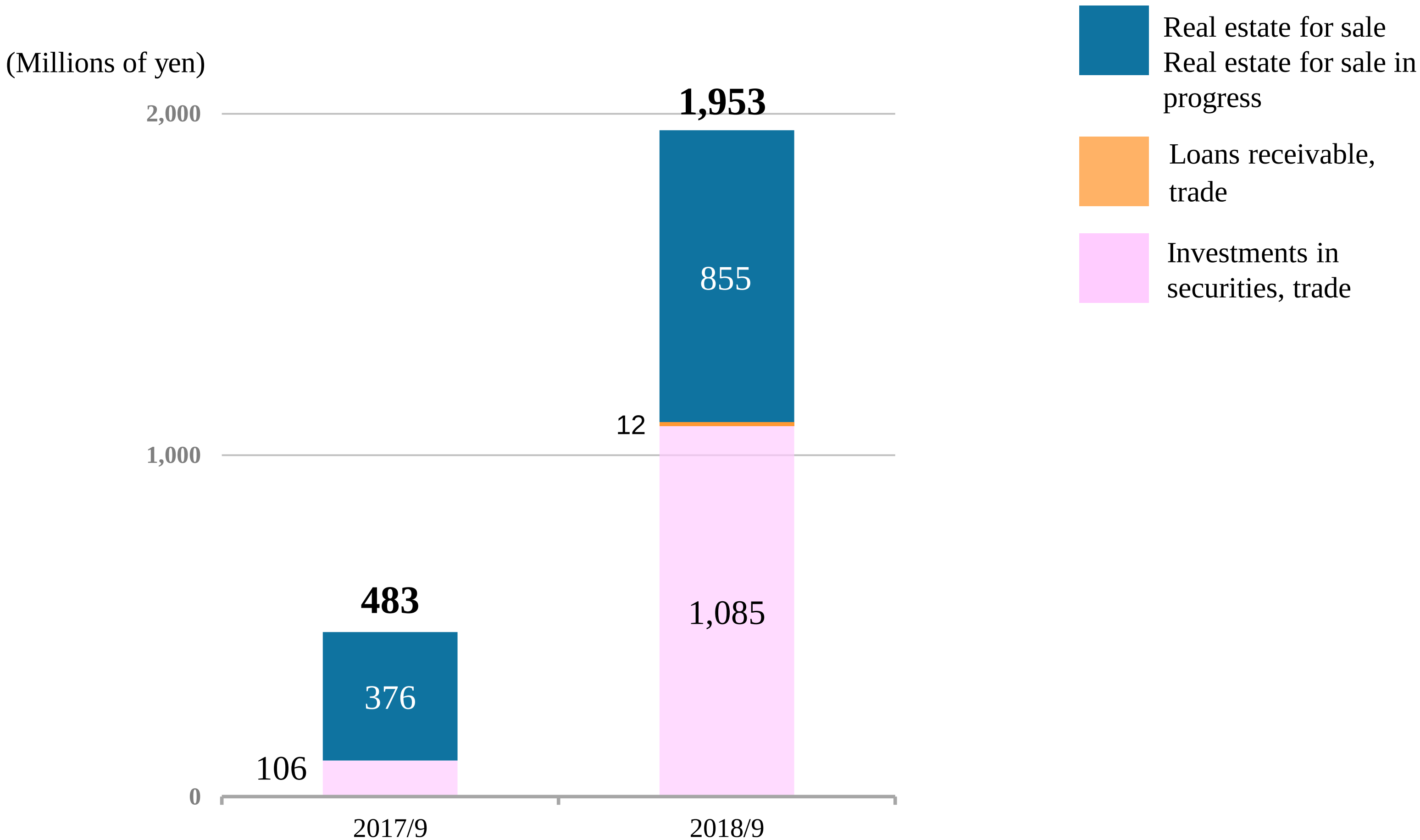
Gross profit for the investment banking business skyrocketed 275% year on year.
Fee income through arrangement services was flat, but corporate investment, which showed a loss in fiscal 2017, rebounded significantly in fiscal 2108 thanks to fund investment exits. Asset investment results were also much improved.
Through M&A, companies, including aircraft asset management company SGI-Aviation Services, were brought under consolidation from second quarter, and fueled gross profit.
Adding on the ¥267 million from proceeds on sale of shares in real estate companies booked under extraordinary profit, this core business demonstrated a significant improvement over the previous fiscal year.

Trends in New Investment and Loan Amount in Investment Banking Business
(excludes Metsä-related investments and loans)

Segment results for the investment banking business depend on the amount of investments and loans extended to clients. A higher amount of investments and loans in fiscal 2018 contributed to an improvement in results for this segment.



Fiscal 2017: Capital resources concentrated into Metsä project to prepare site and construct buildings, which caused a steep decline in the balance of new investment and loans.

Fiscal 2018: Captured proceeds through exits on investments and loans, such as sale of subsidiaries in real estate business. Balance of new investments and loans increased.

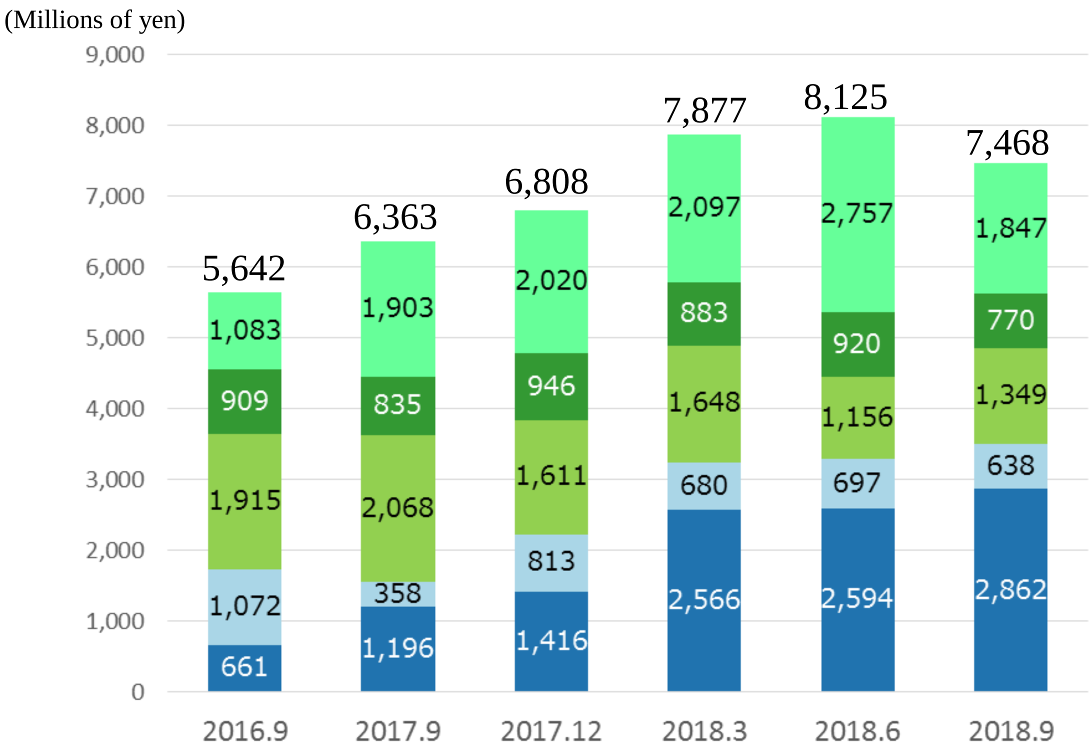
Trends in Balance of Investments and Loans (FGI, FGT total)

Increase in new investments and loans in fiscal 2018, pushing balance of investments and loans up 17.4% year on year, to ¥7.4 billion.

Key components of change in fiscal 2018 (October 2017 to September 2018)

• Principal investment	New investment in urban infrastructure management system development company (turned into subsidiary). New investment in/exit from SPC with landholdings.
• Venture capital fund	Investment into U.S. venture fund. Realized income of ¥420 million through fourth-quarter FGF investment exits.
• Corporate investment	Recovery of loans extended to subsidiaries in real estate business and Moomin Monogatari. Loan to SPC to acquire shares in SGI Group.
• Real estate (investment banking business)	Sold investment real estate but still saw increase, owing to acquisition of development-oriented real estate in city center.
• Real estate (Metsä)	Sold land adjacent to Metsä site but still saw increase, paralleling progress on Metsä Village construction.

Total Investments and Loans by FGI and FinTech Global Trading (FGT) (including investments in subsidiaries)



Principal investment
Total of investments in securities, trade, investments in securities, equity in affiliated companies, investments in capital to affiliated companies, and investments in capital but excluding investments into venture capital funds.

Venture capital fund
(Investment into FinTech GIMV Fund, etc.)

Corporate loans
Total of business loans and short-term loans to subsidiaries. Does not include receivables provided for in allowance for doubtful accounts, but all subsidiary loans are booked.

Real estate (investment banking business)
Investment real estate and development-use real estate in the investment banking business. On the balance sheets, booked under real estate for sale in progress and real estate for sale.

Real estate (Metsä business)
Real estate for Metsä. Metsä Village real estate booked under real estate for sale in progress and real estate for sale. Moominvalley Park land, while legally transferred to local special purpose company, is included in this amount because on an accounting basis it is booked under FGI's noncurrent assets.

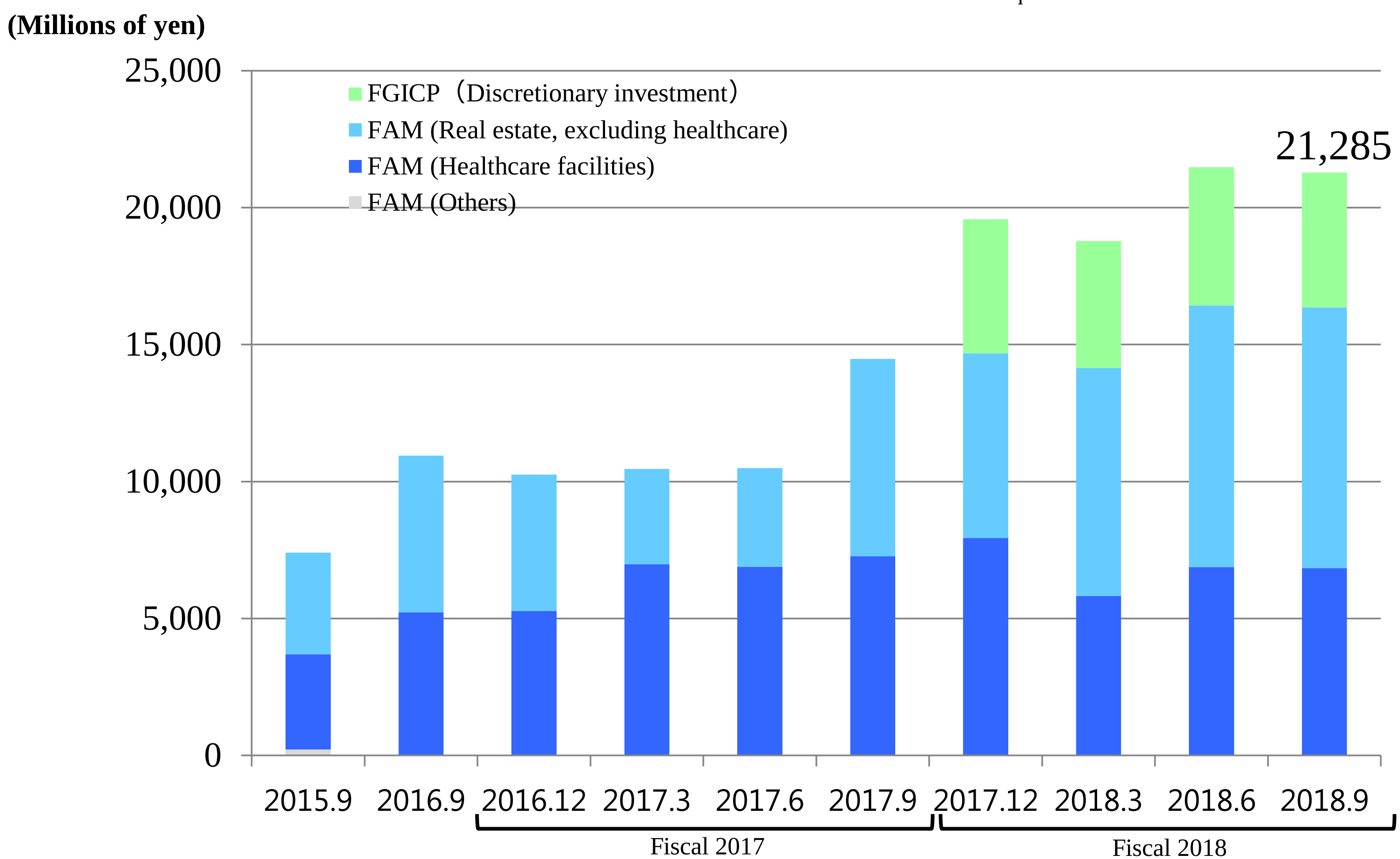
Note: Does not include contribution or loans between FGI and FGT

Changes in Assets under Management

FinTech Asset Management（FAM)
FGI Capital Partners （FGICP)

FGICP brought newly under consolidation as of fiscal 2018. Assets under management increased through discretionary investment.
In real estate investment management, some buildings were sold but balance of assets under management within the Group climbed 47.0% year on year, largely due to development of healthcare facilities and progress on facility upgrade projects.

*Healthcare 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.



Efforts to Promote M&A Business

Full-scale start on M&A agency services to address concerns over business succession

- ✓ Signed business partnership agreements with accounting firms across Japan. (109 agreements between April and September 2018)
- ✓ Marked increase in inquiries for business succession projects derived from business partnership agreements
- ✓ Using membership network of Local Public Accounting Research Center — 51 accounting firms — to attract business succession projects from all over Japan
  *Local Public Accounting Research Center is an organization that looks into accounting treatment policies and proposes accounting standards for local public accounting and local public enterprise accounting.
- ✓ Held joint seminars with business partners across Japan and seminars for financial institution customers.
- ✓ Enhanced M&A online system FMA Crowd Service (https://fma-crowd.com/)

Contract status (actual results for fiscal 2018)

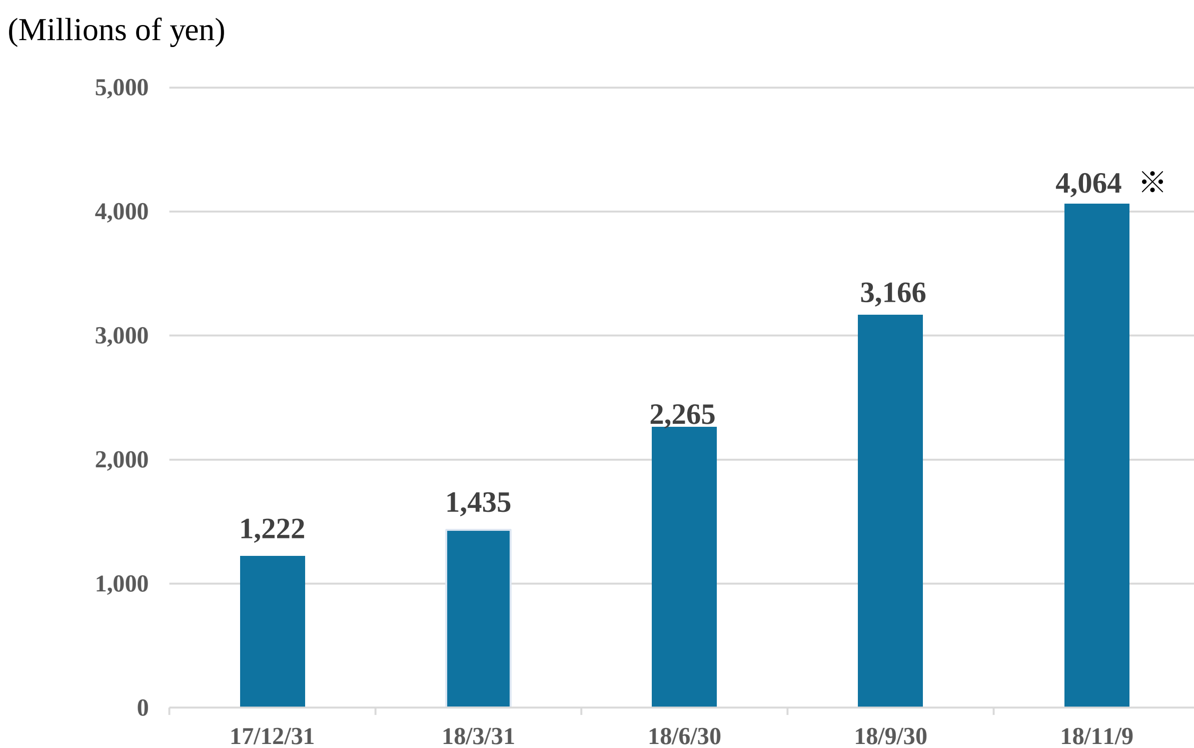
No.	Transferring company		Acquiring company	
	Industry sector	Region	Industry sector	Region
1	Construction	Metropolitan Tokyo	Real estate agency	Metropolitan Tokyo
2	Real estate rental	Tokai	Real estate rental	Metropolitan Tokyo
3	Product planning	Metropolitan Tokyo	Retail	Metropolitan Tokyo
4	Real estate rental	Metropolitan Tokyo	Retail	Metropolitan Tokyo
5	Real estate agency	Metropolitan Tokyo	Real estate rental	Metropolitan Tokyo

Moving toward Metsä Opening

Reinforced financial footing through Moomin Monogatari capital increase

- ✓ In view of rising corporate value through steady progress on the project, including preparations for the opening of Metsä, as well as future business development (including capital investment and business operations), Moomin Monogatari executed multiple third-party allocation of shares with invitation to external investors as well
- ✓ FGI’s shareholding ratio, including shares held by investment funds in which the Company has contributed capital, was 99% as of December 31, 2017, but is expected to drop to 54.6% as of November 9, 2018.

Changes in Total Common Stock and Additional Paid-in Capital at Moomin Monogatari



*Includes increased capital as of Nov 9 payment date

Metsä Business — Status of Investment Related to Development

(Numbers rounded down to the nearest whole number)

	Metsä Village	Moominvalley Park
Contracting parties	Ordering: FGI Receiving: Metsä Project Hanno Consortium	Ordering: Hanno Local Resource Utilization LLC Receiving: Metsä Project Hanno Consortium
Site area	163,000m^2 (Entire site, excluding water area)	73,000m^2 (Entire site, excluding water area)
Total floor space	4,339m^2 (Excluding multi-level parking structure)	7,596 m^2
Schedule	Jul. 3, 2017 Start of construction (civil engineering) Jul. 28, 2017 Start of construction (buildings) Oct. 2, 2018 Completion and delivery	Jul. 3, 2017 Start of construction Oct. 2, 2018 Completion and delivery
Cost of contracted construction work	Civil engineering: ¥1.2 billion Structures: ¥1.1 billion (Civil engineering work based on contract signed June 29, 2017; construction of buildings based on contract signed July 28, 2017)	Structures (civil engineering and buildings): ¥3.4 billion (Contract signed June 29, 2017)

Other Capital Investment

Key facilities	Multi-level parking structure: ¥500 million	Special interior and exterior work: ¥2.06 billion Ordering: Moomin Monogatari, Ltd. (contracts for movable property) Ordering: Hanno Local Resource Utilization LLC (contracts for real estate) Receiving: NOMURA Co., Ltd. February 15, 2018: Start of construction January 31, 2019: Complete delivery (planned) Other special interior and exterior work: ¥0.18 billion
Other aspects, including design	¥1,400 million (note) (Includes amount already paid as of September 30, 2018.)	¥1,760 million (Includes amount already paid as of September 30, 2018. Does not include land.)

Total capital investment (provisional)	¥4.2 billion	¥7.4 billion

Notes: 1. Planned investment amount, as announced September 30, 2018
2. The above amounts have been booked under real estate for sale, real estate for sale in progress, tangible fixed assets or intangible fixed assets (includes planned or expected amounts).

Consolidated Balance Sheets

（Unit :Thousand yen）

Assets	Fiscal 2017	Fiscal 2018	Change
Current assets	10,122,083	9,881,308	(240,774)
Cash and time deposits	3,219,805	4,267,738	1,047,932
1 Notes and accounts receivable, trade	196,840	644,824	447,984
2 Investments in securities, trade	1,069,032	1,017,184	(51,847)
Loans receivable, trade	609,147	576,924	(32,223)
3 Real estate for sale	2,287,519	304,516	(1,983,003)
4 Real estate for sale in progress	2,556,159	2,781,914	225,755
Merchandise	10,084	15,298	5,214
Other current assets	257,235	390,140	132,905
Allowance for doubtful assets	(83,739)	(117,232)	(33,492)
Noncurrent assets	2,810,440	4,134,963	1,324,522
5 Property, plant and equipment	2,238,234	3,317,713	1,079,479
6 Intangible fixed assets	38,609	343,188	304,578
Investments and other assets	533,596	474,061	(59,534)
Total assets	12,932,524	14,016,272	1,083,747

Liabilties	Fiscal 2017	Fiscal 2018	Change
Current liabilities	3,785,430	4,803,592	1,018,161
Notes and accounts payable, trade	152,025	293,215	141,189
7 Short-term loans payable	2,751,380	–	(2,751,380)
7 Current portion of bonds	30,000	–	(30,000)
7 Current portion of long-term loans payable	293,847	3,586,081	3,292,233
Income taxes payable	42,335	73,216	30,880
Accrued employee bonuses	72,795	114,928	42,133
Other current liabilities	443,045	736,150	293,105
Noncurrent liabilities	3,820,631	661,528	(3,159,102)
Bonds payable	30,000	–	(30,000)
7 Long-term loans payable	3,513,399	532,787	(2,980,612)
Deferred tax liability	113,485	1,438	(112,046)
Net defined benefit liability	119,661	91,640	(28,020)
Other noncurrent liabilities	44,085	35,662	(8,422)
Total liabilities	7,606,062	5,465,120	(2,140,941)

Net Assets			
Shareholders' equity	4,800,789	7,313,879	2,513,089
8 Common stock	4,549,016	5,551,419	1,002,402
8 Additional paid-in capital	1,812,727	4,149,561	2,336,833
Retained earnings	(1,560,954)	(2,387,101)	(826,146)
Accumulated other comprehensive income	(530)	(2,588)	(2,057)
Subscription rights to shares	50,142	54,605	4,463
8 Non-controlling interests	476,060	1,185,254	709,194
Total net assets	5,326,461	8,551,151	3,224,689
Total liabilities and net assets	12,932,524	14,016,272	1,083,747

1 Increased due to newly consolidation of SGI-Group and Geoplan Namtech

2 Decreased despite new investments, including U.S. venture fund contribution, owing to investment exit activity

3 Decreased due to removal of real estate subsidiaries from consolidation, sale of land adjacent to Metsä site and sale of investment real estate

4 Increased despite drop due to removal of real estate subsidiaries from consolidation because of investment in real estate projects and payment for construction work at Metsä Village

5 Increased despite drop in rental real estate due to removal of real estate subsidiaries from consolidation because construction at Moominvalley Park caused construction in progress to expand

6 Goodwill higher due to purchase of shares in SGI-Group and Geoplan Namtech.

7 Lower short-term loans payable and long-term loans payable due to removal of real estate subsidiaries from consolidation. Transferred ¥2,000 million* in long-term loans held by subsidiary SPC to current portion of long-term loans payable.
* Loans repaid on October 2, 2018, when construction ended. Then borrowed total of ¥5.6 billion from financial institutions external to FGI Group.

8 Common stock and additional paid-in capital up, owing to exercise of stock acquisition rights from 18th series. Additional paid-in capital up through capital increase at Moomin Monogatari.

9 Higher, due to capital increase at Moomin Monogatari.

Consolidated Statement of Income

(Unit :Thousand yen)

		Fiscal 2017	Ratio to Sales		Fiscal 2018	Ratio to Sales	YoY Change Amount	YoY Change Ratio
Revenues	1	7,182,376	100.0%		3,689,183	100.0%	(3,493,192)	(48.6)%
Cost of revenues		5,556,332	77.4%		1,427,968	38.7%	(4,128,364)	(74.3)%
Gross profit		1,626,043	22.6%		2,261,215	61.3%	635,171	39.1%
Selling, general and administrative expenses	2	2,945,209	41.0%		3,333,458	90.4%	388,249	13.2%
Operating income/(loss)		(1,319,165)	(18.4)%		(1,072,243)	(29.1)%	246,922	–
Other income		93,131	1.3%		12,706	0.3%	(80,425)	(86.4)%
Other expenses		115,722	1.6%	3	168,020	4.6%	52,297	45.2%
Ordinary profit/(loss)		(1,341,756)	(18.7)%		(1,227,557)	(33.3)%	114,199	–
Extraordinary profit		11,595	0.2%	4	301,367	8.2%	289,771	2,498.9%
Extraordinary loss		41,013	0.6%		40,192	1.1%	(820)	(2.0)%
Income before income taxes		(1,371,173)	(19.1)%		(966,383)	(26.2)%	404,790	–
Income taxes		9,775	0.1%		29,789	0.8%	20,013	204.7%
Profit /(loss)		(1,380,949)	(19.2)%		(996,173)	(27.0)%	384,776	–
Profit /(loss) attributable to non-controlling interests		(22,636)	(0.3)%	5	(176,068)	(4.8)%	(153,432)	–
Profit /(loss) attributable to owners of parent		(1,358,313)	(18.9)%		(820,104)	(22.2)%	538,209	–

1	Revenues down 48.6% and cost of revenues down 74.3%, despite bringing aircraft asset management company under consolidation. Reflects removal of real estate subsidiaries from consolidation through sale of shares. These subsidiaries contributed ¥4,713 million to revenues in fiscal 2017.
2	Even without expenses from real estate business — ¥777 million in fiscal 2017 — SG&A expenses rose 13.2%, largely reflecting expenses from upfront investment to prepare for opening of Metsä as well as costs associated with newly consolidated companies as well as a one-time increase in rent due to head office relocation.
3	¥71 million in interest expense, mainly related to SPC with landholdings, and ¥23 million in foreign exchange losses, mainly due to foreign-currency-denominated venture fund investment.
4	Gain of ¥267 million on sale of shares in associates, accompanying sale of shares in real estate business subsidiary.
5	Loss attributable to non-controlling interests was up, owing to capital increase through third-party allocation of shares by Moomin Monogatari.

Performance Forecast and Dividend

Consolidated Performance Forecast

(Millions of yen)	Fiscal 2018 Results	Fiscal 2019 Forecast	YOY Change	Reference: Fiscal 2019 targets announced May 2018
Revenues	3,689	11,048	7,358	9,600
Gross profit	2,261	6,882	4,620	6,800
Operating income (loss)	(1,072)	515	1,587	500
Ordinary income (loss)	(1,227)	310	1,537	300

Higher revenues and business growth expected, thanks to operating revenue from Metsä and investment exits by investment banking business. About six months' contribution from Moominvalley Park. Profit growth will be limited due to additional upfront expenses as grand opening approaches.

- **Investments and loans undertaken by the investment banking business will be facilitated with funds raised through a 19th series of stock acquisition rights, which was approved for issue at the Board of Directors' meeting on November 8, 2018. The above performance forecast is based on business plans conditioned upon procurement of capital through this issue.**

- **Management has decided not to provide a forecast for profit attributable to owners of parent.**
  In 2018, Moomin Monogatari carried out third-party allocation of shares several times to procure capital for opening the theme park. The company will maintain this policy going forward, and management at FGI believes that the resulting increase in non-controlling interests through additional third-party allocation of shares could impact profit attributable to owners of parent. Investor trends could also affect the result, making it difficult to reasonably predict at the present time how the allocation of shares will turn out and the eventual impact on profit attributable to owners of parent. Therefore, management has decided not to provide a forecast for profit attributable to owners of parent

Forward-looking statements, including performance forecasts, are based on information available to management at this time and certain assumptions deemed reasonable. Actual performance could be substantially different, due to various factors.

Performance Forecast by Reporting Segment

Reporting Segments		Fiscal 2018	Fiscal 2019 (Forecast)	
Investment Banking Business	Revenues	3,137	4,070	• Greater investment and loan activity through fund procurement • M&A agency services and asset investment (such techniques as purchasing and selling shares in asset-holding companies) will contribute to profits • Continuing from fiscal 2018, expect to make fund investment exits
	Gross profit	2,035	2,430	
	Operating income	880	1,030	
Public Management Consulting Business	Revenues	457	650	• Provide consultation on implementation of PPP/PFI techniques for which demand is expected to grow and promote public enterprise accounting • Geoplan Namtech Inc., which came under consolidation in the third quarter of fiscal 2018, will provide full-year contribution to revenues
	Gross profit	214	300	
	Operating income	(60)	20	
Entertainment Service Business	Revenues	129	6,500	• Metsä Village to open in November 2018, followed by Moominvalley Park in March 2019 • Anticipate revenue growth through site opening effect but pre-opening expense burden will be heavy • Rights and Brands Japan Co., Ltd., will be brought under consolidation in fiscal 2019. Plan to sell original merchandise at Moominvalley Park.
	Gross profit	45	4,330	
	Operating income	(966)	480	
Others	Revenues	37	60	• Adacotech Incorporated should turn a profit, reflecting application of company's technology by clients in various industries.
	Gross profit	36	60	
	Operating income	(6)	10	
Adjustment （Elimination of transactions among segments and corporate expenses)	Revenues	(72)	(240)	• Higher corporate expenses, including personnel costs
	Gross profit	(71)	(240)	
	Operating income	(919)	(1,030)	
Amount Booked on Consolidated Statement of Income	Revenues	3,689	11,040	
	Gross profit	2,261	6,880	
	Operating income	(1,072)	510	

Forward-looking statements, including performance forecasts, are based on information available to management at this time and certain assumptions deemed reasonable. Actual performance could be substantially different, due to various factors.

Fiscal 2019 Key Activities

In fiscal 2019, a greater emphasis will be placed on the investment banking business in terms of allocating management resources. For Metsä, the goal is to establish revenue base by getting site operations off to a solid start and strengthening approaches to attract visitors.

Investment Banking Business

Investment banking services

Create system for formation and sale of financial products and wider M&A agency services, based on October 2018 structural changes. Reinforce client base.

- For existing arrangement services and consulting services on public accounting, further expand network of financial institutions that assist in financial arrangement formation transactions and network of accountants, including tax specialists, who underpin accounting services for local public agencies.
- Package financial products, such as subdivided real estate investment products. Offer to newly cultivated base of clients. Expand lineup of financial products as well as financial services as components of packages to better meet client needs, and extend range of value provided.
- Enhance M&A agency services and business succession consulting services.
- In asset investment, pursue more varied range that includes movable property.
- In real estate asset management, expand assets under management through fund formation based on investment strategies geared to investor needs.

Corporate investment

New investments and efforts to enhance underlying value; deepen value realization strategy matched to investment target

- Seek out promising investment targets and business sectors, and expand investment amount.
- Realize improved investment value when exiting investments by supporting investment targets

Forward-looking statements, including performance forecasts, are based on information available to management at this time and certain assumptions deemed reasonable. Actual performance could be substantially different, due to various factors.

Fiscal 2019 Key Activities

Entertainment Service Business

Build revenue base by getting site operations off to a solid start and strengthening approaches to attract visitors.

Metsä Village (Open November 2018)

- Get operations at Metsä Village off to a good start after November 2018 opening, and secure base revenue.
- Run events — team labs in first half — to boost the attendance count, and hold stable and then expand revenues from restaurants and other facilities and tenants outside FGI Group.

Moominvalley Park (Open March 2019)

- Strengthen promotional activities that highlight park opening, and seek to capture revenues from entrance fees.
- Merchandise sales division will be looking to boost sales through product planning and sales of original, Moominvalley Park original goods.
- Restaurant division will secure revenue by providing food and beverages under various formats — restaurants, cafés and food carts — that meet diverse customer needs.

Public Management Consulting Business

Encourage existing clients to seek additional services while cultivating demand from new clients.

- Public accounting division will encourage existing clients to place requests for support in preparing financial documents and cultivate demand from new clients.
- Business related to urban infrastructure management systems development will secure revenues on maintenance projects and other order activity. Will expand channels for capturing orders.

Forward-looking statements, including performance forecasts, are based on information available to management at this time and certain assumptions deemed reasonable. Actual performance could be substantially different, due to various factors.

Board approved issue of 19th series of stock acquisition rights to facilitate investment product formation

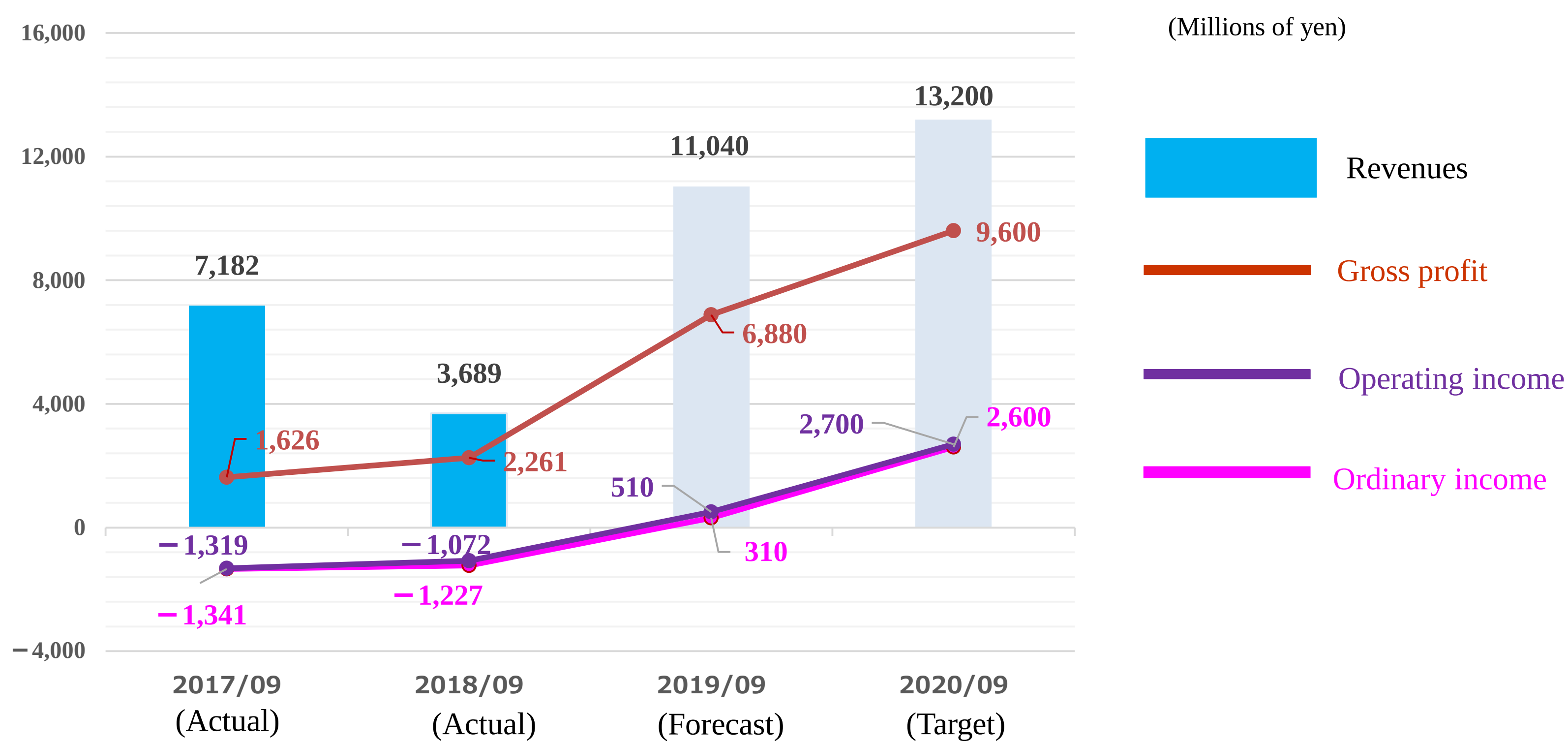
On November 8, 2018, the Board of Directors at FGI approved the issue of Series 19 stock acquisition rights with exercise price revision clause. Issue planned for December 4, 2018. Funds raised will be applied to (1) and (2) below and contribute to better results from the investment banking business.

(1) Purchase real estate (including trust beneficiary rights) to package subdivided real estate investment products

(2) Package new investment products and respond to M&A opportunities

Item	Content
Name of stock acquisition rights	FinTech Global Incorporated Stock Acquisition Rights (Private Placement) -Series 19
Allotment date and payment date (plan)	December 4, 2018
Issue price of stock acquisition rights	**Total amount: ¥9,750,000 (¥65 per new stock acquisition right)** Note, however, that if, on whatever date between November 15, 2018 and November 19, 2018, that the Board of Directors of FGI, after considering various factors including stock price fluctuations, decides will be the date for finalizing terms of the new stock acquisition rights ("Fixing Date"), the amount calculated by the same method used in determining the above issue price delivers a result exceeding that amount (¥65), the amount will be set according to the result calculated on the Fixing Date. The total issue price will be calculated by multiplying the total number of new stock acquisition rights—150,000—by the amount for one new stock acquisition right.
Number of dilutive shares from issuance of stock acquisition rights	(Percent15,000,000 shares of common stock of the Company (100 shares per new stock acquisition right)age of total outstanding shares: 8.1%)
Maximum exercise price and minimum exercise price	No maximum exercise price. Minimum exercise price will be equal to 50% of closing price of FGI common stock in regular trading on Tokyo Stock Exchange on trading day immediately prior to Fixing Date (if there is no closing price on that day, then the closing price immediately prior to that day) ("Reference Stock Price for Setting Terms"). But even if exercise price is at minimum level, number of dilutive shares will be 15,000,000.
Anticipated amount of capital raised	**Total amount: ¥2,529,750 thousand (of which, proceeds through issuance = ¥9,750 thousand; proceeds through exercise of rights = ¥2,520,000 thousand)** Capital raised through issuance is an assumed amount based on certain values, such as closing price on the trading day immediately prior to the day on which the Board approved the issue. Capital raised through exercise of rights assumes that closing price on trading day immediately prior to day on which the Board approved issue will be initial exercise price and that all new stock acquisition rights will be exercised at this assumed initial exercise price. Amount raised through actual issuance of new stock acquisition rights and initial exercise price will be set on Fixing Date.
Exercise price and revised exercise price	**Initial exercise price will be Reference Stock Price for Setting Terms.** On and after December 5, 2018, the exercise price will be revised to an amount equal to 90% of the closing price of FGI common stock in regular trading on the Tokyo Stock Exchange on the trading day immediately prior to the date on which notification of request to exercise Series 19 rights is made (in the event that there is no closing price on that day, the closing price immediately prior to that day). But if a revised exercise price falls below the minimum exercise price, the minimum exercise price will be used as the revised exercise price.
Offering or allotment method	By way of private placement
Subscriber	Barclays Bank PLC
Period during which stock acquisition rights may be exercised	December 5, 2018 – December 4, 2020
Application of proceeds	(1) Purchase real estate (including trust beneficiary rights) to package subdivided real estate investment products (2) Package new investment products and respond to M&A opportunities
Payment schedule	(1) December 2018 – September 2019 (2) December 2018 – September 2020

Business Plan (Targets for fiscal 2020 are unchanged from announcement in May 2018)



Fiscal 2019

- Greater allocation of human and capital resources toward core investment banking business. Anticipate revenues through formation and sale of subdivided real estate investment products, asset investment, and M&A agency services. Will also exit some fund investments.
- Open Metsä Village in November 2018. Book revenue from such sources as tenant rents, parking fees and restaurant operation.
- Moominvalley Park grand opening in March 2019. Book revenue from such sources as entrance fees, pay-for-use facilities, income from sale of food, beverages and merchandise.
- Bring Rights and Brands Japan Co., Ltd., under consolidation. Anticipate synergistic effects from Moomin theme park business and licensing business.
- Costs, such as personnel costs at Metsä, will be large, and Moominvalley Park operation won’t present income until the second half

Fiscal 2020

- Draw income from Metsä Village and Moominvalley Park operation over full year. Anticipate dramatic growth in business results.

Forward-looking statements, including performance forecasts, are based on information available to management at this time and certain assumptions deemed reasonable. Actual performance could be substantially different, due to various factors.

Fiscal 2018 Dividend, Fiscal 2019 Dividend Forecast

Basic Policy

Management adheres to a dividend policy that emphasizes the return of profits to shareholders while ensuring sufficient internal reserves to quickly and reliably take advantage of opportunities that reinforce and further expand the Company's business foundation. In determining dividends, management must therefore take a comprehensive view that includes corporate performance and future business development.

Fiscal 2018 Dividend

Retained earnings are the Company's source for dividend distribution. Regrettably, because retained earnings on the non-consolidated balance sheets showed a negative balance of ¥1,013 million, management feels the Company must forego distribution of a year-end dividend for fiscal 2018.

Fiscal 2019 Dividend

Management has not decided on a year-end dividend for fiscal 2019. It is company policy to make a decision once trends in business results have been ascertained.

Performance forecasts and other forward-looking statements are based on certain reasonable assumptions and information currently available to management of the Company. A number of factors could cause actual results to differ greatly from stated expectations

Perks Offered to Shareholders to Commemorate Metsä Opening

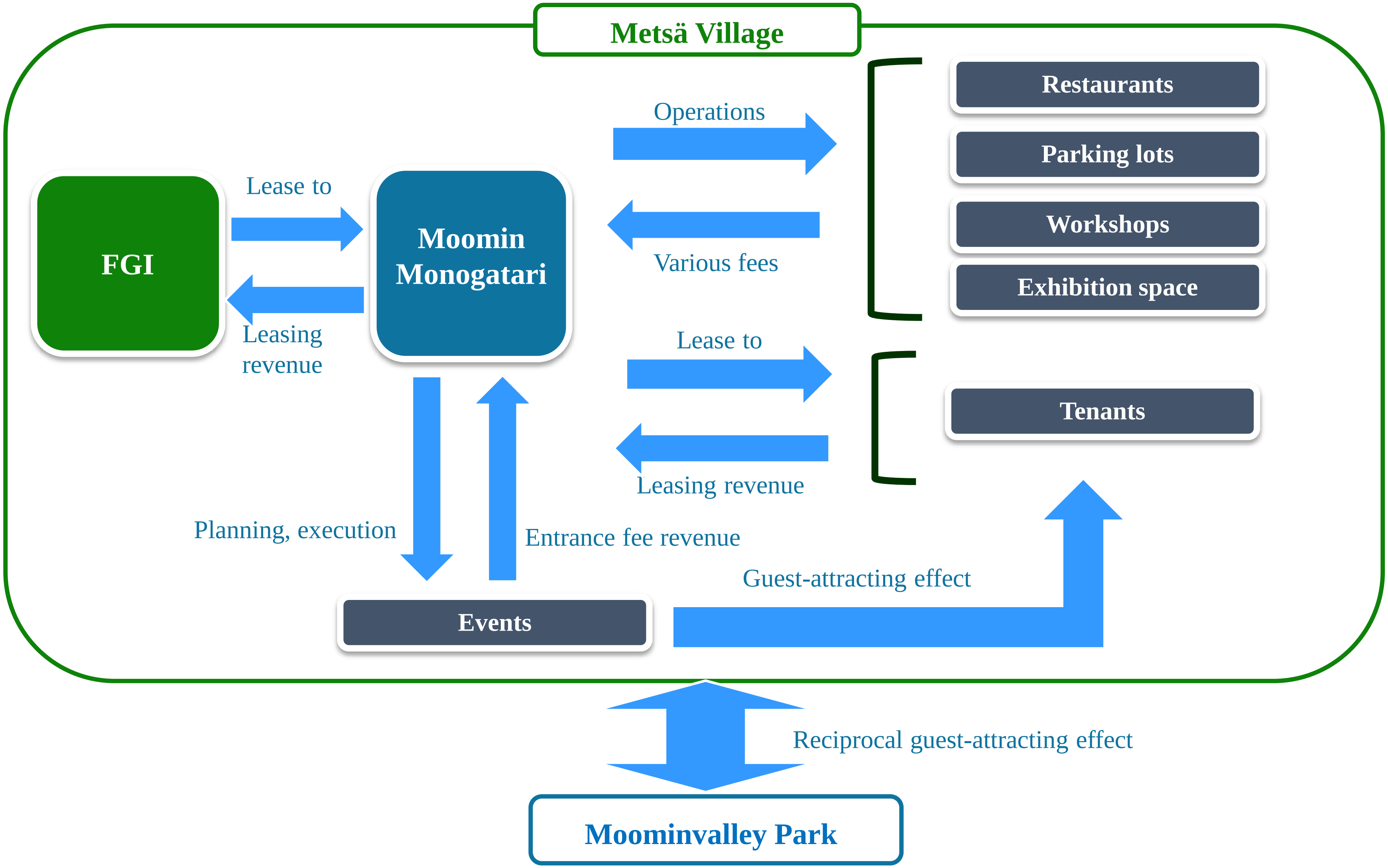
Metsä-related perks will be offered to shareholders of record as of March 31, 2019

- ✓ Management has decided to present Metsä-related perks to shareholders as a way of showing appreciation to shareholders for their constant support while also marking the opening of Metsä.
- ✓ Metsä-related perks will be presented to shareholders who hold more than a certain number of shares and are listed or will be listed in the FGI shareholder registry as of March 31, 2019.
- ✓ The underlying policy on shareholder perks is that they are one-time only commemorative benefits. Management has not yet decided if this policy will be continued in the future but it may be considered when taking overall return to shareholders into account.

Outline of Activities in Metsä Business

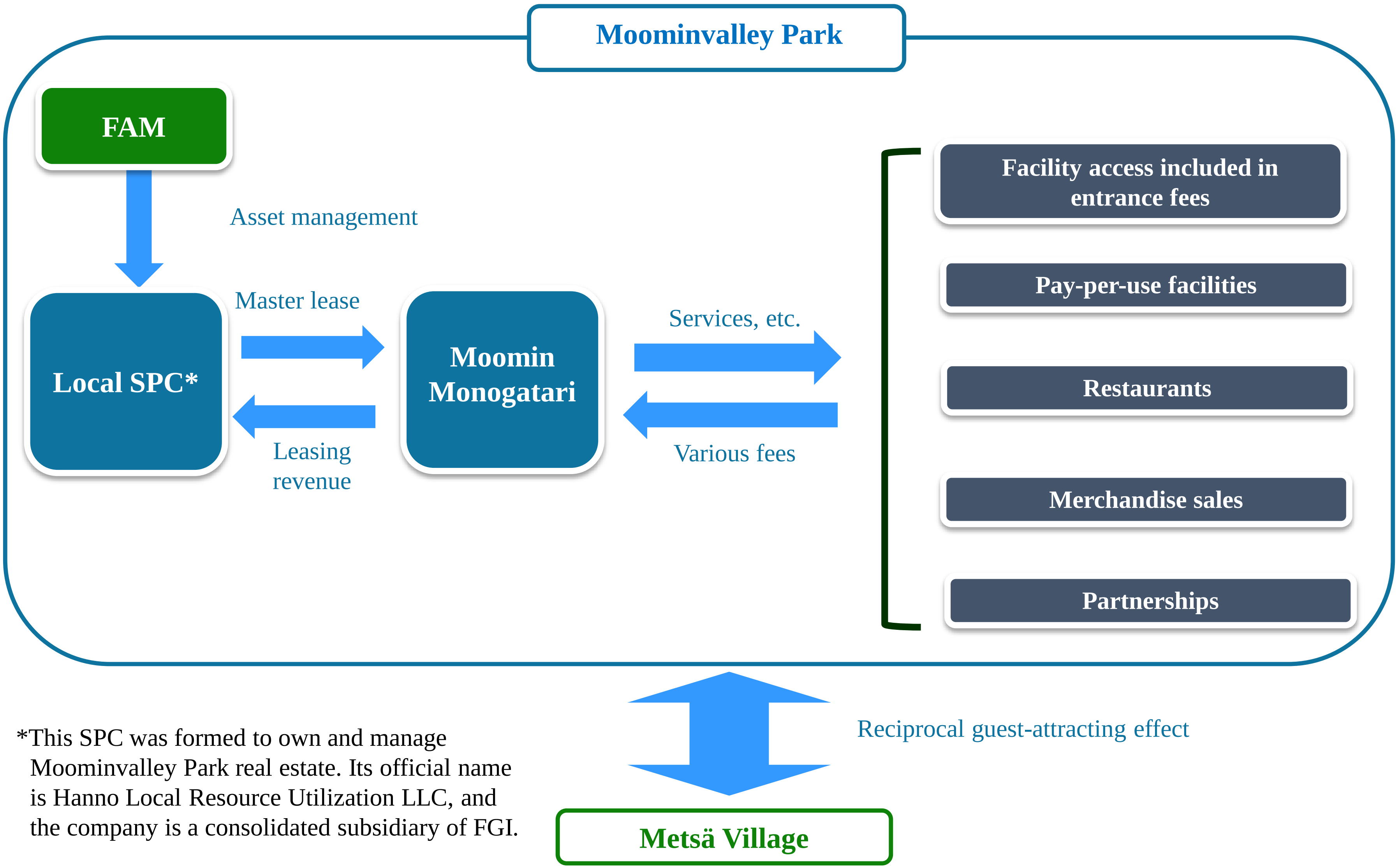
Metsä Business — Revenue Structure (Metsä Village: Opening November 9, 2018)

FGI signed a master lease agreement with Moomin Monogatari. Under this agreement, Moomin Monogatari operates facilities directly or rents out the facilities to tenants. As the operator of both Metsä Village and Moominvalley Park, Moomin Monogatari aims make the entire Metsä site more appealing, maximize efforts to attract guests and diversify business revenues.



Metsä Business — Revenue Structure (Moominvalley Park: Opening March 16, 2019)

Local SPC, a special purpose company, leases real estate to Moomin Monogatari, which then undertakes theme park operation, the restaurant business and merchandise sales. Other revenues will come from partnership income.



*This SPC was formed to own and manage Moominvalley Park real estate. Its official name is Hanno Local Resource Utilization LLC, and the company is a consolidated subsidiary of FGI.

Metsä Village: Facility Location Map

Metsä Village, where guests can experience a Northern European lifestyle, opens November 9, 2018.

Metsä Village: Events

Will present “teamLab: Digitized Lakeside and Forest” with art collective teamLab

Will use popular exhibitions to attract guests to Metsä and raise profile of the site.

teamLab, which has captured the public’s eye with original, outdoor art space, will create dramatic, interactive light displays that change with the presence of people but preserve a sense of harmony with nature against the lakeside and forest backdrops of Lake Miyazawa.

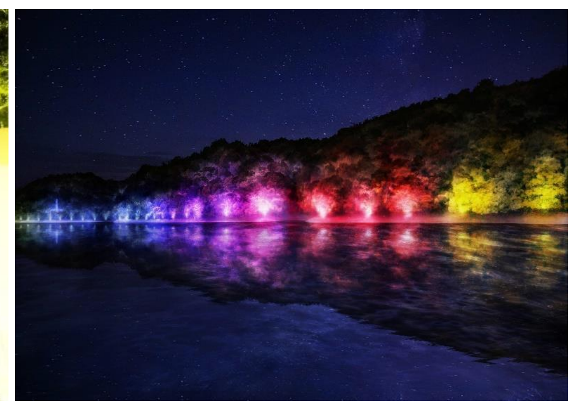
Schedule: December 1, 2018 (Saturday) – March 3, 2019 (Sunday)

Works on display

・Resisting and Resonating Ovoids and Forest

・Autonomous Resonating Life (provisional title)

・Floating, Resonating Spheres



For more information on the display, go to https://www.teamlab.art/jp/e/metsavillage/

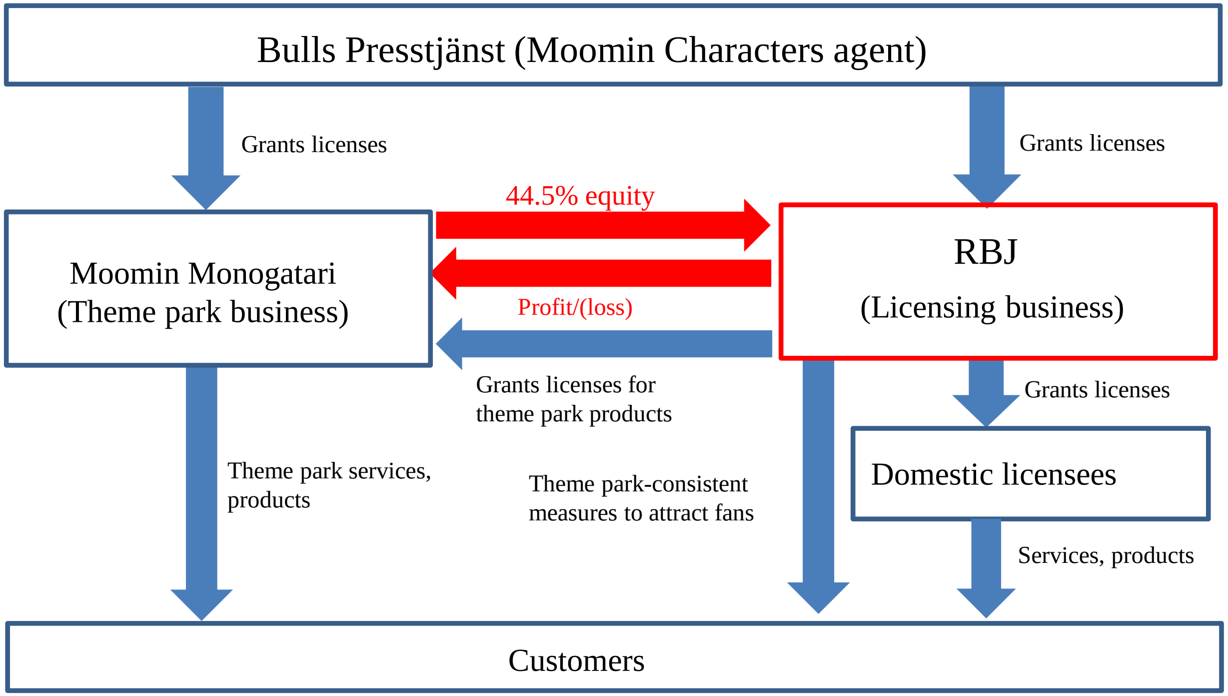
Moomin Copyright Management Company Turned into Subsidiary —
Expanding Metsä Business

Turned Rights and Brands Japan Co., Ltd into consolidated subsidiary, as of fiscal 2019

- ✓ From fiscal 2019, Rights and Brands Japan Co., Ltd., a company established on March 16, 2018, to manage all Moomin copyrights in Japan, falls under the scope of consolidation. This company, in which Moomin Monogatari holds 44.5% equity, began operations in April 2018.
- ✓ Seek to draw on strategy that integrates licensing business and the theme park business and, by actively developing business domains from a medium- to long-term perspective, boost brand value of Moomins even higher and capture new fans to create even larger market.

Future Business (Planned)

Moomin Monogatari and Rights and Brands will be able to apply unified measures to attract customers.



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	Change
Current Assets	6,090,329	7,922,667	1,832,337
Cash and time deposits	1,801,547	2,962,551	1,161,004
Accounts receivable, trade	6,646	88,795	82,148
Investment securities, trade	970,092	922,928	(47,164)
Loans receivable, trade	609,147	574,878	(34,269)
Short-term loans, receivable	1,998,294	257,690	(1,740,604)
Real estate for sale	346,503	304,516	(41,987)
Real estate for sale in progress	407,183	2,781,914	2,374,731
Other current assets	192,498	326,263	133,765
Allowance for doubtful assets	(241,583)	(296,871)	(55,287)
Noncurrent assets	2,545,382	3,296,783	751,400
Property, plant and equipment	500,242	775,844	275,602
Intangible assets	19,278	13,859	(5,419)
Investments and other assets	2,025,862	2,507,079	481,217
Total assets	8,635,712	11,219,450	2,583,737

Liabilties	Fiscal 2017	Fiscal 2018	Change
Current liabilities	649,984	929,733	279,749
Accounts payable-trade	1,249	180,654	179,405
Short-term loans payable	225,000	95,000	(130,000)
Current portion of long-term debt	144,866	289,527	144,661
Accounts payable-others	52,203	39,030	(13,172)
Deposits received	89,525	159,741	70,216
Advances received	19,995	294	(19,700)
Accrued employee bonuses	38,446	22,740	(15,706)
Others	78,699	142,745	64,046
Long-term liabilities	2,297,051	2,532,261	235,210
Long-term loans payable	2,173,634	2,428,135	254,501
Provision for retirement benefits	91,842	87,128	(4,714)
Others	31,574	16,998	(14,576)
Total liabilities	2,947,035	3,461,995	514,959

Net Assets			
Shareholders' equity	5,640,763	7,702,130	2,061,366
Capital stock	4,549,016	5,551,419	1,002,402
Additional paid-in capital	2,114,239	3,116,641	1,002,402
Retained earnings	(1,022,492)	(965,930)	56,562
Valuation difference on available-for-sale securities	–	11,861	11,861
Subscription rights to shares	47,913	43,463	(4,450)
Total net assets	5,688,677	7,757,455	2,068,777
Total liabilities and net assets	8,635,712	11,219,450	2,583,737

Non-Consolidated Statement of Income

(Thousands of yen)

	Fiscal 2017	Ratio to Sales	Fiscal 2018	Ratio to Sales	YoY Change Amount	YoY Change Ratio
Revenues	1,066,971	100.0%	1,538,691	100.0%	471,719	44.2%
Cost of revenues	671,579	62.9%	327,210	21.3%	(344,368)	(51.3)%
Gross profit	395,392	37.1%	1,211,480	78.7%	816,088	206.4%
Selling, general and administrative expenses	1,547,678	145.1%	1,524,638	99.1%	(23,040)	(1.5)%
Operating income/(loss)	(1,152,286)	(108.0)%	(313,157)	(20.4)%	839,128	—
Other income	168,376	15.8%	159,773	10.4%	(8,602)	(5.1)%
Other expenses	70,941	6.6%	99,099	6.4%	28,158	39.7%
Ordinary income/(loss)	(1,054,851)	(98.9)%	(252,483)	(16.4)%	802,367	—
Extraordinary profit	18,697	1.8%	369,098	24.0%	350,401	1,874.1%
Extraordinary loss	1,439	0.1%	41,747	2.7%	40,308	2,800.9%
Income before income taxes	(1,037,593)	(97.2)%	74,867	4.9%	1,112,460	—
Income taxes	(20,333)	(1.9)%	18,304	1.2%	38,638	—
Net income/(loss)	(1,017,259)	(95.3)%	56,562	3.7%	1,073,822	—

Changes in Key Financial Data

		Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018
Revenues	(millions of yen)	1,603	3,911	5,429	7,485	7,182	3,689
Gross profit	(millions of yen)	1,468	2,398	2,495	1,496	1,626	2,261
Operating income/(loss)	(millions of yen)	(31)	555	115	(1,031)	(1,319)	(1,072)
Ordinary income (loss)	(millions of yen)	88	684	237	(1,369)	(1,341)	(1,227)
Profit /(loss) attributable to owners of parent	(millions of yen)	182	923	224	(1,384)	(1,358)	(820)
Net assets	(millions of yen)	2,716	5,534	7,879	6,312	5,326	8,551
Total assets	(millions of yen)	4,770	7,452	11,958	10,975	12,932	14,016
Net assets per share	(yen)	22.23	37.41	48.31	38.66	29.64	39.31
Net income (loss) per share	(yen)	1.52	6.92	1.48	(8.56)	(8.39)	(4.79)
Diluted net income (loss) per share	(yen)	1.52	6.89	1.47	–	–	–
Equity to total asset ratio	(%)	56.4	73.9	65.4	57.0	37.1	52.2
Equity to net income ratio	(%)	7.2	22.5	3.4	(19.7)	(24.6)	(13.5)
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)	(2,978)
Cash flow from investing activities	(millions of yen)	85	509	(644)	(302)	(1,026)	(2,008)
Cash flow from financing activities	(millions of yen)	(128)	2,065	4,761	(751)	2,937	5,771
Cash and cash quivalents at the end of the fiscal year	(millions of yen)	1,644	2,024	4,612	2,240	2,969	3,847
Number of employees(consolidated) (part-time employees)	(employees)	51(13)	109(7)	117(8)	114(20)	143(27)	156(42)
Number of employees(non-consolidated)(part-time employees)	(employees)	26(3)	24(3)	38(3)	45(8)	40(6)	38(5)

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	185,986,400 shares (As of September 30, 2018)
Minimum trading unit	100
Capital stock	¥5,551 million (As of September 30, 2018)
Net assets (consolidated)	¥8,551 million (As of September 30, 2018)
Major shareholders (As of September 30, 2018)	Nobumitsu Tamai 20,095,500 shares (10.80%) Yuko Fujii 3,576,400 shares (1.92%)
Number of employees	Consolidated: 156 (As of of September 30, 2018, 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.

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