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Summary of Financial Statements
For the First Two Quarters of Fiscal 2018
< under Japanese GAAP >

May 10, 2018

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: May 14, 2018
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 two quarters of fiscal 2018
(October 1, 2017 – March 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 two quarters of fiscal 2018	1,713	(57.8)	(610)	–	(706)	–	(414)	–
First two quarters of fiscal 2017	4,062	20.8	(139)	–	(101)	–	(122)	–

(Note) Comprehensive income: (436) million yen (—)% for the first two quarters of fiscal 2018
(93) million yen (—)% for the first two quarters of fiscal 2017

	Net income/(loss) per share	Net income per share (diluted)
	Yen	Yen
First two quarters of fiscal 2018	(2.53)	–
First two quarters of fiscal 2017	(0.76)	–

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
First quarters of fiscal 2018	11,318	5,681	44.9
Fiscal 2017	12,932	5,326	37.1

(Reference) Shareholders' equity: 5,086 million yen for the first two quarters of fiscal 2018
4,800 million yen for fiscal 2017

2. Dividends

	Dividends 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 2017 (Actual)	—	0.00	—	0.00	0.00
Fiscal 2018 (Actual)	—	0.00			
Fiscal 2018 (Estimates)			—	—	—

(Note) Change from the latest dividend forecast: None
The dividend forecast for fiscal year ending September 30, 2018, is yet to be determined.

3. Consolidated performance forecast for fiscal 2018 (October 1, 2017– September 30, 2018)

The first two quarters of the consolidated fiscal year ending September 30, 2018, saw robust investment and arrangement activity aimed at turning a profit in the second half and into fiscal 2019. This activity included investments in real estate development projects using investment capital obtained through securitization of real estate adjacent to the Metsä site, the sale of shares in a real estate subsidiary, and loans from financial institutions.

In view of this situation, some projects presented rising exit potential. But it is difficult predict if FGI will be able to recognize revenue from corporate investments in fiscal 2018 because external factors could cause a change in the timing of exits. In addition, efforts to package financial products in Japan and overseas are unfolding, but revenue expectations are unclear at the current stage of formation.

For these reasons, it is difficult to predict business results at this time, and management will wait until a clearer picture forms before disclosing a performance forecast.

4. Notes

(1) Transfer of principal consolidated subsidiaries during the term
(Transfer of any specified subsidiary causing change in scope of consolidation.): None

(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): 168,007,600 shares as of March 31, 2018
161,935,300 shares as of September 30, 2017
2. Number of treasury shares: — shares as of March 31, 2018
— shares as of September 30, 2017
3. Average number of shares issued during the first two quarters:
163,550,537 shares for the first two quarters of fiscal 2018
161,930,476 shares for the first two quarters of fiscal 2017

* This summary of financial statements is not subject to quarterly review procedures by certified public accountants or an auditing firm.

* 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 May 10, 2018, 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

FGI—as a boutique investment bank for all companies in all industries—focused on investment banking and corporate investment to expand Group business while supporting growth through various solutions matched to the needs of corporate clients and robustly pursuing opportunities to invigorate and underpin local industry.

The first two quarters—October 1, 2017 to March 31, 2018—of the fiscal 2018 consolidated accounting period for FinTech Global Incorporated (FGI) ending September 30, 2018, saw efforts to strengthen the investment banking business through the sale of shares in real estate subsidiaries and the sale of land adjacent to the Metsä site. The capital resources thus generated were applied toward the Metsä business, corporate investment and asset investment activity to enhance the status of respective business and activities. Revenues dropped 57.8% year on year, to ¥1,713 million. This reflects the removal of all subsidiaries in the real estate business from the scope of consolidation. For reference, these subsidiaries contributed ¥2,003 million to revenues in the first two quarters of the previous fiscal year. Gross profit fell 18.3%, to ¥970 million. But the gross profit margin improved considerably, rising 27.5 points to 56.7%. Selling, general and administrative expenses hit ¥1,581 million, up 19.1% year on year, despite the absence of costs associated with the real estate business. Two factors caused this increase. One was the application of ¥340 million to build an operating structure that will enable as many visitors as possible to enjoy their Metsä experience. Preparations at Metsä, by the way, are moving steadily toward the facility's opening date. The other was a temporary increase in rent due to head office relocation. The operating loss widened, to ¥610 million, compared with the level—¥139 million—posted in the corresponding period a year earlier. With the booking of ¥59 million in foreign exchange losses, the ordinary loss also widened, reaching ¥706 million, compared with ¥101 million a year earlier. Loss attributable to owners of parent for the first two quarters of fiscal 2018 deepened, to ¥414 million from ¥122 million a year earlier, but the amount would have been an even darker shade of red were it not for proceeds (¥267 million) from the sale of shares in subsidiaries and affiliates, booked under extraordinary profit.

A breakdown of performance by business segment is presented below. Revenues include intersegment revenues and transfers. Note that reporting segments changed in the second quarter of fiscal 2017 and again in the fourth quarter of fiscal 2017. To facilitate year-on-year comparisons below, fiscal 2017 amounts for each segment have been restated under the new reporting method. Also note that the Company now has three reporting segments — investment banking, public management consulting and entertainment services — effective from the first quarter of fiscal 2018, owing to the removal of Better Life Support Holdings and its subsidiaries, which had comprised the real estate business, from the scope of consolidation.

a. Investment Banking Business

In investment banking services, demand for real estate securitization arrangements slowed, but demand for real estate asset management services was good, delivering performance fees through the sale of building assets under management. FGI also established a structure to underpin expansion of services. As well, FGI Capital Partners, Inc., an investment management company previously accounted for under the equity method, was turned into a consolidated subsidiary in the first quarter. In asset investment activities, FGI booked renewable energy power facility-related revenue in the first two quarters of fiscal 2017 but none in the corresponding period of fiscal 2018. However, the Company posted revenue of ¥256 million and operating income of ¥195 million, mainly through securitization of land adjacent to the Metsä site, the sale of real estate, and asset management activities. In addition, the Company invested in city-center real estate development projects and acquired three buildings, seeking to achieve profits through sale starting in the second half of fiscal 2018 and continuing through fiscal 2019.

In fund investment activities, FGI made new investments into a U.S. venture fund and domestic companies, but revenue from investment exits was limited during the first two quarters of fiscal 2018.

Through SGI Investment LLC, FinTech Global Trading Incorporated—an FGI subsidiary—acquired shares (voting interest 51% and economic interest 49%) in SGI-Group B.V., the holding company for

SGI-Aviation Services B.V., which is involved in the aircraft asset management business. As a result, SGI-Group B.V. and its four subsidiaries became subsidiaries of FGI, and statements of income fall under consolidated accounting as of the second quarter of fiscal 2018.

In March 2018, seeking to help mitigate the social issue of business succession in Japan, FGI established FinTech M&A Solution, Inc., to engage in merger and acquisition agency services and made this company a subsidiary as well.

The investment banking business saw revenue slide 19.2% year on year, to ¥1,459 million. Operating income dipped 1.5%, to ¥397 million.

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 that the national government requires all local governments to comply with as of the fiscal year ended March 31, 2018. In addition, a consulting service structure has been readied to deal with such topics as possible introduction of public-private partnership/public financial initiative techniques—demand for which is expected to grow—as well as application of public enterprise accounting and efforts to formulate management strategies.

In addition, FGI subscribed to a third-party allocation of shares in Namtech Inc., an unconsolidated subsidiary and agency for General Electric Company (GE), and through this company acquired shares in Geoplan Namtech Inc., which Geoplan Co., Ltd., the Japanese subsidiary of U.K.-based Ubisense Group plc, established by splitting off its Smallworld business into a company. This business focuses on network asset management solutions for such customers as local governments and public service providers and delivers consultations, customization and maintenance and operation support related to the implementation of Smallworld™, a network asset management software solution for GE's electric, gas, water distribution and telecommunications operators. The Smallworld business has a client base primarily represented by operating units that provide services, such as gas and water distribution, through large network infrastructures. Long-term, stable demand for solution services is expected, and management at FGI decided to acquire shares in Namtech and Geoplan Namtech as a way to expand the FGI Group's business results and improve access to the public sector. Consequently, the acquisition dates for both Namtech and Geoplan Namtech are deemed to be the end of the second quarter, and the two companies have been included in the scope of consolidation for the accounting period under review. Note that these two companies will merge on May 13, 2018, with Namtech the surviving company and Geoplan Namtech being dissolved. The merged company will take the name Geoplan Namtech Inc.

The public management consulting business generated revenue of ¥181 million and a segment loss of ¥20 million. Note that with the shift to consolidation subsidiary status for Public Management Consulting Corporation and others, this segment became a reporting segment from the second quarter of the previous fiscal year. Therefore, since the first two quarters of fiscal 2018 include these subsidiaries within the scope of consolidation and the corresponding period in fiscal 2017 did not, no year-on-year comparisons are presented for segment performance.

c. Entertainment Service Business

In the entertainment service business, construction contracts were signed and work began on special interior and exterior features at Moominvalley Park. Metsä Village is set to open on November 9, 2018, so the emphasis was on firming up agreements with tenants, including Northern European companies. Other preparations included recruiting staff for operations once the site opens.

On March 16, 2018, Moomin Monogatari, Ltd., joined Tuttle-Mori Agency, Inc., and Moomin Characters Oy Ltd. in establishing Rights and Brands Japan Co., Ltd., which will manage all Moomin copyrights in Japan. Through this approach, the three companies seek to draw on a strategy that integrates the licensing business and the theme park business and, by actively developing business domains from a medium- to long-term perspective, boost the brand value of the Moomins even higher and capture new fans to create an even larger market. Moomin Monogatari also executed a third-party allocation of shares, targeting several major corporations, to reinforce its financial position and procured ¥213 million during the first two quarters of fiscal 2018. After the books for the second quarter closed, third-party allocation of shares continued until May 7, 2018, with a focus on companies outside the FGI Group, and generated ¥480 million.

Segment revenue dropped 9.6% year on year, to ¥77 million, and the segment loss widened, to ¥386 million from ¥146 million a year ago, reflecting prior investment in Metsä.

d. Other

Adacotech Incorporated was involved in numerous projects, particularly for large corporations, with a focus on applying and building analytical systems into operations. A few projects are planned to be launched during the fiscal 2018.

The segment marked a huge increase in revenue — up 133.6% year-on-year — to ¥13 million. While still showing a loss, the segment's position improved, settling at ¥6 million compared with ¥9 million a year ago.

(2) Consolidated Financial Position

Assets

Total assets stood at ¥11,318 million on March 31, 2018, down 12.5% from the end of fiscal 2017 on September 30, 2017. The change mainly reflects a decrease of ¥276 million in cash and time deposits and, because subsidiaries in the real estate business were excluded from the scope of consolidation, land adjacent to the Metsä site was sold and investment real estate was sold, decreases of ¥1,983 million in real estate for sale and ¥1,034 million in land in progress. But the change would have been larger were it not for the following increases: ¥612 million in notes and accounts receivable, trade, paralleling addition of newly consolidated companies, including SGI-Aviation Services B.V. as well as the March-end completion of public management consulting services for local governments; ¥69 million in investments in securities, trade due to new investment and fund investment capture; ¥ 1,154 million on construction in progress due to Moominvalley Park construction work; and ¥299 million in goodwill on purchase of shares in SGI-Group B.V. and other companies.

Note that real estate for sale in progress was down because subsidiaries in the real estate business were excluded from the scope of consolidation. But the drop was held to ¥66 million, owing to investment in real estate development projects and payment for construction work at Metsä Village, and was ¥1,367 million higher than at the end of the first quarter of fiscal 2018.

Liabilities

Liabilities stood at ¥5,636 million on March 31, 2018, down 25.9% from the end of fiscal 2017 on September 30, 2017. The change was mainly due to removal of subsidiaries in the real estate business from the scope of consolidation and decreases of ¥2,701 million in short-term loans payable and ¥2,763 million in long-term loans payable, despite of an increase of ¥2,136 million in current portion of long-term loans payable prevented liabilities from falling further, following the transfer (note) of ¥2,000 million in long-term loans held by a subsidiary special purpose company to current portion of long-term loans payable.

Note: At the time these loans were repaid, agreements were made with financial institutions and other lenders for loans to be extended to the special purpose company.

Net assets

Net assets amounted to ¥5,681 million on March 31, 2018, up 6.7% from the end of fiscal 2017 on September 30, 2017. This change is reflects increases of ¥53 million in non-controlling interests, ¥286 million in common stock through the exercise of new stock acquisition rights from the 18th series, and ¥405 million in additional paid-in capital, which offset a decrease of ¥412 million in retained earnings, caused by the booking of net loss attributable to owners of parent.

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

The first two quarters of the consolidated fiscal year ending September 30, 2018, saw robust investment and arrangement activity aimed at turning a profit in the second half and into fiscal 2019. This activity included investments in real estate development projects using investment capital obtained through securitization of real estate adjacent to the Metsä site, the sale of shares in a real estate subsidiary, and loans from financial institutions.

In view of this situation, some projects presented rising exit potential. But it is difficult to predict if FGI will be able to recognize revenue from corporate investments in fiscal 2018 because external factors could cause a change in the timing of exits. In addition, efforts to package financial products in Japan and overseas are unfolding, but revenue expectations are unclear at the current stage of formation.

For these reasons, it is difficult to predict business results at this time, and management will wait until a clearer picture forms before disclosing a performance forecast.

FinTech Global Incorporated and Consolidated Subsidiaries

As of and for the Six Months ended March 31, 2018

(1) Quarterly Consolidated Balance Sheets

(Unit: Thousands of yen)

	Fiscal 2017 (As of September 30, 2017)	**First Two Quarters of Fiscal 2018** (As of March 31, 2018)
(Assets)		
Current assets		
Cash and time deposits	3,219,805	2,943,632
Notes and accounts receivable, trade	196,840	809,004
Investments in securities, trade	1,069,032	1,138,461
Loans receivable, trade	609,147	584,869
Merchandise	10,084	17,776
Real estate for sale	2,287,519	304,516
Real estate for sale in progress	2,556,159	2,489,583
Deferred tax assets	17,853	1,438
Other current assets	239,382	307,540
Allowance for doubtful accounts	(83,739)	(118,327)
Total current assets	10,122,083	8,478,495
Noncurrent assets		
Property, plant and equipment		
Land	1,539,871	505,409
Construction in progress	95,848	1,250,403
Other property, plant and equipment	602,514	364,368
Total property, plant and equipment	2,238,234	2,120,181
Intangible assets		
Goodwill	8,750	308,033
Other intangible assets	29,858	45,560
Total intangible assets	38,609	353,594
Investments and other assets		
Investments in securities, trade	100,543	102,875
Others	433,052	263,191
Total investments and other assets	533,596	366,067
Total noncurrent assets	2,810,440	2,839,843
Total assets	12,932,524	11,318,339

(Unit: Thousands of yen)

	Fiscal 2017 (As of September 30, 2017)	**First Two Quarters of Fiscal 2018** (As of March 31, 2018)
(Liabilities)		
Current liabilities		
Notes and accounts payable, trade	152,025	1,372,880
Short-term loans payable	2,751,380	49,996
Current portion of bonds	30,000	—
Current portion of long-term loans payable	293,847	2,429,908
Income taxes payable	42,335	44,913
Accrued employee bonuses	72,795	104,752
Deferred tax liabilities	7,967	—
Other current liabilities	435,078	769,772
Total current liabilities	3,785,430	4,772,222
Long-term liabilities		
Bonds payable	30,000	—
Long-term loans payable	3,513,399	750,040
Deferred tax liabilities	113,485	—
Net defined benefit liability	119,661	78,521
Other long-term liabilities	44,085	36,178
Total long-term liabilities	3,820,631	864,740
Total liabilities	7,606,062	5,636,963
(Net assets)		
Shareholders’ equity		
Common stock	4,549,016	4,835,542
Additional paid-in capital	1,812,727	2,218,432
Retained earnings	(1,560,954)	(1,973,818)
Total shareholders’ equity	4,800,789	5,080,156
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(530)	435
Foreign currency translation adjustment	—	6,192
Accumulated other comprehensive income	(530)	6,627
Stock acquisition rights	50,142	64,741
Non-controlling interests	476,060	529,851
Total net assets	5,326,461	5,681,375
Total liabilities and net assets	12,932,524	11,318,339

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income

Quarterly Consolidated Statements of Income

(Unit: Thousands of yen)

	First Two Quarters of Fiscal 2017 (From October 1, 2016 to March 31, 2017)	**First Two Quarters of Fiscal 2018** (From October 1, 2017 to March 31, 2018)
Revenues	4,062,461	1,713,533
Cost of revenues	2,874,388	742,695
Gross profit	1,188,073	970,837
Selling, general and administrative expenses	1,327,663	1,581,260
Operating income/(loss)	(139,590)	(610,423)
Other income		
Interest income	289	2,620
Foreign exchange gains	65,089	—
Share of profit of entities accounted for using equity method	10,451	—
Gain on outlawed debt	3,123	2,979
Other	8,427	4
Total other income	87,381	5,603
Other expenses		
Interest expense	37,114	28,401
Foreign exchange losses	—	59,087
Commission paid	11,609	13,576
Other	796	304
Total other expenses	49,520	101,370
Ordinary profit/(loss)	(101,729)	(706,189)
Extraordinary profit		
Gain on sales of non-current assets	804	—
Gain on sales of subsidiaries and associates	—	267,387
Gain on reversal of subscription rights to shares	8,061	11,990
Other	—	11,069
Total extraordinary profit	8,865	290,447
Extraordinary loss		
Loss on retirement of non-current assets	—	670
Loss on sales of noncurrent assets	1,075	—
Total extraordinary loss	1,075	670
Income/(Loss) before income taxes	(93,938)	(416,413)
Income taxes	29,466	30,976
Income taxes adjustment	(5,846)	(810)
Total income taxes	23,620	30,166
Profit/(loss)	(117,559)	(446,579)
Profit attributable to non-controlling interests/(loss)	4,948	(32,287)
Profit/(loss) attributable to owners of parent	(122,507)	(414,291)

Quarterly Consolidated Statements of Comprehensive Income

(Unit: Thousands of yen)

	First Two Quarters of Fiscal 2017 (From October 1, 2016 to March 31, 2017)	**First Two Quarters of Fiscal 2018** (From October 1, 2017 to March 31, 2018)
Profit/(loss)	(117,559)	(446,579)
Other comprehensive income		
Valuation difference on available-for-sale securities	24,334	965
Foreign currency translation adjustment	－	9,039
Total other comprehensive income	24,334	10,005
Comprehensive income	(93,224)	(436,574)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(98,173)	(407,134)
Comprehensive income attributable to non-controlling interests	4,948	(29,440)

(3) Notes to Quarterly Consolidated Financial Statements Assumption

(Assumption of Going Concern, for the Six Months ended March 31, 2018)

Not applicable.

(Material Change in Shareholders' Equity)

Not applicable.

(Segment Information)

I. Six months ended March 31, 2017 (October 1, 2016, to March 31, 2017)

1. Revenues and profit/loss for each reporting segment

(Unit: 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	Real Estate Business	Public Management Consulting Business	Entertainment Service Business	Total				
Revenues									
Revenues to third party	1,803,025	2,003,986	166,761	82,964	4,056,737	5,724	4,062,461	－	4,062,461
Inter-segment revenues and transfers	2,313	－	－	2,214	4,528	－	4,528	(4,528)	－
Total	1,805,338	2,003,986	166,761	85,178	4,061,266	5,724	4,066,990	(4,528)	4,062,461
Segment income (loss)	403,803	74,406	31,406	(146,315)	363,300	(9,109)	354,190	(493,781)	(139,590)

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 ¥(493,781) thousand, includes elimination of transactions among segments of ¥27,105 thousand and corporate expenses of ¥(520,886) 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.

Ⅱ. Six months ended March 31, 2018 (October 1, 2017, to March 31, 2018)

1. Revenues and profit/loss for each reporting segment

(Unit: 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	1,445,330	179,191	75,642	1,700,164	13,369	1,713,533	－	1,713,533
Inter-segment revenues and transfers	14,068	2,000	1,393	17,461	－	17,461	(17,461)	－
Total	1,459,398	181,191	77,035	1,717,625	13,369	1,730,994	(17,461)	1,713,533
Segment income (loss)	397,734	(20,958)	(386,022)	(9,247)	(6,106)	(15,353)	(595,069)	(610,423)

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 (595,069) thousand, includes elimination of transactions among segments

of 54,549 thousand and corporate expenses of ¥(649,619) 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. Issues related to changes in reporting segments

The public management consulting business was established as a new segment, effective from the second quarter of fiscal 2017, due to the acquisition of addition shares in a subsidiary.

Also, with the start of theme park construction in fiscal 2017, FGI recognized the entertainment service business as a business segment. Previously, activities were included under the “other” segment. Management also acknowledged that the financial significance of activities in this segment had increased. Consequently, the segment was designated a reporting segment

Note that segment information for the first two quarters of fiscal 2017, presented for comparison with the first two quarters of fiscal 2018, has been prepared according to the new reporting segment allocation. Inconsistencies do arise between first two quarters reporting segment data disclosed for fiscal 2017.

Also, FGI sold all shares held in Better Life Support Holdings Co., Ltd., in the first quarter of fiscal 2018. The real estate business had hinged on this company.

Consequently, FGI has three reporting segments as of the first quarter of fiscal 2018: the investment banking business, the public management consulting business and the entertainment service business.

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

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

Not applicable.

<u>Significant change in amount of goodwill</u>

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 ¥207,048 thousand in goodwill in the investment banking business.

Also, in the public management consulting business, Namtech Incorporated, consolidated subsidiary of FGI acquired shares in Geoplan Namtech Inc. in the first two quarters of fiscal 2018. This led to ¥93,263 thousand in goodwill in the public management consulting business.

<u>Significant gain on negative goodwill</u>

Content has been omitted because significance is negligible.