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Notice of Entering into Committed Credit Line Agreements

Financial Products Group Co., Ltd. (FPG) announced that it decided to enter into the Committed Credit Line Agreements detailed below on December 22, 2017.

1. Background of the Agreements

FPG has entered into committed credit line agreements and overdraft agreements with financial institutions in order to allow the flexible funding for the tax leasing arrangement business.

In March 2017, FPG entered into a committed credit line agreement of 12 billion yen in funding facilities, with Sumitomo Mitsui Banking Corporation as the arranger and Sumitomo Mitsui Trust Bank, Limited as the co-arranger to procure funds for the acquisition of aircraft to arrange an operating lease transaction. On this occasion, following an expansion in the total amount of aircraft arranged in operating leases using a trust structure in the tax leasing arrangement business, FPG has decided to enter into a new committed credit line agreement expanded to 15 billion yen.

FPG aims to expand our future earnings by making use of the funding facilities in the above-mentioned agreements.

(Reference)

Developments in the total amount of FPG's funding facilities

With this round of agreements, the total amount of our funding facilities is scheduled to increase to 111.7 billion yen as of January 9, 2018; this is based on FPG's committed credit line agreements and overdraft agreements.

	Total amount of funding facilities
As of end FY 9/2017 (September 30, 2017)	106.2 billion yen
As of end FY 9/2016 (September 30, 2016)	89.4 billion yen

※ The amounts above are the total amounts of funding facilities based on committed credit line agreements and overdraft agreements. Note that in addition to the figures above, group members also have individual borrowings with various financial institutions, meaning that the total funding facilities listed above do not indicate the upper limit of the funds FPG can raise.

2. Summary of Committed Credit Line Agreements

Use of funds	Funds for the acquisition of aircraft (including sub-loans for subsidiaries), or funds to refinance borrowings incurred under former contracts.
Lenders	Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited The Shizuoka Bank, Ltd. The Bank of Yokohama, Ltd. Taishin International Bank Co., Ltd. Korea Development Bank
Arranger & Agent	Sumitomo Mitsui Banking Corporation
Co-arranger	Sumitomo Mitsui Trust Bank, Limited
Funding facility amount	Total amount: 15.0 billion yen (denominated in either US dollars or Japanese yen)
Date of conclusion of the agreement	December 26, 2017
Commitment duration	January 9, 2018 - December 28, 2018
Financial covenants & provisions	The following financial covenants and provisions apply to this Agreement: (1) The total amount shown in the Net Assets Section of the Consolidated Balance Sheet as of the end of each business year (from the business year ending September 30, 2018 onwards) must be maintained at an amount equivalent to at least 75% of the total amount shown in the Net Assets Section of the Consolidated Balance Sheet for the business year ended September 30, 2017. (2) The Ordinary Profit & Loss amount shown in the Consolidated Income Statements as of the end of each business year (from the business year ending September 30, 2018 onwards) shall not be a loss.

3. Future Prospects

There is no change to the earnings forecast for FY 9/2018 resulting from these agreements.