

April 24, 2019

Company: Financial Products Group Co., Ltd.
Representative: Hisanaga Tanimura, CEO & Founder
(Code 7148 on the First Section of the Tokyo Stock Exchange)
Inquiries: Kenji Kubode, Managing Executive Officer
(TEL. +81-3-5288-5691)

Notice of Sale of Real Estate Trust Beneficiary Right

Financial Products Group Co., Ltd. (FPG) hereby announces the sale of real estate trust beneficiary right described below, as decided on April 24, 2019.

1. Reason for the sale

FPG has decided to sell “FPG Links Omotesando,” a commercial facility developed by the company located at Kita Aoyama 3-chome, Minato-ku, Tokyo, after setting up it in trust beneficiary right.

The property has been enhanced by the property building as a profitable real estate by FPG constructing a highly attractive commercial facility on land and attracting famous brands to tenants.

In our Real Estate Business, FPG sells small-lot real estate investment products, whereby we acquire real estate for arrangements, which is arranged into small lots and then transferred to many investors as investment products. However, this is the first project in which FPG develops profitable real estate for the first time and carries out a single block sale that enables quick profit realization.

Summary of the Project

Property Name	FPG Links Omotesando
Location	3-10-13 Kita Aoyama, Minato-ku, Tokyo
Area	Land Area: 392.07 m ² Total Floor Area: 665.40 m ²
Use	Stores
Construction Completed	November 30, 2018
Trustee	FPG Trust Co., Ltd. (FPG Trust)

The Buyer and the Trading Price of the project described above cannot be released due to confidentiality clauses in the Real Estate Trust Beneficiary Right Purchase Agreement signed with the Buyer. However, the Trading Price is an amount equivalent to at least 10% of FPG’s consolidated net sales(of ¥22 billion) for the fiscal year ended September 30, 2018. It should also be noted that there are no reportable capital, personal or trading ties with regard to the Buyer.

Transaction Schedule

- (i) Date of conclusion of the Real Estate Trust Beneficiary Right Purchase Agreement: April 25, 2019 (provisional)
- (ii) Trading Date: Mid-May, 2019 (provisional)

2.Impact on Future Prospects & Earnings

FPG intends to record an amount equivalent to the project's Trading Price in its net sales for the third quarter of the fiscal year ending September 30, 2019, the time that the sales of the project takes place.

When FPG sells small-lot real estate investment products, the company sells the trust beneficiary rights of the real estate management trust which is set up in trust with the subsidiary FPG Trust acting as the Trustee, and the company puts emphasis on providing variety of services to set up real estate in trust beneficiary right, to carry out management instructions, etc. Therefore, the amount we record under "Net sales" is the amount equivalent to our service fees, rather than the amount equivalent to the Transfer Price of the property.

However, in this case we intend to record the amount equivalent to the project's Trading Price as "Net sales" for our Real Estate Business. This is due to the fact that FPG sells a single investor a trust beneficiary right of single block of real estate which has added value to the real estate property before the sale. And the company puts emphasis on providing the value improvement by real estate development rather than providing a range of services to set up real estate in trust beneficiary right, to carry out management instructions, etc. In addition, the effect on profit and loss is the same regardless of the way in which net sales are recorded.

With regard to the consolidated business forecasts for the full fiscal year ending September 2019, FPG will promptly notify you if it becomes necessary to revise them in the future.