August 31, 2017

Company: Financial Products Group Co., Ltd.
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Notice concerning borrowing of funds

On 31 August, 2017, Financial Products Group Co. Ltd. (FPG) made a decision with regard to borrowing of funds, as outlined below.

1. Background to borrowing of funds

As disclosed in the 15 June, 2017 "Notice of aircraft operating lease structure" announcement, FPG plans to acquire 11 aircraft in order to expand its aircraft operating leasing business ("lease arrangements"). It is intended that the lease arrangements will use a trust structure for seven of the 11 aircraft, and a silent partnership structure for the remaining four aircraft. FPG will acquire trust beneficial interests when it uses the trust structure, and the company has decided to borrow USD136mn from financial institutions which it will use towards the payment of the acquisition cost.

In the case of the trust structure, FPG will establish a money trust with FPG Trust Co., Ltd. as the trustee. FPG will acquire the trust beneficial interests, and using those funds, FPG Trust Co., Ltd will acquire the relevant aircraft. The trust beneficial interests acquired by FPG will subsequently be sold to investors.

2. Details of the funds to be borrowed

Funds to be borrowed	USD136mn (JPY14.9bn)
Financial institutions from which the funds will be borrowed	Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, The Shizuoka Bank, Bank of Yokohama, Industrial and Commercial Bank of China, Resona Bank, The Tokyo Star Bank, Orix Bank, Shinsei Bank, The Daishi Bank
Date of borrowing	September 2017

Note: (1) Converted to yen using USD1.00 = JPY109.86
(2) Will be reported as short-term borrowings as the loan duration is less than one year

3. Outlook

This arrangement will not change FPG's earnings outlook for the year ending September 2017.