July 17, 2018

Press Release

Company: Financial Products Group Co., Ltd.
Representative: Hisanaga Tanimura, CEO & Founder
(Code 7148 on the First Section of the Tokyo Stock Exchange)
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Notice of Change of Subsidiary

Financial Products Group Co., Ltd. (FPG) announced at its meeting of the Board of Directors held today that it has decided to change its subsidiary as detailed below.

Details

1. Grounds for change of subsidiary

FPG, in collaboration with Buss Global Investment Holdings Pte. Ltd. and FPG Asset & Investment Management B.V., has been operating a joint venture in the Republic of Singapore concerning business in operating leases for marine shipping containers. However, FPG has decided to withdraw from the joint venture.

FPG Raffles Holdings Pte. Ltd., the holding company of the joint venture, will reduce its paid-in capital, and FPG will receive US$20 million, which is the same as the amount that FPG invested in Class A shares, and the investment relationship with the company will be canceled, with the company removed from the list of subsidiaries.

Furthermore, as a result, the subsidiary of this company, Raffles Lease Pte. Ltd., as well as three other companies, will cease to be subsidiaries of FPG.

FPG will invest the return of capital in strong existing businesses and aim for further growth.

(Note) Please see “Notice of the establishment of a Joint Venture in Singapore to expand the structuring of Japanese Operating Lease (“JOL”) for marine containers” dated on March 22, 2017. Buss Global Investment Holdings Pte. Ltd. changed its name from Buss Global Holdings Pte. Ltd.

2. Schedule

(1) Date of decision of the Board of Directors of FPG	July 17, 2018
(2) Date of decision of the Board of Directors of FPG Raffles Holdings Pte. Ltd.	July 17, 2018
(3) Date of General Shareholders’ Meeting of FPG Raffles Holdings Pte. Ltd. (planned)	August 3, 2018
(4) Effective date of capital reduction (planned)	September 28, 2018

(Note) At the General Shareholders’ Meeting, FPG will refrain from exercising voting rights as a stakeholder.

3. Summary of Change in Subsidiary Companies

(1) Name	FPG Raffles Holdings Pte. Ltd.
(2) Location	Republic of Singapore
(3) Name and title of representative	Danny Wong Chit Kwong
(4) Business details	Container investment and management services
(5) Capital	US$29.5 million
(6) Date established	February 9, 2017
(7) Share of voting rights	FPG (75.1%) FPG Asset & Investment Management B.V. (13.1%) Buss Global Investment Holdings Pte. Ltd. (11.8%)
(8) Relationship with FPG	It is designated as a subsidiary company of FPG. Officers of FPG have been serving concurrently as directors of the company, but have resigned as of today.

(9) Most recent operating results and financial situation of the company (consolidated)

	FY 9/2017
Net Assets	US$28.8 million
Total Assets	US$37.6 million
Sales	US$0.8 million
Net Income	▲US$0.6 million

(1) Name	Raffles Lease Pte. Ltd.
(2) Location	Republic of Singapore
(3) Name and title of representative	Danny Wong Chit Kwong
(4) Business details	Container investment and management services
(5) Capital	US$4.5 million
(6) Date established	November 6, 2006
(7) Share of voting rights	FPG Raffles Holdings Pte. Ltd. (100%)
(8) Relationship with FPG	It is designated as a subsidiary company of FPG through FPG Raffles Holdings Pte. Ltd.

(9) Three most recent years of operating results and financial situation of the company

	FY 12/2015	FY 12/2016	FY 9/2017
Net Assets	US$6.1 million	US$3.0 million	US$0.4 million
Total Assets	US$9.0 million	US$4.5 million	US$2.2 million
Sales	US$2.5 million	US$1.8 million	US$1.2 million
Net Income	US$3.9 million	▲US$1.2 million	▲US$2.5 million

(Note 1) Raffles Lease Pte. Ltd. changed its name from FPG Raffles Lease Pte. Ltd.

(Note 2) FPG Raffles Holdings Pte. Ltd. and Raffles Lease Pte. Ltd. are subsidiaries of FPG. After this change they will be removed from the list of subsidiaries.

4. Change in the Number and Percentage of Voting Rights

FPG Raffles Holdings Pte. Ltd.

	Percentage of voting rights of the company held by FPG
Before change	75.1%
After change	- %

(Note) 75.1% of the voting rights are attached to 20,000,000 Class A shares, and 24.9% of the voting rights are attached to 9,500,000 Class B shares issued by the company. FPG holds 20,000,000 Class A shares.

Raffles Lease Pte. Ltd.

	Percentage of voting rights of the company held by FPG
Before change	100.0% (100.0%)
After change	- % (- %)

(Note) The figures in parentheses ( ) are the number and percentage of units held by our subsidiary FPG Raffles Holdings Pte., Ltd.

5. Future Prospects

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

End