FPG
Financial Products Group

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Notice of Entering into Committed Credit Line Agreements

Financial Products Group Co., Ltd. (FPG) announced that it had decided to enter into the Committed Credit Line Agreements detailed below on September 19, 2018.

1． Background of the Agreements

FPG has decided to enter into committed credit line agreements with financial institutions as described below to allow for flexible procurement of project funds for its Tax Lease Arrangement Business as well as for small-lot real estate investment products in its Real Estate Related Business. Note that FPG has reviewed the funding facilities in some agreements in order to reduce funding costs through an increase in its own funds and a move from short-term committed credit lines to long-term borrowings which aim to secure stable funds.

(i) FPG will enter into a new committed credit line agreement for a funding facility of 15.5 billion yen as of September 25, 2018 as the existing committed credit line agreement of 19.1 billion yen entered into in September 2017 (arranged by Sumitomo Mitsui Banking Corporation) will expire.

(ii) FPG will enter into a new committed credit line agreement for a funding facility of 10 billion yen as of September 28, 2018 as the existing committed credit line agreement of 13 billion yen entered into in September 2017 (arranged by Mizuho Bank, Ltd.) will expire.

(iii) FPG will enter into a new committed credit line agreement for a funding facility of 2.8 billion yen as of September 25, 2018 as the existing committed credit line agreement of 2.8 billion yen entered into in September 2017 (arranged by The Chiba Bank , Ltd.) will expire.

(iv) FPG will enter into a new committed credit line agreement for a funding facility of 4 billion yen as of September 26, 2018 as the existing committed credit line agreement of 4 billion yen entered into in September 2017 (arranged by The Bank of Yokohama , Ltd.) will expire.

FPG group intends to expand its future earnings by making use of the funding facilities in the above agreements.

(Reference)

Developments in the total amount of FPG group's funding facilities

With this round of agreements, the total amount of funding facilities including committed credit line agreements and overdraft agreements is scheduled to be 105.6 billion yen as of September 28, 2018.

	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

(i) Committed credit line agreement arranged by Sumitomo Mitsui Banking Corporation

Use of funds	Acquisition funds for silent partnership investments paid for in advance by FPG for use in our Tax Lease Arrangement Business, or for refinancing funds borrowed under previous agreements.
Lenders	Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank,Limited AEON BANK, LTD. The Shoko Chukin Bank, Ltd. Kiraboshi Bank , Ltd. Tsukuba Bank , Ltd. The Senshu Ikeda Bank, Ltd. The Mie Bank , Ltd.
Arranger & Agent	Sumitomo Mitsui Banking Corporation
Co-arranger	Sumitomo Mitsui Trust Bank,Limited
Funding facility amount	Total amount: 15.5 billion yen
Date of conclusion of the agreement	September 25, 2018
Commitment duration	September 28, 2018 - September 27, 2019
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 at 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 at the end of each business year (from the business year ending September 30, 2018 onwards) shall not be a loss.

(ii) Committed credit line agreement arranged by Mizuho Bank Ltd.

Use of funds	Acquisition funds for silent partnership investments paid for in advance by FPG for use in its Tax Leasing Arrangement Business, funds for the acquisition of aircraft for projects, or for refinancing funds borrowed under previous agreements.
Lenders	Mizuho Bank, Ltd. The Hokuetsu Bank , Ltd. THE SHIZUOKA BANK , LTD. The Ashikaga Bank , Ltd. Shinsei Bank, Ltd. The Gunma Bank , Ltd The Keiyo Bank , Ltd. THE TOKUSHIMA BANK , LTD. The Hiroshima Bank , Ltd. THE FUKUHO BANK , LTD.
Arranger & Agent	Mizuho Bank, Ltd.
Funding facility amount	Total amount: 10 billion yen (7 billion yen denominated in either US dollars or Japanese yen and 3 billion yen denominated in Japanese yen)
Date of conclusion of the agreement	September 28, 2018
Commitment duration	September 28, 2018 - September 30, 2019
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 at the end of each fiscal 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 at the end of each business year (from the business year ending September 30, 2018 onwards) shall not be a loss.

(iii) Committed credit line agreement arranged by The Chiba Bank , Ltd.

Use of funds	Acquisition funds for silent partnership investments paid for in advance by FPG for use in its Tax Leasing Arrangement Business, funds for the acquisition of aircraft for projects, or for refinancing funds borrowed under previous agreements.
Lenders	The Chiba Bank , Ltd. The Aomori Bank , Ltd. The 77 Bank , Ltd. The Chugoku Bank , Limited The Toho Bank , Ltd.
Arranger & Agent	The Chiba Bank , Ltd.
Funding facility amount	Total amount: 2.8 billion yen
Date of conclusion of the Agreement	September 25, 2018
Commitment duration	September 28, 2018 - September 27, 2019
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 at 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 whichever is greater of (a) or (b); where (a) is the total amount shown in the Net Assets Section of the Consolidated Balance Sheet for the end of the business year immediately preceding the business year in question, and (b) is the last date of the business year ended September 2017. (2) The Ordinary Profit & Loss amount shown in the Consolidated Income Statements at the end of each business year (from the business year ending September 30, 2018 onwards) shall not be a loss.

(iv) Committed credit line agreement arranged by The Bank of Yokohama , Ltd.

Use of funds	Acquisition funds for silent partnership investments paid for in advance by FPG for use in Tax Lease Arrangement Business, funds for the acquisition of aircraft for projects (including funds to be sub-loaned to subsidiaries), or funds for the acquisition of real estate for use in Real Estate Related Business.
Lenders	The Bank of Yokohama , Ltd. The Yamaguchi Bank , Ltd. The Higashi-Nippon Bank , Limited THE BANK OF SAGA LTD. The Hokuriku Bank , Ltd.
Arranger & Agent	The Bank of Yokohama , Ltd.
Funding facility amount	Total amount: 4 billion yen
Date of conclusion of the Agreement	September 26, 2018
Commitment duration	September 28, 2018 - September 30, 2019
Financial covenants & provisions	The following financial covenants and provisions apply to this Agreement: (1) At the end of each business year, the amount in the Net Assets Section of the Consolidated Balance Sheet must be maintained at an amount of at least 75% of the amount for the business year ended September 2017. (2) The Ordinary Profit & Loss amount shown in the Consolidated Income Statements at the end of each business year shall not be a loss.

３． Future Prospects

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