August 21, 2019

Company: Financial Products Group Co., Ltd.
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Notice of Establishment of New Organization

1. Establishment of new organization (October 1, 2019)

As part of the Medium- to Long-Term Management Strategy to "Aim to increase corporate value through sustainable Quality Growth Strategy", Financial Products Group Co., Ltd. (FPG) will newly establish the "Corporate Investment Department" to promote the Private Equity Investment Business※2 as the "third growth engine"※1 that will drive the expansion of our business following the Lease Arrangement Business and our diversified businesses (Real Estate Business, Insurance Business, and M&A Business).

2. Background to the establishment of new organization

As announced in the news release "Notice Regarding Private Equity Business for SMEs" dated October 15, 2018, FPG has established a maximum investment amount of 3 billion yen for private equity investments and has already started investments.

The Private Equity Investment Business, which invests in prime SMEs, is expected to utilize the relations and platforms that FPG has cultivated to date in developing financial services for SMEs. In addition, FPG believes this is a business field in which we can achieve our target high level of ROE.

FPG will soon assign human resources who are highly knowledge and who have abundant experience in private equity investment and M&A to this department, and FPG will aim for further growth by actively promoting the Private Equity Investment Business through the effective utilization of the allocated maximum investment amount.

※1 Please see the presentation materials for the "FPG Consolidated Financial Results for the Fiscal Year ending September 2018" released October 31, 2018.

※2 Private Equity Investment Business means "Investment business using our own account, mainly targeting unlisted companies for the purpose at the time of investment of acquiring transfer income through the future sales of equity interests".