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**Summary of Financial Statements  
for the First Two Quarters of Fiscal 2022  
<under Japanese GAAP>**

May 11, 2022

Company Name: FinTech Global Incorporated (Code Number: 8789 Tokyo Stock Exchange)  
(URL: <http://www.fgi.co.jp/english/>) TEL: +81-50-5864-3978

Representative: President and Chief Executive Officer Name: Nobumitsu Tamai  
Contact: Director, Senior Executive Officer Name: Takashi Senda

Scheduled date for filing of securities report: May 13, 2022  
Scheduled date of commencement of dividend payment: —  
Preparation of explanatory materials for quarterly financial results: Yes  
Information meetings arranged related to quarterly financial results: None

(Rounded down to the nearest million)

1. Consolidated results for the first two quarters of fiscal 2022  
(October 1, 2021 – March 31, 2022)

(1) Consolidated operating results (Percentages indicate year-on-year changes.)

	Revenues		Operating income/(loss)		Ordinary profit/(loss)		Profit/(loss) attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First two quarters of fiscal 2022	4,421	(9.3)	(39)	—	(51)	—	(203)	—
First two quarters of fiscal 2021	4,874	14.2	840	—	831	—	618	—

(For reference) Comprehensive income: (84) million yen for the first two quarters of fiscal 2022 (—)%  
651 million yen for the first two quarters of fiscal 2021 (—)%

	Net income/(loss) per share	Net income per share (diluted)
First two quarters of fiscal 2022	Yen (1.01)	Yen —
First two quarters of fiscal 2021	3.07	3.07

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
First two quarters of fiscal 2022	Millions of yen 16,172	Millions of yen 7,243	38.0%
Fiscal 2021	16,457	7,439	38.5%

(For reference) Shareholders' equity: 6,142 million yen for the first two quarters of fiscal 2022  
6,328 million yen for fiscal 2021

## 2. Dividends

	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Total
Fiscal 2021	Yen —	Yen 0.00	Yen —	Yen 0.00	Yen 0.00
Fiscal 2022	—	0.00			
Fiscal 2022 (Forecast)			—	0.00	0.00

(Note) Change from the latest dividend forecast: None

## 3. Consolidated financial forecasts for fiscal 2022 (October 1, 2021 – September 30, 2022)

(Percentages indicate year-on-year changes.)

	Revenues		Operating income		Ordinary profit		Profit attributable to owners of the parent		E.P.S.
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal 2022	8,000	(1.3)	450	152.7	300	159.0	100	(23.6)	0.50

(Notes)

1. Change from the latest consolidated financial forecasts: None

\*Notes

(1) Changes in significant subsidiaries during the period: None

(2) Adoption of specific accounting policies for quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatements:

(a). Changes in accounting policies required by accounting standard: Yes

(b). Changes other than those in (a) above: None

(c). Changes in accounting estimates: None

(d). Restatements: None

Note: For details, please refer to “Consolidated Financial Statements and Primary Notes (3) Notes to Quarterly Consolidated Financial Statements (Change in accounting policies)”.

(4) Number of shares issued (common shares)

1. Number of shares issued (including treasury stock): 201,295,200 shares in the first two quarters of fiscal 2022  
201,115,600 shares in fiscal 2021

2. Number of shares of treasury stock: — shares for the first two quarters of fiscal 2022  
— shares for fiscal 2021

3. Average number of shares issued during the first two quarters:  
201,213,740 shares in the first two quarters of fiscal 2022  
201,115,303 shares in the first two quarters of fiscal 2021

\* This summary of financial statements is exempt from the review procedures.

\* Explanation of the appropriate use of performance forecasts and other related items.

The forward-looking statements included in this summary of financial statements are based on the assumptions, forecasts, and plans of the Company as of the date on which this document is made public. The Company’s actual results may differ substantially from such statements due to various risks and uncertainties.

## Consolidated Financial Statements and Primary Notes

### (1) Quarterly Consolidated Balance Sheets

(Unit: Thousands of yen)

	Fiscal 2021 (As of September 30, 2021)	First two Quarters of Fiscal 2022 (As of March 31, 2022)
<b>Assets</b>		
Current assets		
Cash and time deposits	2,379,230	2,273,808
Accounts receivable, trade	753,826	—
Accounts receivable, trade, and contract assets	—	1,245,637
Investments in securities, trade	1,042,651	754,524
Loans receivable, trade	455,415	418,565
Real estate for sale	4,038,343	4,042,526
Merchandise	192,176	130,925
Other	398,443	354,698
Allowance for doubtful accounts	(92,518)	(100,020)
Total current assets	9,167,569	9,120,665
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	5,380,820	5,383,329
Accumulated depreciation	(522,495)	(618,932)
Buildings and structures, net	4,858,325	4,764,396
Other	1,440,780	1,288,194
Total property, plant and equipment	6,299,105	6,052,591
Intangible fixed assets		
Goodwill	129,334	117,984
Other	486,976	515,763
Total intangible fixed assets	616,310	633,747
Investments and other assets		
Investments in securities	65,865	75,066
Long-term loans receivable	33,336	39,170
Deferred tax assets	8,445	11,980
Other	267,025	247,763
Allowance for doubtful accounts	(70)	(8,041)
Total investments and other assets	374,602	365,938
Total noncurrent assets	7,290,019	7,052,277
Total assets	16,457,588	16,172,943

(Unit: Thousands of yen)

	<b>Fiscal 2021</b> (As of September 30, 2021)	<b>First two Quarters of Fiscal 2022</b> (As of March 31, 2022)
<b>Liabilities</b>		
Current liabilities		
Accounts payable, trade	130,687	371,165
Short-term loans payable	125,600	27,600
Current portion of long-term loans payable	393,194	457,624
Income taxes payable	75,228	96,001
Lease obligations	247,203	251,224
Provision for bonuses	146,703	139,866
Other	1,273,293	1,177,924
Total current liabilities	2,391,910	2,521,407
Noncurrent liabilities		
Long-term loans payable	6,041,300	5,976,052
Lease obligations	388,207	269,987
Deferred tax liabilities	64,885	23,651
Retirement benefit liability	99,040	105,721
Other	33,122	33,122
Total noncurrent liabilities	6,626,556	6,408,535
Total liabilities	9,018,467	8,929,943
<b>Net assets</b>		
Shareholders' equity		
Common stock	6,462,099	6,471,266
Additional paid-in capital	4,987,549	4,996,716
Retained earnings	(5,120,066)	(5,323,174)
Total shareholders' equity	6,329,582	6,144,808
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,249	9,308
Foreign currency translation adjustment	(7,167)	(11,191)
Total accumulated other comprehensive income	(918)	(1,882)
Stock acquisition rights	78,503	46,893
Non-controlling interests	1,031,953	1,053,181
Total net assets	7,439,120	7,243,000
Total liabilities and net assets	16,457,588	16,172,943

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income  
 Quarterly Consolidated Statements of Income

(Unit: Thousands of yen)

	<b>First two Quarters of Fiscal 2021</b> (From October 1, 2020 to March 31, 2021)	<b>First two Quarters of Fiscal 2022</b> (From October 1, 2021 to March 31, 2022)
Revenues	4,874,665	4,421,191
Cost of revenues	2,490,402	2,811,670
Gross profit	2,384,262	1,609,521
Selling, general and administrative expenses	1,543,450	1,649,476
Operating income/(loss)	840,812	(39,955)
Non-operating income		
Interest income	460	516
Foreign exchange gains	—	11,629
Share of profit of entities accounted for using equity method	9,664	9,563
Subsidy income	53,425	34,051
Other	2,231	3,196
Total non-operating income	65,780	58,957
Non-operating expenses		
Interest expense	58,369	59,120
Foreign exchange losses	15,521	—
Provision of allowance for doubtful accounts	—	9,627
Other	1,536	2,055
Total non-operating expenses	75,426	70,804
Ordinary profit/(loss)	831,166	(51,802)
Extraordinary income		
Gain on reversal of stock acquisition rights	3,108	15,691
Other	14	—
Total extraordinary income	3,123	15,691
Extraordinary losses		
Loss on valuation of investments in capital of subsidiaries and associates	—	999
Loss on retirement of non-current assets	801	—
Loss on valuation of shares of subsidiaries and associates	320	—
Loss on liquidation of subsidiaries and associates	—	362
Total extraordinary loss	1,122	1,362
Income/(loss) before income taxes	833,168	(37,473)
Income taxes (current)	235,203	89,868
Income taxes (deferred)	(22,019)	(46,958)
Total income taxes	213,183	42,909
Profit/(Loss)	619,984	(80,383)
Profit/(Loss) attributable to non-controlling interests	1,690	122,724
Profit/(Loss) attributable to owners of the parent	618,293	(203,107)

Quarterly Consolidated Statements of Comprehensive Income

(Unit: Thousands of yen)

	<b>First two Quarters of Fiscal 2021</b> (From October 1, 2020 to March 31, 2021)	<b>First two Quarters of Fiscal 2022</b> (From October 1, 2021 to March 31, 2022)
Profit/(Loss)	619,984	(80,383)
Other comprehensive income		
Valuation difference on available-for-sale securities	7,988	3,058
Foreign currency translation adjustment	24,015	(7,372)
Total other comprehensive income	32,003	(4,313)
Comprehensive income	651,988	(84,696)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	640,479	(204,072)
Comprehensive income attributable to non-controlling interests	11,508	119,375

(3) Notes to Quarterly Consolidated Financial Statements  
(Assumption of Going Concern)  
Not applicable.

(Significant Change in Shareholders' Equity)  
Not applicable.

(Change in accounting policies)

1. Application of Accounting Standard for Revenue Recognition

The Company has applied the “Accounting Standard for Revenue Recognition” (Accounting Standards Board of Japan [hereinafter, the “ASBJ”] Statement No.29, March 31, 2020) effective from the start of the first quarter of the current fiscal year. It recognizes revenue based on the amount expected to be received in exchange for such goods or services at the time when control of the promised goods or services is transferred to the customer.

The application of the Accounting Standard for Revenue Recognition is subject to the transitional treatment provided for in paragraph 84 of the Accounting Standard for Revenue Recognition. The cumulative effect of the retrospective application, assuming the new accounting policy had been applied to periods before the start of the first quarter of the current fiscal year, was added to or subtracted from the beginning balance of retained earnings of the first quarter of the current fiscal year, and thus the new accounting policy was applied from such beginning balance. There is no impact of this change on the beginning balance of retained earnings. Also, there is no impact on operating loss, ordinary loss, and loss before income taxes. The main changes due to the adoption of the Accounting Standard for Revenue Recognition are as follows.

(1) Revenue recognition for agent transactions

Revenue related to consignment buying was previously recognized in the gross amount of consideration received from customers, but as a result of determining whether the Company was a principal or an agent in providing those goods or services to customers, the Company changed the method of revenue recognition to recognize revenue in the net amount, obtained by subtracting the amount paid to suppliers from the gross amount. Such revenue is recorded in net revenues. As a result, both revenues and cost of revenues decreased by 37 million yen for the first two quarters of the current fiscal year.

Due to the application of the Accounting Standard for Revenue Recognition, “Accounts receivable, trade,” which were presented under “Current assets” in the consolidated balance sheet for the previous fiscal year, are included in “Accounts receivable, trade, and contract assets” effective from the first quarter of the current fiscal year. In accordance with the transitional treatment provided for in Paragraph 89-2 of the Accounting Standard for Revenue Recognition, figures for the previous fiscal year have not been restated in accordance with the new presentation approach.

2. Application of Accounting Standard for Fair Value Measurement

The Company has applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019) and relevant ASBJ regulations effective from the start of the first quarter of the current fiscal year, and it has applied the new accounting policy provided for by the Accounting Standard for Fair Value Measurement prospectively in accordance with the transitional measures provided for in paragraph 19 of the Accounting Standard for Fair Value Measurement, and paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019). The application of the “Accounting Standard for Fair Value Measurement” and relevant ASBJ regulations has no impact on the quarterly consolidated financial statements for the first two quarters of the current fiscal year.

(Additional Information)

(Accounting estimates related to impact from spread of COVID-19)

There is no material change concerning the assumption, and the accounting estimates based on it, about how COVID-19, the disease caused by the new coronavirus, will spread further and influence economic and corporate activities, when it will subside, etc., which were stated in the Annual Securities Report for the previous fiscal year.



(Segment Information)

I. Six months ended March 31, 2021 (October 1, 2020 to March 31, 2021)

**1. Information about the amount of revenues, profits or losses pursuant to each reporting segment**

(Thousands of yen)

	Reporting Segments				Adjustment (Note 1)	Consolidated (Note 2)
	Investment Banking Business	Public Management Consulting Business	Entertainment Service Business	Total		
Revenues						
Revenues to third party	2,570,956	112,727	2,190,981	4,874,665	—	4,874,665
Inter-segment revenues and transfers	98,560	6,000	40,250	144,811	(144,811)	—
Total	2,669,516	118,727	2,231,232	5,019,476	(144,811)	4,874,665
Segment income (loss)	1,322,505	(3,230)	(155,078)	1,164,195	(323,383)	840,812

Notes:

1. Adjustment of segment income (loss), at ¥(323,383) thousand, includes elimination of transactions among segments of ¥110,533 thousand and corporate expenses of ¥(433,916) thousand, which are not allocatable to reporting segments. Corporate expenses are mainly general and administrative expenses, which do not belong to any reporting segments.
2. Segment income (loss) is reconciled with operating income in the quarterly consolidated statements.

II. Six months ended March 31, 2022 (October 1, 2021 to March 31, 2022)

**1. Information about the amount of revenues, profits or losses pursuant to each reporting segment**

(Thousands of yen)

	Reporting Segments				Adjustment (Note 1)	Consolidated (Note 2)
	Investment Banking Business	Public Management Consulting Business	Entertainment Service Business	Total		
Revenues						
Revenues to third party	2,078,743	195,453	2,146,994	4,421,191	—	4,421,191
Inter-segment revenues and transfers	114,800	6,000	32,228	153,029	(153,029)	—
Total	2,193,543	201,453	2,179,223	4,574,220	(153,029)	4,421,191
Segment income (loss)	310,961	12,404	(25,897)	297,468	(337,423)	(39,955)

Notes:

1. Adjustment of segment income, at ¥(337,423) thousand, includes elimination of transactions among segments of ¥96,170 thousand and corporate expenses of ¥(433,594) thousand, which are not allocatable to reporting segments. Corporate expenses are mainly general and administrative expenses, which do not belong to any reporting segments.
2. Segment income (loss) is reconciled with operating loss in the quarterly consolidated statements.