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**Summary of Financial Statements
for the First Two Quarters of Fiscal 2023
<under Japanese GAAP>**

May 10, 2023

Company Name: FinTech Global Incorporated

(Code Number: 8789 Tokyo Stock Exchange)

(URL: <https://www.fgi.co.jp/en/>)

TEL: +81-3-6456-4600

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 12, 2023

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 2023
(October 1, 2022 – March 31, 2023)

(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 2023	4,530	2.5	645	—	628	—	477	—
First two quarters of fiscal 2022	4,421	(9.3)	(39)	—	(51)	—	(203)	—

(For reference) Comprehensive income: 654 million yen for the first two quarters of fiscal 2023 (—%)
(84) million yen for the first two quarters of fiscal 2022 (—%)

	Net income/(loss) per share	Net income per share (diluted)
	Yen	Yen
First two quarters of fiscal 2023	2.37	2.36
First two quarters of fiscal 2022	(1.01)	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
First two quarters of fiscal 2023	18,341	8,251	38.6
Fiscal 2022	17,933	7,842	36.7

(For reference) Shareholders' equity: 7,080 million yen for the first two quarters of fiscal 2023
6,585 million yen for fiscal 2022

2. Dividends

	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2022	—	0.00	—	0.00	0.00
Fiscal 2023	—	0.00			
Fiscal 2023 (Forecast)			—	—	—

(Notes)

1. Change from the latest dividend forecast: None
2. Year-end dividend forecast for the fiscal year ending September 30, 2023 has not been made.

3. Consolidated financial forecasts for fiscal 2023 (October 1, 2022 – September 30, 2023)

(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 2023	10,100	8.6	1,400	138.2	1,400	158.8	1,000	467.8	4.97

(Note) Change from the latest consolidated financial forecasts: None

*Notes

(1) Changes in significant subsidiaries during the period (Changes in specified subsidiaries accompanying change in scope of consolidation): 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):
201,305,200 shares for the first two quarters of fiscal 2023
201,295,200 shares for fiscal 2022
2. Number of shares of treasury stock:
20 shares for the first two quarters of fiscal 2023
20 shares for fiscal 2022
3. Average number of shares issued during the first two quarters:
201,301,966 shares for the first two quarters of fiscal 2023
201,213,740 shares for the first two quarters of fiscal 2022

* 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 2022	First Two Quarters
	(As of September 30, 2022)	of Fiscal 2023
		(As of March 31, 2023)
Assets		
Current assets		
Cash and deposits	2,375,927	1,747,229
Accounts receivable - trade, and contract assets	1,113,702	1,073,142
Operational investment securities	2,482,469	3,303,117
Loans receivable, trade	371,665	353,265
Real estate for sale	4,057,167	4,057,167
Merchandise	133,602	134,539
Other	593,045	677,494
Allowance for doubtful accounts	(104,772)	(104,969)
Total current assets	11,022,806	11,240,986
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	5,390,285	5,374,165
Accumulated depreciation	(717,453)	(804,788)
Buildings and structures, net	4,672,832	4,569,377
Other	1,205,951	1,135,429
Total property, plant and equipment	5,878,784	5,704,807
Intangible fixed assets		
Goodwill	117,736	105,619
Other	514,765	41,434
Total intangible fixed assets	632,501	147,054
Investments and other assets		
Investments in securities	105,581	822,972
Long-term loans receivable	35,004	30,838
Deferred tax assets	11,364	98,679
Other	257,016	306,185
Allowance for doubtful accounts	(10,047)	(10,037)
Total investments and other assets	398,918	1,248,638
Total noncurrent assets	6,910,204	7,100,500
Total assets	17,933,011	18,341,487

(Unit: Thousands of yen)

	Fiscal 2022 (As of September 30, 2022)	First Two Quarters of Fiscal 2023 (As of March 31, 2023)
Liabilities		
Current liabilities		
Accounts payable, trade	248,274	448,887
Short-term loans payable	—	52,500
Current portion of long-term loans payable	529,252	756,067
Income taxes payable	133,150	116,079
Lease obligations	260,095	256,075
Provision for bonuses	191,888	179,888
Other	1,225,164	831,423
Total current liabilities	2,587,825	2,640,922
Noncurrent liabilities		
Long-term loans payable	7,184,342	6,849,561
Lease obligations	158,022	73,555
Deferred tax liabilities	19,737	106,460
Retirement benefit liability	110,067	119,370
Other	30,322	300,062
Total noncurrent liabilities	7,502,492	7,449,010
Total liabilities	10,090,317	10,089,932
Net assets		
Shareholders' equity		
Common stock	6,471,266	5,372,574
Capital surplus	4,996,716	960,465
Retained earnings	(4,943,941)	668,910
Treasury shares	(0)	(0)
Total shareholders' equity	6,524,040	7,001,949
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	35,680	55,439
Foreign currency translation adjustment	26,158	23,060
Total accumulated other comprehensive income	61,839	78,499
Stock acquisition rights	56,359	74,387
Non-controlling interests	1,200,454	1,096,717
Total net assets	7,842,693	8,251,554
Total liabilities and net assets	17,933,011	18,341,487

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

(Unit: Thousands of yen)

	First Two Quarters of Fiscal 2022 (From October 1, 2021 to March 31, 2022)	First Two Quarters of Fiscal 2023 (From October 1, 2022 to March 31, 2023)
Revenues	4,421,191	4,530,710
Cost of revenues	2,811,670	2,149,152
Gross profit	1,609,521	2,381,557
Selling, general and administrative expenses	1,649,476	1,735,569
Operating income/(loss)	(39,955)	645,988
Non-operating income		
Interest income	516	1,915
Foreign exchange gains	11,629	—
Share of profit of entities accounted for using equity method	9,563	41,510
Subsidy income	34,051	26,769
Other	3,196	1,656
Total non-operating income	58,957	71,852
Non-operating expenses		
Interest expense	59,120	64,973
Foreign exchange losses	—	18,133
Provision of allowance for doubtful accounts	9,627	1,438
Other	2,055	4,914
Total non-operating expenses	70,804	89,460
Ordinary profit/(loss)	(51,802)	628,380
Extraordinary income		
Gain on bargain purchase	—	190,025
Gain on reversal of stock acquisition rights	15,691	273
Other	—	96
Total extraordinary income	15,691	190,394
Extraordinary losses		
Loss on valuation of investments in capital of subsidiaries and associates	999	—
Loss on retirement of noncurrent assets	—	32,369
Loss on liquidation of subsidiaries and associates	362	—
Total extraordinary loss	1,362	32,369
Income/(Loss) before income taxes	(37,473)	786,406
Income taxes (current)	89,868	146,439
Income taxes (deferred)	(46,958)	—
Total income taxes	42,909	146,439
Profit/(Loss)	(80,383)	639,967
Profit attributable to non-controlling interests	122,724	162,534
Profit/(Loss) attributable to owners of the parent	(203,107)	477,432

Quarterly Consolidated Statements of Comprehensive Income

(Unit: Thousands of yen)

	First Two Quarters of Fiscal 2022 (From October 1, 2021 to March 31, 2022)	First Two Quarters of Fiscal 2023 (From October 1, 2022 to March 31, 2023)
Profit/(Loss)	(80,383)	639,967
Other comprehensive income		
Valuation difference on available-for-sale securities	3,058	19,758
Foreign currency translation adjustment	(7,372)	(5,528)
Total other comprehensive income	(4,313)	14,230
Comprehensive income	(84,696)	654,197
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(204,072)	494,092
Comprehensive income attributable to non-controlling interests	119,375	160,104

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

(Significant Change in Shareholders' Equity)

For the six months ended March 31, 2022 (From October 1, 2021 to March 31, 2022)

1. Cash dividends paid

Not applicable.

2. Significant changes in shareholders' equity

Not applicable.

For the six months ended March 31, 2023 (From October 1, 2022 to March 31, 2023)

1. Cash dividends paid

Not applicable.

2. Significant changes in shareholders' equity

Pursuant to a resolution of the 28th Ordinary General Meeting of Shareholders held on December 22, 2022, the Company reduced common stock, legal capital surplus and legal retained earnings, as well as appropriated surplus on January 27, 2023.

As a result, common stock decreased by ¥1,098,930 thousand, legal capital surplus decreased by ¥4,036,488 thousand, with these amounts transferred to other capital surplus. The ¥47,303 thousand decrease in legal retained earnings was transferred to retained earnings brought forward.

The ¥5,135,419 thousand in other capital surplus generated through by decreasing common stock and legal capital surplus was transferred to retained earnings brought forward and used to compensate for current deficit.

As a result, common stock stood at ¥5,372,574 thousand, capital surplus stood at ¥960,465 thousand and retained earnings stood at ¥668,910 thousand as of March 31, 2023.

These changes have no effect on the total amount of shareholders' equity.

(Change in accounting policies)

(Application of Accounting Standard for Fair Value Measurement)

The Company has applied the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021; hereafter, "Fair Value Measurement Implementation Guidance") effective from the beginning of the first quarter of the current fiscal year, and it has applied the new accounting policy provided for by the Fair Value Measurement Implementation Guidance prospectively in accordance with the transitional measures provided for in paragraph 27(2) of the Fair Value Measurement Implementation Guidance. The application of the Fair Value Measurement Implementation Guidance had 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.

(Adoption of the Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System)

The Company and some of its domestic consolidated subsidiaries have made the transition from the consolidated corporate tax system to the group tax sharing system from the first quarter of the current fiscal year. Accordingly, the Company disclose corporate tax, local corporate tax and tax effect accounting with applying “the Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (PITF No.42 issued August 12, 2021) which set forth the accounting treatment. In addition, based on PITF No.42 Paragraph 32 Item (1), the company consider that there is no impact on the quarterly consolidated financial statements.

(Segment Information)

I. 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 (loss), 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.

2. Information about impairment loss on noncurrent assets or goodwill, etc. pursuant to each reporting segment

Not applicable.

II. Six months ended March 31, 2023 (October 1, 2022 to March 31, 2023)

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	3,175,480	176,952	1,178,277	4,530,710	—	4,530,710
Inter-segment revenues and transfers	109,360	6,000	33,528	148,888	(148,888)	—
Total	3,284,840	182,952	1,211,805	4,679,599	(148,888)	4,530,710
Segment income (loss)	1,193,065	(17,640)	(158,339)	1,017,085	(371,097)	645,988

Notes:

1. Adjustment of segment income (loss), at ¥(371,097) thousand, includes elimination of transactions among segments of ¥114,028 thousand and corporate expenses of ¥(485,126) 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.

2. Information about impairment loss on noncurrent assets or goodwill, etc. pursuant to each reporting segment

(Significant gain on bargain purchase)

Gain on bargain purchase was recognized in the Investment Banking Business segment as the Company acquired shares of Trinity Japan co., Ltd. and consolidated it as a subsidiary company from the second quarter of the current fiscal year. The recorded amount of gain on bargain purchase resulting from this event is ¥190,025 thousand. Note that gain on bargain purchase is not included in segment income as it is extraordinary income.