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**Summary of Financial Statements
for the First Quarter of Fiscal 2020
<under Japanese GAAP>**

February 12, 2020

Company Name: FinTech Global Incorporated

(Code Number: 8789 TSE Mothers)

(URL: <http://www.fgi.co.jp/english/>)

TEL: +81-50-5864-3978

Representative: President and Chief Executive Officer

Name: Nobumitsu Tamai

Contact: Member of the Board, Senior Executive Officer

Name: Seigo Washimoto

Scheduled date for filing of securities report: February 14, 2020

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 quarter of fiscal 2020
(October 1, 2019 – December 31, 2019)

(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 quarter of fiscal 2020	2,209	116.6	(258)	—	(297)	—	(308)	—
First quarter of fiscal 2019	1,020	66.8	(747)	—	(804)	—	(599)	—

(For reference) Comprehensive income: (313) million yen for the first quarter of fiscal 2020 (—)%
(827) million yen for the first quarter of fiscal 2019 (—)%

	Net income/(loss) per share	Net income/(loss) per share (diluted)
	Yen	Yen
First quarter of fiscal 2020	(1.53)	—
First quarter of fiscal 2019	(3.21)	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
First quarter of fiscal 2020	18,701	8,555	38.1
Fiscal 2019	19,025	8,873	39.1

(For reference) Shareholders' equity: 7,127 million yen for the first quarter of fiscal 2020
7,446 million yen for fiscal 2019

2. Dividends

	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Total
Fiscal 2019	Yen —	Yen 0.00	Yen —	Yen 0.00	Yen 0.00
Fiscal 2020	—	—	—	—	—
Fiscal 2020 (Forecast)	—	0.00	—	—	—

(Note) Change from the latest dividend forecast: None

The dividend forecast for fiscal year ending September 30, 2020 is yet to be determined.

3. Full-year performance forecasts for fiscal 2020 (October 1, 2019 – September 30, 2020)

The executive team aims to have the new medium-term management drafted with new targets and ready to announce sometime around March 2020. The performance forecast for fiscal 2020, ending September 30, 2020, will be announced along with the new medium-term management plan.

4. 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: None

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

(c). Changes in accounting estimates: None

(d). Restatements: None

(4) Number of shares issued (common shares)

1. Number of shares issued (including treasury stock):
 - 201,114,600 shares in the first quarter of fiscal 2020
 - 201,109,600 shares in fiscal 2019
2. Number of shares of treasury stock:
 - shares for the first quarter of fiscal 2020
 - shares for fiscal 2019
3. Average number of shares issued during the first quarter:
 - 201,111,709 shares in the first quarter of fiscal 2020
 - 186,496,991 shares in the first quarter of fiscal 2019

* 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.

1. Qualitative Information on Business Results and Financial Position

(1) Business Results

In the first quarter—October 1, 2019 to December 31, 2019—of the fiscal 2020 consolidated accounting period for FinTech Global Incorporated (FGI) ending September 30, 2020, Metsä was impacted by situations, such as unscheduled closure in October 2019 due to Typhoon Hagibis. The guest count was affected by this and other bad weather events, but the implementation of various measures, beginning in November 2019, were successful in drawing guests and pushed the quarterly count 19.8% above the level recorded in the fourth quarter of fiscal 2019. The average monthly guest count hit 104,000. In the investment banking business, arrangements and aircraft asset management services moved in a favorable direction.

Consolidated results for the first quarter of fiscal 2020 reflect the booking of income and expenses from operations at Moominvalley Park, which was not yet open in the first quarter of fiscal 2019. Revenues soared 116.6% year on year, to ¥2,209 million, cost of revenues jumped 167.9%, to ¥1,512 million, and gross profit climbed 53.0%, to ¥696 million. Selling, general and administrative expenses dropped 20.6% year on year, to ¥955 million, as costs incurred in the first quarter of fiscal 2019 toward the opening of Metsä and other one-time expenses were not a factor impacting results in the first quarter of fiscal 2020. Consequently, the operating loss, at ¥258 million, was a much lighter shade of red compared with the level—¥747 million—in the corresponding period a year ago, and the ordinary loss, at ¥297 million, was also considerably less deep than the ¥804 million booked in the first quarter of fiscal 2019. FGI recorded a loss attributable to owners of parent, at ¥284 million, owing to a ¥12 million loss attributable to non-controlling interests, but there was improvement as the loss attributable to owners of parent in the first quarter of fiscal 2020 was ¥599 million less year on year.

(Unit: Millions of yen)

	First Quarter of Fiscal 2019	First Quarter of Fiscal 2020	YOY Change
Revenues	1,020	2,209	1,189
Investment banking business	405	555	149
Public management consulting business	182	64	(118)
Entertainment service business	484	1,647	1,162
Other	7	—	(7)
Elimination	(60)	(57)	3
Gross profit	455	696	241
Investment banking business	249	316	67
Public management consulting business	88	33	(55)
Entertainment service business	131	376	245
Other	7	—	(7)
Elimination	(21)	(29)	(8)
Operating income/ (loss) [Segment income/ (loss)]	(747)	(258)	488
Investment banking business	(128)	(71)	57
Public management consulting business	10	(7)	(17)
Entertainment service business	(392)	(18)	373
Other	(4)	—	4
Elimination or corporate expenses	(232)	(161)	71
Ordinary income/ (loss)	(804)	(297)	507
Income /(Loss) before income taxes	(803)	(294)	508
Income/ (Loss) attributable to owners of parent	(599)	(284)	314

A breakdown of performance by business segment is presented below. Revenues include intersegment

revenues and transfers. Note “Other” is no longer required because Adacotech Incorporated, which had been included under Other—a business segment that is not included in reporting segments—was removed from the scope of consolidation, effective from the third quarter of fiscal 2019.

a. Investment Banking Business

In the investment banking business, as arrangement and aircraft asset management services moved in a favorable direction, FGI initiated exits on asset investment and corporate investment deals, underpinning an increase in revenues. The impact from a valuation loss on corporate investments booked in fiscal 2019 no longer impaired segment performance, leading to higher gross profit in the first quarter of fiscal 2020.

Consequently, the investment banking business generated revenues of ¥555 million, up 36.8% year on year. Although still in a loss position, the segment was able to shrink its loss to ¥71 million, compared with a ¥128 million a year ago.

b. Public Management Consulting Business

In the public management consulting business, the public accounting business directed efforts into marketing activities to promote consultations for creating financial documents based on unified standards for local governments as well as contract services, including preparation of financial analysis reports, introduction of public enterprise accounting and the formation of management strategies for public enterprises. The regional revitalization business focused on contract services, including discussions pursuant to the introduction of public-private partnership/public financial initiative techniques to meet anticipated growth in demand.

On July 1, 2019, FGI sold some of the shares the Company held in Geoplan Namtech, which undertakes business related to urban infrastructure maintenance services. As a result, the company became an affiliate accounted for by the equity method and was removed from the scope of consolidation as of the fourth quarter of fiscal 2019.

The segment saw revenues tumble 64.8%, to ¥64 million, and posted a loss of ¥7 million, reversing from ¥10 million in income in the first quarter of fiscal 2019.

c. Entertainment Service Business

In the Metsä business, bad weather in October 2019, including a typhoon that forced the site to stay closed on the first day of a three-day holiday, kept attendance low that month. But beginning in November, approaches were introduced to give guests a feeling of greater satisfaction from their Metsä experience. These approaches included free parking on weekdays, the debut of one-day passes, and a crowd-drawing event called “Winter Wonderland in Moominvalley Park,” which led to an average monthly guest count of 104,000 and pushed the quarterly total 19.8% above the level recorded in the fourth quarter of fiscal 2019. This translated into Metsä-related revenues of ¥1,271 million.

In the licensing business, Rights and Brands Japan emphasized sublicensing services to provide exclusive access to Moomin characters in Japan. This facilitated “Moomin: The Art and the Story,” a selection of original Moomin artwork that began traveling around Japan April 2019. The event attracted about 240,000 people, as of January 19, 2020, across four venues—Tokyo, Oita, Ishikawa and Nagoya—and plans are to take the exhibit to Iwate, Osaka, Sapporo and Kumamoto in 2020. Also, through the sale of anime broadcasting rights held by Rights and Brands Japan, a new TV anime series—“Moominvalley Friends”—premiered on NHK BS4K, a channel operated by Japan’s national broadcaster using an ultra-high definition 4K image system. Licensing activities contributed ¥376 million to segment revenues.

Adding in the contribution from Moominvalley Park, which was not yet open in the first quarter of fiscal 2019, the entertainment service business marked a 240.0% increase in revenues year on year, to ¥1,647 million. But comparing first quarter results to the immediately preceding quarter—the fourth quarter of fiscal 2019—revenues were down 4.3%, reflecting the impact of bad October weather on Metsä attendance as well as a drop in licensing income. Without the burden of costs incurred ahead of the opening of Metsä in the first quarter of fiscal 2019, the segment loss was lighter in the first quarter of fiscal 2020, at ¥18 million, compared with ¥392 million a year ago. Event costs and sales and promotion costs were up, but personnel

costs and outsourcing fees were kept under control. Consequently, operating expenses were down ¥134 million from the fourth quarter of fiscal 2019, and while still in the red, the operating loss was ¥59 million less than it was, at ¥78 million, in the fourth quarter of fiscal 2019.

(2) Consolidated Financial Position

Assets

Total assets at the end of the first quarter of fiscal 2020 stood at ¥18,701 million, down 1.7% from the end of fiscal 2019 on September 30, 2019. The change reflects a decrease of ¥252 million in investment securities–trade.

Liabilities

Total liabilities settled at ¥10,146 million on December 31, 2019, edging down 0.1% from the end of fiscal 2019 on September 30, 2019. This change is primarily due to decreases of ¥107 million in current portion of long-term loans payable, ¥64 million in accrued employee bonuses, ¥69 million in long-term loans payable and ¥72 million in other noncurrent liabilities including lease obligations, which together outweighed increases of ¥177 million in accounts payable–trade and ¥94 million in short-term loans payable.

Net assets

Net assets at the end of the first quarter of fiscal 2020 came to ¥8,555 million, down 3.6% from the end of fiscal 2019 on September 30, 2019. This change is largely the result of a ¥284 million decrease in retained earnings due to the booking of a quarterly loss attributable to owners of parent.

(3) Information on Forward-Looking Statements, including Consolidated Performance Forecasts

Management is working out targets for a medium-term management plan and will make an announcement sometime in March 2020. The consolidated performance outlook for fiscal 2020 will be disclosed when the medium-term management plan is announced.

To improve profitability, management has identified key issues, as outlined below, in the investment banking business and entertainment service business. The current emphasis is on these issues.

Investment Banking Business

In asset investment activities, the emphasis will be on selling owned properties and working to achieve profitability in fiscal 2020. In corporate investment activities, FGI will explore the possibility of turning several IT companies in the investment portfolio into funds and exiting the investments. For Metsä Village, FGI will consider measures to further improve profitability, including the use of idle land and attracting new tenants. Management will also look into securitization and other approaches once profitability has been improved.

Entertainment Service Business

In the entertainment service business, efforts will be directed toward improving profitability by increasing the number of guests to Metsä, which will parallel approaches that give guests a greater sense of satisfaction from their Metsä experience. Efforts to make Metsä a more appealing destination included free parking on weekdays, beginning in November 2019, and the debut of one-day passes. The success of “Winter Wonderland in Moominvalley Park” (November 30, 2019 to March 8, 2020) has prompted park management to run crowd-pleasing events like this on a regular basis. On the content front, the emphasis is on enhanced facilities and services. On November 30, 2019, Story Door, which provides a short video introduction to Moomin stories, began popping up around Moominvalley Park, and Story Guide pamphlets were made available to guests. A richer array of content will be offered leading up to Moominvalley Park’s first anniversary.

As of and for the three months ended December 31, 2019

(1) Quarterly Consolidated Balance Sheets

(Unit: Thousands of yen)

	Fiscal 2019 (As of September 30, 2019)	First Quarter of Fiscal 2020 (As of December 31, 2019)
Assets		
Current assets		
Cash and time deposits	2,533,187	2,547,258
Accounts receivable, trade	727,499	679,240
Investments in securities, trade	1,359,941	1,107,410
Loans receivable, trade	548,625	533,813
Real estate for sale	4,211,988	4,238,709
Merchandise	208,577	270,734
Other	948,410	1,028,245
Allowance for doubtful accounts	(99,641)	(91,607)
Total current assets	10,438,589	10,313,804
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	5,328,377	5,337,349
Accumulated depreciation	(137,112)	(184,635)
Buildings and structures, net	5,191,265	5,152,713
Other	2,092,587	1,994,160
Total property, plant and equipment	7,283,853	7,146,874
Intangible fixed assets		
Goodwill	180,388	148,456
Other	544,540	535,697
Total intangible fixed assets	724,929	684,154
Investments and other assets		
Investments in securities	211,068	203,570
Other	366,683	353,383
Allowance for doubtful accounts	(110)	(253)
Total investments and other assets	577,641	556,700
Total noncurrent assets	8,586,424	8,387,729
Total assets	19,025,014	18,701,533

(Unit: Thousands of yen)

	Fiscal 2019 (As of September 30, 2019)	First Quarter of Fiscal 2020 (As of December 31, 2019)
Liabilities		
Current liabilities		
Accounts payable, trade	213,256	390,693
Short-term loans payable	373,904	468,304
Current portion of long-term loans payable	752,968	645,596
Income taxes payable	98,999	80,049
Accrued employee bonuses	157,244	92,319
Other	1,413,720	1,466,090
Total current liabilities	3,010,093	3,143,053
Noncurrent liabilities		
Long-term loans payable	6,086,260	6,016,589
Net defined benefit liability	94,633	98,172
Other	960,856	888,711
Total noncurrent liabilities	7,141,750	7,003,472
Total liabilities	10,151,843	10,146,526
Net assets		
Shareholders' equity		
Common stock	6,461,911	6,462,062
Additional paid-in capital	5,015,924	5,016,132
Retained earnings	(3,997,770)	(4,282,655)
Total shareholders' equity	7,480,064	7,195,540
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(3,935)	(4,225)
Foreign currency translation adjustment	(29,558)	(40,597)
Total accumulated other comprehensive income	(33,493)	(44,823)
Stock acquisition rights	65,837	61,220
Non-controlling interests	1,360,762	1,343,069
Total net assets	8,873,170	8,555,007
Total liabilities and net assets	19,025,014	18,701,533

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

(Unit: Thousands of yen)

	First Quarter of Fiscal 2019	First Quarter of Fiscal 2020
	(As of December 31, 2018)	(As of December 31, 2019)
Revenues	1,020,148	2,209,465
Cost of revenues	564,807	1,512,927
Gross profit	455,340	696,537
Selling, general and administrative expenses	1,202,697	955,454
Operating income/(loss)	(747,356)	(258,917)
Non-operating income		
Interest income	960	268
Foreign exchange gains	—	4,500
Settlement received	5,821	—
Total non-operating income	6,781	4,768
Non-operating expenses		
Interest expense	30,332	33,071
Share of loss of entities accounted for using equity method	—	7,935
Commission paid	21,461	1,500
Other	12,224	362
Total non-operating expenses	64,019	42,869
Ordinary profit/(loss)	(804,593)	(297,017)
Extraordinary income		
Gain on reversal of stock acquisition rights	1,448	4,486
Total extraordinary income	1,448	4,486
Extraordinary losses		
Loss on liquidation of investments	178	—
Loss on valuation of investments in capital	—	2,140
Total extraordinary loss	178	2,140
Income/(Loss) before income taxes	(803,323)	(294,671)
Income taxes (current)	10,395	19,304
Income taxes (deferred)	(3,085)	(16,603)
Total income taxes	7,310	2,701
Profit/(Loss)	(810,633)	(297,372)
Profit (Loss) attributable to non-controlling interests	(211,278)	(12,488)
Profit (Loss) attributable to owners of the parent	(599,355)	(308,418)

Quarterly Consolidated Statements of Comprehensive Income

(Unit: Thousands of yen)

	First Quarter of Fiscal 2019	First Quarter of Fiscal 2020
	(As of December 31, 2018)	(As of December 31, 2019)
Profit/(Loss)	(810,633)	(297,372)
Other comprehensive income		
Valuation difference on available-for-sale securities	(14,366)	(290)
Foreign currency translation adjustment	(2,442)	(16,185)
Total other comprehensive income	(16,809)	(16,476)
Comprehensive income	(827,443)	(313,849)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(615,559)	(296,213)
Comprehensive income attributable to non-controlling interests	(211,884)	(17,635)

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

(Segment Information)

I. Three months ended December 31, 2018 (October 1, 2018 to December 31, 2018)

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

(Thousands of yen)

	Reporting Segments				Other (Note 1)	Total	Adjustment (Note 2)	Consolidated (Note 3)
	Investment Banking Business	Public Management Consulting Business	Entertainment Service Business	Total				
Revenues								
Revenues to third party	351,411	179,377	481,606	1,012,396	7,751	1,020,148	—	1,020,148
Inter-segment revenues and transfers (Note 4)	54,432	3,000	2,946	60,378	—	60,378	(60,378)	—
Total	405,844	182,377	484,552	1,072,774	7,751	1,080,526	(60,378)	1,020,148
Segment income (loss)	(128,531)	10,090	(392,341)	(510,781)	(4,089)	(514,870)	(232,485)	(747,356)

Notes:

1. Other is a segment for businesses that do not fall under reporting segments. This includes software development and sales business and other businesses.
2. Adjustment of segment income (loss), at ¥ (232,485) thousand, includes elimination of transactions among segments of ¥61,142 thousand and corporate expenses of ¥ (293,628) thousand, which are not allocatable to reporting segments. Corporate expenses are mainly general and administrative expenses, which do not belong to any reporting segments.
3. Segment income (loss) is reconciled with operating loss in the quarterly consolidated statements.
4. Intersegment revenues and transfers in the investment banking business include Metsä Village rental income of ¥47,922 thousand that FGI, under the investment banking business, receives from Moomin Monogatari, a consolidated subsidiary under the entertainment service business.

2. Information related to goodwill and impairment loss on fixed assets by reporting segment

Significant impairment loss on fixed assets

Not applicable.

Significant change in amount of goodwill

In the entertainment service business, bringing Rights and Brands Japan Co., Ltd., under consolidation generated goodwill of ¥107,802 thousand.

Significant gain on negative goodwill

Not applicable.

II. Three months ended December 31, 2019 (October 1, 2019 to December 31, 2019)

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	500,998	61,240	1,647,225	2,209,465	—	2,209,465
Inter-segment revenues and transfers (Note 3)	54,073	3,000	200	57,274	(57,274)	—
Total	555,072	64,240	1,647,426	2,266,739	(57,274)	2,209,465
Segment income (loss)	(71,498)	(7,452)	(18,521)	(97,472)	(161,444)	(258,917)

Notes:

1. Adjustment of segment income (loss), at ¥ (161,444) thousand, includes elimination of transactions among segments of ¥62,657 thousand and corporate expenses of ¥ (224,101) 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.
3. Intersegment revenues and transfers in the investment banking business include Metsä Village rental income of ¥43,973 thousand that FGI, under the investment banking business, receives from Moomin Monogatari, a consolidated subsidiary under the entertainment service business.

2. Changes in reporting segments

Adacotech Incorporated which was indicated under “Other” segment executed mainly a third-party allocation of shares in June 2019. As FGI’s ratio of voting rights declined, Adacotech has been removed from the scope of consolidation and is now an accounted for by the equity method. As such, “Other” segment is no longer indicated as a reporting segment in fiscal 2020.

3. Information related to goodwill and impairment loss on fixed assets by reporting segment

Significant impairment loss on fixed assets

Not applicable.

Significant change in amount of goodwill

Not applicable.

Significant gain on negative goodwill

Not applicable.