FGI FinTech Global Incorporated

*The firm of innovative financing*

# Results for First Two Quarters of Fiscal 2019, ending September 30, 2019

**May 2019**

**FinTech Global Incorporated**
**Mothers Stock Code: 8789**
**http://www.fgi.co.jp/english/**

# Fiscal 2019 First Two Quarters Business Summary

**Revenues soared 91.3% to ¥3,277 million, fueled by opening of Metsä Village and Moominvalley Park.**
Began booking revenue from admission fees, pay-per-use facilities, merchandise sales, restaurants, tenant income and parking fees.
Moominvalley Park drawing 74,000 visitors over the 16 days between opening and March 31, 2019.
Overall, Metsä site marked milestone on March 26, 2019, when aggregate visitor count hit 500,000.

**Investment banking business saw impairment on corporate investment. Asset investments made but did exit.**
Made progress in securing stable income from asset management services and Metsä operations, but saw impairment of ¥360 million on investment into fund targeting life science and IT companies. Asset investments made but did not exit. Anticipate recovery in second half. Investment banking business showed revenue decrease.

**Gross Profit**

Costs on Metsä operation and licensing fees paid by newly consolidated Moomin licensing subsidiary were booked under cost of revenues from this fiscal year.
Cost of revenues skyrocketed 213.3%, to ¥2,327 million, reflecting additional newly consolidated subsidiaries and impairment loss on corporate investment. Gross profit thus slipped 2.0% year on year to ¥950 million.

**Operating Loss**

Selling, general and administrative expenses rose 53.0%, to ¥2,418 million, mainly owing to higher expenses related to Metsä as well as expenses at subsidiaries, of which the total increased. Operating loss hit ¥1,467 million.

**Loss attributable to owners of parent**

Loss attributable to owners of parent for the first two quarters of fiscal 2019 was ¥1,244 million, owing to ¥339 million loss attributable to non-controlling interests, compared with loss of ¥32 million in the corresponding period a year ago.

**No change to year-end forecast.**
Before Moominvalley Park opened, first-year annual attendance for the whole Metsä site was projected at 1.37 million people, of which, Moominvalley Park visitors will probably account for 880,000. But attendance is likely to exceed 1.70 million, of which Moominvalley Park visitors account for 1.10 million. Moomin Monogatari has thus raised its target to two million guests in the first year, of which visitors to Moominvalley Park should account for 1.28 million, and is working on improvements to the service and operating structure to meet the needs of a higher guest count. More visitors should boost Metsä results, which will then contribute much more to consolidated performance in the second half.
Although the impairment loss on corporate investment in the investment banking business in the first half had a major impact on performance, demand for services, particularly real estate asset management services and M&A-related services, is moving in a favorable direction. A plan has also be set to exit certain corporate investments and asset investments in the second half.

# Fiscal 2019 First Two Quarters Consolidated Performance

| (Millions of yen) | Fiscal 2018 First Two Quarters | Fiscal 2019 First Two Quarters | YOY Change Amount | YOY Change Ratio | Fiscal 2019 Full Year (Forecast) | Progress toward goal |
|---|---|---|---|---|---|---|
| Revenues | 1,713 | 3,277 | 1,564 | 91.3% | 11,040 | 29.7% |
| Gross profit | 970 | 950 | (19) | (2.0)% | 6,880 | 13.8% |
| Operating income(loss) | (610) | (1,467) | (857) | — | 510 | — |
| Ordinary income(loss) | (706) | (1,567) | (861) | — | 310 | — |
| Profit/(loss) attributable to owners of the parent | (414) | (1,244) | (830) | — | — (Note) | — |

Note: Forecast not provided.

# Business Summary by Segment - 1

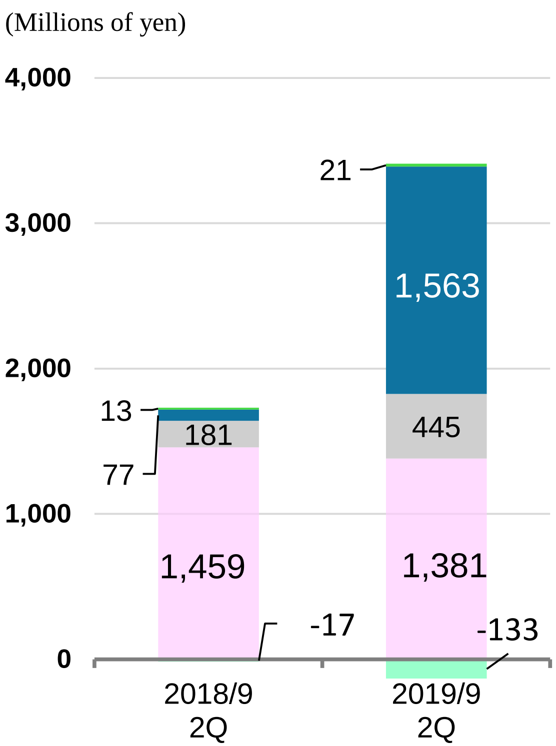
Unit: Millions of yen
Revenue, gross profit and operating income includes intersegment transactions.

| Reporting Segments | | Fiscal 2018 First Two Quarter | Fiscal 2019 First Two Quarters | YOY Change | Key Consolidated Subsidiaries |
|---|---|---|---|---|---|
| Investment Banking Business | Revenue | 1,459 | 1,381 | (78) | FinTech Global<br>FinTech Asset Management<br>FinTech Global Trading, FGI Capital Partners<br>FinTech M&A Solition,SGI-Group |
| | Gross Profit | 869 | 379 | (489) | |
| | Operating income | 397 | (404) | (802) | |
| Public Management Consulting Business | Revenue | 181 | 445 | 264 | Public Management Consulting Corporation<br>Geoplan Namtech |
| | Gross Profit | 79 | 237 | 157 | |
| | Operating income | (20) | 76 | 97 | |
| Entertainment Service Business | Revenue | 77 | 1,563 | 1,486 | Moomin Monogatari<br>Hanno Local Resource Utilization LLC<br>Rights and Brands Japan<br>Toranomon Ham |
| | Gross Profit | 24 | 359 | 335 | |
| | Operating income | (386) | (691) | (305) | |
| Others | Revenue | 13 | 21 | 7 | Adacotech Incorporated |
| | Gross Profit | 13 | 21 | 7 | |
| | Operating income | (6) | (3) | 2 | |
| Adjustment （Elimination of transactions among segments and corporate expenses） | Revenue | (17) | (133) | (115) | |
| | Gross Profit | (16) | (47) | (31) | |
| | Operating income | (595) | (443) | 151 | |
| Amount Booked on Consolidated Statement of Income | Revenue | 1,713 | 3,277 | 1,564 | |
| | Gross Profit | 970 | 950 | (19) | |
| | Operating income | (610) | (1,467) | (857) | |

1. SGI-Group B.V. and the subsidiaries fell under consolidation in the second quarter of fiscal 2018, and FinTech M&A Solution, Inc., and Geoplan Namtech Inc. fell under consolidation in the third quarter of fiscal 2018.
2. Right and Brands Japan fell fell under consolidation in the first quarter of fiscal 2019.
3. The ¥(443) million operating loss for the first two quarters of fiscal 2019, under adjustment, includes intersegment elimination (¥121 million in the first two quarters of fiscal 2019) as well as corporate expenses (¥(565) million in the same period) that are not allocated to any reporting segment. Corporate expenses are general and administrative expenses not associated with any reporting segment, mainly because it is difficult to justifiably allocate such expenses to any particular reporting segment.

# Business Summary by Segment - 2

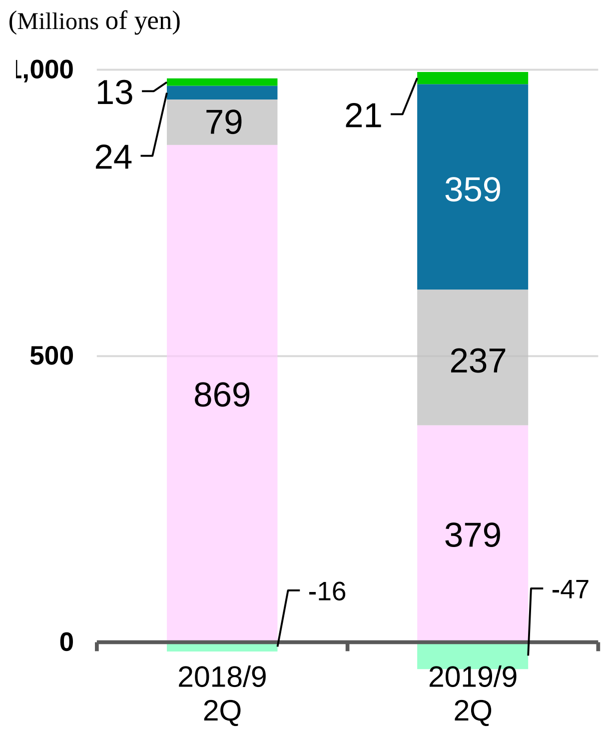
### Revenues




| 1,713 | 3,277 |
|---|---|

**Up 91.3%**

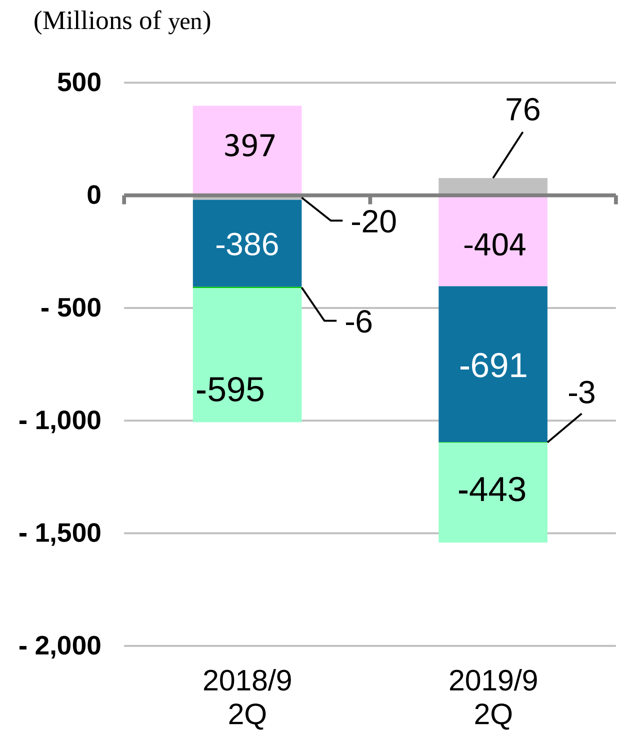
### Gross Profit




| 970 | 950 |
|---|---|

**Down 2.0%**

### Operating Income (loss)

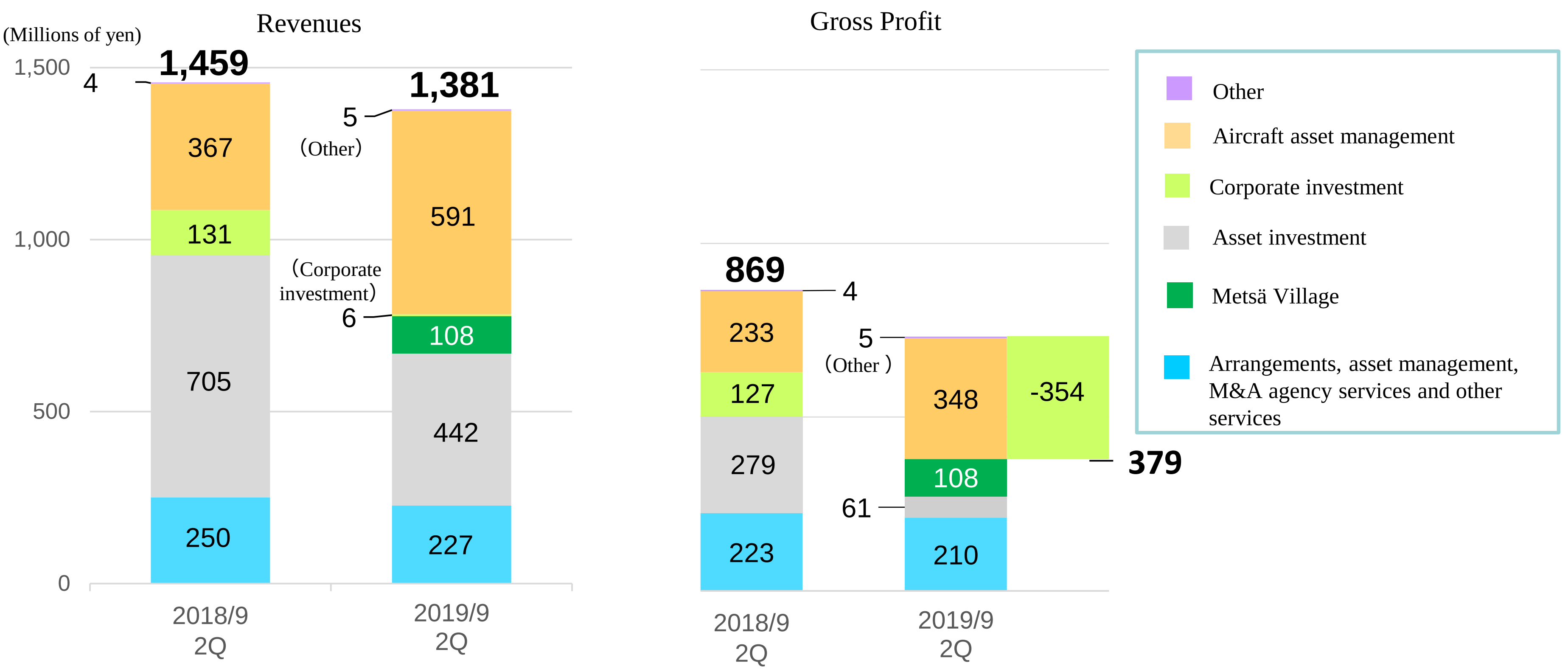



| -610 | -1,467 |
|---|---|

Note: Segment breakdown uses non-eliminated values.

Investment Banking Business | Public Management Consulting Business | Entertainment Service Business | Other | Corporate expenses and eliminated transactions

# Investment Banking Business—Revenues and gross profit by service




Note: Intersegment transactions, such as rental income from Metsä Village facilities that the investment banking business receives from the entertainment service business, use non-eliminated values.

**Gross profit dropped 56% year on year, mainly owing to impairment on corporate investment**

- Fee income on transaction services was up on M&A agency deals but down on real estate deals.
- Booked revenue from master lease agreement with Moomin Monogatari for Metsä Village.
- Exited some asset investments but contribution to income was limited. Booked ¥360 million impairment on fund investment (FinTech GIMV Fund).
- Subsidiaries involved in aircraft asset management brought under consolidation in second quarter of fiscal 2018. (Not included in scope of consolidation in first quarter of fiscal 2018.)

# Entertainment Service Business: Segment Results

Revenues grew ¥1.4 billion year on year, reflecting the opening of Metsä Village and Moominvalley Park and consolidation of Rights and Brands Japan. Expense burden heavy up to opening of Moominvalley Park, causing segment loss to deepen.

(Millions of yen)

| Breakdown of Profit/(Loss) | Facility name/ company name | First two quarters of fiscal 2018 | First two quarters of fiscal 2019 | Change |
|---|---|---|---|---|
| Revenues | | 77 | 1,563 | +1,486 |
| External revenues | | 75 | 1,558 | +1,483 |
| Admission tickets, pay-per-use facilities | Moominvalley Park, Metsä Village | — | 148 | +148 |
| Merchandise sales, restaurant business | Moominvalley Park, Metsä Village | — | 446 | +446 |
| Tenant rents, parking fees, events | Metsä Village | — | 254 | +254 |
| Other | Moominvalley Park, Metsä Village | 38 | 66 | +27 |
| Income from licensing, anime broadcasting rights | Rights and Brands Japan | — | 607 | +607 |
| Sales of ham, restaurant business | Toranomon Ham | 36 | 35 | (1) |
| Intersegment transactions | — | 1 | 4 | +2 |
| Cost of revenues | | 52 | 1,203 | +1,150 |
| Gross profit | | 24 | 359 | +335 |
| Selling, general and administrative expenses | | 410 | 1,051 | +641 |
| Segment income/(loss) | | (386) | (691) | (305) |

# Impact of Moominvalley Park Opening on Business Results

- Aggregate guest count at Metsä (Metsä Village and Moominvalley Park inclusive) hit **500,000 as of March 26, 2019.**
- Guest count at Moominvalley Park over **16 days** between March 16 and March 31, 2019, reached **74,000.**
- At Moominvalley Park, revenues for **19 days** operations—16 days from the official opening on March 16, 2019, and three pre-opening, invitation-only days—reached **¥499 million** on admission tickets, pay-per-use facilities, merchandise sales and restaurant operations. Opening of site had positive effect, of course, pushing results beyond initial expectations.

Note: During pre-opening, park admission and access to attractions was free. Some main shops offering merchandise and restaurant operations open for business.

**【Moominvalley Park Revenues】** (Month of March 2019)

(Millions of yen)

| Breakdown of Profit/(Loss) | Amount |
|---|---|
| External revenues | 499 |
| Admission tickets, pay-per-use facilities | 142 |
| Merchandise sales, restaurant business | 357 |

Note: Only revenues from Moominvalley Park operation. Does not include revenues from Metsä Village (including parking fees).

March-end financial results for Moomin Monogatari, on a non-consolidated basis, will be posted to the FGI website following that Moomin Monogatari's general meeting of shareholders in June 2019.

# Fiscal 2019 First Two Quarters: Summary by Segment

## Investment Banking Business

### Investment banking services

**Higher revenues from M&A-related services. Increase in investments and loans with own capital into asset investment.**

- In M&A-related services, also providing strategies to solve management concerns at client companies, leading to favorable increase in number of contracts.
- In real estate asset management services, booked performance fees through investment exits.
- In asset investment, exited real estate investments but saw revenues drop year on year. Purchased real estate through investment vehicles to build subdivided real estate investment products, and began sales activity.
- Favorable demand in aircraft asset management (statement of income included in consolidated accounts since second quarter of fiscal 2018).

### Corporate investment

**Supporting growth of investment portfolio (including subsidiaries).**

- No investment exits. New investments with focus on additional contributions into subsidiaries.
- Booked impairment loss on fund investment (some life science projects and ITC-related businesses)

### Metsä business (Metsä Village development project)

**Master lease agreement with subsidiary Moomin Monogatari for operation of Metsä Village.**

- FGI began leasing Metsä Village facilities to Moomin Monogatari in October 2018, based on a fixed-term lease agreement.
- New tenant (Starbucks) in second quarter. Expect rental income to increase as opening of Moominvalley Park boosts operating rate for parking facility.

## Entertainment Service Business

**Moominvalley Park opened on March 16, 2019.**

- Ran “teamLab: Digitized Lakeside and Forest” from December through March as a strategy to attract guests to site.
- Moominvalley Park guest count exceeded initial target.
- Hanno Local Resource Utilization LLC (owner of Moominvalley Park real estate) borrowed total of ¥5.6 billion from four financial institutions.
- Rights and Brands Japan began marketing anime broadcasting rights, with a program airing on NHK in April 2019. Expect sale of broadcasting rights to raise Moomin profile and boost brand value higher. Looking to promote secondary use of rights.

## Public Management Consulting Business

**Expanded consulting services to public sector. Resourcefully pursued marketing opportunities.**

- In public accounting business, promoting consulting services on preparation of financial documents and also worked on marketing activities, including discussions on introduction of public-private partnership/public financial initiative techniques
- For local governments already utilizing services, complemented consultations for creating financial documents with consultation support for preparing financial analysis reports and formation of management strategies for public enterprises.
- In April 2019, FGI decided on partial transfer of shares held in Geoplan Namtech Co., Ltd., which is involved in urban infrastructure management systems business. Will turn company into affiliate accounted for under equity method. Goal to boost corporate value through transfer to Nippon Koei Co., Ltd., which boasts solid track record in consulting and power engineering businesses related to social infrastructure improvement

# Trends in Balance of Investments and Loans (FGI, FGT total)

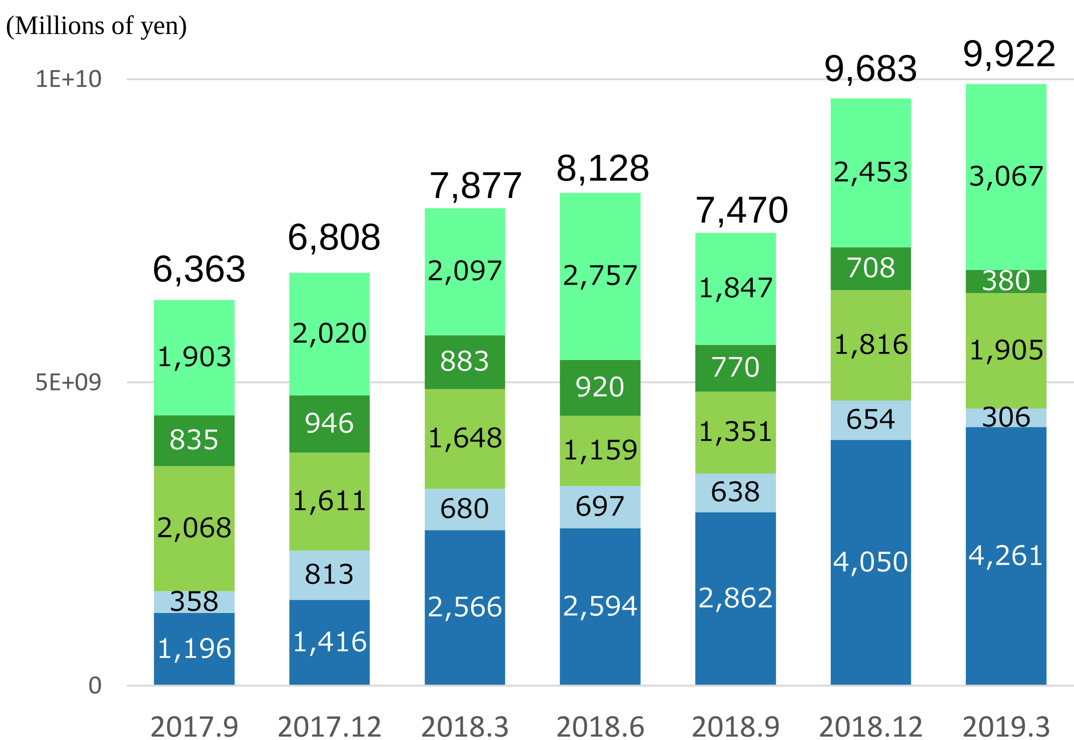
**Balance of investments and loans climbed 32.8% from the end of fiscal 2018, reflecting transfer of Metsä Village and such applications of capital as contributions to build subdivided real estate investment products**

Key components of change in first two quarters of fiscal 2019 (October 2018 – March 2019)

- Principal investment — Capital contribution into SPC to build subdivided real estate investment products (Q2); Additional investment in Moomin Monogatari through funds (Q1)
- Venture capital funds — Booked evaluation loss on some investment targets.
- Corporate investment — Increased due to loans extended to Hanno Local Resource Utilization (Q1)
- Real estate (Metsä) — Increased due to transfer of Metsä Village and additional construction.

**Total Investments and Loans by FGI and FinTech Global Trading (FGT) (including investments in subsidiaries)**

Note: Does not include contribution or loans between FGI and FGT




**Principal investment**
Total of investments in securities, trade, investments in securities, equity in affiliated companies, investments in capital to affiliated companies, and investments in capital but excluding investments into venture capital funds.

**Venture capital funds**
(Investment into FinTech GIMV Fund, etc.)

**Corporate loans**
Total of business loans and short-term loans to subsidiaries. Does not include receivables provided for in allowance for doubtful accounts, but all subsidiary loans are booked.

**Real estate (investment banking business)**
Investment real estate and development-use real estate in the investment banking business. On the balance sheets, booked under real estate for sale in progress and real estate for sale.

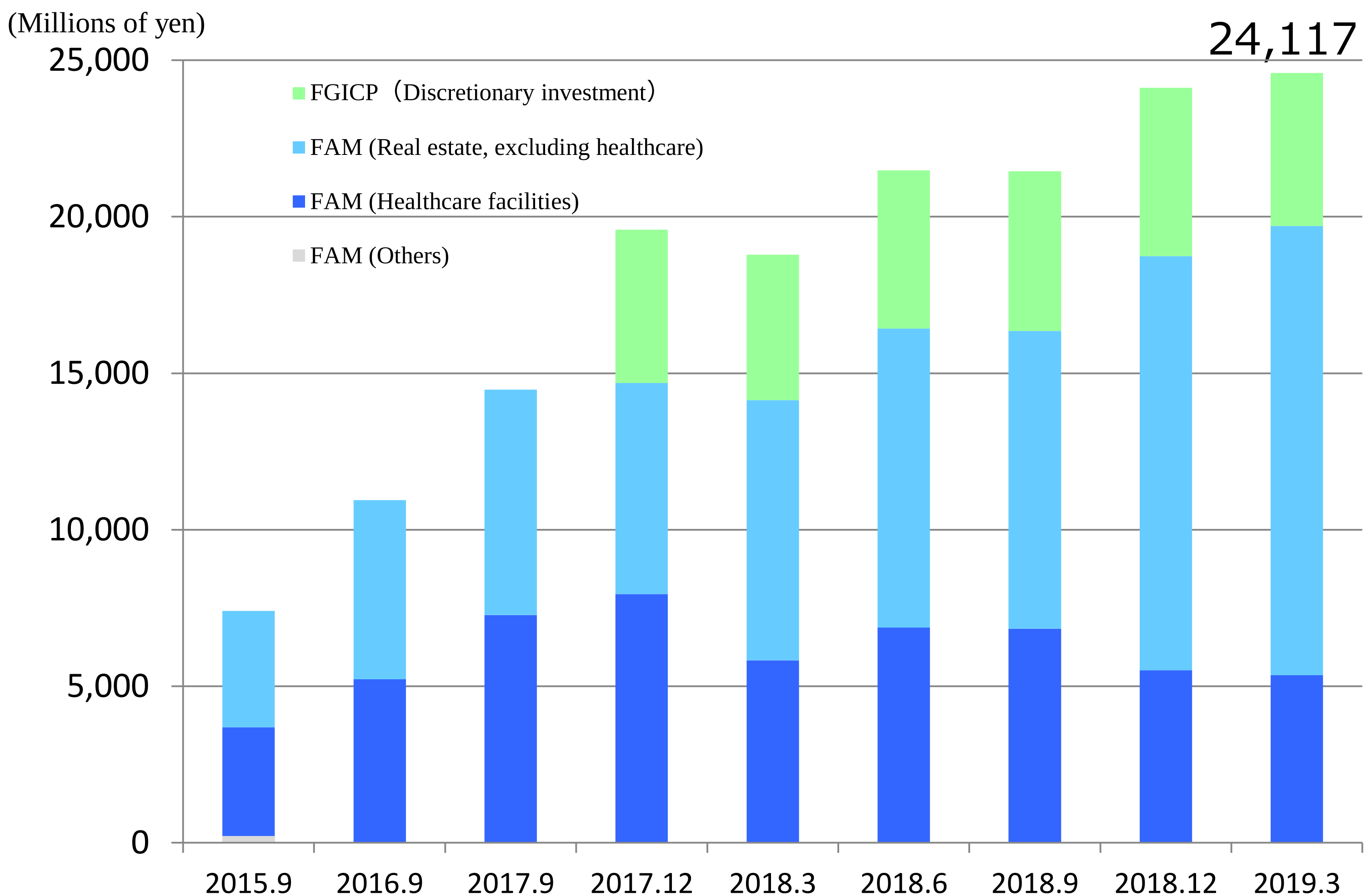
**Real estate (Metsä business)**
Real estate for Metsä. Metsä Village real estate booked under real estate for sale in progress and real estate for sale. Moominvalley Park land, while legally transferred to local special purpose company, is included in this amount because on an accounting basis it is booked under FGI's noncurrent assets.

# Changes in Assets under Management



Healthcare facility assets under management decreased, owing to sale of some properties. However, there was an increase paralleling progress on construction of development-style projects and entrusted assets related to the formation of subdivided real estate investment products, which fueled a 14.6% rise in assets under management within the Group as of March 31, 2019, compared with the level at the end of fiscal 2018.

Notes: 1. Healthcare facilities: Mainly housing for seniors.
2. The balance of assets under management is calculated on the basis of such factors as recent financial statements available to FAM and the acquisition cost of real estate.



# Efforts to Promote M&A-related Services

- ✓ Established **FinTech Business Succession Fund** to facilitate flexible response to business succession issues and provide solutions to issues that concern operators.
  → Support business succession by temporarily acquiring shares in a target company and then based on the status of the client company, management concerns and corporate needs, preparing options such as share transfer to a successor or the sale of shares to a third party through M&A.
- ✓ Promoting business partnership agreements with with accounting firms across Japan (135 agreements between as of March 31, 2019).
- ✓ Held joint seminars with business partners across Japan and seminars for financial institution customers.
- ✓ May handle management support and arrangements not just business succession services.

## Contract status at a glance (from March 2018)

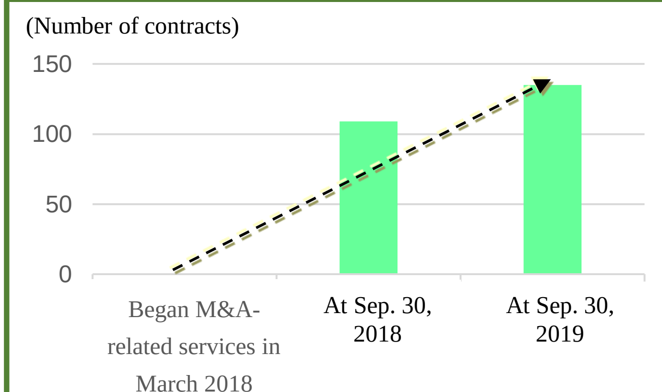
【M&A services】

| No. | Transferring company | | Acquiring company | | Service |
|---|---|---|---|---|---|
| | Industry sector | Region | Industry sector | Region | |
| 1 | Construction | Metropolitan Tokyo | Real estate agency | Metropolitan Tokyo | Agency |
| 2 | Real estate rental | Tokai | Real estate rental | Metropolitan Tokyo | Agency |
| 3 | Product planning | Metropolitan Tokyo | Retail | Metropolitan Tokyo | Agency |
| 4 | Real estate rental | Metropolitan Tokyo | Retail | Metropolitan Tokyo | Advisory |
| 5 | Real estate agency | Metropolitan Tokyo | Real estate rental | Metropolitan Tokyo | Agency |
| 6 | Cleaning services | Metropolitan Tokyo | Cleaning services | Metropolitan Tokyo | Advisory |
| 7 | Construction | Metropolitan Tokyo | Construction | Tohoku | Agency |
| 8 | Nursing care | Metropolitan Tokyo | Nursing care | Metropolitan Tokyo | Agency |
| 9 | Manufacturing | Metropolitan Tokyo | Travel services | Metropolitan Tokyo | Advisory |
| 10 | Communications | Metropolitan Tokyo | Interior decorator | Metropolitan Tokyo | Advisory |
| 11 | Services | Metropolitan Tokyo | Services | Metropolitan Tokyo | Advisory |

【M&A-related services】

| No. | Industry sector | Region | Service |
|---|---|---|---|
| 1 | Food equipment manufacturing | Metropolitan Tokyo | Management support |
| 2 | Cleaning services | Metropolitan Tokyo | Management support |
| 3 | Patent acquisition | Metropolitan Tokyo | Finance |
| 4 | Manufacturing | Metropolitan Tokyo | Arrangements |

Changes in number of business partner agreements signed



# Consolidated Balance Sheets

(Thousands of yen)

| Assets | Fiscal 2018 | Fiscal 2019 First Two Quarters | Change |
|---|---|---|---|
| Current assets | 9,879,178 | 11,962,466 | 2,083,287 |
| Cash and time deposits | 4,267,738 | 3,159,420 | (1,108,317) |
| 1 Notes and accounts receivable, trade | 644,824 | 1,131,663 | 486,838 |
| 2 Investments in securities, trade | 1,017,184 | 1,237,908 | 220,724 |
| Loans receivable, trade | 576,924 | 596,601 | 19,677 |
| 3 Real estate for sale | 304,516 | 4,523,669 | 4,219,153 |
| Real estate for sale in progress | 2,781,914 | 700 | (2,781,214) |
| Merchandise | 15,298 | 144,669 | 129,371 |
| Other current assets | 388,011 | 1,278,507 | 890,496 |
| Allowance for doubtful assets | (117,232) | (110,673) | 6,558 |
| Noncurrent assets | 4,137,093 | 8,912,654 | 4,775,561 |
| 4 Property, plant and equipment | 3,317,713 | 7,606,774 | 4,289,060 |
| 5 Intangible fixed assets | 343,188 | 876,369 | 533,181 |
| Investments and other assets | 476,191 | 429,510 | (46,681) |
| Total assets | 14,016,272 | 20,875,120 | 6,858,848 |

• Hanno Local Resource Utilization, a subsidiary and local SPC, and SGI Group, including its subsidiaries, have June fiscal year-ends, so there is a three-month lag in reflecting their fiscal results in FGI's consolidated financial statements.

| Liabilties | Fiscal 2018 | Fiscal 2019 First Two Quarters | Change |
|---|---|---|---|
| Current liabilities | 4,803,592 | 4,297,674 | (505,917) |
| Notes and accounts payable, trade | 293,215 | 560,506 | 267,291 |
| Short-term loans payable | — | 532,000 | 532,000 |
| 6 Current portion of long-term loans payable | 3,586,081 | 514,091 | (3,071,990) |
| Accounts payable-other | 317,763 | 1,526,739 | 1,208,976 |
| Income taxes payable | 73,216 | 120,050 | 46,834 |
| Accrued employee bonuses | 114,928 | 122,100 | 7,172 |
| Other current liabilities | 418,387 | 922,185 | 503,798 |
| Noncurrent liabilities | 661,528 | 7,526,590 | 6,865,061 |
| 6 Long-term loans payable | 532,787 | 6,510,703 | 5,977,916 |
| Net defined benefit liability | 91,640 | 91,414 | (226) |
| Deferred tax liability | 2,215 | 881,250 | 879,034 |
| Other noncurrent liabilities | 34,885 | 43,221 | 8,336 |
| Total liabilities | 5,465,120 | 11,824,264 | 6,359,143 |

| Net Assets | | | |
|---|---|---|---|
| Shareholders' equity | 7,313,879 | 7,769,765 | 455,886 |
| 7 Common stock | 5,551,419 | 6,461,911 | 910,492 |
| Additional paid-in capital | 4,149,561 | 4,963,469 | 813,907 |
| Retained earnings | (2,387,101) | (3,655,615) | (1,268,513) |
| Accumulated other comprehensive income | (2,588) | (18,871) | (16,283) |
| Subscription rights to shares | 54,605 | 64,406 | 9,800 |
| Non-controlling interests | 1,185,254 | 1,235,556 | 50,301 |
| Total net assets | 8,551,151 | 9,050,856 | 499,705 |
| Total liabilities and net assets | 14,016,272 | 20,875,120 | 6,858,848 |

1 Increased with Rights and Brands Japan under consolidation. Higher accounts receivable from local governments and other clients in public management consulting business and from credit card purchases at Metsä.

2 Increased, despite impairment on fund investment, owing to capital injection into real estate SPC and corporate investment.

3 Reflects completion of Metsä Village and other real estate development projects. (Some amounts transferred from real estate for sale in progress to real estate for sale.)

4 Increased with completion and transfer of Metsä Village and Moominvalley Park and work on interior and exterior features. (Some amounts transferred from construction in progress.)

5 Bringing Rights and Brands Japan under consolidation led to higher goodwill held by this company. Anime broadcasting rights increased.

6 In line with agreement signed in 2017, local SPC repaid existing loans in October 2018 and then procured long-term loans totaling ¥5.6 billion.

7 Higher, primarily owing to exercise of stock acquisition rights from Series 19.

# Consolidated Statement of Income

(Thousands of yen)

| | Fiscal 2018 First Two Quarters | Ratio to Sales | Fiscal 2019 First Two Quarters | Ratio to Sales | YoY Change Amount | YoY Change Ratio |
|---|---|---|---|---|---|---|
| **Revenues** | 1,713,533 | 100.0% | 3,277,955 | 100.0% | 1,564,422 | 91.3% |
| Cost of revenues | 742,695 | 43.3% | 1 2,327,007 | 71.0% | 1,584,311 | 213.3% |
| **Gross profit** | 970,837 | 56.7% | 950,948 | 29.0% | (19,888) | (2.0)% |
| Selling, general and administrative expenses | 1,581,260 | 92.3% | 2 2,418,784 | 73.8% | 837,523 | 53.0% |
| **Operating income/(loss)** | (610,423) | (35.6)% | (1,467,835) | (44.8)% | (857,412) | — |
| Other income | 5,603 | 0.3% | 8,871 | 0.3% | 3,267 | 58.3% |
| Other expenses | 101,370 | 5.9% | 108,594 | 3.3% | 7,224 | 7.1% |
| **Ordinary profit/(loss)** | (706,189) | (41.2)% | (1,567,558) | (47.8)% | (861,368) | — |
| Extraordinary profit | 290,447 | 17.0% | 60,294 | 1.8% | (230,152) | (79.2)% |
| Extraordinary loss | 670 | 0.0% | 29,657 | 0.9% | 28,986 | — |
| **Income before income taxes** | (416,413) | (24.3)% | (1,536,922) | (46.9)% | (1,120,508) | — |
| Income taxes | 30,166 | 1.8% | 47,096 | 1.4% | 16,930 | 56.1% |
| **Profit /(loss)** | (446,579) | (26.1)% | (1,584,018) | (48.3)% | (1,137,439) | — |
| Profit /(loss) attributable to non-controlling interests | (32,287) | (1.9)% | (339,502) | (10.4)% | (307,215) | — |
| **Profit /(loss) attributable to owners of parent** | (414,291) | (24.2)% | (1,244,515) | (38.0)% | (830,223) | — |

1 Due to Metsä opening in first half of fiscal 2019, products and supplies purchased for merchandise sales and restaurant operations, miscellaneous costs, labor costs and licensing fees paid by newly consolidated subsidiary handling Moomin licensing business booked under cost of revenues, on consolidated basis. Higher cost of revenues also reflects inclusion of SGI (aircraft asset management), Geoplan Namtech (urban infrastructure management systems) and Rights and Brands Japan (Moomin licensing business) under consolidation from second quarter of fiscal 2018. Booked impairment of ¥360 million on corporate investment.

2 Increase due to Metsä-related personnel expenses, advertising and promotion costs and other miscellaneous costs. Expenses, especially at SGI, Rights and Brands Japan and Geoplan Namtech, which came under consolidation after second quarter of fiscal 2018, added to increase.

# Changes in Key Financial Data

| | | Fiscal 2014 | Fiscal 2015 | Fiscal 2016 | Fiscal 2017 | Fiscal 2018 | First Two Quarters Fiscal 2019 |
|---|---|---|---|---|---|---|---|
| Revenues | (millions of yen) | 3,911 | 5,429 | 7,485 | 7,182 | 3,689 | 3,277 |
| Gross profit | (millions of yen) | 2,398 | 2,495 | 1,496 | 1,626 | 2,261 | 950 |
| Operating income/(loss) | (millions of yen) | 555 | 115 | (1,031) | (1,319) | (1,072) | (1,467) |
| Ordinary income (loss) | (millions of yen) | 684 | 237 | (1,369) | (1,341) | (1,227) | (1,567) |
| Profit /(loss) attributable to owners of parent | (millions of yen) | 923 | 224 | (1,384) | (1,358) | (820) | (1,244) |
| Net assets | (millions of yen) | 5,534 | 7,879 | 6,312 | 5,326 | 8,551 | 9,050 |
| Total assets | (millions of yen) | 7,452 | 11,958 | 10,975 | 12,932 | 14,016 | 20,875 |
| Net assets per share | (yen) | 37.41 | 48.31 | 38.66 | 29.64 | 39.31 | 38.54 |
| Net income (loss) per share | (yen) | 6.92 | 1.48 | (8.56) | (8.39) | (4.79) | (6.50) |
| Diluted net income (loss) per share | (yen) | 6.89 | 1.47 | − | − | − | — |
| Equity to total asset ratio | (%) | 73.9 | 65.4 | 57.0 | 37.1 | 52.2 | 37.1 |
| Equity to net income ratio | (%) | 22.5 | 3.4 | (19.7) | (24.6) | (13.5) | − |
| Price earning ratio (PER) | (times) | 9.2 | 84.7 | − | − | − | — |
| Cash flow from operating activities | (millions of yen) | (2,208) | (1,791) | (1,305) | (1,153) | (2,978) | (2,969) |
| Cash flow from investing activities | (millions of yen) | 509 | (644) | (302) | (1,026) | (2,008) | (3,916) |
| Cash flow from financing activities | (millions of yen) | 2,065 | 4,761 | (751) | 2,937 | 5,771 | 6,067 |
| Cash and cash quivalents at the end of the fiscal year | (millions of yen) | 2,024 | 4,612 | 2,240 | 2,969 | 3,847 | 3,139 |
| Number of employees(consolidated) (part-time employees) | (employees) | 109(7) | 117(8) | 114(20) | 143(27) | 156(42) | 183(165) |
| Number of employees(non-consolidated)(part-time employees) | (employees) | 24(3) | 38(3) | 45(8) | 40(6) | 38(5) | 38(4) |

FGI executed a stock split on April 1, 2014, that split each share into 100 shares. Consequently, net assets per share, net income (loss) per share and net income per share after adjustment for diluted shares have been calculated as if the aforementioned stock split had occurred at the beginning of fiscal 2013.

# Corporate Data: FinTech Global Incorporated

| | |
|---|---|
| **Head office** | Meguro Central Square 15th Floor, 3-1-1, Kamiosaki, Shinagawa-ku, Tokyo 141-0021 |
| **Establishment** | December 7, 1994 |
| **Representative** | Nobumitsu Tamai, President and Chief Executive Officer |
| **Data of listing** | June 8, 2005 |
| **Securities Code** | 8789 (TSE Mothers) |
| **Fiscal year-end** | September 30 |
| **Main business** | I. Investment banking business<br>II. Public management consulting business<br>Ⅲ. Entertainment service business |
| **Number of issued shares** | 201,109,600shares (As of March 31, 2019) |
| **Minimum trading unit** | 100 |
| **Capital stock** | ¥6,461 million (As of March 31, 2019) |
| **Net assets (consolidated)** | ¥9,050 million (As of March 31, 2019) |
| **Major shareholders (As of March 31, 2019)** | Nobumitsu Tamai 20,095,500 shares (9.99%)<br>Yuko Fujii 3,576,400 shares (1.78%) |
| **Number of employees** | Consolidated: 183 (As of March 31, 2019, excludes temporary staff) |

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# Disclaimer

The purpose of these quarterly materials is to provide information related to the second quarter of fiscal 2019 for FGI and the FGI Group and are in no way intended to solicit transactions, such as the sale or purchase of marketable securities or contracts related to financial products.

Various materials and written documents, which are mentioned in these quarterly materials, may contain content that is not historical fact, including forward-looking statements such as performance forecasts for the Company and the Group, business direction, management strategies, targets, plans and understanding or assessment of facts. Statements other than historical fact (hereafter, “forward-looking information”) are based on information available to management at FGI or companies under the Group umbrella at the time of disclosure (or the date noted separately in such materials and documents) and are included simply as the basis for forecasts, expectations, assumptions, understanding and assessment. Also, to prepare forecasts, targets and other forward-looking information, management makes certain essential assumptions which are combined with confirmed facts from past activities. These assumptions necessary to forecasts, etc., are not necessarily disclosed, and due to the nature of such undisclosed facts and assumptions, management does not guarantee the objective accuracy of such information nor realization of future events exactly as envisioned. Therefore, the possibility exists that undisclosed facts and assumptions essential to forecasts, etc., may be objectively incorrect and realization of future events based on such information may not be achieved. The risks and factors that prevent achievement are many. Forward-looking information is based on factors that could be influenced by future events, by risks and by uncertainties, and such factors could have an obvious negative effect on the actual operations and business results of FGI and the FGI Group. Possible situations include deteriorating economic conditions in Japan, the United States and countries and regions in Asia; declining real estate and/or stock prices; an increase in corporate bankruptcies or additional problems in business sectors to which Group companies lend; difficulties or delays in integrating businesses into the FGI Group and achieving desired cost savings; heightened competitive pressures; changes in laws and regulations applicable to the Group’s businesses; and changes in economic policies in Japan and elsewhere that would be disadvantageous for the FGI Group. .

For materials and documents that include forward-looking statements used in these quarterly materials, the forward-looking statement itself is, as noted above, current as of the date on which the materials or document was disclosed. FGI has no obligation nor the intention to update such forward-looking statements.