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Summary of Financial Statements for the First Two Quarters of Fiscal 2020 <under Japanese GAAP>

May 12, 2020

Company Name: FinTech Global Incorporated (Code Number: 8789 TSE Mothers)
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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: May 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 two quarters of fiscal 2020
(October 1, 2019 –March 31, 2020)

(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 2020	4,269	30.3	(495)	–	(560)	–	(581)	–
First two quarters of fiscal 2019	3,277	91.3	(1,467)	–	(1,567)	–	(1,244)	–

(For reference) Comprehensive income: (660) million yen for the first two quarters of fiscal 2020 (—)%
(1,601) million yen for the first two quarters of fiscal 2019 (—)%

	Net income/(loss) per share	Net income/(loss) per share (diluted)
	Yen	Yen
First two quarters of fiscal 2020	(2.89)	–
First two quarters of fiscal 2019	(6.50)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
First two quarters of fiscal 2020	17,453	8,135	39.0
Fiscal 2019	19,025	8,873	39.1

(For reference) Shareholders' equity: 6,811 million yen for the first two quarters 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
	Yen	Yen	Yen	Yen	Yen
Fiscal 2019	—	0.00	—	0.00	0.00
Fiscal 2020	—	0.00			
Fiscal 2020 (Forecast)			—	—	—

(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)
In the environment where spread of COVID-19 — the illness caused by the novel coronavirus — could affect the Group's future performance, projection of consolidated results for fiscal 2020 is not indicated, as it is difficult to reasonably calculate a forecast at this point in time. Management will disclose a consolidated forecast of business results when a reasonable projection becomes possible.

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 two quarters of fiscal 2020
201,109,600 shares in fiscal 2019
2. Number of shares of treasury stock: — shares for the first two quarters of fiscal 2020
— shares for fiscal 2019
3. Average number of shares issued during the first two quarters:
201,113,146 shares in the first two quarters of fiscal 2020
191,572,055 shares in the first two quarters of fiscal 2019

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

* Explanation of the appropriate use of performance forecasts and other related items.
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 two quarters—October 1, 2019 to March 31, 2020—of the fiscal 2020 consolidated accounting period for FinTech Global Incorporated (FGI) ending September 30, 2020, Metsä posted mixed results. Beginning in November 2019, various measures were implemented, leading to a guest count of 314,000 in the first quarter of fiscal 2020, up 19.8% over the previous quarter, that is, the fourth quarter of fiscal 2019. But in the second quarter, steps to halt the spread of COVID-19 prompted a temporary closure of Moominvalley Park for 16 days in March 2020, which caused a 28.3% drop in the guest count, comparing to the first quarter, to 225,000. In the investment banking business, arrangements, investment exits and aircraft asset management services moved in a favorable direction.

Consolidated performance for the first two quarters of fiscal 2020 was underpinned by steady investment banking business and two quarters' worth of operating revenues from Moominvalley Park, which opened in March 2019 and therefore contributed to the consolidated results from the beginning of fiscal 2020, and despite factors, such as lost opportunities due to temporary park closure and the exclusion of a public management consulting subsidiary from consolidation. At the result, revenues climbed 30.3% year on year, to ¥4,269 million. Cost of revenues rose 27.6% year on year, to ¥2,968 million, but gross profit nevertheless jumped 36.8% year on year, to ¥1,301 million, due to solid revenue status. Selling, general and administrative expenses dropped 25.7% over the corresponding period a year ago, to ¥1,796 million, as Metsä pre-opening expenses booked in the first two quarters of the previous fiscal year were no longer a factor, and the business also showed a decrease in one-time expenses and personnel expenses. Consequently, the consolidated operating loss was a much lighter shade of red, at ¥495 million, compared with ¥1,467 million a year ago, and the ordinary loss followed a similar path, amounting to ¥560 million, compared with ¥1,567 million a year ago. While FGI still reported a loss attributable to owners of parent, at ¥581 million, for the first two quarters of fiscal 2020, the loss was not as deep as it was a year ago, at ¥1,244 million. The amount for the first two quarters of fiscal 2020 reflects the booking of ¥71 million in fixed expenses (including personnel expenses and depreciation expenses) during the temporary closure of Moominvalley Park as well as a ¥73 million quarterly loss attributable to non-controlling interests.

(Unit: Millions of yen)

	First Two Quarters of Fiscal 2019	First Two Quarters of Fiscal 2020	YOY Change
Revenues	3,277	4,269	991
Investment banking business	1,381	1,404	23
Public management consulting business	445	126	(319)
Entertainment service business	1,563	2,850	1,287
Other	21	—	(21)
Elimination	(133)	(111)	22
Gross profit	950	1,301	350
Investment banking business	379	719	339
Public management consulting business	237	68	(169)
Entertainment service business	359	567	207
Other	21	—	(21)
Elimination	(47)	(53)	(6)
Operating income/ (loss) 〔Segment income/ (loss)〕	(1,467)	(495)	972
Investment banking business	(404)	(35)	369
Public management consulting business	76	(13)	(89)
Entertainment service business	(691)	(160)	531
Other	(3)	—	3

Elimination or corporate expenses	(443)	(286)	157
Ordinary income/ (loss)	(1,567)	(560)	1,007
Income /(Loss) before income taxes	(1,536)	(629)	907
Income/ (Loss) attributable to owners of parent	(1,244)	(581)	662

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 exited asset investment and corporate investment deals. This led to a 1.7% year-on-year improvement in revenues, to ¥1,404 million. The segment recorded a valuation loss of ¥360 million on corporate investment during the first two quarters of fiscal 2019 but this dropped to ¥12 million in the period under review. Although still in a loss position, the segment was able to shrink its loss to ¥35 million from ¥404 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 71.6%, to ¥128 million, and posted a loss of ¥13 million, reversing from ¥76 million in income in the first two quarters of fiscal 2019.

c. Entertainment Service Business

In the Metsä business, the emphasis was on measures to increase the guest count and improve earnings. Beginning in November 2019, various approaches were implemented to provide a richer array of services and content that would give guests a feeling of greater satisfaction from their Metsä experience. The approaches included free parking on weekdays, the debut of one-day passes, a more appealing schedule of events, the distribution of Story Guide pamphlets and the installation of Story Door stations where guests watch a short video introduction to Moomin stories. Then, aligned with these approaches, Moominvalley Park revised the content and price of admission tickets, effective March 14, 2020. Unfortunately, Moominvalley Park was closed for 16 days in March 2020 in an effort to help stop the spread of COVID-19, and even when the site reopened, many people who might have visited under different circumstances were reluctant to venture outside for non-essential activities. This stay-at-home or stay-close-to-home attitude impacted the Metsä business, with the second-quarter guest count falling 28.3% comparing to the first quarter, to 225,000 people, and Metsä-related revenues tumbling 37.1%, to ¥800 million, from the preceding quarter. As a result, Metsä-related revenues could have been much higher but were held to ¥2,071 million, up 125.1%, year on year.

In the licensing business, efforts were directed into expanding 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 and has attracted about 240,000 people across four venues — Tokyo, Oita, Ishikawa and Nagoya — so far. Also, through the sale of anime broadcasting rights, a new TV anime series premiered on NHK BS4K, a channel operated by Japan's national broadcaster using an ultra-high definition 4K image system, in April 2019 and continues to air, including reruns of previously aired episodes. During the first two quarters of fiscal 2020, episode streaming and sales and rental of the series on Blue-ray Disc and DVD began. Coinciding with news of the Moominvalley Park opening, Moomin characters have garnered increasing attention, fueling the capture of new contracts with 17 companies since October 2019 and pushing licensing revenues up 28.2% year on year, to ¥778 million.

Despite lost revenue opportunities due to the temporary closure of Moominvalley Park in March 2020, the site contributed the consolidated results from the beginning of the fiscal 2020 because of the opening on March 16, 2019. This fuller contribution along with higher licensing revenues propelled segment revenue 82.3% year on year, to ¥2,850 million. Without the burden of costs incurred ahead of the opening of Metsä in the first two quarters of fiscal 2019, the segment loss for the first two quarters of fiscal 2020 was lighter, at ¥160 million, compared with ¥691 million.

(2) Consolidated Financial Position

Assets

Total assets at the end of the second quarter on March 31, 2020 stood at ¥17,453 million, down 8.3% from the end of fiscal 2019 on September 30, 2019. The change reflects decreases of ¥281 million in cash and time deposits, ¥117 million in investments in securities, trade due to progress on the sale of real estate beneficiary rights, ¥301 million in real estate for sale due to exits (sale) on real estate development projects, ¥662 million in accrued consumption tax included in under other current assets following a refund of consumption tax, and ¥59 million in buildings and structures, net due to depreciation and amortization of buildings and interior and exterior fixtures at Moominvalley Park.

Liabilities

Total liabilities amounted to ¥9,317 million at the end of the second quarter on March 31, 2020, down 8.2% from the end of fiscal 2019 on September 30, 2019. The change is mainly due to an increase in of ¥134 million in long-term loans payable, which was overshadowed by decreases of ¥452 million in the current portion of long-term loans payable and ¥294 million in short-term loans payable following repayment of borrowed money due to exits on real estate development projects.

Net assets

Net assets reached ¥8,135 million at the end of the second quarter on March 31, 2020, down 8.3% from the end of fiscal 2019 on September 30, 2019. This change is largely due to decreases of ¥629 million in retained earnings due to the booking of a quarterly loss attributable to owners of parent and ¥99 million in non-controlling interests.

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

Management feels the spread of COVID-19 is likely to continue to impact the Group's business activities and business results, as described below in "Impact of COVID-19 pandemic on business activities and business results." The situation makes it difficult for management to form a realistic consolidated performance forecast for fiscal 2020, ending September 30, 2020, at the present time. Consequently, the fiscal 2020 forecast has yet to be determined. Management will carefully track factors impacting business results and quickly disclose a forecast as soon as the situation allows for a more accurate estimate.

Impact of COVID-19 pandemic on business activities and business results

The novel coronavirus, which emerged in Wuhan, Hebei Province, in China, in December 2019, spread beyond the initial hotspot to the rest of China and to other countries all over the world, including Japan. The impact of COVID-19 — the illness caused by the novel coronavirus — on the business activities and business results of the FGI Group are presented below.

Investment Banking Business

(Arrangement services, including arrangements and asset management, and asset investment)
Existing asset management projects are, at the current time, unlikely to be significantly affected by the COVID-19 disaster. But some projects will require a review of investment management strategy to address facility characteristics. For a few asset management projects, including those for which FGI has contributed capital, contracts were drawn up in the second quarter for the sale of buildings, and payment is expected this fiscal year. Going forward, if investors take a more cautious investment stance on sourcing for new projects and existing investments, the situation could impact FGI's business results.

(Corporate investment)
Portfolio companies in some industries have been affected by the COVID-19 pandemic, with consequences that include downtime. Also, with regard to investment exits, restrictions have been put in place on in-person meetings with investors, which impacts the process of negotiations. Going forward, if investors take a more cautious investment stance, the situation could impact exit activity. For new investments, the policy will be to consider prevailing economic conditions and be very selective in choosing investment targets, but the potential exists for business revitalization investments.

(Aircraft asset management)
Demand for advisory services related to aircraft maintenance and technology is, at the current time, not expected to change significantly.

Public Management Consulting Business

The focus of this business is primarily to provide support to local governments and other public entities on the preparation of financial documents, and the impact on activities is expected to be minimal.

Entertainment Service Business

(Metsä)
In Metsä operations, Moominvalley Park has been temporarily closed since March 2, 2020 (excluding the period from March 14 through March 27), out of consideration for the well-being of guests and operating staff. Metsä Village has also been closed, since April 8, 2020, after the Japanese government declared a state of emergency. On May 4, 2020, the national government extended the country's state of emergency order to May 31, 2020, and measures thus remain in force in Saitama Prefecture, which is one of the prefectures where specific precautions have been implemented. The restart of operations at Metsä is conditioned upon exclusion from the state of emergency zone and a lifting of the state of emergency order and will be determined with full consideration of other factors as well. Management is looking into restarting operations at Metsä Village, a commercial facility, first.

The public has taken stay-at-home recommendations to heart, and this reluctance to venture outside for non-essential activities along with closure of Moominvalley Park and Metsä Village has had an impact on business results, including a decrease in revenues in the second quarter compared with the first quarter as well as an extraordinary loss of ¥71 million. The segment loss is likely to be worse in the third quarter, compared with the second quarter, because the site will have been closed for a longer period of time than in the second quarter.

(Licensing Business)
The travelling exhibition of original Moomin artwork was set to open in Iwate for an April-to-May 2020

engagement but was cancelled, and separate merchandise events planned at multiple venues were also cancelled. Going forward, the situation may impact events and other programs or presentations. In addition, there has been an impact on the licensing business from the closure of stores operated by licensees and large commercial facilities such as department stores, which are a key marketing channel for Moomin-related merchandise. But efforts will be made to reinforce marketing channels, including online sales, as well as product categories where demand is likely to grow.

FinTech Global Incorporated and Consolidated Subsidiaries

As of and for the six months ended March 31, 2020

(1) Quarterly Consolidated Balance Sheets

(Unit: Thousands of yen)

	Fiscal 2019 (As of September 30, 2019)	**First Two Quarters of Fiscal 2020** (As of March 31, 2020)
Assets		
Current assets		
Cash and time deposits	2,533,187	2,251,436
Accounts receivable, trade	727,499	733,316
Investments in securities, trade	1,359,941	1,241,997
Loans receivable, trade	548,625	529,995
Real estate for sale	4,211,988	3,910,618
Merchandise	208,577	284,077
Other	948,410	293,997
Allowance for doubtful accounts	(99,641)	(95,438)
Total current assets	10,438,589	9,150,001
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	5,328,377	5,365,911
Accumulated depreciation	(137,112)	(233,716)
Buildings and structures, net	5,191,265	5,132,195
Other	2,092,587	1,927,884
Total property, plant and equipment	7,283,853	7,060,079
Intangible fixed assets		
Goodwill	180,388	149,263
Other	544,540	532,225
Total intangible fixed assets	724,929	681,488
Investments and other assets		
Investment securities	211,068	207,022
Other	366,683	354,765
Allowance for doubtful accounts	(110)	(242)
Total investments and other assets	577,641	561,544
Total noncurrent assets	8,586,424	8,303,112
Total assets	19,025,014	17,453,114

(Unit: Thousands of yen)

	Fiscal 2019 (As of September 30, 2019)	**First Two Quarters of Fiscal 2020** (As of March 31, 2020)
Liabilities		
Current liabilities		
Accounts payable, trade	213,256	207,562
Short-term loans payable	373,904	79,283
Current portion of long-term loans payable	752,968	300,968
Income taxes payable	98,999	113,839
Accrued employee bonuses	157,244	145,361
Other	1,413,720	1,316,723
Total current liabilities	3,010,093	2,163,738
Noncurrent liabilities		
Long-term loans payable	6,086,260	6,220,871
Net defined benefit liability	94,633	102,696
Other	960,856	830,144
Total noncurrent liabilities	7,141,750	7,153,711
Total liabilities	10,151,843	9,317,450
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)	(4,627,756)
Total shareholders' equity	7,480,064	6,850,439
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(3,935)	(8,187)
Foreign currency translation adjustment	(29,558)	(30,301)
Total accumulated other comprehensive income	(33,493)	(38,488)
Stock acquisition rights	65,837	62,162
Non-controlling interests	1,360,762	1,261,550
Total net assets	8,873,170	8,135,664
Total liabilities and net assets	19,025,014	17,453,114

(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 2019 (As of March 31, 2019)	**First Two Quarters of Fiscal 2020** (As of March 31, 2020)
Revenues	3,277,955	4,269,822
Cost of revenues	2,327,007	2,968,595
Gross profit	950,948	1,301,227
Selling, general and administrative expenses	2,418,784	1,796,335
Operating income/(loss)	(1,467,835)	(495,107)
Non-operating income		
Interest income	2,653	521
Foreign exchange gains	—	6,985
Settlement received	5,821	—
Other	397	1
Total non-operating income	8,871	7,508
Non-operating expenses		
Interest expense	63,514	68,823
Share of loss of entities accounted for using equity method	—	2,085
Foreign exchange losses	14,223	—
Commission paid	30,833	1,500
Other	23	363
Total non-operating expenses	108,594	72,772
Ordinary profit/(loss)	(1,567,558)	(560,371)
Extraordinary income		
Gain on sales of non-current assets	—	1,185
Gain on sales of subsidiaries and associates	58,845	—
Gain on reversal of stock acquisition rights	1,448	4,486
Total extraordinary income	60,294	5,672
Extraordinary losses		
Loss on sales of non-current assets	891	—
Loss on retirement of non-current assets	28,587	899
Loss on valuation of investments in capital	—	2,140
Loss on temporary closure	—	71,787
Other	178	—
Total extraordinary loss	29,657	74,827
Income/(Loss) before income taxes	(1,536,922)	(629,526)
Income taxes (current)	56,917	55,223
Income taxes (deferred)	(9,821)	(29,347)
Total income taxes	47,096	25,875
Profit/(Loss)	(1,584,018)	(655,401)
Profit (Loss) attributable to non-controlling interests	(339,502)	(73,870)
Profit (Loss) attributable to owners of the parent	(1,244,515)	(581,531)

Quarterly Consolidated Statements of Comprehensive Income

(Unit: Thousands of yen)

	First Two Quarters of Fiscal 2019 (As of March 31, 2019)	**First Two Quarters of Fiscal 2020** (As of March 31, 2020)
Profit/(Loss)	(1,584,018)	(655,401)
Other comprehensive income		
Valuation difference on available-for-sale securities	(14,077)	(4,252)
Foreign currency translation adjustment	(3,103)	(1,315)
Total other comprehensive income	(17,180)	(5,567)
Comprehensive income	(1,601,198)	(660,969)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(1,260,798)	(296,213)
Comprehensive income attributable to non-controlling interests	(340,400)	(74,443)

(3) Notes to Quarterly Consolidated Financial Statements

(Assumption of Going Concern)

Not applicable.

(Material Change in Shareholders' Equity)

I.Six months ended March 31, 2019 (October 1, 2018 to March 31, 2019)

During the first two quarters of fiscal 2019, the exercise of stock acquisition rights pushed common stock as well as additional paid-in capital up ¥910,492 thousand. Due to this and other changes, common stock reached ¥6,461,911 thousand and additional paid-in capital reached ¥4,963,469 thousand, as of March 31, 2019.

II. Six months ended March 31, 2020 (October 1, 2019 to March 31, 2020)

Not applicable.

(Segment Information)

I. Six months ended March 31, 2019 (October 1, 2018 to March 31, 2019)

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

（Unit: 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	1,257,912	439,787	1,558,897	3,256,598	21,357	3,277,955	―	3,277,955
Inter-segment revenues and transfers (Note 4)	123,307	6,000	4,150	133,457	―	133,457	(133,457)	―
Total	1,381,220	445,787	1,563,048	3,390,055	21,357	3,411,413	(133,457)	3,277,955
Segment income (loss)	(404,967)	76,059	(691,918)	(1,020,826)	(3,646)	(1,024,472)	(443,362)	(1,467,835)

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 ¥ (443,362) thousand, includes elimination of transactions among segments of ¥121,808 thousand and corporate expenses of ¥ (565,171) 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 ¥108,688 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 ¥64,681 thousand.

Significant gain on negative goodwill

Content has been omitted because significance is negligible.

Ⅱ. Six months ended March 31, 2020 (October 1, 2019 to March 31, 2020)

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

（Unit: 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	1,301,931	120,770	2,847,120	4,269,822	－	4,269,822
Inter-segment revenues and transfers (Note 3)	102,457	6,000	2,929	111,387	(111,387)	－
Total	1,404,388	126,770	2,850,050	4,381,210	(111,387)	4,269,822
Segment income (loss)	(35,019)	(13,138)	(160,658)	(208,817)	(286,290)	(495,107)

Notes:

1. Adjustment of segment income (loss), at ¥ (286,290) thousand, includes elimination of transactions among segments of ¥119,167 thousand and corporate expenses of ¥ (405,457) 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 ¥82,056 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 included under the "Other" segment, executed a third-party allocation of shares in June 2019. Because FGI's ratio of voting rights declined, Adacotech has been removed from the scope of consolidation and is now accounted for by the equity method. As such, the "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.