FGI FinTech Global Incorporated

The firm of innovative financing

Results for Fiscal 2022, ended September 30, 2022

November 2022

FinTech Global Incorporated
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Summary

Fiscal 2022 Results

Investment banking business maintained favorable status. Metsä results recovered somewhat. Revenues and income exceeded initial expectations, delivering second straight year of higher revenues and higher income.

- Steady progress on formation of private equity investment deals, execution of investment and investment exits, underpinning results as initially envisioned. Progress on asset investment exits as well.
- Aircraft asset management revenues and income higher than targets and higher year-on-year, thanks to demand for technical services, such as aircraft inspections.
- Moominvalley Park revenues were higher than estimated and higher year-on-year, thanks to success of facility remodeling and lifting of restrictions on movement of people. Progress also made on cost-cutting efforts, leading to reduced loss position.
- Licensing business benefited from increased handling volume of licensed Moomin merchandise, driving revenues higher.

Fiscal 2023 Targets

Private equity investment activities will be driver of business results. Anticipate higher revenues and higher income for third consecutive year.

- Revenues and income from private equity investment activities to rise even higher.
- Aircraft asset management trends should remain favorable.
- Impact from pandemic should lessen for Moominvalley Park. Revenues should increase, paralleling increase in number of visitors. Loss position should continue to improve.
- Rights and Brands Japan (RBJ) will fall outside scope of consolidation, mainly due to change in shareholder composition. Profits or losses associated with RBJ's licensing business will be booked as investment profits or losses based on equity method, and are unlikely to have impact on final profit.

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Fiscal 2022: Full-Year Performance and Business Summary

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Consolidated Performance

Results greatly exceeded initial estimates, with higher revenues and higher income.

(Millions of yen)

	Fiscal 2021	Fiscal 2022	YOY Change (Amount)	YOY Change (Percentage)	Fiscal 2022 (Forecast)	Actual Change vs Forecast
Revenues	8,107	9,301	1,194	+14.7%	8,000	+16.3%
Gross profit	3,370	3,990	619	+18.4%	—	—
Operating income	178	587	409	+230.0%	450	+30.6%
Ordinary profit	115	540	425	+366.9%	300	+80.3%
Profit attributable to owners of the parent	130	176	45	+34.6%	100	+76.1%
EBITDA	817	1,153	335	+41.1%		

Note: EBITDA is calculated by returning depreciation costs and amortization of goodwill included in cost of revenue and selling, general and administrative expenses back to operating income.

Impact from application of accounting standard for revenue recognition

Some Metsä-related merchandise sales were initially procured on consignment, so revenues and cost of revenues are reduced by ¥83 million, respectively. There is no impact on gross profit, operating income, ordinary profit or net income before taxes.

Revenues

Revenues up in all segments, supporting year-on-year increase of 14.7%. (External revenues: Increases of ¥898 million in investment banking business, ¥105 million in public management consulting business, and ¥190 million in entertainment service business)

Gross profit

Gross profit up 18.4% year on year, driven by higher revenues in investment banking business and reduced costs in Metsä operations.

Operating income

Despite lower Metsä expenses, selling, general and administrative expenses rose 6.6% due to wider activity in other businesses. Operating income jumped 230%, reflecting increase in gross profit.

Profit attributable to owners of the parent

Posted profit attributable to non-controlling interests—a rebound of ¥358 million from the loss position in fiscal 2021—largely due to loss reduction at Moomin Monogatari. This had a negative effect on profit attributable to owners of the parent, but FGI still booked a 34.6% increase.

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Quarterly Changes in Consolidated Performance

Huge progress in performance on a fourth-quarter (July–September) basis

(Millions of yen)

	Fiscal 2021					Fiscal 2022					YOY Q4	YOY full year
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year	¥ change % change	¥ change % change
Revenues	2,020	2,854	1,536	1,696	8,107	2,272	2,148	2,328	2,552	9,301	+855 +50.5%	+1,194 +14.7%
Gross profit	825	1,558	462	524	3,370	897	712	1,071	1,309	3,990	785 +149.8%	+619 +18.4%
Operating income(loss)	53	787	(375)	(287)	178	62	(102)	190	437	587	+724 –	+409 +230.0%
Ordinary profit(loss)	9	821	(393)	(321)	115	39	(91)	165	426	540	+748 –	+425 +366.9%
Profit/(loss) attributable to owners of the parent	(63)	681	(298)	(189)	130	(47)	(155)	62	316	176	+506 –	+45 +34.6%
EBITDA	224	962	(232)	(136)	817	213	49	313	577	1,153	+714 –	+335 +41.1%

Note: EBITDA is calculated by returning depreciation costs and amortization of goodwill included in cost of revenue and selling, general and administrative expenses back to segment income/(loss).

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Business Summary by Segment (1)

- In investment banking business, second quarter of fiscal 2021 saw concentration on exit of private equity investments, but in fiscal 2022, activity was stable in each quarter.
- In public management consulting business, services to help with preparation of financial documents and reviews of general management plans for public facilities were in high demand, driving revenues up 42.8%.
- In entertainment service business, profitability improved through reduction in fixed costs, mainly due to remodeling work.

(Millions of yen)

Reporting Segments		Fiscal 2021					Fiscal 2022					YOY Q4 change	YOY Q4 YTD change
		Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year		
Investment Banking Business	Revenue	812	1,856	632	759	4,061	1,058	1,135	1,267	1,512	4,973	752	912
	Gross Profit	499	1,492	335	399	2,725	574	507	773	1,095	2,951	696	225
	Segment income	142	1,180	(47)	28	1,303	198	112	259	610	1,180	582	(122)
Public Management Consulting Business	Revenue	62	56	43	80	242	108	92	62	82	346	2	103
	Gross Profit	38	31	29	48	148	54	49	40	46	189	(2)	41
	Segment income	(2)	0	(6)	6	(3)	8	3	(13)	(13)	(14)	(20)	(11)
Entertainment Service Business	Revenue	1,223	1,007	939	935	4,106	1,181	997	1,073	1,033	4,285	97	179
	Gross Profit	327	64	132	109	632	301	187	287	198	975	89	343
	Segment income	47	(203)	(175)	(170)	(501)	36	(61)	31	(40)	(34)	130	467
Adjustment (Elimination of transactions among segments and corporate expenses)	Revenue	(78)	(66)	(79)	(78)	(303)	(76)	(76)	(75)	(75)	(303)	3	0
	Gross Profit	(39)	(30)	(34)	(32)	(136)	(32)	(32)	(30)	(31)	(126)	1	9
	Segment income	(134)	(188)	(145)	(151)	(619)	(180)	(156)	(87)	(118)	(543)	32	76
Amount Booked on Consolidated Statement of Income	Revenue	2,020	2,854	1,536	1,696	8,107	2,272	2,148	2,328	2,552	9,301	855	1,194
	Gross Profit	825	1,558	462	524	3,370	897	712	1,071	1,309	3,990	785	619
	Operating income	53	787	(375)	(287)	178	62	(102)	190	437	587	724	409
Related issues			State of emergency (From Jan. 8, 2021 to Mar. 21, 2021 in Tokyo and three prefectures)	State of emergency (From Apr. 25, 2021 to Jun. 20, 2021 in Tokyo)	State of emergency (From Jul. 12, 2021 to Sep. 30, 2021 in Tokyo) (From Aug 2, 2021 to Sep. 30, 2021 in Saitama)			Application of priority measures to prevent spread of COVID-19 (From Jan. 2021 to Mar. 2021, in Tokyo and three prefectures)		Seventh wave of COVID-19			

1. Revenues for each segment includes intersegment revenue and transfers.
2. The ¥(543) million segment income in fiscal 2022, under adjustment, includes intersegment elimination (¥303 million in fiscal 2022) as well as corporate expenses (¥(847) 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.

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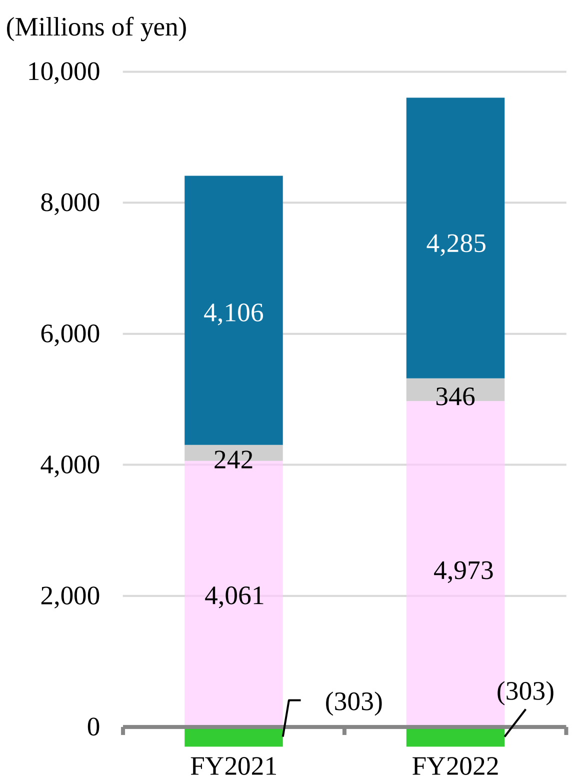
Business Summary by Segment (2)

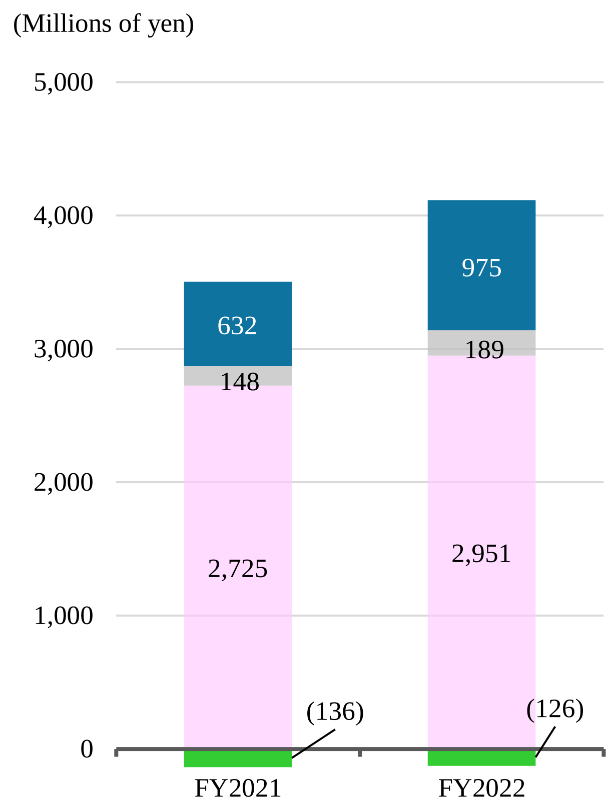
Revenues



8,107 **9,301**

Up ¥1,194 million, or 14.7%

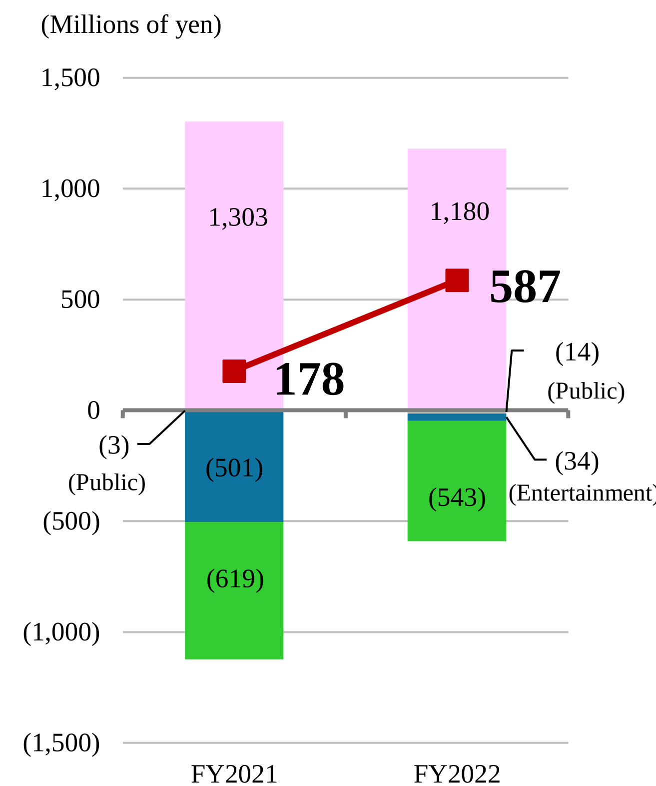
Gross Profit



3,370 **3,990**

Up ¥619 million, or 18.4%

Operating Income



Up ¥409 million , or 230.0%

Note: Segment breakdown uses non-eliminated values.

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

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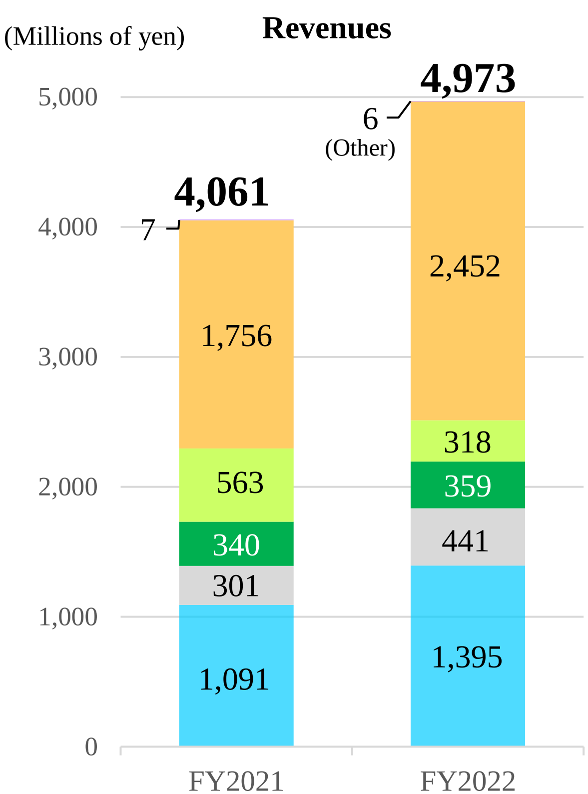
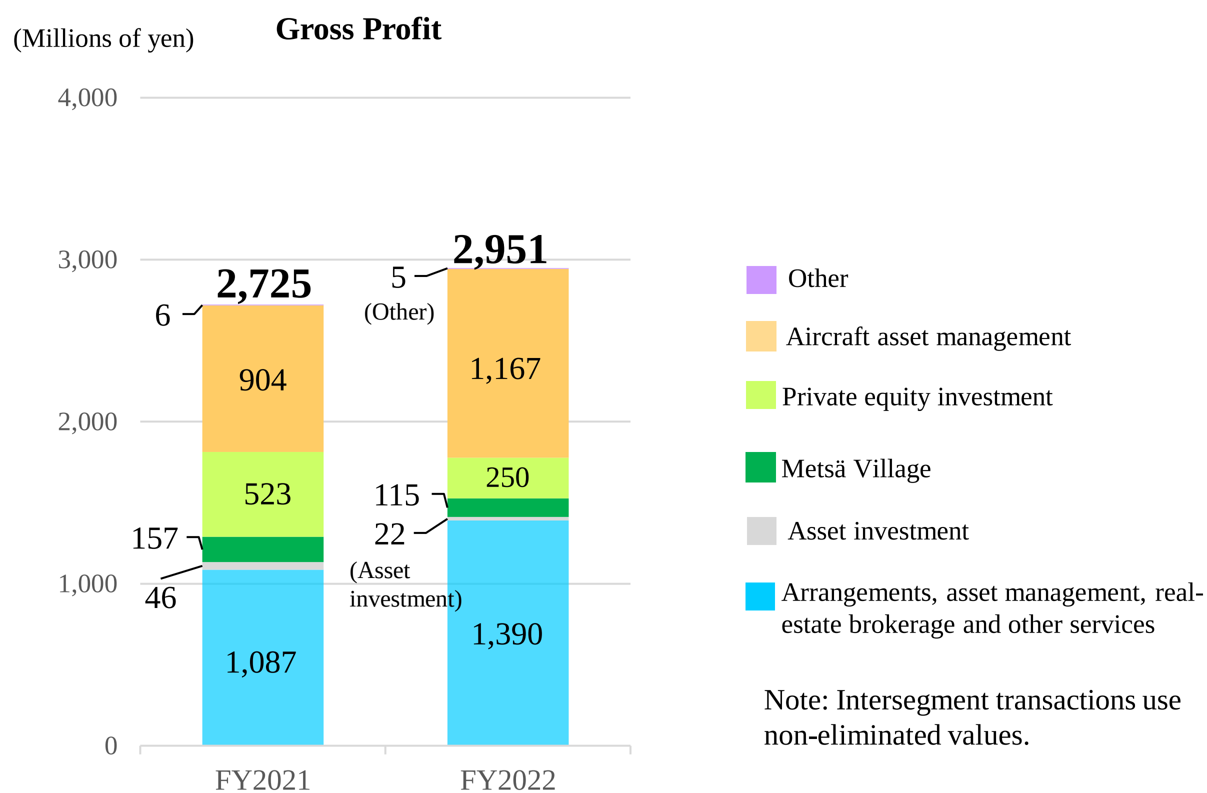
Investment Banking Business—Revenues and gross profit by service

Brisk capture of private equity investment deals. Favorable demand for aircraft asset management continued boost revenues.

- **Arrangement services, private equity investment:** Brisk progress on arrangement and execution of private equity investments, as well as exits.
- **Asset investment:** Leveraged sale of real estate trust beneficiary rights to boost revenues.
- **Aircraft asset management:** Driven by pandemic, demand for aircraft inspections and technical services, such as those connected with aircraft returns, remained favorable.
  Expanded outsourcing to address increase in inquiries. Revenues and gross profit up.



Up ¥912 million, or 22.5%



Up ¥225 million, or 8.3%

Note: Intersegment transactions use non-eliminated values.

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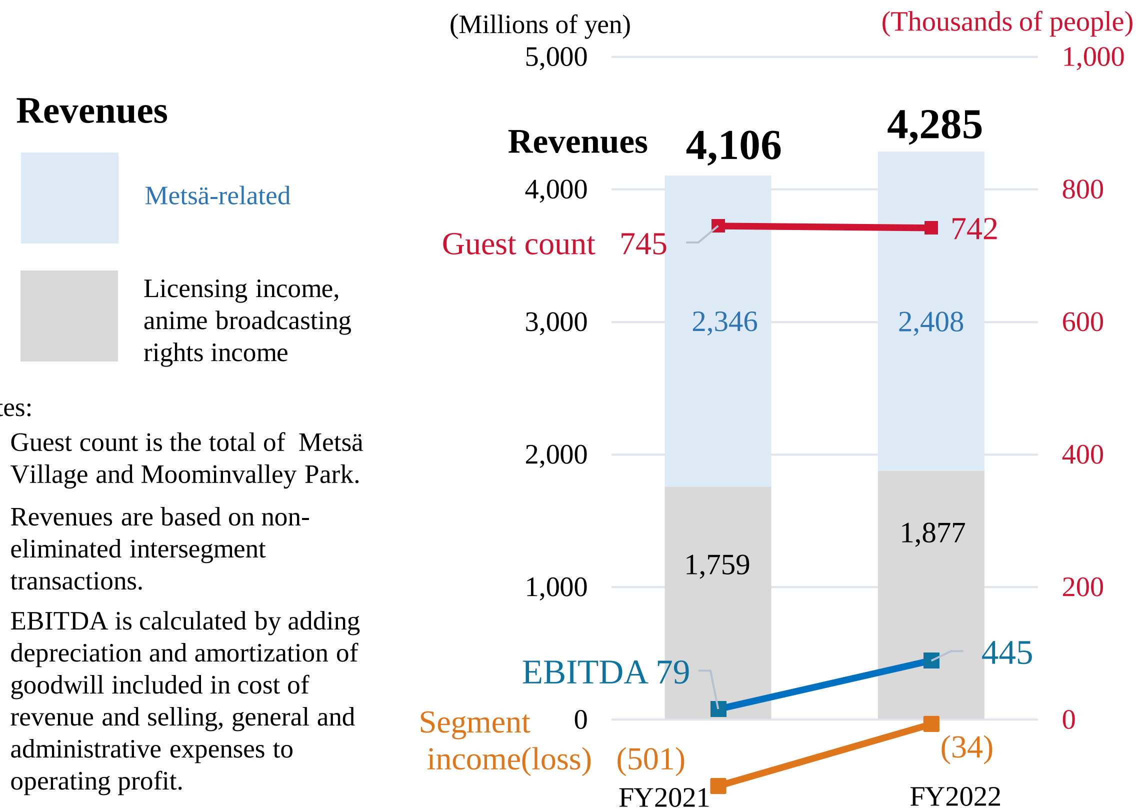
Entertainment Service Business Results

Both Metsä- and licensing-related operations delivered higher revenues. Revenues in fiscal 2022 were up ¥179 million* over fiscal 2021. Remodeling work at Moominvalley Park led to profitability improvement.

***Increase of ¥262 million without impact from application of accounting standard on revenue recognition.**

Metsä-related:
- Remodeled facilities of Moominvalley Park in December 2021. Revised contents and services to match guest needs.
- Guest count rebounded in April-to-June quarter, thanks to relaxation of government restrictions on movement. But seventh wave of COVID-19 infections, beginning in July, caused guest count to slow, ending the fiscal year at a year-on-year par.
- Opened e-commerce site Moomin Shop on March 1.

Licensing-related:
- Handling volume of licensed Moomin merchandise up for licensees, paralleling wider demand in field of fashion, especially casual wear, and higher sales of magazines offering a free gift.
- Various factors, including manufacturing delays caused by lockdowns in China and revised product lineups due to low yen, led to lower sales for some licensees, which squeezed licensing income. Nevertheless, revenues grew 6.7% year on year.



Notes:
1. Guest count is the total of Metsä Village and Moominvalley Park.
2. Revenues are based on non-eliminated intersegment transactions.
3. EBITDA is calculated by adding depreciation and amortization of goodwill included in cost of revenue and selling, general and administrative expenses to operating profit.

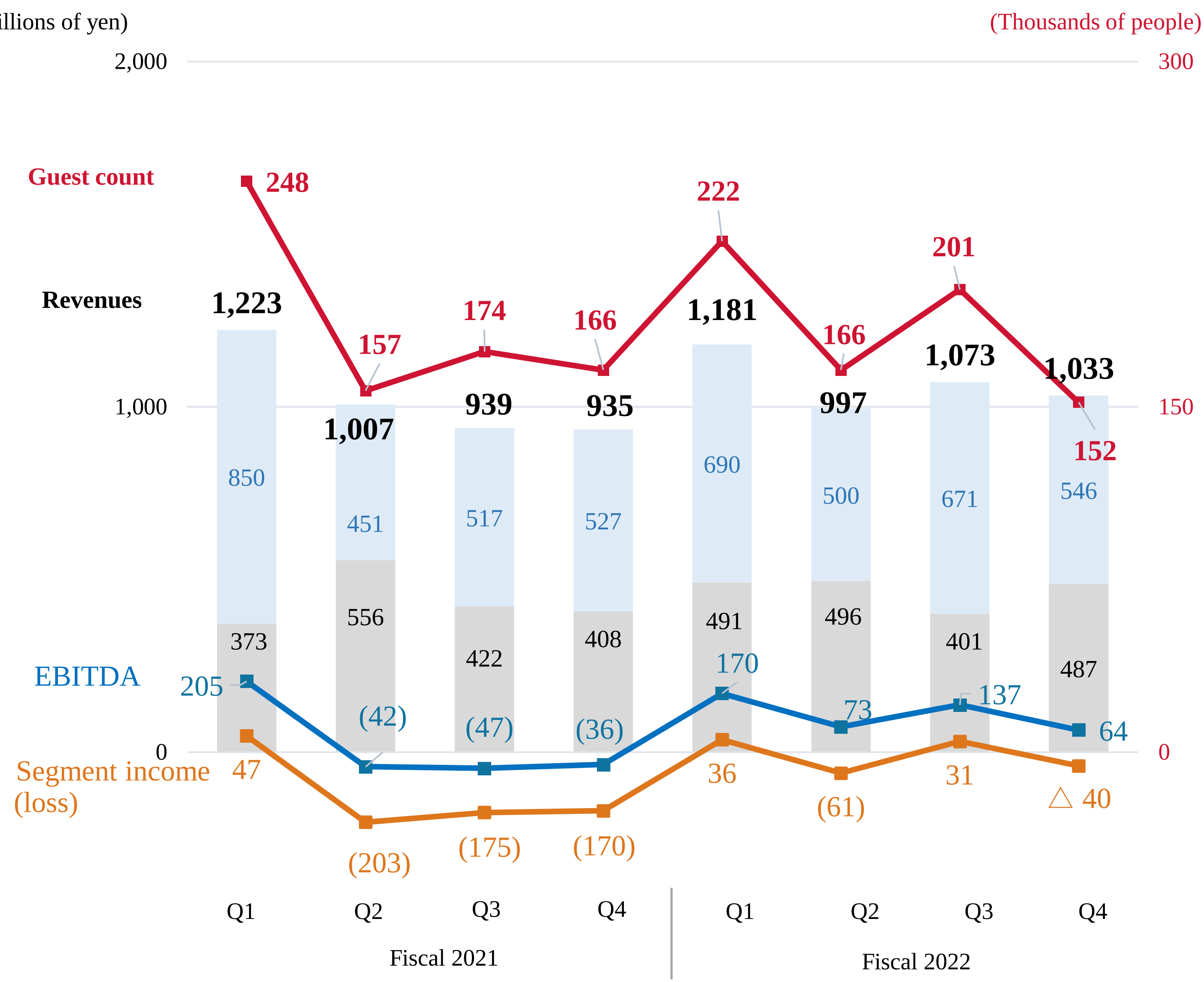
Impact from application of accounting standard for revenue recognition
Some Metsä-related merchandise sales were initially procured on consignment, so sales and cost of sales are reduced by ¥83 million, respectively. (Paralleling past treatment, no retroactive application will be made to fiscal 2021 results.) There is no impact on segment incomes.

Changes in Entertainment Service Business Results (Quarterly)

Revenues

Metsä-related

Licensing income, anime broadcasting rights income



Notes:

1. Guest count is the total of Metsä Village and Moominvalley Park.
2. Revenues are based on non-eliminated intersegment transactions.
3. EBITDA is calculated by adding depreciation and amortization of goodwill included in cost of revenue and selling, general and administrative expenses to operating profit.

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Trends in Balance of Investments and Loans

Balance of investments and loans expanded, owing to investment in growth companies and business succession projects.
Balance at year-end was ¥7.6 billion, up 10.7% year on year.

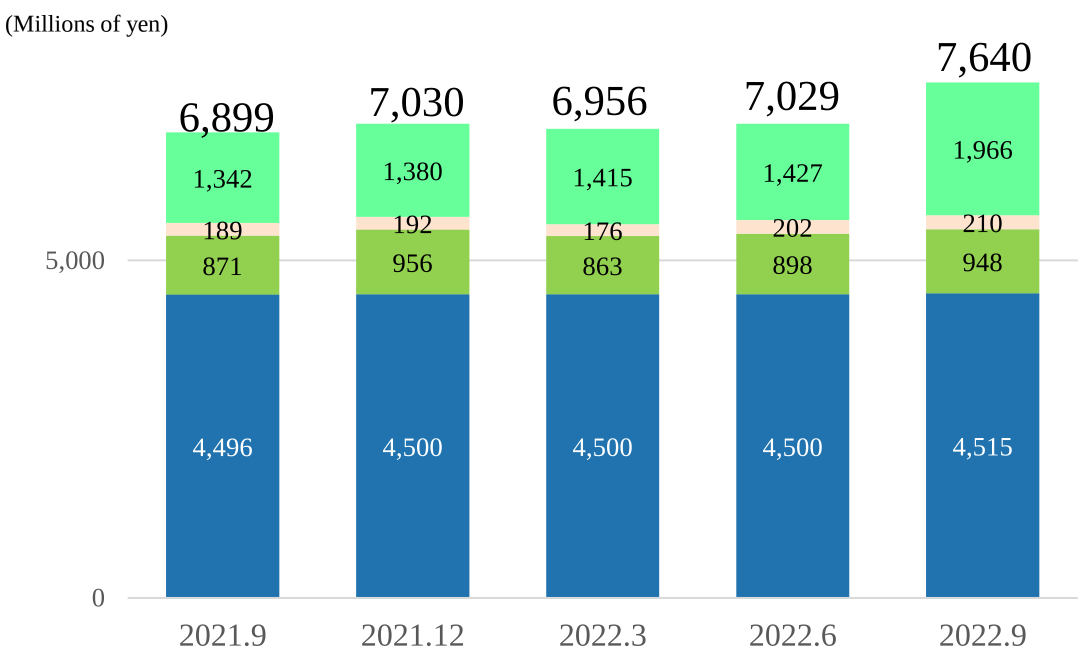
Major cause of change in fourth quarter (July–September 2022) of fiscal 2022

Principal investment

Despite dividends received on private equity investment–related exits, the principal investment total at the end of the fourth quarter was ¥539 million higher than at the end of the third quarter because of investments made into multiple deals and investments made to facilitate formation of small-lot real estate products.

Notes: 1. Total investments and loans comprise amounts for FGI and aviner (formerly, SGI Investment).
2. Does not include contribution or loans between FGI, aviner

Total Investments and Loans (including investments in subsidiaries)



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

Venture capital funds
(Investment into FinTech GIMV Fund and two other funds.)

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 (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.

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Changes in Assets under Management

FinTech Asset Management (FAM)
FGI Capital Partners (FGICP)

Assets under management (AUM) jumped 61.2% over the third-quarter balance, to ¥56.1 billion, largely due to real estate investment activity by overseas investors.

FAM (Residences)

- Increase of ¥14.0 billion over third-quarter balance, mainly reflecting new service contracts on two funds for overseas investors.

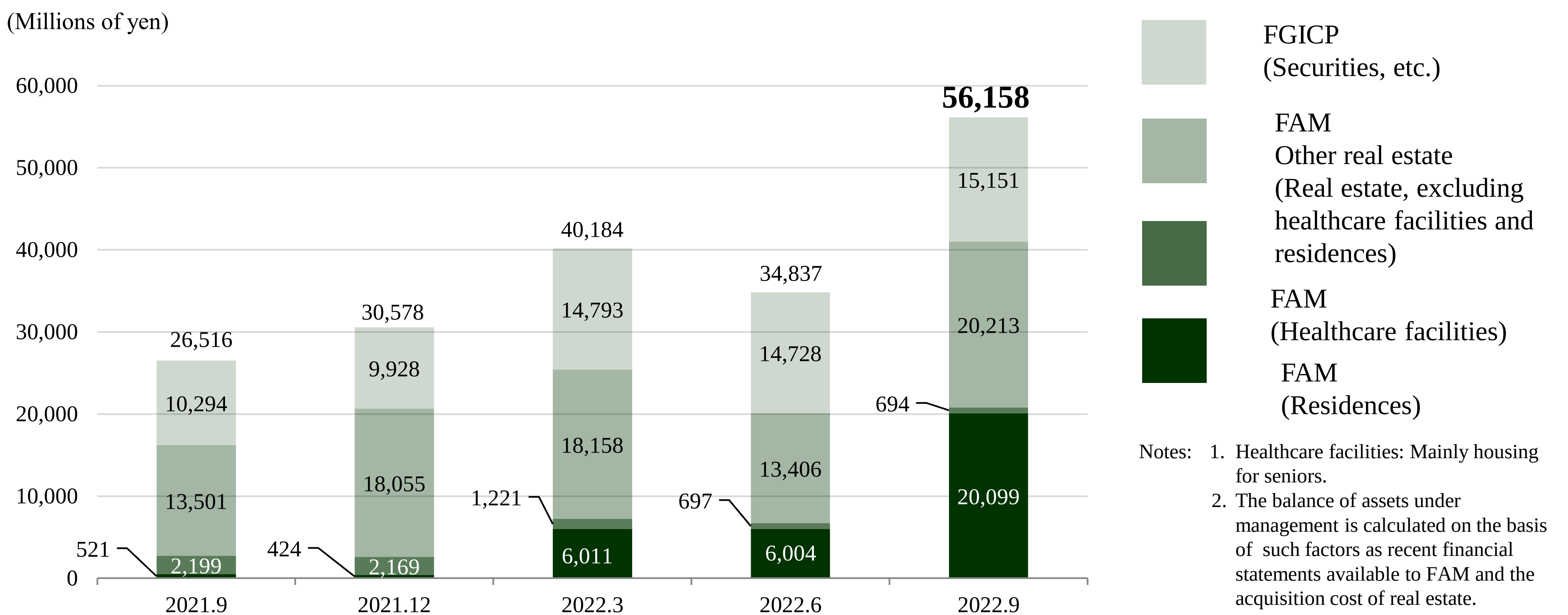
FAM (Other real estate)

- Increase of ¥6.8 billion over third-quarter balance, buoyed by new asset management contracts for such properties as office buildings and commercial facilities.

FGICP (Securities, etc.)

- Increase in assets for fund that invests in renewable energy facilities, complemented by new request for discretionary investment into communications equipment companies, pushed assets under management up ¥420 million over third-quarter balance.

Separate from above, client assets under investment advisory contracts reached ¥91.8 billion (FGICP, up ¥1.1 billion from balance at end of third quarter). (Client assets are primarily solar power generation systems.)



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.

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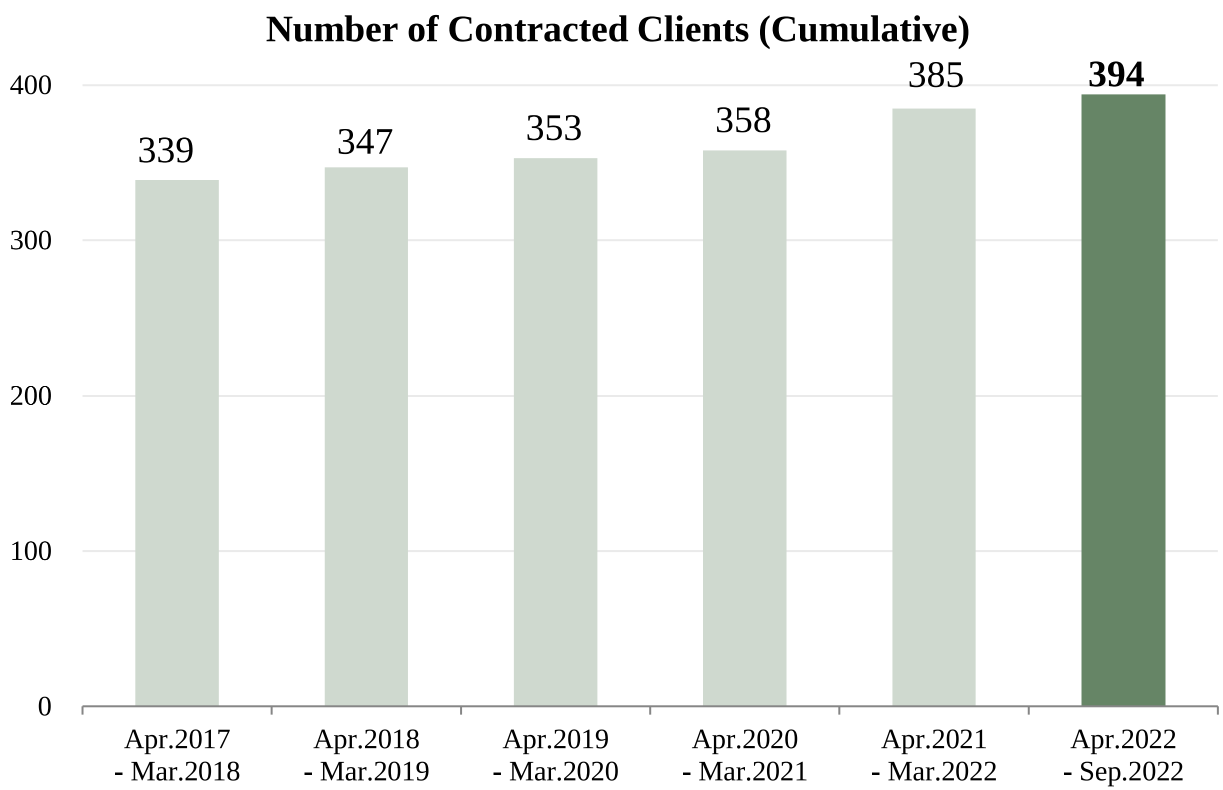
Public Management Consulting Business: Number of clients

Expanded client base through support for local public entities in reviewing general management plans, including those for public facilities

Increase in requests for services, mainly to support local public entities in reviewing general management plans, including those for public facilities, as required by Ministry of Internal Affairs and Communications. Cultivated new clients, leading to cumulative total of 385 clients in fiscal 2021, up 27 from fiscal 2020. Anticipate continued growth.

(Of this, services to support preparation of financial documents were requested on four more projects from prefectures, for a total of seven projects.)

The current number of contracted clients (cumulative), as of the fiscal year for Public Management Consulting beginning April 2022, is 394, up nine.



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Consolidated Balance Sheets

(Thousands of yen)

Assets	Fiscal 2021	Fiscal 2022	Change
Current assets	9,167,569	11,022,806	1,855,237
Cash and time deposits	2,379,230	2,375,927	(3,303)
1 Accounts receivable, trade	753,826	—	(753,826)
Accounts receivable, trade, and contract assets	—	1,113,702	1,113,702
2 Operational investment securities	1,042,651	2,482,469	1,439,818
Loans receivable, trade	455,415	371,665	(83,750)
Real estate for sale	4,038,343	4,057,167	18,824
3 Real estate for sale in progress	—	130,765	130,765
Merchandise	192,176	133,602	(58,574)
Other	398,443	462,279	63,835
Allowance for doubtful accounts	(92,518)	(104,772)	(12,254)
Noncurrent assets	7,290,019	6,910,204	(379,814)
4 Property, plant and equipment	6,299,105	5,878,784	(420,321)
Intangible fixed assets	616,310	632,501	16,191
Investments and other assets	374,602	398,918	24,316
Total assets	16,457,588	17,933,011	1,475,423

Liabilities	Fiscal 2021	Fiscal 2022	Change
Current liabilities	2,391,910	2,587,825	195,914
5 Accounts payable, trade	130,687	248,274	117,587
6 Short-term loans payable	125,600	—	(125,600)
Current portion of long-term loans payable	393,194	529,252	136,058
Income taxes payable	75,228	133,150	57,921
Lease obligations	247,203	260,095	12,892
Accrued employee bonuses	146,703	191,888	45,185
Other	1,273,293	1,225,164	(48,129)
Noncurrent liabilities	6,626,556	7,502,492	875,935
7 Long-term loans payable	6,041,300	7,184,342	1,143,042
8 Lease obligations	388,207	158,022	(230,185)
Deferred tax liabilities	64,885	19,737	(45,148)
Net defined benefit liability	99,040	110,067	11,027
Other	33,122	30,322	(2,800)
Total liabilities	9,018,467	10,090,317	1,071,850

Net Assets

Shareholders' equity	6,329,582	6,524,040	194,458
Common stock	6,462,099	6,471,266	9,166
Additional paid-in capital	4,987,549	4,996,716	9,166
Retained earnings	(5,120,066)	(4,943,941)	176,125
Treasury shares	—	(0)	(0)
Accumulated other comprehensive income	(918)	61,839	62,757
Stock acquisition rights	78,503	56,359	(22,143)
Non-controlling interests	1,031,953	1,200,454	168,501
Total net assets	7,439,120	7,842,693	403,572
Total liabilities and net assets	16,457,588	17,933,011	1,475,423

1 Accounts receivable, trade, and contract assets increased ¥359 million, mainly on aircraft asset management and Moomin licensing income.

2 Increased, owing to investment in growth companies and business succession deals as well as steps to turn into trust beneficiary rights a residence purchased to form small-lot real estate products.

3 Acquired property for development.

4 Decreased, due to depreciation of buildings and interior and exterior fixtures.

5 Accounts payable, trade increased due to outsourcing of aircraft asset management services.

6 Repaid loans related to asset investment deal

7 Increased due to borrowings to purchase real estate, accompanying formation of small-lot real estate products.

8 Decreased, due to repayment of lease obligations associated with special interior and exterior fixtures at Moominvalley Park.

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Consolidated Statement of Income

(Thousands of yen)

		Fiscal 2021	Ratio to Revenues	Fiscal 2022	Ratio to Revenues	YoY Change Amount	YoY Change Percentage
Revenues	1	8,107,368	100.0%	9,301,972	100.0%	1,194,603	14.7%
Cost of revenues		4,736,690	58.4%	5,311,544	57.1%	574,854	12.1%
Gross profit		3,370,678	41.6%	3,990,428	42.9%	619,749	18.4%
Selling, general and administrative expenses	2	3,192,590	39.4%	3,402,665	36.6%	210,075	6.6%
Operating income		178,088	2.2%	587,762	6.3%	409,674	230.0%
Other income		72,165	0.9%	90,547	1.0%	18,382	25.5%
Other expenses		134,409	1.7%	137,401	1.5%	2,991	2.2%
Ordinary profit		115,844	1.4%	540,909	5.8%	425,064	366.9%
Extraordinary profit		8,162	0.1%	16,478	0.2%	8,315	101.9%
Extraordinary loss		5,387	0.1%	1,362	0.0%	(4,024)	(74.7)%
Income before income taxes		118,619	1.5%	556,025	6.0%	437,405	368.7%
Income taxes		94,667	1.2%	128,402	1.4%	33,735	35.6%
Profit		23,952	0.3%	427,622	4.6%	403,669	1,685.3%
Profit /(loss) attributable to non-controlling interests	3	(106,853)	(1.3)%	251,497	2.7%	358,351	—
Profit attributable to owners of parent		130,806	1.6%	176,125	1.9%	45,318	34.6%

1

Steady progress in arrangement and execution of private equity investments, as well as exits. Favorable aircraft asset management status. Also saw increase in exits on asset investments.

Cost of revenues down for Metsä-related operations but up for aircraft asset management and asset investment, in particular, where sales expanded.

(Fiscal 2022 revenues and cost of revenues down ¥83 million, respectively, due to application of accounting standard for revenue recognition.)

2

SG&A rose 6.6% despite lower costs at Metsä, largely because of increase in staffing matched to business expansion in other businesses as well as greater outsourcing of some business activities.

3

Profit/(loss) booked by Moomin Monogatari, Rights & Brands, SGI and Hanno Local Resource Utilization LLC allocated proportionally to non-controlling interests.

Showed increase of ¥358 million, mainly reflecting reduced loss at Moomin Monogatari and higher income at local SPC and SGI.

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Consolidated Statement of Cash Flows

Cash flows from operating activities

Income before income taxes reached ¥556 million, up ¥437 million year on year, but upfront investment for the formation of small-lot real estate products led to net cash used of ¥701 million.

(Thousands of yen)

	Fiscal 2021	Fiscal 2022	Change
Cash flows from operating activities	**747,781**	**(701,853)**	**(1,449,635)**
Income/(Loss) before income taxes	118,619	556,025	437,405
Depreciation and amortization	619,704	545,194	(74,509)
Amortization of goodwill	19,976	20,767	790
(Increase)/Decrease in accounts receivable, trade	(164,446)	(314,625)	(150,178)
(Increase)/Decrease in investments in securities, trade	97,480	1 (1,404,877)	(1,502,357)
(Increase)/Decrease in inventories	30,210	(68,074)	(98,284)
Increase/(Decrease) in accounts payable, trade	17,906	106,435	88,528
Income taxes refund (paid)	(203,188)	(104,333)	98,855
Other	211,519	(38,365)	(249,884)
Cash flows from investing activities	**(173,478)**	**(141,088)**	**32,390**
Purchase of property, plant and equipment	(189,170)	(121,291)	67,878
Other	15,691	(19,796)	(35,488)

	Fiscal 2021	Fiscal 2022	Change
Cash flows from financing activities	**(360,360)**	**802,976**	**1,163,336**
(Increase)/Decrease in short-term loans payable, net	55,642	(125,600)	(181,242)
Proceeds from long-term loans payable	100,000	1,320,550	1,220,550
Repayments of long-term loans payable	(406,361)	(41,450)	364,911
Proceeds from share issuance to non-controlling interests	202,970	100	(202,870)
Dividends paid to non-controlling interests	(54,217)	(107,260)	(53,042)
Repayments of lease obligations	(222,578)	(243,623)	(21,044)
Other	(35,815)	260	36,075
Effect of exchange rate change on cash and cash equivalents	23,218	36,661	13,443
Net increase/(decrease) in cash and cash equivalents	237,161	(3,303)	(240,464)
Cash and cash equivalents at the beginning of the period	2,142,069	2,379,230	237,161
Cash and cash equivalents at the end of the period	2,379,230	2,375,927	(3,303)

1 Consolidated subsidiary SPC, established in fourth quarter with investment from FGI, borrowed from financial institutions and created supply of small-lot real estate products. Real estate turned into trust beneficiary rights.

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Performance Forecast, Return to Shareholders

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Consolidated Performance Forecast

Expecting further acceleration in private equity investment activities.
Licensing business subsidiary will fall outside scope of consolidation but revenues and income should still go up.

(Millions of yen)	Fiscal 2022 Actual	Fiscal 2023 Forecast	YOY Change Amount	YOY Change Percentage
Revenues	9,301	10,100	+798	+8.6%
Operating income	587	1,400	+812	+138.2%
Ordinary profit	540	1,400	+859	+158.8%
Profit attributable to owners of the parent	176	1,000	+823	+467.8%

Investment banking business	• Anticipate significantly higher revenues and income in this segment, underpinned by expanded earnings from private equity investment activities. • Will pinpoint real estate investment and ESG investment needs of overseas investors to build bigger AUM balance and reinforce foundation for stock-type earnings (recurring fee revenues). Expect AUM at fiscal 2023 year-end to be more than 50% higher than at end of fiscal 2022. • Aircraft asset management should deliver higher revenues, despite the possibility of cooler demand for aircraft inspections as pandemic turmoil settles down, as number of aircraft registrations grows and new requests for services stream in. (presumed exchange rate is 135 yen to 1 euro.) • Expenses, particularly personnel and outsourcing costs, are likely to rise as business activities expand.
Public management consulting business	• Expect higher revenues, fueled by new requests for preparing financial documents for public facilities and to implement reviews of general management plans, including those for public facilities. • In support services for the preparation of financial documents, will emphasize efforts to capture new contracts from large local governmental districts, such as prefectures.
Entertainment service business	• While seventh wave of COVID-19 infections, which hit in July 2022, caused drop in Moominvalley Park guest count, situation began to normalize in October 2022. On assumption that government will not issue new pandemic-related restrictions on movement of people, guest count should rise going forward, bringing higher revenues and further reduction of losses. Aim to boost guest count with crowd-attracting seasonal events. • With Rights and Brands Japan no longer under FGI consolidation and operating as affiliate accounted for by equity method, income from licensing business will not be booked under segment performance but rather under nonoperating income. This will impact segment performance—lower revenues—but will not affect final profit.

Performance forecasts and other forward-looking statements are based on certain reasonable assumptions and information currently available to management of the Company. A number of factors could cause actual results to differ greatly from stated expectations.

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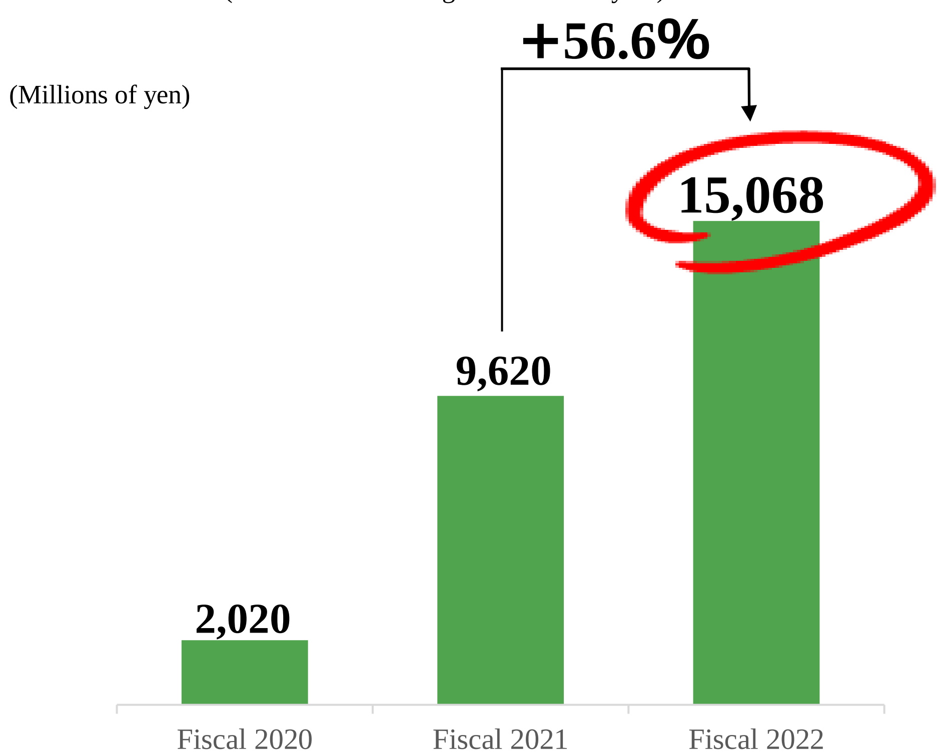
Business Succession Activities

Rapid increase in financing amount. Acquisition fund financing (investment amount) in fiscal 2022 hit ¥15.0 billion.

- FGI Group provides solutions, starting with investment, to companies faced with business succession issues.
- More involvement in business succession solutions through such processes as contributions from FGI for investment and loans from financial institutions are leading to increase in amount of acquisition fund financing arranged by participating FGI Group companies each year.
- Negotiations are moving forward on many projects where investment has been made and an exit is within sight. Going forward, investment exits can be expected.
- Once acquisition funds are formed, they essentially fall outside consolidation.

Total Financing Through Acquisition Funds

(Amount of financing in each fiscal year)



Factors Driving Increase in Projects

- **Wider sourcing network**

Broader recognition of FGI Group's activities, particularly among financial institutions, M&A brokers and accounting firms. Seeing increase in volume of information on opening projects.

- **Accumulated know-how on project formation and greater efficiency in execution**

Accumulated know-how extending to due diligence on companies targeted for investment. Efficiency improving through standardization.

- **More staffing**

Deeper pool of human resources for project formation and project management.

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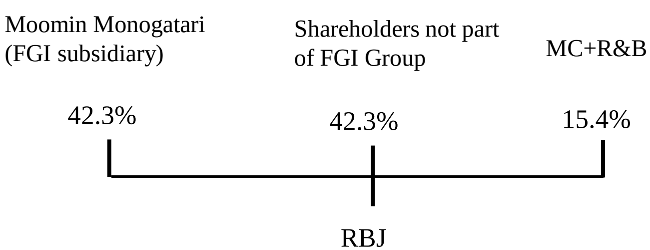
Rights and Brands Japan Co., Ltd., Excluded from Scope of Consolidation

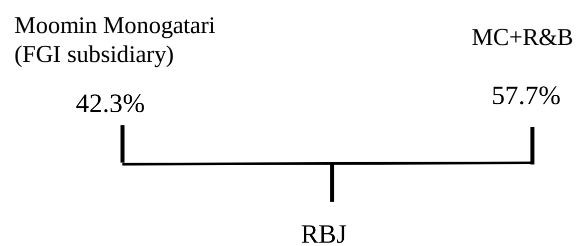
Rights and Brands Japan (RBJ) to change from consolidated subsidiary to equity-method affiliate

- An existing shareholder with a 42.3% equity stake in RBJ is scheduled to transfer its entire holding to Moomin Characters Oy Ltd (“MC”), publisher of Moomins stories, and R&B Licensing AB (“R&B”), exclusive agent for MC, in May 2023. Also, a director sent to RBJ by FGI stepped down from the position, meaning that directors with an FGI connection will no longer form the majority on the RBJ board of directors.
- FGI treated RBJ as a consolidated subsidiary under effective control standards because the Company sent directors to the company. But through the transfer of shares, the MC and R&B corporate groups will hold 57.7% equity while FGI subsidiary Moomin Monogatari retains 42.3%. Also, seconded directors will no longer form the majority on the RBJ board of directors. Consequently, controlling interest in RBJ will shift from FGI to MC.
- The transfer of shares will lead to further development of the Moomin business in Japan and should contribute to improved corporate value for RBJ and Moomin Monogatari.

Shareholding ratios before share transfer



Shareholding ratios after share transfer



Outlook

Working as one, MC, RBJ and Moomin Monogatari will strive for exponential expansion in the domestic Moomin market.

- This transfer of shares is part of the One-Moomin strategy endorsed by MC and R&B.
- To strengthen collaborative efforts between Moomin Monogatari and RBJ, effective from December 2022, Roleff Kråkström, CEO of MC, will be appointed as Chairman of the Board at both companies, and Kumiko Ito, currently president of RBJ, will be appointed as Representative Director and President at both companies.
- At Moominvalley Park, MC, RBJ and Moomin Monogatari will work together as a cohesive team to promote business under a strategy shaped prior to the pandemic.
- Looking to the future, Moomin Monogatari and RBJ will explore initiatives that take into consideration the possibility of consolidating their operations in Japan.

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Capital Reduction and Dividend Forecast

Capital reduction

(Reduce common stock, legal capital surplus and legal retained earnings, and appropriate surplus)

Seek to cover deficit in retained earnings brought forward and enhance financial health. Provide for implementation of capital policy, including future distribution of profits. (Plan to put proposal forward at Ordinary General Meeting of Shareholders on December 22, 2022.)

(Millions of yen)

Shareholders' Equity (non-consolidated)	At September 30, 2022	After capital reduction
Common stock	**6,471**	**5,372**
Additional paid-in capital	**4,036**	**0**
Legal capital surplus	4,036	0
Retained earnings	**(5,135)**	**0**
Legal retained earnings	47	0
Other retained earnings	(5,182)	0
Retained earnings brought forward	(5,182)	0
Treasury shares	**(0)**	**(0)**
Total shareholders' equity	**5,372**	**5,372**

Dividend forecast

Other retained earnings (non-consolidated), which are a source for dividend distribution, stood at a negative ¥5,182 million, prompting FGI to forego distribution of dividends in fiscal 2022. This situation should change in fiscal 2023, as the above-mentioned capital reduction and non-consolidated net income should enable the Company to secure sufficient funds to cover dividends. However, private equity investment activities are on an obvious growth track, and management must take into account the need for capital to address an increase in private equity transactions. Therefore, no forecast is presented at this time on a year-end dividend for fiscal 2023.

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Changes in Key Financial Data

		Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022
Revenues	(millions of yen)	7,182	3,689	9,175	6,841	8,107	9,301
Gross profit	(millions of yen)	1,626	2,261	2,944	2,313	3,370	3,990
Operating income/(loss)	(millions of yen)	(1,319)	(1,072)	(1,664)	(992)	178	587
Ordinary profit (loss)	(millions of yen)	(1,341)	(1,227)	(1,850)	(1,135)	115	540
Profit /(loss) attributable to owners of parent	(millions of yen)	(1,358)	(820)	(1,586)	(1,186)	130	176
Net assets	(millions of yen)	5,326	8,551	8,873	7,304	7,439	7,842
Total assets	(millions of yen)	12,932	14,016	19,025	16,583	16,457	17,933
Net assets per share	(yen)	29.64	39.31	37.03	31.12	31.47	32.72
Net income (loss) per share	(yen)	(8.39)	(4.79)	(8.08)	(5.90)	0.65	0.88
Diluted net income (loss) per share	(yen)	–	–	–	–	0.65	0.87
Equity to total asset ratio	(%)	37.1	52.2	39.1	37.7	38.5	36.7
Equity to net income ratio	(%)	(24.6)	(13.5)	(21.5)	(17.3)	2.1	2.7
Price earning ratio (PER)	(times)	–	–	–	–	86.1	44.6
Cash flow from operating activities	(millions of yen)	(1,153)	(2,978)	(2,604)	680	747	(701)
Cash flow from investing activities	(millions of yen)	(1,026)	(2,008)	(4,543)	(282)	(173)	(141)
Cash flow from financing activities	(millions of yen)	2,937	5,771	5,710	(767)	(360)	802
Cash and cash equivalents at the end of the fiscal year	(millions of yen)	2,969	3,847	2,513	2,142	2,379	2,375
Number of employees (consolidated) (part-time employees)	(employees)	143(27)	156(42)	167(262)	156(224)	149(209)	176(144)
Number of employees (non-consolidated)(part-time employees)	(employees)	40(6)	38(5)	39(5)	28(6)	28(4)	30(4)

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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 Standard Market)
Fiscal year-end	September 30
Main business	I. Investment banking business II. Public management consulting business III. Entertainment service business
Number of issued shares	201,295,200 shares (As of September 30, 2022)
Minimum trading unit	100
Capital stock	¥6,471 million (As of September 30, 2022)
Net assets (consolidated)	¥7,842 million (As of September 30, 2022)
Number of employees	Consolidated: 176 (As of September 30, 2022, excludes temporary staff)

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To the extent materials containing forward-looking statements remain in available documents, we have no obligation nor the intent to update such forward-looking statements.

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