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**Summary of Financial Statements for Fiscal 2023**  
**<under Japanese GAAP>**

November 8, 2023

Company Name: FinTech Global Incorporated

(Code Number: 8789 Tokyo Stock Exchange)

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

TEL: +81-3-6456-4600

Representative: President and Chief Executive Officer

Name: Nobumitsu Tamai

Contact: Director, Senior Executive Officer

Name: Takashi Senda

Scheduled date of General Shareholders' Meeting: December 22, 2023

Scheduled date to submit securities report: December 25, 2023

Preparation of supplementary materials on financial results: Yes

Holding of financial results meeting: None

(Rounded down to the nearest million)

1. Consolidated Operating Results, Financial Position and Cash Flows for fiscal 2023  
(October 1, 2022– September 30, 2023)

## (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Revenues		Operating income		Ordinary profit		Profit attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal 2023	9,302	0.0	1,343	128.7	1,277	136.1	1,603	810.4
Fiscal 2022	9,301	14.7	587	230.0	540	366.9	176	34.6

(For reference) Comprehensive income: 1,779 million yen for fiscal 2023 (245.9%)  
514 million yen for fiscal 2022 (580.0%)

	Basic earnings per share	Diluted earnings per share	Return on equity (ROE)	Return on assets (ROA)	Return on sales (ROS)
	Yen	Yen	%	%	%
Fiscal 2023	7.97	7.94	21.6	6.9	14.4
Fiscal 2022	0.88	0.87	2.7	3.1	6.3

(For reference) Share of profit of entities accounted for using equity method: 38 million yen for fiscal 2023  
9 million yen for fiscal 2022

## (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Fiscal 2023	19,123	9,393	43.4	41.19
Fiscal 2022	17,933	7,842	36.7	32.72

(For reference) Shareholders' equity: 8,292 million yen for fiscal 2023  
6,585 million yen for fiscal 2022

## (3) Consolidated cash flows

(Unit: Millions of yen)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the period
	Fiscal 2023	615	766	(538)
Fiscal 2022	(701)	(141)	802	2,375

## 2. Dividends

	Dividends per share					Total dividends (Annual)	Payout ratio (Consolidated)	Dividends on equity (DOE) (Consolidated)
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal 2022	—	0.00	—	0.00	0.00	—	—	—
Fiscal 2023	—	0.00	—	0.00	0.00	—	—	—
Fiscal 2024 (Forecast)	—	0.00	—	1.50	1.50		25.2	

## 3. Consolidated financial forecasts for fiscal 2024 (October 1, 2023 – September 30, 2024)

(Percentages indicate year-on-year changes.)

	Revenues		Operating income		Ordinary profit		Profit attributable to owners of the parent		EPS
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal 2024	10,000	7.5	1,800	33.9	1,600	25.3	1,200	(25.2)	5.96

(Note) Forecast for the first two quarters of fiscal year ending September 30, 2024 has not been made.

### \*Notes

(1) Changes in significant subsidiaries during the period (Changes in specified subsidiaries accompanying change in scope of consolidation): None

(2) Changes in accounting policies, changes in accounting estimates, and restatements:

- (a) Changes in accounting policies required by accounting standard: Yes
- (b) Changes other than those in (a) above: None
- (c) Changes in accounting estimates: None
- (d) Restatements: None

(3) Number of shares issued (ordinary shares)

- (a) Number of shares issued (including treasury stock):
  - 201,305,200 shares for fiscal 2023
  - 201,295,200 shares for fiscal 2022
- (b) Number of shares of treasury stock:
  - 20 shares for fiscal 2023
  - 20 shares for fiscal 2022
- (c) Average number of shares issued during the period
  - 201,303,577 shares for fiscal 2023
  - 201,254,579 shares for fiscal 2022

(For reference) Summary of non-consolidated operating results and financial position

1. Non-consolidated operating results and financial position for fiscal 2023

(October 1, 2022 – September 30, 2023)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Revenues		Operating income		Ordinary profit		Net income/(loss)	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal 2023	2,738	63.2	926	—	899	—	893	—
Fiscal 2022	1,678	(5.9)	5	(98.3)	(440)	—	(389)	—

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal 2023	4.44	4.42
Fiscal 2022	(1.94)	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Fiscal 2023	9,674	6,395	65.3	31.39
Fiscal 2022	8,204	5,463	65.9	26.86

(For reference) Shareholders' equity: 6,318 million yen for fiscal 2023, and 5,406 million yen for fiscal 2022

\* This summary of financial statements is exempt from the audit procedures.

\* Explanation of the appropriate use of performance forecasts and other related items.

The forward-looking statements included in this summary of financial statements are based on the assumptions, forecasts, and plans of FinTech Global Incorporated (hereafter, "FGI" and "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 Consolidated Operating Results and Financial Position

### (1) Consolidated Operating Results

In fiscal 2023—the consolidated accounting period for FinTech Global Incorporated (FGI), ended September 30, 2023—the investment banking business promoted business succession solution services providing financial advice, asset management and other services helpful to companies grappling with business succession issues, and private equity investment where these client companies are the investment targets.

Looking at consolidated business performance, revenues reached ¥9,302 million, increased 0.0% year on year. But gross profit jumped 28.1%, to ¥5,111 million, despite the exclusion of Rights and Brands Japan, Co., Ltd. (RBJ) from the scope of consolidation in the first quarter of fiscal 2023, reflecting two key factors: (1) steady interest in business succession solution services and brisk exit activity on associated private equity investments, which fueled income on arrangement transaction services and investment returns, and (2) favorable progress in aircraft asset management operations. Selling, general and administrative expenses rose 10.7% over fiscal 2022, to ¥3,767 million, largely due to an increase in staffing and wider use of outsourcing of office work to support business expansion. Nevertheless, higher gross profit underpinned growth in all profit categories, with operating income climbing 128.7%, to ¥1,343 million, and ordinary profit soaring 136.1%, to ¥1,277 million. Profit attributable to owners of the parent skyrocketed 810.4%, to ¥1,603 million, driven by extraordinary income of ¥579 million, mainly comprising proceeds from the sale of RBJ shares and gain on negative goodwill.

(Unit: Millions of yen)

	Fiscal 2022	Fiscal 2023	YOY Change
Revenues	9,301	9,302	0
Investment banking business	4,973	6,919	1,945
Public management consulting business	346	367	21
Entertainment service business	4,285	2,311	(1,974)
Elimination	(303)	(296)	7
Gross profit	3,990	5,111	1,120
Investment banking business	2,951	4,742	1,790
Public management consulting business	189	211	21
Entertainment service business	975	305	(670)
Elimination	(126)	(147)	(21)
Operating income / (loss) [Segment income / (loss)]	587	1,343	756
Investment banking business	1,180	2,504	1,323
Public management consulting business	(14)	(34)	(19)
Entertainment service business	(34)	(364)	(329)
Elimination or corporate expenses	(543)	(762)	(219)
Ordinary profit	540	1,277	736
Income before income taxes	556	1,824	1,268
Profit attributable to owners of the parent	176	1,603	1,427

A breakdown of performance by business segment is presented below. Revenues include inter-segment revenues and transfers.

**a. Investment Banking Business**

The investment banking business marked steady progress in business succession solution services, with brisk formation of projects and execution of private equity investment to support these projects, as well as exits on arranged investments. As a result, the segment saw a year-on-year increase in income on arrangement transaction services, including upfront fees on asset management services for arranged funds, interim management fees and performance fees, and also an increase in returns from private equity investment exit activity. In investment management activities, FGI was entrusted by domestic and overseas institutional investors with assets for investment into residences, and booked revenues on these services. The balance of assets under management basically doubled, up 99% year on year, to ¥111.7 billion, and the foundation for stock-type earnings—that is, recurring fee revenues—was reinforced. Meanwhile, in aircraft asset management services, requests for aircraft inspections and technical services, such as those that accompany the return of aircraft, slowed, as the pandemic transitioned into an endemic state and catalysts of demand changed. Revenues, however, remained at a high level. This area of business moved in a favorable direction, fueled by an increase in aircraft registrations and fresh pursuits, including aircraft remarketing.

As a result, investment banking business revenues climbed 39.1% year on year, to ¥6,919 million, and segment income vaulted 112.1%, to ¥2,504 million.

**b. Public Management Consulting Business**

In the public management consulting business, which hinges on Public Management Consulting Corporation (PMC), large local governments were the target of marketing efforts promoting consultations on the preparation of financial documents. Demand was steady, with the number of requests for contract services from prefectures to prepare financial documents for the fiscal year running from April 1, 2023 through March 31, 2024—rising by one, to nine, and the number of requests from ordinance-designated cities and special zones also rising by one, to 12. In addition, in regard to reviews of general management plans for public facilities, the Ministry of Internal Affairs and Communications gave local public entities that had not completed their reviews until March 31, 2024, to do so, and PMC vigorously rolled out marketing activities related to services that would support review efforts.

Segment revenues rose 6.3% year on year, to ¥367 million, as requests for support on the preparation of management plans for public facilities grew and offset a reactionary drop from the previous fiscal year when revenues were up year on year due to the sale of software through business partners paralleling the end of support for public accounting software distributed to local governments by the national government. The segment loss deepened, settling at ¥34 million, compared with ¥14 million a year earlier, owing to higher expenses related to prior investment to address expanding requests for services.

**c. Entertainment Service Business**

The guest count at Metsä—comprising Metsä Village and Moominvalley Park—hovered around 630,000 in fiscal 2023, down 14.6% from a year earlier. Understandably, revenues decreased, to ¥2,311 million, but higher spending per guest on merchandise and food and beverages as well as upward revision of admission fees at Moominvalley Park held the drop to just 4.1% year on year.

In licensing-related operations, RBJ, which booked ¥1,877 million in revenues from licensing activities in fiscal 2022, was removed from the scope of consolidation, effective from the first quarter of fiscal 2023, and turned into an equity-method affiliate. Consequently, results from RBJ's licensing-related operations were no longer booked under this segment—entertainment service business—but rather reported as investment income based on equity stake and included in non-operating income. However, on July 14, 2023, FGI subsidiary Moomin Monogatari Ltd. transferred all shares held in RBJ to a third party,

effectively removing RBJ from the scope of equity method affiliates as of the fourth quarter of fiscal 2023.

Moomin Monogatari—and by extension, FGI—is eager for Moominvalley Park to return to its pre-pandemic potential, and progress was made on building a stronger management team and establishing a firmer financial footing with full-scale business performance recovery in mind. To strengthen the management team, individuals with experience in leisure and amusement facility development and management were invited from the Seibu Group to serve as directors at Moomin Monogatari. Also, through the transfer of RBJ shares to a third party, Moomin Monogatari secured capital to cover capital investment and marketing costs and then, once those expenditures are properly addressed, will consider a capital investment plan that supports new content and other improvements. At the same time, proceeds from the share transfer gave the company fresh financial flexibility to explore approaches for boosting the crowd-drawing appeal of Moominvalley Park and, ultimately, deliver higher revenues. Toward this end, Moomin Monogatari tested out the reach of television commercials, enhanced social media messaging and implemented a strategy to attract the attention of inbound travelers.

Given the above, the entertainment service business generated revenues of ¥2,311 million, down 46.1% year on year, and showed a segment loss of ¥364 million, a steep drop from the ¥34 million loss in fiscal 2022.

## **(2) Consolidated Financial Position**

### **Current Assets**

Current assets amounted to ¥12,477 million as of September 30, 2023, up 13.2% from a year earlier. The upward change, despite a ¥25 million decrease in loans receivable, trade, is largely due to increases of ¥241 million in accounts receivable, trade and contract assets, and ¥365 million in operational investment securities, driven by new investments as well as improvement in the value upon exiting funds set up to facilitate private equity investment in target companies.

### **Noncurrent Assets**

Noncurrent assets settled at ¥6,646 million as of September 30, 2023, down 3.8% from a year earlier. The downward change is primarily due to decreases of ¥195 million in buildings and structures (net), mainly depreciation and amortization of buildings and interior and exterior fixtures at Moominvalley Park, ¥161 million in tools, furniture and fixtures (net), and ¥333 million in trademark rights included in other intangible fixed assets paralleling exclusion of RBJ from the scope of consolidation.

### **Current Liabilities**

Current liabilities stood at ¥7,880 million as of September 30, 2023, zooming 204.5% from a year earlier. The upward change chiefly reflects increases of ¥5,552 million in current portion of long-term loans payable and ¥77 million in short-term loans payable, which together outweighed a decrease of ¥111 million in lease obligations related to interior and exterior fixtures at Moominvalley Park.

### **Noncurrent Liabilities**

Noncurrent liabilities amounted to ¥1,849 million as of September 30, 2023, sliding 75.3% from a year earlier. The downward change is largely due to decreases of ¥107 million in lease obligations related to interior and exterior fixtures at Moominvalley Park and ¥5,893 million through the transfer of loans extended to Hanno Local Resource Utilization, a subsidiary special purpose company, to current portion of long-term loans payable from long-term debt.

### **Net Assets**

Net assets at the end of September 2023 came to ¥9,393 million, rising 19.8% year on year. The upward change reflects an increase of ¥6,738 million in retained earnings on the booking of profit attributable to owners of the parent, which completely overshadowed a ¥177 million decrease in non-controlling interests.

Note that, with approval granted by shareholders at the General Meeting of Shareholders on December 22, 2022, FGI reduced common stock and legal capital surplus by ¥1,098 million and ¥4,036 million, respectively, with these amounts transferred to other capital surplus. In conjunction with this, legal retained earnings were reduced by ¥47 million and transferred to retained earnings brought forward and, along with the increased other capital surplus, appropriated to cover a deficit in retained earnings brought forward.

As a result of the above changes in assets and liabilities, total assets stood at ¥19,123 million on September 30, 2023, up 6.6% from a year earlier. Total liabilities amounted to ¥9,730 million, down 3.6% year on year, and total net assets settled at ¥9,393 million, up 19.8% year on year. The shareholders' equity ratio reached 43.4%.

### (3) Consolidated Cash Flows

Cash and cash equivalents (hereafter, "cash") at the end of fiscal 2023 amounted to ¥2,868 million, an increase of ¥492 million from the end of fiscal 2022.

#### Net Cash from Operating Activities

In fiscal 2023, FGI reversed from a net cash used position to a net cash provided position, with ¥615 million in net cash from operating activities, compared with 701 million in net cash used in fiscal 2022. The key components of this change were increases of ¥1,824 million income before income taxes and ¥444 million in depreciation and amortization, which outweighed increases of ¥335 million in accounts receivable, trade and ¥331 million in investments in securities, trade, ¥386 million from gain on sales of shares of subsidiaries and associates, and ¥402 million in income taxes paid.

#### Net Cash from Investing Activities

Net cash from investing activities also reversed direction, with net cash provided—¥766 million—in fiscal 2023 replacing net cash used—¥141 million—in fiscal 2022. The key components of this change were ¥680 million in proceeds from sale of shares of subsidiaries and associates and ¥280 million in proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation, which offset ¥154 million used to purchase shares of subsidiaries and associates.

#### Net Cash from Financing Activities

For net cash from financing activities in fiscal 2023, FGI recorded ¥538 million in net cash used, compared with ¥802 million in net cash provided in fiscal 2022. The key components of this change were ¥514 million in repayments of long-term loans payable and ¥266 million in repayments of lease obligations, which negated ¥273 million in proceeds from long-term loans payable.

### (4) Forecast

FGI's consolidated performance forecast for fiscal 2024 is presented in the table below.

(Unit: Millions of yen)

	Fiscal 2023 (actual)	Fiscal 2024 (forecast)	YOY change (percentage)
Revenues	9,302	10,000	7.5%
Operating income	1,343	1,800	33.9%
Ordinary income	1,277	1,600	25.3%
Profit attributable to owners of the parent	1,603	1,200	(25.2)%

Business succession solution services and private equity investment, which fueled business results in fiscal 2023, continue to attract interest, with inquiries at a high level. The environment for project formation is also good, supported by an increase in the number of financial institutions providing introductions to businesses and engaging with us through loans for arranged funds. We anticipate higher revenues in fiscal 2024, as these services drive further growth in the investment banking business. On the profit front, expenses, particularly personnel costs, are likely to go up in all business segments, but highly profitable business succession solution services will be a catalyst for revenue growth that sustains improvement in operating income and ordinary profit. Profit attributable to owners of the parent may decrease without the contribution of special factors, such as the booking of extraordinary income, in fiscal 2023.

Note that the presumed exchange rate is 140 yen to 1 euro.

The outlook for each business segment is provided below.

As described above, the investment banking business should deliver higher revenues and higher income. In asset management operations, efforts will be directed toward identifying the real estate investment and ESG investment needs of international and domestic investors to build up the balance of assets under management, which will reinforce the foundation for stock-type earnings (recurring fee revenues). Demand for aircraft asset management should be brisk, leading to higher revenues from these operations. Expenses, especially personnel and outsourcing costs, are likely to rise as services expand to meet demand.

The public management consulting business will strive to increase service contracts to support large local governments in preparing financial documents. A concurrent goal is to promote wider interest in service contracts that support formation of individual facility plans for public facilities as well as service contracts for public property project management and research programs. These efforts should lead to higher revenues.

In the entertainment service business, proceeds from the sale of RBJ shares will be used to execute effective capital investment activities, promotions and seasonal events, and strengthen marketing efforts at home and abroad. The goal is to recapture the ability to draw big crowds to Metsä. At the same time, we expect an improvement in profitability through a cost structure review.

Note that the consolidated performance forecast is based on information currently available to management and certain assumptions deemed reasonable. Actual results may differ substantially from expectations for a variety of reasons.

#### (5) Basic Policy on Distribution of Profit and Dividend Status for Fiscal 2023 and Fiscal 2024

FGI prioritizes a dividend policy that emphasizes the return of profits to shareholders while ensuring sufficient internal reserves to quickly and reliably take advantage of opportunities that reinforce and further expand the Company's business foundation. In determining dividends, management takes a comprehensive view that includes corporate performance and future business development.

In fiscal 2023, FGI also moved into the black on a non-consolidated basis, with enough profit to facilitate the distribution of dividends. But with an emphasis now on robust development of private equity investment activities to enhance business results, management believes a priority must be placed on access to capital needed for this purpose. Consequently, it is regrettable but necessary that we forego payment of a year-end dividend for fiscal 2023.

Looking to fiscal 2024, we expect to have the necessary liquidity in hand so as not to miss out on investment opportunities in highly profitable private equity investments while having the capital capacity to offer a dividend. The plan is for a year-end distribution of ¥1.50 per share.

It is the Board of Directors that decides on an interim dividend, while the year-end dividend is approved by shareholders at the General Meeting of Shareholders. In accordance with Article 454, Paragraph 5 of the Companies Act of Japan, FGI has set forth in its Articles of Incorporation a clause that allows the Company, by resolution of the Board of Directors, to distribute an interim dividend from retained earnings.

## **2. Underlying Policy on Selection of Accounting Standard**

FGI prepares its consolidated financial statements in accordance with generally accepted accounting principles in Japan, taking into account comparability among different periods and companies. The



Company's stance on application of IFRS is to respond appropriately, taking into account trends that prevail in Japan and overseas.

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

(Unit: Thousands of yen)

	Fiscal 2022 (As of September 30, 2022)	Fiscal 2023 (As of September 30, 2023)
<b>Assets</b>		
Current assets		
Cash and time deposits	2,375,927	2,918,561
Accounts receivable - trade, and contract assets	1,113,702	1,355,231
Operational investment securities	2,482,469	2,848,142
Loans receivable, trade	371,665	346,365
Real estate for sale	4,057,167	4,095,967
Merchandise	133,602	160,768
Other	593,045	883,381
Allowance for doubtful accounts	(104,772)	(131,170)
<b>Total current assets</b>	<b>11,022,806</b>	<b>12,477,247</b>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	5,390,285	5,379,191
Accumulated depreciation	(717,453)	(902,259)
Buildings and structures, net	4,672,832	4,476,932
Tools, furniture and fixtures	2,190,354	2,218,475
Accumulated depreciation	(1,599,018)	(1,788,532)
Tools, furniture and fixtures, net	591,335	429,943
Land	519,734	519,734
Construction in progress	300	300
Other	139,565	182,768
Accumulated depreciation	(44,984)	(79,610)
Other, net	94,581	103,158
<b>Total property, plant and equipment</b>	<b>5,878,784</b>	<b>5,530,068</b>
Intangible fixed assets		
Goodwill	117,736	105,272
Other	514,765	25,987
<b>Total intangible fixed assets</b>	<b>632,501</b>	<b>131,260</b>
Investments and other assets		
Investments in securities	105,581	535,327
Long-term loans receivable	35,004	16,672
Deferred tax assets	11,364	140,877
Other	257,016	292,531
Allowance for doubtful accounts	(10,047)	(30)
<b>Total investments and other assets</b>	<b>398,918</b>	<b>985,377</b>
<b>Total noncurrent assets</b>	<b>6,910,204</b>	<b>6,646,706</b>
<b>Total assets</b>	<b>17,933,011</b>	<b>19,123,953</b>

(Unit: Thousands of yen)

	Fiscal 2022 (As of September 30, 2022)	Fiscal 2023 (As of September 30, 2023)
<b>Liabilities</b>		
Current liabilities		
Accounts payable, trade	248,274	308,710
Short-term loans payable	—	77,954
Current portion of long-term loans payable	529,252	6,082,038
Lease obligations	260,095	149,086
Income taxes payable	133,150	125,884
Accrued employee bonuses	191,888	257,626
Other	1,225,164	879,363
Total current liabilities	2,587,825	7,880,663
Noncurrent liabilities		
Long-term loans payable	7,184,342	1,290,817
Lease obligations	158,022	50,723
Deferred tax liabilities	19,737	97,175
Net defined benefit liability	110,067	126,297
Other	30,322	284,955
Total noncurrent liabilities	7,502,492	1,849,970
Total liabilities	10,090,317	9,730,633
<b>Net assets</b>		
Shareholders' equity		
Common stock	6,471,266	5,372,574
Capital surplus	4,996,716	974,443
Retained earnings	(4,943,941)	1,794,907
Treasury shares	(0)	(0)
Total shareholders' equity	6,524,040	8,141,924
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	35,680	67,416
Foreign currency translation adjustment	26,158	83,266
Total accumulated other comprehensive income	61,839	150,683
Stock acquisition rights	56,359	77,299
Non-controlling interests	1,200,454	1,023,412
Total net assets	7,842,693	9,393,319
Total liabilities and net assets	17,933,011	19,123,953

**(2) Consolidated Statements of Income and Consolidated Statement of Comprehensive Income**  
**Consolidated Statements of Income**

	(Unit: Thousands of yen)	
	Fiscal 2022 (From October 1, 2021 to September 30, 2022)	Fiscal 2023 (From October 1, 2022 to September 30, 2023)
Revenues	9,301,972	9,302,325
Cost of revenues	5,311,544	4,191,298
Gross profit	3,990,428	5,111,026
Selling, general and administrative expenses	3,402,665	3,767,047
Operating income	587,762	1,343,979
Non-operating income		
Interest income	1,039	4,748
Dividend income	1,683	11,247
Foreign exchange gains	27,122	—
Share of profit of entities accounted for using equity method	9,560	38,161
Subsidy income	37,287	26,774
Other	13,854	10,552
Total non-operating income	90,547	91,484
Non-operating expenses		
Interest expense	119,117	129,152
Foreign exchange losses	—	21,405
Provision of allowance for doubtful accounts	15,227	(42)
Other	3,055	7,669
Total non-operating expenses	137,401	158,185
Ordinary profit	540,909	1,277,278
Extraordinary income		
Gain on sale of non-current assets	—	2,226
Gain on bargain purchase	—	190,025
Gain on sales of shares of subsidiaries and associates	—	386,725
Gain on reversal of stock acquisition rights	16,478	273
Total extraordinary income	16,478	579,250
Extraordinary losses		
Loss on valuation of investments in capital of subsidiaries and associates	999	—
Loss on retirement of noncurrent assets	—	32,370
Loss on liquidation of subsidiaries and associates	362	—
Total extraordinary loss	1,362	32,370
Income before income taxes	556,025	1,824,158
Income taxes (current)	181,980	244,000
Income taxes (deferred)	(53,577)	(63,550)
Total income taxes	128,402	180,450
Profit	427,622	1,643,708
Profit attributable to non-controlling interests	251,497	40,278
Profit attributable to owners of the parent	176,125	1,603,429

## Consolidated Statement of Comprehensive Income

(Unit: Thousands of yen)

	Fiscal 2022 (From October 1, 2021 to September 30, 2022)	Fiscal 2023 (From October 1, 2022 to September 30, 2023)
Profit	427,622	1,643,708
Other comprehensive income		
Valuation difference on available-for-sale securities	29,430	31,735
Foreign currency translation adjustment	57,490	104,402
Total other comprehensive income	86,921	136,137
Comprehensive income	514,543	1,779,846
Comprehensive income attributable to		
Owners of the parent	238,882	1,679,068
Non-controlling interests	275,661	100,777

**(3) Consolidated Statements of Changes in Net Assets**

Fiscal 2022 (From October 1, 2021 to September 30, 2022)

(Unit: Thousands of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the period	6,462,099	4,987,549	(5,120,066)	—	6,329,582
Change during the period					
Issuance of new shares	9,166	9,166			18,333
Profit attributable to owners of the parent			176,125		176,125
Purchase of treasury shares				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes during the period	9,166	9,166	176,125	(0)	194,458
Balance at the end of the period	6,471,266	4,996,716	(4,943,941)	(0)	6,524,040

	Accumulated other comprehensive income			Stock acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at the beginning of the period	6,249	(7,167)	(918)	78,503	1,031,953	7,439,120
Change during the period						
Issuance of new shares						18,333
Profit attributable to owners of the parent						176,125
Purchase of treasury shares						(0)
Net changes of items other than shareholders' equity	29,430	33,326	62,757	(22,143)	168,501	209,114
Total changes during the period	29,430	33,326	62,757	(22,143)	168,501	403,572
Balance at the end of the period	35,680	26,158	61,839	56,359	1,200,454	7,842,693

Fiscal 2023 (From October 1, 2022 to September 30, 2023)

(Unit: Thousands of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the period	6,471,266	4,996,716	(4,943,941)	(0)	6,524,040
Change during the period					
Capital reduction	(1,098,930)	1,098,930			—
Deficit disposition		(5,135,419)	5,135,419		—
Issuance of new shares	238	238			476
Change in ownership interest of parent due to transactions with non-controlling interests		13,978			13,978
Profit attributable to owners of the parent			1,603,429		1,603,429
Net changes of items other than shareholders' equity					
Total changes during the period	(1,098,692)	(4,022,272)	6,738,848	—	1,617,884
Balance at the end of the period	5,372,574	974,443	1,794,907	(0)	8,141,924

	Accumulated other comprehensive income			Stock acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at the beginning of the period	35,680	26,158	61,839	56,359	1,200,454	7,842,693
Change during the period						
Capital reduction						—
Deficit disposition						—
Issuance of new shares						476
Change in ownership interest of parent due to transactions with non-controlling interests						13,978
Profit attributable to owners of the parent						1,603,429
Net changes of items other than shareholders' equity	31,735	57,107	88,843	20,939	(177,041)	(67,258)
Total changes during the period	31,735	57,107	88,843	20,939	(177,041)	1,550,626
Balance at the end of the period	67,416	83,266	150,683	77,299	1,023,412	9,393,319

**(4) Consolidated Statements of Cash Flows**

(Unit: Thousands of yen)

	Fiscal 2022 (From October 1, 2021 to September 30, 2022)	Fiscal 2023 (From October 1, 2022 to September 30, 2023)
<b>Cash flows from operating activities</b>		
Income before income taxes	556,025	1,824,158
Depreciation and amortization	545,194	444,758
Amortization of goodwill	20,767	22,608
Increase (decrease) in allowance for doubtful accounts	21,259	26,718
Increase (decrease) in provision for bonuses	37,201	67,817
Increase (decrease) in retirement benefit liability	11,027	16,230
Interest and dividend income	(2,722)	(15,996)
Share of loss (profit) of entities accounted for using equity method	(9,560)	(38,161)
Interest expenses	119,117	129,152
Loss (gain) on sale of non-current assets	—	(2,226)
Loss (gain) on sale of shares of subsidiaries and associates	—	(386,725)
Gain on bargain purchase	—	(190,025)
Gain on reversal of share acquisition rights	(16,478)	(273)
Loss on valuation of investments in capital of subsidiaries and affiliates	999	—
Loss (gain) on liquidation of subsidiaries and associates	362	—
Loss on retirement of non-current assets	—	32,370
Decrease (increase) in accounts receivable, trade	(314,625)	(335,946)
Decrease (increase) in operational investment securities	(1,404,877)	(331,333)
Decrease (increase) in loans receivable, trade	83,750	25,300
Decrease (increase) in inventories	(68,074)	(147,174)
Increase (decrease) in accounts payables, trade	106,435	47,406
Other	(167,689)	(57,545)
Sub-total	(481,886)	1,131,113
Interest and dividends received	2,722	15,996
Interest expense paid	(118,355)	(129,656)
Income taxes refund (paid)	(104,333)	(402,189)
Net cash provided by (used in) operating activities	(701,853)	615,263
<b>Cash flows from investing activities</b>		
Proceeds from sale of shares of subsidiaries and associates	—	680,000
Purchase of property, plant and equipment	(121,291)	(62,106)
Payments for deposit as collateral	—	(50,000)
Purchase of shares of subsidiaries and associates	—	(154,774)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	—	280,137
Payments for long-term loans receivable	(10,000)	—
Other	(9,796)	73,391
Net cash provided by (used in) investing activities	(141,088)	766,647



(Unit: Thousands of yen)

	Fiscal 2022 (From October 1, 2021 to September 30, 2022)	Fiscal 2023 (From October 1, 2022 to September 30, 2023)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable, net	(125,600)	77,954
Proceeds from long-term loans payable	1,320,550	273,500
Repayments of long-term loans payable	(41,450)	(514,237)
Proceeds from share issuance to non-controlling interests	100	—
Dividends paid to non-controlling interests	(107,260)	(109,912)
Repayments of lease obligations	(243,623)	(266,511)
Other	260	287
Net cash provided by (used in) financing activities	802,976	(538,921)
Effect of exchange rate change on cash and cash equivalents	36,661	44,175
Net increase (decrease) in cash and cash equivalents	(3,303)	887,165
Cash and cash equivalents at beginning of period	2,379,230	2,375,927
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	—	(394,532)
Cash and cash equivalents at end of period	2,375,927	2,868,560

## **(5) Notes to Consolidated Financial Statements**

(Assumption of a Going Concern)

Not applicable.

(Change in accounting policies)

(Application of Accounting Standard for Fair Value Measurement)

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

(Changes in Accounting Presentation)

Consolidated Statements of Income

In fiscal 2023, “Gain on sale of investment securities” is included in “other” under non-operating income, as the materiality of such amount has decreased. Also, in fiscal 2023, “Dividend income” is shown separately under non-operating income, as the materiality of such amount has increased. To reflect these changes, reclassification has been made on the consolidated statements of income for fiscal 2022.

As a result, on the consolidated statements of income for fiscal 2022, ¥9,912 thousand in “Gain on sale of investment securities” and ¥5,624 thousand in “other” under non-operating income have been reclassified to ¥1,683 thousand in “Dividend income” and ¥13,854 thousand in “other” under non-operating income.

Consolidated Statements of Cash Flows

In fiscal 2023, “Loss (gain) on sale of investment securities” is included in “other” under operating cash flows, as the materiality of such amount has decreased.

As a result, on the consolidated statements of cash flows for fiscal 2022, (¥9,912) thousand in “Loss (gain) on sale of investment securities” and (¥157,777) thousand in “other” under operating cash flows have been reclassified to (¥167,689) thousand in “other” under operating cash flows.

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

The Company and some of its domestic consolidated subsidiaries have made the transition from the consolidated corporate tax system to the group tax-sharing system from the first quarter of the current fiscal year. Accordingly, the Company discloses corporate tax, local corporate tax and tax-effect accounting through application of “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (Practical Issues Task Force [hereafter, “PITF”], No.42 issued August 12, 2021) which sets forth accounting treatment. In addition, based on PITF No.42 Paragraph 32 Item (1), the Company considers that there is no impact on the consolidated financial statements.

(Segment Information)

1. Outline of reporting segments

Reporting segments of the FGI Group (hereafter, “the Group”) are components of the Group for which separate financial information is available and for which the Board of Directors conducts regular reviews to determine appropriate allocation of management resources and to assess business results.

The Group has three reporting segments: the Company concentrates on the investment banking business, while subsidiaries handle the public management consulting business and the entertainment service business.

The business activities of each reporting segment are described below.

- Investment banking business
  - Financial arrangements
  - Financial advisory
  - Asset management (including real estate investment management, investment fund management)
  - Private equity investment
  - Asset investment
  - Aircraft asset management, aircraft technology advisory, aircraft registry services
- Public management consulting business
  - Support for local public entities in preparing financial documents
  - Support for local public entities in reviewing general management plans, including those for public facilities
- Entertainment service business
  - Theme park development, ownership, management, operation

2. Method used to calculate the amount of revenues, income or loss, assets and other items of each reporting segment

Segment income (loss) amounts are based on operating income (loss).

Inter-segment revenues and transfers are based on arm’s length price.

### 3. Information about the amount of revenues, income or losses, assets and other items pursuant to each reporting segment

Fiscal 2022 (From October 1, 2021 to September 30, 2022)

(Unit: Thousands of yen)

	Reporting Segments				Adjustments Note 1	Consolidated Note 2
	Investment Banking Business	Public Management Consulting Business	Entertainment Service Business	Total		
Revenues						
Revenues to third party	4,746,515	334,130	4,221,327	9,301,972	—	9,301,972
Inter-segment revenues and transfers	227,214	12,000	64,668	303,882	(303,882)	—
Total	4,973,729	346,130	4,285,995	9,605,855	(303,882)	9,301,972
Segment income (loss)	1,180,815	(14,879)	(34,568)	1,131,367	(543,604)	587,762
Segment assets	8,895,866	212,604	7,553,644	16,662,115	1,270,895	17,933,011
Other items						
Depreciation	30,542	302	480,786	511,630	33,563	545,194
Investment in associates accounted for using equity method	—	63,433	—	63,433	—	63,433
Increase on tangible fixed assets and intangible fixed assets	7,619	—	99,637	103,256	18,035	121,291

#### Notes:

1. Adjustments are presented below.

(1) Adjustment of segment income (loss), at (¥543,604) thousand, includes elimination of transactions among segments of ¥303,417 thousand and corporate expenses of (¥847,021) 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) Adjustment of segment assets, at ¥1,270,895 thousand, is the difference between elimination of transactions among segments, at (¥1,090,744) thousand, and corporate assets, at ¥2,361,639 thousand, which are not allocatable to any reporting segment.

2. Segment income (loss) is reconciled with operating income in the consolidated financial statements.

	Reporting Segments				Adjustments Note 1	Consolidated Note 2
	Investment Banking Business	Public Management Consulting Business	Entertainment Service Business	Total		
Revenues						
Revenues to third party	6,731,997	350,873	2,219,454	9,302,325	—	9,302,325
Inter-segment revenues and transfers	187,471	17,000	91,571	296,042	(296,042)	—
Total	6,919,469	367,873	2,311,025	9,598,367	(296,042)	9,302,325
Segment income (loss)	2,504,780	(34,068)	(364,116)	2,106,596	(762,616)	1,343,979
Segment assets	10,556,337	260,283	6,165,468	16,982,089	2,141,863	19,123,953
Other items						
Depreciation	28,906	0	378,018	406,925	37,833	444,758
Investment in associates accounted for using equity method	135,470	74,697	—	210,168	—	210,168
Increase on tangible fixed assets and intangible fixed assets	13,348	—	42,831	56,180	5,925	62,106

## Notes:

## 1. Adjustments are presented below.

- (1) Adjustment of segment income (loss), at (¥762,616) thousand, includes elimination of transactions among segments of ¥228,784 thousand and corporate expenses of (¥991,400) 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) Adjustment of segment assets, at ¥2,141,863 thousand, is the difference between elimination of transactions among segments, at (¥1,136,296) thousand, and corporate assets, at ¥3,278,160 thousand, which are not allocatable to any reporting segment.
2. Segment income (loss) is reconciled with operating income in the consolidated financial statements.

(Per Share Information)

(Unit: Yen)

Fiscal 2022 (From October 1, 2021 to September 30, 2022)		Fiscal 2023 (From October 1, 2022 to September 30, 2023)	
Net assets per share	32.72	Net assets per share	41.19
Basic earnings per share	0.88	Basic earnings per share	7.97
Diluted earnings per share	0.87	Diluted earnings per share	7.94

Note: Calculation of earnings per share and diluted earnings per share is based on the following data:

	Fiscal 2022 (From October 1, 2021 to September 30, 2022)	Fiscal 2023 (From October 1, 2022 to September 30, 2023)
Basic earnings per share		
Profit attributable to owners of the parent (thousands of yen)	176,125	1,603,429
Amount not attributable to ordinary shares (thousands of yen)	—	—
Profit attributable to owners of the parent related to ordinary shares (thousands of yen)	176,125	1,603,429
Average number of shares issued during the period (shares)	201,254,579	201,303,577
Diluted earnings per share		
Adjustment of profit attributable to owners of the parent (thousands of yen)	—	—
Number of increased ordinary shares (shares)	563,455	740,212
[of which, stock acquisition rights] shares	[563,455]	[740,212]
Details on shares not included in calculation of diluted earnings per share due to non-dilutive effect	<p>Stock acquisition rights (stock options) issued on December 27, 2013, by special resolution at General Meeting of Shareholders on December 20, 2013</p> <p style="text-align: right;">295</p> <p style="text-align: center;">[Ordinary shares: 29,500]</p> <p>Stock acquisition rights (stock options) issued on January 26, 2015, by special resolution at General Meeting of Shareholders on December 19, 2014</p> <p style="text-align: right;">530</p> <p style="text-align: center;">[Ordinary shares: 53,000]</p> <p>Stock acquisition rights (stock options) issued on April 1, 2021, by special resolution at General Meeting of Shareholders on December 22, 2020</p> <p style="text-align: right;">1,945</p> <p style="text-align: center;">[Ordinary shares: 194,500]</p> <p>Stock acquisition rights (stock options) issued on December 24, 2021, by special resolution at General Meeting of Shareholders on December 21, 2021</p> <p style="text-align: right;">1,815</p> <p style="text-align: center;">[Ordinary shares: 181,500]</p>	<p>Stock acquisition rights (stock options) issued on January 26, 2015, by special resolution at General Meeting of Shareholders on December 19, 2014</p> <p style="text-align: right;">530</p> <p style="text-align: center;">[Ordinary shares: 53,000]</p> <p>Stock acquisition rights (stock options) issued on April 1, 2021, by special resolution at General Meeting of Shareholders on December 22, 2020</p> <p style="text-align: right;">1,945</p> <p style="text-align: center;">[Ordinary shares: 194,500]</p> <p>Stock acquisition rights (stock options) issued on December 24, 2021, by special resolution at General Meeting of Shareholders on December 21, 2021</p> <p style="text-align: right;">1,815</p> <p style="text-align: center;">[Ordinary shares: 181,500]</p> <p>Stock acquisition rights (stock options) issued on December 27, 2022, by special resolution at General Meeting of Shareholders on December 22, 2022</p> <p style="text-align: right;">2,625</p> <p style="text-align: center;">[Ordinary shares: 262,500]</p>