

Results for Fiscal 2023, Ended September 30, 2023

November 2023

FinTech Global Incorporated

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Summary

Fiscal 2023 Results

Significant increase in all profit categories, driven by rapid progress in investment banking business. Third consecutive year of higher income. ROE hit 21.6%.

- Business succession solution services and associated private equity investment fueled business results. Growth to continue.
- Assets under management doubled in one year, with balance reaching ¥110 billion.
- Aircraft asset management posted higher revenue, with notable contribution from aircraft registration services.
- Despite increase in spending per guest at Moominvalley Park, sluggish guest count led to lower revenue. Applying various measures to offset situation, anticipating better results in fiscal 2024.
- Special factors, including extraordinary income, boosted the bottom line.

Fiscal 2024 Targets

Expect fourth consecutive year of higher income. Will resume payment of dividends, planning for year-end distribution of ¥1.5 per share.

- Inquiries about business succession solutions and private equity investment remain high, presenting potential for increased revenues and income.
- Favorable demand for aircraft asset management also to continue.
- In Moominvalley Park operations, proceeds from sale of Rights and Brands Japan (RBJ) shares will be used to execute effective capital investment activities and promotions to recapture ability to draw crowds. Expect improvement in profitability through cost structure review.

Fiscal 2023: Full-Year Performance and Business Summary

Consolidated Performance

(Millions of yen)

	Fiscal 2022	Fiscal 2023	YOY Change (Amount)	YOY Change (Percentage)
Revenues	9,301	9,302	+0	+0.0%
Gross profit	3,990	5,111	+1,120	+28.1%
Operating income	587	1,343	+756	+128.7%
Ordinary profit	540	1,277	+736	+136.1%
Profit attributable to owners of the parent	176	1,603	+1,427	+810.4%
EBITDA	1,153	1,811	+657	+57.0%
EPS (yen)	0.88	7.97	+7.09	—
ROE	2.7%	21.6%	+18.9 pt	—

Fiscal 2023 (Forecast)	Actual Change vs Forecast
10,100	-7.9%
—	—
1,400	-4.0%
1,400	-8.8%
1,000	+60.3%

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.

Revenues

Reflects exclusion of RBJ, which handles Moomin licensing business in Japan, from scope of consolidation, and significantly higher contribution from business succession solution services and associated private equity investment. Aircraft asset management also had positive impact.

Gross profit

With high cost ratio licensing business excluded from consolidation, cost of revenues dropped 21.1%. Gross profit jumped 28.1%, reflecting increase in revenues, particularly contribution from high-margin business succession solution services.

Operating income

Selling, general and administrative expenses grew 10.7%, paralleling business expansion. Nevertheless, saw huge improvement in all profit categories from operating income to bottom line, thanks to solid increase in gross profit.

Profit attributable to owners of the parent

Bottom line skyrocketed 810.4%, owing to extraordinary income (mainly, ¥386 million proceeds from sale of RBJ shares, ¥190 million in gain on negative goodwill) as well as ¥318 million decrease in profit attributable to non-controlling interests due to loss booked by subsidiary special purpose company that owns Moominvalley Park real estate. Profit attributable to owners of the parent increased by same amount.

Quarterly Changes in Consolidated Performance

(Millions of yen)

	Fiscal 2022					Fiscal 2023					YOY Q4	YOY Full year
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year	¥ change % change	¥ change % change
Revenues	2,272	2,148	2,328	2,552	9,301	2,716	1,814	2,380	2,391	9,302	(161) (6.3%)	0 0.0%
Gross profit	897	712	1,071	1,309	3,990	1,597	783	1,457	1,272	5,111	(37) (2.9%)	1,120 28.1%
Operating income (loss)	62	(102)	190	437	587	720	(74)	496	201	1,343	(236) (54.1%)	756 128.7%
Ordinary profit (loss)	39	(91)	165	426	540	699	(71)	456	192	1,277	(234) (54.8%)	736 136.1%
Profit/(loss) attributable to owners of the parent	(47)	(155)	62	316	176	503	(25)	304	821	1,603	504 159.2%	1,427 136.1%
EBITDA	213	49	313	577	1,153	836	44	612	318	1,811	(258) (44.8%)	657 57.0%

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).

Business Summary by Segment (1)

- Investment banking business posted higher revenues and higher income, reflecting favorable demand for business succession solution services and exits on private equity investments. Achieved 39% rise in revenue and 112% jump in segment income.
- Public management consulting business showed reactionary drop on sales of software, which had been up year-on-year a year earlier paralleling end of support for public accounting software distributed to local governments by national government. But requests for support on preparation of management plans for public facilities grew in fourth quarter, giving boost to segment revenue. Segment income declined, owing to higher expenses paralleling enhanced marketing efforts.
- Entertainment service business posted a decrease in revenue and income, reflecting the exclusion of Rights and Brands Japan from scope of consolidation.

(Millions of yen)

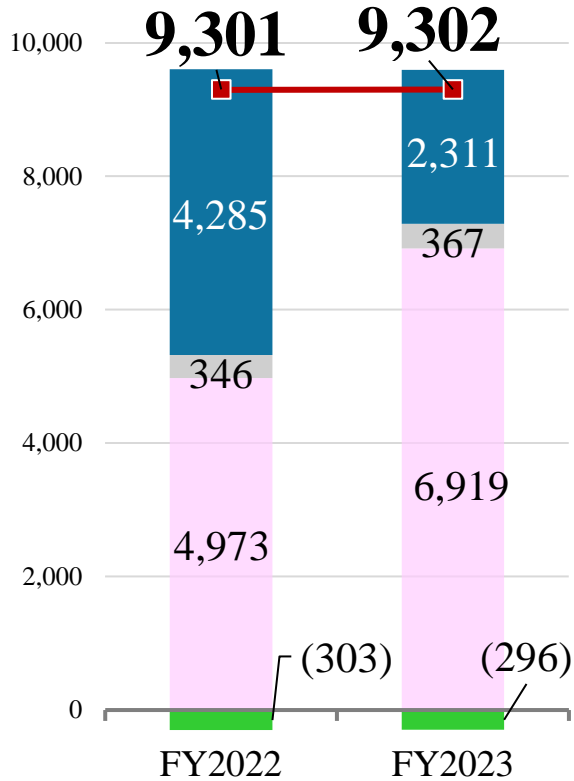
Reporting Segments		Fiscal 2022					Fiscal 2023					YOY Q4 change	YOY Q4 YTD change
		Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year		
Investment Banking Business	Revenue	1,058	1,135	1,267	1,512	4,973	1,989	1,295	1,796	1,837	✓ 6,919	325	✓ 1,945
	Gross Profit	574	507	773	1,095	2,951	1,446	753	1,340	1,200	✓ 4,742	104	✓ 1,790
	Segment income	198	112	259	610	1,180	933	259	755	555	✓ 2,504	(54)	✓ 1,323
Public Management Consulting Business	Revenue	108	92	62	82	346	90	92	65	119	✓ 367	37	✓ 21
	Gross Profit	54	49	40	46	189	48	46	41	74	✓ 211	28	✓ 21
	Segment income / (loss)	8	3	(13)	(13)	(14)	(7)	(10)	(24)	7	(34)	21	(19)
Entertainment Service Business	Revenue	1,181	997	1,073	1,033	4,285	713	498	584	515	✓ 2,311	(518)	✓ (1,974)
	Gross Profit	301	187	287	198	975	134	13	110	46	✓ 305	(152)	✓ (670)
	Segment income	36	(61)	31	(40)	(34)	(18)	(140)	(66)	(139)	✓ (364)	(98)	✓ (329)
Adjustment (Elimination of transactions among segments and corporate expenses)	Revenue	(76)	(76)	(75)	(75)	(303)	(77)	(71)	(65)	(81)	(296)	(5)	7
	Gross Profit	(32)	(32)	(30)	(31)	(126)	(32)	(30)	(35)	(49)	(147)	(17)	(21)
	Segment income	(180)	(156)	(87)	(118)	(543)	(187)	(183)	(168)	(223)	(762)	(104)	(219)
Amount Booked on Consolidated Statement of Income	Revenue	2,272	2,148	2,328	2,552	9,301	2,716	1,814	2,380	2,391	9,302	(161)	0
	Gross Profit	897	712	1,071	1,309	3,990	1,597	783	1,457	1,272	5,111	(37)	1,120
	Operating income	62	(102)	190	437	587	720	(74)	496	201	1,343	(236)	756
Related issues		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	Eighth wave of COVID-19						RBJ excluded from scope of consolidation

- Revenues for each segment includes intersegment revenue and transfers.
- The ¥(762) million segment income in fiscal 2023, under adjustment, includes intersegment elimination (¥228 million in fiscal 2023) as well as corporate expenses (¥(991) million in the same period) that are not allocated to any reporting segment. Corporate expenses are general and administrative expenses not associated with any reporting segment, mainly because it is difficult to justifiably allocate such expenses to any particular reporting segment.

Business Summary by Segment (2)

Revenues

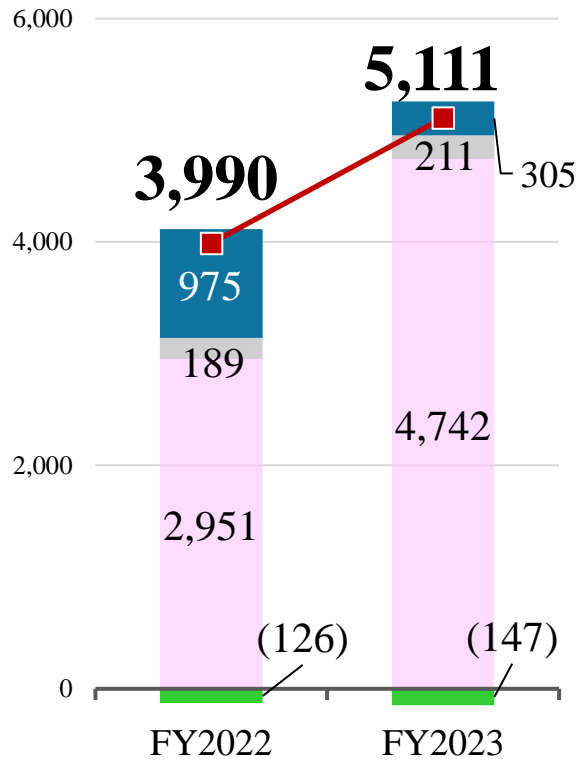
(Millions of yen)



Up ¥0.3 million, or 0.0%

Gross Profit

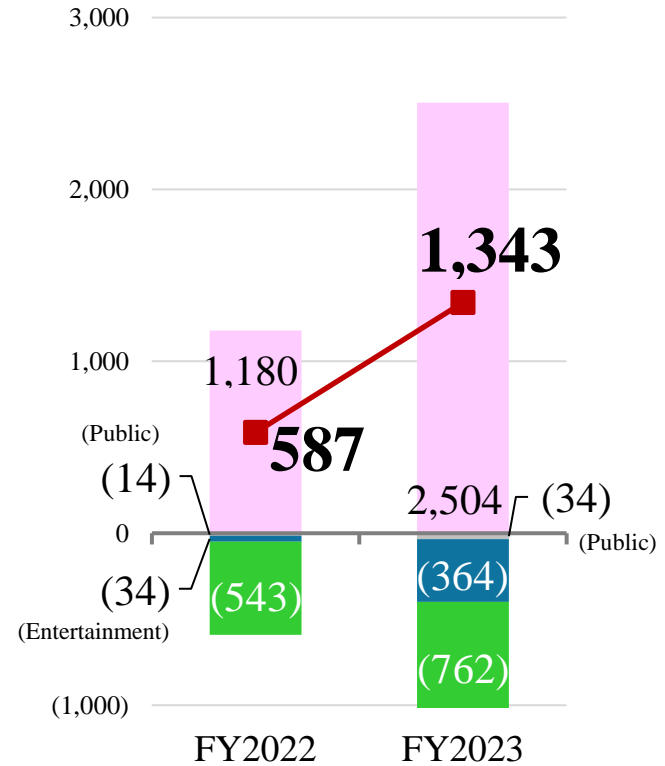
(Millions of yen)



Up ¥1,120 million, or 28.1%

Operating Income

(Millions of yen)



Up ¥756 million, or 128.7%

Note: Segment breakdown uses non-eliminated values.

Investment Banking Business

Public Management Consulting Business

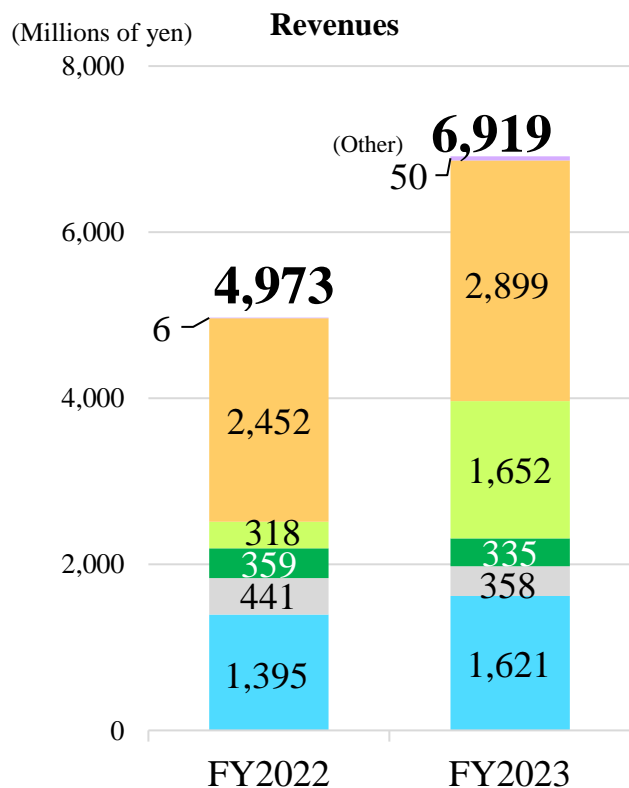
Entertainment Service Business

Corporate expenses and eliminated transactions

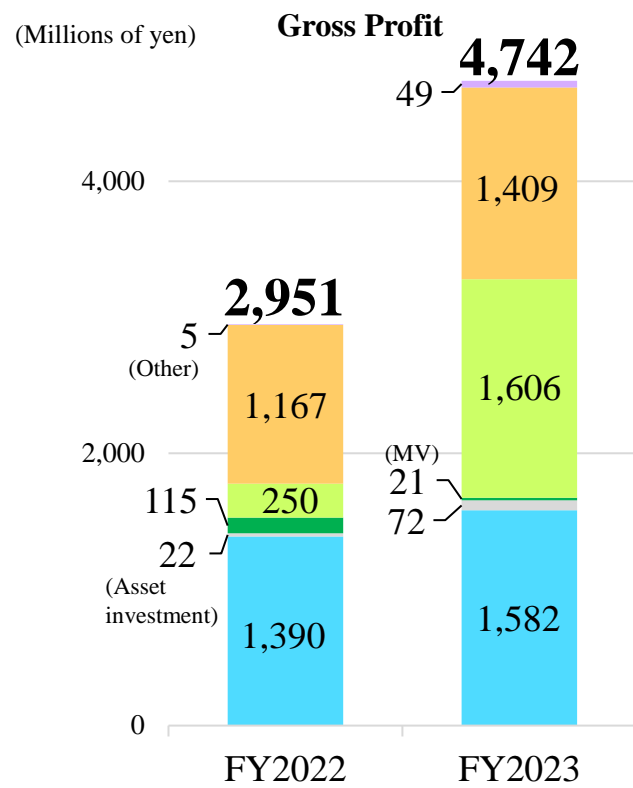
Investment Banking Business—Revenues and gross profit by service

Increase driven by demand for business succession solution services and private equity investment exits. Aircraft asset management business remained favorable, contributing to 39.1% improvement in segment revenues and 60.7% surge in segment gross profit.

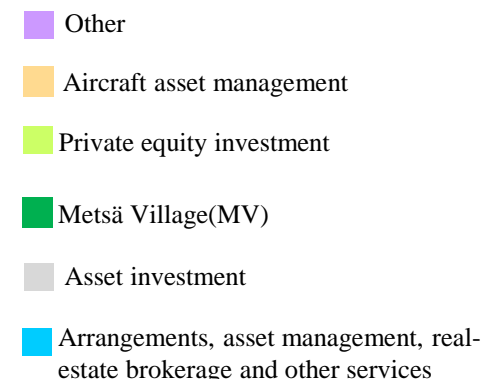
- **Arrangement services, private equity investment:** Arrangement formation activity favorable, with exits on arranged investments also moving along well. Sales of arranged investments also brisk. These trends underpinned growth in income on services provided, including upfront fees on asset management services for arranged funds, management fees during the contract period and performance fees, as well as investment income through exits.
- **Aircraft asset management:** Requests for aircraft inspections and technical services, such as those accompanying return of aircraft, slowed as pandemic transitioned into endemic state and catalysts of demand changed. Nevertheless, revenues remained at high level. Higher revenues and income reflect increase in aircraft registrations and fresh pursuits, including aircraft remarketing.



Up ¥1,945 million, or 39.1%



Up ¥1,790 million, or 60.7%



Note: Intersegment transactions use non-eliminated values.

Trends in Balance of Investments and Loans

Balance of investments and loans reached ¥7.7 billion, down 1.1% from June 30, 2023.

[Factors of change in fourth quarter of fiscal 2023]

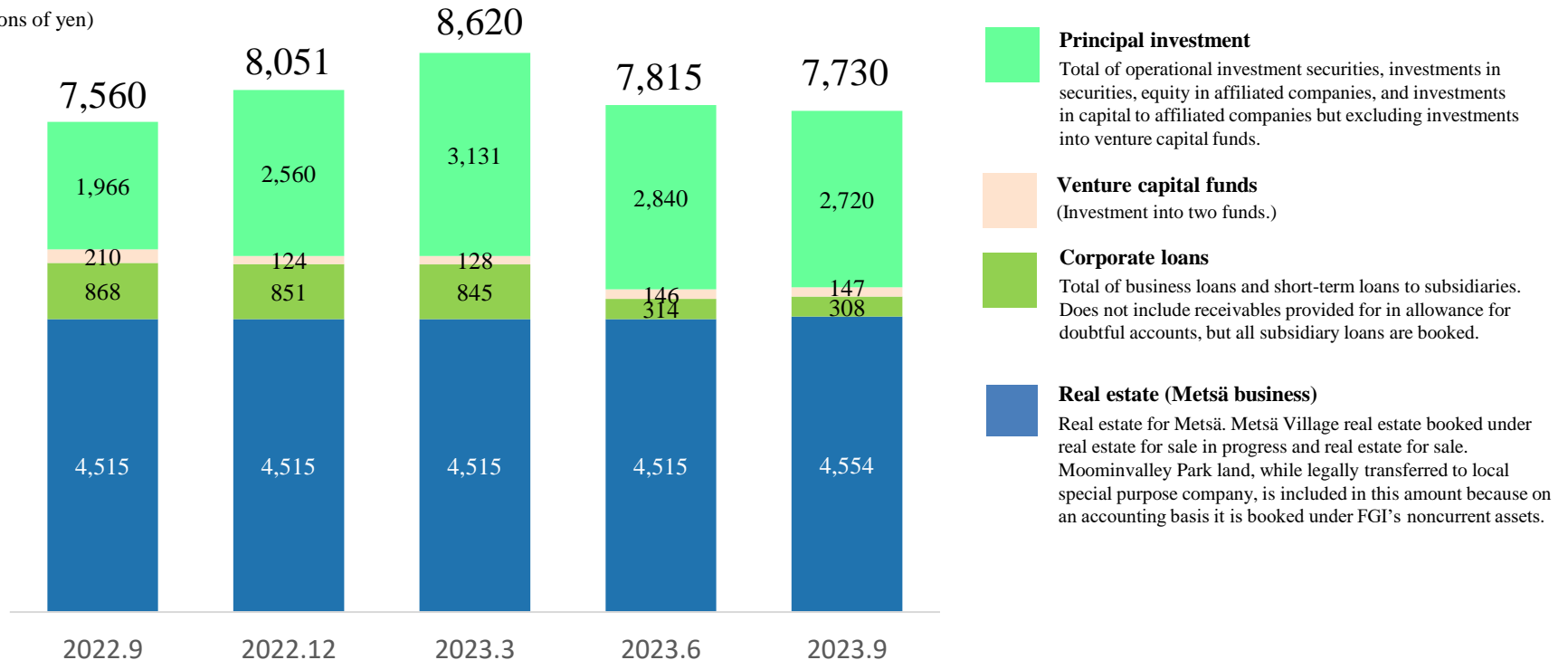
- Principal investment Decreased with allocation to acquisition funds for business succession projects*

*Balance of investments and loans in acquisition funds increases if FGI contributes to funds or funds take in profit from business activities of companies invested in. Decreases if funds make cash distributions.

- Notes: 1. Total investments and loans comprise amounts for FGI and aviner.
2. Does not include contribution or loans between FGI, aviner

Total Investments and Loans (including investments in subsidiaries)

(Millions of yen)



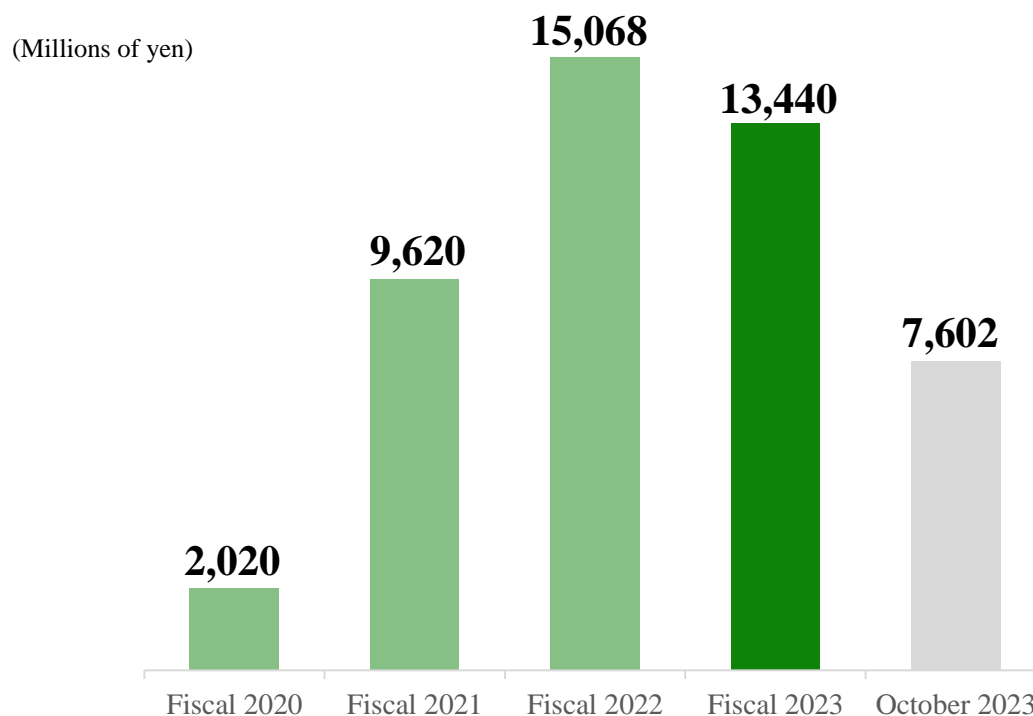
Financing for Acquisition Funds to Facilitate Business Succession Projects

Acquisition fund procurement amount (≒ investment amount) in fiscal 2023 stood at ¥13.4 billion. Unchanged from second quarter. Preparations on forming arrangements moved ahead in third and fourth quarters but execution delayed to October, after fiscal 2023 books closed. Will show revenue in fiscal 2024.

- Acquisition funds formed for business succession projects to facilitate investment into each project, mainly through capital contributions from FGI and loans from financial institutions.
- Project introductions keep coming, mainly from financial institutions. Expectation is for project formation and new investment to continue going forward.

Total Financing Through Acquisition Funds

(Amount of financing in each fiscal year)

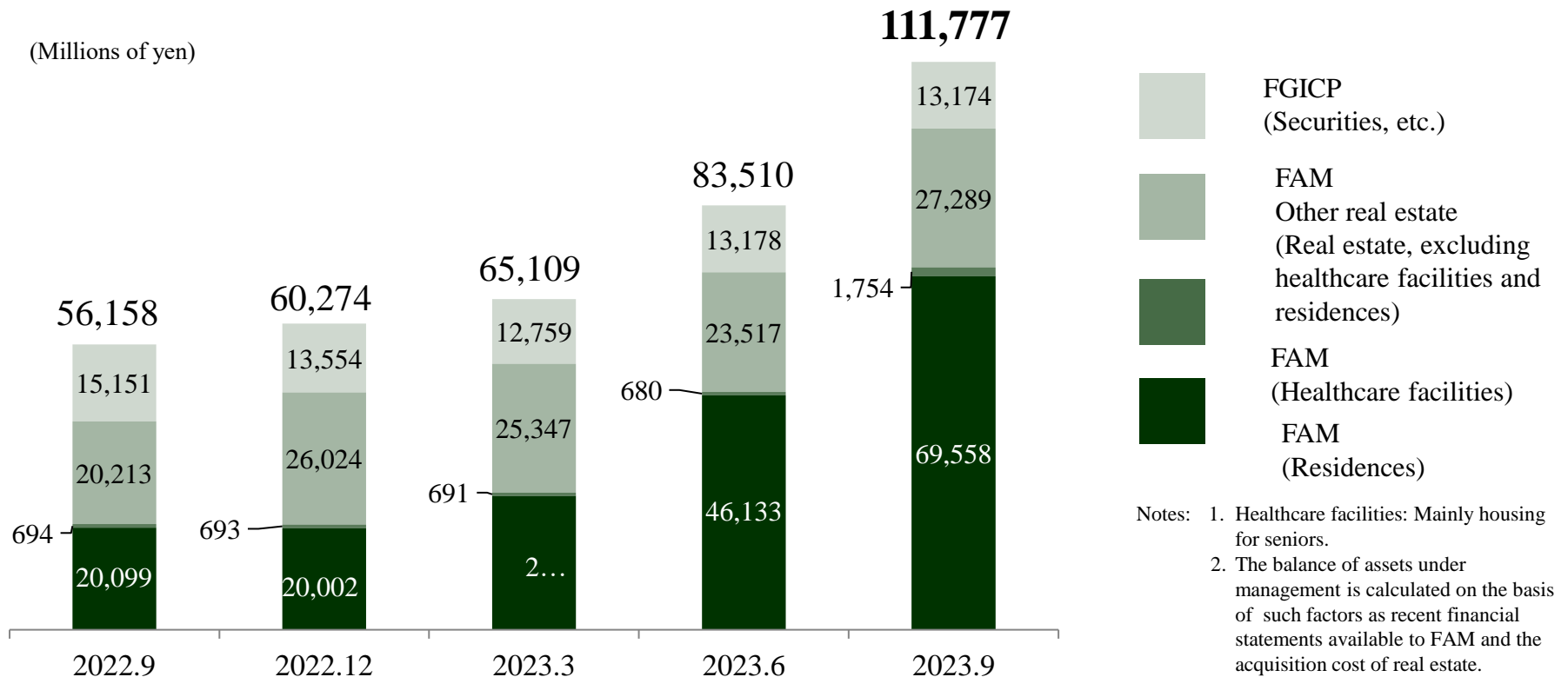


Changes in Assets under Management

Marked increase in assets entrusted for residence investment by overseas and domestic institutional investors into residences.

Assets under management reached ¥111.7 billion, up 99.0% over September 30, 2022.

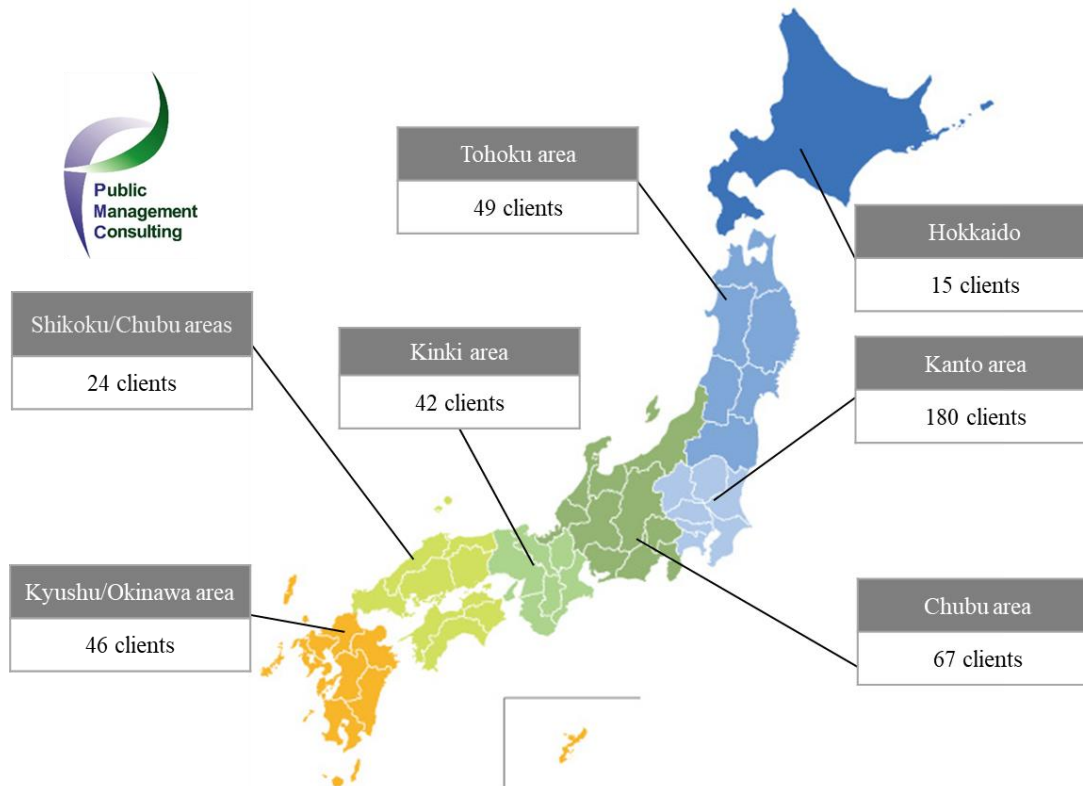
- The above balance is an aggregate amount comprising assets under investment management and investment advisory contracts with FAM and investment management contracts with FGICP.
- Client assets under investment advisory contracts amounted to ¥106.6 billion (for FGICP, up ¥14.8 billion from September 30, 2022).
(Client assets, primarily solar power generation systems)



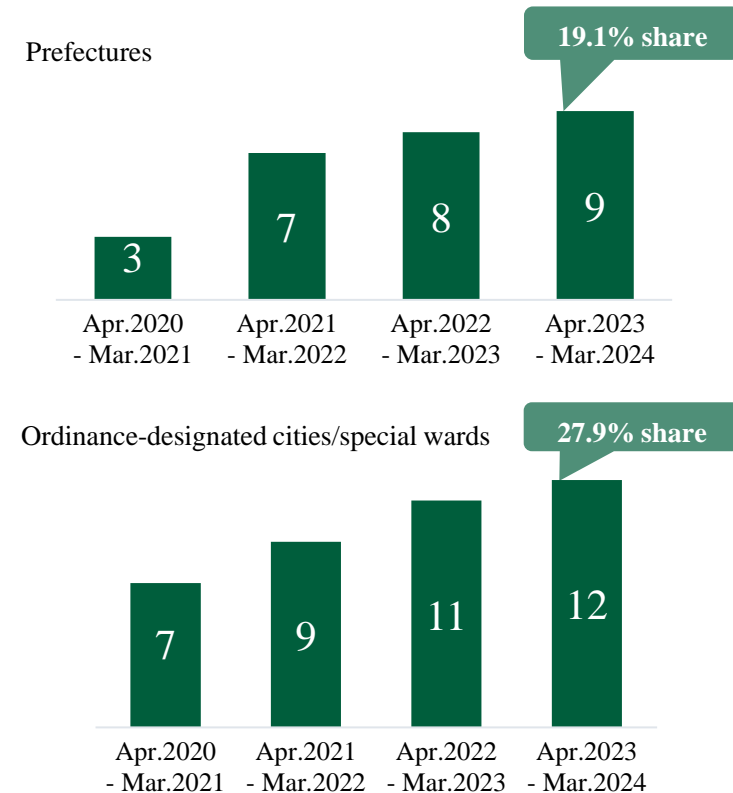
Aggregate client contracts, primarily with local public entities, reached 423. Expanded services to support preparation of financial documents for large local governments

- Emphasizing public accounting perspective, subsidiary PMC focuses on support for drafting/reviewing general management plans for public facilities and offers management and financial consultations. Up to September 30, 2023, the company had provided services to a total of 423 clients, mainly local public entities.
- With knowledge about preparing financial documents and expertise in information technology and large-volume data processing, PMC attracted more inquiries from large local governments with big-volume financial information. Number of contracted clients increasing every year.

Aggregate client contracts, primarily with local public entities (As of September 30, 2023)



Services to support preparation of financial documents
Number of entities entrusting PMC with preparation

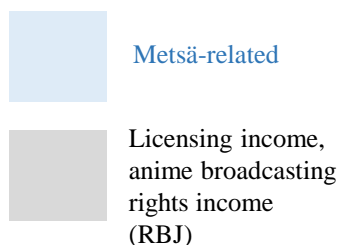


Entertainment Service Business Results

Lower revenues and lower income, owing to exclusion of RBJ from consolidation. Metsä guest count failed to grow so efforts to promote venue as leisure and amusement destination expanded. Should see results in fiscal 2024.

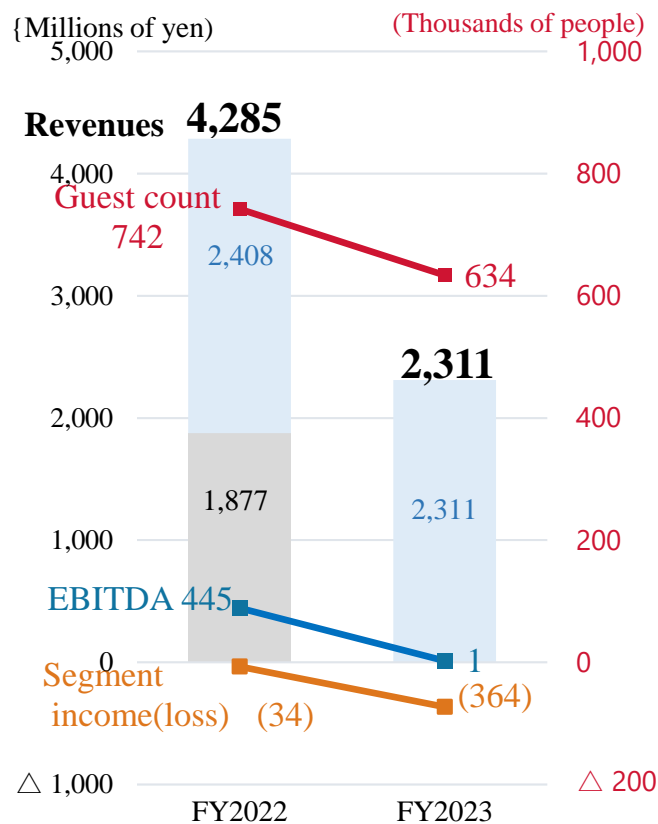
- Metsä guest count dropped 14.6% year on year, to 630,000 people, but thanks to increase in Moominvalley Park admission fees as well as higher spending per guest on merchandise and food and beverages, Metsä-related revenues settled at ¥2,311 million, holding decrease to just 4.1%.
- Fixed costs at Metsä were down year on year, reflecting reduced spending since renovation work in December 2021, but advertising costs grew, owing to enhanced measures to attract guests. Series of promotional campaigns began in September 2023, and signs of recovery in guest count are emerging.
- Business results by RBJ, which was removed from scope of consolidation and became equity method affiliate in first quarter, are booked as investment income based on equity stake and included in non-operating income. (RBJ shares sold on July 14. Company excluded from scope of equity-method affiliates in fourth quarter.)

Revenues

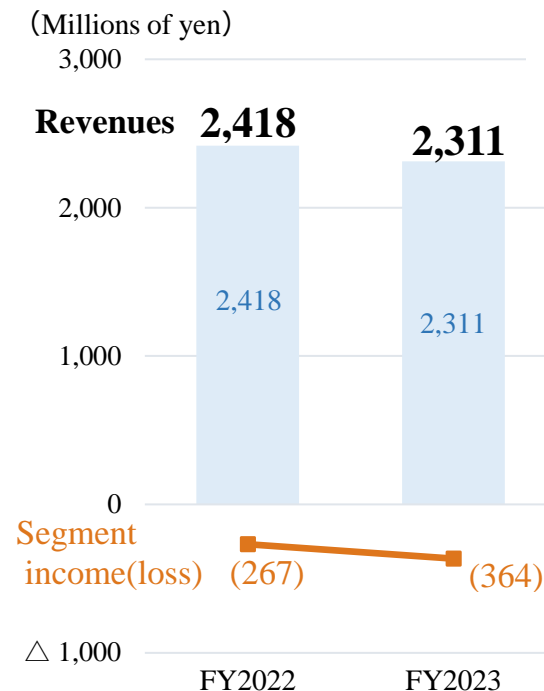


Notes:

1. Guest count is the total number of guests at 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.



Reference: Revenue status if Rights and Brands Japan contribution excluded from revenues in previous fiscal year

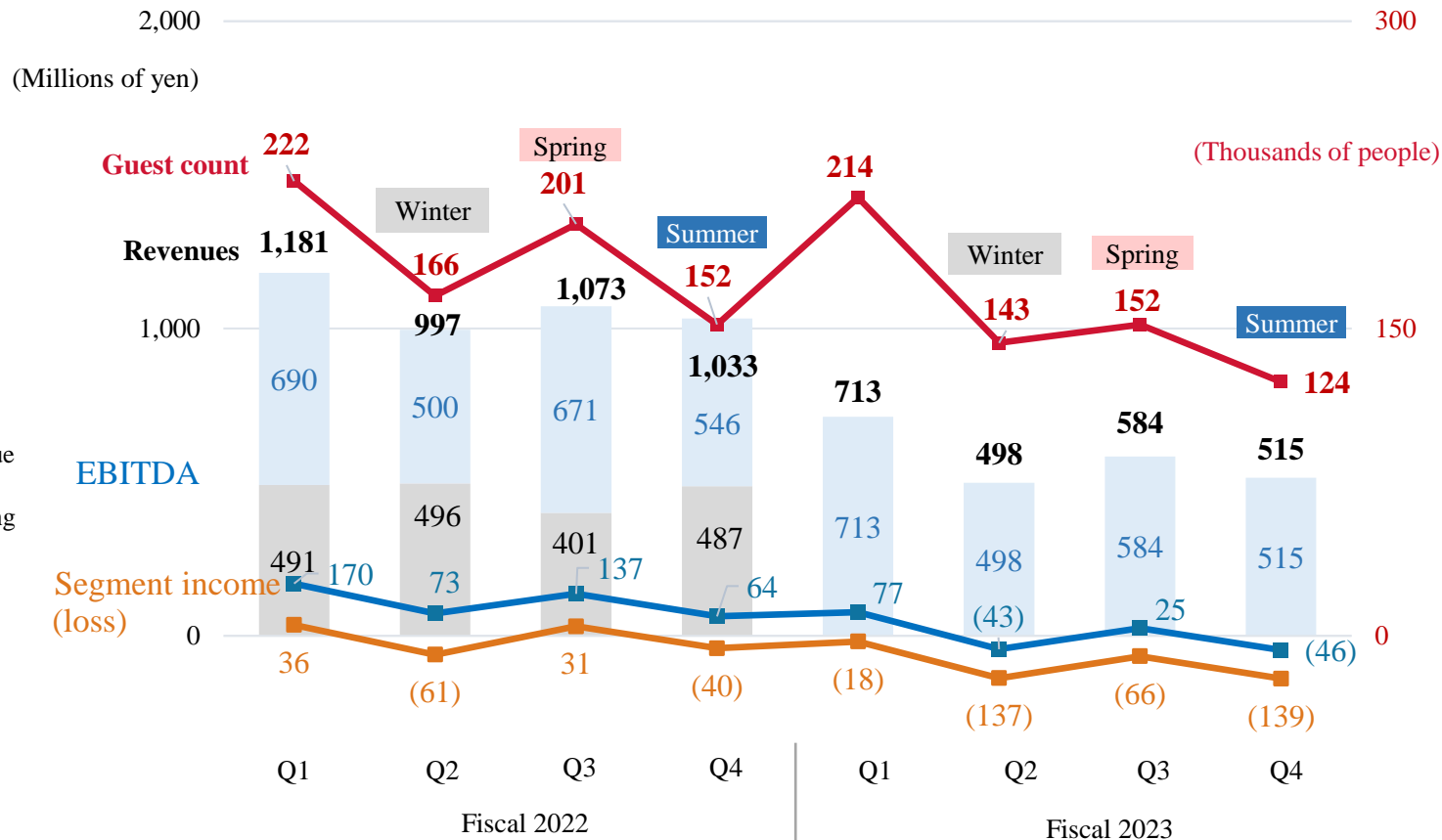
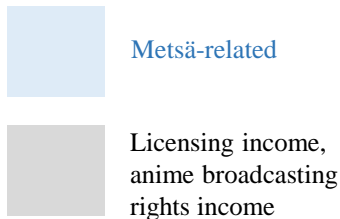


Changes in Entertainment Service Business Results (Quarterly)

Reasons for year-on-year decrease in guest count in fiscal 2023

Winter	8th COVID wave	Spring	Rising demand for distant trips	Summer	Extreme heat
Number of COVID cases on upswing from mid-November. Held back on robust promotion activity. (8th wave peaked in early-January)		Japan downgraded COVID to Class 5 disease (equivalent to seasonal flu), sparking demand for distant travel with overnight stays. Leisure facilities in Kanto suburbs struggle.		Sudden increase in days of extreme heat in summer 2023, leading to fewer guest visits	
* Observation point: City of Saitama (From data available on Japan Meteorological Agency website)					
July–September data*					
		Days above 30°		Days above 35°	
2022		14		41	
2023		35		45	

Revenues



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.

Efforts to Support Operations at Moominvalley Park

Seeking full-scale recovery to pre-pandemic status, with emphasis on stronger management team and firmer financial position. Laid groundwork for boosting crowd-drawing appeal that would translate into higher revenues.

<p>Stronger management team</p>	<ul style="list-style-type: none"> • Invited from Seibu Group to serve as directors at Moomin Monogatari. • (Invited people with experience in leisure and amusement facility development and management)
<p>Sales, cost measures</p>	<ul style="list-style-type: none"> • Raised ticket prices • Reviewed operating costs • Implemented measures to boost spending per guest on merchandise and food and beverages • Reinforced sponsor marketing
<p>Firmer financial position</p>	<ul style="list-style-type: none"> • Applied proceeds from sale of RBJ shares to cover capital investment and marketing expenses
<p>Advertising and promotions Domestic, international marketing</p>	<ul style="list-style-type: none"> • Revitalize seasonal events, such as fireworks and dog-friendly events • Test out television commercials on local stations in Tokyo Metropolitan area with intention to expand commercials to key stations in Tokyo • Enhance social media messaging aimed at main target group • Launch inbound strategy • (Tie-up with tourism section of Saitama Prefecture, approach travel agencies in Taiwan and other countries) • Build better plans for group tours • Strengthen ties with leisure facilities along Seibu Railway tracks, such as Seibuen amusement park • Raise profile outside park, along Seibu Railway tracks and through character appearances at events, such as the first pitch ceremony of Saitama Seibu Lions • Strengthen ties with city of Hanno, hinging on <i>furusato nozei</i> system (hometown tax donation system granting tax breaks to people who donate to municipality)
<p>Capital investment Enhanced content</p>	<ul style="list-style-type: none"> • Set up indoor play areas for families with children • Consider capital investment plan that includes new content, using proceeds from sale of RBJ shares

Consolidated Balance Sheets

(Thousands of yen)

Assets	Fiscal 2022	Fiscal 2023	Change
Current assets	11,022,806	12,477,247	1,454,440
Cash and time deposits	2,375,927	2,918,561	542,633
1 Accounts receivable, trade, and contract assets	1,113,702	1,355,231	241,528
2 Operational investment securities	2,482,469	2,848,142	365,673
Loans receivable, trade	371,665	346,365	(25,300)
Real estate for sale	4,057,167	4,095,967	38,800
Merchandise	133,602	160,768	27,165
Other	593,045	883,381	290,336
Allowance for doubtful accounts	(104,772)	(131,170)	(26,397)
Noncurrent assets	6,910,204	6,646,706	(263,498)
3 Property, plant and equipment	5,878,784	5,530,068	(348,715)
4 Intangible fixed assets	632,501	131,260	(501,241)
5 Investments and other assets	398,918	985,377	586,458
Total assets	17,933,011	19,123,953	1,190,941

1 Increased, thanks to contribution from business succession solution services and aircraft asset management, which offset absence of licensing income due to exclusion of RBJ from consolidation.

2 Increased, owing to new investments and improved value on funds to facilitate private equity investment in target companies and reaching exit stage, which made up for reduction in balance of trust beneficiary rights due to progress on sale of small-lot real estate products.

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

4 Decreased because RBJ, which holds anime broadcasting rights, excluded from scope of consolidation.

5 Increased, with consolidation of Trinity Japan co., Ltd.

6 Transferred ¥5.2 billion in Hanno Local Resource Utilization loans to current portion of long-term loans payable. Discussions with financial institutions in progress regarding repayment and other issues.

7 Decreased, in line with resolution at Ordinary General Meeting of Shareholders in December 2022. Covered deficit of ¥5,135 million.

8 Decreased, despite consolidation of Trinity Japan and booking of SGI profit, because RBJ excluded from scope of consolidation and Hanno Local Resource Utilization booked loss.

Liabilities	Fiscal 2022	Fiscal 2023	Change
Current liabilities	2,587,825	7,880,663	5,292,837
Accounts payable, trade	248,274	308,710	60,435
Short-term loans payable	—	77,954	77,954
6 Current portion of long-term loans payable	529,252	6,082,038	5,552,786
Income taxes payable	133,150	125,884	(7,266)
Lease obligations	260,095	149,086	(111,008)
Accrued employee bonuses	191,888	257,626	65,737
Other	1,225,164	879,363	(345,801)
Noncurrent liabilities	7,502,492	1,849,970	(5,652,522)
6 Long-term loans payable	7,184,342	1,290,817	(5,893,524)
Lease obligations	158,022	50,723	(107,299)
Deferred tax liabilities	19,737	97,175	77,438
Net defined benefit liability	110,067	126,297	16,230
Other	30,322	284,955	254,632
Total liabilities	10,090,317	9,730,633	(359,684)

Net Assets

Shareholders' equity	6,524,040	8,141,924	1,617,884
Common stock	6,471,266	5,372,574	(1,098,692)
7 Additional paid-in capital	4,996,716	974,443	(4,022,272)
Retained earnings	(4,943,941)	1,794,907	6,738,848
Treasury shares	(0)	(0)	—
Accumulated other comprehensive income	61,839	150,683	88,843
Stock acquisition rights	56,359	77,299	20,939
8 Non-controlling interests	1,200,454	1,023,412	(177,041)
Total net assets	7,842,693	9,393,319	1,550,626
Total liabilities and net assets	17,933,011	19,123,953	1,190,941

Consolidated Statement of Income

(Thousands of yen)

		Fiscal 2022	Ratio to Revenues	Fiscal 2023	Ratio to Revenues	YoY Change Amount	YoY Change Ratio
Revenues	1	9,301,972	100.0%	9,302,325	100.0%	352	0.0%
Cost of revenues	2	5,311,544	57.1%	4,191,298	45.1%	(1,120,246)	(21.1)%
Gross profit		3,990,428	42.9%	5,111,026	54.9%	1,120,598	28.1%
Selling, general and administrative expenses	3	3,402,665	36.6%	3,767,047	40.5%	364,381	10.7%
Operating income		587,762	6.3%	1,343,979	14.4%	756,216	128.7%
Other income		90,547	1.0%	91,484	1.0%	936	1.0%
Other expenses		137,401	1.5%	158,185	1.7%	20,784	15.1%
Ordinary profit		540,909	5.8%	1,277,278	13.7%	736,369	136.1%
Extraordinary profit		16,478	0.2%	579,250	6.2%	562,772	3,415.3%
Extraordinary loss		1,362	0.0%	32,370	0.3%	31,008	2,276.3%
Income before income taxes		556,025	6.0%	1,824,158	19.6%	1,268,133	228.1%
Income taxes		128,402	1.4%	180,450	1.9%	52,048	40.5%
Profit		427,622	4.6%	1,643,708	17.7%	1,216,085	284.4%
Profit attributable to non-controlling interests		251,497	2.7%	40,278	0.4%	(211,218)	(84.0)%
Profit attributable to owners of parent		176,125	1.9%	1,603,429	17.2%	1,427,304	810.4%

1 Despite exclusion of RBJ from scope of consolidation, revenues rose on contributions from business succession solution services, private equity investment associated with these services and aircraft asset management.

2 Decreased, mainly due to exclusion of RBJ from scope of consolidation.売上原価は45.1%減少。

3 Although RBJ was excluded from scope of consolidation and Metsä-related expenses were down, staffing increase and wider use of outsourcing services to support business expansion in other segments bumped SG&A expenses up 10.7% over a year ago.

4 Booked ¥38 million in equity method investment gain and ¥26 million in subsidy income.

5 Booked ¥190 million in gain on negative goodwill from turning Trinity Japan into consolidated subsidiary and ¥386 million in proceeds from sale of shares of subsidiaries and associates following sale of RBJ shares.

6 Profit attributable to non-controlling interests settled at ¥40 million, largely from profit booked by SGI, which offset a reduction of ¥318 million (increase of same amount for profit attributable to owners of the parent), because FGI subsidiary Hanno Local Resource Utilization booked provision of reserve for doubtful accounts based on review of collectability of receivables.

Consolidated Statement of Cash Flows

(Thousands of yen)

	Fiscal 2022	Fiscal 2023	Change
Cash flows from operating activities	(701,853)	1 615,263	1,317,116
Income/(Loss) before income taxes	556,025	1,824,158	1,268,133
Depreciation and amortization	545,194	444,758	(100,435)
Amortization of goodwill	20,767	22,608	1,841
(Increase)/Decrease in accounts receivable, trade	(314,625)	(335,946)	(21,321)
(Increase)/Decrease in investments in securities, trade	(1,404,877)	(331,333)	1,073,544
(Increase)/Decrease in inventories	(68,074)	(147,174)	(79,100)
Increase/(Decrease) in accounts payable, trade	106,435	47,406	(59,028)
Income taxes refund (paid)	(104,333)	(402,189)	(297,855)
Other	(38,365)	(507,025)	(468,659)
Cash flows from investing activities	(141,088)	766,647	907,735
Proceeds from sale of shares of subsidiaries and associates	—	2 680,000	680,000
Purchase of property, plant and equipment	(121,291)	(62,106)	59,185
Purchase of shares of subsidiaries and associates	—	(154,774)	(154,774)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	—	3 280,137	280,137
Other	(19,796)	23,390	43,187

	Fiscal 2022	Fiscal 2023	Change
Cash flows from financing activities	802,976	(538,921)	(1,341,897)
(Increase)/Decrease in short-term loans payable, net	(125,600)	77,954	203,554
Proceeds from long-term loans payable	1,320,550	273,500	(1,047,050)
Repayments of long-term loans payable	(41,450)	(514,237)	(472,787)
Proceeds from share issuance to non-controlling interests	100	—	(100)
Dividends paid to non-controlling interests	(107,260)	(109,912)	(2,652)
Repayments of lease obligations	(243,623)	(266,511)	(22,888)
Other	260	287	26
Effect of exchange rate change on cash and cash equivalents	36,661	44,175	7,513
Net increase/(decrease) in cash and cash equivalents	(3,303)	887,165	890,469
Cash and cash equivalents at the beginning of the period	2,379,230	2,375,927	(3,303)
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	—	4 (394,532)	(394,532)
Cash and cash equivalents at the end of the period	2,375,927	2,868,560	492,633

- 1** Income before income taxes returned FGI to positive cash flows from operating activities, fulling offsetting impact of new investments and increase in investments in securities, trade, prompted by improvement in value paralleling exit of funds for private equity investment targets.
- 2** Increase due to sale of shares in RBJ.
- 3** Brought in cash from Trinity Japan Co., Ltd., by turning that company into consolidated subsidiary.
- 4** Decreased because RBJ excluded from scope of consolidation.

Performance Forecast, Return to Shareholders

Consolidated Performance Forecast

Anticipate further expansion in business succession solution services and private equity investment. Bottom line may decrease from fiscal 2023 level, which benefited from special factors, but operating income is expected to increase.

(Millions of yen)	Fiscal 2023 Actual	Fiscal 2024 Forecast	YOY Change Amount	YOY Change Percentage
Revenues	9,302	10,000	+697	+7.5%
Operating income	1,343	1,800	+456	+33.9%
Ordinary profit	1,277	1,600	+322	+25.3%
Profit attributable to owners of the parent	1,603	1,200	- 403	- 25.2%

Investment banking business	<ul style="list-style-type: none"> • Inquiries regarding business succession solution services and private equity investment remain at high level. • Seeing increase in number of financial institutions providing introductions to businesses and engaging with FGI through loans for arranged funds. Environment for project formation is good. • Anticipate higher segment revenues and income. • Will pinpoint real estate investment and ESG investment needs of international and domestic investors and reinforce foundation for stock-type earnings (recurring fee revenues) by building up assets under management. • Demand for aircraft asset management should be brisk, leading to higher revenues. (Presumed exchange rate: 1 euro = ¥140) • Expenses, particularly personnel and outsourcing costs, are likely to rise as business activities expand.
Public management consulting business	<ul style="list-style-type: none"> • Will strive to increase service contracts to support the efforts of large local governments in preparing financial documents. • In conjunction, will aim to increase service contracts supporting formation of individual facility plans for public facilities and service contracts for project management of public property as well as research programs. Should lead to higher revenues. • Will work quickly to secure human resources with specialized skills to address tasks described above.
Entertainment service business	<ul style="list-style-type: none"> • In Moomingvalley Park operations, proceeds from sale of RBJ shares will be used to execute effective capital investment activities, promotions and seasonal events to recapture ability to draw crowds. • Expect improvement in profitability through cost structure review.

Management Indicators and Dividend Forecast

Management indicators

Will work to enhance profitability to maintain ROE above 20%

FGI emphasizes efficient use of capital to maximize shareholder value and has tapped return on equity (ROE) as a key performance indicator measuring efficiency.

In fiscal 2023, ROE hit 21.6%, reflecting special factors such as extraordinary income, but our goal is to strengthen profitability so that we can maintain ROE above 20% even without special factors.

For details about our ROE target, please refer to page 7 in the document “Action to Implement Management that is Conscious of Cost of Capital and Stock Price.”

No dividend in fiscal 2023

Allocate capital to high-profit private equity investment

FGI also moved into the black on a non-consolidated basis in fiscal 2023 and secured an amount that could have been applied to payment of dividends. But efforts are being directed toward robust development of private equity investment operations to further expand business results, and management believes access to the necessary capital for this purpose is a priority. It is unfortunate but unavoidable that FGI must thus forego payment of a year-end dividend.

Plan to resume payment of dividends in fiscal 2024

Year-end dividend of ¥1.50 per share, for consolidated payout ratio of 25.2%

FGI knows that return to shareholders is an important issue. Anticipating the ability to maintain liquidity in hand so as not to miss out on investment opportunities in high-profit private equity deals, the Company plans to distribute a year-end dividend of ¥1.50 per share for fiscal 2024.

Changes in Key Financial Data

		Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023
Revenues	(millions of yen)	3,689	9,175	6,841	8,107	9,301	9,302
Gross profit	(millions of yen)	2,261	2,944	2,313	3,370	3,990	5,111
Operating income/(loss)	(millions of yen)	(1,072)	(1,664)	(992)	178	587	1,343
Ordinary profit (loss)	(millions of yen)	(1,227)	(1,850)	(1,135)	115	540	1,277
Profit/(loss) attributable to owners of parent	(millions of yen)	(820)	(1,586)	(1,186)	130	176	1,603
Net assets	(millions of yen)	8,551	8,873	7,304	7,439	7,842	9,393
Total assets	(millions of yen)	14,016	19,025	16,583	16,457	17,933	19,123
Net assets per share	(yen)	39.31	37.03	31.12	31.47	32.72	41.19
Net income (loss) per share	(yen)	(4.79)	(8.08)	(5.90)	0.65	0.88	7.97
Diluted net income (loss) per share	(yen)	–	–	–	0.65	0.87	7.94
Equity to total asset ratio	(%)	52.2	39.1	37.7	38.5	36.7	43.4
Equity to net income ratio	(%)	(13.5)	(21.5)	(17.3)	2.1	2.7	21.6
Price earning ratio (PER)	(times)	–	–	–	86.1	44.6	7.7
Cash flow from operating activities	(millions of yen)	(2,978)	(2,604)	680	747	(701)	615
Cash flow from investing activities	(millions of yen)	(2,008)	(4,543)	(282)	(173)	(141)	766
Cash flow from financing activities	(millions of yen)	5,771	5,710	(767)	(360)	802	(538)
Cash and cash equivalents at the end of the fiscal year	(millions of yen)	3,847	2,513	2,142	2,379	2,375	2,868
Number of employees(consolidated) (part-time employees)	(employees)	156(42)	167(262)	156(224)	149(209)	176(144)	153(169)
Number of employees(non-consolidated)(part-time employees)	(employees)	38(5)	39(5)	28(6)	28(4)	30(4)	26(6)

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 II. Investment III. Asset management IV. Local issue solutions
Number of issued shares	201,305,200 shares (As of September 30, 2023)
Minimum trading unit	100
Capital stock	¥5,372 million (As of September 30, 2023)
Net assets (consolidated)	¥8,678 million (As of September 30, 2023)
Number of employees	Consolidated: 153 (As of September 30, 2023, excludes temporary staff)

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Disclaimer

Certain statements made in these materials, including some management targets, may contain forward-looking statements which reflect management's views and assumptions. Management targets represent goals that management will strive to achieve through the successful implementation of business strategies for the FGI Group. The Group may not be successful in implementing its business strategies, and management may fail to achieve its targets. Management targets and other forward-looking statements involve current assumptions of future events as well as risks and uncertainties that could significantly affect expected results, including adverse economic conditions in Japan, the United States or other countries; declining real estate and/or stock prices; additional corporate bankruptcies or additional problems in business sectors to which Group companies lend; difficulties or delays in integrating businesses and achieving desired cost savings; increased competitive pressures; changes in laws and regulations applicable to the Group's businesses; and adverse changes in Japanese economic policies.

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.