

Results for First Two Quarters of Fiscal 2023, ending September 30, 2023

May 2023

FinTech Global Incorporated
TSE Standard Market Stock Code: 8789
<https://www.fgi.co.jp/en/>

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Summary

Marked brisk demand for private equity services that provide solutions, hinging on investment, to companies experiencing business succession issues. This underpinned an increase in revenues and helped FGI return to an income position.

Management looks forward to steady progress in the third quarter and beyond.

Have booked or will book ¥800 million in revenues and income over second and third quarters through investment in business succession projects and arrangement transaction services

- Recognize potential for ¥800 million in revenues, operating income and ordinary profit, respectively, thanks to investment income and income on arrangement transaction services for solutions used in several business succession projects.
- Of the abovementioned ¥800 million, ¥300 million was booked in the second quarter, and remaining ¥500 million will be booked in third quarter.

Favorable shift in new investment activity. Fund procurement for acquisition funds (into which FGI contributes capital to acquire target companies) grew to 89% of fiscal 2022 full-year amount

- Fund procurement (≠ investment) for acquisition funds formed to invest in target companies of business succession projects reached a cumulative ¥13.4 billion in the first two quarters of fiscal 2023. Anticipating investment exits from third quarter onward.

Balance of assets under management reached ¥65.1 billion, up 15.9% from end of fiscal 2022

Marked increase in assets entrusted by overseas investors for residence and logistics facility investment.

Consolidated Performance

(Millions of yen)

	Fiscal 2022 First Two Quarters	Fiscal 2023 First Two Quarters	YOY Change (Amount)	YOY Change (Percentage)	Fiscal 2023 Full Year (Forecast)	Progress toward goal
Revenues	4,421	4,530	109	+2.5%	10,100	44.9%
Gross profit	1,609	2,381	772	+48.0%	—	—
Operating income	(39)	645	685	—	1,400	46.1%
Ordinary profit	(51)	628	680	—	1,400	44.9%
Profit attributable to owners of the parent	(203)	477	680	—	1,000	47.7%
EBITDA	262	880	617	+235.1%	—	—

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.

Revenues

In private equity operations, investment income and income on arrangement transaction services increased significantly, as business succession projects utilized private equity opportunities. Aircraft asset management also showed growth. And despite exclusion of Rights and Brands Japan from scope of consolidation, revenues were up.

Gross profit

Huge increase, owing to higher revenues from business succession projects with high gross margin.

Operating income

Although selling, general and administrative expenses rose 5.2% year on year, paralleling business expansion, operating income increased significantly, thanks to higher gross profit.

Consolidated performance forecast

FGI continues to receive inquiries for solutions that utilize private equity to address business succession issues, and management expects this to translate into brisk project formation going forward as well. Taking a comprehensive view that includes anticipated investment exits on projects formed through to the end of the second quarter of fiscal 2023, management sees steady progress toward achievement of full-year performance targets. Therefore, no changes will be made to the existing performance forecast.

Quarterly Changes in Consolidated Performance

(Millions of yen)

	Fiscal 2022						Fiscal 2023			YOY Q2	YOY Q2 YTD
	Q1	Q2	First two quarters	Q3	Q4	Full year	Q1	Q2	First two quarters	¥ change % change	¥ change % change
Revenues	2,272	2,148	4,421	2,328	2,552	9,301	2,716	1,814	4,530	(334) (15.6%)	109 2.5%
Gross profit	897	712	1,609	1,071	1,309	3,990	1,597	783	2,381	71 10.0%	772 48.0%
Operating income(loss)	62	(102)	(39)	190	437	587	720	(74)	645	28 —	685 —
Ordinary profit(loss)	39	(91)	(51)	165	426	540	699	(71)	628	19 —	680 —
Profit/(loss) attributable to owners of the parent	(47)	(155)	(203)	62	316	176	503	(25)	477	129 —	680 —
EBITDA	213	49	262	313	577	1,153	836	44	880	(5) (10.3%)	617 235.1%

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).

Business Summary by Segment (1)

- Investment banking business delivered higher revenue and income, reflecting steady progress on several business succession projects.
- Public management consulting business saw solid demand for services to support preparation of financial documents for large local governments, but revenue and income declined, due to a reactionary drop related to the sale of software in the first two quarters of the previous fiscal year when support for accounting software distributed to local governments by the national government ended.
- 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 Q2 change	YOY Q2 YTD change
		Q1	Q2	First two quarters	Q3	Q4	Full year	Q1	Q2	First two quarters		
Investment Banking Business	Revenue	1,058	1,135	2,193	1,267	1,512	4,973	1,989	1,295	✓ 3,284	159	✓ 1,091
	Gross Profit	574	507	1,081	773	1,095	2,951	1,446	753	✓ 2,200	246	✓ 1,118
	Segment income	198	112	310	259	610	1,180	933	259	✓ 1,193	147	✓ 882
Public Management Consulting Business	Revenue	108	92	201	62	82	346	90	92	✓ 182	0	✓ (18)
	Gross Profit	54	49	103	40	46	189	48	46	95	(2)	(7)
	Segment income	8	3	12	(13)	(13)	(14)	(7)	(10)	(17)	(13)	(30)
Entertainment Service Business	Revenue	1,181	997	2,179	1,073	1,033	4,285	713	498	✓ 1,211	(499)	✓ (967)
	Gross Profit	301	187	489	287	198	975	134	13	✓ 148	(173)	✓ (340)
	Segment income	36	(61)	(25)	31	(40)	(34)	(18)	(140)	✓ (158)	(78)	✓ (132)
Adjustment (Elimination of transactions among segments and corporate expenses)	Revenue	(76)	(76)	(153)	(75)	(75)	(303)	(77)	(71)	(148)	5	4
	Gross Profit	(32)	(32)	(64)	(30)	(31)	(126)	(32)	(30)	(62)	1	1
	Segment income	(180)	(156)	(337)	(87)	(118)	(543)	(187)	(183)	(371)	(27)	(33)
Amount Booked on Consolidated Statement of Income	Revenue	2,272	2,148	4,421	2,328	2,552	9,301	2,716	1,814	4,530	(334)	109
	Gross Profit	897	712	1,609	1,071	1,309	3,990	1,597	783	2,381	71	772
	Operating income	62	(102)	(39)	190	437	587	720	(74)	645	28	685
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		Exclusion of RBJ, from scope of consolidation		

1. Revenue for each segment includes intersegment revenue and transfers.
2. The ¥(371) million operating income for the first two quarters of fiscal 2023, under adjustment, includes intersegment elimination (¥114 million in the first two quarters of fiscal 2023) as well as corporate expenses (¥(485) 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

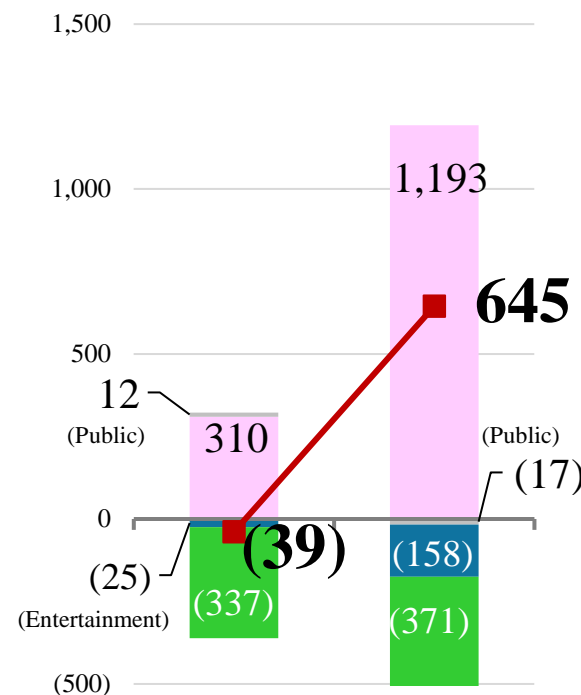
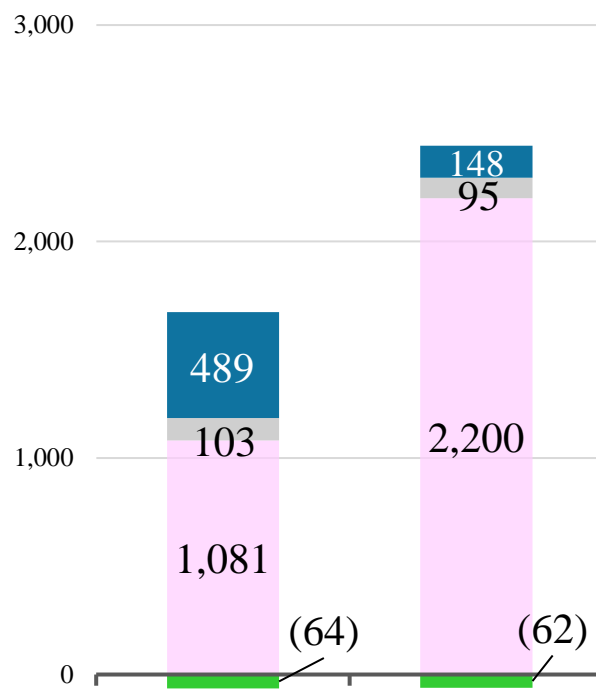
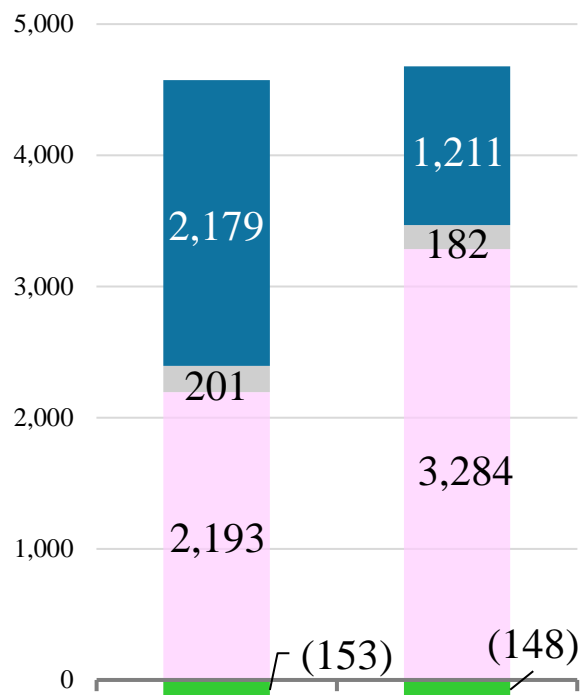
Gross Profit

Operating Income

(Millions of yen)

(Millions of yen)

(Millions of yen)



FY2022
Q2 YTD

FY2023
Q2 YTD

FY2022
Q2 YTD

FY2023
Q2 YTD

FY2022
Q2 YTD

FY2023
Q2 YTD

4,421

4,530

1,609

2,381

645

Up ¥109 million, or 2.5%

Up ¥772 million, or 48.0%

Up ¥685 million

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

Huge increase, owing to higher earnings from private equity operations connected to business succession projects. Favorable results continue in aircraft asset management business.

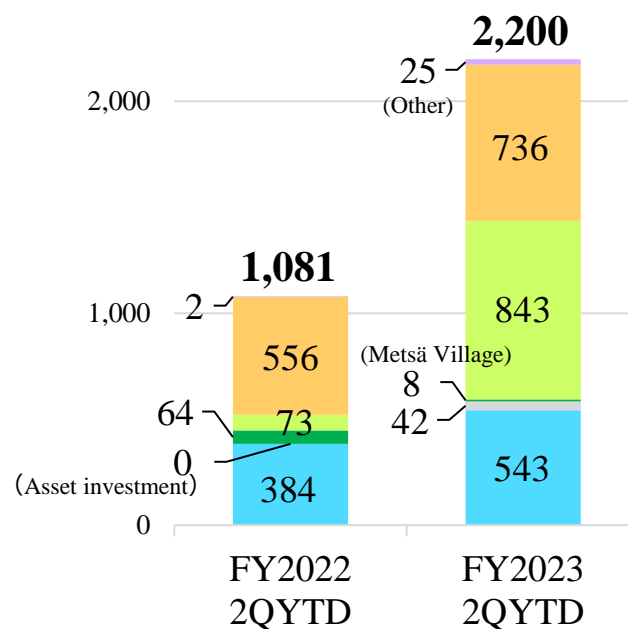
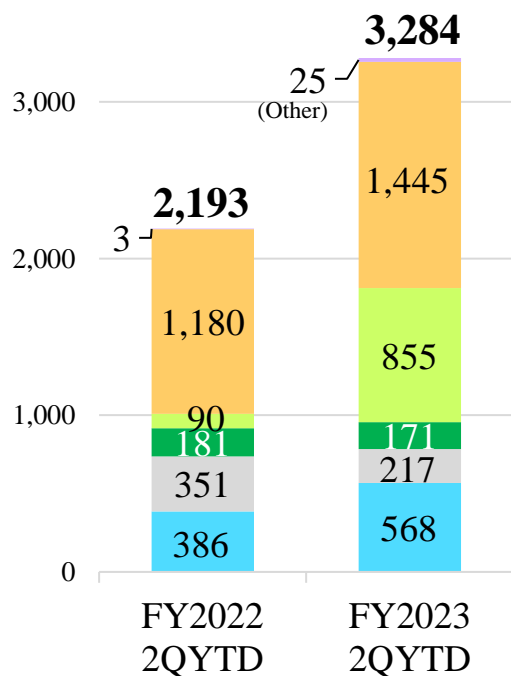
- **Arrangement services, private equity investment:** Booked revenues through investment exits on business succession projects formed in fiscal 2022. Also recorded revenues, including upfront fees, on new arrangement transaction services for business succession projects, and capitalized on new investment opportunities.
- **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.

Revenues

Gross Profit

(Millions of yen)

(Millions of yen)



- Other
- Aircraft asset management
- Private equity investment
- Metsä Village
- Asset investment
- Arrangements, asset management, real-estate brokerage and other services

Note: Intersegment transactions use non-eliminated values.

Up ¥1,091 million, or 49.8%

Up ¥1,118 million, or 103.4%

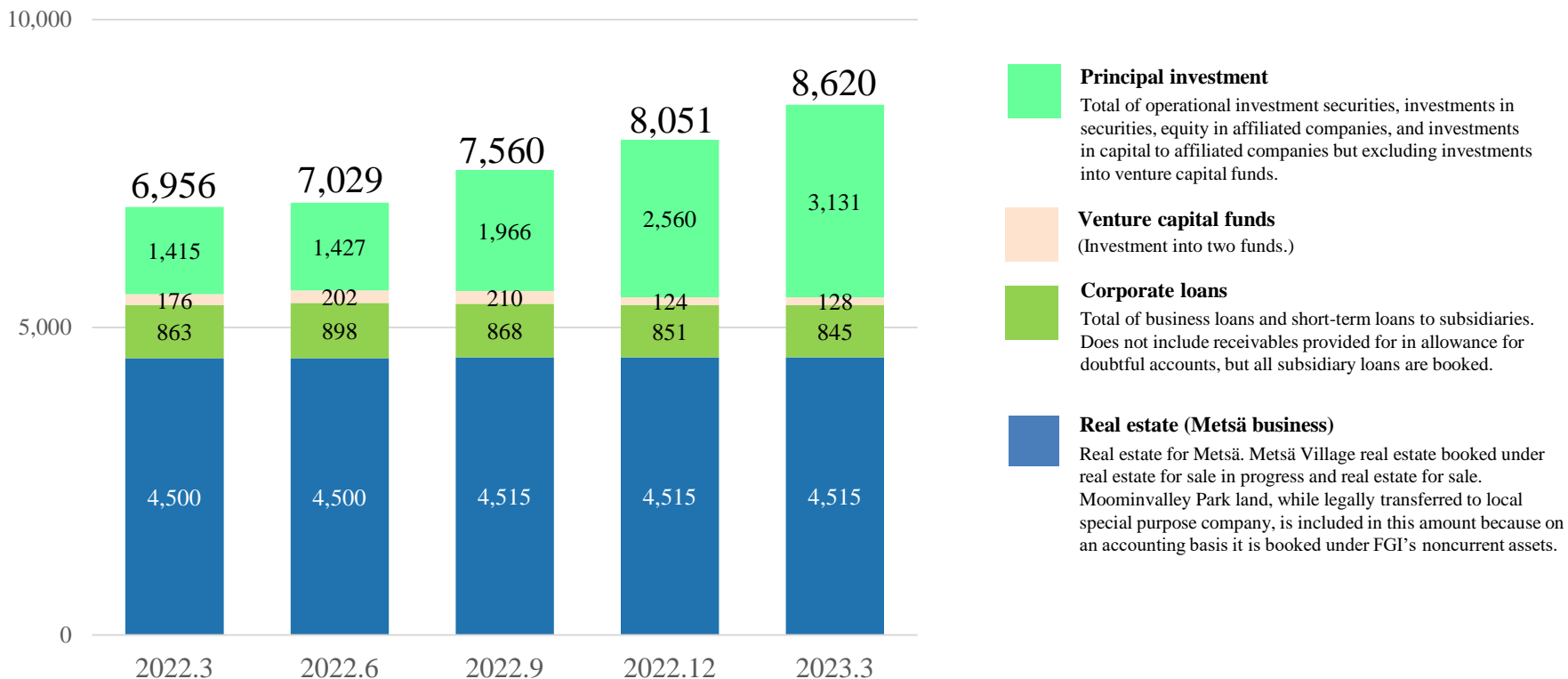
Trends in Balance of Investments and Loans

Despite allocation from acquisition funds for business succession projects, balance of investments and loans grew 7.1% from end of first quarter, to ¥8.5 billion, owing to new investment into several projects.

- 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)

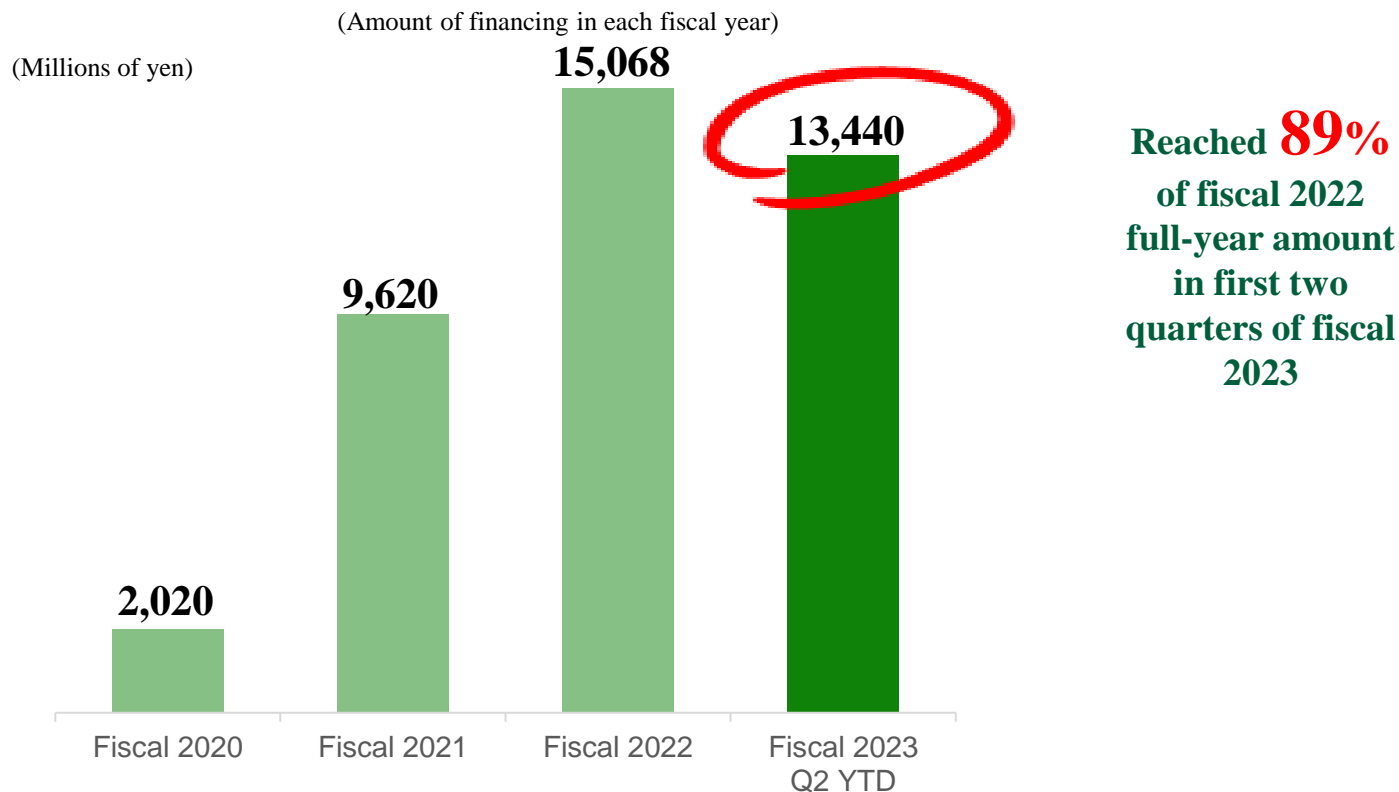


Amount of Investment into Business Succession Projects

Fund procurement (≡ investment) for acquisition funds amounted to ¥13.4 billion in first two quarters of fiscal 2023. Reached 89% of fiscal 2022 full-year amount. High level of investment will continue.

- Fund procurement, mainly capital contributions from FGI and loans from financial institutions, for acquisition funds formed to invest in business succession projects is growing year by year. Amount raised during first two quarters of fiscal 2023 was ¥13.4 billion, reaching 89% of fiscal 2022 full-year amount.
- Planning to exit these investments from third quarter onward.
- 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

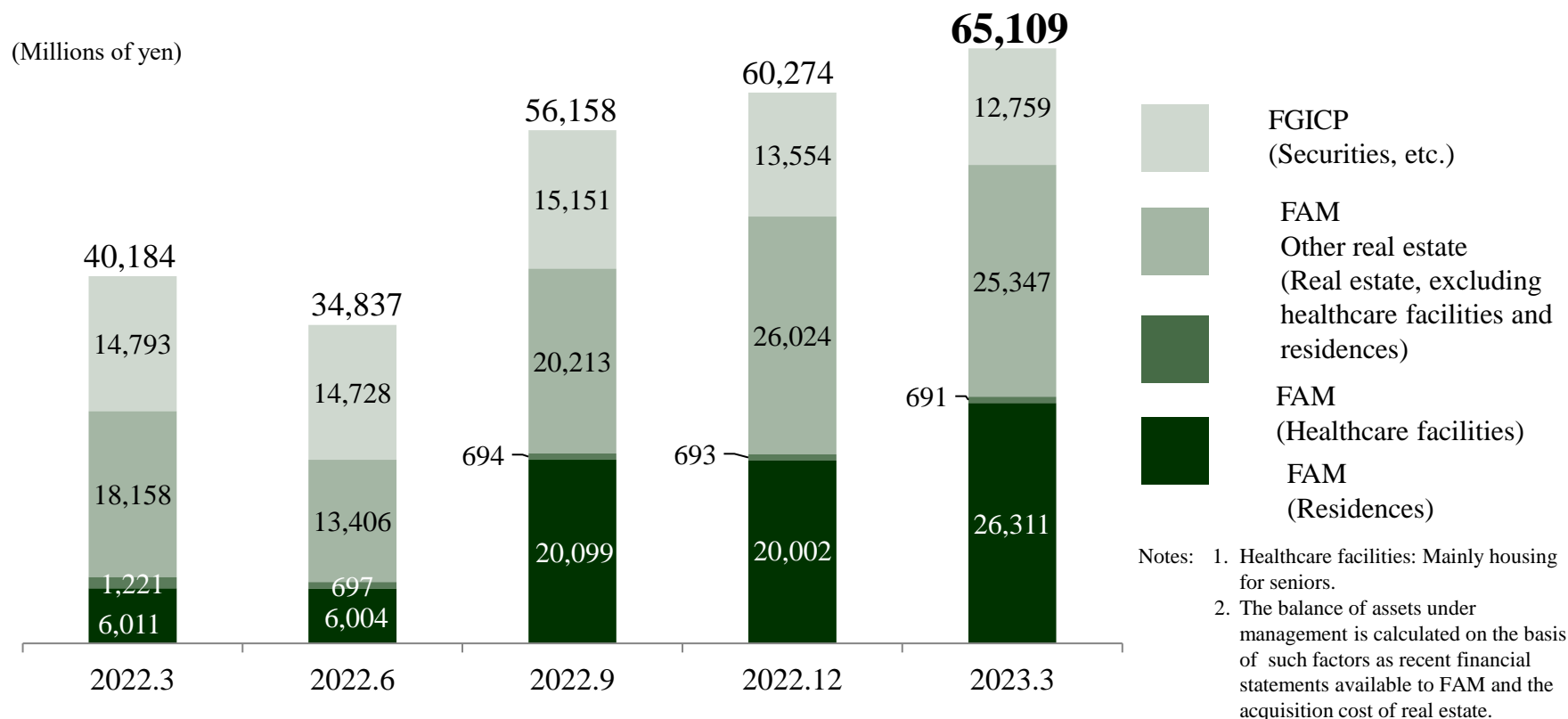


Changes in Assets under Management

Marked increase in assets entrusted for residence and logistics facility investment by overseas investors. Balance of assets under management reached ¥65.1 billion, up 15.9% over September 30, 2022.

Separate from above, client assets under investment advisory contracts amounted to ¥104.1 billion (for FGICP, up ¥12.3 billion from September 30, 2022).

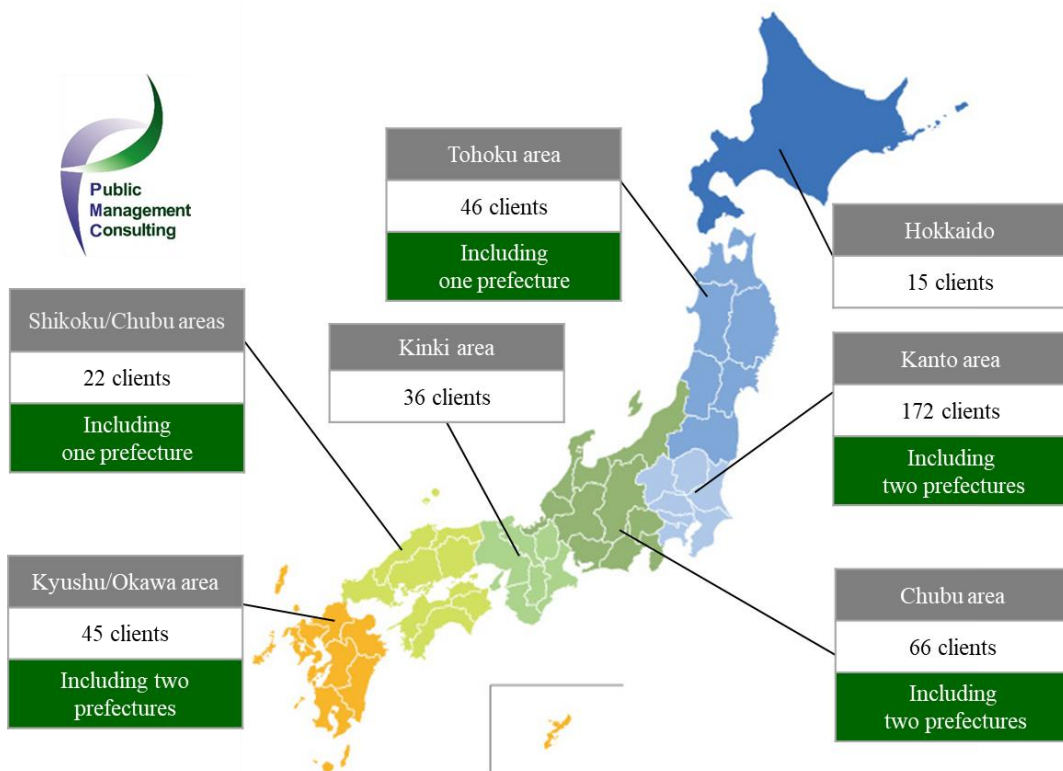
(Assets of clients primarily solar power generation systems.)



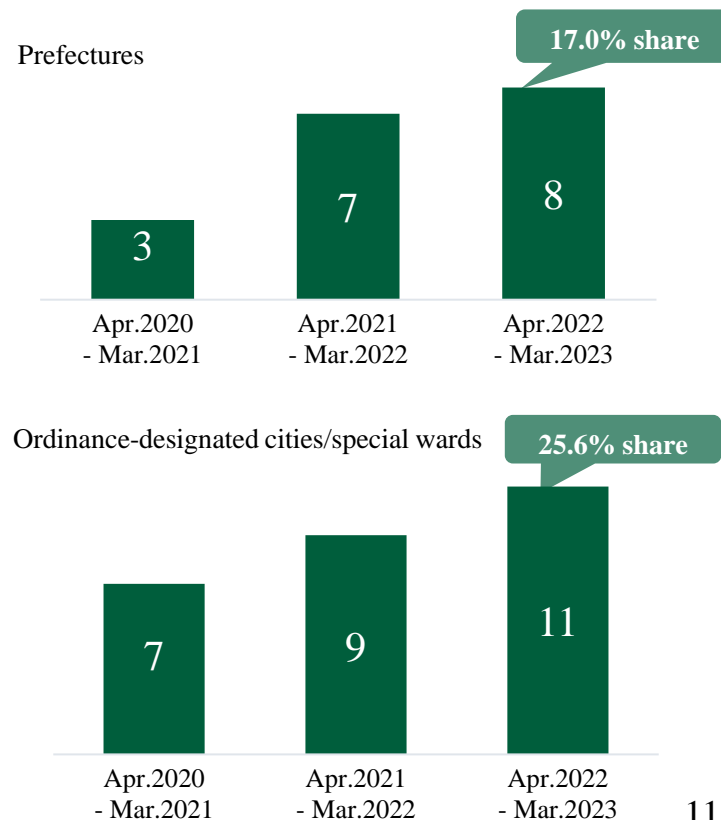
Aggregate client contracts, primarily with local public entities, reached 402. Expanded services to support preparation of financial documents for large local governments

- Emphasizing public accounting perspective, subsidiary PMC is focuses on support for drafting/reviewing general management plans for public facilities and offers management and financial consultations. Up to March 31, 2023, the company had provided services to a total of 402 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. For fiscal 2024, which began in April 2023, PMC has been newly contract by one prefectural government.

Aggregate client contracts, primarily with local public entities (As of March 31,2023)



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



Exploring New Solutions to Regional Issues

Considering financial resources creation support for local governments

- Local government finances under increasing pressure, particularly because collected taxes shrinking along with population, social security burden becoming heavier, and aging public facilities requiring upgrades.
- Facilitated by Group capabilities, FGI has approached local governments in the past regarding finances, offering public accounting support and advice on asset utilization, but management is considering a fresh approach to raise the sustainability of regional finances by which local governments can create financial resources while addressing social issues.

Approach to raise sustainability of local finances

Accounting/finance consultation

(Local public entities)

- Support preparation of financial documents
- Support public facility management
- Support money management

(Local public enterprises)

- Support application of Public Enterprise Act
- Support creation of management strategies



Asset utilization consultations

Public asset utilization plans

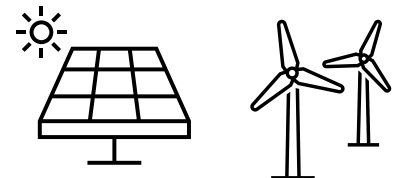
- Support commercialization of assets
- Support facility upgrade plans



Financial resources creation

Support “earning” governments

- Sale of electricity generated by renewable energy



Collaborate

L P R C
Local Public accounting Research Center

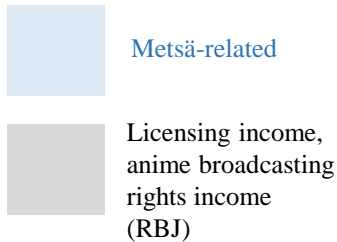
Local Public
accounting Research
Center

Entertainment Service Business Results

Despite higher revenues from Metsä operations, segment posted lower revenues and lower income due to exclusion of Rights and Brands Japan from scope of consolidation.

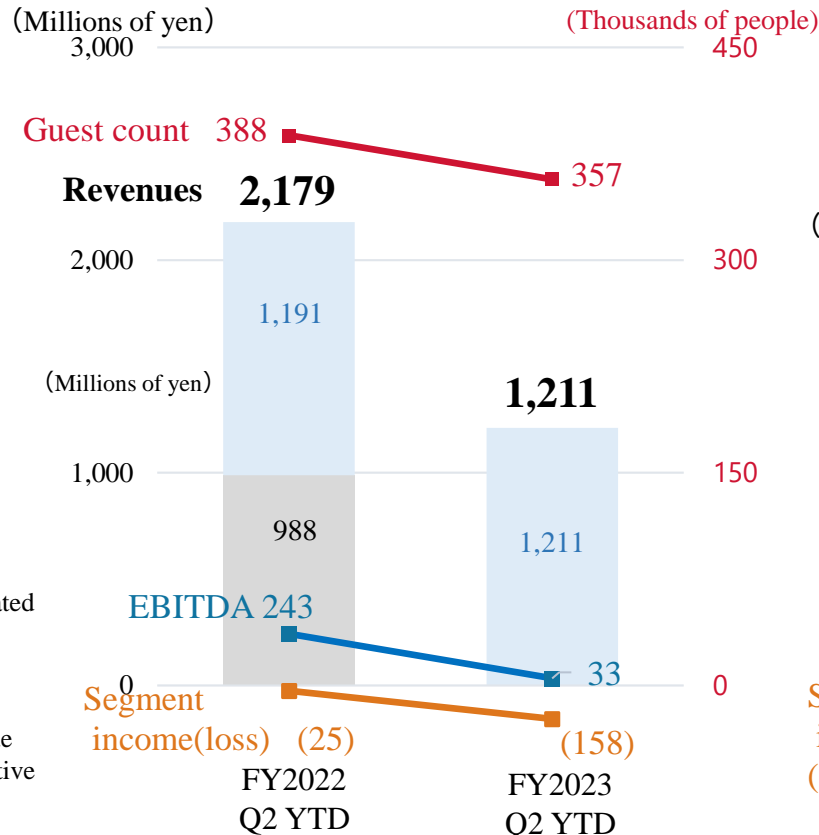
- Many bad-weather weekends and statutory holidays in November and March, months that typically bring good crowds to Metsä, leading to 8.1% drop in number of guests compared with first two quarters of fiscal 2022.
- Metsä-related revenues up, thanks to successful events and sale of merchandise through e-commerce site.
- Metsä-related expenses decreased year-on-year, thanks to reduced fixed expenses following remodeling work in December 2022.
- No licensing-related revenue recorded by segment due to exclusion of Rights and Brands Japan from scope of consolidation (changed to equity-method affiliate), with investment income based on equity stake booked under non-operating income.

Revenues

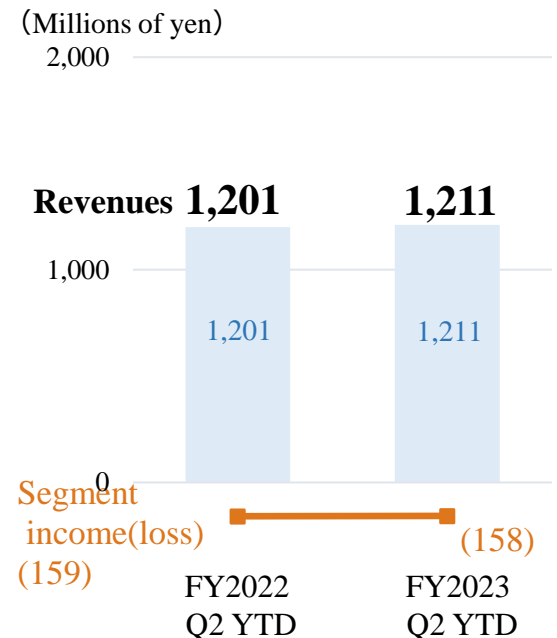


Notes:

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.

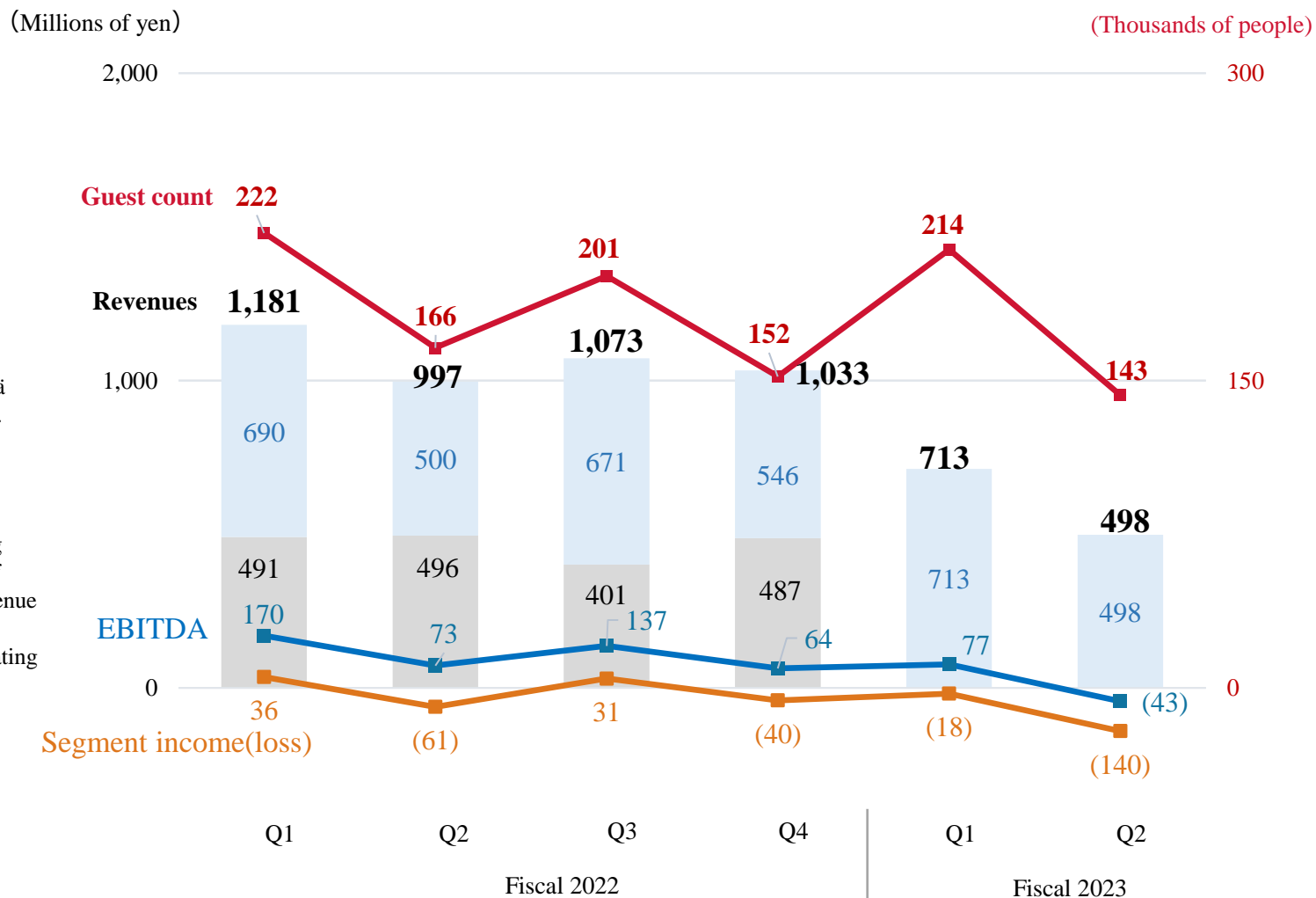
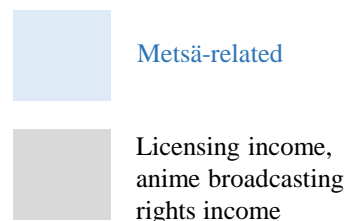


Reference: Revenue status if Rights and Brands Japan contribution excluded from revenues in first two quarters of previous fiscal year



Changes in Entertainment Service Business Results (Quarterly)

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.

Post-COVID Management Strategy for Metsä

Capitalize on real recovery in leisure and amusement demand, boost profitability

Metsä Village



Provide activities, experiences and flavors in abundant natural surroundings evoking Northern Europe

Update Metsä parking fees (April 1)

- Charge parking fee on weekdays

Enhance outdoor operations

- Open BBQ terrace (April 29)

Strengthen events

- Events that utilize natural surroundings
- Market that showcases local products
- Off-leash area where pets can run around

Review tenant strategy

- Review rent structure
- Rethink tenant composition

Moominvalley Park



Promote transformation into park where Moomins—the Northern European brand—create a palpable sense of well-being

Key marketing strategies

1. Utilize abundant natural surroundings and recognition value of Moomins—the Northern European brand—to **thoroughly distinguish Moominvalley Park from other theme parks and leisure facilities.**
2. Collaborate with RJ and **strengthen profitability from non-park activities.**
3. Undertake renovations/remodeling geared to families with children—a major target group.
4. Integrate marketing activities under RBJ and run public relations and customer relationship management programs together.

Specific measures

- Set up educational workshops (Hemulen's Academy)
- [Limited time] opening of Moominvalley Playground, a Bornelund-supervised indoor setup with three areas where children can play as well as learn. The plan is to remodel the playground twice after summer, with different installations each time.
- Introduce sponsored marketing and social marketing in cooperation with local governments
- Revise ticket prices.

Moominvalley Park Events

■ Remodeled Kokemus Exhibition Facility

Moominvalley Playground, set up in a partially remodeled space on the third floor of the KOKEMUS Exhibition Facility (time-limited event running from April 28).

Introduce Bornelund-supervised Northern European educational program for children as well as adults to experience a real sense of well-being through activity, regardless of the weather outside.



Oshun Oxta's ball pool



Empty track in Moominvalley



Moran's Rolling Wheel

■ Moominvalley and Umbrella

This annual event marks is now in its fourth year, filling up the area above the path with colorful umbrellas.

A new take on Umbrella Sky in 2023 is the use of aurora-colored material in the umbrellas, which creates a beautiful sight in the sunshine, along with rainbow-hued bubbles floating in the air. The event runs from April 28 through July 2.



Event details at the following website:

<https://metsa-hanno.com/en/event/25743/>

Event details at the following website:
<https://metsa-hanno.com/en/event/26023/>

Consolidated Balance Sheets

(Thousands of yen)

Assets	Fiscal 2022	Fiscal 2023 First Two Quarters	Change
Current assets	11,022,806	11,240,986	218,180
Cash and time deposits	2,375,927	1,747,229	(628,697)
1 Accounts receivable, trade, and contract assets	1,113,702	1,073,142	(40,560)
2 Operational investment securities	2,482,469	3,303,117	820,648
Loans receivable, trade	371,665	353,265	(18,400)
Real estate for sale	4,057,167	4,057,167	—
Merchandise	133,602	134,539	937
Other	593,045	677,494	84,449
Allowance for doubtful accounts	(104,772)	(104,969)	(196)
Noncurrent assets	6,910,204	7,100,500	190,295
Property, plant and equipment	5,878,784	5,704,807	(173,977)
3 Intangible fixed assets	632,501	147,054	(485,447)
4 Investments and other assets	398,918	1,248,638	849,719
Total assets	17,933,011	18,341,487	408,475

1 Despite absence of accounts receivable from licensing income due to exclusion of Rights and Brands Japan (RBJ) from scope of consolidation, amount from public management consulting business was up, keeping accounts receivable, trade, and contract assets around fiscal 2022 level.

2 Increased with new investments and improved value of funds associated with business succession projects reaching exit stage.

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

4 Increased, mainly due to changes in scope of consolidation—RBJ removed (became equity-method affiliate) and Trinity Japan co., Ltd. added.

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

6 Decreased due to exclusion of RBJ from scope of consolidation.

7 Decreased due to repayment of borrowing by SPC forming small-lot real estate products and transfer to current portion of long-term debt.

8 With approval at December 2022 General Meeting of Shareholders, reduced capital and covered deficit.

Liabilities	Fiscal 2022	Fiscal 2023 First Two Quarters	Change
Current liabilities	2,587,825	2,640,922	53,096
5 Accounts payable, trade	248,274	448,887	200,613
Short-term loans payable	—	52,500	52,500
6 Current portion of long-term loans payable	529,252	756,067	226,815
Income taxes payable	133,150	116,079	(17,070)
Lease obligations	260,095	256,075	(4,019)
Accrued employee bonuses	191,888	179,888	(12,000)
Other	1,225,164	831,423	(393,741)
Noncurrent liabilities	7,502,492	7,449,010	(53,482)
7 Long-term loans payable	7,184,342	6,849,561	(334,780)
Lease obligations	158,022	73,555	(84,467)
Deferred tax liabilities	19,737	106,460	86,723
Net defined benefit liability	110,067	119,370	9,302
Other	30,322	300,062	269,739
Total liabilities	10,090,317	10,089,932	(385)

Net Assets

Shareholders' equity	6,524,040	7,001,949	477,908
8 Common stock	6,471,266	5,372,574	(1,098,692)
Additional paid-in capital	4,996,716	960,465	(4,036,250)
Retained earnings	(4,943,941)	668,910	5,612,851
Treasury shares	(0)	(0)	—
Accumulated other comprehensive income	61,839	78,499	16,660
Stock acquisition rights	56,359	74,387	18,027
9 Non-controlling interests	1,200,454	1,096,717	(103,736)
Total net assets	7,842,693	8,251,554	408,860
Total liabilities and net assets	17,933,011	18,341,487	408,475

9 Down despite Trinity Japan coming under consolidation because RBJ removed from consolidation.

Consolidated Statement of Income

		Fiscal 2022 First Two Quarters	Ratio to Revenues	Fiscal 2023 First Two Quarters	Ratio to Revenues	(Thousands of yen)	
						YoY Change Amount	YoY Change Ratio
Revenues	1	4,421,191	100.0%	4,530,710	100.0%	109,518	2.5%
Cost of revenues	2	2,811,670	63.6%	2,149,152	47.4%	(662,518)	(23.6)%
Gross profit		1,609,521	36.4%	2,381,557	52.6%	772,036	48.0%
Selling, general and administrative expenses	3	1,649,476	37.3%	1,735,569	38.3%	86,093	5.2%
Operating income/(loss)		(39,955)	(0.9)%	645,988	14.3%	685,943	—
Other income		58,957	1.3%	71,852	1.6%	12,895	21.9%
Other expenses		70,804	1.6%	89,460	2.0%	18,655	26.3%
Ordinary profit/(loss)		(51,802)	(1.2)%	628,380	13.9%	680,183	—
Extraordinary profit		15,691	0.4%	190,394	4.2%	174,703	1,113.4%
Extraordinary loss		1,362	0.0%	32,369	0.7%	31,006	2,276.2%
Income before income taxes		(37,473)	(0.8)%	786,406	17.4%	823,879	—
Income taxes		42,909	1.0%	146,439	3.2%	103,529	241.3%
Profit /(loss)		(80,383)	(1.8)%	639,967	14.1%	720,350	—
Profit attributable to non-controlling interests		122,724	2.8%	162,534	3.6%	39,810	32.4%
Profit /(loss) attributable to owners of parent		(203,107)	(4.6)%	477,432	10.5%	680,540	—

1 Despite exclusion of RBJ from scope of consolidation, revenues increase reflects contributions from business succession projects in private equity business and aircraft asset management services.

2 Decreased, mainly due to exclusion of RBJ from scope of consolidation. Cost to sales ratio dropped 16.2 points over corresponding period a year ago, to 47.4%

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 5.2% over corresponding quarter a year ago.

4 Booked investment income of ¥41 million through equity method.

5 Booked ¥190 million in gain on negative goodwill from turning Trinity Japan co., Ltd., into a consolidated subsidiary.

Consolidated Statement of Cash Flows

(Thousands of yen)

	Fiscal 2022 First Two Quarters	Fiscal 2023 First Two Quarters	Change
Cash flows from operating activities	293,113	(194,935)	(488,048)
Income/(Loss) before income taxes	(37,473)	786,406	823,879
Depreciation and amortization	292,514	223,345	(69,169)
Interest expenses	59,120	64,973	5,852
Gain on bargain purchase	—	(190,025)	(190,025)
(Increase)/Decrease in accounts receivable, trade	(494,203)	(151,812)	342,391
(Increase)/Decrease in operational investment securities	293,375	(782,809)	(1,076,185)
(Increase)/Decrease in loans receivable, trade	36,850	18,400	(18,450)
(Increase)/Decrease in inventories	81,902	(46,089)	(127,991)
Increase/(Decrease) in accounts payable, trade	240,342	202,176	(38,165)
Other	(179,315)	(319,498)	(140,183)
Cash flows from investing activities	(84,771)	77,634	162,406
Purchase of property, plant and equipment	(73,866)	(57,488)	16,377
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	—	280,137	280,137
Purchase of shares of subsidiaries and associates	—	(138,043)	(138,043)
Other	(10,905)	(6,971)	3,933

	Fiscal 2022 First Two Quarters	Fiscal 2023 First Two Quarters	Change
Cash flows from financing activities	(311,757)	(163,092)	148,665
(Increase)/Decrease in short-term loans payable, net	(98,000)	52,500	150,500
Proceeds from long-term loans payable	20,550	219,500	198,950
Repayments of long-term loans payable	(21,368)	(227,465)	(206,097)
Dividends paid to non-controlling interests	(99,011)	(109,912)	(10,900)
Repayments of finance lease obligations	(114,198)	(98,001)	16,197
Other	270	286	16
Effect of exchange rate change on cash and cash equivalents	(2,006)	(3,772)	(1,766)
Net increase/(decrease) in cash and cash equivalents	(105,422)	(284,165)	(178,742)
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	—	(394,532)	(394,532)
Cash and cash equivalents at the end of the period	2,273,808	1,697,229	(576,578)

- 1** Operational investment securities increased due to investment in business succession projects. Showed cash flows used in operating activities.
- 2** Brought in cash from Trinity Japan co., Ltd., by turning that company into consolidated subsidiary.
- 3** Decreased because Rights and Brands Japan Co., Ltd., excluded from scope of consolidation.

Changes in Key Financial Data

		Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	First Two Quarters Fiscal 2023
Revenues	(millions of yen)	3,689	9,175	6,841	8,107	9,301	4,530
Gross profit	(millions of yen)	2,261	2,944	2,313	3,370	3,990	2,381
Operating income/(loss)	(millions of yen)	(1,072)	(1,664)	(992)	178	587	645
Ordinary profit (loss)	(millions of yen)	(1,227)	(1,850)	(1,135)	115	540	628
Profit /(loss) attributable to owners of parent	(millions of yen)	(820)	(1,586)	(1,186)	130	176	477
Net assets	(millions of yen)	8,551	8,873	7,304	7,439	7,842	8,251
Total assets	(millions of yen)	14,016	19,025	16,583	16,457	17,933	18,341
Net assets per share	(yen)	39.31	37.03	31.12	31.47	32.72	35.17
Net income (loss) per share	(yen)	(4.79)	(8.08)	(5.90)	0.65	0.88	2.37
Diluted net income (loss) per share	(yen)	—	—	—	0.65	0.87	2.36
Equity to total asset ratio	(%)	52.2	39.1	37.7	38.5	36.7	38.6
Equity to net income ratio	(%)	(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)	(2,978)	(2,604)	680	747	(701)	(194)
Cash flow from investing activities	(millions of yen)	(2,008)	(4,543)	(282)	(173)	(141)	77
Cash flow from financing activities	(millions of yen)	5,771	5,710	(767)	(360)	802	(163)
Cash and cash equivalents at the end of the fiscal year	(millions of yen)	3,847	2,513	2,142	2,379	2,375	1,697
Number of employees(consolidated)(part-time employees)	(employees)	156(42)	167(262)	156(224)	149(209)	176(144)	150(167)
Number of employees(non-consolidated)(part-time employees)	(employees)	38(5)	39(5)	28(6)	28(4)	30(4)	27(5)

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 March 31, 2023)
Minimum trading unit	100
Capital stock	¥5,372 million (As of March 31, 2023)
Net assets (consolidated)	¥8,251 million (As of March 31, 2023)
Number of employees	Consolidated: 150 (As of March 31, 2023, excludes temporary staff)

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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.