FGI FinTech Global Incorporated

The firm of innovative financing

Results for First Two Quarters of Fiscal 2024, ending September 30, 2024

May 2024

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

Index

Summary

Investment banking business, especially services related to business succession, continued to grow, fueling steady increases in revenues and income. Upwardly revised full-year performance forecast.

Demand for business succession solution services remained high

- Formation of new business succession projects and investment exits shifted into high gear.
- Investment into acquisition fund to facilitate business succession projects totaled ¥33.0 billion over first two quarters. Already at 246% of full-year amount in previous fiscal year.

Balance of assets under management reached ¥151.9 billion, up 13.3% from the end of the first quarter

- Increase in balance of assets under management reflects management of assets invested in residences by overseas institutional investors.

Favorable aircraft asset management activity continued, with revenues jumping 32.5%

Metsä guest count decreased but higher spending per guest and lower costs led to improvement in loss position

- Guest count was down 5.3% compared with corresponding first two-quarter total a year ago, but extended time spent on site to enjoy evening events and a review in prices translated into higher spending per guest.
- Segment revenues were on a year-on-year par. Progress in reducing costs contributed to a lighter shade of operating red.
- Began upgrades to existing facilities through new investment as well as introduction of new permanent contents.

Upwardly revised full-year performance forecast

- Driven by favorable demand for business succession solution services, upwardly revised revenues by ¥1.4 billion, operating income by ¥400 million, ordinary income by ¥400 million and profit attributable to owners of the parent by ¥200 million.

Repurchased treasury shares in second quarter, and set new parameters on May 10 for repurchase

- Repurchased treasury stock worth ¥150 million in second quarter.
- Set new acquisition parameters with upper limits of 1,650,000 shares and ¥150 million.

Consolidated Performance

(Millions of yen)

	Fiscal 2023 First Two Quarters	Fiscal 2024 First Two Quarters	YOY Change (Amount)	YOY Change (Percentage)
Revenues	4,530	6,555	+2,024	+44.7%
Gross profit	2,381	3,868	+1,487	+62.4%
Operating income	645	1,646	+1,000	+154.9%
Ordinary profit	628	1,588	+959	+152.7%
Profit attributable to owners of the parent	477	1,117	+640	+134.1%
EBITDA	880	1,888	+1,008	+114.5%
EPS (yen)	2.37	5.56	+3.19	–
ROE	14.0%	25.5%	+11.6 pt	–

EBITDA: Operating income + Depreciation costs and amortization of goodwill included in cost of revenue and selling, general and administrative expenses
ROE (annualized): Calculated by multiplying quarterly profit attributable to owners of the parent by two

Revenues

Solid increase in revenues, reflecting favorable demand for business succession solution services.
All other investment banking business services also generated higher revenues.

Gross profit

Gross profit was up as well, underpinned by increase in revenues from investment banking business services with high gross profit margin.

Operating income

Despite 28.0% year-on-year increase in selling, general and administrative expenses, mainly due to higher personnel costs and payment fees, the rise in gross profit buoyed operating income, ordinary profit and profit attributable to owners of the parent.

Revisions to Consolidated Performance Forecast (Announced May 10, 2024)

Upwardly revised full-year performance forecast given brisk progress on business succession projects

(Millions of yen)

	Fiscal 2024 Initial Forecast	Fiscal 2024 Revised Forecast	YOY Change Amount	YOY Change Percentage	Fiscal 2024 First Two Quarters Actual	First Two Quarters Progress toward Revised Forecast	Fiscal 2023 Actual
Revenues	10,000	11,400	+1,400	+14.0%	6,555	57.5%	9,302
Operating income	1,800	2,200	+400	+22.2%	1,646	74.8%	1,343
Ordinary profit	1,600	2,000	+400	+25.0%	1,588	79.4%	1,277
Profit attributable to owners of the parent	1,200	1,400	+200	+16.7%	1,117	79.8%	1,603

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

Quarterly Changes in Consolidated Performance

(Millions of yen)

	Fiscal 2023						Fiscal 2024			YOY Q2	YOY Q2 YTD
	Q1	Q2	First Two Quarters	Q3	Q4	Full year	Q1	Q2	First Two Quarters	¥ change % change	¥ change % change
Revenues	2,716	1,814	4,530	2,380	2,391	9,302	3,434	3,120	6,555	1,306 72.0%	2,024 44.7%
Gross profit	1,597	783	2,381	1,457	1,272	5,111	2,102	1,765	3,868	981 125.3%	1,487 62.4%
Operating income (loss)	720	(74)	645	496	201	1,343	976	670	1,646	744 –	1,000 154.9%
Ordinary profit (loss)	699	(71)	628	456	192	1,277	953	634	1,588	705 –	959 152.7%
Profit/(loss) attributable to owners of the parent	503	(25)	477	304	821	1,603	589	528	1,117	554 –	640 134.1%
EBITDA	836	44	880	612	318	1,811	1,095	793	1,888	749 1,698.2%	1,008 114.5%

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 marked favorable shift in all services, especially business succession solution services. Segment revenues leaped 61.9%, to ¥5,316 million. Selling, general and administrative expenses grew 29.6%, to ¥1,305 million, but segment income still soared 89.0%, to ¥2,254 million.
- Public management consulting business capitalized on increase in demand for public facilities management support services, posting higher revenues. Was able to reverse out of loss position into black.
- In entertainment service business, progress on shift toward profit structure based on cost reduction underpinned improvement in gross profit.

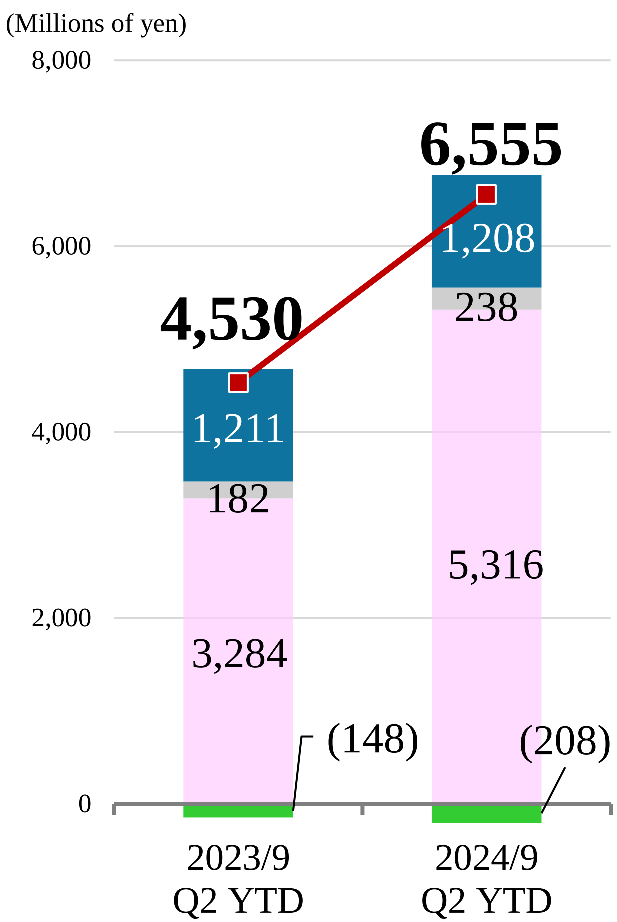
(Millions of yen)

Reporting Segments		Fiscal 2023						Fiscal 2024			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	1,989	1,295	3,284	1,796	1,837	6,919	2,673	2,642	5,316	1,347	2,031
	Gross Profit	1,446	753	2,200	1,340	1,200	4,742	1,857	1,703	3,560	949	1,359
	Segment income	933	259	1,193	755	555	2,504	1,191	1,063	2,254	803	1,061
Public Management Consulting Business	Revenue	90	92	182	65	119	367	119	119	238	27	55
	Gross Profit	48	46	95	41	74	211	73	75	148	28	53
	Segment income/(loss)	(7)	(10)	(17)	(24)	7	(34)	5	6	12	16	30
Entertainment Service Business	Revenue	713	498	1,211	584	515	2,311	713	494	1,208	(3)	(3)
	Gross Profit	134	13	148	110	46	305	210	52	262	38	114
	Segment income/(loss)	(18)	(140)	(158)	(66)	(139)	(364)	1	(143)	(142)	(3)	16
Adjustment (Elimination of transactions among segments and corporate expenses)	Revenue	(77)	(71)	(148)	(65)	(81)	(296)	(71)	(136)	(208)	(65)	(59)
	Gross Profit	(32)	(30)	(62)	(35)	(49)	(147)	(37)	(65)	(103)	(34)	(40)
	Segment income/(loss)	(187)	(183)	(371)	(168)	(223)	(762)	(222)	(255)	(478)	(71)	(107)
Amount Booked on Consolidated Statement of Income	Revenue	2,716	1,814	4,530	2,380	2,391	9,302	3,434	3,120	6,555	1,306	2,024
	Gross Profit	1,597	783	2,381	1,457	1,272	5,111	2,102	1,765	3,868	981	1,487
	Operating income/(loss)	720	(74)	645	496	201	1,343	976	670	1,646	744	1,000
Related issues		Eighth wave of COVID-19 RBJ excluded from scope of consolidation										

1. Revenue for each segment includes intersegment revenue and transfers.
2. The ¥(478) million operating income for the first two quarters of fiscal 2024, under adjustment, includes intersegment elimination (¥156 million in the first two quarters of fiscal 2024) as well as corporate expenses (¥(635) 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.

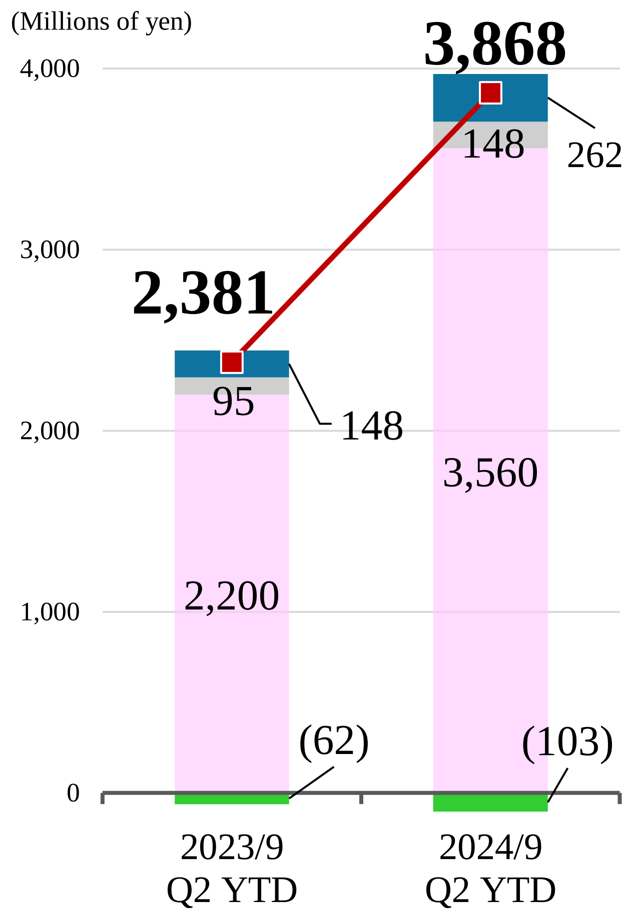
Business Summary by Segment (2)

Revenues



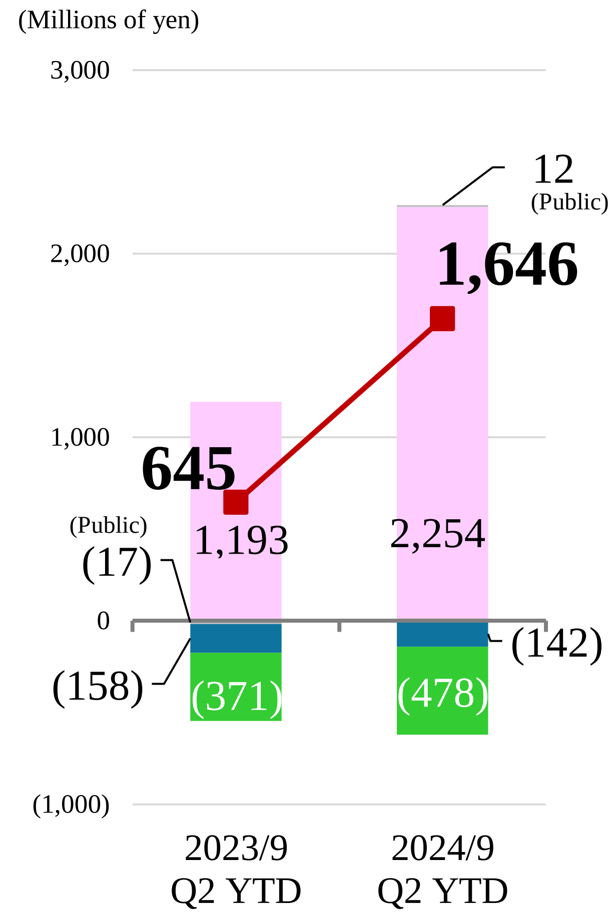
Up ¥2,024 million, or 44.7%

Gross Profit



Up ¥1,487 million, or 62.4%

Operating Income



Up ¥1,000 million, or 154.9%

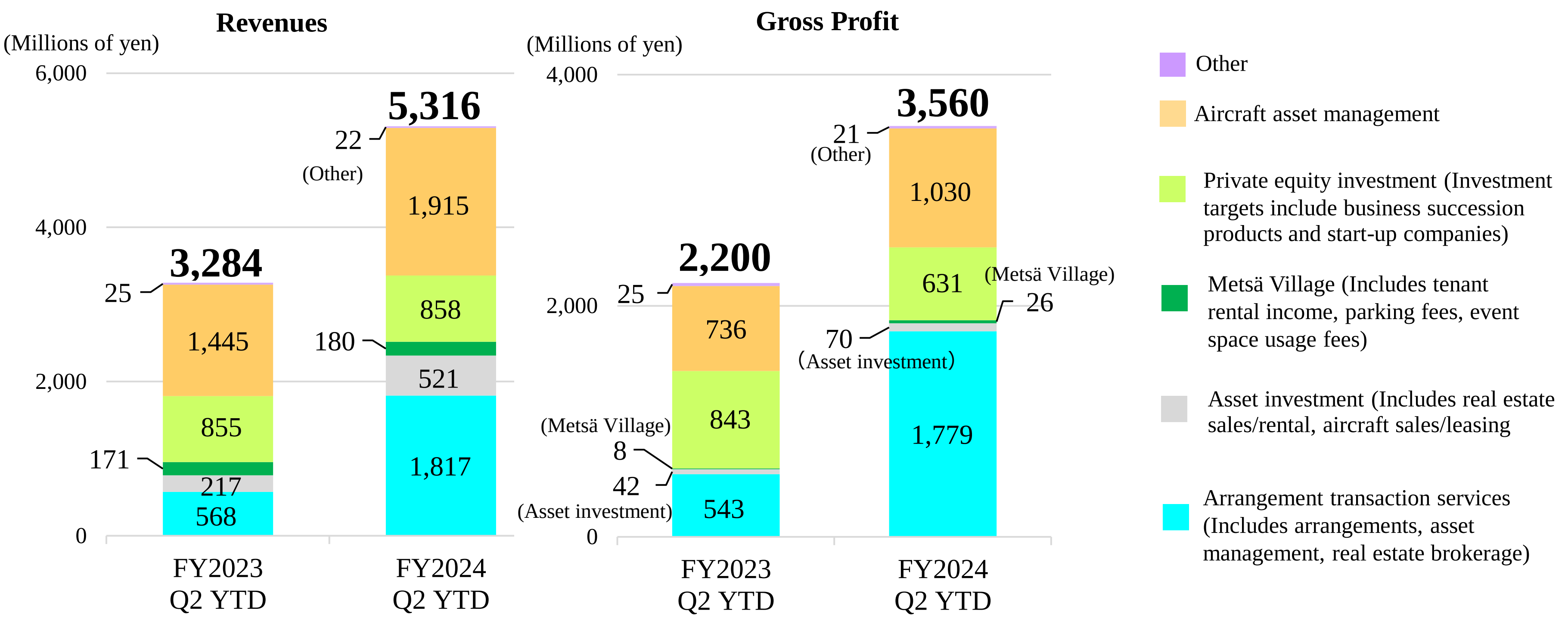
Note: Segment breakdown uses non-eliminated values.

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

Investment Banking Business—Revenues and gross profit by service

Brisk formation of business succession projects and favorable demand for aircraft asset management underpinned 61.9% increase in segment sales and 61.8% increase in gross profit

- **Arrangement transaction services:** Higher revenues, buoyed by upfront fees on various arrangements as well as management fees and performance fees during term.
- **Private equity investment:** Brisk progress in exit activity from acquisition fund investments, with some generating fee income on the books. Expect to recognize investment income in third quarter onward. Gross profit decreased due to impairment losses on start-up investment and other investment categories.
- **Asset investment**: Increase in sale of small-lot products utilizing real estate trust beneficiary rights. Also increase in revenue from aircraft operating lease and sales activities, which began in second quarter. Gross profit lackluster, reflecting accounting losses incurred on Metsä-related asset exchange between Group companies.
- **Aircraft asset management**: Subsidiary SGI enjoyed wider demand for technical services and aircraft registration services. Aircraft remarketing contracts also up. Subsidiary aviner brokered sales of leased engines owned by investors in Japan to investors overseas. Higher sales and income.



Up ¥2,031 million, or 61.9%

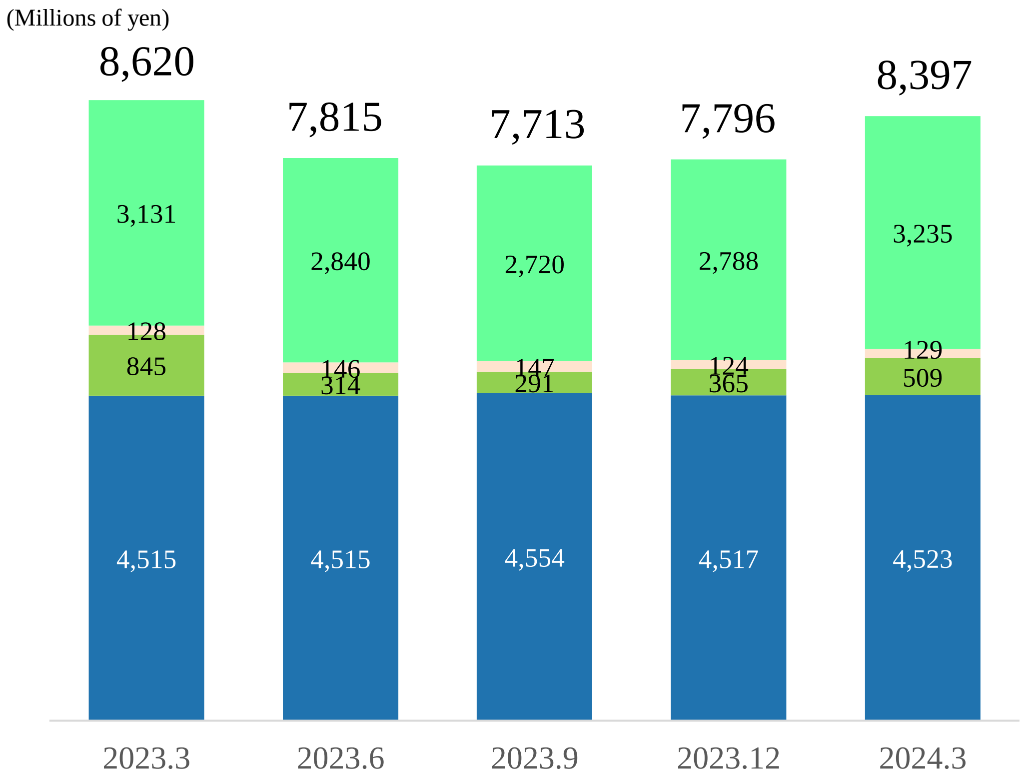
Up ¥1,359 million, or 61.8%

Note: Intersegment transactions use non-eliminated values.

Trends in Balance of Investments and Loans

Balance of investments and loans rose 7.7% from end of first quarter, reflecting new investments into business succession projects
(Factors of change in second quarter of fiscal 2024)
• Principle investment: Steady exit activity but additional increase in new investment opportunities.
Balance at end of second quarter grew ¥447 million over balance at end of first quarter.

Total Investments and Loans (including investments in subsidiaries)



Principal investment
(includes business succession projects)
Total of operational investment securities, investments in securities, equity in affiliated companies, and investments in capital to affiliated companies but excluding investments into venture capital funds.

Venture capital funds
(Investment into two funds.)

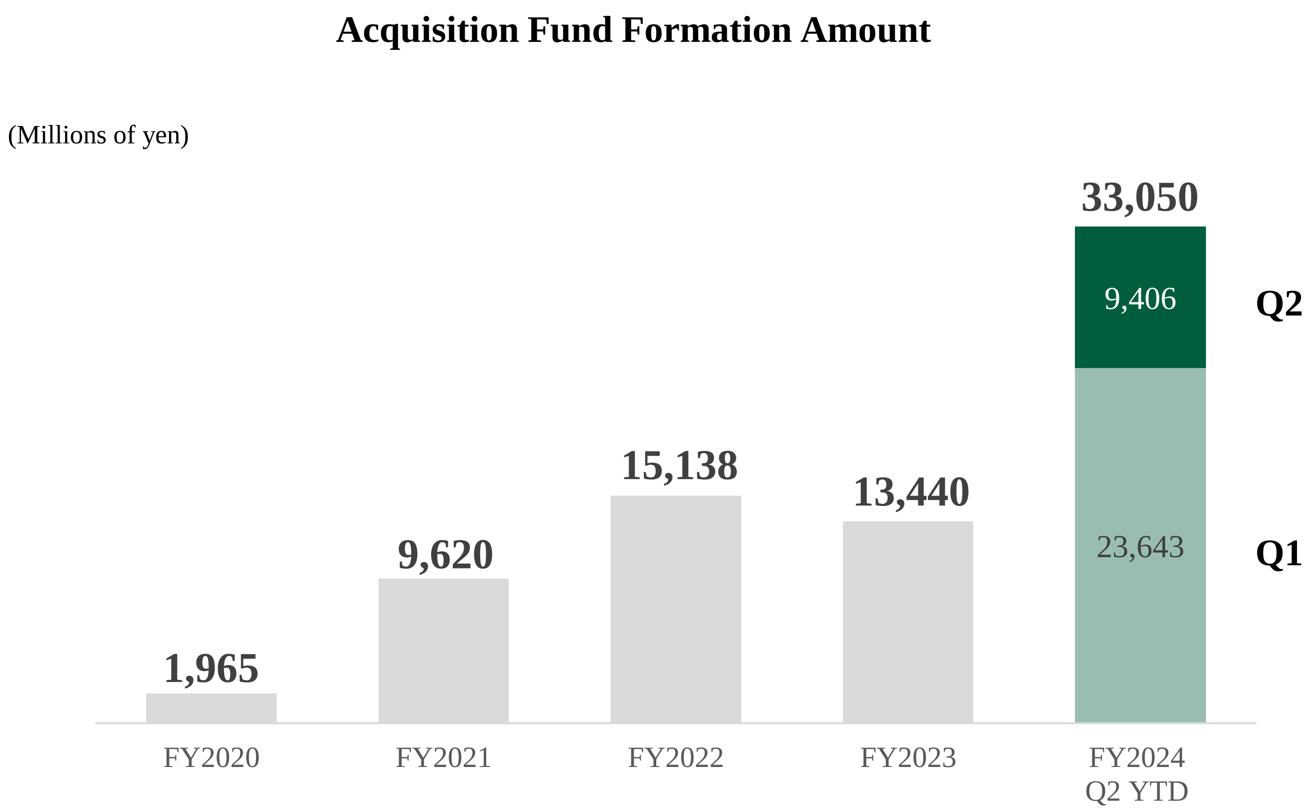
Corporate loans
Total of business loans and short-term loans to subsidiaries. Does not include receivables provided for in allowance for doubtful accounts, but all subsidiary loans are booked.

Real estate (Metsä business)
Real estate for Metsä. Metsä Village real estate booked under real estate for sale in progress and real estate for sale. Moominvalley Park land, while legally transferred to local special purpose company, is included in this amount because on an accounting basis it is booked under FGI's noncurrent assets.

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

Financing for Acquisition Funds to Facilitate Business Succession Projects

Aggregate acquisition fund formation amount (≒ investment amount) reached total of ¥33.0 billion in first two quarters of fiscal 2024, already 246% of full-year total in fiscal 2023.

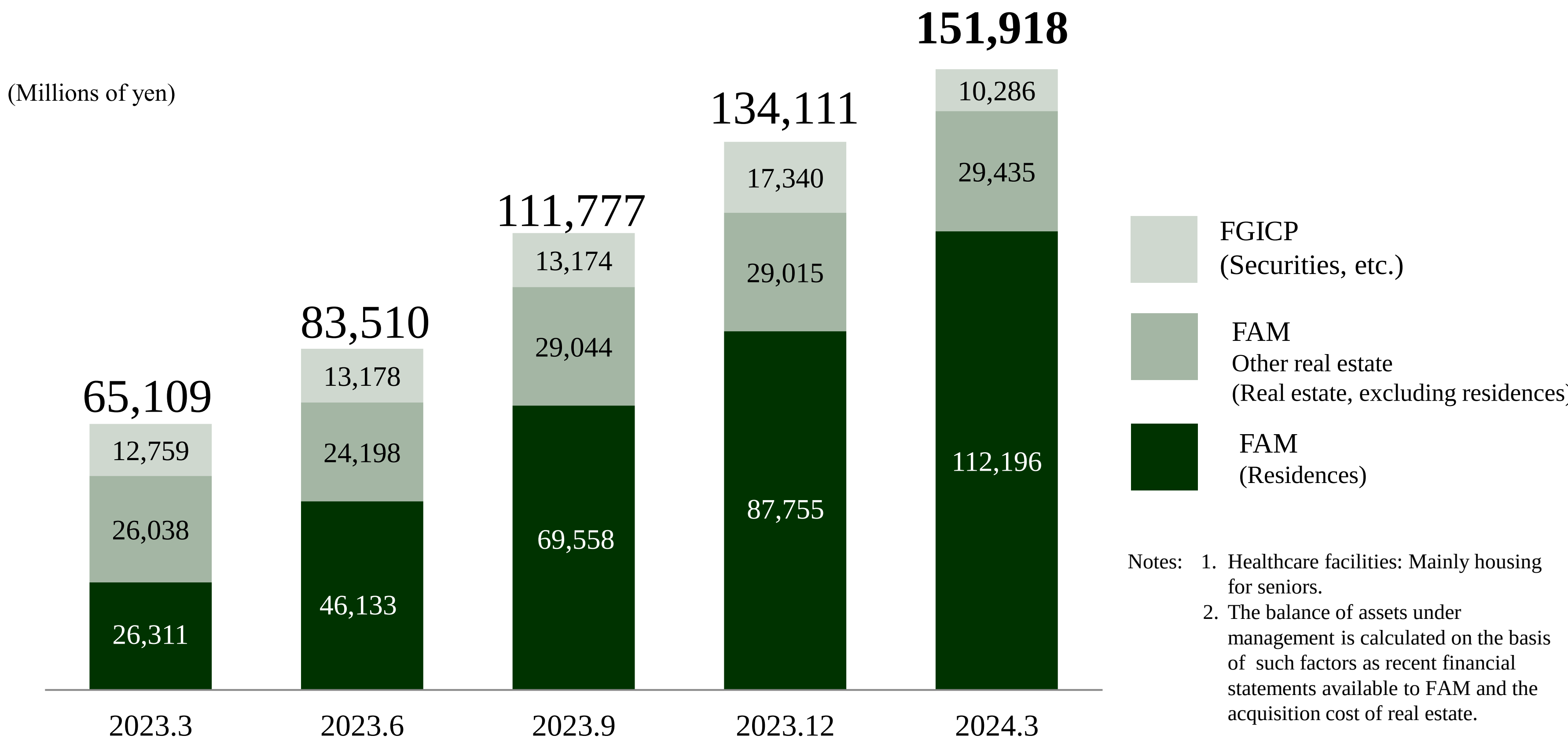


Changes in Assets under Management

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

Balance of assets entrusted for investment into residences grew 27.9% since the end of the first quarter of fiscal 2024, on December 31, 2023, to ¥112.1 billion, reflecting new contracts on projects arranged by overseas investors. Aggregate among under investment management by members of FGI Group hit ¥151.9 billion*, up 13.3% from end of previous quarter.

*The above balance is an aggregate amount comprising assets under investment management and investment advisory contracts with FAM and investment management contracts with FGICP.



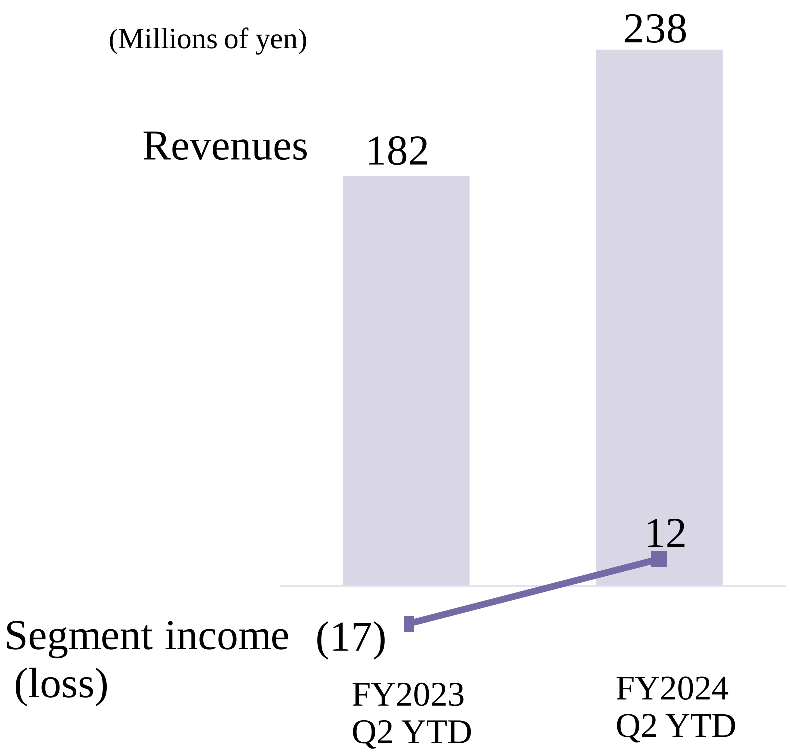
Notes:
1. Healthcare facilities: Mainly housing for seniors.
2. The balance of assets under management is calculated on the basis of such factors as recent financial statements available to FAM and the acquisition cost of real estate.

Public Management Consulting Business

Increase in inquiries for support in preparing separate facility plans based on general management plans for public facilities. Demand also up for services to support preparation of financial documents. Segment achieved 30.6% improvement in revenues and turned a profit.

- Higher demand for services to support separate facility plans that set out maintenance, management and upgrades on a facility basis as well as plans and research on ways to extend the service life of facilities, restructure and relocate.
- Number of organizations under contract for services to support preparation of financial documents continued to trend upwards, thanks to demand from large local governments for outsourcing services to prepare financial documents as well as awareness of the FGI Group's expertise. Added one client in the ordinance-designated cities and special zones category during the first half of fiscal 2024, and expect addition of one prefecture to client base in third quarter.

Segment Information

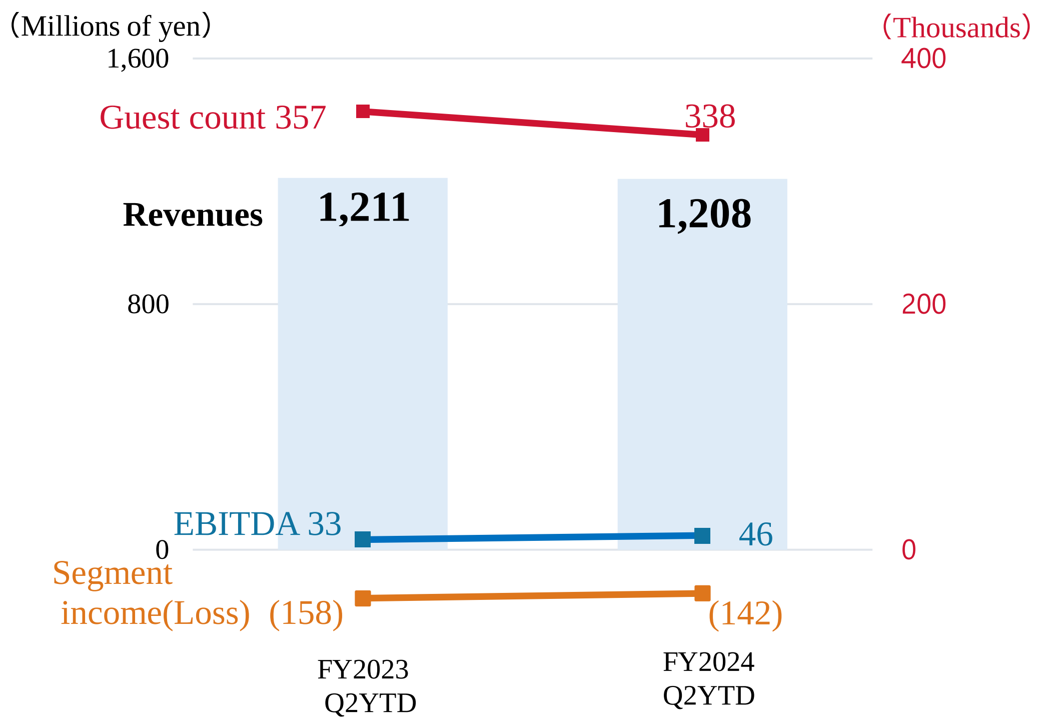


Entertainment Service Business

Number of guests declined, but business saw higher spending per guest because evening events encouraged guests to stay longer and thus spend more. Marked progress in cost reduction, lightening the loss burden.

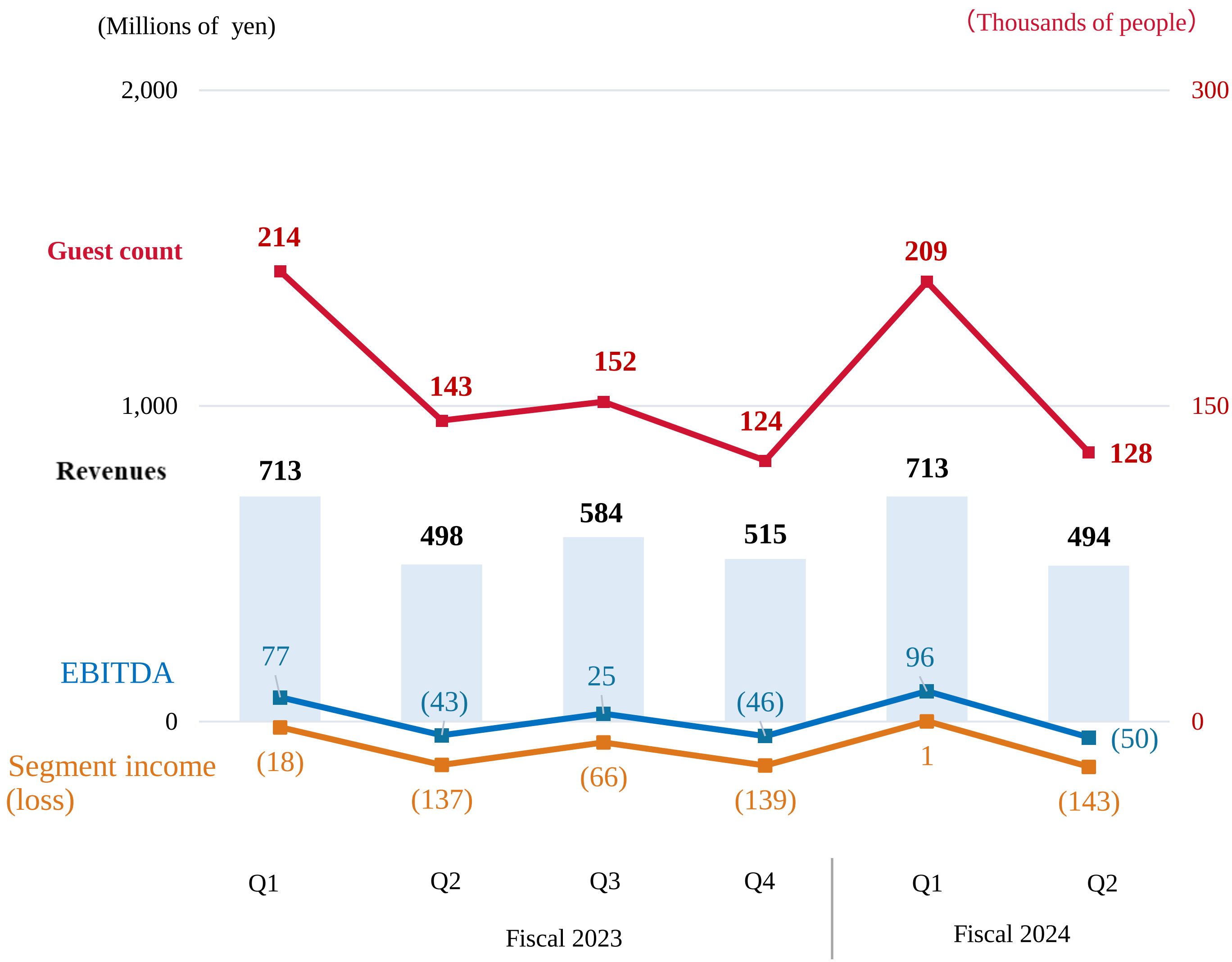
- Opened "Winter Wonderland in Moominvalley Park 2023" and "Winter Fireworks in Moominvalley," which ran from November 2023 through January 2024, and then, from March 2024, promotional activities to celebrate Moominvalley Park's fifth anniversary and "Spring Festival 2024."
- Number of guests dropped 5.3% year on year but changes, including trend among guests to stay longer on site to enjoy evening events and fireworks as well as a revision in prices, led to increase in spending per guest on merchandise and food and beverages. Revenues dipped 0.3% year on year, stalling at ¥1,208 million.
- Review of outsourcing certain operations as well as price revisions led to 78.3% cost ratio, down 9.5 points. Going forward, will engage in efforts to promote cost reduction through review of merchandise/food and beverage purchasing as well as efforts targeting expense reduction, with focus on centralization of offices and use of external online ticket sites.

Notes:
1. Guest count is 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 income.



Changes in Entertainment Service Business Results (Quarterly)

Notes:
1. Guest count is 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 income.



Initiatives at Moominvalley Park

Looking toward Moominvalley Park’s fifth anniversary on March 16, 2024, launched energetic program to enrich content and develop crowd-appealing campaigns. Gradually rolled out series of updates to existing facilities and introduced new permanent content. Plan to enhance tourism/hospitality quality of Metsä Village using idle land and the lake. Working toward recovery in guest numbers.

Updates and New Facility Content in March 2024

Moominvalley Cinema

“Little My Play Spot” was redesigned into Moominvalley Cinema. Moominvalley Park will be the first place to screen Moomin-themed animation in Japan.

First showing after theater opening was Finnish animation “Lonely Kunit,” which beautifully showcased colorful picture book world drawn by Moomin creator Tove Jansson.

Character Statues

Installed statues of Moomin characters at various locations within park. Function as point of contact between guests and characters. Great new spot for photos.

Installed a swing bench, too.

©Moomin Characters ™

Distribution of promotional video

Produced promotional video “Overflowing with small happinesses” For TV, TV video distribution, radio (audio only) and other distribution channels

(Moominvalley Park official YouTube promotional video (in Japanese)
https://www.youtube.com/watch?v=KCGQn2S1TMY

Consolidated Balance Sheets

(Thousands of yen)

	Assets	Fiscal 2023	Fiscal 2024 First Two Quarters	Change
	Current assets	12,477,247	13,533,551	1,056,304
1	Cash and time deposits	2,918,561	3,176,392	257,831
2	Accounts receivable, trade, and contract assets	1,355,231	1,554,144	198,913
3	Operational investment securities	2,848,142	3,050,888	202,745
	Loans receivable, trade	346,365	339,465	(6,900)
4	Real estate for sale	4,095,967	4,608,546	512,578
	Merchandise	160,768	148,341	(12,426)
	Other	883,381	798,156	(85,224)
	Allowance for doubtful accounts	(131,170)	(142,383)	(11,212)
	Noncurrent assets	6,646,706	7,089,788	443,082
5	Property, plant and equipment	5,530,068	5,940,150	410,082
	Intangible fixed assets	131,260	141,555	10,294
	Investments and other assets	985,377	1,008,083	22,705
	Total assets	19,123,953	20,623,340	1,499,387

	Liabilities	Fiscal 2023	Fiscal 2024 First Two Quarters	Change
	Current liabilities	7,880,663	8,713,307	832,644
	Accounts payable, trade	308,710	363,859	55,149
6	Short-term loans payable	77,954	690,972	613,018
7	Current portion of long-term loans payable	6,082,038	6,207,054	125,015
	Income taxes payable	125,884	248,638	122,754
	Lease obligations	149,086	36,097	(112,989)
	Accrued employee bonuses	257,626	253,835	(3,790)
	Other	879,363	912,851	33,487
	Noncurrent liabilities	1,849,970	1,573,463	(276,507)
8	Long-term loans payable	1,290,817	1,010,509	(280,308)
	Lease obligations	50,723	34,112	(16,610)
	Deferred tax liabilities	97,175	96,073	(1,102)
	Net defined benefit liability	126,297	139,338	13,040
	Other	284,955	293,429	8,473
	Total liabilities	9,730,633	10,286,770	556,137

Net Assets	Fiscal 2023	Fiscal 2024 First Two Quarters	Change
Shareholders' equity	8,141,924	9,104,458	962,533
Common stock	5,372,574	5,373,336	761
Additional paid-in capital	974,443	968,642	(5,801)
Retained earnings	1,794,907	2,912,473	1,117,565
Treasury shares	(0)	(149,993)	(149,992)
Accumulated other comprehensive income	150,683	100,027	(50,655)
Stock acquisition rights	77,299	99,331	22,031
Non-controlling interests	1,023,412	1,032,752	9,339
Total net assets	9,393,319	10,336,570	943,250
Total liabilities and net assets	19,123,953	20,623,340	1,499,387

1 Increased, as distribution of dividends offset temporary drop caused by investment into acquisition funds.

2 Notes and accounts receivable – trade, and contract assets decreased in aircraft asset management but increased overall because of activity in business succession solution services and public management consulting operations.

3 Despite drop in trust beneficiary rights due to sale of small-lot products, operational investment securities increased because of new investments into acquisition funds.

4 Increased mainly due to completion of real estate redevelopment projects.

5 Increased due to acquisition of rental assets (helicopters) following start of operating lease business and installation of solar power generation facilities at Metsä.

6 Increased because of loans taken mainly to acquire rental assets (helicopters).

7 Increased due to transfer from long-term debt and new loans to acquire buildings. (One-year loan repayment extension procedures on loans held by Moomin Monogatari and subsidiary SPC that owns Moominvalley Park real estate and total ¥5.3 billion, completed.)

8 Decreased due to repayment of borrowings by a subsidiary SPC forming small-lot real estate products.

Consolidated Statement of Income

(Thousands of yen)

		Fiscal 2023 First Two Quarters	Ratio to Revenues	Fiscal 2024 First Two Quarters	Ratio to Revenues	YoY Change Amount	YoY Change Ratio
Revenues	1	4,530,710	100.0%	6,555,685	100.0%	2,024,975	44.7%
Cost of revenues	2	2,149,152	47.4%	2,687,048	41.0%	537,896	25.0%
Gross profit		2,381,557	52.6%	3,868,636	59.0%	1,487,078	62.4%
Selling, general and administrative expenses	3	1,735,569	38.3%	2,221,985	33.9%	486,415	28.0%
Operating income		645,988	14.3%	1,646,651	25.1%	1,000,663	154.9%
Other income		71,852	1.6%	45,451	0.7%	(26,401)	(36.7)%
Other expenses		89,460	2.0%	104,059	1.6%	14,599	16.3%
Ordinary profit		628,380	13.9%	1,588,043	24.2%	959,663	152.7%
Extraordinary profit		190,394	4.2%	4 67,043	1.0%	(123,351)	(64.8)%
Extraordinary loss		32,369	0.7%	—	0.0%	(32,369)	(100.0)%
Income before income taxes		786,406	17.4%	1,655,086	25.2%	868,680	110.5%
Income taxes		146,439	3.2%	355,968	5.4%	209,529	143.1%
Profit		639,967	14.1%	1,299,118	19.8%	659,151	103.0%
Profit attributable to non-controlling interests		162,534	3.6%	181,552	2.8%	19,017	11.7%
Profit attributable to owners of parent		477,432	10.5%	1,117,565	17.0%	640,133	134.1%

1 Primarily due to increase in revenues from business succession solution services and aircraft asset management services.

2 Metsä-related costs decreased, but cost of selling trust beneficiary rights and sales commissions increased, following higher sales of small-lot real estate products, and outsourcing costs increased paralleling higher sales at SGI, compounding impairment loss on investment in start-up companies. This led to higher cost of revenues.

3 FGI and FinTech Asset Management revised respective personnel evaluation and compensation system. Will review base salary and various allowances starting with December 2024 allocation. Other Group companies also working to reinforce personnel and number of subsidiaries increasing, leading to higher personnel costs. Payment fees and other expenses grew, paralleling business expansion, driving SG&A up 28.0% year on year.

4 Among business succession projects, home remodeling company presenting good synergy potential with FGI Group was turned into subsidiary, leading to booking of ¥66 million in gain on bargain purchase.

Consolidated Statement of Cash Flows

(Thousands of yen)

	Fiscal 2023 First Two Quarters	Fiscal 2024 First Two Quarters	Change
Cash flows from operating activities	**(194,935)**	**833,880**	**1,028,815**
Income/(Loss) before income taxes	786,406	1,655,086	868,680
Depreciation and amortization	223,345	229,546	6,201
Interest expenses	64,973	70,751	5,778
Gain on bargain purchase	190,025	(66,531)	123,493
(Increase)/Decrease in accounts receivable, trade	(151,812)	(195,357)	(43,544)
(Increase)/Decrease in operational investment securities	(782,809)	(244,948)	537,861
(Increase)/Decrease in loans receivable, trade	18,400	6,900	(11,500)
(Increase)/Decrease in inventories	(46,089)	(317,840)	(271,750)
Increase/(Decrease) in accounts payable, trade	202,176	55,316	(146,860)
Interest paid	(64,343)	(71,780)	(7,437)
Income taxes refund (paid)	(93,870)	(184,101)	(90,230)
Other	(161,285)	(103,161)	58,123
Cash flows from investing activities	**77,634**	**(603,182)**	**(680,817)**
Purchase of property, plant and equipment	(57,488)	(620,113)	(562,625)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	280,137	61,990	(218,146)
Purchase of shares of subsidiaries and associates	(137,043)	–	138,043
Other	(6,971)	(45,059)	(38,088)

	Fiscal 2023 First Two Quarters	Fiscal 2024 First Two Quarters	Change
Cash flows from financing activities	**(163,092)**	**14,658**	**177,750**
(Increase)/Decrease in short-term loans payable, net	52,500	613,018	560,518
Proceeds from long-term loans payable	219,500	424,996	205,496
Repayments of long-term loans payable	(227,465)	(580,289)	(352,823)
Purchase of treasury shares	–	(149,992)	(149,992)
Dividends paid to non-controlling interests	(109,912)	(162,920)	(53,008)
Repayments of finance lease obligations	(98,001)	(129,512)	(31,511)
Other	286	(640)	(927)
Effect of exchange rate change on cash and cash equivalents	**(3,772)**	**(2,524)**	**1,247**
Net increase/(decrease) in cash and cash equivalents	**(284,165)**	**242,830**	**526,995**
Cash and cash equivalents at the beginning of the period	**2,375,927**	**2,868,560**	**492,633**
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	**1,697,229**	**3,111,391**	**1,414,161**

1 Despite increases — in operational investment securities, due to new investments, in inventories, mainly due to completion of real estate development projects, and in accounts receivable, trade, reflecting brisk activity in business succession solution services and public management consulting business — income before income taxes returned FGI to positive cash flow from operating activities.

2 Cash used mainly to purchase rental assets (helicopters) paralleling start of operating lease business, and to install solar power generation facilities at Metsä.

3 Increased, mainly because of loans taken to purchase rental assets (helicopters).

4 Increased, mainly because of new loans to purchase buildings.

5 Decreased, mainly due to repayment of loans taken by subsidiary SPC to form small-lot real estate products.

Repurchase of Own Shares

Decision on May 10 to execute second acquisition of own shares in fiscal 2024
Will repurchase treasury stock to improve capital efficiency, ensure flexible execution of capital policy (including use in M&As) geared to the business environment, and support incentive plans for the executive team.

	Repurchase concluded (February 10, 2024 decision)	Parameters for repurchase (May 10, 2024 decision)
Repurchase period	February 19, 2024 – September 30, 2024	May 13, 2024 – October 31, 2024
Maximum repurchase	Number of shares: 2,500,000 (1.24% of total number of shares issued and outstanding (excluding treasury stock)) Amount: ¥150 million	Number of shares: 1,650,000 (0.83% of total number of shares issued and outstanding (excluding treasury stock)) Amount: ¥150 million
Repurchase results	Repurchase period: February 19, 2024 – February 21, 2024 1,957,400 shares (0.97% of total number of shares issued and outstanding (excluding treasury stock)) ¥149,992,500	—
Repurchase method	Market purchase on Tokyo Stock Exchange	Market purchase on Tokyo Stock Exchange

Changes in Key Financial Data

		Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	First Two Quarters Fiscal 2024
Revenues	(millions of yen)	9,175	6,841	8,107	9,301	9,302	6,555
Gross profit	(millions of yen)	2,944	2,313	3,370	3,990	5,111	3,868
Operating income/(loss)	(millions of yen)	(1,664)	(992)	178	587	1,343	1,646
Ordinary profit (loss)	(millions of yen)	(1,850)	(1,135)	115	540	1,277	1,588
Profit /(loss) attributable to owners of parent	(millions of yen)	(1,586)	(1,186)	130	176	1,603	1,117
Net assets	(millions of yen)	8,873	7,304	7,439	7,842	9,393	10,336
Total assets	(millions of yen)	19,025	16,583	16,457	17,933	19,123	20,623
Net assets per share	(yen)	37.03	31.12	31.47	32.72	41.19	46.17
Net income (loss) per share	(yen)	(8.08)	(5.90)	0.65	0.88	7.97	5.56
Diluted net income (loss) per share	(yen)	–	–	0.65	0.87	7.94	5.54
Equity to total asset ratio	(%)	39.1	37.7	38.5	36.7	43.4	44.6
Equity to net income ratio	(%)	(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)	(2,604)	680	747	(701)	615	833
Cash flow from investing activities	(millions of yen)	(4,543)	(282)	(173)	(141)	766	(603)
Cash flow from financing activities	(millions of yen)	5,710	(767)	(360)	802	(538)	14
Cash and cash equivalents at the end of the fiscal year	(millions of yen)	2,513	2,142	2,379	2,375	2,868	3,111
Number of employees(consolidated) (part-time employees)	(employees)	167(262)	156(224)	149(209)	176(144)	153(169)	165(199)
Number of employees(non-consolidated)(part-time employees)	(employees)	39(5)	28(6)	28(4)	30(4)	26(6)	41(7)

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	201,321,700 shares (As of March 31, 2024)
Minimum trading unit	100
Capital stock	¥5,373 million (As of March 31, 2024)
Net assets (consolidated)	¥10,336 million (As of March 31, 2024)
Number of employees	Consolidated: 165 (As of March 31, 2024, 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.