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**Summary of Financial Statements
for the First Two Quarters of Fiscal 2024
<under Japanese GAAP>**

May 10, 2024

Company Name: FinTech Global Incorporated

(Code Number: 8789 Tokyo Stock Exchange)

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

TEL: +81-3-6456-4600

Representative: President and Chief Executive Officer

Name: Nobumitsu Tamai

Contact: Executive Vice President, Senior Executive Officer

Name: Takashi Senda

Scheduled date for filing of securities report: May 14, 2024

Scheduled date of commencement of dividend payment: —

Preparation of explanatory materials for quarterly financial results: Yes

Information meetings arranged related to quarterly financial results:

None

(Rounded down to the nearest million)

1. Consolidated results for the first two quarters of fiscal 2024
(October 1, 2023 – March 31, 2024)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Revenues		Operating income		Ordinary profit		Profit attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First two quarters of fiscal 2024	6,555	44.7	1,646	154.9	1,588	152.7	1,117	134.1
First two quarters of fiscal 2023	4,530	2.5	645	—	628	—	477	—

(For reference) Comprehensive income: 1,248 million yen for the first two quarters of fiscal 2024 (90.81%)
654 million yen for the first two quarters of fiscal 2023 (—%)

	Net income per share	Net income per share (diluted)
	Yen	Yen
First two quarters of fiscal 2024	5.56	5.54
First two quarters of fiscal 2023	2.37	2.36

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
First two quarters of fiscal 2024	20,623	10,336	44.6
Fiscal 2023	19,123	9,393	43.4

(For reference) Shareholders' equity: 9,204 million yen for the first two quarters of fiscal 2024
8,292 million yen for fiscal 2023

2. Dividends

	Dividends per share				
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2023	—	0.00	—	0.00	0.00
Fiscal 2024	—	0.00			
Fiscal 2024 (Forecast)			—	1.50	1.50

(Note)

Change from the latest dividend forecast: None

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

(Percentages indicate year-on-year changes.)

	Revenues		Operating income		Ordinary profit		Profit attributable to owners of the parent		EPS
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal 2024	11,400	22.6	2,200	63.7	2,000	56.6	1,400	(12.7)	7.00

(Note)

Change from the latest consolidated financial forecasts: Yes

*Notes

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

(2) Adoption of specific accounting policies for quarterly consolidated financial statements: None

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

(a) Changes in accounting policies required by accounting standard: None

(b) Changes other than those in (a) above: None

(c) Changes in accounting estimates: None

(d) Restatements: None

(4) Number of shares issued (common shares)

1. Number of shares issued (including treasury stock): 201,321,700 shares for the first two quarters of fiscal 2024
201,305,200 shares for fiscal 2023

2. Number of shares of treasury stock: 1,957,420 shares for the first two quarters of fiscal 2024
20 shares for fiscal 2023

3. Average number of shares: 200,876,680 shares for the first two quarters of fiscal 2024
201,301,966 shares for the first two quarters of fiscal 2023

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

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

(Caution regarding forward-looking statements)

The forward-looking statements included in this summary of financial statements are based on the assumptions, forecasts, and plans of FinTech Global Incorporated (hereafter, “FGI” and “the Company”) as of the date on which this document is made public. The Company’s actual results may differ substantially from such statements due to various risks and uncertainties.

(Impact of acquiring treasury stock)

On May 10, 2024, the Board of Directors of the Company approved a resolution to repurchase its own shares pursuant to Article 156 of the Companies Act, which is applicable in lieu of Article 165, Paragraph 3 of this act. As a result, “EPS” in 3. “Consolidated financial forecasts for fiscal 2024” above takes into consideration the impact of this treasury stock acquisition.

1. Qualitative Information on Business Results and Financial Position

(1) Business Results

The FGI Group is promoting private equity investment associated with business succession solution services where FGI buys a business struggling with succession issues to solve the situation.

Over the first two quarters—October 1, 2023 to March 31, 2024—of FGI’s fiscal 2024 consolidated accounting period ending September 30, 2024, steady progress on multiple business succession projects and growth in aircraft asset management services fueled revenues, which climbed 44.7% year on year, to ¥6,555 million, and drove gross profit up 62.4% year on year, to ¥3,868 million. Selling, general and administrative expenses rose 28.0%, to ¥2,221 million, reflecting higher personnel costs and payment fees, but the major increase in gross profit underpinned huge improvement in operating income, which soared 154.9% year on year, to ¥1,646 million, as well as ordinary profit, which jumped 152.7% year on year, to ¥1,588 million. Profit attributable to owners of the parent leaped 134.1% year on year, to ¥1,117 million, owing to the booking of ¥66 million in gain on bargain purchase under extraordinary income.

(Unit: Millions of yen)

	First Two Quarters of Fiscal 2023	First Two Quarters of Fiscal 2024	YOY Change
Revenues	4,530	6,555	2,024
Investment banking business	3,284	5,316	2,031
Public management consulting business	182	238	55
Entertainment service business	1,211	1,208	(3)
Elimination	(148)	(208)	(59)
Gross profit	2,381	3,868	1,487
Investment banking business	2,200	3,560	1,359
Public management consulting business	95	148	53
Entertainment service business	148	262	114
Elimination	(62)	(103)	(40)
Operating income 〔Segment income/ (loss)〕	645	1,646	1,000
Investment banking business	1,193	2,254	1,061
Public management consulting business	(17)	12	30
Entertainment service business	(158)	(142)	16
Elimination or corporate expenses	(371)	(478)	(107)
Ordinary profit	628	1,588	959
Income before income taxes	786	1,655	868
Profit attributable to owners of the parent	477	1,117	640

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

a. Investment Banking Business

The investment banking business recorded a year-on-year increase in revenues from arrangement transaction services, including upfront fees as well as management fees and performance fees on various arrangements, including business succession projects, complemented by higher investment income through exit activity on private equity investments. In asset investment, the balance of assets under management reached ¥151.9 billion, rising 35.9% from the end of fiscal 2023, reflecting investment by overseas investors

into residences, and the foundation for stock-type earnings—that is, recurring fee revenues—was further reinforced. Revenue from asset investment grew, supported by an increase in the sale of small-lot products utilizing real estate trust beneficiary rights and income from aircraft operating lease and sales activities, which began in the second quarter. Aircraft asset management services maintained a favorable course, charting higher income from technical services, such as aircraft inspections, as well as aircraft registration services and aircraft remarketing. This was complemented by intermediary sales of leased aircraft engines owned by investors in Japan.

As a result, investment banking revenues jumped 61.9% year on year, to ¥5,316 million, and segment income grew 89.0%, to ¥2,254 million.

b. Public Management Consulting Business

The public management consulting business, hinging on Public Management Consulting (PMC), continued to welcome inquiries from large local governments, driven by demand for outsourcing services to prepare financial documents and awareness of the FGI Group's expertise. The number of ordinance-designated cities and special zones receiving contract services thus grew by one, to nine. The number of prefectures receiving contract services is expected to increase by one in the third quarter, which will bring the total to 13. In support services for public facility management, PMC saw greater demand from local agencies needing help with 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.

Consequently, the segment achieved revenues of ¥238 million, surging 30.6% year on year, and reversed from a loss position of ¥17 million a year ago, with income of ¥12 million.

c. Entertainment Service Business

In the entertainment service business, an emphasis was on attracting guests to Moominvalley Park with appealing events, such as “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.” The number of visitors to Metsä, which comprises Metsä Village and Moominvalley Park, slipped 5.3% year on year, to about 330,000. But changes, including a different ticket format that encouraged guests to stay longer to enjoy evening events and fireworks as well as a revision in prices led to an increase in spending per guest on merchandise and food and beverages.

Given the above, segment revenues reached ¥1,208 million, down only 0.3% year on year. Reflecting the results of a review on such expenses as outsourcing certain operations as well as price revisions, the cost ratio improved 9.5 points, to 78.3%. As a result, the segment was able to lighten the red of its operating loss by ¥16 million year on year, to ¥142 million.

Moominvalley Park celebrated its fifth anniversary on March 16, 2024, and actively expanded content and promotional activities to capitalize on the crowd-drawing potential of this operating milestone. Going forward, steady progress on updates to existing facilities and the debut of new permanent content should lead to a recovery in guest count.

(2) Consolidated Financial Position

Assets

Total assets at the end of the second quarter of fiscal 2024 stood at ¥20,623 million, up 7.8% from the end of fiscal 2023 on September 30, 2023. The change is largely due to increases of ¥257 million in cash and time deposits, ¥198 million in notes and accounts receivable, trade, and contract assets, ¥202 million in operational investment securities, due to new investments, ¥512 million in

real estate for sale due mainly to the completion of real estate development projects, and ¥499 million in other under property, plant and equipment reflecting acquisition of lease assets paralleling the start of the operating lease business and the installation of solar power generation facilities at Metsä.

Liabilities

Total liabilities at the end of the second quarter of fiscal 2024 amounted to ¥10,286 million, up 5.7% from the end of fiscal 2023 on September 30, 2023. The change reflect increases of ¥613 million in short-term loans payable, because of loans taken to acquire lease assets, and ¥125 million in current portion of long-term loans payable, which overshadowed a decrease of ¥280 million in long-term loans payable.

Net assets

Net assets at the end of the second quarter of fiscal 2024 came to ¥10,336 million, up 10.0% from the end of fiscal 2023 on September 30, 2023. The change is primarily due to a ¥1,117 million increase in retained earnings, paralleling quarterly profit attributable to owners of the parent, which negated a ¥149 million decrease from the buyback of treasury shares.

(3) Information on Forward-Looking Statements, including Consolidated Performance Forecast

Second quarter actual results and expectations for the third and fourth quarters indicate significant progress in business succession solution services and associated private equity investment, and complemented by brisk demand for other investment banking business services, the board of directors has upwardly revised the full-year consolidated performance forecast disclosed on November 8, 2023. (Net income per share forecast was announced on February 9, 2024.)

(Millions of yen, %)

	Revenue	Operating income	Ordinary income	Profit attributable to owners of the parent	Net income per share (yen)
Previous forecast (A)	10,000	1,800	1,600	1,200	6.00
Current forecast (B)	11,400	2,200	2,000	1,400	7.01
Change (B-A)	1,400	400	400	200	—
Increase (%)	14.0	22.2	25.0	16.7	—
Reference: Previous fiscal year (ended September 30, 2023)	9,302	1,343	1,277	1,603	7.97

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

2. Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheets

	(Unit: Thousands of yen)	
	Fiscal 2023	First Two Quarters
	(As of September 30, 2023)	of Fiscal 2024
		(As of March 31, 2024)
Assets		
Current assets		
Cash and time deposits	2,918,561	3,176,392
Notes and accounts receivable - trade, and contract assets	1,355,231	1,554,144
Operational investment securities	2,848,142	3,050,888
Loans receivable, trade	346,365	339,465
Real estate for sale	4,095,967	4,608,546
Merchandise	160,768	148,341
Other	883,381	798,156
Allowance for doubtful accounts	(131,170)	(142,383)
Total current assets	12,477,247	13,533,551
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	5,379,191	5,367,441
Accumulated depreciation	(902,259)	(980,105)
Buildings and structures, net	4,476,932	4,387,336
Other	1,053,136	1,552,814
Total property, plant and equipment	5,530,068	5,940,150
Intangible fixed assets		
Goodwill	105,272	92,610
Other	25,987	48,944
Total intangible fixed assets	131,260	141,555
Investments and other assets		
Investments in securities	535,327	516,137
Long-term loans receivable	16,672	12,506
Deferred tax assets	140,877	122,400
Other	292,531	391,505
Allowance for doubtful accounts	(30)	(34,465)
Total investments and other assets	985,377	1,008,083
Total noncurrent assets	6,646,706	7,089,788
Total assets	19,123,953	20,623,340

(Unit: Thousands of yen)

	Fiscal 2023 (As of September 30, 2023)	First Two Quarters of Fiscal 2024 (As of March 31, 2024)
Liabilities		
Current liabilities		
Accounts payable, trade	308,710	363,859
Short-term loans payable	77,954	690,972
Current portion of long-term loans payable	6,082,038	6,207,054
Income taxes payable	125,884	248,638
Lease obligations	149,086	36,097
Accrued employee bonuses	257,626	253,835
Other	879,363	912,851
Total current liabilities	7,880,663	8,713,307
Noncurrent liabilities		
Long-term loans payable	1,290,817	1,010,509
Lease obligations	50,723	34,112
Deferred tax liabilities	97,175	96,073
Retirement benefit liability	126,297	139,338
Other	284,955	293,429
Total noncurrent liabilities	1,849,970	1,573,463
Total liabilities	9,730,633	10,286,770
Net assets		
Shareholders' equity		
Common stock	5,372,574	5,373,336
Capital surplus	974,443	968,642
Retained earnings	1,794,907	2,912,473
Treasury shares	(0)	(149,993)
Total shareholders' equity	8,141,924	9,104,458
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	67,416	21,098
Foreign currency translation adjustment	83,266	78,929
Total accumulated other comprehensive income	150,683	100,027
Stock acquisition rights	77,299	99,331
Non-controlling interests	1,023,412	1,032,752
Total net assets	9,393,319	10,336,570
Total liabilities and net assets	19,123,953	20,623,340

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income
Quarterly Consolidated Statements of Income

(Unit: Thousands of yen)

	First Two Quarters of Fiscal 2023 (From October 1, 2022 to March 31, 2023)	First Two Quarters of Fiscal 2024 (From October 1, 2023 to March 31, 2024)
Revenues	4,530,710	6,555,685
Cost of revenues	2,149,152	2,687,048
Gross profit	2,381,557	3,868,636
Selling, general and administrative expenses	1,735,569	2,221,985
Operating income	645,988	1,646,651
Non-operating income		
Interest income	1,915	6,402
Dividend income	—	3,209
Share of profit of entities accounted for using equity method	41,510	30,650
Subsidy income	26,769	2,279
Other	1,656	2,909
Total non-operating income	71,852	45,451
Non-operating expenses		
Interest expense	64,973	70,751
Loss on valuation of investment securities	—	14,970
Foreign exchange losses	18,133	12,273
Other	6,352	6,063
Total non-operating expenses	89,460	104,059
Ordinary profit	628,380	1,588,043
Extraordinary income		
Gain on bargain purchase	190,025	66,531
Other	369	511
Total extraordinary income	190,394	67,043
Extraordinary losses		
Loss on retirement of noncurrent assets	32,369	—
Total extraordinary loss	32,369	—
Income before income taxes	786,406	1,655,086
Income taxes (current)	146,439	308,183
Income taxes (deferred)	—	47,784
Total income taxes	146,439	355,968
Profit	639,967	1,299,118
Profit attributable to non-controlling interests	162,534	181,552
Profit attributable to owners of the parent	477,432	1,117,565

Quarterly Consolidated Statements of Comprehensive Income

(Unit: Thousands of yen)

	First Two Quarters of Fiscal 2023 (From October 1, 2022 to March 31, 2023)	First Two Quarters of Fiscal 2024 (From October 1, 2023 to March 31, 2024)
Profit	639,967	1,299,118
Other comprehensive income (loss)		
Valuation difference on available-for-sale securities	19,758	(46,318)
Foreign currency translation adjustment	(5,528)	(4,556)
Total other comprehensive income (loss)	14,230	(50,874)
Comprehensive income	654,197	1,248,243
Comprehensive income attributable to		
Owners of the parent	494,092	1,082,546
Non-controlling interests	160,104	165,697

(3) Notes to Quarterly Consolidated Financial Statements
(Assumption of Going Concern)
Not applicable.

(Significant Change in Shareholders' Equity)

For the six months ended March 31, 2023 (From October 1, 2022 to March 31, 2023)

1. Cash dividends paid

Not applicable.

2. Significant changes in shareholders' equity

Pursuant to a resolution of the 28th Ordinary General Meeting of Shareholders held on December 22, 2022, the Company reduced common stock, legal capital surplus and legal retained earnings, as well as appropriated surplus on January 27, 2023.

As a result, common stock decreased by ¥1,098,930 thousand, legal capital surplus decreased by ¥4,036,488 thousand, with these amounts transferred to other capital surplus. The ¥47,303 thousand decrease in legal retained earnings was transferred to retained earnings brought forward.

The ¥5,135,419 thousand in other capital surplus generated through by decreasing common stock and legal capital surplus was transferred to retained earnings brought forward and used to compensate for current deficit.

As a result, common stock stood at ¥5,372,574 thousand, capital surplus stood at ¥960,465 thousand and retained earnings stood at ¥668,910 thousand as of March 31, 2023.

These changes have no effect on the total amount of shareholders' equity.

For the six months ended March 31, 2024 (From October 1, 2023 to March 31, 2024)

1. Cash dividends paid

Not applicable.

2. Significant changes in shareholders' equity

Not applicable.

(Segment Information)

I. Six months ended March 31, 2023 (October 1, 2022 to March 31, 2023)

1. Information about the amount of revenues, profits or losses pursuant to each reporting segment

(Thousands of yen)

	Reporting Segments				Adjustment (Note 1)	Consolidated (Note 2)
	Investment Banking Business	Public Management Consulting Business	Entertainment Service Business	Total		
Revenues						
Revenues to third party	3,175,480	176,952	1,178,277	4,530,710	—	4,530,710
Inter-segment revenues and transfers	109,360	6,000	33,528	148,888	(148,888)	—
Total	3,284,840	182,952	1,211,805	4,679,599	(148,888)	4,530,710
Segment income (loss)	1,193,065	(17,640)	(158,339)	1,017,085	(371,097)	645,988

Notes:

1. Adjustment of segment income (loss), at ¥ (371,097) thousand, includes elimination of transactions among segments of ¥114,028 thousand and corporate expenses of ¥ (485,126) thousand, which are not allocatable to reporting segments. Corporate expenses are mainly general and administrative expenses, which do not belong to any reporting segments.

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

2. Information about impairment loss on noncurrent assets or goodwill, etc. pursuant to each reporting segment

(Significant gain on bargain purchase)

Gain on bargain purchase was recognized in the Investment Banking Business segment as the Company acquired shares of Trinity Japan Co., Ltd. and consolidated it as a subsidiary company from the first two quarters of the current fiscal year. The recorded amount of gain on bargain purchase resulting from this event is ¥190,025 thousand. Note that gain on bargain purchase is not included in segment income as it is extraordinary income.

II. Six months ended March 31, 2024 (October 1, 2023 to March 31, 2024)

1. Information about the amount of revenues, profits or losses pursuant to each reporting segment

(Thousands of yen)

	Reporting Segments			Total	Adjustment (Note 1)	Consolidated (Note 2)
	Investment Banking Business	Public Management Consulting Business	Entertainment Service Business			
Revenues						
Revenues to third party	5,200,514	232,861	1,122,309	6,555,685	—	6,555,685
Inter-segment revenues and transfers	116,288	6,000	86,418	208,706	(208,706)	—
Total	5,316,802	238,861	1,208,727	6,764,391	(208,706)	6,555,685
Segment income (loss)	2,254,923	12,448	(142,298)	2,125,073	(478,421)	1,646,651

Notes:

1. Adjustment of segment income, at ¥ (478,421) thousand, includes elimination of transactions among segments of ¥156,693 thousand and corporate expenses of ¥ (635,115) thousand, which are not allocatable to reporting segments. Corporate expenses are mainly general and administrative expenses, which do not belong to any reporting segments.
2. Segment income (loss) is reconciled with operating income in the quarterly consolidated statements.

2. Information about impairment loss on noncurrent assets or goodwill, etc. pursuant to each reporting segment

(Significant gain on bargain purchase)

Gain on bargain purchase was recognized in the Investment Banking Business segment as the Company acquired shares of P-con Home Service Co., Ltd. and consolidated it as a subsidiary company from the first two quarters of the current fiscal year. The recorded amount of gain on bargain purchase resulting from this event is ¥66,531 thousand. The amount of the gain on bargain purchase was tentatively calculated as the allocation of the acquisition cost had not been completed as of the end of the first two quarters of the current fiscal year. Note that gain on bargain purchase is not included in segment income as it is extraordinary income.