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Consolidated Financial Results for the First Two Quarters of Fiscal 2025 (Under Japanese GAAP)

May 9, 2025

Company name: FinTech Global Incorporated
Listing: Tokyo Stock Exchange
Securities code: 8789
URL: https://www.fgi.co.jp/en/
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Schedule date of submission of interim report: May 13, 2025
Scheduled date to commence dividend payments: —
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: No

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the first two quarters of fiscal 2025 (from October 1, 2024 to March 31, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Revenues		Operating income		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First two quarters of fiscal 2025	6,797	3.7	1,759	6.9	1,711	7.8	1,291	(0.1)
First two quarters of fiscal 2024	6,555	44.7	1,646	154.9	1,588	152.7	1,292	170.7

Note: Comprehensive income For the first two quarters of fiscal 2025: ¥1,292 million [(9.2)%]
For the first two quarters of fiscal 2024: ¥1,423 million [117.5%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
First two quarters of fiscal 2025	6.60	6.56
First two quarters of fiscal 2024	6.43	6.40

Note: The amount for the first two quarters of fiscal 2024 reflects the significant revisions to the initial allocation of acquisition costs due to the finalization of the provisional accounting treatment for the business combination at the end of fiscal 2024.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
First two quarters of fiscal 2025	23,676	11,284	43.0
Fiscal 2024	20,669	10,752	46.1

Reference: Equity
For the first two quarters of fiscal 2025: ¥10,192 million
For fiscal 2024: ¥9,530 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2024	—	0.00	—	1.50	1.50
Fiscal 2025	—	0.00			
Fiscal 2025 (Forecast)			—	3.00	3.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated financial forecasts for fiscal 2025 (October 1, 2024 – September 30, 2025)

(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 2025	12,300	(10.9)	3,100	20.6	3,000	21.9	2,000	19.3	10.26

Note: Change from the latest consolidated financial forecasts: None

* Notes

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2025	201,321,700 shares
As of September 30, 2024	201,321,700 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2025	7,024,820 shares
As of September 30, 2024	5,434,320 shares

(iii) Average number of shares outstanding during the period

(cumulative from the beginning of the fiscal year)

First two quarters of fiscal 2025	195,629,740 shares
First two quarters of fiscal 2024	200,876,680 shares

* Review of the Japanese-language originals of the attached consolidated financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

(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.

(Method of obtaining supplementary results materials)

Supplementary material on financial results are available on May 9, 2025.

1. Qualitative Information on Operating Results and Financial Position

The Company applied provisional accounting treatment in the corresponding period of the previous fiscal year—fiscal 2024, ended September 30, 2024—to the business combination with Pcon home service Incorporated, on March 31, 2024 (deemed acquisition date) and finalized provisional accounting treatment pursuant to this business combination at the end of fiscal 2024. Accordingly, for the purpose of quarter-on-quarter comparison and analysis, amounts shown here reflect adjustments based on finalized provisional accounting treatment.

(1) Overview of Operating Results for the Period under Review

FinTech Global Incorporated (FGI) and certain other members of the FGI Group are pursuing opportunities for private equity investment targeting businesses struggling with succession issues.

Over the first two quarters—October 1, 2024 to March 31, 2025—of the fiscal 2025 consolidated accounting period ending September 30, 2025, FGI welcomed steady progress on recovery of private equity investments associated with business succession projects. Another positive development was an 11.1 % increase in the Metsä guest count over the corresponding quarter a year ago, to 376,000 people, through various measures designed to draw visitors to the site. Underpinned by these results, revenues for the first two quarters hit ¥6,797 million, up 3.7% year on year, and gross profit reached ¥4,294 million, up 11.0% year on year, on a consolidated basis. Selling, general and administrative expenses climbed 14.1% from the corresponding six-month period a year ago, to ¥2,534 million, reflecting more subsidiaries under consolidation as well as higher advertising and promotion costs associated with Metsä campaigns to attract guests. Fortunately, higher gross profit buoyed operating income, which grew 6.9% year on year, to ¥1,759 million, and ordinary profit, which rose 7.8% year on year, to ¥1,711 million. Tax expenses and profit attributable to non-controlling interests were down, but the 0.1% year-on-year dip in profit attributable to owners of the parent, to ¥1,291 million, was a reactionary decrease due to the booking of ¥241 million in gain on bargain purchase under extraordinary income in the corresponding period a year ago.

(Unit: Millions of yen)

	First Two Quarters of Fiscal 2024	First Two Quarters of Fiscal 2025	YOY Change
Revenues	6,555	6,797	241
Investment banking business	5,316	5,311	(5)
Public management consulting business	238	249	10
Entertainment service business	1,208	1,467	259
Elimination	(208)	(231)	(23)
Gross profit	3,868	4,294	425
Investment banking business	3,560	3,781	221
Public management consulting business	148	146	(2)
Entertainment service business	262	478	215
Elimination	(103)	(112)	(9)
Operating income 〔Segment income/ (loss)〕	1,646	1,759	113
Investment banking business	2,254	2,258	3
Public management consulting business	12	(18)	(31)
Entertainment service business	(142)	97	240
Elimination or corporate expenses	(478)	(577)	(99)
Ordinary profit	1,588	1,711	123
Profit before income taxes	1,829	1,719	(110)
Profit attributable to owners of the parent	1,292	1,291	(1)

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

a. Investment Banking Business

In the investment banking business, business succession projects moved steadily along and investment income from recovery of private equity investments grew over the corresponding two quarters of fiscal 2024. In arrangement transaction services, income on private equity fund asset management was down year on year, as upfront fees on large deals formed in the first quarter of fiscal 2025 will not be booked as revenue until the third-quarter of fiscal 2025 and also reflecting a reactionary decrease due to fees received on the sale of large deals at the time of sale in the corresponding period of fiscal 2024. Asset management services for certain types of real estate—referred to as “other real estate”—and securities and equity investments saw an improvement in revenues, as a drop in management of assets for investment by overseas investors into residences was offset by higher investment into hotels and other forms of accommodation and further complemented by the start of management of assets for investment into logistics facilities, boosting the balance of assets under management to ¥163.0 billion, up 6.3% compared with the level at the end of fiscal 2024 on September 30, 2024, and reinforcing the foundation for stock-type earnings—that is, recurring fee revenues. Meanwhile, the operating lease business, using vehicles, which began in fiscal 2023, saw increases in number of arrangements, sales amount and management amount through measures that included expanding sales channels for operating lease products. These achievements pushed operating lease business revenues to more than twice the level recorded in the corresponding period a year ago. In the Metsä business, a positive consequence of more guests visiting Metsä Village and Moominvalley Park was a favorable shift in parking fee revenue and rental income from facility tenants. But the segment also booked ¥200 million in removal losses associated with renovation of some facilities under cost of revenues ahead of the scheduled opening of Hyper Museum Hanno in March 2025. The aviation business recorded a decrease in revenues from technical services associated with aircraft inspection. Such inspections occur when leased assets are returned, and due to a shortage of aircraft, many members of the aviation industry extended existing leasing contracts which in turn reduced the need for inspections that would otherwise be conducted at end of lease and aircraft return. In the leasing business, launched in fiscal 2024, two aircraft were purchased, effectively building up assets for lease for leaseback.

The factors outlined above held investment banking revenues to a near year-on-year par, slipping just 0.1%, to ¥5,311 million, while gross profit rose 6.2%, to ¥3,781 million, driven by the increase in revenues from private equity investment on business succession projects which present a high profit margin. Segment income, at ¥2,258 million, was held to a 0.2% year-on-year increase owing to a 16.7% jump in selling, general and administrative expenses over the corresponding period a year ago, to ¥1,522 million, which reflects more subsidiaries under consolidation, initial expenses associated with the opening of Hyper Museum Hanno and costs incurred in Metsä advertising and promotional activities.

b. Public Management Consulting Business

The public management consulting business, which hinges on Public Management Consulting Corporation (PMC), provides solutions, including support extended to local public entities to prepare financial documents, manage public facilities and deal with public finance-related issues. PMC captured a certain share of the large municipality market by providing outsourced services to meet the need for help in preparing financial documents and by drawing on expertise within the FGI Group. Demand was steady, with the number of prefectures under service contracts through to the end of the second quarter of fiscal 2025 at nine, the same as in the corresponding period of fiscal 2024, and the number of ordinance-designated cities and special zones under service contracts stayed at 13, the same as in the corresponding period a year ago. In support services for public facility management and responses to public finance-related issues, PMC welcomed an increase in requests for services to support revision of public facility renewal plans and community-building plans as well as support in such areas as childcare and measures to promote better health. To address demand, the company hired more consultants and leveraged its ability to support preparation of financial documents and promoted initiatives to offer multiple services to each municipality.

As a result, the segment achieved revenues of ¥249 million, up 4.3% over the corresponding quarter a year ago. Upfront investment to reinforce staffing ate into revenues, leading to a segment loss of ¥18 million, compared with income of ¥12 million in the first two quarters of fiscal 2024.

c. Entertainment Service Business

In the entertainment service business, the number of guests coming to Moominvalley Park as a family unit increased, reflecting the success of revised admission prices, effective November 1, 2024. The price of a regular admission ticket for children was slashed, with a one-day pass, purchased in advance, dropping to ¥1,000 from ¥2,000. In addition, junior and senior high school students, who were considered adults under the previous pricing structure, fell into the child admission category.

Content was expanded and updated, with various facility and service improvements, including introduction of an audio guide, creation of drawing space, and renewal of the Moominvalley diorama, in the first quarter, followed by installation of the Moominvalley Skate Rink in the second quarter as a strategy to attract crowds during the winter-to-spring season. Night passes were added to admission structure to draw guests to evening events, such as fireworks over the lake, on weekends and holidays, and enhance the enjoyment factor of a visit to Metsä Village and Moominvalley Park. These efforts led to an 11.1% year-on-year increase in the guest count, to around 376,000 people, on a sitewide basis, and fostered conditions conducive to higher spending per guest.

As a result, the entertainment service business generated revenues of ¥1,467 million, up 21.4% over the corresponding period a year ago. Buoyed by the increase in revenues and progress on measures to reduce cost of revenues as well as operating costs, the segment turned a profit, moving out of the red with a ¥240 million year-on-year improvement, to ¥97 million.

(2) Overview of Financial Position for the Period under Review

Assets

Total assets at the end of the first two quarters of fiscal 2025 stood at ¥23,676 million, up 14.5% from the end of fiscal 2024 on September 30, 2024. The change, despite decreases of ¥110 million in cash and time deposits, ¥96 million in loans receivable, trade, and ¥256 million in corporate taxes payable under other current assets, is largely attributable to increases of ¥859 million in notes and accounts receivable, trade, and contract assets, ¥729 million in operational investment securities due to new investment activity and capture of investment income, ¥838 million in assets for lease (net) included in "Other" under property, plant and equipment due to purchase of aviation assets for the operating lease business, and ¥432 million in investments in securities due to acquisition of shares in TOYO SECURITIES CO., LTD., which signed a basic agreement for a business alliance with FGI in February 2025.

Liabilities

Total liabilities at the end of the first two quarters of fiscal 2025 amounted to ¥12,392 million, up 25.0% from the end of fiscal 2024 on September 30, 2024. The change largely reflects increases of ¥86 million in accounts payable, trade, ¥52 million in current portion of long-term loans payable, and ¥2,651 million in short-term loans payable, due to loans taken to supplement working capital and to purchase assets for the operating lease business, which overshadowed decreases of ¥115 million in income taxes payable, ¥28 million in accrued employee bonuses, and ¥122 million in long-term loans payable.

Net assets

Net assets at the end of the first two quarters of fiscal 2025 amounted to ¥11,284 million, up 4.9% from the end of fiscal 2024 on September 30, 2024. The change, despite decreases of ¥126 million in non-controlling interests and ¥293 million in retained earnings due to payment of dividends and an increase of ¥299 in treasury shares due to buyback, is primarily due to an increase of ¥1,291 million in retained earnings, buoyed by profit attributable to owners of the parent.

(3) Overview of Consolidated Cash Flows for the Period under Review

Cash and cash equivalents (hereafter, "cash") at the end of the first two quarters of fiscal 2025 amounted to ¥5,489 million, a decrease of ¥185 million from the end of fiscal 2024. Cash flows are broken down into three categories, and cash flow status by category is described below.

Note that “Purchase of non-current assets” and “Proceeds from sale of non-current assets” due to increases and decreases in leasing assets were included under Net cash provided by (used in) investing activities on the Consolidated Statements of Cash Flows in the consolidated accounting period for the first two quarters of fiscal 2024, but from the first two quarters of fiscal 2025, these components have been reclassified as “Purchase of assets for lease” and “Cost transfer amount associated with sale of assets for lease” under Net cash provided by (used in) operating activities. Therefore, reclassified figures reflecting this adjustment have been used to facilitate comparison and analysis with the corresponding accounting period a year ago.

Cash Flows from Operating Activities
Cash flows from operating activities reversed from a net cash provided position to a net cash used position, with ¥781 million in net cash used in the first two quarters of fiscal 2025 compared with ¥389 million in net cash provided in the corresponding period of fiscal 2024. The key components of this change were ¥1,719 million in profit before income taxes and an increase of ¥224 million in depreciation against increases of ¥878 million in trade receivable, ¥722 million in operational investment securities and ¥165 million in inventories and a decrease of ¥853 million in purchase of assets for lease for operating leasing business.

Cash Flows from Investing Activities
Net cash used in investing activities amounted to ¥1,081 million over the first two quarters of fiscal 2025, compared with ¥158 million in the corresponding period of fiscal 2024. The key components of this change were ¥502 million applied to the purchase of investment securities, a ¥400 million increase in short-term loans receivable, and ¥125 million used for the purchase of non-current assets.

Cash Flows from Financing Activities
Net cash provided by financing activities grew to ¥1,730 million over the first two quarters of fiscal 2025, compared with ¥14 million in the corresponding period of fiscal 2024. Despite the use of ¥281 million to repayments of long-term borrowings , ¥299 million to purchase treasury shares and ¥273 million to pay dividends, as well as ¥252 million less for dividends paid to non-controlling interests, net cash increased due to ¥412 million on proceeds from long-term borrowings and a ¥2,451 million net increase in short-term borrowings.

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

(Unit: Millions of yen)

	Fiscal 2025 First two quarters (Actual)	Fiscal 2025 full year (Forecast)	Progress toward goal
Revenues	6,797	12,300	55.3%
Operating income	1,759	3,100	56.8%
Ordinary profit	1,711	3,000	57.1%
Profit attributable to owners of the parent	1,291	2,000	64.6%

The consolidated performance forecast for fiscal 2025, ending September 30, 2025, is unchanged from the outlook presented in the summary of financial statements for fiscal 2024 released on November 6, 2024.

As described above, business results for the first two quarters of fiscal 2025 indicated good progress toward full-year consolidated performance targets. Also, as covered in the press release “Notice Regarding the Booking of Income from Private Equity Investment,” issued May 9, 2025, private equity investment deals are moving steadily forward. However, the level of revenues associated with large private equity investment deals formed in the first quarter of fiscal 2025 and planned for exit before fiscal 2025 year-end has not yet been determined with confidence, and the actual amount could impact fiscal 2025 revenues and income. In addition, selling, general and administrative expenses are likely to increase, owing to a rise in salaries (average increase of about 30%) in April 2025 for full-time employees of FGI, including those seconded to subsidiaries in the investment banking business, and also owing to other expenses. This could have an impact on income. Given these factors, no changes have been made to the previously announced full-year forecast.

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 Important Notes

(1) Consolidated Balance Sheets

(Unit: Thousands of yen)

	Fiscal 2024 (As of September 30, 2024)	**First two Quarters of Fiscal 2025** (As of March 31, 2025)
Assets		
Current assets		
Cash and time deposits	5,789,907	5,679,390
Notes and accounts receivable - trade, and contract assets	950,434	1,810,128
Operational investment securities	1,560,437	2,289,574
Loans receivable, trade	522,565	425,665
Real estate for sale	4,046,834	4,018,567
Merchandise	142,275	143,210
Other	1,119,460	1,680,108
Allowance for doubtful accounts	(104,667)	(110,329)
Total current assets	14,027,246	15,936,314
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	5,206,093	5,225,038
Accumulated depreciation	(1,031,449)	(1,122,235)
Buildings and structures, net	4,174,643	4,102,802
Other	1,086,273	1,922,718
Total property, plant and equipment	5,260,917	6,025,521
Intangible fixed assets		
Goodwill	88,105	71,273
Other	93,313	82,104
Total intangible fixed assets	181,418	153,377
Investments and other assets		
Investments in securities	533,513	966,337
Long-term loans receivable	8,340	4,174
Deferred tax assets	127,745	88,373
Other	564,956	537,057
Allowance for doubtful accounts	(34,458)	(34,450)
Total investments and other assets	1,200,096	1,561,492
Total noncurrent assets	6,642,432	7,740,391
Total assets	20,669,679	23,676,705

(Unit: Thousands of yen)

	Fiscal 2024 (As of September 30, 2024)	**First Two Quarters of Fiscal 2025** (As of March 31, 2025)
Liabilities		
Current liabilities		
Accounts payable, trade	241,273	327,813
Short-term loans payable	781,186	3,432,786
Current portion of long-term loans payable	5,998,872	6,051,288
Income taxes payable	326,067	210,895
Lease obligations	32,914	39,203
Accrued employee bonuses	322,024	293,695
Other	1,085,810	1,004,138
Total current liabilities	8,788,148	11,359,821
Noncurrent liabilities		
Long-term loans payable	638,535	516,295
Lease obligations	21,074	28,497
Deferred tax liabilities	22,636	15,819
Retirement benefit liability	153,433	174,744
Other	293,302	297,002
Total noncurrent liabilities	1,128,982	1,032,358
Total liabilities	9,917,131	12,392,180
Net assets		
Shareholders' equity		
Common stock	5,373,336	5,373,336
Capital surplus	968,668	970,600
Retained earnings	3,470,851	4,468,158
Treasury shares	(446,226)	(683,825)
Total shareholders' equity	9,366,630	10,128,269
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	22,516	(45,826)
Foreign currency translation adjustment	141,795	109,992
Total accumulated other comprehensive income	164,312	64,165
Stock acquisition rights	103,108	99,619
Non-controlling interests	1,118,496	992,471
Total net assets	10,752,548	11,284,525
Total liabilities and net assets	20,669,679	23,676,705

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

Consolidated Statements of Income

(Unit: Thousands of yen)

	First Two Quarters of Fiscal 2024 (From October 1, 2023 to March 31, 2024)	**First Two Quarters of Fiscal 2025** (From October 1, 2024 to March 31, 2025)
Revenues	6,555,685	6,797,033
Cost of revenues	2,687,048	2,502,500
Gross profit	3,868,636	4,294,532
Selling, general and administrative expenses	2,221,985	2,534,568
Operating income	1,646,651	1,759,964
Non-operating income		
Interest income	6,402	14,494
Dividend income	3,209	4,175
Foreign exchange gains	―	9,704
Share of profit of entities accounted for using equity method	30,650	13,789
Surrender value of insurance policies	―	14,356
Other	5,189	665
Total non-operating income	45,451	57,185
Non-operating expenses		
Interest expense	70,751	65,820
Loss on valuation of investment securities	14,970	0
Foreign exchange losses	12,273	―
Commission expenses	5,499	38,597
Other	563	936
Total non-operating expenses	104,059	105,354
Ordinary profit	1,588,043	1,711,796
Extraordinary income		
Gain on bargain purchase	241,431	―
Gain on reversal of share acquisition rights	511	8,162
Total extraordinary income	241,943	8,162
Profit before income taxes	1,829,986	1,719,958
Income taxes - current	308,183	261,080
Income taxes - deferred	47,784	33,067
Total income taxes	355,968	294,147
Profit	1,474,018	1,425,810
Profit attributable to non-controlling interests	181,552	134,672
Profit attributable to owners of the parent	1,292,465	1,291,137

Consolidated Statements of Comprehensive Income

(Unit: Thousands of yen)

	First Two Quarters of Fiscal 2024 (From October 1, 2023 to March 31, 2024)	**First Two Quarters of Fiscal 2025** (From October 1, 2024 to March 31, 2025)
Profit	1,474,018	1,425,810
Other comprehensive income (loss)		
Valuation difference on available-for-sale securities	(46,318)	(70,848)
Foreign currency translation adjustment	(4,556)	(62,898)
Share of other comprehensive income of entities accounted for using equity method	–	918
Total other comprehensive income (loss)	(50,874)	(132,829)
Comprehensive income	1,423,143	1,292,981
Comprehensive income attributable to		
Owners of the parent	1,257,446	1,190,990
Non-controlling interests	165,697	101,990

(4) Consolidated Statements of Cash Flows

(Unit: Thousands of yen)

	First Two Quarters of Fiscal 2024 (From October 1, 2023 to March 31, 2024)	First Two Quarters of Fiscal 2025 (From October 1, 2024 to March 31, 2025)
Cash flows from operating activities		
Profit before income taxes	1,829,986	1,719,958
Depreciation	229,546	224,246
Amortization of goodwill	12,683	12,834
Increase (decrease) in allowance for doubtful accounts	11,410	6,279
Increase (decrease) in provision for bonuses	(3,486)	(19,407)
Increase (decrease) in retirement benefit liability	13,040	21,310
Interest and dividend income	(9,611)	(18,669)
Interest expenses	70,751	65,820
Share of loss (profit) of entities accounted for using equity method	(30,650)	(13,789)
Gain on bargain purchase	(241,431)	—
Decrease (increase) in trade receivables	(195,357)	(878,902)
Decrease (increase) in operational investment securities	(244,948)	(722,525)
Decrease (increase) in operating loans receivable	6,900	96,900
Decrease (increase) in inventories	(317,840)	(165,709)
Increase (decrease) in trade payables	55,316	90,768
Purchase of assets for lease	(444,438)	(853,453)
Other, net	(106,159)	(202,641)
Subtotal	635,712	(636,980)
Interest and dividends received	9,611	15,225
Interest paid	(71,780)	(66,686)
Income taxes refund (paid)	(184,101)	(92,860)
Net cash provided by (used in) operating activities	389,441	(781,302)
Cash flows from investing activities		
Purchase of investment securities	—	(502,465)
Purchase of non-current assets	(175,675)	(125,499)
Payments into time deposits	(15,000)	(75,029)
Decrease (increase) in short-term loans receivable	4,166	(400,000)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	61,990	—
Other, net	(34,225)	21,114
Net cash provided by (used in) investing activities	(158,744)	(1,081,880)

(Unit: Thousands of yen)

	First Two Quarters of Fiscal 2024 (From October 1, 2023 to March 31, 2024)	First Two Quarters of Fiscal 2025 (From October 1, 2024 to March 31, 2025)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	613,018	2,451,599
Proceeds from long-term borrowings	424,996	412,000
Repayments of long-term borrowings	(580,289)	(281,824)
Dividends paid	(15)	(273,276)
Purchase of treasury shares	(149,992)	(299,994)
Dividends paid to non-controlling interests	(162,920)	(252,319)
Repayments of finance lease liabilities	(129,512)	(17,650)
Other, net	(625)	(8,008)
Net cash provided by (used in) financing activities	14,658	1,730,525
Effect of exchange rate change on cash and cash equivalents	(2,524)	(52,889)
Net increase (decrease) in cash and cash equivalents	242,830	(185,546)
Cash and cash equivalents at beginning of period	2,868,560	5,674,906
Cash and cash equivalents at end of period	3,111,391	5,489,359

(3) Notes to Consolidated Financial Statements

(Assumption of Going Concern)

Not applicable.

(Significant Change in 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.

For the six months ended March 31, 2025 (From October 1, 2024 to March 31, 2025)

1. Cash dividends paid

Resolution	Type of shares	Total dividends (Thousands of yen)	Dividends per share (yen)	Record date	Effective date	Source of dividends
December 19, 2024 Ordinary General Meeting of Shareholders	Common shares	293,831	1.5	September 30, 2024	December 20, 2024	Retained earnings

2. Significant changes in shareholders' equity

(Disposal of treasury shares)

FGI has disposed 759,900 shares as restricted stock compensation on January 24, 2025. As a result, the amount of "Capital surplus" has increased by ¥26,512 thousand and the amount of "Treasury shares" has decreased by ¥62,395 thousand for the first two quarters of fiscal 2025.

(Repurchase of treasury shares)

FGI has completed the repurchase of 2,350,400 shares in accordance with the Board of Directors' resolution on February 12, 2025. As a result, the amount of "Treasury shares" has increased by ¥299,994 thousand for the first two quarters of fiscal 2025.

As a result of these transactions, including Change in ownership interest of parent due to transactions with non-controlling interests, "Capital surplus" and "Treasury shares" amounted to ¥970,600 thousand and ¥683,825 thousand respectively at the end of the first two quarters of fiscal 2025.

(Changes in Accounting Policies Due to Revisions of Accounting Standards)

(Application of the Accounting Standard for Current Income Taxes, etc.)

We have adopted the Accounting Standard for Current Income Taxes (ASBJ Statement No.27, October 28, 2022; hereinafter, the "Amended Accounting Standard 2022"), etc. from the beginning of fiscal 2025.

The amendment to the classification for recording current income taxes (taxation on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Amended Accounting Standard 2022 and the transitional treatment prescribed in the proviso of paragraph 65-2(2) of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No.28, October 28, 2022; hereinafter, the "Amended Implementation Guidance 2022"). This change in accounting policies has no impact on the consolidated financial statements for the first two quarters of fiscal 2025.

In addition, for the amendment related to the revised accounting treatment in consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies are deferred for tax purposes, the group has adopted the Amended Implementation Guidance 2022 from the beginning of fiscal 2025. As this change in accounting policies was applied retrospectively, the consolidated financial statements for the first two quarters of fiscal 2024 and the consolidated financial statements for fiscal 2024 have been restated retrospectively. This change in accounting policies has no impact on the consolidated financial statements for the first two quarters of fiscal 2024 and the consolidated financial statements for fiscal 2024.

(Segment Information)
I. 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				Adjustment (Note 1)	Consolidated (Note 2)
	Investment Banking Business	Public Management Consulting Business	Entertainment Service Business	Total		
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 (loss), 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 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 Pcon home service Incorporated 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 ¥241,431 thousand. The amount reflects the significant revisions to the initial allocation of acquisition costs due to the finalization of the provisional accounting treatment for the business combination.
Note that gain on bargain purchase is not included in segment income as it is extraordinary income.

II. Six months ended March 31, 2025 (October 1, 2024 to March 31, 2025)

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	5,260,980	232,283	1,303,769	6,797,033	—	6,797,033
Inter-segment revenues and transfers	50,802	16,800	164,214	231,816	(231,816)	—
Total	5,311,783	249,083	1,467,983	7,028,849	(231,816)	6,797,033
Segment income (loss)	2,258,621	(18,763)	97,940	2,337,798	(577,833)	1,759,964

Notes:

1. Adjustment of segment income (loss), at ¥ (577,833) thousand, includes elimination of transactions among segments of ¥110,421 thousand and corporate expenses of ¥ (688,254) 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 consolidated statements.

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

Not applicable.

(Significant subsequent event)

(Repurchase of treasury shares)

The Company resolved at a meeting of the Board of Directors held on May 9, 2025, to acquire treasury stock in accordance with Article 156, Paragraph 1 of the Companies Act, as applied pursuant to the provision of Article 165, Paragraph 3 of the same Act.

(1) Reason for repurchase of treasury shares

The Company will conduct a repurchase of treasury shares to utilize in a flexible capital policy that includes M&A activity and restricted stock compensation plans, as well as to return profits to shareholders and improve capital efficiency.

(2) Details regarding the resolution on the repurchase of treasury shares

(i) Class of shares to be repurchased: Common shares
(ii) Total number of shares to be repurchased: 2,500,000 shares (upper limit)
(iii) Total value of share to be repurchased: 300 million yen (upper limit)
(iv) Period of share repurchase: From May 12, 2025 to October 31, 2025
(v) Method of repurchase: Market purchase through the Tokyo Stock Exchange