FGI FinTech Global Incorporated

*The firm of innovative financing*

# Results for Fiscal 2024, Ended September 30, 2024

**November 2024**

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

# Contents

# Introduction: Private Assets

## FGI has strength in **private assets.**

- In recent years, market for private assets (unlisted assets), such as real estate and securities not publicly traded, is expanding. Unaffected by market conditions, private assets market attracting attention and expected to generate returns. (Traditional assets, such as listed stocks and government bonds, which are traded on the public market, are called "public assets" — the opposite of private assets.)

- FGI has formed arrangements using private assets and managed private assets and has also made investments of its own. The Company has defined these activities as a business domain. For example, shares in a company facing business succession problems are private assets and fall into category of private-equity buyout.

**Public assets**

Listed stocks

Government bonds

Corporate bonds

**FGI business domain**

**Private assets**

Securities
- Private equity
  - Venture capital
  - Growth
  - Buyout
  - Business revitalization
- Private debt

Real estate

Infrastructure
- Energy
  - Renewable energy

# Summary

## Fiscal 2024

**Investment banking business driver of performance, and entertainment business on road to recovery.**
**Fourth consecutive year of higher revenues and income.**
**Payment of dividends resumed, with year-end dividend set at ¥1.50 per share.**

- Significant increase in income from private equity investment and arrangement transaction services, paralleling expansion of business succession market in Japan.
- Aviation business also posted higher revenues and income. Launched aircraft operating lease business.
- Moominvalley Park marked rebound in guest count. Higher unit prices and successful cost reduction efforts underpinned revenue growth and lightened the loss position.
- Total dividends reached ¥290 million. Total return ratio was 44.3% including accounts for treasury stock buybacks amounting to ¥440 million.

## Fiscal 2025

Anticipate fifth consecutive year of higher income.
Plan to raise year-end dividend to ¥3 per share.

- Gross profit should go up, fueled by higher revenues from private equity investment and arrangement transaction services. Expecting income in categories from operating income on down will also show improvement.
- Looking forward to entertainment service business turning a profit.

# Fiscal 2024: Full-Year Performance and Business Summary

# Consolidated Performance

(Millions of yen)

| | Fiscal 2023 | Fiscal 2024 | YOY Change (Amount) | YOY Change (Percentage) | Fiscal 2024 (Forecast) | Actual Change vs Forecast | Fiscal 2024 Revised Forecast | Actual Change vs Revised Forecast |
|---|---|---|---|---|---|---|---|---|
| Revenues | 9,302 | 13,807 | +4,505 | +48.4% | 10,000 | +3,807 | 13,400 | +407 |
| Gross profit | 5,111 | 7,355 | +2,244 | +43.9% | — | — | — | — |
| Operating income | 1,343 | 2,569 | +1,225 | +91.2% | 1,800 | +769 | 2,400 | +169 |
| Ordinary profit | 1,277 | 2,461 | +1,183 | +92.7% | 1,600 | +861 | 2,300 | +161 |
| Profit attributable to owners of the parent | 1,603 | 1,675 | +72 | +4.5% | 1,200 | +475 | 1,400 | +275 |
| EBITDA | 1,811 | 3,038 | +1,227 | +67.7% | | | | |
| EPS (yen) | 7.97 | 8.41 | +0.44 | – | | | | |
| ROE | 21.6% | 18.8% | (2.7 pt) | – | | | | |

EBITDA: Operating income + Depreciation costs and amortization of goodwill included in cost of revenue and selling, general and administrative expenses

**Revenues**
Higher income from private equity investment and arrangement transaction 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 27.0% 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.

**Profit attributable to owners of the parent**
Booked ¥241 million in negative goodwill under extraordinary income and ¥276 million in loss on retirement of fixed assets following upgrades at Moominvalley Park under extraordinary loss. Profit attributable to owners of the parent was up despite ¥361 million increase in corporate taxes. Exceeded fiscal 2023 level when changes, notably gain on sales of shares of subsidiaries and associates, pushed extraordinary income to ¥579 million.

**Difference between August 9 revised forecast and actual results**
Revenues exceeded revised forecast thanks to higher revenues from business succession projects and favorable August and September results at Moominvalley Park. Income in categories from operating income on down rose above forecasts as solid revenue position offset small impairment losses on start-up investments.

# Quarterly Changes in Consolidated Performance

(Millions of yen)

| | Fiscal 2023 | | | | | Fiscal 2024 | | | | | YOY Q4 | YOY Q4 YTD |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Q1 | Q2 | Q3 | Q4 | Full year | Q1 | Q2 | Q3 | Q4 | Full year | | |
| Revenues | 2,716 | 1,814 | 2,380 | 2,391 | 9,302 | 3,434 | 3,120 | 3,023 | 4,228 | 13,807 | 1,837<br>76.9% | 4,505<br>48.4% |
| Gross profit | 1,597 | 783 | 1,457 | 1,272 | 5,111 | 2,102 | 1,765 | 1,721 | 1,765 | 7,355 | 493<br>38.8% | 2,244<br>43.9% |
| Operating income (loss) | 720 | (74) | 496 | 201 | 1,343 | 976 | 670 | 559 | 363 | 2,569 | 162<br>80.9% | 1,225<br>91.2% |
| Ordinary profit (loss) | 699 | (71) | 456 | 192 | 1,277 | 953 | 634 | 520 | 352 | 2,461 | 159<br>82.9% | 1,183<br>92.7% |
| Profit/(loss) attributable to owners of the parent | 503 | (25) | 304 | * 821 | 1,603 | 589 | 528 | 352 | 206 | 1,675 | * (615)<br>(74.9%) | 72<br>4.5% |
| EBITDA | 836 | 44 | 612 | 318 | 1,811 | 1,095 | 793 | 667 | 481 | 3,038 | 163<br>51.1% | 1,227<br>67.7% |

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).

* Fourth quarter of fiscal 2024 showed year-on-year decrease compared with corresponding period a year ago because FGI booked ¥386 million in extraordinary income from sale of shares in Rights and Brands Japan Co., Ltd., an equity-method affiliate.

# Business Summary by Segment (1)

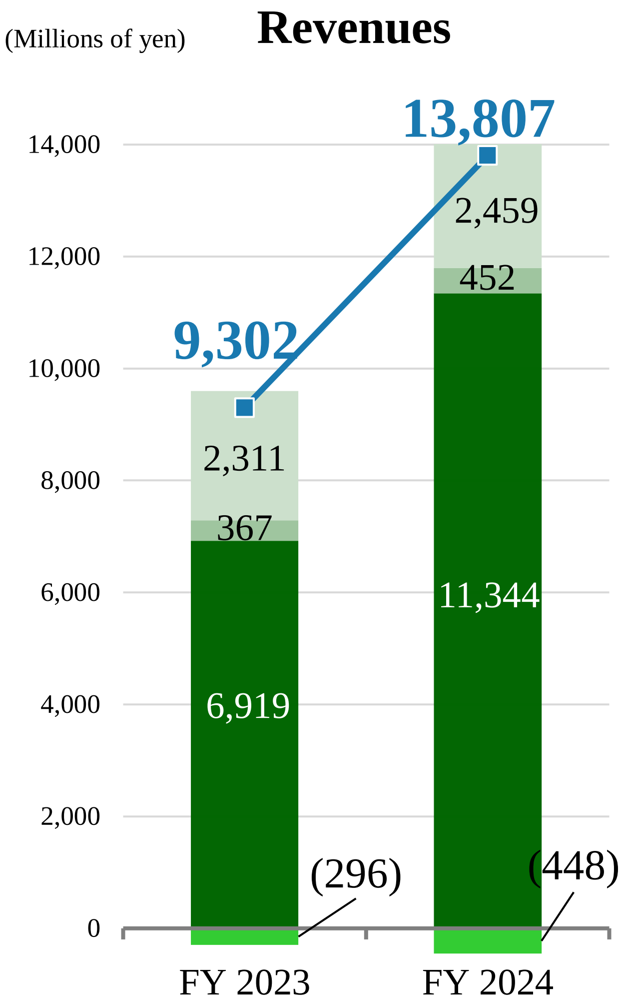
- In investment banking business, favorable shift in revenues thanks to contributions across the board, especially revenues from private equity investment and arrangement transaction services. Segment revenues surged 64.0%. Segment gross profit leaped 41.2%. Segment income jumped 56.9%.
- Public management consulting business achieved 22.9% revenue improvement, thanks to increase in support for preparation of financial documents and public facilities management. Still in red but segment loss ¥15 million less than a year ago.
- In entertainment service business, sustained progress toward profit structure based on cost reduction underpinned improvement in gross profit.

(Millions of yen)

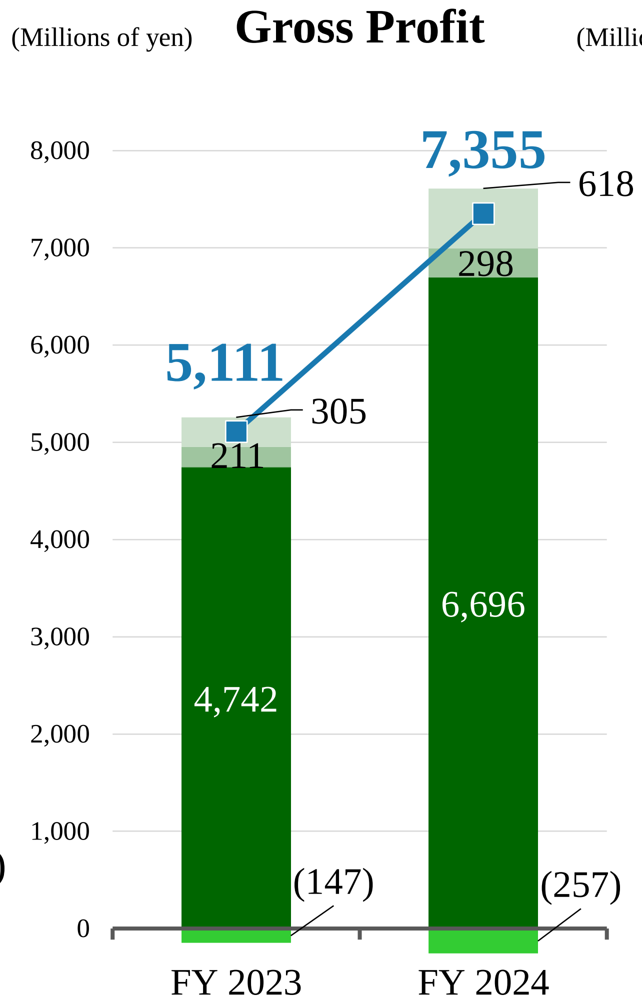
| Reporting Segments | | Fiscal 2023 | | | | | Fiscal 2024 | | | | | YOY Q4 change | YOY Q4 YTD change |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Q1 | Q2 | Q3 | Q4 | Full year | Q1 | Q2 | Q3 | Q4 | Full year | | |
| Investment Banking Business | Revenue | 1,989 | 1,295 | 1,796 | 1,837 | 6,919 | 2,673 | 2,642 | 2,426 | 3,601 | 11,344 | 1,763 | 4,425 |
| | Gross Profit | 1,446 | 753 | 1,340 | 1,200 | 4,742 | 1,857 | 1,703 | 1,551 | 1,584 | 6,696 | 383 | 1,954 |
| | Segment income | 933 | 259 | 755 | 555 | 2,504 | 1,191 | 1,063 | 823 | 852 | 3,930 | 296 | 1,425 |
| Public Management Consulting Business | Revenue | 90 | 92 | 65 | 119 | 367 | 119 | 119 | 74 | 138 | 452 | 18 | 84 |
| | Gross Profit | 48 | 46 | 41 | 74 | 211 | 73 | 75 | 52 | 97 | 298 | 22 | 86 |
| | Segment income/(loss) | (7) | (10) | (24) | 7 | (34) | 5 | 6 | (28) | (2) | (18) | (10) | 15 |
| Entertainment Service Business | Revenue | 713 | 498 | 584 | 515 | 2,311 | 713 | 494 | 591 | 659 | 2,459 | 144 | 148 |
| | Gross Profit | 134 | 13 | 110 | 46 | 305 | 210 | 52 | 152 | 203 | 618 | 156 | 313 |
| | Segment income/(loss) | (18) | (140) | (66) | (139) | (364) | 1 | (143) | (56) | (45) | (244) | 93 | 119 |
| Adjustment （Elimination of transactions among segments and corporate expenses） | Revenue | (77) | (71) | (65) | (81) | (296) | (71) | (136) | (69) | (169) | (448) | (88) | (152) |
| | Gross Profit | (32) | (30) | (35) | (49) | (147) | (37) | (65) | (35) | (118) | (257) | (69) | (109) |
| | Segment income/(loss) | (187) | (183) | (168) | (223) | (762) | (222) | (255) | (178) | (440) | (1,097) | (216) | (334) |
| Amount Booked on Consolidated Statement of Income | Revenue | 2,716 | 1,814 | 2,380 | 2,391 | 9,302 | 3,434 | 3,120 | 3,023 | 4,228 | 13,807 | 1,837 | 4,505 |
| | Gross Profit | 1,597 | 783 | 1,457 | 1,272 | 5,111 | 2,102 | 1,765 | 1,721 | 1,765 | 7,355 | 493 | 2,244 |
| | Operating income/(loss) | 720 | (74) | 496 | 201 | 1,343 | 976 | 670 | 559 | 363 | 2,569 | 162 | 1,225 |

・Revenue for each segment includes intersegment revenue and transfers.
・The ¥(1,097) million segment loss in fiscal 2024, under adjustment, includes intersegment elimination (¥264 million in fiscal 2024) as well as corporate expenses (¥(1,361) 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.

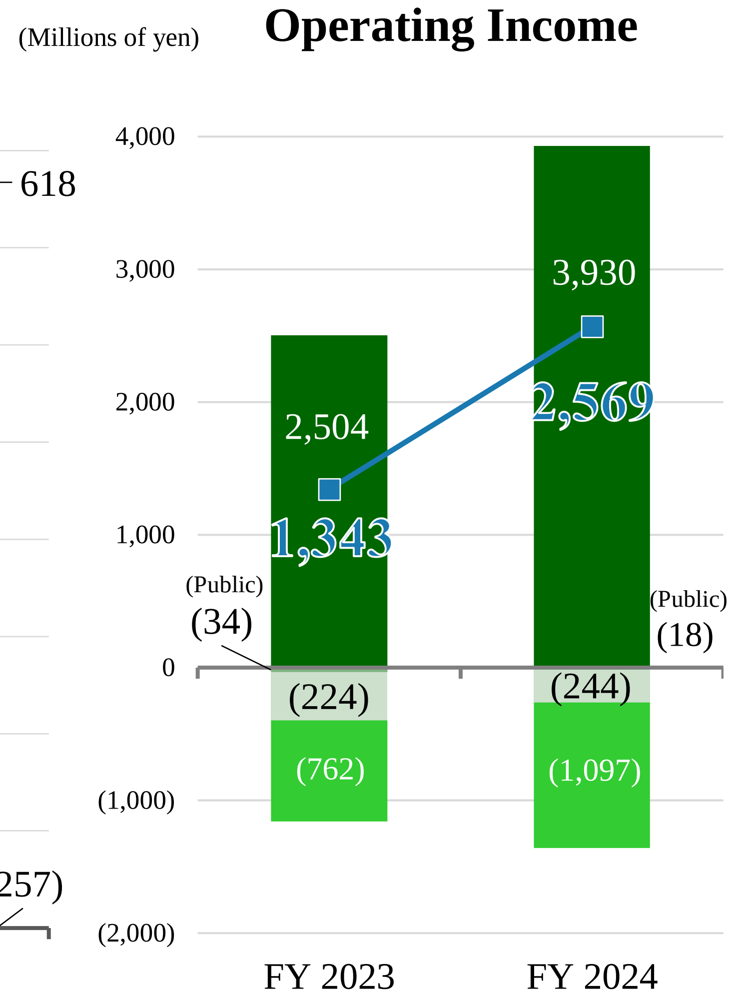
# Business Summary by Segment (2)




Up ¥4,505 million, or 48.4%




Up ¥2,244 million, or 43.9%




Up ¥1,225 million, or 91.2%

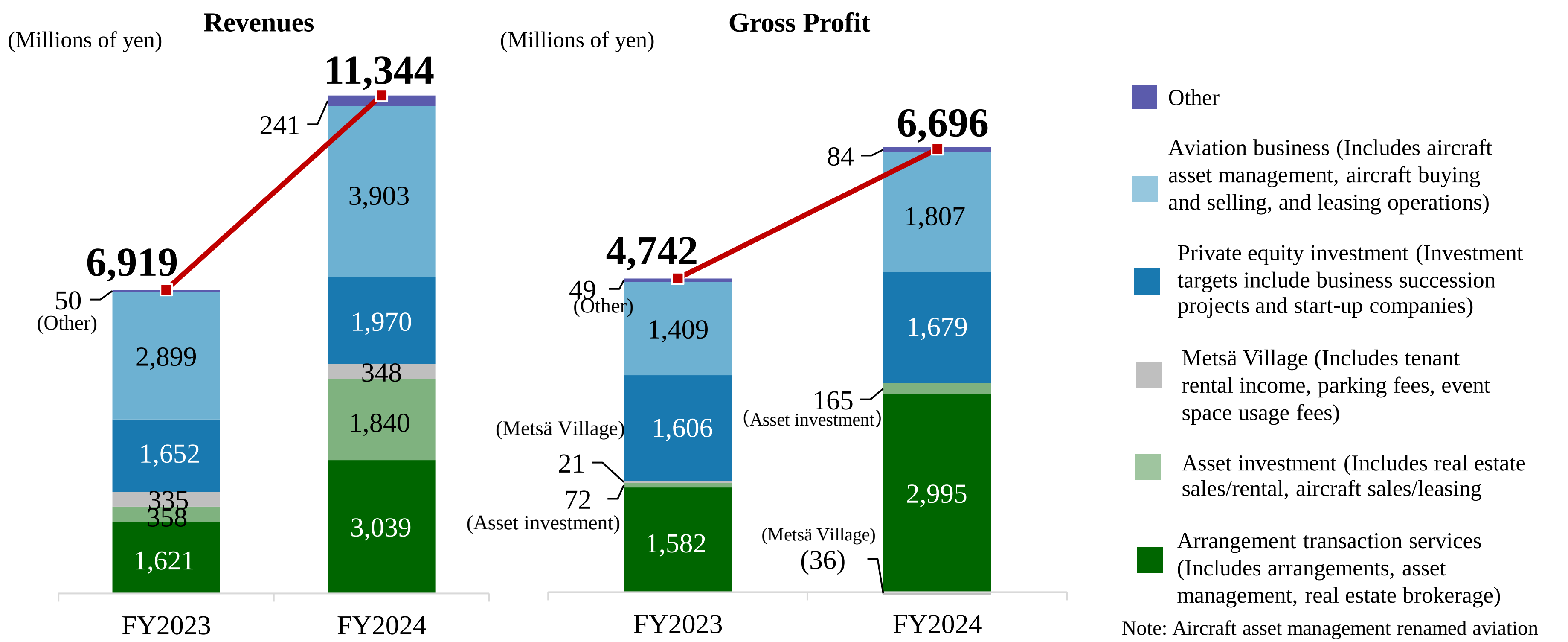
Note: Segment breakdown uses non-eliminated values.

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

# Investment Banking Business—Revenues and gross profit by service

**Business succession projects moved in favorable direction. Progress in new activities, including aircraft leasing.**

- **Private equity investment:** Despite impairment losses on start-up investments, marked favorable progress on exits from private equity investments, leading to higher revenues and higher income.
- **Arrangement transaction services:** Higher revenues reflect arrangements for business succession projects. Reinsurance-related income from subsidiary acquired in second quarter of fiscal 2023 also contributed to results.
- **Asset investment**: Increase in sale of small-lot products utilizing real estate trust beneficiary rights. Recorded sale of real estate development projects in fourth quarter, further boosting revenues. Also marked 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.
- **Metsä Village:** Booked loss of ¥55 million on valuation of real estate for sale due to real estate appraisal.
- **Aviation business**: Favorable progress on aircraft registration Aircraft leasing operations, a new activity, gave good boost to revenues. Aircraft shortage prompted increase in leasing contract extensions, which reduced number of aircraft inspections for technical services business.




**Up ¥4,425 million, or 64.0%** **Up ¥1,954 million, or 41.2%**

Note: Aircraft asset management renamed aviation business. Revenues from aircraft buying and selling as well as leasing operations, previously included under asset investment, now shown under aviation business.

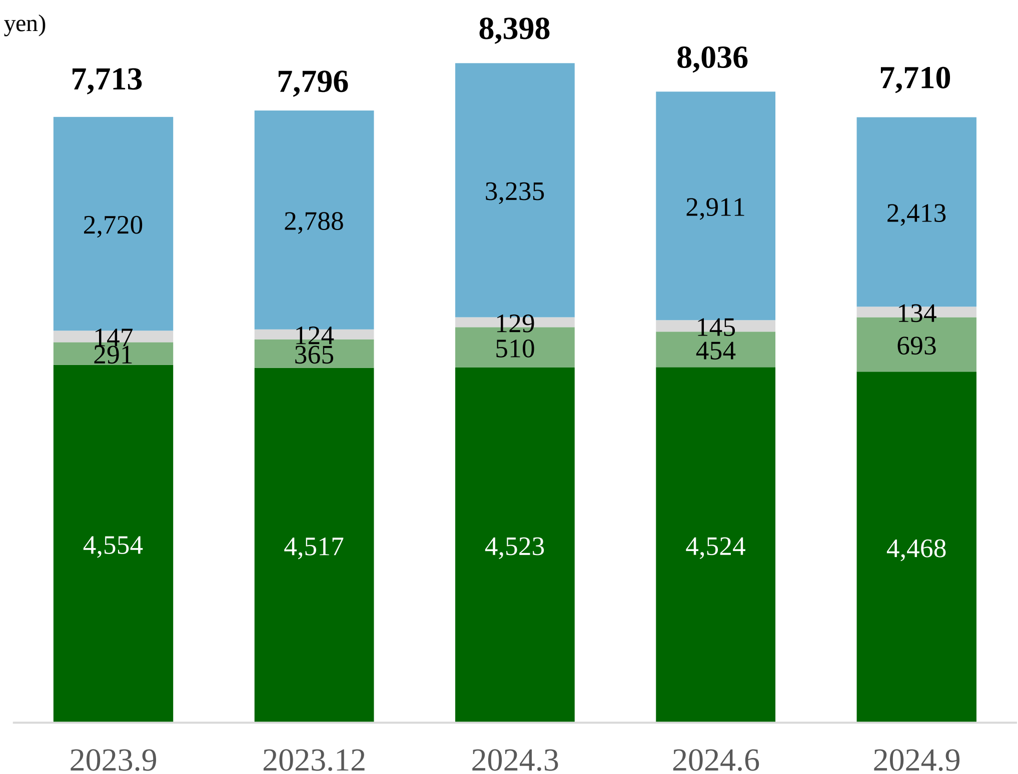
# Trends in Balance of Investments and Loans

**Balance of investments and loans was down 4.1% from end of third quarter reflecting investment exits.**
(Factors of change in fourth quarter of fiscal 2024)

- Principal investment: Decreased due to exits from private equity investments.
- Corporate loans: Increased with new loans to subsidiary special purpose company that owns solar power generation facilities at Metsä.
- Real estate (Metsä business): Booked loss of ¥55 million on valuation of real estate for sale due to real estate appraisal, leading to decrease in Metsä business.

**Total Investments and Loans (including investments in subsidiaries)**

(Millions of yen)




**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.

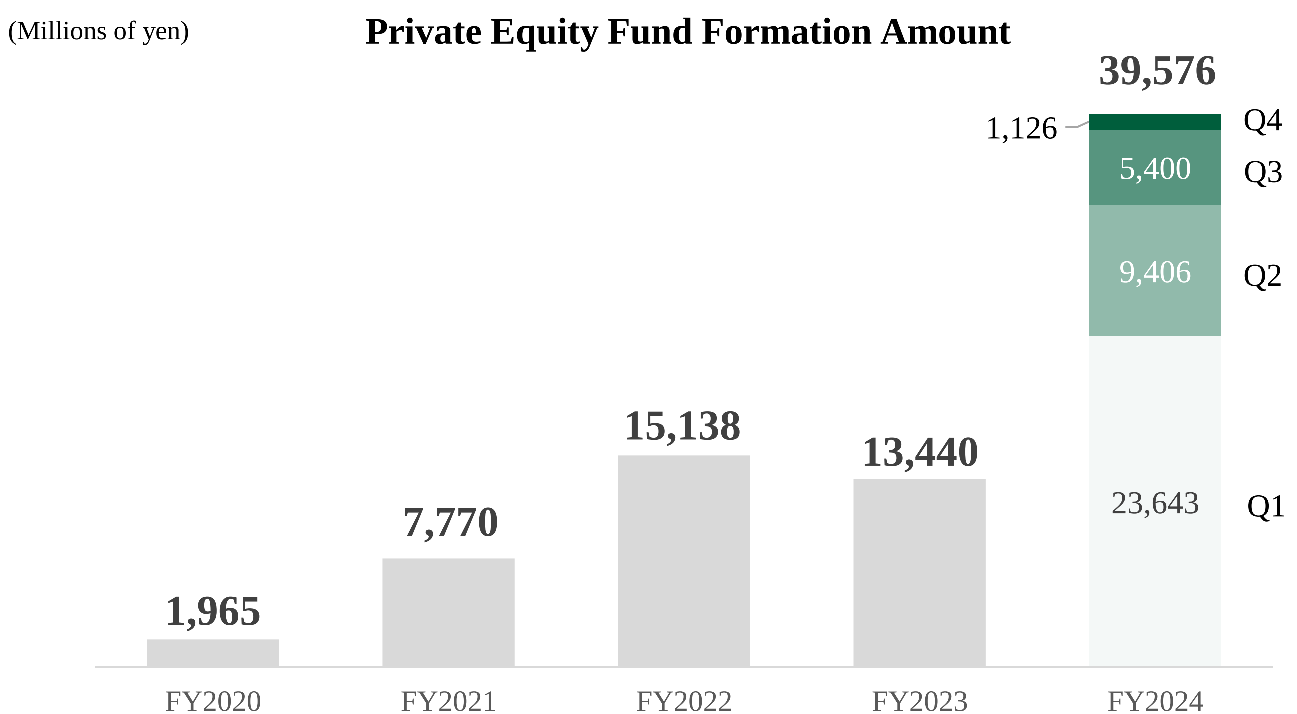
**Real estate (Metsä business)**
Real estate for Metsä. Metsä Village real estate booked under real estate for sale in progress and real estate for sale. Moominvalley Park land, while legally transferred to local special purpose company, is included in this amount because on an accounting basis it is 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
3. Does not include rental assets (aircraft)

# Financing for Private Equity Funds to Facilitate Business Succession Projects

**Aggregate private equity fund formation amount ( ≒ investment amount) reached total of ¥39.5 billion in fiscal 2024, up 295% from fiscal 2023.**

Q1: Formation of large projects
Q2: Larger number of arrangements formed due to timing of fiscal year-end for financial institutions to which FGI brings deals.
Q3: Arrangement value climbing toward turning profit next fiscal year.
Q4: Formed multiple business succession projects. Turned real estate company with good FGI Group synergy into subsidiary.
(Not consolidated due to small size.)

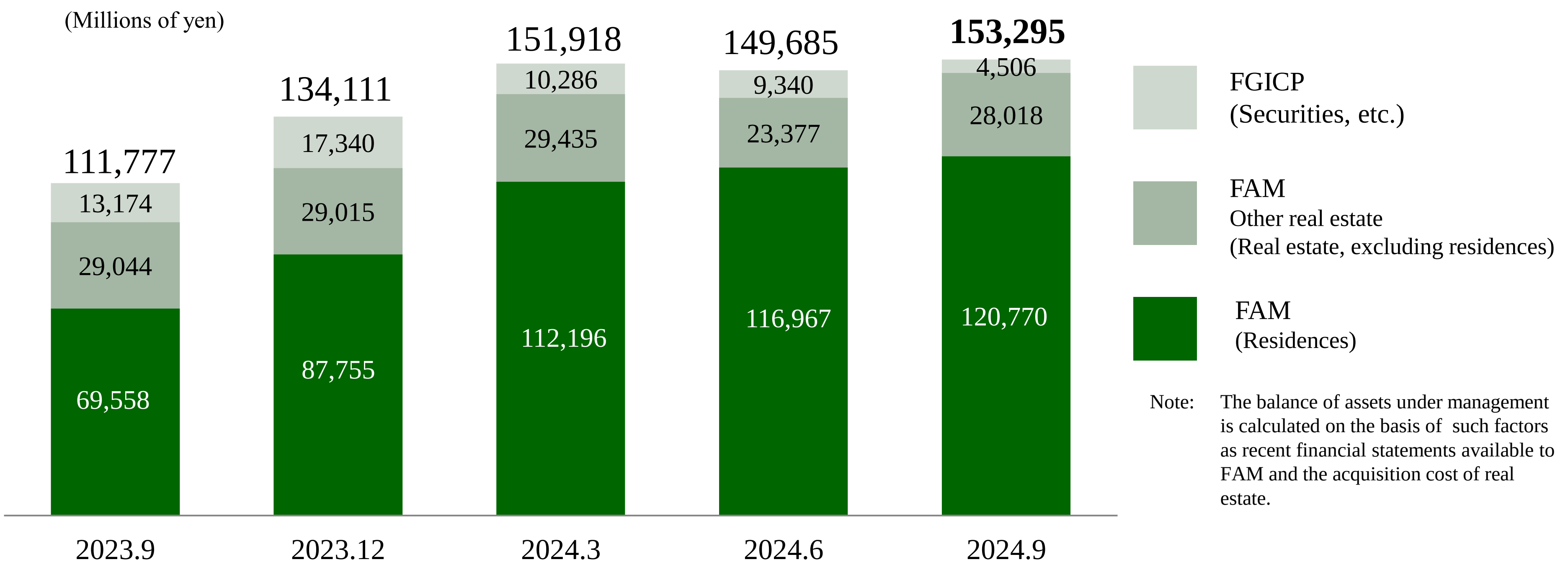


# Changes in Assets under Management

**In asset management, residence investment by overseas investors is slowing down.**

- Balance of assets under management rose 1.8% from the end of the third quarter, to ¥153.2 billion, mainly due to an increase in residence investment.

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



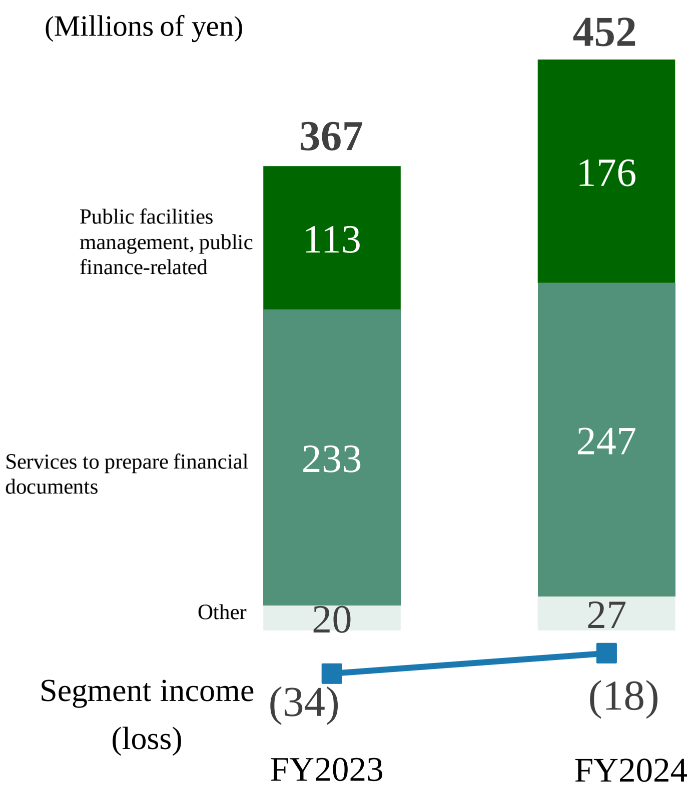

Note: The balance of assets under management is calculated on the basis of such factors as recent financial statements available to FAM and the acquisition cost of real estate.

# Public Management Consulting Business

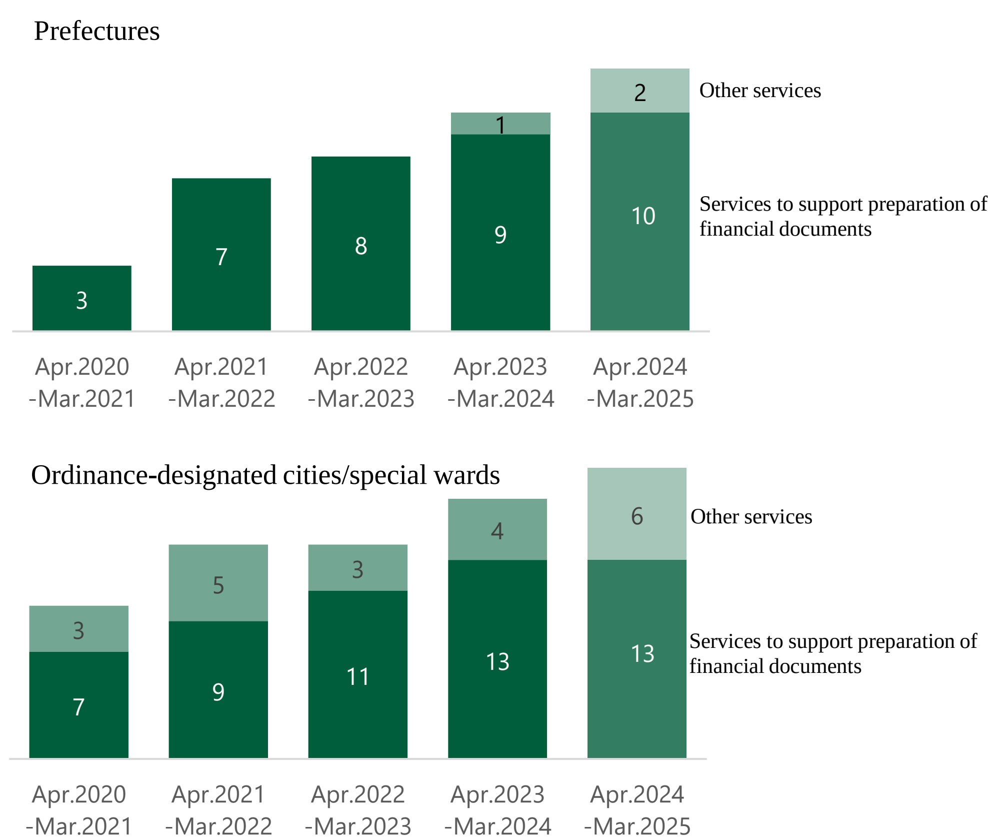
**Public finance-related operations, including support for public facilities management and administrative planning, posted revenue increase of 56.1%. Hired more staff and actively expanded marketing efforts.**

- Saw increased demand to support clients in preparing general management plans for public facilities, which lay out comprehensive steps for public facility maintenance, management and upgrades, as well as plan formation and research on ways to extend service life of facilities, restructure and relocate.
- Extended support across many public service areas, including childcare and measures to promote good health. Reinforced consulting capacity. Fostered closer ties with government agencies and promoted measures to provide multiple service options consistent across each administrative jurisdiction.

## Segment Information




## Number of large local governments receiving contract services

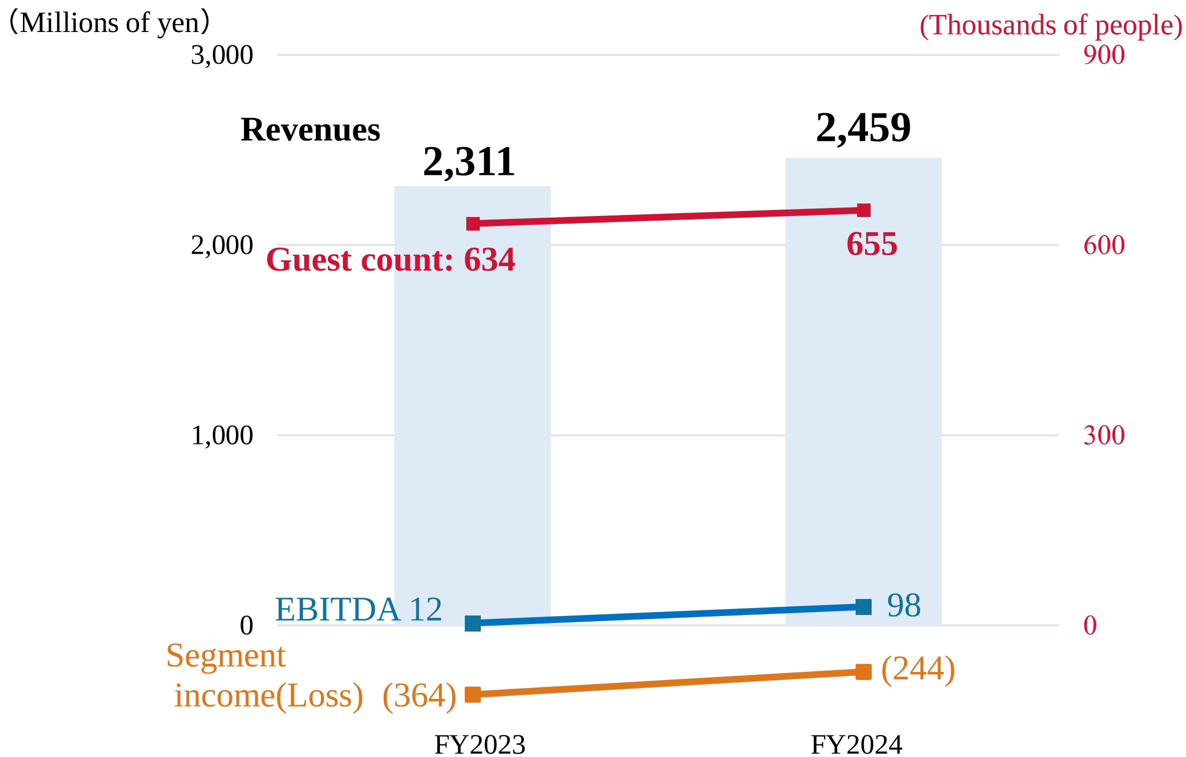


# Entertainment Service Business



**Guest count turned upward, driven by enhanced promotional activities and increased content. Revenues grew and the loss position was a lighter shade of red, thanks to higher spending per guest and progress on measures to reduce costs.**

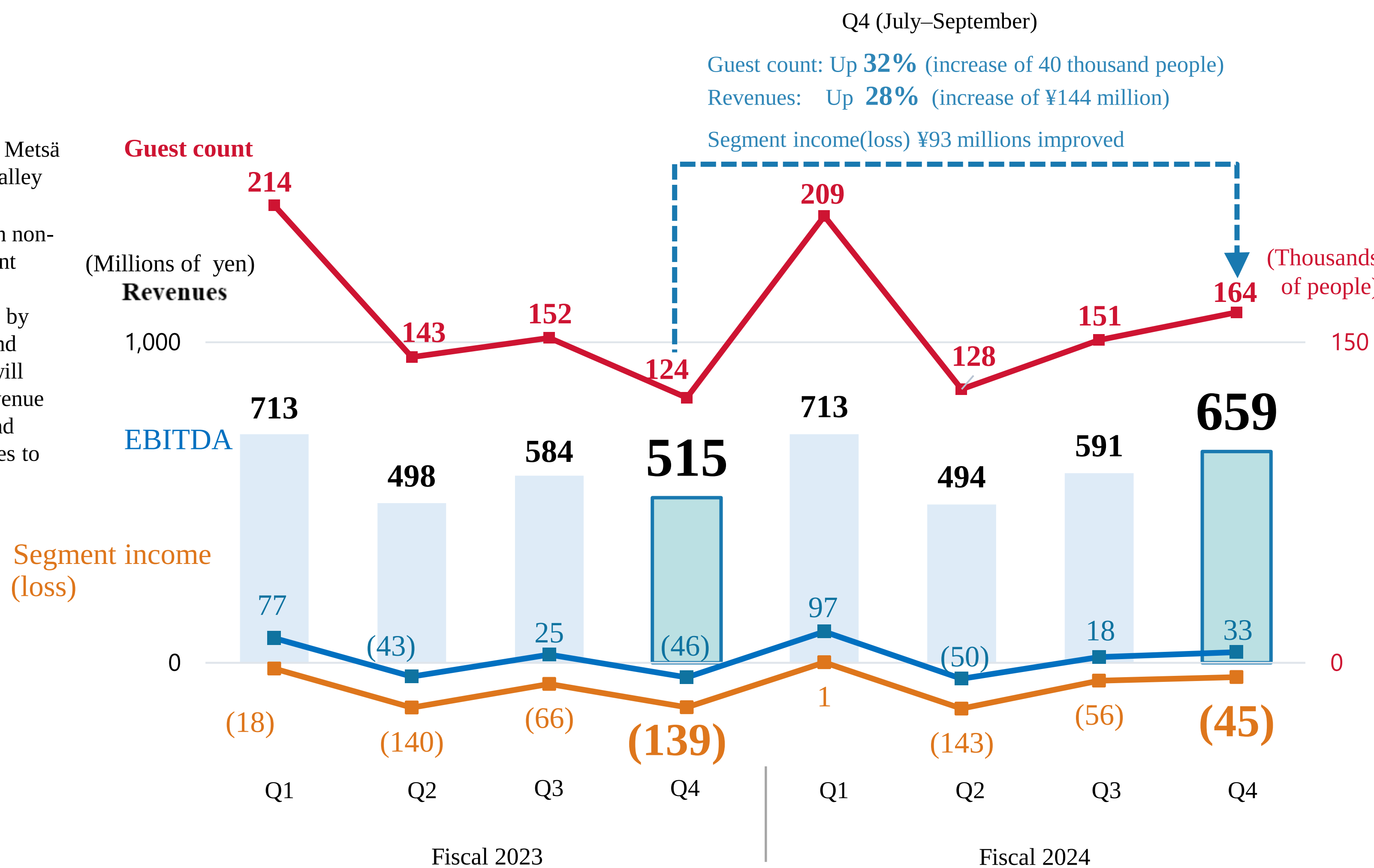
- Improvement in guest count reflects successful programs, including the Child Support Campaign, which attracted an increase in visitors to site in fourth quarter. Attendance rose 3.3% year on year, settling around 650,000 guests.
- Revenues climbed 6.4%, or ¥148 million, and the segment loss was a lighter shade of red, improving ¥119 million from a deeper loss level a year ago.




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.



# Activities at Moominvalley Park

**Added and updated facility and service content, and conducted various promotional activities, leading to rebound in guest count and improvement in profit-loss status.**

| | |
|---|---|
| **Higher spending per guest** | • Favorable factors, such as guests staying longer on-site and price revisions, led to higher spending per guest on admission tickets as well as merchandise and food and beverages.<br>• Spending per guest declined in fourth quarter, due to Child Support Campaign, but profit-loss status improved with higher guest count. |
| **Cost reduction** | • Costs dropped, mainly because measures based on review of outsourcing of services and suppliers of merchandise and food and beverages, revised prices and efforts to boost sales of original goods.<br>• Reduced rent by consolidating offices and also cut miscellaneous expenses, such as utility bills.<br>• Strategically increased sales promotions and advertising expenses to strengthen ability to attract crowds. |
| **Enriched promotional activities** | • Enhanced evening events and fireworks. Created night passes to attracted guests heading out for some evening fun.<br>• Reinforced promotions using social media and television commercials. Updated website.<br>• Emphasized enjoyable environment, especially from child's perspective, with summer events, various discount campaigns* and other incentives to visit. Welcomed more families and more middle- and high-school students.<br>* Child Support Campaign<br>Children's one-day pass ¥500 (July 27 – October 31, 2024)<br>Children's ¥2,200 same-day ticket reduced to ¥500<br>Campaign targeting middle- and high-school students under adult ¥3,600 same-day ticket. |
| **Investment in facilities/services content** | • Introduced new content using funds from July 2023 sale of shares in Rights and Brands Japan.<br>New facilities: Installed character statues, opened Cove Terrace, set up water-soaked fun zone<br>Updated services: "Little My Play Spot" redesigned into Moominvalley Cinema. Opened Oshun Oxtra performance featuring Moomin characters. |

# Consolidated Balance Sheets

(Thousands of yen)

| Assets | Fiscal 2023 | Fiscal 2024 | Change |
|---|---|---|---|
| Current assets | 12,477,247 | 14,027,246 | 1,549,999 |
| 1 Cash and time deposits | 2,918,561 | 5,789,907 | 2,871,346 |
| 2 Accounts receivable, trade, and contract assets | 1,355,231 | 950,434 | (404,796) |
| 3 Operational investment securities | 2,848,142 | 1,560,437 | (1,287,705) |
| Loans receivable, trade | 346,365 | 522,565 | 176,200 |
| Real estate for sale | 4,095,967 | 4,046,834 | (49,133) |
| Merchandise | 160,768 | 142,275 | (18,492) |
| Other | 883,381 | 1,119,460 | 236,078 |
| Allowance for doubtful accounts | (131,170) | (104,667) | 26,503 |
| Noncurrent assets | 6,646,706 | 6,642,432 | (4,273) |
| 4 Property, plant and equipment | 5,530,068 | 5,260,917 | (269,150) |
| Intangible fixed assets | 131,260 | 181,418 | 50,158 |
| 5 Investments and other assets | 985,377 | 1,200,096 | 214,718 |
| Total assets | 19,123,953 | 20,669,679 | 1,545,725 |

1 Increased, as distributions of dividends and collections of accounts receivable offset temporary drop caused by investment into acquisition funds.

2 Decreased, as collections of accounts receivable on aviation business offset higher accounts receivable from arrangement services on business succession solutions.

3 Decreased, reflecting exit from private equity funds and progress on sale of trust beneficiary rights on small-lot real estate products.

4 Decreased, mainly owing to depreciation on Moominvalley Park buildings and interior and exterior fixtures as well as retirement of existing displays and other items.

5 Increased due to booking of guarantee deposits on consolidation of construction company P-con Home Service.

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

7 Lease obligations relating to interior and exterior movable property at time of Moominvalley Park opening paid off in full through sale-and-leaseback process.

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

9 Repurchase of own shares.

| Liabilities | Fiscal 2023 | Fiscal 2024 | Change |
|---|---|---|---|
| Current liabilities | 7,880,663 | 8,788,148 | 907,484 |
| Accounts payable, trade | 308,710 | 241,273 | (67,436) |
| 6 Short-term loans payable | – | 781,186 | 703,232 |
| Current portion of long-term loans payable | 6,082,038 | 5,998,872 | (83,166) |
| Income taxes payable | 125,884 | 326,067 | 200,183 |
| 7 Lease obligations | 149,086 | 32,914 | (116,172) |
| Accrued employee bonuses | 257,626 | 322,024 | 64,397 |
| Other | 879,363 | 1,085,810 | 206,447 |
| Noncurrent liabilities | 1,849,970 | 1,128,982 | (720,987) |
| 8 Long-term loans payable | 1,290,817 | 638,535 | (652,282) |
| Lease obligations | 50,723 | 21,074 | (29,648) |
| Deferred tax liabilities | 97,175 | 22,636 | (74,538) |
| Net defined benefit liability | 126,297 | 153,433 | 27,135 |
| Other | 284,955 | 293,302 | 8,346 |
| Total liabilities | 9,730,633 | 9,917,131 | 186,497 |

| Net Assets | | | |
|---|---|---|---|
| Shareholders’ equity | 8,141,924 | 9,366,630 | 1,224,705 |
| Common stock | 5,372,574 | 5,373,336 | 761 |
| Additional paid-in capital | 974,443 | 968,668 | (5,775) |
| Retained earnings | 1,794,907 | 3,470,851 | 1,675,944 |
| 9 Treasury shares | (0) | (446,226) | (446,225) |
| Accumulated other comprehensive income | 150,683 | 164,312 | 13,629 |
| Stock acquisition rights | 77,299 | 103,108 | 25,809 |
| Non-controlling interests | 1,023,412 | 1,118,496 | 95,084 |
| Total net assets | 9,393,319 | 10,752,548 | 1,359,228 |
| Total liabilities and net assets | 19,123,953 | 20,669,679 | 1,545,725 |

# Consolidated Statement of Income

(Thousands of yen)

| | | Fiscal 2023 | Ratio to Revenues | Fiscal 2024 | Ratio to Revenues | YoY Change Amount | YoY Change Ratio |
|---|---|---|---|---|---|---|---|
| Revenues | 1 | 9,302,325 | 100.0% | 13,807,941 | 100.0% | 4,505,616 | 48.4% |
| Cost of revenues | 2 | 4,191,298 | 45.1% | 6,452,353 | 46.7% | 2,261,055 | 53.9% |
| Gross profit | | 5,111,026 | 54.9% | 7,355,588 | 53.3% | 2,244,561 | 43.9% |
| Selling, general and administrative expenses | 3 | 3,767,047 | 40.5% | 4,785,729 | 34.7% | 1,018,681 | 27.0% |
| Operating income | | 1,343,979 | 14.4% | 2,569,858 | 18.6% | 1,225,879 | 91.2% |
| Other income | | 91,484 | 1.0% | 84,897 | 0.6% | (6,586) | (7.2)% |
| Other expenses | | 158,185 | 1.7% | 193,572 | 1.4% | 35,386 | 22.4% |
| Ordinary profit | | 1,277,278 | 13.7% | 2,461,184 | 17.8% | 1,183,906 | 92.7% |
| Extraordinary profit | | 579,250 | 6.2% | 241,943 | 1.8% | (337,307) | (58.2)% |
| Extraordinary loss | | 32,370 | 0.3% | 276,242 | 2.0% | 243,871 | 753.4% |
| Income before income taxes | | 1,824,158 | 19.6% | 2,426,886 | 17.6% | 602,727 | 33.0% |
| Income taxes | | 180,450 | 1.9% | 542,201 | 3.9% | 361,751 | 200.5% |
| Profit | 4 | 1,643,708 | 17.7% | 1,884,684 | 13.6% | 240,976 | 14.7% |
| Profit attributable to non-controlling interests | | 40,278 | 0.4% | 5 208,739 | 1.5% | 168,461 | 418.2% |
| Profit attributable to owners of parent | | 1,603,429 | 17.2% | 1,675,944 | 12.1% | 72,514 | 4.5% |

1 Increased, thanks to favorable private equity investment income, arrangement activity and aviation business, complemented by sale of real estate for sale.

2 Increased, paralleling aviation business activities and sale of small-lot real estate products.

3 FGI and FinTech Asset Management revised respective personnel evaluation and compensation system. Will review base salary and various allowances starting with December 2023 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 27.0% year on year.

4 Fiscal 2023: Booked ¥386 million in gain on sales of shares of subsidiaries and associates through sale of shares in Rights and Brands Japan Co., Ltd., an equity-method affiliate, and ¥190 million in negative goodwill paralleling consolidation of Trinity Japan co., ltd.
Fiscal 2024: For guarantee deposits associated with newly consolidated P-con Home Service, FGI performed provisional accounting treatment in second quarter and booked ¥66 million in negative goodwill. But after reviewing possibility of future defect liability, FGI confirmed negative goodwill to be ¥241 million, an increase of ¥174 million.

5 Booked ¥276 million in loss on retirement of fixed assets due to renovations, including opening of new areas, at Moominvalley Park and removal of existing exhibits.

# Consolidated Statement of Cash Flows

(Thousands of yen)

| | Fiscal 2023 | Fiscal 2024 | Change |
|---|---|---|---|
| **Cash flows from operating activities** | **615,263** | 1 **4,055,296** | **3,440,032** |
| Income/(Loss) before income taxes | 1,824,158 | 2,426,886 | 602,727 |
| Depreciation and amortization | 444,758 | 442,871 | (1,887) |
| Amortization of goodwill | 22,608 | 25,621 | 3,012 |
| (Increase)/Decrease in accounts receivable, trade | (335,946) | 461,229 | 797,176 |
| (Increase)/Decrease in investments in securities, trade | (331,333) | 1,239,870 | 1,571,203 |
| (Increase)/Decrease in inventories | (147,174) | 246,775 | 393,950 |
| Increase/(Decrease) in accounts payable, trade | 47,406 | (76,971) | (124,377) |
| Income taxes refund (paid) | (402,189) | (742,746) | (340,557) |
| Other | (507,025) | 31,759 | 538,784 |
| **Cash flows from investing activities** | **766,647** | **(547,689)** | **(1,314,336)** |
| Proceeds from sale of shares of subsidiaries and associates | 680,000 | – | (680,000) |
| Purchase of property, plant and equipment | (62,106) | 2 (895,784) | (833,678) |
| Proceeds from sale of property, plant and equipment | – | 435,348 | 435,348 |
| Payments for deposit as collateral | (50,000) | (65,000) | (15,000) |
| Purchase of shares of subsidiaries and associates | (154,774) | – | 154,774 |
| Purchase of shares of subsidiaries and associates | 280,137 | 61,990 | (218,146) |
| Other | 73,391 | (84,243) | (157,634) |

| | Fiscal 2023 | Fiscal 2024 | Change |
|---|---|---|---|
| **Cash flows from financing activities** | **(538,921)** | **(790,506)** | **(251,585)** |
| (Increase)/Decrease in short-term loans payable, net | 77,954 | 703,232 | 625,278 |
| Proceeds from long-term loans payable | 273,500 | 895,469 | 621,969 |
| Repayments of long-term loans payable | (514,237) | 3 (1,630,918) | (1,116,680) |
| Dividends paid to non-controlling interests | (109,912) | (162,920) | (53,008) |
| Decrease (increase) in treasury shares | – | (448,032) | (448,032) |
| Repayments of lease obligations | (266,511) | 4 (149,473) | 117,038 |
| Other | 287 | 2,137 | 1,849 |
| Effect of exchange rate change on cash and cash equivalents | 44,175 | 89,244 | 45,069 |
| Net increase/(decrease) in cash and cash equivalents | 887,165 | 2,806,345 | 1,919,179 |
| 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 | 2,868,560 | 5,674,906 | 2,806,345 |

1 Cash flows from operating activities increased, owing to higher income before income taxes and a decrease in investments in securities, trade, due to exit from private equity funds and sale of trust beneficiary rights on small-lot real estate products.

2 Decrease due to use of funds to install solar power generation equipment at Metsä, purchase aviation assets, and add or update content at Moominvalley Park.

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

4 Lease obligations relating to interior and exterior movable property at time of Moominvalley Park opening paid off in full through sale-and-leaseback process during term.

# Performance Forecast, Return to Shareholders

# Consolidated Performance Forecast

**Expect fifth consecutive year of higher income.**

- Revenues likely to decrease because asset investment exit activity nearly completed in fiscal 2024. But gross profit should increase, underpinned by revenues from high-profitability private equity investments and arrangement transaction services as well as higher revenues from other services. Anticipate income in categories from operating income on down will also show improvement.
- Forecasting that entertainment service business will turn a profit.

| (Millions of yen) | Fiscal 2024 Actual | Fiscal 2025 Forecast | YOY Change Amount | YOY Change Percentage |
|---|---|---|---|---|
| **Revenues** | **13,807** | **12,300** | **(1,507)** | **( 10.9%)** |
| **Operating income** | **2,569** | **3,100** | **+530** | **+20.6%** |
| **Ordinary profit** | **2,461** | **3,000** | **+538** | **+21.9%** |
| **Profit attributable to owners of the parent** | **1,675** | **2,000** | **+324** | **+19.3%** |
| **EPS (yen)** | **8.41** | **10.21** | **+1.80** | **–** |

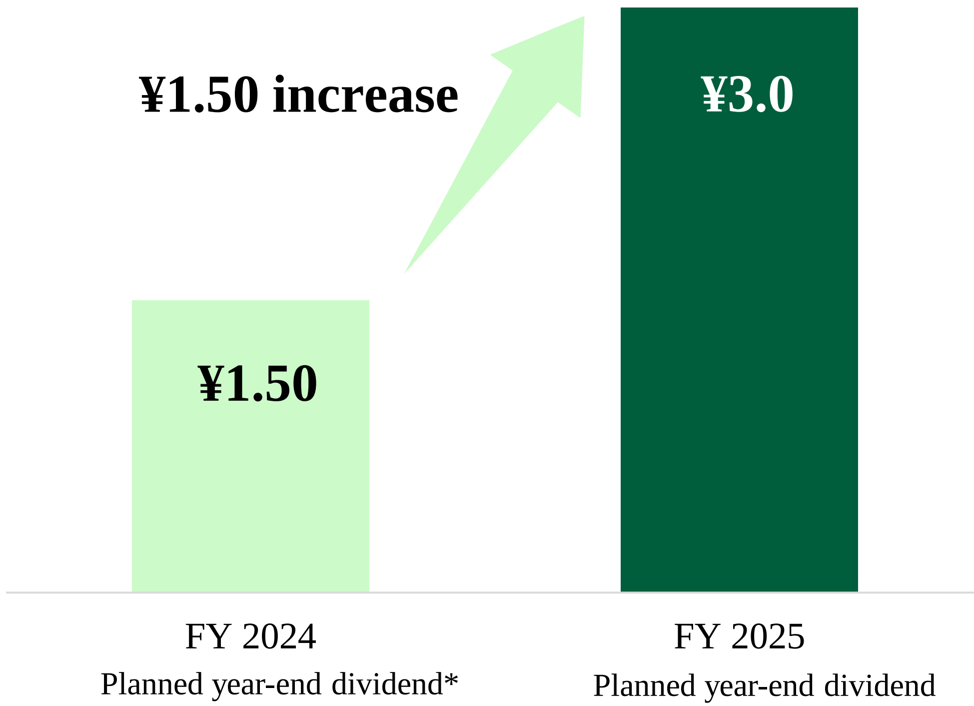
Performance forecasts and other forward-looking statements are based on certain reasonable assumptions and information currently available to management of the Company. A number of factors could cause actual results to differ greatly from stated expectations.

# Forecast by Segment

| | |
|---|---|
| **Investment banking business** | • Will reinforce marketing push toward financial institutions to secure more **business succession solution services** projects. Will demonstrate competitive excellence on highly challenging projects and maintain high profitability. Anticipate profit increase.<br>• Will maintain stable profits by securing new asset management contracts for **residence investment**.<br>• Will expand profits through formation, sale and operation of **fund products**.<br>• In **aviation business**, fewer end-of-lease returns as airlines extend leases to offset aircraft shortage may cause drop in demand for inspections. In aircraft leasing operations, new purchase of aircraft assets in October 2024 for leasing. Demand for leasing should be brisk. (Presumed exchange rate: 1 euro = ¥150)<br>• In **asset investment**, not expecting profit at this time because of investment exit activity in fiscal 2024 and balance of holdings is now low.<br>• Expenses, particularly **personnel and outsourcing costs, are likely to rise.** |
| **Public management consulting business** | • Will promote measures to **provide multiple options consistent across each administrative jurisdiction.**<br>• Expect **expansion in services to support preparation of administrative plans,** including general plans, response to childcare issues and measures to promote good health.<br>• Will **increase staffing** to respond to new needs, including preparation of administration plans. Expect upfront costs. |
| **Entertainment service business** | • Will continue approaches, such as **evening events, fireworks and social media content**, that proved successful in fiscal 2024.<br>• Given results of Child Support Campaign and rising energy costs, will **revise ticket prices**. Will focus on **attracting attention of families** keen to reduce household leisure activity spending as well as **junior and senior high school students**.<br>Key ticket prices (revised November 1, 2024)<br>• Adult one-day pass: ¥3,900 purchased in advance (up ¥500)<br>• Child one-day pass: ¥1,300 purchased in advance (end fee of ¥2,200 purchased in advance for kids 4 through elementary school age with wider age range extending to senior high school students).<br>• **Switch up service content**. Add content matched to new adult admission pricing. Focus content improvement on services/activities to attract children.<br>• See **segment turning a profit** by attracting more guests and boosting spending per guest and also be reducing costs. |

# Dividends

Fiscal 2024 saw resumption of dividends, with year-end dividend of ¥1.50 per share.
Plan to boost dividend to ¥3.0 per share, up ¥1.50, for fiscal 2025.




| | | |
|---|---|---|
| **Total dividends** | **293 million** | Consolidated payout ratio: 29.4% |
| Consolidated payout ratio: | 17.8% | |
| Consolidated total return ratio: | 44.3% | |

* Management expects approval for fiscal 2024 year-end dividend to be granted at General Meeting of Shareholders.

# Repurchase of Own Shares

**Implemented own-share repurchase three times in fiscal 2024, based on Board of Directors' resolution**
Repurchased own shares to improve capital efficiency and for other purposes, including realization of flexible capital policy matched to business environment and to underpin executive incentive plan.

| | Repurchase concluded (February 10, 2024 decision) | Repurchase concluded (May 10, 2024 decision) | Repurchase concluded (August 9, 2024 decision) |
|---|---|---|---|
| Repurchase results | Repurchase period: February 19, 2024 – February 21, 2024<br><br>1,957,400 shares<br>(0.97% of total number of shares issued and outstanding (excluding treasury stock) )<br><br>Amount: ¥149,992,500 | Repurchase period: May 13, 2024 – June 21, 2024<br><br>1,650,000 shares<br>(0.83% of total number of shares issued and outstanding (excluding treasury stock) )<br><br>Amount: ¥148,044,400 | Repurchase period: August 13, 2024 – September 4, 2024<br><br>1,848,900 shares<br>(0.94% of total number of shares issued and outstanding (excluding treasury stock) )<br><br>Amount: ¥149,995,500 |

# Changes in Key Financial Data

| | | Fiscal 2019 | Fiscal 2020 | Fiscal 2021 | Fiscal 2022 | Fiscal 2023 | Fiscal 2024 |
|---|---|---|---|---|---|---|---|
| Revenues | (millions of yen) | 9,175 | 6,841 | 8,107 | 9,301 | 9,302 | 13,807 |
| Gross profit | (millions of yen) | 2,944 | 2,313 | 3,370 | 3,990 | 5,111 | 7,355 |
| Operating income/(loss) | (millions of yen) | (1,664) | (992) | 178 | 587 | 1,343 | 2,569 |
| Ordinary profit (loss) | (millions of yen) | (1,850) | (1,135) | 115 | 540 | 1,277 | 2,461 |
| Profit /(loss) attributable to owners of parent | (millions of yen) | (1,586) | (1,186) | 130 | 176 | 1,603 | 1,675 |
| Net assets | (millions of yen) | 8,873 | 7,304 | 7,439 | 7,842 | 9,393 | 10,752 |
| Total assets | (millions of yen) | 19,025 | 16,583 | 16,457 | 17,933 | 19,123 | 20,669 |
| Net assets per share | (yen) | 37.03 | 31.12 | 31.47 | 32.72 | 41.19 | 48.66 |
| Net income (loss) per share | (yen) | (8.08) | (5.90) | 0.65 | 0.88 | 7.97 | 8.41 |
| Diluted net income (loss) per share | (yen) | − | − | 0.65 | 0.87 | 7.94 | 8.36 |
| Equity to total asset ratio | (%) | 39.1 | 37.7 | 38.5 | 36.7 | 43.4 | 46.1 |
| Equity to net income ratio | (%) | (21.5) | (17.3) | 2.1 | 2.7 | 21.6 | 18.80 |
| Price earning ratio (PER) | (times) | − | − | 86.1 | 44.6 | 7.7 | 8.7 |
| Cash flow from operating activities | (millions of yen) | (2,604) | 680 | 747 | (701) | 615 | 4,055 |
| Cash flow from investing activities | (millions of yen) | (4,543) | (282) | (173) | (141) | 766 | (547) |
| Cash flow from financing activities | (millions of yen) | 5,710 | (767) | (360) | 802 | (538) | (790) |
| Cash and cash equivalents at the end of the fiscal year | (millions of yen) | 2,513 | 2,142 | 2,379 | 2,375 | 2,868 | 5,674 |
| Number of employees(consolidated) (part-time employees) | (employees) | 167(262) | 156(224) | 149(209) | 176(144) | 153(169) | 168(200) |
| Number of employees(non-consolidated)(part-time employees) | (employees) | 39(5) | 28(6) | 28(4) | 30(4) | 26(6) | 48(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 |
| **Date of listing** | June 8, 2005 |
| **Securities Code** | 8789 (TSE Standard Market) |
| **Fiscal year-end** | September 30 |
| **Main business** | I. Investment banking<br>II. Investment<br>III. Asset management<br>IV. Local issue solutions |
| **Number of issued shares** | 201,321,700 shares (As of September 30, 2024) |
| **Minimum trading unit** | 100 |
| **Capital stock** | ¥5,373 million (As of September 30, 2024) |
| **Net assets (consolidated)** | ¥10,752 million (As of September 30, 2024) |
| **Number of employees** | Consolidated: 168 (As of September 30, 2024, excludes temporary staff) |

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# Disclaimer



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

To the extent materials containing forward-looking statements remain in available documents, we have no obligation nor the intent to update such forward-looking statements.