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**Summary of Financial Statements
for the First Quarter of Fiscal 2022
<under Japanese GAAP>**

February 9, 2022

Company Name: FinTech Global Incorporated

(Code Number: 8789 TSE 2nd Section)

(URL: <http://www.fgi.co.jp/english/>)

TEL: +81-50-5864-3978

Representative: President and Chief Executive Officer

Name: Nobumitsu Tamai

Contact: Director, Senior Executive Officer

Name: Takashi Senda

Scheduled date for filing of securities report: February 14, 2022

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 quarter of fiscal 2022
(October 1, 2021 – December 31, 2021)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Revenues		Operating income		Ordinary profit		Profit/(loss) attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First quarter of fiscal 2022	2,272	12.5	62	18.3	39	328.0	(47)	—
First quarter of fiscal 2021	2,020	(8.6)	53	—	9	—	(63)	—

(For reference) Comprehensive income: 8 million yen for the first quarter of fiscal 2022 (—)%
0 million yen for the first quarter of fiscal 2021 (—)%

	Net income/(loss) per share	Net income per share (diluted)
	Yen	Yen
First quarter of fiscal 2022	(0.24)	—
First quarter of fiscal 2021	(0.31)	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
First quarter of fiscal 2022	16,419	7,448	38.4
Fiscal 2021	16,457	7,439	38.5

(For reference) Shareholders' equity: 6,298 million yen for the first quarter of fiscal 2022
6,328 million yen for fiscal 2021

2. Dividends

	Dividend 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 2021	—	0.00	—	0.00	0.00
Fiscal 2022	—				
Fiscal 2022 (Forecast)		0.00	—	0.00	0.00

(Note) Change from the latest dividend forecast: None

3. Consolidated financial forecasts for fiscal 2022 (October 1, 2021 – September 30, 2022)

(Percentages indicate year-on-year changes.)

	Revenues		Operating income		Ordinary profit		Profit attributable to owners of the parent		E.P.S.
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal 2022	8,000	(1.3)	450	152.7	300	159.0	100	(23.6)	0.50

(Notes)

- Change from the latest consolidated financial forecasts: None
- Forecast for the first two quarters of fiscal year ending September 30, 2022 has not been made.

*Notes

(1) Changes in significant subsidiaries during the period: None

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

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

- Changes in accounting policies required by accounting standard: Yes
- Changes other than those in (a) above: None
- Changes in accounting estimates: None
- Restatements: None

Note: For details, please refer to “2. Consolidated Financial Statements and Primary Notes (3) Notes to Quarterly Consolidated Financial Statements (Change in accounting policies)”.

(4) Number of shares issued (common shares)

- Number of shares issued (including treasury stock): 201,295,200 shares in the first quarter of fiscal 2022
201,115,600 shares in fiscal 2021
- Number of shares of treasury stock: — shares for the first quarter of fiscal 2022
— shares for fiscal 2021
- Average number of shares issued during the first quarter: 201,134,050 shares in the first quarter of fiscal 2022
201,115,013 shares in the first quarter of fiscal 2021

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

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

The forward-looking statements included in this summary of financial statements are based on the assumptions, forecasts, and plans of 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.

1. Qualitative Information on Business Results and Financial Position

(1) Business Results

In the first quarter—October 1, 2021 to December 31, 2021—of the fiscal 2022 consolidated accounting period for FinTech Global Incorporated (FGI) ending September 30, 2022, the investment banking business pushed forward on the formation of deals to further accelerate private equity investment addressing such issues as business succession. In the entertainment service business, Metsä operations saw guest count rebound over the preceding quarter—fourth quarter of fiscal 2021—once the state of emergency was lifted, and took steps to update the design at Moominvalley Park and reinforce the structure to meet an anticipated increase in guests as society moves into with-COVID and post-COVID stages. In licensing activities, the handling volume of Moomin merchandise by licenses expanded, driving revenues higher.

Consolidated results for the first quarter of fiscal 2022 were driven by a strong contribution from the investment banking business, which offset the impact of a short closure at Moominvalley Park for design updates, leading to revenues of ¥2,272 million, up 12.5% year on year, and gross profit of ¥897 million, up 8.6% year on year. Selling, general and administrative expenses rose 8.0%, to ¥834 million, mainly due to an increase in staffing to match business expansion as well as greater outsourcing of some business activities. Nevertheless, operating income climbed 18.3% year on year, to ¥62 million, and ordinary income soared 328.0%, to ¥39 million over the corresponding quarter a year ago. Quarterly loss attributable to owners of the parent improved, settling at ¥47 million compared with ¥63 million a year ago, reflecting ¥60 million in quarterly profit attributable to non-controlling interests. Of note, revenues and cost of revenues each decreased by ¥20 million, compared with the previously applied accounting treatment method due to the application of “Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan Statement No.29, March 31, 2020), but gross profit, operating income, ordinary income and quarterly profit before taxes have not been affected by the change in accounting treatment.

(Unit: Millions of yen)

	First Quarter of Fiscal 2021	First Quarter of Fiscal 2022	YOY Change
Revenues	2,020	2,272	252
Investment banking business	812	1,058	245
Public management consulting business	62	108	46
Entertainment service business	1,223	1,181	(41)
Elimination	(78)	(76)	1
Gross profit	825	897	71
Investment banking business	499	574	74
Public management consulting business	38	54	15
Entertainment service business	327	301	(25)
Elimination	(39)	(32)	7
Operating income [Segment income/ (loss)]	53	62	9
Investment banking business	142	198	56
Public management consulting business	(2)	8	11
Entertainment service business	47	36	(11)
Elimination or corporate expenses	(134)	(180)	(46)
Ordinary income	9	39	30
Income before income taxes	11	38	27
Income/ (Loss) attributable to owners of parent	(63)	(47)	15

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

a. Investment Banking Business

The investment banking business marked favorable progress on transaction services for private equity investment deals and investment exits, and saw an increase in fee income through an increase in services for other asset management transactions. In addition, in aircraft asset management services, requests for aircraft inspections and technical services that accompany return of aircraft and other situations remained brisk as a consequence of the pandemic. Reliance on outsourcing grew to address increasing inquiries and meet demand.

As a result, segment revenues jumped 30.2% year on year, to ¥1,058 million, and segment income surged 39.6%, to ¥198 million.

b. Public Management Consulting Business

In the public management consulting business, which hinges on Public Management Consulting Corporation, the marketing push begun in fiscal 2021 to help large local governments in particular with preparation of financial documents continued, with the number of requests for contract services from prefectures to create financial documents and build better fixed asset ledgers increasing by four, to seven, in the current fiscal year for prefectures that runs from April 2021 through March 2022 compared with the local governments' previous fiscal year (April 2020–March 2021). In addition, the Ministry of Internal Affairs and Communications asked local governments in January 2021 to execute a review of general management plans for public facilities, and Public Management Consulting vigorously pushed ahead on marketing activities related to services that would help local governments execute these reviews. This emphasis led to a significant increase in contracted services, and inquiry activity continues.

The segment thus saw a 74.2% year-on-year surge in revenues, to ¥108 million, and reversed its loss position—¥2 million in the first quarter of fiscal 2021—with income of ¥8 million.

c. Entertainment Service Business

In Metsä operations, remodeling work under a new theme—"Well-being"—commenced in late-November and early-December 2021 to reimagine content and services geared to the needs of guests to Moominvalley Park. Through this, the site switched to an operating format matched to the needs of guests seeking a place of nature, healing and relaxation, and shifted to a fee structure that is easier-to-understand, with ticket prices based exclusively on a one-day pass. The Metsä guest count rebounded 33.9% over the preceding quarter—the fourth quarter of fiscal 2021—to 220,000 people, once the state of emergency was lifted. The guest count dropped year on year, a reactionary effect due to the absence of the Go To Travel campaign that was in effect for most of the first quarter of fiscal 2021 and also due to the 11-day closure of the site for remodeling work. But daily guest counts in December 2021, post-remodeling, were up about 20% over the level recorded in December 2020. Reflecting challenges, however, Metsä-related revenues were down 18.8% year on year, to ¥690 million.

In licensing-related operations, handling volume of licensed Moomin merchandise, particularly fashion items, expanded. As a result, revenues from licensing-related operations jumped 31.8% over the first quarter of fiscal 2021, to ¥491 million. In addition, efforts were directed toward promoting a strategy linked to the "One-Moomin" global strategy. As part of this strategy, preparations moved along to launch an official online shop—operated by Moomin Monogatari with revenues and expenses booked under Metsä-related operations—in Japan in cooperation with Moomin Characters Ltd., which is headquartered in the Moomin homeland of Finland. To test the market, a pre-launch took place December 1–20, 2021. But traffic was so heavy on the first day of the pre-launch that the server was overwhelmed and users had trouble accessing the online shop. For the grand opening in March 2022, the selection of licensed merchandise will be expanded, with product content three to four times that offered during pre-launch.

All told, the entertainment service business saw a 3.4% decrease in revenues, to ¥1,181 million, and a

24.9% drop in income, to ¥36 million, compared with the first quarter of fiscal 2021. Note that revenues were impacted by application of the accounting standard on revenue recognition. The decrease was ¥20 million.

(2) Consolidated Financial Position

Assets

Total assets at the end of the first quarter of fiscal 2022 stood at ¥16,419 million, dipping 0.2% from the end of fiscal 2021 on September 30, 2021. The change largely reflects decreases of ¥274 million in cash and time deposits, ¥83 million in investments in securities, trade, mainly due to progress on the sale of real estate trust beneficiary rights, and ¥123 million in property, plant and equipment, due to depreciation and amortization on Moominvalley Park buildings and interior and exterior fixtures, which together offset an increase of ¥374 million in accounts receivable, trade, and contract assets (listed as accounts receivable, trade in the previous fiscal year).

Liabilities

Total liabilities settled at ¥8,970 million at the end of the first quarter of fiscal 2022, inching down 0.5% from the end of fiscal 2021 on September 30, 2021. The change is primarily due to decreases of ¥92 million in short-term loans payable, ¥41 million in accrued employee bonuses and ¥58 million in lease obligations on noncurrent liabilities, which overshadowed increase of ¥239 million in accounts payable, trade.

Net assets

Net assets at the end of the first quarter of fiscal 2022 amounted to ¥7,448 million, up just 0.1% from the end of fiscal 2021 on September 30, 2021. The change is mainly due to an increase of ¥57 million in non-controlling interests, which offset a decrease of ¥47 million in retained earnings due to the booking of a quarterly loss attributable to owners of the parent.

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

(Unit: Millions of yen)

	Fiscal 2022 First Quarter (Actual)	Fiscal 2022 Full Year (Forecast)	Progress toward goal
Revenues	2,272	8,000	28.4%
Operating income	62	450	14.0%
Ordinary income	39	300	13.2%
Profit/(loss) attributable to owners of the parent	(47)	100	—

The consolidated performance forecast for fiscal 2022, ending September 30, 2022, is as presented in the table above. It is unchanged from the outlook presented in the summary of financial statements for fiscal 2021 released on November 8, 2021.

Private equity investment and aircraft asset management, in particular, shifted in a positive direction in the first quarter of fiscal 2022. In Metsä operations, management sees signs of recovery following the remodeling work, highlighted by a 20% year-on-year increase in daily Metsä guest counts in December 2021. Although the path ahead is unclear, obscured by such issues as the rapid spread of a new COVID-19 variant of concern as the second quarter began, the remodeling work at Moominvalley Park has reinforced the Metsä operating structure in anticipation of a rising guest count as the world moves into with-COVID and post-COVID stages. Management expects Metsä operations to contribute to consolidated results going forward.

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 2021 (As of September 30, 2021)	First Quarter of Fiscal 2022 (As of December 31, 2021)
Assets		
Current assets		
Cash and time deposits	2,379,230	2,104,326
Accounts receivable, trade	753,826	—
Accounts receivable, trade, and contract assets	—	1,128,265
Investments in securities, trade	1,042,651	959,582
Loans receivable, trade	455,415	472,015
Real estate for sale	4,038,343	4,042,526
Merchandise	192,176	165,159
Other	398,443	472,186
Allowance for doubtful accounts	(92,518)	(97,989)
Total current assets	9,167,569	9,246,073
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	5,380,820	5,383,151
Accumulated depreciation	(522,495)	(570,408)
Buildings and structures, net	4,858,325	4,812,743
Other	1,440,780	1,362,570
Total property, plant and equipment	6,299,105	6,175,313
Intangible fixed assets		
Goodwill	129,334	122,529
Other	486,976	503,755
Total intangible fixed assets	616,310	626,284
Investments and other assets		
Investments in securities	65,865	65,549
Long-term loans receivable	33,336	41,253
Deferred tax assets	8,445	7,965
Other	267,025	256,899
Allowance for doubtful accounts	(70)	(78)
Total investments and other assets	374,602	371,588
Total noncurrent assets	7,290,019	7,173,187
Total assets	16,457,588	16,419,260

(Unit: Thousands of yen)

	Fiscal 2021 (As of September 30, 2021)	First Quarter of Fiscal 2022 (As of December 31, 2021)
Liabilities		
Current liabilities		
Accounts payable, trade	130,687	369,889
Short-term loans payable	125,600	33,600
Current portion of long-term loans payable	393,194	390,348
Income taxes payable	75,228	73,232
Lease obligations	247,203	249,203
Provision for bonuses	146,703	105,188
Other	1,273,293	1,197,794
Total current liabilities	2,391,910	2,419,256
Noncurrent liabilities		
Long-term loans payable	6,041,300	6,033,740
Lease obligations	388,207	329,353
Deferred tax liabilities	64,885	51,172
Retirement benefit liability	99,040	103,746
Other	33,122	33,122
Total noncurrent liabilities	6,626,556	6,551,134
Total liabilities	9,018,467	8,970,391
Net assets		
Shareholders' equity		
Common stock	6,462,099	6,471,266
Additional paid-in capital	4,987,549	4,996,716
Retained earnings	(5,120,066)	(5,167,587)
Total shareholders' equity	6,329,582	6,300,394
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,249	9,496
Foreign currency translation adjustment	(7,167)	(11,828)
Total accumulated other comprehensive income	(918)	(2,332)
Stock acquisition rights	78,503	61,183
Non-controlling interests	1,031,953	1,089,623
Total net assets	7,439,120	7,448,868
Total liabilities and net assets	16,457,588	16,419,260

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

(Unit: Thousands of yen)

	First Quarter of Fiscal 2021 (From October 1, 2020 to December 31, 2020)	First Quarter of Fiscal 2022 (From October 1, 2021 to December 31, 2021)
Revenues	2,020,237	2,272,272
Cost of revenues	1,194,342	1,375,010
Gross profit	825,894	897,261
Selling, general and administrative expenses	772,773	834,437
Operating income	53,120	62,824
Non-operating income		
Interest income	264	243
Dividend income	655	—
Subsidy income	650	4,421
Gain on sales of investment securities	1,551	—
Other	27	3,390
Total non-operating income	3,148	8,055
Non-operating expenses		
Interest expense	32,809	29,906
Share of loss of entities accounted for using equity method	3,232	315
Foreign exchange losses	9,796	—
Other	1,212	1,201
Total non-operating expenses	47,051	31,422
Ordinary profit	9,218	39,457
Extraordinary income		
Gain on reversal of stock acquisition rights	3,031	91
Total extraordinary income	3,031	91
Extraordinary losses		
Loss on valuation of investments in capital of subsidiaries and associates	—	999
Loss on retirement of non-current assets	801	—
Loss on valuation of shares of subsidiaries and associates	320	—
Total extraordinary loss	1,122	999
Income before income taxes	11,128	38,548
Income taxes (current)	27,776	38,947
Income taxes (deferred)	(5,895)	(13,569)
Total income taxes	21,880	25,378
Profit/(Loss)	(10,752)	13,170
Profit/(Loss) attributable to non-controlling interests	52,269	60,691
Profit/(Loss) attributable to owners of the parent	(63,021)	(47,521)

Quarterly Consolidated Statements of Comprehensive Income

(Unit: Thousands of yen)

	First Quarter of Fiscal 2021 (From October 1, 2020 to December 31, 2020)	First Quarter of Fiscal 2022 (From October 1, 2021 to December 31, 2021)
Profit/(Loss)	(10,752)	13,170
Other comprehensive income		
Valuation difference on available-for-sale securities	(959)	3,246
Foreign currency translation adjustment	11,878	(7,682)
Total other comprehensive income	10,919	(4,436)
Comprehensive income	166	8,734
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(57,312)	(48,935)
Comprehensive income attributable to non-controlling interests	57,479	57,670

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

(Significant Change in Shareholders' Equity)
Not applicable.

(Change in accounting policies)

1. Application of Accounting Standard for Revenue Recognition

The Company has applied the "Accounting Standard for Revenue Recognition" (Accounting Standards Board of Japan [hereinafter, the "ASBJ"] Statement No.29, March 31, 2020) effective from the start of the first quarter of the current fiscal year. It recognizes revenue based on the amount expected to be received in exchange for such goods or services at the time when control of the promised goods or services is transferred to the customer.

The application of the Accounting Standard for Revenue Recognition is subject to the transitional treatment provided for in paragraph 84 of the Accounting Standard for Revenue Recognition. The cumulative effect of the retrospective application, assuming the new accounting policy had been applied to periods before the start of the first quarter of the current fiscal year, was added to or subtracted from the beginning balance of retained earnings of the first quarter of the current fiscal year, and thus the new accounting policy was applied from such beginning balance. There is no impact of this change on the beginning balance of retained earnings. Also, there is no impact on operating income, ordinary income, and income before income taxes. The main changes due to the adoption of the Accounting Standard for Revenue Recognition are as follows.

(1) Revenue recognition for agent transactions

Revenue related to consignment buying was previously recognized in the gross amount of consideration received from customers, but as a result of determining whether the Company was a principal or an agent in providing those goods or services to customers, the Company changed the method of revenue recognition to recognize revenue in the net amount, obtained by subtracting the amount paid to suppliers from the gross amount. Such revenue is recorded in net revenues. As a result, both net revenues and cost of revenues decreased by 20 million yen for the first quarter of the current fiscal year.

Due to the application of the Accounting Standard for Revenue Recognition, "Accounts receivable, trade," which were presented under "Current assets" in the consolidated balance sheet for the previous fiscal year, are included in "Accounts receivable, trade, and contract assets" effective from the first quarter of the current fiscal year. In accordance with the transitional treatment provided for in Paragraph 89-2 of the Accounting Standard for Revenue Recognition, figures for the previous fiscal year have not been restated in accordance with the new presentation approach.

2. Application of Accounting Standard for Fair Value Measurement

The Company has applied the "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019) and relevant ASBJ regulations effective from the start of the first quarter of the current fiscal year, and it has applied the new accounting policy provided for by the Accounting Standard for Fair Value Measurement, prospectively in accordance with the transitional measures provided for in paragraph 19 of the Accounting Standard for Fair Value Measurement, and paragraph 44-2 of the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019). The application of the "Accounting Standard for Fair Value Measurement" and relevant ASBJ regulations has no impact on the quarterly consolidated financial statements for the first quarter of the current fiscal year.

(Additional Information)

(Accounting estimates related to impact from spread of COVID-19)

There is no material change concerning the assumption, and the accounting estimates based on it, about how COVID-19, the disease caused by the new coronavirus, will spread further and influence economic and corporate activities, when it will subside, etc., which were stated in the Annual Securities Report for the previous fiscal year.

(Segment Information)

I. Three months ended December 31, 2020 (October 1, 2020 to December 31, 2020)

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	762,118	59,280	1,198,837	2,020,237	—	2,020,237
Inter-segment revenues and transfers	50,445	3,000	24,599	78,045	(78,045)	—
Total	812,563	62,280	1,223,437	2,098,282	(78,045)	2,020,237
Segment income (loss)	142,292	(2,675)	47,964	187,582	(134,461)	53,120

Notes:

1. Adjustment of segment income (loss), at ¥(134,461) thousand, includes elimination of transactions among segments of ¥55,842 thousand and corporate expenses of ¥(190,303) 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.

II. Three months ended December 31, 2021 (October 1, 2021 to December 31, 2021)

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	999,518	105,514	1,167,239	2,272,272	—	2,272,272
Inter-segment revenues and transfers	58,624	3,000	14,516	76,141	(76,141)	—
Total	1,058,143	108,514	1,181,756	2,348,414	(76,141)	2,272,272
Segment income	198,704	8,952	36,020	243,677	(180,852)	62,824

Notes:

1. Adjustment of segment income, at ¥(180,852) thousand, includes elimination of transactions among segments of ¥48,082 thousand and corporate expenses of ¥(228,934) 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 is reconciled with operating income in the quarterly consolidated statements.