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

August 9, 2022

Company Name: FinTech Global Incorporated (Code Number: 8789 Tokyo Stock Exchange)
(URL: <https://www.fgi.co.jp/en/>) 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: August 12, 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 three quarters of fiscal 2022
(October 1, 2021 – June 30, 2022)

(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 three quarters of fiscal 2022	6,749	5.3	150	(67.7)	114	(73.9)	(140)	—
First three quarters of fiscal 2021	6,410	23.4	465	—	437	—	319	—

(For reference) Comprehensive income: 91 million yen for the first three quarters of fiscal 2022 [(68.9)%]
293 million yen for the first three quarters of fiscal 2021 [—%]

	Net income/(loss) per share	Net income per share (diluted)
First three quarters of fiscal 2022	Yen (0.70)	Yen —
First three quarters of fiscal 2021	1.59	1.59

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
First three quarters of fiscal 2022	Millions of yen 16,295	Millions of yen 7,418	38.3
Fiscal 2021	16,457	7,439	38.5

(For reference) Shareholders' equity: 6,243 million yen for the first three quarters 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
Fiscal 2021	Yen —	Yen 0.00	Yen —	Yen 0.00	Yen 0.00
Fiscal 2022	—	0.00	—		
Fiscal 2022 (Forecast)				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

*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:

(a) Changes in accounting policies required by accounting standard: Yes

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

(c) Changes in accounting estimates: None

(d) Restatements: None

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

(4) Number of shares issued (common shares)

1. Number of shares issued (including treasury stock): 201,295,200 shares in the first three quarters of fiscal 2022
201,115,600 shares in fiscal 2021

2. Number of shares of treasury stock: — shares for the first three quarters of fiscal 2022
— shares for fiscal 2021

3. Average number of shares issued during the first three quarters:
201,240,893 shares in the first three quarters of fiscal 2022
201,115,402 shares in the first three quarters 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.

Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheets

(Unit: Thousands of yen)

	Fiscal 2021 (As of September 30, 2021)	First three Quarters of Fiscal 2022 (As of June 30, 2022)
Assets		
Current assets		
Cash and time deposits	2,379,230	2,254,298
Accounts receivable, trade	753,826	—
Accounts receivable, trade, and contract assets	—	1,241,319
Operational investment securities	1,042,651	913,911
Loans receivable, trade	455,415	405,115
Real estate for sale	4,038,343	4,042,526
Merchandise	192,176	121,811
Other	398,443	491,364
Allowance for doubtful accounts	(92,518)	(118,815)
Total current assets	9,167,569	9,351,531
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	5,380,820	5,385,126
Accumulated depreciation	(522,495)	(669,092)
Buildings and structures, net	4,858,325	4,716,033
Other	1,440,780	1,238,798
Total property, plant and equipment	6,299,105	5,954,832
Intangible fixed assets		
Goodwill	129,334	118,258
Other	486,976	500,801
Total intangible fixed assets	616,310	619,060
Investments and other assets		
Investments in securities	65,865	105,786
Long-term loans receivable	33,336	37,087
Deferred tax assets	8,445	6,477
Other	267,025	229,911
Allowance for doubtful accounts	(70)	(9,275)
Total investments and other assets	374,602	369,986
Total noncurrent assets	7,290,019	6,943,879
Total assets	16,457,588	16,295,411

(Unit: Thousands of yen)

	Fiscal 2021 (As of September 30, 2021)	First three Quarters of Fiscal 2022 (As of June 30, 2022)
Liabilities		
Current liabilities		
Accounts payable, trade	130,687	351,733
Short-term loans payable	125,600	—
Current portion of long-term loans payable	393,194	484,901
Income taxes payable	75,228	77,127
Lease obligations	247,203	253,264
Provision for bonuses	146,703	157,165
Other	1,273,293	1,215,899
Total current liabilities	2,391,910	2,540,090
Noncurrent liabilities		
Long-term loans payable	6,041,300	5,965,759
Lease obligations	388,207	210,103
Deferred tax liabilities	64,885	18,590
Retirement benefit liability	99,040	109,634
Other	33,122	33,122
Total noncurrent liabilities	6,626,556	6,337,209
Total liabilities	9,018,467	8,877,300
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)	(5,260,924)
Total shareholders' equity	6,329,582	6,207,058
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,249	29,643
Foreign currency translation adjustment	(7,167)	6,749
Total accumulated other comprehensive income	(918)	36,393
Stock acquisition rights	78,503	55,049
Non-controlling interests	1,031,953	1,119,609
Total net assets	7,439,120	7,418,110
Total liabilities and net assets	16,457,588	16,295,411

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

(Unit: Thousands of yen)

	First three Quarters of Fiscal 2021 (From October 1, 2020 to June 30, 2021)	First three Quarters of Fiscal 2022 (From October 1, 2021 to June 30, 2022)
Revenues	6,410,861	6,749,519
Cost of revenues	3,564,453	4,068,821
Gross profit	2,846,408	2,680,698
Selling, general and administrative expenses	2,381,261	2,530,517
Operating income	465,146	150,180
Non-operating income		
Interest income	604	1,292
Foreign exchange gains	—	12,505
Share of profit of entities accounted for using equity method	6,978	8,435
Subsidy income	54,025	37,199
Other	6,787	4,978
Total non-operating income	68,395	64,410
Non-operating expenses		
Interest expense	92,113	87,121
Provision of allowance for doubtful accounts	—	11,009
Other	4,261	2,442
Total non-operating expenses	96,375	100,573
Ordinary profit	437,166	114,017
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	3,151	—
Gain on reversal of share acquisition rights	3,666	16,478
Total extraordinary income	6,817	16,478
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	—
Loss on liquidation of subsidiaries and associates	—	362
Total extraordinary loss	1,122	1,362
Income before income taxes	442,862	129,133
Income taxes (current)	211,373	133,656
Income taxes (deferred)	(19,823)	(49,119)
Total income taxes	191,549	84,537
Profit	251,312	44,596
Profit/(Loss) attributable to non-controlling interests	(68,522)	185,454
Profit/(Loss) attributable to owners of the parent	319,835	(140,857)

Quarterly Consolidated Statements of Comprehensive Income

(Unit: Thousands of yen)

	First three Quarters of Fiscal 2021 (From October 1, 2020 to June 30, 2021)	First three Quarters of Fiscal 2022 (From October 1, 2021 to June 30, 2022)
Profit	251,312	44,596
Other comprehensive income		
Valuation difference on available-for-sale securities	8,351	23,393
Foreign currency translation adjustment	34,165	23,379
Total other comprehensive income	42,517	46,773
Comprehensive income	293,830	91,369
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	348,689	(103,546)
Comprehensive income attributable to non-controlling interests	(54,859)	194,916

(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 profit, 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 revenues and cost of revenues decreased by 63 million yen for the first three quarters 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 three quarters 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. Nine months ended June 30, 2021 (October 1, 2020 to June 30, 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	3,145,911	151,657	3,113,292	6,410,861	—	6,410,861
Inter-segment revenues and transfers	155,934	10,500	57,851	224,285	(224,285)	—
Total	3,301,846	162,157	3,171,143	6,635,147	(224,285)	6,410,861
Segment income (loss)	1,274,636	(9,786)	(330,943)	933,906	(468,760)	465,146

Notes:

1. Adjustment of segment income (loss), at ¥(468,760) thousand, includes elimination of transactions among segments of ¥165,214 thousand and corporate expenses of ¥(633,974) 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. Nine months ended June 30, 2022 (October 1, 2021 to June 30, 2022)

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

(Thousands of yen)

	Reporting Segments				Adjustment (Note 1)	Consolidated (Note 2)
	Investment Banking Business	Public Management Consulting Business	Entertainment Service Business	Total		
Revenues						
Revenues to third party	3,290,136	254,885	3,204,497	6,749,519	—	6,749,519
Inter-segment revenues and transfers	171,204	9,000	48,134	228,339	(228,339)	—
Total	3,461,341	263,885	3,252,631	6,977,858	(228,339)	6,749,519
Segment income (loss)	570,245	(1,045)	6,027	575,228	(425,047)	150,180

Notes:

1. Adjustment of segment income, at ¥(425,047) thousand, includes elimination of transactions among segments of ¥215,460 thousand and corporate expenses of ¥(640,508) 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.