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

February 12, 2025

Company name: FinTech Global Incorporated
Listing: Tokyo Stock Exchange
Securities code: 8789
URL: https://www.fgi.co.jp/en/
Representative: Nobumitsu Tamai, President and Chief Executive Officer
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Scheduled date to commence dividend payments: —
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: None

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

1. Consolidated financial results for the first quarter of fiscal 2025 (from October 1, 2024 to December 31, 2024)

(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 quarter of fiscal 2025	3,876	12.9	1,211	24.1	1,153	20.9	851	44.5
First quarter of fiscal 2024	3,434	26.5	976	35.5	953	36.3	589	17.0

Note: Comprehensive income For the first quarter of fiscal 2025: ¥790 million [13.0%]
For the first quarter of fiscal 2024: ¥699 million [25.8%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
First quarter of fiscal 2025	4.35	4.32
First quarter of fiscal 2024	2.93	2.92

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
First quarter of fiscal 2025	21,252	10,991	47.2
Fiscal 2024	20,669	10,752	46.1

Reference: Equity
For the first quarter of fiscal 2025: ¥10,028 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	—				
Fiscal 2025 (Forecast)		0.00	—	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	10.18

Notes:

1. Change from the latest consolidated financial forecasts: None
2. Forecast for the first two quarters of fiscal year ending September 30, 2025 has not been made.

*** Notes**

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

(2) Adoption of accounting treatment specific to the preparation of quarterly 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 December 31, 2024	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 December 31, 2024	5,434,320 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 quarter of fiscal 2025	195,887,380 shares
First quarter of fiscal 2024	201.311,647 shares

* Review of the Japanese-language originals of the attached consolidated quarterly 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)

(1) 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.

(2) The EPS in the consolidated financial forecasts for fiscal 2025 is calculated using the average number of shares outstanding during the period (196,407,859 shares) after the Company disposed the restricted shares (759,900 shares) on January 24, 2025.

Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheets

(Unit: Thousands of yen)

	Fiscal 2024 (As of September 30, 2024)	**First Quarter of Fiscal 2025** (As of December 31, 2024)
Assets		
Current assets		
Cash and time deposits	5,789,907	5,144,628
Notes and Accounts receivable - trade, and contract assets	950,434	1,438,314
Operational investment securities	1,560,437	2,031,346
Loans receivable, trade	522,565	329,115
Real estate for sale	4,046,834	3,811,867
Merchandise	142,275	147,341
Other	1,119,460	1,586,485
Allowance for doubtful accounts	(104,667)	(104,271)
Total current assets	14,027,246	14,384,827
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	5,206,093	5,223,376
Accumulated depreciation	(1,031,449)	(1,074,114)
Buildings and structures, net	4,174,643	4,149,261
Other	1,086,273	1,481,219
Total property, plant and equipment	5,260,917	5,630,481
Intangible fixed assets		
Goodwill	88,105	75,239
Other	93,313	84,443
Total intangible fixed assets	181,418	159,682
Investments and other assets		
Investments in securities	533,513	489,649
Long-term loans receivable	8,340	6,257
Deferred tax assets	127,745	61,286
Other	564,956	554,418
Allowance for doubtful accounts	(34,458)	(34,453)
Total investments and other assets	1,200,096	1,077,158
Total noncurrent assets	6,642,432	6,867,321
Total assets	20,669,679	21,252,149

(Unit: Thousands of yen)

	Fiscal 2024 (As of September 30, 2024)	**First Quarter of Fiscal 2025** (As of December 31, 2024)
Liabilities		
Current liabilities		
Accounts payable, trade	241,273	355,359
Short-term loans payable	781,186	1,079,086
Current portion of long-term loans payable	5,998,872	6,030,836
Income taxes payable	326,067	52,359
Lease obligations	32,914	34,154
Accrued employee bonuses	322,024	221,434
Other	1,085,810	1,282,310
Total current liabilities	8,788,148	9,055,540
Noncurrent liabilities		
Long-term loans payable	638,535	577,316
Lease obligations	21,074	9,973
Deferred tax liabilities	22,636	157,399
Retirement benefit liability	153,433	165,320
Other	293,302	294,802
Total noncurrent liabilities	1,128,982	1,204,812
Total liabilities	9,917,131	10,260,353
Net assets		
Shareholders' equity		
Common stock	5,373,336	5,373,336
Capital surplus	968,668	966,223
Retained earnings	3,470,851	4,028,644
Treasury shares	(446,226)	(446,226)
Total shareholders' equity	9,366,630	9,921,977
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	22,516	19,713
Foreign currency translation adjustment	141,795	86,568
Total accumulated other comprehensive income	164,312	106,281
Stock acquisition rights	103,108	97,113
Non-controlling interests	1,118,496	866,423
Total net assets	10,752,548	10,991,796
Total liabilities and net assets	20,669,679	21,252,149

(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 2024 (From October 1, 2023 to December 31, 2023)	First Quarter of Fiscal 2025 (From October 1, 2024 to December 31, 2024)
Revenues	3,434,905	3,876,692
Cost of revenues	1,332,007	1,439,864
Gross profit	2,102,897	2,436,828
Selling, general and administrative expenses	1,126,658	1,225,507
Operating income	976,239	1,211,321
Non-operating income		
Interest income	2,218	5,992
Dividend income	203	—
Foreign exchange gains	16,063	—
Share of profit of entities accounted for using equity method	1,351	—
Subsidy income	2,279	—
Other	2,809	421
Total non-operating income	24,925	6,413
Non-operating expenses		
Interest expense	30,912	30,002
Loss on valuation of investment securities	14,970	0
Share of loss of entities accounted for using equity method	—	2,543
Foreign exchange losses	—	20,654
Commission expenses	1,001	10,724
Other	401	164
Total non-operating expenses	47,285	64,089
Ordinary profit	953,879	1,153,645
Extraordinary income		
Gain on reversal of share acquisition rights	511	8,162
Total extraordinary income	511	8,162
Income before income taxes	954,391	1,161,807
Income taxes - current	196,353	42,685
Income taxes - deferred	23,426	208,482
Total income taxes	219,779	251,168
Profit	734,611	910,639
Profit attributable to non-controlling interests	145,440	59,015
Profit attributable to owners of the parent	589,170	851,623

Quarterly Consolidated Statements of Comprehensive Income

(Unit: Thousands of yen)

	First Quarter of Fiscal 2024 (From October 1, 2023 to December 31, 2023)	First Quarter of Fiscal 2025 (From October 1, 2024 to December 31, 2024)
Profit	734,611	910,639
Other comprehensive income (loss)		
Valuation difference on available-for-sale securities	(36,498)	(12,933)
Foreign currency translation adjustment	1,774	(107,533)
Share of other comprehensive income of entities accounted for using equity method	—	679
Total other comprehensive income (loss)	(34,723)	(119,787)
Comprehensive income	699,887	790,852
Comprehensive income (loss) attributable to		
Owners of the parent	552,366	793,593
Non-controlling interests	147,520	(2,741)

(3) Notes to Quarterly Consolidated Financial Statements

(Changes in accounting policies)

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

The Company has applied Accounting Standard for Current Income Taxes (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; hereinafter referred to as the "Revised Accounting Standard 2022") effective from the beginning of the first quarter of the current fiscal year ending September 30, 2025.

The amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso (2) of paragraph 65-2 of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the "Revised Implementation Guidance 2022"). This change in accounting policies has no impact on the quarterly consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on the sale of shares in subsidiaries resulting from transactions between consolidated companies were deferred for tax purposes, the Revised Implementation Guidance 2022 has been adopted from the beginning of the first quarter of the current fiscal year ending September 30, 2025. This change in accounting policies is applied retrospectively, and quarterly consolidated financial statements and consolidated financial statements for the previous year are after retrospective application. This change in accounting policies has no impact on the quarterly consolidated financial statements for the same quarter of the previous fiscal year and the consolidated financial statements for the previous fiscal year.

(Segment Information)

I. Three months ended December 31, 2023 (October 1, 2023 to December 31, 2023)

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

(Thousands of yen)

	Reporting Segments				Adjustment (Note 1)	Consolidated (Note 2)
	Investment Banking Business	Public Management Consulting Business	Entertainment Service Business	Total		
Revenues						
Revenues to third party	2,633,175	116,004	685,725	3,434,905	—	3,434,905
Inter-segment revenues and transfers	40,659	3,000	28,242	71,901	(71,901)	—
Total	2,673,835	119,004	713,967	3,506,807	(71,901)	3,434,905
Segment income	1,191,828	5,674	1,501	1,199,003	(222,764)	976,239

Notes:

1. Adjustment of segment income, at ¥ (222,764) thousand, includes elimination of transactions among segments of ¥62,674 thousand and corporate expenses of ¥ (285,439) 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.

II. Three months ended December 31, 2024 (October 1, 2024 to December 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	2,968,759	121,986	785,946	3,876,692	—	3,876,692
Inter-segment revenues and transfers	25,525	3,200	77,467	106,192	(106,192)	—
Total	2,994,285	125,186	863,413	3,982,885	(106,192)	3,876,692
Segment income (loss)	1,399,452	(8,777)	159,892	1,550,567	(339,246)	1,211,321

Notes:
1. Adjustment of segment income (loss), at ¥(339,246) thousand, includes elimination of transactions among segments of ¥54,470 thousand and corporate expenses of ¥(393,717) 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.

(Significant Change in Shareholders' Equity)

Not applicable.

(Assumption of Going Concern)

Not applicable.

(Quarterly consolidated statements of cash flows)

Quarterly consolidated statements of cash flows were not prepared for the first quarter of the current fiscal year. "Depreciation" (including amortization of intangible fixed assets other than goodwill) and "Amortization of goodwill" for the first quarter of the fiscal 2024 and 2025 were as follows:

(Thousands of yen)

	First Quarter of Fiscal 2024 (From October 1, 2023 to December 31, 2023)	**First Quarter of Fiscal 2024** (From October 1, 2024 to December 31, 2024)
Depreciation	112,822	107,948
Amortization of goodwill	6,182	6,444

(Significant subsequent event)

(Repurchase of treasury shares)

The Company resolved at a meeting of the Board of Directors held on February 12, 2025, to repurchase treasury shares pursuant to the provisions of Article 156, paragraph (1) of the Companies Act, as applied by replacing the relevant terms pursuant to the provision of Article 165, paragraph (3) of the same Act.

(1) Reason for repurchase of treasury shares

The company will conduct repurchase of the treasury shares to utilize them for flexible capital policy including M&A or restricted stock compensation plan, as well as to return profits to shareholders and improve capital efficiency.

(2) Details of 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 millions of yen (upper limit)
(iv) Period of share repurchase: From February 13, 2025 to April 30, 2025
(v) Method of repurchase: Market purchase through the Tokyo Stock Exchange