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

May 9, 2025

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

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

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

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

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

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

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

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

(2) Consolidated financial position

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

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

2. Cash dividends

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

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

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

(Percentages indicate year-on-year changes.)

	Revenues		Operating income		Ordinary profit		Profit attributable to owners of the parent		EPS
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal 2025	12,300	(10.9)	3,100	20.6	3,000	21.9	2,000	19.3	10.26

Note: Change from the latest consolidated financial forecasts: None

*** Notes**

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

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

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

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

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

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

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

(iii) Average number of shares outstanding during the period

(cumulative from the beginning of the fiscal year)

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

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

* Proper use of earnings forecasts, and other special matters

(Caution regarding forward-looking statements)

The forward-looking statements included in this summary of financial statements are based on the assumptions, forecasts, and plans of FinTech Global Incorporated (hereafter, “FGI” and “the Company”) as of the date on which this document is made public. The Company’s actual results may differ substantially from such statements due to various risks and uncertainties.

(Method of obtaining supplementary results materials)

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

Consolidated Financial Statements and Important Notes

(1) Consolidated Balance Sheets

(Unit: Thousands of yen)

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

(Unit: Thousands of yen)

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

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

Consolidated Statements of Income

(Unit: Thousands of yen)

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

Consolidated Statements of Comprehensive Income

(Unit: Thousands of yen)

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

(4) Consolidated Statements of Cash Flows

(Unit: Thousands of yen)

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

(Unit: Thousands of yen)

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

(3) Notes to Consolidated Financial Statements

(Assumption of Going Concern)

Not applicable.

(Significant Change in Shareholders' Equity)

For the six months ended March 31, 2024 (From October 1, 2023 to March 31, 2024)

1. Cash dividends paid

Not applicable.

2. Significant changes in shareholders' equity

Not applicable.

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

1. Cash dividends paid

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

2. Significant changes in shareholders' equity

(Disposal of treasury shares)

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

(Repurchase of treasury shares)

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

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

(Changes in Accounting Policies Due to Revisions of Accounting Standards)
(Application of the Accounting Standard for Current Income Taxes, etc.)
We have adopted the Accounting Standard for Current Income Taxes (ASBJ Statement No.27, October 28, 2022; hereinafter, the "Amended Accounting Standard 2022"), etc. from the beginning of fiscal 2025.
The amendment to the classification for recording current income taxes (taxation on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Amended Accounting Standard 2022 and the transitional treatment prescribed in the proviso of paragraph 65-2(2) of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No.28, October 28, 2022; hereinafter, the "Amended Implementation Guidance 2022"). This change in accounting policies has no impact on the consolidated financial statements for the first two quarters of fiscal 2025.
In addition, for the amendment related to the revised accounting treatment in consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies are deferred for tax purposes, the group has adopted the Amended Implementation Guidance 2022 from the beginning of fiscal 2025. As this change in accounting policies was applied retrospectively, the consolidated financial statements for the first two quarters of fiscal 2024 and the consolidated financial statements for fiscal 2024 have been restated retrospectively. This change in accounting policies has no impact on the consolidated financial statements for the first two quarters of fiscal 2024 and the consolidated financial statements for fiscal 2024.

(Segment Information)

I. Six months ended March 31, 2024 (October 1, 2023 to March 31, 2024)

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

(Thousands of yen)

	Reporting Segments				Adjustment (Note 1)	Consolidated (Note 2)
	Investment Banking Business	Public Management Consulting Business	Entertainment Service Business	Total		
Revenues						
Revenues to third party	5,200,514	232,861	1,122,309	6,555,685	—	6,555,685
Inter-segment revenues and transfers	116,288	6,000	86,418	208,706	(208,706)	—
Total	5,316,802	238,861	1,208,727	6,764,391	(208,706)	6,555,685
Segment income (loss)	2,254,923	12,448	(142,298)	2,125,073	(478,421)	1,646,651

Notes:

1. Adjustment of segment income (loss), at ¥ (478,421) thousand, includes elimination of transactions among segments of ¥156,693 thousand and corporate expenses of ¥ (635,115) thousand, which are not allocatable to reporting segments. Corporate expenses are mainly general and administrative expenses, which do not belong to any reporting segments.
2. Segment income (loss) is reconciled with operating income in the consolidated statements.

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

(Significant gain on bargain purchase)

Gain on bargain purchase was recognized in the Investment Banking Business segment as the Company acquired shares of Pcon home service Incorporated and consolidated it as a subsidiary company from the first two quarters of the current fiscal year. The recorded amount of gain on bargain purchase resulting from this event is ¥241,431 thousand. The amount reflects the significant revisions to the initial allocation of acquisition costs due to the finalization of the provisional accounting treatment for the business combination.

Note that gain on bargain purchase is not included in segment income as it is extraordinary income.

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

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

(Thousands of yen)

	Reporting Segments				Adjustment (Note 1)	Consolidated (Note 2)
	Investment Banking Business	Public Management Consulting Business	Entertainment Service Business	Total		
Revenues						
Revenues to third party	5,260,980	232,283	1,303,769	6,797,033	—	6,797,033
Inter-segment revenues and transfers	50,802	16,800	164,214	231,816	(231,816)	—
Total	5,311,783	249,083	1,467,983	7,028,849	(231,816)	6,797,033
Segment income (loss)	2,258,621	(18,763)	97,940	2,337,798	(577,833)	1,759,964

Notes:

1. Adjustment of segment income (loss), at ¥ (577,833) thousand, includes elimination of transactions among segments of ¥110,421 thousand and corporate expenses of ¥ (688,254) thousand, which are not allocatable to reporting segments. Corporate expenses are mainly general and administrative expenses, which do not belong to any reporting segments.
2. Segment income (loss) is reconciled with operating income in the consolidated statements.

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

Not applicable.

(Significant subsequent event)

(Repurchase of treasury shares)

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

(1) Reason for repurchase of treasury shares

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

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

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