

# Action to Implement Management that is Conscious of Cost of Capital and Stock Price

(Updated on December 16, 2025)

**FinTech Global Incorporated**

**TSE Standard Market Stock Code: 8789**

<https://www.fgi.co.jp/en/>

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FGI has maintained a policy to update the content of “Action to Implement Management that is Conscious of Cost of Capital and Stock Price,” initially posted to its corporate website on November 8, 2023, every year.

Accordingly, the Company recently reassessed the current status of cost of capital and return on capital, with an emphasis on ROE and ROIC, and put together an improvement plan based on the results of analysis, which is described in these materials.

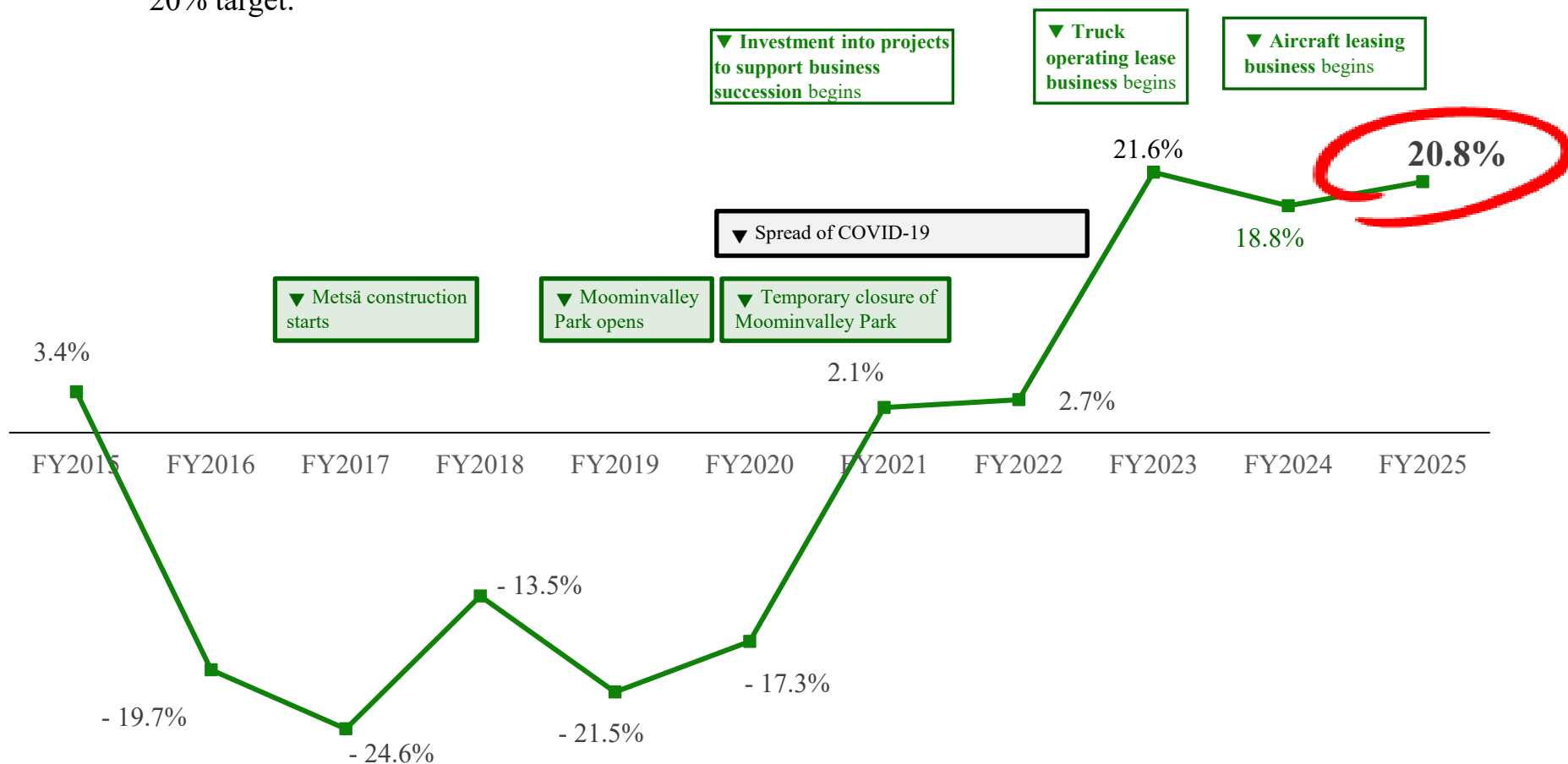
These materials, including past measures, are posted to our corporate website.

<https://www.fgi.co.jp/en/ir/library/action/>

# Analysis of Current Situation — Return on Capital (highlighting ROE as capital return metric)

## Changes in ROE

- Between fiscal 2016 and fiscal 2020, ROE remained in negative territory due to costs associated with preparations for the opening of Metsä as well as losses caused by pandemic-related factors.
- From fiscal 2021, ROE improved considerably, paralleling particularly favorable demand for private equity investment associated with business succession projects and for arrangement transaction services.
- In fiscal 2025, ended September 30, 2025, net profit margin rose along with financial leverage. ROE hit 20% target.



# Analysis of Current Situation — Return on Capital (highlighting ROE as capital return metric)

## ROE breakdown

Fiscal 2023 marked start of major improvement in net profit margin, driven by high ROE.

Fiscal 2025 (Year-on-year analysis)

Net profit margin	Up, reflecting decrease in revenues from exit activity on asset investments with high cost ratios against increase in revenues from highly profitable private equity investment and truck operating lease business.
Total asset turnover	Down, as total assets jumped 30.6%, paralleling increase in assets for aircraft leasing business and acquisition of project to develop solar power plants.
Financial leverage	Up, due to increase in balance of loans from financial institutions to acquire assets for lease.

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
ROE	-21.5%	-17.3%	2.1%	2.7%	21.6%	18.8%	20.8%
Net profit margin	-17.3%	-17.3%	1.6%	1.9%	17.2%	12.1%	14.7%
Total asset turnover	0.56 times	0.38 times	0.49 times	0.54 times	0.50 times	0.69 times	0.61 times
Financial leverage	2.24 times	2.60 times	2.63 times	2.66 times	2.49 times	2.23 times	2.34 times

【Profitability】

Net income  
Revenues

Net profit margin

×

【Asset efficiency】

Revenues  
Total assets \*

Total asset turnover

×

【Financial leverage】

Total assets \*  
Shareholders'equity \*

Financial leverage ratio

ROE =

\*Average of amount  
at beginning and end of fiscal year

# Analysis of Current Situation — Cost of Capital

- ROE greatly exceeds cost of shareholders' equity, and return on invested capital (ROIC) greatly exceeds weighted average cost of capital (WACC).
- Confirmed year-on-year increase in cost of shareholders' equity.
- CAPM parameters include increase in risk-free rate and equity risk premium over corresponding period a year ago. Beta value decreased.
- Equity spread widened as increase in ROE outweighed increase in cost of shareholders' equity.

	Fiscal 2023	Fiscal 2024	Fiscal 2025
ROE	21.6%	18.8%	20.8%
Cost of shareholders' equity *1	7.8%	9–10%	9.5–10.5%
Equity spread	13.8%	8.8–9.8%	10.3–11.3%

	Fiscal 2023	Fiscal 2024	Fiscal 2025
ROIC *2	12.3%	13.1%	15.8%
WACC	5.2%	6.8–7.5%	7.2–7.9%
ROIC–WACC spread	7.1%	5.6–6.3%	7.9–8.6%

\*1. Estimating cost of shareholders' equity (Fiscal 2025)

Capital Asset Pricing Model (CAPM): 9.6% (To compare, 8.3% in fiscal 2024)

Beta used in CAPM calculation estimated through regression analysis of weekly (52 and 104 weeks) and monthly (36 and 60 months) returns and is median value of common duration for each period. That said, weekly and monthly coefficients of determination in CAPM regression analysis were low, ranging between 0.04 and 0.19, which indicates that movement of FGI stock price was influenced more by individual company factors than by market factors. Therefore, CAPM-derived cost of shareholders' equity should only be used as reference value.

Earnings yield (inverse of PER): 10% (To compare: 11.2% in fiscal 2024)

Based on average closing price of ¥140.79, between November 10, 2025, the day after announcement of financial results, and December 12, 2025, and anticipated EPS of ¥14.07 for fiscal year ending September 30, 2026. (Closing earnings yield for this period ranged between 8.8% and 11.4%.)

**Cost of shareholders' equity level (FGI estimate): 9.5–10.5%**

CAPM-generated cost of shareholders' equity higher year on year and stock yield down, but both remain high, hovering around 10%.

Taking into account the risk premium associated with growth expectations and interest rate trends, management has set expected rate of return (= cost of shareholders' equity) at relatively high level.

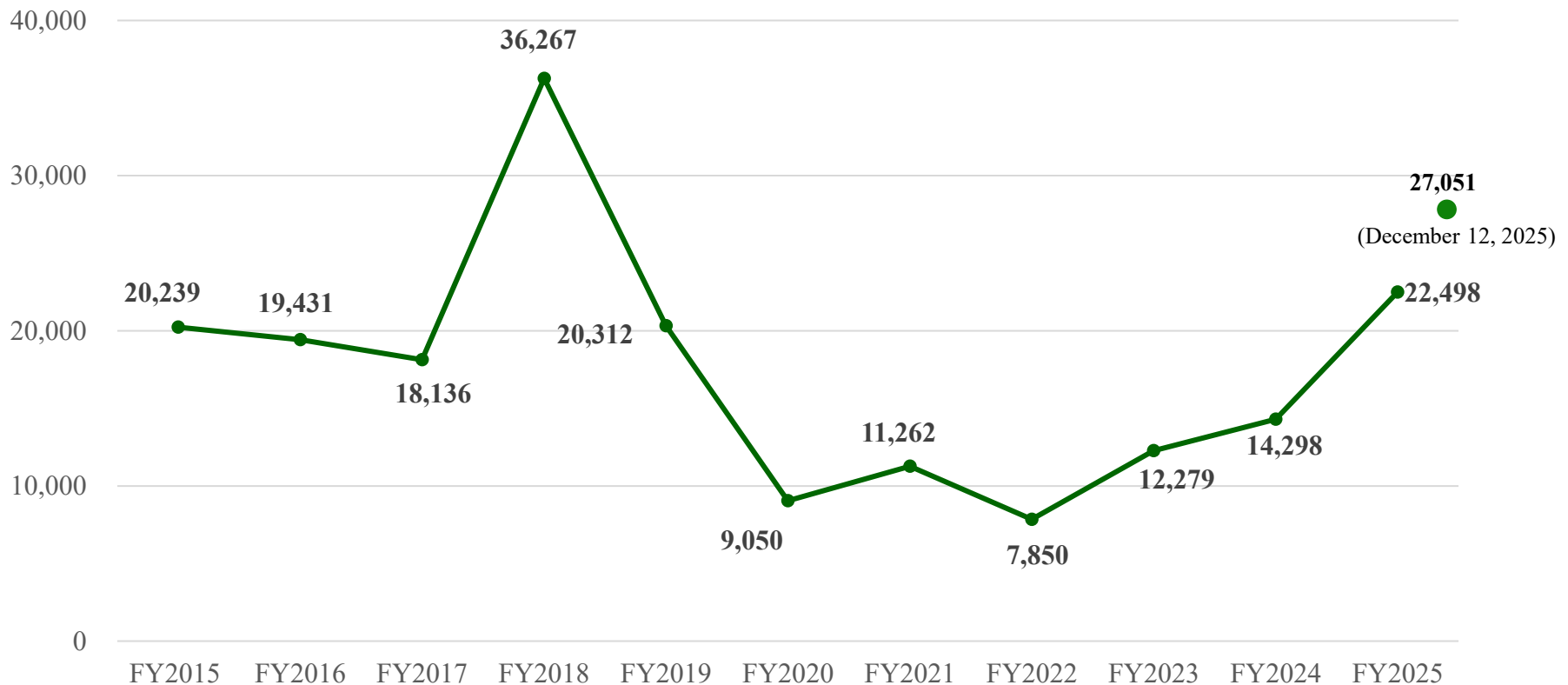
\*2. ROIC (return on invested capital) = Net operating profit after taxes / (Average interest-bearing debt for period + Average total net assets for period – Average cash and deposits for period)  
(Average for period is based on average at beginning of period and at end of each quarter.)

## Analysis of Current Situation — Market valuation (market capitalization)

Business results have been on recovery path since fiscal 2021, and FGI has realized high return on capital since fiscal 2023.

Impact on stock price remained extremely anemic, but positive trend emerged in December 2024 with business results finally factoring into stock price. Due to recent improvement in stock price following financial results announcement in November 2025, market capitalization in December temporarily exceeded ¥30 billion.

(Millions of yen)

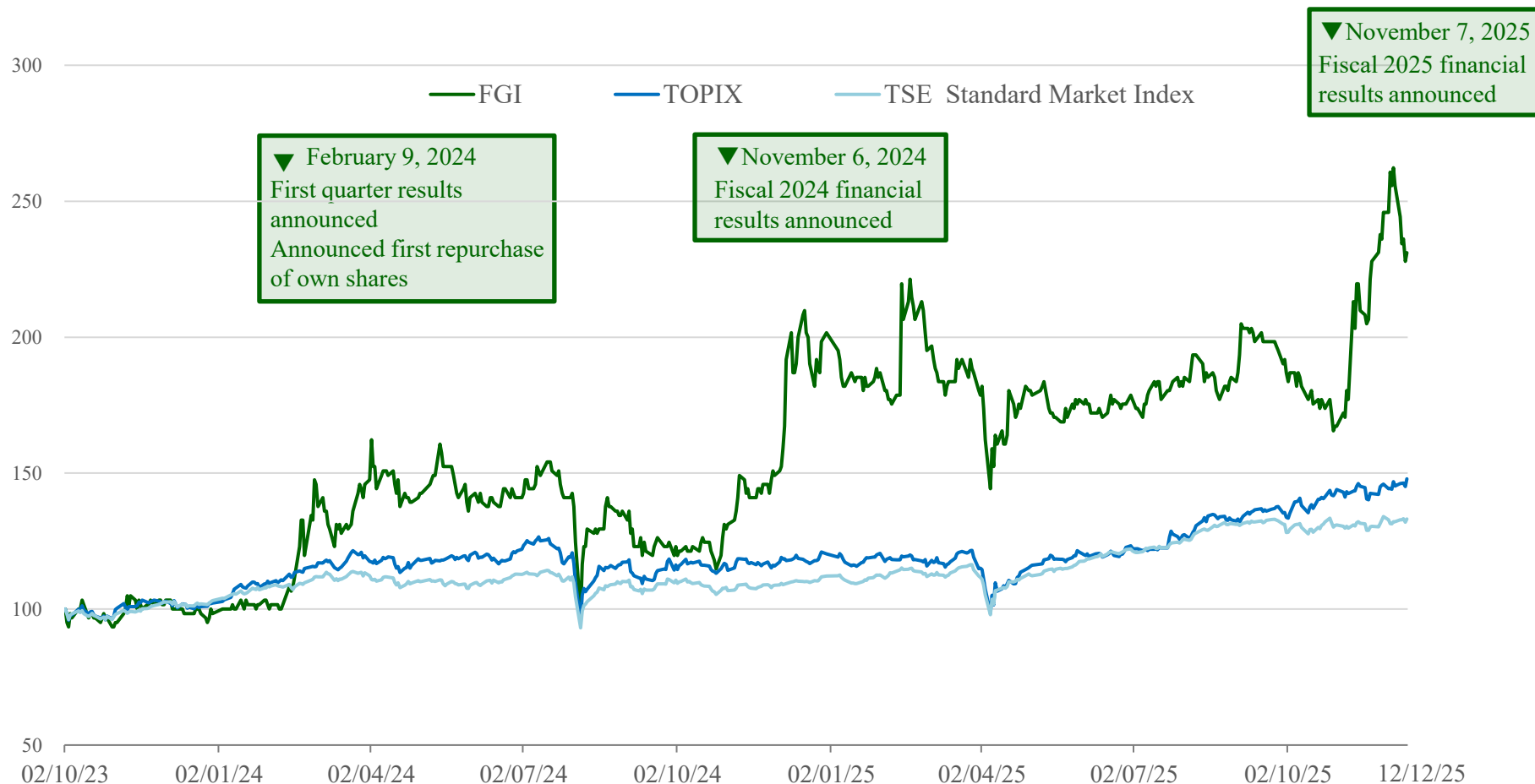


Note: Market capitalization = Stock price at end of fiscal year x Number of shares issued (after excluding treasury stock)

## Analysis of Current Situation — Market valuation (Comparing indexes, including TOPIX) (October 2023 – December 12, 2025)

Comparing FGI's stock price with indexes, such as TOPIX, over past two years, with October 2, 2023 set 100 (daily closing price)

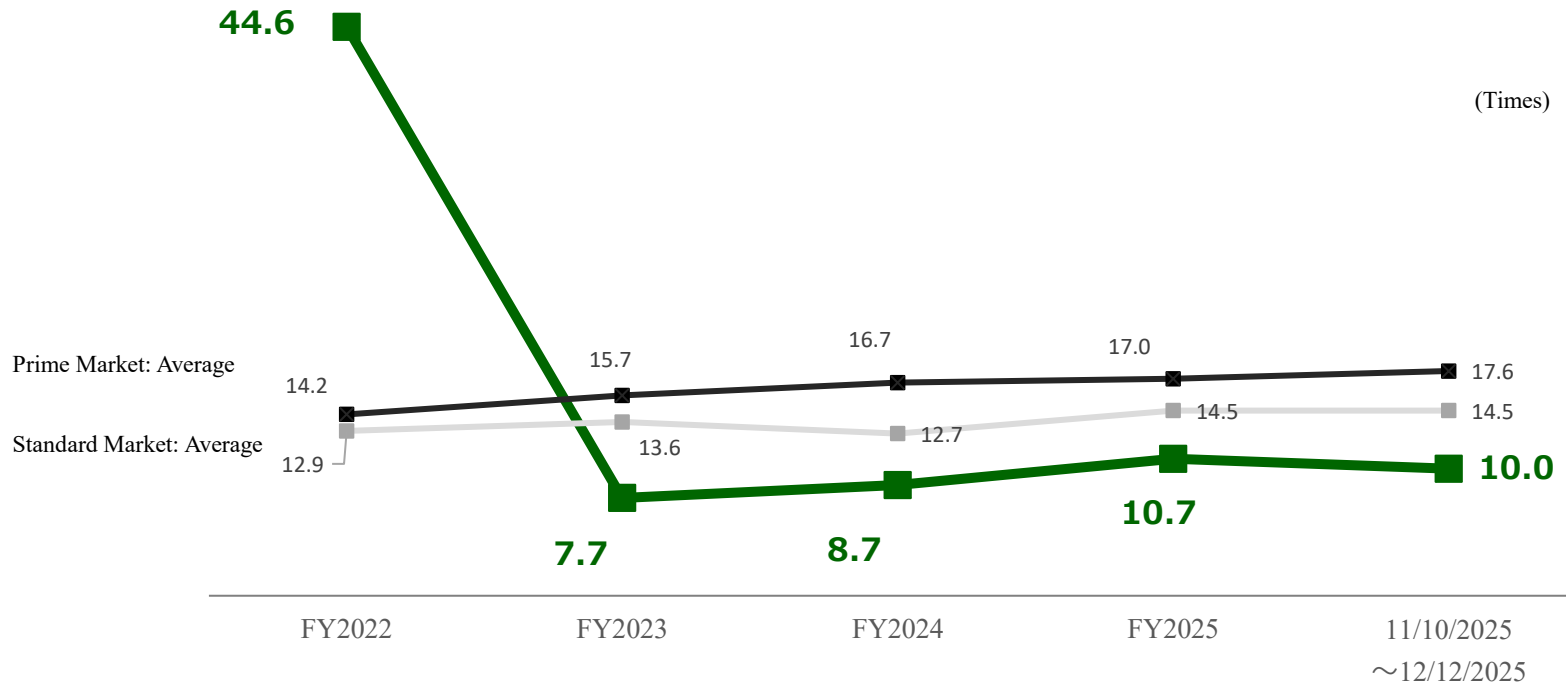
- FGI stock price outperformed indexes.





# Analysis of Current Situation — Market valuation (PER)

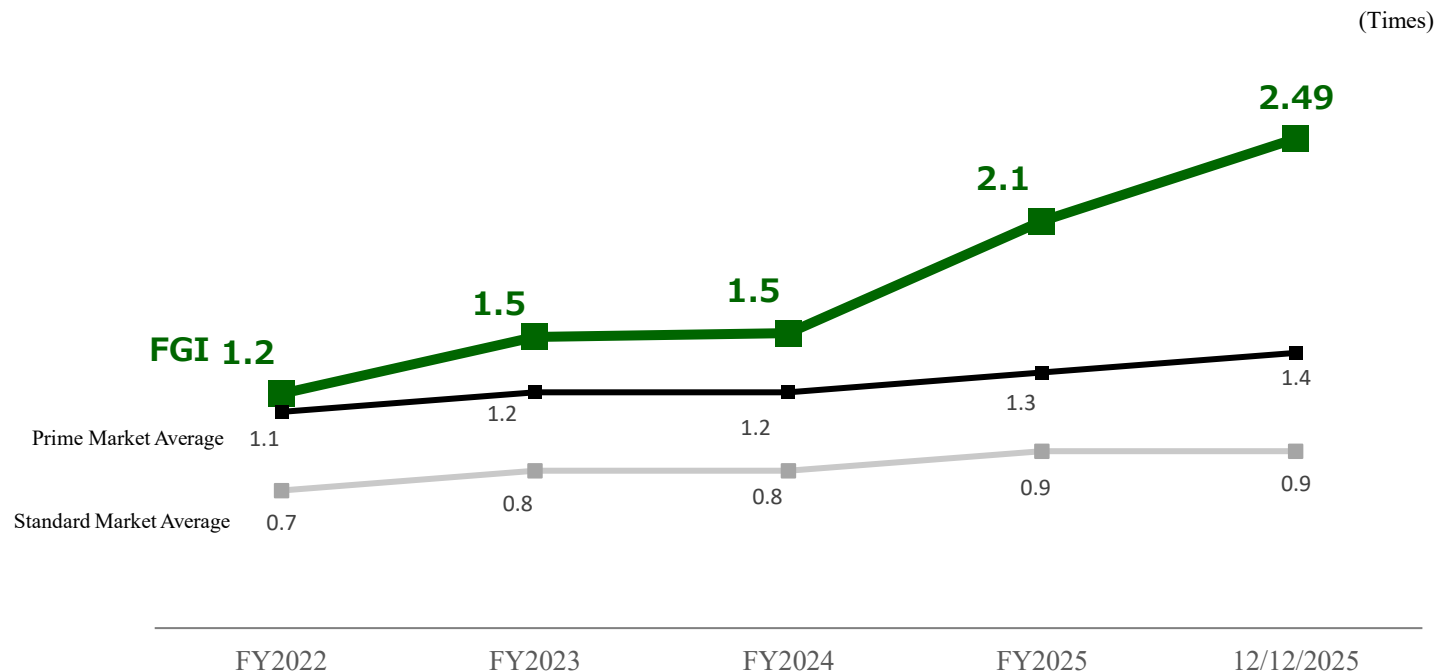
PER remains below market averages but is improving.



- Notes: 1. Calculated with closing price on final trading day of each fiscal year and net income per share (actual).  
For period from November 10, 2025, the day after announcement of financial results, to December 12, 2025, calculation based on average closing price during this period and anticipated EPS.
2. Averages for Prime Market and Standard Market use average PER and PBR from Tokyo Stock Exchange Monthly Statistics Report.  
Average PER for FGI for period from November 10, 2025, to December 12, 2025, based on average PER for November 2025 as presented in Tokyo Stock Exchange Monthly Statistics Report.

# Analysis of Current Situation — Market valuation (PBR)

Price-to-book ratio (PBR) consistently maintained above 1.  
Huge improvement in fiscal 2025.



- Notes:
1. Calculated with closing price on final trading day of each fiscal year and net assets per share.  
Value for December 12, 2025, based on average closing price on that day and at end of previous fiscal year.
  2. Averages for Prime Market and Standard Market use average PER and PBR from Tokyo Stock Exchange Monthly Statistics Report.  
Average PBR for FGI on December 12, 2025, based on average PER for November 2025 as presented in Tokyo Stock Exchange Monthly Statistics Report.

# Analysis of Current Situation — Market valuation

## (Issues to consider from analysis results)

**Although return on capital is high, market valuation has not improved. Must understand why.**

### **Long-term corporate value not adequately communicated**

- FGI has achieved high return on capital, but has been unable to share long-term corporate value with investors.
- Given business diversity, difficult to predict future business results, which causes cost of shareholders' equity to increase.

### **High performance volatility**

- Income from core private equity investment into business succession project is flow-based and fluctuates depending size of deal, leading to high performance volatility.
- Very difficult to predict future investment returns (timing of exits), causing potential discrepancies between forecasts and actual results. (Upwardly revised once during fiscal 2025, compared with three upward revisions in fiscal 2024.)

### **Stock market has limited understanding of FGI's businesses**

- Stock market does not have good grasp of FGI's businesses, particularly private equity investment and the truck operating lease and aircraft leasing businesses, which have been growing in recent years.
- Investment banking business is unfamiliar to individual investors who account for more than 80% of shareholding base.



**Given the above challenges, we will promote various measures to boost market valuation.**

(Described on pages 11–13)

# Activities and Targets — ROE target and measures for achievement

## Promote measures emphasizing enhanced profitability on steady path toward ROE exceeding 20%

### Maintain profitability and ensure stable growth

**Maintain high-profit structure, built on such activities as private equity investment, and ensure stable growth**

#### **Business succession**

- Will reinforce sales to financial institutions and other project sources to secure new investment targets.
- Strengthen staffing and continue to develop skills of human resources.
- Enhance collaboration with securities companies and other businesses to secure asset succession deals through M&A opportunities.

#### **Aviation business (leasing)**

- Favorable market environment, highlighted by growing demand for helicopters in emergency medical and disaster response applications. Expect leasing revenues to increase through expanding number of new deals formed.

#### **Truck operating leases**

- Rising demand for sale and leaseback of large, used commercial vehicles.
- Strengthen collaboration with multiple vehicle management companies and secure stable pipeline of vehicles for fund investment.
- Accelerate equity sales through wider investor introduction channel to generate bigger contribution to consolidated revenues.

Also, strive to develop other businesses that will contribute to stable growth.

#### **Promote efforts to attract, develop and retain top talent**

- In April 2025, FGI revised job ranking and compensation framework to boost salary levels and starting salaries for new graduates. Will implement necessary changes that might improve structure, and create environment in which employees are able to demonstrate their abilities. Through new hiring and retention of existing employees, FGI will further strengthen competitiveness from organizational perspective.
- Began granting restricted stock to directors and executive officers in January 2025 and have maintained existing stock option program for employees. Stock incentives will motivate directors and employees to contribute to improvement of corporate value.

## Activities and Targets — ROE target and measures for achievement

### Improve asset efficiency

**Regularly conduct review of investment portfolio and allocate capital accordingly**  
**Strive to improve value of Metsä Village, and consider future securitization**

- Will encourage discussion about building accommodations and hot spring facilities to push added value of Metsä Village even higher.
- Will enhance attractiveness of site through redevelopment and then explore possibility of securitization using security tokens.

### Utilize debt and optimize capital structure

#### **Expand debt procurement**

- Will leverage financial base with equity ratio of 40.3%, and promote wider use of interest-bearing debt to drive growth of investment banking business.
- That said, carrying ¥5.7 billion in interest-bearing debt, as of September 30, 2025, from consolidation of Moominvalley Park-related subsidiary, FGI must seek to improve balance sheet.

#### **Optimize capital structure**

- Pay dividends and repurchase treasury stock, taking into account future investment opportunities, cash holdings and ROE target (above 20%). Adjust capital structure.
- Plan to increase year-end dividend by ¥2, to ¥5, per share, for fiscal 2026.

## Activities and Targets — Reducing cost of shareholders' equity

**Reduce performance volatility by expanding stable sources of income.**

**Communicate long-term corporate value to investors through IR activities and information disclosure.**

<b>Reduce performance volatility</b>	<p><b>Reduce performance volatility by expanding stable sources of income</b> Investments associated with business succession deals include many small and medium-sized projects. Work to expand stable sources of income, such as management fees, in such pursuits as asset management, truck operating lease business and aircraft leasing. Actively develop other businesses as well, stabilize and diversify income, and reduce cost of shareholders' equity.</p>
<b>IR activities</b>	<p><b>Promote dialogue with institutional investors</b> Engage in constructive dialogue to help investors properly evaluate FGI's circumstances, and prevent huge fluctuations in stock price. Reduce cost of shareholders' equity. More meetings in fiscal 2025 than in fiscal 2024, but number still low. Number of meetings likely to increase as market capitalization moves toward ¥30 billion, but FGI will actively seek new opportunities for dialogue through securities companies and direct contact.</p> <p><b>Run information meetings for individual investors</b> Held meeting on November 23, 2025. Presentation uploaded to website. Given that FGI's shareholder base is heavily weighted in favor of individuals, such meetings will be organized on regular basis.</p>
<b>Enrich information disclosure, consider creation of medium-term plan</b>	<p><b>Appropriate information disclosure</b> Control huge stock price fluctuations by adequately explaining business opportunities and inherent risks to stock market and thereby minimizing surprises. Reduce cost of shareholders' equity. Strive to improve accuracy of performance forecasts by working to secure stable sources of income.</p> <p><b>Enrich financial information disclosure</b> Reflect in financial results presentation materials issues that frequently prompt a flurry of questions from institutional investors. Effective from fiscal 2025, FGI has started to distribute financial results briefing videos and transcripts of information meetings for individual investors through logmi Finance, a digital media service that delivers financial results briefing materials to investors.</p> <p><b>Give further thought to preparation of medium-term plan</b> Consider creation of medium- to long-term plans and other approaches to communicate long-term corporate value to investors and realize sustainable improvement in stock price.</p>

# 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.