

Financial Results Presentation Q1 FY9/2023

(October 1, 2022 – December 31, 2022)



Financial Partners Group Co., Ltd.
(Prime Market of TSE, Code : 7148)

- Established a new corporate philosophy in December 2022

Embracing the future through finance

We will always be there to support our customers,
with the ultimate goal of being their Financial Partners
in embracing the future through finance.

- Strong start toward achieving the full-year forecast with a record-high quarterly profit.

Q1 Results

- **Leasing Fund Business increased significantly, doubling revenues and profits YoY.**
 - ✓ Achieved record-high equity placement sales in Q1 as a result of aggressive sales backed by ample inventory at the beginning of the period.
- **Profit increased in Real Estate Fund Business due to a strong progress against the full-year forecast in International Real Estate.**

Topics

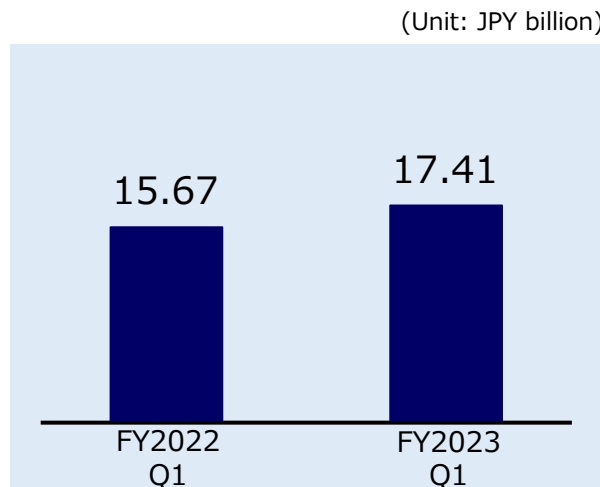
- **Established a new corporate philosophy, “Embracing the future through finance” in December 2022.**
- **In Leasing Fund Business, cumulative arrangement amount and cumulative sales amount exceeded 3 trillion yen and 1 trillion yen, respectively.**
- **Cumulative arrangement amount for Real Estate Fund Business also surpassed a milestone of 200 billion yen.**
 - ✓ Domestic Real Estate: Arranged “FPG links SHIBUYA DOGENZAKA” in October 2022, the largest-ever project.
 - ✓ International Real Estate: Arranged “Queen Kapiolani Hotel”, a large-scale resort hotel in Honolulu, Hawaii, U.S.A., in December 2022.

- Driven by Leasing Fund Business and Real Estate Fund Business, profits doubled YoY.

Net Sales

Appx. 1.1x

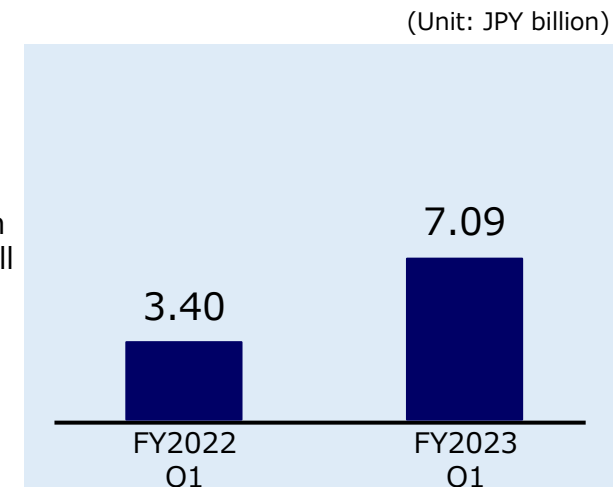
- ✓ Driven by the Leasing Fund Business and Real Estate Fund Business



Operating income

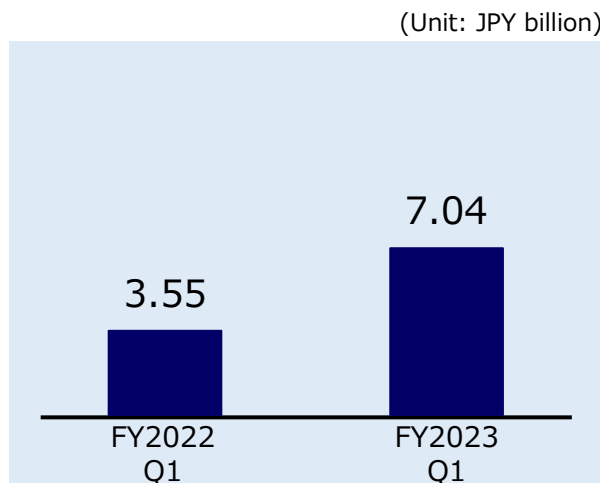
Appx. 2.1x

- ✓ Significant income growth due to higher sales as well as appropriate control of SG&A expenses



Ordinary income

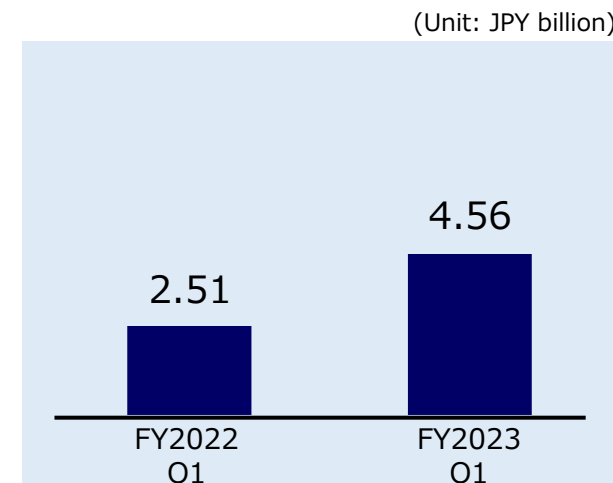
Appx. 2.0x



Net profit*

Appx. 1.8x

*Profit attributable to owners of parent



Q1 Results and Progress Rate

- Leasing Fund Business achieved significant increase in sales and profit as a result of aggressive sales backed by ample inventory at the beginning of the period.
- Profit increased in Real Estate Fund Business due to a strong progress against the full-year forecast in International Real Estate.

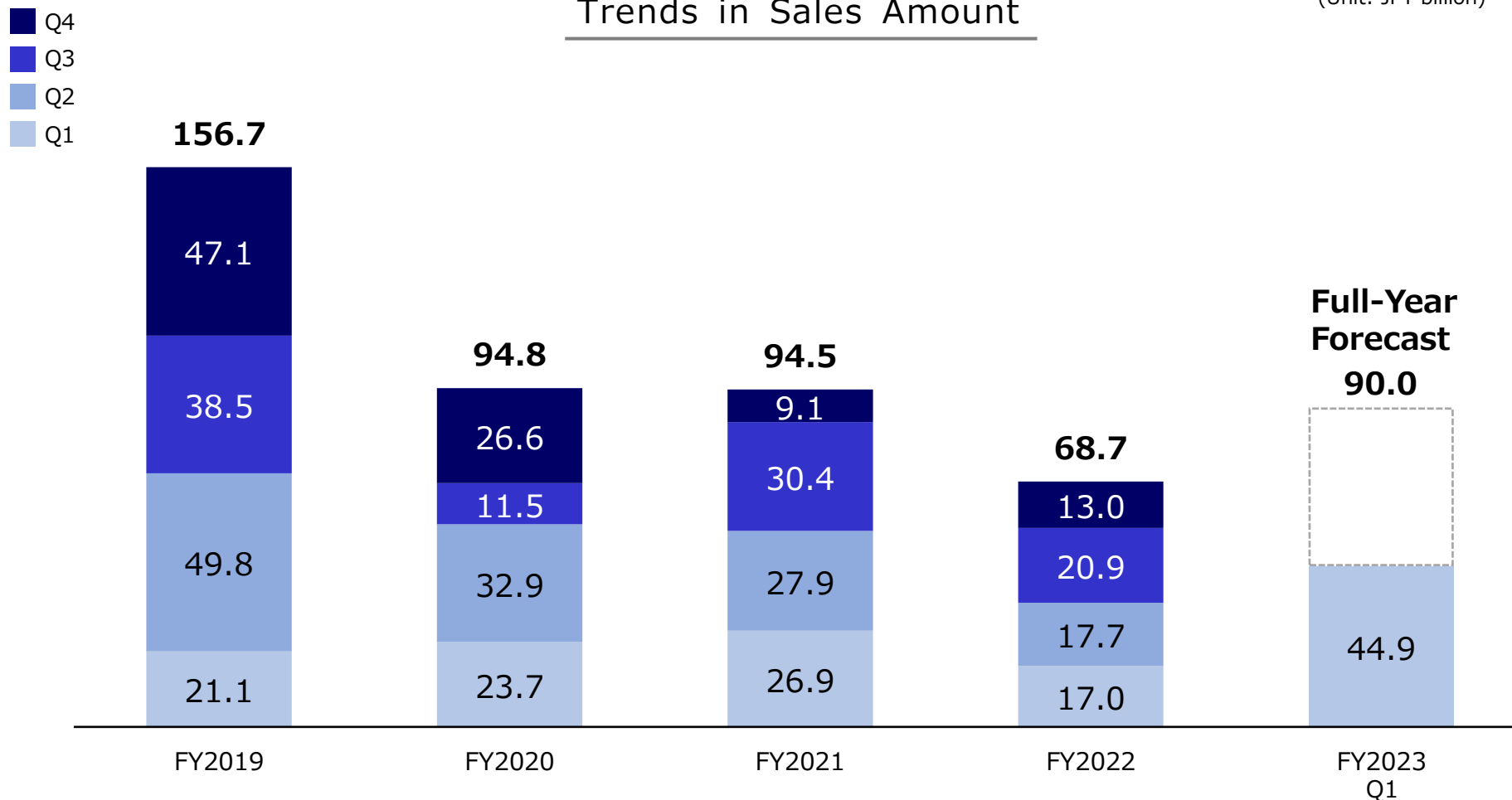
(Unit: JPY billion)

	Q1			FY2023 Full-year	
	FY2022	FY2023	YoY Change	Forecast	Progress rate
Net sales	15.67	17.41	+11.1%	64.50	27.0%
Leasing Fund Business	4.00	7.85	+96.4%	16.50	47.6%
Real Estate Fund Business	11.37	9.31	▲18.1%	47.00	19.8%
Domestic Real Estate	11.37	8.63	▲24.1%	45.20	19.1%
International Real Estate	-	0.67	-	1.80	37.8%
Other Business	0.29	0.24	▲16.6%	1.00	24.3%
Gross Profit	5.07	9.22	+81.8%	-	-
Leasing Fund Business	3.77	7.28	+93.1%	-	-
Real Estate Fund Business	1.15	1.82	+57.4%	-	-
Domestic Real Estate	1.15	1.22	+6.3%	-	-
International Real Estate	-	0.59	-	-	-
Other Business	0.14	0.12	▲16.9%	-	-
Operating income	3.40	7.09	+108.3%	13.60	52.2%
Ordinary income	3.55	7.04	+98.1%	13.80	51.1%
Margin on sales	22.7%	40.5%	+17.8%	21.4%	-
Profit attributable to owners of parent	2.51	4.56	+81.0%	9.50	48.0%
Margin on sales	16.1%	26.2%	+10.1%	14.7%	-
Dividend per share (yen)	-	-	-	56.0	-

- Achieved record-high equity placement sales in Q1 as a result of aggressive sales backed by ample inventory at the beginning of the period.

Trends in Sales Amount

(Unit: JPY billion)

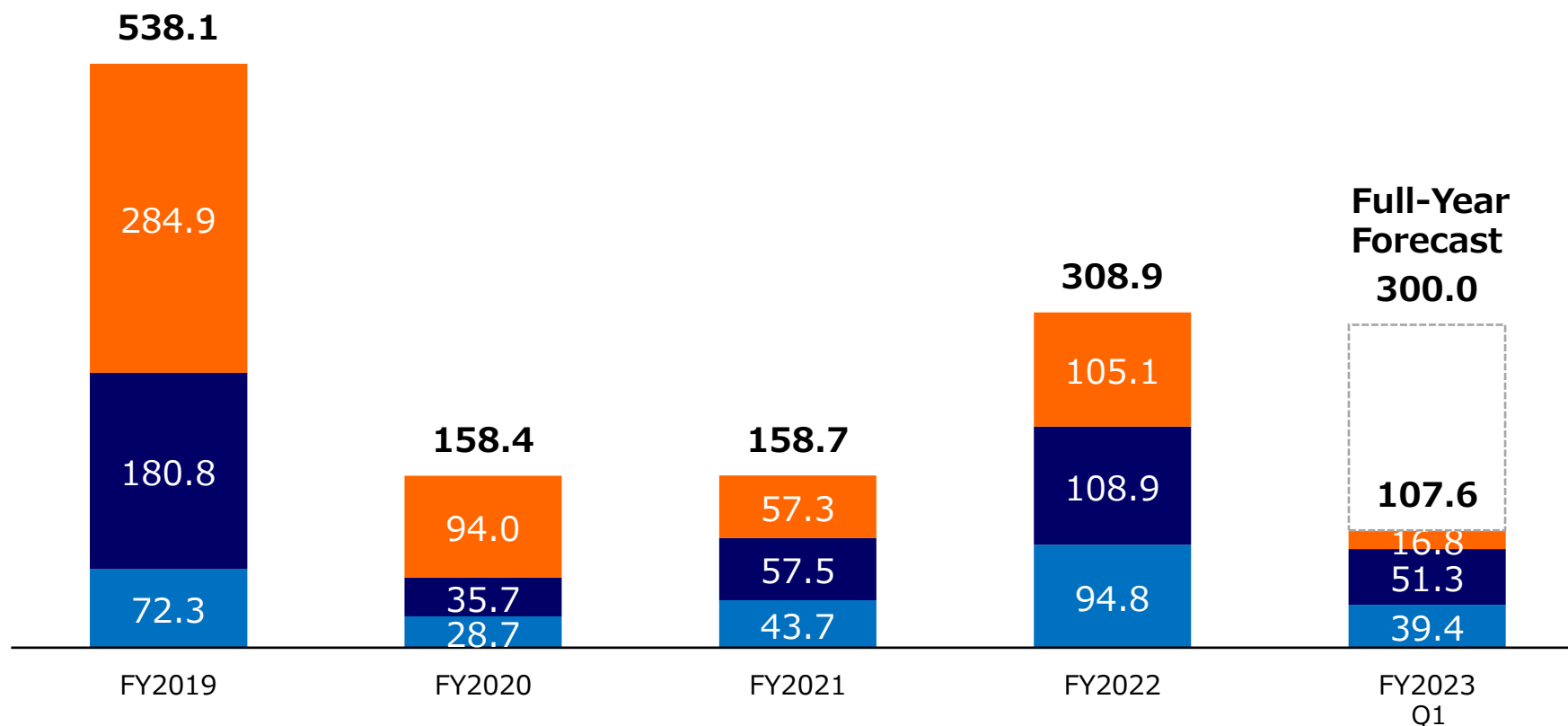


- Steady progress toward achieving the full-year forecast of 300 billion yen. Focused primarily on brisk maritime market, while continuing to pursue a policy of selective arrangement for aircraft.

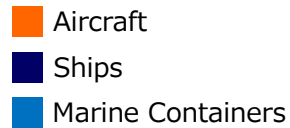
Trends in Arrangement Amount

(Unit: JPY billion)

- Aircraft
- Ships
- Marine Containers

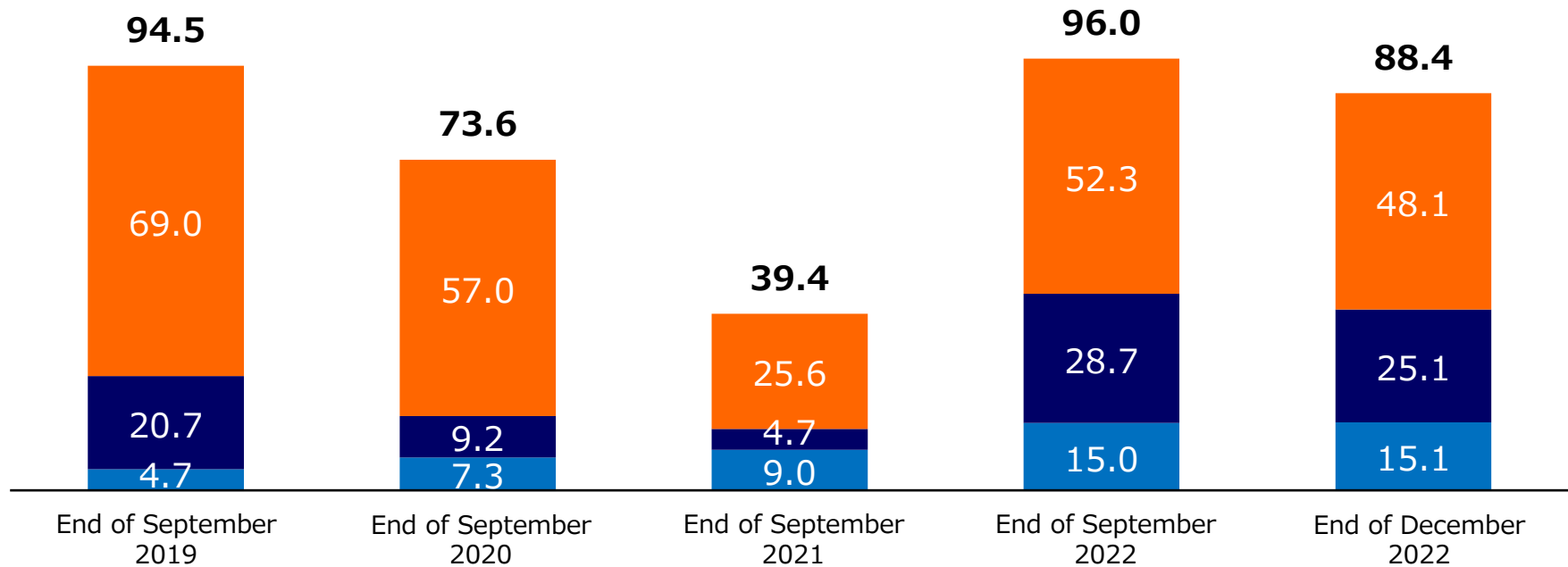


- Secured ample inventory while maintaining a favorable mix of aircraft projects and maritime projects.



Trends in Inventory

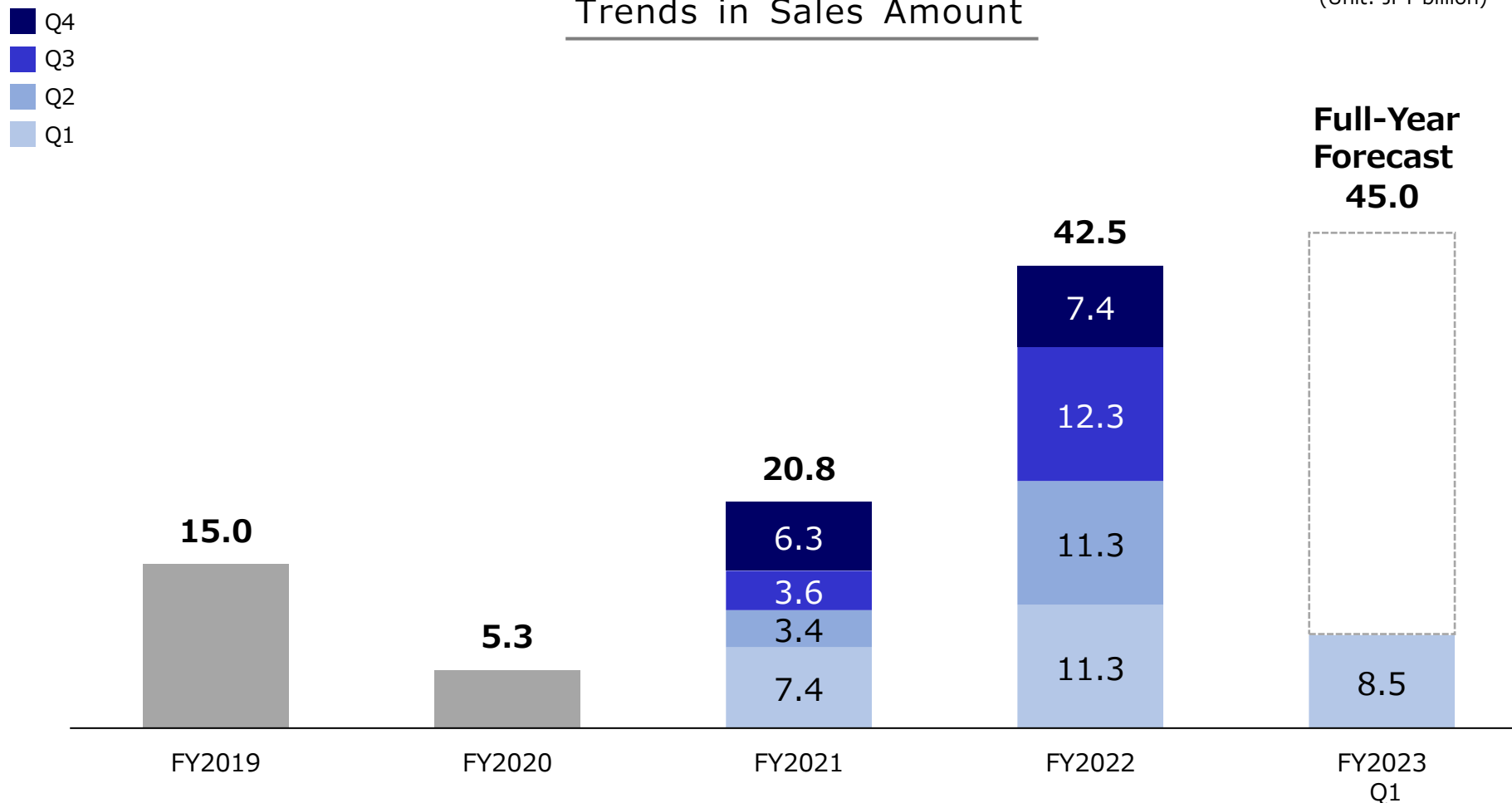
(Unit: JPY billion)



- Aiming to achieve the full-year sales forecast by accelerating sales centered on “FPG links SHIBUYA DOGENZAKA,” the largest-ever project arranged in October 2022.

Trends in Sales Amount

(Unit: JPY billion)

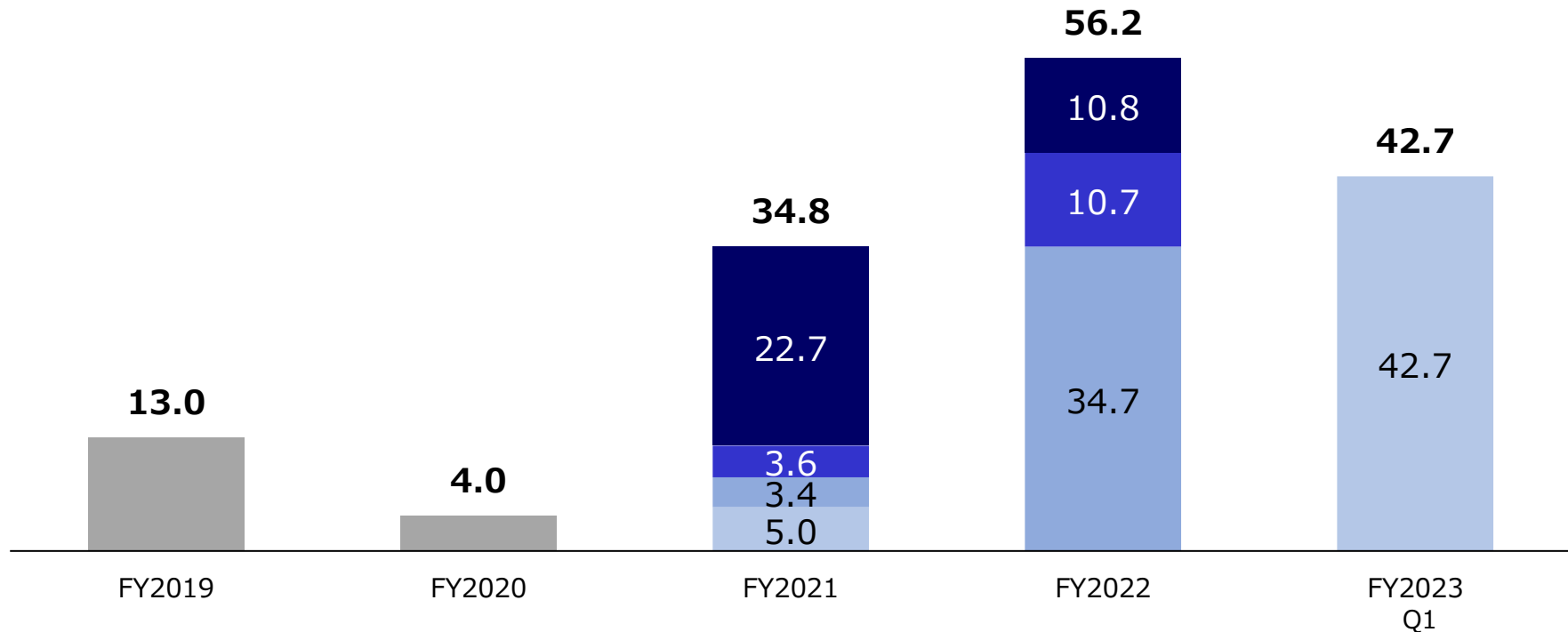
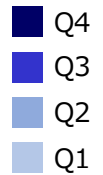


Real Estate Fund Business Domestic Real Estate Arrangement

- Achieved record-high arrangement amount on a half-year basis

Trends in Arrangement Amount

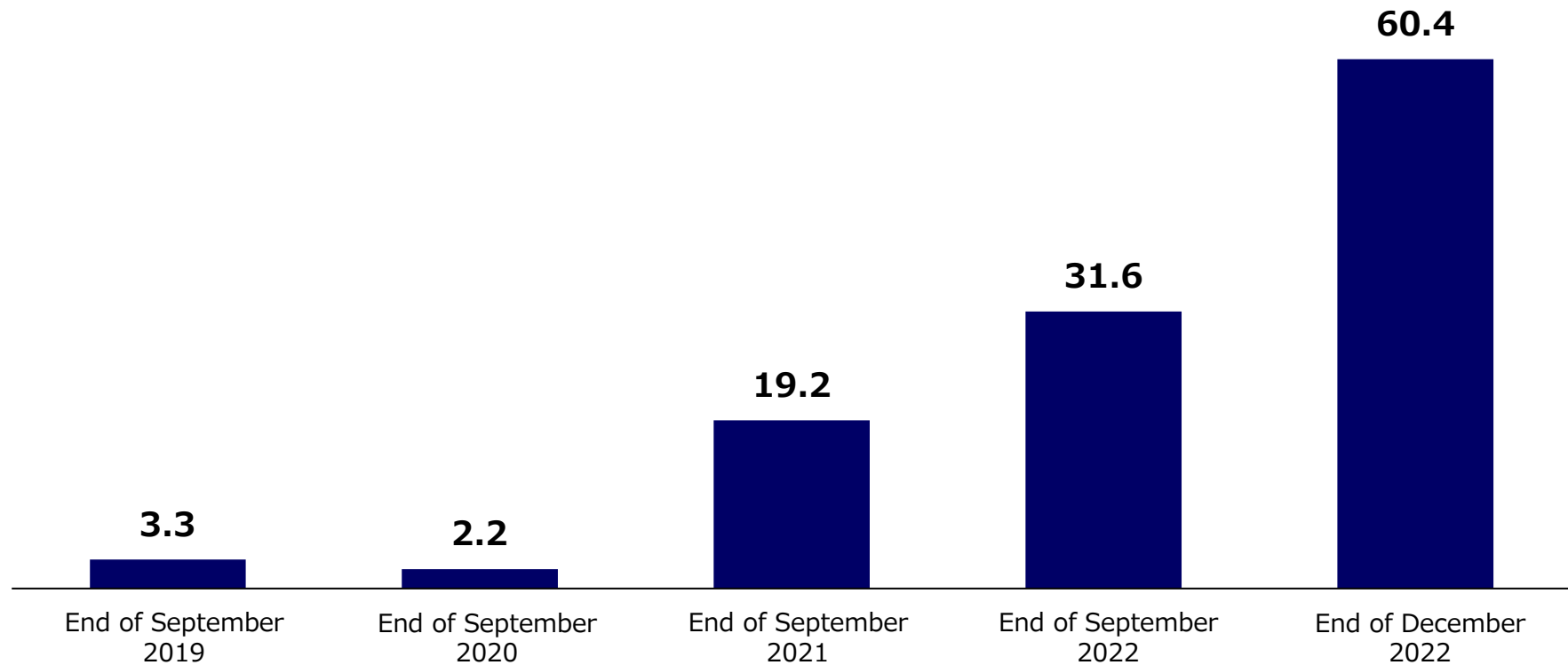
(Unit: JPY billion)



- Secured sufficient inventory to meet strong demand for further expansion of Domestic Real Estate.

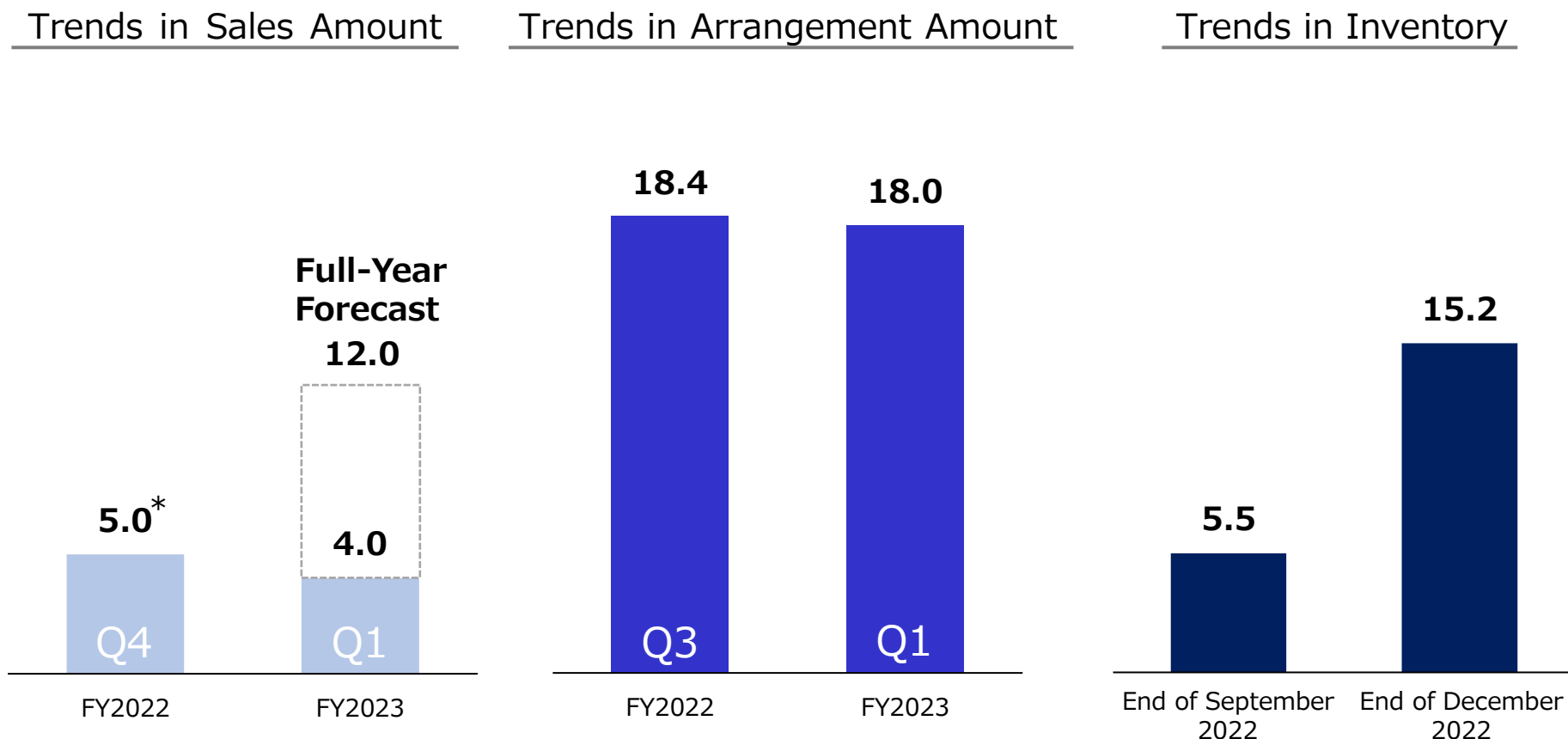
Trends in Inventory

(Unit: JPY billion)



- Steady progress towards achieving full-year sales forecast of 12 billion yen.
- The second project, a large-scale resort hotel in Honolulu, Hawaii, U.S.A., was arranged in December 2022, securing inventory to meet strong demand.

(Unit: JPY billion)



* Commenced sale of International Real Estate from June 2022.

Real Estate Fund Business Acquired Real Estate Projects for Arrangement



Arranged in October 2022
The largest-ever project

FPG links SHIBUYA DOGENZAKA

Nearest station : Shibuya station on JR-Lines, Tokyo Metro-Lines, Tokyu Toyoko and Denentoshi Lines

Land area : 492.43m²

Total floor area : 3,773.22m²

Structure : Steel-reinforced concrete, flat roof, 8 stories with a basement

Use : Stores and offices

Date of completion : May 1982



Arranged in December 2022
Second project for International Real Estate

Queen Kapiolani Hotel

Location : Honolulu, Hawaii, U.S.A.

Guest rooms : 315

Land area : 36,334ft² (approximately 3,375m²)

Structure : Reinforced concrete construction

Use : Hotel

Year opened (last renovated): 1969 (Major renovation work completed in 2017-2019)

Appendix

Consolidated Income Statement Summary

(Unit: JPY billion)

	FY2022 Q1	FY2023 Q1	YoY	
Net sales	15.67	17.41	+11.1%	
① Cost of sales	10.59	8.18	▲22.7%	① Cost of sales Includes real estate acquisition cost, arrangement cost for Leasing Fund Business projects and commission paid for customer refers.
Gross profit	5.07	9.22	+81.8%	
SG&A Cost	1.67	2.13	+27.8%	
Operating income	3.40	7.09	+108.3%	
② Non-operating income	0.41	0.81	+93.9%	② Non-operating income Includes advance interest collected when selling equity placement to investors, and gain on investments in money held in trust in the Leasing Fund Business.
③ Non-operating expenses	0.26	0.85	+221.8%	③ Non-operating expenses Includes interest paid on commission fees and interest expenses related to fund procurement.
Ordinary income	3.55	7.04	+98.1%	
Income before income taxes	3.55	6.68	+88.3%	
Total income taxes	1.01	2.12	+109.5%	
Profit attributable to owners of parent	2.51	4.56	+81.0%	

① Cost of sales
Includes real estate acquisition cost, arrangement cost for Leasing Fund Business projects and commission paid for customer refers.

② Non-operating income
Includes advance interest collected when selling equity placement to investors, and gain on investments in money held in trust in the Leasing Fund Business.

③ Non-operating expenses
Includes interest paid on commission fees and interest expenses related to fund procurement.

Consolidated Balance Sheet Summary

(Unit: JPY billion)

Assets	FY2022	FY2023 Q1	YoY
Current assets	152.73	193.71	+40.98
Cash and deposit	13.11	15.13	+2.02
① Equity underwritten	80.68	84.91	+4.23
② Money held in trust	20.86	18.79	▲2.07
③ Real estate for arrangement	31.63	60.44	+28.81
Non-current assets	5.31	5.67	+0.36
Total assets	158.05	199.39	+41.34
Liabilities and Net assets	FY2022	FY2023 Q1	YoY
Current liabilities	107.85	137.45	+29.60
Short-term debt	86.35	115.26	+28.91
④ Contract liability	12.93	14.35	+1.42
Non-current liabilities	14.03	25.50	+11.47
Long-term debt	13.48	24.98	+11.50
Total liabilities	121.89	162.95	+41.06
Total net assets	36.15	36.43	+0.28
Total liabilities and net assets	158.05	199.39	+41.34

① Equity underwritten
Temporary advances in Leasing Fund Business and Real Estate Fund Business (International Real Estate Investment Product) before to selling to equity investors.

② Money held in trust
Temporary inventory of trust beneficiary right of operating lease for aircraft using a trust function.

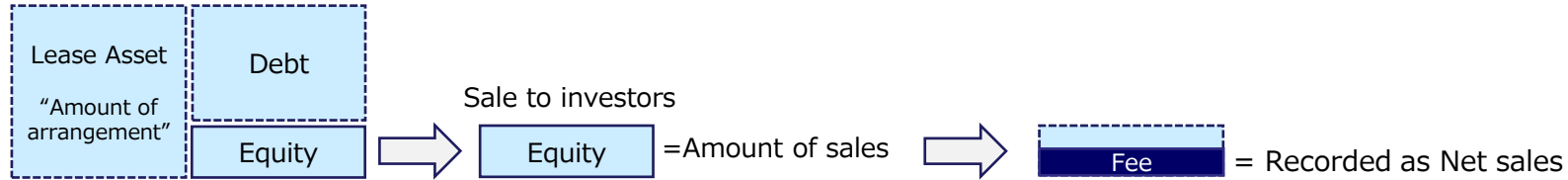
③ Real estate for arrangement
Inventory of the real estate fractional ownership investment product.

④ Contract liability
Including advances of commission fees related to Leasing Fund Business and Real Estate Fund Business (International Real Estate Investment Product).

■ FPG’s business is divided into the following 3 categories in this document.

1. Leasing Fund Business

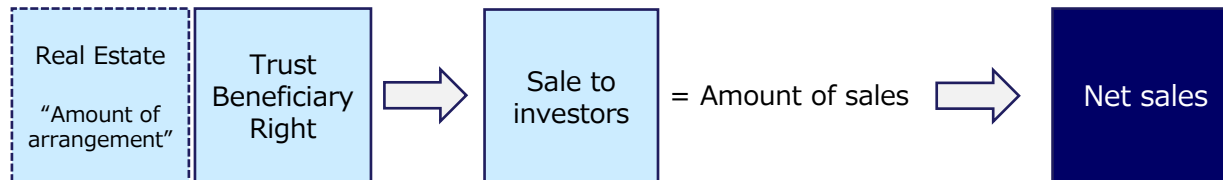
The Leasing Fund Business provides arrangement and management services for operating leases for aircraft, ships and marine containers. It also sells equity interests in the silent partnership “Tokumei Kumiai,” general partnership “Nini Kumiai” and trust beneficiary rights for operating leases to investors. Net sales include arrangement fees for arrangement in the operating lease business, sales commissions received on the sale of silent partnership interests to investors, etc. Sales of partnership interests and trust beneficiary rights to investors are not recorded as net sales.



2. Real Estate Fund Business

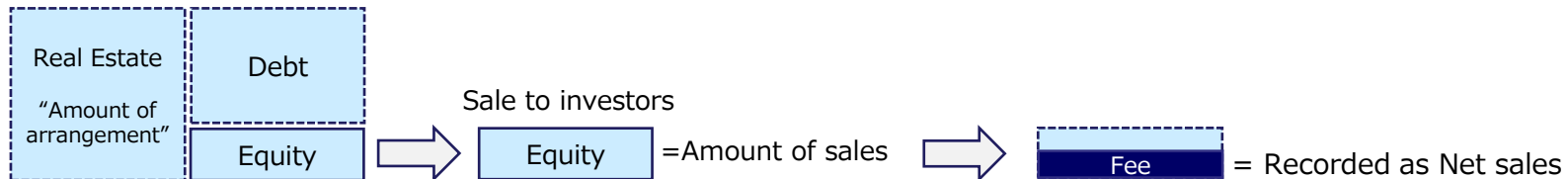
(1) Real Estate Fractional Ownership Investment Product

Arranges and sells to investors real estate fractional ownership investment products, using the trust function of FPG Trust. The total amount of sales to investors is recorded as net sales.



(2) International Real Estate Investment Product

The Real Estate Fund Business arranges and manages collective investment projects targeting international real estate, and sells equity stakes in the general partnership “Nini Kumiai.” Net sales include arrangement fees for the arrangement of collective investment projects and commissions received on the sale of general partnership stakes to investors, among other sources. However, sales of general partnership stakes to investors are not recorded as net sales.



3. Other Business

Other Business includes the FinTech Business, Insurance Sales Business, M&A Business and Aviation Business. Net sales include fees for commissioned work related to system development and network infrastructure construction in the FinTech Business. And it include commission income in the Insurance Sales Business and M&A Business, and sale of services such as transport in the Aviation Business.

Projected results described in these presentation slides are based on the information available to the Company at the time of preparing, as well as certain assumptions judged by the Company to be reasonable, and, therefore, actual results could be different from these projections because of various risks and uncertain factors.

Financial Partners Group Co., Ltd.

Inquiry : Corporate Planning Department

TEL: +81-3-5288-5691 E-mail: ir@fpg.jp URL: <https://www.fpg.jp/en/info.html>