

Consolidated Financial Results for the First Quarter of the Fiscal Year Ending September 30, 2023 (Japanese GAAP) (Summary)

January 31, 2023

Listed Company Name: Financial Partners Group Co., Ltd. URL <https://www.fpg.jp/en/>

Listed Stock Exchange: Tokyo Stock Exchange Prime Market Code Number: 7148

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Expected date of quarterly report submission: February 10, 2023

Expected date of dividend payment: —

Supporting material for quarterly results: Yes

The briefing session of quarterly results: No

(Figures less than one million yen are rounded down.)

1. Consolidated financial results for the first quarter of the Fiscal Year Ending September 30, 2023

(October 1, 2022 — December 31, 2022)

(1) Consolidated operating results (cumulative)

(% figures show year-on-year change.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
December 31, 2022	17,416	11.1	7,092	108.3	7,049	98.1	4,560	81.0
December 31, 2021	15,673	—	3,405	245.9	3,557	412.5	2,519	823.7

(Note) Comprehensive income: Three months ended December 31, 2022: 4,547 million yen; (78.1%)
Three months ended December 31, 2021: 2,553 million yen; (822.3%)

	Net income per share	Diluted net income per share
Three months ended	Yen	Yen
December 31, 2022	53.40	—
December 31, 2021	29.50	—

(Note) 1. Diluted net income per share is not stated because there are no potential shares.

(Note) 2. The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), and other standards were applied from the beginning of the first quarter of the fiscal year ended September 30, 2022. By the application of this accounting standard, the accounting method used for sales of real estate fractional ownership investment products in the Real Estate Fund Business has changed from recording relevant company profit (service fees) as net sales to recording relevant sales volume as net sales. As a result of this matter, net sales for the first quarter of the fiscal year ended September 30, 2022 increased significantly compared to the first quarter of the fiscal year ended September 30, 2021, so the year-on-year percentage change is not shown. This change in the method of recording net sales has no impact on profits.

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
December 31, 2022	199,396	36,436	18.2
As of September 30, 2022	158,052	36,159	22.8

(Reference) Shareholders' equity: December 31, 2022: 36,344 million yen
As of September 30, 2022: 36,070 million yen

2. Dividends

	Dividend per share				
	End of 1st Quarter	End of 2nd Quarter	End of 3rd Quarter	End of fiscal year	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended September 30, 2022	—	0.00	—	50.00	50.00
Fiscal year ending September 30, 2023	—				
Fiscal year ending September 30, 2023 (Forecast)		0.00	—	56.00	56.00

(Note) Revision to the latest dividend forecast: No

3. Forecast of consolidated financial results for the Fiscal Year Ending September 30, 2023

(October 1, 2022 — September 30, 2023)

(% figures show year-on-year change.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	32,250	3.6	6,960	12.7	7,060	9.9	4,855	9.9	56.85
Annual	64,500	9.0	13,600	15.8	13,800	10.7	9,500	12.1	111.24

(Note) 1. Revision to the latest consolidated financial results forecast: No

* Notes

(1) Material changes in subsidiaries during this period

(Changes in scope of consolidations resulting from change in subsidiaries) : No

(2) Applying of specific accounting of the consolidated quarterly financial statements : No

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

a) Changes in accounting policies based on revisions of accounting standard : Yes

b) Changes in accounting policies other than ones based on revisions of accounting standard : No

c) Changes in accounting estimates : No

d) Retrospective restatement : No

(4) Number of issued and outstanding shares (ordinary shares)

a) Number of issued and outstanding shares at the end of the period (including treasury shares)	As of December 31, 2022	89,073,600	As of September 30, 2022	89,073,600
b) Number of treasury shares at the end of the period	As of December 31, 2022	3,670,711	As of September 30, 2022	3,668,781
c) Average number of shares during the period	Three months ended December 31, 2022	85,402,994	Three months ended December 31, 2021	85,408,769

Quarterly consolidated financial statements

(1) Consolidated balance sheet

(Millions of yen)

	As of September 30, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	13,119	15,135
Accounts receivable - trade	480	380
Operational investment securities	494	753
Supplies	18	18
Equity underwritten	80,689	84,918
Money held in trust (Aircraft for arrangement)	20,868	18,795
Real estate for arrangement	31,632	60,446
Other	5,433	13,269
Total current assets	152,737	193,717
Non-current assets		
Property, plant and equipment	557	401
Intangible assets		
Goodwill	693	449
Other	54	50
Total intangible assets	747	500
Investments and other assets		
Deferred tax assets	1,677	2,627
Other	2,334	2,150
Allowance for doubtful accounts	△2	△1
Total investments and other assets	4,010	4,776
Total non-current assets	5,315	5,678
Total assets	158,052	199,396
Liabilities		
Current liabilities		
Accounts payable - trade	355	700
Short-term borrowings	72,842	101,149
Commercial papers	9,000	6,000
Current portion of long-term borrowings	4,516	8,115
Income taxes payable	2,176	3,182
Contract liabilities	12,932	14,359
Provision for bonuses	440	386
Other	5,596	3,564
Total current liabilities	107,859	137,457
Non-current liabilities		
Bonds payable	1,100	1,100
Long-term borrowings	12,389	23,889
Asset retirement obligations	119	122
Retirement benefit liability	29	29
Other	394	360
Total non-current liabilities	14,032	25,501
Total liabilities	121,892	162,959

(Millions of yen)

	As of September 30, 2022	As of December 31, 2022
Net assets		
Shareholders' equity		
Share capital	3,095	3,095
Capital surplus	2,805	2,805
Retained earnings	32,526	32,817
Treasury shares	△2,457	△2,457
Total shareholders' equity	35,970	36,261
Accumulated other comprehensive income		
Foreign currency translation adjustment	100	83
Total accumulated other comprehensive income	100	83
Non-controlling interests	88	91
Total net assets	36,159	36,436
Total liabilities and net assets	158,052	199,396

(2) Consolidated statement of income and consolidated statement of comprehensive income

Consolidated statement of income (cumulative)

(Millions of yen)

	Three months ended December 31, 2021	Three months ended December 31, 2022
Net sales	15,673	17,416
Cost of sales	10,595	8,187
Gross profit	5,077	9,228
Selling, general and administrative expenses	1,672	2,136
Operating profit	3,405	7,092
Non-operating income		
Interest income	50	195
Gain on investments in money held in trust	185	50
Foreign exchange gains	26	—
Rental income from real estate	125	456
Share of profit of entities accounted for using equity method	27	102
Other	2	6
Total non-operating income	417	810
Non-operating expenses		
Interest expenses	96	214
Commission expenses	146	227
Foreign exchange losses	—	327
Rental expenses on real estate	20	58
Other	1	24
Total non-operating expenses	265	853
Ordinary profit	3,557	7,049
Extraordinary losses		
Impairment losses	—	348
Loss on retirement of non-current assets	2	2
Loss on valuation of shares of subsidiaries and associates	4	11
Total extraordinary losses	6	361
Profit before income taxes	3,551	6,687
Income taxes - current	724	3,089
Income taxes - deferred	288	△966
Total income taxes	1,013	2,123
Profit	2,537	4,564
Profit attributable to non-controlling interests	17	3
Profit attributable to owners of parent	2,519	4,560

Consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Three months ended December 31, 2021	Three months ended December 31, 2022
Profit	2,537	4,564
Other comprehensive income		
Valuation difference on available-for-sale securities	0	—
Foreign currency translation adjustment	4	△0
Share of other comprehensive income of entities accounted for using equity method	10	△16
Total other comprehensive income	15	△16
Comprehensive income	2,553	4,547
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,534	4,544
Comprehensive income attributable to non-controlling interests	18	3