

# Financial Results Presentation Q3 FY9/2023

(October 1, 2022 – June 30, 2023)



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.

## Q3 Results (Cumulative)

- In pursuit of a growth strategy post COVID-19, we have exceeded past record high income on a full-year basis\* as of the end of Q3.
  - ✓ Strong equity placement sales continued in the Leasing Fund Business, and both sales and income increased significantly YoY.
  - ✓ In Domestic Real Estate, sales continued to recover, making steady progress toward the full-year target
  - ✓ Sales of International Real Estate continue to be strong.

## Full-Year Forecast & Year-end Dividend

- Revised full-year earnings forecast upward. Aiming to further generate earnings in the Q4.
- Year-end dividend forecast revised upward to 65.6 yen per share (+4.1 yen from the previous forecast, +15.6 yen YoY.)

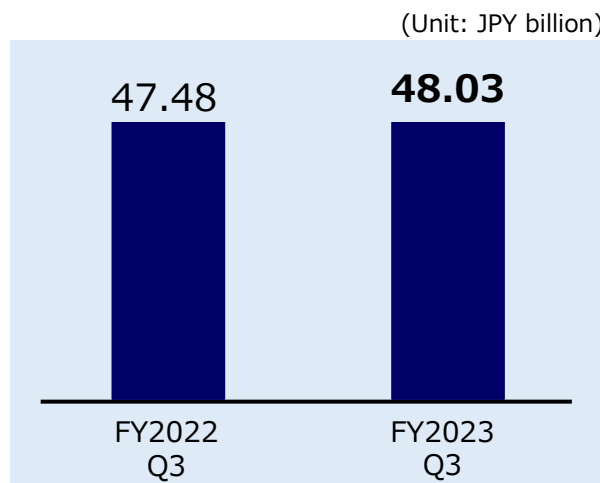
## Q3 Topics

- Steady expansion of business footprint in each of the three business pillars.
  - ✓ In the Leasing Fund Business, equity placement sales exceeded 100 billion yen for the first time in four fiscal years since FY9/2019.
  - ✓ In Domestic Real Estate, sales increased for three consecutive quarters and the total number of customers reached over 3,000.
  - ✓ Cumulative sales of International Real Estate exceeded 150 billion yen within a year since the launch of the business.

\* Record high income: FY9/2019 (in JPY billion) Operating income 14.43, Ordinary income 14.39, Profit attributable to owners of parent 10.03

- While net sales leveled off due to a decline in Domestic Real Estate, profits increased by approx. 1.5x due to growth in the Leasing Fund Business and the successful launch of International Real Estate.
- Exceeded past record high income on a full-year basis\*1 as of the end of Q3.

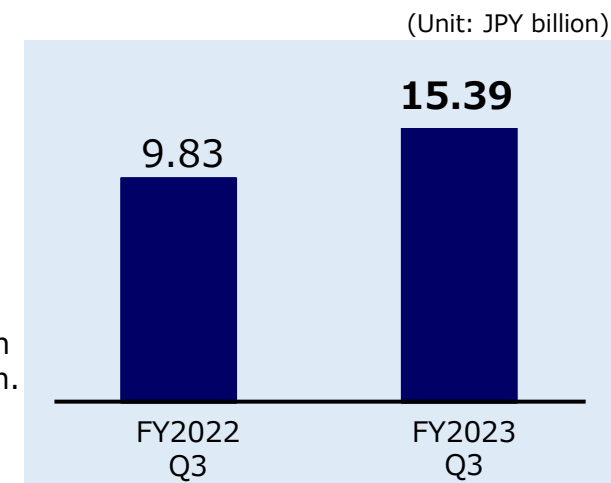
## Net Sales



## Operating income

**Appx. 1.6x**

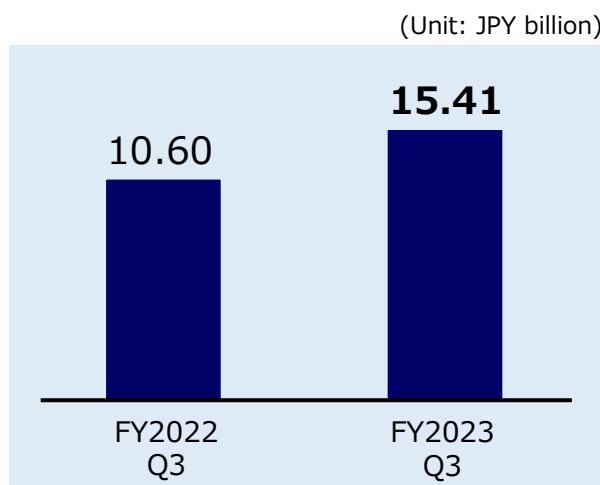
- ✓ Significant income growth due to higher sales as well as appropriate control of SG&A expenses.
- ✓ Exceeded past record-high income of 14.43 billion yen.



## Ordinary income

**Appx. 1.5x**

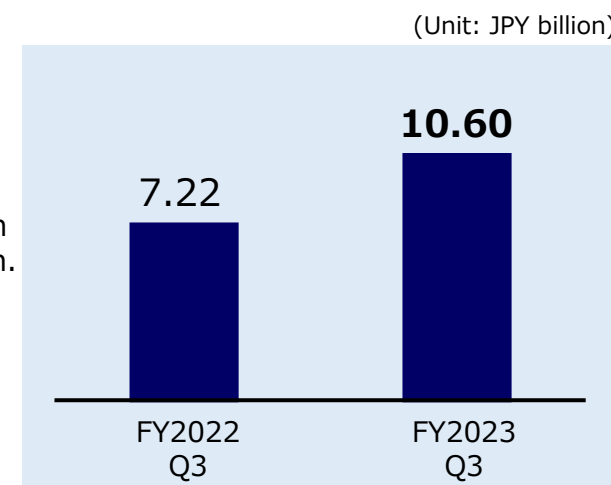
- ✓ Exceeded past record-high income of 14.39 billion yen.



## Net profit\*2

**Appx. 1.5x**

- ✓ Exceeded past record-high income of 10.03 billion yen.








\*1 Record high income: FY9/2019 (in JPY billion) Operating income 14.43, Ordinary income 14.39, Profit attributable to owners of parent 10.03

\*2 Profit attributable to owners of parent

# Q3 Results and Progress Rate

- In pursuit of a growth strategy post COVID-19, we have exceeded past record high income on a full-year basis\* as of the end of Q3.
- Revised full-year earnings forecast upward. Aiming to further generate earnings in the Q4.
- Year-end dividend forecast revised upward to 65.6 yen per share (+4.1 yen from the previous forecast, +15.6 yen YoY.)

(Unit: JPY billion)

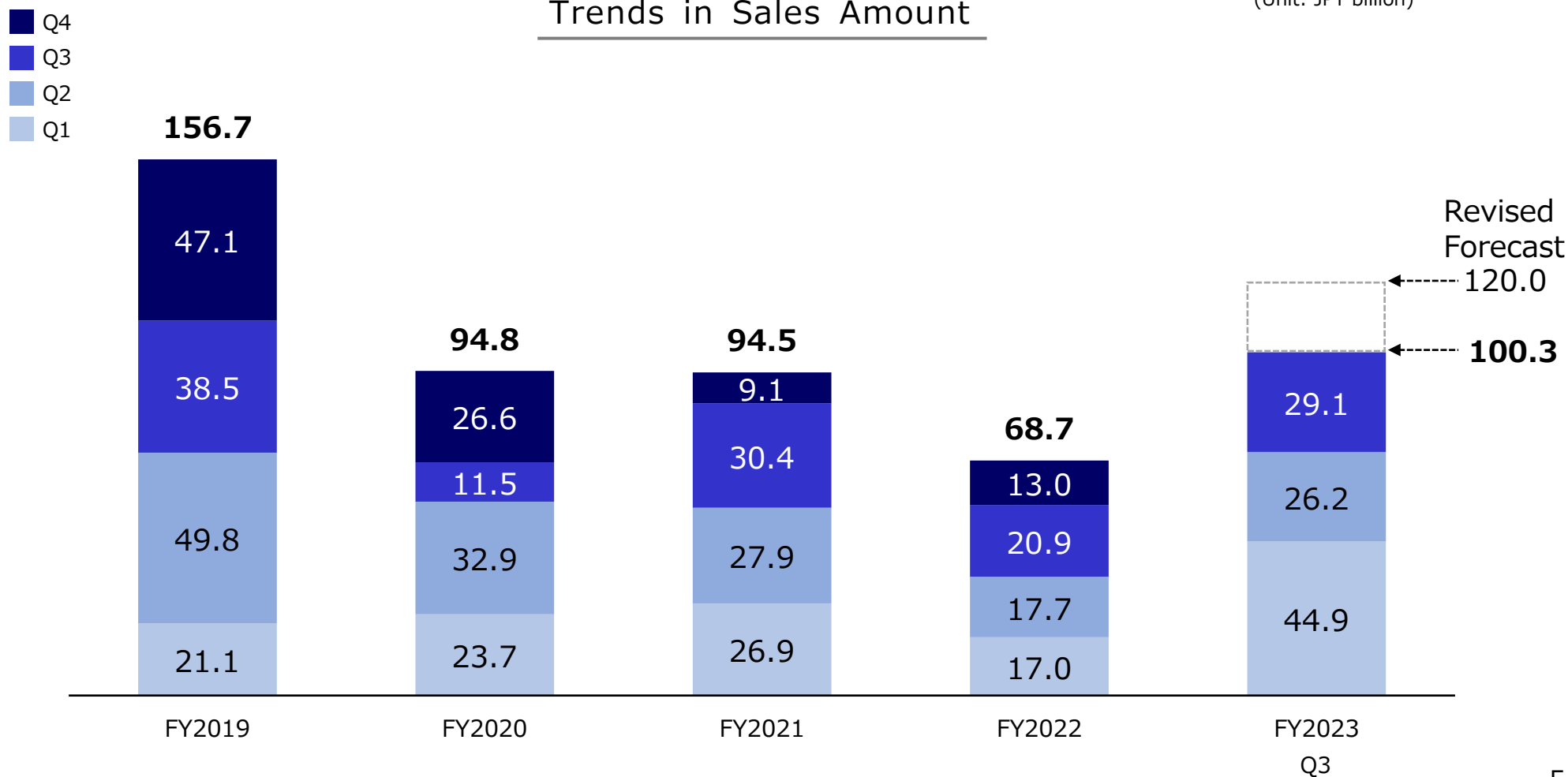
	Q3			Full Year				
	FY2022	FY2023	YoY Change	FY2022	FY2023		Revised Forecast	
					Previous Forecast	Revised Forecast	vs FY2022	vs Previous Forecast
Net sales	47.48	48.03	+1.2%	59.19	<u>57.00</u>	 <u>58.50</u>	(1.2%)	+2.6%
Leasing Fund Business	11.19	17.60	+57.2%	14.23	18.50	19.60	+37.7%	+5.9%
Real Estate Fund Business	35.31	29.58	(16.2%)	43.69	37.50	37.90	(13.3%)	+1.1%
Domestic Real Estate	35.31	27.70	(21.6%)	42.89	35.50	35.50	(17.2%)	+0.0%
International Real Estate	-	1.88	-	0.80	2.00	2.40	+199.6%	+20.0%
Other Business	0.97	0.83	(13.5%)	1.26	1.00	1.00	(21.2%)	+0.0%
Gross Profit	14.90	21.29	+42.8%	-	-	-	-	-
Leasing Fund Business	9.97	15.39	+54.2%	-	-	-	-	-
Real Estate Fund Business	4.38	5.39	+22.9%	-	-	-	-	-
Domestic Real Estate	4.39	3.76	(14.2%)	-	-	-	-	-
International Real Estate	(0.0)	1.62	-	-	-	-	-	-
Other Business	0.54	0.50	(6.5%)	-	-	-	-	-
<b>Operating income</b>	<b>9.83</b>	<b>15.39</b>	+56.5%	11.74	<u>15.70</u>	 <u>16.70</u>	<b>+42.2%</b>	+6.4%
<b>Ordinary income</b>	<b>10.60</b>	<b>15.41</b>	+45.4%	12.46	<u>15.50</u>	 <u>16.50</u>	<b>+32.4%</b>	+6.5%
Ordinary income margin on sales	22.3%	32.1%	+9.8%	21.1%	27.2%	28.2%	+7.1%	+1.0%
<b>Profit attributable to owners of parent</b>	<b>7.22</b>	<b>10.60</b>	+46.7%	8.47	<u>10.50</u>	 <u>11.20</u>	<b>+32.1%</b>	+6.7%
Profit margin on sales	15.2%	22.1%	+6.9%	14.3%	18.4%	19.1%	+4.8%	+0.7%
Dividend per share (yen)	-	-	-	50.0	<u>61.5</u>	 <u>65.6</u>	+15.6	+4.1

\* Record high income : FY9/2019 (in JPY billion) Operating income 14.43, Ordinary income 14.39, Profit attributable to owners of parent 10.03

- As a result of aggressive sales on the strength of ample inventory, the equity placement sales amount exceeded 100 billion yen for the first time in four fiscal years since FY9/2019.
- In light of a strong sales performance, the full-year sales forecast has been revised upward from 110 billion yen to 120 billion yen.

## Trends in Sales Amount

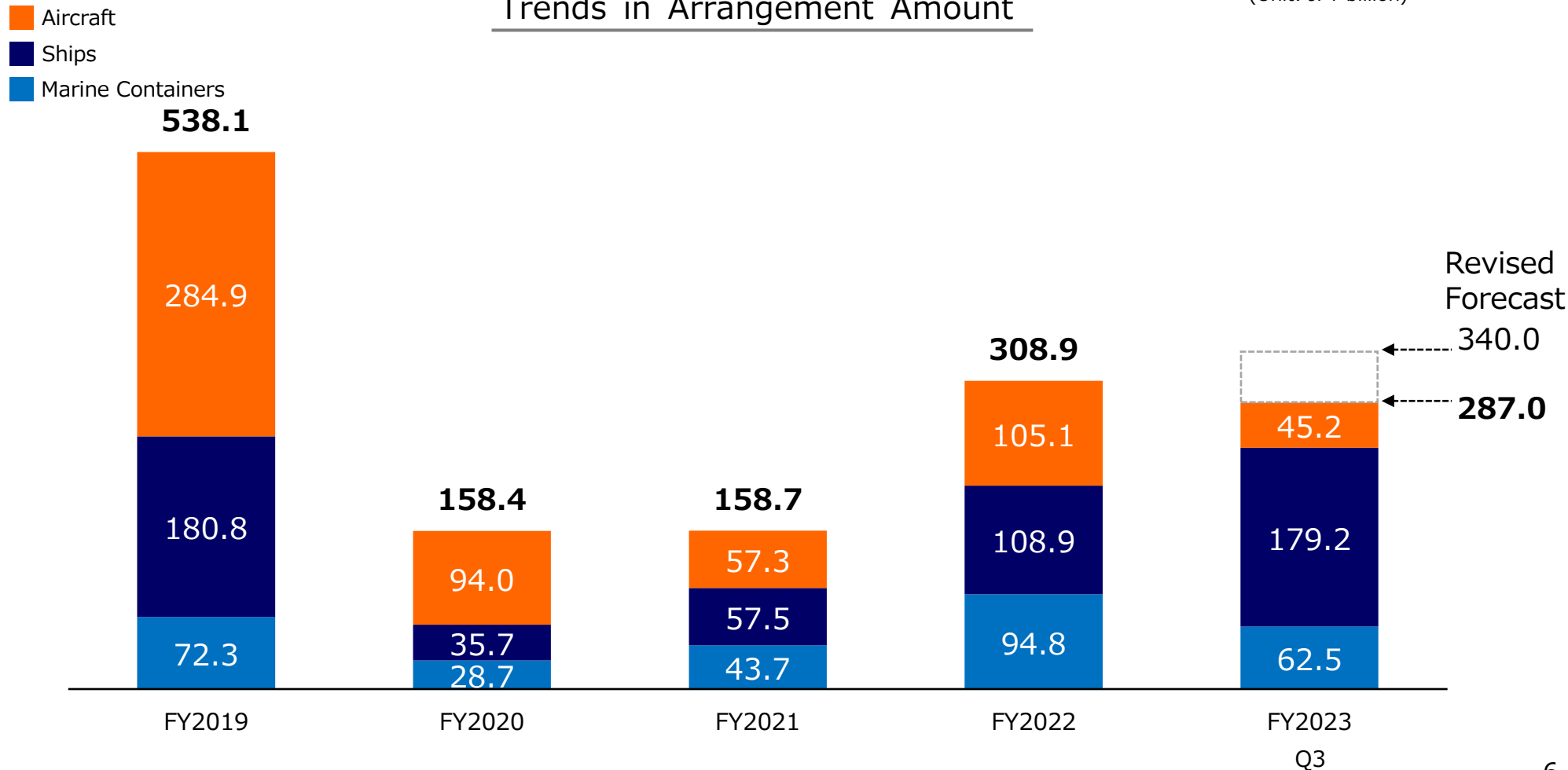
(Unit: JPY billion)



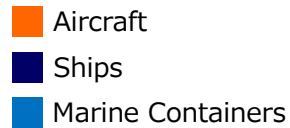
- Aggressive arrangement centered on ship-related projects continues, and full-year forecast has been revised upward from 300 billion yen to 340 billion yen.
- Continuing the policy of being selective in the arrangement of aircraft projects.

## Trends in Arrangement Amount

(Unit: JPY billion)

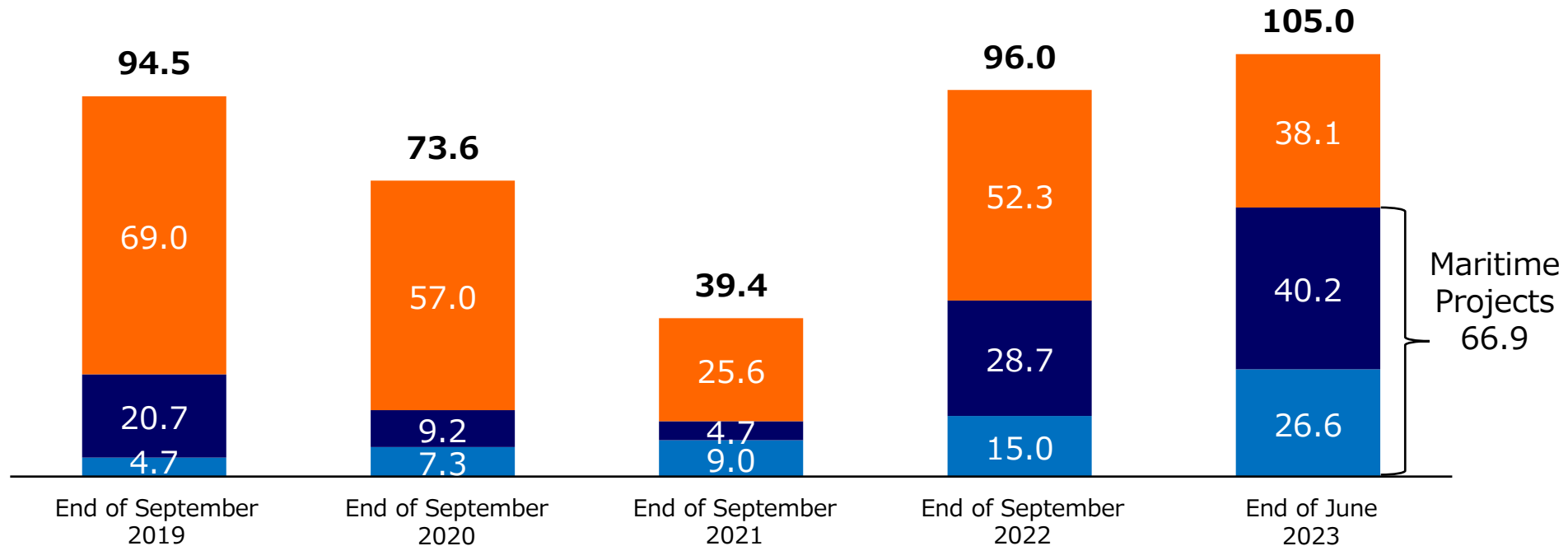


- Secured ample inventory anticipating sales in the subsequent fiscal year onward.



## Trends in Inventory

(Unit: JPY billion)



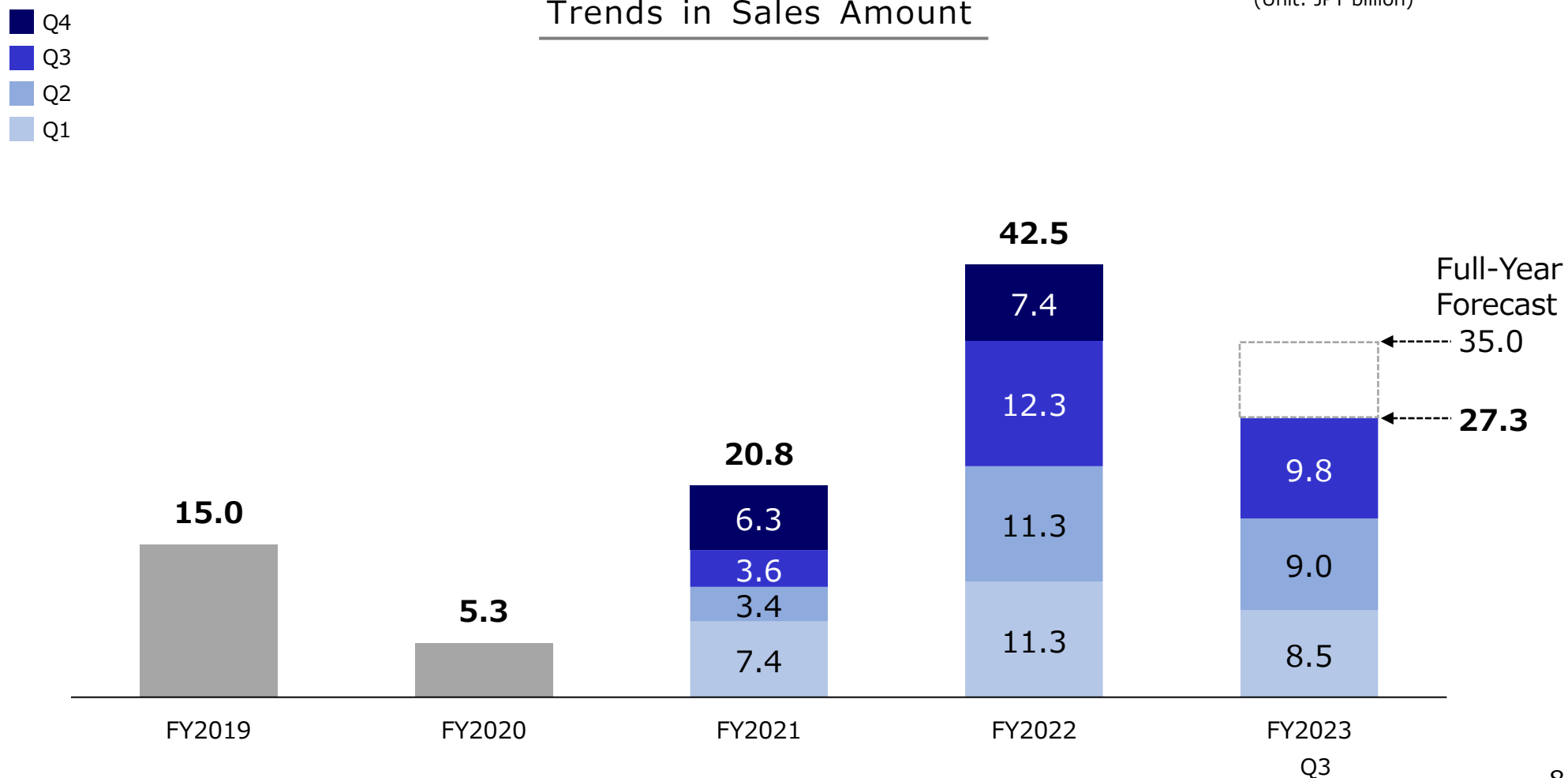


# Real Estate Fund Business Domestic Real Estate Sales

- Sales increased for three consecutive quarters and the total number of customers reached over 3,000.
- By capturing solid and consistent demand, we aim to achieve the full-year forecast.

## Trends in Sales Amount

(Unit: JPY billion)

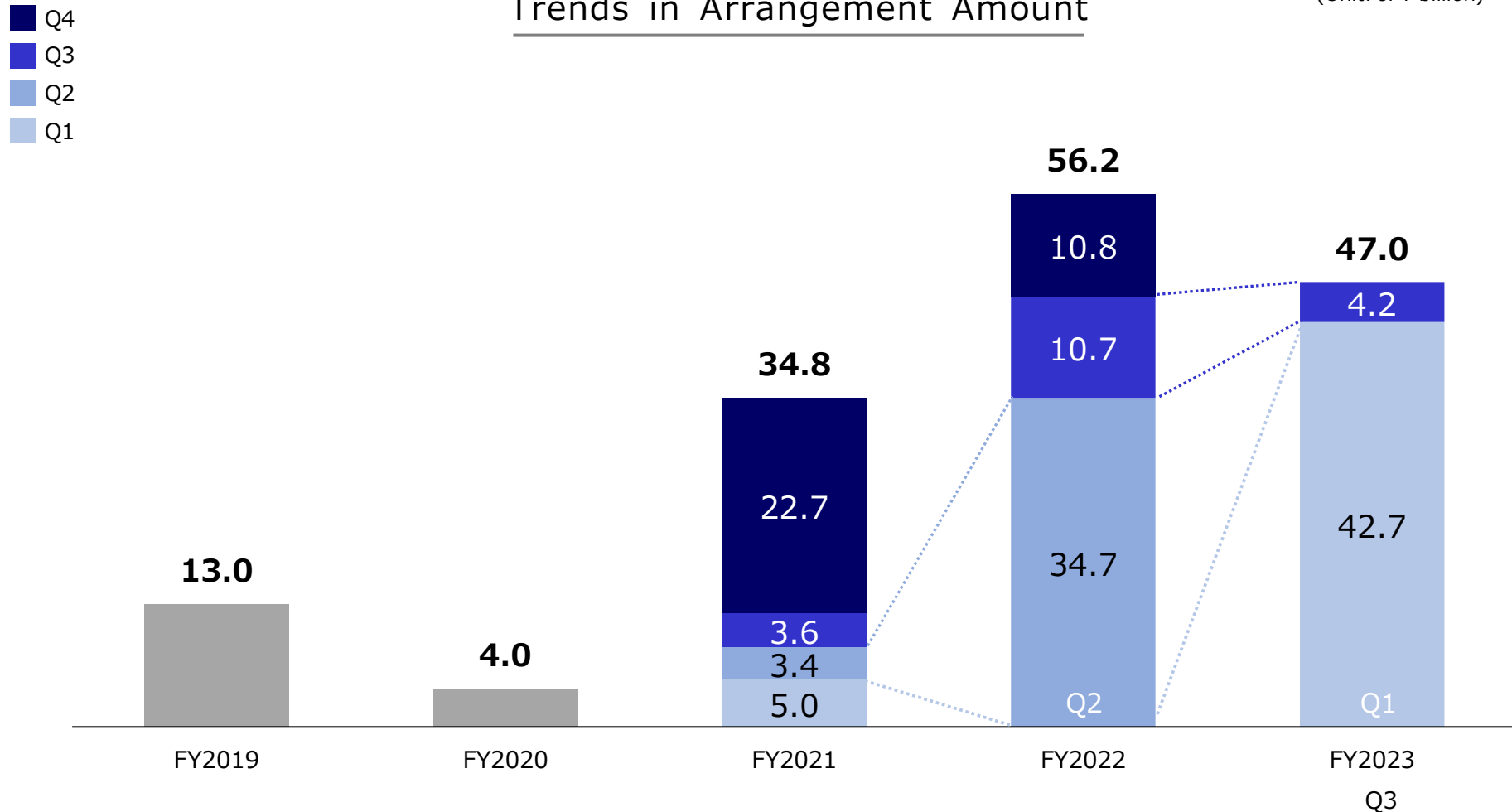


# Real Estate Fund Business Domestic Real Estate Arrangement

- Continue arrangement of attractive properties in prime locations in the city-centers of Japan.

## Trends in Arrangement Amount

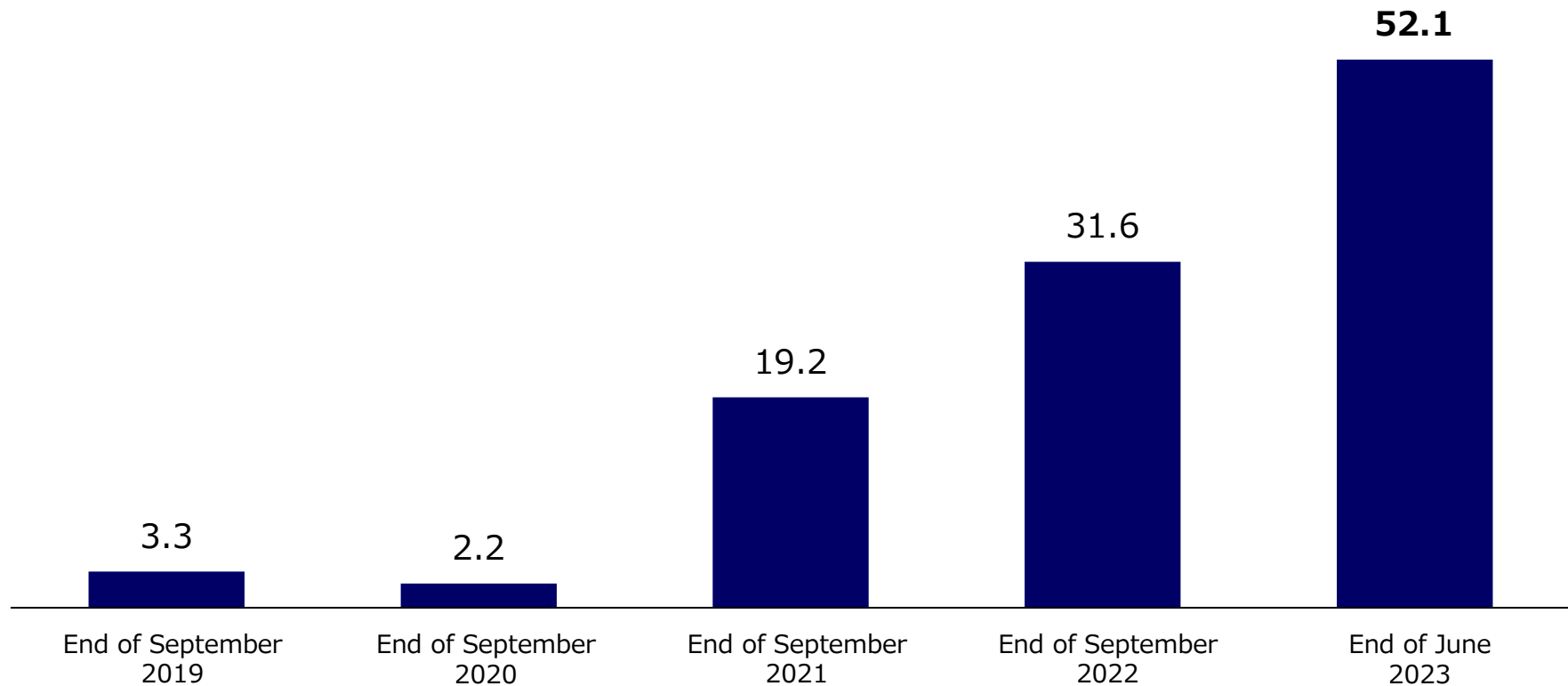
(Unit: JPY billion)



- Secured sufficient inventory to meet solid and consistent demand.

## Trends in Inventory

(Unit: JPY billion)



# Real Estate Fund Business International Real Estate

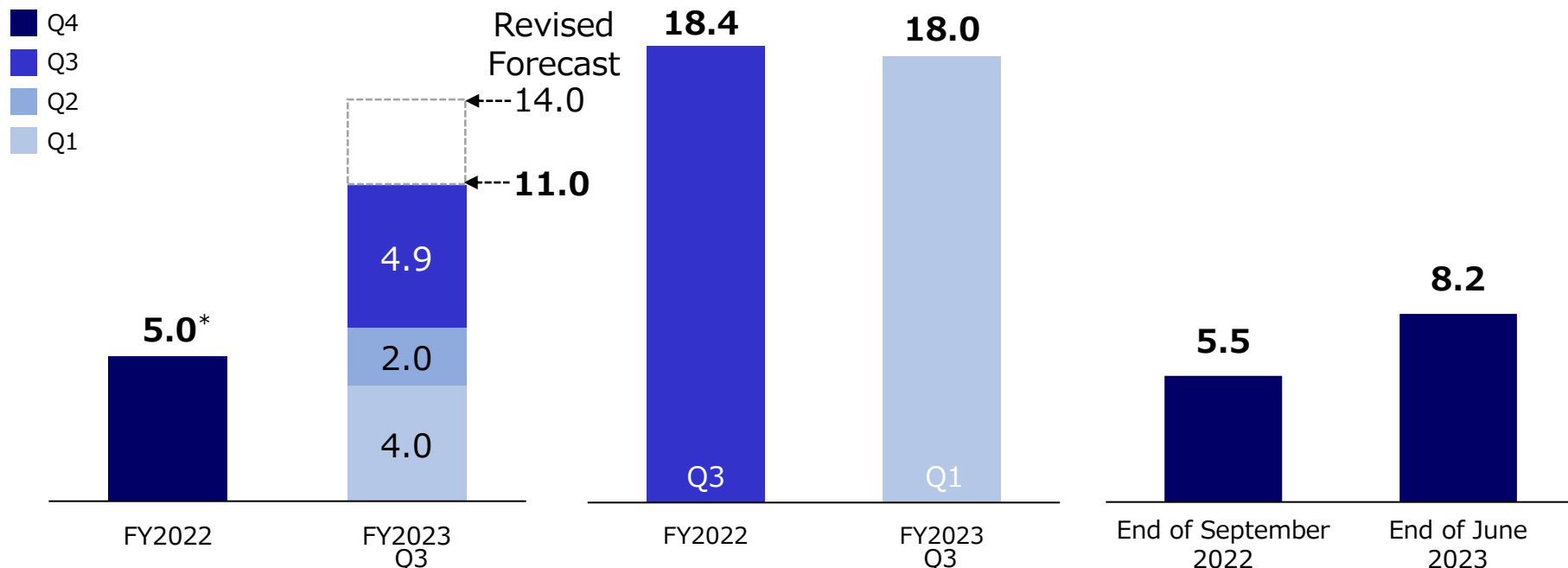
- Cumulative sales exceeded 15 billion yen within a year since the launch of the business.
- The full-year forecast has been upwardly revised from 12 billion yen to 14 billion yen, thanks to favorable sales performance of the second project in Honolulu, Hawaii, which commenced sales in the latter half of March 2023.
- To meet strong demand, transactions for the acquisition of the property for the third project are in progress.

(Unit: JPY billion)

## Trends in Sales Amount

## Trends in Arrangement Amount

## Trends in Inventory



\* Commenced sale of International Real Estate from June 2022.

- The first project in Elmsford, NY has sold out in eight months since commencement of sales in June 2022.
- Following the highly acclaimed second project in Honolulu, Hawaii, transactions for the acquisition of the property for the third project are in progress.



The first project (Total equity sales amount: ¥10.51 bn)  
-Sold out in eight months since commencement of sales in June 2022.

## The View on Nob Hill

Location: Elmsford, Westchester County, New York  
Access: Approx. 35 minutes by car from Manhattan  
No. of houses: 22 buildings and 416 rental units  
Years of completion : From 1993 to 1994  
Net leased area: 322,726ft<sup>2</sup> (approx. 29,982m<sup>2</sup>)  
Structure: Wooden construction  
Purpose: Housing



The second project (Total equity sales amount: ¥13.80 bn)  
-Commenced sales in the second quarter of FY9/2023

## Queen Kapiolani Hotel

Location: Waikiki, Honolulu, Hawaii  
No. of guest rooms: 315  
Land area: 36,334ft<sup>2</sup> (approx. 3,375m<sup>2</sup>)  
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 Q3	FY2023 Q3	YoY	
Net sales	47.48	48.03	+1.2%	
① Cost of sales	32.57	26.74	(17.9%)	① Cost of sales Includes real estate acquisition cost, arrangement cost for Leasing Fund Business projects and commission paid for customer refers.
Gross profit	14.90	21.29	+42.8%	
SG&A Cost	5.07	5.89	+16.3%	
Operating income	9.83	15.39	+56.5%	
② Non-operating income	1.54	2.13	+37.8%	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	0.77	2.11	+171.4%	③ Non-operating expenses Includes interest paid on commission fees and interest expenses related to fund procurement.
Ordinary income	10.60	15.41	+45.4%	
Income before income taxes	10.52	15.29	+45.4%	
Total income taxes	3.33	4.66	+39.9%	
Profit attributable to owners of parent	7.22	10.60	+46.7%	

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

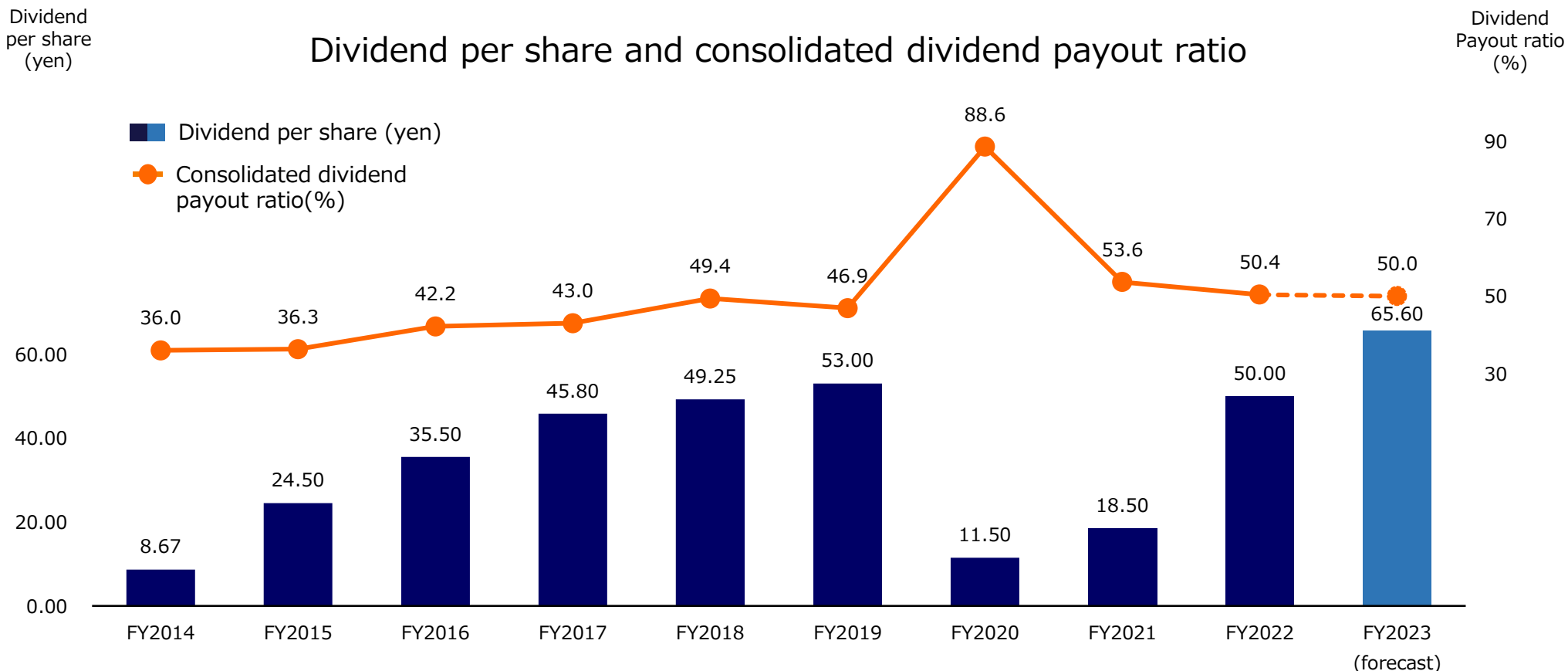
(Unit: JPY billion)

Assets	FY2022	FY2023 Q3	YoY
Current assets	152.73	185.66	+32.93
Cash and deposit	13.11	14.45	+1.34
① Equity underwritten	80.68	93.46	+12.78
② Money held in trust	20.86	19.81	(1.05)
③ Real estate for arrangement	31.63	52.18	+20.55
Non-current assets	5.31	5.41	+0.10
Total assets	158.05	191.07	+33.02
Liabilities and Net assets	FY2022	FY2023 Q3	YoY
Current liabilities	107.85	131.66	+23.81
Short-term debt	86.35	106.92	+20.57
④ Contract liability	12.93	14.68	+1.75
Non-current liabilities	14.03	16.99	+2.96
Long-term debt	13.48	16.46	+2.98
Total liabilities	121.89	148.65	+26.76
Total net assets	36.15	42.41	+6.26
Total liabilities and net assets	158.05	191.07	+33.02

- ① Equity underwritten  
Temporary advances in Leasing Fund Business and Real Estate Fund Business (International Real Estate Investment Product) before 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).



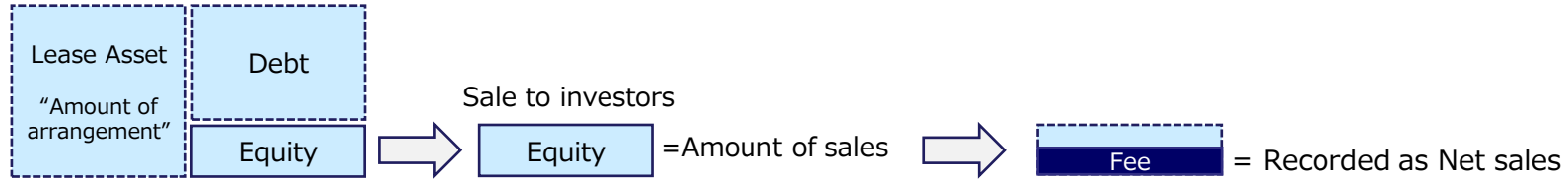
- Basic Policy: Continue to pay stable dividends while securing the internal reserves necessary for maintaining growth and increasing corporate value
- Dividend payout ratio : Aim for a consolidated dividend payout ratio of 50%
  - ✓ Dividend for the FY9/2022 : 50.00 yen per share
  - ✓ Dividend for the FY9/2023 (forecast) : 65.60 yen per share (an increase of 15.6 yen YoY)



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

## 1. Leasing Fund Business

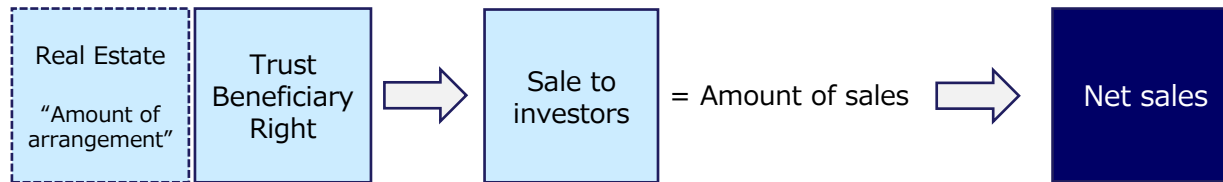
The Leasing Fund Business provides arrangement and management services for operating leases for aircraft, ships and marine containers. It also sells equity interests in the silent partnership “Tokumei Kumiai,” general partnership “Nini Kumiai” and trust beneficiary rights for operating leases to investors. 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

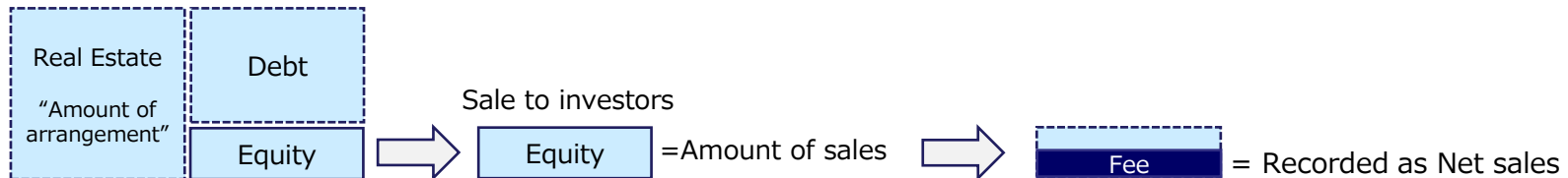
### (1) Real Estate Fractional Ownership Investment Product

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, etc. 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](mailto:ir@fpg.jp) URL: <https://www.fpg.jp/en/info.html>