

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

July 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: August 10, 2023
 Expected date of dividend payment: —
 Supplementary 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 third quarter of the fiscal year ending September 30, 2023

(October 1, 2022 — June 30, 2023)

(1) Consolidated operating results (cumulative) (% figures show year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended								
June 30, 2023	48,036	1.2	15,393	56.5	15,418	45.4	10,606	46.7
June 30, 2022	47,481	—	9,835	75.6	10,607	95.3	7,228	111.3

(Note) Comprehensive income: Nine months ended June 30, 2023: 10,690 million yen;(46.1%)
 Nine months ended June 30, 2022: 7,315 million yen;(108.5%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended		
June 30, 2023	124.20	—
June 30, 2022	84.63	—

(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 third quarter of the fiscal year ended September 30, 2022 increased significantly compared to the third 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	%
As of June 30, 2023	191,077	42,418	22.1
As of September 30, 2022	158,052	36,159	22.8

(Reference) Shareholders' equity: As of June 30, 2023: 42,321 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
Fiscal year ended	Yen	Yen	Yen	Yen	Yen
September 30, 2022	—	0.00	—	50.00	50.00
September 30, 2023	—	0.00	—		
Fiscal year ending September 30, 2023 (Forecast)				65.60	65.60

(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 changes.)

	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
Annual	58,500	(1.2)	16,700	42.2	16,500	32.4	11,200	32.1	131.14

(Note) 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 June 30, 2023	89,073,600	As of September 30, 2022	89,073,600
b) Number of treasury shares at the end of the period	As of June 30, 2023	3,671,331	As of September 30, 2022	3,668,781
c) Average number of shares during the period	Nine months ended June 30, 2023	85,402,730	Nine months ended June 30, 2022	85,407,671

Quarterly consolidated financial statements

(1) Consolidated balance sheet

(Millions of yen)

	As of September 30, 2022	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	13,119	14,459
Accounts receivable - trade	480	322
Operational investment securities	494	703
Supplies	18	18
Equity underwritten	80,689	93,463
Money held in trust (Aircraft for arrangement)	20,868	19,815
Real estate for arrangement	31,632	52,181
Other	5,433	4,701
Total current assets	152,737	185,665
Non-current assets		
Property, plant and equipment	557	370
Intangible assets		
Goodwill	693	376
Other	54	38
Total intangible assets	747	415
Investments and other assets		
Deferred tax assets	1,677	2,299
Other	2,334	2,327
Allowance for doubtful accounts	△2	-
Total investments and other assets	4,010	4,626
Total non-current assets	5,315	5,411
Total assets	158,052	191,077
Liabilities		
Current liabilities		
Accounts payable - trade	355	1,127
Short-term borrowings	72,842	87,575
Commercial papers	9,000	5,300
Current portion of long-term borrowings	4,516	14,048
Income taxes payable	2,176	3,996
Contract liabilities	12,932	14,680
Provision for bonuses	440	355
Other	5,596	4,578
Total current liabilities	107,859	131,663
Non-current liabilities		
Bonds payable	1,100	1,100
Long-term borrowings	12,389	15,368
Asset retirement obligations	119	122
Retirement benefit liability	29	4
Other	394	400
Total non-current liabilities	14,032	16,996
Total liabilities	121,892	148,659

(Millions of yen)

	As of September 30, 2022	As of June 30, 2023
Net assets		
Shareholders' equity		
Share capital	3,095	3,095
Capital surplus	2,805	2,671
Retained earnings	32,526	38,863
Treasury shares	△2,457	△2,457
Total shareholders' equity	35,970	42,173
Accumulated other comprehensive income		
Foreign currency translation adjustment	100	148
Total accumulated other comprehensive income	100	148
Non-controlling interests	88	96
Total net assets	36,159	42,418
Total liabilities and net assets	158,052	191,077

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

Consolidated statement of income (cumulative)

(Millions of yen)

	Nine months ended June 30, 2022	Nine months ended June 30, 2023
Net sales	47,481	48,036
Cost of sales	32,573	26,744
Gross profit	14,908	21,291
Selling, general and administrative expenses	5,073	5,898
Operating profit	9,835	15,393
Non-operating income		
Interest income	181	488
Gain on investments in money held in trust	577	146
Rental income from real estate	420	1,354
Share of profit of entities accounted for using equity method	34	142
Foreign exchange gains	310	—
Other	24	2
Total non-operating income	1,549	2,135
Non-operating expenses		
Interest expenses	281	674
Bond issuance costs	1	—
Commission expenses	364	396
Foreign exchange losses	—	823
Rental expenses on real estate	76	189
Other	53	25
Total non-operating expenses	777	2,110
Ordinary profit	10,607	15,418
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	—	284
Total extraordinary income	—	284
Extraordinary losses		
Impairment losses	47	350
Loss on retirement of non-current assets	2	14
Loss on valuation of shares of subsidiaries and associates	35	39
Total extraordinary losses	86	404
Profit before income taxes	10,520	15,298
Income taxes - current	2,361	5,322
Income taxes - deferred	975	△654
Total income taxes	3,336	4,668
Profit	7,184	10,630
Profit (loss) attributable to non-controlling interests	△43	23
Profit attributable to owners of parent	7,228	10,606

Consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended June 30, 2022	Nine months ended June 30, 2023
Profit	7,184	10,630
Other comprehensive income		
Valuation difference on available-for-sale securities	0	—
Foreign currency translation adjustment	71	73
Share of other comprehensive income of entities accounted for using equity method	58	△13
Total other comprehensive income	130	59
Comprehensive income	7,315	10,690
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,347	10,655
Comprehensive income attributable to non-controlling interests	△32	34