

# Financial Results Presentation FY9/2023

(October 1, 2022 – September 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.

# Financial Results for FY9/2023

## FY9/2023 Results Year-end Dividend

- In pursuit of a growth strategy post COVID-19, we have achieved substantial revenue and profit increases, setting new record-high net sales<sup>\*1</sup> and record-high incomes<sup>\*2</sup>.
  - ✓ Leasing Fund Business: Strong equity placement sales persisted throughout the fiscal year, surpassing the record-high sales<sup>\*3</sup> achieved in the FY9/2019.
  - ✓ Domestic Real Estate: The full-year sales amount has set a new record-high.
  - ✓ International Real Estate: Contributed to significant profit growth as the third pillar.
- The year-end dividend: 73.00 yen per share<sup>\*4</sup> (dividend payout ratio: 50.0%, +23.00 yen YoY)

## Q4 Topics

- Each of our three business pillars has reached record-highs, advancing our business foundation for future growth.
  - ✓ Leasing Fund Business: While capturing strong demand, we continued proactive arrangement primarily in maritime projects and secured the highest-ever year-end inventory.
  - ✓ Domestic Real Estate: Significantly updated the quarterly-record-high sales.
  - ✓ International Real Estate: Updated the previous quarterly-record-high sales. In October 2023, we arranged the third project, a large-scale residential complex project in Austin, Texas.

\*1 Past record-high net sales: FY9/2022 JPY59.19 billion

\*2 Past record-high incomes: FY9/2019 (in JPY billion) Operating income 14.43, Ordinary income 14.39, Profit attributable to owners of parent 10.03

\*3 Past record-high sales for Leasing Fund Business: FY9/2019 JPY21.12 billion

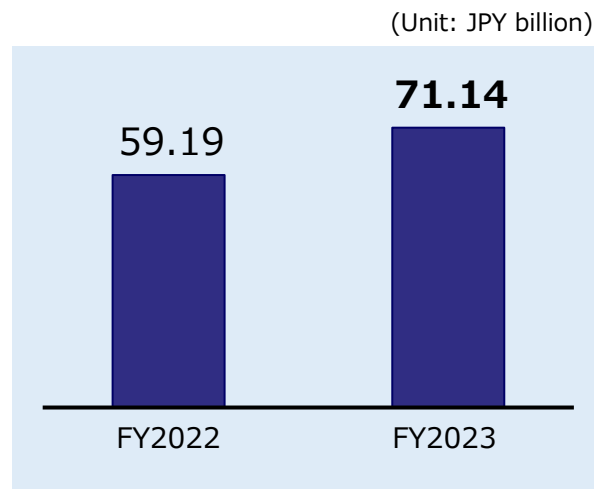
\*4 Dividend for FY9/2023 is to be discussed at the 22nd Ordinary General Meeting of Shareholders to be held on December 22, 2023.

- In pursuit of a growth strategy post COVID-19, we have achieved substantial revenue and profit increases, setting new record-high net sales\*<sup>1</sup> and record-high incomes\*<sup>2</sup>.

## Net Sales

**Appx. 1.2x**

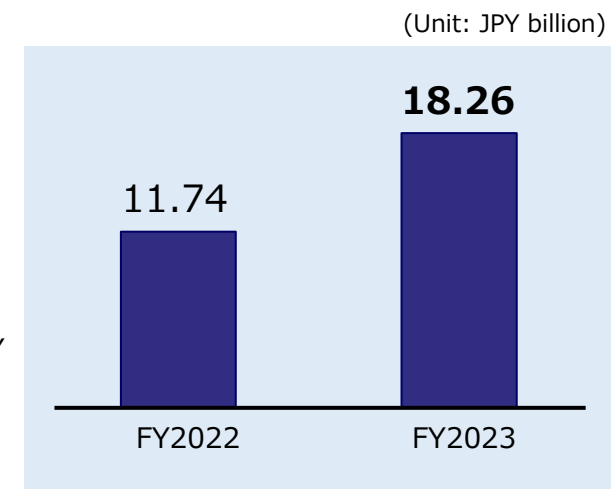
- ✓ Significantly surpassed the past record-high of 59.19 billion yen.



## Operating Income

**Appx. 1.6x**

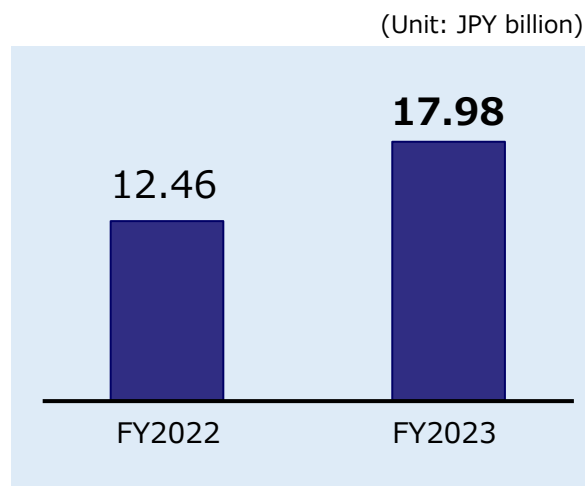
- ✓ Significantly surpassed the past record-high of 14.43 billion yen.
- ✓ Grew by appx. 1.6x YoY



## Ordinary Income

**Appx. 1.4x**

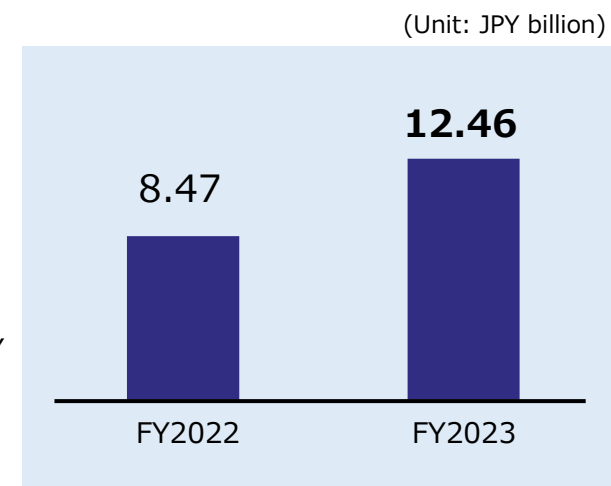
- ✓ Significantly surpassed the past record-high of 14.39 billion yen.
- ✓ Grew by appx. 1.4x YoY



## Net Profit\*<sup>3</sup>

**Appx 1.5x**

- ✓ Significantly surpassed the past record-high of 10.03 billion yen.
- ✓ Grew by appx. 1.5x YoY



\*1 Past record-high net sales: FY9/2022 JPY59.19 billion

\*2 Past record-high incomes: FY9/2019 (in JPY billion) Operating income 14.43, Ordinary income 14.39, Profit attributable to owners of parent 10.03

\*3 Profit attributable to owners of parent

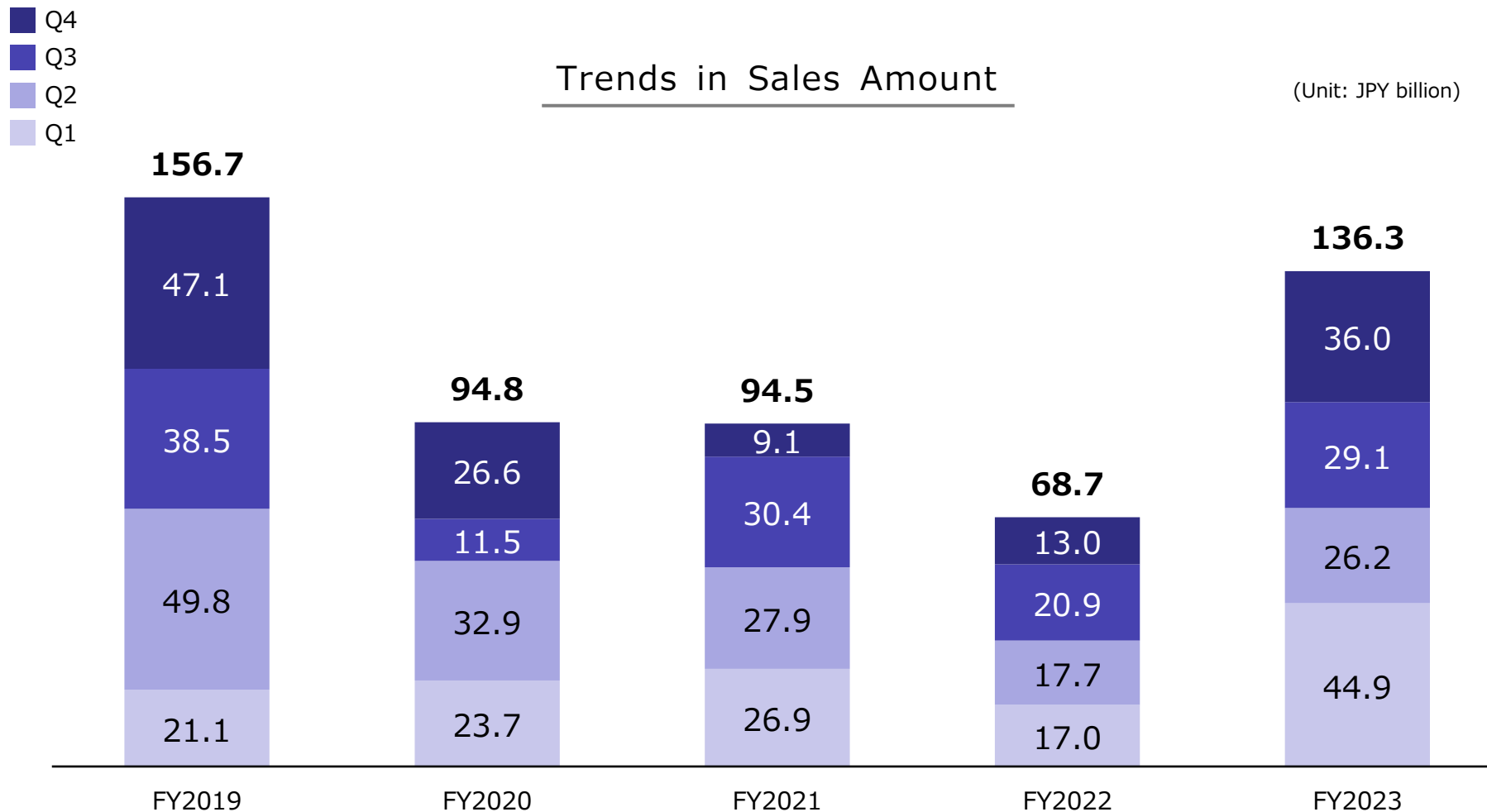
# Results: Breakdown by Business

- In pursuit of a growth strategy post COVID-19, we achieved revenue and profit growth in each of our three business pillars.
- The year-end dividend: 73.00 yen per share\* (dividend payout ratio: 50.0%, +23.00 yen YoY)

(Unit: JPY billion)

	FY2022	FY2023	YoY	
			Amount	Rate
<b>Net sales</b>	<b>59.19</b>	<b>71.14</b>	<b>+11.95</b>	<b>+20.2%</b>
Leasing Fund Business	14.23	22.18	+7.95	+55.9%
Real Estate Fund Business	43.69	47.90	+4.20	+9.6%
Domestic Real Estate	42.89	45.07	+2.18	+5.1%
International Real Estate	0.80	2.82	+2.02	+252.5%
Other Business	1.26	1.06	(0.20)	(16.1%)
<b>Gross Profit</b>	<b>18.62</b>	<b>26.30</b>	<b>+7.67</b>	<b>+41.2%</b>
Leasing Fund Business	11.70	17.43	+5.72	+48.9%
Real Estate Fund Business	6.18	8.20	+2.01	+32.6%
Domestic Real Estate	5.50	5.80	+0.29	+5.4%
International Real Estate	0.67	2.39	+1.71	+252.9%
Other Business	0.73	0.67	(0.05)	(7.8%)
<b>Operating income</b>	<b>11.74</b>	<b>18.26</b>	<b>+6.52</b>	<b>+55.5%</b>
<b>Ordinary income</b>	<b>12.46</b>	<b>17.98</b>	<b>+5.52</b>	<b>+44.3%</b>
Margin on sales	21.1%	25.3%	-	+4.2%
<b>Profit attributable to owners of parent</b>	<b>8.47</b>	<b>12.46</b>	<b>+3.99</b>	<b>+47.1%</b>
Margin on sales	14.3%	17.5%	-	+3.2%
<b>Dividend per share (yen)</b>	<b>50.00</b>	<b>73.00*</b>	<b>23.00</b>	

- Equity placement sales have nearly returned to pre-COVID-19 levels owing to our continued proactive sales, backed by strong demand from investors and ample inventory.

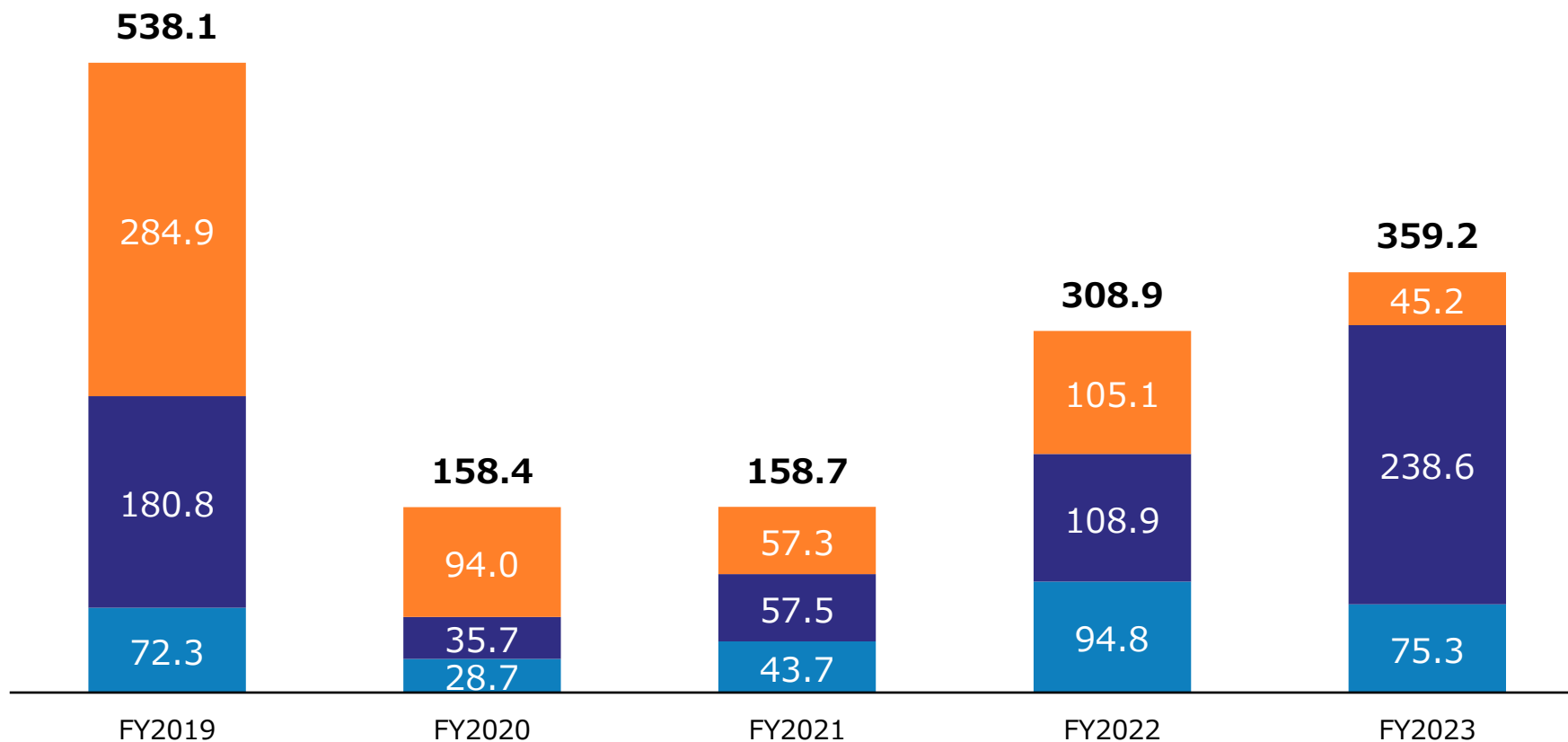


- Proactively arranged maritime projects, such as ships and marine containers, centered on large-scale projects related to transition finance correlated to CO<sub>2</sub> reduction.
- Continuing the policy of being selective in the arrangement of aircraft projects.

- Aircraft
- Ships
- Marine Containers

## Trends in Arrangement Amount

(Unit: JPY billion)



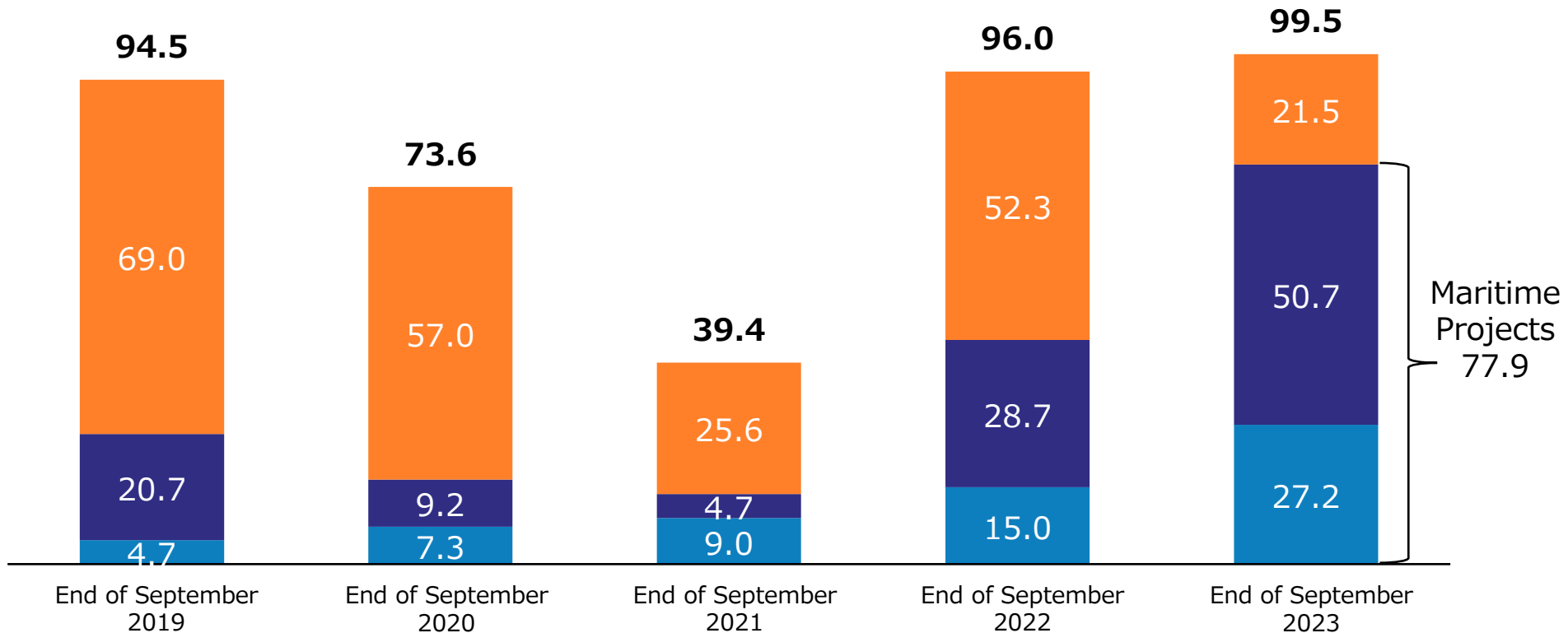


- Centered on maritime projects, we secured the highest-ever year-end inventory in anticipation of sales beyond FY9/2024.

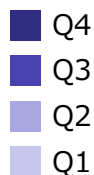
- Aircraft
- Ships
- Marine Containers

## Trends in Inventory

(Unit: JPY billion)

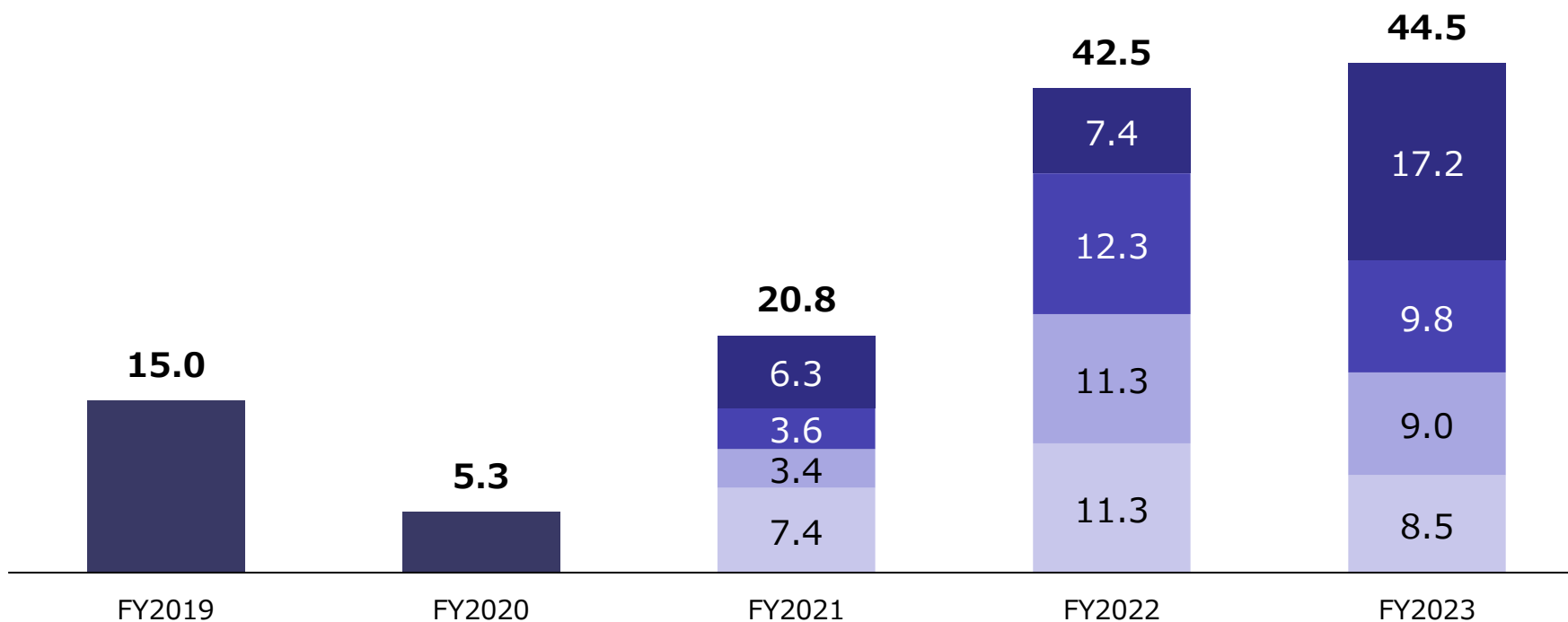


- Significantly surpassed the quarterly sales record in Q4, resulting in a record-breaking achievement on a full-year basis.



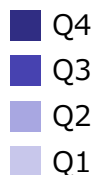
## Trends in Sales Amount

(Unit: JPY billion)



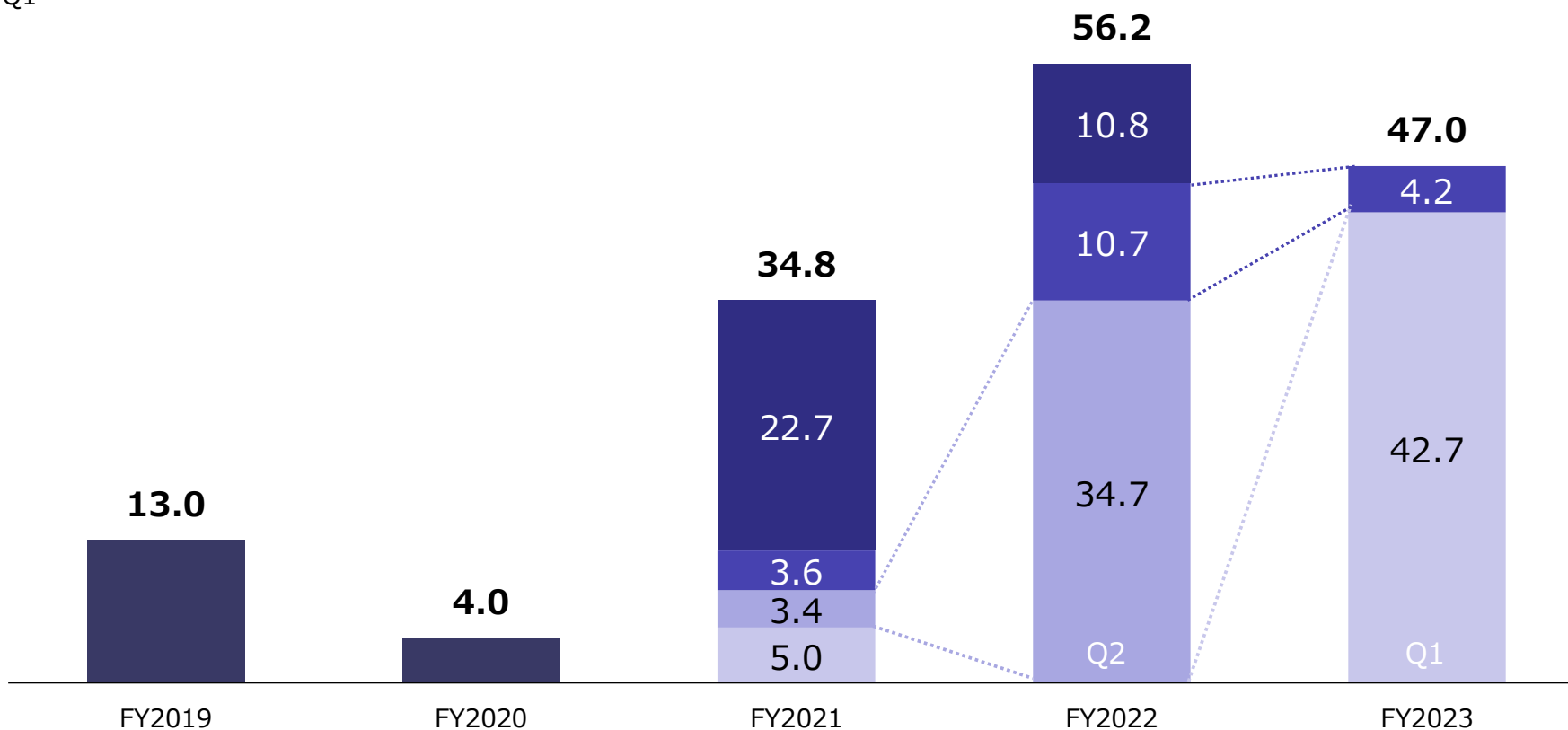
# Real Estate Fund Business Domestic Real Estate Arrangement

- Arranged “FPG links SHIBUYA DOGENZAKA”, the largest-ever project, in Q1.
- The cumulative arrangement amount for Domestic Real Estate has exceeded 180 billion yen.

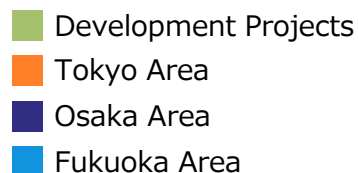


Trends in Arrangement Amount

(Unit: JPY billion)

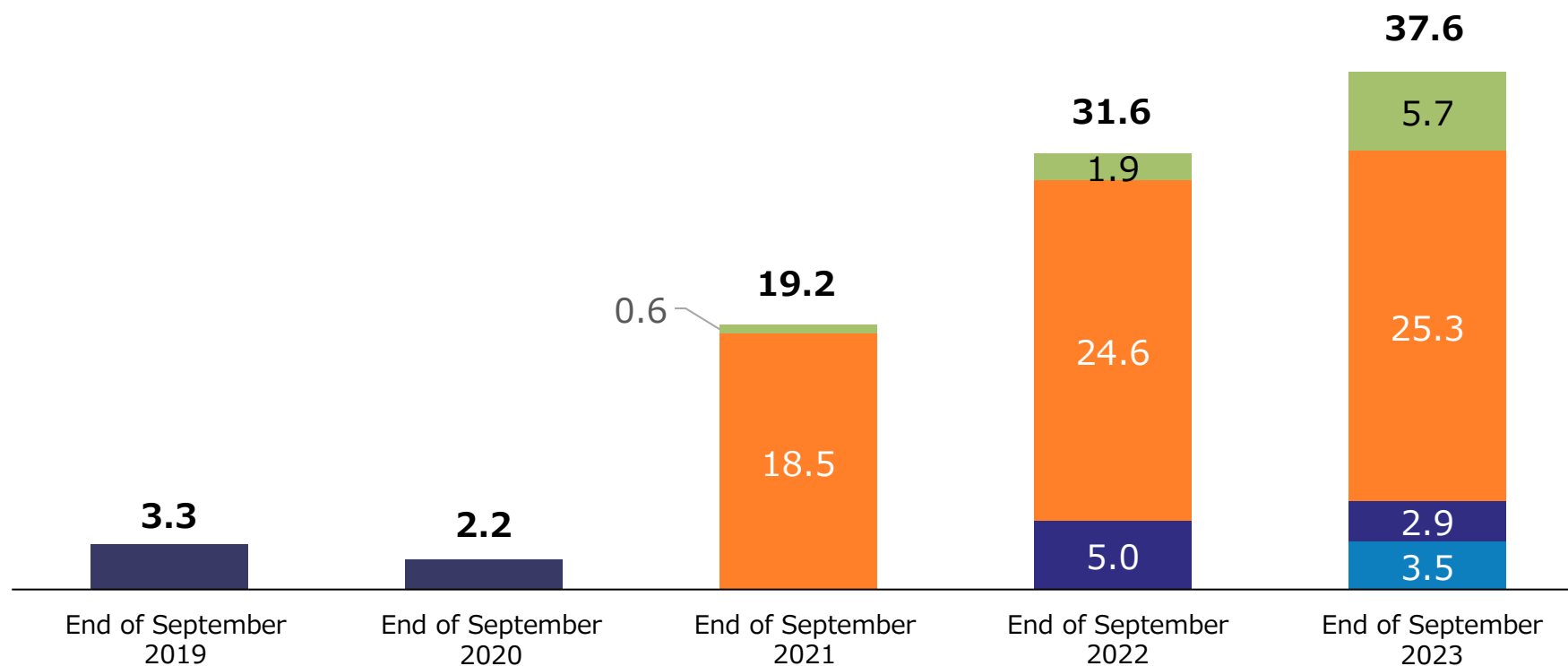


- In response to strong demand from investors, we secured the highest-ever year-end inventory.



## Trends in Inventory

(Unit: JPY billion)



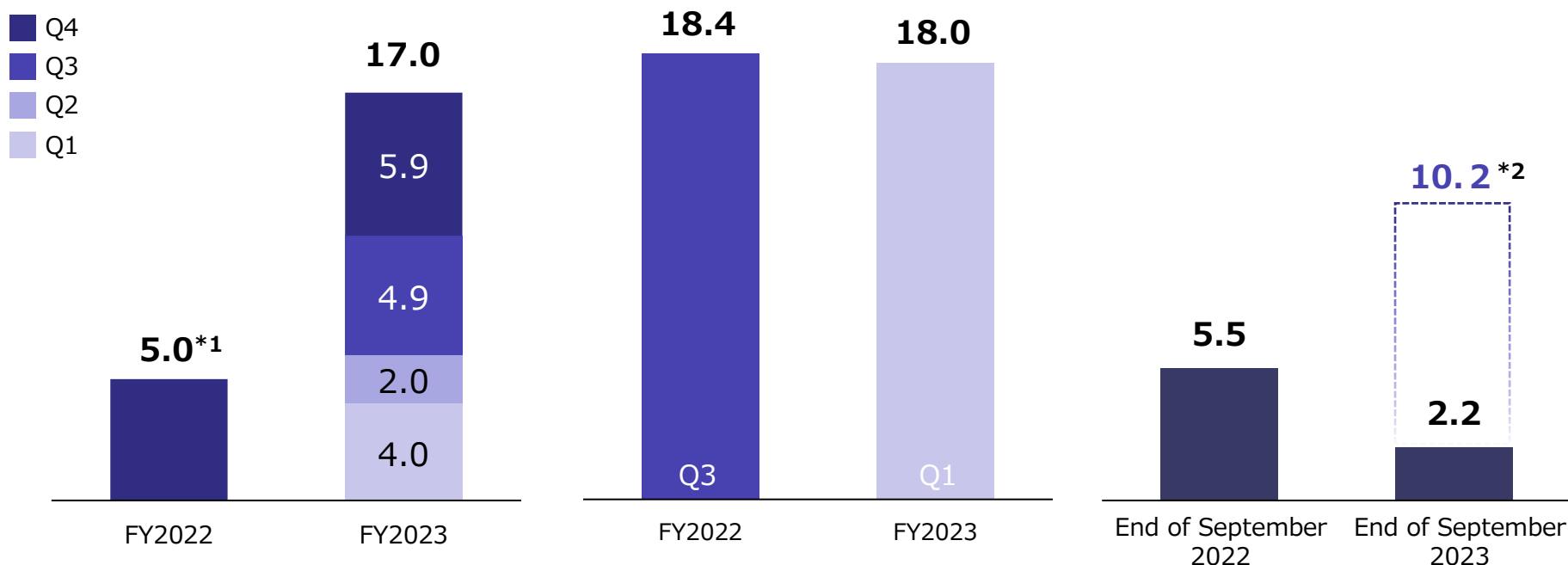
- Sales of the second project, a large-scale resort hotel project in Hawaii, U.S.A., launched in March 2023, have been progressing well. As a result, in Q4, we achieved record-high quarterly sales, establishing a solid foundation for International Real Estate as the third pillar.
- In response to strong demand, we arranged a large-scale residential complex project in Austin, Texas, U.S.A. as the third project in October 2023.
- Going forward, we'll emphasize proactive arrangement and inventory management for continued sales expansion.

### Trends in Sales Amount

### Trends in Arrangement Amount

### Trends in Inventory

(Unit: JPY billion)



\*1 Commenced sale of International Real Estate from June 2022.

\*2 Including the third project arranged in Austin, Texas, in October 2023 (estimated total equity sales amount).

- In October 2023\*, we arranged a large-scale residential complex project in Austin, Texas, U.S.A., as the third project. Sales are scheduled to commence in Q1 of FY9/2024.

## 3<sup>rd</sup> Project Large-scale residential complex

### Onyx183

Location : Austin, Texas, U.S.A.

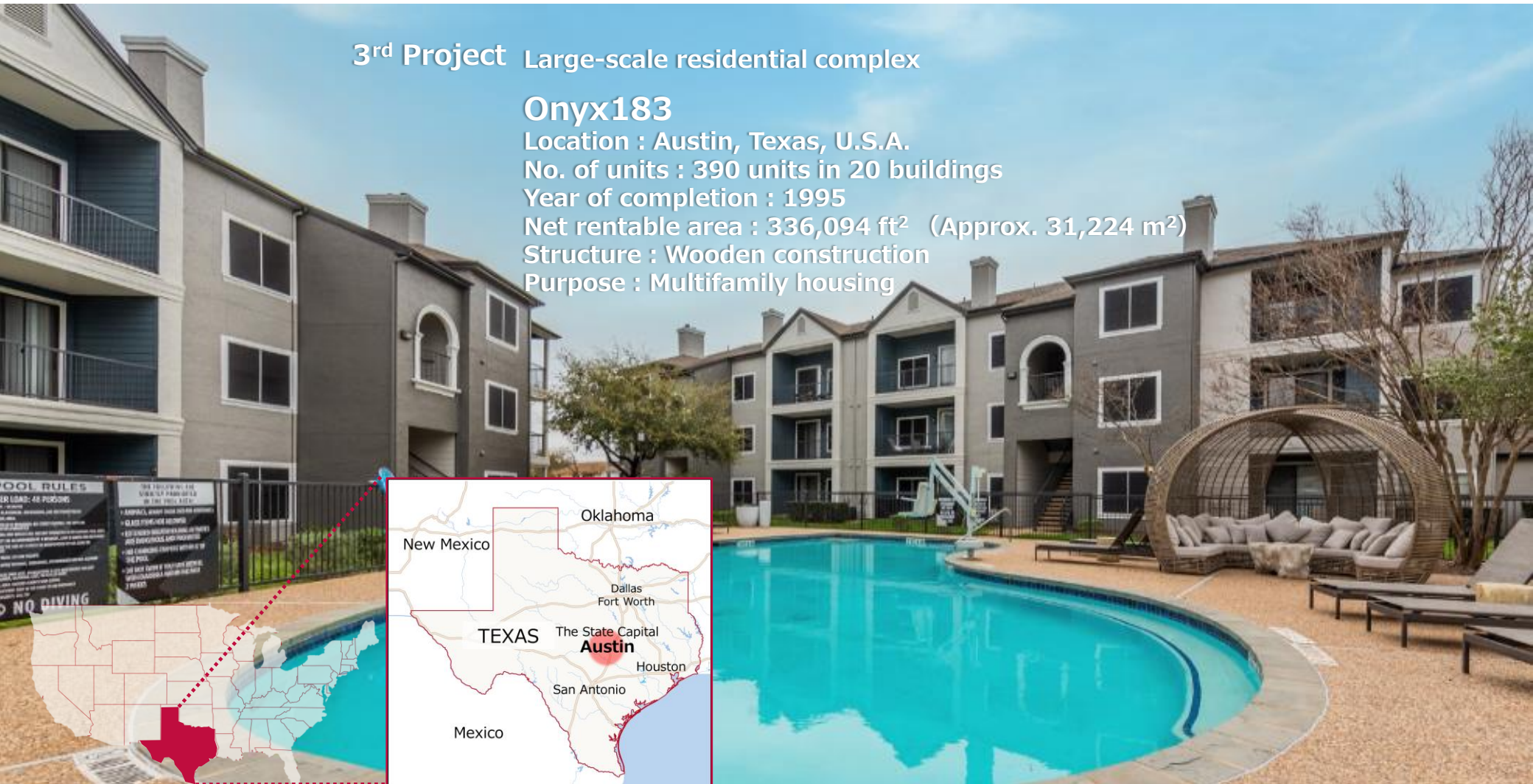
No. of units : 390 units in 20 buildings

Year of completion : 1995

Net rentable area : 336,094 ft<sup>2</sup> (Approx. 31,224 m<sup>2</sup>)

Structure : Wooden construction

Purpose : Multifamily housing



\*Announced October 10, 2023 "Notice Regarding the Acquisition of Real Estate for Arrangement of the International Real Estate Collective Investment Project"

# Business Management Policy and Earnings Forecast for FY9/2024

## Policy

- Maintaining and achieving a leading position in the field of Leasing Funds and Real Estate Funds (Domestic and International).
- Establishment of the fourth pillar.

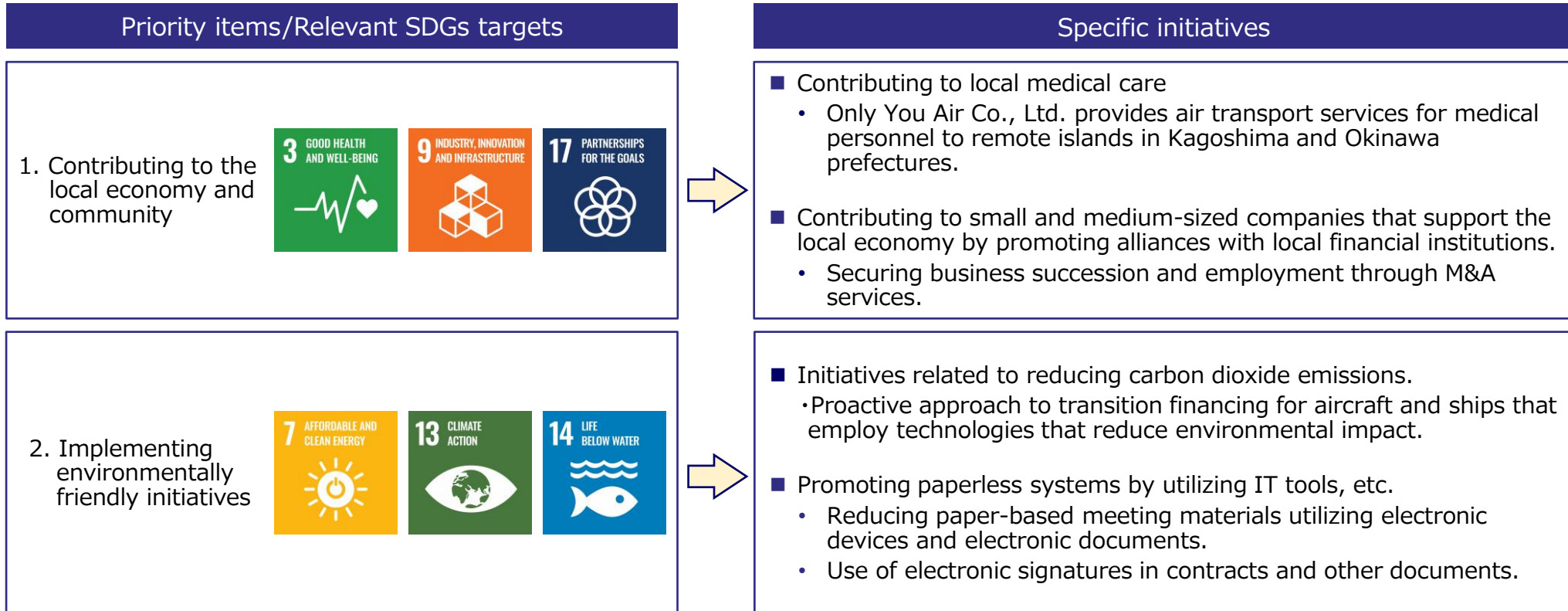
## Strategy

- Workforce expansion and development.
- Expansion of business areas through promotion of IT.
- Creating new products and services utilizing licenses in finance and real estate, etc.
- Continuous dedication to SDGs.

## Commitment

- Continuing to renew record-high profits and maintaining a shareholder return policy with a target consolidated dividend payout ratio of 50%.
- Optimization of business portfolio in respective fields.
- Contribution to society.





## Priority items/Relevant SDGs targets

3. Respect for human rights and diversity.  
The reforming human resource development and work styles.



## Specific initiatives

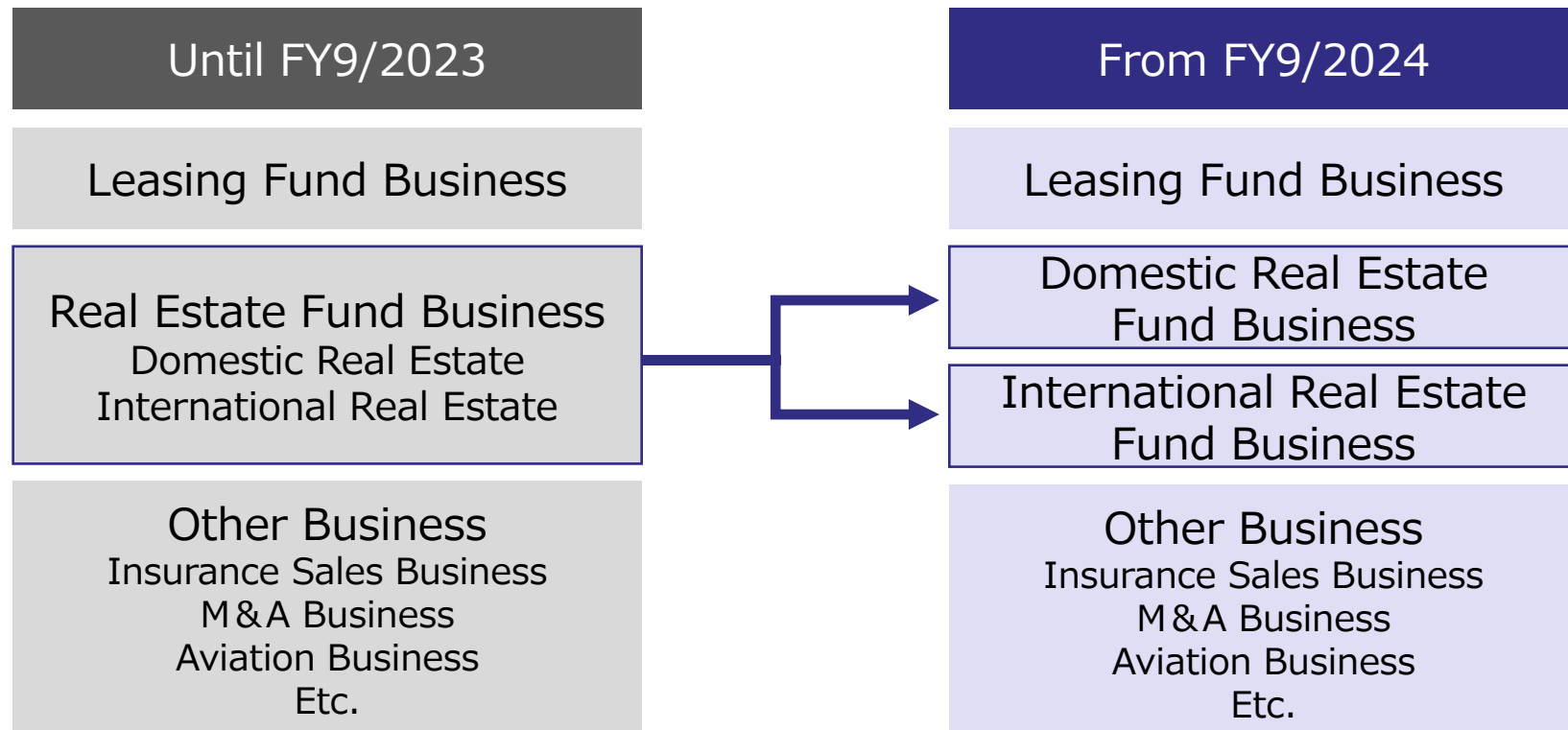
- Initiatives to support people with disabilities
  - Since November 2020, we became an official partner (a Gold Partner) of Paralympic Art, operated by the Organization for Promoting Independence of Persons with Disabilities.
- Initiatives to support promoting sports
  - Sponsorship agreement with Tomokazu Harimoto, a member of Japan's National Table Tennis Team, since March 2017.
  - Sponsorship agreement with Miwa Harimoto, a member of Japan's National Table Tennis Team, since March 2018.
- Human resource development and promotion of diverse human resources who can contribute to achieving management strategies.
  - Promotion of women in the workplace.  
(Ratio of female managers: 8.3%, as end of Sep. 30, 2023)
  - Active employment of non-Japanese employees.
  - Enhancement of qualification acquisition support program (Supporting employee career development through providing subsidies).
- Promoting diverse and flexible work styles.
  - Achieve 100% maternity / childcare leave take-up rate and return to work rate.

4. Strengthening corporate governance



- Ensure independence and diversity in the appointment of directors and management.
  - Appointment of at least one-third of independent outside directors.
  - Appointment of female directors and female executive officers.

- From FY9/2024, the business name change\* will take place, and the “Real Estate Fund Business” will be divided to “Domestic Real Estate Fund Business” and “International Real Estate Fund Business”.



\* Announced on October 31, 2023 “Notice Regarding Change of Business Names”

- Aim for sustained revenue and profit growth and achieve consecutive record-high profits by promoting the policies and strategies set forth in the Business Management Policy.

(Unit: JPY billion)

	FY9/2023	FY9/2024 Forecast	YoY	
			Amount	Rate
Net sales	71.14	72.70	+1.55	+2.2%
Operating income	18.26	19.00	+0.73	+4.0%
Ordinary income	17.98	19.00	+1.01	+5.6%
Margin on sales	25.3%	26.1%	+0.9%	
Profit attributable to owners of parent	12.46	13.20	+0.73	+5.9%
Margin on sales	17.5%	18.2%	+0.6%	
Dividend per share (yen)	73.00*	77.50	+4.50	

\* Dividend for FY9/2023 is to be discussed at the 22nd Ordinary General Meeting of Shareholders to be held on December 22, 2023.

# FY9/2024 Earnings Forecast

## Sales Breakdown by Business & KPI

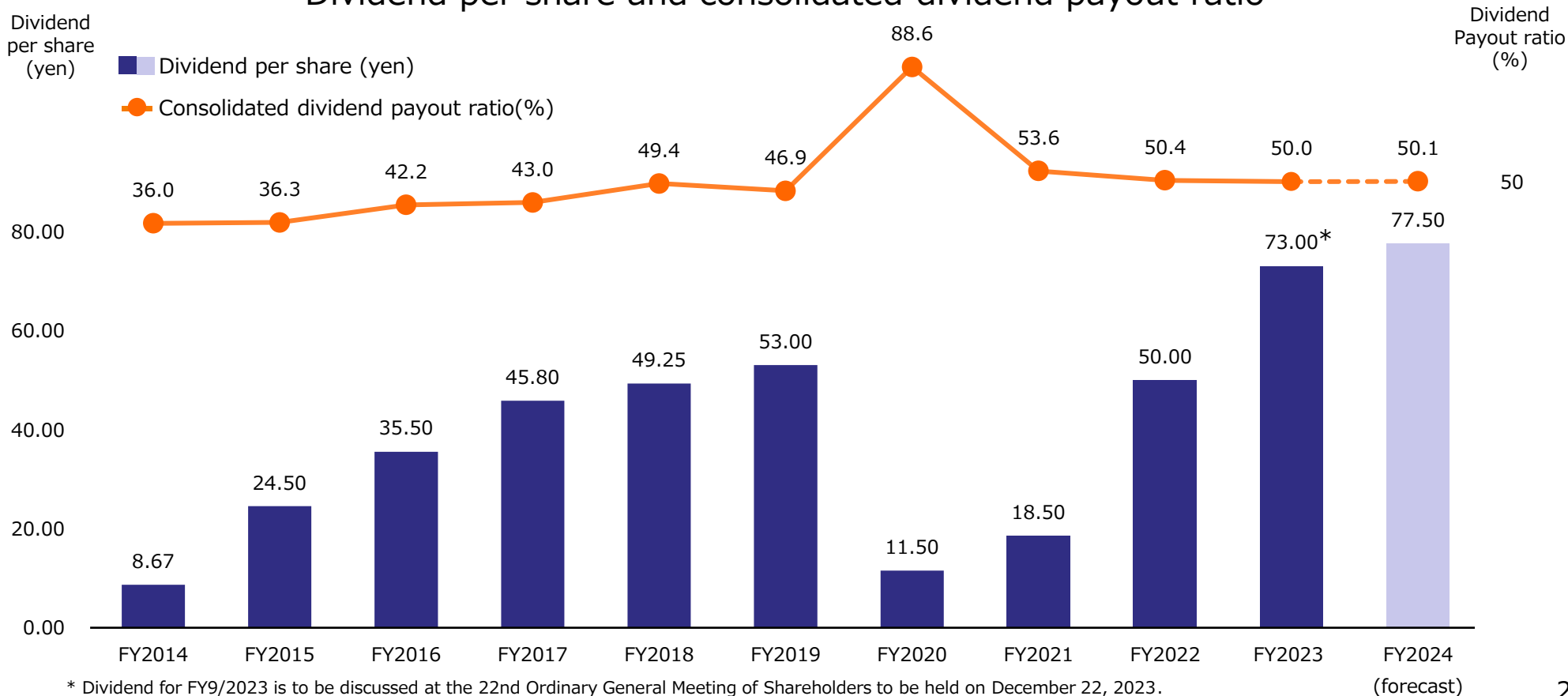
- Aim to maintain and achieve a leading position in each field of the Leasing Fund Business, Domestic Real Estate Fund Business, and International Real Estate Fund Business through workforce expansion and the promotion of IT.

(Unit: JPY billion)

Sales Breakdown by Business		FY9/2023	FY9/2024 Forecast	YoY	
				Amount	Rate
Leasing Fund Business		22.18	22.80	+0.61	+2.8%
Domestic Real Estate Fund Business		45.07	46.00	+0.92	+2.0%
International Real Estate Fund Business		2.82	2.90	+0.07	+2.7%
Other Business		1.06	1.00	(0.06)	(6.0%)
Total		71.14	72.70	+1.55	+2.2%
Leasing Fund Business	Equity Placement Sales amount	136.33	140.00	+3.66	+2.7%
	Arrangement amount	359.21	400.00	+40.78	+11.4%
Domestic Real Estate Fund Business	Sales amount	44.57	45.00	+0.43	+1.0%
International Real Estate Fund Business	Sales amount	17.03	18.00	+0.97	+5.7%

- **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 FY9/2023 : 73.00 yen per share\*
  - ✓ Dividend for the FY9/2024 (forecast) : 77.50 yen per share (an increase of 4.50 yen YoY)

### Dividend per share and consolidated dividend payout ratio



\* Dividend for FY9/2023 is to be discussed at the 22nd Ordinary General Meeting of Shareholders to be held on December 22, 2023.

(forecast)

# Appendix

# Consolidated Income Statement Summary

(Unit: JPY billion)

	FY2022	FY2023	YoY	
			Amount	Rate
Net sales	59.19	71.14	+11.95	+20.2%
① Cost of sales	40.56	44.84	+4.27	+10.5%
Gross profit	18.62	26.30	+7.67	+41.2%
SG&A Cost	6.88	8.04	+1.15	+16.8%
Operating income	11.74	18.26	+6.52	+55.5%
② Non-operating income	1.87	3.49	+1.62	+86.5%
③ Non-operating expenses	1.15	3.77	+2.61	+227.4%
Ordinary income	12.46	17.98	+5.52	+44.3%
Income before income taxes	12.28	17.85	+5.57	+45.4%
Total income taxes	3.84	5.35	+1.51	+39.3%
Profit attributable to owners of parent	8.47	12.46	+3.99	+47.1%

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	YoY
Current assets	152.73	168.29	+15.55
Cash and deposit	13.11	15.98	+2.86
① Equity underwritten	80.68	83.40	+2.71
② Money held in trust (Aircraft for Arrangement)	20.86	18.38	(2.48)
③ Real estate for arrangement	31.63	37.63	+5.99
Non-current assets	5.31	15.38	+10.06
Total assets	158.05	183.67	+25.62
Liabilities and Net assets	FY2022	FY2023	YoY
Current liabilities	107.85	120.99	+13.13
Short-term debt	86.35	94.53	+8.17
④ Contract liability	12.93	13.71	+0.78
Non-current liabilities	14.03	18.37	+4.34
Long-term debt	13.48	12.63	(0.85)
Total liabilities	121.89	139.37	+17.48
Total net assets	36.15	44.29	+8.13
Total liabilities and net assets	158.05	183.67	+25.62

- 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 (Aircraft for Arrangement)  
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).

# Key Management Indicators

		FY9/2018	FY9/2019	FY9/2020	FY9/2021	FY9/2022	FY9/2023
Net sales	Billions of yen	29.38 <sup>*1</sup>	37.59 <sup>*1</sup>	17.52 <sup>*1</sup>	33.58 <sup>*1</sup>	59.19	71.14
Ordinary income	Billions of yen	12.62	14.39	1.71	5.14	12.46	17.98
Profit attributable to owners of parent	Billions of yen	8.98	10.03	1.13	2.94	8.47	12.46
Paid-in capital	Billions of yen	3.09	3.09	3.09	3.09	3.09	3.09
Outstanding shares	Thousand of shares	92,373	90,673	89,073	89,073	89,073	89,073
Net assets	Billions of yen	29.74	32.98	27.48	29.39	36.15	44.29
Total assets	Billions of yen	85.14	125.83	132.85	91.89	158.05	183.67
Book value per share	Yen	326.03	369.59	318.90	342.39	422.35	517.45
Dividend per share	Yen	49.25	53.00	11.50	18.50	50.00	73.00
Earnings per share	Yen	99.71	113.01	12.98	34.51	99.24	145.97
ROE	%	33.4	32.3	3.8	10.4	26.0	31.1
Equity ratio	%	34.5	26.0	20.5	31.8	22.8	24.1
Dividend payout ratio	%	49.4	46.9	88.6	53.6	50.4	50.0
Cash flow from operating activities	Billions of yen	11.58	(24.84)	12.19	26.65	(50.87)	4.77
Cash flow from investing activities	Billions of yen	(0.88)	(0.39)	(2.17)	(1.14)	(0.55)	(9.35)
Cash flow from financing activities	Billions of yen	(9.81)	28.84	(0.89)	(31.91)	43.64	7.34
Cash and cash equivalents at end of year	Billions of yen	13.33	16.58	25.75	19.41	11.71	14.58
Number of employees		252	262	338	336	337	307 <sup>*2</sup>

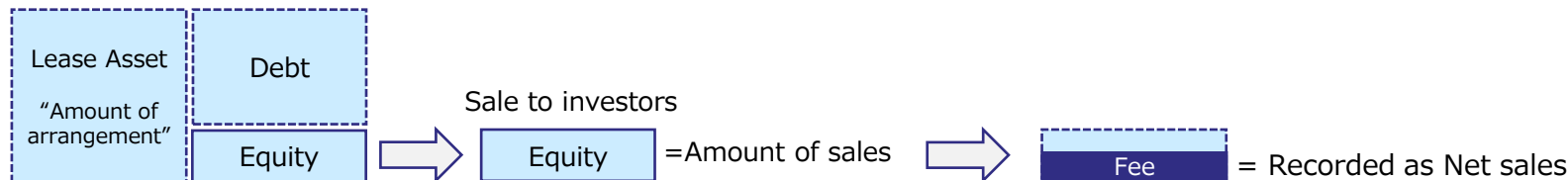
\*1 Due to the application of the "Accounting Standard for Revenue Recognition," sales of the Real Estate Fund Business have been retroactively adjusted to the gross amount method for the purpose of net sales comparison.

\*2 The main reason for the year-on-year decrease in the number of employees at the end of FY9/2023 was the transfer of shares in FPG Technology Co. Ltd., in April 2023, which resulted in 49 employees of the company at the end of FY9/2022 no longer being consolidated. In actual terms, the number of employees at the end of FY9/2023 increased by 19 compared to the end of the previous year.

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

## 1. Leasing Fund Business

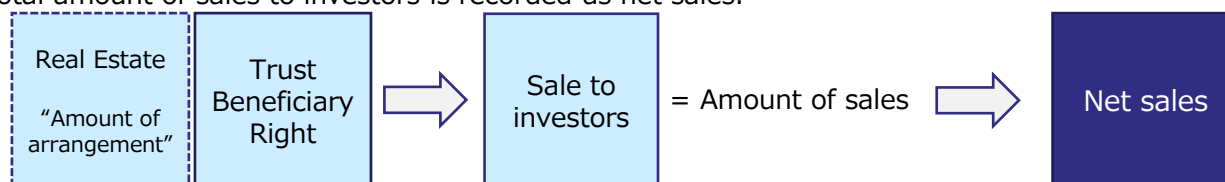
The Leasing Fund Business provides arrangement and management services for operating leases for aircraft, ships and marine containers. It also sells equity interests in the silent partnership “Tokumei Kumiai,” general partnership “Nini Kumiai” and trust beneficiary rights for operating leases to investors.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

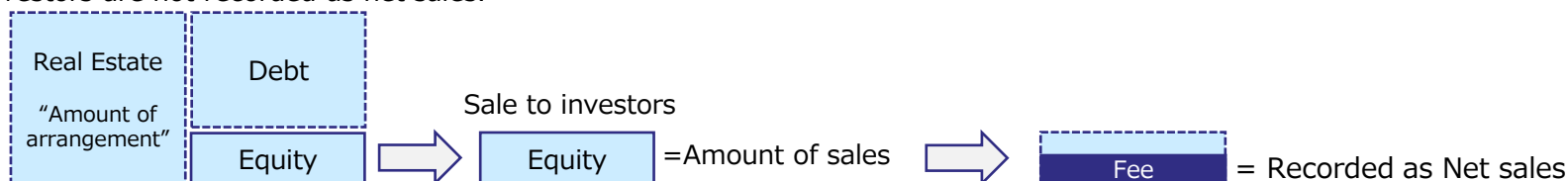
### (1) Real Estate Fractional Ownership Investment Product

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.

\*From FY9/2024, the business name change will take place, and the “Real Estate Fund Business” will be divided to “Domestic Real Estate Fund Business” and “International Real Estate Fund 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>