

# Financial Results Presentation

## Q1 FY9/2024

(October 1, 2023 – December 31, 2023)



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

# 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.

## Q1 Results

- Driven by the Leasing Fund Business and Domestic Real Estate Business, net sales reached JPY 24.39 billion (an increase of JPY 6.97 billion, or 40.1% YoY), and ordinary income rose to JPY 8.59 billion (an increase of JPY 1.54 billion, or 21.9% YoY), both marking record highs on a quarterly basis. \*1\*2
- ✓ Leasing Fund Business: As a result of aggressive sales promotion, equity placement sales reached JPY 57.7 billion (an increase of JPY 12.8 billion, or 28.5% YoY), setting a new record-high on a quarterly basis\*3.
- ✓ Domestic Real Estate Fund Business: With the continued strong demand from investors, sales reached JPY 14.2 billion (an increase of JPY 5.6 billion, or 66.8% YoY), setting a new record-high sales amount for Q1\*4.
- ✓ International Real Estate Fund Business: Amid the continued strong demand from investors, the second project in Hawaii, USA, has been sold out.

## Q1 Topics

- Leasing Fund Business: Continuation of active arrangement for large-scale ship projects related to transition finance associated with CO<sub>2</sub> reduction.
- Domestic Real Estate Fund Business: The largest-ever project to date, "FPG links SHIBUYA DOGENZAKA," has sold out, and cumulative sales amount has surpassed JPY 160 billion.  
In December 2023, we had arranged "FPG links SHIMBASHI".
- International Real Estate Fund Business: The third project, a large-scale multifamily housing complex in Texas, USA, was arranged in October 2023, and sales commenced.

\*1 Past record-high quarterly net sales (consolidated): JPY 23.11 billion in Q4 FY9/2023.

\*2 Past record-high quarterly ordinary income (consolidated): JPY 7.04 billion in Q1 FY9/2023.

\*3 Past record-high amount of quarterly equity placement sales (Leasing Fund Business): JPY 49.86 billion in Q2 FY9/2019.

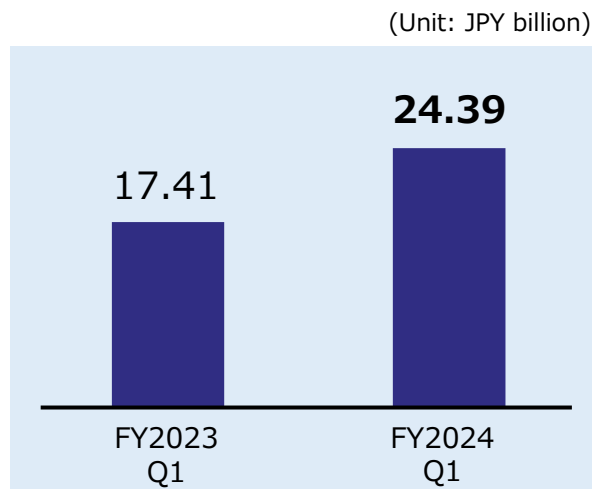
\*4 Past record-high sales amount for Q1 (Domestic Real Estate Fund Business): JPY 11.32 billion in Q1 FY9/2022.

- Achieved increased net sales and income YoY, driven by the Leasing Fund Business and the Domestic Real Estate Fund Business.

## Net Sales

**Appx. 1.4x**

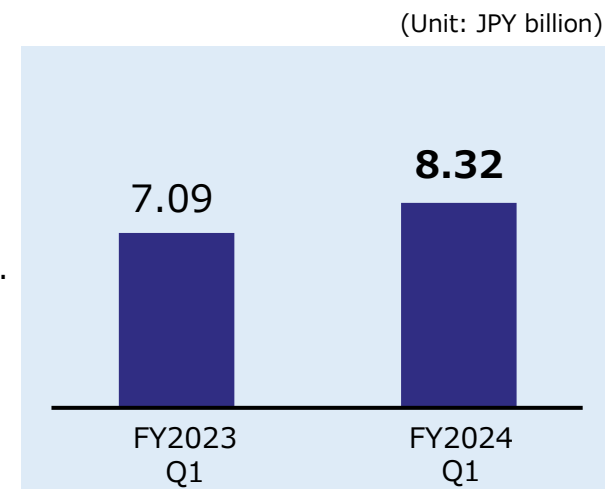
- ✓ Updated the highest quarterly net sales\*1.



## Operating Income

**Appx. 1.2x**

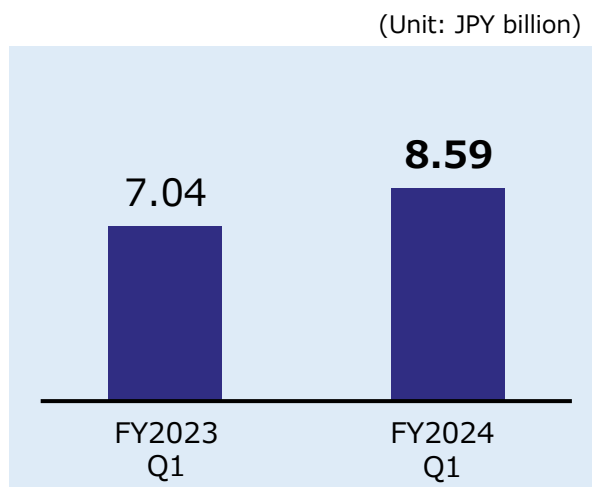
- ✓ Surpassed last year's record quarterly income.



## Ordinary Income

**Appx. 1.2x**

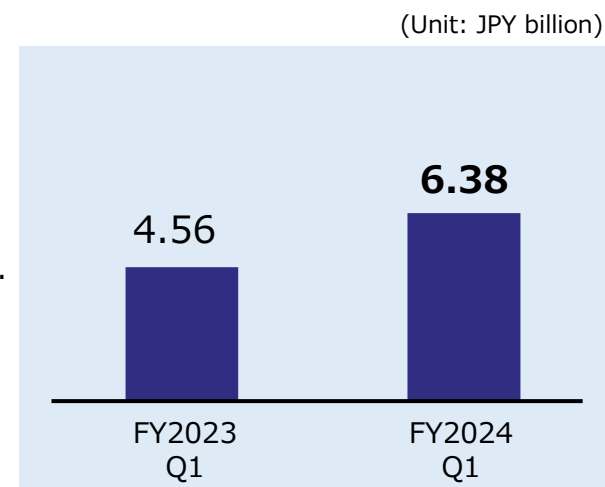
- ✓ Surpassed last year's record quarterly income.



## Net Profit\*2

**Appx 1.4x**

- ✓ Surpassed last year's record quarterly income.



\*1 Past record-high quarterly net sales (consolidated): 23.11 billion yen in Q4 FY9/2023.

\*2 Profit attributable to owners of parent.

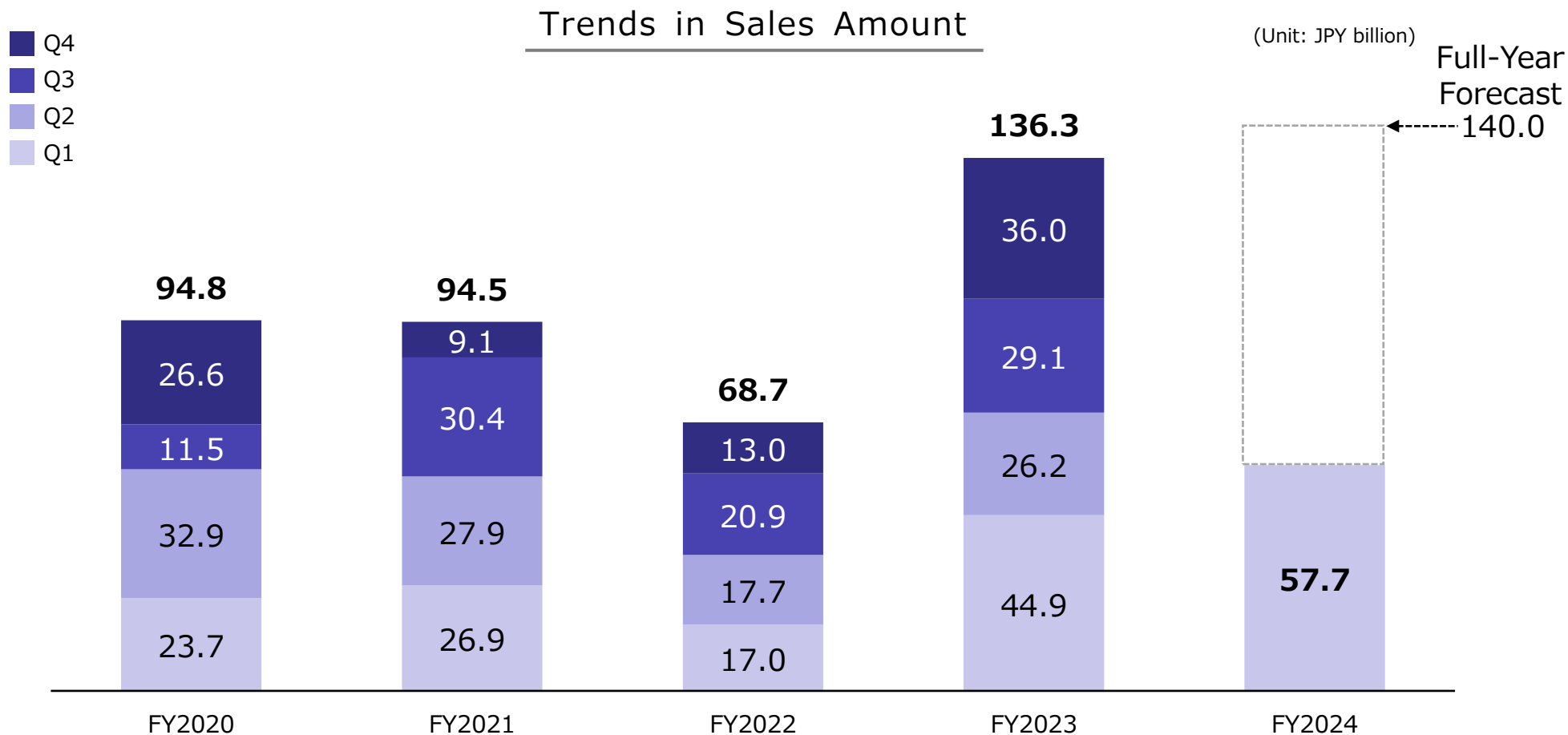
# Q1 Results and Progress Rate

- Strong start towards the full-year forecast with increased net sales and income driven by the Leasing Fund Business and Domestic Real Estate Fund Business.

(Unit: JPY billion)

Consolidated P/L	Q1		YoY		FY9/2024	
	FY2023	FY2024	Amount	YoY Change	Forecast	Progress rate
Net sales	17.41	24.39	+6.97	+40.1%	72.70	33.6%
Gross Profit	9.22	10.81	+1.58	+17.2%	-	-
Operating income	7.09	8.32	+1.22	+17.3%	19.00	43.8%
Ordinary income	7.04	8.59	+1.54	+21.9%	19.00	45.2%
Margin on sales	40.5%	35.2%	-	(5.2%)	26.1%	-
Profit attributable to owners of parent	4.56	6.38	+1.82	+40.0%	13.20	48.4%
Margin on sales	26.2%	26.2%	-	(0.0%)	18.2%	-
Dividend per share (yen)	-	-	-	-	77.5	-
<b>Net Sales by Business</b>						
Leasing Fund Business	7.85	9.39	+1.53	+19.6%	22.80	41.2%
Domestic Real Estate Fund Business	8.63	14.38	+5.75	+66.6%	46.00	31.3%
International Real Estate Fund Business	0.67	0.41	(0.25)	(38.2%)	2.90	14.5%
Other Business	0.24	0.19	(0.05)	(21.3%)	1.00	19.1%
<b>Gross Profit by Business</b>						
Leasing Fund Business	7.28	8.35	+1.06	+14.7%	-	-
Domestic Real Estate Fund Business	1.22	2.00	+0.78	+63.7%	-	-
International Real Estate Fund Business	0.59	0.34	(0.24)	(41.7%)	-	-
Other Business	0.12	0.10	(0.01)	(14.3%)	-	-

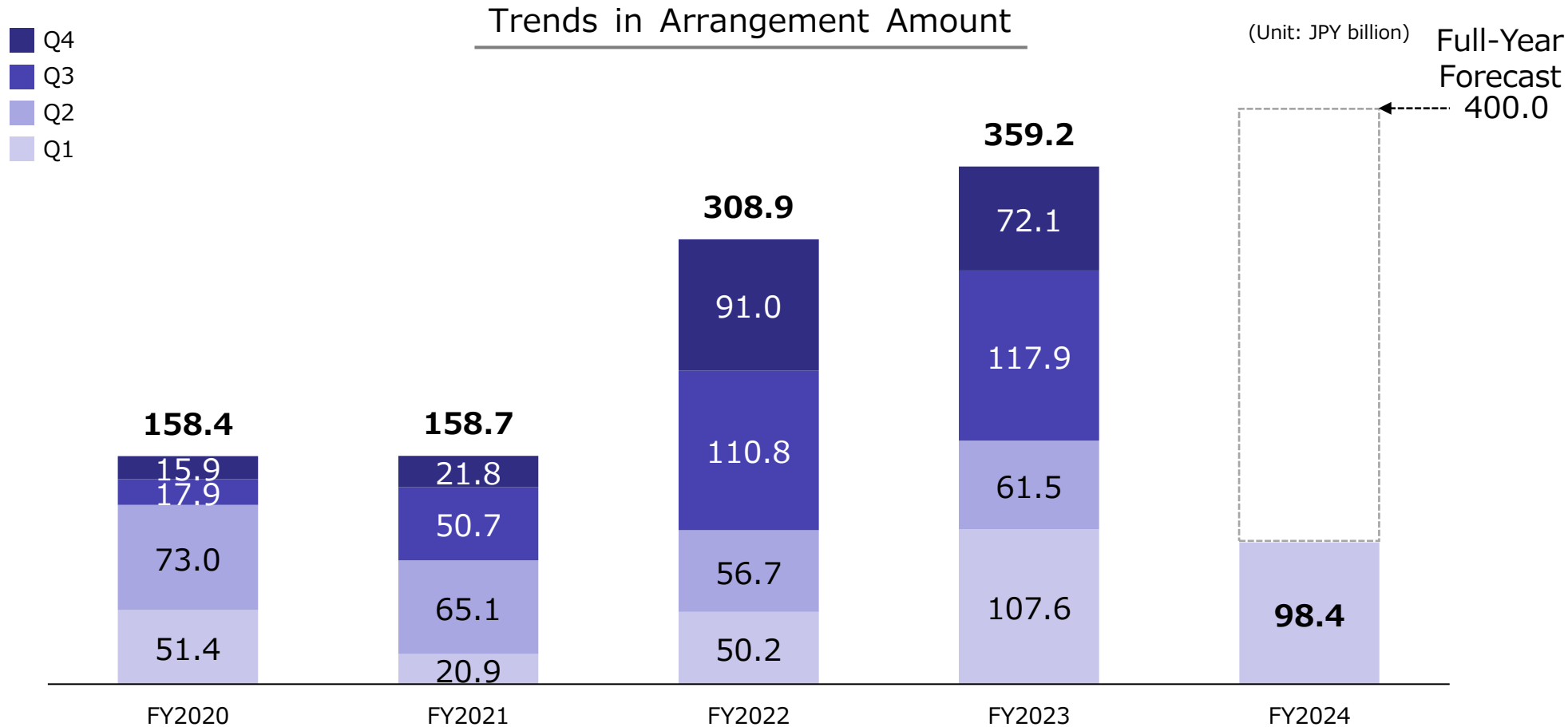
- As a result of aggressive sales promotion, the amount of equity placement sales reached a new record-high on a quarterly basis\*.



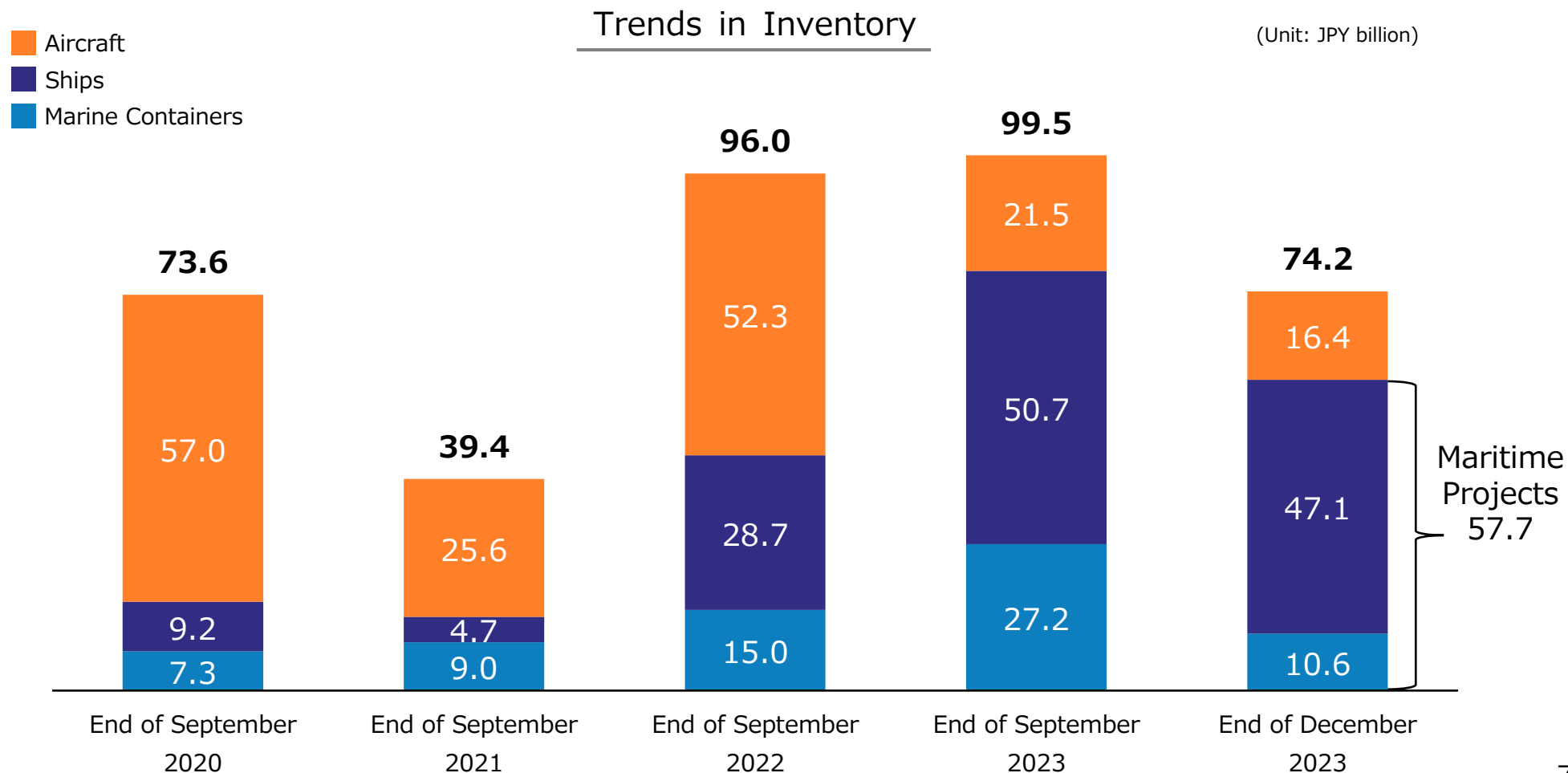
\* Past record-high amount of quarterly equity placement sales (Leasing Fund Business): JPY 49.86 billion in Q2 FY9/2019.

# Leasing Fund Business Arrangement

- On track towards the full-year forecast of JPY 400 billion.

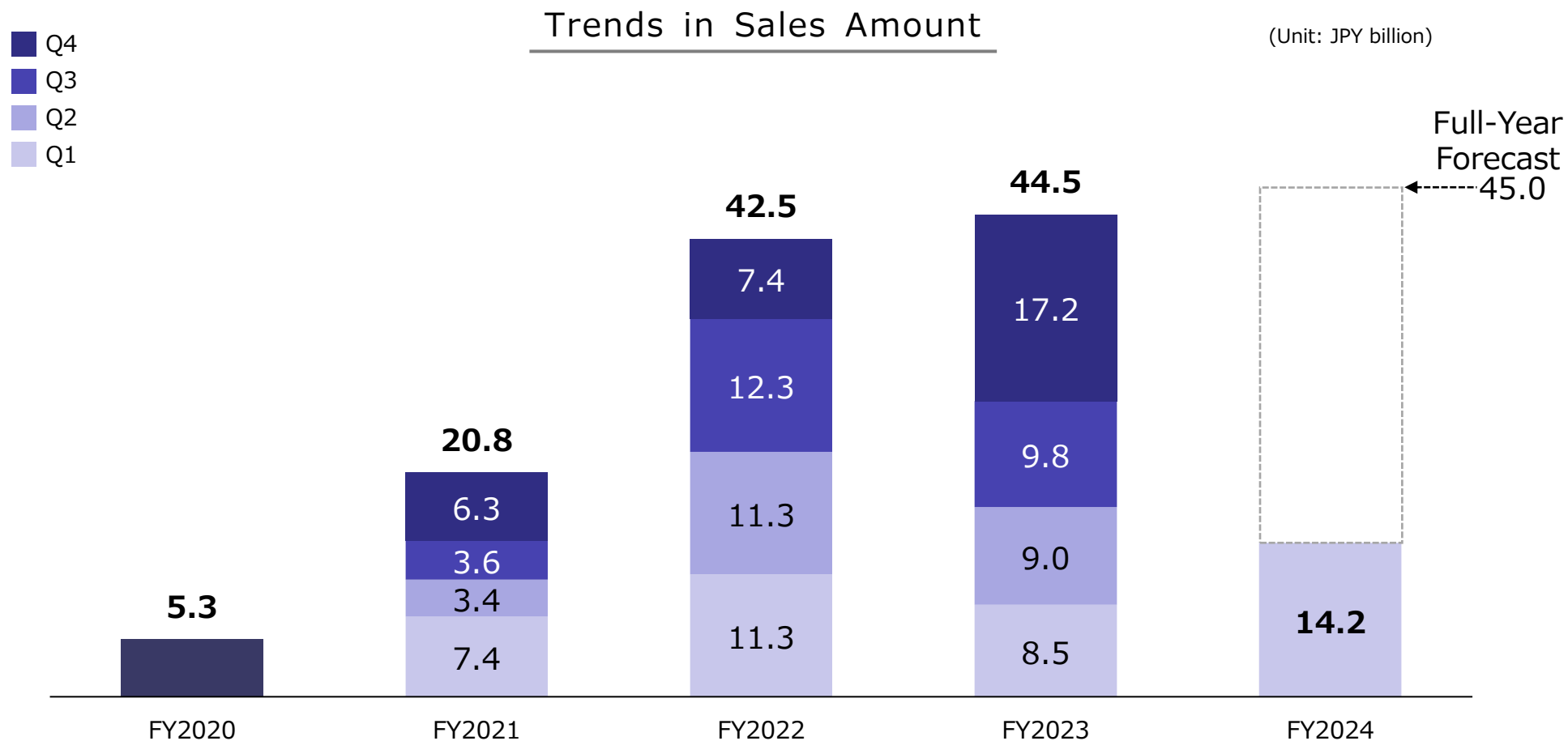


- Securing inventory to continue aggressive sales.
- We will continue our policy of securing inventory for maritime projects, primarily through the promotion of active arrangement for large-scale ship projects related to transition finance associated with CO<sub>2</sub> reduction\*.





- Strong demand from investors continues, significantly updating the record high sales for the Q1\*.



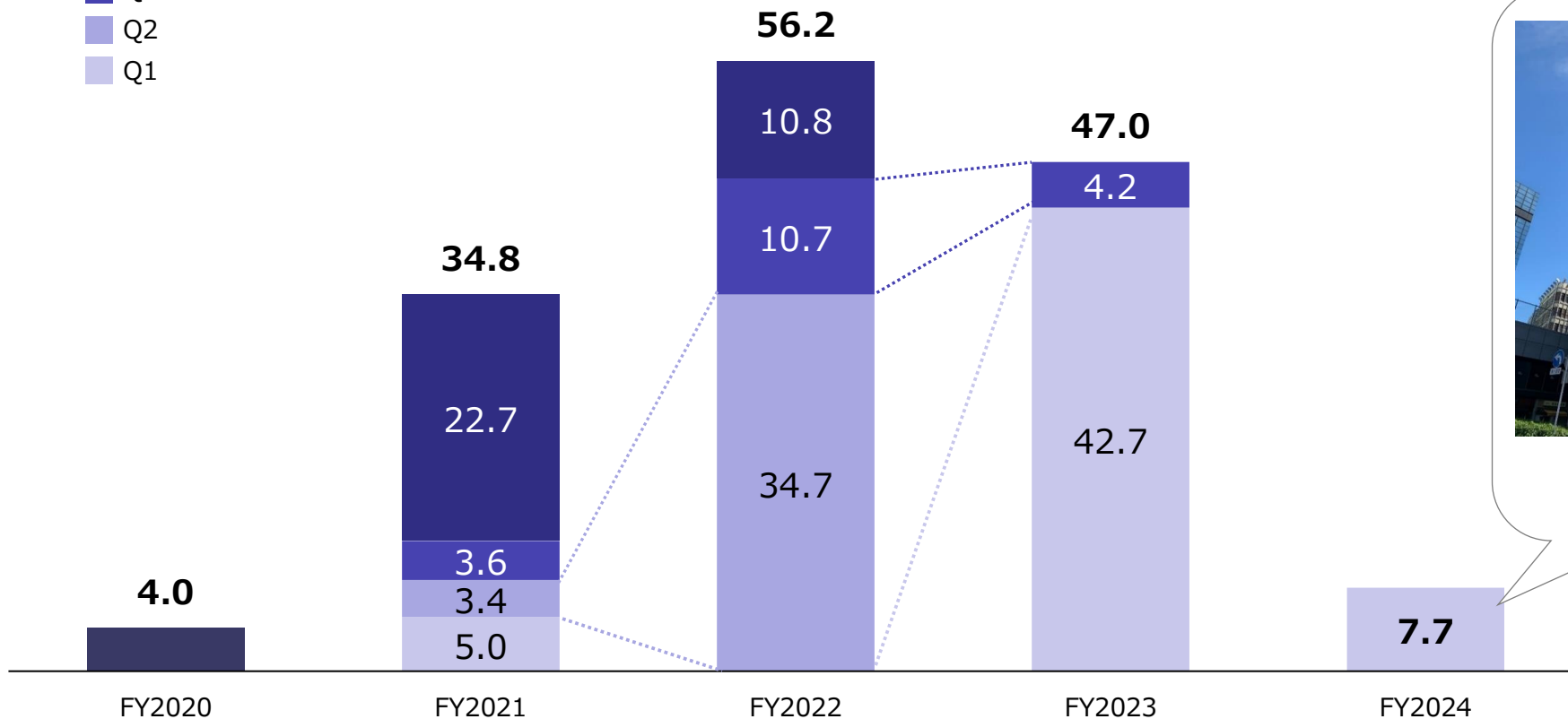
\* Past record-high sales amount for Q1 (Domestic Real Estate Fund Business): JPY 11.32 billion in Q1 FY9/2022.

- In December 2023, we had arranged "FPG links SHIMBASHI"\*<sup>1</sup> etc.
- The arrangement of a new large-scale project is being considered, following the sell-out of "FPG links SHIBUYA DOGENZAKA"\*<sup>2</sup>, our largest-ever project which commenced sales in November 2022.

## Trends in Arrangement Amount

(Unit: JPY billion)

- Q4
- Q3
- Q2
- Q1



FPG links SHIMBASHI

\*1 Announced December 15, 2023 "Notice Regarding Completion of Acquisition of Real Estate for the Real Estate Fractional Ownership Investment Project "Premium Asset Series."

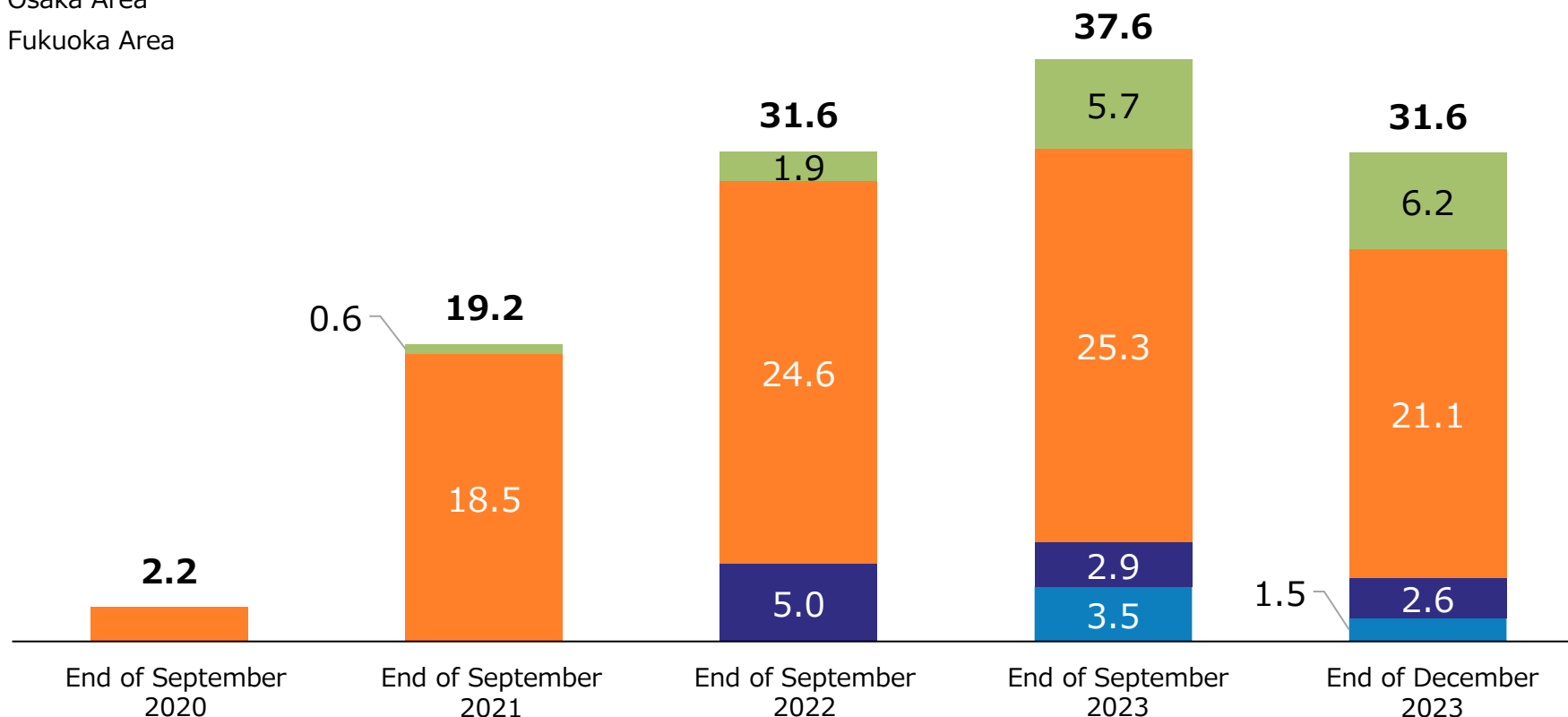
\*2 Announced October 13, 2022 "Notice Regarding the Completion of Acquisition of Real Estate for the Largest-Ever Project of a Real Estate Fractional Ownership Investment Project "Premium Asset Series."

- In response to strong demand, we aim to secure inventory by continuing proactive arrangements.
- Among the development projects, the sale of the entire building of “FPG links JIYUGAOKA” was completed in January 2024\*.

## Trends in Inventory

(Unit: JPY billion)

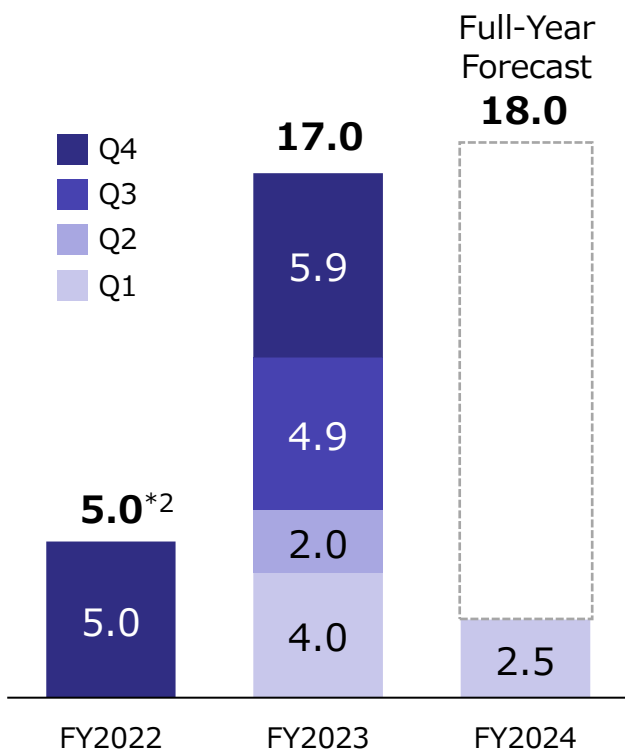
- Development Projects
- Tokyo Area
- Osaka Area
- Fukuoka Area



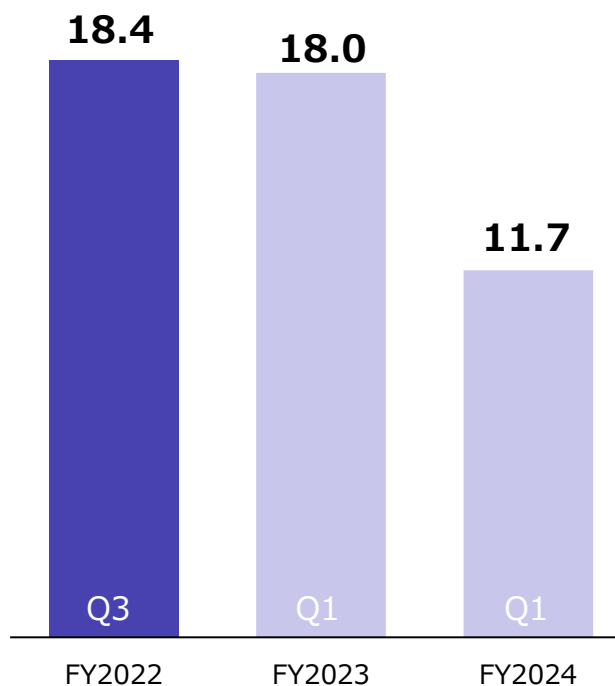
\*Announced January 16, 2024 “Notice of Sale of Proprietary Development Property (Sale of Entire Building)”

- The second project in Hawaii, USA, has been sold out.
- Arranged the third project, a large-scale multifamily housing complex in Texas, USA, in October 2023\*<sup>1</sup>, and the sales commenced.
- Progressing the arrangement of the fourth project.

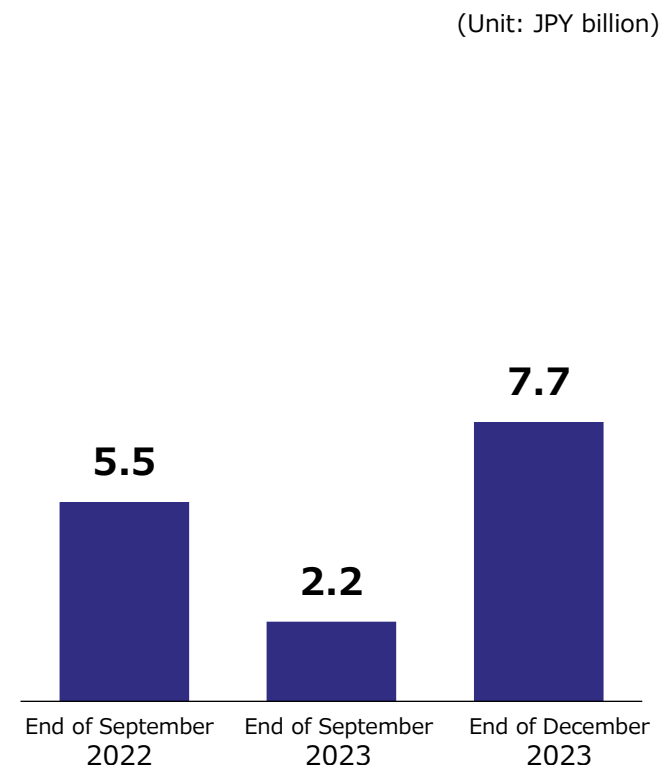
### Trends in Sales Amount



### Trends in Arrangement Amount



### Trends in Inventory



\*1 Announced October 10, 2023 "Notice Regarding the Acquisition of Real Estate for Arrangement of the International Real Estate Collective Investment Project"

\*2 Commenced sale of international real estate investment product from June 2022.

- The first project in Elmsford, NY, sold out approximately eight months after sales began in June 2022.
- The second project in Honolulu, Hawaii, sold out approximately nine months after sales began in March 2023.



The 1<sup>st</sup> project  
(Total equity placement sales amount: JPY 10.51 billion)  
-Sold out in approx. 8 months after sales began in June 2022.

### **The View on Nob Hill**

Location: Elmsford, Westchester County, New York  
Number of units: 416 units in 22 buildings  
Years of completion : From 1993 to 1994  
Net rentable area: 322,726ft<sup>2</sup> (approx. 29,982m<sup>2</sup>)  
Structure: Wooden construction  
Purpose: Multifamily Housing



The 2<sup>nd</sup> project  
(Total equity placement sales amount: JPY13.80 billion)  
-Sold out in approx. 9 months after sales began in March 2023.

### **Queen Kapiolani Hotel**

Location: Waikiki, Honolulu, Hawaii  
Number 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)

- Arranged the third project, a large-scale multifamily housing complex in Austin, Texas, USA, in October 2023\*<sup>1</sup>, and the sales commenced in Q1 FY9/2024.

## The 3<sup>rd</sup> Project

(Total equity placement sales amount: JPY 8.0 billion)

### Onyx183

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

Number 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



# Appendix

# Consolidated Income Statement Summary

(Unit: JPY billion)

	FY2023 Q1	FY2024 Q1	YoY	
			Amount	Rate
Net sales	17.41	24.39	+6.97	+40.1%
① Cost of sales	8.18	13.57	+5.39	+65.8%
Gross profit	9.22	10.81	+1.58	+17.2%
SG&A Cost	2.13	2.49	+0.35	+16.7%
Operating income	7.09	8.32	+1.22	+17.3%
② Non-operating income	0.81	0.98	+0.17	+22.2%
③ Non-operating expenses	0.85	0.71	(0.13)	(16.2%)
Ordinary income	7.04	8.59	+1.54	+21.9%
Income before income taxes	6.68	9.16	+2.48	+37.1%
Total income taxes	2.12	2.74	+0.62	+29.2%
Profit attributable to owners of parent	4.56	6.38	+1.82	+40.0%

**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	FY2023	FY2024 Q1	YoY
Current assets	168.29	137.39	(30.89)
Cash and deposit	15.98	17.66	+1.68
① Equity underwritten	83.40	65.47	(17.93)
② Money held in trust (Aircraft for Arrangement)	18.38	16.48	(1.89)
③ Real estate for arrangement	37.63	31.66	(5.96)
Non-current assets	15.38	7.08	(8.29)
Total assets	183.67	144.48	(39.19)
Liabilities and Net assets	FY2023	FY2024 Q1	YoY
Current liabilities	120.99	86.91	(34.07)
Short-term debt	94.90	65.61	(29.28)
④ Contract liability	13.71	13.45	(0.25)
Non-current liabilities	18.37	13.08	(5.29)
Long-term debt	18.03	12.52	(5.50)
Total liabilities	139.37	100.00	(39.37)
Total net assets	44.29	44.47	+0.17
Total liabilities and net assets	183.67	144.48	(39.19)

**① Equity underwritten**

Temporary advances in the Leasing Fund Business and International Real Estate Fund Business 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 Domestic Real Estate Fund Business.

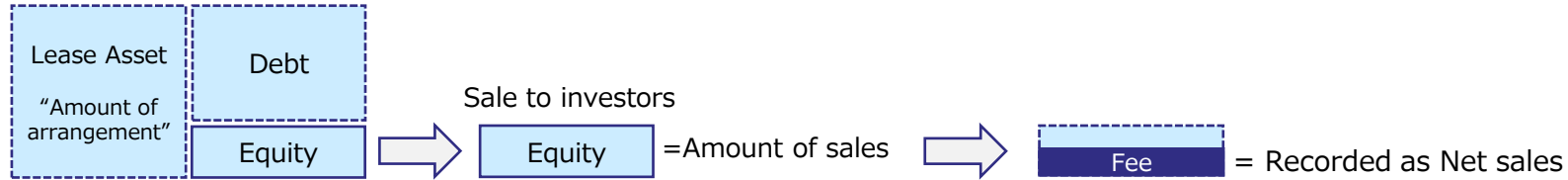
**④ Contract liability**

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 four categories in this document.

## 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.

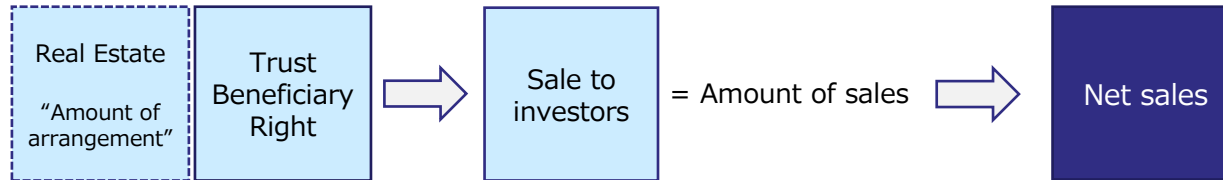


## Domestic Real Estate Fund Business

Real Estate Fractional Ownership Investment Product

Arranges and sells to investors real estate fractional ownership investment products, using the trust function of FPG Trust.

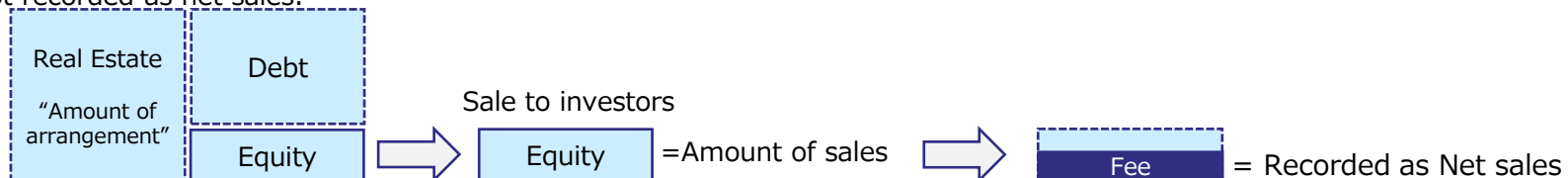
The total amount of sales to investors is recorded as net sales.



## International Real Estate Fund Business

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.



## Other Business

Other Business Insurance Sales Business, M&A Business and Aviation Business, etc. Net sales 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.

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