

One of the largest domestic independent financial advisor companies

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【 7345 Ai Partners Financial Sector : Other Financing Business 】

Fiscal Year	Net sales	YoY	Operating profit	YoY	Ordinary profit	YoY	Profit	YoY	EPS	BPS	DPS
	(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)	(yen)	(yen)	(yen)
Mar. 2020	2,467	3.7	6	-89.0	7	-86.9	0	-	-1.1	499.1	5.0
Mar. 2021	4,034	63.5	245	40.1x	239	32.4x	152	-	221.4	715.5	10.0
Mar. 2022 f	4,540	12.6	229	-6.3	226	-5.4	150	-1.8	195.5	-	-

Note: Consolidated basis. Figures for the fiscal year ending March 2022 are the company's forecasts.
It conducted 1-to-200 stock split on December 22, 2020. Per share indices are adjusted retroactively.

Providing Platform Services for IFA as Independent Financial Advisor Company

Ai Partners Financial is one of the largest independent financial advisor companies in Japan and provides financial services through an independent financial advisor (IFA) including financial instruments intermediary service. There are two cases for a corporation to conduct IFA as a business; 1) to operate a platform for individuals working as IFAs and concentrate on providing a stage for activities of the IFAs and on supporting operations of the IFAs, and 2) to hire individuals working as IFAs as employees and conduct the IFA business as a corporation.

The company develops a platform-type business model that raises revenue through providing various support so IFAs that have concluded service agreements with the company can be active, rather than directly hiring IFAs, although there are few exceptions.

The company only conducts a single segment of the financial service provision business through IFAs, but its net sales is categorized into the two services of the financial instruments intermediary service and the other financial services. Ai Partners Financial handles the financial instruments intermediary service, which accounted for 95.5% of the net sales for the fiscal year ended March 2021, and its wholly-owned subsidiary AIP Consultants handles insurance soliciting and other financial services, which accounted for the remaining 4.5%. Most of the revenue is from the financial instruments intermediary service.

The company concludes service agreements concerning the financial instruments intermediary service with Rakuten Securities, SBI SECURITIES, ACE SECURITIES and Akatsuki Securities. Affiliated IFAs will have customers open their accounts at these securities companies and customers will conduct transactions of financial instruments using such accounts.

Ai Partners Financial (7345-TSE Mothers) ----- July 5, 2021**Financial Statements**

Statement of income	Fiscal Year	Mar. 2019		Mar. 2020		Mar. 2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		2,379	100.0	2,467	100.0	4,034	100.0
Cost of sales		1,835	77.1	1,843	74.7	2,989	74.1
Gross profit		544	22.9	623	25.3	1,045	25.9
Selling, general and administrative expenses		488	20.5	616	25.0	799	19.8
Operating profit		55	2.3	6	0.2	245	6.1
Non-operating income		1	-	1	-	0	-
Non-operating expenses		-	-	-	-	6	-
Ordinary profit		56	2.4	7	0.3	239	5.9
Profit before income taxes		56	2.4	7	0.3	239	5.9
Profit attributable to owners of parent		38	1.6	0	0.0	152	3.8

Balance sheet	Fiscal Year	Mar. 2019		Mar. 2020		Mar. 2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		452	79.4	505	77.0	956	85.6
Cash and deposits		248	43.7	238	36.3	526	47.1
Accounts receivable-trade		173	30.5	245	37.4	409	36.7
Inventories		0	0.2	1	0.2	0	0.0
Non-current assets		117	20.6	150	23.0	160	14.4
Property, plant and equipment		41	7.3	48	7.4	61	5.5
Intangible assets		0	0.0	1	0.2	0	0.1
Investments and other assets		75	13.3	101	15.5	98	8.8
Total assets		569	100.0	656	100.0	1,117	100.0
Current liabilities		291	51.2	281	42.8	582	52.1
Accounts payable-trade		241	42.5	212	32.3	357	32.0
Non-current liabilities		26	4.6	30	4.6	41	3.7
Net assets		251	44.2	344	52.5	494	44.2
Owners' equity		251	44.2	344	52.5	494	44.2

Statement of cash flows	Fiscal Year	Mar. 2019	Mar. 2020	Mar. 2021
		(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		86	-60	311
Depreciation		13	16	19
Cash flows from investing activities		-38	-44	-19
Cash flows from financing activities		-5	93	-4
Dividends paid		-5	-5	-3
Net increase in cash and cash equivalents		42	-10	288
Cash and cash equivalents		248	238	526

Note: Consolidated basis.

Source: Prepared by Stock Research Center based on the notifiable prospectus.

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