FPG
Financial Products Group

February 1, 2021

Company: Financial Products Group Co., Ltd.
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(Code 7148 on the First Section of the Tokyo Stock Exchange)
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Notice Regarding of the Receivable Amount of Possible Uncollectible or Late Collection in respect of Air Mauritius in FPG's Consolidate Subsidiaries

Financial Products Group Co., Ltd. (FPG) hereby announces the receivable amount of possible uncollectible or late collection in respect of Air Mauritius Limited in FPG's consolidated subsidiaries (FLIP NO 243 Co., Ltd., FLIP NO 244 Co., Ltd. and FLIP NO 245 Co., Ltd.) as follows.

1. Overview of FPG's subsidiaries that hold the receivables

FLIP NO 243 Co., Ltd
(1) Company Name: FLIP NO 243 Co., Ltd.
(2) Location: JP Tower 29F, 2-7-2, Marunouchi, Chiyoda-ku, Tokyo, Japan
(3) The Representative: Takahiro Matsumoto

FLIP NO 244 Co., Ltd
(1) Company Name: FLIP NO 244 Co., Ltd.
(2) Location: JP Tower 29F, 2-7-2, Marunouchi, Chiyoda-ku, Tokyo, Japan
(3) The Representative: Takahiro Matsumoto

FLIP NO 245 Co., Ltd
(1) Company Name: FLIP NO 245 Co., Ltd.
(2) Location: JP Tower 29F, 2-7-2, Marunouchi, Chiyoda-ku, Tokyo, Japan
(3) The Representative: Takahiro Matsumoto

2. Overview of counterparty

(1) Company Name: Air Mauritius Limited (AML)
(2) The Representative: MANRAJ Dharam Dev, G.O.S.K.
(3) Capital Stock: 48,421 thousand €
(4) Location: Air Mauritius Centre, President John Kennedy Street, Port Louis, Mauritius
(5) Description of Business: Air transport and aviation-related business
(6) Founded: 1967

3. The circumstances that led to possible of uncollectible or late collection of receivables

FPG has the equity interest of the silent partnership in the operating lease business (the lease business) in which AML is the lessee. And consolidated subsidiaries of FPG (FLIP NO 243 Co., Ltd., FLIP NO 244 Co., Ltd. and FLIP NO 245 Co., Ltd.) are the contracting party of the lease busines as the operator. AML had applied for voluntary administration under the Mauritius Insolvency Act in April 2020. Since until now, the negotiation has been ongoing with the trustees of AML and the parties, involved in the lease business, regarding the lease contract, and the lease contract still valid at present.

As a result, while lease receivables in respect of AML continue to accrue, the balance of accounts receivable, which are due and have not been received, amounted to 892 million yen as of January 29, 2021, and the ratio to consolidated net assets at the end of the previous fiscal year exceeded 3%.

4. Type and amount of receivables in respect of AML

The lease receivables (include the equivalent to delayed interest):

JPY 892 million (3.2% of consolidated net assets)

5. Outlook

For accounting purposes, FPG has not recorded any receivables in respect of AML, except for the amount of collateral protection, and there is no additional loss to be recorded as a result of this matter. FPG recorded the losses related to the equity interest in the silent partnership of the lease business and reduced the value of the equity interest to zero in the first quarter of the fiscal year ending September 30, 2021. Therefore, we do not expect to incur any further losses in respect of losses, and do not change the forecast for the fiscal year ending September 30, 2021 at present.