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Company: Financial Products Group Co., Ltd.
Representative: Hisanaga Tanimura, CEO & Founder
(Code 7148 on the First Section of the Tokyo Stock Exchange)
Inquiries: Hiroshi Sakurai, General Manager,
Corporate Planning Dept.
(TEL. +81-3-5288-5691)

Notice Regarding the Restructuring of our Insurance Business

Financial Products Group Co., Ltd. (FPG) hereby announces that it has decided to restructure the Insurance Business of the FPG Group.

1. Reasoning for Deciding to Restructure our Insurance Business

Based on our corporate philosophy of “We’re True Professionals,” FPG aims to be a one-stop financial services provider, providing a range of financial services, including our Lease Arrangement Business.

The Insurance Business is one of the FPG Group’s financial services businesses, and we have been responding to the various needs of our customers by offering a wide range of insurance products through both the insurance brokerage business operated by FPG and the insurance agency business operated by FPG Insurance Services Co., FPG’s subsidiary. However, in view of the sale of some corporate life insurance products, the main products of our Insurance Business, having been suspended due to the impact of tax reforms in FY2019, we have been considering the future development of our Insurance Business.

As a result, although we can expect customer demand for certain insurance products in the future, we decided that it was necessary to streamline the FPG Group’s Insurance Business. In addition, FPG will discontinue its insurance brokerage business and start a new insurance agency business, consolidating the Group’s Insurance Business into this insurance agency business.

Following the restructuring of our Insurance Business, FPG, as an insurance agent, will be able to offer a broader range of insurance products than those offered by its insurance brokerage business to meet the needs of our customers.

2. Details of the Insurance Business Restructure

FPG will discontinue its insurance brokerage business by early December 2020, after which it will begin its insurance agency business. FPG Insurance Services Co., will continue to operate its insurance business during the preparatory period before FPG begins its operations as an insurance agent, after which all of FPG Insurance Services Co.’s insurance agency business will be transferred and consolidated under FPG in order to improve efficiency.

3. Impact on Future Business Performance

The impact of this matter on the Group's consolidated financial results for the fiscal year ending September 2021 will be minor. In the future, we will promptly disclose any matters that should be announced, should they arise.