

# Consolidated Financial Results for the Fiscal Year ended September 30, 2020 (Japanese GAAP) (Summary)

October 30, 2020

Listed Company Name: **Financial Products Group Co.,Ltd.** URL <https://www.fpg.jp/en/>  
 Listed Stock Exchange: Tokyo Stock Exchange 1st Section Code Number: 7148  
 Representative: Hisanaga Tanimura, CEO and Founder  
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 Scheduled date of ordinary general meeting of shareholders: December 22, 2020  
 Scheduled date of payment of year-end dividends: December 23, 2020  
 Expected date of annual securities report submission: December 23, 2020  
 Supporting material for financial results: Yes  
 The briefing session of financial results: Yes

(Figures less than one million yen are rounded down)

## 1. Consolidated financial results for the Fiscal Year ended September 30, 2020 (October 1, 2019 – September 30, 2020)

### (1) Consolidated operating results

(% figures show year-on-year change.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
Fiscal Year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2020	12,708	(52.2)	1,879	(87.0)	1,719	(88.1)	1,136	(88.7)
September 30, 2019	26,595	20.6	14,432	10.5	14,394	14.0	10,035	11.6

(Notes) Comprehensive income: Fiscal year ended September 30, 2020: 1,200 million yen; [(87.7%)]

Fiscal year ended September 30, 2019: 9,766 million yen; [6.6%]

	Net income per share	Fully diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
Fiscal year ended	Yen	Yen	%	%	%
September 30, 2020	12.98	—	3.8	1.3	14.8
September 30, 2019	113.01	—	32.3	13.6	54.3

(Reference) Equity in earnings of affiliates:

Fiscal year ended September 30, 2020: 319million yen

Fiscal year ended September 30, 2019: 477million yen

(Note) Diluted net income per share is not stated because there are no potential shares.

### (2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2020	132,850	27,484	20.5	318.90
As of September 30, 2019	125,839	32,981	26.0	369.59

(Reference) Shareholders' equity:

As of September 30, 2020: 27,219 million yen

As of September 30, 2019: 32,750 million yen

### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
September 30, 2020	12,195	(2,170)	(891)	25,758
September 30, 2019	(24,840)	(391)	28,849	16,581

## 2. Dividends

	Dividend per share					Total dividends (Annual)	Dividend payout ratio (Consolidated)	Ratio of dividend to net assets (Consolidated)
	End of 1st	End of 2nd	End of 3rd	End of fiscal year	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
September 30, 2019	—	0.00	—	53.00	53.00	4,696	46.9	15.2
September 30, 2020	—	0.00	—	11.50	11.50	981	88.6	3.3
Fiscal year ending September 30, 2021 (Forecast)	—	0.00	—	16.50	16.50		50.3	

3. Forecast of consolidated financial results for the year ending September 30, 2021 (October 1, 2020 — September 30, 2021)  
(% figures show year-on-year change.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	7,133	(14.0)	2,478	(20.8)	2,145	(33.3)	1,500	(32.2)	17.57
Annual	13,865	9.1	4,545	141.9	4,000	132.6	2,800	146.5	32.81

\* Notes

(1) Material changes in subsidiaries during this period

(Changes in scope of consolidations resulting from change in subsidiaries) : No

(2) Changes in accounting policies, accounting estimates and retrospective restatement

a) Changes in accounting policies based on revisions of accounting standard : No

b) Changes in accounting policies other than ones based on revisions of accounting standard : No

c) Changes in accounting estimates : No

d) Retrospective restatement : No

(3) Number of issued and outstanding shares (ordinary shares)

a) Number of issued and outstanding shares at the end of the period (including treasury shares)	As of September 30, 2020	89,073,600	As of September 30, 2019	90,673,600
b) Number of treasury shares at the end of the period	As of September 30, 2020	3,720,200	As of September 30, 2019	2,060,614
c) Average number of shares	Fiscal year ended September 30, 2020	87,528,074	Fiscal year ended September 30, 2019	88,797,765

(Reference) Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended September 30, 2020 (October 1, 2019 — September 30, 2020)

(1) Non-consolidated operating results

(% figures show year-on-year change.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal Year ended September 30, 2020	10,877	(56.6)	1,958	(86.4)	1,532	(89.5)	1,025	(90.0)
September 30, 2019	25,044	25.8	14,372	13.2	14,621	21.2	10,295	20.4

	Net income per share	Fully diluted net income per share
	Yen	Yen
Fiscal year ended September 30, 2020	11.72	—
September 30, 2019	115.95	—

(Note) Diluted net income per share for the year ending September 2019 is not stated because there are no potential shares.

(2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
As of September 30, 2020	129,861	27,360	21.1	320.55
As of September 30, 2019	123,293	33,045	26.8	372.92

(Reference) Shareholders' equity: As of September 30, 2020: 27,360 million yen  
As of September 30, 2019: 33,045 million yen

\* This financial results report is not subject to the audit procedures.

\* Explanation of the proper use of performance forecast and other notes

Performance forecasts and other forward-looking statements presented in this report are based on information currently available to the Company and certain assumptions deemed to be reasonable, and actual performance may differ substantially due to various factors.

(Thousands of yen)

	As of September 30, 2019	As of September 30, 2020
<b>Assets</b>		
Current assets		
Cash and deposits	16,581,080	27,158,454
Accounts receivable - trade	329,460	490,535
Supplies	10,990	16,987
Equity underwritten	75,434,926	39,616,233
Money held in trust(Aircraft for arrangement)	19,109,675	34,038,201
Real estate for arrangement	3,378,278	2,213,422
Aircraft for sales	—	14,665,370
Operational investment securities	—	626,553
Guarantee deposits	326,700	212,700
Other	5,925,167	7,425,987
Total current assets	121,096,278	126,464,446
Non-current assets		
Property, plant and equipment		
Buildings, net	143,296	295,681
Tools, furniture and fixtures, net	137,645	124,850
Land	35,927	26,283
Other	—	16,045
Total property, plant and equipment	316,869	462,861
Intangible assets		
Goodwill	896,584	1,403,568
Other	47,473	41,217
Total intangible assets	944,058	1,444,786
Investments and other assets		
Investment securities	205,257	30,023
Shares of subsidiaries and associates	1,082,486	1,460,798
Deferred tax assets	1,691,683	2,481,187
Leasehold and guarantee deposits	421,520	452,962
Other	80,999	53,515
Total investments and other assets	3,481,947	4,478,486
Total non-current assets	4,742,875	6,386,134
Total assets	125,839,153	132,850,581

(Thousands of yen)

	As of September 30, 2019	As of September 30, 2020
<b>Liabilities</b>		
Current liabilities		
Accounts payable – trade	351,586	218,402
Short-term borrowings	57,417,133	62,913,672
Current portion of long-term borrowings	5,629,172	5,466,270
Current portion of long-term nonrecourse loans payable	—	1,405,861
Commercial papers	2,500,000	4,500,000
Current portion of bonds payable	350,000	—
Income taxes payable	2,853,602	314,704
Advances received	9,790,970	5,458,555
Provision for bonuses	443,182	365,663
Guarantee deposits received	1,210,843	749,000
Other	1,855,032	1,825,874
Total current liabilities	82,401,522	83,218,003
Non-current liabilities		
Bonds payable	—	1,000,000
Long-term borrowings	10,189,220	8,202,950
Long-term nonrecourse loans payable	—	12,543,279
Asset retirement obligations	104,951	107,523
Retirement benefit liability	—	24,449
Other	161,811	269,659
Total non-current liabilities	10,455,983	22,147,861
Total liabilities	92,857,505	105,365,865
<b>Net assets</b>		
Shareholders' equity		
Share capital	3,095,874	3,095,874
Capital surplus	3,045,874	3,045,874
Retained earnings	28,979,730	23,686,052
Treasury shares	△2,231,117	△2,498,720
Total shareholders' equity	32,890,361	27,329,079
Accumulated other comprehensive income		
Foreign currency translation adjustment	△153,582	△109,010
Valuation difference on available-for-sale securities	13,896	△767
Total accumulated other comprehensive income	△139,686	△109,777
Non-controlling interests	230,972	265,414
Total net assets	32,981,647	27,484,716
Total liabilities and net assets	125,839,153	132,850,581

(Thousands of yen)

	Fiscal year ended September 30, 2019	Fiscal year ended September 30, 2020
Net sales	26,595,611	12,708,322
Cost of sales	6,146,524	4,770,690
Gross profit	20,449,086	7,937,631
Selling, general and administrative expenses	6,016,467	6,058,313
Operating profit	14,432,619	1,879,317
Non-operating income		
Interest income	704,953	687,224
Gain on investments in money held in trust	523,817	1,213,101
Rental income from real estate	249,879	52,457
Aircraft rental income	—	441,030
Share of profit of entities accounted for using equity method	477,424	319,042
Other	76,921	56,348
Total non-operating income	2,032,996	2,769,204
Non-operating expenses		
Interest expenses	1,082,010	938,663
Bond issuance costs	—	18,668
Commission expenses	760,880	775,913
Foreign exchange losses	132,858	725,540
Rental expenses on real estate	62,305	14,835
Depreciation	—	425,496
Other	32,644	29,806
Total non-operating expenses	2,070,700	2,928,923
Ordinary profit	14,394,916	1,719,599
Extraordinary income		
Gain on sales of non-current assets	—	4,277
Total extraordinary income	—	4,277
Extraordinary losses		
Impairment loss	32,646	—
Loss on retirement of non-current assets	1,043	11,706
Loss on valuation of shares of subsidiaries and associates	17,657	16,480
Total extraordinary losses	51,346	28,187
Profit before income taxes	14,343,569	1,695,689
Income taxes - current	4,887,686	1,311,919
Income taxes - deferred	△572,419	△774,964
Total income taxes	4,315,267	536,954
Profit	10,028,302	1,158,734
Profit (loss) attributable to non-controlling interests	△7,037	22,620
Profit attributable to owners of parent	10,035,340	1,136,114

(Thousands of yen)

	Fiscal year ended September 30, 2019	Fiscal year ended September 30, 2020
Profit	10,028,302	1,158,734
Other comprehensive income		
Valuation difference on available-for-sale securities	△67,570	△14,663
Foreign currency translation adjustment	△171,968	65,056
Share of other comprehensive income of entities accounted for using equity method	△22,434	△8,662
Total other comprehensive income	△261,972	41,729
Comprehensive income	9,766,329	1,200,464
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,804,828	1,166,022
Comprehensive income attributable to non-controlling interests	△38,499	34,441

(Thousands of yen)

	Fiscal year ended September 30, 2019	Fiscal year ended September 30, 2020
Cash flows from operating activities		
Profit before income taxes	14,343,569	1,695,689
Depreciation	88,328	116,200
Impairment loss	32,646	—
Amortization of goodwill	105,770	178,298
Loss on valuation of shares of subsidiaries and associates	17,657	16,480
Loss on retirement of non-current assets	1,043	11,706
Loss (gain) on sales of property, plant and equipment	—	△4,277
Increase (decrease) in provision for bonuses	113,264	△87,499
Interest and dividend income	△706,233	△687,227
Interest expenses	1,082,010	938,663
Commission expenses	760,880	775,913
Foreign exchange losses (gains)	△395,769	△280,954
Share of loss (profit) of entities accounted for using equity method	△477,424	△319,042
Bond issuance costs	—	18,668
Decrease (increase) in trade receivables	279,260	△84,449
Increase (decrease) in equity underwritten	△34,926,410	32,050,778
Increase (decrease) in money held in trust (Aircraft for arrangement)	△5,230,204	△14,928,526
Increase (decrease) in aircraft for sales	—	1,999,917
Increase (decrease) in real estates for arrangement	3,844,443	1,164,856
Decrease (increase) in investment securities for sale	—	△447,098
Decrease (increase) in guarantee deposits	1,482,803	114,000
Guarantee deposits received	△813,615	△461,843
Decrease (increase) in leasehold and guarantee deposits	△20,000	—
Increase (decrease) in trade payables	△248,075	△157,017
Increase (decrease) in advances received	3,581,065	△4,055,963
Other, net	△3,546,686	△1,358,380
Subtotal	△20,631,676	16,208,892
Interest and dividends received	1,530,674	688,507
Interest paid	△1,075,392	△943,380
Income taxes paid	△4,719,714	△3,758,931
Other, net	55,449	—
Net cash provided by (used in) operating activities	△24,840,659	12,195,087
Cash flows from investing activities		
Payments into time deposits	—	△1,400,000
Proceeds from withdrawal of time deposits	—	24,554
Proceeds from sales of property, plant and equipment	—	17,087
Purchase of property, plant and equipment	△28,172	△57,298
Purchase of intangible assets	△38,099	△11,048
Purchase of shares of subsidiaries and associates	△143,139	△182,597
Purchase of investment securities	△141,018	—
Purchase of shares of subsidiaries resulting in change in scope of	—	△639,362

consolidation

Payments of leasehold and guarantee deposits	△2,490	△24,760
Proceeds from refund of leasehold and guarantee deposits	8,639	2,408
Proceeds from liquidation of subsidiaries	4,188	1,000
Other proceeds	34,721	110,819
Other payments	△86,160	△11,092
Net cash provided by (used in) investing activities	△391,530	△2,170,289



(Thousands of yen)

	Fiscal year ended September 30, 2019	Fiscal year ended September 30, 2020
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	30,279,962	6,290,621
Proceeds from long-term borrowings	8,950,000	4,000,000
Repayments of long-term borrowings	△5,304,972	△6,344,669
Net increase (decrease) in commercial papers	2,500,000	2,000,000
Purchase of treasury shares	△1,999,921	△1,999,993
Purchase of treasury shares of subsidiaries	△137,666	—
Proceeds from issuance of bonds	—	981,331
Redemption of bonds	△200,000	△350,000
Dividends paid	△4,441,750	△4,696,488
Commission fee paid	△795,872	△756,545
Other payments	—	△15,294
Net cash provided by (used in) financing activities	28,849,780	△891,037
Effect of exchange rate change on cash and cash equivalents	△374,700	39,939
Net increase (decrease) in cash and cash equivalents	3,242,889	9,173,700
Cash and cash equivalents at beginning of period	13,338,190	16,581,080
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	—	3,673
Cash and cash equivalents at end of period	16,581,080	25,758,454