

Consolidated Financial Results for the First Quarter of the Fiscal Year Ending September 30, 2021 (Japanese GAAP)(Summary)

January 29, 2021

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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Expected date of quarterly report submission: February 12, 2021

Expected date of dividend payment: —

Supporting material for quarterly results: Yes

The briefing session of quarterly results: No

(Figures less than one million yen are rounded down.)

1. Consolidated financial results for the first quarter of the Fiscal Year Ending September 30, 2021

(October 1, 2020 — December 31, 2020)

(1) Consolidated operating results (cumulative) (% figures show year-on-year change.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2020	3,824	3.4	984	(34.3)	694	(56.1)	272	(74.4)
December 31, 2019	3,698	9.5	1,497	15.6	1,579	47.0	1,065	54.8

(Note) Comprehensive income: Three months ended December 31, 2020: 276 million yen; [(75.7%)]

Three months ended December 31, 2019: 1,138 million yen; (118.9 %)

	Net income per share	Diluted net income per share
Three months ended	Yen	Yen
December 31, 2020	3.20	—
December 31, 2019	12.02	—

(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
	Millions of yen	Millions of yen	%
December 31, 2020	121,223	26,779	21.9
As of September 30, 2020	132,850	27,484	20.5

(Reference) Shareholders' equity: December 31, 2020: 26,532 million yen

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

2. Dividends

	Dividend per share				
	End of 1st Quarter	End of 2nd Quarter	End of 3rd Quarter	End of fiscal year	Total
Fiscal year ended	Yen	Yen	Yen	Yen	Yen
September 30, 2020	—	0.00	—	11.50	11.50
September 30, 2021	—				
Fiscal year ending September 30, 2021 (Forecast)				16.50	16.50

(Note) Revision to the latest dividend forecast: No

3. Forecast of consolidated financial results for the Fiscal 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

(Note) Revision to the latest consolidated financial results forecast: No

* Notes

(1) Material changes in subsidiaries during this period

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

(2) Applying of specific accounting of the consolidated quarterly financial statements : No

(3) 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

(4) 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 December 31, 2020	89,073,600	As of September 30, 2020	89,073,600
	b) Number of treasury shares at the end of the period	As of December 31, 2020	3,720,871	As of September 30, 2020	3,720,200
	c) Average number of shares during the period	Three months ended December 31, 2020	85,352,730	Three months ended December 31, 2019	88,612,921

(Thousands of yen)

	As of September 30, 2020	As of December 31, 2020
Assets		
Current assets		
Cash and deposits	27,158,454	34,271,540
Accounts receivable - trade	490,535	587,528
Supplies	16,987	17,805
Equity underwritten	39,616,233	30,577,635
Money held in trust (Aircraft for arrangement)	34,038,201	28,812,325
Real estate for arrangement	2,213,422	—
Aircraft for sales	14,665,370	13,982,399
Operational investment securities	626,553	622,771
Guarantee deposits	212,700	212,700
Other	7,425,987	5,540,299
Total current assets	126,464,446	114,625,004
Non-current assets		
Property, plant and equipment	462,861	471,050
Intangible assets		
Goodwill	1,403,568	1,352,666
Other	41,217	42,663
Total intangible assets	1,444,786	1,395,330
Investments and other assets		
Deferred tax assets	2,481,187	2,678,234
Other	1,997,299	2,054,325
Total investments and other assets	4,478,486	4,732,559
Total non-current assets	6,386,134	6,598,941
Total assets	132,850,581	121,223,945
Liabilities		
Current liabilities		
Accounts payable - trade	218,402	355,497
Short-term borrowings	62,913,672	53,364,706
Commercial papers	4,500,000	4,500,000
Current portion of long-term borrowings	5,466,270	5,306,690
Current portion of long-term nonrecourse loans payable	1,405,861	1,727,969
Income taxes payable	314,704	482,647
Advances received	5,458,555	4,170,381
Provision for bonuses	365,663	335,890
Allowance for losses from business transfer	—	242,700
Guarantee deposits received	749,000	783,000
Other	1,825,874	2,225,188
Total current liabilities	83,218,003	73,494,671
Non-current liabilities		
Bonds payable	1,000,000	1,000,000
Long-term borrowings	8,202,950	6,789,620
Long-term nonrecourse loans payable	12,543,279	12,539,116
Asset retirement obligations	107,523	118,499
Retirement benefit liability	24,449	25,035
Other	269,659	477,015
Total non-current liabilities	22,147,861	20,949,287
Total liabilities	105,365,865	94,443,958

(Thousands of yen)

	As of September 30, 2020	As of December 31, 2020
Net assets		
Shareholders' equity		
Share capital	3,095,874	3,095,874
Capital surplus	3,045,874	3,045,874
Retained earnings	23,686,052	22,977,239
Treasury shares	△2,498,720	△2,498,720
Total shareholders' equity	27,329,079	26,620,266
Accumulated other comprehensive income		
Foreign currency translation adjustment	△109,010	△87,230
Valuation difference on available-for-sale securities	△767	△824
Total accumulated other comprehensive income	△109,777	△88,054
Non-controlling interests	265,414	247,774
Total net assets	27,484,716	26,779,987
Total liabilities and net assets	132,850,581	121,223,945

(Thousands of yen)

	Three months ended December 31, 2019	Three months ended December 31, 2020
Net sales	3,698,972	3,824,698
Cost of sales	663,903	1,152,665
Gross profit	3,035,068	2,672,032
Selling, general and administrative expenses	1,537,640	1,687,636
Operating profit	1,497,428	984,396
Non-operating income		
Interest income	202,283	183,649
Gain on investments in money held in trust	179,496	324,106
Rental income from real estate	37,192	36,472
Share of profit of entities accounted for using equity method	42,616	71,407
Foreign exchange gains	2,510	—
Other	59,497	45,258
Total non-operating income	523,596	660,894
Non-operating expenses		
Interest expenses	220,240	215,028
Commission expenses	210,450	186,282
Foreign exchange losses	—	348,618
Rental expenses on real estate	6,488	2,675
Depreciation	—	192,122
Other	4,028	6,307
Total non-operating expenses	441,207	951,035
Ordinary profit	1,579,818	694,255
Extraordinary losses		
Loss on valuation of shares of subsidiaries and associates	2,775	5,797
Provision for loss on transfer of business	—	242,700
Total extraordinary losses	2,775	248,497
Profit before income taxes	1,577,042	445,757
Income taxes - current	98,476	437,468
Income taxes - deferred	394,969	△240,066
Total income taxes	493,445	197,402
Profit	1,083,596	248,355
Profit (loss) attributable to non-controlling interests	18,155	△24,396
Profit attributable to owners of parent	1,065,441	272,751

(Thousands of yen)

	Three months ended December 31, 2019	Three months ended December 31, 2020
Profit	1,083,596	248,355
Other comprehensive income		
Valuation difference on available-for-sale securities	4,837	△57
Foreign currency translation adjustment	47,301	36,010
Share of other comprehensive income of entities accounted for using equity method	2,281	△7,473
Total other comprehensive income	54,421	28,480
Comprehensive income	1,138,018	276,835
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,111,472	294,474
Comprehensive income attributable to non-controlling interests	26,545	△17,639