

Consolidated Financial Results for the Third Quarter ended June 30, 2018 (Japanese GAAP) (Summary)

July 31, 2018

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: August 13, 2018
 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 the Third quarter ended June 30, 2018 (October 1, 2017 — June 30, 2018)

(1) Consolidated operating results (cumulative)

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2018	16,464	(4.0)	9,700	(14.4)	9,426	(19.3)	6,578	(18.5)
June 30, 2017	17,155	16.7	11,336	19.6	11,677	21.7	8,073	30.7

(Note) Comprehensive income: Nine months ended June 30, 2018: 6,656 million yen; [(19.6%)]
 Nine months ended June 30, 2017: 8,277 million yen; [38.2%]

	Net income per share	Diluted net income per share
Nine months ended	Yen	Yen
June 30, 2018	72.97	72.81
June 30, 2017	89.73	89.39

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2018	72,302	28,260	37.3
As of September 30, 2017	82,799	25,624	29.5

(Reference) Shareholders' equity: As of June 30, 2018: 26,959 million yen
 As of September 30, 2017: 24,385 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, 2017	—	0.00	—	45.80	45.80
September 30, 2018	—	0.00	—		
Fiscal year ending September 30, 2018 (Forecast)				49.25	49.25

(Note) Revision to the latest dividend forecast: No

3. Forecast of consolidated financial results for the year ending September 30, 2018 (October 1, 2017 — September 30, 2018)

(% 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
Annual	23,701	12.5	14,753	10.0	14,928	8.9	10,313	7.6	114.40

(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 June 30, 2018	92,373,600	As of September 30, 2017	94,623,600
b)	Number of treasury shares at the end of the period	As of June 30, 2018	2,185,782	As of September 30, 2017	4,506,692
c)	Average number of shares during the period	Nine month ended June 30, 2018	90,143,891	Nine month ended June 30, 2017	89,973,501

(Thousands of yen)

	As of September 30, 2017	As of June 30, 2018
Assets		
Current assets		
Cash and deposits	12,602,763	20,593,047
Accounts receivable - trade	408,359	562,160
Supplies	11,268	8,423
Equity underwritten	19,031,725	15,644,345
Money held in trust (Aircraft for arrangement)	31,349,396	17,336,346
Containers for arrangement	2,006,264	1,321,768
Real estate for arrangement	9,753,618	8,558,855
Deferred tax assets	506,562	693,527
Guarantee deposits	1,345,321	1,611,668
Other	2,198,498	2,162,687
Total current assets	79,213,778	68,492,830
Non-current assets		
Property, plant and equipment	359,584	372,795
Intangible assets		
Goodwill	1,539,985	1,403,905
Other	100,969	93,426
Total intangible assets	1,640,954	1,497,332
Investments and other assets		
Deferred tax assets	32,819	10,820
Other	1,551,907	1,928,285
Total investments and other assets	1,584,727	1,939,105
Total non-current assets	3,585,267	3,809,232
Total assets	82,799,045	72,302,062
Liabilities		
Current liabilities		
Accounts payable - trade	1,186,073	591,423
Short-term loans payable	32,920,532	18,860,385
Current portion of long-term loans payable	4,047,492	4,613,812
Current portion of bonds	300,000	250,000
Income taxes payable	1,534,573	1,598,698
Advances received	3,831,048	2,471,048
Provision for bonuses	312,660	192,664
Guarantee deposits received	2,063,813	2,086,851
Other	2,147,806	2,440,713
Total current liabilities	48,344,000	33,105,596
Non-current liabilities		
Bonds payable	550,000	400,000
Long-term loans payable	8,035,024	10,279,630
Asset retirement obligations	90,474	104,275
Other	154,884	151,899
Total non-current liabilities	8,830,382	10,935,805
Total liabilities	57,174,382	44,041,402

(Thousands of yen)

	As of September 30, 2017	As of June 30, 2018
Net assets		
Shareholders' equity		
Capital stock	3,095,874	3,095,874
Capital surplus	3,095,543	3,095,543
Retained earnings	21,677,159	22,419,139
Treasury shares	△3,524,170	△1,708,570
Total shareholders' equity	24,344,406	26,901,986
Accumulated other comprehensive income		
Foreign currency translation adjustment	41,043	△35,844
Valuation difference on available-for-sale securities	△170	92,903
Total accumulated other comprehensive income	40,872	57,059
Non-controlling interests	1,239,382	1,301,614
Total net assets	25,624,662	28,260,660
Total liabilities and net assets	82,799,045	72,302,062

(Thousands of yen)

	Nine months ended June 30, 2017	Nine months ended June 30, 2018
Net sales	17,155,843	16,464,961
Cost of sales	2,128,889	2,494,234
Gross profit	15,026,954	13,970,727
Selling, general and administrative expenses	3,689,995	4,269,948
Operating profit	11,336,958	9,700,778
Non-operating income		
Interest income	456,694	210,933
Foreign exchange gains	49,515	—
Real estate rent	85,294	234,862
Share of profit of entities accounted for using equity method	333,300	246,178
Other	19,019	204,923
Total non-operating income	943,825	896,898
Non-operating expenses		
Interest expenses	217,213	484,624
Foreign exchange losses	—	194,449
Commission fee	377,322	410,946
Rent expenses on real estates	6,431	33,966
Other	1,927	47,511
Total non-operating expenses	602,895	1,171,497
Ordinary profit	11,677,888	9,426,179
Extraordinary income		
Gain on sales of non-current assets	3	—
Total extraordinary income	3	—
Extraordinary losses		
Loss on sales of non-current assets	263	—
Loss on retirement of non-current assets	2,879	180
Loss on valuation of shares of subsidiaries and associates	1,039	14,545
Loss on valuation of investments in capital of subsidiaries and associates	204	—
Total extraordinary losses	4,386	14,726
Profit before income taxes	11,673,505	9,411,453
Income taxes - current	2,642,103	2,933,029
Income taxes - deferred	942,141	△188,320
Total income taxes	3,584,244	2,744,708
Profit	8,089,261	6,666,744
Profit attributable to non-controlling interests	16,166	88,567
Profit attributable to owners of parent	8,073,094	6,578,177

(Thousands of yen)

	Nine months ended June 30, 2017	Nine months ended June 30, 2018
Profit	8,089,261	6,666,744
Other comprehensive income		
Valuation difference on available-for-sale securities	△261	93,073
Share of other comprehensive income of entities accounted for using equity method	35,880	△4,339
Foreign currency translation adjustment	152,180	△98,884
Total other comprehensive income	187,799	△10,149
Comprehensive income	8,277,060	6,656,594
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,247,565	6,594,363
Comprehensive income attributable to non-controlling interests	29,494	62,231