

Consolidated Financial Results for the First Quarter ended December 31, 2019(Japanese GAAP) (Summary)

January 31, 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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 Expected date of quarterly report submission: February 12, 2020
 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 ended December 31, 2019 (October 1, 2019 — December 31, 2019)

(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, 2019	3,698	9.5	1,497	15.6	1,579	47.0	1,065	54.8
December 31, 2018	3,377	(23.2)	1,295	(42.9)	1,074	(48.7)	688	(51.9)

(Note) Comprehensive income: Three months ended December 31, 2019: 1,138 million yen; (118.9 %)
 Three months ended December 31, 2018: 519 million yen; [(67.1 %)]

	Net income per share	Diluted net income per share
Three months ended	Yen	Yen
December 31, 2019	12.02	—
December 31, 2018	7.70	—

(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	%
As of December 31, 2019	118,804	29,423	24.5
As of September 30, 2019	125,839	32,981	26.0

(Reference) Shareholders' equity: As of December 31, 2019: 29,165 million yen
 As of September 30, 2019: 32,750million 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, 2019	—	0.00	—	53.00	53.00
September 30, 2020	—				
Fiscal year ending September 30, 2020 (Forecast)		0.00	—	60.10	60.10

(Note) Revision to the latest dividend forecast: No

3. Forecast of consolidated financial results for the year ending September 30, 2020 (October 1, 2019 — September 30, 2020)

(% 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	12,328	9.6	7,244	17.2	7,306	28.7	5,054	28.6	57.04
Annual	24,315	(8.6)	14,045	(2.7)	14,491	0.7	10,100	0.6	113.98

(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, 2019	89,073,600	As of September 30, 2019	90,673,600
b)	Number of treasury shares at the end of the period	As of December 31, 2019	461,610	As of September 30, 2019	2,060,614
c)	Average number of shares during the period	Three months ended December 31, 2019	88,612,921	Three months ended December 31, 2018	89,367,344

(Thousands of yen)

	As of September 30, 2019	As of December 31, 2019
Assets		
Current assets		
Cash and deposits	16,581,080	21,160,344
Accounts receivable - trade	329,460	403,933
Supplies	10,990	13,412
Equity underwritten	75,434,926	71,777,000
Money held in trust(Aircraft for arrangement)	19,109,675	15,623,428
Real estate for arrangement	3,378,278	1,057,412
Operational investment securities	—	702,377
Guarantee deposits	326,700	239,700
Other	5,925,167	3,222,927
Total current assets	121,096,278	114,200,536
Non-current assets		
Property, plant and equipment	316,869	556,589
Intangible assets		
Goodwill	896,584	1,039,293
Other	47,473	48,197
Total intangible assets	944,058	1,087,491
Investments and other assets		
Deferred tax assets	1,691,683	1,295,638
Other	1,790,264	1,664,167
Total investments and other assets	3,481,947	2,959,806
Total non-current assets	4,742,875	4,603,887
Total assets	125,839,153	118,804,423
Liabilities		
Current liabilities		
Accounts payable - trade	351,586	416,744
Short-term borrowings	57,417,133	51,396,335
Commercial papers	2,500,000	7,000,000
Current portion of long-term borrowings	5,629,172	5,770,424
Current portion of bonds	350,000	350,000
Income taxes payable	2,853,602	124,877
Advances received	9,790,970	8,663,065
Provision for bonuses	443,182	327,761
Guarantee deposits received	1,210,843	1,180,689
Other	1,855,032	2,642,088
Total current liabilities	82,401,522	77,871,986
Non-current liabilities		
Long-term borrowings	10,189,220	10,983,810
Asset retirement obligations	104,951	105,072
Provision for retirement benefits	—	5,089
Other	161,811	415,286
Total non-current liabilities	10,455,983	11,509,259
Total liabilities	92,857,505	89,381,245

(Thousands of yen)

	As of September 30, 2019	As of December 31, 2019
Net assets		
Shareholders' equity		
Share capital	3,095,874	3,095,874
Capital surplus	3,045,874	3,045,874
Retained earnings	28,979,730	23,616,293
Treasury shares	△2,231,117	△498,726
Total shareholders' equity	32,890,361	29,259,314
Accumulated other comprehensive income		
Foreign currency translation adjustment	△153,582	△112,389
Valuation difference on available-for-sale securities	13,896	18,734
Total accumulated other comprehensive income	△139,686	△93,654
Non-controlling interests	230,972	257,518
Total net assets	32,981,647	29,423,177
Total liabilities and net assets	125,839,153	118,804,423

(Thousands of yen)

	Three months ended December 31, 2018	Three months ended December 31, 2019
Net sales	3,377,163	3,698,972
Cost of sales	548,987	663,903
Gross profit	2,828,175	3,035,068
Selling, general and administrative expenses	1,532,932	1,537,640
Operating profit	1,295,243	1,497,428
Non-operating income		
Interest income	172,520	202,283
Gain on investments in money held in trust	—	179,496
Rental income from real estate	69,573	37,192
Share of profit of entities accounted for using equity method	—	42,616
Foreign exchange gains	—	2,510
Other	26,758	59,497
Total non-operating income	268,853	523,596
Non-operating expenses		
Interest expenses	145,270	220,240
Commission expenses	203,362	210,450
Foreign exchange losses	83,753	—
Rental expenses on real estate	28,292	6,488
Share of loss of entities accounted for using equity method	23,047	—
Other	5,883	4,028
Total non-operating expenses	489,609	441,207
Ordinary profit	1,074,486	1,579,818
Extraordinary losses		
Impairment loss	21,685	—
Loss on retirement of non-current assets	200	—
Loss on valuation of shares of subsidiaries and associates	4,414	2,775
Total extraordinary losses	26,299	2,775
Profit before income taxes	1,048,187	1,577,042
Income taxes - current	1,237,976	98,476
Income taxes - deferred	△852,340	394,969
Total income taxes	385,635	493,445
Profit	662,551	1,083,596
Profit (loss) attributable to non-controlling interests	△25,500	18,155
Profit attributable to owners of parent	688,052	1,065,441

(Thousands of yen)

	Three months ended December 31, 2018	Three months ended December 31, 2019
Profit	662,551	1,083,596
Other comprehensive income		
Valuation difference on available-for-sale securities	△53,137	4,837
Foreign currency translation adjustment	△72,467	47,301
Share of other comprehensive income of entities accounted for using equity method	△17,182	2,281
Total other comprehensive income	△142,786	54,421
Comprehensive income	519,764	1,138,018
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	559,697	1,111,472
Comprehensive income attributable to non-controlling interests	△39,932	26,545