# Consolidated Financial Results for the Third Quarter ended June 30, 2017 (Japanese GAAP) (Summary)

July 28, 2017

Listed Company Name: **Financial Products Group Co.,Ltd.** URL http://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 10, 2017
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 nine months ended June 30, 2017 (October 1, 2016 ― June 30, 2017)

(1) Consolidated operating results

(% 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, 2017 | 17,155 | 16.7 | 11,336 | 19.6 | 11,677 | 21.7 | 8,073 | 30.7 |
| June 30, 2016 | 14,696 | 21.0 | 9,475 | 10.5 | 9,592 | 10.8 | 6,178 | 11.8 |

(Note) Comprehensive income: Nine months ended June 30, 2017: 8,277 million yen; (38.2 %)
Nine months ended June 30, 2016: 5,988 million yen; (8.1 %)

| | Net income per share | Diluted net income per share |
|---|---|---|
| Nine months ended | Yen | Yen |
| June 30, 2017 | 89.73 | 89.39 |
| June 30, 2016 | 67.68 | 67.34 |

(2) Consolidated financial position

| | Total assets | Net assets | Shareholders' equity／Total assets |
|---|---|---|---|
| | Millions of yen | Millions of yen | % |
| As of June 30, 2017 | 73,383 | 24,062 | 31.1 |
| As of September 30, 2016 | 81,222 | 17,809 | 21.8 |

(Reference) Shareholders' equity: As of June 30, 2017: 22,819 million yen
As of September 30, 2016: 17,708 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, 2016 | ― | 0.00 | ― | 35.50 | 35.50 |
| September 30, 2017 | ― | 0.00 | ― | | |
| Fiscal year ending September 30,2017 (Forecast) | | | | 37.15 | 37.15 |

(Note) Revision to the latest dividend forecast: No

3. Forecast of consolidated financial results for the year ending September 30, 2017 (October 1, 2016 ― September 30, 2017)

(% 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 | 21,234 | 12.4 | 13,302 | 12.2 | 13,264 | 11.4 | 9,150 | 19.7 | 101.66 |

(Note) Revision to the latest consolidated financial results forecast: Yes

* Notes

(1) Material changes in subsidiaries during this period
(Changes in scope of consolidations resulting from change in subsidiaries) : Yes
Newly consolidated: 2 (Company name) FPG Raffles Holdings Pte. Ltd. FPG Raffles Pte. Ltd.
Excluded: 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 (common stock)

| | | | | | |
|---|---|---|---|---|---|
| a) | Number of issued and outstanding shares at the end of the period (including treasury stock) | As of June 30, 2017 | 94,569,600 | As of September 30, 2016 | 94,461,600 |
| b) | Number of treasury stock at the end of the period | As of June 30, 2017 | 4,506,692 | As of September 30, 2016 | 4,506,692 |
| c) | Average number of shares | Nine month ended June 30, 2017 | 89,973,501 | Nine month ended June 30, 2016 | 91,289,813 |

(Thousands of yen)

| | As of September 30, 2016 | As of June 30, 2017 |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash and deposits | 8,671,729 | 30,575,217 |
| Accounts receivable - trade | 289,634 | 415,843 |
| Supplies | 8,705 | 11,623 |
| Equity underwritten | 57,121,772 | 22,960,269 |
| Real estate for arrangement | 2,461,991 | 5,957,794 |
| Money held in trust(Aircraft for arrangement) | — | 5,110,672 |
| Containers for arrangement | — | 578,200 |
| Deferred tax assets | 1,752,942 | 816,662 |
| Guarantee deposits | 3,323,523 | 1,127,376 |
| Other | 4,707,837 | 2,340,969 |
| Total current assets | 78,338,136 | 69,894,628 |
| Non-current assets | | |
| Property, plant and equipment | 443,317 | 404,395 |
| Intangible assets | | |
| Goodwill | 1,192,526 | 1,554,434 |
| Other | 66,916 | 118,066 |
| Total intangible assets | 1,259,442 | 1,672,500 |
| Investments and other assets | | |
| Deferred tax assets | 38,018 | 33,124 |
| Other | 1,122,770 | 1,378,572 |
| Total investments and other assets | 1,160,788 | 1,411,697 |
| Total non-current assets | 2,863,548 | 3,488,593 |
| Deferred assets | | |
| Business commencement expenses | 20,797 | — |
| Total deferred assets | 20,797 | — |
| Total assets | 81,222,482 | 73,383,221 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 190,657 | 1,056,662 |
| Short-term loans payable | 31,777,200 | 24,452,015 |
| Commercial papers | 4,000,000 | — |
| Current portion of long-term loans payable | 2,014,792 | 4,018,842 |
| Current portion of bonds | 300,000 | 300,000 |
| Income taxes payable | 2,354,563 | 1,294,416 |
| Advances received | 10,575,516 | 4,017,073 |
| Provision for bonuses | 287,302 | 148,478 |
| Guarantee deposits received | 3,666,374 | 2,261,941 |
| Other | 4,076,129 | 1,875,363 |
| Total current liabilities | 59,242,534 | 39,424,792 |
| Non-current liabilities | | |
| Bonds payable | 850,000 | 650,000 |
| Long-term loans payable | 3,087,516 | 8,991,772 |
| Asset retirement obligations | 98,054 | 95,667 |
| Other | 134,807 | 158,945 |
| Total non-current liabilities | 4,170,378 | 9,896,384 |
| Total liabilities | 63,412,913 | 49,321,177 |

(Thousands of yen)

| | As of September 30, 2016 | As of June 30, 2017 |
|---|---|---|
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 3,091,176 | 3,094,308 |
| Capital surplus | 3,041,176 | 3,093,977 |
| Retained earnings | 15,289,763 | 20,169,459 |
| Treasury shares | △3,524,170 | △3,524,170 |
| Total shareholders' equity | 17,897,945 | 22,833,574 |
| Accumulated other comprehensive income | | |
| Foreign currency translation adjustment | △189,127 | △14,394 |
| Valuation difference on available-for-sale securities | 148 | △113 |
| Total accumulated other comprehensive income | △188,978 | △14,508 |
| Non-controlling interests | 100,602 | 1,242,977 |
| Total net assets | 17,809,569 | 24,062,044 |
| Total liabilities and net assets | 81,222,482 | 73,383,221 |

(Thousands of yen)

| | Nine months ended June 30, 2016 | Nine months ended June 30, 2017 |
|---|---|---|
| Net sales | 14,696,666 | 17,155,843 |
| Cost of sales | 1,914,981 | 2,128,889 |
| Gross profit | 12,781,685 | 15,026,954 |
| Selling, general and administrative expenses | 3,306,227 | 3,689,995 |
| Operating income | 9,475,458 | 11,336,958 |
| Non-operating income | | |
| Interest income | 509,781 | 456,694 |
| Foreign exchange gains | — | 49,515 |
| Real estate rent | 70,599 | 85,294 |
| Share of profit of entities accounted for using equity method | 189,857 | 333,300 |
| Other | 6,507 | 19,019 |
| Total non-operating income | 776,746 | 943,825 |
| Non-operating expenses | | |
| Interest expenses | 240,276 | 217,213 |
| Commission for purchase of treasury shares | 27,128 | — |
| Foreign exchange losses | 108,418 | — |
| Commission fee | 264,634 | 377,322 |
| Rent expenses on real estates | 17,893 | 6,431 |
| Other | 1,025 | 1,927 |
| Total non-operating expenses | 659,376 | 602,895 |
| Ordinary income | 9,592,828 | 11,677,888 |
| Extraordinary income | | |
| Gain on sales of non-current assets | — | 3 |
| Total extraordinary income | — | 3 |
| Extraordinary losses | | |
| Impairment loss | 144,047 | — |
| Loss on sales and retirement of non-current assets | — | 263 |
| Loss on retirement of non-current assets | 192 | 2,879 |
| Loss on valuation of shares of subsidiaries and associates | 2,622 | 1,039 |
| Loss on valuation of investments in capital of subsidiaries and associates | 295 | 204 |
| Loss on valuation of membership | 9,477 | — |
| Total extraordinary losses | 156,634 | 4,386 |
| Profit before income taxes | 9,436,194 | 11,673,505 |
| Income taxes - current | 3,777,800 | 2,642,103 |
| Income taxes - deferred | △540,747 | 942,141 |
| Total income taxes | 3,237,052 | 3,584,244 |
| Profit | 6,199,141 | 8,089,261 |
| Profit attributable to non-controlling interests | 20,782 | 16,166 |
| Profit attributable to owners of parent | 6,178,359 | 8,073,094 |

(Thousands of yen)

| | Nine months ended June 30, 2016 | Nine months ended June 30, 2017 |
|---|---|---|
| Profit | 6,199,141 | 8,089,261 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 262 | △261 |
| Share of other comprehensive income of entities accounted for using equity method | △38,623 | 35,880 |
| Foreign currency translation adjustment | △171,827 | 152,180 |
| Total other comprehensive income | △210,189 | 187,799 |
| Comprehensive income | 5,988,952 | 8,277,060 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 5,983,235 | 8,247,565 |
| Comprehensive income attributable to non-controlling interests | 5,717 | 29,494 |