Consolidated Financial Results for the Fiscal Year ended September 30, 2017 (Japanese GAAP) (Summary)

October 31, 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
Contact: Kenji Kubode, Managing Executive Officer Phone: +81-3- 5288-5691
Scheduled date of ordinary general meeting of shareholders: December 19, 2017
Scheduled date of payment of year-end dividends: December 20, 2017
Expected date of annual securities report submission: December 20, 2017
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, 2017 (October 1, 2016 － September 30, 2017)

(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, 2017	21,071	11.5	13,417	13.2	13,711	15.2	9,580	25.3
September 30, 2016	18,894	23.4	11,853	17.6	11,906	18.4	7,644	20.5

(Notes) Comprehensive income: Fiscal year ended September 30, 2017: 9,836 million yen (31.9 %)
Fiscal year ended September 30, 2016: 7,457 million yen (17.2 %)

	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, 2017	106.44	106.08	45.5	16.7	63.7
September 30, 2016	84.05	83.65	45.2	15.8	62.7

(Reference) Equity in earnings (losses) of affiliates: Fiscal year ended September 30, 2017: 431million yen
Fiscal year ended September 30, 2016: 218million yen

(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, 2017	82,799	25,624	29.5	270.60
As of September 30, 2016	81,222	17,809	21.8	196.86

(Reference) Shareholders' equity: As of September 30, 2017: 24,385 million yen
As of September 30, 2016: 17,708 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, 2017	3,030	(25)	741	12,602
September 30, 2016	(1,692)	(414)	3,578	8,671

2. Dividends

	Dividends per share					Total dividends (Annual)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	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	Millions of yen	%	%
September 30, 2016	－	0.00	－	35.50	35.50	3,193	42.2	19.3
September 30, 2017	－	0.00	－	45.80	45.80	4,127	43.0	19.6
Fiscal year ending September 30,2018 (Forecast)	－	0.00	－	49.25	49.25		43.0	

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
First half	10,519	(13.3)	6,156	(25.5)	6,066	(28.3)	4,186	(28.4)	46.45
Annual	23,701	12.5	14,753	10.0	14,928	8.9	10,313	7.6	114.45

* 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.

(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, 2017	94,623,600	As of September 30, 2016	94,461,600
b) Number of treasury shares at the end of the period	As of September 30, 2017	4,506,692	As of September 30, 2016	4,506,692
c) Average number of shares	Fiscal year ended September 30, 2017	90,007,724	Fiscal year ended September 30, 2016	90,954,263

(Reference) Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended September 30, 2017 (October 1, 2016 － September 30, 2017)

(1) Non-consolidated operating results

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

	Net sales		Operating income		Ordinary income		Net income	
Fiscal Year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2017	19,872	12.5	13,621	13.2	13,649	12.6	9,506	21.2
September 30, 2016	17,671	20.8	12,034	17.2	12,127	17.4	7,846	18.3

	Net income per share	Fully diluted net income per share
Fiscal year ended	Yen	Yen
September 30, 2017	105.62	105.26
September 30, 2016	86.27	85.86

(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, 2017	76,965	24,599	32.0	272.98
As of September 30, 2016	74,829	18,277	24.4	203.18

(Reference) Shareholders' equity: As of September 30, 2017: 24,599 million yen
As of September 30, 2016: 18,277 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, 2016	As of September 30, 2017
Assets [abstract]		
Current assets [abstract]		
Cash and deposits	8,671,729	12,602,763
Accounts receivable-trade	289,634	408,359
Supplies	8,705	11,268
Equity underwritten	57,121,772	19,031,725
Money held in trust(Aircraft for arrangement)-CA	—	31,349,396
Containers for arrangement	—	2,006,264
Real estate for arrangement	2,461,991	9,753,618
Deferred tax assets-CA	1,752,942	506,562
Guarantee deposits-CA	3,323,523	1,345,321
Other-CA	4,707,837	2,198,498
Current assets	78,338,136	79,213,778
Non-current assets [abstract]		
Property, plant and equipment [abstract]		
Facilities attached to buildings, net	205,439	162,603
Vehicles, net	27,724	—
Tools, furniture and fixtures, net	174,225	161,054
Land	35,927	35,927
Property, plant and equipment	443,317	359,584
Intangible assets [abstract]		
Goodwill	1,192,526	1,539,985
Other-IA	66,916	100,969
Intangible assets	1,259,442	1,640,954
Investments and other assets [abstract]		
Investment securities	26,765	66,250
Shares of subsidiaries and associates	631,720	1,009,336
Deferred tax assets-IOA	38,018	32,819
Lease and guarantee deposits	399,645	413,437
Other-IOA	64,639	62,884
Investments and other assets	1,160,788	1,584,727
Non-current assets	2,863,548	3,585,267
Deferred assets [abstract]		
Business commencement expenses-DA	20,797	—
Deferred assets	20,797	—
Assets	81,222,482	82,799,045

(Thousands of yen)

	As of September 30, 2016	As of September 30, 2017
Liabilities [abstract]		
Current liabilities [abstract]		
Accounts payable-trade	190,657	1,186,073
Short-term loans payable	31,777,200	32,920,532
Commercial papers-liabilities	4,000,000	—
Current portion of long-term loans payable	2,014,792	4,047,492
Current portion of bonds	300,000	300,000
Income taxes payable	2,354,563	1,534,573
Advances received	10,575,516	3,831,048
Provision for bonuses	287,302	312,660
Guarantee deposits received-CL	3,666,374	2,063,813
Other-CL	4,076,129	2,147,806
Current liabilities	59,242,534	48,344,000
Non-current liabilities [abstract]		
Bonds payable	850,000	550,000
Long-term loans payable	3,087,516	8,035,024
Asset retirement obligations-NCL	98,054	90,474
Other-NCL	134,807	154,884
Non-current liabilities	4,170,378	8,830,382
Liabilities	63,412,913	57,174,382
Net assets [abstract]		
Shareholders' equity [abstract]		
Capital stock	3,091,176	3,095,874
Capital surplus	3,041,176	3,095,543
Retained earnings	15,289,763	21,677,159
Treasury shares	△3,524,170	△3,524,170
Shareholders' equity	17,897,945	24,344,406
Valuation and translation adjustments [abstract]		
Foreign currency translation adjustment	△189,127	41,043
Valuation difference on available-for-sale securities	148	△170
Valuation and translation adjustments	△188,978	40,872
Non-controlling interests	100,602	1,239,382
Net assets	17,809,569	25,624,662
Liabilities and net assets	81,222,482	82,799,045

(Thousands of yen)

	Fiscal year ended September 30, 2016	Fiscal year ended September 30, 2017
Net sales	18,894,969	21,071,805
Cost of sales	2,536,996	2,574,645
Gross profit (loss)	16,357,973	18,497,160
Selling, general and administrative expenses	4,504,503	5,079,473
Operating profit (loss)	11,853,469	13,417,686
Non-operating income [abstract]		
Interest income-NOI	694,446	491,569
Foreign exchange gains-NOI	—	123,441
Real estate rent-NOI	93,439	137,498
Share of profit of entities accounted for using equity method-NOI	218,303	431,107
Other-NOI	15,433	33,915
Non-operating income	1,021,622	1,217,531
Non-operating expenses [abstract]		
Interest expenses-NOE	318,443	320,716
Commission for purchase of treasury shares-NOE	27,128	—
Foreign exchange losses-NOE	108,312	—
Commission fee-NOE	494,241	584,285
Rent expenses on real estates-NOE	19,933	9,147
Other-NOE	1,025	9,871
Non-operating expenses	969,085	924,020
Ordinary profit (loss)	11,906,006	13,711,196
Extraordinary income [abstract]		
Gain on sales of non-current assets-EI	—	3
Extraordinary income	—	3
Extraordinary losses [abstract]		
Impairment loss-EL	144,047	—
Loss on sales of non-current assets-EL	—	877
Loss on retirement of non-current assets-EL	192	2,879
Loss on valuation of shares of subsidiaries and associates-EL	5,672	4,278
Loss on valuation of investments in capital of subsidiaries and associates-EL	295	204
Loss on sales of shares of subsidiaries and associates-EL	16,007	—
Loss on valuation of membership-EL	9,477	—
Extraordinary losses	175,691	8,240
Profit (loss) before income taxes	11,730,314	13,702,960
Income taxes-current	4,370,289	2,867,213
Income taxes-deferred	△316,600	1,255,358
Income taxes	4,053,688	4,122,571
Profit (loss) (after amendment dated 2014-03-28)	7,676,625	9,580,388
Profit (loss) attributable to non-controlling interests	32,055	△406
Profit (loss) attributable to owners of parent	7,644,570	9,580,795

(Thousands of yen)

	Fiscal year ended September 30, 2016	Fiscal year ended September 30, 2017
Profit (loss) (after amendment dated 2014-03-28)	7,676,625	9,580,388
Other comprehensive income [abstract]		
Valuation difference on available-for-sale securities, net of tax-OCI	115	△318
Foreign currency translation adjustment, net of tax-OCI	△182,661	217,164
Share of other comprehensive income of entities accounted for using equity method-OCI	△36,525	39,312
Other comprehensive income	△219,071	256,158
Comprehensive income	7,457,553	9,836,546
Comprehensive income attributable to [abstract]		
Comprehensive income attributable to owners of parent	7,441,893	9,810,646
Comprehensive income attributable to non-controlling interests	15,660	25,899

(Thousands of yen)

	Fiscal year ended September 30, 2016	Fiscal year ended September 30, 2017
Cash flows from operating activities [abstract]		
Profit (loss) before income taxes	11,730,314	13,702,960
Depreciation-OpeCF	96,596	145,331
Amortization of goodwill-OpeCF	123,703	133,221
Impairment loss-OpeCF	144,047	—
Amortization of business commencement expenses-OpeCF	40,927	20,797
Loss on valuation of shares of subsidiaries and associates-OpeCF	5,672	4,278
Loss on valuation of investments in capital of subsidiaries and affiliates -OpeCF	295	204
Loss (gain) on sales of shares of subsidiaries and associates-OpeCF	16,007	—
Loss on retirement of non-current assets-OpeCF	192	2,879
Increase (decrease) in provision for bonuses-OpeCF	103,021	13,496
Interest income-OpeCF	△694,446	△491,569
Interest expenses-OpeCF	318,443	320,716
Commission fee-OpeCF	521,370	584,285
Foreign exchange losses (gains)-OpeCF	119,905	△70,203
Share of (profit) loss of entities accounted for using equity method-OpeCF	△218,303	△431,107
Decrease (increase) in notes and accounts receivable-trade-OpeCF	△183,089	△89,353
Increase(decrease) in equity underwritten -OpeCF	△10,598,944	38,090,047
Increase(decrease)in money held in trust -OpeCF	—	△31,349,396
Increase(decrease) in real estates for arrangement -OpeCF	△887,672	△7,291,627
Increase(decrease) in containers for arrangemen-OpeCF	—	△1,980,283
Decrease (increase) in guarantee deposits-OpeCF	1,648,841	1,978,202
Guarantee Deposits Received-OpeCF	△1,786,926	△1,602,560
Decrease (increase) in lease and guarantee deposits-OpeCF	20,000	—
Increase (decrease) in notes and accounts payable-trade-OpeCF	50,516	906,001
Increase (decrease) in advances received-OpeCF	3,199,289	△6,776,477
Other, net-OpeCF	△596,669	468,722
Subtotal-OpeCF	3,173,093	6,288,566
Interest and dividend income received-OpeCF/InvCF	918,293	720,078
Interest expenses paid-OpeCF/FinCF	△314,457	△286,814
Income taxes paid-OpeCF	△5,469,567	△3,690,848
Net cash provided by (used in) operating activities	△1,692,637	3,030,982
Cash flows from investing activities [abstract]		
Purchase of property, plant and	△144,593	△36,709

equipment-InvCF		
Purchase of intangible assets-InvCF	△35,082	△23,178
Purchase of shares of subsidiaries and associates-InvCF	△191,377	△140,001
Proceeds from sales of property, plant and equipment-InvCF	－	17,775
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation-InvCF	△26,547	－
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation-InvCF	－	136,649
Payments for lease and guarantee deposits-InvCF	△24,214	△2,325
Proceeds from liquidation of subsidiaries-InvCF	－	27,688
Proceeds from collection of lease and guarantee deposits-InvCF	1,307	2,186
Payments of loans receivable-InvCF	△4,466,840	－
Collection of loans receivable-InvCF	4,470,220	－
Other proceeds-InvCF	20,335	33,457
Other payments-InvCF	△17,918	△40,691
Net cash provided by (used in) investing activities	△414,710	△25,147

(Thousands of yen)

	Fiscal year ended September 30, 2016	Fiscal year ended September 30, 2017
Cash flows from financing activities [abstract]		
Proceeds from share issuance to non-controlling shareholders-FinCF	—	657,649
Net increase (decrease) in short-term loans payable-FinCF	7,670,800	1,161,603
Net increase (decrease) in commercial papers-FinCF	1,200,000	△4,000,000
Proceeds from long-term loans payable-FinCF	4,000,000	9,950,000
Repayments of long-term loans payable-FinCF	△2,621,092	△2,969,792
Redemption of bonds-FinCF	△310,000	△300,000
Proceeds from issuance of common shares-FinCF	9,396	9,396
Cash dividends paid-FinCF	△2,309,477	△3,193,399
Commission fee paid-FinCF	△537,309	△573,958
Purchase of treasury shares-FinCF	△3,523,526	—
Net cash provided by (used in) financing activities	3,578,790	741,499
Effect of exchange rate change on cash and cash equivalents	△184,157	183,700
Net increase (decrease) in cash and cash equivalents	1,287,285	3,931,034
Cash and cash equivalents	7,384,443	8,671,729
Cash and cash equivalents	8,671,729	12,602,763