Consolidated Financial Results for the First Quarter ended December 31, 2017(Japanese GAAP) (Summary)

January 31, 2018

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: February 9, 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 first quarter ended December 31, 2017 (October 1, 2017 － December 31, 2017)

(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, 2017	4,394	(7.3)	2,268	(24.9)	2,094	(35.4)	1,431	(35.7)
December 31, 2016	4,743	(18.2)	3,020	(26.2)	3,240	(22.7)	2,227	(19.1)

(Note) Comprehensive income: Three months ended December 31, 2017: 1,580 million yen; (33.2%)
Three months ended December 31, 2016: 2,367 million yen; (14.1 %)

	Net income per share	Fully diluted net income per share
Three months ended	Yen	Yen
December 31, 2017	15.88	15.85
December 31, 2016	24.76	24.66

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2017	95,635	23,077	22.8
As of September 30, 2017	82,799	25,624	29.5

(Reference) Shareholders' equity: As of December 31, 2017: 21,803 million yen
As of September 30, 2017: 24,385million 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	－				
Fiscal year ending September 30,2018 (Forecast)		0.00	－	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
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

(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, 2017	92,373,600	As of September 30, 2017	94,623,600
b)	Number of treasury shares at the end of the period	As of December 31, 2017	2,256,692	As of September 30, 2017	4,506,692
c)	Average number of shares during the period	Three months ended December 31, 2017	90,116,908	Three months ended December 31, 2016	89,954,908

(Thousands of yen)

	As of September 30, 2017	As of December 31, 2017
Assets		
Current assets		
Cash and deposits	12,602,763	15,408,441
Accounts receivable - trade	408,359	513,873
Supplies	11,268	10,816
Equity underwritten	19,031,725	27,796,718
Money held in trust(Aircraft for arrangement)	31,349,396	30,642,299
Containers for arrangement	2,006,264	1,898,662
Real estate for arrangement	9,753,618	10,385,764
Deferred tax assets	506,562	911,573
Guarantee deposits	1,345,321	1,647,660
Other	2,198,498	2,784,094
Total current assets	79,213,778	91,999,905
Non-current assets		
Property, plant and equipment	359,584	391,190
Intangible assets		
Goodwill	1,539,985	1,510,701
Other	100,969	96,245
Total intangible assets	1,640,954	1,606,946
Investments and other assets		
Deferred tax assets	32,819	3,202
Other	1,551,907	1,634,508
Total investments and other assets	1,584,727	1,637,710
Total non-current assets	3,585,267	3,635,848
Total assets	82,799,045	95,635,753
Liabilities		
Current liabilities		
Accounts payable - trade	1,186,073	940,489
Short-term loans payable	32,920,532	45,051,866
Commercial papers	—	1,000,000
Current portion of long-term loans payable	4,047,492	4,503,242
Current portion of bonds	300,000	300,000
Income taxes payable	1,534,573	1,148,654
Advances received	3,831,048	5,200,368
Provision for bonuses	312,660	142,246
Guarantee deposits received	2,063,813	1,812,461
Other	2,147,806	2,892,224
Total current liabilities	48,344,000	62,991,553
Non-current liabilities		
Bonds payable	550,000	500,000
Long-term loans payable	8,035,024	8,823,776
Asset retirement obligations	90,474	104,007
Other	154,884	138,592
Total non-current liabilities	8,830,382	9,566,375
Total liabilities	57,174,382	72,557,929

(Thousands of yen)

	As of September 30, 2017	As of December 31, 2017
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	17,221,570
Treasury shares	△3,524,170	△1,764,701
Total shareholders' equity	24,344,406	21,648,285
Accumulated other comprehensive income		
Foreign currency translation adjustment	41,043	65,244
Valuation difference on available-for-sale securities	△170	90,153
Total accumulated other comprehensive income	40,872	155,397
Non-controlling interests	1,239,382	1,274,140
Total net assets	25,624,662	23,077,823
Total liabilities and net assets	82,799,045	95,635,753

(Thousands of yen)

	Three months ended December 31, 2016	Three months ended December 31, 2017
Net sales	4,743,218	4,394,983
Cost of sales	550,745	718,234
Gross profit	4,192,472	3,676,748
Selling, general and administrative expenses	1,171,978	1,407,889
Operating profit	3,020,494	2,268,859
Non-operating income		
Interest income	169,762	67,349
Foreign exchange gains	47,827	－
Real estate rent	12,074	82,471
Share of profit of entities accounted for using equity method	71,276	62,827
Other	8,909	29,734
Total non-operating income	309,850	242,381
Non-operating expenses		
Interest expenses	61,615	191,623
Foreign exchange losses	-	28,673
Commission fee	26,601	187,146
Rent expenses on real estates	1,025	4,776
Other	314	4,582
Total non-operating expenses	89,556	416,801
Ordinary profit	3,240,788	2,094,439
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	－
Loss on valuation of shares of subsidiaries and associates	1,039	2,033
Loss on valuation of investments in capital of subsidiaries and associates	204	－
Total extraordinary losses	4,386	2,033
Profit before income taxes	3,236,405	2,092,406
Income taxes - current	426,534	1,042,430
Income taxes - deferred	572,871	△409,493
Total income taxes	999,405	632,937
Profit	2,237,000	1,459,469
Profit attributable to non-controlling interests	9,816	28,235
Profit attributable to owners of parent	2,227,183	1,431,233

(Thousands of yen)

	Three months ended December 31, 2016	Three months ended December 31, 2017
Profit	2,237,000	1,459,469
Other comprehensive income		
Valuation difference on available-for-sale securities	△188	90,324
Foreign currency translation adjustment	82,678	31,021
Share of other comprehensive income of entities accounted for using equity method	48,010	△299
Total other comprehensive income	130,500	121,046
Comprehensive income	2,367,500	1,580,515
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,350,236	1,545,758
Comprehensive income attributable to non-controlling interests	17,264	34,757