Consolidated Financial Results for the First Quarter ended December 31, 2018(Japanese GAAP) (Summary)

January 31, 2019

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, 2019
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, 2018 (October 1, 2018 ― December 31, 2018)

(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, 2018	3,377	(23.2)	1,295	(42.9)	1,074	(48.7)	688	(51.9)
December 31, 2017	4,394	(7.3)	2,268	(24.9)	2,094	(35.4)	1,431	(35.7)

(Note) Comprehensive income: Three months ended December 31, 2018: 519 million yen; (67.1%)
Three months ended December 31, 2017:1,580 million yen; (33.2 %)

	Net income per share	Diluted net income per share
Three months ended	Yen	Yen
December 31, 2018	7.70	―
December 31, 2017	15.88	15.85

(Note) Diluted net income per share for the first quarter of the year ending September 2019 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, 2018	141,599	23,687	16.6
As of September 30, 2018	85,141	29,747	34.5

(Reference) Shareholders' equity: As of December 31, 2018: 23,458million yen
As of September 30, 2018: 29,403million 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, 2018	―	0.00	―	49.25	49.25
September 30, 2019	―				
Fiscal year ending September 30,2019 (Forecast)		0.00	―	53.00	53.00

(Note) Revision to the latest dividend forecast: No

3. Forecast of consolidated financial results for the year ending September 30, 2019 (October 1, 2018 ― September 30, 2019)

(% 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	12,306	11.6	7,023	7.2	6,831	9.1	4,734	8.7	53.21
Annual	25,035	13.6	14,524	11.2	14,453	14.5	10,030	11.6	112.99

(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, 2018	90,673,600	As of September 30, 2018	92,373,600
b)	Number of treasury shares at the end of the period	As of December 31, 2018	2,093,064	As of September 30, 2018	2,185,782
c)	Average number of shares during the period	Three months ended December 31, 2018	89,367,344	Three months ended December 31, 2017	90,116,908

(Thousands of yen)

	As of September 30, 2018	As of December 31, 2018
Assets		
Current assets		
Cash and deposits	13,338,190	23,184,818
Accounts receivable - trade	631,594	536,353
Supplies	8,686	11,380
Equity underwritten	40,508,516	83,989,749
Money held in trust(Aircraft for arrangement)	13,879,470	13,415,712
Real estate for arrangement	7,222,721	9,968,946
Guarantee deposits	1,809,503	2,103,059
Other	3,245,224	3,189,731
Total current assets	80,643,907	136,399,751
Non-current assets		
Property, plant and equipment	366,031	354,533
Intangible assets		
Goodwill	1,054,553	1,005,175
Other	63,122	40,524
Total intangible assets	1,117,676	1,045,699
Investments and other assets		
Deferred tax assets	1,092,438	1,967,392
Other	1,921,428	1,831,632
Total investments and other assets	3,013,866	3,799,024
Total non-current assets	4,497,574	5,199,257
Total assets	85,141,481	141,599,009
Liabilities		
Current liabilities		
Accounts payable - trade	601,874	525,816
Short-term loans payable	27,765,147	81,024,539
Commercial papers	—	5,500,000
Current portion of long-term loans payable	4,763,312	4,920,812
Current portion of bonds	200,000	150,000
Income taxes payable	2,939,194	1,297,726
Advances received	6,233,986	12,276,401
Provision for bonuses	350,252	279,700
Guarantee deposits received	2,024,459	1,600,341
Other	2,517,845	2,731,659
Total current liabilities	47,396,073	110,306,998
Non-current liabilities		
Bonds payable	350,000	350,000
Long-term loans payable	7,410,052	7,022,974
Asset retirement obligations	104,410	104,545
Other	133,650	126,769
Total non-current liabilities	7,998,113	7,604,288
Total liabilities	55,394,186	117,911,286

(Thousands of yen)

	As of September 30, 2018	As of December 31, 2018
Net assets		
Shareholders' equity		
Capital stock	3,095,874	3,095,874
Capital surplus	3,095,543	3,045,874
Retained earnings	24,830,157	19,628,282
Treasury shares	△1,708,570	△2,274,316
Total shareholders' equity	29,313,004	23,495,713
Accumulated other comprehensive income		
Foreign currency translation adjustment	9,358	△65,859
Valuation difference on available-for-sale securities	81,466	28,329
Total accumulated other comprehensive income	90,825	△37,529
Non-controlling interests	343,465	229,539
Total net assets	29,747,295	23,687,722
Total liabilities and net assets	85,141,481	141,599,009

(Thousands of yen)

	Three months ended December 31, 2017	Three months ended December 31, 2018
Net sales	4,394,983	3,377,163
Cost of sales	718,234	548,987
Gross profit	3,676,748	2,828,175
Selling, general and administrative expenses	1,407,889	1,532,932
Operating profit	2,268,859	1,295,243
Non-operating income		
Interest income	67,349	172,520
Real estate rent	82,471	69,573
Share of profit of entities accounted for using equity method	62,827	—
Other	29,734	26,758
Total non-operating income	242,381	268,853
Non-operating expenses		
Interest expenses	191,623	145,270
Foreign exchange losses	28,673	83,753
Commission fee	187,146	203,362
Rent expenses on real estates	4,776	28,292
Share of loss of entities accounted for using equity method	—	23,047
Other	4,582	5,883
Total non-operating expenses	416,801	489,609
Ordinary profit	2,094,439	1,074,486
Extraordinary losses		
Impairment loss	—	21,685
Loss on retirement of non-current assets	—	200
Loss on valuation of shares of subsidiaries and associates	2,033	4,414
Total extraordinary losses	2,033	26,299
Profit before income taxes	2,092,406	1,048,187
Income taxes - current	1,042,430	1,237,976
Income taxes - deferred	△409,493	△852,340
Total income taxes	632,937	385,635
Profit	1,459,469	662,551
Profit (loss) attributable to non-controlling interests	28,235	△25,500
Profit attributable to owners of parent	1,431,233	688,052

(Thousands of yen)

	Three months ended December 31, 2017	Three months ended December 31, 2018
Profit	1,459,469	662,551
Other comprehensive income		
Valuation difference on available-for-sale securities	90,324	△53,137
Foreign currency translation adjustment	31,021	△72,467
Share of other comprehensive income of entities accounted for using equity method	△299	△17,182
Total other comprehensive income	121,046	△142,786
Comprehensive income	1,580,515	519,764
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,545,758	559,697
Comprehensive income attributable to non-controlling interests	34,757	△39,932