April 21, 2020

Company: Financial Products Group Co., Ltd.
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Notice of Change to Dividend Policy for the fiscal year ending September 2020 and Revision of Dividend Forecast

Financial Products Group Co., Ltd. (FPG) announced at the special meeting of the Board of Directors held on April 21, 2020 the decision to change the dividend policy for the fiscal year ending September 2020 and revise the year-end dividend forecast for the fiscal year ending September 2020, as follows.

1. Details and Reasons for the Changes to the Dividend Policy

As announced in the "Notice Regarding Introduction of New Shareholder Return Policy Framework and Change of Dividend Policy" dated October 31, 2018, The FPG's dividend policy is to maintain ROE at around 30% and aim for a DOE (dividends on equity) of 15% or more in order to operate with further emphasis on shareholder return, while continuing to achieve high profitability. However, as described in today's announcement of "Notice Regarding Downward Revision of Consolidated Financial Results Forecast for the Fiscal Year Ending September 2020", the global spread of the novel coronavirus infection will undoubtedly affect the performance of our mainstay business, the Leasing Arrangement Business. Therefore, FPG has regrettably decided to prioritize the stabilization of management, adjust the dividend based on the forecast profit levels after downward revision, and change the dividend policy and the year-end dividends forecast for the fiscal year ending September 2020 as described in "2. Details and Reasons for the Revision of the Dividend Forecast" below. FPG will continue to provide shareholder returns through share buybacks.

(Previous Dividend Policy)
To maintain ROE at around 30% and aim for a DOE (dividends on equity) of 15% or more

(Revised Dividend Policy for the fiscal year ending September 2020)
To maintain ROE at around 10% and aim for a DOE (dividends on equity) of 8% or more

2. Details and Reasons for the Revision of the Dividend Forecast

Based on the revised dividend policy as described in "1. Details and Reasons for the Changes to the Dividend Policy" above, FPG will revise the year-end dividend forecast for September 2020 as follows.

	Annual dividend per share			Payout ratio (consolidated)
	End of 2nd quarter	End of fiscal year	Total	
Previous forecast (announced on October 31, 2019)	0.00 yen	60.10 yen	60.10 yen	52.7%
Revised forecast	0.00 yen	30.00 yen	30.00 yen	78.2%
Current year results				
Previous year results (fiscal year ending September 2019)	0.00 yen	53.00 yen	53.00 yen	46.9%

(Note) The revised forecast for Payout ratio (consolidated) does not reflect the impact of the acquisition of treasury shares based on the "Notice Regarding the Acquisition of Treasury Shares" announced today.