Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending September 30, 2020 (Japanese GAAP)(Summary)

July 31, 2020

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
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Expected date of quarterly report submission: August 7, 2020
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 Third quarter of the Fiscal Year Ending September 30, 2020 (October 1, 2019 ― June 30, 2020)

(1) Consolidated operating results (cumulative) (% 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, 2020	9,905	(50.6)	2,731	(73.8)	2,672	(72.8)	1,797	(73.7)
June 30, 2019	20,049	21.8	10,418	7.4	9,843	4.4	6,845	4.1

(Note) Comprehensive income: Nine months ended June 30, 2020: 1,848 million yen;[(72.2%)]
Nine months ended June 30, 2019: 6,639 million yen;[(0.3%)]

	Net income per share	Diluted net income per share
Nine months ended	Yen	Yen
June 30, 2020	20.36	―
June 30, 2019	77.04	―

(Note) Diluted net income per share 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 June 30, 2020	150,139	28,133	18.6
As of September 30, 2019	125,839	32,981	26.0

(Reference) Shareholders' equity: As of June 30, 2020: 27,867 million yen
As of September 30, 2019: 32,750 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, 2019	―	0.00	―	53.00	53.00
September 30, 2020	―	0.00	―		
Fiscal year ending September 30,2020 (Forecast)				30.00	30.00

(Note) Revision to the latest dividend forecast: No

3. Forecast of consolidated financial results for the Fiscal Year Ending September 30, 2020 (October 1, 2019 ― September 30, 2020) (% 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	13,200	(50.4)	4,000	(72.3)	4,400	(69.4)	3,100	(69.1)	35.42

(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 June 30, 2020	89,073,600	As of September 30, 2019	90,673,600
b)	Number of treasury shares at the end of the period	As of June 30, 2020	3,720,200	As of September 30, 2019	2,060,614
c)	Average number of shares during the period	Nine months ended June 30, 2020	88,258,257	Nine months ended June 30, 2019	88,859,539

(Thousands of yen)

	As of September 30, 2019	As of June 30, 2020
Assets		
Current assets		
Cash and deposits	16,581,080	25,573,866
Accounts receivable - trade	329,460	540,560
Supplies	10,990	12,711
Equity underwritten	75,434,926	57,498,509
Money held in trust(Aircraft for arrangement)	19,109,675	33,547,683
Money held in trust	—	6,248,106
Real estate for arrangement	3,378,278	10,000
Aircraft for sales	—	16,452,540
Operational investment securities	—	664,932
Guarantee deposits	326,700	212,700
Other	5,925,167	3,732,246
Total current assets	121,096,278	144,493,858
Non-current assets		
Property, plant and equipment	316,869	463,074
Intangible assets		
Goodwill	896,584	1,456,516
Other	47,473	45,890
Total intangible assets	944,058	1,502,407
Investments and other assets		
Deferred tax assets	1,691,683	1,796,361
Other	1,790,264	1,883,387
Total investments and other assets	3,481,947	3,679,749
Total non-current assets	4,742,875	5,645,231
Total assets	125,839,153	150,139,089
Liabilities		
Current liabilities		
Accounts payable - trade	351,586	259,858
Short-term borrowings	57,417,133	78,039,990
Commercial papers	2,500,000	4,500,000
Current portion of long-term borrowings	5,629,172	5,598,388
Current portion of long-term nonrecourse loans payable	—	1,095,030
Current portion of bonds	350,000	—
Income taxes payable	2,853,602	29,739
Advances received	9,790,970	6,254,067
Provision for bonuses	443,182	312,516
Guarantee deposits received	1,210,843	774,000
Other	1,855,032	1,812,292
Total current liabilities	82,401,522	98,675,883
Non-current liabilities		
Bonds payable	—	1,000,000
Long-term borrowings	10,189,220	9,430,030
Long-term nonrecourse loans payable	—	12,504,707
Asset retirement obligations	104,951	109,675
Provision for retirement benefits	—	23,679
Other	161,811	261,959
Total non-current liabilities	10,455,983	23,330,051
Total liabilities	92,857,505	122,005,935

(Thousands of yen)

	As of September 30, 2019	As of June 30, 2020
Net assets		
Shareholders' equity		
Share capital	3,095,874	3,095,874
Capital surplus	3,045,874	3,045,874
Retained earnings	28,979,730	24,347,159
Treasury shares	△2,231,117	△2,498,720
Total shareholders' equity	32,890,361	27,990,187
Accumulated other comprehensive income		
Foreign currency translation adjustment	△153,582	△121,917
Valuation difference on available-for-sale securities	13,896	△714
Total accumulated other comprehensive income	△139,686	△122,632
Non-controlling interests	230,972	265,599
Total net assets	32,981,647	28,133,154
Total liabilities and net assets	125,839,153	150,139,089

(Thousands of yen)

	Nine months ended June 30, 2019	Nine months ended June 30, 2020
Net sales	20,049,861	9,905,611
Cost of sales	5,112,223	2,563,172
Gross profit	14,937,638	7,342,438
Selling, general and administrative expenses	4,519,186	4,610,740
Operating profit	10,418,451	2,731,698
Non-operating income		
Interest income	472,042	549,090
Gain on investments in money held in trust	—	789,393
Rental income from real estate	205,074	52,083
Share of profit of entities accounted for using equity method	286,921	236,351
Other	101,279	150,472
Total non-operating income	1,065,318	1,777,392
Non-operating expenses		
Interest expenses	827,506	698,660
Bond issuance cost	—	18,668
Commission expenses	577,955	593,478
Foreign exchange losses	153,044	277,302
Rental expenses on real estate	53,551	13,878
Other	28,672	234,196
Total non-operating expenses	1,640,730	1,836,185
Ordinary profit	9,843,039	2,672,906
Extraordinary income		
Gain on sales of non-current assets	—	4,277
Total extraordinary income	—	4,277
Extraordinary losses		
Impairment loss	32,646	—
Loss on retirement of non-current assets	995	8,886
Loss on valuation of shares of subsidiaries and associates	11,177	7,643
Total extraordinary losses	44,819	16,530
Profit before income taxes	9,798,220	2,660,653
Income taxes - current	4,127,882	927,174
Income taxes - deferred	△1,172,707	△91,169
Total income taxes	2,955,175	836,005
Profit	6,843,044	1,824,648
Profit (loss) attributable to non-controlling interests	△2,758	27,514
Profit attributable to owners of parent	6,845,803	1,797,134

(Thousands of yen)

	Nine months ended June 30, 2019	Nine months ended June 30, 2020
Profit	6,843,044	1,824,648
Other comprehensive income		
Valuation difference on available-for-sale securities	△65,923	△14,611
Foreign currency translation adjustment	△115,637	39,354
Share of other comprehensive income of entities accounted for using equity method	△21,862	△576
Total other comprehensive income	△203,424	24,166
Comprehensive income	6,639,620	1,848,814
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,664,344	1,814,188
Comprehensive income attributable to non-controlling interests	△24,724	34,626