Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending September 30, 2021 (Japanese GAAP)(Summary)

April 28, 2021

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: May 14, 2021
Expected date of dividend payment: —
Supporting material for quarterly results: Yes
The briefing session of quarterly results: Yes

(Figures less than one million yen are rounded down.)

1. Consolidated financial results for the Second quarter of the Fiscal Year Ending September 30, 2021 (October 1, 2020 — March 31, 2021)

(1) Consolidated operating results (cumulative) (% figures show year-on-year change.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2021	8,657	4.4	3,614	15.5	3,226	0.3	2,168	(2.0)
March 31, 2020	8,296	(26.3)	3,130	(49.4)	3,216	(43.3)	2,212	(43.7)

(Note) Comprehensive income: Six months ended March 31, 2021: 2,211 million yen;[(0.7 %)]
Six months ended March 31, 2020: 2,226 million yen;[(40.6%)]

	Net income per share	Diluted net income per share
Six months ended	Yen	Yen
March 31, 2021	25.40	—
March 31, 2020	24.96	—

(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 March 31, 2021	118,971	28,745	24.0
As of September 30, 2020	132,850	27,484	20.5

(Reference) Shareholders' equity: As of March 31, 2021: 28,510 million yen
As of September 30, 2020: 27,219 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, 2020	—	0.00	—	11.50	11.50
September 30, 2021	—	0.00			
Fiscal year ending September 30,2021 (Forecast)			—	16.50	16.50

(Note) Revision to the latest dividend forecast: No

3. Forecast of consolidated financial results for the Fiscal Year Ending September 30, 2021 (October 1, 2020 — September 30, 2021) (% 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	%	Millions of	%	Yen
Annual	13,865	9.1	4,545	141.9	4,000	132.6	2,800	146.5	32.79

(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 March 31, 2021	89,073,600	As of September 30, 2020	89,073,600
b)	Number of treasury shares at the end of the period	As of March 31, 2021	3,660,781	As of September 30, 2020	3,720,200
c)	Average number of shares during the period	Six months ended March 31, 2021	85,359,663	Six months ended March 31, 2020	88,612,458

(Thousands of yen)

	As of September 30, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	27,158,454	32,336,608
Accounts receivable - trade	490,535	507,115
Supplies	16,987	14,310,780
Equity underwritten	39,616,233	27,202,765
Money held in trust(Aircraft for arrangement)	34,038,201	30,680,397
Real estate for arrangement	2,213,422	676,351
Aircraft for sales	14,665,370	—
Operational investment securities	626,553	625,555
Guarantee deposits	212,700	112,700
Other	7,425,987	6,284,190
Total current assets	126,464,446	112,736,465
Non-current assets		
Property, plant and equipment	462,861	456,071
Intangible assets		
Goodwill	1,403,568	1,299,828
Other	41,217	67,952
Total intangible assets	1,444,786	1,367,781
Investments and other assets		
Deferred tax assets	2,481,187	2,268,302
Other	1,997,299	2,143,092
Total investments and other assets	4,478,486	4,411,395
Total non-current assets	6,386,134	6,235,248
Total assets	132,850,581	118,971,713
Liabilities		
Current liabilities		
Accounts payable - trade	218,402	338,225
Short-term borrowings	62,913,672	42,647,781
Commercial papers	4,500,000	8,500,000
Current portion of long-term borrowings	5,466,270	5,003,360
Current portion of long-term nonrecourse loans payable	1,405,861	2,062,999
Income taxes payable	314,704	730,164
Advances received	5,458,555	3,657,346
Provision for bonuses	365,663	317,829
Guarantee deposits received	749,000	61,000
Other	1,825,874	2,112,764
Total current liabilities	83,218,003	65,431,472
Non-current liabilities		
Bonds payable	1,000,000	1,000,000
Long-term borrowings	8,202,950	10,770,000
Long-term nonrecourse loans payable	12,543,279	12,515,290
Asset retirement obligations	107,523	118,629
Retirement benefit liability	24,449	25,705
Other	269,659	365,439
Total non-current liabilities	22,147,861	24,795,064
Total liabilities	105,365,865	90,226,537

(Thousands of yen)

	As of September 30, 2020	As of March 31, 2021
Net assets		
Shareholders' equity		
Share capital	3,095,874	3,095,874
Capital surplus	3,045,874	3,045,874
Retained earnings	23,686,052	24,861,804
Treasury shares	△2,498,720	△2,457,126
Total shareholders' equity	27,329,079	28,546,425
Accumulated other comprehensive income		
Foreign currency translation adjustment	△109,010	△34,832
Valuation difference on available-for-sale securities	△767	△874
Total accumulated other comprehensive income	△109,777	△35,707
Non-controlling interests	265,414	234,458
Total net assets	27,484,716	28,745,176
Total liabilities and net assets	132,850,581	118,971,713

(Thousands of yen)

	Six months ended March 31, 2020	Six months ended March 31, 2021
Net sales	8,296,356	8,657,881
Cost of sales	2,103,678	1,810,115
Gross profit	6,192,678	6,847,765
Selling, general and administrative expenses	3,062,401	3,233,540
Operating profit	3,130,276	3,614,225
Non-operating income		
Interest income	466,178	261,233
Gain on investments in money held in trust	451,630	611,969
Rental income from real estate	51,586	49,852
Gain on reversal of loss on valuation of supplies	—	308,441
Share of profit of entities accounted for using equity method	197,973	132,423
Other	63,899	75,592
Total non-operating income	1,231,269	1,439,514
Non-operating expenses		
Interest expenses	463,598	409,024
Bond issuance costs	18,668	—
Commission expenses	564,566	664,930
Foreign exchange losses	85,590	550,063
Rental expenses on real estate	11,235	6,635
Depreciation	—	192,122
Other	1,708	4,426
Total non-operating expenses	1,145,367	1,827,204
Ordinary profit	3,216,178	3,226,535
Extraordinary losses		
Loss on retirement of non-current assets	8,886	1,988
Loss on valuation of shares of subsidiaries and associates	7,039	17,845
Business transfer loss	—	241,700
Total extraordinary losses	15,925	261,533
Profit before income taxes	3,200,252	2,965,001
Income taxes - current	1,009,798	625,814
Income taxes - deferred	△42,842	214,283
Total income taxes	966,955	840,097
Profit	2,233,297	2,124,903
Profit (loss) attributable to non-controlling interests	21,262	△43,269
Profit attributable to owners of parent	2,212,034	2,168,173

(Thousands of yen)

	Six months ended March 31, 2020	Six months ended March 31, 2021
Profit	2,233,297	2,124,903
Other comprehensive income		
Valuation difference on available-for-sale securities	△13,002	△107
Foreign currency translation adjustment	8,640	65,737
Share of other comprehensive income of entities accounted for using equity method	△2,184	20,754
Total other comprehensive income	△6,546	86,383
Comprehensive income	2,226,750	2,211,287
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,204,144	2,242,243
Comprehensive income attributable to non-controlling interests	22,606	△30,955

(Thousands of yen)

	Six months ended March 31, 2020	Six months ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes	3,200,252	2,965,001
Loss on valuation of equity underwritten	527,435	—
Depreciation	56,869	57,446
Amortization of goodwill	59,478	120,223
Loss on valuation of shares of subsidiaries and associates	7,039	17,845
Loss on retirement of non-current assets	8,886	1,988
Increase (decrease) in provision for bonuses	△174,040	△55,669
Interest and dividend income	△466,178	△261,233
Interest expenses	463,598	409,024
Commission expenses	564,566	664,930
Loss (gain) on sale of businesses	—	241,700
Foreign exchange losses (gains)	△154,425	1,790,698
Share of loss (profit) of entities accounted for using equity method	△197,973	△132,423
Bond issuance costs	18,668	—
Decrease (increase) in trade receivables	△114,694	△1,177
Increase(decrease) in equity underwritten	17,074,912	12,413,288
Increase(decrease)in money held in trust(Aircraft for arrangement)	△14,678,673	3,357,804
Increase(decrease) in real estates for arrangement	3,358,278	1,537,071
Decrease (increase) in investment securities for sale	△459,351	997
Decrease (increase) in guarantee deposits	△65,000	100,000
Guarantee Deposits Received	△393,843	△133,000
Increase (decrease) in trade payables	9,300	119,159
Increase (decrease) in advances received	△2,816,319	△1,819,244
Other, net	2,645,223	2,066,533
Subtotal	8,474,010	23,460,966
Interest and dividends received	467,458	264,574
Interest paid	△472,842	△412,942
Income taxes paid	△2,706,057	△202,664
Net cash provided by (used in) operating activities	5,762,568	23,109,934
Cash flows from investing activities		
Purchase of property, plant and equipment	△29,303	△24,613
Purchase of intangible assets	△12,923	△22,116
Purchase of shares of subsidiaries and associates	△113,135	△16,914
Purchase of shares of subsidiaries resulting in change in scope of consolidation	△131,512	—
Payments of leasehold and guarantee deposits	△10,782	△9,402
Proceeds from refund of leasehold and guarantee deposits	473	7,397
Proceeds from liquidation of subsidiaries	—	1,233
Payments for sale of businesses	—	△796,700
Other payments	△3,020	△95,624
Other proceeds	27,435	981
Net cash provided by (used in) investing activities	△272,769	△955,758

(Thousands of yen)

	Six months ended March 31, 2020	Six months ended March 31, 2021
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	3,638,036	△21,428,250
Proceeds from long-term borrowings	4,000,000	5,000,000
Repayments of long-term borrowings	△3,129,566	△2,895,860
Net increase (decrease) in commercial papers	4,500,000	4,000,000
Purchase of treasury shares	－	△0
Proceeds from issuance of bonds	981,331	－
Redemption of bonds	△350,000	－
Dividends paid	△4,696,488	△981,564
Commission fee paid	△576,983	△729,563
Other payments	△14,632	△11,214
Net cash provided by (used in) financing activities	4,351,697	△17,046,452
Effect of exchange rate change on cash and cash equivalents	△296	70,431
Net increase (decrease) in cash and cash equivalents	9,841,200	5,178,154
Cash and cash equivalents at beginning of period	16,581,080	25,758,454
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	3,673	－
Cash and cash equivalents at end of period	26,425,953	30,936,608