

April 26, 2022

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Notification of Revisions to the Financial Results Forecast and Dividend Forecast for the Fiscal Year Ending September 30, 2022

Financial Products Group Co., Ltd. (FPG) has revised its financial results and dividend forecasts for the fiscal year ending September 30, 2022, previously announced on January 31, 2022, based on the latest business performance trends.

1. Revisions to the financial results forecast

Revision of the consolidated financial results forecast for the first half of the fiscal year ending September 30, 2022
 (From October 1, 2021 to March 31, 2022)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share
Previous forecast (A)	27,000	4,400	4,500	3,100	36.30 yen
Revised forecast (B)	31,135	6,174	6,421	4,417	51.72 yen
Change (B – A)	4,135	1,774	1,921	1,317	
Rate of change (%)	15.3	40.3	42.7	42.5	
(Reference) Results for the first half of FY2021	8,657	3,614	3,226	2,168	25.40 yen

Note: Effective from the beginning of the fiscal year ending September 30, 2022, FPG has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29). As a result, the accounting method used for sales of real estate fractional ownership investment products in the Real Estate Fund Business has changed from recording relevant company profit (service fees) as net sales to recording relevant sales volume as net sales. This change in the method of recording net sales has no impact on profits. The net sales above for the first half of FY2021 are from before the application of the Accounting Standard for Revenue Recognition. If the same method were used for sales in the Real Estate Fund Business, net sales (consolidated) would be 18,569 million yen.

Revision of the consolidated financial results forecast for the fiscal year ending September 30, 2022
(From October 1, 2021 to September 30, 2022)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share
Previous forecast (A)	44,000	7,800	8,000	5,400	63.23 yen
Revised forecast (B)	49,000	9,700	10,000	6,700	78.45 yen
Change (B – A)	5,000	1,900	2,000	1,300	
Rate of change (%)	11.4	24.4	25.0	24.1	
(Reference) Results for the FY2021	14,924	5,233	5,148	2,946	34.51 yen

Note: As with the first half results, the above sales figures for FY2021 are from before the application of the Accounting Standard for Revenue Recognition. If the same method were used for sales in the Real Estate Fund Business, net sales (consolidated) would be 33,584 million yen.

Reason for revision

In the consolidated financial results for the first half of the fiscal year ending September 30, 2022, FPG has overcome the COVID-19 crisis and expects to exceed the net sales and subsequent profits from previously announced forecasts due to strong sales from relatively higher margin equity placement products in the Leasing Fund Business, and also due to increased sales in the Real Estate Fund Business where virtuous cycle of aggressive structuring and sales activity of the real estate fractional ownership investment products matched the investors' continuous demands. In light of the first half outlook, FPG has made an upward revision to the full-year forecast for the fiscal year ending September 30, 2022, accordingly.

2. Revision to the dividend forecast

	Annual dividend per share			Payout ratio (consolidated)
	Interim	Year-end	Total	
Previous forecast (Announced on Jan. 31, 2022)	0.00 yen	32.00 yen	32.00 yen	50.6 %
Revised forecast	0.00 yen	40.00 yen	40.00 yen	51.0 %
Results for the fiscal year ending September 30, 2022				
Results for the fiscal year ended September 30, 2021	0.00 yen	18.50 yen	18.50 yen	53.6 %

Reason for revision

Our basic policy on shareholder returns is to pay continuous and stable dividends while securing the internal reserves necessary for sustainable growth and increased corporate value, with a target consolidated dividend payout ratio of 50%. In accordance with the upward revision of the earnings forecast, we have revised the dividend forecast for the current fiscal year to 40.00 yen per share, based on the above basic policy.

Note: The above forecasts are based on judgments made in accordance with currently available information at the time of the announcement. Actual results and dividend may vary depending on various factors.