

# Consolidated Financial Results for the Fiscal Year ended September 30, 2022 (Japanese GAAP) (Summary)

October 31, 2022

Listed Company Name: **Financial Products Group Co.,Ltd.** URL <https://www.fpg.jp/en/>

Listed Stock Exchange: Tokyo Stock Exchange Prime Market Code Number: 7148

Representative: Hisanaga Tanimura, CEO and Founder

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Scheduled date of ordinary general meeting of shareholders: December 22, 2022

Scheduled date of payment of year-end dividends: December 23, 2022

Expected date of annual securities report submission: December 23, 2022

Supporting material for financial results: Yes

The briefing session of financial results: Yes

(Figures less than one million yen are rounded down)

## 1. Consolidated financial results for the Fiscal Year ended September 30, 2022 (October 1, 2021 – September 30, 2022)

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

Fiscal Year ended	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2022	59,193	—	11,744	124.4	12,466	142.2	8,475	187.6
September 30, 2021	14,924	17.4	5,233	178.5	5,148	199.4	2,946	159.4

(Notes) Comprehensive income: Fiscal year ended September 30, 2022: 8,584 million yen (182.3%)

Fiscal year ended September 30, 2021: 3,040 million yen (153.3%)

Fiscal year ended	Net income per share	Fully diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
September 30, 2022	99.24	—	26.0	10.0	19.8
September 30, 2021	34.51	—	10.4	4.6	35.1

(Reference) Equity in earnings of affiliates:

Fiscal year ended September 30, 2022: 38million yen

Fiscal year ended September 30, 2021: 147million yen

(Note)1. Diluted net income per share is not stated because there are no potential shares outstanding with dilutive effect.

(Note)2. The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. has been applied from the beginning of the first quarter of the fiscal year ended September 30, 2022. Accordingly, the figures of the term ended September 30, 2022, reflect the new accounting standard, etc. By the application of this accounting standard, 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. As a result of this matter, net sales increased significantly compared to the previous year, so the percentage year-on-year is not indicated. This change in the method of recording net sales has no impact on profits. The net sales of the fiscal year ended September 30, 2021, are from before the application of the Accounting Standard for Revenue Recognition, and if the same method were used for sales in the Real Estate Fund Business, net sales (consolidated) would be 33,584 million yen.

### (2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2022	158,052	36,159	22.8	422.35
As of September 30, 2021	91,899	29,391	31.8	342.39

(Reference) Shareholders' equity:

As of September 30, 2022: 36,070 million yen

As of September 30, 2021: 29,243 million yen

(Note) The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. has been applied from the beginning of the first quarter of the fiscal year ended September 30, 2022. Accordingly, the figures of the term ended September 30, 2022, reflect the new accounting standard, etc.

### (3) Consolidated cash flows

Fiscal year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
September 30, 2022	(50,872)	(552)	43,646	11,719
September 30, 2021	26,658	(1,145)	(31,916)	19,414

## 2. Dividends

	Dividend per share					Total dividends (Annual)	Dividend payout ratio (Consolidated)	Ratio of dividend to net assets (Consolidated)
	End of 1st	End of 2nd	End of 3rd	End of fiscal year	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
September 30, 2021	—	0.00	—	18.50	18.50	1,580	53.6	5.6
September 30, 2022	—	0.00	—	50.00	50.00	4,270	50.4	13.1
Fiscal year ending September 30, 2023 (Forecast)	—	0.00	—	56.00	56.00		50.3	

## 3. Forecast of consolidated financial results for the year ending September 30, 2023 (October 1, 2022 – September 30, 2023) (% 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	32,250	3.6	6,960	12.7	7,060	9.9	4,855	9.9	56.85
Annual	64,500	9.0	13,600	15.8	13,800	10.7	9,500	12.1	111.24

### \* Notes

#### (1) Material changes in subsidiaries during this period

(Changes in scope of consolidations resulting from change in subsidiaries) : No

#### (2) Changes in accounting policies, accounting estimates and retrospective restatement

- a) Changes in accounting policies based on revisions of accounting standard : Yes  
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

#### (3) 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 September 30, 2022	89,073,600	As of September 30, 2021	89,073,600
b) Number of treasury shares at the end of the period	As of September 30, 2022	3,668,781	As of September 30, 2021	3,664,831
c) Average number of shares	Fiscal year ended September 30, 2022	85,407,100	Fiscal year ended September 30, 2021	85,384,992

### (Reference) Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended September 30, 2022 (October 1, 2021 – September 30, 2022)

#### (1) Non-consolidated operating results

(% figures show year-on-year change.)

Fiscal Year ended	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2022	57,307	—	11,369	129.1	12,760	130.6	8,989	149.5
September 30, 2021	12,961	19.2	4,963	153.4	5,533	261.1	3,602	251.1

	Net income per share	Fully diluted net income per share
Fiscal year ended	Yen	Yen
September 30, 2022	105.25	—
September 30, 2021	42.19	—

(Note)1. Diluted net income per share is not stated because there are no potential shares outstanding with dilutive effect.

(Note)2. The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. has been applied from the beginning of the first quarter of the fiscal year ended September 30, 2022. Accordingly, the figures of the term ended September 30, 2022, reflect the new accounting standard, etc. By the application of this accounting standard, 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. As a result of this matter, net sales increased significantly compared to the previous year, so the percentage year-on-year is not indicated. This change in the method of recording net sales has no impact on profits. The net sales of the fiscal year ended September 30, 2021, are from before the application of the Accounting Standard for Revenue Recognition, and if the same method were used for sales in the Real Estate Fund Business, net sales (consolidated) would be 31,622 million yen.

(2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
As of September 30, 2022	168,300	37,412	22.2	438.07
As of September 30, 2021	91,184	30,011	32.9	351.39

(Reference) Shareholders' equity: As of September 30, 2022: 37,412 million yen

As of September 30, 2021: 30,011 million yen

(Note) The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. has been applied from the beginning of the first quarter of the fiscal year ended September 30, 2022. Accordingly, the figures of the term ended September 30, 2022, reflect the new accounting standard, etc.

\* This financial results report is not subject to the audit procedures.

\* Explanation of the proper use of performance forecast and other notes

Performance forecasts and other forward-looking statements presented in this report are based on information currently available to the Company and certain assumptions deemed to be reasonable, and actual performance may differ substantially due to various factors.

(Change in the unit of measurement for displaying monetary amounts)

Amounts for items and other items presented in the consolidated financial statements and main notes were previously stated in thousands of yen, but from the current consolidated fiscal year, they are now stated in millions of yen. For ease of comparison, the figures for the previous consolidated fiscal year are also presented in millions of yen.

Consolidated financial statements

(1) Consolidated balance sheet

(Millions of yen)

	As of September 30, 2021	As of September 30, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	20,814	13,119
Accounts receivable - trade	994	480
Operational investment securities	472	494
Supplies	17	18
Equity underwritten	20,866	80,689
Money held in trust(Aircraft for arrangement)	18,535	20,868
Real estate for arrangement	19,227	31,632
Other	4,854	5,433
<b>Total current assets</b>	<b>85,782</b>	<b>152,737</b>
Non-current assets		
Property, plant and equipment		
Buildings, net	272	241
Tools, furniture and fixtures, net	101	97
Other	43	218
<b>Total property, plant and equipment</b>	<b>416</b>	<b>557</b>
Intangible assets		
Goodwill	908	693
Other	50	54
<b>Total intangible assets</b>	<b>958</b>	<b>747</b>
Investments and other assets		
Investment securities	0	0
Shares of subsidiaries and associates	1,651	1,786
Deferred tax assets	2,566	1,677
Leasehold and guarantee deposits	457	499
Other	64	47
Allowance for doubtful accounts	—	△2
<b>Total investments and other assets</b>	<b>4,741</b>	<b>4,010</b>
<b>Total non-current assets</b>	<b>6,117</b>	<b>5,315</b>
<b>Total assets</b>	<b>91,899</b>	<b>158,052</b>

(Millions of yen)

	As of September 30, 2021	As of September 30, 2022
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	260	355
Short-term borrowings	28,998	72,842
Commercial papers	4,500	9,000
Current portion of long-term borrowings	5,270	4,516
Income taxes payable	1,025	2,176
Advances received	4,723	—
Contract liabilities	—	12,932
Provision for bonuses	452	440
Other	2,048	5,596
Total current liabilities	47,279	107,859
Non-current liabilities		
Bonds payable	1,000	1,100
Long-term borrowings	13,734	12,389
Asset retirement obligations	118	119
Retirement benefit liability	30	29
Other	345	394
Total non-current liabilities	15,228	14,032
Total liabilities	62,508	121,892
<b>Net assets</b>		
Shareholders' equity		
Share capital	3,095	3,095
Capital surplus	2,999	2,805
Retained earnings	25,638	32,526
Treasury shares	△2,457	△2,457
Total shareholders' equity	29,277	35,970
Accumulated other comprehensive income		
Foreign currency translation adjustment	△32	100
Valuation difference on available-for-sale securities	△0	—
Total accumulated other comprehensive income	△33	100
Non-controlling interests	147	88
Total net assets	29,391	36,159
Total liabilities and net assets	91,899	158,052

## (2) Consolidated statement of income and consolidated statement of comprehensive income

## Consolidated statement of income

(Millions of yen)

	Fiscal year ended September 30, 2021	Fiscal year ended September 30, 2022
Net sales	14,924	59,193
Cost of sales	3,246	40,564
Gross profit	11,677	18,628
Selling, general and administrative expenses	6,443	6,883
Operating profit	5,233	11,744
Non-operating income		
Interest income	401	234
Gain on investments in money held in trust	1,194	797
Foreign exchange gains	—	143
Rental income from real estate	136	634
Aircraft rental income	132	—
Gain on reversal of loss on valuation of supplies	393	—
Share of profit of entities accounted for using equity method	147	38
Other	20	25
Total non-operating income	2,427	1,874
Non-operating expenses		
Interest expenses	747	413
Bond issuance costs	—	1
Commission expenses	867	569
Foreign exchange losses	672	—
Rental expenses on real estate	17	114
Depreciation	192	—
Other	15	53
Total non-operating expenses	2,512	1,152
Ordinary profit	5,148	12,466
Extraordinary income		
Gain on sale of non-current assets	8	—
Total extraordinary income	8	—
Extraordinary losses		
Impairment losses	318	74
Loss on retirement of non-current assets	1	15
Loss on valuation of shares of subsidiaries and associates	53	92
Business transfer loss	241	—
Total extraordinary losses	615	182
Profit before income taxes	4,541	12,284
Income taxes - current	1,697	2,957
Income taxes - deferred	△108	886
Total income taxes	1,588	3,844
Profit	2,952	8,439
Profit (loss) attributable to non-controlling interests	5	△36
Profit attributable to owners of parent	2,946	8,475

## Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended September 30, 2021	Fiscal year ended September 30, 2022
Profit	2,952	8,439
Other comprehensive income		
Valuation difference on available-for-sale securities	△0	0
Foreign currency translation adjustment	65	74
Share of other comprehensive income of entities accounted for using equity method	22	70
Total other comprehensive income	88	145
Comprehensive income	3,040	8,584
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,023	8,609
Comprehensive income attributable to non-controlling interests	17	△24

## (3) Consolidated statement of changes in equity

Fiscal year ended September 30, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,095	3,045	23,686	△2,498	27,329
Changes during period					
Dividends of surplus			△981		△981
Profit attributable to owners of parent			2,946		2,946
Change in ownership interest of parent due to transactions with non-controlling interests		△46			△46
Change in scope of consolidation			△1		△1
Purchase of treasury shares				△0	△0
Disposal of treasury shares		△10		41	30
Cancellation of treasury shares					—
Transfer from retained earnings to capital surplus		10	△10		—
Net changes in items other than shareholders' equity					
Total changes during period	—	△46	1,952	41	1,948
Balance at end of period	3,095	2,999	25,638	△2,457	29,277

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Foreign currency translation adjustment	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	△109	△0	△109	265	27,484
Changes during period					
Dividends of surplus					△981
Profit attributable to owners of parent					2,946
Change in ownership interest of parent due to transactions with non-controlling interests					△46
Change in scope of consolidation					△1
Purchase of treasury shares					△0
Disposal of treasury shares					30
Cancellation of treasury shares					—
Transfer from retained earnings to capital surplus					—
Net changes in items other than shareholders' equity	76	△0	76	△117	△41
Total changes during period	76	△0	76	△117	1,906
Balance at end of period	△32	△0	△33	147	29,391



Fiscal year ended September 30, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,095	2,999	25,638	△2,457	29,277
Cumulative effects of changes in accounting policies			△7		△7
Restated balance	3,095	2,999	25,631	△2,457	29,269
Changes during period					
Dividends of surplus			△1,580		△1,580
Profit attributable to owners of parent			8,475		8,475
Change in ownership interest of parent due to transactions with non-controlling interests		△194			△194
Net changes in items other than shareholders' equity					
Total changes during period	—	△194	6,895	—	6,701
Balance at end of period	3,095	2,805	32,526	△2,457	35,970

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Foreign currency translation adjustment	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	△32	△0	△33	147	29,391
Cumulative effects of changes in accounting policies					△7
Restated balance	△32	△0	△33	147	29,383
Changes during period					
Dividends of surplus					△1,580
Profit attributable to owners of parent					8,475
Change in ownership interest of parent due to transactions with non-controlling interests					△194
Net changes in items other than shareholders' equity	132	0	133	△59	74
Total changes during period	132	0	133	△59	6,776
Balance at end of period	100	—	100	88	36,159

## (4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended September 30, 2021	Fiscal year ended September 30, 2022
<b>Cash flows from operating activities</b>		
Profit before income taxes	4,541	12,284
Depreciation	138	145
Impairment losses	318	74
Amortization of goodwill	222	163
Loss on valuation of shares of subsidiaries and associates	53	92
Loss on retirement of non-current assets	1	15
Loss (gain) on sale of property, plant and equipment	△8	—
Increase (decrease) in provision for bonuses	76	△28
Interest and dividend income	△401	△234
Interest expenses	747	413
Commission expenses	867	569
Loss (gain) on sale of businesses	241	—
Foreign exchange losses (gains)	1,922	220
Share of loss (profit) of entities accounted for using equity method	△147	△38
Bond issuance costs	—	1
Decrease (increase) in trade receivables	△487	538
Decrease (increase) in investment securities for sale	154	△22
Increase (decrease) in aircraft for sales	682	—
Increase (decrease) in equity underwritten	18,749	△59,823
Increase (decrease) in money held in trust (Aircraft for arrangement)	15,502	△2,332
Increase (decrease) in real estates for arrangement	△17,013	△12,404
Decrease (increase) in guarantee deposits	212	△1
Increase (decrease) in trade payables	41	94
Guarantee deposits received	△194	—
Increase (decrease) in advances received	△753	—
Increase (decrease) in contract liability	—	8,182
Other, net	2,321	3,143
<b>Subtotal</b>	<b>27,791</b>	<b>△48,945</b>
Interest and dividends received	510	367
Interest paid	△751	△409
Income taxes paid	△892	△1,884
<b>Net cash provided by (used in) operating activities</b>	<b>26,658</b>	<b>△50,872</b>

(Millions of yen)

	Fiscal year ended September 30, 2021	Fiscal year ended September 30, 2022
Cash flows from investing activities		
Purchase of property, plant and equipment	△86	△250
Proceeds from sale of property, plant and equipment	34	—
Purchase of intangible assets	△41	△37
Purchase of shares and payments for investments in capital of subsidiaries and associates	△168	△254
Payments of leasehold and guarantee deposits	△12	△13
Proceeds from refund of leasehold and guarantee deposits	7	2
Proceeds from liquidation of subsidiaries	1	—
Payments for sale of businesses	△796	—
Other payments	△95	△0
Other proceeds	11	0
Net cash provided by (used in) investing activities	△1,145	△552
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	△35,187	43,622
Proceeds from long-term borrowings	11,200	10,050
Repayments of long-term borrowings	△5,864	△12,148
Net increase (decrease) in commercial papers	—	4,500
Purchase of treasury shares	△0	—
Proceeds from issuance of bonds	—	98
Dividends paid	△981	△1,580
Dividends paid to non-controlling interests	△120	—
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	△61	△228
Commission fee paid	△877	△588
Other payments	△23	△78
Net cash provided by (used in) financing activities	△31,916	43,646
Effect of exchange rate change on cash and cash equivalents	123	84
Net increase (decrease) in cash and cash equivalents	△6,280	△7,694
Cash and cash equivalents at beginning of period	25,758	19,414
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	△64	—
Cash and cash equivalents at end of period	19,414	11,719