

# FPG REVIEW 2019

ANNUAL REPORT  
for the year ended September 30, 2019

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# We're true professionals

## Corporate Philosophy

Under the corporate philosophy of “We will work for our customers as true professionals in the finance industry,” FPG strives to improve the corporate value of our business through providing the best possible products to customers.

## The requirements of a true professional

- Must have high-level, specialized techniques.
- Must maintain a strict sense of ethics in using specialized techniques.
- Must apply all techniques with benefit to customers in mind.
- The underlying concept for these requirements parallels the Hippocratic Oath taken by physicians to uphold certain ethical standards.

01 Achievements

Achieved increase in sales for 10th consecutive year  
 Maintained No.1 position in the industry

Listed on JASDAQ of TSE	FY2010		FY2019	
	(¥ billion)			
Net sales	1.62	▶	26.59	16 times
Operating profit	0.82	▶	14.43	17 times
Profit attributable to owners of parent	0.44	▶	10.03	22 times

Selected as a component stock of the JPX-Nikkei Index 400



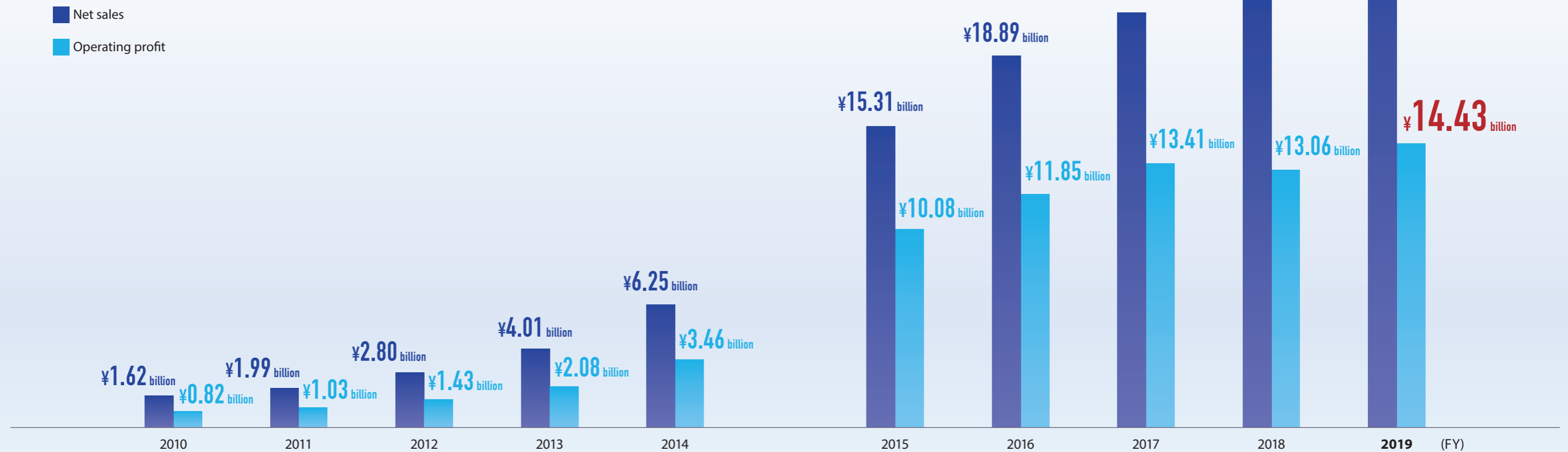
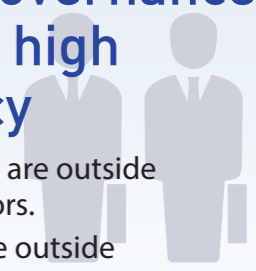
Pursuing profitability and efficiency, while maintaining high ROE levels

High capital efficiency  
 ROE 32.3%

- Ave. ROE ratio of listed companies on the Tokyo Stock Exchange (TSE) First Section 9.3%
- (Source) JAPAN EXCHANGE GROUP, Fiscal year 2018 Summary of Earnings Digests

Corporate governance system with high transparency

- Two of five directors are outside independent directors.
- All three auditors are outside independent auditors.



## Message from the CEO Aim to improve enterprise value through sustained growth

In the consolidated financial results for the fiscal year ended September 30, 2019, we achieved record-high profits during the 10th consecutive fiscal year of increased revenues due to revenue growth in the Real Estate Business and in other Diversified Businesses. This is in addition to stable growth in our core Lease Arrangement Business against the backdrop of market expansion and steady growth in its customer base.

We are aiming for record-high profits in the consolidated financial results for the fiscal year ending September 30, 2020, through sustained growth in the Lease Arrangement Business and expansion in its Diversified Businesses such as the newly-started Private Equity Business in addition to the previously established Real Estate, Insurance and M&A Businesses.

The entire Company will work as one with the aim of improving enterprise value through sustained growth. We appreciate your ongoing support of the business of the FPG Group.

### Hisanaga Tanimura

CEO and Founder, Representative Executive Officer



## Striving to be true professionals providing customer-centric products and services

The highly complex nature of financial products in recent years has made it difficult to make appropriate investment decisions. Increasingly specialized and discerning judgment is now crucial to investing in such financial products given, for instance, cases of credit risk and market risk surfacing for financial products until now thought safe.

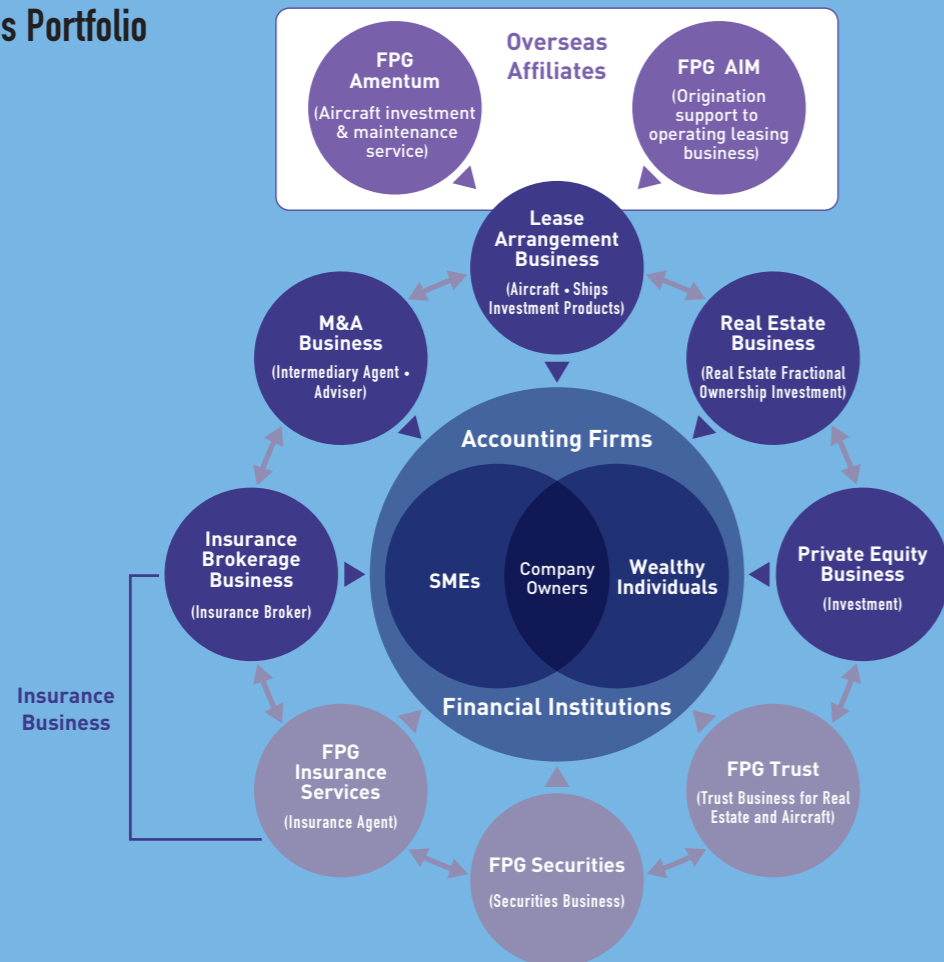
FPG was established in November 2001 with the objective of analyzing the various risks that such investments entail and offering products that are optimal from the customer's perspective. Since then, as an independent financial services company, FPG has expanded its business activities around its core business, the Lease Arrangement Business, which provides integrated services covering the structuring, origination, equity placement and administration of Japanese Operating Leases (JOLs) for marine containers, ships and aircraft.

Listing the Company on JASDAQ in 2010 enhanced its credit worthiness and expanded its lease structuring capabilities, sales capabilities and

fund-raising capacity. In the fiscal year ended September 2015, FPG enhanced cooperation with its overseas affiliates, FPG AIM Group (FPG Asset & Investment Management B.V. and its subsidiaries) and FPG Amentum Limited. The cooperation with these companies enables FPG to proactively originate new leases, and this, coupled with initiatives to meet strong investor demand as well as by expanding the distribution network, brought about dramatic progress. The Company has now established itself as the No. 1 player in the lease arrangement business in Japan.

Since 2010 we have diversified our business activities by expanding into new sectors; specifically, in addition to the development of our Real Estate Business, Insurance Brokerage Business and M&A Business, we have entered the Securities Business and the Trust Business via our subsidiaries. FPG will continue striving to provide a one-stop financial service business that satisfies customer needs.

## Business Portfolio



## Company History

2001	11	Established as Financial Products Group Co., Ltd.
2004	8	Commenced JOLs for marine containers.
2008	5	Registration for Type II Financial Instruments Business completed.
2009	7	Commenced JOLs for ships.
2010	9	Listed on JASDAQ, the Osaka Securities Exchange (currently the Tokyo Stock Exchange)
	10	Commenced M&A Business.
	11	Commenced Insurance Brokerage Business.
2011	4	Commenced JOLs for aircraft.
	10	Listed on Tokyo Stock Exchange, Second Section.
2012	2	Established a joint venture in Europe, FPG Asset & Investment Management B.V., specializing in sourcing and arrangement for JOLs.
	10	Listed on Tokyo Stock Exchange, First Section.
2013	3	Entered the Securities Business by acquiring the entire share capital of FinTech Global Securities Inc. (now FPG Securities Co., Ltd.).
	8	Commenced Real Estate Business.
	11	Formed a capital and strategic alliance with Amentum Capital Ltd. (now FPG Amentum Limited), an independently managed leading aircraft lease management company headquartered in Ireland, and integrated as an equity-method affiliate.

2014	10	Entered the Trust Business by acquiring the entire share capital of Bernina Trust Co., Ltd. (now FPG Trust Co., Ltd.).
2015	5	Acquired additional share capital of consolidated equity-method affiliate Amentum Capital Ltd. (now FPG Amentum Limited) which was integrated as a consolidated subsidiary.
2016	8	Selected as a composite stock of JPX-Nikkei Index 400.
	12	Selected as a composition stock of the JPX-Nikkei Mid Small.
2017	3	Made FPG Raffles Holdings Pte. Ltd., headquartered in Singapore, a consolidated subsidiary.
2018	6	FPG Insurance Services Co., Ltd. started insurance agency business.
	9	Cancelled the capital relationship with FPG Raffles Holdings Pte. Ltd. and excluded it from continuing as a consolidated subsidiary.
2019	11	Acquisition of 100% of the shares of NORTH JAPAN AIRLINES CO., LTD.

### 03 Financial Highlights

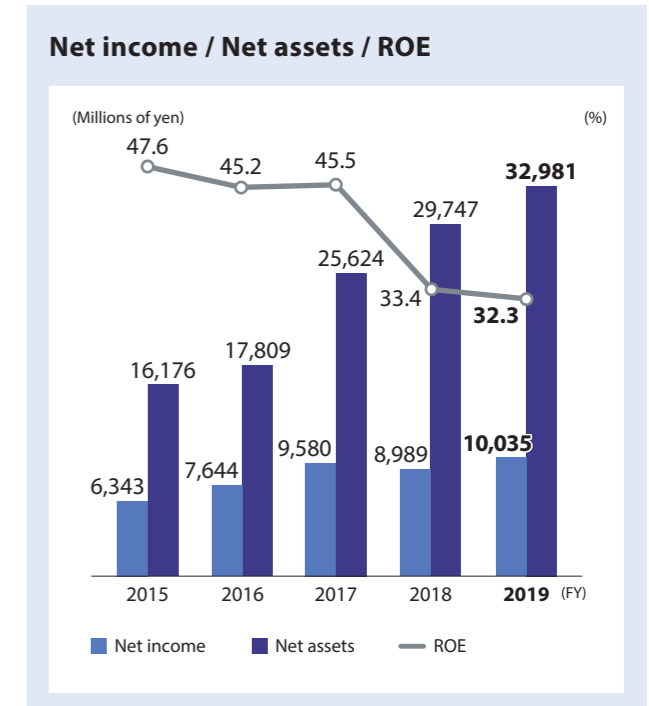
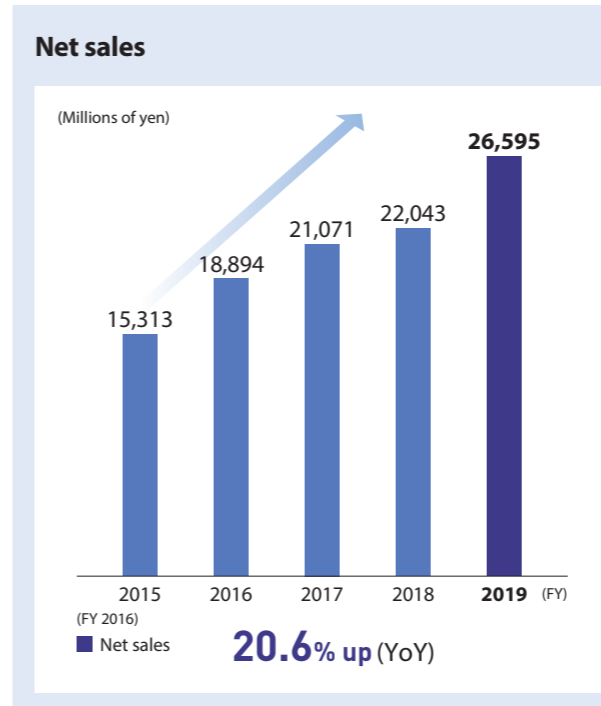
Fiscal years ended September 30

					Millions of yen	Thousands of U.S. dollars
	2015	2016	2017	2018	2019	2019
Net sales (fee income)	¥ 15,313	¥ 18,894	¥ 21,071	¥ 22,043	¥ 26,595	\$ 246,073
Operating profit	10,081	11,853	13,417	13,064	14,432	133,536
Ordinary profit	10,051	11,906	13,711	12,624	14,394	133,187
Profit attributable to owners of parent	6,343	7,644	9,580	8,989	10,035	92,851
Net assets	16,176	17,809	25,624	29,747	32,981	305,159
Total assets	69,087	81,222	82,799	85,141	125,839	1,164,314
					Yen	U.S. dollars
Earnings per share	¥ 67.52	¥ 84.05	¥ 106.44	¥ 99.71	¥ 113.01	\$ 1.05
Book value per share	170.65	196.86	270.60	326.03	369.59	3.42
Operating profit margin (%)	65.8	62.7	63.7	59.3	54.3	—
Net income margin (%)	41.4	40.5	45.5	40.8	37.7	—
ROE (%)	47.6	45.2	45.5	33.4	32.3	—
Equity ratio (%)	23.3	21.8	29.5	34.5	26.0	—
					Millions of yen	Thousands of U.S. dollars
<b>Lease Arrangement Business</b>						
Total amount of equity placement in operating leases	¥ 84,178	¥109,417	¥115,746	¥143,619	¥156,785	\$1,450,640
Total amount of assets arranged in operating leases	297,349	378,808	276,168	428,116	538,172	4,979,389

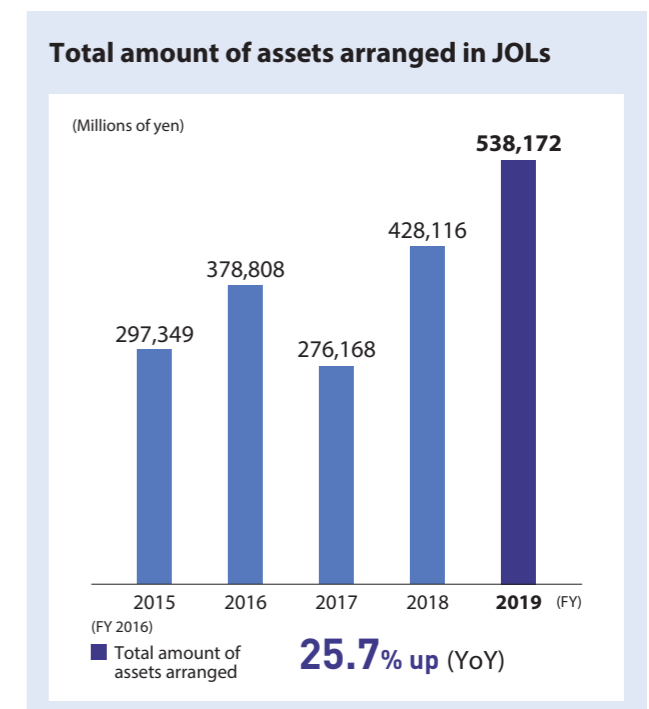
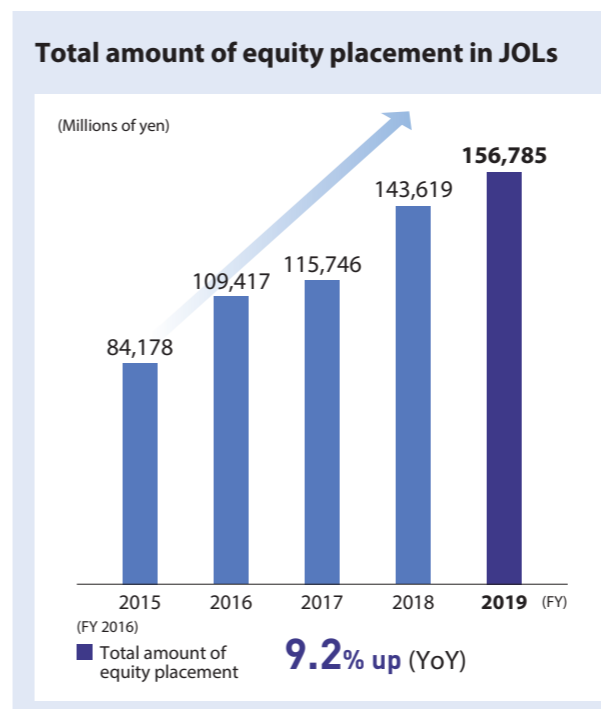
Note: 1. The U.S. dollar amounts represent the translations in Japanese yen at the approximate exchange rate of ¥108.08 = \$1 as of September 30, 2019, solely for the convenience of readers, and are unaudited.

Per share figures were retroactively adjusted to reflect stock splits.

2. Net income means profit attributable to owners of parent.



#### Lease Arrangement Business

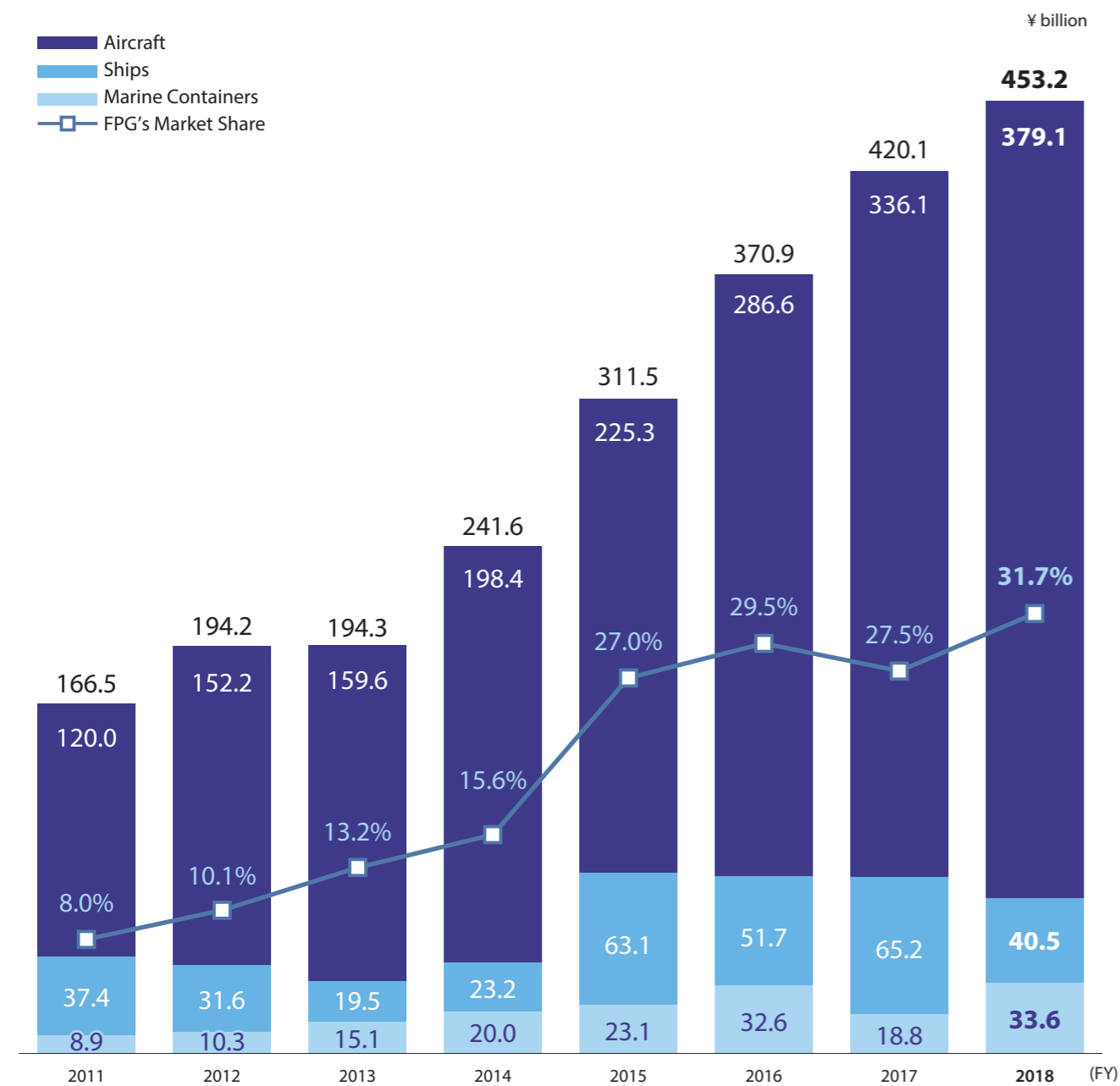


Fee on equity is booked in net sales under the consolidated profit and loss statements so that total amount of equity placement in operating leases is an indicator which shows accurately the size of our business.

Total amount of assets arranged in operating leases is an indicator which shows supply capacity of products.

# No.1 share of equity placement for FY2018 in JOLCO\*

Equity Sales Amount of Japanese Operating Leases



\* Total amount of equity placement for FY2018 in Japanese Operating Lease with Call Option estimated by Yano Research Institute Ltd. as of September 2019

## Lease Arrangement Business

The Lease Arrangement Business provides integrated services covering the structuring, origination, equity placement and administration of JOLs for large transport equipment, primarily marine containers, ships and aircraft.

The JOL business involves operating leases structures, based on the Japanese tax system. JOLs are funded by debt from financial institutions as well as by equity contributions to FPG's subsidiary (Special Purpose Company (SPC)) by way of silent partnerships from profitable non-listed small- and medium-sized enterprises (SMEs). The SPC, as the lessor, acquires an aircraft or a ship, etc., and then leases it out to lessees such as airlines or shipping companies.

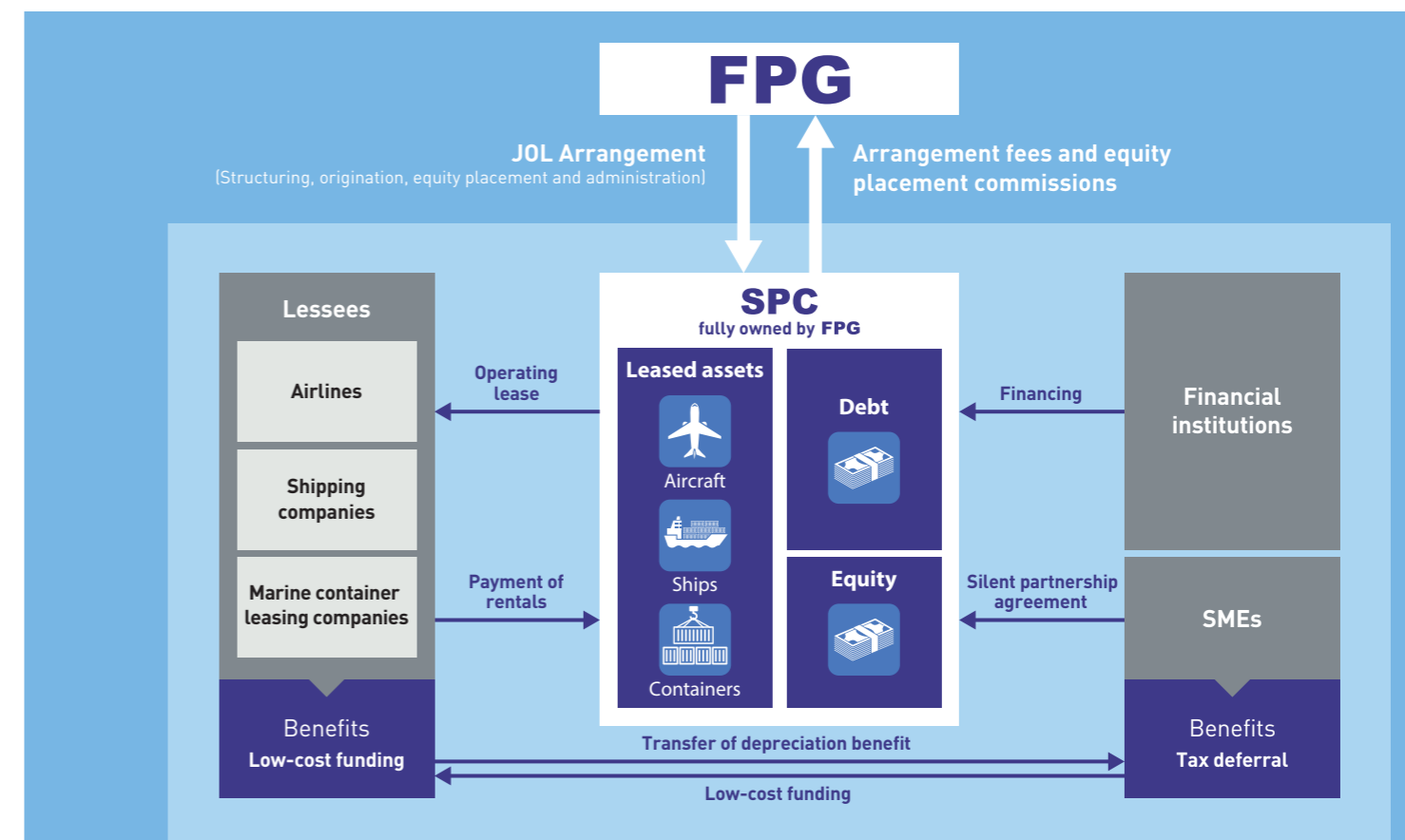
Under JOLs, the lessor tends to show losses during the first half of the lease term because expenses, such as depreciation expenses calculated by the declining-balance method, exceed income during this period. The loss is usually replaced by profits in the

second half of the lease term, as expenses decline.

Profits and losses related to JOLs are distributed to investors commensurate with their relative equity contributions in accordance with the silent partnership agreement. By offsetting losses that arise in the first half of the lease term against profits in their main businesses, investors can reduce stated profit and defer their tax liabilities. Lessees including airlines and shipping companies, etc., meanwhile, are able to procure low-cost funds from investors through JOLs to be used in purchasing their assets, such as aircraft and ships.

FPG thus matches the needs of investors seeking tax deferral benefits with the needs of lessees seeking low-cost funds and, in return, earns fees for arranging the JOLs. FPG continues to achieve strong growth as a leading company in the Lease Arrangement Business in Japan.

## Business Model of the Lease Arrangement Business



## 04 Lease Arrangement Business

### Outlook for the Lease Arrangement Business

In the Lease Arrangement Business, we use advanced financial solutions to match the equipment investment needs of airlines and shipping companies and the business management issues faced by SMEs.

An important factor in the expansion of this business is to expand lease origination and equity placement in a balanced fashion.

### Providing an attractive finance method for lessees

With regard to origination, growth in tourism and trade related to global economic growth are drivers for increased equipment investment by airlines and shipping companies. In particular, the number of operational aircraft is forecasted to double to 45,000 by the mid-2030s, so the potential market is very large.

We believe there is considerable room for cultivating new lessees. The JOL business is an attractive financing

method for airlines and shipping companies that need to introduce large-scale transport-related equipment, as it allows them to procure funds at low cost. We will continue to strengthen our ties with overseas affiliates, FPG Asset & Investment Management B.V. and FPG Amentum Limited, and further expand marketing efforts for our JOL business offerings as an internationally competitive method for procuring funds.

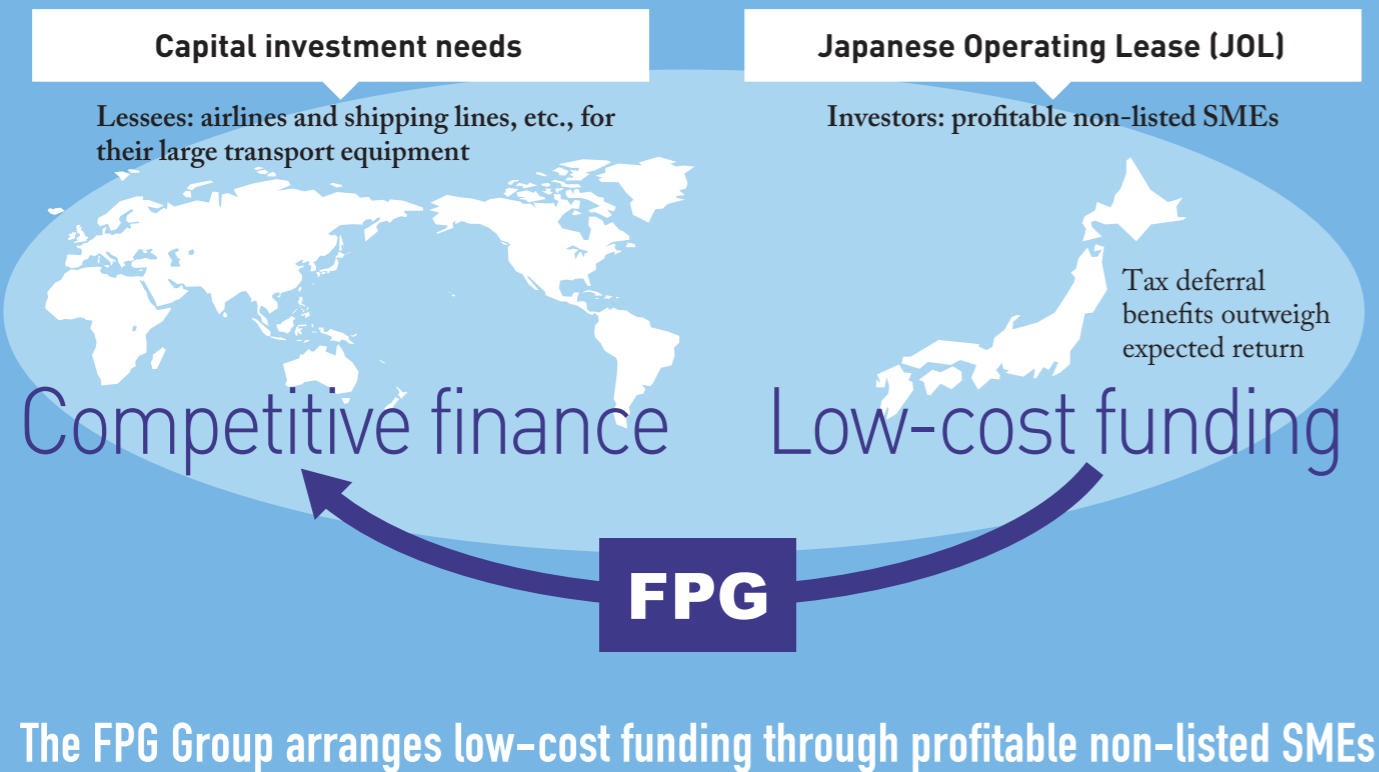
### Establishing a robust distribution network

Our distribution network, which can be accessed efficiently by SMEs and wealthy individuals throughout Japan, is one of our distinguishing features, and one that supports rapid growth.

FPG has established a system that facilitates customer introductions from business partners (accounting firms and financial institutions throughout Japan) that serve SMEs and wealthy individuals. In comparison to our

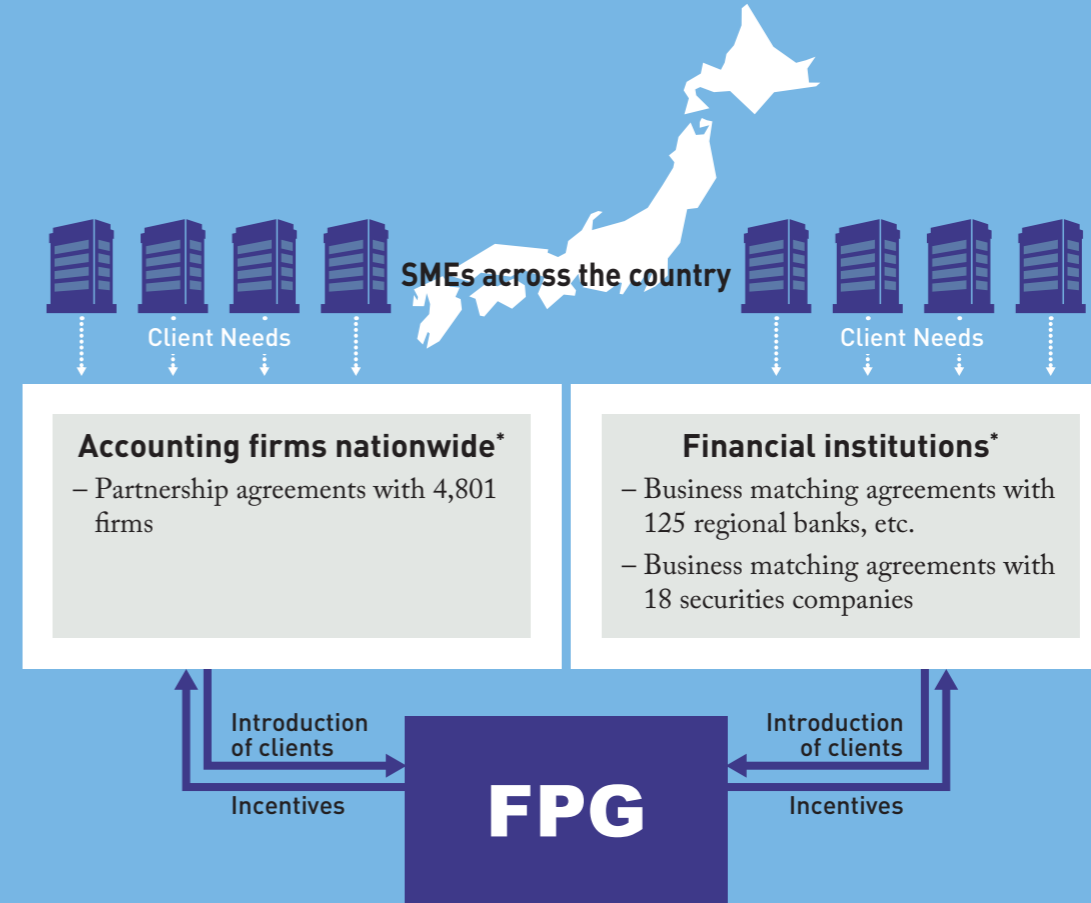
competitors that are part of a major banking group, thanks to FPG's neutrality and independency, FPG has been able to expand our relationship with financial institutions (regional banks, securities companies). Our distribution network continues to grow, with over 500 new business partners added to our portfolio in the fiscal year ended September 2019. We now have business partnerships with over 4,800 accounting firms and 143 financial institutions.

### The reason why foreign lessees award mandates to FPG



### FPG's distribution network

Building a distribution network that can approach investors effectively



\*Figures above as of end-September 2019

## 05 Diversified Businesses

### Promoting Business Diversification

In addition to boosting our core Lease Arrangement Business, we are diversifying our business activities in pursuit of even further growth. New sectors that we have entered, such as the Real Estate Business, are growing steadily thanks to our ability to cross-sell utilizing our existing customer base and network. We formulate solutions for finance strategy, business

succession, risk management and other issues faced by our customers, both companies and individuals, and make these solutions available as a one-stop provider.

Promoting business diversification, the FPG Group aims to improve its performance through the expansion of new products and services that meet customers' needs.

Existing and new customers (highly profitable SMEs and wealthy individuals)

We have the capability to develop unique products and provide solutions that meet customers' needs.

Lease Arrangement	Real Estate	Insurance	M&A	Private Equity	FPG Trust
Through the deferred effect on taxable income, clients are able to build the ideal capital investment plans and formulate stable profit plans and ensure favorable tax management practices  (Overseas affiliated companies) FPG Amentum FPG AIM	Selling real estate fractional ownership investment for responding to asset management and asset succession needs of high net worth individuals	[Insurance Brokerage] Mainly offering optimal insurance products for corporations  <b>Insurance Agency Service</b>  Offering the various products to customers as the insurance agency	Dealing with the successor absence problem of SMEs and supporting smooth business succession	Solving client needs flexibly by our investment in prime SMEs	Trust business for aircraft leasing and real estate investment  <b>FPG Securities</b>  Contribute to aircraft leasing business by investment management

### Real Estate Business

Since August 2013, we have provided real estate fractional ownership investment to both individual and corporate customers under the Real Estate Specified Joint Enterprise Act. Building on that, in April 2016 we began providing new real estate fractional ownership investment

(fractional real-estate trust beneficiary rights) making use of our subsidiary FPG Trust's capabilities. Sales are growing driven by the fact that our products offer tax benefits as donated assets or inheritance properties, in addition to the expected stable investment income.

### Insurance Business

We deal mainly with corporate insurance products, such as death protection, preparation of retirement packages, inheritance and business succession plan,

among others. We offer optimal insurance products for companies as insurance brokers and offer the various products to customers as the insurance agency.

### M&A Business

In light of the increase in business succession issues due to the aging of SME owners, we act as the intermediary agent or adviser.

### Private Equity Business

We invest in prime SMEs by utilizing the relations and platforms that we have cultivated to date in developing financial services for SMEs. Taking advantage of being

an independent company, we can solve issues and meet client needs in a flexible way.

### Trust Business (FPG Trust Co., Ltd.)

We promote Trust Business for aircraft leasing and real estate investment. We are working to expand our business by developing new products and services such

as sub-divided real estate products, and through the use of trust schemes in the aircraft leasing business, the first of its kind in Japan.

### Securities Business (FPG Securities Co., Ltd.)

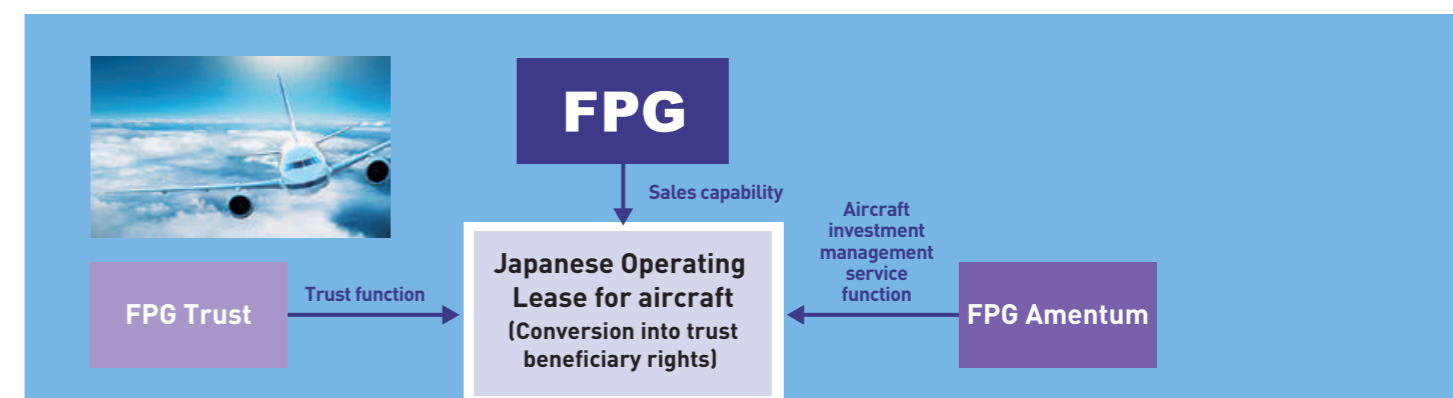
We are aiming to contribute to the aircraft leasing business by investment management.

### Synergy Effect

#### Developed our original structure utilizing the advantage of the trust function

We have developed a unique new structure to promote the continued expansion of our aircraft leasing business. The FPG Group's unique competitive advantage of

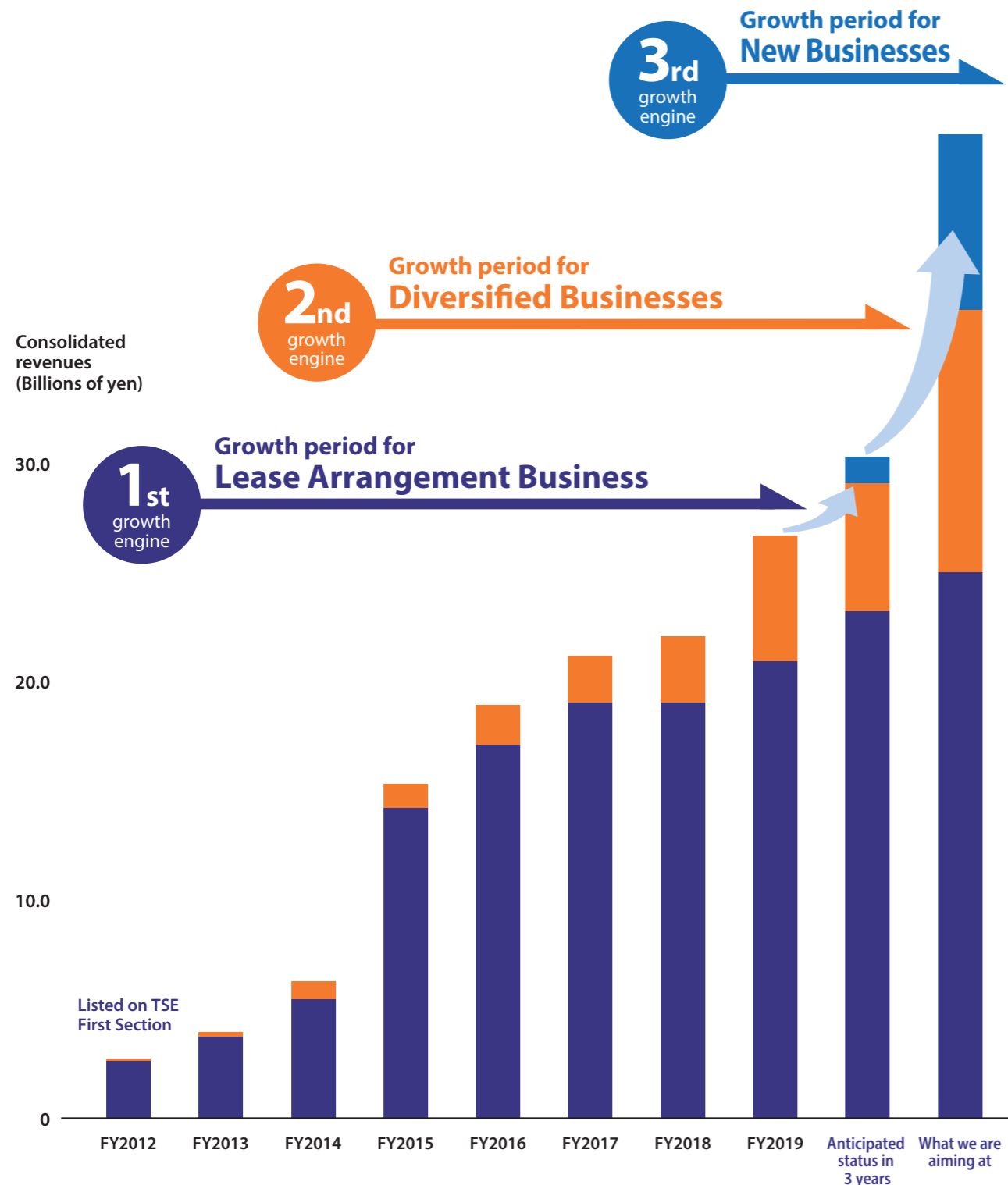
having a trust company and an aircraft management service company enabled it to conclude the first Japanese Operating Lease for aircraft using a trust structure.





## Grow sustainably through three engines

- Revenue from new businesses
- Revenue from Diversified Businesses
- Revenue from Lease Arrangement Business



## Basic Policy

FPG has been working to improve the performance and efficiency of its business based on its mission to conduct management that respects the interests of all the stakeholders, including shareholders, customers, employees and business partners. We have also been working to ensure thorough compliance by employees as well as directors. In addition, based on the recognition that the mechanism that ensures such effectiveness is corporate governance, we have been working to fulfill our responsibilities in this area. Our objective is to achieve sustainable growth by improving and strengthening corporate governance in accordance with our growth strategies — a critical managerial challenge for the future.

Our management philosophy states that we must adhere to a strict sense of ethics in utilizing our expertise; that we are aware that compliance constitutes the core of corporate governance; and that we will ensure its thorough implementation. Moreover, we are also aware that the fundamental purpose of corporate governance is to establish transparent and sound management by increasing and maximizing company value through an improvement in stakeholder satisfaction. We aim to be “a real professional” in the financial industry and to maintain, construct and operate the most suitable management organization.

## System

FPG has introduced the executive officer management system. The Board of Directors concentrates on important management decisions and the implementation of oversight functions, while executive officers, selected and appointed by the Board of Directors, are responsible for business operations in each individual field. This encourages fast decision-making and efficient operational implementation, which enhances execution.

The Board of Directors is composed of five directors. They hold meetings once a month or on an as-needed basis. In addition, in order to ensure the transparency and fairness of management and to achieve growth in the financial industry where advanced expertise is required, the Company has appointed two outside directors who are familiar with the financial sector and international corporate legal affairs.

Each of the ten executive officers appointed by the Board of Directors carries out business operations in his/her responsible field. In addition, the executive officers hold

Executive Board meetings chaired by a representative executive officer who concurrently serves as the President and CEO.

Executive Board meetings are held once a month and on an as-needed basis for the purpose of determining and reporting on business operations and deliberating matters to be submitted to the Board of Directors. The Audit & Supervisory Board is composed of three auditors, among which there is one full-time auditor. The Audit & Supervisory Board holds meetings once a month and on an as-needed basis.

Each auditor spends time auditing and monitors the business execution of the directors by carrying out specific auditing procedures delineated in the audit plan adopted by the Audit & Supervisory Board. In addition, in order to further strengthen the audit function, the Company has appointed three outside auditors who have abundant knowledge and experience. The Internal Audit Office is independent from the other organizations, which the President and CEO control directly. Two dedicated staff are appointed to the Internal Audit Office. They evaluate the effectiveness of internal controls with respect to the Company’s general business activities and mission.

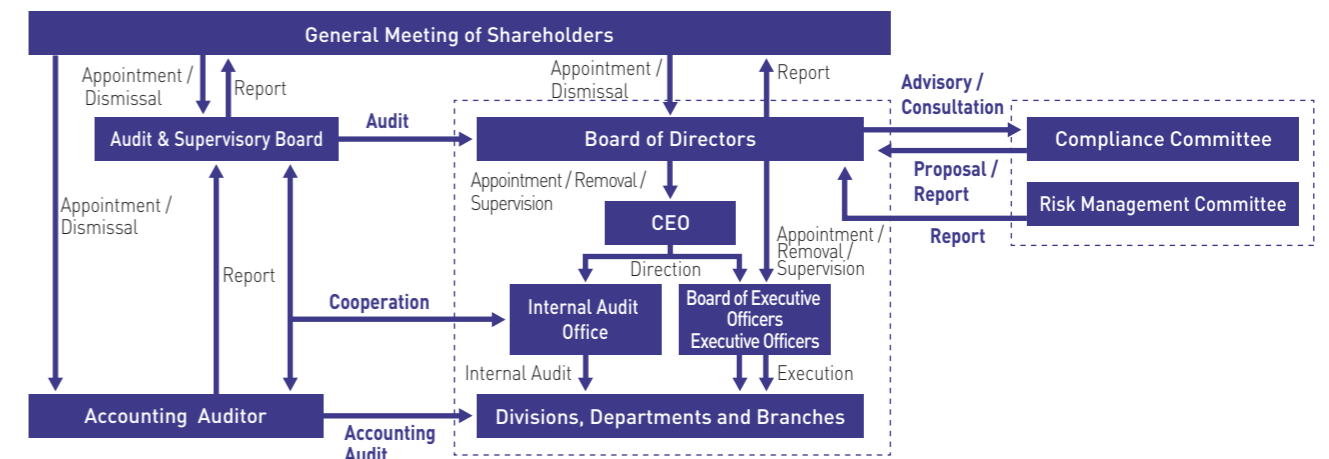
FPG has appointed Ernst & Young ShinNihon LLC as the accounting auditor.

The Compliance Committee chaired by the President and CEO is held on a regular and on an as-needed basis to ensure thorough compliance. In addition, in order to strengthen the risk management and crisis management systems, the Company holds regular meetings of the Risk Management Committee chaired by the President and CEO.

## Election of Outside Directors

With the aim of establishing a strong corporate governance system and ensuring fairness and transparency, we have elected as outside directors Masashi Funayama and Keiko Ohara who are academics with abundant knowledge, experience and broad expertise in finance and management, as well as in international corporate legal affairs. For brief biographies of Masashi Funayama and Keiko Ohara, please refer to the following pages. We have judged that there are no special interests between each of the two outside directors above and the Company, nor is there the possibility of conflicts of interest with general shareholders. In addition, we have designated two outside directors and three auditors as an independent executive as stipulated in the provision of Tokyo Stock Exchange (TSE) Inc.

## Overview of the Corporate Governance System



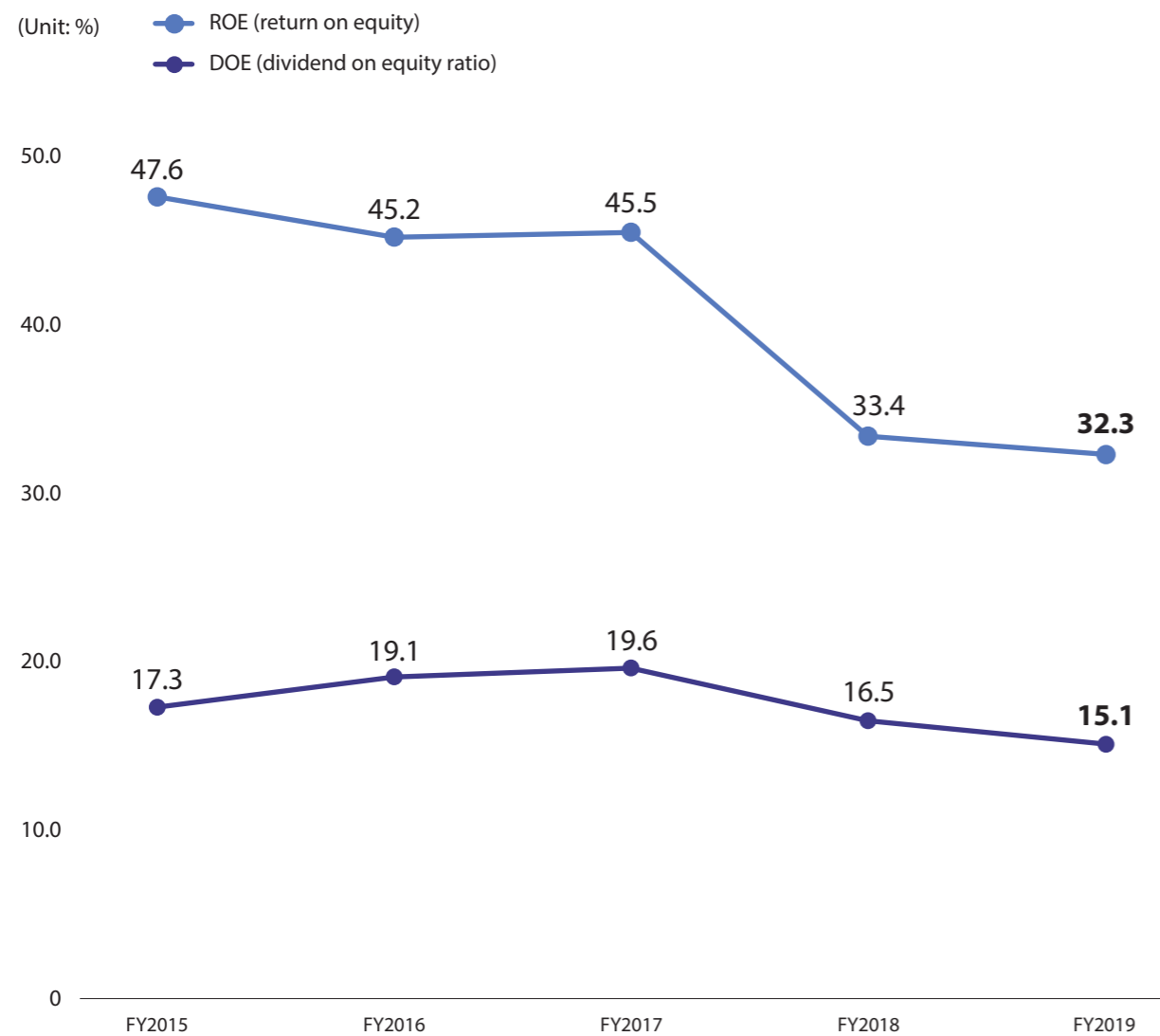
## 08 Shareholder Return Policy

**Introduce DOE (Dividend on Equity ratio) target, aim to achieve a high level of shareholder return through strong profitability**

Aim at DOE of 15% or above by adopting a capital policy including share buybacks, and a dividend policy

Maintain ROE of around 30%

### Trends in ROE and DOE



**Point**  $DOE \text{ (Dividend on Equity ratio)} = ROE \times \text{consolidated dividend payout ratio}$

**Aim for a sustainable increase in dividends in the medium term by increasing corporate value through Quality Growth Strategy**

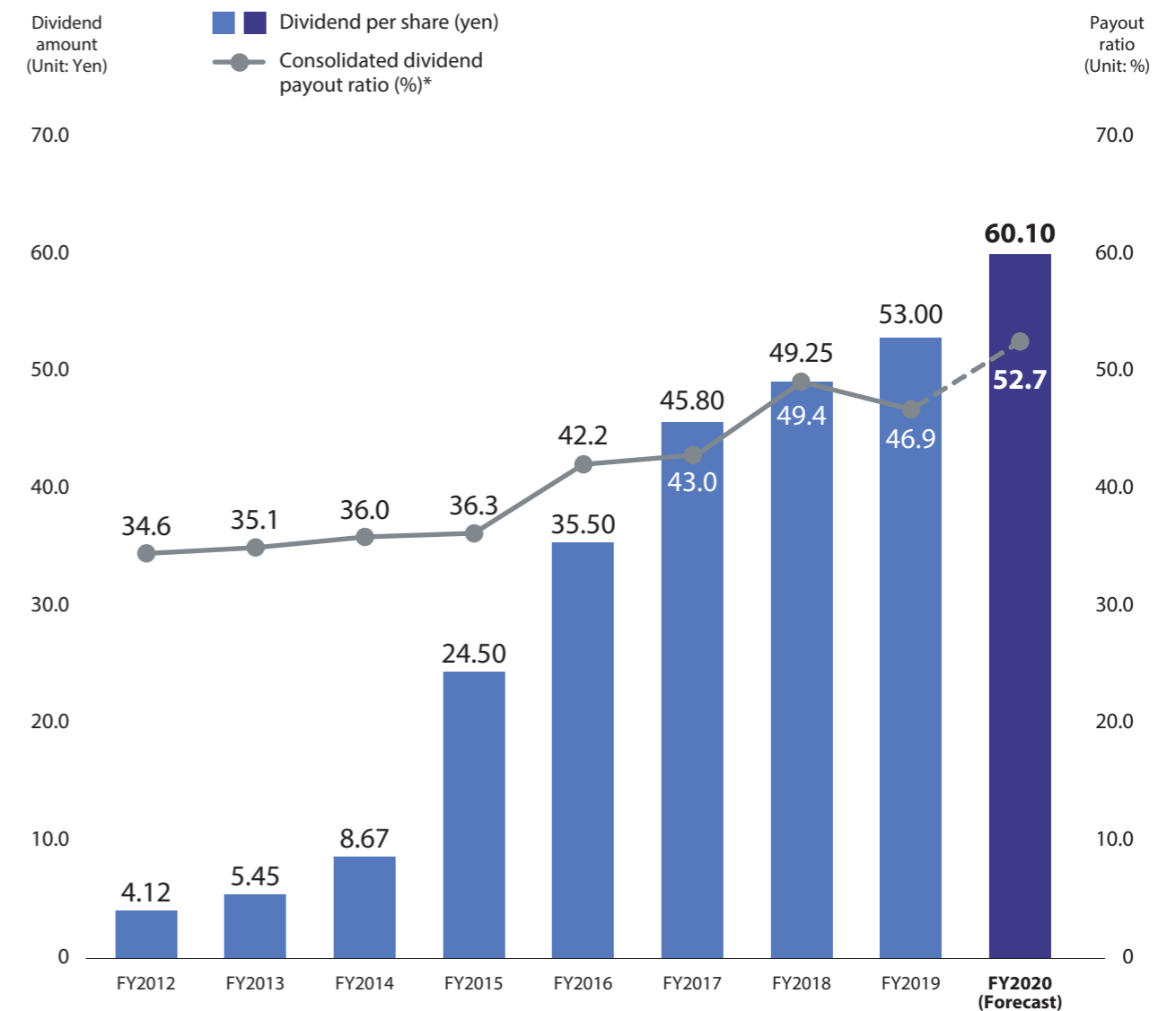
**FY2019**

Dividend per share: **53.00 yen**  
Consolidated dividend payout ratio: **46.9%**

**FY2020 (Forecast)**

Dividend per share: **60.10 yen**  
Consolidated dividend payout ratio: **52.7%**

### Dividend per share and consolidated dividend payout ratio



\*Consolidated account commenced in FY2013

## 09 Directors, Auditors and Officers (As of December 20, 2019)

### Members of the Board



**Hisanaga Tanimura**  
CEO and Founder,  
Representative  
Executive Officer

Mr. Tanimura established Financial Products Group Co., Ltd. in November 2001. He has more than 20 years of experience in the field of Japanese Operating Lease arrangements. Prior to establishing FPG, he was the representative of ING Lease Japan N.V., Tokyo Branch. He also held several positions in Sumisho Lease Co., Ltd. (currently Sumitomo Mitsui Finance & Leasing Company, Limited). He now concurrently serves as the representative director and chairman of FPG Securities Co., Ltd., the representative director and chairman of FPG Trust Co., Ltd., the director of Amentum Capital Ltd. (currently FPG Amentum Limited) and the director of NORTH JAPAN AIRLINES CO., LTD. He received his bachelor's degree in economics from Kwansai Gakuin University in 1983.



**Tadashi Ishiguro**  
Director, Member of the Board,  
Senior Managing  
Executive Officer

Mr. Ishiguro has been a senior managing executive officer at FPG since 2016. He joined FPG Trust in 2015 as CEO and president after serving as senior managing director at The Nomura Trust the Banking Co., Ltd and senior advisor at Nomura Holdings, Inc. Prior to almost a decade of serving at the Nomura group, he spent over 25 years with the Long-Term Credit Bank of Japan, Limited (currently Shinsei Bank, Limited). During his time there, he served as managing director of the corporate affairs group. He now concurrently serves as the director of FPG Trust Co., Ltd. and the director of NORTH JAPAN AIRLINES CO., LTD. He received his bachelor's degree in law from The University of Tokyo in 1978.



**Kazuki Takahashi**  
Director, Member of the Board,  
Senior Managing  
Executive Officer

Mr. Takahashi has been a senior managing executive officer since 2018 and is in charge of the Osaka branch, Okayama branch, Hiroshima branch, Takamatsu branch and Fukuoka branch. He joined the Company in 2008, attaining the position of member of the board in 2009. Prior to that, he was engaged mainly in the arrangement of operating leases at Sumisho Lease Co., Ltd. (currently Sumitomo Mitsui Finance & Leasing Company, Limited). He received his bachelor's degree in law from Chuo University in 1988.



**Masashi Funayama**  
Director, Member of the Board  
(Independent)

Mr. Funayama is an independent director who joined the Company in 2008 as an auditor. Previously, he held several positions at Arthur Andersen and Co. (currently Accenture Japan Ltd.), Citi Bank private banking division and Republic National Bank of NY (currently The Hongkong and Shanghai Banking Corp. Limited). He currently serves as the representative of the Funayama CPA office. He received his bachelor's degree in commerce from Hitotsubashi University in 1976.



**Keiko Ohara**  
Director, Member of the Board  
(Independent)

Ms. Ohara is an independent director. She joined the Company in 2018. She is a practicing attorney qualified in Japan (admitted, 1988) and New York (admitted, 1993) and is a partner of Kamiyacho International Law Office, which she cofounded in 2000. She was formerly a partner at Komatsu & Koma, a Tokyo based law firm and also worked at the New York Office of Weil, Gotshal & Manges LLP. In addition to her legal practice, she is an adjunct lecturer at Keio Law School, and is an auditor of Save the Children Japan, and serves as chair of Committee on Foreign Lawyers and International Legal Practice of Japan Federation of Bar Associations and is the director of FUJI KYUKO CO., LTD. She received her bachelor's degree in economics and law from Keio University and LL.M. from Harvard Law School.

### Audit & Supervisory Board Members



**Masatoshi Yasuda**  
Member of the Audit &  
Supervisory Board  
(Independent)

Mr. Yasuda has been a member of the Audit & Supervisory Board since he joined the Company in 2012. Mr. Yasuda held several positions at Hitachi, Ltd., where he was in charge of macro-economic analysis and forecasting, development of long-term business management plans and business strategy consulting for business units. Before becoming independent in 2001, he served as head of the derivatives department at Citibank, N.A. Tokyo Branch (from January 1983) and Manager of the Tokyo Branch, CitiCorp Scrimgeour Vickers Securities Ltd. and the Japan representative at Cantor Fitzgerald. In 2006, he assumed the position of vice president at MM Research Institute, Ltd. Mr. Yasuda currently serves as auditor of FPG Securities Co., Ltd. in addition to being representative director of the Institute of Corporate Governance, Japan. Mr. Yasuda received his bachelor's degree in economics from The University of Tokyo in 1971 and his master's degree in business administration from the University of Lausanne in 1978.



**Tomokatsu Yoshitoshi**  
Member of the Audit  
Supervisory Board  
(Independent)

Mr. Yoshitoshi has been working as a member of the Audit & Supervisory Board since joining the Company in 2012. Prior to that, Mr. Yoshitoshi worked at the Long-Term Credit Bank of Japan, Ltd. (now Shinsei Bank, Limited) where he was assigned to the Merchant Banking Group, and also served as Deputy Manager of the London Branch. He then moved to Daiichi Hotel Co., Ltd. as treasurer. In 1999, Mr. Yoshitoshi moved to the ING Group and held several positions there, including head of the LDA sales and mutual fund department at ING Life Insurance Co., Ltd. and as president and representative director of ING Mutual Funds Management Co. (Japan), Ltd. Mr. Yoshitoshi currently serves as auditor of FPG Trust Co., Ltd. Mr. Yoshitoshi received his bachelor's degree in law from Keio University in 1975 and attended a master's degree program at Indiana University, Graduate School of Business Administration.



**Hitoshi Tsunemine**  
Member of the Audit &  
Supervisory Board  
(Independent)

Mr. Tsunemine has been working as a member of the Audit & Supervisory Board since joining the Company in 2013. Prior to that, Mr. Tsunemine worked at the Long-Term Credit Bank of Japan, Ltd. (now Shinsei Bank, Limited.), serving as branch manager of the Osaka Branch. In 2004, he moved to SHINKI Co., Ltd. and served as an adviser and in June 2005, he assumed the position of president and chief executive officer. In May 2009, he moved to APLUS FINANCIAL Co., Ltd. (the former APLUS Co., Ltd.), serving as an adviser and then president and chief executive officer. In April 2011, he assumed the position of chairman and representative director. Mr. Tsunemine currently serves as auditor of NORTH JAPAN AIRLINES CO., LTD. Mr. Tsunemine received his bachelor's degree in law from Keio University in 1977.

## 09 Directors, Auditors and Officers

### Executive Officer



**Kenji Kubode**  
Managing Executive Officer

Mr. Kubode, a CPA, has been a managing executive officer since 2016 and is in charge of the Accounting Department 1 and 2 and Information Systems Department. Mr. Kubode joined the Company in 2008, attaining the position of member of the board in 2009. Prior to that, Mr. Kubode held several positions at Minato Audit Corporation (currently Azusa Auditing Company), Kokusai Investment Trust Management Co., Ltd. (currently Mitsubishi UFJ Kokusai Asset Management Co., Ltd.) and JAFCO Co., Ltd. Over a period of 18 years, Mr. Kubode provided unlisted companies with support in developing operational control systems and preparing for their IPOs. Mr. Kubode received his bachelor's degree in business administration from Yokohama National University in 1985.



**Keiichi Nakamura**  
Executive Officer

Mr. Nakamura has been an executive officer since 2018 and is in charge of the Structured Finance Department 2, 3 and 4. Mr. Nakamura joined the Company in 2016 as general manager of the Structured Finance Department 3. After joining The Sanwa Bank, Limited (currently MUFG Bank, Ltd.) in 1986, Mr. Nakamura was engaged mainly in arranging structured finance at WestLB AG and Aviation Lease Advisers. Mr. Nakamura received his bachelor's degree in engineering from Kyoto University in 1986 and his master's degree in international accounting from Chuo University in 2012.



**Takahiro Matsumoto**  
Managing Executive Officer

Mr. Matsumoto has been a managing executive officer since 2018 and is in charge of the Structured Finance Department 1 and 5. Mr. Matsumoto joined the Company in 2009 as head of the Structured Finance Department. After joining Showa Leasing Co., Ltd. in 1985, Mr. Matsumoto built up more than 16 years of experience in the field of arranging structured finance, including aircraft leases, at Nomura Babcock & Brown and Macquarie Group Limited. Mr. Matsumoto received his bachelor's degree in economics from Keio University in 1985 and his master's degree in business administration from the Graduate School of International Politics, Economics and Communication, Aoyama Gakuin University in 2000.



**Ayako Kaneko**  
Executive Officer

Ms. Kaneko has been an executive officer since 2019 and is in charge of the Legal Department and Compliance Department. She joined the Company in 2013 as its first in-house counsel to assume the head of the newly created Legal Department. Prior to that, she was engaged in private practice at two law firms which mainly handle both domestic and cross-border corporate transactions and commercial litigation matters. She received her master's degree in public law from Keio University Graduate School of Law in 1994 and her master's degree in Corporate Law from New York University School of Law in 2007. She is admitted to practice law in Japan (2000) and New York (2008).



**Tomomichi Suzuki**  
Executive Officer

Mr. Suzuki has been an executive officer since 2016 and is in charge of Tokyo Sales Department 1, Tokyo Sales Department 2 and the Omiya Branch. An expert with over 20 years of experience in selling Japanese leveraged and operating leases at Sumisho Lease Co., Ltd. (currently Sumitomo Mitsui Finance and Leasing Co., Ltd.), Mr. Suzuki joined the Company in 2010, later acting as manager of the Nagoya Branch from 2012. Mr. Suzuki received his bachelor's degree in law and economics from Chiba University in 1990.



**Tomoyuki Oshima**  
Executive Officer

Mr. Oshima has been an executive officer since 2019 and is in charge of the Sales Department 3 and Sendai Branch. He joined the Company in 2019 as deputy Executive Officer of the Sales Department. Prior to that, he engaged in many years of experience in sales of financial products at ORIX Corporation. He received his bachelor's degree in economics from Ritsumeikan University in 1985.



**Hirotoshi Kitsuka**  
Executive Officer

Mr. Kitsuka has been an executive officer since 2016 and is in charge of the Business Promotion Department, Sales Support Department, Sapporo Branch, Kanazawa Branch, Nagoya Branch and Insurance Brokerage Department. Mr. Kitsuka joined the Company in 2009 as manager of the Nagoya Branch. Prior to that, Mr. Kitsuka amassed many years of experience in sales of financial products to corporate entities, mainly at ORIX Life Insurance Corporation. Mr. Kitsuka received his bachelor's degree in humanities from Tokyo Metropolitan University in 1987.

## 09 Directors, Auditors and Officers

### CEOs of FPG Group Companies



**Yukio Nagamoto**  
FPG Securities Co., Ltd.

Mr. Nagamoto, the CEO of FPG Securities Co., Ltd., joined the Company in 2018. Prior to that, he has over 30 years of experience in derivative products, foreign fixed income, alternative investments including hedge funds, mainly at UBS Securities Japan Co., Ltd. Also, he held positions as Executive Director and Head of Japan, UBS Hedge Fund Solutions, Investments at UBS Asset Management Japan Ltd. He received his bachelor's degree in law from Keio University in 1982.



**Dr. Martin Bouzaima**  
FPG Amentum Ltd.

Dr. Bouzaima has been with FPG Amentum Ltd. since 2010. Dr. Bouzaima joined from HSH Nordbank where he worked in the Structuring & Analysis Unit of the Aviation Finance Group and also the Corporate Development Department. Previously, Dr. Bouzaima was engaged in academic research and teaching, working and publishing on topics in portfolio theory and microeconomics while working as the Chair of Finance at the University of Koblenz. Dr. Bouzaima has a master's in economics from the University of Bonn and a Ph.D. in finance and economics from the University of Koblenz, Germany.



**Takahiro Nomoto**  
FPG Trust Co., Ltd.

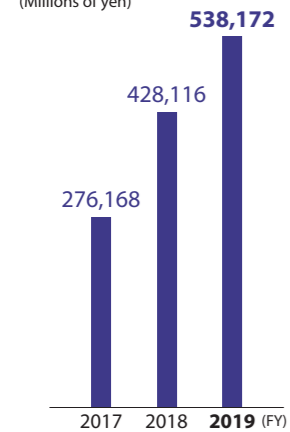
Mr. Nomoto joined FPG Trust Co., Ltd. as CEO and president in 2016. He has 40 years of experience in trust business with Sumitomo Trust and Banking Co., Ltd. (currently Sumitomo Mitsui Trust Bank, Limited), including as president of its U.S. subsidiary, and a succession of senior positions with Japan Trustee Services Bank, Ltd. Mr. Nomoto received his bachelor's degree in industrial engineering from Wakayama University in 1976.

# Financial Section

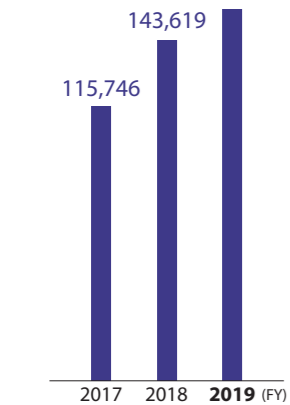
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# Analysis of Financial Situation, Operating Results and Cash Flow

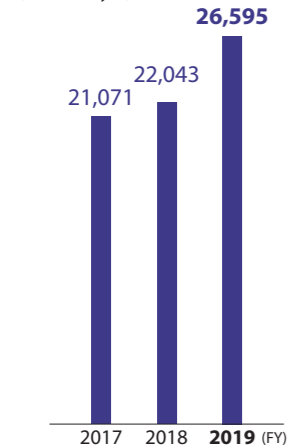
**Total amount of assets arranged in operating leases**  
(Millions of yen)



**Total amount of equity placement in operating leases**  
(Millions of yen)



**Net sales**  
(Millions of yen)



In the consolidated financial results for the fiscal year ended September 30, 2019, FPG achieved its 10th consecutive fiscal year of increased revenues due to revenue growth in the Real Estate Business and other businesses that comprise its Diversified Businesses, in addition to stable growth in FPG's core Lease Arrangement Business against the backdrop of market expansion and steady growth in its customer base. FPG also achieved record-high revenues and profits. FPG is aiming for record-high profits in the consolidated financial results for the fiscal year ending September 30, 2020, through sustained growth in the Lease Arrangement Business and expansion in its Diversified Businesses such as the newly created Private Equity Business in addition to the previously established Real Estate, Insurance and M&A Businesses.

## 1. Analysis of Operating Results

In the fiscal year under review, although a moderate slowdown was seen in China and other emerging economies, the overall trend of moderate recovery continued, due to the recovery in the United States and the moderate recovery in the Eurozone. Meanwhile, the moderate recovery continued in Japan due to factors such as the improvement of consumer spending and an increase in capital investment. Under such conditions, the Group endeavored to implement a variety of measures in accordance with the medium- to long-term management strategy. As a result, in the Lease Arrangement Business, both the total amount of assets arranged in operating leases and equity placements achieved record highs, and also as a result of the smooth expansion of the Diversified Businesses, consolidated net sales increased to ¥26,595 million (+20.6% year-on-year), operating profit increased to ¥14,432 million (+10.5% year-on-year), ordinary profit increased to ¥14,394 million (+14.0% year-on-year) and profit attributable to owners of parent increased to ¥10,035 million (+11.6% year-on-year), all of which achieved record highs.

### Net Sales

#### [ Lease Arrangement Business ]\*1

Revenues in Lease Arrangement Businesses totaled ¥20,806 million (+9.5% year-on-year). As a result of aggressive arrangements, the total amount of assets arranged in operating leases rose significantly year-on-year to a record high of ¥538,172 million (+25.7% year-on-year). Due to these favorable lease arrangement conditions, inventories were kept at a plentiful level of ¥94,544 million to respond to robust demand from investors. In addition, the total amount of equity placement in operating leases reached a record high of ¥156,785 million (+9.2% year-on-year).

Note 1: We changed the name of the Tax Leasing Arrangement Business to the Lease Arrangement Business from the fiscal year ended September 2019.

### [ Diversified Businesses ]

Revenues in Diversified Businesses increased steadily to ¥5,789 million (+90.1% year-on-year). Of this, revenues in the Real Estate Business, which the Company positions as its core business, increased to ¥4,254 million (+511.2% year-on-year) due to growth in sales of real estate fractional ownership investment and the sale of one development real estate building, FPG Links Omotesando.\*2  
Also, revenues in the Insurance Business decreased to ¥916 million (-25.1% year-on-year) due to the suspension of sales of some life insurance products for corporate customers from March, while revenues in the M&A Business increased to ¥147 million (+210.4% year-on-year). In addition, revenues in the Aircraft Investment Management Services Business operated by FPG Amentum Limited decreased to ¥321 million (-50.5% year-on-year), while revenues in the Securities Business decreased to ¥140 million (-31.5% year-on-year).

As a result, total revenues increased to ¥26,595 million (+20.6% year-on-year).

Note 2: When FPG sells real estate fractional ownership investment the company sells the trust beneficiary rights of the real estate management trust, which is set up in trust with the subsidiary FPG Trust acting as the Trustee, and the company puts emphasis on providing a variety of services to set up real estate in trust beneficiary right to carry out management instructions, etc. Therefore, the amount we record under "Net sales" is the amount equivalent to our service fees, rather than the amount equivalent to the Transfer Price of the property. However, in this case we record the amount equivalent to the project's Trading Price as "Net sales" for our Real Estate Business. This is due to the fact that FPG sells a single investor a trust beneficiary right of a single block of real estate which has added value to the real estate property before the sale. The company puts an emphasis on providing the value improvement by real estate development rather than providing a range of services to set up real estate in trust beneficiary right to carry out management instructions, etc.

### Cost of Sales

Cost of sales increased to ¥6,146 million (+90.7% year-on-year) due to the cost of one building sale in the Real Estate Business.

### Selling, General and Administrative Expenses

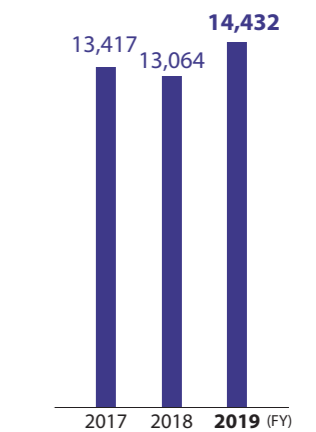
Selling, general, and administrative expenses rose to ¥6,016 million (+4.5% year-on-year). This change was largely resulted in personnel expenses increasing to ¥3,306 million (+5.6% year-on-year) and other expenses growing to ¥2,710 million (+3.2% year-on-year).

Note: Personnel expenses include salaries, bonuses (including provisioning of reserve), welfare expenses, retirement benefit costs and recruitment costs.

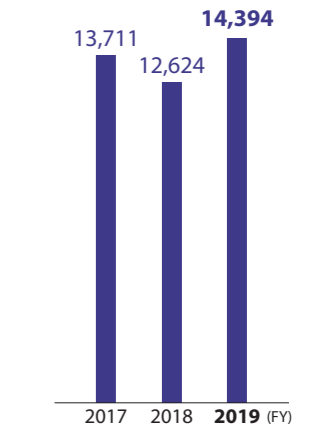
### Operating Profit

As a result of the above, operating profit totaled ¥14,432 million (+10.5% year-on-year).

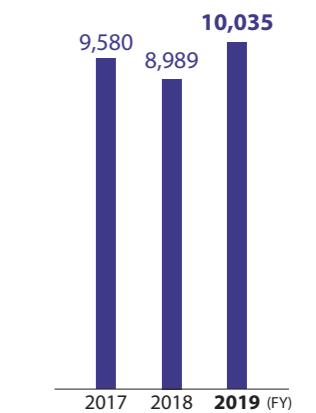
**Operating profit**  
(Millions of yen)



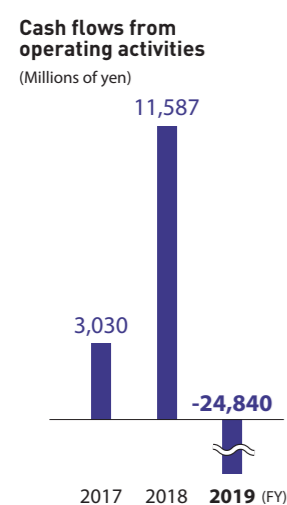
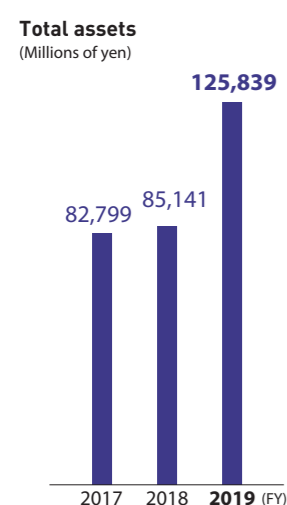
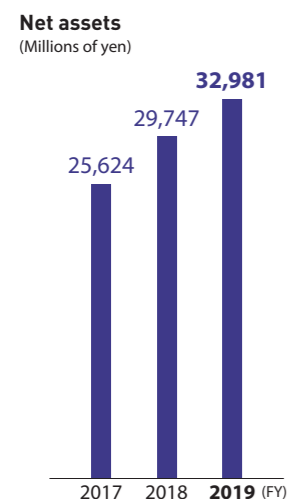
**Ordinary profit**  
(Millions of yen)



**Profit attributable to owners of parent**  
(Millions of yen)



## Analysis of Financial Situation, Operating Results and Cash Flow

**Non-operating Income and Non-operating Expenses**

Non-operating income totaled ¥2,032 million (+96.0% year-on-year). The main factor was interest income of ¥704 million (+189.4% year-on-year) reflecting increased advance interest income on equity underwritten and money in trust. Other factors were ¥523 million in gain on investments in money held in trust, ¥477 million in share of profit of entities accounted for using equity method (+99.6% year-on-year) and real estate rent increased to ¥249 million (-14.7% year-on-year).

Non-operating expenses rose to ¥2,070 million (+40.1% year-on-year). The main factors were interest expenses of ¥1,082 million (+86.9% year-on-year), commission fee of ¥760 million (+29.5% year-on-year) and foreign exchange losses of ¥132 million (-35.6% year-on-year).

**Ordinary Profit, Extraordinary Income and Losses, and Profit Attributable to Owners of Parent**

As a result of the factors above, ordinary profit totaled ¥14,394 million (+14.0% year-on-year). Furthermore, FPG recorded extraordinary losses of ¥51 million and after deduction of income taxes, profit attributable to owners of parent reached ¥10,035 million (+11.6% year-on-year).

**2. Analysis of Financial Condition**

Consolidated assets at the end of the fiscal year under review totaled ¥125,839 million (+¥40,697 million at the end of the previous fiscal year).

Of this total, current assets increased to ¥121,096 million (+¥40,452 at the end of the previous fiscal year).

- Cash and deposits increased to ¥16,581 million (+¥3,242 million at the end of the previous fiscal year).
- Arranged assets were ¥97,922 million (+¥36,312 million at the end of the previous fiscal year) due to aggressive arrangements. Secured record high level of product inventory to meet the strong demand of investors. From this amount, equity underwritten, including unsold investments in silent partnerships, amounted to ¥75,434 million (+¥34,926 million at the end of the previous fiscal year). Furthermore, while we made progress in arrangement of assets for our aircraft leasing business, money held in trust (Aircraft for arrangement), including unsold trust beneficiary rights, increased to ¥19,109 million (+¥5,230 million at the end of the previous fiscal year). In addition, real estate for arrangement decreased to ¥3,378 million (-¥3,844 million at the end of the previous fiscal year) due to the steady progress in sales of real estate fractional ownership investment, despite the acquisition of new real estate.
- Current assets other than those listed above increased to ¥6,592 million (+¥897 million at the end of the previous fiscal year).

Non-current assets increased to ¥4,742 million (+¥245 million at the end of the previous fiscal year).

- Property, plant and equipment decreased to ¥316 million (-¥49 million at the end of the previous fiscal year).
- Intangible assets decreased to ¥944 million (-¥173 million at the end of the previous fiscal year).
- Investments and other assets increased to ¥3,481 million (+¥468 million at the end of the previous fiscal year).

Consolidated liabilities at the end of the fiscal year under review totaled ¥92,857 million (+¥37,463 million at the end of the previous fiscal year).

Of this total, current liabilities increased to ¥82,401 million (+¥35,005 million at the end of the previous fiscal year).

- Debts and bonds increased to ¥65,896 million (+¥33,167 million at the end of the previous fiscal year), reflecting progress in the fund procurement for the acquisition of arranged assets.
- Advances received including commission fees related to equity underwriting that is scheduled to be sold in the next fiscal year increased to ¥9,790 million (+¥3,556 million at the end of the previous fiscal year).
- Current liabilities other than those stated above were ¥6,714 million (-¥1,719 million at the end of the previous fiscal year).
- Commitment line agreements and overdraft agreements, etc., which enable our strong fund procurement capability, totaled ¥140,675 million (+¥34,885 million at the end of the previous fiscal year) at the end of the fiscal year under review.

Non-current liabilities totaled ¥10,455 million (+¥2,457 million at the end of the previous fiscal year). The main factor was the increase in debt and bonds to ¥10,189 million (+¥2,429 million at the end of the previous fiscal year).

Total net assets were ¥32,981 million (+¥3,234 million at the end of the previous fiscal year), mainly reflecting a year-end dividend of ¥4,441 million paid in the previous fiscal year, and ¥10,035 million of profit attributable to owners of parent for the period. The shareholders' equity ratio at the end of the period under review was 26.0% (compared with 34.5% at the end of the previous fiscal year).

**3. Cash Flow**

Cash and cash equivalents at the end of the period under review ("funds") totaled ¥16,581 million, which was ¥3,242 million higher than at the end of the previous fiscal year. Cash flows and their principal influencing factors were as follows.

**[ Cash Flow from Operating Activities ]**

Net funds used in operating activities totaled ¥24,840 million (compared with ¥11,587 million provided in the previous year), mainly reflecting the posting of pre-tax net income for the period and reflecting increased equity underwriting and money in trust due to aggressive arrangements.

## Analysis of Financial Situation, Operating Results and Cash Flow

**[ Cash Flow from Investing Activities ]**

Net funds used in investment activities totaled ¥391 million (compared with ¥883 million used in the previous year).

**[ Cash Flow from Financing Activities ]**

Net funds provided in financing activities totaled ¥28,849 million (compared with net funds used by financing activities of ¥9,815 million in the previous year) as a result of the purchase of treasury shares, which was offset by an increase in borrowings for proceeding with funding for the acquisition of arranged assets.

**4. Outlook for the Next Fiscal Year**

Consolidated results projections for the fiscal year ending September 30, 2020 are as follows.

In the fiscal year ending September 30, 2020, net sales are expected to be generally on par with the previous fiscal year when excluding the impact of the sale of a building developed by the Company implemented in the fiscal year ended September 30, 2019, and profit attributable to owners of parent is forecast to exceed ¥10,000 million for the second consecutive year due to the absorption of the increase in selling, general and administrative expenses associated with the increase in personnel.

	(Millions of yen)		
	Fiscal Year 2019 October 1, 2018– September 30, 2019	Fiscal Year 2020 (forecast) October 1, 2019– September 30, 2020	
			Year-on-year
Net sales	26,595	24,315	-8.6%
Lease Arrangement Business	20,806	21,451	+3.1%
Diversified Businesses	5,789	2,864	-50.5%
Operating profit	14,432	14,045	-2.7%
Ordinary profit	14,394	14,491	+0.7%
Profit attributable to owners of parent	10,035	10,100	+0.6%
Total amount of assets arranged in operating leases	538,172	438,227	-18.6%
Total amount of equity placement in operating leases	156,785	179,393	+14.4%

**Business Risks**

Regarding the business and accounting information listed in this statement, the information indicated below could have a strong influence on investor decisions.

The information provided below regarding future events of the FPG Group is as of the date of Securities Report FY2019.

**1. Inherent Risks of the Lease Arrangement Business****1 - Operating lease business**

The majority of the FPG Group's revenues derive from fees and commissions for the arrangement and management of operating leases in our Lease Arrangement Business, and the sale (to investors) of trust beneficiary rights and shares of silent partnerships.

FPG does business in operating leases mainly in the form of silent partnerships and through money trusts. We set up special purpose companies (SPCs) that operate the silent partnerships on our behalf. FPG Trust operates the money trusts. These affiliates acquire properties for lease and manage the operating lease business. Proceeds from this operating lease business are distributed to investors in the form of shares of silent partnerships or trust beneficiary rights. The proceeds distributed to investors may be less than our initial projections, or even negative, causing investors to restrain investment. This could impact the future earnings of the FPG Group by causing a decline in sales of equity placements, which would result in a decline in revenues from fees and commissions.

The main reasons why revenues in the operating lease business might be less than the Company's projections include: (1) currency risks, (2) risks that the leaseholder fails to pay the lease fees due and (3) risk of price volatility in the value of the leased property. Regarding (1), investors may suffer losses if the future sale of lease properties or the return of funds to investors is to be made in a non-yen currency, and if the yen has appreciated since the time the lease was arranged, which will have negative consequences for the proceeds of the operating lease when converted to yen. Regarding (2), if the lease fees are not paid as contracted to our SPCs or to the beneficiary due to the legal bankruptcy of the lessee or for other reasons, then this may cause a decline in the earnings of the operating lease business and investors may suffer losses. Regarding (3), if at the end of the lease agreement the lessee does not purchase the leased property, compelling our subsidiary SPCs or the trust beneficiary to sell the leased property on the market at a price that is less than the original estimate, or to re-lease the property at unfavorable terms, then this may cause a decline in the earnings of the operating lease business, and investors may suffer losses. The FPG Group provides investors with a full explanation of the risks of the operating lease business. To reduce the risk of lessee non-payment, the FPG Group selects lessees who are major global players in their industry with a strong credit rating. These include marine transport companies, airlines and aircraft leasing companies. Also, to handle the risk of price volatility in the value of the leased property, the FPG Group strives to increase its ability to remarket the leased property. In addition, depending on the case, the FPG Group takes measures to ensure the resale price of the leased property achieves a certain minimum amount by using a company that provides a guarantee of residual value. Sometimes, despite such measures, operating lease business revenues and profits may fall, causing investors to restrain investment. This could impact future earnings of the FPG Group by causing a decline in sales of equity placements, which would result in a decline in revenues from fees and commissions.



## Business Risks

## 2 - The Company's temporary holdings of stakes in silent investment partnerships, and trust beneficiary rights

When assets are arranged in the operating lease business, FPG sometimes temporarily acquires shares of silent partnerships with the intention of reselling them to investors. These shares are recorded on the (consolidated) balance sheet as Equity underwritten. In the case of money trusts, unsold portions of trust beneficiary rights are recorded on the (consolidated) balance sheet as money held in trust (Aircraft for arrangement).

Until such time as these shares in silent investment partnerships and trust beneficiary rights are transferred to investors, any decline in their value due to a drop in prices of the lease asset, deterioration of the creditworthiness of the lessee strengthening of the yen effectively generate a loss. In this event, the Company may mark down the value of the asset and record the loss, which may have a negative impact on the FPG Group's earnings results.

When FPG sells yen-denominated shares of silent partnerships to investors, the selling price reflects the exchange rates prevailing at the time the operating lease deal is arranged. For this reason, if the value of the yen rises sharply after the silent partnership deal is underwritten, the selling price of the shares may be overvalued, relative to the exchange rates prevailing at the time the securities are sold. This may dampen investor interest, reducing the number of investors interested in purchasing the shares of silent partnerships. This may cause delays relative to the initial sales plan, with possible negative consequences for the FPG Group's earnings results.

Also, if shares of silent partnerships, or trust beneficiary rights, are sold to investors denominated in non-yen currencies, this will subject the Company to foreign-exchange risk.

If not enough investors can be found, FPG itself may step in, participating in the operating lease business as an investor. If the value of the lease property declines, this may have negative consequences for the FPG Group's earnings results.

## 3 - Assets arranged for operating leases

To arrange deals in the operating lease business, the FPG Group from time to time acquires aircraft or marine transport containers, which it then records on its (consolidated) balance sheet. Following these acquisitions, it is anticipated that such assets will be sold to investors within a short time, but there may be sudden changes in the economic environment, or the Company may not be able to sell the assets as originally planned. In such instances, the value of the assets may change, and valuation losses are a possibility, with possible consequences for the FPG Group's earnings results.

## 4 - Reliance on specific businesses

Lease properties in the operating lease business are aircraft, marine transport containers and ships. The status of deals in the operating lease business may be affected by capital investment trends in the aircraft and marine transportation industries, and there may be consequences for the FPG Group's earnings results.

Depending on earnings in the marine transportation and aircraft sectors, investors may lose faith in the lessee, or the value of the lease asset may be lower at the end of the lease period. This may lessen investors' appetite for investment, lowering the value of equity placements. This may reduce FPG's revenues, with consequences for the earnings results of the FPG Group.

## 2. Business Risk for Businesses Other than the Lease Arrangement Business

In its Real Estate Business, the FPG Group acquires real estate for the purpose of selling real estate fractional ownership investment to investors. The Company records such real estate assets on its (consolidated) balance sheet as Real Estate for arrangement. It is anticipated that this real estate will be sold to investors within a short period of time, but there may be sudden changes in the economic environment, or the Company may not be able to sell the assets as originally planned. In such instances, the value of the assets may change, and valuation losses are a possibility, with possible consequences for the FPG Group's earnings results.

In addition, the FPG Group provides currency-related OTC derivatives utilizing OTC derivative transactions, such as currency options, in the course of its Securities Business. OTC derivative transactions contain various risks, including market risk and credit risk stemming from counterparties.

The FPG Group mitigates the burden of market risk related to derivative transactions with customers by entering into off-setting derivative transactions with other counterparties.

The FPG Group also strives to avoid the burden of credit risk originating from counterparties by careful credit management and by receiving cash collateral when deemed necessary. Despite these efforts, in the event of unforeseen circumstances in which the FPG Group must bear the risk of derivatives, the performance of the FPG Group may be affected.

## 3. Legal Regulations

### 1 - Laws and regulations regarding business performance

The silent partnerships and trust beneficiary rights handled by FPG are designated as marketable securities under Article 2-2 of the Financial Instruments and Exchange Law. They are sold to investors through private placements and trades. In order to do this, FPG must abide by the Financial Instruments and Exchange Law and the Financial Instruments Sales Law, and also register its Type II Financial Instruments Services under Article 29 of the Financial Instruments and Exchange Law. Article 52 of the Financial Instruments and Exchange Law specifies conditions for the cancellation of registrations and the cessation of operations, etc. If these conditions apply, FPG may be required to cancel registrations and cease operations.

FPG and its subsidiaries do business in the Insurance Brokerage Business, Real Estate Business, Securities Business, Trust Business and Insurance Agency Business. To perform these businesses, they have been registered as insurance brokers and an insurance agency under the Insurance Business Act; obtained real estate brokerage licenses under the Building Lots and Buildings Transaction Business Act; obtained licenses under the Act on Specified Joint Real Estate Ventures; registered as a vendor of Type I Financial Instruments Services under the Financial Instruments and Exchange Law; and obtained licenses under the Trust Business Act. FPG and its subsidiaries must abide by the Insurance Business Act, the Building Lots and Buildings Transaction Business Act, the Act on Specified Joint Real Estate Ventures, the Financial Instruments and Exchange Law, the Trust Business Act and other relevant laws and regulations.

## Business Risks

The FPG Group takes seriously its obligation to abide by laws and regulations in the performance of its different businesses. As of the date of Securities Report FY2019, it is unaware of any circumstances that would warrant the cancellation of any of its registrations, permits or licenses. However, if the FPG Group should encounter circumstances that would incur administrative dispositions requiring it to suspend business or cancel its registrations, permits or licenses, for any reason whatsoever, this could have an impact on the FPG Group's earnings results.

Consolidated subsidiary FPG Securities is a vendor of Type I Financial Instruments Services, and, based on the Financial Instruments and Exchange Law, needs to maintain a capital adequacy ratio of at least 120% as stipulated in that law. As of the date of Securities Report FY2019, the capital adequacy ratio is at least 120%. However, should it not be possible to maintain this ratio in the future, for whatever reason, then this may result in an order to cease business, or the cancellation of licenses, or other administrative measures, which may have consequences for the FPG Group's earnings results.

## 2 - Laws and Regulations on Taxes

Operating lease arrangement deals and other products and services the FPG Group provides in the Lease Arrangement Business are designed in accordance with current laws and regulations regarding taxes, accounting and other aspects of such products and services. When necessary, FPG obtains statements of opinion from tax specialists, lawyers and others to examine the details of relevant laws and regulations, and legal interpretations as necessary. In the future, however, these laws and regulations may be revised, or new laws may be passed. This may cause changes in taxation, which may reduce investors' appetite for purchasing and investing in the products and services the FPG Group provides, and this could have consequences for the FPG Group's earnings results.

Regarding profits and losses distributed to investors by vendors of silent partnerships, in the past, in the tax system reform of 2005, under Article 67-12 of the Act on Special Measures Concerning Taxation (Special Provisions for Losses Incurred by Investment Partnerships), tax authorities strengthened the regulations, limiting the amount of losses that investors may record to the amount they invested.

## 4. Handling of Personal/Confidential Information

In the performance of its various businesses, the FPG Group receives and stores personal and confidential information concerning its customers and others it does business with.

The FPG Group takes measures to prevent outside access or viruses, with strong internal controls. However, in the unlikely event that personal and confidential information managed by the FPG Group leaks, the resulting administrative penalties, compensation payments and decrease in confidence in the FPG Group may have an impact on performance.

## 5. Influence of Unrest in Financial and Capital Markets or Economies

Previously, the 2008 global financial crisis created confusion in worldwide financial systems, decreasing confidence in the financial industry and systems and negatively affecting the global economy in various ways. In the event that the global economy worsens in the future, or financial systems become unstable, the performance of the FPG Group would be affected as these situations could make the arrangement or sales of the operating lease business difficult.

## 6. Fund Procurement Risks

In the Lease Arrangement Business and Real Estate Business, the FPG Group may procure some of the funds it requires for the arrangement of leases and for other operations through loans from financial institutions, or by issuing corporate bonds or commercial papers.

To continue its flexible procurement of funds, particularly for the arrangement of leases, FPG may conclude agreements with financial institutions for committed lines of credit or overdrafts. For the most part, these are one-year agreements.

If there is some impediment to the timely procurement of funds, whether because individual borrowings become impossible, or it becomes impossible to conclude agreements for committed lines of credit or account overdrafts due to a downturn in the global economy or for other reasons, this could have consequences for the FPG Group's earnings results.

Some agreements for committed lines of credit and for overdrafts include financial restrictions. If the FPG Group's earnings results should deteriorate, this might trigger these restrictions, which could limit borrowing and cause FPG to have its loan deadlines accelerated. If deadlines are accelerated, and lump-sum repayment is demanded, this could have major consequences for the FPG Group's business operations.

## 7. Determining Scope of Consolidation

### Consolidated accounting treatment of SPC

Any subsidiaries that FPG uses as silent partnership operators in the operating lease business are excluded from the scope of consolidation as their inclusion is deemed to significantly mislead stakeholders' decisions as per Article 5-1 of the Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (Ministry of Finance Ordinance No. 28 of 1976).

In addition, in the real estate business, discretionary partnerships used in specified real estate joint ventures under Paragraph 7-2 of the Accounting Standards for Consolidated Financial Statements (Corporate Accounting Standard No. 22) are excluded from the group of consolidated subsidiaries.

Based on the accounting standards discussed above, in due consideration of the role played by subsidiaries used in the operation of silent investment partnerships and discretionary partnerships, FPG excludes them from its scope of consolidation. Going forward, however, new standards may be established, new practical guidelines may be published and new decisions may be made about the inclusion of special purpose companies (SPC) in the consolidated group. These changes may be widely divergent from the guidelines FPG uses, and this may have a tangible impact on the contribution made by these subsidiaries to the business of the FPG Group. FPG may have to change its own guidelines regarding the scope of the consolidated group, and this may have consequences for the FPG Group's earnings results or its financial situation.

## 8. Major Lawsuit Risks

The FPG Group engages in the Lease Arrangement Business using operating leases, and in other Diversified Businesses; and with respect to these it may be served with legal proceedings by investors or others with whom it does business.

Although it is difficult to predict lawsuits the FPG Group may become involved in, should they occur, their results could be undesirable for the FPG Group, as it could affect the business operations of the FPG Group.

## 9. Dependence on CEO and Business Structure of Company

Hisanaga Tanimura, the President and Representative Director of FPG, founded the Company and has been Chief Executive Officer ever since. As the date of securities report FY2019, he is a FPG's leading shareholder, holding 29.75% of the Company's issued shares: 2.47% directly and 27.28% through HT Holdings, an investment management company of which he is also Representative Director.

Mr. Tanimura has a broad range of experience and knowledge in arrangement and sales for the operating lease business, and has many connections in different areas for business partners and investors. At the same time, owing to his involvement in proposing and determining management policies and business strategies, his work fulfills a central role in handling business in the FPG Group. These factors demonstrate the significant degree of dependence the FPG Group has on Mr. Tanimura.

Due to these factors, the FPG Group has been building a management structure to avoid excessive dependence on Mr. Tanimura. The FPG Group has improved management organization and information sharing between executives through Board of Director meetings and internal company meetings. However, if at this current point in time Mr. Tanimura becomes unable to manage the FPG Group for any reason, it could influence the performance of the FPG Group.

# Consolidated Balance Sheet

Fiscal years ended September 30

(Thousands of yen)

	2019 September 30, 2019	2018 September 30, 2018	2017 September 30, 2017
<b>Assets</b>			
<b>Current assets</b>			
Cash and deposits	16,581,080	13,338,190	12,602,763
Accounts receivable - trade	329,460	631,594	408,359
Supplies	10,990	8,686	11,268
Equity underwritten	75,434,926	40,508,516	19,031,725
Money held in trust (Aircraft for arrangement)	19,109,675	13,879,470	31,349,396
Containers for arrangement	—	—	2,006,264
Real estate for arrangement	3,378,278	7,222,721	9,753,618
Deferred tax assets	—	1,085,540	506,562
Guarantee deposits	326,700	1,809,503	1,345,321
Other	5,925,167	3,245,224	2,198,498
<b>Total current assets</b>	<b>121,096,278</b>	<b>80,643,907</b>	<b>79,213,778</b>
<b>Non-current assets</b>			
Property, plant and equipment			
Facilities attached to buildings, net	143,296	168,088	162,603
Tools, furniture and fixtures, net	137,645	162,016	161,054
Land	35,927	35,927	35,927
<b>Total property, plant and equipment</b>	<b>316,869</b>	<b>366,031</b>	<b>359,584</b>
Intangible assets			
Goodwill	896,584	1,054,553	1,539,985
Other	47,473	63,122	100,969
<b>Total intangible assets</b>	<b>944,058</b>	<b>1,117,676</b>	<b>1,640,954</b>
Investments and other assets			
Investment securities	205,257	183,917	66,250
Shares of subsidiaries and associates	1,082,486	1,236,932	1,009,336
Deferred tax assets	1,691,683	6,897	32,819
Leasehold and guarantee deposits	421,520	407,459	413,437
Other	80,999	93,119	62,884
<b>Total investments and other assets</b>	<b>3,481,947</b>	<b>1,928,326</b>	<b>1,584,727</b>
<b>Total non-current assets</b>	<b>4,742,875</b>	<b>3,412,034</b>	<b>3,585,267</b>
<b>Total assets</b>	<b>125,839,153</b>	<b>85,141,481</b>	<b>82,799,045</b>

\* For FY2017, figures before applying the partial revision of "Accounting Standard for Tax Effect Accounting" are posted.

(Thousands of yen)

	2019 September 30, 2019	2018 September 30, 2018	2017 September 30, 2017
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable - trade	351,586	601,874	1,186,073
Short-term loans payable	57,417,133	27,765,147	32,920,532
Current portion of long-term loans payable	5,629,172	4,763,312	4,047,492
Commercial papers	2,500,000	—	—
Current portion of bonds	350,000	200,000	300,000
Income taxes payable	2,853,602	2,939,194	1,534,573
Advances received	9,790,970	6,233,986	3,831,048
Provision for bonuses	443,182	350,252	312,660
Guarantee deposits received	1,210,843	2,024,459	2,063,813
Other	1,855,032	2,517,845	2,147,806
<b>Total current liabilities</b>	<b>82,401,522</b>	<b>47,396,073</b>	<b>48,344,000</b>
<b>Non-current liabilities</b>			
Bonds payable	—	350,000	550,000
Long-term loans payable	10,189,220	7,410,052	8,035,024
Asset retirement obligations	104,951	104,410	90,474
Other	161,811	133,650	154,884
<b>Total non-current liabilities</b>	<b>10,455,983</b>	<b>7,998,113</b>	<b>8,830,382</b>
<b>Total liabilities</b>	<b>92,857,505</b>	<b>55,394,186</b>	<b>57,174,382</b>
<b>Net assets</b>			
<b>Shareholders' equity</b>			
Capital stock	3,095,874	3,095,874	3,095,874
Capital surplus	3,045,874	3,095,543	3,095,543
Retained earnings	28,979,730	24,830,157	21,677,159
Treasury shares	(2,231,117)	(1,708,570)	(3,524,170)
<b>Total shareholders' equity</b>	<b>32,890,361</b>	<b>29,313,004</b>	<b>24,344,406</b>
<b>Accumulated other comprehensive income</b>			
Foreign currency translation adjustment	(153,582)	9,358	41,043
Valuation difference on available-for-sale securities	13,896	81,466	(170)
<b>Total accumulated other comprehensive income</b>	<b>(139,686)</b>	<b>90,825</b>	<b>40,872</b>
<b>Non-controlling interests</b>	<b>230,972</b>	<b>343,465</b>	<b>1,239,382</b>
<b>Total net assets</b>	<b>32,981,647</b>	<b>29,747,295</b>	<b>25,624,662</b>
<b>Total liabilities and net assets</b>	<b>125,839,153</b>	<b>85,141,481</b>	<b>82,799,045</b>

## Consolidated Statements of Income

Fiscal years ended September 30

	(Thousands of yen)		
	2019 Fiscal year ended September 30, 2019	2018 Fiscal year ended September 30, 2018	2017 Fiscal year ended September 30, 2017
<b>Net sales</b>	<b>26,595,611</b>	22,043,831	21,071,805
<b>Cost of sales</b>	<b>6,146,524</b>	3,223,629	2,574,645
<b>Gross profit</b>	<b>20,449,086</b>	18,820,201	18,497,160
<b>Selling, general and administrative expenses</b>	<b>6,016,467</b>	5,755,879	5,079,473
<b>Operating profit</b>	<b>14,432,619</b>	13,064,322	13,417,686
<b>Non-operating income</b>			
Interest income	704,953	243,614	491,569
Gain on investments in money held in trust	523,817	—	123,441
Real estate rent	249,879	292,916	137,498
Container rental income for arrangement	—	169,967	11,748
Share of profit of entities accounted for using equity method	477,424	239,138	431,107
Other	76,921	91,829	22,166
<b>Total non-operating income</b>	<b>2,032,996</b>	1,037,466	1,217,531
<b>Non-operating expenses</b>			
Interest expenses	1,082,010	578,898	320,716
Foreign exchange losses	132,858	206,239	—
Commission fee	760,880	587,348	584,285
Rent expenses on real estates	62,305	41,049	9,147
Other	32,644	63,954	9,871
<b>Total non-operating expenses</b>	<b>2,070,700</b>	1,477,491	924,020
<b>Ordinary profit</b>	<b>14,394,916</b>	12,624,296	13,711,196
<b>Extraordinary income</b>			
Gain on sales of shares of subsidiaries and associates	—	158,340	—
Gain on sales of non-current assets	—	—	3
<b>Total extraordinary income</b>	<b>—</b>	158,340	3
<b>Extraordinary losses</b>			
Impairment loss	32,646	—	—
Loss on sales of non-current assets	—	—	877
Loss on retirement of non-current assets	1,043	180	2,879
Loss on valuation of shares of subsidiaries and associates	17,657	21,045	4,278
Loss on valuation of investments in capital of subsidiaries and associates	—	—	204
<b>Total extraordinary losses</b>	<b>51,346</b>	21,226	8,240
<b>Profit before income taxes</b>	<b>14,343,569</b>	12,761,411	13,702,960
Income taxes - current	4,887,686	4,237,506	2,867,213
Income taxes - deferred	(572,419)	(589,789)	1,255,358
<b>Total income taxes</b>	<b>4,315,267</b>	3,647,717	4,122,571
<b>Profit</b>	<b>10,028,302</b>	9,113,694	9,580,388
<b>Profit (loss) attributable to non-controlling interests</b>	<b>(7,037)</b>	124,499	(406)
<b>Profit attributable to owners of parent</b>	<b>10,035,340</b>	8,989,194	9,580,795

## Consolidated Statements of Comprehensive Income

Fiscal years ended September 30

	(Thousands of yen)		
	2019 Fiscal year ended September 30, 2019	2018 Fiscal year ended September 30, 2018	2017 Fiscal year ended September 30, 2017
<b>Profit</b>	<b>10,028,302</b>	9,113,694	9,580,388
<b>Other comprehensive income</b>			
Valuation difference on available-for-sale securities	(67,570)	81,637	(318)
Foreign currency translation adjustment	(171,968)	(45,244)	217,164
Share of other comprehensive income of entities accounted for using equity method	(22,434)	8,175	39,312
<b>Total other comprehensive income (loss)</b>	<b>(261,972)</b>	44,568	256,158
<b>Comprehensive income</b>	<b>9,766,329</b>	9,158,262	9,836,546
Comprehensive income attributable to			
Comprehensive income attributable to owners of parent	9,804,828	9,039,147	9,810,646
Comprehensive income (loss) attributable to non-controlling interests	(38,499)	119,115	25,899

## Consolidated Statements of Cash Flows

Fiscal years ended September 30

	(Thousands of yen)		
	2019 Fiscal year ended September 30, 2019	2018 Fiscal year ended September 30, 2018	2017 Fiscal year ended September 30, 2017
<b>Cash flows from operating activities</b>			
Profit before income taxes	14,343,569	12,761,411	13,702,960
Depreciation	88,328	115,264	145,331
Impairment loss	32,646	—	—
Amortization of goodwill	105,770	151,702	133,221
Amortization of business commencement expenses	—	—	20,797
Loss on valuation of shares of subsidiaries and associates	17,657	21,045	4,278
Loss on valuation of investments in capital of subsidiaries and affiliates	—	—	204
Loss (gain) on sales of shares of subsidiaries and associates	—	(158,340)	—
Loss on retirement of non-current assets	1,043	180	2,879
Increase (decrease) in provision for bonuses	113,264	37,885	13,496
Interest and dividend income	(706,233)	(244,766)	(491,569)
Interest expenses	1,082,010	578,898	320,716
Commission fee	760,880	587,348	584,285
Foreign exchange losses	(395,769)	(40,213)	(70,203)
Share of loss (profit) of entities accounted for using equity method	(477,424)	(239,138)	(431,107)
Decrease (increase) in notes and accounts receivable - trade	279,260	(300,787)	(89,353)
Increase (decrease) in equity underwritten	(34,926,410)	(21,476,790)	38,090,047
Increase (decrease) in money held in trust(Aircraft for arrangement)	(5,230,204)	17,469,925	(31,349,396)
Increase (decrease) in real estate for arrangement	3,844,443	2,530,897	(7,291,627)
Increase (decrease) in containers for arrangement	—	1,965,874	(1,980,283)
Decrease (increase) in guarantee deposits	1,482,803	(464,182)	1,978,202
Guarantee deposits received	(813,615)	(39,354)	(1,602,560)
Decrease (increase) in lease and guarantee deposits	(20,000)	5,000	—
Increase (decrease) in notes and accounts payable - trade	(248,075)	(549,636)	906,001
Increase (decrease) in advances received	3,581,065	2,406,850	(6,776,477)
Other, net	(3,546,686)	(579,606)	468,722
<b>Subtotal</b>	<b>(20,631,676)</b>	14,539,467	6,288,566
Interest and dividend income received	1,530,674	523,590	720,078
Interest expenses paid	(1,075,392)	(588,307)	(286,814)
Income taxes paid	(4,719,714)	(2,887,077)	(3,690,848)
Other, net	55,449	—	—
<b>Net cash provided by (used in) operating activities</b>	<b>(24,840,659)</b>	11,587,673	3,030,982
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	(28,172)	(66,357)	(36,709)
Purchase of intangible assets	(38,099)	(31,417)	(23,178)
Purchase of shares of subsidiaries and associates	(143,139)	(282,137)	(140,001)
Purchase of investment securities	(141,018)	—	17,775
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	—	(484,200)	—
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	—	—	136,649
Payments for leasehold and guarantee deposits	(2,490)	(610)	(2,325)
Proceeds from liquidation of subsidiaries	4,188	—	27,688
Proceeds from collection of lease and guarantee deposits	8,639	1,023	2,186
Other proceeds	34,721	10,441	33,457
Other payments	(86,160)	(30,345)	(40,691)
<b>Net cash provided by (used in) investing activities</b>	<b>(391,530)</b>	(883,603)	(25,147)
<b>Cash flows from financing activities</b>			
Proceeds from share issuance to non-controlling shareholders	—	—	657,649
Net increase (decrease) in short-term loans payable	30,279,962	(4,925,051)	1,161,603
Net increase (decrease) in commercial papers	—	—	(4,000,000)
Proceeds from long-term loans payable	8,950,000	4,400,000	9,950,000
Repayments of long-term loans payable	(5,304,972)	(4,309,152)	(2,969,792)
Net increase (decrease) in commercial papers	2,500,000	—	—
Purchase of treasury shares	(1,999,921)	—	—
Purchase of treasury shares of subsidiaries	(137,666)	—	—
Redemption of bonds	(200,000)	(300,000)	(300,000)
Proceeds from issuance of common shares	—	—	9,396
Cash dividends paid	(4,441,750)	(4,127,354)	(3,193,399)
Commission fee paid	(795,872)	(554,401)	(573,958)
<b>Net cash provided by (used in) financing activities</b>	<b>28,849,780</b>	(9,815,959)	741,499
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>(374,700)</b>	(154,199)	183,700
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>3,242,889</b>	733,911	3,931,034
<b>Cash and cash equivalents at beginning of period</b>	<b>13,338,190</b>	12,602,763	8,671,729
<b>Increase in cash and cash equivalents from newly consolidated subsidiary</b>	<b>—</b>	1,515	—
<b>Cash and cash equivalents at end of period</b>	<b>16,581,080</b>	13,338,190	12,602,763

## Corporate Data / Stock Information

### Corporate Data (As of September 30, 2019)

Company Name: Financial Products Group Co., Ltd.

Date of Establishment: November 2001

Representative: Hisanaga Tanimura, CEO and Founder

Main Businesses:

Lease Arrangement Business, Real Estate Business, Private Equity Business, M&A Business, Insurance Brokerage Business, Trust Business and Securities Business

Paid-in Capital: ¥3,095,874,087

Number of Employees (Consolidated): 262

Head Office:

JP Tower 29F, 2-7-2, Marunouchi, Chiyoda-ku, Tokyo 100-7029, Japan

Phone: +81-3-5288-5691 Fax: +81-3-5288-9300

Branches: Sapporo, Sendai, Omiya, Nagoya, Kanazawa, Osaka, Okayama, Hiroshima, Takamatsu, Fukuoka

Main Consolidated Subsidiaries: FPG Securities Co., Ltd.

FPG Trust Co., Ltd.

FPG Insurance Services Co., Ltd.

FPG Amentum Limited

Audit Corporation: ERNST & YOUNG SHINNIHON LLC

### Stock Information (As of September 30, 2019)

Listed Stock Exchanges: First Section of the Tokyo Stock Exchange

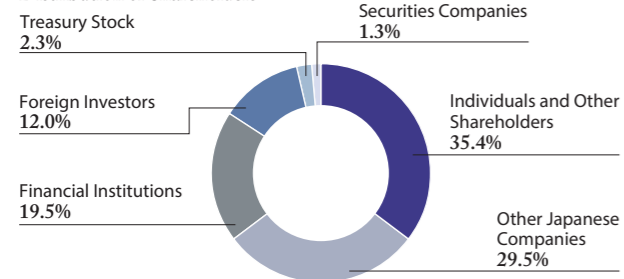
Securities Code Number: 7148

Number of Shares Authorized: 216,000,000

Number of Shares Issued: 90,673,600

Number of Shareholders: 26,249

Distribution of Shareholders



\* The treasury stock was canceled on November 29, 2019, and the total number of issued shares was 89,073,600 on that date.

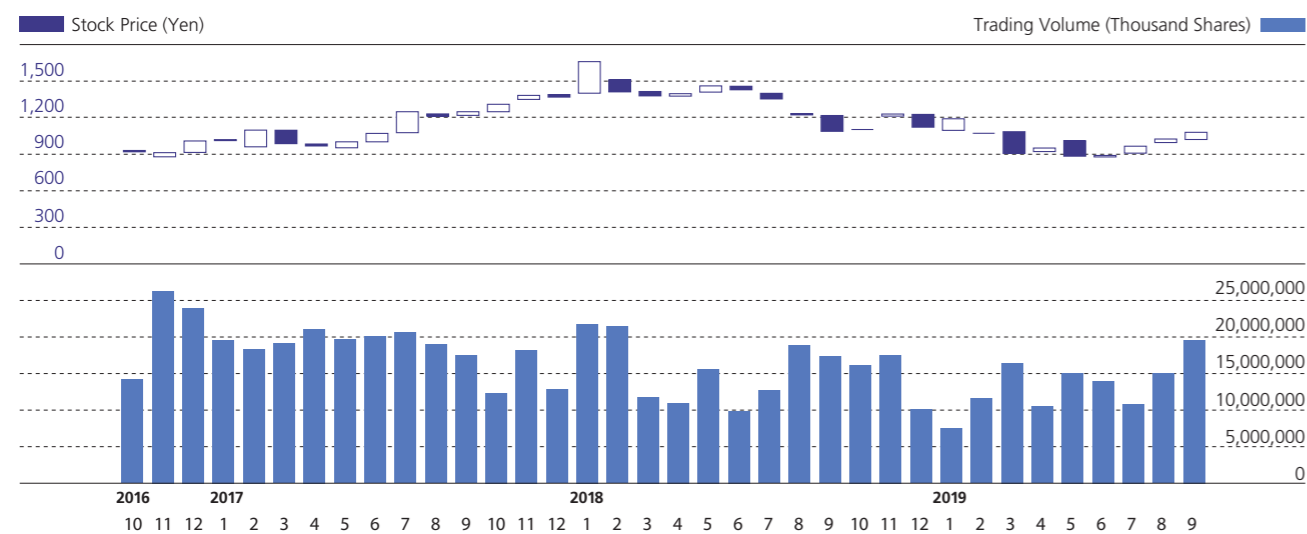
Record Date: September 30, March 31

Transfer Agent: Sumitomo Mitsui Trust Bank, Limited

Major Shareholders

Shareholder	Shares Held (Shares)	Shareholding Ratio (%)
HT Holdings Co., Ltd.	24,300,000	27.42
The Master Trust Bank of Japan, Ltd. (Trust Account)	6,273,500	7.08
Japan Trustee Services Bank, Ltd. (Trust Account)	4,457,900	5.03
Hisanaga Tanimura	2,199,600	2.48
Japan Trustee Services Bank, Ltd. (Trust account 5)	1,249,300	1.41
STATE STREET BANK AND TRUST CLIENT OMNIBUS ACCOUNT OM02 505002	1,216,500	1.37
Trust & Custody Services Bank, Ltd. (Security investment trust account)	1,022,300	1.15
MSCO CUSTOMER SECURITIES	959,547	1.08
Japan Trustee Services Bank, Ltd. (Trust account 7)	928,200	1.05
J P MORGAN CHASE BANK 385151	876,686	0.99

### Stock Price Trend



### External Evaluation



\*1 THE INCLUSION OF Financial Products Group Co., Ltd. IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF Financial Products Group Co., Ltd. BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

\*2 As of Jan. 2020

## CSR Topics

### Supporting young athletes Tomokazu Harimoto and Miwa Harimoto to compete on the global stage

We support the Japanese national table tennis team member Tomokazu Harimoto and his younger sister Miwa. These sponsorship agreements are aimed at contributing to society through the promotion of sports by assisting young amateur athletes looking to compete on the global stage.

Mr. Tomokazu Harimoto, who is now a high school student, is currently ranked 5th in the world (as of January 2020) and is

competing in many international competitions. He is also expected to play an active part in the Tokyo Olympics this year.

Miwa also made a remarkable breakthrough as the Under 12 Champion at the All Japan Championships. The FPG Group will support them to become the top table tennis athletes in the world.



Tomokazu Harimoto

#### Profile

Date of birth: June 27, 2003

World ranking: 5 (As of January 2020)

Main achievements:

2019 ITTF World Tour, Bulgaria Open: Singles Champion

ITTF Men's World Cup: Runner-up



Miwa Harimoto

#### Profile

Date of birth: June 16, 2008

Under 15 Women Singles World ranking: 2 (As of January 2020)

Main achievements:

2019 All Japan Championships: Under 12 Champion



Photos provided by THE TABLE TENNIS REPORT / BUTTERFLY