



Non-consolidated Financial Results for the Three Months Ended February 28, 2025 (Under Japanese GAAP)

April 14, 2025

Company name: FP Partner Inc.

Listing: Tokyo Stock Exchange

Securities code: 7388

URL: <https://fpp.jp/>

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Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: Yes

Holding of financial results meeting: Yes (For investors and analysts)

(Yen amounts are rounded down to the nearest million yen.)

1. Financial results for the three months ended February 28, 2025 (December 1, 2024 to February 28, 2025)

(1) Operating results (cumulative)

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit | |
|--------------------------------------|-----------------|-------|------------------|--------|-----------------|--------|-----------------|--------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Three months ended February 28, 2025 | 8,332 | (0.0) | 797 | (41.5) | 805 | (42.2) | 529 | (43.6) |
| Three months ended February 29, 2024 | 8,332 | 13.3 | 1,362 | (5.9) | 1,394 | (6.2) | 938 | 2.6 |

| | Basic earnings per share | Diluted earnings per share |
|--------------------------------------|--------------------------|----------------------------|
| | Yen | Yen |
| Three months ended February 28, 2025 | 23.09 | 22.23 |
| Three months ended February 29, 2024 | 40.55 | 38.85 |

(2) Financial position

| | Total assets | Net assets | Equity-to-asset ratio |
|-------------------------|-----------------|-----------------|-----------------------|
| | Millions of yen | Millions of yen | % |
| As of February 28, 2025 | 17,306 | 11,304 | 65.3 |
| As of November 30, 2024 | 18,525 | 11,832 | 63.8 |

Reference: Equity

As of February 28, 2025: ¥11,299 million

As of November 30, 2024: ¥11,827 million

2. Cash dividends

| | Annual dividends per share | | | | |
|---|----------------------------|--------------------|-------------------|-----------------|-------|
| | First quarter-end | Second quarter-end | Third quarter-end | Fiscal year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended November 30, 2024 | - | 45.00 | - | 47.00 | 92.00 |
| Fiscal year ending November 30, 2025 | - | | | | |
| Fiscal year ending November 30, 2025 (forecast) | | 47.00 | - | 47.00 | 94.00 |

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Earnings forecast for the fiscal year ending November 30, 2025 (December 1, 2024 to November 30, 2025)

(Percentages indicate year-on-year changes for both full-year and quarters.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit | | Profit per share |
|--------------------------------|-----------------|------|------------------|------|-----------------|------|-----------------|-----|------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Six months ending May 31, 2025 | 19,760 | 15.3 | 2,927 | 8.9 | 2,903 | 5.5 | 1,918 | 3.6 | 83.59 |
| Full year | 40,232 | 13.0 | 6,130 | 15.0 | 6,145 | 11.9 | 4,041 | 3.6 | 176.02 |

Note: Revisions to the forecast of earnings most recently announced: None

* Notes

(1) Adoption of accounting treatment specific to the preparation of quarterly non-consolidated financial statements: Yes
 (Note) For details, please refer to "Quarterly financial statements and major notes (3) Notes to quarterly financial statements (Adoption of accounting treatment specific to the preparation of quarterly non-consolidated financial statements)" on page 8 of the attached materials.

(2) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(3) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)
- (ii) Number of treasury shares at the end of the period
- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

| | | | |
|--------------------------------------|-------------------|--------------------------------------|-------------------|
| As of February 28, 2025 | 23,001,900 shares | As of November 30, 2024 | 22,939,900 shares |
| As of February 28, 2025 | 42,007 shares | As of November 30, 2024 | 41,607 shares |
| Three months ended February 28, 2025 | 22,937,388 shares | Three months ended February 29, 2024 | 23,144,048 shares |

* Review of the attached quarterly financial statements by a certified public accountant or audit firm: None

* Proper use of earnings forecasts, and other special matters

(Precautions regarding forward-looking statements)

The forward-looking statements, including earnings forecasts, contained in this document are based on information currently available to the Company and certain assumptions that the Company deems reasonable, and the Company does not promise the achievement of such forecasts. Actual results may differ significantly due to various factors. Please refer to the attached materials starting on the next page for the assumptions used for earnings forecasts and precautionary statements regarding the use of earnings forecasts.

(How to obtain supplementary material on quarterly financial results)

Supplementary material on quarterly financial results is available on TDnet on the same day as release.

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1. Qualitative information on quarterly results

(1) Explanation of operating results

Operating results

During the first three months of the current fiscal year (December 1, 2024 to February 28, 2025), the Japanese economy appears to have stalled due to factors such as rising prices and a slump in consumer spending caused by a cold wave (source: Business Conditions Survey for January 2025, Teikoku Databank, Ltd.). Meanwhile, there are also signs of a gradual recovery due to an increase in corporate capital investment and exports. Although it is necessary to be careful about the risk of a downturn in the overseas economy, such as the continued high interest rates in the US and Europe, putting downward pressure on the Japanese economy, the government is continuing to implement economic measures and is aiming to stabilize the economy (source: Monthly Economic Report, February 2025, Cabinet Office).

In the financial sector, although the real GDP growth rate is on a recovery trend, domestic demand is stagnant. Following the rate hike in July 2024, an additional rate hike was made in January 2025, and it is expected that major life insurance companies will continue to raise the interest rates on savings and investment products, and that some banks will continue to raise the interest rates on deposits and various loans. On the other hand, the trend of shifting personal financial assets from savings to investment continues to be strong, and the number of insurance companies handling variable insurance is increasing in the insurance industry as well. In addition, the number of new policies for individual pension insurance continues to be strong, increasing by 120.5% compared to the previous year (April 2024 to December 2024 cumulative) (source: The Life Insurance Association of Japan, "Life Insurance Business Overview," December 2024).

The Company has also received positive reviews for the life planning consultation meetings and free consultations on asset formation through expanding customer needs. The Company's sales of life insurance products have also seen an increase in policies for savings and investment products such as variable insurance and individual pension insurance, similar to industry trends.

Under such circumstances, the Company's financial results for the first three months of the current fiscal year were as follows: net sales of 8,332,511 thousand yen (down 0.0% year-on-year), operating profit of 797,653 thousand yen (down 41.5% year-on-year), ordinary profit of 805,391 thousand yen (down 42.2% year-on-year), and profit of 529,712 thousand yen (down 43.6% year-on-year).

The status of each initiative for priority measures during the first three months of the current fiscal year is as follows.

- (1) Expand the number of sales employees and prospective policy customers: The number of customers attracted on our own is increasing steadily, while the number of customers attracted from partner companies has temporarily decreased.

The number of new hires during the first three months of the current fiscal year totaled 143, bringing the total number of sales employees to 2,546 as of the end of February 2025. The number of applicants from our own employment site also increased steadily, and is making a significant contribution to the overall increase. The Company has adopted a system of division of labor, in which the Company itself explores prospective policy customers while the sales employees perform insurance solicitation. We are actively working to increase the number of prospective policy customers in parallel with the increase in the number of sales employees. In the first three months of the current fiscal year, factor such as the policy transfer business and appointments to visit Money Doctor Premier stores led to increase in the number of in-house customer acquisitions, which the Company is focusing on. On the other hand, although the number of partner company customer acquisitions decreased, this was due to the impact of narrowing down the number of partner companies to improve efficiency of services that we have been working on since the fiscal year ended November 30, 2024, and we view this as a temporary decrease, as there are partner companies that we expect to increase the number of customers attracted towards the second half of the year.

- (2) Policy transfer business: The number of new business negotiations and the number of policy transfers agreed to are both steadily increasing due to the high level of trust from transfer agents.

In response to the move to create new guidelines in the insurance industry, the number of inquiries from insurance agencies considering downsizing or closing down their business has increased, and the number of new business negotiations is steadily increasing. During the first three months of the current fiscal year, we reached agreements on policy transfers with six new companies. In addition, we are also making progress in acquiring new policies through additional life insurance policies and the renewal of non-life insurance policies from customers who have received after-sales service following the transfer of policies in the fiscal year ended November 30, 2024.

Since starting the policy transfer business in 2021, the Company has steadily built relationships with many agencies. Through the accumulation of know-how related to operations, nationwide expansion, and the financial planning representative structure, the Company achieved robust support for customers and received strong trust from transfer agencies. Going forward, we anticipate further expansion of the policy transfer business in light of the move to create new guidelines mentioned above.

- (3) Money Doctor Premier business: Aiming to open 50 stores nationwide, contributing to increased recognition and customers attracted on our own in areas of opened stores.

The Company operates Money Doctor Premier stores in all major cities across Japan as a high quality, comprehensive money service that allows customers to consult with a financial planner free of cost on topics of money spanning their entire lives. In the medium-term business plan announced on January 14, 2025, a new goal of opening 50 stores by the end of the fiscal year ending November 30, 2026 was set, and as of the publication of this document, three new store openings are planned by the end of May 2025.

Although the hiring of sales employees for Money Doctor Premier stores is behind the plan, the number of bookings for store visits is increasing steadily as planned in the first three months of the current fiscal year. Money Doctor Premier stores receive many inquiries regarding savings and asset formation, and 54.8% (*) of customers who made a booking or visited a Money Doctor Premier store came for advice on asset formation and retirement.

In addition, we will continue to hold Life Planning Consultation Meetings in various regions in the current fiscal year, which were also well received in the previous fiscal year, by Money Doctor Premier store staff, in order to create connections with new customers, improve awareness of the Money Doctor brand, and instill financial planning.

* Calculated based on questionnaires received at the time of consultation applications and bookings (period covered: December 1, 2024 to February 28, 2025).

(4) Non-life insurance business: We will continue to develop a system for supporting the large number of fire insurance policies that will be up for renewal and the increasing number of policy transfers.

In the first three months of the current fiscal year, the number of renewals and additional policies for the policies acquired in the fiscal year ended November 30, 2024 is steadily increasing, and business performance is gradually but steadily improving. In addition, the acquisition of non-face-to-face completion prospective policy customers through the Non-life Insurance Sales Department's Direct Center Section has led to the acquisition of new policies on an ongoing basis. In addition to our conventional telephone support, we have also started a trial for online interviews from the current fiscal year, and we have received positive feedback from customers saying that it has improved convenience and helped them to better understand products.

Due to the revision of the fire insurance system in October 2015, the policy period was changed to a maximum of ten years, so we expect the number of fire insurance policies that will be up for renewal in October 2025 to increase significantly, and to secure a stable number of policies. In addition, we will strengthen our acceptance of non-life insurance policy transfers, which achieved significant growth in the fiscal year ended November 30, 2024 and are expected to continue to expand.

We will continue to increase the number of full-time non-life insurance sales employees and improve the efficiency of customer service and operations for transferred policies. This will contribute to the acquisition of new policies and an increase in net sales and profits.

(5) New business domains: NISA accounts and deposited assets balance increased steadily. Financial literacy education through Money School is also doing well.

In line with the spread of the NISA system in Japan, the number of securities accounts in our IFA business has also increased, primarily NISA accounts. The deposited assets balance in the first three months of the current fiscal year has increased steadily, although the increase was restricted by the appreciation of the yen. We will continue to respond to the needs of our customers for asset formation toward old age, and we will propose financial products such as investment trusts as a method that meets the needs of our customers from both the insurance and asset trust perspectives.

In order to expand the range of proposals we can make to our customers, we will continue to promote the acquisition of registered sales representatives qualifications for sales employees nationwide, and we will also focus on education about the importance of the IFA business and the approach to customer service as a financial planner so that we can provide our customers with a diverse range of options. We will work to further expand our sales network through such efforts.

In the education business, the rollout of our Money School financial education program for employees belonging to companies has progressed smoothly. During the first three months of the current fiscal year, we reached agreements with two new companies to introduce the service, and we are currently preparing to provide the service to them. As a result, the total number of companies that have reached agreements to introduce the program is eight. In the future, the Company plans to provide opportunities for employees to experience financial education through Money School and contribute to improved financial literacy of Japan.

The mortgage loan comparison and consideration service Mogecheck provided by MFS, Inc. was used by 414 customers in the first three months of the current fiscal year. Following the decision to raise the policy interest rate in January 2025, there was an increase in consultations regarding mortgage loans, and Mogecheck has been well-received due to being very convenient.

We continue to focus on recruiting sales employees and taking efforts to increase the number of prospective policy customers and improve efficiency of operations. Also, utilizing strengths of a nationwide operation, in the future the Company will take efforts to improve results by expanding its sales foundation that meets the needs of local communities as well as build an environment where everyone can consult with financial planners.

As a result, we will play a role in improving financial literacy of citizens and support asset formation.

(2) Explanation of financial position

Assets, liabilities, and net assets

(Current assets)

Current assets at the end of the first quarter of the current fiscal year totaled 10,096,982 thousand yen (11,369,161 thousand yen at the end of the previous fiscal year), a decrease of 1,272,179 thousand yen. The main factor was a decrease in cash and deposits due to the payment of dividends.

(Non-current assets)

Non-current assets at the end of the first quarter of the current fiscal year totaled 7,209,221 thousand yen (7,156,560 thousand yen at the end of the previous fiscal year), an increase of 52,660 thousand yen. The main factor was an increase in policy-related intangible assets due to the expansion of the policy transfer business.

(Current liabilities)

Current liabilities at the end of the first quarter of the current fiscal year totaled 5,208,550 thousand yen (5,892,045 thousand yen at the end of the previous fiscal year), a decrease of 683,495 thousand yen. The main factor was a decrease in income taxes payable due to income taxes paid.

(Non-current liabilities)

Non-current liabilities at the end of the first quarter of the current fiscal year totaled 792,964 thousand yen (801,009 thousand yen at the end of the previous fiscal year), a decrease of 8,044 thousand yen. The main factor was a decrease in long-term borrowings due to repayments.

(Net assets)

Net assets at the end of the first quarter of the current fiscal year totaled 11,304,688 thousand yen (11,832,667 thousand yen at the end of the previous fiscal year), a decrease of 527,978 thousand yen. The main factor was a decrease in retained earnings brought forward due to dividend payments.

(3) Explanation of earnings forecasts and other forward-looking information

Operating profit, ordinary profit, and net income during the first three months of the current fiscal year are progressing below the 1H forecasts in the Non-consolidated Financial Results for the Fiscal Year Ended November 30, 2024 (Under Japanese GAAP) on January 14, 2025. This is due to the fact that the increase in profits was restricted by the number of new life insurance policies being lower than expected, and the delay in improving the sales and product mix. However, since operating profit, operating profit, and net profit for the second quarter of the current fiscal year are expected to exceed the first quarter of the current fiscal year according to internal plans, we have determined that the criteria for the timely disclosure of revisions to earnings forecasts have not been met as of the publication of this document.

Due to these reasons, there are no changes to the earnings forecast for the 1H and full year of the fiscal year ending November 30, 2025.

2. Quarterly financial statements and major notes

(1) Quarterly balance sheet

| | (Unit: Thousands of yen) | |
|--|---|--|
| | Previous fiscal year (November 30, 2024) | First quarter of the current fiscal year (February 28, 2025) |
| Assets | | |
| Current assets | | |
| Cash and deposits | 8,755,086 | 7,296,703 |
| Accounts receivable - trade | 1,941,664 | 1,812,573 |
| Supplies | 15,917 | 75,416 |
| Other | 656,492 | 912,289 |
| Total current assets | 11,369,161 | 10,096,982 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings, net | 2,275,606 | 2,225,344 |
| Land | 2,338,751 | 2,338,751 |
| Other, net | 163,734 | 176,335 |
| Total property, plant and equipment | 4,778,093 | 4,740,431 |
| Intangible assets | 574,731 | 670,430 |
| Investments and other assets | 1,803,736 | 1,798,359 |
| Total non-current assets | 7,156,560 | 7,209,221 |
| Total assets | 18,525,722 | 17,306,203 |

(Unit: Thousands of yen)

| | Previous fiscal year (November 30, 2024) | First quarter of the current fiscal year (February 28, 2025) |
|---|---|--|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 2,706,968 | 2,625,838 |
| Current portion of long-term borrowings | 53,640 | 53,640 |
| Income taxes payable | 710,257 | 318,953 |
| Provision for bonuses | - | 121,325 |
| Provision for loss on litigation | 390 | 390 |
| Refund liabilities | 636,927 | 758,478 |
| Asset retirement obligations | 9,718 | 4,297 |
| Other | 1,774,141 | 1,325,625 |
| Total current liabilities | 5,892,045 | 5,208,550 |
| Non-current liabilities | | |
| Long-term borrowings | 537,300 | 523,890 |
| Asset retirement obligations | 258,529 | 263,895 |
| Other | 5,179 | 5,179 |
| Total non-current liabilities | 801,009 | 792,964 |
| Total liabilities | 6,693,055 | 6,001,514 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 1,921,808 | 1,928,163 |
| Capital surplus | | |
| Legal capital surplus | 1,821,808 | 1,828,163 |
| Total capital surplus | 1,821,808 | 1,828,163 |
| Retained earnings | | |
| Other retained earnings | | |
| Retained earnings brought forward | 8,247,181 | 7,706,803 |
| Total retained earnings | 8,247,181 | 7,706,803 |
| Treasury shares | (163,204) | (163,204) |
| Total shareholders' equity | 11,827,594 | 11,299,925 |
| Share acquisition rights | 5,073 | 4,763 |
| Total net assets | 11,832,667 | 11,304,688 |
| Total liabilities and net assets | 18,525,722 | 17,306,203 |

(2) Quarterly income statement

Three months ended February 28

| | (Unit: Thousands of yen) | |
|--|---|---|
| | Three months ended February 29, 2024 (December 1, 2023 to February 29, 2024) | Three months ended February 28, 2025 (December 1, 2024 to February 28, 2025) |
| Net sales | 8,332,892 | 8,332,511 |
| Cost of sales | 5,354,139 | 5,563,891 |
| Gross profit | 2,978,753 | 2,768,619 |
| Selling, general and administrative expenses | | |
| Advertising expenses | 320,841 | 399,931 |
| Salaries and allowances | 389,853 | 449,407 |
| Provision for bonuses | 36,603 | 38,342 |
| Other | 868,588 | 1,083,284 |
| Total selling, general and administrative expenses | 1,615,886 | 1,970,965 |
| Operating profit | 1,362,866 | 797,653 |
| Non-operating income | | |
| Interest income | 52 | 3,629 |
| Rental income from buildings | 1,923 | 2,075 |
| Rental income | 2,373 | 1,950 |
| Outsourcing service income | 30,000 | - |
| Subsidy income | - | 3,800 |
| Other | 1,616 | 224 |
| Total non-operating income | 35,966 | 11,679 |
| Non-operating expenses | | |
| Interest expenses | 653 | 1,168 |
| Loss on retirement of non-current assets | - | 1,107 |
| Commission expenses | 1,993 | - |
| Compensation expenses | 1,896 | - |
| Loss on cancellation of share-based payment expenses | - | 1,089 |
| Other | 15 | 576 |
| Total non-operating expenses | 4,559 | 3,941 |
| Ordinary profit | 1,394,273 | 805,391 |
| Profit before income taxes | 1,394,273 | 805,391 |
| Income taxes | 455,775 | 275,679 |
| Profit | 938,498 | 529,712 |

(3) Notes to quarterly financial statements

(Notes to going concern assumption)

Not applicable.

(Notes on significant changes in the amount of shareholders' equity)

Three months ended February 29, 2024 (December 1, 2023 to February 29, 2024)

1. Dividends paid

| Resolution | Class of shares | Dividend amount (thousands of yen) | Dividend per share (yen) | Record date | Effective date | Source of funds for dividends |
|---|-----------------|------------------------------------|--------------------------|-------------------|-------------------|-------------------------------|
| Board of Directors meeting held on January 15, 2024 | Common share | 2,086,872 | 90.00 | November 30, 2023 | February 14, 2024 | Retained earnings |

2. Dividends for which the record date falls within the three months ended February 29, 2024, but for which the effective date falls after the end of the three months ended February 29, 2024

Not applicable.

3. Significant changes in the amount of shareholders' equity

Based on the resolution of the Board of Directors meeting held on January 15, 2024, the Company acquired 176,300 shares of treasury shares. As a result, treasury shares increased by 999,756 thousand yen during the first three months ended February 29, 2024, and amounted to 1,000,034 thousand yen at the end of the first quarter of the previous fiscal year.

Three months ended February 28, 2025 (December 1, 2024 to February 28, 2025)

1. Dividends paid

| Resolution | Class of shares | Dividend amount (thousands of yen) | Dividend per share (yen) | Record date | Effective date | Source of funds for dividends |
|---|-----------------|------------------------------------|--------------------------|-------------------|-------------------|-------------------------------|
| Board of Directors meeting held on January 30, 2025 | Common share | 1,070,090 | 47.00 | November 30, 2024 | February 28, 2025 | Retained earnings |

2. Dividends for which the record date falls within the three months ended February 28, 2025, but for which the effective date falls after the end of the three months ended February 28, 2025

Not applicable.

3. Significant changes in the amount of shareholders' equity

Not applicable.

(Adoption of accounting treatment specific to the preparation of quarterly non-consolidated financial statements)

(Calculation of tax expenses)

Tax expenses are calculated by reasonably estimating the effective tax rate after applying tax effect accounting to profit before income taxes for the fiscal year, including the first quarter under review, and multiplying profit before income taxes by said estimated effective tax rate. However, in cases where calculating tax expenses using the estimated effective tax rate would significantly lack rationality, the statutory effective tax rate is used.

(Segment information, etc.)

[Segment information]

Segment information is omitted because the Company's sole reporting segment is insurance agency business.

(Notes to statement of cash flows)

A quarterly statement of cash flows for the three months ended February 28, 2025 has not been prepared. The depreciation (including amortization of intangible assets excluding goodwill) for the three months ended February 28 is as follows.

| | Three months ended February 29, 2024 (December 1, 2023 to February 29, 2024) | Three months ended February 28, 2025 (December 1, 2024 to February 28, 2025) |
|--------------|---|---|
| Depreciation | 76,290 thousand yen | 111,019 thousand yen |

(Revenue recognition)

The following is a breakdown of the Company's revenue from contracts with customers.

(Unit: Thousands of yen)

| | Three months ended February 29, 2024 (December 1, 2023 to February 29, 2024) | Three months ended February 28, 2025 (December 1, 2024 to February 28, 2025) |
|---------------------------------------|---|---|
| Net sales | | |
| Life insurance agency business | 7,998,752 | 8,013,953 |
| Non-life insurance agency business | 251,677 | 266,358 |
| Other business | 77,107 | 48,706 |
| Revenue from contracts with customers | 8,327,537 | 8,329,017 |
| Other revenue | 5,354 | 3,493 |
| Net sales to external customers | 8,332,892 | 8,332,511 |

(Significant subsequent events)

(Disposal of treasury shares as compensation for restricted stock)

At a meeting of the Board of Directors held on February 28, 2025, the Company resolved to dispose of treasury shares as compensation for restricted stock (below, "Disposal of Treasury Shares"), as described below, and the payment was completed on March 21, 2025.

Outline of the disposal

| | |
|--|--|
| (1) Payment date | March 21, 2025 |
| (2) Class and number of shares to be disposed of | Common shares of the Company: 2,252 shares |
| (3) Disposal price | 2,497 yen per share |
| (4) Total disposal price | 30,593,244 yen |
| (5) Allottees | Six of the Company's Directors (excluding Outside Directors): 12,252 shares |