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(Securities code: 7388; Tokyo Stock Exchange Prime Market)

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A Collection of Questions and Answers Concerning the Financial Results for the Nine Months Ended August 31, 2025

The Company has collected together anticipated questions, inquiries, and feedback that we have received to date from shareholders and investors, and answers from the Company concerning the financial results for the nine months ended August 31, 2025. This information is provided below.

This disclosure is implemented voluntarily by the Company for the purpose of further deepening the understanding of market participants.

Some content and expressions have been revised or amended with the aim of making this information easier to understand.

Q. Regarding 3Q results, operating profit growth appears stronger compared to the revised forecast in July. What do you think are the factors behind this? Could you also tell us about the background for the revision of the earnings forecast?

A. Sales of protection-related products showed a recovery trend in 3Q. In June, we held a study session for sales employees throughout Japan, where we reaffirmed the customer-first mindset and the importance of protection, which has led to positive results.

In addition, measures based on our business improvement plan have contributed to enhancing employee confidence and awareness. Going forward, we will continue to prioritize this momentum, thoroughly implement a customer-first approach, and strive for sustainable growth.

Q. It is my understanding that the M&A with PRESTIGE Co., Ltd. is on an unprecedented scale for your company. Could you share your thoughts on this M&A?

A. The acquisition of PRESTIGE Co., Ltd. represents an unprecedented large-scale M&A for our company. PRESTIGE Co., Ltd. has consistently achieved steady sales and profit growth over many years, and its addition to the Group is highly significant. We have inherited approximately 128,000 customers through this M&A. This M&A represents an important milestone for our company and we believe it will lead to new contracts and profit generation through strengthened customer follow-up. Our company acquires 130,000 to 140,000 new policies annually, and we feel confident that this M&A will enable us to achieve growth exceeding that figure.

Q. Can a recovery in sales of protection products through messages from the President to sales employees be expected?

A. As you rightly point out, simply calling out to sales employees will not lead to a significant recovery in sales. However, on the other hand, we do expect clear messaging to help reaffirm our organizational direction and serve as a catalyst to influence awareness on the sales frontlines. When assessing customer preferences for protection-related products, we ask whether they prefer savings or non-refundable coverage, and many customers tend to choose savings products. However, this alone does not fully fulfill insurance's fundamental role.

We identify the latent needs of customers and visualize their life plans by carefully listening to them. We utilize systems for this purpose, and system modifications have enabled us to identify latent demand for protection-related products more concretely than before.

Regarding sales of protection-related products, although they have not yet returned to normal levels, we have seen steady signs of improvement.

Q. The number of sales employees is decreasing. How do you plan to recover this going forward?

A. In 3Q, there were only 97 new hires, and retirements remained high, which led to a decrease in the number of sales employees. We believe that new hires will gradually recover going forward by having formulated a business improvement plan and demonstrated our company's policies and determination.

We will continue to prioritize strengthening hiring and human resource development in the sales department, and proceed with rebuilding the sales base.

Q. Can the weak figures seen this fiscal year be considered temporary? You announced a business improvement plan. How do you plan to recover this going forward?

A. Regarding this business improvement order, we recognize it as an extremely serious matter for our company and sincerely accept its outcome. Going forward, further strengthening of the management system is essential, and while we anticipate certain additional costs, we recognize that our company's management foundation remains solid. Our company is currently advancing fundamental efforts toward reconstructing the management system. While making necessary investments, we are responding company-wide to realize sustainable and stable business operations, and we are seeing tangible progress toward improvement.

Q. I have confirmed the press release regarding the business improvement order. You commented that “there has been no provision of favors until now,” but was there actually any provision of favors?

A. It was not our awareness that there were favors at that time. Following the Financial Services Agency's public comment in August 2025, which defined the concept of providing favors, we have revised our understanding.

Q. What is the outlook for 4Q?

A. We anticipate a reduction in revenue and profits in 4Q. The main factors are that the calculation rate for the business quality support fee is based on new sales volume in 3Q, and that the number of customers attracted from partner companies temporarily decreased after receiving the business improvement order in August. Although our outlook is conservative, we aim for improvement and growth starting next fiscal year.

In addition, the expense burden associated with this M&A is limited and does not have a significant impact on the profit and loss for this fiscal year.

Q. Could you tell us about the future trends in the policy transfer business?

A. According to Teikoku Databank's survey (published on September 22, 2025: Business Conditions Survey (January to August 2025)), life insurance agencies rank high in business closures by industry, which suggests the potential for industry reorganization. At our company as well, we are seeing an increase in major deals such as PRESTIGE Co., Ltd. Going forward, we will prioritize investing in human resources and management resources to appropriately respond to environmental changes.

Q. Could you tell us in detail again about the NEXT! Declaration on pages 27 to 29 of the financial results presentation materials?

A. The Company is strongly aware of the necessity to take the receipt of this business improvement order very seriously and to completely review our past business operations, corporate stance, and basic policy. We formulated the NEXT! Declaration to clearly demonstrate our strong determination to implement fundamental reviews and reforms for our business operations. This is not a one-time effort, as we will continue to further evolve while building an organizational foundation that supports sustainable growth.

Q. What specific measures will you implement for the restart?

A. We position 4Q as an important period toward regrowth through returning to basics. Although there are temporary impacts such as a decrease in deals from partner companies, we will aim to recover performance by reviewing follow-up for existing policyholders and the importance of protection, and returning to the fundamentals.

Through these efforts to return to basics, we will reconstruct a sustainable revenue base and connect it to stable growth.

End