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October 6, 2025

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Submission of Business Improvement Plan

Based on the administrative disposition (business improvement order) received on August 6, 2025, FP Partner Inc. (the "Company") submitted a business improvement plan to the Kanto Local Finance Bureau today.

As a result of this case, we deeply apologize for the inconvenience or concern this situation may have caused our customers and other stakeholders. We take this matter very seriously and will steadily implement the business improvement plan that we have formulated across the Company and work to prevent recurrence. At the same time, we will make every effort to regain the trust of our customers and society through a fundamental review and continuous improvement of our business operations. Going forward, the Company will report to the Kanto Local Finance Bureau every six months on the progress of the business improvement plan (First Report Base Date: End of April 2026).

[Business Improvement Plan Summary]

1. Management's perception

Since our foundation in December 2009, we have consistently upheld a customer-first management philosophy. We have engaged in the insurance solicitation business and proposed insurance products based on the belief that the ideal form of insurance sales is one in which sales employees protect customers and their families with lifelong coverage and share a fulfilling life filled with peace of mind with customers. However, various problems have emerged, such as an organizational culture that places too much emphasis on the top line and an organizational structure that relies on preferential treatment, which will be described later, and as a result, the Company has now received an order to improve its business practices. We take our responsibility for receiving this administrative disposition extremely seriously.

Going forward, we will have to sincerely address the points raised in this administrative disposition and thoroughly review all aspects of our business operations. At the same time, we must reexamine the organizational culture that has taken root within our company and correct what needs to be corrected, while also thoroughly enforcing compliance and rebuilding our business operations to be customer-oriented. Also, we must create an open organization where we can thoroughly discuss the ideal relationship with insurance companies. To achieve this, it is essential that we receive cooperation from a wide range of stakeholders, including by soliciting opinions from all our employees, listening to the voices of our customers, shareholders, and business partners, and presenting the results of this to the Board of Directors.

In order to regain the trust of our customers and society at large, we must first begin by analyzing the root causes of the issues that have been pointed out to us. We will devote all our efforts to calmly identifying the several common fundamental issues that have emerged and resolving them in a feasible manner, while steadily implementing the PDCA cycle. We will continue to work on reforms so that these efforts will lead to improvements not only for our company but for the entire insurance agency industry, ultimately promoting the creation of a healthy competitive environment.

We will use this initiative as an opportunity to return to our customer-first management philosophy and, by working with unwavering determination to implement this business improvement plan, we will continue to develop exemplary business as a leading company in the industry.

2. About root cause analysis

There are various direct causes for the various issues that led to these disciplinary actions, but through the inspection process, we have come to recognize the underlying issues, which could be called the root causes, related to our company's fundamentals. Going forward, the full-time Directors, Outside Directors, and Audit & Supervisory Board Members will continue to discuss these various issues at the Board of Directors and other forums and will continue to investigate further the root causes and consider improvement measures through initiatives based on the business improvement plan.

(1) An organizational culture that places too much emphasis on the top line

We have been working to realize a business model that ensures stable profits by providing a wide range of services and building long-term relationships with customers through after-sales service. As we expanded our business nationwide, we worked to secure a sufficient number of sales employees by maintaining a high level of motivation among our sales employees and creating an environment where they could work hard and improve from each other. As a result of this smooth progress, our company was listed on the Tokyo Stock Exchange Growth Market in September 2022 and then changed its market classification to the Tokyo Stock Exchange Prime Market in September of the following year, which shows that our business scale has rapidly expanded in recent years. During this process, against the backdrop of a declining birthrate and aging population, an increasing number of agencies going out of business due to stricter regulations, and intensifying competition within the agency industry, we gradually began to lean towards a growth-oriented approach through business expansion. As a result, we have neglected to establish an internal control system in line with the expansion of our business scale, with excessive priority given to sales activities, and have overlooked the fact that many sales employees are leaving the Company, and our efforts to revitalize the Board of Directors have remained insufficient, resulting in an organizational culture that is overly focused on the top line, which we believe has begun to have adverse effects. The disadvantages of such internal control systems are explained in more detail below.

① Weakness in compliance systems

Due to our organizational structure, ensuring the appropriateness of comparison recommendation procedures during insurance solicitation is originally the responsibility of the front line branches and each division, and the Sales Headquarters, which oversees both organizations, provides guidance and supervision to these organizations. However, as mentioned above, the organizational culture was one that placed too much emphasis on the top line, and employees in the Sales Headquarters were strongly focused on promoting sales, with little awareness of their role in guiding and supervising the front line. As a result, the Sales Headquarters was unable to fully grasp the compliance situation at the sales sites.

Furthermore, the division of roles between the first and second lines was not clearly defined in the company regulations. For example, the Sales Headquarters and the Service Quality Department shared the responsibility of managing the input status of comparison recommendation history, and the department in charge of the second line was not given the opportunity to check decision-making within the Headquarters regarding recommended product groups. As a result, confirmation and verification of the overall compliance situation, including understanding and confirming intentions and making comparison recommendations, was being neglected not only in the sales field but also within the Headquarters.

One of the factors that led to this situation is thought to be the insufficiencies of the Administrative Department departments within the Sales Headquarters and a shortage of personnel in the Service Quality Department, etc. The allocation weighting of management resources will change as the company grows, and we believe that decisions should be made appropriately and in a timely manner. However, since the 2016 revision of the Insurance Business Act, our company has been classified as a large-scale specified insurance solicitor, and has been subject to various obligations under the Insurance Business Act and other laws to put in place systems. However, because we were so focused on expanding our business, we tended to prioritize allocating personnel to the Sales Promotion Section over the Administrative Department. I believe that we need to further strengthen the Administrative Department in the future.

② Dysfunction of the full-time Directors and executive departments with respect to the Board of Directors

The Board of Directors, which is the Company's highest decision-making body, currently consists of a total of 10 Directors, including four Outside Directors. Each of our Outside Directors and Outside Audit & Supervisory Board Members has their own unique expertise and provides advice on the overall management of our company from a high perspective. However, to fully utilize their capabilities, it is essential that they receive sufficient support from the Board of Directors Secretariat and full-time Directors.

However, in reality, there were cases where important points raised by Outside Directors at Board of Directors meetings were not appropriately reflected in the Company's business operations, and there were numerous cases where questions and opinions were not properly answered and even follow-up actions were forgotten. This showed that the Board of Directors Secretariat, which should have steadily managed the PDCA cycle of the Board of Directors, was not functioning effectively. The main reasons for this were the delay in allocating human resources to the Board of Directors' Secretariat due to the aforementioned organizational culture that placed too much emphasis on the top line. In addition, the full-time Directors lacked the willingness to provide indirect support to the Board of Directors Secretariat or to take seriously the opinions expressed at the Board of Directors.

(2) An organizational culture that relies on preferential treatment

As mentioned above, our business has expanded rapidly in recent years. Currently, we have grown to become the largest insurance sales agency in the industry as a door-to-door joint agency. During this process, each insurance company had high expectations for our business performance, and a situation arose in which each company competed for our sales channels. As each company competed to provide preferential treatment to us, we eventually came to take this situation for granted, and without realizing that it was a preferential treatment, taking into account previous practices and the responses of other companies, we began to easily accept and even request preferential treatment. As a result, we believe that our organizational structure has become dependent on preferential treatment.

As this organizational culture took root, the status of business execution was not adequately verified. In particular, we failed to realize that our organizational structure was changing to one dependent on preferential treatment without considering what our relationship with insurance companies should be. Below we explain the issues facing our company that lie behind this.

① Vertically divided management decision-making process

Each full-time Director is jointly responsible for the management of the Company. To fulfill this responsibility, we must share sufficient and accurate information about our management. However, the information sharing among our Directors was not sufficient to fulfill their shared responsibility.

Since our founding, our business operations have required quick decisions and action due to limited human resources and cost constraints. When making decisions regarding business operations, the Representative Director and President and each Director in charge consult and consider each other, and decisions are made after an exchange of opinions between the two parties, a vertical division of powers that has proven highly effective in running the business.

However, on the other hand, there were fewer opportunities to incorporate the opinions of non-responsible Directors into the decision-making process. For example, as described in (2)-② below, if the Representative Director and President, who dealt directly with the insurance company, discussed and agreed on the policy for accepting benefits with the Director in charge of sales, it was effectively treated as a decided internal company policy. In other words, when making decisions on matters, the system was set up so that non-responsible Directors were only informed after the fact that the matter had been decided and approved by the Representative Director and President. As a result, non-responsible Directors came to realize that they had no choice but to agree to decisions that had already been made, since there was no room for them to offer their opinions after the fact. As a result, Directors tended not to take decisions that had not been agreed upon in advance as their own responsibility, and to not take the initiative in fulfilling their shared management responsibilities. As a result, Directors who were not in charge of the matters to be discussed at the Board of Directors had fewer opportunities to speak out proactively when making decisions.

Furthermore, when Outside Directors discovered problems with matters to be resolved by the Board of Directors, they fulfilled their duty to accurately point them out and encourage the matter to be reconsidered, but in many cases, they did not go so far as to urge the withdrawal of matters that they considered inappropriate.

In principle, management decision-making requires multifaceted risk verification, such as compliance with laws and regulations and consistency with business plans, so it is necessary to establish a framework in which Directors can mutually monitor the work that each Director is responsible for. Going forward, we believe it will be necessary to abolish the vertical division of roles and improve the management decision-making process so that each Director can express their opinion, recognize risks, and then reach a consensus. We also believe that it will be necessary to consider and realize a new type of meeting structure that allows each Director to fulfill their shared responsibilities.

② Relationship with insurance companies

In this environment, problems also arose in relationships with insurance companies. We hold meetings with each insurance company, with the main agenda items being regular monthly performance reports and proposals for implementing measures to improve performance. We recognize that in many cases, the Company has formally followed traditional practices and agreed to appoint the Representative Director and President to handle these meetings with insurance companies. As a result, a division of responsibilities naturally developed whereby the Director in charge of sales department mainly oversees the internal sales departments, while the Representative Director and President mainly deals with insurance companies. However, from the perspective of appropriateness, we believe it was inappropriate for the Representative Director and President to deal solely with insurance companies.

Even though the Director in charge of sales were not present out of consideration for the other party, the Representative Director and President should have confirmed the details of the business negotiations and shared information with the Directors in charge of sales after the meeting, but this was not done on a regular basis. The opportunity to verify whether the insurance company's response should continue to be left to the Representative Director and President was lost, and the benefits decided upon in the process became the norm without a shared awareness of the risk that they could constitute excessive benefits that are socially unacceptable. As a result, we lost the opportunity to consider and verify the appropriate nature of our relationship with insurance companies.

In order to build appropriate relationships with insurance companies in the future, we believe that we must first make it a rule that interviews with insurance companies be handled by full-time Directors, etc., and that the content of those interviews be promptly shared within the Company. We also believe that we need to create a system in which any important issues raised during those interviews will be deliberated by a formal decision-making body that is a reorganization of the full-time Directors' discussions described in 3. (5) 2.

③ How to select recommended products

Regarding the method of recommended sales, we have basically chosen the so-called "(c)" method, as stipulated in Article 227-2, paragraph (3), item (iv) of the Regulation for Enforcement of the Insurance Business Act. Specifically, after listening to the customer's current situation and challenges, we first explained the recommended products that we had pre-selected and the reasons for recommending them, then we understood the customer's intentions and selected and presented products that met those intentions from the recommended products. In addition, if there was no product in the recommended product group that met the customer's preferences, we adopted the so-called method "(b)" stipulated in the above regulations, which involves selecting and presenting a product that meets the customer's preferences from the entire range of products we handle.

However, there were some unclear aspects regarding the selection criteria for the recommended products that underpin this recommendation method. Specifically, the following selection criteria are currently set out in Appendix 2 of our Regulations on Recommended Product Sales.

1. Product superiority and customer appeal
2. Insurance companies' performance and creditworthiness
3. Insurance companies' sales support systems and planning and proposal capabilities
4. Recommendation status based on the joint solicitation agent's recommended product selection criteria

However, it was not clear what level of support was acceptable for the sales support systems in 3., or what the criteria in 4. specifically meant. In addition, there was a lack of multifaceted evaluations, such as evaluations of sales field and additional services. There is no denying that these have created room for favoritism.

Furthermore, when the Board of Directors was consulted on the selection of recommended products, the Director in charge of the Sales Headquarters did not provide an objective and comprehensive explanation of the reasons for the selection. Ideally, the Sales Headquarters should have used objective materials such as a product comparison table to compare and consider the products that would be best for the customer in light of all of the selection criteria mentioned above. However, because the Sales Headquarters had not prepared sufficient objective data, they were only able to provide rough explanations with different focus points for each recommended product.

On the other hand, as the relationships with insurance companies described in (2)-② were cultivated, a trend emerged among the full-time Directors to accept recommended product proposals that placed emphasis on the aforementioned selection criterion 3., so that the Company could handle products from insurance companies that made a significant contribution to its performance. Ideally, we should have taken a step back and reconsidered the excessive provision of preferential treatment and created an opportunity to examine it, but instead we have been content with repeating the same old practices and this has become the norm.

Going forward, we believe it is necessary to clarify the selection criteria for recommended products, conduct multifaceted evaluations, revise the system so that excessive favors can be excluded, and establish a system to ensure that objective and comprehensive explanations are given when making selections at meetings such as the Board of Directors.

(3) Deficiencies in internal regulations, etc.

Looking at the status of the development of regulations at our company, new regulations have been established mainly from 2018 to 2019. This coincided with a period in which our business scale expanded significantly. However, due to the weak compliance system described in (1)-①, problems such as incomplete regulations and inconsistencies between regulations have remained unresolved to this day. We believe that because we did not pay enough attention to revising our internal regulations, work was carried out with unclear criteria for judgment, which resulted in distortions in the selection of recommended products.

Furthermore, even though there were internal regulations, there was a lack of efforts to create easy-to-understand manuals and to ensure that sales employees were aware of how to apply the various rules. As a result, we must say that thorough compliance with laws and regulations in the sales field was not sufficiently ensured. Behind this was not only a shortage of personnel in the Administrative Department, but also an unclear division of roles between the front and second lines, which meant that they were unable to cooperate with each other to respond to the sales field.

Furthermore, because no implementation policy for the plan, do, check, act (PDCA) cycle, which is necessary for implementing various measures set out in manuals and other documents, had been formulated, for example, the implementation status and verification results of important measures were not reported to the Board of Directors on a regular and comprehensive basis, and there were cases where the Board of Directors' checking function did not function properly.

Going forward, we will need to continue to improve our internal regulations, proactively work to ensure that their contents are disseminated in the sales field, and promote the creation of a framework for managing the PDCA cycle of our measures.

(4) Lack of awareness regarding recruitment and development of personnel

In terms of recruiting sales employees, due to the organizational culture that emphasizes the top line as mentioned in (1), there was a delay in allocating human resources to the Recruitment & HR Development Department in response to the rapidly increasing number of applicants to the Company. As a result, the department was overwhelmed with recruiting activities and hiring procedures and was unable to establish an organizational screening system. As a result, the hiring standards could not be properly implemented, and sales employees were hired based on the subjective judgment of the staff in charge of recruitment. We believe this was one of the reasons that led to many sales employees leaving the Company.

Furthermore, we originally thought that by distributing lead projects to our sales employees, we could broaden the scope of employment to include inexperienced people, and so we expanded our hiring and increased the number of sales employees. However, we believe that our failure to adequately screen employees at the time of hiring and verify their resignations, along with the belief that the same was true in the insurance industry, were the reasons we allowed mass resignations to continue.

The idea behind this was that sales employees who choose to resign could be replaced by new hires.
On the other hand, in terms of the development of sales employees, we did not formulate a long-term, planned training policy or verify the effectiveness of training. As a result, improvements to training were delayed and we were unable to provide effective employee education, which we recognize may have damaged customer trust in our sales activities. Our company has long placed great trust in the development of sales employees through mutual training (a so-called "culture of teaching one another"), which is carried out independently at the branch level. However, as a result of relying too heavily on this, the Sales Training Department neglected to take the lead in creating a company-wide training framework at the head office and did not verify the appropriateness of the solicitor training work it carried out.

We also believe that the problem of human resource development also existed within the management team. It is undeniable that employees with similar backgrounds were promoted to executive positions without gaining diverse experience through job rotation or training, and without being familiar with corporate management, and therefore were unable to play the necessary roles in management decision-making.
Those who have worked for a company for a long time tend to be trapped by industry customs and company culture, and their perspectives tend to become narrow. However, we believe that our full-time Directors should feel a sense of crisis about this situation and make every effort to secure opportunities to objectively reflect on whether their own performance of duties is appropriate. We believe it is necessary to create opportunities for Directors to reaffirm their awareness of the weight of the responsibilities expected of them through participation in external training and other means, and to learn about the duties they must fulfill.

(5) Unresolved organizational and operational issues

① Issues regarding concurrent roles held by full-time Directors

In principle, when making business decisions, optimal solutions should be sought through repeated risk-based consideration and verification based on objective facts from multiple perspectives, such as compliance with laws and regulations, profitability, and the impact on business growth. However, four of our five full-time Directors, excluding the Representative Director and President, also serve as General Managers of executive departments.

As a result, when considering cases, other Directors find it difficult to frankly express harsh opinions to Directors who speak in their capacity as General Managers, and there are instances where the performance of such Directors as General Managers in charge is not properly evaluated. In addition, there are cases where Directors are so focused on their position as General Managers that they find it difficult to express their opinions from a higher perspective, preventing them from fully demonstrating their performance as Directors. In order to eliminate favoritism and self-preservation, solicit a wide range of opinions, and encourage appropriate consensus building, it is considered desirable to eliminate the practice of Directors serving as General Managers.

② Dysfunction of meetings in the preparatory stage for the Board of Directors

As stated in (2)-①, since each full-time Director is jointly responsible for the management of the Company, they must share sufficient and accurate information regarding management with each other. However, at present, the reality is that each Director is not making sufficient efforts to share information with other Directors regarding the status of their own performance of duties. Until now, our company has held a meeting called the full-time Directors' discussion every week as a forum for advance consultation between Directors. However, due to insufficient information sharing on a daily basis, the opportunities of this meeting have not necessarily been fully utilized. Even when deliberations are held at these meetings, there is no prior information sharing, and so discussions tend to drift without sufficient exploration of ways to cooperate or shared understanding of risk perceptions. Even when an issue is raised about a risk that has already become apparent, there are cases where the discussion ends without the party that was pointed out providing a sufficient explanation, and there is no opportunity for reconsideration. This attitude of each Director weakens and rigidifies organizational cooperation and is an obstacle to mutual cooperation.

Furthermore, in the full-time Directors' discussion, there was insufficient selection of proposals to be submitted to the Board of Directors and scrutiny of explanatory materials, which resulted in an unnecessarily large number of items to be resolved at the Board of Directors meeting or the provision of materials that did not clearly outline the key points, making it impossible to ensure sufficient deliberation at the Board of Directors meeting. Since deliberations at the Board of Directors should essentially be focused on important management decisions, it is necessary to improve both the quality and quantity of the proposals submitted to the Board of Directors.

To this end, we will reorganize the full-time Directors' discussions into a formal decision-making body based on internal regulations, review its functions and members, establish a secretariat, and proceed with consideration to have this body make final decisions on proposals that do not need to be submitted to the Board of Directors.

③ Lack of communication between the Audit & Supervisory Board and the Board of Directors

Article 37 of our Audit Standards for Audit & Supervisory Board Members stipulates that the Audit & Supervisory Board shall establish an audit policy, prepare an audit plan, and explain the audit policy and audit plan to the Representative Director and President and the Board of Directors. However, the Audit & Supervisory Board only prepared an audit policy and audit plan and explained them to the Representative Director and President, and did not provide the same explanation to the Board of Directors until the fiscal year ended November 2024.

Furthermore, until the fiscal year ended November 2024, there was no regular forum for information sharing between the Audit & Supervisory Board and full-time Directors. This resulted in a lack of communication between the two parties, and they were unable to share their respective situations through frank exchanges of opinions or to freely and openly discuss the management issues facing the Company. Currently, in order to improve this situation, the Audit & Supervisory Board reports its audit policy and audit plans to the Board of Directors, and has also begun holding meetings to exchange opinions with full-time Directors as part of efforts underway to normalize the situation.

3. Overview of business improvement plan

As mentioned in point 1., we will take this opportunity to return to our customer-first management philosophy and, by working with unwavering determination to implement our business improvement plan, we will continue to develop exemplary business as a leading company in the industry. The specific initiatives are described below.

In addition, we will establish a new meeting body to further flesh out the business improvement plan and steadily implement each business improvement measure. This meeting body will verify the effectiveness of each business improvement measure, work towards continuous improvement, and continue discussions while incorporating a wide range of employee opinions. To this end, we will first set up a working group to consider individual business improvement measures, with general employees taking the lead in these discussions. We will promptly consider the overall framework for implementing the business improvement plan, including the establishment of a conference body that will consolidate the results of the review and oversee the planning and implementation of business improvement measures, including the introduction of external perspectives.

(1) Clarification of management responsibility in light of this disciplinary action

We take this business improvement order very seriously and will voluntarily return our remuneration for Directors (and other officers) as follows. In light of the Board of Directors' performance to date, we have concluded that Outside Directors should also fulfill a certain level of responsibility.

Position	Return details
Representative Director and President	30% of monthly salary x 3 months
Full-time Director	30% of monthly salary x 2 months
Outside Director (*)	30% of monthly salary x 1 month

(*) Excluding Naoyuki Tanaka (appointed in February 2025) from the list of eligible Outside Directors.

(2) Establishment of an appropriate insurance solicitation management system in line with the characteristics of our business model (including policies and specific measures for promoting the establishment of

appropriate relationships between insurance companies and insurance agents from the perspective of customer-oriented business operations)

In order to build an active sales promotion system and a balanced and appropriate solicitation management system, we believe it is important that the Board of Directors first selects recommended products and allocates human resources appropriately.

We also believe that a fundamental prerequisite for an appropriate solicitation management system is to reach a conclusion through serious consideration of what the relationship between the insurance company and the insurance agency should be. We intend to promote the establishment of appropriate relationships between insurance companies and insurance agents in accordance with our customer-first management philosophy.

From this perspective, we will steadily advance the following initiatives going forward.
Furthermore, in response to changes in the environment surrounding the insurance solicitation business, we believe that it will be necessary to reconsider our business model, including the way our employees work.

Item number	Item	Implementation details	Implementation period
1	Review of the process for selecting recommended products by the Board of Directors	When selecting recommended products, the full-time Directors will thoroughly compare and consider the features, product advantages, sales trends, sales field evaluations, and ancillary services of each target product, and will then use the review materials based on this objective information to consult with the Board of Directors and obtain a resolution. The selection process will be revised accordingly. In order to implement the above review, the Regulations on Recommended Product Sales will be revised to clearly state that the selection of recommended products must be based on objective reasons and that arbitrary decisions will not be made. The criteria for selecting recommended products will also be revised to eliminate the excessive provision of favors. A system will be established to verify after the fact that appropriate selections are being made in accordance with the above regulations.	Starting in FY2025
2	Reconstructing relationships with insurance companies	We will exchange opinions on the appropriate relationship between our company and each insurance company we handle. Based on these results, we will establish Criteria for Determining the Excessive Provision of Favors in our company regulations and implement the PDCA cycle to ensure their effectiveness. As a general rule, interviews with insurance companies will be handled by full-time Directors, etc., and the contents of those interviews will be promptly shared within the Company. In addition, a system will be created in which important issues raised during those interviews will be deliberated by a formal decision-making body that restructures the full-time Directors' discussions in item 2 of 3. (5).	Starting in FY2025

3	Strengthening second-line preparedness	In order to strengthen the functions of the Service Quality Department as the second line, we will secure the necessary personnel, primarily for monitoring and complaint management tasks.	Starting in FY2025
4	Optimizing the hiring of sales employees	Personal evaluations are conducted using an aptitude checklist that lists evaluation items to objectively confirm the qualifications of a sales employee. We will create explanatory materials to prevent any gap in the image of activities between the recruitment interview and after joining the Company. Script the key points to be conveyed in the presentation materials and standardize the content of the presentations. By having job candidates personally fill out and declare confirmation items such as “Understanding of Our Compensation System” and “Computer/Mobile Phone Operation Skills,” we assess their overall suitability. By managing the first interview with the Branch Manager, number of people who progressed to the second interview, and number of employment requests submitted, we can verify the effectiveness of narrowing down the candidates whose recruitment information source is the branch. Identify and analyze short-term resignations, those who leave within one year of joining the Company.	Starting in FY2025

(3) Establishment of an effective system to steadily implement the obligation to provide information to customers (Article 294 of the Insurance Business Act) and the obligation to understand and confirm their intentions (Article 294-2 of the same Act)

Although it is a natural responsibility of salespeople to provide information to customers and to understand and confirm their intentions, there was a lack of thorough understanding, guidance, and supervision of the actual situation at the sales field by front line sales employees in this regard.

From this perspective, we will steadily advance the following initiatives going forward.

Item number	Item	Implementation details	Implementation period
1	Building the front line	In addition to a sales promotion officer, a sales management officer will be appointed under the Sales Headquarters. Sales management officers will establish comparative recommendation-related regulations as front line personnel and clarify their roles, authority, and responsibilities. We will create model videos and confirmation tests that explain how to properly understand and confirm intentions, make comparative sales recommendations, and enter reports. The Operating Officer in charge of sales promotion will also consult with the sales	Starting in FY2025

		management officers and plan training, improvement guidance, and improvement interviews for Branch Managers and others in each block.	
2	Establishment of regulations and training systems related to comparative recommendations	We will create regulations and manuals and provide training on practical methods for comparative sales recommendation, such as the criteria that sales employees use to select products that meet the customer's wishes, and objective and specific procedures and explanations for narrowing down the products. When the Insurance Business Act and other laws are revised, we verify whether regulations, training, manuals, and systems comply with the Act and other laws. We will revise our training program to standardize the product sales knowledge of our sales employees. We prepare product training materials for the insurance companies we handle and regularly conduct product comprehension tests for sales employees. When new products are introduced or product revisions are made, training materials will be promptly revised and training will be conducted. When the Insurance Business Act or other laws are revised, the training content will be changed and implemented based on the revised manual.	Starting in FY2025
3	Improved customer management system	(1) By replacing the customer management system (hokan, Inc.), we will be able to understand and confirm intentions and make product proposals in front of customers in accordance with the revised Insurance Business Act. We will also be able to comprehensively monitor the activities of sales employees. (2) Even before introducing hokan's customer management system, the current customer management system (Hyper Agent) will be modified to review the procedures for understanding and confirming intentions and making comparison recommendations, as well as to monitor the implementation status.	(1) Started in FY2025 (2) Completed in August 2025
4	Promoting the practice of understanding and confirming intentions and making comparison recommendations	Contracts for which reports have not been entered into Hyper Agent will be extracted, guidance will be provided to the relevant employees, and the progress of improvements will be tracked. If no improvement is seen, we will conduct direct interviews and training with the relevant employees and their Branch Managers to work towards improvement. From the perspective of understanding and confirming intentions and making comparison recommendations, we will also take the same monitoring and improvement measures as described above for policies where an inappropriate solicitation process	Starting in FY2025

		is suspected. To ensure cooperation between the front and second lines, we will hold regular meetings to exchange opinions between the Sales Headquarters and the Service Quality Department. We will confirm any concerns regarding the implementation status of intention understanding and confirmation, comparative recommendations, and monitoring results, identify issues, consider improvement measures, and then implement them.	
5	Measures for the appropriate implementation of explanations of important matters	Through monitoring, sales employees suspected of not providing sufficient explanations of important matters are identified, interviewed, and given guidance. All sales employees will be trained on providing knowledge regarding important matters explanations, explanation procedures, and report entry.	Starting in FY2025

(4) Establishment of a legal compliance system for appropriate insurance solicitation

It is essential for solicitors to comply with the rules stipulated in relevant laws and regulations, including recommending comparisons and understanding and confirming intentions, but it cannot be denied that the system for supporting or checking this was insufficient.

From this perspective, we will steadily advance the following initiatives going forward.

Item number	Item	Implementation details	Implementation period
1	Response to contracts made by our sales employees in violation of Article 300, paragraph (1), item (v) of the Insurance Business Act	We will revise our company regulations so that when sales employees handle personal policies and family policies that are deemed to be insurance premium rebates to policyholders, etc., the agent fees received by our company will not be paid to the sales employees, thereby correcting the situation in which violations of laws and regulations may occur.	Completed in September 2025
2	Reconstruction of the complaint management system and the system for responding to scandals and accidents	We will define what constitutes a complaint and create a manual that specifically explains the procedures for handling them and thoroughly disseminate this information to sales employees and others. In addition, a manual will be created that provides specific explanations of how to respond to problematic cases, such as initial responses to suspected misconduct and accidents, tips for analyzing the causes, and efforts to prevent recurrence.	Completed in September 2025
3	Strengthening the internal audit system	If there are delays in the schedule of specific initiatives proposed by the responsible department by the Internal Audit Department, we will work to strengthen follow-up by digging deeper into the reasons and ensuring the smooth running of the PDCA cycle. Additionally, the Board of Directors and the Audit & Supervisory Board will work	Starting in FY2025

		together to consider various measures to increase the effectiveness of the department's various initiatives.	
4	Planned implementation of solicitor training	We will formulate policies and long-term plans for solicitor training, and in accordance with the annual training plan for sales employees based on these, we will provide training that includes a curriculum that comprehensively covers our non-recommended product lineup. Furthermore, the effectiveness of these measures will be verified, and the results will be reported to the Board of Directors on a quarterly basis to ensure a PDCA cycle.	Starting in FY2025
5	Various monitoring activities	We will gradually undertake various types of monitoring that are necessary from the perspective of the principle of suitability and consideration of the best interests of customers, etc., such as early disappearance monitoring and intention understanding, and comparison recommendation monitoring. As a prerequisite, a department dedicated to monitoring will be established within the Service Quality Department.	Starting in FY2025

(5) Drastically strengthen management system (governance) to ensure the steady execution of the above

In order to continue conducting appropriate corporate activities, it is essential that the Board of Directors strengthen its governance over overall management, identify and correct various problems that are rooted in the foundations of management, and take appropriate action.

From this perspective, we will steadily advance the following initiatives going forward.

Item number	Item	Implementation details	Implementation period
1	Improving the operation of the Board of Directors	We will allocate human resources to the Board of Directors Secretariat and strengthen its capabilities. The Secretariat will compile and list opinions and points raised at Board of Directors meetings, share them among officers, and take stock of the items on the list every quarter to eliminate backlogs of projects. A system will be established in which the background to the request for a resolution from the Board of Directors, other options and their respective advantages and disadvantages, and the reasons for the selection will be clearly presented to the Board of Directors, and discussions and decisions will be held based on these. Full-time Directors will be required to take training on the importance of corporate governance and the necessary mindset.	Starting in FY2025
2	Establishment of a management policy decision-making body	The full-time Directors' discussions will be reorganized into a formal decision-making body based on internal company	Starting in FY2025

	"Management Meeting" for management	regulations, the "Management Meeting" (tentative name). In doing so, the functions and members of the body will be reviewed, and measures such as having the body make the final decision on proposals that do not need to be submitted to the Board of Directors will be taken to improve both the quality and quantity of proposals submitted to the Board of Directors.	
3	Review of the division of roles between full-time Directors and Operating Officers	In order to eliminate favoritism and self-preservation in discussions among Directors, and to encourage appropriate consensus building by soliciting a wide range of opinions, we will eliminate the practice of Directors serving as General Managers.	Starting in FY2026
4	Establishing the prerequisites for strengthening business management systems	We will gradually improve our internal management system, which is a prerequisite for appropriate business management, by reorganizing various internal regulations, utilizing IT technology to improve the efficiency of management operations, and developing in-house employees (including management) through job rotation and training.	Starting in FY2025
5	Improving employee engagement and utilizing human capital	We will conduct a survey of all employees to gather opinions on the various issues at our company that have been pointed out in this administrative action, and identify the underlying problems related to our organizational structure, systems, human resources, practices, and other fundamentals.	Starting in FY2025

[Expected impact on earnings forecasts from this fiscal year onwards]

At this time, no new factors have been identified that could have a significant impact on future earnings forecasts. If any important matters that require disclosure become known in the future, we will notify you promptly.

[Contact information]

In order to ensure fairness to everyone, we will accept inquiries regarding this matter in writing (email or inquiry form). We appreciate your understanding.

Contact by email: ir_report@fpp.jp
Contact form: https://fpp.jp/ir_inquiry/

End