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October 29, 2026

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A Collection of Questions and Answers Concerning the Financial Results for the Nine Months Ended August 31, 2026

FP Partner Inc. (the “Company”) has compiled the questions received at the financial results briefing and the Company’s responses concerning the financial results for the nine months ended August 31, 2026. 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. Net sales and operating profit for Q3 decreased from the previous quarter. Please explain the reasons for this.

A. The main reasons net sales and operating profit for Q3 fell below Q2 levels were seasonal factors and a change in the commission payment method for single-premium products. In Q2, there was demand associated with the fiscal year-end of many insurance companies in March.
In addition, commissions on major single-premium products were previously paid in a lump sum in the following month, but the payment method has changed: we now receive approximately 50% in the following month and the remainder over the subsequent seven years. Although this change has affected net sales and profit for the current fiscal year, it does not reduce the total amount of commissions we will receive, and we believe it will lead to future growth in recurring income. In light of these effects, we will also focus on sales of other products.

Q. Please share your current views on the likelihood of achieving the full-year earnings forecast.

A. For the first nine months, progress against the revised full-year earnings forecast was 73.7% for net sales, 67.1% for operating profit, 69.1% for ordinary profit, and 67.7% for profit. Although progress toward our profit targets is lagging the fiscal-year elapsed rate of 75%, results have been generally in line with expectations. In addition, customer acquisition through partner companies is recovering, and the number of sales representatives is now increasing on a net basis. We expect the benefits of these initiatives to contribute to our performance as we approach the fiscal year-end, and we will continue working to achieve the forecast.

Q. Please explain the current status of both customer acquisition through partner companies and in-house customer acquisition.

A. The suspension of customer acquisition through some partner companies following the business improvement order we received in August last year has significantly affected our performance for the current fiscal year. We have therefore prioritized resuming initiatives with partner companies that attract large numbers of customers and establishing new partnerships, and have concentrated personnel and funding on these efforts. Our initiatives with all partner companies affected by the suspension have resumed, and customer acquisition is recovering.

Meanwhile, although in-house customer acquisition helps improve profit margins, it requires upfront costs, so we have allocated some of our resources to customer acquisition through partner companies. As a result, in-house customer acquisition has declined recently, but we intend to expand it again alongside the recovery in customer acquisition through partner companies to support growth from the next fiscal year onward.

Q. Should we understand that the decline in the number of sales representatives has bottomed out? Could you also tell us about your recruitment strategy going forward?

A. Although the number of sales representatives decreased by 188 year on year, it posted a net increase of 15 in Q3, turning from net declines in previous quarters to a net increase. We recorded net increases for three consecutive months from July through September, and view the net increase of 15 in September, an assessment month, as a particularly important sign that the decline may be bottoming out. Going forward, in addition to stepping up recruitment activities, we will work to restore our recruiting strength and reduce employee turnover. We will work to accelerate growth in the number of sales representatives in Q4 and the next fiscal year, with the aim of sustaining net growth.

Q. Please explain the current status of the policy transfer business and your initiatives going forward.

A. We are developing the policy transfer business as one of our core businesses. We concluded a major deal in the previous fiscal year, and inquiries and consultations concerning major deals have continued this fiscal year. However, conducting agreements has taken time because many agencies wanted to assess the outcome of the public consultation on amendments to the Insurance Business Act before proceeding with their agreements.

With the regulatory outlook now becoming clearer, we are working to advance discussions toward concrete deals. In addition, transactions larger than the one involving PRESTIGE Co., Ltd. in the previous fiscal year are also under consideration. We will therefore continue developing our capacity to take on such transactions and make upfront investments to support future growth.

Q. While net sales for Q3 were broadly flat year on year at ¥7.83 billion, the gross profit margin declined to 30.7%. Please explain the reasons for this and the impact of the change in the commission payment method for single-premium products.

A. The main reason for the decline in the gross profit margin was a change in the commission payment method at two major life insurance companies that account for a large share of our single-premium product sales. The shift from receiving commissions in a lump sum to receiving part of them over multiple years has affected our profit margin for the current fiscal year.

We have partly offset the impact on net sales by stepping up sales of other products. We also believe that commissions to be received in the future will contribute to growth in recurring income, helping stabilize our earnings base over the medium to long term.

While continuing to meet demand for single-premium products, we will enhance our sales structure and recommendation approach so that we can also appropriately recommend level-premium protection-type products tailored to customers' coverage needs.

Q. Do you expect sales of single-premium products to continue increasing?

A. We believe demand for single-premium products has grown against a backdrop of increasing interest in wealth creation and other factors. In particular, target-type products, which lock in investment gains once a preset target is reached, have attracted strong customer demand, and some customers have taken out new policies after their previous policies matured.

Although we expect a certain level of demand to continue, we believe the number of policies sold will remain broadly stable rather than increase or decrease significantly. However, this is our view at present and may change depending on future product trends and other factors.

We will also continue to place emphasis on the sale of protection-type products, which provide important protection for customers and their families in the event of unforeseen circumstances.

Q. What is your current approach to capital-cost-conscious management, and what specific initiatives are you pursuing?

A. We place emphasis on balancing investments for future growth with shareholder returns. Our priority areas for growth investment include the policy transfer business, digital transformation (DX), recruitment of sales representatives, and expansion of customer acquisition through partner companies. Through these initiatives, we aim to increase net sales and profits and restore our earnings power.

Dividends are our primary means of providing shareholder returns, and we aim to restore the dividend payout ratio to 45%. We will appropriately allocate funds to growth investments and dividends to enhance corporate value over the medium to long term.

Q. With various incidents being reported in the insurance industry, what is your approach to strengthening governance and compliance?

A. We conduct our business with an emphasis on compliance and continuously work to enhance our internal management system, conduct internal audits, monitor sales activities, and provide employees with training and guidance.
We recognize that these efforts are ongoing. While taking into account changes in the business environment and social expectations, we will continue working to strengthen governance and enhance the effectiveness of our internal management system.

[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_contact@fpp.jp
Contact form: https://ir.fpp.jp/ir_inquiry/

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