



## Financial Results for the Third Quarter of the Fiscal Year Ending November 30, 2023 [Japan GAAP] (non-consolidated)

October 11, 2023

Name of listed company: FP Partner Inc.

Listed exchange: Tokyo Stock Exchange

Securities code: 7388

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

Representative: (Title) Representative Director and President

(Name) Tsutomu Kuroki

Inquiries: (Title) Senior Managing Director and General Manager of Corporate Planning Department

(Name) Katsuyuki Tanaka

(TEL) +81-3-6801-5430

Scheduled date of filing of quarterly report: October 11, 2023

Scheduled date of dividend payment: –

Preparation of supplementary materials for quarterly financial results: Yes

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

(Amounts are rounded down to the nearest million yen.)

### 1. Financial results for the nine months ended August 31, 2023 (December 1, 2022 to August 31, 2023)

#### (1) Operating results (cumulative)

(Percentages represent YoY changes.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended August 31, 2023	22,914	22.3	4,579	40.2	4,689	43.4	3,160	61.0
Nine months ended August 31, 2022	18,739	–	3,265	–	3,270	–	1,962	–

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended August 31, 2023	137.40	129.98
Nine months ended August 31, 2022	98.12	–

(Notes) 1. As quarterly financial statements were not prepared for the nine months ended August 31, 2021, YoY percentage changes from the nine months ended August 31, 2022 are not shown.

2. Diluted net income per share for the nine months ended August 31, 2022 is not shown in the above table, because although share acquisition rights existed, the Company's shares were unlisted as of August 31, 2022, and the average stock price during the period could not be determined.

3. On July 1, 2023, the Company conducted a 2-for-1 stock split of its common stock. Net income per share and diluted net income per share are calculated based on the assumption that the stock split was conducted at the beginning of the fiscal year ended November 30, 2022.

#### (2) Financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
Nine months ended August 31, 2023	17,806	11,817	66.3
Fiscal year ended November 30, 2022	14,265	8,656	60.6

(Reference) Shareholders' equity

Nine months ended August 31, 2023: 11,810 million yen

Fiscal year ended November 30, 2022: 8,649 million yen

### 2. Dividends

	Annual dividend				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended November 30, 2022	–	0.00	–	0.00	0.00
Fiscal year ending November 30, 2023	–	0.00	–		
Fiscal year ending November 30, 2023 (forecast)				90.00	–

(Notes) 1. Revision of dividend forecast from the most recently announced dividend forecast: No

2. Breakdown of forecast year-end dividends for the fiscal year ending November 30, 2023

Ordinary dividend: 75.00 yen, commemorative dividend: 15.00 yen

3. Effective from July 1, 2023, the Company conducted a 2-for-1 stock split of its common stock. As a result, the forecast dividend per share for the fiscal year ending November 30, 2023 shows the amount before the stock split at the end of the second quarter and the amount after the stock split at the end of the fiscal year. The annual dividend forecast is not shown because a simple calculation is not possible due to the stock split. Note that the annual dividend on a pre-stock-split basis is 180.00 yen per share.

3. Earnings forecast for the fiscal year ending November 30, 2023 (December 1, 2022 to November 30, 2023)

(Percentages represent YoY changes.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	29,973	17.1	5,510	44.1	5,558	45.8	3,779	59.7	164.34

(Note) 1. Revision of earnings forecast from the most recently announced earnings forecast: No

\*Explanatory notes

(1) Adoption of special accounting methods for preparation of quarterly financial statements: Yes

(Note) For details, please refer to “Quarterly financial statements and major notes (3) Notes to quarterly financial statements (Adoption of special accounting methods for preparation of quarterly financial statements)” on page 8 of the attached materials.

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

- |  |    |
|--|----|
| 1. Changes in accounting policies due to revision of accounting standards, etc.: | No |
| 2. Changes in accounting policies other than 1. above:                           | No |
| 3. Changes in accounting estimates:  | No |
| 4. Restatements:   | No |

(3) Number of shares issued and outstanding (common stock)

1. Number of shares issued and outstanding at end of period (including treasury shares)	3Q for the fiscal year ending November 30, 2023	23,000,000 shares	Fiscal year ended November 30, 2022	23,000,000 shares
2. Number of treasury shares at end of period	3Q for the fiscal year ending November 30, 2023	130 shares	Fiscal year ended November 30, 2022	130 shares
3. Average number of shares during the period (cumulative quarterly period)	3Q for the fiscal year ending November 30, 2023	22,999,870 shares	3Q for the fiscal year ended November 30, 2022	20,000,000 shares

(Notes) On July 1, 2023, the Company conducted a 2-for-1 stock split of its common stock. The number of shares issued and outstanding at end of period, number of treasury shares at end of period, and average number of shares during the period are calculated based on the assumption that the stock split was conducted at the beginning of the fiscal year ended November 30, 2022.

\*The quarterly financial results are not subject to quarterly review by certified public accountants or audit firm.

\*Explanation regarding the appropriate use of earnings forecasts and other special notes

(Cautionary statement 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 information on quarterly financial results)

Supplementary materials for quarterly financial results are available on TDnet on the same day as release.

○Table of contents of attached materials

1. Qualitative information on quarterly results.....	4
(1) Explanation of operating results.....	4
(2) Explanation of financial position.....	6
(3) Explanation of earnings forecasts and other forward-looking information.....	6
2. Quarterly financial statements and major notes.....	7
(1) Quarterly balance sheet.....	7
(2) Quarterly income statement.....	9
(3) Notes to quarterly financial statements.....	10
(Notes to going concern assumption) .....	10
(Notes on significant changes in the amount of shareholders' equity) .....	10
(Adoption of special accounting methods for preparation of quarterly financial statements).....	10
(Segment information, etc.).....	10
(Revenue recognition).....	10
(Significant subsequent events) .....	10

## 1. Qualitative information on quarterly results

### (1) Explanation of operating results

#### Operating results

During the first nine months of the current fiscal year (December 1, 2022 to August 31, 2023), the Japanese economy entered a transition period from the coronavirus pandemic to the post-coronavirus period due to the shift of COVID-19 to category V under the Infectious Diseases Control Act, which resulted in a significant recovery in economic activity in Japan, despite uncertain factors such as global inflation, downside risks in overseas economies, and the ongoing depreciation of the yen.

Although the flow of people and inbound consumption have recovered to levels before the coronavirus pandemic due to the removal of restrictions on the number of people at various events and the elimination of border measures when entering the country, repeated price hikes of daily necessities and soaring energy prices have slowed the recovery of personal consumption.

Many people have concerns about the future due to these circumstances, and the proportion of people who named “fulfillment of post-retirement life” as the “most important life event” is the highest, significantly exceeding those who mentioned “children’s education” and “fulfillment of hobbies.” (Source: Japan Institute of Life Insurance, “FY2022 Survey on Lifestyle Security”)

Due to changes in customer awareness, we have also seen a significant increase in the number of policies for highly asset-forming products such as variable life insurance. In addition, with the reform of iDeCo under the Japanese government’s doubling asset-based income plan and the new NISA system to be launched in 2024, the trend of self-help for future money is not a temporary phenomenon and is expected to continue.

Under such circumstances, the Company’s financial results for the first nine months of the current fiscal year were as follows: net sales of 22,914,919 thousand yen (up 22.3% YoY), operating income of 4,579,718 thousand yen (up 40.2% YoY), ordinary income of 4,689,647 thousand yen (up 43.4% YoY), and net income of 3,160,231 thousand yen (up 61.0% YoY).

The status of each initiative is as follows.

#### ① Increase in the number of new hires and the number of offices

The number of new hires during the third quarter of the current fiscal year totaled 133, bringing the total number of new hires to 434 during the first nine months of the current fiscal year. This brings the number of sales employees to 2,215 as of August 31, 2023.

The number of offices (branches and stores) to which sales employees belong increased by eight during the third quarter of the current fiscal year, to 145 as of August 31, 2023. In addition, six IFA offices were opened within existing offices during the third quarter of the current fiscal year, and preparations are underway to further expand the sales network for investment trusts and other financial products. We will continue to expand our community-based sales network by hiring locally.

#### ② Acquisition of prospective policy customers

The number of prospective policy customers during the third quarter of the current fiscal year remained steady due to an increase in the number of sales employees. The Non-life Insurance Sales Department’s Direct Center Section (below, “DC Section”), which opened in March 2023, has started full-scale operations, resulting in an increase in the number of prospective customers for non-face-to-face completion insurance policies.

The number of partner companies continued to be reviewed in order to acquire prospective customers with a higher degree of certainty, and during the third quarter of the current fiscal year, we entered into new partnerships with nine companies and terminated partnerships with 13 companies, bringing the number of partner companies to 96.

The number of in-house customer acquisitions through channels such as the Money Doctor service website continued to grow steadily during the third quarter of the current fiscal year. Approaches to transfer contracts

through the policy transfer business also increased steadily, contributing to the increase in the number of in-house customer acquisitions.

③ Sales trends

In the third quarter of the current fiscal year, the main life insurance products sold continued to be savings and investment products in response to asset-building needs such as retirement savings. We will continue to propose insurance products suitable for customers based on an analysis of their household budget and asset situations by providing financial planning services.

We also conduct comprehensive consulting by confirming with customers the details of their insurance coverage for policies (customers) transferred to the Company as a result of policy transfer to clarify the necessary coverage. This has improved customer satisfaction and contributed to the acquisition of additional new policies.

We will continue to provide customers with useful information and consulting services on money matters under our customer-oriented business operation policy (fiduciary duty).

④ Expansion of policy transfer business

In the policy transfer business started from 2021, the number of inquiries and the number of companies that have agreed to transfer have continued to increase steadily against the backdrop of the continuing trend of an increase in the number of agencies scheduled to go out of business.

The number of policy transfer inquiries in the third quarter of the current fiscal year remained steady at 20 companies (60 companies in total since the beginning of the fiscal year), and the number of companies that have agreed to transfer increased by three companies from the second quarter of the current fiscal year to 11 companies (25 companies in total since the beginning of the fiscal year).

⑤ Expansion of Money Doctor Premier store openings

In the third quarter of the current fiscal year, we opened Money Doctor Premier Yokohama Landmark Plaza Store (Nishi-ku, Yokohama City) on June 3, 2023, bringing the total number of Money Doctor Premier stores to 14. The number of bookings for store visits remained steady due to the strong customer traffic at existing stores. In addition, applications for Premier online FP consultations, which is offered to customers who are unable to visit Money Doctor Premier stores in person, have remained strong as well.

As Money Doctor Premier stores have been developing a comprehensive money service that offers all kinds of money-related consultations, many customers have been asking for consultations on savings and asset formation. 51.8% (\*) of customers who made a booking or visited a Money Doctor Premier store during the first nine months of the current fiscal year came for advice on asset formation and retirement. We will continue to roll out stores to meet such customer needs in a wider range of areas.

\*Calculated based on questionnaires received at the time of consultation applications and bookings (period covered: December 1, 2022 to August 31, 2023)

⑥ New business

In the IFA business, which began trials in some regions in 2021, the number of securities accounts and the balance of assets under custody have increased steadily and are growing toward full-scale entry in the business. We intend to further expand this business as part of the financial services we provide, aiming to provide better services to customers nationwide.

We continue to focus on recruiting sales employees while promoting corporate partnerships to acquire prospective insurance policy customers. We are committed to further improving business performance by expanding our sales network nationwide through the opening of new offices.

Segment information is omitted because the Company operates in a single segment of insurance agency business.

## (2) Explanation of financial position

### Assets, liabilities, and net assets

#### (Current assets)

Current assets at the end of the third quarter of the current fiscal year totaled 13,429,506 thousand yen (10,150,788 thousand yen at the end of the previous fiscal year), an increase of 3,278,718 thousand yen. The main factor was an increase in cash and deposits resulting from the posting of net income before income taxes.

#### (Non-current assets)

Non-current assets at the end of the third quarter of the current fiscal year totaled 4,377,193 thousand yen (4,114,817 thousand yen at the end of the previous fiscal year), an increase of 262,376 thousand yen. The main factor was an increase in policy-related intangible assets due to policy transfers.

#### (Current liabilities)

Current liabilities at the end of the third quarter of the current fiscal year totaled 5,144,546 thousand yen (4,743,449 thousand yen at the end of the previous fiscal year), an increase of 401,096 thousand yen. The main factor was an increase in accounts payable - trade due to factors including compensation for canvassers.

#### (Non-current liabilities)

Non-current liabilities at the end of the third quarter of the current fiscal year totaled 845,143 thousand yen (865,377 thousand yen at the end of the previous fiscal year), a decrease of 20,234 thousand yen. The main factor was a decrease in long-term borrowings due to a transfer to current liabilities.

#### (Net assets)

Net assets at the end of the third quarter of the current fiscal year totaled 11,817,009 thousand yen (8,656,777 thousand yen at the end of the previous fiscal year), an increase of 3,160,231 thousand yen. The main factor was the recording of net income.

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

Business performance has been strong, and in the first nine months of the current fiscal year, we have made progress that exceeded the earnings forecast announced on July 14, 2023 in the “Notice of Revision of Full-Year Earnings Forecasts for the Fiscal Year Ending November 30, 2023 (Upward Revision), Change in Dividend Policy, and Revision of Dividend Forecasts (Dividend Increase).” However, as it is necessary to carefully assess future performance trends and take appropriate action, we have determined that this does not constitute a revision of the earnings forecast at this time. We will promptly disclose the revised forecast when we determine that a review is necessary in light of the progress of business performance.

Regarding the year-end dividend forecast, as announced on August 22, 2023 in the “Notice of Revision of Dividend Forecasts (Commemorative Dividend for Change in TSE Prime Market) for the Fiscal Year Ending November 30, 2023,” the Company has decided to pay a commemorative dividend of 15 yen per share as the year-end dividend for the fiscal year ending November 30, 2023, in commemoration of the change in the listing market classification from the Growth Market to the Prime Market of the Tokyo Stock Exchange on September 11, 2023.

## 2. Quarterly financial statements and major notes

### (1) Quarterly balance sheet

(Unit: Thousands of yen)

	Previous fiscal year (November 30, 2022)	Current 3Q accounting period (August 31, 2023)
<b>Assets</b>		
Current assets		
Cash and deposits	8,848,786	10,850,074
Accounts receivable - trade	777,254	1,693,112
Supplies	13,378	18,028
Other	511,369	868,291
Total current assets	10,150,788	13,429,506
Non-current assets		
Property, plant and equipment		
Buildings, net	1,043,558	1,053,243
Land	1,827,402	1,827,402
Other, net	29,829	28,927
Total property, plant and equipment	2,900,790	2,909,573
Intangible assets	227,575	440,929
Investments and other assets	986,451	1,026,690
Total non-current assets	4,114,817	4,377,193
Total assets	14,265,605	17,806,699

(Unit: Thousands of yen)

	Previous fiscal year (November 30, 2022)	Current 3Q accounting period (August 31, 2023)
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	1,909,999	2,306,289
Current portion of long-term borrowings	4,470	44,700
Income taxes payable	1,253,561	794,029
Provision for bonuses	—	52,614
Provision for loss on litigation	—	390
Refund liabilities	239,261	518,452
Other	1,336,157	1,428,068
Total current liabilities	4,743,449	5,144,546
Non-current liabilities		
Long-term borrowings	644,580	604,350
Asset retirement obligations	217,536	237,662
Other	3,260	3,130
Total non-current liabilities	865,377	845,143
Total liabilities	5,608,827	5,989,690
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,894,000	1,894,000
Capital surplus		
Legal capital surplus	1,794,000	1,794,000
Other capital surplus	3,000	3,000
Total capital surplus	1,797,000	1,797,000
Retained earnings		
Other retained earnings		
Retained earnings brought forward	4,959,055	8,119,287
Total retained earnings	4,959,055	8,119,287
Treasury shares	(277)	(277)
Total shareholders' equity	8,649,777	11,810,009
Share acquisition rights	7,000	7,000
Total net assets	8,656,777	11,817,009
Total liabilities and net assets	14,265,605	17,806,699



## (2) Quarterly income statement

Nine months ended August 31

	(Unit: Thousands of yen)	
	Nine months ended August 31, 2022 (December 1, 2021 to August 31, 2022)	Nine months ended August 31, 2023 (December 1, 2022 to August 31, 2023)
Net sales	18,739,977	22,914,919
Cost of sales	11,948,614	13,932,147
Gross profit	6,791,362	8,982,772
Selling, general and administrative expenses		
Salaries and allowances	915,407	1,002,639
Provision for bonuses	40,715	52,614
Other	2,569,350	3,347,799
Total selling, general and administrative expenses	3,525,473	4,403,053
Operating income	3,265,889	4,579,718
Non-operating income		
Interest income	32	83
Outsourcing service income	—	116,954
Other	23,598	23,635
Total non-operating income	23,631	140,674
Non-operating expenses		
Interest expenses	5,768	1,968
Loss on retirement of non-current assets	8,815	16,815
Other	4,155	11,960
Total non-operating expenses	18,739	30,745
Ordinary income	3,270,781	4,689,647
Net income before income taxes	3,270,781	4,689,647
Income taxes	1,308,317	1,529,415
Net income	1,962,463	3,160,231

### (3) Notes to quarterly financial statements

(Notes to going concern assumption)

Not applicable.

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

Not applicable.

(Adoption of special accounting methods for preparation of quarterly financial statements)

(Calculation of tax expenses)

Tax expenses are calculated by reasonably estimating the effective tax rate after applying tax effect accounting to net income before income taxes for the fiscal year, including the third quarter under review, and multiplying net income before income taxes for the quarter 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.

(Revenue recognition)

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

(Thousands of yen)

	Nine months ended August 31, 2022 (December 1, 2021 to August 31, 2022)	Nine months ended August 31, 2023 (December 1, 2022 to August 31, 2023)
Net sales		
Life insurance agency business	18,064,027	21,788,260
Non-life insurance agency business	668,544	880,130
Other business	7,406	246,528
Revenue from contracts with customers	18,739,977	22,914,919
Other revenue	—	—
Net sales to external customers	18,739,977	22,914,919

(Significant subsequent events)

Not applicable.