Note : This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

November 16, 2026

Company name: FP Partner Inc.
Name of representative: Tsutomu Kuroki, Representative Director and President
(Securities code: 7388; Tokyo Stock Exchange Prime Market)
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Report on the Progress of the Business Improvement Plan (5th Update on NEXT Initiatives)

We are implementing specific improvement measures based on the business improvement plan submitted to the Kanto Local Finance Bureau on October 6, 2025. Today, we submitted our second progress report for these measures to the Kanto Local Finance Bureau. An overview of the progress of the business improvement plan as of the end of October 2026 is as shown in the attached document

Under our corporate slogan “NEXT,” announced on October 15, 2025, our company shares the recognition among all employees that the practical value of the company is demonstrated for the sake of customers, and our entire company will work together to transform into a more valuable enterprise through business improvement.

The Company plans to submit the next report to the Kanto Local Finance Bureau on the progress of the business improvement plan in May 2027 (next reporting reference date: the end of April 2027).

*Reference: October 15, 2025, Notice Regarding the Formulation of the Corporate Slogan “NEXT”
https://pdf.irpocket.com/C7388/w4ok/u2YJ/L86g.pdf

[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/

End

An overview of the progress of the Business Improvement Plan

[As of October 31, 2026]

FP Partner inc.

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01

Message from the Representative Director and President

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01.Message from the Representative Director and President



FP Partner Inc.
Representative Director
and President

Tsutomu Kuroki

We take the Administrative Action (Business Improvement Order) issued by the Kanto Local Finance Bureau seriously and have been addressing the underlying issues head-on while implementing the measures set out in our business improvement plan.

Centered around the business improvement committee, which was established on December 1, 2025, each working group and its leader have taken the lead in driving improvement. We are implementing specific measures, evaluating their effectiveness, and working to embed them into our daily operations.

We recognize that business improvement is not complete merely by implementing the measures outlined in the business improvement plan. By embedding new systems and rules into our daily operations and continuously verifying and reviewing them, we will achieve sustainable improvement.

Underpinning these efforts is the “customer-first” philosophy that we have upheld since the Company’s founding. We will further strengthen our business operations framework so that every officer and employee bases their decisions and actions on “the best interests of our customers” and proactively puts this principle into practice, from management decisions and day-to-day operations to proposals to customers and after-sales follow-up.

Furthermore, as the environment surrounding the insurance industry undergoes significant changes, higher standards than ever before are being demanded in areas such as customer- first business operations, compliance, and governance. We will not limit these business improvement efforts to merely responding to Administrative Action; rather, we will advance them as initiatives to accurately meet the demands of society and the industry and to achieve better business operations.

Based on this understanding, all officers and employees will establish a corporate culture in which they constantly ask, “Is this in the best interest of our customers?”—without being bound by past practices or short-term results—and will think independently, speak up, and take action. We have positioned these reforms as the top management priority, and the management team—including myself as Representative Director and President—will take the lead with the determination to ensure there is absolutely no backsliding.

Under our corporate slogan “NEXT,” we will continue to continuously evaluate the implementation status and effectiveness of our improvement measures and make necessary revisions in response to changes in the environment and new challenges. To regain the trust of all stakeholders, including our customers and shareholders, and enhance our corporate value, all officers and employees will work together as one to put our “customer-first” philosophy into practice and further improve our business operations.

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02

Case Overview

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02.Case Overview

Administrative Action

[Business Improvement Order]

The on-site inspection revealed deficiencies in the company's corporate governance and insurance sales management systems. While the focus was primarily on sales recommendations, understanding and confirmation of customer intentions, explanation of the reasons for recommendations, and monitoring to verify appropriateness were insufficient. Furthermore, product selection was based on preferential treatment by insurance companies. As a result, sales activities that did not align with customer intentions and an overreliance on specific companies occurred. Additionally, there were deficiencies in the company's compliance framework, necessitating fundamental improvements.

Regarding the root cause of this disciplinary action

1. An organizational culture that places too much emphasis on the top line
2. An organizational culture dependent on the preferential treatment
3. Inadequacies in internal regulations, etc.
4. Lack of awareness regarding human resource hiring and training
5. Unresolved issues in organizational structure and operations

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03

Improvement Measures

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03.Improvement Measures

1 An organizational culture that places too much emphasis on the top line	● Response to policies concluded by our sales representatives in violation of Article 300, paragraph (1), item (v) of the Insurance Business Act ● Promoting the practice of understanding and confirming intentions and making comparison recommendations, due to the change to Method B ● Implementing various forms of monitoring ● Measures for the appropriate implementation of explanations of important matters ● * Strengthening second line preparedness ● Improving the operation of the Board of Directors ● Reconstruction of the complaint management system and the system for responding to misconduct incidents ● * Building the front line ● Improved customer management system ● Strengthening the internal audit system
2 An organizational culture dependent on the preferential treatment	● Review of the process for selecting recommended product lineups by the Board of Directors ● Reconstructing relationships with insurance companies
3 Inadequacies in internal regulations, etc.	● Establishment of regulations and training systems related to comparative recommendations
4 Lack of awareness regarding human resource hiring and training	● Optimizing the hiring of sales representatives ● Planned implementation of sales representatives training
5 Unresolved issues in organizational structure and operations	● Establishment of a management policy decision-making body (Management Council) for management ● Review of the division of roles between full-time Directors and Operating Officers ● Establishing the prerequisites for strengthening business management systems ● Improving employee engagement and utilizing human capital

*Front Line: At our company, the sales department identifies and manages risks as part of its daily operations.
*Second Line: At our company, the Service Quality Department takes the lead in establishing rules, monitoring, providing advice, and exercising oversight.

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04

Initiative Progress

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04. Initiative Progress [Summary]

① An organizational culture that places too much emphasis on the top line	② An organizational culture dependent on the preferential treatment	③ Inadequacies in internal regulations, etc.	④ Lack of awareness regarding human resource hiring and training	⑤ Unresolved issues in organizational structure and operations

Preparing

- Reconstruction of the complaint management system and the system for responding to misconduct incidents

Improvements are currently underway

- Building the front line
- Strengthening second line preparedness
- Strengthening the internal audit system
- Promoting the practice of understanding and confirming intentions and making comparison recommendations, due to the change to Method B
- Implementing various forms of monitoring
- Improving the operation of the Board of Directors

Effectiveness evaluation in progress

- Clarifying Management Responsibility in Light of This Disciplinary Action
- Improved customer management system
- Measures for the appropriate implementation of explanations of important matters
- Response to policies concluded by our sales representatives in violation of Article 300, paragraph (1), item (v) of the Insurance Business Act

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04. Initiative Progress [Summary]

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

2 An organizational culture dependent on the preferential treatment

3 Inadequacies in internal regulations, etc.

4 Lack of awareness regarding human resource hiring and training

5 Unresolved issues in organizational structure and operations

Preparing	Improvements are currently underway	Effectiveness evaluation in progress
		● Reconstructing relationships with insurance companies ● Review of the process for selecting recommended product lineups by the Board of Directors

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

2 An organizational culture dependent on the preferential treatment

3 Inadequacies in internal regulations, etc.

4 Lack of awareness regarding human resource hiring and training

5 Unresolved issues in organizational structure and operations

Preparing	Improvements are currently underway	Effectiveness evaluation in progress
	● Establishment of regulations and training systems related to comparative recommendations	

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04. Initiative Progress [Summary]

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

2 An organizational culture dependent on the preferential treatment

3 Inadequacies in internal regulations, etc.

4 Lack of awareness regarding human resource hiring and training

5 Unresolved issues in organizational structure and operations

Preparing	Improvements are currently underway	Effectiveness evaluation in progress
● Planned implementation of sales representatives training	● Optimizing the hiring of sales representatives	

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

2 An organizational culture dependent on the preferential treatment

3 Inadequacies in internal regulations, etc.

4 Lack of awareness regarding human resource hiring and training

5 Unresolved issues in organizational structure and operations

Preparing	Improvements are currently underway	Effectiveness evaluation in progress
	● Establishing the prerequisites for strengthening business management systems ● Establishment of a management policy decision-making body (Management Council) for management ● Improving employee engagement and utilizing human capital	● Review of the division of roles between full-time Directors and Operating Officers

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05

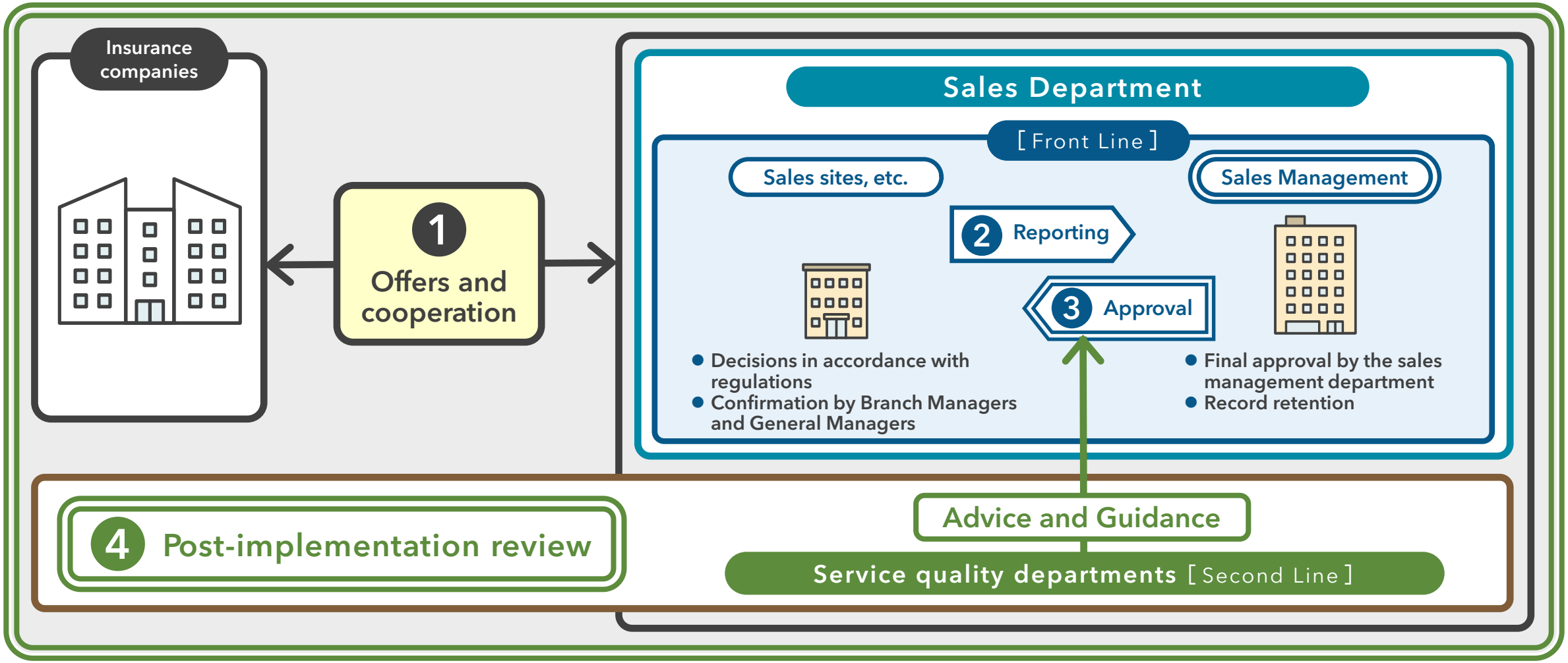
Key Initiatives

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05. Key Initiatives [Reconstructing relationships with insurance companies]

Sales sites — **Determine whether offers of** preferential treatment **and related cooperation are permissible** under internal criteria.

Head office departments — As needed, determine whether the proposed action is permissible, **provide advice, and review the determination and advice.**

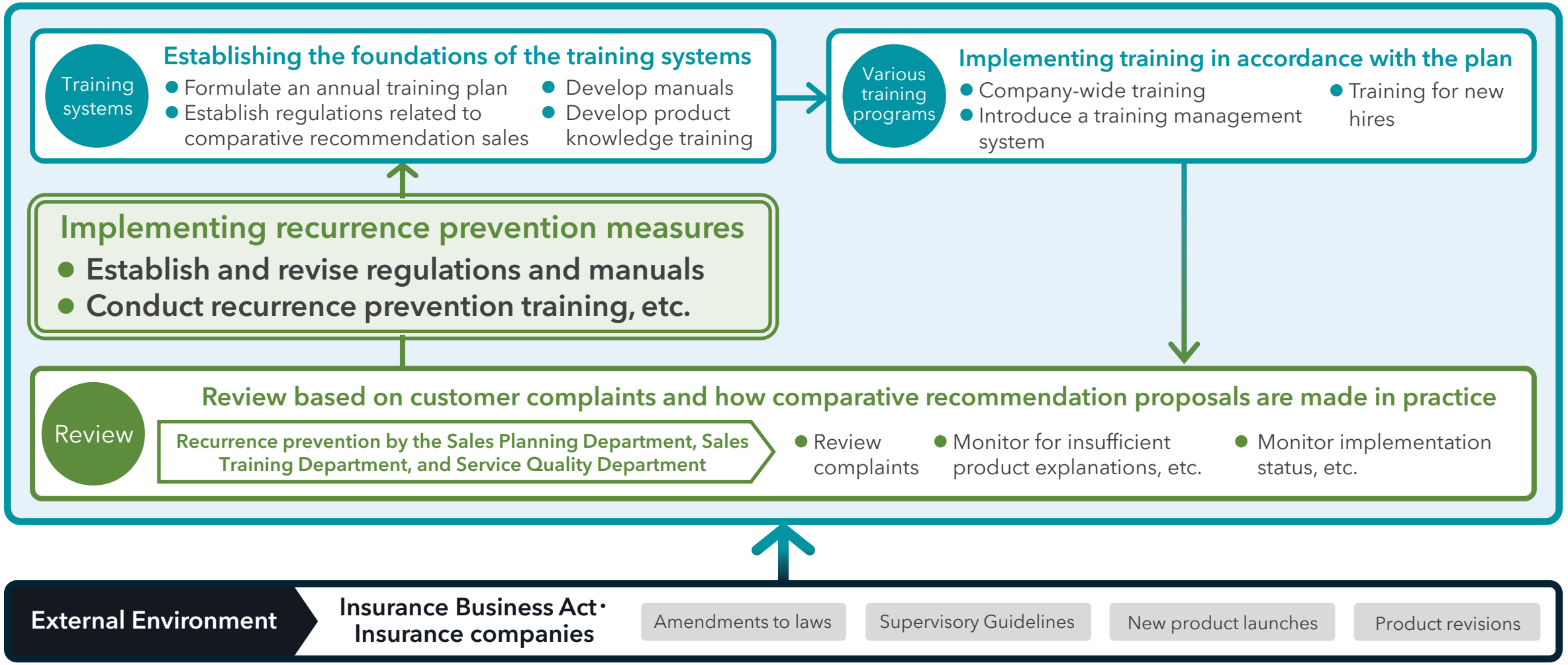


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05. Key Initiatives

[Establishment of regulations and training systems related to comparative recommendations]

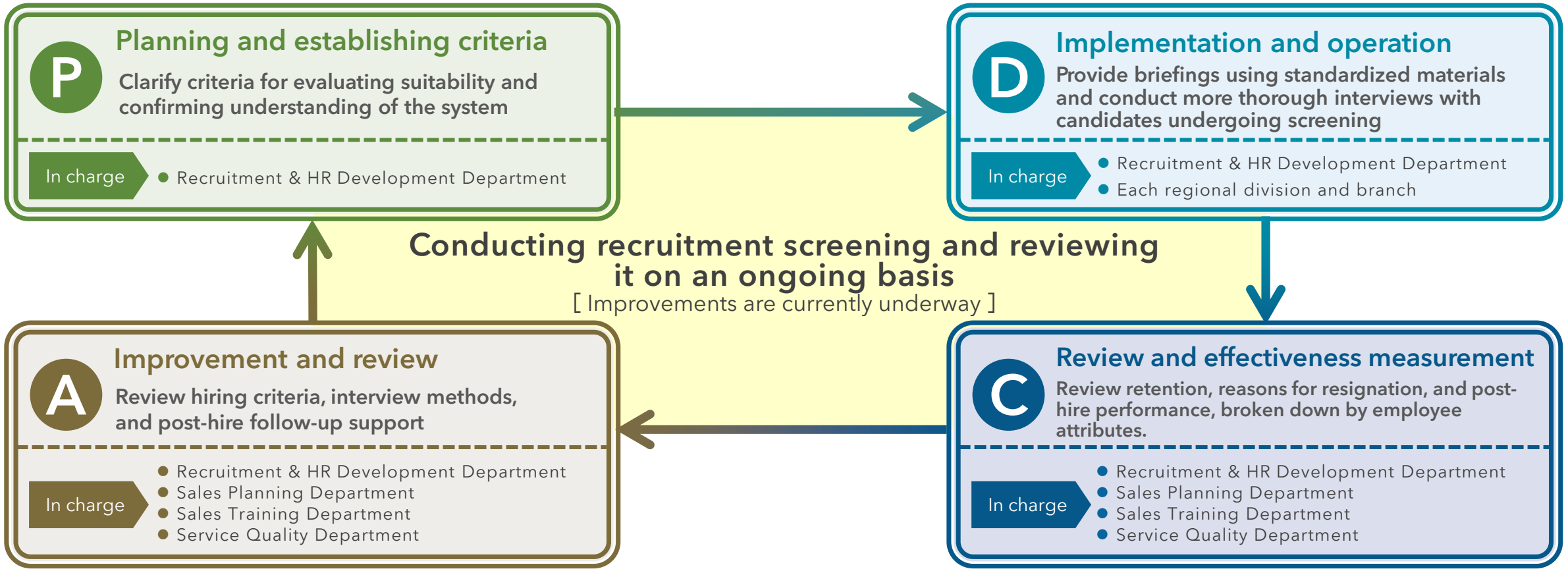
Establish a framework to incorporate and sustain recurrence prevention measures based on changes in the external environment and review findings.



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05. Key Initiatives [Optimizing the hiring of sales representatives]

- Employees in their 20s and those with no prior industry experience are considered to have high turnover rates. To improve retention, interviews with senior managers are mandatory during the hiring process for applicants in their 20s and those with no prior insurance industry experience, starting in May 2026.
- Starting in June of the same year, we review their activities monthly and assess retention and post-hire performance every 3 months.



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06

Appendix

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06. Appendix：Initiative Progress [Effectiveness evaluation in progress]

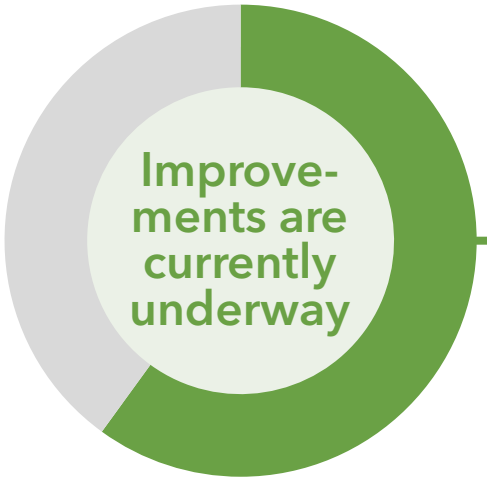


- **Clarifying Management Responsibility in Light of This Disciplinary Action**
- **Reconstructing relationships with insurance companies**
  We established an internal application workflow for preferential treatment and began operating it in July 2026.
- **Improved customer management system**
  In July 2026, we began operating a new system that records the entire process from confirming customer intentions through policy conclusion, and established a framework for standardizing product selection.
- **Measures for the appropriate implementation of explanations of important matters**

  We conduct training and monitoring and assess their effectiveness through the PDCA cycle.
- **Response to policies concluded by our sales representatives in violation of Article 300, paragraph (1), item (v) of the Insurance Business Act**
  We revised the operations governing employees' own insurance policies in August 2025 and implemented measures to ensure appropriate practices, including discontinuing commission payments on such policies beginning with the November 2025 payments.
  Going forward, we will consider establishing a framework to prevent and detect fraud.
- **Review of the process for selecting recommended product lineups by the Board of Directors**
  We revised the selection process in December 2025.
  In July 2026, we changed the comparative recommendation sales method to method "(b)" and ended the practice of designating company-wide recommended products.
- **Review of the division of roles between full-time Directors and Operating Officers**
  In March 2026, we ended the practice of Directors concurrently serving as heads of operational departments.
  In the same month, we revised our regulations on duties and authority and clarified the scope of responsibilities.

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06. Appendix：Initiative Progress [Improvements are currently underway]



- **Building the front line**
  We have assigned sales management officers to the sales departments that constitute the front line, and are currently preparing to appoint officers responsible for legal and regulatory compliance and supervisory officers.
- **Strengthening second line preparedness**
  We have increased staffing since August 2024, bringing the total to 13 in October 2026.
  We established a framework to monitor all aspects of insurance sales and respond to legal amendments.
- **Strengthening the internal audit system**
  We are currently conducting the internal audits planned for the fiscal year ending November 2026.
- **Optimizing the hiring of sales representatives**
  We standardized the hiring process and strengthening of the screening framework based on applicants' experience and other factors.
- **Promoting the practice of understanding and confirming intentions and making comparison recommendations, due to the change to Method B**
- **Establishment of regulations and training systems related to comparative recommendations**
  We established regulations governing method "(b)" and a framework for planning and conducting recurrence prevention training based on complaint analysis.
- **Establishing the prerequisites for strengthening business management systems**
  The Business Improvement Committee is leading the implementation of the business improvement plan across departments.We are following a process for reporting progress on the business improvement plan to senior management through the Management Council and the Board of Directors.We are revising various regulations after verifying their compliance with relevant laws and regulations, including the amended Insurance Business Act.
- **Implementing various forms of monitoring**
  We have begun priority monitoring in the areas of confirming customer intentions and making comparative recommendations, and early policy termination and persistence rates.
- **Improving the operation of the Board of Directors/Establishment of a management policy decision-making body (Management Council) for management**
  We increased staffing at the Board of Directors Secretariat and introduced a meeting management support system to facilitate smooth operations.We delegated to the Management Council authority over matters such as approving revisions to internal regulations and receiving reports on business execution, thereby clarifying the roles of the respective governing bodies.Going forward, we plan to revise regulations and other rules to implement improvements based on feedback from Outside Directors and Audit & Supervisory Board Members.
- **Improving employee engagement and utilizing human capital**
  We have implemented various measures based on employee feedback identified through employee surveys and management issues facing the Company. An employee survey is scheduled for this winter.

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06. Appendix：Initiative Progress [Preparing]



- **Reconstruction of the complaint management system and the system for responding to misconduct incidents**
  We have established and are using a manual for responding to misconduct incidents. We are modifying our system to ensure appropriate complaint management.
- **Planned implementation of sales representatives training**
  In addition to comparative recommendations and compliance training based on the annual training plan, we have established and implemented a comprehensive training program covering the life insurance products handled by the Company. We plan to begin non-life insurance training following a review of the insurance sales management system.

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