

## Financial Partners Group Announces Notice Regarding Its Response to Upcoming Tax System Reforms—JCR Will Watch Demand Trend for Real Estate Fractional Ownership Investment Products

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on Financial Partners Group Co., Ltd. (security code: 7148)'s announcement of its response based on the Outline of Tax System Reform for the 2026 Fiscal Year.

- (1) On December 19, the Outline of Tax System Reform for the 2026 Fiscal Year was announced by the Liberal Democratic Party and Japan Innovation Party. Under the Outline, the inheritance tax valuation for fractional real estate investment products will be reformed to be based on actual transaction prices rather than based on the previous roadside land prices. If this reform is implemented, the tax benefits for real estate fractional ownership investment products in terms of inheritance and gift taxes may be significantly reduced or eliminated, effective from January 1, 2027. Financial Partners Group Co., Ltd. (the Company) therefore will carefully examine customer needs, market changes, and demand for the real estate fractional ownership investment products, and it has a policy of making appropriate disclosures when it becomes apparent that a significant impact on business performance is expected.
- (2) The Company's ratings reflect progress in the diversification of earnings sources driven by the expansion of its real estate fund business, high profitability, and assessment of its extensive sales channels. Considering that the earnings from domestic and international real estate fund businesses are approaching to those of the leasing fund business, leading to the increasing earnings stability, enhanced earning power, leading to greater loss absorption capacity by the periodic profit, and prospect for a progress in diversifying inventory related risks, JCR revised the rating outlook from Stable to Positive in March 2025. JCR views that if the Tax System Reform significantly impacts demand for real estate fractional ownership investment products, this would inevitably affect the Company's earnings, their stability, and the degree of risk diversification related to inventory. On the other hand, against the backdrop of good performance of the leasing fund business and domestic real estate fractional ownership investment products sales, the balance between equity capital and inventory has significantly improved. JCR will watch demand trend for the real estate fractional ownership investment products, and will also check the Company's business operations and inventory control policies.

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### <Reference>

Issuer: Financial Partners Group Co., Ltd.

Long-term Issuer Rating: BBB      Outlook: Positive

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