

1st Section of Tokyo Stock Exchange
1st Section of Nagoya Stock Exchange

Ticker: 2453

Investor Presentation

FY 2021/9 3Q Results

Notice: This document is a translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

August 6, 2021
Japan Best Rescue System Co., Ltd.

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Summary on business results

Summary

✓ Core businesses accelerated growth and posted a significant increase in 3Q profit

One-off business by utilizing our existing platform has also contributed to 3Q result

(Unit: Million JPY)	3rd Quarter				Total(1Q + 2Q + 3Q)			
	2021/9	2020/9	YoY		2021/9	2020/9	YoY	
	Result	Result	Change	Change %	Result	Result	Change	Change %
Net sales	3,584	3,027	+557	+18.4%	10,222	9,023	+1,198	+13.3%
Cost of sales	2,044	1,585	+458	+28.9%	5,886	4,776	+1,110	+23.3%
Gross profit	1,540	1,441	+98	+6.8%	4,335	4,247	+87	+2.1%
SG & A	1,087	1,043	+44	+4.2%	3,210	3,198	+11	+0.4%
Operating profit	452	398	+54	+13.6%	1,124	1,048	+75	+7.2%
Ordinary profit	492	437	+54	+12.4%	1,307	1,103	+203	+18.5%
Ordinary profit ratio	13.7%	14.5%	- 0.7%	-	12.8%	12.2%	+0.6%	-
Profit attributable to owners of the parent	335	249	+86	+34.4%	877	510	+366	+71.9%

Detail

Net Sales: Resulting in strong growth with an increase rate approaching 20%, due to orders from COVID-19 related business

Gross Profit: Cost increased relatively due to balance of Policy reserve and decline of dispatching fee by “State of Emergency” in 2020

Operating Profit: Recorded historical high in both 3Q and Total

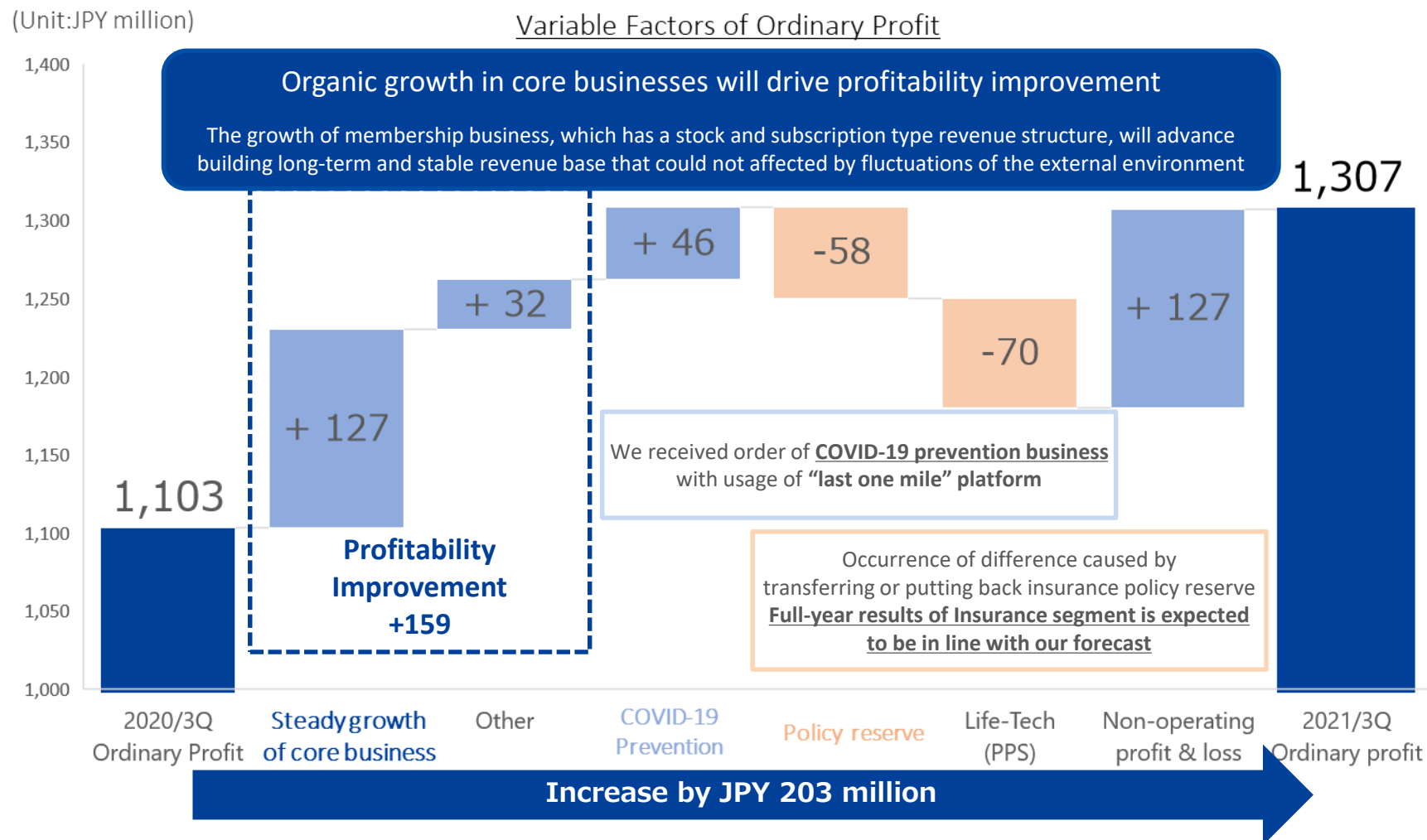
Ordinary Profit: With the background of strong financial base secured by the stock & subscription type core business, the income from investment activities was recorded. Non-operating income from 3Q was mainly due to dividends received

Net Profit: We posted JPY 54 million of extraordinary loss in 3Q of previous FY due to allowance for doubtful accounts for investee

Waterfall analysis

✓ Profit margin continues to show double-digit growth

Except the impact from soaring electricity procurement price in 2Q, the rest of the business progressed as forecasted



Consolidated balance sheets

✓ The deferred income have exceeded JPY 8.6 billion for the steady increase of members

Cash & deposits: Increased supported by our stock & subscription type core business

Fund management by investment securities has also contributed to the increase of ordinary profit

Non-Current Assets: Investing in ERP and other systems to improve operational efficiency and strengthen systems <Total> JPY 431 million (+143 during 3Q)

<Assets>					<Liabilities • Net assets>				
(Unit:Million JPY)	2020/9	2021/9 2Q	2021/9 3Q	Change	(Unit:Million JPY)	2020/9	2021/9 2Q	2021/9 3Q	Change
Current assets	10,897	11,332	11,815	+ 8.4%	Current liabilities	5,083	5,639	5,847	+ 15.0%
Cash & deposits	8,770	9,014	9,530	+ 8.7%	Deferred income	1,982	2,034	2,173	+ 9.6%
Non-current assets	9,987	10,570	10,726	+ 7.4%	Policy reserve	722	725	762	+ 5.6%
Tangible assets	157	143	130	- 16.9%	Non-current liabilities	8,212	8,314	8,699	+ 5.9%
Intangible assets	478	670	803	+ 68.0%	Bonds	975	870	870	- 10.8%
Investment securities	7,560	7,887	7,794	+ 3.1%	Long-term debt	1,382	1,222	1,141	- 17.4%
Allowance for doubtful accounts	-51	-63	-62	-	Long-term deferred income	5,657	6,019	6,443	+ 13.9%
Deferred assets	319	347	361	+ 13.2%	Total net assets	7,907	8,295	8,357	+ 5.7%
Total assets	21,204	22,249	22,903	+ 8.0%	Total liabilities and net assets	21,204	22,249	22,903	+ 8.0%

Segment information

Business result by segment

✓ **Achieved profit increase in all segments for 3Q in a real term* excluding Insurance affected by accounting treatment**

Membership: Recorded historical high Sales & Profit. **COVID-19 prevention contributed to Sales: JPY 223/Profit: 46 million**

Life-Tech: The board of directors made a resolution to withdraw from PPS business

Shrank deficit of the segment by reducing the operation scale

*The cost burden in each business segment has increased on YoY due to review of instrument standard

(Unit:Million JPY)		3rd Quarter				Total (1Q + 2Q + 3Q)			
		2021/9 Result	2020/9 Result	YoY Change	YoY Change %	2021/9 Result	2020/9 Result	YoY Change	YoY Change %
Emergency	Net Sales	318	330	- 12	- 3.7%	1,012	1,086	- 74	- 6.8%
	OP	- 11	- 9	- 1	-	- 10	17	- 27	-
Membership	Net Sales	1,930	1,524	+405	+26.6%	5,229	4,510	+718	+15.9%
	OP	474	409	+65	+15.9%	1,262	1,161	+101	+8.7%
Insurance	Net Sales	1,218	1,093	+124	+11.4%	3,618	3,195	+422	+13.2%
	OP	92	134	- 41	- 31.2%	295	303	- 7	- 2.6%
Repair	Net Sales	63	56	+7	+13.2%	197	206	- 8	- 4.1%
	OP	- 15	- 20	+5	-	- 54	- 58	+3	-
Life & Technology	Net Sales	56	27	+29	+109.1%	176	48	+127	+262.2%
	OP	- 26	- 39	+13	-	- 186	- 115	- 70	-
Adjustment	Net Sales	- 3	- 5	+2	-	- 12	- 24	+11	-
	OP	- 61	- 74	+13	-	- 182	- 259	+76	-
Total	Net Sales	3,584	3,027	+557	+18.4%	10,222	9,023	+1,198	+13.3%
	OP	452	398	+54	+13.6%	1,124	1,048	+75	+7.2%

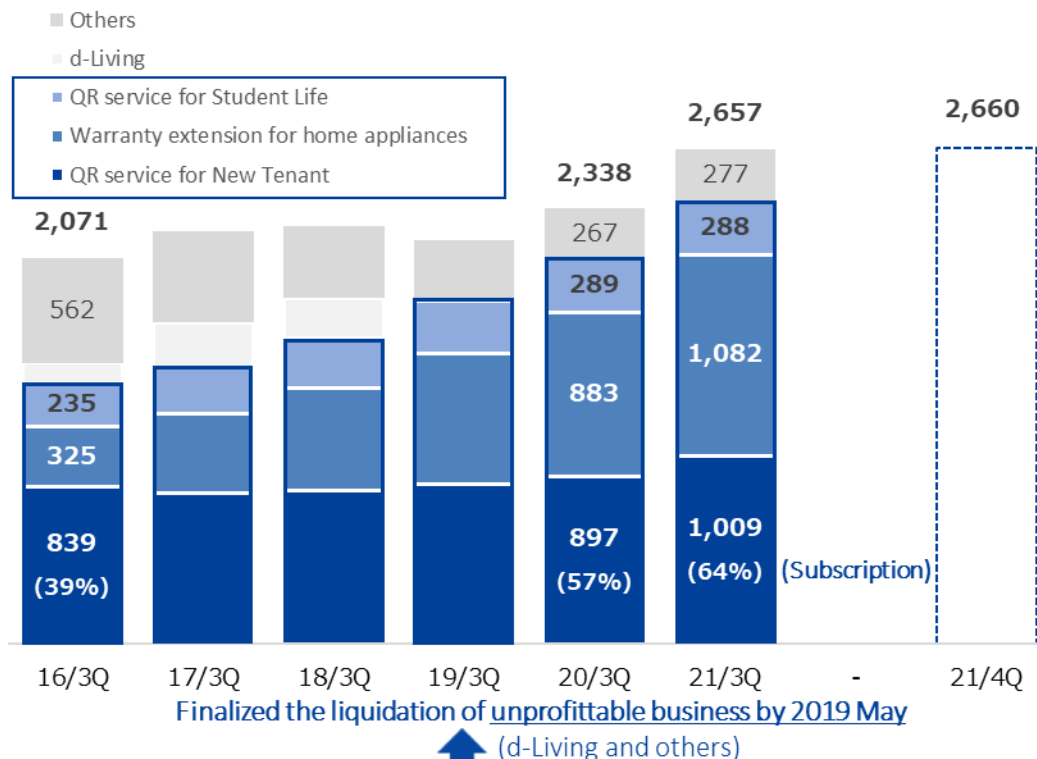
※Breakdown of adjustment (compared with the previous year) +13 ... Emergency 2 + Membership 8 + Repair 2

Membership data

- ✓ **The number of members for QR service for New Tenant has exceeded 1 million**
At the end of current fiscal year, the number of members is expected to exceed our target level

The seasonal decline in the number of members seen in the 3Q so far was avoided due to the shift to a subscription model

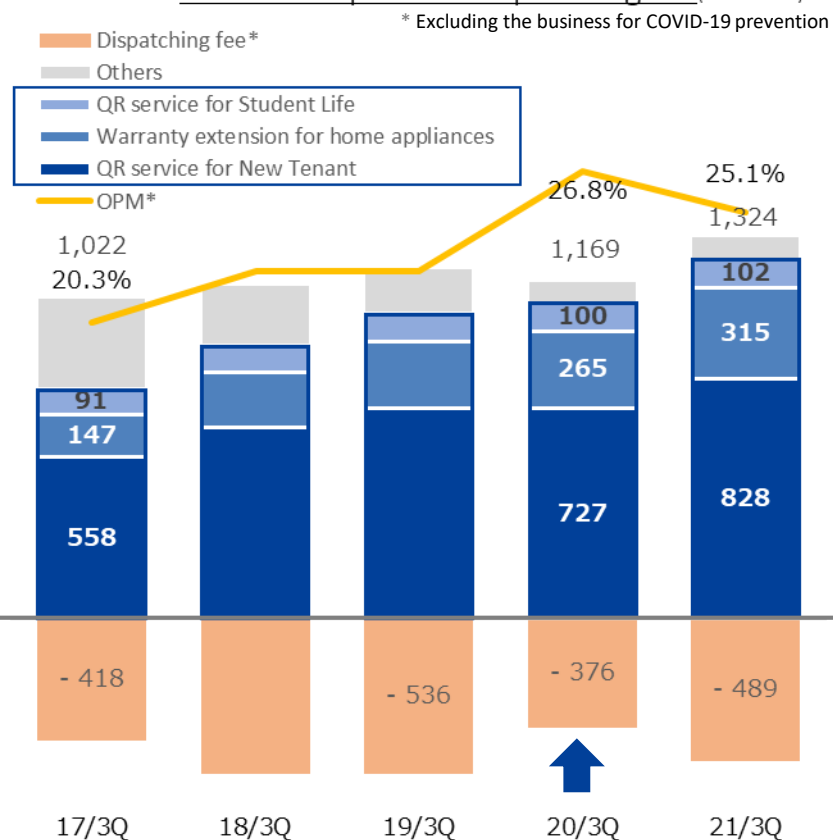
Number of Members (thousand people)



<Long-term trend>

- The profitability has been continuously improving, while disposing unprofitable business by FY 2019
- The dispatching fee tends to be under control, which is not proportionate to the number of members

Membership fee & Dispatching fee (JPY million)

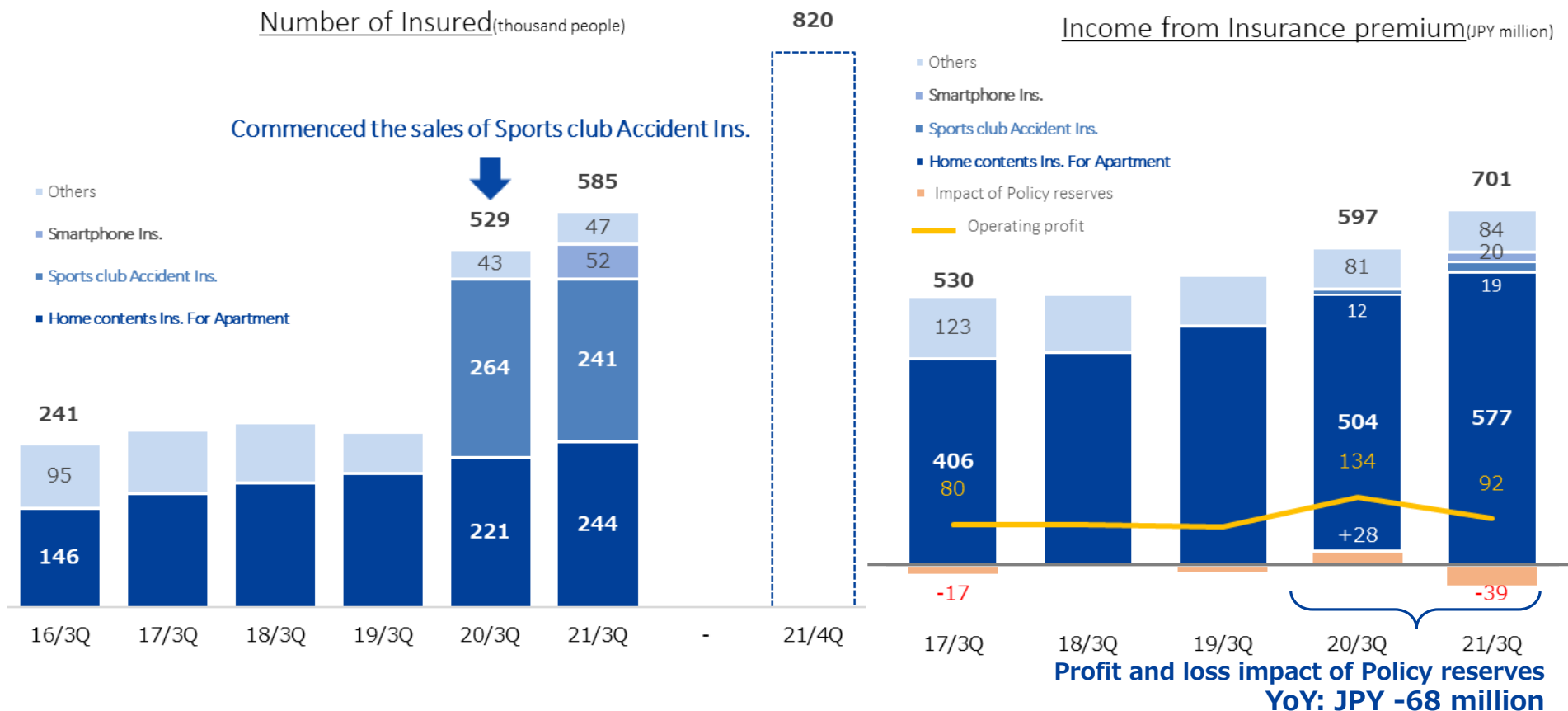


※Sales of the Membership segment include membership fee (above) as well as the cost of parts and special work

Insurance data

✓ Home contents insurance continues to grow steadily with increasing number of insured people

Although the launch of new product has been postponed to October, operating profit expected to be in line with our forecast



<Long-term trend>

- Stable growth of home contents insurance is driving the overall business
- The introduction of Group insurance has enabled us to acquire in the insured in a lump

※Sales of the Insurance segment include insurance premium (above) as well as reinsurance commissions, etc.

News

✓ We have accelerated the pace on expanding business through business alliances and launch of new services

Focusing on information disclosure to be listed on "Prime Market", a global investment target in the new market segment

<News (excerpt)>

	Disclosure	Detail
May	Business alliance with Fukuho bank	Our first alliance with a regional bank Negotiations are in progress with multiple banks for the provision of loans
	Opened new contact center	Distributed to 5 locations in Japan to improve business sustainability
June	Business alliance with Karadanote (ticker:4014)	Jointly develop insurance products for pregnant women
	Change in Corporate Name of Consolidated Subsidiary	JBR Anshin Warranty Co., Ltd. ⇒ Japan Warranty Support Co., Ltd.
	Withdrawal from PPS business	Board of directors made a resolution to withdraw by the end of September
	Commenced monitoring service "Safety confirmation call"	One of the new services using the existing infrastructure Promoting rental occupancy by the elderly, a social issue in Japan
July	Conformed "Prime Market" listing standards	Ranked 2 nd among all listed companies in terms of timely disclosure in English
	"QR Service for New Tenant" achieved 1 million members	Flagship service with the industry's top level of members Designed for real estate companies and launched in 2006
	Acquired 100% ownership of Actcall & TSUNAGU Concluded capital & business alliance with CHIC	Please refer to next page for more detail

Summary of M&A

✓ We have acquired 100% ownership of Actcall Inc. and TSUNAGU Co., Ltd. through equity swap of all outstanding shares

Simultaneously we entered into capital and business alliance contract with CHIC holdings(ticker:7365), their parent company



Scheme	Equity swap
Date of contract	July 27, 2021
Effective date	September 30, 2021(Scheduled)
Reference stock price	JPY 931
Base of value	JPY 2,800 million
Number of shares to be exchanged	3,007,519 shares of our stock (from treasury stock)
The impact on full-term business result for FY 2021/9	<p>The impact on our consolidated business result is currently under scrutiny</p> <p>The specific amount of goodwill has not yet determined at this stage, as our stock price will fluctuate</p> <p>The amortization period and accounting effect of the disposal of treasury stock will be announced as soon as it is determined</p>

Detail on acquirees

✓ By sharing the strengths and benefits of increased market share, we will promote the expansion of Membership business

Acquisition of approximately 500k members of the acquirees, number of members of JBR shall surpass 3 million

	ACTCALL INC.			TSUNAGU CO., LTD.
Head office	Yotsuya 2-12-5, Shinjuku-ku, Tokyo			Yotsuya 2-12-5, Shinjuku-ku, Tokyo
Representative	Mr. Kazuya Haboshi			Mr. Junji Tsuge
Business content	Comprehensive outsourcing business relating to housing life			Operation of Call Center
Capital	JPY 101 million			JPY 10 million
Establishment	January 27, 2005			October 1, 2020
Business results (JPY million)	FY 2018/11	FY 2019/11	*FY 2020/9	TSUNAGU was established on October 1, 2020 and thus has not yet completed the fiscal period Therefore no business results for the last 3 fiscal years
Net sales	4,669	3,400	2,832	
Operating profit	291	430	297	
Ordinary profit	224	577	436	
Net profit	-421	445	344	

*As for the fiscal year ending September 2020, it was an irregular accounting period of 10 months due to change of accounting period

Synergy of the transaction

✓ We shall maximize synergies associated with grouping and capital alliance effects in the short to long term

We aim at expanding the market share of our main service in the existing market as a move of growth strategy

<Short term> We shall expand the membership business by sharing the mutual strengths and enjoying the benefits of increased market share

<Long term> We shall discuss and verify the possibility and benefits of integration with acquires

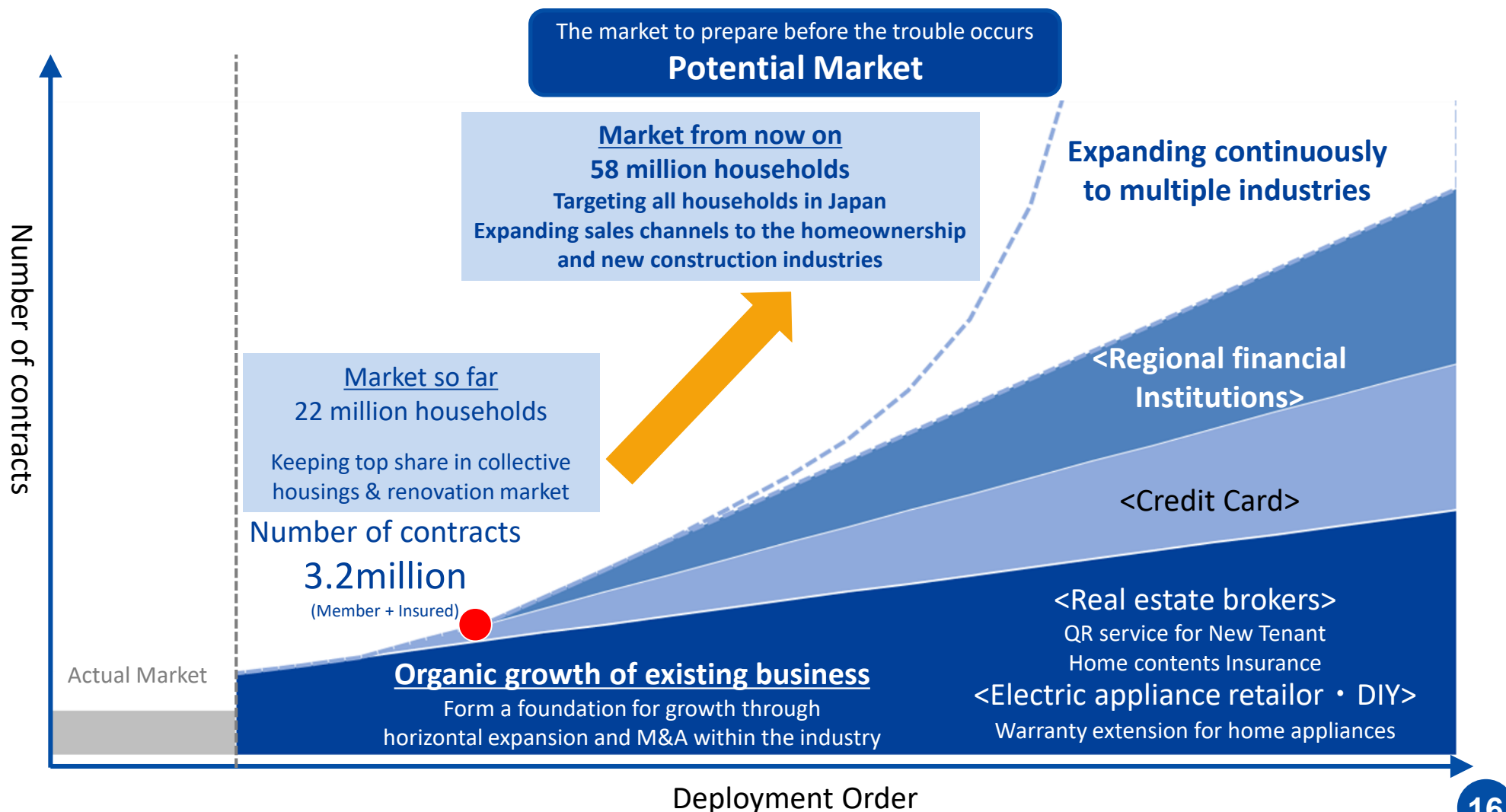
Initiatives			Effects
1	Short Term	Expansion of business performance and market share	In the membership business, the number of members for real estate leasing exceeded 1.5 million, and the total number of members in the Membership business exceeded 3 million
2		Improve profit margins by increasing operational efficiency	In addition to sharing our strengths with the target company, we will also share with them our experience of improving profitability
3	Medium Term	Sales expansion strategy through increased market share	With the declining birthrate and aging population, the real estate market is expected to see an increase in outsourced call and after-sales services, and JBR will pursue its expansion strategy by gaining a leading share in this market
4		Collaboration with our other business	In addition to the insurance business, which is mainly focused on the real estate rental market, the company will collaborate with the repair business and extended warranty service, which are focused on the owner-occupied home market
5	Mid-Long Term	Collaboration in the settlement business	We will strengthen cooperation in the settlement business, which we do not have, with CHIC HD and promote the creation of new value centered on the membership and insurance businesses

Growth Strategy

Growth Outlook

✓ Promoting business growth to provide “peace of mind” to all customers in a potential market

Seeking partnerships with a wide range of industries as a benefit to add value to partner services



New projects under negotiation

✓ **Negotiations are underway for partnerships with various industries, not limited to regional bank & credit card industry**

We are expanding new service utilizing “last one mile” platform such as backup for food delivery

<Social issues related to the partners>

Regional banks consolidation	Electronic settlement	Digital transformation
Regional revitalization	National resilience	Aging population
SDGs	COVID-19	Medical support
Staying-at-home	Traveling	Other

<Service>

We also create new services that utilize our existing infrastructure

QR service (Solving daily life trouble)	Insurance
Warranty extension	Repair service
Monitoring service	Others

<Negotiation partners(excerpts)>

Industry	When to start	Partners / Business	Market (people)
Regional banks	Upcoming	2 institutions	-
	2021	3 institutions	-
	TBD	Over 20 institutions	-
Credit card	2021	Department store A	1.5 million
	TBD	Department store B	170 k
		Department store C	300 k
Medical health care	Upcoming	Monitoring service	20 k
	2021	Supporting service for patient discharged from hospital	2.5 million/year
		Insurance with “Karadanote”	9k/year
Real estate	Upcoming	Large real estate service	✖
	2021	Home contents ins(group type)	3k/month
Travel industry	2021	Large traveler service	✖
	2022	Web travel reservation service	250k
	2022	Daily life related service A	400k
Other	TBD	Daily life related service B	400k
		Service for seniors	300k
		Mail order service	500k
		3 LP and town gas companies	-

* Due to the contract with business partner, we may not be able to make press release

SDGs Initiatives

✓ We involve our business partners to realize the society of “Left No One Behind”

JBR believes that the growth of our business itself has been contributing the establishment of sustainable society



Business alliance partnership is important for us to provide both sales and service, we regard SDGs goal “17 Partnerships for the goals” in particular as a dominant concept

We promote regional revitalization through expansion of business alliance partnership and establish new industrial infrastructure

1) Expansion of Sales Channel Increase business alliance partners who sells our service

Daily life trouble : 2,654 shop
Warranty extension : 2,100 shop
Repair : 2,030 shop Total 6,784shop

2) Expansion of Service Area Our superior partner stores will come to you from your region

Daily life trouble : 2,333 shop
Warranty extension : 564 shop
Repair : 226 shop Total 3,123 shop

3) Expansion of Service Content We support the development of services & technologies based on innovative ideas and foster them into new business

Participated in "Aichi Open innovation Accelerator 2020", an accelerator program sponsored by Aichi Prefecture. Through this program, we have implemented demonstration experiment of new service “MEGLAS” together with Mirai Scien and invested JPY 10 million in Mirai Scien.

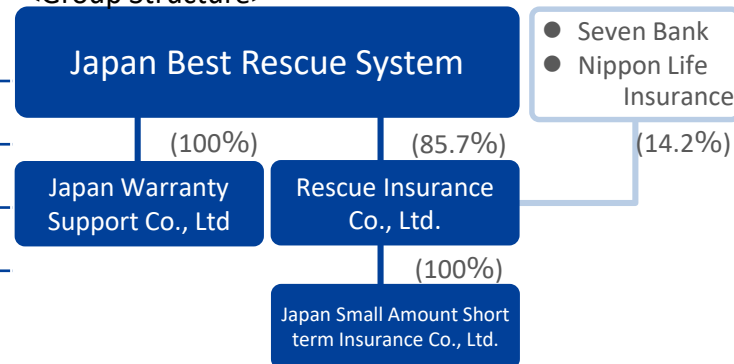


Supplementary material

We would like to convey our emotion of “thank you”
To more people through our corporate activity slogan
“WE HELP PEOPLE IN NEED”

Corporate Name	Japan Best Rescue System Co., Ltd.	
Establishment	February 1997	
Head Office	Urbannet Fushimi Bldg., Nishiki 1-10-20, Naka-ku, Nagoya City	
Tokyo HQ	Otemachi Nomura Bldg., Otemachi 2-1-1, Chiyoda-ku, Tokyo	
Board Members	<div> Representative Director Mr. Nobuhiro Sakakibara Director Mr. Mitsuhiro Wakatsuki Director (Non-Executive) Mr. Norio Shiraishi Director (Non-Executive) Mr. Housei Iwamura Director (Non-Executive) Mr. Akio Hamaji Full-time company auditor Mr. Masakatsu Sawada Auditor (outside) Mr. Tetsuroh Yoshioka Auditor (outside) Mr. Hiroyuki Ooshida </div>	Strengthened governance system in which 60 % of board member consist of non-executive directors
Number of employees	Consolidated: 244 people, Non-consolidated: 195 people ※ As at the end of September 2020, full-time staffs only	
Capital	JPY 780 Million	
Listed Stock Exchanges	1 st Section of Tokyo Stock Exchange (listed in September 2007) 1 st Section of Nagoya Stock Exchange (listed in November 2007)	

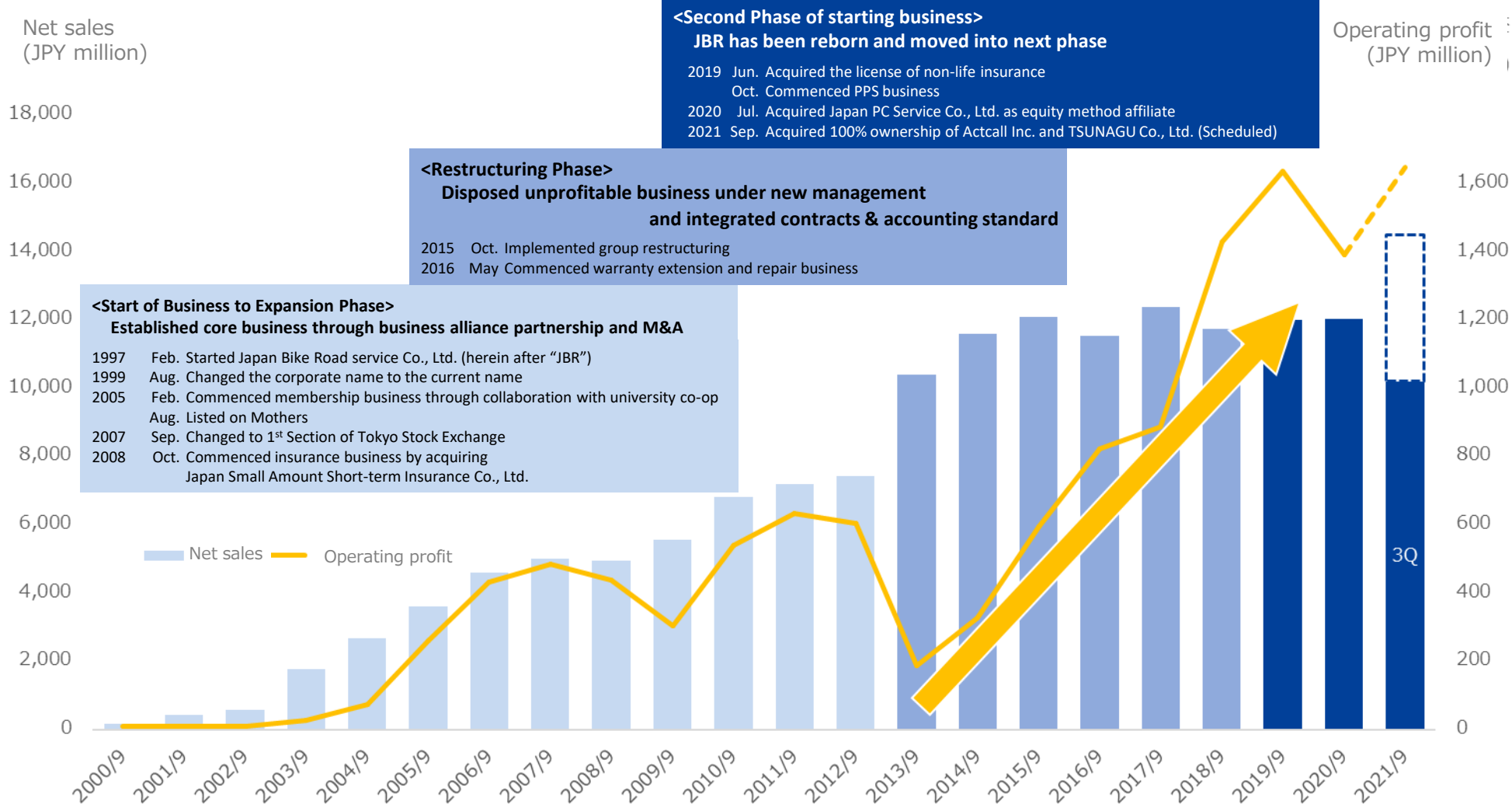
<Group Structure>



Date of shooting; 2017

Corporate history

✓ The business has grown to a large scale through expansion and restructuring of business over 20 years



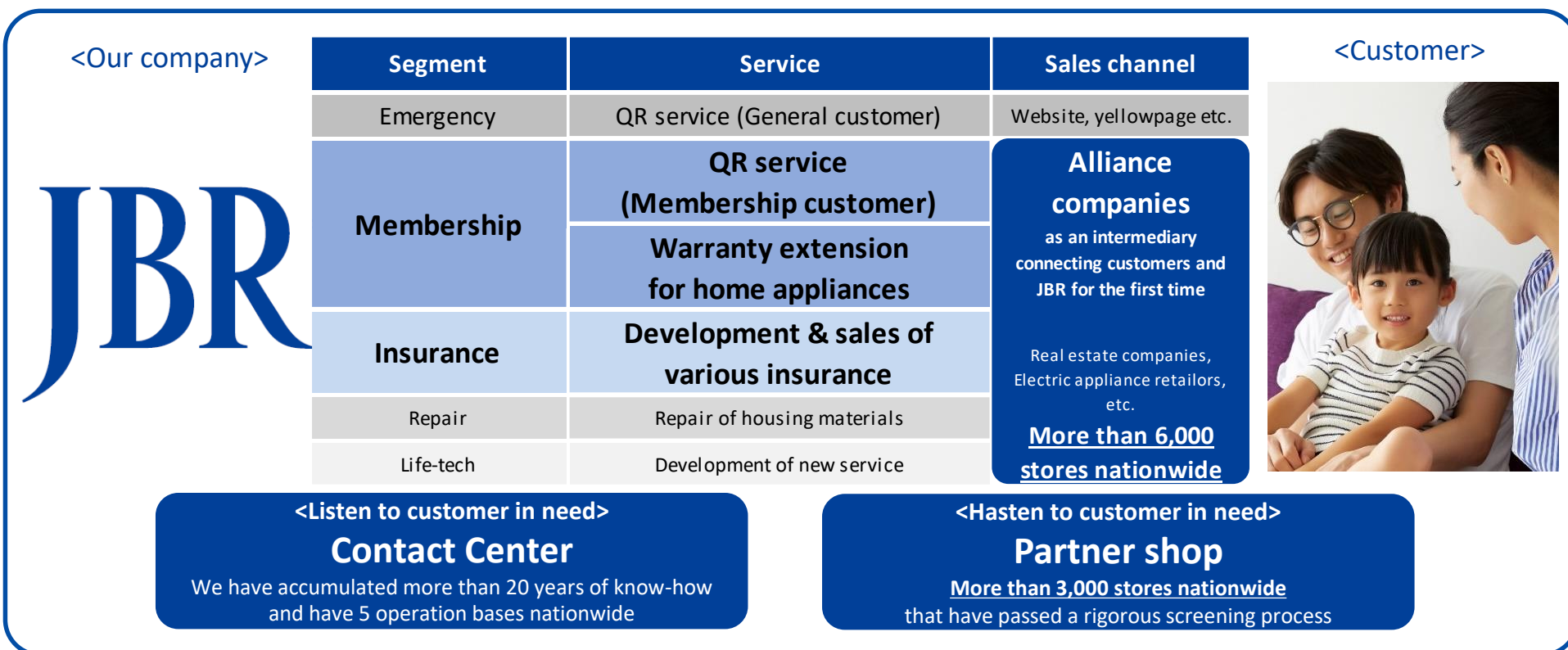
Business structure

✓ JBR provides "peace of mind" to our customers through our more than 9,000 alliance partners nationwide



86.6%* of sales are from stock/subscription type revenue that are resilient to change

*End of June 2021



Business model

✓ Our "B to B to C" model contribute to rationalizing operations of alliance partners

JBR

<Our company>



<Customer>



*The content of service varies by plan

Membership service

- ✓ **Our broad base services enables us to make alliance partnership with various industries**
We are expanding sales channel to cover all households across Japan

Taking advantage of expertise we acquired over 20 years, we realize high profitability of more than 20% OPM by making precise product designing

QR service for
New tenant
61%

QR service for
Student life
8%

Other

Warranty extension
for home appliances
24%

<QR service>

Packaged service to solve problem such as door keys, plumbing, window glass & other various daily life problems

Customers purchase this service through real estate agency
when they move into a rental house or condominium

Stock type: Lump-sum advance payment for the contract period
Subscription type: Monthly payment together with the rent fee

Customers purchase this service through University Co-op
when entering into the university

Covering more than 90% of the universities in Japan that have Co-ops



Expanding sales channels to reach all households in Japan

Strengthen appeals to owner-occupied households through
benefit attached to credit cards, supplementary services for housing loans, etc.

<Warranty extension for home appliances>

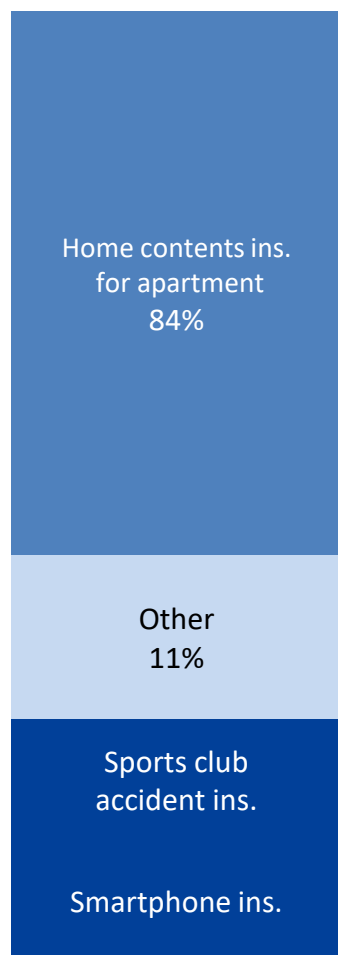
Customers purchase this service when remodeling or building a new house
Up to 10-year warranty available for any manufacturer or product

*The proportion above is the percentage of membership fee as of June 30, 2021

Insurance service

- ✓ **We have been developing and selling many insurance products through the collaboration with alliance partner companies with the focus on home contents insurance utilizing relationships with real estate companies**

The streamlined organization with ca. 30 staffs of 2 Insurance companies enables us to lower the cost and provide competitive products in the market



<Small amount short-term insurance>

Able to offer products with lower cost

Customers purchase this service through real estate agency when they move into a rental house or condominium

This insurance is sold through the same sales channel of QR service for new tenant
In addition to the existing type, casualty insurance type (group insurance) contracted with real estate companies will be launched soon

Our product development capabilities are among the best in the industry

Weather insurance, wedding cancellation insurance, and other unique product lines

On the other hand, there are several concepts that cannot be developed in the "small amount short-term" due to restriction of laws and regulations

Therefore, we have established casualty insurance company jointly with Nippon Life Insurance and Seven Bank



<Casualty insurance>

We have realized acquiring insurance contracts in an efficient manner through group insurance

- A portion of the sport club membership fee will be used as an insurance premium payment
- An insurance attached to paid Wi-Fi services sold at electric appliance retailers

*The proportion above is the percentage of insurance premium as of June 30, 2021

Comparison with other companies

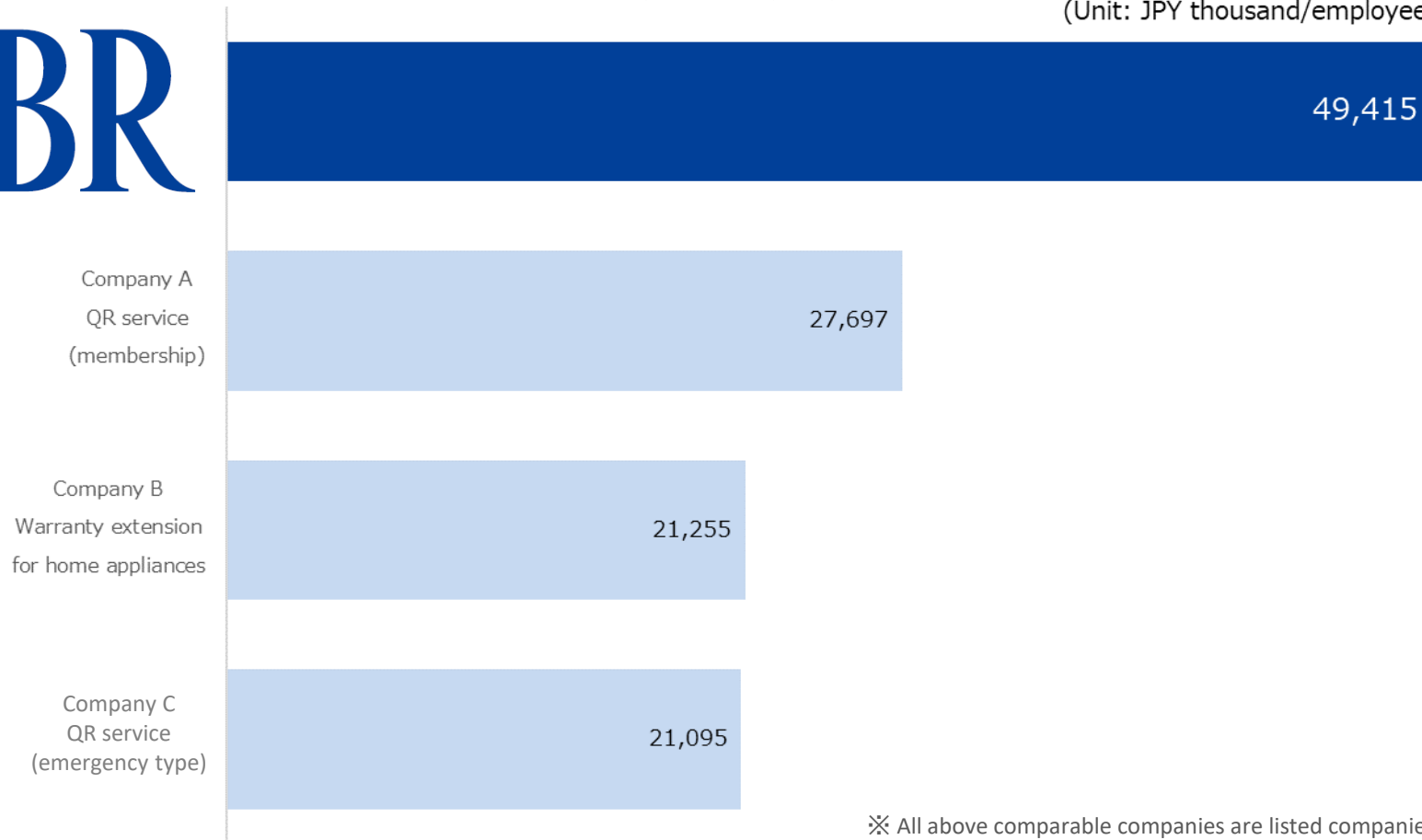
✓ We have achieved high productivity by promoting an alliance strategy for both sales and delivery of services

As the only listed company in Japan that provides various services for housing life, we have been chosen as a business partner by many companies

Sales per Employee

(Unit: JPY thousand/employee)

JBR

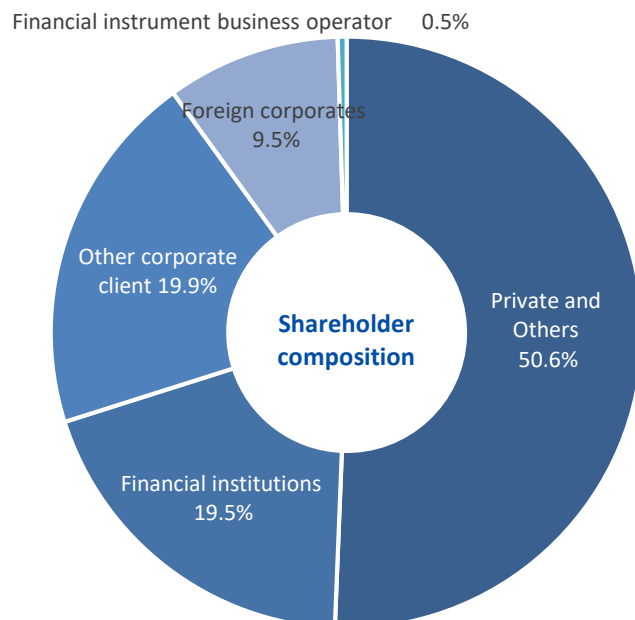


※ All above comparable companies are listed companies.
Data is calculated based on the securities report of the latest fiscal year

Stock data (at the end of March 2021)

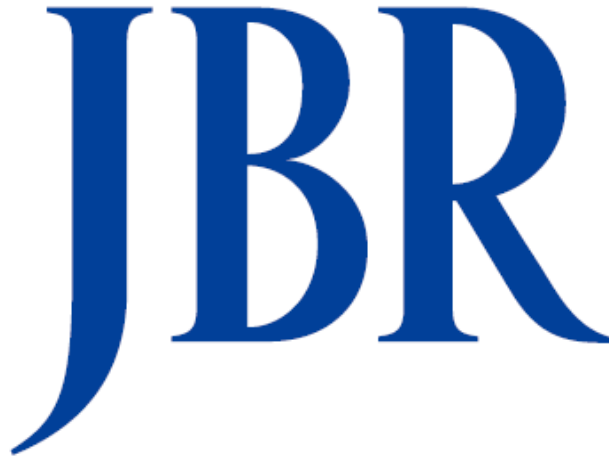
✓ Summary

Shares outstanding	34,688,000 shares
Shareholders	12,503
Market value (at the end of June)	29,588 JPY million
Equity ratio (at the end of June)	35.0%



✓ Major shareholders (number and ratio of stocks held)

1	Nobuhiro Sakakibara	10,782,900	31.09%
2	Japan Best Rescue System Co., Ltd.	3,768,341	10.86%
3	HIKARI TSUSHIN, INC.	3,106,100	8.95%
4	Custody Bank of Japan (trust account)	1,558,400	4.49%
5	Custody Bank of Japan (trust account #9)	1,464,500	4.22%
6	The Master Trust Bank of Japan, Ltd. (trust account)	1,389,600	4.01%
7	UH Partners 2, Co, Ltd.	1,213,300	3.50%
8	Sumitomo Realty & Development Co., Ltd.	1,000,700	2.88%
9	Custody Bank of Japan (security investment trust account)	944,000	2.72%
10	STATE STREET BANK AND TRUST COMPNAY 505012	474,800	1.37%



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Disclaimer

Forecasts and estimates described in this presentation material are based on JBR’s judgement supported by the information currently available and contain risks and uncertain factors. Therefore, please bear in mind that actual results and business performance may differ from those forecasts and estimates.

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