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August 5, 2022

To whom it may concern

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Representative Representative Director
Mr. Nobuhiro Sakakibara
Stock code:2453
Prime market, Tokyo Stock Exchange
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Inquiry Director & Executive Officer
Mr. Mitsuhiro Wakatsuki

Announcement on Extraordinary Losses and Downward Revision of Consolidated Earnings Forecast for the year ending September 30, 2022

We shall hereby inform you that we have posted extraordinary losses and revised our consolidated earnings forecast for the current fiscal year as shown below.

1. Recording of Extraordinary Loss

In conjunction with the absorption-type merger of ACTCALL INC. and TSUNAGU CO. (hereinafter called "ACTG"), consolidated subsidiaries of our company, effective October 1, 2022, we have recorded an extraordinary loss of 137 million yen in the third quarter of the current consolidated fiscal year due to the ACTG's system development being discontinued in order to integrate its system into our system, thereby controlling running costs, management and maintenance man-hours, in order to optimize its operating structure after the next fiscal year.

The impact of the above extraordinary losses on financial results is reflected in the "Summary of Consolidated Financial Statements for the Nine Months Ended June 30, 2022 (Based on Japanese GAAP)" announced today.

2. Revision to consolidated earnings forecast

(Fiscal year from October 1, 2021 to September 30, 2022)

	Net Sales	Operating profit	Ordinary profit	Profit attributable to owners of the parent	Net income per share
Previous forecast (A) (Announced on November 5, 2021)	18,000	1,730	1,900	1,200	JPY 35.36
Revised forecast (B)	-	1,420	1,180	430	JPY 12.74
Change (B) – (A)	-	(310)	(720)	(770)	-
Percent change	-	(17.9%)	(37.9%)	(64.2%)	-
(Reference) Results for the Previous fiscal year (Ended September 30, 2021)	13,460	1,408	1,740	56	JPY 1.83

3. Reasons for the revision

For the fiscal year ending September 30, 2022 (full year), we expect net sales and operating income to be lower than planned mainly due to a decline in the number of customers attracted by the Emergency segment. On the other hand, we expect net sales to be higher than planned in the Insurance segment due to better-than-expected growth in the acquisition of subscribers however, we expect an increase in the provision for underwriting reserves in the fourth quarter due to the need to make policy reserves in response to the rapid acceleration of growth.

We recorded the mark-to-market valuation related to the transaction of own shares forwarding price acquisition as a non-operating loss and expect to record another non-operating loss in the fourth quarter, depending on the recent trend of our stock price. The Board of Directors decided to terminate the transaction at a meeting held on June 13, 2022, and plans to complete the termination of all transactions during the fiscal year ending September 30, 2022. There will be no impact on our business performance after the termination is completed.

Profit attributable to owners of the parent is expected to be lower than the previous forecast due to the profit-and-loss situation up to ordinary profit, and as described in "1. Recording of extraordinary loss" above, in anticipation of the business integration with ACTG, we are proceeding with the disposal of assets that will not be used after the next term.

(Note)
The above forecasts are based on the information currently available to us on the date of the release and certain assumptions deemed reasonable. Actual results may vary from the forecast for a variety of reasons.