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困っている人を
助ける。 WE HELP
PEOPLE IN NEED.

JAPAN BEST RESCUE SYSTEM

JBR

JAPAN BEST RESCUE SYSTEM

Business Results Summary < FY2023/Q3 >

Aug 7, 2023

Japan Best Rescue System Co., Ltd.

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Briefing
Available



[JBR Best IR Channel](#)

Record High for both Sales and Operating Profit

We have streamlined business portfolio and focused on the grow of main business.

FY21/Q3

22/Q3

23/Q3

Compared with the corresponding period of the previous FY

Sales	10,222	13,377	13,844	+467 +3.5%	Increased ※Record High Sales of main three business segments have grown with a focus on insurance business.
Operating Profit (% sales ratio)	1,124 (11.0%)	1,174 (8.8%)	1,254 (9.1%)	+79 +6.8%	Increased ※Record High Increasing trend due to the decline of policy reserve burden, in addition to strong main business.
Ordinary Profit	1,307	899	1,249	+349 +38.9%	Increased Cancelled the contract of “Transaction to Acquire Own Shares at the Forward Price” which had impact on the result of previous FY.
3Q (on accumulated basis) Net Profit attributable to the owners of the Parent	877	373	596	+222 +59.6%	Increased Recorded loss in line with suspending system development for integrating ※ in the previous FY.
Operating Profit in essence excluding policy reserve.	1,157	1,291	1,480	+188 +14.6%	ca. 15% growth, excluding the impact of policy reserve burden. Policy reserve: JPY 116 million → JPY 225 million (increased by JPY 109 million) previous FY current FY

Sales, Operating Profit and Ordinary Profit have progressed beyond the plan.

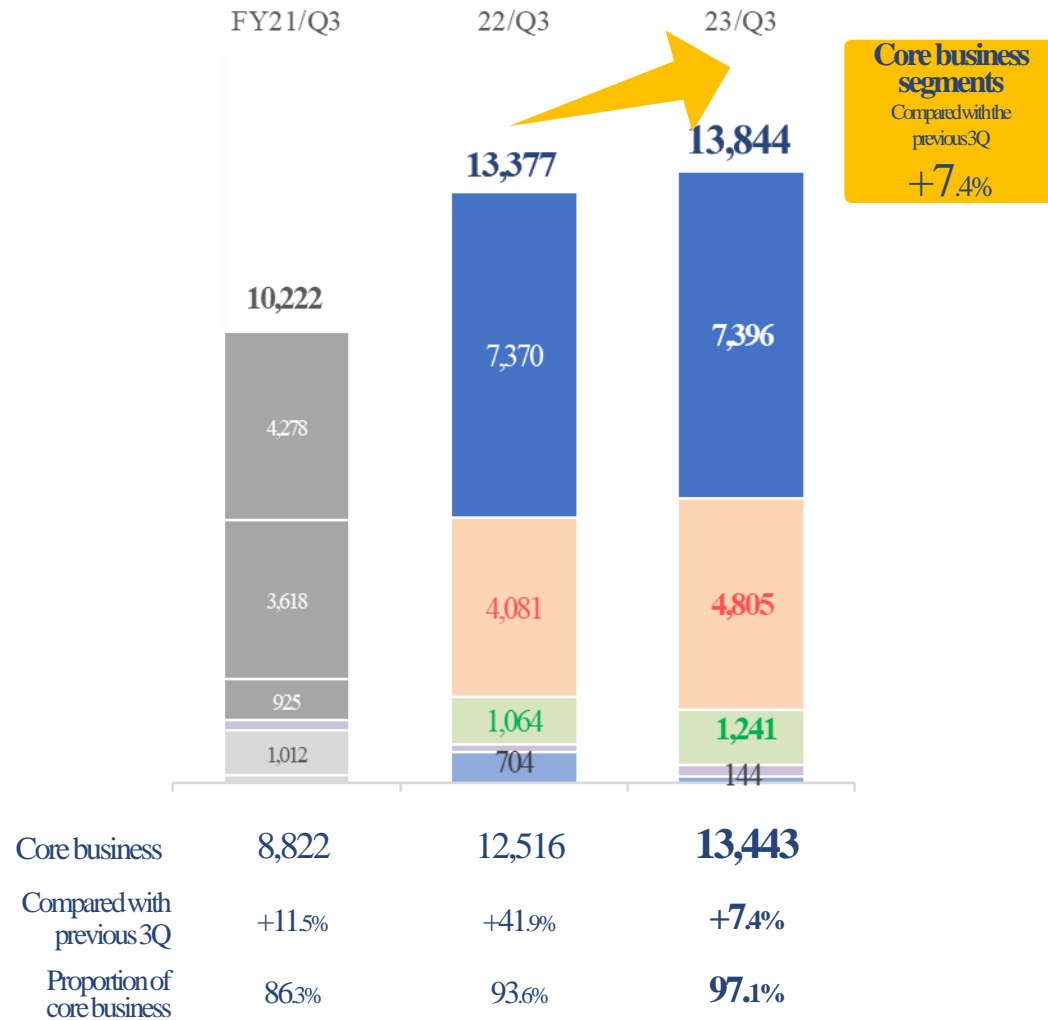
Expecting to achieve full-year plan, record high sales and operating profit.

	FY22 Full Fiscal Year Actual Result	FY23 Full Fiscal Year Forecast	FY23 3Q Actual	Full-year progress	Remarks on progress
Sales	17,810	18,300	13,844	75.7%	Sales has progressed beyond the plan mainly in Insurance Business. We aim at achieving the full-year plan and historical record highs for sales.
Operating Profit	1,459	1,650	1,254	76.0%	Main 3 business segments have progressed beyond the plan. While the impact of policy reserve will also reduce in 4Q, partial cancellation of ACTG※ in membership segment will occur. We expect to achieve full-year plan on consolidated basis.
Ordinary Profit	1,173	1,500	1,249	83.3%	We have recorded non-operating profit above the plan due to gain on disposal of investment securities and dividend income.
Net Profit Attributable to the owners of the Parent	437	950	596	62.8%	We have recorded unplanned income taxes-deferred. Its impact is expected to be reduced in 4Q. We also expect the tax effect of loss carried forward relating to ACTG.

※former ACTCALL and former TSUNAGU

The insurance business has continued to perform well and sales has increased in all major business segments.

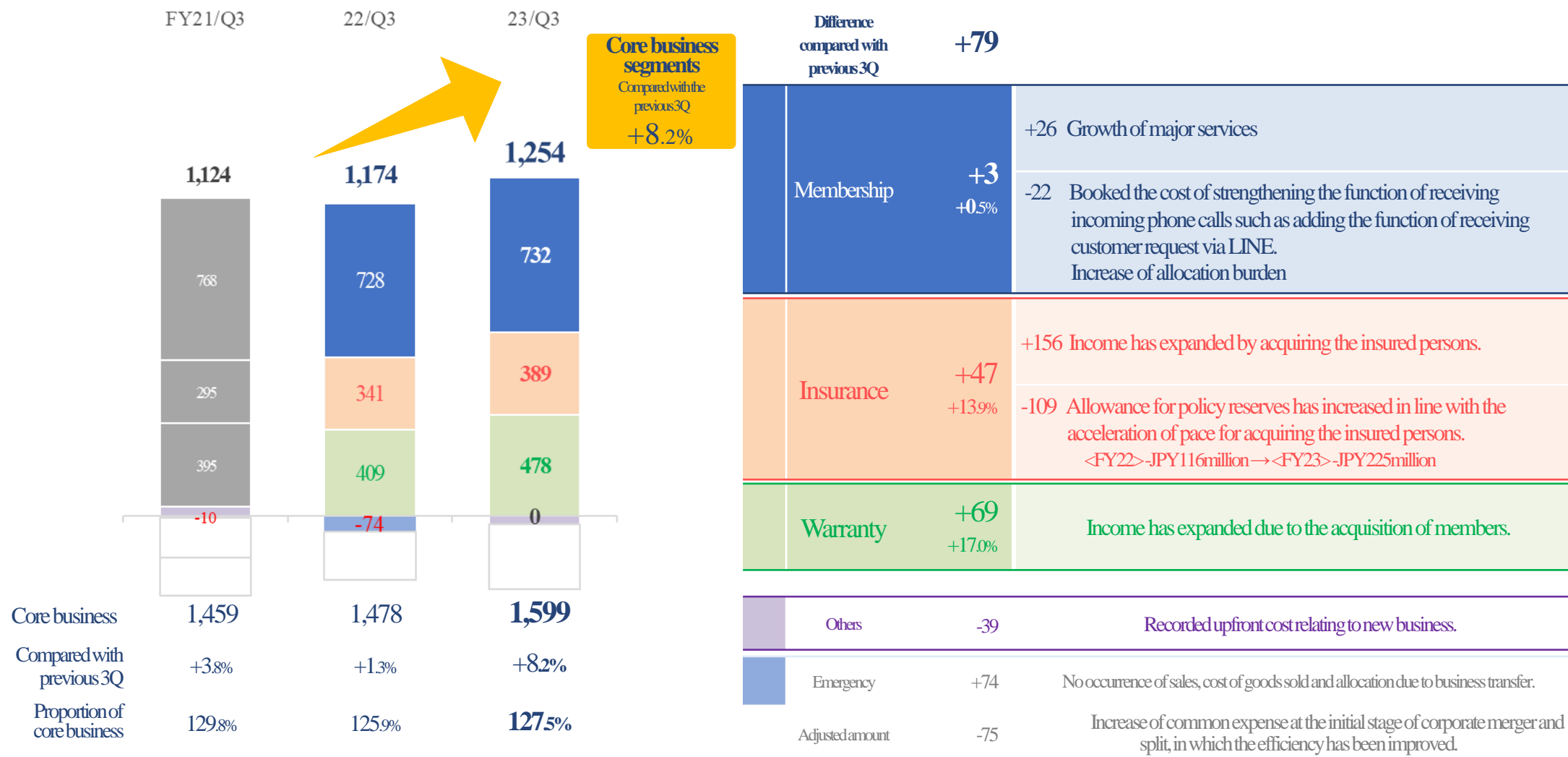
We could achieve the increase of sales due to the growth of major business segments offsetting the decline of sales in emergency business segment.



Difference compared with previous 3Q		
Membership	+26 +0.4%	+184 Increase of members in major Membership Service business segment.
		-157 Decrease of members due to the liquidation of unprofitable ACTG business
Insurance	+723 +17.7%	The acquisition of the insured persons has steadily progressed.
Warranty	+177 +16.7%	Net increase due to the acquisition of members.
Others	+101	Sales has increased due to selling materials to handyman partners and alliance with JAF.
Emergency	-560	Implemented business transfer at the end of November 2022.
Adjusted amount	-1	

Record profit due to progress ahead of plan in each business segment.

The allocation burden of emergency business has been increased in membership business segment in addition to the cost for digital transformation on incoming calls.



It has continued to grow with the focus on collective housing and warranty extension business.

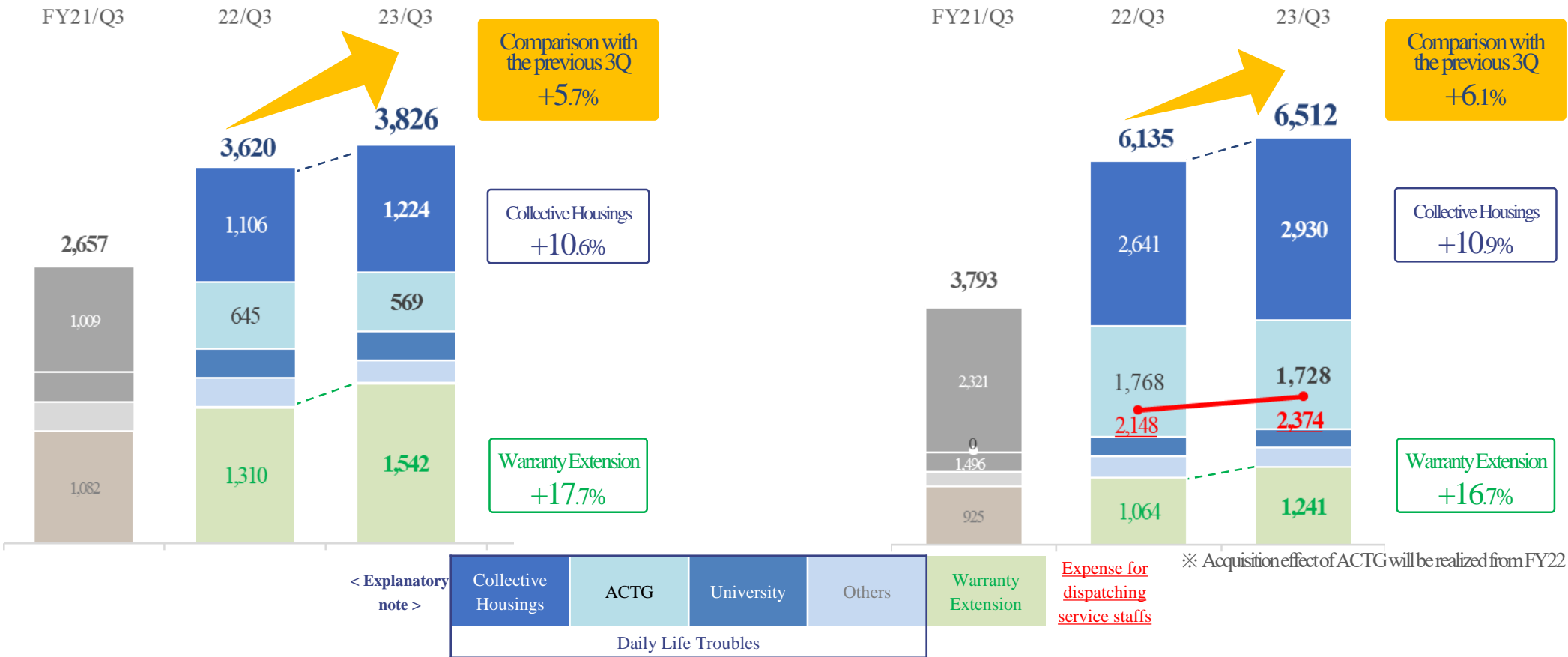
The number of ACTG members has decreased due to progress of unprofitable liquidation.

Number of Members (unit: thousand people)

We have increased the number of members on a steady basis, while ACTG members are expected to decrease until 4Q.

Revenue of membership fees and expense for dispatching service staffs (JPY million)

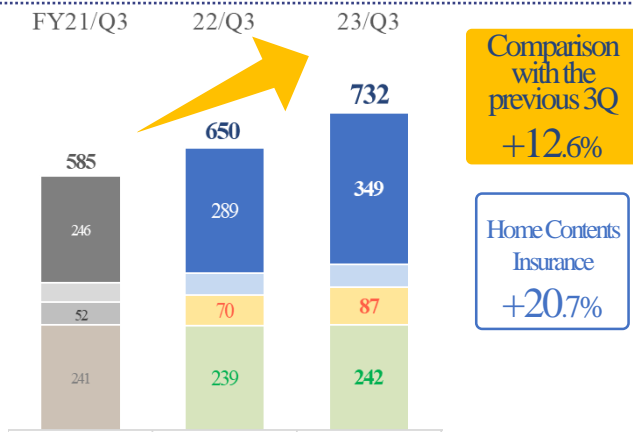
Both membership income and expense for dispatching handymen have increased. We have promoted cost reduction of dispatching handymen.



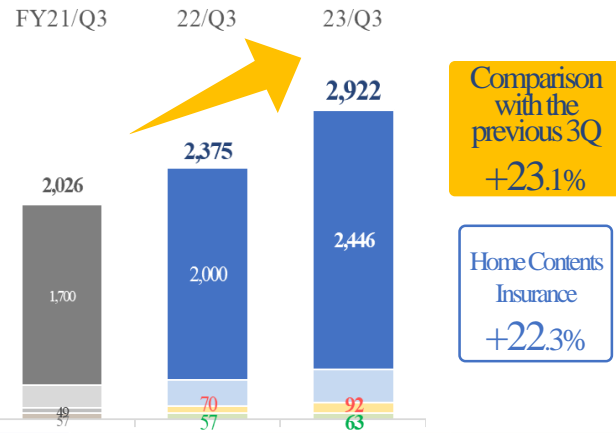
Steadily acquiring the insured persons. High growth of insurance premium income with more than 23% increase comparing with the previous corresponding period.

The impact of policy reserves is expected to decrease as the special demand has peaked out.

Number of Insured Persons (unit: thousand people)



Revenue of Insurance Premium (JPY million)



< Explanatory note >

Home Contents Insurance Others Smart Phones Sports Club

Impact of policy reserve on consolidated operating profit (JPY million)

The pace of growth has been rapidly accelerated by special demand* and the policy reserve has increased. The impact of policy reserves has been reduced from FY23Q3 as the special demand has been completed.



*The pace for acquiring the insured persons has rapidly accelerated as we have succeeded agencies of other company which withdrew from the business in April 2022. The effect from such succession has continued for 1 year period.

< Explanatory note >

FY22 results FY23 results Insurance reserve Amount of effect Operating profit (forecast)

Our “Best Rescue System” provides reassurance for 4.5 million+ subscribers.
We will keep expanding both sales channels & service lineup to leave no one behind.

Mission

Vision

Value

We help people in need

We create the Best Rescue System

The best framework and services
for reassuring people by getting close to their daily lives

Be fair: Stay loyal to customers, colleagues, and yourselves
Be generous: Respect others, don't be conceited, be humble
Be a challenger: To cherish advancing ahead, not to be afraid of failure

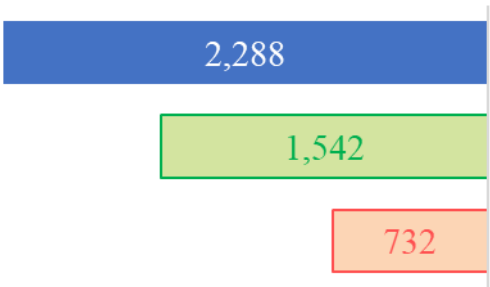
Service example



- ▶ Troubleshooting service for daily life (doorkeys, plumbing, windowpane, etc.)
- ▶ Warranty extension service for home appliances
- ▶ Insurance service offering a variety of unique products

Subscribers

4,562k
(As of the end of June 2023)



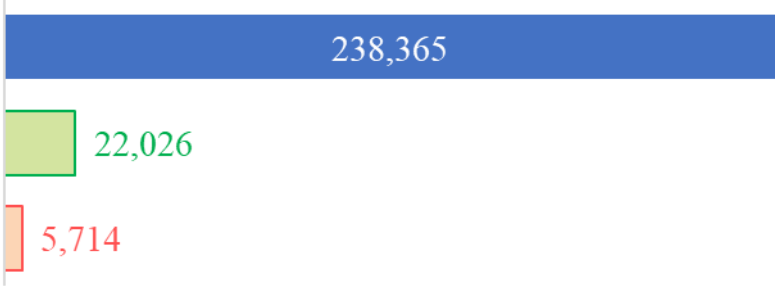
QR service

Warranty

Insurance

People we helped

266,105cases
(For the nine months ended June 2023)



We have promoted PMI for both business operation and sales aspects.

We shall further maximize the consolidation effect by making use of and aggregating the strength of both parties .

Items	Effort contents	Integration effect
1. Improvement of call center operation	By setting cost per hour (CPH) for telephone operator per hour as KPI, we shall try to improve it with the benchmark of 5.0. We shall intend to improve the efficiency of telephone calls by making use of JBR's operation manual such as reducing the frequency of making telephone calls and the number of work process within operation of business.	<ACTG CPH> Before acquisition 1.4 FY23 2.0 (operational improvement up to now) FY25 5.0 (system integration + operational integration)
2. System integration	As JBR and ACTG are currently operating business based on its own system separately, we are working on integration covering acceptance to core system. → The part of system relating to consolidation is scheduled to start operation in November. We intend to strengthen the framework of call center by unifying its operation, in addition to reduction of system maintenance expense, efficiency enhancement and function improvement. We are scheduled to complete transition in June 2025.	<Effect of improving profitability> JPY 200 million is expected after complete merger.
3. Consolidation of Department	We have unified administrative department in April 2023. We are scheduled to consolidate marketing department in October. We plan to improve operational efficiency by consolidating contact center another year later.	<Profit improvement effect> Administrative department integration effect is expected to be 50 million yen per year
4. Liquidation of unprofitable business	We have implemented price negotiation on unprofitable transaction by each business counterpart and ensured that the profitability is maintained although the number of members and sales declined. The cancellation has partially occurred apart from negotiation on unprofitable transaction, which shall have negative impact on the profit of the second half of FY.	
5. Strengthening sales force	As we have expanded our market share and competitive edge in property rental market, we work ahead to promote marketing measures such as acquiring new outsourcing network with leading companies, developing new services and expanding cross-selling.	
6. Improvement of membership renewal rate.	As we have difference in membership renewal ratio (ACTG:45% vs. JBR:30%), we aim at improving the renewal ratio of member service by making use of the measure of ACTG. In 2Q, the test confirmed the subsequent effect of the renewal rate up to 33.8%. → The ration has climbed up to 38.2 % in 3Q.	<Profit improvement effect> max. JPY 36 million on annual basis
7. Consolidation of office	We will consolidate base of marketing department at Yotsuya Office and that of administration department at Otemachi Office in one place at Otemachi in October 2023 and further enhance organizational consolidation of marketing department and streamlining of administration function.	<Effect on profit improvement> Reduction of fixed cost of ca. JPY 20 million per year

Horizontal expansion of existing produce to new markets and the expansion into the market of owner- occupied house has been accelerated.

Steadily progressing more than 20 transactions under the negotiation with ITOCHU Corporation

New Business Alliance

Direction of developing new projects

Timing of announcement	Business Partner/ Industry	Type of service	Size
Already announced	JAF	Daily Life Troubles	21 million cases
	Century 21	Daily Life Troubles	229,000 cases
	Housedo	Daily Life Troubles	-
	Tohoku Electric Power	Daily Life Troubles	7.9 million cases
	LIVING HOUSE	Daily Life Troubles	-
In the near future	AI-KOUMUTEN	Daily Life Troubles Extended warranty	-
	Large firm on social infrastructure	Daily Life Troubles	-
	ITOCHU Group	Daily Life Troubles	-
Alliance partnership with AI-KOUMUTEN, major custom detached house construction company.			

Service	Direction
Daily Life Troubles	Promoting digital transformation on operation and data utilization. Reducing the cost for decreasing the number of incoming-calls in addition to improvement of convenience.
Warranty Extension	Focusing on marketing towards housing & facility manufacturers Seeking for efficient sales expansion by grabbing the upstream of commercial flow.
Insurance	New product development by utilizing alliance partnership. We have developed large-lot sales channel with ITOCHU Corporation and Mini Mini.
Last Mile	New service development by utilizing existing infrastructure. Government service support, home inspection, service for watching-over elderly persons, bicycle after-service, service for collecting second hand mobile phones., etc.

From September 1, We will start providing services ranging from periodic home inspection to after-support after handing over the house, which is completed within JBR Group.

- <Service to be provided>
- Periodic house inspection
 - Warranty service on housing facilities
 - Emergency service

<What is JAF? >

Japan Automobile Federation (JAF) is a generally incorporated association affiliated with FIA (Fédération Internationale de l'Automobile). JAF is providing quality road service performance & extensive membership benefits to more than 21 million members with over 50 years in Japan.

Steadily progressing to deploy strategy in the New Market of detached houses.

To further expand our coverage toward detached houses by completing after-service after house construction within JBR Group.

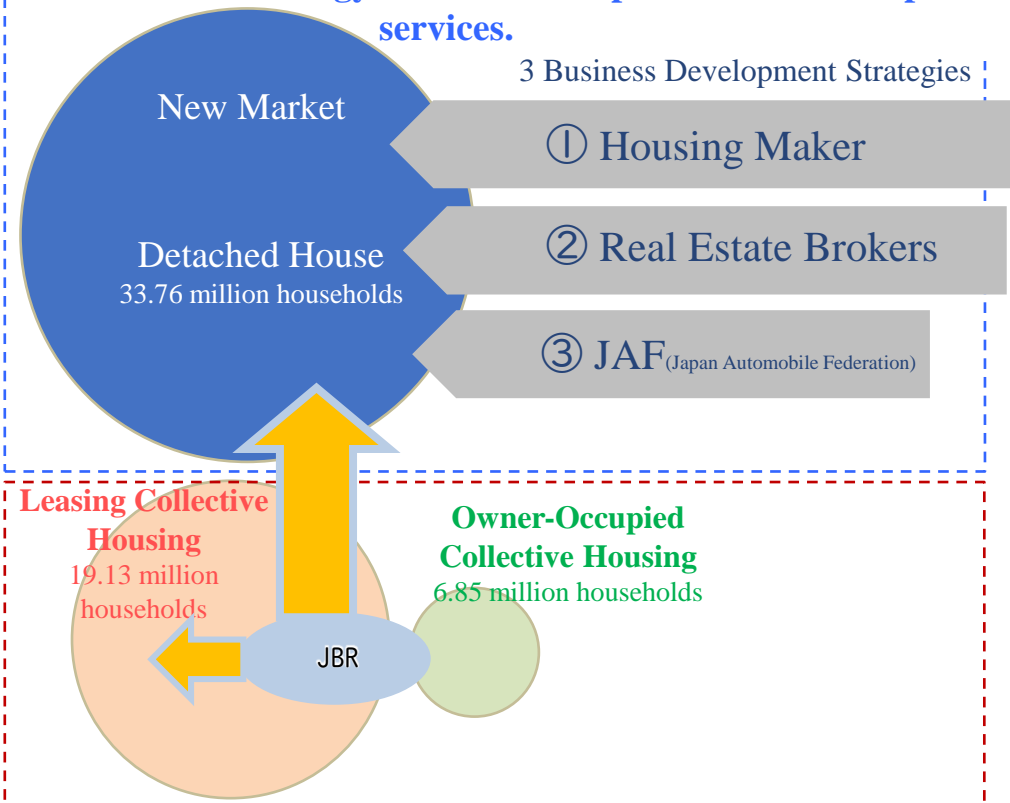
Household distribution in real estate market

New Business Development Strategy ① Housing Makers

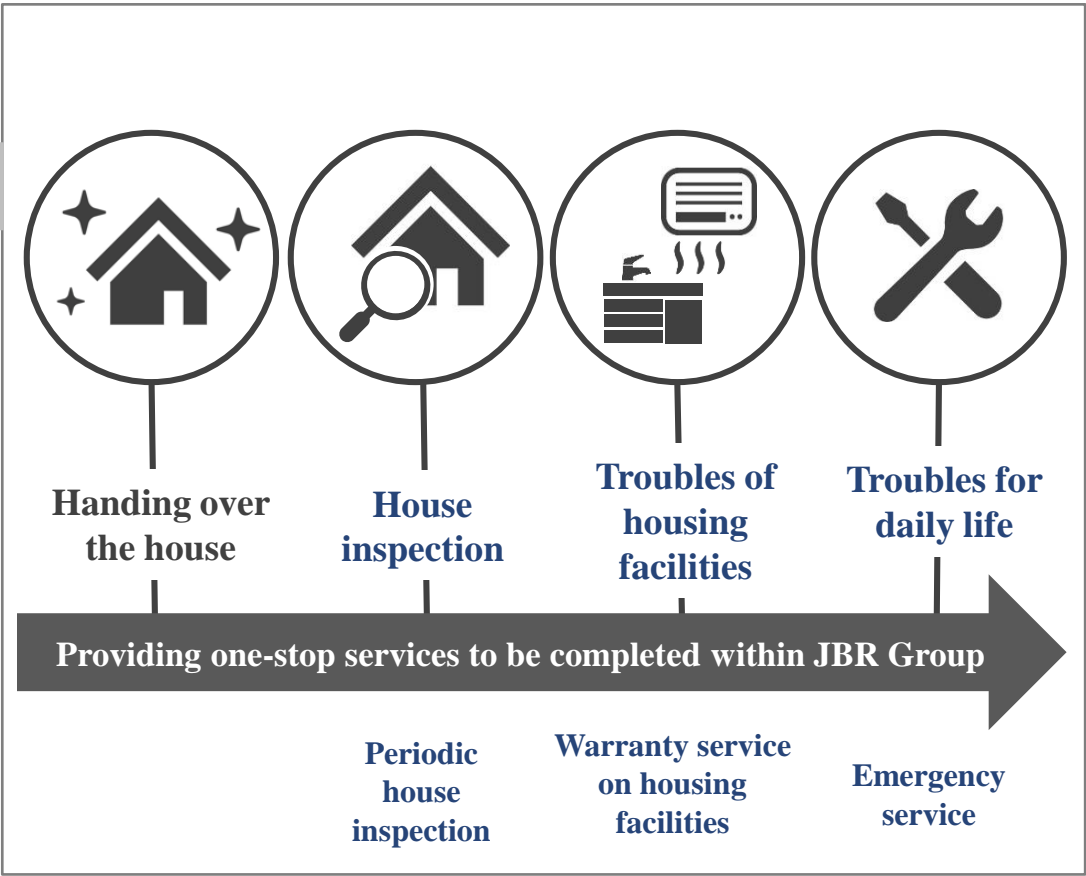
To expand for development strategy into the detached housing market.

To strengthen the alliance with housing makers covering the upstream of value chain.

Blue Ocean Strategy in the less competitive market in providing services.



Strategy to compete in the market in which competitors are also offering the similar service and expand our market share.



1. How do you review 3Q ?

We have increased both revenue and profit with record high for sales and operating profit. Although all of business segments performed well during the first half of FY, we ended up with decline of profit due to the impact of insurance policy reserve. However, the impact has reduced during 3Q and turned out to be on increasing trend on profit.

2. What will happen on “income tax-deferred” in the future?

We had negative impact on net profit as the deferred tax asset was reduced and the amount of income tax-deferred increased by unifying tax treatment method in line with merging ACTG. The impact is expected to decrease in 4Q.

3. What is the future plan on PMI?

We are planning to consolidate department and offices.
We have already consolidated administration department and are in the process of promote operational efficiency.
We are planning to consolidate marketing department in October 2023, in which we believe that we shall be able to demonstrate further synergy to extend the top line in addition to enhancement of operational efficiency.

4. What will happen on “policy reserve”?

The special demand in insurance business segment has peaked out and its impact has been reduced in 3Q.
Amount of impact compared with previous corresponding periods: 1Q : minus JPY 64 million, 2Q : minus JPY 73million, 3Q : plus 29 million, 4Q: recorded minus 158 million in previous FY, therefore the accumulation of policy reserve will decrease in coming 4Q, which is expected to contribute to the increase of profit.

5. What kind of measure have you taken towards handymen partners?

We have distributed “JBR textbook” to our alliance handymen in order to unify and enhance the work quality and aim at expanding the category of solving the trouble solution and business itself by holding multi-skilled handymen in addition.
We will do our utmost effort to establish more solid relationship with our handymen and contribute to industry development not only providing services on a stable basis, by continuing to expand services toward our handymen.

6. What is the outlook for full-year in the future?

Although we had some partial cancellation of ACTG members in membership business segment, main business has progressed beyond the plan and we expect to achieve full-year plan and record high sales and operating profit.

Record high for sales and operating profit.

The aggregate amount of deferred income which can be booked as sales in the future has exceeded JPY 11 billion as stock.

	FY19				FY20				FY21				FY22				FY23		
(thousand)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Number of service contracts	2,531	2,583	2,428	2,482	2,508	2,605	2,867	2,950	3,049	3,176	3,243	3,941	4,005	4,175	4,271	4,292	4,361	4,545	4,562
(JPY million)																			
Sales	2,945	3,166	3,074	2,824	2,871	3,124	3,027	3,033	3,156	3,481	3,584	3,238	4,330	4,476	4,570	4,432	4,469	4,738	4,636
Operating Profit	352	386	385	513	307	343	398	318	375	296	452	283	403	334	436	285	375	350	528
Ordinary Profit	396	481	374	714	323	342	437	695	432	382	492	433	369	326	203	273	345	373	530
Net Profit	257	754	105	521	143	116	250	487	302	238	335	-820	317	201	-144	64	131	191	273
EBITDA	395	429	428	559	352	391	456	378	430	354	518	349	546	478	587	434	519	491	677
(JPY million)																			
Total Assets	14,728	14,865	17,599	18,761	19,075	19,518	20,146	21,204	21,494	22,249	22,903	28,175	27,694	28,276	29,080	27,884	27,357	28,201	28,641
Liabilities	8,703	10,549	9,905	10,657	10,810	12,964	12,835	13,296	13,551	13,954	14,546	16,507	16,763	17,445	18,165	17,081	17,161	17,781	17,908
Deferred income total	5,803	6,095	6,332	6,710	6,807	6,985	7,442	7,640	7,805	8,053	8,616	9,265	9,842	9,992	10,547	10,575	10,595	10,780	11,286
Deferred income	1,655	1,751	1,770	1,824	1,815	1,846	1,976	1,982	1,982	2,034	2,173	2,698	3,048	3,089	3,121	3,064	3,018	3,067	3,210
Long-term deferred income	4,148	4,343	4,561	4,885	4,992	5,138	5,465	5,657	5,823	6,019	6,443	6,567	6,794	6,903	7,426	7,511	7,577	7,713	8,076
Net Assets	6,024	6,926	7,693	8,104	8,265	6,553	7,310	7,907	7,942	8,295	8,357	11,668	10,930	10,831	10,914	10,802	10,196	10,419	10,733
Equity Ratio	40.8%	39.5%	42.5%	42.1%	41.7%	32.0%	34.7%	35.8%	35.5%	35.8%	35.0%	40.2%	38.2%	36.5%	34.4%	35.4%	33.4%	32.7%	33.1%

Increasing tendency of number of members with the focus on major services.

	FY19				FY20				FY21				FY22				FY23		
(thousand)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Number of members	2,259	2,310	2,168	2,222	2,245	2,347	2,338	2,399	2,492	2,601	2,657	3,348	3,411	3,569	3,620	3,607	3,680	3,837	3,826
Daily Life Troubles	1,636	1,646	1,464	1,464	1,441	1,500	1,454	1,465	1,506	1,565	1,575	2,216	2,226	2,330	2,310	2,256	2,265	2,359	2,283
Collective Housings	840	865	854	870	864	909	897	913	930	964	1,009	1,020	1,038	1,100	1,106	1,122	1,140	1,215	1,224
ACTG	-	-	-	-	-	-	-	-	-	-	-	631	624	640	645	578	573	581	569
University Students	273	300	285	286	286	314	289	290	290	318	288	288	288	316	282	282	282	306	276
d Living	166	145	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	356	335	323	308	290	275	267	261	285	282	277	275	275	272	276	273	269	256	213
Warranty Extension	622	663	704	758	804	846	883	934	986	1,036	1,082	1,132	1,185	1,239	1,310	1,350	1,414	1,478	1,542
(JPY million)																			
Membership fee income	1,109	1,214	1,215	1,108	1,088	1,184	1,169	1,146	1,188	1,280	1,324	1,296	1,997	2,036	2,100	2,069	2,137	2,178	2,195
Daily Life Troubles	893	987	985	857	832	919	904	874	887	972	1,008	969	1,652	1,682	1,736	1,687	1,741	1,768	1,760
Collective Housings	626	729	729	669	652	735	727	696	706	786	828	790	847	876	917	937	958	981	990
ACTG	-	-	-	-	-	-	-	-	-	-	-	-	581	586	600	535	572	580	576
University Students	97	101	100	101	100	104	100	102	103	108	102	102	103	105	102	101	101	103	100
d Living	78	68	66	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	90	87	88	85	80	79	76	76	77	78	77	76	120	113	115	111	108	103	93
Warranty Extension	215	226	230	250	255	265	265	271	300	308	315	326	345	354	364	382	396	409	435
Expense for dispatching service staffs	573	520	536	397	392	396	376	443	488	519	489	524	701	734	712	740	778	836	760

Number of the insured persons of our major products has increased in addition to home contents insurance in which we are steadily acquiring customers.

	FY19				FY20				FY21				FY22				FY23		
(number)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Number of products*1	9	9	9	11	12	14	14	14	17	17	17	17	17	18	18	18	18	18	19
Small Amount Short-term insurance	9	9	9	9	9	10	10	10	11	11	11	11	11	12	12	12	12	12	12
Casualty insurance	-	-	-	2	3	4	4	4	6	6	6	6	6	6	6	6	6	6	7
(thousand)																			
Number of insured persons	272	272	259	259	262	258	529	550	556	574	585	593	593	606	650	683	679	704	732
Home contents insurance	182	194	197	201	207	215	221	226	231	240	246	251	257	272	289	302	316	336	349
Sports Club	-	-	-	-	-	-	264	264	246	242	241	240	228	222	239	247	231	232	242
Smart Phones	-	-	-	-	-	-	-	15	34	46	52	55	60	63	70	81	79	83	87
Others	89	78	61	58	55	42	43	43	44	44	45	46	47	48	51	51	51	52	52
(JPY million)																			
Insurance premium revenue	484	629	570	493	509	654	597	561	590	734	701	616	638	822	914	827	867	1053	1,002
Home contents insurance	389	533	471	404	422	574	504	465	490	630	579	502	527	713	759	681	717	903	825
Sports Club	-	-	-	-	-	-	12	17	18	18	19	20	18	18	20	22	21	20	22
Smart Phones	-	-	-	-	-	-	-	4	11	17	20	21	23	23	23	25	28	30	33
Others	94	96	99	89	86	80	81	73	70	67	81	72	69	66	110	98	99	98	121
Policy reserves*2	0	-8	-13	-127	15	-18	28	-38	15	-7	-39	-52	-7	-38	-70	-158	-72	-112	-41

*1 Number of general insurance policy at the end of each financial period

*2 Due to accounting treatment based on Insurance Business Act, the operating profit of each quarterly period tends to fluctuate.



JAPAN BEST RESCUE SYSTEM

Forecasts and estimates described in this presentation material are based on JBR's judgment 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.

Inquiry on this presentation material and IR: Corporate Planning Department,
E-mail: ir@jbr.co.jp