

# Translation

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## Summary of Consolidated Financial Results for the Year Ended September 30, 2023 (Based on Japanese GAAP)

November 13, 2023

Company name: Japan Best Rescue System Co., Ltd.  
 Stock exchange listing: Tokyo, Nagoya  
 Stock code: 2453 URL <https://www.jbr.co.jp/>  
 Representative: Representative Director Nobuhiro Sakakibara  
 Inquiries: Director, Executive Officer Mitsuhiro Wakatsuki TEL 052-212-9908  
 Scheduled date of ordinary general meeting of shareholders: December 21, 2023  
 Scheduled date to file Securities Report: December 27, 2023  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the year ended September 30, 2023 (from October 1, 2022 to September 30, 2023)

#### (1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended September 30, 2023	18,158	2.0	1,629	11.6	1,533	30.7	679	55.2
Year ended September 30, 2022	17,810	32.3	1,459	3.7	1,173	(32.6)	437	671.6

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended September 30, 2023	20.67	19.66	7.0	5.5	9.0
Year ended September 30, 2022	13.00	12.75	4.1	4.2	8.2

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2023	28,121	10,889	34.0	291.71
As of September 30, 2022	27,884	10,802	35.4	295.16

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended September 30, 2023	2,158	(947)	(1,478)	13,302
Year ended September 30, 2022	2,407	1,051	(864)	13,570

### 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended September 30, 2022	–	9.00	–	9.00	18.00	603	138.5	5.7
Year ended September 30, 2023	–	9.00	–	0.00	9.00	295	43.5	3.1
Year ending September 30, 2024 (Forecast)	–	–	–	–	–	–	–	–

### 3. Notes

- (1) Changes in significant subsidiaries during the year ended September 30, 2023  
(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
- (2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

#### (3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2023	34,127,177 shares	As of September 30, 2022	34,127,177 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	1,329,229 shares	As of September 30, 2022	690,002 shares
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Average number of shares during the period

Year ended September 30, 2023	32,877,537 shares	Year ended September 30, 2022	33,679,529 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of September 30, 2022	As of September 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	14,080,057	13,812,472
Accounts receivable - trade	1,124,269	934,171
Merchandise	2,523	3,320
Supplies	11,860	11,628
Prepaid expenses	500,240	421,905
Accounts receivable - other	449,940	536,798
Other	176,927	178,507
Allowance for doubtful accounts	(18,226)	(22,033)
Total current assets	16,327,593	15,876,771
Non-current assets		
Property, plant and equipment		
Buildings, net	105,238	77,764
Machinery, equipment and vehicles, net	573	285
Tools, furniture and fixtures, net	39,349	31,461
Leased assets, net	6,202	2,485
Total property, plant and equipment	151,363	111,997
Intangible assets		
Goodwill	1,654,287	1,469,835
Software	743,724	537,892
Software in progress	42,248	45,096
Other	15,819	6,168
Total intangible assets	2,456,080	2,058,992
Investments and other assets		
Investment securities	5,698,093	6,134,523
Deferred tax assets	656,913	346,940
Guarantee deposits	1,037,446	983,549
Distressed receivables	11,398	252
Other	1,171,317	2,169,731
Allowance for doubtful accounts	(57,758)	(31,234)
Total investments and other assets	8,517,410	9,603,762
Total non-current assets	11,124,854	11,774,753
Deferred assets		
Bond issuance costs	5,237	3,482
Deferred assets under article 113 of Insurance Business Act	427,139	466,647
Total deferred assets	432,376	470,130
Total assets	27,884,824	28,121,655

(Thousands of yen)

	As of September 30, 2022	As of September 30, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	469,099	402,561
Short-term borrowings	400,000	300,000
Lease liabilities	4,051	2,551
Income taxes payable	215,999	183,293
Provision for bonuses	86,089	80,920
Outstanding claims	74,318	120,737
Policy reserve	1,069,544	1,336,937
Asset retirement obligations	–	12,000
Unearned revenue	3,064,851	3,157,438
Other	2,056,925	1,775,549
Total current liabilities	7,440,879	7,371,991
Non-current liabilities		
Bonds payable	555,000	345,000
Long-term borrowings	1,270,363	1,124,544
Lease liabilities	2,725	174
Deferred tax liabilities	119,598	130,661
Asset retirement obligations	107,496	93,560
Long-term unearned revenue	7,511,335	8,096,779
Other	74,519	69,431
Total non-current liabilities	9,641,039	9,860,150
Total liabilities	17,081,918	17,232,142
Net assets		
Shareholders' equity		
Share capital	780,363	780,363
Capital surplus	6,946,096	6,936,834
Retained earnings	2,833,709	2,917,223
Treasury shares	(452,383)	(977,359)
Total shareholders' equity	10,107,786	9,657,062
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(238,422)	(89,723)
Total accumulated other comprehensive income	(238,422)	(89,723)
Share acquisition rights	2,920	17,459
Non-controlling interests	930,622	1,304,715
Total net assets	10,802,905	10,889,513
Total liabilities and net assets	27,884,824	28,121,655

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Thousands of yen)

	Fiscal year ended September 30, 2022	Fiscal year ended September 30, 2023
Net sales	17,810,069	18,158,337
Cost of sales	11,057,543	11,519,290
Gross profit	6,752,526	6,639,047
Selling, general and administrative expenses	5,292,555	5,009,681
Operating profit	1,459,970	1,629,365
Non-operating income		
Interest income	4,651	7,852
Dividend income	73,214	75,103
Gain on sale of investment securities	217,468	117,672
Other	67,679	52,334
Total non-operating income	363,013	252,963
Non-operating expenses		
Interest expenses	24,516	16,054
Amortization of deferred assets under article 113 of Insurance Business Law	90,878	118,662
Loss on sale of investment securities	2,461	97
Share of loss of entities accounted for using equity method	174,860	152,169
Loss on investments in investment partnerships	4,218	4,218
Loss on valuation of derivatives	230,986	—
Provision of allowance for doubtful accounts	15	46
Commission expenses	84,595	6,057
Other	37,203	51,359
Total non-operating expenses	649,736	348,665
Ordinary profit	1,173,247	1,533,663
Extraordinary income		
Gain on sale of non-current assets	552	13
Gain on reversal of asset retirement obligations	3,127	—
Total extraordinary income	3,679	13
Extraordinary losses		
Loss on sale of non-current assets	223	—
Loss on retirement of non-current assets	11,042	5,354
Impairment losses	139,650	5,905
Loss on valuation of investment securities	24,278	24,914
Loss on sale of shares of subsidiaries	—	6,497
Loss of withdrawal from business office	29,395	—
Other	25,091	—
Total extraordinary losses	229,681	42,671
Profit before income taxes	947,244	1,491,005
Income taxes - current	251,291	331,391
Income taxes - deferred	199,823	263,921
Total income taxes	451,115	595,313
Profit	496,129	895,692
Profit attributable to non-controlling interests	58,196	216,061
Profit attributable to owners of parent	437,932	679,630

## Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended September 30, 2022	Fiscal year ended September 30, 2023
Profit	496,129	895,692
Other comprehensive income		
Valuation difference on available-for-sale securities	(892,470)	152,146
Share of other comprehensive income of entities accounted for using equity method	(4,338)	(4,269)
Total other comprehensive income	(896,808)	147,876
Comprehensive income	(400,679)	1,043,569
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(458,876)	828,329
Comprehensive income attributable to non-controlling interests	58,196	215,239

# Consolidated statements of changes in equity

Fiscal year ended September 30, 2022

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	780,363	6,813,805	3,410,051	(337,933)	10,666,286
Cumulative effects of changes in accounting policies			(405,783)		(405,783)
Restated balance	780,363	6,813,805	3,004,267	(337,933)	10,260,502
Changes during period					
Dividends of surplus			(608,490)		(608,490)
Profit attributable to owners of parent			437,932		437,932
Purchase of treasury shares				(482,137)	(482,137)
Cancellation of treasury shares		(367,686)		367,686	—
Change in ownership interest of parent due to transactions with non-controlling interests		(18)			(18)
Sale of shares of consolidated subsidiaries		360,420			360,420
Capital increase of consolidated subsidiaries		139,577			139,577
Net changes in items other than shareholders' equity					
Total changes during period	—	132,291	(170,557)	(114,450)	(152,716)
Balance at end of period	780,363	6,946,096	2,833,709	(452,383)	10,107,786

	Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income			
Balance at beginning of period	658,386	658,386	2,920	341,198	11,668,790
Cumulative effects of changes in accounting policies					(405,783)
Restated balance	658,386	658,386	2,920	341,198	11,263,006
Changes during period					
Dividends of surplus					(608,490)
Profit attributable to owners of parent					437,932
Purchase of treasury shares					(482,137)
Cancellation of treasury shares					—
Change in ownership interest of parent due to transactions with non-controlling interests					(18)
Sale of shares of consolidated subsidiaries					360,420
Capital increase of consolidated subsidiaries					139,577
Net changes in items other than shareholders' equity	(896,808)	(896,808)	—	589,424	(307,384)
Total changes during period	(896,808)	(896,808)	—	589,424	(460,100)
Balance at end of period	(238,422)	(238,422)	2,920	930,622	10,802,905



Fiscal year ended September 30, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	780,363	6,946,096	2,833,709	(452,383)	10,107,786
Changes during period					
Dividends of surplus			(596,116)		(596,116)
Profit attributable to owners of parent			679,630		679,630
Purchase of treasury shares				(524,975)	(524,975)
Change in ownership interest of parent due to transactions with non-controlling interests		(209)			(209)
Capital increase of consolidated subsidiaries		(9,051)			(9,051)
Net changes in items other than shareholders' equity					
Total changes during period	—	(9,261)	83,514	(524,975)	(450,723)
Balance at end of period	780,363	6,936,834	2,917,223	(977,359)	9,657,062

	Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income			
Balance at beginning of period	(238,422)	(238,422)	2,920	930,622	10,802,905
Changes during period					
Dividends of surplus					(596,116)
Profit attributable to owners of parent					679,630
Purchase of treasury shares					(524,975)
Change in ownership interest of parent due to transactions with non-controlling interests					(209)
Capital increase of consolidated subsidiaries					(9,051)
Net changes in items other than shareholders' equity	148,698	148,698	14,539	374,092	537,331
Total changes during period	148,698	148,698	14,539	374,092	86,607
Balance at end of period	(89,723)	(89,723)	17,459	1,304,715	10,889,513

## Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended September 30, 2022	Fiscal year ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	947,244	1,491,005
Depreciation	301,994	286,693
Impairment losses	139,650	5,905
Amortization of goodwill	209,452	184,452
Deferred expenses under article 113 of Insurance Business Act	(141,371)	(158,170)
Increase (decrease) in allowance for doubtful accounts	(12,723)	(14,212)
Increase (decrease) in provision for bonuses	(2,986)	(5,168)
Increase (decrease) in policy reserve	265,106	267,392
Interest and dividend income	(77,866)	(82,956)
Interest expenses	24,516	16,054
Share of loss (profit) of entities accounted for using equity method	174,860	152,169
Asset retirement obligation	(3,127)	—
Loss (gain) on sale of non-current assets	(328)	(13)
Loss on retirement of non-current assets	11,042	5,354
Loss (gain) on sale of investment securities	(215,006)	(117,575)
Loss (gain) on valuation of investment securities	24,278	24,914
Loss (gain) on sale of shares of subsidiaries	—	6,497
Loss (gain) on valuation of derivatives	230,986	—
Loss of withdrawal from business office	29,395	—
Decrease (increase) in trade receivables	79,662	190,098
Decrease (increase) in inventories	11,549	(1,542)
Decrease (increase) in accounts receivable - other	(122,721)	(81,715)
Decrease (increase) in prepaid expenses	(58,075)	(42,259)
Decrease (increase) in long-term prepaid expenses	(175,677)	(268,798)
Decrease (increase) in guarantee deposits	36,267	23,196
Decrease (increase) in distressed receivables	7,598	2,639
Increase (decrease) in trade payables	(45,550)	(66,538)
Increase (decrease) in accounts payable - other	139,078	(47,158)
Increase (decrease) in unearned revenue	(102,028)	92,587
Increase (decrease) in long-term earned revenue	747,611	585,444
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	299,413	(202,356)
Other, net	147,317	194,115
Subtotal	2,869,562	2,440,055
Interest and dividends received	79,936	80,019
Interest paid	(27,408)	(17,921)
Income taxes paid	(514,956)	(408,693)
Income taxes refund	—	64,781
Net cash provided by (used in) operating activities	2,407,133	2,158,242

(Thousands of yen)

	Fiscal year ended September 30, 2022	Fiscal year ended September 30, 2023
Cash flows from investing activities		
Payments into time deposits	(500,000)	(500,000)
Proceeds from withdrawal of time deposits	553,000	500,000
Purchase of property, plant and equipment	(30,243)	(12,538)
Proceeds from sale of property, plant and equipment	377	13
Purchase of intangible assets	(232,575)	(74,885)
Purchase of investment securities	(393,667)	(428,441)
Proceeds from sale of investment securities	1,291,471	229,566
Purchase of investment property	–	(767,844)
Proceeds from refund of leasehold and guarantee deposits	388,596	–
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	–	100,000
Other, net	(25,106)	6,913
Net cash provided by (used in) investing activities	1,051,852	(947,216)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(750,000)	(100,000)
Proceeds from long-term borrowings	680,000	900,000
Repayments of long-term borrowings	(588,088)	(1,071,440)
Redemption of bonds	(270,000)	(230,000)
Purchase of treasury shares	(484,729)	(528,011)
Proceeds from share issuance to non-controlling shareholders	299,652	161,504
Proceeds from issuance of share acquisition rights	–	2,698
Dividends paid	(572,119)	(596,389)
Dividends paid to non-controlling interests	–	(12,490)
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	825,754	–
Other, net	(4,664)	(4,481)
Net cash provided by (used in) financing activities	(864,194)	(1,478,611)
Net increase (decrease) in cash and cash equivalents	2,594,792	(267,585)
Cash and cash equivalents at beginning of period	10,975,264	13,570,056
Cash and cash equivalents at end of period	13,570,056	13,302,470