

Translation

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Summary of Consolidated Financial Statements for the Year Ended September 30, 2021 (Based on Japanese GAAP)

November 5, 2021

Company name: Japan Best Rescue System Co., Ltd.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 2453
 Representative: Representative Director Nobuhiro Sakakibara
 Inquiries: Director, Executive Officer Mitsuhiro Wakatsuki TEL +81-52-212-9908
 Scheduled date to file Securities Report: December 24, 2021
 Scheduled date to commence dividend payments: December 27, 2021
 Scheduled date to disclose annual report: December 27, 2021
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended September 30, 2021 (from October 1, 2020 to September 30, 2021)

(1) Consolidated operating results

(% indicates the rate of changes from previous fiscal year or period)

	Net sales		Operating profit		Ordinary profit		Net profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY ended September 30, 2021	13,460	11.6	1,408	3.0	1,740	(3.2)	56	(94.3)
FY ended September 30, 2020	12,057	0.4	1,367	(16.5)	1,798	(8.6)	997	(39.2)

(Note) Comprehensive income:

(a) for the year ended September 30, 2021: 452 million yen [(61.7%)]

(b) for the year ended September 30, 2020: 1,182 million yen [(4.7%)]

	Earnings per share	Diluted earnings per share	Return on equity	Ordinary profit on total assets	Ordinary profit on sales
	Yen	Yen	%	%	%
FY ended September 30, 2021	1.83	1.83	0.6	7.0	10.5
FY ended September 30, 2020	31.82	31.73	12.9	9.0	11.3

(Reference) Equity in earnings/losses of affiliates:

(a) for the year ended September 30, 2021: (19) million yen

(b) for the year ended September 30, 2020: (8) million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY ended September 30, 2021	28,175	11,668	40.2	333.70
FY ended September 30, 2020	21,204	7,907	35.8	245.54

(Reference) Equity:

(a) for the year ended September 30, 2021: 11,324 million yen

(b) for the year ended September 30, 2020: 7,592 million yen

(3) Consolidated cash flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	cash and cash equivalents at year-end
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY ended September 30, 2021	1,654	1,061	(120)	10,975
FY ended September 30, 2020	2,191	(2,981)	(165)	7,115

2. Cash dividends

	Annual dividends per share					Total dividends (Annual)	Dividends payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter	2nd quarter	3rd quarter	4th quarter	Annual			
	Yen	Yen	Yen	Yen	Yen	Yen	%	%
FY ended September 30, 2020	—	8.00	—	8.00	16.00	494	50.3	6.5
FY ended September 30, 2021	—	8.00	—	9.00	17.00	552	929.0	5.9
FY ending September 30, 2022 (Forecast)	—	8.00	—	9.00	17.00		48.1	

3. Forecast of consolidated financial results for the year ending September 30, 2022 (from October 1, 2021 to September 30, 2022)

(% indicates the rate of changes from previous fiscal year or period)

	Net sales		Operating profit		Ordinary profit		Net profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
2nd Quarter of FY 2022	8,800	32.6	733	9.0	833	2.2	550	1.6	16.21
Full-year	18,000	33.7	1,730	22.8	1,900	9.2	1,200	—	35.36

※ Notes

- (1) Changes in significant subsidiaries during the fiscal year ended September 30, 2021 (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

- New : 1 (Company name: ACTCALL Inc.)
- Exclusion: -

(Note) Please see the details of the “Announcement on acquiring 100% ownership of ACTCALL INC. and TSUNAGU CO., LTD. and having capital and business alliance with CHIC Holdings INC., July 27, 2021”.

- (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	None
Changes in accounting policies due to other reasons	None
Changes in accounting estimates	None
Restatement of prior period financial statements	None

- (3) Number of shares issued (common stock)

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

FY ended September 30, 2021	34,688,000 shares	FY ended September 30, 2020	34,688,000 shares
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Number of treasury stock at the end of the period

FY ended September 30, 2021	750,822 shares	FY ended September 30, 2020	3,768,341 shares
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Average number of shares during the period

FY ended September 30, 2021	30,928,775 shares	FY ended September 30, 2020	31,341,553 shares
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(Reference) Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the FY ended September 30, 2021

- (1) Non-consolidated operating results

(% indicates the rate of changes from previous fiscal year or period)

	Net sales		Operating profit		Ordinary profit		Net profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY ended September 30, 2021	7,546	10.3	594	3.1	1,005	(2.3)	(372)	-
FY ended September 30, 2020	6,842	(10.9)	576	(27.2)	1,029	(49.4)	748	(63.1)

	Earnings per share	Diluted earnings per share
	Yen	Yen
FY ended September 30, 2021	(12.03)	-
FY ended September 30, 2020	23.89	23.83

- (2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2021	16,084	10,002	62.2	294.71
As of September 30, 2020	12,603	6,824	54.1	220.70

(Reference) Equity:

- (a) for the year ended September 30, 2021: 10,001 million yen
 (b) for the year ended September 30, 2020: 6,824 million yen

<the Reason for non-consolidated performance difference from previous FY>

- An increase in net sales was mainly due to sales of “QR service for New Tenant”, the main service for members, was expanding stably and acquiring members at a higher pace than expected.

- A decrease in net profits was mainly due to posting an extraordinary loss because of the stock exchange for acquiring two 100%-owned subsidiaries, ACTCALL Inc. (hereinafter called “ACTCALL”) and TSUNAGU Co., Ltd (hereinafter called “TSUNAGU”), refer to the “announcement of posting an extraordinary loss, adjusting the forecast of consolidated financial figures for the FY ending September 2021 and increasing dividends of surplus” by JBR, October 18, 2021.

These are the principal reasons for the differences between FY 2021 and the previous business performance.

※ These consolidated financial results are not subject to audit.

※ Cautionary statement on appropriate use of business results forecasts and other matters.
(Note on forward-looking statements)

This report contains forward-looking statements on future performance and other matters that are based on information currently available to the corporation and certain reasonable assumptions. These forward-looking statements cannot promise or guarantee future performance. A variety of potential risks and uncertainties may cause actual performance to be different from that expressed or implied by these forward-looking statements. Please refer to “1. Qualitative Information on Annual Operation Results (4) Explanation of Consolidated Earnings Forecast and Other Forward-looking Statements” on page 6 for information on preconditions underlying the above outlook and other related information.

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1. Qualitative Information on Operation Results

(1) Explanation of Operation Results

In the fiscal year 2021, Japan's economy was affected by the COVID-19 pandemic for a long time, which restricted economic and social activities. However, with the COVID-19 vaccination started in Japan, coronavirus cases are decreasing at a surprising speed, and the normal lifestyle has already recovered slowly.

Under this background, based on "we help people in need", our group has made a significant strengthening of existing business and started to establish new business through our service which appreciated by our customers.

Our annual operation results are as follows:

- Net sales were 13,460,790 thousand yen, an increase of 11.6% compared with the previous fiscal year.
- Operating profit was 1,408,360 thousand yen, an increase of 3.0% compared with the previous fiscal year.
- Ordinary profit was 1,740,562 thousand yen, a decrease of 3.2% compared with the previous fiscal year.
- Net profit attributable to owners of parent was 56,753 thousand yen, a decrease of 94.3% compared with the previous fiscal year.
- The number of our services for solving troubles was completed: window glasses relations were 3 thousand, plumbing relations were 22 thousand, key exchange relations were 29 thousand.
- The number of our membership business' available members was 3,347 thousand, the number of our insurance business that was insured was 593 thousand.

Segment operation result is as follows:

① Emergency Business

Emergency business' net sales were 1,325,592 thousand yen (a decrease of 11.0% compared with FY2020), operating losses were 25,883 thousand yen (compared with 50,856 thousand yen of operating profit for FY2020), according to decrease of attracting customers through other company's website.

② Membership Business

Membership business' net sales were 6,974,484 thousand yen (an increase of 15.1% compared with FY2020), operating profit was 1,644,912 thousand yen (an increase of 6.5% compared with FY2020). This result might come from sales of "QR service for New Tenant", the main service for members, is extraordinary expanding than expected.

③ Insurance Business

Insurance business' net sales were 4,677,450 thousand yen (an increase of 11.7% compared with FY2020), operating profit was 361,683 thousand yen (an increase of 6.8% compared with FY2020), according to "Home Contents Insurance for Apartment", the key of insurance business, which increase the great number of contracts and prospective policy reserve has been transferred.

④ Repair Business

Repair business' net sales were 266,989 thousand yen (an increase of 0.6% compared with FY2020), while operating losses were 72,761 thousand yen (compared with 77,598 thousand yen for FY2020). This result might come from the increasing amount of high payment works along with their higher return. The works, with relatively low return are clearing up at the same time.

⑤ Life & Technology Business

Life & technology business' net sales were 230,588 thousand yen (an increase of 169.7% compared with FY2020), operating losses were 222,789 thousand yen (compared with 153,677 thousand yen for FY2020). This result might come from the negative impact of the sharp rise in the electricity price, and as we announced on Jun 21, 2021, PPS business has already withdrawn in September this year.

(2) Explanation of Financial Position

(Current Assets)

Current assets increased 4,502,314 thousand yen from the end of the previous fiscal year to 15,399,686 thousand yen mainly due to an increase of 2,767,627 thousand yen in cash & deposits, 479,540 thousand yen in accounts receivable-trade, and 923,688 thousand yen in accounts receivable-other.

(Non-current Assets)

Non-current assets increased 2,404,423 thousand yen from the end of the previous fiscal year to 12,391,724 thousand yen mainly due to a decrease of 661,912 thousand yen in investment securities, and on the other hand, an increase of 1,808,740 thousand yen in goodwill, 520,305 thousand yen in software in progress and 298,604 thousand yen in differed tax assets.

(Deferred Assets)

Deferred assets increased 64,923 thousand yen from the end of the previous fiscal year to 384,443 thousand yen mainly due to an increase of 64,931 thousand yen in deferred assets under article 113 of Insurance Business Act.

(Current Liabilities)

Current liabilities increased 2,435,989 thousand yen from the end of the previous fiscal year to 7,519,494 thousand yen mainly due to an increase of 1,150,000 thousand yen in short-term borrowings, 716,149 thousand yen in deferred income, and 156,349 thousand yen in accounts payable.

(Non-current Liabilities)

Non-current liabilities increased 774,587 thousand yen from the end of the previous fiscal year to 8,987,570 thousand yen

mainly due to an increase of 910,066 thousand yen in long-term unearned revenue, a decline of 190,000 thousand yen in bonds payable.

(Net Assets)

Net assets increased 3,761,084 thousand yen from the end of the previous fiscal year to 11,668,790 thousand yen mainly due to an increase of 2,445,943 thousand yen in capital surplus and a decrease of 1,357,515 thousand yen in treasury stock.

(3) Explanation of Cash Flow

At the fiscal year ended September 30, 2021, cash and cash equivalents' (hereinafter called "cash") were 10,975,264 thousand yen (an increase of 54.2% compared with FY2020).

The status of cash flow is as follows:

(Cash Flow from Operating Activities)

Cash from operating activities was 1,654,645 thousand yen (a decrease of 24.5% compared with FY2020) mainly due to record 737,396 thousand yen in net profit before tax adjustment and an increase of 910,066 thousand yen in long-term unearned revenue.

(Cash Flow from Investing Activities)

Cash from investing activities was 1,061,350 thousand yen (2,981,331 thousand yen in cash out-flow for FY2020) mainly due to an expenditure of 526,682 thousand yen in purchase of intangible assets, and the proceeds of 1,145,000 thousand yen in fixed deposit refund and 756,612 thousand yen in proceeds from sales of investment securities.

(Cash Flow from Financing Activities)

Cash from financing activities was 120,011 thousand yen (a decline of 27.7% compared with FY2020) mainly due to an increase of 950,000 thousand yen in short-term borrowings, 470,957 thousand yen in dividends paid, 392,906 thousand yen in refund of long-term borrowings and 210,000 thousand yen in redemption of bonds.

<Change of Cash Flow related indicators>

	FY2017	FY2018	FY2019	FY2020	FY2021
Shareholders' Equity Ratio (%)	40.6	40.6	42.1	35.8	40.2
Market Value Based Shareholders' Equity Ratio (%)	102.7	261.4	179.3	152.4	152.0
Interest Bearing Debt to Cash Flow Ratio (years)	0.4	0.3	1.0	1.3	2.4
Interest Coverage Ratio (x)	477.9	1,703.0	411.8	146.0	83.2

Notes:

Shareholders' Equity Ratio = Shareholders' Equity/Total Assets

Market Value Based Shareholders' Equity Ratio = Market Capitalization/Total Assets

Interest Bearing Debt to Cash Flow Ratio = Interest Bearing Debt/Cash Flow

Interest Coverage Ratio = Cash Flow/Interest Paid

(4) Explanation of Consolidated Earnings Forecast and Other Forward-looking Statements

Based on "we help people in need", our group has made a significant strengthening of existing business and started to establish new business through our service which appreciated by our customers.

Our group made our new medium-term business plan for the year ending September 30, 2024. In our medium-term business plan, with the expansion of market share due to mergers and acquisitions (hereinafter called "M&A"), our sales and profits will rapidly increase which not only according to our existed business, such as our service of collective house, but also our new partners under the partnership strategy.

For our membership business, we will accelerate our expansion of partners possibly have the independent house market approach, which could be our new sales partner dealing with daily trouble. According to a new household appliance extended warranty service, provided by JAPAN WARRANTY SUPPORT Co., Ltd (hereinafter called "JWS"), could be expected to acquire more members from the home center and home electronic retailer under the expansion of house reform market, after all, the newly-built market also could be expected through our house maker sales partners.

For our insurance business, the number of members insured was increased stably with our home contents insurance provided by JAPAN SMALL AMOUNT AND SHORT TERM INSURANCE Co., Ltd (hereinafter called "JSASTI"). Furthermore, we also develop and sell the new productions which almost all insurance companies in Japan provide single productions only. And it could let us become one of the best insurance companies for developing new productions in Japan. Especially for RESCUE INSURANCE Co., Ltd (hereinafter called "RI"), we caught the most prominent project which is not existed in the past years, through group contract that can acquire insured person more effectively than before.

For our emergency business and repair business, we are attracting our customers effectively with the lowest advertising expenses under the partnership strategy and recovered our profitability.

According to the above results, we forecast fiscal year ending September 30, 2022 net sales of 18,000,000 thousand yen (an increase of 33.7% compared with FY 2021), operating profit of 1,730,000 thousand yen (an increase of 22.8% compared with FY 2021), ordinary profit of 1,900,000 thousand yen (an increase of 9.2% compared with FY 2021), net profits attributable to owners of parent of 1,200,000 thousand yen (an increase of 56,753 thousand yen compared with FY 2021).

- (5) **Basic policy concerning dividends and dividends payments for the year under review and coming year**
 JBR views shareholder returns as one of the most important management priorities and aims to expand earnings and increase dividends for a long term. JBR generally targets a dividend payout ratio of 30%, and the basic policy concerning dividends requires JBR shall pay dividends to the shareholders both interim and year-end. The interim dividends distribution should be decided by the board of directors (hereinafter called "BOD"), and the general meeting of shareholders should decide the year-end dividends distribution.

Based on this policy, JBR has set 9 yen per share of the year-end dividend, which will proposal to the BOD on November 22. And JBR plans to pay 17 yen per share for a full year (including 8 yen per share of interim dividend) in line with the policy. For FY 2022, JBR plans to pay 8 yen per share of interim dividends and 9 yen per share of year-end dividends. Following the policy, annual dividends for FY 2021 should be 17 yen per share.

Record date	Total dividends (thousand yen)	Dividend per share (yen)
May 7, 2021 - decision of the BOD	247,357	8
December 24, 2021 - decision of the general meeting of shareholders (forecast)	305,434	9

2. Basic Consideration to the selection of accounting standards

JBR uses Japanese generally accepted accounting principles (JGAAP) to facilitate comparisons with other Japanese companies and consolidated financial statements during the fiscal period. And JBR will use International Financial Report Standard (IFRS) appropriately by considering the respective international situations.

Consolidated Financial Statements**(1) Consolidated Balance Sheet (Consolidated Statements of Financial Position)**

(Values of less than one thousand yen rounded off)

(Thousands of yen)

	As of September 30, 2020	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	8,770,637	11,538,265
Accounts receivable-trade	724,391	1,203,932
Merchandise	65,402	48,966
Supplies	15,668	10,997
Prepaid expenses	336,537	442,624
Accounts receivable-other	382,817	1,306,505
Other	619,419	864,327
Allowance for doubtful accounts	(17,501)	(15,931)
Total current assets	10,897,372	15,399,686
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	81,724	114,308
Machinery, equipment and vehicles, net	1,291	861
Tools, furniture and fixtures, net	60,657	51,121
Lease assets, net	13,485	10,422
Total property, plant and equipment	157,158	176,714
Intangible assets		
Goodwill	55,000	1,863,740
Software	256,393	298,824
Software in progress	150,951	671,256
Other	16,260	15,997
Total intangible assets	478,605	2,849,819
Investments and other assets		
Investment securities	7,560,720	6,898,808
Deferred tax assets	136,897	435,502
Guarantee deposits	902,721	1,073,701
Claims provable in bankruptcy, claims provable in rehabilitation and other	22,496	18,996
Other	780,037	1,010,958
Allowance for doubtful accounts	(51,336)	(72,776)
Total investments and other assets	9,351,537	9,365,190
Total non-current assets	9,987,301	12,391,724
Deferred assets		
Bond issue cost	7,805	7,797
Deferred assets under article 113 of Insurance Business Act	311,714	376,646
Total deferred assets	319,520	384,443
Total assets	21,204,194	28,175,855

(Values of less than one thousand yen rounded off)
(Thousands of yen)

	As of September 30, 2020	As of September 30, 2021
Liabilities		
Current liabilities		
Accounts payable	358,300	514,649
Short-term borrowings	—	1,150,000
Lease obligations	4,107	4,609
Income taxes payable	406,852	309,090
Provision for bonuses	67,822	89,075
Provision for the future service obligation to members	102,909	91,890
Outstanding claims	61,247	64,200
Policy reserve	722,540	804,438
Unearned revenue	1,982,660	2,698,810
Other	1,377,063	1,792,728
Total current liabilities	5,083,504	7,519,494
Non-current liabilities		
Bonds payable	975,000	785,000
Long-term borrowings	1,382,824	1,209,974
Lease obligations	10,625	6,832
Deferred tax liabilities	87,280	272,734
Assets retirement obligations	60,310	100,675
Long-term unearned revenue	5,657,569	6,567,635
Other	39,374	44,718
Total non-current liabilities	8,212,983	8,987,570
Total liabilities	13,296,488	16,507,064
Net assets		
Shareholders' equity		
Capital stock	780,363	780,363
Capital surplus	4,367,861	6,813,805
Retained earnings	3,848,012	3,410,051
Treasury stock	(1,695,449)	(337,933)
Total shareholders' equity	7,300,787	10,666,286
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	291,234	658,386
Total accumulated other comprehensive income	291,234	658,386
Stock acquisition rights	2,930	2,920
Non-controlling interests	312,753	341,198
Total net assets	7,907,706	11,668,790
Total liabilities and net assets	21,204,194	28,175,855

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Consolidated Statements of Income)

(Values of less than one thousand yen rounded off)
(Thousands of yen)

	For the fiscal year ended September 30,2020	For the fiscal year ended September 30,2021
Net sales	12,057,491	13,460,790
Cost of sales	6,429,769	7,703,120
Gross profit	5,627,722	5,757,669
Selling, general and administrative expenses	4,259,875	4,349,308
Operating profit	1,367,847	1,408,360
Non-operating income		
Interest income	1,325	7,292
Dividend income	63,423	75,682
Gain on sales of investment securities	311,827	365,356
Gain on valuation of derivatives	96,812	92,728
Other	45,635	39,858
Total non-operating income	519,024	580,918
Non-operating expenses		
Interest expenses	10,125	16,862
Redemption on deferred assets under art. 113 of Insurance Business Act	26,379	65,685
Loss on sales of investment securities	4,028	99,584
Equity in losses of affiliates	8,470	19,992
Loss on investments in investment partnership	4,151	25,643
Provision of allowance for doubtful accounts	1,081	78
Commission expenses	21,150	13,148
Other	12,695	7,719
Total non-operating expenses	88,084	248,716
Ordinary profit	1,798,787	1,740,562
Extraordinary profit		
Gain on sales of non-current assets	2,566	37
Gain on business transfer	2,637	—
Assets retirement obligation	—	397
Total extraordinary income	5,204	434
Extraordinary loss		
Loss on sales of non-current assets	2,008	—
Loss on retirement of non-current assets	3,280	6,942
Impairment loss	—	996,658
Loss on valuation of investment securities	92,387	—
Reversal of allowance for doubtful accounts	44,480	—
Other	9,748	—
Total extraordinary losses	151,904	1,003,600
Profit before income taxes	1,652,087	737,396
Income taxes - current	468,703	551,907
Income taxes - adjustment	156,880	100,291
Total income taxes	625,583	652,198
Net profit	1,026,503	85,197
Loss attributable to non-controlling interests	29,124	28,444
Profit attributable to owners of parent	997,379	56,753

(Consolidated Statements of Comprehensive Income)(Values of less than one thousand yen rounded off)
(Thousands of yen)

	For the fiscal year ended September 30,2020	For the fiscal year ended September 30,2021
Net profit	1,026,503	85,197
Other comprehensive income		
Valuation difference on available-for-sale securities	155,994	360,903
Share of OCI of entities accounted for using equity method	—	6,248
Total other comprehensive income	155,994	367,151
Comprehensive income	1,182,498	452,349
(Breakdown)		
Comprehensive income attributable to owners of parent	1,153,374	423,905
Comprehensive income attributable to non-controlling interests	29,124	28,444

(3) Consolidated statements of changes in equity

Fiscal year ended September 30, 2020

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Opening balance as of October 1, 2019	780,363	4,458,135	3,353,827	(830,553)	7,761,772
Changes of items during period					
Dividends surplus			(503,194)		(503,194)
Profit attributable to owners of parent			997,379		997,379
Purchase of treasury stock				(863,271)	(863,271)
Capital increase of consolidated subsidiaries		(91,691)			(91,691)
Other		1,418		(1,624)	(206)
Net changes of items other than shareholders' equity					
Total changes of items during the fiscal year	—	(90,273)	494,184	(864,895)	(460,984)
Closing balance as of September 30, 2020	780,363	4,367,861	3,848,012	(1,695,449)	7,300,787

	Accumulated other comprehensive income		Stock acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income			
Opening balance as of October 1, 2019	135,239	135,239	15,662	191,937	8,104,612
Changes of items during period					
Dividends surplus					(503,194)
Profit attributable to owners of parents					997,379
Purchase of treasury stock					(863,271)
Capital increase of consolidated subsidiaries					(91,691)
Other					(206)
Net changes of items other than shareholders' equity	155,994	155,994	(12,732)	120,816	264,078
Total changes of items during the fiscal year	155,994	155,994	(12,732)	120,816	(196,906)
Closing balance as of September 30, 2020	291,234	291,234	2,930	312,753	7,907,706

Fiscal year ended September 30, 2021

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Opening balance as of October 1, 2020	780,363	4,367,861	3,848,012	(1,695,449)	7,300,787
Changes of items during period					
Dividends surplus			(494,714)		(494,714)
Profit attributable to owners of parents			56,753		56,753
Disposal of treasury stock		3,469		4,541	8,010
Increase by stock exchanges		2,441,924		1,353,523	3,795,448
Other		549		(549)	—
Net changes of items other than shareholders' equity					
Total changes of items during the fiscal year	—	2,445,943	(437,960)	1,357,515	3,365,498
Closing balance as of September 30, 2021	780,363	6,813,805	3,410,051	(337,933)	10,666,286

	Accumulated other comprehensive income		Stock acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income			
Opening balance as of October 1, 2020	291,234	291,234	2,930	312,753	7,907,706
Changes of items during period					
Dividends surplus					(494,714)
Profit attributable to owners of parents					56,753
Disposal of treasury stock					8,010
Increase by stock exchanges					3,795,448
Other					—
Net changes of items other than shareholders' equity	367,151	367,151	(10)	28,444	395,585
Total changes of items during the fiscal year	367,151	367,151	(10)	28,444	3,761,084
Closing balance as of September 30, 2021	658,386	658,386	2,920	341,198	11,668,790

(4) Consolidated Cash Flow Statement(Values of less than one thousand yen rounded off)
(Thousands of yen)

	For the fiscal year ended September 30,2020	For the fiscal year ended September 30,2021
Cash flow from operating activities		
Profit before income taxes	1,652,087	737,396
Depreciation and amortization	146,197	149,358
Impairment loss	—	996,658
Amortization of goodwill	39,282	30,000
Deferred assets under article 113 of Insurance Business Act	(136,798)	(130,616)
Increase (Decrease) in allowance for doubtful accounts	(51,839)	(423)
Increase (Decrease) in provision for bonuses	12,047	(5,537)
Increase (Decrease) in provision for the future service obligation to members	(26,662)	(11,019)
Interest and dividends income	(64,749)	(82,975)
Interest expenses	10,125	16,862
Equity in losses (earnings) of affiliates	8,470	19,992
Assets retirement obligations	—	(397)
Loss on sales of non-current assets (Gain)	(558)	(37)
Loss on retirement of non-current assets	3,280	6,942
Loss (Gain) on sales of investment securities	(307,798)	(265,771)
Loss (Gain) on valuation of investment securities	92,387	—
Loss (Gain) on valuation of derivatives	(96,812)	(92,728)
Decrease (Increase) in notes and accounts receivable-trade	54,605	(52,595)
Decrease (Increase) in inventories	2,923	21,156
Decrease (Increase) in notes and accounts receivable-other	(75,469)	23,834
Decrease (Increase) in prepaid expenses	1,871	(29,258)
Decrease (Increase) in long-term prepaid expenses	(193,453)	(172,907)
Decrease (Increase) in guarantee deposits	(7,067)	(14,278)
Decrease (Increase) in claims provable in bankruptcy, claims provable in rehabilitation and other	94,105	4,133
Increase (Decrease) in notes and accounts payable-trade	19,589	14,734
Increase (Decrease) in trade and other payables	74,656	(60,529)
Increase (Decrease) in unearned revenue	158,033	178,303
Increase (Decrease) in long-term unearned revenue	772,078	910,066
Other	53,894	50,964
Subtotal	2,234,428	2,241,327
Interest and dividends income received	64,843	83,048
Interest expenses paid	(15,015)	(19,897)
Income taxes paid	(315,507)	(649,832)
Income taxes refund	222,738	—
Cash flow from operating activities	2,191,487	1,654,645
Cash flow from investment activities		
Payments into fixed deposits	(1,655,169)	(0)
Proceeds from withdrawal of fixed deposits	200,169	1,145,000
Purchase of property, plant and equipment	(65,462)	(15,733)
Proceeds from sales of property, plant and equipment	10,199	62
Purchase of intangible assets	(151,613)	(526,682)
Purchase of investment securities	(1,685,005)	(477,004)
Proceeds from sales of investment securities	767,097	756,612
Proceeds from redemption of investment securities	—	169,565
Expenditure of acquiring money trust	(24,331)	—

Summary of Consolidated Financial Statements for the FY ended September 30, 2021
 (Values of less than one thousand yen rounded off)
 (Thousands of yen)

	For the fiscal year ended September 30,2020	For the fiscal year ended September 30,2021
Expenditure of lease deposits and guarantee deposits	(501,726)	—
Proceeds from lease deposits and guarantee deposits	113,130	—
Other	11,381	9,531
Cash flow from investment activities	(2,981,331)	1,061,350
Cash flow from financial activities		
Net increase (decrease) in short-term borrowings	(300,000)	950,000
Proceeds from long-term borrowings	1,863,000	—
Repayment of long-term borrowings	(158,948)	(392,906)
Redemption of bonds	(210,000)	(210,000)
Purchase of treasury stock	(863,271)	—
Cash dividends paid	(480,028)	(470,957)
Other	(16,665)	3,852
Cash flow from financial activities	(165,913)	(120,011)
Net increase (decrease) in cash and cash equivalents	(955,757)	2,595,984
Cash and cash equivalents at beginning of period	8,071,395	7,115,637
Net increase (decrease) in cash and cash equivalents	—	1,263,641
Cash and cash equivalents at end of period	7,115,637	10,975,264

(5) Notes to Consolidated Financial Statement

(Notes on Going Concern Assumption)

Not applicable.

(Changes in Presentation of Financial Statements)

Based on the materiality principle, JBR determined to record [accounts receivable-other] separately in consolidated financial statements other than in [other current assets]. And following the new presentation basis of consolidated financial statements, we reclassified the consolidated financial statements of FY2020.

As a result, 1,002,236 thousand yen in [other current assets] of the consolidated balance sheet the previous year should adjust to 382,817 thousand yen in [accounts receivable-other] and 619,419 thousand yen in [other current assets].

(Additional Information)

We forecast the unclear situation under the COVID-19 pandemic will be continued, but there is less impact on our group. Based on the assumption of no material effort from the COVID-19 pandemic coming fiscal year, we estimate the impairment of non-current assets and the differed tax assets could be recovered in accounting consideration.

Every estimation and judgment is according to present information, and we cannot guarantee or promise that the COVID-19 pandemic does not affect our operating results and financial position because of many uncertain factors.

(Segment Information)

I. Explanation of reportable segment

The reportable segment should consist of BOD's regular consideration items, including Emergency Business, Membership Business, Insurance Business, Repair Business, and Life & Technology Business. Furthermore, for the Membership Business, consolidated subsidiaries (JWS, ACTCALL, TSUNAGU) have their own membership business, and for the Insurance Business, consolidated subsidiaries (JSASIT, RI) have their own insurance business.

II. Reportable Segment amount of net sales, net profit/loss, assets, liabilities should calculate as the same accounting basis of consolidated financial statements. Furthermore, the reportable segment amount of net profit should be the operating profit and internal transfers, and the adjusted amount should base on market value.

III. Reportable segment amount of net sales, net profit/loss for the fiscal year 2020
(from October 1, 2019 to September 30, 2020)

Information related to reportable segment's net sales, net profit/loss

(Thousands of yen)

	Reportable segment						Adjusted Amount (Note 1,2,3,4)	Amount of Income Statement (Note 5)
	Emergency Business	Membership Business	Insurance Business	Repair Business	Life& Technology Business	Total Amount		
Net sales								
Net sales - external	1,489,531	6,056,413	4,160,671	265,380	85,494	12,057,491	—	12,057,491
Net sales(transfers) -internal	—	2,921	25,951	—	—	28,872	(28,872)	—
Total Amount	1,489,531	6,059,334	4,186,622	265,380	85,494	12,086,363	(28,872)	12,057,491
Net profit/losses	50,856	1,544,074	338,734	(77,598)	(153,677)	1,702,388	(334,541)	1,367,847
Assets	368,466	7,515,402	2,812,514	54,096	63,590	10,814,070	10,390,124	21,204,194
Other items								
Depreciation & amortization	41,898	77,207	11,618	11,235	4,237	146,197	—	146,197
Amortization of goodwill	30,000	9,282	—	—	—	39,282	—	39,282
The amount of investment in associates accounted for by the equity method	—	—	—	—	—	—	282,334	282,334
Increase of PPE & intangible assets	32,136	43,773	14,638	2,298	9,615	102,463	143,332	245,796

(Note)

- Adjusted amount of net profit/losses(-) -334,541 thousand yen include 6,786 thousand yen write-off by internal transaction, and corporate expenses -341,327 thousand yen are not allocated to the reportable segment. Corporate expenses mainly consist of selling, general and administrative expenses that is not attributable to the reportable segment.
- Adjusted amount of assets 10,390,124 thousand yen include -3,949 thousand yen write-off by internal transaction, and the company-wide assets 10,394,074 thousand yen are not allocated to the reportable segment. The company-wide assets almost not attributable to the reportable segment.
- Adjusted amount of investment in associates accounted for by the equity method is 282,334 thousand yen, which is not attributable to the reportable segments.
- Adjusted amount of increase of PPE and intangible assets 143,332 thousand yen is capital investment amount.
- Segment net profit/losses(-) amounts are adjusted to be consistent with operating profit in the annual consolidated income statement.

IV. Reportable segment amount of net sales, net profit/loss for the fiscal year 2021
(from October 1, 2020 to September 30, 2021)

Information related to reportable segment's net sales, net profit/loss

(Thousands of yen)

	Reportable segment						Adjusted Amount (Note 1,2,3,4)	Amount of Income Statement (Note 5)
	Emergency Business	Membership Business	Insurance Business	Repair Business	Life& Technology Business	Total Amount		
Net sales								
Net sales - external	1,325,592	6,971,663	4,665,956	266,989	230,588	13,460,790	—	13,460,790
Net sales(transfers) -internal	—	2,821	11,494	—	—	14,315	(14,315)	—
Total Amount	1,325,592	6,974,484	4,677,450	266,989	230,588	13,475,105	(14,315)	13,460,790
Net profit/losses	(25,883)	1,644,912	361,683	(72,761)	(222,789)	1,685,162	(276,802)	1,408,360
Assets	374,361	14,004,912	3,144,145	72,816	56,311	17,652,547	10,523,307	28,175,855
Other items								
Depreciation & amortization	41,007	81,678	12,673	9,059	4,617	149,037	321	149,358
Amortization of goodwill	30,000	—	—	—	—	30,000	—	30,000
Impairment loss	—	995,488	1,169	—	—	996,658	—	996,658
The amount of investment in associates accounted for by the equity method	—	—	—	—	—	—	268,591	268,591
Increase of PPE & intangible assets	28,511	2,332,038	11,155	1,324	625	2,373,655	411,498	2,785,154

(Note)

- Adjusted amount of net profit/losses(-) -276,802 thousand yen include 7,473 thousand yen write-off by internal transaction, and corporate expenses -284,275 thousand yen are not allocated to the reportable segment. Corporate expenses mainly consist of selling, general and administrative expenses that is not attributable to the reportable segment.
- Adjusted amount of assets 10,523,307 thousand yen include -309,909 thousand yen write-off by internal transaction, and the company-wide assets 10,833,216 thousand yen are not allocated to the reportable segment. The company-wide assets almost not attributable to the reportable segment.
- Adjusted amount of depreciation and amortization 321 thousand yen is corporate expenses that are not allocated to reportable

segment.

4. Adjusted amount of investment in associates accounted for by the equity method is 268,591 thousand yen, which is not attributable to the reportable segments.
4. Adjusted amount of increase of PPE and intangible assets 411,498 thousand yen is capital investment amount.
5. Segment net profit/losses(-) amounts are adjusted to be consistent with operating profit in the annual consolidated income statement.

(Per Share Information)

	For the fiscal year ended September 30,2020	For the fiscal year ended September 30,2021
	yen	yen
Net assets per share	245.54	333.70
Earnings per share	31.82	1.83
Diluted earnings per share	31.73	1.83

(Note) The basis for calculation of basic EPS and diluted EPS is as follows.

items	For the fiscal year ended September 30,2020	For the fiscal year ended September 30,2021
Earnings per share		
Net profit attributable to owners of parent (thousand yen)	997,379	56,753
Amount not attributable to ordinary shareholders (thousand yen))	—	—
Net profit attributable to owners of parent (common stock)	997,379	56,753
Average numbers of stock during the period	31,341,553	30,928,775
Diluted earnings per share		
Adjusted amount of net profit attributable to owners of parent (thousand yen)	—	—
Increase of common stock	88,364	97,285
(stock acquisition rights included)	(88,364)	(97,285)

(Significant Subsequent Events)

Not applicable.