

Prime Market of Tokyo Stock Exchange
Premier Market of Nagoya Stock Exchange

Ticker : 2453

JBR

JAPAN BEST RESCUE SYSTEM

Business Results Summary

FY2022/Q2

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.

May 6, 2022
Japan Best Rescue System Co., Ltd.

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Summary

Net sales and operating profit progressed as forecasted

Due to stock market conditions, Ordinary & Net Profits have deteriorated.
They are expected to recover from the 2nd half of the year onward.

< million yen >	FY20/IH	21/IH	22/IH		Change	Forecast Achievement
Net Sales	5,996	6,637	8,806	+2,169 +32.7%	NEW RECORD Stable growth in existing business in addition to the benefits of the ACTG* acquisition	100.0%
Operating Profit (Margin)	650 (10.9%)	672 (10.1%)	738 (8.4%)	+65 +9.8%	2nd highest in history ACTG made a positive contribution exceeding the amortization of goodwill, while Emergency business decreased in profit	100.7%
Ordinary Profit (Margin)	665 (11.1%)	815 (12.3%)	695 (7.9%)	-119	Temporary deterioration in non-operating profit & expenses Losses on the valuation of treasury stock forward contracts	83.5%
Net Profit	260	541	518	-22	Same as above Corporate tax burden reduced	94.2%
EBITDA (Margin)	744 (12.4%)	784 (11.8%)	1,024 (11.6%)	+239 +30.6%	NEW RECORD Continuous improvement in profitability	-

*ACTCALL & TSUNAGU

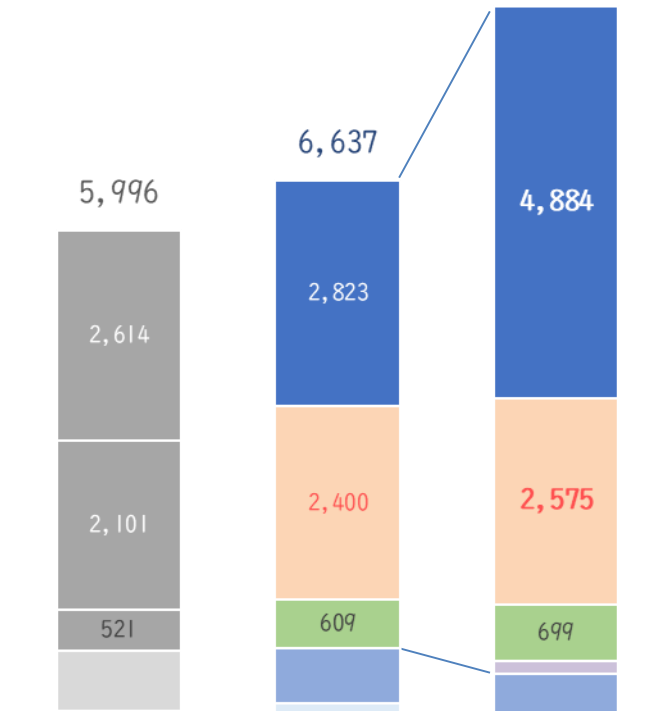
Net Sales

< million yen >

FY20/1H
(approx.)

21/1H

22/1H
8,806



Member, Insurance & Warranty exceed 90% of the total sales
Building a stable stock-based business portfolio

Change **+2,169**
+32.7%

Membership	+2,060 +73.0%	Driving growth for the entire company
		+ 193 Net increase due to acquisition of subscribers
		+1,761 ACTG 100% owned subsidiary from the end of the previous FY
		+ 105 New standard for revenue recognition Positive impact will continue for the full year
Insurance	+174 +7.3%	Net increase due to acquisition of subscribers
Warranty	+90 +14.9%	Net increase due to acquisition of subscribers
Others	+162	COVID-19 Prevention
Emergency	-203	Decrease due to decrease in the number of dispatches
Life-tech	-120	Segment abolished at the end of the previous FY due to withdrawal from the PPS business
Adjustment	+5	

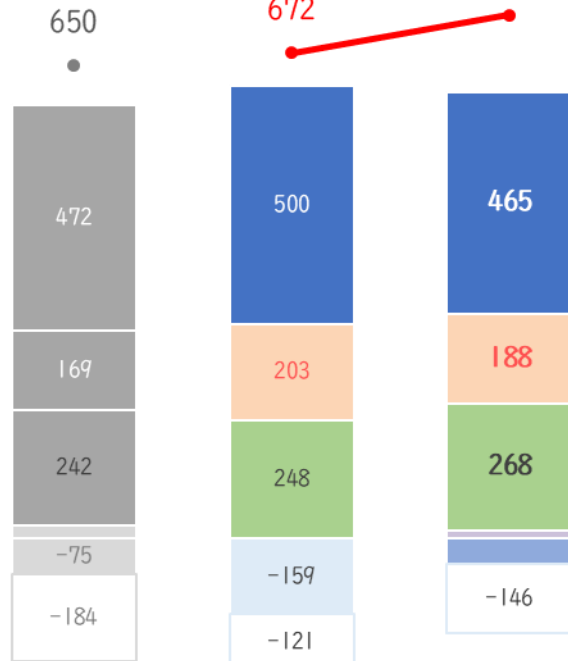
Operating Profit

< million yen >

FY20/1H
(approx.)

21/1H

22/1H



Depreciation burdens increased in core business

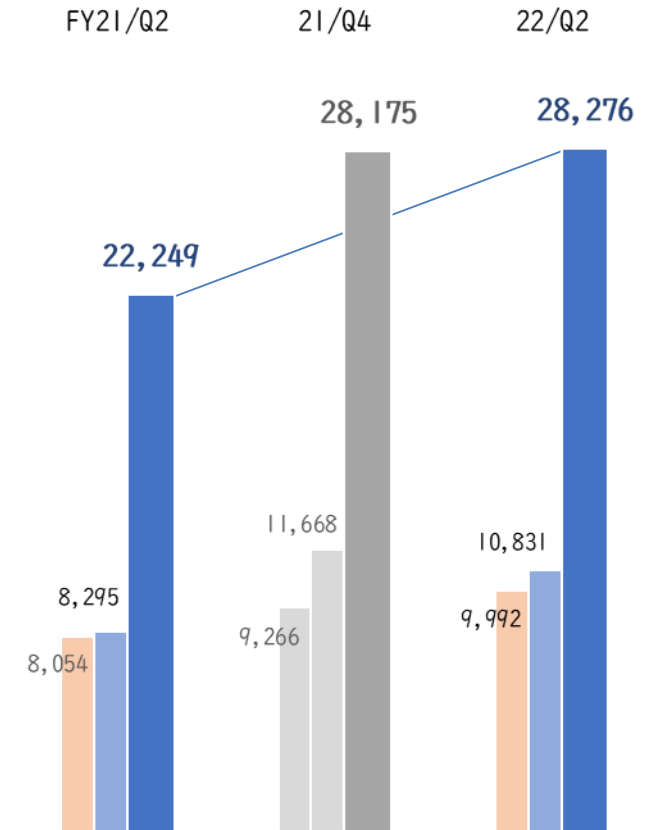
Company earnings improved due to withdrawal from Life-tech, which was engaged in the Power Producer & Supplier business

Change **+65**
+9.8%

Membership	-35 -7.0%	+ 32 Net increase due to acquisition of subscribers
		+ 97 ACTG Far exceeding the burden of goodwill amortization: 92
		-165 Increased burden, etc. Due to lower revenues from Emergency and Life-tech
Insurance	-15 -7.5%	+ 38 Net increase due to acquisition of subscribers Provision of contract reserves an increased due to increase in the acquisition pace
		- 53 Effect of accounting treatment In accordance with the Insurance Business Act <FY21> +7 → <FY22> -46
Warranty	+20 +8.2%	Net increase due to acquisition of subscribers
Others	+16	
Emergency	-54	Decrease due to decrease in the number of dispatches
Life-tech	+159	Withdrawal from loss-making business
Adjustment	-25	

Financial Position

< million yen >



Stock-based revenue increases continuously
Commenced new share repurchases (up to ¥500 million)

Change

Deferred Income	+1,937 +24.1%	+ 904 Sustained growth in core business
		+ 550 ACTG
		+ 483 New Standard for Revenue Recognition Lump-sum amount with remaining contract period
Net Assets	+2,535 +30.6%	+2,441 Gain on the disposal of treasury stock
		+1,107 ACTG
		- 405 New Standard for Revenue Recognition
		- 259 Repurchase of treasury stock
Total Assets	+6,026 +27.1%	+3,203 ACTG
		+2,441 Gain on the disposal of treasury stock
		+ 904 Sustained growth in core business
		- 259 Repurchase of treasury stock
		± 0 New Standard for Revenue Recognition No impact on total assets

The ratio of
Deferred Income
to Liabilities

57.7%

56.1%

57.3%

Equity ratio

35.8%

40.2%

36.5%

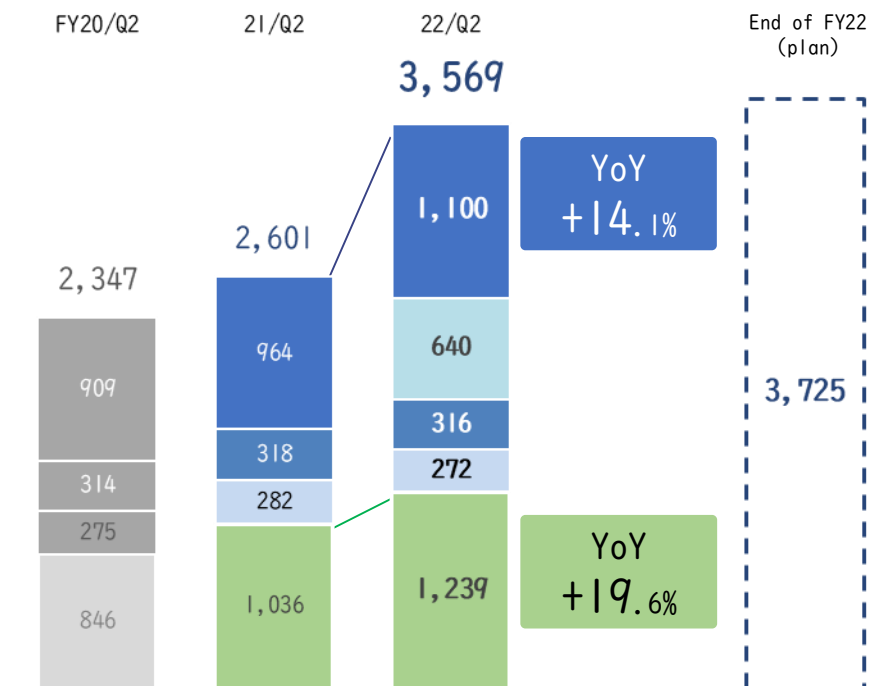
Membership · Warranty

Together with the effect of the ACTG acquisition, the number of Subscribers increased: +37% YoY

With a major alliance with JAF, medium- to long-term growth speed is expected to continue to accelerate

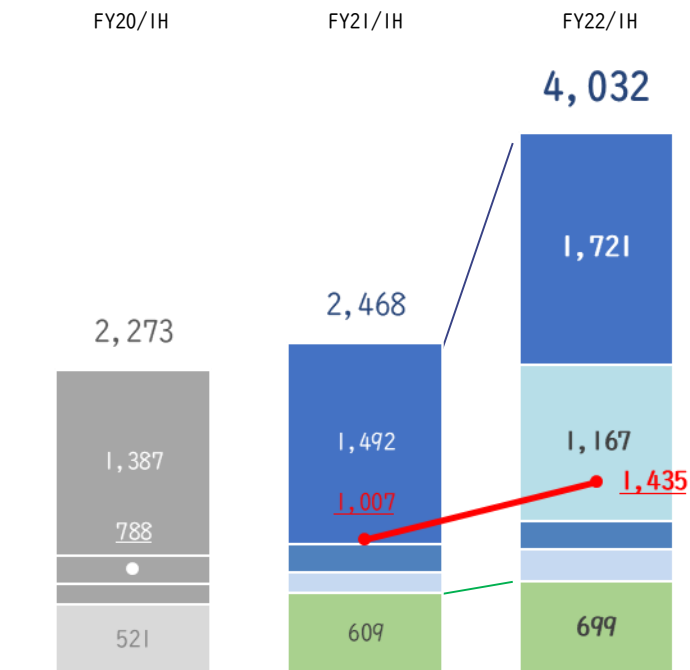
Subscribers
(thousand)

The annual growth rate exceeds 10% in the conventional cruising rate of existing businesses and accelerating subscribers acquisition



Membership & Dispatching Fee
(million yen)

Dispatching fees are adequately controlled
YoY Membership fee: +63% vs. Dispatching fee: +43%



<Legend>

Collective housing ACTG University Others Warranty extension Dispatching fee

QR service*

*QR; Quick Response for daily life trouble

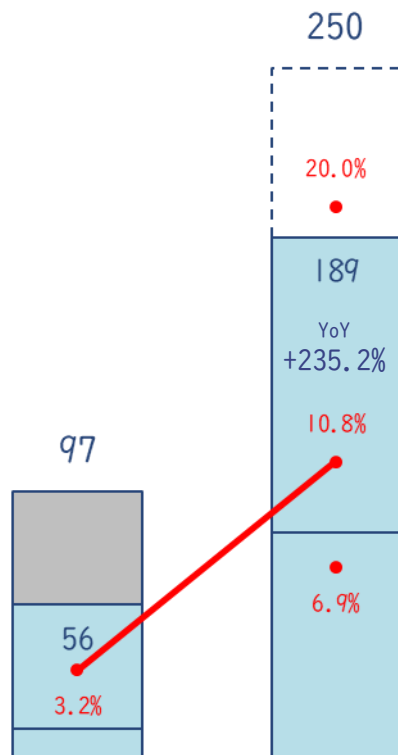
<KPIs>
ACTG

Target (OPM: 9.0%) achieved 3 years ahead of schedule

Significant improvement in profitability compared to the annual target (OPM: 6.9%), which was set before the acquisition of ACTG.

Operating Profit · OPM (million yen)

Before & After
FY21 Acquisition FY22



<Operating profit>
Percentage of progress: 75.9%

[FY22/2H] Cost shall increase due to reinforcement of the structure
[Annual] Expected to exceed the plan

<OPM>

→Standard of JBR

It was a “future goal” at the time of acquisition and did not expect to be achieved in the 3 years of the medium-term business plan

→Result as of FY22/IH

PMI activities are performing better than expected before the acquisition

→Annual target before acquisition

Conservatively set in the medium-term plan before formulating the PMI plan

[Reference] 2nd year: 8%
3rd year: 9%

PMI Activities

Impact

JBR Group

Absorption-type Merger

Large

Progress is being made on organizational optimization, etc. toward the effective date of Oct. 1.

Improvement of the entire group

Large

Streamlining sales, administrative, and call center operations
Advance consideration of system integration, etc.

Call Center

Improving the efficiency of operations

Large

Sales Partner

Negotiation for correction of unprofitable projects

Large

Operation Partner

Negotiation for correction of work cost

Medium

Back Office

Incorporating outsourced operations

Small

Insurance

Acquired various sales partners for existing products

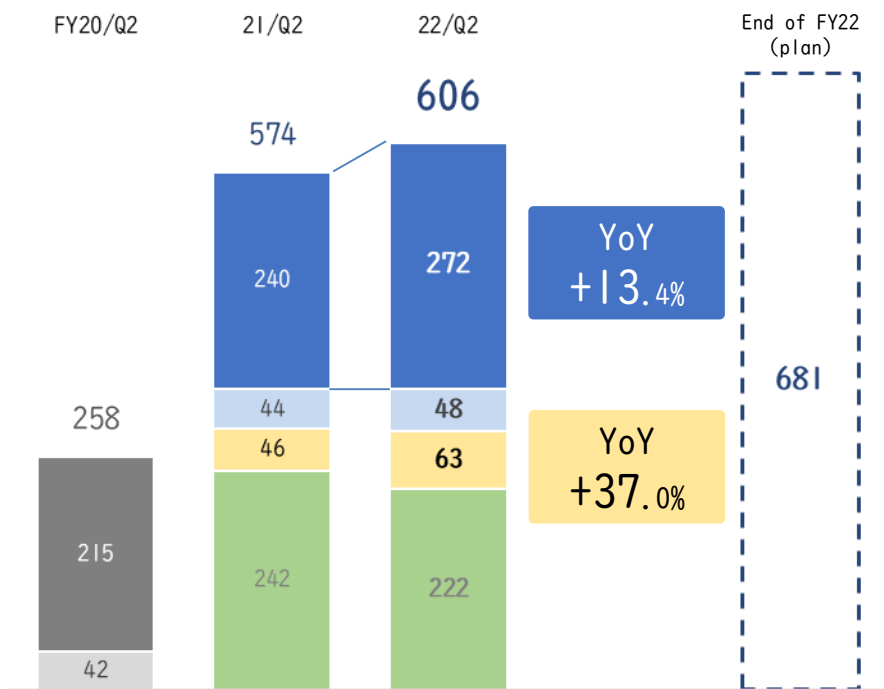
Several new products are being prepared for joint development with ITOCHU Corp.

Subscribers

(thousand)

Steady acquisition of subscribers

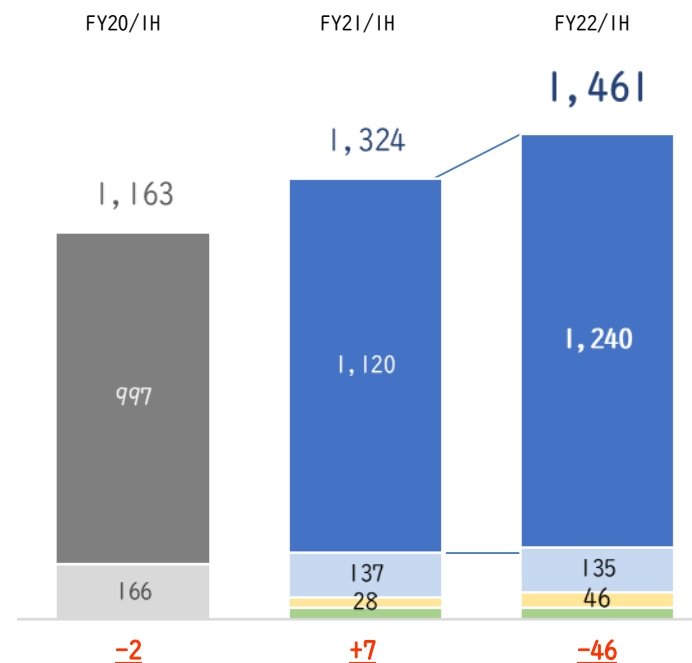
Expanding the number of sales partners for smartphone & sports club



Insurance Premium · Policy Reserves

(million yen)

Increase in the policy reserve due to an increase in the pace of contract acquisition, which positive & negative impacts occur in each quarter depending on actual insurance payments, etc.



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Home contents

Others

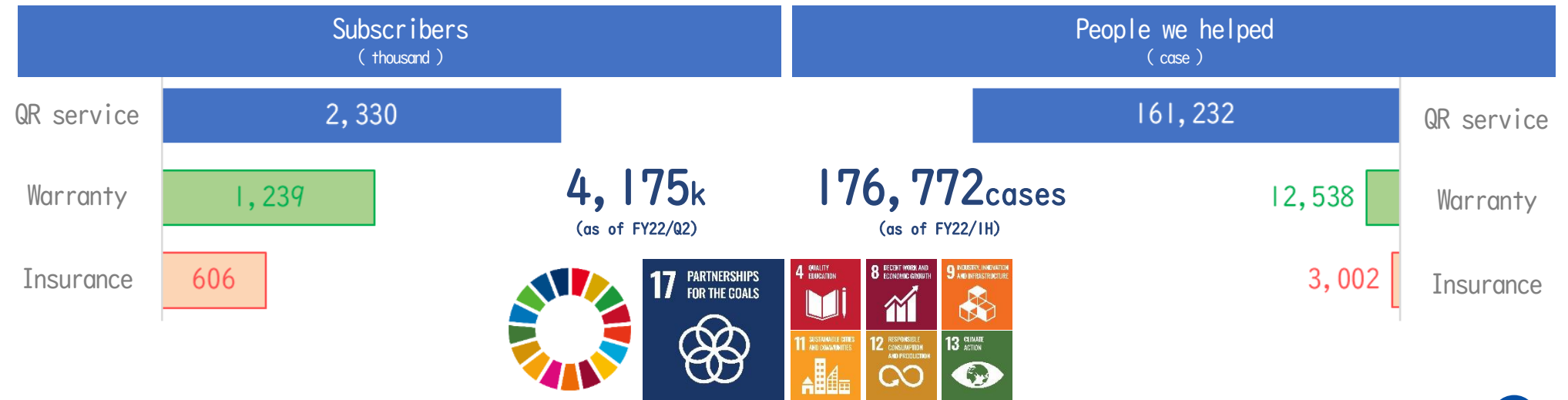
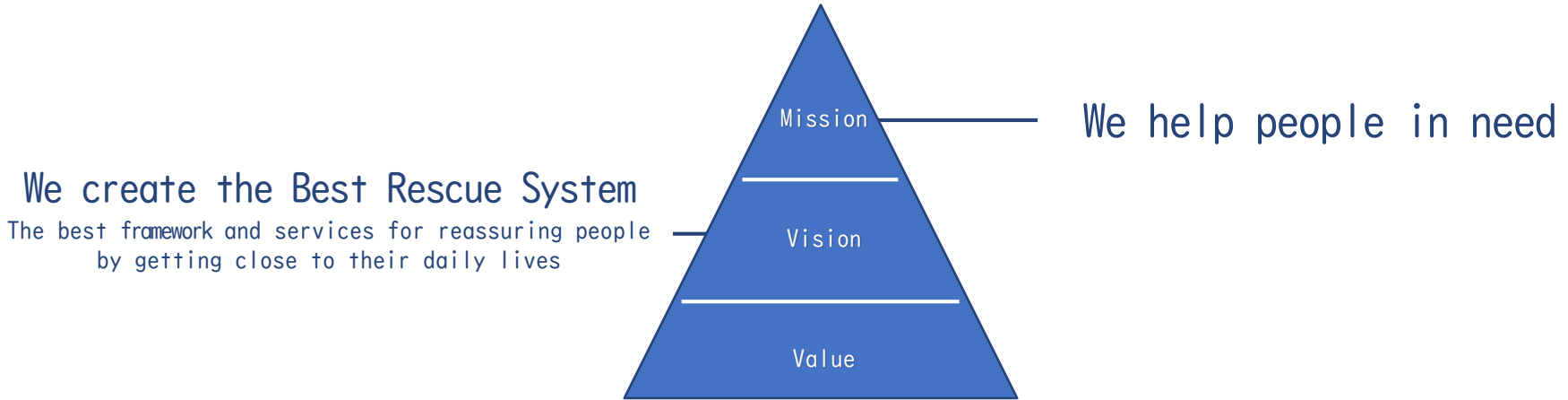
Smartphone

Sports club

Policy reserves

Sustainability

Our “Best Rescue System” provides reassurance for 4 million+ subscribers and contributes to local development
 Established a Sustainability Committee to further specify measures to improve sustainability



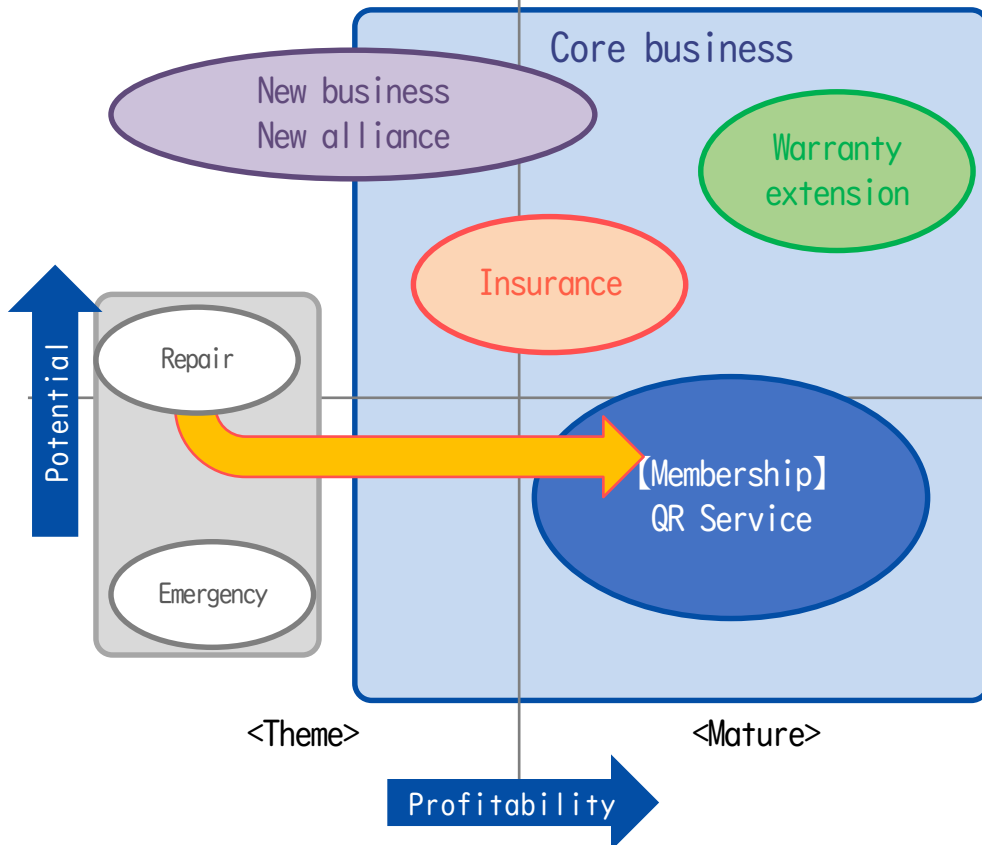
Change in Reportable Segment

Reportable segments changed due to Prime listing and reorganization

Organized around membership segments that encompassed services with different growth & profitability potential

Business Portfolio

<Fostering> <Growth>



Comparison between old & new segments

<Company-wide sales ratio>

Clarified the performance of each service

Old seg. · Service	Detail	New seg.
Warranty extension	Higher potential & profitability than QR service Subsidiary JWS manages the business	Warranty <7.9%>
Member <64.0%> New business COVID-19 Prevention	Previously recorded as member business Leverage existing infrastructure to develop new services without being limited by the existing model	Others <1.8%>
QR Service <54.3%>	ACTG acquisition gave us a dominant top share in the market Merging both companies effective Oct. 1st to make further improvement	Member <55.4%>
Repair <1.1%>	Struggling to attract customers despite high technical skills Increase added value & growth potential as part of the content of membership business	

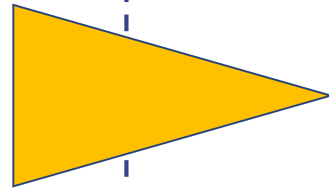
※As of the end of FY22/Q2, no changes in Emergency & Insurance seg.

The latest major tie-up

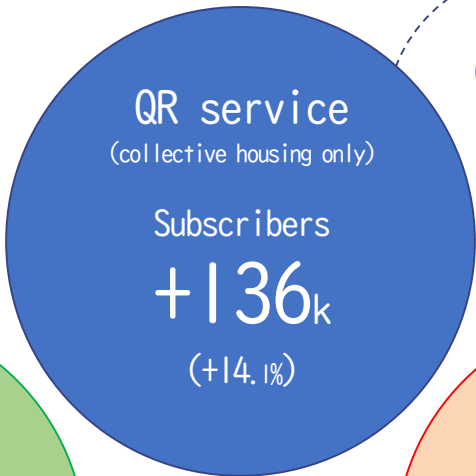
JAF the troubleshooter of automobile × JBR the troubleshooter of daily life
Aiming to quickly attract 100k+ subscribers/year and make it a new growth driver

What is JAF?

<https://english.jaf.or.jp/>
<https://yutai.jafnavi.jp/homelifesupport/>



Growth drivers of JBR (figures are YoY changes, as of FY22/Q2)



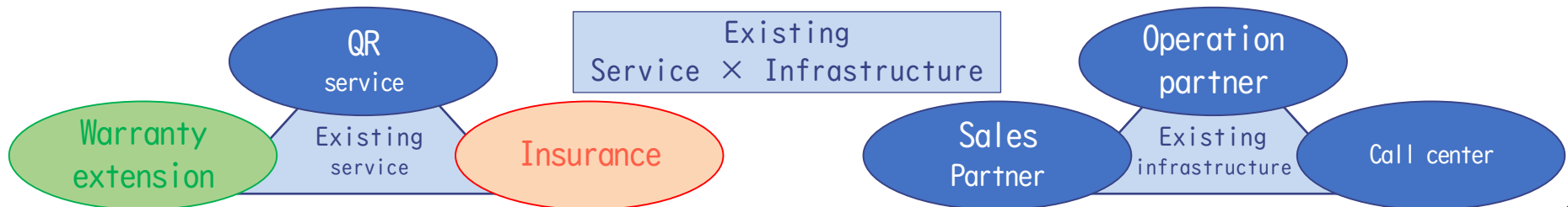
Japan Automobile Federation (JAF) is a general incorporated association affiliated to FIA (Fédération Internationale de l'Automobile)
More than 20 million members over 90% retention rate※
With over 50 years of quality road service performance & extensive membership benefits
※As of November 2021

New Projects

Tie-up with the ITOCHU Group is entering the materialization phase

Business meetings with prominent companies and organizations are increasing daily

New Projects Sales promotion of existing service(Membership・Insurance)				Development policy By service	
Starting	Partners/Business	Service	Market size		
Started	JAF	QR Service	20 M	QR Service	Accelerate development for the owner-occupied home market Enhancing the service attached with repair service as well
	Fast Fitness Japan	Sports club ins.	0.6 M		
	GMO Internet	Smartphone ins.	-		
Upcoming	Food delivery	QR Service	-	Warranty Extension	Focus on sales to housing & equipment manufacturers Pursuing efficient sales expansion by holding down the upstream of the commercial flow
	Gas	QR Service	-		
TBD	Home Security	QR Service	※	Insurance	Develop new products utilizing the alliance relationship Also cultivates large channels such as ITOCHU & Mini-Mini
	Regional bank Education loan	QR Service	-		
	Credit card	QR Service	1.5 M		
	Medical care	One-mile Discharged patient	1.2 M/year		
				Last One-mile	Develop new services using existing infrastructure Back-up of food delivery, Patrolling restaurants, Monitoring of the elderly, after-sales service of bicycles, etc.



FAQ

1. How was the 1st Half?

Sales and Operating profit were in line with forecasts. Qualitative growth was outstanding, which accelerates future business growth.

2. What is New Revenue Recognition Standard?

Some of the IFRS have been mandatorily applied from this FY and it has already been considered in the forecast.

3. How is the PMI going with Actcall?

We exceeded our initial expectations and achieved OPM:10% as of the 1st half of the year. To further promote improvement, Actcall & TSUNAGU will be merged into JBR next October.

4. Any impact from PPS business withdrawal?

This has led to early avoidance of global power supply & demand risks. We expect its contribution of about ¥150M in profit for the full year.

5. Future plans with ITOCHU?

We are in discussions with ITOCHU Group companies for about 20 projects. Some contracts have already been signed, although details are not disclosed due to the client's request.

6. Outlook for the 2nd half and beyond?

At present, we expect to make progress in line with our forecast. We will aim to increase our performance in the mid- & long-term and beyond by making progress in new projects & PMI.

7. Any impact from the situation in Ukraine?

We have had no impact on our business so far from the change in the situation in Ukraine. We announced our support for refugees on Mar 7.

8. Where is the company presentation?

We prepared the document separately to enrich each content. Please wait for its latest version to be released.

<https://www.jbr.co.jp/en/>



9. Planning to hold a financial results briefing?

The briefing of the first half financial results shall be held during May. We also started an IR channel on YouTube.

<https://tinyurl.com/4y4ju8er>



10. Contact for unclear matters?

If you have any inquiries, please contact us on the last page.

Data① Membership / Warranty

Entering the high-growth phase after the liquidation of unprofitable projects, etc.

	FY18				FY19				FY20				FY21				FY22	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Subscribers (thousand)	2,233	2,305	2,247	2,247	2,259	2,310	2,168	2,222	2,245	2,347	2,338	2,399	2,492	2,601	2,657	3,347	3,411	3,569
QR Service	1,755	1,786	1,699	1,664	1,636	1,646	1,464	1,464	1,441	1,500	1,454	1,465	1,506	1,565	1,575	2,214	2,226	2,330
Collective housing	811	840	822	830	840	865	854	870	864	909	897	913	930	964	1,009	1,020	1,038	1,100
ACTG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	630	624	640
University Student	252	286	271	273	273	300	285	286	286	314	289	290	290	318	288	288	288	316
d-living	251	241	214	189	166	145	-	-	-	-	-	-	-	-	-	-	-	-
Others	439	417	391	371	356	335	323	308	290	275	267	261	285	282	277	275	275	272
Warranty Extension	477	519	547	583	622	663	704	758	804	846	883	934	986	1,036	1,082	1,132	1,185	1,239
Membership fee (million yen)	988	1,130	1,156	1,081	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	2,034
QR Service	819	948	965	884	893	987	985	857	832	919	904	874	887	972	1,008	969	1,652	1,680
Collective housing	506	631	660	601	626	729	729	669	652	735	727	696	706	786	828	790	847	874
ACTG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	581	586
University Student	91	96	96	97	97	101	100	101	100	104	100	102	103	108	102	102	103	105
d-living	112	111	101	89	78	68	66	-	-	-	-	-	-	-	-	-	-	-
Others	109	109	105	96	90	87	88	85	80	79	76	76	77	78	77	76	120	113
Warranty Extension	168	182	191	197	215	226	230	250	255	265	265	271	300	308	315	326	345	354
Dispatching fee	538	498	532	554	573	520	536	397	392	396	376	443	488	519	489	524	701	734

Data② Insurance

Launching new products rapidly with top-level product development capabilities

	FY18				FY19				FY20				FY21				FY22	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Products*1	9	9	9	9	9	9	9	11	12	14	14	14	17	17	17	17	17	18
Small amount Short term	9	9	9	9	9	9	9	9	9	10	10	10	11	11	11	11	11	12
Casualty	-	-	-	-	-	-	-	2	3	4	4	4	6	6	6	6	6	6
Subscribers (thousand)	272	269	274	274	272	272	259	259	262	258	529	550	556	574	585	593	593	606
Home contents	175	180	184	187	182	194	197	201	207	215	221	226	231	240	246	251	257	272
Sports club	-	-	-	-	-	-	-	-	-	-	264	264	246	242	241	240	228	222
Smartphone	-	-	-	-	-	-	-	-	-	-	-	15	34	46	52	55	60	63
Others	97	89	89	87	89	78	61	58	55	42	43	43	44	44	45	46	47	48
Insurance premium (million yen)	450	581	534		484	629	570	493	509	654	597	561	590	734	701	616	638	822
Home contents	345	484	419	366	389	533	471	404	422	574	504	465	490	630	579	502	527	713
Sports club	-	-	-	-	-	-	-	-	-	-	12	17	18	18	19	20	18	18
Smartphone	-	-	-	-	-	-	-	-	-	-	-	4	11	17	20	21	23	23
Others	104	97	115	96	94	96	99	89	86	80	81	73	70	67	81	72	69	66
Policy Reserves*2	-3	+35	-3	+1	+0	-8	-13	-127	+15	-18	+28	-38	+15	-7	-39	-52	-7	-38

*1 Number of ordinary insurance policies at the end of each term

*2 Operating profit in each quarter may fluctuate due to accounting treatment based on the Insurance Business Act

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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.

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