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July 27, 2021

To whom it may concern

Company Name	Japan Best Rescue System Co., Ltd
Representative	Representative Director Mr. Nobuhiro Sakakibara (Stock code: 2453; 1 st Section of Tokyo Stock Exchange, 1 st Section of Nagoya Stock Exchange)
Inquiry	Director & Executive Officer Mr. Mitsuhiro Wakatsuki (TEL: +81-52-212-9908)

**Announcement on acquiring 100% ownership of ACTCALL INC. and TSUNAGU CO., LTD.
and having capital and business alliance with CHIC Holdings INC.**

We made a resolution at the meeting of the Board of Directors held on today that we will implement equity swap for the purpose of acquiring 100% ownership of ACTCALL INC. (hereinafter called “ACTCALL”) and TSUNAGU CO., LTD. (hereinafter called “TSUNAGU”, and collectively called “Acquirees” together with ACTCALL) and have concluded equity swap contracts (hereinafter called “equity swap contract”) with Acquirees respectively. For details, please be informed as follows:

In addition, we also hereby inform you that we have concluded capital and business alliance contract (hereinafter called the “Contract”) with CHIC Holdings INC. (hereinafter called “CHIC”), the parent company of Acquirees for the purpose of closely cooperating each other in the business fields of both companies aiming at development of mutual business at the same time of concluding equity swap contract.

It should be noted that the equity swap shall be subject to the approval at the extraordinary shareholders meetings of acquires to be held on September 29, 2021 respectively. Our company shall implement the equity swap with the effective date of September 30, 2021 without having approval of shareholders meeting by making an arrangement of simple equity swap based on the provision stipulated under the Article 796 Clause 2 of the Company Act of Japan.

1. Purpose of acquiring 100 % ownership of Acquirees and having capital and business alliance

Our company has been engaged in the business across Japan for solving the troubles in the daily life on comprehensive basis with the management philosophy of “We help people in need”. We have been deploying business in the segment of “Membership Business” in which we offer “QR Service for New Tenants” designed for tenants of rental real estate property and “QR Service for University Students” designed for university students and “Insurance Business” with the main focus on home contents insurance for tenants of rental real estate property. We have been providing these services in order to provide security and safety to more people by catering to their needs and aiming to “materialize offering our service to 5 million households across nation” as our medium-term goal.

On the other hand, CHIC has become holding company as of April 1, 2021 and increased the number of companies adopting its service in the housing life related comprehensive outsourcing business and settlement solution business with the corporate mission of “to deepen/renew/evolve/value-add the life of people with technology coexisting with them” and intends to expand business domain by enhancing the specialties of each business segment considering the provision of new service into consideration together with aiming at increasing the number of users.

Up until now, our membership business for tenants of rental real estate properties has been trying to improve by competing with the housing life related comprehensive outsourcing business provided by CHIC. Under such situation, since CHIC has started to consider focusing management resources to settlement solution business, we shall be able to be entrusted with the part of call center operation of the housing life related comprehensive outsourcing business conducted by CHIC and have the opportunity to discuss the future business strategy mutually with CHIC and advance the discussion to further develop the business together and agreed with CHIC to acquire 100% ownership of Acquirees by the equity swap.

Our company shall take a big step to achieve the medium-term goal as the number of our members will exceed 3 million people for our entire group by acquiring 100% ownership of Acquirees. Furthermore, the profit margin of our Membership Business exceeds that of Acquirees’, we expect that the profitability of Acquirees will be improved by mainly streamlining marketing resources and call center operation.

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While at the same time, CHIC has a policy to promote expansion of settlement solution business and our company have concluded capital and business alliance contract with CHIC together with the Equity Swap transaction and intend to support the sales and marketing of CHIC in its settlement solution business domain. Furthermore, we will plan to establish corporate joint venture and develop new services based on the discussions with CHIC.

Starting with the Equity Swap and the capital and business alliance, we aim at expanding the volume of Membership Business and improving its profitability and further expansion of the settlement solution business of CHIC through alliance with us and seek for business synergy any further through cooperation with CHIC.

2. Procedure of the Equity Swap

Our company shall acquire 11,253,700 shares issued by ACTCALL and 200 shares issued by TSUNAGU in the form of the Equity Swap. As a result, ACTCALL and TSUNAGU will become our wholly owned subsidiaries.

3. Summary of the Equity Swap

(1) Schedule of the Equity Swap

Date of the meeting of the Board of Directors for the Equity Swap (Our company)	July 27, 2021
Date of concluding the Equity Swap Contract	July 27, 2021
Date of extraordinary shareholders meeting for approving the Equity Swap (Acquirees)	September 29, 2021 (Scheduled)
Effective date for the Equity Swap	September 30, 2021 (Scheduled)

(note 1) We shall implement the Equity Swap without having approval resolved at the shareholders meeting through arrangement of simple equity swap based on the provision stipulated under Article 796 Clause 2 of the Company Act of Japan.

(note 2) The effective date of the Equity Swap may be changed based on the mutual agreement of each party involved.

(2) Methodology of the Equity Swap

Through the Equity Swap transaction this time, we shall become wholly owning parent company and Acquirees shall become wholly owned subsidiary companies. We shall conduct the Equity Swap without having approval resolved by the shareholders meeting through the arrangement of simple equity swap based on the provision stipulated under Article 796 Clause 2 of the Company Act of Japan. Each Acquirees shall implement the Equity Swap respectively after having approvals resolved at the extraordinary shareholders meeting to be held on September 29, 2021.

(3) Summary of the Share Allocation by the Equity Swap

Corporate name	Our company (wholly owning parent company)	ACTCALL (wholly owned subsidiary company)
Stock exchange ratio of the Equity Swap	1	0.266
Number of shares to be allocated by the Equity Swap	Ordinary share: 2,988,236 shares (tentative)	

Corporate name	Our company (wholly owning parent company)	TSUNAGU (wholly owned subsidiary company)
Stock exchange ratio of the Equity Swap	1	96.415
Number of shares to be allocated by the Equity Swap	Ordinary share: 19,283 shares (tentative)	

(note) 1. Stock exchange ratio of the Equity Swap (hereinafter called “stock exchange ratio”)

The ordinary shares of our company (hereinafter called “our company share”) shall be allocated 0.266 shares to 1 share of ACTCALL and 96.415 shares to 1 share of TSUNAGU respectively. It should be noted that the stock exchange ratio may be changed based on the mutual agreement after discussion in case that the material change occurs in the terms and conditions for calculation basis

2. Number of shares to be allocated by the Equity Swap

As for our company shares to be allocated by the Equity Swap, we will allocate 3,007,519 shares of our treasury stocks and will not issue any new shares.

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(4) Handlings on stock acquisition rights and bonds with stock acquisition rights

Neither ACTCALL nor TSUNAGU, which will become our wholly owned subsidiary companies, have issued both stock acquisition rights and bonds with stock acquisition rights. Therefore, it is not applicable.

4. Basis for content of share allocation by the Equity Swap

(1) Basis and background for the share allocation

As for the stock value of our company, taking the fact into consideration that we are public company listed on the stock exchange and through the market stock price method by adopting July 26, 2021 as the calculation base date by reference to taking into account the volume weighted average of the closing market prices of Tokyo Stock Exchange for the 1-month, 3-month and 6-month periods prior to the base date, we have evaluated the closing price at the first section of Tokyo Stock Exchange on the calculation base date. Then we had discussion with Acquirees with reference to the result of such calculation and have consequently decided JPY 931 per share.

As for the shares of Acquirees, taking the fact into consideration that both are unlisted companies, we have asked Tokyo Financial Advisors as the third-party institution independent from our company and Acquirees to calculate the value of stock to be used for the Equity Swap.

Our company has carefully repeated discussion with each company by reference to the result of calculating share price of Acquirees and taking into consideration the future outlook of Acquirees such as financial condition, asset status and financial forecast and consequently we have reached the conclusion that it would be appropriate to ultimately use stock exchange ratio by the formula described under above Section 3. (3) and the judgement that such arrangement shall contribute to the interest of shareholder of each company. For those reasons, we have agreed with Acquirees respectively.

(2) Matters relating to calculation of stock value

1.	Name of institution calculating the stock value and its relationship with Acquirees Tokyo Financial Advisor, which is the third-party institution calculating stock value retained by our company, is independent from Acquirees and is not connected party with them and does not have any material interest with regard to the Equity Swap transaction.
2..	Summary on calculation of stock value As for the stock value of 1 share of Acquirees, which is the base for calculating stock exchange ratio to be used for the Equity Swap, we have used discount cash flow method (hereinafter called “DCF method”) for calculating the stock values in order to reflect the situation of future business activity. It should be noted that we shall be based on the future plan drawn up by the Acquirees by using the business result of the past fiscal year as a standard with regard to the future profit plan, which is the base for calculating stock value. In addition, since Acquirees are originally a single company, it is more appropriate to evaluate its sales as a single entity in terms of its business model. Since Acquirees have been just spun off, the allocation of costs, division of duties, and headquarters functions are in a state of flux. Therefore, we have evaluated Acquirees as a single entity in calculating the value of 1 share. It should be noted that the share value assessed as a whole was divided proportionately based on the ratio of net assets of two companies at the end of June 2021 and those results were regarded as the value of shares of each company. According to the calculation of stock value mentioned above, the price range per 1 share, being the base for calculating stock exchange ratio, will be JPY 236 to JPY 299 for ACTCALL and JPY 85,667 to JPY 108,735 for TSUNAGU. Referring to the result of such calculation of the stock value, we have discussed with Acquirees and made a judgement that it would be appropriate to use the stock value of JPY 247 for 1 share of ACTCALL and that of JPY 89,761 for 1 share of TSUNAGU respectively.

(3) Prospect to be delisted and its reason

Our company shall become wholly owning parent company through the Equity Swap transaction and Acquirees, which will become our wholly owned subsidiary company, are unlisted companies, therefore it shall not be applicable.

(4) Measure to avoid conflicts of interest

Our company and Acquirees do not have any human relationship such as mutually sending directors at the time of making resolution on implementing the Equity Swap on July 27, 2021 and furthermore our company and shareholders of Acquirees do not have any human relationship. As such, special conflicts of interest shall not occur

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between our company and Acquirees, and between our company and shareholders of Acquirees. Therefore we do not take any special measure to avoid conflicts of interest.

5. Summary of companies involved in the Equity Swap

(1) Japan Best Rescue System Co., Ltd.

(1)	Corporate name	Japan Best Rescue System Co., Ltd.		
(2)	Location of head office	Nishiki1-10-20, Naka-ku, Nagoya City, Aichi Prefecture		
(3)	Title of representative director and name	Representative Director Mr. Nobuhiro Sakakibara		
(4)	Business content	Emergency Business, Membership Business, Insurance Business, Repair Business, LifeTech Business, etc.		
(5)	Capital	JPY 780 million		
(6)	Date of establishment	February 12, 1997		
(7)	Net asset	JPY 8,295 million (as of March 31, 2021)		
(8)	Total asset	JPY 22,249 million (as of March 31, 2021)		
(9)	Major shareholders and their voting rights ratio (as of March 31, 2021)	Mr. Nobuhiro Sakakibara 34.89% HIKARI TSUSHIN, INC. 10.05% Custody Bank of Japan, Ltd. (account in trust) 5.04% Custody Bank of Japan, Ltd. (account in trust 9) 4.74% The Master Trust Bank of Japan, Ltd. (account in trust) 4.50%		
(10)	Relationship among companies involved in the Equity Swap	Capital ties	Not applicable	
		Human relationship	Not applicable	
		Business relationship	ACTCALL has entrusted telephone reception work to our company.	
		Situation applicable to parties involved	Not applicable	
(11)	Business results and financial conditions over the last 3 fiscal years			
	Fiscal year	FY ending Sep. 2018	FY ending Sep. 2019	FY ending Sep. 2020
	Consolidated net asset	JPY 6,042 million	JPY 8,104 million	JPY 7,907 million
	Consolidated total asset	JPY 14,865 million	JPY 18,761 million	JPY 21,204 million
	Consolidated net asset per share	JPY 193.12	JPY 246.94	JPY 245.54
	Consolidated sales	JPY 11,766 million	JPY 12,010 million	JPY 12,057 million
	Consolidated operating profit	JPY 1,430 million	JPY 1,638 million	JPY 1,367 million
	Consolidated ordinary profit	JPY 1,644 million	JPY 1,967 million	JPY 1,798 million
	Net profit attributable to owners of the parent	JPY 1,192 million	JPY 1,639 million	JPY 997 million
	Consolidated net profit per share	JPY 38.05	JPY 51.81	JPY 31.82
	Dividend per share	JPY 11	JPY 15	JPY 16

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(2) ACTCALL INC.

(1)	Corporate name	ACTCALL INC.		
(2)	Location of head office	Yotsuya 2-12-5, Shinjuku-ku, Tokyo		
(3)	Title of representative director and name	Representative Director & President Mr. Kazuya Haboshi		
(4)	Business content	Comprehensive outsourcing business relating to housing life		
(5)	Capital	JPY 101 million		
(6)	Date of establishment	January 27, 2005		
(7)	Number of shares issued	11,253,700 shares		
(8)	Fiscal year end	September 30		
(9)	Major shareholders and their voting rights ratio	CHIC Holdings INC. 100%		
(10)	Relationship between listed company and companies involved	Capital ties	Not applicable	
		Human relationship	Not applicable	
		Business relationship	ACTCALL has entrusted telephone reception work to our company.	
		Situation applicable to parties involved	Not applicable	
(11)	Business results and financial conditions over the last 3 fiscal years			
	Fiscal year	FY ending Nov. 2018	FY ending Nov. 2019	FY ending Sep. 2020*
	Net asset	JPY 382 million	JPY 865 million	JPY 4,391 million
	Total asset	JPY 3,797 million	JPY 3,657 million	JPY 6,384 million
	Net asset per share	JPY 49.50	JPY 108.66	JPY 389.78
	Sales	JPY 4,669 million	JPY 3,400 million	JPY 2,832 million
	Operating profit	JPY 291 million	JPY 430 million	JPY 297 million
	Ordinary profit	JPY 224 million	JPY 577 million	JPY 436 million
	Net profit	▲JPY 421million	JPY 445 million	JPY 344 million
	Net profit per share	▲JPY54.87	JPY 56.61	JPY 36.67
	Dividend per share	-	-	-

▲: negative figure

*As for the fiscal year ending September 2020, it was an irregular accounting period of 10 months due to change of accounting period.

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(3) TSUNAGU CO., LTD.

(1)	Corporate name	TSUNAGU CO., LTD.	
(2)	Location of head office	Yotsuya 2-12-5, Shinjuku-ku, Tokyo	
(3)	Title of representative director and name	Representative Director & President Mr. Junji Tsuge	
(4)	Business content	Operation of Call Center	
(5)	Capital	JPY 10 million	
(6)	Date of establishment	October 1, 2020	
(7)	Number of shares issued	200 shares	
(8)	Fiscal year end	September 30	
(9)	Major shareholders and their voting rights ratio	CHIC Holdings INC. 100%	
(10)	Relationship between listed company and companies involved	Capital ties	Not applicable
		Human relationship	Not applicable
		Business relationship	Not applicable
		Situation applicable to parties involved	Not applicable

*TSUNAGU was established on October 1, 2020 and thus has not yet completed the fiscal period. Therefore no business results and financial condition for the last 3 fiscal years.

6. Situation after executing the Equity Swap

Our company shall not change corporate name, location of head office, title and name of our representative director, content of business, capital and fiscal year end.

7. Summary on accounting treatment

The accounting treatment in line with the Equity Swap shall be categorized as “acquisition” under Accounting Standard for Business Combination, and thus it will be treated as the acquisition processing of Acquirees by our company. The goodwill is expected to occur in line with this accounting treatment. However, the amount and years of depreciation when goodwill occurs have not been determined yet at this point in time. We will disclose the details once those matters are finally determined.

8. Future outlook

The impact of the Equity Swap on our consolidated business result is currently under scrutiny. Depending on the situation from now on, we shall disclose any matters that should be announced.

9. Capital and business alliance

(1) Capital alliance

Our company shall become wholly owning parent company by having the allocation of 11,253,700 shares of ACTCALL (100 % of ACTCALL shares issued and outstanding) owned by CHIC prior to the effective date of the Equity Swap and 200 shares of TSUNAGU (100% of TSUNAGU shares issued and outstanding) owned by CHIC prior to the effective date of the Equity Swap.

(2) Business alliance

The scope of consideration on business alliance agreed by both parties at this point in time is as follows. We will determine the concrete content of business alliance and a method of implementation after discussions between two companies and implement them.

- ① Mutual utilization of sales resources
- ② Mutual utilization of customer networks
- ③ Mutual utilization of system
- ④ Consideration on setting up settlement service designed for self-managed real estate properties
- ⑤ Consideration on establishing joint venture company for expanding settlement service
- ⑥ Consideration to align settlement service and insurance service
- ⑦ Others, mutual utilization of matters on which our company and CHIC agreed after discussions.

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(3) CHIC Holdings INC.

(1)	Corporate name	CHIC Holdings INC.	
(2)	Location	Yotsuya 2-12-5, Shinjuku-ku, Tokyo	
(3)	Title of representative director and name	Representative Director & President Mr. Tai Fukuchi	
(4)	Business content	<ul style="list-style-type: none"> • Emergency Service for solving troubles of housing facilities • Entrusted business of call center operation • Settlement agency for rent payment 	
(5)	Capital	JPY 101 million	
(6)	Date of establishment	April 1, 2021	
(7)	Number of shares issued	11,253,700 shares (as of April 1, 2021)	
(8)	Fiscal year end	September 30	
(9)	Major shareholders and their voting rights ratio (as of April 1, 2021)	HIKARI TSUSHIN, INC. 51.96% Mr. Toshihiro Hirai 14.65% Effort Co., Ltd. 7.18% MSIP CLIENT SECURITIES 2.73% FULLCAST HOLDINGS CO., LTD. 2.26%	
(10)	Relationship between listed company and companies involved	Capital ties	Not applicable
		Human relationship	Not applicable
		Business relationship	Not applicable
		Situation applicable to parties involved	Not applicable

(4) Schedule for business alliance

The meeting of board of directors (our company) for making resolution on capital and business alliance contract	July 27, 2021
Date for concluding capital and business alliance contract	July 27, 2021

(5) Future outlook

The impact of this business alliance on our consolidated business result is expected to be minor at this point in time. Depending on the situation from now on, we shall disclose any matters that should be announced.