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.

October 18, 2021

To whom it may concern,

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

Announcement on posting an extraordinary loss, adjusting the forecast of consolidated financial figures for the FY ending September 2021 and increasing dividends of surplus

Japan Best Rescue System Co., Ltd. (hereinafter called "JBR") has adjusted the forecast of financial figures for the FY ending September 2021 (full fiscal year) as follows which was announced on November 6, 2020 since JBR has to post an extraordinary loss during the accounting period of the FY ending September 2021. JBR also inform you that we have made a resolution to adjust the expected dividend amount per 1 share at the end of the fiscal year subject to shareholders approval at the 25th annual ordinary shareholders meeting which is scheduled to be held in December 2021.

1. Posting an extraordinary loss

JBR announced on July 27, 2021 that we have acquired ACTCALL INC. which has more than 500,000 members and is in a competitive relationship with JBR in our membership business segment. As we have informed in the "Announcement on acquiring 100% ownership of ACTCALL INC. and TSUNAGU CO., LTD. and having capital and business alliance with CHIC Holdings INC.", we made board resolution at the meeting of the board of directors held on July 27, 2021 and had shareholder approval through the resolutions at the shareholders meeting of ACTCALL INC. and TSUNAGU CO., LTD. (hereinafter called "acquiree subsidiaries") and then we acquired 100 % ownership of those acquiree subsidiaries through equity swap as of September 30, 2021.

JBR has determined the exchange ratio of shares based on the calculation result by the independent calculation agent taking July 26, 2021 as the evaluation basis date in order to agree with acquiree subsidiaries on acquiring 100% ownership. We have obtained shareholder approval at the extraordinary shareholders meeting of acquiree subsidiaries based on such exchange ratio of shares and we have delivered 3,007,519 shares of JBR vis-à-vis CHIC Holdings INC., the parent company of the acquiree subsidiaries as of September 30, 2021, which is the effective date of equity swap.

However, since the share price of JBR has soared to a large extent during the period between the announcement of determining and agreeing on acquiring 100% ownership of acquiree subsidiaries and the effective date of equity swap, the value of our shares to be allocated to CHIC Holdings INC. has increased and as a result the total amount of the accounting acquisition cost calculated at the time of equity swap has exceeded the initially assumed acquisition cost.

As we cannot avoid having the period between the announcement of agreeing such transaction and the effective date of equity swap in view of legal proceedings under the Companies Act of Japan and the rise in our stock price shall largely contain the factors after the announcement of agreeing the transaction, we have been in discussion with our accounting auditor whether we should record the gap between the acquisition cost of the acquiree subsidiaries and the appraised value of goodwill as impairment loss or not. Herewith, we have determined to reckon the appraised value of our stock as of September 30, 2021 at the time of equity swap as acquisition cost and record JPY 995 million being the gap between such acquisition cost and appraised value at the time of agreement as impairment loss. Furthermore, as for an extraordinary loss mentioned above, we have reduced the amount which will be booked as fixed asset under the consolidated balance sheet to acquisition cost and booked such reduced amount as impairment loss. In addition, we did not have any outflow of money and deposit.

On the other hand, since JPY 2,435 million being the gain on disposal of treasury stock shall be recorded under additional paid-in capital, the amount of net asset is expected to be increased from JPY 7,907 million as at the end of FY ending September 2020 to JPY 10,992 million as at the end of September 2021. Thus the financial condition of JBR shall become further solid.

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2. Adjustment of business forecast

Adjustment of consolidated business forecast for the FY ending September 2021
(from October 1, 2020 to September 30, 2021)

(Unit: JPY million)

	Sales	Operating Profit	Ordinary Profit	Net income attributable to the owners of parent company	Net income per 1 share
Forecast previously announced (A) (announced on November 6, 2020)	14,500	1,650	1,700	1,100	JPY 35.58
Revised forecast (B)	13,460	1,400	1,730	50	JPY 1.62
Change (B-A)	-1.040	-250	+30	-1,050	―
Rate of change (%)	-7.2%	-15.2%	+1.8%	-95.5%	―
(Ref.) Result for the previous fiscal year ended September 2020	12,057	1,367	1,798	997	JPY 31.82

3. Dividend (increased dividend) for the FY ending September 2021

Our company has been viewing shareholders return as the most important management issue and has been implementing basic dividend policy to maintain the payout ratio of 30% as benchmark on stable and continuous basis while keeping internal reserves necessary for future business development and strengthening financial base.

In addition to the dividend policy mentioned above, taking into account that our net asset has exceeded JPY 10 billion by posting gains on disposal of treasury stocks and reviewed the future growth of our business in a prudent manner, we have determined to increase the expected dividend announced on November 6, 2020 for the end of fiscal year ending September 2021 by JPY 1 and shall pay JPY 17 for annual dividend.

	Amount	Most recent forecast on dividend (announced on November 6, 2020)	Results for the previous fiscal year (Fiscal year ended September 30, 2020)
Record date	September 30, 2021	September 30, 2021	September 30, 2020
Dividends per share	JPY 9.00	JPY 8.00	JPY 8.00
Total dividends	JPY 305 million	JPY 247 million	JPY 247 million
Effective date	December 27, 2021	-	December 18, 2020
Dividend resource	Retained earnings	-	Retained earnings

＜Points of attention for the business forecast＞

The business forecast in this document is based on judgement, assumption and presumption derived from the information which we shall be able to procure at the time of announcement. Therefore, the actual result may largely differ from this forecast due to various factors such as future economic climate, environmental change in business operation, uncertain element and potential risk inherent in the forecast. Please note that such risk and uncertain element may also include unpredictable impact derived from future events.