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

Ticker : 2453



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JBR

JAPAN BEST RESCUE SYSTEM

Company Presentation

< FY2022 >

December 2, 2022

Japan Best Rescue System Co., Ltd.

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YouTube IR movies Available

JBR Best IR Channel

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What is JBR?

JBR JAPAN BEST RESCUE SYSTEM

JBR is a leading company of Housing-related services.
We continue to grow with membership-based services providing reassurance to our customers.

Mission We help people in need

Vision We create the Best Rescue System
The best framework and services
for reassuring people by getting close to their daily lives

Value
Be fair: Stay loyal to customers, colleagues, and yourselves
Be generous: Respect others, don't be conceited, be humble
Be a challenger: To cherish advancing ahead, not to be afraid of failure

Service example



- Troubleshooting service for daily life (door keys, plumbing, windowpane, etc.)
- Warranty extension service for home appliances
- Insurance service offering a variety of unique products

Subscribers

4,292k
(As of the end of September 2022)

People we helped

348,581cases
(For the twelve months ended September 2022)



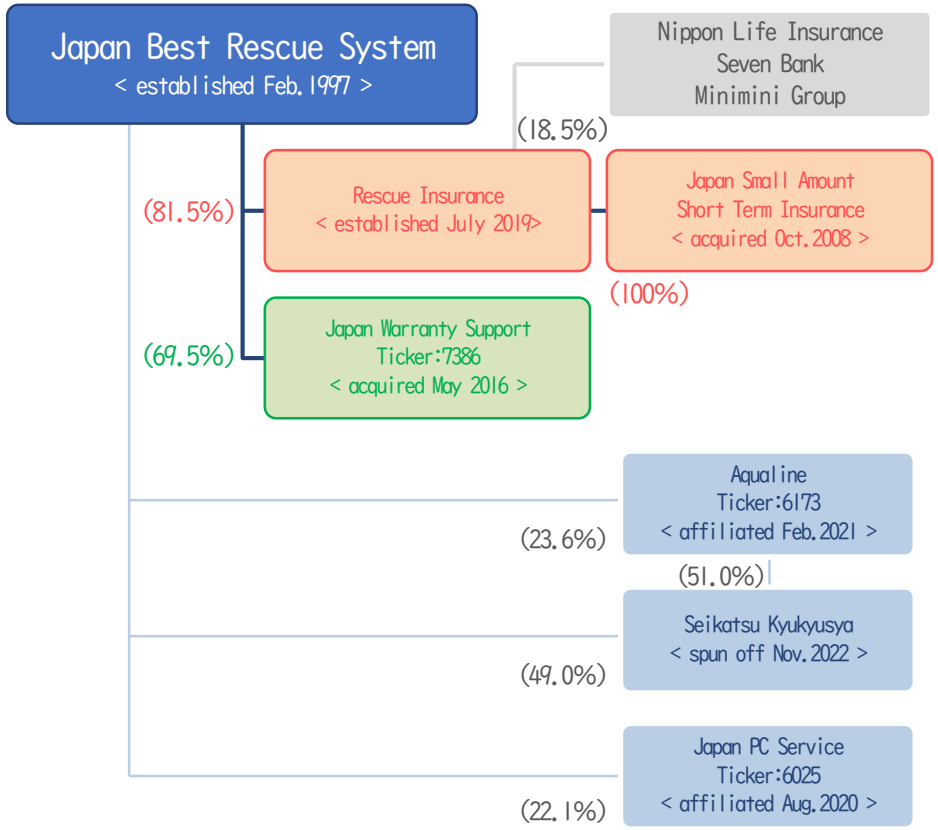
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Organization

"We help people in need" is our unchanging management philosophy for 25 years.
We are developing the business under a top-level governance system in Japan.

Group Structure

Number of employees: 339 (non-consolidated: 163) as of end of Sep. 2022



(Shareholding ratio as of end of Nov. 2022)

Executives

Companies with a majority of outside directors are only
12.1%* companies on the Prime market of the TSE

Name	Title
Mr. Nobuhiro Sakakibara	Representative Director, CEO
Mr. Mitsuhiro Wakatsuki	Director, COO
Mr. Norio Shiraishi	Director (Outside) (Independent)
Mr. Housei Iwamura	Director (Outside) (Independent)
Mr. Akio Hamaji	Director (Outside) (Independent)
Mr. Masakatsu Sawada	Director Audit & Supervisory Committee Member
Mr. Tetsuro Yoshioka	Director A&S C Member (Outside) (Independent)
Mr. Hiroyuki Oshida	Director A&S C Member (Outside) (Independent)
Ms. Kumiko Urayama	Executive Officer, GM of Operations Div.
Mr. Kei Ebata	Executive Officer, GM of Sales Div.
Mr. Fumitaka Kondo	Executive Officer, GM of Administration Div.
Mr. Yuki Matsushita	Executive Officer, GM of Management Strategy Div.

*Tokyo Stock Exchange "Status of Compliance with Revised Corporate Governance Code" (July 14, 2022)

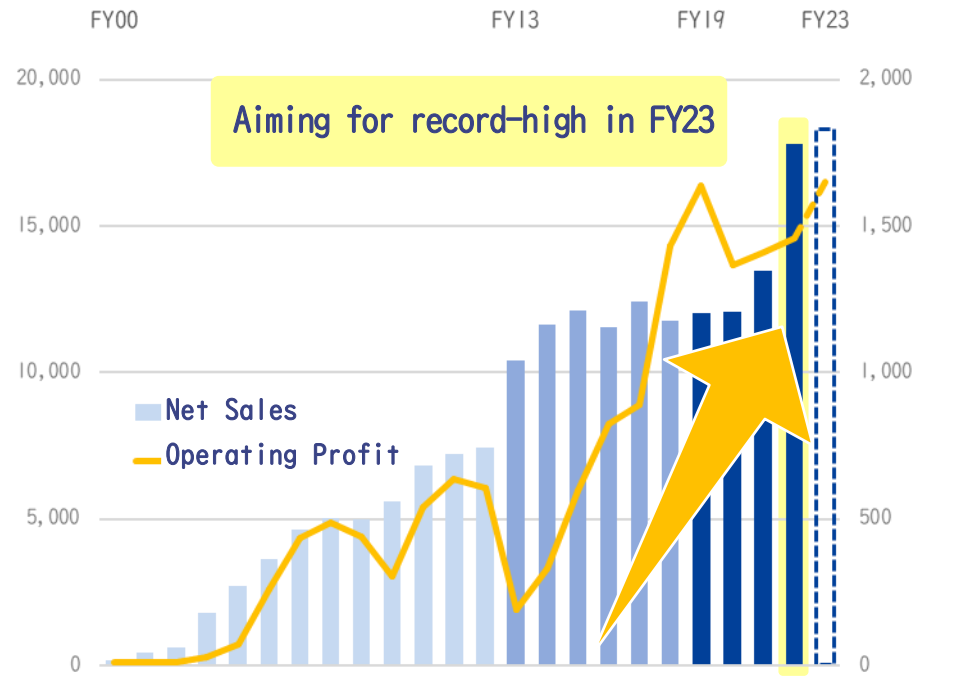
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Business trend

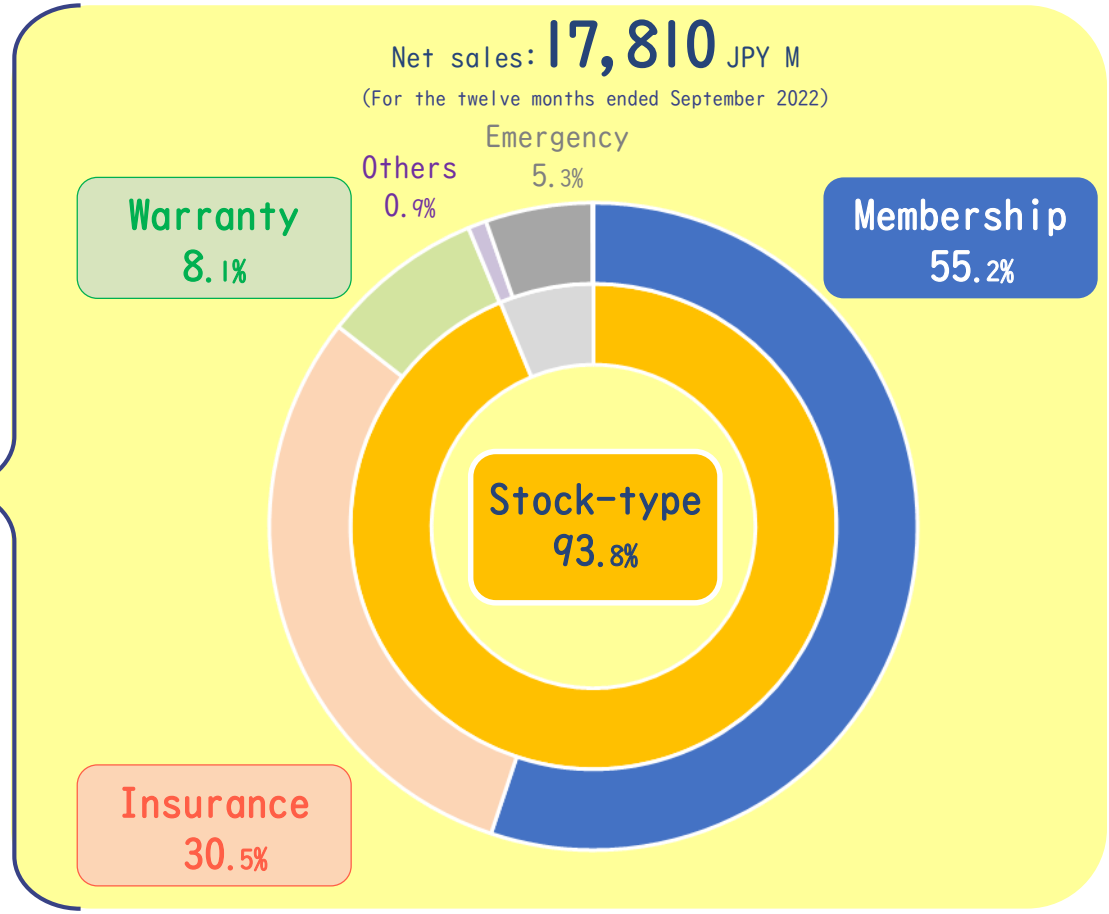
We build a profitable & stable structure with over 90% of revenue coming from stock-type products after a reorganization phase.

History

<Phase>	
Start ～ Expansion	Established core business through alliance and M&A
Reorganization	Disposed unprofitable business under new management
2nd foundation	JBR has been reborn and moved into next phase



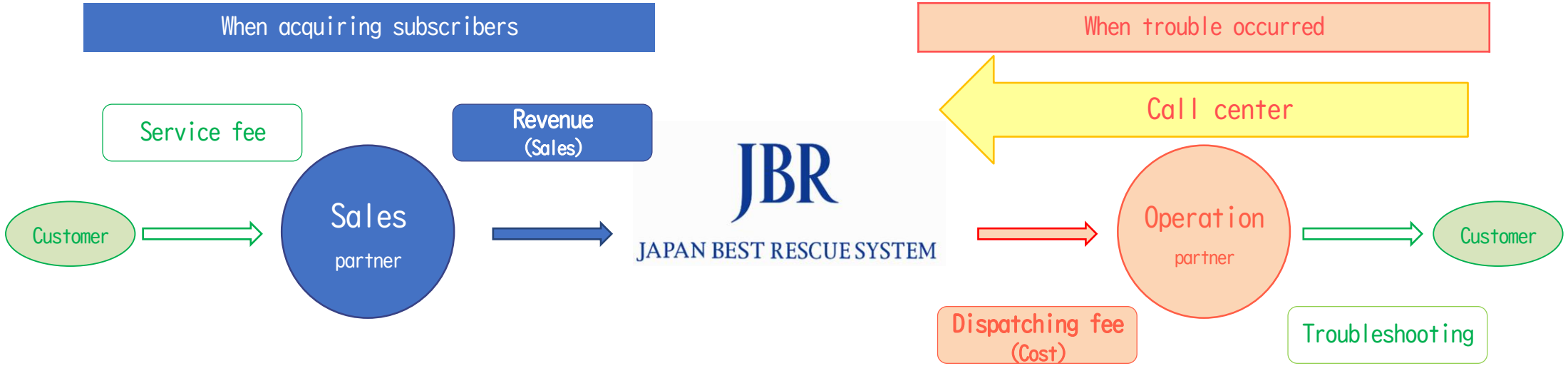
Sales Composition



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Business model

JBR provides peace of mind before our customer gets in trouble.
We are achieving high OPM while working behind the scene with our partners.



What is a Sales partner?

As of end of FY22 **7,566** stores

To leave no one behind, JBR is expanding partner industries

Real Estate Agency	DIY store	Financial Agency
University Co-op	Electronics Retailor	Power company etc.

More than twice the number of the major hamburger stores in Japan

Benefit for Stakeholders

Customer	May reduce sudden payment and live with peace of mind
JBR	May minimize sales resource e.g.) Advertising cost(sales ratio) ▸ Competitor:45% >> JBR:1%
Sales Partner	May improve unit price & competitiveness of their own service through referral commission & service from JBR
Operation Partner	May ensure a workload and receive instruction on the latest techniques & manners from JBR

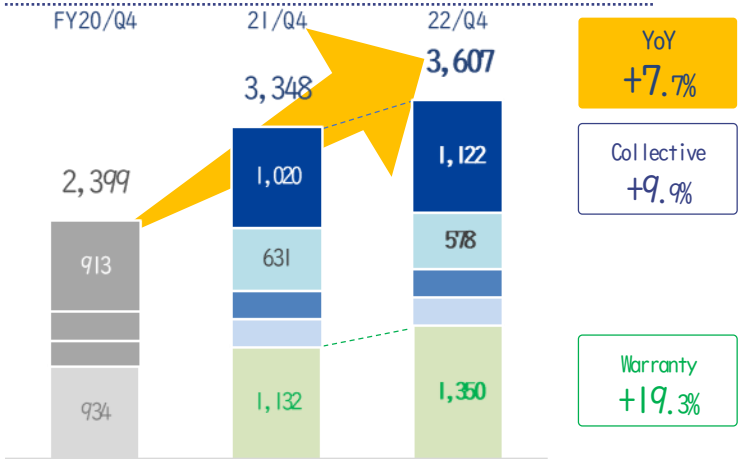
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Membership / Warranty

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Subscribers increased for three consecutive terms since FY19
YoY profitability improvement ▶ < revenue > +61% vs. < dispatching fee > only +43%

Subscribers(k)

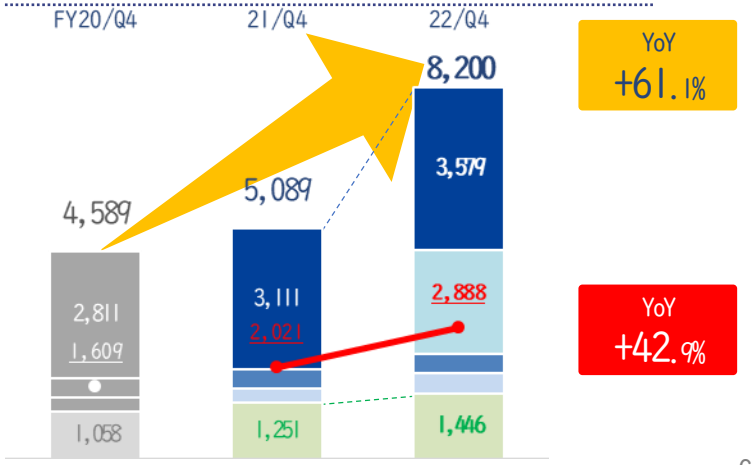


YoY +7.7%

Collective +9.9%

Warranty +19.3%

Membership & Dispatching fee(JPY M)



YoY +61.1%

YoY +42.9%

Service detail

Service	Legend	Sales partner	Notes
QR service	Collective housing	Real estate agency	JBR, which already had the top market share, acquired competitor: ACTG at the end of FY21 achieved unrivaled market share (Details P.07)
	ACTG*		
	Students	Univ. co-op	Partnered with almost all university co-ops
	Others	Various partners	Accelerating development for homeowners
Warranty extension	Remodeling house	Electronics retailor	Contributing to the growth strategy of a major partner, transferred from competitor to JBR group
		DIY store	Partnered with almost all major companies across Japan
	New house	Housing Manufacturer	Tie-up to offer “10-year warrantied house”

*ACTCALL & TSUNAGU

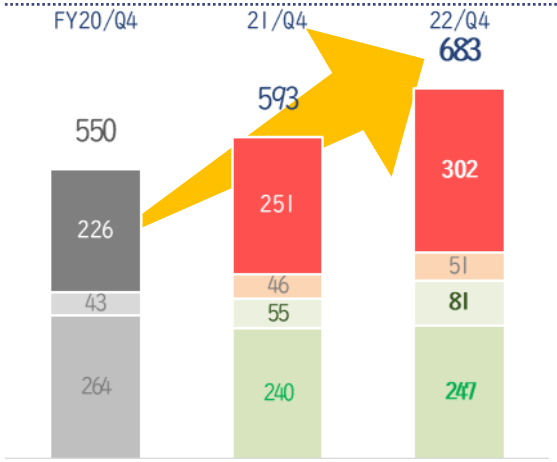
Revenue	Membership fee	Revenue from the subscribers shared from sales partner
Cost	Dispatching fee	Achieve high OPM through appropriate controls

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Insurance

Insurance is showing stable growth with home contents insurance as the core product.
Leveraging product development capabilities, accelerating growth by launching new products.

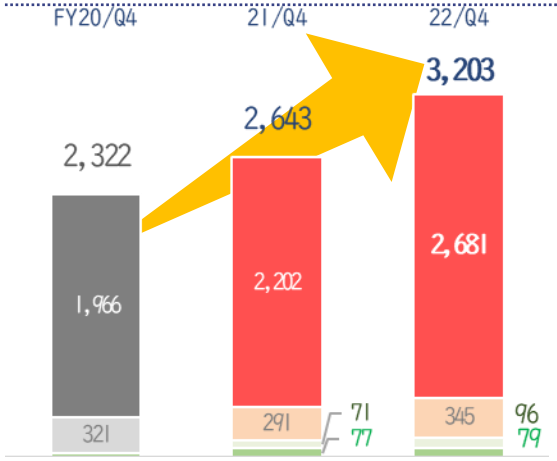
Subscribers(k)



YoY +15.2%

Home contents +20.5%

Insurance premium(JPY M)



YoY +21.2%

Home contents +21.7%

Service detail

Insurance type	Legend	Sales partner	Notes
Small amount short term	Home contents	Real estate agency	Utilizing the same sales channel as QR service The low operating costs realize unrivaled low prices Growing rapidly for inflow from other companies started FY21/Q3
	Others	Travel agency Wedding hall etc.	Insurance policies:12 shall be the top level in Japan e.g.) Weather ins.; to cover a portion of travel expenses Wedding cancellation ins.; to deal with the misfortunes
Casualty	Smart phone	Electronics retailor, etc.	Efficient contract acquisition through group contracts Sales started in FY20/Q3, when caution against COVID was at its highest. Develop dynamic products that cannot be achieved under the limitations of Small Amount and Short Term Insurance
	Sports club	Sports club Operators	

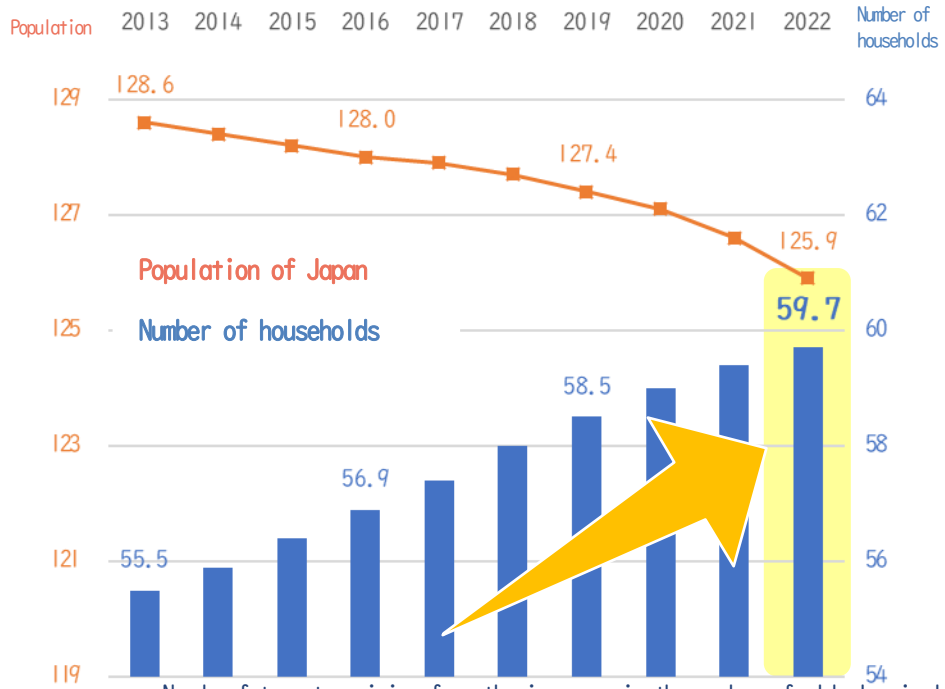
Revenue	Insurance premium	Revenue from the subscribers shared from sales partner Profit margins generally remain below 10% due to the recording of policy reserves specific to the insurance business. For more detail, please go to P.14

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Social changes in Japan due to the declining birthrate and aging population are driving growth, and the growing need for both supply and demand is a major tailwind.

Trend of Market Size*1(M)

The number of households in Japan is increasing

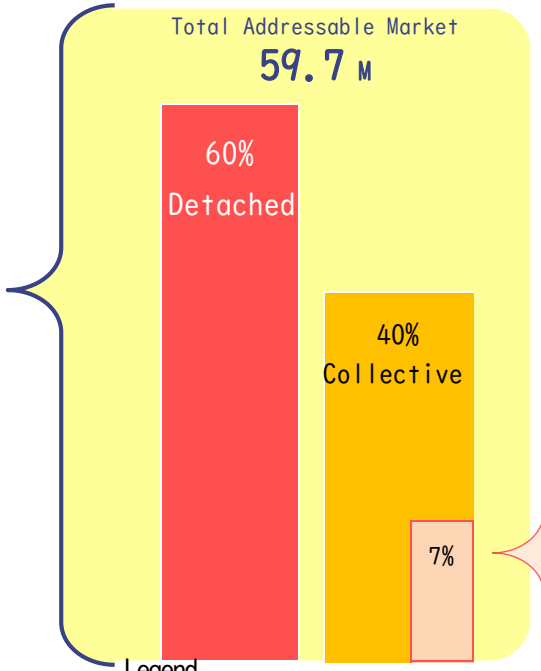


Demand Needs of tenants arising from the increase in the number of elderly single-person households. The demand is increasing not only due to an increase in trouble but also due to an increase in awareness of the need for "security" such as protection against fraud.

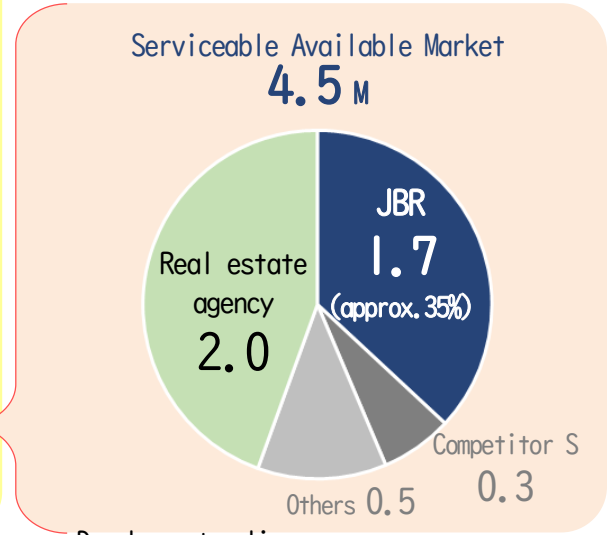
Supply Needs of property management companies and others that provide services to tenants. Outsourcing from such company has been increasing due to the declining workforce to maintain infrastructure.

Market share of QR service*2

Strengthening our entry into the detached housing market through alliances with various industries



We previously expanded business in the collective housing market and established an unrivaled market share through the acquisition of ACTG.



Legend	Development policy
Detached Housing	Attaching JBR services to services in other industries (mortgage loan, subscription service, others)
Unintroduced	Continue to expand sales to real estate agency
Real estate agency	Responding to outsourcing demand from major companies

*1 Ministry of Internal Affairs and Communications "Population, demographics, and number of households based on the Basic Resident Ledger" (As of January 1 2022)
*2 An internal investigation

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Summary of the forecast

JBR JAPAN BEST RESCUE SYSTEM

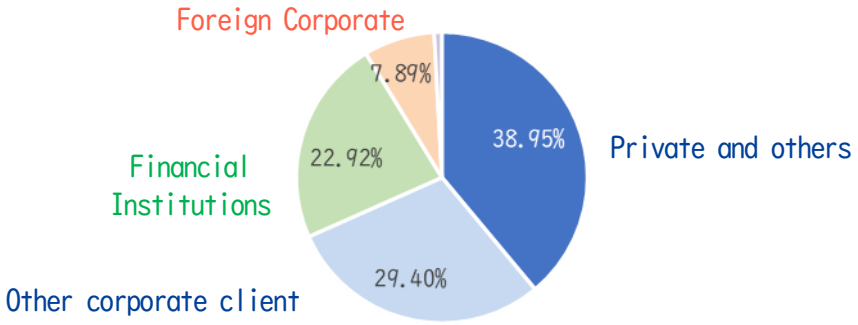
Aim for record-high operating profit by minimizing the effect of the external environment and non-operating volatility and maximize the strength of the stock-type business.

	FY22 Result	FY23 Forecast	Change		Details
Net Sales	17,810	18,300	+489 (+2.8%)	+929	Continuous growth in the 3 core business will result in sales reaching a record high for the fifth consecutive fiscal year
				+370	Entered the used cell phone collection business as part of an ITOCHU tie-up
				-810	Impact from transfer of Emergency business
Operating Profit (margin)	1,459 (8.2%)	1,650 (9.0%)	+190 (+13.0%)	+210	Achieve sustainable stock-based profits through the growth in the 3 core business
				+55	Contribution of last-mile business including a used cell phones collection
				-35	Rebound from COVID prevention business
				-40	Impact from transfer of Emergency business
Ordinary Profit	1,173	1,500	+326 (+27.9%)	+190	Operating Profit
				+490	<FY22> One-time costs, such as treasury stock forward contract
				-353	Uncertainties such as gains on sales of securities are not factored in
Net Profit	437	950	+512 (+116.9%)	+326	Ordinary Profit
				+213	<FY22> Optimized assets due to ACTG merger, etc.
				-28	Posted extraordinary loss on stock transfer of Emergency business
EBITDA (margin)	2,047 (11.5%)	2,154 (11.8%)	+107 (+5.2%)	Profitability of JBR is improving continuously	

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We are continuing to increase dividends for 8 consecutive fiscal years (plan) & actively promoting approach to overseas investors

Shareholder Composition(as of end of September 2022)



	Major shareholders	Ratio
1	Nobuhiro Sakakibara	28.03%
2	Custody Bank of Japan (trust account)	11.14%
3	The Master Trust Bank of Japan, Ltd. (trust account)	10.04%
4	CHIC holdings INC.	8.81%
5	UH Partners 2, Co, Ltd.	3.99%
6	HIKARI TSUSHIN, INC.	3.85%
7	NOMURA PB NOMINEES LIMITED OMNIBUS-MARGIN(CASHPB)	3.49%
8	ITOCHU Corporation	2.98%
9	Sumitomo Realty & Development Co., Ltd.	2.93%
10	S.I.L. Inc.	2.32%

Dividend Trend(JPY/share)

<Policy> Consecutive & stable Payout ratio: 50%



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FAQs

1. What is your important KPI?

The number of subscribers for the Membership, Warranty & Insurance business is the important KPI. As of the end of September 2022, we have 4,292k subscribers.

2. What is your medium and long-term management goal?

We have set the goal to acquire 5 million subscribers by FY24. Through various measures, we expect to reach 10 million subscribers by 2030.

3. Any impact from social situations?

We have a stock-based business model that is not easily affected by the external environment. We do not expect any major impact from COVID, the situation in Ukraine, or price fluctuations.

4. JBR's Shareholder return policy?

The return of profits to our shareholders is an important management issue.
We have a dividend payout ratio of 50% as our shareholder return policy.

5. What is the Last-mile Business?

It is a business that utilizes existing infrastructure, which provides nationwide support for daily life troubles. Concrete steps have begun to be taken, including a project with ITOCHU Corporation, tied up in December 2021.

6. How many sell-side analysts cover JBR?

1 analyst coverage by Mr. Kurahasi of Ichiyoshi Research Institute as of the end of March 2022. We also have an English report by Shared Research Inc.
Shared Research(ENG)(Links to website)

6. Do you publish an Integrated report?

The report in English is available on our website.
Integrated report(Links to website)

8. Where is the Business Results Summary?

Please refer to the link below.
FY22 Business Result(Links to website)

9. JBR's disclosure policy?

We disclose information in JPN & ENG simultaneously.
We also started a YouTube program for your better understanding.
JBR Best IR Channel(Links to YouTube)

10. Contact for unclear matters?

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

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Continuous growth along with the number of subscribers in core business

	FY18				FY19				FY20				FY21				FY22			
(k)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Subscribers	2,506	2,575	2,521	2,522	2,531	2,583	2,428	2,482	2,508	2,605	2,867	2,950	3,049	3,176	3,243	3,940	4,005	4,175	4,271	4,292
(JPY M)																				
Net sales	2,795	3,112	2,957	2,901	2,945	3,166	3,074	2,824	2,871	3,124	3,027	3,033	3,156	3,481	3,584	3,238	4,330	4,476	4,570	4,432
Operating profit	267	383	345	433	352	386	385	513	307	343	398	318	375	296	452	283	403	334	436	285
Ordinary profit	347	382	475	438	396	481	374	714	323	342	437	695	432	382	492	433	369	326	203	273
Net profit	281	282	335	292	257	754	105	521	143	116	250	487	302	238	335	-820	317	201	-144	64
EBITDA	308	423	385	472	395	429	428	559	352	391	456	378	430	354	518	349	546	478	587	434
(JPY M)																				
Total assets	13,281	13,556	14,243	14,865	14,728	14,865	17,599	18,761	19,075	19,518	20,146	21,204	21,494	22,249	22,903	28,175	27,694	28,276	29,080	27,884
Total liabilities	7,846	7,946	8,357	8,823	8,703	10,549	9,905	10,657	10,810	12,964	12,835	13,296	13,551	13,954	14,546	16,507	16,763	17,445	18,165	17,081
Total unearned revenue	4,704	5,019	5,381	5,661	5,803	6,095	6,332	6,710	6,807	6,985	7,442	7,640	7,806	8,054	8,616	9,266	9,843	9,992	10,548	10,576
Unearned revenue	1,347	1,494	1,594	1,658	1,655	1,751	1,770	1,824	1,815	1,846	1,976	1,982	1,982	2,034	2,173	2,698	3,048	3,089	3,121	3,064
Long-term unearned revenue	3,356	3,525	3,786	4,003	4,148	4,343	4,561	4,885	4,992	5,138	5,465	5,657	5,823	6,019	6,443	6,567	6,794	6,903	7,426	7,511
Net assets	5,430	5,609	5,885	6,042	6,024	6,926	7,693	8,104	8,265	6,553	7,310	7,907	7,942	8,295	8,357	11,668	10,930	10,831	10,914	10,802
Equity ratio	40.9%	41.4%	41.3%	40.6%	40.8%	39.5%	42.5%	42.1%	41.7%	32.0%	34.7%	35.8%	35.5%	35.8%	35.0%	40.2%	38.2%	36.5%	34.4%	35.4%

Total unearned revenue, equivalent to future sales has exceeded 10 billion

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JBR JAPAN BEST RESCUE SYSTEM

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

	FY18				FY19				FY20				FY21				FY22			
(k)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Subscribers	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	3,348	3,411	3,569	3,620	3,607
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	2,216	2,226	2,330	2,310	2,256
Collective housing	811	840	822	830	840	865	854	870	864	909	897	913	930	964	1,009	1,020	1,038	1,100	1,106	1,122
ACTG	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	631	624	640	645	578
University Student	252	286	271	273	273	300	285	286	286	314	289	290	290	318	288	288	288	316	282	282
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	276	273
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	1,310	1,350
(JPY M)																				
Membership fee	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	1,993	2,036	2,100	2,069
QR Service	819	948	965	884	893	987	985	857	832	919	904	874	887	972	1,008	969	1,648	1,682	1,736	1,687
Collective housing	506	631	660	601	626	729	729	669	652	735	727	696	706	786	828	790	847	876	917	937
ACTG	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	577	586	600	535
University Student	91	96	96	97	97	101	100	101	100	104	100	102	103	108	102	102	103	105	102	101
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	115	111
Warranty Extension	168	182	191	197	215	226	230	250	255	265	265	271	300	308	315	326	345	354	364	382
Dispatching fee	538	498	532	554	573	520	536	397	392	396	376	443	488	519	489	524	701	734	712	740

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Launching new products rapidly with top-level 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	Q3	Q4
Products*1	9	9	9	9	9	9	9	11	12	14	14	14	17	17	17	17	17	18	18	18
Small amount Short term	9	9	9	9	9	9	9	9	9	10	10	10	11	11	11	11	11	12	12	12
Casualty	–	–	–	–	–	–	–	2	3	4	4	4	6	6	6	6	6	6	6	6
(k)																				
Subscribers	272	269	274	274	272	272	259	259	262	258	529	550	556	574	585	593	593	606	650	683
Home contents	175	180	184	187	182	194	197	201	207	215	221	226	231	240	246	251	257	272	289	302
Sports club	–	–	–	–	–	–	–	–	–	–	264	264	246	242	241	240	228	222	239	247
Smartphone	–	–	–	–	–	–	–	–	–	–	–	15	34	46	52	55	60	63	70	81
Others	97	89	89	87	89	78	61	58	55	42	43	43	44	44	45	46	47	48	51	51
(JPY M)																				
Insurance premium	450	581	534	463	484	629	570	493	509	654	597	561	590	734	701	616	638	822	914	827
Home contents	345	484	419	366	389	533	471	404	422	574	504	465	490	630	579	502	527	713	759	681
Sports club	–	–	–	–	–	–	–	–	–	–	12	17	18	18	19	20	18	18	20	22
Smartphone	–	–	–	–	–	–	–	–	–	–	–	4	11	17	20	21	23	23	23	25
Others	104	97	115	96	94	96	99	89	86	80	81	73	70	67	81	72	69	66	110	98
Policy reserves*2	-3	+35	-3	+1	+0	-8	-13	-127	+15	-18	+28	-38	+15	-7	-39	-52	-7	-38	-73	-161

*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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Business competence has grown beyond the disclosed value

Actuality profit = Operating profit(disclosed value) − ① Special factors + ② Burden of allocated cost

Membership segment

< Special factor > Segment burden increased due to restructuring

		FY20/Q4	21/Q4	22/Q4
Actuality profit		1,989	2,066	2,301
	YoY	+4.3%	+3.9%	+11.4%
Operating profit (disclosed value)		1,544	*1,644	936
	YoY	+2.2%	+6.5%	-43.1%
① Restructuring	−	455	536	39
② Allocated cost	+	900	958	1,405

*Figures in FY21 results disclosure

① Restructuring	Segment business changed during FY21-22 OUT >> Warranty(JWS), Others (COVID prevention) IN << Repair seg, organization of Life-tech seg
② Allocated cost	JBR allocates expenses incurred across the company in proportion to the number of employees, etc. The cost increased due to an increase in the ratio of Membership to the entire company. Total allocated expenses also increased due to the start of ERP amortization, etc.

Insurance segment

< Special factor > Increase/decrease in reserve for insurance payment

		FY20/Q4	21/Q4	22/Q4
Actuality profit		357	450	668
	YoY	-32.1%	+25.9%	+48.4%
Operating profit (disclosed value)		338	361	381
	YoY	-5.5%	+6.8%	+5.5%
① Policy Reserves	−	-11	-84	-281
② Allocated cost	+	7	3	4

① Policy Reserves	In accordance with the accounting treatment stipulated in the Insurance Business Law, positive or negative impact occurs each quarter As a general, when contract awards are... active >> Negative impact calm >> Positive impact
② Allocated cost	Since the Insurance business is operated by a group company, the burden is minimal than that of the Membership segment.

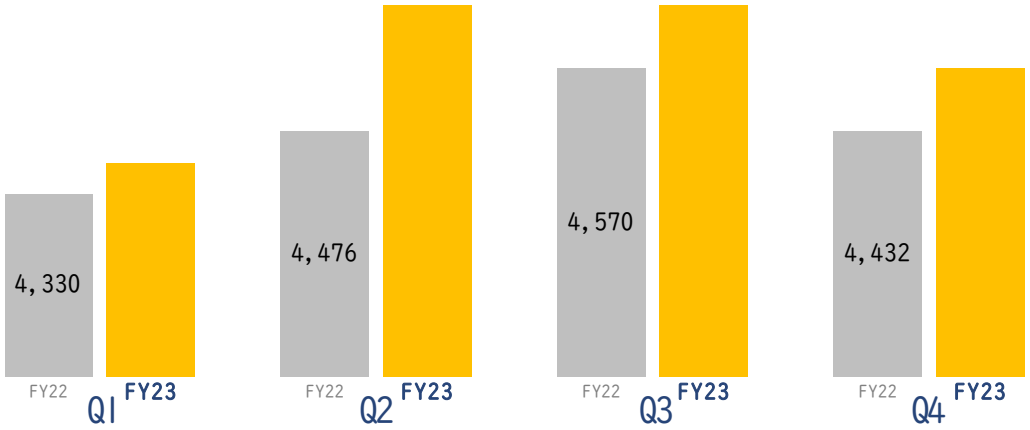
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2H bias due to stock-type earnings continuing in FY23. Rapid growth in the Insurance & the termination of the COVID prevention shall curb the profit in FY23/1H

Net Sales(JPY M)

YoY growth throughout all quarters

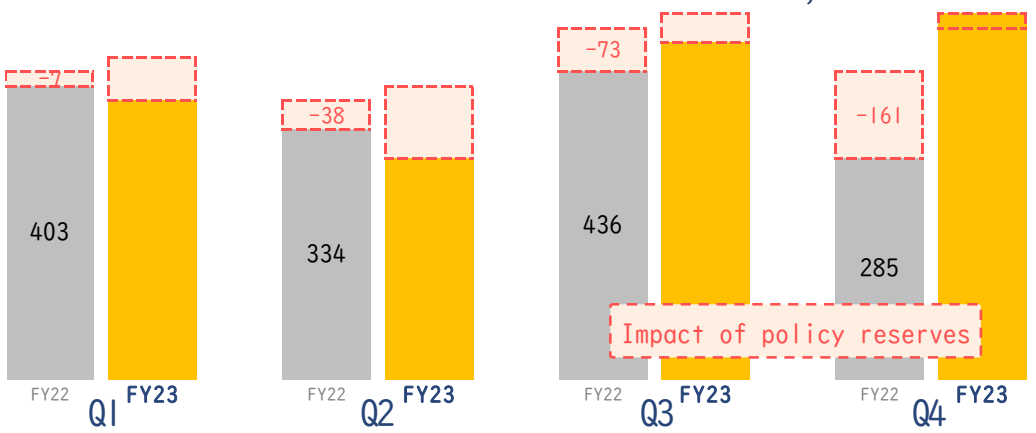
<1H> 8,80→9,07 Billion　<2H> 9,00→9,22 Billion



Operating Profit(JPY M)

YoY growth in all quarters excluding policy reserve effects

<1H> 730→620 Million　<2H> 720→1,030 Million



▶ Membership	In addition to a continuous increase in subscribers, the benefits from the ACTG merger & cost reductions in the call center shall improve profit margins. Besides, the allocation burden of the segment will increase due to the transfer of Emergency business ･･･Gap between actuality profit and operating profit shall widen
▶ Insurance	Rapid growth from FY22/2H due to influx of home contents ins. from other companies, the impact of policy reserves on the operating profit of the entire company result in: 280M (FY22 total) shall be the same size in FY23, but will make a positive contribution to results for the first time in 2 years in FY23/Q4
▶ Warranty	New alliances are accelerating after listing on the TSE in June 2022. Inquiries are also increasing especially from housing manufacturers
▶ Others	As part of the last-mile business utilizing the existing infrastructure, JBR implemented a project to prevent the spread of COVID (patrol of restaurants and bars at the request of local governments) from FY21/2H to FY22/1H. FY23 JBR will enter ITOCHU's "used cell phone collection business" and start collecting 260 million units in Japan. Aiming to contribute to business performance by establishing a membership acquisition scheme for JAF & creating new services in the DX field as well

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