Translation

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Summary of Consolidated Financial Results for the Three Months Ended December 31, 2022 (Based on Japanese GAAP)

February 10, 2023

Company name: Japan Best Rescue System Co., Ltd.
Stock exchange listing: Tokyo, Nagoya
Stock code: 2453 URL https://www.jbr.co.jp/
Representative: Representative Director Nobuhiro Sakakibara
Inquiries: Director,Executive Officer Mitsuhiro Wakatsuki TEL 052-212-9908
Scheduled date to file Quarterly Securities Report: February 10, 2023
Scheduled date to commence dividend payments: –
Preparation of supplementary material on quarterly financial results: Yes
Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended December 31, 2022 (from October 1, 2022 to December 31, 2022)

(1) Consolidated operating results (cumulative) Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended December 31, 2022	4,469	3.2	375	(7.1)	345	(6.5)	131	(58.7)
Three months ended December 31, 2021	4,330	37.2	403	7.5	369	(14.6)	317	4.8

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended December 31, 2022	3.96	3.69
Three months ended December 31, 2021	9.36	9.31

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	27,357	10,196	33.4
As of September 30, 2022	27,884	10,802	35.4

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended September 30, 2022	–	9.00	–	9.00	18.00
Year ending September 30, 2023	–				
Year ending September 30, 2023 (Forecast)		9.00	–	9.00	18.00

3. Forecast of consolidated financial results for the year ending September 30, 2023 (from October 1, 2022 to September 30, 2023)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending March 31, 2023	9,075	3.0	620	(16.0)	530	(23.8)	310	(40.2)	9.37
Full year	18,300	2.8	1,650	13.0	1,500	27.9	950	116.9	28.71

4. Notes

(1) Changes in significant subsidiaries during the three months ended December 31, 2022 (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

(2) Application of special accounting methods for preparing quarterly consolidated financial statements: No

(3) 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:	Yes
Changes in accounting policies due to other reasons:	No
Changes in accounting estimates:	No
Restatement of prior period financial statements:	No

(4) Number of issued shares (common shares)

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

As of December 31, 2022	34,127,177 shares	As of September 30, 2022	34,127,177 shares

Number of treasury shares at the end of the period

As of December 31, 2022	1,288,929 shares	As of September 30, 2022	690,002 shares

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended December 31, 2022	33,110,136 shares	Three months ended December 31, 2021	33,937,178 shares

Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of September 30, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	14,080,057	13,843,408
Accounts receivable - trade	1,124,269	1,085,836
Merchandise	2,523	2,122
Supplies	11,860	10,830
Other	1,127,108	1,070,689
Allowance for doubtful accounts	(18,226)	(14,579)
Total current assets	16,327,593	15,998,306
Non-current assets		
Property, plant and equipment	151,363	141,262
Intangible assets		
Goodwill	1,654,287	1,608,174
Other	801,792	717,178
Total intangible assets	2,456,080	2,325,352
Investments and other assets		
Investment securities	5,698,093	5,639,820
Other	2,877,075	2,840,952
Allowance for doubtful accounts	(57,758)	(41,039)
Total investments and other assets	8,517,410	8,439,733
Total non-current assets	11,124,854	10,906,349
Deferred assets	432,376	453,267
Total assets	27,884,824	27,357,923
Liabilities		
Current liabilities		
Accounts payable - trade	469,099	453,176
Short-term borrowings	400,000	800,000
Income taxes payable	215,999	50,894
Provision for bonuses	86,089	39,654
Outstanding claims	74,318	80,685
Policy reserve	1,069,544	1,135,704
Unearned revenue	3,064,851	3,018,498
Other	2,060,976	1,999,120
Total current liabilities	7,440,879	7,577,734
Non-current liabilities		
Bonds payable	555,000	555,000
Long-term borrowings	1,270,363	1,141,054
Asset retirement obligations	107,496	107,583
Long-term unearned revenue	7,511,335	7,577,101
Other	196,844	203,170
Total non-current liabilities	9,641,039	9,583,909
Total liabilities	17,081,918	17,161,644

(Thousands of yen)

	As of September 30, 2022	As of December 31, 2022
Net assets		
Shareholders' equity		
Share capital	780,363	780,363
Capital surplus	6,946,096	6,945,745
Retained earnings	2,833,709	2,663,885
Treasury shares	(452,383)	(944,382)
Total shareholders' equity	10,107,786	9,445,611
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(238,422)	(310,129)
Total accumulated other comprehensive income	(238,422)	(310,129)
Share acquisition rights	2,920	5,147
Non-controlling interests	930,622	1,055,650
Total net assets	10,802,905	10,196,279
Total liabilities and net assets	27,884,824	27,357,923

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended December 31, 2021	Three months ended December 31, 2022
Net sales	4,330,470	4,469,815
Cost of sales	2,681,449	2,827,610
Gross profit	1,649,021	1,642,204
Selling, general and administrative expenses	1,245,153	1,266,935
Operating profit	403,868	375,269
Non-operating income		
Interest income	2,363	2,096
Dividend income	15,570	16,507
Gain on sale of investment securities	56,921	11,446
Other	22,599	15,272
Total non-operating income	97,455	45,323
Non-operating expenses		
Interest expenses	6,232	4,022
Amortization of deferred assets under article 113 of Insurance Business Law	19,652	25,786
Loss on sale of investment securities	502	–
Share of loss of entities accounted for using equity method	3,421	41,204
Loss on valuation of derivatives	89,737	–
Commission expenses	4,611	3,249
Other	7,850	1,112
Total non-operating expenses	132,008	75,376
Ordinary profit	369,315	345,216
Extraordinary losses		
Loss on sale of non-current assets	181	–
Loss on retirement of non-current assets	7,441	3,121
Impairment losses	2,083	–
Loss on valuation of investment securities	–	13,173
Loss on sale of shares of subsidiaries	–	6,497
Other	552	–
Total extraordinary losses	10,258	22,792
Profit before income taxes	359,056	322,424
Income taxes - current	67,327	58,001
Income taxes - deferred	(32,027)	89,688
Total income taxes	35,299	147,689
Profit	323,756	174,734
Profit attributable to non-controlling interests	6,249	43,624
Profit attributable to owners of parent	317,506	131,109

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended December 31, 2021	Three months ended December 31, 2022
Profit	323,756	174,734
Other comprehensive income		
Valuation difference on available-for-sale securities	(347,764)	(66,247)
Share of other comprehensive income of entities accounted for using equity method	(2,758)	(5,459)
Total other comprehensive income	(350,522)	(71,707)
Comprehensive income	(26,766)	103,027
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(33,016)	71,776
Comprehensive income attributable to non-controlling interests	6,249	31,250