

**Stock-based, high-profit margin business model**

This report is an English translation of part of the report issued on June 24, 2022.  
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**[7386 Japan Warranty Support Sector : Other Financing Business]**

Fiscal Year	Net sales (mn yen)	YoY (%)	Operating profit (mn yen)	YoY (%)	Ordinary profit (mn yen)	YoY (%)	Profit (mn yen)	YoY (%)	EPS (yen)	BPS (yen)	DPS (yen)
Sep.2020	1,057	42.5	434	-	449	-4.3	293	34.0	146.8	347.7	0.0
Sep.2021	1,251	18.4	485	11.6	493	9.9	321	9.6	161.0	568.7	0.0
Sep.2022 f	1,443	15.3	512	5.5	505	2.3	327	1.8	161.8	-	0.0

Note: Non-consolidated basis. Figures for the fiscal year ending September 2022 are the company's forecasts.  
It conducted 1-to-200 stock split on February 15, 2022. Per share indices are adjusted retroactively.

**Provides Extended Warranty Business for Housing Equipment**

Japan Warranty Support is engaged in the housing equipment extended warranty business by partnering with housing equipment suppliers such as house developers, electronics retailers and hardware stores.

Its main offering is a service that provides support for repairing and resolving problems with housing. This service covers all repair work on behalf of businesses for housing equipment such as water heaters, kitchens, baths, washstands, toilets, and air conditioners.

Housing equipment manufacturer warranty periods are usually one to two years, but the company provides services for up to 10 years, including the manufacturer's warranty period.

**Involved in Peripheral Services**

The company also offers 24 hours support service and reuse repair support service as peripheral services.

The 24 hours support service adds to the repair support service an emergency response service (for lost keys, water-related problems, etc.) and lifestyle consultation support offered by Japan Best Rescue System (2453 TSE Prime), the company's parent company. The reuse repair support is a repair warranty service for used housing equipment.

**Steady Growth in Membership**

The company is focused on its number of effective members, which are all of the members who have registered for its services, minus the members whose warranty periods have expired. This number surpassed 500,000 in the fiscal year ended September 2018 and has continued growing steadily to about 1.13 million as of the end of the fiscal year ended September 2021.

## Japan Warranty Support (7386 TSE Growth) - - - - - July 4 ,2022

## Financial Statements

Statement of income	Fiscal Year	Sep.2020		Sep.2021		Six months to Mar. 2022	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		1,057	100.0	1,251	100.0	699	100.0
Cost of sales		329	31.2	381	30.5	229	32.8
Gross profit		727	68.8	869	69.5	470	67.2
Selling, general and administrative expenses		292	27.7	384	30.7	199	28.5
Operating profit		434	41.1	485	38.8	270	38.7
Non-operating income		18	-	11	-	4	-
Non-operating expenses		3	-	3	-	3	-
Ordinary profit		449	42.5	493	39.5	272	38.9
Profit before income taxes		449	42.5	493	39.5	272	38.9
Net profit		293	27.8	321	25.7	178	25.5

Balance sheet	Fiscal Year	Sep.2020		Sep.2021		Mar. 2022	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		5,574	79.6	6,549	77.6	7,116	78.6
Cash and deposits		5,282	75.5	6,207	73.5	6,696	74.0
Accounts receivable-trade		201	2.9	210	2.5	247	2.7
Inventories		0	0.0	0	0.0	0	0.0
Non-current assets		1,426	20.4	1,891	22.4	1,934	21.4
Property, plant and equipment		16	0.2	13	0.2	14	0.2
Intangible assets		11	0.2	36	0.4	48	0.5
Investments and other assets		1,398	20.0	1,840	21.8	1,871	20.7
Total assets		7,001	100.0	8,441	100.0	9,050	100.0
Current liabilities		1,297	18.5	1,364	16.2	1,549	17.1
Accounts payable - trade		36	0.5	39	0.5	46	0.5
Unearned income		970	13.9	1,134	13.4	1,200	13.3
Non-current liabilities		5,006	71.5	5,937	70.3	6,227	68.8
Long-term Unearned income		4,960	70.9	5,852	69.3	6,166	68.1
Net assets		697	10.0	1,139	13.5	1,273	14.1
Owners' equity		695	9.9	1,137	13.5	1,271	14.0

Statement of cash flows	Fiscal Year	Sep.2020	Sep.2021	Six months to Mar. 2022
		(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		1,011	1,158	506
Depreciation		7	11	7
Cash flows from investing activities		-1,844	911	-17
Cash flows from financing activities		0	0	0
Dividends paid		-	-	-
Net increase in cash and cash equivalents		-834	2,069	488
Cash and cash equivalents		3,637	5,707	6,196

Note: Non-consolidated basis.

Source: Prepared by Stock Research Center based on the notifiable prospectus.

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