

**Engaged in guarantee business for rent, nursing expenses and hospitalization expenses debt**

This report is an English translation of part of the report issued on October 6, 2023.  
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**[5843 Nippon Insure 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.2022	2,604	20.1	396	2.1x	406	2.1x	255	2.4x	127.7	452.8	0.0
Sep.2023 f	2,814	8.1	233	-41.2	230	-43.3	164	-35.7	82.3	-	0.0
Sep.2024 f	3,165	12.5	297	27.5	301	30.9	209	27.4	79.2	-	0.0

Note: Non-consolidated basis. Figures for the fiscal year ending September 2023 and 2024 is the company's forecasts.  
It conducted 1:10 stock split on May 1, 2023. Per share indices are adjusted retroactively.

**Engaged in Guarantee Business Centered on Rent Debt Guarantee Services**

Nippon Insure specializes in the guarantee business and is a member of a franchise that operates coin-operated laundries and fitness clubs. The guarantee business accounted for 92.5% of net sales in fiscal year ended September 2022, while other businesses accounted for 7.5%.

The guarantee business provides debt guarantee services for rental housing, nursing care expense debt guarantee services, and hospitalization fee debt guarantee services. About 90% of revenue from this business segment comes from rent debt guarantee services.

The rent debt guarantee service provides a service that also serves as a joint guarantor for tenants in rental housing lease agreements. The company receives applications from potential tenants who wish to move into a property through a real estate management company and conducts an evaluation to determine whether a contract is possible with the tenants. When a tenant is delinquent on rent, the company performs subrogated payments to the real estate management company and collects the rent that was subrogated from the delinquent tenant.

The rent debt guarantee service plan is based on three types of guarantees: residential use, business use and parking lot/container use. The estimate is that residential use accounts for the majority of revenue, while business use accounts for about 30%. In addition, about two-thirds of revenue is spot-type revenue which is the initial guarantee fee, and about one-third is stock-type revenue such as renewal guarantee fees. Since stock-type revenue increases over time and initial guarantee fees and renewal guarantee fees are prorated to net sales over the contracted period rather than when they were received, it is easy to forecast the company's business performance.

In its nursing expense debt guarantee service, a nursing facility user and Nippon Insure conclude a guarantee consignment agreement. Since the company becomes a joint guarantor for the facility user, it assumes the risk of delinquency, such as for nursing facility usage fees. In the hospitalization expense debt guarantee service, the company undertakes the risk of unpaid hospitalization expenses by becoming a joint guarantor of a hospitalized person.

## Financial Statements

Statement of income	Fiscal Year	Sep.2021		Sep.2022		Nine months to Jun.2023	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		2,169	100.0	2,604	100.0	2,125	100.0
Cost of sales		816	37.6	1,017	39.1	874	41.1
Gross profit		1,352	62.3	1,587	60.9	1,251	58.9
Selling, general and administrative expenses		1,158	53.4	1,191	45.7	937	44.1
Operating profit		193	8.9	396	15.2	313	14.7
Non-operating income		9	-	11	-	3	-
Non-operating expenses		9	-	1	-	1	-
Ordinary profit		193	8.9	406	15.6	315	14.8
Profit before income taxes		158	7.3	406	15.6	315	14.8
Net profit		105	4.8	255	9.8	197	9.3

Balance sheet	Fiscal Year	Sep.2021		Sep.2022		Jun.2023	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		1,949	86.4	2,529	86.9	2,890	87.5
Cash and deposits		1,330	59.0	1,620	55.7	1,749	52.9
Accounts receivable-trade		18	0.8	19	0.7	20	0.6
Obtain Reimbursement		464	20.6	704	24.2	910	27.5
Non-current assets		307	13.6	381	13.1	413	12.5
Property, plant and equipment		17	0.8	33	1.1	30	0.9
Intangible assets		72	3.2	62	2.1	59	1.8
Investments and other assets		217	9.6	285	9.8	323	9.8
Total assets		2,256	100.0	2,911	100.0	3,304	100.0
Current liabilities		1,550	68.7	1,923	66.1	2,113	64.0
Accounts payable - trade		329	14.6	374	12.8	497	15.0
Current portion of long-term borrowings		2	0.1	2	0.1	1	0.0
Reserve for loss on liabilities for guarantee		124	5.5	200	6.9	274	8.3
Non-current liabilities		54	2.4	82	2.8	88	2.7
Long-term borrowings		10	0.4	8	0.3	7	0.2
Net assets		651	28.9	905	31.1	1,103	33.4
Owners' equity		651	28.9	905	31.1	1,103	33.4

Statement of cash flows	Fiscal Year	Sep.2021	Sep.2022
		(mn yen)	(mn yen)
Cash flows from operating activities		190	278
Depreciation		34	36
Cash flows from investing activities		-57	-27
Cash flows from financing activities		98	39
Dividends paid		-	-
Net increase in cash and cash equivalents		231	290
Cash and cash equivalents		1,330	1,620

Note: Non-consolidated

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