Report on Earnings
Second Quarter 2017

August 10, 2017,
Emergency Assistance Japan Co., Ltd.
I. Business Overview
What is EAJ?

Emergency Assistance Japan (EAJ) provides medical, security, and lifestyle assistance to clients and members traveling abroad.

What to do, for example, if someone falls ill or suffers injury while far from home?

With just one telephone call, such travelers are assured of access to the best and most appropriate medical facilities in their vicinity. EAJ makes all the arrangements, bridging barriers of culture and language, ensuring that the patient correctly understands the doctor’s diagnosis and recommendations, and seeing that the patient’s medical emergency is brought to successful resolution.

Or, what if someone needs assistance making a reservation at a world-famous restaurant or sourcing difficult-to-find merchandise? Our lifestyle assistance covers a full spectrum of concierge services designed to make members’ experiences abroad more enjoyable and stress-free.

Members of EAJ supported products can feel more secure and empowered, knowing that EAJ is on their side. We promise “a wider world through Assistance.”
### Outline of Services

#### Segments

<table>
<thead>
<tr>
<th>Medical Assistance</th>
<th>Lifestyle Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overseas travel insurance benefits</td>
<td>Concierge services as supplemental benefits to premium credit cards</td>
</tr>
<tr>
<td>Corporate medical assistance</td>
<td></td>
</tr>
<tr>
<td>Medical assistance for universities</td>
<td></td>
</tr>
<tr>
<td>International medical coordination services</td>
<td></td>
</tr>
<tr>
<td>Corporate security assistance</td>
<td></td>
</tr>
<tr>
<td>Emergency medical rescue and response services</td>
<td></td>
</tr>
</tbody>
</table>

#### Services and Service Descriptions

<table>
<thead>
<tr>
<th>Medical Assistance</th>
<th>Corporate Medical Assistance</th>
<th>Medical Assistance for Universities</th>
<th>International Medical Coordination Services</th>
<th>Corporate Security Assistance</th>
<th>Emergency Medical Rescue and Response Services</th>
<th>Concierge Services for Premium Credit Cards</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical and non-medical assistance as supplementary benefits to overseas travel insurance policies</td>
<td>Assistance and overseas risk management services for corporations and public agencies with employees stationed or traveling abroad</td>
<td>Medical assistance on behalf of Japanese universities with students studying abroad</td>
<td>Coordination between Japanese medical institutions and foreign nationals seeking medical care in Japan, and support of Japanese medical missions overseas</td>
<td>Security risk assessment, management, and response readiness on behalf of corporations with operations overseas</td>
<td>Health risk management, first-aid stations, and emergency rescue readiness for organizers of public events in Japan and overseas</td>
<td>Overseas concierge service benefit packages for premium credit cards</td>
</tr>
</tbody>
</table>
EAJ's network

- Operations centers in seven countries: USA, China, Thailand, Singapore, UK, France, and Bangladesh
- Twelve offices, 310 employees worldwide
- Worldwide network of 12,900 medical providers and 2,600 non-medical service providers

* Other providers include agents and non-medical service providers
Four Advantages

① The “Japan Standard” of Assistance Services
Assistance with Japanese sensitivity and attention to detail
• By “Japan Standard,” we mean an uncompromising commitment to quality combined with the heartfelt compassion that is a mark of Japanese culture.
• EAJ’s assistance coordinators meet customer expectations through expertise in intercultural communications and dedication to service.
• We are leaders in “inbound assistance,” providing our “Japan standard” medical assistance to foreign visitors to Japan, as well as medical coordination services for patients in other countries seeking access to Japanese healthcare.

② Professionalism
Solutions to difficult problems and challenging situations through coordinated attention by specialist teams
• EAJ’s Medical Assistance coordinators are trained in insurance policy and can communicate freely with medical professionals in second languages, such as English or Chinese, while Life Assistance coordinators have mastered concierge skills and are knowledgeable of the international hospitality and entertainment industries.
• Centralized data management systems conserve and ensure consistency of service quality standards throughout EAJ’s operations worldwide.
Four Advantages

③ Comprehensive Service Menu
From Medical Assistance to Security Assistance, we have our customers covered.
• With EAJ’s Medical Assistance, customers have the confidence and assurance of knowing EAJ is with them every step of the way, from hospital and doctor referrals to medically assisted repatriations, and from first call to final discharge.
• Combine this with our Security Assistance packages, designed to ameliorate risks associated with terrorism and political instability, and those customers now have a comprehensive risk management solution.

④ Global Network
Network relations with accredited medical institutions worldwide inspire customer confidence and peace of mind through.
• Network maintenance and development receives ongoing attention and is based on longtime relationships and experience. EAJ provider networks are continuously updated and expanded by dedicated network and provider relations specialists.
The Role of Women

Women play a major role at EAJ. As a company that endorses the government's policy objective to “Create a society where all women shine,” we are committed to providing more opportunities for women in the workplace.

- **High proportion of female employees**
  The overall proportion of female employees at EAJ is 69% (July 2017 data), including a predominant number of assistance coordinators, the core workers in our business model.

- **Many women in managerial positions**
  Women account for 50% of management positions (July 2017 data), including one board member.

- **Support for work-family balance**
  EAJ provides postnatal childcare leave (6 employees in 2016) and part-time and flex-time schedules for working mothers (14 employees in 2016) so that women can pursue and fulfill both work and family ambitions.
Ⅱ． Consolidated Financial Results for the Six Months Ending June 30, 2017
## Summary of Financial Results for Second Quarter

<table>
<thead>
<tr>
<th></th>
<th>2nd Quarter 2017</th>
<th>Same Period Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales:</td>
<td>1,279 million yen</td>
<td>1,334 million yen</td>
</tr>
<tr>
<td>Operating income:</td>
<td>2 million yen</td>
<td>95 million yen</td>
</tr>
<tr>
<td>Ordinary profit:</td>
<td>Δ 13 million yen</td>
<td>62 million yen</td>
</tr>
<tr>
<td>Net income for the quarter:</td>
<td>Δ 15 million yen</td>
<td>40 million yen</td>
</tr>
</tbody>
</table>

- Net sales were 1,279 million yen, lower than the prior year.
  - Growth of overseas travel insurance assistance sales was lower than anticipated, and overall sales of Medical Assistance fell by 6.1% compared to the same period last year.
    - Decrease in medical assistance sales due to increased competition from overseas claims agents for processing of medical claims and terrorism-related decline in travel to Europe.
    - Contract awarded by governmental agency in April was larger than expected and will show as an increase in sales during the second half-year.
    - Strong sales in corporate, university, and security assistance segments.
    - Sales of medical coordination for patients from overseas shows solid growth, year over year.
  - Life Assistance sales increased 6.3% over same period last year.
    - Service reputation contributed positively to partners’ card growth, resulting in higher usage and increased revenue.
    - Active recruitment of service personnel in response to demand increased costs and decreased profits.
Regarding expenses, we continue to invest in human resources in anticipation of future business expansion; however, recruitment and labor costs have increased due to recent skilled labor shortages. As a result, operating income was 2 million yen (95 million yen in the previous year), and ordinary loss was 13 million yen (62 million yen in the previous year).
Second Quarter Topics and Trends

- **Launched assistance services program for new insurance products**
  - Assistance services for cancer insurance issued by Chosei Life Insurance Co., Ltd. launched in May
  - Assistance services for Sompo Japan Nippon Koa Co., Ltd. “Overseas Emergency Countermeasure Cost Insurance” launched in June
  - Assistance services for “Comprehensive Travel Insurance for Visitors to Japan” with online enrollment sold by Hong Kong subsidiary of SOMPO Holdings Co., Ltd. launched in July

- **Corporate and university sales strong in response to rising demand for overseas risk management**
  - The demand for medical assistance and security risk countermeasures in response to terrorism and violent conflict has increased, resulting in increase in sales.
  - Demand for risk management support services for both Japanese students studying overseas and students from overseas studying in Japan continues to increase, resulting in increase in sales.
● **Bullish developments in Inbound market**
  - With our track record and universal acceptance among “Japan International Hospitals” as the preeminent Inbound Medical Assistance provider, medical tourism-related sales continue to increase.
  - Growth in foreign visitors to Japan has resulted in an ever increasing number of emergency medical assistance cases requiring coordination with international insurers and Japanese hospitals.

● **Launch of SNS advertising**
  - A “Medical Access Japan” page has been created on Facebook to profile our inbound services for English speakers. Plans are underway to create a similar page on WeChat for Chinese speakers.
Consolidated  Revenue and Operating Income by Segment

- In the Medical Assistance segment, a decrease in sales due to overseas competition for medical claims and terrorism-related decline in travel to Europe, combined with continuing personnel investments for future growth, has resulted in a decrease in operating income compared with the same period last year.
- Inbound Medical Assistance and Inbound Medical Coordination services sales have increased.
- Although Life Assistance showed an increase in sales, profits are down due to increases in personnel expenses as a result of workload increase.

(Unit: million yen)

<table>
<thead>
<tr>
<th></th>
<th>Same period last year</th>
<th>Second quarter results</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sales</td>
<td>Profit</td>
</tr>
<tr>
<td>Medical Assistance</td>
<td>1,117</td>
<td>226</td>
</tr>
<tr>
<td>Lifestyle Assistance</td>
<td>216</td>
<td>60</td>
</tr>
<tr>
<td>Adjustment amount</td>
<td>-</td>
<td>△190</td>
</tr>
<tr>
<td>Segment total</td>
<td>1,334</td>
<td>95</td>
</tr>
</tbody>
</table>

※Adjustment amount is company-wide expenses not allocated to each reporting segment.
※Total segment income is consistent with operating income in the consolidated income statement.
## Consolidated Quarterly Balance Sheets

- Increase in intangible fixed assets due to Life Assistance platform systems renovation.
- Liabilities increased due to payments received in advance.

(Unit: million yen)

<table>
<thead>
<tr>
<th></th>
<th>As of December 31, 2016(%)</th>
<th>As of June 30, 2017(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total assets</strong></td>
<td>2,079 (100%)</td>
<td>2,196 (100%)</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td>1,814 (87%)</td>
<td>1,871 (85%)</td>
</tr>
<tr>
<td><strong>Fixed asset</strong></td>
<td>264 (13%)</td>
<td>324 (15%)</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>1,357 (65%)</td>
<td>1,500 (68%)</td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td>1,294 (62%)</td>
<td>1,416 (64%)</td>
</tr>
<tr>
<td><strong>Fixed liability</strong></td>
<td>63 (3%)</td>
<td>83 (4%)</td>
</tr>
<tr>
<td>(Ref.) Borrowing Balance</td>
<td>767 (37%)</td>
<td>790 (36%)</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>721 (35%)</td>
<td>696 (32%)</td>
</tr>
</tbody>
</table>

### Assets
- Intangible assets increase due to revamping of Life Assistance platform systems

### Liability
- Increase in payments received from companies in advance of services
- Increased in borrowing due to personnel investments and advance receipts

### Total net assets
- Foreign currency translation adjustment due to appreciation of Japanese yen
Ⅲ．New Developments and Initiatives
Press Releases

Medical insurance support services for Chinese visitors to Japan in cooperation with Chosei Life

EAJ staff appear on Vietnam national broadcasting in conjunction with EAJ business partner in Vietnam
Press Releases (continued)

Launch of assistance services to “Overseas Emergency Countermeasure Cost Insurance” developed by Sompo Japan Nipponkoa Insurance, Inc.

Launch of assistance services to overseas travel insurance issued by Hong Kong Group, a SOMPO Holdings company
"Medical Access Japan" Facebook page went live on July 12th. We will provide information on our inbound assistance services in English for foreign nationals.

EAJ brand for medical tourism services
Medical Access Japan

Facebook

Potential clients and patients overseas
Response

Information regarding our services and medical tourism in Japan

SNS "WeChat" for Chinese-speaking patients will also be released soon
IV. Explanation of Revisions to Earnings Forecast
Revision of Earnings Forecast for 2017 Fiscal Year

- We are actively strengthening overseas networks to combat erosion of overseas travel insurance claims processing by foreign agents; however full recovery will take some time.
- We will continue to recruit and train personnel in response to business opportunity growth; consequently, increases to personnel expenses and recruitment costs will continue at levels equal to those during the first half.
- We will take occupancy of a floor recently vacated in the company headquarters building. As this is a sudden development, the costs were not originally budgeted.

<table>
<thead>
<tr>
<th></th>
<th>Net sales</th>
<th>Operating income</th>
<th>Ordinary income</th>
<th>Net profit to shareholders</th>
<th>Profit per share</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Million Yen</td>
<td>Million Yen</td>
<td>Million Yen</td>
<td>Million Yen</td>
<td>Yen</td>
</tr>
<tr>
<td>Previous forecast (A)</td>
<td>2,600</td>
<td>150</td>
<td>135</td>
<td>78</td>
<td>32.05</td>
</tr>
<tr>
<td>Revised forecast (B)</td>
<td>2,550</td>
<td>45</td>
<td>25</td>
<td>15</td>
<td>6.35</td>
</tr>
<tr>
<td>Change (B-A)</td>
<td>△ 50</td>
<td>△ 105</td>
<td>△ 110</td>
<td>△ 63</td>
<td></td>
</tr>
<tr>
<td>Rate of change (%)</td>
<td>△ 1.9</td>
<td>△ 70.0</td>
<td>△ 81.5</td>
<td>△ 80.8</td>
<td></td>
</tr>
<tr>
<td>(Reference) December 31, 2016, results</td>
<td>2,509</td>
<td>150</td>
<td>118</td>
<td>64</td>
<td>26.06</td>
</tr>
</tbody>
</table>
V. Current Analysis and Future Planning
Demand for Medical Assistance is strong as numbers of Japanese traveling abroad and foreign nationals visiting Japan are both increasing.

- Departures to overseas destinations in the second quarter were 6.3% higher than in the same period last year.
- The number of foreign visitors to Japan was up 17.4% over that for the same period last year.

**Japan Departures and Arrivals**

Unit: 1,000 people

Visitors to Japan
117.4% compared to second quarter 2016

Departures of Japan residents to overseas destinations
106.3% compared to second quarter 2016

Source: Japan National Tourism Organization
# SWOT Analysis

Current assessment of company's Strengths and Weaknesses, Opportunities and Threats

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td>• High quality of service and high level of expertise of Assistance personnel</td>
<td>• Increase in overseas travel due to appreciation of yen</td>
</tr>
<tr>
<td>• Strong provider network both in Japan and overseas</td>
<td>• Increase in overseas risks to corporations concurrent with globalization of activities</td>
</tr>
<tr>
<td>• Established reputation for experience, know-how, and trust among Japanese medical institutions accepting foreign patients</td>
<td>• Growth of medical tourism and Japanese government's “internationalization of Japanese healthcare” initiative</td>
</tr>
<tr>
<td>• Recognition by top credit card issuers for quality of service</td>
<td>• Increase in tourism to Japan generating increase in need for assistance to foreign visitors</td>
</tr>
<tr>
<td>• Established credibility as a publicly listed company</td>
<td>• Growth of out-of-country travel fever within emerging Asian nations</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Weaknesses</th>
<th>Threats</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Labor-intensive business model, high personnel costs</td>
<td>• Emergence of low cost low quality assistance providers</td>
</tr>
<tr>
<td>• Insufficient market penetration and recognition of value of assistance (medical and security) among Japanese corporations operating overseas</td>
<td>• Limited labor pool from which to recruit competent and skilled personnel</td>
</tr>
<tr>
<td></td>
<td>• Lack of international recognition of technical sophistication and strengths of Japanese medicine</td>
</tr>
</tbody>
</table>
Countermeasures

Based on the SWOT analysis, EAJ is implementing the following countermeasures:

1. Take advantage of conditions favorable to our business and appeal more effectively to potential customers through stronger promotional and sales activities
   (1) Increase contracts with nonlife insurers, credit card issuers, corporations operating abroad, and universities with students studying abroad
   (2) Significantly increase the number of patients coming from abroad for treatment at Japanese hospitals
2. Make promotional and sales activities more effective
   (1) Strengthen relationships with hospitals and medical community through company’s medical advisors (doctors)
   (2) Make better use of overseas offices (10 offices worldwide) to promote the Japanese government's "internationalization of Japanese healthcare" initiative
3. Increase recruitment of skilled professionals through further improvements to working conditions for women, especially women with families
Medium to Long-term Corporate Positioning

- Current focus is to firmly establish our position as the preeminent assistance company in Japan
- Our current top priority is customer satisfaction, so that EAJ’s reputation for reliability in medical and security risk management gains international recognition

Establish preeminence among Japanese assistance providers
  ① Grow Medical and Security Assistance client portfolios
  ② Grow Life Assistance sales to card companies
  ③ Grow business of medical coordination for foreign patients seeking treatment in Japan through more effective marketing

Attain recognition and status as a global assistance provider
  ① Horizontal growth: establish assistance business in other Asian countries and increase number of overseas offices ("EAJ everywhere")
  ② Vertical development: acceptance of difficult and labor intensive assignments; deepening of expertise; become like a private sector network of embassies and consulates
  ③ Medical infrastructure offerings: develop telemedicine capabilities and expand coordination of Japanese medical missions overseas
As we did last year, we will hold an Investor Briefing session in August.
VI. About our Services
Serving needs of corporations and educational institutions

- Corporations with overseas operations and educational institutions with students abroad face many risks.
- One way of dealing with these risks is to outsource to an experienced professional provider of risk management.

<table>
<thead>
<tr>
<th>Needs of corporations and educational institutions</th>
<th>Services we provide</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oversees corporate personnel and university students studying abroad need access to local healthcare. Corporations and universities require a comprehensive and uniform support system that can be activated anywhere in the world.</td>
<td>Medical Assistance</td>
</tr>
<tr>
<td>Corporations and universities need to know what to do and how to respond in the event of emergencies or political unrest abroad. EAJ will formulate a practical emergency response plan in advance to be enacted when needed and to be understood by all sections or departments within the corporate or educational entity.</td>
<td>Corporate Security Assistance</td>
</tr>
<tr>
<td>A corporation or university with operations or students in a number of different countries may be studying possible service solutions for its expatriate employees or students. Such entities need a support system that will deal with widely varying circumstances.</td>
<td></td>
</tr>
</tbody>
</table>
### Needs of corporations and educational institutions

- An Olympic Games sponsor may send personnel to the Games site beginning prior to the event and may also host guests during the event. Such corporations require credible risk management and medical emergency support.*

- The personnel director of a corporation operating in a country known for political instability and poor infrastructure may require an assessment of local medical risks, including a survey of local medical facilities and a contingency plan to be enacted in the case of an emergency.

### Services we provide

- **Medical Assistance services of specific duration or location**
  
  ![Medical Assistance](image1)

- **Consulting services**
  
  ![Consulting](image2)

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* EAJ provided medical assistance at the Rio Olympic Games to a number of internationally known manufacturers.
Services for corporations and educational institution

To ensure that the needs of EAJ members can be met promptly and sufficiently, we study local conditions to determine service and security requirements and to envision emergency evacuation scenarios.

Consulting services
- Worldwide healthcare risk and infrastructure assessment and reporting
- Identification and assessment of medical institutions, worldwide
- Emergency evacuation planning and simulation
- Assistance site risk surveys and placement of assistance personnel

Worldwide 24-hour medical assistance
- Hospital arrangements
- Medical interpretation
- Placement of payment guarantees with hospitals and doctors
- Monitoring of care by Japanese specialist
- Second opinions
- Dispatch of medical staff
- Emergency medical transportation (to a neighboring country or to Japan)
Security services

To reduce risks associated with political instability, violent upheaval, and terrorism, expertise and detailed planning is required. EAJ’s security services include preparedness consulting and emergency response activation.

<table>
<thead>
<tr>
<th>Prior to emergency</th>
<th>After emergency</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Preparedness planning</strong></td>
<td><strong>Response</strong></td>
</tr>
<tr>
<td>- Information gathering regarding local conditions</td>
<td>(initial stage)</td>
</tr>
<tr>
<td>- Confirm local conditions through contact with client’s personnel on location</td>
<td>- Situation monitoring</td>
</tr>
<tr>
<td>- Maintain constant alert status</td>
<td>- Determine safety status of personnel</td>
</tr>
<tr>
<td>- Security briefings and training of client’s personnel on location</td>
<td>- Early evacuation on commercial flights</td>
</tr>
<tr>
<td>- Organize emergency management response team</td>
<td>- determine who is to be evacuated</td>
</tr>
<tr>
<td>- Monitor information disseminated by embassies and other official channels</td>
<td>- family members and personnel not essential to safety of others</td>
</tr>
<tr>
<td></td>
<td>- Decision to evacuate</td>
</tr>
<tr>
<td></td>
<td>- Secure safety of security personnel</td>
</tr>
</tbody>
</table>

To reduce risks associated with political instability, violent upheaval, and terrorism, expertise and detailed planning is required. EAJ’s security services include preparedness consulting and emergency response activation.
EAJ’s promise:
“A wider world through Assistance."
Forecasts included in this report are based on information available at the time of publication. Substantial uncertainties remain, and we make no guarantees that results will be consistent with forecasts. These uncertainties include, but are not limited to, industry and market conditions, interest rates, exchange rate fluctuations, governmental regulations affecting domestic and international businesses, and other domestic and international economic conditions. EAJ under no obligation to amend or update the forecasts contained in this report based on new developments.

Furthermore, this report is released without intention to solicit investment. Decisions regarding investment are made at your own discretion.

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