

February 28, 2020

FOR IMMEDIATE RELEASE

Bellssystem24 holdings, Inc.

BELLSYSTEM24 HOLDINGS CONCLUDES A BUSINESS ALLIANCE AGREEMENT WITH A SUBSIDIARY OF CHUNGHA TELECOM, THE LARGEST GENERAL TELECOMMUNICATIONS COMPANY IN TAIWAN, AND ESTABLISHES A TAIWANESE BRANCH

- Aims to develop a market for the outsourcing of contact centers in Taiwan utilizing BELLSYSTEM24-type CRM methods -

BELLSYSTEM24 Holdings, Inc. (BS24), Japan's contact center service provider, announces that it concluded a business alliance agreement with HongHwa International Corporation (HongHwa International), a Taiwan's contact center operator, on Monday, February 17, 2020 with a view toward developing contact center services in Taiwan. HongHwa International is a wholly owned subsidiary of Chunghwa Telecom Co., Ltd. (Chunghwa Telecom), Taiwan's largest general telecommunications operator. Based on this business alliance agreement, BS24 will receive the cooperation and support of HongHwa International in terms of technologies and BS24's business operation in Taiwan, and will establish a Taiwanese branch of BELLSYSTEM24, Inc., a wholly owned subsidiary of BS24. The branch plans to commence operation this spring.

The market size of the contact center business in Taiwan is said to be approximately 90 billion yen. In addition, given factors such as the in-house production ratio exceeding 80% at companies and organizations, the market is expected to create stronger demand for the outsourcing of contact centers, going forward. In particular, the mail-order industry, a business area that has seen increasing participation by Japanese mail-order companies, has been experiencing the challenge of developing effective CRM schemes to establish favorable relations between companies and consumers because it is often sales agents and not dedicated contact center operators that undertake customer services.

Against this background, BS24 started a range of discussions in 2016 with an eye toward expansion into Taiwan. The expansion is part of initiatives for the development of overseas businesses mainly in Asia that BS24 has been advancing as one of its pillars to facilitate its growth strategy. In line with discussions, BS24 laid out a plan of transferring operations to Taiwan, and then established the Chinese Contact Center in 2017 to design and establish a BELLSYSTEM24-type CRM structure capable of responding to market needs in Taiwan. Through this facility located in Fukuoka prefecture, it provided people in Taiwan with customer services while at the same time proceeding with the development of Taiwanese human resources and test marketing. Following this, it formed an alliance with HongHwa International in 2018 and conducted business jointly, opening a contact center in Taiwan for Japanese mail-order companies. Through these efforts, BS24 has been gaining experience

in Taiwan.

With the branch established in Taiwan as its base of operations, BS24 will make the most of HongHwa International's expertise in contact centers, customer support and telecommunication services that it has nurtured through its operations as a part of the Chunghwa Telecom Group. BS24 will also seek to meet local demand by leveraging the expertise in contact center operations developed over many years to develop and expand the Taiwanese contact center outsourcing market for Japanese and local companies, including mail order businesses.

■ About Chunghwa Telecom and HongHwa International

<About Chunghwa Telecom>

Chunghwa Telecom is the largest telecommunications operator in Taiwan. It provides telecommunications, cloud, and other services, to companies, in addition to domestic fixed communication services such as local calls, domestic long distance calls, broadband access, dedicated lines and data services. The company has been proactively focusing its efforts on CSR in recent years and has received overseas awards.

Representative: Sheih Chi-Mau, President

Established: November 1996

Capital: NT\$77.574 billion

Number of employees: Approx. 33,000

URL : <https://www.cht.com.tw/home/consumer>

<Overview of HongHwa International>

Company name: HongHwa International Corporation

Address: Third floor of teaching building No. 168, Minzu Road, Banqiao District, New Taipei City

Representative: Su Tiancai, President

Establishment: February 2012 (*) A wholly owned subsidiary of Chunghwa Telecom

Capital: NT\$0.18 billion

Number of employees: Approx. 5,900

Business outline: Provision of Chunghwa Telecom shop counter services, contact center operations, installation and maintenance work, maintenance and inspection of wireless communication base stations, and inspection of local call and internet networks

In-house operation centers: 15 facilities (Banqiao, Taipei, Yilan, Taoyuan, Taichung, Tainan, Kaohsiung)

URL : <https://www.honghwa.com.tw/>

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