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Consolidated financial results for the Fiscal year Ended February 28, 2021

[IFRS]

April 7, 2021

Company name : BELLSYSTEM 24 Holdings, Inc. Stock exchange listing : Tokyo
 Stock exchange code : 6183 URL : <https://www.bell24hd.co.jp/en/>
 Representative : Shunsuke Noda, President and Chief Executive Officer
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 Scheduled date of Ordinary General Meeting of Shareholders : May 28, 2021
 Scheduled date of filing of annual securities reports : May 28, 2021
 Scheduled date of start of dividend payment : May 31, 2021
 Supplementary documents for financial results : Yes
 Financial results briefing : Yes (For institutional investors and analysts)
 (Figures are rounded to the nearest million yen)

1. Consolidated financial results for the Fiscal year ended February 28, 2021

(From March 1, 2020 to February 28, 2021)

(1) Consolidated operating results

(Percentages represent year-on-year changes)

	Revenue		Operating income		Income before income taxes		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended February 28, 2021	135,735	7.2	11,799	6.3	11,305	7.3	7,348	3.7
Fiscal year ended February 29, 2020	126,663	4.6	11,105	29.4	10,534	32.6	7,089	48.3

	Net income attributable to owners of the parent		Total Comprehensive income		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Millions of yen	%	Yen	Yen
Fiscal year ended February 28, 2021	7,252	3.5	7,193	1.8	98.64	97.92
Fiscal year ended February 29, 2020	7,006	29.8	7,067	57.7	95.29	94.57

	Ratio of Net income attributable to owners of the parent	Ratio of Income before income taxes to total assets	Ratio of operating income to revenue
	%	%	%
Fiscal year ended February 28, 2021	14.2	6.6	8.7
Fiscal year ended February 29, 2020	14.8	6.3	8.8

(Reference) Equity in earnings (losses) of affiliates

Fiscal year ended February 28, 2021 : 109 Million yen Fiscal year ended February 29, 2020 : 66 Million yen

(2) Consolidated financial position

	Total asset	Total equity	Total equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent	Equity per share attributable to owners of the parent
	Millions of yen	Millions of yen	Millions of yen	%	yen
As of February 28, 2021	172,888	53,510	53,113	30.7	722.69
As of February 29, 2020	168,508	49,537	49,168	29.2	668.77

(3) Consolidated Cash flows

	Operating activities	Investment activities	Financial activities	Cash and cash equivalents at end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended February 28, 2021	14,886	(3,177)	(13,955)	5,518
Fiscal year ended February 29, 2020	16,717	(3,213)	(11,799)	7,767

2. Dividend

	Dividend per share					Total dividends paid (annual)	Payout ratio (consolidated)	Ratio of dividends to equity attribute to owners of the parent (consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended February 29, 2020	—	21.0	—	21.0	42.0	3,092	44.1	6.5
Fiscal year ended February 28, 2021	—	21.0	—	21.0	42.0	3,093	42.6	6.0
Fiscal year ended February 28, 2022 (planned)	—	24.0	—	24.0	48.0		45.3	

3 . Consolidated financial results forecast for the fiscal year ending February 28, 2022

(From March 1, 2021 to February 28, 2022)

(Percentages represent changes from the same period of previous fiscal year)

	Revenue		Operating income		Income before income taxes		Net income		Net income attributable to owners of the parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	
Fiscal year ending February 28, 2022	139,000	2.4	12,200	3.4	11,869	5.0	7,907	7.6	7,800	7.7	105.90

(Notes)

(1) Changes in status of significant subsidiaries during the period

(Changes in specified subsidiaries accompanying changes in scope of consolidation): No

(2) Changes in accounting policies and accounting estimates

- ① Changes in accounting policies required by IFRS : No
② Changes in accounting policies other than ① above : No
③ Changes in accounting estimates : Yes

(3) Number of issued shares (common share)

① Number of issued shares at the end of the period (including treasury shares):

As of February 28, 2021 : 73,653,107 shares

As of February 29, 2020 : 73,617,320 shares

② Number of treasury shares at the end of period:

As of February 28, 2021 : 160,522 shares

As of February 29, 2020 : 100,438 shares

③ Average number of shares:

Fiscal year ended February 28, 2021 : 73,514,500 shares

Fiscal year ended February 29, 2020 : 73,516,752 shares

NON CONSOLIDATED FINANCIAL RESULTS

The non-consolidated financial results and financial position were prepared in accordance with generally accepted accounting principles in Japan ("JGAAP").

(1) Non-consolidated Operating Results (From March 1, 2020 to February 28, 2021)

	Operating revenue		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended February 28, 2021	20,729	7.4	6,804	5.9	6,605	6.3	884	(78.7)
Fiscal year ended February 29, 2020	19,296	9.1	6,424	22.1	6,212	25.4	4,147	11.3

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended February 28, 2021	12.04	11.95
Fiscal year ended February 29, 2020	56.42	55.99

Condensed Interim Consolidated Financial Statements

(1) Condensed Interim Consolidated Statement of Financial Position (Unaudited)

	As of February 29, 2020	(Millions of yen) As of February 28, 2021
Assets		
Current assets		
Cash and cash equivalents	7,767	5,518
Trade and other receivables	17,967	19,644
Income taxes receivable	274	—
Other financial assets	46	240
Other current assets	903	979
Total current assets	26,957	26,381
Non-current assets		
Property, plant and equipment	32,674	37,284
Goodwill	96,250	95,396
Intangible assets	3,323	2,710
Investments accounted for using the equity method	1,584	1,839
Deferred tax assets	1,941	2,605
Other financial assets	5,735	6,577
Other non-current assets	44	96
Total non-current assets	141,551	146,507
Total assets	168,508	172,888

	As of February 29, 2020	(Millions of yen) As of February 28, 2021
Liabilities and Equity		
Liabilities		
Current liabilities		
Trade and other payables	6,144	6,141
Borrowings	10,436	20,235
Income taxes payable	1,265	2,506
Provisions	—	165
Liabilities for employee benefits	9,941	10,424
Other financial liabilities	5,112	5,549
Other current liabilities	5,060	3,932
Total current liabilities	<u>37,958</u>	<u>48,952</u>
Non-current liabilities		
Borrowings	57,742	42,907
Provisions	1,715	1,813
Liabilities for employee benefits	302	513
Deferred tax liabilities	96	76
Other financial liabilities	21,156	25,113
Other non-current liabilities	2	4
Total non-current liabilities	<u>81,013</u>	<u>70,426</u>
Total liabilities	<u>118,971</u>	<u>119,378</u>
Equity		
Common stock	27,033	27,049
Capital surplus	3,436	3,448
Other components of equity	(82)	(235)
Retained earnings	18,984	23,148
Treasury shares	(203)	(297)
Total equity attributable to owners of the parent	<u>49,168</u>	<u>53,113</u>
Non-controlling interest	369	397
Total equity	<u>49,537</u>	<u>53,510</u>
Total liabilities and equity	<u>168,508</u>	<u>172,888</u>

(2) Condensed Interim Consolidated Statement of Income (Unaudited)

	Year ended February 29, 2020	(Millions of yen) Year ended February 28, 2021
Revenue	126,663	135,735
Cost of sales	(101,667)	(108,294)
Gross profit	24,996	27,441
Selling, general and administrative expenses	(13,754)	(14,930)
Other income	150	223
Other expenses	(287)	(935)
Operating income	11,105	11,799
Share of profit(loss) of investments accounted for using the equity method	66	109
Financial income	66	79
Financial costs	(703)	(682)
Income before income taxes	10,534	11,305
Income taxes	(3,445)	(3,957)
Net income	7,089	7,348
Net income attributable to:		
Owners of the parent	7,006	7,252
Non-controlling interest	83	96
Net income	7,089	7,348
Earnings per share		
(attributable to the parent)		(yen)
Basic (yen)	95.29	98.64
Diluted (yen)	94.57	97.92

(3) Condensed Interim Consolidated Statement of Comprehensive Income (Unaudited)

	(Millions of yen)	
	Fiscal year ended February 29, 2020	Fiscal year ended February 28, 2021
Net income	7,089	7,348
Other comprehensive income, net of tax		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(17)	(69)
Total items that will not be reclassified to profit or loss	(17)	(69)
Items that may be reclassified to profit or loss		
Exchange differences on translating foreign operations	(5)	4
Share of other comprehensive income of investments accounted for using equity method	—	(90)
Total Items that may be reclassified to profit or loss	(5)	(86)
Total other comprehensive income, net of tax	(22)	(155)
Total comprehensive income	7,067	7,193
Comprehensive income attributable to :		
Owner of the parent	6,984	7,097
Non-controlling interest	83	96
Total comprehensive income	7,067	7,193

(4) Condensed Interim Consolidated Statement of Change in Equity (Unaudited)
Fiscal year ended February 29, 2020

	Equity attributable to owner of the parent						(Millions of yen)	
	Common stock	Capital surplus	Other components of equity	Retained earnings	Treasury shares	total	Non-controlling interests	Total equity
	As of March 1, 2019	27,033	4,137	(72)	14,845	(206)	45,737	755
Net income	—	—	—	7,006	—	7,006	83	7,089
Other comprehensive income	—	—	(22)	—	—	(22)	—	(22)
Total comprehensive income	—	—	(22)	7,006	—	6,984	83	7,067
Share-based payments	—	—	12	—	—	12	—	12
Dividends paid	—	—	—	(2,867)	—	(2,867)	—	(2,867)
Transactions with non-controlling interests	—	(700)	—	—	—	(700)	(469)	(1,169)
Purchase of treasury shares	—	—	—	—	(0)	(0)	—	(0)
Disposal of treasury shares	—	(1)	—	—	3	2	—	2
Total transaction with owners	—	(701)	12	(2,867)	3	(3,553)	(469)	(4,022)
As of February 29, 2020	27,033	3,436	(82)	18,984	(203)	49,168	369	49,537

Fiscal year ended February 28, 2021

	Equity attributable to owner of the parent						(Millions of yen)	
	Common stock	Capital surplus	Other components of equity	Retained earnings	Treasury shares	total	Non-controlling interests	Total equity
	As of March 1, 2020	27,033	3,436	(82)	18,984	(203)	49,168	369
Net income	—	—	—	7,252	—	7,252	96	7,348
Other comprehensive income	—	—	(155)	—	—	(155)	—	(155)
Total comprehensive income	—	—	(155)	7,252	—	7,097	96	7,193
Share-based payments	—	—	10	—	—	10	—	10
Exercise of share acquisition rights	16	16	(8)	—	—	24	—	24
Dividends paid	—	—	—	(3,088)	—	(3,088)	(68)	(3,156)
Transfer from other components of equity to retained earnings	—	—	(0)	0	—	—	—	—
Purchase of treasury shares	—	(0)	—	—	(110)	(110)	—	(110)
Disposal of treasury shares	—	(4)	—	—	16	12	—	12
Total transaction with owners	16	12	2	(3,088)	(94)	(3,152)	(68)	(3,220)
As of February 28, 2021	27,049	3,448	(235)	23,148	(297)	53,113	397	53,510

(5) Condensed Interim Consolidated Statement of Cash Flows (Unaudited)

	(Millions of yen)	
	Fiscal year ended February 29, 2020	Fiscal year ended February 28, 2021
Cash flows from operating activities:		
Income before income taxes	10,534	11,305
Adjustments to reconcile net income to net cash provided by (used in) operating activities;		
Depreciation	5,925	6,749
amortization	1,089	1,037
Impairment losses	—	854
Loss on disposal or sales of property, plant and equipment	210	70
Loss on sales of shares of subsidiaries	(27)	—
Loss on transfer of business	49	—
Share of (profit) loss of investments accounted for using the equity method	(66)	(109)
Financial income	(66)	(79)
Financial cost	703	682
Decrease (increase) in trade and other receivables	(568)	(1,677)
Increase (decrease) in trade and other payable	646	214
Increase (decrease) in payable for consumption tax	1,253	(8)
Other, net	1,153	1,041
Sub total	20,835	20,079
Interest and dividends received	107	138
Interest paid	(558)	(549)
Income taxes paid	(4,737)	(5,056)
Income taxes refund	1,070	274
Net cash provided by (used in) operating activities	16,717	14,886
Cash flows from investing activities:		
Purchase of property, plant and equipment	(1,047)	(1,695)
Purchase of intangible assets	(764)	(440)
Acquisition of investments in associates and joint ventures	(983)	(294)
Purchase of securities	(100)	(50)
Proceeds from sale of investment securities	—	0
Payments for guarantee deposits	(626)	(789)
Proceeds from guarantee deposits	19	42
Proceeds from transfer of business	127	—
Change of scope of consolidation	95	—
Proceeds from sales of shares of subsidiaries	—	—
Proceeds from government subsidies	66	1
Other, net	(0)	48
Net cash used in investing activities	(3,213)	(3,177)

	(Millions of yen)	
	Fiscal year ended February 29, 2020	Fiscal year ended February 28, 2021
Cash flows from financial activities		
Increase (decrease) in short-term borrowings	3,000	(2,200)
Proceeds from long-term borrowings	6,000	—
Repayment of long-term borrowings	(11,936)	(2,936)
Dividends paid	(2,867)	(3,088)
Dividends paid to non-controlling interests	—	(68)
Proceeds from issuance of shares	—	24
Proceeds from sale of treasury shares	—	6
Payments for purchase of treasury shares	(0)	(110)
Repayments of Lease liability	(4,829)	(5,583)
Not change of scope of consolidation		
Purchase of shares of subsidiaries	(1,169)	—
Other, net	2	—
Net cash provided by (used in) financial activities	<u>(11,799)</u>	<u>(13,955)</u>
Effect of exchange rate change on cash and cash equivalents	(0)	(3)
Net increase (decrease) in cash and cash equivalents	<u>1,705</u>	<u>(2,249)</u>
Cash and cash equivalents at the beginning of the period	<u>5,971</u>	<u>7,767</u>
Increase (decrease) in cash and cash equivalents resulting from transfer to assets held for sale	91	—
Cash and cash equivalents at the end of the period	<u><u>7,767</u></u>	<u><u>5,518</u></u>