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Consolidated financial results for the Nine months ended November 30, 2021

[IFRS]

January 12, 2022

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 filing of quarterly reports : January 13, 2022
 Scheduled date of start of dividend payment : —
 Preparation of 3Q earnings presentation material : Yes
 Holding of 3Q earnings briefing : No

(Figures are rounded to the nearest million yen)

1. Consolidated financial results for the Nine months ended November 30, 2021

(From March 1, 2021 to November 30, 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	%
Nine months ended November 30, 2021	109,530	7.2	10,669	5.1	10,880	11.8	7,479	15.0
Nine months ended November 30, 2020	102,144	7.0	10,147	14.4	9,734	15.3	6,504	15.3

	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
Nine months ended November 30, 2021	7,334	14.2	7,624	20.5	99.77	99.02
Nine months ended November 30, 2020	6,425	15.5	6,325	12.1	87.39	86.77

(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
	Millions of yen	Millions of yen	Millions of yen	%
As of November 30, 2021	175,312	57,802	57,349	32.7
As of February 28, 2021	172,888	53,510	53,113	30.7

2. Dividend

	Dividend per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 28, 2021	—	21.00	—	21.00	42.00
Fiscal year ended February 28, 2022	—	24.00	—		
Fiscal year ended February 28, 2022 (planned)				30.00	54.00

(Note) Revision of most recently announced dividend forecasts : Yes

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	%	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	7.6	105.90

(Note) Revisions of financial forecast in the latest announcement : No

(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 | : | No |

(3) Number of issued shares (common share)

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

As of November 30, 2021	:	73,715,734 shares
As of February 28, 2021	:	73,653,107 shares

② Number of treasury shares at the end of period:

As of November 30, 2021	:	160,522 shares
As of February 28, 2021	:	160,522 shares

③ Average number of shares:

Nine months ended November 30, 2021	:	73,514,057 shares
Nine months ended November 30, 2020	:	73,522,470 shares

※ Disclosure regarding the execution of the quarterly review process

This quarterly financial report is outside the scope of quarterly review procedures under the Financial Instruments and Exchange Act. At the time of disclosure of this financial report, review procedures for the Quarterly Consolidated Financial Statements are in progress.

※ Explanation about the appropriate use of the results forecasts and other special notes

(Note on forward-looking statements, etc.)

Forward-looking statements, including the results forecasts contained in this material, are based on information currently available for the Company and certain assumptions which the Company deems reasonable. The Company does not intend to provide any guarantee on the realization on these forecasts. Actual business results August differ materially from the forecasts due to various factors.

Condensed Interim Consolidated Financial Statements

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

	As of February 28, 2021	(Millions of yen) As of November 30, 2021
Assets		
Current assets		
Cash and cash equivalents	5,518	7,053
Trade and other receivables	19,644	20,904
Other financial assets	240	311
Other current assets	979	1,144
Total current assets	26,381	29,412
Non-current assets		
Property, plant and equipment	37,284	36,474
Goodwill	95,396	95,396
Intangible assets	2,710	2,310
Investments accounted for using the equity method	1,839	2,423
Deferred tax assets	2,605	2,552
Other financial assets	6,577	6,636
Other non-current assets	96	109
Total non-current assets	146,507	145,900
Total assets	172,888	175,312

	As of February 28, 2021	(Millions of yen) As of November 30, 2021
Liabilities and Equity		
Liabilities		
Current liabilities		
Trade and other payables	6,141	5,605
Borrowings	20,235	35,965
Income taxes payable	2,506	1,847
Provisions	165	—
Liabilities for employee benefits	10,424	12,256
Other financial liabilities	5,549	5,697
Other current liabilities	3,932	3,852
Total current liabilities	48,952	65,222
Non-current liabilities		
Borrowings	42,907	25,902
Provisions	1,813	2,207
Liabilities for employee benefits	513	541
Deferred tax liabilities	76	76
Other financial liabilities	25,113	23,555
Other non-current liabilities	4	7
Total non-current liabilities	70,426	52,288
Total liabilities	119,378	117,510
Equity		
Common stock	27,049	27,079
Capital surplus	3,448	3,478
Other components of equity	(235)	(85)
Retained earnings	23,148	27,174
Treasury shares	(297)	(297)
Total equity attributable to owners of the parent	53,113	57,349
Non-controlling interest	397	453
Total equity	53,510	57,802
Total liabilities and equity	172,888	175,312

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

	(Millions of yen)	
	Nine months ended November 30, 2020	Nine months ended November 30, 2021
Revenue	102,144	109,530
Cost of sales	(80,978)	(86,687)
Gross profit	21,166	22,843
Selling, general and administrative expenses	(11,125)	(12,370)
Other income	174	263
Other expenses	(68)	(67)
Operating income	10,147	10,669
Share of profit(loss) of investments accounted for using the equity method	26	644
Financial income	79	49
Financial costs	(518)	(482)
Income before income taxes	9,734	10,880
Income taxes	(3,230)	(3,401)
Net income	6,504	7,479
Net income attributable to:		
Owners of the parent	6,425	7,334
Non-controlling interest	79	145
Net income	6,504	7,479
Earnings per share		
(attributable to the parent)	(yen)	(yen)
Basic (yen)	87.39	99.77
Diluted (yen)	86.77	99.02

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

	(Millions of yen)	
	Nine months ended November 30, 2020	Nine months ended November 30, 2021
Net income	6,504	7,479
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	(71)	119
Total items that will not be reclassified to profit or loss	(71)	119
Items that may be reclassified to profit or loss		
Exchange differences on translating foreign operations	(3)	9
Share of other comprehensive income of investments accounted for using equity method	(105)	17
Total Items that may be reclassified to profit or loss	(108)	26
Total other comprehensive income, net of tax	(179)	145
Total comprehensive income	6,325	7,624
Comprehensive income attributable to :		
Owner of the parent	6,246	7,479
Non-controlling interest	79	145
Total comprehensive income	6,325	7,624

(4) Condensed Interim Consolidated Statement of Change in Equity (Unaudited)

Nine months ended November 30, 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, 2020	27,033	3,436	(82)	18,984	(203)	49,168	369	49,537
Net income	—	—	—	6,425	—	6,425	79	6,504
Other comprehensive income	—	—	(179)	—	—	(179)	—	(179)
Total comprehensive income	—	—	(179)	6,425	—	6,246	79	6,325
Share-based payments	—	—	17	—	—	17	—	17
Exercise of share acquisition rights	17	17	(8)	—	—	26	—	26
Dividends paid	—	—	—	(3,088)	—	(3,088)	(68)	(3,156)
Transfer from other components of equity to retained earnings	—	—	(0)	0	—	—	—	—
Purchase of treasury shares	—	—	—	—	(110)	(110)	—	(110)
Disposal of treasury shares	—	(3)	—	—	10	7	—	7
Total transaction with owners	17	14	9	(3,088)	(100)	(3,148)	(68)	(3,216)
As of November 30, 2020	27,050	3,450	(252)	22,321	(303)	52,266	380	52,646

Nine months ended November 30, 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, 2021	27,049	3,448	(235)	23,148	(297)	53,113	397	53,510
Net income	—	—	—	7,334	—	7,334	145	7,479
Other comprehensive income	—	—	145	—	—	145	—	145
Total comprehensive income	—	—	145	7,334	—	7,479	145	7,624
Share-based payments	—	—	19	—	—	19	—	19
Exercise of share acquisition rights	30	30	(14)	—	—	46	—	46
Dividends paid	—	—	—	(3,308)	—	(3,308)	(89)	(3,397)
Total transaction with owners	30	30	5	(3,308)	—	(3,243)	(89)	(3,332)
As of November 30, 2021	27,079	3,478	(85)	27,174	(297)	57,349	453	57,802

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

(Millions of yen)

	Nine months ended November 30, 2020	Nine months ended November 30, 2021
Cash flows from operating activities:		
Income before income taxes	9,734	10,880
Adjustments to reconcile net income to net cash provided by (used in) operating activities;		
Depreciation and amortization	5,707	6,193
Loss on disposal or sales of property, plant and equipment	61	20
Share of (profit) loss of investments accounted for using the equity method	(26)	(644)
Financial income	(79)	(49)
Financial cost	518	482
Decrease (increase) in trade and other receivables	(1,196)	(1,260)
Increase (decrease) in trade and other payable	(91)	(249)
Increase (decrease) in payable for consumption tax	4	(434)
Other, net	1,385	1,961
Sub total	16,017	16,900
Interest and dividends received	137	127
Interest paid	(416)	(444)
Income taxes paid	(3,669)	(4,034)
Income taxes refund	274	—
Net cash provided by (used in) operating activities	12,343	12,549
Cash flows from investing activities:		
Purchase of property, plant and equipment	(1,086)	(1,465)
Purchase of intangible assets	(307)	(330)
Purchase of marketable securities	—	(100)
Proceeds from sale of investment securities	0	26
Acquisition of investments in associates and joint ventures	(294)	—
Payments for guarantee deposits	(273)	(131)
Proceeds from guarantee deposits	39	211
Payments for asset retirement obligations	—	(139)
Proceeds from government subsidies	6	—
Other, net	(0)	109
Net cash used in investing activities	(1,915)	(1,819)

	(Millions of yen)	
	Nine months ended November 30, 2020	Nine months ended November 30, 2021
Cash flows from financial activities		
Increase (decrease) in short-term borrowings	(400)	900
Proceeds from long-term borrowings	—	12,000
Repayment of long-term borrowings	(2,202)	(14,201)
Dividends paid	(3,088)	(3,308)
Dividends paid to non-controlling interests	(68)	(89)
Proceeds from issuance of shares	25	44
Proceeds from sale of treasury shares	3	—
Payments for purchase of treasury shares	(110)	—
Repayments of Lease liability	(4,085)	(4,551)
Net cash provided by (used in) financial activities	(9,925)	(9,205)
Effect of exchange rate change on cash and cash equivalents	(4)	10
Net increase (decrease) in cash and cash equivalents	(499)	1,535
Cash and cash equivalents at the beginning of the period	7,767	5,518
Cash and cash equivalents at the end of the period	8,266	7,053