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Consolidated financial results for the Fiscal year Ended February 28, 2022

[IFRS]

April 6, 2022

Company name : BELLSYSTEM 24 Holdings, Inc. Stock exchange listing : Tokyo
 Stock exchange code : 6183 URL : <https://www.bell24.co.jp/en/>
 Representative : Shunsuke Noda, President and Chief Executive Officer
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Scheduled date of Ordinary General Meeting of Shareholders : May 27, 2022

Scheduled date of filing of annual securities reports : May 27, 2022

Scheduled date of start of dividend payment : May 30, 2022

Supplementary documents for financial results : Yes

Financial results briefing : Yes

(Figures are rounded to the nearest million yen)

1. Consolidated financial results for the Fiscal year ended February 28, 2022

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

(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, 2022	146,479	7.9	13,234	12.2	13,463	19.1	9,138	24.4
Fiscal year ended February 28, 2021	135,735	7.2	11,799	6.3	11,305	7.3	7,348	3.7

	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, 2022	8,943	23.3	9,311	29.5	121.65	120.77
Fiscal year ended February 28, 2021	7,252	3.5	7,193	1.8	98.64	97.92

	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, 2022	16.0	7.7	9.0
Fiscal year ended February 28, 2021	14.2	6.6	8.7

(Reference) Equity in earnings (losses) of affiliates

Fiscal year ended February 28, 2022 : 808 Million yen Fiscal year ended February 28, 2021 : 109 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, 2022	178,312	59,489	58,986	33.1	801.91
As of February 28, 2021	172,888	53,510	53,113	30.7	722.69

(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, 2022	16,278	(2,431)	(13,181)	6,196
Fiscal year ended February 28, 2021	14,886	(3,177)	(13,955)	5,518

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 28, 2021	—	21.0	—	21.0	42.0	3,093	42.6	6.0
Fiscal year ended February 28, 2022	—	24.0	—	30.0	54.0	3,980	44.4	7.1
Fiscal year ended February 28, 2023 (planned)	—	30.0	—	30.0	60.0		48.0	

3 . Consolidated financial results forecast for the fiscal year ending February 28, 2023

(From March 1, 2022 to February 28, 2023)

(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, 2023	148,000	1.0	14,000	5.8	13,900	3.2	9,400	2.9	9,200	2.9	125.08

(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 February 28, 2022 : 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 February 28, 2022 : 160,522 shares

As of February 28, 2021 : 160,522 shares

③ Average number of shares:

Fiscal year ended February 28, 2022 : 73,524,205 shares

Fiscal year ended February 28, 2021 : 73,514,500 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, 2021 to February 28, 2022)

	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, 2022	19,351	(6.6)	5,292	(22.2)	5,025	(23.9)	2,947	233.1
Fiscal year ended February 28, 2021	20,729	7.4	6,804	5.9	6,605	6.3	884	(78.7)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended February 28, 2022	40.10	39.81
Fiscal year ended February 28, 2021	12.04	11.95

(2) Non-consolidated financial position

	Total assets	Total equity	Ratio of shareholders' equity to total assets	Net assets per share
	Millions of yen	Millions of yen	%	yen
Fiscal year ended February 28, 2022	126,225	58,366	46.2	792.98
Fiscal year ended February 28, 2021	131,184	58,691	44.7	798.02

(Reference) Shareholders' equity As of February 28, 2022 58,324 Million yen

As of February 28, 2021 58,645 Million yen

※ 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 February 28, 2022
Assets		
Current assets		
Cash and cash equivalents	5,518	6,196
Trade and other receivables	19,644	21,181
Other financial assets	240	289
Other current assets	979	1,143
Total current assets	26,381	28,809
Non-current assets		
Property, plant and equipment	37,284	40,067
Goodwill	95,396	94,900
Intangible assets	2,710	2,064
Investments accounted for using the equity method	1,839	2,641
Deferred tax assets	2,605	2,806
Other financial assets	6,577	6,940
Other non-current assets	96	85
Total non-current assets	146,507	149,503
Total assets	172,888	178,312

	As of February 28, 2021	(Millions of yen) As of February 28, 2022
Liabilities and Equity		
Liabilities		
Current liabilities		
Trade and other payables	6,141	6,691
Borrowings	20,235	37,481
Income taxes payable	2,506	2,222
Provisions	165	—
Liabilities for employee benefits	10,424	12,005
Other financial liabilities	5,549	6,095
Other current liabilities	3,932	2,909
Total current liabilities	48,952	67,403
Non-current liabilities		
Borrowings	42,907	21,971
Provisions	1,813	2,211
Liabilities for employee benefits	513	652
Deferred tax liabilities	76	8
Other financial liabilities	25,113	26,569
Other non-current liabilities	4	9
Total non-current liabilities	70,426	51,420
Total liabilities	119,378	118,823
Equity		
Common stock	27,049	27,079
Capital surplus	3,448	3,478
Other components of equity	(235)	(57)
Retained earnings	23,148	28,783
Treasury shares	(297)	(297)
Total equity attributable to owners of the parent	53,113	58,986
Non-controlling interest	397	503
Total equity	53,510	59,489
Total liabilities and equity	172,888	178,312

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

	Year ended February 28, 2021	(Millions of yen) Year ended February 28, 2022
Revenue	135,735	146,479
Cost of sales	(108,294)	(116,222)
Gross profit	27,441	30,257
Selling, general and administrative expenses	(14,930)	(16,571)
Other income	223	304
Other expenses	(935)	(756)
Operating income	11,799	13,234
Share of profit(loss) of investments accounted for using the equity method	109	808
Financial income	79	50
Financial costs	(682)	(629)
Income before income taxes	11,305	13,463
Income taxes	(3,957)	(4,325)
Net income	7,348	9,138
Net income attributable to:		
Owners of the parent	7,252	8,943
Non-controlling interest	96	195
Net income	7,348	9,138
Earnings per share		
(attributable to the parent)		(yen)
Basic (yen)	98.64	121.65
Diluted (yen)	97.92	120.77

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

	(Millions of yen)	
	Fiscal year ended February 28, 2021	Fiscal year ended February 28, 2022
Net income	7,348	9,138
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	(69)	98
Total items that will not be reclassified to profit or loss	(69)	98
Items that may be reclassified to profit or loss		
Exchange differences on translating foreign operations	4	10
Share of other comprehensive income of investments accounted for using equity method	(90)	65
Total Items that may be reclassified to profit or loss	(86)	75
Total other comprehensive income, net of tax	(155)	173
Total comprehensive income	7,193	9,311
Comprehensive income attributable to :		
Owner of the parent	7,097	9,116
Non-controlling interest	96	195
Total comprehensive income	7,193	9,311

(4) Condensed Interim Consolidated Statement of Change in Equity (Unaudited)
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	49,537
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

Fiscal year ended February 28, 2022

	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	—	—	—	8,943	—	8,943	195	9,138
Other comprehensive income	—	—	173	—	—	173	—	173
Total comprehensive income	—	—	173	8,943	—	9,116	195	9,311
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 February 28, 2022	27,079	3,478	(57)	28,783	(297)	58,986	503	59,489

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

	(Millions of yen)	
	Fiscal year ended February 28, 2021	Fiscal year ended February 28, 2022
Cash flows from operating activities:		
Income before income taxes	11,305	13,463
Adjustments to reconcile net income to net cash provided by (used in) operating activities;		
Depreciation	6,749	7,291
amortization	1,037	951
Impairment losses	854	496
Loss on disposal or sales of property, plant and equipment	70	208
Share of (profit) loss of investments accounted for using the equity method	(109)	(808)
Financial income	(79)	(50)
Financial cost	682	629
Decrease (increase) in trade and other receivables	(1,677)	(1,537)
Increase (decrease) in trade and other payable	214	487
Increase (decrease) in payable for consumption tax	(8)	(970)
Other, net	1,041	1,472
Sub total	20,079	21,632
Interest and dividends received	138	127
Interest paid	(549)	(567)
Income taxes paid	(5,056)	(4,914)
Income taxes refund	274	—
Net cash provided by (used in) operating activities	14,886	16,278
Cash flows from investing activities:		
Purchase of property, plant and equipment	(1,695)	(1,654)
Purchase of intangible assets	(440)	(418)
Acquisition of investments in associates and joint ventures	(294)	—
Purchase of securities	(50)	(106)
Proceeds from sale of investment securities	0	26
Payments for guarantee deposits	(789)	(542)
Proceeds from guarantee deposits	42	257
Payments for asset retirement obligations	—	(139)
Proceeds from government subsidies	1	—
Other, net	48	145
Net cash used in investing activities	(3,177)	(2,431)

	(Millions of yen)	
	Fiscal year ended February 28, 2021	Fiscal year ended February 28, 2022
Cash flows from financial activities		
Increase (decrease) in short-term borrowings	(2,200)	(800)
Proceeds from long-term borrowings	—	12,000
Repayment of long-term borrowings	(2,936)	(14,936)
Dividends paid	(3,088)	(3,308)
Dividends paid to non-controlling interests	(68)	(89)
Proceeds from issuance of shares	24	44
Proceeds from sale of treasury shares	6	—
Payments for purchase of treasury shares	(110)	—
Repayments of Lease liability	(5,583)	(6,092)
Net cash provided by (used in) financial activities	(13,955)	(13,181)
Effect of exchange rate change on cash and cash equivalents	(3)	12
Net increase (decrease) in cash and cash equivalents	(2,249)	678
Cash and cash equivalents at the beginning of the period	7,767	5,518
Cash and cash equivalents at the end of the period	5,518	6,196