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Consolidated financial results for the Nine months ended November 30, 2022

[IFRS]

January 11, 2023

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  
 Contact : Toyohisa Tsuji, Managing Executive Officer  
 TEL : +81-3-6843-0024  
 Scheduled date of filing of quarterly reports : January 12, 2023  
 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, 2022

(From March 1, 2022 to November 30, 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	%
Nine months ended November 30, 2022	117,556	7.3	11,882	11.4	11,486	5.6	7,877	5.3
Nine months ended November 30, 2021	109,530	7.2	10,669	5.1	10,880	11.8	7,479	15.0

	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, 2022	7,667	4.5	8,193	7.5	104.22	103.55
Nine months ended November 30, 2021	7,334	14.2	7,624	20.5	99.77	99.02

(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, 2022	176,716	63,218	62,577	35.4
As of February 28, 2022	178,312	59,489	58,986	33.1

## 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, 2022	—	24.00	—	30.00	54.00
Fiscal year ended February 28, 2023	—	30.00	—		
Fiscal year ended February 28, 2023 (planned)				30.00	60.00

(Note) Revision of most recently announced dividend forecasts : No

## 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	%	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

(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 30,2022 : 73,715,734 shares

As of February 28, 2022 : 73,715,734 shares

② Number of treasury shares at the end of period:

As of November 30,2022 : 154,106 shares

As of February 28, 2022 : 160,522 shares

③ Average number of shares:

Nine months ended November 30, 2022 : 73,560,077 shares

Nine months ended November 30, 2021 : 73,514,057 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 May 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, 2022	(Millions of yen) As of November 30, 2022
Assets		
Current assets		
Cash and cash equivalents	6,196	7,127
Trade and other receivables	21,181	21,850
Other financial assets	289	213
Other current assets	1,143	1,538
Total current assets	28,809	30,728
Non-current assets		
Property, plant and equipment	40,067	37,226
Goodwill	94,900	94,900
Intangible assets	2,064	1,756
Investments accounted for using the equity method	2,641	2,510
Deferred tax assets	2,806	3,121
Other financial assets	6,940	6,253
Other non-current assets	85	222
Total non-current assets	149,503	145,988
Total assets	178,312	176,716

	As of February 28, 2022	(Millions of yen) As of November 30, 2022
Liabilities and Equity		
Liabilities		
Current liabilities		
Trade and other payables	6,691	7,153
Borrowings	37,481	20,700
Income taxes payable	2,222	2,003
Liabilities for employee benefits	12,005	12,552
Other financial liabilities	6,095	5,480
Other current liabilities	2,909	3,447
Total current liabilities	<u>67,403</u>	<u>51,335</u>
Non-current liabilities		
Borrowings	21,971	34,968
Provisions	2,211	2,448
Liabilities for employee benefits	652	714
Deferred tax liabilities	8	8
Other financial liabilities	26,569	24,006
Other non-current liabilities	9	19
Total non-current liabilities	<u>51,420</u>	<u>62,163</u>
Total liabilities	<u>118,823</u>	<u>113,498</u>
Equity		
Common stock	27,079	27,079
Capital surplus	3,478	1,268
Other components of equity	(57)	272
Retained earnings	28,783	34,243
Treasury shares	(297)	(285)
Total equity attributable to owners of the parent	<u>58,986</u>	<u>62,577</u>
Non-controlling interest	503	641
Total equity	<u>59,489</u>	<u>63,218</u>
Total liabilities and equity	<u>178,312</u>	<u>176,716</u>

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

	(Millions of yen)	
	Nine months ended November 30, 2021	Nine months ended November 30, 2022
Revenue	109,530	117,556
Cost of sales	<u>(86,687)</u>	<u>(93,038)</u>
Gross profit	22,843	24,518
Selling, general and administrative expenses	(12,370)	(12,798)
Other income	263	182
Other expenses	<u>(67)</u>	<u>(20)</u>
Operating income	<u>10,669</u>	<u>11,882</u>
Share of profit(loss) of investments accounted for using the equity method	644	(37)
Financial income	49	91
Financial costs	<u>(482)</u>	<u>(450)</u>
Income before income taxes	10,880	11,486
Income taxes	<u>(3,401)</u>	<u>(3,609)</u>
Net income	<u>7,479</u>	<u>7,877</u>
Net income attributable to:		
Owners of the parent	7,334	7,667
Non-controlling interest	<u>145</u>	<u>210</u>
Net income	<u>7,479</u>	<u>7,877</u>
Earnings per share		
(attributable to the parent)		(yen)
Basic	99.77	104.22
Diluted	99.02	103.55

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

	(Millions of yen)	
	Nine months ended November 30, 2021	Nine months ended November 30, 2022
Net income	7,479	7,877
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	119	153
Share of other comprehensive income of investments accounted for using equity method	—	(24)
Total items that will not be reclassified to profit or loss	119	129
Items that may be reclassified to profit or loss		
Exchange differences on translating foreign operations	9	11
Share of other comprehensive income of investments accounted for using equity method	17	176
Total Items that may be reclassified to profit or loss	26	187
Total other comprehensive income, net of tax	145	316
Total comprehensive income	7,624	8,193
Comprehensive income attributable to :		
Owner of the parent	7,479	7,983
Non-controlling interest	145	210
Total comprehensive income	7,624	8,193

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

Nine months ended November 30, 2021

	Equity attributable to owner of the parent						Non-controlling interests	Total equity
	Common stock	Capital surplus	Other components of equity	Retained earnings	Treasury shares	total		
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

Nine months ended November 30, 2022

	Equity attributable to owner of the parent						Non-controlling interests	Total equity
	Common stock	Capital surplus	Other components of equity	Retained earnings	Treasury shares	total		
As of March 1, 2022	27,079	3,478	(57)	28,783	(297)	58,986	503	59,489
Net income	—	—	—	7,667	—	7,667	210	7,877
Other comprehensive income	—	—	316	—	—	316	—	316
Total comprehensive income	—	—	316	7,667	—	7,983	210	8,193
Share-based payments	—	—	13	—	—	13	—	13
Dividends paid	—	(2,207)	—	(2,207)	—	(4,414)	(170)	(4,584)
Disposal of treasury shares	—	(3)	—	—	12	9	—	9
Transactions with non-controlling interests	—	—	—	—	—	—	98	98
Total transaction with owners	—	(2,210)	13	(2,207)	12	(4,392)	(72)	(4,464)
As of November 30, 2022	27,079	1,268	272	34,243	(285)	62,577	641	63,218



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

(Millions of yen)

	Nine months ended November 30, 2021	Nine months ended November 30, 2022
Cash flows from operating activities:		
Income before income taxes	10,880	11,486
Adjustments to reconcile net income to net cash provided by (used in) operating activities;		
Depreciation and amortization	6,193	6,340
Loss on disposal or sales of property, plant and equipment	20	2
Share of (profit) loss of investments accounted for using the equity method	(644)	37
Financial income	(49)	(91)
Financial cost	482	450
Decrease (increase) in trade and other receivables	(1,260)	(669)
Increase (decrease) in trade and other payable	(249)	548
Increase (decrease) in payable for consumption tax	(434)	379
Other, net	1,961	331
Sub total	16,900	18,813
Interest and dividends received	127	396
Interest paid	(444)	(374)
Income taxes paid	(4,034)	(4,361)
Net cash provided by (used in) operating activities	12,549	14,474
Cash flows from investing activities:		
Purchase of property, plant and equipment	(1,465)	(1,093)
Purchase of intangible assets	(330)	(298)
Purchase of marketable securities	(100)	(531)
Proceeds from sale of investment securities	26	1,440
Payments for guarantee deposits	(131)	(74)
Proceeds from guarantee deposits	211	40
Payments for asset retirement obligations	(139)	—
Other, net	109	112
Net cash used in investing activities	(1,819)	(404)

(Millions of yen)

	Nine months ended November 30, 2021	Nine months ended November 30, 2022
Cash flows from financial activities		
Increase (decrease) in short-term borrowings	900	5,200
Proceeds from long-term borrowings	12,000	20,000
Repayment of long-term borrowings	(14,201)	(29,031)
Dividends paid	(3,308)	(4,414)
Dividends paid to non-controlling interests	(89)	(170)
Capital contribution from non-controlling interests	—	98
Repayments of Lease liability	(4,551)	(4,838)
Proceeds from issuance of shares	44	—
Proceeds from sale of treasury shares	—	5
Net cash provided by (used in) financial activities	(9,205)	(13,150)
Effect of exchange rate change on cash and cash equivalents	10	11
Net increase (decrease) in cash and cash equivalents	1,535	931
Cash and cash equivalents at the beginning of the period	5,518	6,196
Cash and cash equivalents at the end of the period	7,053	7,127