



**BELLSYSTEM24
HOLDINGS, INC.**

Hybrid Intelligence

for All

Mid-Term Management Plan 2028

*Advancing all business
through a virtuous cycle
between humans and AI.*



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1 Human resources



Maximizing the active participation of our workforce of 40,000 employees

- Start of full operation of the AI-driven business matching recruitment model
- Strengthened re-skilling support through a career map system and enhanced training program
- Acquisition of various certifications (such as Eruboshi and Platinum Kurumin) due to diversity promotion

2 Stylization



Achieving more sophisticated data utilization

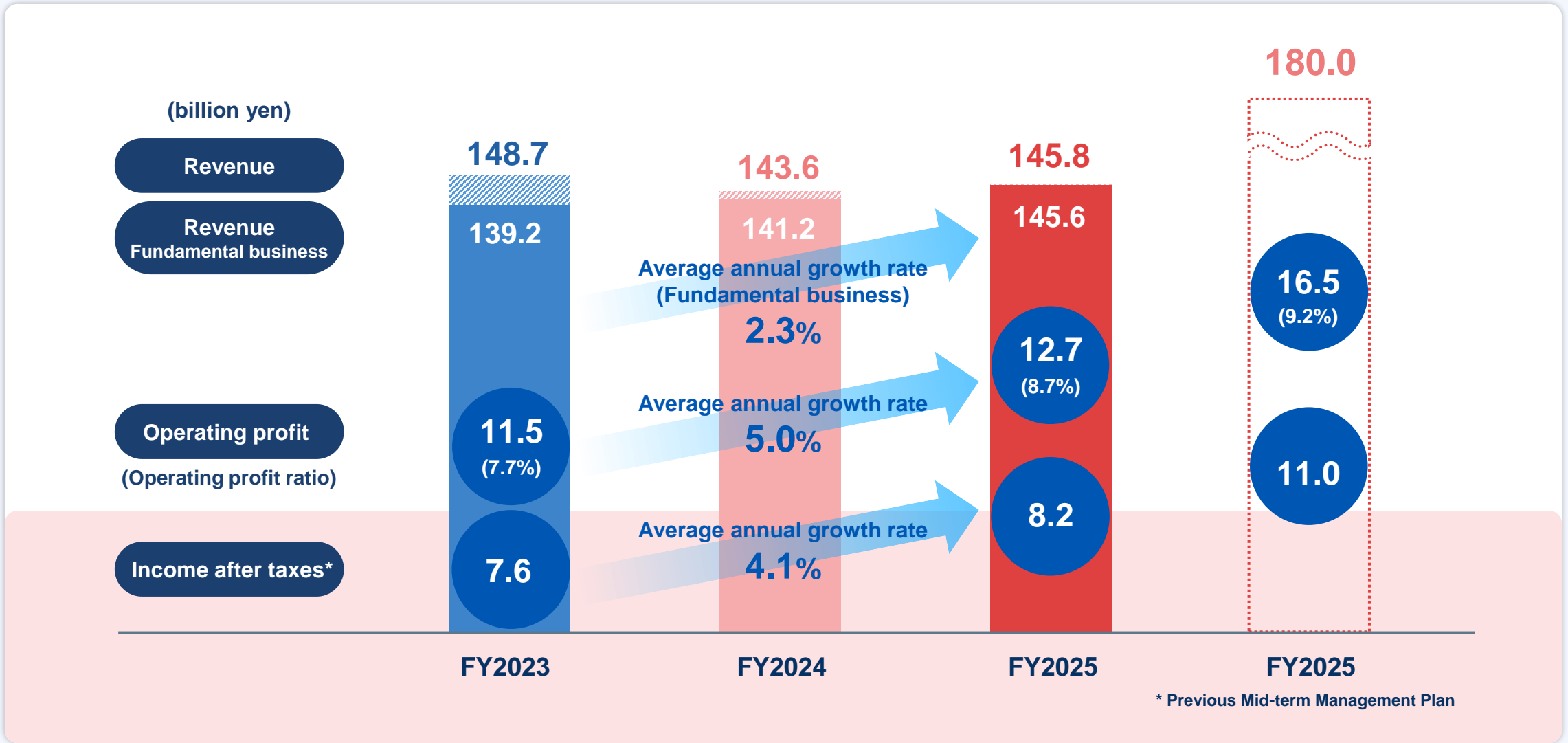
- Announcement of the BellCloud + CX generative AI-equipped contact center platform
- Start of development of a Hybrid Operation Loop aimed at contact center automation
- Joint initiative with THINKER to launch the Hitotonari AI service that infers customer needs based on VOC

3 Co-creation



Developing the NEW BPO areas

- Launch of the GenAI Co-Creation Lab., a program involving user companies
- Expansion of the Horizon One business providing accounting and personnel BPO services
- Expansion into new fields through co-creation with partner companies including local government, primary industry and healthcare



* Income after taxes: net income attributable to owners of parent



The portion of revenue representing "business related to national policy matters including COVID-19 and other businesses"

Mid-Term Management Plan 2028



The Environment Surrounding Society

- Worsening labor shortages in companies resulting from a decline in the working-age population
- Transformation to the structure of industry due to exponential technological advances such as generative AI and AI agents
- Sharply rising personnel expenses and the normalization of rising costs driven by overseas economic trends, exchange rates and other factors
- BPO utilization rates remaining low in Japan market.



Predicted Changes in the Market

- Diversification and expansion of outsourcing needs due to a concentration of resources in core business processes
- Rising automation and business process transformation needs due to AI utilization
- Increased needs for added-value and highly-specialized BPO

Our Unique Strengths



Data & Knowledge

Data from over 500 million dialogues per year

Operating methods spanning more than four decades

Track record of doing business with over 1,500 companies a year



Productive Human Resource Base

Human resources development and training expertise covering tens of thousands of personnel

Development of organizations to maximize human resources

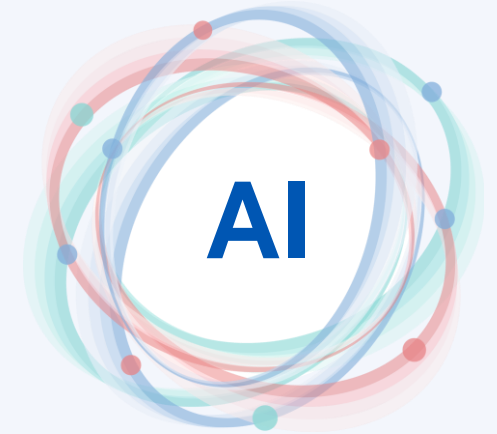


Co-creation Network

ITOCHU/TOPPAN Group

GenAI Co-Creation Lab. and other facilities

Diverse range of partners



"A new voice"

Responding to social needs in the era of AI

Hybrid Intelligence

*Advancing all business
through a virtuous cycle
between humans and AI.*

for All

Human experience and insight, combined with AI thinking and learning.

With these two forms of "intelligence" intersecting, people's jobs will shift from "business processes" to "creation."

The huge volume of data, methods, human resource management capabilities and co-creation network we have cultivated to date will be expanded in all directions by AI, creating a virtuous cycle in which value continues to propagate.

This goes beyond mere streamlining; it is the power to evolve business itself.

With the "intelligence" of humans and AI, we will unlock society's productivity and untapped potential.

Evolving on All Fronts and Creating New Value With Our Three Strengths x AI

Hybrid Intelligence



Data & Knowledge



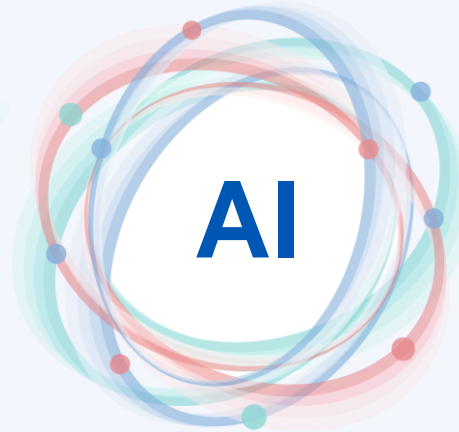
Productive Human Resource Base



Co-creation Network

Strength

A virtuous cycle between humans and AI



for All

Advancement in customer experience (CX)
Smart Contact Center

BPO expansion
Smart Business Support

Growth strategy

New value creation

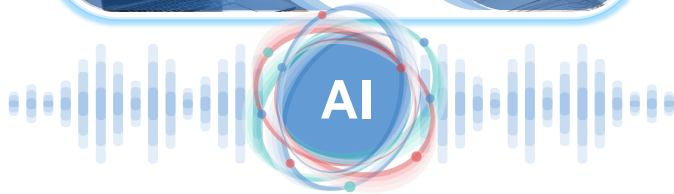
Smart Contact Center: Business processes in areas related to communication between client companies and their end users

Smart Business Support: Business processes related to support for the internal business processes of client companies

Hybrid Intelligence *for All*

1

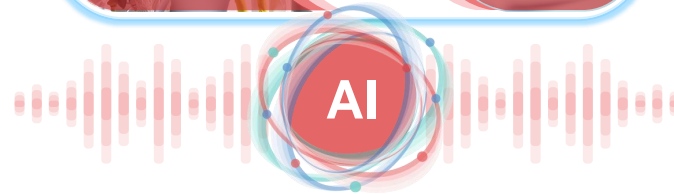
Expanding data utilization



- ✓ Converting dialogue data into knowledge and fully utilizing it
- ✓ Expanding areas in which specialized business process knowledge for each industry can be utilized

2

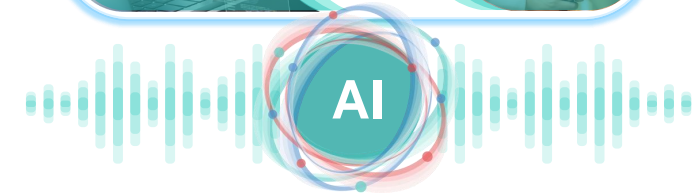
Maximizing the value of people



- ✓ Expanding high value-added services people uniquely provide
- ✓ Equipping all employees with AI as tools

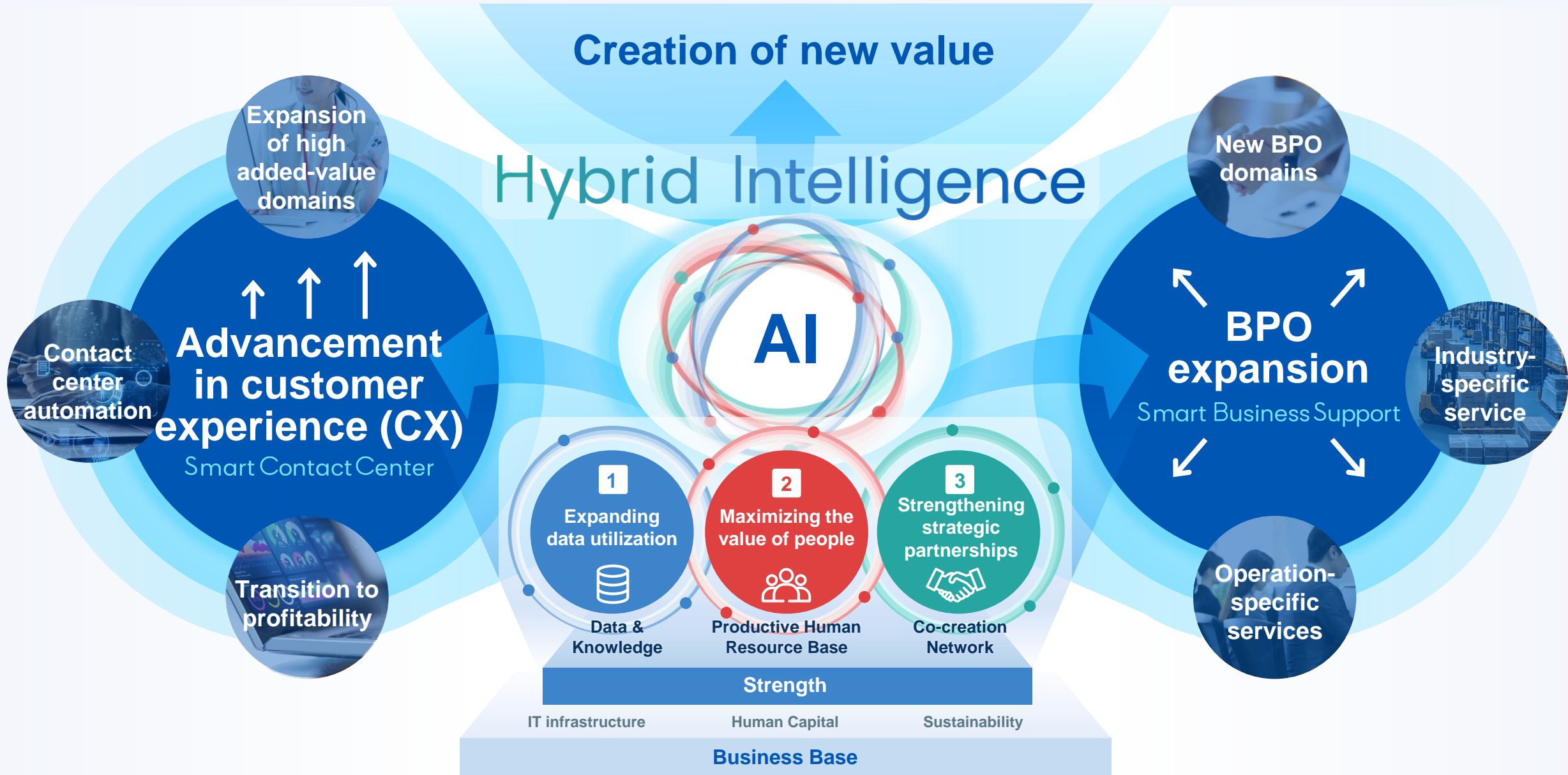
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Strengthening strategic partnerships



- ✓ Expansion of scale through roll-up strategy / evolution into next-generation contact centers
- ✓ Expanding specialized BPO domains / developing AI-driven BPO services

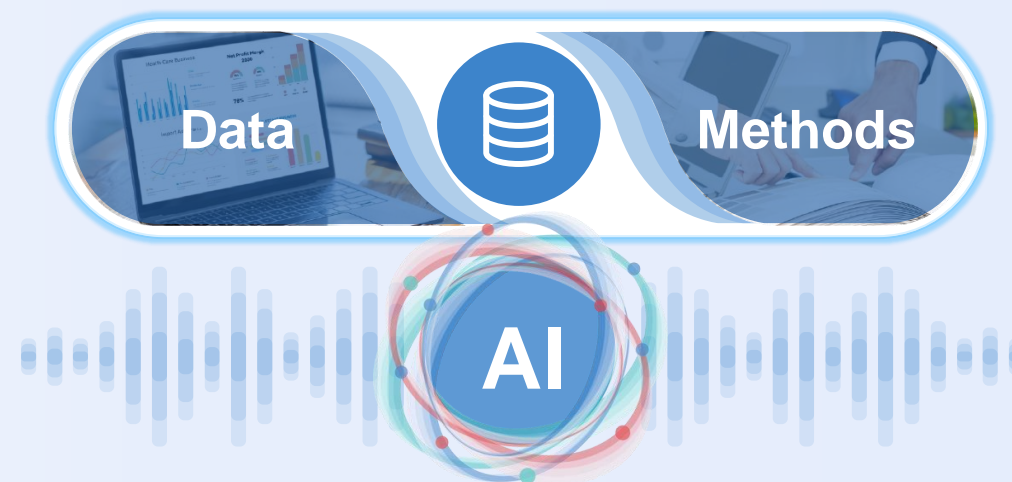
New value creation



Three Priority Measures



1 Expanding data utilization



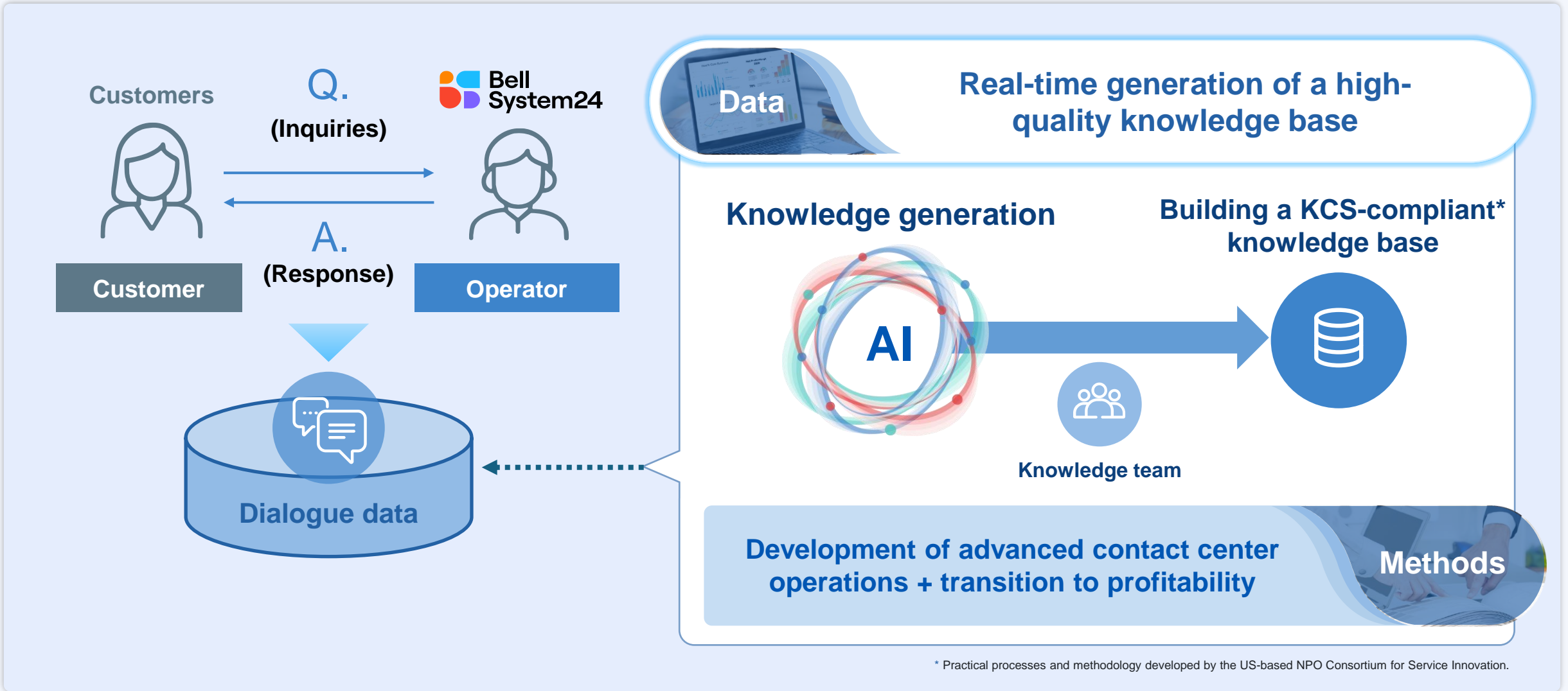
1 Expanding data utilization



Converting specialized business knowledge into knowledge data, and use AI to evolve it into new business value

1 Expanding data utilization

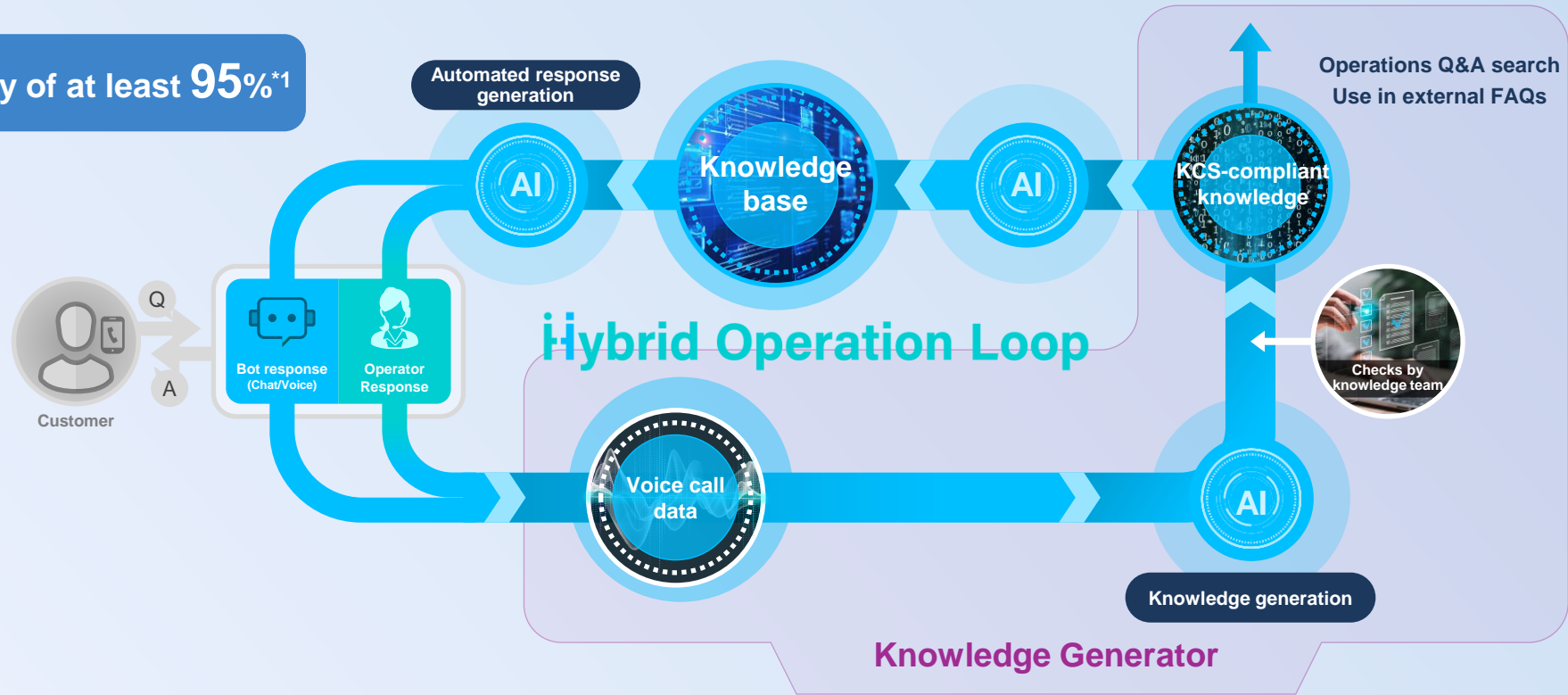
Converting dialogue data from 500 million dialogues a year into knowledge and fully utilizing it



* Practical processes and methodology developed by the US-based NPO Consortium for Service Innovation.

Hybrid Operation Loop - Contact Center Automation Model

Response accuracy of at least **95%*1**



Proprietary HybridRAG*2 KCS-compliant knowledge **Achieving an outstanding response accuracy** **Highly-accurate operator support** **Expanded scope of automated responses** **Provision of value to client companies**

- Improved customer satisfaction levels
- Cost optimization

*1: QA response accuracy when using regular generative AI is 60-80%

*2: RAG: A technology where a large language model (LLM) not only uses pre-trained information, but searches for highly relevant information from trusted information sources such as external databases and internal documents and generates responses based on that information

Transformation of the revenue structure through the contact center automation model

Image of expanded sales

Steadily expand the number of service installations, concentrating on companies that own large-scale contact centers

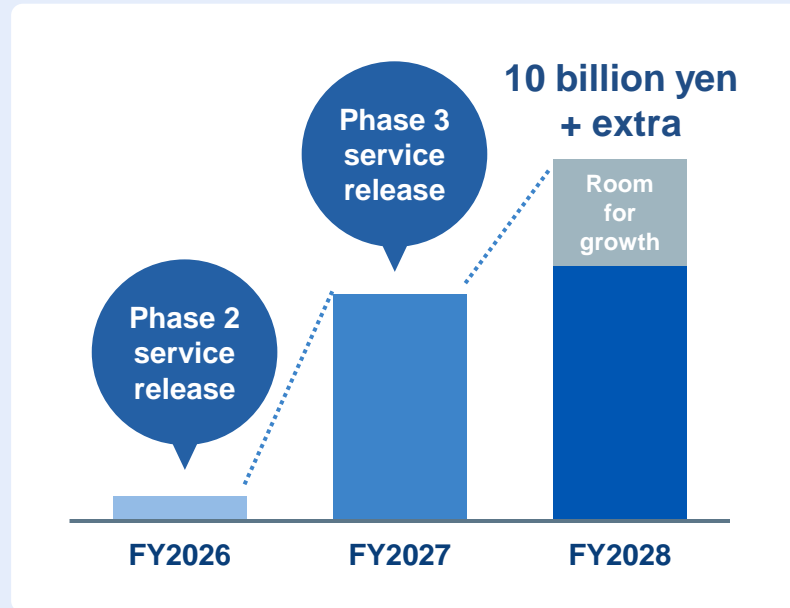
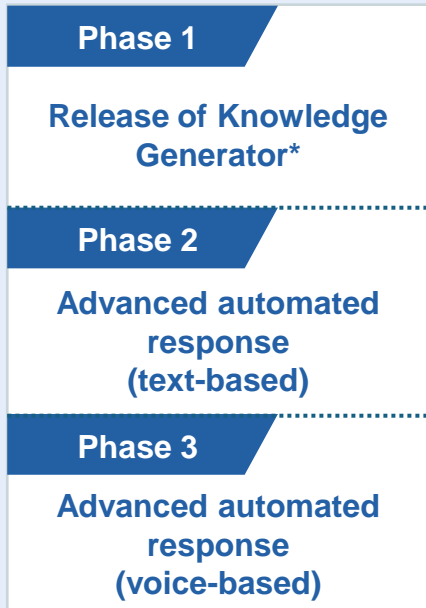
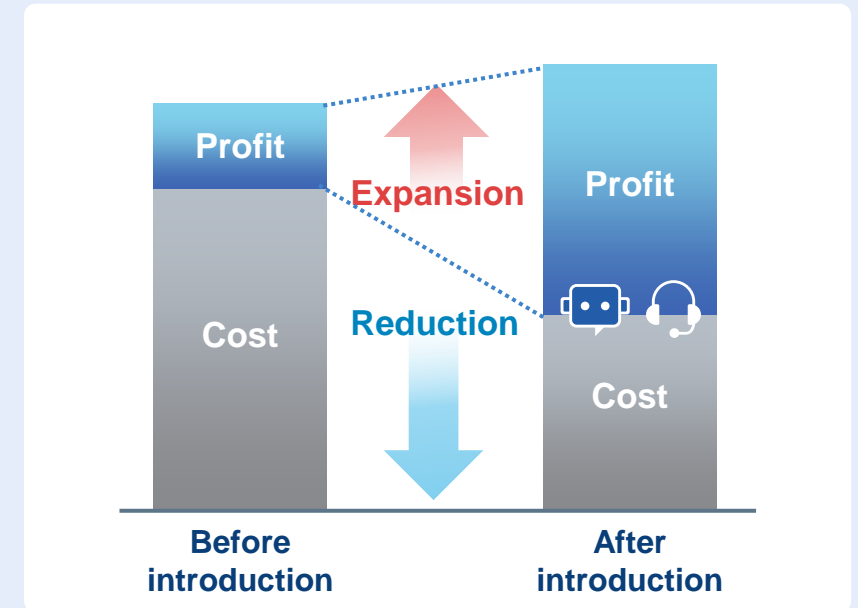






Image of improved profit margin

Shift to high-profit business with automation + added value



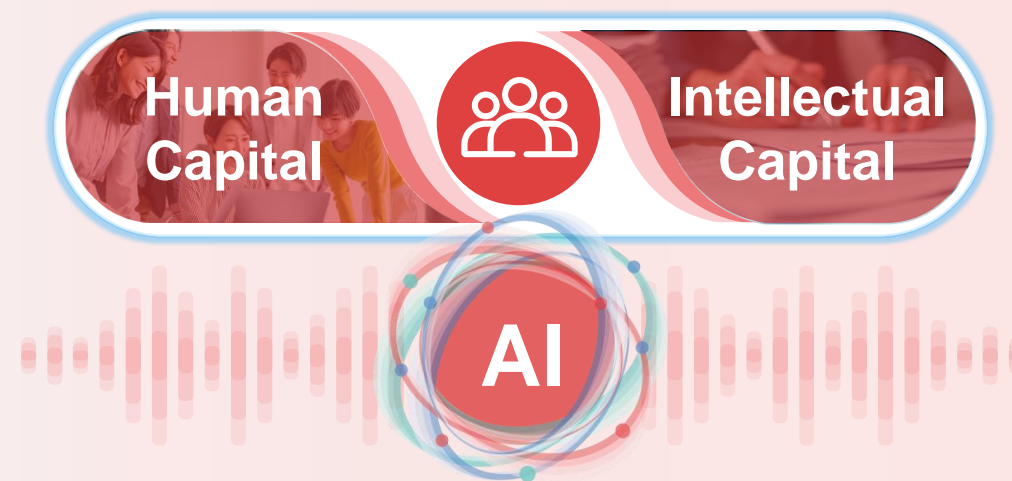
Expanding areas leveraging industry-specific expertise from 1,500 client engagements.

Launch of AI-Collaborative BPO performing everything from AI introduction to development, implementation and operation through a joint venture with AVILEN*

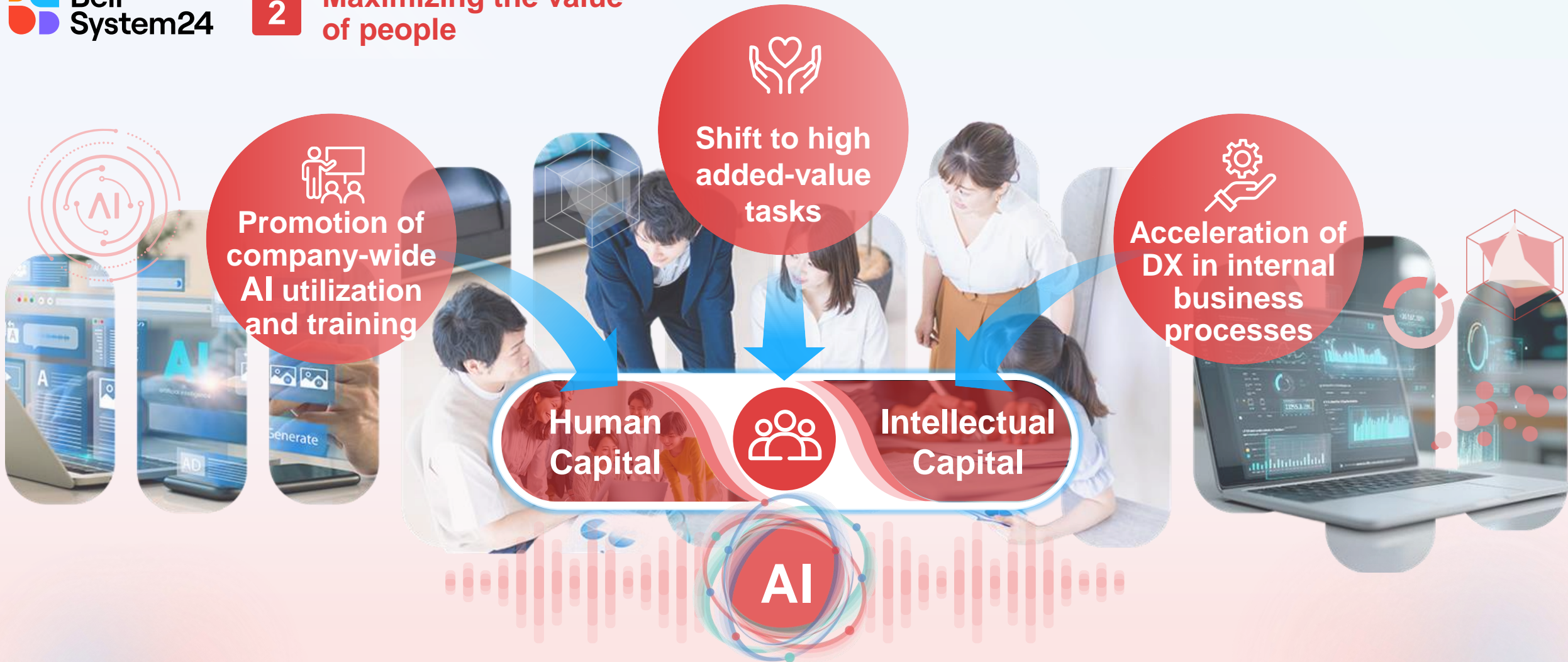
Sales strategy	BPR consulting		Development	Implementation, operation and assessment	
	Visualization	Analysis and design			
Sales targets <ul style="list-style-type: none"> ITOCHU Group companies BELLSYSTEM24 clients 	Business process consulting <ul style="list-style-type: none"> Visualization of processes and workflows Identification of bottlenecks 	AI consulting <ul style="list-style-type: none"> Introduction design for AI systems Optimal allocation between AI and humans 	System development <ul style="list-style-type: none"> Customized development Implementation 	AI operation <ul style="list-style-type: none"> Upgrade development Maintenance and AI tuning 	BPO <ul style="list-style-type: none"> Redesign and automation of operations Improvements in efficiency and productivity
 	 				

* AVILEN, Inc.: Leveraging an AI engineer human resources pool of some 400 personnel and customizable AI development capabilities as strengths, AVILEN offers integrated support from the formulation of enterprise AI transformation strategy to the building and introduction of AI, the organizational development of internalized AI utilization, and human resource development.

2 Maximizing the value of people



2 Maximizing the value of people



Maximizing the potential of all employees and expanding high value-added services of which people are uniquely capable

Expanding high value-added services people uniquely provide

 **Areas in which only humans can operate = pursuing creativity**

Empathizing with customer emotions



- Handling complaints and other trouble
- Improving customer loyalty
- Responding to highly urgent matters

Advanced consulting



- Personalized proposals (up-selling and cross-selling)
- Expert technical support

Making decisions about unknown situations



- Handling inquiries regarding new products, etc.
- Handling complex procedures

Enhance proposal-making capabilities with our proprietary business improvement methods

Outsourcing a wide range of business domains through ongoing support

BPR consulting

Business process visualization

Process redesign

Optimization
(Streamlining through AI introduction)

During FY2028

Expand BPR consultants from approx. 200 to **400**

Strengthening marketing support capabilities in collaboration with AI

Utilizing personalized customer insight to expand revenue

THINKER Customer Insight AI Engine 

Estimating needs

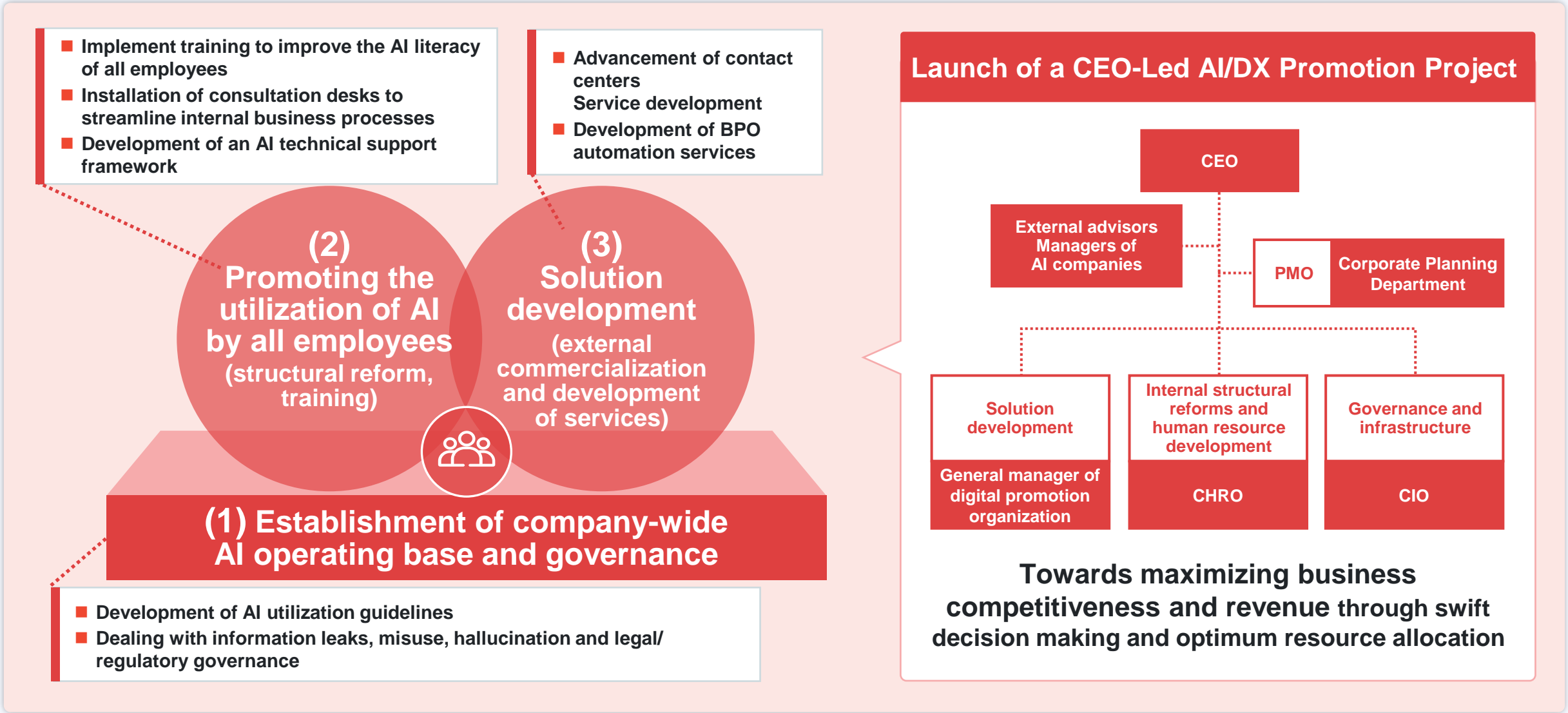
Predicting the future

Customer data

During FY2028

Target number of **30** companies adopting Hitotonari AI

Equipping all employees with AI as tools



2 Maximizing the value of people

Integrate management with the frontlines and increase the number of human resources actively utilizing AI to at least 2,500

Promote the creation of added value



in technical support, the provision of training and every aspect of frontline operations

② Promoting the utilization of AI by all employees (structural reform, training)

③ Solution development (external commercialization and development of services)



(1) Establishment of company-wide AI operating base and governance



Promote automation and streamlining in internal business processes

Expand the ratio of employee time spent on creative tasks

Employee AI utilization rate



100%

(as of the end of FY2028)

Profit generation per employee



+20%

(FY2028)

Automation-related sales



At least 10 billion yen

(as of the end of FY2028)

3 Strengthening strategic partnerships



3 Strengthening strategic partnerships



**Expanding and strengthening alliances and networks,
striving to co-create new intellectual value**

Expansion of the Business Portfolio through Investment and Alliances



CX advancement and BPO expansion

(1) Expansion in scale through roll-up strategies



- Investment in internal development and medium-sized contact centers
- Investment in function-related subsidiaries



(3) Expansion of specialized BPO domains



- Investment in industry-specific, operation-specific and marketing domains



(2) Evolution into next-generation contact centers



- Further evolution of Hybrid Operation Loop with user company participation program
- Joint platform development with software companies

(4) Development of AI-driven BPO services



- Establishment of joint ventures with AI tech companies
- Capital and business alliances with IT specialized service companies

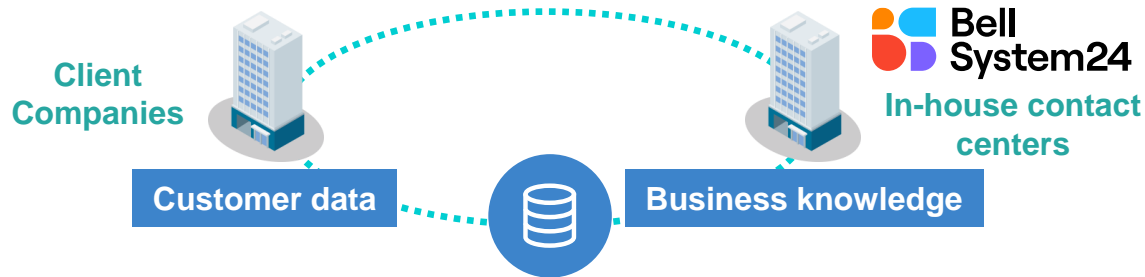


(1) Expansion in scale through roll-up strategies



Roll-up of In-house Contact Centers

Work in concert with client companies to rapidly automate and streamline contact centers



Hybrid Operation Loop

TOPICS

SPCC

- Following the making of SKY Perfect Customer-relations Corporation (SPCC) a subsidiary, expand investment in in-house contact centers



Investment in function-related subsidiaries

Promote the development of CoEs* at function-related subsidiaries



* CoE: Center of Excellence. In a company or organization, a body where human resources and technologies with specific expert knowledge are gathered in one place to promote business streamlining and innovation across the organization.

TOPICS

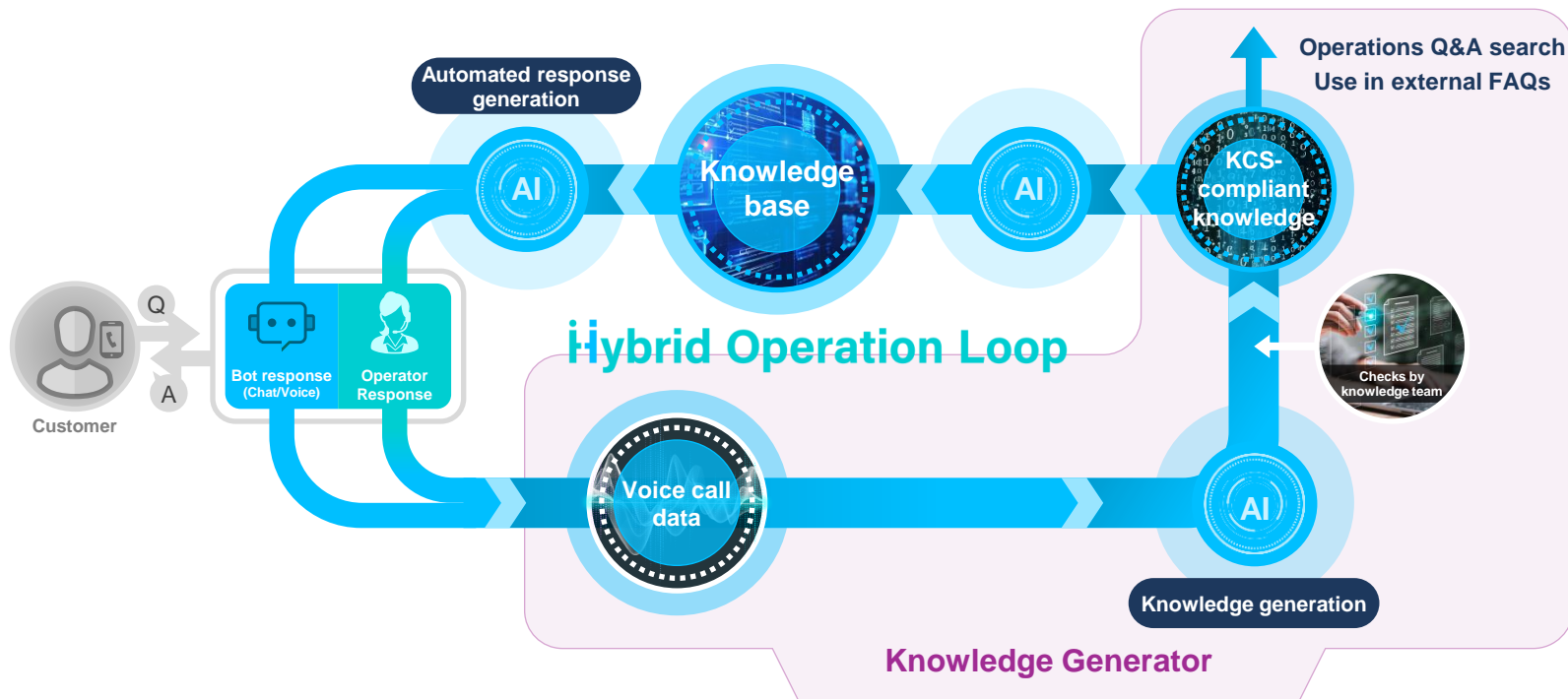
- Investment in function-related subsidiaries that undertake certain operations within a group in a centralized fashion

(2) Evolution into next-generation contact centers

Promote guided support across various industries to drive the adoption of generative AI in contact centers



Further evolve our proprietary contact center automation model, Hybrid Operation Loop



TOPICS



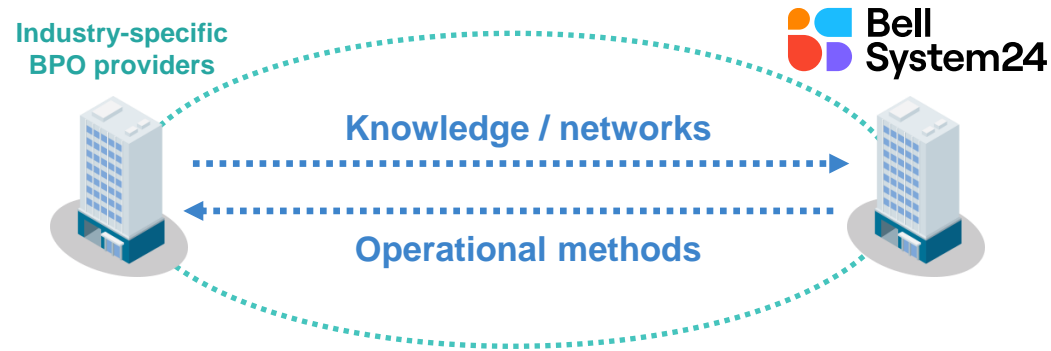
- Aim to achieve contact center automation across a range of industries by performing installation and verification at companies in various business categories

(3) Expansion of specialized BPO domains



Investment in industry-specific BPO companies

Expand BPO market share in each industry by leveraging industry-specific knowledge and networks



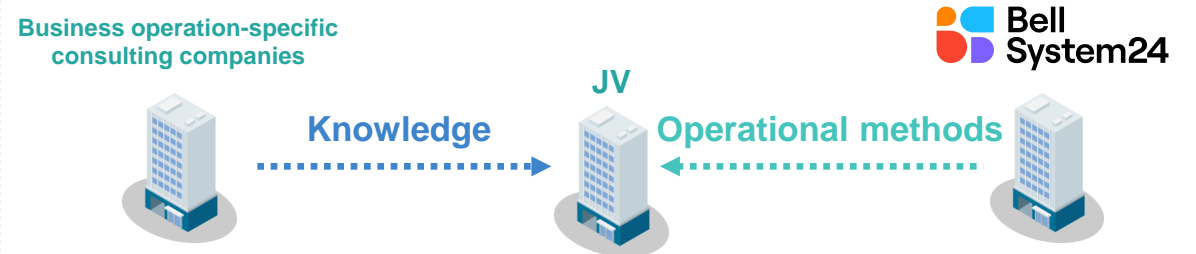
TOPICS

- Investment in industry-specific BPO providers including those specializing in construction, manufacturing, retail, pharmaceuticals and healthcare



Expanded joint ventures with business operation-specific companies

Expand the scale of operations with end-to-end outsourcing from strategy formation to operation



TOPICS



- Acquisition and utilization of business transformation knowledge in back-office areas such as personnel, accounting and general affairs

(4) Development of AI-driven BPO services

IT Human resources Capital and business alliances with AI tech companies

Strengthening the development framework for automation and enhancement solutions as a new tool



Accelerating the development of knowledge utilization services and expanding adoption

TOPICS



- Combine AVILEN's flexible development structure with our frontline knowledge and customer network to accelerate the advancement of contact centers and BPO

TOPICS



- Provision of AI solutions for local governments on a joint basis with system development and integration provider ITOCHU Techno-Solutions (CTC)
- Achieve improved resident inquiry handling quality and business streamlining with CTC's automated response service and our BPO service

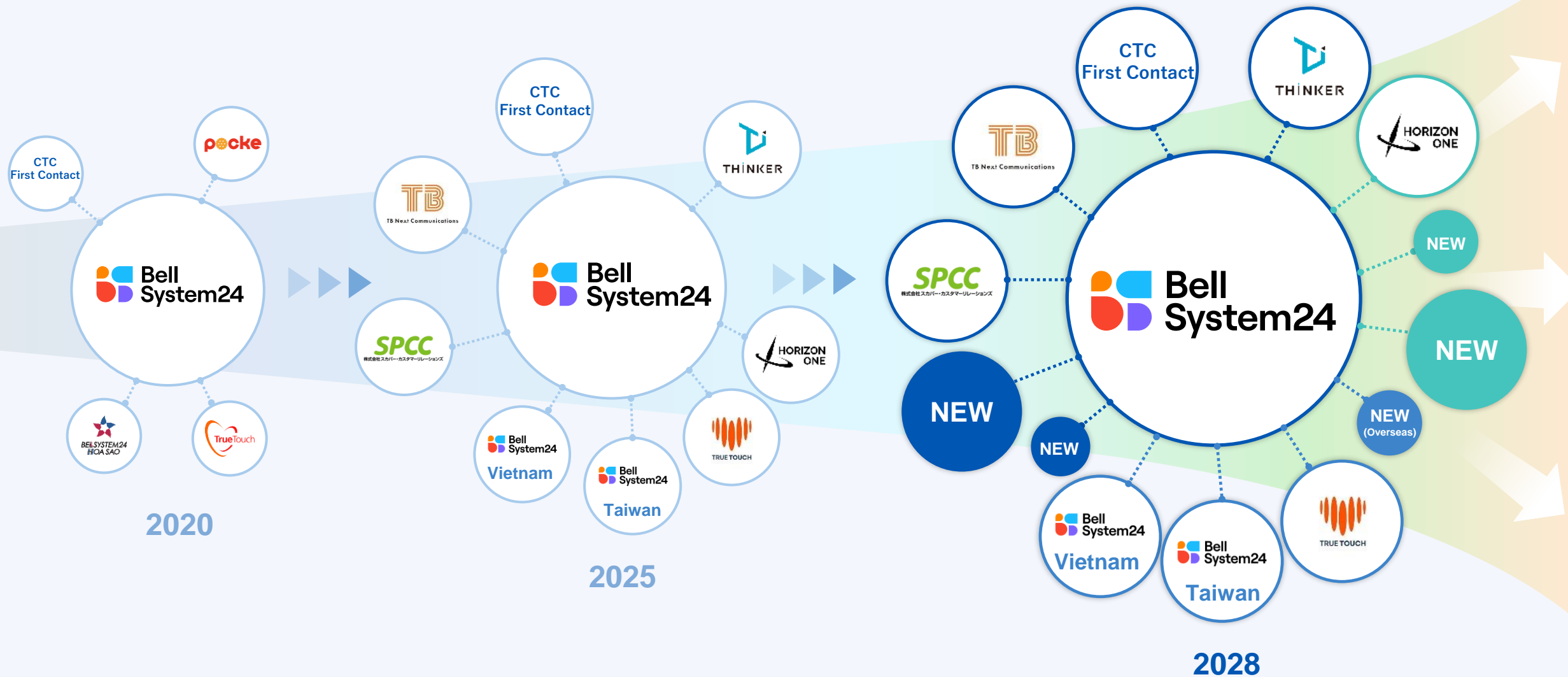
Hybrid Intelligence

for All

A Future Coexisting with AI

A new action toward business growth created by BELLSYSTEM24's strengths

Driving group-wide diversification to accelerate growth



Results		Mid-term Management Plan Targets					
FY2025		FY2026 (first year)		FY2028 (final year)			
Revenue	145.8 billion yen	Revenue	152.0 billion yen	Net sales	+7.3%/year		
SC Business ^{*1}	125.2 billion yen	SC Business	129.0 billion yen	→	Revenue	175.0 billion yen	
SB Business	20.7 billion yen	SB Business	23.0 billion yen		SC Business	145.0 billion yen	
Operating profit	12.7 billion yen (8.7%)	Operating profit	13.0 billion yen (8.6%)	Operating profit	+10.9%/year	SB Business	30.0 billion yen
Income after taxes ^{*2}	8.2 billion yen	Income after taxes	8.5 billion yen	Income after taxes	+8.7%/year	Operating profit	16.0 billion yen (9.1%)
						Income after taxes	10.0 billion yen + extra ^{*3}

Investment policy

Strategic growth investments over the next three years **25.0 billion yen**

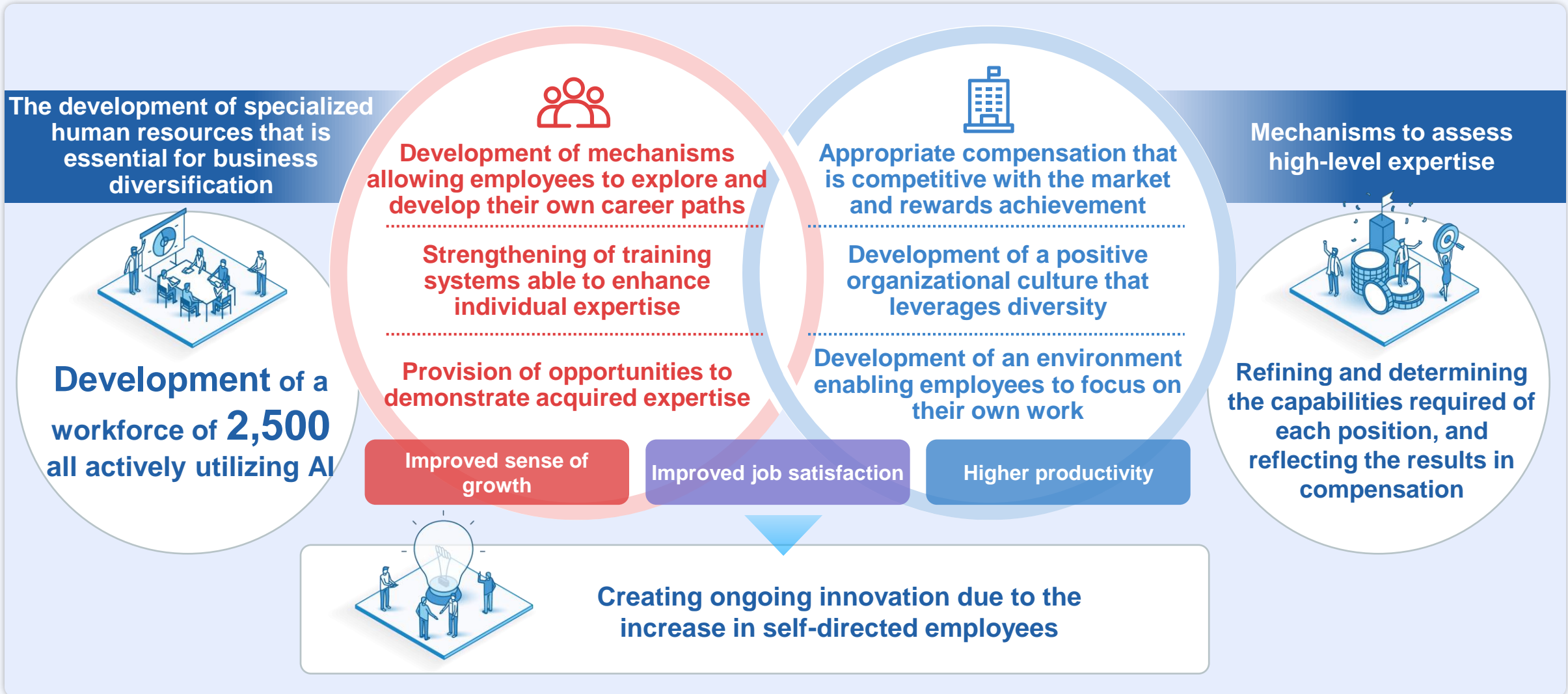
1. Expanded data utilization (generative AI-related investment)
2. Maximizing the value of people (investment in human resource development)
3. Strengthening strategic partnerships (M&A and business investment)

Shareholder Return Policy



Consolidated payout ratio **50%**

+1: Including other businesses *2: **Income after taxes:** Net income attributable to owners of the parent *3: Upside potential due to the further expansion of generative AI

Become a company that attracts professionals and provides job satisfaction



Material Issues and Medium-term Targets

Important themes	Risks, opportunities, and our material issues	Related SDGs	2028 target
<p>E Environment</p> <p>Response to climate change</p>	<ul style="list-style-type: none"> Enhancing corporate value by participating proactively in solutions to social issues <p>Participating in local communities (Supporting climate change mitigation and elimination of disparities)</p>		<ul style="list-style-type: none"> Reducing greenhouse gas emissions by 45% (compared with 2019 levels, SBTi-certified) Expanding activities to protect natural capital (biodiversity)
<p>S Society</p> <p>Respect for human rights</p>	<ul style="list-style-type: none"> Clarifying corporate stance on human resources Increasing competitiveness by improving social trust 		<ul style="list-style-type: none"> Implementing human rights due diligence Strengthening human rights training and raising employee awareness
<p>Secure and cultivate human resources</p>	<ul style="list-style-type: none"> Improving the continuity of the business foundations by increasing human capital <p>Diversity of human resources and their workstyles Improvement in human resource performance</p>		<ul style="list-style-type: none"> Making preparations for new sustainable contact centers - Sustainable Center (Kobe) -
<p>G Governance</p> <p>Risk management</p>	<ul style="list-style-type: none"> Increasing competitiveness by improving the risk-related resilience of the overall company <p>Risk management enhancement</p>		<ul style="list-style-type: none"> Strengthening the protection of personal information and privacy (Enhancing cyber security levels company-wide)
<p>Business growth</p> <p>Business model evolution</p>	<ul style="list-style-type: none"> Improving the ability to develop businesses in various industries and of different scales, and enhancing the use of technology <p>Innovation in business models (Evolution of the revenue model)</p>		<ul style="list-style-type: none"> Expanding data utilization Strengthening strategic partnerships

