



November 30, 2017

Company Name	BELLSYSTEM24 Holdings, Inc.		
Representative	Representative Director, President, CEO (Code Number: 6183 First Division of TSE)	Tsuge Ichiro	
Inquiries	Director, Corporate Officer EVP	Hayata Noriyuki (Phone Number 03-6893-9827)	

Announcement Concerning BELLSYSTEM24 Holdings, Inc.'s Business Partnership with TOPPAN PRINTING CO., LTD, Transfer of Shares to TOPPAN Printing, Transfer of Share Options, and New Major Shareholder Structure

BELLSYSTEM24 Holdings, Inc (referred to hereafter as "BS24") approved a new business partnership with TOPPAN PRINTING CO., LTD (HQ: Chiyoda Ward, Tokyo; President and Representative Director: Kaneko Shingo; referred to hereafter as "TOPPAN PRINTING"), signing a business partnership agreement involving capital today. Along with this Agreement, BS24 also approved the transfer of BS24 shares (referred to hereafter as the "Share Transfer") from BAIN CAPITAL BELLSYSTEM HONG KONG LIMITED (referred to hereafter as "Bain Capital"), one of BS24's main shareholders, to TOPPAN PRINTING through an off-market negotiated transaction.

BELLSYSTEM24 Holdings, Inc. also agreed at the same board meeting to transfer stock options held by David Garner (the Second Round of Options Granted May 29th, 2015, referred to hereafter as the "Options"), David Garner, being a former Representative Director of the company, to TOPPAN PRINTING (this transfer being referred to hereafter as the "Transfer of the Options").

Additionally, BELLSYSTEM24 Holdings, Inc. predicts that its main stockholder structure will change based on the transfer of shares from Bain Capital to TOPPAN PRINTING.

I. About the Business Agreement

1. Background of the Business Agreement

The BELLSYSTEM24 Holdings Group is the leading company in the CRM field, having run contact centers for more than 30 years, with 31 domestic centers and approximately 32,000 agents. BS24 doesn't just offer traditional phone-related services, or just services with new channels such as email, chat, and social media, but also works as a business partner of client companies, developing new services based on marketing and increased operational efficiency using AI in recent years and other new technology –working to expand the foundation of its business. As a particular focus, BS24 is moving forward with Business Expansion into New Areas, one of the pillars of BS24's Mid-Term Management Plan decided on and released this year. As part of the plan, BS24 is strengthening its advanced BPO offerings with new technology.

TOPPAN PRINTING is a general printing company established in 1900 with a strong focus on BPO business in a wide variety of tasks and fields, including office and mailing tasks for companies and local governments as well as contact centers. TOPPAN PRINTING has strengths in business know-how



for large amounts of information and maintaining a reliable and high level of security for handling personal information, with a strong domestic track record. TOPPAN PRINTING has 11 centers around Japan, with the main one being BPO Square Asaka, established in 2016. Additionally, TOPPAN PRINTING is diversifying its business by partnering with a large IT company in Vietnam and collaborating on BPO business operations overseas.

BELLSYSTEM24 Holdings and TOPPAN PRINTING will combine the customer base, technical ability, and business know-how that they have built up until now using this Business Partnership Agreement. With this Partnership Agreement, both companies will work within the BPO market, which is predicted to grow even further, pursuing further corporate value by expanding their existing business, engaging in research and development for new services using AI, RPA, and other new technology, and more.

2. Details Concerning the Business Partnership Agreement

(1) About the Business Partnership

Both companies plan to set up “Promotion Offices” this December, engaging in the following partnership activities. Going forward, BS24 will engage in timely disclosure when a specific initiative is considered, in the event that such initiative has a large impact on business performance.

1. New solutions leveraging the strengths of both companies, such as BELLSYSTEM24 Group’s contact center operations and TOPPAN PRINTING’s printing and back-office operations
2. Development and deployment of BPO solution using AI, RPA, and other new technology
3. Increased sales using the business sites and customer base of both companies
4. Business cooperation using locations both companies have in Asia
5. Business and cost efficiency improvements through centralization of redundant BPO operations
6. Exchange of human resources

(2) About the Transfer of Shares

TOPPAN PRINTING plans on acquiring the 10,570,000 issued ordinary shares (14.43% of all issued shares) that Bain Capital, a major shareholder of BS24, possesses. TOPPAN PRINTING plans on acquiring these shares through an off-market negotiated transaction.

3. Overview of the Business Partner

(1) Company Name	TOPPAN PRINTING CO., LTD	
(2) Address	1-5-1, Taito, Taito Ward, Tokyo	
(3) Name and Position of Representative	Shingo Kaneko, President & Representative Director	
(4) Business	Information & Communication, Living & Industry, and Electronics, all based on its printing technologies	
(5) Capital	104,986 million yen (as of the end of March, 2017)	
(6) Established	1900	
(7) Major Shareholders and Proportions (as of March 31 st , 2017)	The Master Trust Bank of Japan, Ltd.	6.77%
	Japan Trustee Services Bank, Ltd.	5.14%
	Nippon Life Insurance Company	4.63%
	The Dai-ichi Mutual Life Insurance Company	3.04%
	Toyo Ink SC Holdings Co., Ltd.	2.64%



	Employees' Stock Ownership	2.14%	
	Kodansha Ltd.	2.06%	
	Sumitomo Mitsui Banking Corporation	1.93%	
	The Bank of Tokyo-Mitsubishi UFJ	1.93%	
	Japan Trustee Services Bank, Ltd	1.60%	
(8) Relationship with the listed company and other company in question	Capital Relationship	Nothing Applicable	
	Personnel Relationship	Nothing Applicable	
	Business Relationship	BS24 has business with the company in the form of a consumer inquiry support service	
	Relevant Situation with Another Party	Nothing Applicable	
(9) Consolidated Results and Consolidated Financial Summary of the Last Three Years			
Fiscal Year	FY Ending Mar., 2015	FY Ending Mar., 2016	FY Ending Mar., 2017
Consolidated Net Assets	1,082,843 million yen	1,066,851 million yen	1,171,958 million yen
Consolidated Total Assets	1,994,642 million yen	1,876,574 million yen	1,997,909 million yen
Consolidated Total Assets Per Share	1,457.46 yen	1,459.08 yen	1,584.17 yen
Consolidated Sales Revenue	1,526,914 million yen	1,474,682 million yen	1,431,595 million yen
Consolidated Operating Income	40,876 million yen	48,532 million yen	51,601 million yen
Consolidated Ordinary Income	45,245 million yen	51,854 million yen	49,698 million yen
Net Income (for FY) Attributable to Owners of the Parent Company	22,868 million yen	35,245 million yen	32,535 million yen
Net Income Per Share (for FY)	35.67 yen	55.04 yen	50.75 yen
Derivative Per Share	18.00 yen	18.00 yen	20.00 yen

4. Schedule

(1) Approval by the Board of Directors	November 30 th , 2017
(2) Date Business Partnership Agreement Was Signed	November 30 th , 2017
(3) Date of Stock Transfer	December 5 th , 2017

5. Forecast

BELLSYSTEM24 Holdings predicts that the Business Partnership's impact to the performance for the fiscal year ending February, 2018 will not be significant, but that the Business Partnership will contribute to mid and long-term growth for BS24.

II. About the Transfer of the Options

1. Background about the Transfer of the Options

BELLSYSTEM24 Holdings offered its second round of stock options for BS24 Group executives and employees on May 29th, 2015 with the purpose of improving BS24's mid to long-term business performance and enhancing corporate value. David Garner, who was then a representative director, received 5,385,700 options (in the case that he exercised all of them, they would be 769,385 shares). After that, David Garner resigned from his post as Representative Director on February 29th, 2016. More recently David Garner requested that BS24 transfer all of the stock options that he personally received to TOPPAN PRINTING. However, BELLSYSTEM24 Holdings had restricted the transfer of the stock options with the condition that the BS24 board of directors had to approve such a transfer, as defined in the



conditions for the second round of stock options. Accordingly, the BS24 board of directors approved the Transfer of the Options from David Garner to TOPPAN Printing. Concerning the Transfer of the Options to TOPPAN PRINTING, BELLSYSTEM24 Holdings believes that, rather than having David Garner, who has already resigned as Representative Director, continue to possess the Options, there is logic in the Transfer of the Options to TOPPAN PRINTING, the partner in the Business Partnership Agreement, in the interest of accelerating BS24's business and contributing to greater corporate value.

Furthermore, the planned date for the Transfer of the Options is December 5th, 2017.

2. Overview of the Options (as of August 31st, 2017)

- (1) Name: The Second Round of Options
- (2) Date of Allotment: May 29th, 2015
- (3) Number of Share Options: 96,081,102 (the number of issued shares applicable is 1,372,586 shares)
- (4) Exercise Price: 700 yen per share (*)
- (5) Exercise Period: May 29th, 2015 to May 28th, 2025

* In the General Shareholders Meeting held August 27th, 2015, it was decided that regular shares would undergo a reverse stock split on September 10th, 2015, combining seven shares into one. Therefore, the number of shares the Options would become would be divided by 7 (with amounts of less than one full share being dropped) and the exercise price would be equal to seven times the amount of the original exercise price.

III. Concerning the Change in the Major Shareholder Structure

1. Planned Date of Change

December 5th, 2017

2. Background for the Change

The following change to BS24's major shareholder structure is expected, due to the completion of the transfer of BS24 shares, as described in "I. About the Business Agreement, 2. Details Concerning the Business Agreement, (2) About the Stock Transfer."

3. Overview of the Change in Shareholders

(1) Overview of the New Major Shareholder

Name: TOPPAN PRINTING CO., Ltd.

The address and other details are described in "I. About the Business Agreement, 3. Overview of the Business Partner"

(2) Overview of the Shareholder that will Lose Status as a Major Shareholder

Name: BAIN CAPITAL BELLSYSTEM HONG KONG LIMITED

Address: FLAT/RM 5101 CHEUNG KONG CENTER 2 QUEEN'S ROAD CENTRAL HONG KONG

Position and Name of Representative: Director, John Connaughton

Business: Holding Company



Capital: 4,564 million Hong Kong dollars (as of November 28th, 2017)

4. The Number of Voting Rights (Number of Shares Held) Held and the Proportion of Voting Rights of Shareholders Before and After the Change

(1) TOPPAN PRINTING

	Number of Voting Rights (Number of Shares Held)	Proportion of Voting Rights of Shareholders	Major Shareholder Ranking
Before the Change (As of August 31 st , 2017)	—	—	—
After the Change	105,700 (10,570,000 shares)	14.43%	Second Largest

(2) Bain Capital

	Number of Voting Rights (Number of Shares Held)	Proportion of Voting Rights of Shareholders	Major Shareholder Ranking
Before the Change (As of August 31 st , 2017)	105,700 (10,570,000 shares)	14.43%	Second Largest
After the Change	—	—	—

*1 The proportion of voting rights of shareholders is calculated based on the number of voting rights as of August 31st, 2017 (732,274 rights).

The number of shares that do not possess voting rights that were deducted from the total number of issued shares: 2,339 shares

The total number of shares issues as of August 31st, 2017: 73,229,739 shares

*2 The proportion of voting rights of shareholders is rounded to the second decimal place

IV. Outlook Going Forward

The Transfer of Shares and the Transfer of Options will have no effect on business performance.

Furthermore, concerning BS24's policy with the Business Partnership Agreement's partner possessing BS24 shares, BS24 has confirmed that TOPPAN PRINTING will possess shares in BS24 with a mid to long-term point of view by cooperating using the Business Partnership Agreement.