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Consolidated financial results for the Fiscal year ended February 29, 2024

[IFRS]

April 10, 2024

Company name : BELLSYSTEM 24 Holdings, Inc. Stock exchange listing : Tokyo
 Stock exchange code : 6183 URL : <https://www.bell24.co.jp/en/>
 Representative : Hiroshi Kajiwara, President and Chief Executive Officer
 Contact : Toyohisa Tsuji, Managing Executive Officer
 TEL : +81-3-6733-0024
 Scheduled date of Ordinary General Meeting of Shareholders : May 24, 2024
 Scheduled date of filing of annual securities reports : May 24, 2024
 Scheduled date of start of dividend payment : May 27, 2024
 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 29, 2024

(From March 1, 2023 to February 29, 2024)

(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 29, 2024	148,717	(4.7)	11,479	(23.0)	11,225	(20.7)	7,868	(17.9)
Fiscal year ended February 28, 2023	156,054	6.5	14,917	12.7	14,157	5.1	9,586	4.9

	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 29, 2024	7,545	(19.1)	8,018	(18.9)	102.61	102.05
Fiscal year ended February 28, 2023	9,330	4.3	9,888	6.2	126.82	126.00

	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 29, 2024	11.5	6.4	7.7
Fiscal year ended February 28, 2023	15.1	8.0	9.6

(Reference) Equity in earnings (losses) of affiliates

Fiscal year ended February 29, 2024 : 142 Million yen

Fiscal year ended February 28, 2023 : (297) 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 attribute to owners of the parent
	Millions of yen	Millions of yen	Millions of yen	%	yen
As of February 29, 2024	175,465	67,739	66,730	38.0	907.54
As of February 28, 2023	176,250	64,911	64,224	36.4	873.05

(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 29, 2024	13,587	(3,097)	(10,286)	7,213
Fiscal year ended February 28, 2023	18,172	(1,803)	(15,583)	6,998

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, 2023	—	30.0	—	30.0	60.0	4,422	47.3	7.2
Fiscal year ended February 29, 2024	—	30.0	—	30.0	60.0	4,424	58.5	6.7
Fiscal year ended February 28, 2025 (planned)	—	30.0	—	30.0	60.0		55.0	

3 . Consolidated financial results forecast for the fiscal year ending February 28, 2025

(From March 1, 2024 to February 28, 2025)

(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, 2025	153,000	2.9	12,500	8.9	12,200	8.7	8,380	6.5	8,000	6.0	109.14

(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 : Yes
② Changes in accounting policies other than ① above : No
③ Changes in accounting estimates : Yes

(3) Number of issued shares (common share)

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

As of February 29, 2024 : 73,753,310 shares

As of February 28, 2023 : 73,715,734 shares

② Number of treasury shares at the end of period:

As of February 29, 2024 : 225,983 shares

As of February 28, 2023 : 154,106 shares

③ Average number of shares:

Fiscal year ended February 29, 2024 : 73,536,023 shares

Fiscal year ended February 28, 2023 : 73,560,459 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, 2023 to February 29, 2024)

	Operating revenue		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended February 29, 2024	17,983	9.5	3,889	78.4	3,772	67.4	2,093	—
Fiscal year ended February 28, 2023	16,420	(15.1)	2,180	(58.8)	2,253	(55.2)	174	(94.1)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended February 29, 2024	28.48	28.32
Fiscal year ended February 28, 2023	2.36	2.34

Consolidated Financial Statements

(1) Consolidated Statement of Financial Position (Unaudited)

	As of February 28, 2023	(Millions of yen) As of February 29, 2024
Assets		
Current assets		
Cash and cash equivalents	6,998	7,213
Trade and other receivables	21,232	19,195
Other financial assets	944	185
Other current assets	1,499	1,704
Total current assets	30,673	28,297
Non-current assets		
Property, plant and equipment	37,007	35,828
Goodwill	94,900	96,772
Intangible assets	1,668	2,869
Investments accounted for using the equity method	2,181	1,688
Deferred tax assets	2,985	2,722
Other financial assets	6,509	6,989
Other non-current assets	327	300
Total non-current assets	145,577	147,168
Total assets	176,250	175,465

	As of February 28, 2023	(Millions of yen) As of February 29, 2024
Liabilities and Equity		
Liabilities		
Current liabilities		
Trade and other payables	7,634	5,531
Borrowings	16,600	23,000
Income taxes payable	2,775	967
Provisions	—	45
Liabilities for employee benefits	11,473	11,042
Other financial liabilities	5,375	6,439
Other current liabilities	2,381	1,575
Total current liabilities	46,238	48,599
Non-current liabilities		
Borrowings	38,221	33,234
Provisions	2,520	3,095
Liabilities for employee benefits	715	712
Deferred tax liabilities	—	211
Other financial liabilities	23,624	21,846
Other non-current liabilities	21	29
Total non-current liabilities	65,101	59,127
Total liabilities	111,339	107,726
Equity		
Common stock	27,079	27,097
Capital surplus	1,268	(3,826)
Other components of equity	325	455
Retained earnings	35,837	43,382
Treasury shares	(285)	(378)
Total equity attributable to owners of the parent	64,224	66,730
Non-controlling interest	687	1,009
Total equity	64,911	67,739
Total liabilities and equity	176,250	175,465

(2) Consolidated Statement of Income (Unaudited)

	(Millions of yen)	
	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Revenue	156,054	148,717
Cost of sales	<u>(124,092)</u>	<u>(121,578)</u>
Gross profit	31,962	27,139
Selling, general and administrative expenses	(17,231)	(16,598)
Other income	262	1,054
Other expenses	<u>(76)</u>	<u>(116)</u>
Operating income	<u>14,917</u>	<u>11,479</u>
Share of profit(loss) of investments accounted for using the equity method	(297)	142
Financial income	94	40
Financial costs	<u>(557)</u>	<u>(436)</u>
Income before income taxes	14,157	11,225
Income taxes	<u>(4,571)</u>	<u>(3,357)</u>
Net income	<u>9,586</u>	<u>7,868</u>
Net income attributable to:		
Owners of the parent	9,330	7,545
Non-controlling interest	<u>256</u>	<u>323</u>
Net income	<u>9,586</u>	<u>7,868</u>
Earnings per share		
(attributable to the parent)		(yen)
Basic	126.82	102.61
Diluted	126.00	102.05

(3) Consolidated Statement of Comprehensive Income (Unaudited)

	(Millions of yen)	
	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Net income	9,586	7,868
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	182	(61)
Share of other comprehensive income of investments accounted for using equity method	(24)	28
Total items that will not be reclassified to profit or loss	158	(33)
Items that may be reclassified to profit or loss		
Exchange differences on translating foreign operations	12	198
Share of other comprehensive income of investments accounted for using equity method	132	(15)
Total Items that may be reclassified to profit or loss	144	183
Total other comprehensive income, net of tax	302	150
Total comprehensive income	9,888	8,018
Comprehensive income attributable to :		
Owner of the parent	9,632	7,679
Non-controlling interest	256	339
Total comprehensive income	9,888	8,018

(4) Consolidated Statement of Change in Equity (Unaudited)
Fiscal year ended February 28, 2023

(Millions of yen)

	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	—	—	—	9,330	—	9,330	256	9,586
Other comprehensive income	—	—	302	—	—	302	—	302
Total comprehensive income	—	—	302	9,330	—	9,632	256	9,888
Share-based payments	—	—	11	—	—	11	—	11
Dividends paid	—	(2,207)	—	(2,207)	—	(4,414)	(170)	(4,584)
Transfer from other components of equity to retained earnings	—	—	69	(69)	—	—	—	—
Disposal of treasury shares	—	(3)	—	—	12	9	—	9
Transactions with non-controlling interests	—	—	—	—	—	—	98	98
Total transaction with owners	—	(2,210)	80	(2,276)	12	(4,394)	(72)	(4,466)
As of February 28, 2023	27,079	1,268	325	35,837	(285)	64,224	687	64,911

Fiscal year ended February 29, 2024

(Millions of yen)

	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, 2023	27,079	1,268	325	35,837	(285)	64,224	687	64,911
Net income	—	—	—	7,545	—	7,545	323	7,868
Other comprehensive income	—	—	134	—	—	134	16	150
Total comprehensive income	—	—	134	7,545	—	7,679	339	8,018
Share-based payments	—	(5)	5	—	—	0	—	0
Exercise of share acquisition rights	18	18	(9)	—	—	27	—	27
Dividends paid	—	(4,412)	—	—	—	(4,412)	(232)	(4,644)
Purchase of treasury shares	—	—	—	—	(127)	(127)	—	(127)
Disposal of treasury shares	—	(5)	—	—	34	29	—	29
Increase (decrease) by business combination	—	—	—	—	—	—	215	215
Written put options over non-controlling interests	—	(690)	—	—	—	(690)	—	(690)
Total transaction with owners	18	(5,094)	(4)	—	(93)	(5,173)	(17)	(5,190)
As of February 29, 2024	27,097	(3,826)	455	43,382	(378)	66,730	1,009	67,739

(5) Consolidated Statement of Cash Flows (Unaudited)

(Millions of yen)

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Cash flows from operating activities:		
Income before income taxes	14,157	11,225
Adjustments to reconcile net income to net cash provided by (used in) operating activities;		
Depreciation	7,719	8,458
amortization	731	713
Loss (gain) on step acquisition	—	(838)
Loss on disposal or sales of property, plant and equipment	49	93
Share of (profit) loss of investments accounted for using the equity method	297	(142)
Financial income	(94)	(40)
Financial cost	557	436
Decrease (increase) in trade and other receivables	(50)	2,577
Increase (decrease) in trade and other payable	721	(2,166)
Increase (decrease) in payable for consumption tax	(448)	(743)
Other, net	(972)	(779)
Sub total	22,667	18,794
Interest and dividends received	399	145
Interest paid	(475)	(410)
Income taxes paid	(4,419)	(4,942)
Net cash provided by (used in) operating activities	18,172	13,587
Cash flows from investing activities:		
Purchase of property, plant and equipment	(1,408)	(1,379)
Purchase of intangible assets	(363)	(817)
Proceeds from purchase of share of subsidiaries resulting in change in scope of consolidation	—	64
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(274)
Purchase of securities	(531)	(651)
Proceeds from sale of securities	1,440	—
Transfer to escrow account	(717)	—
Payments for guarantee deposits	(253)	(102)
Proceeds from guarantee deposits	49	117
Payments for asset retirement obligations	—	(67)
Other, net	(20)	12
Net cash used in investing activities	(1,803)	(3,097)

(Millions of yen)

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Cash flows from financial activities		
Increase (decrease) in short-term borrowings	5,100	4,400
Proceeds from long-term borrowings	24,000	4,000
Repayment of long-term borrowings	(33,781)	(7,043)
Dividends paid	(4,414)	(4,412)
Dividends paid to non-controlling interests	(170)	(232)
Capital contribution from non-controlling interests	98	—
Repayments of Lease liability	(6,421)	(6,911)
Proceeds from issuance of shares	—	26
Proceeds from sale of treasury shares	5	13
Purchase of treasury shares	—	(127)
Net cash provided by (used in) financial activities	(15,583)	(10,286)
Effect of exchange rate change on cash and cash equivalents	16	11
Net increase (decrease) in cash and cash equivalents	802	215
Cash and cash equivalents at the beginning of the period	6,196	6,998
Cash and cash equivalents at the end of the period	6,998	7,213