

Results of Operations for 2021

February 10, 2022

Bell-Park Co., Ltd.

Tokyo Stock Exchange JASDAQ Standard (Stock code: 9441)

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Bell-Park

1. 2021 Financial Highlights

2. Initiatives for Medium- to Long-term Growth

3. 2022 Plan and Shareholder Returns

Statement of Income





Net sales: Sales surpassed 100 billion yen for the second time and **rose to an all-time high**
Growth backed by record-high number of mobile phones sold:
1,066,000 units (+26.1% YoY)

Operating income: Decreased because of a decline in profit per mobile phone sold that **started in the 2Q**
and higher SG&A expenses due partly to more shops and overtime

(million yen)

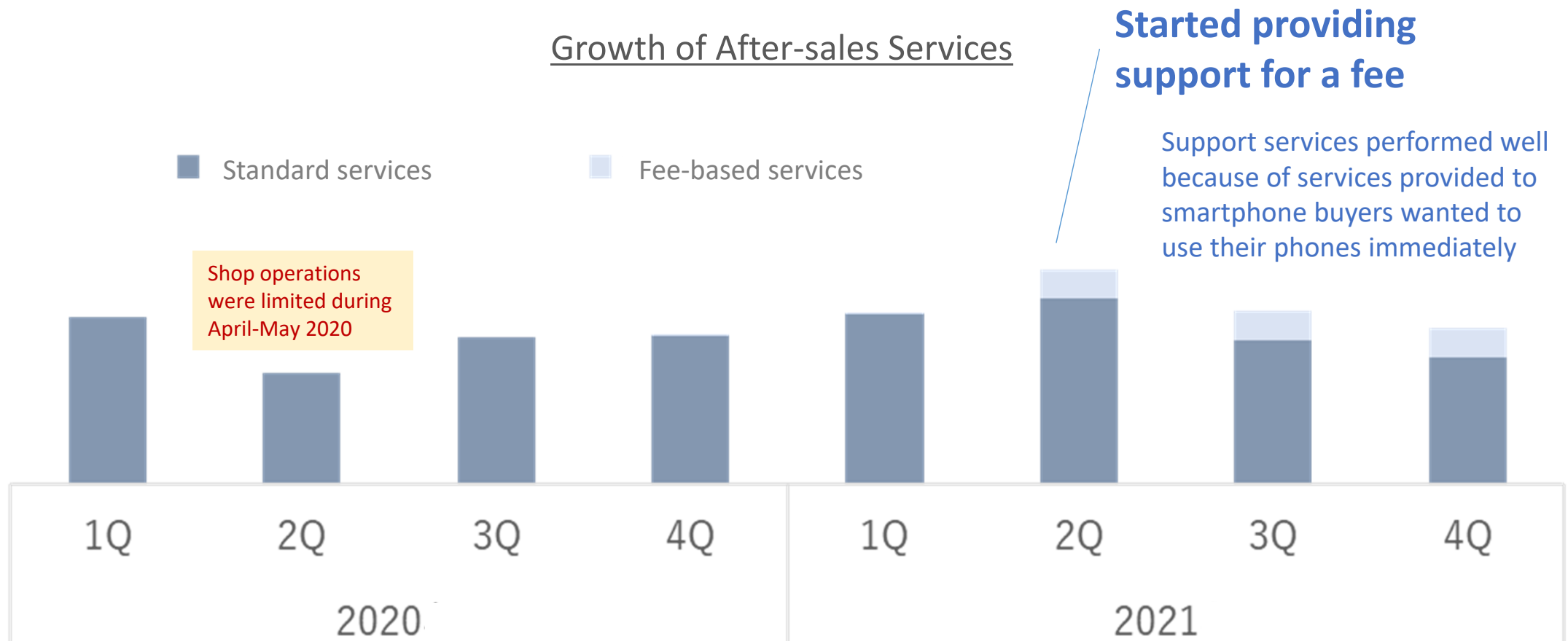
	2020 results	2021 results	YoY change
Net sales (Comp.)	98,843 (100.0%)	107,281 (100.0%)	+8,438 +8.5%
Operating income	5,052 (5.1%)	4,677 (4.4%)	-374 -7.4%
Ordinary income	5,348 (5.4%)	4,646 (4.3%)	-701 -13.1%
Profit attributable to owners of parent	3,620 (3.7%)	3,277 (3.1%)	-342 -9.5%

2021 Topics by Sales Channel

Sales channels	Topics	Impact on net sales (YoY change)	Impact on operating income (YoY change)
Carrier shops	<ul style="list-style-type: none"> • <u>Increase in the number of mobile phones and other products sold</u> <ul style="list-style-type: none"> (1) Higher sales vs. 2020, when the pandemic reduced shop operating hours in April-May 2020 (2) Strong sales of Y!mobile service plans, which have low rates • <u>Increase in after-sales services provided</u> <ul style="list-style-type: none"> Started fee-based support services • <u>Higher SG&A expenses</u> <ul style="list-style-type: none"> (1) Personnel (increase): More shop personnel due to the higher number of shops and more overtime as the growth in sales created a large volume of work (2) Rent (increase): Larger number of shops (3) Sales promotion (increase): More cash refunds because of the growth in sales 	 <p>Higher sales mainly due to larger sales volume</p>	 <p>Earnings down because of a decrease in profit per mobile phone sold and higher SG&A expenses</p>
Corporate sales	<ul style="list-style-type: none"> • <u>Increase in mobile phone and PC sales</u> <ul style="list-style-type: none"> Sales increased partly because people hired to increase the sales force in the previous fiscal year are now contributing to sales 		

Strengthening Customer Support Services

In April 2021, started providing smartphone set up support for a fee. Services include transfers of data to the new mobile phone, applying screen protectors and other activities.

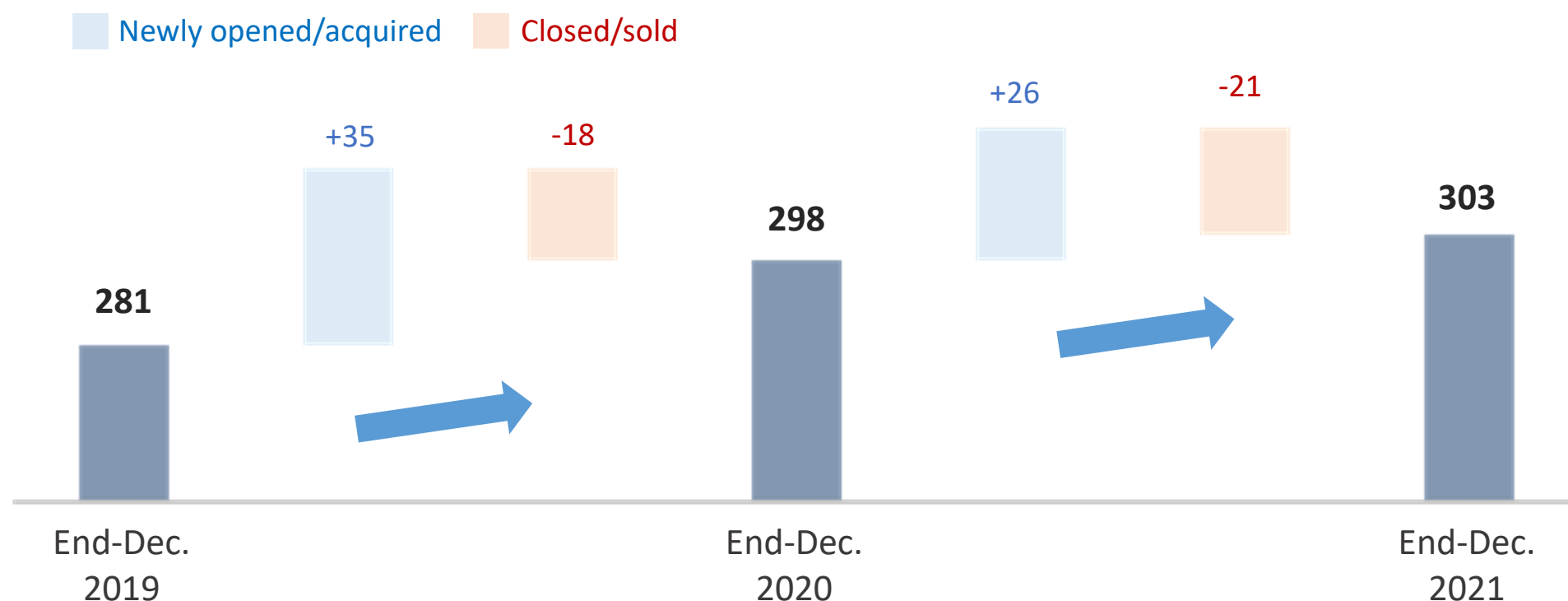


Number of Shops Operated by Bell-Park

Progress continues with establishing a dominant presence in targeted areas by relocating and rebuilding shops

(Consolidated shops in every area to improve the efficiency of shop operations)

Number of Directly Operated Carrier Shops



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Initiatives for Medium- to Long-term Growth

Steady growth of the information and communication device sales and services business

Carrier shops

- Increase the number of shops while recruiting and training people, relocating and remodeling shops, and making other investments; improve shop operating efficiency by establishing dominance in every targeted area

Corporate sales

- Increase the number of corporate customers and add peripheral services centered on mobile phones, PCs and other products

Expand the business portfolio

- Take actions for the growth of the marriage matchmaking service, IoT device business (planning, imports, wholesale) and personnel placement service that specializes in middle-age and senior workers
- Use consulting expertise for face-to-face customer services, a key strength of existing businesses, to create and enlarge profit centers, including M&A, in fields where this expertise can be leveraged

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Outlook for the Carrier Shop Business Climate

2022 Topics

Shift in focus from price competition to quality of services

Price-based competition for mobile phone plans increased rapidly during 2021. Customers have strong demands for easy connections. Major carriers are making huge infrastructure investments for 5G services. **In Japan, the advances from 2G to 3G and then 4G show that the 5G winners will be companies with reliable connections at a slightly higher cost rather than companies with less expensive services but difficult connections.**

The full-scale launch of 5G

In the second half of 2021, major carriers started providing standalone 5G commercial services, which use base stations solely for 5G rather than using an existing 4G infrastructure.

Expected effects

Fewer customers at shops than in 2021 (Shop visit demand expected to be stable at a certain level)

In 2021, many people visited shops to review the cost of service plans. Shop visits are expected to decline in 2022 from this high level but to continue due to steady demand for fee and service consultations at shops.

Digital transformation progress in Japan

Ongoing progress with 5G will result in more products and services using advanced technologies in a broad range of market sectors. Growth potential is particularly significant in the smart house and smart city domains.

Carrier shops of the future

Shops will be expected to function as navigators of the digital transformation

As the digital transformation advances, there will be only a small number of people who have the digital literacy to understand and use all their options involving data. The result will be a further increase in the digital divide.

Carrier shops, with a staff of smart phone experts, will be in an ideal position to play a central role in supporting the digital transformation of society by functioning as digital transformation navigators.

Training People for the Future of Carrier Shop Operations

Assisting customers to use digitalization to make their lives more convenient and enjoyable

Training people to give them skills that go beyond carrier shop services to encompass consulting capabilities involving peripheral digital devices and services

The Bell-Park Certification Program

Digitalization Certification

(608 people certified as of February 2022)

Bell-Park started this certification program in 2020 for the purpose of increasing the skills of shop personnel concerning basic IT knowledge and the latest digital devices and services



Enabling everyone to enjoy the benefits of the digital transformation

Assistance for seniors as one way to help eliminate the digital divide

In addition to current smartphone lessons, Bell-Park is working with public-sector partners for activities to eliminate worries about using digital technologies among people who do not visit Bell-Park shops

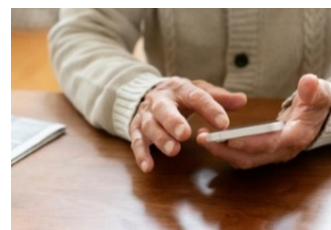
Smartphone classes

Classes for first-time smartphone users

- Basic smartphone operations
- Maps and other useful functions
- Cashless payments
- Many other smartphone subjects
- Application for personal ID number card
- e-Tax and other procedures

Upcoming activities

Use of civic centers and other local government facilities for classes for seniors about digital technologies. Activities will include advice and consultations about the use of government procedures and services that are important to seniors.



Although difficult market conditions are anticipated in 2022, we aim to contribute to the local community to a certain level in light of our performance.

Are Carrier Shops Stressful for Customers?

Measures by all carriers to reduce time needed to serve customers are improving all customer interaction processes. Nevertheless, there is still a large volume of documents and other information to protect consumers and improve customer satisfaction.

The long time needed to complete customer service processes is stressful for customers.

Measures by carriers to complete customer procedures faster

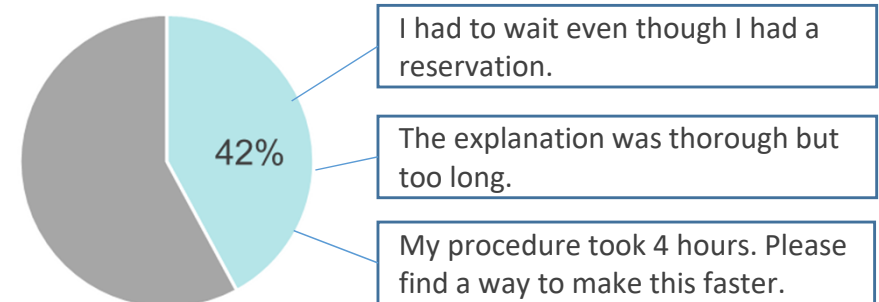
- Use of simulators to give customers a better understanding of rates for phone services
- Use of videos to provide explanations while customers are waiting
- A reservation system for customers visiting stores
- Use of support tools that enable customers to enter phone settings themselves
- Shop personnel specializing in helping with initial setup procedures

(Reference)

ICT Service Confidence and Safety Study Group, Report of Working Group for Confirming the Effectiveness of Consumer Protection Rules

Customer Feedback

Pct. of requests about time required for services of all questionnaire comments submitted by customers



Based on 715 requested comments out of 24,078 customer questionnaires in October 2021 at SoftBank shops operated by Bell-Park

Our Goal – Stress-free Carrier Shops

Winning carrier shops will be places that use the digital transformation to **dramatically shorten time for customer services and the amount of paper documents needed** in order to eliminate as much customer stress as possible

Using the digital transformation for innovations in Bell-Park shop operations

Innovations for shop operations by searching for customer service best practices at mobile phone carriers

(Discussions with the Ministry of Internal Affairs and Communications, the regulatory agency for the mobile phone business, will be required concerning the reduction of paper documents needed for the protection of consumers)



Initiatives for Medium- to Long-term Growth

Steady growth of the information and communication device sales and services business

Carrier shops

- Increase the number of shops while recruiting and training people, relocating and remodeling shops, and making other investments; improve shop operating efficiency by establishing dominance in every targeted area

Corporate sales

- Increase the number of corporate customers and add peripheral services centered on mobile phones, PCs and other products

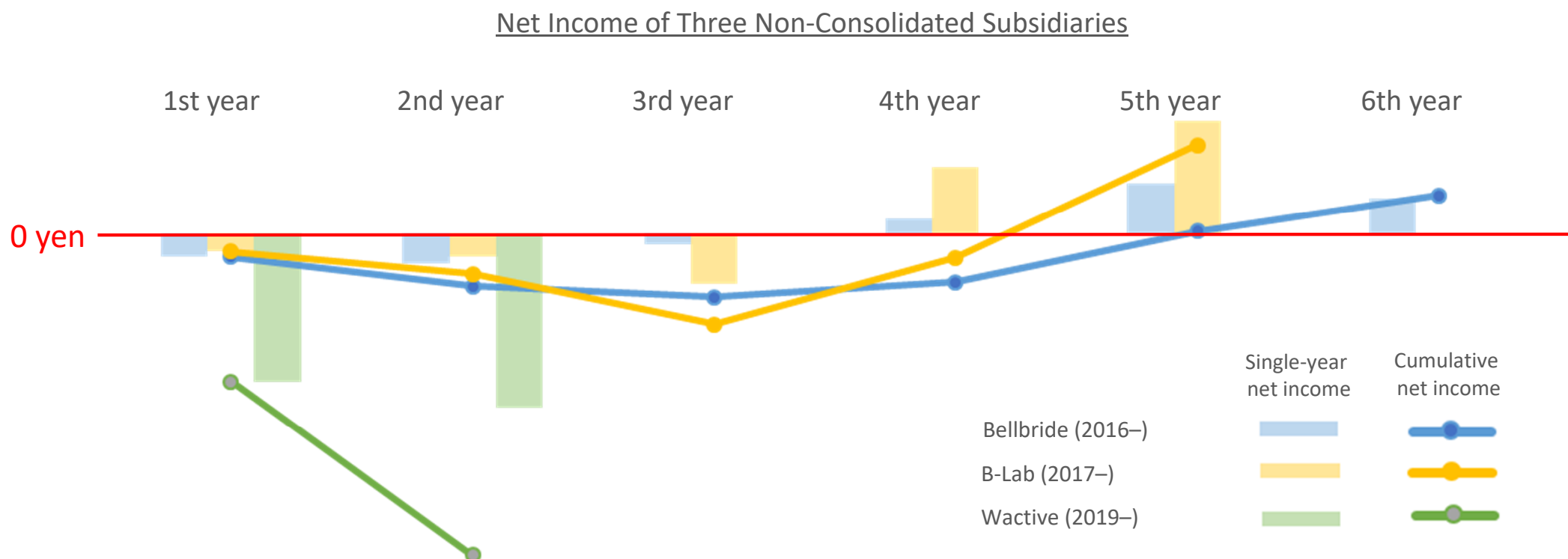
Expand the business portfolio

- Take actions for the growth of the marriage matchmaking service, IoT device business (planning, imports, wholesale) and personnel placement service that specializes in middle-age and senior workers
- Use consulting expertise for face-to-face customer services, a key strength of existing businesses, to create and enlarge profit centers, including M&A, in fields where this expertise can be leveraged

Performance of Three Non-Consolidated Subsidiaries

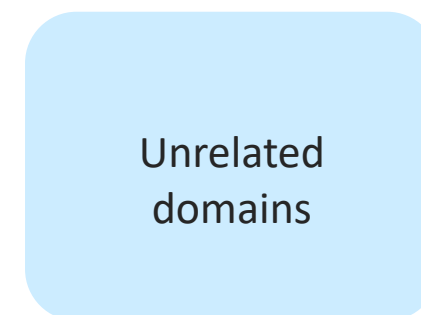
Cumulative earnings of Bell-Park's three non-consolidated subsidiaries are shown below

- Bellbride, Inc. and B-Lab, Inc. had losses in their first three years, became profitable in the fourth year and ended cumulative losses in the fifth year
- Wactive Inc., a job placement business for “mid-seniors” that started operations in 2020, is still having difficulties



Leverage and Extend Bell-Park Strengths to Create New Businesses

Consulting skills for face-to-face customer services is a core strength of Bell-Park. We are currently using M&A consulting firms, private equity funds and other organizations for the consideration of a large number of M&A opportunities. Our priority is business domains related to current businesses where we can use this core strength. We will continue to seek opportunities for M&A and for launching businesses that utilize our knowledge.







We will consider M&A deals and starting new businesses in market sectors with no relation to current businesses but where we our knowledge gives us an advantage

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2022 Forecast Assumptions

Sales channels	Topics	Impact on sales (YoY change)	Impact on operating income (YoY change)
Carrier shops	<ul style="list-style-type: none"> • End of increase in customer store visits for mobile phone service plan reviews, resulting in decrease in the number of mobile phones and other products sold • Decrease in renewal commissions due to the decline in mobile phone rates • Increase in SG&A expenses <p>(Working on cost cutting by improving efficiency, relocating stores and taking other actions, but total carrier shop expenses are increasing mainly because of higher personnel and rent expenses as the number of shops increases)</p>		
Corporate sales	<p>Plan a further increase in the number of salespeople for more growth in the scale of business operations</p> <ul style="list-style-type: none"> • Higher sales due to an increase in sales volume of mobile phones and PCs • Higher SG&A expenses due to an increase in personnel 		

2022 Consolidated Forecasts

Forecast sales of 100 billion yen and operating income of 4 billion yen

Planned number of mobile phones and other products to be sold: approx. 1,000,000 units (-6.3% YoY)

(million yen)

	2021 results	2022 plan	YoY change
Net sales	107,281	100,000	-7,281
(Comp.)	(100.0%)	(100.0%)	-6.8%
Operating income	4,677	4,000	-677
	(4.4%)	(4.0%)	-14.5%
Ordinary income	4,646	4,000	-646
	(4.3%)	(4.0%)	-13.9%
Profit attributable to owners of parent	3,277	2,600	-677
	(3.1%)	(2.6%)	-20.7%

Shareholder Returns

Bell-Park positions the distribution of earnings to shareholders as one of its highest priorities

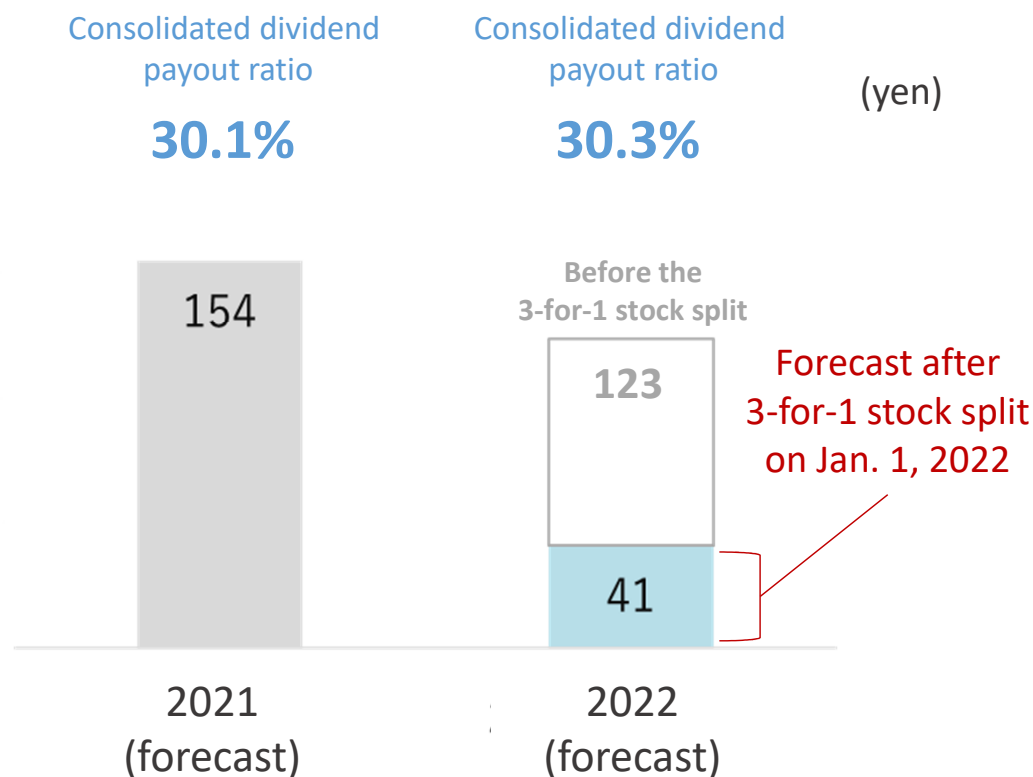
2022 annual dividend forecast

41 yen per share

(2Q-end 20.50 yen, year-end 20.50 yen)

Fundamental policy regarding
distribution of earnings

Plan to maintain a
consolidated dividend payout
ratio of at least 30%



* The dividend forecast assumes that profit attributable to owners of parent will be 2,600 million yen in 2022 as forecast.

* Bell-Park conducted a 3-for-1 common stock split on January 1, 2022.

Bell-Park

Lovely future

Appendix

Profile of Bell-Park

Name	Bell-Park Co., Ltd.	Business	Information and communication device sales and service business
Capital (as of Dec. 31, 2021)	1,148 million yen	No. of carrier shops (as of Dec. 31, 2021)	Total: 367 stores (64 stores) *Franchised stores in parentheses 301 (53) SoftBank Shops 51 (11) Y!mobile Shops 8 Docomo Shops 7 au Shops
Headquarters	Hirakawacho Center Bldg., 1-4-12 Hirakawa-cho, Chiyoda-ku, Tokyo		
Founded	February 2, 1993, 30th fiscal year		
No. of employees (consolidated) (as of Dec. 31, 2021)	2,324 (full time: 1,883; temporary: 441)	Bell-Park group companies	Consolidated subsidiary Bell-Park Next Co., Ltd. Non-consolidated subsidiaries Bellbride, Inc. B-Lab, Inc. Wactive Inc.

5-year Financial Summary

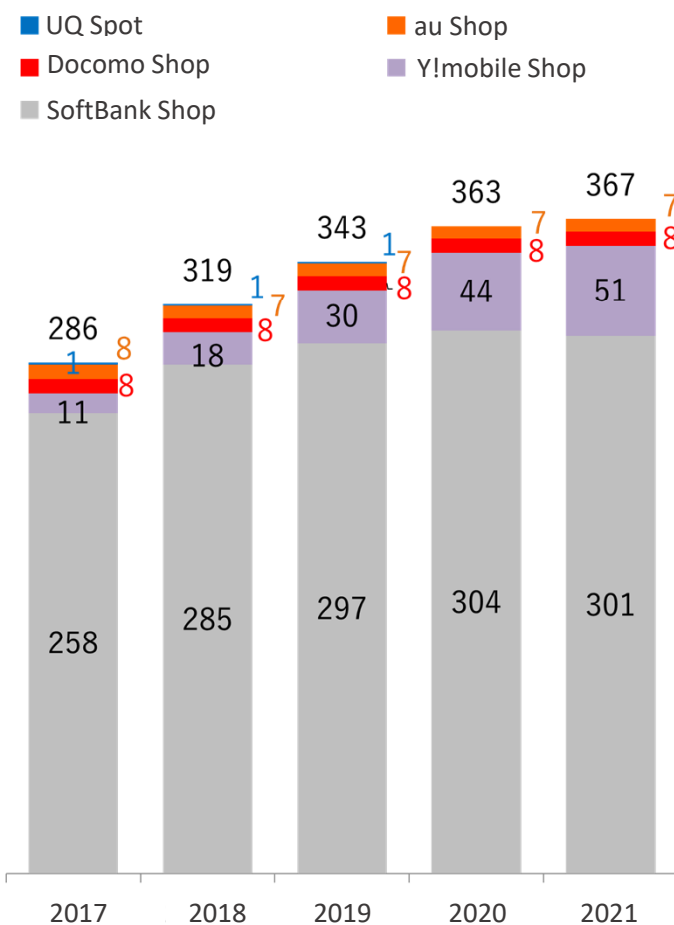
(million yen)

	2017	2018	2019	2020	2021
Net sales	88,894	98,088	103,303	98,843	107,281
Gross profit	18,553	19,975	24,165	24,349	25,483
Personnel, etc.	8,821	9,282	10,636	11,355	12,234
Rent	2,153	2,295	2,537	2,716	2,915
Ads/sales promotion	1,529	1,927	2,818	1,427	1,807
Others	2,897	3,241	3,797	3,798	3,849
SG&A expenses	15,401	16,746	19,790	19,297	20,806
Operating income	3,151	3,229	4,375	5,052	4,677
Ordinary income	3,184	3,256	4,379	5,348	4,646
Profit attributable to owners of parent	2,182	2,115	3,040	3,620	3,277

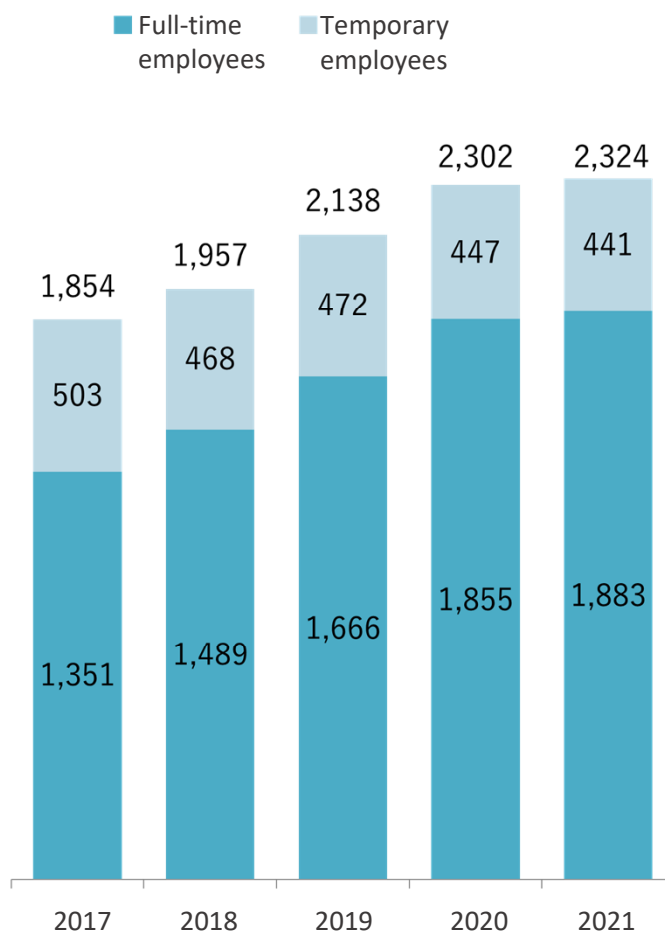
	2017	2018	2019	2020	2021
Total assets	38,589	39,093	43,572	46,371	43,366
Net assets	19,655	21,335	23,889	26,661	28,771
Equity ratio	50.9%	54.6%	54.8%	57.5%	66.3%
Return on equity (ROE)	11.7%	10.3%	13.4%	14.3%	11.8%
Ratio of ordinary income to total assets (ROA)	8.8%	8.4%	10.6%	11.9%	10.4%
Operating margin	3.5%	3.3%	4.2%	5.1%	4.4%
Dividend on equity (DOE)	1.9%	2.2%	3.4%	4.3%	3.6%

Number of Carrier Shops, Employees and Mobile Phones Sold

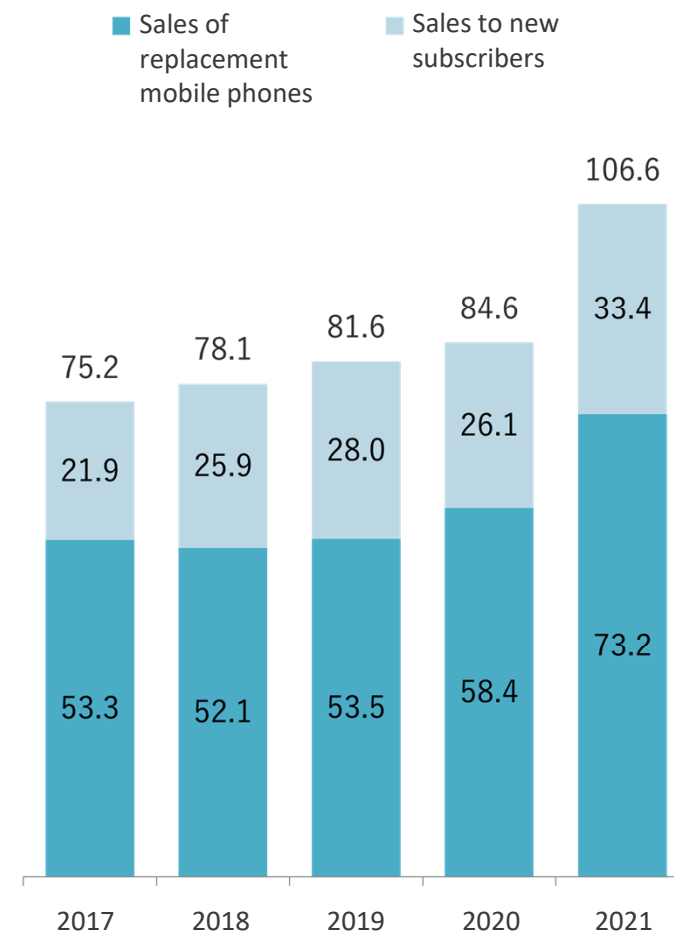
Number of carrier shops



Number of employees



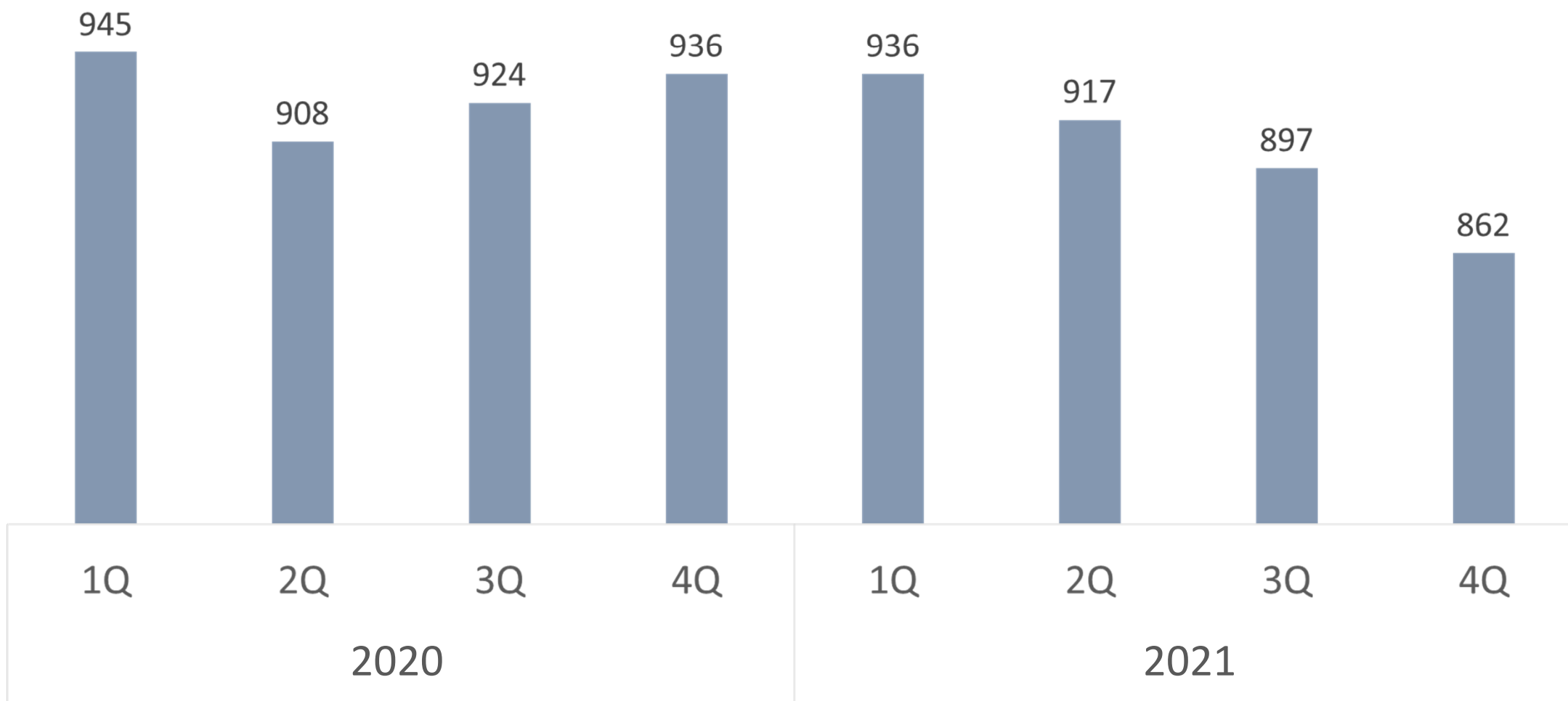
Number of mobile phones sold
(10 thousand units)



Quarterly Renewal Commissions (Gross Profit)

* Renewal commissions are payments by carriers to Bell-Park that are a percentage of the monthly mobile phone service fees paid by phone users who purchased their service plans at a shop operated by Bell-Park

(million yen)

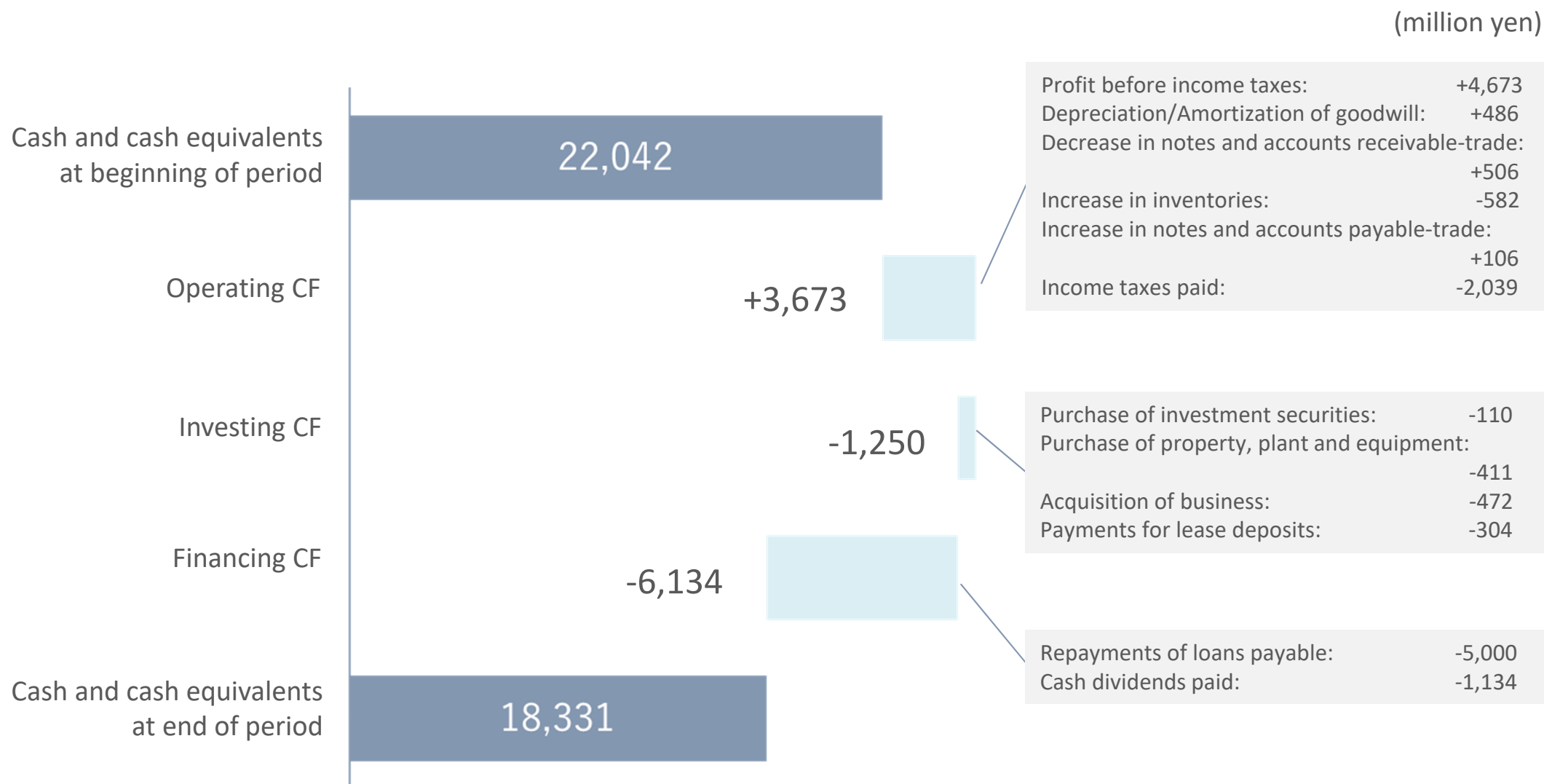


Balance Sheet

(million yen)

	End-Dec. 2020	End-Dec. 2021	YoY change
Current assets	40,420	37,000	-3,419
Noncurrent assets	5,951	6,366	+414
Assets	46,371	43,366	-3,005
Current liabilities	18,980	13,806	-5,173
Noncurrent liabilities	730	788	+58
Liabilities	19,710	14,595	-5,114
Net assets	26,661	28,771	+2,109

Cash Flows



Activities for a Sustainable Society

Key Issues (1) Environmental Responsibility



- Internal power generation
- Use of energy from renewable sources
- Activities to lower the environmental impact of business operations

(Reduction of energy consumption, recycling used mobile phones, use of environmentally responsible vehicles, green procurement of office and other supplies, and reduction and elimination of paper use)

Key Issues (2) Customer's Smile



- Strengthening consulting skills
- Customer support
- Improving customer satisfaction
- Voluntary consumer protection activities

Key Issues (3) Workforce Motivation and Growth



- Human resources development
- A pleasant and productive workplace environment
- Diversity, equity and inclusion
- Health management

Key Issues (4) Social Contribution Activities



- Eliminating the digital divide
- Using business activities to solve social issues
- Contributing to community

(Child safety stores, emergency recharging service, community clean-up program, and other activities)

Forward-Looking Statements

All plans, strategies and financial forecasts that are not based on historical facts are forward-looking statements. Such statements are based on the judgment of management in accordance with information available when these materials were prepared. Actual results may differ significantly from these statements due to changes in the operating environment and many other factors.