

Results of Operations for 2022

February 10, 2023

Bell-Park Co., Ltd.

Tokyo Stock Exchange Standard Market (Stock code: 9441)

1. 2022 Financial Highlights

2. Initiatives for Medium- to Long-term Growth

3. 2023 Plan and Shareholder Returns

Statement of Income





Sales and earnings decreased, mainly due to a lower sales volume, in the carrier shop business, where the business climate is difficult. In the corporate solutions business, sales and earnings were up along with growth in the sales volume.

(million yen)

	2021 results	2022 results	YoY change
Net sales	107,281	102,778	-4,503
(Comp.)	(100.0%)	(100.0%)	-4.2%
Operating income	4,677	3,534	-1,143
	(4.4%)	(3.4%)	-24.4%
Ordinary income	4,646	3,588	-1,057
	(4.3%)	(3.5%)	-22.8%
Profit attributable to owners of parent	3,277	2,521	-755
	(3.1%)	(2.5%)	-23.1%

Due to the application of Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), net sales for 2022 decreased by 2,302 million yen. There is no effect on operating income, ordinary income and profit attributable to owners of parent.

2022 Topics by Sales Channel

Sales channels	Topics	Impact on net sales (YoY change)	Impact on operating income (YoY change)
Carrier shops	<p><u>Decrease in sales volume</u></p> <p>Sales to new subscribers: Increased because of many sales events Sales of replacement phones</p> <p>1H: Decreased in reaction to an increase in customers who visited shops for revisions of service plan rates in 2021 2H: Higher prices of phones caused by the weaker yen and inflation reduced sales</p> <p><u>Decrease in commissions</u></p> <p>Renewal commissions and support payments received from carriers decreased because of the reduction in the cost of mobile phone rates</p>		
Corporate solutions	<p><u>Increase in sales volume of mobile phones and PCs</u></p> <p>The number of sales increased partly because people hired to increase the sales force in the previous fiscal year are now contributing to sales</p>		

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Medium-term Qualitative Goals

The Bell-Park Group has established three medium-term qualitative goals for the purpose of achieving sustained medium- to long-term growth by meeting the expectations of customers, shareholders, employees, business partners and all other stakeholders.

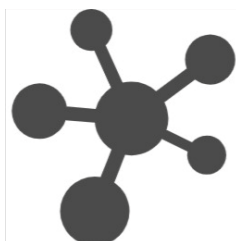
1. Continue the steady growth of the carrier shop business
2. Continue the growth of the corporate solutions business to establish a well-balanced business portfolio
3. Maintain a consolidated dividend payout ratio of at least 30%

Carrier Shop Business Growth Strategy



Growth of shop network

Enlarge the network by making investments that reflect the outlook for market conditions for carrier shops



More products and services

Increase earnings by adding advanced and innovative products and services that reflect changes in the needs and preferences of consumers



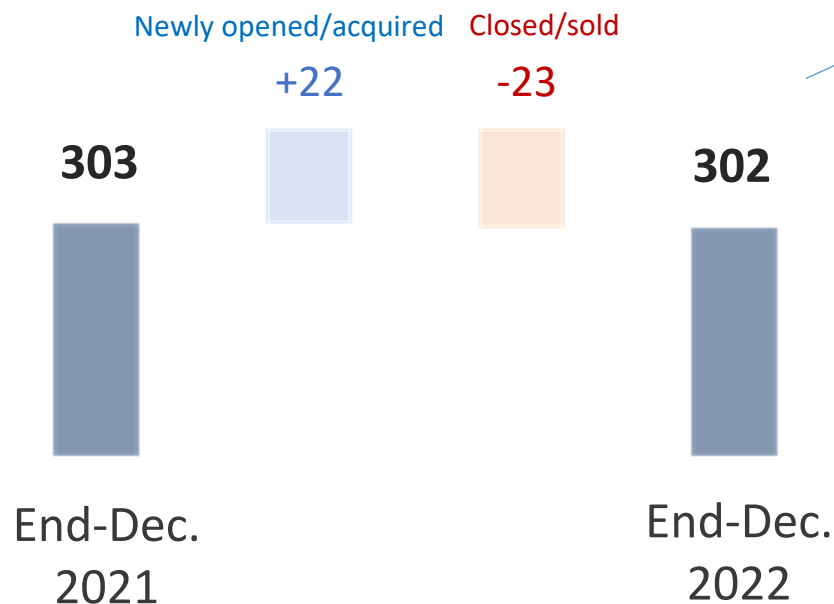
Store operation reforms

Use the digital transformation to operate shops more efficiently

A Shop Network Based on the Market Outlook

Raise the efficiency of shops by adding more shops and continuing measures to establish dominant presences in targeted areas

Change in the Number of Directly Operated Carrier Shops

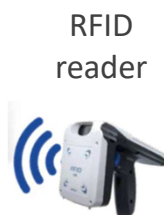


- 1) Acquired 8 SoftBank shops in Shikoku
- 2) Improve the network of existing shops by closing, consolidating and rebuilding shops
 - Combine shops that are near each other
 - Exchanges of shops with those of other sales agents
 - Close unprofitable shops

Activities to Operate Stores More Efficiently

More efficiency for inventories

Started using RFID



RFID tags (IC tags for merchandise data)

Many tags can be read at once by moving a reader over the tags

Shorten time for customer services (1)

Procedures that customers perform themselves



Reduced
time per customer by
16 minutes

Customers can input information and perform some other procedures on their own
Computer screens are used for explanations of terms of service

Shorten time for customer services (2)

Online customer interaction

Outstanding Shop Award of the Anshin Shop Awards 2021



Staff at other shops use the internet to serve customers during busy periods at shops

Available at some shops

Anshin Shop Awards 2021: A contest for certified anshin (safety and confidence) shops that recognizes outstanding activities for protecting consumers

Activities to Eliminate the Digital Divide

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

Widespread use of personal ID number cards

Carrier shops support applications for personal ID number cards



Support service to be provided from July 27, 2022 until March 2023 (tentative)

Assistance for using smartphones

Shop personnel provide services including transferring data to a new phone, phone settings, explanations of operations and other subjects



Monthly-charge support service started on September 14, 2022

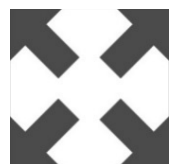
* Only the SoftBank carrier shops offer this monthly-charge smartphone support service

Corporate Solution Business Growth Strategy



More people

Recruit and train more corporate sales personnel who can assist companies with the use of digital technologies



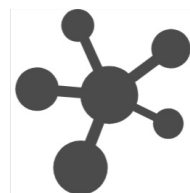
New customers

Step up sales activities to add new customers, such as by increasing the number of sales offices, adding more partners for sales activities, and strengthening web marketing activities



M&A and alliances

Use M&A and alliances for earnings growth



More products/services

Add products and services for earnings growth

Launch of the “Mamoru-Kun” Service for Companies

One package for managing and ensuring the security of PCs, smartphones and other devices



まもる君

Mamoru-Kun

Reliable security at a reasonable price for small/midsize companies

Mobile device management

Management and other services ideally suited for the requirements of small/midsize companies

High performance and advanced security

Six-type multi-layered detection technology; detects new and subspecies malware too

Reliable support

Support is available by telephone or e-mail from 9:00 to 20:00 every day of the year

Activities for Carbon Neutrality



Solar panels reduce the environmental impact of shops

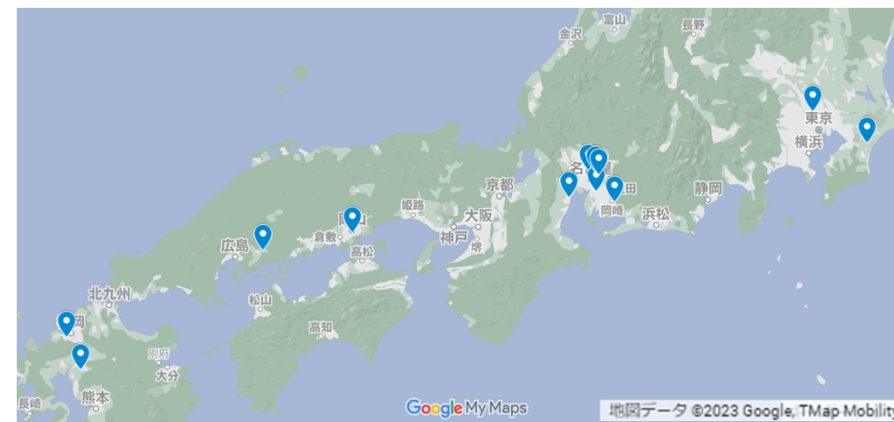
*Placed on properties owned by Bell-Park and where solar panels can comply with earthquake safety standards

Rooftop solar panels at carrier shops



SoftBank Okayama Shinbo

Solar panels are on all Bell-Park owned properties (As of Dec. 31, 2022)







SoftBank Urawa Nakao (Saitama)
SoftBank Togane (Chiba)
SoftBank Kasugai Takayama (Aichi)
SoftBank Moriyama Kikko (Aichi)
SoftBank Okehazama (Aichi)
SoftBank Okazaki Higashi (Aichi)

SoftBank Iwakura (Aichi)
SoftBank Yokkaichi Hazu (Mie)
SoftBank Okayama Shinbo (Okayama)
SoftBank Takaya (Hiroshima)
SoftBank Jiromaru (Fukuoka)
SoftBank Chikugo (Fukuoka)

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2023 Forecast Assumptions

Sales channels	Topics	Impact on sales (YoY change)	Impact on operating income (YoY change)
Carrier shops	<p><u>Decrease in sales volume</u></p> <p>Sales to new subscribers: Declining due to lower demand for high-end models caused by inflation</p> <p>Sales of replacement phones: Higher replacement demand due to SoftBank's termination of 3G in 2024</p> <p><u>Higher customer support service sales</u></p> <p>Increasing use of fee-based services for smartphone settings, data transfers and other activities</p>		
Corporate solutions	<p><u>Plan a further increase in the number of salespeople for more growth in the scale of business operations</u></p> <p>Higher sales due to an increase in sales volume of mobile phones and PCs, and an upgrade in products and services</p> <p>Higher SG&A expenses due to an increase in personnel</p>		

2023 Consolidated Forecasts

Forecast sales of 100 billion yen and operating income of 3.5 billion yen

Planned number of mobile phones and other products to be sold: approx. 970,000 units (-2.4% YoY)

(million yen)

	2022 results	2023 plan	YoY change
Net sales	102,778	100,000	-2,778
(Comp.)	(100.0%)	(100.0%)	-2.7%
Operating income	3,534	3,500	-34
	(3.4%)	(3.5%)	-1.0%
Ordinary income	3,588	3,500	-88
	(3.5%)	(3.5%)	-2.5%
Profit attributable to owners of parent	2,521	2,200	-321
	(2.5%)	(2.2%)	-12.8%

Shareholder Returns

Fundamental policy regarding distribution of earnings

Bell-Park positions the distribution of earnings to shareholders as one of its highest priorities, and plans to maintain a consolidated dividend payout ratio of at least 30%

2022			2023 (forecast)		
2Q-end	Year-end	Annual (total)	2Q-end	Year-end	Annual (total)
20.50 yen	20.50 yen	41 yen	21.50 yen (up 1 yen)	21.50 yen (up 1 yen)	43 yen (up 2 yen)

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, 2022)	1,148 million yen	No. of carrier shops (as of Dec. 31, 2022)	Total: 358 stores (56 stores) *Franchised stores in parentheses 298 (48) SoftBank Shops 45 (8) 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, 31st fiscal year		
No. of employees (consolidated) (as of Dec. 31, 2022)	2,373 (full time: 1,829; temporary: 544)	Bell-Park group companies	Consolidated subsidiary Bell-Park Next Co., Ltd. Non-consolidated subsidiaries Bellbride, Inc. Wactive Inc.

5-year Financial Summary

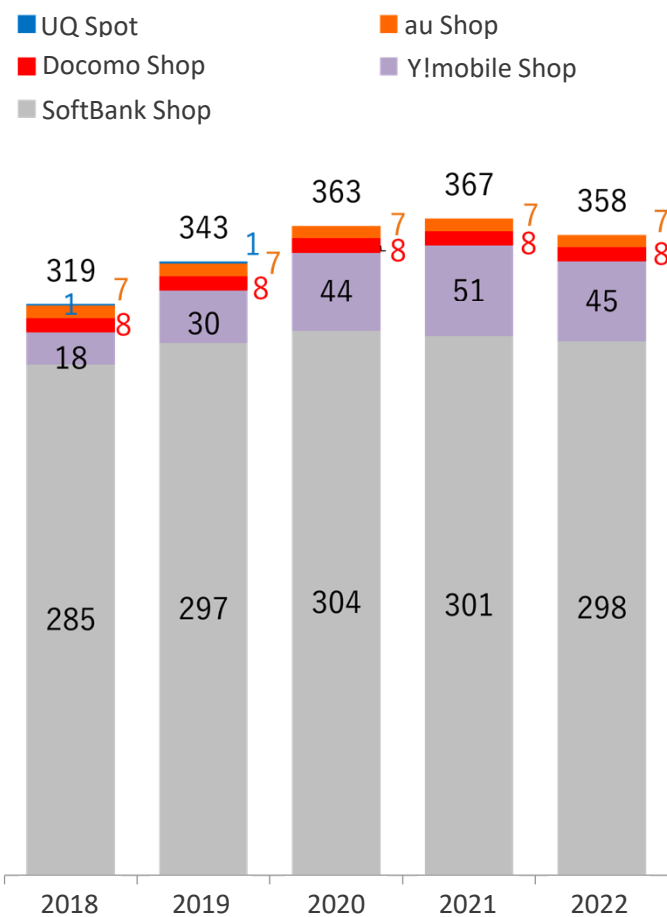
(million yen)

	2018	2019	2020	2021	2022
Net sales	98,088	103,303	98,843	107,281	102,778
Gross profit	19,975	24,165	24,349	25,483	23,635
Personnel, etc.	9,282	10,636	11,355	12,234	12,070
Rent	2,295	2,537	2,716	2,915	2,952
Ads/sales promotion	1,927	2,818	1,427	1,807	1,413
Others	3,241	3,797	3,798	3,849	3,664
SG&A expenses	16,746	19,790	19,297	20,806	20,101
Operating income	3,229	4,375	5,052	4,677	3,534
Ordinary income	3,256	4,379	5,348	4,646	3,588
Profit attributable to owners of parent	2,115	3,040	3,620	3,277	2,521

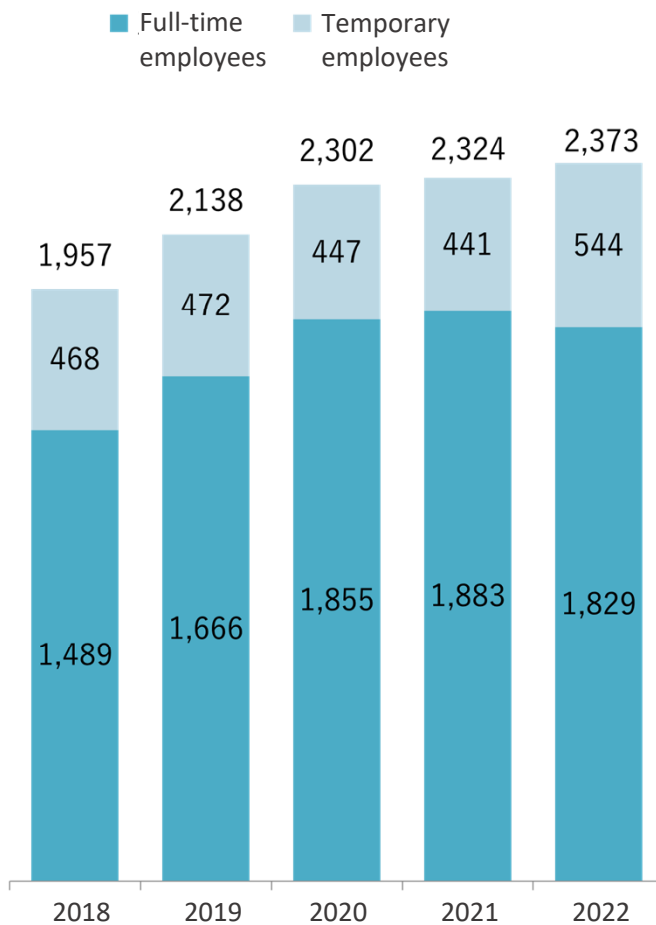
	2018	2019	2020	2021	2022
Total assets	39,093	43,572	46,371	43,366	43,624
Net assets	21,335	23,889	26,661	28,771	30,340
Equity ratio	54.6%	54.8%	57.5%	66.3%	69.6%
Return on equity (ROE)	10.3%	13.4%	14.3%	11.8%	8.5%
Ratio of ordinary income to total assets (ROA)	8.4%	10.6%	11.9%	10.4%	8.3%
Operating margin	3.3%	4.2%	5.1%	4.4%	3.4%
Dividend on equity (DOE)	2.2%	3.4%	4.3%	3.6%	2.7%

Number of Carrier Shops, Employees and Mobile Phones Sold

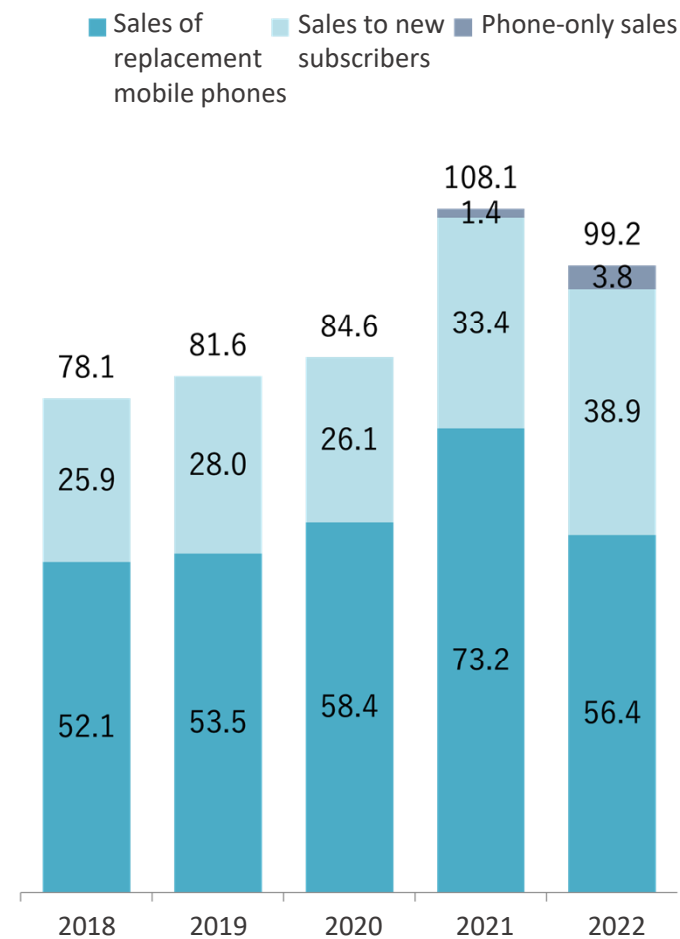
Number of carrier shops



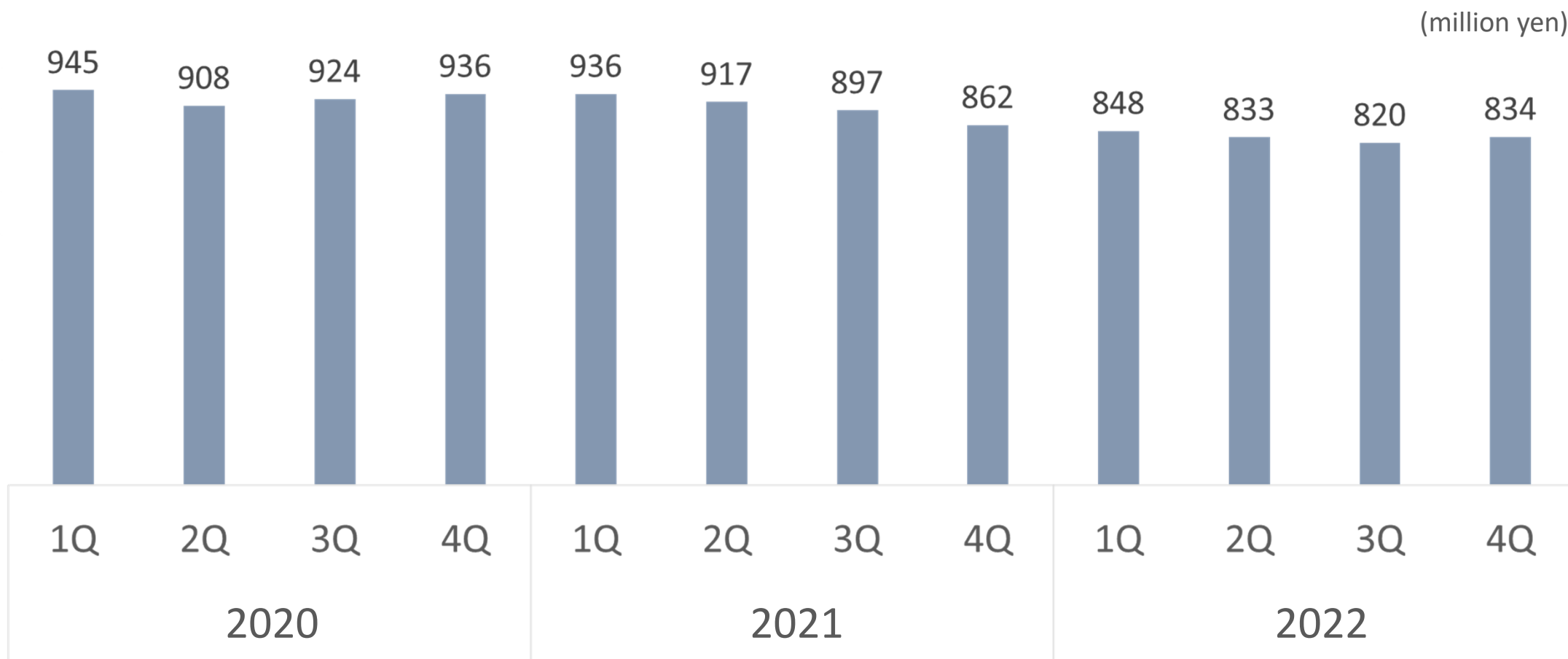
Number of employees



Number of mobile phones sold (10 thousand units)



Quarterly Change in Consistent Revenue (Gross Profit)



*Consistent revenue includes the following:

- 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 (renewal commissions)
- Payments by carriers associated with monthly-charge smartphone support service provided at shops

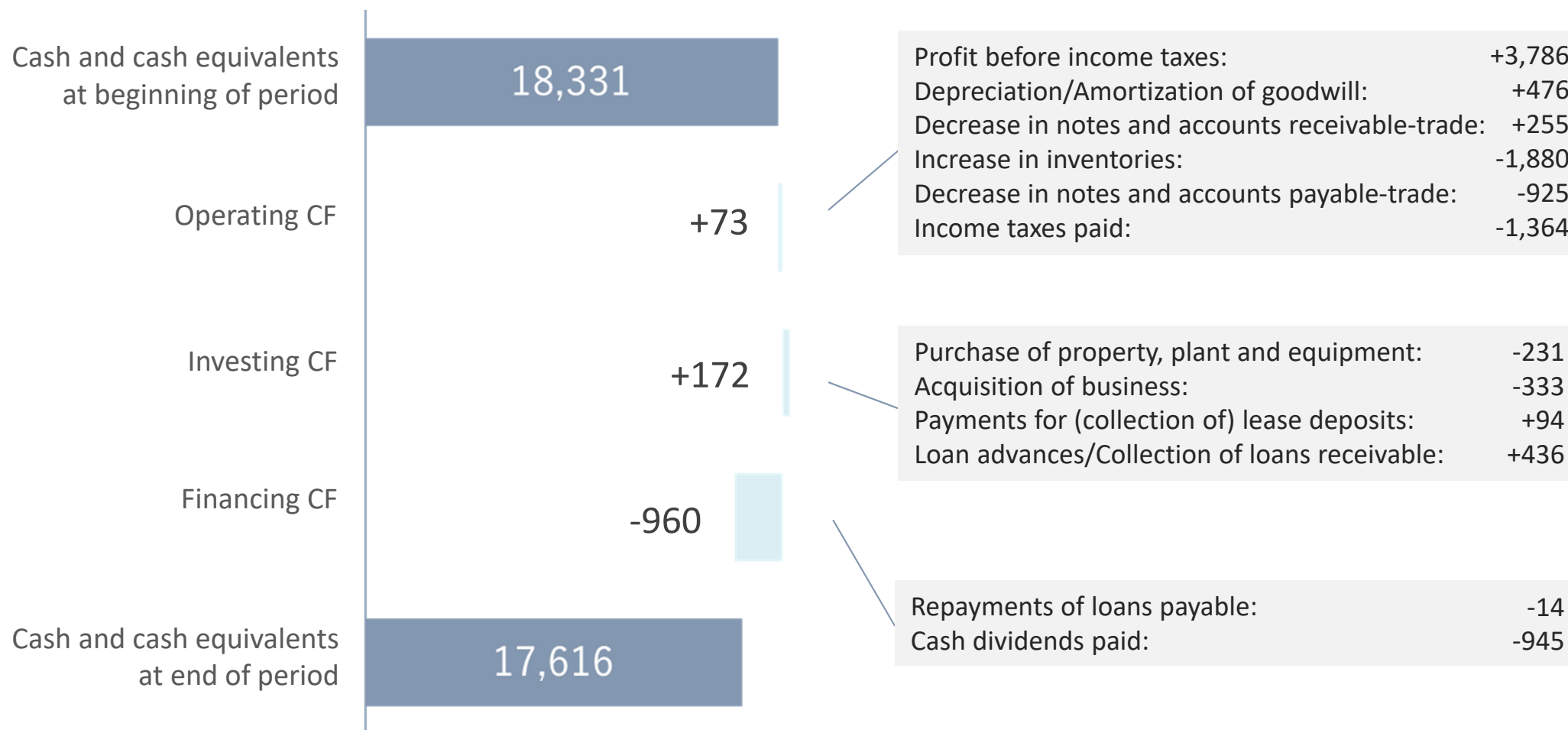
Balance Sheet

(million yen)

	End-Dec. 2021	End-Dec. 2022	Change
Current assets	37,000	37,947	+947
Non-current assets	6,366	5,676	-689
Assets	43,366	43,624	+257
Current liabilities	13,806	12,611	-1,195
Non-current liabilities	788	672	-116
Liabilities	14,595	13,283	-1,311
Net assets	28,771	30,340	+1,569

Cash Flows

(million yen)



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

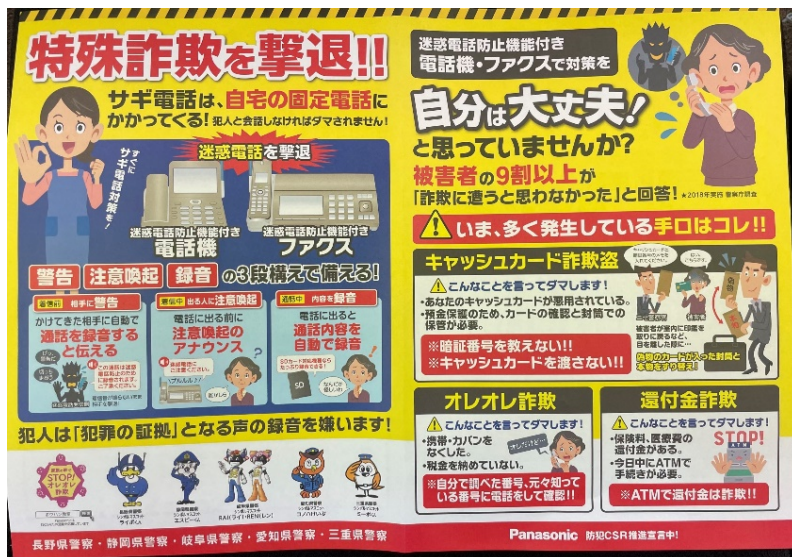
- Eliminating the digital divide
- Using business activities to solve social issues
- Contributing to community

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



Leaflet with information about the prevention of fraud (Kasugai, Aichi)

Four Bell-Park shops in the city of Kasugai in Aichi prefecture are working with the police to distribute information to protect seniors from fraudulent activity using phone calls and other communication channels



Leaflet with information about fraud



The SoftBank Kasugai shop received a certificate of appreciation from the Kasugai Police Station

Status of Compliance with Standard Market Listing Criteria

	(1) Number of shareholders (At least 1 trading unit)	(2) Tradable shares			(3) Trading volume	(4) Net assets
		Number of tradable shares	Market value of tradable shares	Ratio of tradable shares		
Standards for retaining a listing	400	2,000 units	1.0 billion yen	25.0%	Avg. of at least 10 trading units/month	Positive net assets
Status of Bell-Park as of December 31, 2022	3,684	65,545 units	13.3 billion yen	32.5%	665.8 units	30.3 billion yen
Status of compliance	○ (Yes)	○ (Yes)	○ (Yes)	○ (Yes)	○ (Yes)	○ (Yes)

* These figures are calculated by using the monthly market table (stock market table) on the website of the Japan Exchange Group, the Bell-Park stock distribution table as of the end of December 2022, and other sources. The stock price used to determine the market value of tradeable shares is the average closing price for October-December 2022. Trading volume is the monthly average for the last six months of 2022.

Tradable shares include 4,155,800 shares that were designated as pure investments in shareholding reports submitted by Bell-Park shareholders as of the end of December 2022 and that were traded within the past five years.

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 the Company 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.