

Results of Operations

for the First Half of 2023

August 7, 2023

Bell-Park Co., Ltd.

Tokyo Stock Exchange Standard Market (Stock code: 9441)

Statement of Income





Sales, operating income and ordinary income were higher due to an increase in the number of mobile phones and other products sold.

Profit attributable to owners of parent decreased mainly because of a decline in compensation payments received in association with closing shops.

(million yen)

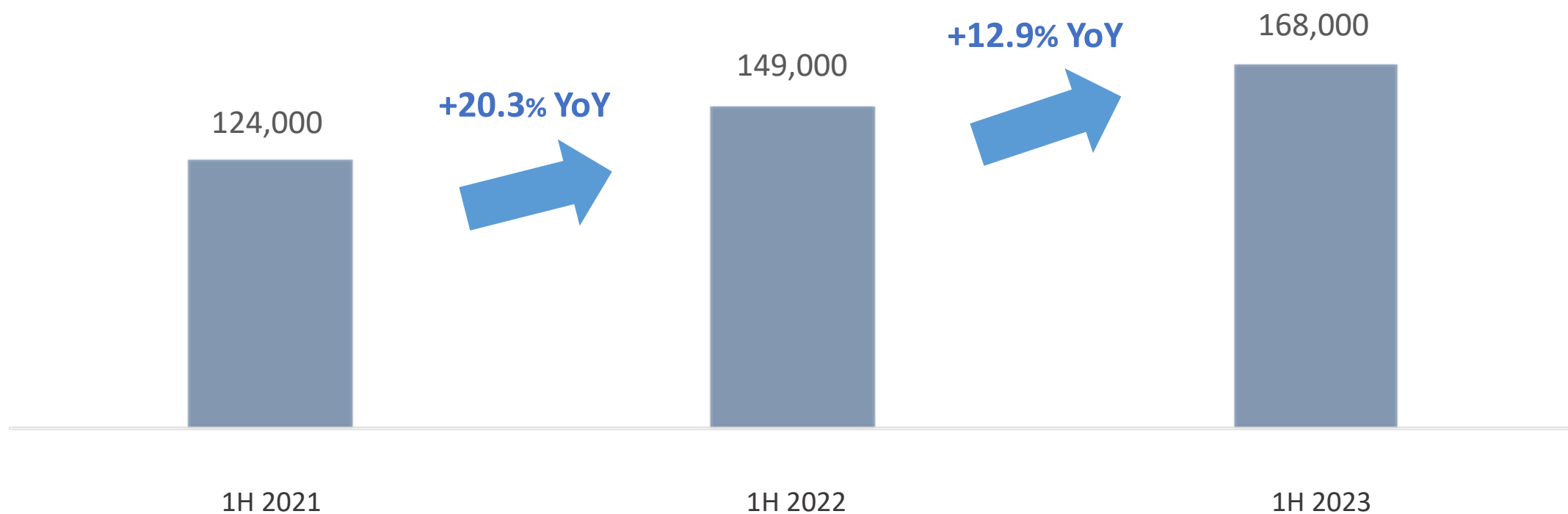
	1H 2022 results	1H 2023 results	YoY change
Net sales	51,836	57,823	+5,987
(Comp.)	(100.0%)	(100.0%)	+11.6%
Operating income	2,286	2,454	+168
	(4.4%)	(4.2%)	+7.4%
Ordinary income	2,300	2,482	+181
	(4.4%)	(4.3%)	+7.9%
Profit attributable to owners of parent	1,778	1,710	-68
	(3.4%)	(3.0%)	-3.8%

1H 2023 Topics by Sales Channel

Sales channels	Topics	Impact on net sales (YoY change)	Impact on operating income (YoY change)
Carrier shops	<p><u>Increase in the number of mobile phone sales</u></p> <p>Increase in sales to new subscribers because of many sales events On the other hand, advertising and sales promotion expenses increased</p> <p><u>Improved shop efficiency</u></p> <p>Closed and consolidated some shops and increased the use of procedures that customers perform themselves</p>		
Corporate solutions	<p><u>More salespeople for the growth of business operations</u></p> <p>Higher SG&A expenses mainly for personnel expenses</p>		

First Half New Subscriber Sales Up for Second Consecutive Year

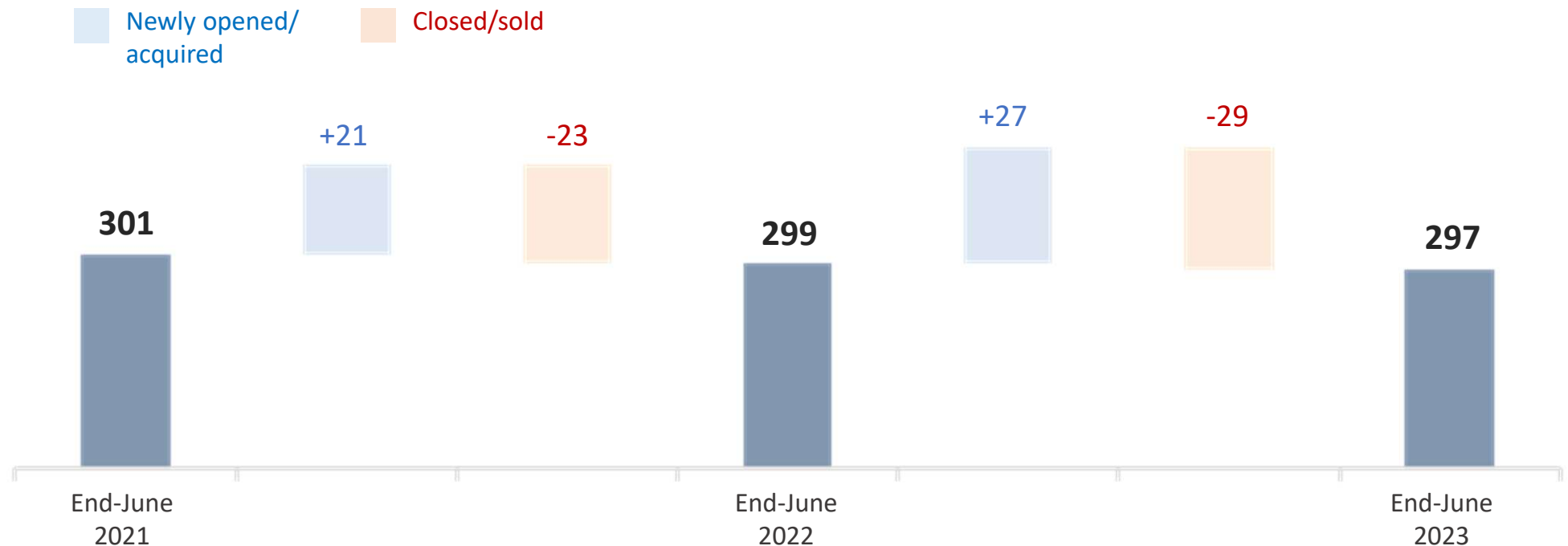
Number of mobile phones sold to new subscribers
at directly operated existing carrier shops (245 shops)



A Shop Network Based on the Market Outlook

In response to changes in market conditions, Bell-Park has since 2021 been consolidating shops near each other, exchanging shops with those of other sales agents, closing unprofitable shops and taking other actions to improve the network of existing shops.
(The medium-term goal is to increase the number of shops.)

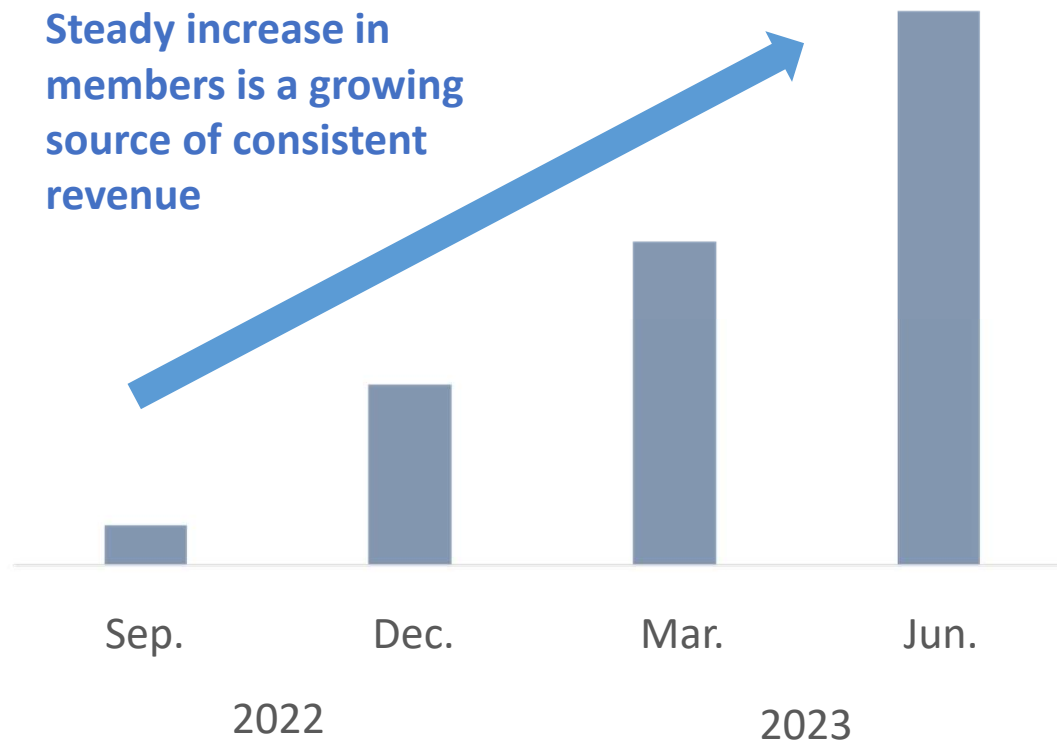
Change in the Number of Directly Operated Carrier Shops



Growth of Monthly-charge Shop Smartphone Support Members

Number of monthly-charge shop
smartphone support members

**Steady increase in
members is a growing
source of consistent
revenue**



Assistance for using smartphones

**The monthly-charge shop smartphone
support service started in September 2022**



Bell-Park shop personnel will assist members with data transfers, attaching protective films and coatings, regular maintenance, protection for malicious calls and mail, and other smartphone support needs.

*The monthly-charge shop smartphone support service is provided by SoftBank and Y!mobile shops operated by Bell-Park.

Support for Digital Government

Assistance for applying for personal ID number cards

(July 27, 2022 to March 21, 2023)

Directly operated Bell-Park shops have assisted with about 110,000 applications for personal ID number cards

*All carrier shops in Japan have assisted with about 2.84 million applications (about 10% of all applications)

“Use your mobile phone shop for a personal ID number card application”

Mobile phone shops provide smartphone services as well as assistance for personal ID number card applications to support progress with digital government. We are pleased to play a part in this progress and to assist our customers in another way. We look forward to serving you.

*Excerpt of a document submitted by the National Association of Mobile-phone Distributors on May 17, 2023 at a working group of the Ministry of Internal Affairs and Communications

The Future for Carrier Shops

Advances in information and communication technology (ICT)

- ICT advances involving 5G, AI and many other fields is supporting steady progress with the digitalization of society
- At the same time, there are growing concerns about the widening digital divide

Increasing high level of carrier shop operations

- Shops are providing services at an increasingly high level due to the diversification of products, growing importance of support services and other reasons
- In recent years, shops have been providing personal ID number card application assistance and other services to help create a digital technology public service infrastructure

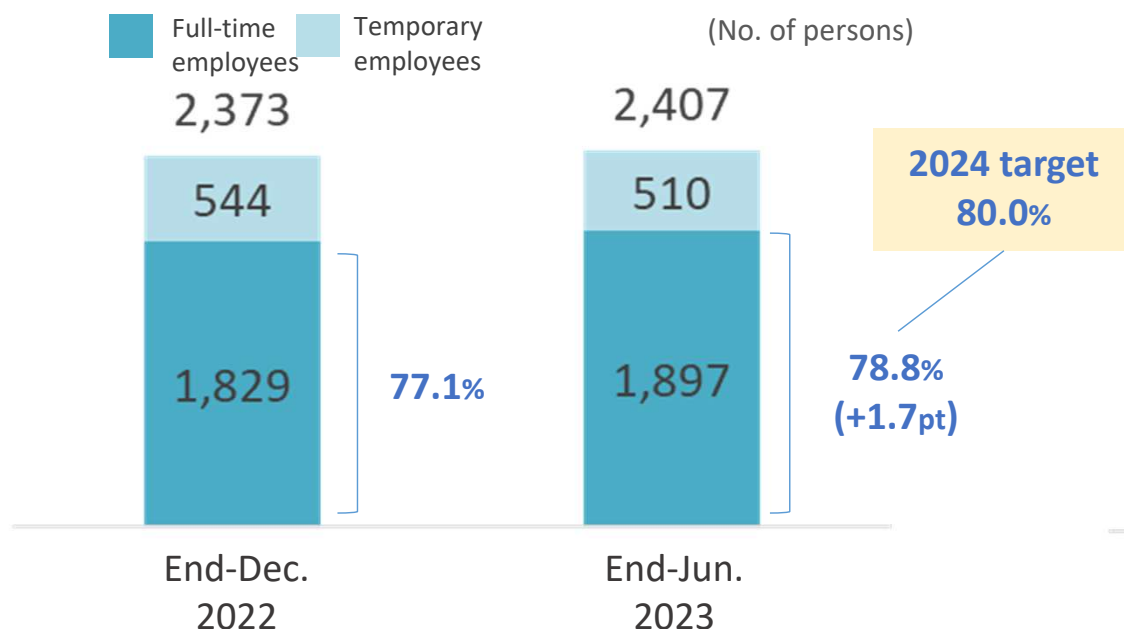


We hope that carrier shops will play important roles in communities for supporting progress with the digital transformation of society

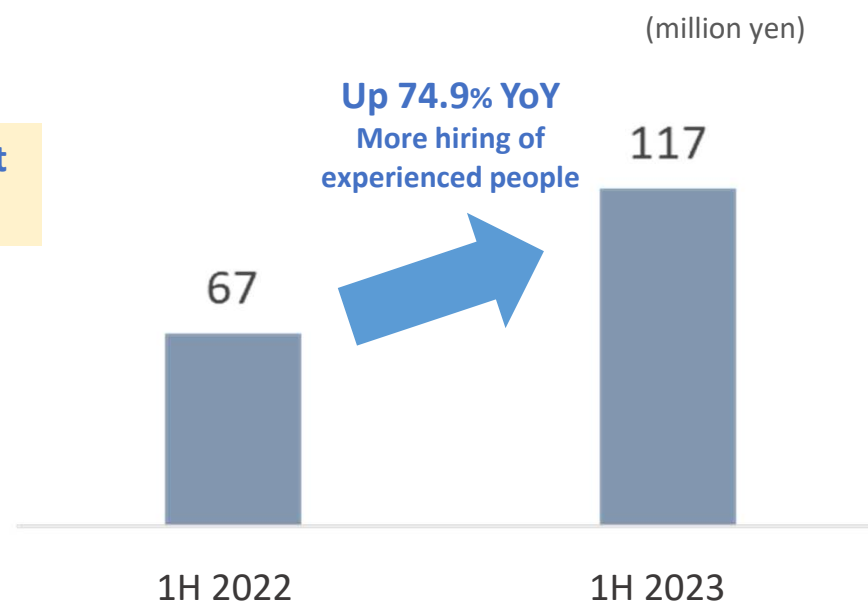
Personnel Strategy for Advanced Shop Services (1)

Goal is 80%+ ratio of full-time employees by 2024 while hiring highly qualified people

Full-time/temporary employee ratio



Recruiting expenses



The full-time pct. **increased by 1.7 point** in 1H 2023 and was **78.8% at the end of June 2023**.
Recruiting expenses **increased 74.9% YoY** due to more activities for hiring people with previous work experience.

Personnel Strategy for Advanced Shop Services (2)

More activities to improve employee retention

Upgrading and expanding training programs (including studies with clear steps for progress)

- Knowledge about products and services
- Classes for improving customer interaction and consulting skills
- Utilization of Generative AI and other advanced technologies

A pleasant and productive workplace environment

- Diversity, equality and inclusion and health management
- Measures to increase use of paid vacation time and child care time off
- More interaction among employees (meetings, company trips, other activities)

Prioritizing Training Programs to Drive Medium/Long-term Growth

Seven Bell-Park employees have won the Grand Prix at the past eight competitions (2015-2022)

Customer Service No. 1 Grand Prix 2022 hosted by SoftBank Corp.

(Held on February 16, 2023)



**Bell-Park employee
Received the Grand Prix
(1st place) award**

Four Bell-Park employees won awards, including three who placed third (Special Prize)

Differentiation of Shops and Online Channels

Outstanding Shop Award of the Anshin Shop Awards 2022

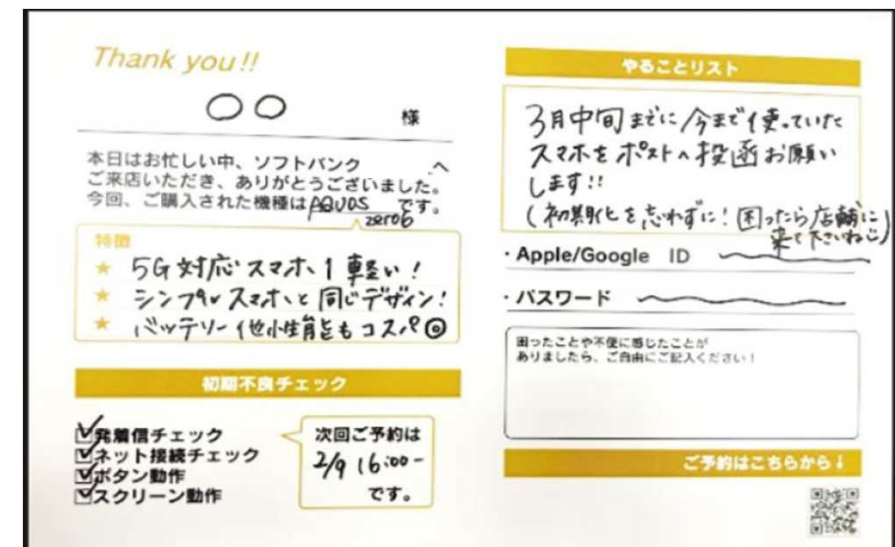


(Awarded on February 20, 2023)

SoftBank Aeon Mall Atsuta

Added value possible only with direct personal service

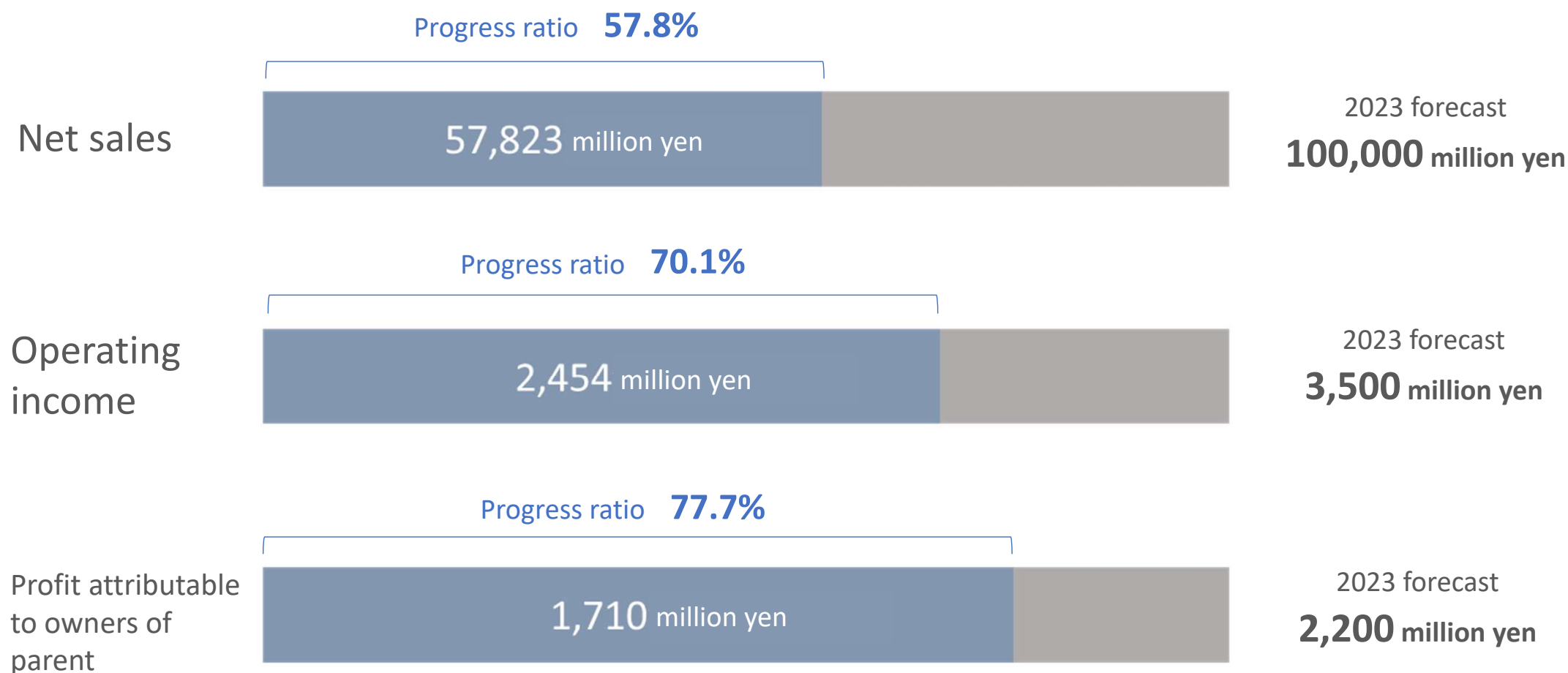
To show the superiority of stores to online sales channels, Bell-Park gives cards with messages to customers to express our appreciation, explain the features of the product purchased, provide a list of what to do to use the product, and provide other information.



Anshin Shop Awards 2022: A contest for certified anshin (safety and confidence) shops that recognizes outstanding activities for protecting consumers

First Half Performance vs. 2023 Forecast

There is no change in the 2023 forecast because of uncertainty about the second half sales outlook, including the volume of sales of a new smartphone model that is scheduled to be introduced in September 2023.



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 Jun. 30, 2023)	1,148 million yen	No. of carrier shops (as of Jun. 30, 2023)	Total: 354 stores (57 stores) *Franchised stores in parentheses 295 (48) SoftBank Shops 43 (9) Y!mobile Shops 9 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 Jun. 30, 2023)	2,407 (full time: 1,897; temporary: 510)	Bell-Park group companies	Consolidated subsidiary Bell-Park Next Co., Ltd. Non-consolidated subsidiaries Bellbride, Inc. Wactive Inc.

3-year Financial Summary

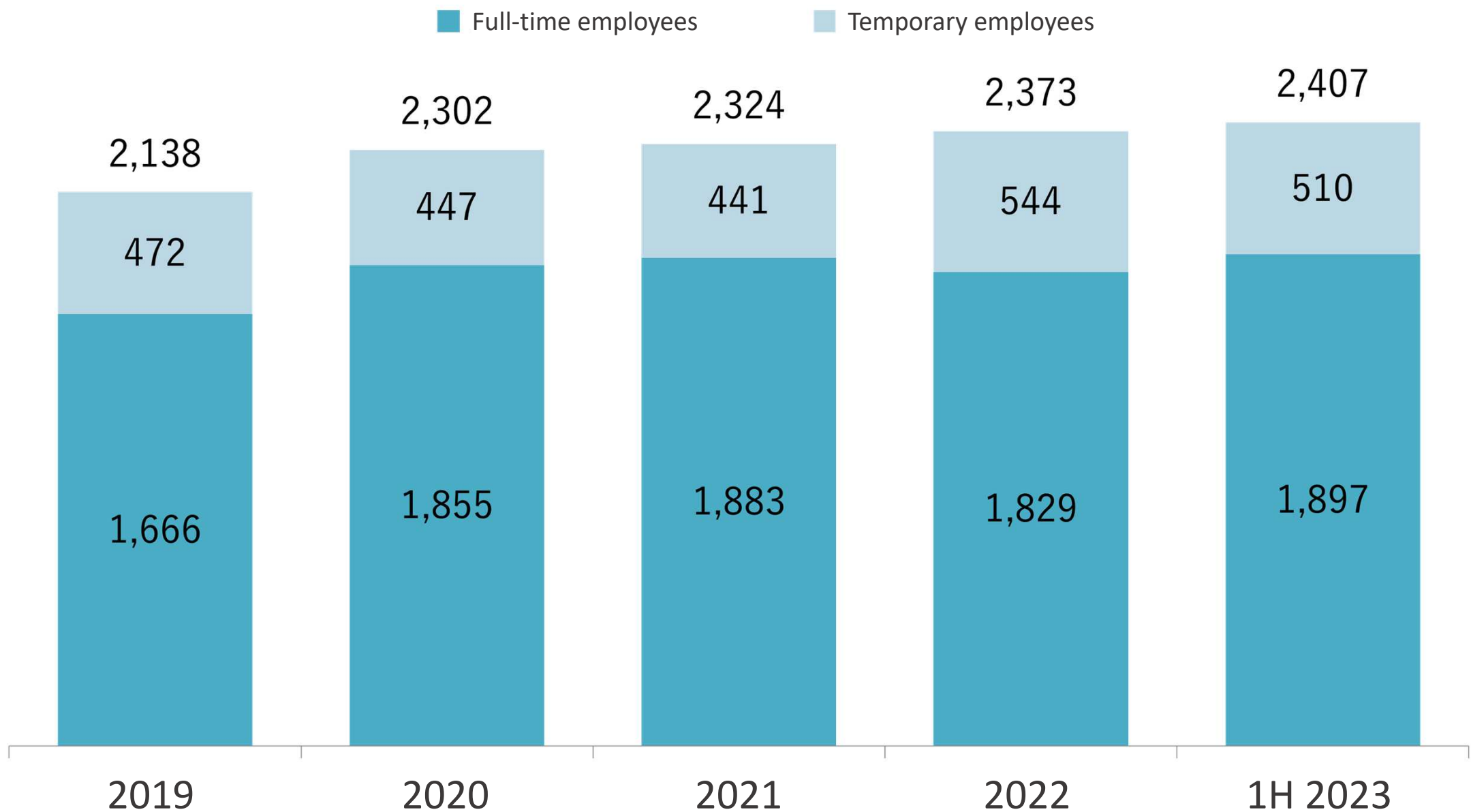
(million yen)

		1H 2021	1H 2022	1H 2023
Net sales		56,250	51,836	57,823
Gross profit		13,979	12,130	12,925
	Personnel, etc.	6,305	5,944	6,237
	Rent	1,448	1,470	1,462
	Ads/sales promotion	833	555	868
	Others	1,891	1,872	1,901
SG&A expenses		10,478	9,843	10,470
Operating income		3,500	2,286	2,454
Ordinary income		3,451	2,300	2,482
Profit attributable to owners of parent		2,348	1,778	1,710

Number of Carrier Shops



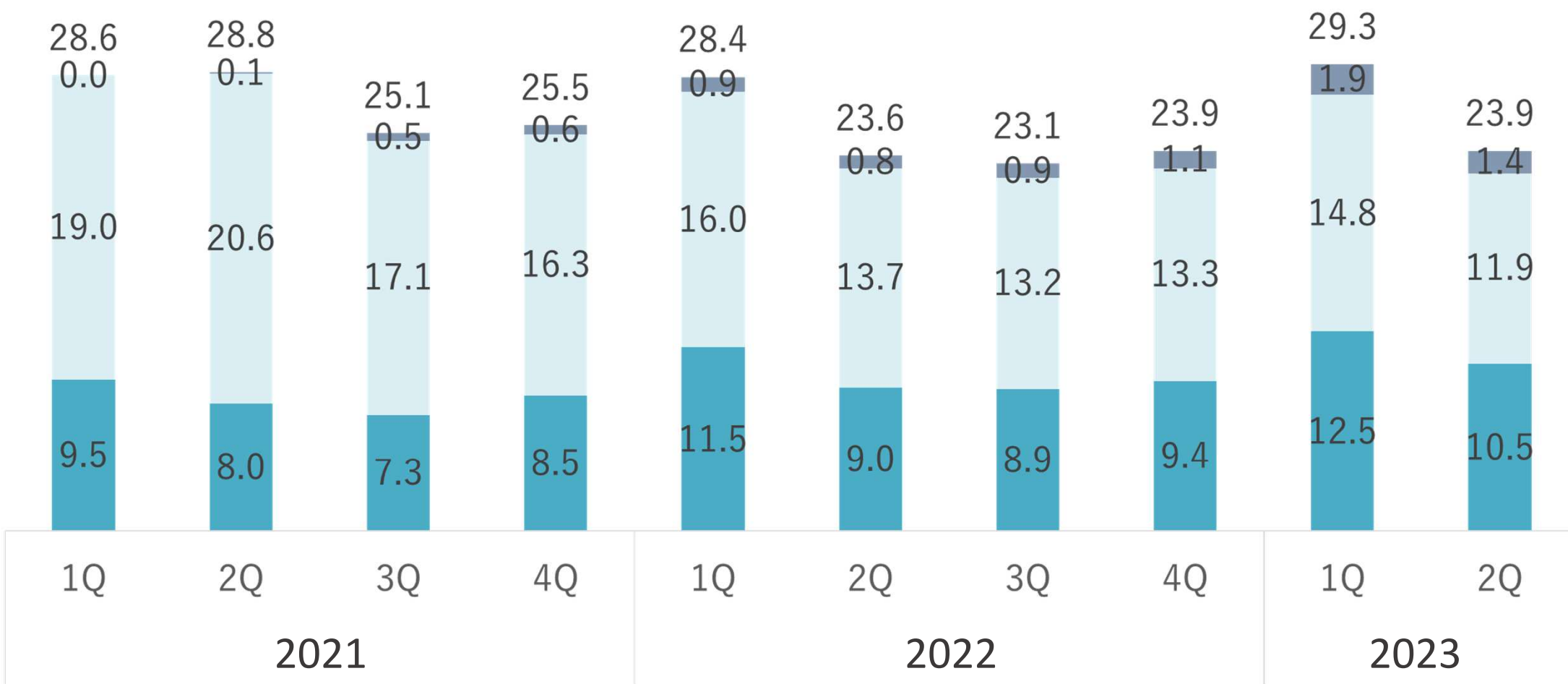
Number of Employees



Number of Mobile Phones Sold

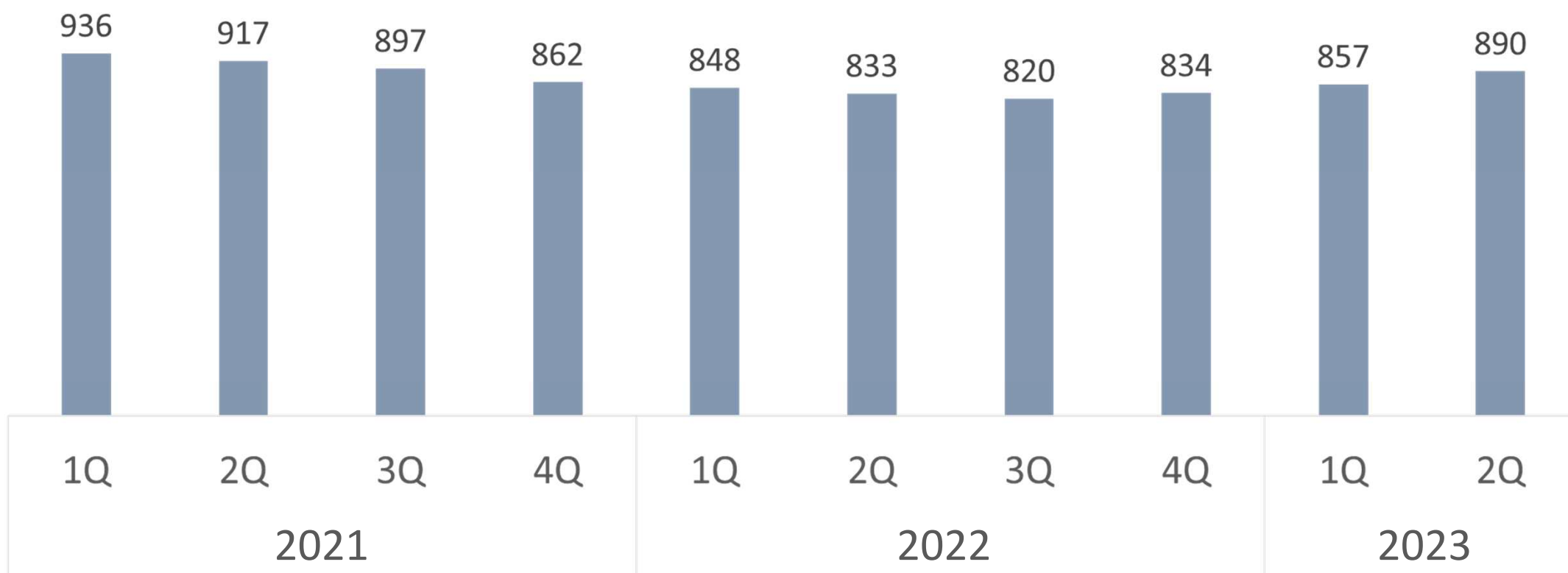
■ Sales to new subscribers
 ■ Sales of replacement mobile phones
 ■ Phone-only sales

(10 thousand units)



Quarterly Change in Consistent Revenue (Gross Profit)

(million yen)



*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

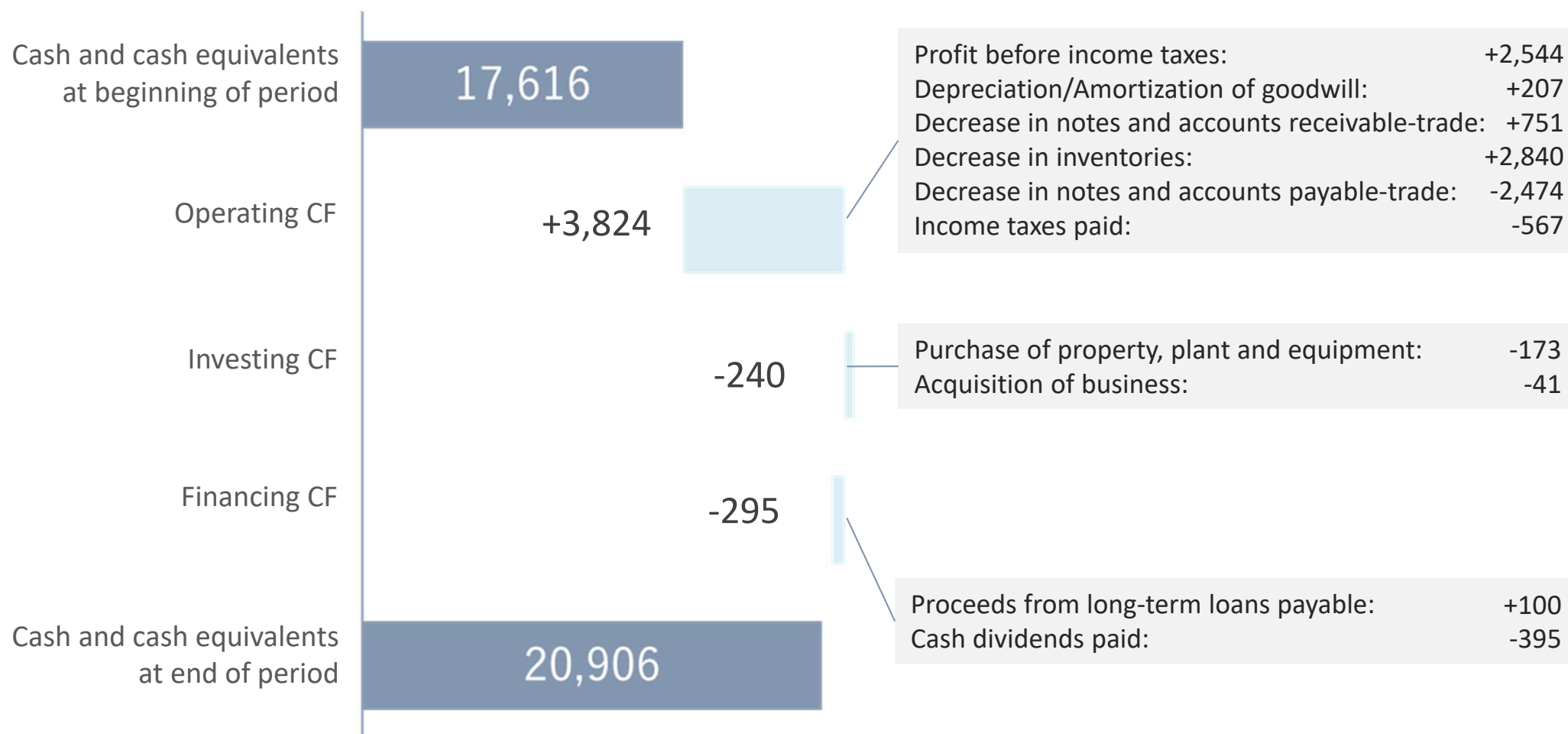
Balance Sheet

(million yen)

	End-Dec. 2022	End-Jun. 2023	Change
Current assets	37,947	37,597	-349
Non-current assets	5,676	5,704	+27
Assets	43,624	43,302	-322
Current liabilities	12,611	10,858	-1,753
Non-current liabilities	672	780	+108
Liabilities	13,283	11,639	-1,644
Net assets	30,340	31,663	+1,322

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, work experience events for children, 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 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.