

Results of Operations for 2023

February 13, 2024

Bell-Park Co., Ltd.

Tokyo Stock Exchange Standard Market (Stock code: 9441)

1. 2023 Financial Highlights

2. Initiatives for Medium- to Long-term Growth

3. 2024 Plan and Shareholder Returns

Statement of Income

Net sales were higher due to an increase in the number of mobile phones and other products sold.

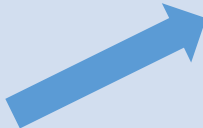



Operating income and ordinary income decreased slightly due to higher SG&A expenses, mainly personnel and sales promotion expenses.

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

(million yen)

	2022 results	2023 results	YoY change
Net sales	102,778	115,485	+12,706
(Comp.)	(100.0%)	(100.0%)	+12.4%
Operating income	3,534	3,531	-3
	(3.4%)	(3.1%)	-0.1%
Ordinary income	3,588	3,571	-16
	(3.5%)	(3.1%)	-0.5%
Profit attributable to owners of parent	2,521	2,381	-140
	(2.5%)	(2.1%)	-5.6%

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 phones sold</u></p> <ul style="list-style-type: none"> • Increase in sales to new subscribers because of many sales promotion activities • On the other hand, advertising and sales promotion expenses increased <p><u>Increase in consistent revenue</u></p> <ul style="list-style-type: none"> • Steady increase in the number of monthly-charge shop smartphone support members <p><u>Improved shop efficiency</u></p> <ul style="list-style-type: none"> • Closed and consolidated some shops • Increased the use of procedures that customers perform themselves <p><u>Recruiting skilled workers</u></p> <ul style="list-style-type: none"> • More recruiting of people with previous work experience to increase the pct. of full-time employees • Increased and upgraded in-house training programs 		
Corporate solutions	<p><u>More salespeople for the growth of business operations</u></p> <ul style="list-style-type: none"> • Higher SG&A expenses mainly for personnel expenses 		

1. 2023 Financial Highlights

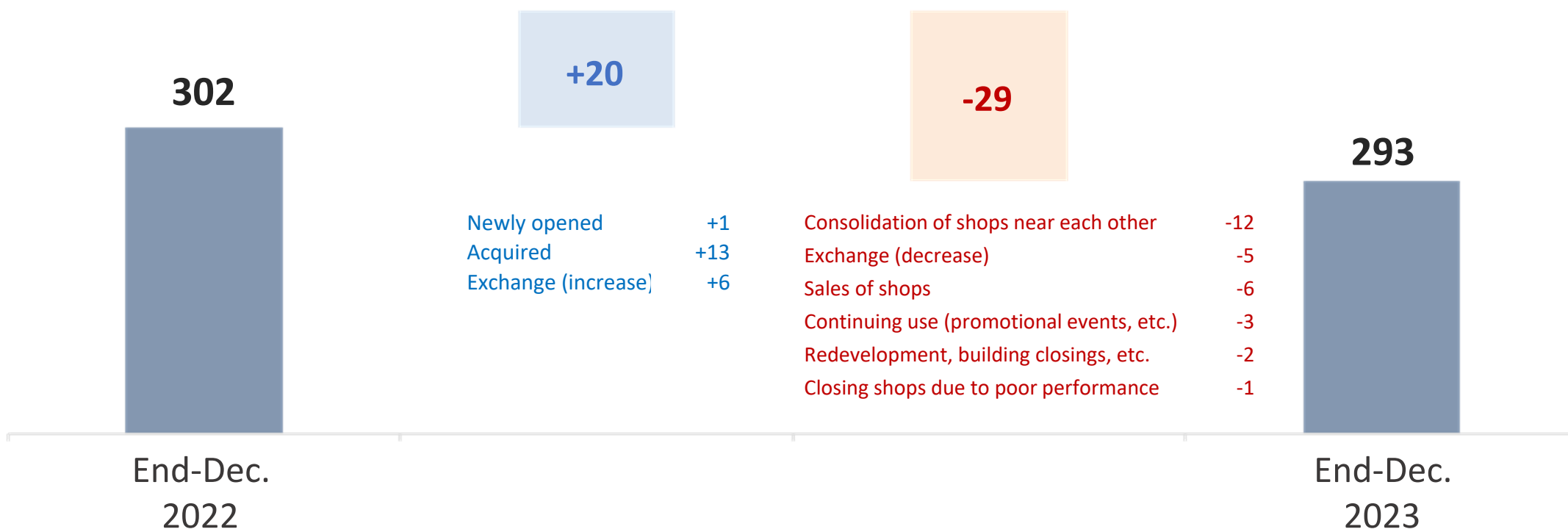
2. Initiatives for Medium- to Long-term Growth

3. 2024 Plan and Shareholder Returns

Improved Shop Efficiency

Bell-Park has 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



Addition of smartphone diagnosis to periodic maintenance services

Assessment (A-D) of smartphone condition by examining 19 items, including the battery, operating system, speaker/mic and other items.



An inspection device specifically for this purpose is used to complete the diagnosis in about five minutes.

診断項目		結果
1. バッテリー	電圧、電流、温度、充電回数、充電速度	正常
2. OSバージョン	OSバージョン、セキュリティパッチ	正常
3. アプリケーション	インストールされたアプリケーション	正常
4. カメラ	カメラの動作確認	正常
5. マイク	マイクの動作確認	正常
6. スピーカー	スピーカの動作確認	正常
7. 充電ポート	充電ポートの動作確認	正常
8. 液晶ディスプレイ	液晶ディスプレイの動作確認	正常
9. タッチパネル	タッチパネルの動作確認	正常
10. 電源ボタン	電源ボタンの動作確認	正常
11. 音量ボタン	音量ボタンの動作確認	正常
12. 電源オフ	電源オフの確認	正常
13. 再起動	再起動の確認	正常
14. 充電速度	充電速度の確認	正常
15. 充電回数	充電回数の確認	正常
16. 充電温度	充電温度の確認	正常
17. 充電電圧	充電電圧の確認	正常
18. 充電電流	充電電流の確認	正常
19. 充電速度	充電速度の確認	正常

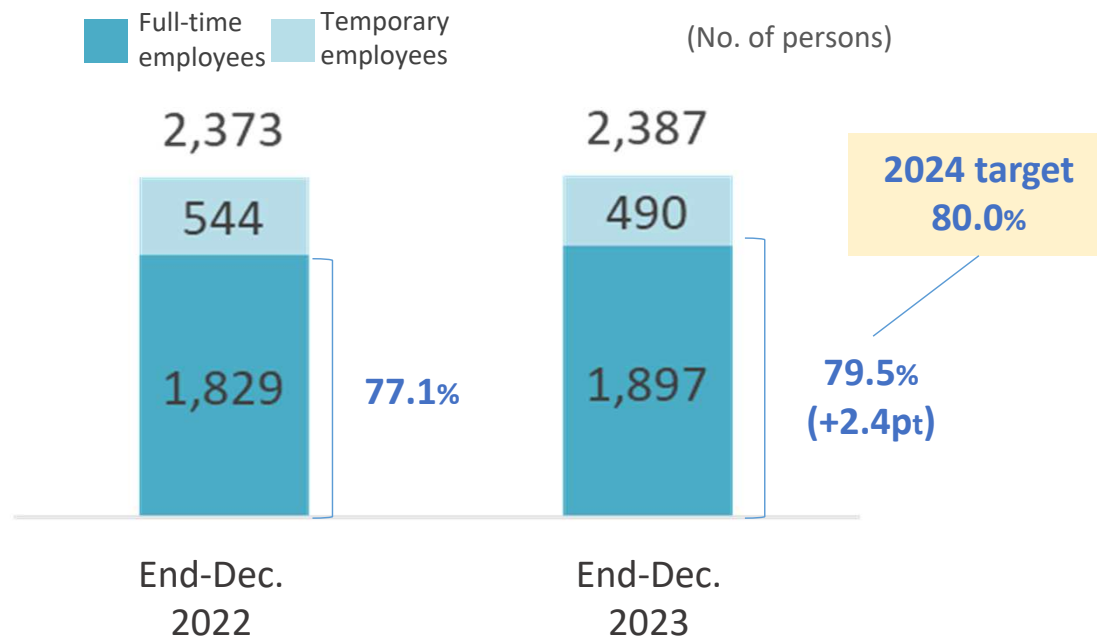
*Inspection devices used at shops differ from the initial model shown here.

* The monthly-charge shop smartphone support service includes data transfers, attaching protective films and coatings, regular maintenance, protection for malicious calls and mail at a shop. (The service is provided by SoftBank and Y!mobile shops.)

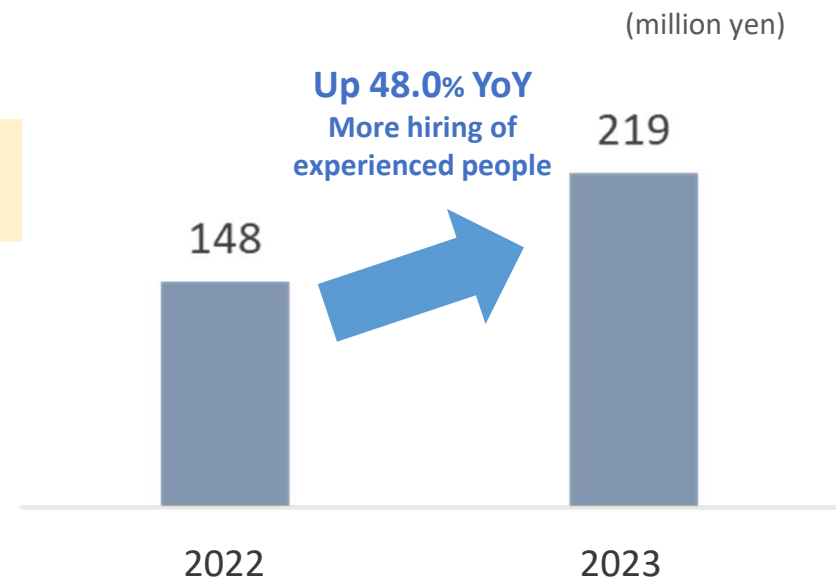
Higher Pct. of Full-time Employees by Hiring Experienced People

To strengthen consulting capabilities, Bell-Park is raising the percentage of full-time employees in its workforce and giving employees continuous training and other support to improve their skills.

Full-time/temporary employee ratio



Recruiting expenses



More Activities to Improve Employee Retention

Upgrading and expanding training programs (constantly revising lessons and training methods to give employees 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 childcare leave
- More interaction among employees (meetings, company trips, other activities)

Measures for Use of Childcare Leave by Male Employees

Use of childcare leave by male employees is more than 100% because of measures to raise awareness of this system, create a workplace culture that makes taking leave easy, and providing benefits that reduce concerns about the associated decline in income.

Utilization rate of childcare leave in 2023

Gender	Births	Employees taking childcare leave	Utilization rate
Female	66	62	93.9%
Male	63	80	127.0%
Total	129	142	110.1%

Activities for the use of childcare leave by male employees

- Monthly surveys about interest in using childcare leave and encouragement by supervisors for eligible employees to use this program
- Employees are encouraged to use leave programs of at least one week, including for public holidays and special leave for family events.
- When childcare leave begins, employees receive two days of pay, excluding a public holiday.

* The utilization rate of childcare leave and other reasons is calculated by using the method designated in the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance No., 25 of 1991, Ministry of Health, Labour and Welfare) in accordance with Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991).

* The utilization rate is the number of employees who use childcare leave during a year divided by the number of children born to employees or their spouses during the year. For the utilization rate by male employees, the year in which a spouse gave birth and the year in which the employee used childcare leave may be different, which may result in a utilization rate of more than 100%.

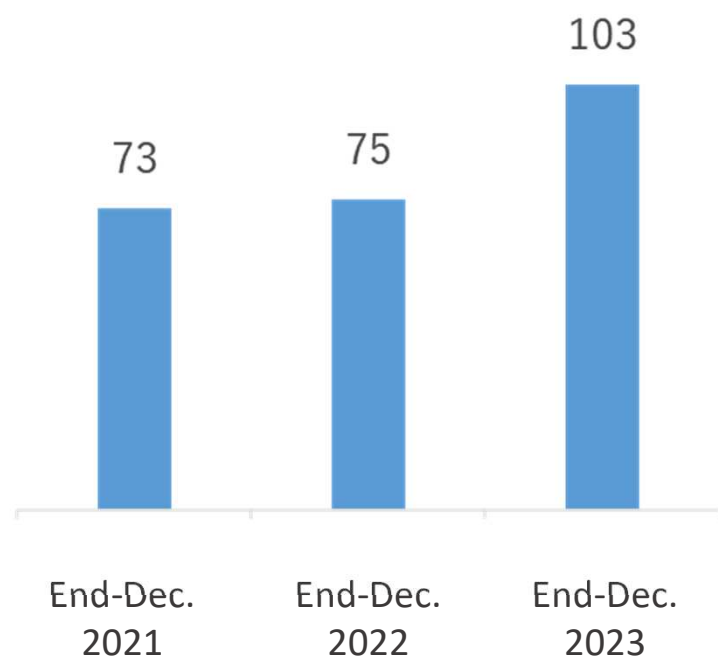
DX Creates New Method for Childcare Reduced Time

The number of employees using the reduced working hours program for childcare is increasing and was more than 100 at the end of 2023.

An online customer service team consisting of people using reduced working hours was established and is used to serve customers at other shops.

* This program is operating only in some areas of Japan.

Employees using the reduced working hours program



The new reduced working hours online customer service team



Three people are serving customers at **20** shops

- Remote customer service shortens waiting times when shops are busy and lowers the volume of work for shop employees.
- Employees can be assigned to a shop near a nursery school to shorten travel time to and from work.

Prioritizing Training Programs to Drive Medium/Long-term Growth

Training and skill development programs are a priority in the carrier shop and corporate solutions businesses to support medium to long-term growth.

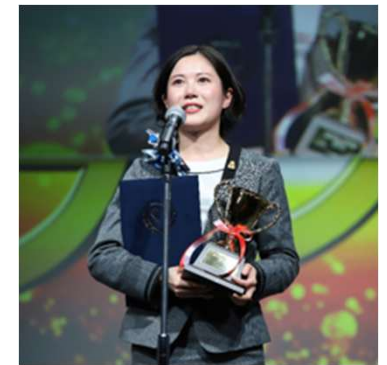
Carrier Shop Business

Customer Service No. 1 Grand Prix

(Hosted by SoftBank Corp. in February 2023)

Bell-Park employee
received
1st place award

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



Bell-Park employees
received

**1st and 2nd
place awards**

Corporate Solutions Business

Role Playing Competition Finals

(Hosted by SoftBank Corp. in November 2023)

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2024 Consolidated Forecasts



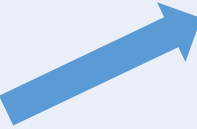
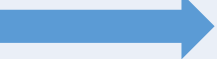
Forecast sales of 110 billion yen and operating income of 3.65 billion yen

*Planned number of mobile phones to be sold: approx. 994,000 units (-5.2% YoY)

(million yen)

		2023 results	2024 plan	YoY change
Net sales	(Comp.)	115,485	110,000	-5,485
		(100.0%)	(100.0%)	-4.7%
Operating income		3,531	3,650	+118
		(3.1%)	(3.3%)	+3.4%
Ordinary income		3,571	3,750	+178
		(3.1%)	(3.4%)	+5.0%
Profit attributable to owners of parent		2,381	2,500	+118
		(2.1%)	(2.3%)	+5.0%

2024 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> <ul style="list-style-type: none"> • Tighter restrictions on handset discounts due to the December 2023 enactment of the amended Telecommunications Business Law • Decrease in handset replacement demand created by the end of 3G services • Longer handset replacement cycle <p><u>Increase in consistent revenue</u></p> <ul style="list-style-type: none"> • Steady increase in the number of monthly-charge shop smartphone support members <p><u>Recruiting skilled workers</u></p> <ul style="list-style-type: none"> • More recruiting of people with previous work experience to increase the pct. of full-time employees • Increase and upgrade of in-house training programs 		
Corporate solutions	<p><u>More salespeople for the growth of business operations</u></p> <ul style="list-style-type: none"> • Expect higher sales and an increase in SG&A expenses, especially personnel expenses. 		

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%

2023			2024 (forecast)		
2Q-end	Year-end	Annual (total)	2Q-end	Year-end	Annual (total)
21.50 yen	21.50 yen	43 yen	22.00 yen	22.00 yen	44 yen

Management with Emphasis on the Cost of Capital and the Stock Price

The 2023 return on equity was 7.6% and the PBR was 1.02 at the end of the year.

In 2024 and the following years, we will use many initiatives for accomplishing the medium-term targets (<https://www.bellpark.co.jp/ir/management/plan/>) for more growth of corporate value.

			2022 results	2023 results	2024 forecast
Consolidated results	Net sales	million yen	102,778	115,485	110,000
	Operating income	million yen	3,534	3,531	3,650
	Profit	million yen	2,521	2,381	2,500
Return on equity		%	8.5%	7.6%	7.6%
Market Evaluation	Stock price (End-Dec.)	Yen	1,905	1,699	-
	PBR	-	1.21	1.02	-
	PER	-	14.53	13.73	-

(1)+(2)X(3)

Cost of capital

About 7.0%

*As of the end of December 2023



(1) Risk-free rate
(10-year Japanese government bond)

0.65%

*As of the end of December 2023

(2) Beta
(Five-year average for stocks Bell-Park and peer companies)

About 0.65

*As of the end of December 2023

(3) Market risk premium
(Risk-free rate plus avg. annual increase of TOPIX during the past five years)

About 9.5%

*As of the end of December 2023

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, 2023)	1,148 million yen	No. of carrier shops (as of Dec. 31, 2023)	Total: 349 stores (56 stores) <small>*Franchised stores in parentheses</small> 289 (48) SoftBank Shops 44 (8) Y!mobile Shops 9 Docomo Shops 7 au Shops
Headquarters	Hirakawacho Center Bldg., 1-4-12 Hirakawa-cho, Chiyoda-ku, Tokyo	Bell-Park group companies	Consolidated subsidiary Bell-Park Next Co., Ltd. Non-consolidated subsidiaries Bellbride, Inc. Wactive Inc.
Founded	February 2, 1993, 31st fiscal year		
No. of employees (consolidated) (as of Dec. 31, 2023)	2,387 (full time: 1,897; temporary: 490)		

5-year Financial Summary

(million yen)

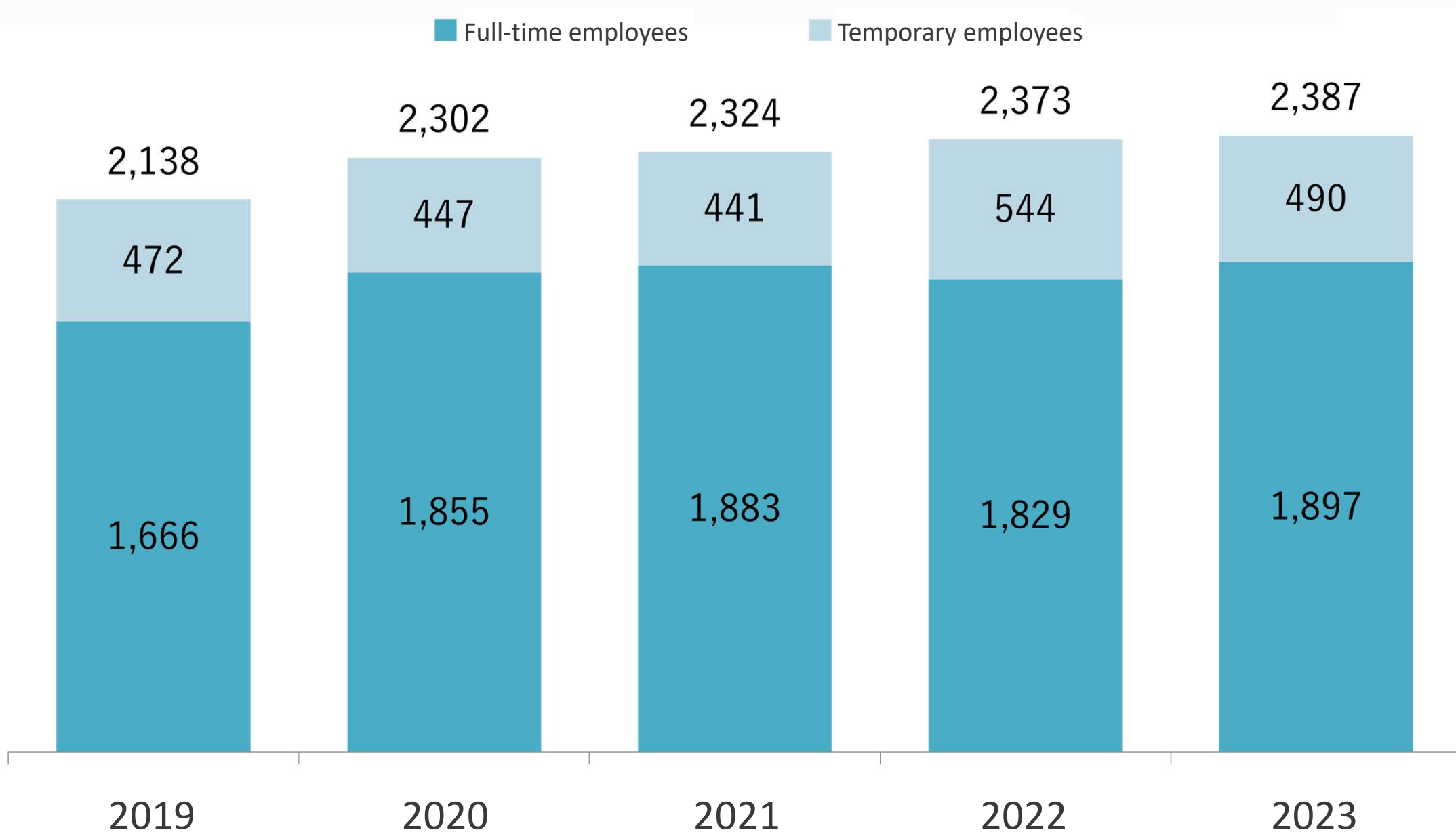
	2019	2020	2021	2022	2023
Net sales	103,303	98,843	107,281	102,778	115,485
Gross profit	24,165	24,349	25,483	23,635	24,876
Personnel, etc.	10,636	11,355	12,234	12,070	12,798
Rent	2,537	2,716	2,915	2,952	2,942
Ads/sales promotion	2,818	1,427	1,807	1,413	1,898
Others	3,797	3,798	3,849	3,664	3,707
SG&A expenses	19,790	19,297	20,806	20,101	21,345
Operating income	4,375	5,052	4,677	3,534	3,531
Ordinary income	4,379	5,348	4,646	3,588	3,571
Profit attributable to owners of parent	3,040	3,620	3,277	2,521	2,381

	2019	2020	2021	2022	2023
Total assets	43,572	46,371	43,366	43,624	47,535
Net assets	23,889	26,661	28,771	30,340	31,923
Equity ratio	54.8%	57.5%	66.3%	69.6%	67.2%
Return on equity (ROE)	13.4%	14.3%	11.8%	8.5%	7.6%
Ratio of ordinary income to total assets (ROA)	10.6%	11.9%	10.4%	8.3%	7.8%
Operating margin	4.2%	5.1%	4.4%	3.4%	3.1%
Dividend on equity (DOE)	3.4%	4.3%	3.6%	2.7%	2.7%

Number of Carrier Shops

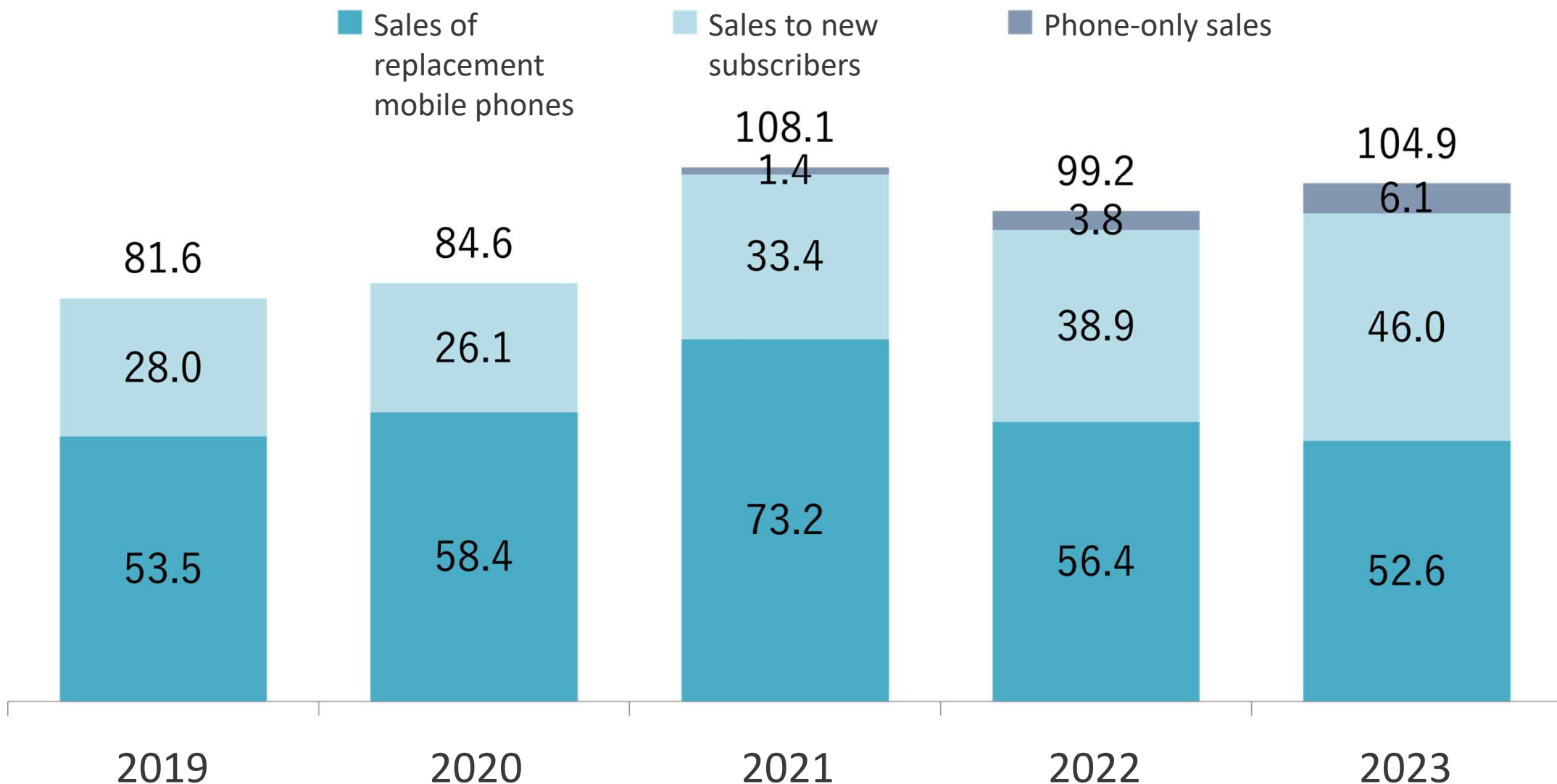


Number of Employees



Number of Mobile Phones Sold

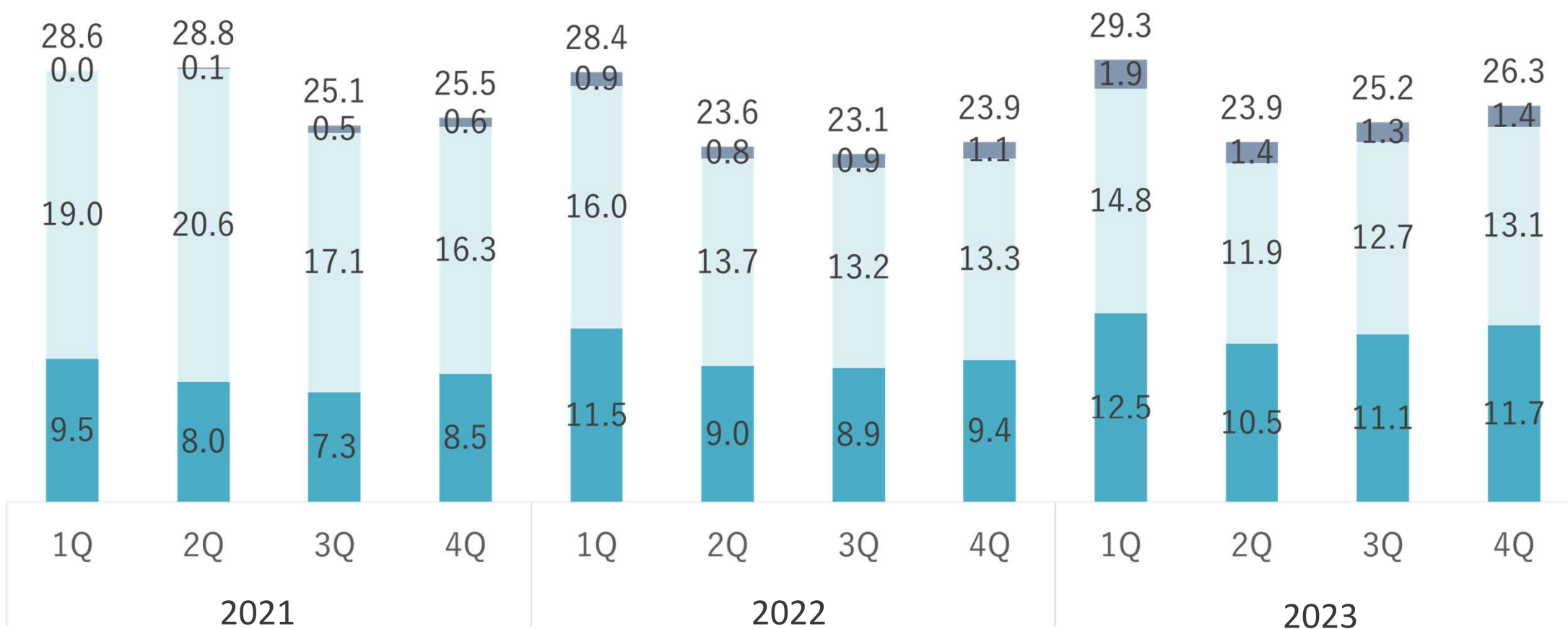
(10 thousand units)



Number of Mobile Phones Sold (Quarterly)

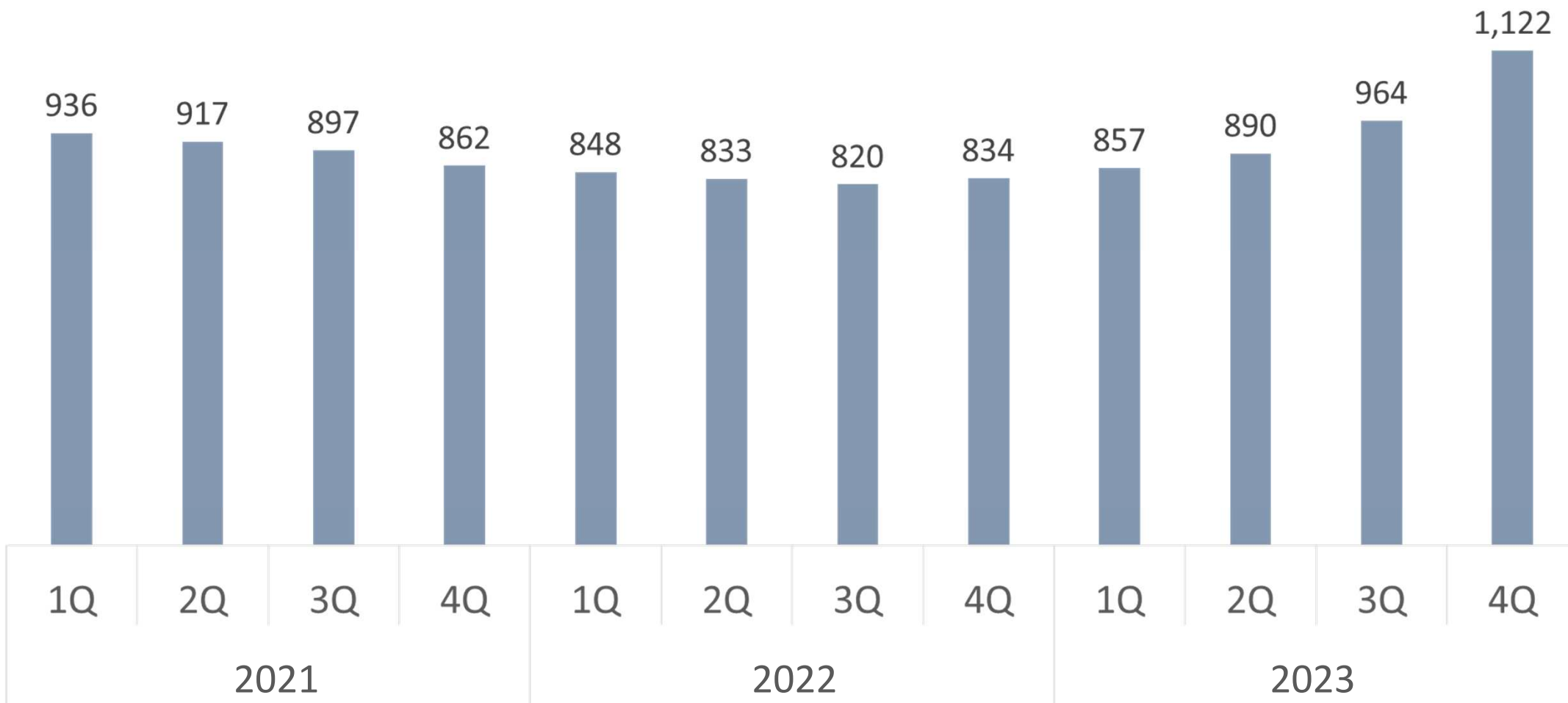
(10 thousand units)

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



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

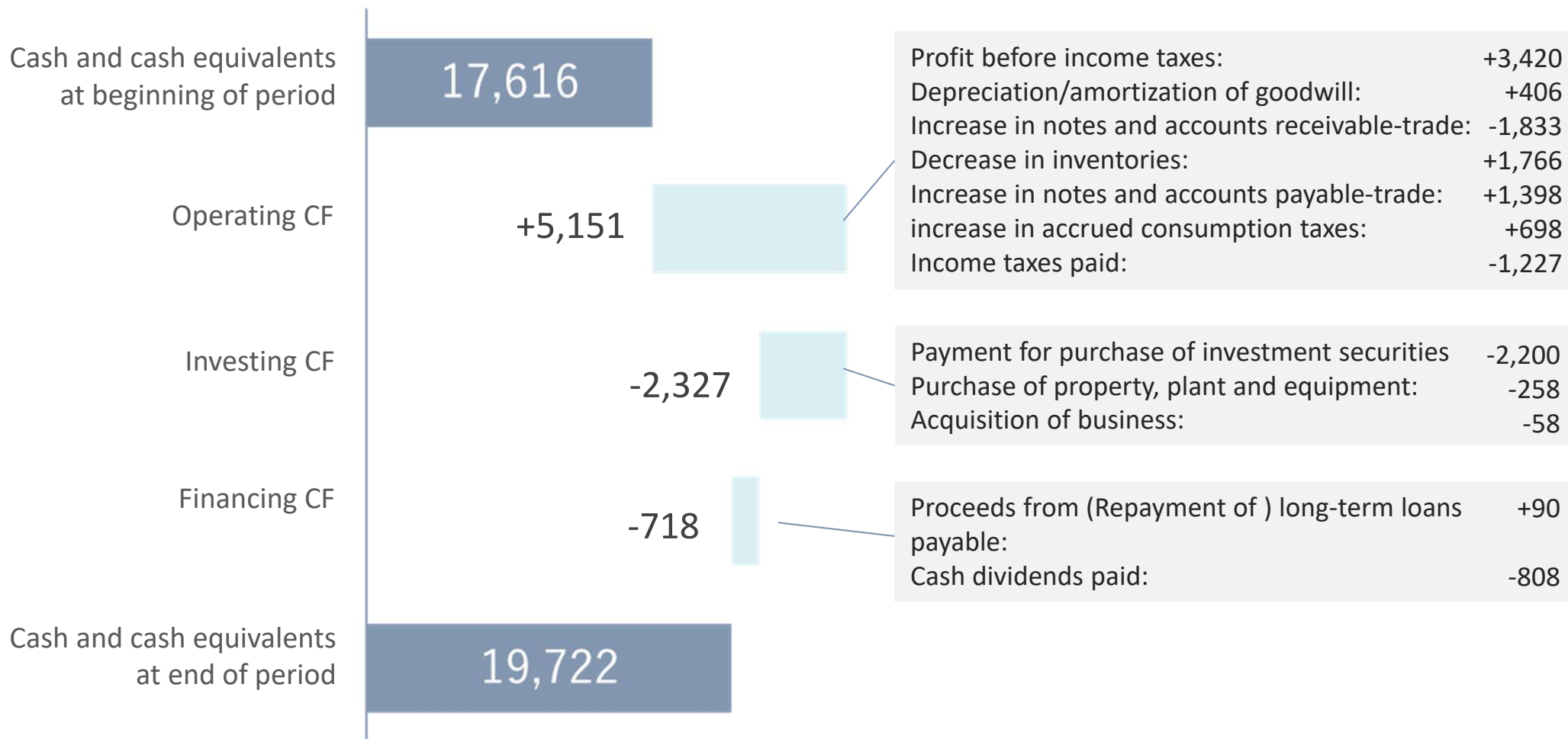
Balance Sheet

(million yen)

	End-Dec. 2022	End-Dec. 2023	Change
Current assets	37,947	40,121	+2,174
Non-current assets	5,676	7,413	+1,736
Assets	43,624	47,535	+3,910
Current liabilities	12,611	14,840	+2,229
Non-current liabilities	672	770	+98
Liabilities	13,283	15,611	+2,327
Net assets	30,340	31,923	+1,582

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)

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 the end of December 2023	3,819	65,698 units	10.9 billion yen	32.5%	780.8 units	31.9 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 2023, and other sources. The stock price used to determine the market value of tradeable shares is the average closing price for October-December 2023. Trading volume is the monthly average for the last six months of 2023.

Tradable shares include 3,809,000 shares that were designated as pure investments in shareholding reports submitted by Bell-Park shareholders as of the end of December 2023.

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.