

Results of Operations

for the First Half of 2020

August 6, 2020

Bell-Park Co., Ltd.

Tokyo Stock Exchange JASDAQ Standard (Stock code: 9441)

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Bell-Park

- **Effects of COVID-19**
- 1H 2020 Financial Highlights
- 2020 Plan and Shareholder Returns

Reductions in Business Operations (March to May 2020)

Sales and other business activities were reduced between March and May due to the COVID-19 crisis and the declaration of a state of emergency in Japan

Carrier shops

- Reduced operating hours
- Temporary closures of locations in shopping centers that closed
- Limits on direct customer services/Customers were asked to use online services
- Measures to prevent the spread of COVID-19

Corporate sales/Administrative activities

- Used teleworking (except certain departments)
- Internet was used for conferences, sales meetings, recruiting information meetings, interviews and training programs

Weekly Health Questionnaire for All Employees



A smartphone app is used for monitoring employees' health weekly

- Individual confirmations for people who are not feeling well
- Employees with a temperature of at least 37.5°C or who have been near someone suspected of having COVID-19 cannot go to work and must:
 - Receive a medical examination
 - Contact a consultation center for people who have recently returned to Japan or been near someone suspected of having COVID-19

Resumption of Normal Operations (started in late May)

Carrier shops returned to normal operations while continuing to use measures for preventing the spread of COVID-19

Prevention measures

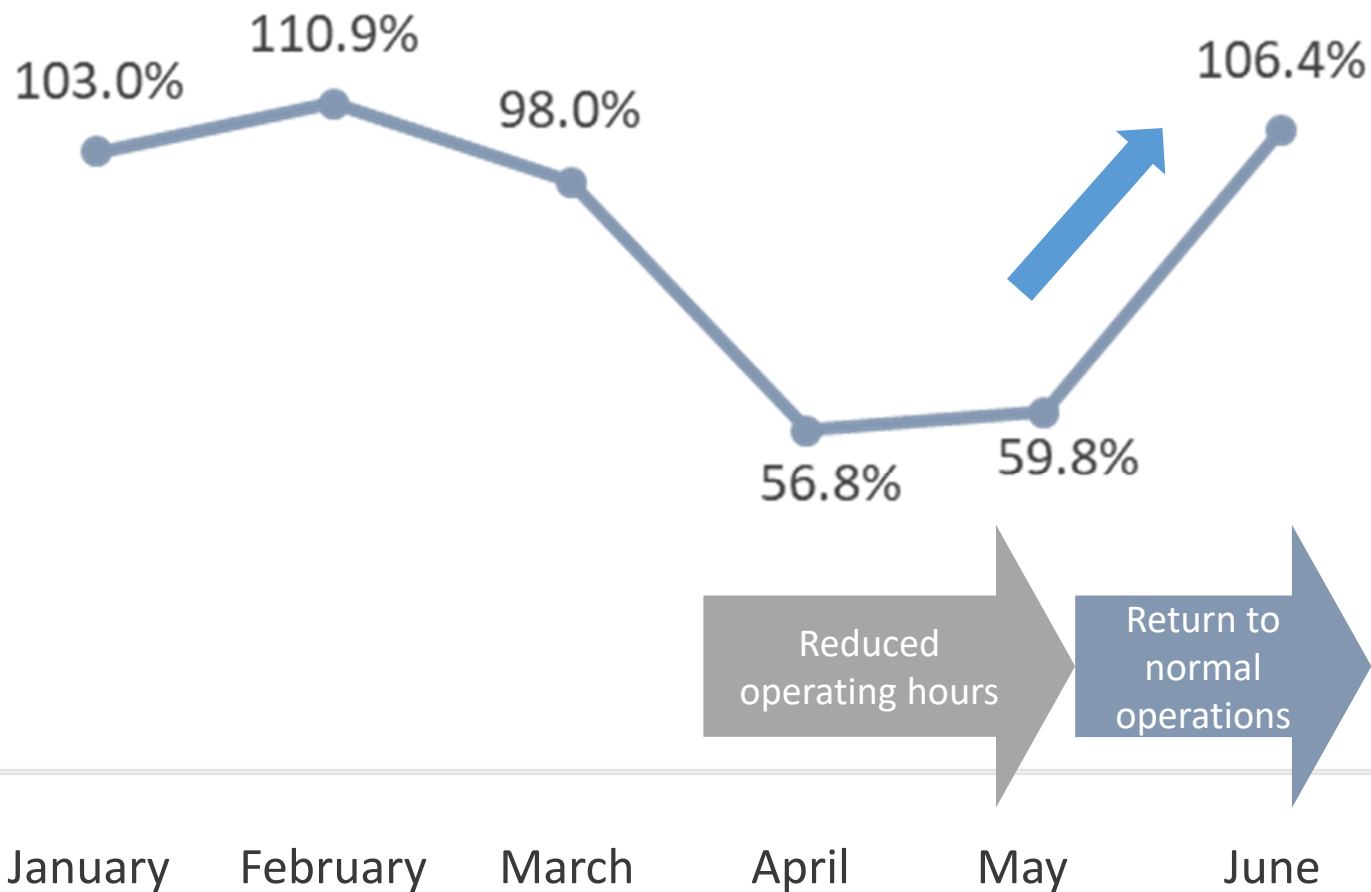
- Chairs placed for separation of customers and store personnel
- Plastic barriers between customers and store personnel
- Disinfecting of areas open to customers, including furniture and other objects
- Management of the health of store personnel
- Use of face masks and goggles
- Contact-free fever checks for customers
- Customers are encouraged to use online services



Note: Some preventive measures may differ depending on the guidelines of each carrier.

Number of Mobile Phones Sold (vs. 2019)

Phones sold at existing carrier shops directly operated by Bell-Park



Higher sales in June due to reduced need to stay at home and other reasons

Note: Existing shops are carrier shops directly operated by Bell-Park excluding shops that opened in 2019 and 2020, and closed shops.

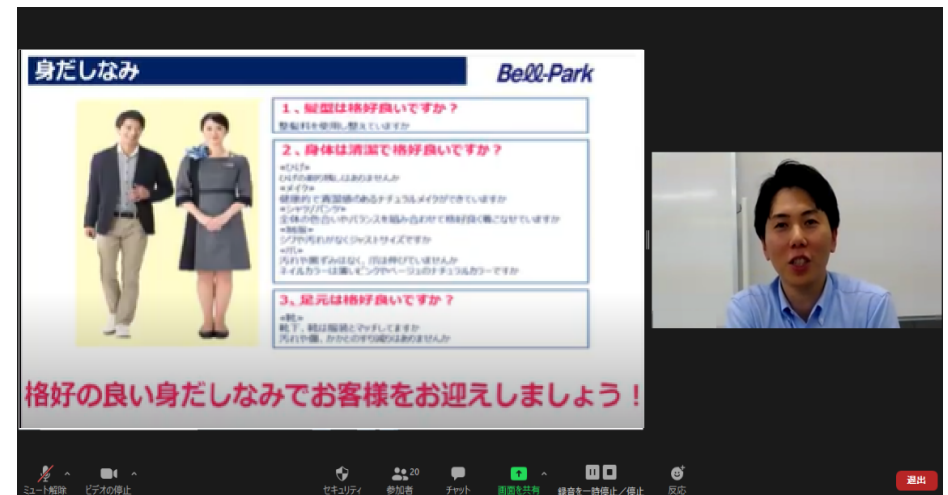
Online Recruiting and Training Activities

Continued to hire outstanding people and developing their skills even during the COVID-19 crisis

(119 people who joined Bell-Park in April completed a one-month online training program)



Online job applicant interview



An online training program

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Statement of Income





Record high first-half earnings (Gross profit up 100 million yen, SG&A expenses down 950 million yen)

- Reduced operations due to COVID-19 lowered the number of phones and other products sold but landline and other service contract sales increased because of demand associated with teleworking
- Limits on mobile phone discounts due to Telecommunications Business Act amendments ended competition by offering excessive discounts to customers visiting many shops for comparisons and returned sales promotion expenses to the normal level
- A big improvement in operating efficiency because of progress with establishing dominant positions in targeted areas by operating more shops and exchanging shops with other sales agents and with increasing cooperation among shops operated by Bell-Park in the same area
- Reduced level of business operations and more efficient administrative activities (automation, online procedures, etc.) held down expenses

(million yen)

	1H 2019 results	1H 2020 results	YoY change
Net sales (Comp.)	51,378 (100.0%)	47,406 (100.0%)	-3,972 -7.7%
Operating income	2,364 (4.6%)	3,421 (7.2%)	+1,056 +44.7%
Ordinary income	2,380 (4.6%)	3,430 (7.2%)	+1,050 +44.1%
Profit attributable to owners of parent	1,601 (3.1%)	2,368 (5.0%)	+767 +47.9%

1H 2020 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"> • Limit on discounts due to Telecommunications Business Act amendments and reduced business operations because of COVID-19 → Number of mobile phones sold: -7,000 units (Directly operated existing shops: -31,000 units) → Lower sales promotion expenses • Growth in the number of applications other than for mobile phones (landline phones, electricity, cashless payments and other services) • Higher SG&A expenses due to the larger number of directly operated shops 		
Corporate sales	<ul style="list-style-type: none"> • Sales up because of higher PC sales • Slight decrease in the total number of mobile phone sales (Higher mobile router sales because of demand linked to teleworking) 		

Increasing Sales of Products Other Than Mobile Phones

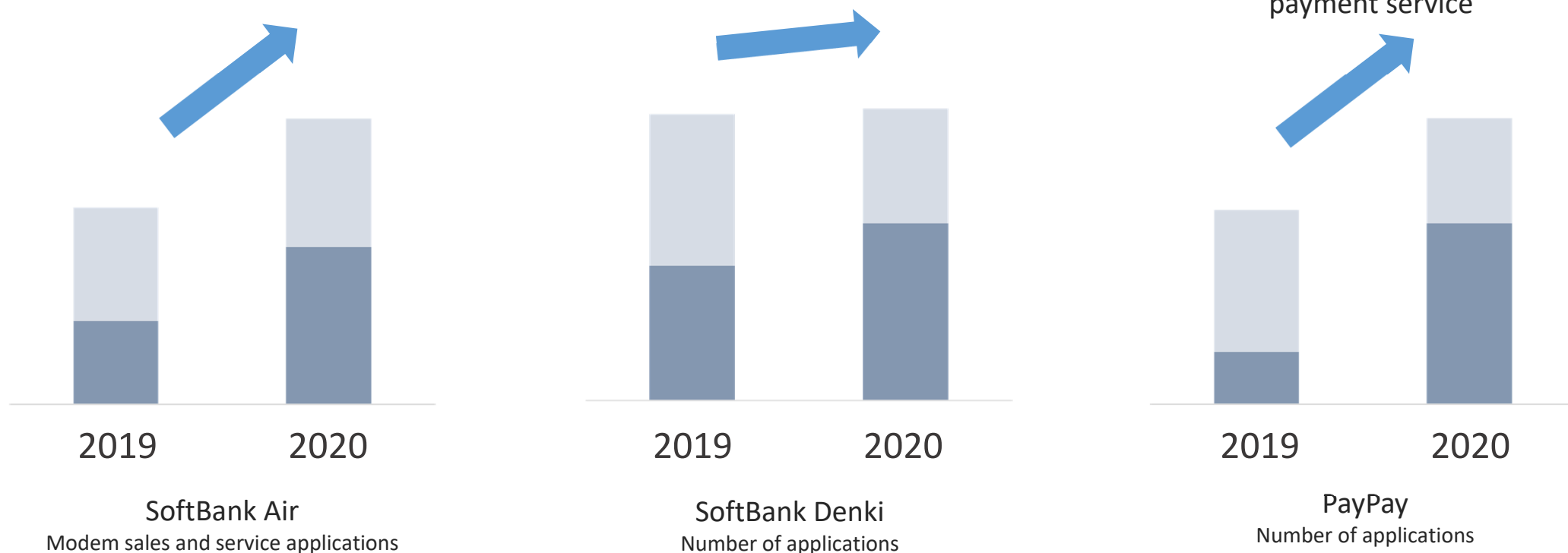
First half sales of products other than mobile phones were higher than one year earlier despite the limitations on business activities in the second quarter of 2020

■ 1Q ■ 2Q

More Wi-Fi modem replacements for higher speed

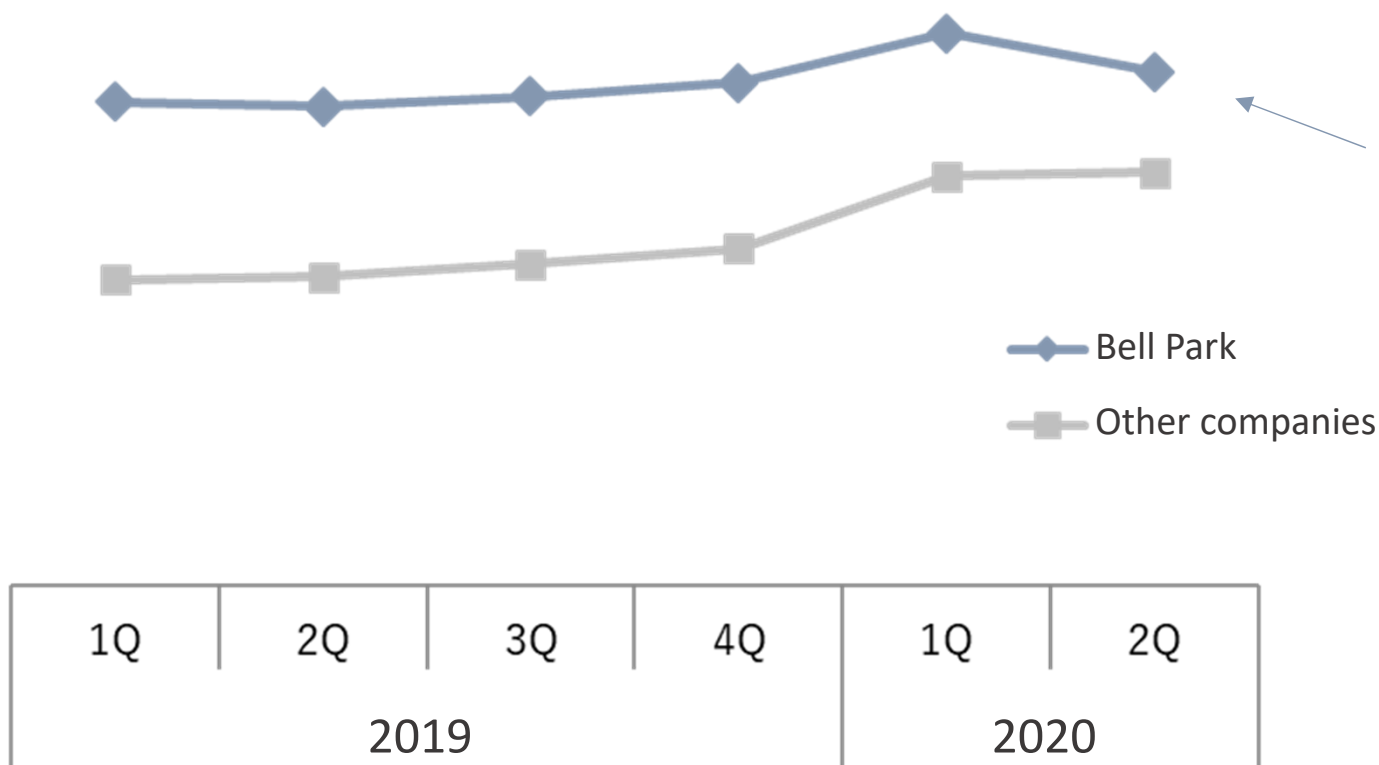
Started covering more areas of Japan (Hokuriku and Kyushu)

Public-sector cashless payments and utilization reward points are increasing the use of the PayPay payment service



NPS Scores at SoftBank Shops Directly Operated by Bell-Park

Average NPS score increased 3.5% in the first half of 2020 from one year earlier



Lower in the second quarter due to fewer customer communication opportunities caused by business activity reductions in Tokyo and three neighboring prefectures, major markets of Bell-Park

* The NPS is a customer loyalty index that reflects how much customers like and trust a company or a brand. Customers are asked how much they would recommend the store they visited to family and friends. Customers are then classified as supporters, neutral or critics. The NPS is calculated by subtracting the percentage of critics from the percentage of supporters (people who recommend the store to others).

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2020 Consolidated Forecasts

No revisions to the 2020 consolidated forecasts

COVID-19 infections are climbing rapidly in Tokyo, Nagoya, Osaka and other major markets of Bell-Park. The 2020 forecasts have not been revised because of the possibility of a decline in sales volumes caused by more people staying home for safety, another state of emergency or other effects of this crisis.

(million yen)

	2019 results	2020 plan	YoY change	1H 2020 results	Progress ratio
Net sales	103,303 (100.0%)	96,000 (100.0%)	-7,303 -7.1%	47,406 (100.0%)	49.4%
Operating income	4,375 (4.2%)	4,000 (4.2%)	-375 -8.6%	3,421 (7.2%)	85.5%
Ordinary income	4,379 (4.2%)	4,000 (4.2%)	-379 -8.7%	3,430 (7.2%)	85.8%
Profit attributable to owners of parent	3,040 (2.9%)	2,600 (2.7%)	-440 -14.5%	2,368 (5.0%)	91.1%

Shareholder Returns

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

2020 Annual Dividend Forecast

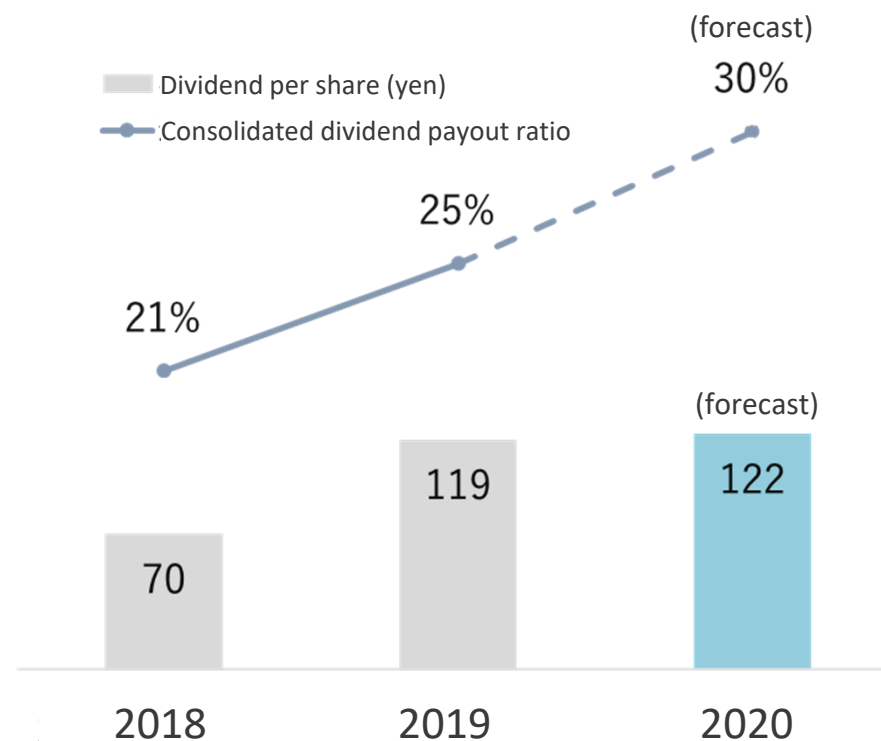
122 yen per share

(2Q-end 61 yen, year-end 61 yen)

Fundamental policy regarding distribution of earnings

Plan to maintain a consolidated dividend payout ratio of at least 30% in 2021 and afterward

Plan to increase the consolidated dividend payout ratio in stages



* The dividend forecast assumes that profit attributable to owners of parent will be 2,600 million yen in 2020 as forecast.

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 June 30, 2020)	1,148 million yen	No. of carrier shops (as of June 30, 2020)	300 SoftBank Shops 41 Y!mobile Shops 8 Docomo Shops 7 au Shops (Total: 356 stores)
Headquarters	Hirakawacho Center Bldg., 1-4-12 Hirakawa-cho, Chiyoda-ku, Tokyo		
Founded	February 2, 1993, 28th fiscal year		
No. of employees (consolidated) (as of June 30, 2020)	2,288 (full time: 1,832; temporary: 456)	Bell-Park group companies	<ul style="list-style-type: none">• Consolidated subsidiary Bell-Park Next Co., Ltd.• Non-consolidated subsidiaries Bellbride, Inc. B-Lab, Inc. Wactive Inc.

Medium-term Qualitative Goals of the Bell-Park Group

The Bell-Park Group has established 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 information and communication device sales and service business.

- Recruit and train people, operate shops more efficiently, relocate and remodel shops, and make the investments needed to increase the number of shops

(2) Extend the business portfolio to new fields.

- Acquire businesses in fields where Bell-Park can use human resource training, shop operation and other knowledge gained from current businesses activities; develop IoT products and services by using a new business development team and other businesses

(3) Maintain a consolidated dividend payout ratio of at least 30%

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

5-year Financial Summary

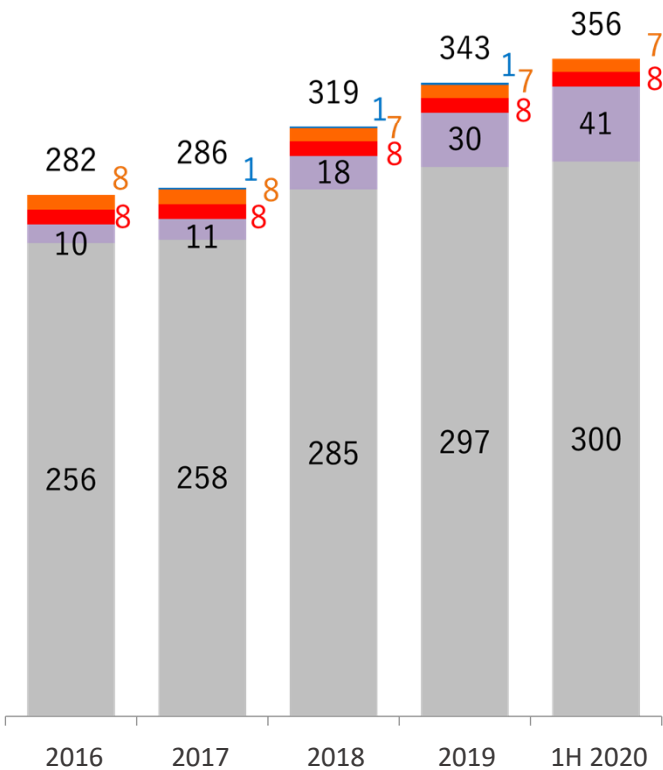
(million yen)

	1H 2016	1H 2017	1H 2018	1H 2019	1H 2020
Net sales	43,053	42,909	48,363	51,378	47,406
Gross profit	9,325	9,190	9,730	12,264	12,366
Personnel, etc.	4,385	4,439	4,452	5,084	5,336
Rent	1,028	1,068	1,121	1,230	1,314
Ads/sales promotion	837	828	712	1,774	540
Others	1,653	1,445	1,545	1,810	1,754
SG&A expenses	7,905	7,781	7,832	9,899	8,945
Operating income	1,420	1,408	1,898	2,364	3,421
Ordinary income	1,477	1,415	1,912	2,380	3,430
Profit attributable to owners of parent	835	842	1,260	1,601	2,368

Number of Carrier Shops, Employees and Mobile Phones Sold

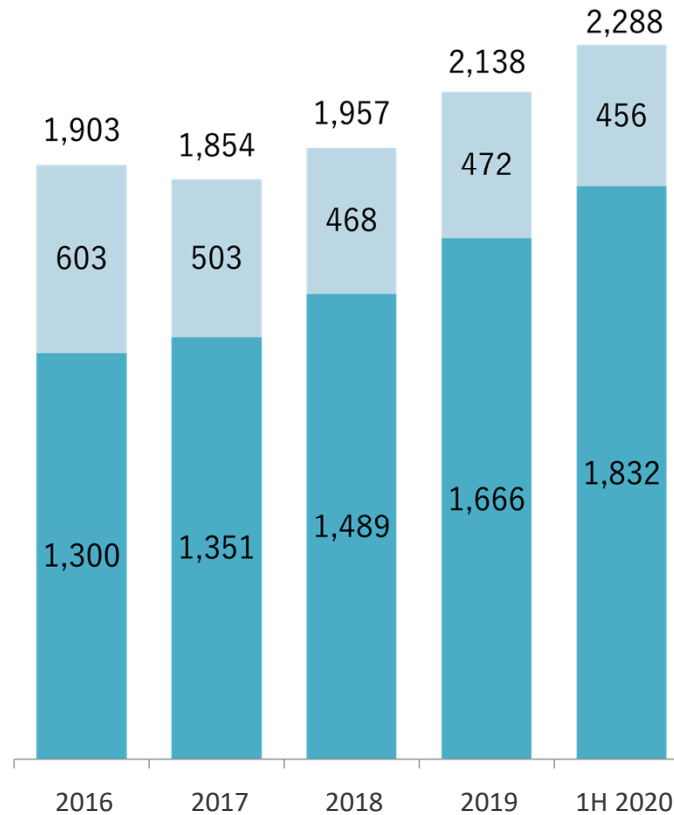
Number of Carrier Shops

- UQ Spot
- Docomo Shop
- SoftBank Shop
- au Shop
- Y!mobile Shop



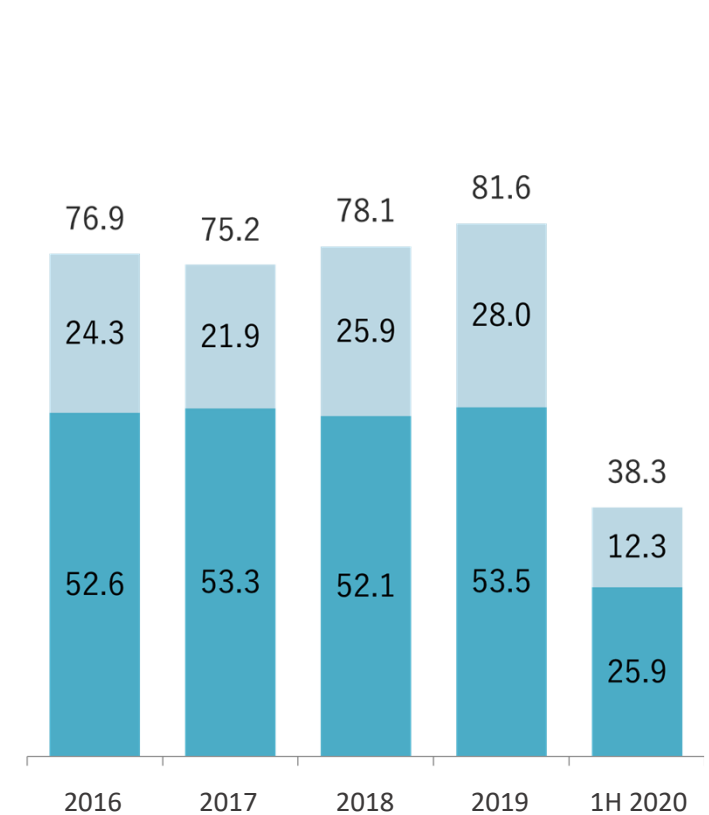
Number of Employees

- Full-time employees
- Temporary employees



Number of Mobile Phones Sold (10 thousand units)

- Sales of replacement mobile phones
- Sales to new subscribers



Balance Sheet

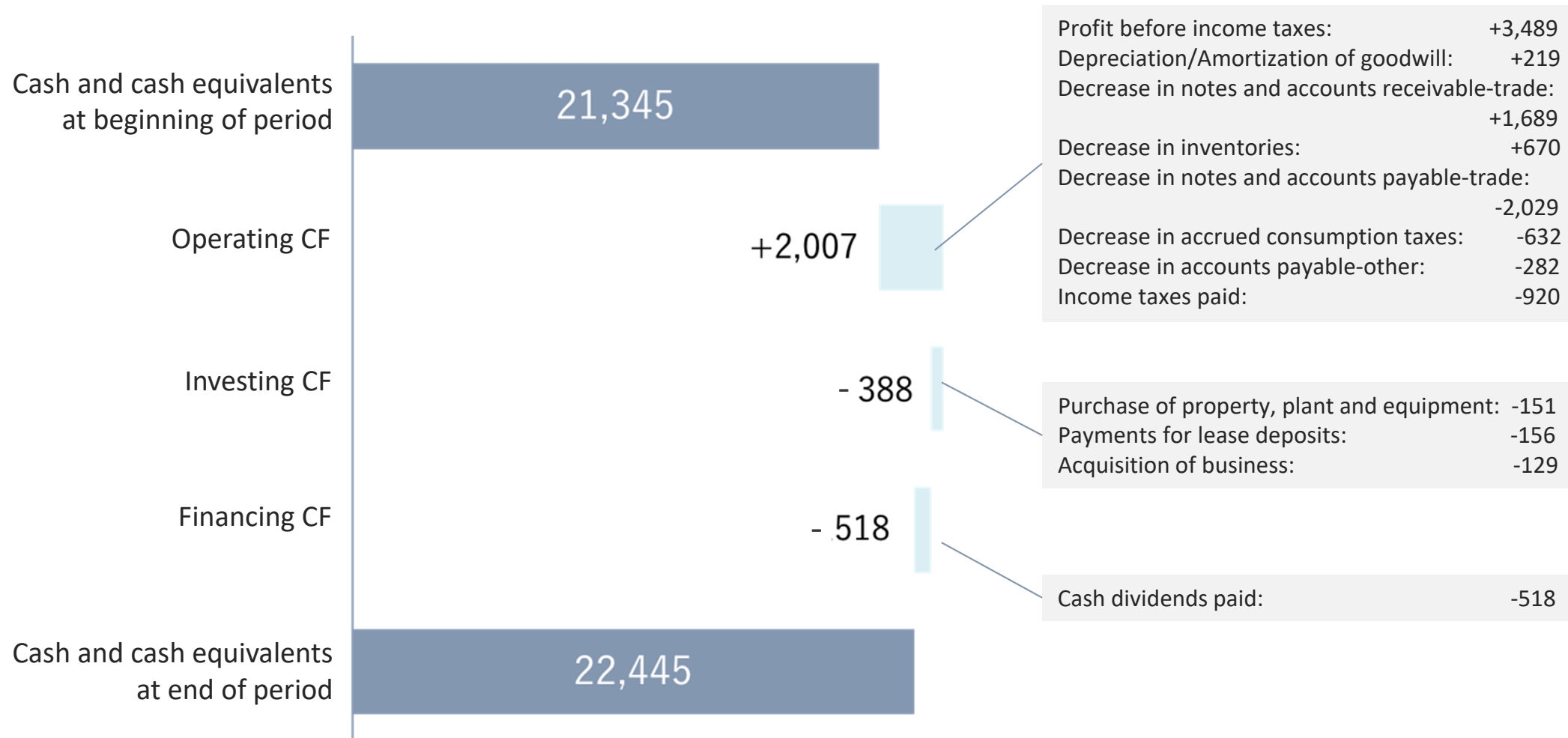
(million yen)

	End-Dec. 2019	End-Jun. 2020	YoY change
Current assets	38,087	36,830	-1,256
Noncurrent assets	5,485	5,638	+152
Assets	43,572	42,468	-1,103
Current liabilities	13,982	16,010	+2,027
Noncurrent liabilities	5,700	720	-4,980
Liabilities	19,683	16,730	-2,952
Net assets	23,889	25,738	+1,849

Cash Flows

(million yen)

Cash and cash equivalents increased 1.09 billion yen



National Association of Mobile-phone Distributors

Bell-Park is a member of the National Association of Mobile-phone Distributors. We play an important role in activities for reducing the number of customer complaints and improving the quality of services at mobile phone agent shops.



Number of members
503 companies / 6,495 stores
(as of April 1, 2020)

Website URL: <http://www.keitai.or.jp/>

The e-Net Caravan Campaign

Bell-Park participates in the e-Net Caravan Campaign by sending certified instructors to schools throughout Japan

What is e-Net Caravan?

An education program for young people about Internet literacy, online manners and other subjects involving the Internet

Provision at no cost of certified instructors to schools and other educational institutions throughout Japan, backed by data/telecommunications companies and associations, the Ministry of Internal Affairs and Communications, and the Ministry of Education, Culture, Sports, Science and Technology

Safe and secure use of the Internet



Classes for students of all ages, parents and guardians, and teachers

Bell-Park activities

e-Net Caravan Attendance

12,768
(Jan–Dec 2019)

A certificate of appreciation given to a Bell-Park instructor
(Tokai Bureau of Telecommunications, Ministry of Internal Affairs and Communications)

This certificate of appreciation was given in recognition of the many activities of Bell-Park certified instructors during fiscal 2019. (June 2020)



*Photo taken at a Bell-Park shop

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.