

# Results of Operations

## for the First Half of 2022

August 5, 2022

Bell-Park Co., Ltd.

Tokyo Stock Exchange Standard Market (Stock code: 9441)

1. 1H 2022 Financial Highlights

2. 1H 2022 Initiatives

3. 2022 Plan and Shareholder Returns

# Statement of Income

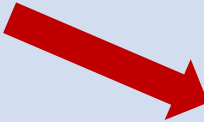



Although there were activities to add new customers and reduce SG&A expenses, such as by operating shops more efficiently, sales and earnings were down because of lower commission income from carriers due to reductions in the cost of mobile phone rates

(million yen)

	1H 2021 results	1H 2022 results	YoY change
<b>Net sales</b>	56,250	51,836	-4,413
(Comp.)	(100.0%)	(100.0%)	-7.8%
<b>Operating income</b>	3,500	2,286	-1,214
	(6.2%)	(4.4%)	-34.7%
<b>Ordinary income</b>	3,451	2,300	-1,150
	(6.1%)	(4.4%)	-33.3%
<b>Profit attributable to owners of parent</b>	2,348	1,778	-569
	(4.2%)	(3.4%)	-24.3%

Due to the application of Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), net sales for 1H 2022 decreased by 1,016 million yen. There is no effect on operating income, ordinary income and profit attributable to owners of parent.

# 1H 2022 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"> <li>• <u>Decrease in sales volume</u> Sales to new subscribers increased because of many sales events Sales of replacement phones decreased in reaction to an increase in customers who visited shops for revisions of service plan rates in 2021</li> <li>• <u>Decrease in commissions</u> Commissions received from carriers decreased because of the reduction in the cost of mobile phone rates</li> </ul>		
Corporate sales	<ul style="list-style-type: none"> <li>• <u>Increase in sales volume</u> The number of first half sales increased, mainly for PCs (Continuing activities for increasing corporate sales)</li> </ul>		

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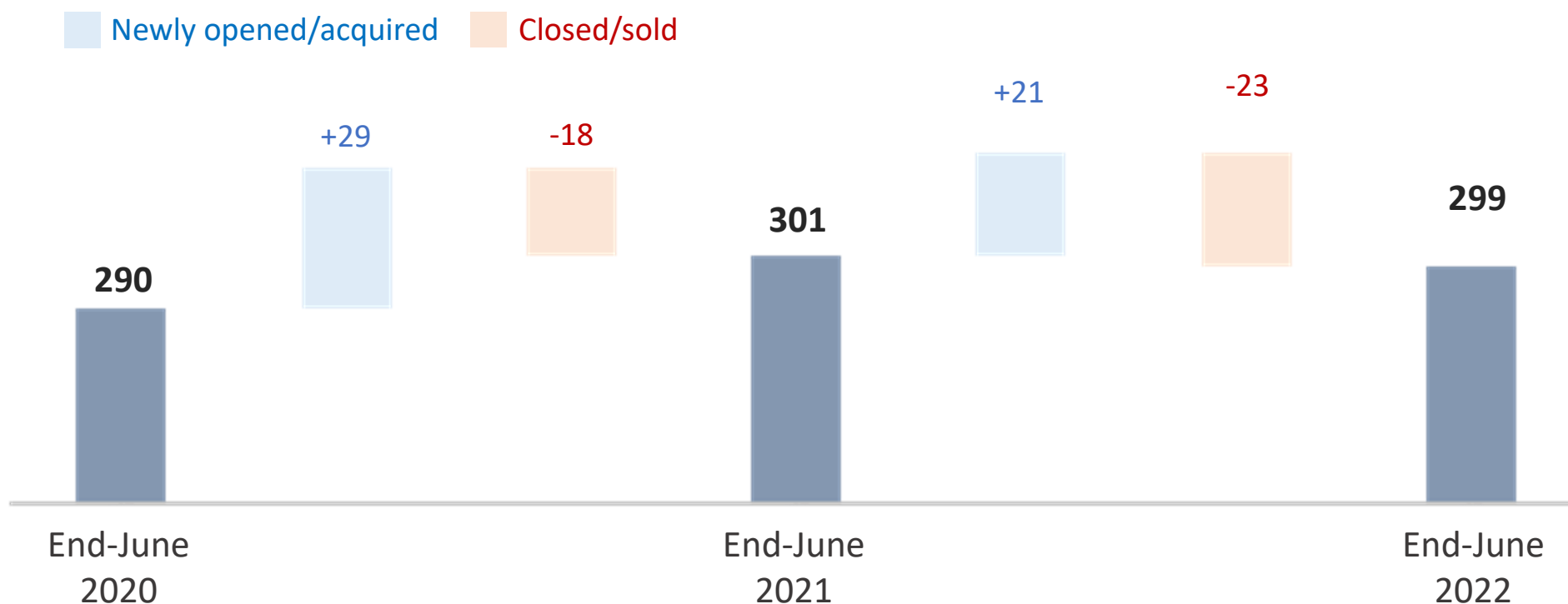
3. 2022 Plan and Shareholder Returns

# Relocation and Rebuilding of Shops

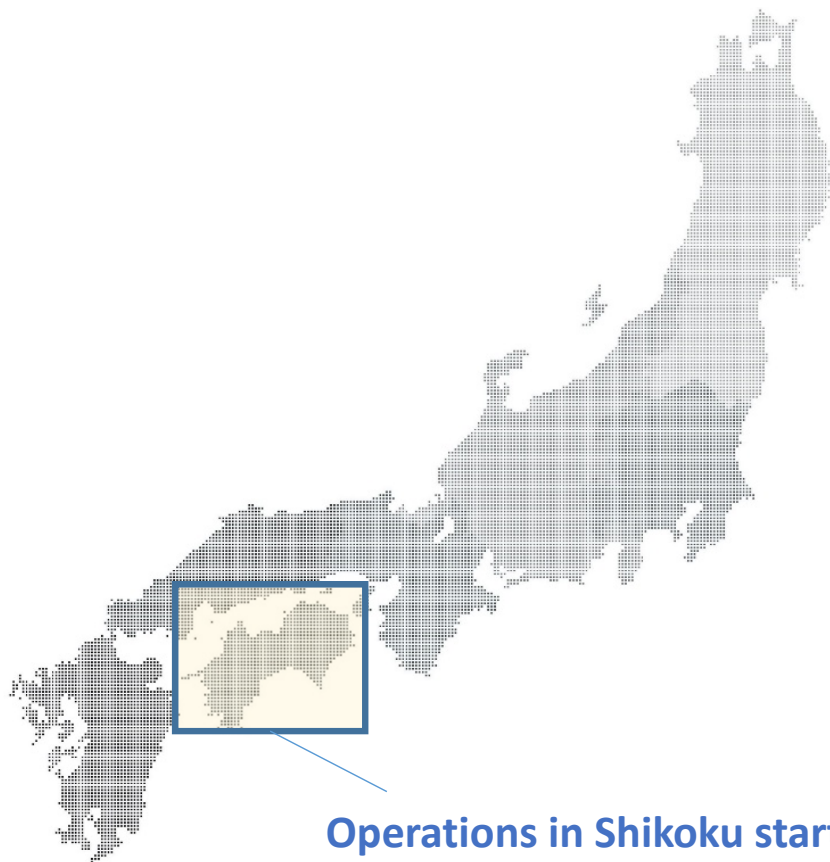
Progress continues with establishing a dominant presence in targeted areas by relocating and rebuilding shops

(Increasing shop efficiency by combining newly acquired shops with existing shops and by using other measures)

Number of Directly Operated Carrier Shops



# Continuing Growth of the Shop Network (First Shops in Shikoku)



Operations in Shikoku started on July 1

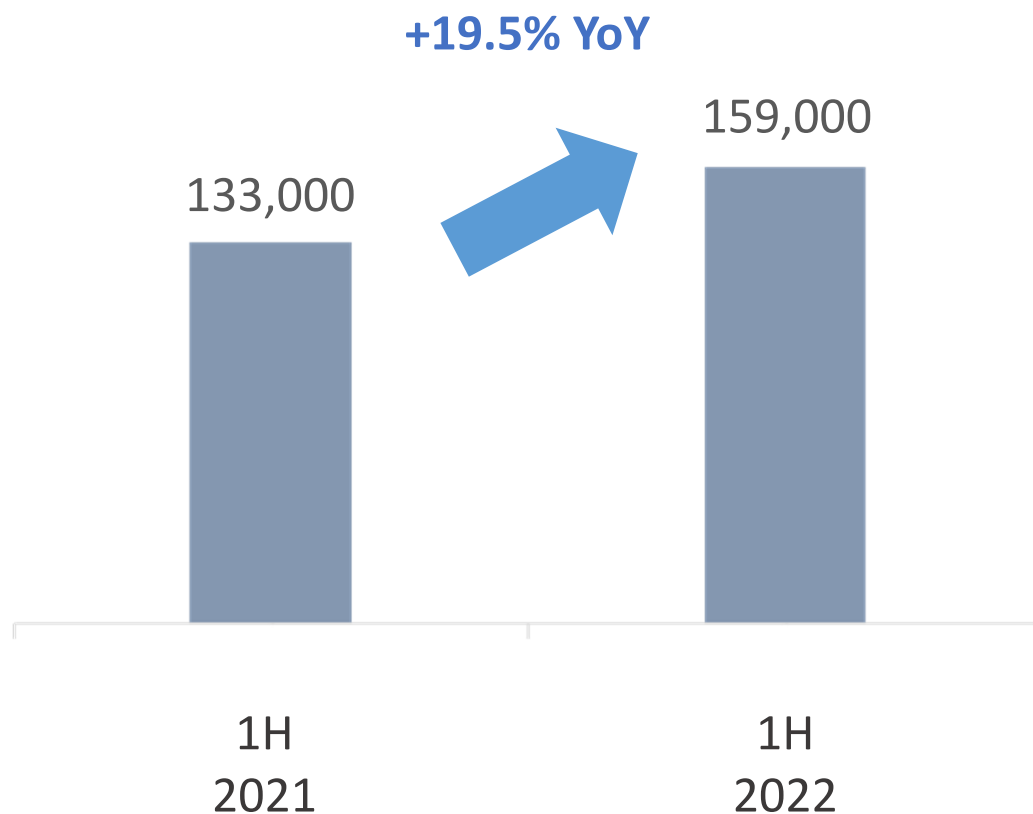
Acquired 8 SoftBank shops

Number of Carrier Shops by Region  
(As of July 31, 2022)

Region	Directly operated	FC	Total	Ratio
Tohoku	7	15	22	6.0%
Hokuriku	12	0	12	3.3%
Kanto	178	12	190	51.9%
Tokai	52	9	61	16.7%
Kansai	20	27	47	12.8%
Chugoku	12	0	12	3.3%
Shikoku	8	0	8	2.2%
Kyushu	14	0	14	3.8%
<b>Total</b>	<b>303</b>	<b>63</b>	<b>366</b>	<b>100.0%</b>

# Increase in Sales to New Subscribers

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



Focusing on sales to new subscribers by  
holding many sales events



\* At sales events, sales activities strictly comply with the principle of ensuring that products sold are suitable for every customer, such as by thoroughly explaining significant service terms prior to a sale.



# Activities for Store Operation Reforms

## More efficiency for inventories

### Started using RFID

RFID tags (IC tags for merchandise data)



RFID reader



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 (On a trial basis)

A trial is under way at the SoftBank Akasaka-Mitsuke shop.



Outstanding Shop Award of the Anshin Shop Awards 2021

Hybrid operations which combine online and real services has been well received by customers.  
For example, customers can receive explanations of rates and services before visiting a shop

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

# Prioritizing Training Programs to Drive Medium/Long-term Growth

## Customer Service No. 1 Grand Prix 2021 hosted by SoftBank Corp.

(Held on May 12, 2022)

### Bell-Park employees received 1st and 2nd place awards

Another employee received a Crew Judge Special Award

#### Customer service No. 1 Grand Prix awards at Bell-Park

- 2015: 1st and 2nd place awards
- 2016: 1st and 3rd place and special awards
- 2017: 2nd and 3rd place awards
- 2018: 1st place award (two Bell-Park employees)
- 2019: 1st and 3rd place and special awards
- 2020: Special award
- 2021: 1st and 2nd place and special awards



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## 2022 Consolidated Forecasts

No change in the 2022 forecast because of the difficulty of predicting how higher prices of popular smartphones and the fall 2022 launch of a major new smartphone model will affect sales and earnings

(million yen)

	2021 results	2022 plan	YoY change	1H 2022 results	Progress ratio vs. 2022 plan
<b>Net sales</b>	107,281	100,000	-7,281	51,836	51.8%
(Comp.)	(100.0%)	(100.0%)	-6.8%	(100.0%)	
<b>Operating income</b>	4,677	4,000	-677	2,286	57.2%
	(4.4%)	(4.0%)	-14.5%	(4.4%)	
<b>Ordinary income</b>	4,646	4,000	-646	2,300	57.5%
	(4.3%)	(4.0%)	-13.9%	(4.4%)	
<b>Profit attributable to owners of parent</b>	3,277	2,600	-677	1,778	68.4%
	(3.1%)	(2.6%)	-20.7%	(3.4%)	

# Shareholder Returns

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

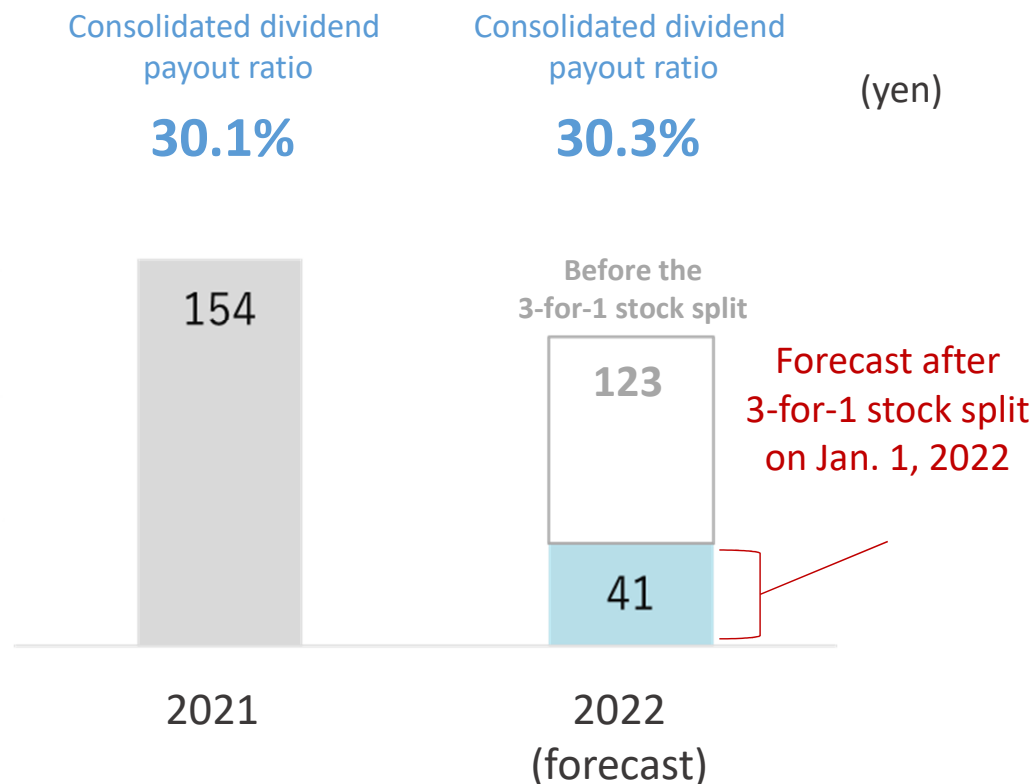
2022 annual dividend forecast

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%

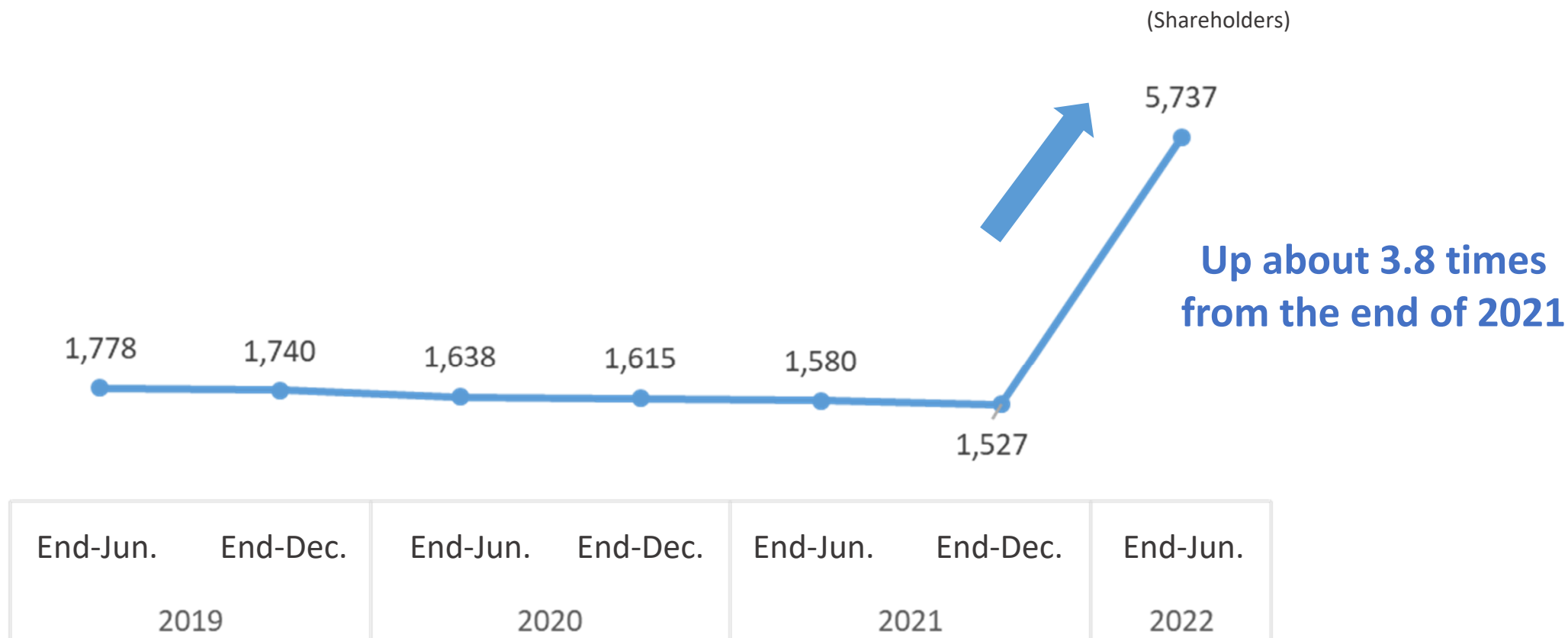


\* The dividend forecast assumes that profit attributable to owners of parent will be 2,600 million yen in 2022 as forecast.

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

# Number of Shareholders

The number of shareholders increased because of the stock split on January 1, 2022 and a special shareholder benefit to commemorate the 30th anniversary of Bell-Park's establishment



***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, 2022)	1,148 million yen	No. of carrier shops (as of June 30, 2022)	Total: 363 stores (64 stores) <small>*Franchised stores in parentheses</small> 297 (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	Bell-Park group companies	Consolidated subsidiary Bell-Park Next Co., Ltd.  Non-consolidated subsidiaries Bellbride, Inc. B-Lab, Inc. Wactive Inc.
Founded	February 2, 1993, 30th fiscal year		
No. of employees (consolidated) (as of June 30, 2022)	2,364 (full time: 1,847; temporary: 517)		

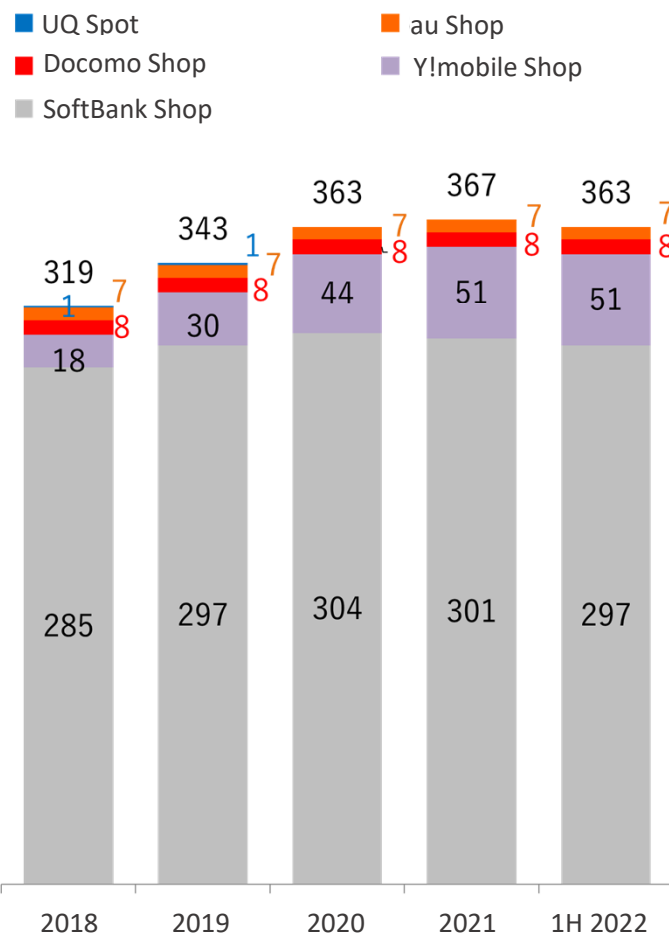
# 5-year Financial Summary

(million yen)

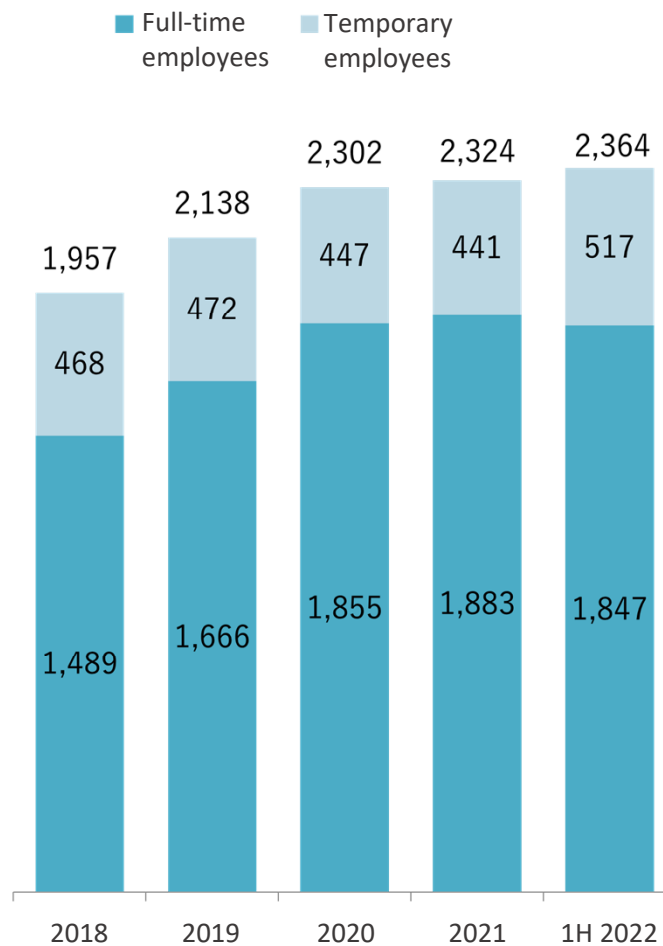
	1H 2018	1H 2019	1H 2020	1H 2021	1H 2022
Net sales	48,363	51,378	47,406	56,250	51,836
Gross profit	9,730	12,264	12,366	13,979	12,130
Personnel, etc.	4,452	5,084	5,336	6,305	5,944
Rent	1,121	1,230	1,314	1,448	1,470
Ads/sales promotion	712	1,774	540	833	555
Others	1,545	1,810	1,754	1,891	1,872
SG&A expenses	7,832	9,899	8,945	10,478	9,843
Operating income	1,898	2,364	3,421	3,500	2,286
Ordinary income	1,912	2,380	3,430	3,451	2,300
Profit attributable to owners of parent	1,260	1,601	2,368	2,348	1,778

# Number of Carrier Shops, Employees and Mobile Phones Sold

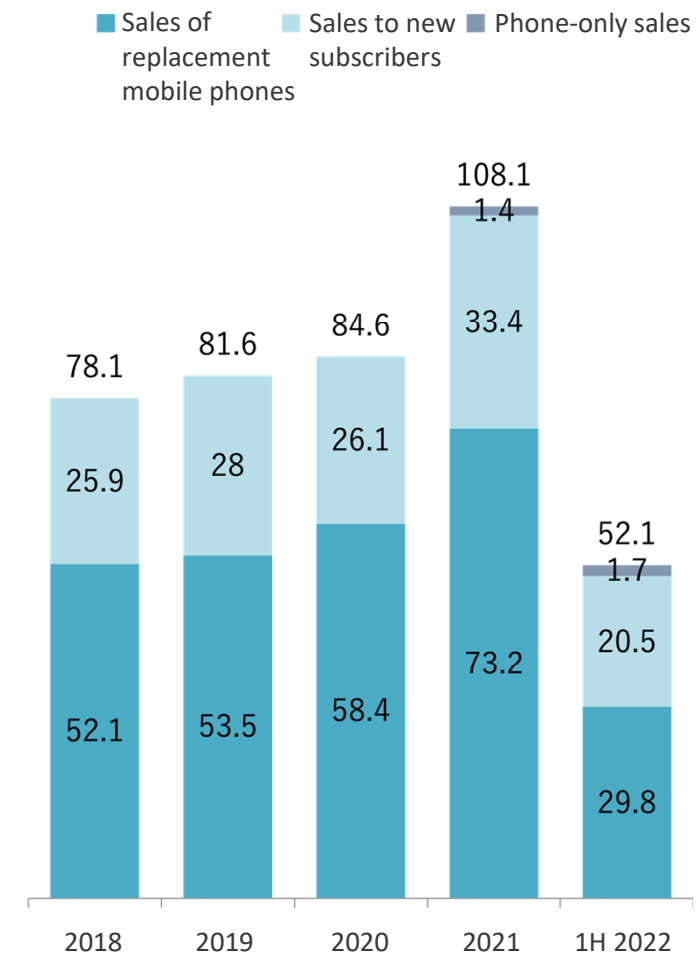
## Number of carrier shops



## Number of employees



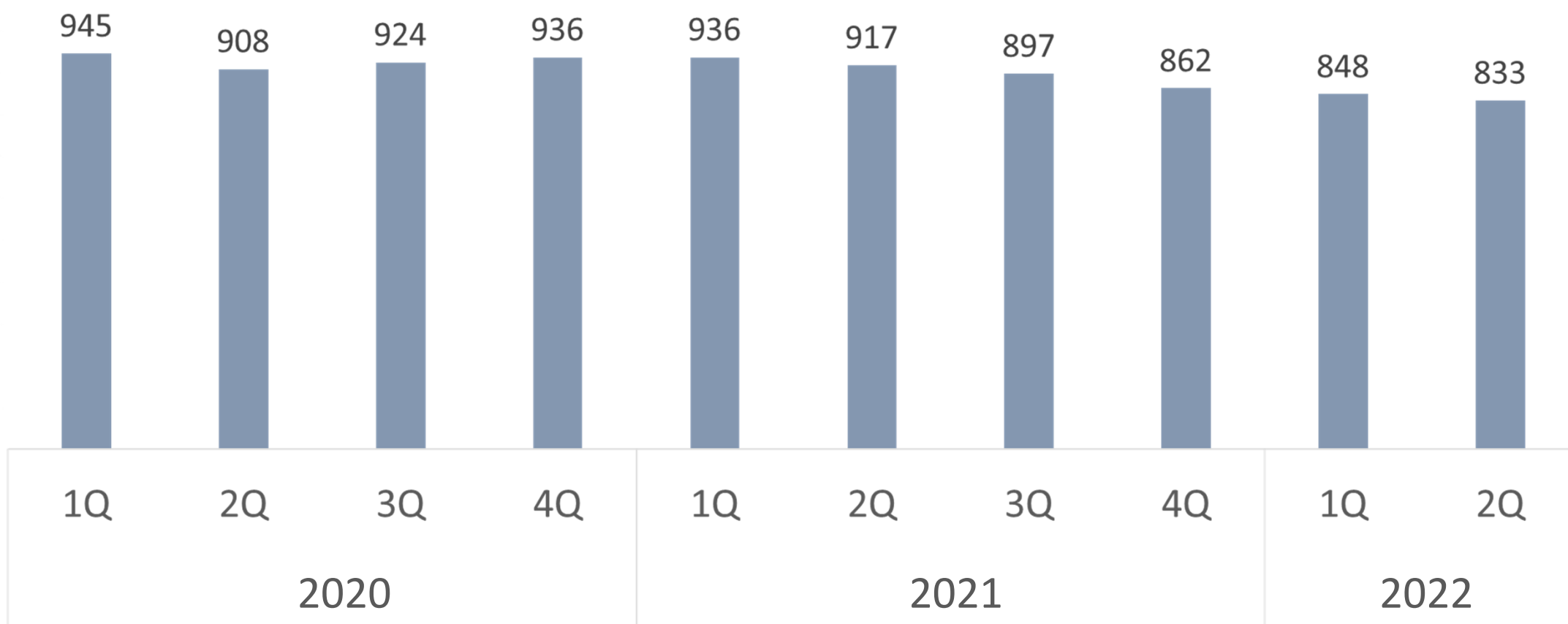
## Number of mobile phones sold (10 thousand units)



# 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)



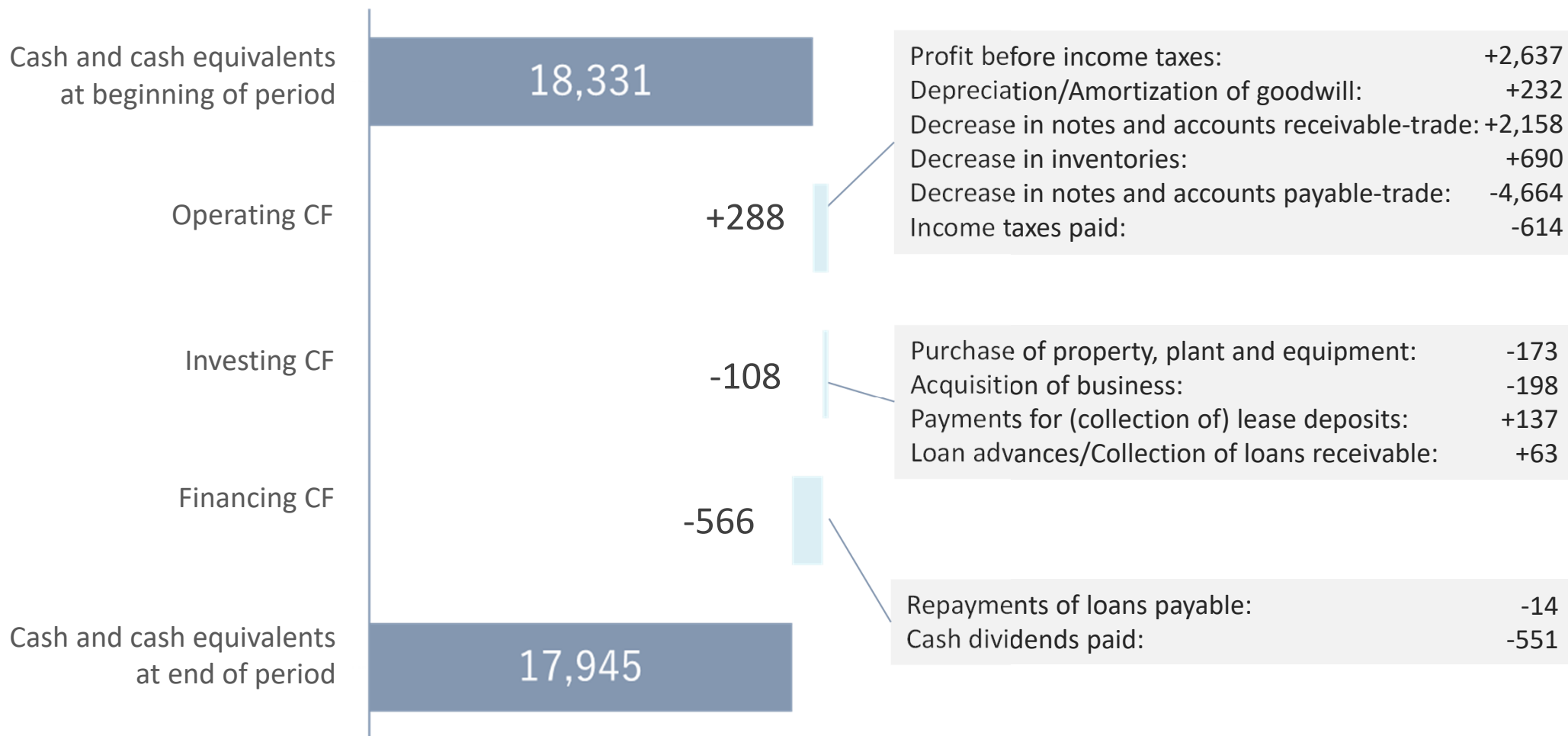
# Balance Sheet

(million yen)

	End-Dec. 2021	End-Jun. 2022	Change
Current assets	37,000	33,633	-3,367
Non-current assets	6,366	6,258	-107
<b>Assets</b>	<b>43,366</b>	<b>39,892</b>	<b>-3,474</b>
Current liabilities	13,806	9,257	-4,549
Non-current liabilities	788	632	-156
<b>Liabilities</b>	<b>14,595</b>	<b>9,889</b>	<b>-4,705</b>
<b>Net assets</b>	<b>28,771</b>	<b>30,002</b>	<b>+1,231</b>

# 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

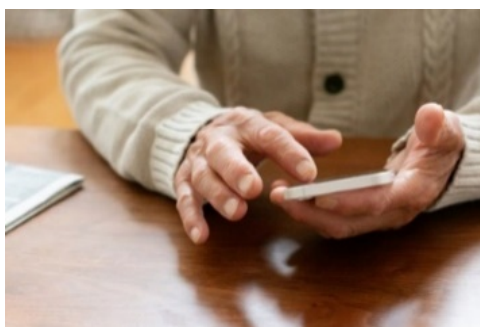
(Child safety stores, emergency recharging service, community clean-up program, and other activities)



# Activities to Eliminate the Digital Divide

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

## Smartphone classes



Carrier shops hold classes for people using a smartphone for the first time. Instructors explain basic operations, payment services, government services and other subjects

## Activities with local governments



Civic center classes at the city of Shiki in Saitama prefecture started in July 2022

Classes about smartphones and using smartphones for government procedures are held at civic centers and other locations that are convenient for seniors

\* Joint activities in Shiki are conducted by Bell-Park as part of the project of the Ministry of Internal Affairs and Communications for increasing the number of people who can use digital technologies.



# 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.