BRIDGE REPORT Bridge Salon

President Hiroshi Kajiwara

BELLSYSTEM24 Holdings, Inc. (6183)

Bell System24

Company Information

Exchange	TSE Prime Section
Industry	Service business
Representative Director, President, Executive Officer, and CEO	Hiroshi Kajiwara
Address	6F Kamiyacho Trust Tower 4-1-1, Toranomon, Minato-ku, Tokyo
Year-end	February
Homepage	https://www.bell24.co.jp/en/

Stock Information

Share Price	Number of shares issued (Term-end)		Total market cap	ROE Act.	Trading Unit
¥1,318	74,522,695 shares		¥98,220 million	11.7%	100 shares
DPS Est.	Yield Est.	EPS Est.	PER Est.	BPS Act.	PBR Act.
¥60.00	4.6%	¥110.10	12.0 x	¥953.69	1.4 x

*The share price is the closing price on October 9. Taken from the brief report on financial results in the second quarter of the fiscal year ending February 2026. ROE and BPS are actual results for the previous fiscal year.

Earnings Trend（IFRS）

Fiscal Year	Sales Revenue	Operating Income	Income before Income Taxes	Net Income	EPS	DPS
February 2022 Act.	146,479	13,234	13,463	8,943	121.65	54.00
February 2023 Act.	156,054	14,917	14,157	9,330	126.82	60.00
February 2024 Act.	148,717	11,479	11,225	7,545	102.61	60.00
February 2025 Act.	143,607	11,587	11,232	8,003	108.81	60.00
February 2026 Est.	150,000	12,000	11,760	8,100	110.10	60.00

* The forecast was made by the company. Unit: million-yen, yen. Net income is profit attributable to owners of parent. Hereinafter the same applies.

This Bridge Report introduces the earning results for the second quarter of fiscal year ending February 2026, the Medium- to Long-Term Growth Scenario, and other information of BELLSYSTEM24 Holdings, Inc.

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Key Points

- **In the first half of the fiscal year ending February 2026, both sales and profit increased. Sales revenue stood at 73.1 billion yen, up 1.5% year on year, as sales grew both in the smart contact center (SC) business and the smart business support (SB) business. Operating income reached 5.9 billion yen, up 22.9% year on year. Gross profit increased 6.5% year on year owing to effective measures for improving revenue, such as raising billing rates for client companies and restructuring operational sites, in addition to the growth in sales of election operations and public sector projects. Consequently, gross profit margin also rose 0.8 points year on year. On the other hand, SG&A expenses decreased 3.3% year on year due to widespread cost reduction, especially with regard to facility-related expenses (expenses related to the restructuring of operational sites).**

- **The earnings forecast remains unchanged. Sales and profit are expected to grow in the fiscal year ending February 2026. Sales revenue is projected to rise 4.5% year on year to 150 billion yen. The sales in the smart contact center (SC) business and the smart business support (SB) business are forecast to increase. Operating income is expected to grow 3.6% year on year to 12 billion yen. Gross profit is forecast to rise 11.0% year on year, due to the sales growth, the improvement in performance of consolidated subsidiaries, and the decrease in rents, utility charges, etc. through the optimization of business bases in the previous fiscal year. It will offset the augmentation of SG&A expenses. They plan to pay a dividend of 60.00 yen/share like in the previous fiscal year. The expected payout ratio is 54.5%. Under the basic policy of achieving a payout ratio of 50%, they aim to increase the dividend amount by growing profit.**

- **Positioning "(1) Meeting outsourcing needs," "(2) Utilizing generative AI," and "(3) Marketing support" as three growth engines, the company intends to pursue growth by making use of their strengths in each engine.**

- **With regard to meeting outsourcing needs, the number of new projects expanded as the company increasingly undertook operations of in-house contact centers of client companies in various business categories and industries, which are difficult to run internally. For the fiscal year ending February 2026, the company expects sales revenue of the smart contact center (SC) business to grow 3.1% to 127 billion yen. With regard to the smart business support (SB) business, the company utilizes its strength, the "standardized methodology," to establish a structure for undertaking non-core operations such as internal and back-office operations concerning accounting and human resources, as companies increasingly concentrate resources on their core operations. Boosting the number of BPR consultants to approximately 160 by the end of August 2025, the company has been proactively working on receiving orders for projects, and managed to win and complete 717 projects in the first half, which was 104 more than in the same period of the previous year. For the fiscal year ending February 2026, the sales revenue of the smart business support (SB) business is projected to grow 12.4% to 22.5 billion yen. The company has set 35 billion yen as the target for the fiscal year ending February 2031.**

- **The progress rate in the first half stood at 48.8% for sales revenue and 48.1% for gross profit. Between the fiscal years 2020 and 2022, gross profit margin remained above 20% owing to the expansion of highly profitable operations related to national policies for COVID-19. However, gross profit margin declined significantly to 17-18% in the fiscal years 2023 and 2024 due to the subsiding of COVID-19 and subsequent delay in organizing facilities and staff that had been increased during the pandemic. In this fiscal year, measures for improving revenue, such as raising billing rates for client companies and reducing costs, proved effective, and gross profit margin recovered to 18.5% in the first half. In the earnings forecast for the fiscal year ending February 2026, gross profit margin is expected to reach 18.8%. From now on, the company will aim for improving profitability to a level higher than that during COVID-19 by utilizing generative AI, etc. We would like to hold expectations for the improvement of profit margin from the third quarter on, the achievement of the earnings forecast, and further accumulation of revenue.**

1. Company Overview

The company, which is the holding company, its 7 consolidated subsidiaries, and its 3 equity method affiliates form a corporate group. The main businesses include the Customer Relationship Management (CRM) business in which a focus is given to the outsourcing of contact center operations, technology services, and consulting services.
The 7 subsidiaries are BELLSYSTEM24, Inc. (capital contribution ratio: 100.0%), which operates contact centers and related services, SKY Perfect Customer-relations Corporation (capital contribution ratio: 51.0%), which became a consolidated subsidiary through their investment in the company for operating customer centers of "SKY PerfecTV!," a fee-charging multichannel broadcasting service, and also offers consulting and educational services related to customer centers, Horizon One Inc. (capital contribution ratio: 51.0%), a joint venture with Layers Consulting Co., Ltd., which undertakes business processes and offers various consulting, and human resource activity support services in the areas of human resources and accounting, THINKER Inc. (capital contribution ratio: 70.0%), which utilizes data generated at customer contact points for corporate marketing DX and also develops AI solutions led by data analysts and engineers, BellSoleil, Inc. (capital contribution ratio: 100.0%), a special subsidiary aimed at promoting the employment of people with disabilities, BELLSYSTEM24 TAIWAN, Inc. (capital contribution ratio: 100.0%), which offers outsourcing services for CRM solutions, the services of developing and operating EC sites, advertisement and promotion services, social media-based marketing services, and online direct promotion services in Taiwan, and BELLSYSTEM24 VIETNAM Inc. (capital contribution ratio: 80.0%), which operates contact center business in Vietnam.
There are three affiliated companies accounted for by the equity method: CTC First Contact Corporation (capital contribution ratio: 48.0%), which operates IT service desks and supports clients in business process outsourcing (BPO), TB Next Communications Co., Ltd. (capital contribution ratio: 49.0%), a joint venture with TOPPAN Inc. that supports DX promotion and develops next-generation BPO services, and TrueTouch Co., Ltd. (capital contribution ratio: 49.9%), which operates a contact center in Thailand and provides services to customers in Japan and overseas.

ITOCHU Corporation holds 40.7% of the company's voting rights and deems the company as a company accounted for using the equity method. In ITOCHU Corporation, which is focusing on business in non-resource sectors, especially the Consumer related Sector, the company, which engages in the call center business, plays a role as "the contact point between companies and consumers." Since the capital alliance entered into in October 2014, the company has built a broad range of alliances and successfully expanded the volume of transactions with ITOCHU Corporation (the company makes transactions with ITOCHU Group under the same transaction conditions as other client companies, and will continue to follow the policy).

BELLSYSTEM24, Inc., the core of the group, has been developing a wide range of task-undertaking businesses focusing on contact centers that serve as the interface between companies and consumers for approximately 40 years since its establishment in 1982 and has created a standard model for the industry.
Based on the operational expertise cultivated by combining the power of people and technology, the company is actively developing new AI-based solutions with the aim of improving its business value.

[1-1 Corporate Philosophy]
The company pursues the following PURPOSE and VALUES.
In order to define in a single word what we should be and our commitments, the company has established a CORPORATE VOICE and a MANIFESTO for further clarification.

PURPOSE
To sustain the prosperity of society, through innovation and communication

VALUES
・Dialogue: Engaging to better understand concerns and ideas, working together toward resolutions and success.
・Creativity: Fusing the competence of on-site workers with the evolving technology to create unmatched value
・Diversity: Creating workplaces that enable each employee to thrive as individuals and discover hidden potential
・Partners in success: Committing success for our customers by using accumulated experience to achieve optimal solutions
・Co-creating prosperity: Increasing the experiential value of products and services to support precious moments for all

[1-2 Business Contents]
(1) Business Description
The company's business consists of the Customer Relationship Management (CRM) business, which is the segment to be reported, and other businesses, with the CRM business accounting for over 90% of consolidated sales.

Sales by segment

	FY 2/25
CRM business	143,196
Other	411
Consolidated sales revenue	143,607

* Unit: million yen

CRM Business
The CRM Business is the business field mainly of BELLSYSTEM24, Inc., SKY Perfect Customer-relations Corporation, and CTC First Contact Corporation. In addition to the conventional task of dealing with inbound and outbound calls, which use telephones as a major communication tool, in this business, a multitude of outsourcing services for contact center operations and BPO services that take advantage of Information Technology (IT), such as the Internet and social media, are offered to client companies. This is a stock business in which continuing operations make up around 90% of sales, and spot operations, such as election-related tasks, constitute the remaining portion. Furthermore, sales from Softbank Corp. account for around 10% of the total sales (continuing operations). The business is composed of the following 4 operations:

1) Customer support for client companies (mainly by dealing with inquiries about products and services of client companies)
2) Sales support for client companies (mainly by assisting client companies in promoting sales of their products and services)
3) Technical support for client companies (mainly by handling inquiries as to how to operate IT-based products of client companies)
4) BPO tasks (mainly undertaking routine tasks of client companies)

Since 2020, they have disclosed the sales revenue in the CRM business by classifying it into "basic operations" and "tasks related to national policies against COVID-19," because the tasks related to COVID-19 increased, but most of such tasks have been finished, and they considered that the progress of their business can be reported more accurately by handling the next-generation contact center business, on which they concentrate, and the back-office business support for client companies as independent segments, so they have decided to disclose their performance with the two segments: "smart contact center (SC) business" and "smart business support (SB) business" from the fiscal year ending February 2026.

Segment	Outline
Smart contact center (SC) business	Tasks for communication between client companies and end users ・Tasks for attending to foreign customers with customer centers, etc. ・Outbound marketing to reel in customers, promote sales, etc. ・Development of call center environments, including BellCloud+ and voice recognition ・Peripheral tasks, including the accumulation of knowledge on how to attend to customers, FAQs, etc. ・Data-based marketing and data analysis ・Consulting related to contact centers
Smart business support (SB) business	Tasks for supporting the in-house operations of client companies ・Personnel affairs, accounting, and general affairs ・Data entry ・Screening, monitoring, and list examination ・Marketing support, draft production and proofreading for websites ・Consulting regarding in-house operations ・In-company help desk operation

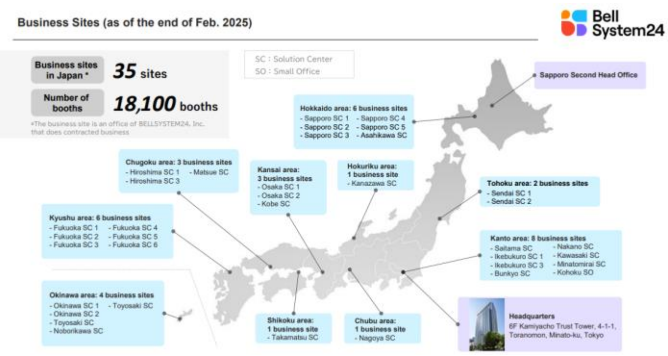
(2) Customers

Their customer base is composed of over 1,500 companies. The company's ability to respond to the needs of customers in diverse industries and business categories has been highly evaluated.

Industry Type	Overview
Service	Introduction of personnel, Internet-related services, broadcasting, electronic money, code settlement, point services, etc.
Transportation & Communication Industry	Communications carriers, providers, travel, transportation, etc.
Finance and Insurance	Banking, securities, life and non-life insurance, credit cards, etc.
Wholesale and Retail	Mail order, e-commerce, product sales services, etc.
Manufacturing	Manufacturers, food production, printing, pharmaceuticals, etc.
Other	Local governments, electricity, gas, water, housing, real estate, etc.

(3) Business establishments

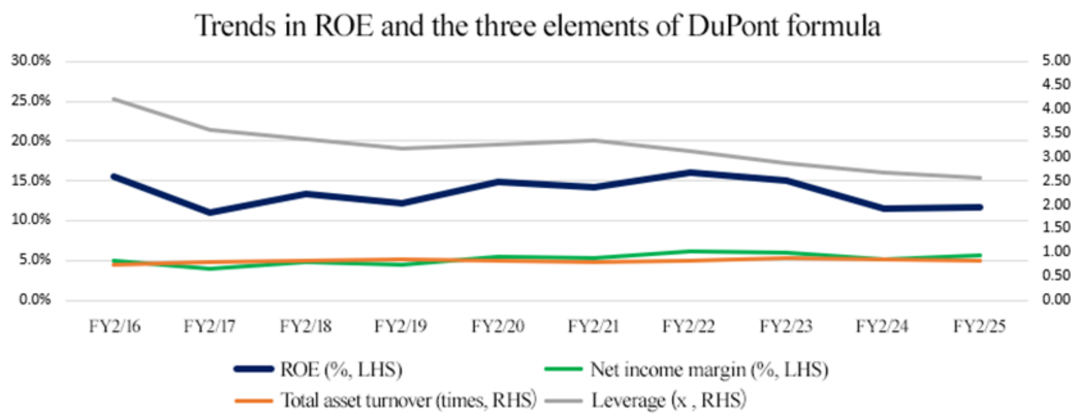
As of the end of February 2025, the company had 35 offices and 18,100 booths in Japan. As overseas bases, the company has a consolidated subsidiary in Vietnam, a branch in Taiwan, and a group company in Thailand.



(From the company's materials)

[1-3 ROE Analysis]

	FY 2/16	FY 2/17	FY 2/18	FY 2/19	FY 2/20	FY 2/21	FY 2/22	FY 2/23	FY 2/24	FY 2/25
ROE (%)	**15.6**	**11.0**	**13.4**	**12.1**	**14.8**	**14.2**	**16.0**	**15.1**	**11.5**	11.7
Net income margin (%)	4.91	3.95	4.85	4.46	5.53	5.34	6.11	5.98	5.07	5.57
Total asset turnover (times)	0.75	0.79	0.82	0.86	0.82	0.80	0.83	0.88	0.85	0.82
Leverage (x)	4.22	3.56	3.37	3.16	3.25	3.34	3.13	2.88	2.69	2.56



Despite the downward trend in leverage, ROE has remained in the order of 10%, exceeding the 8% target that Japanese companies are generally considered to be aiming for. Under the medium-term growth strategy, they plan to engage in the improvement in profitability mainly through the utilization of generative AI, so it seems that there is significant room for further improvement in ROE.

[1-4 ESG]

They actively engage in activities for solving social issues while considering their corporate philosophy, important issues, and ESG. Such activities are highly evaluated by external organizations.
*Excerpt from the reference material for briefing the financial results in the second quarter of the fiscal year ending February 2026

◎ Formulation of the "Basic Policy for Sustainable Procurement" and "Principles of Conduct for Sustainable Supply Chains"

In July 2025, the company formulated the "Basic Policy for Sustainable Procurement" and "Principles of Conduct for Sustainable Supply Chains." Aiming for the realization of a sustainable supply chain and society, they have defined six pillars for their activities, such as human rights, labor, environmental protection and information security.

◎ Enhancement of "Sustainable Center" initiatives for the realization of sustainable society at the Kobe Solution Center

In June 2025, the company enhanced "Sustainable Center" initiatives, which contribute to the realization of sustainable society, at the Kobe Solution Center, the company's contact center. Until now, they have been forging ahead with initiatives mainly in the four fields "diversity of people and workstyles," "education and training," "protection of the global environment" and "contribution to local communities." This time, the company newly gave a concrete form to initiatives in the two fields: "promotion of the employment of diverse human resources through LED-based vegetable gardens and a new café attended by employees with disabilities" and "adoption of solar power generation."

◎ Provision of a supportive solution for the cultivation of diverse human resources who will underpin corporate growth

In August 2025, the company started to provide a supportive solution for the cultivation of diverse human resources, utilizing the expertise obtained from having trained approximately 40,000 employees in Japan and overseas, with the objective of assisting companies with human capital management. This solution provides a package of three services – consulting for human resources strategy, sale of specialized training content for various occupations, and onboarding programs tailored for acquiring minimum skills required in business – for companies which face challenges such as "arranging human resources strategy for the promotion of DX and reform of business operations" or "revising the training policy and training structure."

◎ Conclusion of a partnership for the cultivation of human resources between a group subsidiary in Vietnam and a local university

In June 2025, BELLSYSTEM24 VIETNAM Inc., a Vietnamese subsidiary, concluded "Memorandum of Understanding (MOU) for Cooperation Regarding Strategic Alliance for the Cultivation of Human Resources" with Polytechnic College in Vietnam, and held a signing ceremony. Enhancing cooperation for improving the quality of vocational education and supporting the employment of students, they will promote the cultivation of human resources for meeting the needs of the labor market both in Japan and overseas.

[1-5 Measures for realizing business administration conscious of capital cost and share price]

(Policies)

Considering that the business administration deeply conscious of capital cost and profitability is essential for achieving sustainable growth and improving medium/long-term corporate value, the company adopted ROE as one of management indicators, and aims to improve capital profitability by keeping ROE higher than cost of shareholders' equity.

(Recognition of the current state, and initiatives)

◎ ROE

With the cost of shareholders' equity in fiscal 2024 being around 8%, the company maintains ROE that exceeds this cost (11.7% in the fiscal year ended February 2025 and 13.7% on average for the past five fiscal years).

The company will keep aiming for improving capital profitability by maintaining ROE at a level that is above the cost of shareholders' equity.

◎ PBR

PBR was around 1.3 for fiscal year 2024, remaining above 1.0 in the past five fiscal years.

By making efforts to improve profitability and growth potential, they will aim to get higher valuations in the market and improve PBR.

◎ Cash allocation

Cash flow from operating activities in fiscal 2024 was 17.4 billion yen. 4.4 billion yen was used for shareholder return, 3.7 billion yen for investment in business and facilities, and 9.3 billion yen for the repayment of interest-bearing liabilities.

The company will continue to maintain an appropriate balance in allocating cash flow secured through business to shareholder return, investment in growth, and the repayment of interest-bearing liabilities.

2. First Half of Fiscal Year ending February 2026 Earnings Results

[2-1 Consolidated Earnings]

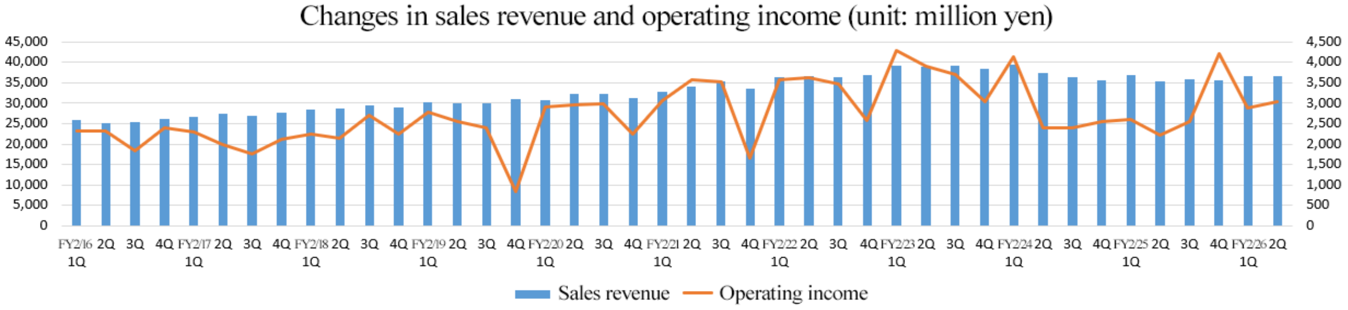
	1H of FY 2/25	Ratio to sales	1H of FY 2/26	Ratio to sales	YoY
Sales revenue	72,040	100.0%	73,143	100.0%	+1.5%
Gross profit	12,733	17.7%	13,565	18.5%	+6.5%
SG&A expenses	7,977	11.1%	7,717	10.6%	-3.3%
Operating income	4,810	6.7%	5,914	8.1%	+22.9%
Interim income before Income Taxes	4,665	6.5%	5,767	7.9%	+23.6%
Interim net income	3,024	4.2%	3,823	5.2%	+26.5%

*Unit: million yen. Interim net income is profit attributable to owners of the parent.

Both sales and profit increased.

Sales revenue stood at 73.1 billion yen, up 1.5% year on year, as sales grew both in the smart contact center (SC) business and the smart business support (SB) business.

Operating income reached 5.9 billion yen, up 22.9% year on year. Gross profit increased 6.5% year on year owing to effective measures for improving revenue, such as raising billing rates for client companies and restructuring operational sites, in addition to the growth in sales of election operations and public sector projects. Consequently, gross profit margin also rose 0.8 points year on year. On the other hand, SG&A expenses decreased 3.3% year on year due to widespread cost reduction, especially with regard to facility-related expenses (expenses related to the restructuring of operational sites).



◎ Revenue Breakdown

	1H of FY 2/25	1H of FY 2/26	YoY
Sales revenue	720.4	731.4	+1.5%
CRM Business	718.2	729.7	+1.6%
SC Operations	619.8	626.0	+1.0%
SB Services	98.4	103.7	+5.4%
Other	2.2	1.7	-21.1%

*Unit: 100 million yen. SC operations refer to smart contact center operations, and SB services refer to smart business support services.

◎ Smart Contact Center Operations

Although sales declined year on year in the first quarter due to the decrease of large spot projects, growth in sales was achieved in the first half owing to the increase of election operations and public-sector and telecommunications projects in the second quarter.

◎ Smart Business Support Services

Back-office operations, such as tasks related to human resources and accounting or application screening, steadily increased.

[2-2 Business Topics]

(1) Sales revenue in each industry (Basic operations)

	1H of FY 2/25	1H of FY 2/26	YoY
Service industry	166	177	+6.6%
Transportation/communication	149	153	+2.7%
Finance/insurance industry	131	123	-6.1%
Wholesale/retail	83	82	-1.2%
Manufacturing industry	38	41	+7.9%
Other	40	43	+7.5%

*Unit: 100 million yen. The sales revenue in each field indicates the sum of sales revenues from top 300 client companies of BELLSYSTEM24, Inc. (non-consolidated). The year-on-year percentage change is calculated by Investment Bridge based on the company's data.

(Increase in sales)

Services: Although the introduction of personnel decreased from the previous fiscal year, Internet-related and public services continued to increase.

Transportation/communications: Although ISPs (Internet Service Providers) decreased and sales increased mainly among communication carriers.

Manufacturing: Sales increased in the second quarter due to election-related work.

Other: Sales increased in new electric power service-related and real estate-related sectors.

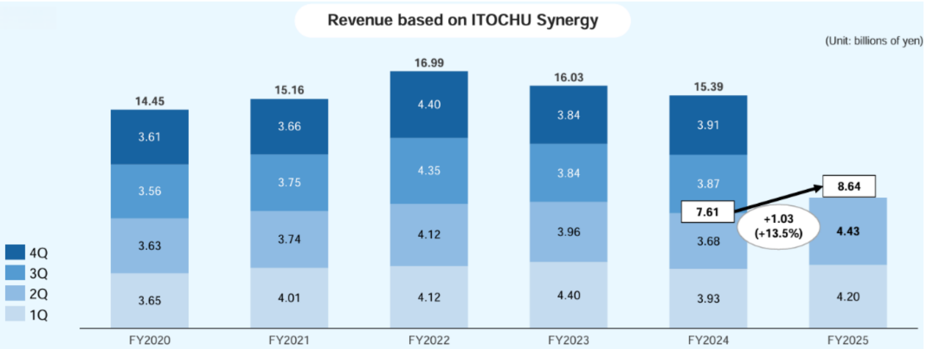
(Decrease in sales)

Finance/Insurance: Although some code payment-related businesses declined, insurance-related businesses, primarily life and non-life insurance, remained strong.

Wholesale and retail: Since the previous fiscal year, sales have remained flat on a quarterly basis.

(2) ITOCHU Synergy

In the first half of the fiscal year, sales increased significantly by 13.5% year on year, driven primarily by communication carriers. Steady growth is expected to continue from the third quarter onward.



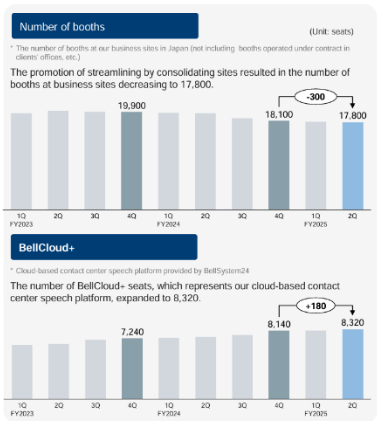
(From the company’s materials)

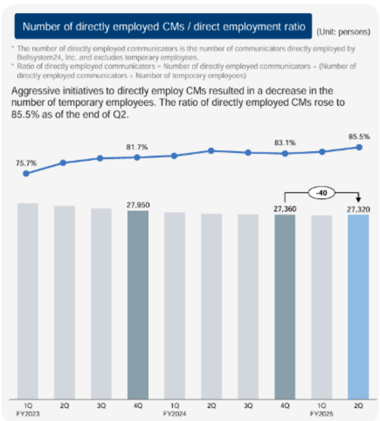
(3) Quarterly variations in the number of contact center booths, etc.

The company's strategic system, BellCloud+, a cloud-type contact center that serves as the base for DX utilizing voice data, equipped with functions necessary for contact center operations including voice recognition, emotion analysis, Chatbot, Voicebot, and remote work environments, saw a steady increase in the number of seats to 8,320, up 180 from the end of the previous fiscal year.

The company is promoting efficiency improvement by restructuring bases in response to the conclusion of COVID-related projects and the completion of large-scale projects. The number of seats per base has decreased by 300 from the end of the previous fiscal year to 17,800.

To further enhance the quality of human capital, the company is actively working to directly employ communicators. As of the end of August 2025, the ratio of directly employed communicators was 85.5%.





(From the company’s materials)

[2-3 Financial condition and Cash Flow (CF)]

◎ Financial condition

	End of Feb. 2025	End of Aug. 2025	Increase/ decrease		End of Feb. 2025	End of Aug. 2025	Increase/ decrease
Current assets	28,042	30,886	+2,844	Current liabilities	57,413	41,640	-15,773
Cash and deposits	6,992	9,042	+2,050	Trade debt	5,634	5,276	-358
Trade Receivables	19,006	19,702	+696	Loans payable	30,799	11,700	-19,099
Noncurrent assets	146,371	142,787	-3,584	Noncurrent liabilities	46,163	58,941	+12,778
Tangible assets	31,563	28,615	-2,948	Long-term loans payable	23,247	38,536	+15,289
Goodwill	94,651	94,603	-48	Total liabilities	103,576	100,581	-2,995
Total assets	174,413	173,673	-740	Total capital	70,837	73,092	+2,255
				Equity capital(*)	70,160	72,369	+2,209
				Total loans payable	54,046	50,236	-3,810

*Unit: million yen. Equity capital is total equity attributable to owners of the parent.

Although cash and deposits increased, total assets decreased 700 million yen from the end of the previous fiscal year due to a decrease in tangible fixed assets, etc. Total liabilities decreased 2.9 billion yen from the end of the previous fiscal year, as short and long-term loans payable shrank 3.8 billion yen. Total shareholders' equity increased 2.2 billion yen from the end of the previous fiscal year, as retained earnings grew while capital surplus decreased. Capital-to-asset ratio increased 1.5 points from the end of the previous term to 41.7%.

◎ Cash Flow

	1H of FY 2/25	1H of FY 2/26	Increase/ decrease
Operating Cash Flow	12,563	11,064	-1,499
Investing Cash Flow	-1,637	-226	+1,411
Free Cash Flow	10,926	10,838	-88
Financing Cash Flow	-9,087	-8,786	+301
Cash and Equivalents at Term End	9,036	9,042	+6

*Unit: million yen.

Cash inflow from operating activities and the surplus of free cash flow shrank from the first half of the fiscal year ended February 2025 due to the increase of operating receivables and the further drop in operating payables.
The cash position remained almost unchanged.

3. Fiscal Year ending February 2026 Earnings Forecasts

[3-1 Consolidated Earnings forecast]

	FY 2/25	Ratio to sales	FY 2/26 Est.	Ratio to sales	YoY	Rate of progress
Sales revenue	143,607	100.0%	150,000	100.0%	+4.5%	48.8%
Gross profit	25,412	17.7%	28,200	18.8%	+11.0%	48.1%
SG&A expenses	16,182	11.3%	16,300	10.9%	+0.7%	47.3%
Operating income	11,587	8.1%	12,000	8.0%	+3.6%	49.3%
Income before Income Taxes	11,232	7.8%	11,760	7.8%	+4.7%	49.0%
Net income	8,003	5.6%	8,100	5.4%	+1.2%	47.2%

*Unit: million yen.

The earnings forecast remains unchanged. Sales and profit are forecast to increase.

The earnings forecast remains unchanged. Sales revenue is projected to rise 4.5% year on year to 150 billion yen. The sales in the smart contact center (SC) business and the smart business support (SB) business are forecast to increase.

Operating income is expected to grow 3.6% year on year to 12 billion yen. Gross profit is forecast to rise 11.0% year on year, due to the sales growth, the improvement in performance of consolidated subsidiaries, and the decrease in rents, utility charges, etc. through the optimization of business bases in the previous fiscal year. It will offset the augmentation of SG&A expenses.

They plan to pay a dividend of 60.00 yen/share like in the previous fiscal year. The expected payout ratio is 54.5%. Under the basic policy of achieving a payout ratio of 50%, they aim to increase the dividend amount by growing profit.

[3-2 Revenue Breakdown]

	FY 2/25	FY 2/26 Est.	YoY	Rate of progress
Sales revenue	1436.1	1500.0	+4.5%	48.8%
SC Operations	1231.8	1270.0	+3.1%	49.3%
SB Services	200.2	225.0	+12.4%	46.1%
Other	4.1	5.0	+21.7%	35.2%

*Unit: 100 million yen. SC operations refer to smart contact center operations, and SB services refer to smart business support services.

◎Smart Contact Center Operations

Sales are expected to grow, due to the expansion of demand for outsourcing caused by the shortage of manpower and new services, including DX solutions.

◎Smart Business Support Services

Sales are projected to grow, due to the increase of new projects, including BPR consulting ones.

4. Progress of Medium- to Long-Term Growth Scenario

The company has positioned “(1) Meeting outsourcing needs,” “(2) Utilizing generative AI,” and “(3) Marketing support” as its three growth engines and plans to pursue growth by utilizing its strengths in each engine (for details, see Reference 1: Medium- to Long-Term Growth Scenario).

The initiatives up to the second quarter of the fiscal year ending February 2026 are as follows.

(1) Utilizing Generative AI: Progress on Next-Generation Contact Center Infrastructure

Generative AI is used for an increasing number of purposes, but its application in the contact center industry is still limited to peripheral tasks such as automatically generating FAQs, summarizing interaction logs, and accepting reservations at restaurants. In this situation, the company aims to achieve a next-generation contact center through automated response systems.

The company believes contact center automation involves three steps: Step 1: Accumulation of knowledge data, Step 2: Real-time operator support, and Step 3: Automatic dialogue response using AI.
Among these, AI summarizes conversations between customers and operators in real time and stores them in a database. Step 1: Accumulation of knowledge data, which is the process of rapidly learning from large and complex conversations to build the knowledge necessary for AI to generate optimal responses, has been completed.
Currently, AI utilizes the knowledge database to provide operators with suggested responses and points for confirmation. For chat support, life insurance companies, non-life insurance companies, and the subsidiary SKY Perfect Customer Relations Corporation (SPCC) are working to implement "Step 2: Real-time operator support," in which AI directly interacts with customers to complete the response.
Following that, they plan to proceed to "Step 3: Automatic dialogue response using AI," where AI directly interacts with customers over the phone, and operators only take over when AI cannot handle the situation.
In November 2025, the company will participate in the "Call Center/CRM Demo & Conference," to introduce concrete pathways for utilizing generative AI in contact centers and how generative AI can be utilized in contact center operations. This includes initiatives for contact center automation using generative AI, operational efficiency improvement, customer experience enhancement, and VOC (Voice of Customer) analysis.

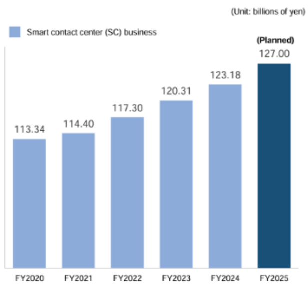
(2) Meeting outsourcing needs
Amid worsening labor shortages, the demand for outsourcing is increasing in the contact center industry. The company is actively pursuing new projects, aiming to reach "2,500 client companies by the fiscal year 2030."

① Smart Contact Center (SC) Operations: Growing demand for outsourcing due to labor shortages and other factors
Outsourcing of contact center operations, which have become difficult for client companies to manage internally across various industries, is increasing, leading to the increase of new projects. The company expects sales revenue for its Smart Contact Center (SC) operations for the fiscal year ending February 2026 to reach 127 billion yen, up 3.1% from the previous fiscal year.

■ Examples of our tapping into demand for outsourcing in Q2 of the current fiscal year

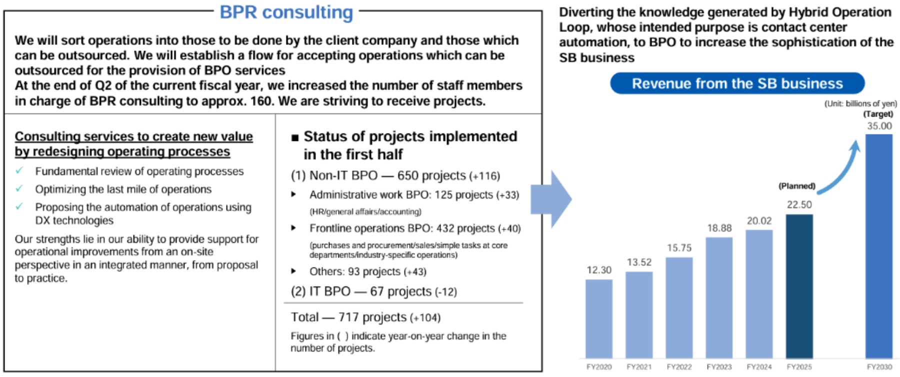
Industry	Content of the operation	Reason for outsourcing
Finance	Receiving various inquiries from customers (about the opening of accounts, fees, ATMs, internet banking, loss/theft, etc.)	Call handling operations were outsourced to us due to a labor shortage. Inquiry reception operations done at 70 locations were consolidated at one of our sites.
Real estate	Receiving various inquiries from the tenants of properties managed by the client (about various services, equipment problems, etc.)	Call handling operations were outsourced to us due to a labor shortage. 29 sites were consolidated into one of our sites.
Home meal delivery and meal kits	Responding to orders for and inquiries about home meal delivery services	Many of the people employed at its rural internal call center were women with families, and it was difficult to sufficiently staff the call center on holidays, in the evenings and later into the night. Therefore, the operations were transferred to our call center in an urban area to address loss of sales opportunities during peak hours, among other issues.
Wholesale, retail	Responding to inquiries about an e-commerce website, deliveries, and reward points	While businesses with existing clients were expanding, the company increased the operations it outsourced to us to shift its employees to core operations.

■ Revenue trend by fiscal year



(From the company's materials)

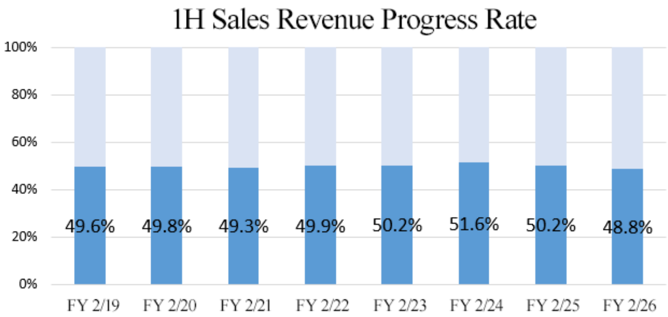
② Smart Business Support (SB) Services:
To undertake business processes through consulting for business process re-engineering (BPR)
As companies accelerate the focus of resources on their main business operations, the company leverages its strength in "standardized methodology" to establish a framework for undertaking non-core operations such as internal client company functions like accounting and human resources, as well as back-office operations.
By the end of August 2025, the company had increased its BPR consulting staff to approximately 160 members and is actively pursuing the acquisition of new projects, with 717 projects acquired and implemented in the first half of the fiscal year, up 104 projects year on year. For the fiscal year ending February 2026, the company plans to achieve a sales revenue of 22.5 billion yen from smart business support (SB) services, up 12.4% from the previous fiscal year. The target for the fiscal year ending February 2031 is 35 billion yen.

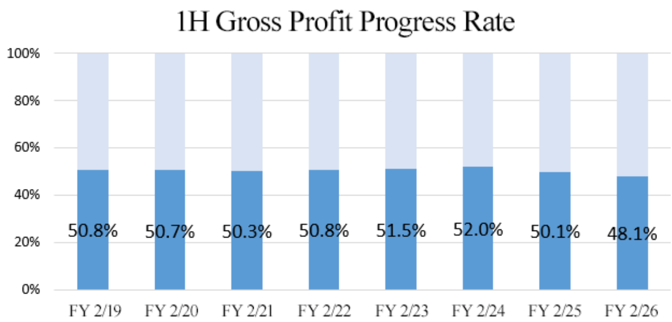


(From the company's materials)

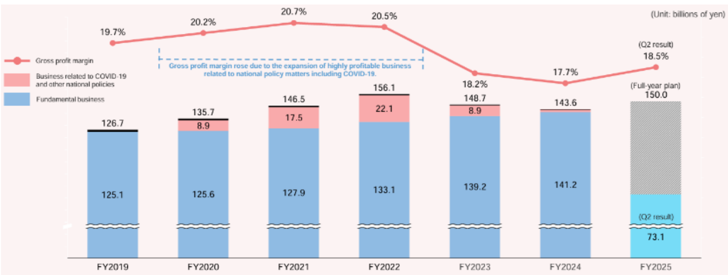
5. Conclusions

The progress rate in the first half stood at 48.8% for sales revenue and 48.1% for gross profit. The progress rate of sales revenue is just about the average, but the progress rate of gross profit is slightly below the average. Between the fiscal years 2020 and 2022, gross profit margin remained above 20% owing to the expansion of highly profitable operations related to national policies for COVID-19. However, gross profit margin declined significantly to 17-18% in the fiscal years 2023 and 2024 due to the subsiding of COVID-19 and subsequent delay in organizing facilities and staff that had been increased during the pandemic. In this fiscal year, measures for improving revenue, such as raising billing rates for client companies and reducing costs, proved effective, and gross profit margin recovered to 18.5% in the first half. In the earnings forecast for the fiscal year ending February 2026, gross profit margin is expected to reach 18.8%. From now on, the company will aim for improving profitability to a level higher than that during COVID-19 by utilizing generative AI, etc. We would like to hold expectations for the improvement of profit margin from the third quarter on, the achievement of the earnings forecast, and further accumulation of revenue.





* FY 2/16 - FY 2/25 are 1H components of the full-year results



<Reference1: Medium- to Long-Term Growth Scenario>

The market environment surrounding the company is changing dramatically with the emergence and rapid evolution of generative AI, but the company has set forth the following medium/long-term growth scenario to ensure sustainable growth by leveraging its strengths and competitive advantages.

[1 Changes in the Business Environment and the Company's Current Situation]

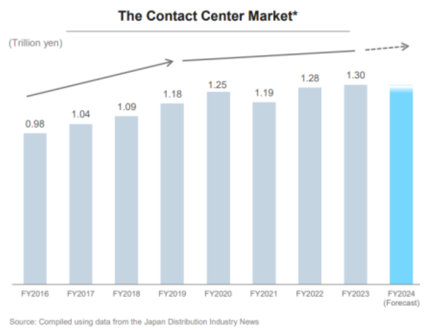
(1) Changes in the Business Environment

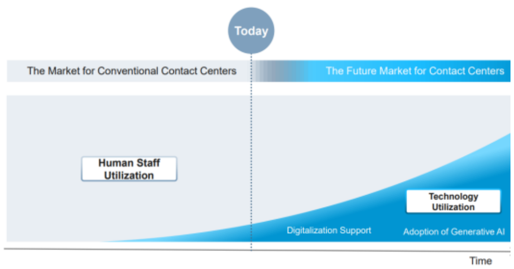
The market for contact centers has seen its CAGR (compound annual growth rate) drop from around 6% and remain around 2% from FY 2019.

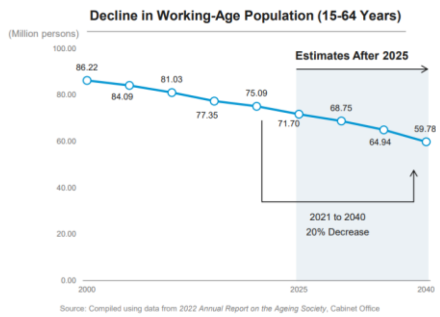
(CAGR calculated by Investment Bridge based on the company's reference material)

In the wake of the COVID-19 pandemic, digitization has accelerated, prompting a shift in contact centers from human-centric operations to technology-driven systems. As digital transformation and the adoption of AI continue to advance, conventional contact centers that rely primarily on human staff-operated telephone support are expected to face increasing challenges.

Moreover, Japan's shrinking working-age population is intensifying the insufficiency of manpower in certain industries and contact center operators are likely to face growing difficulties in securing sufficient human resources in the future.







(From the company's reference material)

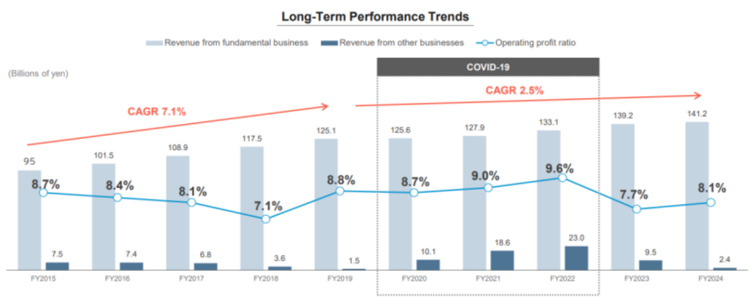
(2) Current Situation and Future Outlook of the Company

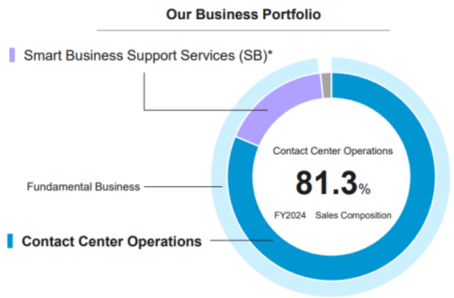
Amid these major changes in the business environment, the company's growth rate has slowed since the COVID-19 pandemic, and since FY 2019, the average annual growth rate of sales revenue from basic operations, excluding operations related to national policies for COVID-19, has dropped to 2.5%, down from 7.1% before the COVID-19 pandemic.

Although operating income margin had been well above 8% since FY 2019, it fell to the 7% range in FY 2023, and the improvement in profit margin was limited in FY 2024 as well.

Contact center operations account for 80% of the company's business portfolio, and the aforementioned stagnation in the contact center market is a concern for future growth.

Under these circumstances, the company aims to expand its business by utilizing generative AI and creating more added value through the use of VOC (Voice of Customer).

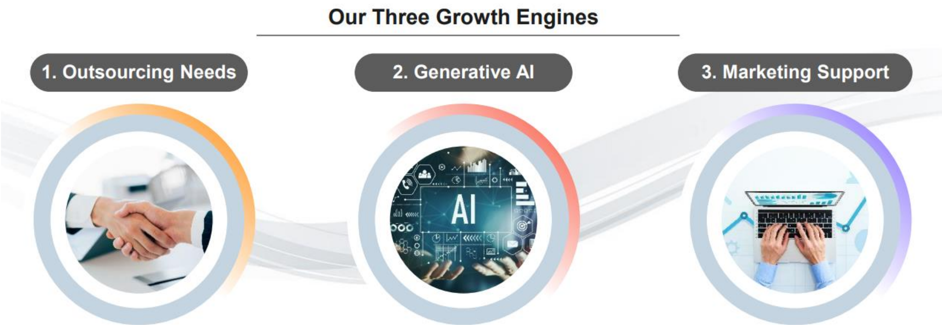




(From the company's materials)

[2 Policy for Responding to the Changing Business Environment]

In the market environment mentioned above, the company has positioned "(1) Meeting outsourcing needs," "(2) Utilizing generative AI," and "(3) Marketing support" as three growth drivers. The company will pursue growth by leveraging its strengths in each of these drivers.



(From the company's reference material)

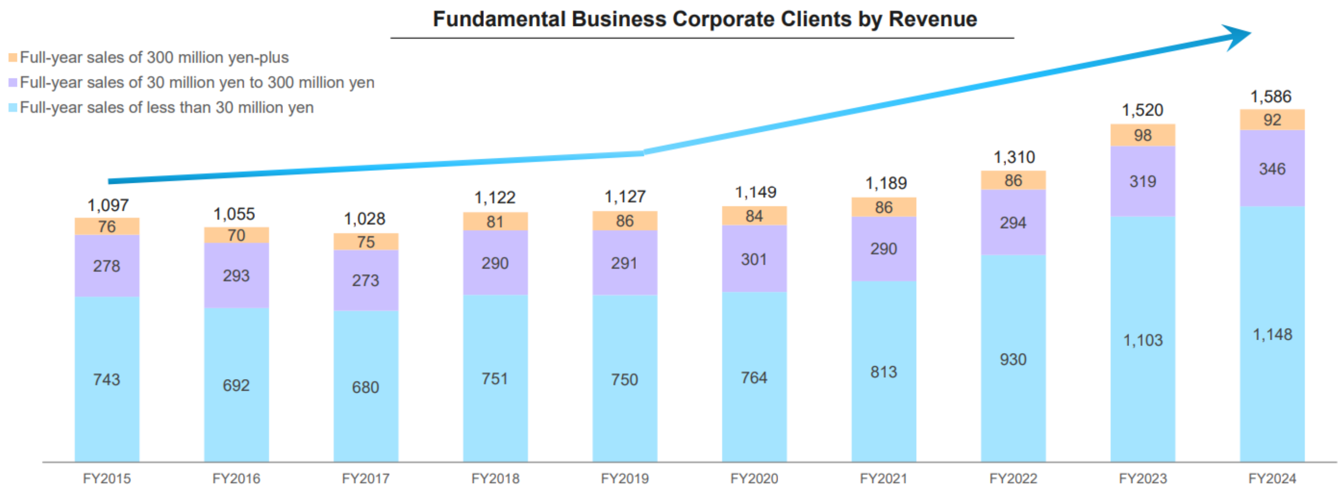
(1) Meeting outsourcing needs

(Overview)

Companies that operate contact centers in-house will find it difficult to find personnel and will assign their limited staff to core operations. As a result, it will become more difficult for them to respond to inquiries about their company's services and products, and it is expected that in-house contact center operations will be outsourced.

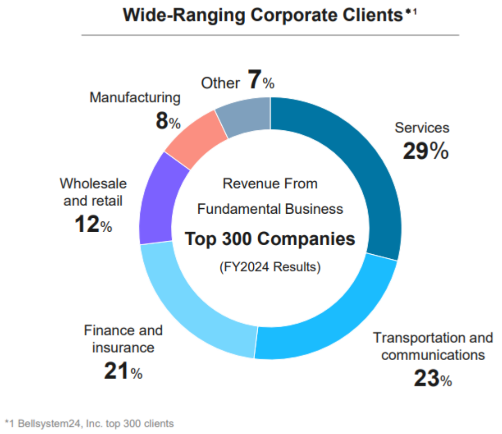
The need for outsourcing has already become apparent. The number of client companies for the company's basic operations has expanded from 1,097 in FY 2015 to 1,586 in FY 2024. The increase is particularly noticeable in the middle and lower tiers in terms of transaction amount.

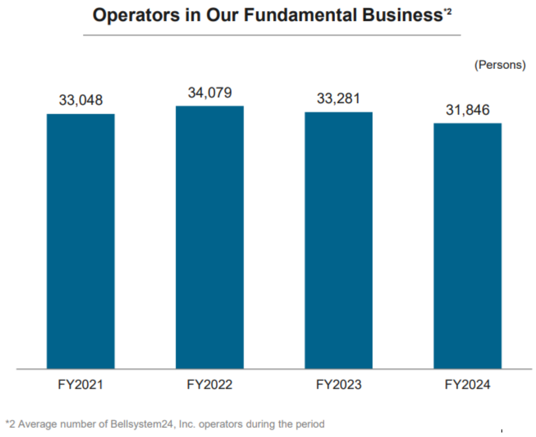
The company estimates the scale of the in-house contact center market to be 1.4 trillion yen.



(From the company's reference material)

(The company's strengths)
With a workforce of 30,000 operators, the company is well-positioned to accommodate future growth in the number of client companies. Over the 40 years since its establishment, it has accumulated extensive expertise in contact center operations across a wide range of industries and business sectors, enabling it to provide operational support irrespective of industry type.
A key strength of the company lies in its standardized methodology, which involves systematizing and documenting operational procedures to eliminate individual dependency and establishing a framework in which consistent performance can be achieved regardless of the personnel involved.





(From the company's reference material)

(Targets and specific initiatives)
The company will aggressively pursue new projects, aiming to have 2,500 client companies by FY 2030.
Specific initiatives are as follows:

- Over the past four years, they have held over 130 webinars on the latest information and services, with a cumulative total of over 10,000 participants. They will continue to increase opportunities to disseminate information and raise corporate recognition.
- In January 2025, the company acquired SKY Perfect Customer-relations Corporation (SPCC) as a subsidiary and will promote such equity carve-outs and roll-up strategies (continuously acquiring companies in the same industry) to acquire contact center outsourcers.
- Utilizing the networks of major shareholders such as ITOCHU Corporation and TOPPAN Inc., as well as their group companies, the company will acquire contact center projects and clients for smart business support services (SB) from a wide range of industries and business types.
- Utilizing the "standardized methodology," the company will take on non-core operations such as accounting, human resources, and back office operations for client companies. By expanding operations for smart business support services (SB), in addition to contact center operations, the company will aim to expand the scale of transactions per client company through cross-selling and up-selling.

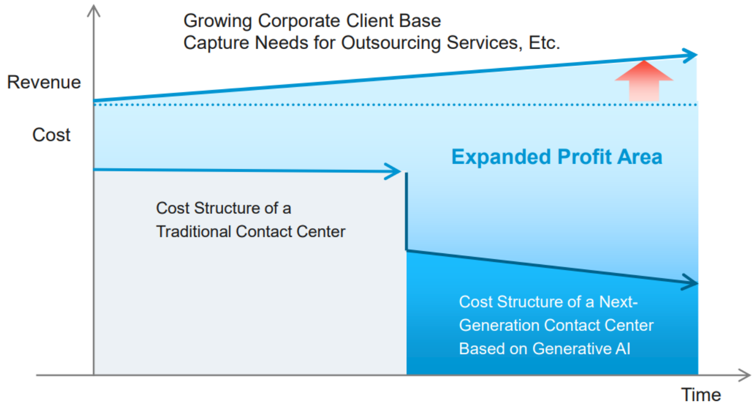
(From the company's reference material)

(2) Utilizing Generative AI

(Overview)

In conventional contact center operations handled by human operators, although the operators are highly skilled, there are inherent limitations to their processing capacity, and the emergence of generative AI is often perceived as a threat.
In contrast, the company views generative AI not as a threat, but as a key enabler for realizing next-generation contact centers with dramatically enhanced processing capabilities.

The next-generation contact center envisioned by the company is one in which generative AI automatically handles inquiries, with human operators responding only to cases that cannot be addressed by AI.
Compared to conventional contact centers staffed by human operators, this model is expected to reduce operational costs. Furthermore, by capturing demand for outsourcing as previously mentioned and expanding the number of client companies, the company anticipates a significant increase in its profit areas and a substantial improvement in profit margin.



(From the company's reference material)

(The company's strengths)

However, building a next-generation contact center using generative AI requires more than simply adopting an advanced and capable AI solution. It also demands vast volumes of high-quality data tailored to the specific inquiries of individual client companies, rather than general knowledge.
The company has a wealth of insights derived from a massive amount of data (VOC), comprising 500 million annual calls handled by its 30,000 operators, and believes that this will add significant value to our client companies.
Extracting, collecting, and analyzing the real voices of users, many of whom pose vague or ambiguous inquiries, is a process that only highly skilled human operators can perform. Identifying root causes through these human interactions is essential to resolving issues and improving customer satisfaction, making it a core function of contact center operations.
Leveraging the vast call data, the company is capable of using the root cause analysis process as training data for generative AI, thereby constructing a high-precision, high-quality knowledge database.

(Targets and specific initiatives)

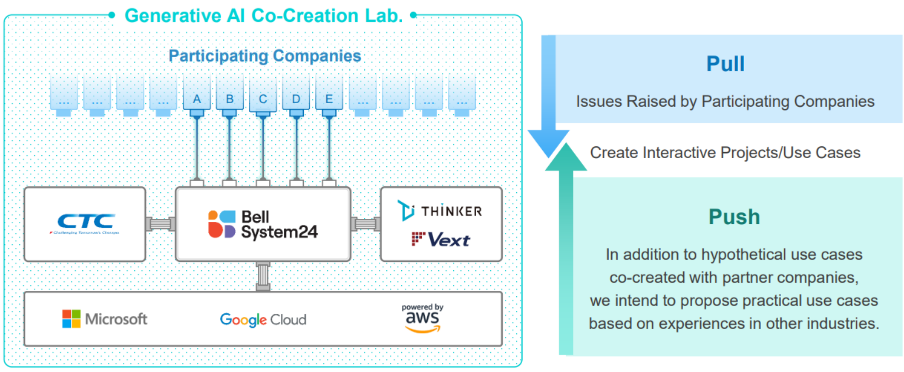
The company aims to realize a next-generation contact center powered by generative AI at an early stage.
A key process in achieving this goal is the transformation of operational knowledge into a "knowledge service" through the use of generative AI.
When launching new services or products, generative AI initially lacks sufficient pre-trained knowledge, making it difficult to respond accurately despite a surge in customer inquiries. To address this, the company is promoting the early development of its AI by rapidly and efficiently accumulating the necessary training data (knowledge) through interactions handled by its 30,000 operators. This initiative is referred to by the company as the "Knowledge Service."
In the Knowledge Service model, human operator involvement accounts for a significant portion of the process during the initial implementation of generative AI. As AI training progresses, this reliance gradually decreases. However, with each launch of a new service or product, it becomes necessary to collect new knowledge once again. Early data collection and effective training of generated

AI requires a large number of highly adaptable operators capable of responding flexibly to diverse inquiries. As such, the company's Knowledge Service plays an essential role in the successful operation of contact centers powered by generative AI.

(From the company's materials)

The company is already undertaking a variety of initiatives to facilitate the introduction and utilization of generative AI.

*** Launch of Generative AI Co-Creation Lab.**
In June 2024, Bellsystem24 launched the "Generative AI Co-Creation Lab.," which is a user company participation program, to share cases among participating companies, with the aim of building a hybrid contact center that combines "generative AI" and "humans."
The program will operate contact centers using the AI technologies and expertise of companies such as ITOCHU Techno-Solutions Corporation, Microsoft Japan Co., Ltd., which is at the forefront of generative AI development, Google Cloud, Amazon Web Services Japan LLC (AWS), Thinker Inc., which provides support in the data marketing domain, and Vext Inc., which provides support in the natural language processing domain.
The company acts as a bridge between user companies and vendors, accelerating the development of generative AI use cases through a bidirectional approach that incorporates both pull and push-based strategies.



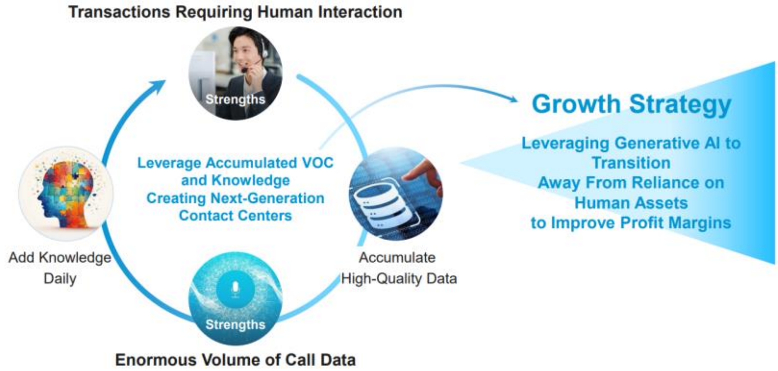
(From the company's materials)

*** Starting the development of "Hybrid Operation Loop" products**
The company is developing a system to automate the knowledge updating process, which is a major challenge when introducing generative AI.
By creating a process that automatically generates a knowledge base from daily call data, the company aims to reduce the burden of knowledge management, which was previously done manually by operators, while improving efficiency. By the end of FY 2025, the company plans to use this knowledge to train generative AI for automated responses, building a next-generation contact center with automated replies for certain tasks.

*** Training Knowledge Managers**
In the next-generation contact center, inquiry responses will shift to automated replies using generative AI. As a result, some operators will become knowledge managers, responsible for selecting the necessary knowledge for AI training and educating the AI. The company is committed to fully supporting the reskilling of employees to carry out knowledge manager's duties.

The company plans to invest over 30 billion yen in generative AI-related technologies and human resources by FY 2030.

Additionally, in 2024, the company established a specialized department focused on the introduction and management of AI technologies, aimed at integrating engineers, operators, and knowledge managers. The company also plans to actively hire specialized AI talent, with a goal of increasing its team by about 100 AI consultants and engineers over the next three years, strengthening its capacity to implement generative AI.



(From the company's reference material)

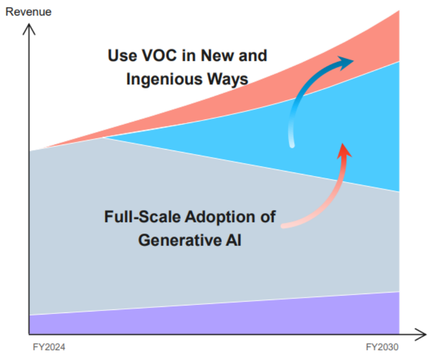
(3) Marketing Support
(Overview)
By leveraging the vast insights and VOC (Voice of the Customer) data collected at the next-generation contact center, the company aims to create new value.
Through automated collection of VOC data aligned with the goals of generative AI, the company will identify consumer needs and develop marketing support services that contribute to increasing client sales, such as in marketing and advertising. This will transform the contact center into a profit center.

(The company's strengths)
The system will utilize an automated VOC data collection system and a large number of operators, who will evolve into knowledge managers, as part of the process of realizing the next-generation contact center.

(Targets and specific initiatives)
The company will carry out data analysis based on automatic collection of VOC, and provide new services to the marketing departments of client companies, leading to increased sales revenue.

*Case example
Istyle Inc., which operates "@cosme," one of Japan's largest comprehensive cosmetics information websites, receives marketing support services through its subsidiary, Thinker Inc.
Using generative AI, they automatically create customer personas from review data. By converting vast amounts of review data into quantitative information, such as customer interests and needs, they can compare issues and competitive advantages.

[3 Growth Strategy]
Leveraging these three growth drivers— "(1) Meeting outsourcing needs," "(2) Utilizing generative AI," and "(3) Marketing support"— the company aims to achieve 250 billion yen in revenue and an operating income margin of over 10% by FY 2030.



	FY2024	FY2030	
Creation of new added value	—	40 billion yen	Smart Contact Center Operations (SC)[*1]
Next-generation contact center operations	—	100 billion yen	Smart Contact Center Operations (SC)[*1]
Traditional contact center operations[*2]	123.6 billion yen	75 billion yen	Smart Contact Center Operations (SC)[*1]
Smart Business Support Services (SB)[*3]	20 billion yen	35 billion yen	
Consolidated Revenue	143.6 billion yen	250 billion yen	
Operating profit ratio	8.1%	10%-plus	

*1 Smart Contact Center Operations (SC): Operations related to communications between corporate clients and end users
*2 Other revenue is included in traditional contact center operations
*3 Smart Business Support Services (SB): Services supporting corporate client internal operations

(From the company's materials)

<Reference2: Regarding Corporate Governance>

◎ Organization type, and the composition of directors and auditors

Organization type	company with corporate auditors
Directors	8 directors, including 5 outside ones (including 3 independent executives)
Auditors	3 auditors, including 2 outside ones (including 1 independent executive)

◎ Corporate Governance Report Updated on May 29, 2025

Basic Views

Our company is striving to enhance management efficiency and manage the company that ensures transparency and soundness based on the recognition that in order to maximize corporate value, it is indispensable to establish a good relationship with all stakeholders surrounding the company and the group companies (collectively referred to as the "Group"), including our shareholders, clients, business partners, and employees and gain their trust, and to achieve it, enhancement of corporate governance is one of the important management tasks.

<Reasons for Non-Compliance with the Principles of the Corporate Governance Code>

[Supplementary Principle 4-1-3 Appropriate supervision of succession plans for the CEO and other top executives]

Although our board of directors has not formulated any succession plan for the CEO and executive officer who concurrently serves as the president that is the highest managerial position, the board recognizes the importance of the roles that stakeholders expect the president to play.

The nominating committee exercises comprehensive judgment about such matters as whether candidates satisfy the criteria for selection of candidates for the president, which are specified in the criteria for the appointment and dismissal of directors, including the ability to make business decisions, courage as a corporate manager, multifaceted vision and foresight, and makes proposal to the board of directors.

<Disclosure Based on the Principles of the Corporate Governance Code (Excerpts)>

[Principle 1-4 Strategically held shares]

As a basic policy, when conducting any investment other than net investment, we discuss whether our group's business will have synergetic effects through the business tie-up, information sharing, etc. with an invested company, and when reducing investment, we discuss whether there will be synergetic effects. Furthermore, on respective stock which does not have dividends or with sluggish performance, we examine whether we should keep holding or reduce their shares for capital efficiency improvement every year, by analyzing expected business performance and recoverability from the viewpoints of economic reasonability.

As for strategically held shares of listed companies, the Board of Directors discussed whether or not to keep holding the shares of a company (balance sheet amount 12 million yen) and decided to continuously hold it.

With regard to exercise of the voting rights for strategically held shares, our company basically makes comprehensive judgment for individual proposals about such matters as whether or not doing so will boost the corporate value and the shareholder return of the companies in which we invest for the medium- and long-term, and whether or not doing so will contribute to enhancing our corporate group's value through maximization of synergy that is our company's goal of investment.

[Supplementary Principle 2-4-1 Ensuring diversity in the promotion to core human resources]
(1) Ensuring diversity
Following our corporate philosophy (PURPOSE), our company respects the diversity in our employees and makes proactive efforts, including development of an environment that allows people with all attributes to work enthusiastically, establishment of a human resources system for realizing flexible workstyles, and provision of educational opportunities that support autonomous growth of our employees.
(2) Women
Our company has been taking proactive action for promoting active participation of women, and our efforts have gained recognition of outside organizations through various awards and certificates that we have received. We will continue our efforts, such as improvement of our workplace environment, provision of opportunities for broadening experience, and support for autonomous career development, and conduct activities aimed at building pipelines at each hierarchical level and increasing the ratio of female workers in various positions to raise the number of female workers who will be involved in business decision-making processes.
<<Target ratio of female workers in managerial positions: Database regarding Promotion of Women's Participation and Advancement by the Ministry of Health, Labor and Welfare>>
Visit the following website concerning the general employer action plans pursuant to the Women's Advancement Promotion Law:
https://positive-ryouritsu.mhlw.go.jp/positivedb/detail?id=11012
(3) Employment of Foreigners
Our company promotes employment of human resources from all over the world regardless of nationality, including from our overseas subsidiaries, and over 3,000 regular and non-regular employees with foreign nationalities are currently working at our company inside and outside Japan. While we are doing business mainly in Japan, we will promote human resources to managerial positions based not on their nationalities or genders, but on their abilities and business performance according to our business expansion overseas in the future.
(4) Employment of mid-career workers
Our company proactively employs mid-career workers (including workers whose employment status is changed from the contract employee to the regular employee) so as to secure work-ready human resources, and mid-career workers account for about 80% of all of our employees, playing active roles in every level and post. We will continuously endeavor to further expand diversity in our company through proactive mid-career employment.

[Supplementary principle 3-1-3 Initiatives on sustainability]
In the Basic Sustainability Promotion Policy, our company clearly states the identification of material issues, the resolution of social issues, and the role of the Board of Directors, and in the "Medium-Term Management Plan 2025" disclosed on April 12, 2023, our company discloses medium-term targets for "material issues," which are common for us and society, based on risks and profit opportunities, in addition to our corporate philosophy (PURPOSE) and important themes in our management strategy.
Regarding human capital, to ensure the company's sustainable growth, we will maximize employees' work engagement by proactively investing in the people we work with and the environment to create a workplace that attracts professionals and is rewarding to work in. By improving the number and quality of our human capital, we aim to realize our corporate philosophy (PURPOSE) by establishing a cycle of improving the quality of our services, providing them to our clients, improving our earnings, and giving back to society. As performance indicators, we collect and analyze the ratios of female directors and female managers, investment in training for human resource development, and the number of rotations to refine our human investment measures, thereby striving for long-term and sustainable improvement of corporate value.
Regarding investment in intellectual property, our "Medium-Term Management Plan 2025" calls for deepening our CX (customer experience) operations, and it is making strategic investments in cutting-edge technologies such as AI.
We assume that risks and profit opportunities related to climate change will have a small impact on our business activities and profit and that the environmental impact of our business activities will also be small.
On the other hand, the issue of climate change is a common global challenge, and the company also regards it as one of its most important management issues. At the Board of Directors meeting held in April 2022, the company formulated and resolved specific targets for greenhouse gas (GHG) emission reduction rates for 2025, 2030, and 2040. In addition, these target values were recognized by "SBT Initiative" in January 2024. In addition to introducing renewable energies to our operational bases, we engage in initiatives for reducing greenhouse gases (GHG), such as installing solar power generation facilities.
In the future, the company will monitor the established targets, strengthen the governance structure related to the planning and implementation of each measure, and reflect the results in the medium- and long-term strategies and roadmaps as appropriate.

Sustainability-related initiatives are disclosed in our website.
https://www.bell24.co.jp/ja/csr/

[Principle 5-1 Policy for constructive dialogue with shareholders]
In order to achieve sustainable growth and improve mid/long-term corporate value, our company will conduct constructive dialogues with shareholders within an appropriate range and an appropriate method in accordance with the following policies.
(1) Executive officer in charge of IR (CFO) will be designated and said Executive officer (CFO) will manage all dialogues with shareholders.
(2) The IR division will be established under the supervision of Executive officer in charge of IR (CFO) and promote the appropriate exchange of information and organic cooperation among the management planning division, the accounting/financial division, and other related divisions.
(3) We will strive to enrich the dialogues with shareholders through results-briefing sessions held at the time of announcement of interim and full-year financial results, reports for shareholders, our website, etc. in addition to individual interviews.
(4) Shareholders' opinions, etc. grasped through dialogues will be reported to the Executive officer in charge of IR (CFO) and relevant divisions and shared with the Board of Directors when necessary.
(5) In dialogues, we respect the fair disclosure rules, prohibit the acts of conveying information and encouraging transactions, and follow the regulations for preventing insider trading, which specify necessary measures for limiting the retransmission of insider information.
(6) We conduct surveys for identifying substantial shareholders.

(Situation of dialogues with shareholders)
Under the above "policy," the IR section makes efforts to have dialogues with shareholders through various IR activities, including briefing sessions and individual interviews. In the fiscal year ended February 2025, we held IR interviews with a total of about 180 companies. In February 2025, we held a briefing session for individual investors, which was organized by an IR supporting company, to have dialogues with individual investors.
Recently, shareholders and investors have been showing a strong interest in the expansion of a new business foundation based on new technologies, including AI, and the growth of the outsourcing market due to the shrinkage of the working population. Accordingly, we have explained our advantages, initiatives for adopting new technologies, and the importance of investment in human capital. We have received requests for an explanation concerning the concrete direction and image of the medium-term management plan period and our future business from our shareholders and investors. In order to respond, we made additional explanations at the financial results briefing while disclosing "Medium- to Long-Term Growth Scenario," an equity story looking ahead at 2030, and gained understanding from our shareholders and investors as a result.
Regarding "the development of a work environment where diverse human resources can work in diverse styles" on which we place the most importance among common material issues of our company and society, we disclose target indicators related to the ratio of female executives, the ratio of female managers, the ratio of employees with disabilities, and the ratio of employees who have taken childcare leave.
The opinions and requests from shareholders and investors we receive in dialogues are reported at meetings of the board of directors and regular meetings involving section chiefs, to be shared by the management and the IR section when necessary.

[Measures for realizing business administration conscious of capital cost and stock price]
(Policies and recognition of the status quo)
Considering that the business administration deeply conscious of capital cost and profitability is essential for achieving sustainable growth and improving medium/long-term corporate value, our company adopted ROE as one of management indicators, and aims to improve capital profitability by keeping ROE higher than cost of shareholders' equity.
In capital and financial strategies, we are striving to improve corporate value, by allocating the cash inflow through business to shareholder return, investment for growth, and repayment of interest-bearing liabilities in a balanced way.
The cost of shareholders' equity in the fiscal year ended February 2025 is considered to be around 8%, and ROE was higher than that (being 11.7% in the fiscal year ended February 2025 with the average in the past five fiscal years being 13.7%). PBR was around 1.3 as of the end of February 2025, remaining above 1.0 in the past five fiscal years as of the end of each fiscal year. By making efforts to improve profitability and growth potential, we will aim to get higher valuations in the market and improve PBR.

(Concrete measures)
We will implement the following measures for improving our corporate value continuously.
・Implementing and pursuing various measures with the objective of upgrading our services and expanding the business foundation by utilizing new technologies as a step toward boosting revenue and improving profit margin, in accordance with the "Medium- to Long-Term Growth Scenario."
・ While striving to maintain financial soundness, we plan to actively invest over 15 billion yen for growth in three years from the fiscal year ended February 2024.
・ The basic policy is to achieve a consolidated payout ratio of 50%, and the expected dividend amount for the fiscal year ending February 2025 is 60 yen per share. We will strive to increase the dividend amount by expanding profit.
・ In order to improve medium/long-term corporate value, we added sustainability-related items (employees' engagement score, the ratio of female managers, and climate change) to performance-linked indicators for stock-based remuneration for executives.
・ In order to receive higher valuations in the market, we will continue constructive dialogues with shareholders and investors, and further enrich opportunities for dialogues.
The "Medium-Term Management Plan 2025" and "Medium- to Long-Term Growth Scenario" are disclosed in our website.
"Medium-Term Management Plan 2025"
https://contents.xj-storage.jp/xcontents/AS07594/a27ed7b0/3735/4d24/94a6/74103b8e71b2/140120230412545930.pdf
"Medium- to Long-Term Growth Scenario"
https://contents.xj-storage.jp/xcontents/AS07594/a7e26954/d660/4148/84a1/6c6b213c3ce5/140120250409511440.pdf?_fsi=Kc8pSdTp

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