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Consolidated financial results for the fiscal year ended February 28, 2026 [IFRS]

April 8, 2026

Company name: BELLSYSTEM24 Holdings, Inc.

Stock exchange listing: Tokyo

Stock exchange code: 6183

URL: <https://www.bell24.co.jp/en/>

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Scheduled date of Ordinary General Meeting of Shareholders: May 27, 2026

Scheduled date of start of dividend payment: May 28, 2026

Scheduled date of filing of annual securities reports: May 25, 2026

Supplementary documents for financial results: Yes

Financial results briefing: Yes

(Figures are rounded to the nearest million yen)

1. Consolidated financial results for the fiscal year ended February 28, 2026 (From March 1, 2025 to February 28, 2026)

(1) Consolidated operating results

(Percentages represent year-on-year changes)

	Revenue		Operating income		Income before income taxes		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended February 28, 2026	145,826	1.5	12,652	9.2	12,290	9.4	8,359	1.2
February 28, 2025	143,607	(3.4)	11,587	0.9	11,232	0.1	8,264	5.0

	Net income attributable to owners of the parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Millions of yen	%	Yen	Yen
Fiscal year ended February 28, 2026	8,181	2.2	8,018	1.9	110.22	110.06
February 28, 2025	8,003	6.1	7,866	(1.9)	108.81	108.12

	Ratio of net income attributable to owners of the parent	Ratio of income before income taxes to total assets	Ratio of operating income to revenue
	%	%	%
Fiscal year ended February 28, 2026	11.4	7.1	8.7
February 28, 2025	11.7	6.4	8.1

(Reference) Equity in earnings (losses) of affiliates

Fiscal year ended February 28, 2026: 377 million yen

Fiscal year ended February 28, 2025: 177 million yen

(2) Consolidated financial position

	Total assets	Total equity	Total equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent	Equity per share attributable to owners of the parent
	Millions of yen	Millions of yen	Millions of yen	%	Yen
As of February 28, 2026	169,821	74,782	73,928	43.5	994.38
February 28, 2025	174,413	70,837	70,160	40.2	953.69

(3) Consolidated cash flows

	Operating activities	Investing activities	Financial activities	Cash and cash equivalents at end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended February 28, 2026	16,533	(571)	(15,782)	7,194
February 28, 2025	17,391	(3,693)	(13,897)	6,992

2. Dividend

	Dividend per share					Total dividends paid (annual)	Payout ratio (consolidated)	Ratio of dividends to equity attribute to owners of the parent (consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended February 28, 2025	—	30.00	—	30.00	60.00	4,425	55.1	6.4
Fiscal year ended February 28, 2026	—	30.00	—	30.00	60.00	4,471	54.4	6.2
Fiscal year ending February 28, 2027 (planned)	—	30.00	—	30.00	60.00		52.5	

(Note) Dividends for the fiscal year ended February 28, 2026 were paid from the capital surplus.
For details, please refer to "Breakdown of dividends paid from capital surplus" below.

3. Consolidated financial results forecast for the fiscal year ending February 28, 2027

(From March 1, 2026 to February 28, 2027)

(Percentages represent changes from the same period of previous fiscal year)

	Revenue		Operating income		Income before income taxes		Net income		Net income attributable to owners of the parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending February 28, 2027	152,000	4.2	13,000	2.7	12,600	2.5	8,700	4.1	8,500	3.9	114.33

(Notes)

(1) Significant changes in the scope of consolidation during the period: No

(2) Changes in accounting policies and accounting estimates

(i) Changes in accounting policies required by IFRS: No

(ii) Changes in accounting policies other than (i) above: No

(iii) Changes in accounting estimates: Yes

(3) Number of issued shares (common share)

(i) Number of issued shares at the end of the period (including treasury shares):

As of February 28, 2026: 74,522,695 shares

As of February 28, 2025: 73,753,310 shares

(ii) Number of treasury shares at the end of the period:

As of February 28, 2026: 177,374 shares

As of February 28, 2025: 186,701 shares

(iii) Average number of shares:

Fiscal year ended February 28, 2026: 74,226,985 shares

Fiscal year ended February 28, 2025: 73,550,361 shares

(Note) 176,977 shares of the Company's stock held by the Trust Account for the Officer Compensation BIP Trust are included in treasury shares.

(Reference) Summary of non-consolidated financial results

1. Non-consolidated operating results (From March 1, 2025 to February 28, 2026)

(1) Non-consolidated operating results

(Percentages represent year-on-year changes)

Fiscal year ended	Operating revenue		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
February 28, 2026	16,910	12.4	2,450	182.1	2,348	228.6	567	—
February 28, 2025	15,043	(16.3)	868	(77.7)	715	(80.7)	(572)	—

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
February 28, 2026	7.63	7.62
February 28, 2025	(7.77)	(7.72)

(2) Non-consolidated financial position

As of	Total assets	Net assets	Ratio of shareholders' equity to total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
February 28, 2026	102,230	43,366	42.4	583.31
February 28, 2025	109,577	46,794	42.7	635.60

(Reference) Shareholders' equity As of February 28, 2026 43,366 million yen As of February 28, 2025 46,759 million yen

(Note) The figures for the non-consolidated financial position are prepared according to Japanese GAAP.

* These consolidated financial results are outside the scope of audit by certified public accountants or audit firms.

* Explanation about the appropriate use of the results forecasts and other special notes

(Note on forward-looking statements, etc.)

Forward-looking statements, including the results forecasts contained in this material, are based on information currently available for the Company and certain assumptions which the Company deems reasonable. The Company does not intend to provide any guarantee on the realization on these forecasts. Actual business results differ materially from the forecasts due to various factors. For matters related to the results forecasts, please refer to Page 6 of the Accompanying Materials.

(Breakdown of dividends paid from capital surplus)

The following table shows a breakdown of dividends paid from capital surplus for the fiscal year ended February 28, 2026.

Record date	Second quarter-end	Fiscal year-end
Dividends per share	30.00 yen	30.00 yen
Total dividends	2,236 million yen	2,236 million yen

(Note) Proportion of the decrease in net assets 0.000

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1. Overview of Operating Results, Etc.

(1) Overview of operating results

During the fiscal year ended February 28, 2025, the Japanese economy showed signs of a moderate recovery driven by the continued improvement of personal spending and capital investment partly due to the improving employment and income situation and the effects of various policy measures. On the other hand, in addition to downside risks from US trade policy, the effects of continued price hikes on personal consumption could put downward pressure on the Japanese economy, and the effects of financial and capital market volatility continue to require caution.

In these circumstances, in the Customer Relationship Management (CRM) business, which is the Group's core business, the transformation of its business model into a solution-based model that promises higher profit margins through the use of new technologies such as generative AI is key. In such a market environment, we are striving to improve the quality of operations and added value, while also driving the development of new business domains through expansion of customer support domains in line with diversification of customer contact points and data utilization.

In the fiscal year, by accelerating the three priority measures in our Mid-term Management Plan, which are human resources (maximizing the active participation of our workforce of 40,000 employees), stylization (achieving more sophisticated data utilization), and co-creation (developing the NEW BPO areas), we have sought to achieve sustainable growth.

In terms of stylization (achieving more sophisticated data utilization), we launched BellCloud+CX, a generative AI-equipped CX cloud-based contact center platform. This solution uses NiCE's proprietary generative AI-driven CX solution NiCE CXone Mpower in OEM form and combines it with the BellSystem24 Group's extensive operational expertise to shape a next-generation contact center platform. In addition to basic PBX functions such as telephone lines and call recording, various other features can be used on the same platform, from digital support such as omni-channel handling and AI bots, to workforce management, operator evaluation, quality control and other knowledge management aspects, and generative AI features such as translation, real-time voice recognition and call summaries. This enables the seamless use of data accumulated via diverse measures in the improvement of CX, which increases our clients' operational efficiency and improves their CX. In addition, we launched the Hitotonari AI service jointly with THINKER Inc., a subsidiary of the Company that specializes in data marketing. Using generative AI, the service infers customer needs from phone data and chat logs at the contact center as well as other voice-of-the-customer (VOC) data. This service scores customers' life events and possible interests to estimate their needs, which can be used to propose optimal products, estimate their new product needs, distribute ads to acquire new customers and conduct other marketing activities. It can also be used to improve sales activities and customer response operations. Working closely with customers that want to utilize VOC in their marketing, we provide a one-stop solution including services ranging from consulting to the implementation of marketing measures.

We also launched our condominium management BPO service with the establishment of new business process outsourcing (BPO) centers dedicated to condominium management operations at our business sites in Ikebukuro and Sapporo. The BPO services we traditionally provided to condominium management operators were centered on day-to-day management support services such as phone and e-mail points of contact, checks and the creation of documents. To support the digital transformation of operations and address business challenges, such as the labor shortage and workstyle reforms, we have expanded our support services to include a wide range of operations aligned with the long-term life cycles of condominiums, including customer acquisition marketing, management association contracts, lifestyle support services and asset value enhancement measures. This helps reduce the workload of condominium management operators, enabling them to concentrate on core businesses to increase tenant satisfaction.

As part of our co-creation efforts (to develop NEW BPO areas), we completed the development of "Knowledge Generator." As our first solution, "Knowledge Generator" carves out some of the processes of "Hybrid Operation Loop," the contact center automation solution that is currently under development through the activities of GenAI Co-Creation Lab. "Knowledge Generator" is proprietary technology for automatically generating highly accurate knowledge from phone recording data in line with the global KCS (Knowledge-Centered Service) principles for knowledge generation. This will make it possible to shorten the enormously time-consuming process of developing knowledge in line with the KCS methodology from phone recording data, making the process far more efficient. We are conducting demonstration

experiments for “Knowledge Generator” in collaboration with several companies, including a major insurance company, and checking the accuracy in anticipation of actual application.

In collaboration with ITOCHU Corporation, we also launched “Co-MR,” an information provision support service for the aggregation of data about the MR (medical representative) activities of pharmaceutical companies at contact centers. With points of contact between MRs and doctors decreasing due to restrictions on visits to medical institutions and doctor work style reforms, this service leverages the ITOCHU Group’s strategy partnering experience and partner alliances in the medical domain and our qualified personnel and other experts in the medical domain and our contact center know-how to provide end-to-end support for information provision activities. This will lead to a reduction in MR hours and the expansion of prescriptions through the more efficient provision of information about the proper use of pharmaceuticals and through the provision of information to medical professionals in areas that are difficult to visit and the acquisition of appointments with them.

Furthermore, in collaboration with AVILEN, Inc. (AVILEN) and ITOCHU Corporation, we have launched a solution comprehensively supporting the development and implementation of custom AI agents and the reskilling of employees to enable them to be AI professionals and BPO services. This solution is designed for companies that want to introduce generative AI and AI agents, as well as companies that have already introduced them but have not yet achieved results. Through collaboration (joint creation) with client companies, professionals across business process innovation, AI implementation, and BPO will jointly establish a project structure with each client, conduct detailed hearings to understand on-site issues, and enable the efficient and effective introduction of AI agents. Through this partnership, the three companies will work as a unified team to deliver results both in management and on-site. This will be accomplished by combining BELLSYSTEM24’s consulting expertise in business process transformation and solution operations with AVILEN’s strengths in AI development and its team of approximately 400 engineers, together with ITOCHU’s group company network that supports corporate DX.

Regarding human resources (maximizing the active participation of our workforce of 40,000 employees), we implemented measures that focused on helping employees maintain and improve their physical and mental health and supporting their ability to balance their careers with their need to care for children or provide nursing care in line with our health management strategies. To promote mental healthcare, we set the target of increasing the percentage of employees that undergo stress checks. We sent messages from management and regularly distributed information visualizing the achievements of individual departments to encourage them to undergo stress checks. To support employees’ ability to balance their careers with their need to care for children or provide nursing care, our work-life balance support team communicated information about childcare leave for male employees and other programs during internal networking activities and planned and organized roundtable discussions and other events. We also held separate roundtable discussions involving management and employees with experience providing nursing care and male and female employees who have taken childcare leave. These events enabled us to clearly understand the situation and the issues that workers were facing so that we could improve the programs and measures. This resulted in our being recognized as a KENKO Investment for Health outstanding organization in 2026. This was our fourth consecutive year being recognized in the large enterprise category of this program jointly operated by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi.

We were also certified as a Safety and Health Superior Enterprise under a program run by the Ministry of Health, Labour and Welfare that publicly recognizes companies with excellent safety and health. The Safety and Health Superior Enterprise is an enterprise recognized by the Ministry of Health, Labour and Welfare as a company that actively works on measures to ensure the safety and health of workers and maintains and improves high safety and health standards. To be certified, an enterprise must implement proactive initiatives in a wide range of areas, such as measures to maintain and improve the health of workers, mental health measures, measures to prevent overwork, and safety management, in addition to meeting basic criteria such as no major breaches of laws and regulations related to occupational safety and health in the past 3 years. We observe laws, regulations and other requirements related to industrial safety and health and provide education and training to our employees to increase their awareness of safety and health. We also strive to help them maintain and improve their physical and mental health and work to improve the workplace environment to ensure they are able to perform at their best. We received this certification in recognition of efforts to limit long working hours,

collaborative activities with the health insurance association, the provision of training and lectures on mental health measures, including lectures by outside experts, the establishment of rules for and interviews after returning to work after taking leave, and other initiatives that were described as outstanding.

We were also awarded a four-star rating in the Nikkei Sustainability Comprehensive Survey Smart Work Management Edition, published by Nikkei Inc. In this survey, companies effectively using and increasing their investment in their human resources to innovate, increase productivity, and maximize their corporate value are selected. We obtained a four-star rating in recognition of the diverse and flexible workstyles of our employees, our promotion of diversity regarding the utilization of human resources, and the wide variety of career paths we have regarding our investment in human resources. Additionally, we stepped up its Sustainable Center initiatives at the Kobe Solution Center in Sanda in Hyogo Prefecture, one of its contact centers, as part of its efforts to help realize a sustainable society. This is an example of our initiatives regarding environmental, social and governance (ESG) issues. Specifically, the Center introduced an LED-based indoor hydroponic farm and an in-house café to further expand opportunities for people with disabilities and other diverse groups in the domain of diversity of our human resources and their work styles. Installed in a workspace in the center, the LED farm absorbs CO₂ in the space to help improve the workplace environment. Regarding the conservation of the global environment, we installed solar power generation systems in car and bicycle parking facilities within the center as an initiative for generating and using renewable energy with a view toward the achievement of Group-wide carbon neutrality in 2040. The electricity generated is used to power the LED farm, ensuring that the initiative is sustained by clean energy.

Results for each business segment are as follows.

(CRM Business)

In the CRM business, revenue was 145,556 million yen (up 1.6% year on year) due to successful revenue improvement measures. At the same time, income before income taxes was down 3.3% year on year to 11,687 million yen. This reflects the posting of 3,760 million yen in gain on partial sale of shares of subsidiaries in the previous fiscal year.

(Others)

The revenue of the Others segment amounted to 270 million yen (down 34.4% year on year) due to a decline in income from the sale of content. On the other hand, income before income taxes stood at 603 million yen (loss before income taxes of 856 million yen in the previous fiscal year) due to the partial transfer of the content business through an absorption-type split.

As a result of the above, the financial results for the fiscal year under review were revenue of 145,826 million yen (up 1.5% year on year), operating income of 12,652 million yen (up 9.2%), income before income taxes of 12,290 million yen (up 9.4%), and net income attributable to owners of the parent of 8,181 million yen (up 2.2%).

(2) Overview of financial position

(Millions of yen)

	As of February 28, 2025	As of February 28, 2026	Change
Total assets	174,413	169,821	(4,592)
Total liabilities	103,576	95,039	(8,537)
Ratio of equity attributable to owners of the parent (%)	40.2	43.5	

Current assets increased 1,675 million yen from the end of the previous fiscal year to 29,717 million yen, mainly due to an increase of 1,651 million yen in trade receivables.

Non-current assets amounted to 140,104 million yen, decreasing 6,267 million yen from the end of the previous fiscal year, mainly due to decreases of 6,007 million yen in property, plant and equipment and of 516 million yen in other financial assets.

As a result, total assets decreased 4,592 million yen from the end of the previous fiscal year, to 169,821 million yen.

Current liabilities decreased by 11,623 million yen from the end of the previous fiscal year to 45,790 million yen, mainly due to a 13,499 million yen decline in borrowings, despite a 909 million yen increase in income taxes payable and a 549 million yen rise in liabilities for employee benefits.

Non-current liabilities increased by 3,086 million yen from the end of the previous fiscal year to 49,249 million yen, driven primarily by an 8,191 million yen increase in long-term borrowings offsetting a 4,692 million yen decrease in other long-term financial liabilities.

As a result, total liabilities decreased 8,537 million yen from the end of the previous fiscal year, to 95,039 million yen.

Equity increased 3,945 million yen from the end of the previous fiscal year, to 74,782 million yen mainly due to an increase of 8,181 million yen in retained earnings, partially offset by a decrease of 4,263 million yen in capital surplus.

(3) Overview of cash flows

(Millions of yen)

	Fiscal year ended February 28, 2025	Fiscal year ended February 28, 2026	Change
Operating activities	17,391	16,533	(858)
Investing activities	(3,693)	(571)	3,122
Financial activities	(13,897)	(15,782)	(1,885)
Cash and cash equivalents at end of period	6,992	7,194	202

Cash and cash equivalents at the end of the fiscal year under review increased 202 million yen from the end of the previous fiscal year to 7,194 million yen. The cash flows in the fiscal year under review and factors relating to each are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities was 16,533 million yen (as compared to net cash provided of 17,391 million yen in the same period of the previous fiscal year). This mainly reflects income before income taxes of 12,290 million yen, depreciation and amortization of 8,947 million yen, income tax paid of 3,361 million yen and an increase in trade receivables of 1,655 million yen.

(Cash flows from investing activities)

Net cash used in investing activities was 571 million yen (as compared to 3,693 million yen used in the same period of the previous fiscal year). This mainly reflects proceeds from the refund of leasehold and guarantee deposits of 580 million yen, purchases of property, plant and equipment totaling 598 million yen, and purchases of intangible assets amounting to 427 million yen.

(Cash flows from financing activities)

Net cash used in financing activities was 15,782 million yen (as compared to 13,897 million yen used in the same period of the previous fiscal year). This primarily reflects proceeds from long-term borrowings of 18,000 million yen, repayments of long-term borrowings of 15,600 million yen, a decrease in short-term borrowings of 7,700 million yen, repayments of lease liability of 6,584 million yen, and dividends paid of 4,443 million yen.

(Reference) Cash flow-related indicators

	Fiscal year ended February 28, 2022	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024	Fiscal year ended February 28, 2025	Fiscal year ended February 28, 2026
Ratio of equity attributable to owners of the parent (%)	33.1	36.4	38.0	40.2	43.5
Ratio of equity attributable to owners of the parent based on market value (%)	55.4	60.4	71.3	53.8	64.9
Ratio of interest-bearing liabilities to cash flow (years)	5.7	4.6	6.2	4.5	4.1
Interest coverage ratio (times)	28.6	38.3	33.1	33.9	25.0

(Note) Ratio of equity attributable to owners of the parent = Total equity attributable to owners of the parent / Total assets

Ratio of equity attributable to owners of the parent based on market value: Market capitalization / Total assets

Ratio of interest-bearing liabilities to cash flow: Interest-bearing liabilities / Operating cash flows

Interest coverage ratio: Operating cash flows / Interest payments

1. Each indicator is calculated based on consolidated financial data.
2. Market capitalization is the closing stock price at the end of the fiscal year multiplied by the number of shares issued at the end of the period (treasury shares are not included).
3. Operating cash flows are cash flows from operating activities in the consolidated statements of cash flows. Interest-bearing liabilities include all liabilities on the consolidated statements of financial position that incur interest.

(4) Future outlook

The Group aims to increase revenue primarily from its core CRM business by increasing transactions with existing clients and by acquiring new clients and capturing outsourcing demand, leveraging its network of partner companies, including ITOCHU Corporation and TOPPAN Inc. Furthermore, the Group intends to increase profit margins by developing next-generation contact centers utilizing the data and expertise it has accumulated.

The Group will strive to create business value that exceeds the expectations of its client companies by creating new customer experiences using generative AI and customer service data.

The Group will implement new personnel systems and human resource development initiatives to create a company where professionals can work and have job satisfaction. Additionally, the Group will continue to foster an environment that supports more diverse working styles by implementing training programs aimed at promoting women's participation, establishing in-house daycare centers and opening education and training facilities. The Group will further promote diversity and inclusion (D&I) and health and productivity management, thereby encouraging the active participation of diverse human resources.

(5) Basic policy for profit distribution and dividends for the fiscal year under review and the next fiscal year

The Group understands that the return of profits to shareholders is one of its most important business priorities. Based on this understanding, its fundamental policy in the medium term is to distribute surplus dividends twice a year (interim and year-end) with the goal of achieving a consolidated payout ratio of 50% based on net income attributable to owners of the parent, after comprehensively considering such factors as the necessity of stably and continuously distributing dividends from surplus, and enhancing payout ratios and necessary internal reserves according to the progress of operating performance. For the fiscal year ending February 28, 2027, the Company plans to distribute annual dividends of 60 yen per share, as interim dividends of 30 yen and year-end dividends of 30 yen.

2. Basic Approach towards Selection of Accounting Standards

The Group has been using the International Financial Reporting Standards (IFRS) since the fiscal year ended February 28, 2014 to enhance the international comparability of financial information in capital markets and diversify its fund-raising methods in international markets.

3.Consolidated Financial Statements and Major Notes

(1) Consolidated statements of financial position

	(Millions of yen)	
	As of February 28, 2025	As of February 28, 2026
Assets		
Current assets		
Cash and cash equivalents	6,992	7,194
Trade and other receivables	19,006	20,657
Other financial assets	163	518
Other current assets	1,881	1,348
Total current assets	28,042	29,717
Non-current assets		
Property, plant and equipment	31,563	25,556
Goodwill	94,651	94,669
Intangible assets	2,830	2,439
Investments accounted for using equity method	6,558	6,672
Other financial assets	7,339	6,823
Deferred tax assets	3,174	3,593
Other non-current assets	256	352
Total non-current assets	146,371	140,104
Total assets	174,413	169,821

	(Millions of yen)	
	As of February 28, 2025	As of February 28, 2026
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	5,634	5,820
Borrowings	30,799	17,300
Other short-term financial liabilities	6,031	5,738
Income taxes payable	1,834	2,743
Liabilities for employee benefits	10,813	11,362
Provisions	65	95
Other current liabilities	2,237	2,732
Total current liabilities	<u>57,413</u>	<u>45,790</u>
Non-current liabilities		
Long-term borrowings	23,247	31,438
Other long-term financial liabilities	18,429	13,737
Liabilities for employee benefits	962	572
Provisions	3,303	3,294
Deferred tax liabilities	187	173
Other non-current liabilities	35	35
Total non-current liabilities	<u>46,163</u>	<u>49,249</u>
Total liabilities	<u>103,576</u>	<u>95,039</u>
Equity		
Common stock	27,097	27,456
Capital surplus	(8,058)	(12,321)
Retained earnings	51,385	59,566
Treasury shares	(312)	(296)
Other components of equity	48	(477)
Total equity attributable to owners of the parent	<u>70,160</u>	<u>73,928</u>
Non-controlling interests	677	854
Total equity	<u>70,837</u>	<u>74,782</u>
Total liabilities and equity	<u><u>174,413</u></u>	<u><u>169,821</u></u>

(2) Consolidated statement of income and consolidated statement of comprehensive income

Consolidated statement of income

	(Millions of yen)	
	Fiscal year ended February 28, 2025	Fiscal year ended February 28, 2026
Revenue	143,607	145,826
Cost of sales	(118,195)	(118,309)
Gross profit	25,412	27,517
Selling, general and administrative expenses	(16,182)	(15,606)
Other income	3,988	921
Other expenses	(1,631)	(180)
Operating profit	11,587	12,652
Share of profit (loss) of investments accounted for using equity method	177	377
Financial income	47	35
Financial costs	(579)	(774)
Income before income taxes	11,232	12,290
Income taxes	(2,968)	(3,931)
Net income	8,264	8,359
Net income attributable to:		
Owner of the parent	8,003	8,181
Non-controlling interests	261	178
Net income	8,264	8,359

(Unit: yen)

Earnings per share (attributable to the parent)

Basic	108.81	110.22
Diluted	108.12	110.06

Consolidated statement of comprehensive income

	(Millions of yen)	
	Fiscal year ended February 28, 2025	Fiscal year ended February 28, 2026
Net income	8,264	8,359
Other comprehensive income, net of tax		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(234)	(458)
Share of other comprehensive income of investments accounted for using equity method	(143)	—
Total items that will not be reclassified to profit or loss	(377)	(458)
Items that may be reclassified to profit or loss		
Exchange differences on translating foreign operations	(93)	64
Share of other comprehensive income of investments accounted for using equity method	72	53
Total items that may be reclassified to profit or loss	(21)	117
Total other comprehensive income, net of tax	(398)	(341)
Total comprehensive income	7,866	8,018
Comprehensive income attributable to:		
Owner of the parent	7,613	7,835
Non-controlling interests	253	183
Total comprehensive income	7,866	8,018

(3) Consolidated statement of changes in equity

	(Millions of yen)			
	Common stock	Capital surplus	Retained earnings	Treasury shares
As of March 1, 2024	27,097	(3,826)	43,382	(378)
Net income	—	—	8,003	—
Other comprehensive income	—	—	—	—
Total comprehensive income	—	—	8,003	—
Share-based payments	—	—	—	—
Dividends paid	—	(4,413)	—	—
Purchase of treasury shares	—	—	—	(0)
Disposal of treasury shares	—	(11)	—	66
Increase (decrease) by business combination	—	—	—	—
Loss of control of subsidiaries	—	—	—	—
Written put options over non-controlling interests	—	192	—	—
Total transaction with owners	—	(4,232)	—	66
As of February 28, 2025	27,097	(8,058)	51,385	(312)
Net income	—	—	8,181	—
Other comprehensive income	—	—	—	—
Total comprehensive income	—	—	8,181	—
Exercise of share acquisition rights	359	359	—	—
Forfeiture of share acquisition rights	—	12	—	—
Share-based payments	—	—	—	—
Dividends paid	—	(4,437)	—	—
Purchase of treasury shares	—	—	—	(0)
Disposal of treasury shares	—	(4)	—	16
Written put options over non-controlling interests	—	(193)	—	—
Total transaction with owners	359	(4,263)	—	16
As of February 28, 2026	27,456	(12,321)	59,566	(296)

(Millions of yen)

	Other components of equity	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
As of March 1, 2024	455	66,730	1,009	67,739
Net income	—	8,003	261	8,264
Other comprehensive income	(390)	(390)	(8)	(398)
Total comprehensive income	(390)	7,613	253	7,866
Share-based payments	(17)	(17)	—	(17)
Dividends paid	—	(4,413)	(231)	(4,644)
Purchase of treasury shares	—	(0)	—	(0)
Disposal of treasury shares	—	55	—	55
Increase (decrease) by business combination	—	—	271	271
Loss of control of subsidiaries	—	—	(625)	(625)
Written put options over non-controlling interests	—	192	—	192
Total transaction with owners	(17)	(4,183)	(585)	(4,768)
As of February 28, 2025	48	70,160	677	70,837
Net income	—	8,181	178	8,359
Other comprehensive income	(346)	(346)	5	(341)
Total comprehensive income	(346)	7,835	183	8,018
Exercise of share acquisition rights	(180)	538	—	538
Forfeiture of share acquisition rights	(12)	—	—	—
Share-based payments	13	13	—	13
Dividends paid	—	(4,437)	(6)	(4,443)
Purchase of treasury shares	—	(0)	—	(0)
Disposal of treasury shares	—	12	—	12
Written put options over non-controlling interests	—	(193)	—	(193)
Total transaction with owners	(179)	(4,067)	(6)	(4,073)
As of February 28, 2026	(477)	73,928	854	74,782

(4) Consolidated statement of cash flows

	(Millions of yen)	
	Fiscal year ended February 28, 2025	Fiscal year ended February 28, 2026
Cash flows from operating activities:		
Income before income taxes	11,232	12,290
Depreciation	8,919	8,356
Amortization	637	591
Impairment losses	1,567	102
Loss on disposal or sales of property, plant and equipment	23	54
Proceeds from loss of control of subsidiaries	(3,539)	—
Loss (gain) on sale of shares of subsidiaries	(221)	—
Loss (gain) on sale of businesses	—	(637)
Share of (profit) loss of investments accounted for using equity method	(177)	(377)
Financial income	(47)	(35)
Financial costs	579	774
Decrease (increase) in trade and other receivables	162	(1,655)
Increase (decrease) in trade and other payable	322	(185)
Increase (decrease) in payable for consumption tax	972	735
Other, net	(321)	151
Subtotal	20,108	20,164
Interest and dividends received	196	392
Interest paid	(513)	(662)
Income taxes paid	(2,400)	(3,361)
Net cash provided by (used in) operating activities	17,391	16,533
Cash flows from investing activities:		
Payments into time deposits	—	(50)
Purchase of property, plant and equipment	(1,147)	(598)
Purchase of intangible assets	(531)	(427)
Proceeds from sale of businesses	—	300
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(417)	—
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(780)	—
Purchase of securities	(700)	(150)
Payments for guarantee deposits	(102)	(76)
Proceeds from guarantee deposits	271	580
Payments for asset retirement obligations	(287)	(150)
Other, net	0	—
Net cash provided by (used in) investing activities	(3,693)	(571)
Cash flows from financial activities:		
Increase (decrease) in short-term borrowings	1,625	(7,700)
Proceeds from long-term borrowings	5,000	18,000
Repayment of long-term borrowings	(9,000)	(15,600)
Dividends paid	(4,413)	(4,437)
Dividends paid to non-controlling interests	(231)	(6)
Repayments of lease liability	(6,911)	(6,584)
Proceeds from issuance of shares	—	539
Proceeds from sale of treasury shares	33	6
Purchase of treasury shares	(0)	(0)
Net cash provided by (used in) financial activities	(13,897)	(15,782)
Effect of exchange rate change on cash and cash equivalents	(22)	22
Net increase (decrease) in cash and cash equivalents	(221)	202
Cash and cash equivalents at the beginning of the period	7,213	6,992
Cash and cash equivalents at the end of the period	6,992	7,194

(5) Notes to consolidated financial statements

(Notes on going concern assumption)

Not applicable.

(Changes in accounting estimates)

(Changes in useful lives and lease terms of property, plant and equipment)

During the fiscal year ended February 28, 2025, the Company decided to terminate the leases of some leased offices. As a result, the Company changed its estimates of the useful lives of buildings and structures (property, plant and equipment) and the lease terms of right-of-use assets (property, plant and equipment).

As a result of these changes in estimates, property, plant and equipment decreased by 1,849 million yen and other long-term financial liabilities decreased by 1,872 million yen. Operating income and income before income taxes each declined by 124 million yen.

(Segment information)

The Group's reportable segments are components of the Group for which separate financial information is available and which are subject to periodic review by the Board of Directors to determine the allocation of management resources and evaluate their performance. The Group's business segments consist of the CRM business segment and the Others business segment, and business segmentation is based on comprehensive consideration of service type and characteristics, markets and other factors.

The Group is primarily involved in the CRM business, which deals with the operation of contact centers and other operations incidental thereto.

This business accounts for the majority of the absolute amounts of the Group's reported revenue and net profit or loss and the amount of its reported assets. Accordingly, the Group's only reportable segment is the CRM business.

Internal transfers between segments are generally based on market prices.

Fiscal year ended February 28, 2025

	(Millions of yen)			
	CRM Business	Others	Adjustments and eliminations	Consolidated
Revenue				
Revenue from external customers	143,196	411	—	143,607
Intersegment revenue (*1)	—	321	(321)	—
Total revenue (*2)	143,196	732	(321)	143,607
Depreciation and amortization	(9,534)	(22)	—	(9,556)
Impairment losses	(555)	(1,012)	—	(1,567)
Share of profit (loss) of investments accounted for using equity method	177	—	—	177
Financial income	47	0	—	47
Financial costs	(579)	—	—	(579)
Segment income				
Income before income taxes	12,088	(856)	—	11,232
Other disclosures				
Capital expenditures	1,456	133	—	1,589

(*) 1. Intersegment revenue is eliminated on consolidation and included in the "Adjustments and eliminations" section.

2. Revenue is revenue recognized from all contracts with customers.

Fiscal year ended February 28, 2026

(Millions of yen)

	CRM Business	Others	Adjustments and eliminations	Consolidated
Revenue				
Revenue from external customers	145,556	270	—	145,826
Intersegment revenue (*1)	—	279	(279)	—
Total revenue (*2)	145,556	549	(279)	145,826
Depreciation and amortization	(8,920)	(27)	—	(8,947)
Impairment losses	—	(102)	—	(102)
Share of profit (loss) of investments accounted for using equity method	377	—	—	377
Financial income	35	(0)	—	35
Financial costs	(774)	—	—	(774)
Segment income				
Income before income taxes	11,687	603	—	12,290
Other disclosures				
Capital expenditures	1,394	59	—	1,453

- (*) 1. Intersegment revenue is eliminated on consolidation and included in the "Adjustments and eliminations" section.
2. Revenue is revenue recognized from all contracts with customers.

(Impairment of goodwill)

(i) Cash-generating unit

The Group's cash-generating units and the carrying amount of goodwill for each unit for the consolidated fiscal year under review are as listed below.

(Millions of yen)

	As of February 28, 2025	As of February 28, 2026
BELLSYSTEM24, Inc. (CRM Business)	93,193	93,193
BELLSYSTEM24 VIETNAM Inc.	948	966
Others	510	510
Total	94,651	94,669

In principle, the Group considers each company or business as a cash-generating unit for goodwill impairment tests and allocates goodwill to those expected to benefit from synergy resulting from business combinations. A cash-generating unit is the smallest group of assets identified as a unit that generates cash inflows that are generally separate from the cash inflows generated by other assets or asset groups.

The Group performs an impairment test annually regardless of whether there are any signs of impairment. The Group determines when to conduct a goodwill impairment test for each cash-generating unit in consideration of the timing of the formulation of relevant business plans. Additionally, the Group conducts quarterly assessments of any signs of impairment. If any signs are detected, an impairment test is performed.

In the previous consolidated fiscal year under review, the Group reviewed the most recent results and future business plans of BELLSYSTEM24 VIETNAM Inc. in the CRM business segment and BELLSYSTEM24, Inc. (content business) in the Others business. The estimated recoverable amount is lower than the carrying amount, and impairment losses of 1,567 million yen were recorded.

The impairment losses are recorded as part of other expenses in the consolidated statement of income. Management has determined that the other cash-generating units are not impaired.

In the consolidated fiscal year under review, management determined that there were no impairment losses in any cash-generating units following the conducting of impairment tests.

(ii) Key assumptions used in the calculation of value in use

The assumptions that significantly affect the calculation of value in use for each cash-generating unit are as follows:

- Business plan
- Discount rate
- Growth rate used for calculating the going concern value

CRM Business (BELLSYSTEM24, Inc.)

In goodwill impairment testing, the recoverable amount is determined by calculating value in use. Value in use is determined by discounting the estimated future cash flow calculated using a projected growth rate of 2.0% based on the business plan for the next consolidated fiscal year approved by the Board of Directors. Projected revenue in the CRM business is the assumption with the most significant impact on the calculation of value in use. This assumption reflects historical data. Additionally, industry growth rates published by external organizations are also considered. The CRM outsourcing market, where the Group's CRM business operates, and other relevant markets are expanding steadily.

In this market environment, the Group plans to continue to work for customers acquired in previous years, acquire new customers leveraging its diverse network of companies, including ITOCHU Corporation and TOPPAN Inc., and increase revenue through the full-scale operation of AI-related businesses.

CRM Business (BELLSYSTEM24 VIETNAM Inc.)

In goodwill impairment testing, the recoverable amount is determined by calculating value in use. Value in use is determined by discounting an estimated future cash flow calculated using a projected growth rate of 3.2% based on the three-year business plan approved by management. Projected revenue in the CRM business is the assumption with the most significant impact on the calculation of value in use. This assumption reflects historical data. Additionally, Vietnam's economic growth rate is also considered. BELLSYSTEM24 VIETNAM Inc. business plan, we intend to leverage our Group's diverse corporate network to acquire new customers.

Growth rates used to project future cash flows for each cash-generating unit beyond the duration of the business plans are determined based on the conditions of the country and industry in which the cash-generating unit operates. These growth rates do not exceed the long-term average growth rate of the industry relevant of the unit.

The discount rate used for calculating going concern value is a figure before tax and reflects risk specific to the relevant cash-generating unit. The discount rate was calculated with the help of an independent appraiser. The rate was determined by comparing it to figures of companies that are similar to each cash-generating unit. Market interest rates and the size of the company associated with each cash-generating unit are taken into consideration.

The table below shows discount rates before tax used to calculate value in use for the each cash-generating unit.

	(%)	
	As of February 28, 2025	As of February 28, 2026
BELLSYSTEM24, Inc. (CRM Business)	9.6	10.7
BELLSYSTEM24 VIETNAM Inc.	16.0	13.2

(iii) Sensitivity analysis

The discount rates for goodwill impairment tests were calculated with the help of independent appraisers. The representative value from the range of calculations was used.

If the highest value in the range of calculations is used as the discount rate for the impairment test for the consolidated fiscal year under review, the impairment losses are as stated below. even if the key assumptions used in the impairment test were to change within a range that is reasonably foreseeable, we believe that the recoverable amount exceeds the carrying amount and that the likelihood of a material impairment occurring is low.

	Discount rate (before tax) (%)	Impairment losses (Millions of yen)
BELLSYSTEM24, Inc. (CRM Business)	11.4	—
BELLSYSTEM24 VIETNAM Inc.	13.6	—

(Borrowings)

The breakdown of borrowings is as follows.

Long-term borrowings are classified as financial liabilities measured at amortized cost.

(Millions of yen)

	As of February 28, 2025	As of February 28, 2026	Average interest rate (%) (*)	Repayment date
Short-term borrowings	15,800	8,100	1.14	—
Current portion of long-term borrowings	14,999	9,200	1.56	—
Long-term borrowings	23,247	31,438	1.43	November 2026 – August 2030
Total	54,046	48,738	—	—
Current liabilities	30,799	17,300	—	—
Non-current liabilities	23,247	31,438	—	—
Total	54,046	48,738	—	—

(*) The average interest rates presented is a weighted average interest rate applicable to the balance at the end of the consolidated fiscal year under review.

The Company has commitment line agreements, overdraft agreements and other agreements for borrowings. Unused overdraft facility available under these agreements are as follows.

(Millions of yen)

	As of February 28, 2025	As of February 28, 2026
Borrowings under commitment line agreements		
Financing limit	15,000	15,000
Outstanding borrowings	13,300	7,600
Unused portions	1,700	7,400
Borrowings under overdraft agreements		
Financing limit	10,500	11,500
Outstanding borrowings	2,500	500
Unused portions	8,000	11,000

(Earnings per share)

Basic earnings per share are calculated by dividing net income attributable to common shareholders of the parent by the weighted average number of issued basic common shares during the fiscal year under review.

Diluted earnings per share are calculated by dividing net income attributable to common shareholders of the parent by the total of two figures: the weighted average number of issued basic common shares during the fiscal year under review and the weighted average number of common shares that would be issued if all potential common shares having dilutive effects were converted into common shares.

The number of shares of the Company held by the Officer Compensation BIP Trust is subtracted from the weighted average number of basic common shares because these shares are included in treasury shares in the calculation of basic earnings per share and diluted earnings per share.

The basis for the calculation of basic earnings per share and diluted earnings per share is as follows:

	Fiscal year ended February 28, 2025	Fiscal year ended February 28, 2026
Net income attributable to owners of the parent (Millions of yen)	8,003	8,181
Amount not attributable to common shareholders of the parent (Millions of yen)	—	—
Net income used to calculate basic earnings per share (Millions of yen)	8,003	8,181
Net income used to calculate diluted earnings per share (Millions of yen)	8,003	8,181
Weighted average number of basic common shares (Thousand shares)	73,550	74,227
Effects of potential dilutive common shares (Thousand shares)		
Increase attributable to stock options	421	55
Increase attributable to the Officer Compensation BIP Trust	48	53
Weighted average number of diluted common shares (Thousand shares)	74,019	74,335
Basic earnings per share (Yen)	108.81	110.22
Diluted earnings per share (Yen)	108.12	110.06

(Significant subsequent events)

Not applicable.