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Consolidated financial results for the nine months ended November 30, 2024

[IFRS]

January 9, 2025

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Scheduled date of start of dividend payment: —

Preparation of 3Q earnings presentation material: Yes

Holding of 3Q earnings briefing: No

(Figures are rounded to the nearest million yen)

1. Consolidated financial results for the nine months ended November 30, 2024

(From March 1, 2024 to November 30, 2024)

(1) Consolidated operating results

(Percentages represent year-on-year changes)

	Revenue		Operating income		Income before income taxes		Net income	
Nine Months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
November 30, 2024	107,943	(4.5)	7,366	(17.4)	7,141	(18.3)	4,864	(21.8)
November 30, 2023	113,032	(3.8)	8,921	(24.9)	8,738	(23.9)	6,221	(21.0)

	Net income attributable to owners of the parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
Nine Months ended	Millions of yen	%	Millions of yen	%	Yen	Yen
November 30, 2024	4,681	(21.9)	4,585	(28.0)	63.64	63.22
November 30, 2023	5,992	(21.8)	6,370	(22.3)	81.49	80.94

(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
As of	Millions of yen	Millions of yen	Millions of yen	%
November 30, 2024	172,709	67,708	66,755	38.7
February 29, 2024	175,465	67,739	66,730	38.0

2. Dividend

	Dividend per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 29, 2024	-	30.00	-	30.00	60.00
Fiscal year ending February 28, 2025	-	30.00	-		
Fiscal year ending February 28, 2025 (planned)				30.00	60.00

(Notes) 1. Revision of most recently announced dividend forecasts: No

For details, please refer to “(3) Explanation regarding consolidated financial results forecasts and other forward-looking statements” on Page 5 of the Accompanying Materials.

2. Dividends for the six months ended August 31, 2024 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, 2025

(From March 1, 2024 to February 28, 2025)

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

	Revenue		Operating income		Income before income taxes		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ending February 28, 2025	153,000	2.9	12,500	8.9	12,200	8.7	8,380	6.5

	Net income attributable to owners of the parent		Basic earnings per share
	Millions of yen	%	Yen
Fiscal year ending February 28, 2025	8,000	6.0	109.14

(Note) Revisions of financial forecast in the latest announcement: No

For details, please refer to “(3) Explanation regarding consolidated financial results forecasts and other forward-looking statements” on Page 5 of the Accompanying Materials.

(Notes)

(1) Changes in status of significant subsidiaries 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 November 30, 2024:	73,753,310 shares
As of February 29, 2024:	73,753,310 shares

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

As of November 30, 2024:	192,439 shares
As of February 29, 2024:	225,983 shares

(iii) Average number of shares:

Nine months ended November 30, 2024:	73,546,754 shares
Nine months ended November 30, 2023:	73,538,894 shares

(Note) The Company's shares held by the Trust Account for the Officer Compensation BIP Trust are included in treasury shares.

* Review of the attached quarterly consolidated financial statements by certified public accountants or audit firms:

Yes (optional)

* 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 5 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 six months ended August 31, 2024.

Record date	Second quarter-end
Dividend per share	30.00 yen
Total dividends	2,213 million yen

(Note) Proportion of the decrease in net assets 0.000

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1. Qualitative Information on Quarterly Financial Results for the Nine Months under Review

(1) Explanation of operating results

During the nine months ended November 30, 2024, the Japanese economy showed signs of a moderate recovery driven by continued improvement in personal spending and capital investment partly due to the improving employment and income situation and the effects of various policy measures. However, persistent high interest rates in Europe and the US, global economic downturn caused by continued stagnation of China's real estate market, future policy movements in the US, and other overseas developments still need to be monitored as they could impact the cost of living and economic conditions in Japan. In addition, every company, regardless of sector and size, is facing the challenge of addressing labor shortages as their business performance improves.

In the Customer Relationship Management (CRM) business, which is the Group's core business, business model transformation to 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. By accelerating the three priority measures under our Mid-term Management Plan, defined as "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.

During the nine months ended November 30, 2024, in a "stylization" initiative, we started developing solutions for the provision of "Hybrid Operation Loop," utilizing generative AI for contact center automation. This initiative combines the state-of-the-art technologies of tech companies such as Microsoft Japan Co., Ltd. and our wide-ranging contact center knowhow to design our own unique hybrid human-artificial intelligence loop processes based on the "Human-in-the-Loop" concept whereby human beings interact with AI to complete tasks. The aim of the initiative is to achieve contact center automation that can be customized to meet the specific needs of different industries. We aim to launch the new service in 2025 following service validation based on actual data obtained at the support centers of client companies. Furthermore, we began providing a Knowledge CX Design Service, which is intended to build a foundation for introducing generative AI. The target is client companies, which have been struggling to convert knowledge into useable data, as the basis for utilizing generative AI. The service will design and deliver mechanisms for aggregating and consolidating various unstructured data—such as response histories, manuals, and FAQs accumulated at contact centers, and scattered information such as operators' personal notes and tacit knowledge—that are essential for utilizing generative AI, and converting them into useable knowledge as searchable text data that can be easily understood by generative AI. By combining operational design adhering to Knowledge-Centered Service (KCS) processes—a practical process for real-time operation and firm establishment of knowledge at contact centers—with BELLSYSTEM24's own proprietary methods developed by its dedicated consultants, the service aims to contribute to CX improvement by providing fully integrated support from consulting to knowledge management system introduction, operational design, and operation system building.

In "Co-Creation" initiatives, we decided to acquire 51% of the shares of SKY Perfect Customer-relations Corporation (SPCC), a wholly-owned subsidiary of SKY Perfect JSAT Corporation that provides high-quality customer center operations. Through this decision, we aim to accelerate the establishment of an AI-human hybrid contact center leveraging new technologies such as generative AI, in preparation for business expansion in the BPO (Business Process Outsourcing) field driven by factors such as declining labor population. Given the expected labor shortages and difficulty of investing in generative AI at an individual company level, we anticipate an increase in needs such as outsourcing and partnerships aimed at reducing costs and increasing efficiency at in-house contact centers. One of our

goals is to broadly capture these needs and we aim to establish and strongly promote a model case of an advanced contact center utilizing recent technologies such as generative AI. In addition, Thinker Inc., a subsidiary of the Company specializing in data marketing, conducted a joint demonstration of a next-generation generative AI-based word-of-mouth information analysis tool with istyle, Inc., operator of @cosme, Japan's largest comprehensive cosmetics and beauty website. As a result of the demonstration, BELLSYSTEM24, Thinker and istyle were able to verify that the tool can not only provide speedy and concise analysis by generative AI, but may also present new suggestions encompassing data that does not depend on human subjectivity. As a result, they will continue to support product development for the transition to an official service, with the aim of launching in 2025.

In "Human Resources" initiatives, in the PRIDE Index 2024, an index developed by the Japanese voluntary association "work with Pride" to evaluate workplace initiatives related to LGBTQ+, we received the highest Gold rating for a sixth consecutive year. This fiscal year, we implemented initiatives on many different fronts, including providing LGBTQ+ training to all recruitment divisions and collaborating with client companies to create opportunities to share LGBTQ+ initiatives with each other. Furthermore, we have held our original "Bell Pride Month" in imitation of Pride Month, an awareness building period regarding LGBTQ+ rights around the world, every year since 2021, disseminating information to employees through activities such as the delivery of awareness-building articles on our internal intranet site for the purpose of promoting understanding of LGBTQ+ issues.

We have adopted "Creating workplaces that enable each employee to thrive as individuals and discover hidden potential" as one of our values. Going forward, we will continue to work to develop an environment where employees from a variety of backgrounds can work for the long term with a sense of security.

Results for each business segment are as follows.

(CRM Business)

Revenue decreased year on year due to a significant reduction in business related to national policy matters including COVID-19. Income before income taxes also fell year on year due to decline in business related to national policy matters, despite the implementation of profit improvement activities such as control of SG&A expenses.

As a result, the CRM business posted revenue of 107,625 million yen (down 4.4% year on year), and income before income taxes of 7,033 million yen (down 17.8%).

(Others)

The Others segment posted revenue of 318 million yen (down 35.0% year on year) and income before income taxes of 108 million yen (down 40.1% year on year) due to decline in revenue from the sale of content.

As a result of the above, financial results for the nine months ended November 30, 2024 were revenue of 107,943 million yen (down 4.5% year on year), income before income taxes of 7,141 million yen (down 18.3%), and net income attributable to owners of the parent of 4,681 million yen (down 21.9%).

(2) Explanation of financial position

(i) Assets, liabilities and equity

	As of February 29, 2024 (Millions of yen)	As of November 30, 2024 (Millions of yen)	Change (Millions of yen)
Total assets	175,465	172,709	(2,756)
Total liabilities	107,726	105,001	(2,725)
Ratio of equity attributable to owners of the parent (%)	38.0	38.7	—

Current assets increased 2,087 million yen from the end of the previous consolidated fiscal year, to 30,384 million yen, mainly due to an increase of 1,741 million yen in cash and cash equivalents.

Non-current assets amounted to 142,325 million yen, decreasing 4,843 million yen from the end of the previous consolidated fiscal year mainly due to a decrease of 5,045 million yen in property, plant and equipment.

As a result, total assets decreased 2,756 million yen from the end of the previous consolidated fiscal year, to 172,709 million yen.

Current liabilities increased 10,140 million yen from the end of the previous consolidated fiscal year, to 58,739 million yen due mainly to increases of 7,197 million yen in borrowings, 1,889 million yen in liabilities for employee benefits and 1,839 million yen in other current liabilities, which more than offset a decrease of 907 million yen in other short-term financial liabilities.

Non-current liabilities amounted to 46,262 million yen, decreasing 12,865 million yen from the end of the previous consolidated fiscal year, mainly due to decreases of 9,238 million yen in long-term borrowings and 3,756 million yen in other long-term financial liabilities.

As a result, total liabilities decreased 2,725 million yen from the end of the previous consolidated fiscal year, to 105,001 million yen.

Equity decreased 31 million yen from the end of the previous consolidated fiscal year, to 67,708 million yen mainly due to decreases of 4,422 million yen in capital surplus and 290 million yen in other components of equity, partially offset by an increase of 4,681 million yen in retained earnings.

(ii) Analysis of cash flow

	As of November 30, 2023 (Millions of yen)	As of November 30, 2024 (Millions of yen)	Change (Millions of yen)
Net cash provided by (used in) operating activities	11,181	15,552	4,371
Net cash provided by (used in) investment activities	(2,682)	(1,946)	736
Net cash provided by (used in) financing activities	(8,426)	(11,847)	(3,421)
Cash and cash equivalents at the end of the period	7,076	8,954	1,878

Cash and cash equivalents at the end of the third quarter of the fiscal year under review increased 1,741 million yen from the end of the previous fiscal year, to 8,954 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 15,552 million yen (as compared to net cash provided of 11,181 million yen in the same period of the previous fiscal year). This mainly reflects income before income taxes of 7,141 million

yen, depreciation and amortization of 7,083 million yen, an increase in payable for consumption tax of 1,909 million yen and income taxes paid of 2,386 million yen.

(Cash flows from investing activities)

Net cash used in investing activities was 1,946 million yen (as compared to 2,682 million yen used in the same period of the previous fiscal year). This mainly reflects purchase of property, plant and equipment of 786 million yen and purchase of securities of 700 million yen.

(Cash flows from financing activities)

Net cash used in financing activities was 11,847 million yen (as compared to 8,426 million yen used in the same period of the previous fiscal year). This primarily reflects proceeds from long-term borrowings of 5,000 million yen, an increase in short-term borrowings of 1,200 million yen, repayment of long-term borrowings of 8,250 million yen, repayments of lease liability of 5,179 million yen, and dividends paid of 4,644 million yen.

(3) Explanation regarding consolidated financial results forecasts and other forward-looking statements

There are no changes to the consolidated financial results forecast announced on April 10, 2024.

Forward-looking statements are based upon what the Group believes to be reasonable assumptions and involve risks and uncertainties. Please note that actual results may differ materially from the forecasts due to various key factors.

2. Condensed Consolidated Financial Statements and Major Notes

(1) Condensed quarterly consolidated statements of financial position

	(Millions of yen)	
	As of February 29, 2024	As of November 30, 2024
Assets		
Current assets		
Cash and cash equivalents	7,213	8,954
Trade and other receivables	19,195	19,422
Other financial assets	185	225
Other current assets	1,704	1,783
Total current assets	28,297	30,384
Non-current assets		
Property, plant and equipment	35,828	30,783
Goodwill	96,772	96,726
Intangible assets	2,869	2,756
Investments accounted for using equity method	1,688	1,778
Deferred tax assets	2,722	2,807
Other financial assets	6,989	7,230
Other non-current assets	300	245
Total non-current assets	147,168	142,325
Total assets	175,465	172,709

	(Millions of yen)	
	As of February 29, 2024	As of November 30, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	5,531	5,563
Borrowings	23,000	30,197
Income taxes payable	967	885
Provisions	45	217
Liabilities for employee benefits	11,042	12,931
Other short-term financial liabilities	6,439	5,532
Other current liabilities	1,575	3,414
Total current liabilities	48,599	58,739
Non-current liabilities		
Borrowings	33,234	23,996
Provisions	3,095	3,238
Liabilities for employee benefits	712	692
Deferred tax liabilities	211	211
Other long-term financial liabilities	21,846	18,090
Other non-current liabilities	29	35
Total non-current liabilities	59,127	46,262
Total liabilities	107,726	105,001
Equity		
Common stock	27,097	27,097
Capital surplus	(3,826)	(8,248)
Other components of equity	455	165
Retained earnings	43,382	48,063
Treasury shares	(378)	(322)
Total equity attributable to owners of the parent	66,730	66,755
Non-controlling interests	1,009	953
Total equity	67,739	67,708
Total liabilities and equity	175,465	172,709

(2) Condensed quarterly consolidated statement of income and condensed quarterly consolidated statement of comprehensive income

Condensed quarterly consolidated statement of income

First nine-month period

	(Millions of yen)	
	Nine months ended November 30, 2023	Nine months ended November 30, 2024
Revenue	113,032	107,943
Cost of sales	(92,433)	(88,717)
Gross profit	20,599	19,226
Selling, general and administrative expenses	(12,607)	(11,998)
Other income	1,020	166
Other expenses	(91)	(28)
Operating income	8,921	7,366
Share of profit (loss) of investments accounted for using equity method	105	133
Financial income	43	42
Financial costs	(331)	(400)
Income before income taxes	8,738	7,141
Income taxes	(2,517)	(2,277)
Net income	6,221	4,864
Net income attributable to:		
Owners of the parent	5,992	4,681
Non-controlling interests	229	183
Net income	6,221	4,864
		(Yen)
Earnings per share (attributable to the parent)		
Basic	81.49	63.64
Diluted	80.94	63.22

Condensed quarterly consolidated statement of comprehensive income

First nine-month period

	(Millions of yen)	
	Nine months ended November 30, 2023	Nine months ended November 30, 2024
Net income	6,221	4,864
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	(60)	(192)
Share of other comprehensive income of investments accounted for using equity method	28	(36)
Total items that will not be reclassified to profit or loss	(32)	(228)
Items that may be reclassified to profit or loss		
Exchange differences on translating foreign operations	201	(93)
Share of other comprehensive income of investments accounted for using equity method	(20)	42
Total items that may be reclassified to profit or loss	181	(51)
Total other comprehensive income, net of tax	149	(279)
Total comprehensive income	6,370	4,585
Comprehensive income attributable to:		
Owner of the parent	6,124	4,410
Non-controlling interests	246	175
Total comprehensive income	6,370	4,585

(3) Condensed quarterly consolidated statement of changes in equity

Nine months ended November 30, 2023

(Millions of yen)

	Common stock	Capital surplus	Other components of equity	Retained earnings
As of March 1, 2023	27,079	1,268	325	35,837
Net income	—	—	—	5,992
Other comprehensive income	—	—	132	—
Total comprehensive income	—	—	132	5,992
Share-based payments	—	(5)	2	—
Exercise of share acquisition rights	18	18	(9)	—
Dividends paid	—	(4,412)	—	—
Purchase of treasury shares	—	—	—	—
Disposal of treasury shares	—	(5)	—	—
Increase (decrease) by business combination	—	—	—	—
Written put options over non-controlling interests	—	(565)	—	—
Total transaction with owners	18	(4,969)	(7)	—
As of November 30, 2023	27,097	(3,701)	450	41,829

	Treasury shares	Equity attributable to owner of the parent total	Non-controlling interests	Total equity
As of March 1, 2023	(285)	64,224	687	64,911
Net income	—	5,992	229	6,221
Other comprehensive income	—	132	17	149
Total comprehensive income	—	6,124	246	6,370
Share-based payments	—	(3)	—	(3)
Exercise of share acquisition rights	—	27	—	27
Dividends paid	—	(4,412)	(232)	(4,644)
Purchase of treasury shares	(127)	(127)	—	(127)
Disposal of treasury shares	34	29	—	29
Increase (decrease) by business combination	—	—	215	215
Written put options over non-controlling interests	—	(565)	—	(565)
Total transaction with owners	(93)	(5,051)	(17)	(5,068)
As of November 30, 2023	(378)	65,297	916	66,213

Nine months ended November 30, 2024

(Millions of yen)

	Common stock	Capital surplus	Other components of equity	Retained earnings
As of March 1, 2024	27,097	(3,826)	455	43,382
Net income	—	—	—	4,681
Other comprehensive income	—	—	(271)	—
Total comprehensive income	—	—	(271)	4,681
Share-based payments	—	(7)	(19)	—
Dividends paid	—	(4,413)	—	—
Purchase of treasury shares	—	—	—	—
Disposal of treasury shares	—	(2)	—	—
Total transaction with owners	—	(4,422)	(19)	—
As of November 30, 2024	27,097	(8,248)	165	48,063

	Treasury shares	Equity attributable to owner of the parent total	Non-controlling interests	Total equity
As of March 1, 2024	(378)	66,730	1,009	67,739
Net income	—	4,681	183	4,864
Other comprehensive income	—	(271)	(8)	(279)
Total comprehensive income	—	4,410	175	4,585
Share-based payments	—	(26)	—	(26)
Dividends paid	—	(4,413)	(231)	(4,644)
Purchase of treasury shares	(0)	(0)	—	(0)
Disposal of treasury shares	56	54	—	54
Total transaction with owners	56	(4,385)	(231)	(4,616)
As of November 30, 2024	(322)	66,755	953	67,708

(4) Condensed quarterly consolidated statement of cash flows

	(Millions of yen)	
	Nine months ended November 30, 2023	Nine months ended November 30, 2024
Cash flows from operating activities:		
Income before income taxes	8,738	7,141
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	6,837	7,083
Loss (gain) on step acquisition	(838)	—
Loss (gain) on disposal or sales of property, plant and equipment	72	14
Share of (profit) loss of investments accounted for using equity method	(105)	(133)
Financial income	(43)	(42)
Financial costs	331	400
Decrease (increase) in trade and other receivables	2,444	(241)
Increase (decrease) in trade and other payable	(1,528)	211
Increase (decrease) in payable for consumption tax	233	1,909
Other, net	100	1,764
Subtotal	16,241	18,106
Interest and dividends received	149	176
Interest paid	(318)	(344)
Income taxes paid	(4,891)	(2,386)
Net cash provided by (used in) operating activities	11,181	15,552
Cash flows from investing activities:		
Purchase of property, plant and equipment	(1,244)	(786)
Purchase of intangible assets	(608)	(418)
Proceeds from purchase of share of subsidiaries resulting in change in scope of consolidation	64	—
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(274)	—
Purchase of securities	(651)	(700)
Payments for guarantee deposits	(40)	(139)
Proceeds from guarantee deposits	103	253
Payments for asset retirement obligations	(44)	(156)
Other, net	12	0
Net cash provided by (used in) investing activities	(2,682)	(1,946)
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings	3,800	1,200
Proceeds from long-term borrowings	4,000	5,000
Repayment of long-term borrowings	(6,250)	(8,250)
Dividends paid	(4,412)	(4,413)
Dividends paid to non-controlling interests	(232)	(231)
Repayments of lease liability	(5,244)	(5,179)
Proceeds from issuance of shares	26	—
Proceeds from sale of treasury shares	13	26
Purchase of treasury shares	(127)	(0)
Net cash provided by (used in) financial activities	(8,426)	(11,847)
Effect of exchange rate change on cash and cash equivalents	5	(18)
Net increase (decrease) in cash and cash equivalents	78	1,741
Cash and cash equivalents at the beginning of the period	6,998	7,213
Cash and cash equivalents at the end of the period	7,076	8,954

(5) Notes to condensed quarterly 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 six months ended August 31, 2024, 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 and other long-term financial liabilities each decreased by 1,269 million yen, and operating income and income before income taxes each decreased by 270 million yen.

(Change in estimates of asset retirement obligations)

During the third quarter ended November 30, 2024, the Company changed its estimates of asset retirement obligations posted as restoration obligations under the real estate lease contracts for each office based on information about restoration costs that became newly available.

Due to these changes in estimates, property, plant and equipment and provisions (non-current liabilities) each increased by 385 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.

Nine months ended November 30, 2023

	(Millions of yen)			
	CRM Business	Others	Adjustments and eliminations	Consolidated
Revenue				
Revenue from external customers	112,544	488	—	113,032
Intersegment revenue (*1)	—	242	(242)	—
Total revenue (*2)	<u>112,544</u>	<u>730</u>	<u>(242)</u>	<u>113,032</u>
Other profit or loss				
Depreciation and amortization	(6,835)	(2)	—	(6,837)
Share of profit (loss) of investments accounted for using equity method	105	—	—	105
Financial income	43	0	—	43
Financial costs	(331)	—	—	(331)
Income before income taxes of reportable segment	<u>8,557</u>	<u>181</u>	<u>—</u>	<u>8,738</u>

- (*) 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.

Nine months ended November 30, 2024

	(Millions of yen)			
	CRM Business	Others	Adjustments and eliminations	Consolidated
Revenue				
Revenue from external customers	107,625	318	—	107,943
Intersegment revenue (*1)	—	240	(240)	—
Total revenue (*2)	<u>107,625</u>	<u>558</u>	<u>(240)</u>	<u>107,943</u>
Other profit or loss				
Depreciation and amortization	(7,068)	(15)	—	(7,083)
Share of profit (loss) of investments accounted for using equity method	133	—	—	133
Financial income	42	0	—	42
Financial costs	(400)	—	—	(400)
Income before income taxes of reportable segment	<u>7,033</u>	<u>108</u>	<u>—</u>	<u>7,141</u>

- (*) 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.

(Significant subsequent events)

(Transfer of Shares in CTC First Contact Corporation)

The Company decided to transfer some of its shares in CTC First Contact Corporation ("CTC First Contact"), a consolidated subsidiary as of December 16, 2024, to SIGMAXYZ Holdings Inc. as part of strategic initiatives for business growth driven by expansion of the BPO domain, and concluded a share transfer agreement on January 7, 2025.

(1) Number of shares to be transferred, transfer price and the number of shares held before and after transfer

Number of shares held before the transfer	510	shares (shareholding ratio: 51.00%)
Number of shares to be transferred	30	shares (shareholding ratio: 3.00%)
Transfer price	300	million yen
Number of shares held after the transfer	480	shares (shareholding ratio: 48.00%)

(2) Schedule

Date of agreement	January 7, 2025
Date of transfer	January 16, 2025 (plan)

(3) Future outlook

As a result of the share transfer, CTC First Contact will cease being a consolidated subsidiary of the Company and will instead become an equity-method affiliate of the Company.

During the fourth quarter of the fiscal year ending February 28, 2025, a gain on valuation of remaining equity interest to the value of approximately 3.5 billion yen will be recorded under "other income."