



Medium- to Long-Term Growth Scenario

Bellsystem24 Holdings, Inc.

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TSE Prime

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ARTIFICIAL
INTELLIGENCE

Medium- to Long-Term Growth Scenario

Our Changing Business Environment

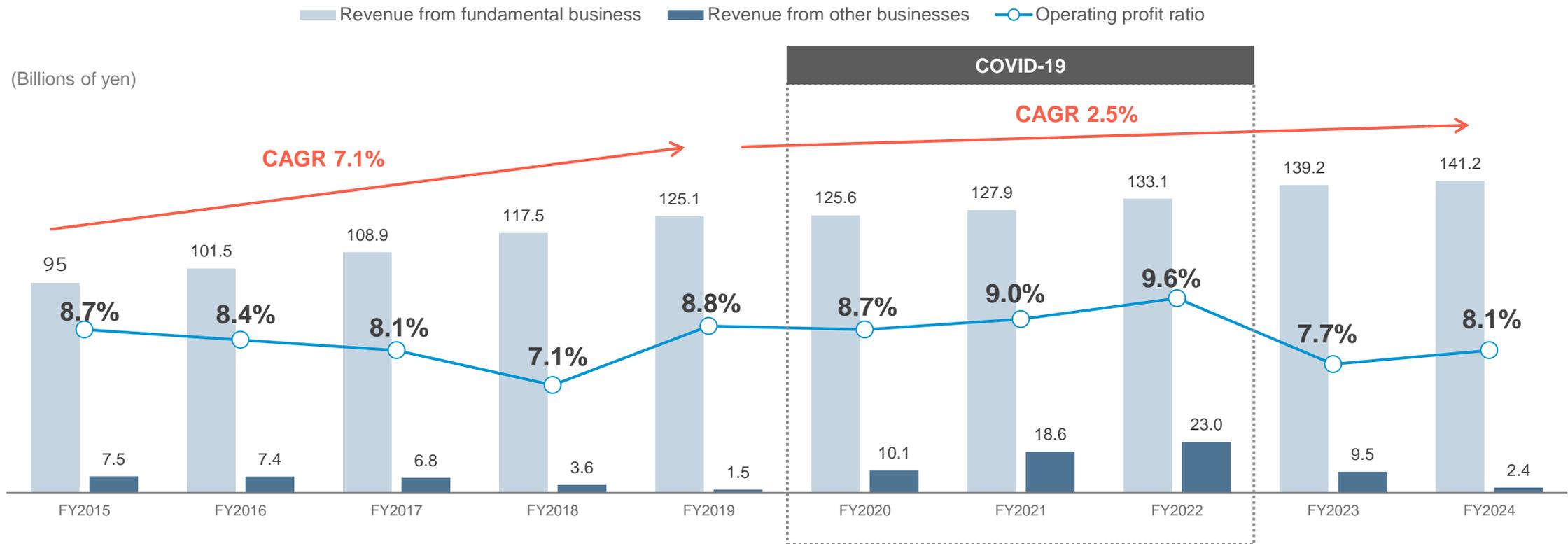
01

Bellsystem24 to Date



- Growth rate slowed in the wake of the COVID-19 pandemic. Beginning in FY2019, average revenue growth for fundamental business (excluding COVID-19 and government policy-related operations) slowed to 2.5% compared with the pre-COVID rate of 7.1%.
- Although the operating profit ratio has been well above 8% since FY2019, the ratio fell to the 7% range in FY2023. Improvements were limited in FY2024 as well.

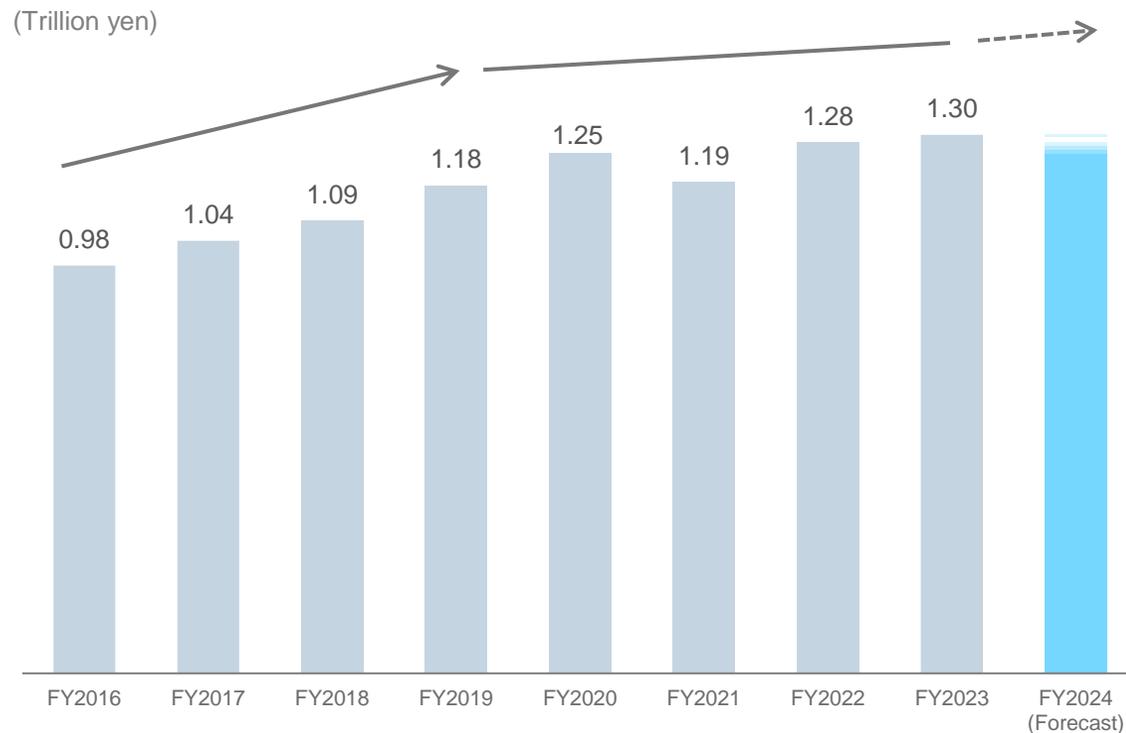
Long-Term Performance Trends



Our Changing Business Environment (1)

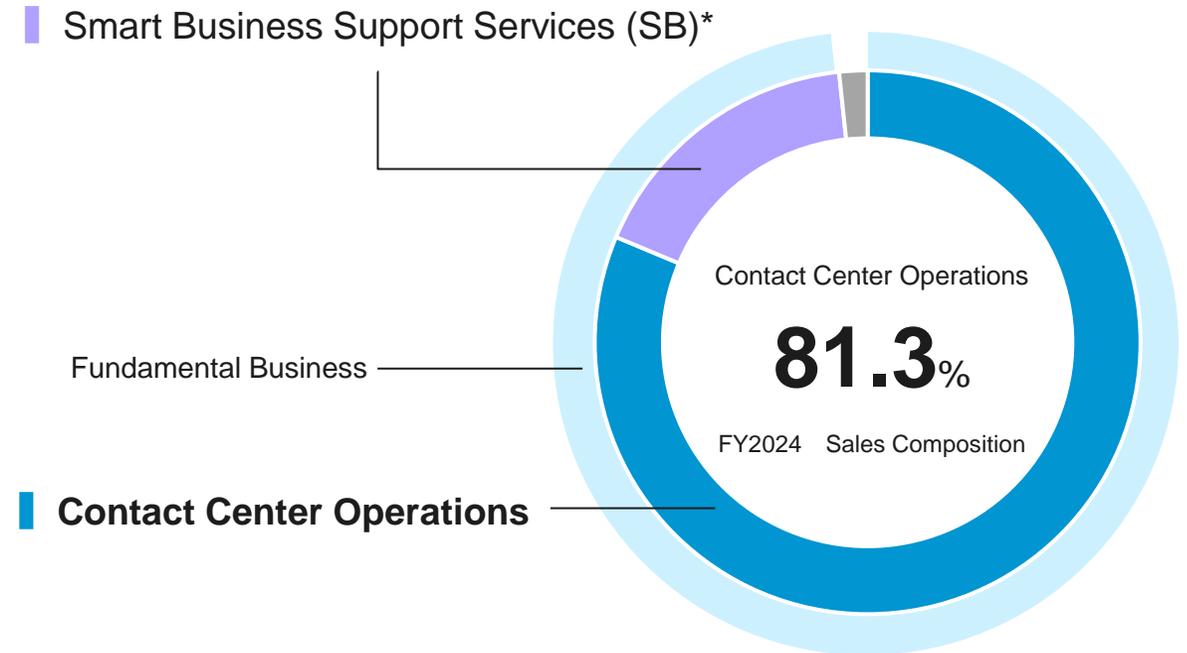
- Contact center market has struggled to grow since FY2019.
- As contact center operations account for a large portion of our business portfolio, a stagnant market could lead to concerns about our future growth.

The Contact Center Market*



Source: Compiled using data from the Japan Distribution Industry News

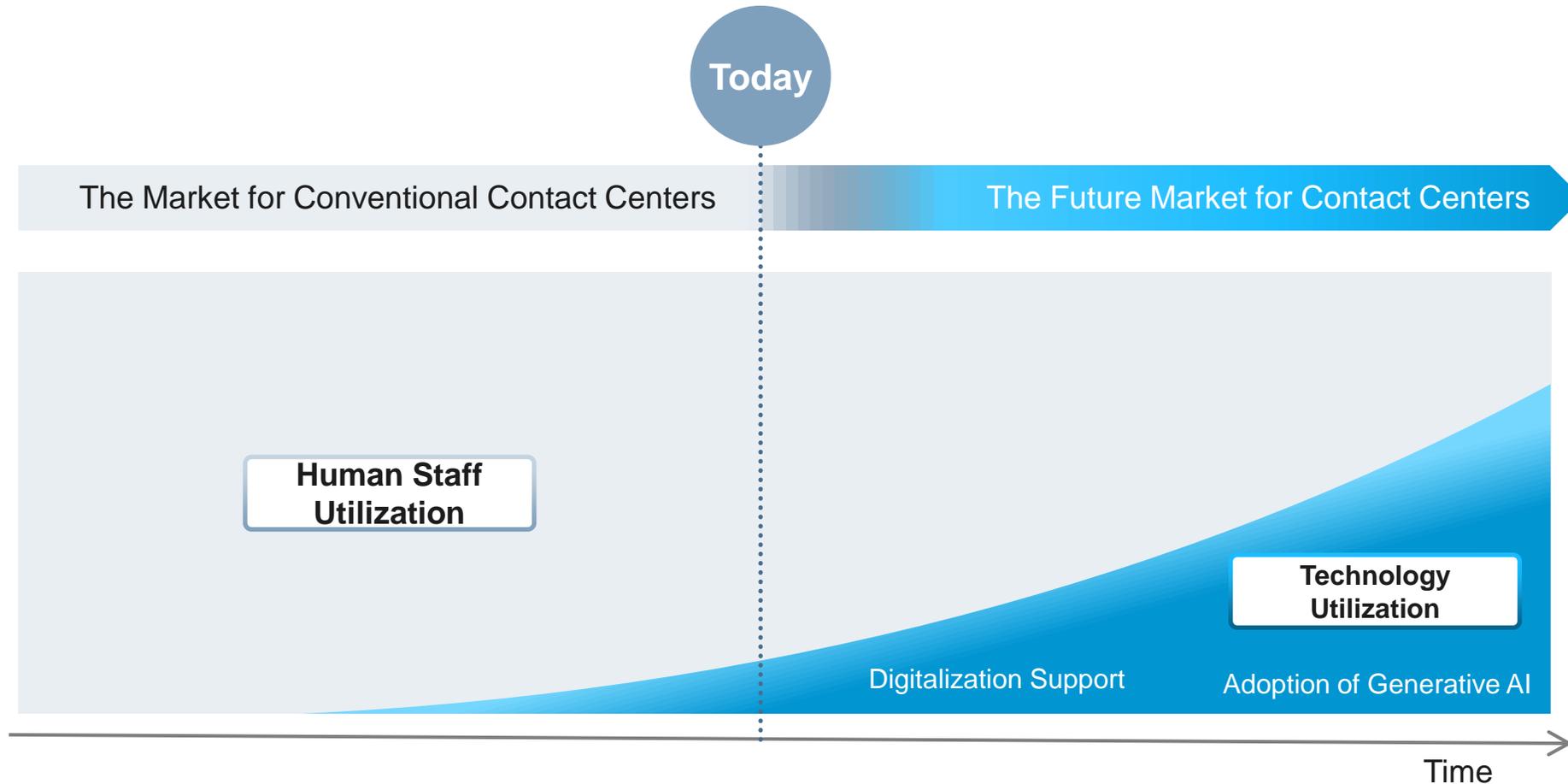
Our Business Portfolio



*Smart Business Support Services (SB): Services related to supporting internal operations of client companies

Our Changing Business Environment (2)

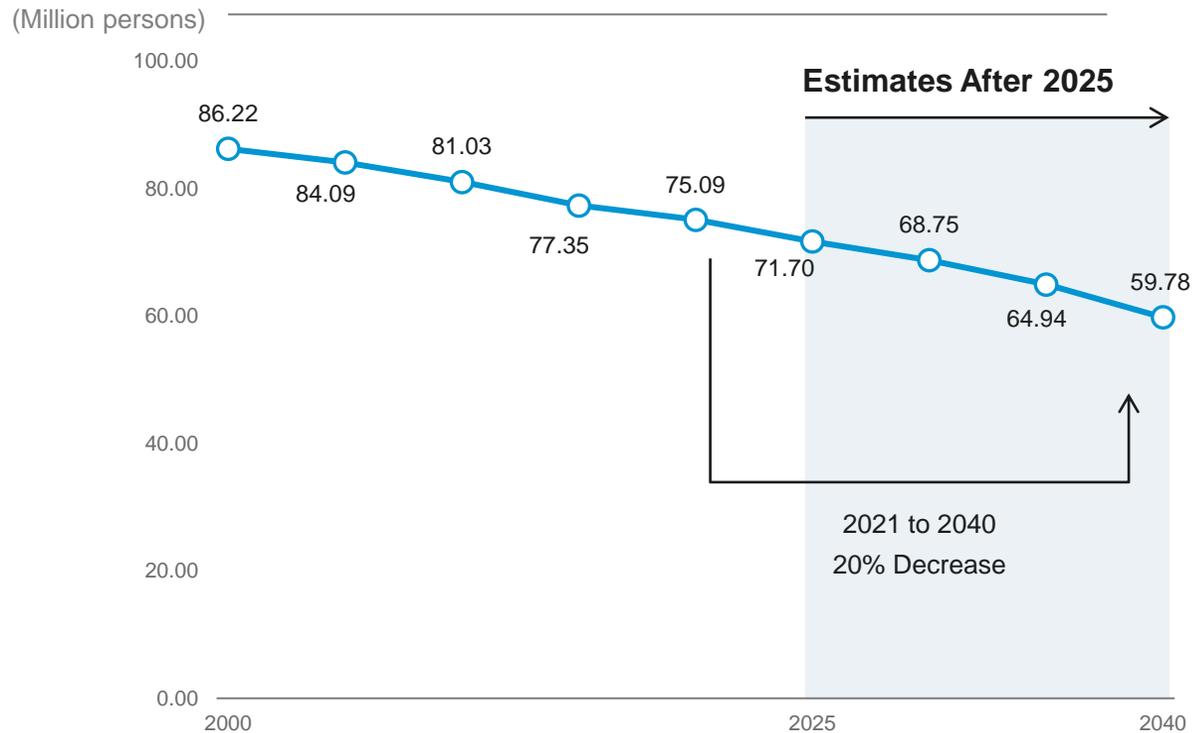
- Digitalization has advanced in the wake of the COVID-19 pandemic. Contact centers have shifted away from human staff response to technology-based response.
- The contact center industry—traditionally humans answering telephone calls—is facing a headwind with the accelerated adoption of digitalization, AI and, other technologies.



Our Changing Business Environment (3)

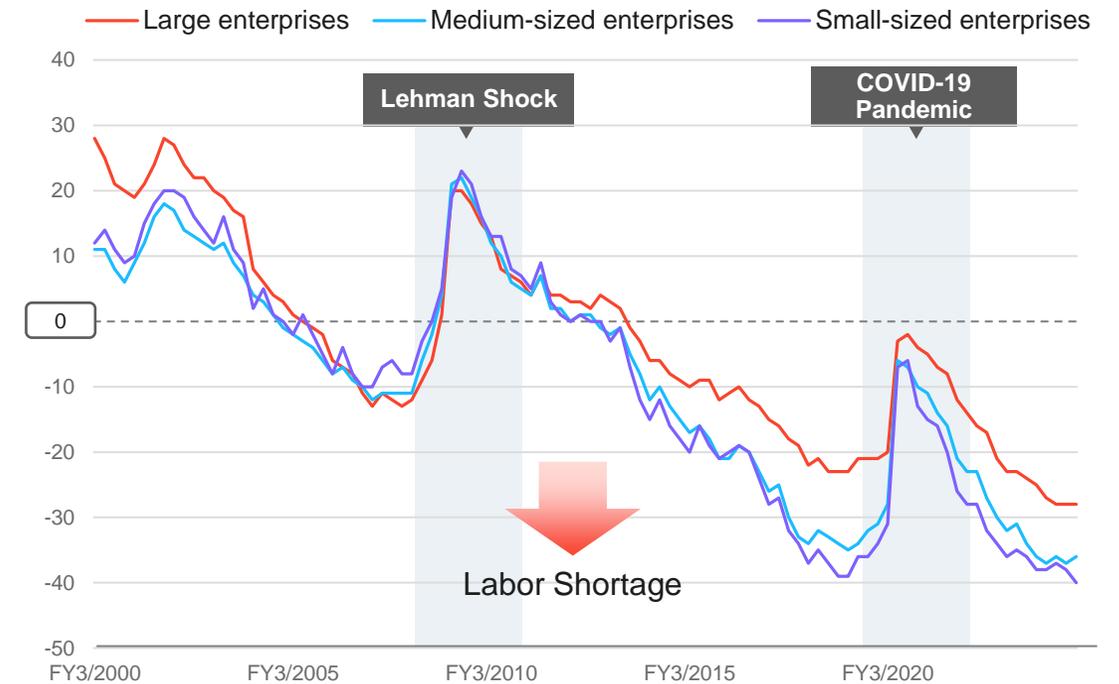
- The declining working-age population in Japan will present challenges from the perspective of securing human resources. Labor supply will become tighter in certain industries.
- Contact center operators may have difficulty securing human resources in the future.

Decline in Working-Age Population (15-64 Years)



Source: Compiled using data from 2022 Annual Report on the Ageing Society, Cabinet Office

Employment Headcount Diffusion Index Remains in Negative Territory



Source: Compiled based on data from Short-Term Economic Survey of Enterprises in Japan, Bank of Japan (Note) Excess minus deficiency

Contact Center Environment Becomes Even More Challenging

- Amid an expected slowdown in the contact center market, concerns are rising about the growth in simple call-handling operations among companies and individuals through digitalization and generative AI and other technologies. Further, the decline of the working-age population is a concern from the perspective of securing human resources.



Generative AI + VOC (Customer Feedback) is the Key to Breakthrough

- Use generative AI to address future challenges (market stagnation, decline in working-age population).
- Create further added value through the use of VOC to expand our businesses.



Medium- to Long-Term Growth Scenario

Measures to Respond to Our Changing Business Environment

02

Three Growth Engines - Turning a Crisis Into Growth Opportunities -

- Amid this talent crunch, companies that operate contact centers in-house will have to shift limited personnel to core operations. As a result, responding to questions about a company's services and products will become more challenging, and in-house contact center operations will be outsourced.
- The use of generative AI in contact centers requires a vast amount of data and knowledge related to the individual services and products of individual companies. Bellsystem24 has accumulated such knowledge and expertise.
- We will expand business through marketing support leveraging VOC.

Our Three Growth Engines

1. Outsourcing Needs



2. Generative AI



3. Marketing Support



Medium- to Long-Term Growth Scenario: Three Initiatives

1. Respond to Outsourcing Needs



1.

**Meet outsourcing needs
and grow revenue**

**Grow our corporate client base
and increase transaction size
per client**

2. Leverage Generative AI



2.

**Leverage generative AI
and shift from human-based to
automated operations for
better profit ratio**

**Create next-generation contact
centers through accumulated
VOC and knowledge**

3. Marketing Support



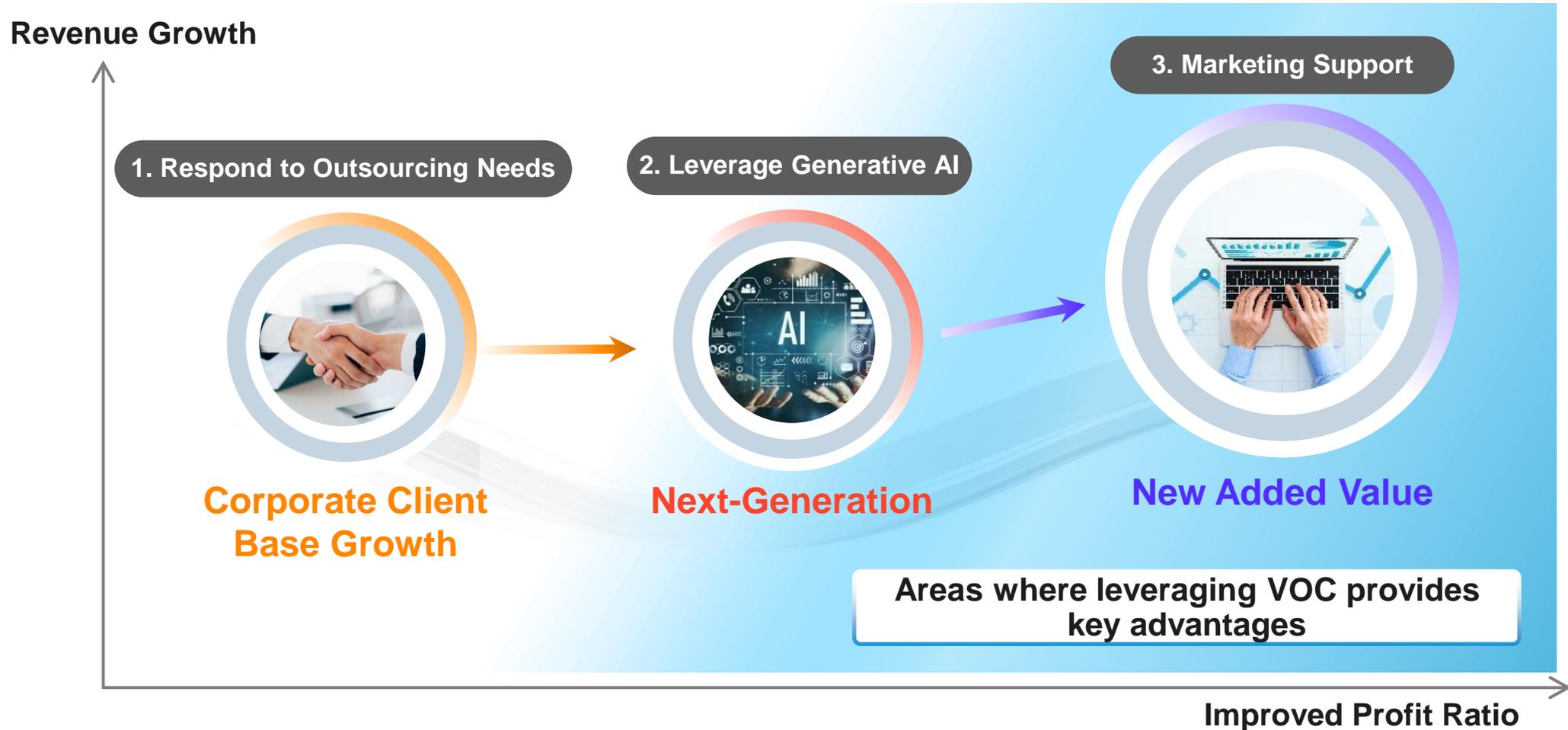
3.

**Create new added value by
leveraging VOC**

**Turn contact centers into profit
centers**

Medium- to Long-Term Growth Scenario and Objectives

- Increase revenue through corporate client growth, improve profit ratio through operational efficiency based on generative AI, and create new added value through VOC.



Execute Growth Strategy Through Our Strengths and Three Growth Engines

	1. Outsourcing Needs	2. Generative AI	3. Marketing Support
Growth Engines			
Our Strengths	<ul style="list-style-type: none"> • 30,000 operators • 40 years of experience in contact center operations • Patterning methods 	<ul style="list-style-type: none"> • Enormous knowledge base build on 500 million calls annually • Interaction requiring the human touch (confirming situations, identifying root causes of problems, etc.) 	<ul style="list-style-type: none"> • Automated VOC data collection system • Many operators evolving into knowledge managers
Growth Strategy	<ul style="list-style-type: none"> • Grow our corporate client base • Expand uptake of in-house contact center operations • Expand transaction size per corporate client through knowledge services and Smart Business Support Services (SB) • Grow business through carve-out and roll-up strategies 	<p style="text-align: center;">Growth Strategies That Will Become New Strengths</p> <ul style="list-style-type: none"> • Create next-generation contact centers as quickly as possible <ul style="list-style-type: none"> ▸ Knowledge service based on generative AI ▸ Automate contact centers ▸ Train knowledge managers 	<ul style="list-style-type: none"> • Collect and use VOC based on unconventional approaches and methods <ul style="list-style-type: none"> ▸ Provide marketing support based on a vast amount of customer feedback

1. Grow Revenue by Capturing Outsourcing Needs

- ▶ Grow our corporate client base and increase transaction size per client

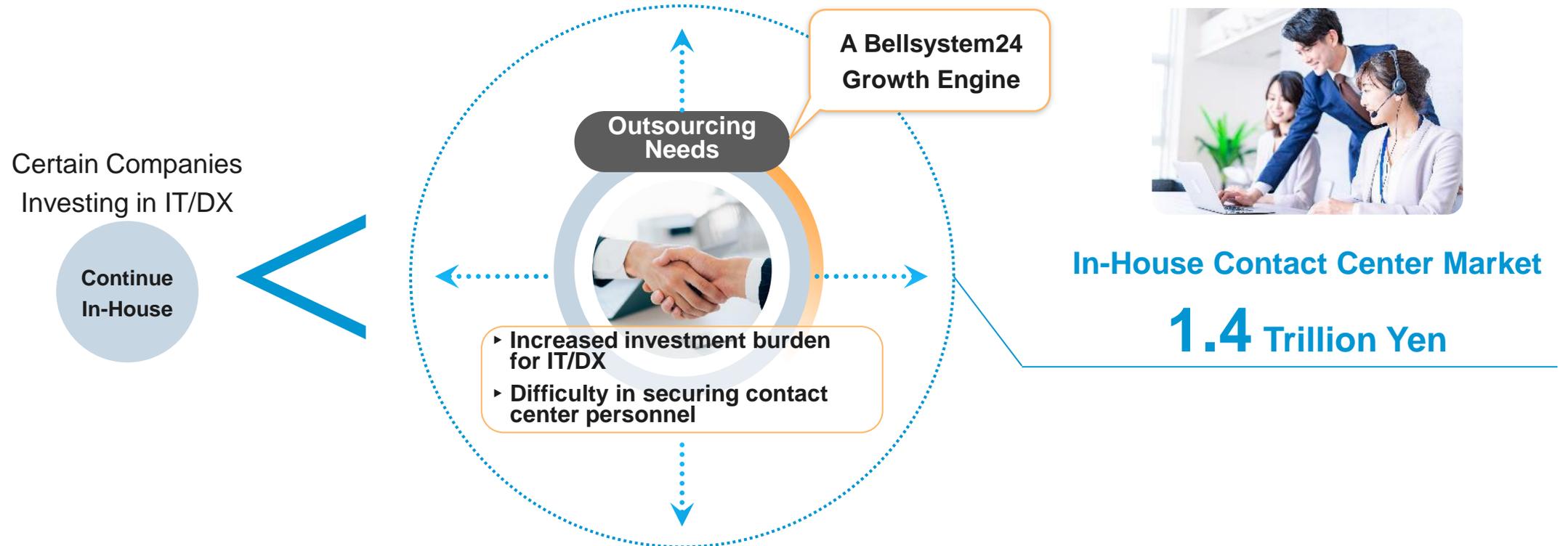


Respond to Outsourcing Needs

02

Growth Engine: Capture Rising Needs for Outsourcing

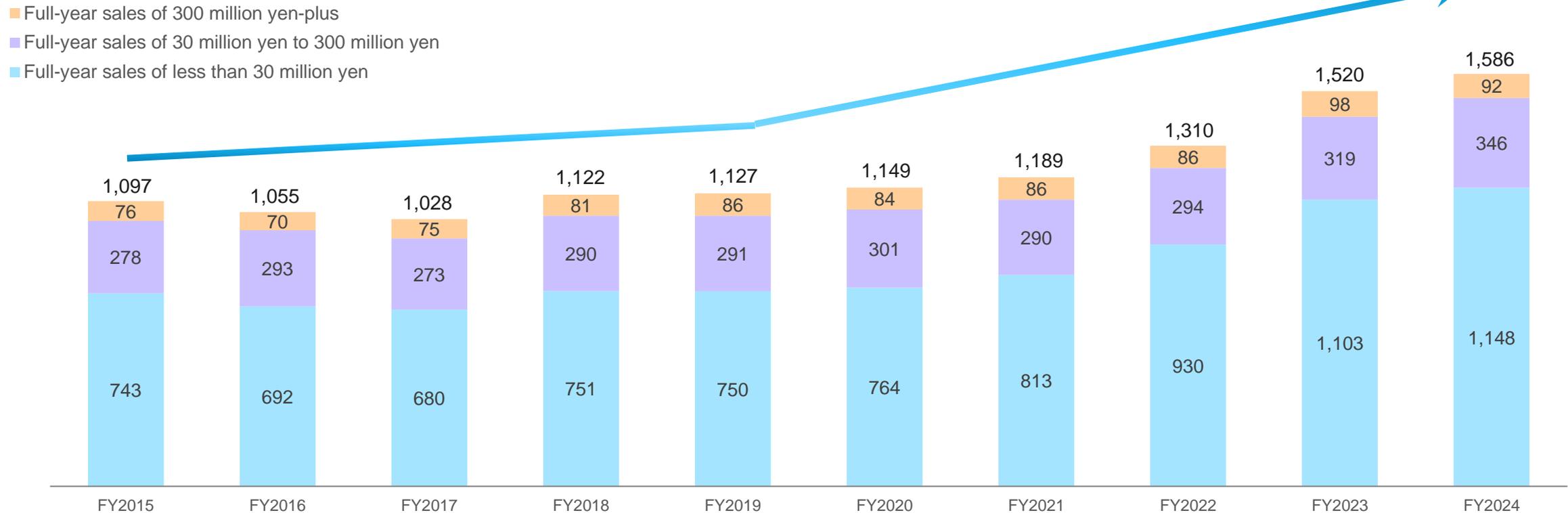
- In-house contact center operations (operated in-house to respond to inquiries about products and services) are costly for a company.
- The IT investment burden and difficulty in securing human resources are increasing. We expect outsourcing needs to expand, with the few exceptions of few companies that adopt IT/DX aggressively.
- The in-house contact center market is estimated at 1.4 trillion yen. Capturing the outsourcing needs of this market will serve as a growth engine.
- We plan to expand our business through roll-up strategies (e.g., incorporating and integrating other companies in the same industry).



Emerging Needs for Outsourcing

- The need for outsourcing has become more apparent, and the number of corporate clients in our fundamental business has grown to 1,586 in FY2024, compared with 1,097 in FY2015.
- We have seen a notable increase in corporate clients at the middle and lower tiers of transaction value.

Fundamental Business Corporate Clients by Revenue

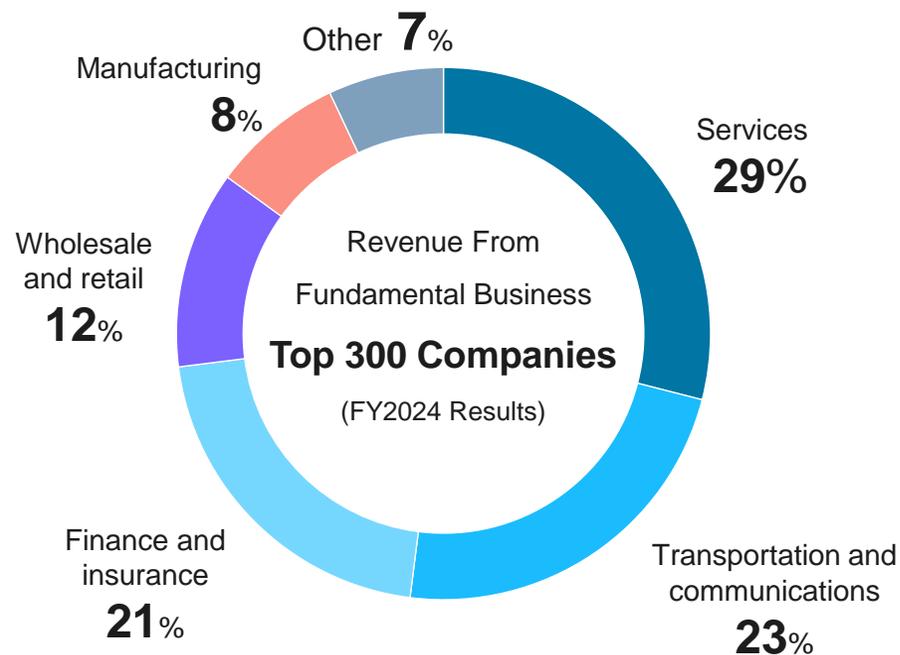


Responding to Diverse Needs With 30,000 Operators and Advanced Operating Methods



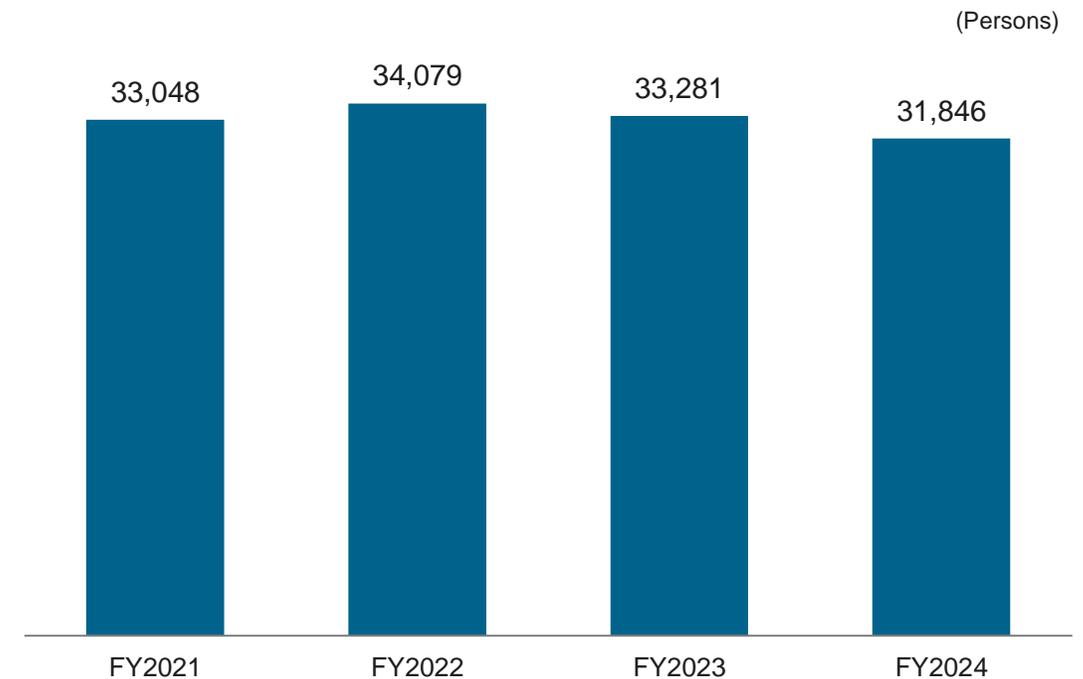
- Leveraging our strength of 30,000 operators, we are capable of handling future corporate client growth.
- We offer business support, regardless of category, through operating methods developed by serving 1,586 companies in a wide variety of industries and business categories.

Wide-Ranging Corporate Clients*¹



*1 Bellsystem24, Inc. top 300 clients

Operators in Our Fundamental Business*²



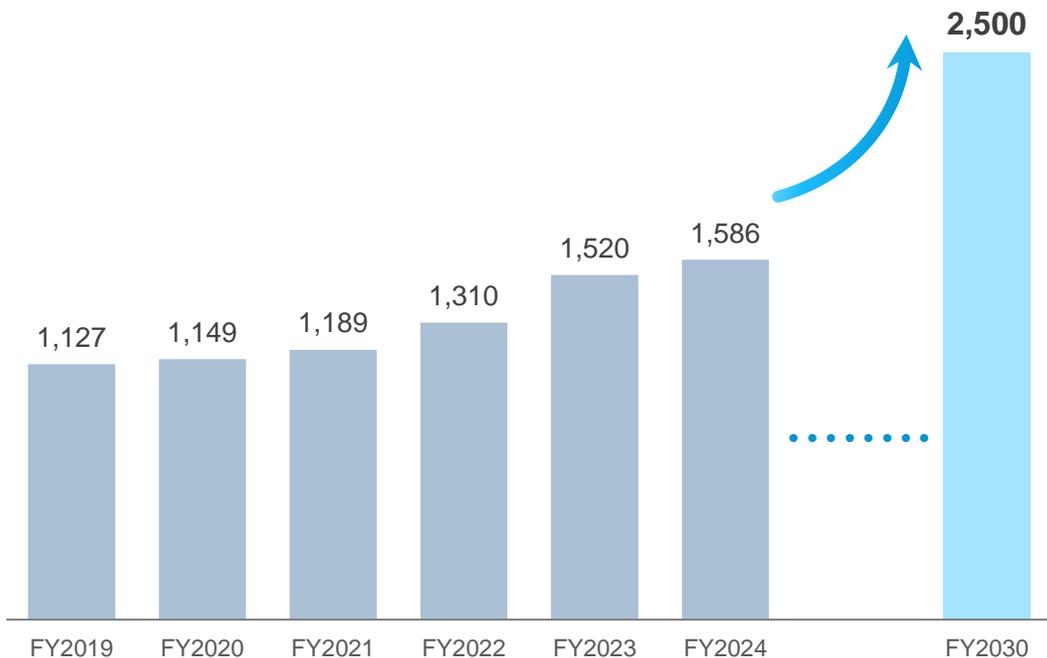
*2 Average number of Bellsystem24, Inc. operators during the period

Action Plan to Grow Corporate Client Base

- Seek new contracts actively, aiming for 2,500 corporate clients.
- Conduct webinars on the latest information and services to increase opportunities to communicate and raise corporate awareness.
- Pursue carve-out and roll-up strategies through collaboration with major shareholders, etc.

Aiming for 2,500 Corporate Clients

(Companies)



Action Plan

Webinars to enhance visibility and sales opportunities with corporate clients

- ▶ Provide information on the latest services and trends related to contact centers.
- ▶ Held more than 130 over the past four years in the wake of the COVID-19 pandemic; cumulative 10,000-plus participants*.
- ▶ Foster more opportunities to communicate with corporate clients and raise recognition.
- ▶ Increase sales staff to capture outsourcing needs.

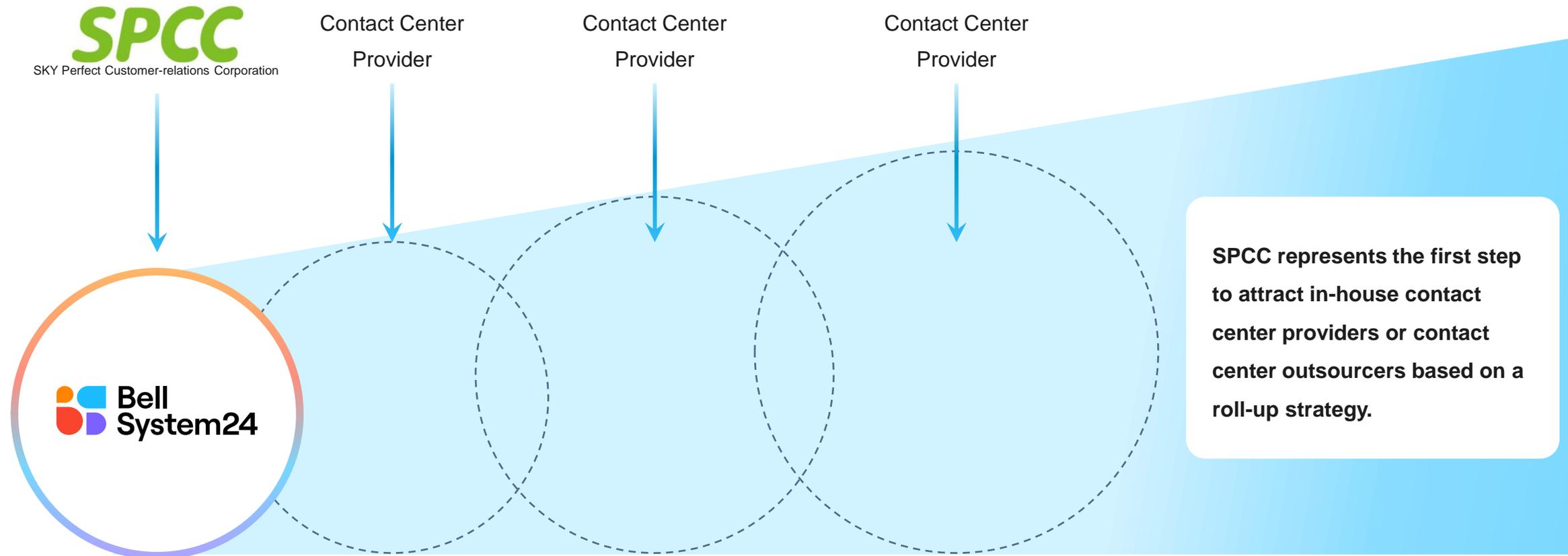
- ▶ Incorporate carve-outs
- ▶ Pursue roll-up strategies
- ▶ Utilize our network of major shareholders



*Through January 2025

Incorporate Carve-Outs and Expand Business

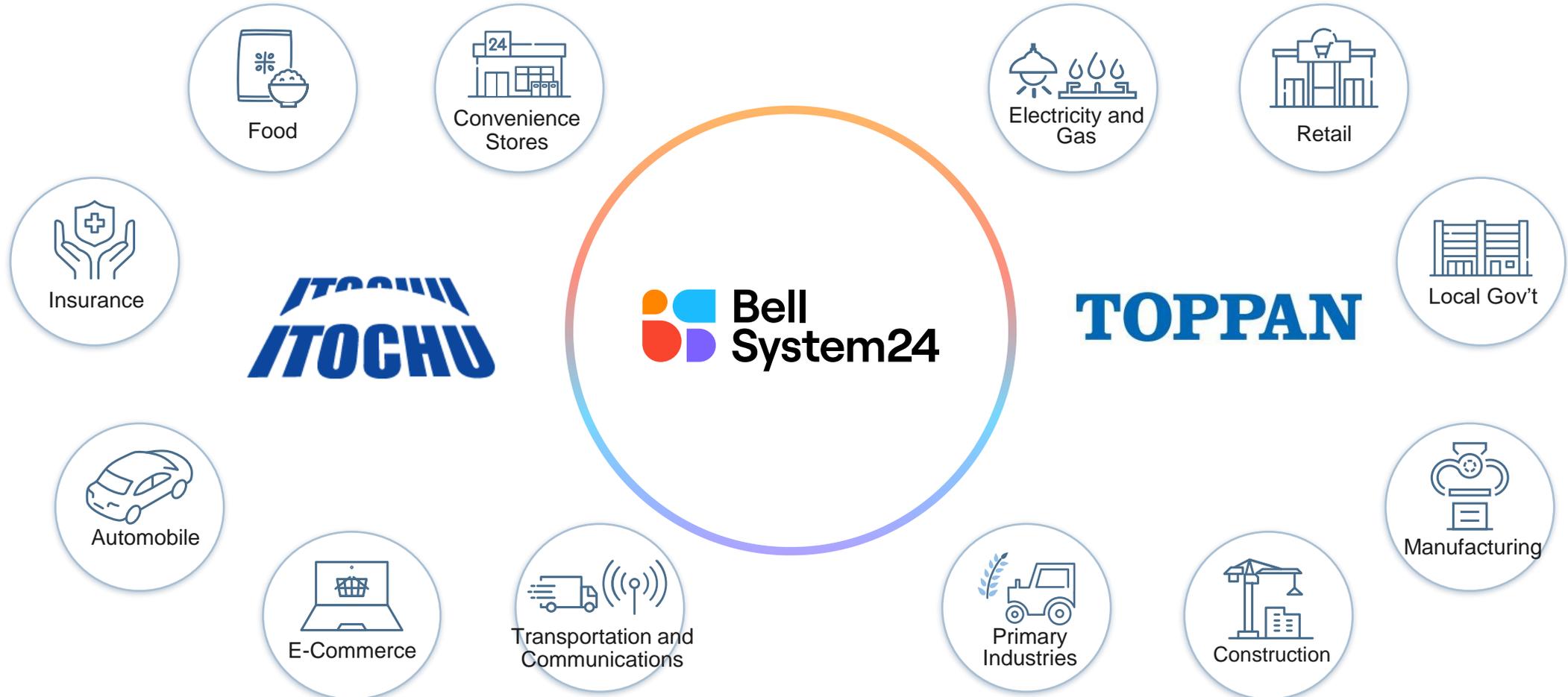
- In January 2025, we acquired a 51% stake in SKY Perfect Customer-relations Corporation (SPCC). SPCC operates the customer center of SKY Perfect JSAT Corporation's *SKY Perfect!*
- We continue to grow our business by pursuing carve-out projects and roll-up strategies for in-house contact center operations.



Leveraging Our Network of Major Shareholders to Develop Business Across a Wide Range of Industries



- Acquire contact center projects and Smart Business Support Services (SB) from a wide range of industries and business categories by leveraging the networks of major shareholders, group companies, etc.



Aiming to Grow the Scale of Transactions Through Expanded Smart Business Support Services (SB)

- We utilize our patterning methods to perform internal and back-office operations for corporate clients (e.g., outsourcing services for accounting, human resources, etc.).
- In addition to contact center operations, we intend to expand Smart Business Support Services (SB) to increase in the scale of transactions per corporate client.

Outsourced Operations Other Than Contact Center Services

The Bellsystem24 Patterning Method



Standardized Operations = Manual

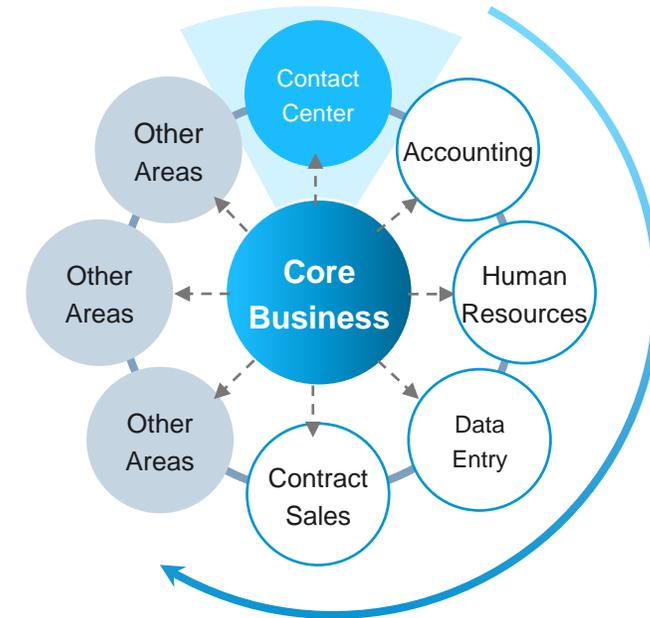


Simplify Operations



Outsourcing services for a wide range of non-core work patterned from corporate clients

Expanded Scope of Smart Business Support Services (SB)



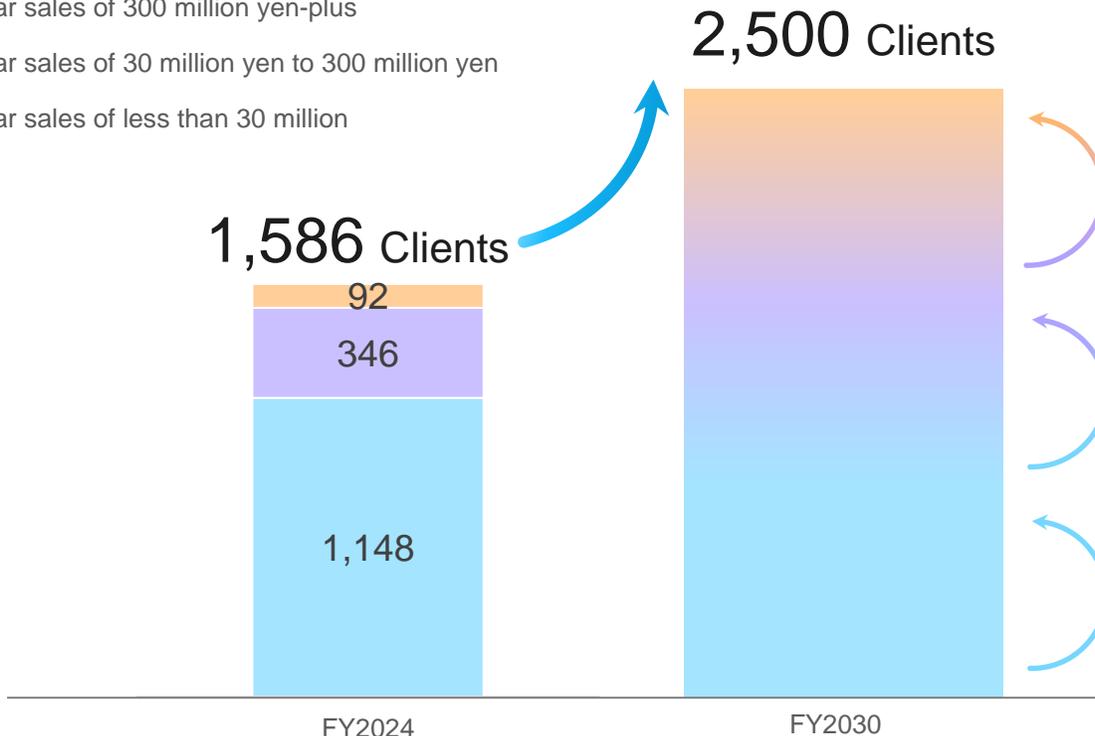
Create a Contact Center + α business by incorporating providing outsourcing services for corporate client non-core operations

Expand Our Client Base and Transaction Scale

- We provide appropriately scaled additional services for a group of 1,586 corporate clients based on transaction size.
- We aim to increase our client base and transaction size per client by winning new clients through generative AI, carve-outs and other large deals, consulting services, and knowledge services.

Increasing Our Client Base and Transaction Size

- Full-year sales of 300 million yen-plus
- Full-year sales of 30 million yen to 300 million yen
- Full-year sales of less than 30 million



Increase transaction size per client through cross-selling and up-selling a variety of services



Generative AI



Knowledge Services



Smart Business Support Services (SB)



BPR Consulting

Growth Strategy



Grow Our Contact Center Corporate Client Base

30,000 Operators

Strengths

More Than 40 Years of Accumulated Knowledge

Patterning Methods

Expand Contact Center Business Transaction Size Through Cross-Selling and Up-Selling

Increase Transaction Size Per Corporate Client Through Smart Business Support Services (SB)

Medium- to Long-Term Growth Scenario

2. Leverage Generative AI to Improve Profit Ratio (Automate Manual Processes)

- ▶ Create next-generation contact centers by leveraging accumulated knowledge



■ Leverage Generative AI

02

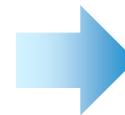
Create Next-Generation Contact Centers by Leveraging Accumulated Knowledge

- Generative AI is perceived as a threat to contact center operations.
- However, generative AI is a key to creating next-generation contact centers. AI is not a threat when leveraged as an important tool for creating next-generation contact centers.

The Past

The Future

Generative AI as a Threat to Contact Center Operations



Enhance the Added Value of Contact Center Operations by Using Generative AI



Aim for the Cutting Edge of the Contact Center Business

What is a Next-Generation Contact Center?

- Generative AI responds to contact center inquiries.
- Cases that cannot be handled by generative AI are handled by an operator.

Traditional Contact Center



Leverage Human Capital

Processing capacity limited, despite high skills

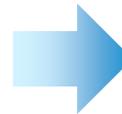
Next-Generation Contact Center



Generative AI

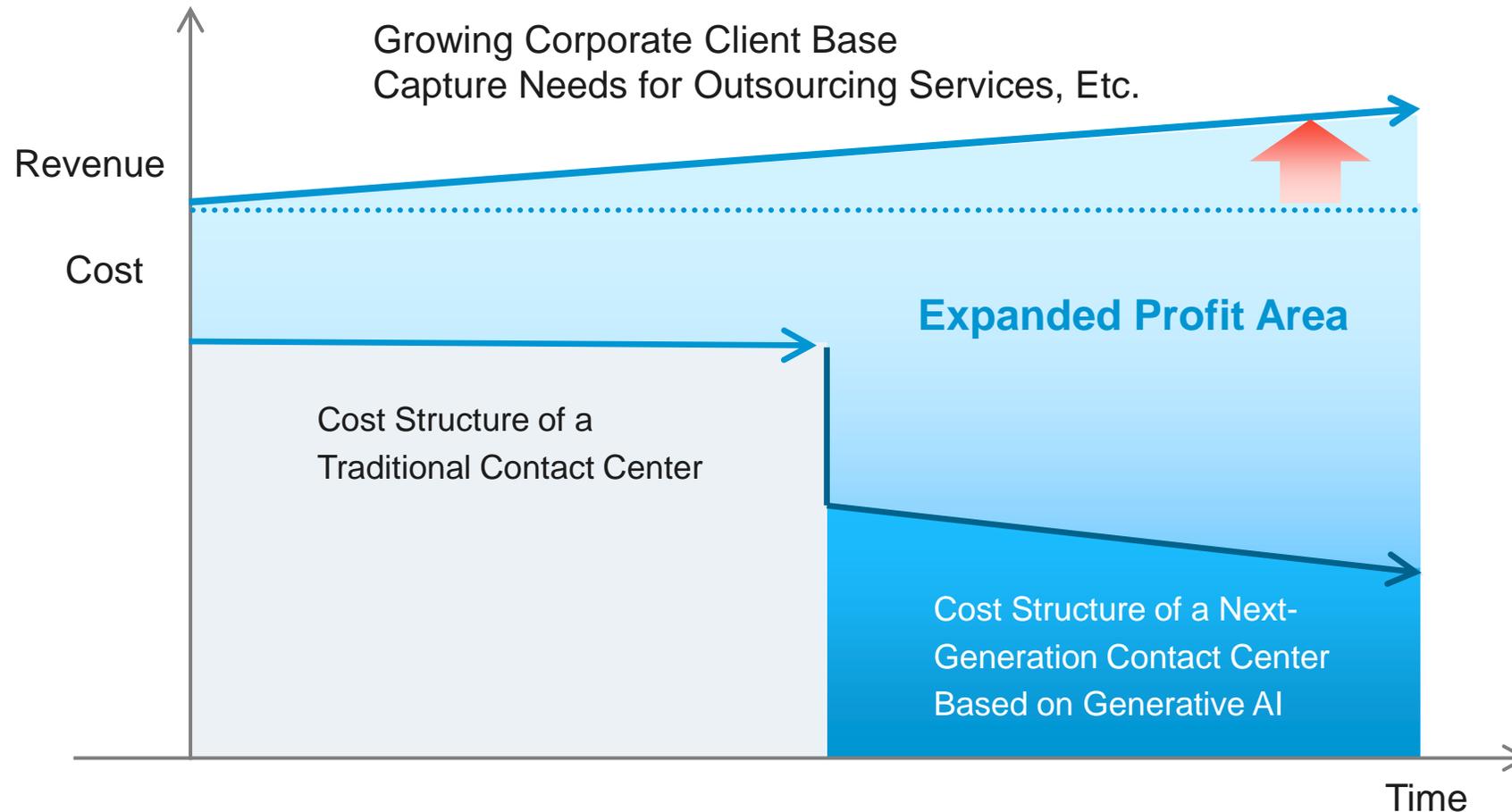
Dramatic increase in processing capacity

Highly Skilled Staff Deals With the Small Number of Contingencies



Leverage Generative AI to Improve Profitability

- Next-generation contact centers that utilize generative AI are more productive than traditional contact centers that rely solely on human operators.
- Reduced contact center operating costs will raise the Bellsystem24 profit area and improve profit margins.



Enormous Knowledge Base Built on 500 Million Calls Annually

- The essential element for using generative AI is not general knowledge, but the vast amount of quality data corresponding to individual inquiries from individual companies.
- Our value-add is the knowledge we have gained from the vast amount of data accumulated from the 500 million calls we handle annually.

30,000 Operators



500 Million Calls Annually

**Value-Add Through Vast Amount of Data,
Accelerating DX/AI**



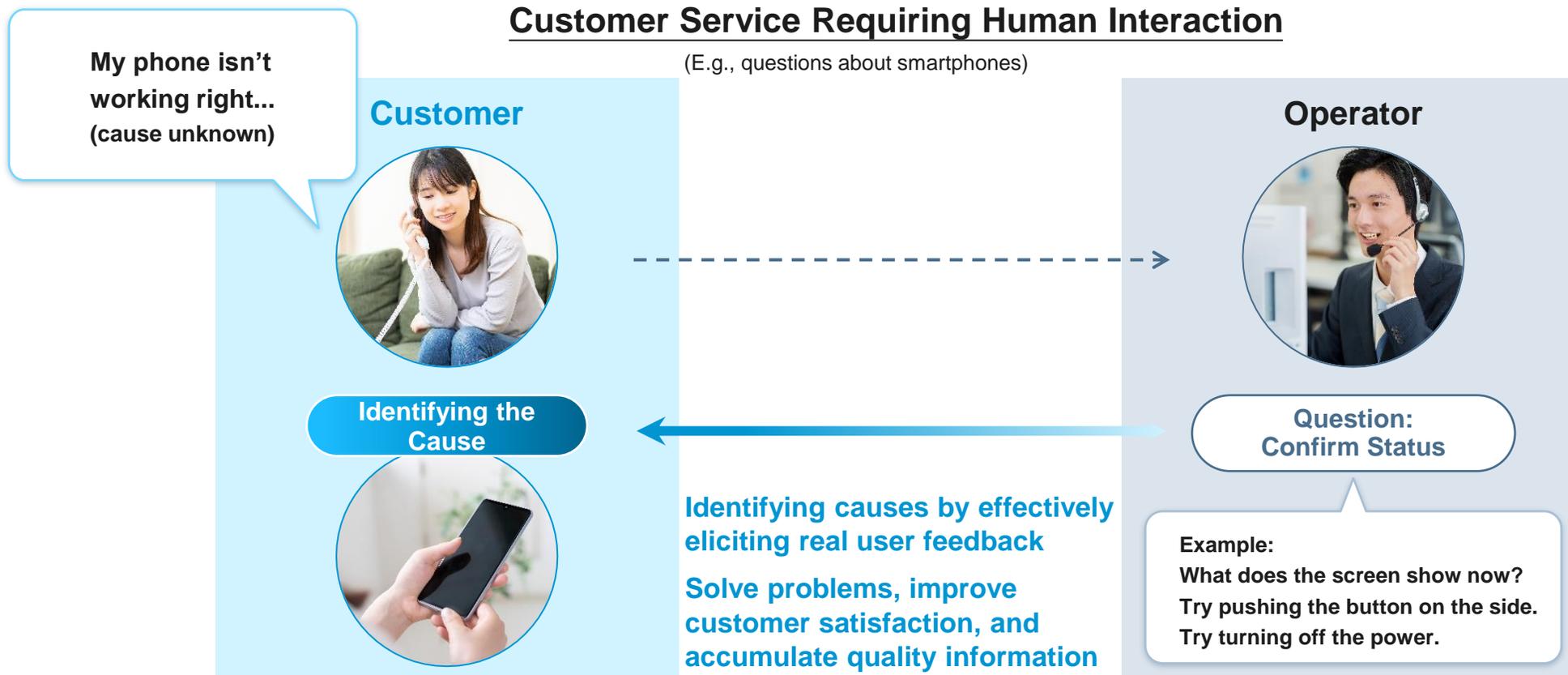
Knowledge Base



DX/AI

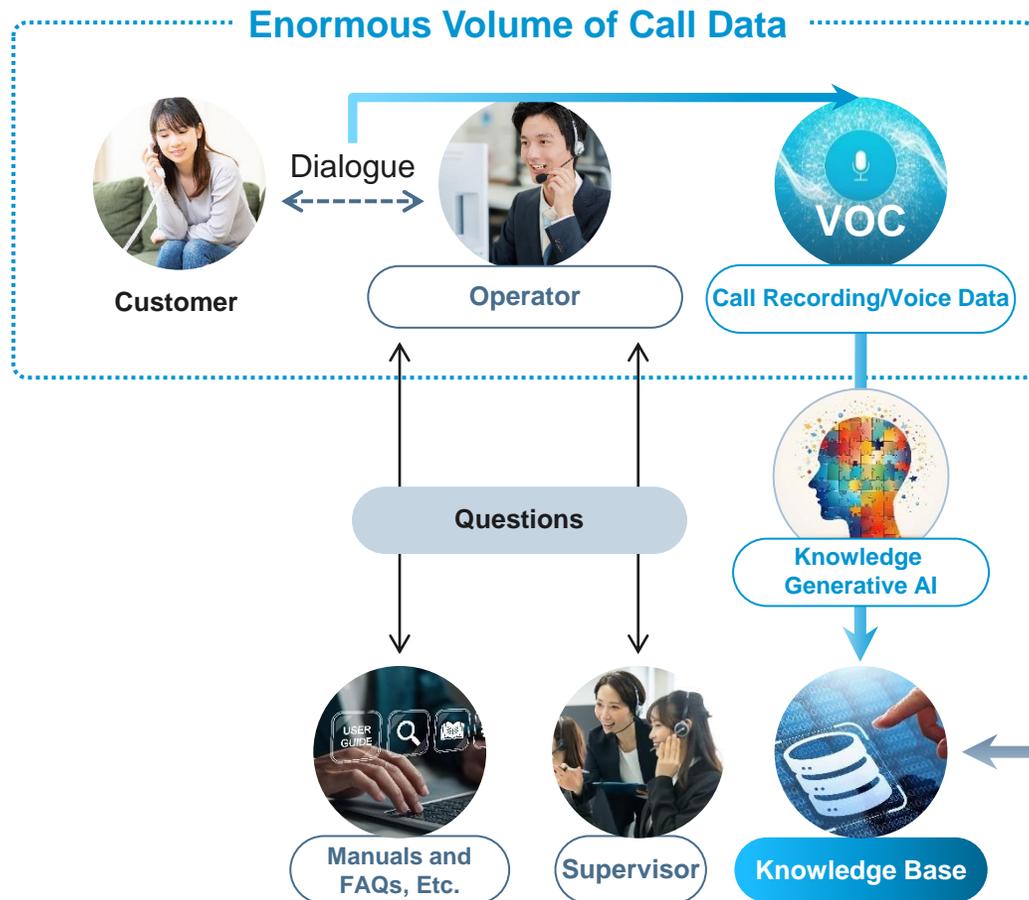
Responding to Inquiries That Build a Base of High-Quality Knowledge Data

- Only skilled operators can effectively elicit, collect, and analyze real feedback from users.
- One key element of contact center operations is the ability to identify the cause of a problem via interactions only capable of being performed by humans (e.g., responding to ambiguous inquiries).
- This cause identification process is stored in knowledge as training data for generative AI.



Generative AI and Bellsystem24 Strengths

- We must convert vast amounts of VOC (call data) into knowledge in order to automate contact center responses.
- We use generative AI to build a fresh and highly accurate knowledge base from an enormous volume of call data.



Example: Brief Summary of a 4,000-Word Call

Title
Procedures and Precautions for Claiming Hospitalization Benefits

Issues/Questions
A family member (insured person) has been hospitalized. I want to file a claim for hospitalization benefits. What procedures and documents are necessary?

Environment

- Insurance product: Life insurance
- Contract: 60-day guarantee period
- Background: The insured began hospitalization on November 22, 2023

Solution

Step 1: Confirmation the insured's information

1. Confirm the insurance policy number
2. Confirm the insured's full name, date of birth, address, and telephone number

Step 2: Confirm hospitalization information

1. Confirm the start date of hospitalization
2. Communicate the guarantee period (60 days from the start of hospitalization)

Step 3: Prepare and provide guidance regarding required documents

1. Communicate the need to prepare a doctor's certificate in 60 days
2. Operator sends other required documents (copy of insurance card, etc.)

Step 4: Explain conditions for readmission

1. Explain that readmission within 180 days after discharge is considered the same hospitalization event
2. Explain the need to wait at least six months

Step 5: Provide instruction on screening results and payment terms

1. Explain that payment of benefits will be determined based on the documents submitted
2. Inform caller that unpaid premiums, if any, may be liquidated from benefits

Step 6: Send documents; document receipt

1. Send the required documents the next day; inform customer that the documents should arrive in a few days

Step 7: Other matters

1. Explain there might be a delay in response if documents are not in order
2. Offer information of the contact person (e.g., op_name), if necessary

Additional Information

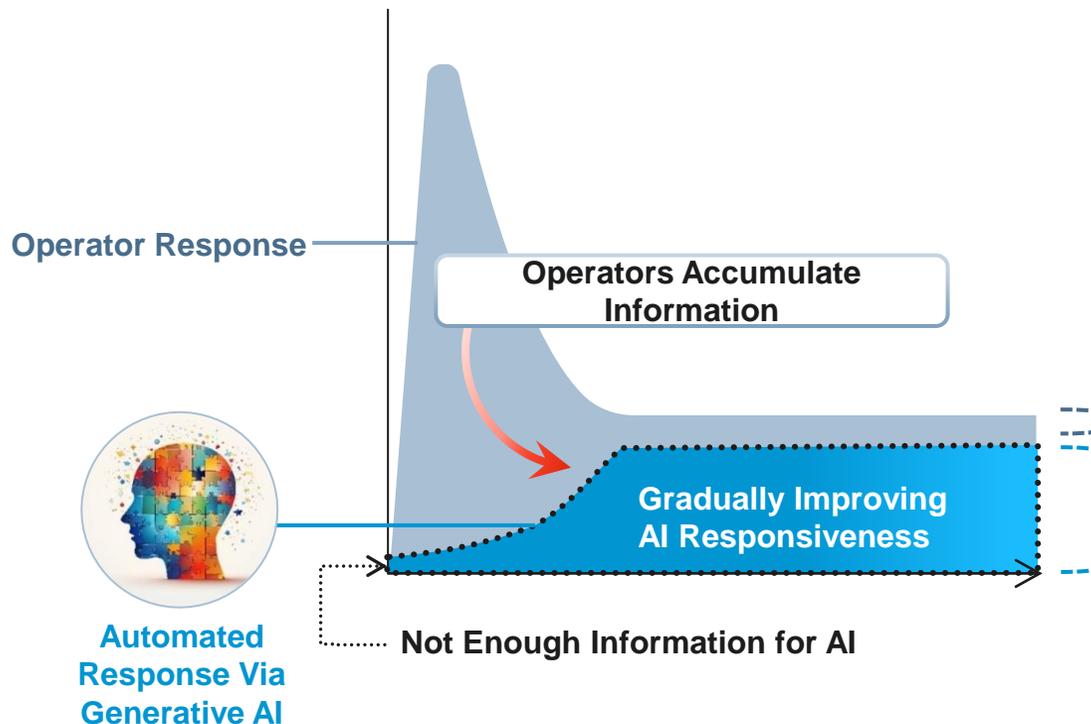
- Be careful not to omit any of the required documents or required information upon arrival
- Confirm the sections to be filled in by the spouse

Related Keywords
Benefit claims, hospitalization coverage, readmission requirements, policy number

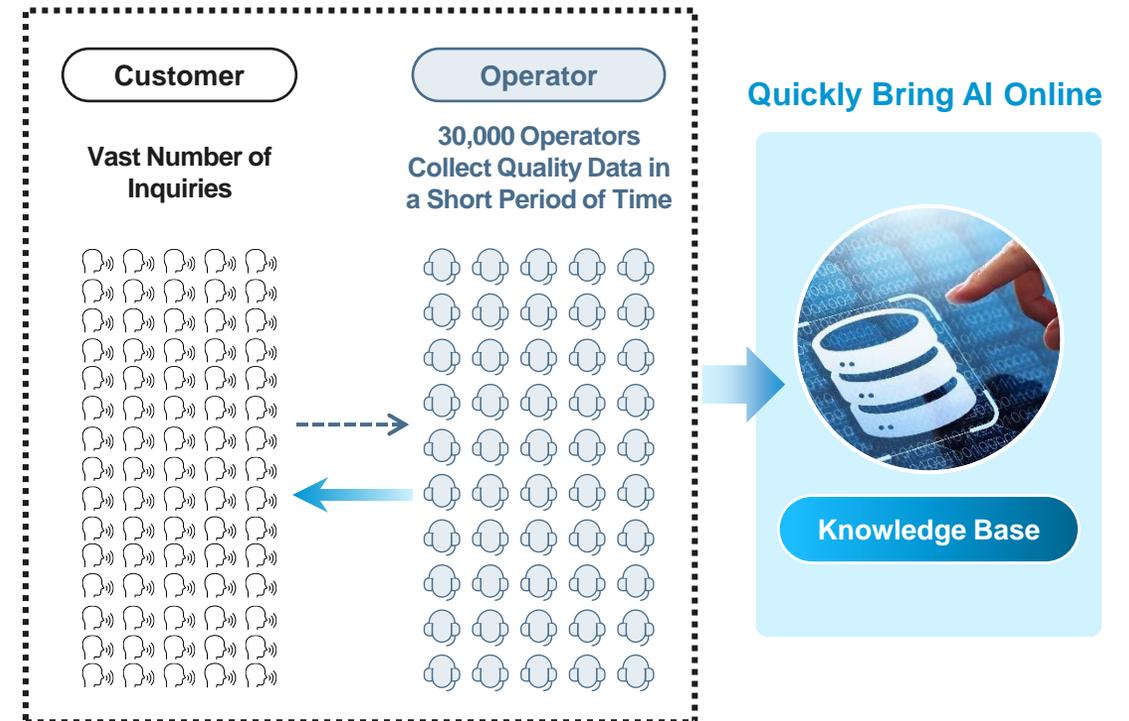
Create a Knowledge Service Based on Generative AI

- Upon the release of a new product or service, the knowledge base of a generative AI is limited, while inquiries are numerous.
- Knowledge Services to leverage 30,000 operators to accumulate call data (knowledge) for rapid AI training, leading to the effective and rapid implementation of generative AI.

Accumulate High-Quality Information Essential for Generative AI



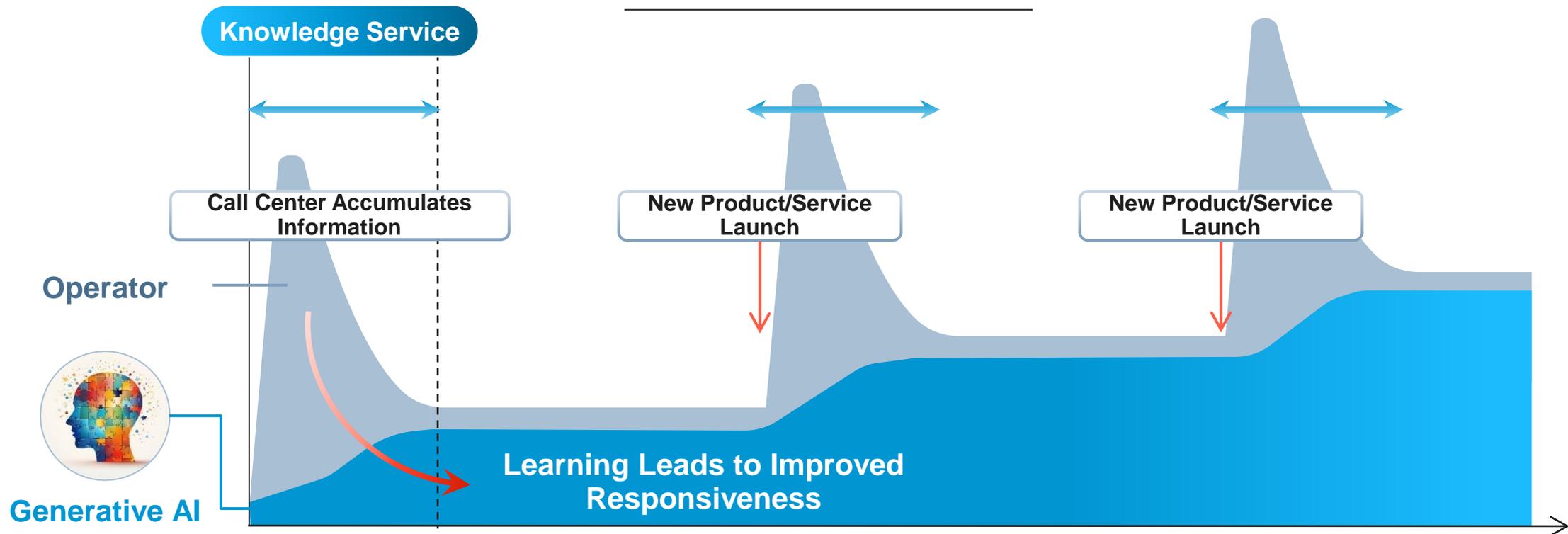
Shorten the Data Collection Period Significantly, Bringing AI Online as Early as Possible



Knowledge Service Continuity

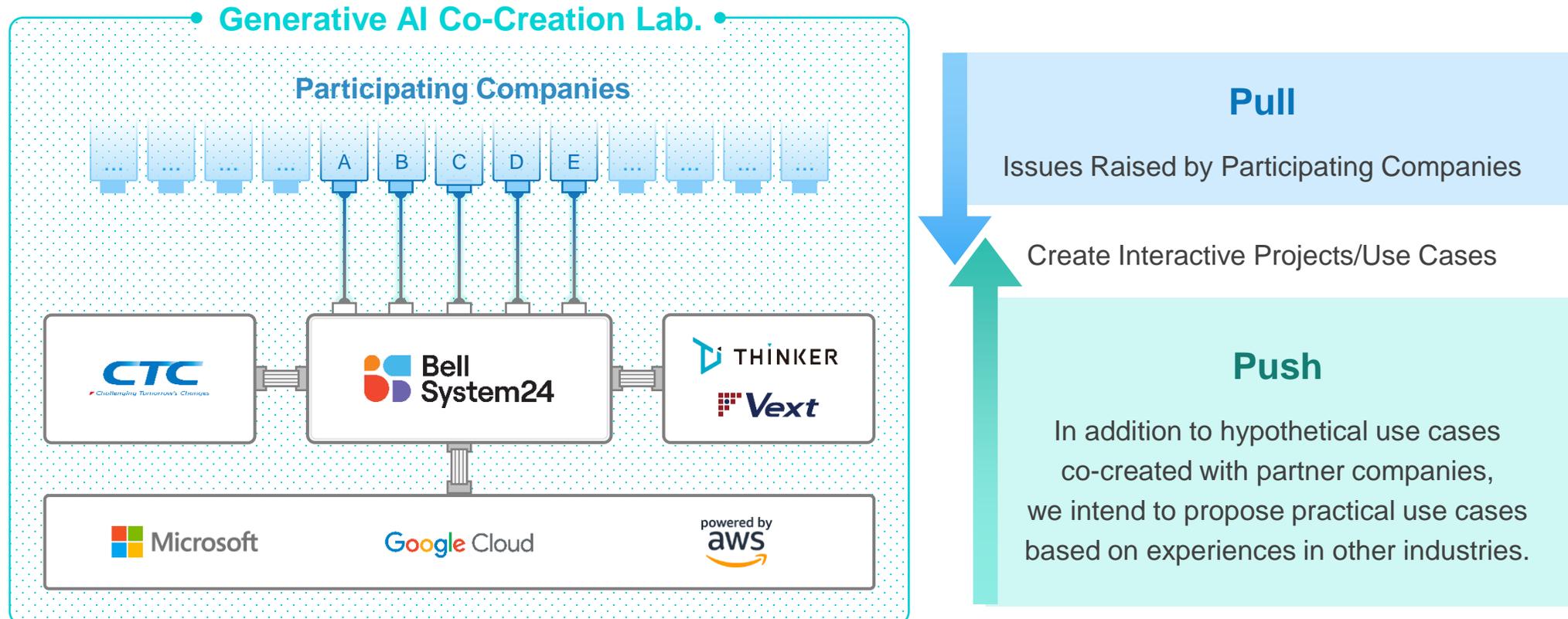
- Operator responses comprise a large part of the service when the generative AI is first deployed. This ratio decreases gradually as the AI learns more.
- When new products and services are launched, we repeat the same process to create new knowledge. Collecting information and training generative AI quickly requires a large number of operators (high flexibility and resourcefulness).
- Our knowledge services are essential to the generation AI of contact center operations.

Customer Responses



Generative AI Co-Creation Lab.

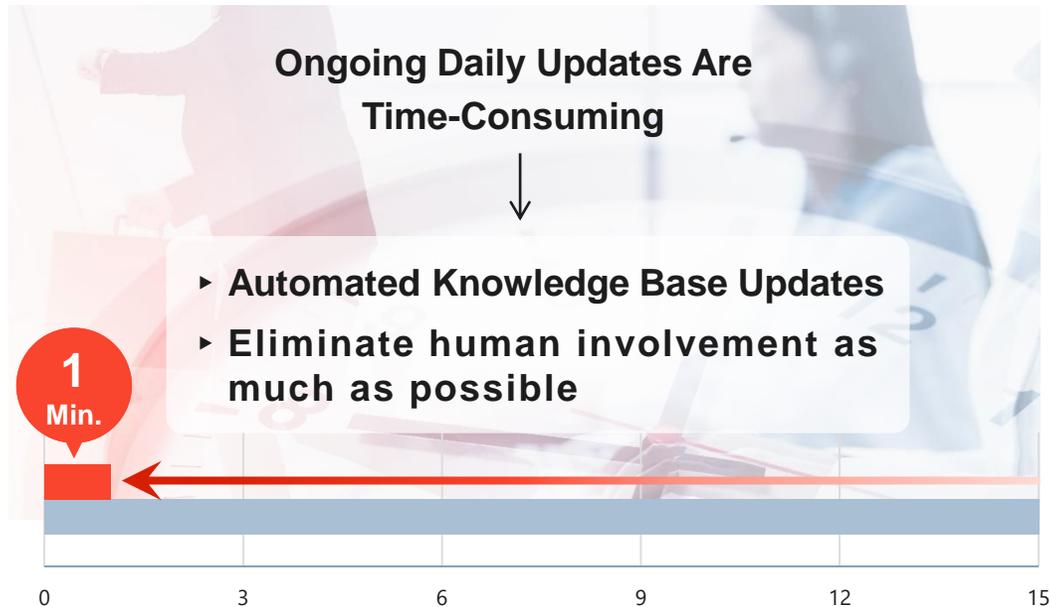
- In June 2023, we established the Generative AI Co-Creation Lab. to identify the boundary between a required human response and AI and leverage generative AI appropriately for contact center operations.
- We aim to build generative AI contact centers, working with partners (technology companies, systems integration companies, marketing companies, etc.) and Bellsystem24 serving as the hub.
- We are accelerating generative AI use cases through a pull/push two-way approach.



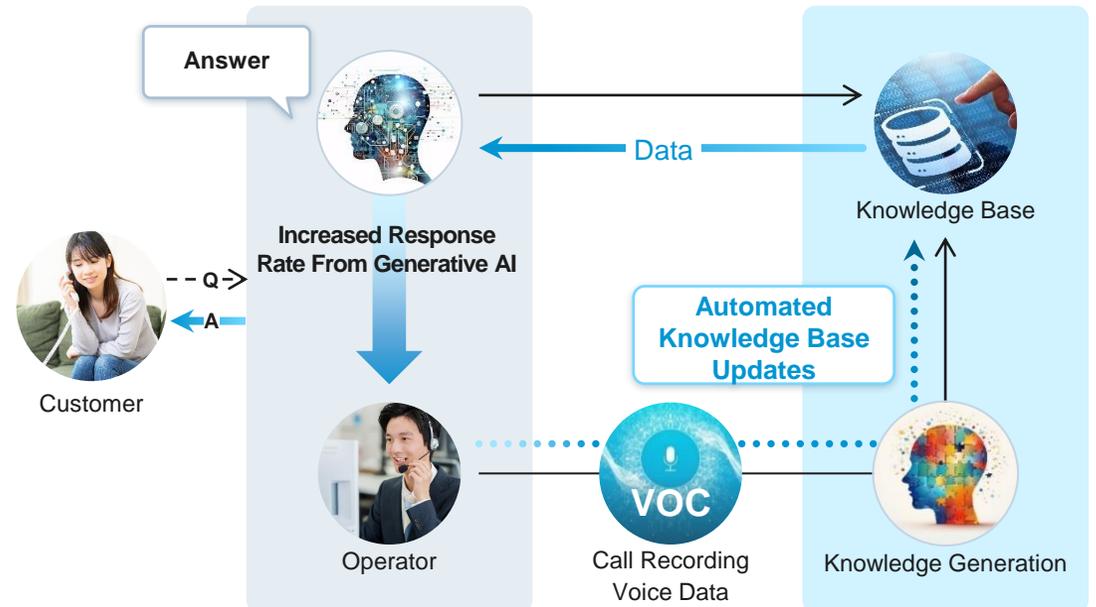
Launch of Product Development for *Hybrid Operation Loop*

- Developing a system to automate the knowledge updating process, which is a challenge when adopting generative AI.
- Building a process to generate a knowledge base automatically from daily call data reduces the burden of knowledge management performed traditionally as a manual operator process, leading to greater efficiency.
- We expect to have a next-generation call center up and running by the end of FY2025 to provide automated responses for certain operations through generative AI learning.

Operators Make Knowledge Base Updates Manually Average 60 Mins. Labor



Hybrid Operation Loop Overview



* Example of a contact desk for a precision equipment manufacturer

Next-Generation Contact Centers

Generative AI-Related Investments (Including Technology, Human Resources)

- ▶ At least 30 billion yen through FY2030



Establishment of a Special Division Dedicated to Adapting/Managing AI Technology

- ▶ Launched in 2024
- ▶ Central management of engineers, operators, and knowledge managers



Recruit Personnel Specialized in AI

- ▶ Add roughly 100 AI consultants/engineers over three years



Next-Generation Contact Centers Will Include Operators-Turned-Knowledge Managers



- Some portion of operators in next-generation contact centers will become knowledge managers with the increase of automated responses by generative AI.
- Knowledge manager is a role that selects the knowledge required for training generative AI and oversees the process of educating generative AI.
- Support comprehensive reskilling toward knowledge management operations.



Transactions Requiring Human Interaction



Medium- to Long-Term Growth Scenario

3. Utilize VOC to Create New Added Value

- ▶ Turning Contact Centers Into Profit Centers

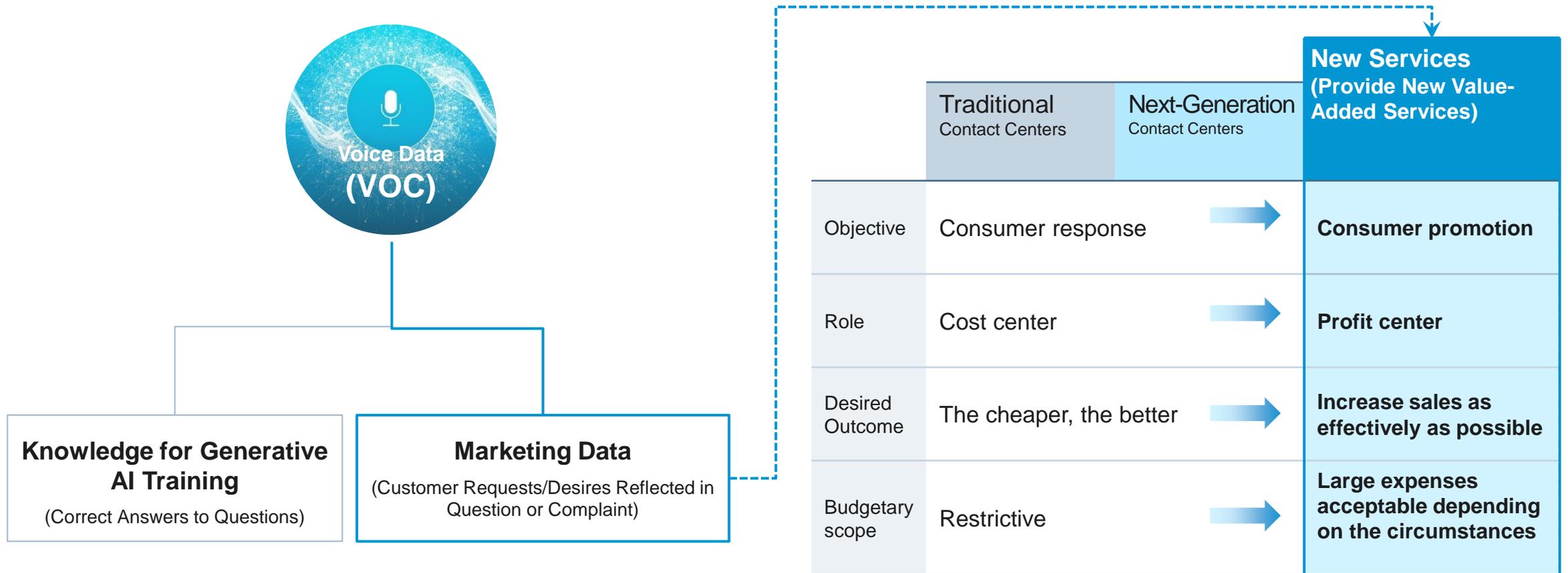


Marketing Support

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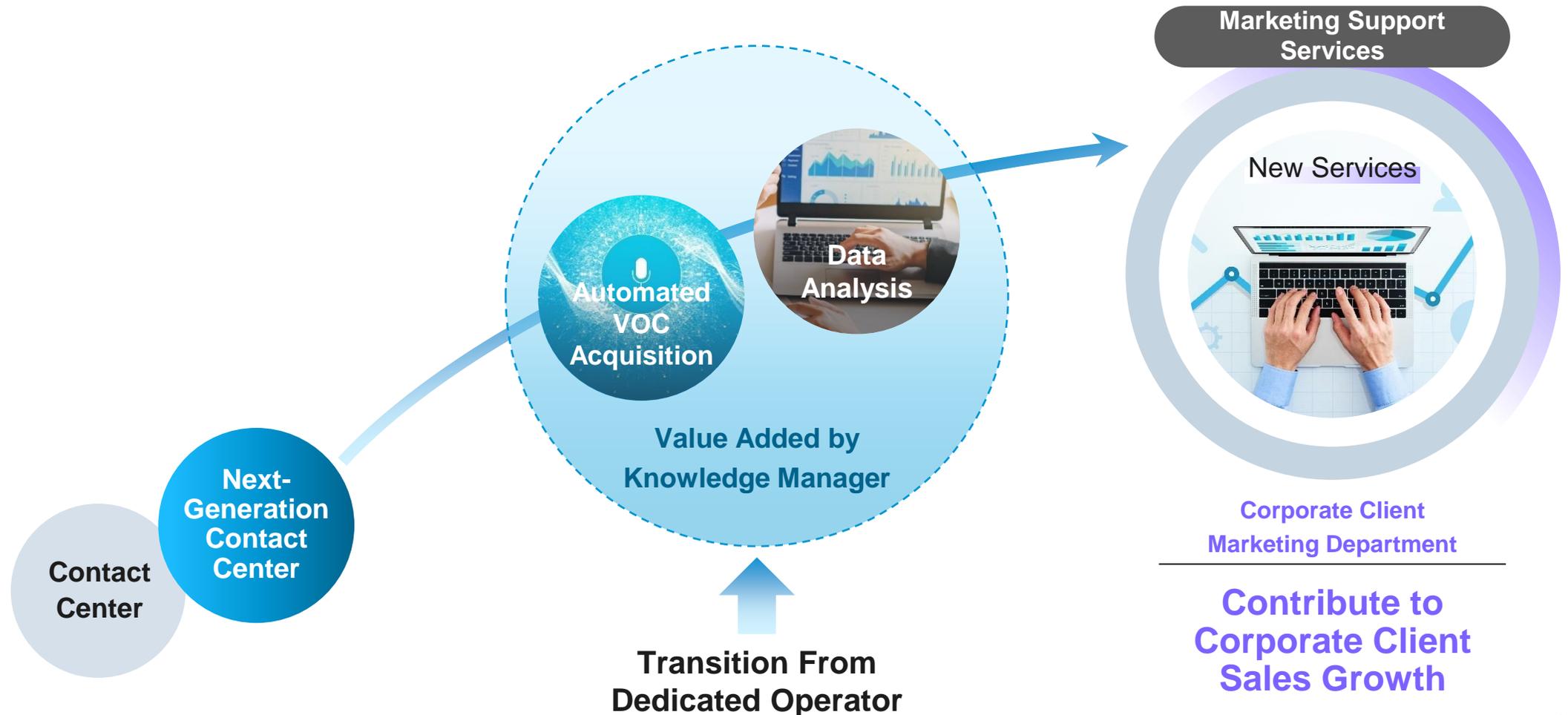
Evolving the Next-Generation Contact Center Into a Profit Center

- We will create new added value by leveraging the vast amount of knowledge and VOC collected through next-generation contact centers.
- Generative AI will collect VOC automatically in alignment with the purpose of the VOC to understand consumer needs. We plan to develop marketing support business areas that lead to increased sales for corporate clients, turning contact centers into profit centers (marketing and advertising expenses for corporate clients, etc.).



Process Leading to New Service Implementation

- Marketing support services include data analysis based on automated VOC collection.
- New services offerings will be aimed at the marketing departments of corporate clients, and we expect these services to increase revenue by a large margin.



Examples of Marketing Support Service Initiatives

- Bellsystem24 subsidiary Thinker provides marketing support services to Istyle, operator of Japan's largest comprehensive cosmetics-related information site, @cosme.

Leveraging generative AI to create customer personas based on word-of-mouth data. Converts vast amounts of word-of-mouth data into quantitative information (customer interests, needs, etc.), facilitating analysis of issues and competitive advantages.

比較条件の選択

店舗

ジャンル

自社店舗

他社店舗

条件

年代

予算

評価

クラスター

30代後半

9,000円

4.2

和食を好む典型的な顧客は、30代から50代の男女で、特別な日や大切な人との食事を楽しむために訪れることが多い。彼らは創作和食の楽しさと季節感を重視し、特に盛り金目順の食付けに感動することが多い。料理の見た目や味わいに対する期待が高く、価格に見合った満足感を求めている。カウンター席での調理風景を楽しむことや、丁寧な接客を評価する一方で、混雑時の対応や座席のプライバシー改善の余地を感じることもある。価格帯は高めだが、特別な体験を求める顧客にとっては納得できる範囲であり、リピート意向も高い。特に、料理の質やサービスの丁寧さが評価され、次回は季節を変えて訪れたいと考える顧客が多い。

セグメント

ニーズ比較

クラスター分析

このユーザーペルソナに詳しく

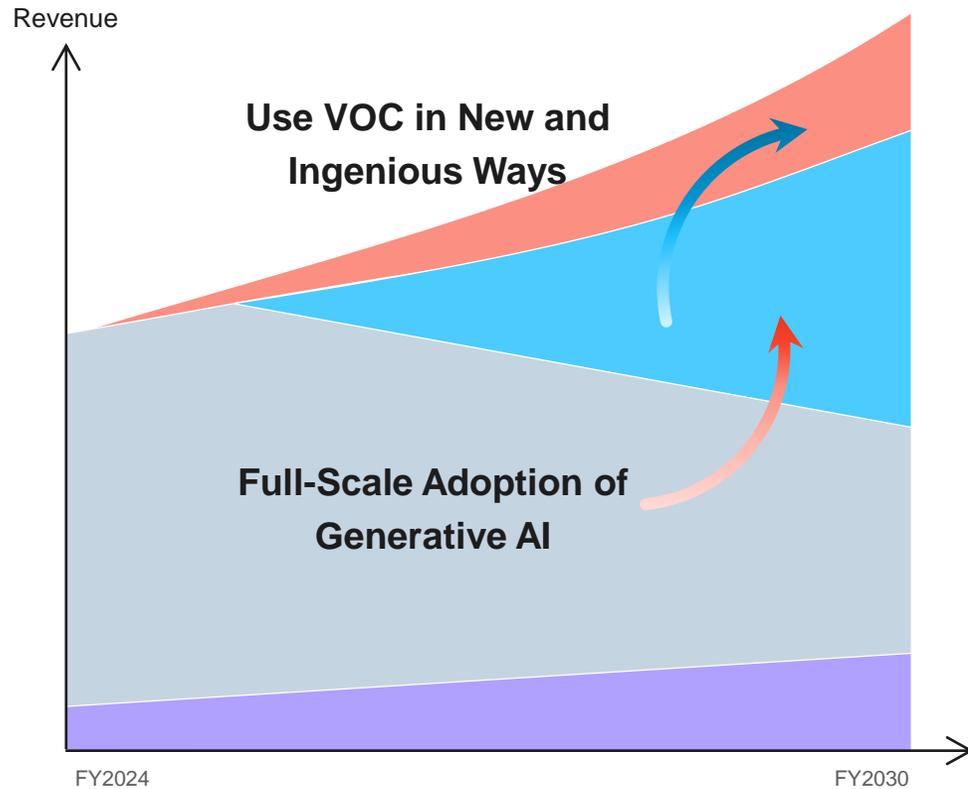
*Concept

Growth Strategy

03

Growth Strategy

- Increase revenue and profits by growing our corporate client base through meeting outsourcing needs.
- Create next-generation contact centers with the addition of generative AI.
- Create new services (marketing support operations, etc.) by utilizing VOC data obtained from contact center operations in ingenious ways.



	FY2024	FY2030	
Creation of new added value	—	40 billion yen	Smart Contact Center Operations (SC) ^{*1}
Next-generation contact center operations	—	100 billion yen	
Traditional contact center operations ^{*2}	123.6 billion yen	75 billion yen	
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