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## Consolidated Financial Results for the Six Months Ended November 30, 2023 [Japanese GAAP]



January 11, 2024

Company name: Bewith, Inc.  
 Stock exchange listing: Tokyo Stock Exchange  
 Securities code: 9216  
 URL: <https://www.bewith.net/>  
 Representative: Koichi Morimoto, President and CEO  
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 Scheduled date of filing quarterly securities report: January 11, 2024  
 Scheduled date of commencing dividend payments: –  
 Availability of supplementary explanatory materials on quarterly financial results: Available  
 Schedule of quarterly financial results briefing session: Scheduled (for analysts and institutional investors)

(Amounts of less than one million yen are rounded down.)

### 1. Consolidated Financial Results for the Six Months Ended November 30, 2023 (June 1, 2023 - November 30, 2023)

(1) Consolidated Operating Results (Cumulative) (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended November 30, 2023	19,339	16.5	1,403	83.3	1,395	76.1	958	82.9
November 30, 2022	16,603	5.2	765	(40.2)	792	(39.0)	523	(38.3)

(Note) Comprehensive income: Six months ended November 30, 2023: ¥958 million [82.9%]  
 Six months ended November 30, 2022: ¥523 million [(38.3)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
November 30, 2023	68.75	66.60
November 30, 2022	38.22	37.57

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of November 30, 2023	12,972	8,195	63.2
As of May 31, 2023	12,207	7,841	64.2

(Reference) Equity: As of November 30, 2023: ¥8,193 million  
 As of May 31, 2023: ¥7,839 million

## 2. Dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended May 31, 2023	–	0.00	–	49.00	49.00
Fiscal year ending May 31, 2024	–	0.00			
Fiscal year ending May 31, 2024 (Forecast)			–	50.00	50.00

(Note) Revision to the forecast for dividends announced most recently: None

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending May 31, 2024 (June 1, 2023 - May 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	39,000	10.9	2,900	30.3	2,900	27.8	1,970	17.4	141.80

(Note) Revision to the financial results forecast announced most recently: None

**\* Notes:**

- (1) Changes in significant subsidiaries during the period under review: None  
(Changes in specified subsidiaries resulting in changes in scope of consolidation):  
Newly included: – ( ), Excluded: – ( )
- (2) Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
  - 1) Changes in accounting policies due to the revision of accounting standards and other regulations: None
  - 2) Changes in accounting policies other than 1) above: None
  - 3) Changes in accounting estimates: None
  - 4) Retrospective restatement: None
- (4) Total number of issued shares (common shares)
  - 1) Total number of issued shares at the end of the period (including treasury shares):

As of November 30, 2023:	13,966,400 shares
As of May 31, 2023:	13,893,200 shares
  - 2) Total number of treasury shares at the end of the period:

As of November 30, 2023:	25 shares
As of May 31, 2023:	25 shares
  - 3) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year):

Six months ended November 30, 2023:	13,938,171 shares
Six months ended November 30, 2022:	13,707,650 shares

\* These quarterly consolidated financial results are outside the scope of quarterly review by certified public accountants or an audit firm.

\* Explanation of the proper use of financial results forecast and other notes

The forward-looking statements contained in this document, including financial results forecasts, are based on the information currently available to the Company and certain assumptions considered reasonable. Actual financial results, etc. may differ significantly from them due to wide-ranging factors. For the assumptions that form the basis for financial results forecasts, etc., please refer to “Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information” on page 3 of the Attachments.

(How to obtain supplementary explanatory materials on quarterly financial results)

Supplementary explanatory materials on quarterly financial results will be disclosed on the Company’s website (<https://www.bewith.net/ir/>). We also plan to hold a quarterly financial results briefing session (for analysts and institutional investors) on Friday, January 12, 2024.

Table of Contents - Attachments

1. Qualitative Information on Quarterly Financial Results .....	2
(1) Explanation of Operating Results .....	2
(2) Explanation of Financial Position .....	3
(3) Explanation of Cash Flows .....	3
(4) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information .....	3
2. Quarterly Consolidated Financial Statements and Principal Notes .....	4
(1) Quarterly Consolidated Balance Sheets .....	4
(2) Quarterly Consolidated Statements of Income and Comprehensive Income .....	6
(3) Quarterly Consolidated Statements of Cash Flows .....	8
(4) Notes to Quarterly Consolidated Financial Statements .....	9
(Notes on going concern assumption) .....	9
(Notes in case of significant changes in shareholders' equity) .....	9

## 1. Qualitative Information on Quarterly Financial Results

### (1) Explanation of Operating Results

During the six months ended November 30, 2023, Japan's economy saw economic activity continue to normalize from the effects of the COVID-19 pandemic. While business conditions remain in a gentle recovery driven by domestic demand, the outlook remains uncertain due to factors such as limited consumption due to rising prices, the weak yen, trends in resource prices, and geopolitical risks such as the state of affairs in Ukraine and in Israel and Palestine.

In the contact center and business process outsourcing (BPO) industry to which the Group belongs, a shift has begun in the use of digital technology from provisional digital use, such as the development of remote work environments in the COVID-19 pandemic, to essential digital use for the purpose of improving business quality and productivity. Against this backdrop, the market size has been growing steadily due to the expansion of multiple needs, such as digitalization of business operations, rebuilding of operational systems, introduction of home-based operations, and strengthening of BCP measures. Under such business conditions, in its Medium-Term Management Plan 2025, which covers the period until the fiscal year ending May 2026, the Group has established a vision of "a company that continues to grow healthily from roots to buds," with which it is working to achieve the following three management policies: (1) Strong growth of Omnia LINK, (2) Advanced contact center and BPO, and (3) Strengthening of management base.

In the six months ended November 30, 2023, net sales increased ¥2,735 million year-on-year, mainly due to expansion in contact center and BPO services. In particular, in addition to acquisition of new projects and expansion of existing operations in the finance industry, which is our focus area, this increase was also driven by growth in areas such as the lifeline industry and public projects. Due to the favorable order situation, the Company is performing well compared to the plan for the first half of the period ending May 31, 2024, as announced July 13, 2023.

Operating profit grew by ¥638 million year-on-year. During the six months ended November 30, 2023, this increase was due to an increase in profits resulting from an increase in net sales, as well as an improvement in profit margins resulting from increased efforts to review selling prices for some operations and reduce the ratio of temporary staffing. Additionally, while research and development expenses were present in the previous period due to development of systems, the SG&A ratio decreased due to the absence of these expenses in this period due to the conclusion of development. This helped contribute to an improved operating profit margin. As with net sales, the Company is performing well in terms of operating profit compared to plans for the first half.

We will continue to strive to achieve the full-year plan by steadily acquiring new customers and providing high-value-added services.

Regarding the Omnia LINK external sales, the number of licenses increased by 54.9% year-on-year to 2,865. This was an increase of 331 licenses from the previous quarterly period. In addition, the number of license order backlog, for which we have been preparing for delivery after receiving unofficial orders, was level with the end of the previous quarterly period. The annual recurring revenue (ARR: calculated by multiplying monthly recurring revenue by 12 months) from the sale of Omnia LINK to outside customers reached ¥720 million, up 93.3% year-on-year.

The number of operation booths as of November 30, 2023 totaled 6,820 at 17 locations nationwide, and the number of Omnia LINK licenses for contact center and BPO services totaled 2,598, the share of which (Omnia LINK's share, as a percentage of PBX used in contact center and BPO services) was 76.7%.

As a result of the above, net sales were ¥19,339 million (up 16.5% year-on-year), operating profit was ¥1,403 million (up 83.3% year-on-year), ordinary profit was ¥1,395 million (up 76.1% year-on-year), and profit attributable to owners of parent was ¥958 million (up 82.9% year-on-year).

Segment information is omitted as the contact center and BPO business is the Group's sole segment.

## (2) Explanation of Financial Position

### (Assets)

Total assets as of November 30, 2023 amounted to ¥12,972 million, an increase of ¥765 million compared with the end of the previous fiscal year. This was mainly due to a ¥376 million increase in accounts receivable - trade, a ¥102 million increase in investment securities, and a ¥92 million increase in leasehold and guarantee deposits.

### (Liabilities)

Total liabilities as of November 30, 2023 amounted to ¥4,776 million, an increase of ¥411 million compared with the end of the previous fiscal year. This was mainly due to a ¥136 million decrease in accounts payable - other, a ¥214 million increase in accrued expenses, a ¥212 million increase in income taxes payable, and a ¥79 million increase in accrued consumption taxes.

### (Net assets)

Total net assets as of November 30, 2023 amounted to ¥8,195 million, an increase of ¥353 million compared with the end of the previous fiscal year. This was mainly due to a decrease in retained earnings resulting from the payment of ¥680 million in dividends of surplus, despite the recording of ¥958 million in profit attributable to owners of parent.

## (3) Explanation of Cash Flows

### (Cash flows from operating activities)

Net cash provided by operating activities was ¥1,148 million (¥143 million provided in the same period of the previous fiscal year). The main components were profit before income taxes of ¥1,406 million (¥792 million in the same period of the previous fiscal year), partly offset by an increase in trade receivables of ¥372 million (¥586 million in the same period of the previous fiscal year).

### (Cash flows from investing activities)

Net cash used in investing activities was ¥499 million (¥227 million used in the same period of the previous fiscal year). The main components were purchase of property, plant and equipment of ¥164 million (¥138 million in the same period of the previous fiscal year) due to the establishment of new contact centers, purchase of intangible assets of ¥139 million (¥94 million in the same period of the previous fiscal year), and purchase of investment securities of ¥99 million (none in the same period of the previous fiscal year).

### (Cash flows from financing activities)

Net cash used in financing activities was ¥611 million (¥621 million used in the same period of the previous fiscal year). The main component was dividends paid of ¥680 million (¥642 million in the same period of the previous fiscal year).

## (4) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

There is no change to the consolidated financial results forecast for the fiscal year ending May 31, 2024, which was announced on July 13, 2023.

## 2. Quarterly Consolidated Financial Statements and Principal Notes

### (1) Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of May 31, 2023	As of November 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	4,913,708	4,952,830
Accounts receivable - trade	4,050,458	4,427,448
Electronically recorded monetary claims - operating	30,413	26,184
Merchandise	30,384	4,820
Work in process	1,166	1,072
Supplies	3,903	3,406
Other	340,816	304,422
Total current assets	9,370,848	9,720,182
Non-current assets		
Property, plant and equipment	899,593	1,015,347
Intangible assets		
Goodwill	14,015	17,560
Other	309,715	402,218
Total intangible assets	323,730	419,778
Investments and other assets		
Investment securities	168,000	270,412
Leasehold and guarantee deposits	1,052,467	1,145,261
Other	392,406	401,756
Total investments and other assets	1,612,873	1,817,429
Total non-current assets	2,836,196	3,252,554
<b>Total assets</b>	<b>12,207,044</b>	<b>12,972,736</b>

(Thousand yen)

	As of May 31, 2023	As of November 30, 2023
<b>Liabilities</b>		
Current liabilities		
Short-term borrowings	5,000	—
Current portion of long-term borrowings	4,776	4,776
Accounts payable - other	843,424	706,465
Accrued expenses	1,623,176	1,837,743
Income taxes payable	368,251	580,371
Accrued consumption taxes	519,397	598,977
Provision for bonuses	304,566	355,708
Other	314,630	288,101
Total current liabilities	3,983,220	4,372,141
Non-current liabilities		
Long-term borrowings	25,511	23,123
Retirement benefit liability	5,248	5,535
Asset retirement obligations	351,171	372,722
Other	—	3,406
Total non-current liabilities	381,930	404,786
Total liabilities	4,365,150	4,776,927
<b>Net assets</b>		
Shareholders' equity		
Share capital	794,133	832,570
Capital surplus	897,315	935,752
Retained earnings	6,147,671	6,425,092
Treasury shares	(53)	(53)
Total shareholders' equity	7,839,066	8,193,361
Share acquisition rights	2,828	2,448
Total net assets	7,841,894	8,195,809
Total liabilities and net assets	12,207,044	12,972,736



(2) Quarterly Consolidated Statements of Income and Comprehensive Income  
Quarterly Consolidated Statements of Income  
Six Months Ended November 30

(Thousand yen)

	For the six months ended November 30, 2022	For the six months ended November 30, 2023
Net sales	16,603,482	19,339,333
Cost of sales	14,214,417	16,237,501
Gross profit	2,389,065	3,101,832
Selling, general and administrative expenses	1,623,435	1,698,114
Operating profit	765,630	1,403,718
Non-operating income		
Interest income	0	1
Dividend income	—	1
Subsidy income	25,853	4,564
Other	956	1,516
Total non-operating income	26,810	6,082
Non-operating expenses		
Interest expenses	—	197
Share of loss of entities accounted for using equity method	—	13,896
Other	115	120
Total non-operating expenses	115	14,213
Ordinary profit	792,325	1,395,587
Extraordinary income		
Gain on change in equity	—	13,671
Total extraordinary income	—	13,671
Extraordinary losses		
Loss on retirement of non-current assets	160	3,070
Total extraordinary losses	160	3,070
Profit before income taxes	792,165	1,406,188
Income taxes - current	314,066	459,425
Income taxes - deferred	(45,851)	(11,425)
Total income taxes	268,215	448,000
Profit	523,950	958,188
Profit attributable to owners of parent	523,950	958,188

## Quarterly Consolidated Statements of Comprehensive Income

Six Months Ended November 30

(Thousand yen)

	For the six months ended November 30, 2022	For the six months ended November 30, 2023
Profit	523,950	958,188
Comprehensive income	523,950	958,188
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	523,950	958,188

## (3) Quarterly Consolidated Statements of Cash Flows

(Thousand yen)

	For the six months ended November 30, 2022	For the six months ended November 30, 2023
<b>Cash flows from operating activities</b>		
Profit before income taxes	792,165	1,406,188
Depreciation	105,280	136,272
Amortization of goodwill	2,826	7,671
Increase (decrease) in provision for bonuses	(86,560)	51,142
Interest and dividend income	(0)	(2)
Subsidy income	(25,853)	(4,564)
Interest expenses	—	197
Share of loss (profit) of entities accounted for using equity method	—	13,896
Loss (gain) on change in equity	—	(13,671)
Loss (gain) on sale and retirement of non-current assets	160	3,070
Decrease (increase) in trade receivables	(586,226)	(372,761)
Decrease (increase) in inventories	(395)	26,155
Increase (decrease) in retirement benefit liability	—	287
Decrease (increase) in other assets	6,351	19,879
Increase (decrease) in trade payables	280,209	36,037
Increase (decrease) in accrued consumption taxes	(176,928)	83,214
Increase (decrease) in other liabilities	33,004	(11,374)
Other, net	1,108	1,050
Subtotal	345,140	1,382,686
Interest and dividends received	0	2
Interest paid	—	(197)
Subsidies received	22,890	20,031
Income taxes paid	(224,502)	(254,118)
Net cash provided by (used in) operating activities	143,529	1,148,404
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(138,364)	(164,014)
Purchase of intangible assets	(94,458)	(139,821)
Purchase of investment securities	—	(99,999)
Decrease (increase) in time deposits	—	(1,800)
Payments of leasehold and guarantee deposits	(736)	(95,897)
Proceeds from refund of leasehold and guarantee deposits	1,039	3,103
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	6,534	—
Other, net	(1,526)	(824)
Net cash provided by (used in) investing activities	(227,511)	(499,252)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	—	(5,000)
Repayments of long-term borrowings	—	(2,388)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	20,900	76,494
Dividends paid	(642,641)	(680,458)
Other, net	—	(478)
Net cash provided by (used in) financing activities	(621,741)	(611,830)
Net increase (decrease) in cash and cash equivalents	(705,723)	37,322
Cash and cash equivalents at beginning of period	4,429,714	4,913,008
Cash and cash equivalents at end of period	3,723,991	4,950,329

(4) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in case of significant changes in shareholders' equity)

Not applicable.