

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (FY03/21) (Japanese Standards)



May 12, 2021

Name of listed company: Benefit One Inc. Listed exchange: Tokyo Stock Exchange
 Stock exchange code: 2412 URL: <https://corp.benefit-one.co.jp/en/>
 Representative: (Title) President & COO (Name) Norio Shiraishi
 Contact: (Title) Managing Director (Name) Kenji Ozaki (Tel.) (03)6870-3802
 Annual General Meeting of Shareholders scheduled on: June 24, 2021
 Dividend payment to start on: June 10, 2021
 Securities Report to be submitted on: June 25, 2021
 Results supplementary material: : Yes
 Results briefing: : Yes (video distribution)

(Rounded down to the nearest million yen)

1. FY03/21 consolidated performance (April 1, 2020 to March 31, 2021)

(1) Consolidated operating results (% shows YoY increase/decrease rate)

	Sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY03/21	37,841	1.5	9,774	16.4	9,858	16.5	6,766	19.9
FY03/20	37,271	8.2	8,394	9.9	8,462	9.8	5,641	9.0

Note: Comprehensive income FY03/21 ¥7,285 million (29.6 %) FY03/20 ¥5,620 million (10.4 %)

	Net income per share		Diluted net income per share		Net income to equity	Return on asset	Operating income margin
	Yen	Sen	Yen	Sen	%	%	%
FY03/21	42.52		--		37.1	29.8	25.8
FY03/20	35.24		--		31.0	26.2	22.5

Reference: Equity in earnings (losses) of affiliates FY03/21 ¥△2 million FY03/20 ¥14 million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen Sen
FY03/21	36,171	19,865	54.9	124.84
FY03/20	29,926	16,567	55.4	104.10

Reference: Equity capital FY03/21 ¥19,865 million FY03/20 ¥16,566 million

(3) Consolidated cash flow

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents, end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY03/21	9,862	△1,175	△4,110	17,554
FY03/20	5,476	△748	△9,077	12,962

2. Dividends

	Annual dividend					Total dividend	Dividend payout ratio (Consolidated)	Dividend on equity (Consolidated)	
	End of 1Q	End of 2Q	End of 3Q	End of FY	Total				
	Yen	Sen	Yen	Sen	Yen	Sen	Millions of yen	%	
FY03/20	-		0.00		25.00		3,987	70.9	22.0
FY03/21	-		0.00		30.00		4,785	70.6	26.2
FY03/22 (forecast)	-		0.00		36.00			70.6	

3. Consolidated performance forecasts for FY03/22 (April 1, 2021 to March 31, 2022)

(% shows QoQ and YoY increase/decrease rate, respectively.)

	Sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen Sen
2Q (cumulative)	17,670	2.8	5,280	18.5	5,330	18.8	3,630	18.2	22.81
Full-year	37,310	△1.4	11,750	20.2	11,830	20.0	8,120	20.0	51.03

Note: Effective from FY03/22, Benefit One has applied the Accounting Standard for Revenue Recognition, and the sales

forecasts provided above are based on the new accounting standard. The sales forecast for FY03/22 when not applying the new accounting standard would be ¥25,140 million for the first half of the fiscal year (up 46.2% YoY), and ¥49,200 million for the full year (up 30.0% YoY). We do not expect any changes in the forecasts for operating income, ordinary income, and net income attributable to owners of the parent as a result of the adoption of the new Accounting Standard for Revenue Recognition.

* Notes

1. Important change to a subsidiary (a change to a specified subsidiary with a change of the scope : No of consolidation) during the fiscal year
2. Changes of the accounting policy, changes to accounting estimates, and restatement
 - (1) Changes of the accounting policy resulted from the : No
revision of accounting standards, etc.
 - (2) Changes of the accounting policy other than (1) : No
 - (3) Changes to accounting estimates : No
 - (4) Restatement : No

3. Number of issued shares (common shares)

(1) Number of issued shares (including treasury shares) as of the end of the period	FY03/21	159,970,000 shares	FY03/20	159,970,000 shares
(2) Number of treasury shares as of the end of the year	FY03/21	835,160 shares	FY03/20	835,107 shares
(3) Average number of shares during the year	FY03/21	159,134,851 shares	FY03/20	160,074,557 shares

Note: The Company has introduced “the Japanese version of the Employee Stock Ownership Plan (J-ESOP)” and “Board Benefit Trust (BBT).” Treasury shares remaining in “the Japanese version of the Employee Stock Ownership Plan (J-ESOP)” and “Board Benefit Trust (BBT)” that are recorded as treasury shares in shareholders’ equity are included in treasury shares deducted from the total number of issued shares as of the end of the year for the calculation of net assets per share, and in treasury shares deducted in the calculation of the average number of shares during the year for the calculation of net income per share.

Reference: Outline of non-consolidated performance

1. FY03/21 non-consolidated performance (April 1, 2020 to March 31, 2021)

(1) Non-consolidated operating results (% shows YoY increase/decrease rate.)

	Sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY03/21	36,456	5.4	9,987	16.6	9,964	16.2	6,857	8.1
FY03/20	34,597	41.1	8,568	17.4	8,578	16.9	6,344	28.0

	Net income per share		Diluted net income per share	
	Yen	Sen	Yen	Sen
FY03/21	43.09	-	-	-
FY03/20	39.63	-	-	-

Note: Treasury shares remaining in “the Japanese version of the Employee Stock Ownership Plan (J-ESOP)” and “Board Benefit Trust (BBT)” are included in treasury shares deducted in the calculation of the average number of shares during the year for the calculation of net income per share.

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Millions of yen		Millions of yen		%		Yen	Sen
FY03/21	36,488		20,586		56.4		129.37	
FY03/20	30,254		17,196		56.8		108.06	

Reference: Equity capital FY03/21 ¥20,586 Mil. FY03/20 ¥17,196 Mil.

Note: Treasury shares remaining in “the Japanese version of the Employee Stock Ownership Plan (J-ESOP)” and “Board Benefit Trust (BBT)” are included in treasury shares deducted in the calculation of the total number of issued shares as of the end of the year for the calculation of net assets per share.

* Summary of Financial Results is not subject to the audit by a certified public accountant or auditing firm.

* Explanation on the appropriate use of performance forecasts and other notable matters

- Descriptions about the future, including performance forecasts, in this document are based on information that the Company has at present and certain assumptions judged as reasonable. The Company does not intend to promise to achieve them. Actual performance, etc. could significantly differ depending on various factors. For conditions on which performance forecasts are based and notes for the use of performance forecasts, etc. see “1. Overview of operating results, etc. (4) Outlook for the future” on page 4 of the attachment.
- The Company plans to post a results briefing video and results briefing materials on its website (<https://corp.benefit-one.co.jp/en/ir/library/>) on or after May 12, 2021.

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1. Overview of operating results, etc.

(1) Overview of FY03/21 operating results

In the current consolidated fiscal year, the Japanese economy continued to experience difficult circumstances due to the impact of COVID-19.

In many enterprises, the necessity of business challenges, such as workstyle reform, health management, and DX (digital transformation), has become more distinct with increasing interest in the performance management of people and organizations in the COVID-19 environment.

The Company Group has proposed the resolution of HR departments' issues through the provision of BPO services, such as employee benefit services and healthcare services. The group intends to further accelerate the improvement of its services and support the DX strategies of its customer companies' HR departments in consideration of recent socioeconomic trends. The Company released a new service "Bene ONE PLATFORM" in June 2020. Through this service, the Company aims to contribute to the improvement of HR departments' management efficiency by centrally managing enterprises' HR and health data, etc., linking various HR- and labor-related outsourcing services with data, and utilizing them.

Regarding the performance in the current consolidated fiscal year, the Company Group maintained a year-on-year increase in sales and income, despite decreased service use and delay in health checkups and health guidance due to the impact of COVID-19. The overall consolidated performance was strong.

In the Employee Benefit Service business, we steadily captured new members from large and middle-ranking enterprises although new member-capturing decelerated among SMEs. We tried to recover the use of services for members by improving the menus that can be used at home, such as the e-learning and EC menu, but reimbursement payments decreased from the previous year since menus involving outings, such as accommodation and leisure menus, were less used partly because of the reissuance of the declaration of a state of emergency at the end of the year in response to the re-expansion of COVID-19. In the Incentive business, new customer development made progress with an increase in points granted to customers and increasing needs as an alternative for travel and annual events in the COVID-19 environment. In the Healthcare business, health checkups and health guidance were delayed in the COVID-19 environment, and part of the revenue planned for FY03/21 was carried forward to FY03/22.

As a result of the above, in the current consolidated fiscal year, the Company Group recorded sales of ¥37,841 million (up 1.5% YoY), operating income of ¥9,774 million (up 16.4% YoY), ordinary income of ¥9,858 million (up 16.5% YoY), and net income attributable to owners of the parent of ¥6,766 million (up 19.9% YoY).

The Company Group is engaged in the membership service business, mainly the outsourced employee benefit service business in Japan. As a result of consolidating business segments, the segment to be reported is only the membership service business, and thus segment information is omitted.

(2) Overview of FY03/21 financial position

Assets, liabilities, and net assets:

(Assets)

Net assets at the end of the current consolidated fiscal year were ¥36,171 million, an increase of ¥6,245 million from the end of the previous consolidated fiscal year.

Current assets were ¥28,696 million, an increase of ¥5,226 million. This is mainly due to an increase of cash and deposits (¥4,602 million), notes and accounts receivable – trade (¥649 million), etc.

Property, plant, and equipment increased by ¥1,018 million to ¥7,475 million.

(Liabilities)

Total liabilities at the end of the current consolidated fiscal year were ¥16,306 million, an increase of ¥2,947 million from the end of the previous consolidated fiscal year.

Current liabilities were ¥15,184 million, an increase of ¥2,879 million. This is mainly due to an increase of accounts

payable – trade (¥1,018 million), income taxes payable (¥486 million), advances received (¥888 million), etc.

Non-current liabilities increased by ¥67 million to ¥1,121 million.

(Net assets)

Net assets at the end of the current consolidated fiscal year were ¥19,865 million, an increase of ¥3,298 million from the end of the previous consolidated fiscal year. This is mainly due to net income attributable to owners of the parent (¥6,766 million) and dividends paid (¥3,987 million), etc. in the current consolidated fiscal year

As a result, the equity ratio slightly decreased to 54.9% from 55.4% at the end of the previous consolidated fiscal year.

(3) Overview of FY03/21 cash flows

The balance of cash and cash equivalents (hereinafter, “Funds”) at the end of the current consolidated fiscal year was ¥17,554 million, an increase of ¥4,591 million from the end of the previous consolidated fiscal year.

The state of each cash flow and factors in the current consolidated fiscal year are described below.

(Cash flow from operating activities)

Cash flow from operating activities increased by ¥9,862 million. (In the previous consolidated fiscal year (FY03/20), cash flow from operating activities increased by ¥5,476 million.)

The increase in Funds is attributed to net income before income taxes of ¥9,852 million (¥8,228 million in FY03/20), depreciation of ¥778 million (¥819 million in FY03/20), increased trade payables of ¥1,013 million (decrease of ¥420 million in FY03/20), increased advances received of ¥873 million (decrease of ¥417 million in FY03/20), etc.

Decrease in Funds is attributed to increased trade receivables of ¥637 million (increase of ¥524 million in FY03/20), decreased accounts payable – other of ¥594 million (decrease of ¥626 million in FY03/20), income taxes paid of ¥2,647 million (¥2,650 million in FY03/20), etc.

(Cash flow from investing activities)

Cash flow from investing activities decreased by ¥1,175 million. (In FY03/20, cash flow from investing activities decreased by ¥748 million.)

The decrease in Funds is attributed to the purchase of tangible/intangible assets of ¥1,119 million (¥736 million in FY03/20), etc.

(Cash flow from financing activities)

Cash flow from financing activities decreased by ¥4,110 million. (In FY03/20, cash flow from financing activities decreased by ¥9,077 million.)

The decrease in Funds is attributed to dividends paid of ¥3,986 million (¥4,044 million in FY03/20), etc.

(4) Outlook for the future

Currently, the Japanese economy has been experiencing difficult circumstances due to the impact of COVID-19. In society with the coronavirus, business challenges such as workstyle reform, health management, and DX (digital transformation) have become more distinct, and all enterprises are required to take measures for HRDX (DX in HR).

The Company Group has proposed the resolution of HR departments' issues through the provision of BPO services, such as employee benefit services and healthcare services. The group intends to further accelerate the improvement of its services and, by offering the “Bene One Platform” as a common, industry-standard infrastructure, will support HRDX promotion in customer companies by linking various HR- and labor-related outsourcing services and promoting the management and use of HR and health data.

In the performance forecasts for FY03/22, we expect that the impact of COVID-19 will gradually decrease in the second half. We expect that members' service use in the Employee Benefit Service business and the use of business

trips in the Purchase and Settlement Service business will gradually recover. In other businesses, we expect no significant impact, and our performance forecasts assume the expansion of transactions and a profit growth mainly in the Healthcare business.

Based on these assumptions, we expect profit increase for the next consolidated fiscal year with sales of ¥37,310 million (down 1.4% YoY), operating income of ¥11,750 million (up 20.2% YoY), ordinary income of ¥11,830 million (up 20.0% YoY), and net income attributable to owners of the parent of ¥8,120 million (up 20.0% YoY).

Effective from FY03/22, we have adopted the new Accounting Standard for Revenue Recognition, and the sales forecast provided above is based on the new accounting standard. The sales forecast for FY03/22 when not applying the new accounting standard would be ¥25,140 million for the first half of the fiscal year (up 46.2% YoY), and ¥49,200 million for the full year (up 30.0% YoY). We do not expect any change in the forecast for operating income, ordinary income, and net income attributable to owners of the parent due to the adoption of the new Accounting Standard for Revenue Recognition.

2. Basic policy on the selection of accounting standards

The Company Group adopts the Japanese standard in consideration of the comparability between consolidated financial statement periods and the comparability among enterprises. Regarding the application of IFRS (International Financial Reporting Standards), we will examine the application in consideration of the domestic and international situation, etc.

3. Consolidated financial statements and major notes

(1) Consolidated balance sheet

(Millions of yen)

	Previous consolidated FY (March 31, 2020)	Current consolidated FY (March 31, 2021)
Assets		
Current assets		
Cash and deposits	8,462	13,064
Notes and accounts receivable - trade	6,187	6,837
Inventories	1,110	1,325
Deposits paid	4,500	4,500
Prepaid expenses	502	678
Accounts receivable - other	1,287	808
Other	1,439	1,494
Allowance for doubtful accounts	△21	△12
Total current assets	23,469	28,696
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,101	1,102
Accumulated depreciation	△624	△672
Buildings and structures (net)	477	429
Land	602	602
Leased assets	793	749
Accumulated depreciation	△546	△567
Leased assets (net)	246	181
Other	625	621
Accumulated depreciation	△500	△525
Other (net)	125	95
Total property, plant and equipment	1,451	1,310
Intangible assets		
Goodwill	12	4
Software	1,721	2,376
Leased assets	25	14
Other	2	2
Total intangible assets	1,762	2,397
Investments and other assets		
Investment securities	1,959	2,725
Deferred tax assets	343	149
Other	947	903
Allowance for doubtful accounts	△8	△11
Total investments and other assets	3,242	3,767
Total non-current assets	6,456	7,475
Total assets	29,926	36,171

(Millions of yen)

	Previous consolidated FY (March 31, 2020)	Current consolidated FY (March 31, 2021)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,265	3,284
Short-term borrowings	160	174
Lease obligations	121	105
Income taxes payable	1,543	2,030
Accounts payable - other	3,090	2,684
Advances received	3,689	4,578
Deposits received	1,062	1,495
Other	371	830
Total current liabilities	12,304	15,184
Non-current liabilities		
Lease obligations	175	108
Provision for point card certificates	582	588
Reserve for employee stock ownership plan	148	212
Provision for share-based remuneration for directors (and other officers)	87	127
Other	59	84
Total non-current liabilities	1,054	1,121
Total liabilities	13,358	16,306
Net assets		
Shareholders' equity		
Share capital	1,527	1,527
Capital surplus	1,452	1,452
Retained earnings	14,316	17,095
Treasury shares	△1,322	△1,322
Total shareholders' equity	15,974	18,753
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	573	1,093
Foreign currency translation adjustment	18	18
Total accumulated other comprehensive income	592	1,112
Non-controlling interests	1	-
Total net assets	16,567	19,865
Total liabilities and net assets	29,926	36,171

(2) Consolidated profit and loss statements and consolidated statement of comprehensive income

Consolidated profit and loss statements

(Millions of yen)

	Previous consolidated FY (April 1, 2019 to March 31, 2020)	Current consolidated FY (April 1, 2020 to March 31, 2021)
Sales	37,271	37,841
Cost of sales	22,469	21,418
Gross profit	14,802	16,422
SG&A expenses	6,407	6,648
Operating income	8,394	9,774
Non-operating income		
Interest income	28	28
Dividend income	22	27
Share of profit of entities accounted for using equity method	14	-
Subsidy income	15	42
Distributions of profit on partnerships	0	-
Other	17	13
Total non-operating income	98	111
Non-operating expenses		
Interest expenses	6	5
Commitment fee	11	11
Share of loss of entities accounted for using equity method	-	2
Foreign exchange losses	8	-
Distributions of loss on partnerships	-	7
Other	4	0
Total non-operating expenses	30	26
Ordinary income	8,462	9,858
Extraordinary income		
Gain on sales of shares of subsidiaries and associates	-	0
Total extraordinary income	-	0
Extraordinary losses		
Loss on retirement of non-current assets	1	-
Loss on valuation of investment securities	215	-
Loss on valuation of shares of subsidiaries and associates	-	7
Impairment loss	11	-
Loss on change in equity	4	-
Total extraordinary losses	233	7
Net income before income taxes	8,228	9,852
Income taxes - current	2,663	3,122
Income taxes - deferred	△66	△36
Total income taxes	2,597	3,086
Net income	5,631	6,765
Loss attributable to non-controlling interests (△)	△10	△1
Net income attributable to owners of parent	5,641	6,766

Consolidated statement of comprehensive income

(Millions of yen)

	Previous consolidated FY (April 1, 2019 to March 31, 2020)	Current consolidated FY (April 1, 2020 to March 31, 2021)
Net income	5,631	6,765
Other comprehensive income		
Valuation difference on available-for-sale securities	△9	520
Foreign currency translation adjustment	△1	0
Total other comprehensive income	△10	520
Comprehensive income	5,620	7,285
(Breakdown)		
Comprehensive income attributable to owners of parent	5,630	7,286
Comprehensive income attributable to non-controlling interests	△10	△1

(3) Consolidated statements of changes in net assets

Previous consolidated fiscal year (April 1, 2019 to March 31, 2020)

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance, beginning of year	1,527	1,452	16,610	△322	19,268	582	20	602	11	19,882
Changes, during year										
Dividends of surplus			△4,045		△4,045					△4,045
Net income attributable to owners of parent			5,641		5,641					5,641
Purchase of treasury shares				△4,914	△4,914					△4,914
Disposal of treasury shares		42		215	258					258
Cancellation of treasury shares		△42	△3,876	3,918	-					-
Purchase of treasury shares by Board Benefit Trust				△258	△258					△258
Disposal of treasury shares by Board Benefit Trust				38	38					38
Change in scope of equity method			△13		△13					△13
Net changes in items other than shareholders' equity						△9	△1	△10	△10	△20
Total changes, during year	-	-	△2,294	△999	△3,294	△9	△1	△10	△10	△3,314
Balance, end of year	1,527	1,452	14,316	△1,322	15,974	573	18	592	1	16,567

Current consolidated fiscal year (April 1, 2020 to March 31, 2021)

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance, beginning of year	1,527	1,452	14,316	△1,322	15,974	573	18	592	1	16,567
Changes, during year										
Dividends of surplus			△3,987		△3,987					△3,987
Net income attributable to owners of parent			6,766		6,766					6,766
Purchase of treasury shares				△0	△0					△0
Net changes in items other than shareholders' equity						520	0	520	△1	519
Total changes, during year	-	-	2,778	△0	2,778	520	0	520	△1	3,298
Balance, end of year	1,527	1,452	17,095	△1,322	18,753	1,093	18	1,112	-	19,865

(4) Consolidated cash flow statement

(Millions of yen)

	Previous consolidated FY (April 1, 2019 to March 31, 2020)	Current consolidated FY (April 1, 2020 to March 31, 2021)
Cash flow from operating activities		
Net income before income taxes	8,228	9,852
Depreciation	819	778
Amortization of goodwill	8	8
Increase (decrease) in Reserve for employee stock ownership plan (Δ indicates a decrease.)	46	64
Increase (decrease) in provision for share-based remuneration for directors (and other officers) (Δ indicates a decrease.)	7	39
Increase (decrease) in provision for point card certificates (Δ indicates a decrease.)	26	5
Loss on retirement of non-current assets	1	-
Impairment loss	11	-
Loss (gain) on valuation of investment securities (Δ indicates a gain.)	215	-
Loss on valuation of shares of subsidiaries and associates	-	7
Loss (gain) on sales of shares of subsidiaries and associates (Δ indicates a gain.)	-	Δ 0
Share of loss (profit) of entities accounted for using equity method (Δ indicates a gain.)	Δ 14	2
Loss (gain) on change in equity (Δ indicates a gain.)	4	-
Subsidy income	Δ 15	Δ 42
Interest and dividend income	Δ 51	Δ 55
Interest expenses	6	5
Distributions of profit (loss) on partnerships (Δ indicates a gain.)	Δ 0	7
Decrease (increase) in trade receivables (Δ indicates an increase.)	Δ 524	Δ 637
Decrease (increase) in inventories (Δ indicates an increase.)	0	Δ 212
Decrease (increase) in prepaid expenses (Δ indicates an increase.)	97	Δ 175
Decrease (increase) in accounts receivable - other (Δ indicates an increase.)	737	482
Increase (decrease) in trade payables (Δ indicates a decrease.)	Δ 420	1,013
Increase (decrease) in accounts payable - other (Δ indicates a decrease.)	Δ 626	Δ 594
Increase (decrease) in advances received (Δ indicates a decrease.)	Δ 417	873
Increase (decrease) in deposits received (Δ indicates a decrease.)	Δ 83	439
Other	Δ 20	554
Subtotal	8,038	12,417
Interest and dividends received	78	55
Interest paid	Δ 6	Δ 5
Subsidies received	15	42
Income taxes paid	Δ 2,650	Δ 2,647
Cash flow from operating activities	5,476	9,862

(Millions of yen)

	Previous consolidated FY (April 1, 2019 to March 31, 2020)	Current consolidated FY (April 1, 2020 to March 31, 2021)
Cash flow from investing activities		
Purchase of property, plant and equipment	△39	△21
Proceeds from sales of property, plant and equipment	0	-
Purchase of intangible assets	△696	△1,098
Payments of leasehold and guarantee deposits	△164	△24
Proceeds from refund of leasehold and guarantee deposits	35	13
Other	116	△44
Cash flow from investing activities	△748	△1,175
Cash flow from financing activities		
Net increase (decrease) in short-term borrowings (△ indicates a decrease.)	-	5
Repayments of finance lease obligations	△125	△129
Dividends paid	△4,044	△3,986
Purchase of treasury shares	△5,173	△0
Proceeds from disposal of treasury shares	264	-
Cash flow from financing activities	△9,077	△4,110
Effect of exchange rate change on cash and cash equivalents	△15	14
Net increase (decrease) in cash and cash equivalents (△ indicates a decrease.)	△4,365	4,591
Beginning balance of cash and cash equivalents	17,328	12,962
Ending balance of cash and cash equivalents	12,962	17,554

(5) Notes on consolidated financial statements

(Notes on the going concern assumption)

Not applicable

(Changes of the accounting policy)

Not applicable

(Change of the indication method)

(Consolidated cash flow statement)

“Purchase of investment securities” in “Cash flow from investing activities” that was independently recorded in the previous consolidated fiscal year is included in “Other” from the current consolidated fiscal year because it became less important. To reflect this change of the indication method, we have rearranged the consolidated financial statements for the previous consolidated fiscal year.

As a result, “Purchase of investment securities” (¥△2 million) and “Other” (¥119 million) indicated in “Cash flow from investing activities” in the consolidated cash flow statement for the previous consolidated fiscal year are included in “Other” (¥116 million).

(Changes to accounting estimates)

Not applicable

(Restatement)

Not applicable

(Segment information, etc.)

(Segment information)

Outline of the segment reported

The Company Group is engaged in the membership service business, mainly the outsourced employee benefit service business in Japan. As a result of consolidating business segments, the segment to be reported is only the membership service business, and thus segment information is omitted.

(Per share information)

	Previous consolidated FY (April 1, 2019 to March 31, 2020)	Current consolidated FY (April 1, 2020 to March 31, 2021)
Net assets per share	¥104.10	¥124.84
Net income per share	¥35.24	¥42.52

Note 1: Diluted net income per share is not stated because there are no dilutive shares.

Note 2: Treasury shares remaining in “the Japanese version of the Employee Stock Ownership Plan (J-ESOP)” and “Board Benefit Trust (BBT)” that are recorded as treasury shares in shareholders’ equity are included in treasury shares deducted from the total number of issued shares as of the end of the year for the calculation of net assets per share, and in treasury shares deducted in the calculation of the average number of shares during the period year for the calculation of net income per share.

The number of treasury shares deducted for the calculation of net assets per share as of the end of the year is 212,497 shares both in the previous consolidated fiscal year and in the current consolidated fiscal year regarding “the Japanese version of the Employee Stock Ownership Plan (J-ESOP).” As for the “Board Benefit Trust (BBT),” 154,420 shares were deducted in the previous consolidated fiscal year while 154,420 shares were deducted in the current consolidated fiscal year. The average number of treasury shares deducted during the year for the calculation of net income per share is 160,596 shares in the previous consolidated fiscal year and 212,497 shares in the current consolidated fiscal year regarding “the Japanese version of the Employee Stock Ownership Plan (J-ESOP).” As for the “Board Benefit Trust (BBT),” 123,065 shares were deducted in the previous consolidated fiscal year while 154,420 shares were deducted in the current consolidated fiscal year.

Note 3: The basis for the calculation of net income per share is as follows:

Item	Previous consolidated FY (April 1, 2019 to March 31, 2020)	Current consolidated FY (April 1, 2020 to March 31, 2021)
Net income per share		
Net income attributable to owners of parent (Millions of yen)	5,641	6,766
Amount not attributable to common shareholders (Millions of yen)	-	-
Net income attributable to owners of parent related to common shares (Millions of yen)	5,641	6,766
Average number of common shares during the year	160,074,557	159,134,851

(Important subsequent events)

Not applicable

Note : This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.