

## Overview of Operating Performance at Benefit One for the Fiscal Year Ended March 31, 2021 (FY03/21)

### Summary of Consolidated Operating Results for FY03/21

Despite short-term impacts of the COVID-19 crisis, achieved higher profits for the 10th consecutive year. Consolidated ordinary income increased 16.5% to a record-high

- Employee Benefit Services saw a steady increase in member counts primarily for major corporations and public institutions. The use of member services, especially those involving outings, was down year over year, and accordingly, rebate expenses fell.
- In Healthcare, provision of health checkups and guidance services was delayed due to the pandemic, pushing back the booking of some sales and profits to the next fiscal year
- Consolidated sales up 1.5%, operating income up 16.4%

### Summary of operating performance forecast for the fiscal year ending March 31, 2022

Aim for consolidated ordinary income of ¥11,830 million, marking the 11th consecutive year of profit growth, driven by the Healthcare business benefiting from the shift to outsourced healthcare services

- Plans to pay a dividend per share of ¥36 (up ¥6 year over year)

### 1. Consolidated operating performance (April 1, 2020 to March 31, 2021)

(Millions of yen)	FY03/20		FY03/21		YoY change		Vs. forecast	
	Amount	% of sales	Amount	% of sales	Change	%	Vs. forecast	%
Sales	37,271	–	37,841	–	+569	+1.5%	▲2,308	▲5.7%
Cost of sales	22,469	60.3%	21,418	56.6%	▲1,051	▲4.7%	–	–
Gross profit	14,802	39.7%	16,422	43.4%	+1,620	+10.9%	–	–
SG&A expenses	6,407	17.2%	6,648	17.6%	+241	+3.8%	–	–
Operating income	8,394	22.5%	9,774	25.8%	+1,379	+16.4%	+724	+8.0%
Ordinary income	8,462	22.7%	9,858	26.1%	+1,396	+16.5%	+758	+8.3%
Net income attributable to owners of parent	5,641	15.1%	6,766	17.9%	+1,125	+19.9%	+566	+9.1%

**2. Performance of Major Businesses (April 1, 2020 to March 31, 2021)**

(Millions of yen)	Sales	YoY		Operating profit	YoY		Reasons for change
		Change	%		Change	%	
Employee Benefit Services	17,932	+221	+1.2%	8,389	+1,510	+22.0%	Steady increase in corporate members
Individual Benefit Services	2,056	▲459	▲18.2%				Decline in the use of services involving outings amid the pandemic, and accompanying decline in rebate expenses
CRM	471	▲18	▲3.7%				
Incentive	3,957	+277	+7.5%	975	+186	+23.6%	Increase in points granted, progress in point redemption
Healthcare	10,367	▲231	▲2.2%	755	▲376	▲33.2%	Due to delays in providing services, booking of some sales and profits pushed back to the next fiscal year
Purchase and Settlement Service	695	▲57	▲7.5%	73	▲37	▲33.5%	Voluntary restraints on business trips due to the pandemic
Overseas	1,424	+568	+66.4%	▲104	+129	-	Increased transactions in Singapore and Thailand, among other countries
Other	939	+268	-	▲314	▲33	-	—
Total	37,841	+569	+1.5%	9,774	+1,379	+16.4%	

### 3. Performance of Major Businesses, by Quarter

(Millions of yen)	FY03/19				FY03/20				FY03/21			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Employee Benefit Services	3,964	4,157	4,105	4,247	4,359	4,471	4,396	4,484	4,441	4,443	4,470	4,577
Individual Benefit Services	780	762	711	673	647	650	628	589	539	536	503	478
CRM	106	106	122	155	130	114	103	142	109	111	101	151
Incentive	1,162	718	790	808	1,295	770	630	986	995	1,120	794	1,048
Healthcare	1,364	2,559	2,550	2,938	1,837	2,711	2,737	3,313	1,616	2,123	3,141	3,486
Purchase and Settlement Service	185	160	165	191	189	187	179	195	160	162	182	191
Overseas	80	84	91	90	107	253	227	268	230	331	422	441
Other	122	97	209	207	115	122	205	233	158	115	271	395
<b>Sales</b>	<b>7,763</b>	<b>8,643</b>	<b>8,743</b>	<b>9,309</b>	<b>8,679</b>	<b>9,278</b>	<b>9,105</b>	<b>10,210</b>	<b>8,248</b>	<b>8,941</b>	<b>9,884</b>	<b>10,767</b>
<b>Gross profit</b>	<b>3,219</b>	<b>3,163</b>	<b>3,598</b>	<b>3,786</b>	<b>3,553</b>	<b>3,406</b>	<b>3,754</b>	<b>4,089</b>	<b>3,832</b>	<b>3,951</b>	<b>4,076</b>	<b>4,564</b>
<i>Gross profit margin (%)</i>	<i>41.5%</i>	<i>36.6%</i>	<i>41.2%</i>	<i>40.7%</i>	<i>40.9%</i>	<i>36.7%</i>	<i>41.2%</i>	<i>40.0%</i>	<i>46.5%</i>	<i>44.2%</i>	<i>41.2%</i>	<i>42.4%</i>
<b>SG&amp;A expenses</b>	<b>1,543</b>	<b>1,494</b>	<b>1,550</b>	<b>1,537</b>	<b>1,636</b>	<b>1,560</b>	<b>1,562</b>	<b>1,649</b>	<b>1,666</b>	<b>1,662</b>	<b>1,614</b>	<b>1,707</b>
Employee Benefit Services + Individual Benefit Services + CRM	1,532	1,537	1,788	1,932	1,624	1,605	1,849	1,801	1,999	2,074	2,098	2,218
Incentive	226	113	134	148	289	127	122	252	233	291	161	290
Healthcare	8	130	232	295	85	233	325	489	29	50	264	413
Purchase and Settlement Service	▲2	▲9	16	34	34	21	22	32	16	4	22	31
Overseas	▲70	▲66	▲74	▲88	▲75	▲66	▲48	▲42	▲37	▲25	▲20	▲22
Other	▲19	▲36	▲49	▲73	▲41	▲74	▲78	▲92	▲75	▲105	▲63	▲72
(Of which, system-related investment)	(▲9)	(▲12)	(▲36)	(▲57)	(▲25)	(▲55)	(▲69)	(▲73)	(▲42)	(▲45)	(▲51)	(▲60)
<b>Operating income</b>	<b>1,675</b>	<b>1,669</b>	<b>2,047</b>	<b>2,248</b>	<b>1,916</b>	<b>1,846</b>	<b>2,192</b>	<b>2,440</b>	<b>2,165</b>	<b>2,289</b>	<b>2,462</b>	<b>2,858</b>
<i>Operating income margin (%)</i>	<i>21.6%</i>	<i>19.3%</i>	<i>23.4%</i>	<i>24.2%</i>	<i>22.1%</i>	<i>19.9%</i>	<i>24.1%</i>	<i>23.9%</i>	<i>26.3%</i>	<i>25.6%</i>	<i>24.9%</i>	<i>26.5%</i>
<b>Ordinary income</b>	<b>1,696</b>	<b>1,687</b>	<b>2,052</b>	<b>2,270</b>	<b>1,925</b>	<b>1,870</b>	<b>2,208</b>	<b>2,459</b>	<b>2,179</b>	<b>2,307</b>	<b>2,474</b>	<b>2,898</b>
<i>Ordinary income margin (%)</i>	<i>21.9%</i>	<i>19.5%</i>	<i>23.5%</i>	<i>24.4%</i>	<i>22.2%</i>	<i>20.2%</i>	<i>24.3%</i>	<i>24.1%</i>	<i>26.4%</i>	<i>25.8%</i>	<i>25.0%</i>	<i>26.9%</i>
<b>Net income attributable to owners of parent</b>	<b>1,148</b>	<b>1,152</b>	<b>1,407</b>	<b>1,468</b>	<b>1,314</b>	<b>1,289</b>	<b>1,504</b>	<b>1,534</b>	<b>1,489</b>	<b>1,582</b>	<b>1,701</b>	<b>1,994</b>
<i>Net income margin (%)</i>	<i>14.8%</i>	<i>13.3%</i>	<i>16.1%</i>	<i>15.8%</i>	<i>15.1%</i>	<i>13.9%</i>	<i>16.5%</i>	<i>15.0%</i>	<i>18.1%</i>	<i>17.7%</i>	<i>17.2%</i>	<i>18.5%</i>

#### 4. Quarterly Member Counts by Businesses

Ten thousand members	FY03/19				FY03/20				FY03/21			
	Jun.	Sep.	Dec.	Mar.	Jun.	Sep.	Dec.	Mar.	Jun.	Sep.	Dec.	Mar.
Employee Benefit Services	481	489	493	490	513	522	522	522	590	624	624	621
Individual Benefit Services	152	148	142	138	137	141	140	134	125	120	115	111
CRM	119	120	120	121	119	118	117	124	124	124	125	130
<b>Total members</b>	<b>752</b>	<b>757</b>	<b>755</b>	<b>749</b>	<b>769</b>	<b>781</b>	<b>779</b>	<b>780</b>	<b>839</b>	<b>868</b>	<b>864</b>	<b>862</b>

#### 5. Consolidated operating performance Forecast for FY03/22 (April 1, 2021 to March 31, 2022)

(Millions of yen)	FY03/21	Forecast for FY03/22						
	Full year	Full year	Change	YoY	1H	YoY	2H	YoY
Sales	37,841	37,310	▲532	▲1.4%	17,670	+2.8%	19,640	▲4.9%
Operating income	9,774	11,750	+1,976	+20.2%	5,280	+18.5%	6,470	+21.6%
Ordinary income	9,858	11,830	+1,971	+20.0%	5,330	+18.8%	6,500	+21.0%
Net income attributable to owners of parent	6,766	8,120	+1,354	+20.0%	3,630	+18.2%	4,490	+21.5%

Note 1: Effective from FY03/22, Benefit One has adopted the new Accounting Standard for Revenue Recognition, and the sales forecast provided above is based on the new accounting standard. 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% year over year), and ¥49,200 million for the full year (up 30.0% year over year). We do not expect any changes in the forecast for operating income, ordinary income, and net income attributable to owners of parent due to the adoption of the new Accounting Standard for Revenue Recognition.

**6. Operating Performance Forecast by Major Business** (April 1, 2021 to March 31, 2022)

(Millions of yen)	Sales	YoY		Operating profit	YoY		Reasons for change
		Change	%		Change	%	
Employee Benefit Services	18,275	+343	+1.9%	9,302	+912	+10.9%	Increase in rebate expenses on expected recovery in service usage
Individual Benefit Services + CRM	2,671	+144	+5.7%				
Incentive	4,401	+443	+11.2%	1,010	+35	+3.6%	Expansion of the customer base
Healthcare	8,560	▲1,806	▲17.4%	3,373	+2,618	+346.6%	Expected acceleration in the shift to outsourced healthcare services
Purchase and Settlement Service	827	+132	+19.0%	158	+85	+116.9%	Expected recovery in the use of services for business trips and entertainment in the second half of the fiscal year
Payment	30	+13	+71.0%	▲99	▲115	-	Launch of payroll deduction service in June 2021
Overseas	1,866	+442	+31.0%	▲80	+24	-%	Earnings improvement primarily in Singapore, Thailand, and China
Other	680	▲243	-	▲1,914	▲1,583	-	Change in cost allocation standard for companywide expenses and others
<b>Total</b>	<b>37,310</b>	<b>▲532</b>	<b>▲1.4%</b>	<b>11,750</b>	<b>+1,976</b>	<b>+20.2%</b>	

Note 2: From FY03/22, we have adopted the new Accounting Standard for Revenue Recognition and accordingly revised our sales booking methods. The revision will only affect the Healthcare, Employee Benefit Services, and Overseas businesses, and is expected to have no impact on other businesses.

Note 3: From FY03/22, we have changed the way we allocate companywide expenses, and booked expenses that were previously included in Employee Benefit Services + Individual Benefit Services + CRM to Other. We have also changed the way we allocate common system infrastructure expenses, allocating these expenses, which were previously included in Other, to each business.

(Millions of yen)	Sales		YoY (%)		Operating profit		YoY (%)	
	1H	2H	1H	2H	1H	2H	1H	2H
Employee Benefit Services	8,741	9,534	▲1.6%	+5.4%	4,110	5,191	+0.9%	+20.3%
Individual Benefit Services + CRM	1,247	1,424	▲3.7%	+15.6%				
Incentive	2,075	2,326	▲1.9%	+26.2%	501	509	▲4.4%	+12.8%
Healthcare	4,248	4,312	+13.6%	▲34.9%	1,842	1,531	-	+126.3%
Purchase and Settlement Service	351	475	+9.1%	+27.6%	19	139	▲2.5%	+160.8%
Payment	5	25	+45.7%	+77.5%	▲60	▲38	-	-
Overseas	772	1,094	+37.6%	+26.7%	▲72	▲8	-	-
Other	231	450	-	-	▲1,060	▲854	-	-
<b>Total</b>	<b>17,670</b>	<b>19,640</b>	<b>+2.8%</b>	<b>▲4.9%</b>	<b>5,280</b>	<b>6,470</b>	<b>+18.5%</b>	<b>+21.6%</b>

## 7. Plans for member counts by business

Ten thousand members	April 2020	March 2021	April 2021	March 2022	April 2022
	Results	Results	Results	Plan	Plan
Employee Benefit Services	585	621	633	664	775
Individual Benefit Services	126	111	108	115	113
CRM	123	130	122	124	123
Total members	834	862	863	903	1,011

## 8. Plans for the number of checkups and consultations in the Healthcare business

Unit: '0,000	FY03/19	FY03/20	FY03/21	FY03/22
	Results	Results	Results	Plan
Health checkup: number of checkups (Note 4)	58	61	58	65
Specified health guidance: number of initial consultations (Note 5)	9	11	10	21

Note 4: "Health checkup: number of checkups" refers to the number of health checkups for which Benefit One made appointments on behalf of service members.

Note 5: "Specific health guidance: number of initial consultations" refers to the number of initial consultations members eligible for this service had with specialist staff.

## 9. Qualitative information regarding consolidated operating performance forecast

In the fiscal year ending March 31, 2022, we expect the impact of the pandemic on service usage in the Employee Benefit Services business as well as on the use of services for business trips in the Purchase and Settlement Service business to gradually ease over the second half of the fiscal year. We do not expect to see the pandemic having substantial impacts on other businesses, and formulated the operating performance forecast with the assumption that transactions will increase mainly in the Healthcare business, driving profit growth.

These materials are intended to provide information pertaining to financial results. They are not intended to solicit investments in securities issued by the Company. These materials were prepared on the basis of data as of March 31, 2021. Accordingly, opinions or forecasts contained in these materials are based on the judgment of the Company as of the date the materials were prepared. The Company makes no guarantees or pledges as to the accuracy or completeness of this information. Furthermore, this information may be changed without notice.

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