

## Operating Performance at Benefit One for the First Nine Months of the Fiscal Year Ending March 2022 (cumulative Q3 FY03/22)

### Summary of Consolidated Operating Results for cumulative Q3 FY03/22

The Healthcare business contributed significantly to overall performance; consolidated operating income up 37.9%

- COVID-19 vaccination support operations expanded in the Healthcare business, boosting consolidated earnings.
- Towards the end of 2021, member usage of services provided through the Employee Benefit Services business grew, and rebate-related expenditures were on the rise.
- With the conversion of JTB Benefit Service, Inc. into a subsidiary, total member count exceeded 10 million<sup>(Note 1)</sup>. This change will be reflected in the Company's consolidated income statement starting in Q4.
- The Company's adoption of new accounting standards had a downward impact of ¥5,835 million on sales and an insignificant impact on income.
- The Company has made no changes to the full-year projections it announced on May 12, 2021.

Note 1: Total number of members including Employee Benefit Services members, Individual Benefit Services members, and CRM members.

### 1. Consolidated operating performance in cumulative Q3 FY03/22 (April 1–December 31, 2021)

(Millions of yen)	Nine months ended December 31, 2020		Nine months ended December 31, 2021		YoY		Full-year forecast	
	Amount	% of sales	Amount	% of sales	Change	%	Amount	Progress vs. forecast
Sales	27,074	–	27,068	–	▲5	▲0.0%	37,310	72.6%
Cost of sales	15,215	56.2%	12,256	45.3%	▲2,959	▲19.5%	–	–
Gross profit	11,858	43.8%	14,812	54.7%	+2,954	+24.9%	–	–
SG&A expenses	4,942	18.3%	5,274	19.5%	+332	+6.7%	–	–
Operating income	6,916	25.5%	9,538	35.2%	+2,621	+37.9%	11,750	81.2%
Ordinary income	6,960	25.7%	9,552	35.3%	+2,591	+37.2%	11,830	80.7%
Net income attributable to owners of parent	4,772	17.6%	6,663	24.6%	+1,890	+39.6%	8,120	82.1%

Note 2: The Company's application of the Accounting Standard for Revenue Recognition from the start of FY03/22 had downward impacts of ¥5,835 million on sales, ¥5,821 million on cost of sales, and ¥14 million on income.

## 2. Performance of Major Businesses (April 1, 2021–December 31, 2021)

(Millions of yen)	Sales	YoY		Operating income	YoY		Reasons for change
		Change	%		Change	%	
Employee Benefit Services	13,075	▲279	▲2.1%	6,889	+718	+11.6%	<ul style="list-style-type: none"> <li>Recovery in member service usage; increase in rebate-related expenditures</li> <li>Sales impact of change in accounting standards: -¥368 million</li> <li>Income impact of changes in the allocation method for companywide shared expenses: +¥928 million</li> </ul>
Individual Benefit Services	1,444	▲134	▲8.5%				
CRM	328	+7	+2.3%				
Incentive	2,586	▲323	▲11.1%	612	▲73	▲10.7%	<ul style="list-style-type: none"> <li>Decline in service usage from major existing clients</li> </ul>
Healthcare	7,441	+561	+8.1%	3,570	+3,227	+942.3%	<ul style="list-style-type: none"> <li>Contribution from expansion in COVID-19 vaccination support services</li> <li>Sales impact of change in accounting standards: -¥5,467 million</li> </ul>
Purchase and Settlement Service	477	▲27	▲5.3%	60	+18	+44.0%	<ul style="list-style-type: none"> <li>Continued to incur COVID-19-related impact despite recovery in the use of the service on business trips</li> </ul>
Payment	8	+1	+21.6%	▲54	▲59	-	<ul style="list-style-type: none"> <li>Launch of <i>Kyutokubarai</i> and upfront spending associated with the launch</li> </ul>
Overseas	1,080	+97	+9.8%	▲105	▲23	-	<ul style="list-style-type: none"> <li>Transactions with existing customers strong despite COVID-19-related impact</li> </ul>
Other (company-wide shared expenses, etc.)	629	+92	-	▲1,434	▲1,187	-	<ul style="list-style-type: none"> <li>Increase in expenses stemming from changes in expense allocation method</li> </ul>
Total	27,068	▲5	▲0.0%	9,538	+2,621	+37.9%	

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

(Millions of yen)	FY03/20				FY03/21				FY03/22		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Employee Benefit Services	4,359	4,471	4,396	4,484	4,441	4,443	4,470	4,577	4,372	4,344	4,359
Individual Benefit Services	647	650	628	589	539	536	503	478	498	484	462
CRM	130	114	103	142	109	111	101	151	109	110	108
Incentive	1,295	770	630	986	995	1,120	794	1,048	981	921	683
Healthcare	1,837	2,711	2,737	3,313	1,616	2,123	3,141	3,486	1,811	3,733	1,897
Purchase and Settlement Service	189	187	179	195	160	162	182	191	165	161	150
Payment	-	-	-	-	-	-	-	-	3	2	3
Overseas	107	253	227	268	230	331	422	441	348	293	438
Other	115	122	205	233	158	115	271	395	196	217	219
<b>Sales</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>8,483</b>	<b>10,265</b>	<b>8,319</b>
<b>Gross profit</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>	<b>4,600</b>	<b>5,790</b>	<b>4,421</b>
<i>Gross profit margin (%)</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>	<i>54.2%</i>	<i>56.4%</i>	<i>53.1%</i>
<b>SG&amp;A expenses</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>	<b>1,754</b>	<b>1,746</b>	<b>1,773</b>
Employee Benefit Services + Individual Benefit Services + CRM	1,624	1,605	1,849	1,801	1,999	2,074	2,098	2,218	2,285	2,451	2,153
Incentive	289	127	122	252	233	291	161	290	269	216	127
Healthcare	85	233	325	489	29	50	264	413	792	1,882	896
Purchase and Settlement Service	34	21	22	32	16	4	22	31	17	15	28
Payment	-	-	-	-	-	-	-	-	▲23	▲17	▲14
Overseas	▲75	▲66	▲48	▲42	▲37	▲25	▲20	▲22	▲41	▲33	▲31
Other (company-wide shared expenses, etc.)	▲41	▲74	▲78	▲92	▲75	▲105	▲63	▲72	▲453	▲470	▲512
<b>Operating income</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>	<b>2,846</b>	<b>4,044</b>	<b>2,647</b>
<i>Operating income margin (%)</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>	<i>33.6%</i>	<i>39.4%</i>	<i>31.8%</i>
<b>Ordinary income</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>	<b>2,877</b>	<b>4,010</b>	<b>2,664</b>
<i>Ordinary income margin (%)</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>	<i>33.9%</i>	<i>39.1%</i>	<i>32.0%</i>
<b>Net income attributable to owners of parent</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>	<b>2,051</b>	<b>2,774</b>	<b>1,837</b>
<i>Net income margin (%)</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>	<i>24.2%</i>	<i>27.0%</i>	<i>22.1%</i>

#### 4. Quarterly member count by business

Ten thousand members	FY03/20				FY03/21				FY03/22		
	Jun.	Sep.	Dec.	Mar.	Jun.	Sep.	Dec.	Mar.	Jun.	Sep.	Dec.
Employee	513	522	522	522	590	624	624	621	634	635	893
Benefit Services	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(258)
Individual Benefit	137	141	140	134	125	120	115	111	106	101	105
Services	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(11)
CRM	119	118	117	124	124	124	125	130	127	127	139
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(12)
<b>Total members (Note 3)</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>	<b>867</b>	<b>863</b>	<b>1,137</b>
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(281)

Note 3: JTB Benefit Service, Inc.'s contributions to individual member counts are displayed in parentheses (to be reflected in the consolidated income statement starting in Q4).

#### 5. Number of consultations in the Healthcare business

(10,000 cases)	FY03/20				FY03/21				FY03/22		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Health checkup: number of consultations <sup>(Note 4)</sup>	15	23	13	10	1	28	16	13	16	25	14
Specific health guidance: number of initial consultations <sup>(Note 5)</sup>	2	2	3	4	1	2	3	4	3	3	3
COVID-19 vaccinations <sup>(Note 6)</sup>	-	-	-	-	-	-	-	-	34	72	25

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.

Note 6: "COVID-19 vaccinations" refers to the number of COVID-19 vaccinations that were arranged by the Company and administered by municipal governments or at workplaces.

## 6. Qualitative information regarding consolidated operating performance forecast (April 1, 2021–March 31, 2022)

(Assumptions underlying the forecast as of the date of its release on May 12, 2021)

In the operating performance forecast for the fiscal year ending March 2022 (FY03/22) announced on May 12, 2021, we expected the impact of the COVID-19 pandemic on the service usage by members in the Employee Benefit Services business and the use of the service on business trips in the Purchase and Settlement Service business would gradually dissipate over the second half of the fiscal year. We did not anticipate the pandemic to have a significant impact on other businesses, and formulated the forecast based on the assumption that transactions and profit would increase primarily in the Healthcare business.

(Consolidated operating results for cumulative Q3)

In the Employee Benefit Services business, recovery in member usage of services was initially hampered by states of emergency issued in response to the COVID-19 pandemic, but we began to observe steady recovery from October 2021 once the state of emergency was lifted. Meanwhile, in the Healthcare business, contribution from COVID-19 vaccination support operations expanded, driving overall growth in consolidated income.

(Assumptions for operating performance outlook going forward)

We project ongoing recovery in member usage of services offered through our Employee Benefit Services business, and through our Healthcare business, we expect to provide additional support for the third dose of COVID-19 vaccinations moving forward. However, we also acknowledge that these projections, as well as performance in other business areas, could be affected by changing trends associated with the COVID-19 pandemic. We plan to begin reflecting financial results generated through JTB Benefit Service, Inc. (acquired as a subsidiary on October 29, 2021) within our consolidated income statement in Q4. The Company projects that JTB Benefit Service's impact on FY03/22 consolidated financial results will be limited because its period of inclusion within these results will be short and synergies stemming from its organizational integration are not anticipated until FY03/23.

In light of these factors, we have maintained the full-year projections we previously released on May 12, 2021.

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 December 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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