

Overview of Operating Performance at Benefit One for the Fiscal Year Ended March 31, 2022 (FY03/22)

Summary of Consolidated Operating Results for FY03/22

COVID-19 vaccination support business boosted earnings, driving consolidated operating income up 30.7%

- Rebate expenses rose as service use among Employee Benefit Services members increased from October 2021, when the state of emergency was lifted.
- Total membership surpassed 10 million ^{Note 1} with JTB Benefit Service, Inc. becoming a subsidiary. Earnings of JTB Benefit Service was included in consolidated results from Q4, contributing to earnings growth.
- Sales fell by ¥8,058 million due to a change in accounting standards, but excluding the impact of the change, sales increased by 22.7% year-over-year.

Note 1: Total membership includes Employee Benefit Services members, Individual Benefit Services members, and CRM members.

Summary of Operating Performance Forecast for FY03/23

Sales expected to grow 20.2% on the back of M&A effects and normalization of the business environment

Planning to make proactive investments aimed at accelerating growth over the medium- to long-term. Forecasting consolidated operating income to fall by 15.4% on upfront expenses

- Moving forward with proactive efforts to build a foundation, including upfront large-scale promotions of ¥1.2 billion, system renewal, and office integration, in anticipation of a medium- to long-term turnaround in the business environment
- Expecting the environment for health checkups and guidance services to normalize and COVID-19 vaccination support business to scale down in the Healthcare business
- Rebate expenses to increase as service use among members recover in the Employee Benefit Services business
- Proceeding with business integration of JTB Benefit Service and expecting its full-year earnings contribution after amortization of goodwill
- Expecting duplicate costs of approximately ¥2.0 billion related to the coexistence of services, head office relocation, system replacement, etc. following the JTB Benefit Service merger to be eliminated from FY03/24 onward
- Planning to pay a dividend per share of ¥36 (flat year-over-year)

1. Consolidated operating performance (April 1, 2021 to March 31, 2022)

(Millions of yen)	FY03/21		FY03/22		YoY change		Vs. forecast	
	Amount	% of sales	Amount	% of sales	Change	%	Vs. forecast	%
Sales	37,841	–	38,362	–	+521	+1.4%	+1,052	+2.8%
Cost of sales	21,418	56.6%	17,633	46.0%	▲3,784	▲17.7%	–	–
Gross profit	16,422	43.4%	20,728	54.0%	+4,306	+26.2%	–	–
SG&A expenses	6,648	17.6%	7,958	20.7%	+1,310	+19.7%	–	–
Operating income	9,774	25.8%	12,770	33.3%	+2,996	+30.7%	+1,020	+8.7%
Ordinary income	9,858	26.1%	12,826	33.4%	+2,967	+30.1%	+996	+8.4%
Net income attributable to owners of parent	6,766	17.9%	8,949	23.3%	+2,183	+32.3%	+829	+10.2%

Note 2: As a result of adopting the Accounting Standard for Revenue Recognition from the beginning of FY03/22, sales decreased ¥8,058 million, cost of sales decreased ¥8,056 million, and profit decreased ¥1 million compared with the previous accounting standard.

2. Performance of Major Businesses (April 1, 2021 to March 31, 2022)

(Millions of yen)	Sales	YoY		Operating profit	YoY		Factors affecting profit
		Change	%		Change	%	
Employee Benefit Services	19,796	+1,865	+10.4%	9,484	+1,095	+13.1%	JTB Benefit Service earnings contribution from 4Q: +¥242 million Recovery in member service use, increased rebate expenses Sales impact of change in accounting standard: -¥380 million Profit impact of change in cost allocation standard for companywide expenses, etc.: +¥1,187 million
Individual Benefit Services	1,891	▲165	▲8.0%				
CRM	489	+17	+3.7%				
Incentive	3,473	▲484	▲12.2%	781	▲194	▲19.9%	Low use by major existing customers
Healthcare	9,610	▲757	▲7.3%	4,557	+3,801	+503.3%	Contribution from expansion of vaccination support services Sales impact of change in accounting standard: -¥7,678 million
Purchase and Settlement Service	641	▲53	▲7.7%	96	+23	+31.7%	Business travel recovering, but impact of COVID-19 remained
Payment	17	▲0	▲1.1%	▲61	▲78	-	Launched payroll deduction service "Kyutokubarai," incurred upfront expenses
Overseas	1,474	+50	+3.5%	▲170	▲66	-	Steady transactions with existing customers despite COVID-19 impact
Other (company-wide shared expenses, etc.)	971	+48	-	▲1,917	▲1,585	-	Increased due to change in cost allocation standard
Total	38,362	+521	+1.4%	12,770	+2,996	+30.7%	

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	4Q
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	6,721
Individual Benefit Services	647	650	628	589	539	536	503	478	498	484	462	447
CRM	130	114	103	142	109	111	101	151	109	110	108	161
Incentive	1,295	770	630	986	995	1,120	794	1,048	981	921	683	888
Healthcare	1,837	2,711	2,737	3,313	1,616	2,123	3,141	3,486	1,811	3,733	1,897	2,169
Purchase and Settlement Service	189	187	179	195	160	162	182	191	165	161	150	164
Payment	–	–	–	–	–	–	–	–	3	2	3	10
Overseas	107	253	227	268	230	331	422	441	348	293	438	394
Other	115	122	205	233	158	115	271	395	196	217	219	339
Sales	8,679	9,278	9,105	10,210	8,248	8,941	9,884	10,767	8,483	10,265	8,319	11,293
Gross profit	3,553	3,406	3,754	4,089	3,832	3,951	4,076	4,564	4,600	5,790	4,421	5,916
<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>	<i>52.4%</i>
SG&A expenses	1,636	1,560	1,562	1,649	1,666	1,662	1,614	1,707	1,754	1,746	1,773	2,684
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	2,595
Incentive	289	127	122	252	233	291	161	290	269	216	127	169
Healthcare	85	233	325	489	29	50	264	413	792	1,882	896	987
Purchase and Settlement Service	34	21	22	32	16	4	22	31	17	15	28	36
Payment	–	–	–	–	–	–	–	–	▲23	▲17	▲14	▲8
Overseas	▲75	▲66	▲48	▲42	▲37	▲25	▲20	▲22	▲41	▲33	▲31	▲65
Other (company-wide shared expenses, etc.)	▲41	▲74	▲78	▲92	▲75	▲105	▲63	▲72	▲453	▲470	▲512	▲483
Operating income	1,916	1,846	2,192	2,440	2,165	2,289	2,462	2,858	2,846	4,044	2,647	3,231
<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>	<i>28.6%</i>
Ordinary income	1,925	1,870	2,208	2,459	2,179	2,307	2,474	2,898	2,877	4,010	2,664	3,274
<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>	<i>29.0%</i>
Net income attributable to owners of parent	1,314	1,289	1,504	1,534	1,489	1,582	1,701	1,994	2,051	2,774	1,837	2,286
<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>	<i>20.2%</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.	Mar.
Employee Benefit Services	513 (-)	522 (-)	522 (-)	522 (-)	590 (-)	624 (-)	624 (-)	621 (-)	634 (-)	635 (-)	893 (258)	893 (255)
Individual Benefit Services	137 (-)	141 (-)	140 (-)	134 (-)	125 (-)	120 (-)	115 (-)	111 (-)	106 (-)	101 (-)	105 (11)	96 (11)
CRM	119 (-)	118 (-)	117 (-)	124 (-)	124 (-)	124 (-)	125 (-)	130 (-)	127 (-)	127 (-)	139 (12)	141 (13)
Total members (Note 3)	769 (-)	781 (-)	779 (-)	780 (-)	839 (-)	868 (-)	864 (-)	862 (-)	867 (-)	863 (-)	1,137 (281)	1,130 (279)

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. Various service numbers in the Healthcare business

(10,000 cases)	FY03/20				FY03/21				FY03/22			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Health checkup: number of consultations ^(Note 4)	15	23	13	10	1	28	16	13	16	25	14	9
Specific health guidance: number of initial consultations ^(Note 5)	2	2	3	4	1	2	3	4	3	3	3	4
COVID-19 vaccinations ^(Note 6)	-	-	-	-	-	-	-	-	34	72	25	26

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. Consolidated operating performance Forecast for FY03/23 (April 1, 2022 to March 31, 2023)

(Millions of yen)	FY03/22	Forecast for FY03/23						
	Full year	Full year	Change	YoY	1H	YoY	2H	YoY
Sales	38,362	46,100	+7,737	+20.2%	20,950	+11.7%	25,150	+28.2%
Operating income	12,770	10,800	▲1,970	▲15.4%	4,000	▲41.9%	6,800	+15.7%
Ordinary income	12,826	10,790	▲2,036	▲15.9%	3,990	▲42.1%	6,800	+14.5%
Net income attributable to owners of parent	8,949	7,170	▲1,779	▲19.9%	2,640	▲45.3%	4,530	+9.9%

7. Operating Performance Forecast by Major Business (April 1, 2022 to March 31, 2023)

(Millions of yen)	Sales	YoY		Operating profit	YoY		Factors affecting profit
		Change	%		Change	%	
Employee Benefit Services	26,087	+6,290	+31.8%	8,840	▲644	▲6.8%	Full-year earnings contribution from JTB Benefit Service: ¥200 million Increase in rebate expenses driven by anticipated recovery in service use: ¥600 million Upfront expenses from proactive investment in large-scale promotions: ¥800 million
Individual Benefit Services + CRM	2,553	+173	+7.3%				
Incentive	4,334	+861	+24.8%	821	+40	+5.1%	Expansion of customer base through new customer growth
Healthcare	9,083	▲527	▲5.5%	3,535	▲1,022	▲22.4%	Normalization of health checkups and guidance services Scale-down of COVID-19 vaccination support: -¥1.6 billion
Purchase and Settlement Service	729	+87	+13.6%	261	+165	+172.2%	Expected gradual recovery in service use for business travel and entertainment
Payment	90	+72	+414.4%	▲16	+46	-	Aiming to provide a selection of large content
Overseas	2,232	+757	+51.4%	▲218	▲48	-	Upfront expenses on growth phase headcount expansion and system development
Other	992	+24	-	▲2,423	▲507	-	Building foundation such as office integration, recruitment/training, systems, etc.
Total	46,100	+7,737	+20.2%	10,800	▲1,970	▲15.4%	

(Millions of yen)	Sales		YoY (%)		Operating profit		YoY (%)	
	1H	2H	1H	2H	1H	2H	1H	2H
Employee Benefit Services	12,369	13,718	+41.9%	23.8%	3,842	4,998	▲18.9%	+5.3%
Individual Benefit Services + CRM	1,252	1,301	+4.2%	+10.4%				
Incentive	2,137	2,197	+12.3%	+39.9%	394	427	▲18.8%	+44.2%
Healthcare	3,637	5,446	▲34.4%	+33.9%	1,182	2,353	▲55.8%	+24.9%
Purchase and Settlement Service	306	423	▲6.5%	+34.5%	58	204	+79.2%	+218.9%
Payment	18	72	+254.3%	+478.2%	▲29	+13	-	-
Overseas	885	1,346	+38.0%	+61.7%	▲114	▲104	-	-
Other	346	647	-	-	▲1,333	▲1,091	-	-
Total	20,950	25,150	+11.7%	+28.2%	4,000	6,800	▲41.9%	+15.7%

8. Plans for member counts by business

Ten thousand members		April 2020	April 2021	April 2022	April 2023
		Results	Results	Results	Plan
Employee Benefit Services	Employee Benefit Services	585	633	902	1,123
	Individual Benefit Services	123	127	86	90
	CRM	126	109	138	142
Total members (Note 7)		834	869	1,126	1,355

Note 7: Total membership target for FY03/23 is 12.03 million, broken down into 9.72 million Employee Benefit Services members, 900,000 Individual Benefit Service members, and 1.41 million CRM members.

9. Plans for various service numbers in the Healthcare business

(10,000 cases)	FY03/20	FY03/21	FY03/22	FY03/23
	Results	Results	Results	Plan
Health checkup: number of consultations	61	58	64	64
Specific health guidance: number of initial consultations	11	10	13	21
COVID-19 vaccinations ^(Note 8)	-	-	157	129

Note 8: FY03/23 target of 1.29 million vaccinations includes 740,000 fourth vaccine shots.

10. Qualitative information regarding consolidated operating performance forecast

(April 1, 2022–March 31, 2023)

The current economic environment is beginning to show signs of recovery as the impact of the COVID-19 pandemic eases, and we believe that many companies are beginning to look ahead to the post-COVID-19 period. Against this backdrop, there is growing interest in our Group's medium- to long-term strategy of Human Resource Digital Transformation (HRDX) support, which addresses recent trends such as expansion of employee benefits as part of recruitment and employee retention measures to support economic activities, growing interest in organizational and individual health, and promotion of digitalization in human resources and health management.

Our Group intends to take these socioeconomic trends as opportunities to proactively build a foundation for accelerating medium- to long-term growth through large-scale promotions, system renewal, office integration, and other measures.

In FY03/23, we expect to scale down the COVID-19 vaccination support service under the Healthcare business, which was especially affected by the COVID-19 pandemic during FY03/22. In addition, we anticipate member service use, which had been stagnant due to the COVID-19 pandemic, to recover and lead to an increase in rebate expenses in the Employee Benefit Services business.

Furthermore, we expect JTB Benefit Service, which we merged with on April 1, 2022, to make a full-year contribution to consolidated earnings from FY03/23 (consolidated from Q4 FY03/22).

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, 2022. 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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