Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (FY03/22)[Based on Japanese GAAP]

May 10, 2022

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 28, 2022
Dividend payment to start on: June 29, 2022
Securities Report to be submitted on: June 14, 2022
Results supplementary material: : Yes
Results briefing: : Yes

(Rounded down to the nearest million yen)

1. FY03/22 consolidated performance (April 1, 2021 to March 31, 2022)

(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	%
FY03/22	38,362	1.4	12,770	30.7	12,826	30.1	8,949	32.3
FY03/21	37,841	1.5	9,774	16.4	9,858	16.5	6,766	19.9

Note: Comprehensive income FY03/22 ¥9,817 million (34.7%) FY03/21 ¥7,285 million (29.6%)

	Net income per share	Diluted net income per share	Net income to equity	Return on asset	Operating income margin
	Yen Sen	Yen Sen	%	Yen	Sen
FY03/22	56.24	—	40.0	27.2	33.3
FY03/21	42.52	—	37.1	29.8	25.8

Reference: Equity in earnings (losses) of affiliates FY03/22 ¥△14 million FY03/21 ¥△2 million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen Sen
FY03/22	58,047	24,912	42.9	156.54
FY03/21	36,171	19,865	54.9	124.84

Reference: Equity capital FY03/22 ¥24,912 million FY03/21 ¥19,865 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
FY03/22	10,080	△14,247	4,544	17,983
FY03/21	9,862	△1,175	△4,110	17,554

Note: Effective from the beginning of the FY03/22 consolidated accounting period, the Company has applied the Accounting Standard for Revenue Recognition, etc. and recognized its revenue based on the standard, etc. For details, see “(5) Notes on the quarterly consolidated financial statements (Changes of the accounting policy)” on page 15 of the appendix.

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	Yen Sen	Yen Sen	Millions of yen	%	%
FY03/21	—	0.00	—	30.00	30.00	4,785	70.6	26.2
FY03/22	—	0.00	—	36.00	36.00	5,742	64.0	25.6
FY03/23 (forecast)	—	0.00	—	36.00	36.00		79.9	

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

(% 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)	20,950	11.7	4,000	△41.9	3,990	△42.1	2,640	△45.3	16.59
Full-year	46,100	20.2	10,800	△15.4	10,790	△15.9	7,170	△19.9	45.05

* Notes

1.Important change to a subsidiary company during the cumulative quarterly consolidated accounting period : Yes

(a change to a specified subsidiary with a change of the scope of consolidation)

New: 1 company (Name) JTB BENEFIT SERVICE, Inc. Exclusion: - company (Name)

2.Changes of the accounting policy, changes to accounting estimates, and restatement

1) Changes of the accounting policy resulted from the revision of accounting standards, etc. : Yes

2) Changes of the accounting policy other than 1) : No

3) Changes to accounting estimates : No

4)Restatement : No

Note: For details, see “3. Quarterly consolidated financial statements and major notes, (5) Notes on the quarterly consolidated financial statements (Changes of the accounting policy)” on page 15 of the appendix.

3.Number of issued shares (common shares)

(1) Number of issued shares (including treasury shares) as of the end of the period	FY03/22	159,970,000	shares	FY03/21	159,970,000	shares
(2) Number of treasury shares as of the end of the year	FY03/22	820,337	shares	FY03/21	835,160	shares
(3) Average number of shares during the year	FY03/22	159,135,090	shares	FY03/21	159,134,851	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

FY03/22 non-consolidated performance (April 1, 2021 to March 31, 2022)

(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	%
FY03/22	34,862	△4.4	12,688	27.0	12,677	27.2	8,844	29.0
FY03/21	36,456	5.4	9,987	16.6	9,964	16.2	6,857	8.1

	Net income per share	Diluted net income per share
	Yen Sen	Yen Sen
FY03/22	55.58	—
FY03/21	43.09	—

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
	百万円	百万円	%	円 銭
FY03/22	52,660	25,540	48.5	160.48
FY03/21	36,488	20,586	56.4	129.37

Reference: Equity capital FY03/22 ¥25,540 Mil. FY03/21 ¥20,586 Mil.

Note:

1. 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.
2. Effective from the beginning of the current business year, the Company has applied the Accounting Standard for Revenue Recognition, etc. and recognized its revenue based on the standard, etc.

* 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 7 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 11, 2022.

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1. Overview of operating results, etc.

(1) Overview of FY03/22 operating results

The Japanese economy, which had been under difficult circumstances due to the impact of COVID-19 since 2020, gradually began to exhibit signs of recovery toward the end of the fiscal year ended March 31, 2022 (FY03/22). In the first year of our medium-term management plan announced on May 12, 2021, our Group implemented a membership expansion strategy centered on HRDX support, as well as a growth strategy focused on bold expansion into the payment business.

① Membership expansion strategy centered on HRDX support

We promoted the use of the "Bene ONE PLATFORM (Note)" and expanded our membership base through M&A deals.

In promoting the use of the Bene ONE PLATFORM, we have migrated and registered data on over 4.8 million members to the Bene ONE PLATFORM since June 2021, mainly from customer companies of the Employee Benefit Services business, and also actively worked on expanding data linkage between multiple HR technology services provided by third parties and the Bene ONE PLATFORM. We plan to further move ahead with member data migration and focus our efforts on spreading the use of "Bene Account," a member ID that can be used with various HR services.

As part of expanding our membership base through M&A deals, we acquired shares in JTB Benefit Service, Inc. on October 29, 2021 and have dramatically expanded our membership base. On April 1, 2022, we integrated JTB Benefit Service through an absorption-type merger, and we are now working to establish economies of scale and improve both the quality and quantity of our services by integrating services and organizational functions of JTB Benefit Service that overlap with those of our Group.

② Bold expansion into the payment business

We rolled out the "Kyutokubarai" service utilizing a salary deduction scheme in June 2021. With the goal of monetizing the payment business through this service, we are pitching its adoption to customers of our Employee Benefit Services while cultivating member stores and restaurants as we focus on the field of lifestyle infrastructure and subscription-based services.

While we implemented these medium- to long-term growth strategies, there were some short-term impacts on business growth stemming from COVID-19 during the consolidated fiscal year ended March 31, 2022 (FY03/22). However, we were able to offset this by developing new and profitable businesses in response to socioeconomic trends. As a result, our Group's operating results came in above plan.

In the Employee Benefit Services business, member count remained flat throughout the period under review, but member use of services began to increase in October 2021, following the conclusion of a previously declared state of emergency, and this increase led to a rise in rebate-related expenditures. In addition, the operating results of JTB Benefit Service, Inc., which we acquired and made a subsidiary during the period, have been reflected in our consolidated statement of income since Q4, and have contributed to expanding our consolidated operating results. In the Healthcare business, we focused on providing new health support services in response to socioeconomic needs, including our COVID-19 vaccination support services, which produced better results than initially anticipated and contributed to boosting overall consolidated profits.

As a result of the above, consolidated sales in FY03/22 were ¥38,362 million (up 1.4% YoY), operating income was ¥12,770 million (up 30.7% YoY), ordinary income was ¥12,826 million (up 30.1% YoY), and net income attributable to owners of parent was ¥8,949 million (up 32.3% YoY). Effective from the beginning of FY03/22, the Company Group started applying the Accounting Standard for Revenue Recognition. This application had downward impacts of ¥8,058 million on sales, ¥8,056 million on cost of sales, and ¥1 million each on operating income, ordinary income, and net profit before taxes.

Our Group operates a membership services business, mainly providing outsourced employee benefit services in Japan. As a result of consolidating our business segments, we have omitted disclosure of segment information as our only reportable segment is the Membership Services business.

Note: Bene ONE PLATFORM is designed to manage and utilize corporate HR and health data, enhance employee performance, and revitalize organizations through centralized management, visualization, and analysis of all employee data. At the same time, its construction enables it to raise the efficiency of HR department management through the utilization of "Bene Account," an ID that is issued exclusively to members and can be used with various HR services.

(2) Overview of FY03/22 financial position

Assets, liabilities, and net assets:

(Assets)

Net assets at the end of the current consolidated fiscal year were ¥58,047 million, an increase of ¥21,875 million from the end of the previous consolidated fiscal year. Current assets were ¥32,148 million, an increase of ¥3,452 million.

This is primarily because of an increase in cash and deposits (¥4,922 million), an increase in inventories (¥622 million), an increase in accounts receivable – other (¥1,987 million), a decrease in deposits paid (¥4,500 million), etc.

Non-current assets increased by ¥18,422 million to ¥25,898 million. This is primarily because of an increase in goodwill and customer-related assets (¥14,169 million) resulted from the acquisition of a consolidated subsidiary, an increase in software (¥2,938 million) resulted from an investment in system equipment, etc.

(Liabilities)

Total liabilities at the end of the current consolidated fiscal year were ¥33,134 million, an increase of ¥16,828 million from the end of the previous consolidated fiscal year.

Current liabilities were ¥21,357 million, an increase of ¥6,173 million.

This is primarily because of an increase in the current portion of long-term borrowings (¥1,000 million) for financing, an increase in accounts payable - trade (¥2,420 million), an increase in accounts payable - other (¥1,278 million), an increase in contract liabilities (advances received at the end of the previous consolidated fiscal year) (¥1,262 million), etc.

Non-current liabilities increased by ¥10,655 million to ¥11,776 million. This is primarily because of an increase in long-term borrowings (¥8,500 million) for financing, an increase in deferred tax liabilities (¥2,465 million) resulted from the acquisition of a consolidated subsidiary, etc.

(Net assets)

Net assets at the end of the current consolidated fiscal year were ¥24,912 million, an increase of ¥5,046 million from the end of the previous consolidated fiscal year. This is mainly due to net income attributable to owners of the parent (¥8,949 million) and dividends paid (¥4,785 million), etc. in the current consolidated fiscal year

As a result, the equity ratio slightly decreased to 42.9% from 54.9% at the end of the previous consolidated fiscal year.

(3) Overview of FY03/22 cash flows

The balance of cash and cash equivalents (hereinafter, "Funds") at the end of the current consolidated fiscal year was ¥17,983 million, an increase of ¥429 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 ¥10,080 million. (In the previous consolidated fiscal year (FY03/21), cash flow from operating activities increased by ¥9,862 million.)

The increase in Funds is attributed to net income before income taxes of ¥12,848 million (¥9,852 million in FY03/21), depreciation of ¥1,060 million (¥778 million in FY03/21), increased trade payables of ¥1,698 million (¥1,013 million in FY03/21, etc.

Decrease in Funds is attributed to an increase in accounts receivable – other of ¥1,772 million (a decrease of ¥482 million in FY03/21), income taxes paid of ¥3,726 million (¥2,647 million in FY03/21), etc.

(Cash flow from investing activities)

Cash flow from investing activities decreased by ¥14,247 million. (In FY03/21, cash flow from investing activities decreased by ¥1,175 million.)

Decrease in Funds is attributed to the purchase of shares of subsidiaries resulting in change in the scope of consolidation (¥10,451 million), the purchase of tangible/intangible assets (¥3,671 million) (¥1,119 million in FY03/21), etc.

(Cash flow from financing activities)

Cash flow from financing activities increased by ¥4,544 million. (In FY03/21, cash flow from financing activities decreased by ¥4,110 million.)

The increase in Funds is attributed to income from long-term borrowings (¥10,000 million), etc.

The decrease in Funds is attributed to dividends paid of ¥4,784 million (¥3,986 million in FY03/21), etc.

(4) Outlook for the future

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).

Based on these assumptions, we expect sales to increase and profits to fall in the fiscal year ending March 31, 2023 (FY03/23), with sales of ¥46,100 million (up 20.2% YoY), operating income of ¥10,800 million (down 15.4% YoY), ordinary income of ¥10,790 million (down 15.9% YoY), and net income attributable to owners of parent of ¥7,170 million (down 19.9% YoY).

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, 2021)	Current consolidated FY (March 31, 2022)
Assets		
Current assets		
Cash and deposits	13,064	17,986
Notes and accounts receivable - trade	6,837	-
Accounts receivable - trade	-	6,241
Contract assets	-	62
Inventories	1,325	1,947
Deposits paid	4,500	-
Prepaid expenses	678	699
Accounts receivable - other	808	2,796
Other	1,494	2,462
Allowance for doubtful accounts	△12	△47
Total current assets	28,696	32,148
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,102	1,141
Accumulated depreciation	△672	△724
Buildings and structures (net)	429	416
Land	602	602
Leased assets	749	772
Accumulated depreciation	△567	△661
Leased assets (net)	181	111
Other	621	738
Accumulated depreciation	△525	△560
Other (net)	95	178
Total property, plant and equipment	1,310	1,308
Intangible assets		
Goodwill	4	5,824
Software	2,376	5,315
Leased assets	14	5
Customer-related assets	-	8,345
Other	2	2
Total intangible assets	2,397	19,493
Investments and other assets		
Investment securities	2,725	3,891
Deferred tax assets	149	76
Other	903	1,134
Allowance for doubtful accounts	△11	△6
Total investments and other assets	3,767	5,096
Total non-current assets	7,475	25,898
Total assets	36,171	58,047

(Millions of yen)

	Previous consolidated FY (March 31, 2021)	Current consolidated FY (March 31, 2022)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,284	5,704
Short-term borrowings	174	110
Current portion of long-term borrowings	-	1,000
Lease obligations	105	60
Income taxes payable	2,030	2,665
Accounts payable - other	2,684	3,963
Advances received	4,578	-
Contract liabilities	-	5,840
Deposits received	1,495	1,163
Other	830	849
Total current liabilities	15,184	21,357
Non-current liabilities		
Long-term borrowings	-	8,500
Lease obligations	108	67
Provision for point card certificates	588	-
Reserve for employee stock ownership plan	212	281
Provision for share-based remuneration for directors (and other officers)	127	179
Retirement benefit liability	3	67
Deferred tax liabilities	-	2,465
Other	81	214
Total non-current liabilities	1,121	11,776
Total liabilities	16,306	33,134
Net assets		
Shareholders' equity		
Share capital	1,527	1,527
Capital surplus	1,452	1,488
Retained earnings	17,095	21,260
Treasury shares	△1,322	△1,343
Total shareholders' equity	18,753	22,932
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,093	1,973
Foreign currency translation adjustment	18	6
Total accumulated other comprehensive income	1,112	1,980
Total net assets	19,865	24,912
Total liabilities and net assets	36,171	58,047

(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, 2020 to March 31, 2021)	Current consolidated FY (April 1, 2021 to March 31, 2022)
Sales	37,841	38,362
Cost of sales	21,418	17,633
Gross profit	16,422	20,728
SG&A expenses	6,648	7,958
Operating income	9,774	12,770
Non-operating income		
Interest income	28	20
Dividend income	27	34
Foreign exchange gains	3	58
Subsidy income	42	35
Other	10	20
Total non-operating income	111	169
Non-operating expenses		
Interest expenses	5	27
Commitment fee	11	65
Share of loss of entities accounted for using equity method	2	14
Distributions of loss on partnerships	7	0
Other	0	4
Total non-operating expenses	26	113
Ordinary income	9,858	12,826
Extraordinary income		
Gain on sales of shares of subsidiaries and associates	0	24
Total extraordinary income	0	24
Extraordinary losses		
Loss on valuation of investment securities	-	2
Loss on valuation of shares of subsidiaries and associates	7	-
Impairment loss	7	2
Net income before income taxes	9,852	12,848
Income taxes - current	3,122	4,256
Income taxes - deferred	△36	△357
Total income taxes	3,086	3,898
Net income	6,765	8,949
Loss attributable to non-controlling interests (△)	△1	-
Net income attributable to owners of parent	6,766	8,949

Consolidated statement of comprehensive income

(Millions of yen)

	Previous consolidated FY (April 1, 2020 to March 31, 2021)	Current consolidated FY (April 1, 2021 to March 31, 2022)
Net income	6,765	8,949
Other comprehensive income		
Valuation difference on available-for-sale securities	520	879
Foreign currency translation adjustment	0	△11
Total other comprehensive income	520	867
Comprehensive income	7,285	9,817
(Breakdown)		
Comprehensive income attributable to owners of parent	7,286	9,817
Comprehensive income attributable to non-controlling interests	△1	-

(3) Consolidated statements of changes in net assets

Previous 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	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	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

Current consolidated fiscal year (April 1, 2021 to March 31, 2022)

(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	17,095	△1,322	18,753	1,093	18	1,112	-	19,865
Cumulative effect from changes of the accounting policy			△0		△0					△0
Balance at the beginning of the period reflecting changes of the accounting policy	1,527	1,452	17,095	△1,322	18,753	1,093	18	1,112	-	19,865
Changes, during year										
Dividends of surplus			△4,785		△4,785					△4,785
Net income attributable to owners of parent			8,949		8,949					8,949
Purchase of treasury shares				△0	△0					△0
Disposal of treasury shares		35		33	69					69
Purchase of treasury shares by Board Benefit Trust				△69	△69					△69
Disposal of treasury shares by Board Benefit Trust				14	14					14
Net changes in items other than shareholders' equity						879	△11	867	-	867
Total changes, during year	-	35	4,164	△20	4,179	879	△11	867	-	5,047
Balance, end of year	1,527	1,488	21,260	△1,343	22,932	1,973	6	1,980	-	24,912

(4) Consolidated cash flow statement

(Millions of yen)

	Previous consolidated FY (April 1, 2020 to March 31, 2021)	Previous consolidated FY (April 1, 2021 to March 31, 2022)
Cash flow from operating activities		
Net income before income taxes	9,852	12,848
Depreciation	778	1,060
Amortization of goodwill	8	77
Increase (decrease) in Reserve for employee stock ownership plan (△ indicates a decrease.)	64	69
Increase (decrease) in provision for share-based remuneration for directors (and other officers) (△ indicates a decrease.)	39	51
Increase (decrease) in provision for point card certificates (△ indicates a decrease.)	5	-
Loss (gain) on valuation of investment securities (△ indicates a gain.)	-	2
Loss on valuation of shares of subsidiaries and associates	7	-
Loss (gain) on sales of shares of subsidiaries and associates (△ indicates a gain.)	△0	△24
Share of loss (profit) of entities accounted for using equity method (△ indicates a gain.)	2	14
Subsidy income	△42	△35
Interest and dividend income	△55	△55
Interest expenses	5	27
Distributions of profit (loss) on partnerships (△ indicates a gain.)	7	0
Decrease (increase) in trade receivables (△ indicates an increase.)	△637	-
Decrease (increase) in trade receivables and contract assets (△ indicates an increase)	-	1,021
Decrease (increase) in inventories (△ indicates an increase.)	△212	△427
Decrease (increase) in prepaid expenses (△ indicates an increase.)	△175	135
Decrease (increase) in accounts receivable - other(△ indicates an increase.)	482	△1,772
Increase (decrease) in trade payables (△ indicates a decrease.)	1,013	1,698
Increase (decrease) in accounts payable – other (△ indicates a decrease.)	△594	1,127
Increase (decrease) in advances received (△ indicates a decrease.)	873	-
Increase (decrease) in contract liabilities (△ indicates a decrease)	-	△935
Increase (decrease) in deposits received (△ indicates a decrease.)	439	△864
Other	554	△279
Subtotal	12,417	13,741
Interest and dividends received	55	56
Interest paid	△5	△27
Subsidies received	42	35
Income taxes paid	△2,647	△3,726
Cash flow from operating activities	9,862	10,080

(Millions of yen)

	Previous consolidated FY (April 1, 2020 to March 31, 2021)	Previous consolidated FY (April 1, 2021 to March 31, 2022)
Cash flow from investing activities		
Purchase of property, plant and equipment	△21	△8
Purchase of intangible assets	△1,098	△3,662
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	△10,451
Payments of leasehold and guarantee deposits	△24	△229
Proceeds from refund of leasehold and guarantee deposits	13	20
Other	△44	85
Cash flow from investing activities	△1,175	△14,247
Cash flow from financing activities		
Net increase (decrease) in short-term borrowings (△ indicates a decrease.)	5	△61
Proceeds from long-term borrowings	-	10,000
Repayments of long-term borrowings	-	△500
Repayments of finance lease obligations	△129	△109
Dividends paid	△3,986	△4,784
Purchase of treasury shares	△0	△69
Proceeds from disposal of treasury shares	-	69
Cash flow from financing activities	△4,110	4,544
Effect of exchange rate change on cash and cash equivalents	14	52
Net increase (decrease) in cash and cash equivalents (△ indicates a decrease.)	4,591	429
Beginning balance of cash and cash equivalents	12,962	17,554
Ending balance of cash and cash equivalents	17,554	17,983

(5) Notes on consolidated financial statements

(Notes on the going concern assumption)

Not applicable

(Changes of the accounting policy)

(Application of the new Accounting Standard for Revenue Recognition, etc.)

Effective from the beginning of the FY03/22 consolidated accounting period, Benefit One has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020: hereinafter, “Revenue Recognition Accounting Standard”), etc. and recognized revenue as the amount expected to be received in exchange for goods or services when the control over the promised goods or services is transferred to the customer.

As a resulting major change, the Company judged its role in the provision of services to customers in part of the transactions in the Healthcare business as the role of an agent. Previously, the total of the amount of consideration received from the customer was recognized as sales. After the application of the new standard, however, sales have been recognized as the net amount obtained by deducting the amount paid to an outsource from consideration received from the customer.

In addition, if the enterprise grants an option of allowing the customer to purchase additional goods or services from the enterprise at discount prices as part of the contract with the customer, the Revenue Recognition Accounting Standard requests the enterprise to identify the option as a separate performance obligation and recognize a part of the consideration for the transaction as a contract liability at the time of granting the option, and to recognize revenue when goods or services are transferred to the customer in the future or when the option expires. For this reason, the Company has changed its revenue recognition method. Previously, of “Benepo” that was granted to members according to the service provision in the Employee Benefit Services, the amount that is expected to be used in the future was included in the “Provision for point card certificates.” After the application of the Revenue Recognition Accounting Standard, however, of the consideration received from members, the amount of “Benepo” granted to members according to the service provision and expected to be used in the future has been included in “Contract liabilities” as a separate performance obligation and revenue is recognized when the “Benepo” is used or expires.

With regard to the application of the Revenue Recognition Accounting Standard, etc., the Company adds or subtracts cumulative effects, which would have been made if the new accounting policy were retroactively applied to the period before the beginning of the FY03/22 consolidated accounting period, to or from retained earnings at the beginning of the FY03/22 consolidated accounting period, and applies the new accounting policy from the beginning of the FY03/22 consolidated accounting period in accordance with the transitional handling specified in the note in paragraph 84 of the Revenue Recognition Accounting Standard. However, the Company applies the method specified in paragraph 86 of the Revenue Recognition Accounting Standard and does not retroactively apply the new accounting policy to contracts for which almost all revenues were recognized in accordance with the previous handling method until the beginning of the FY03/22 consolidated accounting period. The Company also applies the method specified in (1) of paragraph 86 of the Revenue Recognition Accounting Standard. With regard to contract changes made before the beginning of the FY03/22 consolidated accounting period, the Company performs account processing based on the contract terms and conditions after reflecting all contract changes and adds or subtracts the amounts of cumulative effects to or from retained earnings as of the beginning of the FY03/22 consolidated accounting period.

With the application of the Revenue Recognition Accounting Standard, etc., the Company decided to include “Notes and accounts receivable – trade,” which was presented under “Current assets” in the consolidated balance sheet for the previous consolidated fiscal year, in “accounts receivable - trade” and “contract assets” from the current consolidated fiscal year and “Advances received” including the Incentive Points that were previously indicated under “Current liabilities” in “contract liabilities” from the current consolidated fiscal year. In addition, “Decrease (increase) in trade receivables” presented in “Cash flow from operating activities” in the consolidated cash flow statement for the current consolidated fiscal year is included in “Decrease (increase) in trade receivables and contract assets” from the current consolidated fiscal year, and “Increase (decrease) in provision of point card certificates” and “Increase (decrease) in advances received” are included in “Increase (decrease) in contract liabilities” from the current consolidated fiscal year. The Company has not undertaken reclassification for the previous consolidated fiscal year, using the new indication method, in accordance with the transitional handling specified in paragraph 89-2 of the Revenue Recognition Accounting Standard.

As a result, sales for the current consolidated fiscal year decreased by ¥8,058 million, cost of sales decreased by ¥8,056 million, and operating, ordinary income, and net profit before taxes decreased by ¥1 million, respectively. As a result of reflecting the cumulative effect in net assets at the beginning of the current consolidated fiscal year, the balance of retained earnings at the beginning of the period in the consolidated statements of changes in net assets decreased by ¥0 million.

(Application of the Accounting Standard for Fair Value Measurement, etc.)

Effective from the beginning of the FY03/22 consolidated accounting period, the Company has applied the Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019), etc., and decided to continue to apply the new accounting policy provided in the Accounting Standard for Fair Value Measurement, etc. in the future in accordance with the transitional handling specified in paragraph 19 of the Accounting Standard for Fair Value Measurement and paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019). There is no impact on the consolidated financial statements.

(Change of the indication method)

(Consolidated balance sheet)

“Retirement benefit liability” that was included in “Other” under “Non-current liabilities” in the previous consolidated fiscal year is independently recorded from the current consolidated fiscal year because its monetary importance has increased. To reflect this change of the indication method, we have rearranged the consolidated financial statements for the previous consolidated fiscal year.

As a result, “Other” (¥84 million), which was indicated under “Non-current liabilities” in the consolidated balance sheet for the previous consolidated fiscal year, is included in “Retirement benefit liability” (¥3 million) and “Other” (¥81million).

(Consolidated profit and loss statements)

“Foreign exchange gains” that were included in “Other” under “Non-operating income” in the previous consolidated fiscal year are independently recorded from the current consolidated fiscal year because their monetary importance has increased. To reflect this change of the indication method, we have rearranged the consolidated financial statements for the previous consolidated fiscal year.

As a result, “Other” (¥13 million), which was indicated under “Non-operating income” in the consolidated profit and loss statements for the previous consolidated fiscal year, is included in “Foreign exchange gains” (¥3 million) and “Other” (¥10 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.

(Business combination, etc.)

Business combination through acquisition

The Company acquired all shares of JTB BENEFIT SERVICE, Inc. as of October 29, 2021, and made it a subsidiary.

1. Outline of the business combination

(1) Name and business of the acquired enterprise

Name	JTB BENEFIT SERVICE, Inc.
Description of business	Outsourced employee benefit service

(2) Reason for the business combination

While COVID-19 has had a significant impact on society and the economy, the crisis has triggered the acceleration of initiatives including workstyle reform, health management, and digitalization in many companies. Corporate HR departments will increasingly utilize outsourcing services in the future and HRDX (digital transformation in HR) is expected to become an important challenge.

Taking this socioeconomic trend as an opportunity, the Group has developed not only the employee benefit service, healthcare service, and other outsourcing services, but also the “Bene ONE PLATFORM” that allows the management and utilization of HR and health data by linking such data with various HR- and labor-related outsourcing services. The Group is promoting its platform strategy to support enterprises’ HRDX and working to widely spread the platform and increase members as its medium- to long-term core strategy.

JTB BENEFIT has been a key player in the employee benefit service industry since its foundation in 2000, aiming to contribute to the “work-life balance of working people” and “the creation of a dynamic workplace.”

Today, the Company decided to welcome JTB BENEFIT into the Group, based on its medium-term management plan, expecting a dramatic expansion of the membership base and service distribution.

(3) Date of business combination

October 29, 2021

(4) Legal form of the business combination

Share acquisition for which consideration consists of cash

(5) Name of the combined enterprise

There is no name change.

(6) Percentage of acquired voting rights

100%

(7) Main reason for deciding the acquiring enterprise

The Company is the acquiring enterprise as it acquired the shares in exchange for cash of the Company.

2. Period of performance of the acquired enterprise included in the consolidated financial statements

From January 1, 2022 to March 31, 2022

3. Acquisition cost for the acquired enterprise and breakdown by type of consideration

Consideration for acquisition	Cash	¥12,177 million
Acquisition cost		¥12,177 million

4.Amount of goodwill that occurred

¥5,898 million

(Per share information)

	Previous consolidated FY (April 1, 2020 to March 31, 2021)	Current consolidated FY (April 1, 2021 to March 31, 2022)
Net assets per share	¥124.84	¥156.54
Net income per share	¥42.52	¥56.24

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 the treasury shares at the end of the period deducted for the calculation of net assets per share was 212,497 shares for the previous consolidated fiscal year and 212,130 shares for the current consolidated fiscal year regarding “the Japanese version of the Employee Stock Ownership Plan (J-ESOP).” As for “Board Benefit Trust (BBT),” the number of such treasury shares was 154,420 shares for the previous consolidated fiscal year and 157,920 shares for the current consolidated fiscal year. The average number of the treasury shares during the period deducted for the calculation of net income per share was 212,497 shares for the previous consolidated fiscal year and 213,960 shares for the current consolidated fiscal year regarding “the Japanese version of the Employee Stock Ownership Plan (J-ESOP).” As for “Board Benefit Trust (BBT),” the number of such treasury shares was 154,420 shares for the previous consolidated fiscal year and 154,842 shares for 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, 2020 to March 31, 2021)	Current consolidated FY (April 1, 2021 to March 31, 2022)
Net income per share		
Net income attributable to owners of parent (Millions of yen)	6,766	8,949
Amount not attributable to common shareholders (Millions of yen)	—	—
Net income attributable to owners of parent related to common shares (Millions of yen)	6,766	8,949
Average number of common shares during the year	159,134,851	159,135,090

(Important subsequent events)

(Acquisition and Cancellation of Treasury Shares)

At the Board of Directors meeting held on May 10, 2022, Benefit One Inc. resolved matters related to the acquisition of treasury shares pursuant to the provisions of Article 156, Paragraph 1 of the Companies Act based on the provisions of Article 31 of the Articles of Incorporation of Benefit One pursuant to the provisions of Article 459, Paragraph 1, Item 1 of the Companies Act, and also resolved to cancel a part of the treasury shares held by Benefit One based on the provisions of Article 178 of the Companies.

1. Reason for the acquisition and cancellation of treasury shares

To improve the capital efficiency and to return profits to shareholders。

2. Details of the acquisition

(1)	Class of the shares to be acquired	Common shares of Benefit One Inc.
(2)	Total number of acquirable shares	800,000 shares (upper limit) (Ratio to the total number of issued shares (excluding treasury shares): 0.5%) (as of March 31, 2022)

* The Company has introduced “the Japanese version of the Employee Stock Ownership Plan (J-ESOP)” and “Board Benefit Trust (BBT).” Custody Bank of Japan, Ltd. (trust account E) holds shares of the Company, but the shares of the Company held by trust account E are not included in the above treasury shares.

(3)	Total amount of share acquisition cost	1,500,000,000 yen (upper limit)
(4)	Period of the share acquisition	May 12, 2022 to June 10, 2022
(5)	Method of the share acquisition	Market purchase in the Tokyo Stock Exchange based on a discretionary transaction contract

3. Details of the cancellation

(1)	Class of the shares to be cancelled	Common shares of Benefit One Inc.
(2)	Total number of shares to be cancelled	Same as the total number of treasury shares acquired in 2 above
(3)	Scheduled date of cancellation	June 30, 2022