

## Operating Performance at Benefit One for the First Three Months of the Fiscal Year Ending March 31, 2023 (Q1 FY03/23)

### Summary of Consolidated Operating Results for Q1 FY03/23

Performance was strong due to M&A-related impact and recovery in our surrounding business environment, and ordinary income increased 2.3% YoY

We project that our surrounding business environment will recover over the medium to long term and accordingly made large-scale promotional investment while laying a groundwork for office consolidation

- Sales generated through the Employee Benefit Services business grew 39.5% YoY as we achieved both internal and external growth, with the latter stemming primarily from M&A; rebate-related expenditures increased YoY as service usage among members recovered, and we also booked upfront expenses associated with major promotional investments
- With regard to the Healthcare business, health checkups and guidance services generally progressed according to our projections; in the COVID-19 vaccination support business, acquisition of orders associated with the third round of COVID-19 shots was strong
- We relocated our head office effective from July 1, 2022 and recorded a corresponding one-time expense of approximately ¥150 million in Q1
- Operating performance was generally solid in Q1, and we have refrained from making changes to the previous operating performance forecast we announced on May 10, 2022

### 1. Consolidated operating performance (April 1, 2022–June 30, 2022)

(Millions of yen)	FY03/22		FY03/23		YoY change		Vs. forecast	
	Amount	% of sales	Amount	% of sales	Change	%	1H forecast	Q1 progress
Sales	8,483	–	10,583	–	+2,100	+24.8%	20,950	50.5%
Cost of sales	3,882	45.8%	4,759	45.0%	+876	+22.6%	–	–
Gross profit	4,600	54.2%	5,824	55.0%	+1,223	+26.6%	–	–
SG&A expenses	1,754	20.7%	2,924	27.6%	+1,170	+66.7%	–	–
Operating income	2,846	33.6%	2,899	27.4%	+53	+1.9%	4,000	72.5%
Ordinary income	2,877	33.9%	2,943	27.8%	+66	+2.3%	3,990	73.8%
Net income attributable to owners of parent	2,051	24.2%	1,999	18.9%	▲52	▲2.6%	2,640	75.7%

**2. Performance of Major Businesses** (April 1, 2022–June 30, 2022)

(Millions of yen)	Sales	YoY		Operating income	YoY		Reasons for change
		Change	%		Change	%	
Employee Benefit Services	6,100	+1,728	+39.5%	2,315	+30	+1.3%	Performance boosted by both internal and external growth
Individual Benefit Services	449	▲49	▲9.8%				Increase in rebate-related expenditures driven by recovery in service utilization
CRM	156	+46	+42.4%				Booked about ¥140 million in expenses associated with major promotional investments
Incentive	992	+11	+1.1%	214	▲54	▲20.2%	Delayed granting/exchanging of incentive points in the new fiscal year
Healthcare	2,236	+426	+23.5%	1,150	+358	+45.2%	Health checkups and guidance services generally progressed according to projections Strong support operations for the third round of COVID-19 vaccination shots
Purchase and Settlement Service	146	▲19	▲11.8%	20	+3	+17.0%	Roughly in line with assumptions underlying our projections
Payment	3	▲0	▲3.5%	▲16	+7	-	Roughly in line with assumptions underlying our projections
Overseas	352	+3	+1.0%	▲84	▲43	-	Incurred upfront expenses associated with personnel expansion, system development, etc.
Other (company-wide shared expenses, etc.)	149	▲46	-	▲700	▲248	-	Incurred a one-time expense of about ¥150 million in connection with the relocation of our head office
Total	10,583	+2,100	+24.8%	2,899	+53	+1.9%	

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

(Millions of yen)	FY03/21				FY03/22				FY03/23
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Employee Benefit Services	4,441	4,443	4,470	4,577	4,372	4,344	4,359	6,721	6,100
Individual Benefit Services	539	536	503	478	498	484	462	447	449
CRM	109	111	101	151	109	110	108	161	156
Incentive	995	1,120	794	1,048	981	921	683	888	992
Healthcare	1,616	2,123	3,141	3,486	1,811	3,733	1,897	2,169	2,236
Purchase and Settlement Service	160	162	182	191	165	161	150	164	146
Payment	–	–	–	–	3	2	3	10	3
Overseas	230	331	422	441	348	293	438	394	352
Other	158	115	271	395	196	217	219	339	149
<b>Sales</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>11,293</b>	<b>10,583</b>
<b>Gross profit</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>	<b>5,916</b>	<b>5,824</b>
<i>Gross profit margin (%)</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>	<i>55.0%</i>
<b>SG&amp;A expenses</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>	<b>2,684</b>	<b>2,924</b>
Employee Benefit Services + Individual Benefit Services + CRM	1,999	2,074	2,098	2,218	2,285	2,451	2,153	2,595	2,315
Incentive	233	291	161	290	269	216	127	169	214
Healthcare	29	50	264	413	792	1,882	896	987	1,150
Purchase and Settlement Service	16	4	22	31	17	15	28	36	20
Payment	–	–	–	–	▲23	▲17	▲14	▲8	▲16
Overseas	▲37	▲25	▲20	▲22	▲41	▲33	▲31	▲65	▲84
Other (company-wide shared expenses, etc.)	▲75	▲105	▲63	▲72	▲453	▲470	▲512	▲483	▲700
<b>Operating income</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>	<b>3,231</b>	<b>2,899</b>
<i>Operating income margin (%)</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>	<i>27.4%</i>
<b>Ordinary income</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>	<b>3,274</b>	<b>2,943</b>
<i>Ordinary income margin (%)</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>	<i>27.8%</i>
<b>Net income attributable to owners of parent</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>	<b>2,286</b>	<b>1,999</b>
<i>Net income margin (%)</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>	<i>18.9%</i>

#### 4. Quarterly member count by business

Ten thousand members		FY03/21				FY03/22				FY03/23
		Jun.	Sep.	Dec.	Mar.	Jun.	Sep.	Dec.	Mar.	Jun.
Employee Benefit Services	590	624	624	621	634	635	893	893	908	
Individual Benefit Services	125	120	115	111	106	101	105	96	84	
CRM	124	124	125	130	127	127	139	141	137	
<b>Total members</b>	<b>839</b>	<b>868</b>	<b>864</b>	<b>862</b>	<b>867</b>	<b>863</b>	<b>1,137</b>	<b>1,130</b>	<b>1,129</b>	

#### 5. Various service numbers in the Healthcare business

(10,000 cases)	FY03/21				FY03/22				FY03/23
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Health checkup: number of consultations <sup>*Note 1</sup>	1	28	16	13	16	25	14	9	17
Specific health guidance: number of initial consultations <sup>*Note 2</sup>	1	2	3	4	3	3	3	4	2
COVID-19 vaccinations <sup>*Note 3</sup>	–	–	–	–	34	72	25	26	19

Note 1: "Health checkup: number of checkups" refers to the number of health checkups for which Benefit One made appointments on behalf of service members.

Note 2: "Specific health guidance: number of initial consultations" refers to the number of initial consultations members eligible for this service had with specialist staff.

Note 3: "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, 2022–March 31, 2023)

Progress achieved during Q1 FY03/23 varied by business, but overall performance was generally strong. Depending on socioeconomic trends stemming from subsequent waves of COVID-19, the Company could, moving forward, observe fluid fluctuation in impact from factors such as recovery in service utilization among members in the Employee Benefit Services business and in the Healthcare business, circumstances surrounding administration of the fourth and following rounds of COVID-19 vaccines. However, forecasting the impact of fluctuations in these factors is prohibitively difficult at this point in time, so we have maintained our operating performance projections for 1H and full-year FY03/23 as previously announced on May 10, 2022.

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 June 30, 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.