

## Operating Performance at Benefit One for the First Half of the Fiscal Year Ending March 2023 (1H FY03/23)

### Summary of Consolidated Operating Results for 1H FY03/23

Solid performance on M&A effects and bringing forward of COVID-19 vaccination support services

Upfront spending on promotion with eye on improved post-pandemic business environment

- External M&A-driven growth helped sales in the Employee Benefit Services business expand 39.9% YoY  
Rebate-related expenditures accompanying service utilization among Employee Benefit Services members rose ¥500 million YoY, less than expected
- COVID-19 vaccination support business solid as shots brought forward
- Upfront promotional spending of ¥600 million as planned
- Booked one-time SG&A expenses of ¥170 million from head office relocation and gains on sale of investment securities of ¥600 million as an extraordinary income
- Maintained full-year earnings forecasts announced on May 10, 2022

### 1. Consolidated operating performance in 1H FY03/23 (April 1, 2022–September 30, 2022)

(Millions of yen)	1H FY03/22		1H FY03/23		YoY		Full-year forecast	
	Amount	% of sales	Amount	% of sales	Change	%	Amount	Progress vs. forecast
Sales	18,748	–	20,234	–	+1,485	+7.9%	46,100	43.9%
Cost of sales	8,357	44.6%	9,490	46.9%	+1,133	+13.6%	–	–
Gross profit	10,391	55.4%	10,743	53.1%	+352	+3.4%	–	–
SG&A expenses	3,500	18.7%	5,914	29.2%	+2,413	+69.0%	–	–
Operating income	6,890	36.8%	4,828	23.9%	▲2,061	▲29.9%	10,800	44.7%
Ordinary income	6,887	36.7%	4,907	24.3%	▲1,979	▲28.7%	10,790	45.5%
Net income attributable to owners of parent	4,826	25.7%	3,751	18.5%	▲1,074	▲22.3%	7,170	52.3%

## 2. Performance of Major Businesses (April 1, 2022–September 30, 2022)

(Millions of yen)	Sales	YoY		Operating income	YoY		Reasons for change
		Change	%		Change	%	
Employee Benefit Services	12,194	+3,478	+39.9%	4,183	▲552	▲11.7%	External M&A-driven growth boosted earnings Rebate-related expenditures up about ¥500 million as service utilization recovered Promotional spending up about ¥400 million
Individual Benefit Services	909	▲72	▲7.3%				
CRM	299	+79	+36.1%				
Incentive	1,556	▲347	▲18.2%	288	▲197	▲40.6%	Delayed granting/exchanging of incentive points in new fiscal year
Healthcare	3,943	▲1,601	▲28.9%	1,733	▲940	▲35.2%	COVID-19 vaccination support operations shrunk Promotional spending up about ¥200 million
Purchase and Settlement Service	302	▲25	▲7.7%	62	+30	+92.5%	Usage for business trip payments recovered
Payment	5	+0	+0.4%	▲31	+9	-	Focus on enhancing content; slight rise in usage
Overseas	733	+91	+14.3%	▲174	▲101	-	Singapore sales grew; upfront spending on systems expansion
Other (company-wide shared expenses, etc.)	293	▲118	-	▲1,233	▲310	-	Approx. ¥170 million in head office relocation costs
Total	20,234	+1,485	+7.9%	4,828	▲2,061	▲29.9%	

### 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	2Q
Employee Benefit Services	4,441	4,443	4,470	4,577	4,372	4,344	4,359	6,721	6,100	6,094
Individual Benefit Services	539	536	503	478	498	484	462	447	449	461
CRM	109	111	101	151	109	110	108	161	156	143
Incentive	995	1,120	794	1,048	981	921	683	888	992	563
Healthcare	1,616	2,123	3,141	3,486	1,811	3,733	1,897	2,169	2,236	1,707
Purchase and Settlement Service	160	162	182	191	165	161	150	164	146	156
Payment	-	-	-	-	3	2	3	10	3	2
Overseas	230	331	422	441	348	293	438	394	352	381
Other	158	115	271	395	196	217	219	339	149	143
<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>9,650</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>	<b>4,919</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>	<i>51.0%</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>	<b>2,990</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	1,869
Incentive	233	291	161	290	269	216	127	169	214	73
Healthcare	29	50	264	413	792	1,882	896	987	1,150	584
Purchase and Settlement Service	16	4	22	31	17	15	28	36	20	42
Payment	-	-	-	-	▲23	▲17	▲14	▲8	▲16	▲15
Overseas	▲37	▲25	▲20	▲22	▲41	▲33	▲31	▲65	▲84	▲91
Other (company-wide shared expenses, etc.)	▲75	▲105	▲63	▲72	▲453	▲470	▲512	▲483	▲700	▲533
<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>	<b>1,929</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>	<i>20.0%</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>	<b>1,963</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>	<i>20.3%</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>	<b>1,751</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>	<i>18.1%</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.	Sep.
Employee Benefit Services	590	624	624	621	634	635	893	893	908	906
Individual Benefit Services	125	120	115	111	106	101	105	96	84	83
CRM	124	124	125	130	127	127	139	141	137	139
<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>	<b>1,128</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	2Q
Health checkup: number of consultations <sup>*Note 1</sup>	1	28	16	13	16	25	14	9	17	24
Specific health guidance: number of initial consultations <sup>*Note 2</sup>	1	2	3	4	3	3	3	4	2	2
COVID-19 vaccinations <sup>*Note 3</sup>	–	–	–	–	34	72	25	26	19	22

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)

(Assumptions for earnings forecasts as of May 10, 2022)

Our earnings forecasts for FY03/23 announced on May 10, 2022 assumed that the COVID-19 pandemic would start to wind down.

(Consolidated results in 1H FY03/23)

In actuality, the seventh wave of the COVID-19 pandemic had the following impacts: (1) members' service usage in the Employee Benefit Services business recovered more slowly than we had expected; (2) in the Healthcare business, our local government clients brought forward COVID-19 vaccinations ahead of our expectations. In addition, (3) we booked an extraordinary income on the sale of some of our investment securities. As a result, consolidated 1H results were above the figures forecast in our May 10, 2022 announcement.

(Assumptions underlying forecasts)

Turning to the outlook, we have left our full-year earnings forecast figures unchanged from those announced on May 10, 2022. This is because of variables such as the recovery of service usage in the Employee Benefit Services business and orders in the COVID-19 vaccination support business. The effectiveness of promotions and other measures is another variable.

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 September 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.

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