

## Operating Performance at Benefit One for the First Nine Months of the Fiscal Year Ending March 2023 (Cumulative Q3 FY03/23)

### Summary of Consolidated Operating Results for cumulative Q3 FY03/23

Ordinary income declined 17.5% YoY due to promotional spending with an eye on the post-pandemic business environment

- External M&A-driven growth and coverage expansion of public employee mutual aid associations system helped sales in the Employee Benefit Services business expand 40.6% YoY  
Rebate-related expenditures accompanying service utilization increased more moderately than expected, but still expanded YoY
- The COVID-19 vaccination support business was solid, exceeding expectations, but progress in the health guidance business was delayed
- Upfront promotional spending of ¥900 million as planned
- Maintained full-year performance forecasts announced on May 10, 2022

### 1. Consolidated operating performance in cumulative Q3 FY03/23 (April 1–December 31, 2022)

(Millions of yen)	Nine months ended December 31, 2021		Nine months ended December 31, 2022		YoY		Full-year forecast	
	Amount	% of sales	Amount	% of sales	Change	%	Amount	Progress vs. forecast
Sales	27,068	–	31,022	–	3,953	+14.6%	46,100	67.3%
Cost of sales	12,256	45.3%	14,399	46.4%	2,143	+17.5%	–	–
Gross profit	14,812	54.7%	16,623	53.6%	1,810	+12.2%	–	–
SG&A expenses	5,274	19.5%	8,788	28.3%	3,513	+66.6%	–	–
Operating income	9,538	35.2%	7,835	25.3%	▲1,702	▲17.9%	10,800	72.6%
Ordinary income	9,552	35.3%	7,881	25.4%	▲1,670	▲17.5%	10,790	73.0%
Net income attributable to owners of parent	6,663	24.6%	5,833	18.8%	▲830	▲12.5%	7,170	81.4%

## 2. Performance of Major Businesses (April 1, 2022–December 31, 2022)

(Millions of yen)	Sales	YoY		Operating income	YoY		Reasons for change
		Change	%		Change	%	
Employee Benefit Services	18,378	+5,302	+40.6%	6,808	▲81	▲1.2%	External M&A-driven growth boosted performance
Individual Benefit Services	1,326	▲118	▲8.2%				Rebate-related expenditures up about ¥250 million as service utilization recovered
CRM	442	+114	+34.9%				Promotional spending up about ¥570 million
Incentive	2,207	▲378	▲14.6%	394	▲218	▲35.6%	Delayed granting/exchanging of incentive points in the new fiscal year
Healthcare	6,236	▲1,205	▲16.2%	2,589	▲981	▲27.5%	Impact of delay in the progress of health guidance business Promotional spending up about ¥360 million
Purchase and Settlement Service	475	▲2	▲0.4%	118	+58	+97.0%	Usage for business trip expenses recovered
Payment	9	+2	+23.2%	▲47	+6	-	Focus on enhancing content; slight rise in usage
Overseas	1,377	+297	+27.5%	▲255	▲150	-	Singapore sales grew; upfront costs on systems expansion
Other (company-wide shared expenses, etc.)	572	▲59	-	▲1,772	▲336	-	One-time expenses of approx. ¥200 million accompanying head office relocation
Total	31,022	+3,953	+14.6%	7,835	▲1,702	▲17.9%	

### 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	3Q
Employee Benefit Services	4,441	4,443	4,470	4,577	4,372	4,344	4,359	6,721	6,100	6,094	6,184
Individual Benefit Services	539	536	503	478	498	484	462	447	449	461	416
CRM	109	111	101	151	109	110	108	161	156	143	144
Incentive	995	1,120	794	1,048	981	921	683	888	992	563	652
Healthcare	1,616	2,123	3,141	3,486	1,811	3,733	1,897	2,169	2,236	1,707	2,293
Purchase and Settlement Service	160	162	182	191	165	161	150	164	146	156	173
Payment	–	–	–	–	3	2	3	10	3	2	4
Overseas	230	331	422	441	348	293	438	394	352	381	644
Other	158	115	271	395	196	217	219	339	149	143	278
<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>10,788</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>	<b>5,850</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>	<i>54.2%</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>	<b>2,872</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	2,625
Incentive	233	291	161	290	269	216	127	169	214	73	106
Healthcare	29	50	264	413	792	1,882	896	987	1,150	584	856
Purchase and Settlement Service	16	4	22	31	17	15	28	36	20	42	56
Payment	–	–	–	–	▲23	▲17	▲14	▲8	▲16	▲15	▲16
Overseas	▲37	▲25	▲20	▲22	▲41	▲33	▲31	▲65	▲84	▲91	▲80
Other (company-wide shared expenses, etc.)	▲75	▲105	▲63	▲72	▲453	▲470	▲512	▲483	▲700	▲533	▲540
<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>	<b>3,007</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>	<i>27.9%</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>	<b>2,974</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>	<i>27.6%</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>	<b>2,082</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>	<i>19.3%</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.	Dec.
Employee Benefit Services	590	624	624	621	634	635	893	893	908	906	930
Individual Benefit Services	125	120	115	111	106	101	105	96	84	83	81
CRM	124	124	125	130	127	127	139	141	137	139	142
<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>	<b>1,153</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	3Q
Health checkup: number of consultations <sup>*Note 1</sup>	1	28	16	13	16	25	14	9	17	24	14
Specific health guidance: number of initial consultations <sup>*Note 2</sup>	1	2	3	4	3	3	3	4	2	2	3
COVID-19 vaccinations <sup>*Note 3</sup>	–	–	–	–	34	72	25	26	19	22	45

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 forecasts

(April 1, 2022–March 31, 2023)

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

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

(Consolidated results in cumulative Q3 FY03/23)

As a society in general made progress in balancing the prevention of COVID-19 infections with socioeconomic activities, the impact of the pandemic on our businesses shrunk, but the improvement was more moderate than expected, resulting in a slow recovery in the use of member services in the Employee Benefit Services business, receipt of additional vaccination support orders, and delays in implementation of health guidance services in the Healthcare business.

(Assumptions underlying forecasts)

Although we expect the impact of the pandemic on each business to continue shrinking, the duration and extent of the lingering effect may vary depending on infection rates hereafter, with the effectiveness of promotions and other measures being another variable. For these reasons, we have left our full-year performance forecast figures unchanged from those 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 December 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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