



Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (Q2 FY03/24) [Based on Japanese GAAP]

November 14, 2023

Name of listed company: Benefit One Inc. Listed exchange: Tokyo Stock Exchange
 Stock exchange code: 2412 URL <https://corp.benefit-one.co.jp/en/>
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 Quarterly securities report to be submitted on: November 14, 2022 Dividend payment to start on: -
 Quarterly results supplementary material: Yes
 Quarterly results briefing: Yes (for institutional investors and analysts)

(Rounded down to the nearest million yen)

1. Q2 FY03/24 consolidated operating performance (April 1, 2023 to September 30, 2023)

(1) Consolidated operating results (cumulative) (% shows increase/decrease rate from Q2 of FY03/23)

	Sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Q2 FY03/24	18,732	△7.4	3,546	△26.6	3,593	△26.8	2,414	△35.6
Q2 FY03/23	20,234	7.9	4,828	△29.9	4,907	△28.7	3,751	△22.3

Note Comprehensive income Q2 FY03/24 2,172 million (△25.5%) Q2 FY03/23 2,916 million (△47.3%)

	Net income per share	Diluted net income per share
	Yen Sen	Yen Sen
Q2 FY03/24	15.24	—
Q2 FY03/23	23.65	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
Q2 FY03/24	48,349	21,318	44.1
FY03/23	53,981	24,832	46.0

Note Comprehensive income Q2 FY03/24 21,317 million FY03/23 24,831 million

2. Dividends

	Annual dividend				
	End of 1Q	End of 2Q	End of 3Q	End of FY	Total
	Yen Sen	Yen Sen	Yen Yen	Sen Yen	Sen Yen
FY03/23	—	0.00	—	36.00	36.00
FY03/24	—	0.00	—	—	—
FY03/24 (forecast)	—	—	—	36.00	36.00

Note: Correction from the most recently announced dividend forecast: No

3. Consolidated operating performance forecasts for FY03/24 (April 1, 2023 to March 31, 2024)

(% 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
Full-year	44,230	4.4	9,800	△6.5	9,940	△5.9	6,600	△13.8	41.66

Note: Correction from the most recently announced performance forecasts: No

For the revision of the consolidated performance forecasts, please see "Notice Concerning the Revision of Consolidated Performance Forecasts for FY03/24" announced today (November 14, 2023).

* Notes

(1) Important change to a subsidiary company during the cumulative : No
quarterly consolidated accounting period

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

(2) Application of the entry under accounting methods specific to the : No
preparation of quarterly consolidated financial statements

(3) Changes of the accounting policy, changes to accounting estimates, and restatement

Changes of the accounting policy resulted from the revision of : No
accounting standards, etc.

Changes of the accounting policy other than 1) : No

Changes to accounting estimates : No

Restatement : No

(4) Number of issued shares (common shares)

1) Number of issued shares (including treasury
shares) as of the end of the period

Q2 FY03/24	159,190,900 shares	FY03/23	159,190,900 shares
Q2 FY03/24	773,856 shares	FY03/23	797,928 shares
Q2 FY03/24	158,399,601 shares	Q2 FY03/23	158,635,181 shares

2) Number of treasury shares as of the end of
the period

3) Average number of shares during the period
(cumulative quarterly)

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 in the calculation of the average number of shares during the period for the calculation of quarterly net income per share.

* The summary of quarterly financial results is not subject to the quarterly review by a certified public accountant or an 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. Qualitative information regarding the quarterly financial results, (3) Qualitative information regarding consolidated operating performance forecasts” on page 6 of the appendix.
- The Company plans to hold a results briefing for institutional investors and analysts on November 15, 2023. The videos and materials of the briefing will be posted on the Company’s website (<https://corp.benefit-one.co.jp/ir/library/index.html>) as soon as the briefing ends.

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1. Qualitative information regarding the quarterly financial results

(1) Qualitative information regarding consolidated operating results

During the 1H FY03/24 accounting period, the Japanese economy continued to gradually recover as corporate activity and personal consumption recovered and the employment and income environment improved.

In the first year of our medium-term management plan announced on May 11, 2023, our Group worked on growth strategies centered on expanding membership and making the payment business profitable.

① Membership expansion

Our Group has been aggressively marketing its employee benefit services as a means of improving recruitment, retention, and the fair and equitable treatment of human resources to a wide range of companies of all sizes since we aim to provide services to as many people as possible regardless of employment type, gender, or other factors.

The number of members grew to 9.57 million as of the end of Q2 FY03/24 due to progress in adopting our services to attract and retain human resources in the retail and manufacturing industries, among others. Regarding “Benefit Station,” (Note 1) which we updated at the beginning of the fiscal year, we worked to improve convenience and further expand membership by sequentially releasing new functions during Q2 while focusing on stable operation and functional enhancement of the new system.

② Achievement of profitability of the payment business

Aiming to develop the payment business into a new core earnings pillar over the medium to long term, our Group is developing the Kyutokubarai service, which utilizes a payroll deduction system linked to member data on “Bene ONE PLATFORM.” (Note 2) Handling value in Q2 reached ¥22 million (up from ¥6 million in Q1).

As our immediate priority, we are working to expand our lineup of compelling content, primarily in the categories of lifestyle infrastructure and flat-rate services. Recently, there has been increasing use of digital money (gift codes) such as Amazon gift cards, nanaco gift, and Kyash. In addition, in October 2023, we added the Netflix video streaming service to the Kyutokubarai menu and have been making efforts to further expand the use of the Kyutokubarai service.

③ Healthcare services expansion

Our Group provides healthcare services, including medical checkups and health guidance services, that support employees’ mental and physical health management via corporate HR departments, and we are actively engaged in new sales activity to capture further outsourcing demand in the future. During Q2 FY03/24, we mainly made progress in securing preliminary agreements from new customers for the adoption of our services from next spring.

In addition, we plan to develop an influenza vaccination support business and other comprehensive measures against infectious diseases in the workplace, and during Q2, we worked to increase the number of affiliated medical institutions and released a new infectious disease countermeasure portal site service in September.

The following is an overview of 1H FY03/24 by main business.

In the Employee Benefit Services business, membership fee revenue, which accounts for the majority of sales, increased YoY, while transactions specific to the former JTB Benefit Services declined. In addition, average membership fees were lower than expected because newly acquired members were mainly from major clients, and both revenue and expenses decreased due to the revision of some contracts, resulting in sales falling short of plan. Although expenses grew YoY with investment in personnel and systems in preparation for growth in the medium to long term, a reduction in duplicate costs following the integration of services from the former JTB Benefit Services contributed to improvement in the operating margin in Employee Benefit Services and Individual Benefit Services + CRM.

Within the Healthcare business, sales from the COVID-19 vaccination support business were down ¥1,585 million YoY. Although there were delays in securing new orders for medical checkups and health guidance services, we made progress on orders already received, resulting in a YoY increase in related sales for the quarter.

In the Payment business, investment in commercials and other marketing measures we had planned for Q2 has been rescheduled for the second half of FY03/24 to coincide with the addition of Netflix to the Kyutokubarai menu.

As a result of the above, consolidated sales in 1H FY03/24 were ¥18,732 million (down 7.4% YoY), consolidated operating income was ¥3,546 million (down 26.6% YoY), consolidated ordinary income was ¥3,593 million (down 26.8% YoY), and net income attributable to owners of parent was ¥2,414 million (down 35.6% YoY).

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, etc." as our only reportable segment is the Membership Services business.

Note 1: Benefit Station is a comprehensive employee benefit service operated by the Company. It mainly supports increasing employee satisfaction, and promoting health management and skill improvement.

Note 2: 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) Qualitative information on the consolidated financial position

1) Assets, liabilities, and net assets

(Assets)

Total assets at the end of the Q2 FY03/24 consolidated accounting period were ¥48,349 million, a decrease of ¥5,632 million from the end of the previous consolidated fiscal year.

Current assets were ¥21,748 million, a decrease of ¥5,658 million. This is mainly due to a decrease in cash and deposits (¥2,258 million), a decrease in notes and accounts receivable – trade and contract assets (¥3,116 million), etc.

Non-current assets increased by ¥25 million to ¥26,600 million.

(Liabilities)

Total liabilities at the end of the Q2 FY03/24 consolidated accounting period were ¥27,030 million, a decrease of ¥2,118 million from the end of the previous consolidated fiscal year.

Current liabilities were ¥17,107 million, a decrease of ¥1,484 million. This is mainly due to a decrease in accounts payable – trade (¥1,423 million), etc.

Non-current liabilities decreased by ¥633 million to ¥9,922 million. This is mainly due to a decrease in long-term borrowings due to repayment (¥500 million), etc.

(Net assets)

Net assets at the end of the Q2 FY03/24 consolidated accounting period were ¥21,318 million, a decrease of ¥3,513 million from the end of the previous consolidated fiscal year. This is mainly due to net income attributable to owners of the parent (¥2,414 million), dividends paid (¥5,714 million), etc. during the Q2 FY03/24 consolidated cumulative accounting period.

As a result, the equity ratio decreased to 44.1% from 46.0% at the end of the previous consolidated fiscal year.

2) Status of cash flows

The balance of cash and cash equivalent (hereinafter, "Funds") at the end of the Q2 FY03/24 consolidated accounting period was ¥7,751 million, a decrease of ¥2,257 million from the end of the previous consolidated fiscal year.

The state of each cash flow and factors in the Q2 FY03/24 cumulative consolidated accounting period are described below.

(Cash flow from operating activities)

Cash flow from operating activities increased by ¥5,785 million. (In the previous Q2 cumulative consolidated accounting period (Q2 FY03/23), cash flow from operating activities increased by ¥1,803 million.)

The increase in Funds is attributed to the quarterly net income before taxes of ¥3,615 million (¥5,535 million in Q2

FY03/23), depreciation of ¥789 million (¥603 million in Q2 FY03/23), decrease in trade receivables and contract assets of ¥3,148 million (a decrease of ¥385 million in Q2 FY03/23), etc.

The decrease in Funds is attributed to a decrease in trade payables of ¥1,424 million (a decrease of ¥2,046 million in Q2 FY03/23), income taxes paid of ¥1,625 million (¥2,536 million in Q2 FY03/23), etc.

(Cash flow from investing activities)

Cash flow from investing activities decreased by ¥1,815 million. (In Q2 FY03/23, cash flow from investing activities decreased by ¥1,128 million.)

The increase in Funds is attributed to proceeds from the sale of investment securities of ¥62 million (¥702 million in Q2 FY03/23), etc.

The decrease in Funds is attributed to the purchase of property, plant and equipment, and intangible assets of ¥1,882 million (¥1,792 million in Q2 FY03/23), etc.

(Cash flow from financing activities)

Cash flow from financing activities decreased by ¥6,275 million. (In Q2 FY03/23, cash flow from financing activities decreased by ¥7,801 million.)

The decrease in Funds is attributed to dividends paid of ¥5,713 million (¥5,740 million in Q2 FY03/23), expenditure for repayment of long-term borrowings of ¥500 million (¥500 million in Q2 FY03/23), etc.

(3) Qualitative information regarding consolidated operating performance forecasts

As stated in the “Notice of Revision to Full-Year FY03/24 Consolidated Operating Performance Forecast,” released on November 14, 2023, earnings projections for the COVID-19 vaccination support business have been revised because the environment surrounding the business is significantly different from our initial assumptions.

In the Employee Benefit Services business, Incentive business, and medical checkups and health guidance services, there has been no major change in our perception of the environment since the beginning of the fiscal year. Since there are variable factors such as sales activities and the level of service use by members, we have made no changes to our full-year projections announced on May 11, 2023, for businesses other than the COVID-19 vaccination support business.

2. Quarterly consolidated financial statements and major notes

(1) Quarterly consolidated balance sheet

(Millions of yen)

	Consolidated FY03/23 (March 31, 2023)	Consolidated Q2 FY03/24 (September 30, 2023)
Assets		
Current assets		
Cash and deposits	10,010	7,751
Notes and accounts receivable – trade and contract assets	7,675	4,558
Inventories	1,520	1,856
Other	8,274	7,649
Allowance for doubtful accounts	△72	△67
Total current assets	27,407	21,748
Non-current assets		
Property, plant and equipment	1,583	1,566
Intangible assets		
Goodwill	5,529	5,382
Software	7,358	8,129
Customer-related assets	7,961	7,769
Other	4	7
Total intangible assets	20,855	21,289
Investments and other assets		
Other	4,142	3,751
Allowance for doubtful accounts	△7	△7
Total investments and other assets	4,135	3,744
Total non-current assets	26,574	26,600
Total assets	53,981	48,349

(Millions of yen)

	Consolidated FY03/23 (March 31, 2023)	Consolidated Q2 FY03/24 (September 30, 2023)
Liabilities		
Current liabilities		
Notes and accounts payable – trade	4,277	2,853
Short-term borrowings	97	81
Current portion of long-term borrowings	1,000	1,000
Income taxes payable	1,700	1,339
Accounts payable – other	4,423	4,407
Contract liabilities	5,300	5,500
Other	1,792	1,923
Total current liabilities	18,592	17,107
Non-current liabilities		
Long-term borrowings	7,500	7,000
Reserve for employee stock ownership plan	258	249
Provision for share-based remuneration for directors (and other officers)	181	195
Retirement benefit liability	40	36
Other	2,576	2,440
Total non-current liabilities	10,556	9,922
Total liabilities	29,148	27,030
Net assets		
Shareholders' equity		
Share capital	1,527	1,527
Capital surplus	1,451	1,451
Retained earnings	21,722	18,422
Treasury shares	△1,329	△1,300
Total shareholders' equity	23,371	20,100
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,449	1,202
Foreign currency translation adjustment	9	15
Total accumulated other comprehensive income	1,459	1,217
Non-controlling interests	1	1
Total net assets	24,832	21,318
Total liabilities and net assets	53,981	48,349

(2) Quarterly consolidated profit and loss statements and quarterly consolidated comprehensive income statements

Quarterly consolidated profit and loss statements

Consolidated cumulative Q2

(Millions of yen)

	Consolidated cumulative Q2 FY03/23 (April 1, 2022 to September 30, 2022)	Consolidated cumulative Q2 FY03/24 (April 1, 2023 to September 30, 2023)
Sales	20,234	18,732
Cost of sales	9,490	9,723
Gross profit	10,743	9,008
SG&A expenses	5,914	5,461
Operating income	4,828	3,546
Non-operating income		
Interest income	10	11
Share of profit of entities accounted for using equity method	-	0
Foreign exchange gains	57	35
Subsidy income	27	10
Other	32	26
Total non-operating income	128	83
Non-operating expenses		
Interest expenses	28	26
Commitment fees	10	9
Share of loss of entities accounted for using equity method	3	-
Commission for purchase of treasury shares	6	-
Other	0	-
Total non-operating expenses	49	36
Ordinary income	4,907	3,593
Extraordinary income		
Gain on sales of investment securities	627	22
Total extraordinary income	627	22
Quarterly net income before income taxes	5,535	3,615
Income taxes – current	1,796	1,276
Income taxes – deferred	△12	△75
Total income taxes	1,784	1,201
Quarterly net income	3,751	2,414
Loss attributable to non-controlling interests (△)	-	△0
Net income attributable to owners of parent	3,751	2,414

Quarterly consolidated comprehensive income statements

Consolidated cumulative Q2

(Millions of yen)

	Consolidated cumulative Q2 FY03/23 (April 1, 2022 to September 30, 2022)	Consolidated cumulative Q2 FY03/24 (April 1, 2023 to September 30, 2023)
Quarterly net income	3,751	2,414
Other comprehensive income		
Valuation of difference on available-for-sale securities	△838	△247
Foreign currency translation adjustment	4	5
Total other comprehensive income	△834	△242
Quarterly comprehensive income	2,916	2,172
(Breakdown)		
Quarterly comprehensive income attributable to owners of parent	2,916	2,172
Quarterly comprehensive income attributable to non-controlling interests	-	△0

(3) Quarterly consolidated cash flow statements

(Millions of yen)

	Consolidated cumulative Q2 FY03/23 (April 1, 2022 to September 30, 2022)	Consolidated cumulative Q2 FY03/24 (April 1, 2023 to September 30, 2023)
Cash flow from operating activities		
Net income before income taxes	5,535	3,615
Depreciation	603	789
Depreciation of customer-related assets	191	191
Amortization of goodwill	147	147
Share of loss (profit) of entities accounted for using the equity method (Δ indicates a gain.)	3	Δ 0
Acquisition of treasury stock	6	-
Subsidy income	Δ 27	Δ 10
interest and dividend income	Δ 29	Δ 26
Interest expenses	28	26
Loss (gain) on sales of investment securities (Δ indicates a gain.)	Δ 627	Δ 22
Decrease (increase) in trade receivables and contract assets (Δ indicates an increase.)	385	3,148
Decrease (increase) in inventories (Δ indicates an increase.)	519	Δ 332
Decrease (increase) in accounts receivable - other (Δ indicates an increase.)	212	672
Increase (decrease) in trade payables (Δ indicates a decrease.)	Δ 2,046	Δ 1,424
Increase (decrease) in accounts payable - other (Δ indicates a decrease.)	43	68
Increase (decrease) in contract liabilities (Δ indicates a decrease.)	Δ 96	166
Other	Δ 537	392
Subtotal	4,313	7,402
Interest and dividends received	27	25
Interest paid	Δ 29	Δ 27
Subsidies received	27	10
Income taxes paid	Δ 2,536	Δ 1,625
Cash flow from operating activities	1,803	5,785
Cash flow from investing activities		
Purchase of property, plant, and equipment	Δ 183	Δ 24
Purchase of intangible assets	Δ 1,609	Δ 1,858
Proceeds from sales of investment securities	702	62
Other	Δ 38	3
Cash flow from investing activities	Δ1,128	Δ1,815
Cash flow from financing activities		
Dividends paid	Δ 5,740	Δ 5,713
Purchase of treasury shares	Δ 1,506	-
Expenditure for repayment of long-term borrowings	Δ 500	Δ 500
Other	Δ 54	Δ 62
Cash flow from financing activities	Δ7,801	Δ6,275
Effect of exchange rate change on cash and cash equivalents	64	47
Net increase (decrease) in cash and cash equivalents (Δ indicates a decrease.)	Δ 7,061	Δ 2,257
Beginning balance of cash and cash equivalents	17,983	10,008
Ending balance of cash and cash equivalents	10,922	7,751

(4) Notes on the quarterly consolidated financial statements

(Notes on the going concern assumption)

Not applicable.

(Notes on substantial changes in the amount of shareholders' equity)

Not applicable.

(Application of the entry under accounting methods specific to the preparation of quarterly consolidated financial statements)

Not applicable.

(Changes of the accounting policy)

Not applicable.

(Changes to accounting estimates)

Not applicable.

(Restatement)

Not applicable.

(Important subsequent events)

Not applicable.

<p>Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.</p>
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