

## Operating Performance at Benefit One for the First Half of the Fiscal Year Ending March 2023 (1H FY03/24)

### Summary of Consolidated Operating Results for 1H FY03/24

Employee Benefit Services and medical checkups and health guidance services recovered on the back of improvement in the business environment.

The COVID-19 vaccination support business saw fewer transactions YoY, and the outlook has been revised due to a difference in environment perception for the second half of FY03/24 from initial expectations.

- Membership fee revenue in Employee Benefit Services was on an upward trend, while revenue from transactions specific to the former JTB Benefit Services declined.

Operating margin improved as increased spending on personnel and systems was partially offset by the integration effects of services of the former JTB Benefit Services.

- Sales and income from medical checkups and health guidance services increased, with progress in implementing services for orders received.
- In the COVID-19 vaccination support business, the outlook has been revised due to the difficult business environment in 2H than expected.

※ Please refer to the “Notice Concerning the Revision of Full-year Consolidated Performance Forecasts for FY03/24” released today, for details of the earnings forecast.

### 1. Consolidated operating performance in 1H FY03/24 (April 1, 2023–September 30, 2023)

(Millions of yen)	1H FY03/23		1H FY03/24		YoY		Full-year plan announced Nov. 14	
	Amount	% of sales	Amount	% of sales	Change	%	Amount	Progress
Sales	20,234	–	18,732	–	▲1,502	▲7.4%	44,230	42.4%
Cost of sales	9,490	46.9%	9,723	51.9%	+233	+2.5%	–	–
Gross profit	10,743	53.1%	9,008	48.1%	▲1,735	▲16.2%	–	–
SG&A expenses	5,914	29.2%	5,461	29.2%	▲453	▲7.7%	–	–
Operating income	4,828	23.9%	3,546	18.9%	▲1,282	▲26.6%	9,800	36.2%
Ordinary income	4,907	24.3%	3,593	19.2%	▲1,314	▲26.8%	9,940	36.1%
Net income attributable to owners of parent	3,751	18.5%	2,414	12.9%	▲1,336	▲35.6%	6,600	36.6%

## 2. Performance of Major Businesses (April 1, 2023–September 30, 2023)

(Millions of yen)	Sales	YoY		Operating income	YoY		Factors affecting operating income
		Change	%		Change	%	
Employee Benefit Services	12,212	+17	+0.1%	4,396	+213	+5.1%	Increases in membership fee revenue and in spending on personnel and systems partially offset by the effects of service integration
Individual Benefit Services+CRM	1,125	▲83	▲6.9%				
Healthcare (Medical Checkups / Health Guidance, etc.)	1,999	+42	+2.1%	84	+34	+68.6%	Recovery in orders for medical checkups and health guidance services
Healthcare (Vaccination Support, etc.)	401	▲1,585	▲79.8%	147	▲1,536	▲91.3%	Reduced transactions with municipal governments
Incentive	1,496	▲59	▲3.8%	270	▲18	▲6.3%	Decrease in point redemption by major clients partially offset by other clients
Purchase and Settlement Service	337	+35	+11.7%	90	+29	+46.2%	Recovery in use for business trip reimbursement and increase in transactions
Payment	22	+17	+335.7%	▲37	▲6	–	Focus on content expansion; usage trending upward
Overseas	915	+182	+24.8%	▲204	▲30	–	Sales expansion in Singapore; advance spending in the US
Other (company-wide shared expenses, etc.)	225	▲67	–	▲1,200	+32	–	–
Total	18,732	▲1,502	▲7.4%	3,546	▲1,282	▲26.6%	

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

(Millions of yen)	FY03/22				FY03/23				FY03/24	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Employee Benefit Services	4,372	4,344	4,359	6,721	6,100	6,094	6,184	6,827	6,044	6,167
Individual Benefit Services	498	484	462	447	449	461	416	432	416	403
CRM	109	110	108	161	156	143	144	211	150	156
Healthcare (Medical Checkups / Health Guidance, etc.)	1,165	1,085	1,177	1,424	1,018	938	1,120	1,393	987	1,012
Healthcare (Vaccination support, etc.)	646	2,648	720	745	1,218	769	1,173	562	278	123
Incentive	981	921	683	888	992	563	652	890	949	547
Purchase and Settlement Service	165	161	150	164	146	156	173	202	169	168
Payment	3	2	3	10	3	2	4	12	6	16
Overseas	348	293	438	394	352	381	644	521	463	452
Other	196	217	219	339	149	143	278	303	109	116
<b>Sales</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>11,353</b>	<b>9,571</b>	<b>9,160</b>
<b>Gross profit</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>	<b>5,876</b>	<b>4,759</b>	<b>4,249</b>
<i>Gross profit margin (%)</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>	<i>51.8%</i>	<i>49.7%</i>	<i>46.4%</i>
<b>SG&amp;A expenses</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>	<b>3,227</b>	<b>2,822</b>	<b>2,639</b>
Employee Benefit Services + Individual Benefit Services + CRM	2,285	2,451	2,153	2,595	2,315	1,869	2,625	2,394	2,210	2,187
Healthcare (Medical Checkups / Health Guidance, etc.)	221	235	236	351	63	▲12	27	260	18	67
Healthcare (Vaccination support, etc.)	571	1,647	660	636	1,087	596	829	380	193	▲46
Incentive	269	216	127	169	214	73	106	151	228	41
Purchase and Settlement Service	17	15	28	36	20	42	56	76	50	41
Payment	▲23	▲17	▲14	▲8	▲16	▲15	▲16	▲9	▲18	▲19
Overseas	▲41	▲33	▲31	▲65	▲84	▲91	▲80	▲88	▲113	▲91
Other (company-wide shared expenses, etc.)	▲453	▲470	▲512	▲483	▲700	▲533	▲540	▲516	▲632	▲570
<b>Operating income</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>	<b>2,648</b>	<b>1,936</b>	<b>1,610</b>
<i>Operating income margin (%)</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>	<i>23.3%</i>	<i>20.2%</i>	<i>17.6%</i>
<b>Ordinary income</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>	<b>2,683</b>	<b>1,961</b>	<b>1,631</b>
<i>Ordinary income margin (%)</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>	<i>23.6%</i>	<i>20.5%</i>	<i>17.8%</i>
<b>Net income attributable to owners of parent</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>	<b>1,822</b>	<b>1,310</b>	<b>1,103</b>
<i>Net income margin (%)</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>	<i>16.0%</i>	<i>13.7%</i>	<i>12.1%</i>

#### 4. Quarterly member count by business

Ten thousand members	FY03/22				FY03/23				FY03/24	
	Jun.	Sep.	Dec.	Mar.	Jun.	Sep.	Dec.	Mar.	Jun.	Sep.
Employee Benefit Services	634	635	893	893	908	906	930	932	952	957
Individual Benefit Services	106	101	105	96	84	83	81	80	77	76
CRM	127	127	139	141	137	139	142	148	127	132
<b>Total members</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>	<b>1,160</b>	<b>1,156</b>	<b>1,165</b>

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

(10,000 cases)	FY03/22				FY03/23				FY03/24	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Medical checkups: number of consultations <sup>*Note 1</sup>	16	25	14	9	17	25	15	10	16	25
Specific health guidance: number of initial consultations <sup>*Note 2</sup>	3	3	3	4	2	2	3	4	2	3
COVID-19 vaccinations <sup>*Note 3</sup>	34	72	25	26	19	22	45	9	7	2

Note 1: "Medical checkups: number of checkups" refers to the number of medical 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, 2023–March 31, 2024)

As stated in the "Notice Concerning the Revision of Full-year Consolidated Performance Forecasts for FY03/24," 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.

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, 2023. 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.