



Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Q3 FY03/24) [Based on Japanese GAAP]

January 31, 2024

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: February 14, 2024 Dividend payment to start on: —
 Quarterly results supplementary material : Yes
 Quarterly results briefing : No

(Rounded down to the nearest million yen)

1. Q3 FY03/24 consolidated operating performance (April 1, 2023 to December 31, 2023)

(1) Consolidated operating results (cumulative) (% shows increase/decrease rate from Q3 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	%
Q3 FY03/24	28,376	△8.5	5,820	△25.7	5,842	△25.9	3,923	△32.7
Q3 FY03/23	31,022	14.6	7,835	△17.9	7,881	△17.5	5,833	△12.5

Note Comprehensive income Q3 FY03/24 3,288 million (△34.4%) Q3 FY03/23 5,014 million (△34.7%)

	Net income per share		Diluted net income per share	
	Yen	Sen	Yen	Sen
Q3 FY03/24	24.77	—	—	—
Q3 FY03/23	36.79	—	—	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
Q3 FY03/24	47,995	22,435	46.7
FY03/23	53,981	24,832	46.0

Note Comprehensive income Q3 FY03/24 22,434 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
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
Full-year	44,230	4.4	9,800	△6.5	9,940	△5.9	6,600	△13.8	41.67

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

* Notes

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

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

- 1) Changes of the accounting policy resulted from the revision of accounting standards, etc. : No
- 2) Changes of the accounting policy other than 1) : No
- 3) Changes to accounting estimates : No
- 4) Restatement : No

(4) Number of issued shares (common shares)

- 1) Number of issued shares (including treasury shares) as of the end of the period
- 2) Number of treasury shares as of the end of the period
- 3) Average number of shares during the period (cumulative quarterly)

Q3 FY03/24	159,190,900 shares	Q3 FY03/23	159,190,900 shares
Q3 FY03/24	773,887 shares	Q3 FY03/23	797,928 shares
Q3 FY03/24	158,405,435 shares	Q3 FY03/23	158,554,151 shares

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 post its supplementary material on quarterly financial results on the company website(<https://corp.benefit-one.co.jp/ir/library/index.html>).

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1. Qualitative information regarding the quarterly financial results

(1) Qualitative information regarding consolidated operating results

During the cumulative Q3 FY03/24 accounting period, the Japanese economy continued to recover gradually against a backdrop of an improvement in overall corporate earnings, a rebound in personal consumption, and improvements in employment and income conditions.

With this fiscal year being the first year of our medium-term management plan released on May 11, 2023, the Benefit One Group implemented growth strategies focused on expanding the membership base and making the payment business profitable.

① Membership expansion

Our Group actively markets its employee benefit services as measures to support personnel recruitment and retention for corporate HR departments, as well as to improve fair treatment of employees, which can benefit a wide range of people regardless of the size of the companies they work for, employment type, gender, etc.

In Q3 FY03/24, while there were delays in the acquisition of new members, an increasing number of companies, mainly in the manufacturing industry, adopted our Group's services to attract personnel and improve employee retention. As a result, membership increased to 9.61 million as of the end of Q3. Further, for Benefit Station*¹, which we updated at the beginning of the fiscal year, we released a series of additional functions in Q3 as well in a bid to improve convenience and further expand membership while focusing on ensuring stable operations and functional enhancement of the new system.

② Achievement of profitability of the payment business

To grow the payment business into a new earnings pillar over the medium to long term, our Group provides Kyutokubarai, a payment service utilizing a payroll deduction system linked to member data on Bene ONE PLATFORM*². Handling value in Q3 amounted to ¥28 million, up from ¥22 million in Q2.

As an immediate priority, we are working to expand our lineup of compelling content, primarily in the categories of lifestyle infrastructure and flat-rate services. In October 2023, we added the Netflix video streaming service to the Kyutokubarai menu, and as such, we have been working to further expand the use of Kyutokubarai along with efforts to enhance recognition by investing in marketing activities.

③ Healthcare service expansion

Our Group provides healthcare services, including medical checkups and health guidance services, that support employees' mental and physical health management through corporate HR departments, and we are actively engaged in new sales activities to capture even greater outsourcing demand going forward. During Q3 FY03/24, we actively carried out sales activities and saw an increase in inquiries and preliminary agreements with new clients to adopt our medical checkup services from the next fiscal year.

The following is an overview of results by main business in cumulative Q3 FY03/24.

In the Employee Benefit Services business, membership fee revenue, which accounts for the bulk of sales in the business, grew YoY, but transactions specific to the former JTB Benefit Services declined. Also, average membership fees were lower than expected because newly acquired members were mainly from major clients, and both revenue and expenses fell due to a partial revision of contracts, resulting in sales falling short of the forecast. While expenses resulting from investments in personnel and system with an eye to longer-term growth rose YoY, thanks to the elimination of duplicate costs as a result of the integration of services of the former JTB Benefit Services, the operating margins in Employee Benefit Services, Individual Benefit Services, and CRM improved.

In the Healthcare business, sales from the COVID-19 vaccination support business declined ¥2,274 million YoY. Although there were delays in securing new orders for health guidance services, sales and profit grew YoY owing to progress in orders already received. Performance in the medical checkup business was largely in line with expectations.

In the payment business, investments in marketing activities, including commercials, originally planned for Q2, were

executed in Q3 to coincide with the addition of Netflix to the Kyutokubarai menu.

As a result of the above, consolidated sales in cumulative Q3 FY03/24 amounted to ¥28,376 million (-8.5% YoY), consolidated operating income ¥5,820 million (-25.7% YoY), consolidated ordinary income ¥5,842 million (-25.9% YoY), and net income attributable to owners of parent ¥3,923 million (-32.7% 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

Assets, liabilities, and net assets

(Assets)

Total assets at the end of the Q3 FY03/24 consolidated accounting period were ¥47,995 million, a decrease of ¥5,985 million from the end of the previous consolidated fiscal year.

Current assets were ¥21,722 million, a decrease of ¥5,684 million. This is mainly due to a decrease in cash and deposits (¥2,497 million), a decrease in notes and accounts receivable – trade and contract assets (¥3,454 million), etc.

Non-current assets decreased by ¥301 million to ¥26,273 million.

(Liabilities)

Total liabilities at the end of the Q3 FY03/24 consolidated accounting period were ¥25,560 million, a decrease of ¥3,588 million from the end of the previous consolidated fiscal year.

Current liabilities were ¥15,788 million, a decrease of ¥2,803 million. This is mainly due to a decrease in accounts payable – trade (¥1,250 million), a decrease in income taxes payable (¥1,610 million) resulting from the payment of income taxes, etc.

Non-current liabilities decreased by ¥785 million to ¥9,771 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 Q3 FY03/24 consolidated accounting period were ¥22,435 million, a decrease of ¥2,397 million from the end of the previous consolidated fiscal year. This is mainly due to net income attributable to owners of the parent (¥3,923 million), dividends of surplus (¥5,714 million), etc.

As a result, the equity ratio increased to 46.7% from 46.0% at the end of the previous consolidated fiscal year.

(3) Qualitative information regarding consolidated operating performance forecasts

While progress was delayed in the Employee Benefit Services business and some areas of the Healthcare business, our view of the business environment has not changed significantly. Considering variable factors, including future sales activities, the level of service usage by members, and the effect of marketing initiatives, we have maintained the full-year consolidated performance forecast released on November 14, 2023.

2. Quarterly consolidated financial statements and major notes

(1) Quarterly consolidated balance sheet

(Millions of yen)

	Consolidated FY03/23 (March 31, 2023)	Consolidated Q3 FY03/24 (December 31, 2024)
Assets		
Current assets		
Cash and deposits	10,010	7,512
Notes and accounts receivable – trade and contract assets	7,675	4,220
Inventories	1,520	2,086
Other	8,274	7,970
Allowance for doubtful accounts	△72	△67
Total current assets	27,407	21,722
Non-current assets		
Property, plant and equipment	1,583	1,559
Intangible assets		
Goodwill	5,529	5,308
Software	7,358	8,525
Customer-related assets	7,961	7,673
Other	4	7
Total intangible assets	20,855	21,515
Investments and other assets		
Other	4,142	3,206
Allowance for doubtful accounts	△7	△7
Total investments and other assets	4,135	3,198
Total non-current assets	26,574	26,273
Total assets	53,981	47,995

(Millions of yen)

	Consolidated FY03/23 (March 31, 2023)	Consolidated Q3 FY03/24 (December 31, 2023)
Liabilities		
Current liabilities		
Notes and accounts payable – trade	4,277	3,026
Short-term borrowings	97	82
Current portion of long-term borrowings	1,000	1,000
Income taxes payable	1,700	90
Accounts payable – other	4,423	3,929
Contract liabilities	5,300	5,669
Other	1,792	1,989
Total current liabilities	18,592	15,788
Non-current liabilities		
Long-term borrowings	7,500	7,000
Reserve for employee stock ownership plan	258	225
Provision for share-based remuneration for directors (and other officers)	181	181
Retirement benefit liability	40	34
Other	2,576	2,330
Total non-current liabilities	10,556	9,771
Total liabilities	29,148	25,560
Net assets		
Shareholders' equity		
Share capital	1,527	1,527
Capital surplus	1,451	1,451
Retained earnings	21,722	19,930
Treasury shares	△1,329	△1,300
Total shareholders' equity	23,371	21,608
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,449	811
Foreign currency translation adjustment	9	14
Total accumulated other comprehensive income	1,459	825
Non-controlling interests	1	1
Total net assets	24,832	22,435
Total liabilities and net assets	53,981	47,995

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

Quarterly consolidated profit and loss statements

Consolidated cumulative Q3

(Millions of yen)

	Consolidated cumulative Q3 FY03/23 (April 1, 2022 to December 31, 2022)	Consolidated cumulative Q3 FY03/24 (April 1, 2023 to December 31, 2023)
Sales	31,022	28,376
Cost of sales	14,399	14,413
Gross profit	16,623	13,963
SG&A expenses	8,788	8,142
Operating income	7,835	5,820
Non-operating income		
Interest income	15	17
Dividend income	19	15
Foreign exchange gains	20	20
Subsidy income	38	10
Other	14	10
Total non-operating income	108	74
Non-operating expenses		
Interest expenses	42	39
Commitment fees	11	10
Share of loss of entities accounted for using equity method	2	1
Commission for purchase of treasury shares	6	-
Other	0	0
Total non-operating expenses	61	52
Ordinary income	7,881	5,842
Extraordinary income		
Gain on sales of investment securities	731	22
Total extraordinary income	731	22
Quarterly net income before income taxes	8,613	5,864
Income taxes – current	2,721	1,961
Income taxes – deferred	58	△19
Total income taxes	2,780	1,942
Quarterly net income	5,833	3,922
Loss attributable to non-controlling interests (△)	-	△0
Net income attributable to owners of parent	5,833	3,923

Quarterly consolidated comprehensive income statements

Consolidated cumulative Q3

(Millions of yen)

	Consolidated cumulative Q3 FY03/23 (April 1, 2022 to December 31, 2022)	Consolidated cumulative Q3 FY03/24 (April 1, 2023 to December 31, 2023)
Quarterly net income	5,833	3,922
Other comprehensive income		
Valuation of difference on available-for-sale securities	△824	△638
Foreign currency translation adjustment	6	4
Total other comprehensive income	△818	△633
Quarterly comprehensive income	5,014	3,288
(Breakdown)		
Quarterly comprehensive income attributable to owners of parent	5,014	3,289
Quarterly comprehensive income attributable to non-controlling interests	0	△0

(3) 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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