

Operating Performance at Benefit One for the First Nine Months of the Fiscal Year Ending March 2024 (Cumulative Q3 FY03/24)

Summary of Consolidated Operating Results for cumulative Q3 FY03/24

Despite delays in progress in the Employee Benefit Services business and health guidance services, among others, there was no significant change in our perception of the business environment

- Although membership growth was delayed in Employee Benefit Services and revenue from transactions specific to the former JTB Benefit Services declined, inquiries for the next fiscal year were on an uptrend. Increases in personnel- and system-related expenses were partially offset by the effect of integration of the former JTB Benefit Services' services, leading to an improvement in operating income margin
- The medical checkup business performed largely in line with expectations, with inquiries and preliminary contracts for the next fiscal year growing firmly
- Despite delayed progress in projects, performance in the health guidance business continued to recover YoY
- No change was made to the full-year consolidated performance forecast released on November 14, 2023

1. Consolidated operating performance in cumulative Q3 FY03/24

(April 1, 2023–December 31, 2023)

(Millions of yen)	Nine months ended December 31, 2022		Nine months ended December 31, 2023		YoY		Full-year forecast	
	Amount	% of sales	Amount	% of sales	Change	%	Amount	Progress
Sales	31,022	-	28,376	-	▲2,646	▲8.5%	44,230	64.2%
Cost of sales	14,399	46.4%	14,413	50.8%	+14	+0.1%	-	-
Gross profit	16,623	53.6%	13,963	49.2%	▲2,660	▲16.0%	-	-
SG&A expenses	8,788	28.3%	8,142	28.7%	▲646	▲7.3%	-	-
Operating income	7,835	25.3%	5,820	20.5%	▲2,015	▲25.7%	9,800	59.4%
Ordinary income	7,881	25.4%	5,842	20.6%	▲2,039	▲25.9%	9,940	58.8%
Net income attributable to owners of parent	5,833	18.8%	3,923	13.8%	▲1,910	▲32.7%	6,600	59.4%

2. Performance of Major Businesses (April 1, 2023–December 31, 2023)

(Millions of yen)	Sales	YoY		Operating income	YoY		Factors affecting operating income
		Change	%		Change	%	
Employee Benefit Services	18,271	▲107	▲0.6%	7,020	+212	+3.1%	- Increase in membership fee revenue
Individual Benefit Services+CRM	1,658	▲110	▲6.2%				- Increases in personnel- and system-related expenses were partially offset by service integration effects
Healthcare (Medical Checkups / Health Guidance, etc.)	3,287	+211	+6.8%	329	+252	+325.8%	- Increase in transactions - Delays in new member acquisition for health guidance services
Healthcare (Vaccination Support, etc.)	514	▲2,646	▲83.7%	158	▲2,354	▲93.7%	- Decline in contracts from municipalities
Incentive	2,160	▲48	▲2.2%	365	▲29	▲7.4%	- Decrease in point redemption by major client was partially offset by other clients
Purchase and Settlement Service	519	+44	+9.4%	149	+31	+26.5%	- Recovery in use for business trip reimbursement - Increase in transactions
Payment	41	+32	+340.8%	▲236	▲188	-	- Investment in commercials to improve recognition
Overseas	1,532	+156	+11.3%	▲276	▲22	-	- Sales growth in Singapore - Advance spending in the US
Other (company-wide shared expenses, etc.)	394	▲178	-	▲1,689	+83	-	—
Total	28,376	▲2,646	▲8.5%	5,820	▲2,015	▲25.7%	

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	3Q
Employee Benefit Services	4,372	4,344	4,359	6,721	6,100	6,094	6,184	6,827	6,044	6,167	6,059
Individual Benefit Services	498	484	462	447	449	461	416	432	416	403	383
CRM	109	110	108	161	156	143	144	211	150	156	150
Healthcare (Medical Checkups / Health Guidance, etc.)	1,165	1,085	1,177	1,424	1,018	938	1,120	1,393	987	1,012	1,289
Healthcare (Vaccination support, etc.)	646	2,648	720	745	1,218	769	1,173	562	278	123	113
Incentive	981	921	683	888	992	563	652	890	949	547	664
Purchase and Settlement Service	165	161	150	164	146	156	173	202	169	168	182
Payment	3	2	3	10	3	2		12	6	16	19
Overseas	348	293	438	394	352	381	644	521	463	452	617
Other	196	217	219	339	149	143	278	303	109	116	168
Sales	8,483	10,265	8,319	11,293	10,583	9,650	10,788	11,353	9,571	9,160	9,644
Gross profit	4,600	5,790	4,421	5,916	5,824	4,919	5,850	5,876	4,759	4,249	4,954
<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>	<i>51.4%</i>
SG&A expenses	1,754	1,746	1,773	2,684	2,924	2,990	2,872	3,227	2,822	2,639	2,680
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	2,623
Healthcare (Medical Checkups / Health Guidance, etc.)	221	235	236	351	63	▲12	27	260	18	67	245
Healthcare (Vaccination support, etc.)	571	1,647	660	636	1,087	596	829	380	193	▲46	11
Incentive	269	216	127	169	214	73	106	151	228	41	95
Purchase and Settlement Service	17	15	28	36	20	42	56	76	50	41	59
Payment	▲23	▲17	▲14	▲8	▲16	▲15	▲16	▲9	▲18	▲19	▲199
Overseas	▲41	▲33	▲31	▲65	▲84	▲91	▲80	▲88	▲113	▲91	▲72
Other (company-wide shared expenses, etc.)	▲453	▲470	▲512	▲483	▲700	▲533	▲540	▲516	▲632	▲570	▲489
Operating income	2,846	4,044	2,647	3,231	2,899	1,929	3,007	2,648	1,936	1,610	2,273
<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>	<i>23.6%</i>
Ordinary income	2,877	4,010	2,664	3,274	2,943	1,963	2,974	2,683	1,961	1,631	2,248
<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>	<i>23.3%</i>
Net income attributable to owners of parent	2,051	2,774	1,837	2,286	1,999	1,751	2,082	1,822	1,310	1,103	1,508
<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>	<i>15.6%</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.	Dec.
Employee Benefit Services	634	635	893	893	908	906	930	932	952	957	961
Individual Benefit Services	106	101	105	96	84	83	81	80	77	76	75
CRM	127	127	139	141	137	139	142	148	127	132	115
Total members	867	863	1,137	1,130	1,129	1,128	1,153	1,160	1,156	1,165	1,151

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	3Q
Medical checkups: number of consultations ^{*Note 1}	16	25	14	9	17	25	15	10	16	25	15
Specific health guidance: number of initial consultations ^{*Note 2}	3	3	3	4	2	2	3	4	2	3	4
COVID-19 vaccinations ^{*Note 3}	34	72	25	26	19	22	45	9	7	2	9

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)

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.

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, 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.

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