

May 8, 2017

Benefit One Financial Highlights for the Fiscal Year Ended March 2017

<Outline of consolidated results for the full term>

- Socioeconomic circumstances, including labor shortage and work style reform, contributed to the business results.
- Sales and operating income increased by 13% and 34%, respectively in the fiscal year ending March 2017.
- Incentive and Healthcare made a great contribution to the sales increase. The number of memberships increased in the Welfare Program.
- Both cost to sales ratio and selling expense ratio decreased because of economies of scale and efforts made to increase the operational efficiency.
- The growth in the number of personal memberships temporarily slowed down. We expect the number will increase again from the fiscal year ending March 2018 as a result of starting new collaboration.
- The business environment is expected to continue to be healthy in the fiscal year ending March 2018. We aim at an operating income of 7 billion yen by achieving a two-digit growth in sales and income.

1. Full-term consolidated results (from April 1, 2016 to March 31, 2017)

| (in million yen) | Previous term | | Actual | | Year-on-year | | Full-term plan | |
|---|---------------|----------------|--------|----------------|--------------|--------|----------------|---------------|
| | Amount | Ratio to sales | Amount | Ratio to sales | Change | (%) | Amount | Progress rate |
| Sales | 26,053 | - | 29,478 | - | 3,424 | +13.1% | 30,200 | -2.4% |
| Cost of sales | 15,812 | 60.7% | 17,450 | 59.2% | 1,638 | +10.4% | - | - |
| Gross margin | 10,241 | 39.3% | 12,027 | 40.8% | 1,786 | +17.4% | - | - |
| SG&A | 5,885 | 22.6% | 6,175 | 20.9% | 289 | +4.9% | - | - |
| Operating income | 4,355 | 16.7% | 5,852 | 19.9% | 1,497 | +34.4% | 5,350 | +9.4% |
| Ordinary income | 4,313 | 16.6% | 5,727 | 19.4% | 1,414 | +32.8% | 5,350 | +7.1% |
| Income attributable to owners of parent | 2,737 | 10.5% | 3,855 | 13.1% | 1,118 | +40.9% | 3,500 | +10.2% |

2. Sales in major businesses (from April 1, 2016 to March 31, 2017)

| (in million yen) | Sales | Year-on-year | | Operating income | Year-on-year | | Factors for changes |
|------------------|--------|--------------|--------|------------------|--------------|--------|--|
| | | Change | % | | Change | % | |
| Welfare Program | 14,306 | 388 | +2.8% | 5,290 | 1,009 | +23.6% | Number of memberships increased steadily as planned. Full-term sales increased as a result of unit price revision, etc. Membership fee income from wealthy population increased. |
| Personal | 4,166 | 631 | +17.9% | | | | |
| CRM | 578 | 52 | +9.8% | | | | |
| Incentive | 3,736 | 1,294 | +53.0% | 555 | 223 | +67.2% | Point grant and exchange were active among existing clients. |
| Healthcare | 4,979 | 722 | +17.0% | 292 | 326 | - | Both delivery of health checkup and health guidance increased. |
| Others | 1,713 | 337 | - | -285 | -61 | - | |
| Total | 29,478 | 3,424 | +13.1% | 5,852 | 1,497 | +34.4% | |

3. Quarterly results in major businesses

| (in million yen) | | FY03/16 | | | | FY03/17 | | | |
|------------------|---|---------|-------|-------|-------|---------|-------|-------|-------|
| | | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| | Welfare Program | 3,415 | 3,493 | 3,468 | 3,543 | 3,491 | 3,622 | 3,563 | 3,631 |
| | Personal | 723 | 833 | 967 | 1,012 | 1,050 | 1,071 | 1,044 | 1,000 |
| | CRM | 122 | 127 | 119 | 158 | 130 | 136 | 132 | 181 |
| | Incentive | 677 | 452 | 555 | 757 | 1,114 | 709 | 796 | 1,118 |
| | Healthcare | 757 | 701 | 1,069 | 1,731 | 1,260 | 956 | 1,257 | 1,506 |
| | Others | 277 | 376 | 458 | 262 | 335 | 477 | 503 | 394 |
| | Sales | 5,971 | 5,982 | 6,636 | 7,463 | 7,380 | 6,971 | 7,295 | 7,830 |
| | Gross margin | 2,346 | 2,218 | 2,736 | 2,939 | 2,793 | 2,858 | 3,175 | 3,200 |
| | <i>Gross margin ratio (%)</i> | 39.3% | 37.1% | 41.2% | 39.4% | 37.8% | 41.0% | 43.5% | 40.9% |
| | SG&A | 1,687 | 1,356 | 1,336 | 1,504 | 1,638 | 1,489 | 1,499 | 1,547 |
| | Welfare Program + Personal + CRM | 632 | 904 | 1,412 | 1,332 | 991 | 1,312 | 1,535 | 1,453 |
| | Incentive | 120 | 50 | 62 | 101 | 185 | 88 | 111 | 171 |
| | Healthcare | -32 | -38 | -29 | 66 | 38 | 22 | 106 | 127 |
| | Others | -61 | -54 | -46 | -65 | -60 | -54 | -77 | -98 |
| | Operating income | 659 | 862 | 1,399 | 1,434 | 1,154 | 1,368 | 1,675 | 1,653 |
| | <i>Operating income ratio (%)</i> | 11.0% | 14.4% | 21.1% | 19.2% | 15.6% | 19.6% | 23.0% | 21.1% |
| | Ordinary income | 638 | 831 | 1,415 | 1,428 | 1,153 | 1,350 | 1,646 | 1,576 |
| | <i>Ordinary income ratio (%)</i> | 10.7% | 13.9% | 21.3% | 19.1% | 15.6% | 19.4% | 22.6% | 20.1% |
| | Income attributable to owners of parent | 414 | 530 | 920 | 871 | 758 | 926 | 1,119 | 1,051 |
| | <i>Net income ratio (%)</i> | 6.9% | 8.9% | 13.9% | 11.7% | 10.3% | 13.3% | 15.3% | 13.4% |

4. Consolidated forecasts for the fiscal year ending March 2018 (from April 1, 2017 to March 31, 2018)

| (in million yen) | Fiscal year ending March 2017 | Forecasts for the fiscal year ending March 2018 | | | | | | |
|---|-------------------------------|---|--------|--------------|--------|--------------|--------|--------------|
| | Full-term results | Full term | Change | Year-on-year | 1H | Year-on-year | 2H | Year-on-year |
| Sales | 29,478 | 35,000 | 5,522 | +18.7% | 16,500 | +15.0% | 18,500 | +22.3% |
| Operating income | 5,852 | 7,000 | 1,148 | +19.6% | 2,800 | +11.0% | 4,200 | +26.2% |
| Ordinary income | 5,727 | 6,950 | 1,222 | +21.3% | 2,770 | +10.6% | 4,180 | +29.7% |
| Income attributable to owners of parent | 3,855 | 4,600 | 744 | +19.3% | 1,820 | +8.0% | 2,780 | +28.1% |

5. Forecasts for major businesses (from April 1, 2017 to March 31, 2018)

| (in million yen) | Sales | Year-on-year | | Operating income | Year-on-year | | Factors for changes |
|------------------|--------|--------------|--------|------------------|--------------|--------|--|
| | | Change | % | | Change | % | |
| Welfare Program | 15,356 | 1,049 | +7.3% | 6,165 | 875 | +16.5% | Number of memberships will steadily increase. |
| Personal | 4,663 | 498 | +11.9% | | | | New collaboration partners will be developed. |
| CRM | 589 | 11 | +2.0% | | | | Results will remain at the same level year-on-year. |
| Incentive | 4,497 | 761 | +20.4% | 752 | 197 | +35.4% | New clients will be captured and the business with existing clients will expand. |
| Healthcare | 7,500 | 2,521 | +50.6% | 450 | 158 | +53.8% | New clients will increase and the business will be improved. |
| Others | 2,395 | 682 | - | -367 | -82 | - | Strategic investment will be made. |
| Total | 35,000 | 5,522 | +18.7% | 7,000 | 1,148 | +19.6% | |

The purpose of this material is to provide information about the Company's financial results, and is in no way to be construed as a solicitation to purchase securities issued by the Company.

In addition, this material is prepared based on data as of the end of March 2017. All descriptions and forecasts contained herein stem from the Company's judgments made at the time of preparing this material, and no guarantees or promises are provided concerning the accuracy or completeness of such information. The descriptions and forecasts are subject to change without prior notice.