

FY2013

Financial Results

Benefit One Inc.

Listed on second section of TSE (2412)

May 9, 2014

<http://www.benefit-one.co.jp/>

Financial Highlights for FY2013

- **Sales** **20.36** billion yen +2.74 billion yen
year-on-year
(+15.6%)
- **Ordinary income** **3.15** billion yen +430 million yen
year-on-year
(+15.9%)
- **Total membership** **6.02** million persons -450,000 persons
year-on-year
(-6.9%)
(April 2014)

Summary of **the results**

- ① Re-growth of welfare program
- ② Steady increase in Personal business
- ③ Substantial sales growth in Healthcare
- ④ Increased sales and decreased profits in Incentive

Sales **12.4** billion yen/Operating income **2.46** billion yen

+6.6% YoY,+1.8% vs. plan

+16.1% YoY, +27.6% vs. plan

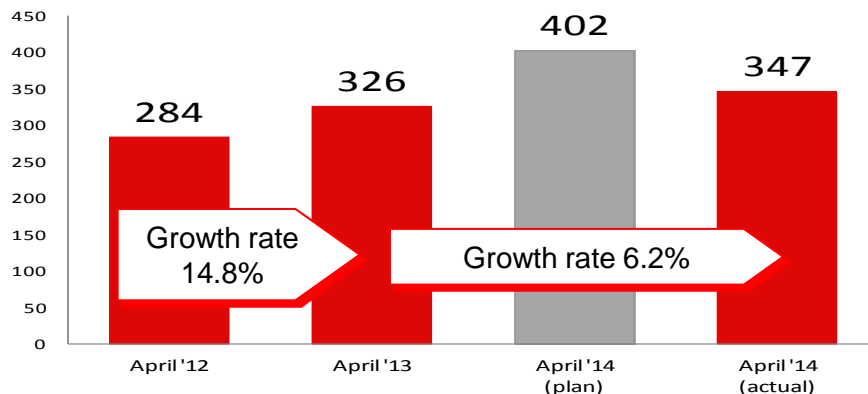
【Year-on-year】

- Revenue from membership fees increased by 700 million yen to 10 billion yen, thanks to the increase in membership.
- Both sales and profits increased resulting from the increase in membership fees, offsetting cost growth due to monthly issuance of bulletin and increased usage.

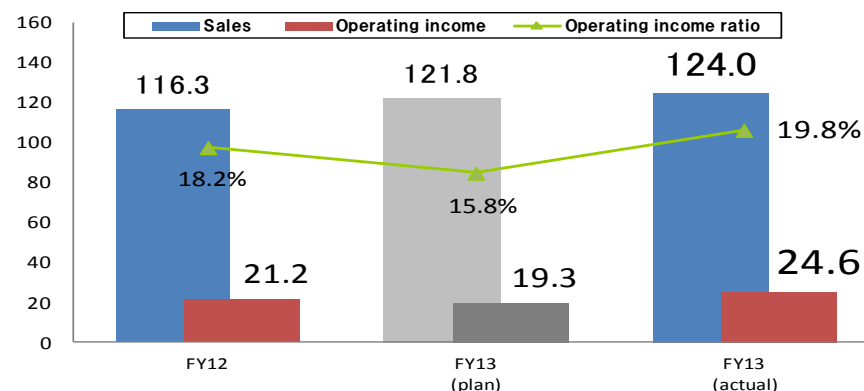
【Vs. Plan】

- Operating income substantially exceeded the plan, supported by efforts to reduce supplemental payment to users, labor and other expenses.
- Membership in April 2014 fell short of the plan by 560,000, the slowdown in the growth rate, partly because a large prospective organization put off an introduction of the program.

●Welfare program membership (Unit: 10,000 persons)



● Performance (unit:100 million yen)



Sales **1.16** billion yen/Operating income **392** million yen

+29.9% YoY, -8.6% vs. plan

+76.6% YoY, +23.3% vs. plan

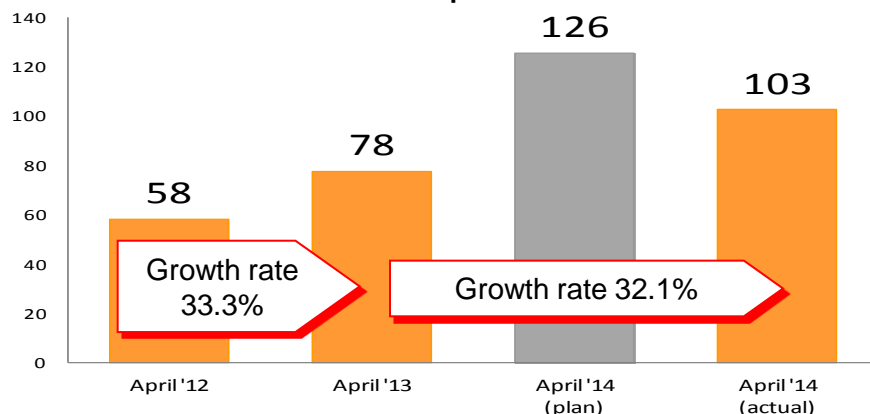
【Year-on-year】

- Sales increased by 260 million yen, resulting from steady membership increase; total membership exceeded 1 million in about four years.
- Client companies increased, thanks to vertical spread of the business among priority target industry such as communication, real estate and fitness.

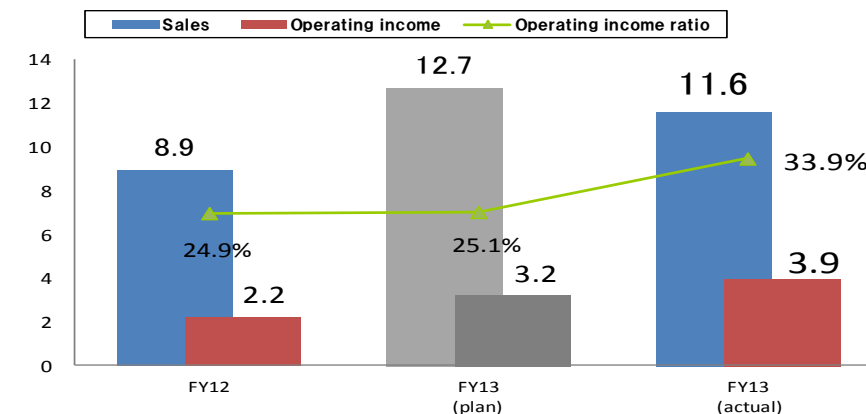
【Vs. plan】

- Sales shortfall due to the delayed progress of member acquisition was covered by curbed expenses such as campaign.
- As a result, operating income exceeded the plan by 72 M.

● Personal membership (Unit: 10,000 persons)



● Performance (Unit: 100 million yen)



Sales **3.34** billion yen/Operating income **179** million yen

+92.1% YoY, +12.9% vs. plan

+33.7% YoY, -23.9% vs. plan

【Year-on-year】

(Reference) when comparison for full term

+77.2% YoY

- Both sales and profits increased, resulting from cross-sell with Welfare as well as contribution from M&A in 1Q.

- Sales expanded mainly in health checkup and new business (such as severe diabetes program and health point, etc.)

【Vs. plan】

- Operating income decreased by -56 M, due to postponed cost reduction effects resulting from system operation delay.

● Performance

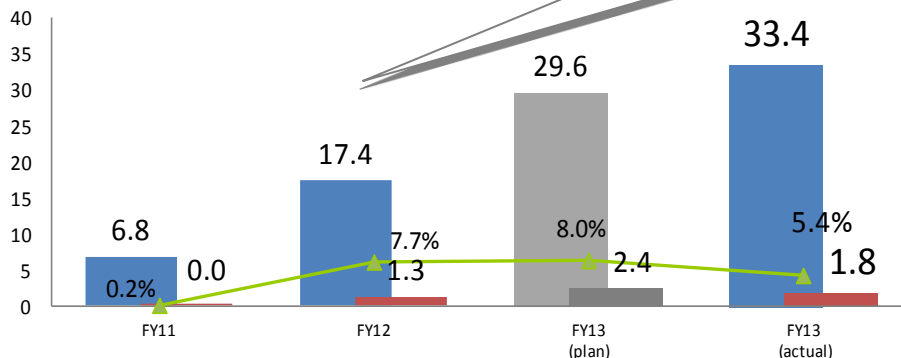
(Unit: 100 million yen)

May: Acquired Hoken Kyoiku Center Co., Ltd.
 July: Healthcare business unit succeeded the business by absorption-type company split.
 July: Company name was changed to Benefit One Healthcare Inc.
 ⇒ Start incorporating into the consolidated accounting from 2Q

Synergy effect by M&A

- Profitability improved by increased efficiency (see table below)
- Approx. 50M increase vs. plan at share acquisition

■ Sales ■ Operating income ▲ Operating income ratio



(Reference) YoY when compared for full term

(Unit: 100 million yen)	FY12 (note: reference figure)	FY13	12→13 change	
			Amount	(%)
Sales	19.3	33.4	14.1	+72.8%
Operating income	1.0	1.8	0.8	+77.2%
Operating income ratio	5.2%	5.4%	+0.2pt	-

Note: Reference figures in FY12 refer to those including 1Q (April-June) of former Hoken Kyoiku Center Co., Ltd before incorporating into consolidated accounting by M&A.

Sales **1.8** billion yen/Operating income **118** million yen

+18.8% YoY, -38.7% vs. plan

-31.9% YoY, -69.8% vs. plan

【Year-on-year】

•Sales increased, resulting from points conversion progress, which have been accumulated since the previous term.

•On the other hand, operating profit decreased by 55 M, due to a cost increase for structure enhancement and a hoarded profit decrease.

【Vs. plan】

•Grant points decreased by 180 million yen, mainly due to sluggish new acquisition. Exchange ratio also did not achieve the plan.

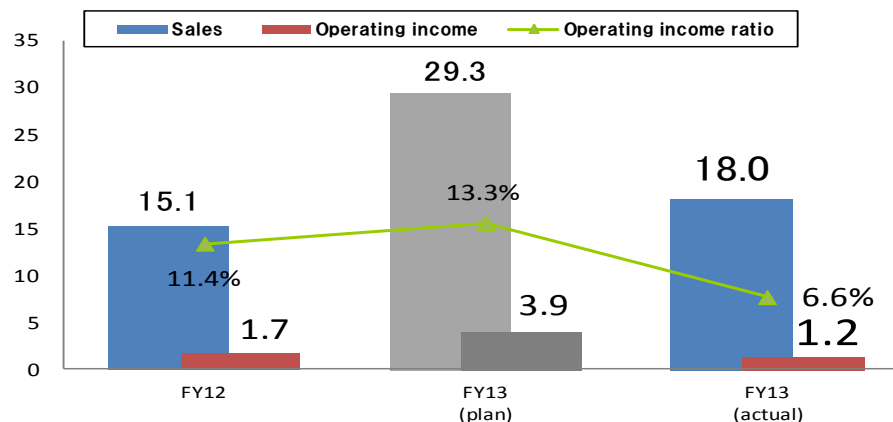
•Both sales and profits were substantially below the plan, partly due to point exchange profits shortfall for the plan by -5.9 pt.

●Grant points and exchange ratio

(Unit: 100 million yen)	FY12	FY13 (plan)	FY13 (actual)	YoY Change	Change from plan
Balance carried forward	14.2	21.5	21.5	7.2	0.0
Grant	26.1	45.6	27.2	1.2	▲ 18.3
Existing	21.6	28.3	22.5	0.8	▲ 5.9
New	4.4	17.2	4.8	0.3	▲ 12.5
Cumulative grant point	40.3	67.0	48.7	8.4	▲ 18.3
Exchange ratio	43.2%	49.7%	43.8%	+0.5pt	▲5.9pt

Note: Exchange ratio = cumulative exchange amount/ (point carried forward as of previous term end + cumulative grant amount for the term)

● Performance (Unit: 100 million yen)



Forecast Highlights for FY2014

- **Sales** **23.5** billion yen +3.14 billion yen
year-on-year
(+15.4%)
- **Ordinary income** **3.6** billion yen +450 million yen
year-on-year
(+14.4%)
- **Total membership** **8.1** million persons +2.07 million persons
year-on-year
(+34.4%)
(April 2015)

Summary of Performance Forecast

- ① Profits will edge up in welfare program
- ② Incentive will re-bounce
- ③ Personal will become the second pillar
- ④ Healthcare will focus on laying foundation for profits

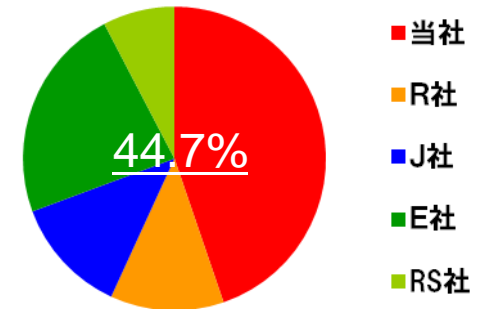
Benefit One's current market share

■ Our share in companies listed in the first section of TSE (as of April 2014)

- A survey was conducted on companies listed in the first section of TSE only
- 583 companies out of 1,779 were outsourcing.
- 44.7% share in membership

Note: Share and total in the right graph are aggregated excluding the number of companies and membership of "joint trust and others".

Membership share

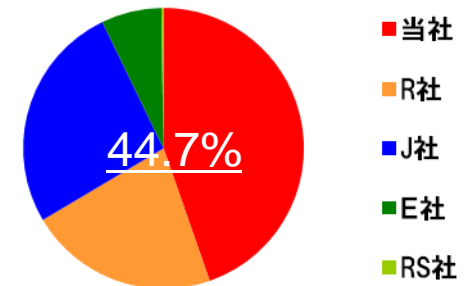


Total: 2.61 million

■ Our share in public organizations (as of April 2014)

- 44.7% share in membership

Membership share



Total: 2.19 million

Source: a survey conducted by the Sales Division of Benefit One Inc.

① Welfare Program Business

Target membership for April 2015: **4.73 million persons**

(+1.26 million YoY)

■ Acquire new customers at small- to mid-size company market

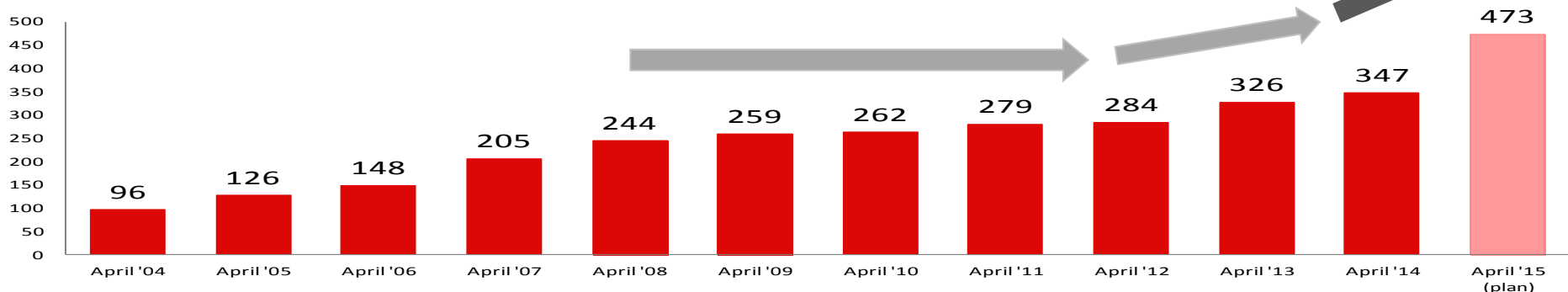
- Take collective actions through efficiently increased sales activities by using agent network
- Raise awareness and foster momentum for introduction through enhanced promotions such as DM and seminars
- Establish new sales bases (in Shizuoka, Kobe and Kitakyushu) to promote sales in the regions

■ Expand business with a large mutual aid association ⇒ Continue sales activity toward all-charter enrollment

■ Propose “welfare program” for the workforce decline period

- Promote the program as a management tool aiming to secure excellent human resources and improve the retention rate

● Transition of welfare program membership (Unit: 10,000 persons)



Sales **13.1** billion yen/Operating income **2.48** billion yen

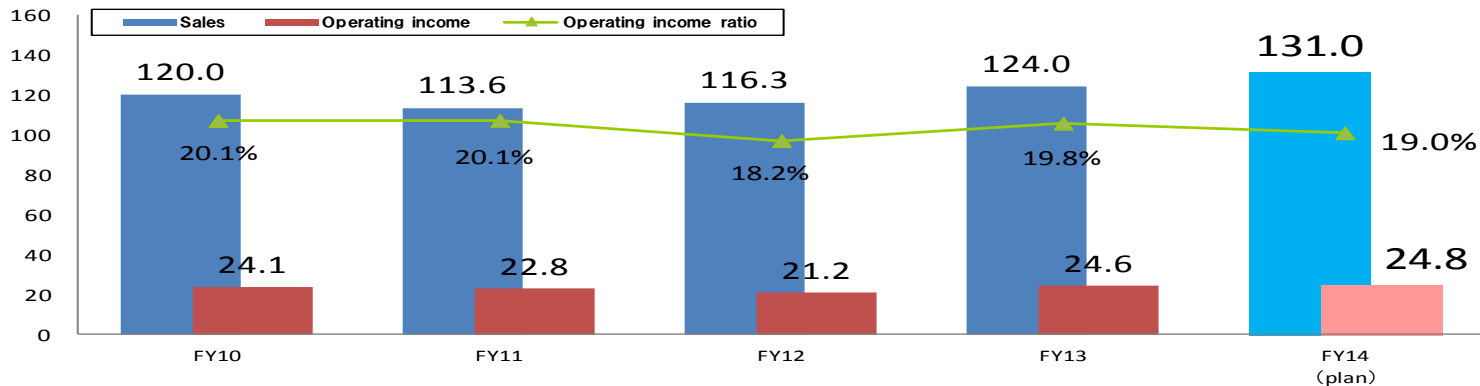
+5.6% YoY

+0.9% YoY

Profits will only edge up, because a sales increase due to membership increase was offset by cost rise, such as supplemental payment to users and operational costs

- Improve efficiency of operation through standardizing and systemizing cumbersome work according to customer specification
- Improve cost performance while maintaining quality and competitiveness, through reviewing the service evaluation method
- Introduce paper-less and induce to Website, to reduce printing and shipping expenses

● Performance trend (Unit: 100 million yen)



Target point granted to new customer: **1.2 billion yen**
 (+700 million yen YoY)

■ Enhance sales structure and pursue efficiency

- Strengthen route sales to companies' management, and shorten the period from proposal to closing
- Expand sales channel through promoting tie-up with agencies and cross-sell within the group
- Increase sales personnel and introduce area-responsible personnel system; expand target industry at the same time

■ Create momentum for introduction through enhanced promotion

- Raise awareness through holding joint seminar with other business, and participating in industry conference

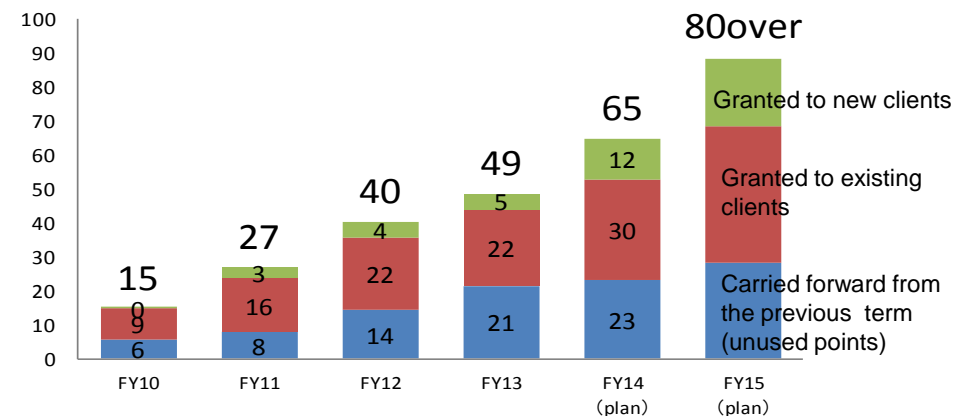
● Grant points and exchange ratio

(Unit: 100 million yen)	FY12	FY13	FY14 (plan)	12→13 change	13→14 change
Balance carried forward	14.2	21.5	23.1	7.2	1.6
Grant	26.1	27.2	41.7	1.2	14.4
Existing	21.6	22.5	29.7	0.8	7.2
New	4.4	4.8	12.0	0.3	7.3
Cumulative grant point	40.3	48.7	64.7	8.4	16.0
Exchange ratio	43.2%	43.8%	53.6%	+0.5pt	+9.8pt

Note: Exchange ratio = cumulative exchange amount / (point carried forward as of previous term end + cumulative grant amount for the term)

● Transition of cumulative grant point amount

(Unit: 100 million yen)



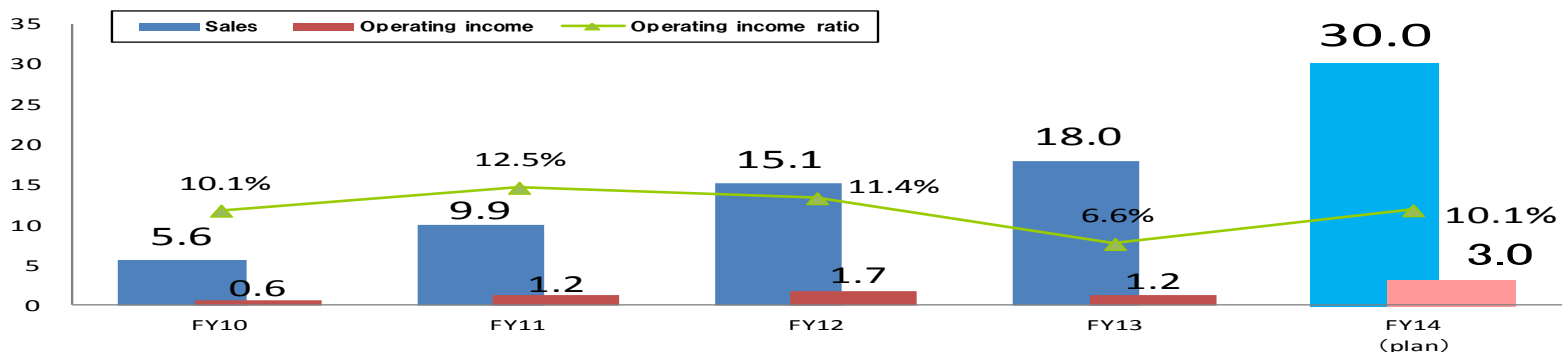
Sales **3** billion yen/Operating income **304** million yen

+67.2% YoY

+158.8% YoY

- Increase point exchange ratio 43.8%⇒53.6% (+9.8pt YoY)
 - Enhance product line-up to accommodate various and diverse customer needs
 - Conduct exchange facilitating strategy, targeting to-be-expired points
- Improve point exchange gain ratio
 - Expand buyout purchase, that has significant impact on users
 - Aim for point exchange gain ratio of 22.2% (+0.9 pt YoY) for product sales, and 10.0% (+2.4 pt YoY) for service

● Performance trend (Unit: 100 million yen)



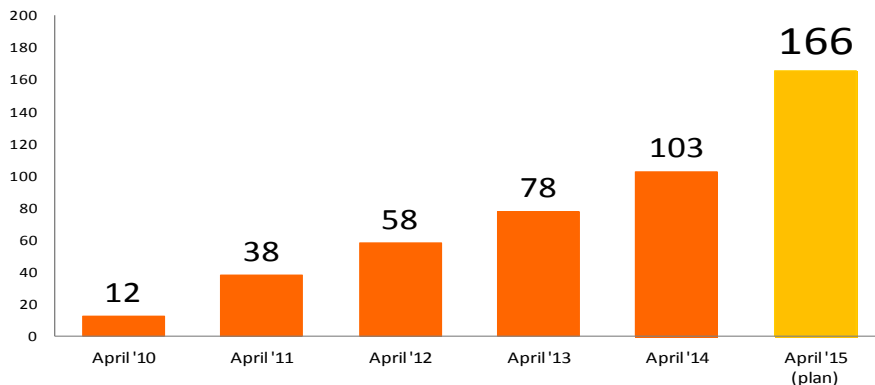
Sales **1.63** billion yen/Operating income **469** million yen

+41.0% YoY

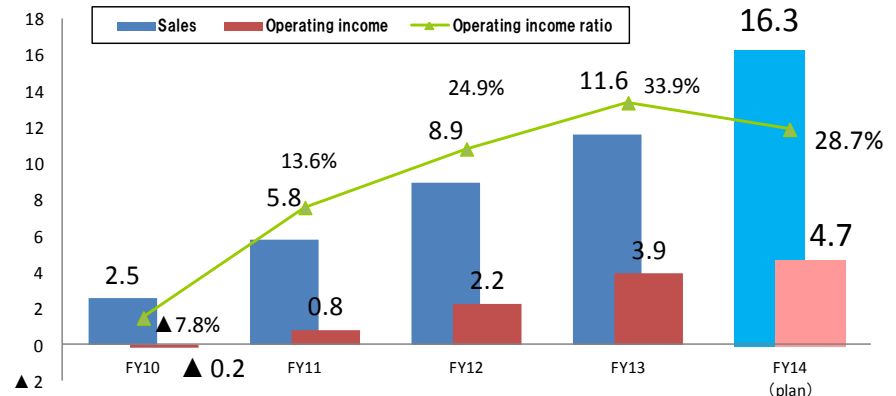
+19.5% YoY

- Profit-earner Softbank Group continues to ride high.
 - Transactions with other communication group companies will also expand.
- Target real estate and fitness club industries for member acquisition
 - Restructure organization by target industry, and develop successful model horizontally
- Expand business with distribution industry, and promote new member acquisition at real stores

● Transition of personal membership (Unit: 10,000 persons)



● Performance trend (Unit: 100 million yen)



Sales **3.42** billion yen/Operating income **250** million yen

+2.5% YoY

+39.9% YoY

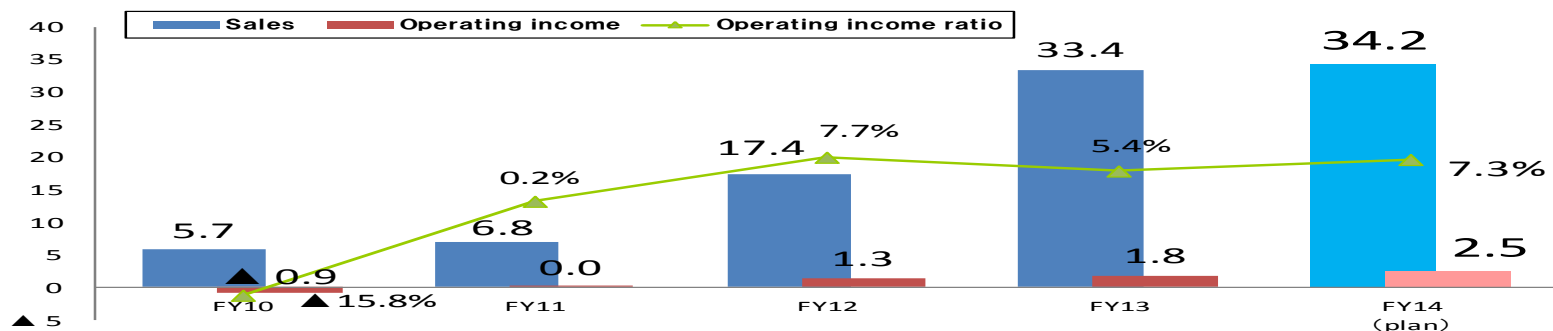
■ Release new service, and enhance sales activities

- Expand one-stop service sales that are based on data health plan
- Expand shares of mental health area and health check-up business, developed around stress check
- Re-construct aggressive sales system toward business expansion during FY2015

■ Improve efficiency in operation related to new system operation

- Reduce operational costs and improve profitability by standardizing duties and restructuring labors

● Performance trend (Unit: 100 million yen)



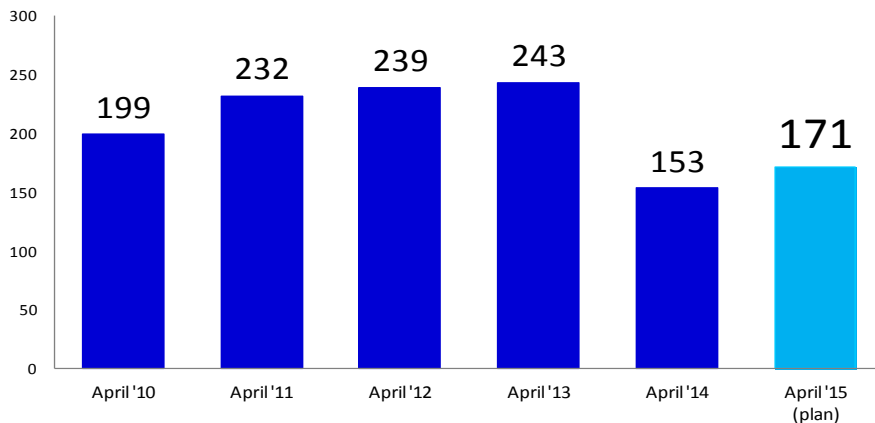
Sales **785** million yen/Operating income **94** million yen

+24.5% YoY

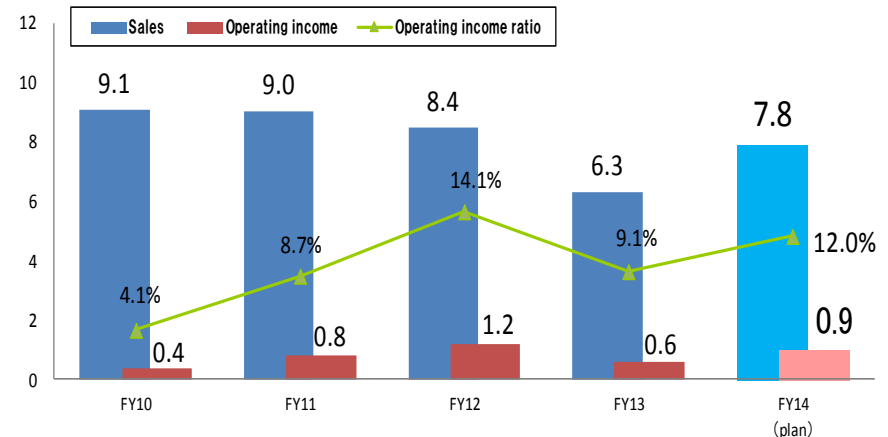
+65.3% YoY

- In FY13, both sales and profits decreased, due to large-size project termination not covered by new acquisitions.
- Focus on new member acquisition of wealthy people mainly in financial institutions
- Increase membership from existing client companies, mainly through sales increase for platinum card holders

● Transition of CRM membership (Unit: 10,000 persons)



● Performance trend (Unit: 100 million yen)



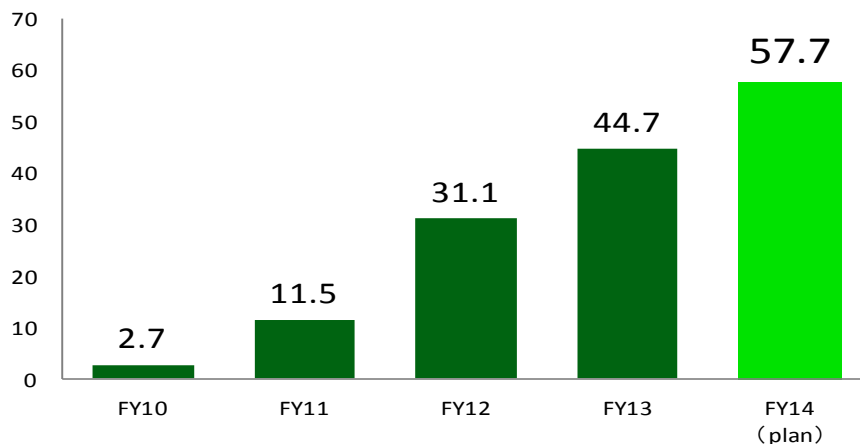
Sales **127** million yen/Operating income **31** million yen

+78.1% YoY

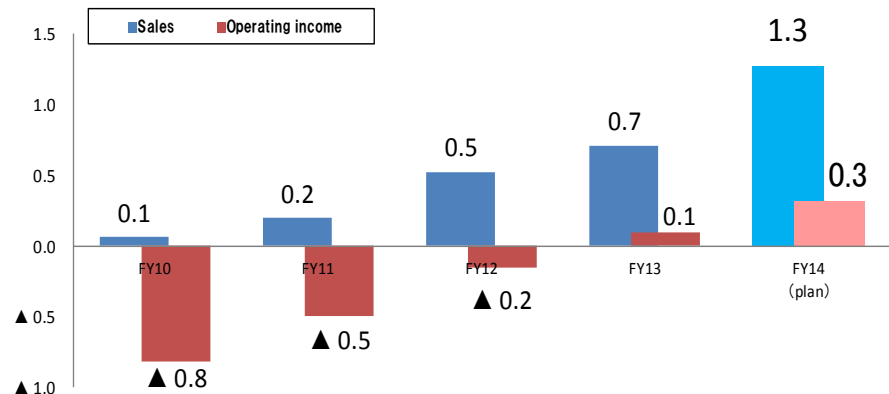
+211.5% YoY

- In FY13, profits emerged for full-term, thanks to steady business increase.
- Gross billing in FY14 is expected to be 5.77 billion yen (+1.3 billion yen YoY).
- Enhance collective sales action, together with Benefit One Solutions and other partner companies
- Promote top-down strategic sales, utilizing Pasona Group and Other influential agencies

● Transition of gross billing (Unit: 100 million yen)

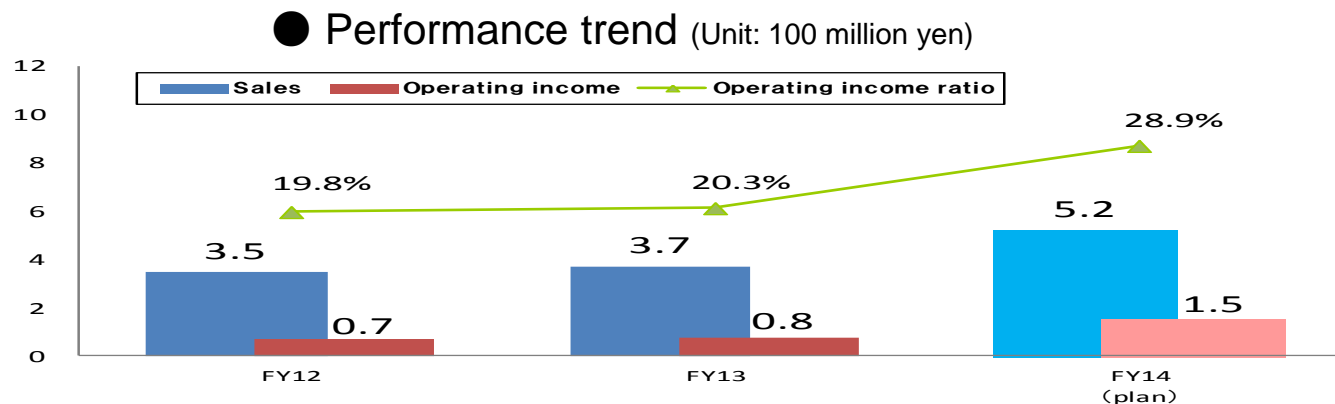


● Performance trend (Unit: 100 million yen)



● Cost-cutting business

- Increase sales of mainstay Hi-VOX, which integrates travel management and travel expense adjustments
- Focus on new customer acquisition through taking advantage of synergy with BTM
- Launch full-scale Web integrated purchasing, whose development was postponed in the previous term
- Aim for sales of 519 million yen (+40.5% YoY) and operating income of 150 million yen (+99.9% YoY)



● Travel business

- Focus on inbound business, through enhanced tie-up with Chunghwa Benefit One
- Aim for sales of 51 million yen (+76.0% YoY) and making profit for full-term

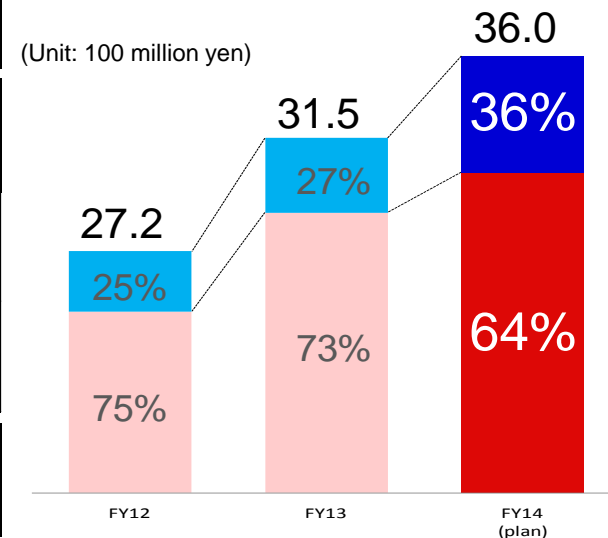
Diversification of Revenue

Revenue from new business represents about 40% of total profits

(Unit: million yen)	Ordinary income						
	FY12	FY13	FY14 (plan)	12→13 change	(%)	13→14 change	(%)
Consolidated total (① Domestic+② Overseas)	2,714	3,145	3,600	431	+15.9%	454	+14.4%
① Domestic business subtotal	2,714	3,157	3,684	443	+16.3%	527	+16.7%
Welfare program business	2,135	2,485	2,504	350	+16.4%	19	+0.7%
New business (note 1)	680	841	1,310	161	+23.6%	469	+55.8%
② Overseas business (note 2) subtotal	0	▲12	▲84	▲12	-	▲73	-

Change of earning structure
- Transition of share in ordinary income -

■ Welfare program, etc. ■ New business



Note 1: New business refers to CRM business, Personal business, Incentive business, Healthcare business, Cost-cutting business, BTM business and Travel business.

Note 2: Overseas business refers to Benefit One Shanghai, Benefit One Asia and Chunghwa Benefit One (equity method affiliate).

Global Operation

Japanese original business model is now spread to the world

① FY12: **First year** for overseas operation

- *Business operation started in Shanghai and San Jose, with full ownership of capital -*

② FY13: Expand into **Asian** region

- *Benefit One and ITOCHU Corporation established joint venture company -*

③ FY14: Overseas business **move into high gear**

- *Shanghai, BOA and CBO are fully consolidated -*

Note: "Shanghai", BOT and CBO refer to Benefit One Shanghai, Benefit One Asia (in Singapore) and Chunghwa Benefit One (in Taiwan), respectively.

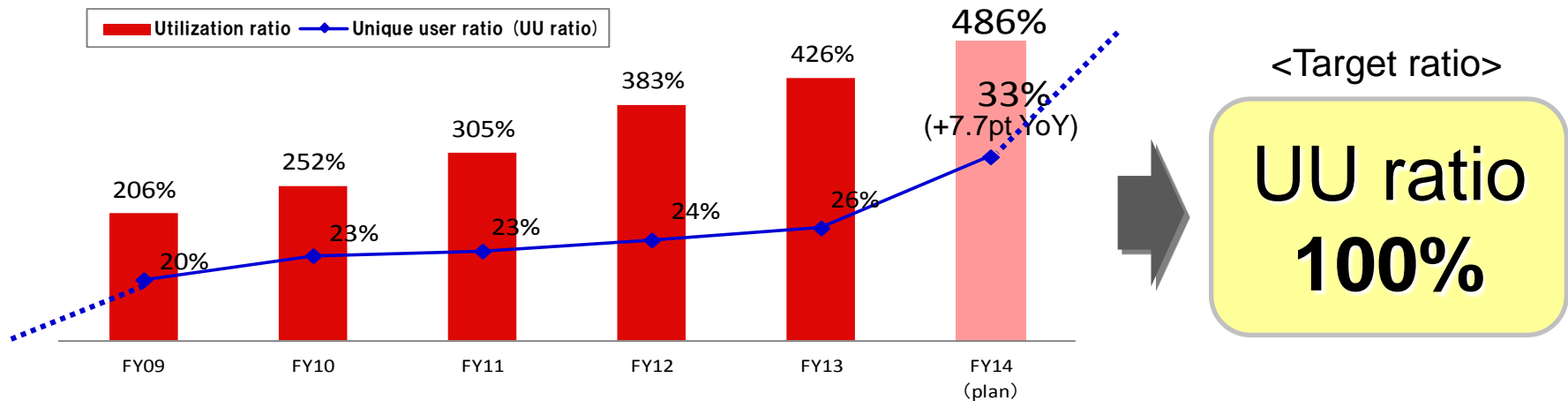
Accelerating overseas business growth, and establishing new brands

Foundation	Company name	Equity investor	Description of business
2012 May	Benefit One Shanghai Inc.	100% by Benefit One	Incentive business, etc.
October	Benefit One USA, Inc.	100% by Benefit One	Incentive business, etc.
2013 October	Benefit One Asia Pte. Ltd.	60% by Benefit One 40% by ITOCHU Corporation	Coordinating business advance into Asia region Welfare program business, etc.
2014 January	Benefit One(Thailand) Co., Ltd.	49% by BOA 51% by local bank group	Incentive business, etc.
February	Chunghwa Benefit One Co., Ltd.	50% by BOA 50% by Chunghwa Telecom	Welfare program business CRM business Incentive business, etc.
May (scheduled)	P.T.Benefit One Indonesia	1% by Benefit One 99% BOA	Incentive business, etc.

Differentiation and Expansion of Services

Unique user ratio increase shows customer satisfaction improvement

Note: "Unique user ratio" is calculated by dividing unique membership who used Benefit Station by total membership



■ While total number of use is over 400% of membership, the number of users remains 26% of members.

■ Access ratio of Web to cell phone is 78.1% (+9.0pt YoY), resulting from an increase in smart phone use.

Acquisition of new user and Activation

- ① Expand original menu
- ② Enhance daily use menu
- ③ Promote service rating

① Expand original menu

Original event

- Propose unique welfare events with the key phrase of “company competition”



Chartered event

- Enhance purchasing power using scale merit
- Offer chartered performance limited to members, such as “OVO”, “Miss Saigon” and “Universal Happy & Thanks Festa”.



“Free” menu and original contents

- “Admission-free day”, “Free e-learning course”
- “Leisure tickets”, “Cinema collection”



② Enhance daily-use menu

■ Expand exchange point



- “Rakuten super point”, “Recruit point”, “WAON point”, “docomo point”, etc.
- Improve convenience and value, through expansion of “Benepo” use opportunities

■ Enhance “everyday use” service

- Focus on launching menu of frequently used daily necessities (such as gas discount, etc.)

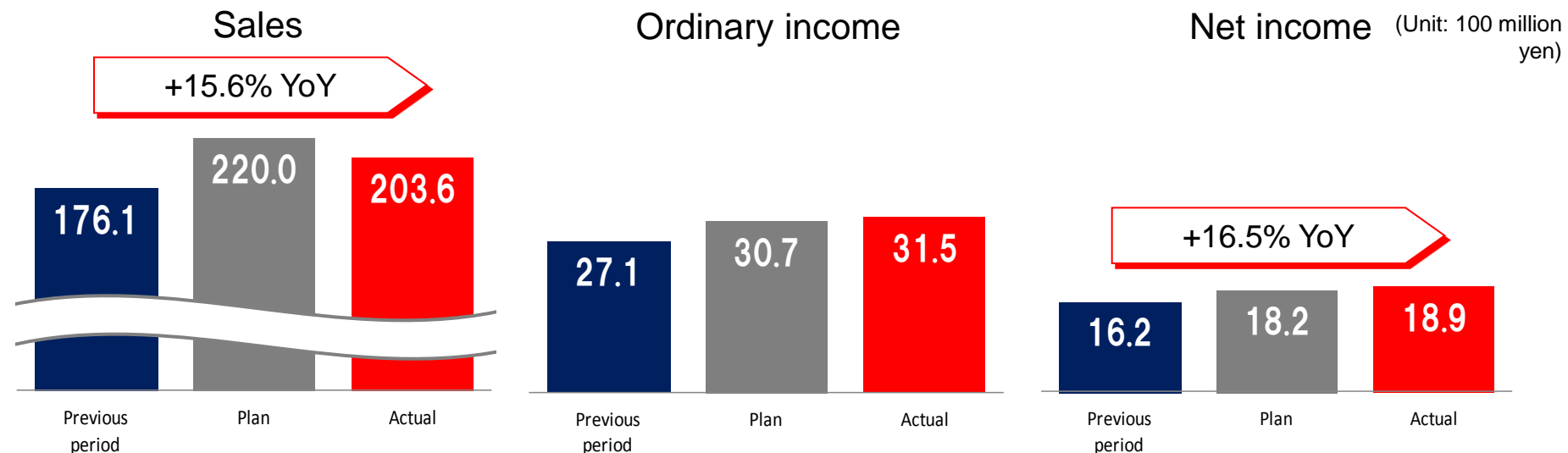
③ Promote service rating

■ First shot: hotel rating ranking release (late May)

- Collect and analyze words-of-mouth on the web and questionnaires cross-sectionally
- Smooth out the evaluations in various sites, and create our own ranking
- Expand the ranking to “medical” and “beauty” menus in the future

Financial Highlights and Forecasts

Profits achieved the plan. Sales were over 20 billion yen, and profits exceeded 3 billion yen.



(Unit: million yen)	Previous period	(%)	Plan	(%)	Actual	(%)	YoY Change	(%)	Change from plan	(%)
Sales	17,610	(100.0)	22,000	(100.0)	20,356	(100.0)	2,746	+15.6%	▲1,643	▲7.5%
Operating income	2,731	(15.5)	3,100	(14.1)	3,169	(15.6)	438	+16.0%	70	+2.3%
Ordinary income	2,714	(15.4)	3,070	(14.0)	3,145	(15.5)	431	+15.9%	76	+2.5%
Net income	1,623	(9.2)	1,820	(8.3)	1,892	(9.3)	268	+16.5%	72	+4.0%

Decreases in Incentive and CRM were covered by Welfare growth.
Personal and Healthcare also continued strong.

(in million yen)	Sales							Operating income						
	Previous period	Plan	Actual	YoY Change	(%)	Change from plan	(%)	Previous period	Plan	Actual	YoY Change	(%)	Change from plan	(%)
Welfare program	11,627	12,183	12,399	772	+6.6%	216	+1.8%	2,119	1,928	2,461	342	+16.1%	533	+27.6%
Incentive	1,512	2,930	1,796	284	+18.8%	▲1,135	▲38.7%	173	389	118	▲55	▲31.9%	▲272	▲69.8%
Personal	892	1,267	1,158	267	+29.9%	▲108	▲8.6%	222	318	392	170	+76.6%	74	+23.3%
CRM	844	980	631	▲214	▲25.3%	▲349	▲35.6%	119	170	57	▲62	▲52.0%	▲113	▲66.5%
Healthcare	1,737	2,955	3,336	1,600	+92.1%	381	+12.9%	134	235	179	45	+33.7%	▲56	▲23.9%
Cost-cutting	345	690	369	24	+6.8%	▲321	▲46.5%	68	120	75	7	+9.7%	▲45	▲37.5%
BTM	52	88	71	19	+35.7%	▲17	▲18.9%	▲15	15	10	25	-	▲5	▲34.1%
Travel	66	97	29	▲37	▲56.4%	▲68	▲70.2%	▲19	▲14	▲6	13	-	8	-
Consolidated total	17,610	22,000	20,356	2,746	+15.6%	▲1,644	▲7.5%	2,731	3,100	3,169	438	+16.0%	69	+2.2%

Cost of sales ratio: 63.0% (+0.9 pt YoY)

- Cost of goods purchased ratio decreased, through a decrease in booklet production cost and a curbed supplemental payment to users.
- Cost of goods manufactured ratio increased, through monthly issue of bulletin and a delay in healthcare system operation.

(Unit: million yen)	Previous period	Plan	Actual	YoY Change		Change from plan	
					(%)		(%)
Cost of sales	10,922	14,364	12,818	1,896	+17.4%	▲ 1,546	▲ 10.8%
Cost of goods purchased	6,964	9,049	7,256	292	+4.2%	▲ 1,793	▲ 19.8%
Supplemental payment (hotel/service)	3,275	3,817	3,498	223	+6.8%	▲ 319	▲ 8.3%
Guidebook	589	541	530	▲ 59	▲ 10.0%	▲ 11	▲ 2.1%
Incentive	1,198	2,322	1,478	280	+23.4%	▲ 843	▲ 36.3%
Product sales	616	888	650	34	+5.6%	▲ 238	▲ 26.8%
Manufacturing cost	3,958	5,315	5,562	1,604	+40.5%	247	+4.7%
Labor cost	2,158	2,486	2,447	289	+13.4%	▲ 40	▲ 1.6%
Manufacturing expense	1,801	2,828	3,115	1,315	+73.0%	287	+10.1%
<i>Cost of sales ratio</i>	62.0%	65.3%	63.0%	0.9pt	-	▲ 2.3pt	-
<i>Cost of goods purchased ratio</i>	39.5%	41.1%	35.6%	▲ 3.9pt	-	▲ 5.5pt	-
<i>Manufacturing cost ratio</i>	22.5%	24.2%	27.3%	+4.8pt	-	+3.2pt	-

SG&A ratio: 21.5% (-1.0 pt YoY)

While some costs increased such as labor costs due to enhanced sales structure or packing and freight due to monthly issue of the bulletin, SG&A ratio decreased, supported by curbed supply cost and outsourcing.

(Unit: million yen)	Previous period	Plan	Actual	YoY Change		Change from plan	
					(%)		(%)
SG&A	3,956	4,536	4,368	412	+10.4%	▲167	▲3.7%
Labor cost	2,024	2,274	2,197	173	+8.6%	▲77	▲3.4%
General expenses	1,933	2,262	2,171	239	+12.4%	▲90	▲4.0%
SG&A ratio	22.5%	20.6%	21.5%	▲1.0pt	-	+0.8pt	-

Shortfalls of Incentive, CRM and Healthcare were covered by curbed costs in Welfare and Personal; profits achieved the plan.

(Unit: million yen)	Plan	(%)	Actual	(%)	Change from plan	(%)
Sales	22,000	(100.0)	20,356	(100.0)	▲ 1,643	▲ 7.5%
Cost of sales	14,364	(65.3)	12,818	(63.0)	▲ 1,546	▲ 10.8%
Gross profit	7,636	(34.7)	7,538	(37.0)	▲ 98	▲ 1.3%
SG&A	4,536	(20.6)	4,368	(21.5)	▲ 167	▲ 3.7%
Operating income	3,100	(14.1)	3,169	(15.6)	70	+2.3%
Ordinary income	3,070	(14.0)	3,145	(15.5)	76	+2.5%
Net income	1,820	(8.3)	1,892	(9.3)	72	+4.0%

● Sales

- Incentive (slow point grant and exchange)
- CRM (service for wealthy class did not acquire new customers)
- Cost-cutting (delay in new service launch)

● Cost of sales

- Supplemental payment for Welfare program was curbed
- Personal campaign cost was curbed

● SG&A

- Labor cost was curbed
- Costs of supplies and outsourcing were reduced

Fixed assets and software

(Unit: million yen)	2012 actual	2013 actual	2014 plan	12→13 change	(%)	13→14 change	(%)
Domestic business total (①+②+③)	919	1,301	1,098	382	+41.6%	▲203	▲15.6%
① Benefit One subtotal	812	950	890	138	+17.0%	▲60	▲6.3%
Capital expenditure in information system	440	535	645	94	+21.4%	110	+20.6%
Welfare program capital expenditure	358	405	218	47	+13.2%	▲187	▲46.2%
Head office and branches (office remodel work, etc.)	14	10	27	▲4	▲27.5%	17	+170.4%
② Benefit One Healthcare subtotal	89	302	168	212	+237.3%	▲134	▲44.3%
Capital expenditure in information system	83	291	168	208	+251.5%	▲123	▲42.2%
③ Benefit One Solutions subtotal	17	49	40	32	+188.0%	▲9	▲18.4%
Capital expenditure in information system	17	49	40	32	+188.0%	▲9	▲18.4%
Consolidated overseas affiliates total (BOA and Shanghai)		8	15	8	-	7	+95.2%

Note 1: including equivalent amount to long-term prepaid expenses (12 actual: 36M, 13 plan: 23M, and 14 plan: 0M)

Note 2: including leased equipment (12 actual: 60M, 13 plan: 93M, 13 actual: 105M and 14 plan: 32M)

Financial condition

(Unit: million yen)	13/3	14/3	Change
Total assets	16,316	18,480	+2,163
Current assets	11,675	12,369	+694
Fixed assets	4,641	6,110	+1,469
Net assets	9,227	10,644	+1,416
Equity ratio	56.6%	56.7%	+0.1pt

Accounts receivable: +238
 Advance money: +202
 Prepaid expense: +119

Tangible fixed assets: +392
 Intangible fixed assets: +353
 Investments and other assets: +723

Financial index

		13/3	14/3	Change
Operating income to sales	%	15.5%	15.6%	+0.1pt
Ordinary income on total assets	%	17.2%	18.1%	+0.9pt
Return on equity capital (ROE)	%	17.2%	19.2%	+2.0pt
Net earning per share	Yen	38.06	46.21	+8.15
Net asset per share	Yen	225.52	255.52	+30.00

Note: Our company adopts the share unit system where one common share was split into 200 shares and the number of one share units was 100 shares, effective on October 1, 2013. Accordingly, per share amount of net profit and per share amount of net assets are calculated by assuming that such stock split was carried out at the beginning of the previous consolidated accounting period.

(Unit: million yen)	13/3	14/3	Change
CF from operating activities	2,631	2,211	Δ420
CF from investing activities	Δ1,821	Δ1,717	+103
CF from financing activities	Δ2,095	Δ555	+1,539
Cash and cash equivalents at end of year	6,624	6,567	Δ56

● **Cash increase**

- Net income before income taxes 3,145
- Depreciation 499
- Increase in advances received 244

● **Cash decrease**

- Income tax payment 1,056
- Decrease in deposit 399
- Increase in receivables 238

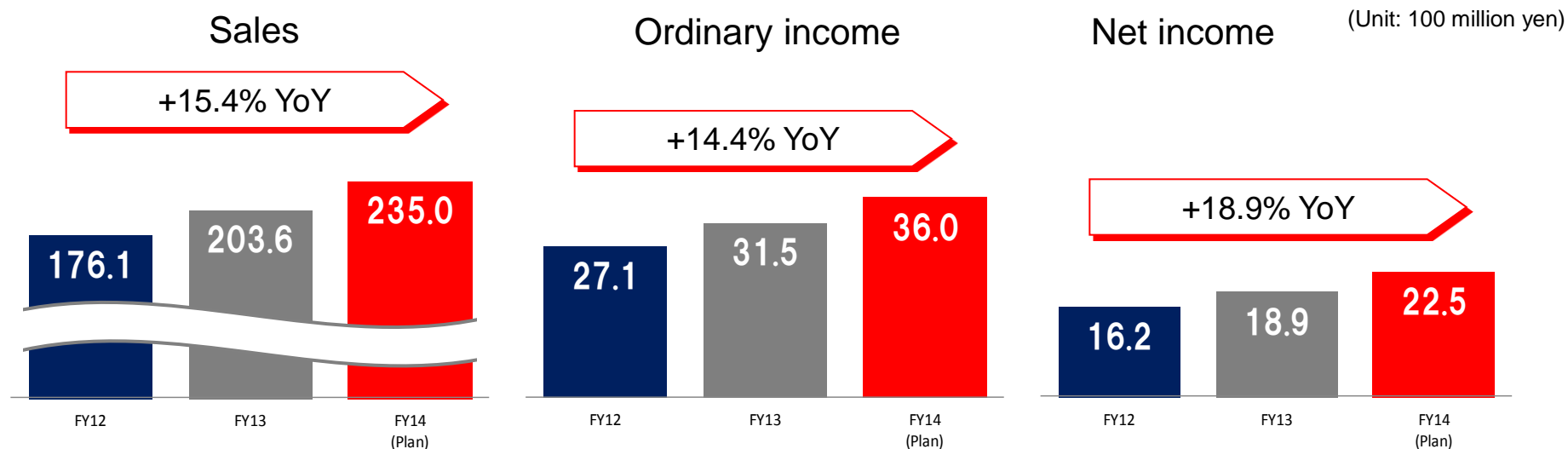
● **Cash decrease**

- Acquisition of tangible/intangible fixed assets 1,103
- Acquisition of shares in affiliates 322

● **Cash decrease**

- Payment of dividend 715

Both sales and profits will continue to grow over 10%. Overseas business will shift into full swing.



(Unit: million yen)	FY12	(%)	FY13	(%)	FY14 (Plan)	(%)	12→13 change	(%)	13→14 change	(%)
Sales	17,610	(100.0)	20,356	(100.0)	23,500	(100.0)	2,746	+15.6%	3,143	+15.4%
Operating income	2,731	(15.5)	3,169	(15.6)	3,620	(15.4)	438	+16.0%	450	+14.2%
Ordinary income	2,714	(15.4)	3,145	(15.5)	3,600	(15.3)	431	+15.9%	454	+14.4%
Net income	1,623	(9.2)	1,892	(9.3)	2,250	(9.6)	268	+16.5%	358	+18.9%

Ordinary income from new businesses will represent 36.4% (+9.7 Pt YoY) of entire ordinary income
 Overseas businesses (Shanghai, Singapore and Taiwan) are consolidated for full-term starting from FY2014

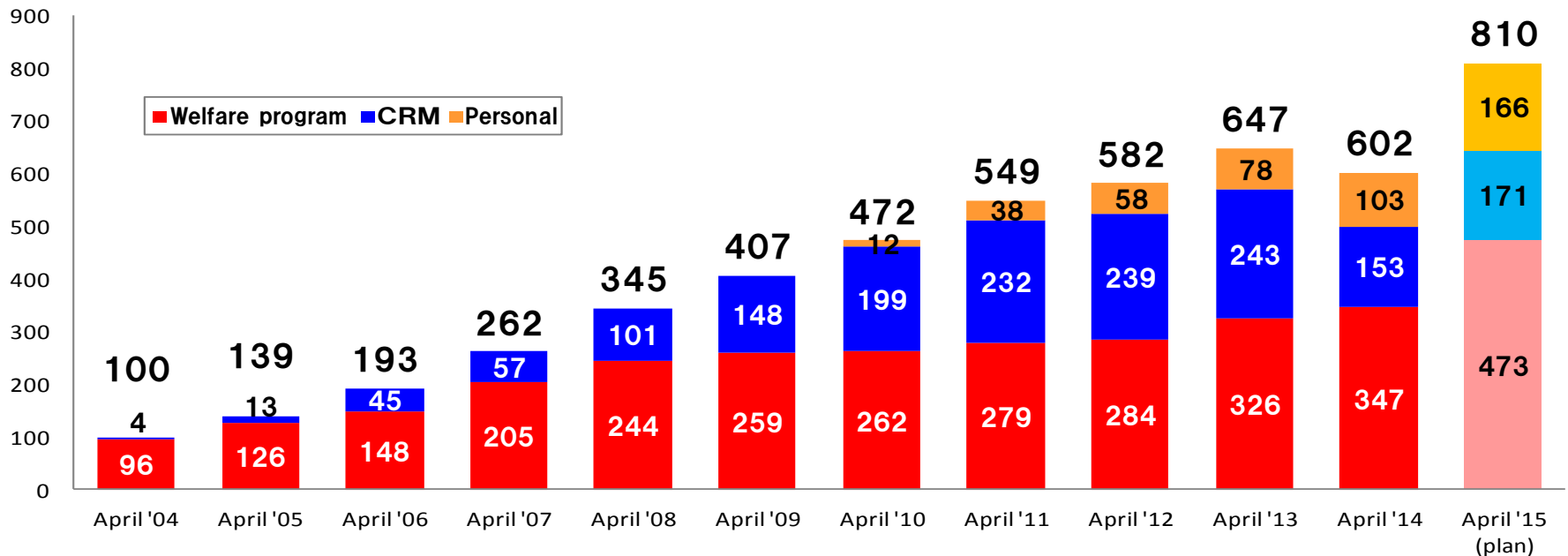
(Unit: million yen)	Sales							Ordinary income						
	FY12	FY13	FY14 (Plan)	12→13 change	(%)	13→14 change	(%)	FY12	FY13	FY14 (Plan)	12→13 change	(%)	13→14 change	(%)
Consolidated total (①domestic + ②overseas)	17,610	20,356	23,500	2,746	+15.6%	3,143	+15.4%	2,714	3,145	3,600	431	+15.9%	454	+14.4%
① Domestic business subtotal	17,610	20,356	23,230	2,746	+15.6%	2,874	+14.1%	2,714	3,157	3,684	443	+16.3%	527	+16.7%
Welfare program	11,627	12,399	13,098	772	+6.6%	699	+5.6%	2,135	2,485	2,504	350	+16.4%	19	+0.7%
Incentive	1,512	1,796	3,002	284	+18.8%	1,206	+67.2%	173	120	304	▲53	▲30.5%	184	+153.5%
Personal	892	1,158	1,633	267	+29.9%	475	+41.0%	222	390	469	168	+75.7%	79	+20.2%
CRM	844	631	785	▲214	▲25.3%	154	+24.5%	119	57	94	▲62	▲52.2%	37	+65.8%
Healthcare	1,737	3,336	3,421	1,600	+92.1%	85	+2.5%	132	195	250	63	+47.5%	55	+28.4%
Cost-cutting	345	369	519	24	+6.8%	149	+40.5%	69	75	150	6	+9.3%	75	+99.8%
BTM	52	71	127	19	+35.7%	56	+78.1%	▲15	10	31	25	-	21	+211.6%
Travel	66	29	51	▲37	▲56.4%	22	+76.0%	▲19	▲6	11	13	-	18	-
New business total	5,449	7,390	9,537	1,942	+35.6%	2,147	+29.1%	680	841	1,310	161	+23.6%	469	+55.8%
② Overseas business subtotal	0	0	270	0	-	270	-	0	▲12	▲84	▲12	-	▲73	-

FY 2013 Financial Results

DATABOOK

Transition of Membership

(Unit: 10,000 persons)	April '04	April '05	April '06	April '07	April '08	April '09	April '10	April '11	April '12	April '13	April '14	April '15 (plan)
Welfare program	96	126	148	205	244	259	262	279	284	326	347	473
YoY change	▲ 4	30	22	57	39	15	3	17	5	42	20	126
CRM	4	13	45	57	101	148	199	232	239	243	153	171
YoY change	4	9	32	12	44	47	51	33	7	4	▲ 90	18
Personal	0	0	0	0	0	0	12	38	58	78	103	166
YoY change	0	0	0	0	0	0	12	26	20	19	25	63
Total	100	139	193	262	345	407	472	549	582	647	602	810
YoY change	0	39	54	69	83	62	65	77	33	66	▲ 45	207



1. Welfare program business Welfare outsourcing service for various needs from companies' employees

Membership revenue will increase by 680 million yen resulting from membership increase. On the other hand, profits will only edge up, due to cost rise in line with membership increase, such as supplemental payment to users and operational cost. Sales activity will focus on acquiring new customers in the small- to mid-sized companies market, by enhancing promotions such as DM and seminars.

(Unit: million yen)	FY12	FY13	FY14 (Plan)	12→13 change	(%)	13→14 change	(%)
Sales	11,627	12,399	13,098	772	+6.6%	699	+5.6%
Operating income	2,119	2,461	2,482	342	+16.1%	21	+0.9%
<i>Operating income ratio</i>	18.2%	19.8%	19.0%	+1.6pt	-	▲ 0.9pt	-

2. Incentive business Loyalty and motivation increase support service, through various point exchange items

Grant points at new customers will aim at 1.2 billion yen points, through strengthening sales structure and expanding target industries, while raising awareness in the market by promotion and enhancing route sales to management and tie-up with agents. In addition, purchasing power will be improved for better point exchange ratio and gain on exchange.

(Unit: million yen)	FY12	FY13	FY14 (Plan)	12→13 change	(%)	13→14 change	(%)
Sales	1,512	1,796	3,002	284	+18.8%	1,206	+67.2%
Operating income	173	118	304	▲ 55	▲ 31.9%	187	+158.8%
<i>Operating income ratio</i>	11.4%	6.6%	10.1%	▲ 4.9pt	-	+3.6pt	-

3. Personal business Service for individual customer, promoted in cooperation with client company targeting the client's customer

Business with profit-earner Softbank Group is to continue to ride high, with the prospect of acquiring more client companies. The business will target real estate and fitness club industries for member acquisition, as well as focus on business expansion in the distribution industry. Organization will be restructured by target industry, to develop a successful model horizontally and improve operational efficiency.

(Unit: million yen)	FY12	FY13	FY14 (Plan)	12→13 change	(%)	13→14 change	(%)
Sales	892	1,158	1,633	267	+29.9%	475	+41.0%
Operating income	222	392	469	170	+76.6%	77	+19.5%
<i>Operating income ratio</i>	24.9%	33.9%	28.7%	+8.9pt	-	▲ 5.2pt	-

4. CRM business Customer satisfaction and loyalty improvement support service, for clients' customers

New member acquisition will be targeted through sales expansion of services for wealthy people, mainly in financial institutions such as banks, securities firms and credit card companies. Also, existing member expansion will be targeted, through sales for platinum card members.

(Unit: million yen)	FY12	FY13	FY14 (Plan)	12→13 change	(%)	13→14 change	(%)
Sales	844	631	785	▲ 214	▲ 25.3%	154	+24.5%
Operating income	119	57	94	▲ 62	▲ 52.0%	37	+65.3%
<i>Operating income ratio</i>	14.1%	9.1%	12.0%	▲ 5.0pt	-	+3.0pt	-

5. Healthcare business

One-stop service from health check-up appointment agency to the implementation of specific health guidance.

Sales structure will be re-constructed, for aggressive business expansion in FY2015, through enhancing new services such as one-stop service based on data health plan and mental health field. Profitability will be improved through improved efficiency of operations related to new system introduction.

(Unit: million yen)	FY12	FY13	FY14 (Plan)	12→13 change	(%)	13→14 change	(%)
Sales	1,737	3,336	3,421	1,600	+92.1%	85	+2.5%
Operating income	134	179	250	45	+33.7%	71	+39.9%
<i>Operating income ratio</i>	7.7%	5.4%	7.3%	▲2.3pt	-	+2.0pt	-

6. Cost-cutting business

Outsourcing service of administrative work, such as adjustments for communication line use and travel expenses

Sales of mainstay Hi-VOX will increase through integration of travel management and travel expense adjustments, while new customer acquisition will be focused on, by taking advantage of synergy with BTM. Full-scale Web integrated purchasing, whose development was postponed in the previous term, will be launched after September.

(Unit: million yen)	FY12	FY13	FY14 (Plan)	12→13 change	(%)	13→14 change	(%)
Sales	345	369	519	24	+6.8%	149	+40.5%
Operating income	68	75	150	7	+9.7%	75	+99.9%
<i>Operating income ratio</i>	19.8%	20.3%	28.9%	+0.5pt	-	+8.6pt	-

7. BTM business Business travel support service, aiming at integrated purchasing

Net income emerged for full-term in the previous term. Gross billing amount also increased resulting from clients increase. Integrated sales with Benefit One Solutions and other partner companies will be enhanced, and top-down strategic sales will be promoted by utilizing the Pasona Group and influential agents. Net profits will steadily emerge and even increase.

(Unit: million yen)	FY12	FY13	FY14 (Plan)	12→13 change	(%)	13→14 change	(%)
Sales	52	71	127	19	+35.7%	56	+78.1%
Operating income	▲15	10	31	25	-	21	+211.5%
<i>Operating income ratio</i>	▲29.2%	13.9%	24.4%	+43.1pt	-	+10.4pt	-

8. Travel business Various travel arrangement services, such as planning and operating company trip and events.

Inbound business will be focused on by strengthened tie-up with Chunghwa Benefit One. Net income for full-term will be targeted, through the development of service and improvement of operational structure for tourists traveling overseas.

(Unit: million yen)	FY12	FY13	FY14 (Plan)	12→13 change	(%)	13→14 change	(%)
Sales	66	29	51	▲37	▲56.4%	22	+76.0%
Operating income	▲19	▲6	11	13	-	18	-
<i>Operating income ratio</i>	▲28.9%	▲21.6%	22.2%	+7.2pt	-	+43.9pt	-

Creation of Service Distribution

- One-stop site for service matching -

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