

FY2015

Financial Results

Benefit One Inc.

Listed on second section of TSE (2412)

May 9, 2016

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

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1. FY2015 Financial Summary
2. FY2016 Performance Forecasts
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4. DATABOOK

● Sales

26.05 billion yen

+4.41 billion yen
year on year
(+20.4%)

-2.85 billion yen
vs. plan
(-9.8%)

● Operating income **4.36** billion yen

+1 billion yen
year on year
(+29.9%)










+5 million yen
vs. plan
(+0.1%)

● Ordinary income **4.31** billion yen

+970 million yen
year on year
(+29.0%)

-40 million yen
vs. plan
(-0.8%)

1 billion yen increase from the previous term in operating income

(1) Welfare Program		Sales and profits increased	 +730 million yen
(2) Personal		Sales and profits increased	 +380 million yen
(3) Incentive		Sales and profits increased	 +120 million yen
(4) Healthcare		Sales increased, profits decreased	 -130 million yen
(5) Overseas Business	(Consolidation started)		 -130 million yen [*]

* -130 million yen due to consolidation started in USA, Thailand, Indonesia and Germany.

Operating Income **Achieved Plan**

Welfare Program	
(1) Profits increased resulting from membership fee revenue up and BPR effect	+460 million yen
Personal	
(2) Individual memberships grew steadily	+70 million yen
Incentive	
(3) Point budget for new customers was below than predicted	-30 million yen
Healthcare	
(4) Operation standardization and BPR both delayed	-300 million yen
Overseas Business	
(5) Still at market development stage; monetarization delayed	-80 million yen
Other Businesses	
(6) Both Cost-cutting and Inbound did not achieve the plan	-120 million yen

Sales **13.92** billion yen/Operating income **3.26** billion yen

+7.4% YoY, -1.0% vs. plan

+28.7% YoY, +16.3% vs. plan

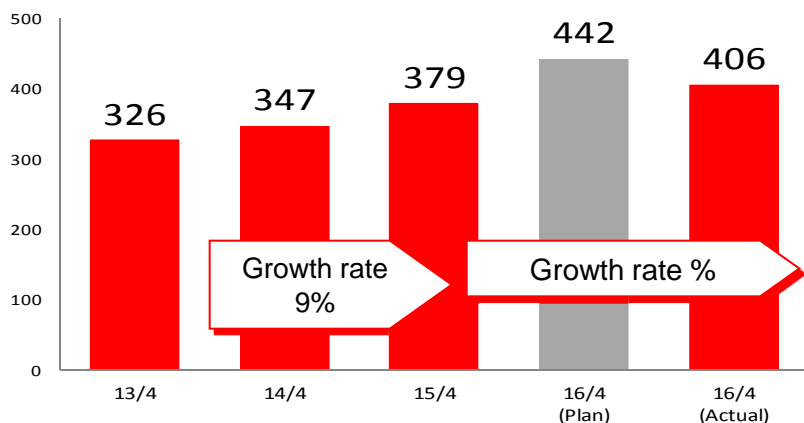
Year on year

- Membership fee revenue increased resulting from membership growth
- Both sales and profits increased substantially, partly because operation efficiency improved through BPR progress.

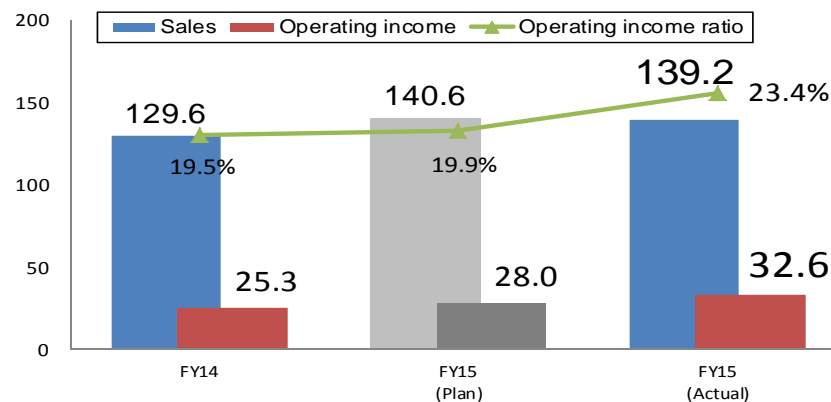
Vs. plan

- Membership fee revenue was as planned. Profits increased through cafeteria plan introduction growth.
- Operating income exceeded the plan by 460 million yen, partly due to curbed supplemental payment to users and other expenses.

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



● Performance (Unit: 100 million yen)



Sales **3.53** billion yen/Operating income **970** million yen

+88.1% YoY, -3.4% vs. plan +63.3% YoY, +7.3% vs. plan

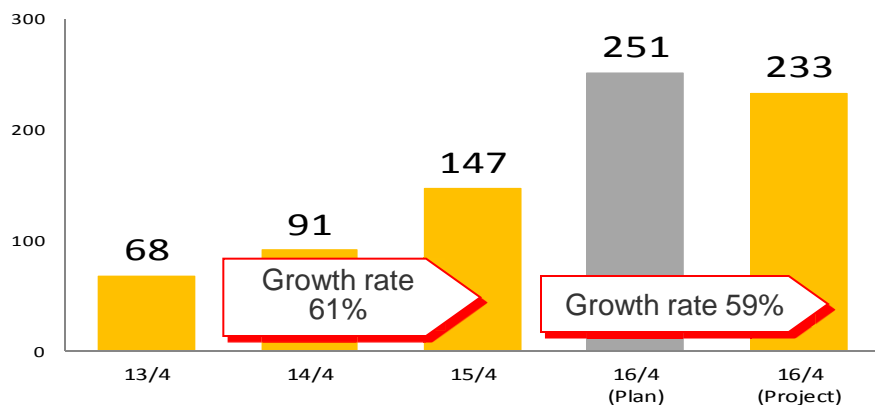
Year on year

Vs. plan

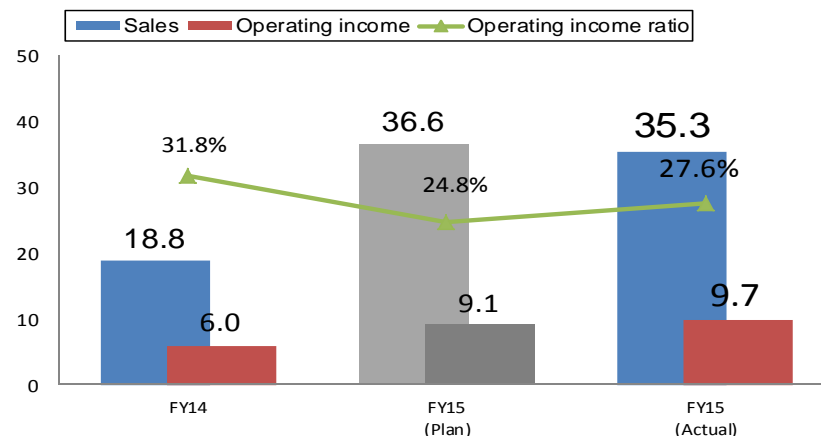
- Sales increased 1.9 times from the previous term, resulting from substantial growth of individual membership through collaboration with partners.
- Operating income increased by 380 million yen, absorbing the promotion costs for membership retention.
- Paying membership as of April 2016 is projected to be 2.33 million(*). Sales are to fall short of the plan by 120 million yen.
- Operating income exceeded the plan by 70 million yen partly resulting from curbed expenses such as promotions.

* Numbers of paying members as of Apr 16 are not fixed and thus projected figure.

● Personal Membership (Unit: 10,000 persons)



● Performance (Unit: 100 million yen)



Sales **2.44** billion yen/Operating income **330** million yen

+24.3% YoY, -18.7% vs. plan

+53.0% YoY, -9.2% vs. plan

Year on year

- Gross margin increased by 130 million yen, resulting from increases in point exchange and hoarded profit (+28 million yen).
- Both sales and operating income increased, with operating income up by 120 million yen, absorbing higher costs in personnel and promotions.

Vs. plan

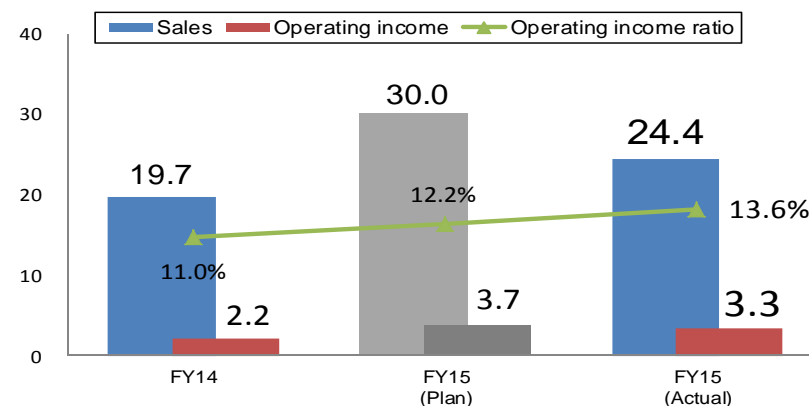
- Budget for each company did not achieve the plan despite an increase in inquiry. Both points granted and exchange did not achieve the plan.
- Exchange difference gain ratio and SG&A were kept under the plan.

● Grant points and exchange ratio

(Unit: 100 million yen)	FY14	FY15 (Plan)	FY15 (Actual)	YoY	Vs. plan
Balance carried forward	23.1	30.6	30.6	7.6	0.0
Grant	35.8	54.6	38.7	2.9	▲ 15.9
Existing	31.1	33.7	34.0	2.9	0.3
New	4.7	20.9	4.7	▲ 0.0	▲ 16.2
Cumulative grant point	58.9	85.3	69.3	10.5	▲ 15.9
Exchange ratio	41.1%	41.4%	41.6%	+0.6pt	+0.3pt

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

● Performance (Unit: 100 million yen)



Sales **4.26** billion yen/Operating income/loss **-30** million yen
 (Real term operating income excluding temporal expenses is 5 million yen)

+37.3% YoY, -14.9% vs. plan

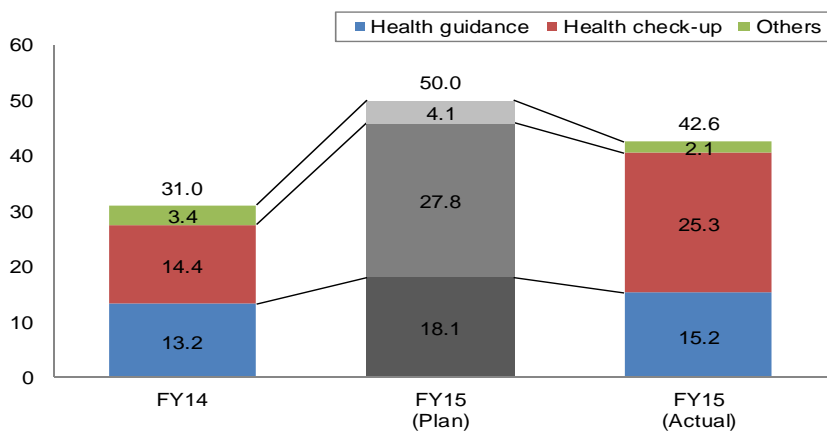
Year on year

Vs. plan

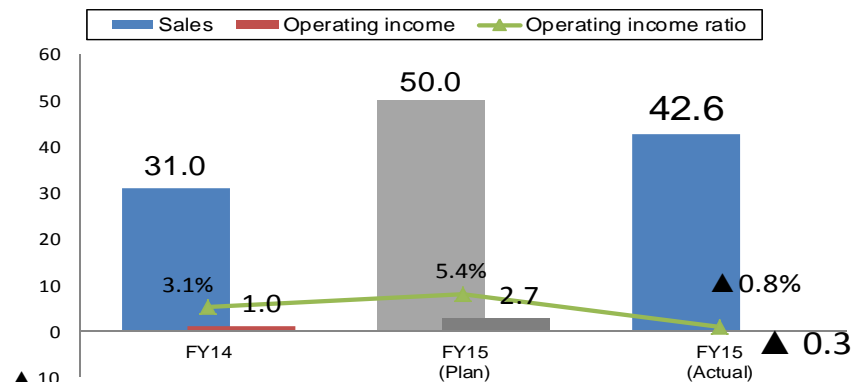
- Sales increased by 1.16 billion yen, resulting from substantial growth in both numbers of health check-up and health guidance conducted.
- On the other hand, additional operation costs were incurred by customized operation for new customer.
- Temporal loss of 38 million yen was recorded for software asset revaluation, etc.
- Delivery delay associated with inefficient operation in 1st half was recovered by the end of the term.

Real-term operating income excluding the temporal loss is 5 million yen.

● Sales breakdown (Unit: 100 million yen)



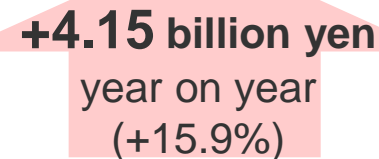
● Performance (Unit: 100 million yen)



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●Sales

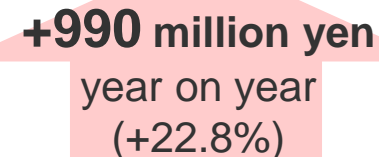
30.20 billion yen



+4.15 billion yen
year on year
(+15.9%)

●Operating income

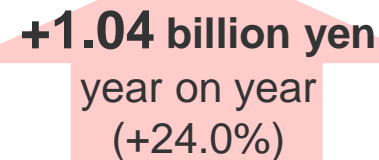
5.35 billion yen



+990 million yen
year on year
(+22.8%)





●Ordinary income

5.35 billion yen



+1.04 billion yen
year on year
(+24.0%)

Factors in the **990 million yen increase** from the previous term in operating income

(1)	Welfare Program Sales channels will expand through alliance enhancement	 +60 million yen
(2)	Personal Individual membership will further grow through collaboration partners increase	 +430 million yen
(3)	Incentive Focus on promotion market with high order unit price	 +120 million yen
(4)	Healthcare Profits will advance due to improved/ standardized terms and conditions	 +180 million yen
(5)	Overseas Business Customer companies will steadily expand	 +100 million yen
(6)	Other Businesses	 +100 million yen

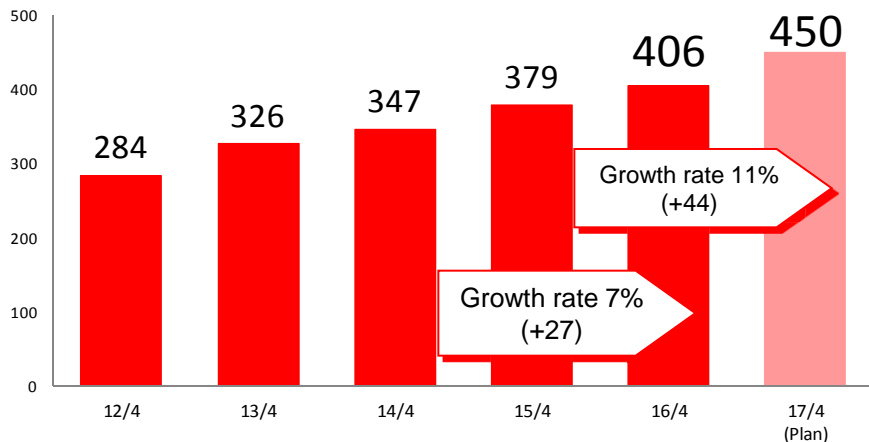
Sales **14.38** billion yen/Operating income **3.32** billion yen

+3.3% YoY

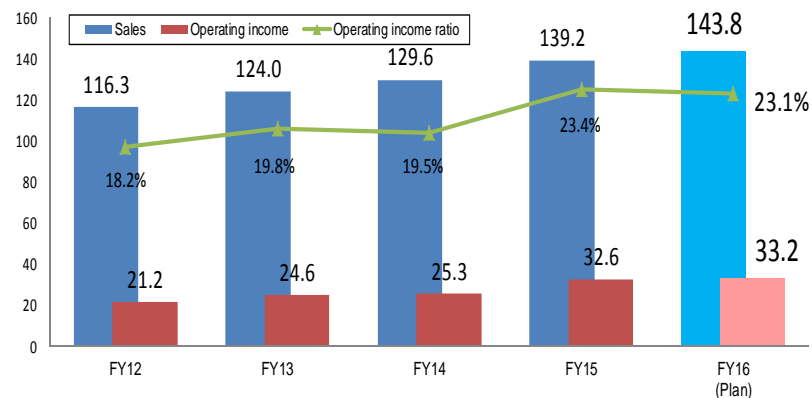
+2.0% YoY

- Initial membership as of April was 4.06 million (+7% YoY).
- Sales will increase by 460 million yen (+3.3% YoY), resulting from membership increase and sales mix change.
- While sales will increase, costs will decrease by 170 million yen (BPR effect will continue, and supplemental payment to users will be revised)
- Improved gross margin ratio (+2.8pt) will absorb system promotion cost up in SG&A
- Operating income ratio will be 23.1% (-0.3pt YoY)

Welfare program membership (Unit: 10,000 persons)



Performance (Unit: 100 million yen)



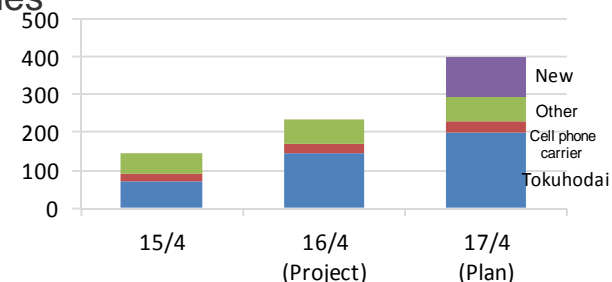
Sales **5.17** billion yen/Operating income **1.41** billion yen

+46.2% YoY

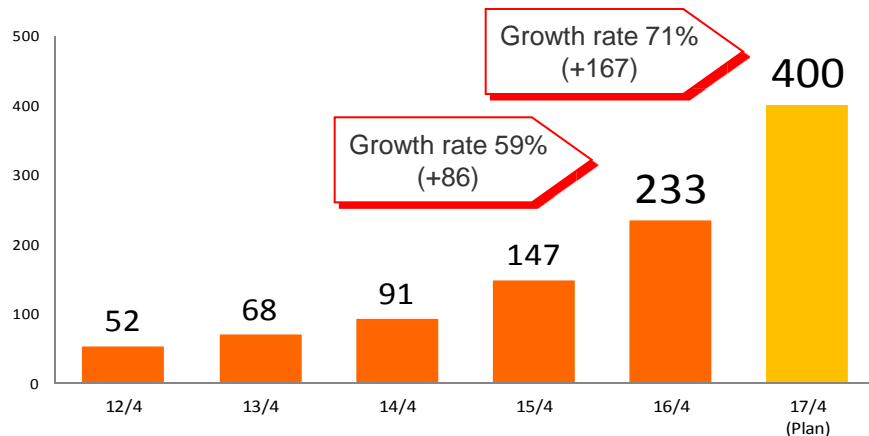
+44.3% YoY

- Initial membership as of April is expected to be 2,330,000 (*) (+59% YoY)
- Centering on collaboration such as “Tokuhodai” with cell phone carriers, business will expand to collaborations with life infrastructure companies in the 2nd half. Sales +1.63 billion yen
- Strategically invest in measures for UU ratio up and retention.
- Operating income is to increase by 430 million yen, leading growth

Membership breakdown

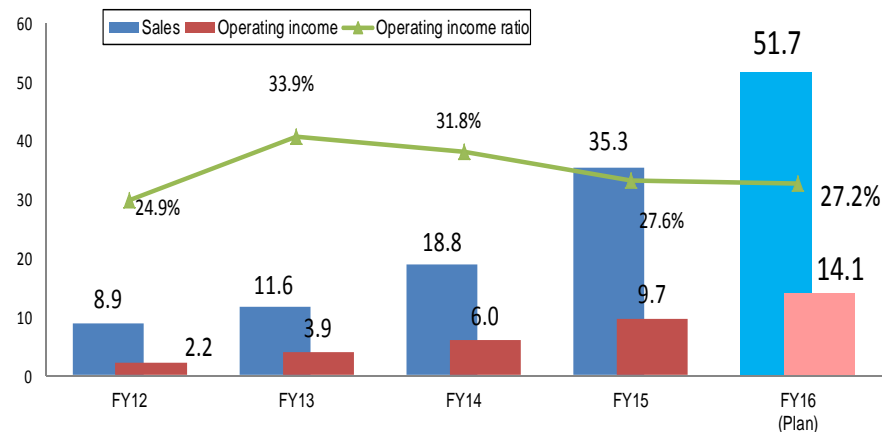


● Transition of personal membership (Unit: 10,000 persons)



* Numbers of paying members as of Apr 16 are not fixed and thus projected figure.

● Performance (Unit: 100 million yen)

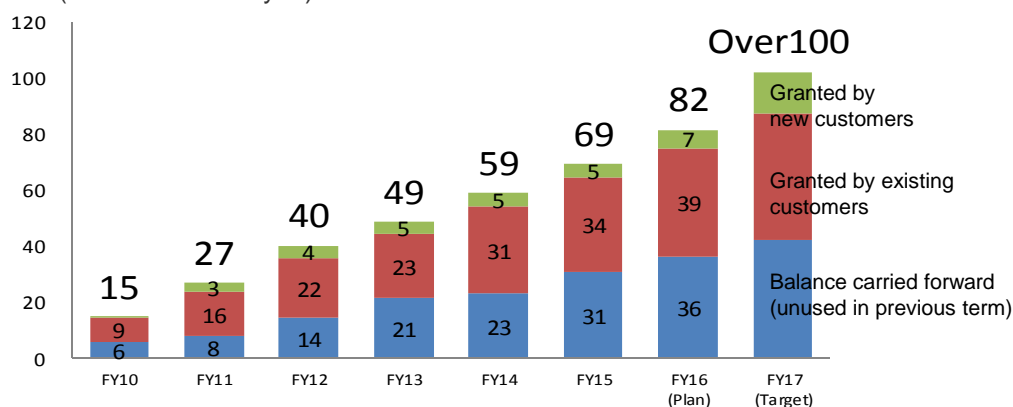


Sales **3.07** billion yen/Operating income **450** million yen

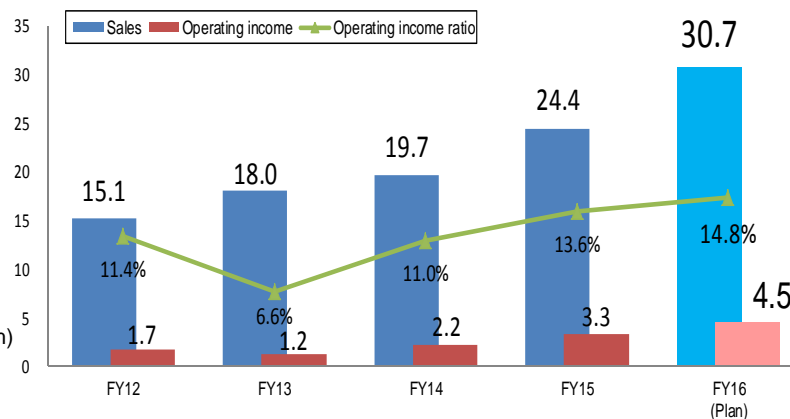
+25.5% YoY +36.6% YoY

- Carried forward points are 3.6 billion yen (+600 million yen)
- Points granted by new customers are planned as 700 million yen (+200 million yen); those by existing customers will also increase.
- New business development will focus on large companies and promotion market, where order unit price is high (target industries: pharmaceuticals and communications, etc.)
- Sales are expected to be 3.07 billion yen (+620 million yen), in connection with point grant increase.
- Exchange difference gain ratio will rise resulting from improved purchase conditions (the ratio is planned to improve 0.9pt YoY)

● Transition of cumulative grant point amount
(Unit: 100 million yen)



● Performance (Unit: 100 million yen)



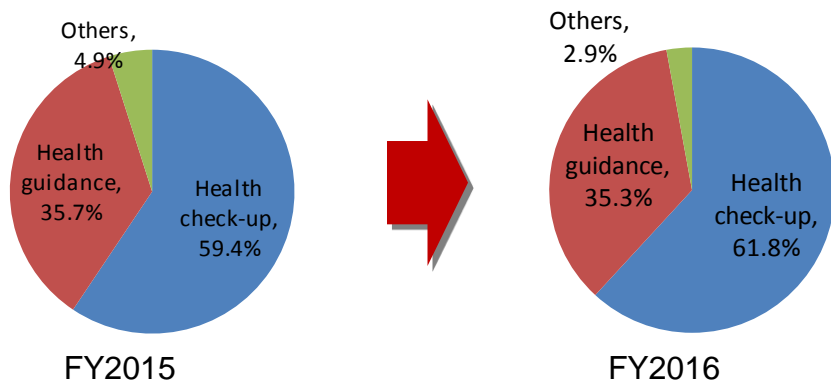
Sales **4.51** billion yen/Operating income **150** million yen

+6.0% YoY

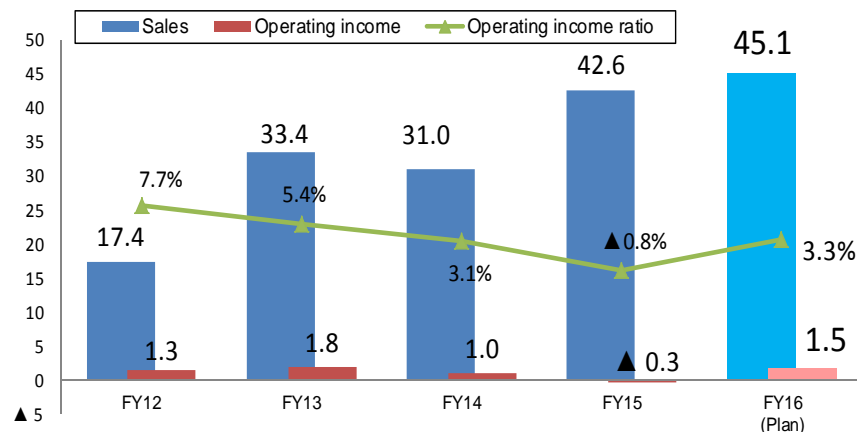
-30 million yen in the previous term

- Sales: +250 million yen
- Reduce the number of operations and enhance the quality control system, through reviews of unprofitable business and terms and conditions and/or services
- Profitability improvement efforts will show results beginning from the 2nd half. Operating income for full-term is to be 150 million yen (+180 million yen).

● Sales breakdown



● Performance transition (Unit: 100 million yen)



Sales **700** million yen/Operating income/loss **-120** million yen

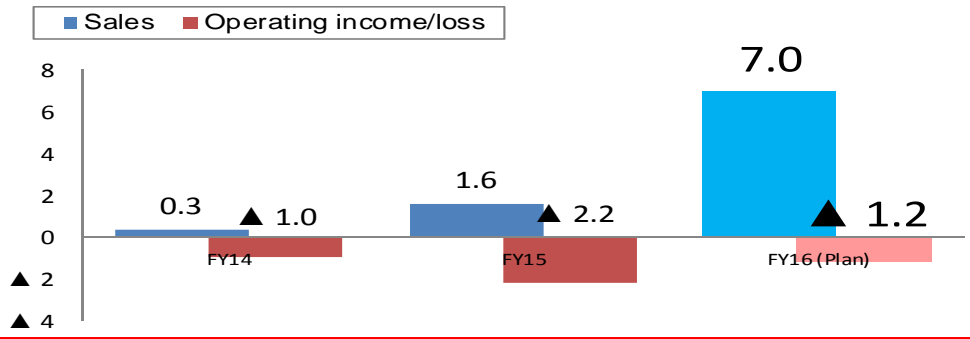
+349.0% YoY

-220 million yen in the previous term

Base	Main industry of existing partners	Measures
China	Pharmaceutical, manufacturing, retail	Utilize leading local agency
USA	Manufacturing, real estate	Entry into recognition communication market
Singapore	Finance, logistics, service	Support sales and service quality, through collaboration with local partners
Thailand	Manufacturing, communication, finance	Increase transactions with Thai Tobacco Monopoly and AIS → Sales + 160 million yen
Indonesia	IT, manufacturing	Focus on car dealers and life and damage insurance companies, whose promotional costs are generous
Germany	--	Utilize networks of partners

● Performance transition

(Unit: 100 million yen)



(5) Overseas Business (by basis)

● Profits and Losses by Overseas Basis

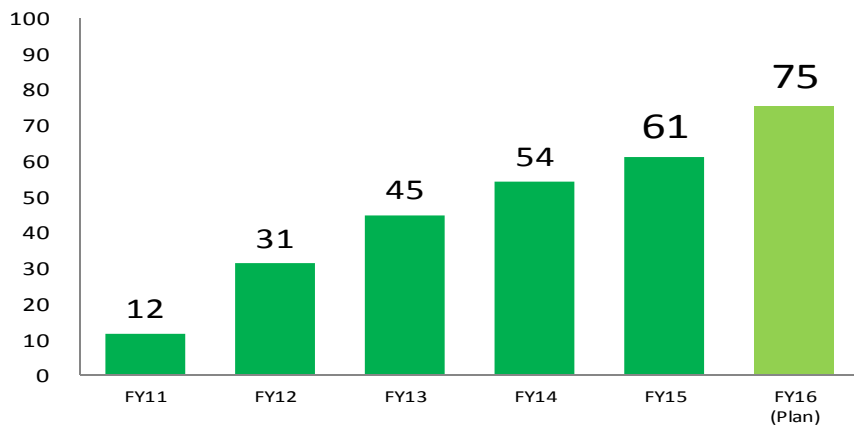
(Unit: million yen)		FY14 Actual	FY15 Actual	FY16 Plan	FY14→FY15 change	FY15→FY16 change
China	Sales	22	67	239	+45	+173
	Operating income/loss	▲ 64	▲ 62	▲ 27	+2	+35
USA	Sales	0	2	65	+2	+64
	Operating income/loss	0	▲ 41	▲ 29	▲ 41	+12
Singapore	Sales	10	7	22	▲ 3	+15
	Operating income/loss	▲ 33	▲ 33	▲ 20	▲ 1	+13
Thailand	Sales	-	84	246	-	+161
	Operating income/loss	-	▲ 15	4	-	+18
Indonesia	Sales	-	0	16	-	+16
	Operating income/loss	-	▲ 29	▲ 25	-	+4
Germany	Sales	-	0	114	-	+114
	Operating income/loss	-	▲ 43	▲ 29	-	+14
Taiwan (equity method)	Sales	55	146	308	+91	+162
	Operating income/loss	▲ 149	▲ 106	37	+43	+143

Sales **210** million yen/Operating income **20** million yen

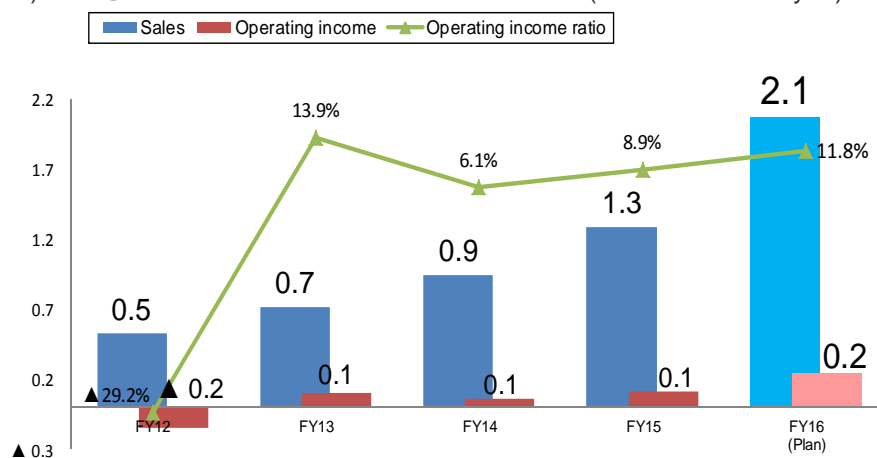
+61.8% YoY +114.2% YoY

- Number of customers for adjustment administrative work and BPO are to expand (47 → 70 companies)
- Commission management (expand line-up, negotiate commission rate)
- Operating income will increase by 20 million yen (114% up), absorbing prior IT investments for functional expansion and usability improvement, as well as personnel enhancement

● Transition of transaction amount (Unit: 100 million yen)



● Performance transition (Unit: 100 million yen)



(7) Cost-cutting Business (Sales **530** million yen/Operating income **130** million yen)

+6.1% YoY

+32.8% YoY

- Sales will increase by 30 million yen, resulting from expansions of paying agent service and line resale business
- Profits will also increase due to operation increase of existing platform; operating income will increase by 30 million yen

(8) CRM Business (Sales **560** million yen/Operating income **90** million yen)

+6.7% YoY

+48.9% YoY

- Sales +40 million yen and operating income +30 million yen, resulting from service expansion for wealthy customers including life insurance companies and banks

(9) Inbound Business (Sales **480** million yen/**Profits emerging for full-term**)

23.9 times YoY

-30 million yen in the previous term

- Real-term billings will about triple, excluding effects from tour sales recognition
- In addition to arranging travel and events, international credit card collaboration and constructing collaboration model with municipalities will be addressed

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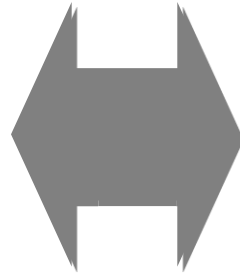
Creation of Service Distribution

Service-matching site that charges users

Distribution of goods



Members-only warehouse-type stores



Distribution of services



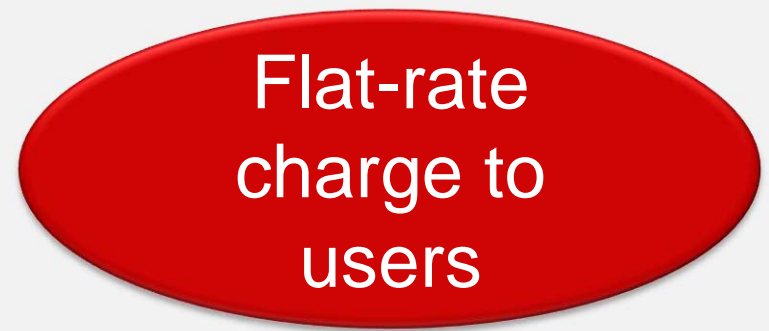
Members-only internet mall

Benefit One marks 20th Anniversary,
and internet use is heading toward the 2nd stage

Past



Future



Full-scale

Real-time service matching sites rise

Business is spreading from hotel, air ticket ⇒ to other industries such as gourmet, entertainment and healthcare, etc.

Model of flat-rate charge to users (i.e. subscription)

Ad-oriented

Supplier

Ad revenue
Commission 



Typical free-of-charge
matching site

User

Flat-rate
charge

Supplier



Charged matching site

Flat-rate charge 

User

Unique business model ensures competitive edge

1. Providing users with inexpensive wholesale service price

Pass savings onto users



Fair and equitable review

2. Providing suppliers with service rating through eyes of users

Ordinary income plan in 2016 is 5.35 billion yen, 24% up YoY.

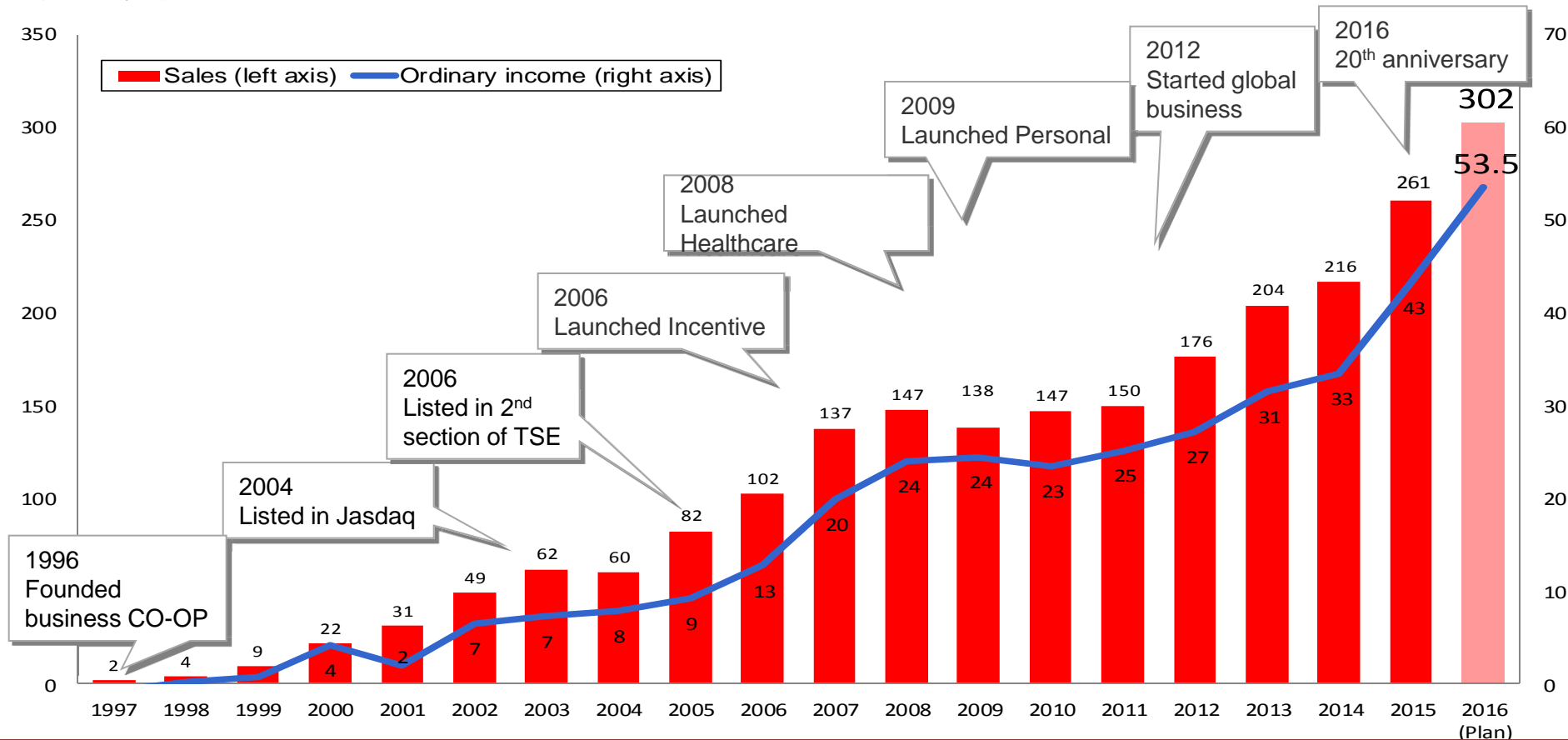
1st stage
Pursuing economies of scale

2nd stage
Promoting diversification

3rd stage
Entering BtoC market

(million yen)

(million yen)



Target membership for April 2017 is 10 million; BtoC membership is to account for over half.

Total membership April 2015: 6.86 million

Increasing by 0.99 million from April 2015

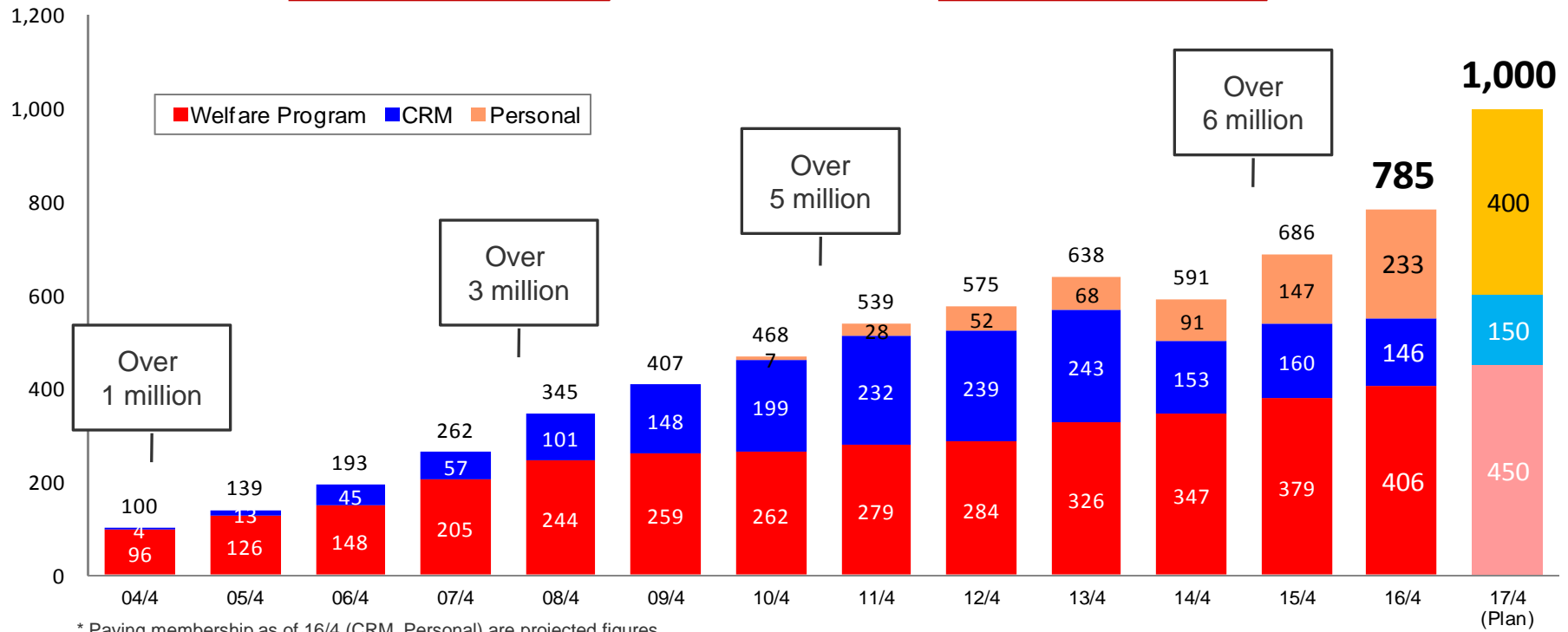
- Welfare Program: +0.27 mil
- CRM: -0.15 mil
- Personal: +0.86 mil

Total membership April 2016: 7.85 million (*)

Increasing by 2.15 million from April 2015

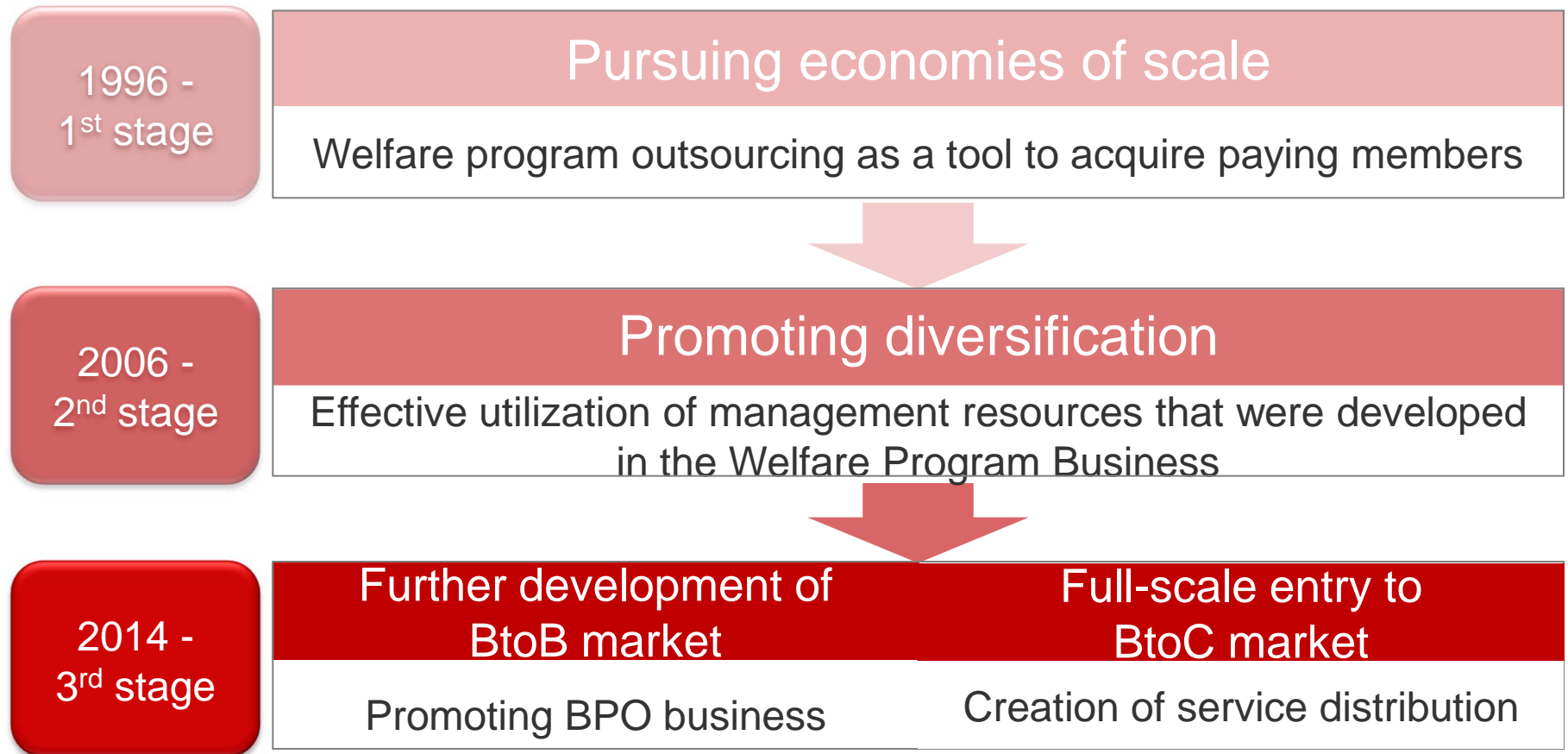
- Welfare Program: +0.44 mil
- CRM: 0.04 mil
- Personal: +1.67 mil

Total membership April 2017: 10 million



* Paying membership as of 16/4 (CRM, Personal) are projected figures.

We have re-defined our business domains since FY2014, centering on concepts of “BtoB’ and “BtoC’.



Backed by changes in environment
surrounding Japanese economy and society

● Labor shortage

Worker population decreasing
Selection and focus on core
function
Increasing needs for outsourcing

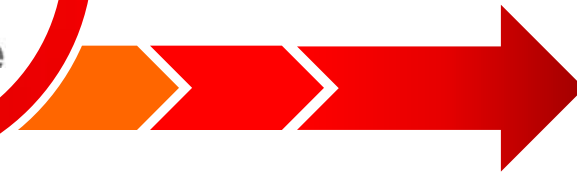
● National strategy for healthcare

Health management, data
health plan
Legislation of stress check
Health point



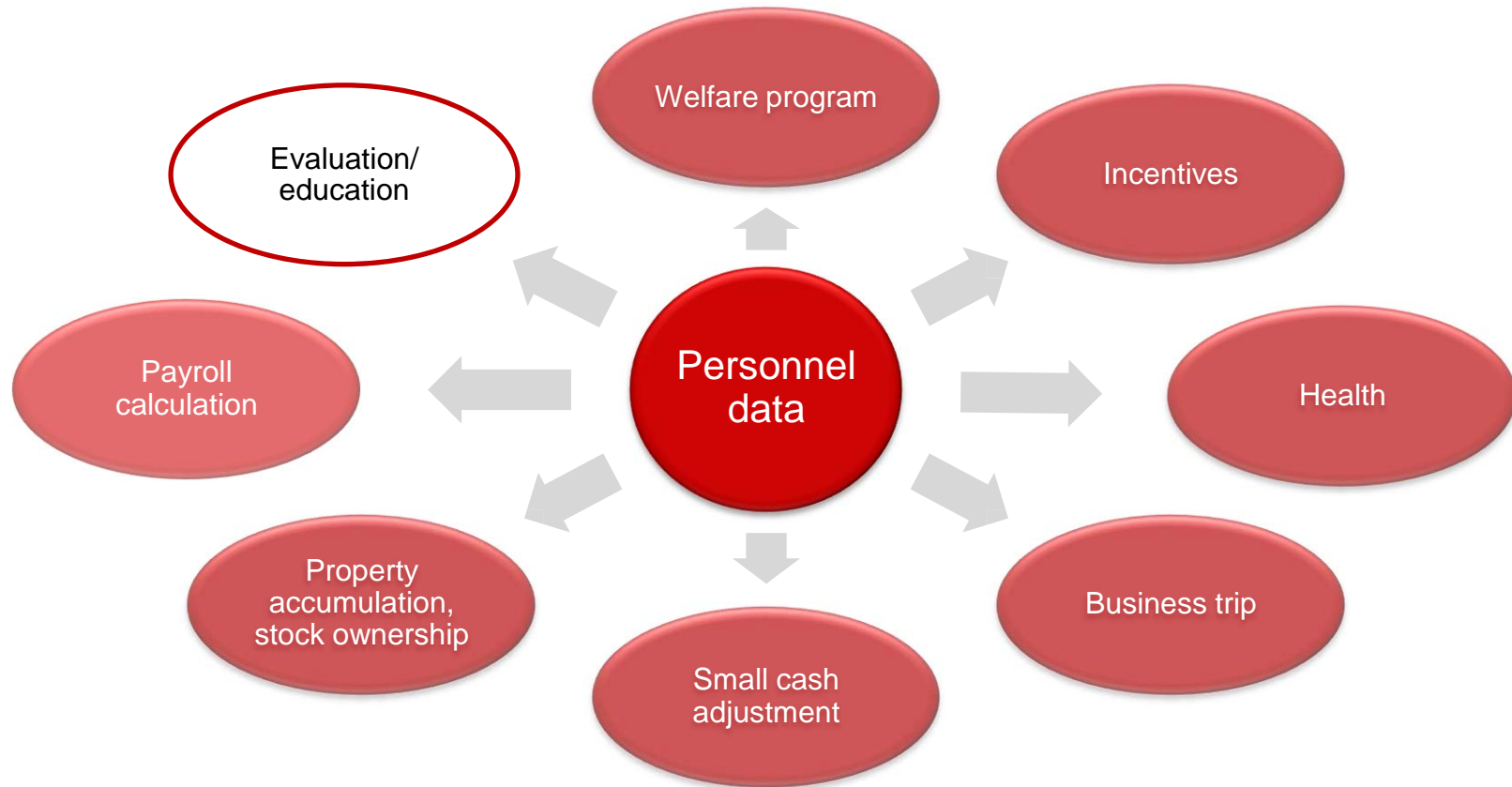
● Governance enhancement

Companies Act revised
Corporate governance code
Visualization of expenses



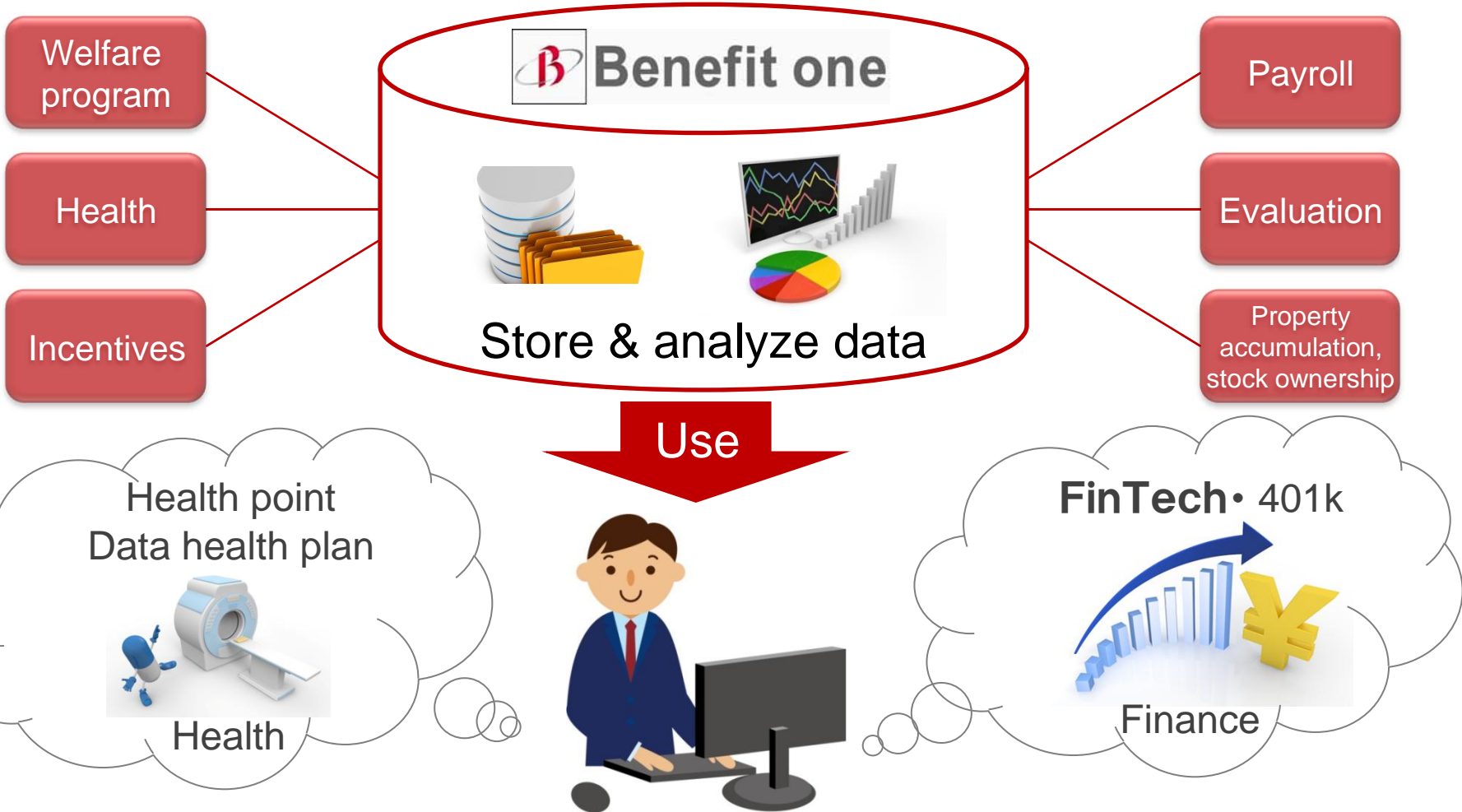
Accelerated **growth**
is promoted toward
BPO business

One stop solution of BPO service, taking advantage of personnel data



BPO contributes to improvement of management efficiency and employees' satisfaction of companies

Create new added-value and market, by taking advantage of big data obtained in occupational fields



Backed by changes in users' purchasing behavior and awareness of IT use

● Flat-rate charge model

Penetration of subscription
(i.e. flat-rate charge system)

User charge model
Rise of service matching sites

● Needs for differentiation strategy

Differentiation strategy is a must
toward customer acquisition and
retention, in view of energy
market liberalization

● Penetration of online
reservation

Digitalization of service inventory
information
Penetration of sharing economy
Entering into age of consumption
with IT using smart phones only



Great opportunity to approach
**Creation of Service
Distribution** at accelerated pace



Expand successful model of collaboration with partners, and acquire substantial number of membership

Original package



Service that matches clients' main product/service



Incorporate into life as
infrastructure

Cell phone carrier

Energy industry

Financial industry

Platformer

Advance to smart phone-contained services, corresponding to penetration of IT-use consumption

Internet was information search tool

From PUSH notification of information to reservation, settlement and actual use

Before



After



Information service



Reservation/application



Settlement



Use



3 areas to enhance: gourmet, entertainment and healthcare

Service price fluctuates on inventory share type model (sharing economy)

**Supplier
(Supply)**

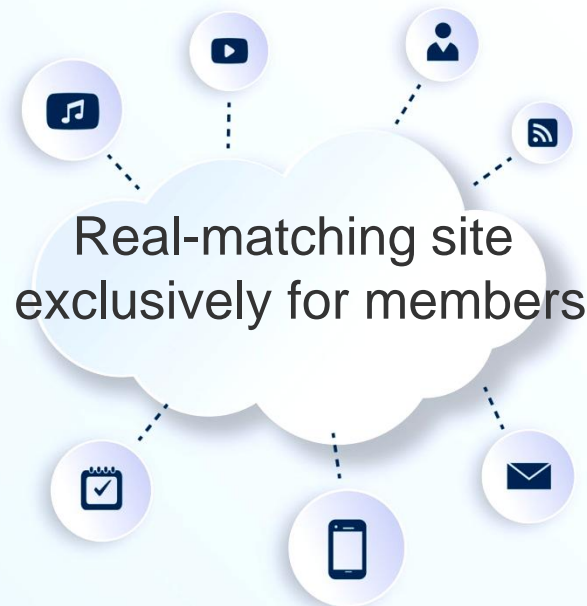
Price fluctuation system
according to supply-demand
balance

**User
(Demand)**

Needs for
attracting customers
(low season)

Vacancy
information

High discount
rate




Needs for
discounting
(limited time/period)

Reservation/
settlement

Benefits for
members

Competitive priority is reversed when paying membership exceeds a certain number

	Free of charge matching site	Paying matching site 
Revenue source	Ads revenue, commission	Flat-rate charge revenue (no commission)
Attracting customers	Easy to attract non-paying members at once	Step-by-step accumulation of paying membership
Store development	Easy to develop stores at once	Step-by-step development according to number of customers forwarded
Type of contents	Boutique-type contents	Comprehensive contents
Charge type	Transaction business according to number of customers forwarded	Stock business according to number of membership
Target customer	Light users	Heavy users

Target membership in 2020 Olympic year is 30 million

2016

- Energy market liberalization
10 trillion yen market in total of electricity and gas
- toC market is backed by demand for differentiation strategy
- Full-scale preparation for health point backed by national policy such as data health plan
- Individual-type DC market expansion
Individual-type defined contribution pension plan targets increase

2020

Tokyo Olympic Game
Over 200,000 new jobs are created, and over 500,000 foreigners are expected to visit Japan.
toC market expansion is accelerated.

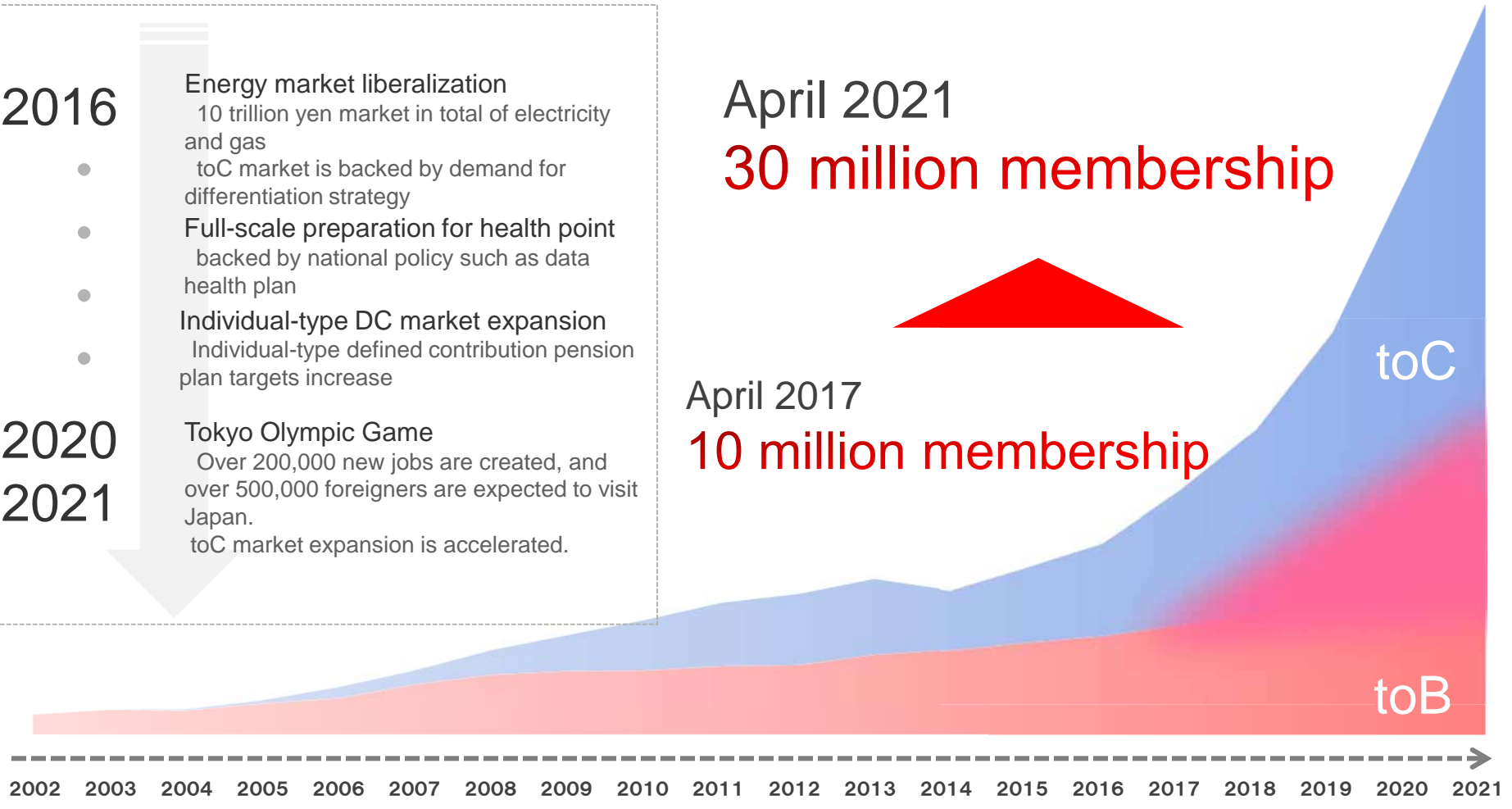
2021

April 2021

30 million membership

April 2017

10 million membership



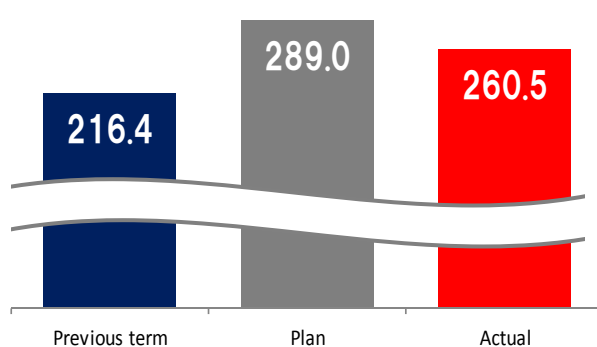
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Operating income hit record high for 5 consecutive terms

(Unit: 100 million yen)

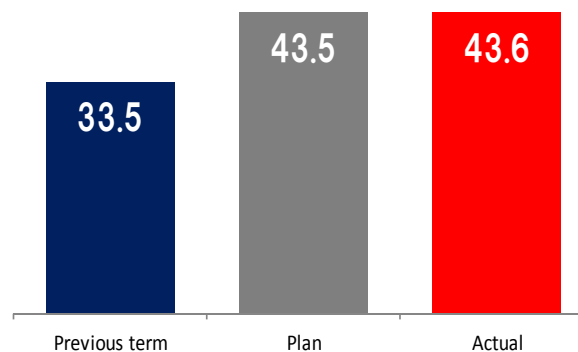
Sales

+20.4% YoY, -9.8% vs. plan



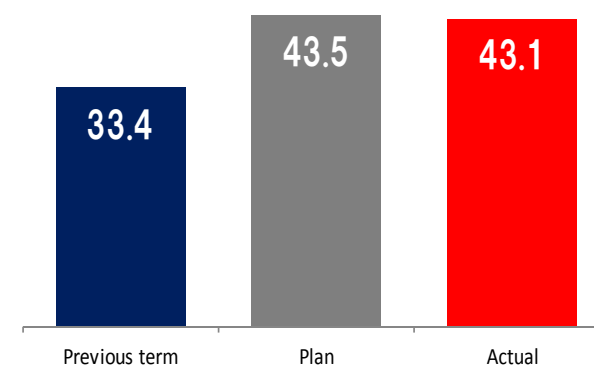
Operating income

+29.9% YoY, +0.1% vs. plan



Ordinary income

+29.0% YoY, -0.8% vs. plan



(Unit: million yen)	Previous term	(%)	Plan	(%)	Actual	(%)	YoY Change	(%)	Change from plan	(%)
Sales	21,642	(100.0)	28,900	(100.0)	26,053	(100.0)	4,411	+20.4%	▲2,846	▲9.8%
Operating income	3,353	(15.5)	4,350	(15.1)	4,355	(16.7)	1,002	+29.9%	5	+0.1%
Ordinary income	3,343	(15.4)	4,350	(15.1)	4,313	(16.6)	970	+29.0%	▲36	▲0.8%
Net income attributable to parent company	1,983	(9.2)	2,780	(9.6)	2,737	(10.5)	753	+38.0%	▲42	▲1.5%

Cost of sales ratio: 60.7% (-0.7pt YoY), due to BPR effect, etc.

(Unit: 100 million yen)	Previous term	Plan	Actual	YoY Change	Change from plan	
					(%)	(%)
Cost of sales	13,289	18,462	15,812	2,523	+19.0%	▲2,650 ▲14.4%
Cost of goods purchased	7,577	10,491	8,518	942	+12.4%	▲1,972 ▲18.8%
Supplemental payment (hotel/service)	3,536	3,949	3,712	176	+5.0%	▲237 ▲6.0%
Guidebook	552	552	495	▲57	▲10.4%	▲57 ▲10.4%
Incentive	1,484	2,292	1,830	345	+23.3%	▲462 ▲20.2%
Product sales	663	898	664	1	+0.1%	▲234 ▲26.1%
Manufacturing cost	5,713	7,971	7,294	1,581	+27.7%	▲677 ▲8.5%
Labor cost	2,461	2,602	2,487	26	+1.1%	▲115 ▲4.4%
Manufacturing expense	3,252	5,369	4,807	1,555	+47.8%	▲562 ▲10.5%
Cost of sales ratio	61.4%	63.9%	60.7%	▲0.7pt	—	▲3.2pt —

SG&A ratio: 22.6% (-0.5pt YoY),
after absorbing head office relocation costs

(Unit: 100 million yen)	Previous term	Plan	Actual	YoY Change	Change from plan	
					(%)	(%)
SG&A	4,999	6,088	5,885	886	+17.7%	▲ 202 ▲ 3.3%
Labor cost	2,492	2,868	2,714	222	+8.9%	▲ 153 ▲ 5.3%
General expenses	2,506	3,220	3,170	664	+26.5%	▲ 49 ▲ 1.5%
SG&A ratio	23.1%	21.1%	22.6%	▲ 0.5pt	—	1.5pt —

Operating income achieved the plan

(Unit: million yen)	Plan	(%)	Actual	(%)	Change from plan	(%)
Sales	28,900	(100.0)	26,053	(100.0)	▲2,846	▲9.8%
Cost of sales	18,462	(63.9)	15,812	(60.7)	▲2,649	▲14.4%
Gross profit	10,438	(36.1)	10,241	(39.3)	▲196	▲1.9%
SG&A	6,088	(21.1)	5,885	(22.6)	▲202	▲3.3%
Operating income	4,350	(15.1)	4,355	(16.7)	5	+0.1%
Ordinary income	4,350	(15.1)	4,313	(16.6)	▲36	▲0.8%
Net income	2,780	(9.6)	2,737	(10.5)	▲42	▲1.5%

● Sales

- **Healthcare** (building structure for new order receipt delayed)
- **Incentive** (Partners' points did not achieve the plan)
- **Overseas** (start-up delayed)

● Cost of sales

- Supplemental payment and promotion expenses were below the plan
- Productivity improved due to BPR effect

● SG&A

- While we strategically invested in system and promotion, etc., SGA as a whole was curbed.

● Investment plan for software and tangible fixed assets

(Unit: million yen)	14 Actual	15 Actual	16 Plan	14→15 change	(%)	15→16 change	(%)
Benefit One	720	552	699	▲169	▲23%	+148	+27%
Software	376	404	583	+28	+7%	+178	+44%
Tangible fixed assets (including leased assets)	344	147	117	▲197	▲57%	▲31	▲21%
Benefit One Healthcare	202	198	104	▲4	▲2%	▲95	▲48%
Software	186	196	64	+9	+5%	▲132	▲67%
Tangible fixed assets (including leased assets)	16	3	40	▲13	▲84%	+37	+1492%
Benefit One Solutions	92	57	90	▲35	▲38%	+33	+57%
Software	92	44	90	▲48	▲52%	+46	+106%
Tangible fixed assets (including leased assets)	0	14	0	+14	+5533%	▲14	▲100%
Consolidated overseas affiliates (excluding equity method subs)	18	22	32	+4	+22%	+10	+47%
Software	17	19	32	+1	+7%	+13	+72%
Tangible fixed assets (including leased assets)	0	3	0	+3	+766%	▲3	▲100%
Total	1,032	820	925	▲212	▲21%	+105	+13%
Software	672	654	768	▲18	▲3%	+115	+18%
Tangible fixed assets (including leased assets)	361	167	157	▲194	▲54%	▲10	▲6%

Note 1: Including amount equivalent to long-term prepaid expenses (14 Actual: 23M, 15 Actual: 82M).

Note 2: Including leased equipment (14 Actual: 84M, 15 Actual: 42M, 16 Plan: 117M).

Note 3: Including consolidated adjustments (15 Actual: -9M)

● Financial condition

		15/3	16/3	Change
Total assets	Million yen	20,564	22,002	+1,438
Current assets	Million yen	13,446	16,180	+2,734
Fixed assets	Million yen	7,118	5,821	▲1,296
Net assets	Million yen	11,871	11,927	+55
Equity ratio	%	57.0	53.9	▲3.1pt

■ Cash equivalents: +1,322
 ■ Accounts receivable: +922
 ■ Deposits: +499

Sale of accommodation facilities for welfare members

■ Net income attributable to parent company shareholders: +2,737
 ■ Dividend payment: -983
 ■ Acquisition of treasury stock: -1,464

● Management index

		15/3	16/3	Change
Operating income ratio	%	15.5	16.7	+1.2pt
Ordinary income ratio	%	15.4	16.6	+1.2pt
Net income ratio attributable to parent company shareholders	%	9.2	10.5	+1.3pt
Net income per share	Yen	48.41	67.34	+18.93

(Unit: million yen)	15/3	16/3	Change
CF from operating activities	2,812	3,941	+1,129
CF from investing activities	▲1,859	33	+1,892
CF from financing activities	▲932	▲2,527	▲1,594
Cash and cash equivalents at end of year	6,669	8,262	+1,594

● **Cash increase**

- Net income before income taxes 4,311
- Depreciation 722
- Increase in advances received 615

● **Cash decrease**

- Increase in accounts receivables 923
- Corporate tax payment 1,413

● **Cash increase**

- Sale of tangible/intangible fixed assets 863

● **Cash decrease**

- Acquisition of tangible/intangible fixed assets 806

● **Cash decrease**

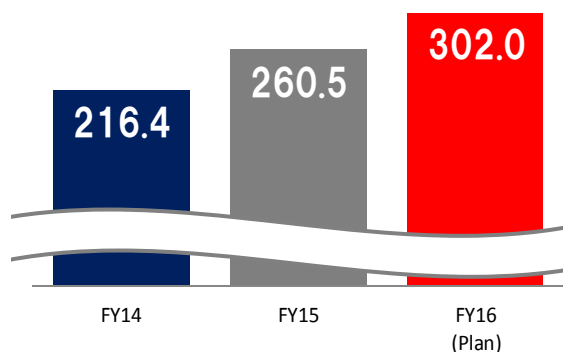
- Payment of dividend 983
- Acquisition of own shares 1,464

Ordinary income plan for FY2016 is 5.35 billion yen, 24% up YoY

(Unit: 100 million yen)

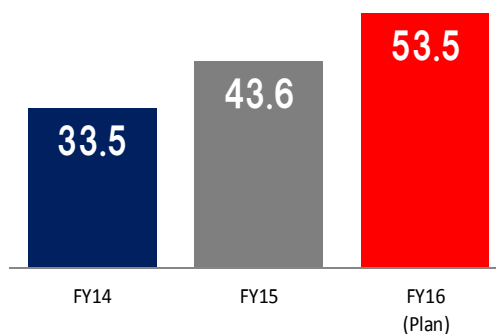
Sales

+15.9% YoY



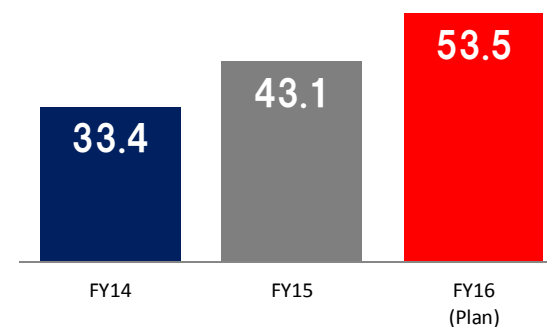
Operating income

+22.8% YoY



Ordinary income

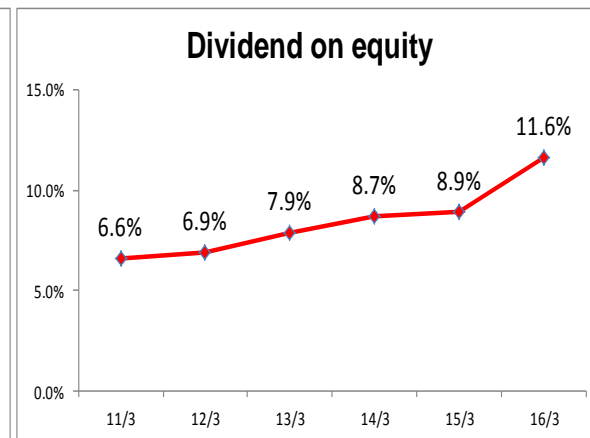
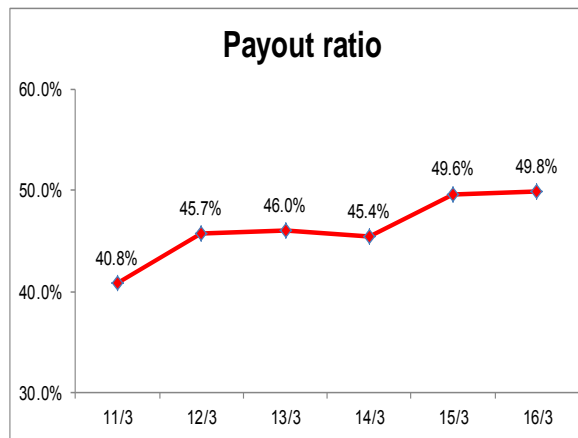
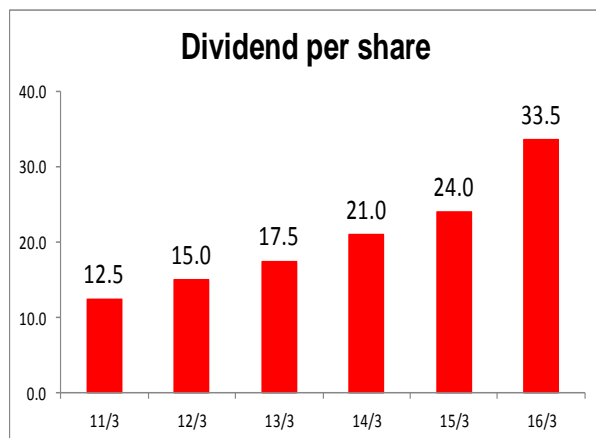
+24.0% YoY



(Unit: million yen)	FY14	(%)	FY15	(%)	FY16 (Plan)	(%)	14→15 change	(%)	15→16 change	(%)
Sales	21,642	(100.0)	26,053	(100.0)	30,200	(100.0)	4,411	+20.4%	4,146	+15.9%
Operating income	3,353	(15.5)	4,355	(16.7)	5,350	(17.7)	1,002	+29.9%	994	+22.8%
Ordinary income	3,343	(15.4)	4,313	(16.6)	5,350	(17.7)	970	+29.0%	1,036	+24.0%
Net income attributable to parent company	1,983	(9.2)	2,737	(10.5)	3,500	(11.6)	753	+38.0%	762	+27.9%

Profit and Loss Statement		FY11	FY12	FY13	FY14	FY15	FY16
		Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Plan
Sales	(million yen)	14,959	17,610	20,356	21,642	26,053	30,200
YoY	(%)	+1.8%	+17.7%	+15.6%	+6.3%	+20.4%	+15.9%
Gross profit	(million yen)	5,900	6,688	7,538	8,352	10,241	12,000
YoY	(%)	+5.0%	+13.4%	+12.7%	+10.8%	+22.6%	+17.2%
Gross profit ratio	(%)	+39.4%	+38.0%	+37.0%	+38.6%	+39.3%	+39.7%
Operating income	(million yen)	2,471	2,731	3,169	3,353	4,355	5,350
YoY	(%)	+9.0%	+10.5%	+16.0%	+5.8%	+29.9%	+22.8%
Operating income ratio	(%)	+16.5%	+15.5%	+15.6%	+15.5%	+16.7%	+17.7%
Ordinary income	(million yen)	2,512	2,714	3,145	3,343	4,313	5,350
YoY	(%)	+7.3%	+8.0%	+15.9%	+6.3%	+29.0%	+24.0%
Ordinary income ratio	(%)	+16.8%	+15.4%	+15.5%	+15.4%	+16.6%	+17.7%
Net income	(million yen)	1,447	1,623	1,892	1,983	2,737	3,500
YoY	(%)	+7.2%	+12.2%	+16.5%	+4.8%	+38.0%	+27.9%
Net income ratio	(%)	+9.7%	+9.2%	+9.3%	+9.2%	+10.5%	+11.6%
Balance Sheet							
Total assets	(million yen)	15,283	16,316	18,480	20,564	22,002	-
Current assets	(million yen)	11,792	11,675	12,369	13,446	16,180	-
Net assets	(million yen)	9,618	9,227	10,644	11,871	11,927	-
Cashflow Statement							
CF from operating activities	(million yen)	2,533	2,631	2,211	2,812	3,941	-
CF from investing activities	(million yen)	167	▲ 1,821	▲ 1,717	▲ 1,859	33	-
CF from financing activities	(million yen)	▲ 574	▲ 2,095	▲ 555	▲ 932	▲ 2,527	-
Ending balance of cash and equivalents	(million yen)	7,908	6,624	6,567	6,669	8,262	-

Annual DOE and payout ratio are over 5% and above 40% level, respectively



Management Index		FY11	FY12	FY13	FY14	FY15
		Consolidated	Consolidated	Consolidated	Consolidated	Consolidated
Equity ratio	(%)	62.9%	56.6%	56.7%	57.0%	53.9%
Ordinary income on total assets (ROA)	(%)	16.4%	17.2%	18.1%	17.1%	20.3%
Return on equity capital (ROE)	(%)	15.0%	17.2%	19.2%	17.9%	23.2%
Earning per share (EPS)	(yen)	32.85	38.06	46.21	48.41	67.34
Book-value per share (BPS)	(yen)	218.32	225.52	255.52	286.10	293.59
Dividend per share (DPS)	(yen)	15.0	17.5	21.0	24.0	33.5
Payout ratio	(%)	45.7%	46.0%	45.4%	49.6%	49.8%
Dividend on equity (DOE)	(%)	6.9%	7.9%	8.7%	8.9%	11.6%

* Our company adopts the share unit system where one common share is split into 200 shares and the number of one share unit is 100 shares, effective on October 1, 2013.

* Such split is retroactively reflected in the above amounts.

No	Category	Business	Description
1	BtoB	Welfare Program Business	Welfare outsourcing service for various needs of companies' employees
2		Incentive Business	Loyalty and motivation increase support service, through various point exchange items
3		Healthcare Business	Preventative health support service from health check-up appointment agency to the implementation of specific health guidance and mental check-up
4		BTM Business	Business travel support service, aiming at cost-cutting, operation efficiency improvement and compliance enhancement
5		Cost-cutting Business	Outsourcing service of administrative work, such as adjustments for communication line use and travel expenses
6		Payroll Business	Outsourcing service of payroll calculation (equity-method subsidiary)
7	BtoC	Personal Business	Real-matching service for individual customers
8		CRM Business	Customer satisfaction and loyalty improvement support service, for clients' customers
9		Inbound Business	Providing services for foreigners visiting Japan, and planning and managing trips and events for employees
10	BtoB	Overseas Business	Mainly incentive business is operated in 7 countries (6 consolidated subs and 1 equity method sub)

Transition of Sales by Business

Sales by business			FY11	FY12	FY13	FY14	FY15	FY16	
			Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Plan	
Sales		(million yen)	14,959	17,610	20,356	21,642	26,053	30,200	
	YoY	(%)	+1.8%	+17.7%	+15.6%	+6.3%	+20.4%	+15.9%	
B t o B	Welfare Program Business	(million yen)	11,356	11,627	12,399	12,959	13,918	14,382	
	YoY	(%)	▲5.4%	+2.4%	+6.6%	+4.5%	+7.4%	+3.3%	
	Incentive Business	(million yen)	993	1,512	1,796	1,965	2,442	3,065	
	YoY	(%)	+75.8%	+52.3%	+18.8%	+9.4%	+24.3%	+25.5%	
	Healthcare Business	(million yen)	682	1,737	3,336	3,100	4,257	4,511	
	YoY	(%)	+19.4%	+154.5%	+92.1%	▲7.1%	+37.3%	+6.0%	
	BTM Business	(million yen)	19	52	71	94	128	208	
	YoY	(%)	+218.9%	+170.4%	+35.7%	+32.8%	+35.9%	+61.8%	
	Cost-cutting Business	(million yen)	-	345	369	405	495	525	
	YoY	(%)	-	-	+6.8%	+9.8%	+22.0%	+6.1%	
	B t o C	Personal Business	(million yen)	577	892	1,158	1,879	3,535	5,167
		YoY	(%)	+129.1%	+54.6%	+29.9%	+62.2%	+88.1%	+46.2%
CRM Business		(million yen)	902	844	631	552	526	561	
YoY		(%)	▲0.4%	▲6.4%	▲25.3%	▲12.5%	▲4.6%	+6.7%	
Inbound Business		(million yen)	14	66	29	29	20	480	
YoY		(%)	-	+387.6%	▲56.4%	+0.7%	▲30.9%	+2285.6%	
Overseas Business		(million yen)	-	-	-	32	155	698	
	YoY	(%)	-	-	-	-	+381.9%	+349.0%	

Transition of Operating Income by Business

Operating income by business			FY11	FY12	FY13	FY14	FY15	FY16
			Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Plan
Operating income		(million yen)	2,471	2,731	3,169	3,353	4,355	5,350
YoY		(%)	+9.0%	+10.5%	+16.0%	+5.8%	+29.9%	+22.8%
B t o B	Welfare Program Business	(million yen)	2,284	2,119	2,461	2,530	3,256	3,320
	YoY	(%)	▲ 5.3%	▲ 7.2%	+16.1%	+2.8%	+28.7%	+2.0%
	Incentive Business	(million yen)	125	173	118	217	332	454
	YoY	(%)	+118.2%	+38.8%	▲ 31.9%	+84.5%	+53.0%	+36.6%
	Healthcare Business	(million yen)	1	134	179	96	▲ 33	150
	YoY	(%)	-	+9935.6%	+33.7%	▲ 46.2%	-	-
B t o C	BTM Business	(million yen)	▲ 50	▲ 15	10	6	11	25
	YoY	(%)	-	-	-	▲ 41.8%	+99.0%	+114.2%
	Cost-cutting Business	(million yen)	-	68	75	87	100	133
YoY	(%)	-	-	+9.7%	+16.0%	+14.9%	+32.8%	
B t o C	Personal Business	(million yen)	78	222	392	597	975	1,407
	YoY	(%)	-	+183.9%	+76.6%	+52.2%	+63.3%	+44.3%
	CRM Business	(million yen)	78	119	57	35	62	93
YoY	(%)	+109.7%	+52.1%	▲ 52.0%	▲ 38.5%	+77.0%	+48.9%	
B t o C	Inbound Business	(million yen)	▲ 25	▲ 19	▲ 6	▲ 6	▲ 33	1
	YoY	(%)	-	-	-	-	-	-
Overseas Business		(million yen)	-	-	▲ 6	▲ 96	▲ 223	▲ 122
YoY		(%)	-	-	-	-	-	-

Creation of Service Distribution

- One-stop site for service matching -

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This material is intended to provide information on the performance of the financial results for the fiscal year ended March 2016. In no way is the information intended to solicit an investment in securities issued by the Company. The information is prepared based on data as of the end of March 2016. Accordingly, the opinions or forecasts on this presentation are dependent on the judgment of the Company at the time of preparation, and do not guarantee nor pledge accuracy or integrity of the information. In addition, such opinions or forecasts may be changed without notice.