

January 31, 2017

Financial Highlights for the Third Quarter Ending March 31, 2017

<Outline of consolidated results for 3rd quarter>

- Benefit Services business performed well. Sales in Incentive business and Healthcare business substantially increased. Consolidated sales increased by 16.4% YoY.
- Cost to sales ratio dropped by 1.5 points to 59.2%, resulting from economy of scale and improved operation efficiency.
- SG&A to sales ratio dropped by 2.2 points to 21.4%, resulting from improved sales organization's efficiency which absorbed the costs of system-related investment.
- Impact of Personal member numbers shortage was mitigated by unit price revision. Current exploration of new business partners will contribute to the corporate performance of the next fiscal year.
- As a result, both operating income and operating income to sales performed well, with 4,198 million yen (+43.8%) and 19.4% (+3.7 points), respectively.
- The previously announced performance forecast for the full-term is currently unchanged.

1. Consolidated financial results for the cumulative third quarter (from April 1, 2016 to December 31, 2016)

(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	18,590	—	21,647	—	3,057	+16.4%	30,200	71.7%
Cost of sales	11,288	60.7%	12,821	59.2%	1,532	+13.6%	—	—
Gross profit	7,301	39.3%	8,826	40.8%	1,524	+20.9%	—	—
SG&A expenses	4,380	23.6%	4,627	21.4%	246	+5.6%	—	—
Operating profit	2,920	15.7%	4,198	19.4%	1,277	+43.8%	5,350	78.5%
Recurring profit	2,885	15.5%	4,150	19.2%	1,265	+43.9%	5,350	77.6%
Income attributable to owners of parent	1,865	10.0%	2,804	13.0%	939	+50.3%	3,500	80.1%

2. Performance of major businesses (from April 1, 2016 to December 31, 2016)

(in million yen)	Sales	Year-on-year		Operating profit	Year-on-year		Factors for changes
		Change	%		Change	%	
Benefit Services	10,675	300	+2.9%	3,837	889	+30.1%	Number of memberships increased steadily
Personal	3,166	643	+25.5%				New membership acquisition since last year contributed
CRM	397	29	+8.0%				Mostly as planned
Incentive	2,618	934	+55.4%	384	153	+66.3%	Point grant and exchange by existing clients increased steadily
Healthcare	3,473	947	+37.5%	166	265	-	Both delivery of healthcare business and health guidance was carried out ahead of schedule
Others	1,318	204	-	▲189	▲30	-	
Total	21,647	3,057	+16.4%	4,198	1,277	+43.8%	

3. Quarterly trends and results of major businesses

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

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 December 2016. 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.