

Benefit One Financial Highlights for the Fiscal Year Ended March 2018
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<Outline of consolidated results for the full term>

- Against a backdrop of labor shortage, socioeconomic trends, including work style reform and health management, contributed to the business results.
- In anticipation of law revision for equal pay for equal work, momentum for the introduction of the Welfare Program increased.
- Incentive and Healthcare contributed to an increase in sales and income, while the number of personal memberships did not reach the plan.
- The profitability of individual businesses was maintained/improved. Consolidated gross margin ratio decreased due to sales mix changes.
- Consolidated sales and ordinary income increased by 8.9% and 9.4%, respectively, in the fiscal year ending March 2018.
- The business environment is expected to continue to be healthy in the fiscal year ending March 2019. We aim at a record operating income of 7.5 billion yen by achieving a two-digit growth in sales and income.
- We pay 28.5 yen dividend per share (dividend payout ratio: 54.9%) for the fiscal year ending March 2018. We plan to pay 38 yen dividend per share, an increase of 9.5 yen, for the fiscal year ending March 2019.

1. Full-term consolidated results (from April 1, 2017 to March 31, 2018)

In million yen	Previous term		Actual		Year-on-year		Full-term plan	
	Amount	Ratio to sales	Amount	Ratio to sales	Change	%	Amount	vs.Plan
Sales	29,478	—	32,089	—	+2,610	+8.9%	35,000	▲8.3%
Cost of sales	17,450	59.2%	19,505	60.8%	+2,054	+11.8%	—	—
Gross margin	12,027	40.8%	12,583	39.2%	+556	+4.6%	—	—
SG&A	6,175	20.9%	6,370	19.9%	+195	+3.2%	—	—
Operating income	5,852	19.9%	6,212	19.4%	+360	+6.2%	7,000	▲11.2%
Ordinary income	5,727	19.4%	6,263	19.5%	+535	+9.4%	6,950	▲9.9%
Income attributable to owners of parent	3,855	13.1%	4,190	13.1%	+334	+8.7%	4,600	▲8.9%

2. Sales in 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	14,927	+620	+4.3%	5,468	+178	+3.4%	Number of memberships increased steadily as planned.
Personal	3,606	▲560	▲13.4%				New collaboration partners were slow in starting collaboration.
CRM	559	▲19	▲3.3%				Results remained at the same level year-on-year.
Incentive	4,228	+492	+13.2%	745	+189	+34.1%	Use expanded primarily among existing clients.
Healthcare	7,139	+2,159	+43.4%	454	+161	+55.1%	Large-scale projects were smoothly accomplished, and operational improvement was promoted.
Overseas	200	▲84	▲29.7%	▲319	▲94	—	Consolidation of REWARDZ started.

Others (Of which, head office relocation)	1,430 -	+2 -	- -	▲136 (▲140)	▲74 (▲140)	- -	- -	Increase in the head office relocation costs
Total	32,089	+2,610	+8.9%	6,212	+360	+6.2%		

* Previously, overseas business was included in "Other." From this report, however, overseas business is indicated as an independent business.

3. Quarterly results in major businesses

In million yen	FY03/17				FY03/18			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Welfare Program	3,491	3,622	3,563	3,631	3,680	3,747	3,710	3,789
Personal	1,050	1,071	1,044	1,000	976	923	880	826
CRM	130	136	132	181	126	148	131	154
Incentive	1,114	709	796	1,118	1,301	885	909	1,133
Healthcare	1,260	956	1,257	1,506	1,172	2,302	1,919	1,746
Overseas	45	157	40	42	43	49	46	62
Others	290	320	463	352	349	291	369	421
Sales	7,380	6,971	7,295	7,830	7,647	8,345	7,964	8,131
Gross margin	2,793	2,858	3,175	3,200	2,934	2,952	3,305	3,391
<i>Gross margin ratio (%)</i>	<i>37.8%</i>	<i>41.0%</i>	<i>43.5%</i>	<i>40.9%</i>	<i>38.4%</i>	<i>35.4%</i>	<i>41.5%</i>	<i>41.7%</i>
SG&A	1,638	1,489	1,499	1,547	1,736	1,619	1,544	1,469
Welfare Program + Personal + CRM	991	1,312	1,535	1,453	1,041	1,208	1,616	1,602
Incentive	185	88	111	171	278	127	143	197
Healthcare	38	22	106	127	▲ 10	120	163	181
Overseas	▲46	▲34	▲71	▲74	▲82	▲80	▲84	▲74
Others	▲14	▲20	▲ 6	▲24	▲29	▲43	▲78	15
(Of which, head office relocation)	-	-	-	-	(▲21)	(▲43)	(▲76)	-
Operating income	1,154	1,368	1,675	1,653	1,198	1,332	1,760	1,921
<i>Operating income ratio (%)</i>	<i>15.6%</i>	<i>19.6%</i>	<i>23.0%</i>	<i>21.1%</i>	<i>15.7%</i>	<i>16.0%</i>	<i>22.1%</i>	<i>23.6%</i>
Ordinary income	1,153	1,350	1,646	1,576	1,192	1,340	1,784	1,945
<i>Ordinary income ratio (%)</i>	<i>15.6%</i>	<i>19.4%</i>	<i>22.6%</i>	<i>20.1%</i>	<i>15.6%</i>	<i>16.1%</i>	<i>22.4%</i>	<i>23.9%</i>
Income attributable to owners of parent	758	926	1,119	1,051	767	894	1,212	1,316
<i>Net income ratio (%)</i>	<i>10.3%</i>	<i>13.3%</i>	<i>15.3%</i>	<i>13.4%</i>	<i>10.0%</i>	<i>10.7%</i>	<i>15.2%</i>	<i>16.2%</i>

4. Consolidated forecasts for the fiscal year ending March 2019 (from April 1, 2018 to March 31, 2019)

In million yen	FY03/18	FY03/19(Forecasts)						
	Full-term results	Full term	Change	Year-on-year	1H	Year-on-year	2H	Year-on-year
Sales	32,089	36,900	+4,810	+15.0%	17,450	+9.1%	19,450	+20.8%
Operating income	6,212	7,500	+1,287	+20.7%	2,950	+16.6%	4,550	+23.6%
Ordinary income	6,263	7,520	+1,256	+20.1%	2,950	+16.5%	4,570	+22.5%
Income attributable to owners of parent	4,190	5,030	+839	+20.0%	1,940	+16.8%	3,090	+22.2%

5. Forecasts for major businesses (from April 1, 2018 to March 31, 2019)

In million yen	Sales	Year-on-year		Operating income	Year-on-year		Factors for changes
		Change	%		Change	%	
Welfare Program	16,677	+1,750	+11.7%	6,444	+976	+17.8%	Number of memberships will steadily increase.
Personal	3,239	▲367	▲10.2%				Number of memberships will increase in the second half.
CRM	659	+100	+17.9%				Sales will increase by utilizing agents.
Incentive	4,953	+725	+17.1%	904	+159	+21.4%	A successful model will be horizontally applied, and budgets will be increased.
Healthcare	9,000	+1,861	+26.1%	630	+176	+38.9%	New clients will increase and the business will be improved
Overseas	796	+596	+298.7%	▲174	+145	-	Client base will be expanded.
Others	1,576	+145	-	▲304	▲169	-	-
(Of which, head office relocation)	-	-	-	-	(+140)	-	Reduction of head office relocation costs
(Of which investment in system infrastructure)	-	-	-	(▲299)	(▲299)	-	Investment in next-generation system infrastructure
合計	36,900	+4,810	+15.0%	7,500	+1,287	+20.7%	

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 2018. 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.

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