



## **1Q Results for FY2021 Supplementary Materials**

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**August 6, 2021  
Benesse Holdings, Inc.**

# Forward-Looking Statements



This presentation contains forward-looking statements concerning the future plans, strategies, beliefs and performance of Benesse Holdings, Inc. and its subsidiaries. These forward-looking statements are not historical facts. They are expectations, estimates, forecasts and projections based on information currently available to the Company and are subject to a number of risks, uncertainties and assumptions. As such, actual results may differ materially from those projected.

# Results by Segment (YoY)



\*Figures prior to application of Accounting Standard for Revenue Recognition

Three months ended June 30					(Millions of Yen)
	FY2020	FY2021	Change	%	*Change
<b>Education Business in Japan</b>	<b>43,136</b>	<b>50,487</b>	<b>7,351</b>	<b>17.0</b>	<b>8,394</b>
<b>Kids &amp; Family</b>	<b>16,115</b>	<b>17,153</b>	<b>1,038</b>	<b>6.4</b>	<b>1,516</b>
<b>Nursing Care and Childcare</b>	<b>29,959</b>	<b>31,263</b>	<b>1,304</b>	<b>4.4</b>	<b>745</b>
<b>Berlitz</b>	<b>8,818</b>	<b>6,341</b>	<b>(2,477)</b>	<b>(28.1)</b>	<b>(2,477)</b>
<b>Others</b>	<b>67</b>	<b>215</b>	<b>147</b>	<b>218.6</b>	<b>148</b>
<b>Total Net Sales</b>	<b>98,097</b>	<b>105,461</b>	<b>7,364</b>	<b>7.5</b>	<b>8,328</b>
<b>Education Business in Japan</b>	<b>(5,150)</b>	<b>(1,306)</b>	<b>3,844</b>	<b>—</b>	<b>4,586</b>
<b>Kids &amp; Family</b>	<b>444</b>	<b>695</b>	<b>251</b>	<b>56.6</b>	<b>225</b>
<b>Nursing Care and Childcare</b>	<b>2,008</b>	<b>1,710</b>	<b>(298)</b>	<b>(14.8)</b>	<b>(857)</b>
<b>Berlitz</b>	<b>(1,471)</b>	<b>(1,273)</b>	<b>197</b>	<b>—</b>	<b>197</b>
<b>Others/Reconciliations</b>	<b>(1,085)</b>	<b>(847)</b>	<b>237</b>	<b>—</b>	<b>237</b>
<b>Total Operating Income</b>	<b>(5,254)</b>	<b>(1,021)</b>	<b>4,232</b>	<b>—</b>	<b>4,389</b>
<b>Ordinary Income</b>	<b>(7,416)</b>	<b>(2,658)</b>	<b>4,757</b>	<b>—</b>	
<b>Net Income</b>	<b>(5,671)</b>	<b>(3,032)</b>	<b>2,639</b>	<b>—</b>	

Note<sup>1</sup> The Company has revised its classification of reportable segments from three months ended June 30, 2021. Information for three months ended June 30, 2020 has been presented based on the new classification after this change.

Note<sup>2</sup> "Accounting Standards for Revenue Recognitions" have adopted since the beginning of the first quarter of the current consolidated fiscal year. Figures for the first quarter of the fiscal year ending June, 2021 are stated after the application of the new accounting standards, and the ratio of net sales changes from the same period of the previous fiscal year is indicated.

# Analysis of Net Sales/Operating Income (YoY)



(Billions of Yen)

Figures prior to application of Accounting Standard for Revenue Recognition

Net Sales	<b>Education Business in Japan</b>		Shinkenzemi : impact of accounting standard change for revenue recognition.	(1.0)	0.5
			Optional course / impact of the price revision, etc.	0.5	
			School & Teacher Support business : recovery from the impact of COVID-19, etc.	3.6	3.6
			Cram schools / Classroom business : recovery from the impact of COVID-19, etc.	4.3	4.3
	<b>Kids &amp; Family</b>	Kodomo Challenge	Japan : impact of the price revision / decrease in cumulative enrollment, etc.	0.0	0.0
			Overseas : impact of halt of shipment for study materials in the same period of the previous year due to COVID-19 in China.	1.3	1.3
			Forex rate impact.	0.2	0.2
		Lifestyle	Impact of accounting standard change for revenue recognition.	(0.4)	(0.1)
	Tamahiyo business, etc.	(0.1)			
	<b>Nursing Care and Childcare</b>		Increase in nursing home residents.	0.7	0.7
Impact of accounting standard change for revenue recognition.			0.5		
<b>Berlitz</b>		Language education business : decrease in No. of lessons due to COVID-19, etc.	(1.0)	(1.0)	
		Overseas study support business : decrease in No. of students to the United States, etc.	(1.4)	(1.4)	
Operating Income	<b>Education Business in Japan</b>		Shinkenzemi : impact of accounting standard change for revenue recognition.	(0.7)	0.6
			Due to higher sales, etc.	0.6	
			Due to higher sales in the School & Teacher Support business; Cram schools and Classroom business, etc.	3.9	3.9
	<b>Kids &amp; Family</b>	Kodomo Challenge	Japan : due to higher sales / increase in marketing costs, etc.	0.0	0.0
			Overseas : due to higher sales, etc.	0.4	0.4
		Lifestyle	Due to lower sales, etc.	(0.2)	(0.2)
	<b>Nursing Care and Childcare</b>		Impact of accounting standard change for revenue recognition.	0.5	(0.8)
			Due to higher labor costs as increase in the No. of nursing homes / increase in marketing costs and repairs expense, etc.	(0.8)	
<b>Berlitz</b>		Due to lower sales / lower cost, etc.	0.1	0.1	

The Company revised its classification of Shinkenzemi Junior high school and Other in Education Business in Japan since the beginning of the first quarter of the current consolidated fiscal year.

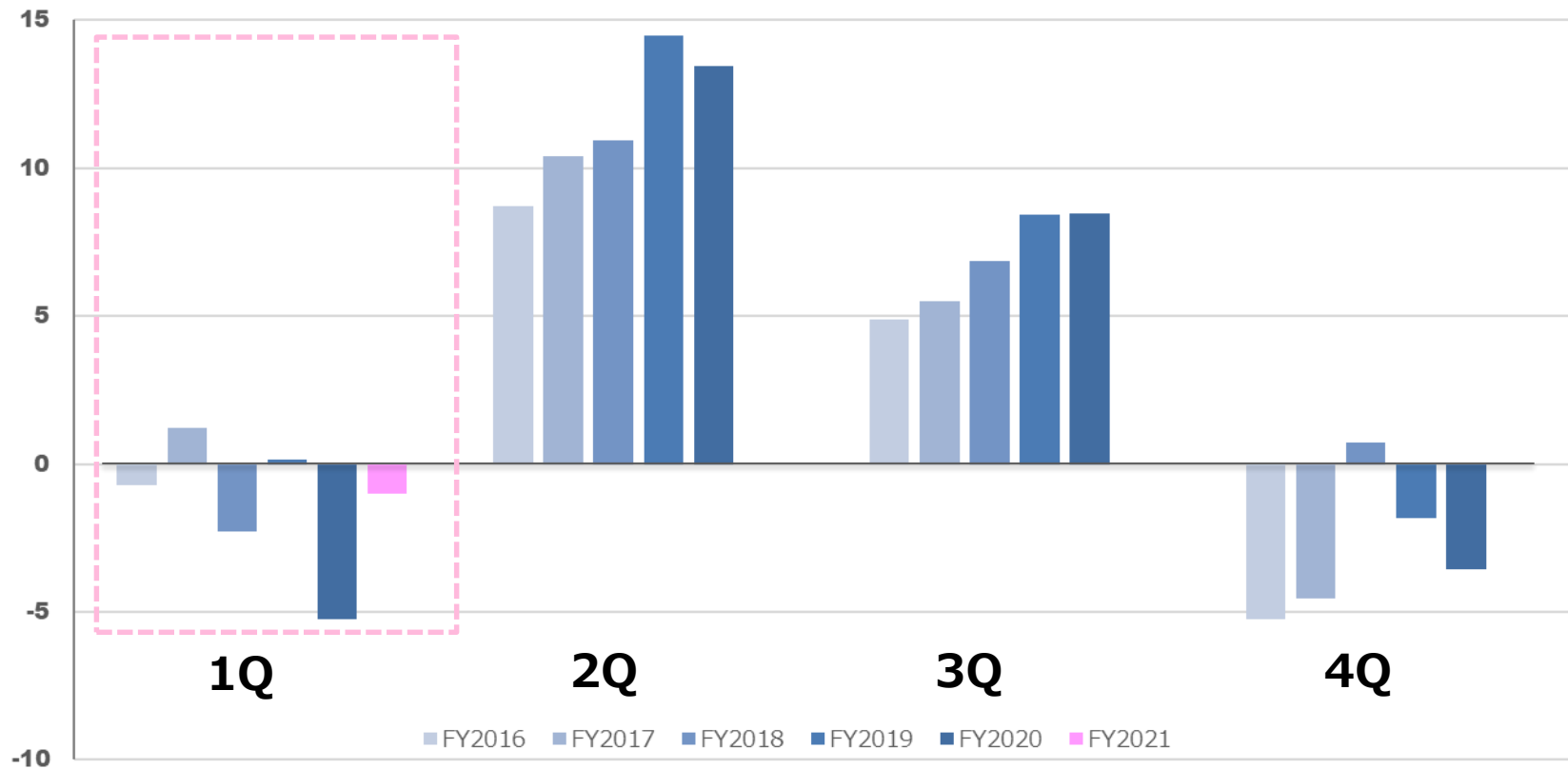
# Seasonal factors for operating income

- Structurally, 1Q profits tend to be low due to increased production costs for educational materials and other factors, while profits accumulate from 2Q onward.

※ Operating loss expanded in 1Q results for FY2020 due to COVID-19

## Trends in operating income (FY2016~FY2021)

(Billions of yen)



# FY2021 Forecast



Forecast announced on May 11, 2021 has not been changed.

(Millions of Yen)

	<b>FY2020</b>	<b>FY2021 (Forecast)</b>	<b>Change</b>	<b>%</b>
<b>Net Sales</b>	<b>427,531</b>	<b>441,000</b>	<b>13,469</b>	<b>3.2</b>
<b>Operating Income</b>	<b>13,089</b>	<b>17,500</b>	<b>4,411</b>	<b>33.7</b>
<b>Operating Income ratio(%)</b>	<b>3.1</b>	<b>4.0</b>	<b>0.9</b>	<b>—</b>
<b>Ordinary Income</b>	<b>9,260</b>	<b>12,000</b>	<b>2,740</b>	<b>29.6</b>
<b>Net Income</b>	<b>3,122</b>	<b>5,000</b>	<b>1,878</b>	<b>60.1</b>
<b>Exchange Rate(USD/JPY)</b>	<b>106.67</b>	<b>108.00</b>	<b>1.33</b>	<b>—</b>

# Breakdown of Net Sales

Three months ended June 30

(Millions of Yen)

	FY2020	FY2021	Change	%	Ratio(%)
<b>Senior High School</b>	<b>3,797</b>	<b>3,344</b>	<b>(452)</b>	<b>(11.9)</b>	<b>6.6</b>
<b>Junior High School</b>	<b>7,897</b>	<b>7,680</b>	<b>(216)</b>	<b>(2.7)</b>	<b>15.2</b>
<b>Elementary School</b>	<b>16,132</b>	<b>16,244</b>	<b>112</b>	<b>0.7</b>	<b>32.2</b>
<b>School &amp; Teacher Support</b>	<b>8,518</b>	<b>12,123</b>	<b>3,604</b>	<b>42.3</b>	<b>24.0</b>
<b>Other</b>	<b>6,790</b>	<b>11,094</b>	<b>4,304</b>	<b>63.4</b>	<b>22.0</b>
<b>Total</b>	<b>43,136</b>	<b>50,487</b>	<b>7,351</b>	<b>17.0</b>	<b>100.0</b>

The Company revised its classification of Shinkenzemi Junior high school and Other in Education Business in Japan since the beginning of the first quarter of the current consolidated fiscal year.

Three months ended June 30

(Millions of Yen)

	FY2020	FY2021	Change	%	Ratio(%)
<b>Kodomo Challenge in Japan (Preschool)</b>	<b>4,793</b>	<b>5,036</b>	<b>242</b>	<b>5.1</b>	<b>29.4</b>
<b>Overseas Kodomo Challenge (Preschool)</b>	<b>5,789</b>	<b>7,078</b>	<b>1,288</b>	<b>22.3</b>	<b>41.3</b>
<b>Other</b>	<b>5,531</b>	<b>5,038</b>	<b>(493)</b>	<b>(8.9)</b>	<b>29.3</b>
<b>Total</b>	<b>16,115</b>	<b>17,153</b>	<b>1,038</b>	<b>6.4</b>	<b>100.0</b>



## 【Cumulative Enrollment for Shinkenzemi】

Three months ended June 30

(Thousands)

	FY2020	FY2021	Change	%
Senior High School	417	370	(47)	(11.3)
Junior High School	1,199	1,167	(31)	(2.7)
Elementary School	3,879	3,947	68	1.8
<b>Total</b>	<b>5,496</b>	<b>5,486</b>	<b>(10)</b>	<b>(0.2)</b>

## 【Cumulative Enrollment for Kodomo Challenge (Preschool)】

(Thousands)

	FY2020	FY2021	Change	%
Kodomo Challenge in Japan (Preschool)	2,343	2,263	(80)	(3.4)
Overseas Kodomo Challenge (Preschool)	3,628	3,602	(26)	(0.7)
<b>Total</b>	<b>5,972</b>	<b>5,865</b>	<b>(106)</b>	<b>(1.8)</b>

•Note<sup>1</sup>: Cumulative enrollment represents the cumulative total No. of people who receive materials monthly (from April to June).

•Note<sup>2</sup>: Cumulative Enrollment for Overseas Kodomo Challenge is the total No. of cumulative enrollment for Kodomo Challenge in China, Taiwan and Indonesia.

Cumulative enrollment for China and Indonesia represents the cumulative total No. of people who receive materials monthly (from January to March), due to the differences of those closing dates ended December 31<sup>st</sup>.

	June 2020	March 2021	June 2021
<b>Aria</b>	<b>24</b>	<b>25</b>	<b>26</b>
<b>Clara</b>	<b>40</b>	<b>39</b>	<b>39</b>
<b>Granny &amp; Granda</b>	<b>146</b>	<b>152</b>	<b>153</b>
<b>Madoka</b>	<b>57</b>	<b>57</b>	<b>57</b>
<b>Bon Sejour</b>	<b>47</b>	<b>49</b>	<b>49</b>
<b>Cocochi</b>	<b>14</b>	<b>15</b>	<b>15</b>
<b>Li-Re</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>Total</b>	<b>330</b>	<b>339</b>	<b>341</b>

Three months ended March 31

(Thousands of Lessons)

	2020	2021	%
<b>Americas</b>	<b>244</b>	<b>264</b>	<b>8.3</b>
<b>Europe</b>	<b>484</b>	<b>387</b>	<b>(20.1)</b>
<b>Asia</b>	<b>339</b>	<b>241</b>	<b>(29.0)</b>
<b>Total</b>	<b>1,068</b>	<b>892</b>	<b>(16.4)</b>

Six months ended June 30 (Preliminary figures)

(Thousands of Lessons)

	2020	2021	%
<b>Americas</b>	<b>479</b>	<b>569</b>	<b>18.6</b>
<b>Europe</b>	<b>743</b>	<b>789</b>	<b>6.2</b>
<b>Asia</b>	<b>526</b>	<b>501</b>	<b>(4.7)</b>
<b>Total</b>	<b>1,749</b>	<b>1,860</b>	<b>6.3</b>