

Benesse Holdings, Inc.

DATA BOOK 2023

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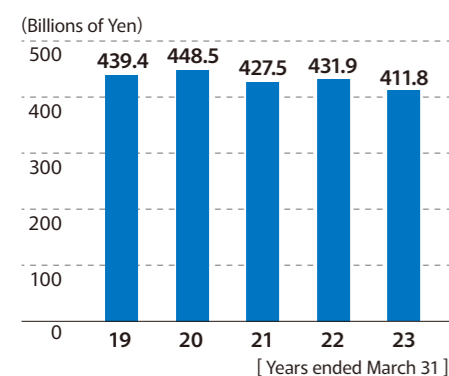
Ten-Year Summary of Consolidated Financial Statements

(Millions of Yen)

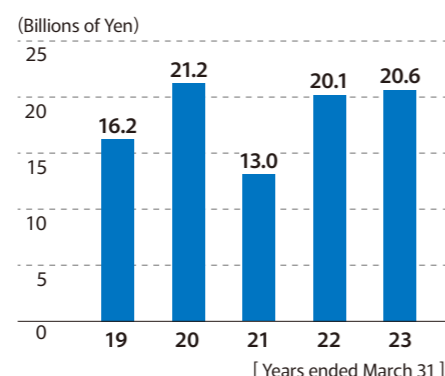
Years ended March 31	2014/3	2015/3	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3
For the Year										
Net sales	¥ 466,399	¥ 463,264	¥ 444,190	¥ 430,064	¥ 434,497	¥ 439,431	¥ 448,577	¥ 427,531	¥ 431,943	¥ 411,876
Cost of sales	243,197	258,747	255,349	251,361	249,993	249,049	249,979	241,345	239,184	232,512
Selling, general and administrative expenses	187,371	175,290	177,977	171,016	171,877	174,135	177,330	173,096	172,591	158,743
Operating income	35,830	29,227	10,862	7,685	12,626	16,245	21,266	13,089	20,167	20,620
Income (loss) before income taxes	32,908	(3,475)	9,921	8,800	20,755	12,084	16,228	6,557	5,721	14,709
Income taxes	12,536	6,474	17,138	4,202	7,629	6,320	8,837	2,692	3,669	2,727
Net income (loss) attributable to owners of the parent	19,930	(10,705)	(8,211)	3,557	12,397	4,902	6,289	3,122	1,064	11,353
CAPEX / Depreciation and amortization										
CAPEX	¥ 31,915	¥ 37,998	¥ 24,934	¥ 23,609	¥ 19,419	¥ 31,582	¥ 22,660	¥ 29,243	¥ 23,562	¥ 24,405
Depreciation and amortization	17,367	21,056	21,606	20,384	19,961	19,884	19,885	18,885	18,850	19,245
Per Share of Common Stock										
Net income (loss)	¥ 206.79	¥ (111.30)	¥ (85.37)	¥ 36.98	¥ 128.79	¥ 50.89	¥ 65.28	¥ 32.40	¥ 11.04	¥ 117.73
Cash dividends	95	95	95	95	95	50	50	50	50	60
At Year-End										
Total assets	¥ 487,594	¥ 490,954	¥ 474,926	¥ 481,904	¥ 496,595	¥ 504,682	¥ 517,425	¥ 541,982	¥ 540,598	¥ 541,560
Total equity	215,109	197,892	179,266	175,166	175,122	175,099	175,339	175,037	156,163	161,254
Total equity per share of common stock										
Total equity per share of common stock	¥ 2,173.58	¥ 2,000.43	¥ 1,796.57	¥ 1,749.37	¥ 1,777.26	¥ 1,758.36	¥ 1,754.31	¥ 1,761.45	¥ 1,548.22	¥ 1,600.00
Shares of common stock issued (in thousands)	102,453	102,453	102,453	102,453	102,464	102,483	102,513	102,541	102,571	102,604

- Notes:
1. Cost of sales is the cost of sales shown on page 4, minus reversal of reserve for goods return and plus provision for reserve for goods return.
 2. The computation of net income (loss) per share of common stock is based on the weighted average number of shares of common stock outstanding during each year.
 3. Due to the application of the Accounting Standard for Business Combinations, etc. net income (loss) has been presented as net income (loss) attributable to owners of the parent from the fiscal year ended March 31, 2016.
 4. Due to the application of a partial amendment to accounting standards for tax effect accounting, the Company has changed to a method of presenting deferred tax assets in the category of investments and other assets, and presenting deferred tax liabilities in the category of long-term liabilities from those figures for the fiscal year ended March 31, 2018.
 5. The Accounting Standard for Revenue Recognition, etc. has been applied from the fiscal year ended March 31, 2022.

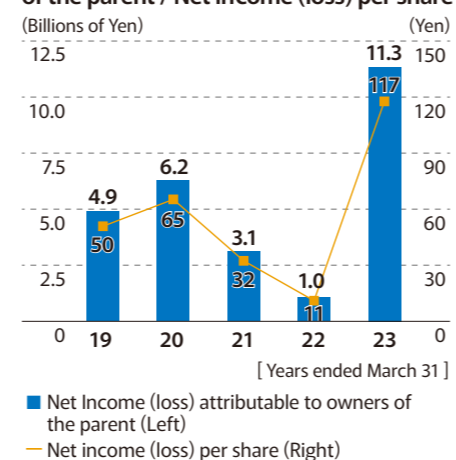
Net sales



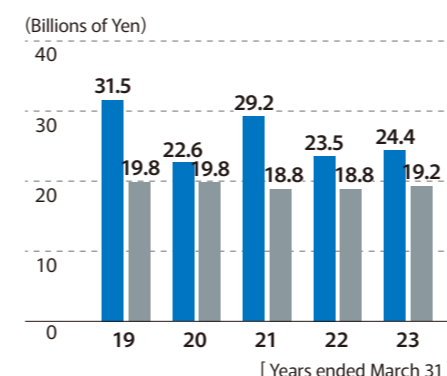
Operating income



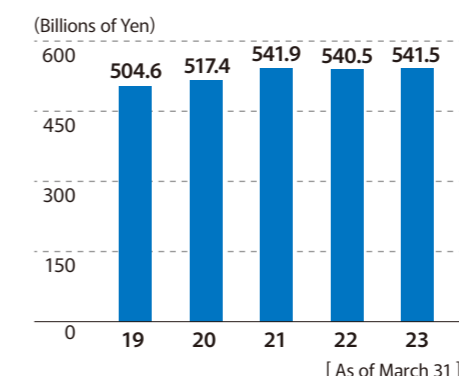
Net income (loss) attributable to owners of the parent / Net income (loss) per share



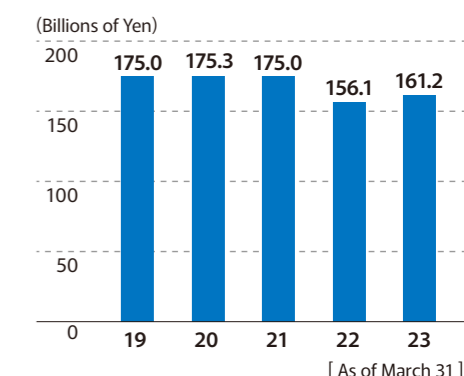
CAPEX / Depreciation and amortization



Total assets



Total equity



Consolidated Balance Sheets

(Millions of Yen)

As of March 31	2014/3	2015/3	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3
Assets										
Current Assets	¥ 262,779	¥ 251,278	¥ 243,602	¥ 250,787	¥ 266,898	¥ 264,310	¥ 273,354	¥ 285,694	¥ 274,658	¥ 265,626
Cash and deposits	79,726	104,541	91,892	113,542	134,206	109,681	152,507	151,012	125,786	115,674
Notes and accounts receivable—trade	31,266	31,671	32,577	32,023	30,863	33,247	30,211	29,103	25,633	27,005
Marketable securities	51,279	24,313	44,501	30,301	23,599	34,466	2,904	5,951	18,995	20,497
Merchandise and finished goods	31,750	25,873	18,316	20,057	23,998	26,228	23,773	26,065	29,259	29,618
Work in progress	4,611	3,737	3,481	3,535	4,318	2,889	4,426	3,592	3,445	2,949
Raw materials and supplies	1,643	1,595	1,726	1,506	1,387	1,830	1,884	1,876	1,994	1,974
Deferred tax assets	5,658	6,034	3,514	3,694	—	—	—	—	—	—
Accounts receivable—other	48,547	41,479	39,961	38,348	41,621	45,312	48,765	57,188	57,999	56,532
Other current assets	10,044	13,775	9,067	9,373	8,451	12,407	9,978	12,321	11,881	11,644
Allowance for doubtful receivables	(1,750)	(1,744)	(1,436)	(1,596)	(1,546)	(1,755)	(1,099)	(1,416)	(337)	(271)
Total Fixed Assets	224,815	239,676	231,324	231,116	229,696	240,372	244,071	256,287	265,940	275,933
Tangible Fixed Assets	107,440	121,996	129,743	136,231	139,395	147,352	150,388	157,016	156,807	163,099
Buildings and structures—net	31,527	31,819	31,446	29,369	29,011	29,019	27,462	27,208	27,597	27,536
Land	38,319	37,195	36,745	34,947	34,834	35,145	35,119	35,080	34,989	34,880
Lease assets—net	28,008	43,317	52,723	63,384	67,161	74,124	79,114	85,806	86,809	93,155
Other tangible fixed assets—net	9,584	9,664	8,827	8,530	8,389	9,063	8,691	8,920	7,410	7,527
Intangible Fixed Assets	58,031	58,355	51,327	43,918	36,706	39,166	35,834	38,190	39,582	37,552
Goodwill	19,325	18,526	16,150	13,611	10,657	12,703	8,629	10,177	12,121	11,192
Software	35,098	36,576	32,844	28,430	24,756	22,710	23,811	25,070	24,652	23,739
Other intangible fixed assets	3,607	3,252	2,332	1,876	1,291	3,752	3,392	2,942	2,807	2,621
Investments and Other Assets	59,343	59,324	50,253	50,966	53,594	53,853	57,848	61,080	69,550	75,281
Investment securities	18,040	13,771	13,806	14,316	14,134	13,072	16,411	16,668	21,519	24,626
Long-term loans receivable	4,490	4,896	4,583	4,412	4,160	3,927	3,589	3,338	3,017	2,784
Asset for retirement benefits	1,376	2,457	385	1,710	1,566	2,806	3,237	5,033	6,626	6,936
Deferred tax assets	9,969	10,073	2,522	1,596	4,904	4,404	4,106	5,173	10,250	12,486
Other assets	25,526	28,188	29,056	29,019	28,921	29,733	30,591	30,902	28,165	28,491
Allowance for doubtful receivables	(60)	(62)	(101)	(89)	(92)	(91)	(87)	(36)	(30)	(43)
Total	¥ 487,594	¥ 490,954	¥ 474,926	¥ 481,904	¥ 496,595	¥ 504,682	¥ 517,425	¥ 541,982	¥ 540,598	¥ 541,560

Notes: 1. Deferred tax assets, which was previously included under current assets, has been included under investments and other assets due to a partial change in accounting standards from the fiscal year ended March 31, 2018.
2. The Accounting Standard for Revenue Recognition, etc. has been applied from the fiscal year ended March 31, 2022.

Consolidated Balance Sheets

(Millions of Yen)

As of March 31	2014/3	2015/3	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3
Liabilities										
Current Liabilities	¥ 172,943	¥ 187,296	¥ 145,681	¥ 147,664	¥ 161,586	¥ 174,235	¥ 177,532	¥ 175,878	¥ 180,177	¥ 168,677
Notes and accounts payable—trade	18,037	19,937	12,695	16,707	17,033	15,748	15,802	14,079	16,241	16,065
Current portion of long-term debt	6,250	25,033	9	—	5,000	19,186	13,942	241	5,067	5,060
Accounts payable—other	29,835	34,216	27,085	26,605	27,114	25,800	25,515	27,306	26,377	23,417
Accrued income taxes	6,278	3,430	5,053	5,280	5,754	3,075	6,017	2,358	2,282	1,989
Advances received	93,468	84,385	79,479	80,361	87,275	91,294	95,701	106,845	109,269	102,531
Reserve for after-service costs	628	406	312	307	324	305	248	248	—	—
Reserve for employees' bonuses	6,841	6,528	6,387	6,563	7,076	6,582	7,460	7,888	7,444	7,452
Reserve for directors' bonuses	331	300	410	300	389	472	447	417	465	412
Reserve for goods return	343	383	369	341	399	394	377	338	—	—
Other current liabilities	10,926	12,672	13,877	11,196	11,218	11,375	12,018	16,153	13,028	11,748
Long-Term Liabilities	99,541	105,766	149,979	159,073	159,886	155,347	164,553	191,065	204,257	211,628
Bonds payable	—	—	—	—	—	—	—	10,025	10,018	10,011
Long-term debt, less current portion	25,000	5,014	37,805	37,805	32,805	19,099	20,156	28,231	23,156	18,096
Lease obligations	27,933	43,872	54,284	65,887	71,171	79,967	86,424	95,610	98,243	107,238
Guarantee deposits received from nursing home residents	30,885	32,902	34,375	35,023	36,922	36,076	38,668	37,469	—	—
Advances received from nursing home residents	—	—	—	—	—	—	—	—	57,727	60,598
Deferred tax liabilities	2,921	4,251	3,626	560	456	1,261	640	681	596	670
Reserve for directors' retirement allowances	165	179	164	124	90	67	78	84	97	108
Liability for retirement benefits	6,708	7,240	7,241	7,173	7,408	7,765	7,836	8,071	5,859	6,194
Other long-term liabilities	5,926	12,305	12,480	12,499	11,030	11,109	10,749	10,891	8,559	8,709
Total Liabilities	272,484	293,062	295,660	306,738	321,472	329,583	342,085	366,944	384,435	380,305
Equity										
Shareholders' Equity	214,907	195,146	177,915	172,333	176,067	174,021	175,061	173,443	146,230	152,356
Common stock	13,600	13,600	13,600	13,600	13,623	13,661	13,700	13,739	13,780	13,817
Capital surplus	29,358	29,358	29,479	29,479	29,556	29,554	29,593	29,631	28,391	28,432
Retained earnings	193,679	173,920	156,571	150,991	154,245	152,164	153,130	151,434	125,422	131,471
Treasury stock-at-cost	(21,730)	(21,732)	(21,735)	(21,736)	(21,358)	(21,360)	(21,362)	(21,362)	(21,363)	(21,365)
Accumulated Other Comprehensive Income (Loss)	(5,830)	(2,726)	(5,106)	(4,065)	(4,903)	(4,643)	(6,024)	(3,668)	3,035	1,948
Unrealized gain (loss) on available-for-sale securities	1,712	2,235	1,363	1,605	1,719	1,372	466	1,166	407	(918)
Foreign currency translation adjustments	(5,456)	(3,468)	(3,732)	(4,596)	(5,404)	(5,749)	(6,456)	(5,851)	200	764
Defined retirement benefit plans	(2,086)	(1,494)	(2,737)	(1,073)	(1,218)	(266)	(34)	1,016	2,427	2,103
Stock Acquisition Rights	141	—	41	115	99	105	105	105	105	27
Non-controlling Interests	5,891	5,472	6,415	6,782	3,858	5,616	6,196	5,157	6,791	6,921
Total Equity	215,109	197,892	179,266	175,166	175,122	175,099	175,339	175,037	156,163	161,254
Total	¥ 487,594	¥ 490,954	¥ 474,926	¥ 481,904	¥ 496,595	¥ 504,682	¥ 517,425	¥ 541,982	¥ 540,598	¥ 541,560

Notes: 1. Due to the application of the Accounting Standard for Business Combinations, minority interests has been presented as non-controlling interests from the fiscal year ended March 31, 2016.
2. The Accounting Standard for Revenue Recognition, etc. has been applied from the fiscal year ended March 31, 2022.

Consolidated Statements of Income

(Millions of Yen)

Years ended March 31	2014/3	2015/3	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3
Net Sales	¥ 466,399	¥ 463,264	¥ 444,190	¥ 430,064	¥ 434,497	¥ 439,431	¥ 448,577	¥ 427,531	¥ 431,943	¥ 411,876
Cost of Sales	243,217	258,707	255,367	251,386	249,934	249,055	249,995	241,385	239,184	232,512
Reversal of reserve for goods return	362	343	383	366	341	399	394	377	—	—
Provision for reserve for goods return	343	383	366	341	399	394	377	338	—	—
Adjusted gross Profit	223,201	204,517	188,840	178,702	184,504	190,381	198,597	186,185	192,758	179,363
Selling, General and Administrative Expenses	187,371	175,290	177,977	171,016	171,877	174,135	177,330	173,096	172,591	158,743
Promotion expenses	18,045	20,852	20,663	20,294	18,637	18,315	18,697	18,134	17,807	17,969
Direct mail expenses	29,269	10,794	14,391	17,804	19,396	19,941	20,463	19,791	18,694	15,439
Advertising expenses	13,729	18,594	14,399	12,543	12,945	13,187	13,575	13,420	14,750	12,080
Transportation and communication expenses	19,374	15,830	14,782	14,339	14,671	16,042	15,995	16,478	16,121	15,146
Customer management expenses	15,784	18,876	23,406	20,220	18,591	19,494	19,667	20,581	21,907	22,253
Wages and salaries	38,200	37,842	37,838	35,246	35,767	36,639	36,622	35,211	34,771	30,823
Provision for reserve for employees' bonuses	3,545	3,282	2,995	3,235	3,655	3,165	3,376	3,700	3,589	3,595
Provision for reserve for directors' bonuses	329	295	410	300	387	472	458	418	480	413
Net periodic benefit costs	—	2,056	1,995	1,956	1,578	1,482	1,431	1,287	1,008	704
Provision for reserve for employees' retirement benefits	1,910	—	—	—	—	—	—	—	—	—
Provision for reserve for directors' retirement allowances	79	42	22	17	10	12	11	12	13	13
Provision for allowance for doubtful receivables	947	843	758	818	740	734	214	796	291	134
Other	46,154	45,978	46,311	44,239	45,496	44,646	46,817	43,263	43,154	40,168
Operating Income	35,830	29,227	10,862	7,685	12,626	16,245	21,266	13,089	20,167	20,620
Non-Operating Income	2,481	1,794	2,378	2,679	2,206	2,253	2,147	3,914	2,962	2,642
Interest income	440	472	433	413	463	483	512	445	526	892
Dividend income	85	110	84	129	141	143	146	145	178	196
Rent income	486	505	467	378	350	340	340	344	342	356
Foreign exchange gain	94	—	—	—	368	—	212	58	348	—
Gain on sales of investment securities	191	—	632	577	43	10	—	323	223	321
Gain on investments in partnership	535	125	196	68	146	339	212	249	205	148
Subsidy income	—	—	—	—	52	277	173	1,581	525	141
Refunded consumption taxes	—	—	—	611	61	—	—	—	—	—
Equity in net earnings of unconsolidated subsidiary and associated companies	164	49	66	128	192	323	131	119	112	336
Other	483	531	497	370	386	334	418	648	499	248
Non-Operating Expenses	3,095	4,182	4,508	4,819	5,579	6,348	6,654	7,743	7,725	7,365
Interest expense	1,418	2,426	3,219	3,922	4,461	4,758	5,437	5,890	6,344	6,735
Rent expenses	223	212	186	157	190	160	138	138	119	108
Foreign exchange loss	—	279	453	260	—	—	—	—	—	—
Loss on derivatives	1,067	503	112	—	—	—	—	—	—	—
Other	385	762	537	478	928	671	1,077	1,714	1,261	521
Ordinary Income	35,216	26,838	8,732	5,545	9,253	12,150	16,759	9,260	15,404	15,896
Special Gain	1,998	327	2,506	4,130	12,764	644	3,558	129	224	78
Gain on sales of fixed assets	98	115	2,258	3,623	82	1	184	129	224	—
Gain on sales of investments in consolidated subsidiaries	1,537	—	—	—	12,681	—	3,331	—	—	—
Gain on revision of retirement benefit plan	—	—	248	—	—	—	—	—	—	—
Compensation for damages received	—	—	—	506	—	—	—	—	—	—
State subsidy	45	70	—	—	—	44	42	—	—	—
Gain on transfer of business	—	—	—	—	—	599	—	—	—	—
Gain on reversal of subscription rights to shares	317	141	—	—	—	—	—	—	—	78
Special Loss	4,306	30,642	1,317	875	1,261	711	4,089	2,832	9,908	1,265
Loss on impairment of long-lived assets	3,190	221	157	867	873	466	3,571	530	200	682
Loss on sales and disposal of fixed assets	44	13	17	8	2	—	—	—	—	—
Loss on reduction of non-current assets	44	70	—	—	—	44	34	—	—	—
Loss on disaster	—	—	—	—	—	199	—	—	—	—
Valuation loss on investment securities	2	49	353	—	—	—	28	26	46	10
Restructuring expenses of foreign consolidated subsidiary	357	1,129	—	—	385	—	424	1,553	—	—
Loss on sale of investment in a consolidated subsidiary	—	—	—	—	—	—	29	—	9,570	95
Loss on restructuring of business	—	792	788	—	—	—	—	—	90	157
Loss on temporary closure	—	—	—	—	—	—	—	722	—	320
Loss on liquidation of subsidiaries	107	—	—	—	—	—	—	—	—	—
Business structure improvement expenses	550	2,315	—	—	—	—	—	—	—	—
Information security management expenses	—	26,039	—	—	—	—	—	—	—	—
Other	7	10	—	—	—	—	—	—	—	—
Income (Loss) before Income Taxes	32,908	(3,475)	9,921	8,800	20,755	12,084	16,228	6,557	5,721	14,709
Income Taxes	12,536	6,474	17,138	4,202	7,629	6,320	8,837	2,692	3,669	2,727
Income taxes—current	14,042	6,228	7,099	7,198	8,142	5,722	9,023	5,558	3,895	4,741
Income taxes—refund	—	—	—	—	—	—	—	(1,267)	—	—
Income taxes—deferred	(1,506)	245	10,038	(2,996)	(513)	597	(186)	(1,598)	(226)	(2,014)
Net Income (Loss)	20,372	(9,950)	(7,216)	4,597	13,126	5,764	7,391	3,865	2,051	11,982
Net Income Attributable to Non-controlling Interests	442	755	994	1,040	729	862	1,102	742	987	629
Net Income (Loss) Attributable to Owners of the Parent	¥ 19,930	¥ (10,705)	¥ (8,211)	¥ 3,557	¥ 12,397	¥ 4,902	¥ 6,289	¥ 3,122	¥ 1,064	¥ 11,353

Notes: 1. Loss on derivatives, which had been presented as a separate item under non-operating expenses, has been included under other from the fiscal year ended March 31, 2017 due to their decreased materiality.
2. Subsidy income, which was previously included in other under non-operating income, has been presented as a separate item since the fiscal year ended March 31, 2018 because the amount exceeded 10% of total non-operating income.
3. The Accounting Standard for Revenue Recognition, etc. has been applied from the fiscal year ended March 31, 2022.

Consolidated Statements of Cash Flows

(Millions of Yen)

Years ended March 31	2014/3	2015/3	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3
Net Cash Provided by Operating Activities	¥ 32,295	¥ 27,839	¥ 26,195	¥ 25,237	¥ 26,449	¥ 13,948	¥ 41,978	¥ 25,843	¥ 24,465	¥ 22,144
Income (loss) before income taxes	32,908	(3,475)	9,921	8,800	20,755	12,084	16,228	6,557	5,721	14,709
Depreciation and amortization	17,548	21,225	21,758	20,506	20,121	20,014	19,995	19,025	18,944	19,432
Loss on impairment of long-lived assets	3,190	221	157	867	873	466	3,571	530	200	682
(Decrease) increase in allowances and reserves—net	(3,952)	(759)	(420)	196	1,073	(242)	164	688	(59)	(96)
Loss on restructuring of business	—	792	788	—	—	—	—	—	—	—
Loss (gain) on sales of investments of a consolidated subsidiary	(1,537)	—	—	—	(12,681)	—	—	—	—	—
Loss (gain) on sales of investments in subsidiaries and an affiliate—net	—	—	—	—	—	—	(3,302)	—	9,570	95
Business structure improvement expenses	550	2,315	—	—	—	—	—	—	—	—
Information security management expenses	—	26,039	—	—	—	—	—	—	—	—
Other non-cash income and expenses—net	135	3,218	1,291	399	4,240	5,374	5,535	5,438	6,452	5,401
Decrease (increase) in notes and accounts receivable—trade	456	257	(1,254)	26	(2,423)	(2,626)	2,252	958	(651)	(1,302)
(Increase) decrease in inventories	(11,497)	6,005	7,547	(1,821)	(4,640)	(1,455)	775	(1,463)	(3,039)	257
(Increase) decrease in accounts receivable—other	(1,951)	7,112	2,836	268	(3,285)	(3,696)	(3,455)	(8,419)	(508)	1,534
Increase (decrease) in notes and accounts payable—trade	2,724	1,891	(7,111)	4,242	438	(1,295)	374	(1,689)	2,723	(233)
Increase (decrease) in accounts payable—other	2,846	4,323	(6,351)	326	2,267	(1,659)	63	1,935	577	(3,247)
Increase (decrease) in advances received	3,080	(10,954)	(3,796)	2,491	6,651	2,413	5,169	11,154	2,230	(7,499)
Decrease (increase) in prepaid pension expenses	3,816	—	—	—	—	—	—	—	—	—
(Increase) decrease in asset for retirement benefits	(3,446)	(819)	2,071	(1,324)	108	(1,239)	(539)	(1,795)	(1,593)	(309)
(Decrease) increase in liability for retirement benefits	5,772	(90)	—	—	—	—	—	—	—	—
Changes in other assets and liabilities—net	(1,400)	7,830	3,725	900	3,627	(177)	3,674	6,612	(4,625)	3,575
Total Adjustment	49,246	65,133	31,164	35,880	37,127	27,960	50,510	39,531	35,942	32,998
Interest and dividends received	545	631	545	500	677	665	695	623	712	1,120
Interest paid	(1,421)	(2,422)	(3,226)	(3,923)	(4,460)	(4,758)	(5,436)	(5,880)	(6,344)	(6,742)
Business structure improvement expenses paid	(46)	(2,024)	—	—	—	—	—	—	—	—
Information security management expenses paid	—	(21,366)	—	—	—	—	—	—	—	—
Income taxes paid	(19,310)	(13,865)	(6,463)	(7,990)	(8,437)	(11,370)	(6,556)	(9,358)	(6,512)	(7,915)
Income taxes refund	3,281	1,753	4,177	770	1,542	1,451	2,766	927	666	2,682
Net Cash Provided by (Used in) Investing Activities	(24,729)	3,048	(26,191)	(436)	5,503	(30,490)	1,425	(19,698)	(47,359)	(18,971)
Purchases of marketable securities	(82,221)	(24,758)	(64,616)	(64,014)	(34,042)	(60,312)	(2,007)	(2,001)	(16,999)	(47,997)
Proceeds from sales of marketable securities	80,031	56,447	53,518	72,427	40,218	49,520	21,883	2,904	2,931	46,499
Purchases of tangible fixed assets	(8,434)	(6,319)	(5,736)	(4,325)	(6,197)	(6,783)	(5,955)	(5,373)	(4,715)	(4,202)
Proceeds from sales of tangible fixed assets	1,650	1,429	2,003	7,385	—	—	—	—	—	—
Purchases of software	(12,563)	(12,296)	(7,028)	(5,938)	(5,766)	(6,192)	(8,442)	(9,439)	(9,612)	(8,264)
Purchases of investment securities	(3,997)	(2,262)	(4,059)	(2,146)	(470)	(1,559)	(5,979)	(813)	(8,886)	(6,282)
Proceeds from sales of investment securities	2,047	668	1,664	1,175	1,154	754	736	1,171	1,483	2,256
Purchase of controlling interests in a company	(313)	(1,179)	—	—	—	(3,879)	(268)	(1,181)	(2,819)	—
Payment for sale of interests in a subsidiary previously consolidated	(477)	—	—	—	—	—	—	—	(7,818)	—
Proceeds from sales of interest in a subsidiary previously consolidated	—	—	—	—	12,909	—	3,866	—	—	—
Purchases of investments in a consolidated subsidiary	—	(1,092)	—	—	—	—	—	(2,988)	—	—
Additional acquisition of equity interest in a consolidated subsidiary	(302)	—	—	—	—	—	—	—	—	—
(Increase) decrease in time deposits—net	1,775	(3,457)	806	(3,511)	(867)	296	(497)	(346)	(163)	(235)
Other—net	(1,923)	(4,132)	(2,743)	(1,488)	(1,435)	(2,334)	(1,909)	(1,630)	(759)	(744)
Net Cash Provided by (Used In) Financing Activities	(14,514)	(13,112)	(3,236)	(11,994)	(12,512)	(10,084)	(12,661)	(4,745)	(9,127)	(14,617)
(Decrease) increase in short-term bank loans—net	—	(786)	—	—	—	—	—	—	—	—
Proceeds from long-term debt	—	5,071	32,805	—	—	5,000	15,000	8,000	—	—
Repayment of long-term debt	(250)	(6,269)	(25,027)	(9)	—	(5,045)	(19,186)	(14,003)	(248)	(5,067)
Proceeds from issuance of bonds	—	—	—	—	—	—	—	10,000	—	—
Dividends paid	(9,185)	(9,137)	(9,137)	(9,136)	(9,150)	(6,986)	(4,820)	(4,820)	(4,820)	(5,301)
Purchases of treasury stock	(3,723)	(3)	—	—	—	—	—	—	—	—
Repayments of lease obligations	(1,431)	(1,723)	(1,858)	(2,155)	(2,222)	(2,316)	(3,084)	(3,378)	(3,410)	(3,731)
Dividends paid to non-controlling interests	—	—	—	(690)	(1,530)	(588)	—	—	—	—
Other—net	75	(262)	(17)	(2)	390	(147)	(570)	(542)	(648)	(516)
Foreign Currency Translation Adjustment on Cash and Cash Equivalents	2,982	1,343	(1,368)	(2,160)	(136)	(1,127)	(519)	(245)	2,221	757
Net (Decrease) Increase in Cash and Cash Equivalents	(3,966)	19,119	(4,600)	10,645	19,303	(27,754)	30,222	1,154	(29,800)	(10,687)
Cash and Cash Equivalents, Beginning of Year	97,802	93,835	112,955	108,355	119,001	138,304	112,658	142,881	144,035	114,235
Cash and Cash Equivalents of a Newly Consolidated Subsidiary	—	—	—	—	—	2,108	—	—	—	—
Cash and Cash Equivalents, End of Year	¥ 93,835	¥ 112,955	¥ 108,355	¥ 119,001	¥ 138,304	¥ 112,658	¥ 142,881	¥ 144,035	¥ 114,235	¥ 103,547

- Notes:
1. Business structure improvement expenses, and business structure improvement expenses paid included in other non-cash income and expenses—net, and increase (decrease) in inventories under net cash provided by operating activities are separately presented from the fiscal year ended March 31, 2015, as they have increased in importance. To reflect this presentation method, figures from the year ended March 31, 2014, have been restated.
 2. (Decrease) increase in liability for retirement benefits, which had been presented as a separate item under net cash provided by operating activities, and purchases of treasury stock, which had been presented as a separate item under net cash provided by (used in) financing activities, have been included under other—net from the fiscal year ended March 31, 2016 due to their decreased materiality.
 3. Proceeds from sales of tangible fixed assets, which had been presented as a separate item under net cash provided by (used in) investment activities, has been included under other—net from the fiscal year ended March 31, 2018 due to its decreased materiality.
 4. Dividends paid to non-controlling interests, which had been presented as a separate item under net cash provided by (used in) financing activities, has been included under other—net from the fiscal year ended March 31, 2020 due to its decreased materiality.
 5. The Accounting Standard for Revenue Recognition, etc. has been applied from the fiscal year ended March 31, 2022.

Segment Information

In the fiscal years ended March 31, 2017, 2019, and 2022 the Company changed its reportable segments. Figures for the time before the change have been restated in line with the new segments.

2014-2015 Consolidated Segments

		(Millions of Yen)	
Years ended March 31		2014/3	2015/3
Net Sales		¥ 466,399	¥ 463,264
Education in Japan		253,499	238,815
Overseas Education		17,818	21,006
Lifestyle		20,938	15,324
Senior/Nursing Care		79,598	87,271
Language/Global Leadership Training		70,830	74,570
Others		23,713	26,276
Operating Income (Loss)		35,830	29,227
Education in Japan		32,489	26,202
Overseas Education		(698)	1,367
Lifestyle		(232)	(826)
Senior/Nursing Care		5,869	5,610
Language/Global Leadership Training		1,850	2,699
Others		1,084	2,037
Reconciliations		(4,532)	(7,863)

Notes: 1. Segment sales are based on sales to external customers, and intersegment sales or transfers are not included.
2. Operating income (loss) for each segment is before eliminations in consolidated totals.

2015-2018 Consolidated Segments(changed in the fiscal year ended March 31, 2017)

		(Millions of Yen)			
Years ended March 31		2015/3	2016/3	2017/3	2018/3
Net Sales		¥ 463,264	¥ 444,190	¥ 430,064	¥ 434,497
Education in Japan		238,732	204,157	194,406	205,160
Overseas Business		21,006	27,114	28,046	29,089
Nursing Care and Childcare		87,271	94,966	102,996	111,812
Language Learning		74,570	73,912	60,282	57,132
Others		41,683	44,039	44,331	31,301
Operating Income (Loss)		29,227	10,862	7,685	12,626
Education in Japan		28,664	3,117	1,671	9,958
Overseas Business		1,573	2,641	3,136	2,102
Nursing Care and Childcare		5,610	7,023	8,186	8,850
Language Learning		2,699	3,234	(479)	(3,779)
Others		2,590	1,697	1,996	870
Reconciliations		(11,910)	(6,852)	(6,825)	(5,376)

Notes: 1. Segment sales are based on sales to external customers, and intersegment sales or transfers are not included.
2. From the fiscal year ended March 31, 2017, the Company has changed its classification of segments in line with a reorganization. Figures for the fiscal years ended March 31, 2015 and 2016 have been restated to reflect the new segments. Figures for the fiscal year ended March 31, 2015 have not been audited.
3. Operating income (loss) for each segment is before eliminations in consolidated totals.

2018-2021 Consolidated Segments(changed in the fiscal year ended March 31, 2019)

		(Millions of Yen)			
Years ended March 31		2018/3	2019/3	2020/3	2021/3
Net Sales		¥ 434,497	¥ 439,431	¥ 448,577	¥ 427,531
Education in Japan		182,028	192,064	200,393	205,789
Global Kodomo Challenge Business		52,220	56,443	56,555	55,175
Nursing Care and Childcare Business		111,812	116,999	122,868	123,807
Berlitz		51,306	49,275	45,020	26,401
Others		37,129	24,647	23,739	16,358
Operating Income (Loss)		12,626	16,245	21,266	13,089
Education in Japan		9,092	10,055	14,042	12,035
Global Kodomo Challenge Business		2,327	3,258	2,654	1,613
Nursing Care and Childcare Business		8,850	11,396	11,374	10,393
Berlitz		(3,999)	(4,748)	(3,152)	(6,715)
Others		1,093	554	864	350
Reconciliations		(4,739)	(4,270)	(4,516)	(4,587)

Notes: 1. Segment sales are based on sales to external customers, and intersegment sales or transfers are not included.
2. From the fiscal year ended March 31, 2019, the Company has changed its classification of segments in line with a reorganization. Figures for the fiscal year ended March 31, 2018 have been restated to reflect the new segments.
3. Operating income (loss) for each segment is before eliminations in consolidated totals.

2021-2023 Consolidated Segments(changed in the fiscal year ended March 31, 2022)

		(Millions of Yen)		
Years ended March 31		2021/3	2022/3	2023/3
Net Sales		¥ 427,531	¥ 431,943	¥ 411,876
Education in Japan		204,402	212,128	209,056
Kids & Family		71,856	71,238	67,858
Nursing Care and Childcare		123,807	127,397	132,687
Berlitz		26,401	20,074	—
Others		1,062	1,105	2,274
Operating Income (Loss)		13,089	20,167	20,620
Education in Japan		11,918	19,085	19,163
Kids & Family		2,001	1,718	70
Nursing Care and Childcare		10,393	8,013	6,651
Berlitz		(6,715)	(2,799)	—
Others		78	(7)	(159)
Reconciliations		(4,587)	(5,843)	(5,104)

Notes: 1. Segment sales are based on sales to external customers, and intersegment sales or transfers are not included.
2. From the fiscal year ended March 31, 2022, the Company has changed its classification of segments in line with a reorganization. Figures for the fiscal year ended March 31, 2021 have been restated to reflect the new segments.
3. Operating income (loss) for each segment is before eliminations in consolidated totals.
4. The Accounting Standard for Revenue Recognition, etc. has been applied from the fiscal year ended March 31, 2022.
5. Berlitz Corporation was excluded from the reporting segments from the fiscal year ended March 31, 2023 as a result of the share transfer of the company on February 14, 2022.

Business Data | Education Business in Japan

(Millions of Yen)

Years ended March 31	2014/3	2015/3	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3
Net sales by segment (total for Education in Japan)	230,406	232,823	187,159	177,646	182,028	192,064	200,393	204,402	212,128	209,056
Senior High School Courses	25,773	22,565	14,864	11,930	12,113	12,516	11,801	12,529	11,182	9,496
Junior High School Courses	42,434	37,975	24,328	21,544	24,106	24,760	26,085	28,810	28,011	24,557
Elementary School Courses	72,005	67,768	55,459	47,895	48,361	50,365	55,867	62,346	63,283	60,103
School & Teacher Support	44,205	44,516	46,083	47,152	50,051	55,014	56,923	55,008	48,778	48,407
Prep Schools and Classrooms	45,989	59,999	46,425	49,125	47,395	49,406	49,715	45,707	44,326	43,964
University and Working Adult	—	—	—	—	—	—	—	—	14,288	20,017
Other	—	—	—	—	—	—	—	—	2,257	2,509

Notes: 1. Net sales by segment does not include intersegment sales or transfers. However, the totals for the fiscal years ended March 31, 2013 through March 31, 2017 are simple sums.
 2. The Accounting Standard for Revenue Recognition, etc. has been applied from the fiscal year ended March 31, 2022 and net sales results for the fiscal year ended March 31, 2022 have been prepared using the post-application method.
 3. For the fiscal years ended March 31, 2015, 2016, 2017, 2019, and 2022, the Company has changed the method of classifying its reportable segments. Figures for each of the previous fiscal years are based on those changes.
 4. For the fiscal years ended March 31, 2020, and 2022, the method of aggregation for each business has been changed. Figures for each of the previous fiscal years are based on those changes.
 5. We revised the method of aggregation for School & Teacher Support and Other, which are included in Education Business in Japan and mentioned figures for Prep Schools & Classrooms and University & Working Adult separately from the fiscal year ended March 31, 2023. Along with these changes, figures for corresponding period of the previous fiscal year are based on new criteria.

Years ended March 31	2014/3	2015/3	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3
Cumulative Enrollments in Shinkenzenmi over a Full Year	42,677	38,713	30,040	27,147	18,561	19,138	19,139	20,709	20,112	18,315
Senior High School Courses	3,052	2,698	1,765	1,476	1,503	1,483	1,369	1,374	1,187	993
Junior High School Courses	7,583	6,838	4,416	3,855	4,194	4,293	4,124	4,310	4,023	3,453
Elementary School Courses	18,973	17,845	14,667	12,768	12,864	13,361	13,645	15,024	14,901	13,868

Note: Cumulative enrollment is the sum of enrollment for each month from April to March of each year.

Years ended March 31	2014/3	2015/3	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3
Shinkenzenmi average monthly fee per person										
Senior High School Courses	8,445	8,364	8,422	8,083	8,059	8,440	8,620	9,119	9,420	9,563
Junior High School Courses	5,596	5,554	5,509	5,589	5,748	5,768	6,325	6,684	6,963	7,112
Elementary School Courses	3,795	3,798	3,781	3,751	3,759	3,770	4,094	4,150	4,247	4,334

Note: The average monthly fee is calculated by dividing the net sales by segment of each course by the cumulative enrollment.

As of April	2014/4	2015/4	2016/4	2017/4	2018/4	2019/4	2020/4	2021/4	2022/4	2023/4
Shinkenzenmi and Kodomo Challenge Enrollments in April										
Senior High School Courses	280	170	150	150	160	150	150	140	110	100
Junior High School Courses	690	450	390	400	420	420	420	410	350	320
Elementary School Courses	1,660	1,330	1,150	1,160	1,200	1,240	1,330	1,360	1,280	1,180
Subtotal	2,630	1,950	1,690	1,710	1,780	1,810	1,890	1,910	1,740	1,600
Kodomo Challenge in Japan (Preschool Courses)	1,020	760	740	740	790	810	810	810	750	610
Total	3,650	2,710	2,430	2,450	2,570	2,620	2,710	2,720	2,490	2,210

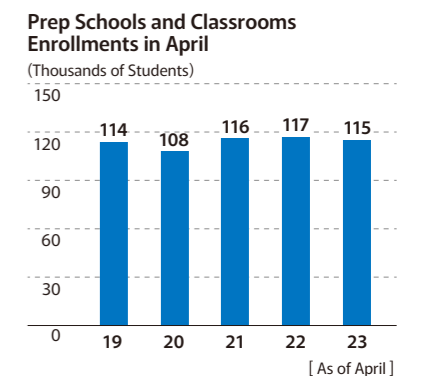
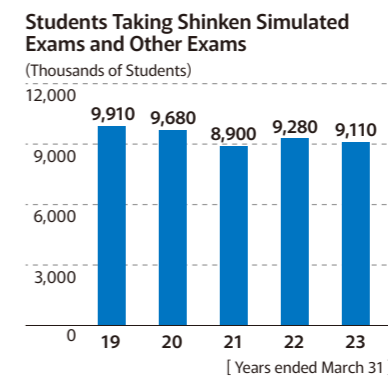
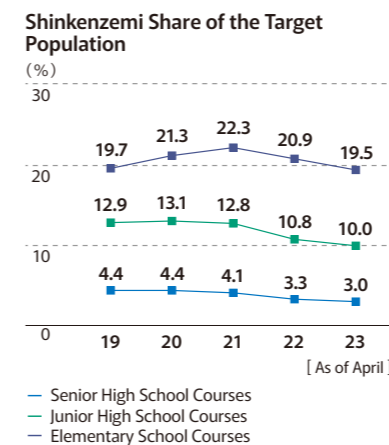
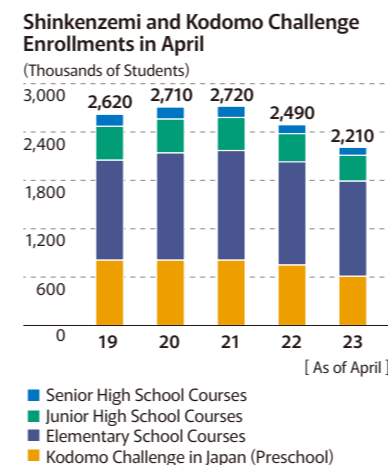
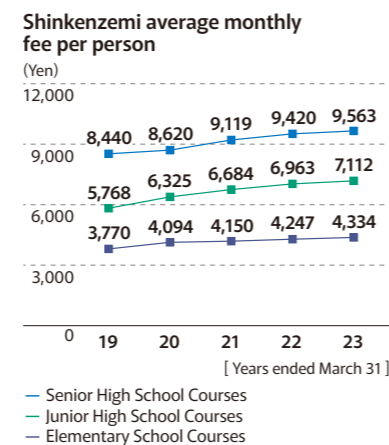
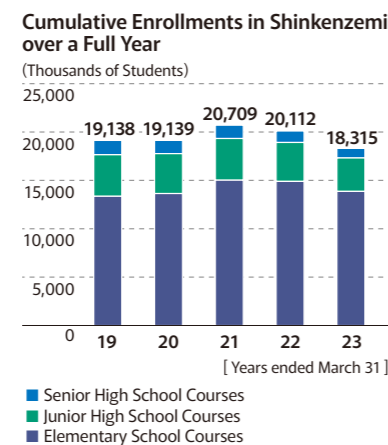
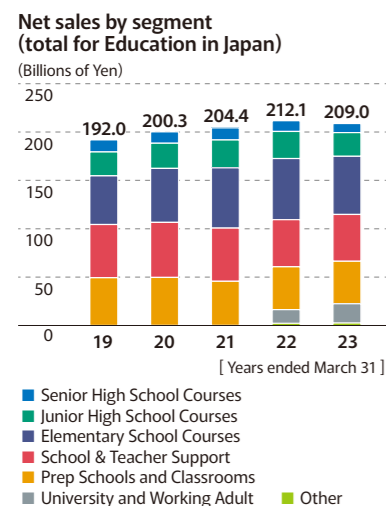
As of April	2014/4	2015/4	2016/4	2017/4	2018/4	2019/4	2020/4	2021/4	2022/4	2023/4
Shinkenzenmi Share of the Target Population										
Senior High School Courses	7.9	4.8	4.2	4.3	4.7	4.4	4.4	4.1	3.3	3.0
Junior High School Courses	20.1	12.9	11.3	11.8	12.9	12.9	13.1	12.8	10.8	10.0
Elementary School Courses	25.3	20.7	18.0	18.2	19.0	19.7	21.3	22.3	20.9	19.5

Note: Share is the proportion of enrollees relative to the target population.

Years ended March 31	2014/3	2015/3	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3
Students Taking Shinken Simulated Exams and Other Exams	7,880	8,090	10,050	10,200	10,080	9,910	9,680	8,900	9,280	9,110

Note: Cumulative enrollment for Shinken Simulated Exams and other exams is retrospectively restated as the total number of enrollments in Shinken Simulated Exams, Study Support, and Course Map.

As of April	2014/4	2015/4	2016/4	2017/4	2018/4	2019/4	2020/4	2021/4	2022/4	2023/4
Prep Schools and Classrooms Enrollments in April	74	96	99	102	111	114	108	116	117	115



Business Data | Kids & Family Business

Years ended March 31	2014/3	2015/3	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3
Net sales by segment (total for Kodomo Challenge and Other)	—	—	—	—	52,220	56,443	56,555	71,856	71,238	67,858
Kodomo Challenge in Japan (Preschool Courses)	23,090	21,052	16,996	16,757	16,942	17,923	18,573	19,801	20,462	19,658
Overseas Kodomo Challenge (Preschool Courses)	—	—	—	—	24,615	27,252	27,139	26,531	28,346	27,237
Other	—	—	—	—	10,662	11,267	10,841	25,523	22,429	20,961

Notes: 1. Net sales by segment does not include intersegment sales or transfers.
 2. The Kodomo Challenge in Japan (Preschool Courses) had been recorded under the Education Business in Japan until the fiscal year ended March 31, 2018. Figures for the fiscal year ended March 31, 2017 have been restated to reflect the new segments.
 3. The Overseas Kodomo Challenge (Preschool Courses) has been disclosed from the fiscal year ended March 31, 2019. Figures for the fiscal year ended March 31, 2018 have been retrospectively disclosed.
 4. Other includes the lifestyle-related business from the fiscal year ended March 31, 2021.

Years ended March 31	2014/3	2015/3	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3
Cumulative Enrollments in Kodomo Challenge over a Full Year	—	—	—	—	23,810	24,390	24,259	24,204	23,232	19,829
Kodomo Challenge in Japan (Preschool Courses)	13,067	11,330	9,189	9,047	9,138	9,523	9,469	9,870	9,283	8,273
Overseas Kodomo Challenge (Preschool Courses)	—	—	—	—	14,671	14,867	14,789	14,334	13,948	11,556

Notes: 1. Cumulative enrollment is the sum of enrollment for each month from April to March of each year.
 2. Overseas cumulative enrollments is the sum of enrollments for each month from January through December of each year in Mainland China and Indonesia and the sum of enrollments for each month from April of each year to March of the following year in Taiwan. From the fiscal year ended March 31, 2023, Overseas cumulative enrollments is the sum of enrollments for each month from January through December of each year in Mainland China and the sum of enrollments for each month from April of each year to March of the following year in Taiwan.

Years ended March 31	2014/3	2015/3	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3
Kodomo Challenge Average Monthly Fee Per Person (Japan)	1,767	1,858	1,850	1,852	1,854	1,882	1,961	2,006	2,204	2,376

Note: The average monthly fee is calculated by dividing the net sales by segment of Kodomo Challenge Business in Japan (Preschool) by the cumulative enrollment.

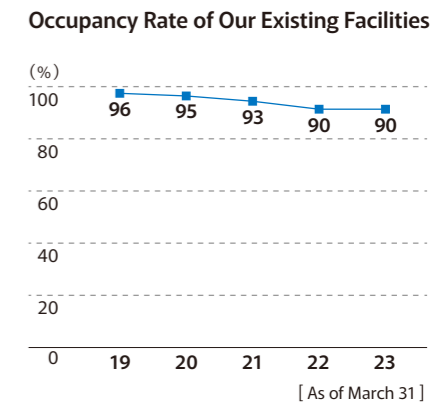
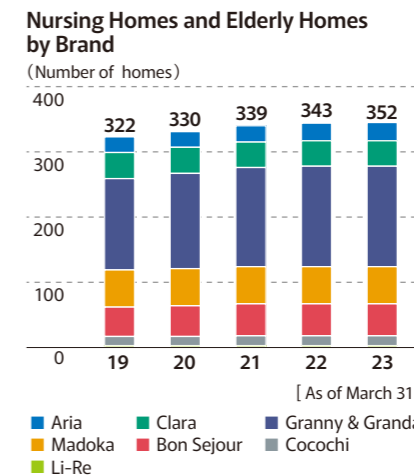
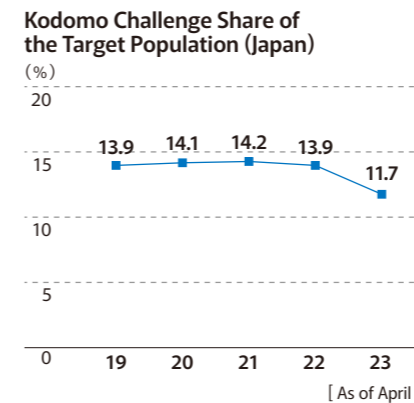
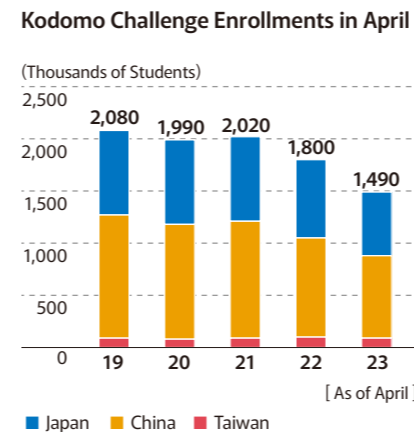
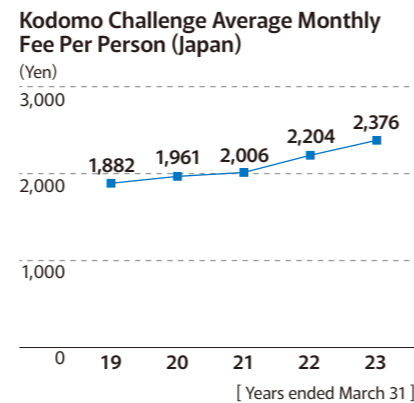
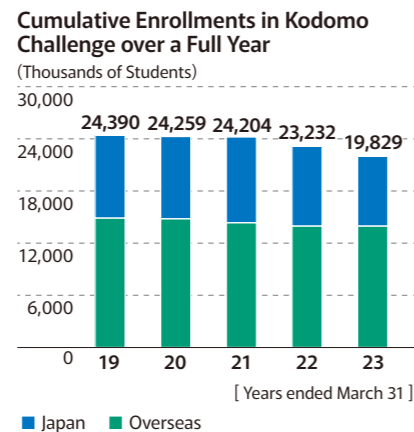
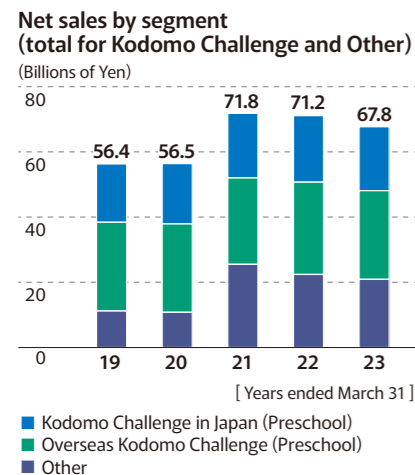
As of April	2014/4	2015/4	2016/4	2017/4	2018/4	2019/4	2020/4	2021/4	2022/4	2023/4
Kodomo Challenge Enrollments in April (Japan)	1,020	760	740	740	790	810	810	810	750	610
Kodomo Challenge Enrollments in April (Overseas)	780	900	1,100	1,220	1,270	1,270	1,180	1,210	1,050	880
China	600	730	930	1,080	1,150	1,180	1,100	1,120	950	790
Taiwan	180	170	160	150	120	90	80	90	100	90

As of April	2014/4	2015/4	2016/4	2017/4	2018/4	2019/4	2020/4	2021/4	2022/4	2023/4
Kodomo Challenge Share of the Target Population	18.1	12.2	12.0	12.2	13.0	13.9	14.1	14.2	13.9	11.7
Kodomo Challenge in Japan (Preschool Courses)	18.1	12.2	12.0	12.2	13.0	13.9	14.1	14.2	13.9	11.7

Note: Share is the proportion of enrollees relative to the target population. The market share of Kodomo Challenge was previously disclosed as a figure that excluded Kodomo Challenge baby, but has been retroactively calculated as a figure that includes Kodomo Challenge baby.

Business Data | Nursing Care and Childcare Business

As of March 31	2014/3	2015/3	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3
Nursing Homes and Elderly Homes by Brand	253	276	292	308	316	322	330	339	343	352
Aria	20	21	21	22	23	24	24	25	27	28
Clara	40	41	42	42	41	40	40	39	39	38
Granny & Granda	99	112	122	130	134	140	146	152	154	160
Madoka	49	52	55	57	57	57	57	57	57	57
Bon Sejour	37	38	39	43	45	45	47	49	49	52
Cocochi	8	11	11	12	14	14	14	15	15	15
Li-Re	—	1	2	2	2	2	2	2	2	2
Occupancy Rate of Our Existing Facilities	95	94	93	91	95	96	95	93	90	90

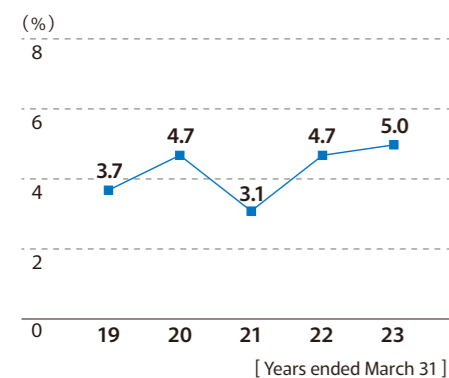


Indicators

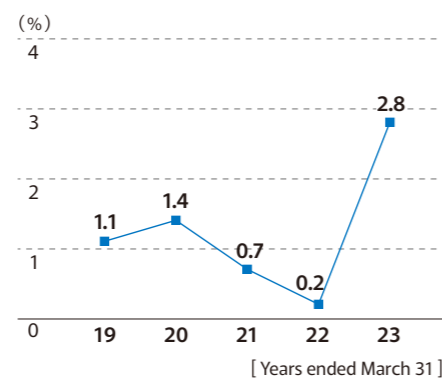
Years ended March 31	2014/3	2015/3	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3
Profitability										
Operating income ratio (%)	7.7	6.3	2.4	1.8	2.9	3.7	4.7	3.1	4.7	5.0
Net income ratio (%)	4.3	(2.3)	(1.8)	0.8	2.9	1.1	1.4	0.7	0.2	2.8
Return on equity (ROE) (%)	9.7	(5.3)	(4.5)	2.1	7.3	2.9	3.7	1.8	0.7	7.5
Return on assets (ROA) (%)	4.2	(2.2)	(1.7)	0.7	2.5	1.0	1.2	0.6	0.2	2.1
Operating income per employee (thousands of yen)	1,791	1,450	527	365	619	795	1,029	673	1,221	1,239
Net income (loss) per employee (thousands of yen)	996	(531)	(398)	169	608	240	304	161	64	682
Employees										
Employees	20,005	20,145	20,607	21,022	20,387	20,426	20,673	19,456	16,515	16,637
Growth Trends										
Increase (decrease) of net sales (%)	3.6	(0.7)	(4.1)	(3.2)	1.0	1.1	2.1	(4.7)	1.0	(4.6)
Increase (decrease) of operating income (%)	(6.1)	(18.4)	(62.8)	(29.2)	64.3	28.7	30.9	(38.4)	54.1	2.2
(Decrease) increase of net income (%)	(5.8)	—	—	—	248.5	(60.5)	28.3	(50.3)	(65.9)	966.8
Stability										
Current ratio (%)	151.9	134.2	167.2	169.8	165.2	151.7	154.0	162.4	152.4	157.5
Fixed assets ratio (%)	104.5	121.1	129.0	131.9	131.2	137.3	139.4	146.4	170.3	171.1
Equity ratio (%)	42.9	39.2	36.4	34.9	34.5	33.6	32.7	31.3	27.6	28.5
Liquidity (months)	3.4	3.4	3.6	3.9	4.2	4.1	4.0	4.4	4.2	4.1
Debt-to-equity ratio (%)	27.5	33.9	46.4	58.6	63.9	68.1	72.2	77.0	86.9	93.5
Interest coverage ratio (times)	25.6	12.3	3.5	2.1	3.0	3.5	4.0	2.3	3.3	3.2
Per Share of Common Stock										
Net income (loss) (yen)	206.79	(111.30)	(85.37)	36.98	128.79	50.89	65.28	32.40	11.04	117.73
Cash dividends (yen)	95	95	95	95	95	50	50	50	50	60
Dividend payout ratio (%)	45.9	—	—	256.9	73.8	98.2	76.6	154.3	452.9	51.0

- Notes: 1. ROE and ROA are calculated using the average amounts of equity and total assets at the beginning and end of each fiscal year.
 2. Liquidity = {Cash and time deposits (yearly average) + marketable securities (yearly average)} / average monthly sales
 3. Debt-to-equity ratio = Interest-bearing liabilities (yearly average) / equity (yearly average) x 100
 4. Interest coverage ratio = (Operating income + interest and dividend income) / interest expense
 5. The computation of net income (loss) per share of common stock is based on the weighted-average number of shares of common stock outstanding during each year.

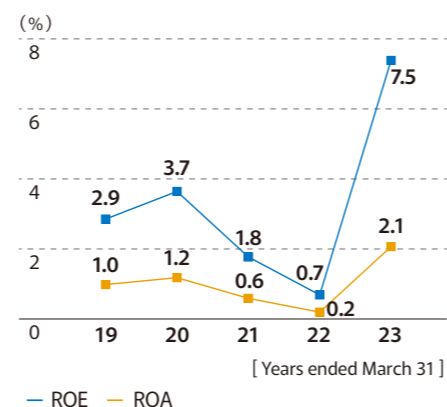
Operating income ratio



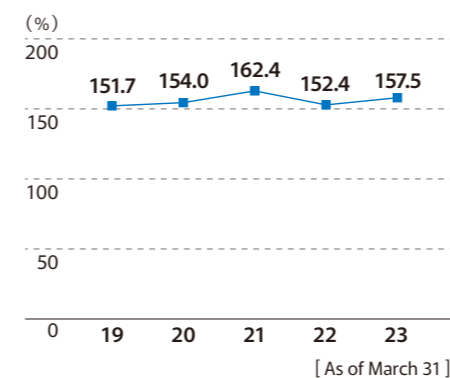
Net income ratio



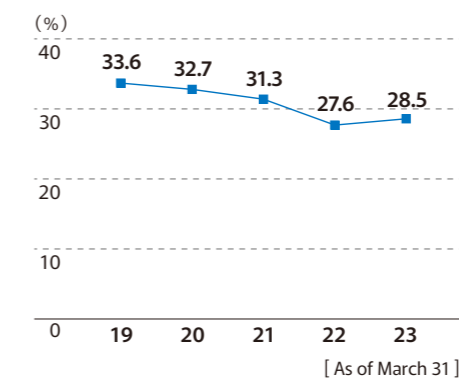
ROE / ROA



Current ratio



Equity ratio



Cash dividends / Dividend payout ratio

