



3Q Results for FY2020 Supplementary Materials

**February 5, 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)



Nine months ended December 31

(Millions of Yen)

	FY2019	FY2020	Change	%
Education Business in Japan	149,581	152,198	2,616	1.7
Global Kodomo Challenge	42,340	41,004	(1,336)	(3.2)
Nursing Care and Childcare	91,840	92,261	420	0.5
Berlitz	34,712	19,683	(15,029)	(43.3)
Others	18,086	12,439	(5,647)	(31.2)
Total Net Sales	336,562	317,585	(18,976)	(5.6)
Education Business in Japan	14,881	14,259	(621)	(4.2)
Global Kodomo Challenge	3,701	3,659	(42)	(1.2)
Nursing Care and Childcare	8,768	6,943	(1,825)	(20.8)
Berlitz	(2,195)	(5,673)	(3,477)	—
Others/Reconciliations	(2,062)	(2,526)	(463)	—
Total Operating Income	23,093	16,662	(6,431)	(27.8)
Ordinary Income	20,026	13,434	(6,591)	(32.9)
Net Income	13,181	7,027	(6,154)	(46.7)

※In fiscal 2020, Domestic Education was renamed the Education Business in Japan.

Analysis of Net Sales/Operating Income (YoY)



(Billions of Yen)

Net Sales	Education Business in Japan	Shinkenzemi : increase in cumulative enrollment	6.6
		School & Teacher Support business : impact of temporary school closures due to COVID-19, etc	(1.9)
		Cram schools / English education : impact of the voluntary halt of business over COVID-19, etc	(2.1)
	Global Kodomo Challenge	Japan : Impact of concerts cancellation / increase in cumulative enrollment, etc	(0.3)
		Overseas : Impact of concerts cancellation and the price revision for correspondence course in China, etc	(0.1)
		Forex rate impact	(0.9)
Nursing Care and Childcare	Increase in the Childcare business / increase in nursing home residents, etc	0.4	
Berlitz	BTS : temporary language center closures due to COVID-19 / impact of franchising conversion in Spain and Belgium, etc / liquidation of business in France, etc	(14.1)	
	ELS : Impact of the halt marketing due to university campus closures in the USA	(0.9)	
Others	No sales contribution from Simul International, Inc, due to its sell-off, etc. *	(4.9)	
	Impact of hotel closures in the Naoshima business due to COVID-19, etc	(0.7)	

Operating Income	Education Business in Japan	Shinkenzemi : due to higher sales / higher costs by the product revision, etc	3.8
		Due to lower sales in the School & Teacher Support business; Cram schools and English education business, etc	(4.4)
	Global Kodomo Challenge	Japan : due to lower sales in the concerts business, etc	(0.4)
		Overseas : decrease in marketing costs, etc	0.4
	Nursing Care and Childcare	Improve wages for staff / higher labor costs as increase in the No. of nursing homes, etc	(1.8)
	Berlitz	Due to lower sales / lower cost, etc	(3.4)
Others/Reconciliations	Due to lower sales, etc	(0.4)	

*The Company transferred all shares of Simul International, Inc, to TAKARA & COMPANY LTD. as of March 31, 2020

Results by Segment (YoY) (Each quarter)



Three months ended Dec. 31: both net sales and operating income are back on the recovery track

Nine months ended December 31

(Billions of Yen)

				1 Q	2 Q	3 Q	
				Change	Change	Change	
		FY2019	FY2020	Change			
Education Business in Japan		149.5	152.1	2.6	(5.1)	3.2	4.5
Global Kodomo Challenge		42.3	41.0	(1.3)	(0.8)	0.1	(0.5)
Nursing Care and Childcare		91.8	92.2	0.4	(0.1)	0.2	0.3
Berlitz		34.7	19.6	(15.0)	(2.3)	(6.9)	(5.6)
Others		18.0	12.4	(5.6)	(2.1)	(1.6)	(1.8)
Total Net Sales		336.5	317.5	(18.9)	(10.7)	(5.0)	(3.1)
Education Business in Japan		14.8	14.2	(0.6)	(3.8)	1.1	2.0
Global Kodomo Challenge		3.7	3.6	(0.0)	(0.3)	0.4	(0.1)
Nursing Care and Childcare		8.7	6.9	(1.8)	(0.6)	(0.8)	(0.2)
Berlitz		(2.1)	(5.6)	(3.4)	(0.1)	(1.5)	(1.7)
Others/Reconciliations		(2.0)	(2.5)	(0.4)	(0.3)	(0.2)	0.1
Total Operating Income		23.0	16.6	(6.4)	(5.4)	(1.0)	0.0

FY2020 Full Year Forecast



Forecast announced on November 6, 2020 has not been changed.

(Millions of Yen)

	FY2019	FY2020 (Forecast)	Change	%
Net Sales	448,577	426,000	(22,577)	(5.0)
Operating Income	21,266	9,300	(11,966)	(56.3)
Operating Income ratio(%)	4.7	2.2	(2.5)	—
Ordinary Income	16,759	4,500	(12,259)	(73.2)
Net Income	6,289	0	(6,289)	—
Exchange Rate(USD/JPY)	109.37	108.00	(1.37)	—

FY2020 Full Year Forecast by Segment



Forecast announced on November 6, 2020 has not been changed.

(Millions of Yen)

	FY2019	FY2020 (Forecast)	Change	%
Education Business in Japan	200,393	203,200	2,807	1.4
Global Kodomo Challenge	56,555	55,500	(1,055)	(1.9)
Nursing Care and Childcare	122,868	124,200	1,332	1.1
Berlitz	45,020	26,900	(18,120)	(40.2)
Others	23,739	16,200	(7,539)	(31.8)
Total Net Sales	448,577	426,000	(22,577)	(5.0)
Education Business in Japan	14,042	10,100	(3,942)	(28.1)
Global Kodomo Challenge	2,654	1,400	(1,254)	(47.2)
Nursing Care and Childcare	11,374	9,000	(2,374)	(20.9)
Berlitz	(3,152)	(6,800)	(3,648)	—
Others/Reconciliations	(3,652)	(4,400)	(748)	—
Total Operating Income	21,266	9,300	(11,966)	(56.3)

Analysis of Net Sales/Operating Income (Full Year Forecast)



(Billions of Yen)

Net Sales	Education Business in Japan	Shinkenzemi : increase in cumulative enrollment	8.3
		School & Teacher Support business : impact of temporary school closures due to COVID-19, etc	(3.2)
		Cram schools / English education : impact of the voluntary halt of business over COVID-19, etc	(2.3)
	Global Kodomo Challenge	Japan : increase in cumulative enrollment / impact of concerts cancellation, etc	0.1
		Overseas : Impact of concerts cancellation in China, etc	(0.4)
		Forex rate impact	(0.7)
Nursing Care and Childcare	Increase in nursing home residents and Childcare business, etc	1.3	
Berlitz	BTS : temporary language center closures due to COVID-19 / impact of franchising conversion in Spain and Belgium, etc / liquidation of business in France, etc	(17.5)	
	ELS : Impact of the halt marketing due to University campus closures in USA		
	Forex rate impact	(0.6)	
Others	No sales contribution from Simul International, Inc, due to its sell-off, etc.	(6.2)	
	Impact of hotel closures in the Naoshima business due to COVID-19, etc	(1.3)	

Operating Income	Education Business in Japan	Shinkenzemi : due to higher sales, etc	5.4
		Due to lower sales in the School & Teacher Support business; Cram schools and English education business, etc	(9.3)
	Global Kodomo Challenge	Japan : due to higher sales in the correspondence course / due to lower sales in the concerts business, etc	(0.0)
		Overseas : due to lower sales / strategic investment / Forex rate impact [-0.1]	(1.2)
	Nursing Care and Childcare	Due to higher sales / improve wages for staff / higher labor costs as increase in the No. of nursing homes, etc	(2.3)
	Berlitz	Due to lower sales / lower cost, etc	(3.6)
Others/Reconciliations	Due to lower sales, etc	(0.7)	

Breakdown of Net Sales

Nine months ended December 31

(Millions of Yen)

	FY2019	FY2020	Change	%	Ratio(%)
Senior High School	9,341	9,896	555	5.9	6.5
Junior High School	20,428	21,478	1,050	5.1	14.1
Elementary School	42,267	47,293	5,025	11.9	31.1
School & Teacher Support	41,106	39,166	(1,940)	(4.7)	25.7
Other	36,437	34,363	(2,074)	(5.7)	22.6
Total	149,581	152,198	2,616	1.7	100.0

Breakdown of Net Sales

Nine months ended December 31

(Millions of Yen)

	FY2019	FY2020	Change	%	Ratio(%)
Kodomo Challenge in Japan (Preschool)	13,838	14,768	929	6.7	36.0
Overseas Kodomo Challenge (Preschool)	20,207	19,929	(277)	(1.4)	48.6
Other	8,294	6,306	(1,988)	(24.0)	15.4
Total	42,340	41,004	(1,336)	(3.2)	100.0

【 Cumulative Enrollment for Shinkenzemi 】

Nine months ended December 31

(Thousands)

	FY2019	FY2020	Change	%
Senior High School	1,086	1,089	3	0.3
Junior High School	3,229	3,371	141	4.4
Elementary School	10,350	11,385	1,035	10.0
Total	14,665	15,846	1,180	8.0

【 Cumulative Enrollment for Kodomo Challenge (Preschool) 】

(Thousands)

	FY2019	FY2020	Change	%
Kodomo Challenge in Japan (Preschool)	7,019	7,344	325	4.6
Overseas Kodomo Challenge (Preschool)	11,131	10,779	(351)	(3.2)
Total	18,150	18,123	(26)	(0.1)

•Note¹: Cumulative enrollment represents the cumulative total No. of people who receive materials monthly (from April to December).

•Note²: Cumulative enrollment for Kodomo Challenge in China, Taiwan and Indonesia represents the cumulative total No. of people who receive materials monthly.
Cumulative enrollment for China and Indonesia represents the cumulative total No. of people who receive materials monthly (from January to September),
due to the differences of those closing dates ended December 31st.

	Dec. 2019	March 2020	Sep. 2020	Dec. 2020
Aria	24	24	24	24
Clara	40	40	40	39
Granny & Granda	143	146	147	150
Madoka	57	57	57	57
Bon Sejour	47	47	49	49
Cocochi	14	14	15	15
Li-Re	2	2	2	2
Total	327	330	334	336

Nine months ended September 30

(Thousands of Lessons)

	2019	2020	%
Americas	846	722	(14.6)
Europe	1,981	1,080	(45.5)
Asia	1,216	809	(33.5)
Total	4,044	2,612	(35.4)

Years ended December 31 (Preliminary figures)

(Thousands of Lessons)

	2019	2020	%
Americas	1,123	996	(11.3)
Europe	2,594	1,475	(43.2)
Asia	1,599	1,086	(32.1)
Total	5,317	3,558	(33.1)

•Note:

The No. of lessons in Europe in 3Q has decreased by 900 thousands YoY. This decrease includes a reduction of the No. of lessons (495 thousands) due to franchising conversion and liquidation of business.

The No. of lessons in Europe in a Year ended December 31 (preliminary figures) has decreased by 1,119 thousands YoY. This decrease includes a reduction of the No. of lessons (644 thousands) due to franchising conversion and liquidation of business.