



Results for FY2019 Supplementary Materials

**May 25, 2020
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)



(Millions of Yen)

	FY2018	FY2019	Change	%
Domestic Education	192,064	200,393	8,329	4.3
Global Kodomo Challenge	56,443	56,555	111	0.2
Nursing Care and Childcare	116,999	122,868	5,868	5.0
Berlitz	49,275	45,020	(4,255)	(8.6)
Others	24,647	23,739	(907)	(3.7)
Total Net Sales	439,431	448,577	9,145	2.1
Domestic Education	10,055	14,042	3,986	39.6
Global Kodomo Challenge	3,258	2,654	(604)	(18.5)
Nursing Care and Childcare	11,396	11,374	(21)	(0.2)
Berlitz	(4,748)	(3,152)	1,595	—
Others/Reconciliations	(3,715)	(3,652)	63	—
Total Operating Income	16,245	21,266	5,020	30.9
Ordinary Income	12,150	16,759	4,609	37.9
Net Income	4,902	6,289	1,386	28.3

Analysis of Net Sales/Operating Income (YoY)



(Billions of Yen)

Net Sales	Domestic Education	Shinkenzemi : Impact of the price revision, etc	3.9
		School & Teacher Support : Consolidates Classi Corp. and EDUCOM Corp.*, etc	1.9
		Cram schools / Support college students and adults / English education, etc	2.5
	Global Kodomo Challenge	Japan : Impact of the price revision, etc	0.6
		Overseas : Impact of the price revision in China / Decrease in cumulative enrollment in Taiwan, etc	1.3
		Foreign exchange rate impact	(1.8)
Nursing Care and Childcare	Increase in nursing home residents, etc	5.8	
Berlitz	BTS : Impact of franchising conversion in Scandinavia and liquidation of business in France, etc ELS : Due to sales of business in Australia, etc	(2.5)	
	Foreign exchange rate impact	(1.7)	
Others	Decrease in marketing costs for mail-order business, etc	(0.9)	
Operating Income	Domestic Education	Shinkenzemi	4.0
		Due to higher sales of School & Teacher Support and cram schools / Increase investment, etc	(0.1)
	Global Kodomo Challenge	Japan : Due to higher sales / Increase in marketing costs, etc	(0.3)
		Overseas : Due to higher sales / Increase in marketing costs / Foreign exchange rate impact (-0.2), etc	(0.3)
Nursing Care and Childcare	Due to higher sales / Improve wages for staff / Higher costs for recruitment, etc	(0.0)	
Berlitz	Due to lower sales / Lower costs by restructuring effect / Foreign exchange rate impact (+0.2), etc	1.5	

*The company converted Classi Corp. and EDUCOM Corp. into consolidated subsidiaries as of January 8, 2019.

Breakdown of Net Sales

(Millions of Yen)

	FY2018	FY2019	Change	%	Ratio(%)
Senior High School	12,516	11,801	(715)	(5.7)	5.9
Junior High School	24,760	26,085	1,324	5.4	13.0
Elementary School	50,365	55,867	5,501	10.9	27.9
School & Teacher Support	55,014	56,923	1,908	3.5	28.4
Other	49,406	49,715	309	0.6	24.8
Total	192,064	200,393	8,329	4.3	100.0

The company changed its accounting policy in following segments : School and Teacher Support and Other from the consolidated financial results for FY2019. As a result of this change, Information for FY2018 has been revised.

Breakdown of Net Sales

(Millions of Yen)

	FY2018	FY2019	Change	%	Ratio(%)
Domestic Kodomo Challenge (Preschool)	17,923	18,573	649	3.6	32.8
Overseas Kodomo Challenge (Preschool)	27,252	27,139	(112)	(0.4)	48.0
Other	11,267	10,841	(425)	(3.8)	19.2
Total	56,443	56,555	111	0.2	100.0

【 Cumulative Enrollment for Shinkenzemi 】				(Thousands)
	FY2018	FY2019	Change	%
Senior High School	1,483	1,369	(113)	(7.7)
Junior High School	4,293	4,124	(169)	(3.9)
Elementary School	13,361	13,645	283	2.1
Total	19,138	19,139	0	0.0

【 Cumulative Enrollment for Kodomo Challenge (Preschool) 】				(Thousands)
	FY2018	FY2019	Change	%
Domestic Kodomo Challenge (Preschool)	9,523	9,469	(53)	(0.6)
Overseas Kodomo Challenge (Preschool)	14,867	14,789	(78)	(0.5)
Total	24,390	24,259	(131)	(0.5)

Note: Cumulative enrollment represents the cumulative total No. of people who receive materials monthly from April to March. Cumulative enrollment for Kodomo Challenge in China and Indonesia represents the cumulative total No. of people who receive materials monthly from January to December, because their closing date is December 31st and its different from others.

As of April	(Thousands)			
	2019	2020	Change	%
Senior High School	150	150	(0)	(1.6)
Junior High School	420	420	0	0.5
Elementary School	1,240	1,330	90	6.7
Kodomo Challenge (Preschool)	810	810	0	0.5
Total	2,620	2,710	90	3.3

As of April	(Thousands)				
	2018	2019	2020	Change	%
China	1,150	1,180	1,100	(80)	(6.7)
Taiwan	120	90	80	(10)	(6.9)
Total	1,270	1,270	1,180	(90)	(6.7)

	Mar. 2019	Sep. 2019	Mar. 2020
Aria	24	24	24
Clara	40	40	40
Granny & Granda	140	143	146
Madoka	57	57	57
Bon Sejour	45	46	47
Cocochi	14	14	14
Li-Re	2	2	2
Total	322	326	330
Occupancy Rate of Existing Facilities	96%	95%	95%

Years ended December 31

(Thousands of Lessons)

	2018	2019	%
Americas	1,309	1,123	(14.2)
Europe	2,913	2,594	(10.9)
Asia	1,614	1,599	(0.9)
Total	5,837	5,317	(8.9)

Three months ended March 31 (Preliminary figures) (Thousands of Lessons)

	2019	2020	%
Americas	262	242	(7.5)
Europe	699	440	(37.0)
Asia	388	339	(12.6)
Total	1,350	1,023	(24.2)

CAPEX / Depreciation and Amortization

(Millions of Yen)

	FY2018	FY2019	Change
CAPEX	31,582	22,660	(8,921)
Details: Lease Assets	10,541	10,574	33
Goodwill	3,992	274	(3,718)
Others	17,048	11,811	(5,237)
Depreciation and Amortization	19,884	19,885	1

【Dividend per Share/Dividend Payout Ratio】

	FY2017	FY2018	FY2019	FY2020 (Forecast)
Dividend per share(yen)	95	50	50	50
Dividend payout ration(%)	73.8	98.2	76.6	—

Forecast for the fiscal year ending March 2021 is not yet determined at this stage given the difficulty of making a reasonable estimate due to the impact of the expansion of COVID-19.