



Results for FY2020 Supplementary Materials

**May 11, 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)



(Millions of Yen)

	FY2019	FY2020	Change	%
Education Business in Japan	200,393	205,789	5,395	2.7
Global Kodomo Challenge	56,555	55,175	(1,380)	(2.4)
Nursing Care and Childcare	122,868	123,807	939	0.8
Berlitz	45,020	26,401	(18,618)	(41.4)
Others	23,739	16,358	(7,381)	(31.1)
Total Net Sales	448,577	427,531	(21,045)	(4.7)
Education Business in Japan	14,042	12,035	(2,006)	(14.3)
Global Kodomo Challenge	2,654	1,613	(1,041)	(39.2)
Nursing Care and Childcare	11,374	10,393	(980)	(8.6)
Berlitz	(3,152)	(6,715)	(3,562)	—
Others/Reconciliations	(3,652)	(4,237)	(585)	—
Total Operating Income	21,266	13,089	(8,176)	(38.4)
Ordinary Income	16,759	9,260	(7,499)	(44.7)
Net Income	6,289	3,122	(3,166)	(50.3)

Analysis of Net Sales/Operating Income (YoY)



(Billions of Yen)

Net Sales	Education Business in Japan	Shinkenzemi : increase in cumulative enrollment	8.5
		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.	(1.2)
	Global Kodomo Challenge	Japan : increase in cumulative enrollment / impact of concerts cancellation, etc.	0.2
		Overseas : impact of concerts cancellation in China, etc.	(0.6)
		Forex rate impact	(0.9)
Nursing Care and Childcare	Increase in nursing home residents / due to higher sales in the childcare business, etc.	0.9	
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. ELS : impact of the halt marketing due to university campus closures in the USA	(17.4)	
	Forex rate impact	(1.2)	
	Others	No sales contribution from Simul International, Inc, due to its sell-off, etc. * Impact of hotel closures in the Naoshima business due to COVID-19, etc.	(6.2) (1.1)

Operating Income	Education Business in Japan	Shinkenzemi : due to higher sales / increase products revision cost, etc.	4.8
		Due to lower sales in the School & Teacher Support business; Cram schools and English education business, etc.	(6.8)
	Global Kodomo Challenge	Japan : due to higher sales / due to lower sales in the concerts business, etc.	0.0
		Overseas : due to lower sales / investment in strategic / Forex rate impact [-0.1], etc.	(1.0)
	Nursing Care and Childcare	Due to higher sales / improve wages for staff / higher labor costs as increase in the No. of nursing homes, etc.	(0.9)
Berlitz	Due to lower sales / lower cost, etc.	(3.5)	
Others/Reconciliations	Due to lower sales, etc.	(0.5)	

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

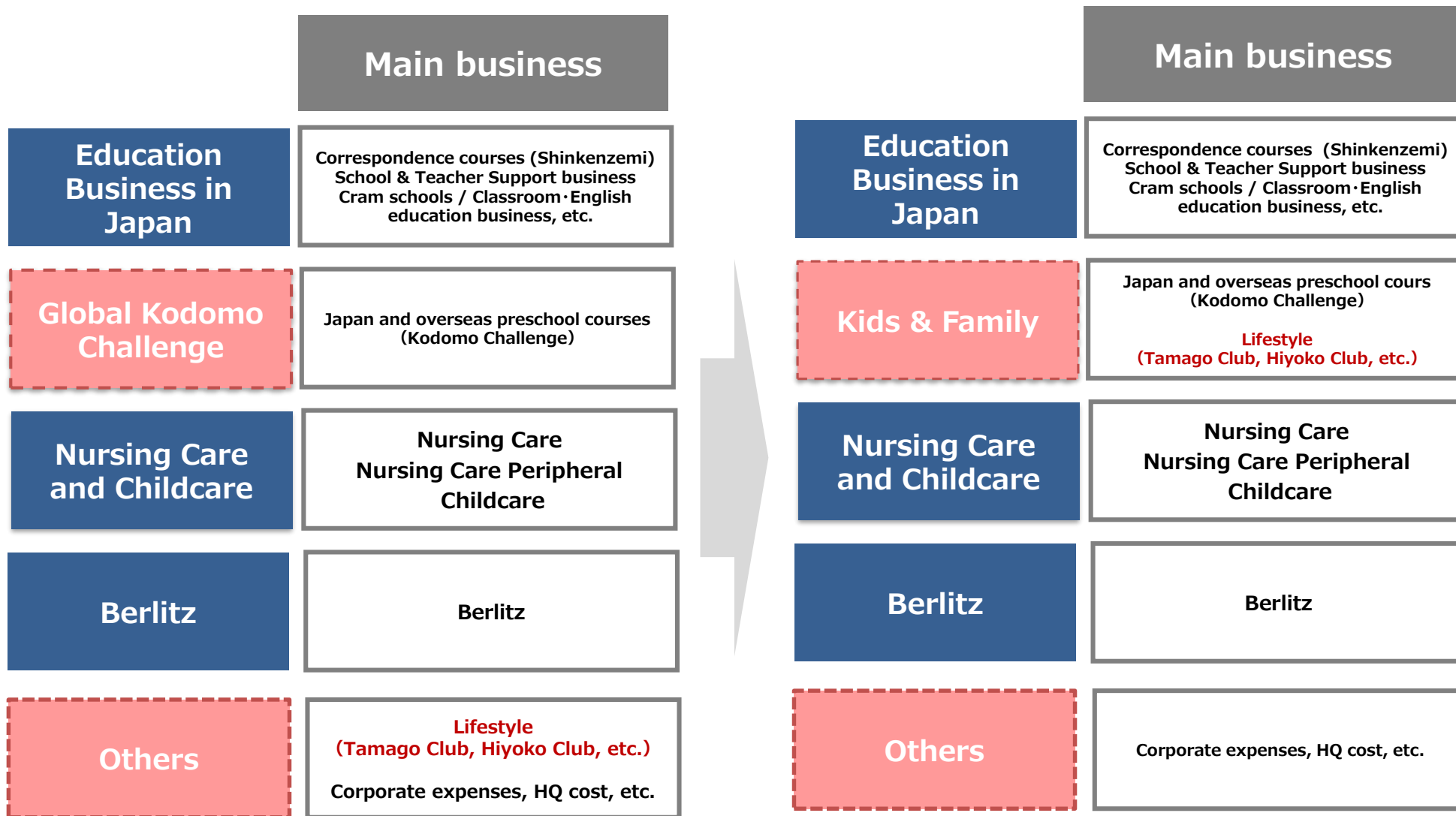
FY2021 Forecast



(Millions of Yen)

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

(Reference) Segment change



※English Education for pre-school business
The company has revised its segment of from in Education Business in Japan to in Kids & Family.

FY2021 Forecast by Segment



(Millions of Yen)

	FY2020	FY2021 (Forecast)	Change	%
Education Business in Japan	204,402	212,800	8,398	4.1
Kids & Family	71,856	74,000	2,144	3.0
Nursing Care and Childcare	123,807	125,800	1,993	1.6
Berlitz	26,401	27,200	799	3.0
Others	1,062	1,200	138	13.0
Total Net Sales	427,531	441,000	13,469	3.2
Education Business in Japan	11,917	17,600	5,683	47.7
Kids & Family	2,169	2,500	331	15.3
Nursing Care and Childcare	10,393	7,000	(3,393)	(32.6)
Berlitz	(6,715)	(3,200)	3,515	—
Others/Reconciliations	(4,675)	(6,400)	(1,725)	—
Total Operating Income	13,089	17,500	4,411	33.7

Note: The Company has revised its classification of reportable segments from FY2021 (Forecast) ended March 31, 2022. For a numerical comparison between the forecast for the fiscal year ended March 31, 2022, information for the fiscal year ended March 31, 2021 has been presented based on the new classification after this change. Moreover, figures by segments for the fiscal year ended March 31, 2021 has not been audited and may be subject to change.

Analysis of Net Sales/Operating Income (Forecast)



(Billions of Yen)

Net Sales	Education Business in Japan		Shinkenzemi : decrease in cumulative enrollment	(0.3)
			School & Teacher Support business : recovery from the impact of COVID-19, etc.	1.4
			Cram schools / English education : recovery from the impact of COVID-19, etc.	7.3
	Kids & Family	Kodomo Challenge	Japan : impact of the price revision / due to higher sales in the concert business, etc.	2.3
			Overseas : due to change of the tax benefit in China, etc. Forex rate impact	(0.9) 2.7
	Lifestyle	Impact of accounting standard change for revenue recognition, etc.	(2.0)	
Nursing Care and Childcare		Increase in nursing home residents / impact of accounting standard change for revenue recognition, etc.	1.9	
Berlitz		Recovery from the impact of COVID-19, etc.	0.4	
		Forex rate impact	0.3	

Operating Income	Education Business in Japan		Shinkenzemi : due to lower cost, etc.	1.2
			Due to higher sales in the School & Teacher Support business; Cram schools and English education business, etc.	4.4
	Kids & Family	Kodomo Challenge	Japan : due to higher sales in the correspondence course / due to higher sales in the concerts business, etc.	0.9
			Overseas : due to change of the tax benefit in China / Forex rate impact [+0.2]	(0.7)
		Lifestyle	Due to higher sales, etc.	0.1
	Nursing Care and Childcare		Due to higher sales / higher labor costs as increase in the No. of nursing homes / impact of accounting standard change for revenue recognition, etc.	(3.3)
Berlitz		Due to higher sales / lower cost, etc.	3.5	
Others/Reconciliations		Strategic investment, IT investment, etc.	(1.7)	

Breakdown of Net Sales

(Millions of Yen)

	FY2019	FY2020	Change	%	Ratio(%)
Senior High School	11,801	12,529	728	6.2	6.1
Junior High School	26,085	27,405	1,320	5.1	13.3
Elementary School	55,867	62,346	6,479	11.6	30.3
School & Teacher Support	56,923	55,008	(1,915)	(3.4)	26.7
Other	49,715	48,499	(1,216)	(2.4)	23.6
Total	200,393	205,789	5,395	2.7	100.0

Breakdown of Net Sales

	(Millions of Yen)				
	FY2019	FY2020	Change	%	Ratio(%)
Kodomo Challenge in Japan (Preschool)	18,573	19,801	1,228	6.6	35.9
Overseas Kodomo Challenge (Preschool)	27,139	26,531	(607)	(2.2)	48.1
Other	10,841	8,841	(2,000)	(18.5)	16.0
Total	56,555	55,175	(1,380)	(2.4)	100.0

【Cumulative Enrollment for Shinkenzemi】

(Thousands)

	FY2019	FY2020	Change	%
Senior High School	1,369	1,374	5	0.4
Junior High School	4,124	4,310	185	4.5
Elementary School	13,645	15,024	1,378	10.1
Total	19,139	20,709	1,569	8.2

【Cumulative Enrollment for Kodomo Challenge (Preschool)】

(Thousands)

	FY2019	FY2020	Change	%
Kodomo Challenge in Japan (Preschool)	9,469	9,870	400	4.2
Overseas Kodomo Challenge (Preschool)	14,789	14,334	(455)	(3.1)
Total	24,259	24,204	(55)	(0.2)

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

•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 December), due to the differences of those closing dates ended December 31st.

As of April	(Thousands)			
	2020	2021	Change	%
Senior High School	150	140	(10)	(9.4)
Junior High School	420	410	(10)	(1.8)
Elementary School	1,330	1,360	30	2.9
Kodomo Challenge (Preschool)	810	810	(0)	(1.1)
Total (Japan)	2,710	2,720	10	0.3

As of April	(Thousands)			
	2019	2020	Change	%
China	1,100	1,120	20	2.0
Taiwan	80	90	10	9.9
Total (Overseas)	1,180	1,210	30	2.6

	March 2020	Sep. 2020	March 2021
Aria	24	24	25
Clara	40	40	39
Granny & Granda	146	147	152
Madoka	57	57	57
Bon Sejour	47	49	49
Cocochi	14	15	15
Li-Re	2	2	2
Total	330	334	339
Occupancy Rate of Existing Facilities	95%	93%	93%

Years ended December 31

(Thousands of Lessons)

	2019	2020	%
Americas	1,123	996	(11.3)
Europe	2,594	1,475	(43.1)
Asia	1,599	1,086	(32.1)
Total	5,317	3,558	(33.1)

Three months ended March 31 (Preliminary figures)

(Thousands of Lessons)

	2020	2021	%
Americas	244	264	8.3
Europe	484	386	(20.3)
Asia	339	241	(29.0)
Total	1,068	891	(16.5)

•Note:

The No. of lessons in Europe 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.

The closing date for Berlitz is December,31. Three months ended March 31,2021 may be subject to change, due to Preliminary figures.

CAPEX / Depreciation and Amortization

(Millions of Yen)

	FY2019	FY2020	Change
CAPEX	22,660	29,243	6,583
(Details) Lease Assets	7,999	11,477	3,478
Goodwill	274	3,153	2,879
Others	14,385	14,612	226
Depreciation and Amortization	19,885	18,885	(999)

[Dividend per Share/Dividend Payout Ratio]

	FY2018	FY2019	FY2020	FY2021 (Forecast)
Dividend per share(yen)	50	50	50	50
Dividend payout ration(%)	98.2	76.6	154.3	96.4