



Benesse

1Q Results for FY2023 Supplementary Materials

**August 4, 2023
Benesse Holdings, Inc.**

Note : This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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)



Three months ended June 30

(Millions of Yen)

	FY2022	FY2023	Change	%
Education Business in Japan	51,630	50,402	(1,228)	(2.4)
Kids & Family	16,377	15,120	(1,257)	(7.7)
Nursing Care and Childcare	32,128	34,167	+2,038	+6.3
Others	485	762	+277	+57.2
Total Net Sales	100,622	100,452	(169)	(0.2)
Education Business in Japan	789	47	(742)	(94.0)
Kids & Family	123	94	(29)	(23.7)
Nursing Care and Childcare	308	1,478	+1,169	+378.4
Others/Reconciliations	(1,184)	(767)	+417	—
Total Operating Income	37	852	+815	—
Ordinary Income	(1,306)	(642)	+663	—
Net Income	(2,323)	(1,615)	+708	—

Results : Analysis of Net Sales/Operating Income (YoY)



(Billions of Yen)

Net Sales	Education Business in Japan	Shinkenzemi	Decrease in cumulative enrollment / positive impact of the price revision, etc.	(1.8)
		School & Teacher Support	Positive impact of the price revision for Shinken Simulated Exams, increase in orders for elementary and junior high school business, etc.	+0.3
		Prep Schools & Classrooms	Decrease in No. of students in Tokyo Individualized Education Institute/increase in No. of students in Tetsuryokukai, consolidates Kyoto Rakusei prep school, etc.	(0.0)
		University & Working Adult, Other	Increase in orders in Udemiy business, etc.	+0.3
	Kids & Family	Kodomo Challenge	Japan : decrease in cumulative enrollment/positive impact of the price revision, etc.	(0.5)
			Overseas : decrease in cumulative enrollment, etc.	(0.4)
		Forex rate impact	+0.2	
	Lifestyle	Tamahiyo business, etc.	(0.4)	
Nursing Care and Childcare		Positive impact of the price revision in the nursing home care service business / increase in nursing home residents, etc.	+2.0	
Others		Naoshima business, etc.	+0.2	

Operating Income	Education Business in Japan		Shinkenzemi : Lower sales, investment in products/ decrease in marketing costs, etc.	(0.7)
			Lower sales in the Prep Schools and Classroom business/ Higher sales in the University & Working Adult business, School & Teacher Support business, etc.	+0.0
	Kids & Family	Kodomo Challenge	Japan : decrease in marketing costs/ lower sales, etc.	+0.4
			Overseas : Lower sales, etc.	(0.4)
		Lifestyle	Lower sales, etc.	(0.0)
	Nursing Care and Childcare		Higher sales, etc.	+1.1
Others/Reconciliations		Higher sales, etc.	+0.4	

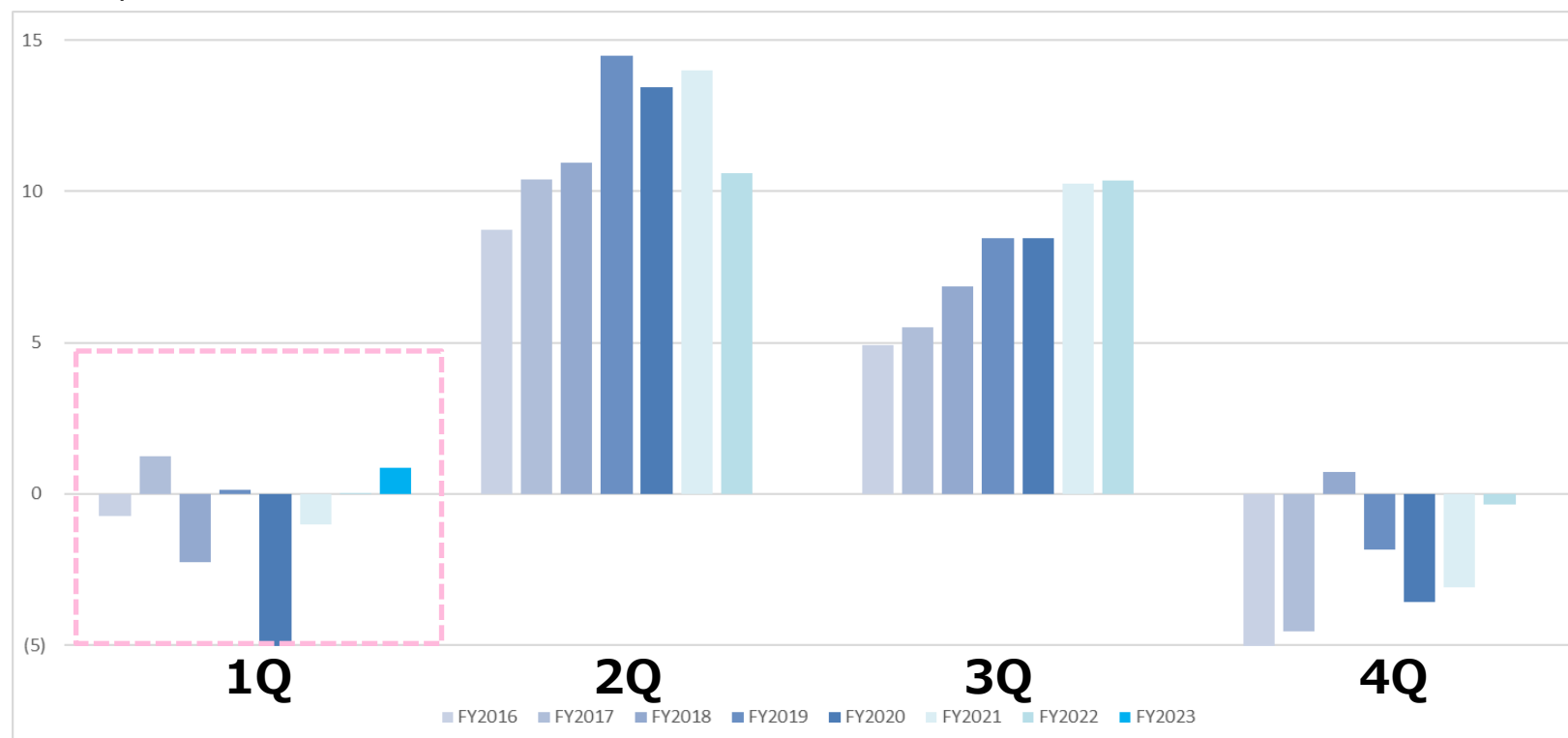
Seasonal factors for operating income

- 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~FY2023)

(Billions of yen)



FY2023 Full-year Forecast



Forecast announced on May 12, 2023 has not been changed.

(Millions of Yen)

	FY2022	FY2023 (Forecast)	Change	%
Net Sales	411,876	423,000	+11,124	+2.7
Operating Income	20,620	21,500	+880	+4.3
Operating Income ratio (%)	5.0	5.1	+0.1	—
Ordinary Income	15,896	16,000	+104	+0.7
Net Income	11,353	11,500	+147	+1.3
Exchange Rate (CNY/JPY)	19.99	19.80	(0.19)	—

Breakdown of Net Sales

Three months ended June 30

(Millions of Yen)

	FY2022	FY2023	Change	%	Ratio(%)
Senior High School	2,846	2,495	(350)	(12.3)	5.0
Junior High School	6,788	6,179	(608)	(9.0)	12.3
Elementary School	15,650	14,742	(908)	(5.8)	29.2
School & Teacher Support	11,429	11,739	+309	+2.7	23.3
Prep Schools & Classrooms	9,384	9,344	(40)	(0.4)	18.5
University & Working Adult	5,284	5,591	+307	+5.8	11.1
Other	247	309	+61	+25.0	0.6
Total	51,630	50,402	(1,228)	(2.4)	100.0

Three months ended June 30

(Millions of Yen)

	FY2022	FY2023	Change	%	Ratio(%)
Kodomo Challenge in Japan (Preschool)	4,815	4,549	(266)	(5.5)	30.1
Overseas Kodomo Challenge (Preschool)	6,806	6,386	(419)	(6.2)	42.2
Other*	4,755	4,184	(570)	(12.0)	27.7
Total	16,377	15,120	(1,257)	(7.7)	100.0

* "Other" includes Kodomo Challenge peripheral businesses such as concert business and Lifestyle-related businesses such as Tamahiyo business, etc.

【Cumulative Enrollment for Shinkenzemi】

Three months ended June 30

(Thousands)

	FY2022	FY2023	Change	%
Senior High School	301	271	(30)	(10.2)
Junior High School	993	901	(92)	(9.3)
Elementary School	3,720	3,378	(341)	(9.2)
Total	5,016	4,551	(465)	(9.3)

【Cumulative Enrollment for Kodomo Challenge (Preschool)】

(Thousands)

	FY2022	FY2023	Change	%
Kodomo Challenge in Japan (Preschool)	2,057	1,713	(343)	(16.7)
Overseas Kodomo Challenge (Preschool)	3,158	2,611	(546)	(17.3)
Total	5,216	4,325	(890)	(17.1)

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

•Note²: Overseas Kodomo Challenge represents total No. of cumulative enrollment in China and Taiwan.

Cumulative enrollment for China 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 31st.

	June 2022	Mar. 2023	June 2023
Aria	27	28	28
Clara	38	38	38
Granny & Granda	157	160	160
Madoka	57	57	57
Bon Sejour	50	52	52
Cocochi	15	15	15
Li-Re	2	2	2
Total	346	352	352