



Benesse's Reform and Growth Toward a Sustainable Society

**February 21, 2023
Benesse Holdings, Inc.**

Part 1 Benesse's ESG and Sustainability

Part 2 Reform and Growth Toward a Sustainable Society

Looking to the Future



Hitoshi Kobayashi
Representative
Director and
President, CEO



Haruna Okada
Managing Executive Officer,
Executive General Manager of ESG and Sustainability



Hidetomo Hashimoto
Senior Managing
Executive Officer
CDXO



Hisano Murakami
CHRO



Koutarou Ueda
CSO

Benesse Group Corporate Philosophy

A serene sunset scene over a large body of water. The sun is low on the horizon, creating a bright, shimmering reflection on the water's surface. The sky transitions from a pale blue to a warm orange near the horizon. In the background, a range of dark, silhouetted mountains stretches across the horizon. The overall mood is peaceful and contemplative.

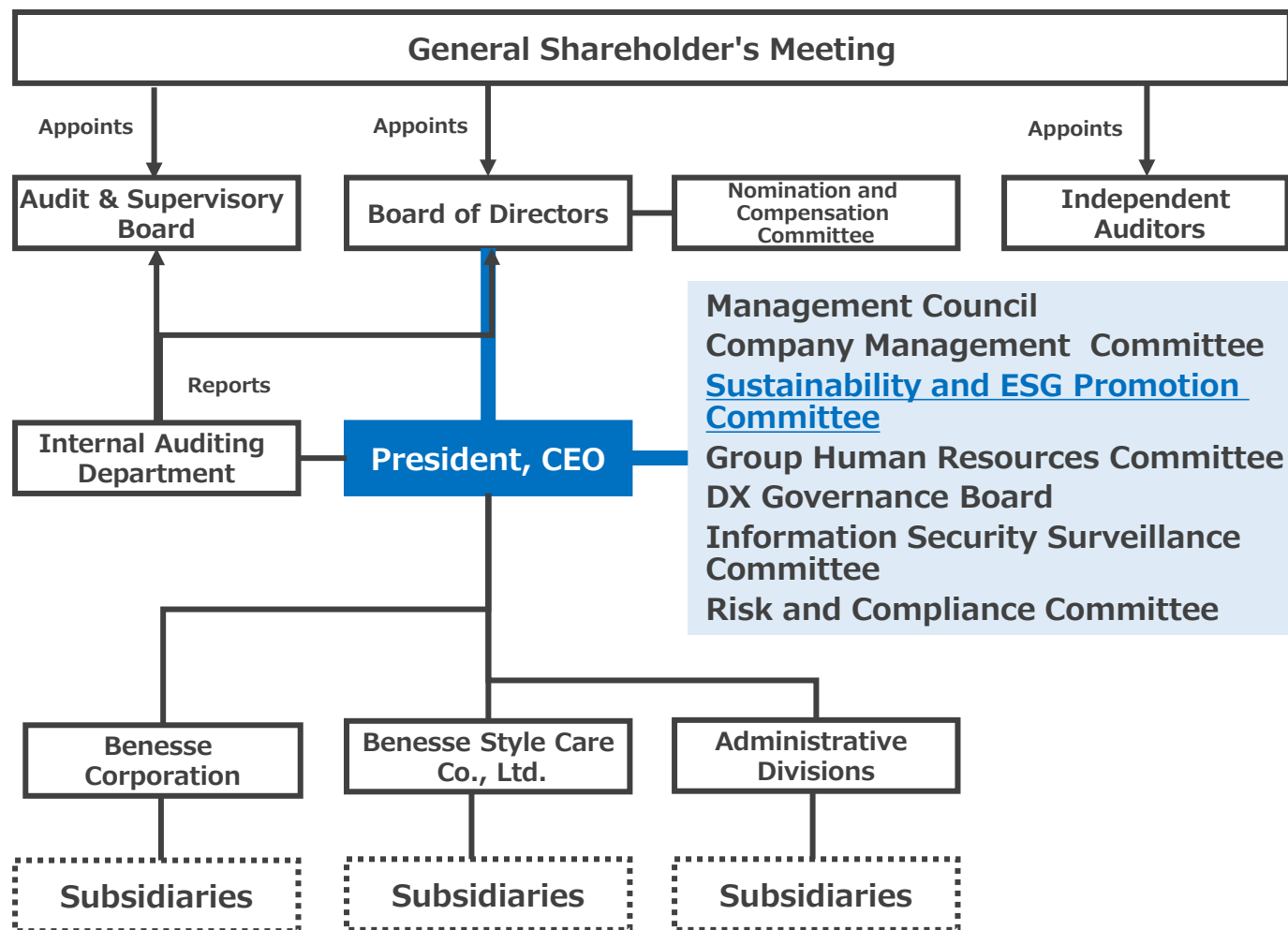
Part 1

Benesse's ESG and Sustainability

Integration of "Management" and "Sustainability Activities" in progress.



Sustainability is at the core of corporate governance and matters for discussion are submitted to the Board of Directors.



- Committee whose members are full-time directors, including the President, CEO, and Head of each Business Company.
- Sustainability and ESG Promotion Committee established in April 2022 directly under the President, CEO
- Director in charge (Managing Executive Officer) appointed



Group's main policies and initiatives regarding ESG and sustainability determined

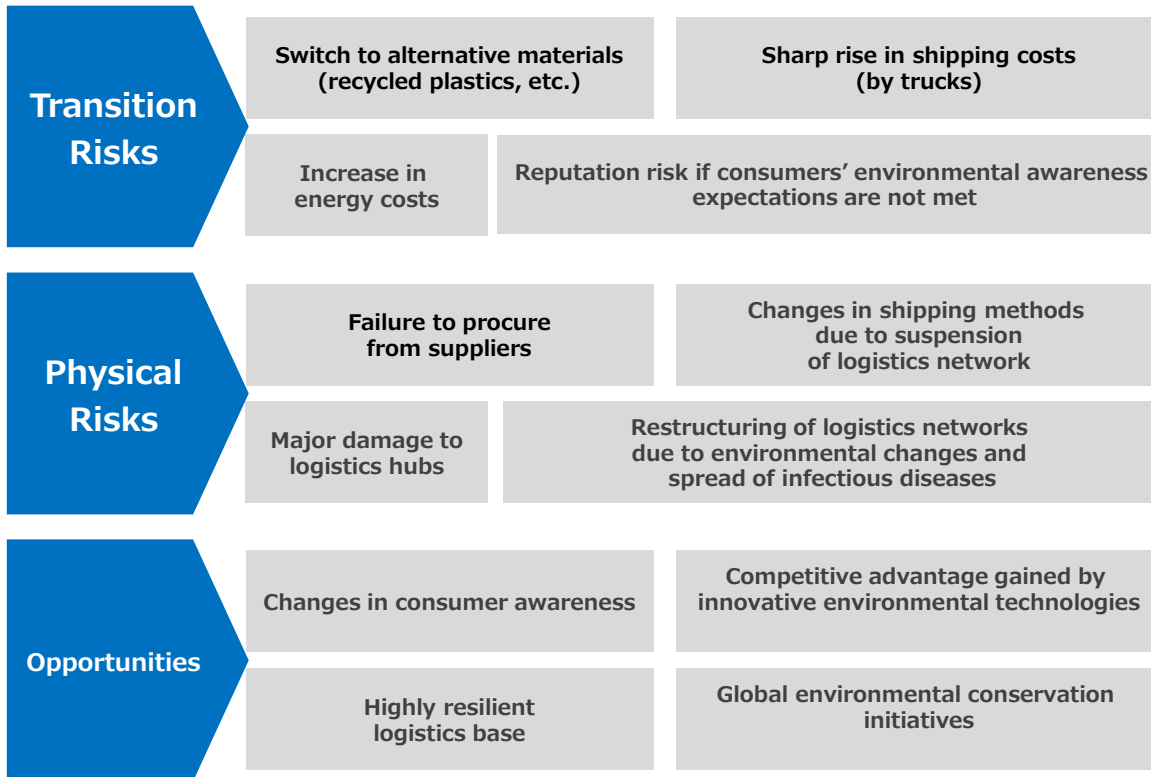
Responding quickly to changes in society and customers.
Improving human capital in particular is a driver of reform and growth

E	Contribution to a sustainable global environment	<ul style="list-style-type: none">■ Role of companies in climate control measures■ GX and the real challenges of soaring energy prices■ Need for essential medium- and long-term measures	<ul style="list-style-type: none">■ Establishment of environmental goals ※Benesse Corporation■ Environmental practices compatible with business characteristics■ CO2 reduction at logistic centres
S	Human resources to support growth	<ul style="list-style-type: none">■ Strengthen human capital■ Changing job types through advances in DX/AI■ Diversification of individual working styles and values	<ul style="list-style-type: none">■ Engagement through spreading awareness of principles■ Implementation of "B-STAGE" proposal system■ Enhancing diversity■ Learning culture challenges
G	Further strengthening of governance	<ul style="list-style-type: none">■ Diversity in governance■ Board of Directors' ESG commitments■ Maintain and improve information security	<ul style="list-style-type: none">■ Corporate governance structure■ Improving effectiveness of Board of Directors■ Thorough information security measures

Establish medium- to long-term environmental targets and address climate change as a Group

Scenario analysis in accordance with TCFD recommendations

Analysis of risks and opportunities based on probability of occurrence and impact, strategies and promotion based on the results



Targets revised to 1.5°C

Scope 1 and 2 reduction targets certified by SBTi
Scope 3 reduction target SBTi 2°C certified

	Every year	2030	2041	2050
Scope 1+2 (1.5°C target)	4.4% [※]	52.8% [※]	100%	100% [※]
Scope 3 (2°C target) [※]	1.23%	14.8%	-	39.4%

※Benesse Corporation/ FY ended March

※SBTi certified

Providing opportunities for environmental education in line with children's' development stages and curriculum

Preschool

TV show “Shimajiro no Wow!”



Elementary school,
Junior high school,
Senior high school

「Creating the future competition, environmental category」

「 “Tankyu Nabi (Inquiry Navigator)” 」



Collaboration with government agencies

「STEAM library」

※Ministry of Economy, Trade and Industry's “future classrooms”



Employees play a leading role in Benesse's sustainability activities. Measures implemented to share thoughts with employees.

Founding Day Morning Meeting

- Started in 1991
- Held more than 20 times in total
- Held once a year since 2008



Group engagement survey

Sustainability Study

- Started in 2019
- 2022 theme "Diversity and Transformation"
(23 companies and 4,000 people participated)



MOTIVATION CLOUD

A

Philosophy booklet "BATON"

- Published in April 2022
Distributed to all Group employees
(Initial distribution approximately 10,000)



S Group proposal system "B-STAGE"

Strictly Confidential.

10

Group proposal system "B-STAGE", which is rooted in employees' self-initiatives, attracts many business proposals.



B-STAGE



2021
(Inaugural year)

1,782 proposals submitted

<New business proposal category>
1 Grand Prize, 2 Excellence Awards

<Business reform proposal category>
1 Grand Prize, 2 Excellence Awards

2022

3,427 proposals submitted

<New business proposal category>
1 Grand Prize, 2 Excellence Awards,
1 Special Prize

<Business reform proposal category>
1 Grand Prize, 2 Excellence Awards

Enhancing the next level of diversity in women's activities, aiming for new value creation and sustainable growth.



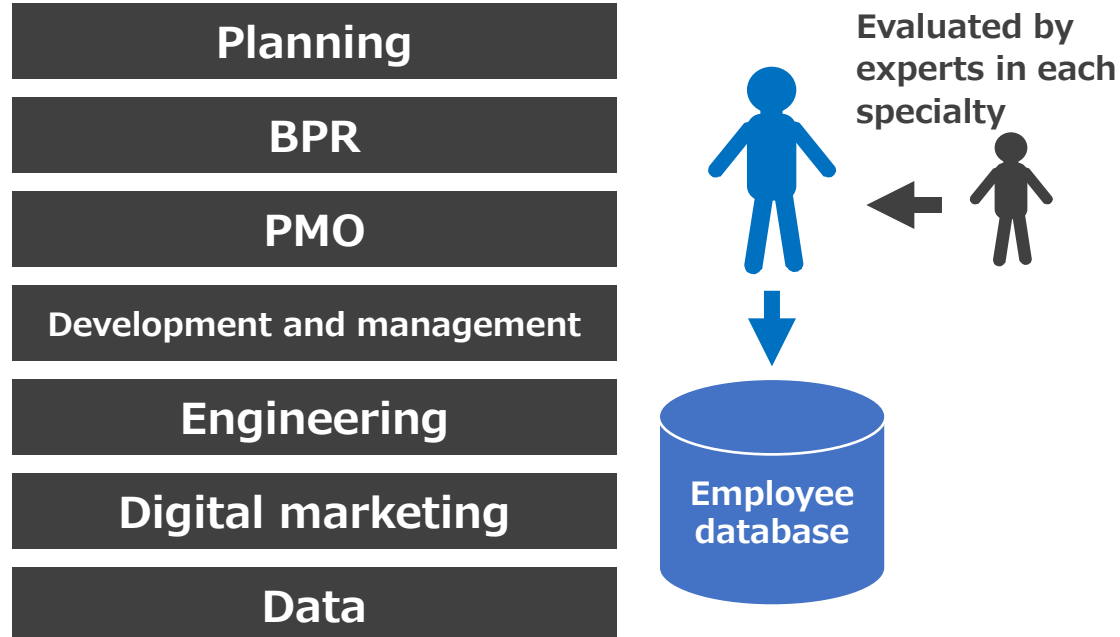
- **Percentage of women in management positions**
Domestic average 9.4% < Benesse33%
※Benesse Corporation percentages (2022)
- **Percentage of employees who returned from childcare leave : Over 95%**
※Benesse Corporation and Benesse Style Care percentages (2022)
- **Employees who took childcare leave : 377**
※Benesse Corporation and Benesse Style Care percentages (2022)
- **「Uncomfortable with female supervisors」**
Benesse 2.7% < Domestic average 14.6%

S Learning culture challenges ①

Visualize number of people and placements by specialty required to execute the business plan, and objectively identify organizational capabilities. Periodically fulfill human resources needs.

Specialty definitions and individual specifications

Define skills for each specialty, verify the skills of all employees, and manage through talent manage system



Skill definitions for each specialty are based on external skills standards (e.g. ITSS) and internal high performer analysis

GAP analysis of number of people required and number of placements

Fill rate for DX positions in 2022 was 86%(+15% YoY)

Job types	# of people required	# of placement	Placement level breakdown		
			Lv3	Lv2	Lv1
Planning					
BPR					
PMO					
Development and management					
Engineering					
Digital marketing					
Data					
Total					

Increase vs previous year

Decrease vs previous year

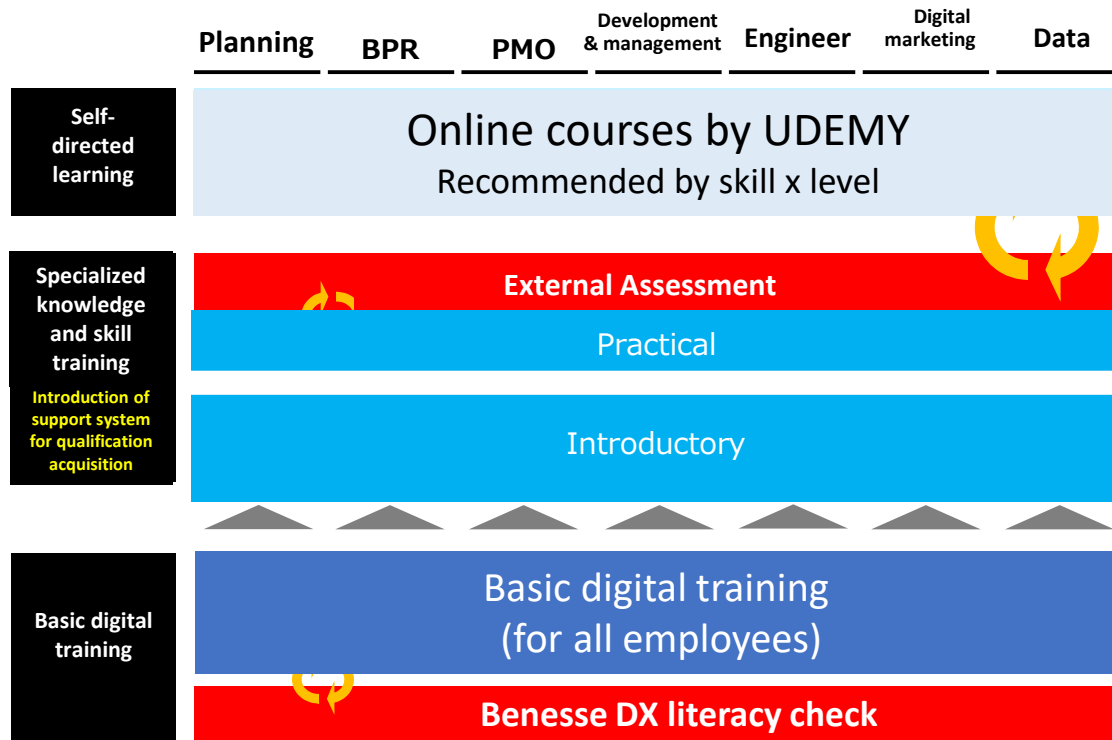
Analyze [urgent need for training due to sharp increase in Lv1] by department and formulate individual training plans

Reskilling through 「assessment×job-specific training programs」.
 Various measures to bring out employees' independence.

Training system

Development of company-wide training programs in addition to on-the-job training

Most of the 31 training programs are internal content using in-house case studies

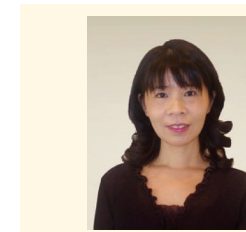


Benesse DX literacy check = 2,456 people (100% YoY)

Training program participants = 6,504 people in total (180% YoY)

Reskilling testimonials

Passing on what one learns to the organization
 Learning through interactions with experts across divisions



I joined Benesse as a new graduate in 1984. I have a wide range of experience from Red-Pen teacher to sales & sales development for Shinkenzenmi correspondence courses, web marketing and information editing. I have been deepening my data analysis skills since taking the Challenge Touch course (Shinkenzenmi tablet course) when it was first offered in 2014.

Time for a change!
 I learned math which I was not good at, and became a data scientist

■ **I failed twice during training, and that painful trauma renewed my determination**

If you have more company experience, you will be able to handle the work. But as my role changed, I realized that new knowledge and skills are essential.



■ **Learn data by exploring**

I learn by searching through books, training programs, UdeMy, YouTube, etc. with the focus on making use of data that visualizes how Shinkenzenmi members are doing. Before I knew it, I could understand math, which I was not good at, to a level beyond high school math.



■ **Reskilling starts with a simple question**

Learning expands from coming across something you don't know how to do in the course of familiar work. Don't be afraid to start!

Continuing to promote initiatives based on our determination to be a company that takes the security of customer information most seriously.

Measures to strengthen systems security

Strengthen system operation and surveillance, and continue technical measures

Security measures in system operation

Measures to prevent malware infection

Measures to protect telecommunications networks

Systems and information access control

Employee awareness and education

Annual Security Day in which all employees participate



Image of training materials

第1章 情報セキュリティ対策の基本

ここでは、情報セキュリティ・個人情報保護の「きほんのき」である。

- 私たちが守るべき情報とその取り扱い原則
- 情報セキュリティ対策の考え方・ルールの確認をしていきます。

※Benesse Corporation

Strengthen security environment

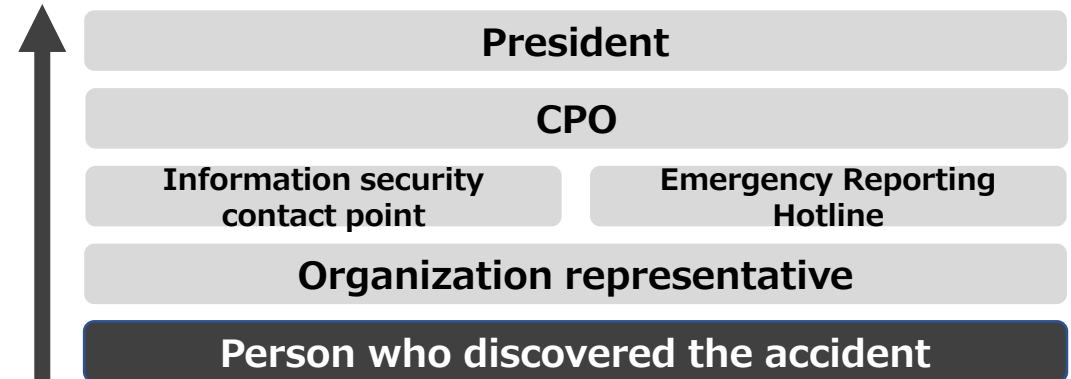
Implement security zoning (classification) by level



※Benesse Corporation

Accident response system

Enforce rule to report to contact point within 30 minutes of discovery



Benesse Holdings is listed for all ESG indices selected by GPIF.



SRI Index



FTSE4Good



FTSE Blossom
Japan Sector
Relative Index



Sompo Sustainability Index



RATED BY
ISS ESG

Prime



TASK FORCE ON
CLIMATE-RELATED
FINANCIAL
DISCLOSURES



SCIENCE
BASED
TARGETS (※1)

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



FTSE Blossom
Japan

2022 CONSTITUENT MSCI ジャパン
ESGセレクト・リーダーズ指数

2022 CONSTITUENT MSCI 日本株
女性活躍指数 (WIN)



S&P/JPX
カーボン
エフィシエント
指数



WE SUPPORT
UN GLOBAL COMPACT



GX
League 2022 (※1)

JAPAN
CLIMATE
INITIATIVE

※ The inclusion of Benesse Holdings, Inc. in any MSCI index, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, or promotion of Benesse Holdings, Inc. by MSCI or any of its affiliates. The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates.

※1 Benesse Corporation ※2 Benesse Business-mate, Inc. ※3 Tokyo Individualized Educational Institute, Inc.



Part 2

Reform and Growth Toward a Sustainable Society

Sustainable growth of the Benesse Group

**Contributing to resolution of social issues facing
「people」 at every stage of life**



Creation of a sustainable society



Group corporate philosophy

Benesse=『well-being』

Changes in the times and social conditions

**Declining birth rate, diversification, growing inequality,
technological progress, etc.**

Group purpose (Meaning of our existence)

**To answer the question 『Why does the Benesse Group exist?』,
we must consider how we want to be viewed
by our customers and society at large.**

**This should inform the action plans and principles of
everyone working in the business to create Benesse.**

We established the management foundations we are aiming for as the 「Group's purpose」 (from April 2023)

Anybody can enjoy lifelong growth.

Toward a world in which everyone can live their own life.

Benesse will continue to aim for these ideals.



“Anybody” means
“All people”, “Diversification”
“Sustainability” and
“No one left behind”

“Can enjoy lifelong growth” means
Benesse's principle and appeal
“Believing in the potential of human
beings”

Anybody can enjoy lifelong growth.

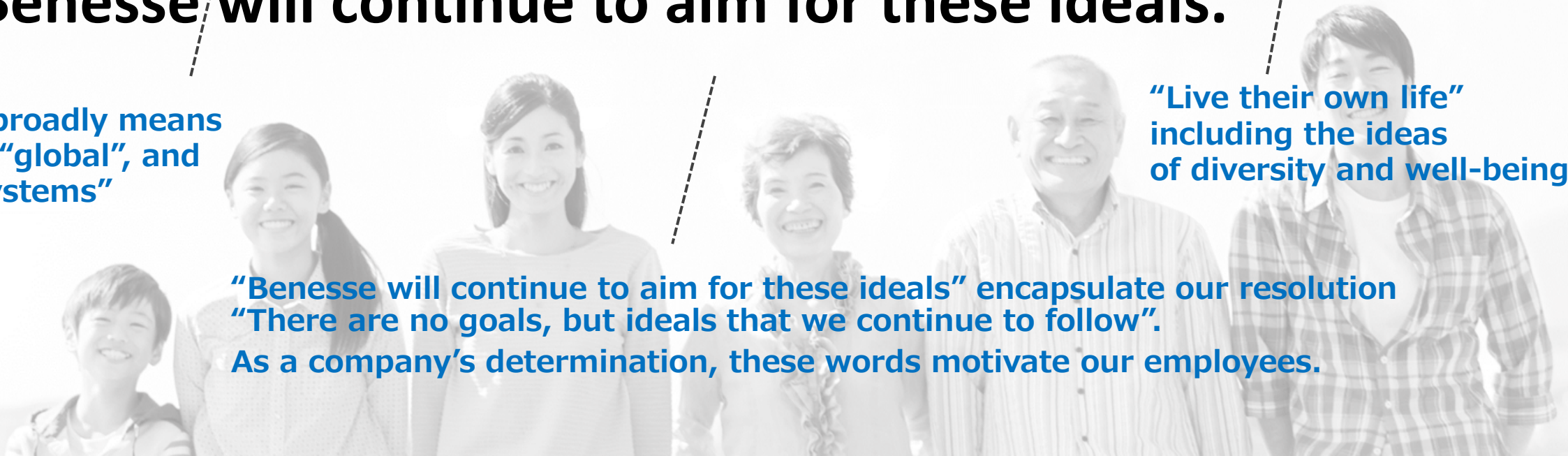
Toward a world in which everyone can live their own life.

Benesse will continue to aim for these ideals.

“World” broadly means
“future”, “global”, and
“social systems”

“Live their own life”
including the ideas
of diversity and well-being

“Benesse will continue to aim for these ideals” encapsulate our resolution
“There are no goals, but ideals that we continue to follow”.
As a company's determination, these words motivate our employees.



As Japan's population changes, understanding of social issues is being reconsidered.



Ongoing decline in the birth rate

Longer working life

Rise in the percentage of elderly people



Deepening in social issues and market creation

Seeing increasing social needs as a business opportunity

Reorienting our business to reflect social issues faced by “people”



Supporting all infants and students to follow their dreams and learn their own way.

Social issues and customer needs

■ Shift from conventional university entrance exams to intra-year admissions (recommendation, Comprehensive)

Ratio of intra-year admissions (recommendation, Comprehensive) to private universities up

42.4% in 2001 ⇒ 58.2% in 2021

※Source: Ministry of Education, Culture, Sports, Science and Technology

■ Increasing needs for diverse learning

Proportion of parents and caregivers of 1st year elementary school students wanting their child to “develop a sense of curiosity and positive attitude” up

39% in 2018 ⇒ 46% in 2022

※Source: Benesse Corporation

■ Rise in children with varying levels of development and [inclusive education]

Proportion of children with serious difficulties in learning and behavior up

6.5% in 2012 ⇒ 8.8% in 2022

※Source: Ministry of Education, Culture, Sports, Science and Technology

New initiatives

Advancement achievement program



Used by around 500 high schools and 110,000 students in its second year since launch

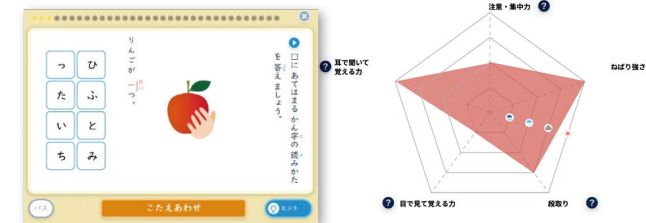
Mirai Campus



Challenge School



Maru Grand



2022 Japan e-Learning Awards Grand Prize



Toward a society of lifelong learning, support for individuals and institutions

Social issues and customer needs

■ Increase in reskilling demand and growth in HR market

Rise in awareness and demand triggered by advance in digitalization and labor shortages

1/2 of all workers in need of reskilling

according to report ※Source: The Future of Jobs Report 2020, World Economic Forum

■ Japan has lowest level of adults in education in the OECD

Percentage of adults aged 25~64 studying at educational institutions

Japan lowest at 2.4% compared to OECD average 10.9%

Source: Ministry of Health, Labour and Welfare

■ Rise in the number of foreign workers in Japan

Foreign nationals in Japan currently only 2% of Japan's population, but expected to rise to

more than 10% by 2060

※Source: Ministry of Land, Infrastructure, Transport and Tourism

New initiatives

Udemy

In use at
1,000+
companies
in Japan



Working support



魅力を見つけ、
強みに育てる
就活オファーサービス
学生満足度総合
No.1
2年連続
1位
オリコン
就活オファー
サービス
満足度
2022

※2021年、2022年 オリコン顧客満足度® 調査 就活人型就活サービス 第1位

Inbound support



Resolving nursing HR issues and supporting higher QOL for seniors

Social issues and customer needs

■ Shortage of nursing care staff and worsening supply-demand gap

Shortage in nursing care staff set to expand

220,000 in FY2023⇒690,000 in FY2040

※Source: Ministry of Health, Labour and Welfare

■ Rise in the number and proportion of seniors with dementia

Projected number of dementia patients aged 65+ and prevalence set to rise

6mn (17%) in 2020⇒8mn (21%) in 2040

※Source: Ministry of Health, Labour and Welfare

New initiatives

Expansion in HR recruitment/dispatch services

Benesse MCM



Joined Group in 2021

Heart Medical Care

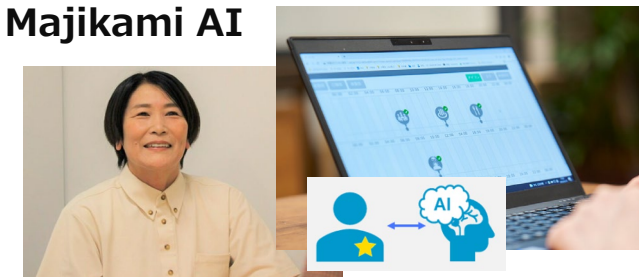


Giving back knowledge and contact points for nursing care industry



100,000 registered users, mostly for nursing care jobs

Majikami AI



FY2022 Information Technology Award
<Customer and business function area>

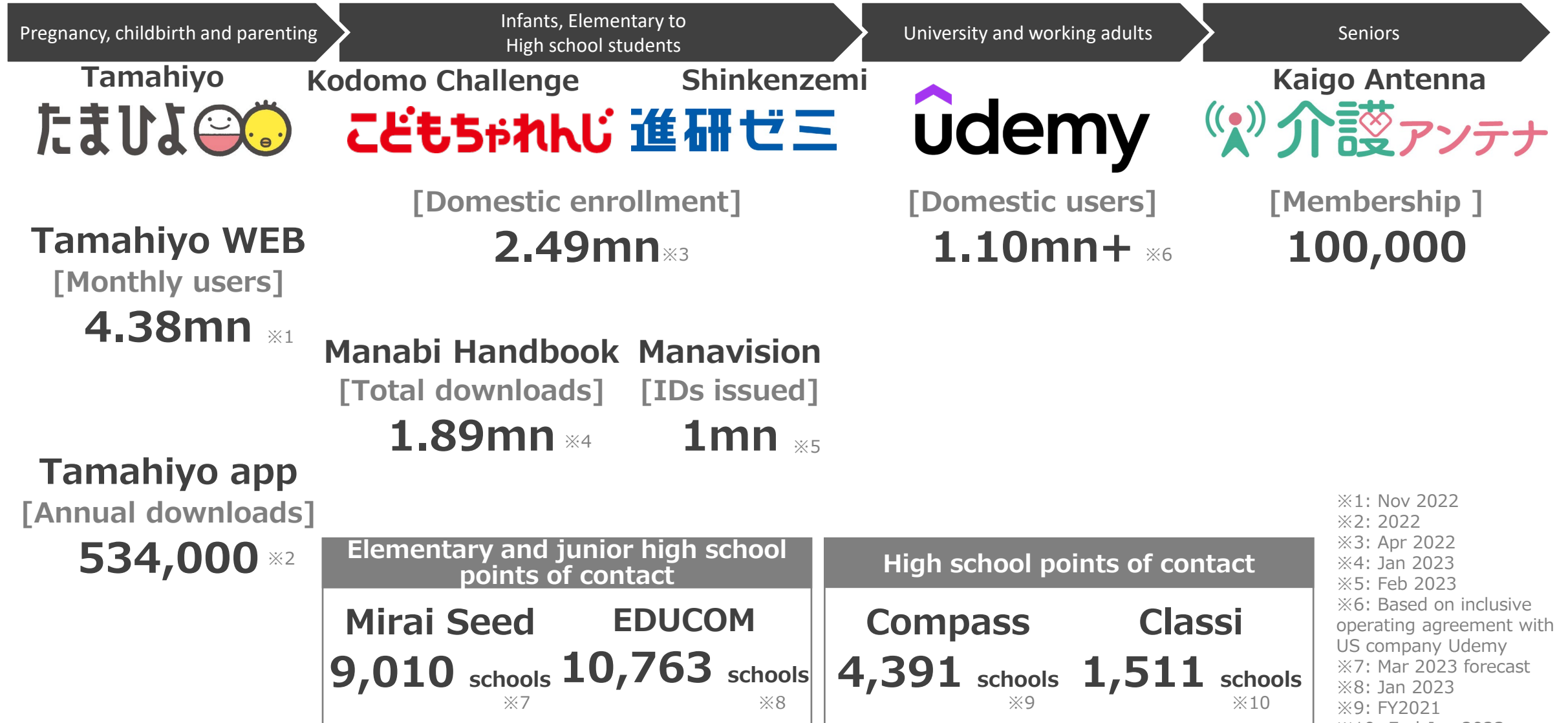


Building on Benesse's Strengths

Strictly Confidential.

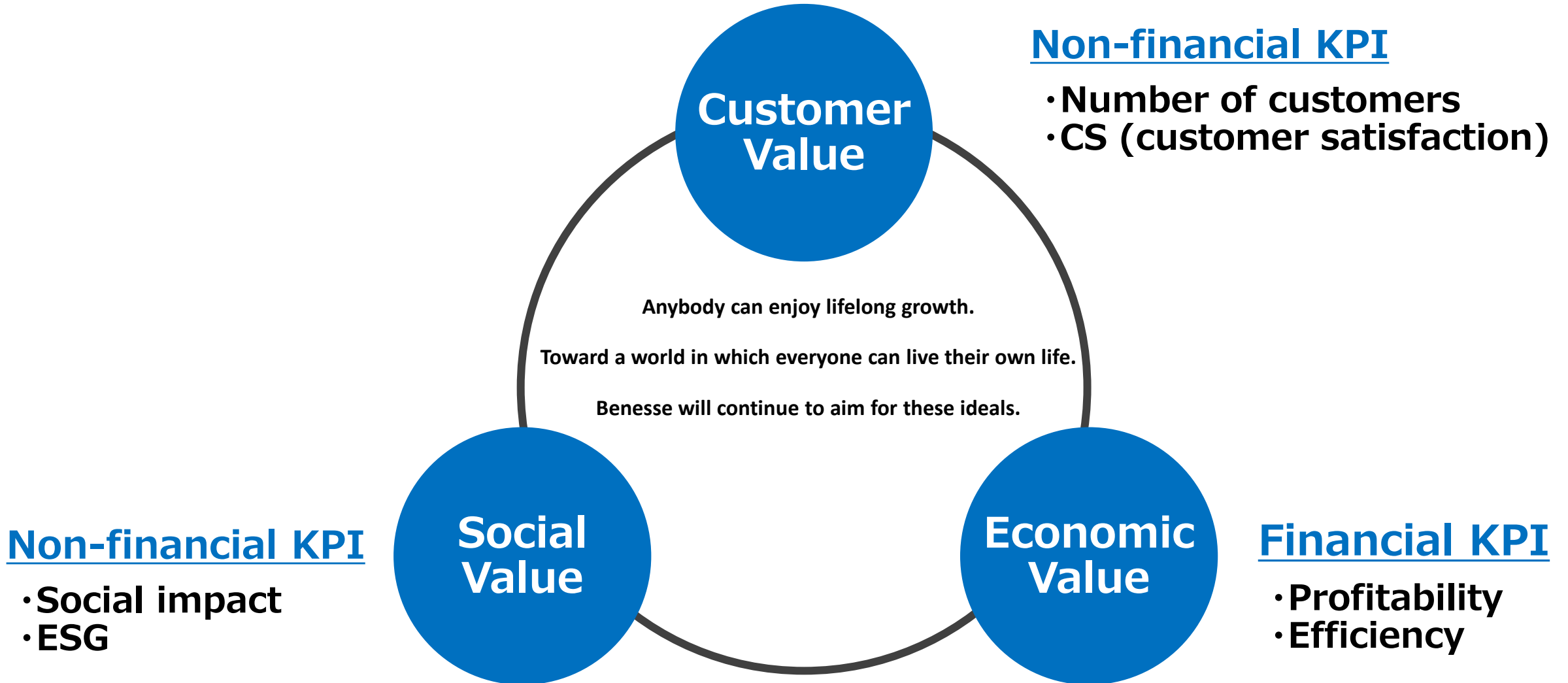
26

Customer contact points accumulated through products and services for each life stage is a major asset to build upon.



※1: Nov 2022
 ※2: 2022
 ※3: Apr 2022
 ※4: Jan 2023
 ※5: Feb 2023
 ※6: Based on inclusive operating agreement with US company Udemy
 ※7: Mar 2023 forecast
 ※8: Jan 2023
 ※9: FY2021
 ※10: End-Jan 2023

Establishing targets and KPI by separating the value we create into three types: customer value, social value, and economic value



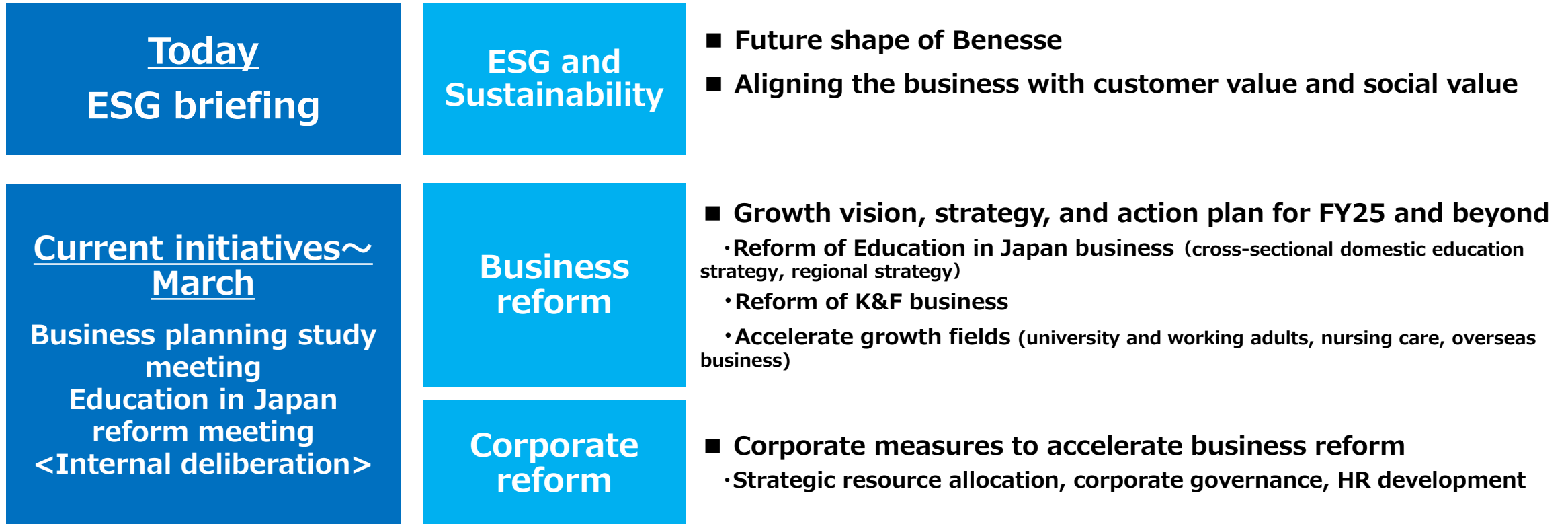
		Education		Nursing Care	
		Vision	KPI ※Levels TBD	Vision	KPI
Customer Value	<p>▼ Children and families Enjoy learning with enthusiasm, dreams, and goals to attain the qualifications, skills, and attitudes for the future</p> <p>▼ Working adults and employers Help workers take ownership of their own careers and live a life of continued participation in society</p>	<p>■ Product satisfaction rate, retention rate</p> <p>■ Adoption and number of content users for「Udemy」</p>	<p>▼ Seniors and families To allow people to always live life on their own terms</p> <p>▼ Nursing care workers (human capital) Enable nursing care career visions and continued improvement of one's potential and expertise</p>	<p>■ Accredited Majikami •600 in total (FY25)</p> <p>■ Leading the standard of compensation in the nursing care industry</p>	
	Social Value	<p>Provide learning to navigate the future, support lifelong learning, and increase the number of people developing new lives</p>	<p>■ Diverse learning Total no. of users</p> <p>■ Education for university students and working adults Total no. of users</p>	<p>Increase seniors' QOL and increase the number of nursing care worker role models by fusing IT and human knowledge</p>	<p>■ Majikami AI development status •Use at all fee-paying care homes (FY24)</p> <p>■ Membership of Kaigo Antenna •300,000 (FY25)</p>
		<p>E ■ Scope 1+2 (1.5°C target) •2030 52.8% •2050 100%</p>	<p>S ■ Engagement survey 「A」 ■ 1 female managing director</p>	<p>G ■ Increase efficiency of Board of Directors</p>	
Economic Value		<p>Net Sales ¥500bn Operating Income ¥40bn (FY25)</p>			

Benesse as Viewed by External Directors

Looking to the Future



The following main themes are under consideration ahead of the publication of the reform business plan in May



May Reform business plan briefing

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.