

June 11, 2020

To Shareholders:

Tamotsu Adachi
Representative Director and President, CEO
Benesse Holdings, Inc.
3-7-17 Minamigata, Kita-ku, Okayama-shi,
Okayama, Japan
(Ticker Code: 9783)

**Notice of Convocation of the
Ordinary General Shareholders' Meeting for the 66th Period**

You are cordially invited to attend the Ordinary General Shareholders' Meeting for the 66th period to be held as described below.

If you are unable to attend the meeting, it would be appreciated if you would exercise your voting rights by one of the following methods after reviewing the enclosed reference materials.

Exercise of voting rights by postal mail

Please indicate your approval or disapproval of each proposal on the enclosed Voting Rights Exercise Form and return your completed form to us **by 5:00 p.m. on Friday, June 26, 2020 (JST)**.

Exercise of voting rights via the Internet

Please access the website for exercising voting rights (<https://www.evotetr.mufg.jp> [in Japanese only]), use the "Login ID" and "Temporary Password" shown on the enclosed Voting Rights Exercise Form, and then indicate your approval or disapproval of each proposal by following the instructions on the screen. Internet voting must be completed **by 5:00 p.m. on Friday, June 26, 2020 (JST)**.

1. Date and Time: June 27, 2020 (Saturday), 1:30 p.m. (The reception desk will open at 12:45 p.m.)
2. Venue: Head Office, Benesse Holdings, Inc.
3-7-17 Minamigata, Kita-ku, Okayama-shi, Okayama
3. Meeting Agenda
Reports:
 1. Report on the business report, consolidated financial statements, and financial statements for the 66th period (April 1, 2019 to March 31, 2020)
 2. Report on the audit results of the consolidated financial statements for the 66th period by the Independent Auditors and the Audit & Supervisory BoardResolutions:
 - Proposal 1: Partial Amendment of Articles of Incorporation
 - Proposal 2: Election of Ten Directors

- Among the documents to be provided in conjunction with this Notice of Convocation, the “Consolidated Statement of Changes in Equity” (consolidated), “Notes to Consolidated Financial Statements” (consolidated), “Statement of Changes in Equity” (non-consolidated), and “Notes to Financial Statements” (non-consolidated) are posted on the Company website (<https://www.benesse-hd.co.jp/ja/ir/>) in accordance with the relevant laws/regulations and Article 15 of the Company’s Articles of Incorporation and are thus not included herein. Please note that the business report audited by the Audit & Supervisory Board Members and the consolidated financial statements and non-consolidated financial statements audited by the Audit & Supervisory Board Members and the Independent Auditors are posted on the Company website noted above as well as being included in the attachments to this Notice of Convocation.
- If revisions are made to the business report, consolidated financial statements, non-consolidated financial statements, or reference materials for the General Shareholders’ Meeting, revised versions will be posted on the Company website (<https://www.benesse-hd.co.jp/ja/ir/>).

Proposal 1: Partial Amendment of Articles of Incorporation

1. Reason for Amendment

To make necessary amendments to Article 21 (Convener and Chairperson of Board of Directors Meetings) of the Company's Articles of Incorporation in order to enable flexible operation of Board of Directors Meetings according to the composition of the Company's Board of Directors.

2. Details of Amendment

Details of the amendment are set out below.

(Changes are underlined)

Existing Text	Changes Proposed
<p>Article 21. (Convener and Chairperson of Board of Directors Meetings)</p> <p>1. Unless otherwise prescribed by law or by these Articles of Incorporation, <u>the chairman</u> shall convene board of directors meetings and shall also serve as chairperson.</p> <p>2. A notice of convocation in regard to the meetings in the previous paragraph shall be sent to each director and corporate auditor three (3) days prior to the meeting date. In case of urgent necessity, that period of advance notice may be abbreviated or, with the consent of all directors and corporate auditors, the board of directors meeting may be held without following the above convocation procedures.</p> <p>3. <u>In the absence or disability of the chairman, another director, designated in accordance with an order of priority determined in advance by the board of directors of the Corporation, shall convene such board of directors meeting and shall also serve as chairperson.</u></p>	<p>Article 21. (Convener and Chairperson of Board of Directors Meetings)</p> <p>1. Unless otherwise prescribed by laws and regulations, <u>a director determined in advance by the board of directors</u> shall convene board of directors meetings and shall also serve as chairperson. <u>In the absence or disability of the relevant director, another director, designated in accordance with an order of priority determined in advance by the board of directors of the Corporation, shall convene such board of directors meetings and shall also serve as chairperson.</u></p> <p>2. A notice of convocation in regard to the meetings in the previous paragraph shall be sent to each director and corporate auditor three (3) days prior to the meeting date. In case of urgent necessity, that period of advance notice may be abbreviated or, with the consent of all directors and corporate auditors, the board of directors meeting may be held without following the above convocation procedures.</p> <p>(Deleted)</p>

Proposal 2: Election of Ten Directors

All directors (ten) will complete their terms as of the end of this general shareholders' meeting. The proposal is therefore to elect ten directors, including five outside directors.

The candidates for director are as shown below.

In order to ensure appropriate selection of candidates for director and transparency in the associated decision making process, the Company has established the Nomination and Compensation Committee as an advisory body to the Board of Directors. Outside directors account for more than half the members of this committee, which deliberates on the selection of candidates for director.

No.	Name			Record of attendance at Board of Directors meetings during 66th period*
1	Tamotsu Adachi	Reappointment		100% (14/14)
2	Hitoshi Kobayashi	Reappointment		100% (14/14)
3	Shinya Takiyama	Reappointment		100% (14/14)
4	Masaki Yamasaki	Reappointment		93% (13/14)
5	Haruna Okada	Reappointment		100% (11/11)
6	Katsumi Ihara	Reappointment	Candidate for outside director Candidate for independent director	91% (10/11)
7	Hideaki Fukutake	Reappointment	Candidate for outside director	100% (14/14)
8	Ryuji Yasuda	Reappointment	Candidate for outside director Candidate for independent director	86% (12/14)
9	Mutsuo Iwai	New Appointment	Candidate for outside director Candidate for independent director	-
10	Daisuke Iwase	New Appointment	Candidate for outside director Candidate for independent director	-

* Occasions when written resolutions took the place of actual meetings of the Board of Directors are omitted.

No.	Name (Date of birth)	Brief career summary (Position and responsibilities at the Company and other current key positions)	No. of Company shares owned
1	Tamotsu Adachi (Oct. 12, 1953)	<p>Apr. 1977 Joined Mitsubishi Corporation</p> <p>Jan. 1988 Joined McKinsey & Company, Inc. Japan</p> <p>June 1995 Partner at McKinsey & Company, Inc. Japan</p> <p>Mar. 1999 President and CEO of Japan Lease Auto Co.</p> <p>Dec. 2000 President and CEO of GE Fleet Services Co.</p> <p>May 2003 Managing Director and Japan Representative of Carlyle Japan LLC</p> <p>June 2003 Director of the Company</p> <p>Nov. 2007 Managing Director and Co-Representative of Carlyle Japan LLC</p> <p>June 2009 Director of the Company</p> <p>June 2016 Director of the Company Chairman of Carlyle Japan LLC</p> <p>Oct. 2016 Representative Director and President, CEO of the Company (current) Senior Advisor of Carlyle Japan LLC (current)</p> <p>Aug. 2017 Head of Language Learning Company of the Company</p> <p>June 2019 Berlitz Corporation Chairman of the Board (current)</p> <p>(Other current key positions) Berlitz Corporation Chairman of the Board(current)</p> <p>(Current responsibilities) Berlitz Corporation</p>	78,074 shares

Reason for Election for the Director Candidate

Tamotsu Adachi has a proven track record of involvement in the management of the Group as an outside director of the Company since June 2003. In addition, he has international experience and considerable experience and expertise in management strategy formulation and investment, and his capabilities in corporate restructuring are rated highly. Since October 2016, Mr. Adachi has been engaged in management supervision and execution as Representative Director, President, and CEO. At the same time, he has demonstrated leadership in driving changes to bring about recovery in the Group's performance, key among which were improving the quality of products and services, restructuring brands, and reforming the corporate culture.

The Company therefore proposes him as a candidate for director, judging that he can be expected to contribute to further enhancement of the Group's corporate value.

No.	Name (Date of birth)	Brief career summary (Position and responsibilities at the Company and other current key positions)	No. of Company shares owned
2	Hitoshi Kobayashi (Sep. 25, 1960)	<p>Apr. 1985 Joined the Company</p> <p>Apr. 2000 Director of Benesse Care Corporation</p> <p>Aug. 2002 Representative Director and President of Benesse MCM Corporation</p> <p>Dec. 2003 Director of Benesse Style Care Co., Ltd.</p> <p>Apr. 2007 Representative Director and President of Benesse Style Care Co., Ltd.</p> <p>June 2012 Director of the Company</p> <p>June 2014 Managing Director and General Manager of Corporate Planning Division of the Company and Representative Director and President of Benesse Corporation</p> <p>Oct. 2014 Managing Director and Head of Overseas Business Development Company of the Company</p> <p>May 2016 Representative Director, Executive Vice President (current), and Head of Overseas Business Company of the Company, and Representative Director and Executive Vice President of Benesse Corporation</p> <p>June 2016 Head of Zemi Business Company and Overseas Business Company of the Company, and Representative Director and President of Benesse Corporation (current)</p> <p>Apr. 2020 Head of Extracurricular Education Company of the Company (current)</p> <p>(Other current key positions) Representative Director and President of Benesse Corporation</p> <p>(Current responsibilities) Extracurricular Education Company, School and Teacher Support Business Company, Global Kodomo Challenge Company, and Kids & Family Division</p>	12,645 shares

Reason for Election for the Director Candidate

Hitoshi Kobayashi has a proven track record of involvement in the management of the Group as a director of the Company since June 2012. In addition, he has experience of management at key Group subsidiaries such as Benesse Style Care Co., Ltd. and Benesse Corporation, as well as considerable experience and expertise in the education, nursing care, and childcare business fields. He is currently engaged in management supervision and execution as Representative Director and Executive Vice President of the Company. At the same time, he is spearheading efforts to pursue

recovery in performance at Benesse Corporation as director in charge of the education business.

The Company therefore proposes him as a candidate for director, judging that he can be expected to contribute to further enhancement of the Group's corporate value.

No.	Name (Date of birth)	Brief career summary (Position and responsibilities at the Company and other current key positions)	No. of Company shares owned
3	Shinya Takiyama (June 2, 1971)	<p>Apr. 1996 Joined the Company</p> <p>Mar. 2003 Director of Benesse Care Corporation</p> <p>July 2011 Director of Benesse Style Care Co., Ltd.</p> <p>July 2013 Representative Director and President of Benesse Style Care Co., Ltd. (current)</p> <p>Nov. 2014 Executive Officer and Head of Nursing Care and Childcare Business Company of the Company (current)</p> <p>June 2016 Director of the Company (current)</p> <p>Apr. 2018 Corporate Executive Vice President of the Company (current)</p> <p>(Other current key positions) Representative Director and President of Benesse Style Care Co., Ltd.</p> <p>(Current responsibilities) Nursing Care and Childcare Business Company</p>	4,627 shares

Reason for Election for the Director Candidate

Shinya Takiyama has a proven track record of involvement in the management of the Group as a director of the Company since June 2016. In addition, he has experience of management at Benesse Style Care Co., Ltd., as well as considerable experience and expertise in the nursing care and childcare business fields. He is currently engaged in management supervision and execution as a director of the Company. At the same time, he is leading efforts to steadily grow business and further enhance services as director in charge of the nursing care and childcare business.

The Company therefore proposes him as a candidate for director, judging that he can be expected to contribute to further enhancement of the Group's corporate value.

No.	Name (Date of birth)	Brief career summary (Position and responsibilities at the Company and other current key positions)	No. of Company shares owned
4	Masaki Yamasaki (July 8, 1966)	<p>Apr. 1989 Joined the Company</p> <p>Nov. 2007 Representative Director and President of Ochanomizu Seminar Co., Ltd.</p> <p>Apr. 2014 Representative Director and President of Classi Corporation (current)</p> <p>Apr. 2015 Representative Director and President of Benesse i-Career Co., Ltd.</p> <p>July 2015 Executive Officer and Head of School and Teacher Support Business Company of the Company and Representative Director and President of Benesse i-Career Co., Ltd.</p> <p>June 2016 Executive Officer of the Company, Director of Benesse Corporation, and Representative Director and President of Benesse i-Career Co., Ltd.</p> <p>June 2017 Director of the Company (current) and Director and Executive Vice President of Benesse Corporation (current)</p> <p>Apr. 2018 Corporate Executive Vice President of the Company (current)</p> <p>Apr. 2020 General Manager, Overseas Business Development Division of the Company</p> <p>(Other current key positions) Director and Executive Vice President of Benesse Corporation Representative Director and President of Classi Corporation</p> <p>(Current responsibilities) Overseas Business Development Division</p>	4,395 shares

Reason for Election for the Director Candidate

Masaki Yamasaki has a proven track record of involvement in the management of the Group as a director of the Company since June 2017. In addition, he has considerable experience and expertise as the person responsible for operations in the school and teacher support business field. He also has experience of management at the Group's cram school and a proven track record of launching new businesses at subsidiaries. He is currently engaged in management supervision and execution as a director of the Company. At the same time, he is demonstrating strong leadership in developing new business overseas as director in charge of overseas business development.

The Company therefore proposes him as a candidate for director, judging that he can be expected to contribute to further enhancement of the Group's corporate value.

No.	Name (Date of birth)	Brief career summary (Position and responsibilities at the Company and other current key positions)	No. of Company shares owned
5	Haruna Okada (Jan. 2, 1959)	<p>Apr. 1982 Joined the Company</p> <p>Nov. 2005 Executive Officer and Head of Parenting Company of the Company</p> <p>May 2009 Member of the Labour Policy Council at the Ministry of Health, Labour and Welfare</p> <p>Apr. 2012 Director of Benesse Corporation (current)</p> <p>June 2013 Chief Human Officer (CHO) of the Company</p> <p>Oct. 2016 Head of Kids & Family Company and Deputy General Manager of Personnel & Communications Division of the Company</p> <p>Apr. 2017 Head of Kids & Family Company of the Company</p> <p>July 2017 Executive Officer and Head of Kids & Family Company of the Company</p> <p>Apr. 2018 Corporate Executive Vice President (current) and Head of Global Kodomo Challenge Company of the Company (current)</p> <p>June 2019 Director of the Company (current)</p> <p>(Other current key positions) None</p> <p>(Current responsibilities) Global Kodomo Challenge Company(deputy)</p>	28,287 shares

Reason for Election for the Director Candidate

Haruna Okada has experience of management as a director of a key Group subsidiary. In addition, she has considerable experience and expertise as the person responsible for operations in the correspondence courses for preschoolers and lifestyle business fields. She is currently pursuing operational changes as Head of the Global Kodomo Challenge Company.

The Company therefore proposes her as a candidate for director, judging that she can be expected to contribute to further enhancement of the Group's corporate value.

No.	Name (Date of birth)	Brief career summary (Position and responsibilities at the Company and other current key positions)	No. of Company shares owned
6	Katsumi Ihara (Sep. 24, 1950) *Candidate for outside director and independent director	Apr. 1973 Joined Mitsui Knowledge Industry Co., Ltd. May 1981 Joined Sony Corporation Oct. 2001 President of Sony Ericsson Mobile Communications AB June 2004 Executive Deputy President, Group Chief Strategy Officer (CSO), and Chief Financial Officer (CFO) of Sony Corporation June 2005 Executive Deputy President and Corporate Executive of Sony Corporation June 2009 Representative Director and Executive Vice President of Sony Financial Holdings Inc. June 2010 Representative Director and President of Sony Financial Holdings Inc. June 2011 Representative Director and President of Sony Life Insurance Co., Ltd. Apr. 2015 Director and Chairman of Sony Life Insurance Co., Ltd. June 2016 Director and Chairman of Sony Financial Holdings Inc. June 2018 Outside Director of Hitachi, Ltd. (current) June 2019 Outside Director of the Company (current) (Other current key positions) Outside Director of Hitachi, Ltd.	200 shares

Reason for Election and Time in Office for the Outside Director Candidate

Katsumi Ihara supervises management appropriately as an outside director, drawing on his considerable experience in corporate management of global corporations and broad experience and extensive specialized knowledge gained as outside director of other companies. In the Board of Directors, he draws on this experience and expertise to actively offer opinions and recommendations regarding important matters associated with the management of the Company. He also comments actively in committee meetings as a member of the Nomination and Compensation Committee. Thus, he contributes to enhancing the transparency of decision-making processes within the Company's management.

The Company therefore proposes him as a candidate for outside director. As of the end of this general shareholders' meeting, he will have served as outside director for one year.

No.	Name (Date of birth)	Brief career summary (Position and responsibilities at the Company and other current key positions)	No. of Company shares owned
7	Hideaki Fukutake (May 14, 1977) *Candidate for outside director	Apr. 2000 Joined KEYENCE CORPORATION Feb. 2006 Joined SMS CO., LTD. Feb. 2009 Director of efu Investment Limited (current) June 2009 Vice Chairman of the Board, Naoshima Fukutake Art Museum Foundation Vice Chairman of the Board, Fukutake Foundation for the Promotion of Regional Culture Dec. 2012 Vice Chairman of the Board, Fukutake Foundation (current) Apr. 2013 Director of Berlitz Corporation (current) June 2013 Outside Director of Benesse Corporation June 2014 Outside Director of the Company (current) (Other current key positions) Vice Chairman of the Board, Fukutake Foundation Director of efu Investment Limited	0 shares Note 1(3)

Reason for Election and Time in Office for the Outside Director Candidate

Hideaki Fukutake supervises management appropriately as an outside director, drawing on his experience as an outside director of a key Group subsidiary and his shareholder's perspective. In the Board of Directors, he draws on this experience and expertise to actively offer opinions and recommendations regarding important matters associated with the management of the Company. He also comments actively in committee meetings as a member of the Nomination and Compensation Committee. Thus, he contributes to enhancing the transparency of decision making processes within the Company's management.

The Company therefore judges that he is capable of appropriately performing his duties as an outside director and proposes him as a candidate for outside director. As of the end of this general shareholders' meeting, he will have served as outside director for six years.

No.	Name (Date of birth)	Brief career summary (Position and responsibilities at the Company and other current key positions)	No. of Company shares owned
8	Ryuji Yasuda (Apr. 28, 1946) *Candidate for outside director and independent director	<p>Jan. 1979 Joined McKinsey & Company, Inc., Japan June 1991 Director of McKinsey & Company, Inc., Japan June 1996 Managing Director and Chairman of A.T. Kearney, Asia June 2003 Chairman of J-Will Partners Co., Ltd. Apr. 2004 Professor at the Graduate School of International Corporate Strategy at Hitotsubashi University Apr. 2015 Adjunct Professor at the Graduate School of International Corporate Strategy at Hitotsubashi University June 2015 Outside Director of the Company (current) Apr. 2018 Adjunct Professor, Graduate School of Business Administration, Hitotsubashi University Department of International Corporate Strategy (current) Mar. 2020 Chairman Board of Trustees, Tokyo Woman's Christian University (current)</p> <p>(Other current key positions) Adjunct Professor, Graduate School of Business Administration, Hitotsubashi University Department of International Corporate Strategy (current) Outside Director of Yakult Honsha Co., Ltd. Outside Director of ORIX Corporation Outside Director of Kansai Mirai Financial Group, Inc. Chairman Board of Trustees, Tokyo Woman's Christian University</p>	2,500 shares

Reason for Election and Time in Office for the Outside Director Candidate

Ryuji Yasuda supervises management appropriately as an outside director, having broad experience and extensive specialized expertise including his work as a management consultant at international consulting firms, as a university professor, and as outside director of other companies. In the Board of Directors, he draws on this experience and expertise to actively offer opinions and recommendations regarding important matters associated with the management of the Company. He also comments actively in committee meetings as a member of the Nomination and Compensation Committee. Thus, he contributes to enhancing the transparency of decision making processes within the Company's management.

The Company therefore judges that he is capable of appropriately performing his duties as an outside director and proposes him as a candidate for outside director. As of the end of this general shareholders' meeting, he will have served as outside director for five years.

No.	Name (Date of birth)	Brief career summary (Position and responsibilities at the Company and other current key positions)	No. of Company shares owned
9	Mutsuo Iwai * New candidate for outside director and independent director	Apr. 1983 Joined Japan Tobacco and Salt Public Corporation June 2006 Member of the Board and Executive Vice President of Japan Tobacco Inc. June 2011 Executive Vice President of JT International S.A. June 2013 Senior Vice President of Japan Tobacco Inc. Mar. 2016 Representative Director and Executive Vice President of Japan Tobacco Inc. Mar. 2020 Deputy Chairman of the Board of Japan Tobacco Inc. (current) (Other current key positions) Deputy Chairman of the Board of Japan Tobacco Inc.	0 shares

Reason for Election for the Outside Director Candidate

Mutsuo Iwai is judged to be capable of drawing on his considerable experience and expertise in corporate management of global corporations to supervise management as an outside director.

The Company therefore proposes him as a candidate for outside director.

No.	Name (Date of birth)	Brief career summary (Position and responsibilities at the Company and other current key positions)	No. of Company shares owned
10	Daisuke Iwase * New candidate for outside director and independent director	Apr. 1998 Joined Boston Consulting Group Dec. 2001 Joined Ripplewood Japan Oct. 2006 Director and Vice President of Net Life Planning Co., Ltd. (now Lifenet Insurance Company) Feb. 2009 Representative Director and Executive Vice President of Lifenet Insurance Company June 2013 Outside Director of the Company Representative Director, President and Chief Operating Officer of Lifenet Insurance Company June 2016 Representative Director and President of Lifenet Insurance Company June 2018 Director and Chairman of Lifenet Insurance Company Group Chief Digital Officer of AIA Group Limited (to retire as of Aug. 2020) (Other current key positions) Group Chief Digital Officer, AIA Group Limited	0 shares

Reason for Election and Time in Office for the Outside Director Candidate

Daisuke Iwase is judged to be capable of drawing on his considerable experience and expertise, especially in the digital domain, in corporate management of global corporations to supervise management as an outside director. The Company therefore proposes him as a candidate for outside director. He served as outside director of the Company for three years in the past (from 2013 to 2016).

Notes:

1. (1) Masaki Yamasaki, a candidate for director, is Representative Director and President of Classi Corporation. The Company has dealings with Classi Corporation. related to monetary loans.
(2) Hideaki Fukutake, a candidate for director, is vice chairman of the board of the Fukutake Foundation. The Company has dealings with the Fukutake Foundation, including those related to the operation of museums and the leasing of real estate.
(3) efu Investment Limited, an asset management and investment corporation of which Hideaki Fukutake, a candidate for director, is representative, holds 7,858,000 shares of the Company and has placed 6,809,000 shares of the Company as trust assets with the Master Trust Bank of Japan, Ltd.
(4) Ryuji Yasuda, a candidate for director, serves as a Chairman Board of Trustees, Tokyo Woman's Christian University, which has dealings with the Benesse Group related to student recruitment publicity, but the value of trading between Tokyo Woman Women's Christian University and the Benesse Group in the most recent fiscal year did not exceed the higher of ¥100 million or 2% of the Group's consolidated net sales. Including the relevant trading, Mr. Yasuda meets the Company's Criteria for Independence of Outside Directors and Outside Audit & Supervisory Board Members, and the Company has designated him as an independent director. The Company's Criteria for Independence of Outside Directors and Outside Audit & Supervisory Board Members meet the Tokyo Stock Exchange, Inc.' s requirements with regard to the independence of outside directors and outside audit & supervisory board members.
2. No other candidate for director has any special interest in the Company.
3. The Company judges that Katsumi Ihara and Ryuji Yasuda—each a candidate for director—meet its Criteria for Independence of Outside Directors and Outside Audit & Supervisory Board Members. It has therefore designated these two men as independent directors based on the regulations of the Tokyo Stock Exchange, Inc., and has notified the exchange of the same. The Company has no monetary dealings with either of these two men other than remuneration for their work as outside directors, and neither of these two candidates has special interest ties with any of the executives of the Company. Likewise, the Company has no monetary dealings with Mutsuo Iwai and Daisuke Iwase, another candidate for director, and they have no special interest ties with any of the executives of the Company. The Company therefore plans to designate Mutsuo Iwai and Daisuke Iwase as independent directors and to notify the Tokyo Stock Exchange, Inc.
4. Hideaki Fukutake, a candidate for director, is currently nonexecutive officer of Berlitz Corporation, a subsidiary of the Company, and in the past was nonexecutive officer of Benesse Corporation, a subsidiary of the Company.
5. The Company has formed agreements with outside directors Katsumi Ihara, Hideaki Fukutake, and Ryuji Yasuda limiting liability for damages provided in Paragraph 1 of Article 423 of the Companies Act. Based on the said agreements, in the case that such outside director has been in good faith and without gross negligence in performing his duties, the limit for liability for damages is the higher of the following: 10 million yen or the minimum liability amount provided in Paragraph 1 of Article 425 of the Companies Act. The Company plans to form the same agreement with the candidate for director Mutsuo Iwai and Daisuke Iwase if they are elected.

Reference: Benesse Holdings, Inc. Criteria for Independence of Outside Directors and Outside Audit & Supervisory Board Members

Benesse Holdings, Inc. (“the Company”) shall determine that the Company’s outside directors, outside audit & supervisory board members and the respective candidates for those posts possess a high degree of independence when all of the following criteria are satisfied:

- (1) The individual has not served as business personnel^{*1} of the Company or its Group companies (hereinafter, “the Benesse Group”) within the 10 years prior to appointment.
- (2) Individuals who have satisfied all of the following conditions (A) through (H) for the past three fiscal years:
 - (A) The individual is not an entity for which the Benesse Group is a major client^{*2} or serve as business personnel thereof.
 - (B) The individual is not a major client of the Benesse Group^{*3} or serve as business personnel thereof.
 - (C) The individual is not a major shareholder (directly or indirectly holding a voting interest of 10% or more) of the Company or serve as business personnel thereof.
 - (D) The individual does not serve as business personnel of an entity that is a major investee of the Benesse Group (in which the Benesse Group directly or indirectly holds a voting interest of 10% or more).
 - (E) The individual is not a consultant, accounting expert or legal expert who has received compensation in the form of a large amount of money or other assets,^{*4} other than officer’s compensation from the Benesse Group (or an individual belonging to an entity such as a corporation, association, or other group that has received such assets).
 - (F) The individual has not received a large charitable donation or subsidy^{*5} from the Benesse Group, or serve as business personnel of such a recipient.
 - (G) The individual is not an independent auditor of the Benesse Group and does not belong to a corporation, association or other group that serves as an independent auditor of the Benesse Group.
 - (H) In cases where the business personnel of the Benesse Group have been appointed as outside officers of other companies, the individual does not serve as business personnel of the other company.
- (3) The individual is not a relative^{*6} of a person who meets either of the following conditions (a) or (b):
 - (a) An individual who does not satisfy any of the foregoing conditions (A) through (H) in (2) above for one of the past three fiscal years. However, the business personnel stipulated in conditions (A) through (D) and (F) and (H) shall refer only to key business personnel.^{*7} Condition (E) shall apply only to persons with specialized qualifications, such as certified public accountants and lawyers. Condition (G) shall apply only to key business personnel and persons with specialized qualifications, such as certified public accountants and lawyers, in the individual’s organization.
 - (b) Key business personnel of the Benesse Group in the current fiscal year or any of the past three fiscal years (for Outside Audit & Supervisory Board Members, this includes directors who are not business personnel.)

Notes:

1. Business personnel refers to the executive directors and executive officers who execute the operations of corporations and other groups, or other officers who execute the operations of corporations, etc. Business personnel also refers to employees, directors and other equivalent posts based on the Companies Act of Japan, as well as ordinary employees and others who conduct business operations.
2. An entity for whom the Benesse Group is a major client refers to an entity that satisfies any of the following conditions:
 - (1) A supplier group that supplies products and services to the Benesse Group (an entity who belongs to the consolidated group of the direct supplier), where the supplier group's trading amount with the Benesse Group exceeds the higher of ¥100 million or 2% of the consolidated net sales of the supplier group, in the most recent fiscal year.
 - (2) A supplier group to which the Benesse Group owes liabilities, where the Benesse Group's total amount of liabilities toward the supplier group exceeds the higher of ¥100 million or 2% of the consolidated net sales of the supplier group, in the most recent fiscal year.
3. A major client of the Benesse Group refers to an entity that satisfies any of the following conditions:
 - (1) A client group to whom the Benesse Group supplies products and services, where the Benesse Group's trading amount with the client group exceeds the higher of ¥100 million or 2% of the Benesse Group's consolidated net sales, in the most recent fiscal year.
 - (2) A client group holding liabilities owed to the Benesse Group, where the client group's total liabilities owed to the Benesse Group exceeds the higher of ¥100 million or 2% of the client group's consolidated net sales, in the most recent fiscal year.
 - (3) A financial institution group (an entity belonging to the consolidated group to which the direct lender belongs) from which the Benesse Group has borrowed funds, where the total amount of the Benesse Group's borrowings from the financial institutions exceeds 2% of the Benesse Group's consolidated total assets in the most recent fiscal year.
4. A large amount of money or other assets refers to a monetary compensation value the average of which over the past three fiscal years exceeds the higher of ¥10 million or 2% of the entity's net sales or gross income in the most recent fiscal year.
5. An entity receiving a large charitable donation or subsidy from the Benesse Group refers to an entity receiving a charitable donation or subsidy from the Benesse Group, the average of which over the past three fiscal years exceeds the higher of ¥10 million or 2% of the entity's net sales or gross income in the past fiscal year.
6. Relatives refer to spouses, relatives within the second degree of kinship and those with whom a livelihood is shared.
7. Key business personnel refer to business personnel such as executive directors, executive officers and other officers who execute the operations of corporations, etc., as well as those who execute key operations, such as division managers.