

Special feature: University and Working Adult Business

Based on Udemy, we are starting to take on new challenges

Enriching lifestyles and society

In Japan, which is entering the era of the 100-year life, relatively few adults engage in learning activities aimed at personal fulfillment as compared with people in the US and Europe. We believe it is important to establish a culture of learning where adults can have routine opportunities to continue learning, not only at university but also after graduation, in order to pursue their individual career or life goals. In April 2022, backed by this belief and a commitment to squarely tackle the challenges of social structure related to university and working adult segment, Benesse established the University and Working Adult Business Company and set forth its purpose to support people to “continue learning throughout life, thus enriching individual lives and society at large.”

Business alliance with US-based Udemy, Inc.

We promote the Udemy business as one of our key initiatives to achieve a “society where people take pride in their latest learning pursuits.” In 2015, Benesse entered into a business alliance agreement with Udemy, Inc, a US-based company that operates the world's largest online education platform, and launched services to provide working adults in Japan with opportunities to acquire skills at the world's most advanced levels. Udemy represents an online consumer-to-consumer (C-to-C) marketplace that connects teachers and learners from around the world. Users access the program via their computer or smartphone to pursue their chosen learning activities in an efficient way, particularly by utilizing their unscheduled space of time. In addition to services for individual users, we offer corporate users a broad spectrum of business skills learning programs to choose from through Udemy Business.

More than 1,300 companies and 1.4 million users registered in Japan

The major strengths of the Udemy services operated in Japan are the speedy content delivery via the C-to-C platform, curricula for practical business skills, and the extensive lineup of programs. Our offerings cover courses on technology, coaching and 1:1 meetings, and mental health, and they are all cutting edge in every field, from business communication to health. For example, courses on generative AI were already available from Udemy when the technology began to draw public attention overseas. Learning programs are constantly updated with the newest information, enabling users to stay one step ahead. This feature is made possible by the use of the C-to-C model, which is well suited to autonomous content creation planning and implementation.

As of June 2023, Udemy Business has a customer base consisting

What working adults in Japan need most right now

Individual upskilling
opportunities
for career development

Organizational
culture
that recognizes and encourages
reskilling activities

Learning culture: everyone has the opportunity to
pursue autonomous and continuous learning

Society where people take pride in their latest
learning-related pursuits

One of the world's largest online education platform

For individual users

udemy

For organizational users

udemy business

of more than 1,300 enterprises of all sizes in Japan, and the combined total number of people using Udemy Business and/or Udemy for individual users exceeds 1.4 million. Our analysis indicates that the major reasons for adopting the tool are its ability to offer a solution to the issue of developing DX personnel, which is common to many companies across different industries, and its flexibility, which suits the needs of many companies that have begun to prefer online training in the wake of COVID-19. The growing user count moreover testifies to the appeal of the product, which provides easy access to high-quality curricula from anywhere in Japan. Going forward, we will create more user-friendly functions to meet the needs of corporate users regardless of industry and organization size.

》》》 Forming the National Municipal Reskilling Network, an off-shoot from the Udemy business

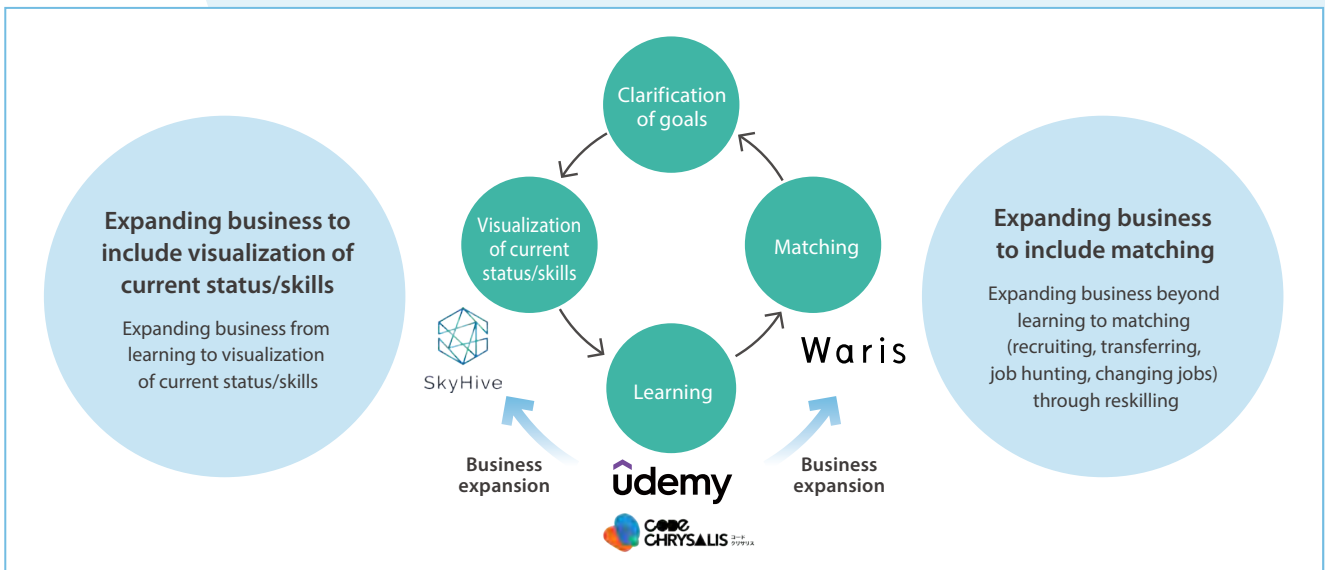
In May 2023, the Company formed the National Municipal Reskilling Network to support municipal governments with their reskilling efforts. This action was planned in response to our recognition of the specific challenges faced by many municipalities in promoting reskilling activities, which we identified by examining the use of Udemy Business services by certain municipal officers, and we found them of a different nature from those of business companies. The new project is designed to provide solutions to these challenges by sharing know-how and insights with participating municipalities.

Specifically, major activities are: actively publishing a booklet on reskilling activities to share best practices and challenging projects among participating municipalities; hosting webinars featuring public figures and guest experts; and organizing networking sessions to help participating municipalities form closer ties with one another. It is expected that needs for similar networking activities will grow in the future, and we hope to act as a catalyst in forming appropriate structures.

》》》 Building a business model capable of providing comprehensive reskilling support services

Our goal as the University and Working Adult Business is to match the needs of companies and individuals by providing support for reskilling through Udemy. In this business field, demand is growing from various sectors such as government (To G) and schools (To S) in addition to business (To B) and consumers (To C), and we will respond to this demand by expertly drawing on the wealth of know-how that we have accumulated over the years. At present, we are expanding the business centering on Udemy-based learning support while

investing in SkyHive Technologies Inc. and acquiring Waris Co., Ltd. SkyHive, which possesses the world's largest labor market database, will engage in skills visualization while Waris will play a key role in expanding into the matching market for female workers (recruiting, transferring, job hunting, changing jobs) through reskilling services. With these functions in place, we aim to build a business model capable of providing comprehensive support for a full range of reskilling processes related to human capital management.



》》》 Pursuing possibilities beyond the ideal learning culture

In October 2022, the Japanese government announced its plan to invest a total of one trillion yen in reskilling promotion over five years. This will serve as a tailwind for our business based on Udemy. On the back of this situation, we are promoting the Udemy business to achieve an environment where practical hands-on learning opportunities are easily accessible and available to willing adult

learners, with a view to building an ideal learning culture. At the same time, we are looking beyond this goal to the possibility of developing new business models using datasets obtained from the Udemy business, such as about individual learners' characteristics, interests and concerns, and actions and behaviors, which constitutes a source of business growth with immeasurable potential.

Committed to achieving a “society where people take pride in their latest learning pursuits”

Tomonori Iida
Executive General Manager in charge
of Working Adult Education Business
and Udemy business in Japan
Benesse Corporation



》》》 Launching the Udemy business, a demonstration of Benesse’s innovative power

The Udemy business represents a new global partnership project, a business development format that generally poses formidable challenges for Japanese companies. We also had a hard time launching the Udemy business, spending much time and energy on a process of trial and error that lasted nearly one year. At that time, we were simultaneously engaged in a total of 13 new project developments and viewed Udemy as one of the most promising among them. As it turned out, my confidence was well-placed, as the

project has subsequently developed into a successful platform business, winning numerous corporate and individual customers. This achievement exemplified Benesse’s ability to achieve innovation through a new partnership and develop it into a new business.

》》》 We are a company engaging in social value creation

Since announcing the Transformation Business Plan we have received inquiries about it from many companies. The Plan describes our future business visions and approaches toward them. In the future, when cooperation with several companies is realized, we would like to think further about what role Benesse will play. In the Udemy business, for example, we promote a co-branding strategy to represent Udemy and Benesse in combination. I think it appropriate for Benesse to play alternating roles in public exposure, either in the spotlight or behind the curtain.

With regard to this, we are primarily pursuing our goal of creating a “society where people take pride in their latest learning pursuits,” while not necessarily seeking to attach our

name to the achievement. This means that Benesse must be willing to perform its role from behind the scenes, particularly with respect to realizing various social ideals or achieving the well-being of society in general. I think this could be a worthy way of Benesse. Of course, as a business entity, it is ideal to create social value while at the same time adding economic value.

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》》》 Aiming to provide one-stop solutions to human capital management issues

Toward the goal of realizing a “society where people take pride in their latest learning pursuit,” we are striving to build appropriate learning infrastructure. To this end, the University and Working Adult Business is solidifying its foundation based on the Udemy business in order to expand into new fields. Our plans include helping companies to address issues related to human capital management by providing one-stop solutions. We are committed to successful performance in this field.

