

ON THE COVER

Pumpkin Yayoi Kusama

Benesse Art Site Naoshima is the collective name for the art-related activities we conduct in conjunction with the Fukutake Foundation on the islands of Naoshima, Teshima, and Inujima in the Seto Inland Sea. We have been promoting the ongoing activities as an approach to *Benesse=well-being*, our motto embodying the Benesse Group's corporate philosophy.



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Empowering lifelong growth

Benesse Report 2023



bene (well) + esse (being)
Benesse (Well-being)

Benesse Group Corporate Philosophy

bene (well) + esse (being)

Benesse (Well-being)

What is “Benesse”? The heart of Benesse is enjoying the process of moving forward step by step, with resolve, toward the realization of your dreams and aspirations. Benesse empowers people to solve issues for themselves and to enjoy life to the full at every stage by offering them the tools and support they need to create well-being.

We aim to be a globally respected corporate group that is supported by and indispensable to customers, communities, and society.

We will contribute positively to society now and in the future.

* Benesse is a word coined from the Latin words “bene” (well) and “esse” (being).

Benesse Group Principles

The Benesse Group is a global corporation with a people-oriented culture.

We believe that before we become good business people, we must live as responsible members of society and that all of our actions should lead to “Benesse” (Well-being). In order to achieve this, we adhere to the following principles and promises.

Our Principles

Act sincerely; Build trust; Pursue challenges and innovation

Promise to our:

- Customers** We develop and maintain long-term relationships with our customers by offering them truly valuable solutions to their present and future needs.
- Colleagues** We value teamwork, people development, fairness, and active participation in the workplace.
- Business Partners** We foster mutual trust and growth with our business partners, thus creating the best value for our customers.
- Community and Society** We aim to create an environment in our communities where people of all ages can enjoy life through our services.
- Shareholders** We seek to grow and develop in a way that earns our shareholders' long-term trust.



Benesse
Group
Purpose



Benesse Group Purpose

Anybody can enjoy lifelong growth.
Toward a world in which everyone
can live their own life.

Benesse will continue to aim for
these ideals.

Based on the corporate philosophy of “Benesse=well-being,”
we have announced our Group’s purpose as our management mission.

We are an earnest and tireless advocate of the potential of people collectively and individually.
Against a background of rapidly changing social conditions, we will persist in pursuing a world
in which each person can live in a way that is true to themselves,
while looking to the future, globalization, and social systems.

We are eager to take on new challenges to realize such a world,
and are committed to solving various social issues associated with the different stages of life.
The Group’s purpose is what guides our passion and commitment.



Pumpkin Yayoi Kusama ©YAYOI KUSAMA

**Benesse
Art Site
Naoshima**



Benesse Report 2023: background theme

Benesse Art Site Naoshima

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Place for lifelong growth

We established the Group's purpose in April 2023, and the Transformation Business Plan aimed to achieve the Group's purpose in May the same year. *Benesse Report 2023* is centered on the new Group's purpose and Naoshima, a place where we put our corporate philosophy of "Benesse=well-being" into practice.

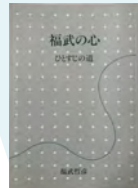


Benesse's history of growing in step with people and society

))) Founding (1955 onward)

Founder Tetsuhiko Fukutake's strong belief in education

▶ Began in Okayama as a business providing simulated exams for high school students and correspondence courses that were the precursor to today's *Shinken*zemi. By releasing products that embodied new concepts and expanding our enrollments, we laid the groundwork for the correspondence education business before the market appeared in Japan.



Left: Tetsuhiko Fukutake, who established Fukutake Publishing Co., Ltd. after engaging in a number of jobs including elementary school teacher.

Right: *Fukutake no kokoro: hitosuji no michi*, a book created to compile the founder's thoughts. His spirit has been passed down to today as the Company's DNA.

))) 1990s

Diversifying businesses under the "Benesse" banner

- ▶ In 1995, the company was renamed Benesse Corporation.
- ▶ Taking note of trends related to demographic aging and the increasing number of two-income households, entered the nursing care and childcare business, and published *Tamago Club* and *Hiyoko Club*, magazines on pregnancy, childbirth, and parenting.
- ▶ Launched overseas expansion and the language business against the backdrop of increasing globalization.



New company brand logo and character

))) 2000s onward

Evolving education and nursing care businesses

- ▶ Expanded the education business even further through measures such as growing the school and teacher support business and bringing prep school operators into the Group.
- ▶ Made a full-scale entry into the elderly housing business, with the nursing care business growing into our second pillar.
- ▶ Worked to regain the trust lost due to a leak of personal information, and implemented thoroughgoing measures to prevent the occurrence of similar incidents.
- ▶ In the education business, further increased utilization of digital technology and pursued individualized learning support services.



))) 2020s onward

Announcing the Transformation Business Plan in 2023

- ▶ In 2023, announced the Group's purpose.
- ▶ In 2023, announced the Transformation Business Plan, an upgrade of the Medium-Term Management Plan made in response to major changes in the business environment.

Founded in 1955

1962 Launched Kansai Simulated Exams for senior high school students (now Shinken Simulated Exams).

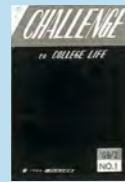
1969 Launched Correspondence Education Seminar for senior high school students (now Shinken zemi Senior High School Courses).

1972 Launched Correspondence Education Seminar for junior high school students (now Shinken zemi Junior High School Courses).

1980 Launched Shinken zemi Elementary School Courses.

1988 Launched Shinken zemi Preschool Courses (now Kodomo Challenge).

1989 Launched preschool courses in Taiwan.



Correspondence Education Seminar (first issue)



Shogo Challenge (first issue)



Shinken zemi Preschool Course (first issue)

2000

2003 Introduced proficiency-based educational materials to Shinken zemi courses.

2006 Acquired Ochanomizu Seminar Co., Ltd. as a subsidiary, thereby entering the prep school business.

2006 Launched preschool courses in China.

2007 Acquired Tokyo Individualized Educational Institute, Inc. as a subsidiary.

2008 Launched "Shinken zemi Junior High School Course +i," the next-generation version.

2009 Established Tokyo Educational Institute Co., Ltd. to take over the business of Tetsuryokukai.

2010

2011 Benesse Corporation opened a representative office in Indonesia.

2012 Acquired UP Inc. as a subsidiary.

2014 Acquired Minerva Intelligence Co., Ltd. (now Benesse BE studio Inc.) as a subsidiary.

2015 Established Benesse i-Career Co., Ltd.

2015 Concluded a comprehensive business alliance agreement with US-based Udemy, Inc.

2019 Acquired Classi Corp. and EDUCOM Corporation as subsidiaries.

2020

2023 Concluded a business and capital alliance agreement with SkyHive Technologies Inc.

2023 Acquired Waris Co., Ltd. as a subsidiary.



Tamago Club (first issue)



Hiyoko Club (first issue)



THANK YOU! (first issue)

1993 Launched *Tamago Club* and *Hiyoko Club*, magazines on pregnancy, childbirth, and parenting.

1996 Launched lifestyle magazine *THANK YOU!*

2002 Launched *Inu no Kimochi* (pet magazine).

2004 Launched Tamahiyo no Uchiwai (gift shopping site).

2004 Launched *Neko no Kimochi* (pet magazine).

2019 Concluded a business and capital alliance agreement with CoDMON, Inc. and started the Childcare Documentation service.

1995 Launched the Home Helper Level 2 Training Course.

1997 Opened Benesse Home Clara Okayama.

2000 Established Benesse Care Corporation to provide nursing care services. Acquired Shinkoukai Co., Ltd. as a subsidiary.

2003 Consolidated the Group's nursing care service companies to form Benesse Style Care Co., Ltd.

2010 Acquired Bon Sejour Corporation as a subsidiary.

2012 Merged Bon Sejour Corporation into Benesse Style Care Co., Ltd.

2013 Established Benesse Palette Co., Ltd. to provide meal delivery services.

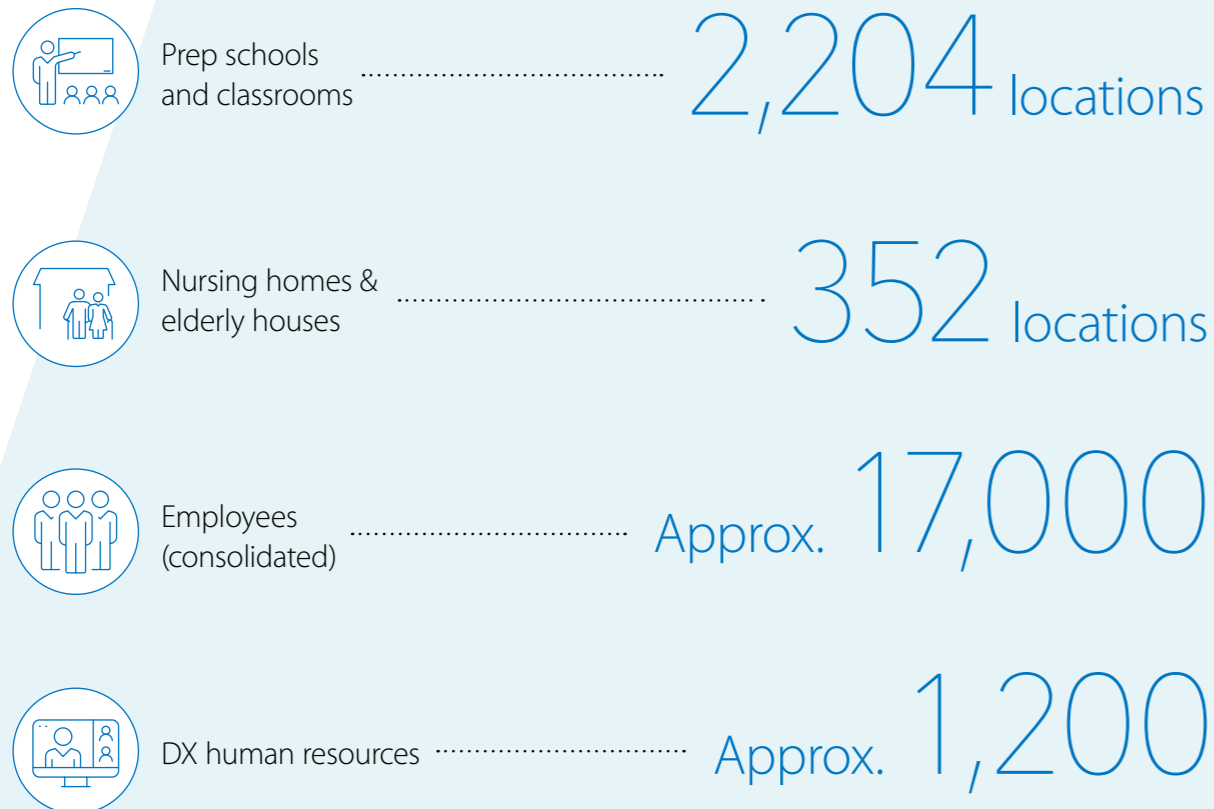
2014 Established Benesse Senior Support Co., Ltd. to operate a nursing care consultation service.

2021 Acquired Proto Medical Care Co., Ltd. (now Heart Medical Care Co., Ltd.) as a subsidiary.

Benesse's strengths for growing in step with people and society



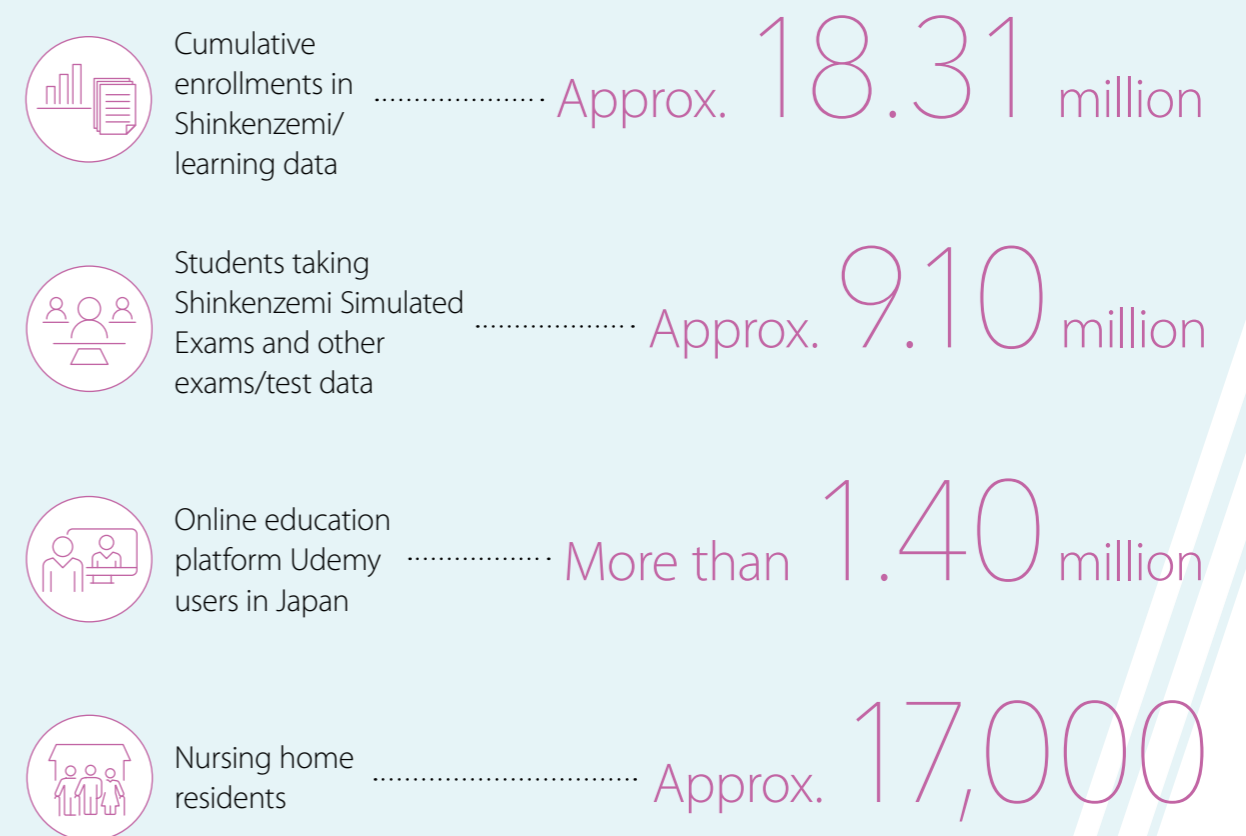
Material Productive/human capital



Brand Intellectual capital

-  Strong brands for childcare, education, and nursing care
-  Teaching materials and methods for instilling the ability to learn
-  Expertise in developing and grading simulated exams
-  Unique nursing care methods and mechanisms
-  Multifaceted surveys and research in the education field

Network Social capital



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CHAPTER 01

Supporting lifelong growth to forge a new future

Our Vision and Business Strategies

What future does the Benesse Group envision for itself, and how is the Group aiming to achieve that vision? In this chapter we describe the medium- to long-term vision and strategies that the Group is pursuing for value creation.

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CHAPTER 02

Supporting lifelong growth to shape the next era

Materiality

While analyzing the dramatic changes of the current era, we held repeated discussions to identify our materiality in order to resolutely make it through to the next era. New endeavors of the Benesse Group have already begun.

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CHAPTER 03

Empowering people to pursue lifelong growth in the age of the 100-year life

How We Create Value

Reviewing and enhancing each of the activities, and taking on new challenges proactively, the Benesse Group continues to create new value in order to support each person in pursuing their goals at each stage of life.

CHAPTER 04

For greater lifelong growth potential

Enhancing Operational Resources

In order to achieve sustainable growth with all stakeholders, the Benesse Group is continuing to enhance the effectiveness of its corporate governance toward solidifying its management foundation and further increasing its corporate value.

Editorial Policy

We publish this report to help investors and other stakeholders understand the Benesse Group's medium- to long-term strategies and initiatives for creating value, based on our FY2021-2025 Medium-Term Management Plan, "Evolve core businesses & Expand into new fields" (released in November 2020) and on the Transformation Business Plan, which is an update of the Management Plan. In editing the report, we have kept in mind the reporting frameworks of the International Integrated Reporting Council and the Guidance for Collaborative Value Creation issued by the Ministry of Economy, Trade and Industry (METI), limiting the content to items of particular importance while striving to structure the report in a way that is concise and easy to understand. More detailed investor-relations information and information related to environmental, social, and governance (ESG) matters is published on our website.

●Period covered

This report covers primarily activities carried out in fiscal 2022 (i.e., from April 2022 through to March 2023), though it also includes some information on initiatives from prior to that period and activities taking place after April 2023. The organization names and the job titles used are current as of June 24, 2023.

●Activities covered

The report covers the activities of Benesse Holdings, Inc. and its consolidated subsidiaries. If the discussion at any point references any other particular scope of coverage, this will be indicated on the pages concerned.

Note regarding forward-looking statements

This report includes statements regarding current plans, forecast, strategies, etc. Any of these statements that are not historical facts are forecasts of future performance; these statements are based on the judgment that the Company has formed using the information currently available, so they involve risks and uncertainties. Please be aware that, for a variety of reasons, actual performance may differ from current forecasts.