

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.

Revision of Materiality

When formulating our Transformation Business Plan by updating our medium-term management plan announced in 2020 in view of diverse changes in the business environment, we also revised our materiality in line with the current situation. Our new materiality is composed of three business themes aimed at achieving the Group's purpose, underpinned by a foundation of ESG promotion.



》》》 Toward the Achievement of our Purpose

We will provide products and services to help resolve key social issues in the fields of learning support for children, career development support for working adults, and nursing care. Furthermore, we will establish and maintain a solid foundation for achieving our purpose, and will aim for sustainable growth while earning the trust of society.

》》》 Supporting diversified and multilayered learning experiences to provide motivational education services

Amid dramatic societal changes affecting children and schools, we will provide education services that accommodate diversity and disparity of opportunity, with the aim of helping more children to thrive as they grow. Specifically, we will fulfill varied needs by harnessing our customer base, professional insight, and digital transformation (DX); support the diversifying choices of postgraduation pathways and changes in the way teachers work; and provide accessible educational opportunities.

》》》 Supporting sustainable corporate growth and personal career development through learning experiences

In a society where the qualities and abilities required of workers are changing and autonomous career development is called for, companies will need to foster individuals who can take ownership of their own career/life as drivers of sustainable corporate growth. We will lead the reskilling market by leveraging our rapidly growing UdeMy user network, and expand our human resource matching business (recruitment, transfers, job searches, job changes) by providing reskilling and skill development services.

》》》 Respecting the unique individuality of the elderly while resolving structural nursing care issues

In the face of the increasing number of senior citizens requiring nursing care, a shortage of nursing care staff, and delays in DX, we will develop more nursing care workers who can serve as role models while also enhancing the quality of life (QOL) of the elderly, making nursing care a more attractive career choice. To this end, we will proactively develop professional care staff and widely share their expertise with society at large, and visualize the tacit knowledge of care experts through the use of technology, thereby contributing to easing staff shortages.

》》》 Nurturing organizations and people as drivers of transformation

We aim to strengthen the leadership of our employees in driving transformation as well as their specialized expertise in an effort to become a company capable of developing diverse personnel who can take the lead in resolving social issues through business. We will enhance employee engagement by visualizing the key positions and specialized expertise required for transformation and implementing training accordingly, promoting diversity, creating a comfortable workplace environment, supporting career development, and ensuring appropriate placement, among others.

》》》 Preserving a sustainable global environment

We make concerted efforts to preserve the environment with the aim of providing a secure world for the children of the future to grow up in. To this end, we have endorsed the Task Force on Climate-related Financial Disclosures (TCFD) and conducted scenario analysis/action/disclosure, set greenhouse gas (GHG) emissions targets, and acquired Science Based Targets initiative (SBTi) certification. In addition, we promote environmental education by providing related materials and services and recycling of tablets and toys.

》》》 Cultivating a corporate culture conducive to serving society and customers with integrity

Toward the achievement of our purpose, our Group makes unified efforts to promote honest and sound management and maximize customer value through our business. For this, we set codes of conduct for each Group company based on the Group's purpose and Principles, conduct ongoing compliance activities based on a PDCA cycle, ensure increasingly rigorous information security, and implement human rights measures, among others.

We have revised our materiality in consideration of the changes in the social environment surrounding the Benesse Group.

Haruna Okada
Managing Executive Officer
Executive General Manager
of Sustainability



Upholding "Benesse (Well-Being)" as its corporate philosophy, the Benesse Group engages in a variety of commercial activities, including in the fields of education and nursing care, in the belief that its business is synonymous with resolving social issues. In keeping with this belief, we formulated our Sustainability Vision in 2019 and our five areas of Materiality (key issues) in 2020 following discussion of the specific themes and basic policies of the Group in relation to our efforts to help resolve the ever-evolving array of issues facing society.

Jumping ahead three years, the social environment surrounding the Group has changed more than ever, and unprecedented perspectives have emerged in tackling the social issues that our businesses seek to address. When formulating the Transformation Business Plan as an updated version of our medium-term management plan announced in 2020, we concluded that our materiality also needed to be revised in line with the current situation, and proceeded with discussions.

》》》 To become a corporate group devoted to solving social issues centered on people

Under the Transformation Business Plan, we considered the various social changes that will impact our sustainable growth and that of society and, by backcasting from the future society of 2028 and beyond, redefined one of our Group visions as "a corporate group devoted to solving social issues centered on people."

society of 2028 and beyond; and (3) Promoting ESG as the foundation underpinning (1) and (2). Subsequently, we closely examined and discussed the significance of (2) and (3) at the Management Council and the Sustainability Promotion Committee, and then drafted our new materiality.

In our efforts to achieve this vision, we decided to revise our materiality by focusing on the following points: (1) Fulfilling the Benesse Group's corporate philosophy, "Benesse (Well-Being)," and our Group purpose; (2) Social issues faced by people at each stage of life, which we identified by backcasting from the future

Based on the draft materiality formulated through such internal discussions, we held dialogues with experts, members of NPOs, and other external stakeholders to ascertain their expectations and demands for our Group from an outside perspective, and incorporated the outcomes into our revision process.

》》》 Materiality that sustains the achievement of the Group's purpose and business

The revised materiality is configured with the aim of achieving the Group's purpose by resolving key social issues through the Group's core businesses—supporting children's learning experience, supporting working adults' career development, and nursing care—with such endeavors underpinned by a foundation of material issues related to the "development of transformational human resources" as well as the "preservation of the global environment" and "corporate culture of integrity," which are prerequisites of economic activities.

"human resources development," "preservation of the global environment," and "corporate culture of integrity" are pivotal in that they build and maintain a solid foundation for pushing forward our efforts to achieve our purpose through business. If we are to become "a corporate group devoted to solving social issues centered on people," our corporate activities should earn the trust of society and maintain impetus. We regard the theme-specific goals to be indispensable for the Group's sustainable growth.

We provide products and services for the future to help resolve social issues with the aim of further achieving sustainable growth as a corporate group devoted to solving social issues centered on people.

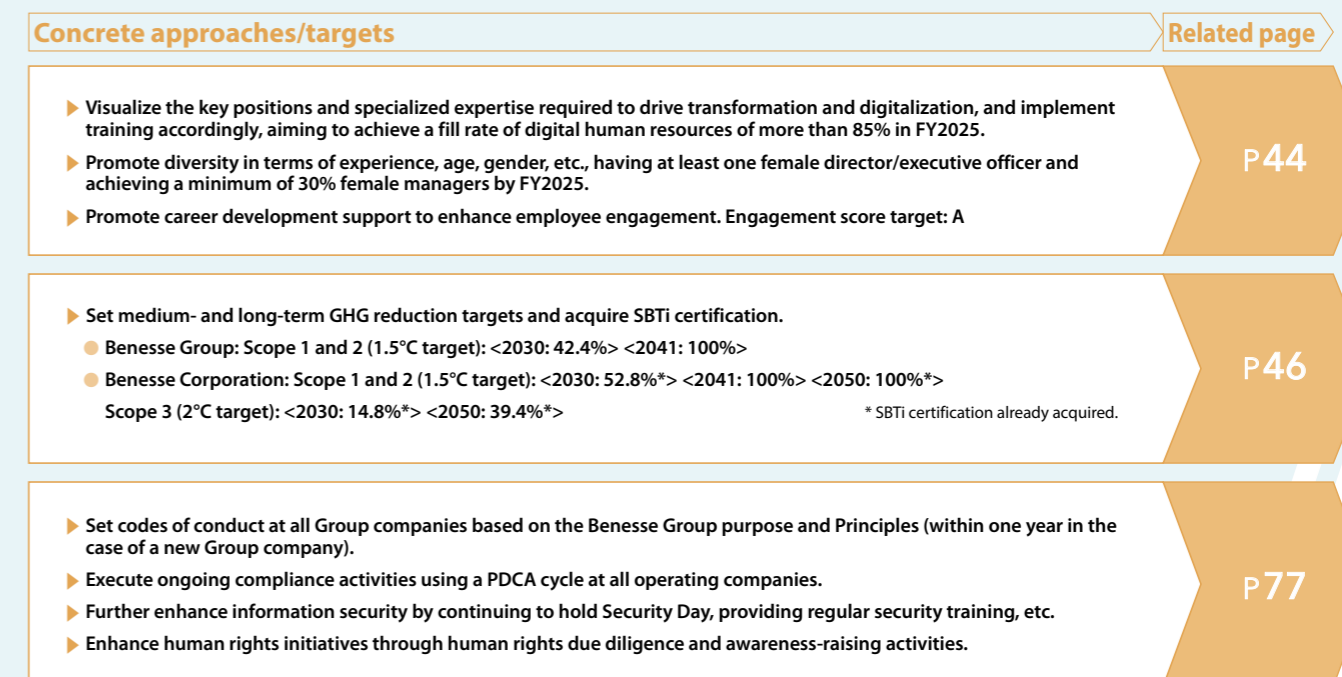
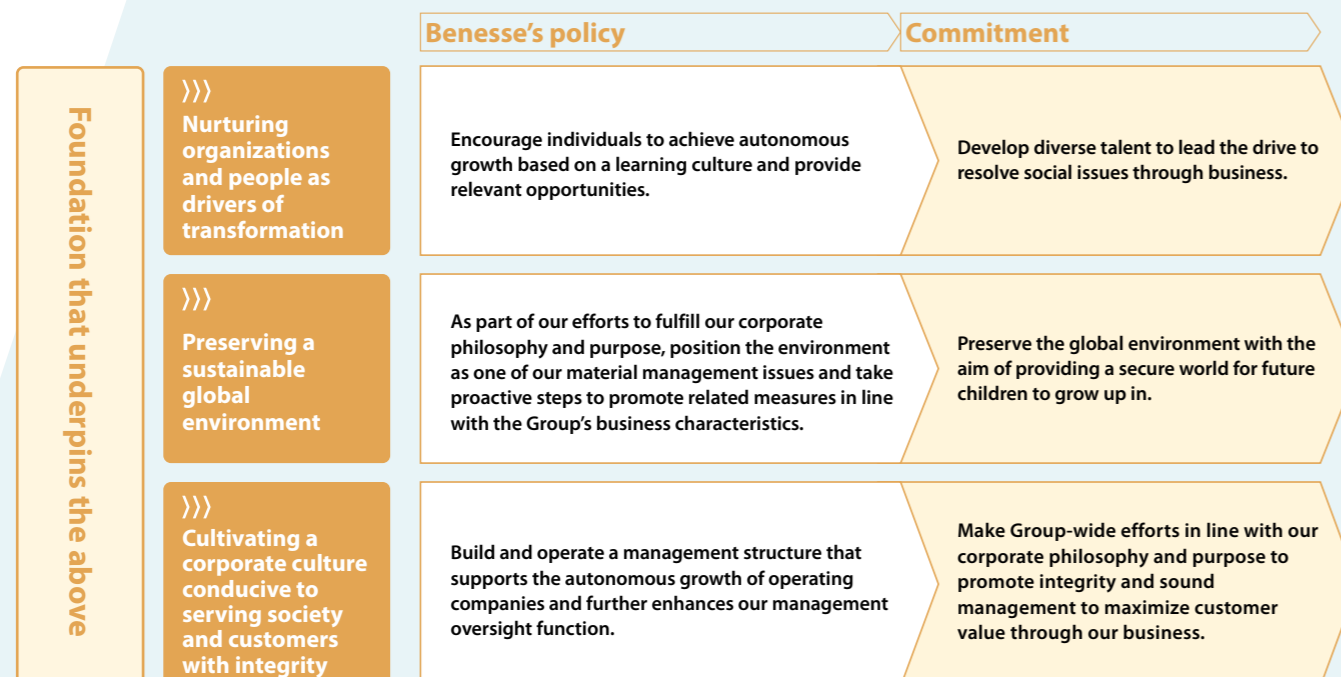
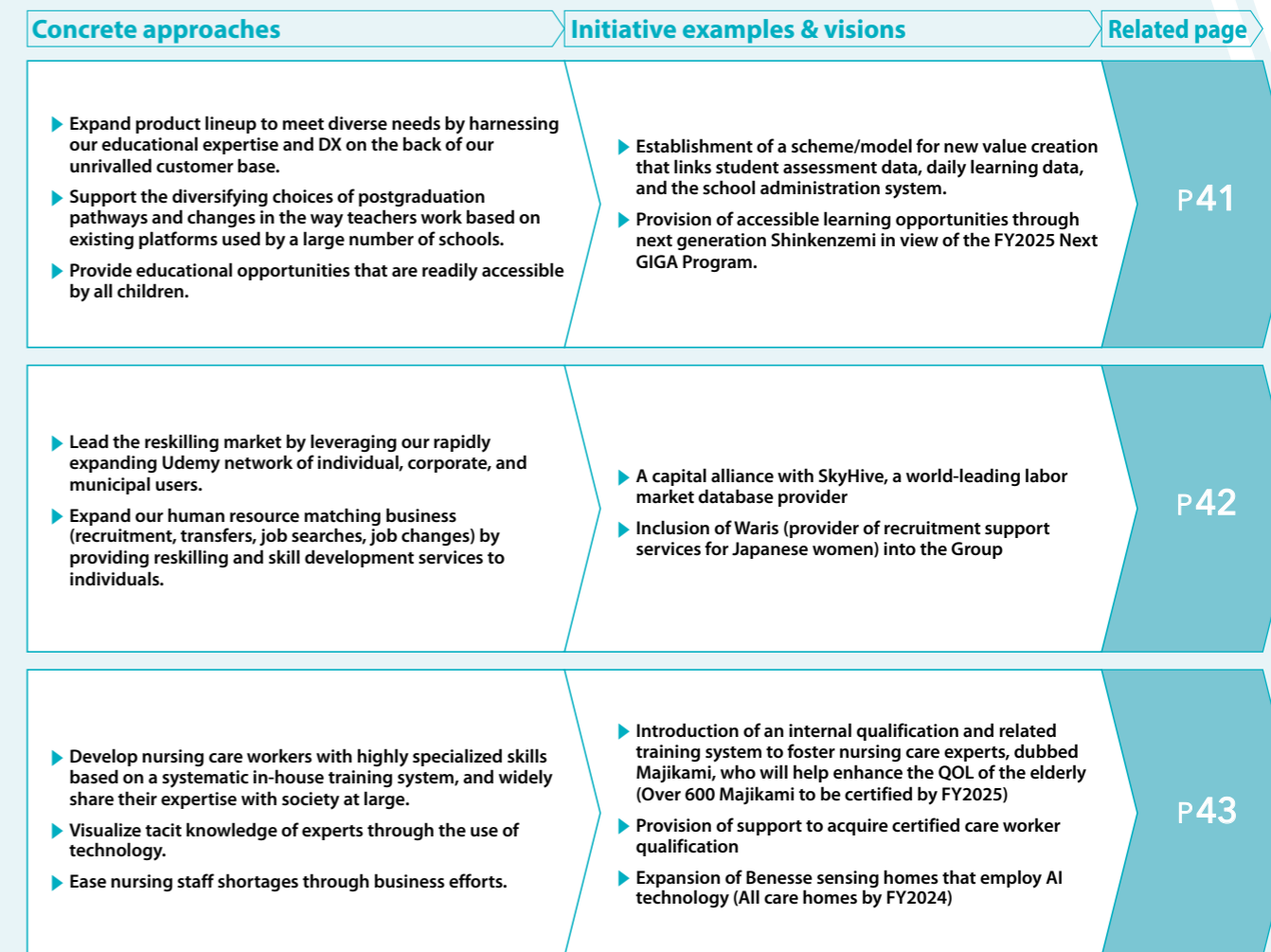
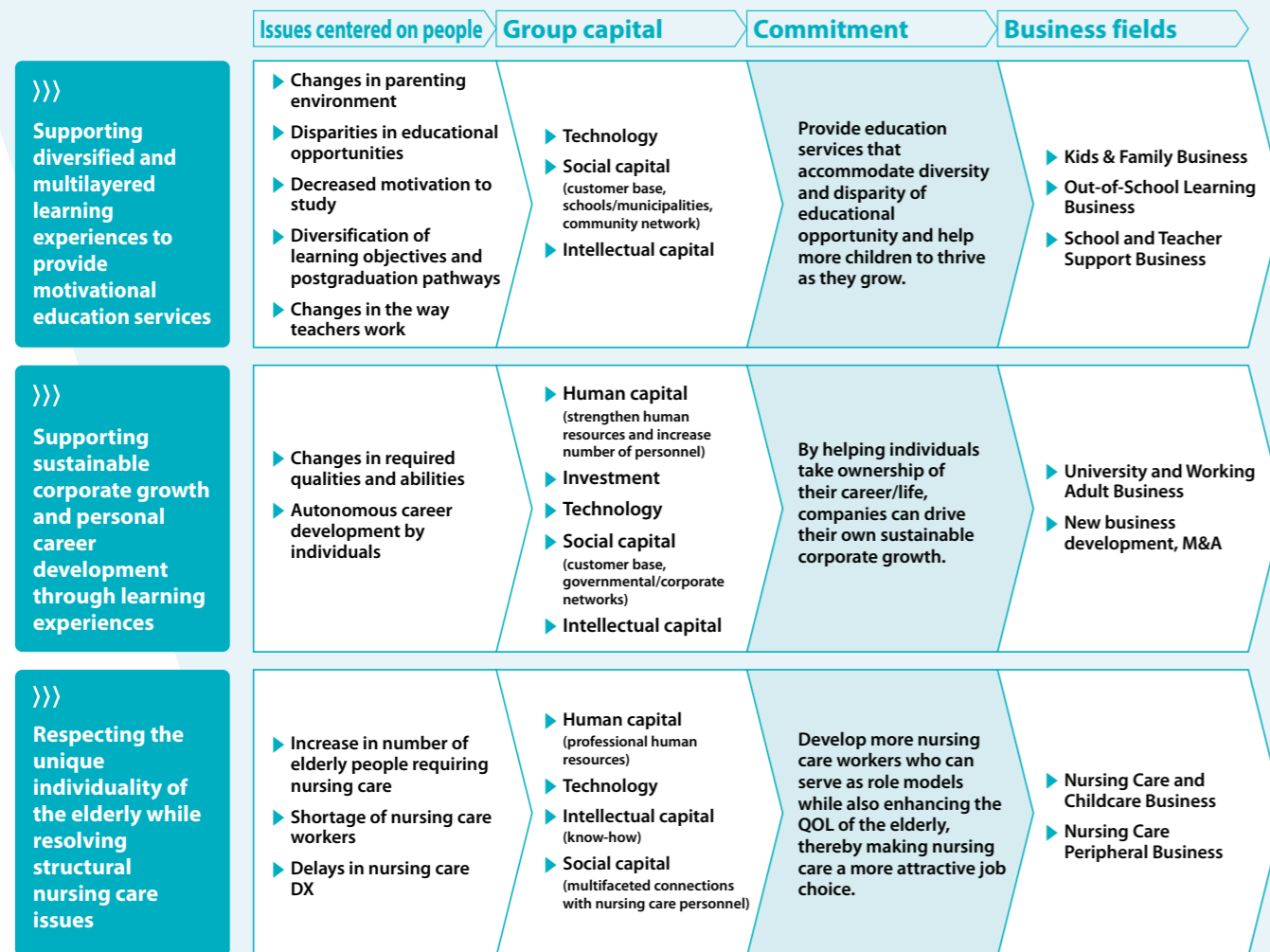
The Benesse Group will promote the redesigned materiality and pursue our vision under the Transformation Business Plan and the Group's purpose in an effort to achieve sustainable growth.

Meanwhile, the supporting materiality items concerning

》》》 Process of materiality revision



»»» Toward the Achievement of our Purpose



Supporting diversified and multilayered learning experiences to provide motivational education services



Changes in the environment surrounding children and their lack of motivation to study

As birthrates decline and the numbers of working mothers and double-income households increase, the parenting environment is changing dramatically. Household income disparities are affecting the learning experience of children, leading to gaps in educational opportunities.

At educational settings, needs are rising for special education and support tailored to the distinctive features of diverse children including those with developmental disabilities and attendance issues. Meanwhile, the way teachers work also needs to change so that their excessive work hours can be rectified. Disparities among regions and municipalities are also observed in the progress of

digitalization and ICT introduction at schools, which points to another kind of gap in educational opportunity.

Post-learning pathways are also becoming diversified. One of the major issues is the conspicuous decline in children's motivation to study. The percentage of children who lack a sense of purpose or direction and "do not feel like studying" has increased from 45.9% in 2019 to 60.2% in 2022, according to a survey* conducted under a joint research project by the Institute of Social Science, the University of Tokyo, and Benesse Educational Research and Development Institute.

* 2022 survey of parents and children: children's lifestyles and studying

Leveraging the Benesse Group's strengths to deliver education catered to diverse learners

As a way to address the above issues, the Benesse Group will be able to deliver personalized learning opportunities optimized to each child's needs, while also making these opportunities widely accessible. For this, we will draw on our unrivalled customer base established through Shinkenzei and other services, as well as the knowledge and technology acquired through our education business.

In addition, we can contribute to transforming school education for the next generation while reducing teachers' workload and catering to students' varying academic abilities. To do

this, we will harness our extensive networks of municipalities and schools that use our learning support and school administration software and platforms, and pursue customer success by responding to diversified region-specific needs.

We aim to capitalize on such unique strengths of the Group to deliver, on a broad scale, education that motivates diverse children to learn and grow, thereby helping more children to thrive in the future.

To resolve social issues centered on children, we uphold the following three major themes, with concrete approaches and initiatives for each theme to be implemented through our Kids & Family Business, Out-of-School Learning Business, and School and Teacher Support Business.

Bridging opportunity gaps in education and fostering learning motivation through unrivalled number of customer contacts

We will develop widely accessible and low-priced next-generation models for our core education services, which maintain an unrivalled customer base. We will also provide a wide range of information including high-quality free-of-charge learning contents via Kodomo Challenge TV and others.



Kodomo Challenge TV

Businesses and services in support of changing school education

We will promote computer based testing and further strengthen our digital services such as Mirai Seed, Classi, and EDUCOM Manager C4th, which are used at numerous schools, to help change the way teachers work and provide personalized support in daily study and student assessment.



Mirai Seed / Classi

Products that meet diverse needs of children and families

We will expand MARUG land, an ICT learning support service catered to different development characteristics, and enrich our personalized learning support service optimized for individual attributes and challenges. Our efforts will also focus on increasingly popular private lessons and creating spaces for children experiencing attendance issues at school.



MARUG land

Supporting sustainable corporate growth and personal career development through learning experiences



Reskilled workforce needed by society; career design required of individuals

The rapid evolution of digital technology and AI is bringing global changes to the way people work and the qualities and abilities required of them. At the 2020 Annual Meeting of the World Economic Forum in Davos, it was reported that one in two workers will need to be reskilled, and the reskilling of one billion people was advocated* by 2030.

In Japan, given the shrinking workforce due to its aging population and declining birthrate, companies are required to enhance productivity. Meanwhile, their need for talent equipped with the skills and knowledge required for them to achieve

sustainable growth and globalize their businesses is increasing rapidly. Against such backdrop, companies view human capital as their most important asset for maintaining competitiveness and instigating innovation, and employee reskilling has therefore become an urgent agenda for the business community.

In an age in which lifespans of a century are expected, people must cast off conventional notions of lifetime employment and instead design a longer career plan while acquiring new skill sets that will allow them to adapt to change.

* The Future of Jobs Report 2020, Davos conference

Supporting individuals who take ownership of their lives to drive sustainable corporate growth

Amid dramatic societal changes, the Benesse Group formed a partnership in 2015 with Udemy, an online video learning platform service launched in the United States, and expanded the service into the corporate market as its business operator in Japan. We have therefore been building a track record in supporting corporate DX/reskilling in addition to services for individual customers.

Drawing on our know-how and advantages acquired through such existing businesses, we are strengthening strategic investments in the ever-expanding learning market for working adults. By leveraging our various resources within the Group,

including our unrivalled customer base, and by collaborating with external partners for co-creation, we will proactively roll out new initiatives, thereby offering a one-stop multifaceted reskilling support service.

Based on this plan, we will help more people cultivate fulfillment through lifelong learning in Japan, firmly sustaining the generation of a positive value creation cycle through reskilling, whereby the growth capacity of companies is enhanced, with positive effects rippling out to the broader society.

By upholding the following three themes, we will implement strategic initiatives based on educational businesses for universities and working adults and collaborations with co-creation partners. Our aim is to support the career development of individuals who acquire new skills in response to changes, and help companies achieve sustainable growth.

Supporting students and working adults to learn and develop their career

We will strive to promote the Udemy online video learning platform service in Japan and provide students and working adults with greater support for their education and career development. Multifaceted support will be provided to individuals who are eager to shape their circumstances by gaining a variety of new learning experiences and achieving personal growth throughout their lives.



Udemy

Providing education services that underpin corporate human capital management

To strengthen human capital as the key for sustainable corporate growth, we will provide education services including a new offering that visualizes the skills of each employee and provides them with optimal learning services, which will be made available in collaboration with SkyHive, a global AI-based reskilling support provider.



Alliance with SkyHive

Expanding our matching business that connects individuals with companies

Amid a decline in the working-age population, we are expanding our matching business to tap into the potential of the female workforce. In collaboration with Waris, which joined our Group in June 2023, we will provide companies and individuals with learning services and employment/career support services by assisting with recruitment, transfers, job searches, and job changes.



Waris

Respecting the unique individuality of the elderly while resolving structural nursing care issues



As the first nation to experience a super-aging society, Japan will face a nursing care staff shortage of approx. 690,000 in 2040.

As Japan's declining birthrate and transformation into a super-aging society is occurring ahead of other nations, an overwhelming shortage of nursing care staff is emerging as a serious problem. In 2040, when second-generation baby boomers reach the age of 65, there will be a shortage of approximately 690,000* nursing care workers vis-à-vis the number of older persons in need of long-term nursing care.

Against this backdrop, nursing care services are chronically short-staffed, causing excessive workloads, which in turn is leading to greater job turnover. The vicious circle is making it difficult to secure enough nursing care staff to meet the growing care needs.

Develop more nursing care workers who can serve as role models while also enhancing the QOL of the elderly, making nursing care a more attractive career choice.

Upholding the business principle of showing "deep respect for the person's individuality," our Group company Benesse Style Care pursues high-quality nursing care tailored to the needs of each individual. Building on its know-how accumulated through long years of business operation, the nursing care service provider develops highly specialized human resources. The company also focuses on implementing DX in nursing care, visualizing the tacit knowledge of highly specialized care workers with the use of technology in an industry-first initiative.

Furthermore, we are looking to resolve not only our own issues, but those shared by the entire nursing care industry. Openly

There are high hopes that AI and other technologies can alleviate staff workloads while enhancing the quality of service. But it will be a tremendous challenge to uniformly mechanize or automate nursing care, considering the varied physical conditions and needs of each elderly individual, which require advanced skills, knowledge, and experience on the part of caregivers. The situation is causing delays in DX across the entire nursing care industry, which is exacerbating the staff shortage issue.

* Source: "Required number of nursing care workers based on the 8th Long-term Care Insurance Business Plan" by the Ministry of Health, Labour and Welfare.

providing useful information on our website for care workers is just one of our measures. We also engage in temporary staffing and placement services in support of healthcare and nursing care services, forging multifaceted and extensive connections with nursing care workers. As the leading company in the nursing care industry, we intend to draw on inputs from these workers, achieve a greater degree of fusion of people and technology, enhance the QOL of elderly people, increase the number of role model nursing care workers, and make nursing care a more attractive career choice to help resolve the serious societal issue of staff shortages.

We strengthened our initiatives under the following three themes with the aim of pursuing the QOL of elderly people, fostering highly specialized nursing care workers, and enhancing the quality of our nursing care services, thereby contributing to resolving the serious societal issue of nursing care staff shortages.

Developing Majikami, or highly skilled nursing care experts

Aiming to develop workers who will contribute to enhancing the QOL of care home residents, we are advancing our own system for fostering Majikami, experts certified as practicing high-quality nursing care. We also help our staff to acquire the certified care worker qualification, motivate them to become highly skilled care experts, and offer a desirable workplace where they can thrive, seeking to thereby create a virtuous cycle.



Majikami system

Developing and proliferating an AI solution that capitalizes on the expertise of Majikami

We have developed an AI solution by verbalizing the tacit knowledge of Majikami, and are aiming to introduce the solution to all our nursing care facilities. The AI solution provides newer staff with nursing care hints and tips from Majikami, which leads to care services of a higher quality.



Utilizing AI at nursing care homes

Sharing expertise and developing a new business to help resolve staff shortages

We share our nursing care expertise on our Nursing Care Antenna website for everyone engaged in nursing care in Japan to access free of charge. In addition, in an effort to address nursing care staff shortages, we will develop a new business that fulfills the diverse needs of workers and employers.



Nursing Care Antenna website

Nurturing organizations and people as drivers of transformation



Empowering employees to empathize with our corporate philosophy in order to strengthen our human capital

Hisano Murakami
Executive Officer, CHRO, Executive General Manager of Human Resources and General Affairs



Embracing "well-being," a hallmark of our people

The Benesse Group has put people at the center of its business ever since its foundation. We have likewise long valued our workforce of like-minded people who share our goals as a confirmed asset. In achieving our Transformation Business Plan, we must continue to put people first while also becoming a team of goal achievers. Another wonderful quality that our people share is their firm embrace of our corporate philosophy

of "well-being" and their deeply ingrained eagerness to engage with and support our customers' well-being and growth across every business that we operate. Our philosophy resonates with our employees because we teach the story of how it was developed in our training programs.

The key to enhancing organizational capacity lies with each and every employee.

"Nurturing organizations and people as drivers of transformation" was newly added to our materiality. If we are to achieve our Transformation Business Plan, we need a major upswing in capacity. In addition to our education and nursing care businesses, we therefore intend to establish businesses in new fields. Skills and leadership required for transformation cannot be developed overnight, however. First and foremost, we crucially need to clarify the nature of our organizations and

reinforce the areas where we are lacking. And we already have the means to acquire the missing capacity and skills. Given the Group's purpose of "Anybody can enjoy lifelong growth," I am certain that each and every employee will participate in reskilling to update their capabilities.

Concrete measures to achieve our visions

There are three particularly important measures that must be taken to execute the Transformation Business Plan. One is the development of digital talent. The Group has already started visualizing its DX personnel and is now striving to speed up development to meet division-specific targets. The second measure is diversity promotion, especially in regard to gender. The percentage of female employees has traditionally been high at the Group, which is why we were quick to introduce maternity leave and childcare leave programs, with the latter also offered to male employees. A high proportion of our female employees

choose to return to work after taking such leave. Now that maternity and childcare leave has become the norm, we have taken a further step to empower employees to pursue their career and family goals. We also need to further increase the percentage of female managers, which is already higher than the industry average, by strengthening the candidate pipeline. The third measure is about enhancing engagement. Our employees greatly empathize with the Benesse Group's philosophy, as evidenced by their extremely high engagement scores. This is a unique advantage that we hope to build on.

Achieving transformation by unleashing the power of employees who strongly embrace the Group's philosophy

The B-Stage internal proposal system is helping us enhance employee engagement. A total of 3,427 new business and operational reform proposals were submitted in fiscal 2022 under the system. Many of the proposals, which are based on ideas and awareness of workers, have already been implemented in our business. We firmly believe that the initiative is bringing vibrant energy to the entire Group. As I mentioned, the Benesse

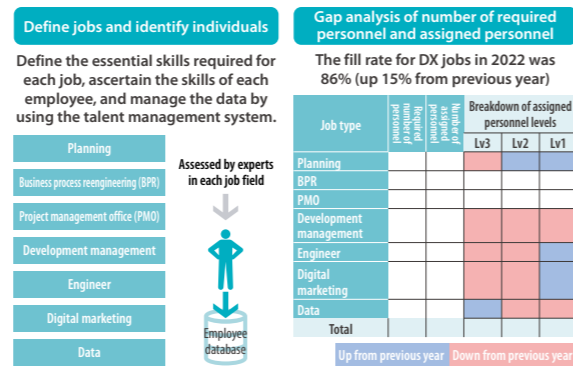
Group is centered on its people. Our employees have embraced our corporate philosophy to an unimaginable degree, giving us our most powerful advantage. Going forward, we will capitalize on this strength and deliver to each employee a message that inspires further change, while at the same time transforming our management structures and HR programs, thereby making step-by-step progress toward our goals.

» Nurturing organizations and people as drivers of transformation

In an effort to nurture organizations and people as drivers of the Benesse Group's transformation, we define the skills required for transformation and visualize our employees' existing skills, thereby creating a culture of learning in which the autonomous career development of individuals is respected.

» Visualize the key positions and specialized expertise required for transformation

At the Benesse Group, we identify the hiring and development of digital talent as a key organizational capacity required for realizing the medium-term management plan. As we see a rising need to utilize IT and digital technology across our businesses, we are striving to secure the necessary DX human resources by defining the essential skills required for each DX job, keeping track of the skills already existing in our workforce, and calculating the number of DX personnel required based on our business needs, thereby visualizing the fill rates. To fill vacant positions, we are working to reskill our existing employees.



» Human resources development and career support

We focus on reskilling our existing employees to foster the development of a workforce able to drive transformation. In addition to on-the-job-training, we help employees develop their capabilities by, for example, offering training programs that include abundant internal case studies. The training programs provide access to UdeMy Business, a digital video platform with over 210,000 business-related courses. In fiscal 2022, a total of 6,504 employees* participated in the programs, up 80% from the previous fiscal year. We also started granting a reskilling leave of three days a year from fiscal 2022 to provide employees with an opportunity to reflect on their career and deepen their learning. The leave system was used by 522 employees* in the first year of introduction. By promoting the systematic use of the leave, we aim to foster a corporate culture where reskilling is the norm.

(* Benesse Corporation)



» Enhancing engagement by respecting the autonomous career development of individuals

Employees who have acquired new skills and knowledge by taking reskilling leave and participating in training programs are provided with various opportunities for self-fulfillment, such as the opportunity to spontaneously submit an internal transfer request, whether solicited or not, to pursue a different role, the opportunity to participate in a milestone career training program and one-on-one interview, and the opportunity to seek career advice, if they so wish. Such systems are based on our policy of respecting each employee's autonomous career development. The policy, as well as our employees' distinctive embrace of the Benesse Group's philosophy, has led to high levels of employee engagement, generating a virtuous cycle that pushes transformation forward with greater energy.



» Preserving a sustainable global environment



Seeking the sustainable growth of society and the Benesse Group, we formulate medium- to long-term environmental targets and actively strive to reduce our environmental footprint while improving external assessments of our activities.

» Environmental policy

In March 2021, the Group revised the Environmental Policy that it formulated in 2011. The Group will not only work to promote climate control and environmental consciousness in products and services, as well as in sales and other activities, but also engage with society to encourage energy conservation and waste reduction for climate control, recycling, the preservation of biodiversity, and the conservation of water resources, including the efficient use of water.

Reduction rate for greenhouse gas emissions (Years ended March 31)

Reduction from base year 2018	2019	2020	2021	2022	2023
Scope 1 and 2 (1.5°C targets)	12.0%	20.8%	30.5%	39.8%	59.3%
Scope 3 (2°C targets)	-2.7%	-3.9%	5.4%	13.8%	26.8%

Note: The figures for 2023 are subject to change as third-party verification is in progress.

Reduction targets for the entire Benesse Group (Years ending March 31)

Base year: 2022	2030	2041
Scope 1 and 2	42.4%	100%

*Scope 3 targets under preparation

» Promotion systems

The Sustainability Promotion Committee, with the managing executive officer for sustainability as its chair and members that include full-time directors including the representative director and president and the heads of business divisions, meets regularly to make decisions about policies and initiatives concerning sustainability issues, including environmental ones, and to monitor the status of activities. The Committee's activities are reported to the Board of Directors.

» Climate control measures

Benesse Corporation had previously set medium- to long-term reduction targets for GHG emissions, but we have further revised our Scope 1 and 2 targets upward from the well-below 2°C level to reduction targets in accordance with the 1.5°C level. In order to meet these targets, we moved forward with measures such as reducing paper consumption by promoting the digitization of products and services, reducing office space by adopting a hybrid working style of office attendance/working at home, and implementing a medium- to long-term repair plan for our own buildings.

Medium- to long-term reduction targets for greenhouse gas emissions (Years ending March 31)

Reduction from base year 2018	Every year*	2030*	2041	2050*
Scope 1 and 2	4.4%	52.8%	100%	100%
Scope 3	1.23%	14.8%	—	39.4%

* Reduction targets have been certified by SBTi.

» Evaluation by the Carbon Disclosure Project (CDP)

In the CDP's 2022 climate change survey, we were chosen as a company with a leadership level of A-, a grade given to companies that conduct excellent activities in areas such as reducing greenhouse gas emissions and implementing measures to mitigate and adapt to climate change. In addition, in the CDP's Supplier Engagement Valuation, we were chosen as a CDP 2022 Supplier Engagement Leader—the highest evaluation—for the fourth straight year. Our previous CDP climate change evaluations are as follows.



CDP climate change evaluations (Years ended March 31)

2018	2019	2020	2021	2022
A	A	A	A-	A-

» Biodiversity measures

To proceed with initiatives to promote biodiversity, Benesse has set forth a procurement policy, based on which we procure materials, design products, discuss transportation methods, and conduct recycling/reuse activities.

» Endorsement of the Keidanren Initiative for Biodiversity

We have endorsed the Keidanren Initiative for Biodiversity as part of our measures for biodiversity.



》》 Preserving a sustainable global environment

》 Conducted a scenario analysis in accordance with TCFD recommendations

In 2019, the Benesse Group expressed its agreement with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the first education business operator in Japan to do so. With regard to the education business in Japan, we are analyzing scenarios in accordance with TCFD recommendations, and conducting deeper analyses of the risks and opportunities to our business due to climate change.

The levels of impact and probability of occurrence are defined as follows.

Level of Impact—Large: 100 million JPY or more; Medium: 10 million JPY or more to less than 100 million JPY; Small: less than 10 million JPY

Probability of Occurrence [Transition Risks] 3: Already present/most likely; 2: Partially present/likely; 1: Latent/less likely

Probability of Occurrence [Physical Risks] 3: Once every few years; 2: Once in 10 years; 1: Once in 100 years

The following have been identified to have a large impact and a level 2 or 3 probability of occurrence.

Analytical estimation of risks and opportunities

Analysis of the risks and opportunities that affect the Group is conducted on two key points: Probability of occurrence and level of impact.

Transitional Risks	<ul style="list-style-type: none"> Switch to alternative materials (recycled plastics, etc.) Increase in shipping costs (by truck) Increase in energy costs Risk to the Group's reputation if we cannot meet consumers' expectations with regard to environmental awareness
Physical Risks	<ul style="list-style-type: none"> Procurement failures from suppliers Changes in shipping methods due to suspension of the logistics network Major damage at logistics hubs Restructuring of the logistics network due to environmental changes and the spread of infectious diseases
Opportunities	<ul style="list-style-type: none"> Changes in the environmental awareness of consumers Competitive advantages through innovations in environmental technology Initiatives towards global environmental preservation Highly resilient logistics base

Future strategies and initiatives

The Group will promote the following strategies and initiatives in the future based on the results of our climate change-induced risk-opportunity analysis.

Transitional Risks	Research into alternative materials that take CO ₂ emissions reductions into account, resource circulation initiatives (recycling), reductions in shipping fees through the adoption of digital educational materials, reductions in GHG emissions due to office activities such as energy saving and other initiatives, establishment of targets and promotion of initiatives for the introduction of renewable energy, consideration of a bring your own device (BYOD) policy for tablets, etc.
Physical Risks	Reduction in risks through the decentralization of production bases, securement of alternate means of transport, strengthening of flood control measures at logistics hubs, etc.
Opportunities	The promotion of new environmental education, and reflecting innovations in environmental technology, etc., in products, services, and marketing activities based on changes in consumer behavior

》 Business initiatives Support for environmental education

Benesse has long supported environmental education. Benesse STEAM Festa is an exploratory learning event where junior high and high school students gather from across Japan to discuss various subjects including the SDGs, a topic that has proven particularly popular. Some students conduct investigations and experimental studies while others develop apps. In fiscal 2022, the event was held on March 18 and 25, 2023, attracting a large number of students eager to tackle environmental issues.



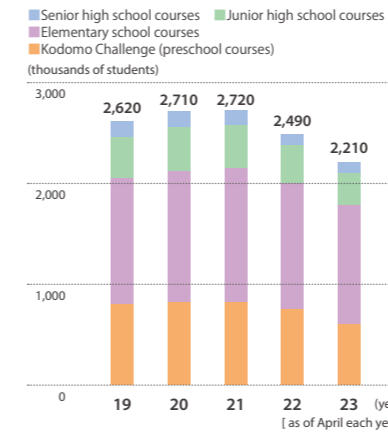
Benesse STEAM Festa

Visit the following website for information on our response to climate change.
<https://benesse-hd.disclosure.site/en/themes/148#1002>

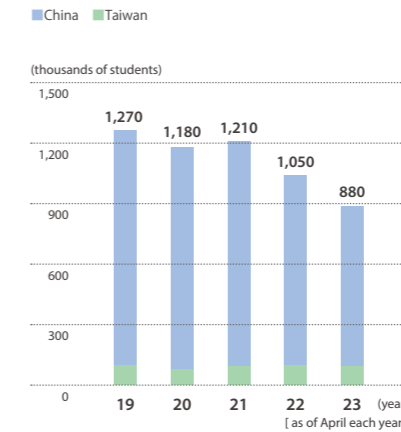
Non-Financial Information

Business-Related

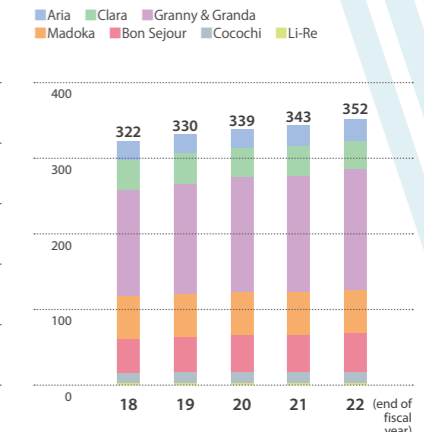
Shinkenzemi and Kodomo Challenge enrollments in April (Japan)



Kodomo Challenge enrollments in April (Overseas)

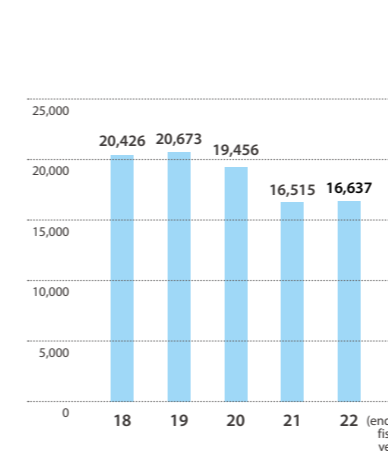


Nursing homes & elderly homes by brand



Human Resources

Employees on consolidated basis



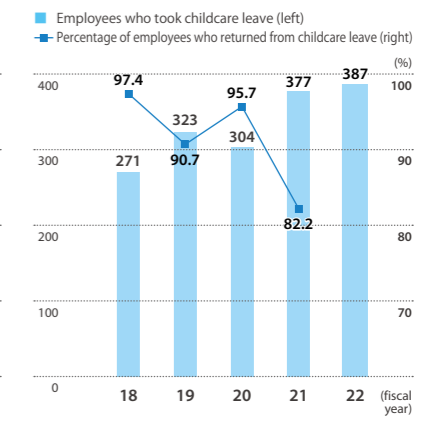
Note: Berlitz Corporation was sold during fiscal 2021.

Ratio of female employees/managers



Note: Figures are for Benesse Corporation and Benesse Style Care combined.

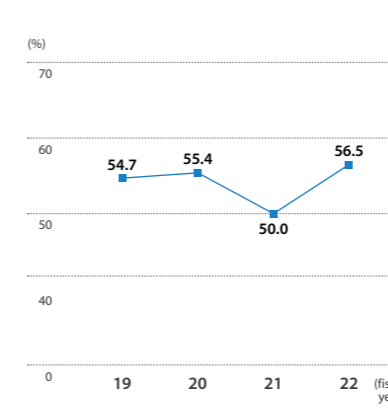
Employees who took childcare leave / Returned from leave



Note: Figures are for Benesse Corporation and Benesse Style Care combined.

Human Resources

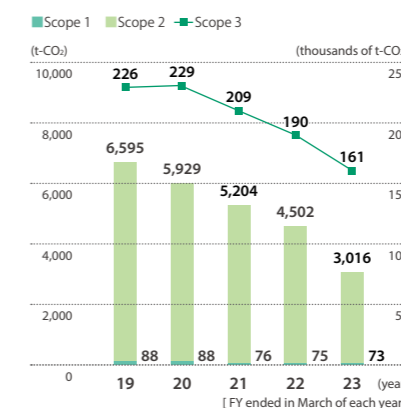
Male employees who took childcare leave



Note: Figures are for Benesse Corporation and Benesse Style Care combined.

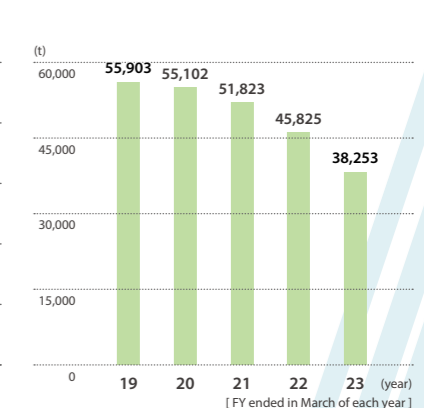
Environment

Amount of GHG emissions



Note: 1. GHG emissions are those of Benesse Corporation. 2. The figures for 2023 are subject to change as third-party verification is in progress.

Paper consumption



Note: Paper consumption excludes printing paper for use in offices.

Visit the following website for the latest ESG-related information.
<https://benesse-hd.disclosure.site/en/themes/168>