

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.

Corporate Governance

Corporate governance

The Company, as a holding company, is committed to ensuring the appropriate governance of the entire Benesse Group through its Board of Directors and Audit & Supervisory Board. The Board of Directors (the Board) makes it a rule to maintain the proportion of outside directors at 50% or more and that of independent outside directors at one-third or more of the total number of sitting directors. The Company continuously appoints directors in charge of business execution, multiple highly independent outside directors, and non-executive directors who disseminate our founding spirit in addition to leveraging stockholder viewpoints to supervise management. This ensures that meetings of the Board consist of lively, multifaceted discussions that go beyond internal circumstances and that the supervisory function of the Board is maintained and improved. The Company also ensures that effective audits are conducted by standing Audit & Supervisory Board Members who are knowledgeable about the Company and outside Audit & Supervisory Board Members who are attorneys or certified public accountants.

Board of Directors

The Board is composed of three directors in charge of business execution, one non-executive director, and four highly independent outside directors. In principle, the Board, led by a non-executive director, meets monthly to deliberate on matters important for the management of the Company and supervises the business execution of the Company and of Benesse Group companies. Since 2003, the Company has appointed multiple outside directors, thereby ensuring the appropriate fulfillment by the Board of its supervisory and business execution functions.

Nomination and Compensation Committee

The Company established the Nomination and Compensation Committee as an advisory committee to the Board. The chair is an outside director, and the majority of the Committee's members are outside directors. In the appointment and dismissal of directors and of the director and president/CEO, the Committee deliberates and submits its opinions to the Board, which makes the final decision. The Committee also deliberates on the compensation system for directors and submits its opinions to the Board. It is delegated by the Board to decide the compensation of individual directors.

Management Council

The Management Council is chaired by the CEO and attended by heads of companies, those responsible for administrative divisions, and individuals designated by the CEO. Group management leaders share important issues and information and deliberate on important matters for the Group.

Audit & Supervisory Board

In accordance with the Audit & Supervisory Board Member Auditing Standards, the policy of the Audit & Supervisory Board is to assume responsibility for establishing a good corporate governance structure worthy of the trust that society places in the Company, with emphasis on preventive auditing. The Company also conducts effective audits via standing Audit & Supervisory Board Members who are knowledgeable about the Company, and via outside Audit & Supervisory Board Members who are attorneys or certified public accountants.

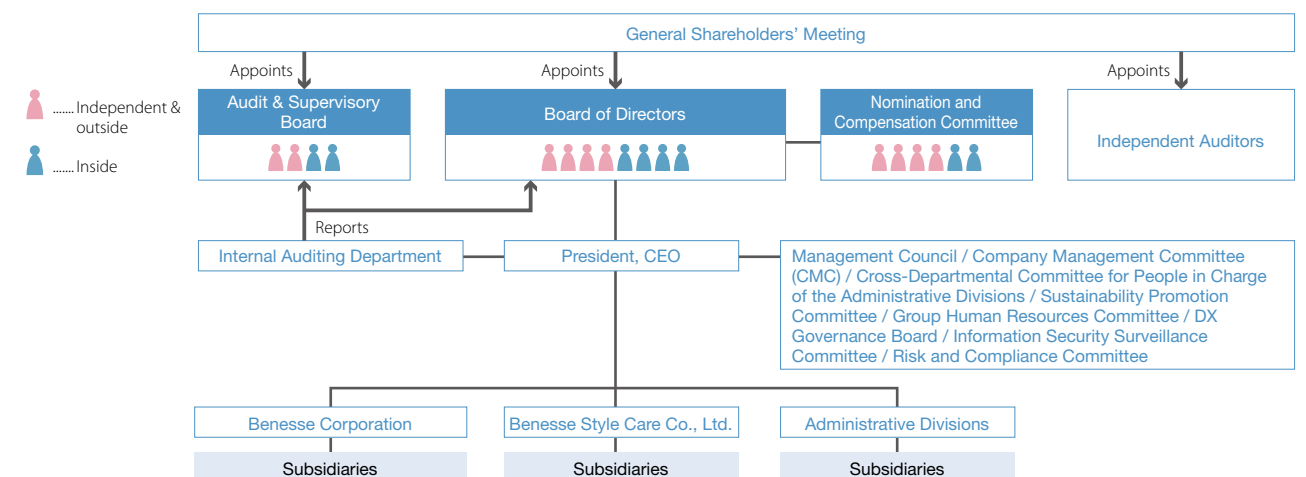
The Audit & Supervisory Board meets once a month, in principle, and individual Board Members share their awareness of key management issues by attending important management meetings such as Board of Directors, Nomination and Compensation Committee, and Management Council meetings, and by exchanging opinions with senior management. Two standing Audit & Supervisory Board Members and one part-time Member also serve as auditors for major subsidiaries while actively receiving verbal business reports and the results of investigations of business conditions by operating companies.

In addition to appointing two dedicated audit staff members to enhance its audit system, the Company has established the Benesse Group Audit Committee (which also includes standing members of Audit & Supervisory Boards at subsidiaries) to strengthen cooperation among the Group's audit systems.

Other optional committees

The Company has established the Sustainability Promotion Committee, Information Security Surveillance Committee, and Risk and Compliance Committee as optional committees.

Corporate governance structure (As of March 31, 2023)





Corporate Governance

Directors and Audit & Supervisory Board Members (As of June 2023)



**Hitoshi Kobayashi**  
Representative Director and President, CEO

Joined the Company in 1985. After having served as Representative Director and President of Benesse Style Care Co., Ltd., in 2012 became a Director of the Company, a position that he continues to serve in. Went on to lead the Company's Corporate Planning Division, Overseas Business Development Company, Zemi Business Company, etc. Has served as the Representative Director and President of Benesse Corporation (current) since 2016. Became the Representative Director and President, COO of the Company in 2021, and became the Representative Director and President, CEO of the Company (current) starting in 2022.



**Shinya Takiyama**  
Director

Joined the Company in 1996. Has been Representative Director and President of Benesse Style Care Co., Ltd. (current) since 2013, and a Director of the Company since 2016 (current). Became a Group Executive Officer of the Company in 2021, and became a Senior Managing Executive Officer of the Company (current) starting in 2022.



**Kenji Yamakawa**  
Director

Joined the Company in 1986. Served as Director of Benesse Corporation in 2012. Has served in the position of Director of Tokyo Individualized Educational Institute, Inc. since 2016, and the position of Executive Vice President of Benesse Corporation (current) since 2020. Became Group Executive Officer of the Company in 2021. Has served as Director and Senior Managing Executive Officer of the Company (current) since 2022 and Executive General Manager of Area Business Promotion of Benesse Corporation (current) since 2023.



**Hideaki Fukutake**  
Director

In 2000, joined KEYENCE CORPORATION. In 2006, joined SMS CO., LTD. and subsequently became Division President of Nursing Care and Medical Care Media at that company. Since 2009, has been Director of efu Investment Limited (current). After having served as Outside Director of Benesse Corporation, became Director of the Company in 2014. Has served as Representative Director of Minamigata Holdings Ltd. (current) and Non-executive Director of the Company (current) since 2021. Has been Chairman of the Board, Fukutake Foundation (current) and Outside Director of Foodson, Inc. (current) since 2023.



**Mutsuo Iwai**  
Director

Joined the Japan Tobacco and Salt Public Corporation in 1983. Served as Director and Managing Executive Officer of Japan Tobacco Inc., Executive Vice President of JT International S.A., and Representative Director and Executive Vice President of Japan Tobacco Inc. Was appointed as Deputy Chairperson of the Board of Japan Tobacco Inc. and Outside Director of the Company in 2020 (current). Was appointed as Outside Director at TDK Corporation in 2021 (current). Has served as Chairperson of the Board of Japan Tobacco Inc. (current) since 2022 and as Vice Chairman, KEIZAI DOYUKAI (Japan Association of Corporate Executives) (current) since 2023.



**Yumiko Noda**  
Director

Joined Bank of America Corporation, Tokyo Branch, in 1982. After serving in positions such as Deputy General Manager of London branch of the Long-Term Credit Bank of Japan, and advisory partner with PwC Financial Advisory Services, Deputy Mayor of Yokohama City, and a senior fellow at the Tsinghua University Research Center for Japanese Studies, became Representative Director and President at Veolia Japan K.K. in 2017, then Chairman and Representative Director in 2020 (current). Became Director of the Company in 2021 (current). Has been Vice Chair and Director, KEIDANREN (Japan Business Federation) (current) and Outside Director of Mizuho Financial Group, Inc. (current) since 2023.



**Kohey Takashima**  
Director

Joined McKinsey & Company Inc Japan in 1998. Became Representative Director and President of Oisix Inc. (now Oisix ra daichi Inc.) in 2000 (current). Became Director of the Japan Wheelchair Rugby Federation in 2018 (current). Became Outside Director of CARTA HOLDINGS, INC. in 2020. Has served as Vice Chairman of KEIZAI DOYUKAI (Japan Association of Corporate Executives) (current), as well as Outside Director of the Company (current) since 2021. Has been Joint Representative Director of Data for Social Transformation (current) since 2022 and External Director of SHIDAX CORPORATION (current) since 2023.



**Masaru Onishi**  
Director

Joined Japan Airlines Co., Ltd. in 1978. Became President, JAL Aircraft Maintenance Narita in 2007. Became Representative Director, President, Japan Air Commuter Co., Ltd. in 2009. Became Representative Director, President, Japan Airlines International Co., Ltd. (currently Japan Airlines Co., Ltd.) in 2011, before becoming Representative Director, Chairman for Japan Airlines Co., Ltd. in 2012. Became Senior Representative, External Affairs, Japan Airlines Co., Ltd. in 2018. Has served as an Outside Director of the Company since 2022 (current).



**Yoshinori Matsumoto**  
Standing Audit & Supervisory Board Member

Joined Daio Paper Corporation in 1977. Joined the Company in 1991 and went on to serve as Manager of the General Affairs Department, as Manager of the Human Resources Department, and in other positions before becoming Corporate Executive Vice President, General Manager of the Personnel & General Affairs Division and Legal & Compliance Department in 2003. Became President, Representative Director of Benesse Business-mate, Inc. in 2005. Has served as Standing Audit & Supervisory Board Member of the Company (current) since 2008.



**Naoto Saito**  
Standing Audit & Supervisory Board Member

Joined the Company in 1986. After working in the Finance and Accounting and Auditing & Business Administration Departments in the Group, he became Manager of the Accounting Department, Executive General Manager of the Finance and Accounting, Executive General Manager of the Internal Auditing Division, and then Executive General Manager of the Business Administration Division. In 2015, became an Audit & Supervisory Board Member at Tokyo Individualized Educational Institute, Inc. (current), and in 2017, became a Senior Executive Officer of the Company, before also being appointed as a Standing Audit & Supervisory Board Member starting in 2019 (current).



**Eiichi Izumo**  
Audit & Supervisory Board Member

Joined Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC) in 1995. Since 1998, has been registered as a certified public accountant. In 2010, became Partner at Deloitte Touche Tohmatsu LLC, and in 2015, after leaving that position, became Representative of Izumo CPA Office (current) and Outside Audit & Supervisory Board Member of the Company (current). Became Outside Director serving as Outside Audit & Supervisory Board Member of Torii Pharmaceutical Co., Ltd. and Audit & Supervisory Committee Member of Intage Holdings Inc. in 2016 (current). Has been Outside Audit & Supervisory Board Member of Lasertec Corporation (current) since 2020.



**Miyuki Ishiguro**  
Audit & Supervisory Board Member

In 1991, enrolled as a lawyer and joined Tsunematsu Yanase & Sekine (currently Nagashima Ohno & Tsunematsu). In 1999, became a partner at that firm (current). In 2017 became Outside Audit & Supervisory Board Member of the Company (current). Became Vice President, Tokyo Bar Association in 2018. Has been President Elect, Inter-Pacific Bar Association (IPBA) (current) since 2022 and Outside Director of Nomura Holdings, Inc. (current) since 2023.

Expertise, experience and activity status of Directors and Audit & Supervisory Board Members

(As of June 2023)

■ Outside ■ Independent

Name/Affiliation	Years in office	Other major current positions	State of attendance for FY2022		Necessary expertise and experience						
			Board of Directors meetings	Audit & Supervisory Board	Leadership	Industry expertise			Strategy		
					Corporate management	Education	Nursing care	B-to-C business	Global	Digital	Finance
<b>Directors of the Board</b>											
<b>Hitoshi Kobayashi</b> Representative Director and President, CEO • Member of the Nomination and Compensation Committee	11 years	Representative Director and President of Benesse Corporation	13/13	—	●	●	●	●	●		
<b>Shinya Takiyama</b> Director	7 years	Representative Director and President of Benesse Style Care Co., Ltd.	13/13	—	●		●	●			
<b>Kenji Yamakawa</b> Director	1 year	Executive Vice President of Benesse Corporation	11/11	—	●	●		●			
<b>Hideaki Fukutake</b> Director ■ Non-executive Director • Chair of the Board • Member of the Nomination and Compensation Committee	9 years	Chairman of the Board, Fukutake Foundation Director of efu Investment Limited Representative Director of Minamigata Holdings Ltd.	13/13	—	●				●		
<b>Mutsuo Iwai</b> Director ■ ■ ■ • Chair of the Nomination and Compensation Committee	3 years	Chairperson of the Board of Japan Tobacco Inc. Outside Director of TDK Corporation	13/13	—	●			●	●		
<b>Yumiko Noda</b> Director ■ ■ ■ • Member of the Nomination and Compensation Committee	2 years	Chairman and Representative Director, Veolia Japan K.K. Outside Director of Idemitsu Kosan Co., Ltd. Outside Director of Mizuho Financial Group, Inc.	13/13	—	●				●		●
<b>Kohey Takashima</b> Director ■ ■ ■ • Member of the Nomination and Compensation Committee	2 years	Representative Director and President of Oisix ra daichi Inc. External Director of SHIDAX CORPORATION	12/13	—	●			●	●	●	
<b>Masaru Onishi</b> Director ■ ■ ■ • Member of the Nomination and Compensation Committee	1 year	Outside Director, TEIJIN LIMITED Outside Director, Mitsui O.S.K. Lines, Ltd. Outside Director, Kadoya Sesame Mills Inc.	10/11	—	●			●	●		

Audit & Supervisory Board Members					Accounting	Legal
<b>Yoshinori Matsumoto</b> Standing Audit & Supervisory Board Member	15 years	—	13/13	16/16		●
<b>Naoto Saito</b> Standing Audit & Supervisory Board Member	4 years	Audit & Supervisory Board Member of Tokyo Individualized Educational Institute, Inc.	13/13	16/16	●	
<b>Eiichi Izumo</b> Audit & Supervisory Board Member ■ ■ ■	8 years	Certified Public Accountant Outside Audit & Supervisory Board Member at TORII PHARMACEUTICAL CO., LTD. Outside Audit & Supervisory Board Member of Lasertec Corporation	13/13	16/16	●	
<b>Miyuki Ishiguro</b> Audit & Supervisory Board Member ■ ■ ■	6 years	Lawyer Outside Audit & Supervisory Board Member of Lasertec Corporation Outside Director of Nomura Holdings, Inc.	13/13	16/16		●

Visit the website for details about other major current positions.  
<https://www.benesse-hd.co.jp/en/about/management/executive.html>

Corporate Governance

**The expertise and experience demanded of directors, and reasons for their selection**

The Company specifies the skills required of directors from the following viewpoints so that the Board will continue to fulfill and enhance its important managerial decision-making and supervisory functions through high-quality discussions toward the achievement of the Medium-Term Management Plan.

- (1) The Company deems it essential that candidates for director have actual management experience, and requires each candidate for director to have experience in corporate management, in order to perform management supervisory functions even more effectively.
- (2) In order for the Board to perform its function, while keeping the customer's perspective as the starting point of all the actions taken by the Company, the candidates for director are required to have experience in B-to-C business, and in particular, knowledge and experience in the education and nursing care businesses, which are the two pillars of the Company's business, are required of the candidates for executive director.
- (3) From a strategic point of view, emphasis is placed on global, digital, and financial skills, in order to promote the use of digital technologies in business, new domain and overseas development, and portfolio management, with the aim of realizing the Medium-Term Management Plan.

**Reasons for the appointment of outside directors and outside Audit & Supervisory Board Members**

**Outside Directors**

<b>Mutsuo Iwai</b>	Mr. Iwai has a wealth of corporate management experience in companies that carry forward B-to-C business globally, as well as extensive specialized knowledge. He is using this extensive experience and specialized knowledge to contribute to supervision of management for medium- to long-term improvement of corporate value, as well as to improve the transparency of the decision-making processes regarding management of the Company as a director and the chair of the Nomination and Compensation Committee.
<b>Yumiko Noda</b>	Ms. Noda has a wealth of corporate management experience in companies that carry forward business globally and extensive specialized knowledge of finance. In the Board and the Nomination and Compensation Committee, she is using this extensive experience and specialized knowledge to contribute to supervision of management for medium- to long-term improvement of corporate value, as well as to improve the transparency of the management decision-making processes regarding the management of the Company.
<b>Kohey Takashima</b>	Mr. Takashima has a wealth of corporate management experience in companies that are engaged in B-to-C business, and specialized knowledge of e-commerce business. In the Board and the Nomination and Compensation Committee, he is using this extensive experience and specialized knowledge to contribute to supervision of management for medium- to long-term improvement of corporate value, as well as improvement of the transparency of the management decision-making processes regarding the management of the Company.
<b>Masaru Onishi</b>	Mr. Onishi has a wealth of corporate management experience in companies that are engaged in B-to-C business globally, and broad experience and extensive specialized knowledge gained as outside director of other companies. In the Board and the Nomination and Compensation Committee, he is using this extensive experience and specialized knowledge to contribute to supervision of management for medium- to long-term improvement of corporate value, as well as to improve the transparency of the management decision-making processes regarding the management of the Company.

**Outside Audit & Supervisory Board Members**

<b>Eichi Izumo</b>	Mr. Izumo has expert knowledge as a Certified Public Accountant and experience in accounting audits and consulting services for many companies. In meetings of the Board and the Audit & Supervisory Board, he is drawing on his experience and expertise and actively presenting opinions and suggestions regarding important management matters.
<b>Miyuki Ishiguro</b>	As a partner at a leading law firm, Ms. Ishiguro has extensive experience and a high level of insight into corporate legal affairs as well as experience as an outside officer at other companies. In meetings of the Board and the Audit & Supervisory Board, she is drawing on her experience and expertise and actively presenting opinions and suggestions regarding important management matters.

Visit the following website for the Criteria for Independence of Outside Directors and Outside Audit & Supervisory Board Members.  
[https://www.benese-hd.co.jp/en/about/management/corp\\_governance.html](https://www.benese-hd.co.jp/en/about/management/corp_governance.html)

**Improving the effectiveness of the Board**

In fiscal 2015, the Company began carrying out an annual assessment of the Board to ensure that the Board is able to fulfill its strategic and supervisory functions in a more effective manner. Since fiscal 2016, the findings of these assessments have been used to make improvements to the Board.

In fiscal 2022, as well, a questionnaire was administered to all 12 directors and Audit & Supervisory Board Members. Based on these results, the Board's effectiveness was analyzed, and the Board

evaluated itself and deliberated concerning the results. The questionnaires found the Board to have maintained a high level of effectiveness and confirmed that the Board engages in substantive discussions. However, they also confirmed further issues to be tackled in order to raise the effectiveness of the Board and continue increasing the Company's value. These issues will be resolved through further deliberation by the Board.

**Fiscal 2022 initiatives and how to respond going forward, with the aim of improving effectiveness**

**Fiscal 2022 initiatives for addressing major fiscal 2021 issues**

<p><b>Initiatives targeted at challenges</b></p> <ol style="list-style-type: none"> <li>(1) Through utilizing executive workshops and holding executive camps, depending on the circumstances, continue to have more in-depth discussions regarding what the Company's business portfolio should be Group-wide and the allocation of management resources, after organizing the necessary information</li> <li>(2) Have more in-depth discussions regarding ESG and sustainability at the Board, taking the results of deliberations by the Sustainability and ESG Promotion Committee into account</li> <li>(3) Make reports and have discussions at the Board regarding the content of discussions on diversity and inclusion at the Nomination and Compensation Committee</li> <li>(4) Promote business understanding through measures such as online participation in various internal events, resumption of site visits, and networking events with relevant parties at business sites</li> </ol>	<p><b>Major progress on initiatives</b></p> <ul style="list-style-type: none"> <li>▶ The Company held executive workshops and camps to foster discussions on the desirable business portfolio and the allocation of managerial resources, and then formulated the Transformation Business Plan as an update of the existing Medium-Term Management Plan.</li> <li>▶ The Company had in-depth discussions on ESG issues and sustainability and held a briefing session on these issues for shareholders and investors in February 2023. The details of the session were subsequently posted on the official website.</li> </ul>
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**Fiscal 2022 assessment**

<p><b>High level maintained</b></p> <ul style="list-style-type: none"> <li>▶ Directors and Audit &amp; Supervisory Board Members have constructive discussions based on their experience and expertise.</li> <li>▶ Medium-term Group strategies are discussed proactively to increase corporate value.</li> </ul>	<p><b>Issues to be intensively addressed based on the analysis and evaluation results</b></p> <ul style="list-style-type: none"> <li>▶ Further foster in-depth discussions on the capital cost as well as on the Company's desirable business portfolio and the allocation of resources based on an understanding of the major KPIs set for targets and challenges, status of market competition, and status of risks posed to each business.</li> <li>▶ Promote business understanding through measures such as participation in various internal events, resumption of site visits and networking events with relevant parties at business sites as was done before the outbreak of COVID-19.</li> </ul>
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**Matters deliberated by the Board**

<p>Matters related to management strategy 46%</p> <ul style="list-style-type: none"> <li>▶ Deliberations on budgets and business plans; approval of financial statements</li> <li>▶ Matters related to capital policy</li> <li>▶ Matters related to M&amp;A, etc.</li> </ul>	<p>Matters related to governance 17%</p> <ul style="list-style-type: none"> <li>▶ Matters related to management structure, organizational changes, and human resources</li> <li>▶ Report on the Nomination and Compensation Committee activities</li> <li>▶ Matters related to the evaluation of the effectiveness of the Board</li> </ul>	<p>Report on the status of business execution 37%</p> <ul style="list-style-type: none"> <li>▶ Matters related to the Corporate Governance Code</li> <li>▶ Matters related to business risks</li> <li>▶ Matters related to internal audits, etc.</li> </ul>
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Corporate Governance

**Training for directors and Audit & Supervisory Board Members**

Upon their appointments, new outside directors and outside Audit & Supervisory Board Members are briefed on various matters and regulations such as company profile, corporate philosophy, management situation, and corporate governance. Furthermore, after they have assumed their roles, the Company explains business activities, industry characteristics and trends, and management environment to deepen their understanding of the Company, and regularly invites them to presentations of best practices at each business site, as well as other internal events. The Company conducted the following activities in fiscal 2022.

Format	Theme	Date of session	Time required
Preliminary briefings on the Board	Preliminary briefings on the content of the Board of Directors proposals to directors and Audit & Supervisory Board Members who are not in charge of business execution	In principle, to be held one week before Board of Directors meetings	Approximately 90 minutes
Executive study sessions	Discussions about topics such as business portfolio, sustainability, and corporate governance, targeted at all directors and Audit & Supervisory Board Members, toward the formulation of the Transformation Business Plan (announced in May 2023)	Executive workshop: Conducted after Board of Directors meetings (5 times) Executive camp: Held in October 2022	Executive workshop: Approximately 60 to 90 minutes Executive camp: Two days

**Composition of directors, method and process for appointment and dismissal of directors**

The Company employs the following method of appointing directors in order to ensure proper supervision over management from the standpoint of achieving sustained growth for the Benesse Group.

**Number of Board members**

No more than 10 directors.

**Diversity**

With a view to achieving sustainable growth, the Company specifies the skills required of the Board to ensure that the Board fulfills and enhances its important managerial decision-making and supervisory functions through high-quality discussions (see The expertise and experience demanded of directors, and reasons for their selection on p. 71). It then appoints directors who have the right balance of the required skills and expertise to enable the Board to fulfill its supervisory functions in an even more effective manner. The Company also appoints female directors for gender diversity.

**Outside directors/independence**

In order to ensure proper supervision over management, at least half of the Board is composed of outside directors, and at least one-third is composed of independent outside directors.

**Requirements of directors**

In order to fulfill their roles appropriately, directors of the Company must meet the following requirements in addition to having the expertise and knowledge necessary to solve its medium- to long-term management issues and respond to social issues (see The expertise and experience demanded of directors, and reasons for their selection on p. 71):

1. Deep understanding and empathy for the corporate philosophy of the Benesse Group
2. Outstanding leadership befitting of a manager
3. Outstanding character and insight, as well as mental and physical health
4. Meets legal requirements for eligibility as a director

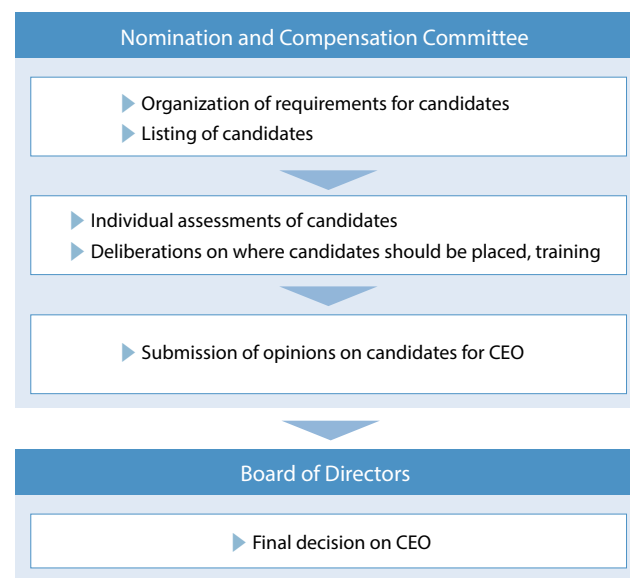
**Appointment and dismissal process**

Concerning the appointment and dismissal of senior management and nomination of director candidates by the Board, the Company will ensure transparency, fairness, and objectivity in the process by having the Nomination and Compensation Committee—where outside directors constitute the majority, and which is chaired by an outside director—hold discussions based on policies regarding requirements for directors, composition of directors, and other matters and submits its opinion to the Board, which then passes resolutions.

**Succession plan**

The Company, situating the matter of planning for and training successors to the position of representative director and president as a vital issue, has formulated a succession plan for the representative director and president and works to implement it. Specifically, the Company works to organize candidate requirements, list candidates and evaluate them on an individual basis, consider where they should be placed, and provide training. In formulating and implementing the succession plan for the representative director and president, the Nomination and Compensation Committee—where outside directors constitute the majority, and which is chaired by an outside director—deliberates to ensure transparency and objectivity in the formulation and implementation of the succession plan.

**Process for selection of Chief Executive Officer**



**Activities of the Nomination and Compensation Committee**

**Activities in fiscal 2022**

<b>Date</b>	2022: June 3, June 25, July 8, August 5, September 2, October 7, December 9 2023: February 8, March 31
<b>Agenda Theme</b>	<b>[Issues related to nomination]</b> <ul style="list-style-type: none"> <li>▶ Appointment and dismissal of the Company's directors and others</li> <li>▶ Succession planning</li> <li>▶ Signing of advisory contracts with former representative directors</li> </ul> <b>[Issues related to compensation]</b> <ul style="list-style-type: none"> <li>▶ Resolution on the compensation for each director as delegated by the Board</li> <li>▶ Examination of the compensation plan for officers</li> </ul>

**Officer compensation**

The Company has established the Nomination and Compensation Committee, which is chaired by an outside director, to ensure transparency, fairness, and objectivity in the process of making decisions on compensation for directors. The Benesse Group aims to increase its corporate value continuously on a medium- to long-term basis. To this end, the Group has designed a system of compensation that focuses not only on short-term business performance but also on medium- to long-term results to encourage directors to work for the sustained improvement of corporate value.

For compensation for the representative director, the level of measures taken for ESG and sustainability issues is included in the

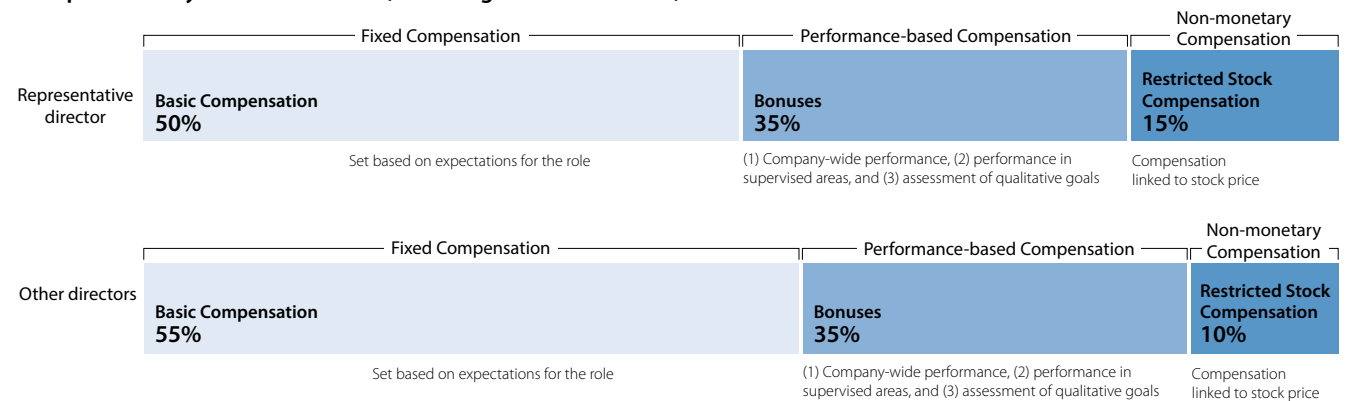
indicators set for performance-based compensation.

Compensation for directors in charge of business execution is set to competitive levels commensurate with the roles, skills, and responsibilities expected of directors who manage the Group, based on median levels found for Japanese companies of similar size using externally conducted compensation surveys as a reference.

The amount of basic compensation is decided based on the roles that are expected to be fulfilled by the directors for the term.

Bonuses comprise three sections and are weighted for each director individually, based on his or her area of responsibility, as follows: (1) the section on company-wide performance, which is the percentage of actual results achieved relative to the consolidated performance forecast; (2) the section on performance in supervised areas, which is the percentage of performance targets achieved in each director's area of responsibility; and (3) the section on qualitative assessment, which is the degree to which qualitative goals—organizational contributions such as training successors and working to reform organizational culture, as well as contributions to brand enhancement—were achieved. Restricted stock compensation was introduced in fiscal 2017 to link director compensation to medium- and long-term business performance to a greater extent, in order to provide directors with incentives to further engage in sustained efforts to improve corporate value, and to promote further value sharing with shareholders. Compensation for non-executive directors, including outside directors, is composed of only basic compensation, so as not to obstruct outside directors' supervision of management. At the same time, compensation for Audit & Supervisory Board Members is decided through consultation with those members and is composed of only basic compensation.

**Compensation system for directors (excluding outside directors)**



For more information about each element of Benesse's compensation structure, visit the following website for the Corporate Governance page.  
[https://www.benesse-hd.co.jp/en/about/management/corp\\_governance.html](https://www.benesse-hd.co.jp/en/about/management/corp_governance.html)

**Total compensation by officer category (fiscal 2022)**

Officer Category	Amount of Compensation (millions of yen)	Amount of Compensation by Type (millions of yen)			Number of Eligible Officers
		Basic Compensation	Bonuses	Restricted Stock Compensation	
Directors (excluding outside directors)	105	63	15	26	5
Outside directors	50	50	—	—	5
Audit & Supervisory Board Members (excluding outside Audit & Supervisory Board Members)	64	64	—	—	2
Outside Audit & Supervisory Board Members	20	20	—	—	2



## Dialogue between Two Outside Directors

## For the sustainable growth of the Group, we will contribute to increasing the corporate value from an outside perspective



Yumiko Noda  
Outside director

Masaru Onishi  
Outside director

Q » Please frankly share with us your impressions of the Board

**Onishi:** The Benesse Group provides us outside directors with discussion opportunities not only through Board of Directors meetings but also through the advisory committee's meetings and the executive workshop. The Board commands a set of skills that are contributed by different directors in a well-distributed manner, and the directors can express their opinions firmly at the meetings, which is something I rate highly. Also, I think members of the Audit & Supervisory Board give their opinions more proactively than their counterparts at other companies.

**Noda:** I assumed the position two years ago, and feel that the outside directors, who have experience in corporate management in different industries, are revitalizing discussions by expressing opinions from their different standpoints. I think open discussion has been further promoted recently, relative to the situation in my first year as outside director of the Company.

Q » Could you give your frank rating of the Board in view of the process leading to the formulation of the Transformation Business Plan?

**Noda:** Toward the formulation of the Transformation Business Plan, the Board had profound discussions for the optimization of the business portfolio in consideration of social changes from a long-term perspective. The Benesse Group used to get more business opportunities thanks to an increasing population driven by Japan's high economic growth. Going forward, however, the Group needs to search for new business opportunities in the face of a falling birthrate and an aging society, which have come to the fore as social issues. The reskilling business will provide the Group with such opportunities. As for the nursing care business, the market will further expand while market needs will become more diversified as economic disparities widen. In such a market, the Group needs to transform its business model to meet the individual needs of customers in a more attentive

manner, as uniform and standard nursing care services will eventually be outdated.

**Onishi:** The Transformation Business Plan was announced around the end of phase 1 of the Medium-Term Management Plan, when the Group's business performance was good. How many people had expected that it would make such an announcement? I also think that the details of the Plan, which are quite different from the Group's past management strategies, surprised many people. That difference reflects the substantial changes undergone by our society and implies that the management team has a healthy sense of crisis that is urging them to take the required action now. In the Plan, the Group's businesses are roughly categorized into three, of which the management has the greatest concerns about the Core Education business. Unfortunately, I have to say that the Plan does not fully set out the path that the Group will follow going forward, but it is important in that it clearly specifies the systems and organizations necessary for the Group to find new business opportunities and to push ahead with reforms in a business environment that will continue to contain uncertainties. The Group also aims to optimize its business portfolio with a focus on new business areas that have sufficient affinity with its existing businesses and that can be developed by capitalizing on its existing strengths.

Q » What will it take for the Board to further enhance its effectiveness?

**Onishi:** As a requirement to enhance effectiveness, we need to make more effective use of the time allocated to us for discussions. At Board of Directors meetings, we focus on making resolutions as required, but at the meetings of the advisory committee and at the executive workshop, we hold intensive discussions. For these meetings, which are separate from Board meetings, I want the executive team to explain to us—in any format, including bullet points—what on-site problems and concerns they have prior to the meetings in addition to sharing with us the wealth of reporting materials prepared for the meetings, which are certainly very useful.

We can use the time allocated to the meetings more effectively by understanding the main points of the issues to be discussed in advance and then listening to the explanations about the reference materials at the meetings.

**Noda:** The management team and employees are all fulfilling their job duties conscientiously and they sincerely listen to our opinions, which pleases me a lot. At Board meetings, however, I think it is necessary to have even more constructive and in-depth discussions, although the time allocated for the meetings is limited. The executive team should not just respond to questions raised by outside directors and listen to the directors' opinions. They must also express their own opinions. Who are the true customers of the Benesse Group? The Group is conducting B-to-C business, but it is difficult for the Group to identify its true customers, and those with whom it has direct contact might not be decision-makers. It is difficult for the Group to decide whom it should satisfy as customers and whom the Group should please in terms of motivating staff. Customers who are satisfied tend to say nothing, while those who are dissatisfied tend to complain immediately. I am always worried that trying to placate the dissatisfied people may lead to the degradation of services that have been satisfactory to others. I always participate in discussions by keeping this in mind. The Group conducts the education business for children, but it is essential for the Group to deal with the problems faced by their parents. The same applies to the nursing care business. It is important to respond not only to the needs of the elderly who are using the services but also of their families. I feel very grateful for the explanations given to us about the analysis results at the time-constrained meetings, but I also want to have more discussions about who are the true customers of the Group.



**Onishi:** The needs that we are required to meet in the B-to-C business are becoming increasingly diversified and complicated. There are very few people who can communicate their needs clearly, and many of our customers are not aware of their true needs. Moreover, there are people who just stop using services when they feel dissatisfied with them, without making any complaints at all. How to make the Benesse Group's products and services shine more brightly? It is extremely important to obtain information through unofficial channels, for which it is absolutely necessary for staff to get out of the office and go looking for it. Based on my own experience in the airline industry, I would like to foster direct communication with staff who are serving customers on-site to help make the Group's products and services even more attractive. I hope that more time will be allocated to discussions on these issues at Board of Directors meetings and at the executive workshop.



Q » What challenges should the Benesse Group meet for sustainable growth?

**Noda:** It is still unclear in what way the Group's purpose will help the Benesse Group to increase its corporate value and what value could be produced by the achievement of the purpose. Also, what kinds of KPIs are needed to improve the business performance based on the purpose and mission? How should necessary measures be implemented? How much social value can be brought about as a result? I think the Group needs to find clear answers to these questions as the next challenge to be met. For example, in the nursing care business, the Group is implementing the Majikami AI project to enable an AI system to acquire the skills and know-how of an experienced caregiver with the aim of upgrading the skill level of the entire staff. In order to become the top leader in the industry, how should the Group utilize such AI systems and technology? I feel irritated at the fact that the project has not yet contributed to the Group's value creation and positive external evaluation, as I have seen the Group's on-site staff serving customers very attentively and making efforts to please the customers even more. Also, Benesse Corporation is doing much better than other listed companies in terms of female manager numbers, with a rate of around 30%. However, there are still no female employees who have been promoted to Board member after a long period of loyal service. I think the Group should promote more women who have lots of experience with on-site work to top management positions where they can make decisions, and it is good to have such a goal. However, having ESG-related goals is presently regarded as a management priority of all companies. I would like to have more in-depth discussions with other members of the Board to specify the path to be followed by the Group to achieve its goals and to examine how the Group can increase its financial performance and corporate value by implementing nonfinancial measures. I will also share with the Board members my own observations about how society and the business environment are changing from an outside perspective.

**Onishi:** In order to achieve true transformation and sustainable growth, the Group needs to foster internal reforms, including changing its corporate culture, in addition to reforming its business portfolio and business model. Under the leadership of President Kobayashi, the Group is pressing forward with measures to instill its corporate philosophy and vision across the board based on the Group's purpose, which I highly appreciate. According to my experience, it is critical to have a corporate purpose and mission that can be shared with on-site employees. No corporate reforms can be completed unless employees accept the corporate purpose and mission as their own. Conversely, employees who can take actions autonomously in line with the purpose and mission will provide a tremendous driving force for such reforms. I would like to discuss measures that will help the Group instill the corporate purpose across more of its workforce and will do anything that I can to contribute to the Group.

Corporate Governance

Enhancing internal control

With regard to the establishment of a system (internal control system) to ensure compliance with the stipulations of the Companies Act and the Ordinance for Enforcement of the Companies Act, the Company passed a resolution at a meeting of the Board held in May 2006, and the latest revision of said resolution is dated April 1, 2022. In addition, the Company's Internal Auditing Division centrally manages the entire Group's activities involved in the creation and operation of internal controls relating to financial reporting under the Financial Instruments and Exchange Act.

Ensuring compliance

The Company has established the Benesse Group Principles, which are rooted in the Group's corporate philosophy. The principles indicate how all the Group's executive officers and employees should behave, for the purpose of ensuring that the operations of the Group be performed in an appropriate and ethical manner that goes beyond just legal compliance. The Company has established the Benesse Group Risk Management and Compliance Rules to further our efforts in risk management and compliance. In order to act in accordance with the Group's Principles, individual companies comply with laws and regulations and establish standards of conduct or internal rules of their own that have more specific content suited to the conditions, nature, and size of their businesses, ensuring that their operations are carried out in an appropriate manner and thereby ensuring compliance.

Compliance administrators are appointed at each company and in each important business department to identify the risks within their respective businesses and implement measures to counteract them. In these activities, they work closely with the administrative office in charge of compliance for the Company (Compliance Division) to devise ways to fortify the systems on-site, such as sending staff on assignment to take charge as dictated by the circumstances. Various types of training are also provided for the purpose of raising employee awareness, and the Internal Auditing Division monitors how thoroughly compliance is implemented at our business sites.

In addition, the Group set up the Benesse Group Speak-Up Line as an internal reporting mechanism to be used whenever illegal conduct, improper conduct, or conduct that violates the Group's articles of incorporation or internal rules may be discovered. The Audit & Supervisory Board Member Hotline has also been set up for cases in which someone in the Company's management may be involved in the conduct being reported. These mechanisms are operated outside

the Group and managed in such a way that they can be used without worry, such as by allowing anonymous reporting, thus ensuring the effectiveness of the Group's compliance monitoring.

Risk management

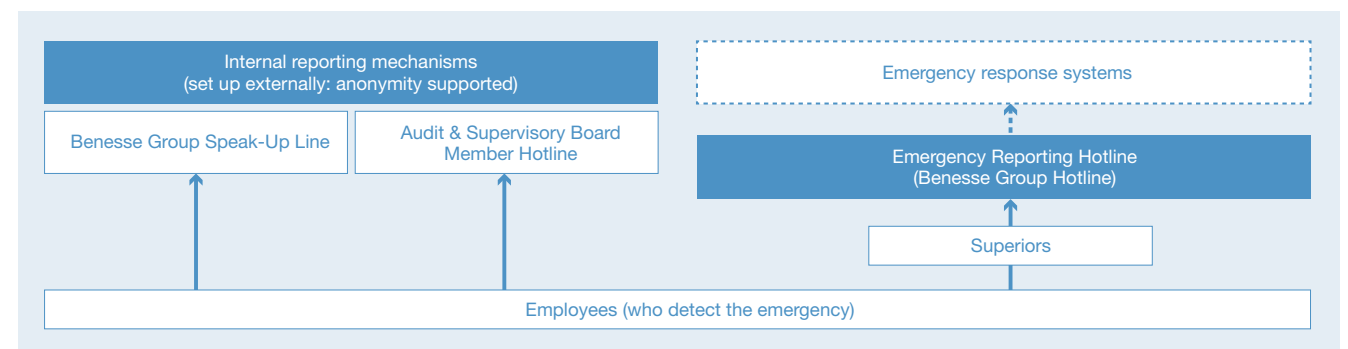
The Company visualizes the Group's critical risks by monitoring the administrative offices, as well as critical risk measures incorporated into business plans by subsidiaries, which manage each risk. The Risk and Compliance Committee, which is attended by directors in charge of business operations, the executive general managers of each administrative office, and the business managers responsible for strategic business areas, determines the major risks facing the Group each fiscal year and the policies for dealing with them. The results of those meetings are reported to the Board, then disseminated within the Company and to its subsidiaries on a regular basis. In conjunction with operation of a PDCA cycle to promote improvement activities and other important risk countermeasures, the Company also shares negative information and promotes risk management during normal times.

When emergencies occur, we set up the Emergency Reporting Hotline for reporting situations to management immediately. In more urgent situations, we convene an Emergency Task Force and put systems in place for dealing with the emergencies.

Day-to-day risk management



Internal reporting mechanisms and response in the event of an emergency



Information security

To earn our customers' trust, we have formulated the Benesse Group's Policy on Information Security and Personal Information and are working to maintain and improve our information security and the management and protection of personal information.

Specifically, we assign a Chief Legal & Risk Officer (CLRO), who also serves as the executive general manager of Compliance and Information Security. The Compliance and Information Security Division manages the plans and status of enforcement of information security and protection of personal information through management personnel in each operating company. An information security chief is appointed in each operating company, and we have created a system to promote information security, formulate emergency response plans, and define procedures for dealing with incidents. We have also established an information security surveillance committee composed of outside experts. It regularly checks the management, maintenance, and operation of data and systems within the Group and makes recommendations, which are reported to the Board and examined internally to enable the Group to build a world-class information security system.

Information Security Surveillance Committee members

Committee Chair Ryoichi Sasaki	Professor emeritus at Tokyo Denki University (TDU), as well as visiting professor at the TDU Cyber Security Laboratory/Honorary president of the Japan Society of Security Management/ Director and advisor at the Institute of Digital Forensics/Fellow at the Information Processing Society of Japan/Chief information security advisor at the Board of Audit of Japan
Committee Member Atsuo Inomata	Professor, Osaka University of Office for Information Security
Committee Member Tetsutaro Uehara	Professor, Ritsumeikan University College of Information Science and Engineering
Committee Member Harumichi Yuasa	Professor, Meiji University of Governance Studies, Graduate School

Security measures in system operations/ Strengthening our security environment

We are strengthening the operation and monitoring of our systems and increasing our system security with technological measures based on the latest information so that our customers will feel secure and trust the Benesse Group with their personal information. We are also advised and audited by outside experts to ensure that we maintain and improve our level of information security on a continual basis.

Employee awareness and training

Benesse Corporation has designated July 7, the day of the discovery of the personal information breach in 2014, as Security Day. The company carries out activities on and around Security Day each year in which all executives and employees reaffirm the importance of information security. These activities include morning meetings, presentations on internal initiatives, and lectures by outside specialists.

Benesse Holdings and Benesse Corporation implement web-based training, where attendance is required of all employees working at Benesse, including part-time staff, and work to reconfirm the skills, actions, and basic knowledge that must be followed by information security, focusing on personal information protection.

At the department that is responsible for the development, management, maintenance, and operation of the Group's systems, more stringent training is offered through a special program. We check on attendance until all target employees have completed the training, and our attendance rate is always 100%.

Visit the following website for more information on information security.  
<https://benesse-hd.disclosure.site/en/themes/175>

Third-party certification

We obtain third-party certification with the aim of maintaining and improving our information security and the management and protection of personal information.

Registration as a business approved to display the PrivacyMark Symbol (November 2016) and continuation of actions to protect personal information

After being assessed by JIPDEC, Benesse Corporation was registered as a business approved to display the PrivacyMark symbol in November 2016. We will continue to work to maintain and improve our information security and the management and protection of personal information and to further increase our customers' trust.

November 2, 2016: Initial registration

November 1, 2024: Expiry date



ISMS Certification (March 2016) and Continuation of ISMS Action

Following the acquisition of ISO 27001 (ISMS) certification by Benesse Corporation School Headquarters and Benesse BASE COM in May 2015, Benesse Holdings, Benesse Corporation (excluding some offices), and Benesse InfoShell (merged into Benesse Corporation on July 1, 2023) acquired ISO 27001 (ISMS) certification in March 2016.

May 25, 2015: Initial registration

May 24, 2024: Expiry date



In December 2019, Benesse Style Care, Benesse MCM, Benesse Palette, Benesse Senior Support also acquired certification (registration number IC19J0497)

December 26, 2019: Initial registration

October 31, 2025: Expiry date



# Communication with Shareholders and Investors

Benesse proactively discloses information to shareholders and investors. In addition to enhancing our IR disclosure tools, we emphasize mutual communication in our IR activities.

## Striving to increase corporate value through dialog with shareholders and investors

The Company strives to maximize its corporate value by promptly and accurately disclosing and explaining information regarding its management policies, business strategies, forecasts, etc., to shareholders, investors, and securities analysts, and by reflecting their opinions and requests in our management.

The Company's top executive, the representative director and president, CEO, actively engages in dialog with shareholders, investors, and securities analysts through financial results briefings (held twice per year), small meetings, individual meetings, etc. outside directors and major shareholders also have face-to-face meetings. Roughly 200 IR meetings, including the aforementioned meetings, are conducted each year.

To ensure that the ordinary general shareholders' meeting can be conducted openly, we accept voting by mail or online and questions submitted in advance, and also stream the meeting live so that it can be viewed from people's homes, etc. Footage of the meeting, presentation materials, question and answer session summaries, and the like are available from our website.

## Disclosures on our IR website

Guided by the principle of fair disclosure, we strive to provide an extensive range of information on our website. In addition to the proceedings from financial results briefings and General Shareholders' Meeting which we make available on our website, we also disclose various IR materials, financial data, and press releases in a timely manner.

We have also created a website geared toward individual investors, designed to help those unfamiliar with Benesse to gain a greater understanding of our company. It points out the strengths of Benesse and our strategies, as well as information about our business performance, presented in a way that is easy to understand.

- Online Investor Relations  
<https://www.benesse-hd.co.jp/en/ir/>
- Introducing the Benesse Group  
<https://www.benesse-hd.co.jp/en/ir/individual/index.html>
- Basic IR Policy  
[https://www.benesse-hd.co.jp/en/ir/strategy/ir\\_policy.html](https://www.benesse-hd.co.jp/en/ir/strategy/ir_policy.html)

## Reflecting the results of dialog with investors and analysts in our corporate management

By engaging in dialogue with our shareholders and investors, we assess perception gaps between investors and the Company and use the results in our IR activities. The findings are also reported, shared, and deliberated at the Board meeting, and we are using them to assist with the future improvement of our management initiatives.

### Main IR activities

We conduct the following activities over the course of the year.

- General Shareholders' Meeting
- Financial results briefings: Twice per year (interim and year-end)
- Activities for providing information: Roughly 200 activities per year (10 of these being SR meetings)
- IR pamphlet publication: Benesse Integrated Report, Shareholder News, Data Book, etc.
- IR site planning and operation

### External assessments of our IR tools (FY2022)

- Gomez IR Site Ranking, Best Company Ranking 12th Place, Gold Award
- Nikko Investor Relations Co., Ltd. All Japanese Listed Companies' Website Ranking AAA Grade
- Daiwa Investor Relations Co., Ltd. Internet IR Excellence Award (Silver Award)



# Investor Information

(As of March 31, 2023)

Shares issued ..... 102,604,773 shares  
 Listed date ..... October 26, 1995  
 Securities listing (Common stock) ..... Tokyo Stock Exchange/Prime Market  
 Securities code ..... 9783  
 ISIN code ..... JP3835620000

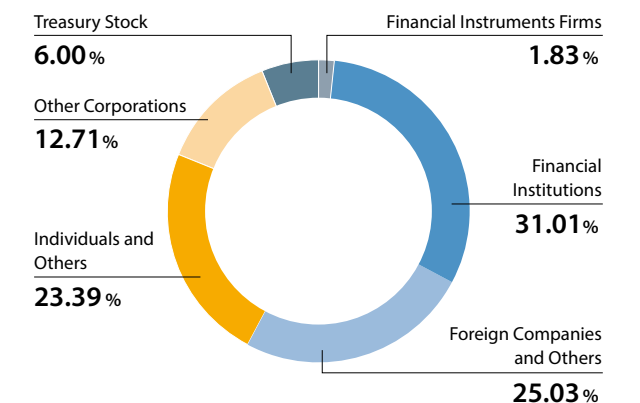
Unit of trading ..... 100 shares  
 Independent auditor ..... Deloitte Touche Tohmatsu LLC  
 Transfer agent ..... Mitsubishi UFJ Trust and Banking Corporation  
 Shareholders ..... 93,785

## Top 10 shareholders

	Shares (Thousand)	Percentage (%)
The Master Trust Bank of Japan, Ltd.	19,463	20.18
efu Investment Limited	7,858	8.14
Fukutake Foundation	7,758	8.04
Custody Bank of Japan, Ltd.	5,510	5.71
The Chugoku Bank, Ltd.	2,787	2.89
FUKUTAKE EDUCATION AND CULTURE FOUNDATION	1,919	1.98
Minamigata Holdings Ltd.	1,836	1.90
Mizuho Trust & Banking Co., Ltd. (Retirement Benefit Trust Account, The Chugoku Bank, Ltd.)	1,600	1.65
Toshiaki Matsuura	1,396	1.44
Mitsuko Fukutake	1,375	1.42

Notes: 1. The shares held by The Master Trust Bank of Japan, Ltd. include 6,809 thousand Company shares (a 7.06% investment ratio) contributed by efu Investment Limited as trust assets. efu Investment is an asset management and investment corporation of which Hideaki Fukutake serves as representative. The decision-maker with respect to the execution of voting rights related to the consigned trust assets is efu Investment Limited.  
 2. The Company owns 6,163 thousand shares of treasury stock which are not included above because they do not carry voting rights. These shares of treasury stock are also excluded from the calculation of percentages.  
 3. The shareholding ratio has been rounded down to the second decimal place.

## Shareholdings by type of shareholder



The percentage has been rounded down to the second decimal place.

## Coverage in ESG indexes

MSCI ESG Index\*  
 2023 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX  
 2023 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

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

SOMPO Sustainability Index  
 2023  
 Sompo Sustainability Index

Recognized as a leading "Prime" company in the ISS ESG Corporate Rating by the ISS ESG  
 Corporate ESG Performance  
 RATED BY ISS ESG  
 Prime

FTSE4Good Index Series/FTSE Blossom Japan Index/  
 FTSE Blossom Japan Sector Relative Index  
 FTSE4Good FTSE Blossom Japan FTSE Blossom Japan Sector Relative Index

S&P/JPX Carbon Efficient Index  
 S&P/JPX Carbon Efficient Index

Morningstar Japan ex-REIT Gender Diversity Tilt Index  
 MORNINGSTAR GenDi J  
 Japan ex-REIT Gender Diversity Tilt Index  
 TOP CONSTITUENT 2023

# Group Information

## Corporate Information

As of March 31, 2023

<b>Company name</b> .....	Benesse Holdings, Inc.	<b>Employees (Consolidated)</b> .....	16,637
<b>Date established</b> .....	January 28, 1955	<b>Capital</b> .....	13,817 million yen
<b>Headquarters</b> .....	3-7-17 Minamigata, Kita-ku, Okayama-shi, Okayama 700-0807, Japan	<b>Fiscal year-end</b> .....	March 31
<b>Representative</b> .....	Hitoshi Kobayashi Representative Director and President, CEO (As of June 24, 2023)		

## Consolidated subsidiaries

As of March 31, 2023

Name of company	Common stock (Millions of yen)	Ratio of shareholding (%)	Description of main business
Benesse Corporation	3,000	100.0	Shinkenzei correspondence courses for preschool, elementary, junior and senior high school students, Shinken Simulated Exams, magazines
Tokyo Individualized Educational Institute, Inc.	642	61.9	Education business focused on education through individual tuition
Benesse i-Career, Co., Ltd.	261	51.0	Provision of career-development and career educational support services to university students and adults
UP Inc.	100	100.0	Operation of schools providing educational guidance including preparation for entrance examinations, primary instructional science laboratories, and English conversation instruction
Classi Corp.	100	67.3	Development and operation of educational platform
Shinken-AD Co., Ltd.	65	100.0	Advertising services and creation of university information magazines
Plandit Co., Ltd.	40	100.0	Planning and editing of study materials
EDUCOM Corporation	33	100.0*1	Developing school management support systems
Benesse BE studio Inc.	10	100.0	Operation of English schools and international preschools
Learn-S Co., Ltd.	10	100.0	Planning, editing, production and sales of study materials
Tokyo Educational Institute Co., Ltd.	10	100.0	Operation of Tetsuryokukai, a prep school which helps prepare students hoping to enter elite universities
Benesse Corporation China	125,000 Thousands of RMB	100.0	Sale of correspondence course materials for pre-schoolers
Benesse Style Care Co., Ltd.	100	100.0	Operation of nursing care business, childcare and afterschool care business
Benesse Senior Support Co., Ltd.	100	100.0*1	Nursing home-search service, operation of consultation services for nursing care, hosting seminars on nursing care
Benesse Palette Co., Ltd.	100	80.0*1	Delivery of prepared food for the elderly
Heart Medical Care Co., Ltd.	80	100.0	Providing recruitment services for medical, nursing, and welfare business
Benesse MCM Corp.	80	100.0*1	Medical and nursing care recruitment and dispatch service business
PT. Benesse Indonesia	272,700 Million INR	100.0*2	Operation of prep schools in Indonesia
Benesse InfoShell Co., Ltd.*3	150	100.0	Information system maintenance and operation business, information processing service business
Benesse Business-mate, Inc.	50	100.0*4	Cleaning, mail services, OA, general affairs and accounting agencies
Naoshima Cultural Village Co., Ltd.	20	100.0	Operation and management of hotels
Benesse Base-Com, Inc.	20	100.0	Logistics and data processing of tests and teaching materials for schools
Benesse Hong Kong Co., Ltd.	3,600 Thousands of HKD	100.0	Sale and procurement of educational equipment, toys and other items

Plus 14 other subsidiaries.

\*1 Indirect stock holding through a subsidiary

\*2 Including an indirect stock holding of 0.1% through a subsidiary

\*3 Benesse InfoShell Co., Ltd. was merged into Benesse Corporation on July 1, 2023

\*4 Including an indirect stock holding of 2.0% through a subsidiary