



## **1Q Results for FY2019 Supplementary Materials**

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**August 2, 2019  
Benesse Holdings, Inc.**

# Forward-Looking Statements



This presentation contains forward-looking statements concerning the future plans, strategies, beliefs and performance of Benesse Holdings, Inc. and its subsidiaries. These forward-looking statements are not historical facts. They are expectations, estimates, forecasts and projections based on information currently available to the Company and are subject to a number of risks, uncertainties and assumptions. As such, actual results may differ materially from those projected.

# Results by Segment (YoY)



Three months ended June 30

(Millions of Yen)

	FY2018	FY2019	Change	%
<b>Domestic Education</b>	<b>45,452</b>	<b>48,742</b>	<b>3,289</b>	<b>7.2</b>
<b>Global Kodomo Challenge</b>	<b>12,557</b>	<b>13,168</b>	<b>610</b>	<b>4.9</b>
<b>Nursing Care and Childcare</b>	<b>28,193</b>	<b>30,141</b>	<b>1,948</b>	<b>6.9</b>
<b>Berlitz</b>	<b>11,962</b>	<b>11,190</b>	<b>(772)</b>	<b>(6.5)</b>
<b>Others</b>	<b>5,752</b>	<b>5,609</b>	<b>(142)</b>	<b>(2.5)</b>
<b>Total Net Sales</b>	<b>103,918</b>	<b>108,851</b>	<b>4,933</b>	<b>4.7</b>
<b>Domestic Education</b>	<b>(2,743)</b>	<b>(1,259)</b>	<b>1,483</b>	<b>—</b>
<b>Global Kodomo Challenge</b>	<b>937</b>	<b>684</b>	<b>(252)</b>	<b>(27.0)</b>
<b>Nursing Care and Childcare</b>	<b>1,795</b>	<b>2,705</b>	<b>909</b>	<b>50.7</b>
<b>Berlitz</b>	<b>(1,342)</b>	<b>(1,334)</b>	<b>7</b>	<b>—</b>
<b>Others/Reconciliations</b>	<b>(917)</b>	<b>(644)</b>	<b>273</b>	<b>—</b>
<b>Total Operating Income</b>	<b>(2,270)</b>	<b>150</b>	<b>2,421</b>	<b>—</b>
<b>Ordinary Income</b>	<b>(2,913)</b>	<b>(469)</b>	<b>2,444</b>	<b>—</b>
<b>Net Income</b>	<b>(3,357)</b>	<b>(1,597)</b>	<b>1,759</b>	<b>—</b>

# Analysis of Net Sales/Operating Income (YoY)



(Billions of Yen)

<b>Net Sales</b>	<b>Domestic Education</b>	Shinkenzemi	<b>1.3</b>	
		School & Teacher Support / Consolidates Classi Corp. and EDUCOM Corp.*	<b>1.2</b>	
		Cram schools / English education, etc	<b>0.7</b>	
<b>Net Sales</b>	<b>Global Kodomo Challenge</b>	Japan : Impact of the price revision and higher enrollment, etc	<b>0.3</b>	
		Overseas :Due to change of the tax benefit and impact of the price revision in china	<b>0.5</b>	
		Foreign exchange rate impact	<b>(0.2)</b>	
<b>Net Sales</b>	<b>Nursing Care and Childcare</b>	Increase in nursing home residents, etc	<b>1.9</b>	
		<b>Berlitz</b>	Due to lower sales of ELS and Impact of transition of centers to franchised owners in Nordic area in BTS, etc	<b>(0.4)</b>
			Foreign exchange rate impact	<b>(0.3)</b>
<b>Operating Income</b>	<b>Domestic Education</b>	Shinkenzemi	<b>1.2</b>	
		Due to higher sales of School & Teacher Support and Cram schools / increase investment regarding the Education Reform	<b>0.2</b>	
	<b>Global Kodomo Challenge</b>	Japan : Increase in marketing costs, etc	<b>(0.2)</b>	
		Overseas : Impact of the price revision and change of the tax benefit in china / Reinforce sales promotion, etc	<b>0.0</b>	
	<b>Nursing Care and Childcare</b>	Due to higher sales, etc	<b>0.9</b>	
<b>Berlitz</b>	Due to lower sales / Lower costs by restructuring effect, etc	<b>0.0</b>		

\*The company converted Classi Corp. and EDUCOM Corp. into a consolidated subsidiary as of January 8, 2019.

# FY2019 Forecast



Forecast announced on May 10, 2019 has not been changed. (Millions of Yen)

	<b>FY2018</b>	<b>FY2019 (Forecast)</b>	<b>Change</b>	<b>%</b>
<b>Net Sales</b>	<b>439,431</b>	<b>459,000</b>	<b>19,569</b>	<b>4.5</b>
<b>Operating Income</b>	<b>16,245</b>	<b>20,000</b>	<b>3,755</b>	<b>23.1</b>
<b>Operating Income ratio(%)</b>	<b>3.7</b>	<b>4.4</b>	<b>0.7</b>	<b>—</b>
<b>Ordinary Income</b>	<b>12,150</b>	<b>16,000</b>	<b>3,850</b>	<b>31.7</b>
<b>Net Income</b>	<b>4,902</b>	<b>9,500</b>	<b>4,598</b>	<b>93.8</b>
<b>Exchange Rate(USD/JPY)</b>	<b>110.57</b>	<b>110.00</b>	<b>(0.57)</b>	<b>—</b>

# FY2019 Forecast by Segment



Forecast announced on May 10, 2019 has not been changed.

(Millions of Yen)

	<b>FY2018</b>	<b>FY2019 (Forecast)</b>	<b>Change</b>	<b>%</b>
<b>Domestic Education</b>	<b>192,064</b>	<b>204,300</b>	<b>12,236</b>	<b>6.4</b>
<b>Global Kodomo Challenge</b>	<b>56,443</b>	<b>58,700</b>	<b>2,257</b>	<b>4.0</b>
<b>Nursing Care and Childcare</b>	<b>116,999</b>	<b>121,800</b>	<b>4,801</b>	<b>4.1</b>
<b>Berlitz</b>	<b>49,275</b>	<b>49,400</b>	<b>125</b>	<b>0.3</b>
<b>Others</b>	<b>24,647</b>	<b>24,800</b>	<b>153</b>	<b>0.6</b>
<b>Total Net Sales</b>	<b>439,431</b>	<b>459,000</b>	<b>19,569</b>	<b>4.5</b>
<b>Domestic Education</b>	<b>10,055</b>	<b>14,300</b>	<b>4,245</b>	<b>42.2</b>
<b>Global Kodomo Challenge</b>	<b>3,258</b>	<b>3,500</b>	<b>242</b>	<b>7.4</b>
<b>Nursing Care and Childcare</b>	<b>11,396</b>	<b>10,400</b>	<b>(996)</b>	<b>(8.7)</b>
<b>Berlitz</b>	<b>(4,748)</b>	<b>(3,300)</b>	<b>1,448</b>	<b>—</b>
<b>Others/Reconciliations</b>	<b>(3,715)</b>	<b>(4,900)</b>	<b>(1,185)</b>	<b>—</b>
<b>Total Operating Income</b>	<b>16,245</b>	<b>20,000</b>	<b>3,755</b>	<b>23.1</b>

# Analysis of Net Sales/Operating Income (Forecast)



(Billions of Yen)

<b>Net Sales</b>	<b>Domestic Education</b>	Shinkenzemi	<b>5.3</b>
		School & Teacher Support / Consolidates Classi Corp. and EDUCOM Corp.	<b>3.5</b>
		Cram schools / English education, etc	<b>3.4</b>
	<b>Global Kodomo Challenge</b>	Japan : Higher enrollment / Peripheral, etc	<b>1.5</b>
		Overseas : impact of the price revision in china / higher enrollment, etc Foreign exchange rate impact	<b>1.7</b> <b>(1.0)</b>
<b>Nursing Care and Childcare</b>	Increase in nursing home residents, etc	<b>4.8</b>	
<b>Berlitz</b>	Higher No. of lessons, etc	<b>0.3</b>	
	Foreign exchange rate impact	<b>(0.2)</b>	
<b>Operating Income</b>	<b>Domestic Education</b>	Shinkenzemi	<b>4.2</b>
		Due to higher sales of School & Teacher Support and Cram schools / increase investment regarding the Education Reform	<b>0.0</b>
	<b>Global Kodomo Challenge</b>	Japan : Due to higher sales	<b>0.4</b>
		Overseas : Due to higher sales / foreign exchange rate impact (-0.1) / Reinforce sales promotion, etc	<b>(0.2)</b>
	<b>Nursing Care and Childcare</b>	Due to higher sales / Increase in costs for staff, etc	<b>(0.9)</b>
<b>Berlitz</b>	Due to higer sales / Lower costs by restructuring effect / foreign exchange rate impact(+0.1), etc	<b>1.4</b>	
<b>Others/Reconciliations</b>	Investment in growth, etc	<b>(1.1)</b>	

# Breakdown of Net Sales

Three months ended June 30

(Millions of Yen)

	FY2018	FY2019	Change	%	Ratio(%)
Senior High School	3,759	3,635	(124)	(3.3)	7.5
Junior High School	6,915	7,404	488	7.1	15.2
Elementary School	13,066	14,591	1,525	11.7	29.9
School & Teacher Support	11,362	11,491	129	1.1	23.6
Other	10,348	11,619	1,270	12.3	23.8
<b>Total</b>	<b>45,452</b>	<b>48,742</b>	<b>3,289</b>	<b>7.2</b>	<b>100.0</b>



# Breakdown of Net Sales

Three months ended June 30

(Millions of Yen)

	<b>FY2018</b>	<b>FY2019</b>	<b>Change</b>	<b>%</b>	<b>Ratio(%)</b>
<b>Domestic Kodomo Challenge (Preschool)</b>	<b>4,324</b>	<b>4,530</b>	<b>206</b>	<b>4.8</b>	<b>34.4</b>
<b>Overseas Kodomo Challenge (Preschool)</b>	<b>6,082</b>	<b>6,395</b>	<b>313</b>	<b>5.2</b>	<b>48.6</b>
<b>Other</b>	<b>2,150</b>	<b>2,241</b>	<b>90</b>	<b>4.2</b>	<b>17.0</b>
<b>Total</b>	<b>12,557</b>	<b>13,168</b>	<b>610</b>	<b>4.9</b>	<b>100.0</b>

## 【 Cumulative Enrollment for Shinkenzemi 】

Three months ended June 30

(Thousands)

	FY2018	FY2019	Change	%
Senior High School	445	422	(23)	(5.2)
Junior High School	1,200	1,175	(25)	(2.1)
Elementary School	3,480	3,588	108	3.1
<b>Total</b>	<b>5,126</b>	<b>5,186</b>	<b>59</b>	<b>1.2</b>

## 【 Cumulative Enrollment for Kodomo Challenge (Preschool) 】

(Thousands)

	FY2018	FY2019	Change	%
Domestic Kodomo Challenge (Preschool)	2,259	2,268	8	0.4
Overseas Kodomo Challenge (Preschool)	3,710	3,729	19	0.5
<b>Total</b>	<b>5,970</b>	<b>5,997</b>	<b>27</b>	<b>0.5</b>

Note: Cumulative enrollment represents the cumulative total No. of people who receive materials monthly (from April to June). Cumulative enrollment for Kodomo Challenge in China and Indonesia represents the cumulative total No. of people who receive materials monthly (from January to March) , due to the difference of its closing date ended December 31st.

	<b>June. 2018</b>	<b>March. 2019</b>	<b>June. 2019</b>
<b>Aria</b>	<b>23</b>	<b>24</b>	<b>24</b>
<b>Clara</b>	<b>41</b>	<b>40</b>	<b>40</b>
<b>Granny &amp; Granda</b>	<b>134</b>	<b>140</b>	<b>141</b>
<b>Madoka</b>	<b>57</b>	<b>57</b>	<b>57</b>
<b>Bon Sejour</b>	<b>45</b>	<b>45</b>	<b>46</b>
<b>Cocochi</b>	<b>14</b>	<b>14</b>	<b>14</b>
<b>Li-Re</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>Total</b>	<b>316</b>	<b>322</b>	<b>324</b>

## Three months ended March 31

(Thousands of Lessons)

	2018	2019	%
<b>Americas</b>	<b>309</b>	<b>262</b>	<b>(15.2)</b>
<b>Europe</b>	<b>726</b>	<b>699</b>	<b>(3.7)</b>
<b>Asia</b>	<b>384</b>	<b>388</b>	<b>0.9</b>
<b>Total</b>	<b>1,420</b>	<b>1,350</b>	<b>(5.0)</b>

## Six months ended June 30 (Preliminary figures)

(Thousands of Lessons)

	2018	2019	%
<b>Americas</b>	<b>659</b>	<b>557</b>	<b>(15.5)</b>
<b>Europe</b>	<b>1,474</b>	<b>1,370</b>	<b>(7.1)</b>
<b>Asia</b>	<b>798</b>	<b>800</b>	<b>0.3</b>
<b>Total</b>	<b>2,932</b>	<b>2,728</b>	<b>(7.0)</b>