



**Benesse**

# **1H Results for FY2022 Supplementary Materials**

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**November 9, 2022  
Benesse Holdings, Inc.**

Note : This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

# 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)



Six months ended September 30

(Millions of Yen)

	FY2021	FY2022	Change	%
<b>Education Business in Japan</b>	<b>105,194</b>	<b>104,100</b>	<b>(1,094)</b>	<b>(1.0)</b>
<b>Kids &amp; Family</b>	<b>35,145</b>	<b>31,602</b>	<b>(3,542)</b>	<b>(10.1)</b>
<b>Nursing Care and Childcare</b>	<b>63,426</b>	<b>65,136</b>	<b>+1,710</b>	<b>+2.7</b>
<b>Berlitz</b>	<b>13,109</b>	<b>—</b>	<b>(13,109)</b>	<b>—</b>
<b>Others</b>	<b>530</b>	<b>1,090</b>	<b>+560</b>	<b>+105.5</b>
<b>Total Net Sales</b>	<b>217,405</b>	<b>201,929</b>	<b>(15,475)</b>	<b>(7.1)</b>
<b>Education Business in Japan</b>	<b>10,254</b>	<b>10,861</b>	<b>+607</b>	<b>+5.9</b>
<b>Kids &amp; Family</b>	<b>2,996</b>	<b>901</b>	<b>(2,095)</b>	<b>(69.9)</b>
<b>Nursing Care and Childcare</b>	<b>4,048</b>	<b>1,392</b>	<b>(2,655)</b>	<b>(65.6)</b>
<b>Berlitz</b>	<b>(1,948)</b>	<b>—</b>	<b>+1,948</b>	<b>—</b>
<b>Others/Reconciliations</b>	<b>(2,378)</b>	<b>(2,527)</b>	<b>(149)</b>	<b>—</b>
<b>Total Operating Income</b>	<b>12,972</b>	<b>10,628</b>	<b>(2,344)</b>	<b>(18.1)</b>
<b>Ordinary Income</b>	<b>10,539</b>	<b>8,327</b>	<b>(2,211)</b>	<b>(21.0)</b>
<b>Net Income</b>	<b>5,580</b>	<b>5,448</b>	<b>(132)</b>	<b>(2.4)</b>

Note: Berlitz Corporation was excluded from the scope of consolidation from the fourth quarter of the previous fiscal year as a result of the share transfer of the company.

# Results : Analysis of Net Sales/Operating Income (YoY)



(Billions of Yen)

Net Sales	Education Business in Japan	Shinkenzeni	Decrease in cumulative enrollment / positive impact of the price revision, etc.	(4.2)
		School & Teacher Support	Increase in orders for elementary and junior high school business. Decrease in number of students taking Shinken Simulated Exams, etc.	+0.2
		Prep Schools & Classrooms	Decrease in number of students in Tokyo Individualized Educational Institute. Increase in number of students in Tetsuryokukai, etc.	(0.0)
		University & Working Adult, Other	Increase in orders in support for study abroad, Udemu business, and developmental education, etc.	+3.0
	Kids & Family	Kodomo Challenge	Japan : decrease in cumulative enrollment / positive impact of the price revision and recovery of concert business, etc.	(0.2)
			Overseas : decrease in cumulative enrollment due to COVID-19 lockdown in China, etc. Forex rate impact	(4.7) +1.7
		Lifestyle	Tamahiyo business, etc.	(0.3)
	Nursing Care and Childcare		Increase in nursing home residents / consolidation of Heart Medical Care Co., Ltd., etc. *	+1.7
	Berlitz		No sales contribution from Berlitz as a result of the share transfer	(13.1)
Others		Naoshima business, etc.	+0.5	

Operating Income	Education Business in Japan		Shinkenzeni : lower sales / elimination of impact of the product revision cost recorded in the previous year and decrease in marketing costs	(0.3)
			Higher sales in University & Working Adult, etc.	+0.9
			Increase in cost in School & Teacher Support / lower sales in Prep Schools & Classrooms, etc.	
	Kids & Family	Kodomo Challenge	Japan : decrease in costs / lower sales	+0.2
			Overseas : lower sales, etc.	(2.1)
		Lifestyle	Lower sales, etc.	(0.1)
	Nursing Care and Childcare		Increase in marketing costs to strengthen sales promotion and utilities expenses Higher sales in nursing-care facility business, etc.	(2.6)
Berlitz		Elimination of operating loss as a result of the share transfer	+1.9	
Others/Reconciliations		DX Investment / higher sales in Naoshima, etc.	(0.1)	

\* The company converted Heart Medical Care Co., Ltd. (the former Proto Medical Care Co., Ltd.) into consolidated subsidiaries as of June 1, 2021.

# FY2022 Full-year Forecast



**We revised its full-year forecast announced on May 12, 2022.**

(Millions of Yen)

	FY2021	FY2022 (Revised forecast)	Change	%	FY2022 (Forecast as of May)	Change	%
<b>Net Sales</b>	<b>431,943</b>	<b>417,000</b>	<b>(14,943)</b>	<b>(3.5)</b>	<b>426,000</b>	<b>(9,000)</b>	<b>(2.1)</b>
<b>Operating Income</b>	<b>20,167</b>	<b>21,500</b>	<b>+1,333</b>	<b>+6.6</b>	<b>25,000</b>	<b>(3,500)</b>	<b>(14.0)</b>
Operating Income ratio(%)	4.7	5.2	+0.5	—	5.9	(0.7)	—
<b>Ordinary Income</b>	<b>15,404</b>	<b>16,500</b>	<b>+1,096</b>	<b>+7.1</b>	<b>19,500</b>	<b>(3,000)</b>	<b>(15.4)</b>
<b>Net Income</b>	<b>1,064</b>	<b>11,500</b>	<b>+10,436</b>	<b>+980.6</b>	<b>13,500</b>	<b>(2,000)</b>	<b>(14.8)</b>
Exchange Rate(USD/JPY)	109.84	128.00	+18.16	—	118.00	+10.0	—

# FY2022 Forecast by Segment



(Millions of Yen)

	FY2022				FY2022		
	FY2021	(Revised forecast)	Change	%	(Forecast as of May)	Change	%
<b>Education Business in Japan</b>	<b>212,128</b>	<b>209,900</b>	<b>(2,228)</b>	<b>(1.1)</b>	<b>216,600</b>	<b>(6,700)</b>	<b>(3.1)</b>
<b>Kids &amp; Family</b>	<b>71,238</b>	<b>70,700</b>	<b>(538)</b>	<b>(0.8)</b>	<b>73,200</b>	<b>(2,500)</b>	<b>(3.4)</b>
<b>Nursing Care and Childcare</b>	<b>127,397</b>	<b>134,300</b>	<b>+6,903</b>	<b>+5.4</b>	<b>134,100</b>	<b>+200</b>	<b>+0.1</b>
<b>Berlitz</b>	<b>20,074</b>	<b>-</b>	<b>(20,074)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Others</b>	<b>1,105</b>	<b>2,100</b>	<b>+995</b>	<b>+90.0</b>	<b>2,100</b>	<b>-</b>	<b>-</b>
<b>Total Net Sales</b>	<b>431,943</b>	<b>417,000</b>	<b>(14,943)</b>	<b>(3.5)</b>	<b>426,000</b>	<b>(9,000)</b>	<b>(2.1)</b>
<b>Education Business in Japan</b>	<b>19,085</b>	<b>20,400</b>	<b>+1,315</b>	<b>+6.9</b>	<b>22,500</b>	<b>(2,100)</b>	<b>(9.3)</b>
<b>Kids &amp; Family</b>	<b>1,718</b>	<b>1,400</b>	<b>(318)</b>	<b>(18.5)</b>	<b>3,500</b>	<b>(2,100)</b>	<b>(60.0)</b>
<b>Nursing Care and Childcare</b>	<b>8,013</b>	<b>6,700</b>	<b>(1,313)</b>	<b>(16.4)</b>	<b>7,400</b>	<b>(700)</b>	<b>(9.5)</b>
<b>Berlitz</b>	<b>▲2,799</b>	<b>-</b>	<b>+2,799</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Others/Reconciliations</b>	<b>▲5,851</b>	<b>▲7,000</b>	<b>(1,149)</b>	<b>-</b>	<b>▲8,400</b>	<b>+1,400</b>	<b>-</b>
<b>Total Operating Income</b>	<b>20,167</b>	<b>21,500</b>	<b>+1,333</b>	<b>+6.6</b>	<b>25,000</b>	<b>(3,500)</b>	<b>(14.0)</b>

# Forecast : Analysis of Net Sales/Operating Income (YoY)



(Billions of Yen)

Net Sales	<b>Education Business in Japan</b>	Shinkenzemi	Decrease in cumulative enrollment / positive impact of the price revision, etc.	<b>(8.2)</b>
		School & Teacher Support	Decrease in number of students taking Shinken Simulated Exams Increase in orders for elementary and junior high school business, etc.	<b>(0.4)</b>
		Prep Schools & Classrooms	Increase in number of students in Tetsuryokukai, etc.	<b>+0.6</b>
		University & Working Adult, Other	Increase in orders in support for study abroad, Udemmy business, and developmental education, etc.	<b>+5.8</b>
	<b>Kids &amp; Family</b>	Kodomo Challenge	Japan : positive impact of the price revision and recovery of concert business / decrease in cumulative enrollment, etc.	<b>+0.0</b>
			Overseas : decrease in cumulative enrollment dut to COVID-19 lockdown in China, etc. Forex rate impact	<b>(4.9)</b> <b>+3.6</b>
		Lifestyle	Tamahiyo business, etc.	<b>+0.8</b>
	<b>Nursing Care and Childcare</b>		Increase in nursing home residents, positive impact of the price revision in response to inflation, and consolidation of Heart Medical Care Co., Ltd., etc.	<b>+6.9</b>
	<b>Berlitz</b>		No sales contribution from Berlitz as a result of the share transfer	<b>(20.0)</b>
	<b>Others</b>		Naoshima business, etc.	<b>+0.9</b>

Operating Income	<b>Education Business in Japan</b>		Shinkenzemi : lower sales and negative impact of forex rate Elimination of impact of the product revision cost recorded in the privious year / decrease in marketing costs, etc.	<b>(0.7)</b>
			Higher sales in University & Working Adult and Prep Schools & Classrooms Lower sales in School & Teacher Support, etc.	<b>+2.0</b>
	<b>Kids &amp; Family</b>	Kodomo Challenge	Japan : decrease in costs and lower sales, etc.	<b>+1.4</b>
			Overseas : Lower sales and expenses to deal with COVID-19 lockdown in China, etc.	<b>(2.2)</b>
		Lifestyle	Higher sales, etc.	<b>+0.5</b>
	<b>Nursing Care and Childcare</b>		Higher sales / Increase in labor cost, utilities expenses ,and marketing costs to strengthen sales promotion, etc.	<b>(1.3)</b>
	<b>Berlitz</b>		Elimination of operating loss as a result of the share transfer	<b>+2.7</b>
	<b>Others/Reconciliations</b>		Strategic investment, etc.	<b>(1.1)</b>

# Breakdown of Net Sales

Six months ended September 30

(Millions of Yen)

	FY2021	FY2022	Change	%	Ratio(%)
<b>Senior High School</b>	<b>6,270</b>	<b>5,314</b>	<b>(955)</b>	<b>(15.2)</b>	<b>5.1</b>
<b>Junior High School</b>	<b>15,287</b>	<b>13,397</b>	<b>(1,890)</b>	<b>(12.4)</b>	<b>12.9</b>
<b>Elementary School</b>	<b>32,522</b>	<b>31,126</b>	<b>(1,395)</b>	<b>(4.3)</b>	<b>29.9</b>
<b>School &amp; Teacher Support</b>	<b>22,112</b>	<b>22,313</b>	<b>+200</b>	<b>+0.9</b>	<b>21.4</b>
<b>Prep Schools &amp; Classrooms</b>	<b>21,288</b>	<b>21,205</b>	<b>(82)</b>	<b>(0.4)</b>	<b>20.4</b>
<b>University &amp; Working Adult</b>	<b>6,968</b>	<b>9,865</b>	<b>+2,896</b>	<b>+41.6</b>	<b>9.5</b>
<b>Other</b>	<b>744</b>	<b>877</b>	<b>+133</b>	<b>+18.0</b>	<b>0.8</b>
<b>Total</b>	<b>105,194</b>	<b>104,100</b>	<b>(1,094)</b>	<b>(1.0)</b>	<b>100.0</b>

Note: We revised the method of aggregation for School & Teacher Support and Other, which are included in Education Business in Japan and mentioned figures for Prep Schools & Classrooms and University & Working Adult separately from the first quarter of the current fiscal year. Along with these changes, figures for corresponding period of the previous fiscal year are based on new criteria.



Six months ended September 30

(Millions of Yen)

	FY2021	FY2022	Change	%	Ratio(%)
<b>Kodomo Challenge in Japan (Preschool)</b>	<b>10,122</b>	<b>9,790</b>	<b>(332)</b>	<b>(3.3)</b>	<b>31.0</b>
<b>Overseas Kodomo Challenge (Preschool)</b>	<b>14,292</b>	<b>11,822</b>	<b>(2,469)</b>	<b>(17.3)</b>	<b>37.4</b>
<b>Other *</b>	<b>10,730</b>	<b>9,989</b>	<b>(741)</b>	<b>(6.9)</b>	<b>31.6</b>
<b>Total</b>	<b>35,145</b>	<b>31,602</b>	<b>(3,542)</b>	<b>(10.1)</b>	<b>100.0</b>

\* "Other" includes Kodomo Challenge peripheral businesses such as concert business and Lifestyle-related businesses such as Tamahiyo business, etc.

**【Cumulative Enrollment for Shinkenzemi】**

Six months ended September 30

(Thousands)

	FY2021	FY2022	Change	%
Senior High School	678	564	(114)	(16.9)
Junior High School	2,230	1,905	(324)	(14.6)
Elementary School	7,744	7,260	(483)	(6.2)
<b>Total</b>	<b>10,653</b>	<b>9,729</b>	<b>(923)</b>	<b>(8.7)</b>

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

(Thousands)

	FY2021	FY2022	Change	%
Kodomo Challenge in Japan (Preschool)	4,575	4,140	(435)	(9.5)
Overseas Kodomo Challenge (Preschool)	7,192	6,141	(1,050)	(14.6)
<b>Total</b>	<b>11,767</b>	<b>10,281</b>	<b>(1,485)</b>	<b>(12.6)</b>

•Note<sup>1</sup>: Cumulative enrollment represents the cumulative total number of people who receive materials monthly (from April to September).

•Note<sup>2</sup>: Overseas Kodomo Challenge represents total number of cumulative enrollment in China and Taiwan .

Cumulative enrollment for China represents the cumulative total number of people who receive materials monthly (from January to June), due to the differences of those closing dates ended December 31<sup>st</sup>.

As of October	(Thousands)			
	2021	2022	Change	%
Senior High School	90	80	(10)	(15.1)
Junior High School	330	280	(50)	(12.9)
Elementary School	1,230	1,140	(90)	(7.2)
Kodomo Challenge (Preschool)	780	690	(90)	(10.6)
<b>Total (Japan)</b>	<b>2,430</b>	<b>2,200</b>	<b>(230)</b>	<b>(9.4)</b>

As of October	(Thousands)			
	2021	2022	Change	%
<b>China</b>	<b>1,030</b>	<b>820</b>	<b>(210)</b>	<b>(20.3)</b>
<b>Taiwan</b>	<b>100</b>	<b>100</b>	<b>(0)</b>	<b>(2.6)</b>
<b>Total (Overseas)</b>	<b>1,130</b>	<b>920</b>	<b>(210)</b>	<b>(18.7)</b>

	Sep. 2021	Mar. 2022	Sep. 2022
<b>Aria</b>	<b>27</b>	<b>27</b>	<b>27</b>
<b>Clara</b>	<b>39</b>	<b>39</b>	<b>38</b>
<b>Granny &amp; Granda</b>	<b>153</b>	<b>154</b>	<b>159</b>
<b>Madoka</b>	<b>57</b>	<b>57</b>	<b>57</b>
<b>Bon Sejour</b>	<b>49</b>	<b>49</b>	<b>50</b>
<b>Cocochi</b>	<b>15</b>	<b>15</b>	<b>15</b>
<b>Li-Re</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>Total</b>	<b>342</b>	<b>343</b>	<b>348</b>
<b>Occupancy Rate of Existing Facilities</b>	<b>90%</b>	<b>90%</b>	<b>90%</b>

# CAPEX / Depreciation and Amortization



Six months ended September 30

(Millions of Yen)

	FY2021	FY2022	Change
<b>CAPEX</b>	<b>13,291</b>	<b>12,164</b>	<b>(1,127)</b>
<b>(Breakdown)</b>			
<b>Lease Assets</b>	<b>3,636</b>	<b>6,475</b>	<b>+2,838</b>
<b>Goodwill</b>	<b>2,458</b>	<b>120</b>	<b>(2,337)</b>
<b>Others</b>	<b>7,197</b>	<b>5,568</b>	<b>(1,628)</b>
<b>Depreciation and Amortization</b>	<b>9,192</b>	<b>9,237</b>	<b>+45</b>

• Note<sup>1</sup>: "CAPEX" shows the "increase in tangible fixed assets and intangible fixed assets".

• Note<sup>2</sup>: "Depreciation and amortization" shows the total amount of "depreciation and amortization" and "amortization of goodwill".

## 【Dividend per Share/Dividend Payout Ratio】

	FY2019	FY2020	FY2021	FY2022 (Forecast)
<b>Dividend per share (yen)</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>60</b>
<b>Dividend payout ration (%)</b>	<b>76.6</b>	<b>154.3</b>	<b>452.9</b>	<b>50.3</b>