



Benesse Holdings, Inc.

Corporate Communications & Investor Relations Department

1-34, Ochiai, Tama-shi, Tokyo

206-0033, Japan

Phone: +81-42-357-3656

Email: [tokyoir@mail.benesse.co.jp](mailto:tokyoir@mail.benesse.co.jp)

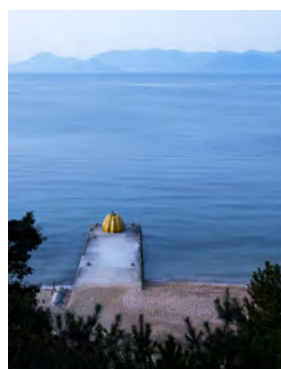
URL: <http://www.benesse-hd.co.jp/en/ir/>

# DATA BOOK 2017

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For the Year Ended March 31, 2017



**ON THE COVER**  
Yayoi Kusama  
"Pumpkin" 1994  
(C)YAYOI KUSAMA

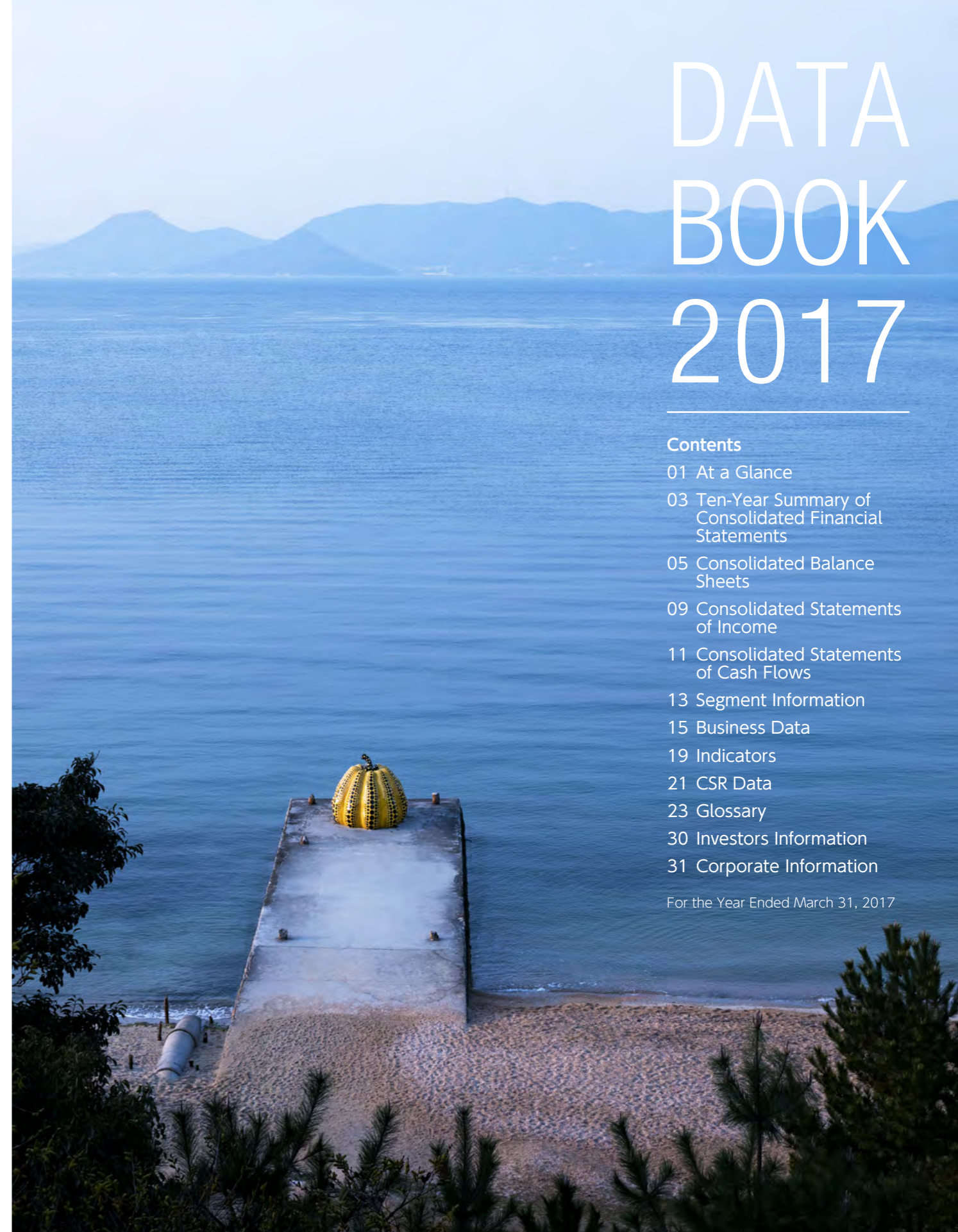
Benesse Art Site Naoshima is a project located on the islands of Naoshima, Teshima and Inujima in Japan's Seto Inland Sea. Organized by Benesse Holdings, Inc. and the Fukutake Foundation, the project supports a multitude of art-related activities. Benesse Art Site Naoshima is working to create special places by situating modern art and architecture within the nature and the unique culture of the Seto Inland Sea, a landscape with a powerful cultural and historical resonance.



Benesse Art Site Naoshima  
<http://benesse-artsite.jp/en/>

### Disclaimer

This Data Book is intended only to serve as a reference for use in making investment decisions; it is not intended as an inducement either to purchase or to sell Benesse Holdings' shares. Investors are solely responsible for their investment decisions. Please bear in mind that while Benesse Holdings has taken great care over the content of the Data Book, the Company accepts no responsibility for any errors that the book may contain.



## SHARE OF NET SALES

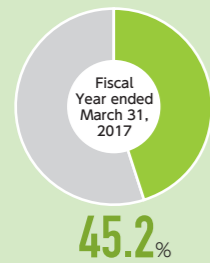
## MAJOR BUSINESS

## MAJOR GROUP COMPANIES

## MAIN PRODUCTS AND SERVICES

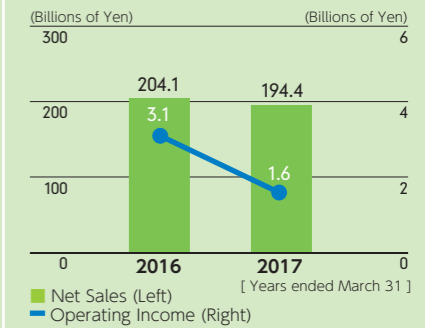
## NET SALES/OPERATING INCOME

### DOMESTIC EDUCATION COMPANY

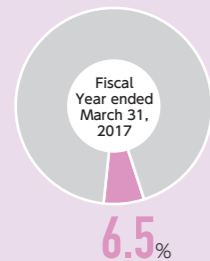


- Shinken zemi and Kodomo Challenge correspondence courses
- School and teacher support business, centered on *Shinken Simulated Exams* (mock university entrance exams)
- Cram schools/prep schools
- Children's English language class business

Benesse Corporation  
Tokyo Individualized Educational Institute, Inc.  
UP Inc.  
Tokyo Educational Institute Co., Ltd.  
Ochanomizu Seminar Co., Ltd.  
Shinken-AD Co., Ltd.  
Minerva Intelligence Co., Ltd.

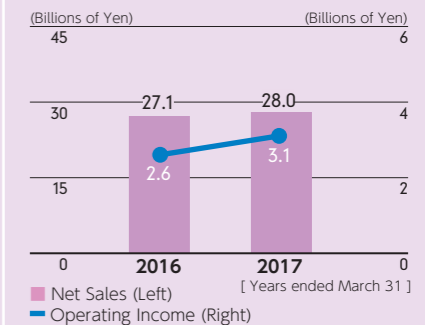


### OVERSEAS BUSINESS COMPANY



- Correspondence course business focused on preschool children in mainland China and Taiwan

Benesse Corporation  
Benesse Corporation China

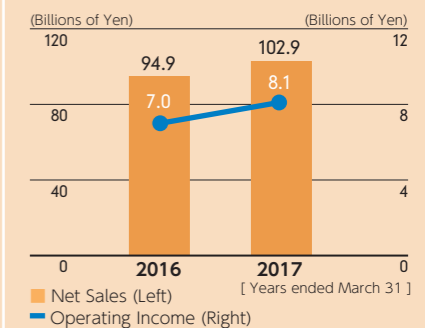


### NURSING CARE AND CHILDCARE COMPANY

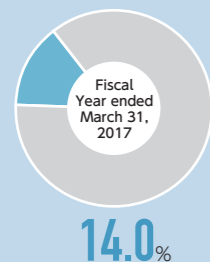


- Operation of nursing homes for the elderly
- Home help service business
- Daycare and afterschool childcare operation business
- Medical and nursing care staff placement and dispatch business
- Food delivery services for seniors business

Benesse Style Care Co., Ltd.  
Benesse MCM Corp.  
Benesse Palette Co., Ltd.  
Benesse Senior Support Co., Ltd.

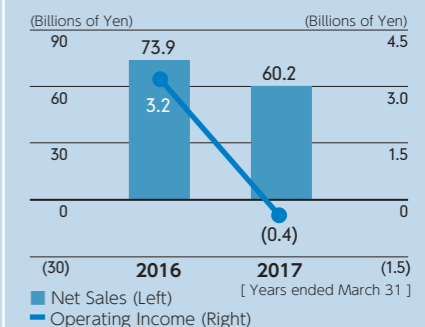
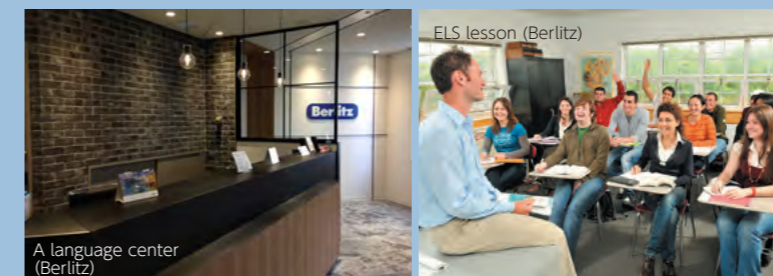


### LANGUAGE LEARNING COMPANY

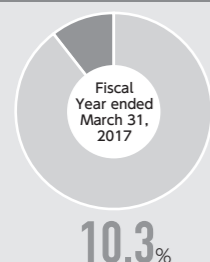


- Language education business, ELS business (overseas study support business), global leadership training business
- Interpreting and translation business

Berlitz Corporation  
Simul International, Inc.

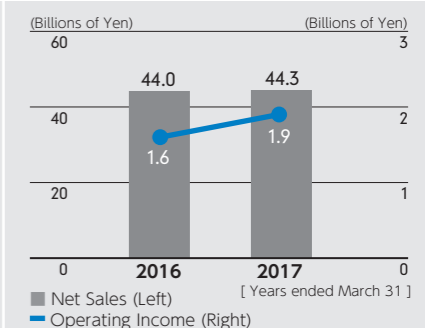


### OTHERS



- Telemarketing business
- Mail-order business  
*Tamahiyo Shop, Tamahiyo Uchiwai* (family celebration items)
- Tamago Club* and *Hiyoko Club* — magazines dealing with pregnancy, childbirth, and child-rearing
- Operate and maintain an information system and information processing service businesses

TMJ, Inc.  
Benesse Corporation  
Benesse InfoShell Co., Ltd.



# Ten-Year Summary of Consolidated Financial Statements

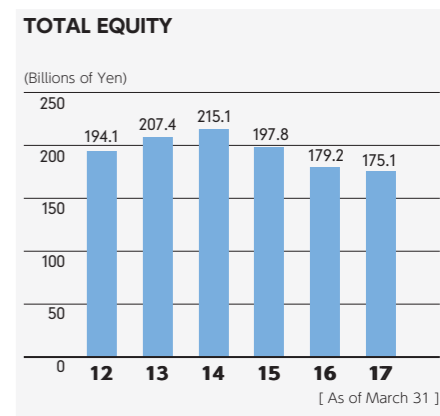
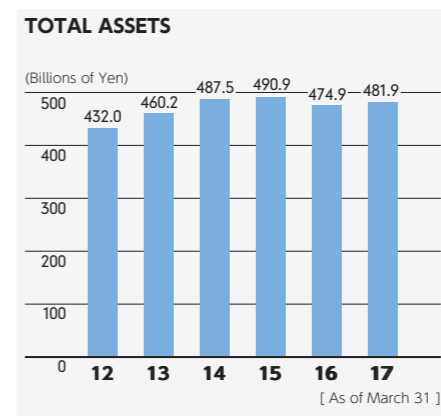
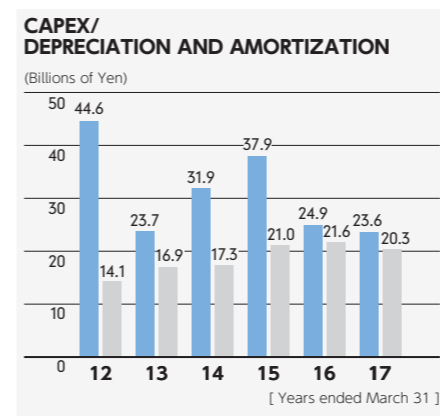
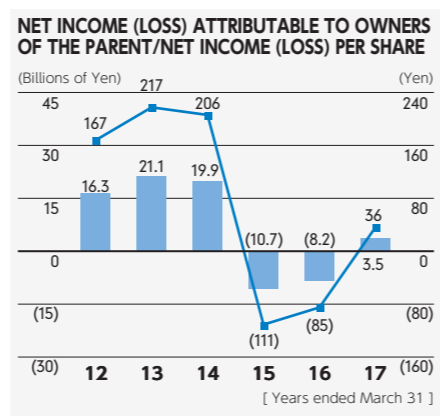
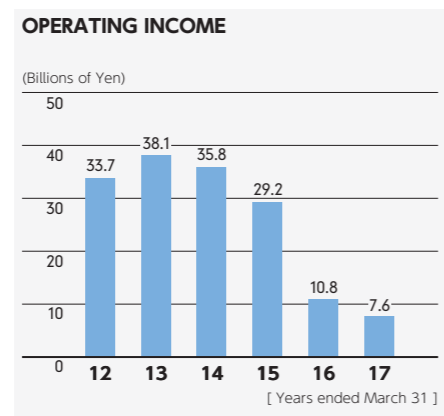
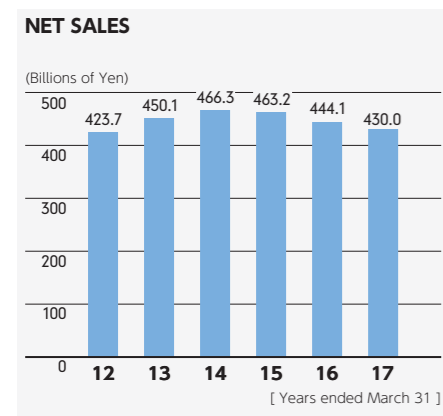
Benesse Holdings, Inc. and Consolidated Subsidiaries

Years ended March 31	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Millions of Yen										
<b>For the Year:</b>										
Net sales	¥ 384,514	¥ 412,711	¥ 406,602	¥ 412,828	¥ 423,706	¥ 450,182	¥ 466,399	¥ 463,264	¥ 444,190	¥ 430,064
Cost of sales	192,182	204,115	199,835	203,842	212,016	228,890	243,197	258,747	255,349	251,361
Selling, general and administrative expenses	157,449	169,469	168,877	166,118	177,892	183,146	187,371	175,290	177,977	171,016
Operating income	34,882	39,125	37,889	42,867	33,797	38,145	35,830	29,227	10,862	7,685
Income (loss) before income taxes	31,006	29,983	38,615	36,669	34,055	38,245	32,908	(3,475)	9,921	8,800
Income taxes	15,025	18,652	15,911	15,606	17,109	16,614	12,536	6,474	17,138	4,202
Net income (loss) attributable to owners of the parent	15,462	10,678	21,874	20,586	16,369	21,147	19,930	(10,705)	(8,211)	3,557
CAPEX	¥ 22,767	¥ 18,051	¥ 27,042	¥ 21,938	¥ 44,610	¥ 23,796	¥ 31,915	¥ 37,998	¥ 24,934	¥ 23,609
Depreciation and amortization	11,829	13,456	13,028	13,738	14,183	16,957	17,367	21,056	21,606	20,384

Yen										
<b>Per Share of Common Stock:</b>										
Net income (loss)	¥ 151.54	¥ 106.98	¥ 221.65	¥ 208.47	¥ 167.79	¥ 217.54	¥ 206.79	¥ (111.30)	¥ (85.37)	¥ 36.98
Cash dividends	90	90	90	95	95	95	95	95	95	95

Millions of Yen										
<b>At Year-End:</b>										
Total assets	¥ 366,584	¥ 343,128	¥ 356,153	¥ 405,119	¥ 432,080	¥ 460,259	¥ 487,594	¥ 490,954	¥ 474,926	¥ 481,904
Total equity	202,342	168,497	183,169	192,793	194,189	207,479	215,109	197,892	179,266	175,166
Yen										
Total equity per share of common stock	¥1,949.30	¥1,646.83	¥1,792.80	¥1,893.72	¥1,933.52	¥2,071.24	¥2,173.58	¥ 2,000.43	¥1,796.57	¥1,749.37
Number of shares of common stock issued (in thousands)	106,353	106,353	106,353	106,353	104,153	102,453	102,453	102,453	102,453	102,453

- Notes: 1. Cost of sales is the cost of sales shown on pages 9-10, minus reversal of reserve for goods return and plus provision for reserve for goods return.  
 2. The computation of net income (loss) per share of common stock is based on the weighted average number of shares of common stock outstanding during each year.  
 3. CAPEX for the fiscal year ended March 31, 2008 and before includes rental deposits.  
 4. Depreciation and amortization for the fiscal year ended March 31, 2008 and before includes depreciation of non-operating expenses.  
 5. Due to the application of the Accounting Standard for Business Combinations and so forth, from the fiscal year ended March 31, 2016 net income (loss) has been presented as net income (loss) attributable to owners of the parent.



# Consolidated Balance Sheets

Benesse Holdings, Inc. and Consolidated Subsidiaries

As of March 31	2008	2009	2010	2011	2012	2013	2014	2015	2016	Millions of Yen 2017
<b>Assets</b>										
<b>Current Assets</b>	<b>¥175,899</b>	<b>¥179,850</b>	<b>¥179,687</b>	<b>¥233,544</b>	<b>¥230,014</b>	<b>¥248,663</b>	<b>¥262,779</b>	<b>¥251,278</b>	<b>¥243,602</b>	<b>¥250,787</b>
Cash and time deposits	50,414	42,784	48,877	93,982	72,647	72,464	79,726	104,541	91,892	113,542
Notes and accounts receivable—trade	28,298	24,400	24,218	26,185	27,371	30,108	31,266	31,671	32,577	32,023
Marketable securities	38,296	43,517	31,631	32,053	49,128	57,491	51,279	24,313	44,501	30,301
Inventories	17,043	—	—	—	—	—	—	—	—	—
Merchandise and finished goods	—	14,112	13,969	14,334	16,900	21,105	31,750	25,873	18,316	20,057
Work in progress	—	3,685	3,334	4,255	4,098	3,911	4,611	3,737	3,481	3,535
Raw materials and supplies	—	1,780	1,707	1,693	1,634	1,807	1,643	1,595	1,726	1,506
Deferred tax assets	4,794	5,758	5,230	6,262	5,482	6,185	5,658	6,034	3,514	3,694
Accounts receivable—other	31,972	38,318	42,032	41,863	46,684	46,510	48,547	41,479	39,961	38,348
Other current assets	6,923	7,281	10,426	14,450	7,781	10,767	10,044	13,775	9,067	9,373
Allowance for doubtful receivables	(1,843)	(1,788)	(1,740)	(1,536)	(1,715)	(1,686)	(1,750)	(1,744)	(1,436)	(1,596)
<b>Total Fixed Assets</b>	<b>190,684</b>	<b>163,278</b>	<b>176,466</b>	<b>171,575</b>	<b>202,066</b>	<b>211,595</b>	<b>224,815</b>	<b>239,676</b>	<b>231,324</b>	<b>231,116</b>
Tangible Fixed Assets	72,606	74,609	75,994	75,122	91,105	97,765	107,440	121,996	129,743	136,231
Buildings and structures—net	28,598	29,223	29,016	28,223	31,675	31,166	31,527	31,819	31,446	29,369
Land	35,046	36,092	36,106	35,985	38,126	37,326	38,319	37,195	36,745	34,947
Lease assets—net	—	—	—	2,133	12,597	19,893	28,008	43,317	52,723	63,384
Other tangible fixed assets—net	8,961	9,293	10,871	8,780	8,705	9,378	9,584	9,664	8,827	8,530
Intangible Fixed Assets	59,066	29,895	42,500	43,535	55,330	54,970	58,031	58,355	51,327	43,918
Goodwill	44,848	13,157	18,537	15,620	23,452	20,233	19,325	18,526	16,150	13,611
Software	—	—	22,405	26,545	27,639	30,642	35,098	36,576	32,844	28,430
Other intangible fixed assets	14,217	16,737	1,557	1,369	4,238	4,094	3,607	3,252	2,332	1,876
Investments and Other Assets	59,011	58,773	57,970	52,917	55,630	58,859	59,343	59,324	50,253	50,966
Investment securities	33,057	29,374	25,101	16,756	16,497	19,072	18,040	13,771	13,806	14,316
Long-term loans receivable	—	—	—	4,536	4,837	4,780	4,490	4,896	4,583	4,412
Prepaid pension expenses	4,340	4,461	4,442	4,383	4,236	3,816	—	—	—	—
Asset for retirement benefits	—	—	—	—	—	—	1,376	2,457	385	1,710
Deferred tax assets	2,333	4,391	3,260	6,099	6,848	7,347	9,969	10,073	2,522	1,596
Other assets	19,508	20,818	25,259	21,226	23,279	23,907	25,526	28,188	29,056	29,019
Allowance for doubtful receivables	(227)	(272)	(93)	(84)	(69)	(65)	(60)	(62)	(101)	(89)
<b>Total</b>	<b>¥366,584</b>	<b>¥343,128</b>	<b>¥356,153</b>	<b>¥405,119</b>	<b>¥432,080</b>	<b>¥460,259</b>	<b>¥487,594</b>	<b>¥490,954</b>	<b>¥474,926</b>	<b>¥481,904</b>

Notes: 1. Inventories under current assets has been presented as merchandise and finished goods, work in progress, and raw materials and supplies since the fiscal year ended March 31, 2009.

2. Lease assets, which was previously included in other tangible fixed assets under tangible fixed assets, has been presented as a separate item since the fiscal year ended March 31, 2011 because the amount exceeded 1% of total assets.

3. Software, which was previously included in other intangible fixed assets under intangible fixed assets, has been presented as a separate item since the fiscal year ended March 31, 2010 because the amount exceeded 5% of total assets.

4. Long-term loans receivable, which was previously included in other assets under investments and other assets, has been presented as a separate item since the fiscal year ended March 31, 2011 because the amount exceeded 1% of total assets.

# Consolidated Balance Sheets

Benesse Holdings, Inc. and Consolidated Subsidiaries

As of March 31	2008	2009	2010	2011	2012	2013	2014	2015	2016	Millions of Yen 2017
<b>Liabilities</b>										
<b>Current Liabilities</b>	<b>¥140,276</b>	<b>¥147,825</b>	<b>¥139,389</b>	<b>¥149,289</b>	<b>¥153,001</b>	<b>¥157,291</b>	<b>¥172,943</b>	<b>¥187,296</b>	<b>¥145,681</b>	<b>¥147,664</b>
Notes and accounts payable—trade	11,762	12,398	12,025	13,114	14,198	14,721	18,037	19,937	12,695	16,707
Short-term bank loans	1,187	1,628	1,447	467	270	—	—	—	—	—
Current portion of long-term debt	683	281	122	44	259	250	6,250	25,033	9	—
Accounts payable—other	23,308	24,655	24,483	24,314	26,003	26,024	29,835	34,216	27,085	26,605
Accrued income taxes	7,667	11,458	4,864	14,323	6,647	9,048	6,278	3,430	5,053	5,280
Advances received	77,861	79,596	78,691	78,655	87,624	88,710	93,468	84,385	79,479	80,361
Reserve for after-service costs	748	768	770	728	677	679	628	406	312	307
Reserve for employees' bonuses	5,892	6,174	6,178	6,290	6,737	6,874	6,841	6,528	6,387	6,563
Reserve for directors' bonuses	295	287	188	194	206	324	331	300	410	300
Reserve for goods return	555	522	474	448	393	362	343	383	369	341
Other current liabilities	10,313	10,055	10,144	10,706	9,982	10,297	10,926	12,672	13,877	11,196
<b>Long-Term Liabilities</b>	<b>23,965</b>	<b>26,806</b>	<b>33,593</b>	<b>63,036</b>	<b>84,889</b>	<b>95,488</b>	<b>99,541</b>	<b>105,766</b>	<b>149,979</b>	<b>159,073</b>
Long-term debt, less current portion	536	269	219	25,009	31,500	31,250	25,000	5,014	37,805	37,805
Lease obligations	—	—	—	2,068	12,130	19,393	27,933	43,872	54,284	65,887
Guarantee deposits received from nursing home residents	—	—	21,099	25,300	27,804	30,152	30,885	32,902	34,375	35,023
Deferred tax liabilities	23	301	668	611	2,411	2,580	2,921	4,251	3,626	560
Reserve for employees' retirement benefits	2,598	2,774	2,835	2,980	3,152	3,471	—	—	—	—
Reserve for directors' retirement allowances	1,563	1,547	1,405	1,435	202	224	165	179	164	124
Liability for retirement benefits	—	—	—	—	—	—	6,708	7,240	7,241	7,173
Other long-term liabilities	19,244	21,913	7,364	5,631	7,687	8,415	5,926	12,305	12,480	12,499
<b>Total Liabilities</b>	<b>164,242</b>	<b>174,631</b>	<b>172,983</b>	<b>212,326</b>	<b>237,890</b>	<b>252,780</b>	<b>272,484</b>	<b>293,062</b>	<b>295,660</b>	<b>306,738</b>
<b>Equity</b>										
<b>Shareholders' Equity</b>	<b>200,522</b>	<b>169,746</b>	<b>181,803</b>	<b>194,255</b>	<b>195,976</b>	<b>207,886</b>	<b>214,907</b>	<b>195,146</b>	<b>177,915</b>	<b>172,333</b>
Common stock	13,600	13,600	13,600	13,600	13,600	13,600	13,600	13,600	13,600	13,600
Capital surplus	29,358	29,358	29,358	29,381	29,358	29,358	29,358	29,358	29,479	29,479
Retained earnings	170,337	152,239	165,372	177,342	176,863	182,935	193,679	173,920	156,571	150,991
Treasury stock-at-cost	(12,773)	(25,451)	(26,527)	(26,067)	(23,844)	(18,007)	(21,730)	(21,732)	(21,735)	(21,736)
<b>Accumulated Other Comprehensive Loss</b>	<b>(1,999)</b>	<b>(6,860)</b>	<b>(4,967)</b>	<b>(7,212)</b>	<b>(8,014)</b>	<b>(6,538)</b>	<b>(5,830)</b>	<b>(2,726)</b>	<b>(5,106)</b>	<b>(4,065)</b>
Unrealized gain (loss) on available-for-sale securities	(473)	(1,634)	88	(17)	280	1,183	1,712	2,235	1,363	1,605
Foreign currency translation adjustments	(1,526)	(5,226)	(5,056)	(6,793)	(7,855)	(7,172)	(5,456)	(3,468)	(3,732)	(4,596)
Pension liability adjustments for a foreign consolidated subsidiary	—	—	—	(401)	(440)	(549)	—	—	—	—
Defined retirement benefit plans	—	—	—	—	—	—	(2,086)	(1,494)	(2,737)	(1,073)
<b>Stock Acquisition Rights</b>	<b>304</b>	<b>551</b>	<b>667</b>	<b>683</b>	<b>683</b>	<b>458</b>	<b>141</b>	<b>—</b>	<b>41</b>	<b>115</b>
<b>Noncontrolling Interests</b>	<b>3,514</b>	<b>5,059</b>	<b>5,667</b>	<b>5,065</b>	<b>5,543</b>	<b>5,671</b>	<b>5,891</b>	<b>5,472</b>	<b>6,415</b>	<b>6,782</b>
<b>Total Equity</b>	<b>202,342</b>	<b>168,497</b>	<b>183,169</b>	<b>192,793</b>	<b>194,189</b>	<b>207,479</b>	<b>215,109</b>	<b>197,892</b>	<b>179,266</b>	<b>175,166</b>
<b>Total</b>	<b>¥366,584</b>	<b>¥343,128</b>	<b>¥356,153</b>	<b>¥405,119</b>	<b>¥432,080</b>	<b>¥460,259</b>	<b>¥487,594</b>	<b>¥490,954</b>	<b>¥474,926</b>	<b>¥481,904</b>

Notes: 1. Lease obligations, which was previously included in other long-term liabilities under long-term liabilities, has been presented as a separate item since the fiscal year ended March 31, 2011 because the amount exceeded 1% of the sum of total liabilities and total equity.

2. Guarantee deposits received from nursing home residents, which was previously included in other long-term liabilities under long-term liabilities, has been presented as a separate item since the fiscal year ended March 31, 2010 because the amount exceeded 5% of the sum of total liabilities and total equity.

3. Due to the application of the Accounting Standard for Business Combinations and so forth, from the fiscal year ended March 31, 2016 minority interests has been presented as noncontrolling interests.

# Consolidated Statements of Income

Benesse Holdings, Inc. and Consolidated Subsidiaries

Millions of Yen

Years ended March 31	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Net Sales</b>	<b>¥384,514</b>	<b>¥412,711</b>	<b>¥406,602</b>	<b>¥412,828</b>	<b>¥423,706</b>	<b>¥450,182</b>	<b>¥466,399</b>	<b>¥ 463,264</b>	<b>¥444,190</b>	<b>¥430,064</b>
<b>Cost of Sales</b>	<b>192,214</b>	<b>204,148</b>	<b>199,883</b>	<b>203,868</b>	<b>212,071</b>	<b>228,921</b>	<b>243,217</b>	<b>258,707</b>	<b>255,367</b>	<b>251,386</b>
Reversal of reserve for goods return	587	555	522	474	448	393	362	343	383	366
Provision for reserve for goods return	555	522	474	448	393	362	343	383	366	341
<b>Adjusted Gross Profit</b>	<b>192,331</b>	<b>208,595</b>	<b>206,766</b>	<b>208,986</b>	<b>211,690</b>	<b>221,292</b>	<b>223,201</b>	<b>204,517</b>	<b>188,840</b>	<b>178,702</b>
<b>Selling, General and Administrative Expenses</b>	<b>157,449</b>	<b>169,469</b>	<b>168,877</b>	<b>166,118</b>	<b>177,892</b>	<b>183,146</b>	<b>187,371</b>	<b>175,290</b>	<b>177,977</b>	<b>171,016</b>
Promotion expenses	—	—	—	—	—	—	18,045	20,852	20,663	20,294
Direct mail expenses	27,345	28,495	30,340	28,268	31,887	31,575	29,269	10,794	14,391	17,804
Advertising expenses	13,474	14,741	13,207	11,344	12,015	12,418	13,729	18,594	14,399	12,543
Transportation and communication expenses	19,033	20,280	20,757	20,654	20,698	20,070	19,374	15,830	14,782	14,339
Customer management expenses	9,939	11,245	12,007	11,247	12,580	14,350	15,784	18,876	23,406	20,220
Wages and salaries	32,403	34,380	34,126	33,164	34,825	36,412	38,200	37,842	37,838	35,246
Provision for reserve for employees' bonuses	3,195	3,512	3,676	3,479	3,591	3,602	3,545	3,282	2,995	3,235
Provision for reserve for directors' bonuses	295	287	200	196	206	321	329	295	410	300
Net periodic benefit costs	—	—	—	—	—	—	—	2,056	1,995	1,956
Provision for reserve for employees' retirement benefits	719	877	844	1,134	1,203	1,454	1,910	—	—	—
Provision for reserve for directors' retirement allowances	170	166	133	115	65	77	79	42	22	17
Provision for allowance for doubtful receivables	595	751	706	691	830	729	947	843	758	818
Other	50,275	54,729	52,876	55,823	59,988	62,132	46,154	45,978	46,311	44,239
<b>Operating Income</b>	<b>34,882</b>	<b>39,125</b>	<b>37,889</b>	<b>42,867</b>	<b>33,797</b>	<b>38,145</b>	<b>35,830</b>	<b>29,227</b>	<b>10,862</b>	<b>7,685</b>
<b>Non-Operating Income</b>	<b>3,404</b>	<b>3,219</b>	<b>2,367</b>	<b>3,012</b>	<b>1,917</b>	<b>3,451</b>	<b>2,481</b>	<b>1,794</b>	<b>2,378</b>	<b>2,679</b>
Interest income	1,340	1,372	681	515	423	441	440	472	433	413
Dividend income	171	197	173	124	52	77	85	110	84	129
Rent income	451	456	431	452	485	476	486	505	467	378
Foreign exchange gain	—	—	646	—	—	1,670	94	—	—	—
Gain on sales of investment securities	—	—	—	513	119	115	191	—	632	577
Gain on investments in partnership	—	—	—	—	—	71	535	125	196	68
Refunded consumption taxes	—	—	—	—	—	—	—	—	—	611
Equity in net earnings of unconsolidated subsidiary and associated companies	81	81	96	527	243	179	164	49	66	128
Gain on derivatives	686	749	—	423	—	—	—	—	—	—
Other	672	361	337	455	593	419	483	531	497	370
<b>Non-Operating Expenses</b>	<b>2,366</b>	<b>3,069</b>	<b>1,091</b>	<b>1,176</b>	<b>1,017</b>	<b>2,601</b>	<b>3,095</b>	<b>4,182</b>	<b>4,508</b>	<b>4,819</b>
Interest expense	42	58	64	86	290	868	1,418	2,426	3,219	3,922
Rent expenses	169	177	164	160	251	237	223	212	186	157
Foreign exchange loss	1,355	2,002	—	536	131	—	—	279	453	260
Loss on derivatives	—	—	517	—	32	1,159	1,067	503	112	—
Other	798	830	344	393	311	336	385	762	537	478
<b>Ordinary Income</b>	<b>35,920</b>	<b>39,276</b>	<b>39,165</b>	<b>44,703</b>	<b>34,698</b>	<b>38,995</b>	<b>35,216</b>	<b>26,838</b>	<b>8,732</b>	<b>5,545</b>
<b>Special Gain</b>	<b>196</b>	<b>2,848</b>	<b>1,294</b>	<b>223</b>	<b>550</b>	<b>273</b>	<b>1,998</b>	<b>327</b>	<b>2,506</b>	<b>4,130</b>
Gain on sales of fixed assets	161	9	1	8	—	48	98	115	2,258	3,623
Gain on sales of investments of a consolidated subsidiary	—	2,737	1,152	117	—	—	1,537	—	—	—
Gain on revision of retirement benefit plan	—	—	—	—	—	—	—	—	248	—
Compensation for damages received	—	—	—	—	—	—	—	—	—	506
State subsidy	—	—	114	—	—	—	45	70	—	—
Gain on step acquisitions	—	—	—	—	357	—	—	—	—	—
Gain on transfer of business	—	100	—	80	193	—	—	—	—	—
Gain on reversal of subscription rights to shares	—	—	—	—	—	224	317	141	—	—
Gain on change in equity	—	—	2	—	—	—	—	—	—	—
Other	34	1	23	17	—	—	—	—	—	—
<b>Special Losses</b>	<b>5,109</b>	<b>12,141</b>	<b>1,843</b>	<b>8,256</b>	<b>1,192</b>	<b>1,023</b>	<b>4,306</b>	<b>30,642</b>	<b>1,317</b>	<b>875</b>
Loss on sales and disposal of fixed assets	755	601	491	1,002	1,009	34	44	13	17	8
Loss on reduction of non-current assets	—	—	114	—	—	—	44	70	—	—
Amortization of goodwill	—	7,619	—	—	—	—	—	—	—	—
Loss on impairment of long-lived assets	2,769	587	33	6,401	79	842	3,190	221	157	867
Valuation loss on investment securities	225	2,154	17	20	97	38	2	49	353	—
Restructuring expenses of foreign consolidated subsidiary	—	—	—	—	—	—	357	1,129	—	—
Loss on restructuring of business	979	150	1,105	—	—	102	—	792	788	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	—	—	614	—	—	—	—	—	—
Loss on cancellation of system development	284	—	—	—	—	—	—	—	—	—
Litigation loss	52	277	—	—	—	—	—	—	—	—
Loss on liquidation of subsidiaries	—	—	—	205	—	—	107	—	—	—
Business structure improvement expenses	—	420	—	—	—	—	550	2,315	—	—
Information security management expenses	—	—	—	—	—	—	—	26,039	—	—
Other	42	330	81	13	6	6	7	10	—	—
<b>Income (Loss) before Income Taxes</b>	<b>31,006</b>	<b>29,983</b>	<b>38,615</b>	<b>36,669</b>	<b>34,055</b>	<b>38,245</b>	<b>32,908</b>	<b>(3,475)</b>	<b>9,921</b>	<b>8,800</b>
<b>Income Taxes</b>	<b>15,025</b>	<b>18,652</b>	<b>15,911</b>	<b>15,606</b>	<b>17,109</b>	<b>16,614</b>	<b>12,536</b>	<b>6,474</b>	<b>17,138</b>	<b>4,202</b>
Income taxes—current	15,425	20,389	14,548	19,346	16,202	18,120	14,042	6,228	7,099	7,198
Income taxes—deferred	(400)	(1,736)	1,363	(3,740)	906	(1,505)	(1,506)	245	10,038	(2,996)
<b>Net Income (Loss)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>21,063</b>	<b>16,946</b>	<b>21,631</b>	<b>20,372</b>	<b>(9,950)</b>	<b>(7,216)</b>	<b>4,597</b>
<b>Net Income Attributable to Noncontrolling Interests</b>	<b>519</b>	<b>652</b>	<b>829</b>	<b>476</b>	<b>577</b>	<b>483</b>	<b>442</b>	<b>755</b>	<b>994</b>	<b>1,040</b>
<b>Net Income (Loss) Attributable to Owners of the Parent</b>	<b>¥ 15,462</b>	<b>¥ 10,678</b>	<b>¥ 21,874</b>	<b>¥ 20,586</b>	<b>¥ 16,369</b>	<b>¥ 21,147</b>	<b>¥ 19,930</b>	<b>¥(10,705)</b>	<b>¥ (8,211)</b>	<b>¥ 3,557</b>

Notes: 1. Gain on investments in partnership, which was previously included in other under non-operating income, has been presented as a separate item since the fiscal year ended March 31, 2013 because the amount exceeded 10% of total non-operating income.

2. Promotion expenses, which was previously included in other under selling, general and administrative expenses, has been presented as a separate item since the fiscal year ended March 31, 2014 because the amount exceeded 10% of total selling, general and administrative expenses.

3. Loss on derivatives, which had been presented as a separate item under non-operating expenses, has been included under others from the fiscal year ended March 31, 2017 due to their decreased materiality.

# Consolidated Statements of Cash Flows

Benesse Holdings, Inc. and Consolidated Subsidiaries

Millions of Yen

Years ended March 31	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Net Cash Provided by Operating Activities</b>	<b>¥ 27,483</b>	<b>¥ 38,664</b>	<b>¥ 30,310</b>	<b>¥ 44,937</b>	<b>¥ 40,631</b>	<b>¥ 33,709</b>	<b>¥ 32,295</b>	<b>¥ 27,839</b>	<b>¥ 26,195</b>	<b>¥ 25,237</b>
Income (loss) before income taxes	31,006	29,983	38,615	36,669	34,055	38,245	32,908	(3,475)	9,921	8,800
Depreciation and amortization	11,829	13,600	13,156	13,865	14,396	17,152	17,548	21,225	21,758	20,506
Loss on impairment of long-lived assets	2,769	587	33	6,401	79	842	3,190	221	157	867
Amortization of goodwill	—	7,619	—	—	—	—	—	—	—	—
Increase (decrease) in allowances and reserves—net	939	751	(340)	263	484	363	(3,952)	(759)	(420)	196
Loss on restructuring of business	979	150	1,105	—	—	—	—	792	788	—
Gain on sales of investments of a consolidated subsidiary	—	(2,737)	(1,152)	(117)	—	—	(1,537)	—	—	—
Business structure improvement expenses	—	—	—	—	—	—	550	2,315	—	—
Information security management expenses	—	—	—	—	—	—	—	26,039	—	—
Other non-cash income and expenses—net	(410)	2,247	407	538	604	549	135	3,218	1,291	399
Decrease (increase) in notes and accounts receivable—trade	(3,668)	2,741	648	(2,348)	(497)	(1,990)	456	257	(1,254)	26
(Increase) decrease in inventories	(1,633)	(2,671)	(158)	(1,375)	(2,338)	(4,013)	(11,497)	6,005	7,547	(1,821)
Decrease (increase) in accounts receivable—other	(9,485)	(6,466)	(3,315)	(147)	(4,963)	205	(1,951)	7,112	2,836	268
Increase (decrease) in notes and accounts payable—trade	(495)	817	(598)	1,211	974	220	2,724	1,891	(7,111)	4,242
Increase (decrease) in accounts payable—other	1,368	263	(195)	(1,406)	4,591	(1,450)	2,846	4,323	(6,351)	326
Increase (decrease) in advances received	6,519	3,819	817	976	7,876	(313)	3,080	(10,954)	(3,796)	2,491
Decrease (increase) in prepaid pension expenses	(328)	(120)	18	59	146	420	3,816	—	—	—
(Increase) decrease in asset for retirement benefits	—	—	—	—	—	—	(3,446)	(819)	2,071	(1,324)
(Decrease) increase in liability for retirement benefits	—	—	—	—	—	—	5,772	(90)	—	—
Changes in other assets and liabilities—net	4,064	3,184	1,675	5,105	4,975	2,325	(1,400)	7,830	3,725	900
<b>Total Adjustment</b>	<b>43,455</b>	<b>53,770</b>	<b>50,717</b>	<b>59,695</b>	<b>60,385</b>	<b>52,558</b>	<b>49,246</b>	<b>65,133</b>	<b>31,164</b>	<b>35,880</b>
Interest and dividends received	1,523	1,593	907	684	536	535	545	631	545	500
Interest paid	(42)	(57)	(64)	(107)	(297)	(867)	(1,421)	(2,422)	(3,226)	(3,923)
Business structure improvement expenses paid	—	—	—	—	—	—	(46)	(2,024)	—	—
Information security management expenses paid	—	—	—	—	—	—	—	(21,366)	—	—
Income taxes paid	(17,453)	(16,642)	(21,250)	(15,335)	(25,876)	(18,518)	(19,310)	(13,865)	(6,463)	(7,990)
Income taxes refund	—	—	—	—	5,882	—	3,281	1,753	4,177	770
<b>Net Cash (Used in) Provided by Investing Activities</b>	<b>(15,152)</b>	<b>(5,217)</b>	<b>(36,449)</b>	<b>(14,632)</b>	<b>(33,524)</b>	<b>(23,012)</b>	<b>(24,729)</b>	<b>3,048</b>	<b>(26,191)</b>	<b>(436)</b>
Purchases of marketable securities	(15,074)	(66,034)	(59,169)	(73,627)	(56,541)	(74,464)	(82,221)	(24,758)	(64,616)	(64,014)
Proceeds from sales of marketable securities	24,939	73,881	55,177	70,435	59,952	72,078	80,031	56,447	53,518	72,427
Purchases of tangible fixed assets	(5,727)	(7,454)	(5,350)	(4,973)	(5,610)	(5,245)	(8,434)	(6,319)	(5,736)	(4,325)
Proceeds from sales of tangible fixed assets	227	37	4	53	15	849	1,650	1,429	2,003	7,385
Purchases of software	(6,547)	(6,083)	(13,680)	(11,768)	(10,146)	(8,802)	(12,563)	(12,296)	(7,028)	(5,938)
Purchases of investment securities	(14,688)	(4,854)	(2,965)	(6,054)	(6,363)	(5,768)	(3,997)	(2,262)	(4,059)	(2,146)
Proceeds from sales of investment securities	9,580	3,878	5,034	11,565	4,498	1,316	2,047	668	1,664	1,175
Cash decrease due to acquisition of controlling interest in a company	(10,259)	—	(5,725)	—	—	—	(313)	(1,179)	—	—
Cash decrease due to sale of interests in subsidiary previously consolidated	—	—	(1,000)	—	—	—	(477)	—	—	—
Purchases of investments in a consolidated subsidiary	—	—	—	—	(10,683)	—	—	—	—	—
Proceeds from sales of investments of a consolidated subsidiary	—	4,470	—	229	—	—	—	—	—	—
Additional acquisition of shares of a consolidated subsidiary	—	—	—	—	(4,006)	—	(302)	(1,092)	—	—
Payments for transfer of business	—	(690)	—	—	—	—	—	—	—	—
Proceeds from transfer of business	—	100	—	153	297	—	—	—	—	—
Payments for absorption-type of company split	—	—	(1,681)	—	—	—	—	—	—	—
(Increase) decrease in time deposits—net	(231)	911	(2,510)	2,953	(1,918)	(1,449)	1,775	(3,457)	806	(3,511)
Other—net	2,629	(3,378)	(4,581)	(3,599)	(3,018)	(1,525)	(1,923)	(4,132)	(2,743)	(1,488)
<b>Net Cash (Used in) Provided by Financing Activities</b>	<b>(13,825)</b>	<b>(23,261)</b>	<b>(11,711)</b>	<b>12,923</b>	<b>(11,254)</b>	<b>(11,270)</b>	<b>(14,514)</b>	<b>(13,112)</b>	<b>(3,236)</b>	<b>(11,994)</b>
(Decrease) increase in short-term bank loans—net	391	440	(722)	(970)	(197)	(269)	—	(786)	—	—
Proceeds from long-term debt	—	—	—	25,019	5,000	—	—	5,071	32,805	—
Repayment of long-term debt	(828)	(668)	(280)	(304)	(44)	(259)	(250)	(6,269)	(25,027)	(9)
Dividends paid	(9,199)	(9,065)	(8,888)	(9,125)	(9,315)	(9,234)	(9,185)	(9,137)	(9,137)	(9,136)
Proceeds from exercise of stock options	294	408	337	499	—	—	—	—	—	—
Purchases of treasury stock	(3,696)	(13,264)	(1,514)	(18)	(5,339)	(2)	(3,723)	(3)	—	—
Purchases of treasury stock by consolidated subsidiaries	(560)	(668)	(0)	(1,117)	(0)	—	—	—	—	—
Repayments of lease obligations	—	—	—	(799)	(1,089)	(1,262)	(1,431)	(1,723)	(1,858)	(2,155)
Other—net	(224)	(443)	(642)	(258)	(267)	(242)	75	(262)	(17)	(693)
<b>Foreign Currency Translation Adjustment on Cash and Cash Equivalents</b>	<b>(94)</b>	<b>(4,380)</b>	<b>443</b>	<b>(1,712)</b>	<b>(601)</b>	<b>1,433</b>	<b>2,982</b>	<b>1,343</b>	<b>(1,368)</b>	<b>(2,160)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(1,587)</b>	<b>5,803</b>	<b>(17,406)</b>	<b>41,516</b>	<b>(4,748)</b>	<b>859</b>	<b>(3,966)</b>	<b>19,119</b>	<b>(4,600)</b>	<b>10,645</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>73,365</b>	<b>71,777</b>	<b>77,581</b>	<b>60,174</b>	<b>101,691</b>	<b>96,942</b>	<b>97,802</b>	<b>93,835</b>	<b>112,955</b>	<b>108,355</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>¥ 71,777</b>	<b>¥ 77,581</b>	<b>¥ 60,174</b>	<b>¥ 101,691</b>	<b>¥ 96,942</b>	<b>¥ 97,802</b>	<b>¥ 93,835</b>	<b>¥ 112,955</b>	<b>¥ 108,355</b>	<b>¥ 119,001</b>

Notes: 1. As proceeds from long-term debt and repayments of lease obligations included in other—net under financing activities have increased in importance, they are separately presented from the fiscal year ended March 31, 2011.

2. Business structure improvement expenses, and business structure improvement expenses paid included in other non-cash income and expenses-net, and decrease (increase) in inventories under net cash provided by operating activities are separately presented from the fiscal year ended March 31, 2015, as they have increased in importance. To reflect this presentation method, figures from the year ended March 31, 2014, have been restated.

3. (Decrease) increase in liability for retirement benefits, which had been presented as a separate item under net cash provided by operating activities, and purchases of treasury stock, which had been presented as a separate item under net cash (used in) provided by financing activities, have been included under other-net from the fiscal year ended March 31, 2016 due to their decreased materiality.

# Segment Information

Benesse Holdings, Inc. and Consolidated Subsidiaries

From the fiscal year ended March 31, 2017, the Company changed its reportable segments. Figures for the fiscal year ended March 31, 2015 and 2016 have been restated in line with the new segments.

## Before Change

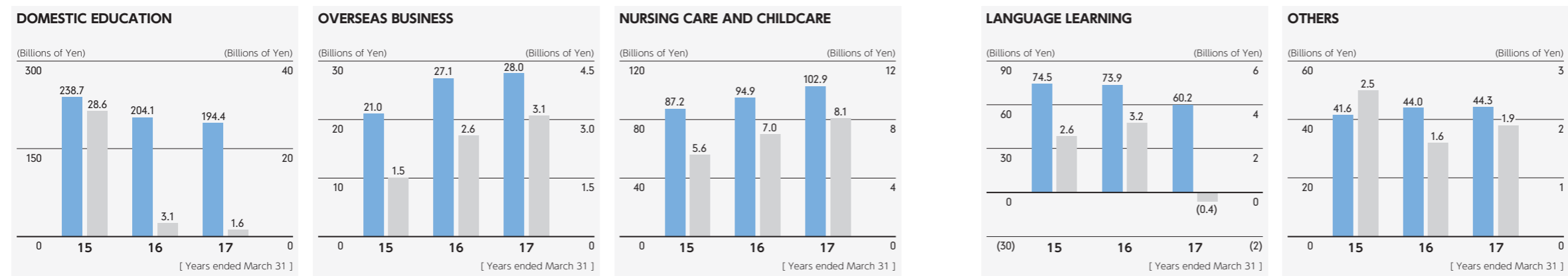
Years ended March 31	Millions of Yen					
	2010	2011	2012	2013	2014	2015
<b>Net Sales</b>	<b>¥406,602</b>	<b>¥412,828</b>	<b>¥423,706</b>	<b>¥450,182</b>	<b>¥466,399</b>	<b>¥463,264</b>
Domestic Education	240,011	240,576	240,178	256,246	253,499	238,815
Overseas Education	7,670	9,394	10,830	13,041	17,818	21,006
Lifestyle	30,587	28,260	25,337	22,925	20,938	15,324
Senior/Nursing Care	44,612	58,897	66,539	73,907	79,598	87,271
Language/Global Leadership Training	53,794	53,989	59,427	61,547	70,830	74,570
Others	29,926	21,709	21,392	22,515	23,713	26,276
<b>Operating Income (Loss)</b>	<b>37,889</b>	<b>42,867</b>	<b>33,797</b>	<b>38,145</b>	<b>35,830</b>	<b>29,227</b>
Domestic Education	38,380	40,619	32,857	37,316	32,489	26,202
Overseas Education	(983)	(691)	(1,343)	(1,361)	(698)	1,367
Lifestyle	(1,524)	(473)	(1,277)	(1,072)	(232)	(826)
Senior/Nursing Care	3,009	4,078	4,668	4,897	5,869	5,610
Language/Global Leadership Training	313	767	543	568	1,850	2,699
Others	1,212	952	979	1,887	1,084	2,037
Reconciliations	(2,518)	(2,385)	(2,631)	(4,090)	(4,532)	(7,863)

Notes: 1. Segment sales are based on sales to external customers, and intersegment sales or transfers are not included.  
2. Operating income (loss) for each segment is before eliminations in consolidated totals.

Years ended March 31	Millions of Yen		
	2015	2016	2017
<b>After Change Net Sales</b>	<b>¥463,264</b>	<b>¥444,190</b>	<b>¥430,064</b>
Domestic Education	238,732	204,157	194,406
Overseas Business	21,006	27,114	28,046
Nursing Care and Childcare	87,271	94,966	102,996
Language Learning	74,570	73,912	60,282
Others	41,683	44,039	44,331
<b>Operating Income (Loss)</b>	<b>29,227</b>	<b>10,862</b>	<b>7,685</b>
Domestic Education	28,664	3,117	1,671
Overseas Business	1,573	2,641	3,136
Nursing Care and Childcare	5,610	7,023	8,186
Language Learning	2,699	3,234	(479)
Others	2,590	1,697	1,996
Reconciliations	(11,910)	(6,852)	(6,825)

Notes: 1. Segment sales are based on sales to external customers, and intersegment sales or transfers are not included.  
2. From the fiscal year ended March 31, 2017, the Company has changed its classification of segments in line with a reorganization. Figure for the fiscal year ended March 31, 2015 and the fiscal year ended March 31, 2016 have been restated to reflect the new segments. Figures for the fiscal year ended March 31, 2015 have not been audited.  
3. Operating income (loss) for each segment is before eliminations in consolidated totals.

## AFTER CHANGE





# Business Data

Benesse Holdings, Inc. and Consolidated Subsidiaries

	Thousands of Students									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Shinkenzeni Enrollments as of April (Domestic + Overseas)</b>	<b>4,300</b>	<b>4,470</b>	<b>4,600</b>	<b>4,680</b>	<b>4,870</b>	<b>4,670</b>	<b>4,570</b>	<b>3,770</b>	<b>3,680</b>	<b>3,810</b>
<b>Domestic Enrollments</b>	<b>3,960</b>	<b>4,040</b>	<b>4,080</b>	<b>4,030</b>	<b>4,090</b>	<b>3,850</b>	<b>3,650</b>	<b>2,710</b>	<b>2,430</b>	<b>2,450</b>
Senior High School Courses	310	340	340	300	320	310	280	170	150	150
Junior High School Courses	750	770	760	740	780	730	690	450	390	400
Elementary School Courses	1,660	1,710	1,770	1,800	1,840	1,760	1,660	1,330	1,150	1,160
<i>Kodomo Challenge</i> (Preschool Courses)	1,240	1,220	1,210	1,180	1,150	1,050	1,020	760	740	740
<b>Overseas Enrollments</b>	<b>340</b>	<b>430</b>	<b>520</b>	<b>650</b>	<b>780</b>	<b>820</b>	<b>920</b>	<b>1,060</b>	<b>1,250</b>	<b>1,360</b>
China	100	150	220	340	480	510	600	730	930	1,080
Taiwan	170	160	170	170	170	180	180	170	160	150
South Korea	70	120	130	140	130	130	140	160	150	130

Note: Overseas enrollments from April 2014, including enrollment in preschool correspondence courses in South Korea based on a licensing contract.

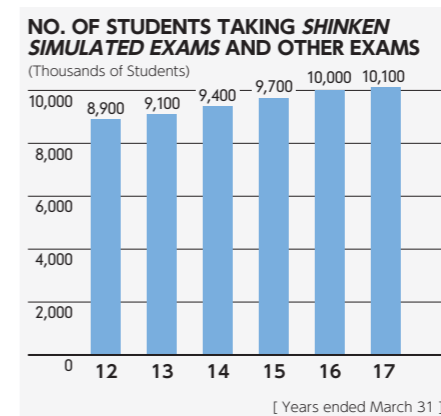
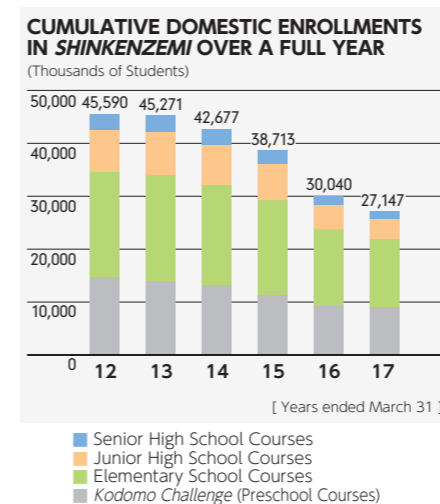
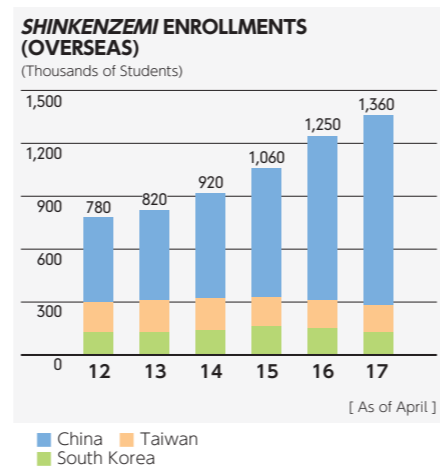
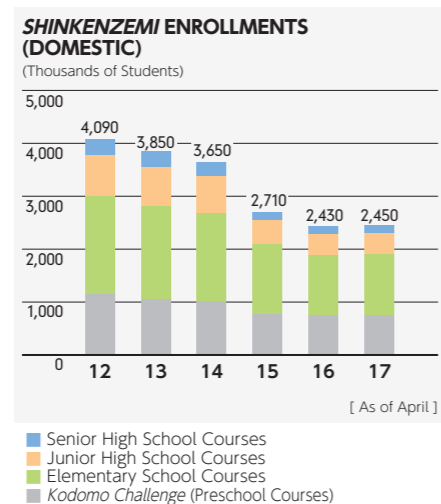
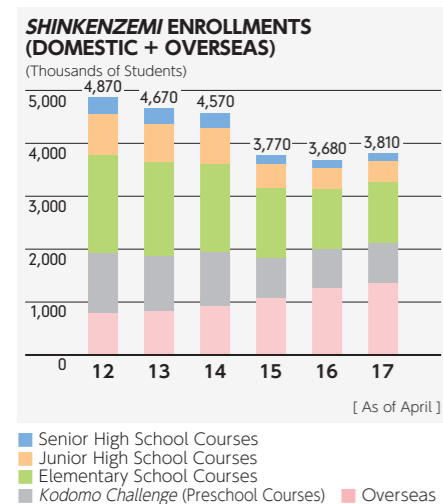
	Thousands of Students									
Years ended March 31	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Cumulative Domestic Enrollments in Shinkenzeni Over a Full Year</b>	<b>43,413</b>	<b>43,900</b>	<b>45,512</b>	<b>45,935</b>	<b>45,590</b>	<b>45,271</b>	<b>42,677</b>	<b>38,713</b>	<b>30,040</b>	<b>27,147</b>
Senior High School Courses	3,060	3,279	3,418	3,428	3,150	3,188	3,052	2,698	1,765	1,476
Junior High School Courses	7,903	7,967	8,113	7,923	7,925	8,058	7,583	6,838	4,416	3,855
Elementary School Courses	17,733	18,395	18,911	19,540	19,906	20,092	18,973	17,845	14,667	12,768
<i>Kodomo Challenge</i> (Preschool Courses)	14,716	14,257	15,068	15,042	14,608	13,931	13,067	11,330	9,189	9,047

Notes: 1. Cumulative enrollment is the sum of enrollment for each month from April to March of each year.

2. From the fiscal year ended March 31, 2011, cumulative enrollment for *Kodomo Challenge baby* is included in cumulative enrollment for *Kodomo Challenge*. Therefore, the cumulative enrollment figures for *Kodomo Challenge* in the year ended March 31, 2010 have also been stated including cumulative enrollment for *Kodomo Challenge baby*. The cumulative enrollment for *Kodomo Challenge baby* for the fiscal year ended March 31, 2011 was 1.33 million, and for the fiscal year ended March 31, 2010 it was 1.25 million.

	Thousands of Students									
Years ended March 31	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Number of Students Taking Shinken Simulated Exams and Other Exams</b>	<b>7,300</b>	<b>7,700</b>	<b>8,100</b>	<b>8,400</b>	<b>8,900</b>	<b>9,100</b>	<b>9,400</b>	<b>9,700</b>	<b>10,000</b>	<b>10,100</b>

Note: Cumulative enrollment for Shinken Simulated Exams and other exams is retrospectively restated as the total number of enrollments in *Shinken Simulated Exams, Study Support, and Course Map*.



# Business Data

Benesse Holdings, Inc. and Consolidated Subsidiaries

Thousands of Lessons

Years ended December 31	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Number of Berlitz Lessons (Company Operated)</b>	<b>7,145</b>	<b>7,256</b>	<b>6,216</b>	<b>6,038</b>	<b>6,506</b>	<b>7,007</b>	<b>6,737</b>	<b>6,496</b>	<b>6,232</b>	<b>6,232</b>
North America	966	906	756	740	—	—	—	—	—	—
Latin America	1,462	1,453	1,174	1,214	—	—	—	—	—	—
Americas	—	—	—	1,954	2,058	2,035	1,921	1,803	1,674	1,569
Europe	2,647	2,844	2,649	2,453	2,727	3,177	3,093	3,006	2,931	3,081
Asia	2,068	2,051	1,636	1,630	1,720	1,793	1,723	1,685	1,626	1,581

Notes: 1. At Telalangue SA, which became a subsidiary of Berlitz Corporation in August 2011, the number of lessons previously included undelivered lessons at the end of the customers' contract periods. However, since Telalangue has established a management system for aggregating lesson numbers, the undelivered lessons have been excluded from the figures for Europe and for the total number from the fiscal year ended December 31, 2014. Figures for the fiscal year ended December 31, 2013 have been retrospectively restated on this basis.

The numbers of undelivered lessons that have been excluded for the fiscal year ended December 31, 2014 and the fiscal year ended December 31, 2013 were 63 thousand lessons and 100 thousand lessons, respectively.

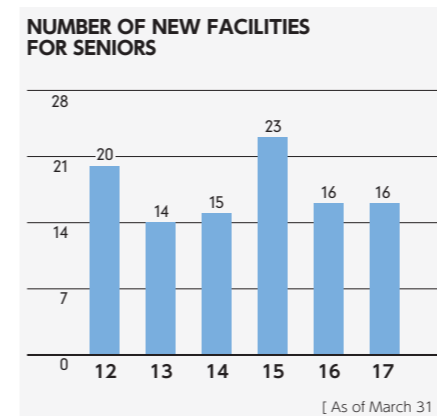
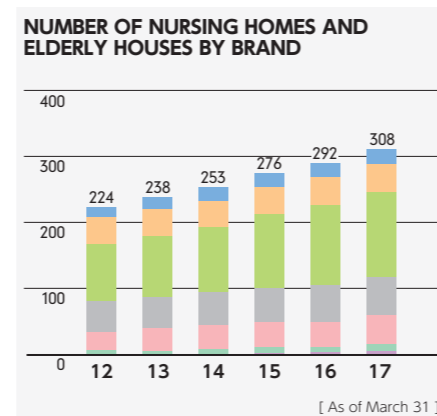
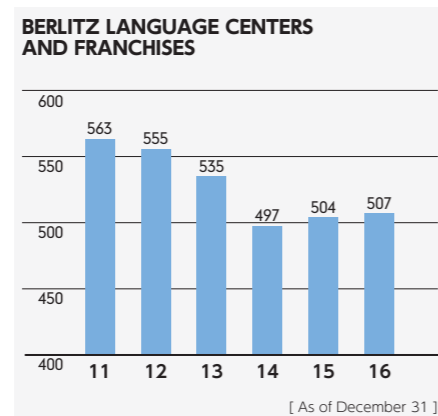
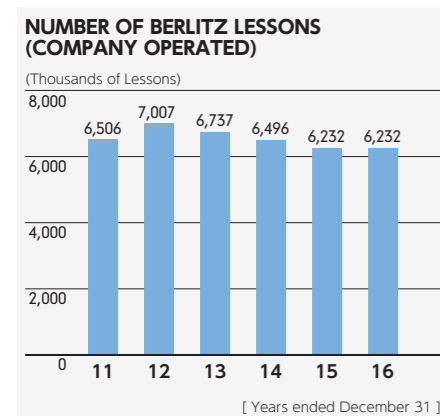
2. From the fiscal year ended December 31, 2011, North America and Latin America have been combined as "Americas."

As of December 31	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Berlitz Language Centers and Franchises</b>	<b>557</b>	<b>561</b>	<b>567</b>	<b>570</b>	<b>563</b>	<b>555</b>	<b>535</b>	<b>497</b>	<b>504</b>	<b>507</b>
Berlitz Language Centers (Company Operated)	385	380	379	375	374	370	345	307	305	304
Berlitz (Franchises)	92	101	108	111	112	108	112	113	120	125
ELS (Company Operated)	46	49	51	57	61	64	64	66	69	70
ELS (Franchises)	34	31	29	27	16	13	14	11	10	8

As of March 31	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Number of Nursing Homes and Elderly Houses by Brand</b>	<b>129</b>	<b>139</b>	<b>172</b>	<b>204</b>	<b>224</b>	<b>238</b>	<b>253</b>	<b>276</b>	<b>292</b>	<b>308</b>
Aria	11	11	12	15	16	18	20	21	21	22
Clara	37	39	40	40	40	40	40	41	42	42
Granny & Granda	51	59	67	77	87	92	99	112	122	130
Madoka	30	30	31	43	46	48	49	52	55	57
Bon Sejour	—	—	22	29	31	34	37	38	39	43
Cocochi	—	—	—	—	4	6	8	11	11	12
Li-Re	—	—	—	—	—	—	—	1	2	2
<b>Number of New Facilities</b>	<b>14</b>	<b>10</b>	<b>11</b>	<b>25</b>	<b>20</b>	<b>14</b>	<b>15</b>	<b>23</b>	<b>16</b>	<b>16</b>
<b>Number of Succeeded Facilities</b>	<b>—</b>	<b>—</b>	<b>22</b>	<b>7</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

Notes: 1. On April 1, 2012, Benesse Style Care Co., Ltd. merged as the surviving company with Bon Sejour Corporation. Since the fiscal year-end for Bon Sejour Corporation was at the end of February, the data for *Bon Sejour* and *Cocochi* prior to the end of March 2012 uses the figures at the end of February.

2. The number of new facilities includes the number of facilities reduced through closure and consolidation.



■ Aria  
■ Clara  
■ Granny & Granda  
■ Madoka  
■ Bon Sejour  
■ Cocochi  
■ Li-Re

# Indicators

Benesse Holdings, Inc. and Consolidated Subsidiaries

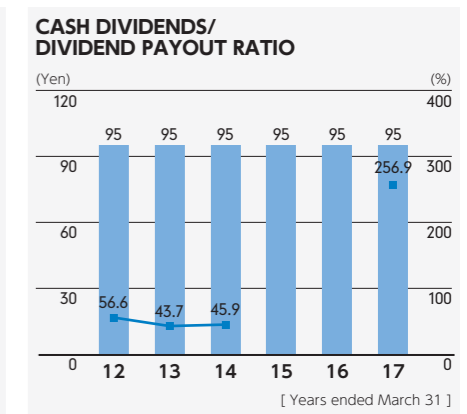
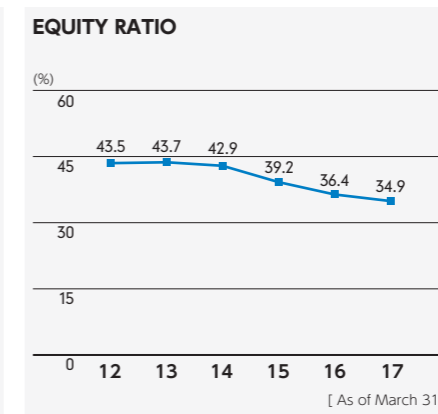
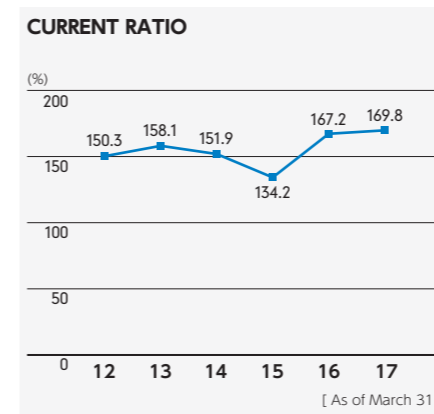
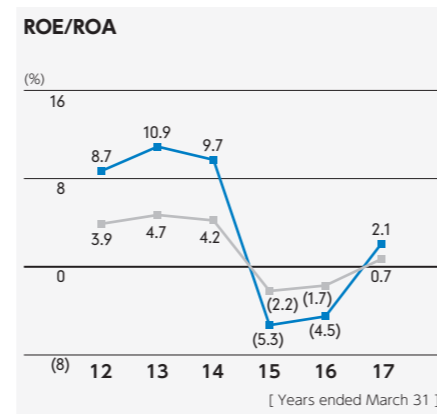
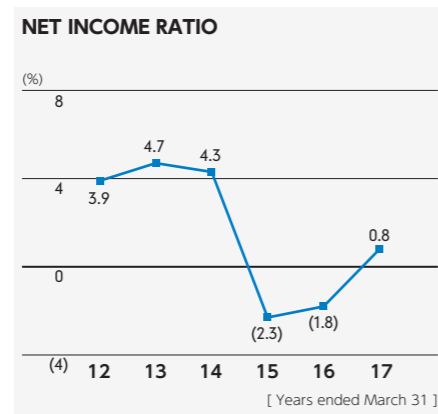
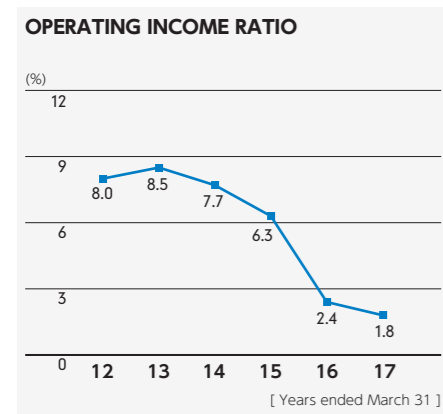
Years ended March 31	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Profitability:</b>										
Operating income ratio (%)	9.1	9.5	9.3	10.4	8.0	8.5	7.7	6.3	2.4	1.8
Net income ratio (%)	4.0	2.6	5.4	5.0	3.9	4.7	4.3	(2.3)	(1.8)	0.8
Return on equity (ROE) (%)	7.8	5.9	12.9	11.3	8.7	10.9	9.7	(5.3)	(4.5)	2.1
Return on assets (ROA) (%)	4.3	3.0	6.3	5.4	3.9	4.7	4.2	(2.2)	(1.7)	0.7
Operating income per employee (thousands of yen)	2,528	2,656	2,467	2,538	1,784	1,932	1,791	1,450	527	365
Net income (loss) per employee (thousands of yen)	1,120	725	1,424	1,219	864	1,071	996	(531)	(398)	169
Number of employees	13,796	14,726	15,353	16,888	18,941	19,739	20,005	20,145	20,607	21,022

<b>Growth Trends:</b>										
(Decrease) increase of net sales (%)	8.4	7.3	(1.5)	1.5	2.6	6.2	3.6	(0.7)	(4.1)	(3.2)
(Decrease) increase of operating income (%)	11.4	12.2	(3.2)	13.1	(21.2)	12.9	(6.1)	(18.4)	(62.8)	(29.2)
(Decrease) increase of net income (%)	(15.2)	(30.9)	104.8	(5.9)	(20.5)	29.2	(5.8)	—	—	—

<b>Stability:</b>										
Current ratio (%)	125.4	121.7	128.9	156.4	150.3	158.1	151.9	134.2	167.2	169.8
Fixed assets ratio (%)	94.2	96.9	96.3	89.0	104.1	102.0	104.5	121.1	129.0	131.9
Equity ratio (%)	54.2	47.5	49.7	46.2	43.5	43.7	42.9	39.2	36.4	34.9
Liquidity (months)	2.9	2.5	2.5	3.0	3.5	3.4	3.4	3.4	3.6	3.9
Debt-to-equity ratio (%)	1.2	1.6	2.4	9.0	19.7	25.0	27.5	33.9	46.4	58.6
Interest coverage (times)	848.4	697.5	597.2	504.4	118.0	44.5	25.6	12.3	3.5	2.1

<b>Per Share of Common Stock:</b>										
Net income (loss) (yen)	151.54	106.98	221.65	208.47	167.79	217.54	206.79	(111.30)	(85.37)	36.98
Cash dividends (yen)	90	90	90	95	95	95	95	95	95	95
Dividend payout ratio (%)	59.4	84.1	40.6	45.6	56.6	43.7	45.9	—	—	256.9

- Notes: 1. ROE and ROA are calculated using the average amounts of equity and total assets at the beginning and end of each fiscal year.  
 2. Liquidity = (Cash and time deposits (yearly average) + marketable securities (yearly average)) / average monthly sales  
 3. Debt-to-equity ratio = Interest-bearing liabilities (yearly average) / equity (yearly average) x 100  
 4. Interest coverage = (Operating income + interest and dividend income) / interest expense  
 5. The computation of net income (loss) per share of common stock is based on the weighted-average number of shares of common stock outstanding during each year.



[Human Resources]

Ratio of Female Employees and Managers at Benesse Corporation As of April; regular employees

	2013		2014		2015		2016		2017	
	Male Female	Ratio of female employees	Male Female	Ratio of female employees	Male Female	Ratio of female employees	Male Female	Ratio of female employees	Male Female	Ratio of female employees
Number of employees	1,290 1,514	54%	1,141 1,476	56%	1,233 1,426	54%	1,046 1,297	55%	997 1,266	56%
Section leader	193 115	37%	210 92	30%	177 81	31%	171 81	32%	150 71	32%
General manager	55 14	20%	33 5	13%	35 12	26%	53 16	23%	50 19	28%
Executive	7 3	30%	4 2	33%	5 2	29%	7 2	22%	9 2	18%

Ratio of Employees with Disabilities in the Benesse Group As of March 1

	2013	2014	2015	2016	2017
Ratio of Employees with Disabilities	2.04%	2.32%	2.33%	2.11%	2.23%

\* Ratio of employees with disabilities at Group companies subject to the Employment Quota System for Persons with Disabilities  
 \* In March 2016, the Group expanded the scope of data collection for this statistic, which temporarily lowered the ratio of employees with disabilities; however, the Group plans to proactively increase the ratio going forward

Number of Employees Who Took Childcare Leave and Returned From Leave at Benesse Style Care Co., Ltd. and Benesse Corporation Years ended March 31

	2013		2014		2015		2016		2017
	Number of employees taking leave	Number of returnees (ratio)	Number of employees taking leave	Number of returnees (ratio)	Number of employees taking leave	Number of returnees (ratio)	Number of employees taking leave	Number of returnees (ratio)	Number of employees taking leave
Benesse Style Care Co., Ltd. (Regular employees, contract employees, semi-full time staff)	76	62 (81.5%)	110	83 (75.5%)	148	117 (79.1%)	156	129 (87.1%)	166
Benesse Corporation (Regular employees, specified job employees, contract employees)	100	87 (87.0%)	95	83 (87.4%)	104	93 (89.4%)	94	82 (87.2%)	94

\* Returnees: Employees who return to work within the time limit for leave under each company's system

Number of Employees Receiving Childcare Allowance As of April

	2013	2014	2015	2016	2017
Benesse Style Care Co., Ltd. (Regular employees, contract employees, semi-full time staff)	53	79	110	137	137
Benesse Corporation (Regular employees, specified job employees, contract employees)	113	131	108	152	128

Number of Employees Receiving Childcare Allowance at Benesse Style Care Co., Ltd. As of April (As of May from 2015)

	2013	2014	2015	2016	2017
Number of Employees	168	207	232	258	314

[Environment]

As of March

	Unit	2013	2014	2015	2016	2017
Electricity Consumption	Million kWh	8.66	9.40	9.01	7.92	7.91
Paper Consumption	t	94,334	86,286	62,992	60,060	54,166
Water Consumption	m³	59,110	55,002	60,254	60,340	58,293
CO <sub>2</sub> emissions	t	4,202	5,282	5,471	4,717	4,787
Waste materials (paper)	t	2,268	2,514	2,907	2,850	2,217
Waste materials (industrial waste)	t	1,002	1,028	994	971	609

\* The electricity and water consumption data are for the Okayama Headquarters, Tokyo Head Office (Tama Office), and Benesse Logistics Center only.  
 \* Paper consumption excludes printing paper for use in offices.  
 \* CO<sub>2</sub> emissions are for electricity consumption only.  
 \* Waste materials (paper) are for correspondence courses and mail order sales only.  
 \* Waste materials (industrial waste) emissions are calculated for the Okayama Headquarters, Tokyo Head Office (Tama Office) and distribution bases (Okayama, Kanagawa, Saitama, Gunma) only.

Benesse Corporation has set the following targets for reducing its greenhouse gas emissions over the medium and long term, taking fiscal 2013 as the reference year.

	Every fiscal year	2031	2051
Reduction ratio taking fiscal 2013 as 100%	2.1% or more	31%	55%

\* The above reductions targets cover scope 1, scope 2, and scope 3.  
 Scope 1: Benesse's own direct greenhouse gas emissions  
 Scope 2: Indirect emissions from use of electricity, heat or steam provided by third parties  
 Scope 3: Emissions from Benesse's value chain  
 \* Scope 3 categories include: category 1 (purchased goods and services), categories 4 and 9 (upstream and downstream transportation and distribution), category 5 (waste generated in operations), category 6 (business travel), category 7 (employee commuting), category 8 (upstream leased assets), category 11 (use of sold products), and category 12 (end-of-life treatment of sold products)  
 \* Scope of organizations covered: 11 Benesse corporation offices, including offices in Japan and a branch in Taipei.

As of March

Unit: t-CO <sub>2</sub>	2014 (Reference fiscal year)	2016 (Reporting year)		Reduction rate from reference year	Target achievement rate in the reporting year
		Target	Result		
Scope 1	11,025		162		
Scope 2	9,352		9,234		
Scope 3	24,471,911	23,463,612	9,698,772	60.4%	141.4%
Total for scope 1, 2, and 3	24,492,288		9,708,167		

【Third-Party Verification】  
 To improve the reliability of the Company's CO<sub>2</sub> emissions volume performance, it received third-party verification from the Japan Quality Assurance Organization for its data in scope 1, scope 2, and scope 3 for fiscal 2015 for the following categories: category 1 (purchased goods and services), categories 4 and 9 (upstream and downstream transportation and distribution), category 5 (waste generated in operations), category 6 (business travel), category 7 (employee commuting), category 8 (upstream leased assets), category 11 (use of sold products), and category 12 (end-of-life treatment of sold products)

DOMESTIC EDUCATION

1. Overview

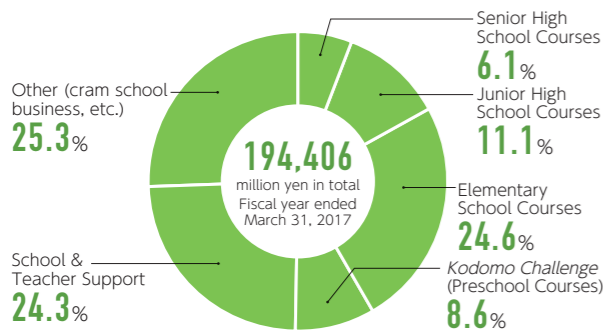
The Domestic Education Company is a core business segment, accounting for 45.2% of the Benesse Group's consolidated sales in fiscal 2016. The main products in this segment are *Shinkenzenmi* and *Kodomo Challenge*, correspondence courses for children of all ages up to 18. About 13% of children in Japan are enrolled in these courses. The Benesse Group is enhancing personalized support and interactivity by combining tablets and other digital study materials as well as paperbased study materials with human support such as the Red Pen Teachers. In this manner, the Group is developing products and services that are finely calibrated to increasingly diverse and individualized customer needs. In addition to correspondence courses, the Group provides a variety of education programs for senior high schools such as *Shinken Simulated Exams* (mock university entrance examinations) and *Study Support*, a learning assessment study aid. We also provide a range of educational services, such as cram and prep schools and preschool and elementary school English-learning materials, as well as English language classes for children to respond to their diversifying study methods and needs.

BREAKDOWN OF NET SALES

(Millions of Yen)	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017	Change	Change (%)
Senior High School Courses	14,864	11,930	(2,933)	(19.7)
Junior High School Courses	24,328	21,544	(2,783)	(11.4)
Elementary School Courses	55,459	47,895	(7,563)	(13.6)
<i>Kodomo Challenge</i> (Preschool Courses)	16,996	16,757	(238)	(1.4)
Subtotal	111,648	98,128	(13,519)	(12.1)
School & Teacher Support	46,083	47,152	1,068	2.3
Other (cram school business, etc.)	46,425	49,125	2,700	5.8
Total Domestic Education	204,157	194,406	(9,750)	(4.8)

\* Net sales by segment does not include intersegment sales or transfers.

BREAKDOWN OF NET SALES



Shinkenzenmi

*Shinkenzenmi* is Benesse's correspondence course brand. Course materials are designed entirely for self-study and the students can choose how they want to use them—to supplement their school-based learning or to help them pass entrance exams. Most students use *Shinkenzenmi* after they return home from school. *Shinkenzenmi* homework and course materials are sent by mail to students once a month\*. Students return completed work for marking within a set time to Red Pen Teachers, specialist coursework markers. One of the strengths of *Shinkenzenmi* is that it can be customized to individual student needs by matching coursework with textbooks used at school, the pace of learning, levels of ability, regional differences, or in coordination with the entrance exam of a school the student is planning to take.

\* Details differ for each course.

SHINKENZEMI AND KODOMO CHALLENGE

	April 2016		April 2017	
	Enrollments (Thousands)	Share* (%)	Enrollments (Thousands)	Share* (%)
Senior High School Courses	150	4.1	150	4.3
Junior High School Courses	390	11.2	400	11.8
Elementary School Courses	1,150	18.0	1,160	18.2
<i>Kodomo Challenge</i> (Preschool Courses)	740	14.0	740	14.0
Total	2,430	12.9	2,450	13.2

	Fiscal year ended March 31, 2017
Average monthly fee per person (Yen)	8,083
Senior High School Courses	8,083
Junior High School Courses	5,589
Elementary School Courses	3,751
<i>Kodomo Challenge</i> (Preschool Courses)	1,852
Total	3,615

\* Share is the proportion of enrollees relative to the target population. Share for April 2016 has been calculated based on figures from the 2015 national survey.

Shinken Simulated Exams

Benesse provides *Shinken Simulated Exams*, mock university entrance exams for senior high school students. In addition, it also provides *Study Support*, which helps students choose and plan their optimal educational path. Benesse programs and services were used in approx. 90% of senior high schools across Japan.

2. Market Trends

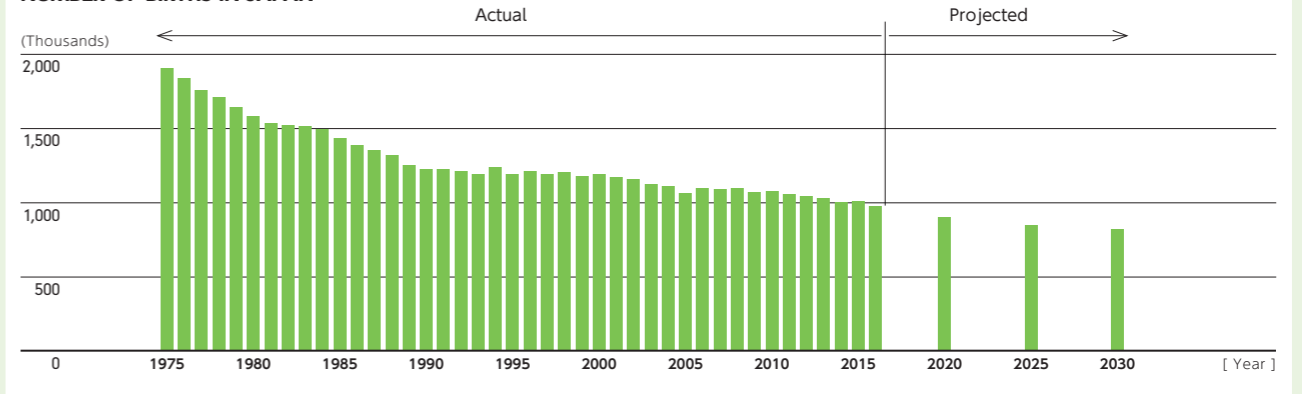
The annual number of births in Japan peaked at 2 million in 1975, and has been on a downward trend ever since. In 2016, the number of births had decreased by nearly half of the peak level, at 0.97 million. Going forward, the number of children is expected to continue to decrease, with the annual number of births projected to decline by around 2% per year on average.

Although Japan's birthrate has continued to decline, the supplementary education market was worth ¥1,471.6 billion in fiscal 2015 and remained mostly on a par with fiscal

2010. The supplementary education market includes cram and prep schools, correspondence courses, tutoring, study guides and workbooks and preschool education.

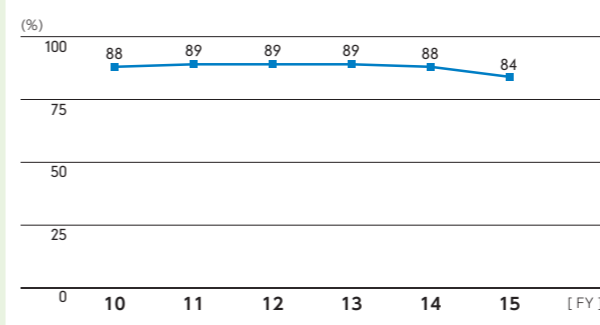
The correspondence course market (for preschool children/elementary to senior high school students) in fiscal 2015 was worth ¥132.3 billion. This figure accounted for 9.0% of the supplementary education market. Benesse has a large share of the correspondence course market, at 84% in fiscal 2015. The size of the cram and prep schools market in fiscal 2015 was ¥957.0 billion, accounting for 65.0% of the supplementary education market as a whole.

NUMBER OF BIRTHS IN JAPAN



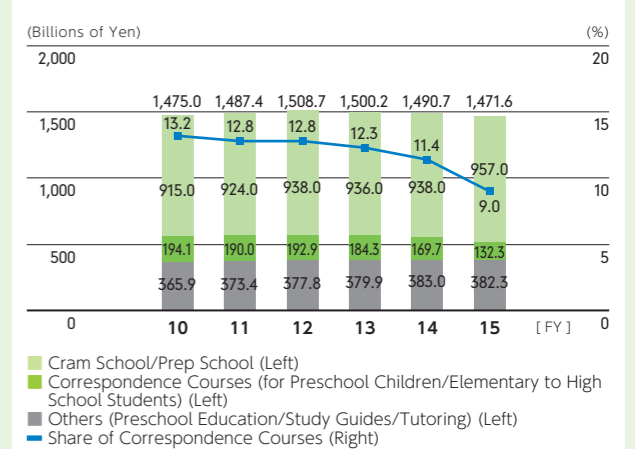
Source: Up to 2016, Vital Statistics, Ministry of Health, Labour and Welfare; from 2020 onward, National Institute of Population and Social Security Research "Population Projection for Japan (January 2017 estimate)"

TRENDS IN BENESSE'S SHARE OF THE CORRESPONDENCE COURSE MARKET



Note: The correspondence course market includes preschool children and elementary to high school students in total. Source: The figures were calculated by Benesse based on data in Yano Research Institute Ltd.'s "Education Industry 2016"

TRENDS IN THE SUPPLEMENTARY EDUCATION MARKET IN JAPAN



Source: The figures were calculated by Benesse based on data in Yano Research Institute Ltd.'s "Education Industry 2016"

### 3. Review of Fiscal 2016

Net sales in the Domestic Education Company in fiscal 2016 amounted to ¥194,406 million, a decrease of 4.8% from the previous fiscal year.

The main factors behind the decline were a drop in cumulative enrollments for the Company's mainstay *Shinkenzeremi* and *Kodomo Challenge* correspondence courses in fiscal 2016.

Operating income declined 46.4% to ¥1,671 million, mainly due to lower sales, despite increased income from cost reduction.

## FREQUENTLY ASKED QUESTIONS

### Q1.

**How does the number of members in April differ from cumulative enrollments?**

### A1.

The former equals the number of members receiving *Shinkenzeremi* materials in April, while cumulative enrollments measures the total number of members receiving any *Shinkenzeremi* materials from April to March of the following year.

### Q2.

**Why are enrollments among senior high school students so much lower than for junior high school students?**

### A2.

In Japan, while about 99% of students graduate to senior high school\*, the proportion of students going on to university or junior college is around 57%. For this reason, the number of senior high school students taking *Shinkenzeremi* courses to prepare for university entrance examinations is significantly fewer than that of junior high school students taking *Shinkenzeremi* courses to get into senior high school.

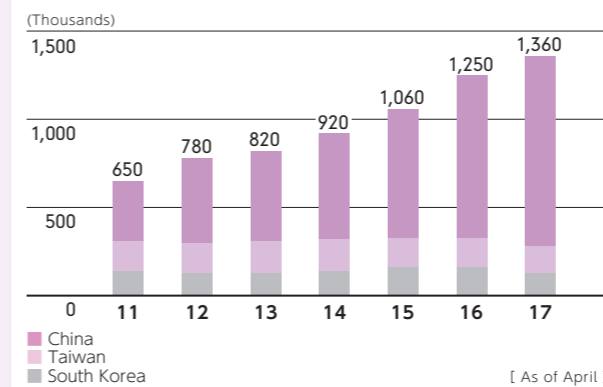
Source: Ministry of Education, Culture, Sports, Science and Technology "FY 2016 School Basic Survey"

## OVERSEAS BUSINESS

### 1. Overview

The Overseas Business Company accounted for 6.5% of the Benesse Group's consolidated sales in fiscal 2016. The Group's current focus is correspondence courses for pre-school children in China and Taiwan and enrollment in both markets is growing steadily. As of April 2017, enrollment in overseas correspondence courses in China stood at 1,080,000, while the figure for Taiwan was 150,000 and for South Korea 130,000 (under a licensing contract), for a total enrollment of 1,360,000.

#### OVERSEAS ENROLLMENTS



\* Enrollments from 2014 onward include enrollment in correspondence courses for preschoolers in South Korea based on a licensing contract.

### 2. Market Trends

China is a colossal market. The number of births in China in 2015 was 16.55 million\*, 17 times greater than the number in Japan (1.0 million). Moreover, in 2016, the Chinese government officially ended the one-child policy that had been in place since 1979 to control the population. This decision is expected to increase China's annual birthrate.

\* Source: Ministry of Internal Affairs and Communications Statistics Bureau "International Statistical Compendium 2017"

### 3. Review of Fiscal 2016

Net sales in the Overseas Business Company in fiscal 2016 amounted to ¥28,046 million, an increase of 3.4% over the previous fiscal year.

The main contributing factor was an increase in cumulative enrollments in correspondence courses in China, which outweighed the negative impact of currency translation due to the yen's appreciation.

Operating income increased 18.8% to ¥3,136 million, mainly reflecting the increase in sales, despite the negative impact of currency translation due to the yen's appreciation.

## FREQUENTLY ASKED QUESTIONS

\* References to Benesse in the main text refer to the Benesse Group.

### Q1.

**What are the target age ranges and prices for courses being developed in China?**

### A1.

In China, the target age ranges for the courses being developed are from newborn to eight years of age (elementary school second grade) and prices average 125 yuan per month. As of April 2017, the membership of children ranging from newborn to age eight in China totaled 1,080,000.

### Q2.

**Is Benesse moving alone in developing business in China?**

### A2.

In China, Benesse launched a local version of our *Kodomo Challenge* preschool correspondence courses in fiscal 2006, marketed under a Chinese brand name. The course is published under license by CWI Publishing House, a branch of our Chinese partner, China Welfare Institute.

**NURSING CARE AND CHILDCARE**

**1. Overview**

The Nursing Care and Childcare Company accounted for 24.0% of the Benesse Group's total consolidated sales in fiscal 2016. Centered on Benesse Style Care, the Nursing Care and Childcare Company operates the nursing home business (nursing homes for seniors and elderly houses with care services), the home help service business for the elderly, and daycare and afterschool childcare centers, among others.

**Nursing homes for seniors and elderly houses with care services**

Benesse nursing homes provide nursing care and other necessary support for elderly residents' daily lives, such as meal provision, and the business centers on day-to-day care of residents in specified nursing homes licensed to provide nursing care. We operate seven different brands of nursing homes and housing for the elderly with various prices and services offered to meet a broad range of customer needs.

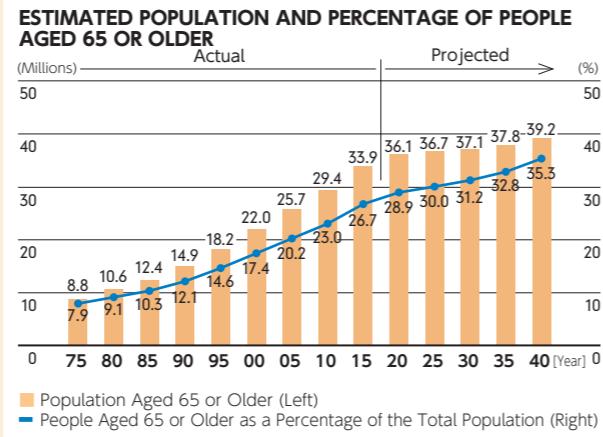
**2. Market Trends**

With the ongoing aging of the population, the number of people who require nursing care has also continued to increase. To resolve the issue of nursing care for elderly, the nursing care insurance system under the social insurance system was enacted in 2000. Since then, the domestic nursing care market\*1 has expanded rapidly, with the total cost of nursing care in fiscal 2014 at ¥8.9 trillion, a 4.6% increase over the previous fiscal year. As of April 2016, the number of people receiving nursing care insurance services in Japan had grown to 5.54 million, an increase of 420,000, or 8.3%, compared to a year earlier.

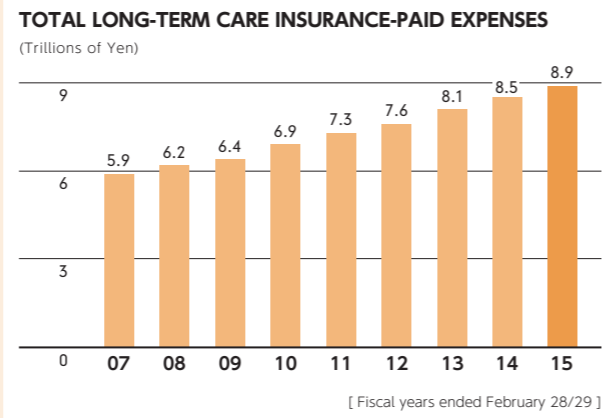
In 2016, Japan's total population continued to age rapidly, with the number of people aged 65 or older topping 27.3% of the total population\*2, an increase of 0.6 of a percentage point compared to the previous year. This trend is projected to continue into the future. By 2025, the number of people aged 65 or older is expected to represent over 30% of the population.

\*1 Source: Ministry of Health, Labour and Welfare "Status Report on the Long-Term Care Insurance Projects"

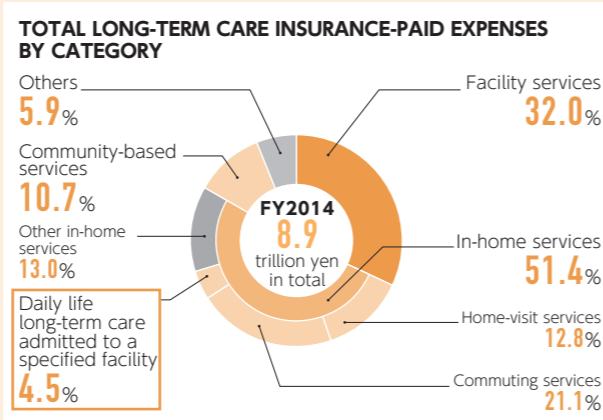
\*2 Source: Ministry of Internal Affairs and Communications Statistics Bureau "Current Population Estimates (as of October 1, 2016)"



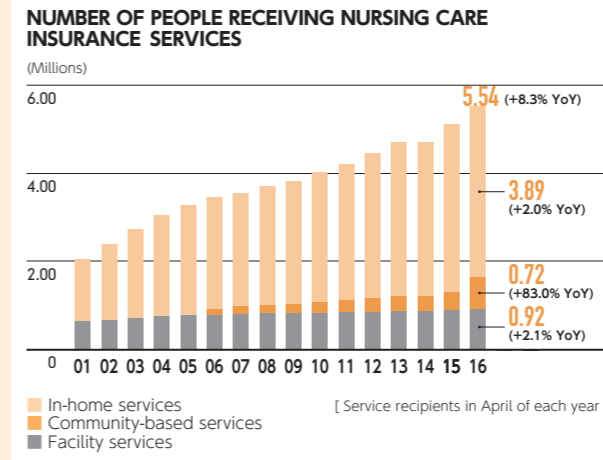
Source: Up to 2015, Ministry of Internal Affairs and Communications Statistics Bureau, "Current Population Estimates"; from 2020 onward, National Institute of Population and Social Security Research "Population Projection for Japan (January 2017 estimate)"



Source: Ministry of Health, Labour and Welfare "Status of Long-term Care Insurance"



Source: Ministry of Health, Labour and Welfare "Status of Long-term Care Insurance"



Source: Ministry of Health, Labour and Welfare "Status Report on the Long-term Care Insurance Projects"

**3. Review of Fiscal 2016**

Net sales in the Nursing Care and Childcare Company in fiscal 2016 were ¥102,996 million, an increase of 8.5% over the previous fiscal year.

The main factor behind the higher sales was steady growth in the number of residents following expansion in the number of nursing homes and elderly houses by 16 locations year on year.

Operating income increased 16.6% to ¥8,186 million, mainly due to higher earnings from increased sales.

**FREQUENTLY ASKED QUESTIONS**

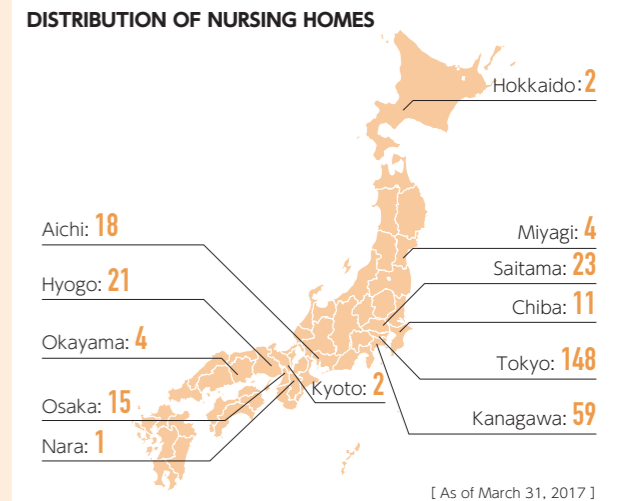
\* References to Benesse in the main text refer to the Benesse Group.

**Q1.** Does Benesse own the nursing homes that it operates?

**A1.** The majority of the facilities are leased properties. As of the end of March 2017, Benesse owned the building or properties of 22 nursing homes, representing 7% of the total 308.

**Q2.** In which parts of Japan is Benesse developing its nursing home business?

**A2.** Benesse is targeting regions of high demand, particularly in and around Tokyo. As of the end of March 2017, the number of nursing homes in the Tokyo metropolitan area was 241, which represented 78% of the total. The other nursing homes are located in major urban areas such as the Kansai region and the Tokai region.



**Q3.** Does Benesse operate daycare and afterschool childcare centers?

**A3.** Benesse started a childcare business in 1994 and has continued to increase the number of its centers since opening the first one. We also started an afterschool childcare business in 2014. As of April 2017, Benesse operates 50 daycare centers and 18 afterschool childcare centers.

## LANGUAGE LEARNING

### 1. Overview

The Language Learning Company accounted for 14.0% of the Benesse Group's overall net sales in fiscal 2016. The U.S.-based subsidiary Berlitz Corporation operates 507 language centers in more than 70 countries and regions worldwide, making it the largest language and global leadership training company in the world.

#### NUMBER OF BERLITZ LANGUAGE CENTERS

Region	Berlitz	ELS	Total
Americas	137	68	205
Europe	208	3	211
Asia	84	7	91
Total	429	78	507

\* Including franchises

[ As of December 31, 2016 ]

### 2. Market Trends

The worldwide language learning market\*<sup>1</sup> was US\$54.1 billion in 2015, decreasing 3.9% compared to 2013. The overall size of the market is gradually shrinking due to the

adoption of cost-efficient products and services using the Internet and other technologies.

The market for international student mobility\*<sup>2</sup> is projected to grow from 3.04 million students in 2011 to 3.85 million students in 2024, representing an annual growth rate of 1.8%. This growth should be driven predominantly by increases in outbound mobile students from China, India and developing countries pursuing tertiary studies outside their home countries.

\*<sup>1</sup> Source: Ambient Insight "The 2015–2020 Worldwide Digital English Language Learning Market"

\*<sup>2</sup> Source: Education Intelligence, The British Council "The Future of the World's Mobile Students to 2024"

### 3. Review of Fiscal 2016

Net sales in the Language Learning Company were ¥60,282 million, a decline of 18.4% from the previous fiscal year.

The main factors behind the decline were a decline in sales of the ELS business (overseas study support business) of Berlitz Corporation, following a decline in overseas students from Saudi Arabia and the negative impact of currency translation due to the yen's appreciation.

Operating loss was ¥479 million (compared to operating income of ¥3,234 million in the previous fiscal year), as earnings declined due to the decline in sales and other factors.

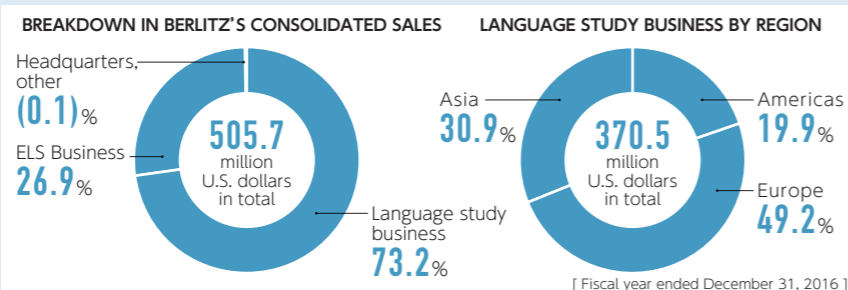
## FREQUENTLY ASKED QUESTIONS

### Q1.

What is the breakdown in Berlitz's consolidated sales?

### A1.

The breakdown of consolidated sales is as follows:



### Q2.

What is the breakdown of lessons by region?

### A2.

The breakdown of lessons by region at directly-operated Berlitz language centers is as follows:

Region	Fiscal year ended December 31, 2015	Fiscal year ended December 31, 2016	Change
Americas	1,674	1,569	(6.3)%
Europe	2,931	3,081	5.1%
Asia	1,626	1,581	(2.8)%
Total	6,232	6,232	0.0%

(Thousands of Lessons)

#### NUMBER OF SHARES ISSUED:

102,453,453 shares

#### LISTED DATE:

October 26, 1995

#### SECURITIES LISTINGS

(COMMON STOCK):

Tokyo Stock Exchange, First Section

#### TICKER CODE:

9783

#### ISIN CODE:

JP3835620000

#### UNIT OF TRADING:

100 shares

#### INDEPENDENT AUDITORS:

Deloitte Touche Tohmatsu LLC

#### TRANSFER AGENT:

Mitsubishi UFJ Trust and Banking Corporation

#### NUMBER OF SHAREHOLDERS:

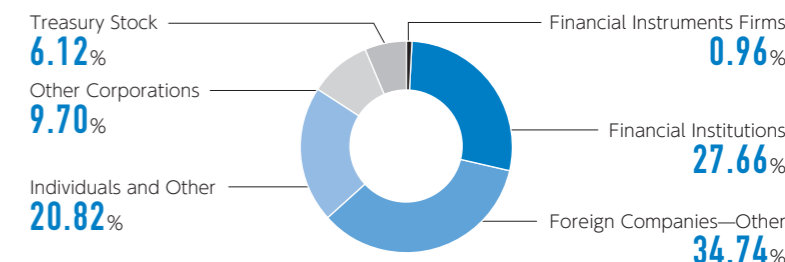
43,536

#### TOP 10 SHAREHOLDERS:

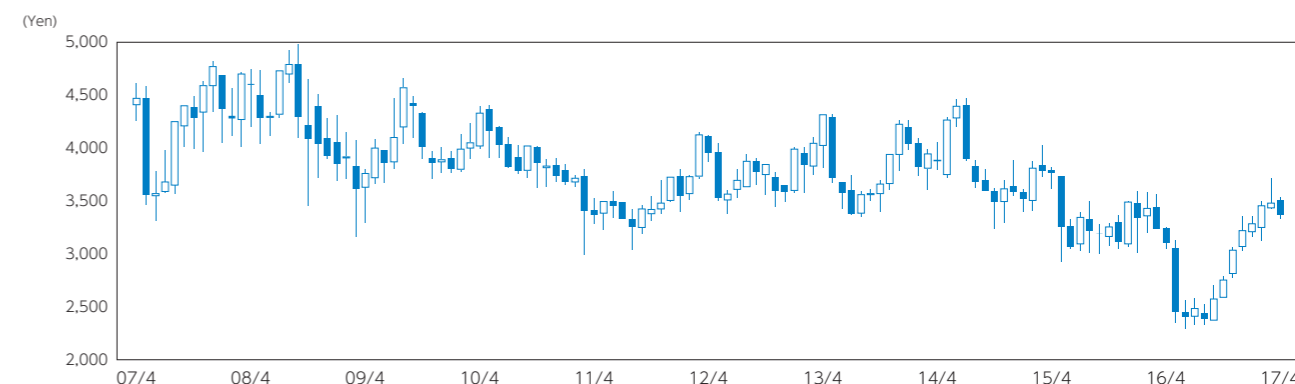
	Shares (Thousand)	Percentage (%)
The Master Trust Bank of Japan, Ltd.	10,910	11.34
Japan Trustee Services Bank, Ltd.	9,646	10.02
efu Investment Limited	7,858	8.16
Fukutake Foundation	5,008	5.20
JP Morgan Chase Bank	4,781	4.97
The Chugoku Bank, Ltd.	2,787	2.89
Junko Fukutake	2,155	2.24
Minamigata Holdings, Inc.	1,836	1.90
State Street Bank West Client	1,830	1.90
Nobuko Fukutake	1,769	1.83

Notes: 1. The shares held by The Master Trust Bank of Japan, Ltd. include 6,809 thousand Company shares (a 7.07% 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 6,265 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.

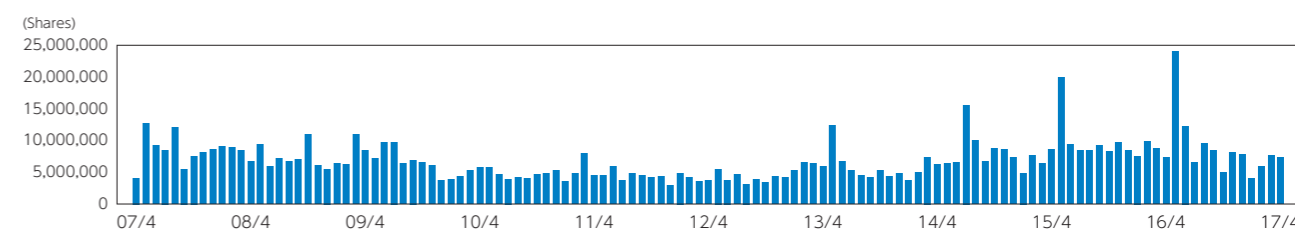
#### SHAREHOLDINGS BY TYPE OF SHAREHOLDER:



#### STOCK PRICE RANGE:



#### TRADING VOLUME:



\* The stock price and trading volume are taken from the Osaka Securities Exchange prior to July 16, 2013 and from the Tokyo Stock Exchange from July 16, 2013 onward, due to the merging of the two exchanges on that date.



# Corporate Information

## OVERVIEW:

(As of March 31, 2017)

### Name:

Benesse Holdings, Inc.

### Date established:

January 28, 1955

### Headquarters:

3-7-17 Minamigata, Kita-ku, Okayama-shi,  
Okayama 700-0807, Japan

### Representative:

Representative Director and President, CEO  
Tamotsu Adachi  
(As of June 24, 2017)

### Number of employees (Consolidated):

21,022

### Capital:

13,600 million yen

### Fiscal year-end:

March 31

## BOARD OF DIRECTORS AND AUDIT & SUPERVISORY BOARD MEMBERS:

(As of June 24, 2017)

### Directors of the Board

Representative Director and President, CEO	Tamotsu Adachi
Director and Chairman*1*3	Shinjiro Iwata
Representative Director and Vice Chairman	Kenichi Fukuhara
Representative Director and Executive Vice President	Hitoshi Kobayashi
Director	Shinya Takiyama
Director	Masaki Yamasaki
Director*1*3	Kiyoyuki Tsujimura
Director*1	Hideaki Fukutake
Director*1*3	Ryuji Yasuda
Director*1*3	Nobuo Kuwayama

### Audit & Supervisory Board Members

Standing Audit & Supervisory Board Member	Yoshinori Matsumoto
Standing Audit & Supervisory Board Member	Kimie Sakuragi
Audit & Supervisory Board member*2	Eiichi Izumo
Audit & Supervisory Board member*2	Miyuki Ishiguro

\*1 Outside Directors

\*2 Outside Audit & Supervisory Board Members

\*3 Independent Officers

## CONSOLIDATED SUBSIDIARIES:

(As of March 31, 2017)

Name of company	Common stock (Millions of yen)	Ratio of shareholding (%)	Description of business
Benesse Corporation	3,000	100.0	Education, publishing, mail-order sales, etc.
UP Inc.	1,667	100.0	Operation of prep schools
Tokyo Individualized Educational Institute, Inc.	642	61.9	Operation of prep schools
Benesse i-Career, Co., Ltd.	261	51.0	Career education and career building support services for university students and working adults
Shinken-AD Co., Ltd.	65	100.0	Advertising services and creation of university
Plandit Co., Ltd.	40	100.0	Planning and editing of study materials
Minerva Intelligence Co., Ltd.	11	100.0	Operation of English-language schools up to age 15
Learn-S Co., Ltd.	10	100.0	Planning, editing, production and sales of study materials
Ochanomizu Seminar Co., Ltd.	10	100.0*1	Operation of prep schools
Tokyo Educational Institute Co., Ltd.	10	100.0	Operation of prep schools
Benesse Corporation China	125,000 Thousands of RMB	100.0	Sales of correspondence course materials for preschoolers
PT. Benesse Indonesia	65,300 Thousands of INR	100.0	Operation of prep schools in Indonesia
Benesse Style Care Co., Ltd.	100	100.0	Nursing care services for the elderly business, childcare business
Benesse Senior Support Co., Ltd.	100	100.0*2	Nursing care consultation service business
Benesse Palette Co., Ltd.	100	80.0*3	Food delivery services for seniors business
Benesse MCM Corp.	80	100.0*2	Introduction and temp staffing of nurses and human resources trained in nursing care
Berlitz Corporation	1,005 Thousands of U.S. dollars	100.0	Language instruction, global leadership training and support for study overseas
Simul International, Inc.	40	100.0	Interpretation, translation and language instruction business
TMJ, Inc.	300	60.0	Telemarketing and temporary staffing
Benesse InfoShell Co., Ltd.	150	70.0	Information system maintenance and operation business, information processing service business
Benesse Business-mate, Inc.	50	100.0*4	Office operational management, outsourcing and support services
Naoshima Cultural Village Co., Ltd.	20	100.0	Hotel and campsite operation and management
Benesse Base-Com, Inc.	20	100.0	Production, distribution and sales of study materials and software
Benesse Insurance Services, Inc.	20	94.0*5	Insurance agency business
Benesse Hong Kong Co., Ltd	3,600 Thousands of H.K. dollars	100.0	General trading and quality assurance related to educational equipment, toys and other items

Plus 17 other subsidiaries.

\*1 Including an indirect stock holding of 50.0% through a subsidiary.

\*2 Indirect stock holding through a subsidiary.

\*3 Indirect stock holding of 80.0% through a subsidiary.

\*4 Including an indirect stock holding of 4.0% through subsidiaries.

\*5 Including an indirect stock holding of 64.0% through subsidiaries and affiliates.