



3Q Results for FY2021 Supplementary Materials (revised on February 14)

**February 14, 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)



Nine months ended December 31

(Millions of Yen)

	FY2020	FY2021	Change	%
Education Business in Japan	151,118	158,638	7,519	5.0
Kids & Family	53,701	53,304	(397)	(0.7)
Nursing Care and Childcare	92,261	95,602	3,341	3.6
Berlitz	19,683	20,074	390	2.0
Others	821	859	37	4.6
Total Net Sales	317,585	328,478	10,893	3.4
Education Business in Japan	14,118	19,352	5,234	37.1
Kids & Family	4,124	4,042	(82)	(2.0)
Nursing Care and Childcare	6,943	6,531	(412)	(5.9)
Berlitz	(5,673)	(2,792)	2,881	—
Others/Reconciliations	(2,850)	(3,890)	(1,039)	—
Total Operating Income	16,662	23,243	6,581	39.5
Ordinary Income	13,434	19,577	6,142	45.7
Net Income	7,027	9,301	2,274	32.4

Reason for the revision: The Board of directors has resolved to waive debts owed by its consolidated subsidiary Berlitz Corporation, and transfer all shares of Berlitz which Benesse holds to a special purpose company, which is owned by ILSC Holdings LP on February 14, 2022. We have conducted a review of realizability of deferred tax assets as a result of reviewing the impact on the consolidated financial statements.

Analysis of Net Sales/Operating Income (YoY)



Figures prior to application of Accounting Standard for Revenue Recognition

		(Billions of Yen)				
Net Sales	Education Business in Japan	Shinkenzemi	Impact of accounting standard change for revenue recognition. Decrease in cumulative enrollment / optional course and impact of the price revision, etc.	(0.3) (0.2)	(0.2)	
		School & Teacher Support	Increased in orders for elementary and junior high school business / recovery from the impact of COVID-19, etc. Impact of accounting standard change for revenue recognition.	1.7 0.4	1.7	
		Cram schools / Classroom, other	Increase in No. of students due to recovery from the impact of COVID-19, etc.	5.9	5.9	
	Kids & Family	Kodomo Challenge	Japan : impact of the price revision and recovery of concert business / decrease in cumulative enrollment, etc.	0.8	0.8	
			Overseas : decrease in cumulative enrollment in China, etc. Forex rate impact.	(0.6) 1.9	(0.6) 1.9	
		Lifestyle	Impact of accounting standard change for revenue recognition. Tamahiyo business, etc.	(1.7) (0.7)	(0.7)	
	Nursing Care and Childcare		Consolidates Heart Medical Care Co., Ltd.* increase in nursing home residents, etc. Impact of accounting standard change for revenue recognition.	2.5 0.8	2.5	
	Berlitz		Language education business : increase in No. of lessons due to recovery from the impact of COVID-19, etc. Overseas study support business : decrease in No. of students due to COVID-19. Forex rate impact.	(0.4) 0.7	(0.4) 0.7	
	Operating Income	Education Business in Japan		Shinkenzemi : impact of accounting standard change for revenue recognition. Higher costs by the product revision / due to higher sales, etc.	(0.1) (0.3)	(0.3)
				Due to higher sales in the School & Teacher Support business; Cram schools and Classroom business / impact of accounting standard change for revenue recognition (+0.3), etc.	5.6	5.3
Kids & Family		Kodomo Challenge	Japan : due to higher sales / decrease in costs, etc.	0.6	0.6	
			Overseas : expenses that were partially exempted in FY2020 due to COVID-19 were recorded in FY2021 / forex rate impact (+0.2).	(0.3)	(0.3)	
		Lifestyle	Due to lower sales, etc.	(0.3)	(0.3)	
Nursing Care and Childcare		Impact of accounting standard change for revenue recognition. Due to higher sales / due to higher labor costs as increase in the No. of nursing homes / increase in marketing costs and repairs expense, etc.	0.8 (1.2)	(1.2)		
Berlitz		Due to lower sales / lower cost, etc.	2.8	2.8		
others/Reconciliations		IT investment and corporate cost, etc.	(1.0)	(1.0)		

* Proto Medical Care Co., Ltd. changed its trade name to Heart Medical Care Co., Ltd. as of December 1, 2021.

Highlights of FY2021 Full-year Forecast

- Due to the transfer of shares of consolidated subsidiary Berlitz Corporation, the full-year forecast for FY2021 released on May 11, 2021 has been revised as shown below.
- No change in the forecast of ¥25 per share year-end dividend (¥50 for full year)

(Unit : Millions of yen)

	FY20	FY21 (Forecast)	Change	Change (%)	FY21 (as of May 2021)	Change	Change (%)
Net sales	427,531	433,000	5,469	1.3	441,000	(8,000)	(1.8)
Operating income	13,089	17,500	4,411	33.7	17,500	—	—
Operating Income ratio (%)	3.1	4.0	0.9	—	4.0	—	—
Ordinary income	9,260	12,000	2,740	29.6	12,000	—	—
Net income attributable to owners of the parent	3,122	0	(3,122)	—	5,000	(5,000)	—
Exchange Rate (USD/JPY)	106.67	109.50	2.83	—	108.00	1.50	—

Breakdown of Net Sales

Nine months ended December 31

(Millions of Yen)

	FY2020	FY2021	Change	%	Ratio(%)
Senior High School	9,896	8,769	(1,126)	(11.4)	5.5
Junior High School	22,543	21,991	(551)	(2.4)	13.9
Elementary School	47,293	48,381	1,088	2.3	30.5
School & Teacher Support	39,166	41,305	2,139	5.5	26.0
Cram schools / Classroom, Other	32,217	38,188	5,970	18.5	24.1
Total	151,118	158,638	7,519	5.0	100.0

Nine months ended December 31

(Millions of Yen)

	FY2020	FY2021	Change	%	Ratio(%)
Kodomo Challenge in Japan (Preschool)	14,768	15,340	572	3.9	28.8
Overseas Kodomo Challenge (Preschool)	19,929	21,370	1,441	7.2	40.1
Other*	19,003	16,592	(2,410)	(12.7)	31.1
Total	53,701	53,304	(397)	(0.7)	100.0

* "Other" includes concert business belonging to the Kodomo Challenge business and Tamahiyo business belonging to the Lifestyle business, etc.

【 Cumulative Enrollment for Shinkenzemi 】

Nine months ended December 31

(Thousands)

	FY2020	FY2021	Change	%
Senior High School	1,089	945	(143)	(13.2)
Junior High School	3,371	3,177	(193)	(5.7)
Elementary School	11,385	11,383	(2)	(0.0)
Total	15,846	15,506	(339)	(2.1)

【 Cumulative Enrollment for Kodomo Challenge (Preschool) 】

(Thousands)

	FY2020	FY2021	Change	%
Kodomo Challenge in Japan (Preschool)	7,344	6,948	(396)	(5.4)
Overseas Kodomo Challenge (Preschool)	10,779	10,669	(109)	(1.0)
Total	18,123	17,617	(506)	(2.8)

•Note¹: Cumulative enrollment represents the cumulative total No. of people who receive materials monthly (from April to December).

•Note²: Cumulative Enrollment for Overseas Kodomo Challenge is the total No. of cumulative enrollment for Kodomo Challenge in China, Taiwan and Indonesia.
Cumulative enrollment for China and Indonesia represents the cumulative total No. of people who receive materials monthly (from January to September), due to the differences of those closing dates ended December 31st.

	Dec. 2020	Mar. 2021	Sep. 2021	Dec. 2021
Aria	24	25	27	27
Clara	39	39	39	39
Granny & Granda	150	152	153	153
Madoka	57	57	57	57
Bon Sejour	49	49	49	49
Cocochi	15	15	15	15
Li-Re	2	2	2	2
Total	336	339	342	342

Nine months ended September 30

(Thousands of Lessons)

	FY2020	FY2021	%
Americas	722	889	23.0
Europe	1,080	1,147	6.2
Asia	809	735	(9.2)
Total	2,612	2,771	6.1