



Benesse

1Q Results for FY2022 Supplementary Materials

**August 5, 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)



Three months ended June 30

(Millions of Yen)

	FY2021	FY2022	Change	%
Education Business in Japan	50,487	51,630	+1,143	+2.3
Kids & Family	17,153	16,377	(776)	(4.5)
Nursing Care and Childcare	31,263	32,128	+865	+2.8
Berlitz	6,341	0	(6,341)	(100.0)
Others	215	485	+269	+125.1
Total Net Sales	105,461	100,622	(4,839)	(4.6)
Education Business in Japan	(1,306)	789	+2,095	—
Kids & Family	695	123	(572)	(82.3)
Nursing Care and Childcare	1,710	308	(1,401)	(81.9)
Berlitz	(1,273)	0	+1,273	—
Others/Reconciliations	(847)	(1,184)	(336)	—
Total Operating Income	(1,021)	37	+1,058	—
Ordinary Income	(2,658)	(1,306)	+1,352	—
Net Income	(3,032)	(2,323)	+708	—

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	Shinkenzemi	Decrease in cumulative enrollment / positive impact of the price revision, etc.	(1.9)
		School & Teacher Support	Advanced recording of sales for Shinken Simulated Exams Increase in orders for elementary and junior high school business etc.	+1.4
		Prep Schools & Classrooms	Increase in No. of students in Tetsuryokukai, etc.	+0.1
		University & Working Adult, Other	Increase in orders in support for study abroad, developmental education, and Udemy business, etc.	+1.5
	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, etc. Forex rate impact	(1.2) +0.8
		Lifestyle	Tamahiyo business, etc.	(0.1)
	Nursing Care and Childcare		Consolidate Heart Medical Care Co., Ltd. / decline in the elderly homes occupancy rates, etc.	+0.8
Berlitz		No sales contribution from Berlitz as a result of the share transfer	(6.3)	

Operating Income	Education Business in Japan		Shinkenzemi : Elimination of impact of the product revision cost recorded in the previous year/ decrease in marketing costs / lower sales, etc.	+0.4
			Higher sales in the School & Teacher Support, Prep Schools and Classrooms, University & Working Adult, etc.	+1.6
	Kids & Family	Kodomo Challenge	Japan : decrease in costs / lower sales	+0.0
			Overseas : Lower sales, etc.	(0.5)
		Lifestyle	Lower sales, etc.	(0.0)
	Nursing Care and Childcare		Increase in marketing costs to strengthen sales promotion, utilities expenses / Lower sales in Nursing Care business, etc.	(1.4)
Berlitz		Elimination of operating loss as a result of the share transfer	+1.2	

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 this change, figures for corresponding period of the previous fiscal year are based on those changes.

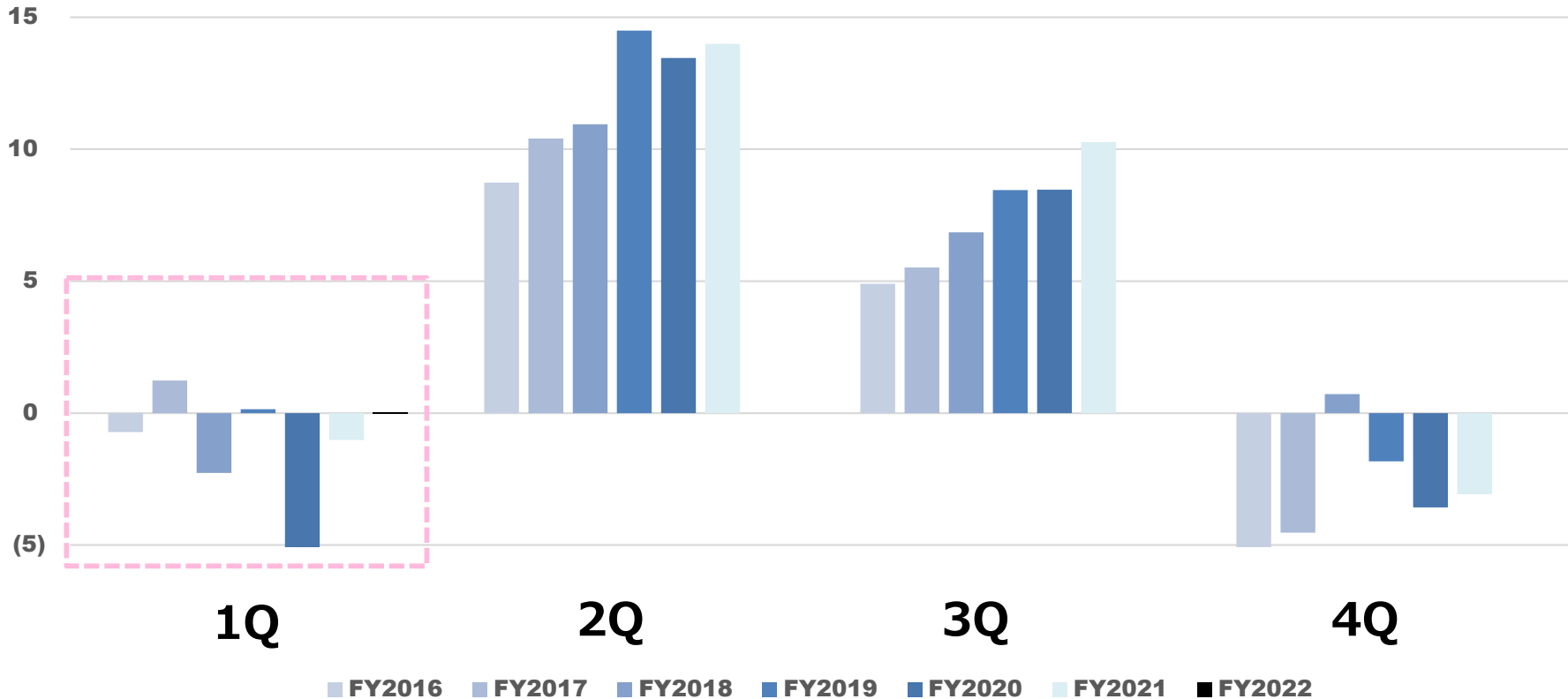
Seasonal factors for operating income

- Structurally, 1Q profits tend to be low due to increased production costs for educational materials and other factors, while profits accumulate from 2Q onward.

※ Operating loss expanded in 1Q results for FY2020 due to COVID-19

Trends in operating income (FY2016~FY2022)

(Billions of yen)



FY2022 Full-year Forecast



Forecast announced on May 12, 2022 has not been changed.

(Millions of Yen)

	FY2021	FY2022 (Forecast)	Change	%
Net Sales	431,943	426,000	(5,943)	(1.4)
Operating Income	20,167	25,000	+4,833	+24.0
Operating Income ratio(%)	4.7	5.9	+1.2	—
Ordinary Income	15,404	19,500	+4,096	+26.6
Net Income	1,064	13,500	+12,436	—
Exchange Rate(USD/JPY)	109.84	118.00	+8.16	—

Breakdown of Net Sales

Three months ended June 30

(Millions of Yen)

	FY2021	FY2022	Change	%	Ratio(%)
Senior High School	3,344	2,846	(498)	(14.9)	5.5
Junior High School	7,680	6,788	(892)	(11.6)	13.2
Elementary School	16,244	15,650	(594)	(3.7)	30.3
School & Teacher Support	9,989	11,429	+1,439	+14.4	22.1
Prep Schools & Classrooms	9,218	9,384	+165	+1.8	18.2
University & Working Adult	3,815	5,284	+1,468	+38.5	10.2
Other	193	247	+54	+28.3	0.5
Total	50,487	51,630	+1,143	+2.3	100.0

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 this change, figures for corresponding period of the previous fiscal year are based on those changes.

Three months ended June 30

(Millions of Yen)

	FY2021	FY2022	Change	%	Ratio(%)
Kodomo Challenge in Japan (Preschool)	5,036	4,815	(220)	(4.4)	29.4
Overseas Kodomo Challenge (Preschool)	7,078	6,806	(272)	(3.8)	41.6
Other *	5,038	4,755	(283)	(5.6)	29.0
Total	17,153	16,377	(776)	(4.5)	100.0

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

【Cumulative Enrollment for Shinkenzemi】

Three months ended June 30

(Thousands)

	FY2021	FY2022	Change	%
Senior High School	370	301	(68)	(18.6)
Junior High School	1,167	993	(174)	(14.9)
Elementary School	3,947	3,720	(226)	(5.7)
Total	5,486	5,016	(469)	(8.6)

【Cumulative Enrollment for Kodomo Challenge (Preschool)】

(Thousands)

	FY2021	FY2022	Change	%
Kodomo Challenge in Japan (Preschool)	2,263	2,057	(205)	(9.1)
Overseas Kodomo Challenge (Preschool)	3,602	3,158	(443)	(12.3)
Total	5,865	5,216	(649)	(11.1)

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

•Note²: Overseas Kodomo Challenge represents total No. of cumulative enrollment in China and Taiwan .

Cumulative enrollment for China represents the cumulative total No. of people who receive materials monthly (from January to March), due to the differences of those closing dates ended December 31st.

	June 2021	Mar. 2022	June 2022
Aria	26	27	27
Clara	39	39	38
Granny & Granda	153	154	157
Madoka	57	57	57
Bon Sejour	49	49	50
Cocochi	15	15	15
Li-Re	2	2	2
Total	341	343	346