



Benesse

Results for FY2022 Supplementary Materials

**May 12, 2023
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.

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)



(Millions of Yen)

	FY2021	FY2022	Change	%
Education Business in Japan	212,128	209,056	(3,072)	(1.4)
Kids & Family	71,238	67,858	(3,379)	(4.7)
Nursing Care and Childcare	127,397	132,687	+5,290	+4.2
Berlitz	20,074	–	(20,074)	–
Others	1,105	2,274	+1,169	+105.8
Total Net Sales	431,943	411,876	(20,067)	(4.6)
Education Business in Japan	19,085	19,163	+77	+0.4
Kids & Family	1,718	70	(1,648)	(95.9)
Nursing Care and Childcare	8,013	6,651	(1,361)	(17.0)
Berlitz	(2,799)	–	+2,799	–
Others/Reconciliations	(5,851)	(5,264)	+586	–
Total Operating Income	20,167	20,620	+452	+2.2
Ordinary Income	15,404	15,896	+491	+3.2
Net Income	1,064	11,353	+10,288	+966.8

Note: Berlitz Corporation was excluded from the reporting segments from the current fiscal year as a result of the share transfer of the company on February 14, 2022.

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



(Billions of Yen)

Education Business in Japan	Shinkenzeni	Decrease in cumulative enrollment/ positive impact of the price revision, etc.	(8.3)
	School & Teacher Support	Decrease in number of students taking Shinken Simulated Exams.	(0.3)
		Increase in orders for elementary and junior high school business, etc.	
	Prep Schools & Classrooms	Decrease in number of students in Tokyo Individualized Educational Institute. Increase in number of students in Tetsuryokukai, etc.	(0.3)
	University & Working Adult, Other	Increase in orders in support for study abroad, Udemy business, and developmental education, etc.	+5.9
Kids & Family	Kodomo Challenge	Japan : decrease in cumulative enrollment / positive impact of the price revision and recovery of concert business, etc.	(1.2)
		Overseas : decrease in cumulative enrollment due to COVID-19 lockdown in China, etc. Forex rate impact	(5.4) +4.1
	Lifestyle	Tamahiyo business, etc.	(0.8)
Nursing Care and Childcare		Increase in new nursing homes, etc.	+5.2
Berlitz		No sales contribution from Berlitz as a result of the share transfer	(20.0)
Others		Naoshima business, etc.	+1.1

Education Business in Japan		Shinkenzeni : lower sales, review of segment burden of selling expenses. Decrease in marketing costs, elimination of impact of the product revision cost recorded in the previous year, etc.	(1.4)
		Higher sales in University & Working Adult, decrease in cost in Prep Schools & Classrooms, etc. Lower sales in School & Teacher Support, etc.	+1.5
Kids & Family	Kodomo Challenge	Japan : decrease in costs, lower sales, review of segment burden of selling expenses, etc.	+0.6
		Overseas : lower sales, etc.	(1.9)
	Lifestyle	Lower sales, etc.	(0.3)
Nursing Care and Childcare		Prolonged COVID-19 negative impact, increase in utilities expenses and marketing costs to strengthen sales promotion, etc.	(1.3)
Berlitz		Elimination of operating loss as a result of the share transfer	+2.7
Others/Reconciliations		Higher sales in Naoshima, etc.	+0.5

FY2023 Full-year Forecast



(Millions of Yen)

	FY2022	FY2023 (Forecast)	Change	%
Net Sales	411,876	423,000	+11,124	+2.7
Operating Income	20,620	21,500	+880	+4.3
Operating Income ratio (%)	5.0	5.1	+0.1	—
Ordinary Income	15,896	16,000	+104	+0.7
Net Income	11,353	11,500	+147	+1.3
Exchange Rate (CNY/JPY)	19.99	19.80	(0.19)	—

FY2023 Forecast by Segment



(Millions of Yen)

	FY2022	FY2023 (Forecast)	Change	%
Education Business in Japan	209,056	211,000	+1,944	+0.9
Kids & Family	67,858	67,700	(158)	(0.2)
Nursing Care and Childcare	132,687	141,500	+8,813	+6.6
Others	2,274	2,800	+526	+23.1
Total Net Sales	411,876	423,000	+11,124	+2.7
Education Business in Japan	19,163	19,500	+337	+1.8
Kids & Family	70	100	+30	+42.9
Nursing Care and Childcare	6,651	9,500	+2,849	+42.8
Others/Reconciliations	(5,264)	(7,600)	(2,336)	—
Total Operating Income	20,620	21,500	+880	+4.3

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



(Millions of Yen)

Net Sales	Education Business in Japan	Shinkenzemi	Decrease in cumulative enrollment/ positive impact of the price revision, etc.	(3.9)
		School & Teacher Support	Positive impact of the price revision for Shinken Simulated Exams, etc.	+2.8
		Prep Schools & Classrooms	Positive impact of the price revision for each prep school. Consolidates Rakusei Prep School, etc.	+1.4
		University & Working Adult, Other	Udemy business, move into new market, etc.	+1.7
	Kids & Family	Kodomo Challenge	Japan : decrease in cumulative enrollment / positive impact of the price revision, etc.	(0.7)
			Overseas : decrease in cumulative enrollment, positive impact of optional courses and the price revision, etc.	(0.3)
		Lifestyle	Tamahiyo business, etc.	+1.0
Nursing Care and Childcare		Increase in new nursing homes, improved occupancy rate, positive impact of the price revision, etc.	+8.8	
Others		Naoshima business, etc.	+0.5	

Operating Income	Education Business in Japan		Shinkenzemi : decrease in marketing costs/ forex rate impact and material price hike, invest in product enhancement, lower sales, etc.	+0.7
			Higher sales in University & Working Adult, etc. Invest in product base for School & Teacher Support, invest in new business development for Prep Schools & Classrooms, etc.	(0.4)
	Kids & Family	Kodomo Challenge	Japan : decrease in costs, lower sales, etc.	+0.1
			Overseas : lower sales, etc.	(0.5)
		Lifestyle	Higher sales, etc.	+0.5
	Nursing Care and Childcare		Higher sales in nursing-care facility business, etc.	+2.8
	Others/Reconciliations		Strategic investment, etc.	(2.3)

(Millions of Yen)

	FY2021	FY2022	Change	%	Ratio(%)
Senior High School	11,182	9,496	(1,685)	(15.1)	4.5
Junior High School	28,011	24,557	(3,454)	(12.3)	11.7
Elementary School	63,283	60,103	(3,180)	(5.0)	28.7
School & Teacher Support	48,778	48,407	(370)	(0.8)	23.2
Prep Schools & Classrooms	44,326	43,964	(362)	(0.8)	21.0
University & Working Adult	14,288	20,017	+5,729	+40.1	9.6
Other	2,257	2,509	+252	+11.2	1.2
Total	212,128	209,056	(3,072)	(1.4)	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 current fiscal year. Along with these changes, figures for corresponding period of the previous fiscal year are based on new criteria.

	(Millions of Yen)				
	FY2021	FY2022	Change	%	Ratio(%)
Kodomo Challenge in Japan (Preschool)	20,462	19,658	(803)	(3.9)	29.0
Overseas Kodomo Challenge (Preschool)	28,346	27,237	(1,109)	(3.9)	40.1
Other*	22,429	20,961	(1,467)	(6.5)	30.9
Total	71,238	67,858	(3,379)	(4.7)	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】

(Thousands)

	FY2021	FY2022	Change	%
Senior High School	1,187	993	(194)	(16.4)
Junior High School	4,023	3,453	(569)	(14.2)
Elementary School	14,901	13,868	(1,033)	(6.9)
Total	20,112	18,315	(1,797)	(8.9)

【Cumulative Enrollment for Kodomo Challenge (Preschool)】

(Thousands)

	FY2021	FY2022	Change	%
Kodomo Challenge in Japan (Preschool)	9,283	8,273	(1,010)	(10.9)
Overseas Kodomo Challenge (Preschool)	13,948	11,556	(2,392)	(17.1)
Total	23,232	19,839	(3,392)	(14.6)

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

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

As of April	(Thousands)			
	2022	2023	Change	%
Senior High School	110	100	(10)	(8.9)
Junior High School	350	320	(30)	(8.6)
Elementary School	1,280	1,180	(100)	(8.0)
Kodomo Challenge (Preschool)	750	610	(140)	(19.0)
Total (Japan)	2,490	2,200	(290)	(11.5)

As of April	(Thousands)			
	2022	2023	Change	%
China	950	790	(160)	(16.5)
Taiwan	100	90	(10)	(5.7)
Total (Overseas)	1,050	880	(170)	(15.5)

	Mar. 2022	Sep. 2022	Mar. 2023
Aria	27	27	28
Clara	39	38	38
Granny & Granda	154	159	160
Madoka	57	57	57
Bon Sejour	49	50	52
Cocochi	15	15	15
Li-Re	2	2	2
Total	343	348	352
Occupancy Rate of Existing Facilities (%)	90	90	90

CAPEX / Depreciation and Amortization



	FY2021	FY2022	Change
CAPEX	23,562	24,405	+842
(Breakdown)			
Lease Assets	5,841	11,564	+5,722
Goodwill	3,253	126	(3,127)
Others	14,467	12,715	(1,752)
Depreciation and Amortization	18,850	19,245	+394

- Note¹: "CAPEX" shows the "increase in tangible fixed assets and intangible fixed assets".
- Note²: "Depreciation and amortization" shows the total amount of "depreciation and amortization" and "amortization of goodwill".

【Dividend per Share/Dividend Payout Ratio】

	FY2020	FY2021	FY2022	FY2023 (Forecast)
Dividend per share(yen)	50	50	60	60
Dividend payout ration(%)	154.3	452.9	51.0	50.3