



## **1H Results for FY2021 Supplementary Materials**

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**November 5, 2021  
Benesse Holdings, Inc.**

# Forward-Looking Statements



This presentation contains forward-looking statements concerning the future plans, strategies, beliefs and performance of Benesse Holdings, Inc. and its subsidiaries. These forward-looking statements are not historical facts. They are expectations, estimates, forecasts and projections based on information currently available to the Company and are subject to a number of risks, uncertainties and assumptions. As such, actual results may differ materially from those projected.

# Results by Segment (YoY)



Six months ended September 30

(Millions of Yen)

|                                    | FY2020         | FY2021         | Change       | %            |
|------------------------------------|----------------|----------------|--------------|--------------|
| <b>Education Business in Japan</b> | <b>98,673</b>  | <b>105,194</b> | <b>6,520</b> | <b>6.6</b>   |
| <b>Kids &amp; Family</b>           | <b>35,311</b>  | <b>35,145</b>  | <b>(166)</b> | <b>(0.5)</b> |
| <b>Nursing Care and Childcare</b>  | <b>60,875</b>  | <b>63,426</b>  | <b>2,550</b> | <b>4.2</b>   |
| <b>Berlitz</b>                     | <b>13,687</b>  | <b>13,109</b>  | <b>(578)</b> | <b>(4.2)</b> |
| <b>Others</b>                      | <b>397</b>     | <b>530</b>     | <b>132</b>   | <b>33.4</b>  |
| <b>Total Net Sales</b>             | <b>208,946</b> | <b>217,405</b> | <b>8,458</b> | <b>4.0</b>   |
| <b>Education Business in Japan</b> | <b>6,326</b>   | <b>10,254</b>  | <b>3,927</b> | <b>62.1</b>  |
| <b>Kids &amp; Family</b>           | <b>3,315</b>   | <b>2,996</b>   | <b>(318)</b> | <b>(9.6)</b> |
| <b>Nursing Care and Childcare</b>  | <b>4,150</b>   | <b>4,048</b>   | <b>(102)</b> | <b>(2.5)</b> |
| <b>Berlitz</b>                     | <b>(3,759)</b> | <b>(1,948)</b> | <b>1,810</b> | <b>—</b>     |
| <b>Others/Reconciliations</b>      | <b>(1,832)</b> | <b>(2,378)</b> | <b>(545)</b> | <b>—</b>     |
| <b>Total Operating Income</b>      | <b>8,200</b>   | <b>12,972</b>  | <b>4,772</b> | <b>58.2</b>  |
| <b>Ordinary Income</b>             | <b>5,053</b>   | <b>10,539</b>  | <b>5,485</b> | <b>108.5</b> |
| <b>Net Income</b>                  | <b>2,274</b>   | <b>5,580</b>   | <b>3,305</b> | <b>145.3</b> |

# Analysis of Net Sales/Operating Income (YoY)



Figures prior to application of Accounting Standard for Revenue Recognition

|                    |                                    |  |   | (Billions of Yen) |       |
|--------------------|------------------------------------|--|---|-------------------|-------|
| Net Sales          | <b>Education Business in Japan</b> | Shinkenzemi  | Impact of accounting standard change for revenue recognition.<br>Decrease in cumulative enrollment / optional course and impact of the price revision, etc.                 | (0.9)<br>0.2      | 0.2   |
|                    |                                    | School & Teacher Support business  | Increase in orders for elementary and junior high school business / recovery from the impact of COVID-19, etc.  | 1.7               | 1.7   |
|                    |                                    |  | Impact of accounting standard change for revenue recognition.   | 0.1               |       |
|                    |                                    | Cram schools / Classroom business  | Increase in No. of students / recovery from the impact of COVID-19, etc.  | 5.4               | 5.4   |
|                    | <b>Kids &amp; Family</b>           | Kodomo Challenge   | Japan : impact of the price revision and recovery of concert business / decrease in cumulative enrollment, etc.   | 0.5               | 0.5   |
|                    |                                    |  | Overseas : decrease in cumulative enrollment in China, etc.   | (0.0)             | (0.0) |
|                    |                                    |  | Forex rate impact.  | 0.9               | 0.9   |
|                    |                                    | Lifestyle  | Impact of accounting standard change for revenue recognition.<br>Tamahiyo business, etc.  | (1.1)<br>(0.5)    | (0.5) |
|                    | <b>Nursing Care and Childcare</b>  |  | Increase in nursing home residents / consolidates Proto Medical Care Co., etc. *  | 1.7               | 1.7   |
|                    |                                    |  | Impact of accounting standard change for revenue recognition.   | 0.8               |       |
|                    | <b>Berlitz</b>                     | Language education business : increase in No. of lessons due to recovery from the impact of COVID-19, etc. |   | (0.9)             | (0.9) |
|                    |                                    | Overseas study support business : decrease in No. of students due to COVID-19.                             |   |                   |       |
| Forex rate impact. |                                    | 0.4  | 0.4   |                   |       |
| Operating Income   | <b>Education Business in Japan</b> |  | Shinkenzemi : impact of accounting standard change for revenue recognition.<br>Higher costs by the product revision / due to higher sales, etc.                             | (0.6)<br>(0.2)    | (0.2) |
|                    |                                    |  | Due to higher sales in the School & Teacher Support business; Cram schools and Classroom business / impact of accounting standard change for revenue recognition (+1), etc. | 4.7               | 4.6   |
|                    | <b>Kids &amp; Family</b>           | Kodomo Challenge   | Japan : due to higher sales / decrease in costs, etc.   | 0.5               | 0.5   |
|                    |                                    |  | Overseas : expenses that were partially exempted in FY2020 due to COVID-19 were recorded in FY2021 / forex rate impact (+1).  | (0.3)             | (0.3) |
|                    |                                    | Lifestyle  | Due to lower sales, etc.  | (0.5)             | (0.5) |
|                    | <b>Nursing Care and Childcare</b>  |  | Impact of accounting standard change for revenue recognition.   | 0.8               |       |
|                    |                                    |  | 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.                             | (0.9)             | (0.9) |
|                    | <b>Berlitz</b>                     | Due to lower sales / lower cost, etc.  |   | 1.8               | 1.8   |
|                    | <b>others/Reconciliations</b>      |  | IT investment and corporate cost, etc.  | (0.5)             | (0.5) |

\*The company converted Proto Medical Care Co. into consolidated subsidiaries as of June 1, 2021.

# FY2021 Forecast



Forecast announced on May 11, 2021 has not been changed.

(Millions of Yen)

|                                  | <b>FY2020</b>  | <b>FY2021<br/>(Forecast)</b> | <b>Change</b> | <b>%</b>    |
|----------------------------------|----------------|------------------------------|---------------|-------------|
| <b>Net Sales</b>                 | <b>427,531</b> | <b>441,000</b>               | <b>13,469</b> | <b>3.2</b>  |
| <b>Operating Income</b>          | <b>13,089</b>  | <b>17,500</b>                | <b>4,411</b>  | <b>33.7</b> |
| <b>Operating Income ratio(%)</b> | <b>3.1</b>     | <b>4.0</b>                   | <b>0.9</b>    | <b>—</b>    |
| <b>Ordinary Income</b>           | <b>9,260</b>   | <b>12,000</b>                | <b>2,740</b>  | <b>29.6</b> |
| <b>Net Income</b>                | <b>3,122</b>   | <b>5,000</b>                 | <b>1,878</b>  | <b>60.1</b> |
| <b>Exchange Rate(USD/JPY)</b>    | <b>106.67</b>  | <b>108.00</b>                | <b>1.33</b>   | <b>—</b>    |

# Breakdown of Net Sales

Six months ended September 30

(Millions of Yen)

|                          | FY2020        | FY2021         | Change       | %          | Ratio(%)     |
|--------------------------|---------------|----------------|--------------|------------|--------------|
| Senior High School       | 7,073         | 6,270          | (803)        | (11.4)     | 6.0          |
| Junior High School       | 15,691        | 15,287         | (404)        | (2.6)      | 14.5         |
| Elementary School        | 32,102        | 32,522         | 419          | 1.3        | 30.9         |
| School & Teacher Support | 23,885        | 25,723         | 1,837        | 7.7        | 24.5         |
| Other                    | 19,920        | 25,390         | 5,470        | 27.5       | 24.1         |
| <b>Total</b>             | <b>98,673</b> | <b>105,194</b> | <b>6,520</b> | <b>6.6</b> | <b>100.0</b> |

# Breakdown of Net Sales

Six months ended September 30

(Millions of Yen)

|  | FY2020        | FY2021        | Change         | %             | Ratio(%)     |
|--|---------------|---------------|----------------|---------------|--------------|
| <b>Kodomo Challenge in Japan (Preschool)</b> | <b>9,687</b>  | <b>10,122</b> | <b>434</b>     | <b>4.5</b>    | <b>28.8</b>  |
| <b>Overseas Kodomo Challenge (Preschool)</b> | <b>13,446</b> | <b>14,292</b> | <b>845</b>     | <b>6.3</b>    | <b>40.7</b>  |
| <b>Other</b>                                 | <b>12,178</b> | <b>10,730</b> | <b>(1,447)</b> | <b>(11.9)</b> | <b>30.5</b>  |
| <b>Total</b>                                 | <b>35,311</b> | <b>35,145</b> | <b>(166)</b>   | <b>(0.5)</b>  | <b>100.0</b> |

## 【 Cumulative Enrollment for Shinkenzemi 】

Six months ended September 30

(Thousands)

|                    | FY2020        | FY2021        | Change       | %            |
|--------------------|---------------|---------------|--------------|--------------|
| Senior High School | 778           | 678           | (99)         | (12.8)       |
| Junior High School | 2,340         | 2,230         | (110)        | (4.7)        |
| Elementary School  | 7,704         | 7,744         | 39           | 0.5          |
| <b>Total</b>       | <b>10,822</b> | <b>10,653</b> | <b>(169)</b> | <b>(1.6)</b> |

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

(Thousands)

|                                       | FY2020        | FY2021        | Change       | %            |
|---------------------------------------|---------------|---------------|--------------|--------------|
| Kodomo Challenge in Japan (Preschool) | 4,799         | 4,575         | (223)        | (4.7)        |
| Overseas Kodomo Challenge (Preschool) | 7,214         | 7,192         | (22)         | (0.3)        |
| <b>Total</b>                          | <b>12,013</b> | <b>11,767</b> | <b>(246)</b> | <b>(2.0)</b> |

•Note<sup>1</sup>: Cumulative enrollment represents the cumulative total No. of people who receive materials monthly (from April to September).

•Note<sup>2</sup>: 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 June), due to the differences of those closing dates ended December 31<sup>st</sup>.



| As of October                | (Thousands)  |              |              |              |
|------------------------------|--------------|--------------|--------------|--------------|
|                              | FY2020       | FY2021       | Change       | %            |
| Senior High School           | 110          | 90           | (20)         | (15.1)       |
| Junior High School           | 360          | 330          | (30)         | (8.1)        |
| Elementary School            | 1,240        | 1,230        | (10)         | (1.2)        |
| Kodomo Challenge (Preschool) | 830          | 780          | (50)         | (6.3)        |
| <b>Total (Japan)</b>         | <b>2,540</b> | <b>2,430</b> | <b>(110)</b> | <b>(4.4)</b> |

| <b>As of October</b>    | <b>(Thousands)</b> |               |               |              |
|-------------------------|--------------------|---------------|---------------|--------------|
|                         | <b>FY2020</b>      | <b>FY2021</b> | <b>Change</b> | <b>%</b>     |
| <b>China</b>            | <b>1,100</b>       | <b>1,030</b>  | <b>(70)</b>   | <b>(6.7)</b> |
| <b>Taiwan</b>           | <b>100</b>         | <b>100</b>    | <b>0</b>      | <b>6.2</b>   |
| <b>Total (Overseas)</b> | <b>1,200</b>       | <b>1,130</b>  | <b>(70)</b>   | <b>(5.6)</b> |

|  | Sep. 2020  | March 2021 | Sep. 2021  |
|--|------------|------------|------------|
| <b>Aria</b>                                  | <b>24</b>  | <b>25</b>  | <b>27</b>  |
| <b>Clara</b>                                 | <b>40</b>  | <b>39</b>  | <b>39</b>  |
| <b>Granny &amp; Granda</b>                   | <b>147</b> | <b>152</b> | <b>153</b> |
| <b>Madoka</b>                                | <b>57</b>  | <b>57</b>  | <b>57</b>  |
| <b>Bon Sejour</b>                            | <b>49</b>  | <b>49</b>  | <b>49</b>  |
| <b>Cocochi</b>                               | <b>15</b>  | <b>15</b>  | <b>15</b>  |
| <b>Li-Re</b>                                 | <b>2</b>   | <b>2</b>   | <b>2</b>   |
| <b>Total</b>                                 | <b>334</b> | <b>339</b> | <b>342</b> |
| <b>Occupancy Rate of Existing Facilities</b> | <b>93%</b> | <b>93%</b> | <b>90%</b> |

Six months ended June 30

(Thousands of Lessons)

|                 | FY2020       | FY2021       | %            |
|-----------------|--------------|--------------|--------------|
| <b>Americas</b> | <b>479</b>   | <b>568</b>   | <b>18.4</b>  |
| <b>Europe</b>   | <b>743</b>   | <b>790</b>   | <b>6.3</b>   |
| <b>Asia</b>     | <b>526</b>   | <b>500</b>   | <b>(5.0)</b> |
| <b>Total</b>    | <b>1,749</b> | <b>1,858</b> | <b>6.2</b>   |

Nine months ended September 30 (Preliminary figures) (Thousands of Lessons)

|                 | FY2020       | FY2021       | %            |
|-----------------|--------------|--------------|--------------|
| <b>Americas</b> | <b>722</b>   | <b>889</b>   | <b>23.1</b>  |
| <b>Europe</b>   | <b>1,080</b> | <b>1,147</b> | <b>6.2</b>   |
| <b>Asia</b>     | <b>809</b>   | <b>735</b>   | <b>(9.2)</b> |
| <b>Total</b>    | <b>2,612</b> | <b>2,772</b> | <b>6.1</b>   |

# CAPEX / Depreciation and Amortization



Six months ended September 30

(Millions of Yen)

|                                      | FY2020        | FY2021        | Change      |
|--------------------------------------|---------------|---------------|-------------|
| <b>CAPEX</b>                         | <b>13,067</b> | <b>13,291</b> | <b>224</b>  |
| (Details) Lease Assets               | 5,222         | 3,636         | (1,586)     |
| Goodwill                             | 1,408         | 2,458         | 1,049       |
| Others                               | 6,436         | 7,197         | 760         |
| <b>Depreciation and Amortization</b> | <b>9,257</b>  | <b>9,192</b>  | <b>(64)</b> |

## 【Dividend per Share/Dividend Payout Ratio】

|                                  | FY2018      | FY2019      | FY2020       | FY2021<br>(Forecast) |
|----------------------------------|-------------|-------------|--------------|----------------------|
| <b>Dividend per share(yen)</b>   | <b>50</b>   | <b>50</b>   | <b>50</b>    | <b>50</b>            |
| <b>Dividend payout ration(%)</b> | <b>98.2</b> | <b>76.6</b> | <b>154.3</b> | <b>96.4</b>          |