

June 1, 2018

To Shareholders:

Tamotsu Adachi
Representative Director and President, CEO
Benesse Holdings, Inc.
3-7-17 Minamigata, Kita-ku, Okayama-shi,
Okayama, Japan
(Ticker Code: 9783)

**Notice of Convocation of the
Ordinary General Shareholders' Meeting for the 64th Period**

You are cordially invited to attend the Ordinary General Shareholders' Meeting for the 64th period to be held as described below.

If you are unable to attend the meeting, it would be appreciated if you would exercise your voting rights by one of the following methods after reviewing the enclosed reference materials.

Exercise of voting rights by postal mail

Please indicate your approval or disapproval of each proposal on the enclosed Voting Rights Exercise Form and return your completed form to us **by 5:00 p.m. on Friday, June 22, 2018 (JST)**.

Exercise of voting rights via the Internet

Please access the website for exercising voting rights (<https://www.evotetr.mufg.jp> [in Japanese only]), use the "Login ID" and "Temporary Password" shown on the enclosed Voting Rights Exercise Form, and then indicate your approval or disapproval of each proposal by following the instructions on the screen. Internet voting must be completed **by 5:00 p.m. on Friday, June 22, 2018 (JST)**.

1. Date and Time: June 23, 2018 (Saturday), 1:30 p.m. (The reception desk will open at 12:30 p.m.)
2. Venue: Head Office, Benesse Holdings, Inc.
3-7-17 Minamigata, Kita-ku, Okayama-shi, Okayama
3. Meeting Agenda
Reports:
 1. Report on the business report, consolidated financial statements, and financial statements for the 64th period (April 1, 2017 to March 31, 2018)
 2. Report on the audit results of the consolidated financial statements for the 64th period by the Independent Auditors and the Audit & Supervisory BoardResolutions:
Proposal: Election of Ten Directors

● Among the documents to be provided in conjunction with this Notice of Convocation, the “Consolidated Statement of Changes in Equity” (consolidated), “Notes to Consolidated Financial Statements” (consolidated), “Statement of Changes in Equity” (non-consolidated), and “Notes to Financial Statements” (non-consolidated) are posted on the Company website (<https://www.benese-hd.co.jp/ja/ir/>) in accordance with the relevant laws/regulations and Article 15 of the Company’s Articles of Incorporation and are thus not included herein. Therefore, the attachments hereto are portions of the consolidated financial statements and non-consolidated financial statements audited by the Independent Auditors in their preparation of the accounting audit report.

Proposal: Election of Ten Directors

All directors (ten) will complete their terms as of the end of this general shareholders' meeting. The proposal is therefore to elect ten directors, including five outside directors.

The candidates for director are as shown below.

In order to ensure appropriate selection of candidates for director and transparency in the associated decision making process, the Company has established the Nomination and Compensation Committee as an advisory body to the Board of Directors. Outside directors account for more than half the members of this committee, which deliberates on the selection of candidates for director.

No.	Name			Record of attendance at Board of Directors meetings during 64 rd period*
1	Tamotsu Adachi	Reappointment		100% (17/17)
2	Shinjiro Iwata	Reappointment	Candidate for outside director Candidate for independent director	100% (17/17)
3	Kenichi Fukuhara	Reappointment		100% (17/17)
4	Hitoshi Kobayashi	Reappointment		100% (17/17)
5	Shinya Takiyama	Reappointment		100% (17/17)
6	Masaki Yamasaki	Reappointment		100%(12/12)
7	Kiyoyuki Tsujimura	Reappointment	Candidate for outside director Candidate for independent director	100% (17/17)
8	Hideaki Fukutake	Reappointment	Candidate for outside director	94% (16/17)
9	Ryuji Yasuda	Reappointment	Candidate for outside director Candidate for independent director	100% (17/17)
10	Nobuo Kuwayama	Reappointment	Candidate for outside director Candidate for independent director	100% (17/17)

* There were no occasions when written resolutions took the place of actual meetings of the Board of Directors.

No.	Name (Date of birth)	Brief career summary (Position and responsibilities at the Company and other current key positions)	No. of Company shares owned
1	Tamotsu Adachi (Oct. 12, 1953)	Apr. 1977 Joined Mitsubishi Corporation Jan. 1988 Joined McKinsey & Company, Inc. Japan June 1995 Partner at McKinsey & Company, Inc. Japan Mar. 1997 Managing Director of Business Development Department, GE Capital Japan Mar. 1999 President and CEO of Japan Lease Auto Co. Dec. 2000 President and CEO of GE Fleet Services Co. May 2003 Managing Director and Japan Representative of Carlyle Japan LLC June 2003 Director of the Company Nov. 2007 Managing Director and Co-Representative of Carlyle Japan LLC June 2009 Director of the Company June 2016 Director of the Company June 2016 Chairman of Carlyle Japan LLC Oct. 2016 Representative Director and President, CEO of the Company Oct. 2016 Senior Advisor of Carlyle Japan LLC (current) Aug. 2017 Representative Director and President, CEO, and Head of Language Learning Company of the Company Apr. 2018 Representative Director and President, CEO of the Company (current) (Other current key positions) None (Current responsibilities) Berlitz Corporation	59,255 shares

Reason for Election for the Director Candidate

Tamotsu Adachi has a proven track record of involvement in the management of the Group as an outside director of the Company since June 2003. In addition, he has international experience and considerable experience and expertise in management strategy formulation and investment, and his capabilities in corporate restructuring are rated highly. Since October 2016, Mr. Adachi has been engaged in management supervision and execution as Representative Director and President, CEO of the Company. At the same time, he has demonstrated leadership in driving changes to bring about recovery in the Group's performance, key among which were improving the quality of products and services, restructuring brands, and reforming the corporate culture.

The Company therefore proposes him as a candidate for director, judging that he can be expected to contribute to further enhancement of the Group's corporate value.

No.	Name (Date of birth)	Brief career summary (Position and responsibilities at the Company and other current key positions)	No. of Company shares owned
2	Shinjiro Iwata (June 6, 1948) *Candidate for outside director and independent director	<p>Apr. 1972 Joined Hitachi, Ltd.</p> <p>Sep. 2001 CEO, Hitachi Data Systems Corporation</p> <p>Oct. 2007 EVP, Hitachi Global Storage Technologies, Inc.</p> <p>Apr. 2009 Vice President and Executive Officer, Hitachi, Ltd.</p> <p>Apr. 2011 Senior Vice President and Executive Officer, Hitachi, Ltd.</p> <p>Apr. 2013 Representative Executive Officer, Executive Vice President and Executive Officer, Hitachi, Ltd.</p> <p>June 2014 Director of the Company</p> <p>Apr. 2016 Adviser of Hitachi, Ltd. (current)</p> <p>June 2016 Director and Chairman of the Company (current)</p> <p>(Other current key positions) Adviser of Hitachi, Ltd. Outside director of Hitachi Transport System, Ltd. Outside Director of JVCKENWOOD Corporation Outside Director of NACHI-FUJIKOSHI CORP.</p>	1,600 shares

Reason for Election and Time in Office for the Outside Director Candidate

Shinjiro Iwata has considerable experience and expertise in corporate management of global corporations within the information and telecommunications field. In addition, he acts from the standpoint of an outside director to run the Board of Directors appropriately as Director and Chairman of the Company and comments actively as chairman of the Nomination and Compensation Committee. Thus, he contributes to management supervision and enhancing the transparency of decision making processes within the Company's management.

The Company therefore proposes him as a candidate for outside director. As of the end of this general shareholders' meeting, he will have served as outside director for four years.

No.	Name (Date of birth)	Brief career summary (Position and responsibilities at the Company and other current key positions)	No. of Company shares owned
3	Kenichi Fukuhara (Apr. 19, 1951)	<p>Apr. 1976 Joined Nomura Securities Co., Ltd.</p> <p>Apr. 1986 Head of Equity Sales at Nomura International Ltd., London</p> <p>June 2000 Director of Nomura Securities Co., Ltd.</p> <p>June 2003 Executive Officer of Nomura Securities Co., Ltd. and Executive Officer of Nomura Holdings, Inc.</p> <p>Apr. 2004 Corporate Senior Executive Vice President of the Company</p> <p>June 2004 Corporate Senior Executive Vice President of the Company and Representative Director and President of Benesse Style Care Co., Ltd.</p> <p>June 2005 Director of the Company and Representative Director and President of Benesse Style Care Co., Ltd.</p> <p>June 2006 Director and Corporate Senior Executive Vice President of the Company and Representative Director and President of Benesse Style Care Co., Ltd.</p> <p>Apr. 2007 Representative Director, Vice Chairman, and Deputy CEO of the Company</p> <p>June 2007 Representative Director, Vice Chairman, and Deputy CEO of the Company and Chairman of the Board and CEO of Berlitz International, Inc.</p> <p>Apr. 2008 Representative Director, Vice Chairman, and Deputy CEO of the Company and Representative Director, Chairman, and President of Telemarketing Japan, Inc.</p> <p>Jan. 2009 Representative Director, Vice Chairman, and Deputy CEO of the Company and Representative Director and Chairman of Telemarketing Japan, Inc.</p> <p>Oct. 2009 Representative Director, Executive Vice President, and Chief Financial Officer (CFO) of the Company and Representative Director and Chairman of Telemarketing Japan, Inc.</p> <p>June 2011 Representative Director, Executive Vice President, and CFO of the Company</p> <p>Oct. 2014 Representative Director, Executive Vice President, Chief Administrative Officer (CAO), and CFO of the Company</p> <p>Apr. 2015 Representative Director, Executive Vice President, and CAO of the Company</p> <p>June 2016 Representative Director, President, CEO and</p>	12,375 shares

No.	Name (Date of birth)	Brief career summary (Position and responsibilities at the Company and other current key positions)	No. of Company shares owned
		<p>Oct. 2016 CAO of the Company, and Chairman of the Board & CEO of Berlitz Corporation Representative Director, Vice Chairman, and Head of Language Learning Company of the Company, and Chairman of the Board & CEO of Berlitz Corporation</p> <p>Aug. 2017 Representative Director and Vice Chairman of the Company, and Chairman of the Board of Berlitz Corporation (current)</p> <p>(Other current key positions) Chairman of the Board & CEO of Berlitz Corporation Vice Chairman of the Board, Fukutake Foundation</p> <p>(Current responsibilities) Berlitz Corporation (deputy), Simul International, Inc., and Naoshima business</p>	

Reason for Election for the Director Candidate

Kenichi Fukuhara has a proven track record of involvement in the management of the Group as a director of the Company since June 2005. In addition, he has experience of management at key Group subsidiaries such as Benesse Style Care Co., Ltd. and Berlitz Corporation, experience of working overseas, and considerable experience and expertise in the financial business field. He is currently engaged in management supervision and execution as Representative Director and Vice Chairman of the Company. At the same time, he is pursuing changes and recovery in performance at Berlitz Corporation as director in charge of the language business.

The Company therefore proposes him as a candidate for director, judging that he can be expected to contribute to further enhancement of the Group's corporate value.

No.	Name (Date of birth)	Brief career summary (Position and responsibilities at the Company and other current key positions)	No. of Company shares owned
4	Hitoshi Kobayashi (Sept. 25, 1960)	<p>Apr. 1985 Joined the Company</p> <p>Apr. 2000 Director of Benesse Care Corporation</p> <p>Aug. 2002 Representative Director and President of Benesse MCM Corp.</p> <p>Dec. 2003 Director of Benesse Style Care Co., Ltd.</p> <p>June 2006 Senior Executive Director of Benesse Style Care Co., Ltd.</p> <p>Apr. 2007 Representative Director and President of Benesse Style Care Co., Ltd.</p> <p>June 2007 Group Executive of the Company</p> <p>June 2012 Director of the Company</p> <p>July 2013 Director of Corporate Planning Division of the Company</p> <p>Apr. 2014 Managing Director of Corporate Planning Division of the Company</p> <p>June 2014 Managing Director of Corporate Planning Division of the Company and Representative Director and President of Benesse Corporation</p> <p>Oct. 2014 Managing Director and Head of Overseas Business Development Company of the Company</p> <p>Apr. 2016 Managing Director and Head of Overseas Business Company of the Company</p> <p>May 2016 Representative Director, Executive Vice President, and Head of Overseas Business Company of the Company, and Representative Director and Executive Vice President of Benesse Corporation</p> <p>June 2016 Representative Director, Executive Vice President, and Head of Zemi Business Company and Overseas Business Company of the Company, and Representative Director and President of Benesse Corporation</p> <p>Oct. 2016 Representative Director, Executive Vice President, and Head of Zemi Business Company of the Company, and Representative Director and President of Benesse Corporation</p> <p>Nov. 2017 Representative Director, Executive Vice President, Head of Zemi Business Company, and Head of Overseas Business Company of the Company, and Representative Director and President of Benesse Corporation</p> <p>Apr. 2018 Representative Director and Executive Vice</p>	4,939 shares

No.	Name (Date of birth)	Brief career summary (Position and responsibilities at the Company and other current key positions)	No. of Company shares owned
		<p>President of the Company, and Representative Director and President of Benesse Corporation (current)</p> <p>(Other current key positions) Representative Director and President of Benesse Corporation</p> <p>(Current responsibilities) Zemi Business Company, School and Teacher Support Business Company, “Area” and “Classroom” Education Business Company, Preschool Education - Global Company, and Kids & Family Division</p>	

Reason for Election for the Director Candidate

Hitoshi Kobayashi has a proven track record of involvement in the management of the Group as a director of the Company since June 2012. In addition, he has experience of management at key Group subsidiaries such as Benesse Style Care Co., Ltd. and Benesse Corporation, as well as considerable experience and expertise in the education, nursing care, and childcare business fields. He is currently engaged in management supervision and execution as Representative Director and Executive Vice President of the Company. At the same time, he is spearheading efforts to pursue recovery in performance at Benesse Corporation as director in charge of the education business.

The Company therefore proposes him as a candidate for director, judging that he can be expected to contribute to further enhancement of the Group’s corporate value.

No.	Name (Date of birth)	Brief career summary (Position and responsibilities at the Company and other current key positions)	No. of Company shares owned
5	Shinya Takiyama (June 2, 1971)	<p>Apr. 1996 Joined the Company</p> <p>Mar. 2003 Director of Benesse Care Corporation</p> <p>July 2011 Director of Benesse Style Care Co., Ltd.</p> <p>July 2013 Representative Director and President of Benesse Style Care Co., Ltd.</p> <p>Apr. 2014 Executive Officer and Head of Senior/Nursing Care and Childcare Business Company of the Company, and Representative Director and President of Benesse Style Care Co., Ltd.</p> <p>Nov. 2014 Executive Officer and Head of Nursing Care and Childcare Business Company of the Company, and Representative Director and President of Benesse Style Care Co., Ltd.</p> <p>June 2016 Director and Head of Nursing Care and Childcare Business Company of the Company, and Representative Director and President of Benesse Style Care Co., Ltd.</p> <p>April 2018 Director, Corporate Executive Vice President, and Head of Nursing Care and Childcare Business Company of the Company, and Representative Director and President of Benesse Style Care Co., Ltd. (current)</p> <p>(Other current key positions) Representative Director and President of Benesse Style Care Co., Ltd.</p> <p>(Current responsibilities) Nursing Care and Childcare Business Company</p>	1,488 shares

Reason for Election for the Director Candidate

Shinya Takiyama has a proven track record of involvement in the management of the Group as a director of the Company since June 2016. In addition, he has experience of management at Benesse Style Care Co., Ltd., as well as considerable experience and expertise in the nursing care and childcare business fields. He is currently engaged in management supervision and execution as a director of the Company. At the same time, he is leading efforts to steadily grow business and further enhance services as director in charge of the nursing care and childcare business.

The Company therefore proposes him as a candidate for director, judging that he can be expected to contribute to further enhancement of the Group's corporate value.

No.	Name (Date of birth)	Brief career summary (Position and responsibilities at the Company and other current key positions)	No. of Company shares owned
6	Masaki Yamasaki (July 8, 1966)	<p>Apr. 1989 Joined the Company</p> <p>Nov. 2007 Representative Director and President of Ochanomizu Seminar Co., Ltd.</p> <p>Apr. 2014 Executive Officer and Head of School and Teacher Support Business Company of the Company, and Representative Director and President of Classi Corp.</p> <p>Oct. 2014 Representative Director and President of Classi Corp.</p> <p>Apr. 2015 Representative Director and President of Benesse i-Career Co., Ltd., and Representative Director and President of Classi Corp.</p> <p>July 2015 Executive Officer and Head of School and Teacher Support Business Company of the Company, Representative Director and President of Benesse i-Career Co., Ltd., and Representative Director and President of Classi Corp.</p> <p>June 2016 Executive Officer and Head of School and Teacher Support Business Company of the Company, Director of Benesse Corporation, Representative Director and President of Benesse i-Career Co., Ltd., and Representative Director and President of Classi Corp.</p> <p>June 2017 Director and Head of School and Teacher Support Business Company of the Company, Director and Executive Vice President of Benesse Corporation, and Representative Director and President of Classi Corp.</p> <p>Apr. 2018 Director, Corporate Executive Vice President, and Head of School and Teacher Support Business Company of the Company, Director and Executive Vice President of Benesse Corporation, and Representative Director and President of Classi Corp. (current)</p>	1,529 shares

		<p>(Other current key positions) Director and Executive Vice President of Benesse Corporation Representative Director and President of Classi Corp.</p> <p>(Current responsibilities) Zemi Business Company (deputy), School and Teacher Support Business Company (deputy), and “Area” and “Classroom” Education Business Company (deputy)</p>	
--	--	---	--

Reason for Election for the Director Candidate

Masaki Yamasaki has a proven track record of involvement in the management of the Group as a director of the Company since June 2017. In addition, he has considerable experience and expertise as the person responsible for operations in the school and teacher support business field. He also has experience of management at the Group’s cram school and a proven track record of launching new businesses at subsidiaries. He is currently engaged in management supervision and execution as a director of the Company. At the same time, he is demonstrating strong leadership in pursuing operational changes targeting educational reforms as director (deputy) in charge of the domestic education business.

The Company therefore proposes him as a candidate for director, judging that he can be expected to contribute to further enhancement of the Group’s corporate value.

No.	Name (Date of birth)	Brief career summary (Position and responsibilities at the Company and other current key positions)	No. of Company shares owned
7	Kiyoyuki Tsumimura (Jan. 11, 1950) *Candidate for outside director and independent director	Apr. 1975 Joined NTT Public Corporation June 2001 Member of the Board of Directors of NTT DOCOMO, Inc. June 2004 Executive Vice President and Member of the Board of Directors of NTT DOCOMO, Inc. June 2005 (Implementation of executive officer system) Executive Vice President and Member of the Board of Directors of NTT DOCOMO, Inc. June 2008 Senior Executive Vice President and Member of the Board of Directors of NTT DOCOMO, Inc. June 2012 President and Chief Executive Officer and Member of the Board of Directors of DOCOMO Engineering Inc. June 2014 Director of the Company (current) June 2014 Chief Strategic Advisor of DOCOMO Engineering Inc. (currently DOCOMO CS, Inc.) Nov. 2014 Professor at Tokyo Institute of Technology June 2015 Representative Director and CEO of CarpeDiem, Inc. (current) (Other current key positions) Representative Director and CEO of CarpeDiem, Inc.	1,600 shares

Reason for Election and Time in Office for the Outside Director Candidate

Kiyoyuki Tsumimura supervises management appropriately as an outside director, having considerable experience and expertise in corporate management of global corporations within the information and telecommunications field. In the Board of Directors, he draws on this experience and expertise to actively offer opinions and recommendations regarding important matters associated with the management of the Company.

The Company therefore proposes him as a candidate for outside director. As of the end of this general shareholders' meeting, he will have served as outside director for four years.

No.	Name (Date of birth)	Brief career summary (Position and responsibilities at the Company and other current key positions)	No. of Company shares owned
8	Hideaki Fukutake (May 14, 1977) *Candidate for outside director	Apr. 2000 Joined KEYENCE CORPORATION Feb. 2006 Joined SMS CO., LTD. Apr. 2007 Division President of Nursing Care and Medical Care, and Media of SMS CO., LTD. Feb. 2009 Director of efu Investment Limited (current) June 2009 Vice Chairman of the Board, Naoshima Fukutake Art Museum Foundation June 2009 Vice Chairman of the Board, Fukutake Foundation for the Promotion of Regional Culture Dec. 2012 Vice Chairman of the Board, Fukutake Foundation (current) Apr. 2013 Director of Berlitz Corporation (current) June 2013 Outside director of Benesse Corporation June 2014 Director of the Company (current) (Other current key positions) Vice Chairman of the Board, Fukutake Foundation Director of efu Investment Limited	0 shares Note 1(2)

Reason for Election and Time in Office for the Outside Director Candidate

Hideaki Fukutake supervises management appropriately as an outside director, drawing on his experience as an outside director of a key Group subsidiary and his shareholder's perspective. In the Board of Directors, he draws on this experience and expertise to actively offer opinions and recommendations regarding important matters associated with the management of the Company. He also comments actively in committee meetings as a member of the Nomination and Compensation Committee. Thus, he contributes to enhancing the transparency of decision making processes within the Company's management.

The Company therefore proposes him as a candidate for outside director. As of the end of this general shareholders' meeting, he will have served as outside director for four years.

No.	Name (Date of birth)	Brief career summary (Position and responsibilities at the Company and other current key positions)	No. of Company shares owned
9	Ryuji Yasuda (Apr. 28, 1946) *Candidate for outside director and independent director	<p>Jan. 1979 Joined McKinsey & Company</p> <p>June 1991 Director of McKinsey & Company</p> <p>June 1996 Managing Director and Chairman of A.T. Kearney, Asia</p> <p>June 2003 Chairman of J-Will Partners Co., Ltd.</p> <p>Apr. 2004 Professor at the Graduate School of International Corporate Strategy at Hitotsubashi University</p> <p>Apr. 2015 Adjunct Professor at the Graduate School of International Corporate Strategy at Hitotsubashi University</p> <p>June 2015 Director of the Company (current)</p> <p>Apr. 2018 Adjunct Professor, Graduate School of Business Administration, Hitotsubashi University Department of International Corporate Strategy (current)</p> <p>(Other current key positions)</p> <p>Adjunct Professor, Graduate School of Business Administration, Hitotsubashi University Department of International Corporate Strategy</p> <p>Outside Director of Yakult Honsha Co., Ltd.</p> <p>Outside Director of ORIX Corporation</p> <p>Outside Director of Kansai Mirai Financial Group, Inc.</p>	2,500 shares

Reason for Election and Time in Office for the Outside Director Candidate

Ryuji Yasuda supervises management appropriately as an outside director, having broad experience and extensive specialized expertise including his work as a management consultant at international consulting firms, as a university professor, and as outside director of other companies. In the Board of Directors, he draws on this experience and expertise to actively offer opinions and recommendations regarding important matters associated with the management of the Company. He also comments actively in committee meetings as a member of the Nomination and Compensation Committee. Thus, he contributes to enhancing the transparency of decision making processes within the Company's management.

The Company therefore proposes him as a candidate for outside director. As of the end of this general shareholders' meeting, he will have served as outside director for three years.

No.	Name (Date of birth)	Brief career summary (Position and responsibilities at the Company and other current key positions)	No. of Company shares owned
10	Nobuo Kuwayama (Nov. 20, 1948) *Candidate for outside director and independent director	Apr. 1971 Joined ITOCHU Corporation June 2003 Executive Officer of ITOCHU Corporation Apr. 2004 General Manager for China at ITOCHU Corporation Apr. 2006 Managing Executive Officer at ITOCHU Corporation Apr. 2010 Senior Managing Executive Officer at ITOCHU Corporation June 2013 Chairman of the Board of Directors of DESCENTE Ltd. June 2016 Director of the Company (current) (Other current key positions) None	700 shares

Reason for Election and Time in Office for the Outside Director Candidate

Nobuo Kuwayama supervises management appropriately as an outside director, having business experience in a trading company with global operations, and considerable experience and expertise in the Chinese business field in particular. In the Board of Directors, he draws on this experience and expertise to actively offer opinions and recommendations regarding important matters associated with the management of the Company.

The Company therefore proposes him as a candidate for outside director. As of the end of this general shareholders' meeting, he will have served as outside director for two years.

Notes:

1. (1) Kenichi Fukuhara, a candidate for director, and Hideaki Fukutake, another candidate for director, are vice chairmen of the board of the Fukutake Foundation. The Company has dealings with the Fukutake Foundation, including those related to the operation of museums and the leasing of real estate.
(2) efu Investment Limited, an asset management and investment corporation of which Hideaki Fukutake, a candidate for director, is representative, holds 7,858,000 shares of the Company and has placed 6,809,000 shares of the Company as trust assets with the Master Trust Bank of Japan, Ltd.
2. No other candidate for director has any special interest in the Company.
3. The Company judges that Shinjiro Iwata, Kiyoyuki Tsujimura, Ryuji Yasuda, and Nobuo Kuwayama—each a candidate for director—meet its Criteria for Independence of Outside Directors and Outside Audit & Supervisory Board Members. It has therefore designated these four men as independent directors based on the regulations of the Tokyo Stock Exchange, and has notified the exchange of the same. The Company has no monetary dealings with any of these four men other than remuneration for their work as outside director, and none of these four candidates has special interest ties with any of the executives of the Company.
4. Hideaki Fukutake, a candidate for director, is currently nonexecutive officer of Berlitz Corporation, a subsidiary of the Company, and in the past was nonexecutive officer of Benesse Corporation, a subsidiary of the Company.
5. The Company has formed agreements with outside directors Shinjiro Iwata, Kiyoyuki Tsujimura, Hideaki Fukutake, Ryuji Yasuda, and Nobuo Kuwayama limiting liability for damages provided in Paragraph 1 of Article 423 of the Companies Act. Based on the said agreements, in the case that such outside director has been in good faith and without gross negligence in performing his duties, the limit for liability for damages is the higher of the following: 10 million yen or the minimum liability amount provided in Paragraph 1 of Article 425 of the Companies Act.

Reference: Benesse Holdings, Inc. Criteria for Independence of Outside Directors and Outside Audit & Supervisory Board Members (relates to Proposals 2 and 3)

Benesse Holdings, Inc. (“the Company”) shall determine that the Company’s outside directors, outside audit & supervisory board members and the respective candidates for those posts possess a high degree of independence when all of the following criteria are satisfied:

- (1) The individual has not served as business personnel^{*1} of the Company or its Group companies (hereinafter, “the Benesse Group”) in the current fiscal year or the past nine fiscal years.
- (2) Individuals who have satisfied all of the following conditions (A) through (H) for the past three fiscal years:
 - (A) The individual is not an entity for which the Benesse Group is a major client^{*2} and does not serve as business personnel thereof.
 - (B) The individual is not a major client of the Benesse Group^{*3} and does not serve as business personnel thereof.
 - (C) The individual is not a major shareholder (directly or indirectly holding a voting interest of 10% or more) of the Company and does not serve as business personnel thereof.
 - (D) The individual does not serve as business personnel of an entity that is a major investee of the Benesse Group (in which the Benesse Group directly or indirectly holds a voting interest of 10% or more).
 - (E) The individual is not a consultant, accounting expert or legal expert who has received compensation in the form of a large amount of money or other assets,^{*4} other than officer’s compensation from the Benesse Group (or an individual belonging to an entity such as a corporation, association, or other group that has received such assets).
 - (F) The individual has not received a large charitable donation or subsidy^{*5} from the Benesse Group and does not serve as business personnel of such a recipient.
 - (G) The individual is not an independent auditor of the Benesse Group and does not belong to a corporation, association or other group that serves as an independent auditor of the Benesse Group.
 - (H) In cases where the business personnel of the Benesse Group have been appointed as outside officers of other companies, the individual does not serve as business personnel of the other company.
- (3) The individual is not a relative^{*6} of a person who meets either of the following conditions (a) or (b):
 - (a) An individual who does not satisfy any of the foregoing conditions (A) through (H) in (2) above for one of the past three fiscal years. However, the business personnel stipulated in conditions (A) through (D) and (F) and (H) shall refer only to key business personnel.^{*7} Condition (E) shall apply only to persons with specialized qualifications, such as certified public accountants and lawyers. Condition (G) shall apply only to key business personnel and persons with specialized qualifications, such as certified public accountants and lawyers, in the individual’s organization.
 - (b) Key business personnel of the Benesse Group in the current fiscal year or any of the past three fiscal years.

Notes:

1. Business personnel refers to the executive directors and executive officers who execute the operations of corporations and other groups, or other officers who execute the operations of corporations, etc. Business personnel also refers to employees, directors and other equivalent posts based on the Companies Act of Japan, as well as ordinary employees and others who conduct business operations.
2. An entity for whom the Benesse Group is a major client refers to an entity that satisfies any of the following conditions:
 - (1) A supplier group that supplies products and services to the Benesse Group (an entity who belongs to the consolidated group of the direct supplier), where the supplier group's trading amount with the Benesse Group exceeds the higher of ¥100 million or 2% of the consolidated net sales of the supplier group, in the most recent fiscal year.
 - (2) A supplier group to which the Benesse Group owes liabilities, where the Benesse Group's total amount of liabilities toward the supplier group exceeds the higher of ¥100 million or 2% of the consolidated net sales of the supplier group, in the most recent fiscal year.
3. A major client of the Benesse Group refers to an entity that satisfies any of the following conditions:
 - (1) A client group to whom the Benesse Group supplies products and services, where the Benesse Group's trading amount with the client group exceeds the higher of ¥100 million or 2% of the Benesse Group's consolidated net sales, in the most recent fiscal year.
 - (2) A client group holding liabilities owed to the Benesse Group, where the client group's total liabilities owed to the Benesse Group exceeds the higher of ¥100 million or 2% of the client group's consolidated net sales, in the most recent fiscal year.
 - (3) A financial institution group (an entity belonging to the consolidated group to which the direct lender belongs) from which the Benesse Group has borrowed funds, where the total amount of the Benesse Group's borrowings from the financial institutions exceeds 2% of the Benesse Group's consolidated total assets in the most recent fiscal year.
4. A large amount of money or other assets refers to a monetary compensation value the average of which over the past three fiscal years exceeds the higher of ¥10 million or 2% of the entity's net sales or gross income in the most recent fiscal year.
5. An entity receiving a large charitable donation or subsidy from the Benesse Group refers to an entity receiving a charitable donation or subsidy from the Benesse Group, the average of which over the past three fiscal years exceeds the higher of ¥10 million or 2% of the entity's net sales or gross income in the past fiscal year.
6. Relatives refer to spouses, relatives within the second degree of kinship and those with whom a livelihood is shared.
7. Key business personnel refer to business personnel such as executive directors, executive officers and other officers who execute the operations of corporations, etc., as well as those who execute key operations, such as division managers.