

# DATA BOOK 2015

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For the Year Ended March 31, 2015

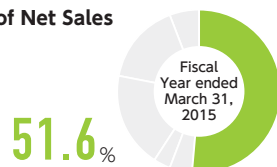


# At a Glance

## DOMESTIC EDUCATION BUSINESS DOMAIN

The Domestic Education Business Domain is a core business of the Benesse Group. Our mainstay products in this segment are the *Kodomo Challenge* and *Shinken-zemi* correspondence courses for students aged preschool through to senior high school.

### Share of Net Sales



### MAJOR BUSINESS

- *Shinken-zemi* and *Kodomo Challenge* correspondence courses
- School and teacher support business, centered on *Shinken Simulated Exams* (mock university entrance exams)
- Cram schools/prep schools
- English language teaching business for preschool children and elementary school students

### MAJOR GROUP COMPANIES

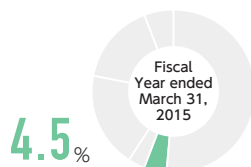
Benesse Corporation  
UP Inc.  
Tokyo Individualized Educational Institute, Inc.  
Ochanomizu Seminar Co., Ltd.  
Minerva Intelligence Co., Ltd.

### MAIN PRODUCTS AND SERVICES



## OVERSEAS EDUCATION BUSINESS DOMAIN

In the Overseas Education Business Domain, we operate correspondence course businesses mainly focused on preschool students in China and Taiwan.



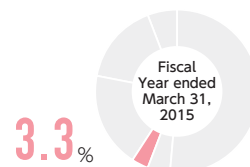
- Correspondence course business focused on preschool children in mainland China and Taiwan

Benesse Corporation  
Benesse Corporation China



## LIFESTYLE BUSINESS DOMAIN

In the Lifestyle Business Domain, we provide products and services to support women, primarily in pregnancy, childbirth, and child-rearing. Our activities include publishing magazines, a mail-order business, and website operations.

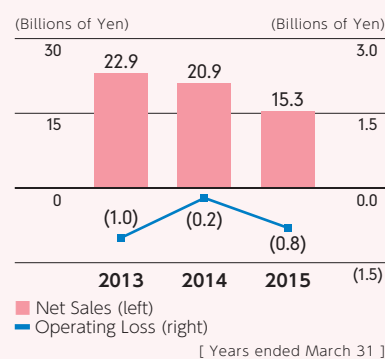
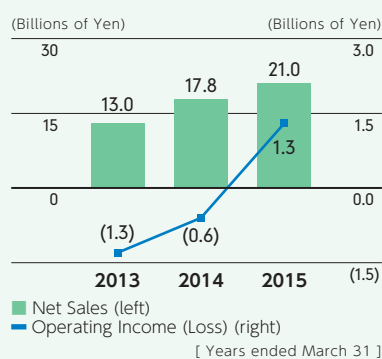
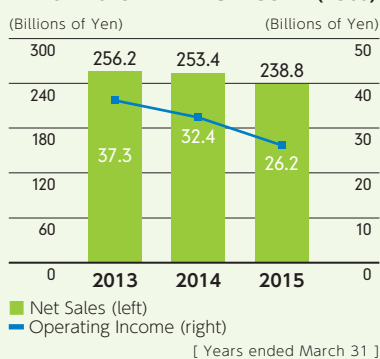


- *Tamago Club* and *Hiyoko Club* — magazines dealing with pregnancy, childbirth, and child-rearing
- *Women's Park* website
- Mail-order business *Tamahiyo Shop*, *Tamahiyo Uchiwai* (family celebration items)
- The *Tamahiyo Photo Studio*

Benesse Corporation



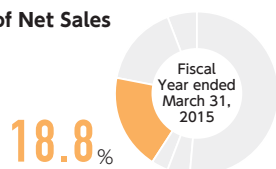
### NET SALES/OPERATING INCOME (LOSS)



## SENIOR/ NURSING CARE BUSINESS DOMAIN

In the Senior/Nursing Care Business Domain, our main business is the operation of nursing homes for the elderly. We operate 276 nursing homes mainly in the Tokyo Metropolitan Area (as of March 31, 2015).

### Share of Net Sales



### MAJOR BUSINESS

- Operation of nursing homes for the elderly
- Home help service business
- Daycare and afterschool child-care operation business
- Food delivery services for seniors business

### MAJOR GROUP COMPANIES

Benesse Style Care Co., Ltd.  
Benesse MCM Corp.  
Benesse Palette Co., Ltd.  
Benesse Senior Support Co., Ltd.

### MAIN PRODUCTS AND SERVICES



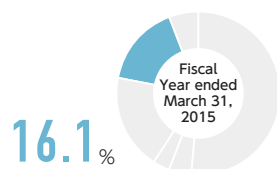
Madoka



Granda

## LANGUAGE/GLOBAL LEADERSHIP TRAINING BUSINESS DOMAIN

In the Language/Global Leadership Training Business Domain, we operate language schools in more than 70 countries and regions around the world, mainly through Berlitz Corporation, along with a global leadership training business and ELS (overseas study support) business.

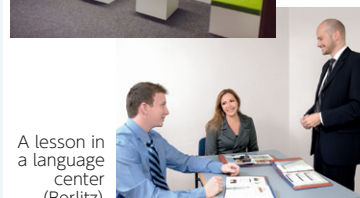


- Language education business, global leadership training business, ELS business
- Interpreting and translation business

Berlitz Corporation  
Simul International, Inc.



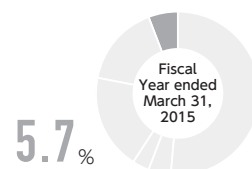
A language center (Berlitz)



A lesson in a language center (Berlitz)

## OTHER BUSINESSES

We operate a telemarketing business and operate and maintain an information system and information processing service businesses.



- Telemarketing business
- Operate and maintain an information system and information processing service businesses

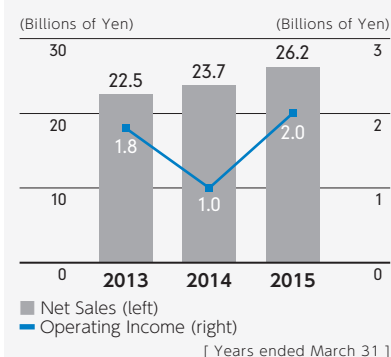
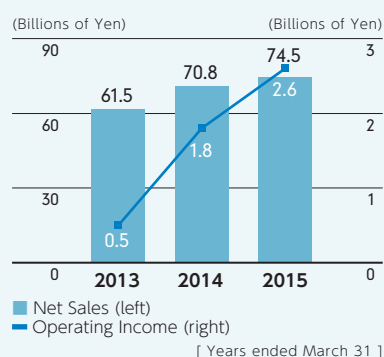
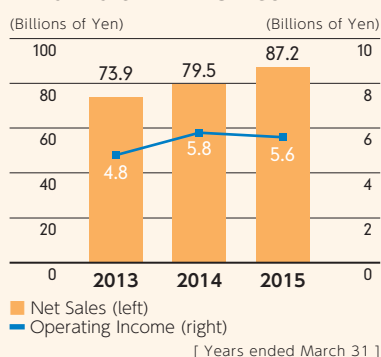
TMJ, Inc.  
Benesse InfoShell Co., Ltd.

\* Benesse InfoShell Co., Ltd. was established on January 15, 2015 and started operations on April 1, 2015.



A call center

### NET SALES/OPERATING INCOME



\* Berlitz Corporation operates its language school and related businesses through a network of subsidiaries in countries all over the world, including Berlitz Japan, Inc., which is a subsidiary.

# Ten-Year Summary of Consolidated Financial Statements

Benesse Holdings, Inc. and Consolidated Subsidiaries

Years ended March 31

## For the Year:

	2006	2007	2008
Net sales	¥ 333,766	¥ 354,595	¥ 384,514
Cost of sales	165,346	175,218	192,182
Selling, general and administrative expenses	140,007	148,060	157,449
Operating income	28,412	31,316	34,882
(Loss) income before income taxes and minority interests	27,746	32,339	31,006
Income taxes	11,637	13,902	15,025
Net (loss) income	16,039	18,244	15,462
CAPEX	¥ 20,503	¥ 11,801	¥ 22,767
Depreciation and amortization	9,774	9,928	11,829

## Per Share of Common Stock:

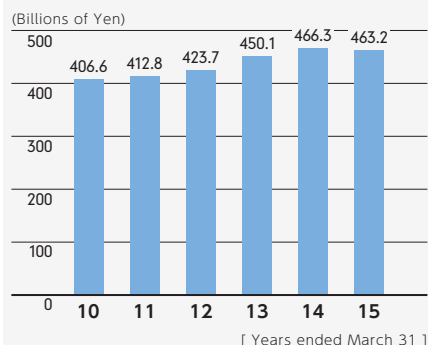
Net (loss) income	¥ 156.45	¥ 177.86	¥ 151.54
Cash dividends	75	85	90

## At Year-End:

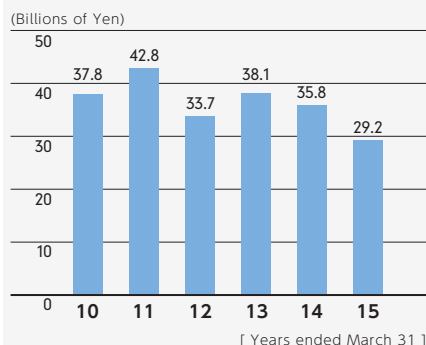
Total assets	¥ 330,229	¥ 349,098	¥ 366,584
Total equity	186,292	197,302	202,342
Total equity per share of common stock	¥1,817.55	¥1,917.64	¥1,949.30
Number of shares of common stock issued (in thousands)	106,353	106,353	106,353

Notes: 1. Cost of sales is the cost of sales shown on pages 9-10, minus reversal of reserve for goods return and plus provision for reserve for goods return.  
 2. The computation of net (loss) income per share of common stock is based on the weighted average number of shares of common stock outstanding during each year.  
 3. CAPEX for the fiscal year ended March 31, 2008 and before includes rental deposits.  
 4. Depreciation and amortization for the fiscal year ended March 31, 2008 and before includes depreciation of non-operating expenses.

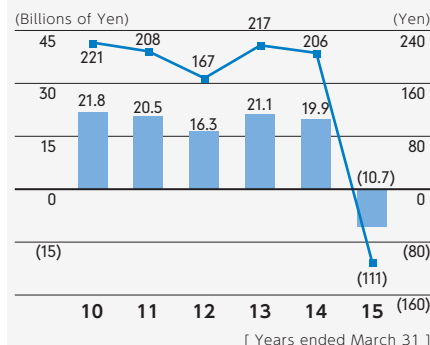
### NET SALES



### OPERATING INCOME



### NET (LOSS) INCOME / NET (LOSS) INCOME PER SHARE



■ Net (Loss) Income (Left)  
 — Net (Loss) Income per Share (Right)

Millions of Yen

2009	2010	2011	2012	2013	2014	2015
¥ 412,711	¥ 406,602	¥ 412,828	¥ 423,706	¥ 450,182	¥ 466,399	¥ 463,264
204,115	199,835	203,842	212,016	228,890	243,197	258,747
169,469	168,877	166,118	177,892	183,146	187,371	175,290
39,125	37,889	42,867	33,797	38,145	35,830	29,227
29,983	38,615	36,669	34,055	38,245	32,908	(3,475)
18,652	15,911	15,606	17,109	16,614	12,536	6,474
10,678	21,874	20,586	16,369	21,147	19,930	(10,705)
¥ 18,051	¥ 27,042	¥ 21,938	¥ 44,610	¥ 23,796	¥ 31,915	¥ 37,998
13,456	13,028	13,738	14,183	16,957	17,367	21,056

Yen

¥ 106.98	¥ 221.65	¥ 208.47	¥ 167.79	¥ 217.54	¥ 206.79	¥ (111.30)
90	90	95	95	95	95	95

Millions of Yen

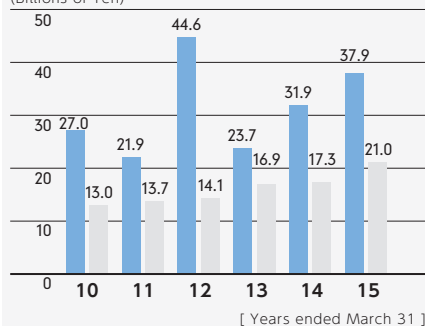
¥ 343,128	¥ 356,153	¥ 405,119	¥ 432,080	¥ 460,259	¥ 487,594	¥ 490,954
168,497	183,169	192,793	194,189	207,479	215,109	197,892

Yen

¥1,646.83	¥1,792.80	¥1,893.72	¥1,933.52	¥2,071.24	¥2,173.58	¥ 2,000.43
106,353	106,353	106,353	104,153	102,453	102,453	102,453

### CAPEX/ DEPRECIATION AND AMORTIZATION

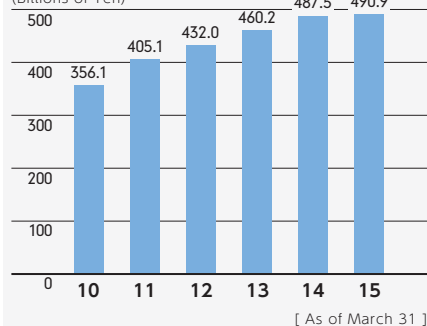
(Billions of Yen)



■ CAPEX  
■ Depreciation and Amortization

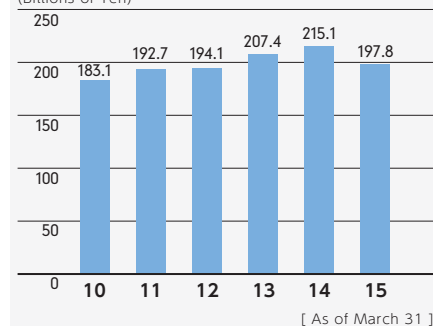
### TOTAL ASSETS

(Billions of Yen)



### TOTAL EQUITY

(Billions of Yen)





# Consolidated Balance Sheets

Benesse Holdings, Inc. and Consolidated Subsidiaries

As of March 31	2006	2007	2008
<b>Assets</b>			
<b>Current Assets</b>	<b>¥150,884</b>	<b>¥173,566</b>	<b>¥175,899</b>
Cash and time deposits	35,843	40,293	50,414
Notes and accounts receivable—trade	22,685	23,900	28,298
Marketable securities	43,465	44,366	38,296
Inventories	15,146	15,551	17,043
Merchandise and finished goods	—	—	—
Work in progress	—	—	—
Raw material and supplies	—	—	—
Deferred tax assets	4,801	5,137	4,794
Accounts receivable—other	17,011	27,811	31,972
Other current assets	13,703	18,452	6,923
Allowance for doubtful receivables	(1,773)	(1,946)	(1,843)
<b>Total Fixed Assets</b>	<b>179,345</b>	<b>175,532</b>	<b>190,684</b>
Tangible Fixed Assets	71,146	71,811	72,606
Buildings and structures—net	27,454	28,759	28,598
Land	34,290	34,710	35,046
Lease assets—net	—	—	—
Other tangible fixed assets—net	9,401	8,341	8,961
Intangible Fixed Assets	53,504	53,767	59,066
Goodwill	43,734	41,836	44,848
Software	—	—	—
Other intangible fixed assets	9,770	11,931	14,217
Investments and Other Assets	54,693	49,953	59,011
Investment securities	35,210	28,568	33,057
Long-term loans receivable	—	—	—
Prepaid pension expenses	3,683	4,012	4,340
Asset for retirement benefits	—	—	—
Deferred tax assets	527	1,235	2,333
Other assets	16,090	16,513	19,508
Allowance for doubtful receivables	(105)	(376)	(227)
Reserve for investment loss	(712)	—	—
<b>Total</b>	<b>¥330,229</b>	<b>¥349,098</b>	<b>¥366,584</b>

Notes: 1. Inventories under current assets has been presented as merchandise and finished goods, work in progress, and raw materials and supplies since the fiscal year ended March 31, 2009.

2. Lease assets, which was previously included in other tangible fixed assets under tangible fixed assets, has been presented as a separate item since the fiscal year ended March 31, 2011 because the amount exceeded 1% of total assets.

3. Software, which was previously included in other intangible fixed assets under intangible fixed assets, has been presented as a separate item since the fiscal year ended March 31, 2010 because the amount exceeded 5% of total assets.

4. Long-term loans receivable, which was previously included in other assets under investments and other assets, has been presented as a separate item since the fiscal year ended March 31, 2011 because the amount exceeded 1% of total assets.

2009	2010	2011	2012	2013	2014	2015
<b>¥179,850</b>	<b>¥179,687</b>	<b>¥233,544</b>	<b>¥230,014</b>	<b>¥248,663</b>	<b>¥262,779</b>	<b>¥251,278</b>
42,784	48,877	93,982	72,647	72,464	79,726	104,541
24,400	24,218	26,185	27,371	30,108	31,266	31,671
43,517	31,631	32,053	49,128	57,491	51,279	24,313
—	—	—	—	—	—	—
14,112	13,969	14,334	16,900	21,105	31,750	25,873
3,685	3,334	4,255	4,098	3,911	4,611	3,737
1,780	1,707	1,693	1,634	1,807	1,643	1,595
5,758	5,230	6,262	5,482	6,185	5,658	6,034
38,318	42,032	41,863	46,684	46,510	48,547	41,479
7,281	10,426	14,450	7,781	10,767	10,044	13,775
(1,788)	(1,740)	(1,536)	(1,715)	(1,686)	(1,750)	(1,744)
<b>163,278</b>	<b>176,466</b>	<b>171,575</b>	<b>202,066</b>	<b>211,595</b>	<b>224,815</b>	<b>239,676</b>
74,609	75,994	75,122	91,105	97,765	107,440	121,996
29,223	29,016	28,223	31,675	31,166	31,527	31,819
36,092	36,106	35,985	38,126	37,326	38,319	37,195
—	—	2,133	12,597	19,893	28,008	43,317
9,293	10,871	8,780	8,705	9,378	9,584	9,664
29,895	42,500	43,535	55,330	54,970	58,031	58,355
13,157	18,537	15,620	23,452	20,233	19,325	18,526
—	22,405	26,545	27,639	30,642	35,098	36,576
16,737	1,557	1,369	4,238	4,094	3,607	3,252
58,773	57,970	52,917	55,630	58,859	59,343	59,324
29,374	25,101	16,756	16,497	19,072	18,040	13,771
—	—	4,536	4,837	4,780	4,490	4,896
4,461	4,442	4,383	4,236	3,816	—	—
—	—	—	—	—	1,376	2,457
4,391	3,260	6,099	6,848	7,347	9,969	10,073
20,818	25,259	21,226	23,279	23,907	25,526	28,188
(272)	(93)	(84)	(69)	(65)	(60)	(62)
—	—	—	—	—	—	—
<b>¥343,128</b>	<b>¥356,153</b>	<b>¥405,119</b>	<b>¥432,080</b>	<b>¥460,259</b>	<b>¥487,594</b>	<b>¥490,954</b>

# Consolidated Balance Sheets

Benesse Holdings, Inc. and Consolidated Subsidiaries

As of March 31

	2006	2007	2008
<b>Liabilities</b>			
<b>Current Liabilities</b>	<b>¥121,106</b>	<b>¥130,524</b>	<b>¥140,276</b>
Notes and accounts payable—trade	12,190	12,262	11,762
Short-term bank loans	508	796	1,187
Current portion of long-term debt	1,206	546	683
Accounts payable—other	18,827	21,449	23,308
Accrued income taxes	5,778	9,232	7,667
Advances received	69,215	71,097	77,861
Reserve for after-service costs	834	794	748
Reserve for employees' bonuses	4,149	4,921	5,892
Reserve for directors' bonuses	222	254	295
Reserve for goods return	553	587	555
Other current liabilities	7,618	8,582	10,313
<b>Long-Term Liabilities</b>	<b>22,512</b>	<b>21,271</b>	<b>23,965</b>
Long-term debt, less current portion	2,903	740	536
Lease obligations	—	—	—
Guarantee deposits received from nursing home residents	—	—	—
Deferred tax liabilities	574	553	23
Reserve for employees' retirement benefits	2,251	2,371	2,598
Reserve for directors' retirement allowances	1,459	1,467	1,563
Liability for retirement benefits	—	—	—
Other long-term liabilities	15,323	16,138	19,244
<b>Total Liabilities</b>	<b>143,618</b>	<b>151,796</b>	<b>164,242</b>
<b>Minority Interests</b>	319	—	—
<b>Shareholders' Equity</b>			
Common stock	13,600	—	—
Capital surplus	29,358	—	—
Retained earnings	154,155	—	—
Unrealized gain on available-for-sale securities	879	—	—
Foreign currency translation adjustments	(1,714)	—	—
Treasury stock-at-cost	(9,985)	—	—
<b>Total Shareholders' Equity</b>	<b>186,292</b>	—	—
<b>Total</b>	<b>¥330,229</b>	—	—
<b>Equity</b>			
<b>Shareholders' Equity</b>	—	<b>197,524</b>	<b>200,522</b>
Common stock	—	13,600	13,600
Capital surplus	—	29,358	29,358
Retained earnings	—	164,004	170,337
Treasury stock-at-cost	—	(9,439)	(12,773)
<b>Accumulated Other Comprehensive Income</b>	—	<b>(566)</b>	<b>(1,999)</b>
Unrealized gain (loss) on available-for-sale securities	—	786	(473)
Foreign currency translation adjustments	—	(1,352)	(1,526)
Pension liability adjustments for a foreign consolidated subsidiary	—	—	—
Defined retirement benefit plans	—	—	—
<b>Stock Acquisition Rights</b>	—	82	304
<b>Minority Interests</b>	—	261	3,514
<b>Total Equity</b>	—	<b>197,302</b>	<b>202,342</b>
<b>Total</b>	—	<b>¥349,098</b>	<b>¥366,584</b>

Notes: 1. Shareholders' equity has been presented as total equity since the fiscal year ended March 31, 2007 because the regulation concerning consolidated financial statements was amended.

2. Lease obligations, which was previously included in other long-term liabilities under long-term liabilities, has been presented as a separate item since the fiscal year ended March 31, 2011 because the amount exceeded 1% of the sum of total liabilities and total equity.



2009	2010	2011	2012	2013	2014	2015
<b>¥147,825</b>	<b>¥139,389</b>	<b>¥149,289</b>	<b>¥153,001</b>	<b>¥157,291</b>	<b>¥172,943</b>	<b>¥187,296</b>
12,398	12,025	13,114	14,198	14,721	18,037	19,937
1,628	1,447	467	270	—	—	—
281	122	44	259	250	6,250	25,033
24,655	24,483	24,314	26,003	26,024	29,835	34,216
11,458	4,864	14,323	6,647	9,048	6,278	3,430
79,596	78,691	78,655	87,624	88,710	93,468	84,385
768	770	728	677	679	628	406
6,174	6,178	6,290	6,737	6,874	6,841	6,528
287	188	194	206	324	331	300
522	474	448	393	362	343	383
10,055	10,144	10,706	9,982	10,297	10,926	12,672
<b>26,806</b>	<b>33,593</b>	<b>63,036</b>	<b>84,889</b>	<b>95,488</b>	<b>99,541</b>	<b>105,766</b>
269	219	25,009	31,500	31,250	25,000	5,014
—	—	2,068	12,130	19,393	27,933	43,872
—	21,099	25,300	27,804	30,152	30,885	32,902
301	668	611	2,411	2,580	2,921	4,251
2,774	2,835	2,980	3,152	3,471	—	—
1,547	1,405	1,435	202	224	165	179
—	—	—	—	—	6,708	7,240
21,913	7,364	5,631	7,687	8,415	5,926	12,305
<b>174,631</b>	<b>172,983</b>	<b>212,326</b>	<b>237,890</b>	<b>252,780</b>	<b>272,484</b>	<b>293,062</b>
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
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—	—	—	—	—	—	—
—	—	—	—	—	—	—
<b>169,746</b>	<b>181,803</b>	<b>194,255</b>	<b>195,976</b>	<b>207,886</b>	<b>214,907</b>	<b>195,146</b>
13,600	13,600	13,600	13,600	13,600	13,600	13,600
29,358	29,358	29,381	29,358	29,358	29,358	29,358
152,239	165,372	177,342	176,863	182,935	193,679	173,920
(25,451)	(26,527)	(26,067)	(23,844)	(18,007)	(21,730)	(21,732)
<b>(6,860)</b>	<b>(4,967)</b>	<b>(7,212)</b>	<b>(8,014)</b>	<b>(6,538)</b>	<b>(5,830)</b>	<b>(2,726)</b>
(1,634)	88	(17)	280	1,183	1,712	2,235
(5,226)	(5,056)	(6,793)	(7,855)	(7,172)	(5,456)	(3,468)
—	—	(401)	(440)	(549)	—	—
—	—	—	—	—	(2,086)	(1,494)
551	667	683	683	458	141	—
5,059	5,667	5,065	5,543	5,671	5,891	5,472
<b>168,497</b>	<b>183,169</b>	<b>192,793</b>	<b>194,189</b>	<b>207,479</b>	<b>215,109</b>	<b>197,892</b>
<b>¥343,128</b>	<b>¥356,153</b>	<b>¥405,119</b>	<b>¥432,080</b>	<b>¥460,259</b>	<b>¥487,594</b>	<b>¥490,954</b>

3. Guarantee deposits received from nursing home residents, which was previously included in other long-term liabilities under long-term liabilities, has been presented as a separate item since the fiscal year ended March 31, 2010 because the amount exceeded 5% of the sum of total liabilities and total equity.

# Consolidated Statements of Operations

Benesse Holdings, Inc. and Consolidated Subsidiaries

Years ended March 31	2006	2007	2008
<b>Net Sales</b>	<b>¥333,766</b>	<b>¥354,595</b>	<b>¥384,514</b>
<b>Cost of Sales</b>	<b>165,340</b>	<b>175,184</b>	<b>192,214</b>
Reversal of reserve for goods return	547	553	587
Provision for reserve for goods return	553	587	555
<b>Adjusted Gross Profit</b>	<b>168,419</b>	<b>179,377</b>	<b>192,331</b>
<b>Selling, General and Administrative Expenses</b>	<b>140,007</b>	<b>148,060</b>	<b>157,449</b>
Promotion expenses	—	—	—
Direct mail expenses	27,309	27,157	27,345
Advertising expenses	14,835	13,819	13,474
Transportation and communication expenses	17,979	18,557	19,033
Customer management expenses	11,951	10,892	9,939
Wages and salaries	24,468	28,569	32,403
Provision for reserve for employees' bonuses	2,216	2,739	3,195
Provision for reserve for directors' bonuses	222	254	295
Net periodic benefit costs	—	—	—
Provision for reserve for employees' retirement benefits	642	622	719
Provision for reserve for directors' retirement allowances	168	194	170
Provision for allowance for doubtful receivables	978	1,030	595
Other	39,235	44,223	50,275
<b>Operating Income</b>	<b>28,412</b>	<b>31,316</b>	<b>34,882</b>
<b>Non-Operating Income</b>	<b>2,291</b>	<b>3,708</b>	<b>3,404</b>
Interest income	388	753	1,340
Dividend income	58	70	171
Gain on sales of marketable securities	41	—	—
Rent income	428	448	451
Foreign exchange gain	499	138	—
Gain on sales of investment securities	—	—	—
Gain on investments in partnership	—	—	—
Equity in net earnings of unconsolidated subsidiaries and affiliates	67	78	81
Income from leveraged lease assets	300	1,581	—
Gain on derivatives	—	—	686
Other	506	636	672
<b>Non-Operating Expenses</b>	<b>1,275</b>	<b>1,745</b>	<b>2,366</b>
Interest expense	191	327	42
Rent expenses	192	175	169
Foreign exchange loss	—	—	1,355
Loss on derivatives	360	389	—
Other	530	852	798
<b>Ordinary Income</b>	<b>29,429</b>	<b>33,279</b>	<b>35,920</b>
<b>Special Gain</b>	<b>1,026</b>	<b>319</b>	<b>196</b>
Gain on sales of fixed assets	78	254	161
Gain on sales of investments of a consolidated subsidiary	—	—	—
State subsidy	—	—	—
Reversal of reserve for directors' retirement allowances	—	65	—
Government grant for rehire	900	—	—
Gain on step acquisitions	—	—	—
Gain on transfer of business	—	—	—
Gain on reversal of subscription rights to shares	—	—	—
Gain on change in equity	—	—	—
Other	47	—	34
<b>Special Losses</b>	<b>2,709</b>	<b>1,260</b>	<b>5,109</b>
Loss on sales and disposal of fixed assets	654	475	755
Loss on reduction of non current assets	—	—	—
Amortization of goodwill	—	—	—
Loss on impairment of long-lived assets	222	246	2,769
Valuation loss on investment securities	29	308	225
Restructuring expenses of foreign consolidated subsidiary	621	—	—
Loss on restructuring of business	1,084	201	979
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	—	—
Loss on cancellation of system development	—	—	284
Litigation loss	—	—	52
Loss on liquidation of subsidiaries	—	—	—
Business structure improvement expenses	—	—	—
Information security management expenses	—	—	—
Other	97	28	42
<b>(Loss) Income before Income Taxes and Minority Interests</b>	<b>27,746</b>	<b>32,339</b>	<b>31,006</b>
<b>Income Taxes</b>	<b>11,637</b>	<b>13,902</b>	<b>15,025</b>
Income taxes—current	11,697	14,830	15,425
Income taxes—deferred	(59)	(927)	(400)
<b>Net (Loss) Income before Minority Interests</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Minority Interests in Net Income</b>	<b>69</b>	<b>192</b>	<b>519</b>
<b>Net (Loss) Income</b>	<b>¥ 16,039</b>	<b>¥ 18,244</b>	<b>¥ 15,462</b>

Notes: 1. Gain on investments in partnership, which was previously included in other under non-operating income, has been presented as a separate item since the fiscal year ended March 31, 2013 because the amount exceeded 10% of total non-operating income.

2009	2010	2011	2012	2013	2014	2015
<b>¥412,711</b>	<b>¥406,602</b>	<b>¥412,828</b>	<b>¥423,706</b>	<b>¥450,182</b>	<b>¥466,399</b>	<b>¥463,264</b>
<b>204,148</b>	<b>199,883</b>	<b>203,868</b>	<b>212,071</b>	<b>228,921</b>	<b>243,217</b>	<b>258,707</b>
555	522	474	448	393	362	343
522	474	448	393	362	343	383
<b>208,595</b>	<b>206,766</b>	<b>208,986</b>	<b>211,690</b>	<b>221,292</b>	<b>223,201</b>	<b>204,517</b>
<b>169,469</b>	<b>168,877</b>	<b>166,118</b>	<b>177,892</b>	<b>183,146</b>	<b>187,371</b>	<b>175,290</b>
—	—	—	—	—	18,045	20,852
28,495	30,340	28,268	31,887	31,575	29,269	10,794
14,741	13,207	11,344	12,015	12,418	13,729	18,594
20,280	20,757	20,654	20,698	20,070	19,374	15,830
11,245	12,007	11,247	12,580	14,350	15,784	18,876
34,380	34,126	33,164	34,825	36,412	38,200	37,842
3,512	3,676	3,479	3,591	3,602	3,545	3,282
287	200	196	206	321	329	295
—	—	—	—	—	—	2,056
877	844	1,134	1,203	1,454	1,910	—
166	133	115	65	77	79	42
751	706	691	830	729	947	843
54,729	52,876	55,823	59,988	62,132	46,154	45,978
<b>39,125</b>	<b>37,889</b>	<b>42,867</b>	<b>33,797</b>	<b>38,145</b>	<b>35,830</b>	<b>29,227</b>
<b>3,219</b>	<b>2,367</b>	<b>3,012</b>	<b>1,917</b>	<b>3,451</b>	<b>2,481</b>	<b>1,794</b>
1,372	681	515	423	441	440	472
197	173	124	52	77	85	110
—	—	—	—	—	—	—
456	431	452	485	476	486	505
—	646	—	—	1,670	94	—
—	—	513	119	115	191	—
—	—	—	—	71	535	125
81	96	527	243	179	164	49
—	—	—	—	—	—	—
749	—	423	—	—	—	—
361	337	455	593	419	483	531
<b>3,069</b>	<b>1,091</b>	<b>1,176</b>	<b>1,017</b>	<b>2,601</b>	<b>3,095</b>	<b>4,182</b>
58	64	86	290	868	1,418	2,426
177	164	160	251	237	223	212
2,002	—	536	131	—	—	279
—	517	—	32	1,159	1,067	503
830	344	393	311	336	385	762
<b>39,276</b>	<b>39,165</b>	<b>44,703</b>	<b>34,698</b>	<b>38,995</b>	<b>35,216</b>	<b>26,838</b>
<b>2,848</b>	<b>1,294</b>	<b>223</b>	<b>550</b>	<b>273</b>	<b>1,998</b>	<b>327</b>
9	1	8	—	48	98	115
2,737	1,152	117	—	—	1,537	—
—	114	—	—	—	45	70
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	357	—	—	—
100	—	80	193	—	—	—
—	—	—	—	224	317	141
—	2	—	—	—	—	—
1	23	17	—	—	—	—
<b>12,141</b>	<b>1,843</b>	<b>8,256</b>	<b>1,192</b>	<b>1,023</b>	<b>4,306</b>	<b>30,642</b>
601	491	1,002	1,009	34	44	13
—	114	—	—	—	44	70
7,619	—	—	—	—	—	—
587	33	6,401	79	842	3,190	221
2,154	17	20	97	38	2	49
—	—	—	—	—	357	1,129
150	1,105	—	—	102	—	792
—	—	614	—	—	—	—
—	—	—	—	—	—	—
277	—	—	—	—	—	—
—	—	205	—	—	107	—
420	—	—	—	—	550	2,315
—	—	—	—	—	—	26,039
330	81	13	6	6	7	10
<b>29,983</b>	<b>38,615</b>	<b>36,669</b>	<b>34,055</b>	<b>38,245</b>	<b>32,908</b>	<b>(3,475)</b>
<b>18,652</b>	<b>15,911</b>	<b>15,606</b>	<b>17,109</b>	<b>16,614</b>	<b>12,536</b>	<b>6,474</b>
20,389	14,548	19,346	16,202	18,120	14,042	6,228
(1,736)	1,363	(3,740)	906	(1,505)	(1,506)	245
—	—	<b>21,063</b>	<b>16,946</b>	<b>21,631</b>	<b>20,372</b>	<b>(9,950)</b>
<b>652</b>	<b>829</b>	<b>476</b>	<b>577</b>	<b>483</b>	<b>442</b>	<b>755</b>
<b>¥ 10,678</b>	<b>¥ 21,874</b>	<b>¥ 20,586</b>	<b>¥ 16,369</b>	<b>¥ 21,147</b>	<b>¥ 19,930</b>	<b>¥ (10,705)</b>

2. Promotion expenses, which was previously included in other under selling, general and administrative expenses, has been presented as a separate item since the fiscal year ended March 31, 2014 because the amount exceeded 10% of total selling, general and administrative expenses.

# Consolidated Statements of Cash Flows

Benesse Holdings, Inc. and Consolidated Subsidiaries

Years ended March 31	2006	2007	2008
<b>Net Cash Provided by Operating Activities</b>	<b>¥ 17,448</b>	<b>¥ 28,240</b>	<b>¥ 27,483</b>
Income before income taxes and minority interests	27,746	32,339	31,006
Depreciation and amortization	9,774	9,928	11,829
Loss on impairment of long-lived assets	222	246	2,769
Amortization of goodwill	—	—	—
(Decrease) increase in allowances and reserves—net	502	1,133	939
Loss on restructuring of business	1,084	201	979
Gain on sales of investments of a consolidated subsidiary	—	—	—
Business structure improvement expenses	—	—	—
Information security management expenses	—	—	—
Other non-cash income and expenses—net	(1,251)	(1,898)	(410)
Decrease (increase) in notes and accounts receivable—trade	(817)	(1,000)	(3,668)
Decrease (increase) in inventories	(1,982)	(485)	(1,633)
Decrease (increase) in accounts receivable—other	(5,167)	(5,336)	(9,485)
Increase (decrease) in notes and accounts payable—trade	258	(591)	(495)
Increase (decrease) in accounts payable—other	652	3,088	1,368
(Decrease) increase in advances received	804	1,351	6,519
Decrease (increase) in prepaid pension expenses	(141)	(328)	(328)
Increase in asset for retirement benefits	—	—	—
(Decrease) increase in liability for retirement benefits	—	—	—
Changes in other assets and liabilities—net	418	924	4,064
<b>Total Adjustment</b>	<b>32,104</b>	<b>39,574</b>	<b>43,455</b>
Interest and dividends received	431	795	1,523
Interest paid	(191)	(380)	(42)
Business structure improvement expenses paid	—	—	—
Information security management expenses paid	—	—	—
Income taxes paid	(14,896)	(11,749)	(17,453)
Income taxes refund	—	—	—
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>(31,473)</b>	<b>(11,223)</b>	<b>(15,152)</b>
Purchases of marketable securities	(34,654)	(20,706)	(15,074)
Proceeds from sales of marketable securities	36,355	28,055	24,939
Purchases of tangible fixed assets	(6,227)	(5,519)	(5,727)
Proceeds from sales of tangible fixed assets	469	174	227
Purchases of software	(4,280)	(5,680)	(6,547)
Purchases of investment securities	(25,044)	(8,539)	(14,688)
Proceeds from sales of investment securities	6,650	3,660	9,580
Cash increase due to acquisition of controlling interest in a company	—	106	—
Cash decrease due to acquisition of controlling interest in a company	—	—	(10,259)
Cash increase due to sale of interests in subsidiary previously consolidated	(14)	—	—
Cash decrease due to sale of interests in subsidiary previously consolidated	—	—	—
Purchases of investments in a consolidated subsidiary	—	—	—
Proceeds from sales of investments of a consolidated subsidiary	25	—	—
Additional acquisition of shares of a consolidated subsidiary	—	(128)	—
Proceeds from acquisition of business	432	—	—
Payments for transfer of business	—	—	—
Proceeds from transfer of business	—	—	—
Payments for absorption-type of company split	—	—	—
(Increase) decrease in time deposits—net	(1,193)	(6)	(231)
Other—net	(3,991)	(2,638)	2,629
<b>Net Cash (Used in) Provided by Financing Activities</b>	<b>(9,609)</b>	<b>(10,629)</b>	<b>(13,825)</b>
(Decrease) increase in short-term bank loans—net	(781)	(4)	391
Proceeds from long-term debt	—	—	—
Repayment of long-term debt	(1,307)	(3,862)	(828)
Dividends paid	(7,179)	(8,201)	(9,199)
Proceeds from exercise of stock options	425	470	294
Purchases of treasury stock	(1,467)	(8)	(3,696)
Purchases of treasury stock by consolidated subsidiaries	—	—	(560)
Repayments of lease obligations	—	—	—
Other—net	700	976	(224)
<b>Foreign Currency Translation Adjustment on Cash and Cash Equivalents</b>	<b>574</b>	<b>560</b>	<b>(94)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(23,059)</b>	<b>6,948</b>	<b>(1,587)</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>89,477</b>	<b>66,417</b>	<b>73,365</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>¥ 66,417</b>	<b>¥ 73,365</b>	<b>¥ 71,777</b>

Notes: 1. As proceeds from long-term debt and repayments of lease obligations included in other—net under financing activities have increased in importance, they are separately presented from the fiscal year ended March 31, 2011.

2009	2010	2011	2012	2013	2014	2015
<b>¥ 38,664</b>	<b>¥ 30,310</b>	<b>¥ 44,937</b>	<b>¥ 40,631</b>	<b>¥ 33,709</b>	<b>¥ 32,295</b>	<b>¥ 27,839</b>
29,983	38,615	36,669	34,055	38,245	32,908	(3,475)
13,600	13,156	13,865	14,396	17,152	17,548	21,225
587	33	6,401	79	842	3,190	221
7,619	—	—	—	—	—	—
751	(340)	263	484	363	(3,952)	(759)
150	1,105	—	—	—	—	792
(2,737)	(1,152)	(117)	—	—	(1,537)	—
—	—	—	—	—	550	2,315
—	—	—	—	—	—	26,039
2,247	407	538	604	549	135	3,218
2,741	648	(2,348)	(497)	(1,990)	456	257
(2,671)	(158)	(1,375)	(2,338)	(4,013)	(11,497)	6,005
(6,466)	(3,315)	(147)	(4,963)	205	(1,951)	7,112
817	(598)	1,211	974	220	2,724	1,891
263	(195)	(1,406)	4,591	(1,450)	2,846	4,323
3,819	817	976	7,876	(313)	3,080	(10,954)
(120)	18	59	146	420	3,816	—
—	—	—	—	—	(3,446)	(819)
—	—	—	—	—	5,772	(90)
3,184	1,675	5,105	4,975	2,325	(1,400)	7,830
<b>53,770</b>	<b>50,717</b>	<b>59,695</b>	<b>60,385</b>	<b>52,558</b>	<b>49,246</b>	<b>65,133</b>
1,593	907	684	536	535	545	631
(57)	(64)	(107)	(297)	(867)	(1,421)	(2,422)
—	—	—	—	—	(46)	(2,024)
—	—	—	—	—	—	(21,366)
(16,642)	(21,250)	(15,335)	(25,876)	(18,518)	(19,310)	(13,865)
—	—	—	5,882	—	3,281	1,753
<b>(5,217)</b>	<b>(36,449)</b>	<b>(14,632)</b>	<b>(33,524)</b>	<b>(23,012)</b>	<b>(24,729)</b>	<b>3,048</b>
(66,034)	(59,169)	(73,627)	(56,541)	(74,464)	(82,221)	(24,758)
73,881	55,177	70,435	59,952	72,078	80,031	56,447
(7,454)	(5,350)	(4,973)	(5,610)	(5,245)	(8,434)	(6,319)
37	4	53	15	849	1,650	1,429
(6,083)	(13,680)	(11,768)	(10,146)	(8,802)	(12,563)	(12,296)
(4,854)	(2,965)	(6,054)	(6,363)	(5,768)	(3,997)	(2,262)
3,878	5,034	11,565	4,498	1,316	2,047	668
—	—	—	—	—	—	—
—	(5,725)	—	—	—	(313)	(1,179)
—	—	—	—	—	—	—
—	(1,000)	—	—	—	(477)	—
—	—	—	(10,683)	—	—	—
4,470	—	229	—	—	—	—
—	—	—	(4,006)	—	(302)	(1,092)
—	—	—	—	—	—	—
(690)	—	—	—	—	—	—
100	—	153	297	—	—	—
—	(1,681)	—	—	—	—	—
911	(2,510)	2,953	(1,918)	(1,449)	1,775	(3,457)
(3,378)	(4,581)	(3,599)	(3,018)	(1,525)	(1,923)	(4,132)
<b>(23,261)</b>	<b>(11,711)</b>	<b>12,923</b>	<b>(11,254)</b>	<b>(11,270)</b>	<b>(14,514)</b>	<b>(13,112)</b>
440	(722)	(970)	(197)	(269)	—	(786)
—	—	25,019	5,000	—	—	5,071
(668)	(280)	(304)	(44)	(259)	(250)	(6,269)
(9,065)	(8,888)	(9,125)	(9,315)	(9,234)	(9,185)	(9,137)
408	337	499	—	—	—	—
(13,264)	(1,514)	(18)	(5,339)	(2)	(3,723)	(3)
(668)	(0)	(1,117)	(0)	—	—	—
—	—	(799)	(1,089)	(1,262)	(1,431)	(1,723)
(443)	(642)	(258)	(267)	(242)	75	(262)
(4,380)	443	(1,712)	(601)	1,433	2,982	1,343
<b>5,803</b>	<b>(17,406)</b>	<b>41,516</b>	<b>(4,748)</b>	<b>859</b>	<b>(3,966)</b>	<b>19,119</b>
71,777	77,581	60,174	101,691	96,942	97,802	93,835
<b>¥ 77,581</b>	<b>¥ 60,174</b>	<b>¥101,691</b>	<b>¥ 96,942</b>	<b>¥ 97,802</b>	<b>¥ 93,835</b>	<b>¥112,955</b>

2. Business structure improvement expenses, and business structure improvement expenses paid included in other non-cash income and expenses-net, and decrease (increase) in inventories under net cash provided by operating activities are separately presented from the fiscal year ended March 31, 2015, as they have increased in importance. To reflect this presentation method, figures from the year ended March 31, 2014, have been restated.

# Segment Information

Benesse Holdings, Inc. and Consolidated Subsidiaries

Segments have been changed pursuant to the application of "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" and "Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" from the fiscal year ended March 31, 2011. Segment information for the fiscal years ended March 31, 2009 and 2010 has been modified to fit the new segments to allow for comparison with the fiscal year ended March 31, 2011.

## Before Change

Years ended March 31	2006	2007	2008
<b>Net Sales</b>	<b>¥333,766</b>	<b>¥354,595</b>	<b>¥384,514</b>
Education Group	198,664	208,833	221,742
Women & Family (W&F) Company	20,833	23,450	25,635
Senior Company	27,402	32,053	37,130
Language Company	51,535	59,164	67,817
AVIVA Business	13,915	10,325	9,669
Others	21,414	20,768	22,518
<b>Operating Income (Loss)</b>	<b>28,412</b>	<b>31,316</b>	<b>34,882</b>
Education Group	29,714	30,611	32,513
Women & Family (W&F) Company	132	1,373	1,175
Senior Company	1,909	2,540	2,663
Language Company	2,545	4,670	6,351
AVIVA Business	(1,564)	(1,182)	(665)
Others	1,349	429	(764)
Eliminations/Corporate	(5,674)	(7,125)	(6,391)

Notes: 1. Segment sales are based on outside sales, and intersegment sales or transfers are not included.  
 2. The Women & Family (W&F) Company was renamed the Lifetime Value Company in the year ended March 31, 2006. And in the year ended March 31, 2009, the name was changed back to the W&F Company. Accordingly, data for the Lifetime Value Company for the years ended March 31, 2006 to 2008 is shown under the W&F Company.

## After Change

### Net Sales

Domestic Education  
 Overseas Education  
 Lifestyle  
 Senior/Nursing Care  
 Language/Global Leadership Training  
 Others

### Operating Income (Loss)

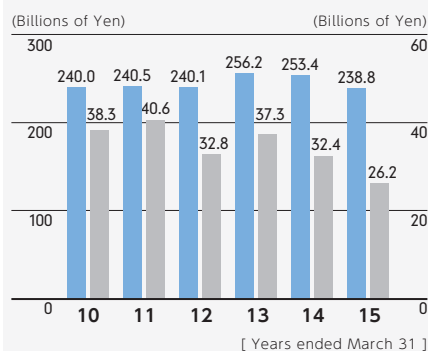
Domestic Education  
 Overseas Education  
 Lifestyle  
 Senior/Nursing Care  
 Language/Global Leadership Training  
 Others  
 Reconciliation

Notes: 1. Segment sales are based on outside sales, and intersegment sales or transfers are not included.

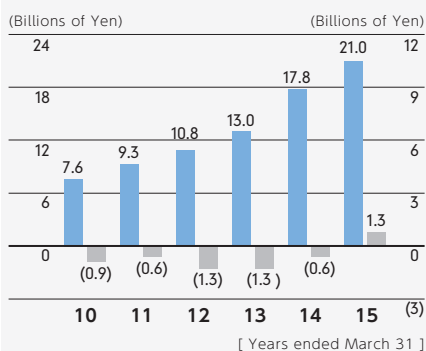
## AFTER CHANGE

■ Net Sales (Left) ■ Operating Income (Loss) (Right)

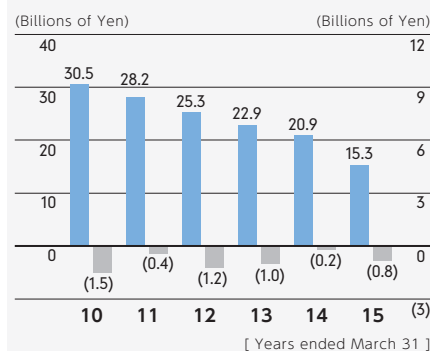
### DOMESTIC EDUCATION



### OVERSEAS EDUCATION



### LIFESTYLE





Millions of Yen

2009	2010	2011	2012	2013	2014	2015
<b>¥412,711</b>	<b>¥406,602</b>					
244,525	250,439					
26,408	27,423					
40,354	44,612					
68,394	53,879					
8,147	6,086					
24,881	24,160					
<b>39,125</b>	<b>37,889</b>					
40,011	43,548					
(778)	(1,150)					
2,635	3,009					
3,998	236					
246	293					
(309)	522					
(6,678)	(8,569)					

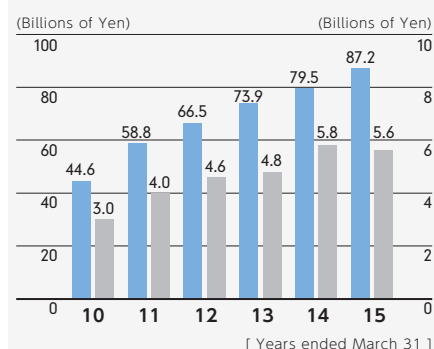
3. Operating income (loss) for each segment is before eliminations in consolidated totals.

<b>¥412,711</b>	<b>¥406,602</b>	<b>¥412,828</b>	<b>¥423,706</b>	<b>¥450,182</b>	<b>¥466,399</b>	<b>¥463,264</b>
234,304	240,011	240,576	240,178	256,246	253,499	238,815
6,855	7,670	9,394	10,830	13,041	17,818	21,006
29,531	30,587	28,260	25,337	22,925	20,938	15,324
40,354	44,612	58,897	66,539	73,907	79,598	87,271
68,353	53,794	53,989	59,427	61,547	70,830	74,570
33,311	29,926	21,709	21,392	22,515	23,713	26,276
<b>39,125</b>	<b>37,889</b>	<b>42,867</b>	<b>33,797</b>	<b>38,145</b>	<b>35,830</b>	<b>29,227</b>
37,115	38,380	40,619	32,857	37,316	32,489	26,202
(1,748)	(983)	(691)	(1,343)	(1,361)	(698)	1,367
(1,390)	(1,524)	(473)	(1,277)	(1,072)	(232)	(826)
2,634	3,009	4,078	4,668	4,897	5,869	5,610
4,166	313	767	543	568	1,850	2,699
814	1,212	952	979	1,887	1,084	2,037
(2,465)	(2,518)	(2,385)	(2,631)	(4,090)	(4,532)	(7,863)

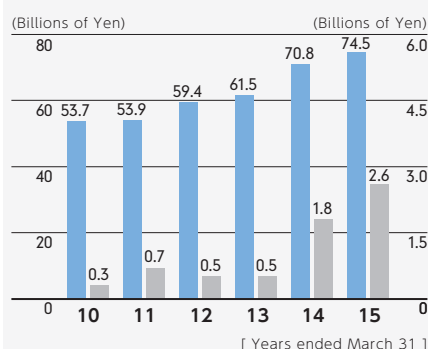
2. From the fiscal year ended March 31, 2015, the Company has changed its classification of segments in line with a reorganization. Segment information for the fiscal years ended March 31, 2013 and 2014 has been prepared based on the new classification after this change.

3. Operating income (loss) for each segment is before eliminations in consolidated totals.

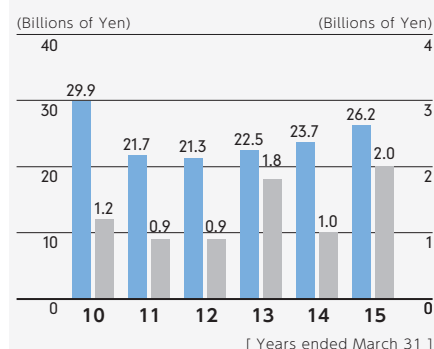
#### SENIOR/NURSING CARE



#### LANGUAGE/GLOBAL LEADERSHIP TRAINING



#### OTHERS



# Business Data

Benesse Holdings, Inc. and Consolidated Subsidiaries

	2006	2007	2008
<b>Shinkenzemi Enrollments as of April (Domestic + Overseas)</b>	<b>4,260</b>	<b>4,180</b>	<b>4,300</b>
<b>Domestic Enrollments</b>	<b>4,050</b>	<b>3,910</b>	<b>3,960</b>
Senior High School Courses	330	300	310
Junior High School Courses	800	750	750
Elementary School Courses	1,610	1,590	1,660
Kodomo Challenge (Preschool Courses)	1,310	1,270	1,240
<b>Overseas Enrollments</b>	<b>210</b>	<b>270</b>	<b>340</b>
China			100
Taiwan			170
South Korea			70

Note: Overseas enrollments from April 2014, including enrollment in preschool correspondence courses in South Korea based on a licensing contract.

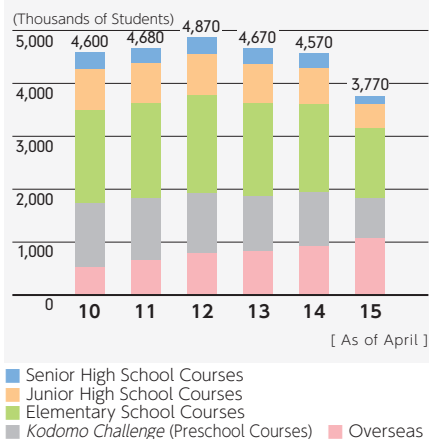
Years ended March 31	2006	2007	2008
<b>Cumulative Domestic Enrollments in Shinkenzemi Over a Full Year</b>	<b>44,945</b>	<b>44,683</b>	<b>43,413</b>
Senior High School Courses	3,232	3,289	3,060
Junior High School Courses	8,376	8,315	7,903
Elementary School Courses	17,623	17,862	17,733
Kodomo Challenge (Preschool Courses)	15,712	15,216	14,716

Notes: 1. Cumulative enrollment is the sum of enrollment for each month from April to March of each year.

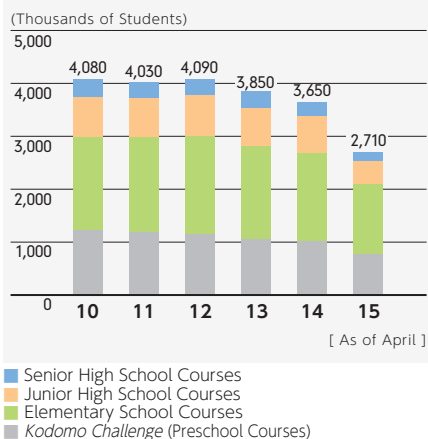
2. From the fiscal year ended March 31, 2011, cumulative enrollment for *Kodomo Challenge baby* is included in cumulative enrollment for *Kodomo Challenge*. Therefore, the cumulative enrollment figures for *Kodomo Challenge* in the year ended March 31, 2010 have also been stated including cumulative enrollment for *Kodomo Challenge baby*. The cumulative enrollment for *Kodomo Challenge baby* for the fiscal year ended March 31, 2011 was 1.33 million, and for the fiscal year ended March 31, 2010 it was 1.25 million.

Years ended March 31	2006	2007	2008
<b>Number of Students Taking Shinken Simulated Exams and Other Exams</b>	<b>6,050</b>	<b>6,180</b>	<b>6,360</b>

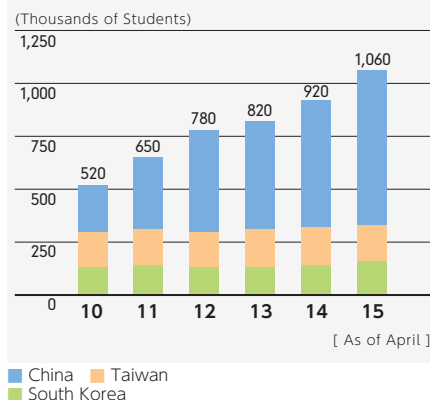
## SHINKENZEMI ENROLLMENTS (DOMESTIC + OVERSEAS)



## SHINKENZEMI ENROLLMENTS (DOMESTIC)



## SHINKENZEMI ENROLLMENTS (OVERSEAS)



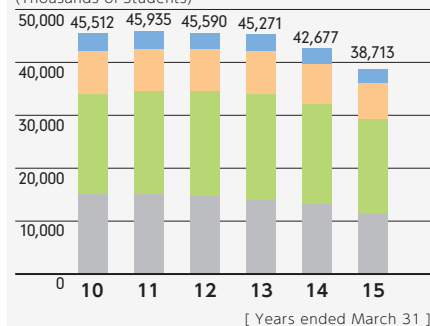
						Thousands of Students
2009	2010	2011	2012	2013	2014	2015
<b>4,470</b>	<b>4,600</b>	<b>4,680</b>	<b>4,870</b>	<b>4,670</b>	<b>4,570</b>	<b>3,770</b>
<b>4,040</b>	<b>4,080</b>	<b>4,030</b>	<b>4,090</b>	<b>3,850</b>	<b>3,650</b>	<b>2,710</b>
340	340	300	320	310	280	170
770	760	740	780	730	690	450
1,710	1,770	1,800	1,840	1,760	1,660	1,330
1,220	1,210	1,180	1,150	1,050	1,020	760
<b>430</b>	<b>520</b>	<b>650</b>	<b>780</b>	<b>820</b>	<b>920</b>	<b>1,060</b>
150	220	340	480	510	600	730
160	170	170	170	180	180	170
120	130	140	130	130	140	160

						Thousands of Students
2009	2010	2011	2012	2013	2014	2015
<b>43,900</b>	<b>45,512</b>	<b>45,935</b>	<b>45,590</b>	<b>45,271</b>	<b>42,677</b>	<b>38,713</b>
3,279	3,418	3,428	3,150	3,188	3,052	2,698
7,967	8,113	7,923	7,925	8,058	7,583	6,838
18,395	18,911	19,540	19,906	20,092	18,973	17,845
14,257	15,068	15,042	14,608	13,931	13,067	11,330

						Thousands of Students
2009	2010	2011	2012	2013	2014	2015
<b>6,650</b>	<b>6,900</b>	<b>7,170</b>	<b>7,350</b>	<b>7,480</b>	<b>7,640</b>	<b>7,870</b>

#### CUMULATIVE DOMESTIC ENROLLMENTS IN SHINKENZEMI OVER A FULL YEAR

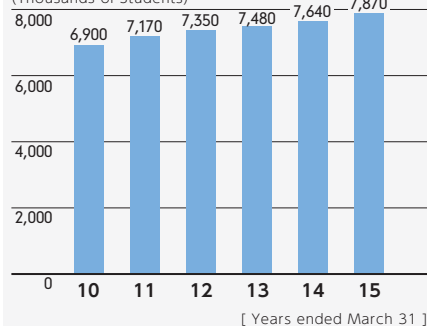
(Thousands of Students)



■ Senior High School Courses  
■ Junior High School Courses  
■ Elementary School Courses  
■ Kodomo Challenge (Preschool Courses)

#### NO. OF STUDENTS TAKING SHINKEN SIMULATED EXAMS AND OTHER EXAMS

(Thousands of Students)



# Business Data

Benesse Holdings, Inc. and Consolidated Subsidiaries

Years ended December 31	2005	2006	2007
<b>Number of Berlitz Lessons (Company Operated)</b>	<b>6,519</b>	<b>6,872</b>	<b>7,145</b>
North America	981	970	966
Latin America	1,333	1,400	1,462
Americas	—	—	—
Europe	2,334	2,538	2,647
Asia	1,869	1,962	2,068

Notes: 1. At Telelangue SA, which became a subsidiary of Berlitz Corporation in August 2011, the number of lessons previously included undelivered lessons at the end of the customers' contract periods. However, since Telelangue has established a management system for aggregating lesson numbers, the undelivered lessons have been excluded from the figures for Europe and for the total number from the fiscal year ended December 31, 2014. Figures for the fiscal year ended December 31, 2013 have been retrospectively restated on this basis.

The numbers of undelivered lessons that have been excluded for the fiscal year ended December 31, 2014 and the fiscal year ended December 31, 2013 were 63 thousand lessons and 100 thousand lessons, respectively.

2. From the fiscal year ended December 31, 2011, North America and Latin America have been combined as "Americas".

As of December 31	2005	2006	2007
<b>Berlitz Language Centers and Franchises</b>	<b>529</b>	<b>542</b>	<b>557</b>
Berlitz Language Centers (Company Operated)	378	382	385
Berlitz (Franchises)	76	84	92
ELS (Company Operated)	41	42	46
ELS (Franchises)	34	34	34

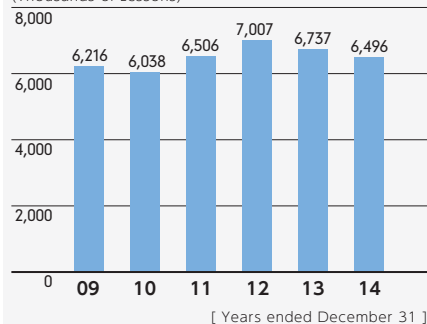
As of March 31	2006	2007	2008
<b>Number of Nursing Homes and Elderly Houses by Brand</b>	<b>106</b>	<b>115</b>	<b>129</b>
Aria	9	9	11
Clara	35	37	37
Granny & Granda	39	43	51
Madoka	23	26	30
Bon Sejour	—	—	—
Cocochi	—	—	—
Li-Re	—	—	—
<b>Number of New Facilities</b>	<b>14</b>	<b>9</b>	<b>14</b>
<b>Number of Succeeded Facilities</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Occupancy Rate for Existing Facilities</b>	<b>—</b>	<b>—</b>	<b>—</b>

Notes: 1. On April 1, 2012, Benesse Style Care Co., Ltd. merged as the surviving company with Bon Sejour Corporation. Since the fiscal year-end for Bon Sejour Corporation was at the end of February, the data for *Bon Sejour* and *Cocochi* prior to the end of March 2012 uses the figures at the end of February.

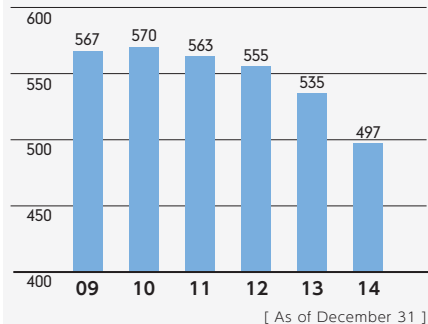
2. The number of new facilities includes the number of facilities reduced through closure and consolidation.

## NUMBER OF BERLITZ LESSONS (COMPANY OPERATED)

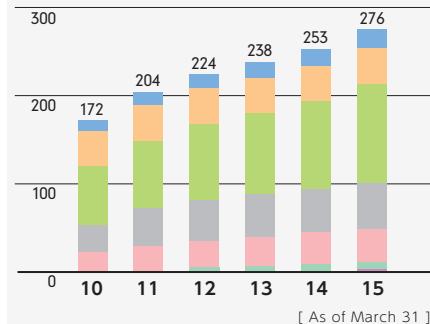
(Thousands of Lessons)



## BERLITZ LANGUAGE CENTERS AND FRANCHISES



## NUMBER OF NURSING HOMES AND ELDERLY HOUSES BY BRAND



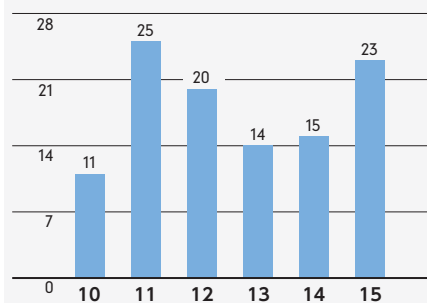
Aria  
 Clara  
 Granny & Granda  
 Madoka  
 Bon Sejour  
 Cocochi  
 Li-Re

Thousands of Students

2008	2009	2010	2011	2012	2013	2014
<b>7,256</b>	<b>6,216</b>	<b>6,038</b>	<b>6,506</b>	<b>7,007</b>	<b>6,737</b>	<b>6,496</b>
906	756	740	—	—	—	—
1,453	1,174	1,214	—	—	—	—
—	—	1,954	2,058	2,035	1,921	1,803
2,844	2,649	2,453	2,727	3,177	3,093	3,006
2,051	1,636	1,630	1,720	1,793	1,723	1,685

2008	2009	2010	2011	2012	2013	2014
<b>561</b>	<b>567</b>	<b>570</b>	<b>563</b>	<b>555</b>	<b>535</b>	<b>497</b>
380	379	375	374	370	345	307
101	108	111	112	108	112	113
49	51	57	61	64	64	66
31	29	27	16	13	14	11

2009	2010	2011	2012	2013	2014	2015
<b>139</b>	<b>172</b>	<b>204</b>	<b>224</b>	<b>238</b>	<b>253</b>	<b>276</b>
11	12	15	16	18	20	21
39	40	40	40	40	40	41
59	67	77	87	92	99	112
30	31	43	46	48	49	52
—	22	29	31	34	37	38
—	—	—	4	6	8	11
—	—	—	—	—	—	1
<b>10</b>	<b>11</b>	<b>25</b>	<b>20</b>	<b>14</b>	<b>15</b>	<b>23</b>
—	<b>22</b>	<b>7</b>	—	—	—	—
		<b>95%</b>	<b>95%</b>	<b>94%</b>	<b>95%</b>	<b>94%</b>

NUMBER OF NEW FACILITIES  
FOR SENIORS

[ As of March 31 ]

# Indicators

Benesse Holdings, Inc. and Consolidated Subsidiaries

Years ended March 31

	2006	2007	2008
<b>Profitability:</b>			
Operating income ratio (%)	8.5	8.8	9.1
Net income ratio (%)	4.8	5.1	4.0
Return on equity (ROE) (%)	8.9	9.5	7.8
Return on assets (ROA) (%)	5.0	5.4	4.3
Operating income per employee (thousands of yen)	2,351	2,455	2,528
Net (loss) income per employee (thousands of yen)	1,327	1,430	1,120
Number of employees	12,081	12,753	13,796

## Growth Trends:

(Decrease) increase of net sales (%)	14.5	6.2	8.4
(Decrease) increase of operating income (%)	8.5	10.2	11.4
(Decrease) increase of net income (%)	12.2	13.7	(15.2)

## Stability:

Current ratio (%)	124.6	133.0	125.4
Fixed assets ratio (%)	96.3	89.0	94.2
Equity ratio (%)	56.4	56.4	54.2
Liquidity (months)	3.4	3.1	2.9
Debt-to-equity ratio (%)	3.0	1.8	1.2
Interest coverage (times)	151.0	98.2	848.4

## Per Share of Common Stock:

Net (loss) income (yen)	156.45	177.86	151.54
Cash dividends (yen)	75	85	90
Dividend payout ratio (%)	47.9	47.8	59.4

Notes: 1. ROE and ROA are calculated using the average amounts of equity and total assets at the beginning and end of each fiscal year.

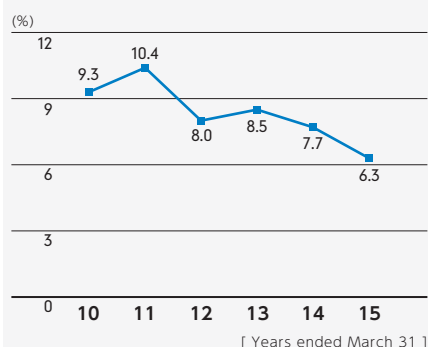
2. Liquidity = (Cash and time deposits (yearly average) + marketable securities (yearly average)) / average monthly sales

3. Debt-to-equity ratio = Interest-bearing liabilities (yearly average) / equity (yearly average) x 100

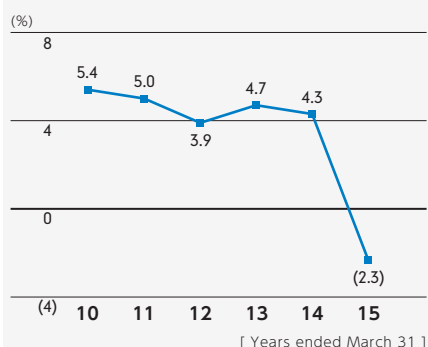
4. Interest coverage = (Operating income + interest and dividend income) / interest expense

5. The computation of net (loss) income per share of common stock is based on the weighted-average number of shares of common stock outstanding during each year.

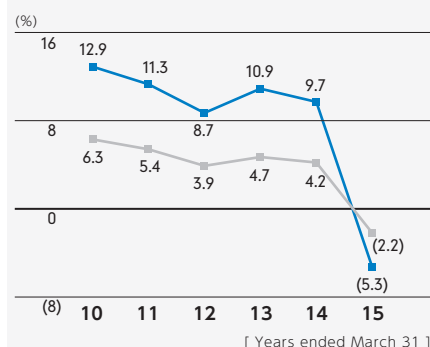
### OPERATING INCOME RATIO



### NET INCOME RATIO



### ROE/ROA

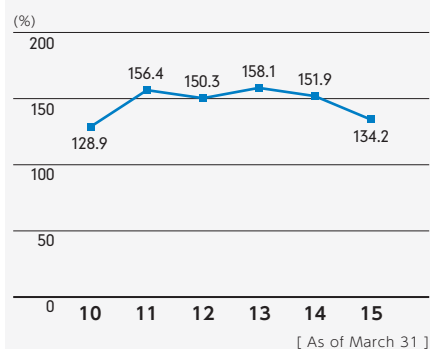


— ROE  
— ROA

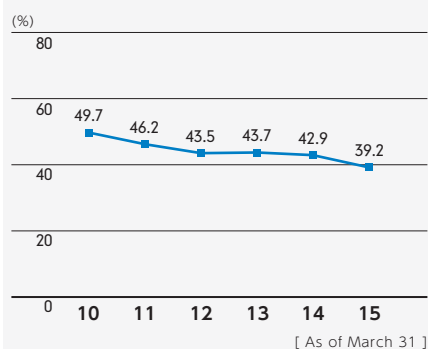


2009	2010	2011	2012	2013	2014	2015
9.5	9.3	10.4	8.0	8.5	7.7	6.3
2.6	5.4	5.0	3.9	4.7	4.3	(2.3)
5.9	12.9	11.3	8.7	10.9	9.7	(5.3)
3.0	6.3	5.4	3.9	4.7	4.2	(2.2)
2,656	2,467	2,538	1,784	1,932	1,791	1,450
725	1,424	1,219	864	1,071	996	(531)
14,726	15,353	16,888	18,941	19,739	20,005	20,145
7.3	(1.5)	1.5	2.6	6.2	3.6	(0.7)
12.2	(3.2)	13.1	(21.2)	12.9	(6.1)	(18.4)
(30.9)	104.8	(5.9)	(20.5)	29.2	(5.8)	—
121.7	128.9	156.4	150.3	158.1	151.9	134.2
96.9	96.3	89.0	104.1	102.0	104.5	121.1
47.5	49.7	46.2	43.5	43.7	42.9	39.2
2.5	2.5	3.0	3.5	3.4	3.4	3.4
1.6	2.4	9.0	19.7	25.0	27.5	33.9
697.5	597.2	504.4	118.0	44.5	25.6	12.3
106.98	221.65	208.47	167.79	217.54	206.79	(111.30)
90	90	95	95	95	95	95
84.1	40.6	45.6	56.6	43.7	45.9	—

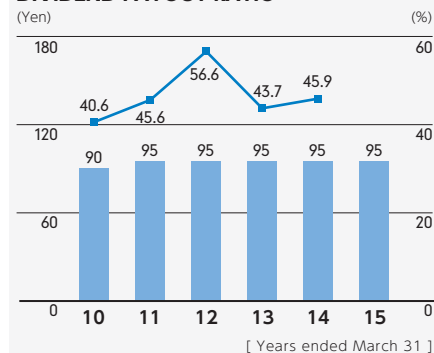
#### CURRENT RATIO



#### EQUITY RATIO



#### CASH DIVIDENDS/ DIVIDEND PAYOUT RATIO



■ Cash Dividends (Left)  
— Dividend Payout Ratio (Right)

## DOMESTIC EDUCATION BUSINESS DOMAIN

### 1. Overview

The Domestic Education Business Domain is a core business segment, accounting for 51.6% of the Benesse Group's consolidated sales in fiscal 2014. The main products in this domain are *Shinkenzeni* and *Kodomo Challenge*, correspondence courses for children of all ages up to 18. About 14.0% of children in Japan are enrolled in these courses. The Benesse Group is enhancing personalized support and interactivity by combining tablets and other digital study materials as well as paper-based study materials with human support such as the Red Pen Teachers. In this manner, the Group is developing products and services that are finely calibrated to increasingly diverse and individualized customer needs. In addition to correspondence courses, the Group provides a variety of education programs for senior high schools such as *Shinken Simulated Exams* (mock university entrance examinations) and *Study*

*Support*, a learning assessment study aid. We also provide a range of educational services, such as cram and prep schools and preschool and elementary school English-learning materials, as well as English language classes for children to respond to their diversifying study methods and needs.

### Japan's School System

In Japan, schooling is provided over 12 years through elementary, junior high and senior high schools, divided into six, three and three years, respectively. Attendance at elementary and junior high school is compulsory. In most cases, students must take entrance exams to enter high schools and universities. In Japan, 98% of school children progress to senior high school, and 54% subsequently move into higher education. In recent years, with available university places equal to the number of prospective students, more universities are adopting the entrance exam by commendation as well as the admission office system by which students are asked to submit school grades and attend interviews to supplement existing entrance exams.

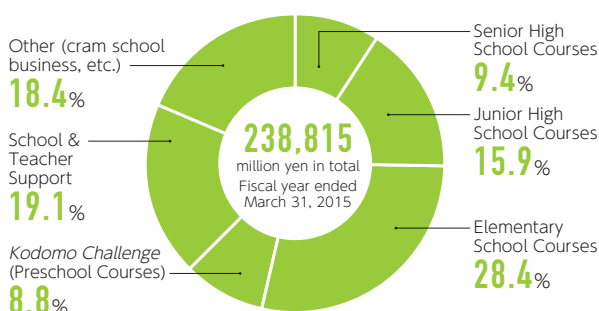
#### NET SALES BY SEGMENT

(Millions of Yen)

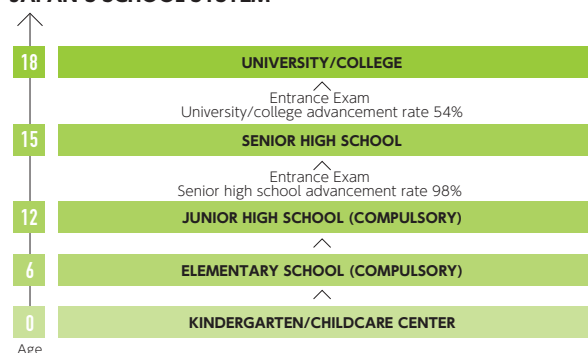
	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	Change	Change (%)
Senior High School Courses	25,773	22,565	(3,207)	(12.4)
Junior High School Courses	42,434	37,975	(4,458)	(10.5)
Elementary School Courses	72,005	67,768	(4,236)	(5.9)
<i>Kodomo Challenge</i> (Preschool Courses)	23,090	21,052	(2,037)	(8.8)
Subtotal	163,304	149,363	(13,940)	(8.5)
School & Teacher Support	44,205	45,540	1,334	3.0
Other (cram school business, etc.)	45,989	43,911	(2,077)	(4.5)
Total Domestic Education Business Domain	253,499	238,815	(14,683)	(5.8)

\*Net sales by segment does not include intersegment sales or transfers.

#### NET SALES BY SEGMENT



#### JAPAN'S SCHOOL SYSTEM



### ***Shinkenzeni***

*Shinkenzeni* is Benesse's correspondence course brand. Course materials are designed entirely for self-study and the students can choose how they want to use them—to supplement their school-based learning or to help them pass entrance exams. Most students use *Shinkenzeni* after they return home from school.

*Shinkenzeni* differs from correspondence courses in Europe and the U.S., where they are primarily used for distance learning to help students living in isolated areas gain credits or to educate children who are not willing to go to school.

*Shinkenzeni* homework and course materials are sent by mail to students once a month\*. Students return completed work for marking within a set time to Red Pen Teachers, specialist coursework markers.

One of the strengths of *Shinkenzeni* is that it can be customized to individual student needs by matching coursework with textbooks used at school, the pace of learning, levels of ability, regional differences, or in coordination with the entrance exam of a school the student is planning to take.

\* Details differ for the *Challenge Touch Shinkenzeni* elementary school course using original tablets launched in April 2014.

### ***Shinken Simulated Exams***

Benesse provides *Shinken Simulated Exams*, mock university entrance exams for senior high school students. In addition, it also provides *Study Support*, which helps students choose and plan their optimal educational path. Benesse programs and services were used in senior high schools across Japan.

#### **SHINKENZEMI AND KODOMO CHALLENGE**

	April 2015		Fiscal year ended March 31, 2015
	Enrollment (Thousands)	Share* (%)	Average monthly fee per person (Yen)
Senior High School Courses	170	4.7	8,364
Junior High School Courses	450	12.8	5,554
Elementary School Courses	1,330	20.4	3,798
<i>Kodomo Challenge</i> (Preschool Courses)	760	12.0	1,858
Total	2,710	13.6	3,858

\* Share is the proportion of enrollees relative to the target population.

## 2. Market Trends

The annual number of births in Japan peaked at 2 million in 1975, and has been on a downward trend ever since. In 2014, the number of births had decreased by nearly half of the peak level, at 1 million (projected figure). Going forward, the number of children is expected to continue to decrease, with the annual number of births projected to decline by around 1.0% per year on average.

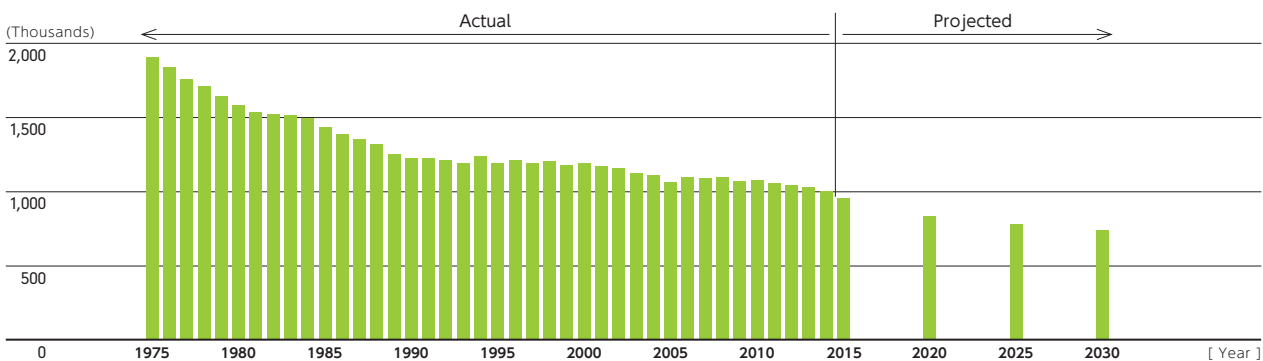
Although Japan's birthrate has continued to decline, the supplementary education market was worth ¥1,500.9 billion in fiscal 2013 and remained mostly on a par with fiscal 2008. The supplementary education market includes cram and prep schools, correspondence courses, tutoring, study guides and workbooks and preschool education.

The correspondence course market (for preschool children/elementary to senior high school students) in fiscal 2013 was worth ¥182.8 billion. This figure accounted for 12.2% of the supplementary education market, and represented a decrease of 3.7% from ¥189.9 billion in fiscal 2008. Benesse has a large share of the correspondence course market, at 89% in fiscal 2013. The size of the cram and prep schools market accounted for 62.4% of the supplementary education market as a whole in fiscal 2013, demonstrating a slight increase in comparison with fiscal 2008.

### Cram and Prep schools

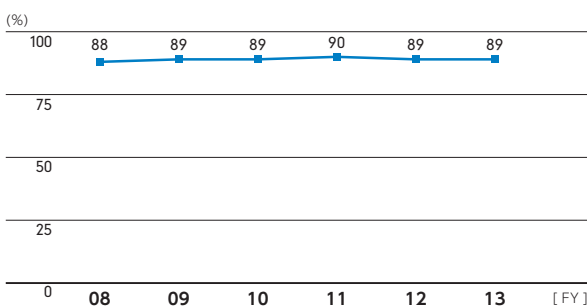
Cram and prep schools are private, for-profit facilities that provide learning after school or on weekends and holidays to help students pass entrance exams or supplement school-based learning. There are various providers in the market, including major cram school

### NUMBER OF BIRTHS IN JAPAN



Source: Up to 2013, Vital Statistics, Ministry of Health, Labour and Welfare; 2014, Annual Estimate of Vital Statistics for 2014, Ministry of Health, Labour and Welfare; from 2015 onward, National Institute of Population and Social Security Research "Population Projection for Japan (January 2012 estimate)"

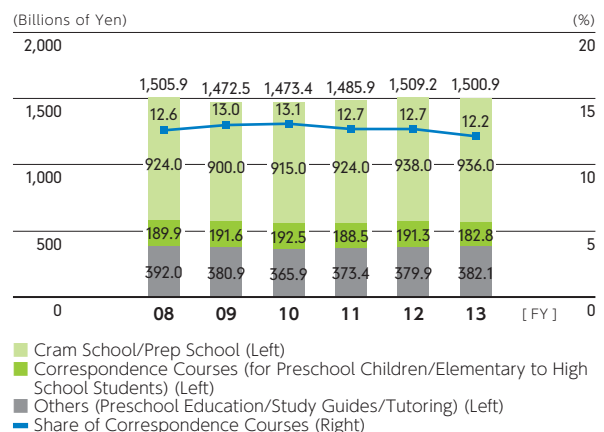
### TRENDS IN BENESSE'S SHARE OF THE CORRESPONDENCE COURSE MARKET



Note: The correspondence course market includes preschool children and elementary to high school students in total.

Source: The figures were calculated by Benesse based on data in the Yano Research Institute Ltd.'s "Education Industry 2014"

### TRENDS IN THE SUPPLEMENTARY EDUCATION MARKET IN JAPAN



Source: The figures were calculated by Benesse based on data in the Yano Research Institute Ltd.'s "Education Industry 2014"

companies focused on helping students pass entrance exams for junior and senior high schools, and small and medium-sized companies outside the major urban centers. With learning needs becoming more diverse and the desire to accommodate varying levels of ability, cram schools that provide teaching environments with one teacher for groups of one to four students, as opposed to large group classes, are becoming more popular.

### 3. Review of Fiscal 2014

Consolidated net sales in the Domestic Education Business Domain in fiscal 2014 amounted to ¥238,815 million, a decrease of 5.8% from the previous fiscal year. The main factors behind the decline were a drop in enrollment for the Company's mainstay *Shinken-zemi* and *Kodomo Challenge* correspondence courses due to the

impact of the customers' personal information leak incident disclosed in July 2014. On the other hand, sales in the cram and prep schools business rose, centered on Tokyo Individualized Educational Institute, Inc., and the school and teacher support business grew on the back of steady performance from materials offering guidance on courses of study and paths for advancement for high school students. Operating income declined 19.4% to ¥26,202 million. The decline was mainly attributable to lower earnings on lower sales in the correspondence course business, and an increase in expenses brought about by the cost of providing tablets for *Shinken-zemi* courses across nine grades from elementary to senior high school, despite higher profits from the school and teacher support business due to increased sales.

On November 4, 2014, the Company acquired all outstanding shares of Minerva Intelligence Co., Ltd., an operator of English language classes for children.

## FREQUENTLY ASKED QUESTIONS

### Q1.

**How does the number of members in April differ from cumulative enrollments?**

### A1.

The former equals the number of members receiving *Shinken-zemi* materials in April, while cumulative enrollments measures the total number of members receiving any *Shinken-zemi* materials from April to March of the following year.

### Q2.

**Why are enrollments among senior high school students so much lower than for junior high school students?**

### A2.

In Japan, while about 98.0% of students graduate to senior high school, the proportion of students going on to university or junior college is roughly half of this (at around 54.0%). For this reason, the number of senior high school students taking *Shinken-zemi* courses to prepare for university entrance examinations is significantly fewer than that of junior high school students taking *Shinken-zemi* courses to get into senior high school.

### Q3.

**How many members are enrolled in the *Challenge Touch Shinken-zemi* elementary school course?**

### A3.

As of April 2015, 490,000 children were studying using tablets in the *Challenge Touch Shinken-zemi* elementary school course, which equates to 37% of all *Shinken-zemi* elementary school course members.

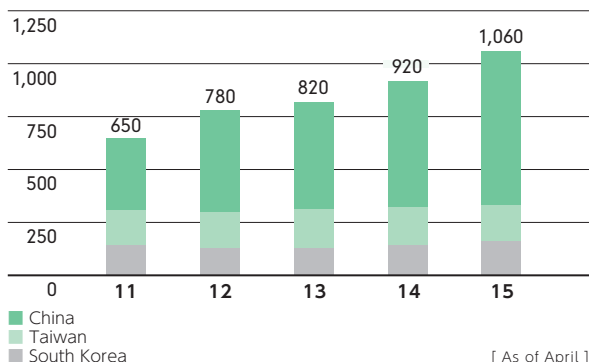
## OVERSEAS EDUCATION BUSINESS DOMAIN

### 1. Overview

The Overseas Education Business Domain accounted for 4.5% of the Benesse Group's consolidated sales in fiscal 2014. The Group's current focus is correspondence courses for preschool children in China and Taiwan and enrollment in both markets is growing steadily. As of April 2015, enrollment in correspondence courses in China stood at 730,000, while the figure for Taiwan was 170,000 and for South Korea 160,000 (under a licensing contract), for a total enrollment of 1,060,000 members in overseas correspondence courses.

#### OVERSEAS ENROLLMENTS

(Thousands)



\* Enrollments from 2014 onward include enrollment in correspondence courses for preschoolers in South Korea based on a licensing contract.

### 2. Market Trends

China is a colossal market. The number of births in China in 2013 was 16.4 million\*, more than 16 times greater than the number in Japan (1.02 million). Moreover, in 2013, the Chinese government decided to relax the one-child policy that had been introduced to control the population, and a second child will be permitted to couples where either parent is an only-child starting from 2014. This decision is expected to increase China's annual birthrate by around 1 million.

\* Source: Ministry of Internal Affairs and Communications Statistics Bureau  
"International Statistical Compendium 2015"

### 3. Review of Fiscal 2014

Consolidated net sales in the Overseas Education Business Domain in the year ended March 31, 2015 amounted to ¥21,006 million, an increase of 17.9% over the previous fiscal year. The main contributing factors were an increase in cumulative enrollment in correspondence courses in China and the positive impact of the yen's depreciation on currency translation. On the other hand, sales were decreased by the transfer to Korea Yakult Co., Ltd. of all shares in Benesse Korea Co., Ltd., which operated the correspondence course business in South Korea. Operating income was ¥1,367 million, a profit following an operating loss of ¥698 million in the previous fiscal year.

## FREQUENTLY ASKED QUESTIONS

\* References to Benesse in the main text refer to the Benesse Group.

### Q1.

**What are the target age ranges and prices for courses being developed in China?**

### A1.

In China, the target age ranges for the courses being developed are from newborn to eight years of age (elementary school second grade) and prices average 125 yuan per month. As of April 2015, the membership of children ranging from newborn to age eight in China totaled 730,000.

### Q2.

**Is Benesse moving alone in developing business in China?**

### A2.

In China, Benesse launched a local version of our *Kodomo Challenge* preschool correspondence courses in fiscal 2006, marketed under a Chinese brand name. The course is published under license by CWI Publishing House, a branch of our Chinese partner, China Welfare Institute.



## LIFESTYLE BUSINESS DOMAIN

### 1. Overview

The Lifestyle Business Domain accounted for 3.3% of the Benesse Group's consolidated sales in fiscal 2014. In this domain, the Group aims to encourage women to make more of themselves and to support the lifestyles of women and their families. Main business activities are magazine publication, mail-order businesses and website management. Services relate to women's daily living needs, including pregnancy, childbirth, childcare, housekeeping and household management.

### 2. Market Trends

The domestic magazine market\*1 in 2014 contracted 5.0% from the previous year to ¥852.0 billion against a backdrop of the consumption tax rate increasing from 5.0% to 8.0%. This marks the 17th consecutive year of contraction.

On the other hand, in fiscal 2013 (the year from April 2013 to March 2014), the domestic mail-order sales market\*2 expanded by 8.3% year on year to ¥5.86 trillion. Propelled by major e-Commerce companies and online sales companies widening their range, the mail-order sales sector maintained a higher growth rate than other retail formats, increasing year on year for a 15th consecutive year.

\*1 Source: The All Japan Magazine and Book Publisher's and Editor's Association and the Research Institute for Publications "2014 Estimated Sales of Books and Magazines"

\*2 Source: The Japan Direct Marketing Association "FY2013 Direct Marketing Sales Survey"

### 3. Review of Fiscal 2014

Consolidated net sales in the Lifestyle Business Domain in the year ended March 31, 2015 amounted to ¥15,324 million, a decrease of 26.8% over the previous fiscal year. The main contributing factors were the impact of the customers' personal information leak incident disclosed in July 2014, lower sales in the correspondence course and magazine businesses and the discontinuation of the home food delivery service of Benesse en-Famille Inc. Turning to profits, the decrease in sales led to an operating loss of ¥826 million, worse than the ¥232 million operating loss in the previous fiscal year.

## FREQUENTLY ASKED QUESTIONS

### Q1.

**What are the features of the *Women's Park* website?**

### A1.

Operated by Benesse Corporation, *Women's Park* is one of Japan's largest websites with membership limited to women, and had 5.15 million members as of the end of March 2015. The site contains consultation for worries about pregnancy, childbirth and childcare and useful local word-of-mouth information on such things as hospitals, kindergartens, daycare centers, moving, as well as cooking and household tips.

### Q2.

**What are the features of the *Tamahiyo Photo Studio*?**

### A2.

Operated by Benesse Corporation, the *Tamahiyo Photo Studio* features photography incorporating natural light and same-day delivery of all data from the photography session. Currently, three stores are operating in the Tokyo metropolitan area (as of the end of March 2015).

## SENIOR/NURSING CARE BUSINESS DOMAIN

### 1. Overview

The Senior/Nursing Care Business Domain accounted for 18.8% of the Benesse Group's total consolidated sales in fiscal 2014, and is a core business of the Group second only to the Domestic Education Business Domain. Moreover, this domain is also the largest operator of fee-based homes for the elderly in Japan. Benesse Style Care Co., Ltd. operates nursing homes, home-visit services for the elderly, and daycare and afterschool childcare centers, while Benesse MCM Corp. provides staff placement and worker dispatching services, specializing in medical and nursing care personnel.

#### Nursing homes for seniors and elderly houses with care services

Benesse nursing homes provide nursing care and other necessary support for elderly residents' daily lives, such as meal provision, and the business centers on day-to-day care of residents in specified nursing homes licensed to provide nursing care. We operate seven different brands of nursing homes and housing for the elderly, with various prices and services offered, to meet a broad range of customer needs.

#### BENESSE'S NURSING HOMES AND ELDERLY HOUSES

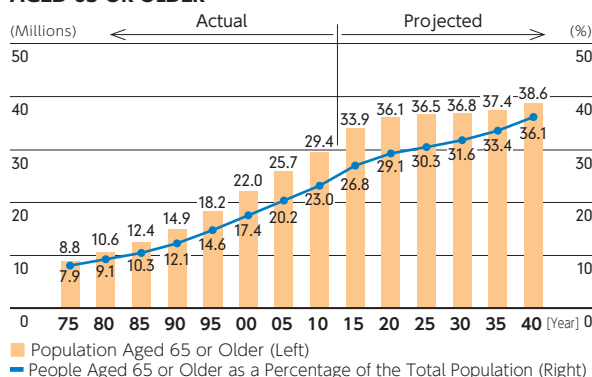
Brand Name	No. of Homes and Houses (As of March 31, 2015)	Fees	
		Down Payment (Thousands of Yen)	Monthly Fees (Thousands of Yen)
<i>Aria</i>	21	20,000~30,000	280~
<i>Clara</i>	41	—	330~
<i>Granny &amp; Granda</i>	112	8,000~18,000	180~
<i>Madoka</i>	52	—	230~
<i>Bon Sejour</i>	38	5,000~8,000	170~
<i>Cocochi</i>	11	1,000~3,000	150~
<i>Li-Re</i>	1	—	170~
Total	276		

### 2. Market Trends

In 2014, Japan's total population continued to age rapidly, with the number of people aged 65 or older topping 26.0% of the total population\*<sup>1</sup>, an increase of 0.9 of a percentage point compared to the previous year. This trend is projected to continue into the future. By 2025, the number of people aged 65 or older is expected to represent over 30.0% of the population.

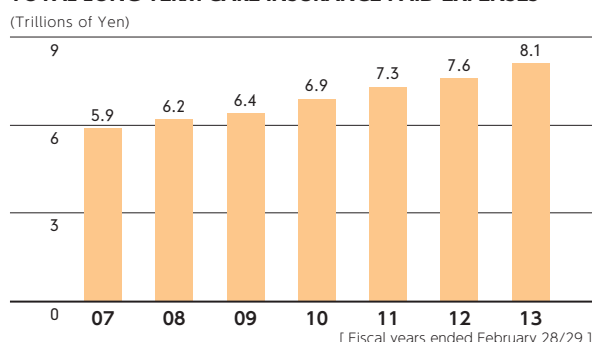
With the ongoing aging of the population, the number of people who require nursing care has also continued to increase. The nursing care insurance system under the social insurance system was enacted in 2000. Since then, the domestic nursing care market\*<sup>2</sup> has expanded rapidly, with the total cost of nursing care in fiscal 2012

#### ESTIMATED POPULATION AND PERCENTAGE OF PEOPLE AGED 65 OR OLDER



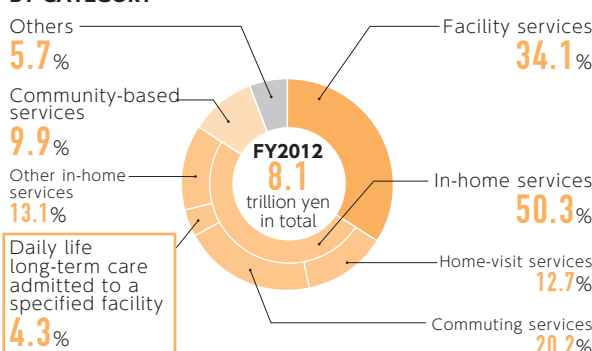
Source: Up to 2010, Ministry of Internal Affairs and Communications Statistics Bureau, "Current Population Estimates"; from 2015 onward, National Institute of Population and Social Security Research "Population Projection for Japan (January 2012 estimate)"

#### TOTAL LONG-TERM CARE INSURANCE-PAID EXPENSES



Source: Ministry of Health, Labour and Welfare "Status of Long-term Care Insurance"

#### TOTAL LONG-TERM CARE INSURANCE-PAID EXPENSES BY CATEGORY



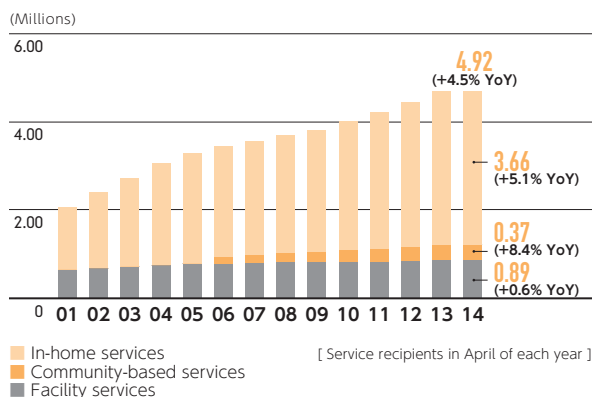
Source: Ministry of Health, Labour and Welfare "Status of Long-term Care Insurance"

at ¥8.1 trillion, a 6.5% increase over the previous fiscal year. As of April 2014, the number of people receiving nursing care insurance services in Japan had grown to 4.92 million, an increase of 210,000, or 4.5%, compared to a year earlier.

\*<sup>1</sup> Source: Ministry of Internal Affairs and Communications Statistics Bureau "Current Population Estimates (as of October 1, 2014)"

\*<sup>2</sup> Source: Ministry of Health, Labour and Welfare "Status Report on the Long-Term Care Insurance Projects"

## NUMBER OF PEOPLE RECEIVING NURSING CARE INSURANCE SERVICES



Source: Ministry of Health, Labour and Welfare  
"Status Report on the Long-term Care Insurance Projects"

## 3. Review of Fiscal 2014

Consolidated net sales in the Senior/Nursing Care Business Domain in the year ended March 31, 2014 amounted to ¥87,271 million, an increase of 9.6% from the previous fiscal year. The main factor behind the higher sales was steady growth in the number of residents following an increase of 23 nursing homes and elderly houses from the previous fiscal year. Operating income decreased 4.4% to ¥5,610 million due to the costs of launching new businesses, despite higher profits from increased sales.

In April 2014, Benesse Palette Co. Ltd. started a food delivery service business for seniors, delivering boxed dinners to their homes. Benesse Senior Support Co., Ltd. was established in June 2014, and started the Benesse Nursing Care Consultation Service. In August 2014, we opened Li-Re Fuchu Shiraitodai, housing with care services for the elderly.

## FREQUENTLY ASKED QUESTIONS

\* References to Benesse in the main text refer to the Benesse Group.

### Q1.

**Does Benesse own the nursing homes that it operates?**

### A1.

The majority of the facilities are leased properties. As of the end of March 2015, Benesse owned the building and properties of 13 nursing homes, representing 5% of the total 276. All of the other nursing homes were leased properties.

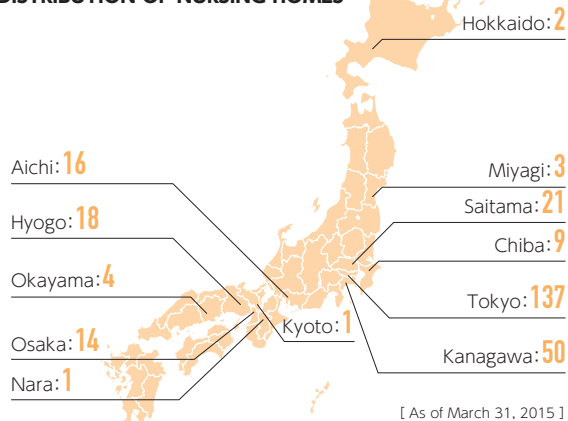
### Q2.

**In which parts of Japan is Benesse developing its nursing home business?**

### A2.

Benesse is targeting regions of high demand, particularly in and around Tokyo. As of the end of March 2015, the number of nursing homes in the Tokyo metropolitan area was 217, which represented 79.0% of the total. The other nursing homes are located in major urban areas such as the Kansai region and the Tokai region.

### DISTRIBUTION OF NURSING HOMES



### Q3.

**Does Benesse operate daycare and afterschool childcare centers?**

### A3.

Benesse started a childcare business in 1994 and has continued to increase the number of its centers since opening the first one. We also started an afterschool childcare business in 2014. As of April 2015, Benesse operates 40 daycare centers and 3 afterschool childcare centers.

## LANGUAGE/GLOBAL LEADERSHIP TRAINING BUSINESS DOMAIN

### 1. Overview

The Language/Global Leadership Training Business Domain accounted for 16.1% of the Benesse Group's consolidated net sales in fiscal 2014. U.S.-based subsidiary Berlitz Corporation operates 497 language centers in over 70 countries and regions worldwide, making it the largest language and global leadership training company in the world. Simul International, Inc. provides translation and interpreting services for international conferences including summits and meetings of governmental, financial and business organizations.

#### NUMBER OF BERLITZ LANGUAGE CENTERS

Region	Berlitz	ELS	Total
Americas	139	63	202
Europe	200	6	206
Asia	81	8	89
Total	420	77	497

\*Including franchises

[ As of December 31, 2014 ]

### 2. Market Trends

The worldwide language learning market\*1 was US\$56.3 billion in 2013, decreasing 3.3% compared to 2011. The

overall size of the market is gradually shrinking due to the adoption of cost-efficient products and services using the Internet and other technologies.

The market for international student mobility\*2 is projected to grow from 3.04 million students in 2011 to 3.85 million students in 2024, representing an annual growth rate of 1.8%. This growth should be driven predominantly by increases in outbound mobile students from China, India and developing countries pursuing tertiary studies outside their home countries.

\*1 Source: Ambient Insight "The 2013–2018 Worldwide Digital English Language Learning Market"

\*2 Source: The British Council "The Future of the World's Mobile Students to 2024"

### 3. Review of Fiscal 2014

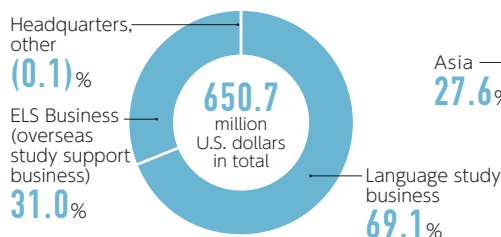
Consolidated net sales from the Language/Global Leadership Training Business Domain in the year ended March 31, 2015 amounted to ¥74,570 million, an increase of 5.3% from the previous fiscal year. The main contributing factor was the positive impact of the yen's depreciation on currency translation. Operating income rose 45.9% from the previous fiscal year to ¥2,699 million due to factors including reduced personnel costs from improvements in business structure.

## FREQUENTLY ASKED QUESTIONS

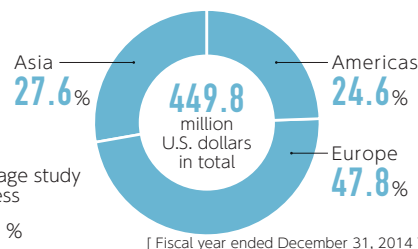
**Q1.** What is the breakdown in Berlitz's consolidated sales?

**A1.** The breakdown of consolidated sales is as follows:

#### BREAKDOWN IN BERLITZ'S CONSOLIDATED SALES



#### LANGUAGE STUDY BUSINESS BY REGION



[ Fiscal year ended December 31, 2014 ]

**Q2.** What is the breakdown of lessons by region?

**A2.** The breakdown of lessons by region at directly-operated Berlitz language centers is as follows:

Region	Fiscal year ended		Change
	December 31, 2013	December 31, 2014	
Americas	1,921	1,803	(6.1)%
Europe	3,093	3,006	(2.8)%
Asia	1,723	1,685	(2.2)%
Total	6,737	6,496	(3.6)%

(Thousands of Lessons)

# Investors Information

(As of March 31, 2015)

## NUMBER OF SHARES ISSUED:

102,453,453 shares

## LISTED DATE:

October 26, 1995

## SECURITIES LISTINGS

### (COMMON STOCK):

Tokyo Stock Exchange, First Section

## TICKER CODE:

9783

## ISIN CODE:

JP3835620000

## UNIT OF TRADING:

100 shares

## INDEPENDENT AUDITORS:

Deloitte Touche Tohmatsu LLC

## TRANSFER AGENT:

Mitsubishi UFJ Trust and Banking Corporation

## NUMBER OF SHAREHOLDERS:

40,835

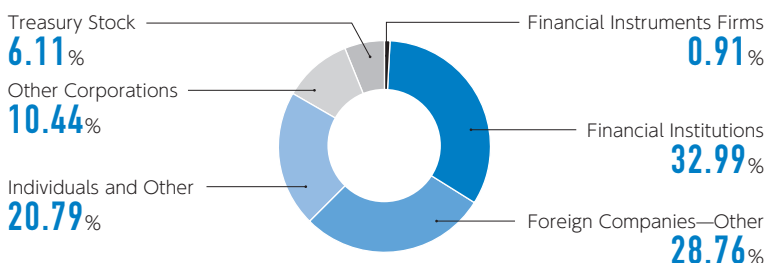
## TOP 10 SHAREHOLDERS:

	Shares (Thousand)	Percentage (%)
The Master Trust Bank of Japan, Ltd.	16,619	17.27
Japan Trustee Services Bank, Ltd.	9,830	10.22
Fukutake Foundation	5,008	5.20
The Chugoku Bank, Ltd.	2,787	2.89
State Street Bank and Trust Company	2,741	2.85
Junko Fukutake	2,155	2.24
Minamigata Holdings, Inc.	1,836	1.90
Nobuko Fukutake	1,769	1.83
Mizuho Trust & Banking Co., Ltd. (Retirement Benefit Trust Account, The Chugoku Bank, Ltd.)	1,600	1.66
Mitsuko Fukutake	1,575	1.63

Notes: 1. The shares held by The Master Trust Bank of Japan, Ltd. include 13,618 thousand Company shares (a 14.15% investment ratio) contributed by efu Investment Limited as trust assets. efu Investment is an asset management and investment corporation of which Hideaki Fukutake serves as representative. The decision-maker with respect to the execution of voting rights related to the consigned trust assets is efu Investment Limited. efu Investment Limited directly holds an additional 1,049 thousand shares (a 1.09% investment ratio).

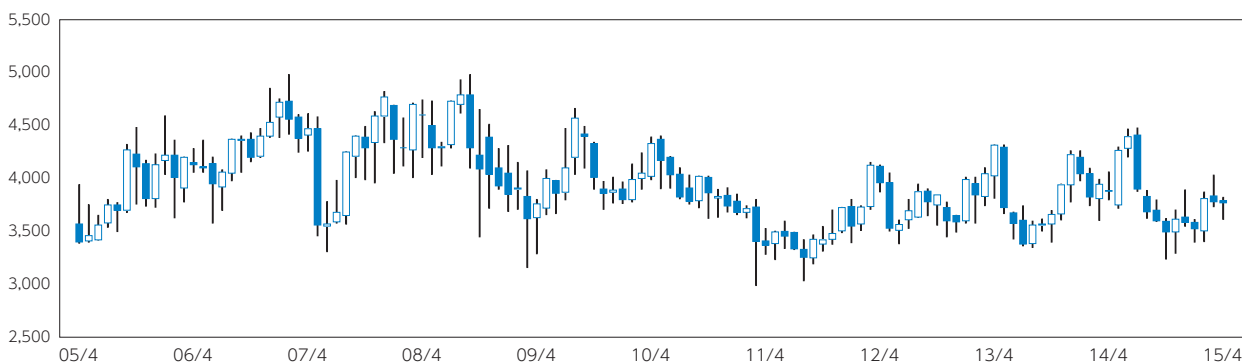
2. The Company owns 6,263 thousand shares of treasury stock which are not included above because they do not carry voting rights. These shares of treasury stock are also excluded from the calculation of investment ratios.

## SHAREHOLDINGS BY TYPE OF SHAREHOLDER:



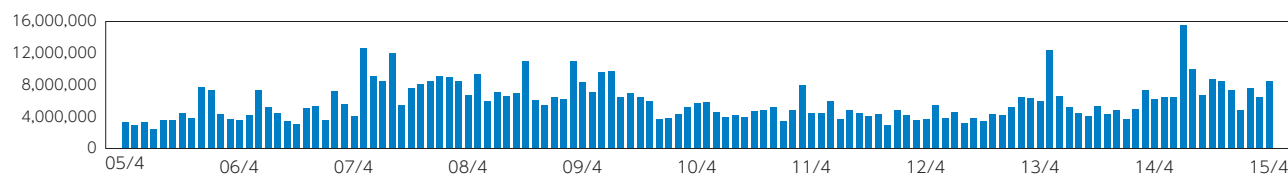
## STOCK PRICE RANGE:

(Yen)



## TRADING VOLUME:

(Shares)



\* The stock price and trading volume are taken from the Osaka Securities Exchange prior to July 16, 2013 and from the Tokyo Stock Exchange from July 16, 2013 onward, due to the merging of the two exchanges on that date.

# Corporate Information

## OVERVIEW:

(As of March 31, 2015)

### Name:

Benesse Holdings, Inc.

### Date established:

January 28, 1955

### Headquarters:

3-7-17 Minamigata, Kita-ku, Okayama-shi,  
Okayama 700-0807, Japan

### Representative:

Representative Director, Chairman and CEO  
Eikoh Harada  
(As of June 27, 2015)

### Number of employees (Consolidated):

20,145

### Capital:

13,600 million yen

### Fiscal year-end:

March 31

## BOARD OF DIRECTORS AND AUDIT & SUPERVISORY BOARD MEMBERS:

(As of June 27, 2015)

### Directors of the Board

Representative Director, Chairman and CEO	Eikoh Harada
Representative Director and Executive Vice President	Kenichi Fukuhara
Managing Director	Hitoshi Kobayashi
Director*1*3	Daisuke Iwase
Director*1*3	Shinjiro Iwata
Director*1*3	Kiyoyuki Tsujimura
Director*1	Hideaki Fukutake
Director*1*3	Ryuji Yasuda

### Audit & Supervisory Board Members

Standing Audit & Supervisory Board Member	Yoshinori Matsumoto
Standing Audit & Supervisory Board Member	Kimie Sakuragi
Audit & Supervisory Board Member*2*3	Tomoji Wada
Audit & Supervisory Board Member*2*3	Eiichi Izumo

\*1 Outside Directors

\*2 Outside Audit & Supervisory Board Members

\*3 Independent Directors

## CONSOLIDATED SUBSIDIARIES:

(As of March 31, 2015)

Name of company	Common stock (Millions of yen)	Ratio of shareholding(%)	Description of business
Benesse Corporation	3,000	100.0	Education, publishing, mail-order sales, etc.
UP Inc.	1,667	100.0	Operation of prep schools
Tokyo Individualized Educational Institute, Inc.	642	61.9	Operation of prep schools
Shinken-AD Co., Ltd.	65	100.0	Advertising services and creation of university
Minerva Intelligence Co., Ltd.	49	100.0	Operation of English-language schools up to age 15
Plandit Co., Ltd.	40	100.0	Planning and editing of study materials
Benesse Base-Com, Inc.	20	100.0	Production, distribution and sales of study materials and software
Learn-S Co., Ltd.	10	100.0	Planning, editing, production and sales of study materials
Ochanomizu Seminar Co., Ltd.	10	100.0*1	Operation of prep schools
Benesse Music Publishing Co.	10	100.0	Rights management of music publications
Tokyo Educational Institute Co., Ltd.	10	100.0	Operation of prep schools
BENESSE GCA PTY LTD	1,250 Thousands of Australian dollars	100.0	Support for study overseas
Benesse Corporation China	125,000 Thousands of RMB	100.0	Sales of correspondence course materials for preschoolers
Benesse Style Care Co., Ltd.	100	100.0	Nursing care services for the elderly business, childcare business
Benesse Senior Support Co., Ltd.	100	100.0*2	Nursing care consultation service business
Benesse Palette Co., Ltd.	100	80.0*3	Food delivery services for seniors business
Benesse MCM Corp.	80	100.0*2	Introduction and temp staffing of nurses and human resources trained in nursing care
Berlitz Corporation	1,005 Thousands of U.S. dollars	100.0	Language instruction, global leadership training and support for study overseas
Okayama Language Center	50	100.0	Language instruction
Simul International, Inc.	40	100.0	Interpretation, translation and language instruction services
TMJ, Inc.	300	60.0	Telemarketing and temporary staffing
Benesse Business-mate, Inc.	50	100.0*4	Office operational management, outsourcing and support services
Naoshima Cultural Village Co., Ltd.	20	100.0	Hotel and campsite operation and management
Benesse Insurance Services, Inc.	20	94.0*5	Insurance agency business
Benesse Hong Kong Co., Ltd	3,600 Thousands of H.K. dollars	100.0	General trading and quality assurance related to educational equipment, toys and other items

Plus 15 other subsidiaries.

\*1 Including an indirect stock holding of 50.0% through a subsidiary.

\*2 Indirect stock holding through a subsidiary.

\*3 Indirect stock holding of 80.0% through a subsidiary.

\*4 Including an indirect stock holding of 4.0% through subsidiaries.

\*5 Including an indirect stock holding of 64.0% through subsidiaries and affiliates.



**Disclaimer**

This Data Book is intended only to serve as a reference for use in making investment decisions; it is not intended as an inducement either to purchase or to sell Benesse Holdings' shares. Investors are solely responsible for their investment decisions. Please bear in mind that while Benesse Holdings has taken great care over the content of the Data Book, the Company accepts no responsibility for any errors that the book may contain.



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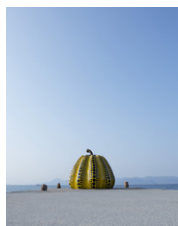
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**ON THE COVER**

Yayoi Kusama  
"Pumpkin" 1994

Benesse Art Site Naoshima is a project located on the islands of Naoshima, Teshima and Inujima in Japan's Seto Inland Sea. Organized by Benesse Holdings, Inc. and the Fukutake Foundation, the project supports a multitude of art-related activities. Benesse Art Site Naoshima is working to create special places by situating modern art and architecture within the nature and the unique culture of the Seto Inland Sea, a landscape with a powerful cultural and historical resonance.



Benesse Art Site Naoshima  
<http://www.benesse-artsite.jp/en/>