



Benesse Holdings, Inc.

Corporate Communications & Investor Relations Department

1-34, Ochiai, Tama-shi, Tokyo

206-0033, Japan

Phone: +81-42-357-3656

Email: [tokyoir@mail.benesse.co.jp](mailto:tokyoir@mail.benesse.co.jp)

URL: <https://www.benesse-hd.co.jp/en/ir/index.html>



#### About the cover photo

The Chichu Art Museum Photograph: Ken'ichi Suzuki

The photo shows a section of the Chichu Art Museum, which opened in 2004 as part of Benesse Art Site Naoshima, an art project primarily located on the island of Naoshima in Japan's Seto Inland Sea. Designed by renowned architect Tadao Ando as a space for contemplating nature and people, the museum was mostly built underground so it would not interfere with the surrounding scenery of the beautiful sea and islands. The Chichu Art Museum houses permanent exhibitions of works by Claude Monet, James Turrell, and Walter De Maria.

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

#### 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.



Benesse Holdings, Inc.

# DATA BOOK 2018

## Contents

- 01 At a Glance
- 03 Ten-Year Summary of Consolidated Financial Statements
- 05 Consolidated Balance Sheets
- 09 Consolidated Statements of Income
- 11 Consolidated Statements of Cash Flows
- 13 Segment Information
- 15 Business Data
- 19 Indicators
- 21 CSR Data
- 23 Segment Performance
- 30 Investors Information
- 31 Corporate Information

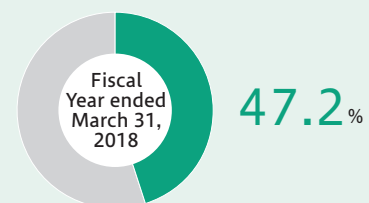
For the Year Ended March 31, 2018



# At a Glance

## SHARE OF NET SALES

### DOMESTIC EDUCATION COMPANY



## MAJOR BUSINESS

- Shinkenzemi and Kodomo Challenge correspondence courses
- School and teacher support business, centered on Shinken Simulated Exams (mock university entrance exams)
- Cram schools/prep schools
- Children's English language class business

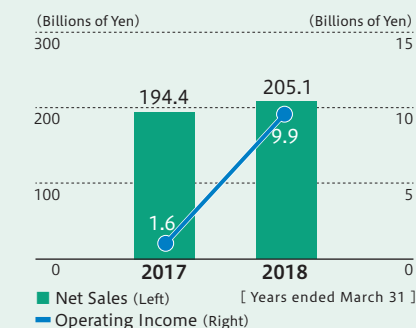
## MAJOR GROUP COMPANIES

Benesse Corporation  
Tokyo Individualized Educational Institute, Inc.  
UP Inc.  
Tokyo Educational Institute Co., Ltd.  
Ochanomizu Seminar Co., Ltd.  
Shinken-AD Co., Ltd.

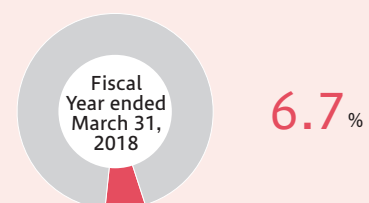
## MAIN PRODUCTS AND SERVICES



## NET SALES/OPERATING INCOME

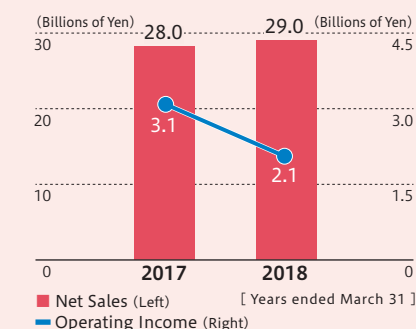
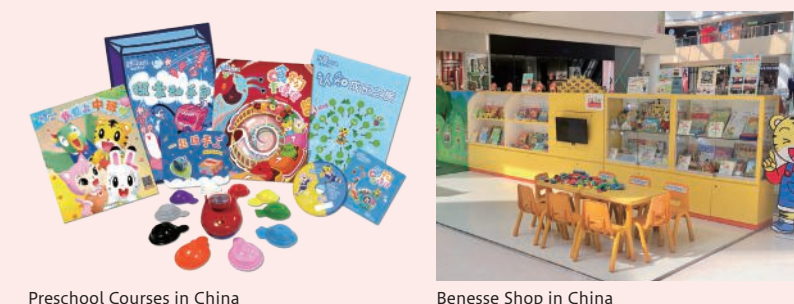


### OVERSEAS BUSINESS COMPANY

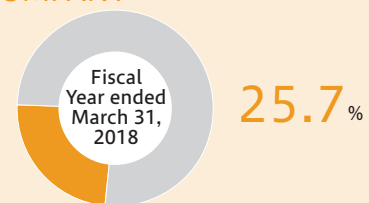


- Correspondence course business focused on preschool children in mainland China and Taiwan

Benesse Corporation  
Benesse Corporation China

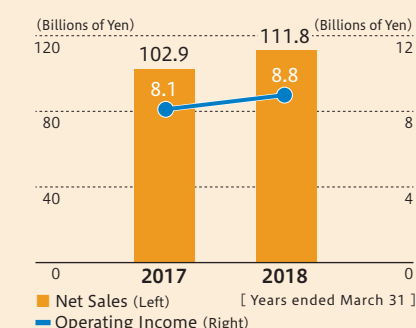


### NURSING CARE AND CHILDCARE COMPANY



- Operation of nursing homes for the elderly
- Home help service business
- Daycare and afterschool childcare operation business
- Medical and nursing care staff placement and dispatch business
- Food delivery services and nursing care food for seniors business
- Consultation services for senior care

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

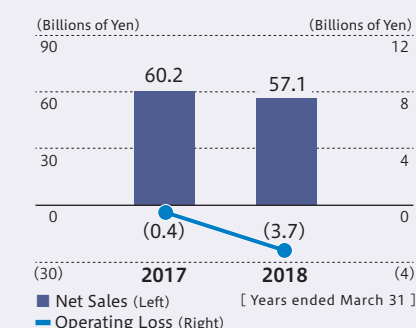
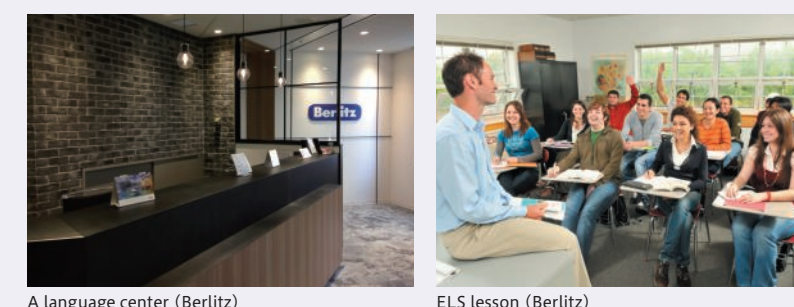


### LANGUAGE LEARNING COMPANY

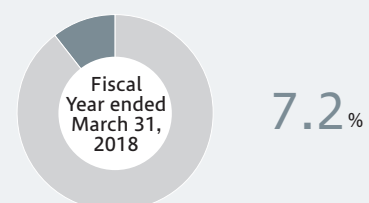


- Language education business, ELS business (overseas study support business), global leadership training business
- Interpreting and translation business

Berlitz Corporation  
Simul International, Inc.



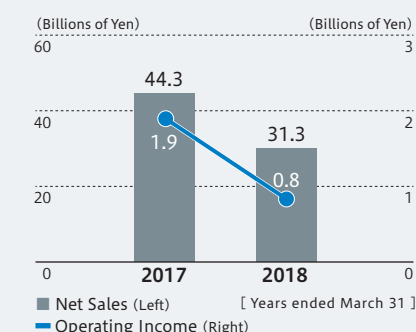
### OTHERS



- Telemarketing business
- Mail-order business  
Tamahiyo Shop, Tamahiyo Uchiwai (family celebration items)
- Tamago Club and Hiyoko Club—magazines dealing with pregnancy, childbirth, and child-rearing
- Operate and maintain an information system and information processing service businesses

TMJ, Inc.\*  
Benesse Corporation  
Benesse InfoShell Co., Ltd.

\* As of October 2, 2017, all shares held by Benesse Holdings, Inc. were transferred to Secom Co., Ltd.



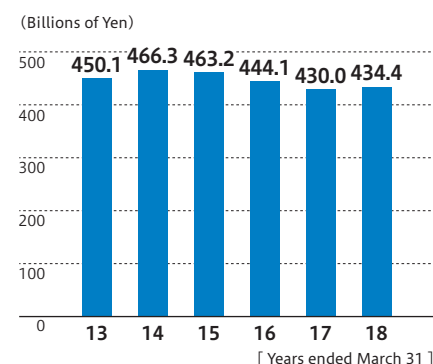
# Ten-Year Summary of Consolidated Financial Statements

Benesse Holdings, Inc. and Consolidated Subsidiaries

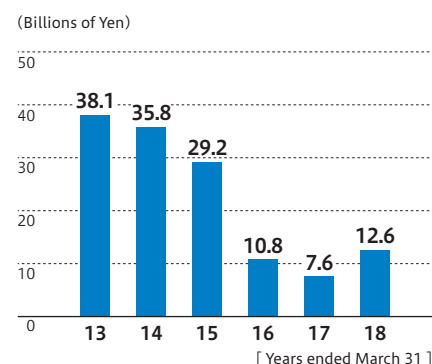
Years ended March 31	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
For the Year										
Net sales	¥ 412,711	¥ 406,602	¥ 412,828	¥ 423,706	¥ 450,182	¥ 466,399	¥ 463,264	¥ 444,190	¥ 430,064	¥ 434,497
Cost of sales	204,115	199,835	203,842	212,016	228,890	243,197	258,747	255,349	251,361	249,993
Selling, general and administrative expenses	169,469	168,877	166,118	177,892	183,146	187,371	175,290	177,977	171,016	171,877
Operating income	39,125	37,889	42,867	33,797	38,145	35,830	29,227	10,862	7,685	12,626
Income (loss) before income taxes	29,983	38,615	36,669	34,055	38,245	32,908	(3,475)	9,921	8,800	20,755
Income taxes	18,652	15,911	15,606	17,109	16,614	12,536	6,474	17,138	4,202	7,629
Net income (loss) attributable to owners of the parent	10,678	21,874	20,586	16,369	21,147	19,930	(10,705)	(8,211)	3,557	12,397
CAPEX	¥ 18,051	¥ 27,042	¥ 21,938	¥ 44,610	¥ 23,796	¥ 31,915	¥ 37,998	¥ 24,934	¥ 23,609	¥ 19,419
Depreciation and amortization	13,456	13,028	13,738	14,183	16,957	17,367	21,056	21,606	20,384	19,961
Per Share of Common Stock										
Net income (loss)	¥ 106.98	¥ 221.65	¥ 208.47	¥ 167.79	¥ 217.54	¥ 206.79	¥ (111.30)	¥ (85.37)	¥ 36.98	¥ 128.79
Cash dividends	90	90	95	95	95	95	95	95	95	95
At Year-End										
Total assets	¥ 343,128	¥ 356,153	¥ 405,119	¥ 432,080	¥ 460,259	¥ 487,594	¥ 490,954	¥ 474,926	¥ 481,904	¥ 496,607
Total equity	168,497	183,169	192,793	194,189	207,479	215,109	197,892	179,266	175,166	175,122
Total equity per share of common stock	¥ 1,646.83	¥ 1,792.80	¥ 1,893.72	¥ 1,933.52	¥ 2,071.24	¥ 2,173.58	¥ 2,000.43	¥ 1,796.57	¥ 1,749.37	¥ 1,777.26
Shares of common stock issued (in thousands)	106,353	106,353	106,353	104,153	102,453	102,453	102,453	102,453	102,453	102,464

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 income (loss) per share of common stock is based on the weighted average number of shares of common stock outstanding during each year.  
3. Due to the application of the Accounting Standard for Business Combinations and so forth, from the fiscal year ended March 31, 2016 net income (loss) has been presented as net income (loss) attributable to owners of the parent.

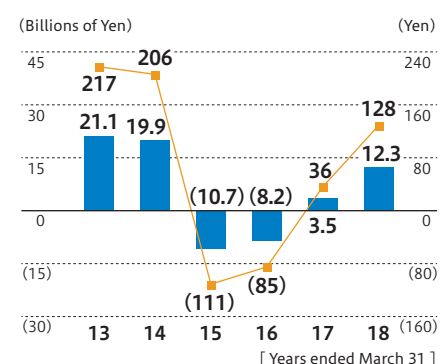
## Net sales



## Operating income

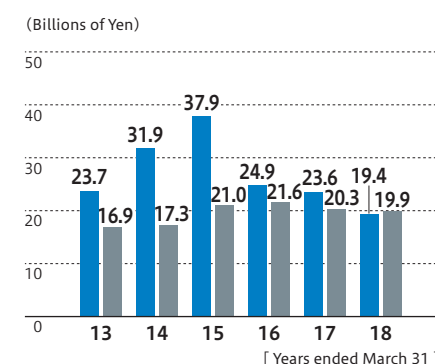


## Net income (loss) attributable to owners of the parent/Net income (loss) per share



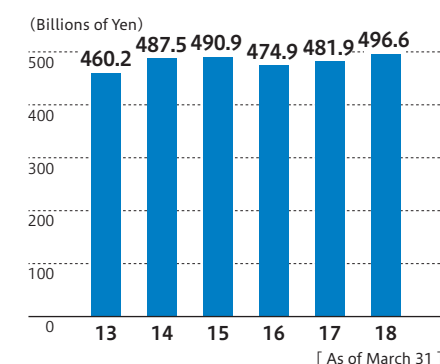
■ Net Income (Loss) Attributable to Owners of the Parent (Left)  
— Net Income (Loss) per Share (Right)

## CAPEX/Depreciation and amortization

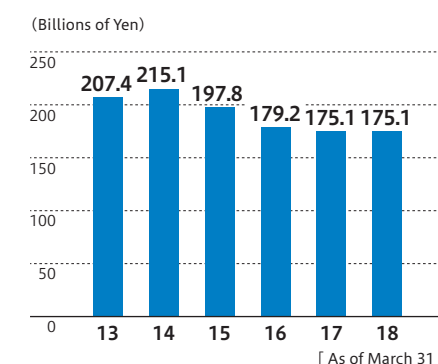


■ CAPEX  
■ Depreciation and Amortization

## Total assets



## Total equity



## Consolidated Balance Sheets

Benesse Holdings, Inc. and Consolidated Subsidiaries

Millions of Yen										
As of March 31	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Assets</b>										
<b>Current Assets</b>	¥ 179,850	¥ 179,687	¥ 233,544	¥ 230,014	¥ 248,663	¥ 262,779	¥ 251,278	¥ 243,602	¥ 250,787	¥ 270,172
Cash and time deposits	42,784	48,877	93,982	72,647	72,464	79,726	104,541	91,892	113,542	134,206
Notes and accounts receivable—trade	24,400	24,218	26,185	27,371	30,108	31,266	31,671	32,577	32,023	30,863
Marketable securities	43,517	31,631	32,053	49,128	57,491	51,279	24,313	44,501	30,301	23,599
Merchandise and finished goods	14,112	13,969	14,334	16,900	21,105	31,750	25,873	18,316	20,057	23,998
Work in progress	3,685	3,334	4,255	4,098	3,911	4,611	3,737	3,481	3,535	4,318
Raw materials and supplies	1,780	1,707	1,693	1,634	1,807	1,643	1,595	1,726	1,506	1,387
Deferred tax assets	5,758	5,230	6,262	5,482	6,185	5,658	6,034	3,514	3,694	3,273
Accounts receivable—other	38,318	42,032	41,863	46,684	46,510	48,547	41,479	39,961	38,348	41,621
Other current assets	7,281	10,426	14,450	7,781	10,767	10,044	13,775	9,067	9,373	8,451
Allowance for doubtful receivables	(1,788)	(1,740)	(1,536)	(1,715)	(1,686)	(1,750)	(1,744)	(1,436)	(1,596)	(1,546)
<b>Total Fixed Assets</b>	<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>	<b>231,324</b>	<b>231,116</b>	<b>226,434</b>
Tangible Fixed Assets	74,609	75,994	75,122	91,105	97,765	107,440	121,996	129,743	136,231	139,395
Buildings and structures—net	29,223	29,016	28,223	31,675	31,166	31,527	31,819	31,446	29,369	29,011
Land	36,092	36,106	35,985	38,126	37,326	38,319	37,195	36,745	34,947	34,834
Lease assets—net	—	—	2,133	12,597	19,893	28,008	43,317	52,723	63,384	67,161
Other tangible fixed assets—net	9,293	10,871	8,780	8,705	9,378	9,584	9,664	8,827	8,530	8,389
Intangible Fixed Assets	29,895	42,500	43,535	55,330	54,970	58,031	58,355	51,327	43,918	36,706
Goodwill	13,157	18,537	15,620	23,452	20,233	19,325	18,526	16,150	13,611	10,657
Software	—	22,405	26,545	27,639	30,642	35,098	36,576	32,844	28,430	24,756
Other intangible fixed assets	16,737	1,557	1,369	4,238	4,094	3,607	3,252	2,332	1,876	1,291
Investments and Other Assets	58,773	57,970	52,917	55,630	58,859	59,343	59,324	50,253	50,966	50,332
Investment securities	29,374	25,101	16,756	16,497	19,072	18,040	13,771	13,806	14,316	14,134
Long-term loans receivable	—	—	4,536	4,837	4,780	4,490	4,896	4,583	4,412	4,160
Prepaid pension expenses	4,461	4,442	4,383	4,236	3,816	—	—	—	—	—
Asset for retirement benefits	—	—	—	—	—	1,376	2,457	385	1,710	1,566
Deferred tax assets	4,391	3,260	6,099	6,848	7,347	9,969	10,073	2,522	1,596	1,642
Other assets	20,818	25,259	21,226	23,279	23,907	25,526	28,188	29,056	29,019	28,921
Allowance for doubtful receivables	(272)	(93)	(84)	(69)	(65)	(60)	(62)	(101)	(89)	(92)
<b>Total</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>	<b>¥ 474,926</b>	<b>¥ 481,904</b>	<b>¥ 496,607</b>

Notes: 1. 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.  
2. 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.  
3. 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.



## Consolidated Balance Sheets

Benesse Holdings, Inc. and Consolidated Subsidiaries

Millions of Yen										
As of March 31	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Liabilities</b>										
<b>Current Liabilities</b>	¥ 147,825	¥ 139,389	¥ 149,289	¥ 153,001	¥ 157,291	¥ 172,943	¥ 187,296	¥ 145,681	¥ 147,664	¥ 161,586
Notes and accounts payable—trade	12,398	12,025	13,114	14,198	14,721	18,037	19,937	12,695	16,707	17,033
Short-term bank loans	1,628	1,447	467	270	—	—	—	—	—	—
Current portion of long-term debt	281	122	44	259	250	6,250	25,033	9	—	5,000
Accounts payable—other	24,655	24,483	24,314	26,003	26,024	29,835	34,216	27,085	26,605	27,114
Accrued income taxes	11,458	4,864	14,323	6,647	9,048	6,278	3,430	5,053	5,280	5,754
Advances received	79,596	78,691	78,655	87,624	88,710	93,468	84,385	79,479	80,361	87,275
Reserve for after-service costs	768	770	728	677	679	628	406	312	307	324
Reserve for employees' bonuses	6,174	6,178	6,290	6,737	6,874	6,841	6,528	6,387	6,563	7,076
Reserve for directors' bonuses	287	188	194	206	324	331	300	410	300	389
Reserve for goods return	522	474	448	393	362	343	383	369	341	399
Other current liabilities	10,055	10,144	10,706	9,982	10,297	10,926	12,672	13,877	11,196	11,218
<b>Long-Term Liabilities</b>	<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>	<b>149,979</b>	<b>159,073</b>	<b>159,898</b>
Long-term debt, less current portion	269	219	25,009	31,500	31,250	25,000	5,014	37,805	37,805	32,805
Lease obligations	—	—	2,068	12,130	19,393	27,933	43,872	54,284	65,887	71,171
Guarantee deposits received from nursing home residents	—	21,099	25,300	27,804	30,152	30,885	32,902	34,375	35,023	36,922
Deferred tax liabilities	301	668	611	2,411	2,580	2,921	4,251	3,626	560	468
Reserve for employees' retirement benefits	2,774	2,835	2,980	3,152	3,471	—	—	—	—	—
Reserve for directors' retirement allowances	1,547	1,405	1,435	202	224	165	179	164	124	90
Liability for retirement benefits	—	—	—	—	—	6,708	7,240	7,241	7,173	7,408
Other long-term liabilities	21,913	7,364	5,631	7,687	8,415	5,926	12,305	12,480	12,499	11,030
<b>Total Liabilities</b>	<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>	<b>295,660</b>	<b>306,738</b>	<b>321,484</b>
<b>Equity</b>										
<b>Shareholders' Equity</b>	<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>	<b>177,915</b>	<b>172,333</b>	<b>176,067</b>
Common stock	13,600	13,600	13,600	13,600	13,600	13,600	13,600	13,600	13,600	13,623
Capital surplus	29,358	29,358	29,381	29,358	29,358	29,358	29,358	29,479	29,479	29,556
Retained earnings	152,239	165,372	177,342	176,863	182,935	193,679	173,920	156,571	150,991	154,245
Treasury stock-at-cost	(25,451)	(26,527)	(26,067)	(23,844)	(18,007)	(21,730)	(21,732)	(21,735)	(21,736)	(21,358)
<b>Accumulated Other Comprehensive Loss</b>	<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>	<b>(5,106)</b>	<b>(4,065)</b>	<b>(4,903)</b>
Unrealized gain (loss) on available-for-sale securities	(1,634)	88	(17)	280	1,183	1,712	2,235	1,363	1,605	1,719
Foreign currency translation adjustments	(5,226)	(5,056)	(6,793)	(7,855)	(7,172)	(5,456)	(3,468)	(3,732)	(4,596)	(5,404)
Pension liability adjustments for a foreign consolidated subsidiary	—	—	(401)	(440)	(549)	—	—	—	—	—
Defined retirement benefit plans	—	—	—	—	—	(2,086)	(1,494)	(2,737)	(1,073)	(1,218)
<b>Stock Acquisition Rights</b>	<b>551</b>	<b>667</b>	<b>683</b>	<b>683</b>	<b>458</b>	<b>141</b>	<b>—</b>	<b>41</b>	<b>115</b>	<b>99</b>
<b>Noncontrolling Interests</b>	<b>5,059</b>	<b>5,667</b>	<b>5,065</b>	<b>5,543</b>	<b>5,671</b>	<b>5,891</b>	<b>5,472</b>	<b>6,415</b>	<b>6,782</b>	<b>3,858</b>
<b>Total Equity</b>	<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>179,266</b>	<b>175,166</b>	<b>175,122</b>
<b>Total</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>	<b>¥ 474,926</b>	<b>¥ 481,904</b>	<b>¥ 496,607</b>

Notes: 1. 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.  
2. 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.  
3. Due to the application of the Accounting Standard for Business Combinations and so forth, from the fiscal year ended March 31, 2016 minority interests has been presented as noncontrolling interests.

# Consolidated Statements of Income

Benesse Holdings, Inc. and Consolidated Subsidiaries

Millions of Yen

Years ended March 31	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Net Sales</b>	¥ 412,711	¥ 406,602	¥ 412,828	¥ 423,706	¥ 450,182	¥ 466,399	¥ 463,264	¥ 444,190	¥ 430,064	¥ 434,497
<b>Cost of Sales</b>	204,148	199,883	203,868	212,071	228,921	243,217	258,707	255,367	251,386	249,934
Reversal of reserve for goods return	555	522	474	448	393	362	343	383	366	341
Provision for reserve for goods return	522	474	448	393	362	343	383	366	341	399
<b>Adjusted Gross Profit</b>	208,595	206,766	208,986	211,690	221,292	223,201	204,517	188,840	178,702	184,504
<b>Selling, General and Administrative Expenses</b>	169,469	168,877	166,118	177,892	183,146	187,371	175,290	177,977	171,016	171,877
Promotion expenses	—	—	—	—	—	18,045	20,852	20,663	20,294	18,637
Direct mail expenses	28,495	30,340	28,268	31,887	31,575	29,269	10,794	14,391	17,804	19,396
Advertising expenses	14,741	13,207	11,344	12,015	12,418	13,729	18,594	14,399	12,543	12,945
Transportation and communication expenses	20,280	20,757	20,654	20,698	20,070	19,374	15,830	14,782	14,339	14,671
Customer management expenses	11,245	12,007	11,247	12,580	14,350	15,784	18,876	23,406	20,220	18,591
Wages and salaries	34,380	34,126	33,164	34,825	36,412	38,200	37,842	37,838	35,246	35,767
Provision for reserve for employees' bonuses	3,512	3,676	3,479	3,591	3,602	3,545	3,282	2,995	3,235	3,655
Provision for reserve for directors' bonuses	287	200	196	206	321	329	295	410	300	387
Net periodic benefit costs	—	—	—	—	—	—	2,056	1,995	1,956	1,578
Provision for reserve for employees' retirement benefits	877	844	1,134	1,203	1,454	1,910	—	—	—	—
Provision for reserve for directors' retirement allowances	166	133	115	65	77	79	42	22	17	10
Provision for allowance for doubtful receivables	751	706	691	830	729	947	843	758	818	740
Other	54,729	52,876	55,823	59,988	62,132	46,154	45,978	46,311	44,239	45,496
<b>Operating Income</b>	39,125	37,889	42,867	33,797	38,145	35,830	29,227	10,862	7,685	12,626
<b>Non-Operating Income</b>	3,219	2,367	3,012	1,917	3,451	2,481	1,794	2,378	2,679	2,206
Interest income	1,372	681	515	423	441	440	472	433	413	463
Dividend income	197	173	124	52	77	85	110	84	129	141
Rent income	456	431	452	485	476	486	505	467	378	350
Foreign exchange gain	—	646	—	—	1,670	94	—	—	—	368
Gain on sales of investment securities	—	—	513	119	115	191	—	632	577	43
Gain on investments in partnership	—	—	—	—	71	535	125	196	68	146
Refunded consumption taxes	—	—	—	—	—	—	—	—	611	61
Equity in net earnings of unconsolidated subsidiary and associated companies	81	96	527	243	179	164	49	66	128	192
Gain on derivatives	749	—	423	—	—	—	—	—	—	—
Other	361	337	455	593	419	483	531	497	370	439
<b>Non-Operating Expenses</b>	3,069	1,091	1,176	1,017	2,601	3,095	4,182	4,508	4,819	5,579
Interest expense	58	64	86	290	868	1,418	2,426	3,219	3,922	4,461
Rent expenses	177	164	160	251	237	223	212	186	157	190
Foreign exchange loss	2,002	—	536	131	—	—	279	453	260	—
Loss on derivatives	—	517	—	32	1,159	1,067	503	112	—	—
Other	830	344	393	311	336	385	762	537	478	928
<b>Ordinary Income</b>	39,276	39,165	44,703	34,698	38,995	35,216	26,838	8,732	5,545	9,253
<b>Special Gain</b>	2,848	1,294	223	550	273	1,998	327	2,506	4,130	12,764
Gain on sales of fixed assets	9	1	8	—	48	98	115	2,258	3,623	82
Gain on sales of investments of a consolidated subsidiary	2,737	1,152	117	—	—	1,537	—	—	—	12,681
Gain on revision of retirement benefit plan	—	—	—	—	—	—	—	248	—	—
Compensation for damages received	—	—	—	—	—	—	—	—	506	—
State subsidy	—	114	—	—	—	45	70	—	—	—
Gain on step acquisitions	—	—	—	357	—	—	—	—	—	—
Gain on transfer of business	100	—	80	193	—	—	—	—	—	—
Gain on reversal of subscription rights to shares	—	—	—	—	224	317	141	—	—	—
Gain on change in equity	—	2	—	—	—	—	—	—	—	—
Other	1	23	17	—	—	—	—	—	—	—
<b>Special Losses</b>	12,141	1,843	8,256	1,192	1,023	4,306	30,642	1,317	875	1,261
Loss on sales and disposal of fixed assets	601	491	1,002	1,009	34	44	13	17	8	2
Loss on reduction of non-current assets	—	114	—	—	—	44	70	—	—	—
Amortization of goodwill	7,619	—	—	—	—	—	—	—	—	—
Loss on impairment of long-lived assets	587	33	6,401	79	842	3,190	221	157	867	873
Valuation loss on investment securities	2,154	17	20	97	38	2	49	353	—	—
Restructuring expenses of foreign consolidated subsidiary	—	—	—	—	—	357	1,129	—	—	385
Loss on restructuring of business	150	1,105	—	—	102	—	792	788	—	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	—	614	—	—	—	—	—	—	—
Litigation loss	277	—	—	—	—	—	—	—	—	—
Loss on liquidation of subsidiaries	—	—	205	—	—	107	—	—	—	—
Business structure improvement expenses	420	—	—	—	—	550	2,315	—	—	—
Information security management expenses	—	—	—	—	—	—	26,039	—	—	—
Other	330	81	13	6	6	7	10	—	—	—
<b>Income (Loss) before Income Taxes</b>	29,983	38,615	36,669	34,055	38,245	32,908	(3,475)	9,921	8,800	20,755
<b>Income Taxes</b>	18,652	15,911	15,606	17,109	16,614	12,536	6,474	17,138	4,202	7,629
Income taxes—current	20,389	14,548	19,346	16,202	18,120	14,042	6,228	7,099	7,198	8,142
Income taxes—deferred	(1,736)	1,363	(3,740)	906	(1,505)	(1,506)	245	10,038	(2,996)	(513)
<b>Net Income (Loss)</b>	652	829	21,063	16,946	21,631	20,372	(9,950)	(7,216)	4,597	13,126
<b>Net Income Attributable to Noncontrolling Interests</b>	—	—	476	577	483	442	755	994	1,040	729
<b>Net Income (Loss) Attributable to Owners of the Parent</b>	¥ 10,678	¥ 21,874	¥ 20,586	¥ 16,369	¥ 21,147	¥ 19,930	¥ (10,705)	¥ (8,211)	¥ 3,557	¥ 12,397

- 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.
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.
3. Loss on derivatives, which had been presented as a separate item under non-operating expenses, has been included under others from the fiscal year ended March 31, 2017 due to their decreased materiality.

# Consolidated Statements of Cash Flows

Benesse Holdings, Inc. and Consolidated Subsidiaries

Millions of Yen

Years ended March 31	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Net Cash Provided by Operating Activities</b>	<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>	<b>¥ 26,195</b>	<b>¥ 25,237</b>	<b>¥ 26,449</b>
Income (loss) before income taxes	29,983	38,615	36,669	34,055	38,245	32,908	(3,475)	9,921	8,800	20,755
Depreciation and amortization	13,600	13,156	13,865	14,396	17,152	17,548	21,225	21,758	20,506	20,121
Loss on impairment of long-lived assets	587	33	6,401	79	842	3,190	221	157	867	873
Amortization of goodwill	7,619	—	—	—	—	—	—	—	—	—
Increase (decrease) in allowances and reserves—net	751	(340)	263	484	363	(3,952)	(759)	(420)	196	1,073
Loss on restructuring of business	150	1,105	—	—	—	—	792	788	—	—
Gain on sales of investments of a consolidated subsidiary	(2,737)	(1,152)	(117)	—	—	(1,537)	—	—	—	(12,681)
Business structure improvement expenses	—	—	—	—	—	550	2,315	—	—	—
Information security management expenses	—	—	—	—	—	—	26,039	—	—	—
Other non-cash income and expenses—net	2,247	407	538	604	549	135	3,218	1,291	399	4,240
(Increase) decrease in notes and accounts receivable—trade	2,741	648	(2,348)	(497)	(1,990)	456	257	(1,254)	26	(2,423)
(Increase) decrease in inventories	(2,671)	(158)	(1,375)	(2,338)	(4,013)	(11,497)	6,005	7,547	(1,821)	(4,640)
(Increase) decrease in accounts receivable—other	(6,466)	(3,315)	(147)	(4,963)	205	(1,951)	7,112	2,836	268	(3,285)
Increase (decrease) in notes and accounts payable—trade	817	(598)	1,211	974	220	2,724	1,891	(7,111)	4,242	438
Increase (decrease) in accounts payable—other	263	(195)	(1,406)	4,591	(1,450)	2,846	4,323	(6,351)	326	2,267
Increase (decrease) in advances received	3,819	817	976	7,876	(313)	3,080	(10,954)	(3,796)	2,491	6,651
Decrease (increase) in prepaid pension expenses	(120)	18	59	146	420	3,816	—	—	—	—
Decrease (increase) in asset for retirement benefits	—	—	—	—	—	(3,446)	(819)	2,071	(1,324)	108
(Decrease) increase in liability for retirement benefits	—	—	—	—	—	5,772	(90)	—	—	—
Changes in other assets and liabilities—net	3,184	1,675	5,105	4,975	2,325	(1,400)	7,830	3,725	900	3,627
<b>Total Adjustment</b>	<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>	<b>31,164</b>	<b>35,880</b>	<b>37,127</b>
Interest and dividends received	1,593	907	684	536	535	545	631	545	500	677
Interest paid	(57)	(64)	(107)	(297)	(867)	(1,421)	(2,422)	(3,226)	(3,923)	(4,460)
Business structure improvement expenses paid	—	—	—	—	—	(46)	(2,024)	—	—	—
Information security management expenses paid	—	—	—	—	—	—	(21,366)	—	—	—
Income taxes paid	(16,642)	(21,250)	(15,335)	(25,876)	(18,518)	(19,310)	(13,865)	(6,463)	(7,990)	(8,437)
Income taxes refund	—	—	—	5,882	—	3,281	1,753	4,177	770	1,542
<b>Net Cash Provided by (Used in) Investing Activities</b>	<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>	<b>(26,191)</b>	<b>(436)</b>	<b>5,503</b>
Purchases of marketable securities	(66,034)	(59,169)	(73,627)	(56,541)	(74,464)	(82,221)	(24,758)	(64,616)	(64,014)	(34,042)
Proceeds from sales of marketable securities	73,881	55,177	70,435	59,952	72,078	80,031	56,447	53,518	72,427	40,218
Purchases of tangible fixed assets	(7,454)	(5,350)	(4,973)	(5,610)	(5,245)	(8,434)	(6,319)	(5,736)	(4,325)	(6,197)
Proceeds from sales of tangible fixed assets	37	4	53	15	849	1,650	1,429	2,003	7,385	195
Purchases of software	(6,083)	(13,680)	(11,768)	(10,146)	(8,802)	(12,563)	(12,296)	(7,028)	(5,938)	(5,766)
Purchases of investment securities	(4,854)	(2,965)	(6,054)	(6,363)	(5,768)	(3,997)	(2,262)	(4,059)	(2,146)	(470)
Proceeds from sales of investment securities	3,878	5,034	11,565	4,498	1,316	2,047	668	1,664	1,175	1,154
Cash decrease due to acquisition of controlling interest in a company	—	(5,725)	—	—	—	(313)	(1,179)	—	—	—
Cash decrease due to sale of interests in a subsidiary previously consolidated	—	(1,000)	—	—	—	(477)	—	—	—	—
Proceeds from sales of interest in a subsidiary previously consolidated	—	—	—	—	—	—	—	—	—	12,909
Purchases of investments in a consolidated subsidiary	—	—	—	(10,683)	—	—	—	—	—	—
Proceeds from sales of investments of a consolidated subsidiary	4,470	—	229	—	—	—	—	—	—	—
Additional acquisition of shares of a consolidated subsidiary	—	—	—	(4,006)	—	(302)	(1,092)	—	—	—
Payments for transfer of business	(690)	—	—	—	—	—	—	—	—	—
Proceeds from transfer of business	100	—	153	297	—	—	—	—	—	—
Payments for absorption-type of company split	—	(1,681)	—	—	—	—	—	—	—	—
(Increase) decrease in time deposits—net	911	(2,510)	2,953	(1,918)	(1,449)	1,775	(3,457)	806	(3,511)	(867)
Other—net	(3,378)	(4,581)	(3,599)	(3,018)	(1,525)	(1,923)	(4,132)	(2,743)	(1,488)	(1,631)
<b>Net Cash (Used in) Provided by Financing Activities</b>	<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>	<b>(3,236)</b>	<b>(11,994)</b>	<b>(12,512)</b>
(Decrease) increase in short-term bank loans—net	440	(722)	(970)	(197)	(269)	—	(786)	—	—	—
Proceeds from long-term debt	—	—	25,019	5,000	—	—	5,071	32,805	—	—
Repayment of long-term debt	(668)	(280)	(304)	(44)	(259)	(250)	(6,269)	(25,027)	(9)	—
Dividends paid	(9,065)	(8,888)	(9,125)	(9,315)	(9,234)	(9,185)	(9,137)	(9,137)	(9,136)	(9,150)
Proceeds from exercise of stock options	408	337	499	—	—	—	—	—	—	—
Purchases of treasury stock	(13,264)	(1,514)	(18)	(5,339)	(2)	(3,723)	(3)	—	—	—
Purchases of treasury stock by consolidated subsidiaries	(668)	(0)	(1,117)	(0)	—	—	—	—	—	—
Repayments of lease obligations	—	—	(799)	(1,089)	(1,262)	(1,431)	(1,723)	(1,858)	(2,155)	(2,222)
Dividends paid to non-controlling interests	—	—	—	—	—	—	—	—	(690)	(1,530)
Other—net	(443)	(642)	(258)	(267)	(242)	75	(262)	(17)	(2)	390
<b>Foreign Currency Translation Adjustment on Cash and Cash Equivalents</b>	<b>(4,380)</b>	<b>443</b>	<b>(1,712)</b>	<b>(601)</b>	<b>1,433</b>	<b>2,982</b>	<b>1,343</b>	<b>(1,368)</b>	<b>(2,160)</b>	<b>(136)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<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>	<b>(4,600)</b>	<b>10,645</b>	<b>19,303</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>71,777</b>	<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>	<b>108,355</b>	<b>119,001</b>
<b>Cash and Cash Equivalents, End of Year</b>	<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>	<b>¥ 108,355</b>	<b>¥ 119,001</b>	<b>¥ 138,304</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.  
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.

3. (Decrease) increase in liability for retirement benefits, which had been presented as a separate item under net cash provided by operating activities, and purchases of treasury stock, which had been presented as a separate item under net cash (used in) provided by financing activities, have been included under other-net from the fiscal year ended March 31, 2016 due to their decreased materiality.  
4. "Dividends paid to non-controlling interests," which had been presented including "Other-net" under "Net Cash (Used in) Provided by Financing Activities," was separately stated from the fiscal year ended March 31, 2018. To reflect this change in presentation, figures for the fiscal year ended March 31, 2017 have been reclassified.

## Segment Information

Benesse Holdings, Inc. and Consolidated Subsidiaries

From the fiscal year ended March 31, 2017, the Company changed its reportable segments. Figures for the fiscal year ended March 31, 2015 and 2016 have been restated in line with the new segments.

### Before Change

Years ended March 31	2010	2011	2012	2013	2014	2015
<b>Net Sales</b>	¥ 406,602	¥ 412,828	¥ 423,706	¥ 450,182	¥ 466,399	¥ 463,264
Domestic Education	240,011	240,576	240,178	256,246	253,499	238,815
Overseas Education	7,670	9,394	10,830	13,041	17,818	21,006
Lifestyle	30,587	28,260	25,337	22,925	20,938	15,324
Senior/Nursing Care	44,612	58,897	66,539	73,907	79,598	87,271
Language/Global Leadership Training	53,794	53,989	59,427	61,547	70,830	74,570
Others	29,926	21,709	21,392	22,515	23,713	26,276
<b>Operating Income (Loss)</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>
Domestic Education	38,380	40,619	32,857	37,316	32,489	26,202
Overseas Education	(983)	(691)	(1,343)	(1,361)	(698)	1,367
Lifestyle	(1,524)	(473)	(1,277)	(1,072)	(232)	(826)
Senior/Nursing Care	3,009	4,078	4,668	4,897	5,869	5,610
Language/Global Leadership Training	313	767	543	568	1,850	2,699
Others	1,212	952	979	1,887	1,084	2,037
Reconciliations	(2,518)	(2,385)	(2,631)	(4,090)	(4,532)	(7,863)

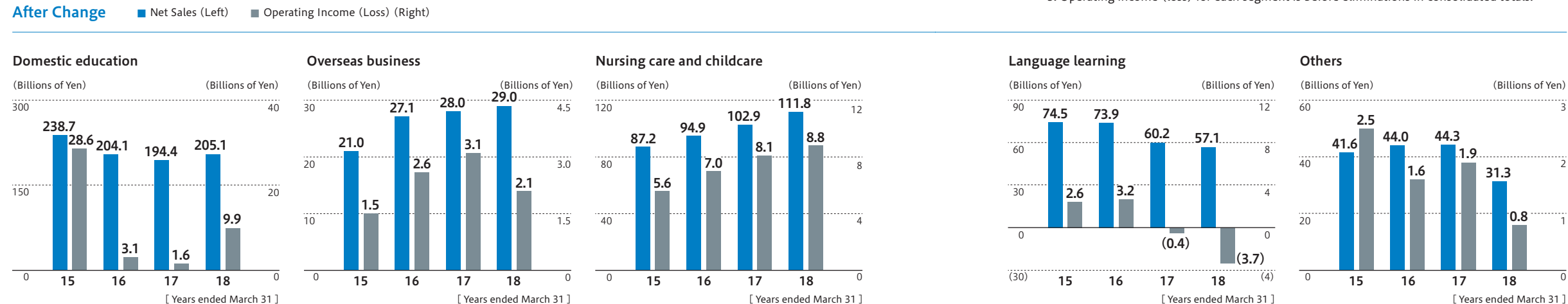
Notes: 1. Segment sales are based on sales to external customers, and intersegment sales or transfers are not included.  
2. Operating income (loss) for each segment is before eliminations in consolidated totals.

### After Change

Years ended March 31	2015	2016	2017	2018
<b>Net Sales</b>	¥ 463,264	¥ 444,190	¥ 430,064	¥ 434,497
Domestic Education	238,732	204,157	194,406	205,160
Overseas Business	21,006	27,114	28,046	29,089
Nursing Care and Childcare	87,271	94,966	102,996	111,812
Language Learning	74,570	73,912	60,282	57,132
Others	41,683	44,039	44,331	31,301
<b>Operating Income (Loss)</b>	<b>29,227</b>	<b>10,862</b>	<b>7,685</b>	<b>12,626</b>
Domestic Education	28,664	3,117	1,671	9,958
Overseas Business	1,573	2,641	3,136	2,102
Nursing Care and Childcare	5,610	7,023	8,186	8,850
Language Learning	2,699	3,234	(479)	(3,779)
Others	2,590	1,697	1,996	870
Reconciliations	(11,910)	(6,852)	(6,825)	(5,376)

Notes: 1. Segment sales are based on sales to external customers, and intersegment sales or transfers are not included.  
2. From the fiscal year ended March 31, 2017, the Company has changed its classification of segments in line with a reorganization. Figure for the fiscal year ended March 31, 2015 and the fiscal year ended March 31, 2016 have been restated to reflect the new segments. Figures for the fiscal year ended March 31, 2015 have not been audited.  
3. Operating income (loss) for each segment is before eliminations in consolidated totals.

### After Change





Business Data

Benesse Holdings, Inc. and Consolidated Subsidiaries

	Thousands of Students									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Shinkenzemi Enrollments (Domestic)	4,040	4,080	4,030	4,090	3,850	3,650	2,710	2,430	2,450	2,570
Senior High School Courses	340	340	300	320	310	280	170	150	150	160
Junior High School Courses	770	760	740	780	730	690	450	390	400	420
Elementary School Courses	1,710	1,770	1,800	1,840	1,760	1,660	1,330	1,150	1,160	1,200
Kodomo Challenge (Preschool Courses)	1,220	1,210	1,180	1,150	1,050	1,020	760	740	740	790
Kodomo Challenge Enrollments (Overseas)	320	390	510	650	690	780	900	1,100	1,220	1,270
China	160	220	340	480	510	600	730	930	1,080	1,150
Taiwan	160	160	160	170	180	180	170	160	150	120

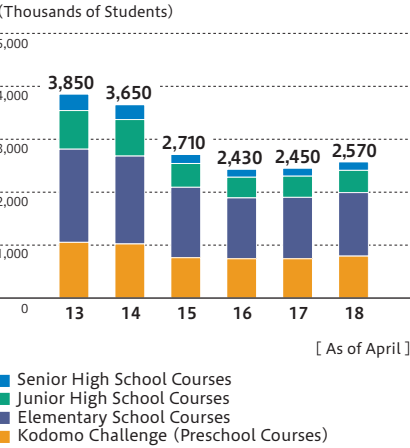
	Thousands of Students									
Years ended March 31	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Cumulative Domestic Enrollments in Shinkenzemi Over a Full Year	43,900	45,512	45,935	45,590	45,271	42,677	38,713	30,040	27,147	27,700
Senior High School Courses	3,279	3,418	3,428	3,150	3,188	3,052	2,698	1,765	1,476	1,503
Junior High School Courses	7,967	8,113	7,923	7,925	8,058	7,583	6,838	4,416	3,855	4,194
Elementary School Courses	18,395	18,911	19,540	19,906	20,092	18,973	17,845	14,667	12,768	12,864
Kodomo Challenge (Preschool Courses)	14,257	15,068	15,042	14,608	13,931	13,067	11,330	9,189	9,047	9,138

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.

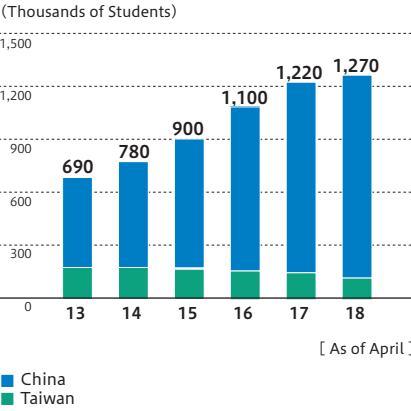
	Thousands of Students									
Years ended March 31	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Students Taking Shinken Simulated Exams and Other Exams	7,700	8,100	8,400	8,900	9,100	9,400	9,700	10,000	10,100	10,100

Note: Cumulative enrollment for Shinken Simulated Exams and other exams is retrospectively restated as the total number of enrollments in Shinken Simulated Exams, Study Support, and Course Map.

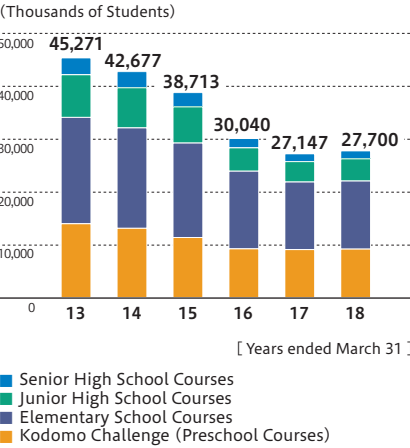
Shinkenzemi enrollments (domestic)



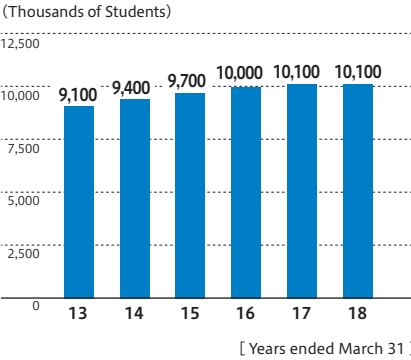
Kodomo Challenge enrollments (overseas)



Cumulative domestic enrollments in Shinkenzemi over a full year



Students taking Shinken Simulated Exams and other exams



Business Data

Benesse Holdings, Inc. and Consolidated Subsidiaries

Thousands of Lessons										
Years ended December 31	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Berlitz Lessons (Company Operated)	7,256	6,216	6,038	6,506	7,007	6,737	6,496	6,232	6,232	6,039
North America	906	756	740	—	—	—	—	—	—	—
Latin America	1,453	1,174	1,214	—	—	—	—	—	—	—
Americas	—	—	1,954	2,058	2,035	1,921	1,803	1,674	1,569	1,460
Europe	2,844	2,649	2,453	2,727	3,177	3,093	3,006	2,931	3,081	3,041
Asia	2,051	1,636	1,630	1,720	1,793	1,723	1,685	1,626	1,581	1,537

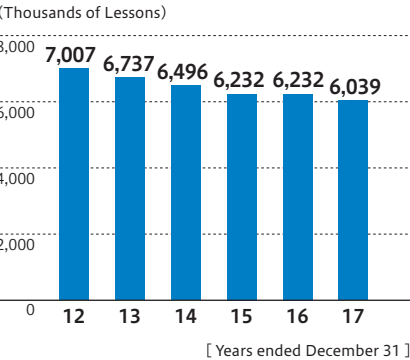
Notes: 1. At Telalangue SA, which became a subsidiary of Berlitz Corporation in August 2011, the number of lessons previously included undelivered lessons at the end of the customers' contract periods. However, since Telalangue has established a management system for aggregating lesson numbers, the undelivered 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	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Berlitz Language Centers and Franchises	561	567	570	563	555	535	497	504	507	489
Berlitz Language Centers (Company Operated)	380	379	375	374	370	345	307	305	304	304
Berlitz (Franchises)	101	108	111	112	108	112	113	120	125	119
ELS (Company Operated)	49	51	57	61	64	64	66	69	70	59
ELS (Franchises)	31	29	27	16	13	14	11	10	8	7

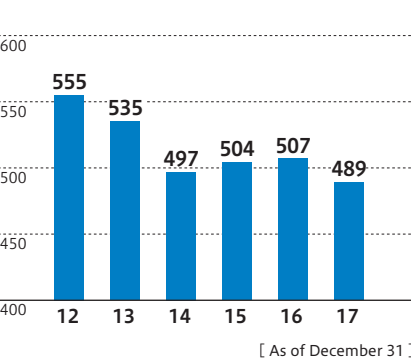
As of March 31	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Nursing Homes and Elderly Homes by Brand	139	172	204	224	238	253	276	292	308	316
Aria	11	12	15	16	18	20	21	21	22	23
Clara	39	40	40	40	40	40	41	42	42	41
Granny & Granda	59	67	77	87	92	99	112	122	130	134
Madoka	30	31	43	46	48	49	52	55	57	57
Bon Sejour	—	22	29	31	34	37	38	39	43	45
Cocochi	—	—	—	4	6	8	11	11	12	14
Li-Re	—	—	—	—	—	—	1	2	2	2
Succeeded Facilities	—	22	7	—	—	—	—	—	—	—

Note: 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.

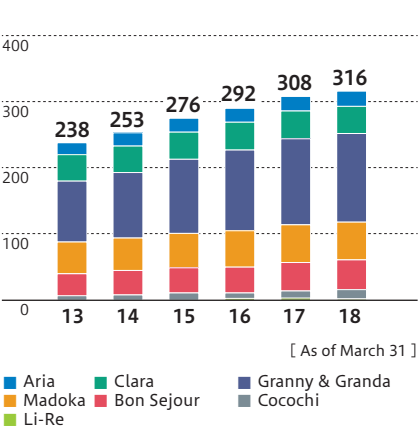
Berlitz lessons (company operated)



Berlitz language centers and franchises



Nursing homes and elderly homes by brand



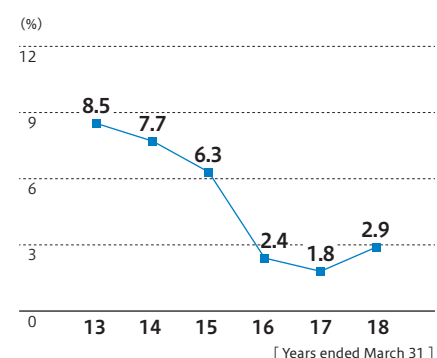
# Indicators

Benesse Holdings, Inc. and Consolidated Subsidiaries

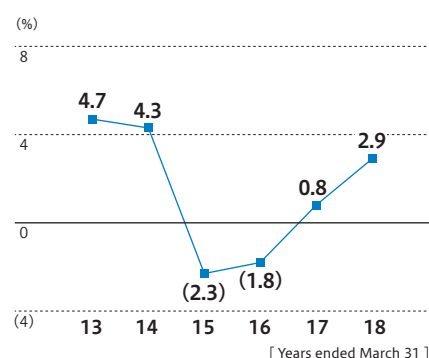
Years ended March 31	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Profitability</b>										
Operating income ratio (%)	9.5	9.3	10.4	8.0	8.5	7.7	6.3	2.4	1.8	2.9
Net income ratio (%)	2.6	5.4	5.0	3.9	4.7	4.3	(2.3)	(1.8)	0.8	2.9
Return on equity (ROE) (%)	5.9	12.9	11.3	8.7	10.9	9.7	(5.3)	(4.5)	2.1	7.3
Return on assets (ROA) (%)	3.0	6.3	5.4	3.9	4.7	4.2	(2.2)	(1.7)	0.7	2.5
Operating income per employee (thousands of yen)	2,656	2,467	2,538	1,784	1,932	1,791	1,450	527	365	619
Net income (loss) per employee (thousands of yen)	725	1,424	1,219	864	1,071	996	(531)	(398)	169	608
Employees	14,726	15,353	16,888	18,941	19,739	20,005	20,145	20,607	21,022	20,387
<b>Growth Trends</b>										
(Decrease) increase of net sales (%)	7.3	(1.5)	1.5	2.6	6.2	3.6	(0.7)	(4.1)	(3.2)	1.0
(Decrease) increase of operating income (%)	12.2	(3.2)	13.1	(21.2)	12.9	(6.1)	(18.4)	(62.8)	(29.2)	64.3
(Decrease) increase of net income (%)	(30.9)	104.8	(5.9)	(20.5)	29.2	(5.8)	—	—	—	248.5
<b>Stability</b>										
Current ratio (%)	121.7	128.9	156.4	150.3	158.1	151.9	134.2	167.2	169.8	167.2
Fixed assets ratio (%)	96.9	96.3	89.0	104.1	102.0	104.5	121.1	129.0	131.9	129.3
Equity ratio (%)	47.5	49.7	46.2	43.5	43.7	42.9	39.2	36.4	34.9	34.5
Liquidity (months)	2.5	2.5	3.0	3.5	3.4	3.4	3.4	3.6	3.9	4.2
Debt-to-equity ratio (%)	1.6	2.4	9.0	19.7	25.0	27.5	33.9	46.4	58.6	63.9
Interest coverage ratio (times)	697.5	597.2	504.4	118.0	44.5	25.6	12.3	3.5	2.1	3.0
<b>Per Share of Common Stock</b>										
Net income (loss) (yen)	106.98	221.65	208.47	167.79	217.54	206.79	(111.30)	(85.37)	36.98	128.79
Cash dividends (yen)	90	90	95	95	95	95	95	95	95	95
Dividend payout ratio (%)	84.1	40.6	45.6	56.6	43.7	45.9	—	—	256.9	73.8

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 ratio = (Operating income + interest and dividend income) / interest expense  
5. The computation of net income (loss) per share of common stock is based on the weighted-average number of shares of common stock outstanding during each year.

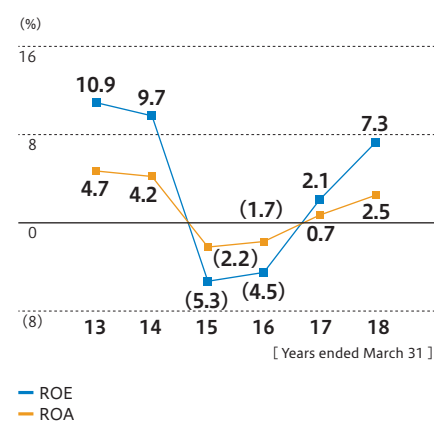
Operating income ratio



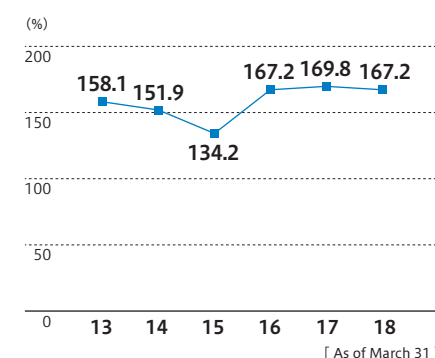
Net income ratio



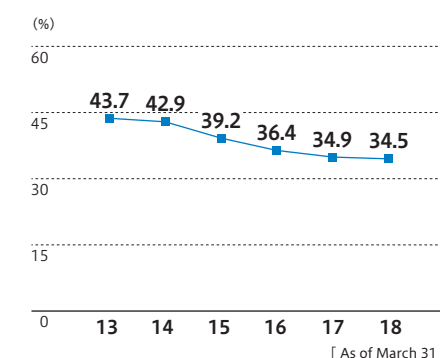
ROE/ROA



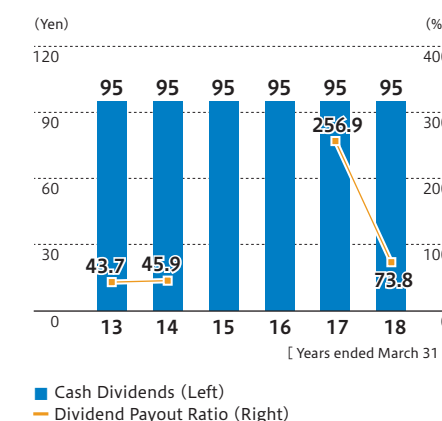
Current ratio



Equity ratio



Cash dividends/Dividend payout ratio





[Human Resources]

Ratio of Female Employees and Managers at Benesse Corporation							As of April; regular employees			
	2014		2015		2016		2017		2018	
	Male Female	Ratio of female employees	Male Female	Ratio of female employees	Male Female	Ratio of female employees	Male Female	Ratio of female employees	Male Female	Ratio of female employees
Employees	1,141 1,476	56%	1,233 1,426	54%	1,046 1,297	55%	997 1,266	56%	1,045 1,295	55%
Section leader	210 92	30%	177 81	31%	171 81	32%	150 71	32%	146 92	39%
General manager	33 5	13%	35 12	26%	53 16	23%	50 19	28%	55 25	31%
Executive	4 2	33%	5 2	29%	7 2	22%	9 2	18%	10 3	23%

Ratio of Employees with Disabilities in the Benesse Group					As of March 1	
		2014	2015	2016	2017	2018
Ratio of Employees with Disabilities		2.32%	2.33%	2.11%	2.23%	2.50%

Notes: 1. Ratio of employees with disabilities at Group companies subject to the Employment Quota System for Persons with Disabilities  
2. In March 2016, the Group expanded the scope of data collection for this statistic, which temporarily lowered the ratio of employees with disabilities; however, as the Group proactively increased the ratio, it has improved from the fiscal year ended March 31, 2017 onward.

Employees Who Took Childcare Leave and Returned from Leave at Benesse Style Care Co., Ltd. and Benesse Corporation										Years ended March 31	
		2014		2015		2016		2017		2018	
		Employees taking leave	Returnees (ratio)	Employees taking leave	Returnees (ratio)	Employees taking leave	Returnees (ratio)	Employees taking leave	Returnees (ratio)	Employees taking leave	
Benesse Style Care Co., Ltd. (Regular employees, contract employees, semi-full time staff)	110	83 (75.5%)	148	117 (79.1%)	156	129 (82.7%)	166	126 (75.9%)		215	
Benesse Corporation (Regular employees, specified job employees, contract employees)	95	83 (87.4%)	104	93 (89.4%)	94	82 (87.2%)	94	82 (87.2%)		89	

Note: Returnees: Employees who return to work within the time limit for leave under each company's system

Employees Taking Shorter Hours for Child-Rearing					As of April	
		2014	2015	2016	2017	2018
Benesse Style Care Co., Ltd. (Regular employees, contract employees, semi-full time staff)	79	110	137	137		161
Benesse Corporation (Regular employees, specified job employees, contract employees)	131	108	152	128		109

Employees Receiving Childcare Allowance at Benesse Style Care Co., Ltd.					As of May (As of April 2014)	
		2014	2015	2016	2017	2018
Employees		207	232	258	314	328

[Environment]

Years ended March 31						
	Unit	2014	2015	2016	2017	2018
Electricity Consumption	Million kWh	9.40	9.01	7.92	7.91	7.93
Paper Consumption	t	86,286	62,992	60,060	54,166	55,948
Water Consumption	m³	55,002	60,254	60,340	58,293	58,000
CO₂ emissions	t	5,282	5,471	4,717	4,787	4,154
Waste materials (paper)	t	2,514	2,907	2,850	2,217	1,999
Waste materials (industrial waste)	t	1,028	994	971	609	537

Notes: 1. The electricity and water consumption data are for the Okayama Headquarters, Tokyo Head Office (Tama Office), and Benesse Logistics Center only.  
2. Paper consumption excludes printing paper for use in offices.  
3. CO₂ emissions are for electricity consumption only.  
4. Waste materials (paper) are for correspondence courses and mail order sales only.  
5. Waste materials (industrial waste) emissions are calculated for the Okayama Headquarters, Tokyo Head Office (Tama Office) and distribution bases (Okayama, Kanagawa, Saitama, Gunma) only.

Benesse Corporation has set the following targets for reducing its greenhouse gas emissions over the medium and long term, taking the fiscal year ended March 31, 2014 as the reference year.

Years ended March 31			
	Every fiscal year¹	2031	2051
Reduction ratio taking the fiscal year ended March 31, 2014 as 100%	2.1% or more	31%	55%

Notes: 1. The above reductions targets cover scope 1, scope 2, and scope 3.  
Scope 1: Benesse's own direct greenhouse gas emissions  
Scope 2: Indirect emissions from use of electricity, heat or steam provided by third parties  
Scope 3: Emissions from Benesse's value chain  
2. Scope 3 categories include: category 1 (purchased goods and services), categories 4 and 9 (upstream and downstream transportation and distribution), category 5 (waste generated in operations), category 6 (business travel), category 7 (employee commuting), category 8 (upstream leased assets), category 11 (use of sold products), and category 12 (end-of-life treatment of sold products)  
3. Scope of organizations covered: 11 Benesse corporation offices, including offices in Japan and a branch in Taipei.

Years ended March 31				
Unit: t-CO₂	2014 (Reference fiscal year)	2017 (Reporting year)	Reduction ratio since the reference year	Reduction ratio in the reporting year
		Target	Result	
Scope 1	11,025		1,794	
Scope 2	9,352		7,054	
Scope 3	24,471,911	22,973,766	12,480,614	49.0%
Total for scope 1, 2, and 3	24,492,288		12,489,461	45.6%

**Third-Party Verification**  
To improve the reliability of the Company's CO₂ emissions volume performance, it received third-party verification from the Japan Quality Assurance Organization for its data in scope 1, scope 2, and scope 3 for the fiscal year ended March 31, 2017 for the following categories: category 1 (purchased goods and services), categories 4 and 9 (upstream and downstream transportation and distribution), category 5 (waste generated in operations), category 6 (business travel), category 7 (employee commuting), category 8 (upstream leased assets), category 11 (use of sold products), and category 12 (end-of-life treatment of sold products).

DOMESTIC EDUCATION

1. Overview

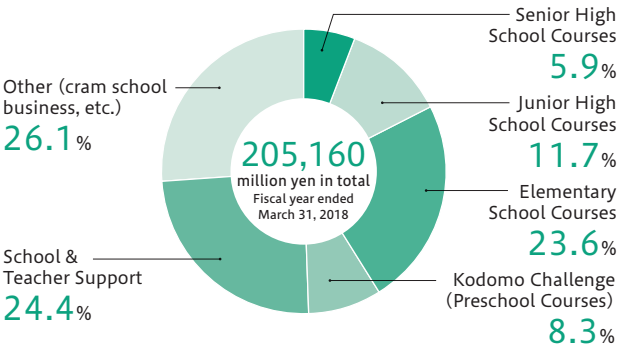
The Domestic Education Company is a core business segment, accounting for 47.2% of the Benesse Group's consolidated sales in fiscal 2017. The main products in this segment are Shinkenzemi and Kodomo Challenge, correspondence courses for children of all ages up to 18. About 14% of children in Japan are 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 English-learning materials, as well as English language classes for children to respond to their diversifying study methods and needs.

Breakdown of net sales  
(Millions of Yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018	Change	Change (%)
Senior High School Courses	11,930	12,113	183	1.5
Junior High School Courses	21,544	24,106	2,561	11.9
Elementary School Courses	47,895	48,361	465	1.0
Kodomo Challenge (Preschool Courses)	16,757	16,942	185	1.1
Subtotal	98,128	101,524	3,395	3.5
School & Teacher Support	47,152	50,051	2,899	6.1
Other (cram school business, etc.)	49,125	53,584	4,459	9.1
Total Domestic Education	194,406	205,160	10,753	5.5

Note: Net sales by segment does not include intersegment sales or transfers.

Breakdown of net sales



Shinkenzemi business

Shinkenzemi 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 Shinkenzemi after they return home from school. Shinkenzemi 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 Shinkenzemi 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 each course.

Shinkenzemi and Kodomo Challenge enrollments/  
share and average monthly fee per person

	April 2017		April 2018	
	Enrollments (Thousands)	Share* (%)	Enrollments (Thousands)	Share* (%)
Senior High School Courses	150	4.3	160	4.5
Junior High School Courses	400	11.8	420	12.8
Elementary School Courses	1,160	18.2	1,200	19.0
Kodomo Challenge (Preschool Courses)	740	14.0	790	15.1
Total	2,450	13.2	2,570	14.0

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

	Fiscal year ended March 31, 2018 Average monthly fee per person (Yen)
Senior High School Courses	8,059
Junior High School Courses	5,748
Elementary School Courses	3,759
Kodomo Challenge (Preschool Courses)	1,854
Total	3,665

School and teacher support business

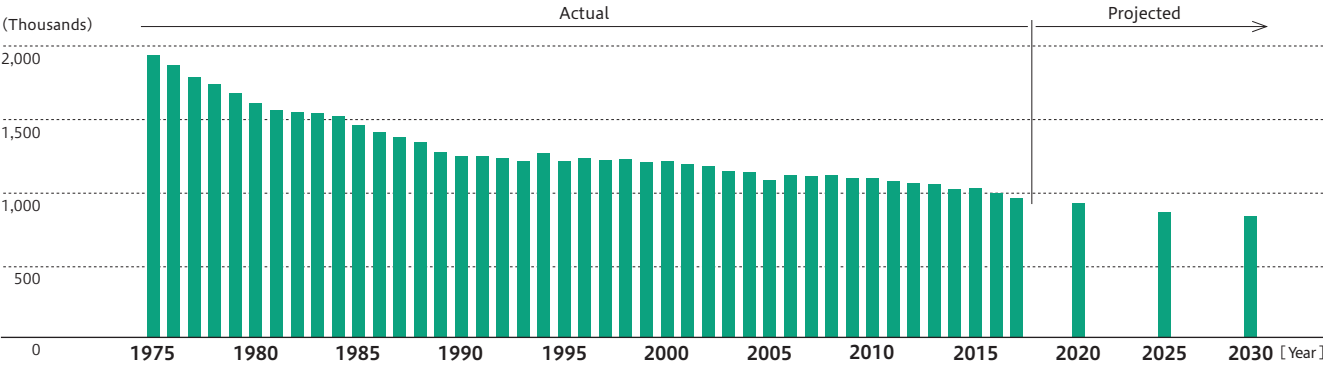
Benesse provides Shinken Simulated Exams, mock university entrance exams, for senior high school students. It also provides Study Support, which helps students choose and plan their optimal educational path, and the Global Test of English Communication (GTEC). Benesse programs and services were used in approximately 90% of senior high schools across Japan.

2. Market Trends

The annual number of births in Japan peaked at two million in 1975, and has been on a downward trend ever since. In 2017, the number of births had decreased by nearly half of the peak level, at 0.94 million. Going forward, the number of children is expected to continue to decrease, with the annual number of births projected to decline by around 1.5% per year on average.

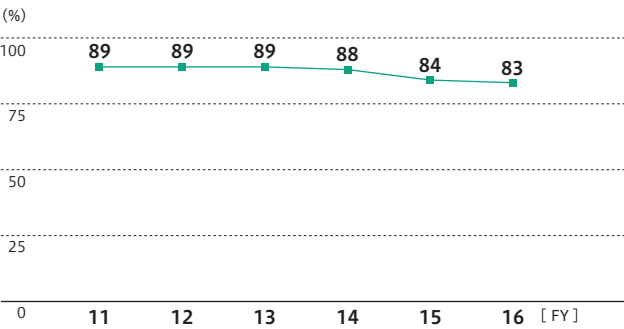
Although Japan's birthrate has continued to decline, the supplementary education market was worth ¥1,462.0 billion in fiscal 2016 and remained mostly on a par with fiscal 2011.

Births in Japan



Source: Up to 2017, Vital Statistics, Ministry of Health, Labour and Welfare; from 2020 onward, National Institute of Population and Social Security Research "Population Projection for Japan (2017 estimate)"

Trends in Benesse's share of the correspondence course market

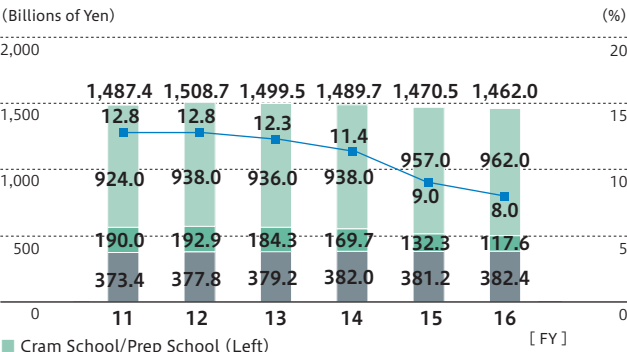


Note: The correspondence course market includes preschool children and elementary to high school students in total.  
Source: The figures were calculated by Benesse based on data in Yano Research Institute Ltd.'s "Education Industry 2017"

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 2016 was worth ¥117.6 billion. This figure accounted for 8.0% of the supplementary education market. Benesse has a large share of the correspondence course market, at 83% in fiscal 2016. The size of the cram and prep schools market in fiscal 2016 was ¥962.0 billion, accounting for 65.8% of the supplementary education market as a whole.

Trends in the supplementary education market in Japan



Source: The figures were calculated by Benesse based on data in Yano Research Institute Ltd.'s "Education Industry 2017"

DOMESTIC EDUCATION

3. Review of Fiscal 2017

Net sales in the Domestic Education Company in fiscal 2017 amounted to ¥205,160 million, an increase of 5.5% from the previous fiscal year.

The increase was mainly due to higher total enrollment for Shinkenzemi and Kodomo Challenge, growth in overseas study business for university and an increase in the number of students at Tokyo Educational Institute Co., Ltd. and Tokyo Individualized Educational Institute, Inc. as well as a change in the account closing dates at Tokyo Educational Institute Co., Ltd. and Ochanomizu Seminar Co., Ltd.

Operating income jumped 495.7% to ¥9,958 million, mainly due to increased income from higher sales and cost reductions for Shinkenzemi.

### 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 Shinkenzemi materials in April, while cumulative enrollments measures the total number of members receiving any Shinkenzemi 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 99% of students graduate to senior high school\*, the proportion of students going on to university or junior college is around 55%. For this reason, the number of senior high school students taking Shinkenzemi courses to prepare for university entrance examinations is significantly fewer than that of junior high school students taking Shinkenzemi courses to get into senior high school.

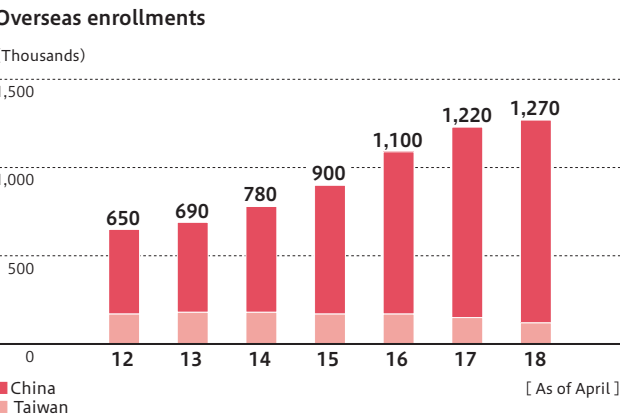
\* Source: Ministry of Education, Culture, Sports, Science and Technology "FY2017 School Basic Survey"

OVERSEAS BUSINESS

1. Overview

The Overseas Business Company accounted for 6.7% of the Benesse Group's consolidated sales in fiscal 2017. The Group's current focus is correspondence courses for pre-school children in China and Taiwan and enrollment in both markets is growing steadily. As of April 2018, enrollment in overseas correspondence courses in China stood at 1,150,000, while the figure for Taiwan was 120,000, for a total enrollment of 1,270,000.

In July 2018, the Group also launched correspondence courses for preschool children in Indonesia.



2. Market Trends

China is a colossal market. The number of births in China in 2015 was 16.55 million\*, 17 times greater than the number in Japan (1.0 million). Moreover, in 2016, the Chinese government officially ended the one-child policy that had been in place since 1979 to control the population.

\* Source: Ministry of Internal Affairs and Communications Statistics Bureau "International Statistical Compendium 2018"

3. Review of Fiscal 2017

Net sales in the Overseas Business Company in fiscal 2017 amounted to ¥29,089 million, an increase of 3.7% over the previous fiscal year.

The main contributing factor was an increase in cumulative enrollments in correspondence courses in China, which outweighed the negative impact of currency translation due to the yen's appreciation.

Operating income decreased 33.0% to ¥2,102 million, mainly reflecting rising costs due to an increase in sales offices and the negative impact of currency translation due to the yen's appreciation, despite increased income from higher sales.

### 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 130 yuan per month. As of April 2018, the membership of children ranging from newborn to age eight in China totaled 1,150,000.

**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.



NURSING CARE AND CHILDCARE

1. Overview

The Nursing Care and Childcare Company accounted for 25.7% of the Benesse Group's total consolidated sales in fiscal 2017. Centered on Benesse Style Care, the Nursing Care and Childcare Company operates the nursing home business (operation of private-pay nursing homes and homes for the elderly), the home help service business for the elderly, and daycare and afterschool childcare centers, among others.

Private-pay nursing homes and homes for the elderly

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.

2. Market Trends

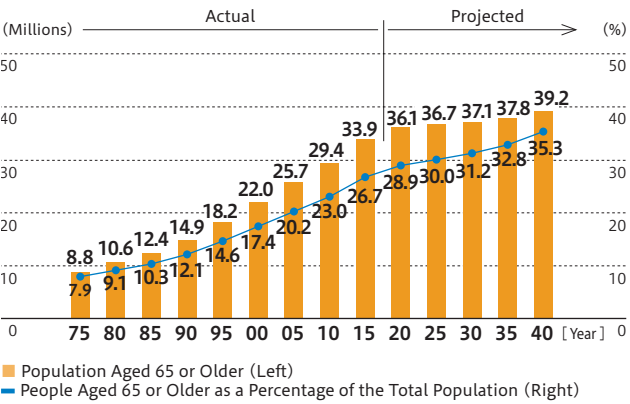
With the ongoing aging of the population, the number of people who require nursing care has also continued to increase. To resolve the issue of nursing care for elderly, the nursing care insurance system under the social insurance system was enacted in 2000. Since then, the domestic nursing care market\*1 has expanded rapidly, with the total cost of nursing care in fiscal 2015 at ¥9.1 trillion, a 2.2% increase over the previous fiscal year. As of April 2017, the number of people receiving nursing care insurance services in Japan was 5.54 million, unchanged from a year earlier.

In 2017, Japan's total population continued to age rapidly, with the number of people aged 65 or older topping 27.7% of the total population\*2, an increase of 0.4 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% of the population.

\*1 Source: Ministry of Health, Labour and Welfare "Status Report on the Long-term Care Insurance Projects"

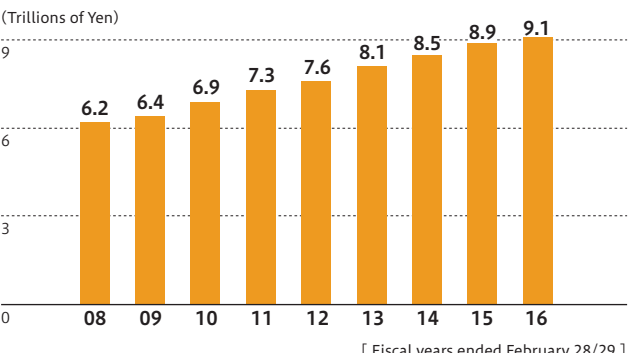
\*2 Source: Ministry of Internal Affairs and Communications Statistics Bureau "Current Population Estimates (as of October 1, 2017)"

Population and percentage of people aged 65 or older



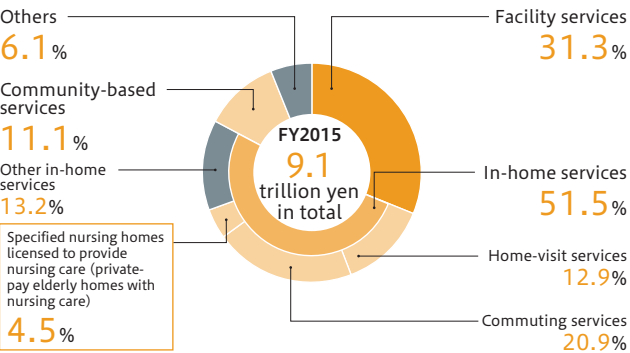
Source: Up to 2015, Ministry of Internal Affairs and Communications Statistics Bureau, "Current Population Estimates"; from 2020 onward, National Institute of Population and Social Security Research "Population Projection for Japan (2017 estimate)"

Total long-term care insurance-paid expenses



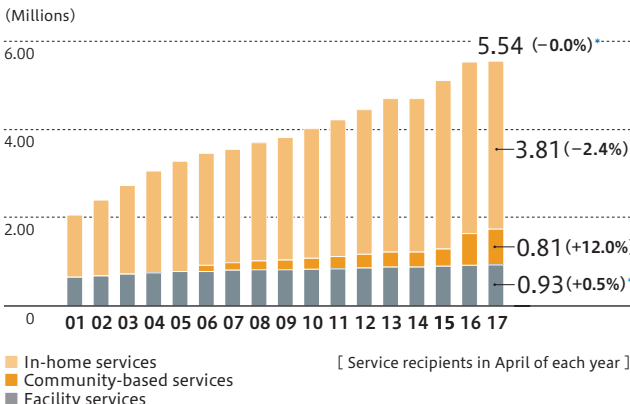
Source: Ministry of Health, Labour and Welfare "Status of Long-term Care Insurance"

Total long-term care insurance-paid expenses by category



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

People receiving nursing care insurance services



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

\* Figures in parentheses are a comparison with the previous year.

3. Review of Fiscal 2017

Net sales in the Nursing Care and Childcare Company in fiscal 2017 were ¥111,812 million, an increase of 8.6% over the previous fiscal year.

The main factor behind the higher sales was steady growth in the number of residents following expansion in the number of nursing homes and elderly homes by eight locations year on year.

Operating income increased 8.1% to ¥8,850 million due to increased income from higher sales, despite rising costs owing to enhanced employee benefits.

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 2018, Benesse owned the building or properties of 23 nursing homes, representing 7% of the total 316.

Q2.

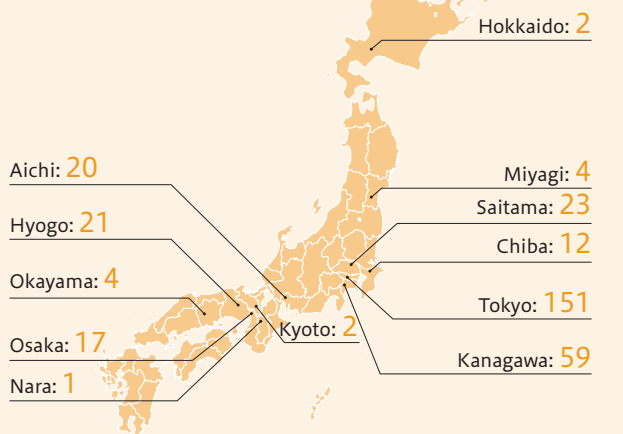
In which parts of Japan is Benesse developing its nursing home business?

A2.

Benesse is targeting regions of high demand, particularly in and around Tokyo. As of the end of March 2018, the number of nursing homes in the Tokyo metropolitan area was 245, which represented 78% 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

[ As of March 31, 2018 ]



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 1, 2018, Benesse operates 53 daycare centers and 24 afterschool childcare centers.

LANGUAGE LEARNING

1. Overview

The Language Learning Company accounted for 13.2% of the Benesse Group's overall net sales in fiscal 2017. The U.S.-based subsidiary Berlitz Corporation operates 489 language centers in more than 70 countries and regions worldwide, making it the largest language and global leadership training company in the world.

Berlitz Language Centers

Region	Berlitz	ELS	Total
Americas	135	57	192
Europe	204	3	207
Asia	84	6	90
Total	423	66	489

Note: Including franchises

[ As of December 31, 2017 ]

2. Market Trends

The worldwide language learning market\*1 was US\$54.1 billion in 2015, decreasing 3.9% compared to 2013. 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 2015 – 2020 Worldwide Digital English Language Learning Market"

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

3. Review of Fiscal 2017

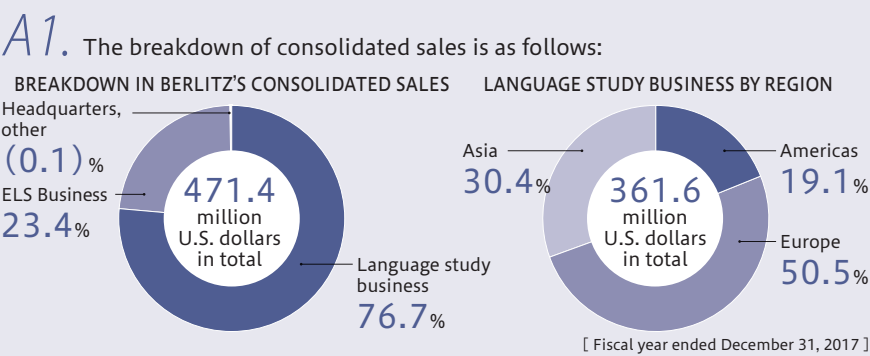
Net sales in the Language Learning Company were ¥57,132 million, a decline of 5.2% from the previous fiscal year.

The main factors behind the decline were a decline in sales of the ELS business (overseas study support business) of Berlitz Corporation, following a decline in overseas students from Saudi Arabia and a decrease in the number of language lessons in Europe and the United States, despite the positive impact of currency translation due to the yen's depreciation.

Operating loss was ¥3,779 million (compared to an operating loss of ¥479 million in the previous fiscal year), as earnings declined due to the decline in sales and other factors.

FREQUENTLY ASKED QUESTIONS

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



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 December 31, 2016	Fiscal year ended December 31, 2017	Change
Americas	1,569	1,460	(6.9%)
Europe	3,081	3,041	(1.3%)
Asia	1,581	1,537	(2.8%)
Total	6,232	6,039	(3.1%)

(Thousands of Lessons)

**SHARES ISSUED**  
102,464,061 shares

**LISTED DATE**  
October 26, 1995

**SECURITIES LISTING (COMMON STOCK)**  
Tokyo Stock Exchange, First Section

**TICKER CODE**  
9783

**ISIN CODE**  
JP3835620000

**UNIT OF TRADING**  
100 shares

**INDEPENDENT AUDITOR**  
Deloitte Touche Tohmatsu LLC

**TRANSFER AGENT**  
Mitsubishi UFJ Trust and Banking Corporation

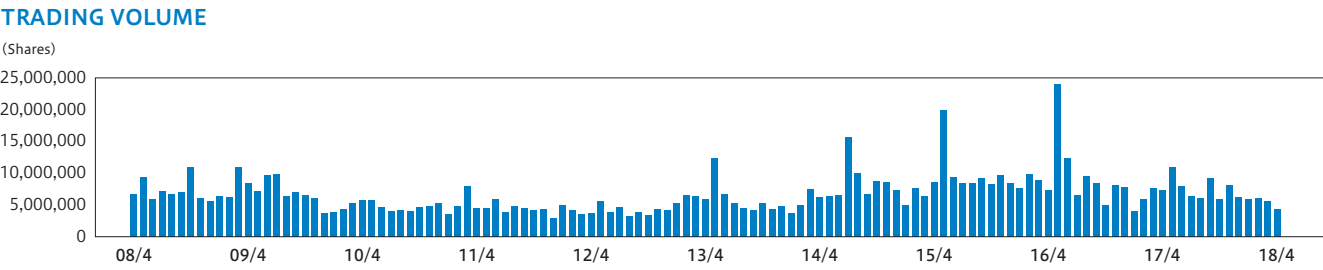
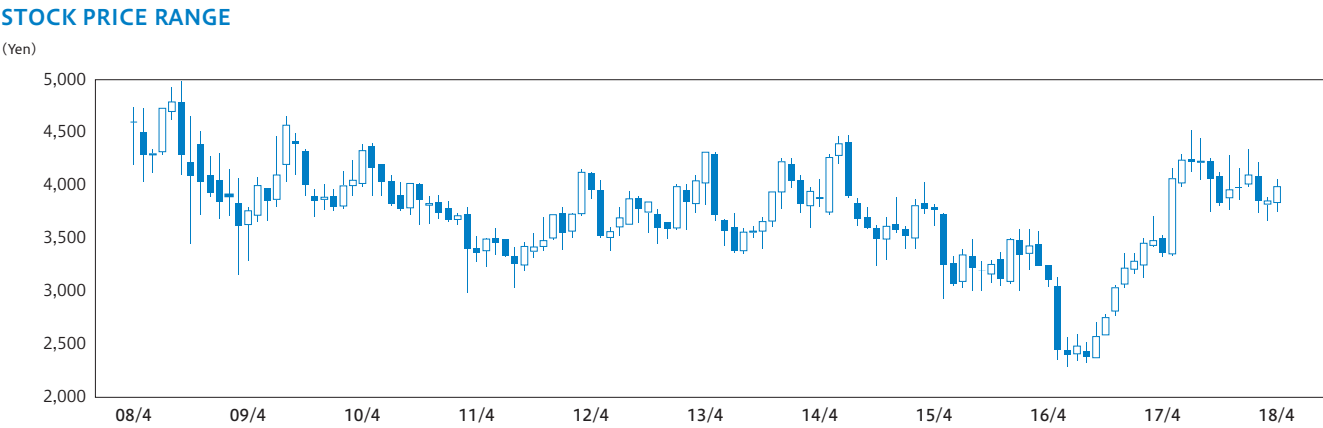
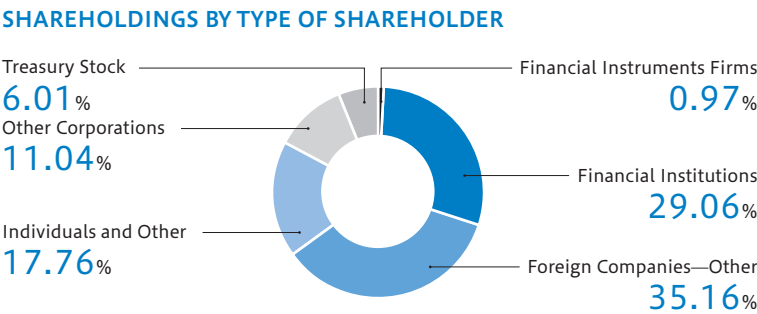
**SHAREHOLDERS**  
38,423

TOP 10 SHAREHOLDERS

	Shares (Thousand)	Percentage (%)
The Master Trust Bank of Japan, Ltd.	11,804	12.25
Japan Trustee Services Bank, Ltd.	10,311	10.70
efu Investment Limited	7,858	8.15
Fukutake Foundation	6,408	6.65
JP Morgan Chase Bank	3,288	3.41
The Chugoku Bank, Ltd.	2,787	2.89
State Street Bank West Client	2,343	2.43
Minamigata Holdings, Inc.	1,836	1.90
Nobuko Fukutake	1,769	1.83
Mizuho Trust & Banking Co., Ltd.	1,600	1.66

Notes: 1. The shares held by The Master Trust Bank of Japan, Ltd. include 6,809 thousand Company shares (a 7.07% 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.

2. The Company owns 6,156 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 percentages.



Note: 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, 2018)

**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 and President, CEO  
Tamotsu Adachi (As of June 23, 2018)

**Employees (Consolidated)**  
20,387

**Capital**  
13,623 million yen

**Fiscal year-end**  
March 31

BOARD OF DIRECTORS AND AUDIT & SUPERVISORY BOARD MEMBERS (As of June 23, 2018)

<b>Directors of the Board</b>	
Representative Director, President and CEO	Tamotsu Adachi
Director and Chairman*1*3	Shinjiro Iwata
Representative Director and Vice Chairman	Kenichi Fukuhara
Representative Director and Executive Vice President	Hitoshi Kobayashi
Director	Shinya Takiyama
Director	Masaki Yamasaki
Director*1*3	Kiyoyuki Tsujimura
Director*1	Hideaki Fukutake
Director*1*3	Ryuji Yasuda
Director*1*3	Nobuo Kuwayama
<b>Audit &amp; Supervisory Board Members</b>	
Standing Audit & Supervisory Board Member	Yoshinori Matsumoto
Standing Audit & Supervisory Board Member	Kimie Sakuragi
Audit & Supervisory Board member*2*3	Eiichi Izumo
Audit & Supervisory Board member*2	Miyuki Ishiguro

\*1 Outside Directors      \*2 Outside Audit & Supervisory Board Members  
\*3 Independent Officers

CONSOLIDATED SUBSIDIARIES (As of March 31, 2018)

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
Benesse i-Career, Co., Ltd.	261	51.0	Career education and career building support services for university students and working adults
Shinken-AD Co., Ltd.	65	100.0	Advertising business specializing in higher education institutions
Plandit Co., Ltd.	40	100.0	Planning and editing of study materials
Minerva Intelligence Co., Ltd.	11	100.0	Operation of English-language schools up to age 15
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
Tokyo Educational Institute Co., Ltd.	10	100.0	Operation of prep schools
Benesse Corporation China	125,000 Thousands of RMB	100.0	Sales of correspondence course materials for preschoolers
PT. Benesse Indonesia	136,700 Million INR	100.0*2	Operation of prep schools in Indonesia
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*3	Nursing care consultation service business
Benesse Palette Co., Ltd.	100	80.0*4	Food delivery services and nursing care food for seniors business
Benesse MCM Corp.	80	100.0*3	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
Simul International, Inc.	40	100.0	Interpretation, translation and language instruction business
Benesse InfoShell Co., Ltd.	150	70.0	Information system maintenance and operation business, information processing service business
Benesse Business-mate, Inc.	50	100.0*5	Office operational management, outsourcing and support services
Naoshima Cultural Village Co., Ltd.	20	100.0	Hotel and campsite operation and management
Benesse Base-Com, Inc.	20	100.0	Production, distribution and sales of study materials and software
Benesse Insurance Services, Inc.	20	94.0*6	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 14 other subsidiaries.

\*1 Including an indirect stock holding of 50.0% through a subsidiary.  
\*2 Including an indirect stock holding of 0.3% through a subsidiary.  
\*3 Indirect stock holding through a subsidiary.

\*4 Indirect stock holding of 80.0% through a subsidiary.  
\*5 Including indirect stock holdings of 4.0% through subsidiaries.  
\*6 Including indirect stock holdings of 64.0% through subsidiaries and affiliates.

HISTORY

1955	Founded as Fukutake Publishing Co., Ltd. in Minamigata, Okayama City Starts publication of educational materials and student pocketbooks for junior high school students
1962	Launches Kansai Simulated Exams for senior high school students (developed nationwide as Shinken Simulated Exams in 1973)
1969	Creates Correspondence Education Seminar for senior high school students
1972	Launches Correspondence Education Seminar Junior for junior high school students
1980	Announces “enculturation, computerization, and globalization” as corporate identity (CI) at first CI review Creates Shinkenzeni Elementary School Courses
1988	Shinkenzeni Preschool Courses (later renamed Kodomo Challenge) Establishes Taipei Office
1990	Announces “Benesse” as corporate philosophy and brand at second corporate identity (CI) review
1991	Completes construction of the Benesse Logistics Center in Okayama Prefecture, Japan
1993	Berlitz International, Inc. (later renamed Berlitz Corporation), the world’s largest language company, becomes a subsidiary Launches magazines <i>Tamago Club</i> and <i>Hiyoko Club</i>
1994	Tokyo Office (now Tokyo Head Office) relocated to Tama-shi, Tokyo
1995	Changes company name to Benesse Corporation Lists on Second Section of Osaka Securities Exchange (OSE); Lists on Hiroshima Stock Exchange
1997	Benesse stock listing moved to First Section of OSE
1998	Simul International, Inc. becomes a subsidiary
2000	Lists on First Section of Tokyo Stock Exchange Establishes Benesse Care Corporation, provider of nursing care services Shinkoukai Co., Ltd., a provider of residential-care services for seniors, becomes a subsidiary
2001	Berlitz International, Inc. (later renamed Berlitz Corporation) becomes a wholly owned subsidiary Establishes Learn-S Co., Ltd., a publisher of materials for high schools
2003	Consolidates its three nursing care-related companies to form Benesse Style Care Co., Ltd. Shinken-AD Co., Ltd. becomes a subsidiary Establishes Benesse Hong Kong Co., Ltd.
2006	Ochanomizu Seminar Co., Ltd. becomes a subsidiary
2007	Tokyo Individualized Educational Institute, Inc. becomes a subsidiary Establishes Benesse Corporation China
2009	Establishes Tokyo Educational Institute Co., Ltd. Transitions to a holding company structure Changes name to Benesse Holdings, Inc.
2010	Bon Sejour Corporation becomes a subsidiary
2012	UP Inc. becomes a subsidiary Bon Sejour Corporation merges with Benesse Style Care Co., Ltd.
2013	Establishes Benesse Palette Co., Ltd., a food delivery service
2014	Leak of personal information occurs Establishes Benesse Senior Support Co., Ltd., a nursing care consultation service business Minerva Intelligence Co., Ltd. (current name: Benesse BE studio Inc.) becomes a subsidiary
2015	Establishes Benesse InfoShell Co., Ltd. Establishes Benesse i-Career Co., Ltd.