

Medium-Term Management Plan

Leveraging changes in the business environment in order to enhance corporate and brand value

Slogan

Transform and Grow Benesse 2022

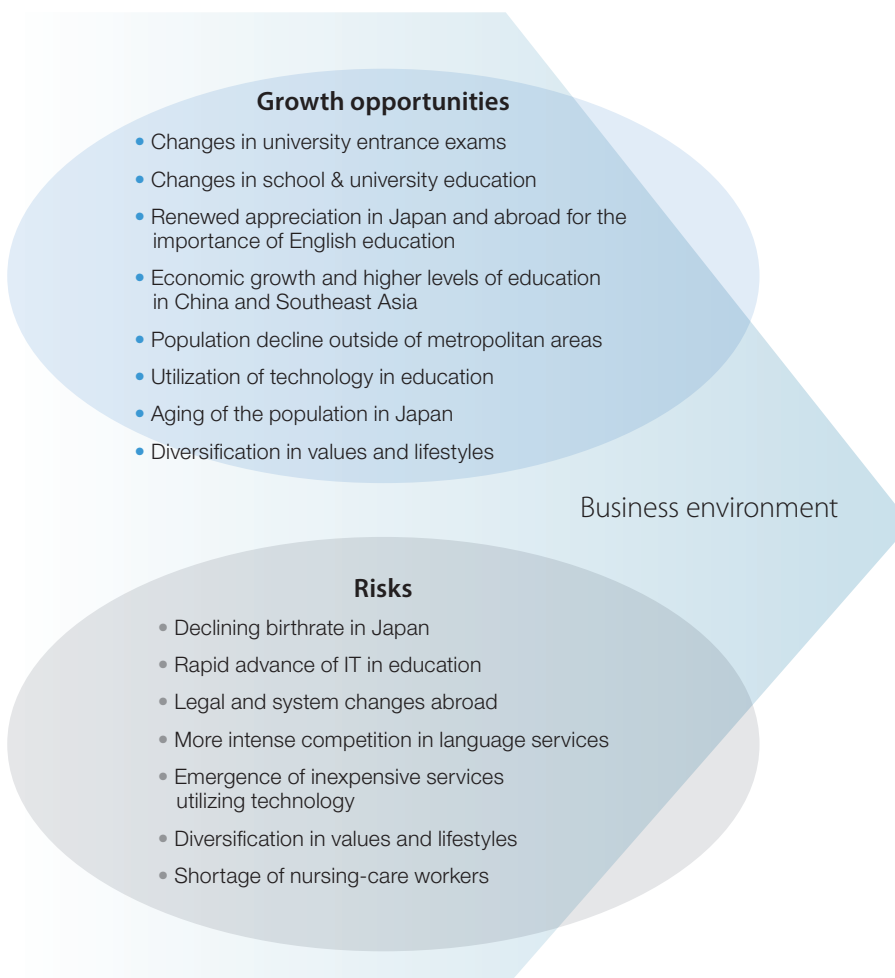
(FY2018–FY2022)

How we want the Company to be in FY2022

- A reputation as Japan's leading company for supporting rich lifestyles
- Recover status as a top Japanese company that is universally trusted
- Proud and motivated employees

Remain true to our commitments

The Company has launched a medium-term management plan for the five years beginning in FY2018, Transform and Grow Benesse 2022. As seen in phenomena like Japan's dwindling birthrate and aging population, educational and entrance-exam reforms, and diversification in learning, the external environment is undergoing great change. Taking as our slogan Transform and Grow, we aim to lead the Benesse Group to further growth in our existing businesses and expansion into new business areas via M&A.



Phase 1 FY2018–FY2020

Business strategy

Domestic Education (Japan)

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Global Kodomo Challenge

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Nursing Care and Childcare

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Berlitz

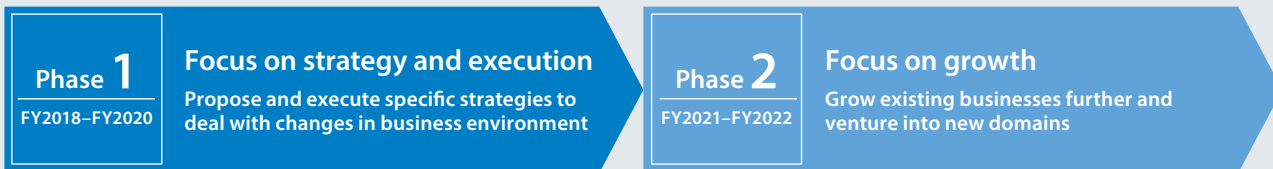
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Other/New Business Domains

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Numerical targets and roadmap

	FY2017	FY2020 (target)	FY2022 (envisaged target)
Net sales	¥434.4 billion	¥500.0 billion	¥600.0 billion
Operating income	¥12.6 billion	¥35.0 billion	¥60.0 billion
Operating margin	2.9%	7.0%	10.0%
ROE	7.3%	≥10.0%	≥10.0%



Grow by capitalizing on reforms of education and college admission systems

- Leverage the educational and entrance-exam reforms to push ahead with growth strategies in the Shinkenzemi, School & Teacher Support, and Area and Classroom Education businesses
- Use our collective capabilities to promote the GTEC proficiency tests in the four English skills

Expand the Kodomo Challenge brand of courses

- Focus on increasing the competitive edge and the number of enrollees in Kodomo Challenge, both in Japan and abroad (primarily China)
- Use global standard products and global alliances to expand

Entrench the Group's leading position in the market by continuing to offer high-quality services

- Reinforce regional strategy by steadily increasing the number of nursing homes
- Promote differentiation in service quality by further developing the Benesse Method

Restructure operations under the direction of the new CEO

- Restore business performance by reforming the cost structure and transforming products and business processes

Create new businesses through mergers and acquisitions

- Consider health, lifestyle, and other business M&As

Enhancing operational resources

Human Capital

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- Train new management leaders to ensure sustainable growth
- Equip employees with the skills needed for implementing reforms
- Prepare personnel organizations for implementing human resources strategies

Intellectual Capital

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- Utilize intellectual capital to create new value
- Upgrade products and services using digital technologies

Social Capital

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- Support community development through Benesse Art Site Naoshima