

## Intellectual Capital



## Creating new value from our accumulated knowledge, expertise, and data

### Putting intellectual capital to work for the sake of corporate growth

In the 1960s, the Benesse Group began offering simulated exams and correspondence courses for senior high school students. Since then, the Group has gone on to expand its business into fields such as languages and nursing care, thereby creating new markets. The marketing knowledge and the expertise in product and service development that we have acquired along the way in these different fields constitute valuable intellectual capital for the Group.

The Group has also accumulated a great deal of data that remains underutilized, such as children's learning histories and residents' life records, as well as implicit knowledge that has not been clearly verbalized, as for instance expertise based on long years of experience.

To put this intellectual capital to work for corporate growth, the Group is accelerating its digital transformation efforts. We are working to create new value by making active use of digital technology in order to analyze, verbalize, and systematize the variety of data and implicit knowledge that we possess.

### Using digital technology to increase the sophistication of our products and services

At the Benesse Group, the Group Digital Division that we set up in January 2018 is taking the lead in using advanced digital technologies such as big data analysis and AI with aims to increase the value of the Group's diverse intellectual capital and materialize this capital in the form of products and services that have greater dominance.

First of all, we intend to develop new products and services for the teaching materials used in Shinkenzenmi, our main business. In addition to migrating our existing, paper-based teaching materials to tablets and other electronic media, we are considering adding functions that are not possible with paper media—such as audio and video—and introducing the sort of innovative user interface that is only possible with digital media. We are also making our products and services more sophisticated, such as by using AI to analyze in detail the learning situations of our individual Shinkenzenmi enrollees. This way, we will be able to provide them with learning advice and services that are just right for them.

### Using agile development to overhaul our Sakutto Study smartphone app

In November 2017 we launched an overhauled version of the Sakutto Study smartphone app for Shinkenzenmi senior high school courses. In developing this version of the app, we did not subcontract the development work to an outside company as we had previously done, but instead assembled a project team in-house composed of planning staff, development staff, and engineers. On this occasion we used an agile development method, submitting each prototype we developed to repeated verification. From here on out, the Group Digital Division will take the lead in using development methods like this to quickly provide products and services that are closely linked to what customers have asked us for or are looking for.



## Two think tanks that increase the Group’s intellectual capital

The Benesse Group has two think tanks, which carry out original surveys and research on the basis of the knowledge that the Group has built up in its educational and nursing care businesses: the Benesse Educational Research and Development Institute and the Benesse Senior/Nursing Care

Research Institute. The Group uses the research results of these two institutes to develop its own business, but it also widely disseminates the results in society by means such as reports, websites, and symposiums, thereby contributing to solving social problems involving education, and the elderly.

### Benesse Educational Research and Development Institute (BERD)

#### Giving back to society the results of multifaceted surveys and research

This in-house think tank came into being in 2013 through the merging of the Benesse Group’s several research departments. Taking a comprehensive view of parenting and the educational environment, the BERD conducts multifaceted surveys and research in the field of education regarding a wide range of people, covering everyone from infants to college students, working adults, parents, and teachers.

The BERD is made up of six different research offices, each of which maintains collaboration with educational institutions and researchers in Japan and abroad. The research offices carry out research in their particular areas of specialization, e.g., the talents and abilities that will be needed in society in the future, ways for acquiring those talents and abilities, and assessment based on testing theory. Since the founding of the predecessor to this research institute in 1980, more than 400 studies have been carried out, the results of which are presently being put to actual use in parenting and education.

#### The six research offices that make up the BERD

-  Child Sciences and Parenting Research Office
-  Assessment Research and Development Office
-  Elementary and Secondary Education Research Office
-  Global Education Research Office
-  Higher Education Research Office
-  Curriculum Research and Development Office



VIEW21 (senior high school edition), a magazine providing educational information to senior high school teachers

### Benesse Senior/Nursing Care Research Institute

#### Contributing to the industry’s development by actively disseminating information

We established the Institute in 2015 with a view to make society a place where the older that people get, the happier they will be. The Institute’s strengths are the knowledge that the Group has built up over more than 20 years in the course of operating nursing care facilities and the fact that the Group owns facilities where a large number of customers live. The Institute carries out surveys and research that are of use to an aging society, and disseminates information to society and to the entire nursing care industry.

Specifically, the Institute focuses on carrying out surveys and research on unresolved questions regarding the elderly and nursing care, disseminating information on what is going on at nursing homes and on the views of residents, their families, and nursing care staff, and researching the professional growth and careers of nursing care professionals. The Institute is also actively involved in joint research with businesses and corporations inside and outside the nursing care industry.



The website of the Benesse Senior/Nursing Care Research Institute