

The Benesse Value Creation Model

We seek sustainable growth for both the Benesse Group and society by bringing people well-being through our business and social activities, and continuously creating new value that helps solve social problems.

INPUTS

Business capital



Financial capital

Total assets
¥504.6 billion

Shareholders' equity
¥174.0 billion



Human capital

Employees (consolidated)
20,000



Intellectual capital

Survey reports
400



Social capital

Shinkenzemi enrollments in Japan (including Kodomo Challenge)
2.62 million

Kodomo Challenge enrollments outside Japan
1.27 million

Nursing home residents
16,000

Philosophy

 = well-being

Five business domains that support the well-being of everyone

Domestic Education (Japan)
p.21



Global Kodomo Challenge
p.29



Nursing Care and Childcare
p.31



Berlitz
p.35



Other/ New Business Domains
p.37



Community initiatives

p.58

Benesse Foundation for Children

- Providing learning opportunities to children
- Creating environments for learning with peace of mind

Fukutake Foundation

- Supporting art
- Regional development

Strengthening corporate governance

p.42

Changes in society

- **Reforms to the education system**
 - Reforms to the college admission system
 - English language becoming a mandatory, graded subject in elementary school
 - Beginning of education in the basics of programming
 - Lesson and learning support
- **Diversification of learning**
 - Promoting active learning
- **Advancements in digital mediums**
- **China's growth and educational challenges**
- **More people who need nursing care**
- **The nursery school waiting list problem**
- **Greater language learning needs due to globalization**
- **Larger economic gaps between regions**
- **Climate change**

OUTPUTS

Value created

- Correspondence courses
Shinkenzeni



- Mock university-entrance exams
Shinken Simulated Exams



- Proficiency tests for the four skills
Global Test of English Communication (GTEC)



- Operation of cram schools and prep schools



- Correspondence course for preschoolers
Kodomo Challenge



- Japan version
- China version



- Managing residences for the elderly



- Operation of daycare centers and afterschool childcare centers



- Berlitz language services



- Informational magazines for pregnancy, childbirth, and parenting



- Magazines and websites about pets



OUTCOMES

Vision

Financial targets

FY2022 (envisaged target)

Net sales

¥600.0 billion

Operating income

¥60.0 billion

Operating margin

10.0%

ROE

≥10.0%

p.10

Non-financial targets

Sustainability Vision

- Learning throughout life
- Preparation for the needs of a super-aged society
- Sharing of knowledge with society
- Value co-creation with communities
- Creation of a healthy society

p.16