

## Overview of Business Segments

### Nursing Care and Childcare

The Nursing Care and Childcare business constitutes the number-two pillar of the Benesse Group. We are focusing on improving quality and reinforcing our strategy of regional dominance.



#### Strengths

- Nursing home management from the resident's perspective, seeking to "being closely tuned in to how people are"
- Benesse Methods: Systematized scientific approaches based on 20 years of practical knowledge  
Examples: Dementia Care Method, pattern language, Service Navigation System
- Improved, differentiated service quality through application of the method
- Strategic hiring and human resources development
- Daycare center and afterschool childcare club management from the children's perspective, with seeking to "help children grow as their own unique individuals"

#### Social Changes

##### Opportunities

- Increasing elderly population in big cities
- More recipients of nursing care services covered by nursing care insurance
- New additional compensation conditions for nursing care workers
- Children waiting for openings at daycare centers and afterschool childcare centers around Tokyo

##### Risks

- Serious shortage of nursing care and daycare staff
- Escalating building and construction costs, and shortage of usable land
- Intensified competition from the market entry of large capital from other industries
- Increasingly tight finances in social security

#### FY2020 Targets

Net sales CAGR **3%**

- More nursing homes, higher occupancy rates
- Differentiate service quality by establishing Benesse Methods and deploying them organization-wide

## FY2018 Results and FY2019 Initiatives

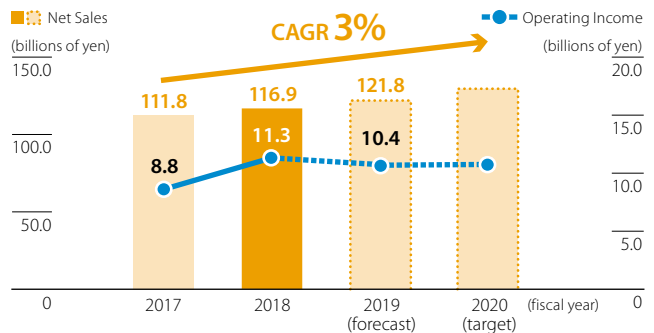
## Achieve steady growth through differentiation created by further developing the Benesse Method

Shinya Takiyama

Director and Corporate Executive Vice President,  
President of Nursing Care and Childcare Business Company

- Increased numbers of residents as nursing homes increase
- Increased revenue, maintaining occupancy rate over 95%
- Significantly higher profit due to decreased labor cost

## Net Sales &amp; Operating Income



## FY2018 Results

- Six more homes and residences for the elderly were added
- Recognized with an Information Technology Award for the Service Navigation System, which exemplifies Benesse Methods and enhances the value of services in the nursing care setting **Page 33**

## FY2019 Initiatives

- Continue to build about 10 nursing homes annually
- Establish high-end nursing homes in cities outside of central Tokyo
- Continue to differentiate services by entrenching Benesse Methods throughout the organization and maintain a high occupancy rate
- Focus on planning new human resources systems and training personnel, which includes verbalizing our high level of expertise, and creating new in-house qualification standards linked to salaries and job positions

## Highlights

## Benesse Method childcare pattern language “words that continuously expand a child’s universe”

Following up on the Benesse Method: *Tips for Shaping Environments for the Elderly, Closely in Tune with How the People Are* which established patterns from successful examples of shaping such environments in homes for the elderly, Benesse Style Care has now released the Benesse Method: *Words that Continually Expand Child’s Universes*. Using pattern language\*, this method establishes records of common language supporting our business philosophy of “helping children grow as their own unique individuals” in the practical childcare setting.

This method compiles seven things that have been highly valued over 20-plus years in Benesse Childcare and verbalizes them in the form of 40 tips. Sharing this knowledge openly and

putting it into continued practice, we will add even more depth to this Benesse Method going forward.

\* A theory related to construction and urban planning which was advocated by Christopher Alexander. This theory was utilized as the framework for verbalizing the 40 tips



*Words that Continually Expand a Child's Universe* is a booklet offering a compilation of common language to improve childcare for children whose potential is as endless as the universe itself and make their childcare more in-depth