

Steps in the History of Value Creation at Benesse



1955—



Establishes the foundations of future business, such as simulated exams for senior high schools and correspondence courses

Fukutake Publishing Co., Ltd. was founded in January 1955 in Okayama Prefecture, Japan. The company published educational materials and student pocketbooks for junior high school students. It began offering simulated exams for senior high school students in 1962. In 1973, these simulated exams were renamed Shinken Simulated Exams. The start of the nationwide, standardized Joint First-Stage Achievement Test in 1979 further boosted the simulated exam business, and the company improved and enhanced its business foundation, such as by introducing computers and expanding business sites, taking the simulated exam nationwide. In 1969, the company began offering correspondence courses for senior high school students, and from 1972, courses were also offered for junior high school students. Both began with roughly 500 enrollments, but through constant innovation and validation efforts, the number of enrollments increased, and correspondence courses grew into one of the company's core businesses.



1990—



Announces new “Benesse” corporate identity on the company’s 35th anniversary
Expands into new business domains such as nursing care and lifestyle

1990 saw the adoption of the concept “Benesse” as both a philosophy and a brand. The company coined the term by combining the Latin roots “bene” (Well) and “esse” (Being). From there, guided by a basic philosophy of supporting well-being, the company expanded its business operations in step with the changing times in Japan, particularly trends such as globalization, declining birthrates, and the aging of society. This period in the company’s history saw the acquisition of Berlitz, the start of the nursing care business, and the publication of magazines *Tamago Club* and *Hiyoko Club*, which deal with pregnancy, childbirth and parenting. In 1995, the company took the step to unify its business activities under a single corporate philosophy by officially changing its name to Benesse Corporation.

2000—

Dramatic success based on twin pillars of education and nursing care

Growth within Benesse's core correspondence course business slowed due to the declining number of children, but Benesse achieved further growth within the education business sector through measures such as expanding its school & teacher support business and bringing preparatory schools into the Group. With the introduction of nursing care insurance in 2000, the company made its full-fledged entry into the nursing home business, growing the nursing business sector into one of the company's twin pillars.

2010—

Decline in business results due to personal data breach, subsequent recovery, and further growth

A leak of personal information in 2014 caused a loss of customer trust, and the number of users of correspondence courses, one of the company's core business areas, fell precipitously, leading to a decline in the company's business results. Following the incident, the company did its utmost to win back the trust of customers and restore its correspondence course business. As a result of these efforts, business results began to recover.

Aiming for further growth, the company accelerated the digitization of Shinkenzei and engaged in business selection and concentration.



2020—

Striving for continuous growth by evolving core businesses and expanding into new fields

The COVID-19 pandemic has profoundly changed the Group's business environment. Benesse has created a five-year medium-term management plan, beginning in fiscal 2021, to "Evolve Core Businesses and Expand into New Fields." We aim to achieve sustainable growth by advancing our core businesses of education and nursing care and by leveraging our strengths to take on the challenge of cultivating new business areas.



Goals for 2030

Leading efforts to solve educational and nursing care issues
in Japan and the rest of the world

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

¥541.9 billion

Shareholders' equity

¥173.4 billion

Human capital



Employees (consolidated)

20,000

Intellectual capital



Survey reports **400**

Social capital



Study history for

approximately **2 million**
Shinkenzeni members

Assessment data for

roughly **9 million**
annual test-takers for the Shinken
Simulated Exams and other tests

Nursing home residents

17,000

Medium-Term Management Plan FY2021–2025

Evolve core businesses & expand into new fields

Financial targets & KPI

Phase 1

FY2021–2022

**Rebuild sales/OP
to above
FY2019 levels**

Phase 2

FY2023–2025

**Organic growth
3%+ (sales)**

FY2025

**OPM 8%+
ROE 10%+**

Evolve core businesses

**Organic V-shaped
recovery in existing
business fields from
the COVID-19 impact**

**Inorganic growth (by
developing existing
businesses into new
areas) to further boost
sustaining growth**

Expand into new fields

**Leveraging Benesse strengths to enter
new fields and overseas markets**

Note: Number of Shinkenzeni enrollments is as of April 2021; other numbers are as of the end of March 2021

OUTPUTS

Value created

Correspondence courses Shinkenzeni	
Mock university entrance exams Shinken Simulated Exams	
Operation of prep schools and English language classes	
Correspondence course for preschoolers Kodomo Challenge	
Japan version	
China version	
Informational magazines for pregnancy, childbirth, and parenting	
Informational magazines and websites about pets	
Managing residencies for the elderly	
Operation of daycare centers and afterschool childcare centers	
Berlitz language services	

OUTCOMES

Vision

As one of Japan's leading education and nursing care companies

Providing learning to aid individual growth and fuller lives

Supporting seniors in having a way of life that suits them



New challenges on global issues

Applying educational and nursing care assets cultivated in Japan to global educational and nursing care issues

Key Sustainability Challenges for the Benesse Group

Materiality (Key issues)	Opportunities for maximizing utilization	Progress in obtaining opportunities (2020–2021)
<p>Bringing learning to every part of people's lives</p> <p>With "the joy of learning" as our starting point, we will extend learning at a high quality, for all generations, to Japan, Asia, and the world.</p>	<p>Making learning new: We will deliver to children the "new learning" that the times to come will demand, together with "new ways of learning" that make the most of data and technology.</p> <p>A life of continued learning: We will transform society into one in which, even as adults, people can keep learning with enthusiasm for their entire lives.</p> <p>Opportunities to learn for all: We will offer accessible learning in response to all people's desire to learn and create a future in which they can grow.</p>	<ul style="list-style-type: none"> • Digital course membership for Shinkenzemi has hit about 70% • Launched "programming seminars" which offer various learning on tablets • Shinkenzemi "Today's Schedule" support for COVID-19 school closures (used by over one million people in two months) • Expansion of schools using "Mirai Seed" educational software for elementary and junior high schools • Expansion of ICT platforms for schools (schools using "Classi" and "EDUCOM") • Completed prep school videos and online support, improved infection countermeasures • Udemy for Business received the highest award in the professional "Human Resources Development and Training" category of the "HR Award 2020" for human resources departments in Japan • Benesse Corporation Udemy members: 2,065 people (roughly 93%) • Offered growth opportunities for university students through programs for instructors at the Tokyo Individualized Educational Institute • Made afterschool childcare clubs online • Kodomo Challenge Online Kindergarten support for COVID-19 school closures (used by 650,000 people in 100 countries in two months) • Offered the Shimajiro Club Application for free
<p>Toward a super-aging society</p> <p>Viewing the arrival of the super-aging society as "the 18th goal" following on from the 17 SDGs, we will be global pioneers in the delivery of nursing care services that provide support for all individuals.</p>	<p>Allowing every individual to play their own leading role: We will provide nursing care that respects every individual elderly person in what they want to do and the challenges they want to take.</p> <p>Making nursing care a great job: We will develop growth opportunities and pleasant working environments for the people who are involved in nursing care occupations, increase society's understanding of nursing care, and raise the quality of nursing care.</p> <p>Toward nursing care of the future: We will continue to take on the challenge of future nursing care that uses technology to improve QOL and provide deep support for each individual.</p>	<ul style="list-style-type: none"> • The Benesse Style Care "Door to Tomorrow Project" • Evolved the "Dementia Care Method," born from the conviction that Benesse Style Care continues to have • Efforts towards making the nursing care profession a vocation that people choose to do - Benesse Style Care "Expert Qualification System" (known internally as the Majikami system): Reached 177 "Majikami" in total • The "Service Navigation System," which will change the future of nursing care • Developed a Benesse version of sensing homes
<p>Passing our knowledge onto society</p> <p>We will communicate and share with society the experience and knowledge we have cultivated and cooperate with partners who practice "well-being" with us, to take on solutions to difficult issues.</p>	<p>Passing on expertise and knowledge: We will pass on to society our educational knowledge backed by data and our nursing care techniques based on our extensive experience, thus raising the quality of these industries as a whole.</p>	<ul style="list-style-type: none"> • Offered educational information through "Learning Pocketbook," a Benesse application for guardian support • Received the GOOD DESIGN AWARD 2020 for "Soundly Taking Care of Nightly Discharges," which was made freely available to the public on "Kaigo Antenna," a comprehensive information site • A collaborative research project between Benesse Art Site Naoshima and Okayama University entitled "What is True Happiness?"
<p>Co-creation of value with the community</p> <p>Together with the people living in those communities, we will create new value through education, culture, and art to realize a rich society.</p>	<p>Community-based education and nursing care: Through our education and nursing care businesses, we will conduct problem solving that suits the characteristics of each community.</p> <p>Global education with the locals: By joining hands with our local partners, we will deliver rich learning to the world, while reflecting local characteristics.</p> <p>Reinvigorating communities through art: Through art and cultural activities, we will bring new energy to individual communities and create communities in which the locals can feel happy.</p>	<ul style="list-style-type: none"> • Entered into a partnership agreement with Ogaki City, Gifu Prefecture, in connection with the GIGA School Project • Began offering "Learning Pocketbook," a Benesse application for guardian support • 15th anniversary of expanding the Kodomo Challenge to China • Developed programs at Naoshima for schools and corporations • Launched art appreciation seminars on Udemy, set in Naoshima
<p>Realizing a healthy society</p> <p>In addition to supporting daily life, we will take on the challenge of developing businesses in new domains that will be essential for future "well-being."</p>	<p>Towards sustainability for our company and society</p>	<ul style="list-style-type: none"> • Inorganic growth in existing business areas, progress with planting seeds in new areas

Risks that should be minimized

- Growing inequality of educational opportunities due to regional and economic disparities
- Restrictions on and inequality of educational opportunities due to the spread of COVID-19 and other factors
- Restrictions on and losses of job choices and opportunities due to the expansion of digital transformation and digitalization
- Inequality of and restrictions on learning and ability assessment opportunities for all students
- Reduced motivation to re-skill and improve skills due to the end of lifetime employment in Japan

Progress in minimizing risks (2020–2021)

- Shinkenzeremi “Today’s Schedule” support for COVID-19 school closures (used by over one million people in two months)
- Disseminated entrance exam information and learning methods at the Benesse Educational Information Forum
- Began offering “Learning Pocketbook,” a Benesse application for guardian support
- Over 300 companies using Udemy for Business (Japan)
- Support for concerns about learning due to developmental disabilities on the Shinkenzeremi Elementary School Courses Developmental Disability Support website
- Special consideration for those with disabilities taking the Global Test of English Communication (GTEC)

- Shortage of nursing care staff in a super-aging society, decline in the quality of nursing care

- Purchase of Proto Medical Care Co., Ltd.

- Restrictions on and inequality of educational opportunities due to the spread of COVID-19 and other factors
- Growing inequality of educational opportunities due to regional and economic disparities
- Shortage of nursing care staff in a super-aging society, decline in the quality of nursing care

- Benesse Educational Research and Development Institute conducted a survey of COVID-19’s impact on the daily lives of preschoolers and elementary school students

- Events and issues that hinder “living well” in the education and nursing care industries as a whole

- Benesse Educational Information Forum to settle all of test takers’ concerns and put them at ease

- Issues with regional educational abilities
- Uncertainty in a VUCA era

- Started a three-year research project with Okayama University on sustainability and well-being in the Setouchi region, centered on the SDGs

Sustainability Vision of the Benesse Group

“Well-being” in society and for the future

In the coming era, when change will be the normal state of things, to achieve our aim of an abundant, sustainable world, we want to reconsider all social issues with a “people-centric” perspective, and create a society in which everyone can seek out the things they want to do and take on those challenges.

Each and every one of our employees will practice our corporate philosophy of “Benesse – well-being,” and extend it to their local communities, to society at large, and to the future.

Sustainability Vision and Promotion Structure

In March 2019, the Benesse Group formulated the Sustainability Vision.

We have established the Sustainability-ESG Committee as the organization to lead the activities based on this vision.

The Committee’s membership is made up of the Representative Director and Chairman of Benesse Holdings, Inc.—who serves as Chairman and the decision maker—and full-time officers, who engage in discussions to boost the sustainability of the Benesse Group. (Meetings are held several times a year / as appropriate for the agenda.)

In addition, disseminating important items and regularly reporting on activities are also carried out at Board of Directors meetings and management meetings.