

October 31, 2011

## **Benesse Announces New Medium-term Management Plan for FY2012 - 2016**

Benesse Holdings, Inc. today announced a new medium-term management plan spanning five years beginning from fiscal 2012, the fiscal year ending March 31, 2013.

### **1. Benesse Group's Growth Vision**

As a company involved in “Education (Human Resource Development)” and “Solutions for Society's Challenges,”

1) become the world's No. 1 company in the education field, supporting childcare, education and human resource development globally;

and

2) position senior/nursing care business as an important growth field and propel growth further.

### **2. Numerical Targets**

Fiscal 2016 net sales: ¥600 billion; operating income ratio: 10%

- Secure steady profits from existing businesses and use them for overseas expansion and strengthening new businesses

- Accelerate overseas expansion, aiming for an overseas sales ratio of 25%

(Unit: Billion yen)

	FY2010 Actual	FY2011 Forecasts	<b>FY2016 Targets</b>
Net sales	412.8	421.9	<b>600.0</b>
Operating income	42.8	33.8	<b>60.0</b>
Overseas sales ratio	11.7%	12.8%	<b>25.0%</b>
ROE	11.3%	9.8%	<b>12% or more</b>

### **3. Key Strategic Tasks and Strategies by Business**

Promote growth strategies in the domains of “education and childcare,” “language/global leadership training” and “senior/nursing care.”

#### **1) Accelerate global business development**

Overseas Education Business Domain

- Enhance global business development of preschool correspondence courses (*Kodomo Challenge*)
- Develop new businesses in China
- Form alliances with leading overseas companies and invest in them

Language/Global Leadership Training Business Domain

- Enhance language/ global leadership training (GLT) business for corporate customers
- Develop emerging markets
- Enhance ELS business (Study abroad support business)

#### **2) Enhance and expand domestic education and childcare businesses**

Domestic Education Business Domain

- Develop next generation of *Shinkenzeni*
- Strengthen English learning business
- Expand services using prep schools and classrooms

Lifestyle Business Domain

- Concentrate resources on enhancing business fields of pregnancy, childbirth and child rearing
- Transform mail-order business model (e-marketplace)

### **3) Expand senior/nursing care business**

#### Senior/Nursing Care Business Domain

- Steady growth in existing businesses
- Expand target markets
- Expand business domains

### **4. Capital Policy**

Make proactive business investment for growth while actively continuing to provide shareholder returns.

#### 1) Dividends

- Target payout ratio: 35% or above

#### 2) Share buybacks

- Purchase treasury stocks while monitoring market trends
- Aim to cancel in principle treasury stock holdings above 5% of issued shares each period

#### 3) Business investment and M&As

- Business investment: Invest in medium- to long-term growth, infrastructure development, etc.
- M&As: Proactively implement M&As, aiming for independent growth in each business domain.

Forecasts, plans and other forward-looking statements in this release are based on the reasonable judgment of Benesse Holdings, Inc. in light of information available at the time of announcement. Actual results may differ significantly for any number of reasons.