

LETTER FROM THE CHAIRMAN



SOICHIRO FUKUTAKE

*Representative Director,
Chairman and CEO*

Benesse Corporation has embarked on a new journey. On April 27, 2007, we created a senior management structure headed by three representative directors. While maintaining Benesse's transparent and rapid decision-making capabilities, this structure will reinforce corporate governance for the entire Group and ensure more timely and accurate decisions by sharing management roles among the three representative directors.

I believe we now have the optimal management team in place to realize a new period of growth for Benesse.

Our New Management Policy

We have also announced a new management policy to take the Group forward to fiscal 2010. Guided by the keywords "strategic focus" and "reform," we're aiming for operating income of ¥43 billion on net sales of ¥430 billion in fiscal 2010, and ROE of 12%. We have chosen these three performance benchmarks because sales are testament to the trust customers put in the Benesse name, profits are proof of our hard work as a company, and ROE shows shareholders how effectively we are using their investment. We're aiming to maximize the Group's corporate value by achieving these targets.

I want to use this letter to also stress to shareholders the importance of our corporate philosophy: helping others to live well, expressed in our company name "Benesse." It is vital that the value, products and services we provide to customers through our business activities are entirely consistent with this corporate philosophy—which will not change or be influenced by fashion—and with our mission and the message we want to communicate to customers.

Our Corporate Philosophy

Our corporate philosophy is based on three unchanging objectives: develop and launch the kind of high-quality services we'd be happy to use ourselves and offer our own families; empower people to solve issues for themselves and enjoy life to the full at any age; and provide services that help customers find even greater meaning and enjoyment in life the older they become. In realizing these goals, we're confident we can benefit our shareholders and all other Benesse stakeholders over the medium to long term.

A Unique Business Model

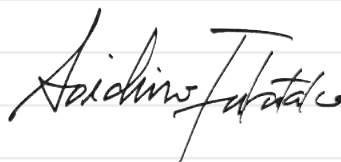
Since the Benesse Group was founded in 1955, we have established unique business models that have helped us to deliver consistent growth. This growth is underpinned by many hard lessons learnt by Benesse's founding president, Tetsuhiko Fukutake, who discovered through the failure of earlier businesses to rely on cash flows not debt, minimize inventories, and give customers continued backup for the products and services they've purchased.

Developing New Business Models

The Benesse Group's operating environment is undergoing massive change due to Japan's ageing society, globalization and the growing use of IT in everyday life. To continue delivering growth in this context, it's vital that we build new, groundbreaking business models. The key to this will be a highly targeted, localized marketing structure and specialist product and service production capabilities, both of which will become stronger over time. By combining these new strengths with our existing assets, my aim is to create new business models that are relevant regardless of time or place.

Going forward, everyone at Benesse will work to retain the trust of stakeholders by continuing to drive growth and ensuring the Company has a vital role to play in local communities and society as a whole. I hope we can count on your continued support in this endeavor.

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SOICHIRO FUKUTAKE

Representative Director, Chairman and CEO
