

(Subsequent Events)

**Year Ended March 31,
2009**

1. Transition to a Holding Company Structure via Company Split

Benesse Corporation (“the Company;” due to be renamed Benesse Holdings, Inc. on October 1, 2009), resolved at the Board of Directors meeting held on April 30, 2009 to transfer its operations to a newly established Benesse Corporation (“the New Company”). The operations will be transferred through an incorporation-type company split (“the Split”) on October 1, 2009. Details are as follows.

Through the Split, the Company will become a holding company and continue to be listed on stock exchanges as Benesse Holdings.

The Split and change of company name are subject to approval by the Company’s general shareholders’ meeting, scheduled for June 27, 2009, as well as the necessary regulatory approval. Precise details relating to the new holding company are under discussion, and will be advised once decided.

(1) Purpose of Company Split

Since its founding, Benesse Group has grown by operating businesses centering on educational and publishing operations. Spanning the language-study, lifestyle and nursing care fields, the Company’s businesses are all guided by the “live well” philosophy expressed in the Benesse name. However, the operating environment in which the Benesse Group finds itself today is changing dramatically, and with unprecedented speed. An aging population, advancing globalization and evolving information and telecommunications network technology are all contributing to a new order. In this context, management believes it has become essential to develop businesses in new domains that may not be considered natural progressions for Benesse.

Benesse’s management has decided to move to a holding company structure as it believes it is essential to establish an operational structure that can raise and maximize the corporate value of the Benesse Group as a whole going forward. Marshalling the resources of the entire Group under the banner of an unchanging corporate philosophy, such a structure should allow each business to hone its competitiveness. It should also ensure optimal decision-making and effective allocation of management resources—possibly through M&As or strategic alliances. The overarching aim is to adapt to changes in the operating environment to ensure continuing growth and evolution in the long term.

The Split accompanying the change to a holding company structure comprises only organizational realignment within the Group, and there will be no change to the Group’s business activities.

Rights and obligations including assets and liabilities relating to operations in Naoshima, the education business in Taiwan and the operations of the Company’s subsidiary Benesse Style Care Co., Ltd., are excluded from the scope of the Split. The Company is currently investigating the possibility of transferring these rights and obligations, relating to the education business in Taiwan and the operations of the Company’s subsidiary Benesse Style Care Co., Ltd. possibly by splitting them to a subsidiary.

(2) Schedule of Company Split

Decision by Board of Directors	April 30, 2009
Approval by general shareholders’ meeting	June 27, 2009 (tentative)
Effective date of split	October 1, 2009 (tentative)

(3) Form of Company Split

The split will take the form of an independent incorporation-type company split whereby the Company is the divesting entity and the New Company is a subsidiary.

(4) Outline of Operations to be Split**I. Operations**

The Company’s educational, publishing and mail order businesses, etc.

II. Business results

	Fiscal 2008 results for operations to be split (a)	Fiscal 2008 results for the Company as a whole (b)	Percentage (a/b)
Sales	¥236,141 million	¥243,319 million	97.0%

III. Types and amounts of assets and liabilities

Type of asset	Book value	Type of liability	Book value
Current assets	¥89,675 million	Current liabilities	¥98,335 million
Fixed assets	¥67,266 million	Long-term liabilities	¥2,051 million
Total	¥156,942 million	Total	¥100,387 million

The above information is based on the Company’s non-consolidated financial statements for the fiscal year ended March 31, 2009