

FACT BOOK 2008

For the Year Ended March 31, 2008

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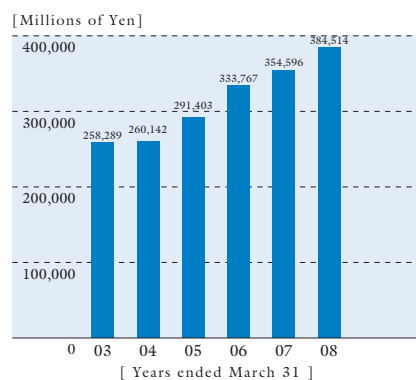
TEN-YEAR SUMMARY OF CONSOLIDATED FINANCIAL STATEMENTS

Benesse Corporation and Consolidated Subsidiaries

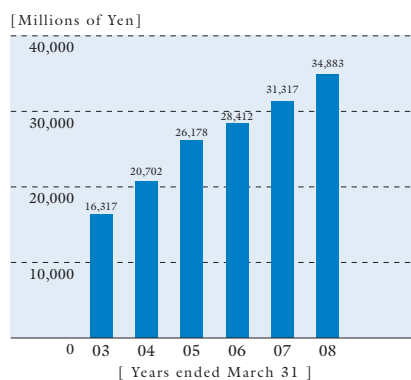
Years ended March 31	1999	2000	2001
FOR THE YEAR:			
Net sales	¥259,852	¥260,964	¥262,948
Cost of sales	120,698	120,687	123,766
Selling, general and administrative expenses	108,173	107,323	108,904
Operating income	30,981	32,954	30,278
Income before income taxes and minority interests	31,501	29,746	29,985
Income taxes	15,483	13,783	13,940
Impairment loss on goodwill	—	—	—
Net income	16,036	16,413	16,498
Capital expenditures	¥ 5,416	¥ 11,105	¥ 11,275
Depreciation and amortization	8,841	9,199	9,609
PER SHARE OF COMMON STOCK:			
Net income	¥ 302	¥ 309	¥ 153
Retroactively adjusted	151	154	153
Cash dividends	48	58	29
Retroactively adjusted	24	29	29
AT YEAR-END:			
Total assets	¥280,620	¥297,828	¥309,261
Shareholders' equity/Total equity	146,933	160,302	170,011
Shareholders' equity/Total equity per share of common stock	¥ 2,763	¥ 3,015	¥ 1,599
Retroactively adjusted	1,382	1,507	1,599
Number of shares of common stock issued (in thousands)	53,177	53,177	106,353

- Notes: 1. The computation of net income per share of common stock is based on the weighted average number of shares of common stock outstanding during each year.
 2. The computation of the weighted average number of shares of common stock outstanding during each year and the number of shares outstanding at the fiscal year-end is retroactively adjusted for the effect of a 1:2 stock split made on May 19, 2000.
 3. Net income per share of common stock for the years ended March 31, from 2001 to 2008 is computed in accordance with the new accounting standard for earnings per share of common stock issued by the Accounting Standards Board of Japan. However, net income per share of common stock for the years ended March 31, 2000 and 1999 has not been retroactively adjusted.

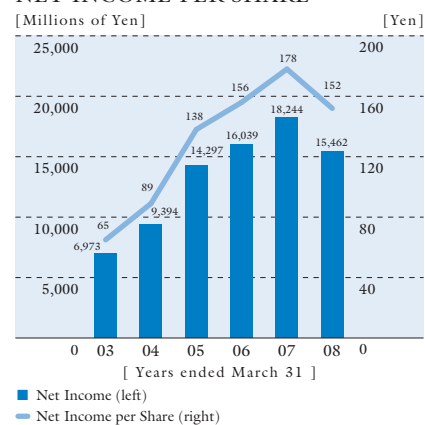
NET SALES



OPERATING INCOME



NET INCOME/ NET INCOME PER SHARE



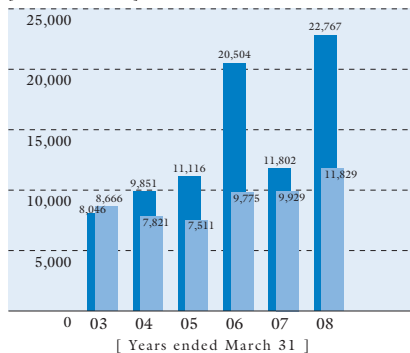
						Millions of Yen
2002	2003	2004	2005	2006	2007	2008
¥267,250	¥258,289	¥260,142	¥291,403	¥333,767	¥354,596	¥384,514
128,382	133,223	125,312	139,672	165,347	175,219	192,182
114,279	108,749	114,128	125,553	140,008	148,060	157,449
24,589	16,317	20,702	26,178	28,412	31,317	34,883
24,195	14,446	17,251	25,799	27,746	32,339	31,007
11,693	7,553	7,628	11,439	11,637	13,903	15,025
13,195	-	-	-	-	-	-
327	6,973	9,394	14,297	16,039	18,244	15,462
¥ 10,934	¥ 8,046	¥ 9,851	¥ 11,116	¥ 20,504	¥ 11,802	¥ 22,767
10,738	8,666	7,821	7,511	9,775	9,929	11,829

						Yen
¥ 2	¥ 65	¥ 89	¥ 138	¥ 156	¥ 178	¥ 152
2	65	89	138	156	178	152
29	29	40	60	75	85	90
29	29	40	60	75	85	90

						Millions of Yen
¥291,393	¥275,516	¥292,100	¥307,668	¥330,230	¥349,099	¥366,585
171,826	169,428	170,781	174,711	186,292	197,302	202,342
¥ 1,616	¥ 1,612	¥ 1,641	¥ 1,701	¥ 1,818	¥ 1,918	¥ 1,949
1,616	1,612	1,641	1,701	1,818	1,918	1,949
106,353	106,353	106,353	106,353	106,353	106,353	106,353

CAPITAL EXPENDITURES/ DEPRECIATION AND AMORTIZATION

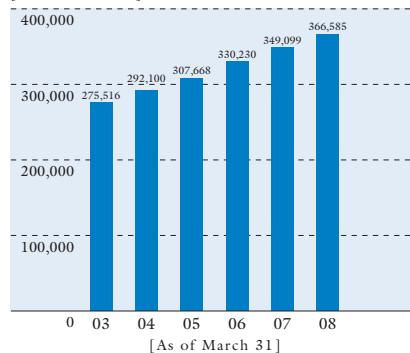
[Millions of Yen]



■ Capital Expenditures
■ Depreciation and Amortization

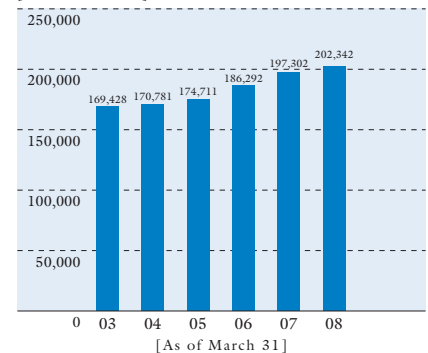
TOTAL ASSETS

[Millions of Yen]



SHAREHOLDERS' EQUITY/ TOTAL EQUITY

[Millions of Yen]



CONSOLIDATED BALANCE SHEETS

Benesse Corporation and Consolidated Subsidiaries

As of March 31	1999	2000	2001
ASSETS			
CURRENT ASSETS:			
Cash and time deposits	¥104,407	¥116,960	¥116,136
Marketable securities	44,119	32,974	25,019
Trade receivables:	24,047	47,869	51,683
Accounts	14,141	14,585	16,771
Other	—	—	—
Due from affiliates	201	242	101
Inventories	16,528	15,824	14,900
Other current assets	5,371	5,466	7,662
PROPERTY AND EQUIPMENT:			
Land	75,865	76,292	78,840
Buildings and leasehold improvements	30,746	32,435	33,506
Equipment, fixtures and other	53,820	54,301	57,180
Accumulated depreciation	18,151	18,955	21,265
	(26,852)	(29,399)	(33,111)
INVESTMENTS AND OTHER ASSETS:			
Investment securities	100,348	104,576	114,285
Goodwill and other intangible assets	22,806	23,715	32,818
Prepaid pension expenses	56,756	49,630	66,193
Other assets	—	—	—
	20,786	31,231	15,274
TOTAL	¥280,620	¥297,828	¥309,261
LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY/TOTAL EQUITY			
CURRENT LIABILITIES:			
Short-term bank loans	¥ 93,660	¥ 98,779	¥101,882
Current portion of long-term debt	55	15	203
Trade payables:	1,197	1,659	2,591
Accounts	23,449	22,710	27,213
Due to affiliates	309	2,080	292
Advances received	52,457	56,715	55,705
Other current liabilities	16,193	15,600	15,878
LONG-TERM LIABILITIES:			
Long-term debt, less current portion	31,610	31,685	30,705
Liability for retirement benefits	22,484	18,680	17,692
Other long-term liabilities	2,474	6,169	5,025
	6,652	6,836	7,988
MINORITY INTERESTS			
	8,417	7,062	6,663
SHAREHOLDERS' EQUITY/TOTAL EQUITY:			
Common stock	146,933	160,302	170,011
Capital surplus	13,600	13,600	13,600
Retained earnings	28,715	28,715	29,358
Unrealized (loss) gain on available-for-sale securities	104,627	117,994	130,708
Foreign currency translation adjustments	—	—	757
Treasury stock—at cost	—	—	(4,412)
Stock acquisition rights	(9)	(7)	(0)
Minority interests	—	—	—
TOTAL	¥280,620	¥297,828	¥309,261

Millions of Yen

2002	2003	2004	2005	2006	2007	2008
¥113,552	¥121,926	¥147,705	¥158,151	¥150,885	¥173,567	¥175,900
32,943	39,995	55,391	46,613	35,844	40,294	50,414
34,484	43,157	44,701	54,368	52,466	56,367	38,296
18,100	15,647	18,959	21,633	22,684	23,899	28,299
-	-	9,388	11,302	17,002	27,805	31,966
205	220	4	4	11	7	7
17,810	12,955	12,146	13,053	15,146	15,552	17,043
10,010	9,952	7,116	11,178	7,732	9,643	9,875
78,696	71,429	69,394	69,800	71,147	71,811	72,606
33,735	34,210	31,666	33,674	34,291	34,710	35,046
59,941	60,222	59,673	61,803	63,431	67,471	68,547
21,683	16,366	18,859	16,814	18,509	18,459	22,096
(36,663)	(39,369)	(40,804)	(42,491)	(45,084)	(48,829)	(53,083)
99,145	82,161	75,001	79,717	108,198	103,721	118,079
23,155	13,557	13,806	18,165	34,773	28,063	32,483
59,367	49,075	43,851	42,850	53,505	53,767	59,067
-	-	3,255	3,543	3,684	4,012	4,341
16,623	19,529	14,089	15,159	16,236	17,879	22,188
¥291,393	¥275,516	¥292,100	¥307,668	¥330,230	¥349,099	¥366,585
¥ 93,313	¥ 86,192	¥102,158	¥111,941	¥121,106	¥130,525	¥140,277
1,170	310	1,056	1,100	509	796	1,188
1,347	751	1,410	1,242	1,266	607	683
23,446	22,747	27,964	30,015	30,478	33,137	34,422
303	298	380	559	539	575	649
53,662	53,027	56,590	59,040	69,216	71,098	77,861
13,385	9,059	14,758	19,985	19,098	24,312	25,474
25,324	19,323	18,616	20,790	22,513	21,272	23,966
10,951	4,281	4,584	3,593	2,964	740	537
4,322	3,193	3,387	3,593	3,711	3,839	4,162
10,051	11,849	10,645	13,604	15,838	16,693	19,267
930	573	545	226	319	-	-
171,826	169,428	170,781	174,711	186,292	197,302	202,342
13,600	13,600	13,600	13,600	13,600	13,600	13,600
29,358	29,358	29,358	29,359	29,358	29,358	29,358
127,519	130,448	136,608	145,535	154,155	164,005	170,338
(356)	(91)	490	618	879	786	(473)
1,707	(1,290)	(4,615)	(5,375)	(1,714)	(1,352)	(1,526)
(2)	(2,597)	(4,660)	(9,026)	(9,986)	(9,439)	(12,774)
-	-	-	-	-	83	305
-	-	-	-	-	261	3,514
¥291,393	¥275,516	¥292,100	¥307,668	¥330,230	¥349,099	¥366,585

CONSOLIDATED STATEMENTS OF INCOME

Benesse Corporation and Consolidated Subsidiaries

Years ended March 31	1999	2000	2001
NET SALES	¥259,852	¥260,964	¥262,948
COST OF SALES	120,698	120,687	123,766
Gross profit	139,154	140,277	139,182
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	108,173	107,323	108,904
Operating income	30,981	32,954	30,278
OTHER INCOME (EXPENSES):			
Dividend income	330	169	149
Interest income—net	(971)	(537)	(327)
(Loss) gain on investments—net	2,382	1,566	1,415
Equity in net earnings (losses) of unconsolidated subsidiaries and associated companies	43	55	73
Expenses on recognition of past service costs of pension	—	(3,400)	—
Gain on exemption from future pension obligation of the governmental program	—	—	—
Loss on impairment of long-lived assets	—	—	—
Valuation loss on property and equipment	—	—	—
Loss on restructuring of business	—	—	—
Loss on disposal of a part of translation segment	—	—	—
Other—net	(1,264)	(1,061)	(1,603)
INCOME BEFORE INCOME TAXES, MINORITY INTERESTS AND IMPAIRMENT LOSS ON GOODWILL	31,501	29,746	29,985
INCOME TAXES:			
Current	15,727	15,486	13,700
Deferred	(244)	(1,703)	240
Total income taxes	15,483	13,783	13,940
MINORITY INTERESTS IN NET INCOME (LOSS)	(18)	(450)	(453)
NET INCOME BEFORE IMPAIRMENT LOSS ON GOODWILL	16,036	16,413	16,498
IMPAIRMENT LOSS ON GOODWILL	—	—	—
NET INCOME	¥ 16,036	¥ 16,413	¥ 16,498

						Millions of Yen
2002	2003	2004	2005	2006	2007	2008
¥267,250	¥258,289	¥260,142	¥291,403	¥333,767	¥354,596	¥384,514
128,382	133,223	125,312	139,672	165,347	175,219	192,182
138,868	125,066	134,830	151,731	168,420	179,377	192,332
114,279	108,749	114,128	125,553	140,008	148,060	157,449
24,589	16,317	20,702	26,178	28,412	31,317	34,883
155	115	93	43	59	70	172
(517)	(119)	2	41	197	426	1,297
1,491	(851)	574	870	479	1,274	(226)
41	139	(40)	42	67	78	82
-	-	-	-	-	-	-
-	3,150	-	-	-	-	-
-	-	-	(334)	(223)	(246)	(2,770)
-	-	(2,242)	-	-	-	-
-	-	-	(678)	(1,705)	(202)	(979)
-	(2,110)	-	-	-	-	-
(1,564)	(2,195)	(1,838)	(363)	460	(378)	(1,452)
24,195	14,446	17,251	25,799	27,746	32,339	31,007
11,202	6,550	8,648	12,335	11,697	14,830	15,426
491	1,003	(1,020)	(896)	(60)	(927)	(401)
11,693	7,553	7,628	11,439	11,637	13,903	15,025
(1,020)	(80)	229	63	70	192	520
13,522	6,973	9,394	14,297	16,039	18,244	15,462
(13,195)	-	-	-	-	-	-
¥ 327	¥ 6,973	¥ 9,394	¥ 14,297	¥ 16,039	¥ 18,244	¥ 15,462

CONSOLIDATED STATEMENTS OF CASH FLOWS

Benesse Corporation and Consolidated Subsidiaries

Years ended March 31	1999	2000	2001
OPERATING ACTIVITIES:			
Income before income taxes, minority interests and impairment loss on goodwill	¥ 31,501	¥ 29,746	¥ 29,985
Adjustments for:			
Income taxes—paid	(15,915)	(15,171)	(15,448)
Depreciation and amortization	8,841	9,199	9,609
Loss on impairment of long-lived assets	—	—	—
Loss on restructuring of business	—	—	—
Valuation loss on property and equipment	—	—	—
Increase (decrease) in allowance for doubtful receivables, liability for retirement benefits and other reserves	(76)	405	2,877
Loss on disposal of a part of translation segment	—	—	—
Other non-cash (income) expenses—net	(1,107)	869	(538)
Changes in assets and liabilities, net of effects from newly consolidated subsidiaries:	9,854	—	—
(Increase) decrease in trade accounts receivable	—	(1,706)	559
(Increase) decrease in inventories	—	494	1,120
Increase (decrease) in trade accounts payable	—	1,323	845
Increase (decrease) in advances received	—	5,021	(1,652)
Other—net	(789)	2,345	(5,504)
Total adjustments	808	2,779	(8,132)
Net cash provided by operating activities	32,309	32,525	21,853
INVESTING ACTIVITIES:			
(Increase) decrease in time deposits—net	1,000	(239)	229
Purchases of marketable securities	(28,512)	(26,324)	(11,679)
Proceeds from sales of marketable securities	31,285	22,236	18,583
Purchases of property and equipment	(4,260)	(6,865)	(6,365)
Proceeds from sales of property and equipment	135	—	630
Purchases of software	(1,968)	(4,261)	(3,355)
Purchases of investment securities	(2,618)	(3,584)	(6,900)
Proceeds from sales of investment securities	—	1,554	6,595
Acquisition of controlling interest in a company	—	—	(3,465)
Acquisition of shares of a consolidated subsidiary	—	—	—
Acquisition of shares of an affiliate	—	—	—
Cash (decrease) increase due to acquisition of controlling interest in a company	—	—	—
Proceeds from sale of investments in an affiliate	—	—	—
Proceeds from sales of investment securities	4,635	—	—
Proceeds from disposal of a part of translation segment	—	—	—
Purchases of controlling interest in company	(513)	—	—
Other—net	(871)	(1,427)	(2,103)
Net cash provided by (used in) investing activities	(1,687)	(18,910)	(7,830)
FINANCING ACTIVITIES:			
Increase (decrease) in short-term bank loans—net	—	(40)	85
Proceeds from long-term debt	566	558	171
Repayment of long-term debt	(28,095)	(2,475)	(1,947)
Redemption of convertible debentures	—	—	—
Proceeds from issuance of convertible debentures	12,680	—	—
Dividends paid	(2,340)	(2,898)	(2,871)
Proceeds from exercise of stock options	—	—	—
Purchases of treasury stock	—	—	(13)
Other—net	264	(314)	236
Net cash used in financing activities	(16,925)	(5,169)	(4,339)
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS			
	(949)	(983)	502
CASH AND CASH EQUIVALENTS INCREASED BY MERGER			
	—	—	45
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS			
	12,748	7,463	10,231
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR			
	45,706	58,454	65,917
CASH AND CASH EQUIVALENTS, END OF YEAR			
	¥ 58,454	¥ 65,917	¥ 76,148

Millions of Yen

2002	2003	2004	2005	2006	2007	2008
¥ 24,195	¥ 14,446	¥ 17,251	¥ 25,799	¥ 27,746	¥ 32,339	¥ 31,007
(13,199)	(10,608)	(4,041)	(9,740)	(14,896)	(11,749)	(17,453)
10,738	8,666	7,821	7,511	9,775	9,929	11,829
-	-	-	334	223	246	2,770
-	-	-	678	1,705	202	979
-	-	2,242	-	-	-	-
(296)	(2,283)	768	999	502	1,134	940
-	2,110	-	-	-	-	-
299	2,599	1,066	(578)	(1,632)	(1,484)	1,071
-	-	-	-	-	-	-
(604)	119	(1,839)	(2,624)	(817)	(1,000)	(3,669)
(2,784)	4,361	882	(868)	(1,983)	(485)	(1,634)
(3,887)	39	2,539	2,358	911	2,497	873
(2,543)	(568)	5,102	2,287	805	1,352	6,520
(3,633)	(1,376)	(3,856)	2,271	(4,891)	(4,741)	(5,749)
(15,909)	3,059	10,684	2,628	(10,298)	(4,099)	(3,523)
8,286	17,505	27,935	28,427	17,448	28,240	27,484
73	127	(85)	(594)	(1,194)	(7)	(232)
(9,404)	(1,908)	(15,844)	(23,457)	(60,655)	(68,305)	(15,074)
10,021	7,075	13,988	19,624	59,356	72,655	24,940
(4,784)	(3,584)	(6,796)	(6,687)	(6,227)	(5,520)	(5,728)
302	5,578	1,659	1,149	469	174	228
(4,288)	(3,255)	(2,486)	(3,299)	(4,280)	(5,680)	(6,547)
(5,204)	(964)	(8,362)	(10,783)	(25,044)	(8,540)	(14,689)
6,014	9,549	7,816	5,557	6,651	3,660	9,580
-	-	-	-	-	-	-
(4,901)	-	-	(515)	-	(128)	-
-	(1,105)	-	-	-	-	-
-	-	1,798	-	-	106	(10,260)
-	-	976	-	-	-	-
-	-	-	-	-	-	-
-	6,221	-	-	-	-	-
-	-	-	-	-	-	-
470	(956)	(2,325)	(3,518)	(549)	362	2,630
(11,701)	16,778	(9,661)	(22,523)	(31,473)	(11,223)	(15,152)
968	(860)	(16)	44	(781)	(4)	392
-	-	-	-	-	-	-
(2,447)	(1,363)	(1,072)	(1,514)	(1,308)	(3,863)	(829)
(6,691)	(5,643)	-	-	-	-	-
-	-	-	-	-	-	-
(3,084)	(3,072)	(3,031)	(5,253)	(7,179)	(8,202)	(9,200)
-	-	-	-	425	471	295
(6)	(2,595)	(2,063)	(4,367)	(1,467)	(8)	(3,697)
51	3	138	357	700	977	(786)
(11,209)	(13,530)	(6,044)	(10,733)	(9,610)	(10,629)	(13,825)
727	(470)	(617)	159	575	561	(95)
-	-	-	-	-	-	-
(13,897)	20,283	11,613	(4,670)	(23,060)	6,949	(1,588)
76,148	62,251	82,534	94,147	89,477	66,417	73,366
¥ 62,251	¥ 82,534	¥ 94,147	¥ 89,477	¥ 66,417	¥ 73,366	¥ 71,778

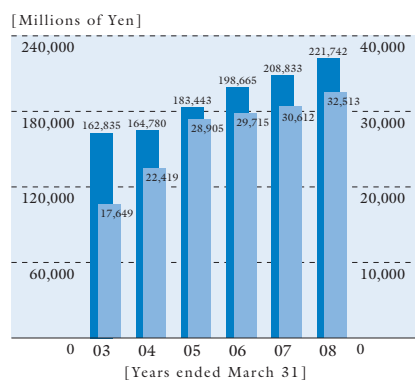
SEGMENT INFORMATION

Benesse Corporation and Consolidated Subsidiaries

Years ended March 31	1999	2000	2001
Net Sales	¥259,852	¥260,964	¥262,948
Education Group	182,675	188,320	184,154
Lifetime Value Company	9,872	9,218	9,182
Senior Company	826	1,331	3,861
Language Company	59,294	53,544	55,258
AVIVA Business	—	—	—
Others	7,185	8,551	10,493
Operating Income (Loss)	30,981	32,954	30,278
Education Group	31,659	34,016	32,789
Lifetime Value Company	(2,152)	(637)	(1,192)
Senior Company	(942)	(1,338)	(2,149)
Language Company	2,936	1,218	1,602
AVIVA Business	—	—	—
Others	900	1,153	763
Elimination/Corporate	(1,420)	(1,458)	(1,535)

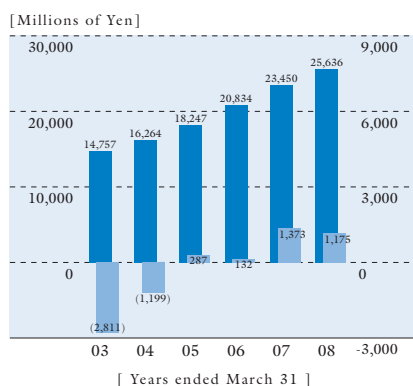
- Notes: 1. Segment sales are based on outside sales and intersegment sales are not included.
2. In the year ended March 31, 2003, the Children & Students (C&S) Company, mainly providing correspondence courses, and the School & Teacher Support (S&TS) Company, offering simulated exams and other services to schools, were combined into a single business segment, the Education Group. Data for the years ended March 31, 2002 and 2001, has been recalculated based on this new business classification, while data for the years ended March 31, 2000 and 1999, is the unaudited simple sum of figures for the C&S Company and the S&TS Company.
3. The Women & Family (W&F) Company was renamed the Lifetime Value Company in the year ended March 31, 2006. Accordingly, data for the W&F Company for the years ended March 31, 1999 to 2005 is shown under the Lifetime Value Company.
4. The Language Instruction and Translation segment was renamed the Language Company in the year ended March 31, 2003. Accordingly, data for the Language Instruction and Translation segment for the years ended March 31, 1999 to 2002 is shown under the Language Company.
5. On April 1, 2005, AVIVA Co., Ltd., a consolidated Benesse subsidiary, began operating a network of PC schools after taking over part of the operations of AVIVA Japan Corporation. The AVIVA Business segment was created to cover these operations.
6. Operating income (loss) for each segment is before eliminations in consolidated totals.
7. In the year ended March 31, 2006, Benesse changed the method for allocating operating expenses. Data for the years ended March 31, 2005 and 2004 has been recalculated based on the new method, while data for the years ended March 31, from 1999 to 2003, is based on the former method.

EDUCATION GROUP



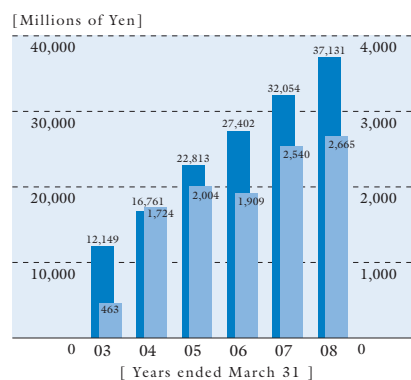
■ Net Sales (left)
■ Operating Income (right)

LIFETIME VALUE COMPANY



■ Net Sales (left)
■ Operating Income (Loss) (right)

SENIOR COMPANY

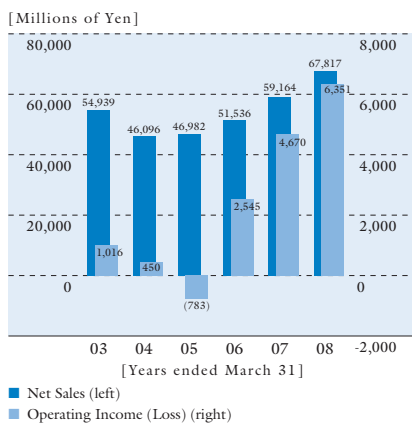


■ Net Sales (left)
■ Operating Income (right)

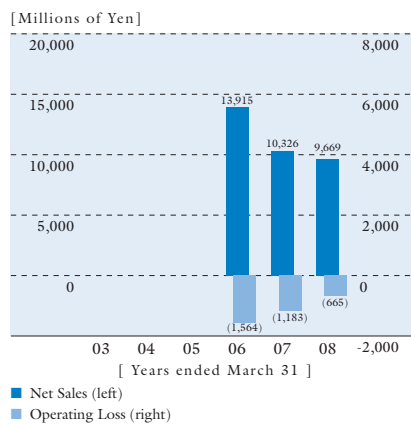
Millions of Yen

2002	2003	2004	2005	2006	2007	2008
¥267,250	¥258,289	¥260,142	¥291,403	¥333,767	¥354,596	¥384,514
174,729	162,835	164,780	183,443	198,665	208,833	221,742
10,946	14,757	16,264	18,247	20,834	23,450	25,636
7,145	12,149	16,761	22,813	27,402	32,054	37,131
62,247	54,939	46,096	46,982	51,536	59,164	67,817
-	-	-	-	13,915	10,326	9,669
12,183	13,609	16,241	19,918	21,415	20,769	22,519
24,589	16,317	20,702	26,178	28,412	31,317	34,883
27,021	17,649	22,419	28,905	29,715	30,612	32,513
(2,016)	(2,811)	(1,199)	287	132	1,373	1,175
(1,064)	463	1,724	2,004	1,909	2,540	2,665
584	1,016	450	(783)	2,545	4,670	6,351
-	-	-	-	(1,564)	(1,183)	(665)
1,545	1,851	1,870	1,743	1,350	430	(765)
(1,181)	(1,851)	(4,562)	(5,978)	(5,675)	(7,125)	(6,391)

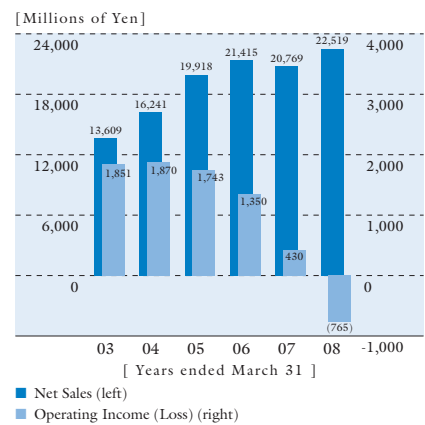
LANGUAGE COMPANY



AVIVA BUSINESS



OTHERS



BUSINESS DATA

Benesse Corporation and Consolidated Subsidiaries

As of April	1999	2000	2001
Shinkenzemi Enrollments as of April	4,200	4,200	4,100
Senior High School Courses	490	470	430
Junior High School Courses	920	870	760
Elementary School Courses	1,350	1,340	1,420
<i>Kodomo Challenge</i> (Preschool Courses)	1,440	1,520	1,490

Years ended March 31	1999	2000	2001
Cumulative Enrollments in Shinkenzemi Over a Full Year	46,920	48,630	49,690
Senior High School Courses	5,080	5,300	4,930
Junior High School Courses	10,450	10,290	9,420
Elementary School Courses	14,350	15,410	15,520
<i>Kodomo Challenge</i> (Preschool Courses)	17,040	17,630	19,820

Note: Cumulative enrollment is the sum of enrollment for each month from April to March of each year.

Years ended March 31	1999	2000	2001
Number of Students Taking Shinken Simulated Exams and Other Exams	4,870	5,180	5,180

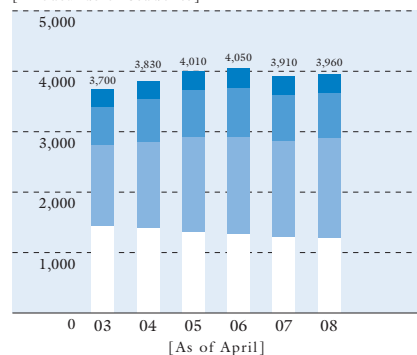
Years ended December 31	1998	1999	2000
Number of Berlitz Lessons	5,826	5,992	6,438

As of December 31	1998	1999	2000
Berlitz Language Centers and Franchises	451	467	476

As of March 31	1999	2000	2001
Number of Nursing Homes by Brand	2	3	30
<i>Aria</i>	—	—	—
<i>Clara</i>	2	3	12
<i>Granny & Granda</i>	—	—	18
<i>Madoka</i>	—	—	—

SHINKENZEMI ENROLLMENTS AS OF APRIL

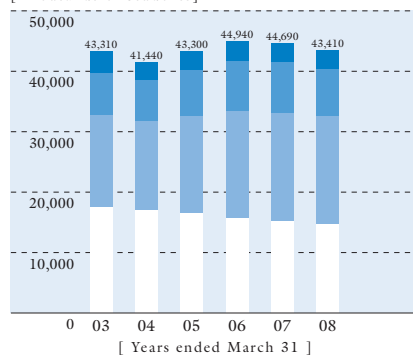
[Thousands of Students]



■ Senior High School Courses ■ Junior High School Courses
■ Elementary School Courses
□ *Kodomo Challenge* (Preschool Courses)

CUMULATIVE ENROLLMENTS IN SHINKENZEMI OVER A FULL YEAR

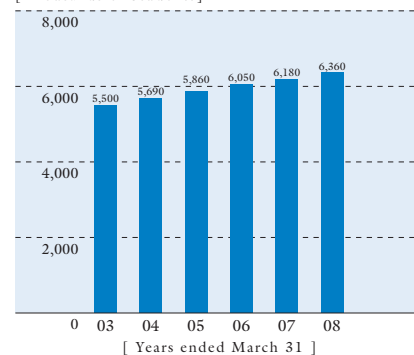
[Thousands of Students]



■ Senior High School Courses ■ Junior High School Courses
■ Elementary School Courses
□ *Kodomo Challenge* (Preschool Courses)

NUMBER OF STUDENTS TAKING SHINKEN SIMULATED EXAMS AND OTHER EXAMS

[Thousands of Students]



[Years ended March 31]

						Thousands of students	
2002	2003	2004	2005	2006	2007	2008	
3,870	3,700	3,830	4,010	4,050	3,910	3,960	
350	290	290	310	330	300	310	
680	630	710	790	800	750	750	
1,390	1,330	1,410	1,560	1,610	1,590	1,660	
1,450	1,450	1,420	1,350	1,310	1,270	1,240	

						Thousands of students	
2002	2003	2004	2005	2006	2007	2008	
46,480	43,310	41,440	43,300	44,940	44,690	43,410	
4,420	3,580	3,000	3,060	3,230	3,290	3,060	
8,080	7,020	6,660	7,600	8,380	8,320	7,900	
16,000	15,250	14,820	16,210	17,620	17,860	17,730	
17,980	17,460	16,960	16,430	15,710	15,220	14,720	

						Thousands of students	
2002	2003	2004	2005	2006	2007	2008	
5,370	5,500	5,690	5,860	6,050	6,180	6,360	

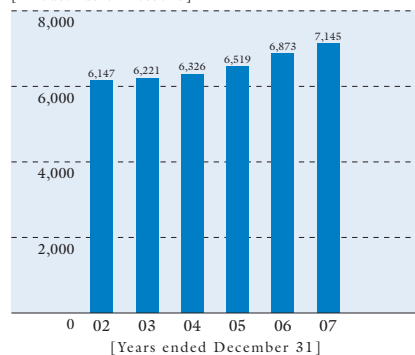
						Thousands of lessons	
2001	2002	2003	2004	2005	2006	2007	
6,564	6,147	6,221	6,326	6,519	6,873	7,145	

						Thousands of lessons	
2001	2002	2003	2004	2005	2006	2007	
483	494	518	535	529	542	557	

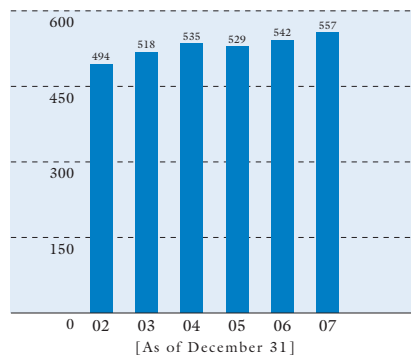
						Thousands of lessons	
2002	2003	2004	2005	2006	2007	2008	
47	61	73	92	106	115	129	
-	-	2	6	9	9	11	
22	29	33	32	35	37	37	
25	31	35	37	39	43	51	
-	1	3	17	23	26	30	

NUMBER OF BERLITZ LESSONS

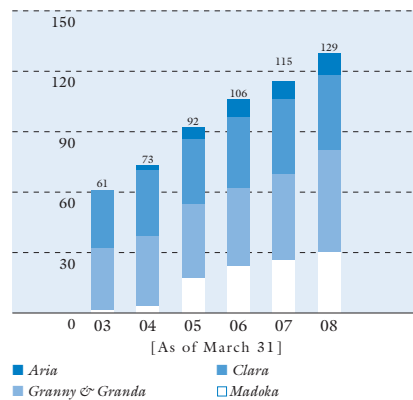
[Thousands of Lessons]



BERLITZ LANGUAGE CENTERS AND FRANCHISES



NUMBER OF NURSING HOMES BY BRAND



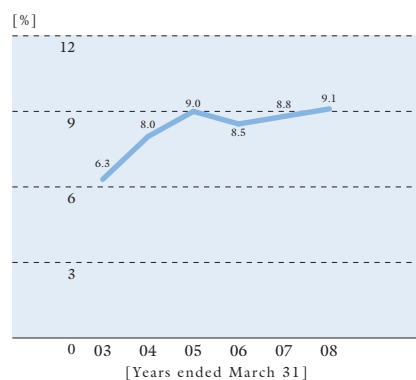
INDICATORS

Benesse Corporation and Consolidated Subsidiaries

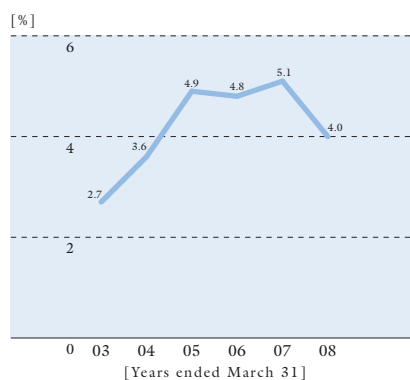
Years ended March 31	1999	2000	2001
Profitability:			
Operating income ratio (%)	11.9	12.6	11.5
Net income ratio (%)	6.2	6.3	6.3
Return on equity (ROE) (%)	11.5	10.7	10.0
Return on assets (ROA) (%)	5.7	5.7	5.4
Operating income per employee (thousands of yen)	–	4,002	3,334
Net income per employee (thousands of yen)	–	1,993	1,817
Number of employees	–	8,234	9,081
Growth Trends:			
Increase (decrease) of net sales (%)	7.6	0.4	0.8
Increase (decrease) of operating income (%)	7.1	6.4	(8.1)
Increase (decrease) of net income (%)	30.9	2.4	0.5
Stability:			
Current ratio (%)	111.5	118.4	114.0
Fixed assets ratio (%)	117.6	106.8	113.6
Equity ratio (%)	52.4	53.8	55.0
Liquidity (months)	2.9	3.4	3.6
Debt-to-equity ratio (%)	22.6	14.4	12.4
Interest coverage (times)	15.5	29.4	31.9
Per Share of Common Stock:			
Net income (yen)	302	309	153
Retroactively adjusted (yen)	151	154	153
Cash dividends (yen)	48	58	29
Retroactively adjusted (yen)	24	29	29
Dividend payout ratio (%)	15.9	18.8	18.7

Notes: 1. ROE and ROA are calculated using the average amounts of shareholders' equity and total assets at the beginning and end of each fiscal year.
2. Liquidity = Cash and time deposits (yearly average) + marketable securities (yearly average) / average monthly sales
3. Debt-to-equity ratio = Interest-bearing liabilities (yearly average) / shareholders' equity / total equity (yearly average) X 100
4. Interest coverage = (Operating income + interest and dividend income) / interest expense

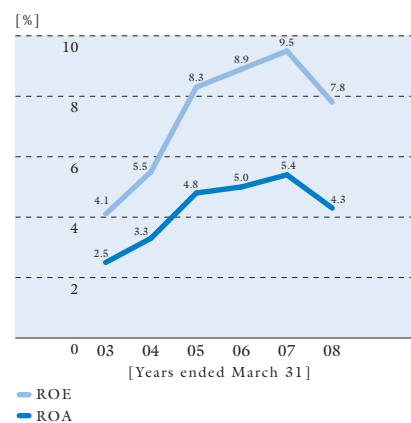
OPERATING INCOME RATIO



NET INCOME RATIO



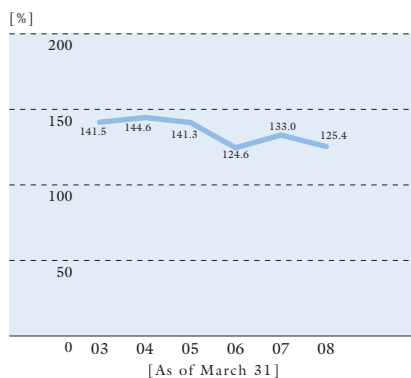
ROE/ROA



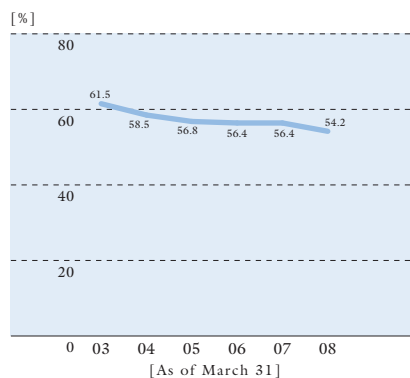
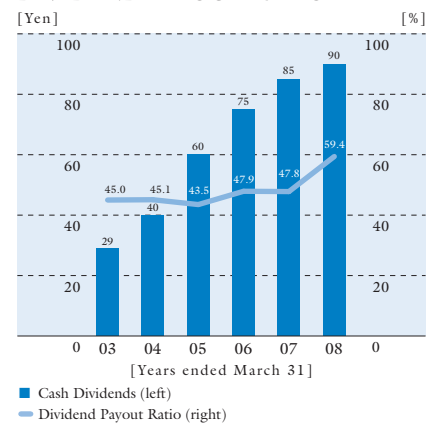
2002	2003	2004	2005	2006	2007	2008
9.2	6.3	8.0	9.0	8.5	8.8	9.1
0.1	2.7	3.6	4.9	4.8	5.1	4.0
0.2	4.1	5.5	8.3	8.9	9.5	7.8
0.1	2.5	3.3	4.8	5.0	5.4	4.3
2,717	2,019	2,407	2,647	2,352	2,456	2,528
36	863	1,092	1,446	1,328	1,431	1,121
9,051	8,081	8,599	9,890	12,081	12,753	13,796
1.6	(3.4)	0.7	12.0	14.5	6.2	8.4
(18.8)	(33.6)	26.9	26.5	8.5	10.2	11.4
(98.0)	2,034.6	34.7	52.2	12.2	13.7	(15.2)
121.7	141.5	144.6	141.3	124.6	133.0	125.4
103.5	90.7	84.5	85.6	96.3	88.9	94.2
59.0	61.5	58.5	56.8	56.4	56.4	54.2
3.2	3.5	4.2	4.1	3.4	3.1	2.9
9.9	5.5	3.6	3.8	3.0	1.7	1.1
26.4	34.6	85.0	117.0	151.0	98.2	848.4
2	65	89	138	156	178	152
2	65	89	138	156	178	152
29	29	40	60	75	85	90
29	29	40	60	75	85	90
944.6	45.0	45.1	43.5	47.9	47.8	59.4

5. The computation of net income per share of common stock is based on the weighted-average number of shares of common stock outstanding during each year.
6. The computation of the weighted-average number of shares of common stock outstanding during each year and the number of shares outstanding at the fiscal year-end is retroactively adjusted for the effect of a 1:2 stock split made on May 19, 2000.
7. Number of employees, operating income per employee, and net income per employee have been omitted for the year ended March 31, 1999, when the number of consolidated employees was not published by the Company.

CURRENT RATIO



EQUITY RATIO

CASH DIVIDENDS/
DIVIDEND PAYOUT RATIO

EDUCATION

1. JAPAN'S SCHOOL SYSTEM

In Japan, schooling is provided over 12 years through elementary, junior high and senior high schools, divided into six, three and three years, respectively. Attendance at elementary and junior high school is compulsory. In most cases, students must take entrance exams to enter high schools and universities. In Japan, 98% of school-children progress to high school, and 54% subsequently move into higher education. In recent years, with available university places equal to the number of prospective students, in fiscal 2007, ended March 2008, more universities are adopting the admission office system by which students are asked to submit school grades and attend interviews to supplement existing entrance exams.

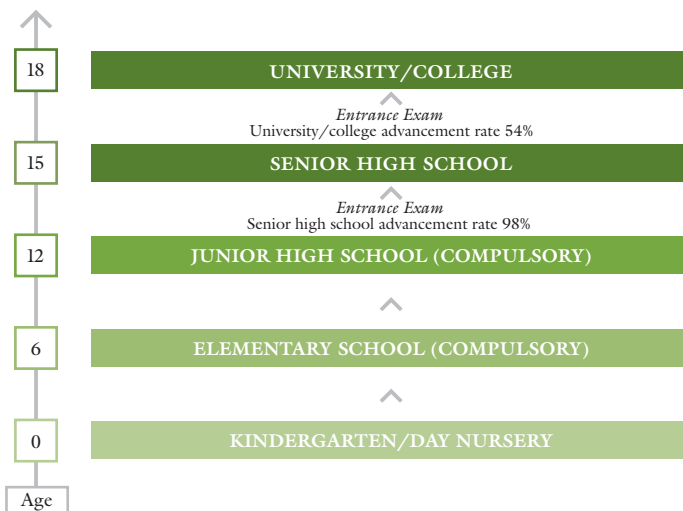
2. JAPAN'S SUPPLEMENTARY EDUCATION MARKET

Children in Japan have access to a wide range of education materials to supplement their school education and help them pass entrance exams. In fiscal 2006, this supplementary education market was worth ¥1,558 billion. The market is mainly categorized into prep schools and cram schools* targeting elementary, junior and senior high school students, correspondence courses, supplementary study guides and workbooks, and preschool education. Benesse has captured around 80% of the correspondence course market in Japan.

*Cram schools

Cram or prep schools are private and for-profit facilities that provide learning after school or on weekends and holidays to help students pass entrance exams or supplement school-based learning. There is a variety of providers in the market, including major cram school companies focused on helping students pass entrance exams for junior and senior high schools, to small and medium-sized companies outside the major urban centers. With learning needs becoming more diverse and the desire to accommodate varying levels of ability, cram schools that provide teaching environments with one teacher for groups of one to four students, as opposed to large group classes, are becoming more popular.

JAPAN'S SCHOOL SYSTEM



3. BENESSE'S EDUCATION BUSINESS MODEL

1) What's *Shinkenzenmi*?

Shinkenzenmi is Benesse's correspondence course brand. Course materials are designed entirely for self-study and the students can choose how they want to use them—to supplement their school-based learning or to help them pass entrance exams. Most students use *Shinkenzenmi* after they return home from school.

Shinkenzenmi differs from correspondence courses in Europe and the U.S., where they are primarily used for distance learning to help students living in isolated areas gain credits, or to educate children who are not willing to go to school.

Shinkenzenmi homework and course materials are sent by mail to students once a month. Students return completed work for marking within a set time to Red Pen Teachers, specialist coursework markers.

Any child aged between 0 and 18 can be enrolled in *Shinkenzenmi* courses. One in five Japanese children in this age group is currently enrolled in a *Shinkenzenmi* course.

One of the strengths of *Shinkenzenmi* is that it can be customized to individual student needs by matching coursework with textbooks used at school, the pace of learning, levels of ability, regional differences, or the entrance exam the student is planning to take.

2) *Shinken Simulated Exams*

Benesse provides *Shinken Simulated Exams*, mock university entrance exams for high school students. We also offer other products like a comprehensive study path learning system to help schools provide guidance to students on the best study path after graduating from high school. In Japan, 94% of high schools nationwide use these products.

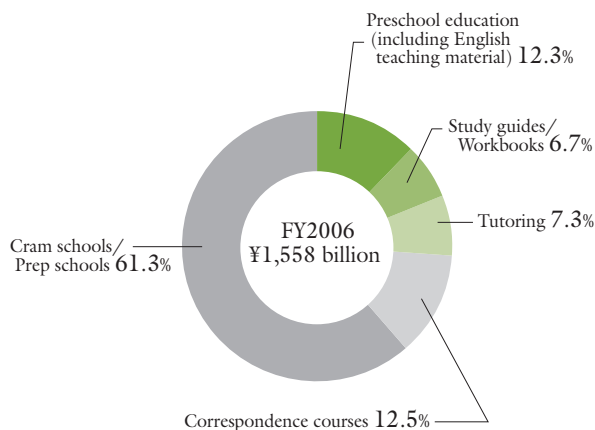
SHINKENZEMI ENROLLMENT AND FEES

		Enrollment* (Thousands)	Monthly Fees** (per person)
Senior High School Courses	3 courses for 16–18 year olds	310	¥8,400
Junior High School Courses	3 courses for 13–15 year olds	750	¥5,100
Elementary School Courses	6 courses for 7–12 year olds	1,660	¥3,400
<i>Kodomo Challenge</i> (Preschool Courses)	6 courses for 0–6 year olds	1,240	¥1,700

* Enrollment as of April 2008

** Monthly fees for the year ended March 31, 2008

SUPPLEMENTARY EDUCATION MARKET IN JAPAN



Source: Yano Research Institute, Ltd.
"White Paper on the Education/School Industry 2007"
modified by Benesse.



Kodomo Challenge (Preschool Courses)



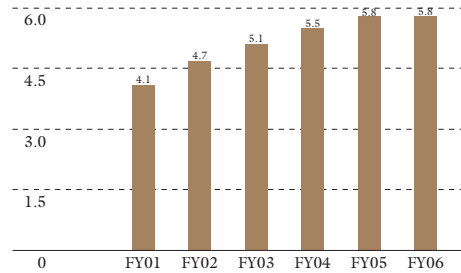
Junior High School Courses

NURSING CARE

1. JAPAN'S LONG-TERM CARE INSURANCE SYSTEM

The long-term care insurance system was introduced in April 2000 as part of the Japanese government's attempt to deal with the country's increasingly serious nursing care issues. All Japanese citizens are enrolled in the system from the age of 40 and are required to pay insurance premiums. When nursing care becomes a necessity, individuals are required to pay only 10% of costs.

TOTAL LONG-TERM CARE INSURANCE-PAID EXPENSES
[Trillions of Yen]



Source: Ministry of Health, Labour and Welfare

2. NURSING CARE MARKET IN JAPAN

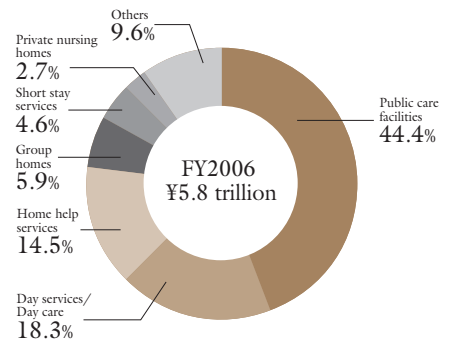
Japan's nursing care market is expanding rapidly as more Japanese reach old age and the long-term care insurance system becomes more established.

The long-term care insurance system covers the following main categories of care.

- Nursing home care:
 - Public care facilities (sector closed to private providers)
- Home-based care:
 - Home help services
 - Day services/Daycare
 - Private nursing homes, etc.
- Community-based services:
 - Group homes for the elderly with senile dementia

In the welfare field, Benesse is mainly involved in the operation of private nursing homes. This business is run by Benesse Style Care Co., Ltd., a wholly owned Benesse subsidiary.

LONG-TERM CARE INSURANCE-PAID EXPENSES BY CATEGORY



Source: Ministry of Health, Labour and Welfare

3. BENESSE'S NURSING CARE BUSINESS MODEL

1) Private Nursing Homes in Japan

Private nursing homes in Japan usually have at least 10 residents who receive meals and other necessary daily support. Benesse's nursing homes care for elderly residents requiring these services. Our nursing homes are certified facilities under Japan's long-term care insurance system.

2) Nursing Home Brands

Benesse operates four different nursing home brands with different fee and service structures.

3) Fee Structure

Benesse has created a nursing home business model that is not entirely reliant on income from the long-term care insurance system. For example, residents can receive a higher level of service than that determined by long-term care insurance in return for paying an extra nursing care fee. Residents are also required to pay accommodation costs not covered by the long-term care insurance system, such as utility bills and meals. Approximately 30% to 40% of revenue from our nursing homes is derived from the long-term care insurance system.



Aria



Madoka

BENESSE'S NURSING HOMES

Brand Name	No. of Homes (Mar. 08)	Initial Down Payment (Thousands of Yen)	Monthly Fees (Thousands of Yen)
<i>Aria</i>	11	25,000~30,000	280~
<i>Clara</i>	37	—	330~
<i>Granny & Granda</i>	51	8,000~9,000	200~
<i>Madoka</i>	30	—	230~
TOTAL	129	—	—

FREQUENTLY ASKED QUESTIONS

[EDUCATION GROUP]

Q1. How does the number of members in April differ from cumulative enrollments?

A1. The former equals the number of members receiving *Shinkensemi* materials in April, while cumulative enrollments measure the total number of members receiving any *Shinkensemi* materials from the April issue to the March issue of the following year. Since most students will enroll to take the *Shinkensemi* course starting in April, because that is the start of the school year in Japan, memberships tend to be higher at this time than any other month throughout the year.

Q2. Why are enrollments among senior high school students so much lower than for junior high school students?

A2. In Japan, while about 98% of students graduate to senior high school, the proportion of students going on to university or technical college is roughly half of this (at around 54%). For this reason, the number of senior high school students taking *Shinkensemi* courses to prepare for university entrance examinations is about half that of junior high school students taking *Shinkensemi* courses to get into senior high school.

Q3. What are the average unit prices per course?

A3. The prices are as follows.

- Senior High School Courses: 8,400 yen per month
- Junior High School Courses: 5,100 yen per month
- Elementary School Courses: 3,400 yen per month
- *Kodomo Challenge* (Preschool Courses): 1,700 yen per month (year ended March 2008)

Q4. Why has the average course unit price gone up in recent years?

A4. This is due to increases in optional products and high-priced courses, along with an increase in the average number of subjects taken per course.

Examples of such courses:

- Courses for students at elite combined private junior and senior high schools (since FY2004)
- Special courses for high school students aiming to enter the universities of Tokyo or Kyoto (since FY2006)
- Senior High School Courses in science and social studies (since FY2006/FY2007)
- Elementary School Courses in optional subjects (since FY2003)

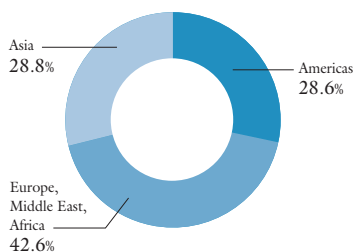
Q5. What is Benesse's competitive position within the education industry?

A5. Benesse has a dominant leading position within the Japanese correspondence course industry. The Company's share of the market is 91.8% in correspondence courses for pre-school children and 76.8% in correspondence courses for elementary to high school students (figures for FY2006, taken from *Education Industry White Paper 2007*, Yano Research Institute).

[LANGUAGE COMPANY]

Q1. What is the sales breakdown by region for Berlitz?

A1. The breakdown is as follows.



[Years ended December 31, 2007]
*Except ELS

Q2. How many language centers are there in each region?

A2. There is a total of 557 Berlitz language centers and franchises worldwide, and the breakdown by region is as follows.

	Berlitz Operated		Berlitz Franchise		ELS Operated		ELS Franchise		Total	
Americas	145	(0)	33	(3)	45	(4)	3	(0)	226	(7)
Europe, Middle East, Africa	155	(6)	50	(5)	0	(0)	12	(0)	217	(11)
Asia	85	(-3)	9	(0)	1	(0)	19	(0)	114	(-3)
Japan	66	(-2)	5	(0)	0	(0)	5	(1)	76	(-1)
Total	385	(3)	92	(8)	46	(4)	34	(0)	557	(15)

[As of December 31, 2007]

*Figures in parenthesis indicate year-on-year change.

Q3. What is the breakdown of number of lessons by region?

A3. The regional breakdown for the number of lessons at directly-operated Berlitz language centers is as follows.

Region	(Thousands)		(B)/(A)
	For the fiscal year ended December 2006 (A)	For the fiscal year ended December 2007 (B)	
North America	970	966	99.6%
Latin America	1,400	1,462	104.4%
Europe	2,538	2,647	104.3%
Asia	1,962	2,068	105.4%
Total	6,872	7,145	104.0%

Q4. What languages are being taught at Berlitz language centers?

A4. Berlitz teaches more than 50 languages. The most popular choice is English, which accounts for about 70% of total lessons. The next most popular languages are French (7%), Spanish (5%), German (5%) and Mandarin Chinese (2%).

[SENIOR COMPANY]

Q1. What is Benesse's competitive position within the nursing care industry?

A1. Benesse is the market leader in terms of overall sales and profits. As of the end of March 2008, Benesse ranked second in terms of total number of homes (with a network of 129 nursing homes).

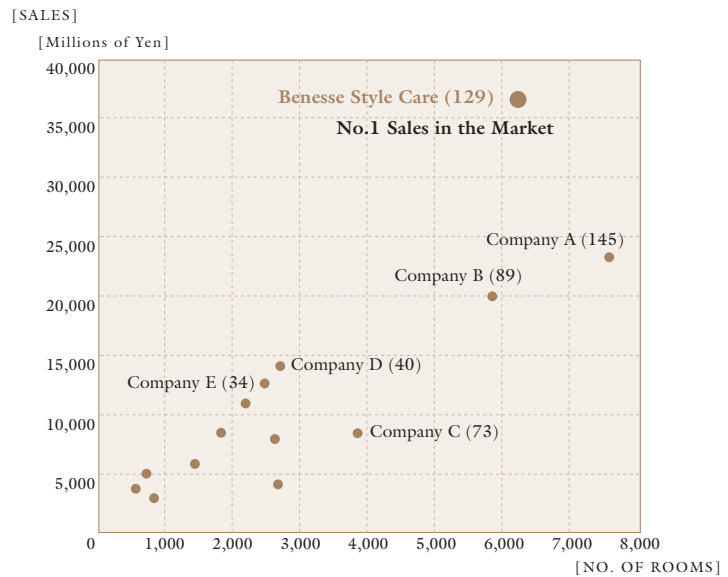
Q2. Does Benesse own the nursing homes that it operates?

A2. The majority of the facilities managed by Benesse are leased properties. As of the end of March 2008, Benesse owned 16 nursing homes, representing 12% of the total (129). All of the other nursing homes were leased properties.

Q3. In which parts of Japan is Benesse developing its nursing home business?

A3. Benesse is targeting regions of high demand, particularly in and around Tokyo. As of the end of March 2008, the number of nursing homes in the Tokyo metropolitan area was 98, which represented 76% of the total. The other nursing homes are located in major urban areas such as the Kansai region (around Osaka) and the Tokai region (to the west of Tokyo).

MARKET POSITION FY2007



*Figures in parentheses indicate number of homes.

INVESTOR INFORMATION

As of March 31, 2008

NUMBER OF SHARES ISSUED:

106,353,453 shares

LISTED DATE:

October 26, 1995

SECURITIES LISTINGS (COMMON STOCK):

Tokyo Stock Exchange, First Section
Osaka Securities Exchange, First Section

TICKER CODE:

9783

UNIT OF TRADING:

100 shares

INDEPENDENT AUDITORS:

Deloitte Touche Tohmatsu

TRANSFER AGENT:

Mitsubishi UFJ Trust and Banking Corporation

NUMBER OF SHAREHOLDERS:

36,650

STOCK SPLITS:

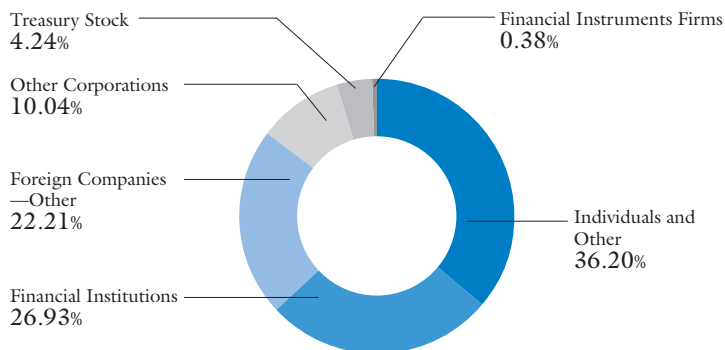
1:2.0 made on May 19, 2000

TOP 10 SHAREHOLDERS:

	Shares (Thousands)	Percentage (%)
Soichiro Fukutake	10,444	10.25
Japan Trustee Services Bank, Ltd.	8,420	8.26
The Master Trust Bank of Japan, Ltd.	5,583	5.48
The Chugoku Bank, Ltd.	4,337	4.25
Trust & Custody Services Bank, Ltd.	3,234	3.17
Reiko Fukutake	3,174	3.11
Nobuko Fukutake	2,769	2.71
Mitsuko Fukutake	2,675	2.62
Junko Fukutake	2,655	2.60
Fukutake Education and Culture Foundation	2,430	2.38

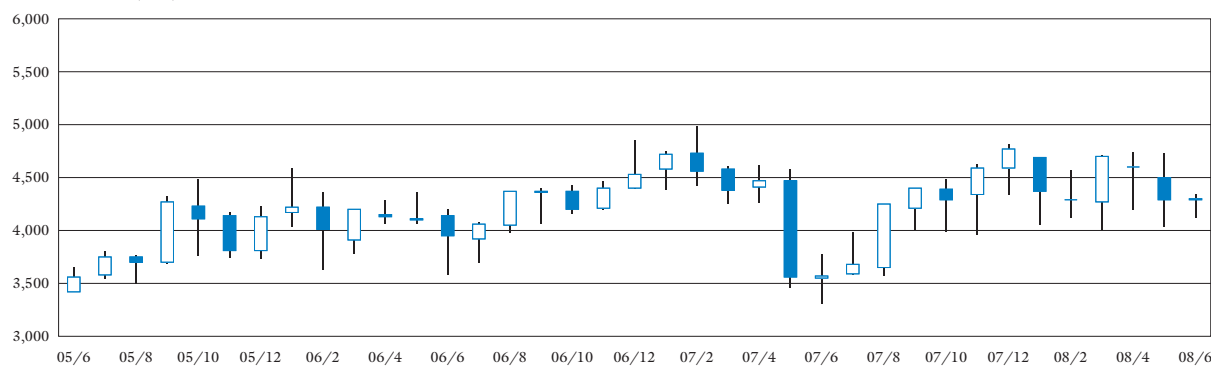
Note: The Company holds 4,510 thousand shares of treasury stock without voting rights not included in the above table.

SHAREHOLDINGS BY TYPE OF SHAREHOLDER (%):

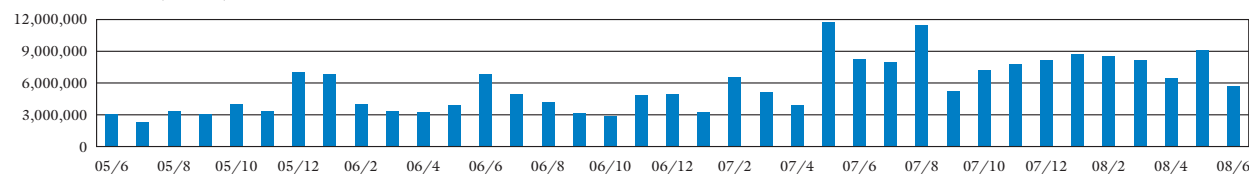


STOCK PRICE RANGE & TRADING VOLUME (OSAKA SECURITIES EXCHANGE):

STOCK PRICE RANGE (YEN)



TRADING VOLUME (SHARES)





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