February 6, 2015

FY2014 THIRD QUARTER CONSOLIDATED FINANCIAL RESULTS [Japan GAAP]

Securities Traded: The First Section of Tokyo Stock Exchange
Code Number: 9783
URL: http://www.benesse-hd.co.jp/en/

Figures have been rounded down to eliminate amounts less than one million yen.

CONSOLIDATED PERFORMANCE

1. Business Results

	Nine Months Ended December 31, 2013	**Nine Months Ended December 31, 2014**	Percentage Change
	(Millions of Yen)		(%)
Operating Results:			
Net Sales	¥ 346,143	**¥ 347,276**	0.3 %
Operating Income	35,319	**40,987**	16.0
Ordinary Income	34,884	**40,340**	15.6
Net Income	20,511	**3,646**	(82.2)
Per Share Data:	(Yen)		
Net Income	¥ 212.68	**¥ 37.91**	
Fully Diluted Net Income	—	**—**	

	Year Ended March 31, 2014	**Nine Months Ended December 31, 2014**
	(Millions of Yen)	
Financial Position (end of period):		
Total Assets	¥ 487,594	**¥ 465,734**
Total Equity	215,109	**210,441**
Equity Ratio	42.9%	**43.9%**

Notes:
1. Changes in major subsidiaries during the period (change in specified subsidiaries due to changes in the scope of consolidation): None
2. Benesse Holdings, Inc. used the simplified accounting method for the quarterly results. The simplified method was applied to calculate such items as income taxes, which had the least impacts from the changes.
3. Changes in accounting principles, procedures or methods of presentation associated with consolidated financial statements (significant changes in basis for preparation of consolidated financial statements)
   1) Revisions associated with accounting standards: Yes
   2) Other changes: None
   3) Changes in accounting estimates: None
   4) Restatement of corrections: None
4. Issued and outstanding shares (common stock)
   1) At the end of period (including treasury stock)
      December 31, 2014: 102,453,453 shares March 31, 2014: 102,453,453 shares
   2) Treasury stock at the end of period December 31, 2014: 6,263,793 shares March 31, 2014: 6,263,383 shares
   3) Average of shares of common stock outstanding for the period (cumulative for the period)
      Nine Months Ended December 31, 2014: 96,189,747 shares
      Nine Months Ended December 31, 2013: 96,441,914 shares
5. Comprehensive Income:
   Nine Months Ended December 31, 2014: ¥4,799 million (-77.7%)
   Nine Months Ended December 31, 2013: ¥21,480 million (-1.4%)
6. Equity:
   December 31, 2014: ¥204,450 million
   March 31, 2014: ¥209,077 million

2. Dividends

(Record date)	Dividends Per Share				
	The end of the first quarter	The end of the second quarter	The end of the third quarter	Year-end	Annual
	(Yen)				
Fiscal Year Ended March 31, 2014	—	47.50	—	47.50	95.00
Fiscal Year Ending March 31, 2015	—	47.50	—		
Fiscal Year Ending March 31, 2015 (Forecast)				47.50	95.00

CONSOLIDATED FORECAST OF RESULTS FOR FISCAL 2014, ENDING MARCH 31, 2015

	Entire Period
	(Millions of Yen)
Net Sales	¥ 467,000
Operating Income	28,000
Ordinary Income	26,500
Net Income	(9,000)~(1,000)
	(Yen)
Net Income per Share	¥ (93.56)~(10.40)

Notes: 1. Revision in the quarterly fiscal period under review to outlook for the fiscal 2014, ending March 31, 2015: None

2. These forecasts are based on information available to the company as of the date of release of this document and are subject to a number of risks, uncertainties and assumptions. As such, actual results may differ materially from those projected.

PERFORMANCE

Net Sales by Segment

(Millions of Yen)

Name of Segments	Nine Months Ended December 31, 2013 (A)	**Nine Months Ended December 31, 2014 (B)**	(B)/(A)	Year Ended March 31, 2014
Domestic Education Business Domain				
Senior High School Courses	¥ 20,199	**¥ 18,049**	89.4 %	¥ 25,773
Junior High School Courses	32,772	**30,027**	91.6	42,434
Elementary School Courses	55,095	**52,519**	95.3	72,005
Preschool Courses (*Kodomo Challenge*)	17,108	**16,300**	95.3	23,090
School & Teacher Support	32,213	**32,898**	102.1	44,205
Other	31,825	**31,876**	100.2	45,989
Subtotal	189,214	**181,672**	96.0	253,499
Overseas Education Business Domain	13,619	**15,066**	110.6	17,818
Lifestyle Business Domain	15,938	**12,035**	75.5	20,938
Senior/Nursing Care Business Domain	58,682	**64,285**	109.5	79,598
Language/Global Leadership Training Business Domain	51,277	**54,566**	106.4	70,830
Others	17,410	**19,650**	112.9	23,713
Total	¥ 346,143	**¥ 347,276**	100.3 %	¥ 466,399

Notes: 1 As a result of an organizational change effective April 1, 2014, Benesse Holdings, Inc. (the "Company") has revised its classification of reportable segments from the three months ended June 30, 2014. For details, please refer to Segment Information.
Moreover, net sales by segment for the nine months ended December 31, 2013 and for the fiscal year ended March 31, 2014 have been presented based on the new classification after this change.
2. Net sales by segment do not include intersegment sales or transfers.

Total *Shinkenzemi* Enrollment

Shinkenzemi is a system of correspondence courses that start with preschool courses for children and continue with courses for elementary, junior high school and senior high school students. *Shinkenzemi* students complete monthly assignments that are personally reviewed by a teacher. The following table shows a breakdown of cumulative enrollment by *Shinkenzemi* course:

(Thousands)

Course	Nine Months Ended December 31, 2013 (A)	**Nine Months Ended December 31, 2014 (B)**	(B)/(A)	Year Ended March 31, 2014
Senior High School Courses	2,394	**2,173**	90.7 %	3,052
Junior High School Courses	5,847	**5,394**	92.2	7,583
Elementary School Courses	14,521	**13,823**	95.2	18,973
Preschool Courses (*Kodomo Challenge*)	9,690	**8,863**	91.5	13,067
Total	32,454	**30,254**	93.2 %	42,677

Number of Nursing Homes and Elderly Houses

Series	As of December 31, 2013 (A)	**As of December 31, 2014 (B)**	(B)-(A)	As of March 31, 2014
Aria	19	**21**	2	20
Clara	40	**40**	—	40
Granny & Granda	93	**107**	14	99
Madoka	49	**52**	3	49
Bon Sejour	36	**38**	2	37
Cocochi	7	**10**	3	8
Li-Re	—	**1**	1	—
Total	244	**269**	25	253

Number of Lessons in Berlitz

(Thousands)

Region	Nine Months Ended September 30, 2013 (A)	**Nine Months Ended September 30, 2014 (B)**	(B)/(A)	Year Ended December 31, 2013
Americas	1,471	**1,381**	93.9 %	1,921
Europe	2,294	**2,200**	95.9	3,093
Asia	1,304	**1,281**	98.3	1,723
Total	5,070	**4,863**	95.9 %	6,737

Notes: 1. Number of lessons in Berlitz own-operated language centers.

2. At Telelangue SA, which became a subsidiary of Berlitz Corporation in August 2011, the number of lessons previously included undelivered lessons at the end of the customers' contract periods. However, since Telelangue has established a management system for aggregating lesson numbers, the undelivered lessons are excluded from the figures for Europe and for the total number, for the nine months ended September 30, 2014, the year ended December 31, 2013, and the nine months ended September 30, 2013.
   The numbers of undelivered lessons that have been excluded for the nine months ended September 30, 2014, the year ended December 31, 2013, and the nine months ended September 30, 2013 are 28 thousand lessons, 100 thousand lessons, and 43 thousand lessons, respectively.

3. (Reference information)
   Since the fiscal year-end for Berlitz Corporation is December 31, the above data on number of lessons for the nine months ended September 30 represents the number of lessons for January through September. We therefore disclose the preliminary data for language lessons at Berlitz Corporation for January through December below for reference. The number of lessons for January through December, 2014 might be changed, since they are preliminary results.

Number of Lessons

(Thousands)

Region	Year Ended December 31, 2013 (A)	**Year Ended December 31, 2014 (B) (Preliminary Data)**	(B)/(A)
Americas	1,921	**1,803**	93.9 %
Europe	3,093	**3,006**	97.2
Asia	1,723	**1,685**	97.8
Total	6,737	**6,496**	96.4 %

The numbers of undelivered lessons of Telelangue SA that have been excluded for the year ended December 31, 2014(preliminary data), the year ended December 31, 2013 are 63 thousand lessons and 100 thousand lessons, respectively.

CONSOLIDATED BALANCE SHEET

Assets	March 31, 2014	December 31, 2014
	(Millions of Yen)	
Current Assets:		
Cash and time deposits	¥ 79,726	**¥ 125,082**
Notes and accounts receivable-trade	31,266	**31,540**
Marketable securities	51,279	**6,018**
Merchandise and finished goods	31,750	**21,267**
Work in progress	4,611	**6,013**
Raw materials and supplies	1,643	**1,859**
Other current assets	64,251	**36,970**
Allowance for doubtful receivables	(1,750)	**(1,720)**
Total Current Assets	262,779	**227,032**
Fixed Assets:		
Tangible Fixed Assets:		
Buildings and structures-net	31,527	**31,811**
Land	38,319	**37,898**
Other tangible fixed assets-net	37,592	**50,629**
Total Tangible Fixed Assets	107,440	**120,339**
Intangible Fixed Assets:		
Goodwill	19,325	**18,662**
Other intangible fixed assets	38,706	**39,788**
Total Intangible Fixed Assets	58,031	**58,451**
Investments and Other Assets:		
Investment securities	18,040	**16,425**
Other assets	41,363	**43,549**
Allowance for doubtful receivables	(60)	**(63)**
Total Investments and Other Assets	59,343	**59,911**
Total Fixed Assets	224,815	**238,702**
Total	¥ 487,594	**¥ 465,734**

CONSOLIDATED BALANCE SHEET

Liabilities and Equity	March 31, 2014	December 31, 2014
	(Millions of Yen)	
Current Liabilities:		
Notes and accounts payable-trade	¥ 18,037	**¥ 11,509**
Current portion of long-term debt	6,250	**21,275**
Accrued income taxes	6,278	**1,665**
Advances received	93,468	**66,808**
Reserve for after-service costs	628	**604**
Reserve for employees' bonuses	6,841	**3,903**
Reserve for goods return	343	**388**
Provision for business structure improvement	—	**2,032**
Provision for information security management	—	**4,559**
Other current liabilities	41,093	**40,685**
Total Current Liabilities	172,943	**153,434**
Long-Term Liabilities:		
Long-term debt, less current portion	25,000	**10,030**
Reserve for directors' retirement allowances	165	**170**
Liability for retirement benefits	6,708	**7,214**
Other long-term liabilities	67,667	**84,443**
Total Long-Term Liabilities	99,541	**101,858**
Total Liabilities	272,484	**255,293**
Total Equity:		
Equity:		
Common stock	13,600	**13,600**
Capital surplus	29,358	**29,358**
Retained earnings	193,679	**188,272**
Treasury stock, at cost	(21,730)	**(21,731)**
Total Shareholders' Equity	214,907	**209,499**
Accumulated other comprehensive income:		
Unrealized gain on available-for-sale securities	1,712	**1,883**
Foreign currency translation adjustments	(5,456)	**(5,067)**
Defined retirement benefit plans	(2,086)	**(1,864)**
Total accumulated other comprehensive income	(5,830)	**(5,048)**
Stock acquisition rights	141	**—**
Minority interests	5,891	**5,990**
Total Equity	215,109	**210,441**
Total	¥ 487,594	**¥ 465,734**

CONSOLIDATED STATEMENT OF INCOME

	Nine Months Ended December 31, 2013		**Nine Months Ended December 31, 2014**	
	(Millions of Yen)			
Net Sales	¥	346,143	**¥**	**347,276**
Cost of Sales:		181,003		**191,390**
Gross Profit		165,140		**155,886**
Reversal of reserve for goods return		362		**343**
Provision for reserve for goods return		347		**388**
Adjusted Gross Profit		165,155		**155,840**
Selling, General and Administrative Expenses:				
Direct mail expenses		17,505		**6,560**
Advertising expenses		8,358		**7,763**
Wages and salaries		28,938		**28,551**
Provision for reserve for employees' bonuses		1,993		**1,879**
Net periodic benefit costs		—		**1,556**
Provision for reserve for employees' retirement benefits		1,101		**—**
Provision for reserve for directors' retirement allowances		60		**33**
Provision for allowance for doubtful receivables		685		**639**
Other		71,193		**67,869**
Total Selling, General and Administrative Expenses		129,836		**114,853**
Operating Income		35,319		**40,987**
Non-Operating Income:				
Interest income		310		**310**
Rent income		363		**382**
Foreign exchange gain		240		**651**
Gain on investments in partnership		459		**79**
Other		820		**597**
Total Non-Operating Income		2,193		**2,021**
Non-Operating Expenses:				
Interest expenses		992		**1,706**
Rent expenses		167		**159**
Loss on derivatives		1,132		**492**
Other		335		**308**
Total Non-Operating Expenses		2,628		**2,667**
Ordinary Income	¥	34,884	**¥**	**40,340**

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CONSOLIDATED STATEMENT OF INCOME (continued)

	Nine Months Ended December 31, 2013	**Nine Months Ended December 31, 2014**
	(Millions of Yen)	
Special Gains:		
Gain on sales of fixed assets	¥ 98	**¥ 114**
Gain on sales of investments of a consolidated subsidiary	1,537	**—**
Gain on reversal of subscription rights to shares	317	**141**
Other	42	**—**
Total Special Gains	1,995	**255**
Special Losses:		
Loss on sales of fixed assets	0	**13**
Loss on impairment of long-lived assets	1,452	**—**
Valuation loss on investment securities	—	**4**
Restructuring expenses of foreign consolidated subsidiary	359	**1,008**
Loss on restructuring of business	—	**792**
Business structure improvement expenses	550	**2,033**
Information security management expenses	—	**26,000**
Other	49	**10**
Total Special Losses	2,412	**29,862**
Income before Income Taxes and Minority Interests	34,467	**10,734**
Income Taxes	13,819	**6,729**
Net Income before Minority Interests	20,648	**4,005**
Minority Interests in Net Income	137	**358**
Net Income	¥ 20,511	**¥ 3,646**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Nine Months Ended December 31, 2013	**Nine Months Ended December 31, 2014**
	(Millions of Yen)	
Net Income before Minority Interests	¥ 20,648	**¥ 4,005**
Other Comprehensive Income		
Unrealized gain on available-for-sale securities	728	**173**
Foreign currency translation adjustments	167	**389**
Pension liability adjustments for a foreign consolidated subsidiary	(70)	**—**
Defined retirement benefit plans	—	**229**
Share of other comprehensive income in associates	5	**2**
Total Other Comprehensive Income	831	**794**
Comprehensive Income	¥ 21,480	**¥ 4,799**
Total Comprehensive Income Attributable to		
Owners of the parent	¥ 21,370	**¥ 4,427**
Minority interests	109	**371**

CONSOLIDATED STATEMENT OF CASH FLOWS

	Nine Months Ended December 31, 2013	**Nine Months Ended December 31, 2014**
	(Millions of Yen)	
Operating Activities:		
Income before income taxes and minority interests	¥ 34,467	**¥ 10,734**
Depreciation and amortization	12,948	**15,019**
Loss on impairment of long-lived assets	1,452	**—**
Decrease in allowances and reserves-net	(2,862)	**(1,292)**
Loss on restructuring of business	—	**792**
Gain on sales of investments of a consolidated subsidiary	(1,537)	**—**
Information security management expenses	—	**26,000**
Other non-cash income and expenses-net	217	**1,836**
(Increase) decrease in notes and accounts receivable-trade	624	**(156)**
Decrease (increase) in inventories	(858)	**7,981**
Decrease in accounts receivable-other	20,948	**27,192**
Decrease in notes and accounts payable-trade	(1,892)	**(6,574)**
Decrease in accounts payable-other	(4,456)	**(6,849)**
Decrease in advances received	(19,978)	**(26,990)**
Changes in other assets and liabilities-net	3,413	**8,194**
Subtotal	42,486	**55,888**
Interest and dividends received	395	**435**
Interest paid	(997)	**(1,701)**
Information security management expenses paid	—	**(15,521)**
Income taxes paid	(18,713)	**(13,119)**
Income taxes refund	3,282	**1,741**
Net Cash Provided by Operating Activities	26,453	**27,721**
Investing Activities:		
Purchases of marketable securities	(56,065)	**(23,426)**
Proceeds from sales of marketable securities	60,628	**55,939**
Purchases of tangible fixed assets	(6,255)	**(4,619)**
Purchases of software	(9,654)	**(10,282)**
Purchases of investment securities	(3,036)	**(1,947)**
Proceeds from sales of investment securities	2,033	**179**
Acquisition of controlling interests in a company	(313)	**(1,179)**
Sale of interests in subsidiary previously consolidated	(477)	**—**
Additional acquisition of interests of a consolidated subsidiary	(302)	**—**
(Increase) decrease in time deposits-net	1,556	**(3,586)**
Other-net	(1,100)	**(2,770)**
Net Cash Provided by (Used in) Investing Activities	(12,987)	**8,305**
Financing Activities:		
(Decrease) increase in short-term bank loans-net	100	**(786)**
Dividends paid	(9,167)	**(9,122)**
Purchases of treasury stock	(3,722)	**(3)**
Repayments of lease obligations	(997)	**(1,326)**
Other-net	96	**(163)**
Net Cash Used in Financing Activities	(13,690)	**(11,401)**
Foreign Currency Translation Adjustment on Cash and Cash Equivalents	1,594	**145**
Increase in Cash and Cash Equivalents	1,370	**24,771**
Cash and Cash Equivalents, Beginning of Period	97,802	**93,835**
Cash and Cash Equivalents, End of Period	¥ 99,172	**¥ 118,607**

REGARDING CONSOLIDATED STATEMENT OF INCOME

Business structure improvement expenses

The ¥2,033 million in business structure improvement expenses (includes provision for business structure improvement of ¥2,032 million) are comprised primarily of ¥1,840 million in extra retirement payments resulting from voluntary retirement at consolidated subsidiaries such as Synform Co., Ltd., Benesse Corporation and the other companies.

Information security management expenses

In conjunction with the leakage of customers' personal information at consolidated subsidiary Benesse Corporation, the Company has recorded expenses of ¥26,000 million relating to apology to customers and mailing apologies to customers, expenses for responding to customers inquiries, and expenses for investigation of the personal information leak and information security management (includes provision for information security management of ¥4,559 million). These expenses may change going forward if new facts come to light, or if additional responses become necessary; however, we believe the estimate to be rational.

Breakdown of the information security expenses were made as follows.

Item	Amount (Millions of Yen)	
Apology to customers	**¥**	**20,000**
Expenses for mailing apologies to customers, expenses for responding to customers inquiries, and expenses for investigation of the personal information leak and information security management		**6,000**
Total	**¥**	**26,000**

SEGMENT INFORMATION

1.Segment Information for Nine Months Ended December 31, 2014

(a) Information Regarding Sales and Profit (Loss) by Reportable Segment

Nine Months Ended December 31, 2014 (Millions of Yen)

	Sales			Segment Profit
	Sales to External Customers	Intersegment Sales or Transfers	Total	
Reportable Segments:				
Domestic Education Business Domain	¥ 181,672	¥ 266	¥ 181,938	¥ 37,284
Overseas Education Business Domain	15,066	—	15,066	1,458
Lifestyle Business Domain	12,035	—	12,035	420
Senior/Nursing Care Business Domain	64,285	36	64,322	3,549
Language/Global Leadership Training Business Domain	54,566	88	54,655	1,659
Reportable Segement Total	327,626	391	328,017	44,372
Others	19,650	19,492	39,142	1,550
Total	347,276	19,884	367,160	45,923
Reconciliations	—	(19,884)	(19,884)	(4,935)
Consolidated	¥ 347,276	¥ —	¥ 347,276	¥ 40,987

Notes:
1. The "Others" category indicates business segments not included in the reportable segments, including the telemarketing business, the computer data processing service business, the systems development sales business, and other businesses.
2. Segment profit reconciliations of ¥-4,935 million includes intersegment eliminations of ¥-1,018 million and corporate expenses not allocated to segments of ¥-3,916 million. Corporate expenses consist mainly of expenses related to the parent company, a holding company not accounted for by the reportable segments.
3. Segment profit is reconciled with operating income in the consolidated statement of income.

(b) Information Regarding Loss on Impairment of Long-Lived Assets and Goodwill by Reportable Segment

(Significant change of goodwill amount)
In the Domestic Education Business Domain, the Company acquired all the outstanding shares of Minerva Intelligence Co., Ltd. and Minerva Intelligence Co., Ltd. became a consolidated subsidiary of the Company. As a result, goodwill increased by ¥1,313 million during the nine-months ended December 31, 2014.

(c) Matters Regarding Changes of Reportable Segment

From the three months ended June 30, 2014, as a result of an organizational change effective April 1, 2014, the following changes took place: the Sukku Store business department of the consolidated subsidiary Benesse Corporation and the consolidated subsidiary Benesse Music Publishing Co. were reclassified from the Lifestyle Business Domain segment to the Domestic Education Business Domain segment; the Education Research Department and the EdTech Lab, which were transferred to the Company from the consolidated subsidiary Benesse Corporation, were reclassified from the Domestic Education Business Domain segment to Reconciliations as corporate expenses; and the International Education Business Promotion Office was reclassified from the Overseas Education Business Domain segment to Reconciliations as corporate expenses.
Moreover, segment information for the nine months ended December 31, 2013 has been presented based on the new classification after this change.

2.Segment Information for Nine Months Ended December 31, 2013

(a) Information Regarding Sales and Profit (Loss) by Reportable Segment

Nine Months Ended December 31, 2013 (Millions of Yen)

	Sales			Segment Profit (Loss)
	Sales to External Customers	Intersegment Sales or Transfers	Total	
Reportable Segments:				
Domestic Education Business Domain	¥ 189,214	¥ 341	¥ 189,555	¥ 34,011
Overseas Education Business Domain	13,619	—	13,619	(246)
Lifestyle Business Domain	15,938	0	15,938	245
Senior/Nursing Care Business Domain	58,682	36	58,719	3,945
Language/Global Leadership Training Business Domain	51,277	32	51,310	458
Reportable Segement Total	328,732	411	329,143	38,415
Others	17,410	17,775	35,186	410
Total	346,143	18,187	364,330	38,825
Reconciliations	—	(18,187)	(18,187)	(3,506)
Consolidated	¥ 346,143	¥ —	¥ 346,143	¥ 35,319

Notes:
1. The "Others" category indicates business segments not included in the reportable segments, including the telemarketing business, the computer data processing service business, the systems development sales business, and other businesses.
2. Segment profit (loss) reconciliations of ¥-3,506 million includes intersegment eliminations of ¥246 million and corporate expenses not allocated to segments of ¥-3,752 million. Corporate expenses consist mainly of expenses related to the parent company, a holding company not accounted for by the reportable segments.
3. Segment profit (loss) is reconciled with operating income in the consolidated statement of income.

(b) Information Regarding Loss on Impairment of Long-Lived Assets and Goodwill by Reportable Segment

(Significant loss on impairment of long-lived assets)

(Millions of Yen)

	Loss on Impairment of Long-Lived Assets
Domestic Education Business Domain	**¥ 103**
Overseas Education Business Domain	**63**
Lifestyle Business Domain	**331**
Senior/Nursing Care Business Domain	**—**
Language/Global Leadership Training Business Domain	**—**
Others	**—**
Corporate/Eliminations	**1,233**
Total	**¥ 1,732**

Notes:
1. The amount of ¥280 million under the loss on impairment of long-lived assets of Lifestyle Business Domain is included in business structure improvement expenses.
2. The amount under Corporate/Eliminations is the loss on impairment of long-lived assets arising from a sales management system for the correspondence course business and other business under development, and land and other assets that were decided to be sold at consolidated subsidiary Benesse Corporation that remains unallocated to reportable segments.

NOTES ON CORPORATE INTEGRATION, ETC.

Corporate Integration through Acquisition

The Company acquired all the outstanding shares of Minerva Intelligence Co., Ltd. (Headquarters: Shinjuku-ku, Tokyo) on November 4, 2014. As a result, Minerva Intelligence Co., Ltd. ("Minerva") became a consolidated subsidiary of the Company.

1. Overview of Integration
   (a) Name of acquired company and details of business
   Acquired company: Minerva Intelligence Co., Ltd.
   Business acquired: English language classes for children business
   (b) Reasons for corporate integration
   Minerva operates English language classes for children ("Minerva English Conversation for Children") at approximately 400 classrooms (as of October 31, 2014) predominantly in the Tokyo metropolitan area and the Kansai region. In recent years Minerva has focused on opening classrooms in shopping centers and other commercial complexes. By making Minerva into a subsidiary, the Company will effectively fuse the resources, such as the expertise, teaching materials and bases as regards children's English-language education activities, of the three companies of Benesse Corporation, Berlitz Japan, Inc., and Minerva, with the world-class language teaching methods of Berlitz Japan, Inc. In doing so, the Company will aim to implement services that can provide diverse and effective English language experiences to meet customers' needs in response to changes in school education and society.
   (c) Date of integration
   Deemed date of acquisition: November 1, 2014
   (d) Legal form of the integration
   Cash acquisition of shares
   (e) Name after integration
   Minerva Intelligence Co., Ltd.
   (f) Percentage of voting rights acquired
   100%
   (g) Basis for determination of the acquiring company
   The Company acquire the shares by cash.

2. Period of Business Results of the Acquired Company Included in the Consolidated Statement of Income for the Nine Months Ended December 31, 2014.
   From November 1, 2014 to December 31, 2014

3. Price for Acquired Company and Breakdown

Acquisition price:	Cash	¥ 1,350	million
Direct cost required for acquisition:	Advisory fees and other	46	
Purchase price:		1,396	

4. Amount of Goodwill Incurred, Reasons for Goodwill, Amortization Method and Period
   (a) Amount of goodwill incurred
   ¥ 1,313 million
   (b) Reasons for goodwill
   The net balance exceeding the acquisition price for the Minerva allocated for assets, or due to liabilities assumed, as a result of acquire of shares is recorded as goodwill.
   (c) Amortization method and period
   Amortized equally over 11 years

SUBSEQUENT EVENTS

Establishment of a Joint Venture (Consolidated Subsidiary)

The company resolved at a Board of Directors meeting on November 28, 2014 to establish a joint venture with LAC Co., Ltd. (Headquarters: Chiyoda-ku, Tokyo, Representative Director and President: Teruhiko Takanashi), subsequently established on January 15, 2015.

1. Purpose of Establishing the Joint Venture

The Company and LAC Co., Ltd. will establish a joint venture as a specialized function company to undertake operation and maintenance of the Benesse Group's backbone information systems, which are an important part of its business infrastructure. In this capacity, the joint venture will achieve world-class security and operating efficiency. The joint venture will operate and maintain an information system that enables appropriate use of the Benesse Group's important data according to its level of importance. The data, including personal information the Benesse Group receives from customers, will be managed in an environment whose physical and logical safety is assured, based on advanced information technology and simple, clear security level definitions.

2. Name, Business Activities and Scale of the Establishing Company

(a) Name

Benesse Infoshell Co., Ltd.

(b) Business activities

Maintenance and operation service for information systems and information processing service
Consulting services for information systems and information security

(c) Headquarters location

10-1 Takayanagi Higashimachi, Kita-ku, Okayama-shi, Okayama Prefecture

(d) Name and title of representative

Atsunori Takano, Representative Director and President

(e) Paid-in Capital

¥ 5 million

3. Date of establishment

January 15, 2015

4. Number of Shares, Amount of Investment and Shareholding Ratios

(a) Number of shares

7 shares

(b) Amount of investment

¥ 7 million

(c) Shareholding ratios

Benesse Holdings, Inc.	70%
LAC Co., Ltd.	30%