

FY2/17 1Q (March 2016~May 2016) Fact Book

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1. Trends in the current fiscal year and previous fiscal year

(1) Performance overview

(Millions of yen)	FY February-2016 (FY2/16)				FY February-2017 (FY2/17)											
	1Q (2015/3/1~ 2015/5/31)	First half (2015/3/1~ 2015/8/31)	3Q (2015/3/1~ 2015/11/30)	Full year (2015/3/1~ 2016/2/29)	1Q (2016/3/1~2016/5/31)			First half (2016/3/1~2016/8/31)			3Q (2016/3/1~2016/11/30)			Full year (2016/3/1~2017/2/28)		
					Result	YOY +/-	YOY %	Result	YOY +/-	YOY %	Result	YOY +/-	YOY %	Result	YOY +/-	YOY %
Net sales	3,042	7,906	11,777	17,094	3,254	212	107.0%									
Cost of sales	2,300	5,029	7,550	10,364	2,504	203	108.8%									
Cost of sales ratio	75.6%	63.6%	64.1%	60.6%	76.9%	-	-									
Gross profit	741	2,877	4,227	6,730	750	8	101.2%									
Gross profit margin	24.4%	36.4%	35.9%	39.4%	23.1%	-	-									
SG&A	1,640	2,716	3,541	4,512	1,705	64	104.0%									
SG&A ratio	53.9%	34.4%	30.1%	26.4%	52.4%	-	-									
Operating income (loss)	-898	160	685	2,217	-954	-55	-									
Operating income margin	-	2.0%	5.8%	13.0%	-	-	-									
Ordinary income (loss)	-896	163	689	2,223	-952	-56	-									
Ordinary income margin	-	2.1%	5.9%	13.0%	-	-	-									
Net income (loss)	-596	81	413	1,383	-670	-74	-									
Net income margin	-	1.0%	3.5%	8.1%	-	-	-									

(2) Cost of sales breakdown

(Millions of yen)	FY February-2016 (FY2/16)				FY February-2017 (FY2/17)											
	1Q (2015/3/1~ 2015/5/31)	First half (2015/3/1~ 2015/8/31)	3Q (2015/3/1~ 2015/11/30)	Full year (2015/3/1~ 2016/2/29)	1Q (2016/3/1~2016/5/31)			First half (2016/3/1~2016/8/31)			3Q (2016/3/1~2016/11/30)			Full year (2016/3/1~2017/2/28)		
					Result	YOY +/-	YOY %	Result	YOY +/-	YOY %	Result	YOY +/-	YOY %	Result	YOY +/-	YOY %
Cost of sales (100%)	2,300	5,029	7,550	10,364	2,504	203	108.8%									
Personnel expenses	550	1,089	1,588	2,096	569	19	103.6%									
Ratio to cost of sales	23.9%	21.7%	21.0%	20.2%	22.8%	-	-									
Instructors expense	867	2,123	3,202	4,609	983	116	113.4%									
Ratio to cost of sales	37.7%	42.2%	42.4%	44.5%	39.3%	-	-									
Rent	474	963	1,467	1,978	517	42	109.0%									
Ratio to cost of sales	20.6%	19.2%	19.4%	19.1%	20.7%	-	-									
Lease	69	135	207	275	73	4	107.0%									
Ratio to cost of sales	3.0%	2.7%	2.7%	2.7%	2.9%	-	-									
Property expense	55	121	180	231	55	0	99.1%									
Ratio to cost of sales	2.4%	2.4%	2.4%	2.2%	2.2%	-	-									
Depreciation	29	65	103	142	30	0	103.0%									
Ratio to cost of sales	1.3%	1.3%	1.4%	1.4%	1.2%	-	-									
Others	253	531	801	1,030	273	19	107.7%									
Ratio to cost of sales	11.0%	10.6%	10.6%	9.9%	10.9%	-	-									

(3) SG&A breakdown

(Millions of yen)	FY February-2016 (FY2/16)				FY February-2017 (FY2/17)											
	1Q (2015/3/1~ 2015/5/31)	First half (2015/3/1~ 2015/8/31)	3Q (2015/3/1~ 2015/11/30)	Full year (2015/3/1~ 2016/2/29)	1Q (2016/3/1~2016/5/31)			First half (2016/3/1~2016/8/31)			3Q (2016/3/1~2016/11/30)			Full year (2016/3/1~2017/2/28)		
					Result	YOY +/-	YOY %	Result	YOY +/-	YOY %	Result	YOY +/-	YOY %	Result	YOY +/-	YOY %
SG&A (100%)	1,640	2,716	3,541	4,512	1,705	64	104.0%									
Personnel expenses (Salaries/Bonuses/Miscellaneous wages and salaries)	260	518	793	1,066	282	22	108.6%									
Ratio to SG&A	15.9%	19.1%	22.4%	23.6%	16.6%	-	-									
Advertising	1,048	1,587	1,862	2,262	1,031	-17	98.3%									
Ratio to SG&A	63.9%	58.4%	52.6%	50.1%	60.5%	-	-									
Recruiting	79	112	152	194	104	25	131.9%									
Ratio to SG&A	4.8%	4.1%	4.3%	4.3%	6.2%	-	-									
Rent	19	38	58	78	20	0	104.2%									
Ratio to SG&A	1.2%	1.4%	1.7%	1.7%	1.2%	-	-									
Commissions	124	252	362	507	127	2	101.9%									
Ratio to SG&A	7.6%	9.3%	10.2%	11.2%	7.5%	-	-									
Depreciation	8	17	26	38	17	8	202.4%									
Ratio to SG&A	0.5%	0.6%	0.7%	0.8%	1.0%	-	-									
Others	98	189	285	364	121	22	123.0%									
Ratio to SG&A	6.0%	7.0%	8.1%	8.1%	7.1%	-	-									

(4) Net sales by segment

(Millions of yen)	FY February-2016 (FY2/16)				FY February-2017 (FY2/17)											
	1Q (2015/3/1~ 2015/5/31)	First half (2015/3/1~ 2015/8/31)	3Q (2015/3/1~ 2015/11/30)	Full year (2015/3/1~ 2016/2/29)	1Q (2016/3/1~2016/5/31)			First half (2016/3/1~2016/8/31)			3Q (2016/3/1~2016/11/30)			Full year (2016/3/1~2017/2/28)		
					Result	YOY +/-	YOY %	Result	YOY +/-	YOY %	Result	YOY +/-	YOY %	Result	YOY +/-	YOY %
Tuition	2,235	4,906	8,417	11,671	2,397	162	107.3%									
Workshops	530	2,395	2,385	4,082	558	28	105.4%									
Admission Fees & Occupancy	173	376	607	838	186	13	107.7%									
Textbooks etc.	45	107	177	247	42	-3	93.3%									
Science/Writing	54	108	169	224	63	8	115.6%									
Internet	1	6	10	15	3	1	191.8%									
Class Benesse	1	6	9	14	2	0	145.5%									
Total	3,042	7,906	11,777	17,094	3,254	212	107.0%									

(5) Net sales by student type

(Millions of yen)	FY February-2016 (FY2/16)				FY February-2017 (FY2/17)											
	1Q (2015/3/1~ 2015/5/31)	First half (2015/3/1~ 2015/8/31)	3Q (2015/3/1~ 2015/11/30)	Full year (2015/3/1~ 2016/2/29)	1Q (2016/3/1~2016/5/31)			First half (2016/3/1~2016/8/31)			3Q (2016/3/1~2016/11/30)			Full year (2016/3/1~2017/2/28)		
					Result	YOY +/-	YOY %	Result	YOY +/-	YOY %	Result	YOY +/-	YOY %	Result	YOY +/-	YOY %
Primary school students	296	667	976	1,397	301	5	101.9%									
Middle school students	1,189	2,973	4,390	6,614	1,215	25	102.2%									
High school students	1,499	4,144	6,222	8,828	1,668	169	111.3%									
Science/Writing	54	108	169	224	63	8	115.6%									
Net school students	1	6	10	15	3	1	191.8%									
Class Benesse	1	6	9	14	2	0	145.5%									
Total	3,042	7,906	11,777	17,094	3,254	212	107.0%									

2. Secular trends in first quarter financial results

(1) Performance overview

(Millions of yen)	1Q (3/1~5/31)					Total (3/1~2/28)				
	FY 2/13 (30th)	FY 2/14 (31st)	FY 2/15 (32nd)	FY 2/16 (33rd)	FY 2/17 (34th)	FY 2/13 (30th)	FY 2/14 (31st)	FY 2/15 (32nd)	FY 2/16 (33rd)	FY 2/17 (34th)
Sales	2,536	2,638	2,870	3,042	3,254					
Cost of sales	1,907	1,963	2,107	2,300	2,504					
Cost of sales ratio	75.2%	74.4%	73.4%	75.6%	76.9%					
Gross profit	629	675	762	741	750					
Gross profit margin	24.8%	25.6%	26.6%	24.4%	23.1%					
SG&A	1,404	1,502	1,615	1,640	1,705					
SG&A ratio	55.4%	56.9%	56.3%	53.9%	52.4%					
Operating income (loss)	-774	-826	-852	-898	-954					
Operating income margin	-	-	-	-	-					
Ordinary income (loss)	-773	-825	-851	-896	-952					
Ordinary income margin	-	-	-	-	-					
Net income (loss)	-470	-523	-539	-596	-670					
Net income margin	-	-	-	-	-					

(2) Cost of sales breakdown

(Millions of yen)	1Q (3/1~5/31)					Total (3/1~2/28)				
	FY 2/13 (30th)	FY 2/14 (31st)	FY 2/15 (32nd)	FY 2/16 (33rd)	FY 2/17 (34th)	FY 2/13 (30th)	FY 2/14 (31st)	FY 2/15 (32nd)	FY 2/16 (33rd)	FY 2/17 (34th)
Cost of sales (100%)	1,907	1,963	2,107	2,300	2,504					
Personnel expenses	406	436	444	550	569					
Ratio to cost of sales	21.3%	22.2%	21.1%	23.9%	22.8%					
Instructors expense	736	753	813	867	983					
Ratio to cost of sales	38.6%	38.4%	38.6%	37.7%	39.3%					
Rent	405	402	434	474	517					
Ratio to cost of sales	21.2%	20.5%	20.6%	20.6%	20.7%					
Lease	45	52	62	69	73					
Ratio to cost of sales	2.4%	2.7%	3.0%	3.0%	2.9%					
Property expense	59	49	71	55	55					
Ratio to cost of sales	3.1%	2.5%	3.4%	2.4%	2.2%					
Depreciation	19	23	26	29	30					
Ratio to cost of sales	1.0%	1.2%	1.2%	1.3%	1.2%					
Others	234	244	254	253	273					
Ratio to cost of sales	12.3%	12.5%	12.1%	11.0%	10.9%					

(3) SG&A breakdown

(Millions of yen)	1Q (3/1~5/31)					Total (3/1~2/28)				
	FY 2/13 (30th)	FY 2/14 (31st)	FY 2/15 (32nd)	FY 2/16 (33rd)	FY 2/17 (34th)	FY 2/13 (30th)	FY 2/14 (31st)	FY 2/15 (32nd)	FY 2/16 (33rd)	FY 2/17 (34th)
SG&A (100%)	1,404	1,502	1,615	1,640	1,705					
Personnel expenses (Salaries/Bonuses/Miscellaneous wages and salaries)	226	248	259	260	282					
Ratio to SG&A	16.1%	16.5%	16.0%	15.9%	16.6%					
Advertising	865	951	982	1,048	1,031					
Ratio to SG&A	61.6%	63.4%	60.8%	63.9%	60.5%					
Recruiting	49	54	80	79	104					
Ratio to SG&A	3.5%	3.6%	5.0%	4.8%	6.2%					
Rent	16	16	16	19	20					
Ratio to SG&A	1.2%	1.1%	1.0%	1.2%	1.2%					
Commissions	115	109	125	124	127					
Ratio to SG&A	8.2%	7.3%	7.8%	7.6%	7.5%					
Depreciation	11	11	14	8	17					
Ratio to SG&A	0.8%	0.8%	0.9%	0.5%	1.0%					
Others	119	109	136	98	121					
Ratio to SG&A	8.5%	7.3%	8.5%	6.0%	7.1%					

(4) Net sales by segment

(Millions of yen)	1Q (3/1~5/31)					Total (3/1~2/28)				
	FY 2/13 (30th)	FY 2/14 (31st)	FY 2/15 (32nd)	FY 2/16 (33rd)	FY 2/17 (34th)	FY 2/13 (30th)	FY 2/14 (31st)	FY 2/15 (32nd)	FY 2/16 (33rd)	FY 2/17 (34th)
Tuition	1,889	1,963	2,160	2,235	2,397					
Workshops	443	473	453	530	558					
Admission Fees & Occupancy	153	139	160	173	186					
Textbooks, etc.	50	62	55	45	42					
Science/Writing	-	-	38	54	63					
Internet	-	-	-	1	3					
Class Benesse	-	-	-	1	2					
Total	2,536	2,638	2,870	3,042	3,254					

(5) Net sales by student type

(Millions of yen)	1Q (3/1~5/31)					Total (3/1~2/28)				
	FY 2/13 (30th)	FY 2/14 (31st)	FY 2/15 (32nd)	FY 2/16 (33rd)	FY 2/17 (34th)	FY 2/13 (30th)	FY 2/14 (31st)	FY 2/15 (32nd)	FY 2/16 (33rd)	FY 2/17 (34th)
Primary school students	216	270	282	296	301					
Middle school students	901	1,074	1,159	1,189	1,215					
High school students	1,419	1,293	1,388	1,499	1,668					
Science/Writing	-	-	38	54	63					
Net school students	-	-	-	1	3					
Class Benesse	-	-	-	1	2					
Total	2,536	2,638	2,870	3,042	3,254					

3. Business overview

(1) No. of students at the end of month

(Students)

	FY 2/13 (30th)	FY 2/14 (31st)	FY 2/15 (32nd)	FY 2/16 (33rd)	FY 2/17 (34th)	YOY +/-	YOY %
Mar.	18,766	19,173	20,696	21,749	23,323	1,574	107.2%
Apr.	19,591	20,663	22,190	23,357	24,867	1,510	106.5%
May	19,696	20,971	22,638	23,813	25,276	1,463	106.1%
Jun.	20,523	21,981	23,571	25,144			
Jul.	23,316	25,252	27,075	28,956			
Aug.	23,480	25,649	27,359	29,404			
Sep.	23,701	26,047	27,695	29,806			
Oct.	23,927	26,455	27,999	30,137			
Nov.	23,856	26,539	27,885	30,165			
Dec.	24,233	26,830	28,203	30,493			
Jan.	22,576	25,118	26,315	28,500			
Feb.	19,235	20,807	21,473	22,918			
Average	21,908	23,790	25,258	27,036			

* Monthly quick estimate

(2) No. of new students

(Students)

	FY 2/13 (30th)	FY 2/14 (31st)	FY 2/15 (32nd)	FY 2/16 (33rd)	FY 2/17 (34th)	YOY +/-	YOY %
Mar.	2,404	2,467	2,803	3,112	3,395	283	109.1%
Apr.	1,570	2,170	2,238	2,419	2,554	135	105.6%
May	686	877	1,028	950	1,108	158	116.6%
Jun.	1,360	1,646	1,653	2,017			
Jul.	3,353	4,022	4,172	4,673			
Aug.	730	1,170	1,093	1,269			
Sep.	835	1,130	1,115	1,364			
Oct.	969	1,225	1,142	1,340			
Nov.	971	1,261	1,128	1,263			
Dec.	1,435	1,635	1,602	1,764			
Jan.	792	980	1,011	977			
Feb.	1,056	1,027	1,135	1,251			
Total	16,161	19,610	20,120	22,399			

* Monthly quick estimate

(3) Withdrawal rate (Including graduated students who proceed to higher education)

	FY 2/13 (30th)	FY 2/14 (31st)	FY 2/15 (32nd)	FY 2/16 (33rd)	FY 2/17 (34th)	YOY +/-
Mar.	13.47%	13.15%	14.00%	13.21%	13.05%	-0.16%
Apr.	3.97%	3.55%	3.59%	3.73%	4.33%	0.60%
May	2.97%	2.75%	2.61%	2.11%	2.81%	0.70%
Jun.	2.71%	3.03%	3.18%	2.88%		
Jul.	2.73%	3.42%	2.83%	3.42%		
Aug.	2.43%	3.06%	2.99%	2.84%		
Sep.	2.61%	2.85%	2.85%	3.27%		
Oct.	3.13%	3.14%	3.03%	3.39%		
Nov.	4.35%	4.45%	4.44%	4.10%		
Dec.	4.43%	5.06%	4.60%	4.76%		
Jan.	10.11%	10.03%	10.28%	9.74%		
Feb.	19.48%	21.25%	22.71%	23.98%		
Total	72.39%	75.74%	77.11%	77.43%		

* Monthly quick estimate

(4) Breakdown by student type (Avg.)

(Students)

	FY 2/13 (30th) 12/03-12/05	FY 2/14 (31st) 13/03-13/05	FY 2/15 (32nd) 14/03-14/05	FY 2/16 (33rd) 15/03-15/05	FY 2/17 (34th) 16/03-16/05	YOY +/-
Primary school students	1,865 9.6%	2,374 11.7%	2,505 11.5%	2,591 11.3%	2,587 10.6%	-4 -
Middle school students	7,104 36.7%	8,130 40.1%	8,736 40.0%	9,122 39.7%	9,284 37.9%	162 -
High school students	10,382 53.7%	9,765 48.2%	10,600 48.5%	11,260 49.0%	12,617 51.5%	1,357 -
Total	19,351 100.0%	20,269 100.0%	21,841 100.0%	22,973 100.0%	24,488 100.0%	1,515 -

(5) Net sales by student (Individualized education)

	FY 2/13 (30th)	FY 2/14 (31st)	FY 2/15 (32nd)	FY 2/16 (33rd)	FY 2/17 (34th)	YOY +/-
Net sales (1,000 yen)	2,536,982	2,638,490	2,831,460	2,984,565	3,185,668	201,103
Average no. students (Students)	19,351	20,269	21,841	22,973	24,488	1,515
Net sales per student (Yen)	131,103	130,173	129,639	129,916	130,091	175

4. Secular trends in key indicators

(1) Financial condition, others (1Q)

(Million of yen)	1Q				
	FY 2/13 (30th)	FY 2/14 (31st)	FY 2/15 (32nd)	FY 2/16 (33rd)	FY 2/17 (34th)
Total assets	7,019	7,107	7,718	8,258	8,496
Current assets	4,936	5,413	5,857	6,166	6,182
Cash and deposits	4,092	4,563	4,912	4,917	4,936
Accounts receivable	173	187	244	247	220
Fixed assets	2,083	1,694	1,860	2,092	2,313
Current liabilities	1,119	1,215	1,434	1,400	1,640
Accounts payable & expenses	683	711	885	883	1,010
Long-term liabilities	17	29	26	15	7
Total equity	5,882	5,862	6,257	6,843	6,848
Paid-in cap. (Millions of yen)	642	642	642	642	642
Issued stock (No.)	54,291,435	54,291,435	54,291,435	54,291,435	54,291,435
(Treasury shares in above)	50	51	51	51	51
EPS average (Yen)	-8.67	-9.64	-9.94	-10.98	-12.36
BPS average (Yen)	108.34	107.97	115.26	126.04	126.15
Annual dividends (Yen)	6.00	6.00	8.00	24.00	26.00
No. of schools	197	202	211	219	229
No. of students	19,696	20,971	22,638	23,813	25,276
Employees (Regular)	412	403	413	438	457
Part-time employees, etc.	5,578	5,669	6,958	7,183	8,051

(2) Financial condition, others (Full year)

(Millions of yen)	Full year				
	FY 2/12 (29th)	FY 2/13 (30th)	FY 2/14 (31st)	FY 2/15 (32nd)	FY 2/16 (33rd)
Net sales	12,572	13,017	14,322	15,717	17,094
Cost of sales	7,991	8,223	8,629	9,593	10,364
Cost of sales ratio	63.6%	63.2%	60.3%	61.0%	60.6%
Gross profit	4,580	4,793	5,693	6,124	6,730
Gross profit margin	36.4%	36.8%	39.7%	39.0%	39.4%
SG&A	4,233	4,076	4,420	4,400	4,512
SG&A ratio	33.7%	31.3%	30.9%	28.0%	26.4%
Operating income	347	716	1,272	1,724	2,217
Operating income margin	2.8%	5.5%	8.9%	11.0%	13.0%
Ordinary income	353	723	1,277	1,729	2,223
Ordinary income margin	2.8%	5.6%	8.9%	11.0%	13.0%
Net income	132	358	737	1,075	1,383
Net income margin	1.1%	2.8%	5.2%	6.8%	8.1%
Total assets	7,790	8,216	8,886	9,898	10,415
Current assets	5,752	6,582	7,180	7,829	8,168
Cash and deposits	5,183	5,981	6,490	7,136	7,099
Accounts receivable	216	247	286	319	335
Fixed assets	2,037	1,634	1,706	2,068	2,247
Current liabilities	1,254	1,635	1,895	2,223	2,234
Accounts payable & expenses	899	879	914	1,145	1,054
Long-term liabilities	19	33	30	18	9
Total equity	6,515	6,548	6,960	7,656	8,171
Paid-in cap. (Millions of yen)	642	642	642	642	642
Issued stock (No.)	54,291,435	54,291,435	54,291,435	54,291,435	54,291,435
(Treasury shares in above)	50	51	51	51	51
ROE average (%)	2.0%	5.5%	10.9%	14.7%	17.5%
EPS average (Yen)	2.44	6.60	13.59	19.82	25.48
BPS average (Yen)	120.01	120.62	128.21	141.02	150.51
Annual dividends (Yen)	6.00	6.00	6.00	8.00	24.00
No. of schools	197	202	208	218	225
No. of students	18,910	19,235	20,807	21,473	22,918
Employees (Regular)	402	393	387	418	439
Part-time employees, etc.	5,855	5,821	6,289	7,082	7,453