

Matters Concerning Controlling Shareholders, etc.

The following notification covers matters concerning controlling shareholders of the Company's parent company, Benesse Holdings, Inc.

1. Trade name, etc. of the parent company, controlling shareholders (excluding the parent company), and other affiliated companies

(Current as of February 28, 2021)

| Name | Attribute | Share of voting rights (%) | Exchanges, etc. where stock certificates issued by the parent company, etc. are listed |
|------------------------|----------------|----------------------------|--|
| Benesse Holdings, Inc. | Parent company | 61.92 | Tokyo Stock Exchange First Section |

Note: Figures for shares of voting rights are rounded down to the lowest place value shown.

2. Position of parent company and other listed companies within the corporate group; relationship between other listed companies and parent company, etc.

Benesse Holdings, Inc. is the parent company of the Company and holds 61.92% of voting rights for the Company. The Company belongs to the Benesse Group ("the Group" below), which is centered around Benesse Holdings, Inc., and is engaged in the following businesses.

[Education Business in Japan]

Off-campus learning business (remote teaching business targeting elementary to high school, prep school business, English school business for children, etc.); learning business for schools

[Global Children's Challenge Business]

Remote teaching business, primarily for pre-schoolers in Japan, China, Taiwan, and Indonesia; etc.

[Nursing Care and Daycare Business]

Assisted living services business (senior citizen homes and residential management); at-home care services business; adult daycare services business; nurse training business; children's daycare and afterschool childcare management business; nurse job-matching business; food delivery service business for senior citizens; etc.

[Berlitz Business]

Language education business; global personnel training business; ELS business (study abroad support business); etc.

[Other]

Mail-order business; pregnancy, childbirth, childrearing magazine publishing business; etc.

The Company belongs to the Group's Off-Campus Learning Company. By further enhancing Group coordination on marketing activities, service development, and other activities through the use of the brand power that stems from the Group's position with Benesse as an education provider, other business resources, economies of scale, etc., the Company endeavors to raise

added value as well as increase enterprise value.

As of May 27, 2021, two members of the Company's seven Directors and four Audit & Supervisory Board Members are also executives of the parent company, etc. (one a Director, one an Audit & Supervisory Board Member).

The Board of Directors is structured to strike an overall balance between appropriate, agile decision-making on one side and supervision of execution on the other. In addition, efforts are taken to cultivate an atmosphere conducive to free-spirited, constructive discussion and exchange of opinions among the entire Board of Directors, including issues raised by independent outside directors.

(Concurrent positions of executives)

(Current of May 27, 2021)

| Position | Name | Key positions at parent company, etc. or Group companies | Reason for appointment |
|----------------------------------|----------------|--|---|
| Director | Kenji Yamakawa | Group Executive Officer at Benesse Holdings, Inc. Director and Executive Vice President, Executive Officer, General Manager of School Company, General Manager of Off-Campus Learning Company's Group Business Sector, Benesse Corporation Director, UP Inc. Director, Tokyo Educational Institute Co., Ltd. Director, Ochanomizu Seminar Co., Ltd. Director, Benesse BE studio Inc. Director, Benesse i-Career Co., Ltd. Director, Study Hacker Inc. | To further deepen Group collaboration through his wealth of experience and knowledge during his many years in the education industry |
| Audit & Supervisory Board Member | Naoto Saito | Standing Audit & Supervisory Board Member, Benesse Holdings, Inc. Audit & Supervisory Board Member, Benesse Corporation Audit & Supervisory Board Member, Berlitz Japan, Inc. Audit & Supervisory Board Member, Benesse InfoShell Co., Ltd. | To enhance the Company's auditing through his wide-ranging experience and broad view of business management, finance, and accounting in the Benesse Group |

The Company sees the above relationships between the Company on one side and the parent company and Group companies on the other as exerting no effect on the Company's independent business activity and managerial decisions. As a listed company, the Company is responsible for itself and conducts business independently of the parent company.

3. Matters concerning transactions with controlling shareholders, etc.

(From March 1, 2020 to February 28, 2021)

| Type | Name of company, etc. | Location | Capital (1,000 yen) | Business | Share of voting rights (owned) (%) | Relationship with related party | Transaction details | Transaction amount (1,000 yen) | Account item | Ending balance (1,000 yen) |
|------|-----------------------|----------|---------------------|----------|------------------------------------|---------------------------------|---------------------|--------------------------------|--------------|----------------------------|
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|----------------|------------------------|-------------------------------|------------|-----------------|-----------------------|---|------------------|---------|-----------------------------|---|
| Parent company | Benesse Holdings, Inc. | Kita-ku, Okayama-shi, Okayama | 13,739,696 | Holding company | (Owned) 61.9 directly | Concurrent roles of executives in capital and business alliance | CMS transaction* | 300,221 | Affiliated company deposits | — |
|----------------|------------------------|-------------------------------|------------|-----------------|-----------------------|---|------------------|---------|-----------------------------|---|

Note: A cash management service (CMS) trade whereby the amount is listed as the average transaction amount or the period.

The rate of interest is set reasonably according to market rates. The transaction amount does not include consumption tax, etc.

The Company has formed a capital and business alliance with the parent company. Matters having a significant impact on the management of the Company are handled appropriately in accordance with the agreement.

With regard to transactions with the parent company and other Group companies, transactions that are significant in terms of ensuring independence from the Group are deliberated upon thoroughly by the Board of Directors, including multiple independent outside directors, to discuss the conditions of the transaction and the method for its finalization before finalizing the transaction.

For transactions with related parties, the Company stipulates criteria to determine, in light of the nature, significance, and otherwise of the transaction, whether or not the related party has a special interest. When making a decision, if the Board of Directors determines--through a review conducted according to predetermined criteria--that a party has a special interest, then the party cannot join in the decision by the Board.

4. Execution of protective measures for small shareholders when conducting transactions or the like with controlling shareholders, etc.

The Company carries out business based on the principle of ensuring the independence of business administration and transactions in its relationships with the parent company and other Group companies. The conditions of transactions with the parent company and other Group companies are determined in a rational manner upon deliberation that follows appropriate procedures and takes into account such matters as recent market rates and market prices.

5. Matters requiring the proper understanding/judgement of company information by other investors

There are no applicable matters.