

Matters Concerning Controlling Shareholders

Tokyo Individualized Educational Institute (TIEI) announces the following matters concerning controlling shareholders with respect to its parent company, Benesse Holdings, Inc.

1. Names of parent company, controlling shareholders (other than parent company) and other affiliated companies

(As of February 29, 2016)

Name	Attribute	Percentage of voting rights owned (%)	Exchange on which shares issued by the parent company are listed
Benesse Holdings, Inc.	Parent company	61.92	Tokyo Stock Exchange, First Section

2. Position of TIEI (the listed company) in the corporate group of the parent company and relationships with other listed companies and the parent company

Benesse Holdings, Inc. is the parent company of TIEI, and owns 61.92 percent of TIEI voting rights. TIEI is a member of the Benesse Group (the Group), which is centered on Benesse Holdings, Inc., a holding company. The Group is engaged in the following businesses.

Domestic Education Company

Correspondence education business, school education business, cram school/entrance exam prep school business, foreign language education business, interpretation and translation business, children's English school business, etc.

Overseas Business Company

Correspondence education for preschool-age children, mainly in China and Taiwan

Nursing Care and Childcare Company

Nursing home services (nursing homes and senior housing), visiting nursing care service business, nursing care training business, nurse and nursing care worker employment agency business, preschool and after-school management, etc.

Benesse USA Company

Overseas language education business, ELS business (study abroad support), global leadership training business, etc.

Others

Telemarketing business, mail-order business, magazine publishing business, information system maintenance and operation business and information processing services business

TIEI is part of the Domestic Education Company in the Group. Using the Group's brand power and other business resources and economies of scale, TIEI works to enhance added value and increase corporate value by further promoting Group cooperation in areas such as marketing and service development.

As of May 26, 2016, out of TIEI's seven directors and four Audit & Supervisory Board members, two (one director and one Audit & Supervisory Board member) also serve as directors or Audit & Supervisory Board members of the parent company. The composition of the Board of Directors is determined by considering the balance that will enable the board as a whole to carry out appropriate and flexible decision-making and supervision of business execution. The entire Board of Directors strives to foster a climate of respect for open and constructive dialogue and exchange of opinions, including the raising of concerns by outside directors.

Concurrent Positions of Directors and Audit & Supervisory Board Members (As of May 26, 2016)

Title	Name	Position at Parent Company or Other Group Company	Reason for Appointment
Director	Kenji Yamakawa	Corporate Senior Vice President and President of Classroom Education Business Company, Benesse Holdings Inc. Corporate Senior Vice President, Benesse Corporation Non-executive Director, UP Inc.	To further strengthen Group cooperation based on his many years of experience and knowledge in the education industry
Audit & Supervisory Board Member	Naoto Saito	Group Controller and Director of Internal Audit, Benesse Holdings, Inc. Director (in charge of Accounting and Performance Management) and director of Internal Audit, Benesse Corporation Director, Berlitz Japan, Inc.	To enhance TIEI's auditing system by taking advantage of his broad experience and deep insight in management in the Benesse Group and the field of finance and accounting

The relationship between TIEI and the parent company and its group companies is as described above. We believe that these relationships do not affect TIEI's own business activities and management decisions. As a listed company, TIEI responsibly manages its business independently from the parent company.

3. Transactions with controlling shareholders

(March 1, 2015 to February 29, 2016)

Type	Name of Company	Location	Capital (Thousand yen)	Business	Percentage of Voting Rights Owned by Parent (%)	Relationship with Related Parties	Transactions	Transaction Amount (Thousand yen)	Account Item	Balance at End of Period (Thousand yen)
Parent company	Benesse Holdings, Inc.	Kita-ku, Okayama-shi, Okayama	13,600,000	Holding company	(Held by the company) Directly 61.9	Equity and business tie-ups Concurrent posts of directors	CMS transactions (Note)	300,036	Affiliated company deposits	300,086

Note: These are transactions by a cash management service (CMS), and the transaction amount is the average transaction volume during the period. Interest rates are set in a reasonable manner taking market rates into consideration. The transaction amount does not include consumption tax or other taxes.

Regarding transactions with the parent company and its group companies, decisions on significant transactions are made after the terms and conditions of the transaction and the validity of the decision-making process are fully deliberated by the Board of Directors, which includes multiple independent outside directors, from the standpoint of ensuring independence. In addition, for transactions with related parties, TIEI has established criteria for determining whether the related party is an interested party in light of the nature and significance of the transaction. For Board of Directors resolutions, the Board uses these criteria to determine in advance whether or not any directors are interested parties. Those who are deemed interested parties based on the criteria may not participate in the resolution.

4. Implementation of measures for protecting minority shareholders in transactions with controlling shareholders

TIEI executes its business based on maintaining independent business management and transactions in relationships with the parent company and its group companies. Moreover, the terms and conditions of transactions with the parent company and its group companies are determined rationally through consultation based on the market, market prices and other information.

5. Other information necessary for investors to properly understand and make appropriate decisions on company information

None applicable