

September 28, 2016

### Notice of Revisions to Forecast of Business Results

Based on recent trends in its business results and other factors, Tokyo Individualized Educational Institute, Inc. (TIEI) announces that it has revised its forecast of business results for the fiscal year ending February 28, 2017, which was announced on April 6, 2016, as follows.

#### 1. Revisions to Forecast of Business Results for the Fiscal Year Ending February 28, 2017

(1) Revisions to Forecast of Business Results for the Six Months Ended August 31, 2016  
(March 1, 2016 to August 31, 2016)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
Previous forecast (A)	8,388	200	201	101	1.88
Revised forecast (B)	8,294	50	52	(21)	(0.40)
Change (B – A)	(93)	(148)	(148)	(123)	
Rate of change (%)	(1.1)	(74.7)	(73.8)	—	
Reference: Previous results (FY2/16 2Q)	7,906	160	163	81	1.49

(2) Revisions to Forecast of Business Results for the Fiscal Year Ending February 28, 2017  
(March 1, 2016 to February 28, 2017)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
Previous forecast (A)	18,000	2,600	2,603	1,665	30.68
Revised forecast (B)	18,000	2,400	2,403	1,533	28.24
Change (B – A)	0	(200)	(199)	(132)	
Rate of change (%)	0.0	(7.7)	(7.7)	(8.0)	
Reference: Previous results (FY2/16)	17,094	2,217	2,223	1,383	25.48

#### 2. Reasons for Revisions

Although net sales for the six months ended August 31, 2016 were firm, due to the impact of inclement weather in the summer they are expected to fall short of the previous forecast by 93 million yen, or 1.1%, (an increase of 387 million yen, or 4.9%, compared with the same period of the previous year).

In addition, operating income is expected to fall short of the previous forecast by 149 million yen, or 74.7% (a decrease of 109 million yen, or 68.4%, compared with the same period of the previous year), as a result of actively conducting capital investment including new school openings, relocations and renewals from the standpoint of sustainable growth in addition to further strengthening investment in the employees and teachers who are the foundation of

TIEI's operations.

On the other hand, due to an increase in the per capita rate of corporate inhabitant tax as a result of a change in the standards for corporate inhabitant tax rate classification associated with the revision of the Local Tax Act, TIEI forecasts a net loss of 21 million yen.

In the forecast of business results for the fiscal year ending February 28, 2017, net sales are expected to be as initially forecast due to the steady growth of core KPI figures such as the number of new students and the number of students enrolled.

Operating income is expected to fall short of the previous forecast as a result of investment to be made in school facilities and personnel in the second half to deal with the increase in the number of students.

Because of the above reasons, TIEI has revised the forecasts of business results for the six months ended August 31, 2016 and for the fiscal year ending February 28, 2017.

Please note that the dividend forecast for fiscal year ending February 28, 2017 (interim dividend of 13.00 yen per share and year-end dividend of 13.00 yen per share for full-year dividends of 26.00 yen per share) is unchanged.

Note: The above forecast regarding future performance is based on information available at the time this notice was prepared. Therefore, actual results may differ from the forecast due to various factors.