

January 31, 2014

Notice Concerning Change in Shareholder Special Benefit System

Tokyo Individualized Educational Institute, Inc. (TIEI) at the board of directors meeting held on January 31, 2014 resolved to change its shareholder special benefit system as follows.

1. Objective of change in shareholder special benefit system

TIEI's shareholder special benefit system is aimed at giving shareholders a greater understanding of the company's business to attract them by providing them with experience of the company's individualized educational services.

To further promote the above objective, the application of shareholder discount in the new "Benesse Science Class" and "Benesse Writing Class" businesses to be operated by TIEI due to business transfer starting on April 1 of this year will be added to the existing special benefit system.

Following the system change, shareholders will receive a discount on either the individual tuition fees or tuition fees for the new businesses. By extending the range of application, TIEI will make efforts to enhance the attractiveness to invest so that many shareholders will hold the company shares over a longer term.

2. Description of change in shareholder special benefit system

1) Current shareholder special benefit system

- **Description of benefit:** Discount for ordinary tuition fees at "TIEI" and "Kansai Individualized Educational Institute" schools operated by TIEI
- **Discount record month:** Twice a year (end-February record: issued in May; August 31 record: issued in November)
- **No. of discount coupons:**

No. of shares	Amount (twice a year)	Total (1 year)
	Issued in May (end-Feb. record)	Annual amount
	Issued in November (Aug. 31, record)	
100 shares or more	1,000 yen	2,000 yen
300 shares or more	2,000 yen	4,000 yen
500 shares or more	3,000 yen	6,000 yen
700 shares or more	4,000 yen	8,000 yen
1,000 shares or more	6,000 yen	12,000 yen
1,500 shares or more	9,000 yen	18,000 yen
3,000 shares or more	15,000 yen	30,000 yen
9,000 shares or more	30,000 yen	60,000 yen
15,000 shares or more	45,000 yen	90,000 yen

[Precautions concerning use of individualized tuition fee discount]

- Discount coupons received by TIEI by the 20th of a month will be applied to the deduction of tuition (charged at the end of the following month) in the second month following receipt of the coupon.
- Discount only applies to ordinary tuition fees and cannot be used for discounts on the first tuition payment, facility cost, additional tuition fees, seminars, tests and textbooks and other materials.
- The limit on discount coupon use per student is 9,000 yen a month and the maximum discount granted during the coupon validity period is 45,000 yen.
- Discount coupons cannot be exchanged for cash or other items of monetary value.
- Discount coupons can be used by the families of shareholders and their friends.

2) New shareholder special benefit system

- Description of benefit: 1) Discount for ordinary tuition fees at “TIEI” and “Kansai Individualized Educational Institute” schools operated by TIEI
2) Discount for tuition fees at “Benesse Science” and “Benesse Writing” classes to be operated by TIEI in April 1, 2014
- Discount record month: Twice a year (end-February record: issued in May; end-August record: issued in November)
- No. of discount coupons: There is no change in the current number of discount coupons but new tuition fee discount rules for the new businesses will be added to the current individualized tuition fee discount rules.

No. of shares	Amount (twice a year)	Total (1 year)
	Issued in May (end-Feb. record)	Annual amount
	Issued in November (Aug. 31, record)	
100 shares or more	1,000 yen	2,000 yen
300 shares or more	2,000 yen	4,000 yen
500 shares or more	3,000 yen	6,000 yen
700 shares or more	4,000 yen	8,000 yen
1,000 shares or more	6,000 yen	12,000 yen
1,500 shares or more	9,000 yen	18,000 yen
3,000 shares or more	15,000 yen	30,000 yen
9,000 shares or more	30,000 yen	60,000 yen
15,000 shares or more	45,000 yen	90,000 yen

Individualized tuition fee discount rules

[Precautions concerning use of individualized tuition fee discount]

- Discount coupons received by TIEI by the 20th of a month will be applied to the deduction of tuition (charged at the end of the following month) in the second month following receipt of the coupon.
- Discount only applies to ordinary tuition fees and cannot be used for discounts on the first tuition payment, facility cost, additional tuition fees, seminars, tests and textbooks and other materials.
- The limit on discount coupon use per student is 9,000 yen a month and the maximum discount granted during the coupon validity period is 45,000 yen.
- Discount coupons cannot be exchanged for cash or other items of monetary value.
- Discount coupons can be used by the families of shareholders and their friends.

[New] Tuition fee discount rules for new businesses

[Precautions concerning use of individualized tuition fee discount]

- Discount coupons received by TIEI by the 20th of a month will be applied to the deduction of tuition (charged at the end of the following month) in the second month following receipt of the coupon.
- Discount only applies to tuition fees and cannot be used for discounts on the first tuition payment, etc.
- The limit on discount coupon use per student is 3,000 yen a month and the maximum discount granted during the coupon validity period is 18,000 yen.
- Discount coupons cannot be exchanged for cash or other items of monetary value.
- Discount coupons can be used by the families of shareholders and their friends.

3. Period of change

The change will be effective beginning with shareholders in the register of shareholders on February 28, 2014.

The delivery of the first coupons is scheduled at the end of May 2014. After receiving the coupons and applying for the new benefit system, discount will be applied based on the above rules.