

July 9, 2014

Notice Concerning Change in Shareholder Special Benefit System

Tokyo Individualized Educational Institute, Inc. (TIEI) at the board of directors meeting held on July 9, 2014 resolved to make the following revisions to the shareholder benefits program.

1. Objective of change in shareholder special benefit system

The purpose of the shareholder benefits program is to give shareholders a better understanding of the operations of TIEI by enabling shareholders to experience individualized lessons and other TIEI education services. To better accomplish this goal, **TIEI will begin offering a discount to shareholders for the “Tokyo Individualized Educational Institute Internet Class,” a new business that will start in August 2014.**

In the “Tokyo Individualized Educational Institute Internet Class,” students can work with a teacher on a real-time basis using video, audio, a whiteboard and text messages through an interactive link that is easy to use utilizing Windows PC or iPad/iPhone/iPod touch. Offering this service allows TIEI to offer high-quality, value-added individual instruction by using the Internet.

Furthermore, using the Internet makes it possible to offer these lessons to students anywhere in Japan. By adding this new service to shareholder benefits, TIEI hopes that even more shareholders will take advantage of these benefits.

To continue increasing the number of shareholders, TIEI plans to become even more appealing to investors by increasing the dividend and improving the shareholder benefits program.

2. Description of change in shareholder special benefit system (revisions are in red)

- Shareholder benefits: 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
- 3) **Discount for basic tuition fees at the Tokyo Individualized Education Institute Internet Class, which will start operating in August 2014**

Discount record dates: Twice a year (end-February record: issued in May; end-August record: issued in November)

●Number 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

- Rules for shareholder benefits:
- 1) The discount applies only to standard tuition and other lesson fees. The discount is not valid for initial deposits, workshop fees, test fees and other fees.
 - 2) The maximum discount for TIEI and KIEI combined is ¥9,000 per month and a total of ¥45,000 during the entire period of validity of the discount coupons.
 - 3) For Benesse Science School and Benesse Writing School, the maximum discount is ¥3,000 per month at each school and a total of ¥18,000 during the entire period of validity of the discount coupons.
 - 4) For Tokyo Individualized Education Institute Internet Class, the maximum discount is ¥6,000 per month and a total of ¥36,000 during the entire period of validity of the discount coupons.
 - 5) When discount coupons are used together, the total discount is a maximum of ¥45,000 during the entire period of validity of the discount coupons.
 - 6) Discount coupons cannot be exchanged for cash or other items of monetary value. Furthermore, once a discount coupon has been submitted, the coupon will not be returned and no amounts will be paid for any unused portion of the discount.
 - 7) Discount coupons can be used by shareholders as well as by family members and friends.

3. Period of change

The change will be effective beginning with shareholders in the register of shareholders on August 31, 2014.

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