

September 30, 2015

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 six months ended August 31, 2015, which was announced on April 8, 2015, as follows.

1. Revisions to Forecast of Business Results for the Six Months Ended August 31, 2015
(March 1, 2015 to August 31, 2015)

(Million yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
Previous forecast (A)	7,793	82	84	63	1.17
Revised forecast (B)	7,906	160	163	81	1.49
Increase (B – A)	113	77	78	17	
Rate of increase (%)	1.5	93.6	92.5	28.2	
Reference: Previous results (FY2/15 2Q)	7,354	81	84	37	0.69

2. Reasons for Revisions

In the six months ended August 31, 2015, TIEI intensively opened new schools based on the “service portfolio expansion and urban area dominance strategy” of Dynamic Challenge 2017, its medium-term management plan. In addition, TIEI aggressively conducted cross-media advertising activities that effectively combined television commercials, advertising in public transportation, Internet ads and other measures. The success of these efforts has led to record-high numbers of inquiries and new students, substantially raising the number of students enrolled as of August 31, 2015. Summer school also ended with favorable business results.

Accordingly, net sales are expected to exceed the previous forecast by 113 million yen (an increase of 1.5%). Compared with the same period of the previous year, net sales are expected to increase by 552 million yen, or 7.5%.

In addition, with the impact of positive factors including higher income due to the increase in sales, more efficient marketing expenditures due to the urban area dominance strategy and steady cost reductions, operating income is expected to exceed the previous forecast by 77 million yen (an increase of 93.6%). Compared with the same period of the previous year, operating income is expected to increase by 78 million yen, or 96.3%.

Please note that net income is expected to increase at a lower rate than operating income and ordinary income in this revised forecast due to a different estimate of deferred income taxes from when the previous forecast was prepared.

The forecast of full-year business results is currently being prepared and will be released at the time of the second-quarter earnings announcement scheduled for October 7, 2015.

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.