

Notice concerning forecast of business results for fiscal year ending February 2021 and Medium-To-Long-Term Vision and new Medium-Term Management Plan

Tokyo Individualized Educational Institute (TIEI) announces its forecast of consolidated business results for the fiscal year ending February 2021, which was undetermined as of the Summary of Business Results for the Year Ended February 29, 2020 [Japan GAAP] (Consolidated) released on April 9, 2020.

The company also announces its medium-to-long-term strategy VISION2030 and new three-year medium-term management plan Hospitality Management 2023 (starting in the year ending February 2022), both approved at today's Board of Directors meeting.

1. Forecast of consolidated business results

(1) Forecast of consolidated business results for fiscal year ending February 2021 (March 1, 2020 through February 28, 2021)

(million yen)

	Net Sales	Operating income	Ordinary income	Net income attributable to parent company	Net income per share
Previous forecast (A)	—	—	—	—	—
Current forecast (B)	18,700	260	290	3	0.07 yen
Change (B-A)	—	—	—	—	
Change (%)	—	—	—	—	
Reference: Fiscal year ended February 2020	21,261	2,889	2,892	1,897	34.94 yen

(2) Reason for disclosure

TIEI had refrained from offering a business results forecast for the fiscal year ending February 2021 as the uncertainty over the impact of the coronavirus pandemic made it difficult to calculate a rational forecast. The company now announces a forecast of consolidated business results based on information and projections available at this time.

The company suspended lessons in all classrooms with the issuance of the state of emergency, but gradually resumed after the state of emergency was lifted and reopened all classrooms on June 1. Infection prevention measures have been implemented extensively with the restart of lessons. The company also began online individualized teaching services in June, allowing participants to pursue their lessons at home.

The number of inquiries temporarily fell amid reports of an increase in infections but is now on a recovery path. The prep schools had an enrollment of 32,907 students at the end of August, 90.1% of the previous year's level and an improvement of 4.0 percentage points from the end of May. In addition, applications for the summer seminar program exceeded expectations in a strong performance. The company has crafted a consolidated business results forecast taking this situation into account.

The forecast of consolidated business results assumes that the company can continue to offer educational services either physically or online and that the pandemic will continue through 2021.

The actual results could differ considerably from the forecast depending on the course of the pandemic. We will promptly report any necessary revisions in our forecast.

2. Medium-to-Long-Term Vision

(1) Overview

VISION2030 is a medium-to-long-term vision contemplating the values the company must promote in order to remain an indispensable part of our rapidly changing and diversifying society and the ideal that the company aims to achieve by 2030.

The visionary message in VISION2030 is “**A Co-created Future: Mutual Education Through Hospitality Management**”. The company hopes to enhance its instructor personnel platform, its area of strength, to make education a two-way street in which both the teacher and the student can achieve personal growth.

(2) VISION2030 target (Individualized Instruction)

◆2030

「**Teachers: Over 20,000**」

「**Enrolled students: Over 60,000**」

「**Individualized instruction revenues: over 40 billion yen**」

These figures presently stand at around 10,000 teachers, 30,000 enrolled students and 20 billion yen in revenues. We aim **in the next decade to double** the KPI that has been built over our 35 years in business.

3. New Medium-Term Management Plan

(1) Overview

As a first step toward realizing VISION2030, we have formulated Hospitality Management 2023, a new three-year management plan for the fiscal year ending February 2022 to the fiscal year ending February 2024. We will offer high customer value and pursue continuous growth in our corporate value by refining and mobilizing the company's strength in its instructor personnel platform. Our growth strategy seeks further evolution in both this platform as well as ICT-based educational services. We plan to invest a cumulative 3 billion yen in ICT over the next five years to revamp our ICT infrastructure in anticipation of long-term growth.

(2) Quantitative targets

Millions of yen		Year ending Feb 2021 (FY20) forecast	Year ending Feb 2022 (FY21) forecast	Year ending Feb 2023 (FY22) target	Year ending Feb 2024 (FY23) target
Net sales	Actual	18,700	22,132	23,858	25,719
	YoY	-2,561	3,432	1,726	1,861
	% YoY	88.0%	118.4%	107.8%	107.8%
Operating income	Actual	260	2,204	2,632	3,105
	YoY	-2,629	1,944	428	473
	% YoY	9.0%	847.7%	119.4%	118.0%
Operating income margin		1.4%	10.0%	11.0%	12.1%

Details of the Medium-to-Long-Term Vision and new Medium-Term Management Plan were offered online on October 12 (Monday) in the Financial Results Briefing and Management Policy Briefing for the Second Quarter of the Fiscal Year Ending February 2021. We plan to upload briefing materials and videos on the company's IR site (<https://www.tkg-jp.com/en/ir/>).

Note: The forecasts above are based on information available as of the date of publication of this material. Actual business results may differ from the forecasts due to various factors.