

Medium-to-Long Term Vision New Medium-Term Management Plan

**President and Representative Director
Katsuki Saito**

Tokyo Individualized Educational Institute, Inc.
October 12, 2020



1. TIEI's strengths



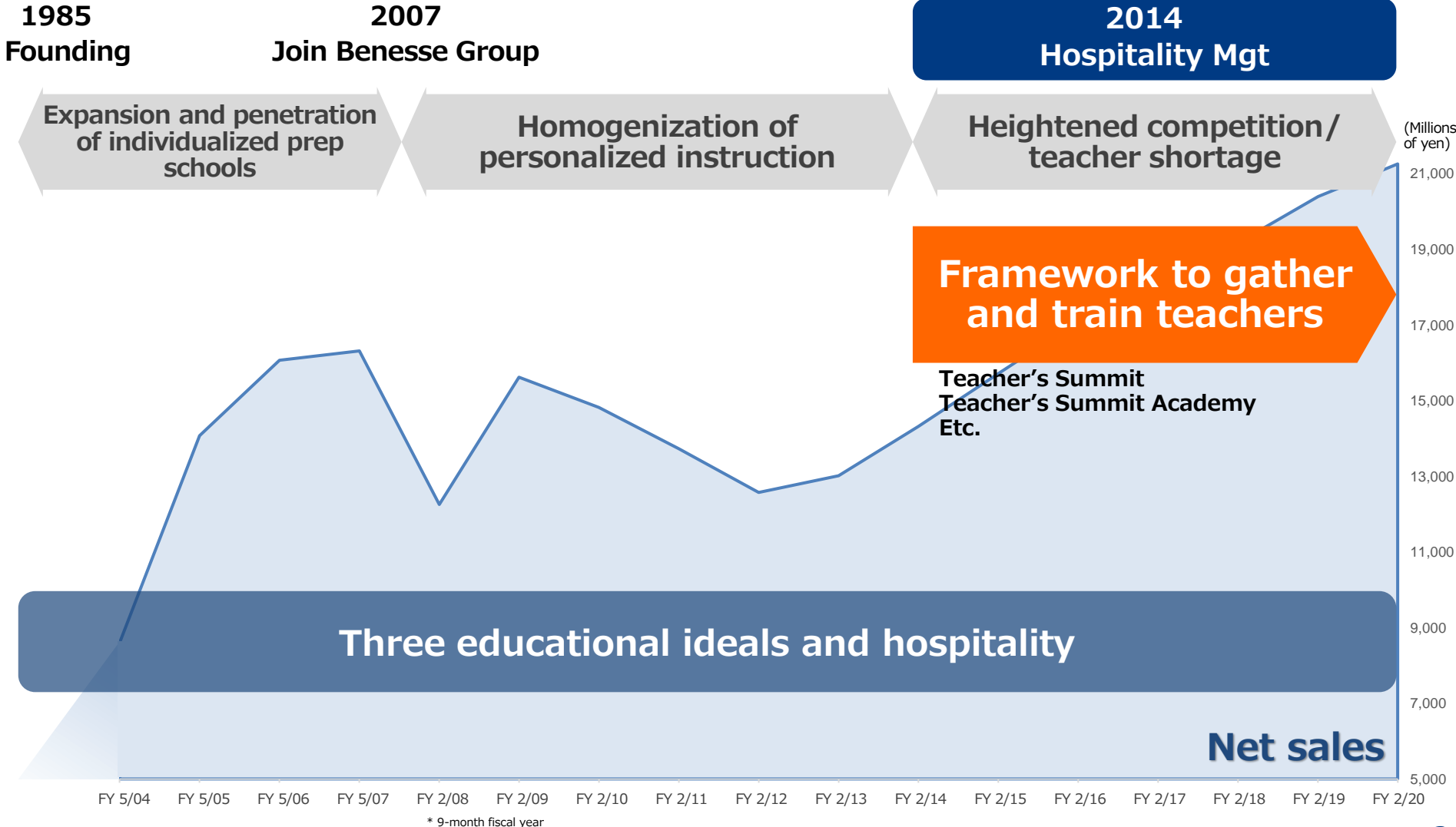
**2. Medium-to-long term vision
VISION2030**



**3. New medium-term business plan
Hospitality Management 2023
(FYE February 2022 to FYE February 2024)**

1. TIEI's strengths

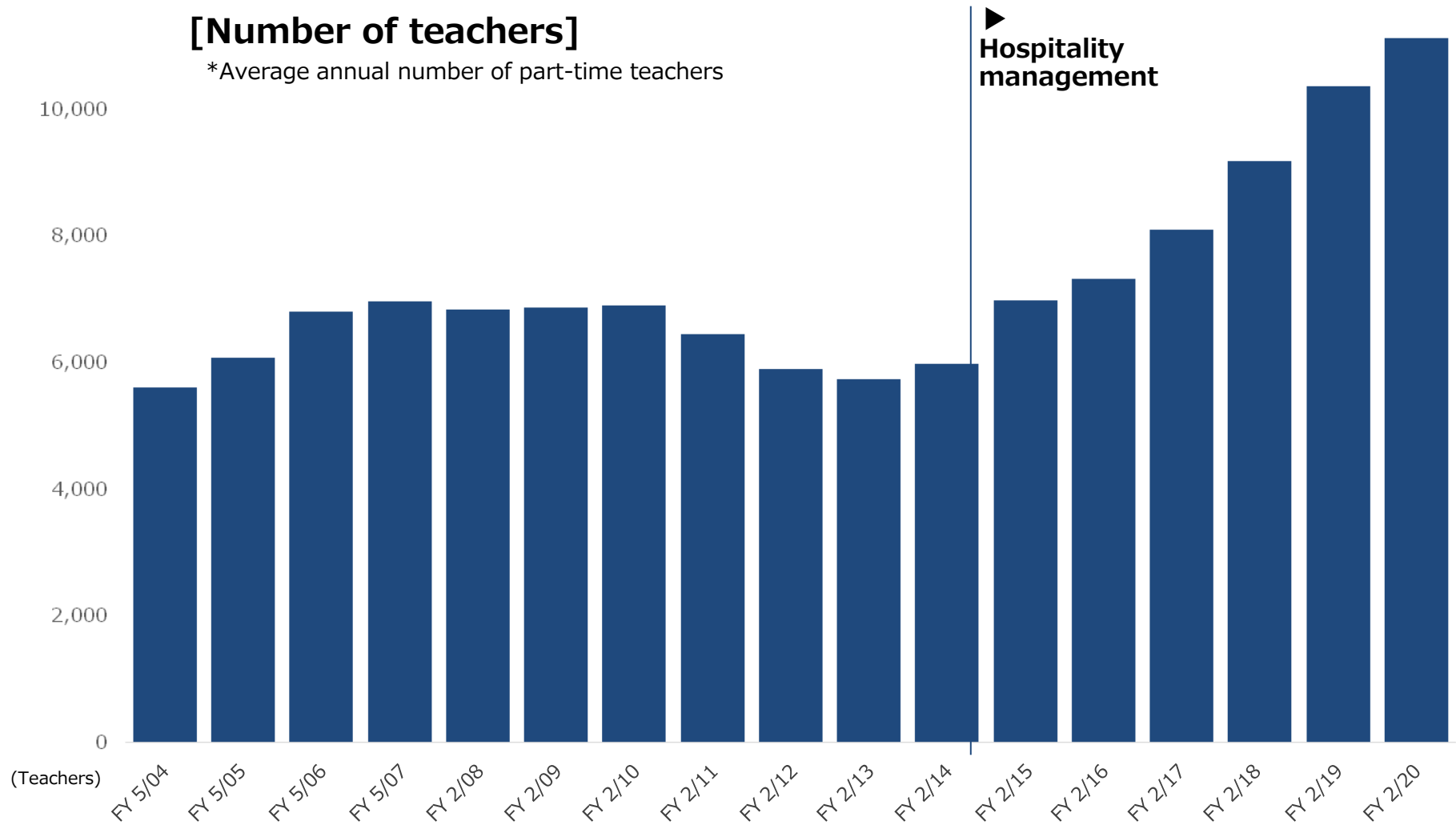
Continuously enhancing our individualized service to meet the changing times



Sustained growth while maintaining quality and volume of superior teachers

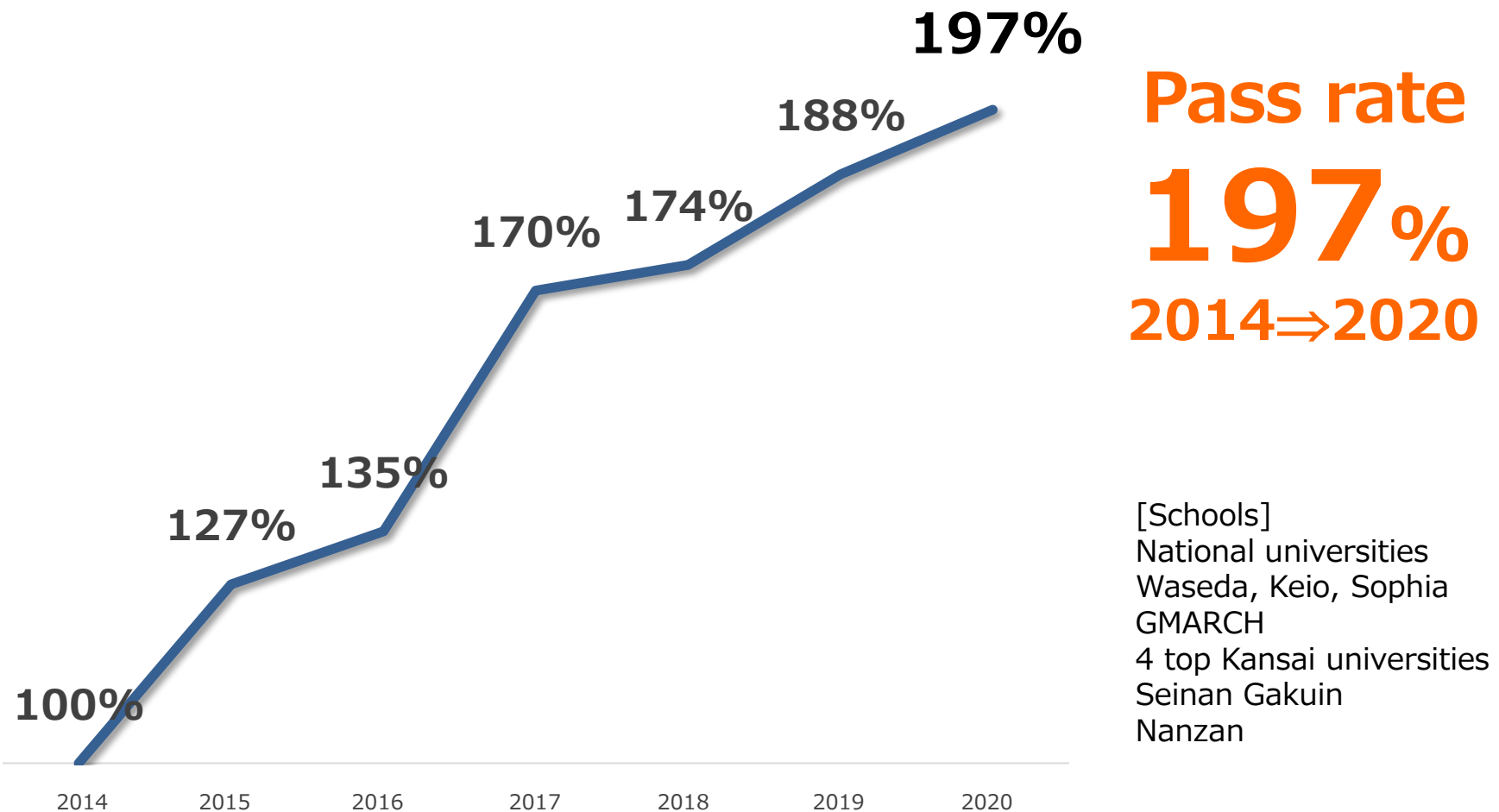
[Number of teachers]

*Average annual number of part-time teachers



Maintaining teacher quality and volume raises educational service

[Acceptance into university vs.2014]



Overwhelming instructor personnel platform



System brings university students together and spurs growth through human interaction

Optimal matching of teachers and students

Offers growth opportunities systematically to students and contributes to society's future

Japan Business Federation
"Keidanren SDGs"

Foreign Ministry
"JAPAN SDGs
Action Platform"

KeidanrenSDGs

NEWS Society 5.0 for SDGs データベース

4 質の高い教育をみんなに 講師として働く大学生の成長機会を体系的に提供

(株) 東京個別指導学院

TEACHERS' SUMMIT

『TEACHERS' SUMMIT』と『TEACHERS' SUMMITアカデミー リーダーシッププログラム』を通じて数千人の大学生の成長支援

JAPAN SDGs Action Platform

このプラットフォームは、社会に広がるSDGsに関連した取組を幅広く紹介することを目的に運営しています

SDGsとは? 日本政府の取組 取組事例 ジャパンSDGsアワード

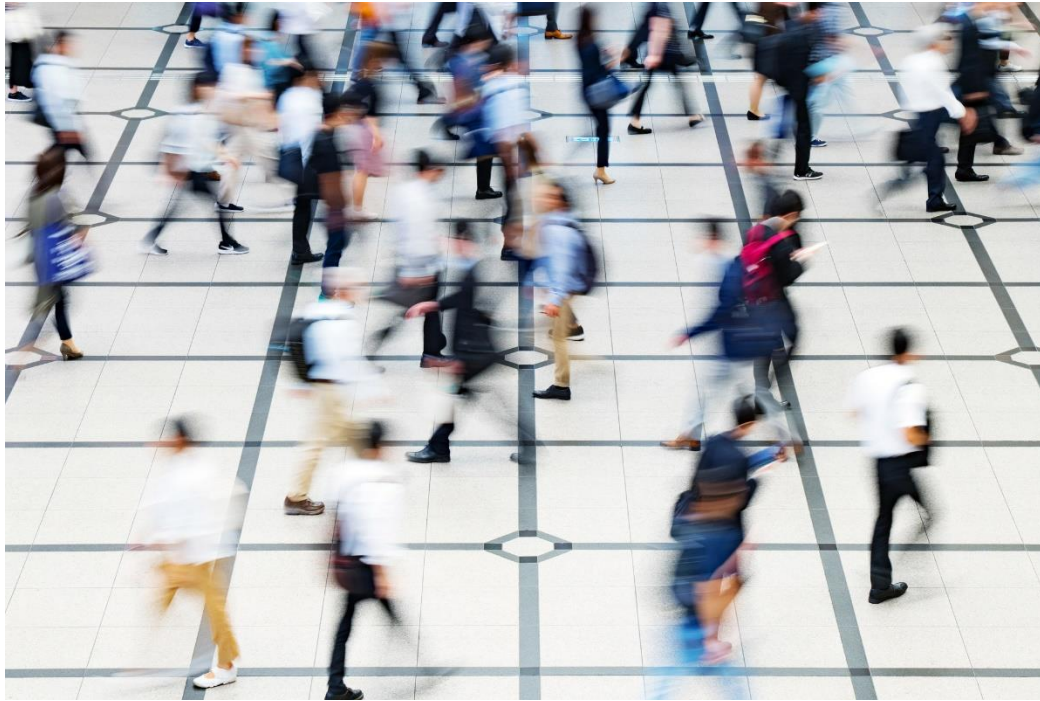
SUSTAINABLE DEVELOPMENT GOALS

Japan. Committed to SDGs

1 貧困をなくそう	2 飢餓をゼロに	3 すべての人に健康と福祉を	4 質の高い教育をみんなに	5 ジェンダー平等を實現しよう	6 安全な水とトイレを世界中に
7 エネルギーをみんなにそしてクリーンに	8 働きがいも経済成長も	9 産業と技術革新の基盤をつくろう	10 人や国の不平等をなくそう	11 住み続けられるまちづくりを	12 つくも減らし、つなぐ責任
13 気候変動に具体的な対策を	14 海の豊かさを守ろう	15 陸の豊かさも守ろう	16 平和と公正をすべての人に	17 パートナリシップで目標を達成しよう	

2. Medium-to-long term vision VISION2030

Society has rapidly changed and **diversified**.
Old assumptions no longer determine the future.



- Technological progress
- Globalization
- Diversified sense of values and lifestyles
- Environmental issues

- Falling birthrates
- Shrinking and graying population

Independence, learning on one's own with a vision of self and society.

Communication ability, in order to work with diversified community.

Crucial factors in selecting new workers

Communication ability

82.4%

No.1 for 16 years

Independence

64.3%

No.2 for 10 years

Source: Japan Business Federation, FY18
corporate survey on selection
criteria for new graduates

Sustainable development goals



**Raising a generation for a future
sustainable society where
partnerships can be nurtured**

Coronavirus pandemic is **changing society irreversibly**



- New values and lifestyles from longer times at home
- Lifestyle change from greater hygiene awareness. Avoiding the 3Cs.
- Changes in global industrial structure and rise in remote society

Pandemic has put sudden spotlight on **online education** even at public schools

**Use of PCs
at Japanese schools**

Among 31 OECD nations

No.31

Source: ICT FAMILIARITY
QUESTIONNAIRE FOR PISA 2018



**The confidence that you can do it if you try
The joy of taking on a new challenge
The importance of having dreams**

**With these
three educational ideals and hospitality
as the linchpin of our corporate activities,
we shall contribute to
a happy future for humanity.**

A Co-created Future

A thick, yellow, hand-drawn style brushstroke underline that starts under the word 'Co-created' and extends to the right, ending under the word 'Future'.

Mutual Education

Through Hospitality Management

Doubling KPI in ten years

Teachers
approx. 10,000



Enrolled students
approx. 30,000



Net sales
approx. 20 billion yen



Over
20,000

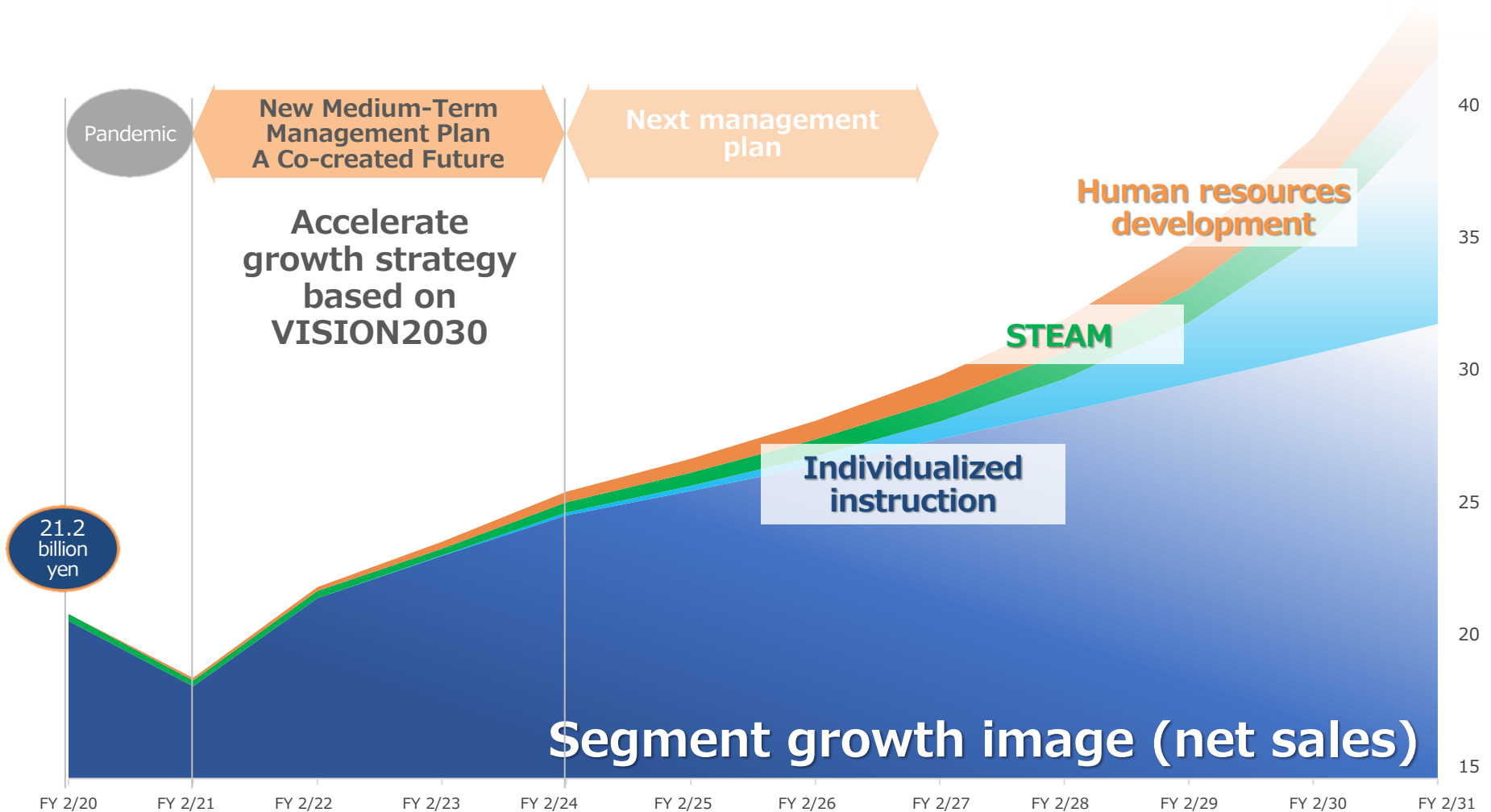
Over
60,000

Individualized
instruction business
Net sales
Over
40 billion yen

Double-track business domains, establish shared platforms

VISION2030

(Billions of yen)



3. New medium-term management plan Hospitality Management 2023

FYE February 2022 to FYE February 2024

VISION2030 “A Co-created Future”

New medium-term management plan

Hospitality Management 2023

- 1 Updating instructor personnel platform
- 2 Updating ICT-based education services

Reform of business infrastructure



1

Updating instructor personnel platform

1 Updating instructor personnel platform

Instructor-led school creation Reinforcement of Teachers' Summit (annual school plan)

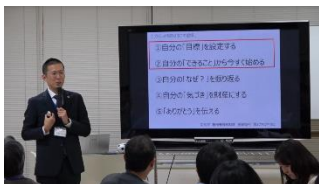


TEACHERS' SUMMIT



Support for growth of school managers (employees) leading school activity

Hospitality management follow-up



- ✓ All school managers have JHMA AHC licenses
- ✓ PDCA contents developed for hospitality management and will be rolled out for school managers

Development of feedback to improve skills



- ✓ “Feedback skill-up contents” developed with Management Service Center

1

Updating instructor
personnel platform

Teachers' Summit Leadership Program Hybrid of physical and online teaching

● FYE February 2021: Online launch
Teachers' Summit Academy Leadership Program

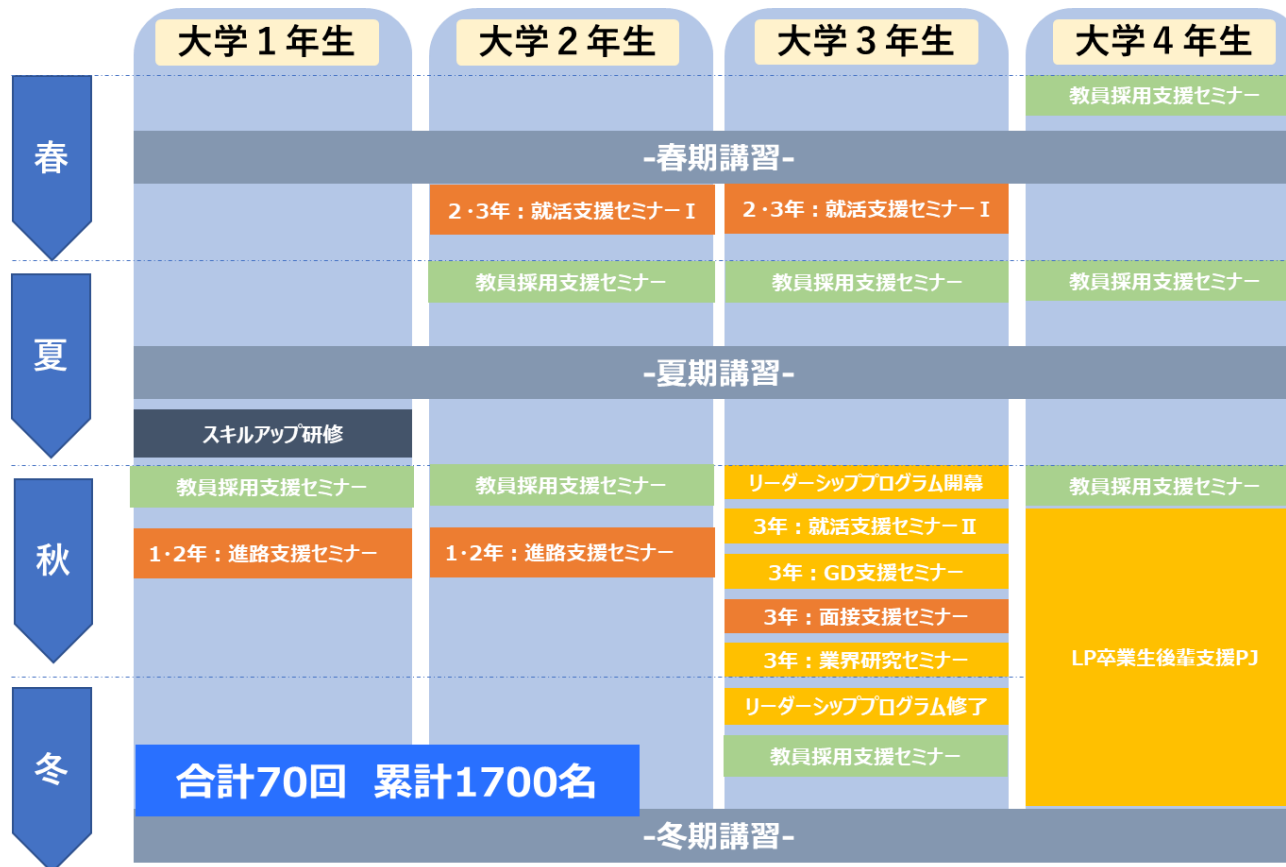


1 Updating instructor personnel platform

Job search support seminar /
Teacher employment support seminar

Expanding First Career support

Teacher support by school year (FYE Feb 2020)



- ✓ Development of training that university student teachers can join
- ✓ Expansion of alumni-led job search support seminars by industry

An aerial photograph of a sprawling, dense urban landscape, likely Tokyo, featuring a wide river (the Arakawa River) winding through the city. The sky is a clear, vibrant blue with a few wispy white clouds. A dark blue rectangular box with rounded corners is positioned in the upper-middle section of the image, containing white text.

2

Updating ICT-based education services

2 Updating ICT-based education services

Hybrid physical/online classes boost customer value



Online classes

- ✓ **Mixed physical/online individualized classes for up to two students**
- ✓ **Greater convenience**

Effective use of time /
no worry over going out to
night classes

New schools

Aiming for 8 new schools per year based on dominant strategy

2

Updating ICT-based
education services

Using strengths to advance to new branch locations

All Online individualized instruction (tentative title)

Knowhow in hiring and
training teachers

Optimal personalized
teaching methods

To be launched in three years

Benesse Writing Classes online

Highly effective
independent curriculum

Launched in September 2020

Reform of business infrastructure

Reform of ICT infrastructure based on medium-to-long-term growth

Medium/long-term system concept

- (1) Changing customer reception service to raise customer convenience
- (2) Creating and analyzing a digital database of available data and providing feedback to customers and company

Specific items

ICT investment: 3 billion yen in 5 years

- ✓ Responding to likely digitization of education
- ✓ Using technology to aid challenges in new fields



TIEI (consolidated)

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%

Target assumption: Pandemic impact

- ❑ No lesson suspensions due to temporary school closure or state of emergency order
- ❑ New normal of virus prevention measures alongside economic activity to continue until at least mid 2021

- ◆ We will maintain at least 50% dividend payout ratio.
- ◆ We will strive for stable profit payback with eye on earnings, growth investment and business sustainability.

Dividend per share / dividend payout ratio

	Year ending Feb 2017	Year ending Feb 2018	Year ending Feb 2019	Year ending Feb 2020	Year ending Feb 2021 (forecast)
Full-year dividend	26 yen	26 yen	26 yen	26 yen	26 yen
Dividend payout ratio	98.1%	80.9%	73.1%	74.4%	—
Mid-year dividend	13 yen	13 yen	13 yen	13 yen	*13 yen (actual)
End-of-year dividend	13 yen	13 yen	13 yen	13 yen	*13 yen

*Announced Oct 9

Human resources

Human vitality is the source of business growth and leads directly to an improvement in corporate value. Based on that thinking, we are working to increase the value of working at our company.

Offering support and growth opportunities for teachers

- Teacher's Summit
- Teacher's Summit Academy

Promoting health management

- Certification as Health and Productivity Enterprise 2020

Governance

We will strive for swift decisions, sound management, improved transparency, increased value for all stakeholders, and higher corporate value.

Strengthening governance

- Directors increased from 5 to 7 persons in May 2020. Independent external officers raised from 4 to 5, bringing their ratio to 42.9%.

A Co-created Future

A thick, yellow, hand-drawn style brushstroke underline that starts under the word 'Co-created' and extends past the word 'Future', ending with a few diagonal strokes.

Mutual Education

Through Hospitality Management

Earnings forecasts and other information related to projections and strategies contained in this material are forecast by the company based on currently available information and certain assumptions judged to be reasonable. We make no representations or guarantees with respect to the accuracy or completeness of this material.

Actual results may differ significantly from the forecast due to various risk factors and uncertainties. The company is not liable for any repercussions or damage caused by information in this material.

This material may not be copied or forwarded without permission for any purpose.

This material was created to provide an understanding of the company and is not intended to solicit investment in the company. Investment decisions should be made at your own discretion.



東京個別指導学院