

Earnings Briefing Materials for FY2022

March 1, 2022 to February 28, 2023

Tokyo Individualized Educational Institute, Inc.

April 10, 2023

Today's Agenda

1. FY2022 Performance and FY2023 Plan

2. Q&A



FY2022 Performance and FY2023 Plan

Tokyo Individualized Educational Institute, Inc.
Director
Takeharu Tsutsumi

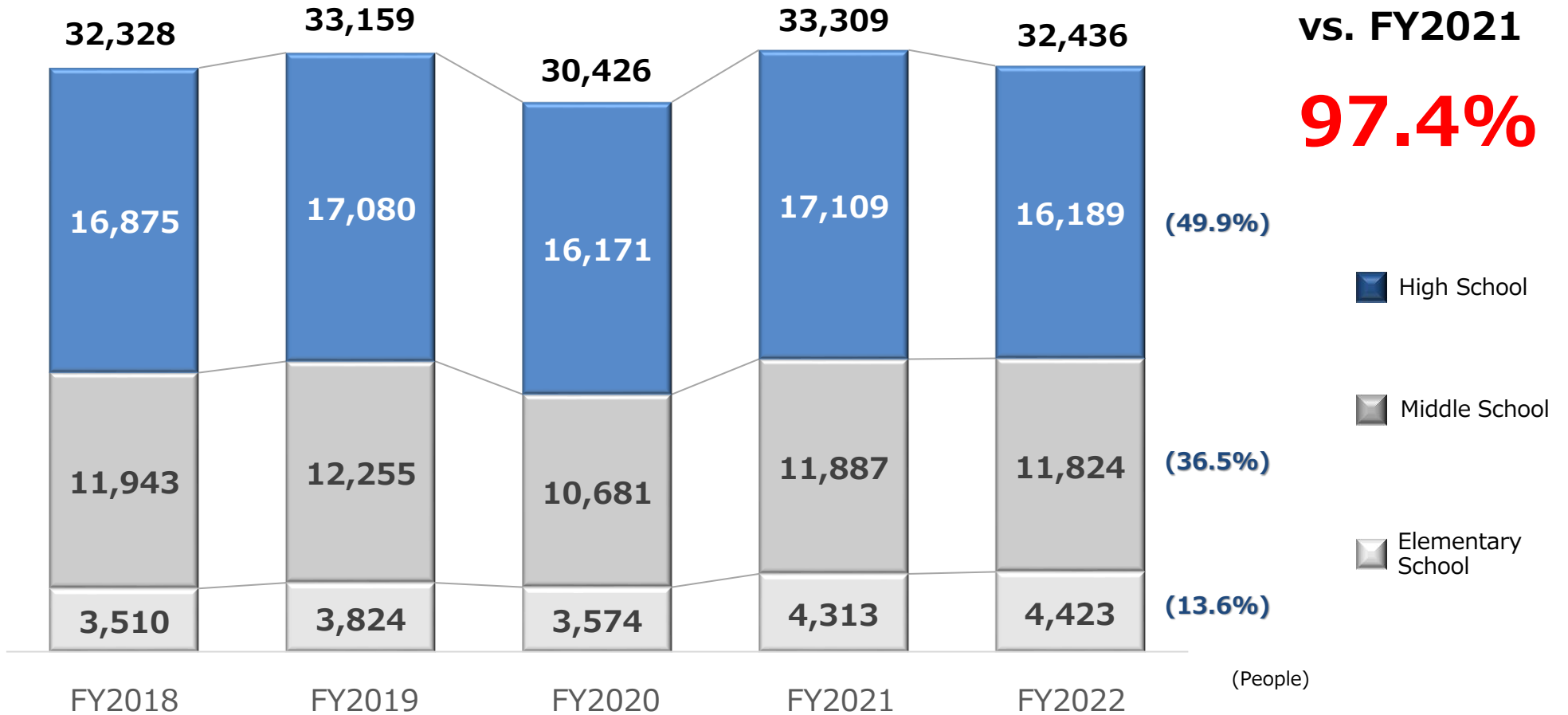
FY2022 Consolidated P/L

(Millions of yen)

	FY2022 (consolidated)	FY2021 (consolidated)	YoY Change	YoY Change
Net sales	21,790	22,495	-705	-3.1%
Cost of sales	13,975	14,229	-253	-1.8%
Cost of sales ratio	64.1%	63.3%	0.8pt	-
Gross profit	7,814	8,265	-451	-5.5%
Gross profit ratio	35.9%	36.7%	-0.8pt	-
SG&A	5,989	5,869	120	2.1%
SG&A ratio	27.5%	26.1%	1.4pt	-
Operating income	1,824	2,396	-571	-23.9%
Operating income margin	8.4%	10.7%	-2.3pt	-
Net income attributable to parent company	1,249	1,578	-328	-20.8%

YoY decrease due to decline in high school enrollment

[FY average number of students (by student category)]

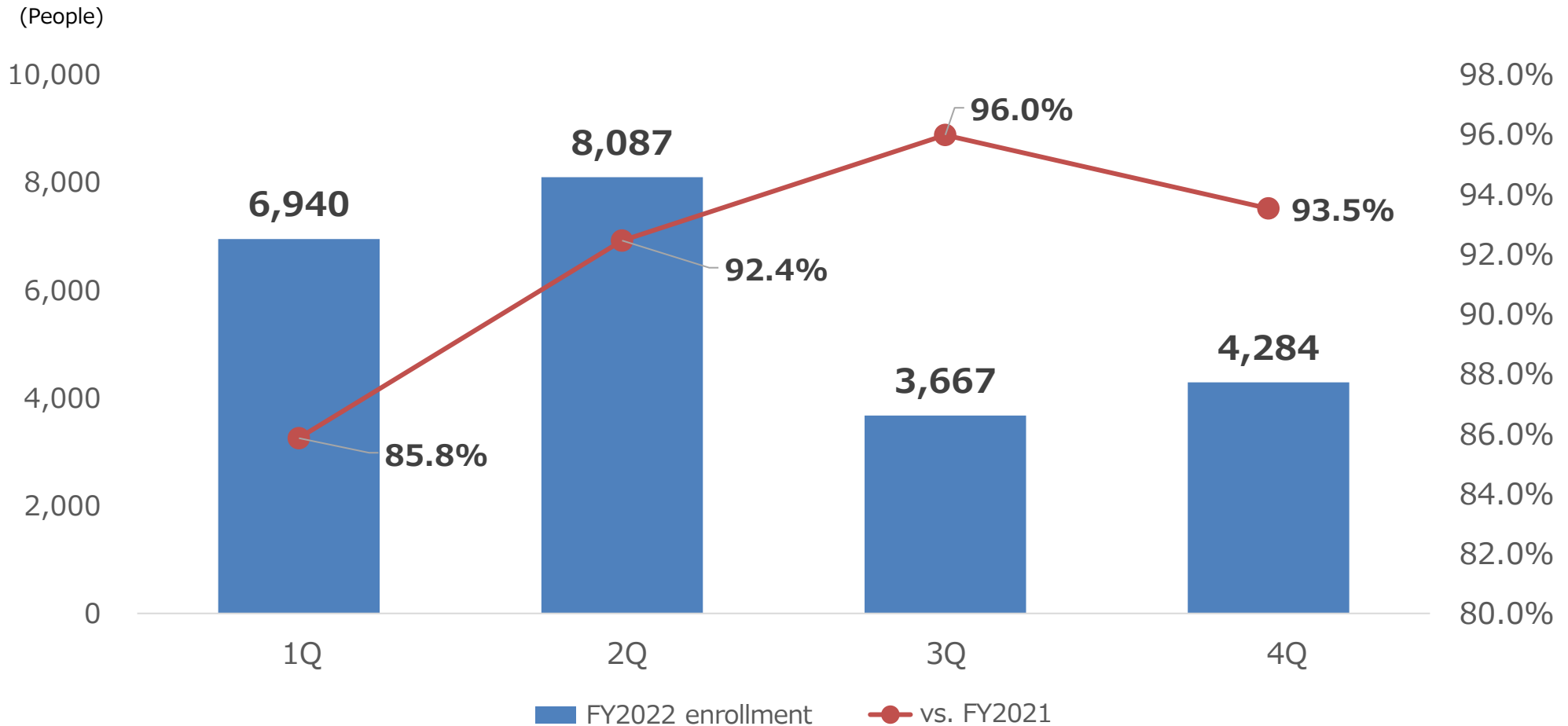


**Average annual enrollment for FY2022 (vs. FY2021):
high school 94.6%; middle school 99.5%; elementary school 102.6%**

*Students enrolled in individualized teaching

Previous recovery trend slowed in 4Q

[Transitions in quarterly number of students enrolled]



*Enrollment numbers for individualized teaching only

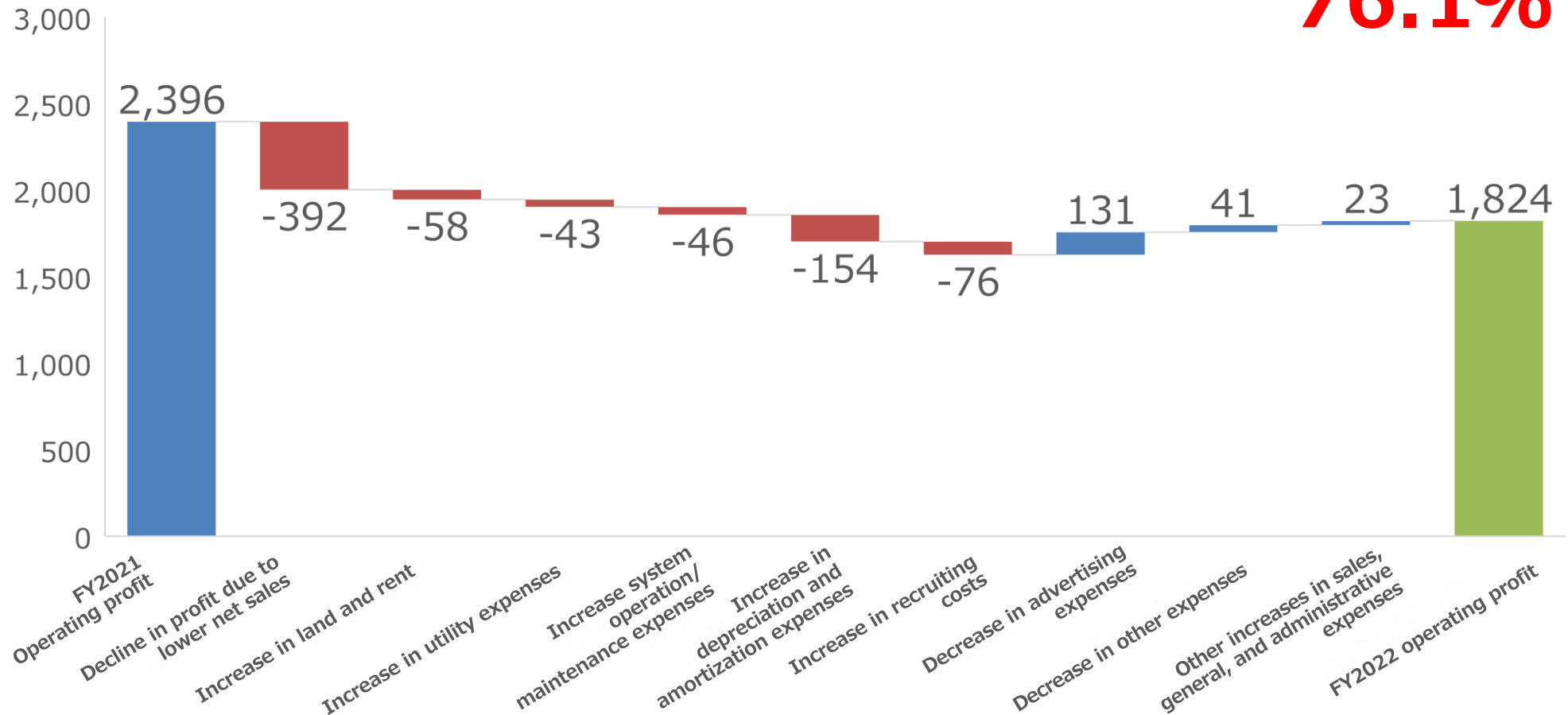
Profits decreased despite reevaluating expenses to address impact of decline in net sales

[FY2022 Analysis of increases/decreases in profit]

vs. FY2021

76.1%

(Millions of yen)



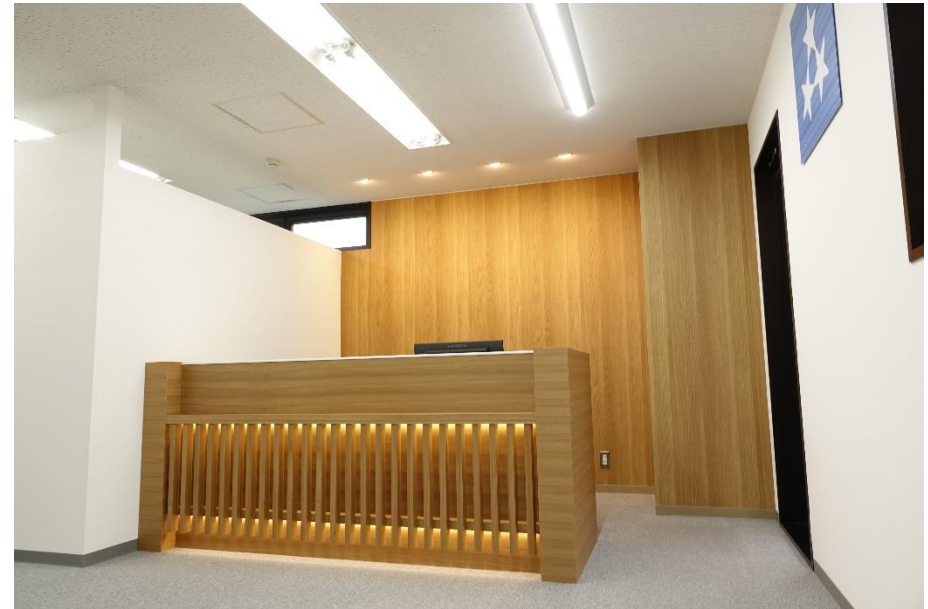
Opened three schools in FY2022, bringing the total to 269

FY2022 School openings (as of Feb. 28, 2023)

Ikegami School (Tokyo)
June 2022

Kagurazaka School (Tokyo)
June 2022

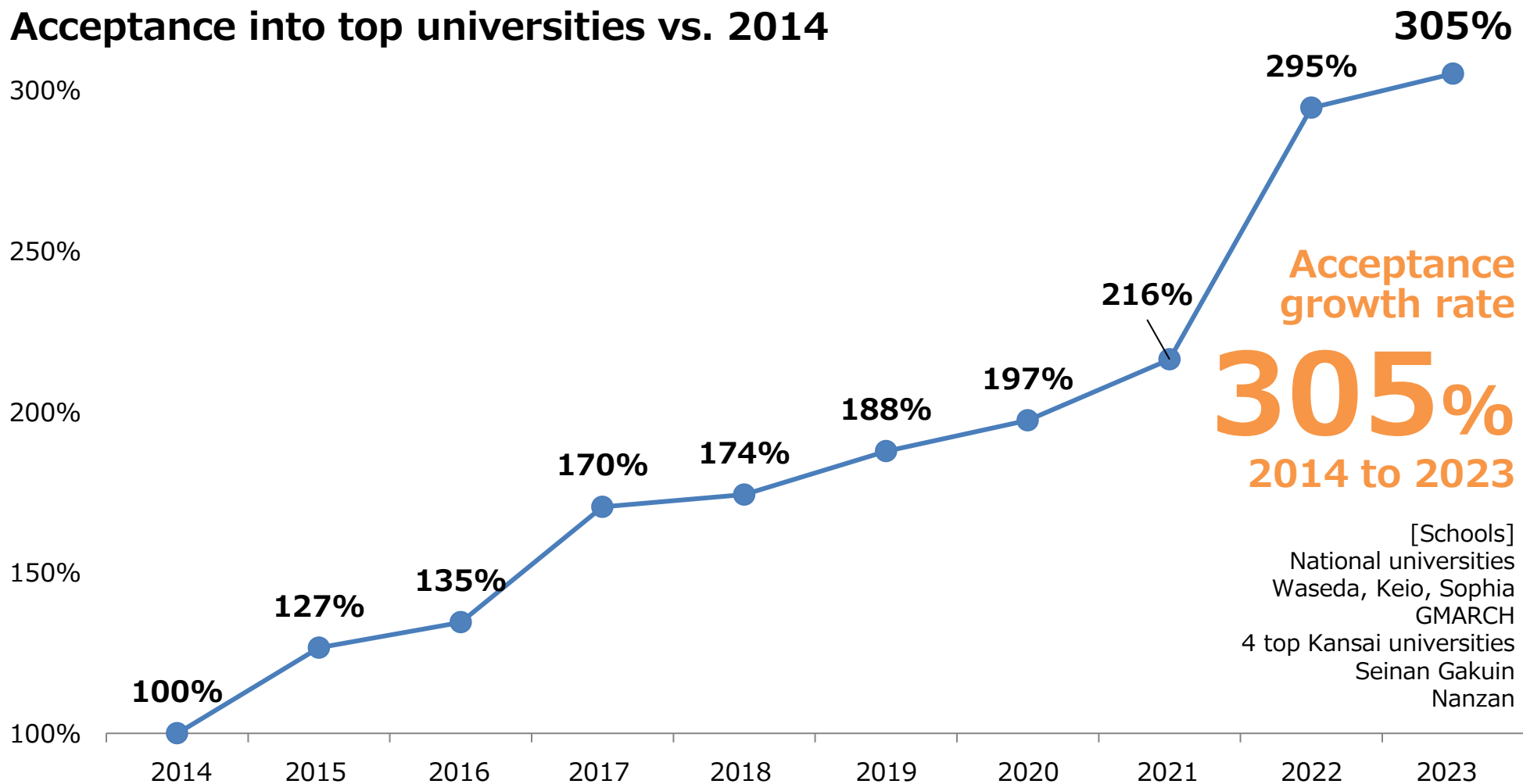
Ebina School (Kanagawa)
October 2022



Kagurazaka School

Surpasses previous FY for highest ever acceptance to top schools

Acceptance into top universities vs. 2014



Forecasting increased net sales but decreased income on investments to resolve issues

(Millions of yen)

	FY2023 (consolidated) Forecast	FY2022 (consolidated) Results	Change	Rate of change
Net sales	22,164	21,790	373	1.7%
Operating income	1,464	1,824	-360	-19.8%
Operating income margin	6.6%	8.4%	-1.8pt	-
Ordinary income	1,465	1,834	-369	-20.1%
Net income attributable to parent company	916	1,249	-333	-26.7%
Net income margin	4.1%	5.7%	-1.6pt	-
EPS	16.88	23.02	-6.14	-

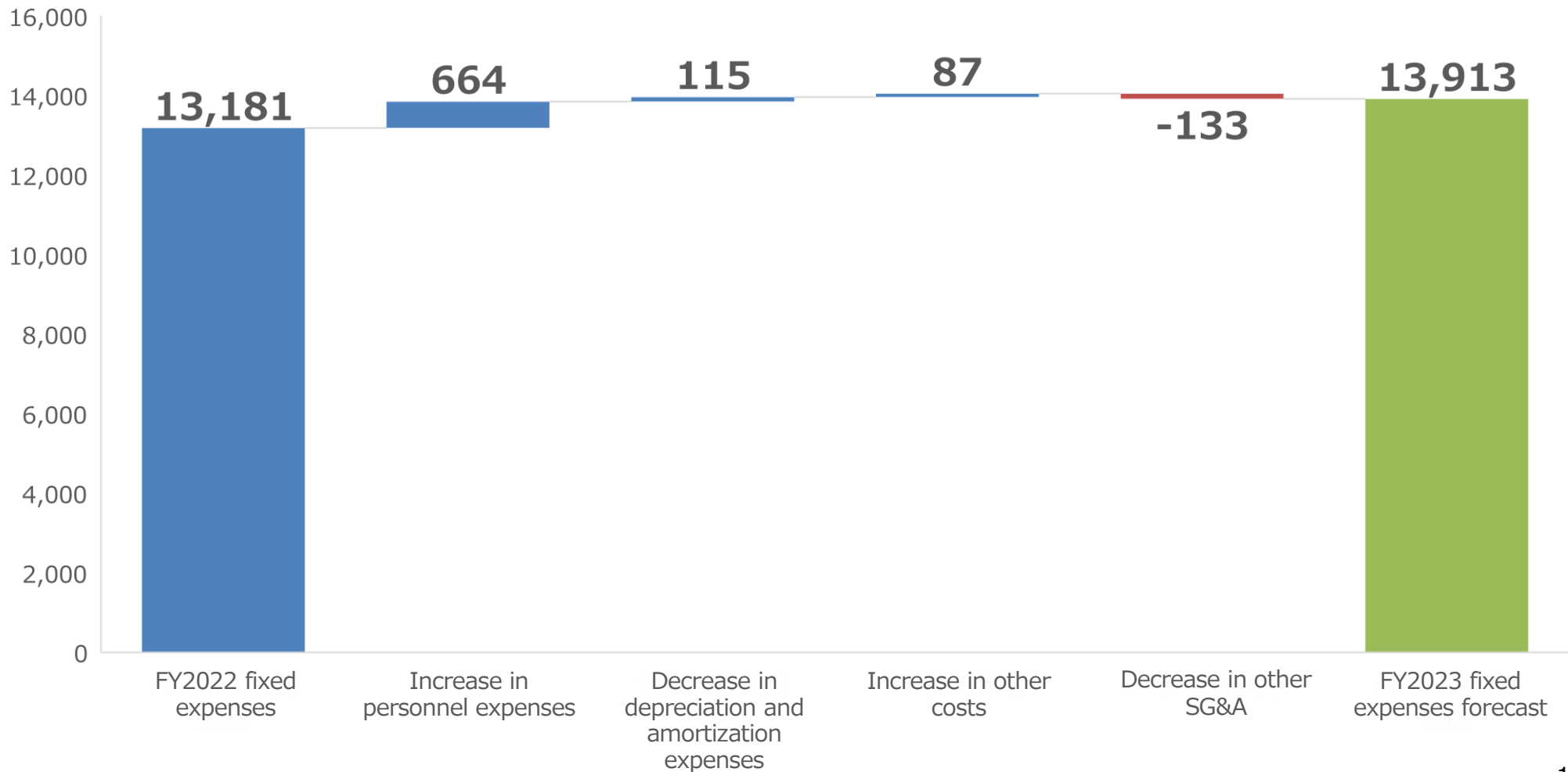
Revising course prices from May 2023

Responding to severe changes in the education environment and further increases in customer satisfaction

We revised course prices by roughly 7% with the goal of securing capital mainly for investments in human resources

Planning to secure the personnel needed to address the key recovery issues of educational affairs and marketing reform, and increase school personnel

(Millions of yen)



Strengthen Group alliances to resolve issues

1

Marketing reform focused on web-based marketing

Utilize knowledge of the Benesse Group to accelerate recovery in inquiries

2

Create framework for educational content development

Use Group assets to develop yearly test content for university entrance exams
Group collaboration on development of educational framework as market strategy for middle school entrance exams

3

Strengthen operating structure to enhance Group collaboration

Stimulate personal interactions, including through the reassignment of directors

Decision not to release medium-term management plan

We are currently validating the efficacy of business reforms involving the use of various assets of the Benesse Group. We will use the results of this validation as the basis for revisions to our business investment plans, after which we will draft our medium-term management plan.

A Co-created Future

Mutual Education

Through Hospitality Management

Striving to realize VISION2030, we will develop further strengths by combining Benesse Group assets with the CSV framework we are creating with university student instructors.

Evaluate future investments and financial stability while continuing to issue dividends based on our return policy

	FY2019	FY2020	FY2021	FY2022	FY2023 (Forecast)
Full-year dividend	26 yen	26 yen	26 yen	*23 yen	16 yen
Dividend payout ratio (consolidated)	74.4%	557.8%	89.4%	*99.9%	94.8%
Mid-year dividend	13 yen	13 yen	13 yen	13 yen	8 yen
End-of-year dividend	13 yen	13 yen	13 yen	*10 yen	8 yen

*TBD at 40th Ordinary
General Meeting of
Shareholders

 東京個別指導学院