

October 11, 2013

To all persons concerned

Company name: Meiko Network Japan Co., Ltd.
Name of representative: Hirotake Watanabe, President and Representative Director
(Code number 4668, first section of the Tokyo Stock Exchange)
Contacts: Osamu Ogita, General Manager, Corporate Planning Department
(Tel: +81-3-5860-2111 (main))

Notification of New Medium-Term Management Plan

The company wishes to report that on this date the board of directors approved the medium-term management plan covering the period from FY8/2014, the starting year, to FY8/2016.

Note

1. Summary of the new medium-term management plan

The year 2020 Vision statement is as follows: Striving for further growth with educational and cultural activities as the core, we aim to become the top human resources development company.” The group intends to realize the vision.

In the first stage of the three-year medium-term management plan (from FY8/2011 to FY8/2013), our objective was to pursue growth of Meiko Gijuku in 3 dimensions: number of schools, number of students, and number of classes and at the same time, seek 2nd or 3rd growth driver. We were able to increase the number of students at direct-run schools, but unable to increase the number of FC schools, and as a result, the growth in 3 dimensions was not very satisfactory. With respect to the new business activities, the franchise business was launched with the start of the Meiko Soccer School and Waseda Academy Kobetsu School. Meiko Kids also got off a good start. The new business activities contributed to the expansion of the customer base and the establishment of the brand.

In the new medium-term management plan (from FY8/2014 to FY8/2016), which is the second stage of 2020 Vision, we aim to accelerate growth and become the clear number one company in the cram school industry.

2. Numerical targets

3 years from now in FY8/2016, we aim to achieve 2,300 schools of Meiko Gijuku, sales of 18.7 billion yen, and ordinary profit of 4.5 billion yen.

3. Medium term management strategy

(1) Reinforcement of supervisory role of the headquarters

We plan to conduct school operation in an organized manner and make teaching curriculum uniform and efficient by enhancing further the coordination between supervisors, area managers, and the headquarters.

(2) Establishment of 3 dimensions growth of the Meiko Gijuku Business

Meiko Gijuki will increase the number of schools by promoting the introduction of satellite schools and by restructuring business areas. Additionally, we will strive for the reinforcement of the “Meiko self-motivated learning” method and establish an education method that is optimal for each student, raise student motivation, enhance the academic development of students, encourage students to pass the entrance examination of the school of choice, and promote self-motivated learning. We will also increase the number of students and the number of lesson classes by establishing a position as the most reliable cram school in the area and by providing new educational services, such as video lessons for high school students and new learning courses for elementary school students.

(3) Development of the new Meiko Gijuku

We will promote the development of the next generation model for Meiko Gijuku to respond to advances in society, changes in education, and diverse educational needs.

(4) Establishment of business bases for the new businesses and expansion of business areas

Our group will seek added value, construct a high level of diversified competitiveness, create new market value, and increase the recognition of new business through aggressive sales and promotional activities. The company will accelerate growth routes from the establishment of the next core businesses and expansion of new business areas, as well as reinforce organizations and human resources with a high level of management ability to support these activities.

(5) Construction of a solid organization of the headquarters by reforming the organization and building up human resources

To increase competitiveness, the company will construct an organization to closely support schools by promoting the right person in the right staff location to encourage growth, improve the ability of human resources by actively promoting female managers, and ensure tighter cooperation between departments. In terms of training, the company started the Meiko-Next Leader Succession Program to develop the next generation leader to optimally act on a company level.

(6) Increase in enterprise value

The company strives to create new value through attractive returns to shareholders, capital policies, alliances, and mergers and acquisitions.

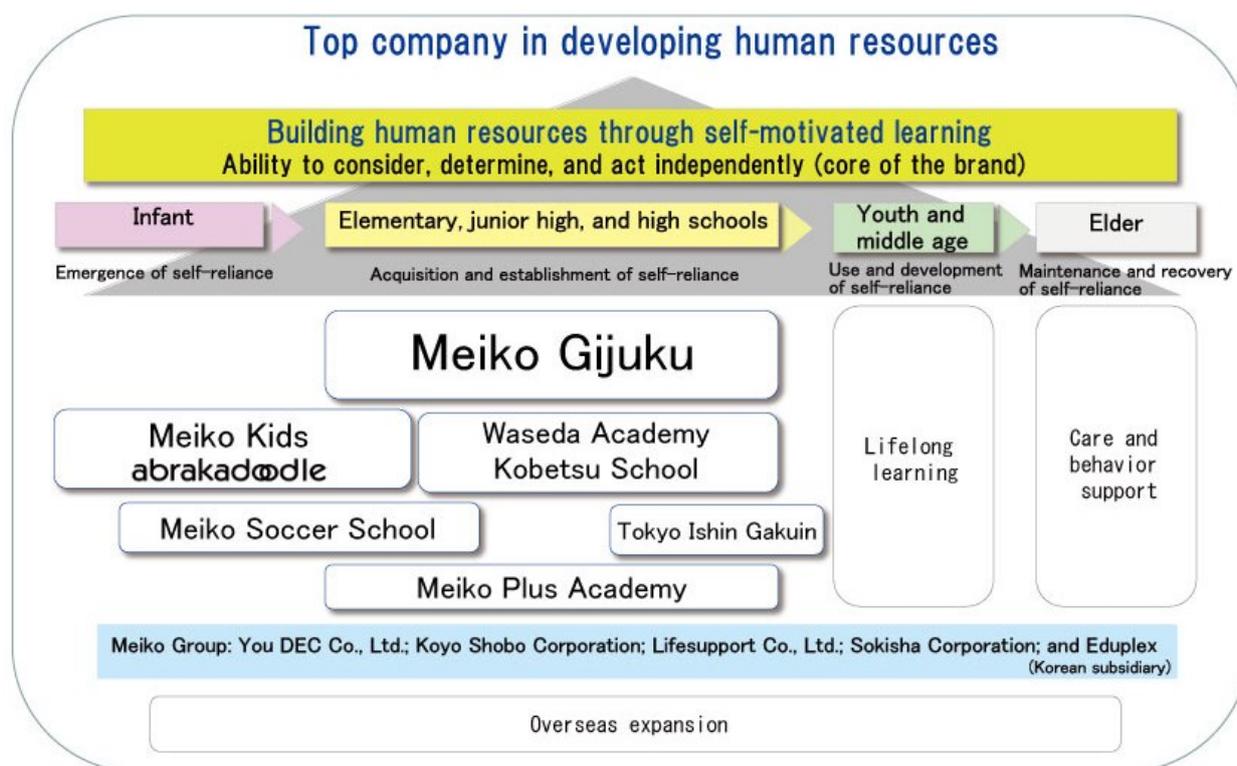
4. Profit planning

(Unit: millions of yen)

	FY8/2014 (planned value)	FY8/2015 (planned value)	FY8/2016 (planned value)
Sales	16,470	17,430	18,720
Operating income	3,780	4,030	4,380
Ordinary profit	3,880	4,130	4,500
Net income	2,330	2,470	2,840

Note: The planned values shown in the chart above are based on information available as of the report date; therefore, actual results may differ from planned values because of a variety of potential factors.

5. Business areas and image of customer bases



End