



Free Bird Institute Investment Guide



CHAIRMAN'S MESSAGE

There are a lot of people in the world who cannot receive education even though they wish to. This is how I felt from my experience while I was studying in China. I was fortunate to be born in a wealthy family and able to study abroad. However, the Japanese students I met in China were studying there as their second or third option due to financial issue as it costs more if they study in Western countries. Students from African and Arabic countries who I lived with under the same roof were studying in China because they couldn't get student visas from Western countries (because of racism and nationality discrimination). Nevertheless, they studied really hard and returned to their home countries, and some are now holding important positions there. I am sure that the very poor living conditions in the University in China where I studied such as; 12 people in one room with 4 three layered-beds, living with cockroaches and rats, made us stronger. From my experience, I started thinking about "What is education?"

I decided not to be absent from work for even a day since the day I made up my mind that I will work for something "I want to do"! With that as my mission, I established my company, school to solve the issue of "not being able to receive education" Even though they say the world is wide, I haven't heard of anyone trying to provide cheaper education. So I decided to dedicate my life to this challenge. Not to make any excuses, I started working on Saturday, Sunday, on Christmas day and the New Year's Day until it became satisfactory.

Through my work, I have realized a few reasons why people cannot receive education. One of the reasons is financial issue which I have already noticed from the beginning. I am really glad that people who couldn't receive education despite their desire are able to study abroad through our cheap study abroad

program, rather than succeed in business. South Pacific Free Bird became one of the top class agents in area of a total number of customers studying abroad annually. To be honest, I was surprised when I came to know that so many people wanted to study abroad and actually could study abroad though reduced cost provided by us.

Moreover, it is not well known, but there are more than 100 thousand students a year who drop out from high schools in Japan. There are variety reasons, but beside the financial reason, most of the reasons are physical problems such as atopic allergy and asthma, and mental stress from the family issues. If those children cannot go back to school again, unfortunately, they will become NEETs (Not engaged in Employment, Education or Training). As long as the environment surrounding those children does not change, they won't go to school spontaneously and continuously. Fortunately, there aren't any serious cases of atopic allergy or asthma caused by environmental pollution in Fiji. Also, those children stressed out in Japanese society will be healed by affectionate homestays, then the homestay family with full of hospitality will become their second family.

It is said that it would come true if you wish, In September 2010, I was appointed to help reorganize and run a local high school for Ba Province by the Fiji Government and I became the President of Ba Provincial Collage. At last, there is a school for students who used to stay home and couldn't go to school for various reasons in Fiji. I will devote more effort to education than ever for Japanese students who had dropped out from high school to gain confidence again.

Perhaps, maybe there are still many reasons why people cannot receive education. I will settle those issues one by one so that the world can be changed someday.

“The world can be changed
by education!!”
that's what I believe in.



WHY FIJI?

1 Reason

Old British Colony where 98% of the citizens speak “Queen's English”

English is the primary language of conversation in Fiji and is widely used all over the country. When Great Britain colonized Fiji in the early 18th century, school teachers and college lecturers were recruited directly from Britain to work in the schools in Fiji. British have been greatly influential in the Fijian society and this has made it one of the best countries that offer quality education. Most of the TV Programs, Newspapers and signboards on the streets are broadcasted or written in English. The easy excess to “using English daily” such as shopping and chatting in town makes one adapt easily to the English environment while staying in Fiji.

2 Reason

Friendly people

People in Fiji are very friendly. Many people from all over the world visit Fiji every year to experience the warmth and the high level of hospitality that the Fijian people are well known for. Though it may not be able to match up with the convenience that our developed countries can offer, Fiji has its own quality of life which includes a much laid back atmosphere which allows anyone to enjoy life at their own pace. People in Fiji are so friendly and with their amazing skills to initiate a conversation with anyone (tourists and foreigners) is quite remarkable. Everyone in Fiji is your teacher and Fiji itself is like a school for English learners.

3 Reason

Overwhelmingly low cost

By running our own school, we have made it possible to reduce the cost in various areas. The low cost of living (in comparison to the developed countries) in Fiji also helps us in achieving “low-cost study abroad program”. We are, so to speak, “Unique” with studying abroad market. It is said that you will need more than 30,000 for a year to study in western countries, but it can be a half or one third price in Fiji with the same program

How does the Fiji study program overcome “The reasons of not being able to study”?

For students with financial difficulties

From the beginning of 2000, Fiji has been facing a serious problem as many classrooms in schools have turned out to be empty and a lot of teachers have also lost their job due to the drastic decrease in the birth rate. To help salvage this situation, SPFB proposed to Fiji Ministry of Education that they establish a language school for non-English speakers and also utilize those classrooms and teachers. This has made it possible and also has given the opportunity for those families and students with financial difficulties the chance to go and study abroad.

For students who cannot study abroad due to their nationality or religion

It is not well known in Japan but the government often refuse students from certain Asian countries whose economic strength are low and those from Islamic nations applying for their student visas. Some of the developed countries, such as US, Britain, and Australia, usually restrict the number of students from developing countries. Fiji, since its independence in 1970, has been one of the rare countries which usually permit visas regardless of the students' nationality or religion. You can study in Fiji safely and discrimination-free no

matter where you are from, or what you believe

For teenage students who have defiant attitude at home

Since the establishment of school, students and their family members sometimes send us letters of appreciation which most of the time say that in Fiji, they have realized how important family is. Staying with warm-hearted family in Fijian homestays makes it easier for students to see “something” based on family relationship. Even adolescent students have shown significant improvement while studying in Fiji.

For students who are sensitive to their surroundings.

Some Japanese students cannot attend school due to their health conditions such as atopic allergies and others. In 2010, to respond to the request if there is a high school for those students who had given up to go to school to be able complete their study in high school in Japan, we have also established a high school in Fiji which has less problems with air pollution and water pollution. Now students who suffer from health problem caused by the environmental pollution can also attend school and successfully complete it.

Over 16,400 students from all of the world have graduated and have flown away as "free birds" from Fiji since the establishment of the Language School in 2004



'2004 '05 '06 '07 '08 '09 '10 '11 '12 '13 '14 '15 '16 '17

<p>Namaka Public Free Bird Institute (NPFBI) started its cooperation with Namaka Public School Management</p> <p>Support Office was opened in Nadi, Fiji</p> <p>Started the English Course at Ratu Navula Vocational School</p>	<p>Permission was obtained to change the instituon's name from "English Course in Namaka Public School" to "Namaka Free Bird Institution" as a language school attached to a local public school.</p> <p>Support office was moved to Namaka</p>	<p>Approval was obtained from the Ministry of Education for separate establishment of the Institute from Namaka Public School.</p> <p>Free Bird Institute Limited was formally opened by the former CEO, Ministry of Education in Sept 06.</p> <p>Free Bird Institute opened Operations at the Lautoka Fijian School.</p>	<p>Second building was opened at the Nadi Campus</p> <p>Over,3000 applicants have been received since the establishment of the company.</p>	<p>Second building was opened at the Lautoka Campus</p> <p>Over,5000 applicants have been received since the establishment of the company.</p>	<p>TOEIC courses was introduced for the first time.</p> <p>Over,6000 applicants have been received since the establishment of the company.</p>	<p>Company expanded its operations to co-manage a local high school in Fiji with Ba Provincial Holdings Co Ltd to manage the now Ba Provincial Free Bird Institute on behalf of SPFB in Japan</p> <p>Over,7000 applicants have been received since the establishment of the company.</p>	<p>Commenced operation as a limited liability company in Jan 2011 as Free Bird Institute Limited</p> <p>Over,9000 applicants have been received since the establishment of the company.</p>	<p>Over,11000 applicants have been received since the establishment of the company.</p>	<p>Position for the Principal at Ba Provincial Free Bird was privatised.</p> <p>Over,13000 applicants have been received since the establishment of the company.</p>	<p>BPFBI winner of the national secodary school rugby competition in Fiji</p> <p>Over,15000 applicants have been received since the establishment of the company.</p>	<p>BPFBI retained their title as the winner of the national secodary school rugby competition in Fiji</p> <p>Over,17000 applicants have been received since the establishment of the company.</p>	<p>started the in-house insurance scheme exclusively offered to the Japanese students covering for their travel, medical and life insurance for the duration of their studies in Feb. Over 95% of all students have opted to take up the insurance package.</p>	<p>Free Bird Institute Limited listed on the South Pacific Stock Exchange in Jan 2017</p> <p>Over,16400 applicants have been received since the establishment of the company.</p>
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Introduction of Fiji

Basic Information of Fiji

Official name of country	Republic of the Fiji (Capital: Suva)
Population	870,000 in 330 islands
Time difference	UTC + 12 hours (During the summer time, +13 hours)
Language	English is the official language. Fijian and Hindustani are also spoken.
Races	Fijian (54.3%), Indian (38.1%), Others (7.5%)
Climate	Moderate through the year. Average temperature is 23 – 28C. Enjoy swimming through the year. There are rainy season and dry season. In the rainy season, torrential rains are observed occasionally. The Western area of Vitilevu Island where Nadi and Lautoka are has less rain in comparison with the Eastern area and comfortable to live in.
Currency	Fijian Dollar (F\$)
Commodity prices	A can of Cola: F\$2 A bread loaf: F\$1 Bus fare to go to school: F\$1 Curry with rice: F\$5 *Just for examples

Nadi

A town where all the foreign visitors arrive is Nadi, and where the airport is located. It is the third largest town in Fiji and even on weekdays, the center of the town is full of people and on Saturdays the market is occupied with many people. There are many souvenir shops, shopping malls, restaurants and hotels.



Lautoka

The second largest town in Fiji and Lautoka is larger than Nadi with its scale. Refining of sugar corns is very popular here. It is also very flourished with its fishing port for local fishermen. Most of the shops in town is based for local Fijians, whereas Nadi is full of tourist staying.



Recommended spots in Fiji

Lake Tagimaucia

A lake deep in the mountain on the third largest island in Fiji, Taveuni Island. We can see the Tagimaucia, which is a national flower of Fiji and can be found only here. It has a nick name as “Tears of maiden”, as well.



Sigatoka large sand dune

A silver colored sand dune spread out at the estuary of Sigatoka river. It starts from Kulu-kulu Village near the estuary and spread out for 5Km along the sea shore. Its width reaches 1Km at the widest point, and the west end is 50m above the sea level.



Yasawa Islands

The islands where the famous film “The Blue Lagoon” was set in. There are many unexplored great natures remaining and so many activities are available to enjoy.

Where is Fiji?

Language School

3 Opportunities

Our Language School, Free Bird Institute provides you the best environment for you to master practical English bringing out the best in strengths of studying in Fiji.

What's the Practical English?

English is a measure to communicate with variety of people in the world. We have variety of scenes to utilize English being faced to every scenes in which we have to communicate with people who have different ideas, exchange opinions to create a common idea and presenting own idea along the flow of the scene. The language school of Free Bird Institute is adopting Group Lesson style so that the curriculum should help students to learn efficiently about variable expression method, way of thinking, measure of communication in a limited time. By way of enjoying English conversations with classmates and teachers, students can improve their ability of communications and presentations through the classes, they can master "Practical English".



1

Learn practically fitting to the level

Classes in 7 Levels for Read/Write/Grammar and Conversation

In Free Bird Institute, students are placed into classes to fit each student's English level, Lessons for Reading/Writing/Grammar in the morning classes and Conversation in the afternoon classes and are separated in 7 classes accordingly. Students can grow in their strong points, overcoming their weak points at the same time thus improving their English very efficiently. Placement test is given in writing for listening ability and conversation test with teachers for conversation ability.

Curriculum based on Conversation

In the morning, Morning Talk (warming up), Reading, Grammar, and Writing are programmed 45 minutes for each. In the afternoon, Speaking (conversation) is programmed for 90 minutes. We have especially twice time for the conversation as much as the other subjects so that it would be a curriculum based on conversation. Reading, writing, and conversation have practical contents from daily life situations. Therefore, students can practice what they have learned at school in the town, and then bring them back to the school to brush them up, making a circulation of practice and study.

Textbooks developed by Cambridge University in U.K.

The English spoken in Fiji which used to be a territory of U.K. has a root in the British English. Therefore, we use "face 2 face" being developed by Cambridge University in U.K. for the textbook in the class. Textbooks are rental. You can buy them through "Amazon.com" if you want.



TOEIC Course (Optional:charged)

Using a book of practical drills for TOEIC is used as a textbook. By repeating questions and comments for points, abilities of Vocabulary, Grammar, Reading, and Listening will be improved. In the comments for points, the tendency of TOEIC questions, methods of conquest will be instructed. Beginners' class is recommendable not only for those who wants to improve scores, but also for those who wants to learn hard the English ability. TOEIC course starts at 14:45 after the regular class is over. US\$78.00/week (10hours) including rental textbook.

Choice of Class	
Beginners' Class (Score 10-349 level)	Middle Class (Score 500-669 level)
Elementary Class (Score 350-499 level)	Advanced Class (Score 670- level)

2

Learn under strict rules

EOP (English Only Policy)

EOP is a rule to prohibit any languages other than English in the school property. It is a rule to speak only in English and not only during the class but also during the breaks and after-school hours. In case a student speaks a language other than English, the student will be given a yellow card. If the student gets the third yellow card, then the student will be expelled from school and forced to depart Fiji immediately. This rule is kept very strictly. The rule that even among students from the same country have to speak in English enables them to experience the environment of thinking in English and speaking in English.



3

Learn one more language

Learn Japanese for free!

Students can learn Japanese if they wish in addition to English. Japanese lesson is given after the regular school hours by native Japanese volunteer teachers for free of charge. Teachers are volunteers but some of them are licensed Japanese teachers in Japan and also are students learning English at FBI. This will be a great experience for you and something special you never able to experience in another English schools.

Class Levels & Course details

Here are examples of Programs that you learn at **Free Bird Institute.**

Class Level Chart

Advanced	Level 7 Business	Able to do job in English
	Level 6 Advance	Understand movies
Middle	Level 5 Upper Intermediate	Understand some complicated expression
	Level 4 Intermediate	Basic conversation
	Level 3 Pre-Intermediate	Travel Conversation
Elementary	Level 2 Elementary	Minimum Conversation
	Level 1 Starter	Limited words and Expression



Graduation Ceremony
Graduation ceremony is held every week at Free Bird Institute. A diploma will be given to graduates regardless the period of study.

Details of the class depending on the levels (Examples)

Morning Talk	Pronunciation Practice Correct particular pronunciation Teacher lists out words including “th” on a blackboard, and show their pronunciations. Introduction of hobbies Improve the ability of basic conversation ① What is you hobby? ② My hobby is cooking. ▶ Try conversation using above sentence replacing with his own word. ▶ Each pair of student try to introduce the hobby of counter party to all of the class.	Situation Story Making Level up the Conversation ability Teacher shows the below pictures. ① Two ladies watching cloths in a department store. ② A lady and a beautician before having her hair cut. ③ A young couple talking seriously in a cafe. ▶ A pair of students selects one picture, and thinks and makes their conversations. ▶ Each pair presents the conversations to all of the class.	Dictation of the Business News Improve the ability of listening Listen to the business news about “Dunkin’ Donuts” for three times. ▶ Teacher ask questions and students answer. Ex.) Name of the parent company, year of the establishment, capital value, secret of success, etc.. ▶ Teacher explains the important words and expressions in the news and students confirm them by listening to the news again.
	Reading	Read and understand the pamphlet of the tour Improve reading comprehension and study expression ▶ A pair of students read different one of the two pamphlet being prepared. ▶ Ask questions each other (Name of the resort, place, cost, etc.) ▶ Write down the answer being given to the question of the counter party. ▶ Exchange each pamphlet, and confirm whether if the answers were correct or not.	Read and comprehend a textbook Improve ability to read and comprehend, and imagination. Students exchange information about China to each other rega rding population, history, culture, sports and impressions. ▶ Students presume the content of the text in the textbook being titled “Changing China”, only from its title. ▶ Students exchange their supposition. ▶ Read the actual content of the text and confirm what it written there.
Grammar		Write sentence using “Can” Make affirmative sentence and negative sentence using “Can”, and practice conversation. ① Can you speak Korean? –Yes, I can. ② Can you play the piano? –No, I can not. ③ Can I borrow your pen? –Yes, you can. ▶ Each pair of students try to enjoy conversation with sentence using “can” referring to the above examples. ▶ Each pair of students introduce what the counter party can do to all of the class. ▶ Teacher gives the comment to their introductions.	Exercise of the subjunctive mood Strengthen the ability of practical usage of the grammar Teacher shows the examples below and explain the usage of the subjunctive mood. ① If you had a car, what would you do? –If I had a car, I would drive around Fiji. ② If you were president, what would you do? –If I was a president, I would save people from poverty. ▶ A pair of students practices conversations using the subjunctive mood referring the above examples. ▶ Each pair presents their conversations to all of the class.
	Writing	A letter to the family Strengthen writing ability and expression Select one theme, and write a letter to his/her family ① Food and climate in Fiji ② Homestay family ③ Teacher and friend ▶ Teacher touches it up. ▶ Each student presents his/her letter to all of the class. ▶ Teacher gives more beautiful expression for each mail to be shared with all.	Make an Essay Learn Typical clauses Students present about the differences between his/her own country and Fiji regarding about climate, food, clothes, traditions, humanity, etc.. ▶ Teacher explains how to write an essay. ▶ Students select two themes from the above and write an essay. ▶ Teacher touches it up. ▶ Each student presents his/her essay to the whole class and respond to questions from them.
Speaking		Restaurant’s Roll Play Master idiomatic expressions Teacher teaches the below expressions: ① How to get order from the guest. ② How to order to the waiter/waitress ③ How to pay the bill. ▶ Each group of students decide the type of the restaurant such as Japanese, French, etc.. ▶ Decide the roles(Guest and Waiter) of students, and make conversations from the order till paying the bill. ▶ Each group presents the conversations they made to all of the class. ▶ Teacher gives the comments. ▶ Teacher gives a commendation to the best group.	Debate Improve the ability of communication and presentation. Teacher explains how to put it forward the debate. ▶ Decide the theme for debate by a majority vote. Ex.) English education in low age, Abolition of the death penalty. ▶ Divide the class in two groups for those we are affirmative and negative. ▶ Each student in each group states his/her opinion for 3 mintues. ▶ Retaliates to the opinion of the counter group. ▶ Teacher acts as judge to decide which is winner.

Accommodations

We prepare two options for your accommodations.
Homestay with a warm hearted family,
Dormitory for your own pace.
You can go with your own choice.

Which is your type? Comparison with Homestay and Dormitory

	Homestay	Dormitory
Cost	US\$ 15	US\$ 3 (4 bed room) / US\$ 12 (1 bed room)
Meal	Served	Not served
Location	Various locations in town	At school
Recommendable for	Those who want to practice English at home	Those who want to keep his/her own paces.

Homestay

Homestay is to stay at one of the homes in Fiji as a member of the family. There are mainly Fijian's homes and Indian's homes. Meals are served by each family.(2 meals of weekdays, 3 meals on week-ends and holidays)
Coordinators in support office visit them to check whether their facilities are good enough for homestay.
Many students who stayed at homestay say that the family treated the student just as a member of the family, and help students to learn English by trying to talk in English with a great patience always.
Many of them are spending very hard time to separate hugging with tears when the students have to leave Fiji.
There are many students who are keeping communications with the family even after they come back to their home country, and some of them got back to Fiji to meet the family again, or study again at FBI staying with the same homestay again.
The experience at homestay is something special and very valuable that you can get in Fiji in addition to the improved English.



Dormitory

Dormitory stay is a style to enjoy community life with other students.
The size of a room is 2m X 3m. Students have to cook for him/herself. Dormitory is located in the same site of the school building and it is so convenient to go to school. Eating and sleeping together with the students who have the same dream thus strengthening the friendship and relationship to each other.
Moreover, you can make more and more friends beyond your class room and age. Living in dormitory, you can make much more friends than living in homestay.

about Facility
Males and females are separated in 2 blocks.
Private space.

Bed (2 story bed X 2 for 4 bed room, Single bed for 1 bed room), Pillow, Blanket, Ceiling fan, Safety box, Desk & Chair for 1 bed room, Kitchen (Refrigerator, Gas stove, Kettle, Cooking table), Shower room (Shower, Washstand), Laundry room, Toilet, Lounge (TV, Table and Chairs),

1 bed room



4 bed room



Opportunities of studying in Fiji

Chances for learning exist anywhere in the country

A country where beautiful beaches, untouched nature, and kind people are waiting for you. It's full of learning opportunities.



As there are so many chances to learn English, **Speaking ability is easy to be improved!**

When Fiji was under the British Colony, English was spoken as a public language, and everything was in English like TV, signboard, and news paper. In addition to English, Fijian and Hindustani are also spoken.

People in Fiji are all bilingual, speaking more than two languages.

Being different from those countries where only English is spoken, people show deep understandings for studying English as the second language, and talk to you with the same viewpoint as beginner. For example, they try to use very simple basic words, speak slowly, listen to you carefully. This is very helpful for those who have a fear in speaking English.

Moreover, if you visit sightseeing places such as small islands, there are many tourists from neighbor countries, like Australia and New Zealand. Communicating with these people will assist your English skills.



This is a country where the spirit of mutual help is common,

Easy to adapt to changes despite the difference in culture and living environment.

Fiji is known as a country of its high hospitality. People in Fiji have a tradition and culture to think of each other and help each other, and therefore their disposition is not to leave one who is troubled. They will be so kind to you with the spirit of mutual cooperation.

Moreover, Fijians are very charming, friendly, and cooperative. There are many repeaters in tourists just because they want to see their friendly faces again.

They will easily strike up a conversation if you walk anywhere in town. You will not feel alienation nor homesick during your stay, and it is just a familiar environment.

Considering these characteristics of this nation, Leger, an opinion poll company in Canada published the result of their world research regarding barometer of the happiness, recognizing Fijian as the world No.1 happiest nation.



As the living expenses are very low, you can stay longer, and

Easy to expand the range of your selection of your activity.

The commodity price in Fiji is very low, and if you don't do anything special, you may need only about US\$300 for your living expense for one month. You can enjoy various activities in weekends, or you can also stay longer with low cost to brush up your English.

Fruits and vegetables that you can buy in the market are very cheap. Processed foods and living necessities are also very cheap, while imported commodities such as electric appliances, automobiles and other industrial goods are about the same or little bit expensive than most of developed countries.



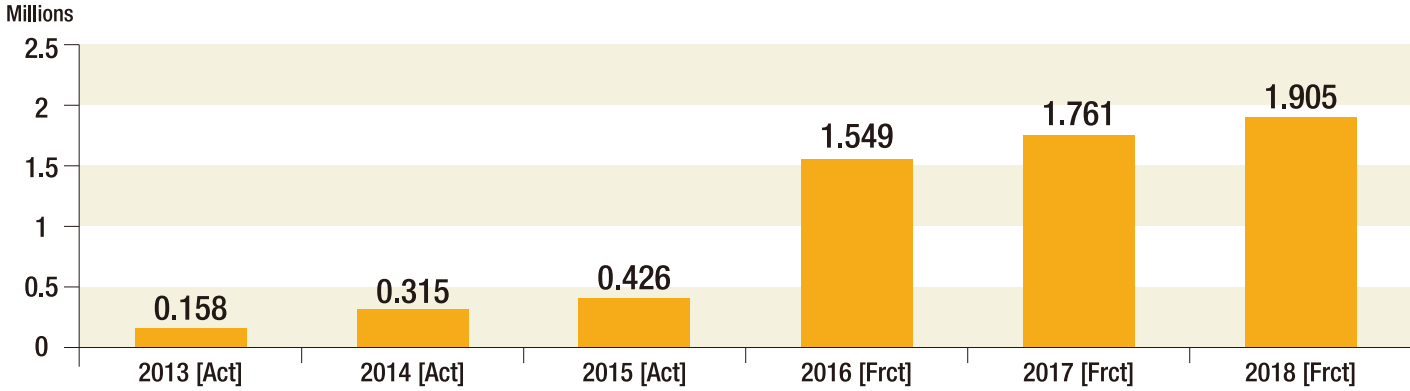
FINANCIAL INFORMATION

2013-2015 [Actuals]

FBIL’s audited financial statements for the financial years 2013 – 2015 as shown below was audited by KPMG. Net profit after tax increased in 2014 despite a drop in revenue. With a drop in the number of students from 2013 which in turn affected revenue, management adopted a strategy of cost reduction. This approach was highly successful in improving profitability.

FJ\$	2013 [Actuals]	2014 [Actuals]	2015 [Actuals]	2016 [Forecast]	2017 [Forecast]	2018 [Forecast]
Service fees	4,376,893	3,872,443	4,146,546	4,735,733	4,830,447	4,972,519
Direct costs	-2,469,186	-2,127,938	-2,052,867	1,318,963	2,174,464	2,404,349
Other Income	-	-	-	-2,872,747	-3,667,328	-3,881,900
Gross profit	1,907,707	1,744,505	2,093,679	3,181,948	3,337,584	3,494,969
Gross profit margin	44%	45%	50%	67%	69%	70%
Less expenses						
Operating expenses	-1,367,173	-1,207,789	-1,367,173	-1,541,475	-1,488,837	-1,510,688
Administrative expenses	-375,853	-244,397	-375,853	-89,624	-63,380	-63,116
Profit from operations	164,681	292,319	619,934	1,550,849	1,785,367	1,921,165
Finance income	125,540	121,877	5,876	61,074	11,447	11,448
Finance cost	-132,214	-98,988	-198,904	-62,019	-35,606	-27,544
Profit from operations before tax	158,007	315,208	426,906	1,549,904	1,761,208	1,905,068
Income tax expense	-43,257	-77,459	-83,661	-168,779	-181,415	-195,879
Profit for the year	114,750	237,749	343,245	1,381,125	1,579,793	1,709,190

Profit from operations before tax



Despite the decline in student numbers, FBIL was able to increase profits thanks to a change in strategy. Management recognized that FBIL needed to compete on price in an increasingly competitive and price-conscious market. A more effective

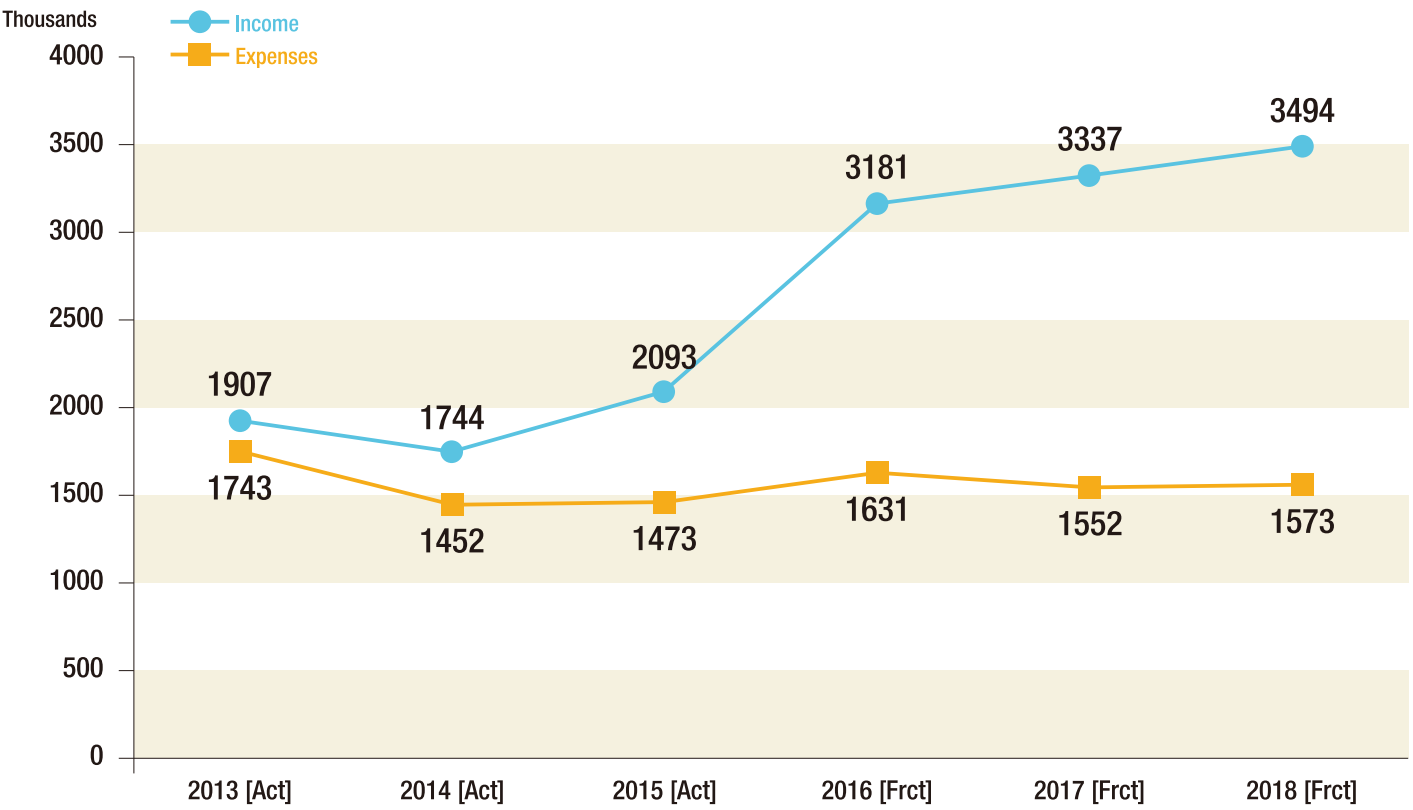
Over the three-year period, there was a decline in the number of students coming to Fiji to study English. Historically, higher rates of unemployment have translated into higher demand for FBIL’s product offering. The majority of FBIL’s Japanese students are recent graduates who cannot find jobs and are leaning towards a qualification and a proficiency in the English language to supplement their employment prospects.

costing approach was adopted with marketing focused on cost-effectiveness as well as accentuating the unique characteristics of the Institute’s Fiji location. The positive results can be seen in performance from 2015 onwards.

2016-2018 [Forecast]

Financial projections for the financial years 2016 – 2018 were prepared by FBIL and were independently reviewed by Independent Accountants, Ernst & Young.

We anticipate an increase in Net Profit tax after tax from 2016 onwards with the change in costing approach and the introduction of a new stream of income—in house insurance in 2016.



Key Assumptions:

- There will be no significant changes in the nature of the competitive environment in which the company operates in during the forecast period.
- No changes will take place in the statutory, legal or regulatory environment which could detrimentally impact the operations of the company or the business environment it operates in.
- There will be no material economic, political, or industrial disturbances or damages to the assets of the company.
- There will be no material changes in Fiji’s income tax regime affecting the company.
- There will be no material changes to existing agreements and memorandums of understanding with related parties.
- Services fees and various expenses have been assumed to increase at the rate of 2% and 5% based on 2016 figures for 2017 & 2018 respectively. This conservative assumption has been adopted by management based on its forecast that listing of the company will boost the number of students in the up-coming years which would in turn increase the number of

- days/nights spent by the students at the institute. This will also be the direct impact of the coverage that the company will have from the coverage that will be made in the Japanese media in relation to the listing of a Japanese owned company in Fiji on the South Pacific Stock Exchange (SPSE).
- In-house insurance income has been forecasted using April 2016 actuals as the basis of calculations as this is the month that in management’s opinion the Company reached its peak in terms of the number of new students opting for the in-house insurance packages. Analysis shows that out of the total students arriving in April 2016, a total of 93% opted for the in-house insurance packages, divided between package options as follows:
- Accordingly, it is assumed that 93% of new students in future years will also take up in-house insurance. Furthermore, insurance income for subsequent years (2017 and 2018) assume percentage growth of 2% and 5% respectively based on the average number of nights from 2016.

BOARD OF DIRECTORS

Hiroshi Taniguchi
Chairman
Chief Executive Officer



Hiroshi is the Founder, Board Chairman and the Chief Executive Officer of the Company. He is also the Founder of the Japanese parent company, SPFB, in which he holds the same positions. After gaining extensive experience in various business sectors throughout Asia, Hiroshi decided to invest in Fiji, moving here in 2006.

Mereseini Baleilevuka
Director
Chief Operating Officer



Mereseini has been the communication link between Japan and Fiji since 2005. With her extensive knowledge in the education sector in Fiji, where she has over 20 years of experience. She assisted Hiroshi with the establishment of the Institute here in Fiji and is responsible for the day-to-day operations. Mereseini graduated from the University of the South Pacific with a Bachelor of Arts degree, with majors in Education and English Literature.

Yoshinobu Higashi
Director



Yoshinobu is based in Japan. With a Bachelor of Law degree from Tokyo University, Japan, he has held various posts with the Japanese Government including diplomatic postings as the Ambassador for Japan to Geneva, Switzerland and Romania. He has also been Director General for Economy and Political Coordination with the Japanese Government, a Professor at Tohoku University, Japan and the General Manager of Josai University, Japan.

Waisale Iowane
Director
Chief Financial Officer



Waisale holds a Bachelor of Commerce degree with majors in Accounting and Banking from the University of the South Pacific and has over four years' experience in chartered accountancy firms, Aliz Pacific and KPMG, where he held Senior Accountant positions. He subsequently worked at Fiji Airways as the first ever Tax Analyst before joining FBIL in late 2015. Waisale is a provisional member of the Fiji Institute of Accountants and is a current associate member of the Certified Practicing Accountants (CPA) in Australia.

Raman Velji
Independent Director



Raman is a businessman and is an independent director on FBIL's board. He holds a Bachelor of Arts degree in Linguistics from Pacific University, California and is a licensed Real Estate Broker in the state of Oregon, USA. Additionally, Mr. Velji is employed as an executive director on the Board of Pacific Hotel Brokers.

Adi Litia Qionibaravi
Independent Director



Adi is an independent director on FBIL's board and brings a wealth of knowledge and experience to the board having a professional background in accountancy, business administration and law. She currently is based in Suva serving as the General Secretary to the Social Democratic Liberal Party. She was admitted as a chartered accountant in 1984 with the Fiji Institute of Accountants. She is also a Barrister/Solicitor of the High Court of Fiji, member of the Fiji Law Society, was admitted in 1993 as a Barrister of the Supreme Court of New South Wales and Barrister of the Supreme Court of the Australian Capital Territory - Canberra. She had served in various company boards including Fiji TV, Fijian Holdings, Fiji Telcom Ltd, Amalgamated Telecom Holdings, Yasana Holdings. Adi Litia also holds directorship positions with the Vitivou Forum and the Adi Cakobau School Old Girls Inc. Ltd.

CAPITAL STRUCTURE

In preparation for a listing on the South Pacific Stock Exchange, FBIL via a special resolution in 2013 commenced the transition to a public company to which FBIL's employees were given the opportunity to subscribe for shares in the Company at a par value of \$1.00 per share. This resulted in a total of 6,999 shares being issued to 46 employees. FBIL formally became a public company in November 2016

having both the approval of its shareholders and adoption and registration of a new Articles of Association. The Company was initially established with an authorised capital of \$2,000,000 divided into 2,000,000 ordinary shares at a par value of \$1.00 per share. This was increased to \$20,000,000 divided into 20,000,000 ordinary shares in 2013 in line with the company's intention to list on the SPSE.

At the effective date of this Offer Document, the top 20 shareholders of FBIL were as follows:

Name	Number of ordinary shares held	Percentage of shareholding
South Pacific Free Bird Company Limited	1,500,000	75.00 %
Dilikoti Cagi	220,550	11.03 %
Capital Advisory Company Limited	125,000	6.25 %
IBC Company Limited	62,500	3.12 %
Hiroshi Taniguchi	56,800	2.84 %
Yoshinobu Higashi	25,000	1.25 %
Others	10,150	0.51 %
Total	2,000,000	100 %

75% of FBIL is owned by South Pacific Free Bird Co., Ltd (SPFB). SPFB's relationship with FBIL is further expanded upon in section 4 of this Offer Document.

Guide to Investors - Frequently Asked Questions

The following questions and answers are provided as a guide and should not be taken as providing securities recommendations or investment advice. FBIL strongly recommends that you seek detailed advice from a licensed broker or investment adviser prior to making any investment decision concerning FBIL shares.

What does owning shares mean?

Owning a share means you become a shareholder or part-owner of a company.

What are my rights or entitlements as a shareholder?

Your rights as a shareholder include:

- the right to participate in the profits of the company through dividends if and when dividends are declared;
- the right to any issuance of bonus shares (if issued) to capitalise retained earnings for re-investment back into the company;
- the right to attend and vote at shareholders' meetings; and
- the entitlement to the proceeds on a pro-rata basis rising out of the winding up of the company once all creditors are satisfied

How do I gain financially from owning shares?

There are two financial benefits which may arise from the ownership of shares namely:

- Income return in the form of dividends paid on the shares; and
- Growth return in the form of capital growth if the share price rises

Note that the board of directors of a company will determine whether or not dividends are paid during or after each financial year based on various conditions. The amount of dividends may vary

How can I buy or dispose shares?

Any buying or selling of shares in companies listed on the South Pacific Stock Exchange ("SPSE") must be done through a broker licensed by the Reserve Bank of Fiji. Your broker will charge a commission or brokerage fee for providing such service. However, you should be aware that the final decision on whether you want to buy or sell shares is entirely up to you. A broker can only offer you advisory services you require and cannot make the decision for you, therefore it is important that you know what your investment objectives are before seeking advice from a broker.

Your broker has a duty to act in good faith and in your best interest and:

- must exercise due skill, care and diligence;
- must follow your instructions and provide the best completion of your orders;
- must execute transactions only when you have given, and they have accepted a legally valid authority over your account;
- may recommend suitable investments to you taking into account your investment experience, objectives, risk tolerance, financial situation and needs; and
- must comply with all regulation requirements.

How is a dividend declared and paid?

The boards of directors determine how much out of the company's profits is required for reinvestment in the company and how much can be reasonably paid out to the shareholders in the form of dividends. A final decision is then made on how much dividends to declare, accounting for various criteria and conditions. There is a set time period in which dividends once declared must be paid out to shareholders.

What affects the share price?

The share prices fluctuate up or down depending on the market and other internal and external such as:

- the financial performance of the company;
- the dividend policy of the company;
- profit outlook assessments for the company;
- the financial position of the company;
- the risk factors relevant to the company;
- changes in exchange rates and inflation; and
- movements in the general level of prices on the local and international share markets.

When do I have to pay for the shares?

The exchange of payment for shares listed on the SPSE is done 2 days after a trade is completed (this is referred as "T + 3 "). Trading is carried out by your licensed broker who will send you a contract note confirming the details of the trade including the name and quantity of shares purchased, the price and the commissions payable.

When buying shares, your payment will be required by the broker prior to the trade. When selling shares, payment to you will occur after the trade.

FAQ'S

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