

Financial Results Briefing for FY2005



18 May, 2006

TAC Co.,Ltd. (Code:4319)

. Summary of Financial Results

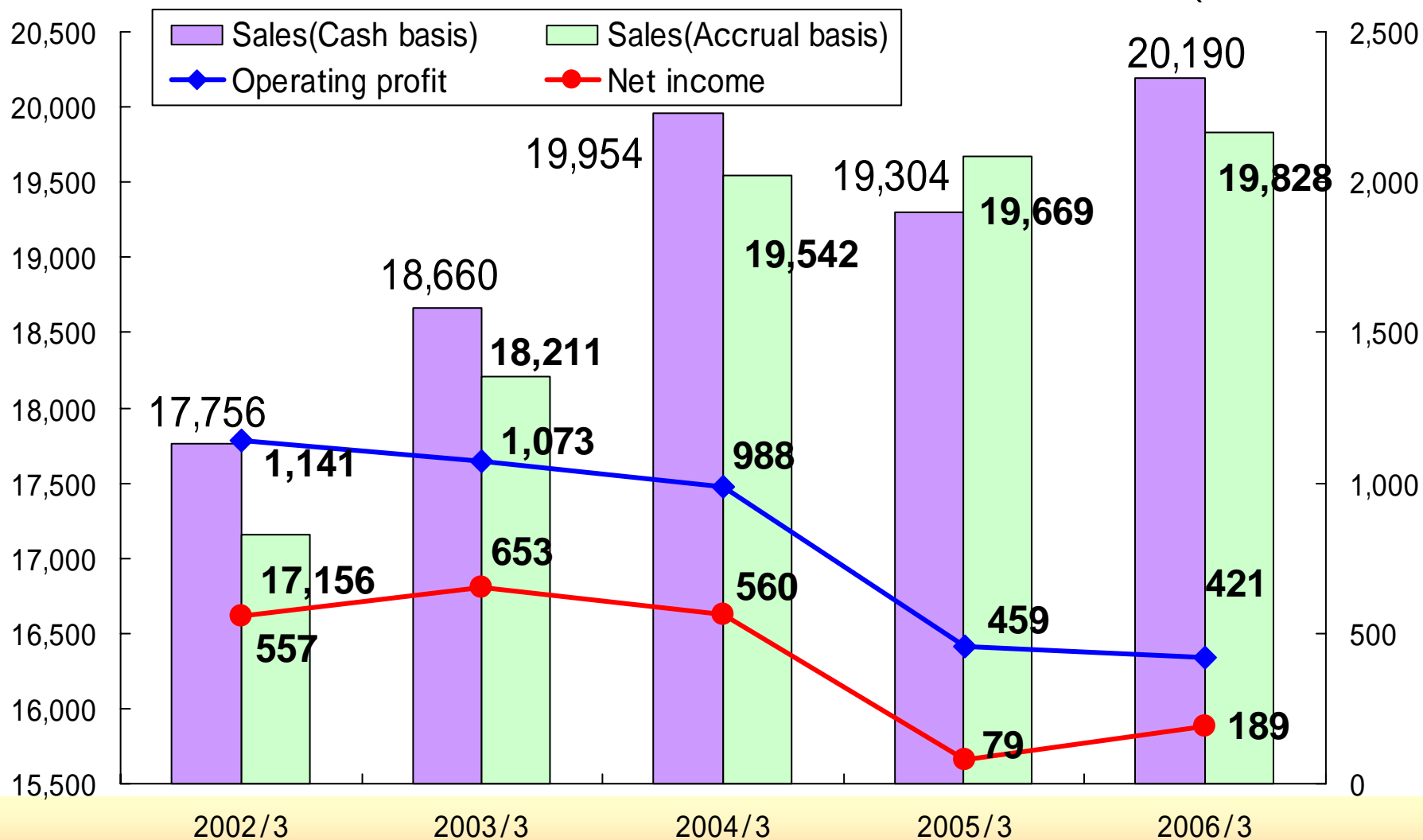




Sales and profit (consolidated)

TAC

(Yen in millions)





Financial highlights (comparative)

Page 4

(Yen in millions)

TAC

	2005/3(Actual)			2006/3(Actual)			
	Amount	%	Y-O-Y	Amount	%	Difference	Y-O-Y
Net sales before adjustment of tuition advances	19,304	98.1%	96.7%	20,190	101.8%	885	104.6%
Adjustment of tuition advances	364	1.9%	188.5%	-362	-1.8%	-726	-99.5%
Net sales (after adjustment of tuition advances)	19,669	100.0%	100.6%	19,828	100.0%	159	100.8%
Costs of Sales	11,847	60.2%	103.8%	12,122	61.1%	275	102.3%
Rent	3,284	16.7%	102.2%	3,194	16.1%	-90	97.3%
Employment costs	3,617	18.4%	106.8%	3,706	18.7%	88	102.5%
Subcontract costs	2,128	10.8%	100.9%	2,414	12.2%	286	113.4%
Gross profit – net	7,772	39.5%	95.7%	7,667	38.7%	-105	98.6%
SG & A expenses	7,313	37.2%	102.5%	7,245	36.5%	-67	99.1%
Rent	848	4.3%	100.4%	937	4.7%	89	110.6%
Employment costs	2,944	15.0%	101.0%	2,885	14.6%	- 58	98.0%
Advertising costs	1,590	8.1%	102.3%	1,479	7.5%	-110	93.0%
Operating income	459	2.3%	46.4%	421	2.1%	-37	91.8%
Ordinary income	557	2.8%	50.2%	536	2.7%	-20	96.3%
Net income	79	0.4%	14.2 %	189	1.0%	110	238.7 %
Net income per share	4.29 Yen			10.25 Yen			



Financial highlights (forecast:actual)



(Yen in millions)

	2006/3 (Revised)		2006/3 (Actual)			
	Amount	%	Amount	%	Difference	Comparison
Net sales before adjustment of tuition advances	20,169	102.0%	20,190	101.8%	21	100.1%
Adjustment of tuition advances	-389	- 2.0%	-362	-1.8%	26	93.1%
Net sales (after adjustment of tuition advances)	19,780	100.0%	19,828	100.0%	48	100.2%
Costs of Sales	12,005	60.7%	12,122	61.1%	116	101.0%
Rent	3,185	16.1%	3,194	16.1%	8	100.3%
Employment costs	3,642	18.4%	3,706	18.7%	64	101.8%
Subcontract costs	2,343	11.8%	2,414	12.2%	71	103.1%
Gross profit – net	7,738	39.1%	7,667	38.7%	71	99.1%
SG & A expenses	7,228	36.5%	7,245	36.5%	17	100.2%
Rent	932	4.7%	937	4.7%	5	100.6%
Employment costs	2,767	14.0%	2,885	14.6%	118	104.3%
Advertising costs	1,523	7.7%	1,479	7.5%	44	97.1%
Operating income	510	2.6%	421	2.1%	88	82.7%
Ordinary income	600	3.0%	536	2.7%	63	89.4%
Net income	230	1.2%	189	1.0%	40	82.5%
Net income per share	12.43 Yen		10.25 Yen			



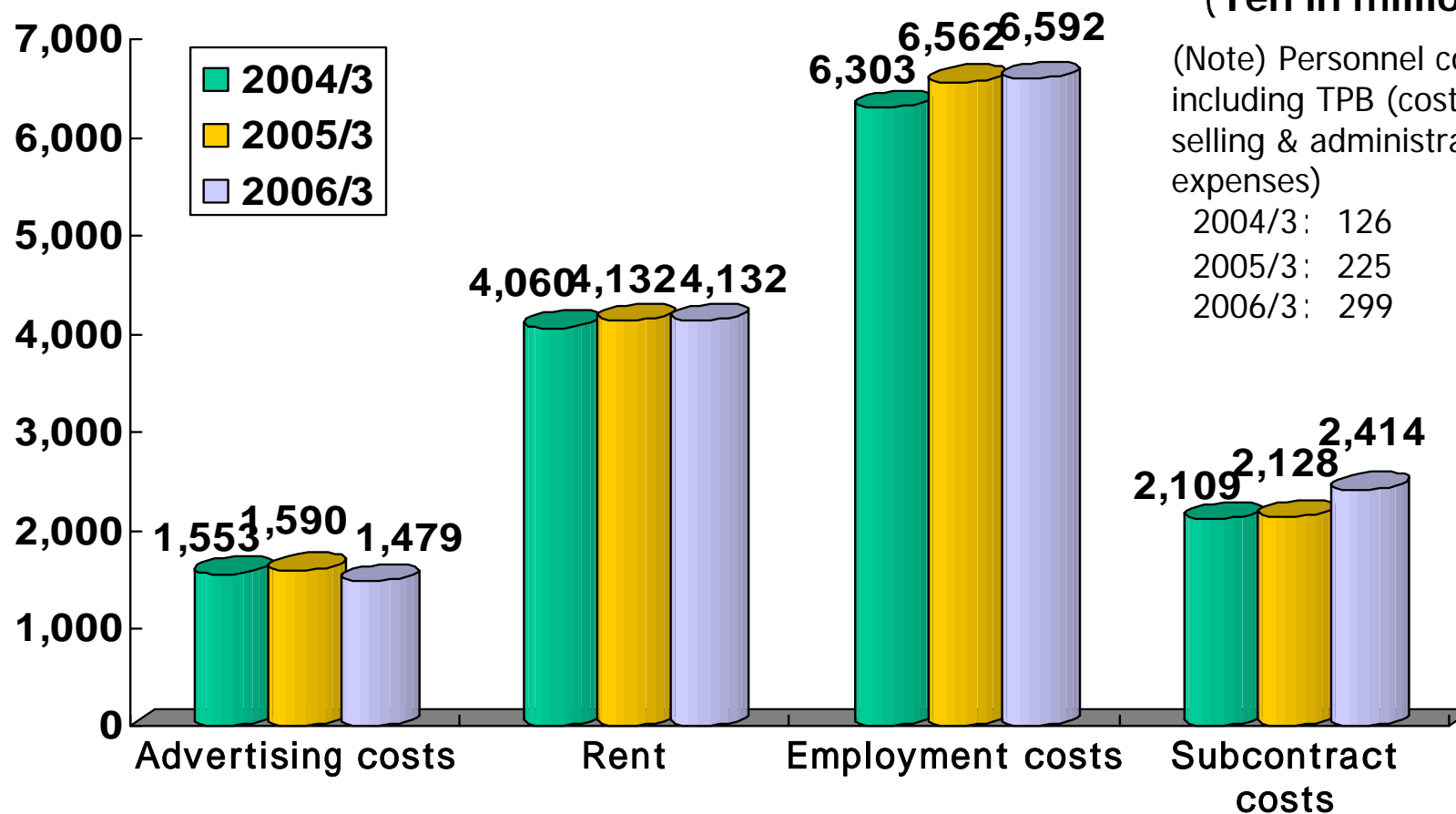
Major operating expenses

TAC

(Yen in millions)

(Note) Personnel costs including TPB (cost of selling & administrative expenses)

2004/3: 126
2005/3: 225
2006/3: 299



% of sales	8.0%	8.1%	7.5%	20.8%	21.0%	20.8%	32.3%	33.4%	33.2%	10.8%	10.8%	12.2%
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Growth	104.1%	102.3%	93.0%	116.4%	101.8%	100.0%	109.3%	104.1%	100.5%	106.1%	100.9%	113.4%
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% of sales cost	0.0%			79.2%	79.5%	77.3%	53.7%	55.1%	56.2%			100.0%
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. Highlights by License Area





Definition of licenses by area

Licenses area	Programs
Finance and Accounting	Certified public accountant, Bookkeeper, Construction industry accountant
Management and Taxation	Licensed tax accountant, Small and medium enterprise management consultant
Financial Services and Real Estate	Real estate appraiser, Registered real estate transaction manager, Condominium management consultant / Registered condominium administration manager, Financial planner, DC planner(*1), Securities analyst(including CFA(*2)), Business school
Law and Labor	Certified social insurance labor consultant, Administrative scrivener, Public officer, The Japan business law examination, Law-related qualifications
IT and International	IT specialist (System administrator, Fundamental IT engineer, Software design and development engineer, etc: Total of 14 qualifications), U.S. CPA, CompTIA(*3), IT related qualifications
Other	"Maho-jin" tax software(*4), Personnel business, Miscellaneous revenue, etc.

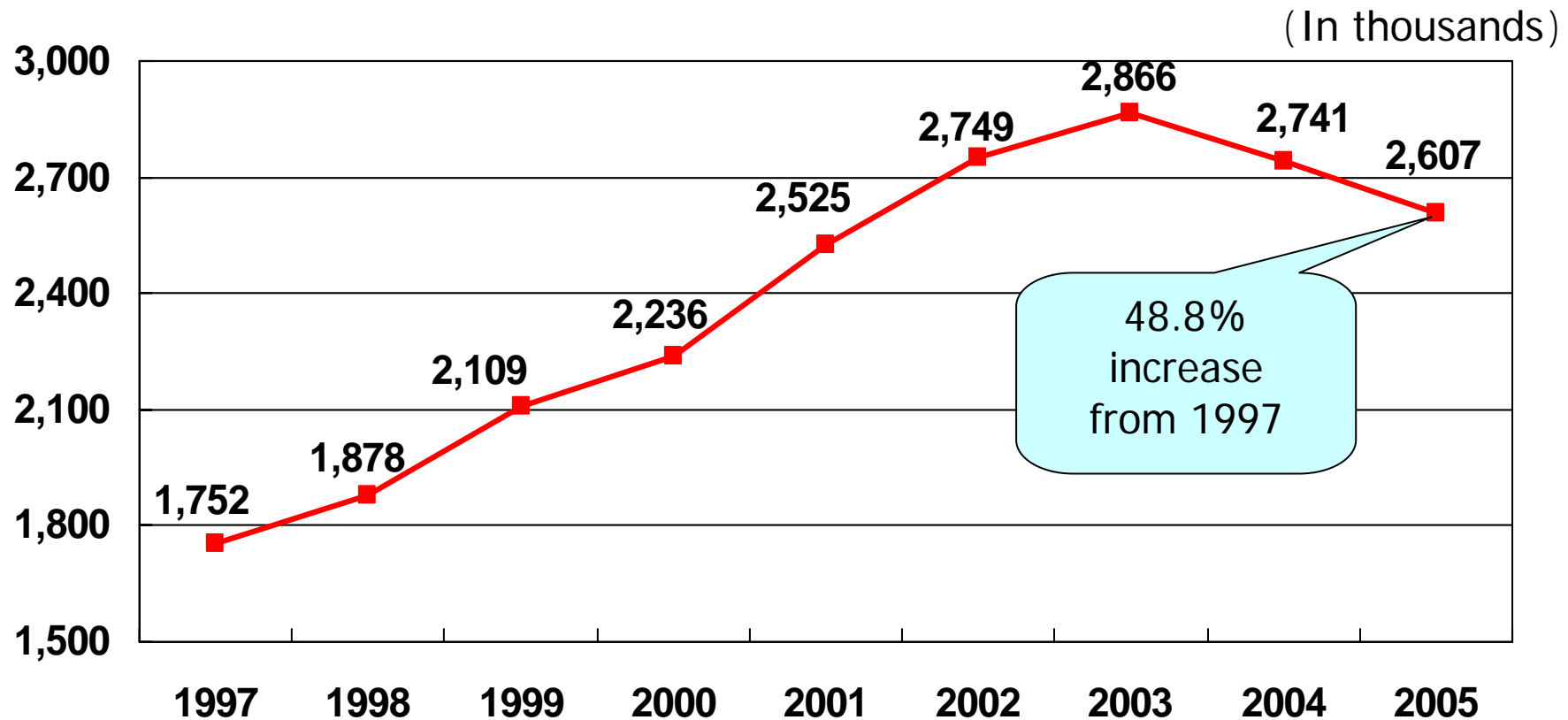
(*1) DC: Defined Contribution (*2) CFA: Chartered Financial Analyst

(*3) CompTIA: Computing Technology Industry Association

(*4) Maho-jin: A tax software developed by Hand Corporation (Osaka, Japan)



Number of applicants for exams in 2005



(Notes) Totals include only courses that TAC offers.

Number amended for decreases in discontinued "Public officer (3rd class, local & lower)".

Market trend in 2005(In thousands): Registered real estate transaction manager +10, CPA -1, Bookkeeper -1.1, Certified social insurance labor consultant -4, Public officer(2nd class etc.) -1.7, IT specialist -36



Number of applicants for exams



License area	Licenses	1998	1999	2000	2001	2002	2003	2004	2005	Between 98- 05
Finance & Accounting	Bookkeeper	536,992	530,069	502,726	490,681	520,643	545,649	546,198	535,228	99.7%
	Construction industry accountant	94,301	76,509	76,339	67,225	58,272	50,815	44,812	37,363	39.6%
	CPA	10,006	10,265	11,058	12,073	13,389	14,978	16,310	15,322	153.1%
Mgt & Taxation	Licensed tax accountant	62,606	63,295	63,221	61,591	63,820	66,468	67,347	67,858	108.4%
	Small & medium ent. mgt. consultant	10,089	11,409	11,925	10,025	12,447	14,692	15,131	13,476	133.6%
Financial Services & Real Estate	Real estate appraiser	2,481	2,616	2,621	2,505	2,481	2,503	2,300	2,282	92.0%
	Registered real estate transaction manager	224,822	222,913	210,465	204,629	209,672	210,182	216,830	226,665	100.8%
	Condominium mgt. consultant				109,514	62,124	43,912	36,307	30,615	28.0%
	Registered condominium administration manager				64,537	39,981	31,558	28,642	26,960	41.8%
	Securities analyst	22,927	21,771	23,181	22,510	21,357	19,277	15,324	14,275	62.3%
	FP	43,939	63,551	79,489	79,168	22,544	20,317	18,381	17,602	40.1%
	Certification of financial planning					105,595	258,572	259,538	254,276	240.8%
	DC planner				17,491	43,296	32,464	13,052	11,529	65.9%
Law & Labor	Certified social insurance labor consultant	39,415	45,455	50,689	54,203	58,322	64,122	65,215	61,251	155.4%
	Administrative scrivener	39,291	40,208	51,919	71,366	78,826	96,042	93,923	89,276	227.2%
	Public officer(2nd class etc.)	91,777	101,986	108,678	102,118	108,819	109,963	120,240	114,163	124.4%
	Public officer (local)	34,143	66,318	64,121	62,141	63,386	68,396	67,342	56,408	165.2%
	Public officer (higher)	74,098	83,426	74,575	91,562	113,239	109,434	96,036	42,322	84.5%
	Japan bus. law exam	10,136	17,324	20,085	23,544	27,962	33,998	39,094	40,747	402.0%
IT	IT specialist	570,904	704,969	784,912	788,443	803,109	772,334	699,928	664,014	116.3%
	Microsoft (MOUS)	10,400	47,800	100,200	189,900	275,100	301,200	279,700	265,900	2556.7%
Total		1,878,327	2,109,884	2,236,145	2,525,226	2,749,069	2,866,876	2,741,600	2,607,849	138.8%



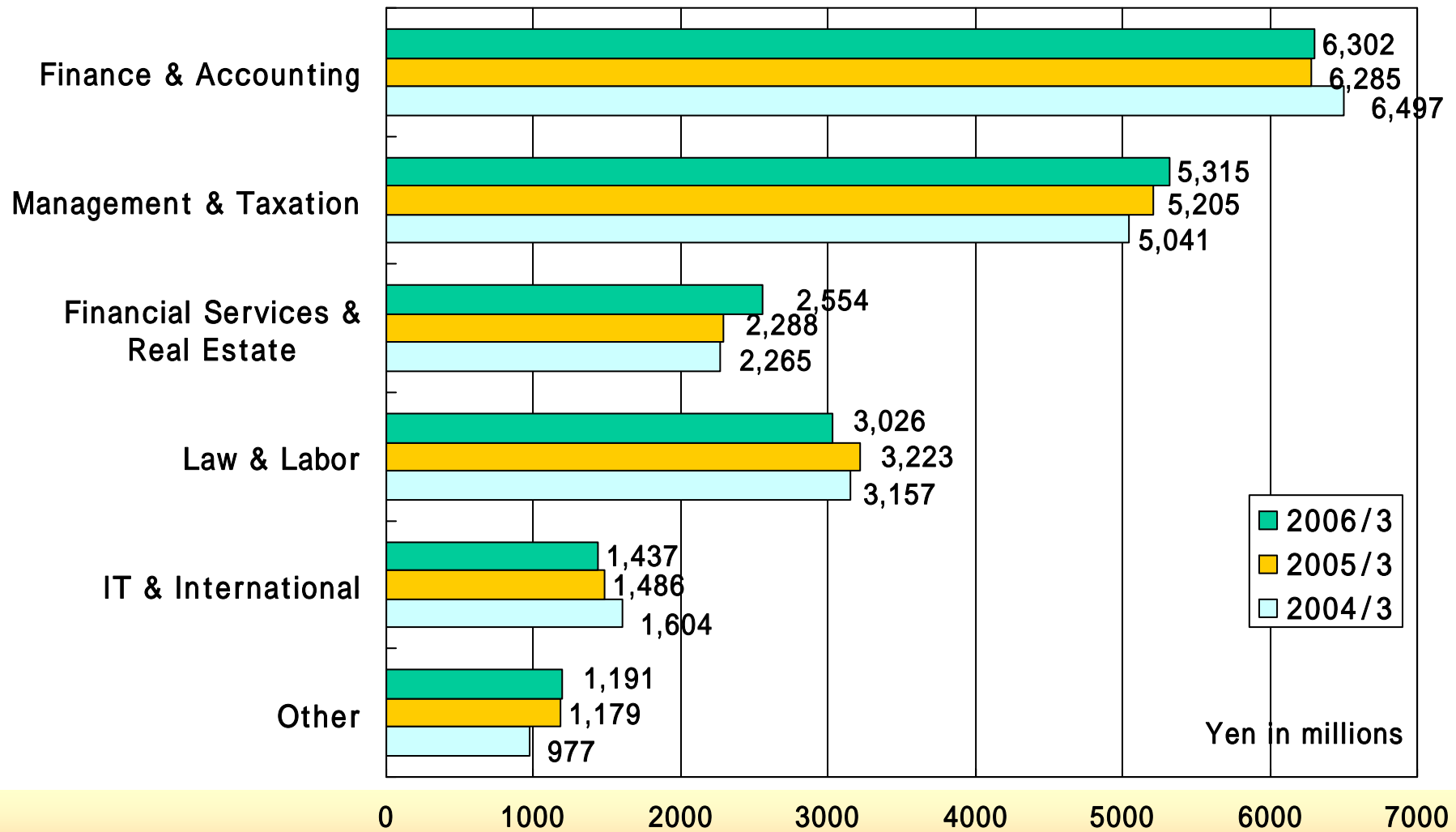
Sales by license area

(Yen in thousands) **TAC**

License by area	2005/3			2006/3			Comment
	Sales	Y-O-Y	%	Sales	Y-O-Y	%	
Finance & Accounting	6,285,321	96.7%	32.0%	6,302,094	100.3%	31.8%	Successful sales campaign for bookkeeping exams (+14.0%). CPA decreased 5.2% (+3.4% on cash basis)
Management & Taxation	5,205,334	103.2%	26.5%	5,315,783	102.1%	26.8%	LTA increased 0.1%. (+6.8% on cash basis due to a large increase in long-term courses.) SMEMC increased 11.4%.
Financial Services & Real Estate	2,288,451	101.0%	11.6%	2,554,271	111.6%	12.9%	Financial -services related courses showed substantial increases. (Real estate appraiser + 9.8%. Real estate transaction manager (Takken) + 3.8%. Securities analyst +8.6%. FP +28.6%)
Law & Labor	3,233,611	102.1%	16.4%	3,026,410	93.9%	15.3%	Public officers decreased 6.8%. Certified social insurance labor consultant decreased 9.1%. Administrative scrivener increased 2.0%. (Demand for educational courses provided by schools increased as a result of higher level of difficulty. Sales on cash basis increased 18.0%.)
IT & International	1,486,530	92.7%	7.5%	1,437,834	96.7%	7.3%	IT specialist showed continuous decline of 6.2%. USCPA decreased 0.9%. IT related qualifications and CompTIA increased
Other	1,179,751	120.7%	6.0%	1,191,842	101.0%	6.0%	4.7% Maho-jin decreased 9.5%. TACBOOK decreased 69.0%. Human-resources business showed continued growth of 30.9%.
Total	19,669,000	100.6%	100.0%	19,828,237	100.8%	100.0%	

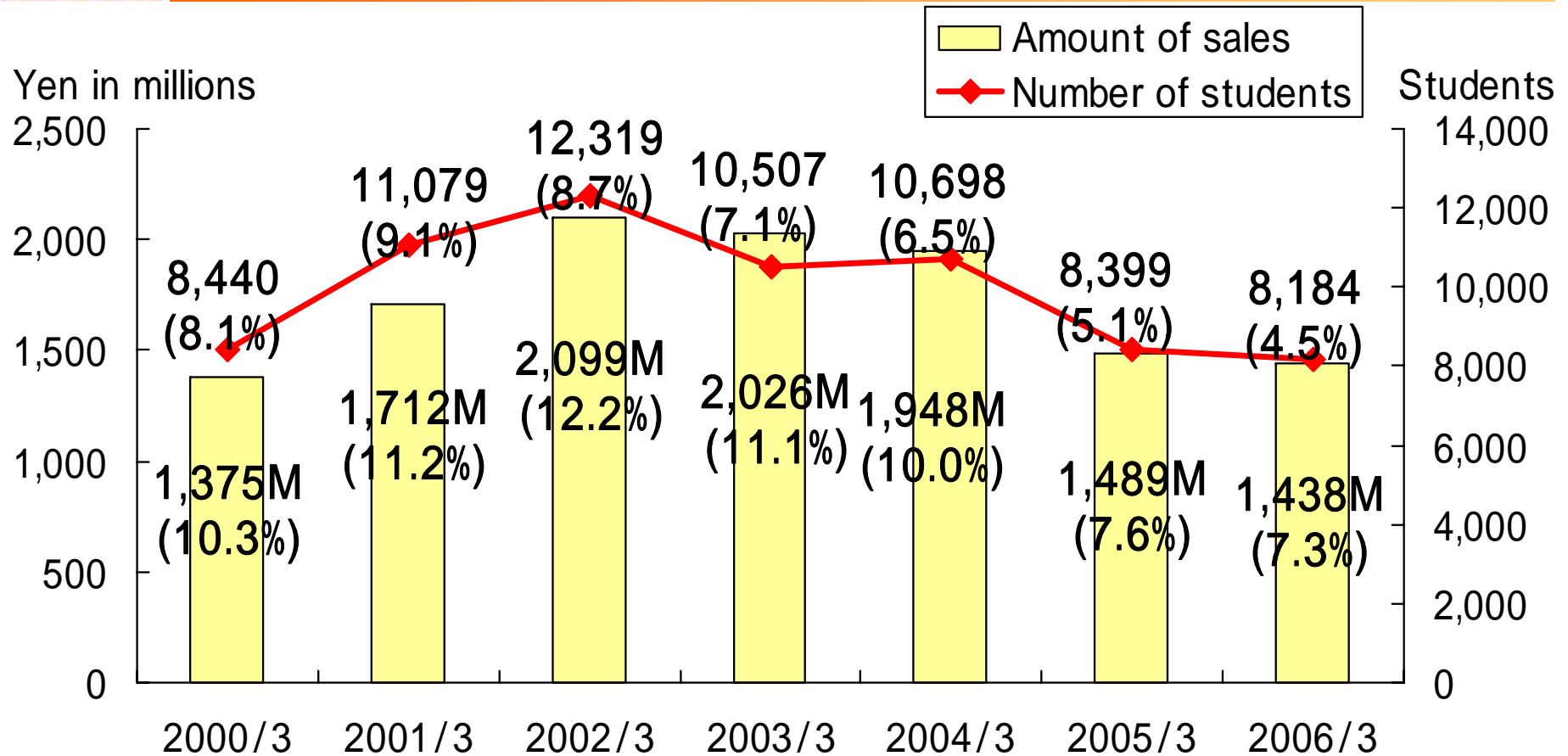


Sales growth by license area





Impact of governmental tuition assistance (GTA) program



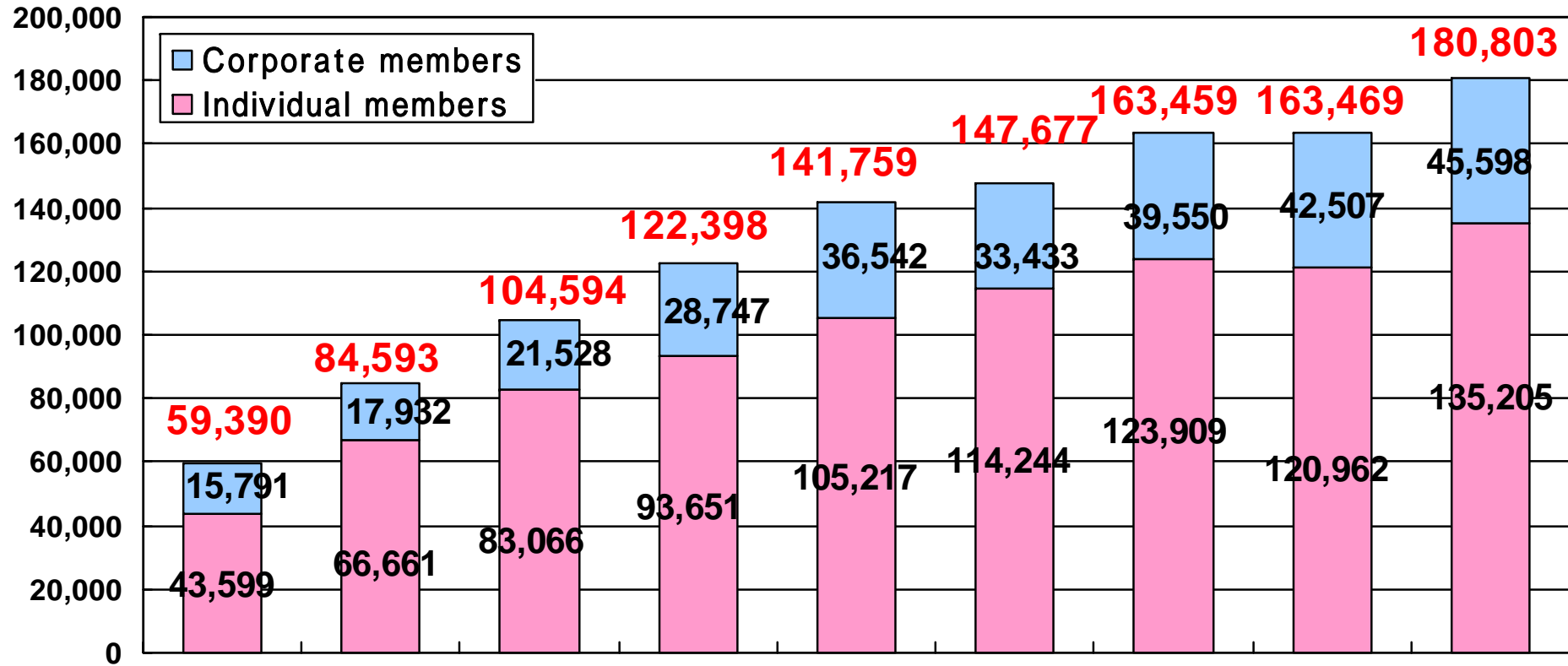
(Note) Figures in parentheses; (*)Proportion of number of students; (**)Proportion of sales;

Only a slight decline of 3.4% or ¥ 51M y-o-y. Classroom courses declined 2.1% y-o-y. Correspondence courses declined 6.9% y-o-y.

Trend in working people **CPA + 71.1%**, LTA -10.8%, RETM + 9.9%, Social ins. labor consultant -22.2%, IT specialist -13.7%, U.S. CPA -10.9%



Number of students

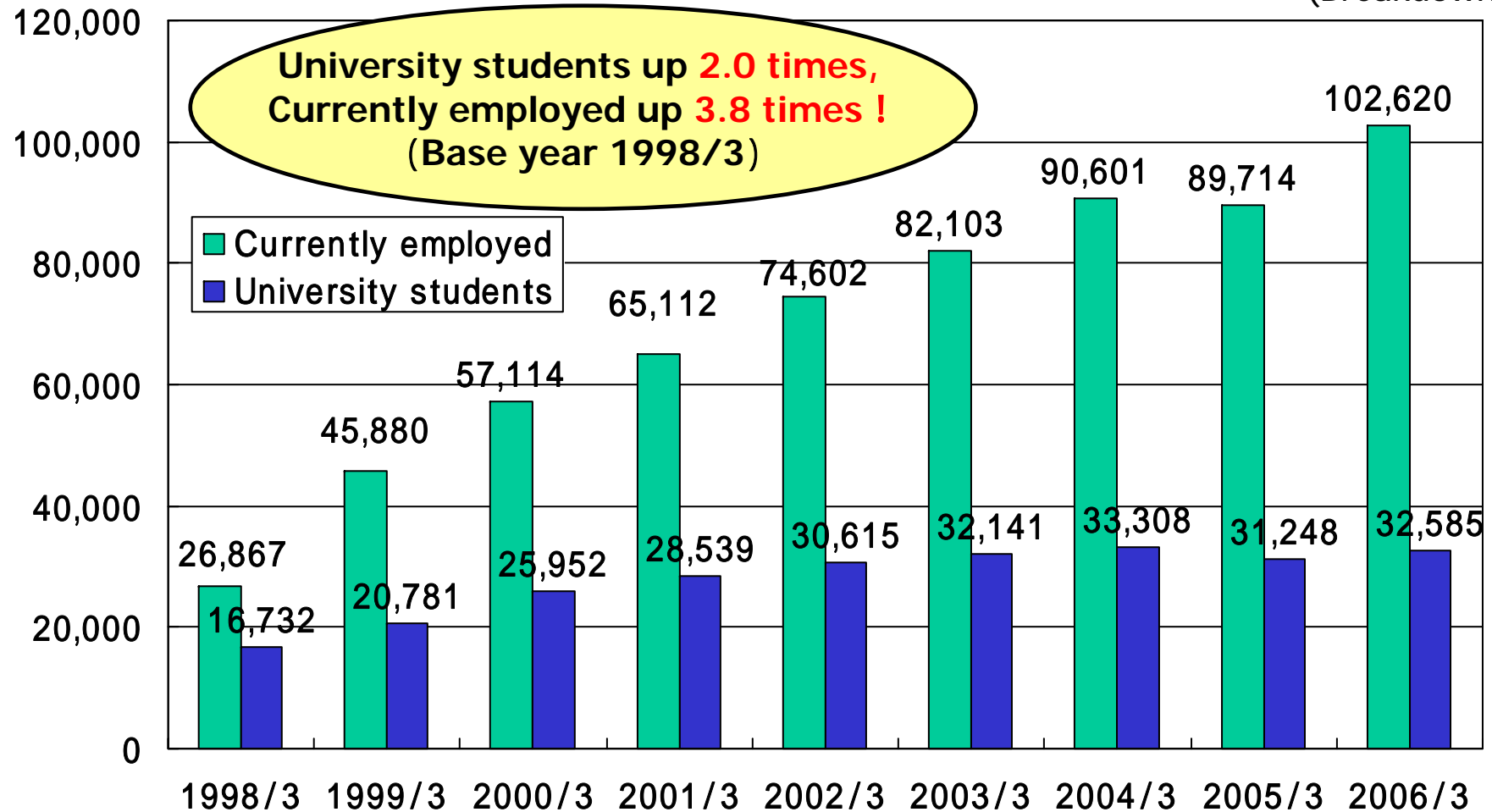


	1998/3	1999/3	2000/3	2001/3	2002/3	2003/3	2004/3	2005/3	2006/3
Change	-	142.4%	123.6%	117.0%	115.8%	104.2%	110.7%	100.0%	110.6%
-Individual	-	152.9%	124.6%	112.7%	112.4%	108.6%	108.5%	97.6%	111.8%
-Corporate	-	113.6%	120.1%	133.5%	127.1%	91.5%	118.3%	107.5%	107.3%
% of Individual members	73.4%	78.8%	79.4%	76.5%	74.2%	77.4%	75.8%	73.9%	74.8%



Increase in students who are currently employed

(Breakdown)








Proportion of currently employed	61.6%	68.8%	68.8%	69.5%	70.9%	71.9%	73.1%	74.2%	75.9%
Growth in currently employed	-	170.8%	124.5%	114.0%	114.6%	110.1%	110.4%	99.0%	114.4%



Number of students by license area

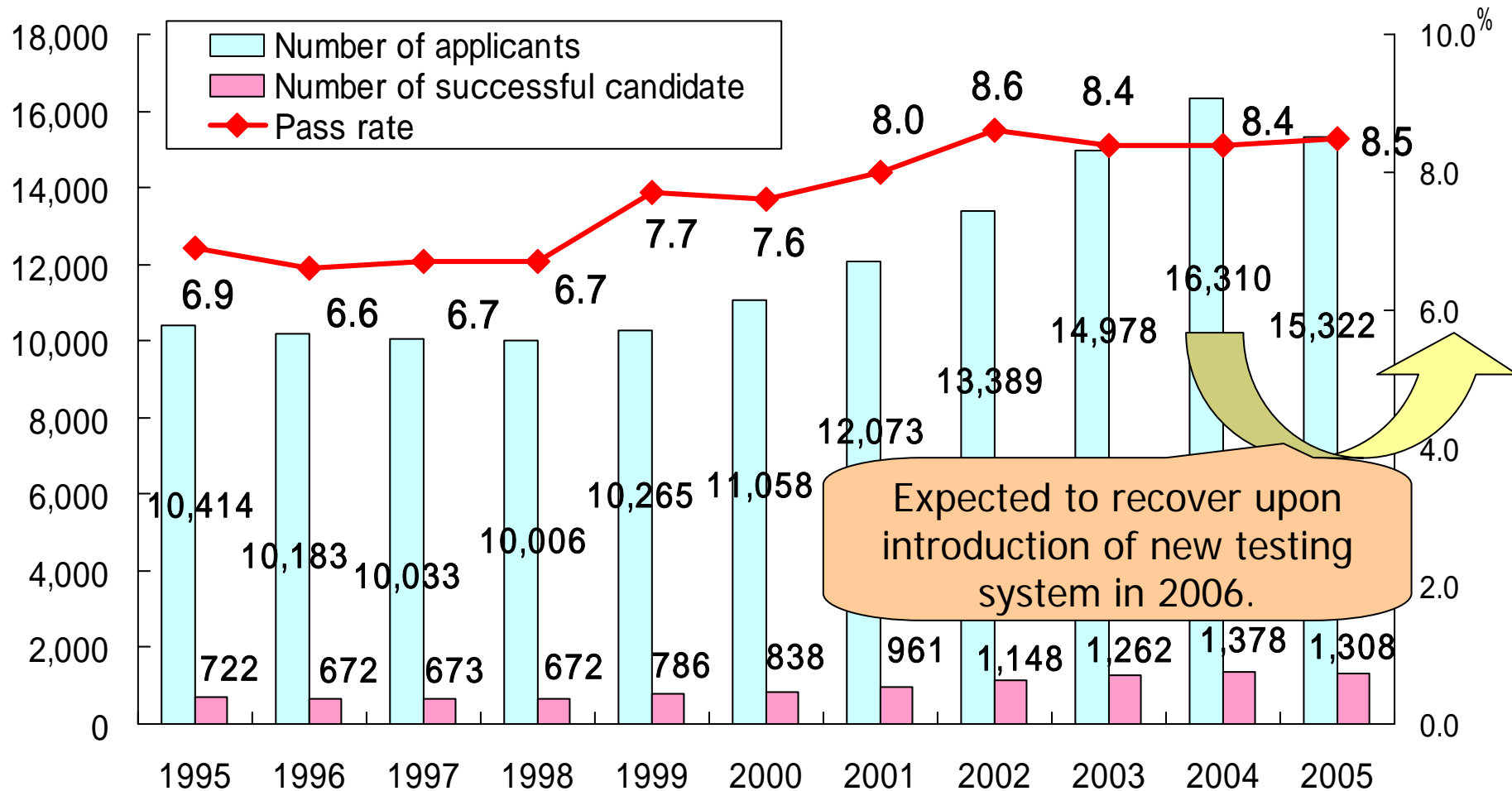


License by area	2006/3	Y-O-Y	%	Comment	
Finance & Accounting	51,659	121.3%	28.6%	Bookkeeper exam increased 33.6% due to successful sales campaign. CPA increased 9.9% supported by working people and good results in DVD courses.	
Management & Taxation	37,125	106.2%	20.5%	LTA increased 4.9%. SMEMC increased 12.8% supported by courses for revised testing system.	
Financial Services & Real Estate	34,580	118.0%	19.1%	Real estate appraiser increased 14.5%. Real estate transaction manager (Takken) unchanged. Remarkable growth of FP (+60.7%) and securities analyst (+36.9%)	
Law & Labor	34,848	104.6%	19.3%	Certified social insurance labor consultant increased 13.3% due to increase in test-takers of mock exam. Public officers decreased 10.6%. Administrative scrivener increased 8.4%.	
IT & International	22,91	97.0%	12.5%	Continuous decline of IT specialist (-4.8%). Slight increase in USCPA.	
Total	180,803	110.6%	100.0%		





Number of applicants for CPA exams

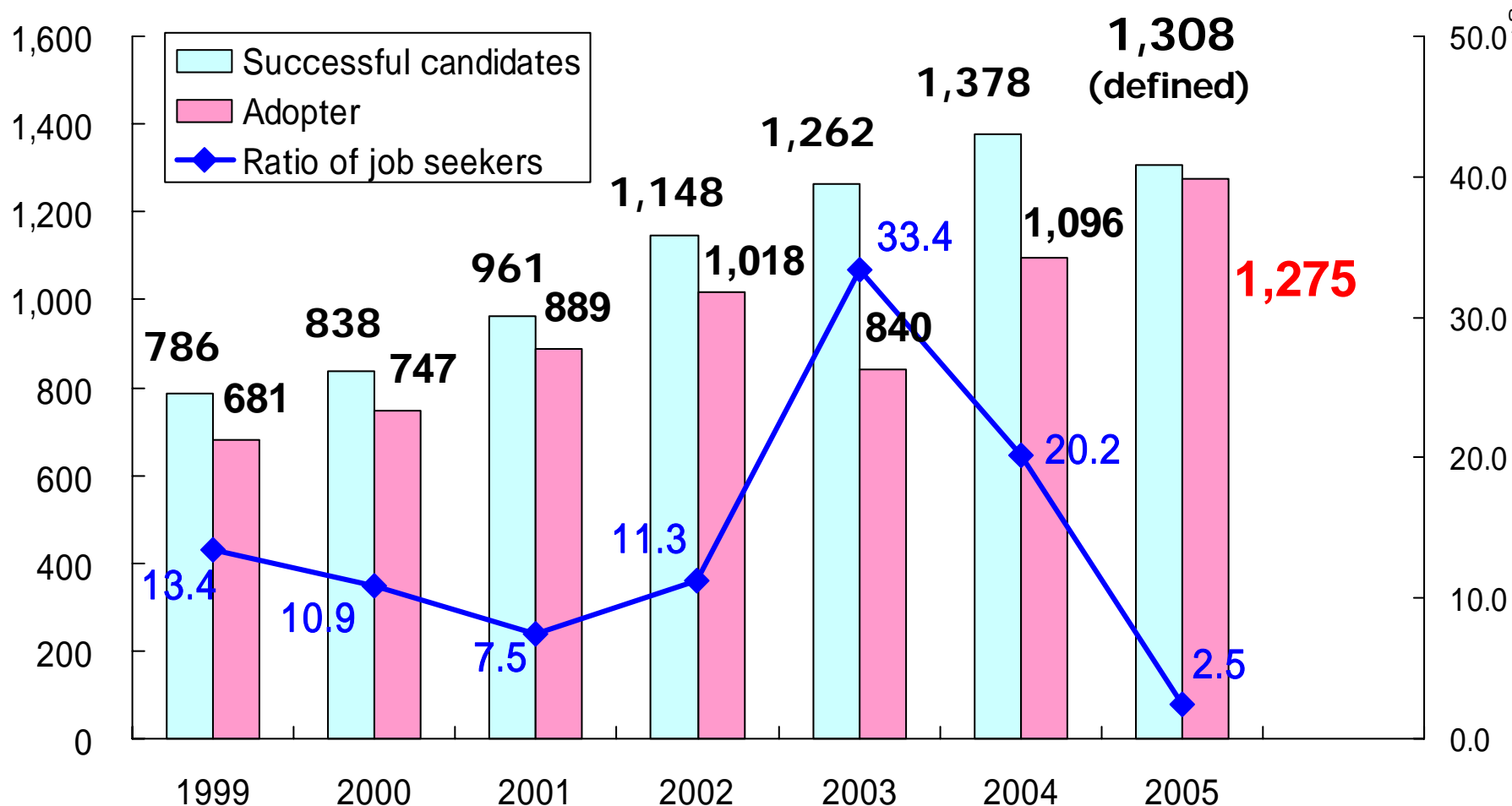


Expected to recover upon introduction of new testing system in 2006.

After the problem of successful CPA exam candidates not finding jobs in 2003, the number of TAC students started to decline. The number of applicants for exams decreased by 1,000 in 2005. Students currently taking our courses will take the exam in 1 –2 yrs.



Seller's market expected for successful candidates in 2005



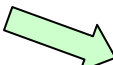




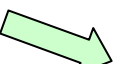
According to the financial press, 4 major auditing firms hope to employ 1,275 new recruits, which exceeds the total number of successful candidates seeking jobs. Major auditing firms are motivated to hire CPAs in preparation for reinforced internal control audit standards.



TAC

. Highlights by segment

Summary by segment for fiscal 2005

	Sales growth	OP margin growth
Personal education		
Corporate training		
Publishing & other		



Segment information

(Yen in millions)

	2005/3			2006/3			Year-on-year		
	Sales	Operating costs	Operating income	Sales	Operating costs	Operating income	Sales	Operating costs	Operating income
Personal education	14,464	13,934	530 (3.7%)	14,279	14,053	226 (1.6%)	-184 (-1.3%)	119 (+0.9%)	-303 (-57.2%)
Corporate training	3,401	2,783	618 (18.2%)	3,578	2,626	951 (26.6%)	176 (+5.2%)	-156 (-5.6%)	333 (+53.9%)
Publishing & other	1,803	1,388	415 (23.0%)	1,988	1,590	398 (20.0%)	185 (+10.3%)	201 (+14.5%)	-16 (-3.9%)
Eliminations	-	1,104	-1,104	-18	1,136	-1,155	-18	32 (+ 3.0%)	-51
Total	19,669	19,209	459 (2.3%)	19,828	19,406	421 (2.1%)	159 (+0.8%)	196 (+1.0%)	-37 (-8.2%)

(Note) (%) in the "Operating income" column is Operating income percentage, (%) in the "Year-on-year" column are comparisons with the previous fiscal year.

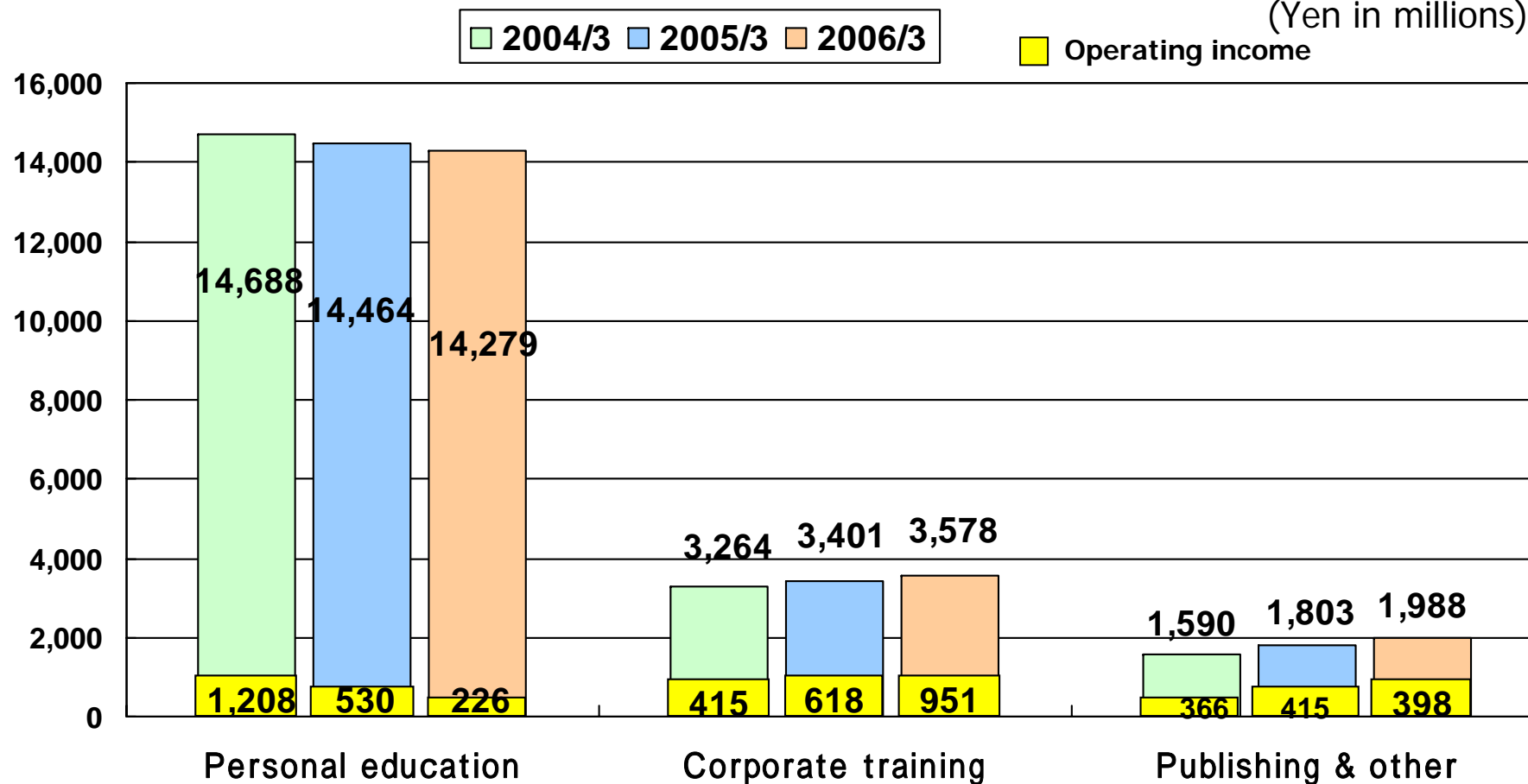
Sales in publishing business : 2005/3 ¥1,438 million, 2006/3 ¥1,493 million(+ 3.8%)

Sales in personnel business : 2005/3 ¥364 million, 2006/3 ¥477 million(+30.9%)



Sales by segment

(Yen in millions)



Change	106.7%	98.5%	98.7%	105.0%	104.2%	105.2%	118.6%	113.4%	110.3%
Percentage	75.2%	73.5%	72.0%	16.7%	17.3%	18.0%	8.1%	9.2%	10.0%
OP margin	8.2%	3.7%	1.6%	12.7%	18.2%	26.6%	23.0%	23.0%	20.0%



Expansion of floor space by school



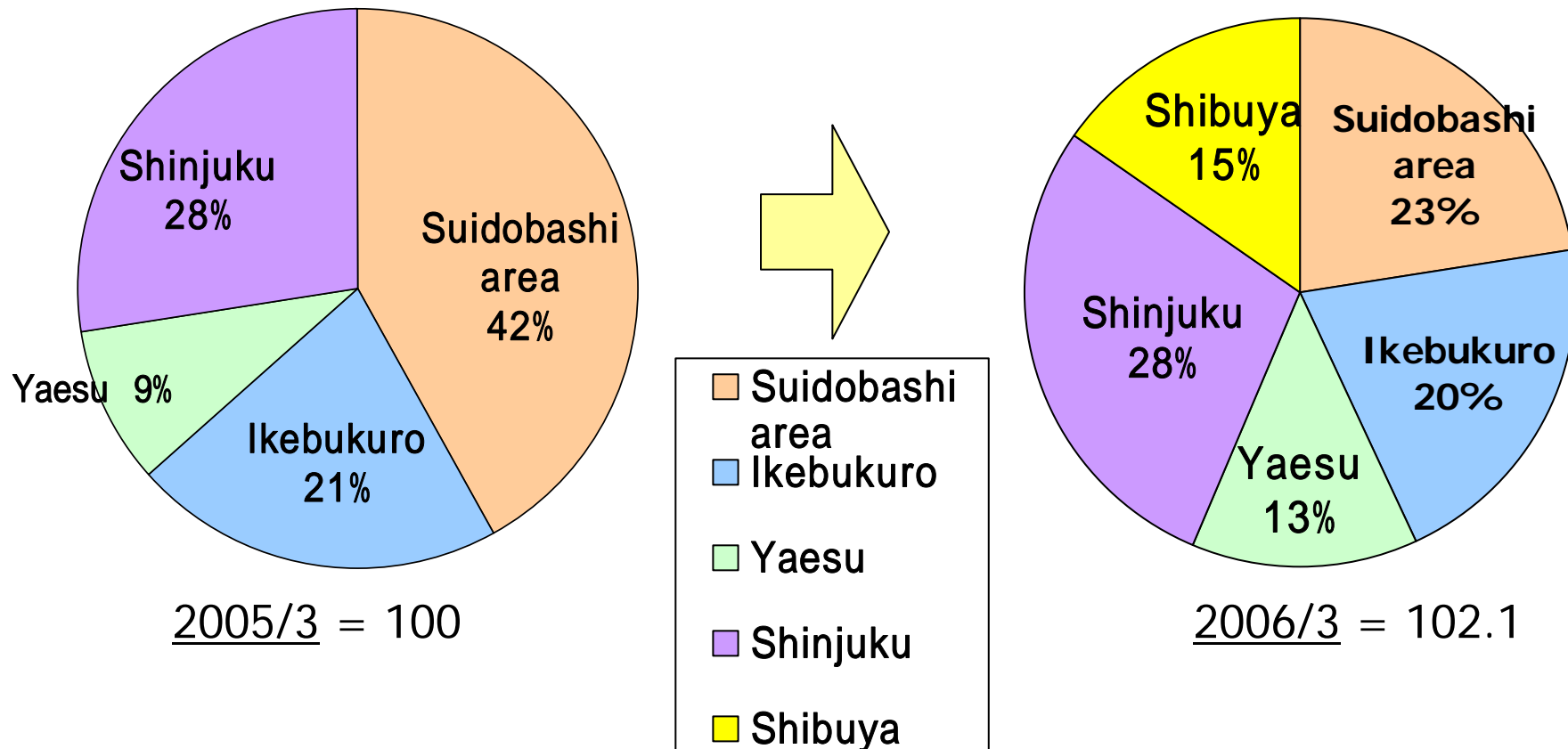
Schools	Tsubo	Tsubo (Y-O-Y)	# of Seats	Seats (Y-O-Y)	Timing
Sapporo	347	347	631	631	In Apr. 2005, opened.
Sendai	327	327	587	587	In Apr. 2005, opened.
Suidobashi(Tokyo)	3,396	-1,285	3,299	-2,610	In Aug. 2005, Tokyo head school closed.
Shibuya(Tokyo)	1,700	1,700	3,152	3,152	In Sep. 2005, opened.
Shinjuku(Tokyo)	1,468	-	2,938	-31	
Ikebukuro(Tokyo)	1,259	-229	2,763	-514	Reduced.
Yaesu(Tokyo)	1,049	-	1,791	-	
Yokohama	1,047	-460	2,052	-1,203	Reduced.
Machida(Tokyo)	497	-	1,020	8	
Omiya	530	-	1,052	-	
Nagoya	963	-	2,071	-32	
Kyoto	693	-137	1,399	-432	Reduced.
Umeda	1,305	-	2,275	-255	Renovated to video booths.
Namba	586	-	1,081	-	
Kobe	569	-49	1,298	-162	Reduced.
Fukuoka	404	-	466	-	
Total	16,148	212 (101.3%)	27,875	-865 (97.0%)	No substantial change in space planned for March 2007 term. (No extraordinary loss including loss on retirement and restoration cost expected to be incurred.)



Tokyo Metropolitan Area



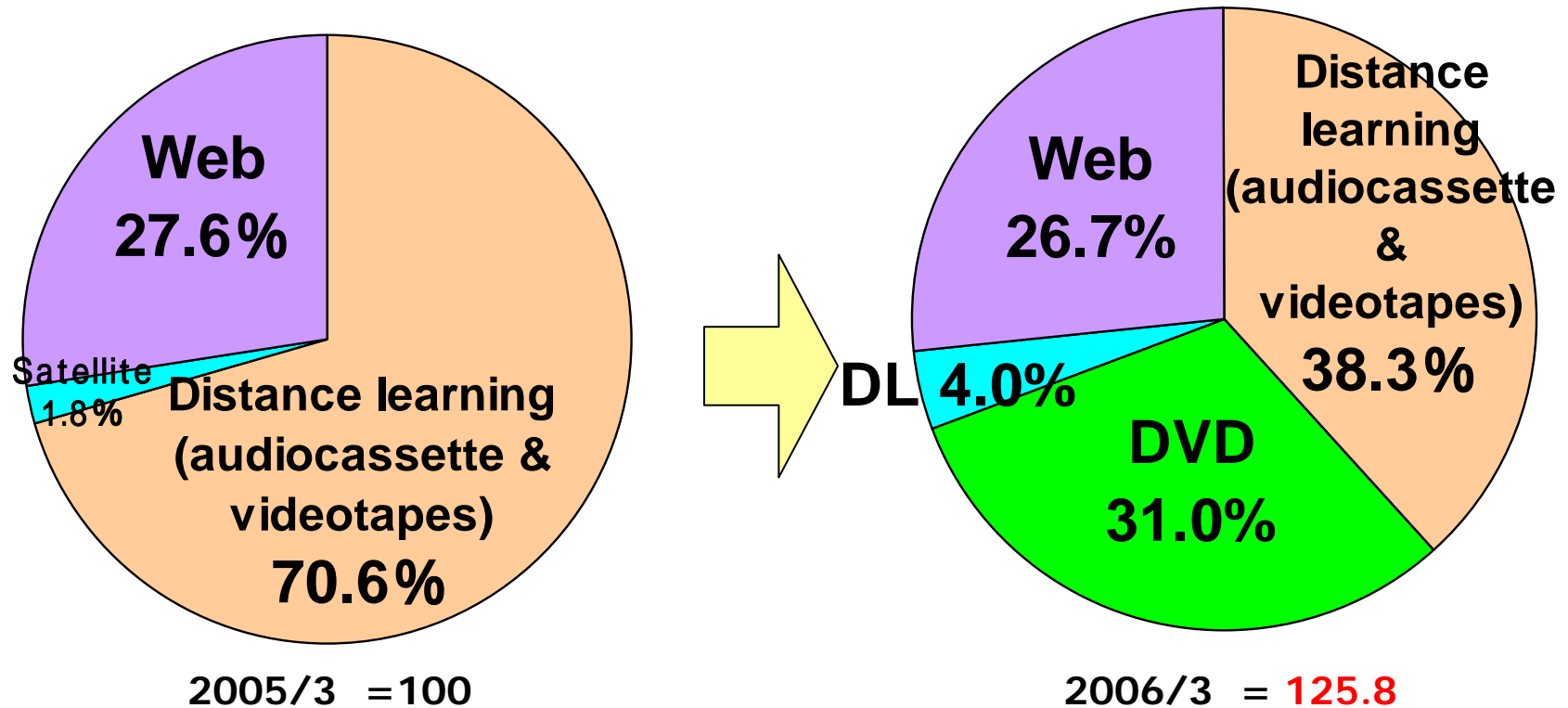
Changes in sales proportions in Tokyo Metropolitan Area



· Total sales for schools in Tokyo Metropolitan Area increased 2.1% after opening of Shibuya School. With Yokohama School included, however, decreased 1.8% due to Yokohama Schools and Tokyo area cannibalizing each other. (Floor space of Yokohama school recently decreased.)



Changes in percentage of sales in distance education



- Classroom courses declined 4.3% due to busy people and working people shifting to correspondence courses. These courses showed favorable growth of 25.8%.
- Rapid growth and contribution of DVD courses started in April 2005. Now, they account for 31.0% of all correspondence courses.



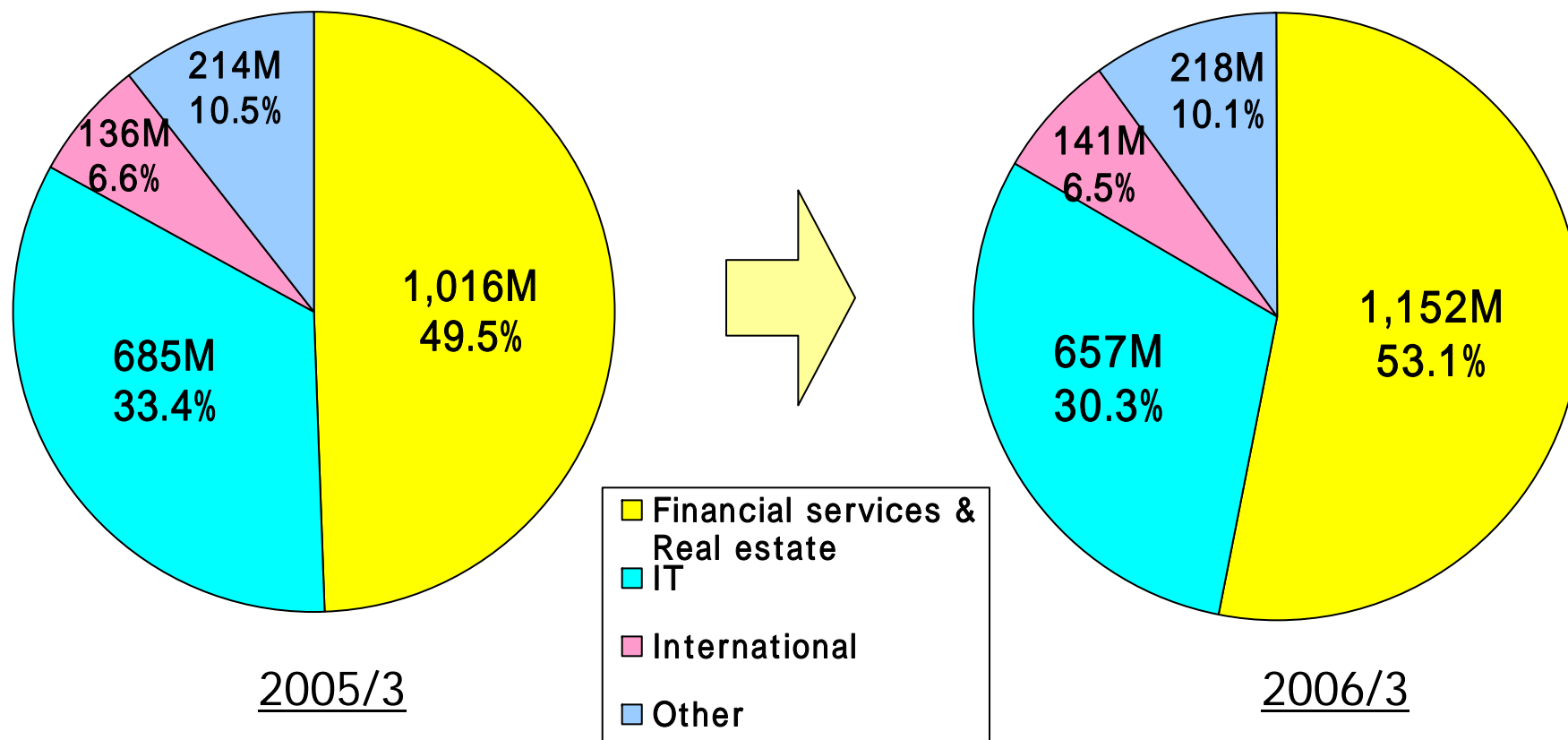
Corporate training: Descriptions

(Yen in thousands)

Contents	Sales	Y-O-Y	%	Overview of Fiscal 2005	
Corporate training	2,169,501	105.7%	60.6%	Financial and real estate-related training showed growth. FP increased 27.5%. Securities analyst increased 8.0%. IT specialist decreased 4.2%.	
Provision of educational materials	188,850	104.5%	5.3%	Sales of educational material to colleges: +28.4% for law & labor related area (public officers, etc.). +13.3% for finance & real estate related area. -1.7% for IT area. -1.8% for financial accounting area.	
Affiliated schools	401,404	102.2%	11.2%	In outlying areas, real estate area showed good results, including real estate appraiser (+21.0%) and real estate transaction manager (Takken) (+25.7%). IT area decreased 29.9%. Financial accounting area increased 3.7%. Finance and real estate area increased 11.5%.	
In-university seminars	328,690	115.0%	9.2%	International area increased 50.4% supported by US CPA and IT related courses. Finance & real estate area increased 8.9%.	
Tax software "Maho-jin" & other	489,768	100.2%	13.7%	In training consigned by local gov't, shift from IT area to accounting/FP proved effective. Sales of finance & real estate area magnified 2.5 times y-o-y. Maho-jin decreased 9.5% due to rebound of past successful sales upon upgrade.	
Total	3,578,214	105.2%	100.0%	Companies & universities/colleges focusing on development of human-resources. Corporate training up by ¥ 110M. In-university seminars up by ¥ 42M.	



Trends in corporate training



• Upward trend in sales of corporate training established with sales of 105.7% over the same term last year.

• IT specialist decreased 4.2%. Financial Services & Real estate appraiser increased, FP training +27.5%, Securities analyst training +8.0%. Management & taxation +34.5%.



Corporate training:

Trends in affiliated schools



Morioka, Maebashi, Utsunomiya, Kanazawa, Toyama, Himeji, Takamatsu, Tokushima, Okayama, Fukuyama, Hiroshima, Kumamoto, Nagasaki, Saga, Miyazaki, Kagoshima, Okinawa

Total 17 schools

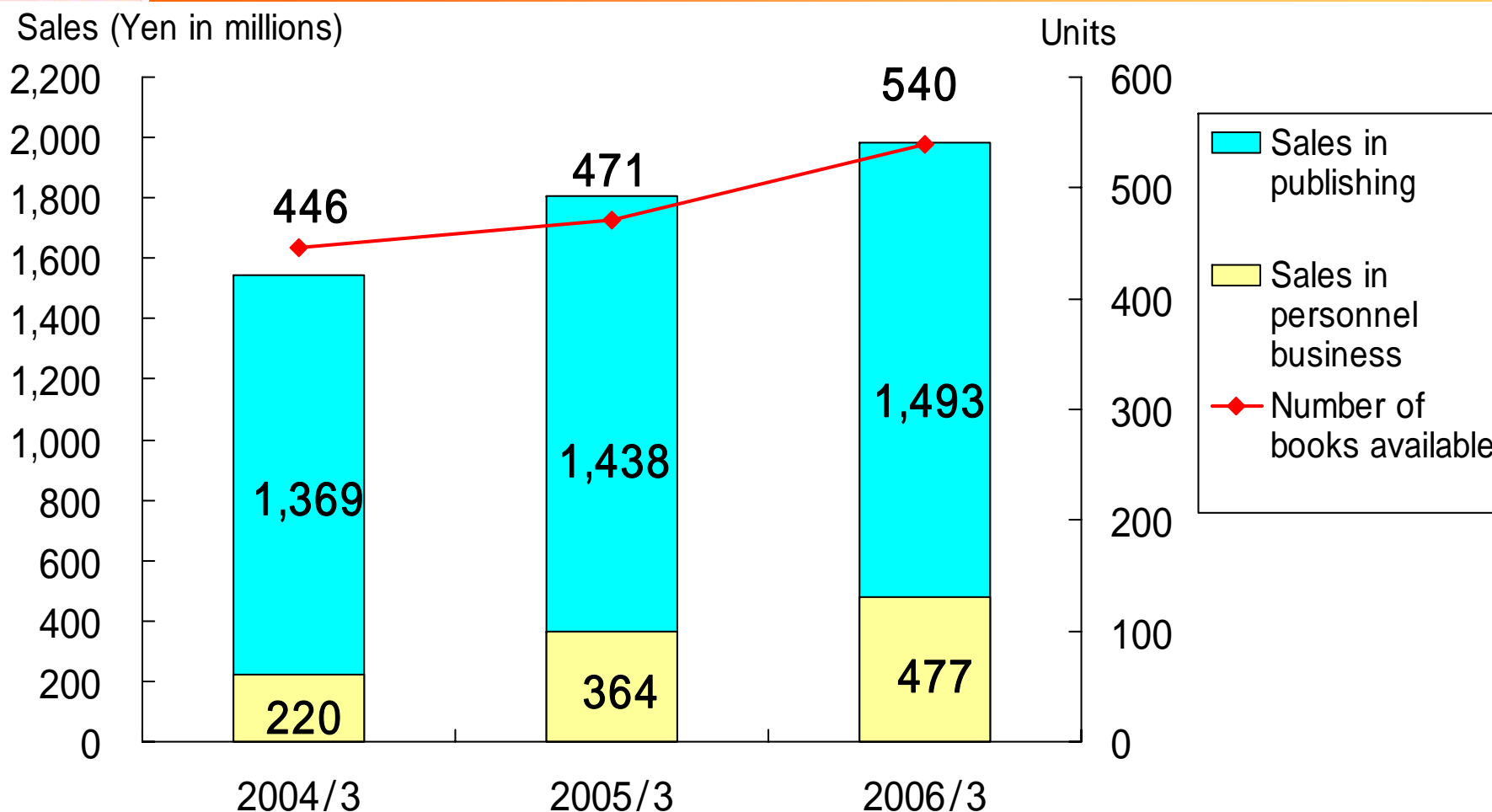
(Yen in thousands)

Licenses by area	# of students (2006/3)	# of students Y-O-Y	Sales (2006/6)	Sales Y-O-Y	% of Sales
Finance & Accounting	2,951	126.7%	76,078	103.7%	19.0%
Management & Taxation	2,714	103.4%	156,377	102.9%	39.0%
Financial Services & Real Estate	947	124.3%	48,538	111.5%	12.1%
Law & Labor	3,841	100.1%	115,010	98.2%	28.7%
IT & International	174	72.2%	5,398	78.7%	1.2%
Total	10,627	108.5%	401,404	102.2%	100.0%

- Rapid Growth (120% over) : Registered real estate transaction manager, Real estate appraiser
- High Growth (100~120%) : CPA, SMEMC, Public officer
- Negative growth : Bookkeeping, FP, Certified social insurance labor consultant, Administrative scrivener, IT specialist



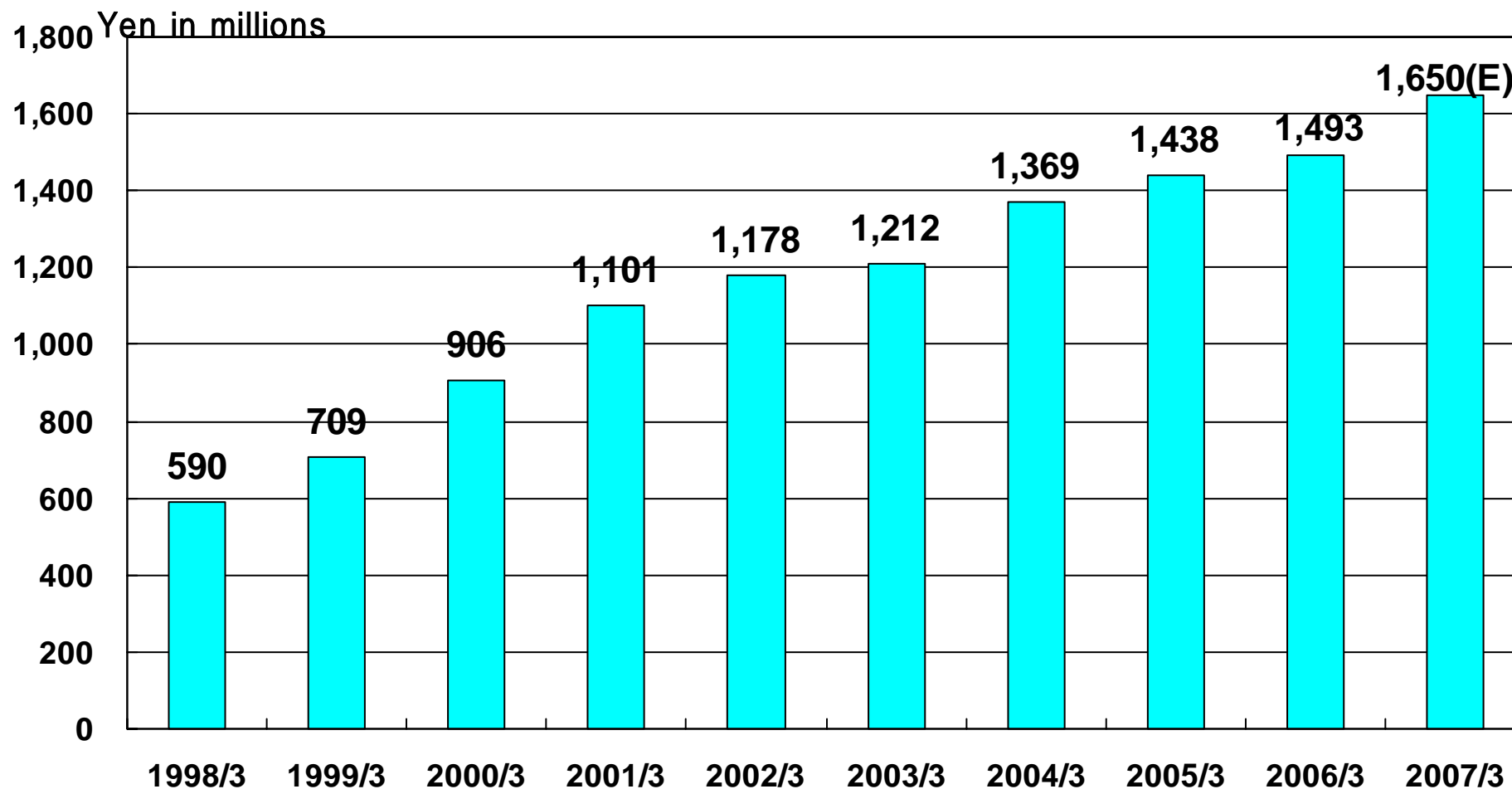
Breakdown of sales & number of books available **TAC**



- In publishing business, books related to bookkeeping and accounting continue to grow. Remarkable growth of FP. Textbooks for certified social insurance labor consultant attached with DVD media resulted in a considerable success.
- Human-resources business continues to show high growth of 30.9% y-o-y.



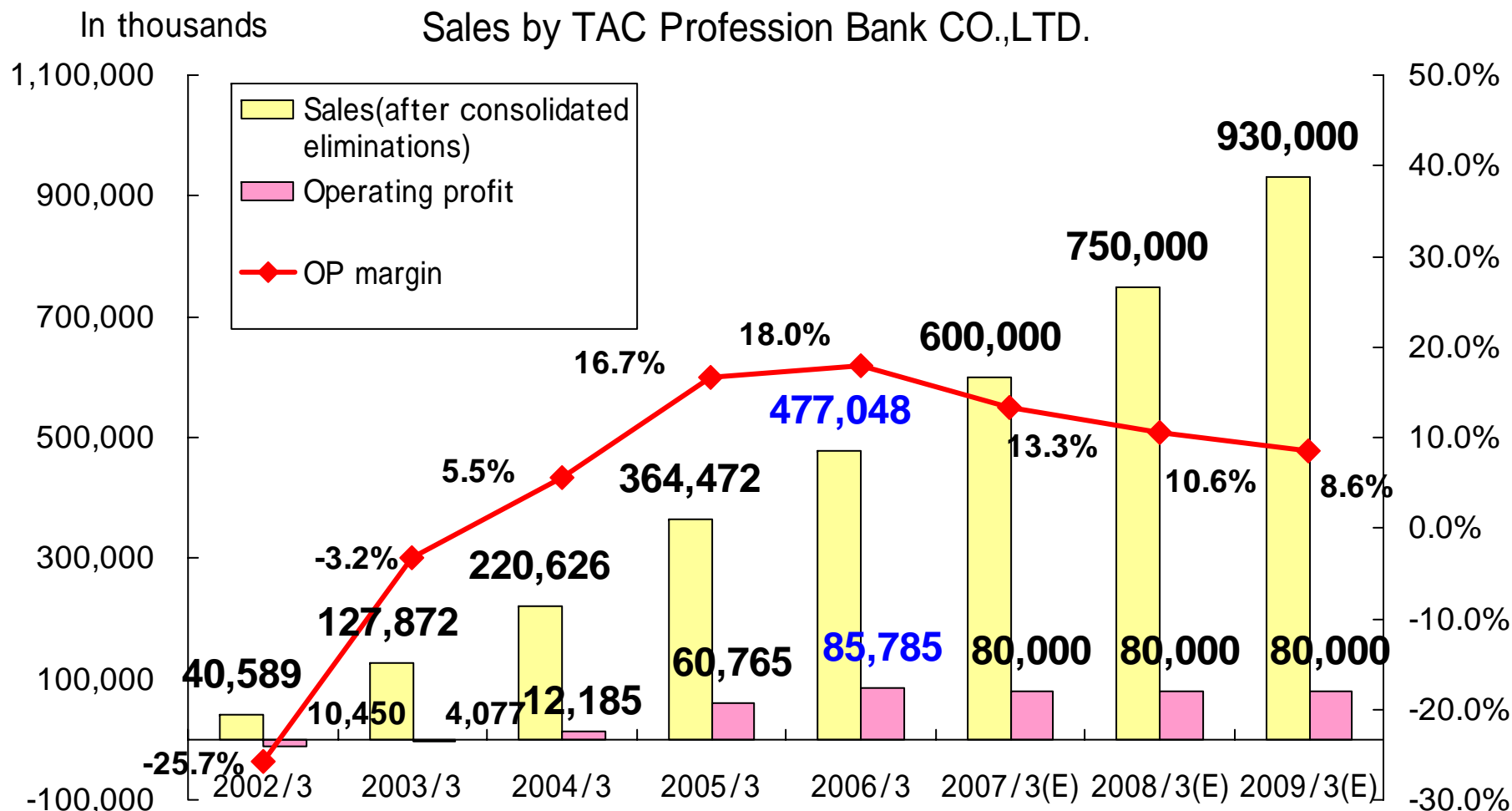
Changes in sales in publishing business **TAC**



- Increase in revenues for 9 consecutive years. 10.5% growth expected for March 2007 term.



Publishing & other: Growth in TAC Profession Bank Sales



· Opened Shinjuku Office in April 2006. Plan to set up offices in Kansai and Nagoya areas as anticipatory investment.

Target: Achievement of sales of ¥ 900 M by TPB alone in March 2009 term.

. Forecast for Fiscal 2006

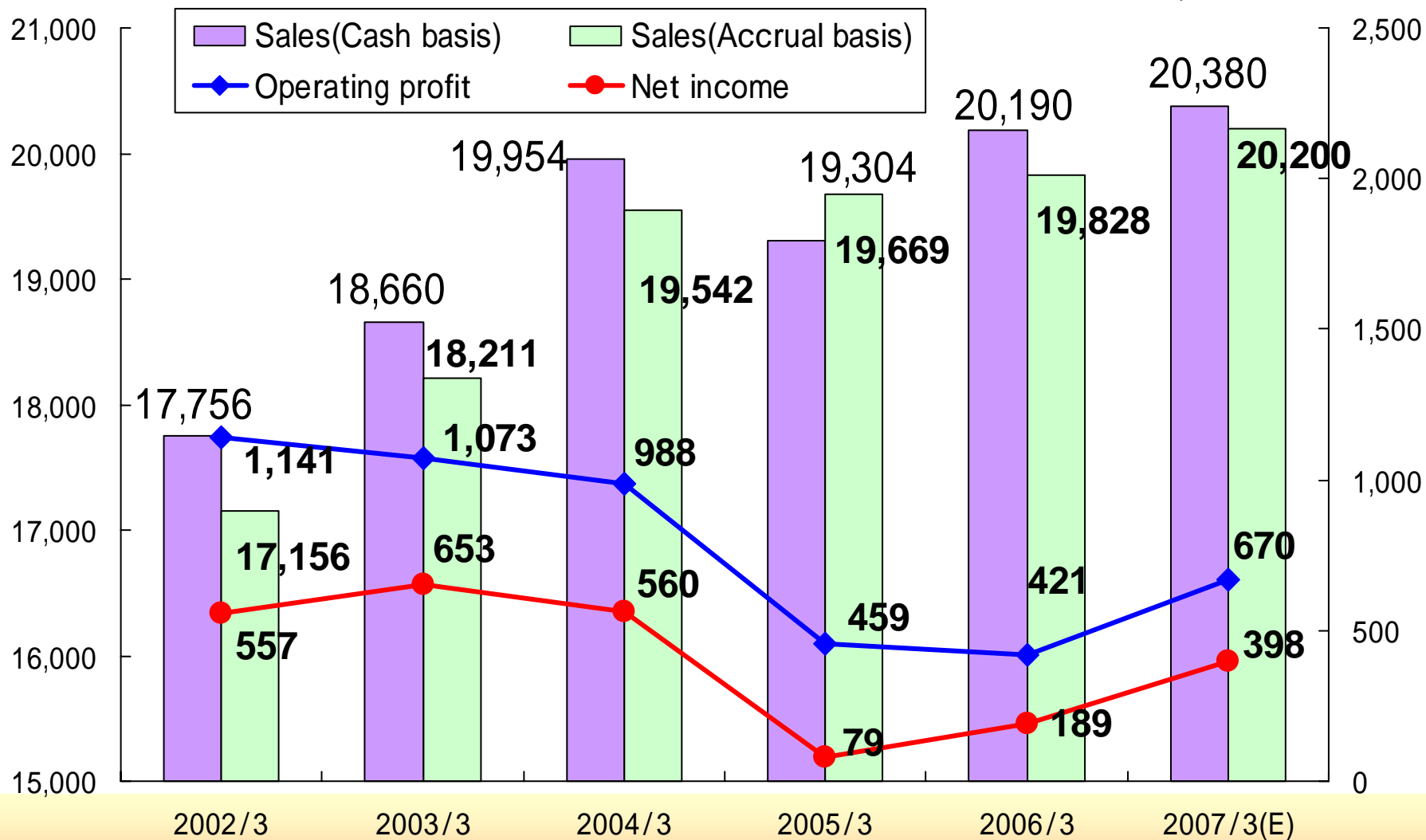




Forecast for Fiscal 2006 (Consolidated)

TAC

(Yen in millions)





Forecast for fiscal 2006

(Yen in millions)

TAC

(Consolidated)	2006/3 (Actual)		2007/3 (Forecast)			
	Amount	%	Amount	%	Difference	Y-O-Y
Net sales before adjustment of tuition advances	20,190	101.8%	20,380	100.9%	189	100.9%
Adjustment of tuition advances	-362	-1.8%	-180	-0.9%	182	49.7%
Net Sales (after adjustment of tuition advances)	19,828	100.0%	20,200	100.0%	372	101.9%
Costs of Sales	12,122	61.1%	12,305	60.9%	182	101.5%
Rent	3,194	16.1%	3,317	16.4%	123	103.9%
Employment costs	3,706	18.7%	3,769	18.7%	62	101.7%
Subcontract costs	2,414	12.2%	2,330	11.5%	-84	96.5%
Gross profit – net	7,667	38.7%	7,895	39.1%	227	103.0%
SG & A expenses	7,245	36.5%	7,225	35.8%	-20	99.7%
Rent	937	4.7%	828	4.1%	-109	88.4%
Employment costs	2,885	14.6%	3,080	15.3%	194	106.7%
Advertising costs	1,479	7.5%	1,243	6.2%	-235	84.1%
Operating income	421	2.1%	670	3.3%	248	158.9%
Ordinary income	536	2.7%	737	3.7%	200	137.4%
Net income	189	1.0%	398	2.0%	208	210.0%
Net income per share	10.25 Yen		21.53 Yen			



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