

# FY2006 Business Overview (third quarter)

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3 February, 2007  
TAC Co., Ltd.  
(Code:4319)

# I . Financial Highlights

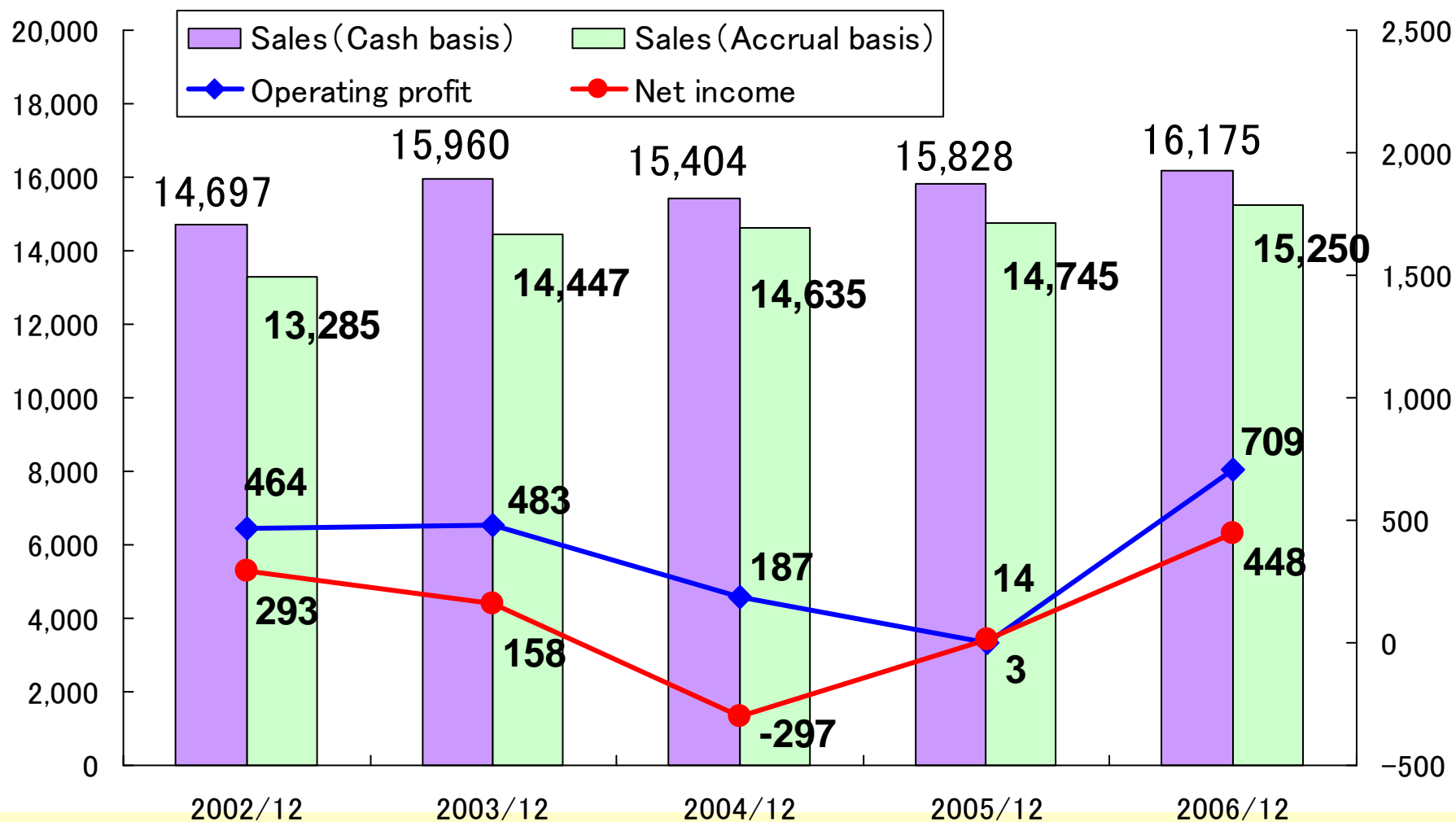
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# Sales and profit (consolidated) **TAC**

(Yen in millions)



(Note) Above figures are those obtained after correcting financial data of previous years. Gain/loss from marketable securities is recorded as non-operating income/expenses.



# Financial highlights (comparative)

Page 4

(Yen in millions)

**TAC**

|  | 2005/12(Actual) |        |        | 2006/12(Actual) |        |            |           |
|--|-----------------|--------|--------|-----------------|--------|------------|-----------|
|  | Amount          | %      | Y-O-Y  | Amount          | %      | Difference | Y-O-Y     |
| Net sales before adjustment of tuition advances  | 15,828          | 107.3% | 102.8% | 16,175          | 106.1% | 346        | 102.2%    |
| Adjustment of tuition advances                   | -1,082          | -7.3%  | 141.0% | -924            | -6.1%  | 158        | 85.4%     |
| Net Sales (after adjustment of tuition advances) | 14,745          | 100.0% | 100.7% | 15,250          | 100.0% | 504        | 103.4%    |
| Costs of Sales                                   | 9,075           | 61.5%  | 102.5% | 9,285           | 60.9%  | 209        | 102.3%    |
| Rent   | 2,389           | 16.2%  | 97.5%  | 2,416           | 15.8%  | 26         | 101.1%    |
| Employment costs                                 | 2,803           | 19.0%  | 103.8% | 2,756           | 18.1%  | -46        | 98.4%     |
| Subcontract costs                                | 1,741           | 11.8%  | 112.4% | 1,833           | 12.0%  | 91         | 105.3%    |
| Gross profit – net                               | 5,684           | 38.5%  | 98.4%  | 6,032           | 39.6%  | 348        | 106.1%    |
| SG & A expenses                                  | 5,680           | 38.5%  | 101.7% | 5,323           | 34.9%  | -356       | 93.7%     |
| Rent   | 718             | 4.9%   | 113.3% | 704             | 4.6%   | -14        | 98.0%     |
| Employment costs                                 | 2,259           | 15.3%  | 100.9% | 2,381           | 15.6%  | 122        | 105.4%    |
| Advertising costs                                | 1,187           | 8.1%   | 98.1%  | 854             | 5.6%   | -332       | 72.0%     |
| Operating income                                 | 3               | 0.0%   | 2.1%   | 709             | 4.7%   | 705        | 17,865.6% |
| Ordinary income                                  | 220             | 1.5%   | 97.3%  | 859             | 5.6%   | 638        | 389.5%    |
| Net income                                       | 14              | 0.1 %  | - 4.9% | 448             | 2.9 %  | 433        | 3,091.4%  |
| Net income per share                             | 0.78 Yen        |        |        | 24.21 Yen       |        |            |           |



# Financial highlights (forecast:actual)

(Yen in millions) **TAC**

|  | 2006/12 (Forecast) |        | 2006/12 (Actual) |        |            |            |
|--|--------------------|--------|------------------|--------|------------|------------|
|  | Amount             | %      | Amount           | %      | Difference | Comparison |
| Net sales before adjustment of tuition advances  | 16,385             | 106.4% | 16,175           | 106.1% | -209       | 98.7%      |
| Adjustment of tuition advances                   | -987               | - 6.4% | -924             | -6.1%  | 62         | 93.7%      |
| Net Sales (after adjustment of tuition advances) | 15,398             | 100.0% | 15,250           | 100.0% | -147       | 99.0%      |
| Costs of Sales                                   | 9,377              | 60.9%  | 9,285            | 60.9%  | -92        | 99.0%      |
| Rent   | 2,414              | 15.7%  | 2,416            | 15.8%  | 1          | 100.1%     |
| Employment costs                                 | 2,896              | 18.8%  | 2,756            | 18.1%  | -139       | 95.2%      |
| Subcontract costs                                | 1,751              | 11.4%  | 1,833            | 12.0%  | 81         | 104.6%     |
| Gross profit – net                               | 6,020              | 39.1%  | 6,032            | 39.6%  | 12         | 100.2%     |
| SG & A expenses                                  | 5,489              | 35.6%  | 5,323            | 34.9%  | -165       | 97.0%      |
| Rent   | 679                | 4.4%   | 704              | 4.6%   | 24         | 103.6%     |
| Employment costs                                 | 2,321              | 15.1%  | 2,381            | 15.6%  | 60         | 102.6%     |
| Advertising costs                                | 1,021              | 6.6%   | 854              | 5.6%   | -166       | 83.7%      |
| Operating income                                 | 531                | 3.5%   | 709              | 4.7%   | 177        | 133.5%     |
| Ordinary income                                  | 579                | 3.8%   | 859              | 5.6%   | 279        | 148.3%     |
| Net income                                       | 321                | 2.1%   | 448              | 2.9 %  | 126        | 139.2%     |
| Net income per share                             | 17.39 Yen          |        | 24.21 Yen        |        |            |            |





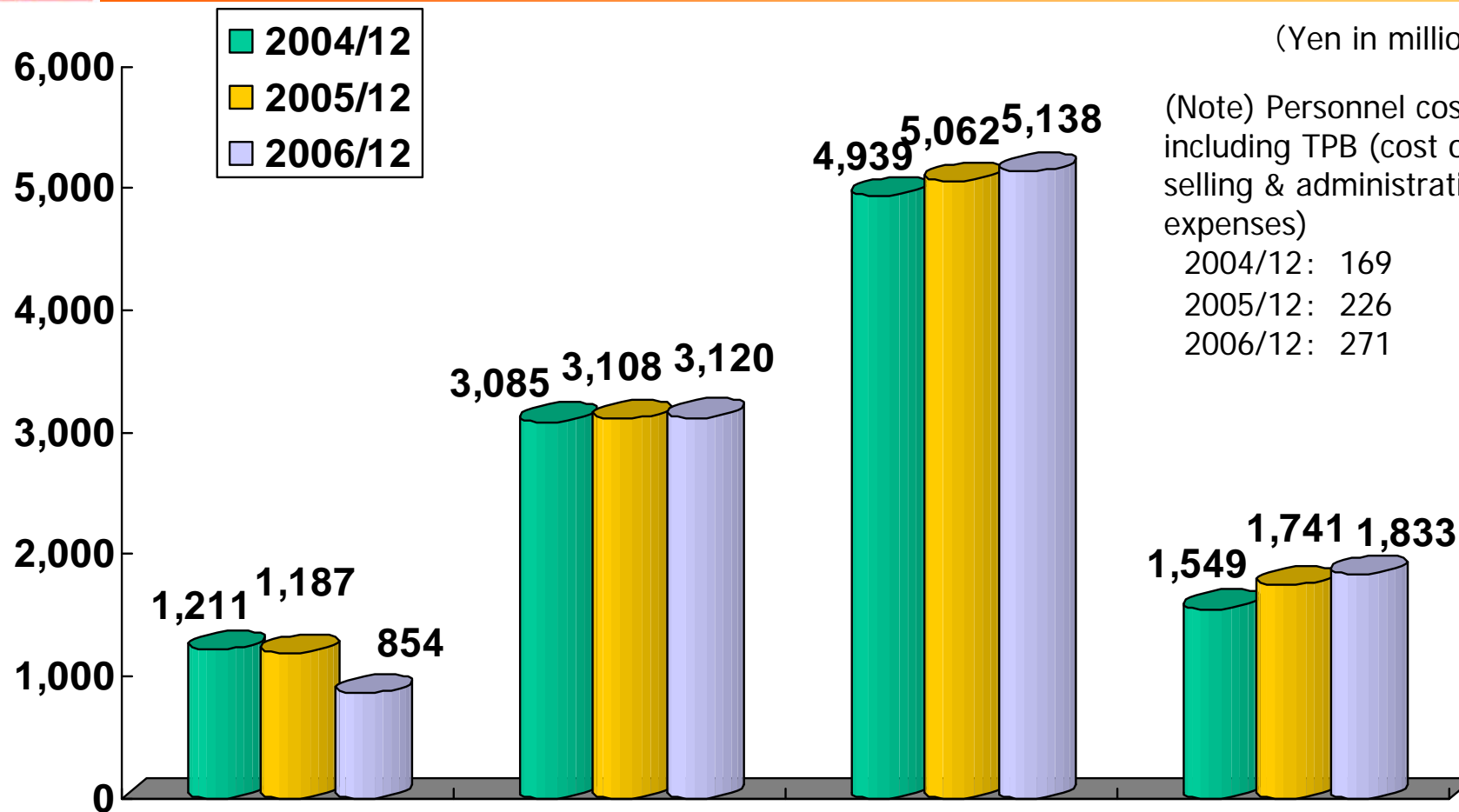
# Major operating expenses

**TAC**

(Yen in millions)

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

2004/12: 169  
2005/12: 226  
2006/12: 271



|                   | 2004/12 | 2005/12 | 2006/12 |
|-------------------|---------|---------|---------|
| <b>% of sales</b> | 8.3%    | 8.1%    | 8.1%    |
|                   | 21.1%   | 21.1%   | 20.5%   |
|                   | 33.8%   | 34.3%   | 33.7%   |
|                   | 10.6%   | 11.8%   | 12.0%   |

|                        |       |       |        |        |        |        |        |        |        |
|------------------------|-------|-------|--------|--------|--------|--------|--------|--------|--------|
| <b>Change</b>          | 98.1% | 72.0% | 100.7% | 100.4% | 102.5% | 101.5% | 112.4% | 105.3% |        |
| <b>% of sales cost</b> | 0.0%  |       | 79.4%  | 76.9%  | 77.4%  | 54.7%  | 55.4%  | 53.7%  | 100.0% |

## II . Highlights of license areas

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# Definition of licenses by area

| Licenses area                               | Programs   |
|---|--|
| ① <b>Finance and Accounting</b>             | Certified public accountant, Bookkeeper, Construction industry accountant  |
| ② <b>Management and Taxation</b>            | Licensed tax accountant, Small and medium enterprise management consultant   |
| ③ <b>Financial Services and Real Estate</b> | 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), Securities broker), Business school |
| ④ <b>Law and Labor</b>                      | Certified social insurance labor consultant, Administrative scrivener, Public officer, The Japan business law examination, Law-related qualifications  |
| ⑤ <b>IT and International</b>               | 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   |
| ⑥ <b>Other</b>                              | "Maho-jin" tax software(*4), Personnel business, Miscellaneous revenue, etc.   |

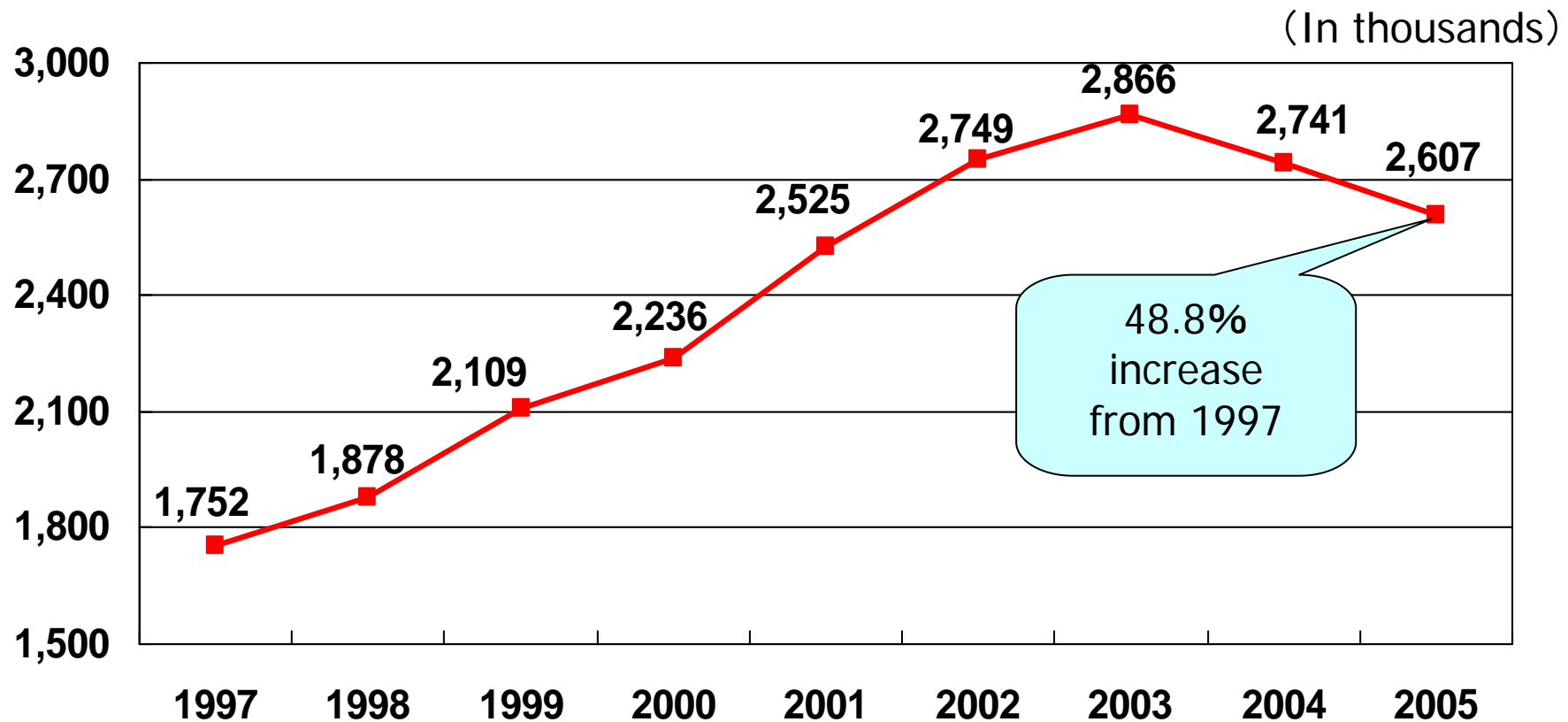
(\*1) DC: Defined Contribution (\*2) CFA: Chartered Financial Analyst

(\*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 only include exams for which TAC offers courses.

Number amended for decreases in discontinued "Public officer (3<sup>rd</sup> 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



(Officially released figures for 2006)

| License area                     | Licenses                                      | 1999      | 2000      | 2001      | 2002      | 2003      | 2004      | 2005      | 2006    | Between '99-' 05 |
|----------------------------------|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---------|------------------|
| Finance & Accounting             | Bookkeeper                                    | 530,069   | 502,726   | 490,681   | 520,643   | 545,649   | 546,198   | 535,228   | 570,466 | 101.0%           |
|                                  | Construction industry accountant              | 76,509    | 76,339    | 67,225    | 58,272    | 50,815    | 44,812    | 37,363    | 31,499  | 48.8%            |
|                                  | CPA   | 10,265    | 11,058    | 12,073    | 13,389    | 14,978    | 16,310    | 15,322    | 16,210  | 149.3%           |
| Mgt & Taxation                   | Licensed tax accountant                       | 63,295    | 63,221    | 61,591    | 63,820    | 66,468    | 67,347    | 67,858    | 66,084  | 107.2%           |
|                                  | Small & medium ent. mgt. consultant           | 11,409    | 11,925    | 10,025    | 12,447    | 14,692    | 15,131    | 13,476    | 16,595  | 118.1%           |
| Financial Services & Real Estate | Real estate appraiser                         | 2,616     | 2,621     | 2,505     | 2,481     | 2,503     | 2,300     | 2,282     | 4,605   | 87.2%            |
|                                  | Registered real estate transaction manager    | 222,913   | 210,465   | 204,629   | 209,672   | 210,182   | 216,830   | 226,665   | 240,278 | 101.7%           |
|                                  | Condominium mgt. consultant                   |           |           | 109,514   | 62,124    | 43,912    | 36,307    | 30,615    | 25,284  | 28.0%            |
|                                  | Registered condominium administration manager |           |           | 64,537    | 39,981    | 31,558    | 28,642    | 26,960    | 24,779  | 41.8%            |
|                                  | Securities analyst                            | 21,771    | 23,181    | 22,510    | 21,357    | 19,277    | 15,324    | 14,275    | 18,253  | 65.6%            |
|                                  | FP  | 63,551    | 79,489    | 79,168    | 22,544    | 20,317    | 18,381    | 17,602    |         | 27.7%            |
|                                  | 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    | 10,659  | 65.9%            |
| Law & Labor                      | Certified social insurance labor consultant   | 45,455    | 50,689    | 54,203    | 58,322    | 64,122    | 65,215    | 61,251    | 59,839  | 134.8%           |
|                                  | Administrative scrivener                      | 40,208    | 51,919    | 71,366    | 78,826    | 96,042    | 93,923    | 89,276    | 88,163  | 222.0%           |
|                                  | Public officer(2nd class etc.)                | 101,986   | 108,678   | 102,118   | 108,819   | 109,963   | 120,240   | 114,163   | 95,025  | 111.9%           |
|                                  | Public officer (local & higher)               | 66,318    | 64,121    | 62,141    | 63,386    | 68,396    | 67,342    | 57,754    | 49,505  | 87.1%            |
|                                  | Public officer(3 <sup>rd</sup> , local)       | 83,426    | 74,575    | 91,562    | 113,239   | 109,434   | 96,036    | 62,639    |         | 75.1%            |
|                                  | Japan biz. law exam                           | 17,324    | 20,085    | 23,544    | 27,962    | 33,998    | 39,094    | 40,747    |         | 235.2%           |
| IT                               | IT specialist                                 | 704,969   | 784,912   | 788,443   | 803,109   | 772,334   | 699,928   | 664,014   | 578,807 | 94.2%            |
|                                  | Microsoft (MOUS)                              | 47,800    | 100,200   | 189,900   | 275,100   | 301,200   | 279,700   | 265,900   |         | 556.3%           |
| Total                            |   | 2,109,884 | 2,236,145 | 2,525,226 | 2,749,069 | 2,866,876 | 2,741,600 | 2,609,195 |         | 123.7%           |



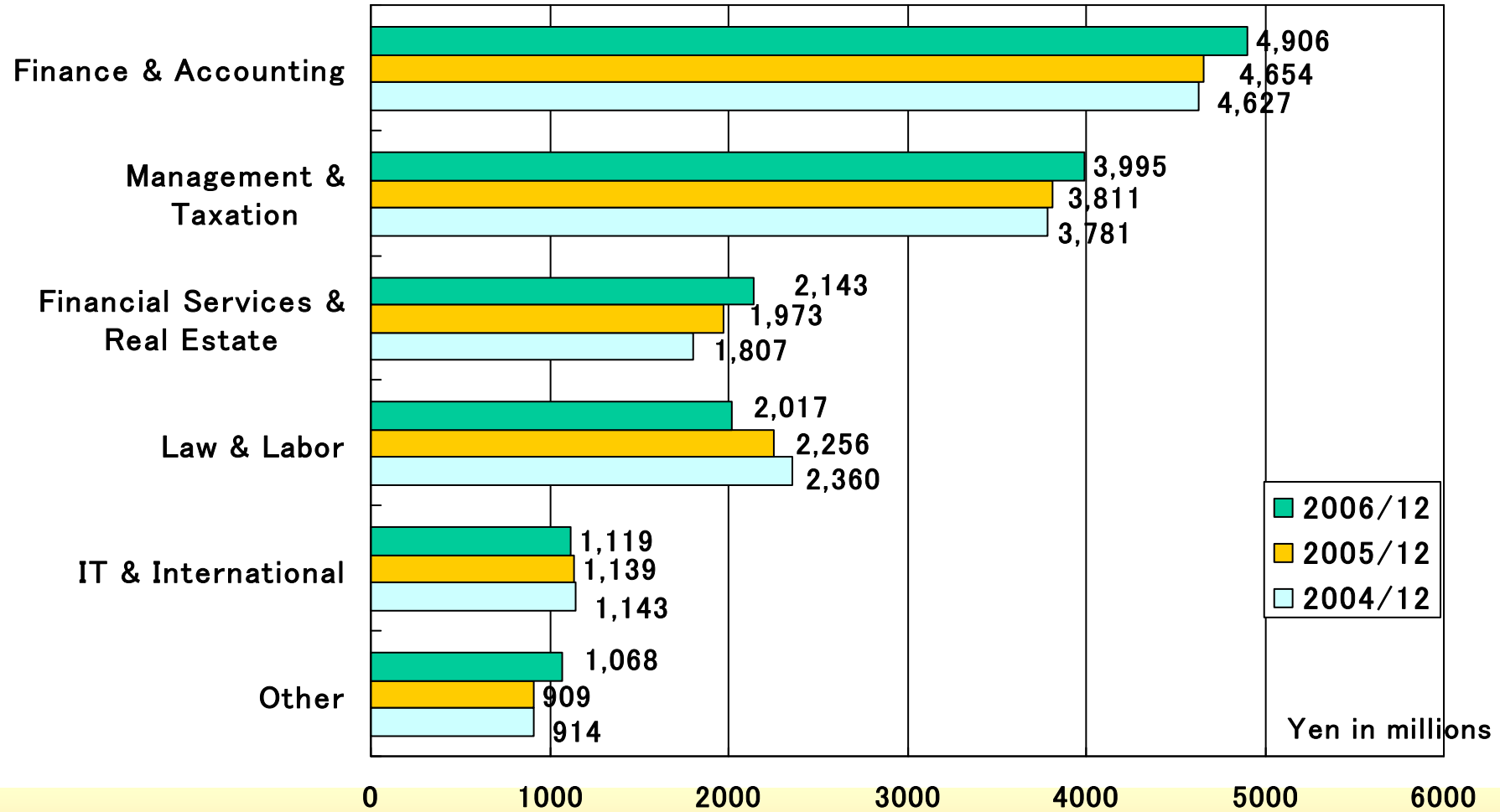
# Sales by license area

(Yen in thousands)

| License by area                    | 2005/12    |        |        | 2006/12    |        |        | Comment  |
|------------------------------------|------------|--------|--------|------------|--------|--------|--|
|                                    | Sales      | Y-O-Y  | %      | Sales      | Y-O-Y  | %      |  |
| ① Finance & Accounting             | 4,654,613  | 100.6% | 31.6%  | 4,906,649  | 105.4% | 32.2%  | Favorable increase including CPA (+5.4%), bookkeeping (+ 5.4%), etc.   |
| ② Management & Taxation            | 3,811,652  | 100.8% | 25.9%  | 3,995,031  | 104.8% | 26.2%  | LTA increased 6.7% on a cash basis. SMEMC declined 0.7% on a cash basis due to sales decline in advanced courses.  |
| ③ Financial Services & Real Estate | 1,973,951  | 109.2% | 13.4%  | 2,143,502  | 108.6% | 14.1%  | Real estate appraiser declined 22.7% on a cash basis and Takken increased 21.0%. Financial services-related courses showed stable result, including securities analyst (+25.4%) and FP (+2.9%), etc. |
| ④ Law & Labor                      | 2,256,789  | 95.6%  | 15.3%  | 2,017,726  | 89.4%  | 13.2%  | Public officers declined 21.5% and certified social insurance labor consultant declined 9.4%. Administrative scrivener increased 26.7% due to the exam getting more difficult.                       |
| ⑤ IT & International               | 1,139,161  | 99.6%  | 7.7%   | 1,119,262  | 98.3%  | 7.3%   | IT courses marked a continued decline of 3.5%. USCPA increased 23.8% on a cash basis. CompTIA increased 9.0%.  |
| ⑥ Other                            | 909,423    | 99.4%  | 6.1%   | 1,068,208  | 117.5% | 7.0%   | Maho-jin showed continued growth of 10.2%. Remarkable growth of 28.4% in human resources business.   |
| Total                              | 14,745,591 | 100.7% | 100.0% | 15,250,380 | 103.4% | 100.0% |  |

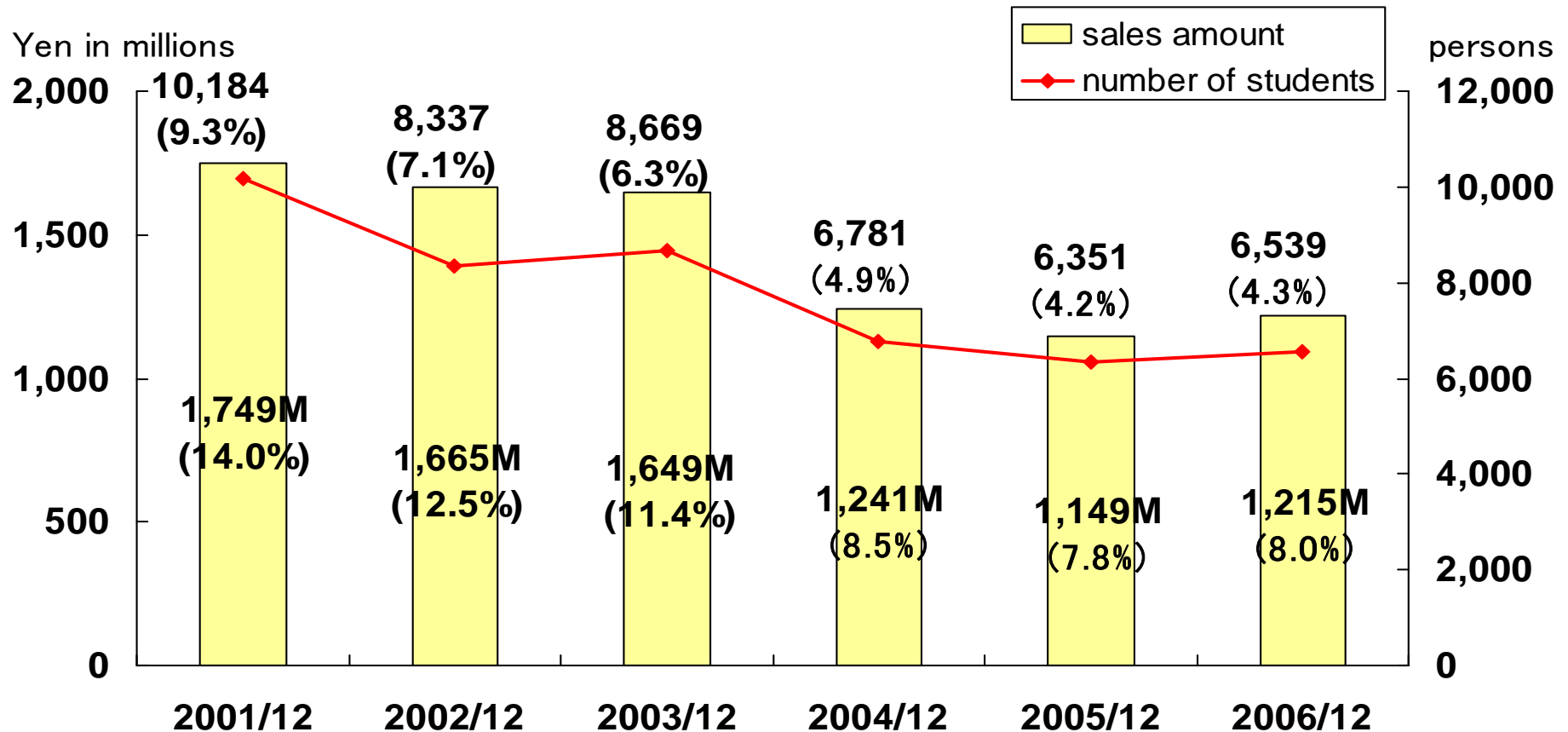


# Sales growth by license area





# Impact of governmental tuition assistance (GTA) program



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

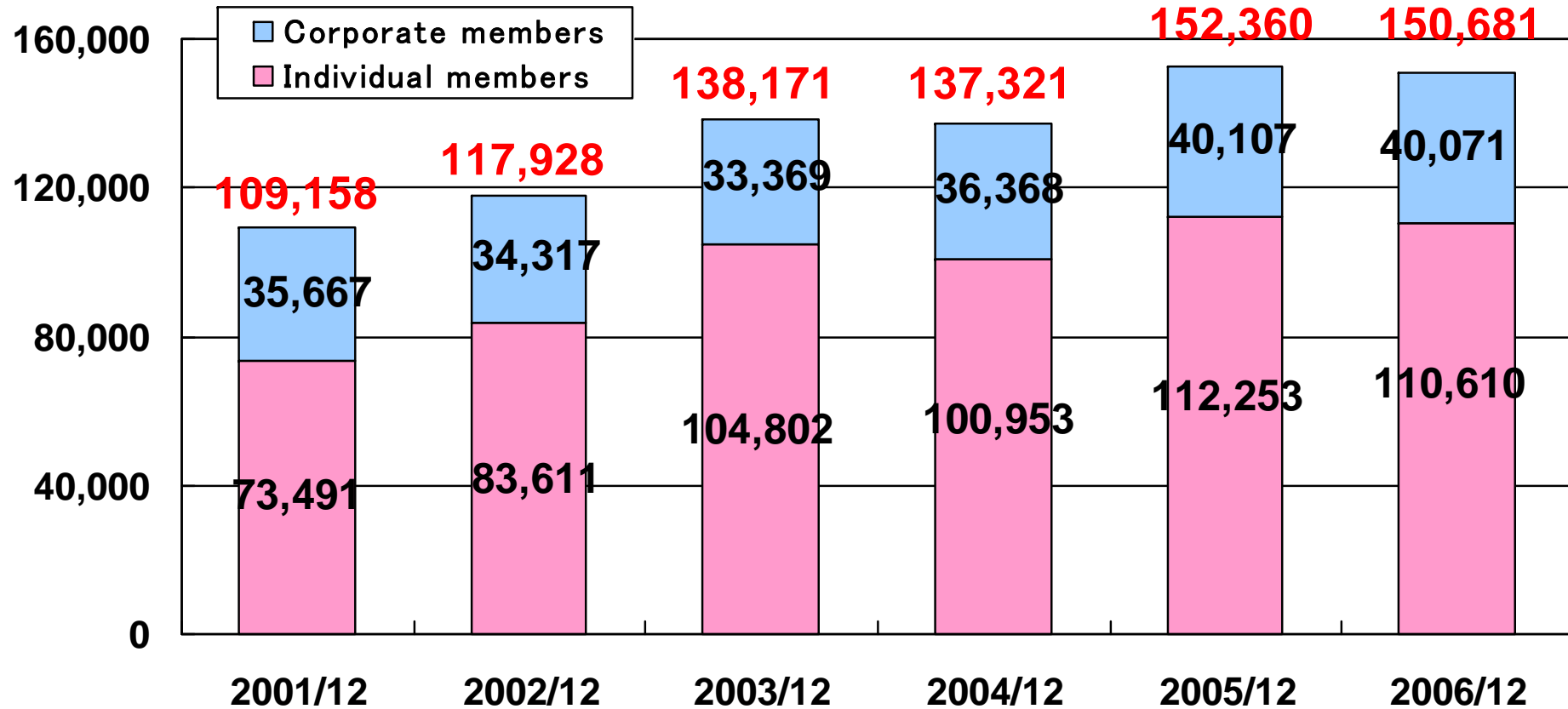
**Remarkable growth in accounting-related courses such as CPA (+59.8%) and LTA (+13.1%). Correspondence courses increased 31.9% contributing to overall growth. GTA-related sales increased 5.7%.**

Financial & accounting +37.2%, Management & Taxation +0.2%, Financial services & Real estate +7.5%, Law & Labor +2.4%, IT & International +40.5%



# Number of students

(persons)



|                         |       |        |        |        |        |       |
|-------------------------|-------|--------|--------|--------|--------|-------|
| Change                  | —     | 108.0% | 117.2% | 99.4%  | 111.0% | 98.9% |
| -Individual             | —     | 113.8% | 125.3% | 96.3%  | 111.2% | 98.5% |
| -Corporate              | —     | 96.2%  | 97.2%  | 109.0% | 110.3% | 99.9% |
| % of Individual members | 67.3% | 70.9%  | 75.8%  | 73.5%  | 73.7%  | 73.4% |



# Number of students by license area

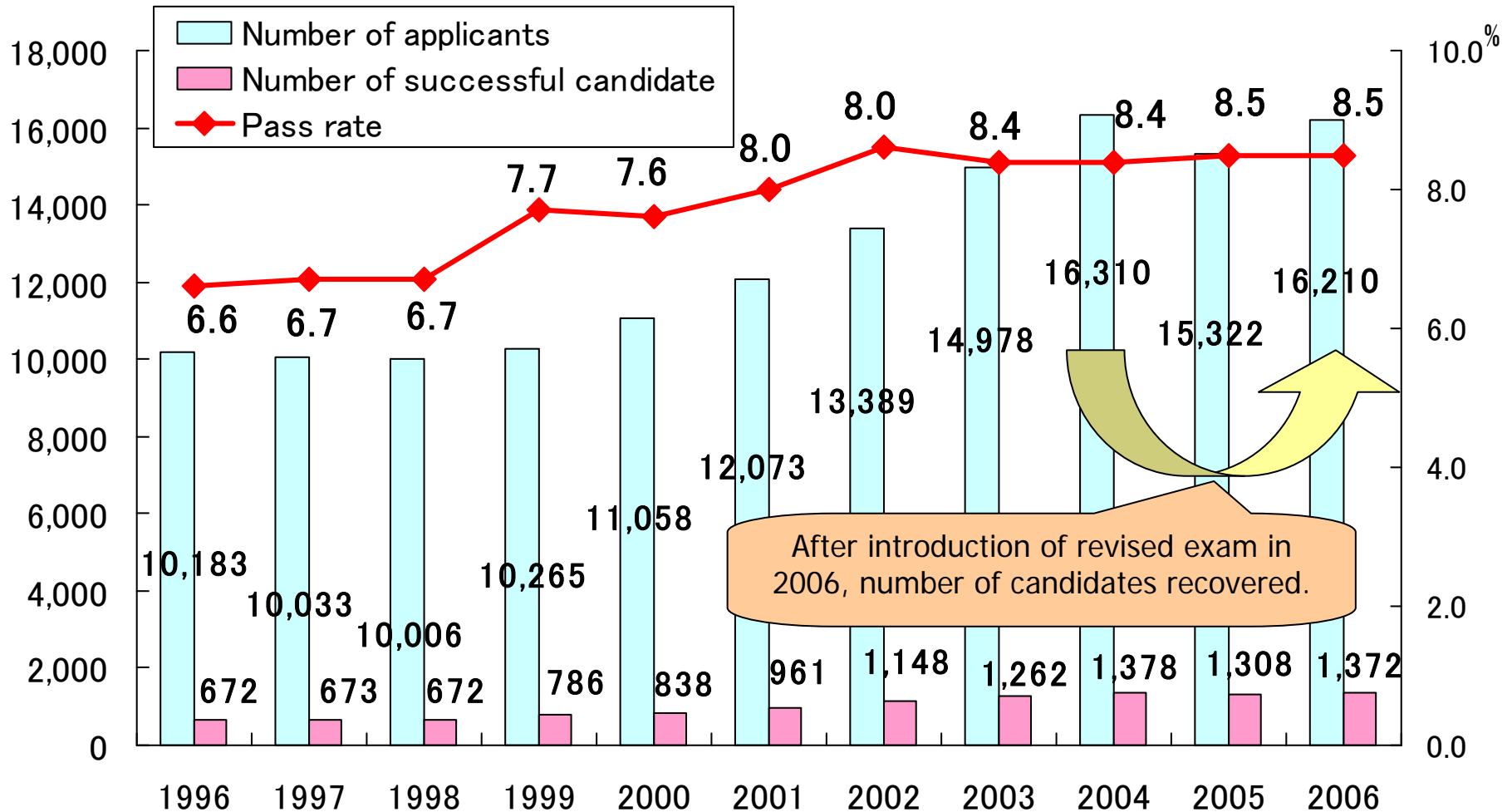


(persons)

| License by area                    | 2006/12 | Y-O-Y  | %      | Comment   |
|------------------------------------|---------|--------|--------|---|
| ① Finance & Accounting             | 40,228  | 95.8%  | 26.7%  | Bookkeeping decreased 3.0% due to temporary suspension of sales campaign. As to CPA courses, advanced courses declined 5.9% due to application period extended to January. Courses for new learners marked favorable increases. |
| ② Management & Taxation            | 33,242  | 102.3% | 22.1%  | LTA increased 2.6%. SMEMC decreased 1.2%.   |
| ③ Financial Services & Real Estate | 31,688  | 108.6% | 21.0%  | Real estate appraiser declined 14.1%. Takken increased 20.9%. FP increased 9.7%. Securities analyst increased 26.4%.  |
| ④ Law & Labor                      | 27,082  | 93.9%  | 18.0%  | Certified social insurance labor consultant declined 13.4%. Administrative scrivener increased 10.8%. Public officers decreased 2.6%.   |
| ⑤ IT & International               | 18,441  | 92.9%  | 12.2%  | IT specialist decreased 5.6%. USCPA decreased 16.4%.  |
| Total                              | 150,681 | 98.9%  | 100.0% |   |



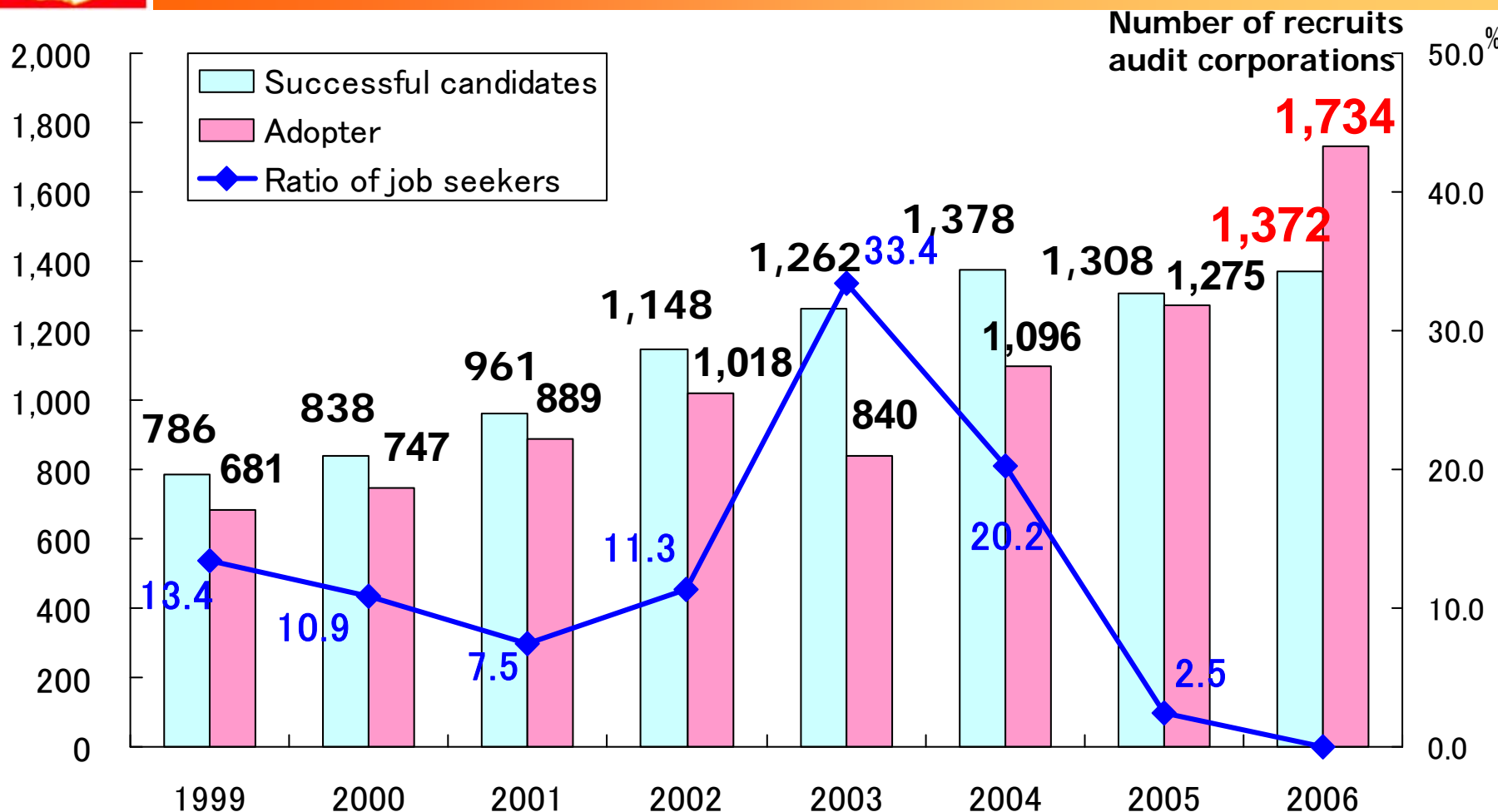
# Number of applicants for CPA exams



Number of candidates and successful candidates (for 2006, excluding successful candidates of the part 2 exam of the former testing system) is close to the record high marked in 2004. (Test results announced on November 20, 2006 by CPAAOB.)



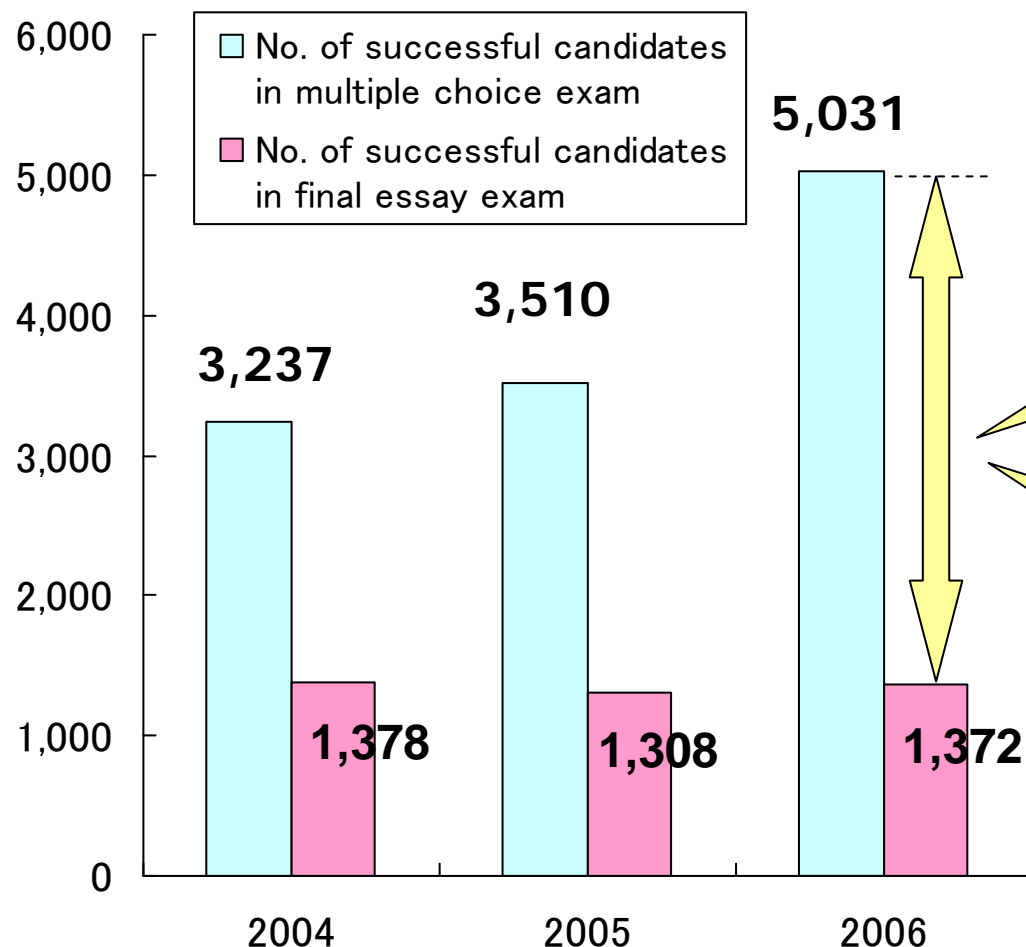
## Favorable employment situation for successful candidates expected to continue in 2006



The number of recruits that the 5 major audit corporations hope to employ exceeds 2,100 for 2006. (Including those passing some exam subjects only, according to Nippon Keizai Shimbun on September 16.) It is expected that employment of successful candidates passing all exam subjects will be completely covered. Major audit corporations continue to be highly motivated to employ recruits, including those passing only some sections, as a result of enhanced measures in internal control audits.



# CPA exam...Outlook of 6 months ending 3/31/2007 and next fiscal year



**Point 1**  
Those exempt from multiple choice exam will accumulate, forming a new customer segment.




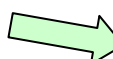
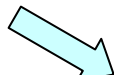

**Point 2**  
No. of those passing some of exam subjects was only 1,293. No. of those passing more than one exam subject was only 198.

With the number of candidates passing some of the exam subjects and passing more than one exam subject, which was lower than forecast, it is expected that a decrease in the unit price per customer in advanced courses for candidates taking the exam again in the second half of FY 2006 and FY 2007 will be minimized.



## III. Highlights by segment

### Summary by segment for 3rd quarter

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



# Segment information

(Yen in millions)

|                    | 2005/12 |                 |                  | 2006/12 |                 |                  | Year-on-year   |                 |                   |
|--------------------|---------|-----------------|------------------|---------|-----------------|------------------|----------------|-----------------|-------------------|
|                    | Sales   | Operating costs | Operating income | Sales   | Operating costs | Operating income | Sales          | Operating costs | Operating income  |
| Personal education | 10,583  | 10,915          | -331<br>(-3.1%)  | 10,842  | 10,356          | 485<br>(4.5%)    | 258<br>(+2.4%) | -558<br>(-5.1%) | 817<br>( - )      |
| Corporate training | 2,777   | 1,926           | 850<br>(30.6%)   | 3,040   | 2,198           | 841<br>(27.7%)   | 263<br>(+9.5%) | 271<br>(+14.1%) | -8<br>(-1.0%)     |
| Publishing & other | 1,399   | 1,082           | 316<br>(22.6%)   | 1,382   | 1,182           | 200<br>(14.5%)   | -16<br>(-1.2%) | 99<br>(+9.2%)   | -116<br>(-36.9%)  |
| Eliminations       | -14     | 817             | -831             | -14     | 803             | -818             | -0             | -13<br>(-1.6%)  | 12<br>(-1.5%)     |
| Total              | 14,745  | 14,741          | 3<br>(0.0%)      | 15,250  | 14,541          | 709<br>(4.7%)    | 504<br>(+3.4%) | -200<br>(-1.4%) | 705<br>(17865.6%) |

(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 : 2005/12 1,032 million, 2006/12 915 million (-11.3%)

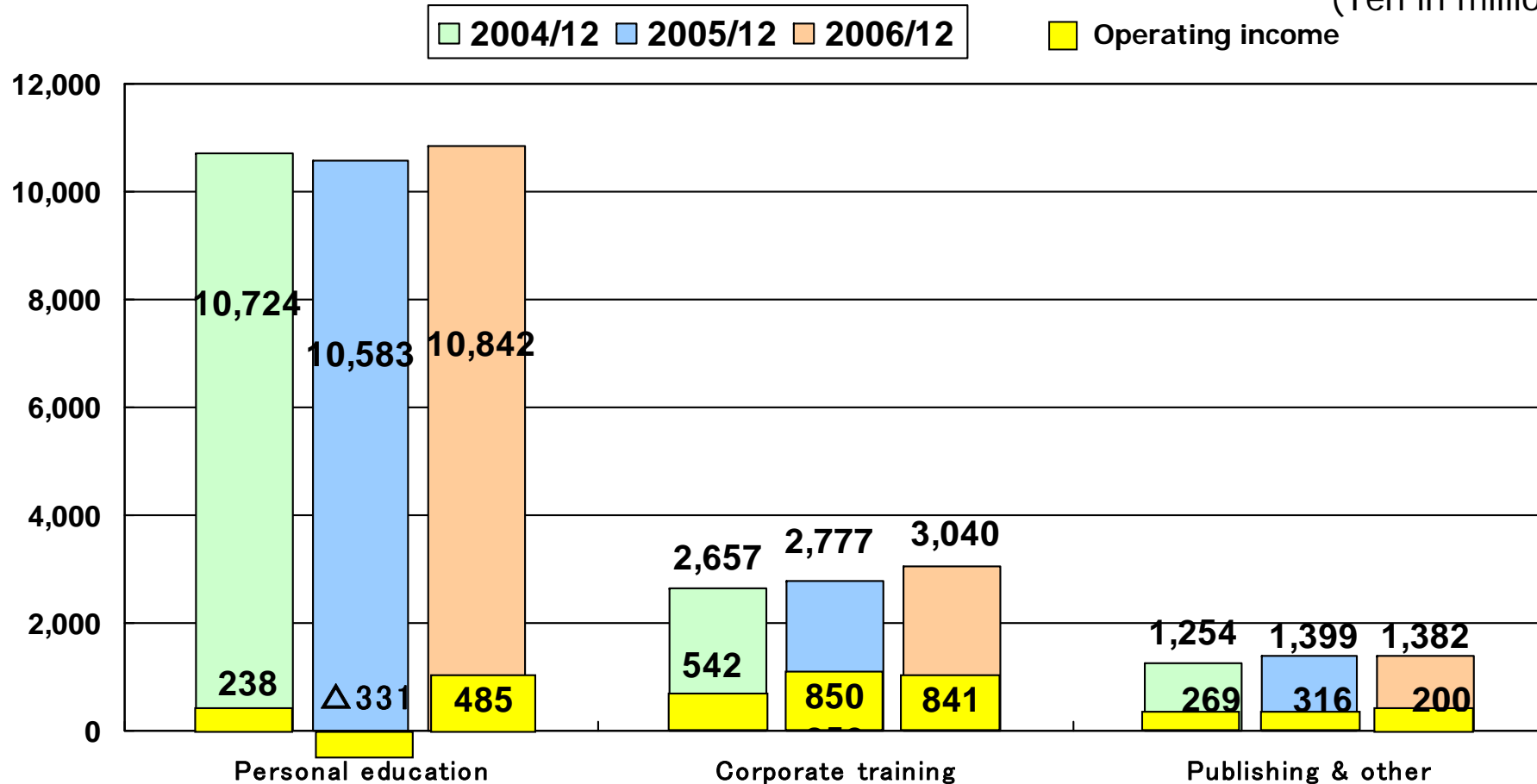
Sales in personnel business : 2005/12 351 million, 2006/12 452 million (+ 28.5%)

※After elimination of intercompany transactions



# Sales by segment

(Yen in millions)



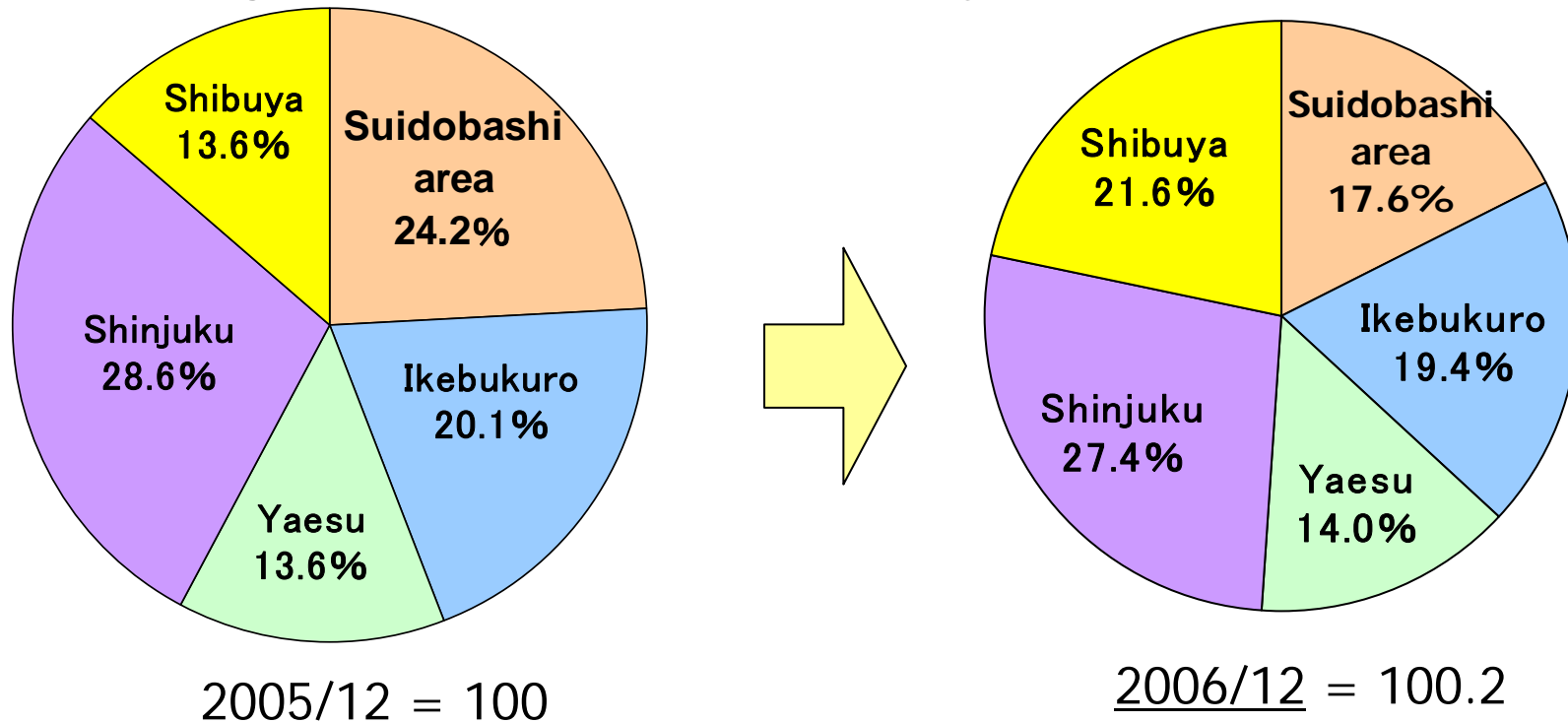
|            |       |       |        |        |        |        |        |        |        |
|------------|-------|-------|--------|--------|--------|--------|--------|--------|--------|
| Y-O-Y      | 99.1% | 98.7% | 102.4% | 105.2% | 104.5% | 103.9% | 114.4% | 111.6% | 98.82% |
| Percentage | 73.3% | 71.8% | 71.1%  | 18.1%  | 18.8%  | 19.9%  | 8.6%   | 9.5%   | 9.1%   |
| OP margin  | 2.2%  | △3.1% | 4.5%   | 20.4%  | 30.6%  | 27.7%  | 21.5%  | 22.6%  | 14.5%  |



# In Tokyo Metropolitan Area



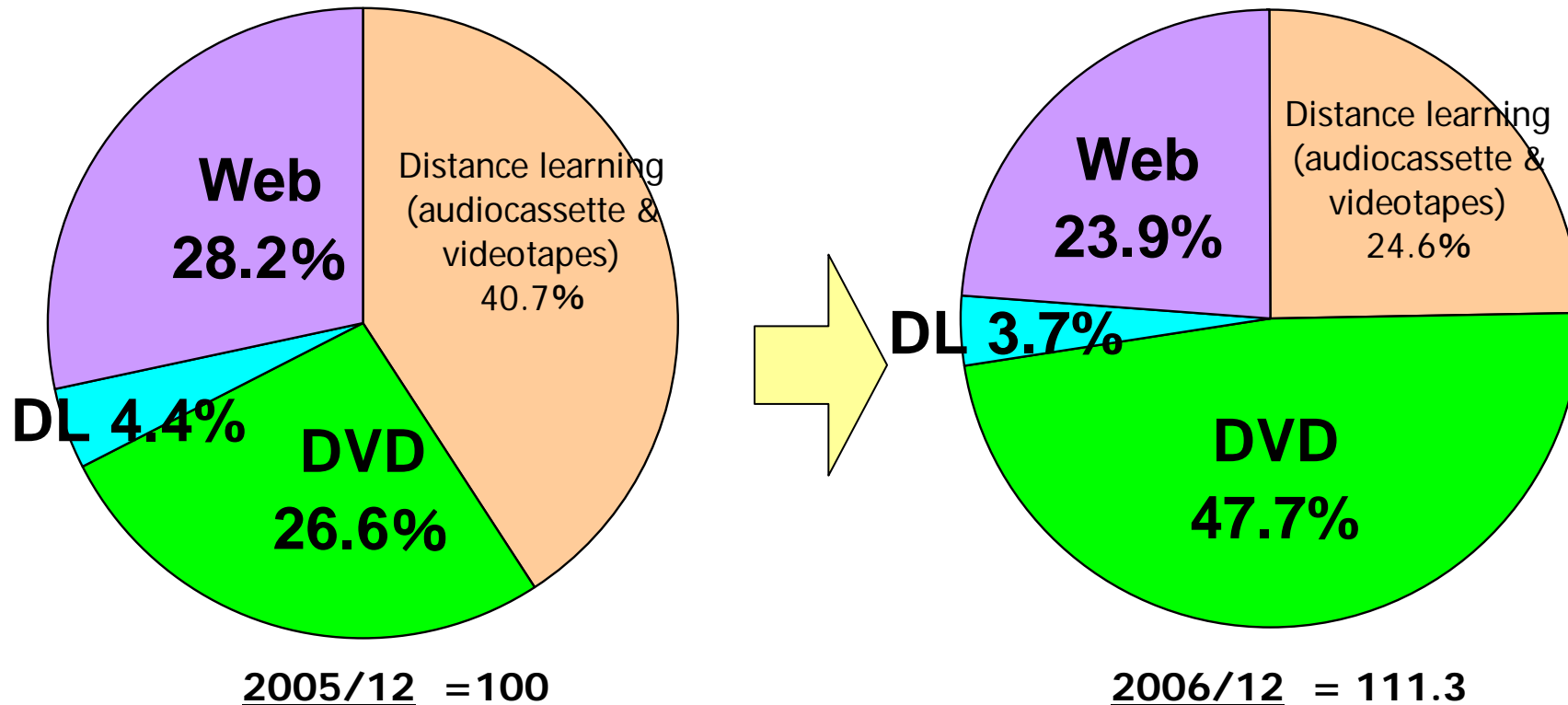
## Changes in sales proportions in Tokyo Metropolitan Area



- In spite of a strong shift to correspondence courses, sales in Tokyo Metropolitan area achieved a sales increase of 0.2%.
- Sales in Suidobashi area decreased 26.9% y/o/y due to cannibalization by Shibuya and Shinjuku schools while sales at Shibuya school marked growth of 60%.



Changes in percentage of sales in distance education



· In distance-education courses as a whole showed continued growth of 11.3%, while classroom courses decreased 3%.

· DVD courses account for 47.7% of overall sales of distance-education courses.



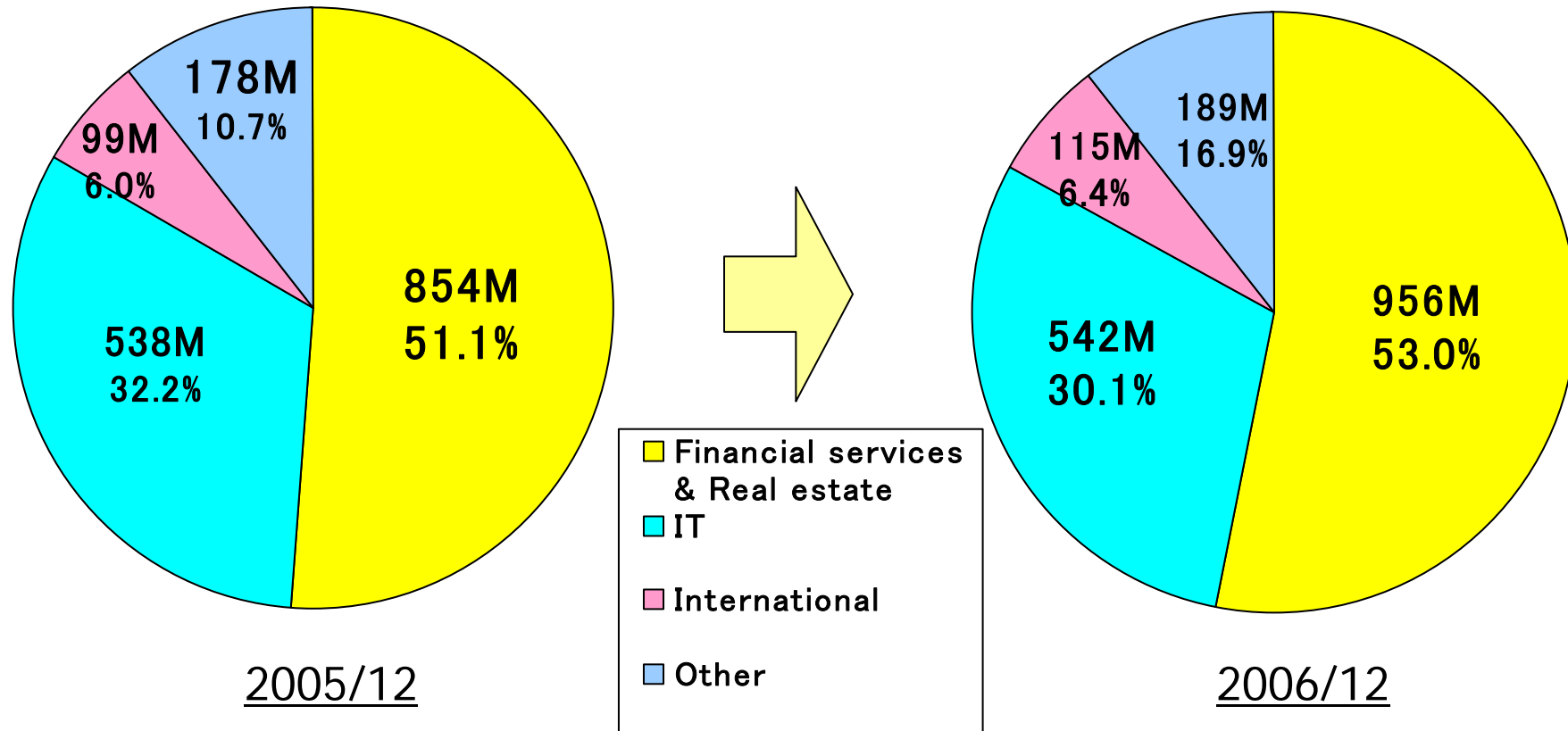
# Corporate training: Descriptions

(Yen in thousands)

| Contents                           | Sales     | Y-O-Y  | %      | Overview of 3 <sup>rd</sup> quarter   |  |
|------------------------------------|-----------|--------|--------|---|--|
| Corporate Training                 | 1,804,064 | 107.9% | 59.4%  | Corporate training showed strong results mainly in finance and real-estate-related courses including bookkeeping (+15.1 %.), Takken (doubled), securities analyst (+20.8%), etc. IT-related courses unchanged.                |  |
| Provision of educational materials | 168,534   | 116.6% | 5.5%   | Recorded overall increase including LTA (+18.7%), Takken (+130%) and CompTIA which marked a substantial increase.   |  |
| Affiliated schools                 | 335,043   | 111.9% | 11.0%  | Notable growth in accounting-related courses including bookkeeping (+24.1%), CPA (+13.9%), LTA (+16.4%) and administrative scrivener (33.6%).   |  |
| In-university seminars             | 288,058   | 105.5% | 9.5%   | Other than LTA and administrative scrivener, finance and real-estate seminars marked stable growth.   |  |
| Tax software “Maho-jin” & other    | 444,867   | 114.5% | 14.6%  | Educational programs consigned by local governments showed a remarkable increase of 34.5%. Maho-jin increased 10.2%.  |  |
| Total                              | 3,040,569 | 109.5% | 100.0% | Corporate training increased by ¥ 132M. Affiliated schools increased by ¥ 35 million. In-university seminars increased by ¥ 31.47M. Strong response by companies and schools focusing on fostering growth in human-resources. |  |



# Corporate training: Trends



- Sales in corporate training marked continuous growth of 7.9% y/o/y.
- Growth in bookkeeping (+15.1%), Takken (doubled), and securities analyst (+20.8%). IT-related courses unchanged. In total, increased by ¥ 132 M.



## Trends in affiliated schools **TAC**

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

Total 17 schools

(Yen in thousands)

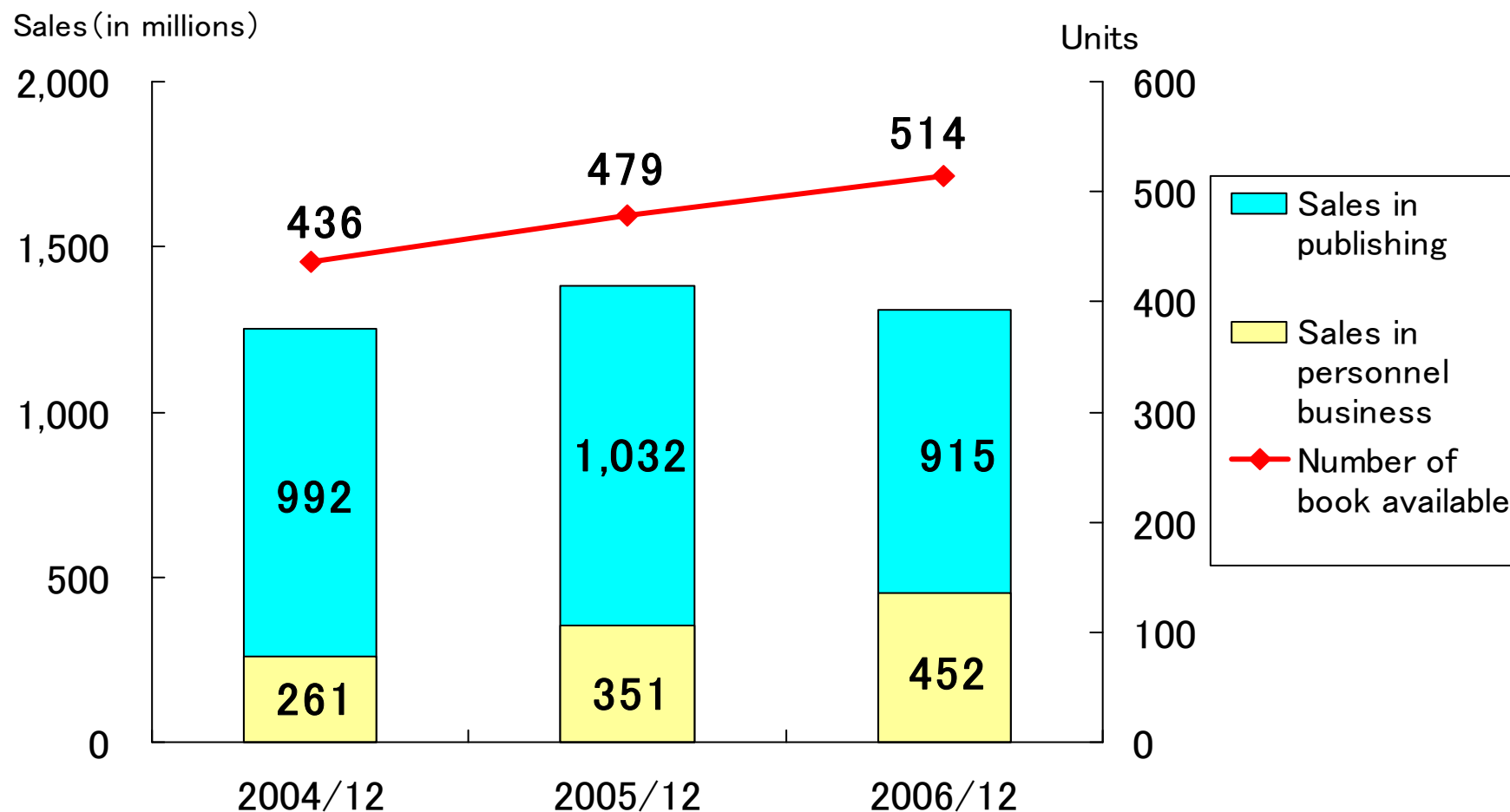
| Licenses by area                   | # of students<br>2006/12 | # of students<br>(Y-O-Y) | Sales<br>2006/12 | Sales<br>(Y-O-Y) | % of sales |
|------------------------------------|--------------------------|--------------------------|------------------|------------------|------------|
| ① Finance & Accounting             | 2,062                    | 90.2%                    | 66,149           | 117.8 %          | 19.8%      |
| ② Management & Taxation            | 2,732                    | 120.6%                   | 136,652          | 117.5%           | 40.8%      |
| ③ Financial Services & Real Estate | 620                      | 102.6%                   | 37,861           | 109.3%           | 11.3%      |
| ④ Law & Labor                      | 2,511                    | 80.8%                    | 90,584           | 102.7%           | 27.0%      |
| ⑤ IT & International               | 133                      | 93.0%                    | 3,794            | 89.2%            | 1.1%       |
| Total                              | 8,058                    | 95.9%                    | 335,043          | 111.9%           | 100.0%     |

• Positive growth : CPA, Bookkeeping, LTA, Administrative scrivener

• Negative growth: Certified social insurance labor consultant , Pubic officer



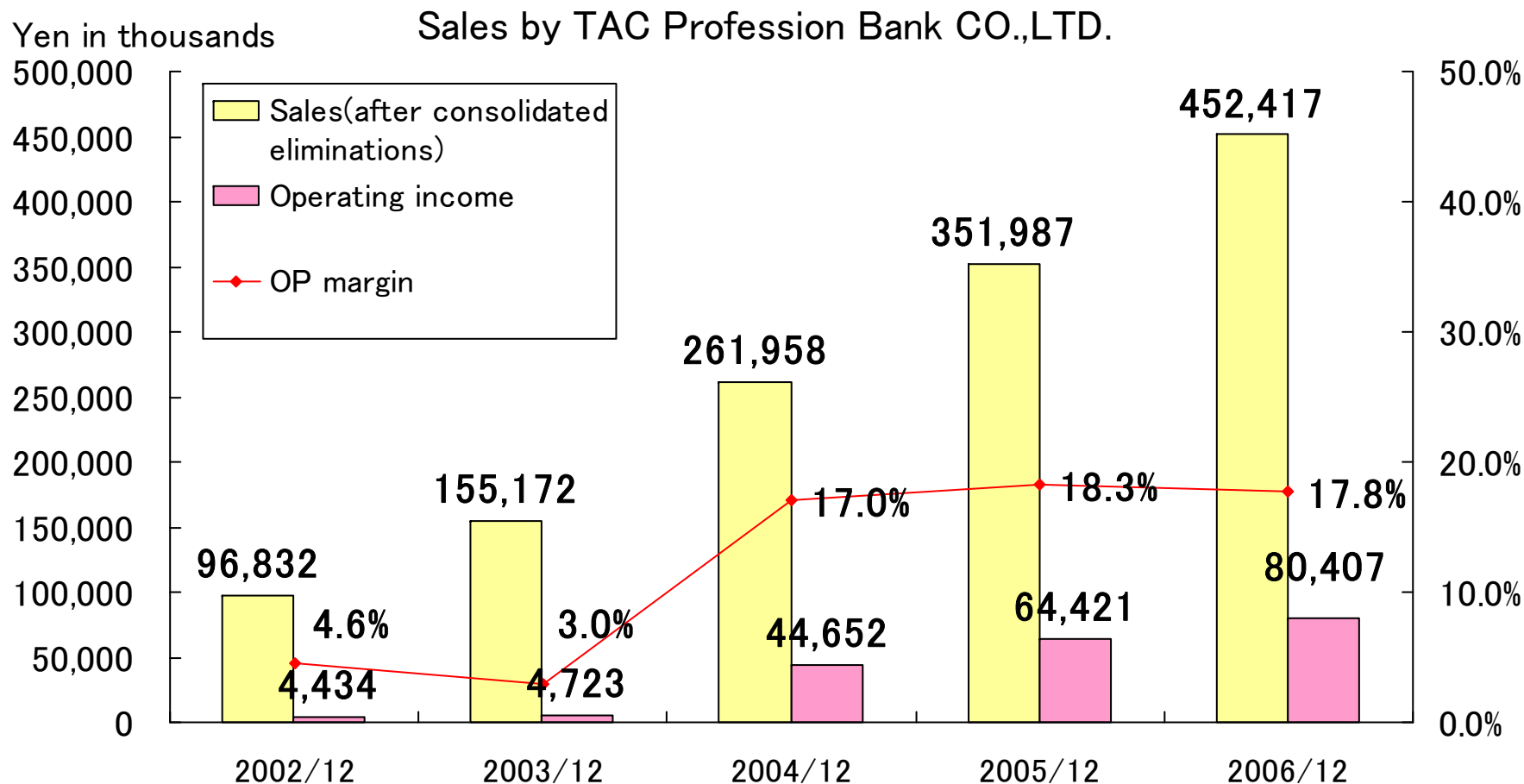
# Breakdown of sales & number of books available **TAC**



- Delay in publishing schedule due to enactment of company law and revised accounting standards, etc.
- Human-resources business achieved a high growth rate of 28.5% y/o/y.



## Publishing & other: Growth in TAC Profession Bank Sales



- Operations supported by 3 offices, including Yaesu headquarter, Shinjuku (opened in April 2006) and Umeda (opened in October 2006).
- Strong business results in 3 important areas - manpower dispatching, manpower placement and job advertisements.

# IV. Forecast for FY2006

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# Forecast for FY2006

(Yen in millions)

| (Consolidated)                                   | 2007/3 (forecast) |        | 2007/3 (Revised) |        |
|--|-------------------|--------|------------------|--------|
|  | Forecast          | %      | Forecast         | %      |
| Net sales before adjustment of tuition advances  | 20,380            | 100.9% | 20,510           | 101.1% |
| Adjustment of tuition advances                   | -180              | -0.9%  | -230             | - 1.1% |
| Net Sales (after adjustment of tuition advances) | 20,200            | 100.0% | 20,280           | 100.0% |
| Costs of Sales                                   | 12,305            | 60.9%  | 12,380           | 61.0%  |
| Gross profit – net                               | 7,895             | 39.1%  | 7,950            | 39.2%  |
| SG & A expenses                                  | 7,225             | 35.8%  | 6,920            | 34.1%  |
| Operating income                                 | 670               | 3.3%   | 1,030            | 5.1%   |
| Ordinary income                                  | 737               | 3.6%   | 1,200            | 5.9%   |
| Net income                                       | 398               | 2.0%   | 690              | 3.4%   |
| Net income per share                             | 21.53 Yen         |        | 37.31 Yen        |        |



**TAC**



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