



March 2008 Term - First Quarter Financial Results (Consolidated)

August 2, 2007

Company name: TAC CO., LTD.

TSE 1st

Company code number: 4319

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(Yen in millions, with fractional amounts rounded down to the nearest million yen)

1. Consolidated 1st quarter results for the fiscal year ending March 2008

(From April 1, 2007 to June 30, 2007)

(1) Consolidated financial results

(% indicates changes from prior fiscal year)

	Net Sales		Operating income		Ordinary income		Net income	
	(Yen in millions)	%	(Yen in millions)	%	(Yen in millions)	%	(Yen in millions)	%
June 2007 1 st quarter	5,778	(4.8)	989	(13.2)	1,078	(30.6)	619	(29.3)
June 2006 1 st quarter	5,514	(0.8)	873	(37.3)	825	(10.9)	478	(18.9)
March 2007 period	20,553		1,173		1,333		742	

	Net income per share	Net income per share, fully diluted
	(Yen)	(Yen)
June 2007 1 st quarter	33.46	—
June 2006 1 st quarter	25.88	—
March 2007 period	40.11	—

(2) Consolidated financial position

	Total assets	Total Shareholders' Equity	Total Shareholders' Equity Ratio	Shareholders' Equity Per Share
	(Yen in millions)	(Yen in millions)	%	(Yen)
June 2007 1 st quarter	13,778	4,150	30.1	224.32
June 2006 1 st quarter	13,414	3,487	26.0	188.50
March 2007 period	13,727	3,659	26.7	197.76

(3) Consolidated statement of cash flow

	Net cash used in operating activities	Net cash used in investing activities	Net cash provided by financing activities	Cash and cash equivalents
	(Yen in millions)	(Yen in millions)	(Yen in millions)	(Yen in millions)
June 2007 1 st quarter	-1,778	-214	1,866	1,704
June 2006 1 st quarter	-1,014	-340	2,200	1,985
March 2007 period	1,804	-561	-551	1,831

2. Status of Dividends

Record date	Dividend Per Share
	1 st quarter
	(Yen)
June 2006 1 st quarter	—
June 2007 1 st quarter	—

3. Consolidated forecasts for March 2008 term (From April 1, 2007 to March 31, 2008)

No adjustment was made to the data released on May 15, 2007 for the consolidated and non-consolidated financial results for the current fiscal year.

(% indicates changes from prior fiscal year for annual and from interim period of prior fiscal year for the interim period)

	Net Sales		Operating income		Ordinary income		Net income		Net income per share
	(Yen in millions)	%	(Yen in millions)	%	(Yen in millions)	%	(Yen in millions)	%	(Yen)
Interim	10,341	△1.0	501	△39.2	544	△40.8	301	△43.2	16 28
Full year	20,950	1.9	1,050	△10.5	1,135	△14.9	642	△13.4	34 72

4. Others

(1) Changes in scope of consolidation and in application of the equity method : None

(2) Differences in accounting procedures used in previous consolidated fiscal year: Yes

(3) Changes in accounting methods : None

(Reference) Summary of Non-Consolidated Results

1. Non-Consolidated Results for the Fiscal Year Ended March 31, 2008

(From April 1, 2007 to June 30, 2007)

(1) Non-Consolidated financial results

(% indicates changes from prior fiscal year)

	Net Sales		Operating income		Ordinary income		Net income	
	(Yen in millions)	%	(Yen in millions)	%	(Yen in millions)	%	(Yen in millions)	%
June 2007 1 st quarter	5,626	(4.0)	985	(12.9)	1,124	(28.4)	672	(26.0)
June 2006 1 st quarter	5,409	(0.8)	872	(42.2)	875	(17.1)	534	(28.8)
March 2007 period	19,941		1,059		1,271		726	

	Net income per share	Net income per share, fully diluted
	(Yen)	(Yen)
June 2007 1 st quarter	36.36	—
June 2006 1 st quarter	28.86	—
March 2007 period	39.29	—

(2) Non-Consolidated Financial Condition

	Total assets	Total Shareholders' Equity	Total Shareholders' Equity Ratio	Shareholders' Equity Per Share
	(Yen in millions)	(Yen in millions)	%	(Yen)
June 2007 1 st quarter	13,661	4,086	29.9	220.83
June 2006 1 st quarter	13,348	3,439	25.8	185.91
March 2007 period	13,571	3,540	26.1	191.36

2. Consolidated forecasts for March 2008 term (From April 1, 2007 to March 31, 2008)

No adjustment was made to the data released on May 15, 2007 for the consolidated and non-consolidated financial results for the current fiscal year.

(% indicates changes from prior fiscal year for annual and from interim period of prior fiscal year for the interim period)

	Net Sales		Operating income		Ordinary income		Net income		Net income per share
	(Yen in millions)	%	(Yen in millions)	%	(Yen in millions)	%	(Yen in millions)	%	(Yen)
Interim	10,000	△1.6	466	△39.2	508	△44.2	280	△48.6	15 15
Full year	20,211	1.4	956	△9.7	1,091	△14.2	617	△15.1	33 34

【Qualitative Information, Financial Statements, etc.】

1. Qualitative information related to consolidated operating results

(1) Quarterly overview

In the current quarter, sales on a cash basis increased only 0.7% (before adjustments for tuition advances) over the same term last year. This is attributed to the temporary closing of major universities during the application period for license qualification courses due to a measles epidemic in the Tokyo metropolitan area. Hiyoshi and Tachikawa schools opened in June, 2007 in order to develop demand among students from universities located in those areas. Classroom courses of existing schools recorded sluggish sales, as did correspondence courses, which had previously shown substantial growth through DVD sales. This resulted in a decrease of 5.5% over the same term last year.

As a result, total sales for the first quarter increased 4.8% to ¥ 5,778 million and operating income increased 13.2% to ¥ 989 million due to successfully controlling cost of sales, as well as, selling and administrative expenses, including advertising costs. Ordinary income increased 30.6% over the same term last year to ¥ 1,078 million, which includes interest on marketable securities of ¥ 90 million posted as non-operating income. With a loss from the sale and retirement of fixed assets of ¥ 18 million posted as extraordinary, net income for the current quarter was ¥ 619 million, an increase of 29.3% over the same term last year.

Some notable features of our group's quarterly financial record: License examinations covered by our educational courses concentrate on the three months ended September 30 (the second quarter) and ended December 31 (the third quarter). Applications for preparatory courses for next year's exams for our key courses, such as certified public accountant and licensed tax accountant, start right after the exams for these qualifications are over in the second and the third quarters. And in the three months ended March 31 (the fourth quarter) and ended June 30 (the first quarter), classes for all the courses that we offer begin. As a result, in the second and the third quarters profit margin on sales tends to be minimized in spite of substantial cash sales and accounts receivable. This is because tuition advances should be credited to reduce the amount of sales to be recognized in the relevant accounting periods, while fixed costs are expensed every month. In the fourth and the first quarters, these tuition advances are debited monthly to recognize sales, which increases the profit margin on sales.

Changes in 1st quarter operating results between last year and this year (April – June).

	1 st quarter of FY2006 (April – June))			2 nd quarter of FY2006 (July–September			3 rd quarter of FY2006 (October-December			4 th quarter of FY2006 (January-March)			Total for FY2006		
	¥ million	%	Y-O-Y	¥ million	%	Y-O-Y	¥ million	%	Y-O-Y	¥ million	%	Y-O-Y	¥ million	%	Y-O-Y
Net sales before adjustment of tuition advances	3,779		105.4	7,214		101.4	5,180		101.0	4,426		101.5	20,601		102.0
Adjustment of tuition advances	1,735		92.1	-2,285		93.5	-374		71.7	876		121.6	-48		13.4
Net sales (after adjustment of tuition advances)	5,514	26.8	100.8	4,929	24.0	105.5	4,806	23.4	104.4	5,303	25.8	104.3	20,553	100.0	103.7
Gross profit	2,595	47.1	104.2	1,815	36.8	109.2	1,621	33.7	105.9	2,127	40.1	107.3	8,160	39.7	106.4
Operating income	873	15.8	137.3	-48	-1.0	14.6	-116	-2.4	38.5	463	8.8	111.2	1,173	5.7	278.6
Ordinary profit	825	15.0	110.9	94	1.9	-32.7	-60	-1.3	25.7	474	8.9	115.3	1,333	6.5	211.0
Net income	478	8.7	118.9	50	1.0	-20.5	-81	-1.7	58.3	294	5.5	125.1	742	3.6	297.2
Net income per share	Yen 25.88			Yen 2.75			Yen -4.42			Yen 15.90			Yen 40.11		

	1 st quarter of FY2007 (April – June)		
		%	Y-O-Y
	¥ million	%	%
Net sales before adjustment of tuition advances	3,805		100.7
Adjustment of tuition advances	1,973		113.7
Net sales (after adjustment of tuition advances)	5,778	—	104.8
Gross profit	2,667	46.2	102.8
Operating income	989	17.1	113.2
Ordinary profit	1,078	18.7	130.6
Net income	619	10.7	129.3
Net income per share	¥33.46		

- (Notes) 1. Percentage of quarterly net sales stated as a proportion of total net sales.
2. Other percentages stated as a proportion of quarterly net sales.

(2) Segment information

Sales results of our group according to segment are as follows.

Segment information	1 st quarter of FY2006			1 st quarter of FY2007		
	¥ million	%	Y-O-Y	¥ million	%	Y-O-Y
Personal education	4,252	77.1	101.0	4,260	73.7	100.2
Corporate training	1,027	18.6	112.3	1,091	18.9	106.2
Publishing & others	234	4.3	67.9	430	7.4	183.2
Total	5,514	100.0	100.8	5,781	100.0	104.8

Personal education

Continued increases in bookkeeping courses while CPA and LTA courses recorded sluggish growth

In the Personal education segment, while bookkeeping and US CPA courses recorded remarkable growth, sales of certified public accountant and licensed tax accountant courses, on cash basis, remained low due to sluggish application numbers. Growth in correspondence courses, which had shown substantial increases through the previous fiscal year, slowed and sales decreased 5.5% over the same term last year. As a result, sales for the three months ending June 30, 2007 increased 0.2 % over the same term last year to ¥4,260 million. Operating profit increased 36.2% to ¥ 931 million.

	1 st quarter of FY2006 (April – June)			2 nd quarter of FY2006 (July–September)			3 rd quarter of FY2006 (October-December)			4 th quarter of FY2006 (January-March)			Total for FY2006		
	¥ million	%	Y-O-Y	¥ million	%	Y-O-Y	¥ million	%	Y-O-Y	¥ million	%	Y-O-Y	¥ million	%	Y-O-Y
Net sales	4,252	29.2	101.0	3,418	23.5	102.2	3,171	21.8	104.7	3,710	25.5	100.4	14,553	100.0	101.9
Operating costs	3,568	83.9	98.5	3,395	99.3	89.9	3,392	106.9	96.5	3,226	87.0	102.8	13,583	93.3	96.7
Operating income	683	16.1	116.6	22	0.7	—	△220	△6.9	—	483	13.0	86.6	969	6.7	427.7

	1 st quarter of FY2007 (April – June)		
	¥ million	%	Y-O-Y
Net sales	4,260	—	100.2
Operating costs	3,329	78.1	93.3
Operating income	931	21.9	136.2

- (Notes) 1. Percentage of quarterly net sales stated as a proportion of total net sales.
 2. Other percentages stated as a proportion of quarterly net sales.
 3. Operating costs that are not allocable are excluded for the calculation of operating costs and operating income.

Corporate training

Stable demand for corporate training resulted in increased overall sales and profit

Sales in corporate training showed stable growth as companies reported favorable business results backed by the economic recovery and in turn increased their training budgets. Courses exhibiting substantial growth include IT specialist courses (+11.8% y/o/y), business school courses (+43.2% y/o/y) and securities analyst courses (+8.1% y/o/y). Sales of educational contents and materials, sales by affiliated schools and in-university seminars recorded stable increases of 4.1%, 9.0%, and 9.6% y/o/y, respectively. Sales of Maho-jin tax software increased 12.2% y/o/y. As a result, over the same term last year, sales for the three months ending June 30, 2007 increased 6.2% to ¥ 1,091 million and operating profit increased 1.2% to ¥ 348 million.

	1 st quarter of FY2006 (April – June)			2 nd quarter of FY2006 (July–September)			3 rd quarter of FY2006 (October–December)			4 th quarter of FY2006 (January–March)			Total for FY2006		
	¥ million	%	Y-O-Y	¥ million	%	Y-O-Y	¥ million	%	Y-O-Y	¥ million	%	Y-O-Y	¥ million	%	Y-O-Y
Net sales	1,027	26.6	112.3	1,048	27.2	110.3	964	25.0	105.8	817	21.2	102.0	3,858	100.0	107.8
Operating costs	683	66.5	108.7	823	78.5	123.9	692	71.8	109.3	628	76.8	89.8	2,826	73.3	107.6
Operating income	344	33.5	120.2	225	21.5	78.8	272	28.2	97.9	189	23.2	186.8	1,031	26.7	108.4

	1 st quarter of FY2007 (April – June)		
	¥ million	%	Y-O-Y
Net sales	1,091	—	106.2
Operating costs	742	68.1	108.7
Operating income	348	31.9	101.2

- (Notes) 1. Percentage of quarterly net sales stated as a proportion of total net sales.
 2. Other percentages stated as a proportion of quarterly net sales.
 3. Operating costs that are not allocable are excluded for the calculation of operating costs and operating income.

Publishing and other

Publishing business in good form due to a favorable publishing schedule. Shinjuku & Umeda offices of TPB opened as prior investments

In our publishing business, sales marked substantial growth backed by stability in bookkeeping, small and medium enterprise consultant and others. Further, sales returns remained low due to revisions in regulations. Our human-resources business (TAC Profession Bank Co., Ltd. or “TPB”) recorded favorable sales growth supported by strong results in all three of its operating areas – manpower dispatching, manpower placement and job advertising. Above all, the manpower placement business, in which we support job applicants with accounting skills acquired skill

through preparation for CPA / LTA exam and successful candidates of CPA / LTA exams, including those passing the CPA multiple-choice exam and those permitted with conditional credit, showed substantial progress due to the successful matching of registrants' skills with the needs of employers.

Though sales in the current quarter increased 42.1% over the same term last year, an operating loss was posted due to prior investments in opening the Shinjuku and Umeda offices in the previous fiscal year. In total, over the same term last year, sales for the three months ending June 30, 2007 increased 83.2% to ¥ 430 million and an operating loss of ¥ 3 million was recognized (operating profit of ¥ 140 million recognized in the same term last year).

	1 st quarter of FY2006 (April – June)			2 nd quarter of FY2006 (July–September)			3 rd quarter of FY2006 (October-December)			4 th quarter of FY2006 (January-March)			Total for FY2006		
	¥ million	%	Y-O-Y	¥ million	%	Y-O-Y	¥ million	%	Y-O-Y	¥ million	%	Y-O-Y	¥ million	%	Y-O-Y
Net sales	234	10.9	67.9	472	21.9	122.8	674	31.2	101.0	778	36.0	132.1	2,161	100.0	108.7
Operating costs	94	40.2	35.6	476	100.7	158.7	611	90.6	118.2	670	86.1	132.0	1,852	85.7	116.5
Operating income	140	59.8	173.4	-3	-0.7	—	63	9.4	41.8	108	13.9	132.7	308	14.3	77.4

	1 st quarter of FY2007 (April – June)		
	¥ million	%	Y-O-Y
Net sales	430	—	183.2
Operating costs	434	100.9	460.0
Operating income	-3	-0.9	—

- (Notes)
1. Percentage of quarterly net sales stated as a proportion of total net sales.
 2. Other percentages stated as a proportion of quarterly net sales.
 3. Operating costs that are not allocable are excluded for the calculation of operating costs and operating income.

(3) Sales results by license area

Finance and Accounting

There is a growing expectation toward the social role of CPA's and audit firms as a result of a series of recent accounting-related scandals. A shortage in CPA's is grabbing the attention of audit firms as they prepare to respond to the introduction of internal control audits in FY 2008. As well, the voluntary dissolution of a major audit firm has attracted public attention. According to a release by the CPAAOB (Certified Public Accountants and Auditing Oversight Board) on June 28, 2007, the number of applicants for the certified public accountant exam in 2007 was a record high of 18,140 (+11.9%, or +1,930 over the previous year) of which 6,241 (+24.1% or +1,210 over the previous year) passed the multiple-choice exam. As we await the results of the essay exam, it is important to note that the CPAAOB is examining measures to increase the number of successful candidates on the CPA exam.

Sales of CPA courses in the current quarter did however remain low. This is attributed to the temporary closing of major universities due to a measles epidemic in the Tokyo metropolitan area during the application period for license qualification courses. It is also assumed that there are structural factors, which include a deteriorated image of the CPA profession due to a series of accounting scandals, conflict between heightening social responsibility and compensation levels, as well as, the hiring of new recruits by private companies in light of recent economic growth. As a result, sales of CPA courses on a cash basis (before adjustments for tuition advances) decreased 17.7% over the same term last year. Sales on an accrual basis (after adjustments for tuition advances) increased 4.0% over the same term last year due to reversals of tuition advances recorded in the previous fiscal year.

As to bookkeeping courses, there was no negative impact from the temporary suspension of our low-price campaign for 3rd grade courses and the shift in students to more challenging qualifications. Sales increased 14.5% over the same term last year.

In total, sales in this segment increased 7.1% over the same term last year

Management and Taxation

Licensed tax accountant (LTA) preparatory course sales on a cash basis decreased 18.0% and on an accrual basis increased 2.6% over the same term last year. Sales of small and medium enterprise management consultant (SMEMC), which previously slumped due to the substantial number of successful candidates permitted with temporary credits under the revised testing system in 2006, showed improvement in the current quarter supported mainly by working people. Sales of SMEMC on an accrual basis declined only 4.7% over the same term last year. As a result, sales in this area for the three months ending June 30, 2007 increased 1.4% over the same term last year.

Financial Services and Real Estate

Sales of real estate-related courses declined 22.7% over the same term last year. This is attributed to declines in real estate appraiser courses, which showed substantial sales declines in the previous fiscal year and resulted in a low reversal of tuition advances. In the current quarter, however, the number of applicants is growing steadily and sales on a cash basis increased 4.8% over the same term last year. Sales of real estate transaction manager (Takken) courses showed remarkable growth of 18.7% over the same term last year backed by growth in the real estate market. In regards to the financial services area, though sales of financial planner showed a decline of 6.2% over the same term last year, sales of securities analyst courses increased 9.7% and business school courses increased 43.7% backed by favorable growth in corporate training programs. As a result, sales in these areas for the three months ending June 30, 2007 increased 1.4% over the same term last year.

Law and Labor

Sales of public officer courses declined 2.6% over the same term last year affected by specific social factors, including a reduction in the number of public officers being hired. In the current quarter, however, sales on a cash basis showed an increase of 12.7% over the same term last year. A downward trend in preparatory courses for certified social insurance labor consultant exams is beginning to turn and the drop in sales slowed to 4.3% over the same term last year. Sales of administrative scrivener courses decreased 10.6% over the same term last year. As a result, sales in these areas for the three months ending June 30, 2007 decreased 2.8% over the same term last year.

IT and International Qualifications

Sales of IT specialist courses and CompTIA (the Computing Technology Industry Association) certification courses showed steady growth and both courses marked sales increases of several million yen over the same term last year. Sales of US CPA courses experienced a remarkable increase of 59.4% over the same term last year due to the bankruptcy, in 2006, of a major competitor. As a result, sales in these areas for the three months ending June 30, 2007 increased 15.1% over the same term last year.

Other

Sales of "Maho-jin" tax software showed stable growth of 12.2% over the same term last year. In regards to TAC Profession Bank Co., Ltd. (TPB), our subsidiary, a Shinjuku office and an Umeda office were opened in April and October of 2006, respectively. These new offices increased the visibility of TPB among our students. With favorable trends in TPB's three business areas of manpower dispatching, manpower placement and job advertising, sales increased 44.5% (after adjustment for consolidation) over the same term last year. As a result, sales in these areas for the three months ending June 30, 2007 increased 24.7% over the same term last year.

Licenses by area	1 st quarter of FY2006 (April – June)			2 nd quarter of FY2006 (July–September)			3 rd quarter of FY2006 (October-December)			4 th quarter of FY2006 (January-March)			Total for FY2006		
	¥ million	%	Y-O-Y	¥ million	%	Y-O-Y	¥ million	%	Y-O-Y	¥ million	%	Y-O-Y	¥ million	%	Y-O-Y
Finance & Accounting	1,734	25.7	102.2	1,513	22.4	100.4	1,658	24.6	114.4	1,845	27.3	112.0	6,751	32.9	107.1
Management & Taxation	1,620	29.3	104.5	1,202	21.7	108.6	1,171	21.2	101.5	1,541	27.8	102.5	5,536	26.9	104.2
Financial Service & Real Estate	688	25.5	111.8	754	27.9	110.0	700	25.9	104.2	556	20.6	95.9	2,699	13.1	105.7
Law & Labor	799	29.7	83.9	640	23.7	103.1	578	21.4	84.7	678	25.2	88.2	2,696	13.1	89.1
IT & International	359	24.5	96.7	441	30.0	103.3	318	21.7	93.5	350	23.8	117.2	1,469	7.1	102.2
Others	311	22.3	111.0	378	27.0	117.3	378	27.1	123.5	331	23.7	117.2	1,399	6.8	117.4
Total	5,514	26.8	100.8	4,929	24.0	105.5	4,806	23.4	104.4	5,303	25.8	104.3	20,553	100.0	103.7

Licenses by area	1 st quarter of FY2007 (April – June)		
	¥ million	%	Y-O-Y
Finance & Accounting	1,857	32.1	107.1
Management & Taxation	1,643	28.4	101.4
Financial Service & Real Estate	698	12.1	101.4
Law & Labor	777	13.4	97.2
IT & International	414	7.2	115.1
Others	388	6.8	124.7
Total	5,778	100.0	104.8

- (Note) 1. Percentage of net sales for each quarter is a proportion of total sales for the relevant quarter over total annual sales.
 2. Percentage at the end of each fiscal year is a proportion over total annual sales.

Educational services provided by TAC Group, categorized below, cover almost the entire field of social science:

License by area	Programs	Profile and pass rates
① Finance and Accounting	Certified public accountant, Bookkeeper, Construction industry accountant	Out of 1,372 successful candidates on the CPA exam in 2006 (excluding those exempted from multiple choice exam which includes successful candidates on the part 2 exam under the former testing system), 633 took TAC's regular preparatory courses (*) for the relevant year.
② Management and Taxation	Licensed tax accountant, Small and medium enterprise management consultant	
③ Financial Services and Real Estate	Real estate appraiser, Registered real estate transaction manager, Condominium management consultant / Registered condominium administration manager, Securities Analyst, Financial Planner, DC planner, Business School	Out of 94 successful candidates on the real estate appraiser exam, 54 took TAC's regular preparatory courses (*) for the relevant year.
④ Law and Labor	Certified social insurance labor consultant, Administrative scrivener, Public officer, The Japan business law examination, Law-related qualifications	

⑤ IT & International	IT specialist (system administrator exam, fundamental IT engineer exam, software design and development engineer exam etc; total 13 exams) U.S. certified public accountant, CompTIA(A+, i-Net+, Network+, Server+), IT-related qualifications (Microsoft office specialist, Oracle master etc)	
⑥ Other	Tax software "Maho-jin", miscellaneous revenue (payment at front counter, etc.)	

(Note) Proportion: Proportion of students who took TAC's preparatory courses (students in regular courses and single subject courses and students taking trial exams) out of all successful candidates nationwide. This is generally used as an indicator to measure performance in the education industry. The number of TAC students who passed exams includes those who also attend courses in other schools.

(4) Number of students

In the current quarter, the number of individual students declined 3.9%, or 1,581 over the same term last year. The number of students increased in real estate appraiser, real estate transaction manager (Takken) and US CPA courses, while the number of students decreased in certified social insurance labor consultant, public officers and administrative scrivener courses. The number of corporate students increased 6.4%, or 1,133 over the same term last year. Further, the number of students increased in self-enlightenment courses and in in-university seminars, while numbers declined in affiliated schools. As a result, the total number of students for the current quarter decreased 0.8%, or 448.

過去 10 年間の受講者数の推移

	Individual members	Corporate members	Total	Increases from the same term last year	Changes from the same term last year %
FY 1997	43,599	15,791	59,390	—	—
FY 1998	66,661	17,932	84,593	+25,203	142.4
FY 1999	83,066	21,528	104,594	+20,001	123.6
FY 2000	93,651	28,747	122,398	+17,804	117.0
FY 2001	105,217	36,542	141,759	+19,361	115.8
FY 2002	114,244	33,433	147,677	+ 5,918	104.2
FY 2003	123,909	39,550	163,459	+15,782	110.7
FY2004	120,962	42,507	163,469	+ 10	100.0
FY2005	135,205	45,598	180,803	+17,334	110.6
FY2006	132,755	47,780	180,535	-268	99.9
Total of 10 years (Percentage distribution)	1,019,269 (75.6%)	329,408 (24.4%)	1,348,677 (100.0%)	— —	— —
1st quarter of FY2007 (April - June) [Y-O-Y]	39,302 [96.1%]	18,760 [106.4%]	58,062 [99.2%]	-448	99.2
1st quarter of FY2006 (April-June) [Y-O-Y]	40,883 [97.8%]	17,627 [101.4%]	58,510 [98.8%]	-686	98.8

2. Qualitative Information Related to Consolidated Operating Results

(1) Financial position

Total assets as of June 30, 2007 increased by ¥ 363 million and shareholders' equity increased by ¥ 662 million over the previous fiscal year. Notable increases include accounts receivable and notes receivable of ¥ 423 million, long-term deposits of ¥ 200 million and transfer to reserve for loss on returned goods of ¥ 245 million. Decreases include cash and cash equivalents of ¥ 281 million, short-term borrowings of ¥ 600 million and tuition advances of ¥ 194 million.

	1 st quarter of FY2006 (April – June)			2 nd quarter of FY2006 (July–September)			3 rd quarter of FY2006 (October-December)			4 th quarter of FY2006 (January-March)		
	¥ million	%	Y-O-Y	¥ million	%	Y-O-Y	¥ million	%	Y-O-Y	¥ million	%	Y-O-Y
Total assets	13,414	100.0	105.3	15,836	100.0	105.5	15,089	100.0	104.5	13,727	100.0	108.8
Tuition advances	5,437	40.5	110.8	7,840	49.5	104.9	8,220	54.5	102.7	7,294	53.1	100.7
Total Shareholders' Equity	3,487	26.0	103.8	3,538	22.3	113.3	3,366	22.3	116.1	3,659	26.7	118.0
Shareholders' Equity Per Share	Yen 188.50			Yen 191.22			Yen 181.94			Yen 197.76		

	1 st quarter of FY2007 (June 30, 2007)		
	¥ million	%	Y-O-Y
Total assets	13,778	100.0	102.7
Tuition advances	5,242	38.1	96.4
Total Shareholders' Equity	4,150	30.1	119.0
Shareholders' Equity Per Share	Yen 224.32		

(2) Cash flow performance

Status and details of cash flows for each category during the current quarter are as follows:

Net cash used in operating activities in the current quarter was ¥ 1,778 million reflecting an increase in expenses of ¥ 763 million over the same term last year.

Net cash used in investing activities in the current quarter was ¥ 214 million, reflecting an increase in revenue of ¥ 125 million over the same term last year.

Net cash provided by financing activities in the current quarter was ¥ 1,866 million, due to a reduction in revenue of ¥ 334 million over the same term last year.

As a result, cash and cash equivalents decreased by ¥ 126 million over the same term last year and total cashflow decreased ¥ 280 million to ¥ 1,704 million. Such decreases are attributed to a ¥ 244 million decrease in tuition advances due to sluggish sales levels on a cash basis and an increase in corporate tax of ¥ 421 million applicable to improved profit in the previous fiscal year.

3. Others

(1) Changes in scope of consolidation and in application of the equity method : None

(2) Differences in accounting procedures used in previous consolidated fiscal year: Yes

In the inventory figures included in these quarterly financial results the amount of stored goods was calculated based on the actual amount as of the end of the previous fiscal year without performing a physical inventory check.

(3) Changes in accounting methods : None

4. Consolidated financial statements and other**(1) Consolidated balance sheet (summary)**

(Yen in Millions, %)

Account	Previous 1st quarter ended Jun. 30, 2006	Current 1st quarter ended Jun. 30, 2007	Increase (decrease)		Year ended March 31, 2007
	Amount	Amount	Amount	Y-O-Y	Amount
(Assets)					
I Current assets					
1 Cash and cash equivalents	1,995	1,714	-281	-14.1	1,840
2 Notes and accounts receivable	1,465	1,889	423	28.9	1,967
3 Marketable securities	49	218	169	343.5	216
4 Inventories	959	901	-57	-6.0	909
5 Other	662	669	6	1.0	604
Allowances for doubtful accounts	-1	-0	0	-36.1	-0
Total current assets	5,131	5,392	261	5.1	5,537
II Fixed assets					
1 Tangible fixed assets	809	703	-105	-13.0	695
2 Intangible fixed assets	677	610	-66	-9.9	641
3 Investments and other assets	6,795	7,070	275	4.0	6,853
(1) Investment securities	1,637	1,756	119	7.3	1,750
(2) Fixed leasehold deposits	3,831	3,801	-30	-0.8	3,790
(3) Insurance reserve fund	938	938	0	0.0	937
(4) Other	389	575	185	47.8	376
Allowances for doubtful accounts	-1	-1	—	—	-1
Total fixed assets	8,282	8,385	102	1.2	8,189
Total assets	13,414	13,778	363	2.7	13,727
(Liabilities)					
I Current Liabilities					
1 Accounts payable	408	493	85	20.8	598
2 Short-term borrowings	2,600	2,000	-600	-23.1	—
3 Current portion of long-term borrowings	67	60	-7	-10.7	67
4 Tuition advances	5,437	5,242	-194	-3.6	7,294
5 Other	1,213	1,691	477	39.3	1,958
Total current Liabilities	9,726	9,487	-238	-2.5	9,918
II Long-term liabilities					
1 Long-term liabilities	60	—	-60	—	9
2 Reserve for post-retirement benefits for directors and corporate auditors	139	—	-139	—	—
3 Post-retirement benefits payable for directors and corporate directors	—	139	139	—	139
Total long-term liabilities	199	139	-60	-30.0	149
Total liabilities	9,926	9,627	-298	-3.0	10,068

Account	Previous 1st quarter ended Jun. 30, 2006	Current 1st quarter ended Jun. 30, 2007	Increase (decrease)		Year ended March 31, 2007
	Amount	Amount	Amount	Y-O-Y	Amount
(Net assets)					
I Owners' equity					
1 Paid-in Capital	940	940	—	—	940
2 Capital surplus	790	790	—	—	790
3 Earned surplus	1,760	2,420	660	37.5	1,931
4 Treasury Stock	-0	-0	—	—	△0
Total owners' equity	3,491	4,151	660	18.9	3,661
II Valuation and translation adjustments					
1 Valuation difference on available- for-sale securities	-3	-0	2	-80.5	-2
Total Valuation and translation adjustments	-3	-0	2	-80.5	-2
Total Net assets	3,487	4,150	662	19.0	3,659
Total liabilities and net assets	13,414	13,778	363	2.7	13,727

(2) Consolidated statement of income (summary)

(Millions of yen, %)

Account	Previous 1st quarter ended Jun. 30, 2006	Current 1st quarter ended Jun. 30, 2007	Increase (decrease)		Year ended March 31, 2007
	Amount	Amount	Amount	Y-O-Y	Amount
I Sales revenues	5,514	5,778	263	4.8	20,553
II Cost of sales	3,148	3,116	-31	-1.0	12,371
Gross profit	2,366	2,661	295	12.5	8,182
Reversal of allowance for loss on returned goods	282	304	22	7.9	282
Transfer to reserve for loss on returned goods	53	298	245	456.5	304
Gross profit - net	2,595	2,667	72	2.8	8,160
III Selling, general and administrative expenses	1,721	1,678	-43	-2.5	6,986
Operating income	873	989	115	13.2	1,173
IV Non-operating income	1	90	89	—	172
V Non-operating expenses	49	1	-47	-96.0	12
Ordinary income	825	1,078	252	30.6	1,333
VI Extraordinary income	—	—	—	—	—
VII Extraordinary expenses	1	18	17	—	27
Net income before income taxes	824	1,059	235	28.5	1,305
Corporate, inhabitants and enterprise taxes	321	333	12	3.8	641
Deferred income taxes	24	107	82	338.8	-78
Net income	478	619	140	29.3	742

(3) Consolidated Statement of Changes in Net Asset (summary)

Previous First quarter of current fiscal year (April 1, 2006 - June 30, 2006)

(Millions of yen)

	Owners' equity					Valuation and translation adjustments	Total Net assets
	Paid-in Capital	Capital Surplus	Earned Surplus	Treasury Stock	Total owners' equity	Valuation difference on available-for-sale securities	
Balance at the end of previous period (As of March 31, 2007)	940	790	1,374	-0	3,104	-4	3,100
Changes of items during the period							
Dividends from surplus			-92		-92		-92
Net income			478		478		478
Net changes of items other than owners' equity						1	-1
Total changes of items during the period	—	—	386	—	386	1	387
Balance at the end of the current period (As of June 30, 2007)	940	790	1,760	-0	3,491	-3	3,487

Current first quarter of current fiscal year (April 1, 2007 - June 30, 2007)

(Millions of yen)

	Owners' equity					Valuation and translation adjustments	Total Net assets
	Paid-in Capital	Capital Surplus	Earned Surplus	Treasury Stock	Total owners' equity	Valuation difference on available-for-sale securities	
Balance at the end of previous period (As of March 31, 2007)	940	790	1,931	-0	3,661	-2	3,659
Changes of items during the period							
Dividends from surplus			-129		-129		-129
Net income			619		619		619
Net changes of items other than owners' equity						2	2
Total changes of items during the period	—	—	489	—	489	2	491
Balance at the end of the current period (As of June 30, 2007)	940	790	2,420	-0	4,151	-0	4,150

(4) Consolidated statement of cash flow (summary)

(Millions of yen, %)

Account	Previous 1st quarter ended Jun. 30, 2006	Current 1st quarter ended Jun. 30, 2007	Year ended March 31, 2007
	Amount	Amount	Amount
I Cash flows from operating activities			
1 Income before income taxes	824	1,059	1,305
2 Depreciation and amortization	80	69	330
3 Increase in tuition advances	-1,807	-2,051	50
4 current income on investment securities	47	-84	-124
5 Other	-50	-242	316
Sub-total	-904	-1,250	1,878
6 Income taxes paid	-137	-559	-188
7 Other	26	31	114
Net cash provided by (used in) operating activities	-1,014	-1,778	1,804
II Cash flows from investing activities			
1 Acquisitions of property and equipment	-16	-14	-68
2 Acquisitions of intangible fixed assets	-100	-38	-142
3 Payment for guaranteed deposits	3	-11	38
4 Other	-227	-149	-389
Net cash provided by (used in) investing activities	-340	-214	-561
III Cash flows from financing activities			
1 Increase (decrease) in short-term borrowings	2,300	2,000	-300
2 Increase (decrease) in long-term borrowings	-16	-16	-67
3 Dividends paid	-82	-116	-184
Net cash provided by (used in) financing activities	2,200	1,866	-551
IV Exchange difference of cash and cash equivalents	0	0	0
V Net increase in cash and cash equivalents	845	-126	691
VI Cash and cash equivalents at the beginning of the year	1,139	1,831	1,139
VII Cash and cash equivalents at the end of the year	1,985	1,704	1,831

(5) Segment information

〔Segment information by type〕

First quarter of previous fiscal year (April 1, 2006 - June 30, 2006)

(Millions of yen)

	Personal education	Corporate training	Publishing & other	Total	Eliminations	Consolidated
Sales	4,252	1,027	234	5,514	—	5,514
Operating expenses	3,568	683	94	4,346	295	4,641
Operating income	683	344	140	1,168	(295)	873

First quarter of current fiscal year (April 1, 2007 - June 30, 2007)

(Millions of yen)

	Personal education	Corporate training	Publishing & other	Total	Eliminations	Consolidated
Sales	4,260	1,091	430	5,781	(3)	5,778
Operating expenses	3,329	742	434	4,506	283	4,789
Operating income	931	348	△3	1,275	(286)	989

Previous fiscal year (April 1, 2006 - March 31, 2007)

(Millions of yen)

	Personal education	Corporate training	Publishing & other	Total	Eliminations	Consolidated
Sales	14,553	3,858	2,161	20,572	(18)	20,553
Operating expenses	13,583	2,826	1,852	18,262	1,117	19,380
Operating income	969	1,031	308	2,309	(1,136)	1,173