

Interim Financial Results for FY2007 — Overview —



November 21, 2007

TAC Co., Ltd.

(Code: 4319)

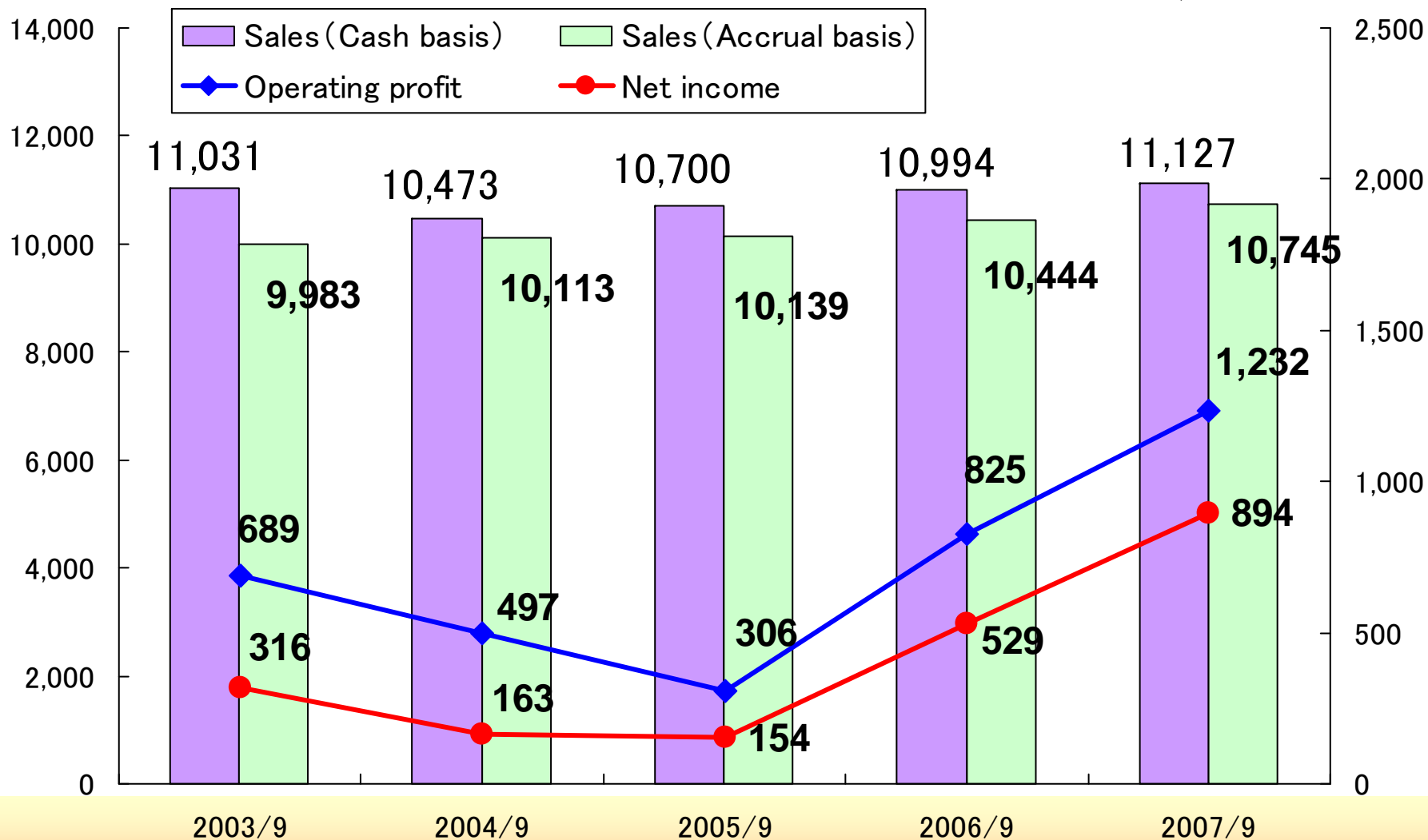
I . Financial Highlights





Sales and profit (consolidated) **TAC**

(Yen in millions)





Financial highlights (comparative)

Page 4

(Yen in millions)

TAC

	2006/9 (Actual)			2007/9 (Actual)			
	Amount	%	Y-O-Y	Amount	%	Difference	Y-O-Y
Net sales before adjustment of tuition advances	10,994	105.3%	102.7%	11,127	103.6%	133	101.2%
Adjustment of tuition advances	-550	-5.3%	98.1%	-382	-3.6%	167	69.5%
Net Sales (after adjustment of tuition advances)	10,444	100.0%	103.0%	10,745	100.0%	301	102.9%
Costs of Sales	6,175	59.1%	101.4%	6,198	57.7%	23	100.4%
Rent	1,613	15.5%	101.3%	1,592	14.8%	-20	98.7%
Employment costs	1,845	17.7%	98.0%	1,929	18.0%	84	104.6%
Subcontract costs	1,112	10.7%	100.1%	1,109	10.3%	-2	99.7%
Gross profit – net	4,410	42.2%	106.2%	4,625	43.0%	214	104.9%
SG & A expenses	3,585	34.3%	93.2%	3,392	31.6%	-192	94.6%
Rent	468	4.5%	96.4%	465	4.3%	-3	99.2%
Employment costs	1,615	15.5%	106.5%	1,555	14.5%	-60	96.3%
Advertising costs	600	5.7%	71.7%	499	4.7%	-100	83.2%
Operating income	825	7.9%	269.7%	1,232	11.5%	407	149.3%
Ordinary income	919	8.8%	201.3%	1,551	14.4%	631	168.7%
Net income	529	5.1%	342.5%	894	8.3%	364	168.8%
Net income per share	28.63 Yen			48.33 Yen			



Financial highlights (forecast:actual)

(Yen in millions) **TAC**

	2007/9 (Forecast)		2007/9 (Actual)			
	Amount	%	Amount	%	Difference	Comparison
Net sales before adjustment of tuition advances	10,901	105.4%	11,127	103.6%	226	102.1%
Adjustment of tuition advances	-560	-5.4%	-382	-3.6%	177	68.3%
Net Sales (after adjustment of tuition advances)	10,341	100.0%	10,745	100.0%	404	103.9%
Costs of Sales	6,245	60.4%	6,198	57.7%	-46	99.3%
Rent	1,547	15.0%	1,592	14.8%	45	102.9%
Employment costs	1,945	18.8%	1,929	18.0%	-15	99.2%
Subcontract costs	1,063	10.3%	1,109	10.3%	46	104.3%
Gross profit – net	4,095	39.6%	4,625	43.0%	529	112.9%
SG & A expenses	3,594	34.8%	3,392	31.6%	-201	94.4%
Rent	489	4.7%	465	4.3%	-24	95.0%
Employment costs	1,560	15.1%	1,555	14.5%	-5	99.7%
Advertising costs	608	5.9%	499	4.7%	-108	82.2%
Operating income	501	4.9%	1,232	11.5%	730	245.6%
Ordinary income	544	5.3%	1,551	14.4%	1,006	285.0%
Net income	301	2.9%	894	8.3%	593	296.9%
Net income per share	16.28 Yen		48.33 Yen			



Ordinary profit exceeded planned value by ¥ 1 billion

(Yen in millions) **TAC**

(Note) Breakdown of difference in ordinary income, which was ¥1,006M higher than expected.

Non-operating income & exp. 275

Employment costs -15
Production cost for educational material +24
Cost for copying DVD 's +13
Other cost cuts -68 etc.

SG & A expenses decreasing 201
Compared to planned value 94.4%

Loss on returned goods 78

Costs of sales decreasing 46
Compared to planned value 99.3%

Dividends on REIT 288 etc.

Adjustment of tuition advances
177

【Sales】
Cash basis
226
Compared to planned value
102.1%

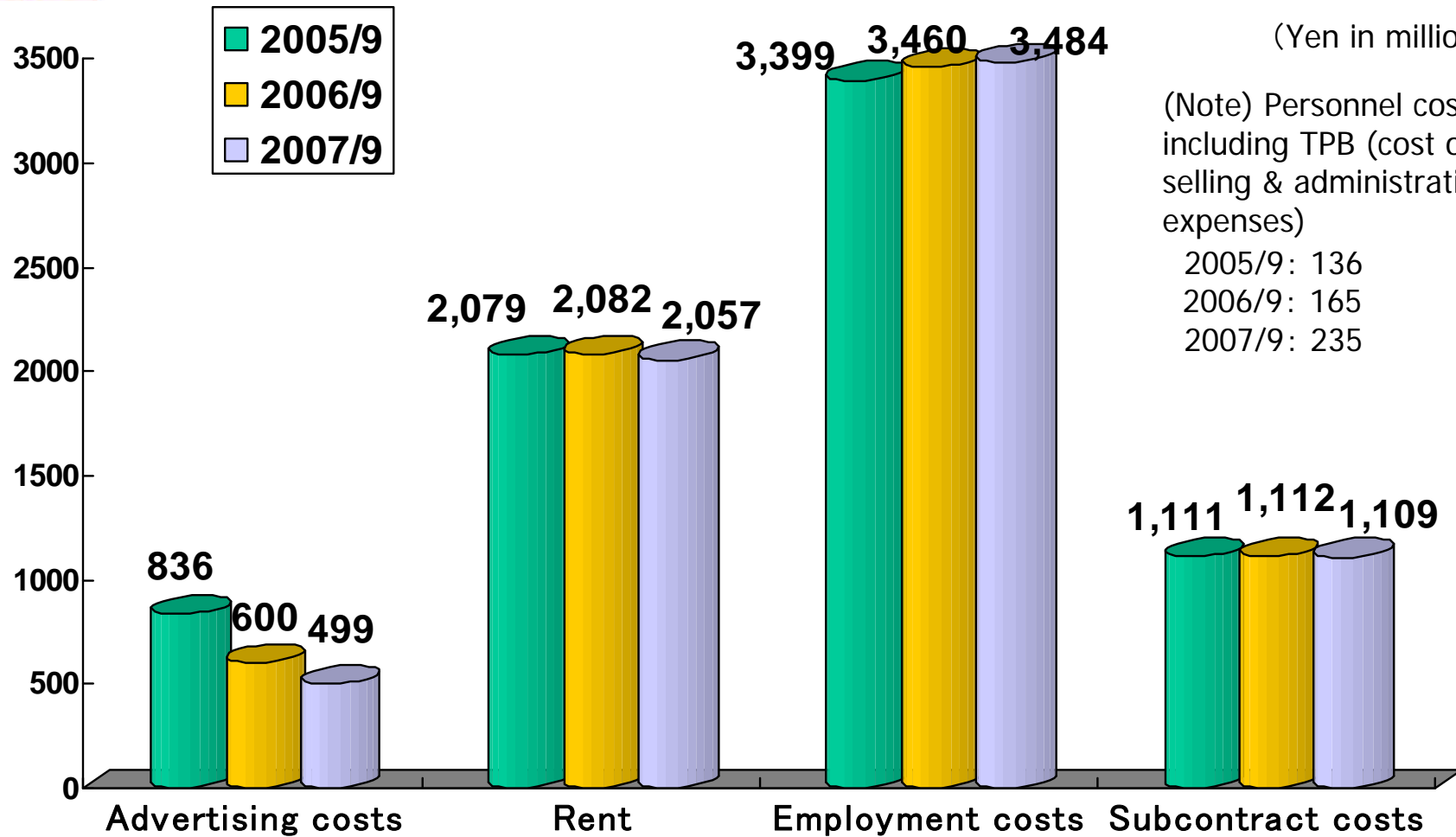
【Sales】
Accrual basis
404
Compared to planned value
103.9%

Advertising costs ▲108
Agency Fees ▲ 42
Outsourcing cost ▲ 62
etc.



Major operating expenses

TAC



(Yen in millions)

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

2005/9: 136
2006/9: 165
2007/9: 235

% of sales	2005/9	2006/9	2007/9
Advertising costs	8.3%	5.7%	4.7%
Rent	20.5%	19.9%	19.7%
Employment costs	33.5%	33.1%	33.4%
Subcontract costs	11.0%	10.7%	10.3%

Change	2005/9	2006/9	2007/9
Advertising costs	71.7%	83.2%	
Rent	100.1%	98.8%	
Employment costs	101.8%	100.7%	
Subcontract costs	100.1%	99.7%	

% of sales cost	2005/9	2006/9	2007/9
Advertising costs	0.0%		
Rent	76.6%	77.5%	77.4%
Employment costs	55.4%	53.3%	55.4%
Subcontract costs	100.0%		

II . Highlights of license areas





Definition of licenses by area **TAC**

Licenses area	Programs
① Finance and Accounting	Certified public accountant, Bookkeeper, Construction industry accountant
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, Financial planner, DC planner(*1), Securities analyst(including CFA(*2), Securities broker), Business school
④ Law and Labor	Certified social insurance labor consultant, Administrative scrivener, Public officer, The Japan business law examination, Law-related qualifications
⑤ 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, CIA(Certified Internal Auditor)
⑥ Other	"Maho-jin" tax software(*4), Personnel business, Miscellaneous revenue, etc.

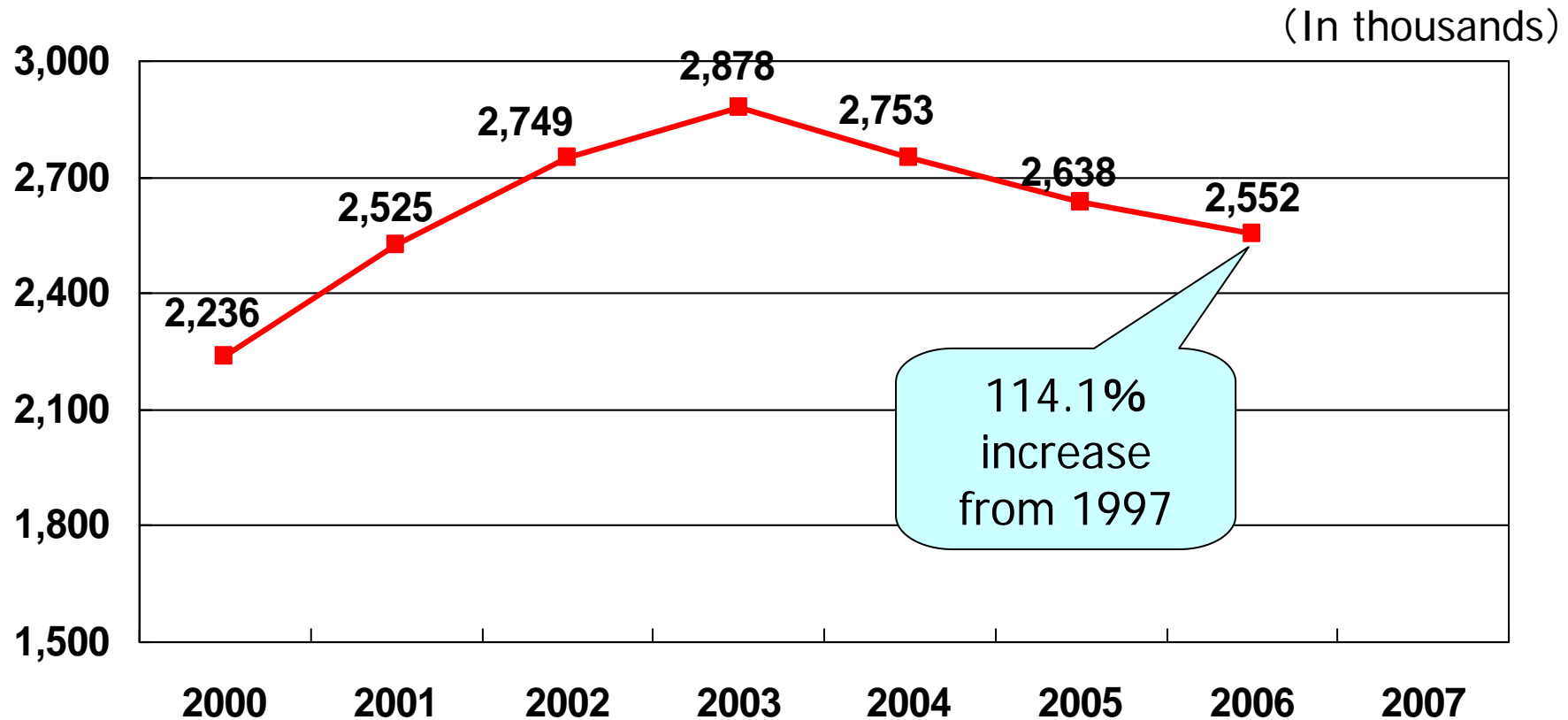
(*1) DC: Defined Contribution (*2) CFA: Chartered Financial Analyst

(*3) CompTIA: Computing Technology Industry Association

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



Number of applicants for exams in 2006



(Notes) Totals include only courses that TAC offers.

**Market trends in 2007(In thousands): Bookkeeping +6 (excl. Nov. exam) 、CPA +1.9、
Certified social insurance labor consultant -1.2、Public officer(2nd class etc.) -10、
IT specialist -31**



Number of applicants for exams

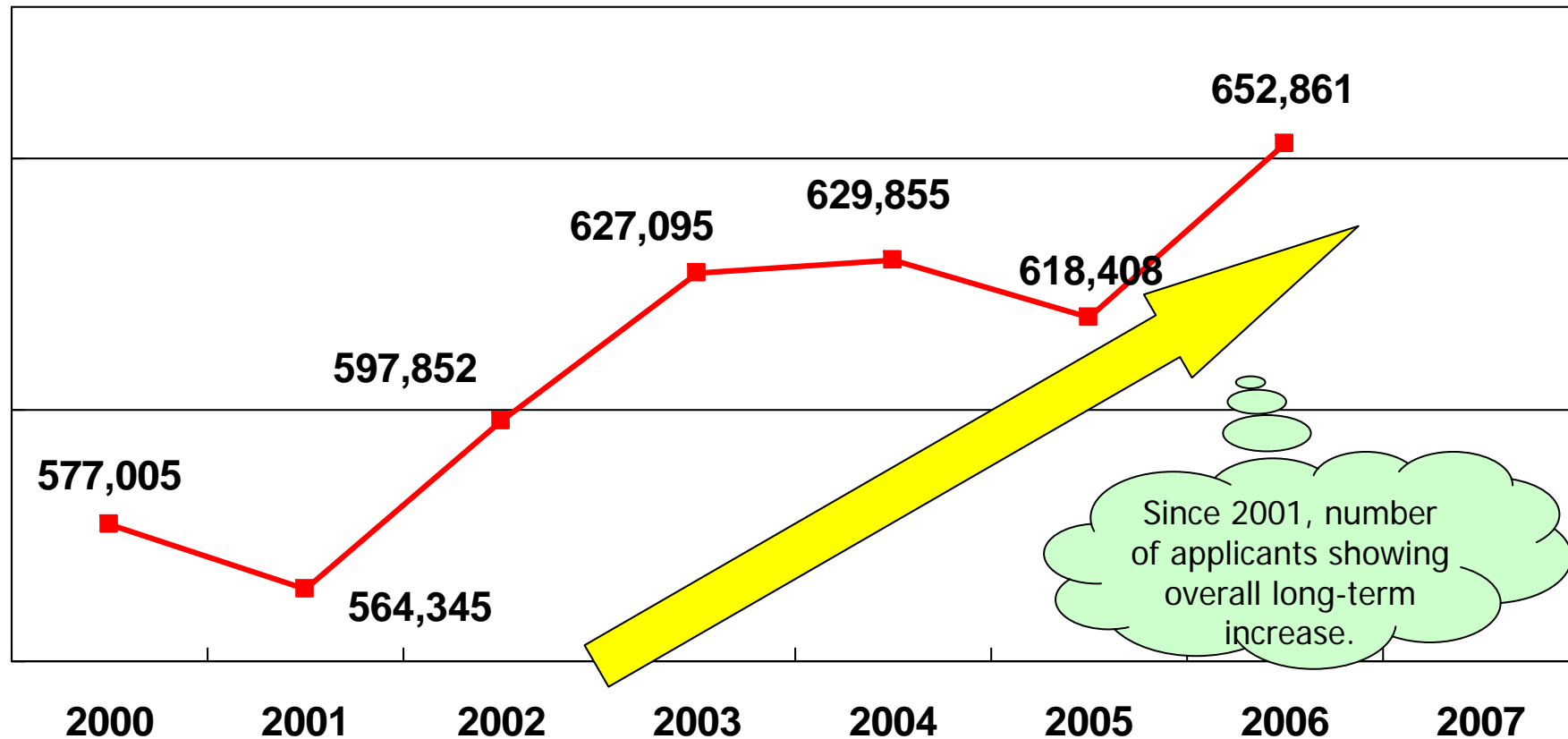


(Excludes figures for 2007 exams not yet held)

License area	Licenses	2000年	2001年	2002年	2003年	2004年	2005年	2006年	2007年	Between '00-'07
Finance & Accounting	Bookkeeper	502,726	490,681	520,643	545,649	546,198	535,228	570,466	358,375	—%
	Construction industry accountant	76,339	67,225	58,272	50,815	44,812	37,363	31,499	26,610	34.9%
	CPA	11,058	12,073	13,389	14,978	16,310	15,322	16,311	18,220	164.0%
Mgt & Taxation	Licensed tax accountant	63,221	61,591	63,820	66,468	67,347	67,858	66,084	64,706	102.3%
	Small & medium ent. mgt. consultant	11,925	10,025	12,447	14,692	15,131	13,476	16,595	16,845	141.3%
Financial Services & Real Estate	Real estate appraiser	2,621	2,505	2,481	2,503	2,300	2,282	4,605	3,519	134.3%
	Registered real estate transaction manager	210,465	204,629	209,672	210,182	216,830	226,665	240,278		—%
	Condominium mgt. consultant		109,514	62,124	43,912	36,307	30,615	25,284	23,093	21.1%
	Registered condominium administration manager		64,537	39,981	31,558	28,642	26,960	24,779	23,790	36.9%
	Securities analyst	23,181	22,510	21,357	19,277	15,324	14,275	18,253	18,025	77.8%
	FP	79,489	79,168	67,229	20,317	18,331	17,602	15,319	7,196	9.1%
	Certification of financial planning			105,595	270,449	271,231	266,361	276,664	183,244	—%
	DC planner		17,491	43,296	32,464	13,052	12,728	10,659	10,997	62.9%
Law & Labor	Certified social insurance labor consultant	50,689	54,203	58,322	64,122	65,215	61,251	59,839	58,542	115.5%
	Administrative scrivener	51,919	71,366	78,826	96,042	93,923	89,276	88,163		—%
	Public officer(2nd class etc.)	108,678	102,118	108,819	109,963	120,240	114,163	90,549	80,079	73.7%
	Public officer (local & higher)	64,062	62,141	63,386	68,396	67,342	74,012	60,874	59,370	—%
	Public officer(3 rd , local)	74,575	91,562	113,239	109,434	96,036	62,639	63,001	44,466	—%
	Japan biz. law exam	20,085	23,544	27,962	33,998	39,094	40,747	40,820	16,800	—%
IT	IT specialist	784,912	788,443	803,109	772,334	699,928	664,014	608,210	576,893	73.5%
	Microsoft (MOUS)	100,200	189,900	275,100	301,200	279,700	265,900	223,800		—%
Total		2,236,145	2,525,226	2,749,069	2,878,753	2,753,293	2,638,737	2,552,052		—%



Market for accounting-related qualifications growing



Total candidates for CPA, LTA and bookkeeping qualifications - our flagships

Despite temporary decline in 2005, number of applicants has been increasing on a long-term basis since 2001. TAC launched CIA (certified internal auditor) courses which applicants doubled from previous year responding to a heightening awareness over internal control.

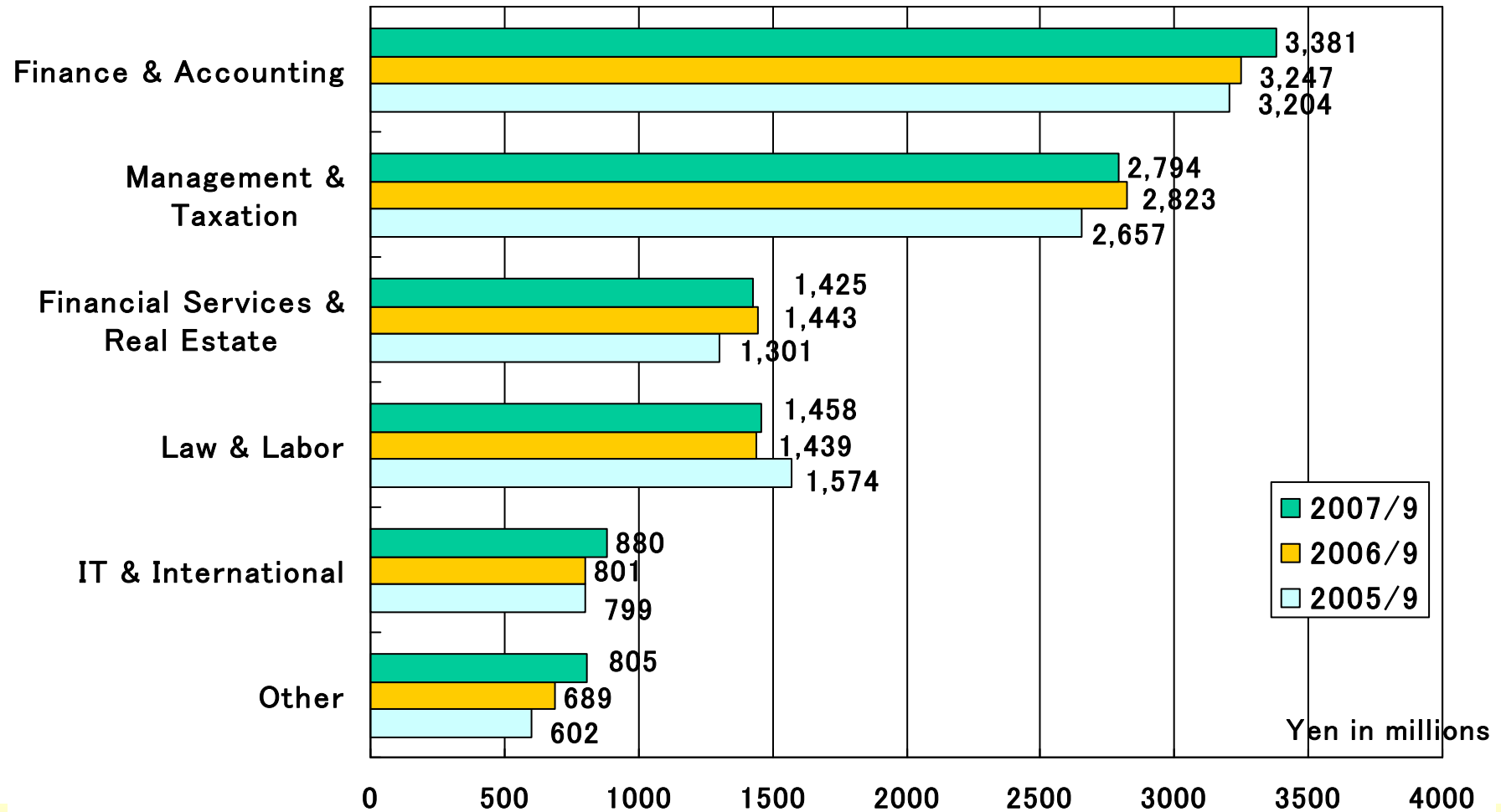


Sales by license area

License by area	2006/9			2007/9			Comment
	Sales	Y-O-Y	%	Sales	Y-O-Y	%	
① Finance & Accounting	3,247,715	101.3%	31.1%	3,381,258	104.1%	31.5%	Bookkeeping shows continuous growth of 8.5%. CPA declined 8.7% on cash basis and increased 2.1% on accrual basis due to sluggish growth in new learners' courses.
② Management & Taxation	2,823,358	106.2%	27.0%	2,794,037	99.0%	26.0%	LTA remained stagnant with 2.7% growth on cash basis. SMEMC decreased 11.1% due to weakness in advanced courses.
③ Financial Services & Real Estate	1,443,127	110.9%	13.8%	1,425,465	98.8%	13.3%	Real estate appraiser declined 28.6% due to difficulty of exam. Real estate transaction manager (Takken) +13.3%. Securities analyst +4.9%, FP -1.6% and business school courses +23.2% due to favorable sales in corporate training programs.
④ Law & Labor	1,439,585	91.5%	13.8%	1,458,309	101.3%	13.6%	Public officers and certified social insurance labor consultant courses returned to profitability and recorded growth of 12.0% and 19.4%, respectively. Administrative scrivener -10.0%.
⑤ IT & International	801,105	100.3%	7.7%	880,463	109.9%	8.2%	USCPA maintained high growth of 43.2%. IT specialist +3.7%. CIA (certified internal auditor) courses experienced successful launch.
⑥ Other	689,390	114.4%	6.6%	805,857	116.9%	7.5%	Maho-jin +7.5%. Manpower business by TAC Profession Bank recorded continued growth of 27.4% backed by manpower dispatching.
Total	10,444,282	103.0%	100.0%	10,745,391	102.9%	100.0%	

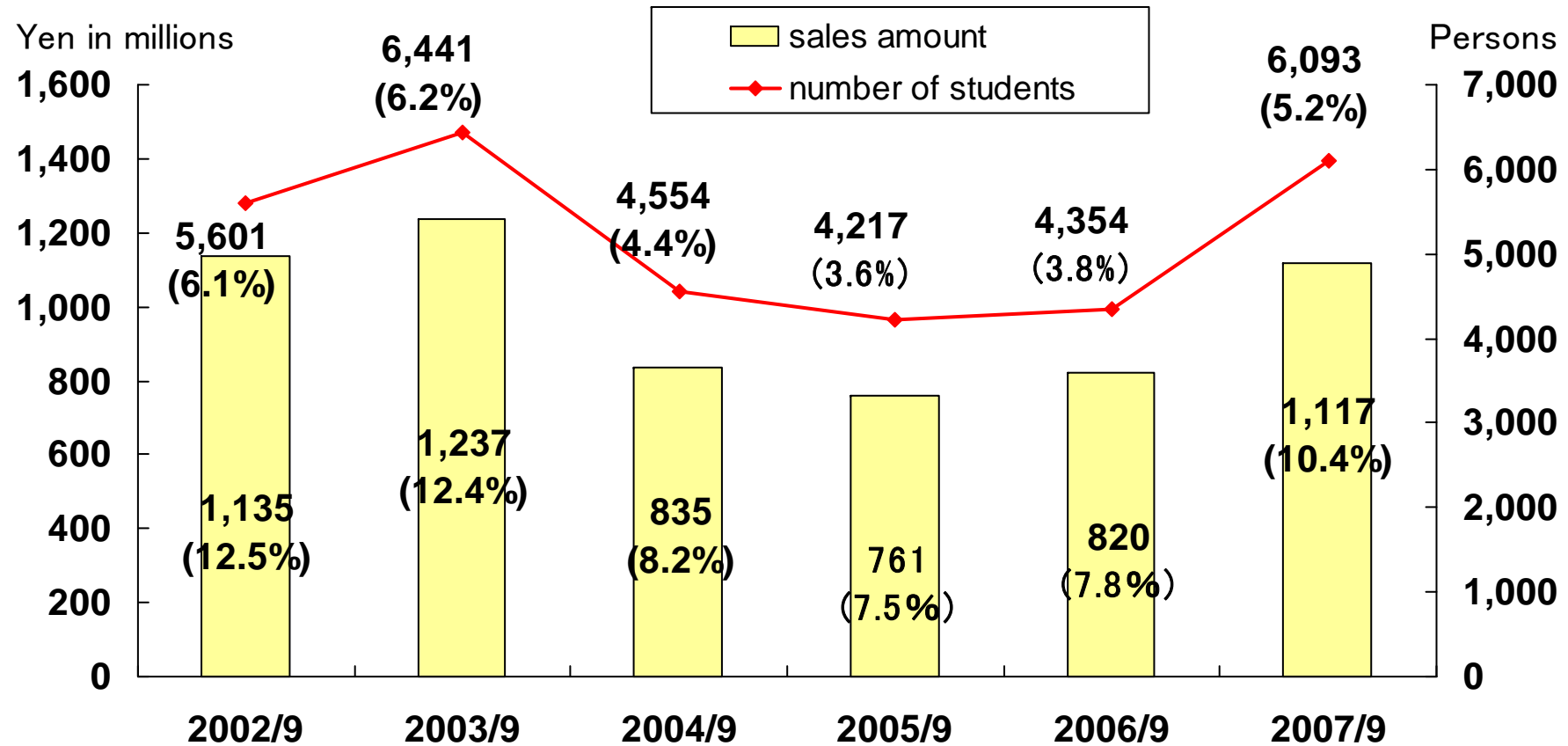


Sales growth by license area





Impact of governmental tuition assistance (GTA) program



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

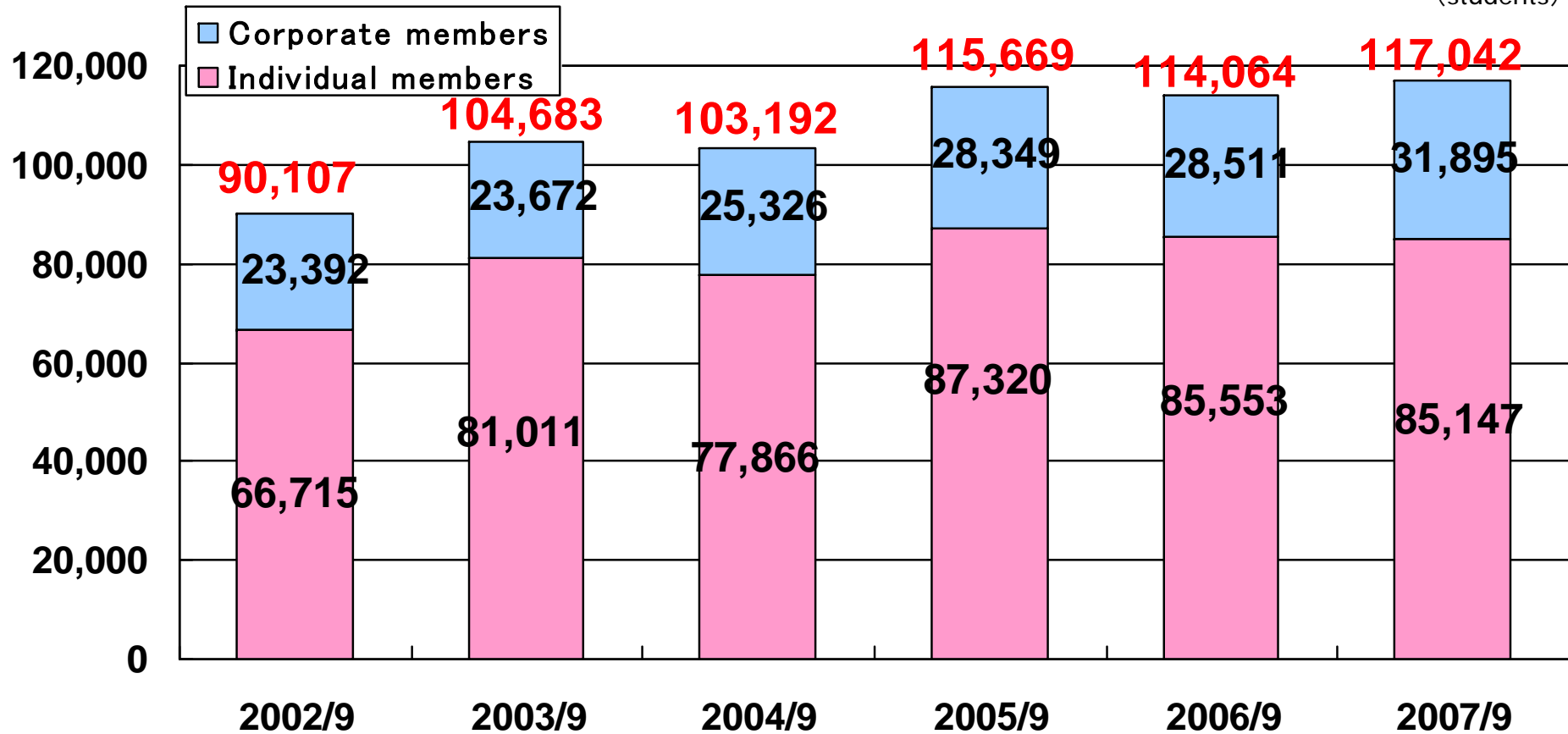
Temporary sales spike spawned by incentive to take advantage of the program before its revision in October. (+¥ 170M in September.) Possibility of negative impact on sales. (Under the revised program, the qualification requirement changed to three years of social insurance contributions, but provided that only 1 year of social insurance contributions are required for first-time users. The amount of assistance changed to 20% up to a maximum amount of ¥ 100,000.)

Substantial growth areas. Bookkeeping doubled. LTA increased +57.2%. Certified social insurance labor consultant +66.1%. USCPA +79.4%.



Number of students

(students)








Change	114.8%	116.2%	98.6%	112.1%	98.6%	102.6%
-Individual	117.3%	121.4%	96.1%	112.1%	98.0%	99.5%
-Corporate	108.1%	101.2%	107.0%	111.9%	100.6%	111.9%
% of Individual members	74.0%	77.4%	75.5%	75.5%	75.0%	72.7%



Number of students by license area



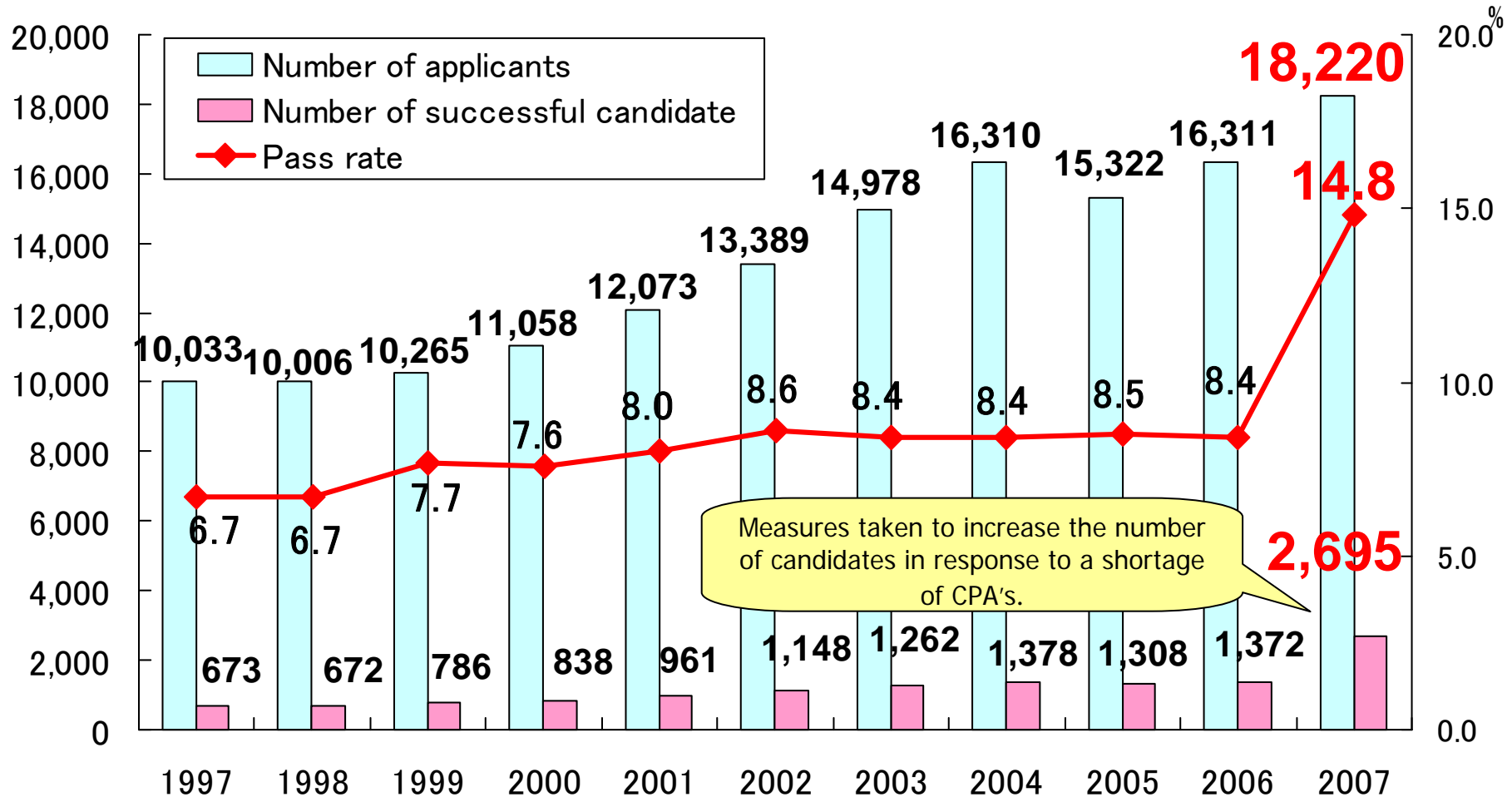
(persons)

License by area	2007/9	Y-O-Y	%	Comment
① Finance & Accounting	30,792	103.7%	26.3%	Bookkeeping increased 7.8% due to large increase in corporate members. CPA decreased 1.9% due to weakness in new learners' courses. 
② Management & Taxation	28,768	102.0%	24.6%	LTA decreased 1.7% due to sluggishness in regular courses and package plans. SMEMC decreased 2.6% due to weakness in advanced courses. 
③ Financial Services & Real Estate	24,251	107.8%	20.7%	Real estate appraiser courses for MC exam showed favorable increase due to modest increase in successful candidates. Number of students increased 6.4% despite decline in sales. Real estate transaction manager (Takken) increased 17.2% both in individual and corporate members. FP unchanged and securities analyst declined 21.2% due to suspension of securities broker representative exam to cope with revised Japanese SOX act. 
④ Law & Labor	19,795	94.6%	16.9%	Sales of certified social insurance labor consultant and public officers increased mainly in corporate members and publishing despite decline in number of individual members by 4.2% and 5.0%, respectively. Administrative scrivener declined 10.7% due to increased difficulty in exam. 
⑤ IT & International	13,436	105.6%	11.5%	USCPA increased 49.7% supported by increases in individual members. IT specialist unchanged. CIA attracted large number of students. 
Total	117,042	102.6%	100.0%	



Number of applicants for CPA exam

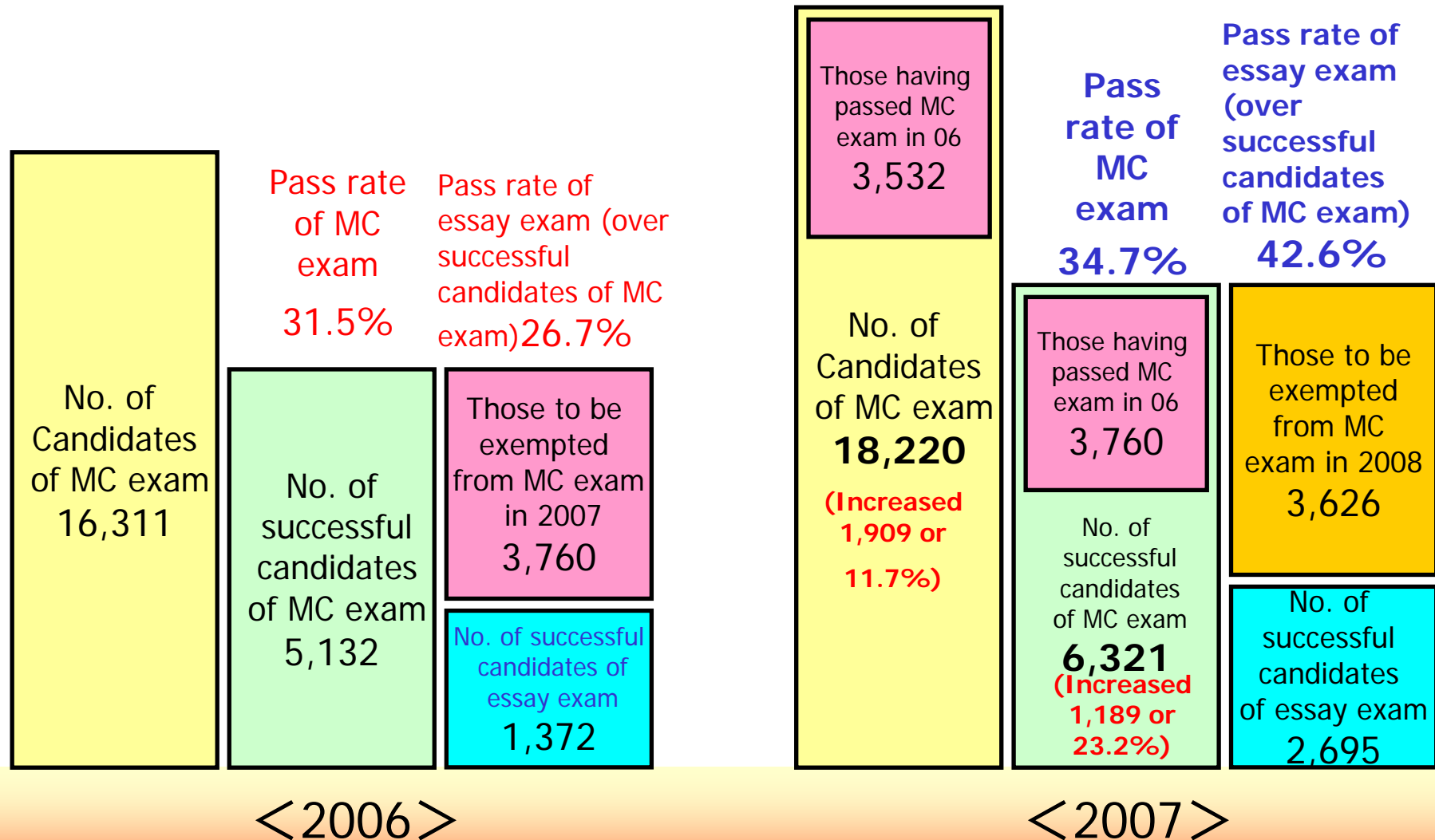
TAC



Number of candidates for 2007 hit a record high of 18,220. 2,695 passed essay exam and a pass rate increase of 14.8% (excluding successful candidates of former part 2 CPA exam), according to CPAAOB on 2007.11.19. **This dramatic increase is considered to indicate a sense of crisis.**

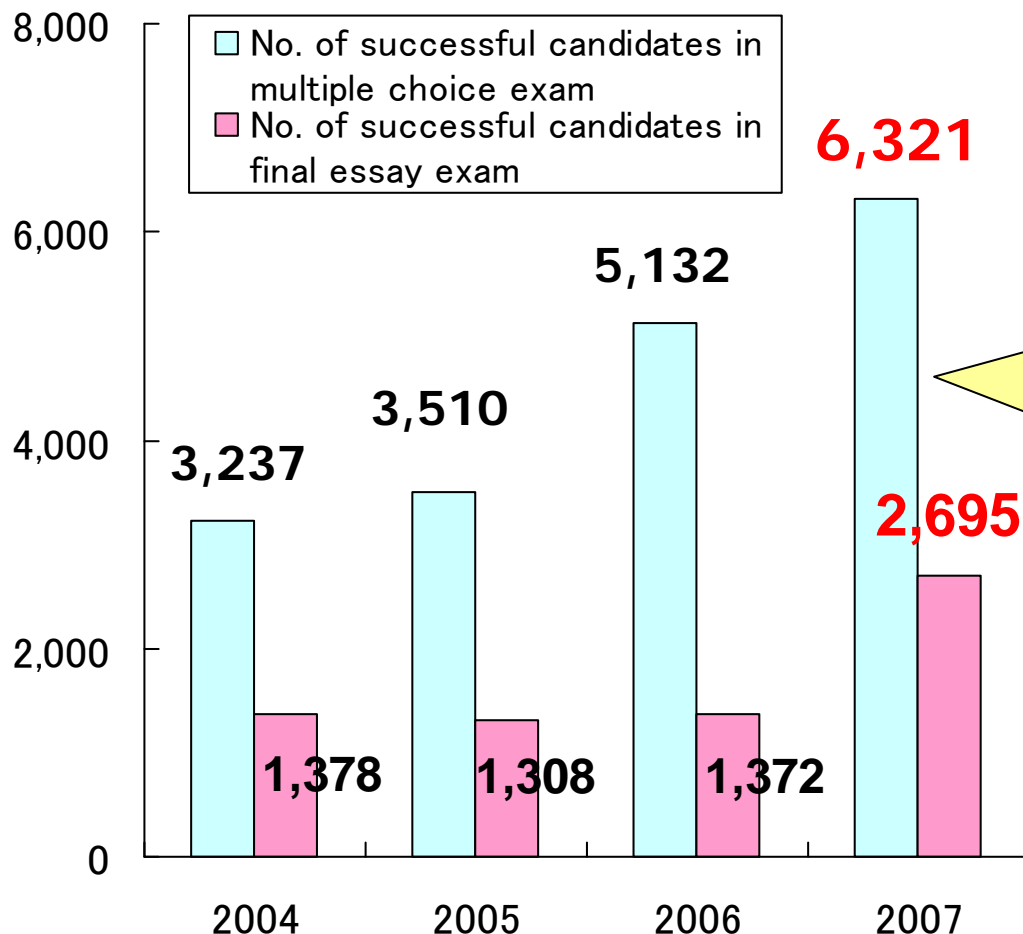


Trend in revised CPA exam





CPA exam...Outlook for 6 months ending 3/31/2008 and next fiscal year



Point.

Rate of successful candidates of MC exam to pass final essay exam was as high as 42.6%.

Due to substantial number of successful candidates, number of applicants for advanced courses is expected to decrease in the 2nd interim period and in the next FY. Number of students expected to recover through new learners' courses after 2008.



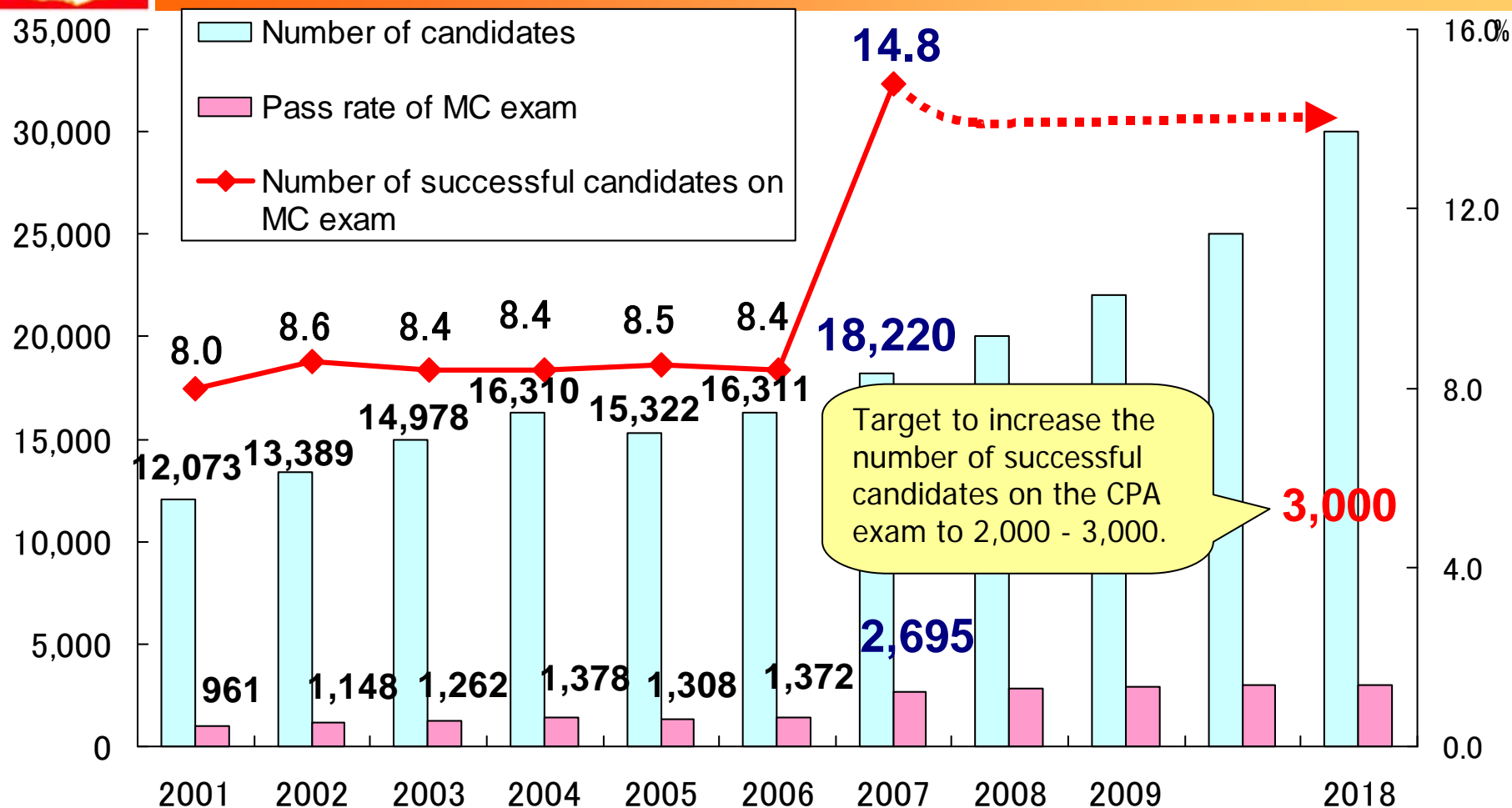
Measures to improve CPA exam after 2008

	Multiple choice exam	Essay exam
2008~	<ul style="list-style-type: none">• Questions on multiple choice exam to focus on more basic knowledge selected from broader range (questions and answer choices simplified)• Change of exam schedule from current 2 days over two weeks to one day (Reduction of test time to improve convenience for candidates)	<ul style="list-style-type: none">• Scope of essay exam to be narrower than that for multiple-choice exam• Reference to statutes and accounting standards allowed for accounting, audit, and tax law exams.• Implemented in 3 weekdays → Implemented on Saturday, Sunday and Friday or Monday in order to improve convenience to candidates• Increase in number of committee members (member who grade exams only, etc.)
2010~	<ul style="list-style-type: none">• Multiple choice exam to be held twice a year	<ul style="list-style-type: none">• Essay exam to be held once a year (negative opinion on implementation of essay exam twice a year.)
Other	<ul style="list-style-type: none">• Pooling system of exam questions to be continuously examined.	<ul style="list-style-type: none">• Introduction of computerized testing similar to US CPA and increase in frequency of exams to be continuously examined.

Anticipating a need for the total number of CPA's to increase to 50,000 by 2018, the financial services agency set a target to increase the number of successful candidates on the CPA exam to 2,000 - 3,000 per annum by 2018 (according to "Enhancement and reinforcement of audit system by CPA's" released by FSA on 2002.) (According to CPAAOB on 2007.10.25.)



Long-term view of CPA exam **TAC**

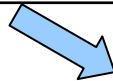
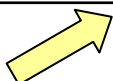
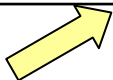


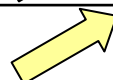


Anticipating a need for the total number of CPA's to increase to 50,000 by 2018, the number of successful candidates to be increased to 2,000 – 3,000 per annum by 2018 (according to “Enhancement and reinforcement of audit system by CPA's” released by FSA on 2002.) Current number of CPA's is 18,000 and it is expected that there will be approx. 3,000 successful candidates every year.



III. Highlights by segment

Summary by segment for interim period of FY 2007

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



Segment information

(Yen in millions)

	2006/9			2007/9			Year-on-year		
	Sales	Operating costs	Operating income	Sales	Operating costs	Operating income	Sales	Operating costs	Operating income
Personal education	7,670	6,964	706 (9.2%)	7,626	6,745	880 (11.5%)	-44 (-0.6%)	-218 (-3.1%)	174 (+24.7%)
Corporate training	2,076	1,506	569 (27.4%)	2,180	1,430	749 (34.4%)	103 (+5.0%)	-76 (-5.1%)	179 (+31.6%)
Publishing & other	707	570	136 (19.4%)	946	776	169 (17.9%)	238 (+33.7%)	206 (+36.1%)	32 (+23.9%)
Eliminations	-10	577	-587	-7	559	-567	2 (-25.8%)	-17 (-3.0%)	19 (-3.4%)
Total	10,444	9,618	825 (7.9%)	10,745	9,512	1,232 (11.5%)	301 (+2.9%)	-105 (-1.1%)	407 (49.3%)

(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 : 2006/9 415 million, 2007/9 587 million(+41.4%)

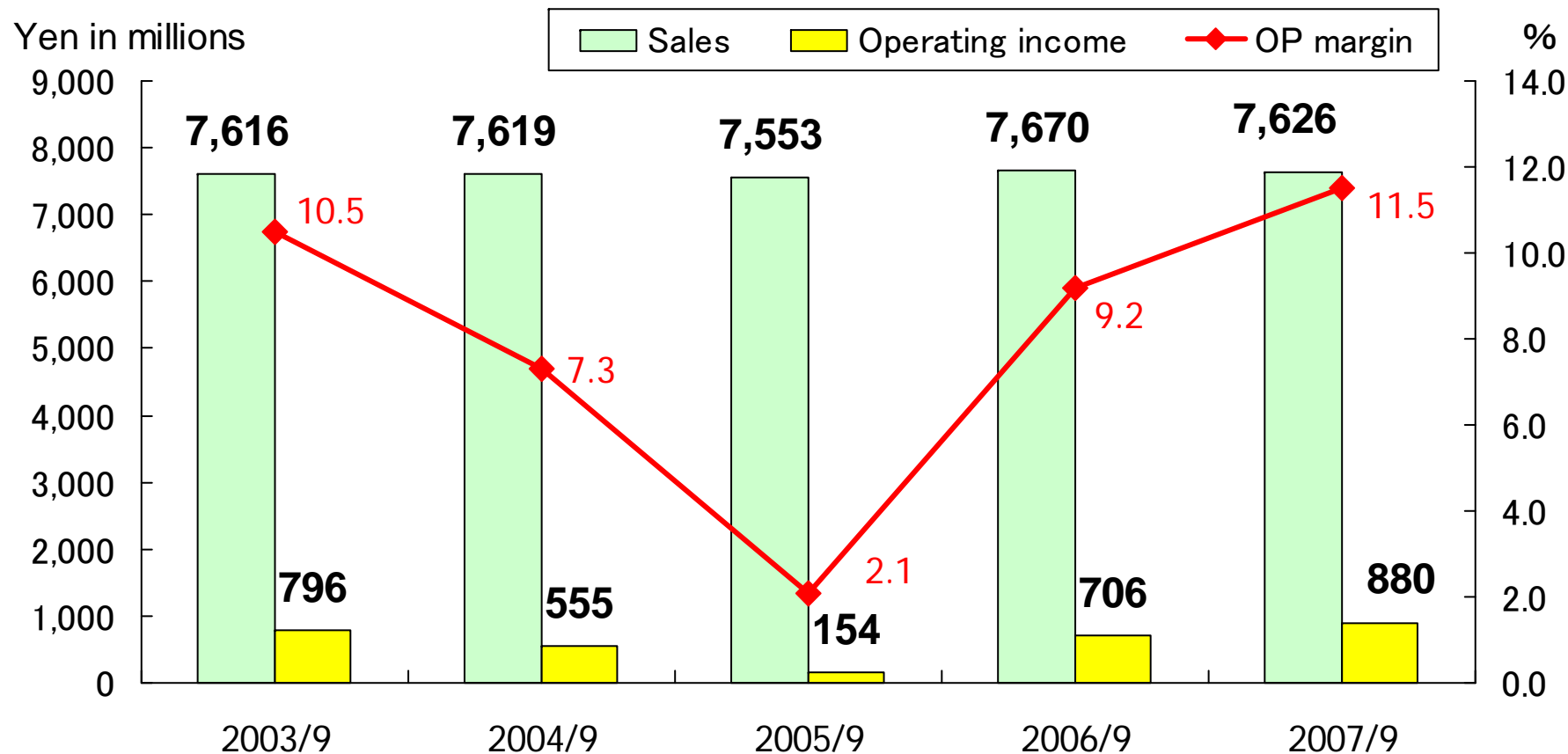
Sales in personnel business : 2006/9 281 million, 2007/9 358 million (+27.4%)

※After elimination of intercompany transactions



Trend in Personal Education

TAC



Rate of increase in sales	109.9%	100.0%	99.1%	101.5%	99.4%
Proportion over total sales	76.3%	75.3%	74.5%	73.4%	71.0%

Though total sales decreased ¥ 44M due to some courses showing increases and others decreases, overall profitable improved through cost control.



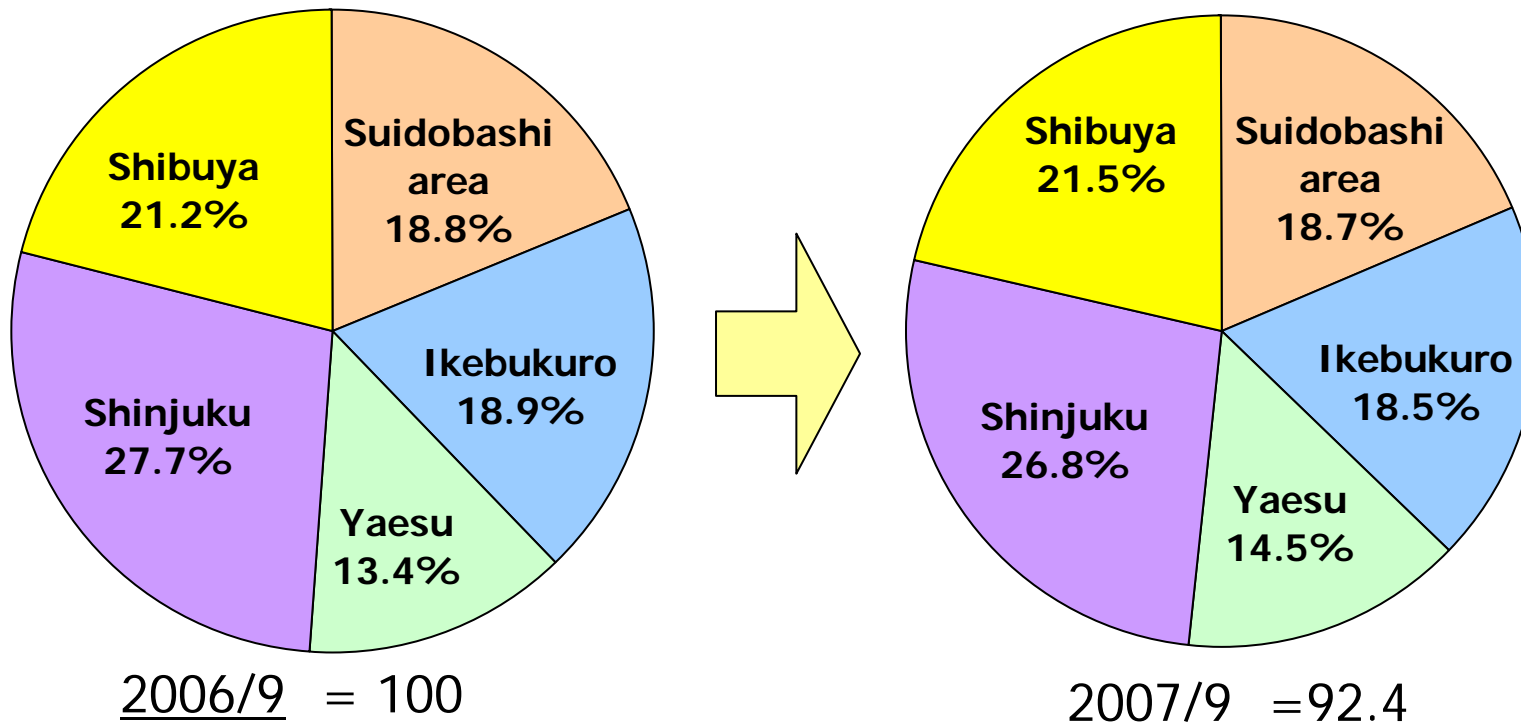
Personal education: Location strategy Capacity of schools remained unchanged during the current interim period

Schools	Tsubo	Tsubo (Y-O-Y)	# of Seats	Seats (Y-O-Y)	Timing
Sapporo	347	—	640	6	
Sendai	327	—	584	-5	
Suidobashi(Tokyo)	2,926	-313	2,736	-549	Instructors' office and other departments to be integrated in August, 2007.
Shinjuku(Tokyo)	1,468	—	2,938	9	
Shibuya(Tokyo)	1,700	—	3,151	16	
Ikebukuro(Tokyo)	1,257		2,816	—	
Yaesu(Tokyo)	1,049	—	1,817	99	
Yokohama	1,017	—	2,050	-12	
Hiyoshi	82	82	53	53	Opened in June, 2007
Machida(Tokyo)	390	-106	675	-335	Reduced in Dec, 2007
Tachikawa(Tokyo)	311	311	542	542	Opened in June, 2007
Omiya	451	-78	800	-252	Reduced in Jan, 2007
Nagoya	851	-112	1,788	-313	Reduced in Dec, 2007
Kyoto	693	—	1,389	-5	
Osaka(Umeda)	1,293	—	2,285	-53	
Osaka((namba)	586	—	1,004	—	
Kobe	569	—	1,280	6	
Hiroshima	229	229	246	246	Came under direct control of TAC in September, 2007.
Fukuoka	404	—	649	75	
Total	15,958	11 (100.0%)	27,443	-472 (98.3%)	* Number of classrooms increased by 11 to 311.



In Tokyo Metropolitan Area

Changes in sales proportions in Tokyo Metropolitan Area

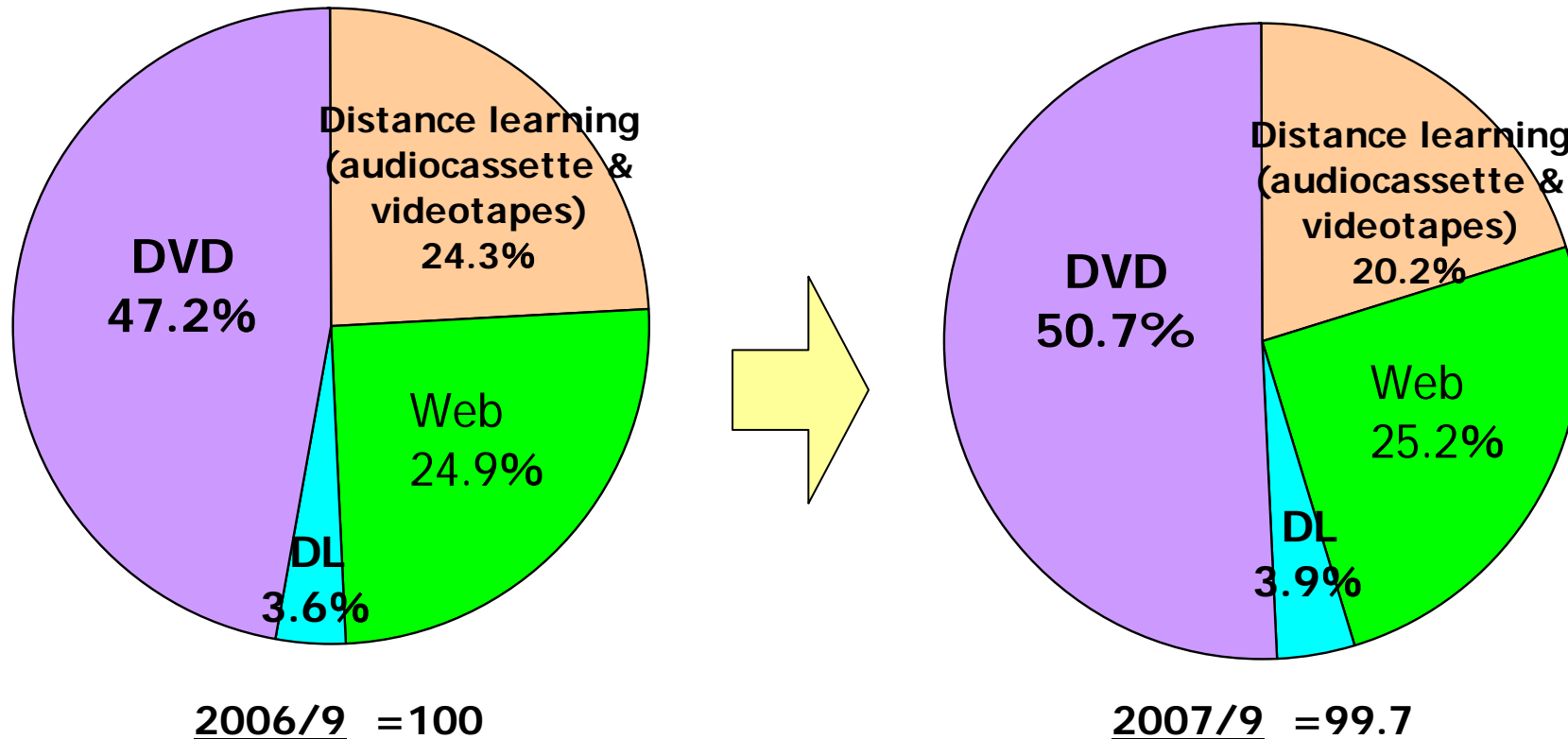


- Sales in the Tokyo metropolitan area decreased 7.6%.
- Market share in the Tokyo metropolitan area almost unchanged. Tachikawa School which opened in June 2007 attracted many customers (working people and students) in Tama area giving no negative impact on Shinjuku School.



Personal education: Media strategy – Diversification of educational media (DVD, etc.)

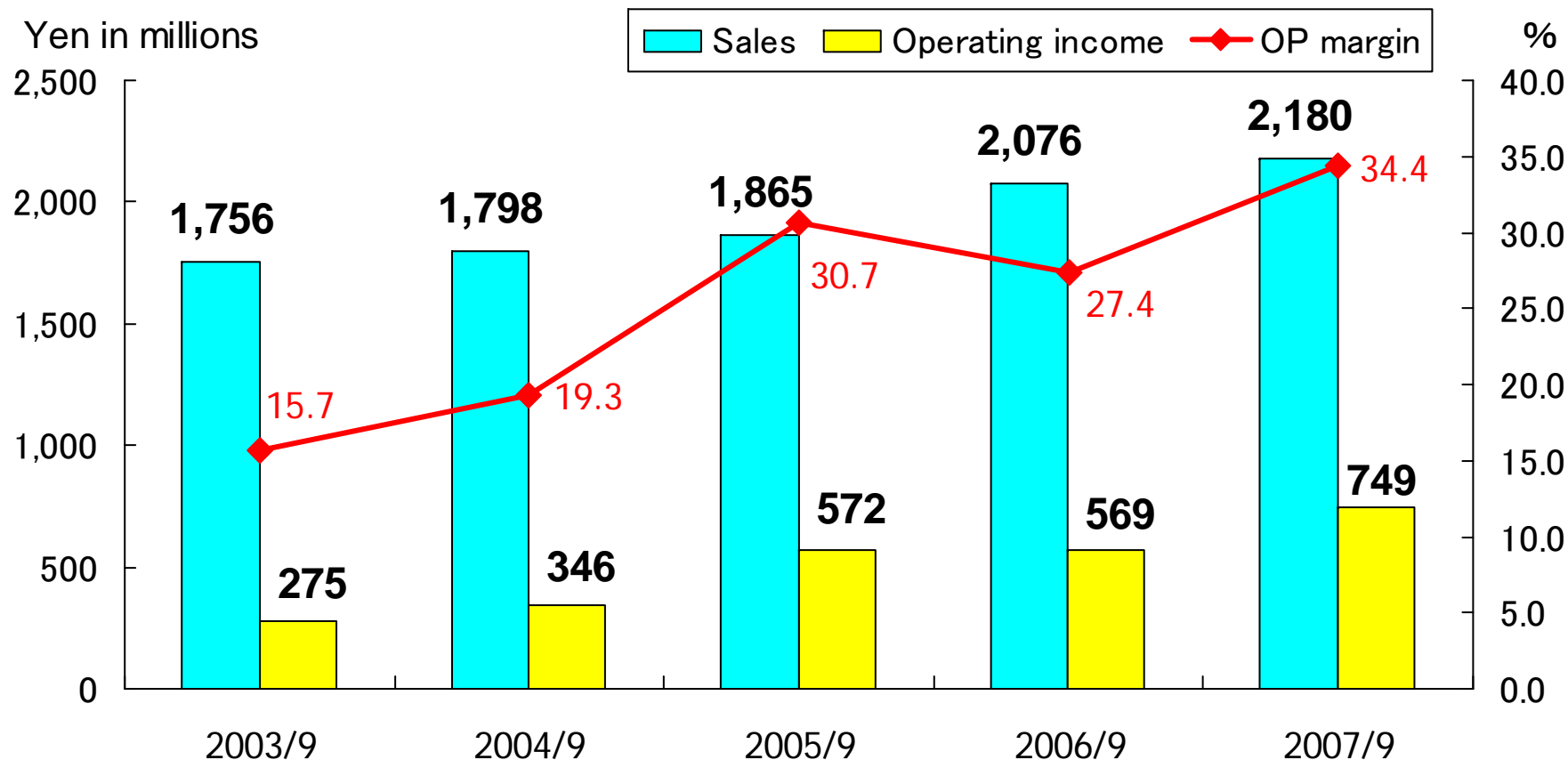
Changes in percentage of sales in distance education



- Sales of correspondence courses showed a slight decline of 0.3% while sales of classroom courses declined 3.9% y/o/y.
- Correspondence courses using DVD's increased 7.2% with continued shift from cassette tapes to DVD's.
- Audio data download courses increased 6.3% y/o/y contributing to diversification of learning media.



Trend in corporate training business **TAC**









Rate of increase in sales	107.3%	102.4%	103.7%	111.3%	105.0%
Proportion over total sales	17.6%	17.8%	18.4%	19.9%	20.3%

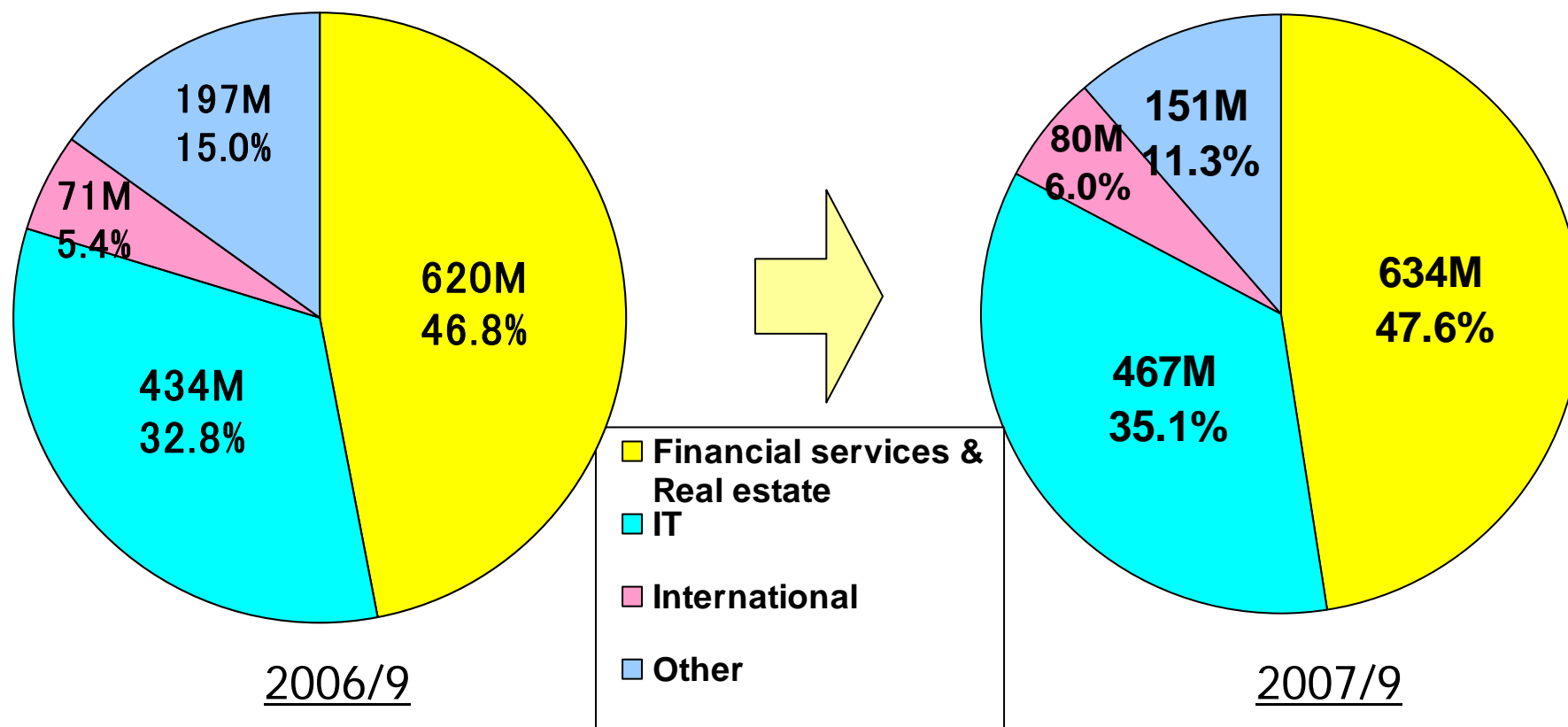
Needs of corporate training increased and sales marked growth for 5 consecutive years. Operating profit increased by 7 points to 34.4%.



Corporate training: Descriptions

(Yen in thousands)

Contents	Sales	Y-O-Y	%	Overview of interim for FY2008	
Corporate Training	1,333,909	107.6%	61.2%	Corporate training +¥ 94 million.. Finance & accounting +¥20M. Financial service & real estate +¥25.7M (including securities analyst +¥11M, business school +¥22.5M). IT and CompTIA +¥51.6M.	
Provision of educational materials	138,637	102.1%	6.4%	Stable growth in real estate transaction manager (Takken), certified social insurance labor consultant and administrative scrivener.	
Affiliated schools	228,259	102.0%	10.5%	Bookkeeping +11.7%. Certified social insurance labor consultant +4.9%. Public officers +16.5%.	
In-university seminars	184,274	107.3%	8.4%	IT specialist courses -19.4%. Takken +23.0%. Public officers +36.6%. US CPA+23.3%.	
Tax software "Maho-jin" & other	295,000	96.7%	13.5%	Maho-jin tax software increased 7.5%. Educational programs consigned by local governments decreased 24.4%.	
Total	2,180,081	105.0%	100.0%		



- Sales of corporate training programs marked continued growth of 7.6% y/o/y.
- Corporate training +¥ 94 million.. Finance & accounting +¥20M. Financial service & real estate +¥25.7M (including securities analyst +¥11M, business school +¥22.5M). IT and CompTIA +¥51.6M.



Trends in affiliated schools **TAC**

Morioka, Maebashi, Utsunomiya, Kanazawa, Toyama, Himeji, Takamatsu, Tokushima, Okayama, Fukuyama, Kumamoto, Nagasaki, Saga, Miyazaki, Kagoshima, Okinawa **Total 16 schools**

Hiroshima School came under direct control of TAC in September, 2007.

(Yen in thousands)

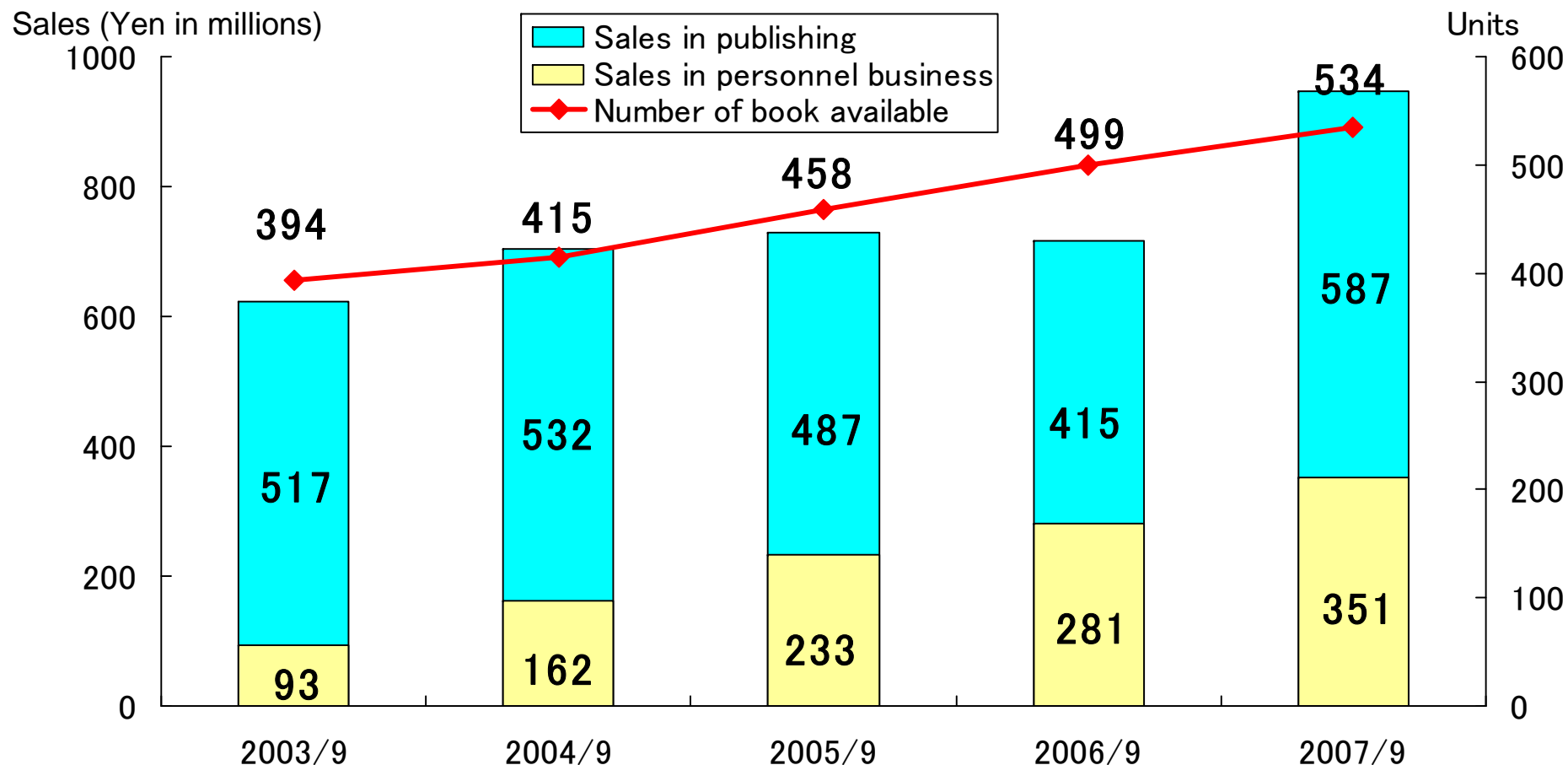
Licenses by area	# of students 2007/9	# of students (Y-O-Y)	Sales 2007/9	Sales (Y-O-Y)	% of sales
① Finance & Accounting	1,316	97.1%	44,839	101.9%	19.6%
② Management & Taxation	1,912	90.7%	101,294	101.4%	44.4%
③ Financial Services & Real Estate	493	107.2%	25,433	96.0%	11.1%
④ Law & Labor	1,503	97.5%	53,314	107.8%	23.4%
⑤ IT & International	101	107.4%	3,376	86.3%	1.5%
Total	5,325	95.8%	228,259	102.0%	100.0%

• Positive growth : Bookkeeping, LTA, Real estate sales person, Certified social insurance labor consultant, Public officer

• Negative growth: Small and Medium Enterprise management consultant, REA, Administrative Scrivener



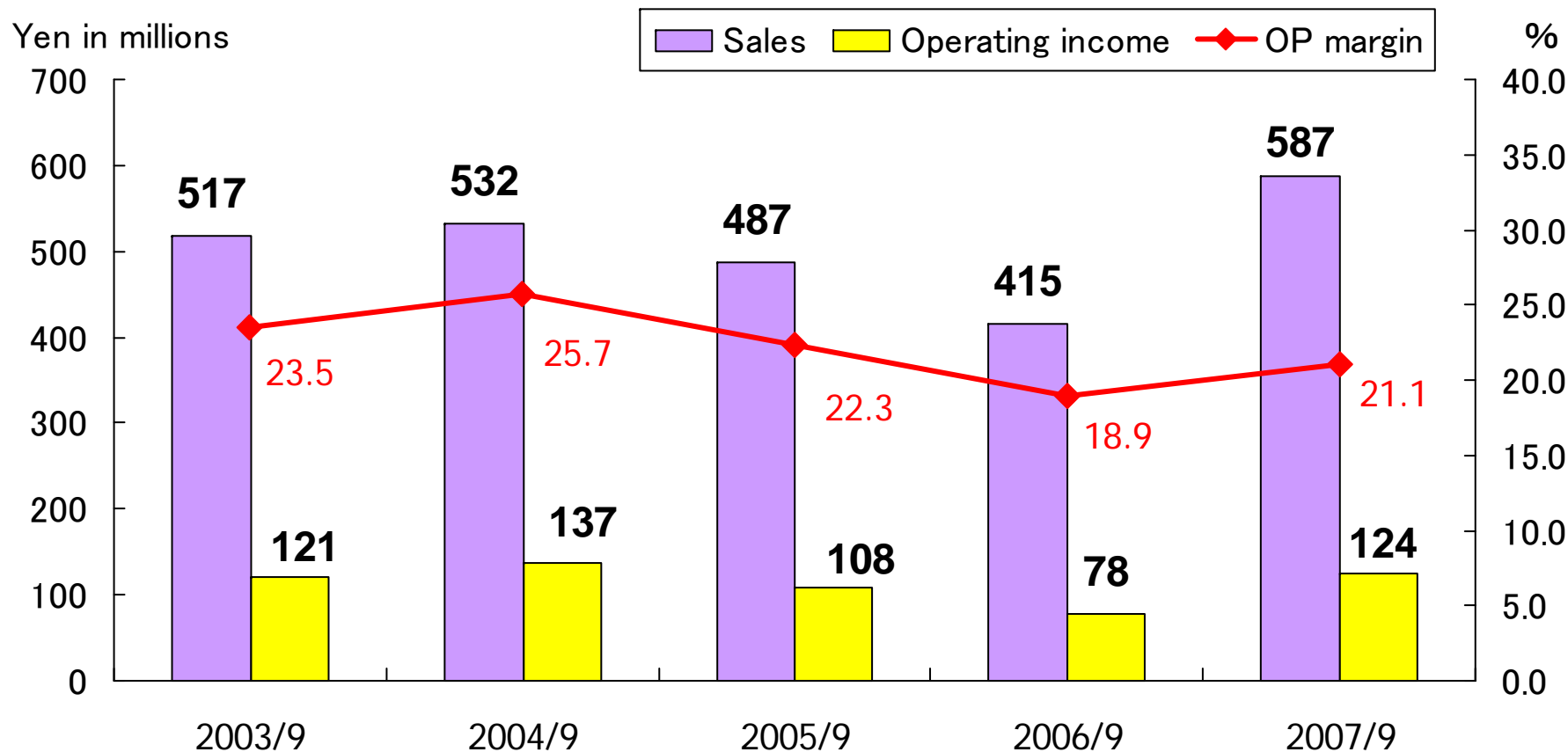
Breakdown of sales & number of books available **TAC**



- Publishing business showed favorable results, mainly with bookkeeping textbooks.
- In regards to manpower business, Umeda and Shinjuku offices which opened in the previous year made substantial contributions. Considerable sales increase in manpower dispatching.
- Sales increased 33.7% and profit increased 23.9% in this segment.



Trend in publishing business



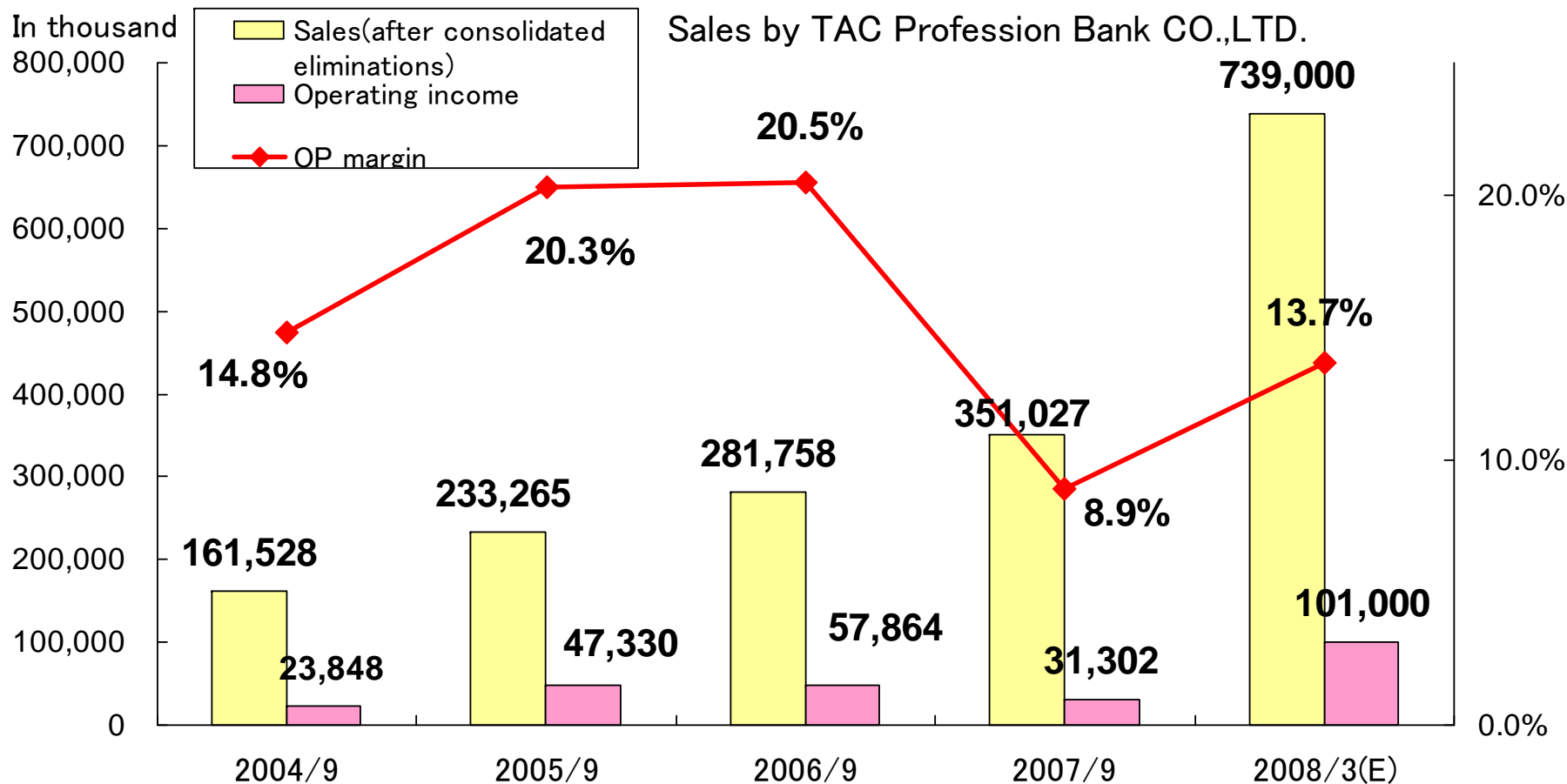
Rate of increase in sales	115.5%	103.0%	91.5%	85.3%	141.4%
Proportion over total sales	5.2%	5.4%	4.9%	4.1%	5.7%

Favorable sales of textbooks which conform to new company law and revised accounting standards, in which we experienced delays in the previous period. Sales and profit showed dramatic recovery.

(Note) Operating income after reversal of and transfer to reserve for loss on returned goods



Growth in TAC Profession Bank Sales **TAC**

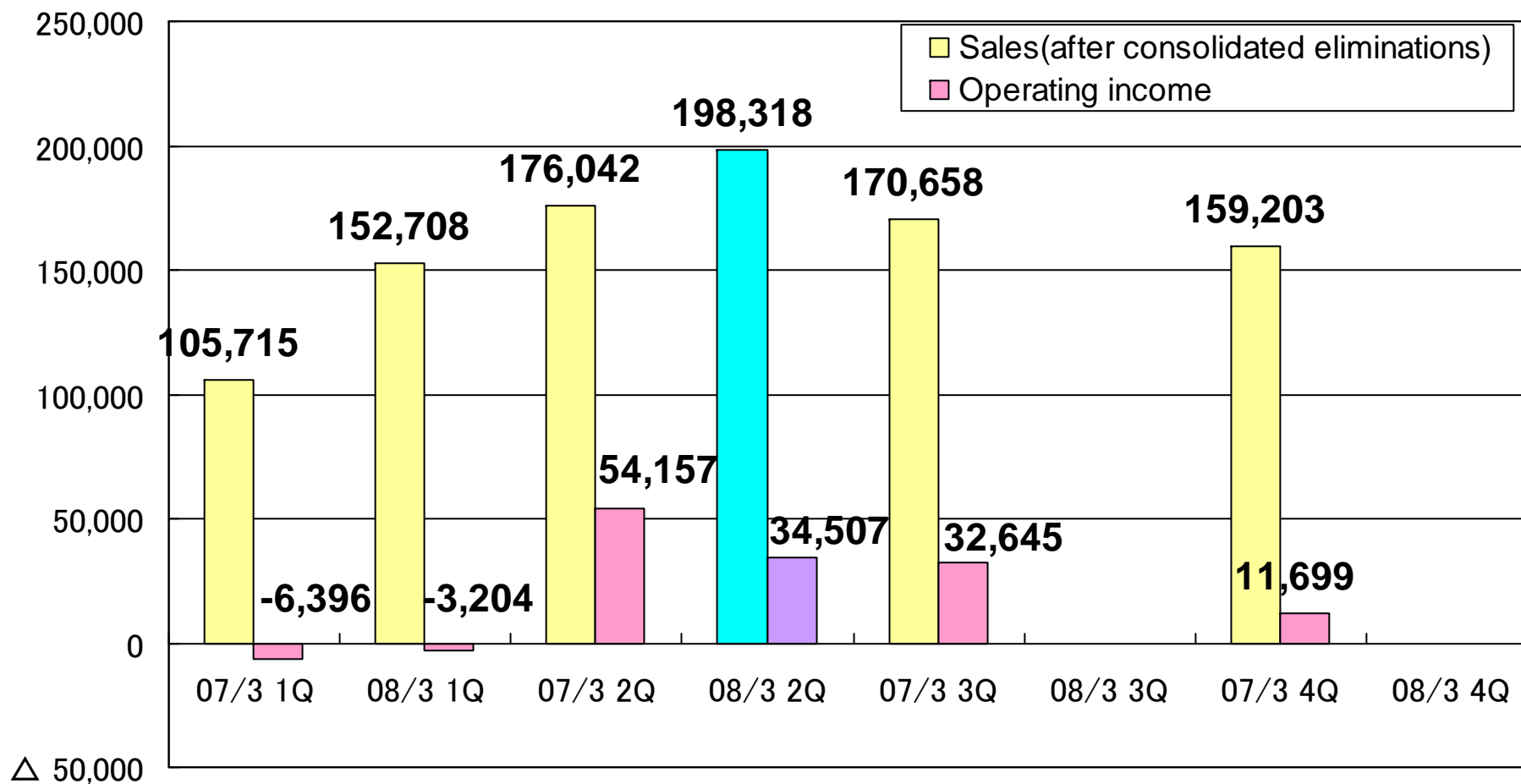


- Sales increased 24.6% supported by Shinjuku and Umeda (Osaka) Offices which opened in the previous period.
- In an unprecedented tight labor market, manpower placement business marked sluggish results. Though sales growth was supported by manpower dispatching and job advertising, profit margin declined.



Publishing & other: Quarterly trend of TPB

(Yen in thousands)



Though sales increased 24.6% lead by manpower dispatching and job advertisement, manpower placement, which normally produces high profits, remained stagnant. Growth in sales was not sufficient to compensate for increases in rent and personnel expenses required to open new offices.

IV. Forecast for FY2007





Progress to date for FY2007

(Yen in millions)

TAC

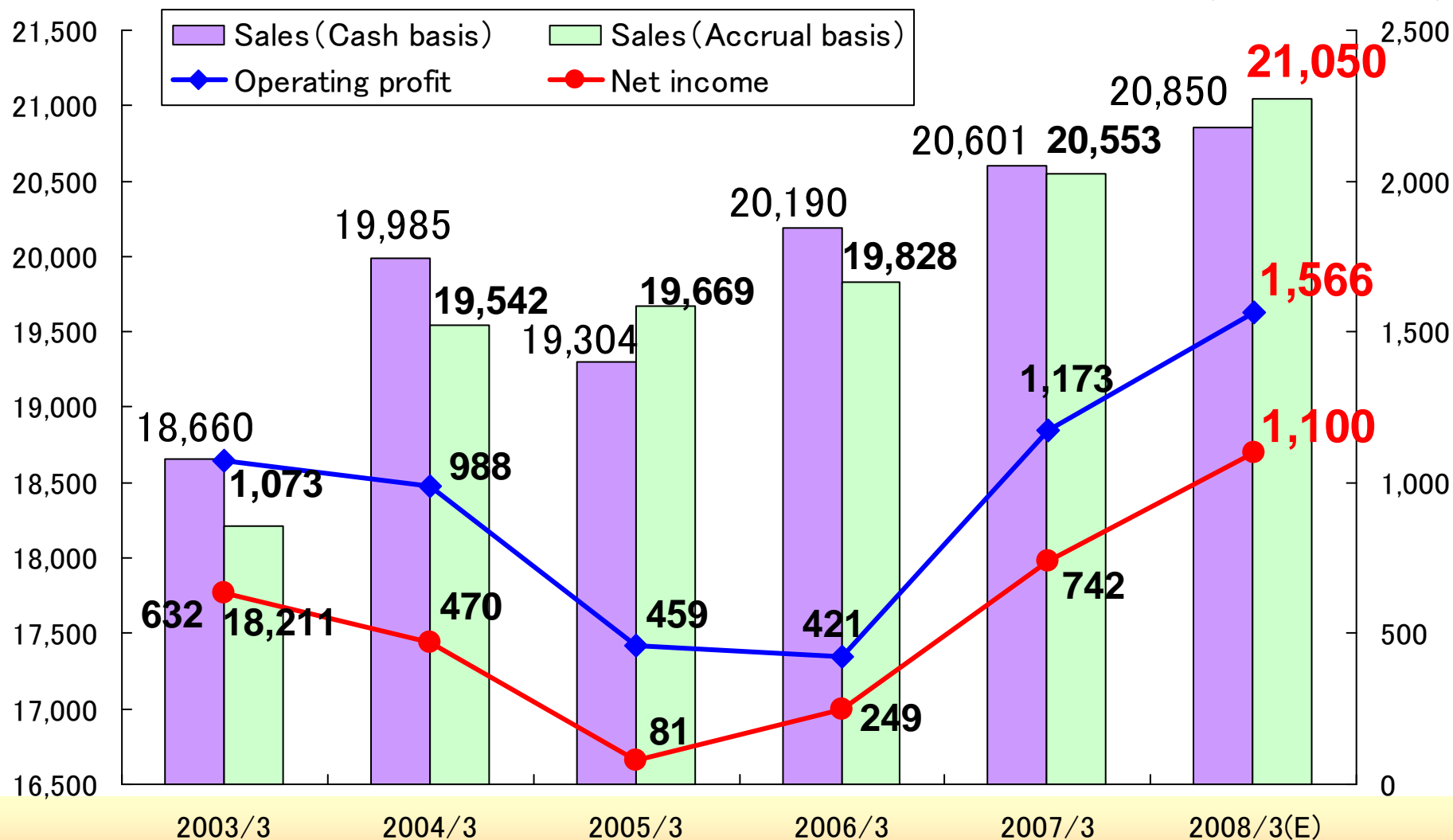
(Consolidated)	FY2007 (Forecast)		2007/9 (progress to date for FY2007)			
	Amount	%	Amount	%	Difference	Progress
Net sales before adjustment of tuition advances	20,850	99.1%	11,127	103.6%	9,722	53.4%
Adjustment of tuition advances	200	0.9%	-382	-3.6%	582	—%
Net Sales (after adjustment of tuition advances)	21,050	100.0%	10,745	100.0%	10,304	51.1%
Costs of Sales	12,563	59.7%	6,198	57.7%	6,364	49.3%
Rent	3,049	14.5%	1,592	14.8%	1,526	52.2%
Employment costs	3,841	18.3%	1,929	17.9%	1,903	50.2%
Subcontract costs	2,639	12.5%	1,109	10.3%	1,522	42.0%
Gross profit – net	8,565	40.7%	4,625	43.0%	3,939	54.0%
SG & A expenses	6,998	33.3%	3,392	31.6%	3,605	48.5%
Rent	974	4.6%	465	4.3%	489	47.7%
Employment costs	3,124	14.8%	1,555	14.5%	1,566	49.8%
Advertising costs	1,129	5.4%	499	4.7%	525	44.3%
Operating income	1,566	7.4%	1,232	11.5%	333	78.7%
Ordinary income	1,927	9.2%	1,551	14.4%	376	80.5%
Net income	1,100	5.2%	894	8.3%	165	81.3%
Net income per share	59.45 Yen		48.33 Yen		8.93 Yen	



Forecast for FY2007

TAC

(Yen in millions)



Target: Sales increase of ¥ 500M y/o/y. Operating profit increase of ¥ 400M y/o/y.



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