

FY February-2010 3Q Presentation



January 13, 2010

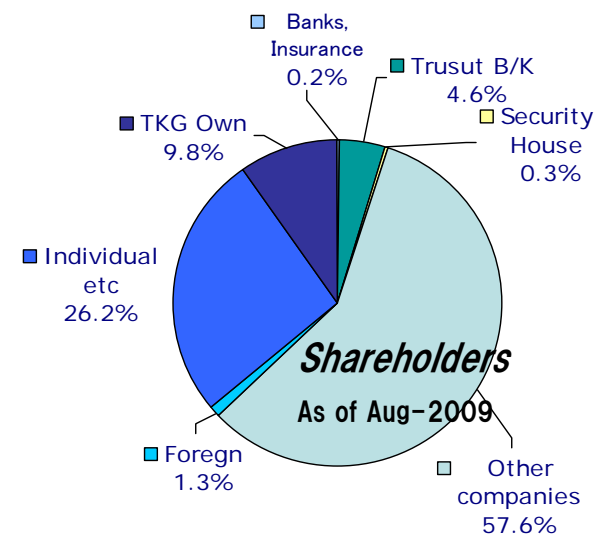
Tokyo Individualized Education Institute (4745)



Corporate Profile as of November, 2009

- **Established : August 1985**
- **Listing : TSE 1st in August 2003 (code;4745)**
- **C E O : Shinji Baba**
- **Capital : 642.15 million yen**
- **Number of schools : 196 (Kanto 147, Kansai 37, Tokai 7, Kyushu 5)**
- **Enrollment : 26,375 students (Primary school 3,469 Junior high 11,463 Senior High 11,443)**
- **Employees : 421 (Part time teaches included 7,009)**
- **Share outstanding : 65,269,500**
- **Number of shareholders : 6,121 (as of end of Aug-2009)**

	Shareholders(as of end of Aug-2009)	Shares	Ration %
1	Benesse Corporation	33,610,800	57.09%
2	Shinji Baba	7,057,200	11.98%
3	SB asset management	3,315,000	5.63%
4	Takao Yasuda	1,772,100	3.01%
5	Nippon trusty service trust B/K(4G)	953,700	1.62%
6	Nippon trusty service trust B/K(TA)	879,400	1.49%
7	Nippon master trust B/K (TA)	842,700	1.43%
8	Isao Ishihara	409,500	0.69%
9	Trans Pacific Education Network	270,000	0.45%
10	RBC Dekushiain Investor Service BK	252,700	0.42%



(Note) 1. In addition to above, TKG owns company stocks 6,401,000.

2. Big shareholder's "Holdings ratio" calculates the total of outstanding shares except the repurchased stock as a denominator by revising the Corporate Law enforcement rule Article 122 paragraph 1.

3Q Business Result Summary

(million yen)

	FY Feb-10 3Q Result	FY Feb-10 3Q Original Plan	±	%	【Reference】※ FY Feb-09 3Q
Sales	10,519	10,461	58	100.6%	11,331
Cost of Sales	6,367	6,380	△13	99.8%	6,502
Sales cost ration	60.5%	61.0%	-	-	57.4%
Gross Profit	4,152	4,080	71	101.8%	4,829
Gross Margin	39.5%	39.0%	-	-	42.6%
SG & A	3,353	3,396	△43	98.7%	3,461
SG&A ratio	31.9%	32.5%	-	-	30.5%
Operating Profit	799	683	115	116.9%	1,367
OP margin	7.6%	6.5%	-	-	12.1%
Recurring Profit	818	703	115	116.4%	1,391
RP margin	7.8%	6.7%	-	-	12.3%
2Q Net Profit	461	392	69	117.6%	801
NP margin	4.4%	3.7%	-	-	7.1%

※ Sales transition was largely changed due to the 'Occupancy expenses' adoption method changed

FY Feb-2010 3Q Balance Sheet

(million yen)

	Feb-10 3Q	Feb-2009 As of end of 2009/2
Current Assets	6,939	7,693
Fixed assets	2,020	2,017
Total Assets	8,960	9,711
Current Liabilities	1,296	2,170
Fixed Liabilities	10	4
Net Assets	7,653	7,536
Total Liabilities & Net Assets	8,960	9,711

[Assets]

Total Assets 8,960 million yen

Cash position was declined by new two schools' opening expenditure in September. In addition, Corporate tax and dividends payment.

[Liabilities]

Total Liability 1,307 million yen

Debt and accrued tax was declined by Payment.

[Net Assets]

Total Net Assets 7,653 million yen

Quarterly net profit and dividends from surplus profit.

FY Feb-2010 3Q Cash Flow

(million yen)

	FY Feb-10 3Q (Mar-09~November)
Operating CF	$\Delta 115$
Investment CF	$\Delta 119$
Financial CF	$\Delta 499$
Balance cash & equivalent of 2Q	5,850

[Operating CF]

Used cash was 115 million yen

Operating profit was offset by corporate tax payment.

[Investment CF]

Used cash was 119 million yen

Capital expenditure for new two schools and software for internal usage.

[Financial CF]

Used cash was 499 million yen

Payment of dividends and contract repayment for long term debt.

Breakdown; Cost of Sales and SG & A

(million yen)

	FY Feb-10 3Q Result	%	FY Feb-10 3Q Original Plan	%	FY Feb-09 3Q Result	%
Cost of Sales	6,367	60.5%	6,380	99.8%	6,502	97.9%
Personnel expense	1,226	11.7%	1,208	101.5%	1,349	90.9%
Rent	2,958	28.1%	2,982	99.2%	3,064	96.5%
Lease	1,282	12.2%	1,279	100.2%	1,245	103.0%
Property expense	87	0.8%	88	98.7%	101	86.8%
Depreciation	200	1.9%	196	102.0%	174	114.6%
Others	36	0.3%	37	98.5%	35	103.5%
SG & A	575	5.5%	587	97.9%	532	108.1%
Personnel expense	3,353	31.9%	3,396	98.7%	3,461	96.9%
Advertisement	603	5.7%	602	100.2%	651	92.6%
Commissions	1,641	15.6%	1,640	100.0%	1,729	94.9%
Recruiting	447	4.2%	458	97.4%	392	113.8%
Lease	154	1.5%	170	90.3%	170	90.3%
Depreciation	53	0.5%	54	98.1%	59	89.8%
Others	37	0.4%	36	101.5%	25	145.0%
Cost of Sales	416	4.0%	432	96.3%	431	96.5%

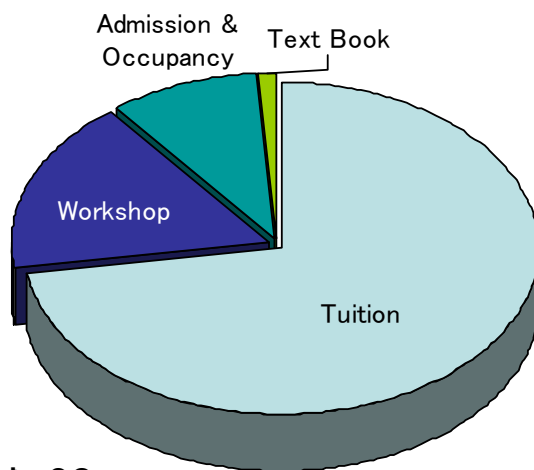
Sales segment (1)

[Sales segment]

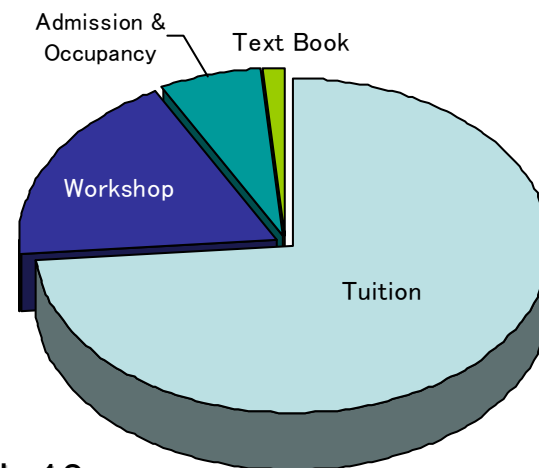
※ Sales transition was largely changed due to the 'Occupancy expenses' adoption method changed

(thousand yen)

Items	FY Feb-2009 3Q		FY Feb-2010 3Q	
Tuition	8,223,274	72.5%	7,742,898	73.6%
Workshop	1,912,915	16.9%	1,943,163	18.5%
Admission & occupancy	1,062,788	9.4%	688,091	6.5%
Text Book	132,661	1.2%	145,685	1.4%
Total	11,331,639	100.0%	10,519,839	100.0%



FY Feb-09

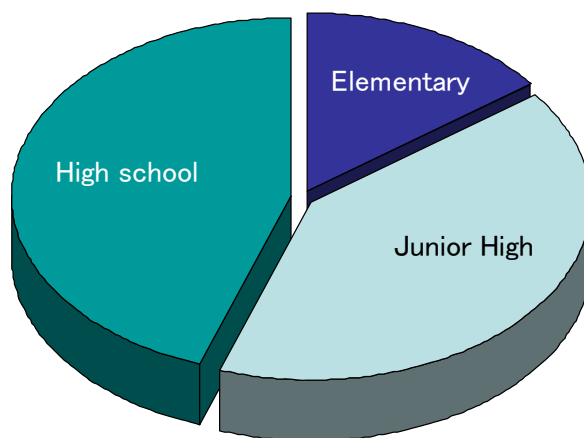


FY Feb-10

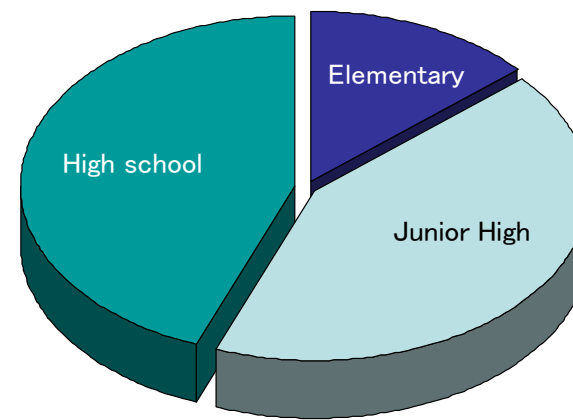
[Students Segment]

(student)

Classified	FY Feb-2009 3Q		FY Feb-2010 3Q	
	Elementary	3,770	14.7%	3,375
Junior High	10,435	40.6%	10,352	42.1%
High school	11,462	44.7%	10,864	44.2%
Total (Average)	25,667	100.0%	24,591	100.0%



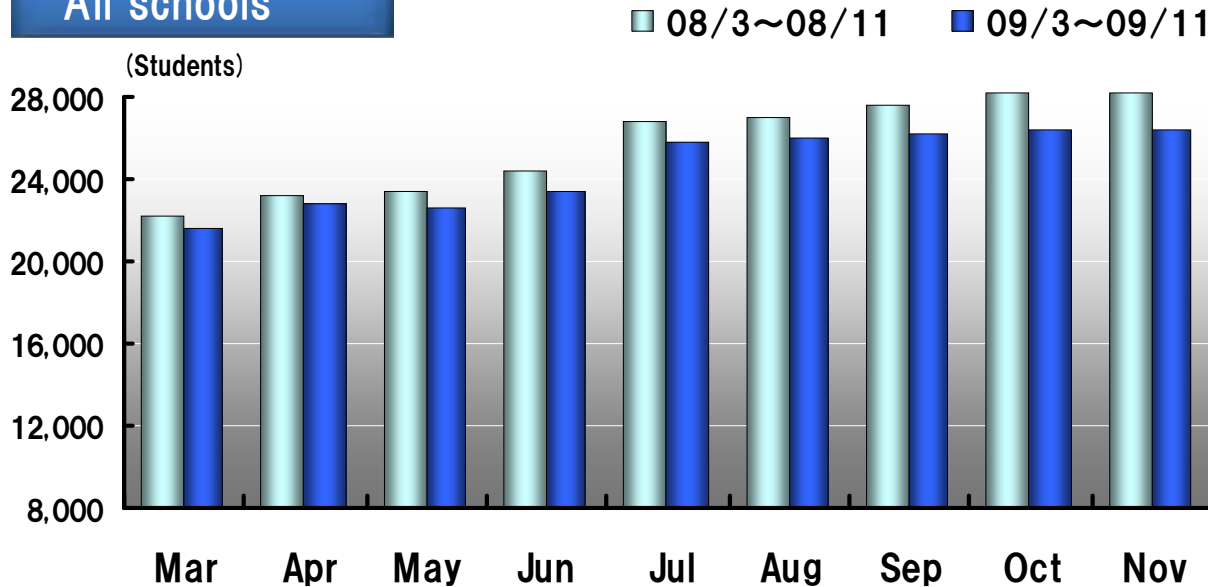
FY Feb-09



FY Feb-10

Monthly students

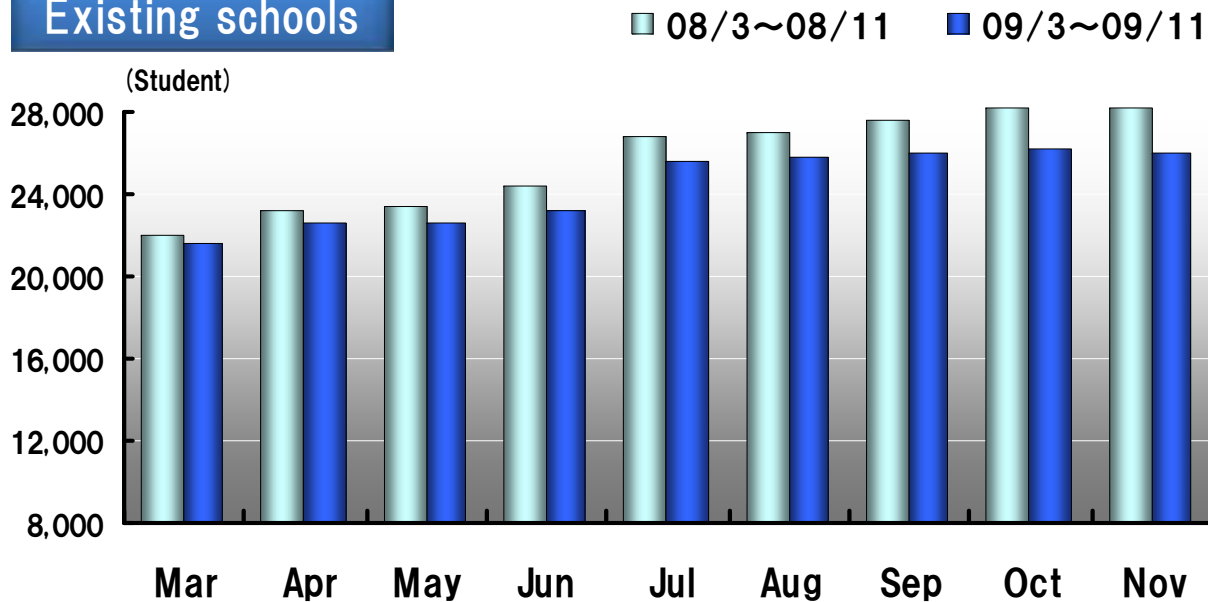
All schools



Average Students
[YOY] $\Delta 1,076$ students

$\Delta 4.2\%$

Existing schools

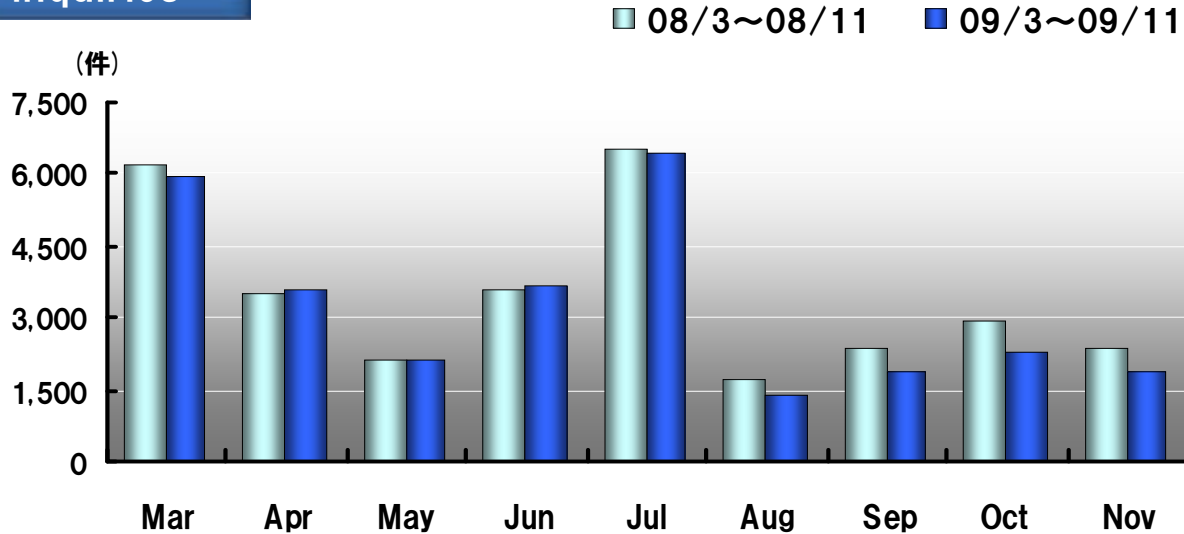


Average students
[YOY] $\Delta 1,237$ students

$\Delta 4.8\%$

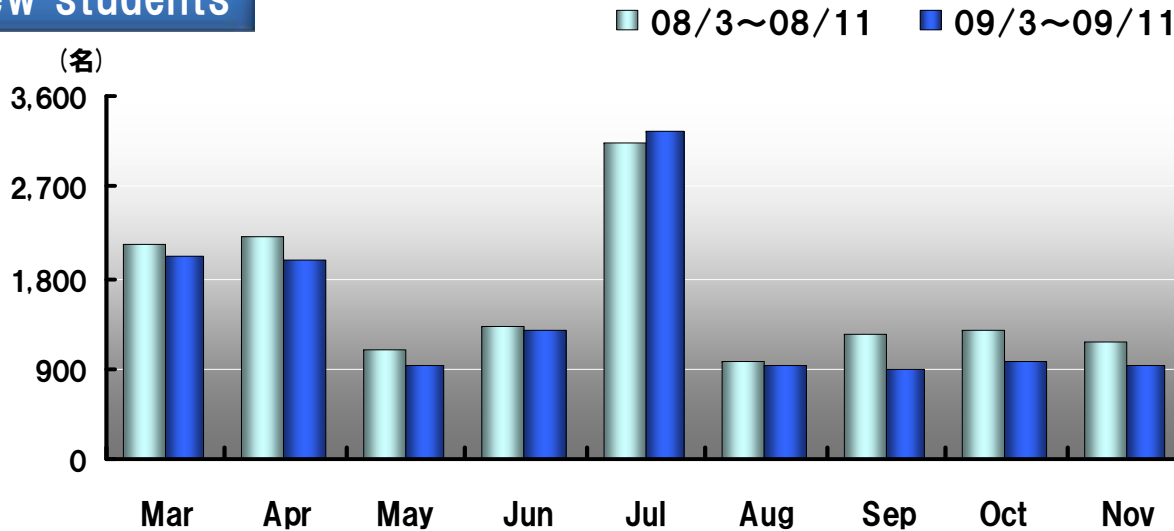
Monthly inquiry & new student

Inquiries



Total Inquiry
 [YOY] $\Delta 2,108$ 件
 $\Delta 6.8\%$

New students



Total new students
 [YOY] $\Delta 1,325$ 名
 $\Delta 9.2\%$

◆ New schools open

As of November 30, 2009 **196 schools**

(YOY +4 schools)

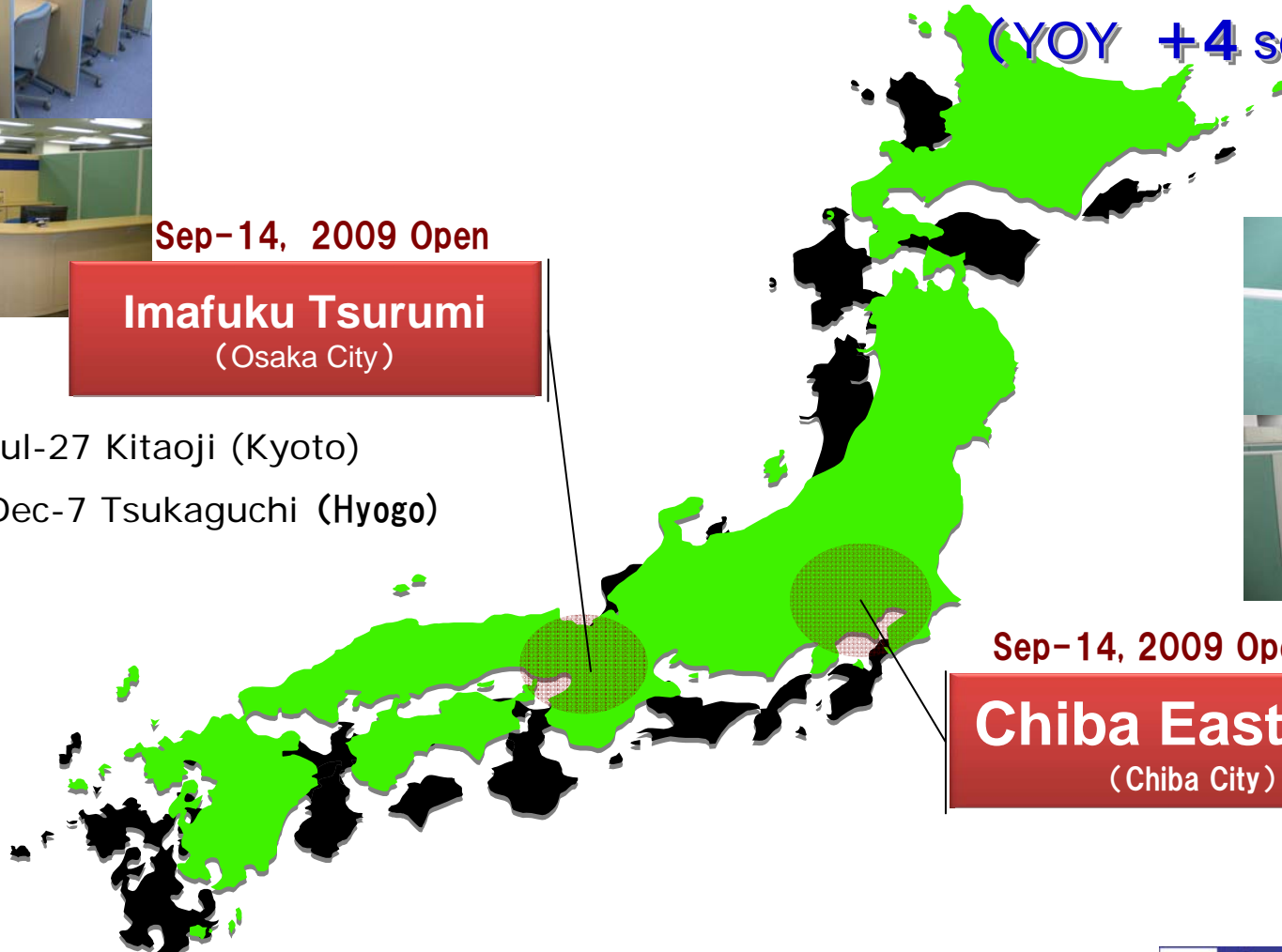


Sep-14, 2009 Open

Imafuku Tsurumi
(Osaka City)

Jul-27 Kitaoji (Kyoto)

Dec-7 Tsukaguchi (Hyogo)



Sep-14, 2009 Open

Chiba East Exit
(Chiba City)

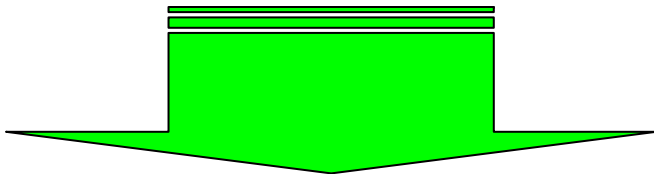
◆ Recognition

■ Deflation and price competition keen

■ Effected bad economy,

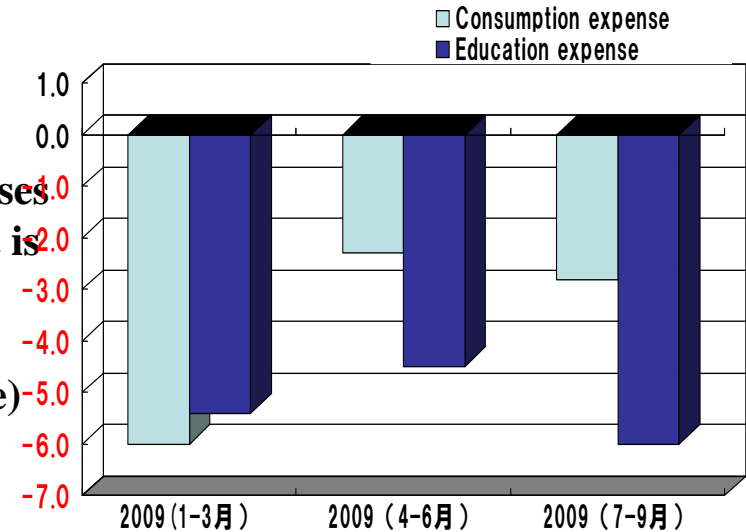
Decline of consumption and education expenses

■ Governmental child-nurturing support is followed in a mid/long term.
(child treatment and high school's making free of charge)



Total home household consumption index

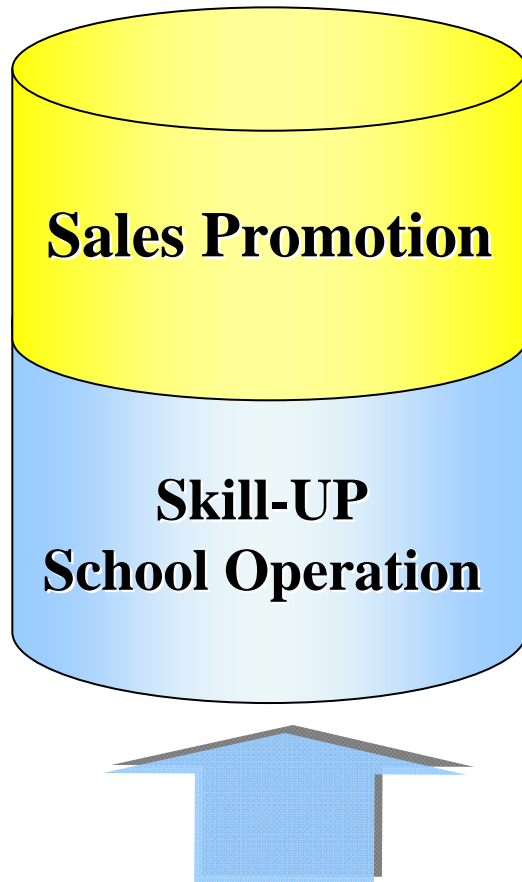
(Data from MIC、YOY(%))



- Sluggish new students
Great decrease of inquiries (especially, Junior high 1st grade and second grade)
- Non-examination students tend to pass
- Favorable winter workshop
Existing students adoption was up by Preparation and process Management

Strengthen marketing promotion for next FY

[Strategy for Growth]



Especially, preparation for Next Fiscal Year

- ◆ Strong creative advertisement
 - Targeting segment, New story for attention
 - ◆ Unified marketing with Benesse
 - For the current member of Shinkenzeni
- New implement from this spring

- Achievement of learning and communications stick to result and accomplishment of a goal cram school
- High quality counsel and improvement of satisfaction of new students based on customer's standpoint of study

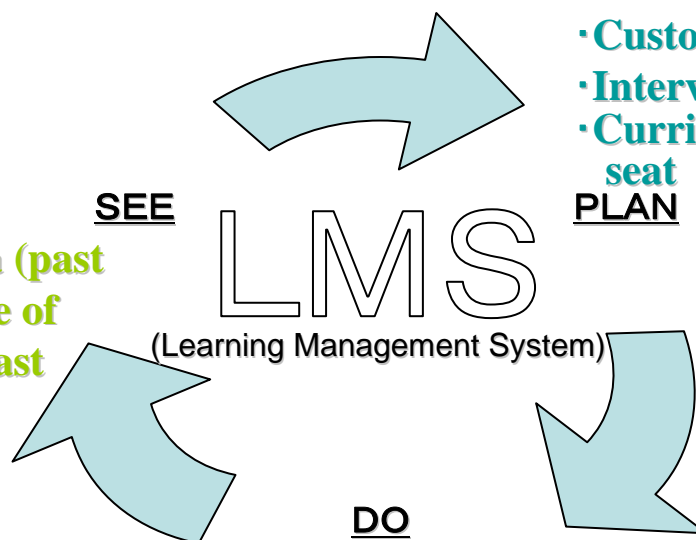
New Education Platform [LMS]

■ It differentiates greatly with the competition by the new study platform where the data base system of Benesse was integrated into TKG standard

·The result is confirmed by
"Attainment level test".

·"Confirmation test" "Unit
confirmation test"

·Use of Benesse assessment data (past
correct answer rate by data base of
Benesse and problem use that past
passing results)



·Custom-made curriculum design
·Interview seat
·Curriculum progress management
seat
PLAN

·TKG Standard practice
·TKG original Text for individual counseling
·It synchronized with the text for the class.
"Homework and maneuver text" "Confirmation test"

Course interview in winter was started depends on practice of study platform. In the high operation block, the good results have gotten in terms of persuasive power improvement in winter workshop and study unite increase etc.

IR Inquiry

Please contact to

Executive Director: Shoichi Funato

General manager of President Office: Osamu Horiguchi

TEL:03-5547-3759

e-mail: ir@tkg-jp.com

This presentation was prepared to provide information on TKG's FY Feb-2010 3rd Quarter results and management strategies. The purpose of these materials is not to solicit investments in TKG's stock or other securities.

All information in this presentation is based on data that is current as of end of November, 2009.

The company makes no guarantees regarding the accuracy or completeness of this information and retains the right to revise this information at any time with no prior notification.

<http://www.kobetsu.co.jp/>



東京個別指導学院