



FY February-2011 2Q Presentation

October 8, 2010

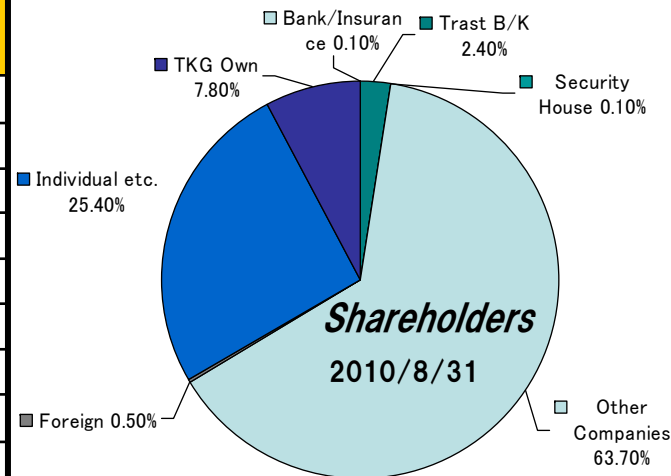
Tokyo Individualized Education Institute (4745)



Corporate Profile as of August 31, 2010

- **Established : August 1985**
- **Listing : TSE 1st in August 2003 (code;4745)**
- **C E O : Kazunari Taniyama**
- **Capital : 642.15 million yen**
- **Number of schools : 196 (Kanto 147, Kansai 37, Tokai 7, Kyushu 5)**
- **Enrollment : 24,008 students (Primary school 2,610 Junior high 9,608 Senior High 11,790)**
- **Employees : 440 (Part time teaches included 6,323)**
- **Share outstanding : 58,868,186**
- **Number of shareholders : 5,121 (as of end of Aug-2010)**

	Shareholders as of August 31, 2010	Shares	%
1	Benesse Corporation	33,610,800	61.91%
2	Shinji Baba	7,057,200	13.00%
3	SB asset management	3,315,000	6.11%
4	Takao Yasuda	1,708,100	3.15%
5	Isao Ishihara	409,500	0.75%
6	Nippon master trust B/K (TA)	316,500	0.58%
7	Nippon trusty service trust B/K (TA1)	279,900	0.52%
8	Trans Pacific Education Network	270,000	0.50%
9	Kyoko Ishihara	250,000	0.46%
10	Nippon trusty service trust B/K(TA)	243,800	0.45%



(Note) 1. In addition to above, TKG owns company stocks 4,576,700 (as of August 31, 2010).

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.





Business Results, 2Q of FY February-2011

Director: Shoich Funato

Overview

During June to August, new students, withdrawal ratio and summer workshop students exceeded budget, then sales tend to be recovered.

However, due to the sales down of lower students than expected in 1Q, sales and operating profit during 2Q were not achieved budget.



2Q of FY Feb-2011: Business Results

(million yen)

	FY Feb-11 2Q Result	FY Feb-11 2Q Original Plan	Comparison	%	【Reference】 FY Feb-10 2Q
Sales	6,612	6,993	-381	94.6%	7,195
Cost of Sales	4,115	4,204	-89	97.9%	4,211
Sales cost ration	62.2%	60.1%	-	-	58.5%
Gross Profit	2,496	2,788	-292	89.5%	2,983
Gross Margin	37.8%	39.9%	-	-	41.5%
SG & A	2,482	2,537	-55	97.8%	2,508
SG&A ratio	37.5%	36.3%	-	-	34.9%
Operating Profit	13	250	-237	5.5%	474
OP margin	0.2%	3.6%	-	-	6.6%
Recurring Profit	15	258	-243	6.0%	489
RP margin	0.2%	3.7%	-	-	6.8%
2Q Net Profit	-261	-170	-91	-	273
NP margin	-	-	-	-	3.8%





▶ Retirement of own stocks

Flexibly accomplished capital policy, improvement of the capital efficiency and enhancing shareholder's value.

Type of shares to be retired : Company's common stock

Number of retired shares : 6,401,314 (9.80% to total outstanding shares)

Expected date to be retired : April 30, 2010

※Total number of shares after retired ; 58,868,186 shares

▶ Repurchasing own shares (May 6, 2010 ~ August 31, 2010)

Flexibly accomplished capital policy, improvement of the capital efficiency and enhancing shareholder's value.

※Reference to IR information on August 31, 2010 “ Notice of Repurchasing situation and finish”

Type of shares to be repurchased : Company's common stock

Number of shares to be repurchased : 4,576,700 shares (Max 5,000,000)

(7.77% to total outstanding shares except own shares)

Total amount to be repurchased : ¥1,117,427,100 (Result)

Period to be repurchased ; May 6, 2010 to August 31, 2010



The Commemorative Dividends

This fiscal year will be 25th anniversary since establishment and 10th anniversary since IPO.

We will enforce the commemorative dividend 8 yen per share, anniversary dividend 2 yen add to normal dividend 6 yen.

	2nd Quarter	Fiscal year	Annually
Forecast (FY Feb-2011)	4 yen (OD 3 yen) (AD 1 yen)	4 yen (OD 3 yen) (AD 1yen)	8 yen (OD 6 yen) (AD 2 yen)
(Reference) Last FY (FY Feb-2010)	3 yen	3 yen	6 yen



Business Forecast for FY Feb-2011

➤ Sales	¥13,652 million
➤ Operating Profit	¥809 million
➤ Recurring Profit	¥819 million
➤ Net Profit	¥218 million
➤ E P S	¥4.03

[Assumption]

1. Recent sales tends to be recovered, however the lower students than expected during 2nd Quarter, annual business forecast was revised.
(Announced on September 22, 2010)
2. Aiming at No1 customer's dream, goal and satisfaction, not only investment to improve quality but also cost cutting and efficiency.



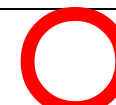
First half business overview and Second half focusing point

Director: Katsuki Saitou



1st Half Result VS. Budget

Budget VS. Result		1Q			2Q		
		March	April	May	June	July	August
New students	Plan	2,415	2,157	840	1,017	2,422	803
	Result	1,835	1,872	859	1,197	2,559	989
	Achieve %	76%	87%	102%	118%	106%	123%
Withdrawal ratio	Plan	13.28%	3.61%	3.42%	2.44%	2.96%	2.51%
	Result	14.27%	4.47%	4.09%	2.25%	2.81%	2.13%
	Achieve %	107%	124%	120%	92%	95%	85%
Total Students	Plan	20,637	22,049	22,134	22,611	24,363	24,555
	Result	19,848	20,832	20,838	21,566	23,520	24,008
	Achieve %	96%	94%	94%	95%	97%	98%
Difference		-789	-1,217	-1,296	-1,045	-843	-547

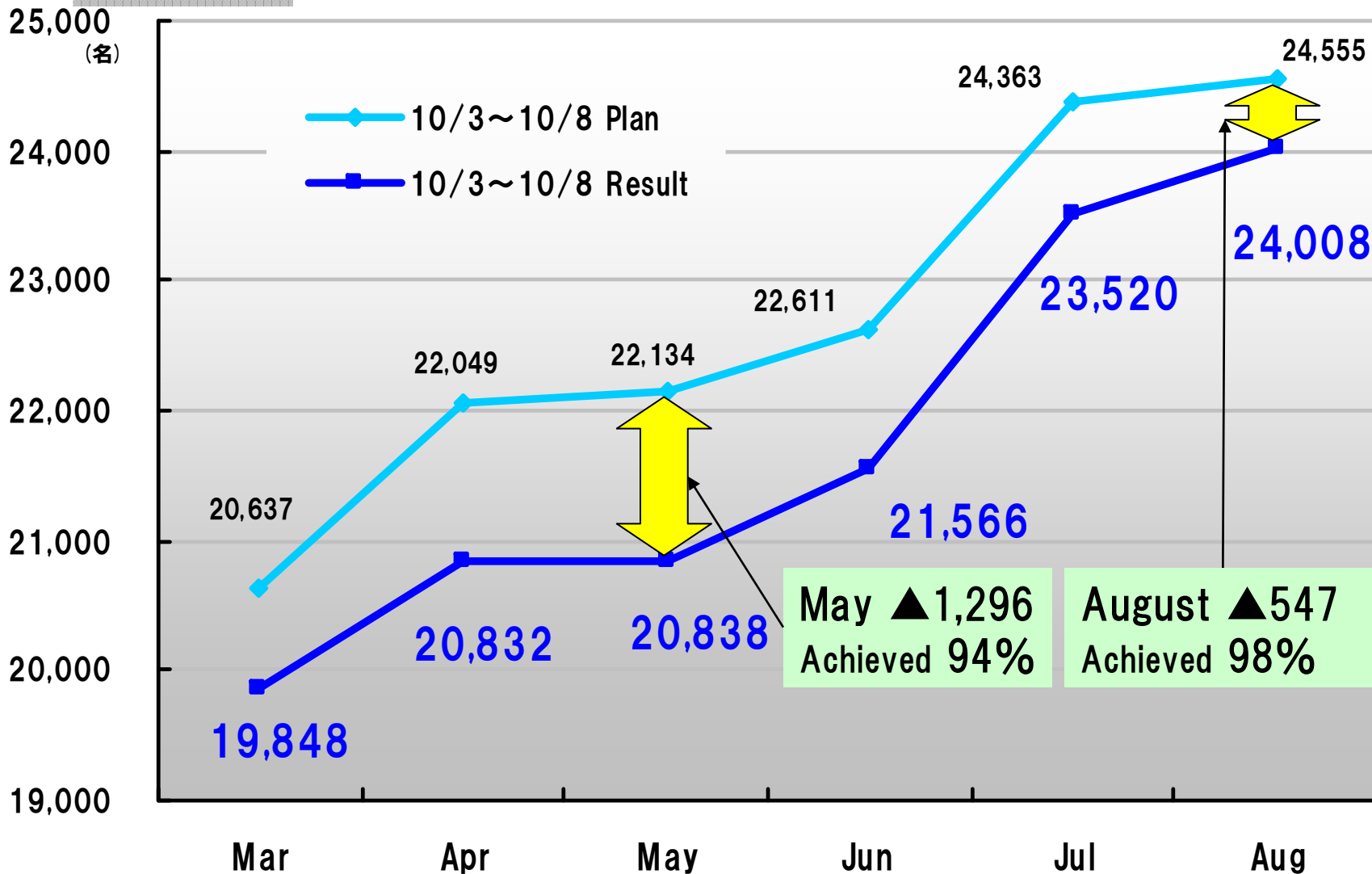


Summer Workshop Achieved **103%**



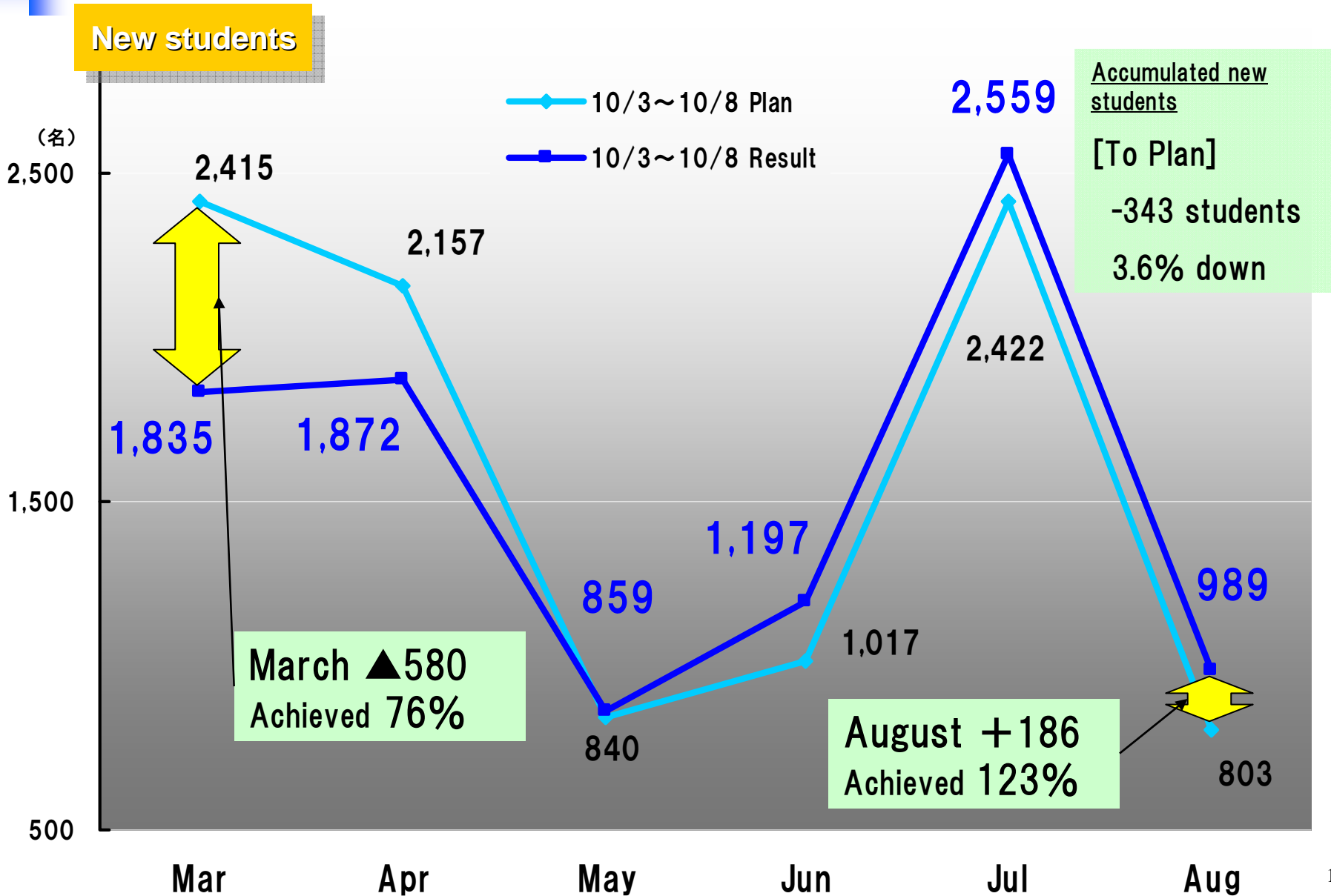
Students numbers: Results VS. Plan

Students





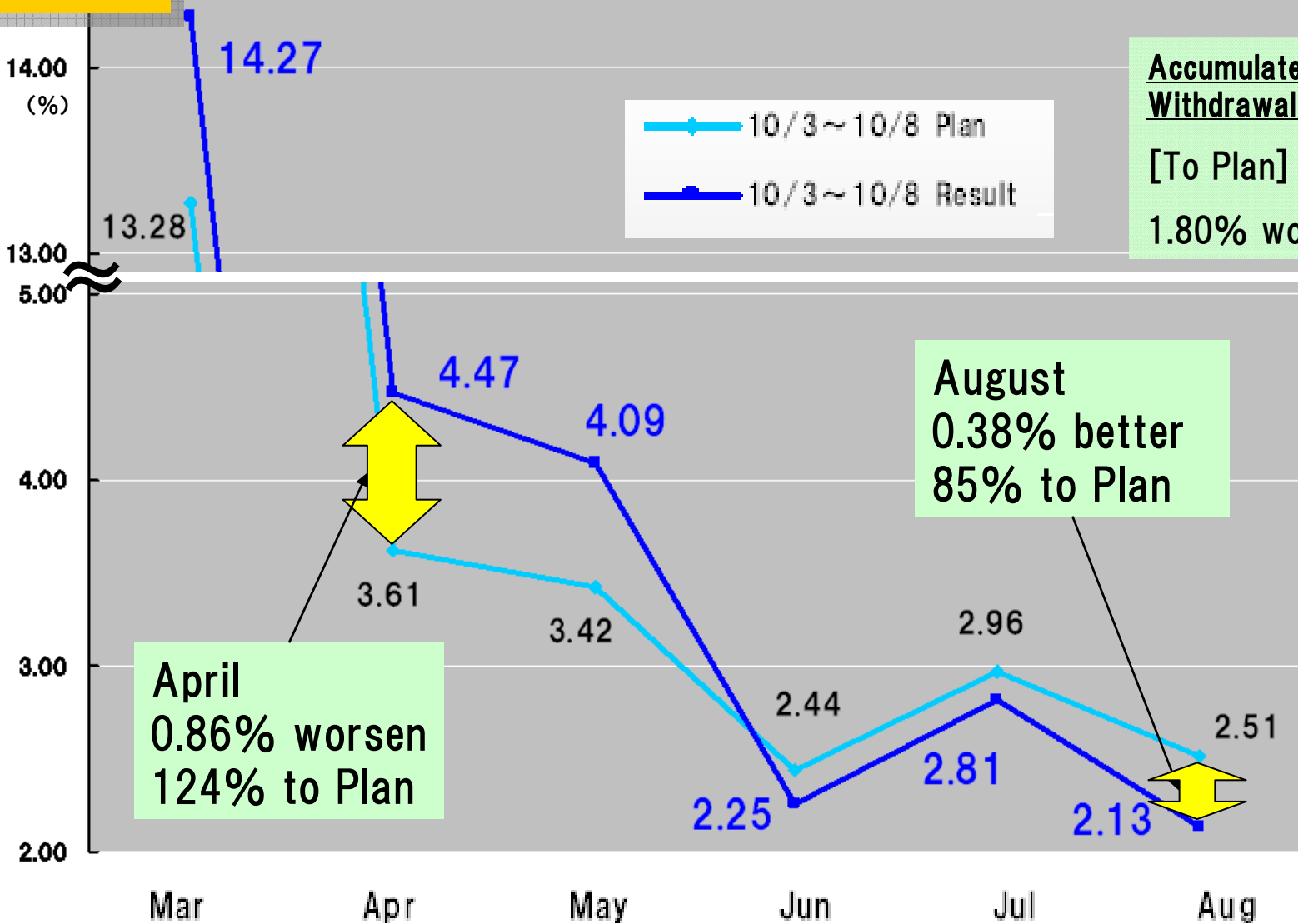
Monthly new students: Results VS. Plan



Monthly withdrawal ratio: Results VS. Plan

Withdrawal

※ Better trend under 100%



Accumulated Withdrawal ratio

[To Plan]

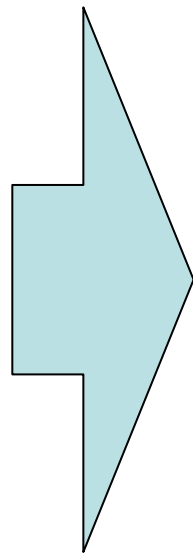
1.80% worsen

August
0.38% better
85% to Plan

April
0.86% worsen
124% to Plan

「Achievement each customer's Goal」
Business by focusing on above policy

	1Q
Business target figures	Students Number, New students, Withdrawal ratio Sales and students
Organization	Efficient management, Divide business areas according to traffic and train road
Marketing Quality	Education through together training and total meeting, Focusing on autonomy



2Q
Quality KPI setting as result improvement, class execution etc. Process importance
Result is committed to regional customer by area of high school entrance exam through the prefecture and operation division system
Supervisor visit each school and guide school head officer

The base of the instructors, the class, and the management quality improvement is in order

「Achievement each customer's Goal」

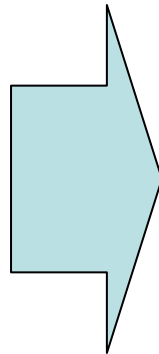
Enhancing business for above policy

2nd Half = Aiming at "Accomplishment of a goal" at the examination and the school year ends

- ◆ Strengthening guidance that makes success entrance exam at aiming school and improvement year end results at school
- ◆ Early Preparation and result confirmation of winter workshop
- ◆ Proposing study plan for the next fiscal year → Strengthening continuance study for upgrade

Favorable since 2Q

- ① Withdrawal ratio
 - ② New students
- continue to 2nd Half**



Fixing 「Growth trend」

Aiming at increase students for FY 2011



Business Strategy

President and CEO : Kazunari Taniyama



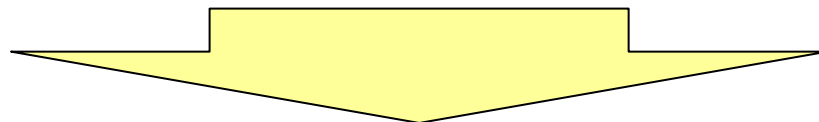


[Strategic quality improvement]

「Offer value」 is strength of 「Business」

Contents & Strength of “Commitment to customer”
(Beyond expectation = Accordance 「Offer」 & 「Results」)

Commitment Quality



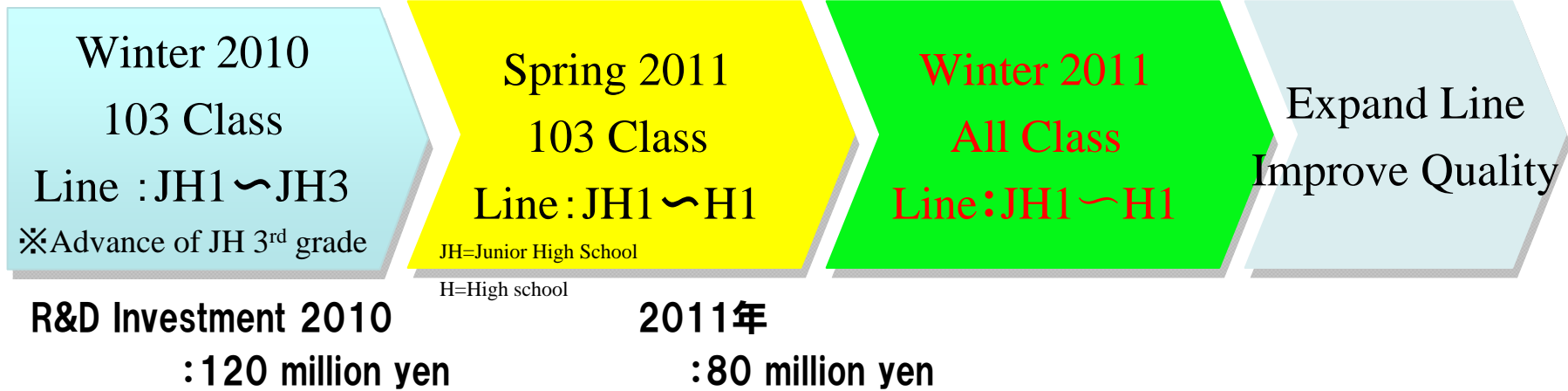
コ ネット スタイル

CONET STYLE





◆ All classroom introduction **in the winter 2011** with moving up one year



By being concentrated the knowhow of the individual education that accumulated for 25 years since establishes, TKG aims at all classroom introduction of “Conet Style” and the expansion the line-up and the quality improvement



Management Policy for next fiscal year

「* Age of Re-growth」

「*Re-growth」=3 Points exceed previous result

FY 2011「Re-growth」

Growth Sales & Profit

(million yen)

Focusing Figures	2009 Result	2010 Forecast	2011 PLAN
Sales	14,820	13,650	○
Operating Profit	1,620	810	○
Total Students	21,012	20,029	○



IR Inquiry

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This presentation was prepared to provide information on TKG's FY Feb-2011 2Q 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 August, 2010. 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.