

Summary

Consolidated Financial Results for the Fiscal Year Ended March 31, 2019 <JGAAP>

May 15, 2019

Company name: TAC CO., Ltd.
 Listing: Tokyo Stock Exchange
 Company code number: 4319
 URL: <http://www.tac-school.co.jp>
 Representative: Toshio Tada, Representative Director
 Contact: Shoji Nonaka, Manager of IR department Tel: +81-3-5276-8913
 Scheduled date of ordinary general meeting of shareholders: June 26, 2019
 Scheduled date to commence dividend payments: June 27, 2019
 Scheduled date to submit the annual securities report: June 27, 2019
 Supplemental information for financial statements: Yes
 Results briefing session: Yes (for investors and analysts)

(Amounts rounded down to the nearest million yen)

1. Consolidated financial results for the fiscal year ended March 2019 (From April 1, 2018 to March 31, 2019)

(1) Consolidated financial results

(% indicates changes from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Yen in Millions	%	Yen in Millions	%	Yen in Millions	%	Yen in Millions	%
FY2018 (Apr.1,2018-Mar.31,2019)	20,474	-2.3	340	-59.1	409	-44.3	309	-30.0
FY2017 (Apr.1,2017-Mar.31,2018)	20,951	2.5	833	16.9	735	6.2	442	-9.7

(Note) Comprehensive income: FY 2018(2019/3) 337 million yen (-17.3%), FY 2017(2018/3) 407 million yen (-14.2%)

	Profit per share	Fully diluted profit per share	Ratio of return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
FY2018 (Apr.1,2018-Mar.31,2019)	16.74	-	5.7	1.9	1.7
FY2017 (Apr.1,2017-Mar.31,2018)	23.93	-	8.6	3.4	4.0

(Note) Share of profit of entities accounted for using equity method: FY2018 (2019/3) 9million yen, FY2017 (2018/3) 5 million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Yen in Millions	Yen in Millions	%	Yen
FY2018 (As of Mar.31,2019)	21,486	5,498	25.6	296.83
FY2017 (As of Mar.31,2018)	21,618	5,291	24.5	285.70

(Note) Equity: FY 2018 (2019/3) 5,492 million yen, FY2017 (2018/3) 5,286 million yen

(3) Consolidated statement of cash flow

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Yen in Millions	Yen in Millions	Yen in Millions	Yen in Millions
FY2018 (Apr.1,2018-Mar.31,2019)	93	372	-242	5,165
FY2017 (Apr.1,2017-Mar.31,2018)	534	-960	-1,209	4,943

2. Dividends

	Annual dividends per share					Total amount of dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter	2nd quarter	3rd quarter	4th quarter	Total			
FY2018 (Apr.1,2018-Mar.31,2019)	Yen -	Yen 2.00	Yen -	Yen 3.00	Yen 5.00	Yen in Millions 92	% 20.9	% 1.8
FY2017 (Apr.1,2017-Mar.31,2018)	-	4.00	-	4.00	8.00	148	47.8	2.7
FY 2019 (Forecast)	-	2.00	-	3.00	5.00		92.5	

**3. Forecasts of consolidated financial results for the fiscal year ending March 2020
(From April 1, 2019 to March 31, 2020)**

(% indicates changes from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Yen in Millions	%	Yen in Millions	%	Yen in Millions	%	Yen in Millions	%	Yen
Half year	10,951	0.9	810	-6.0	817	-4.5	388	-34.8	20.97
Full year	20,430	-0.2	320	-6.1	322	-21.4	100	-67.7	5.40

*** Notes**

(1) Significant changes in scope of consolidation (Changes in consolidated subsidiaries): None

(2) Changes in accounting policies, changes in accounting estimates, and restatements

(2)-1 Changes in accounting policies due to the revision of accounting standards: None

(2)-2 Changes in accounting policies other than (2)-1: None

(2)-3 Changes in accounting estimates: None

(2)-4 Restatements: None

(3) Number of shares issued (common stocks)

(3)-1 Number of shares issued at the end of the fiscal year (including treasury shares)

FY18	18,504,000 shares	FY17	18,504,000 shares
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(3)-2 Number of treasury shares at the end of the fiscal year

FY18	68 shares	FY17	68 shares
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(3)-3 Average number of shares during the period

FY18	18,503,932 shares	FY17	18,503,932 shares
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(Reference) Summary of the non-consolidated financial results

**1. Non-Consolidated financial results for the fiscal year ended March 2019
(From April 1, 2018 to March 31, 2019)****(1) Non-consolidated financial results**

(% indicates changes from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit	
	Yen in Millions	%	Yen in Millions	%	Yen in Millions	%	Yen in Millions	%
FY2018 (Apr.1,2018-Mar.31,2019)	19,584	-2.3	101	-84.2	197	-63.4	149	-48.6
FY2017 (Apr.1,2017-Mar.31,2018)	20,054	2.4	640	37.1	540	12.8	290	-16.5

	Profit per share	Fully diluted profit per share
	Yen	Yen
FY2018 (Apr.1,2018-Mar.31,2019)	8.08	-
FY2017 (Apr.1,2017-Mar.31,2018)	15.72	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Yen in Millions	Yen in Millions	%	Yen
FY2018 (As of Mar.31,2019)	19,909	4,133	20.8	223.40
FY2017 (As of Mar.31,2018)	20,205	4,085	20.2	220.78

(Note) Shareholders' equity: FY 2018 (2019/3) 4,133 million yen, FY 2017 (2018/3) 4,085 million yen

**2. Forecasts of non-consolidated financial results for the fiscal year ending March 2020
(From April 1, 2019 to March 31, 2020)**

(% indicates changes from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Half year	10,580	1.8	770	9.5	940	28.5	533	4.4	28.80
Full year	19,600	0.1	200	97.5	365	84.7	190	27.1	10.27

* This "Consolidated Financial Results" are outside the scope of the audit.

* Explanation of proper use of financial forecasts and other special notes:

The above forecasts are based on the information available at this time and on assumptions deemed to be reasonable. Therefore, the actual financial results may differ significantly from the forecasts due to various factors.

Consolidated financial statements and notes**(1) Consolidated balance sheet**

(Yen in Thousands)

	FY2017 (As of Mar.31,2018)	FY2018 (As of Mar.31,2019)
Assets		
Current assets		
Cash and deposits	4,973,428	5,195,516
Notes and accounts receivable - trade	3,781,337	3,871,213
Securities	700,100	100,099
Merchandise and Finished goods	333,344	409,347
Work in process	28,252	29,097
Raw materials and supplies	331,436	346,231
Beneficiary right in safeguarding and trust system for advance payments	560,647	537,709
Other	397,761	415,491
Allowance for doubtful accounts	-3,668	-3,121
Total current assets	11,102,640	10,901,585
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,657,284	1,566,722
Machinery, equipment and vehicles, net	8,616	5,847
Tools, furniture and fixtures, net	121,257	132,760
Land	2,744,159	2,744,159
Leased assets, net	72,746	58,759
Total property, plant and equipment	4,604,063	4,508,249
Intangible assets		
Other	351,879	331,329
Total intangible assets	351,879	331,329
Investments and other assets		
Investment securities	1,168,401	1,319,903
Investments in capital of subsidiaries and associates	15,010	15,810
Deferred tax assets	367,063	410,661
Long-term time deposits	100,000	100,000
Guarantee deposits	2,919,939	2,933,307
Insurance funds	919,657	747,116
Other	115,830	264,251
Allowance for doubtful accounts	-46,120	-46,056
Total Investments and other assets	5,559,783	5,744,995
Total non-current assets	10,515,726	10,584,573
Total assets	21,618,367	21,486,158

(Yen in Thousands)

	FY2017 (As of Mar.31,2018)	FY2018 (As of Mar.31,2019)
Liabilities		
Current Liabilities		
Notes and accounts payable - trade	473,104	524,932
Short-term loans payable	790,000	1,390,000
Current portion of long-term loans payable	1,473,696	1,232,294
Income taxes payable	162,250	51,079
Provision for sales returns	413,117	505,634
Provision for loss on abandonment of sales return	343,454	315,185
Provision for bonuses	175,202	190,880
Asset retirement obligations	4,629	8,764
Advances received	6,284,424	6,044,370
Other	1,163,733	1,238,144
Total current liabilities	11,283,611	11,501,284
Non-current liabilities		
Long-term loans payable	4,202,656	3,755,023
Long-term accounts payable - directors' retirement benefits	119,397	25,077
Provision for repairs	37,300	37,300
Asset retirement obligations	627,651	628,843
Other	55,766	39,897
Total non-current liabilities	5,042,772	4,486,141
Total liabilities	16,326,383	15,987,426
Net assets		
Shareholders' equity		
Capital stock	940,200	940,200
Capital surplus	790,547	790,547
Retained earnings	3,591,799	3,771,989
Treasury shares	-25	-25
Total shareholders' equity	5,322,522	5,502,711
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-54,700	-26,075
Foreign currency translation adjustment	18,740	15,834
Total accumulated other comprehensive income	-35,960	-10,241
Non-controlling interests	5,421	6,262
Total net assets	5,291,983	5,498,732
Total liabilities and net assets	21,618,367	21,486,158

(2) Consolidated statement of income and consolidated statement of comprehensive income

(Consolidated statement of income)

(Yen in Thousands)

	FY2017 (Apr.1,2017-Mar.31,2018)	FY2018 (Apr.1,2018-Mar.31,2019)
Net sales	20,951,466	20,474,965
Cost of sales	12,333,301	12,376,278
Gross profit	8,618,164	8,098,687
Reversal of provision for sales returns	353,500	413,117
Provision for sales returns	413,117	505,634
Gross profit - net	8,558,547	8,006,170
Selling, general and administrative expenses	7,724,590	7,665,403
Operating profit	833,957	340,767
Non-operating income		
Interest income	23,019	18,904
Dividend income	21	27
Commission fee	3,922	4,642
Gain on investments in investment securities	13,698	11,850
Share of profit of entities accounted for using equity method	5,448	9,014
Insurance claim income	-	70,589
Other	4,185	6,618
Total non-operating income	50,294	121,645
Non-operating expenses		
Interest expenses	54,407	46,649
Commission fee	53,132	5,155
Bad debts expenses	20,000	-
Other	21,084	768
Total non-operating expenses	148,624	52,573
Ordinary profit	735,627	409,839
Extraordinary losses		
Loss on sales and retirement of non-current assets	404	3,688
Impairment loss	12,037	1,616
Loss on valuation of investments in capital of subsidiaries and associates	20,092	-
Total extraordinary losses	32,535	5,305
Profit before income taxes	703,092	404,534
Income taxes - current	271,246	149,449
Income taxes - deferred	-12,436	-56,231
Total income taxes	258,809	93,218
Profit	444,282	311,315
Profit attributable to non-controlling interests	1,520	1,598
Profit attributable to owners of parent	442,762	309,716

(Consolidated statement of comprehensive income)

(Yen in Thousands)

	FY2017 (Apr.1,2017-Mar.31,2018)	FY2018 (Apr.1,2018-Mar.31,2019)
Profit	444,282	311,315
Other comprehensive income		
Valuation difference on available-for-sale securities	-40,863	28,625
Foreign currency translation adjustment	3,751	-2,682
Share of other comprehensive income of entities accounted for using equity method	276	-224
Total other comprehensive income	-36,835	25,718
Comprehensive income	407,447	337,034
(Breakdown)		
Comprehensive income attributable to owners of parent	405,927	335,435
Comprehensive income attributable to non-controlling interests	1,520	1,598

(3) Consolidated statement of changes in net assets

Previous fiscal year (April 1, 2017 - March 31, 2018)

(Yen in Thousands)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	940,200	790,547	3,223,053	-25	4,953,775
Changes of items during period					
Dividends of surplus			-74,015		-74,015
Profit attributable to owners of parent			442,762		442,762
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	368,746	-	368,746
Balance at end of current period	940,200	790,547	3,591,799	-25	5,322,522

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of current period	-13,837	14,712	874	4,650	4,959,300
Changes of items during period					
Dividends of surplus					-74,015
Profit attributable to owners of parent					442,762
Net changes of items other than shareholders' equity	-40,863	4,028	-36,835	771	-36,063
Total changes of items during period	-40,863	4,028	-36,835	771	332,683
Balance at end of current period	-54,700	18,740	-35,960	5,421	5,291,983

Current fiscal year (April 1, 2018 - March 31, 2019)

(Yen in Thousands)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	940,200	790,547	3,591,799	-25	5,322,522
Changes of items during period					
Dividends of surplus			-129,527		-129,527
Profit attributable to owners of parent			309,716		309,716
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	180,189	-	180,189
Balance at end of current period	940,200	790,547	3,771,989	-25	5,502,711

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of current period	-54,700	18,740	-35,960	5,421	5,291,983
Changes of items during period					
Dividends of surplus					-129,527
Profit attributable to owners of parent					309,716
Net changes of items other than shareholders' equity	28,625	-2,906	25,718	840	26,559
Total changes of items during period	28,625	-2,906	25,718	840	206,748
Balance at end of current period	-26,075	15,834	-10,241	6,262	5,498,732

(4) Consolidated statement of cash flows

(Yen in Thousands)

	FY2017 (Apr.1,2017-Mar.31,2018)	FY2018 (Apr.1,2018-Mar.31,2019)
Cash flows from operating activities		
Profit (loss) before income taxes	703,092	404,534
Depreciation	290,246	292,632
Impairment loss	12,037	1,616
Increase (decrease) in allowance for doubtful accounts	160	-611
Increase (decrease) in provision for bonuses	101,181	15,677
Increase (decrease) in provision for sales returns	59,617	92,516
Increase (decrease) in provision for loss on abandonment of sales return	-15,490	-28,269
Interest and dividend income	-23,040	-18,931
Insurance claim income	-	-70,589
Interest expenses	54,407	46,649
Commission fee	53,132	-
Share of loss (profit) of entities accounted for using equity method	-5,448	-9,014
Loss (gain) on sales and retirement of non-current assets	404	3,688
Loss(gain) on investments in investment securities	-13,698	-11,850
Loss on valuation of investments in capital	20,092	-
Decrease (increase) in notes and accounts receivable - trade	-333,329	-90,047
Decrease (increase) in inventories	-62,216	-91,641
Decrease (increase) in other receivable	-9,117	-17,772
Increase (decrease) in notes and accounts payable - trade	22,124	51,921
Increase (decrease) in advances received	21,742	-240,053
Increase (decrease) in beneficiary right in safeguarding and trust system for advance payment	-90,247	22,937
Increase (decrease) in other liabilities	56,262	11,791
Other, net	45,027	5,320
Sub-total	886,940	370,505
Interest and dividend income received	30,687	26,888
Interest expenses paid	-54,300	-46,760
Income taxes paid	-329,116	-256,817
Income taxes refund	0	1
Net cash provided by operating activities	534,212	93,818
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	200,000	-
Purchase of securities	-700,000	-100,000
Proceeds from sales and redemption of securities	-	700,000
Purchase of property, plant and equipment	-105,855	-106,579
Proceeds from sales of property, plant and equipment	-	66
Payments for restoration	-15,287	-7,235
Purchase of intangible assets	-152,995	-99,679
Purchase of investment securities	-569,923	-203,495
Proceeds from sales and redemption of investment securities	411,268	98,664
Payments of loans receivable	-20,000	-
Collection of loans receivable	6,000	9,271
Payments for guarantee deposits	-28,452	-22,739
Proceeds from collection of guarantee deposits	34,540	8,836
Purchase of insurance funds	-	-264,104
Proceeds from maturity of insurance funds	-	359,738
Other, net	-20,000	-
Net cash provided by (used in) investing activities	-960,705	372,744

	FY2017 (Apr.1,2017-Mar.31,2018)	FY2018 (Apr.1,2018-Mar.31,2019)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	-10,000	600,000
Proceeds from long-term loans payable	1,050,000	949,900
Repayments of long-term loans payable	-2,102,284	-1,638,935
Cash dividends paid	-73,424	-128,730
Dividends paid to non-controlling interests	-748	-758
Repayments of lease obligations	-22,115	-23,897
Other, net	-50,788	-
Net cash provided by (used in) financing activities	-1,209,361	-242,420
Effect of exchange rate change on cash and cash equivalents	-4,998	-2,057
Net increase (decrease) in cash and cash equivalents	-1,640,854	222,084
Cash and cash equivalents at the beginning of the year	6,584,005	4,943,151
Cash and cash equivalents at the end of the year	4,943,151	5,165,236

(5) Note for Consolidated Financial Statement

(Going-Concern Assumption)

Not applicable.

(Changes in presentation method)

Changes relating to the application of the "Partial Amendments to Accounting Standard for Tax Effect Accounting"

The "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28 on February 16, 2018) has been applied from the beginning of the current fiscal year (from April 1, 2018 to March 31, 2019). "Deferred tax assets" are presented in "Investments and other assets" and Deferred tax liabilities are presented in "Long-term liabilities."

As a result, with respect to the balance sheet of the previous fiscal year ended March 31, 2018, "Deferred tax assets" in "Current assets" of ¥359,183 thousand is included "Deferred tax assets" in "Investment and other assets" of ¥367,063 thousand.

(Segment information)

1. Summary of reporting segments

TAC's reporting segments are components of the company about which separate financial information is available that is evaluated regularly by the board of directors in deciding how to allocate resources and in assessing performance.

TAC principally plans and operates preparatory courses to acquire license qualifications and is divided into four reporting segments: "Personal Education", "Corporate Training", "Publishing" and "Manpower Business". Classifications are based on similarity of target market and type of products.

Details of each segment are as follows:

- Personal Education segment: Preparatory courses for individual members including working people and university students.
- Corporate Training segment: Training programs to acquire license qualifications and specialized knowledge required for work in private companies, accounting firms, universities and colleges, etc.
- Publishing segment: Sales of original textbooks using the know-how accumulated over the years through personal education and corporate training programs at bookstores and university co-ops, and sales of various books at each school.
- Manpower Business segment: Manpower placement, manpower dispatching and job advertisement

2. Methods to determine net sales, profit or loss, assets, liabilities and other items by reporting segment

The accounting methods used for reporting segment complies with the accounting policy used for reporting the consolidated financial statements.

In the business of TAC, total tuition fees are paid by the student upon application for a particular course which is credited to tuition advances (liability) and reduced to recognize sales on an accrual basis in the relevant accounting periods (monthly basis) in which the service is provided to the student. Sales recorded in the income statement are sales subsequent to adjustment of tuition advances (sales on an accrual basis). Unless applications for educational courses are made, no transfer will be made from tuition advances. Accordingly, we attach great importance to sales before adjustment of tuition advances (sales on a cash basis) for business management purposes. For this reason, sales and operating profit/loss before adjustment of tuition advances (cash basis) are used for reporting segments.

Profit by reporting segment is stated on operating profit basis. Intersegment profit or transfer is based on market prices.

3. Information about net sales, profit or loss, assets, liabilities and other items by the reporting segments

Previous fiscal year (April 1, 2017 - March 31, 2018)

(Yen in Thousands)

	Reporting segments				Total
	Personal Education	Corporate Training	Publishing	Manpower Business	
I Net sales					
(1) External customers	12,533,956	4,318,485	3,416,397	698,276	20,967,115
(2) Intersegment and transfer	2,141	-	58	56,704	58,903
Total	12,536,097	4,318,485	3,416,455	754,981	21,026,019
Segment profit (loss)	162,470	1,135,488	596,569	104,502	1,999,030
II Other					
Depreciation	199,927	22,003	9,690	6,151	237,772
Amortization of goodwill	-	-	-	-	-

(Note) Segment assets are not reported as they are not allocated to segments.

Current fiscal year (April 1, 2018 - March 31, 2019)

(Yen in Thousands)

	Reporting segments				Total
	Personal Education	Corporate Training	Publishing	Manpower Business	
I Net sales					
(1) External customers	11,790,613	4,256,276	3,562,269	643,980	20,253,139
(2) Intersegment and transfer	3,530	-	-	61,021	64,551
Total	11,794,143	4,256,276	3,562,269	705,001	20,317,691
Segment profit (loss)	-545,228	988,826	686,409	105,469	1,235,476
II Other					
Depreciation	185,479	30,262	10,692	10,283	236,718
Amortization of goodwill	-	-	-	-	-

(Note) Segment assets are not reported as they are not allocated to segments.

4. Difference between the total amounts of the reporting segments and the amounts of the consolidated financial statements, and the main components of the difference (matters related to adjustment of difference)

(Yen in Thousands)

Net sales	Previous fiscal year (Apr.1, 2017 - Mar.31, 2018)	Current fiscal year (Apr.1, 2018 - Mar.31, 2019)
Total net sales of the reporting segments	21,026,019	20,317,691
Adjustment of tuition advances	-15,649	221,826
Elimination of Intersegment transactions	-58,903	-64,551
Net sales of the consolidated financial statements	20,951,466	20,474,965

Profit (loss)	Previous fiscal year (Apr.1, 2017 - Mar.31, 2018)	Current fiscal year (Apr.1, 2018 - Mar.31, 2019)
Total operating profit of the reporting segments	1,999,030	1,235,476
Adjustment of tuition advances	-15,649	221,826
Corporate expenses *	-1,149,423	-1,116,535
Operating profit of the consolidated financial statements	833,957	340,767

* "Corporate expenses" are mainly general administration expenses that do not belong to any reporting segments.

(Related information)

Previous fiscal year (April 1, 2017 - March 31, 2018)

1. Information by each product and service

Descriptions are omitted since similar information is reported in the "Segment information".

2. Geographical information

(1) Net sales

Descriptions are omitted since net sales to external customers in Japan exceed over 90% of net sales reported on the consolidated statement of income.

(2) Property, plant and equipment

Descriptions are omitted since amount of the property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment in the consolidated balance sheet.

3. Information by each major customer

Descriptions are omitted since no single customer accounts for 10% or more of the net sales in the consolidated statement of income.

Current fiscal year (April 1, 2018 - March 31, 2019)

1. Information by each product and service

Descriptions are omitted since similar information is reported in the "Segment information".

2. Geographical information

(1) Net sales

Descriptions are omitted since net sales to external customers in Japan comprise over 90% of net sales reported on the consolidated statements of income.

(2) Property, plant and equipment

Descriptions are omitted since amount of the property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment in the consolidated balance sheet.

3. Information by each major customer

Descriptions are omitted since no single customer accounts for 10% or more of the net sales in the consolidated statement of income.

(Information related to impairment on non-current assets by each reporting segment)

Previous fiscal year (April 1, 2017 - March 31, 2018)

In the personal education segment, impairment of features (Buildings and Structures) that are no longer expected to be used due to reduce floor is ¥932 thousands and impairment of features (Buildings and Structures) of the school in Sapporo is ¥11,104 thousands due to the decrease in profitability. The features posted as extraordinary loss, have not been allocated to reporting segments.

Current fiscal year (April 1, 2018 - March 31, 2019)

In the personal education segment, impairment of features (Buildings and Structures) that are no longer expected to be used due to reduce floor is ¥1,616 thousands. The features posted as extraordinary loss, have not been allocated to reporting segments.

(Information on amortization of goodwill and unamortized balance by each reporting segment)

Previous fiscal year (April 1, 2017 - March 31, 2018)

Not applicable.

Current fiscal year (April 1, 2018 - March 31, 2019)

Not applicable.

(Information on gain on negative goodwill by each reporting segment)

Previous fiscal year (April 1, 2017 - March 31, 2018)

Not applicable.

Current fiscal year (April 1, 2018 - March 31, 2019)

Not applicable.

(Per share information)

	Previous fiscal year (Apr.1, 2017 - Mar.31, 2018)	Current fiscal year (Apr.1, 2018 - Mar.31, 2019)
Net assets per share	¥ 285.70	¥ 296.83
Profit per share	¥ 23.93	¥ 16.74

(Note)

1. Fully diluted profit per share is not stated since TAC does not have residual securities.

2. The basis of calculations of profit per share is as follows:

	Previous fiscal year (Mar.31, 2018)	Current fiscal year (Mar.31, 2019)
Profit attributable to owners of parent (thousands of yen)	442,762	309,716
Amount not attributable to common stockholders (Yen in thousands)	-	-
Profit attribute to owners to parent related to common stock (Yen in thousands)	442,762	309,716
Average number of shares outstanding during the year (shares)	18,503,932	18,503,932

3. The basis of calculations of net assets per share is as follows:

	Previous fiscal year (Mar.31, 2018)	Current fiscal year (Mar.31, 2019)
Total net assets (thousands of yen)	5,291,983	5,498,732
Amount deducted from the total net assets (thousands of yen)	5,421	6,262
[Non-controlling interests (thousands of yen)	(5,421)	(6,262)
Net assets related to common stock (thousands of yen)	5,286,562	5,492,470
Number of common stock used to calculate net asset per share at the end of the fiscal year (shares)	18,503,932	18,503,932

(Significant subsequent events)

Not applicable.