

# INVESTORS' GUIDE 2011

NICHII GAKKAN COMPANY



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## Our Principles / Our Philosophy

### Our Principles

**Integrity, Pride, and  
Passion**

### Our Philosophy

We believe in serving society with integrity, acting with pride as we carry out our business's social mission, and striving with youthful passion for an unlimited future.

At Nichii, we are committed to helping people live healthier, happier lives.

### Forward-looking Statements

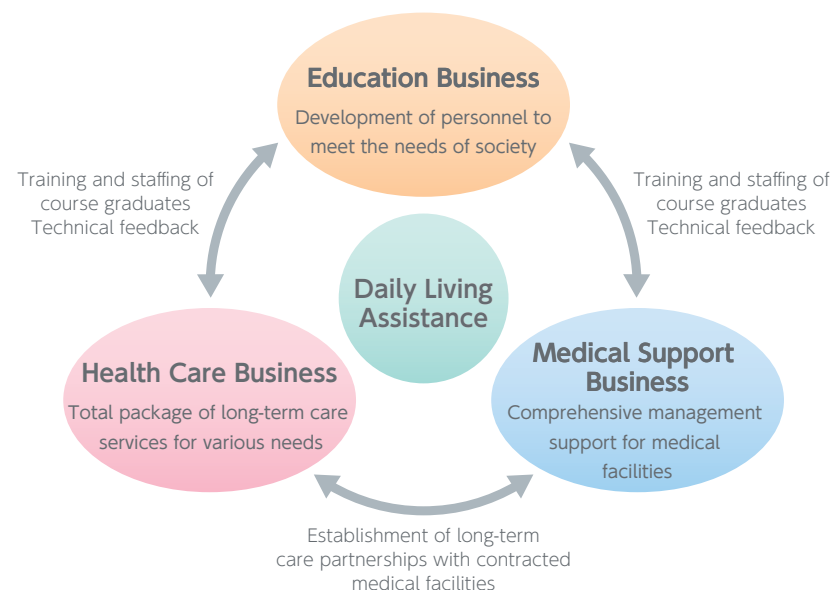
Earnings forecasts and other statements regarding future performance are made based on management's assessment of information currently available to Nichii Gakkan. Please be reminded that certain risks and uncertainties may cause the Company's actual results to differ materially from any projections presented herein.

## Nichii — An Expert Provider of Total Life Services

Since its founding in 1968, Nichii Gakkan has focused on three main businesses as a leader in the medical and long-term care sectors. In the Medical Support Business, we provide outsourcing services, such as medical office administration at medical facilities. In the Health Care Business, we provide a total package of long-term care services that encompass everything from at-home and facility care services to non-insured long-term care. In the Education Business, we develop excellent human resources for the medical and long-term care sectors.

## | From Education to Employment |

Through our Education Business, we develop personnel to provide the wide-ranging services and support offered by our Medical Support Business and Health Care Business. By securing and developing excellent human resources in the medical and long-term care sectors, an undertaking which is often not successful, we will fortify our leading position in this growing market.



## At a Glance

### Medical Support Business



Number of contracts with medical facilities Approx. 11,000

Number of medical office administration staff Approx. 48,000

No. 1 Share of the Medical Office Administration Industry

1st Nichii Gakkan 54.5%

2nd A company 26.5%

\*Fiscal 2010 results  
(Source: Nichii Gakkan estimate based on the *Health-related Services Survey Report*)

### Health Care Business



Number of long-term care locations Approx. 1,300

Number of long-term care staff Approx. 36,000

Number of long-term care users Approx. 130,000

No. 1 in the Industry in the Number of Facility Care Service Locations

1st Nichii Gakkan 317

2nd A company 208

3rd B company 184

\*As of July 2011  
(Source: *Koureisha-Jutaku Shimben*)

### Education Business



Number of classrooms Approx. 500

Number of course graduates Approx. 1,500,000

No. 3 in Sales in the Education-related Industry

1st A company 17,326 million yen

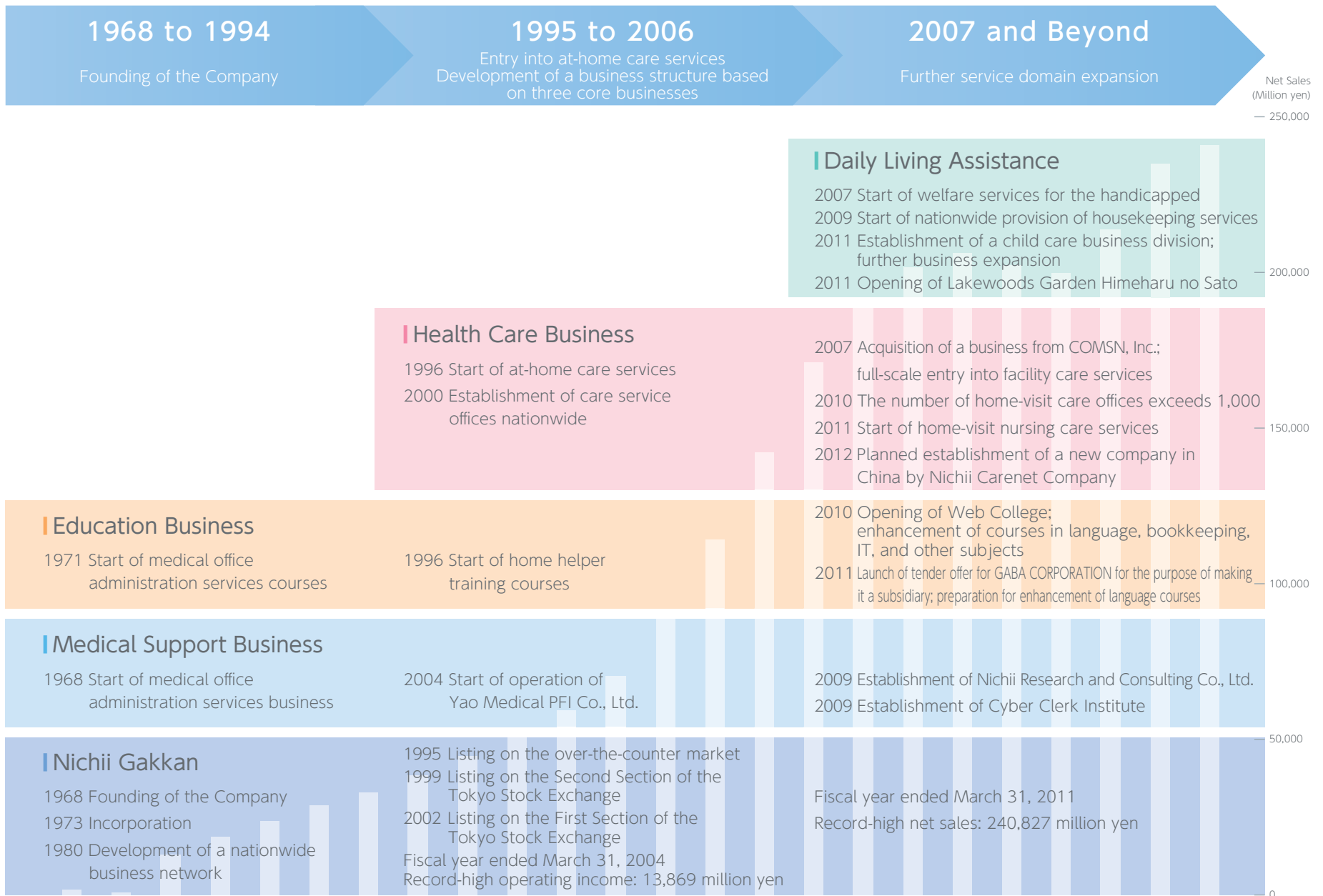
2nd B company 13,782 million yen

3rd Nichii Gakkan 12,907 million yen

4th C company 8,751 million yen

5th GABA Corporation 7,751 million yen

\*Fiscal 2011 results  
(Source: *Nikkei Marketing Journal*)

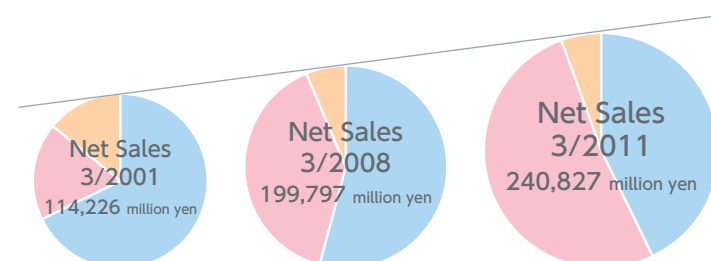


### Management Targets

- Double-digit growth in net sales year on year
- Ratio of operating income to sales of 7% or higher
- ROE of 15% or higher

Improve business segment balance for achieving the targets

■ Medical Support Business  
■ Health Care Business  
■ Education Business



Consolidated	3/2000	3/2001	3/2002	3/2003	3/2004	3/2005	3/2006	3/2007	3/2008	3/2009	3/2010	3/2011
Medical Support Business (million yen)	67,440	75,527	82,703	90,352	96,982	104,678	108,091	110,966	109,217	101,289	101,553	103,227
Health Care Business (million yen)	6,274	20,346	43,448	60,557	71,004	75,889	80,902	78,272	79,702	99,770	118,074	124,321
Education Business (million yen)	15,885	15,504	13,156	16,527	17,443	15,448	13,599	12,478	10,158	11,914	15,255	12,907
Other (million yen)	3,388	3,745	4,043	8,382	9,531	35,211	12,072	2,793	1,970	2,488	2,603	1,642
Eliminations / Corporate (million yen)	(809)	(897)	(965)	(4,525)	(4,973)	(29,637)	(8,443)	(1,962)	(1,251)	(1,861)	(2,134)	(1,271)
<b>Net Sales</b>	<b>92,178</b>	<b>114,226</b>	<b>142,386</b>	<b>171,293</b>	<b>189,987</b>	<b>201,590</b>	<b>206,222</b>	<b>202,549</b>	<b>199,797</b>	<b>213,601</b>	<b>235,352</b>	<b>240,827</b>
Medical Support Business (million yen)	7,226	8,493	10,190	9,728	10,646	8,876	11,438	10,824	10,700	8,784	8,181	7,042
Operating Income to Net Sales	10.7%	11.2%	12.3%	10.8%	11.0%	8.5%	10.6%	9.8%	9.8%	8.7%	8.1%	6.8%
Health Care Business (million yen)	(4,097)	(11,760)	(3,585)	3,203	4,572	2,213	2,010	1,820	190	(758)	3,586	6,500
Operating Income to Net Sales	-	-	-	5.3%	6.4%	2.9%	2.5%	2.3%	0.2%	-	3.0%	5.2%
Education Business (million yen)	5,597	1,812	348	3,925	3,093	83	(2,419)	(1,709)	(1,793)	(677)	2,992	1,596
Operating Income to Net Sales	35.2%	11.7%	2.6%	23.7%	17.7%	0.5%	-	-	-	-	19.6%	12.4%
Other (million yen)	(9)	(105)	(101)	128	307	(355)	41	254	215	409	394	(68)
Operating Income to Net Sales	-	-	-	1.5%	3.2%	-	0.3%	9.1%	10.9%	16.4%	15.1%	-
Eliminations / Corporate (million yen)	(3,572)	(3,576)	(3,512)	(4,073)	(4,750)	(5,532)	(6,081)	(8,555)	(7,139)	(6,743)	(8,291)	(7,201)
<b>Operating Income (million yen)</b>	<b>5,143</b>	<b>(5,135)</b>	<b>3,339</b>	<b>12,912</b>	<b>13,869</b>	<b>5,284</b>	<b>4,990</b>	<b>2,635</b>	<b>2,171</b>	<b>1,013</b>	<b>6,864</b>	<b>7,868</b>
Operating Income to Net Sales	5.6%	-	2.3%	7.5%	7.3%	2.6%	2.4%	1.3%	1.1%	0.5%	2.9%	3.3%
<b>Ordinary Income (million yen)</b>	<b>5,343</b>	<b>(5,074)</b>	<b>3,342</b>	<b>12,891</b>	<b>14,045</b>	<b>5,472</b>	<b>5,185</b>	<b>2,709</b>	<b>2,042</b>	<b>800</b>	<b>6,877</b>	<b>9,660</b>
<b>Net Income (million yen)</b>	<b>4,186</b>	<b>(3,999)</b>	<b>1,092</b>	<b>6,988</b>	<b>7,762</b>	<b>2,029</b>	<b>1,974</b>	<b>774</b>	<b>(834)</b>	<b>(1,090)</b>	<b>3,154</b>	<b>3,478</b>
Total Assets (million yen)	49,566	62,011	74,318	79,496	83,333	85,240	97,898	92,115	121,284	120,491	119,081	125,781
Shareholders' Equity (million yen)	30,138	25,663	26,251	44,618	51,791	51,241	52,159	52,247	50,609	47,873	49,728	52,200
Equity Ratio	60.80%	41.38%	35.32%	56.13%	62.22%	60.76%	53.30%	56.60%	41.60%	39.60%	41.60%	41.30%
Return on Equity (ROE)	15.3%	-	4.2%	19.7%	16.1%	3.9%	3.8%	1.5%	-	-	6.5%	6.9%
Return on Assets (ROA)	12.2%	-	4.9%	16.8%	17.3%	6.5%	5.7%	2.9%	1.9%	0.7%	5.7%	7.9%
Book Value per Share (BPS)	1,088.87	925.10	946.34	1,396.04	1,446.33	1,451.60	1,479.74	1,479.10	1,432.54	1,372.06	716.81	752.15
Earnings per Share (EPS)	215.39	(144.32)	39.40	219.80	215.25	56.11	55.02	21.99	(23.69)	(31.10)	45.64	50.37
Cash Flow per Share (CFPS)	180.21	(358.02)	195.95	369.20	79.34	13.35	189.43	75.40	(8.21)	67.25	169.79	141.83
Price Book Value Ratio (PBR)	13.02	5.13	7.67	4.06	3.90	2.22	2.23	1.44	1.00	1.15	1.22	0.86
Price Earnings Ratio (PER)	93.75	-	166.24	25.20	25.69	57.55	49.61	96.60	-	-	18.01	12.98
Price Cash Flow Ratio (PCFR)	78.69	-	37.02	15.08	71.11	250.37	14.94	29.21	-	24.71	5.45	4.81

Note: The cost allocation criteria have changed in the fiscal year ended March 31, 2011 due to factors including the introduction of the "management approach" to segment reporting.

# Message from the President

On April 1, 2011, I became president and representative director of Nichii Gakkan. As president, I will devote myself to building a stronger foundation to prepare for further growth of the Nichii Group. I kindly ask for the guidance and support of our stakeholders.

Masatoshi Saito

## Business Strategy

The Nichii Group has established three target performance indicators: the achievement of double-digit, year-on-year growth in net sales, an operating income ratio of 7% or higher, and ROE of 15% or higher. To achieve these targets, we will further reinforce profitability, growth potential, and Group strength. In the reinforcement of profitability, we consider a more balanced business portfolio necessary to ensure long-term, stable profits. To reinforce growth potential, we will seek to broaden our

business scope by expanding new businesses such as the child care business and by further growing and enhancing existing businesses.

To bolster Group strength, we will undertake efforts to improve profitability and expand business scale at Group companies, with the aim of raising the level of the Group as a whole.

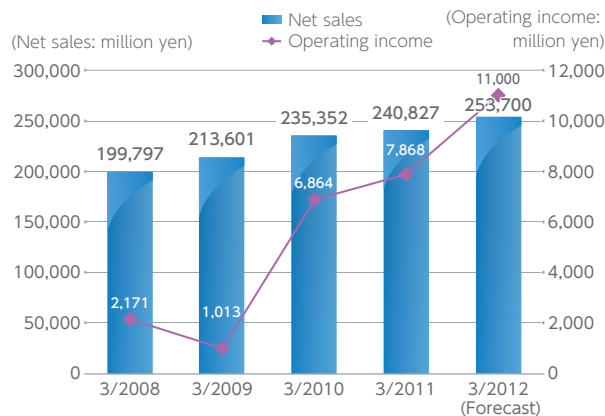
## Analysis of Business Results and Outlook

In the fiscal year ended March 31, 2011, the Medical Support Business saw growing revenues as results from a contract revision strategy, implemented in the fiscal year ended March 31, 2009, began to appear. In the Health Care Business, we achieved record-high sales for the third consecutive year and an increase in profit for the second year in a row, due to a steady increase in the number of users of home-visit care and other at-home care services as well as a higher facility utilization rate in facility care services. In the Education Business, profit rose sharply and ordinary income reached its third-highest level ever, as we recorded an increase in non-operating revenues due to successful outsourcing from local governments in the long-term caregiver employment program, which enables workers to obtain qualifications while employed.

For the fiscal year ending March 31, 2012, we expect profit improvement to continue in the Medical Support Business as a result of two factors: increases in sales and services per medical facility, thanks to the contract revision strategy and an improvement in work efficiency stemming from qualitative improvements in personnel. In the Health Care Business, which offers high market growth potential, we expect the uptrend in sales and profit to continue, owing to an increase in the number

of users of at-home care services, a higher utilization rate at existing care service facilities, and an increase in the number of residents due to the opening of new facilities and our plan to achieve record-high sales for the fourth consecutive year and an increase in profit for the third year in a row.

### Net Sales and Operating Income



The Nichii Group strives to grow further to help realize an affluent society.

President and Representative Director  
Masatoshi Saito



# Medical Support Business

## Overview and Outlook

In the Medical Support Business, we have applied a contract revision strategy since the fiscal year ended March 31, 2009, which is a five-year project to review contract prices with medical facilities for the purpose of qualitatively improving our services. We seek to create a virtuous cycle involving the stable provision of excellent human resources and higher-quality services to medical facilities in part by compensating employees for their skills and expertise, based on such reviews of contract prices.

Although this strategy led to a temporary decline in sales and operating income in connection with a decrease in the number of medical facilities under contract, the strategy

has resulted in higher sales per medical facility, an increase in work efficiency due to the qualitative improvement of employees, and a trend toward improved profitability.

To ensure continuous business growth and further reinforce profitability, we will focus on the provision of high-value-added management support services. We will develop and provide new services that leverage results and expertise accumulated over nearly 40 years since the founding of the Company to support medical facility management and create synergies with other businesses, notably long-term care.

## Enhancing Management Support Services Lineup

In addition to providing medical office administration outsourcing services, we are reinforcing the management support structure by expanding and upgrading services that support medical facility management.

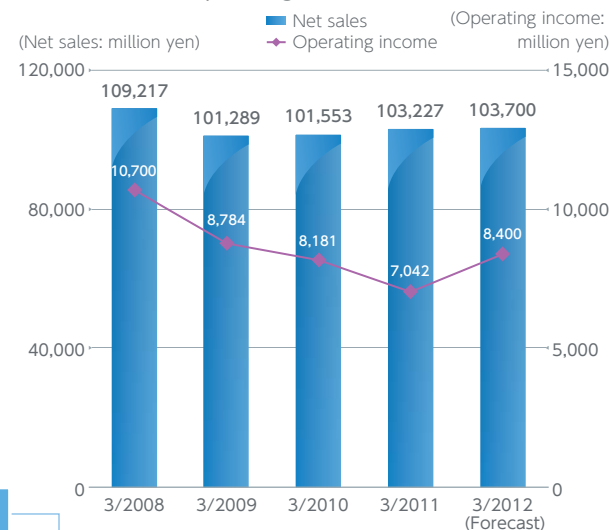
### Medical Office Administration Outsourcing Services

- Medical fee claims
- Reception
- Accounting
- Medical record management
- Other services

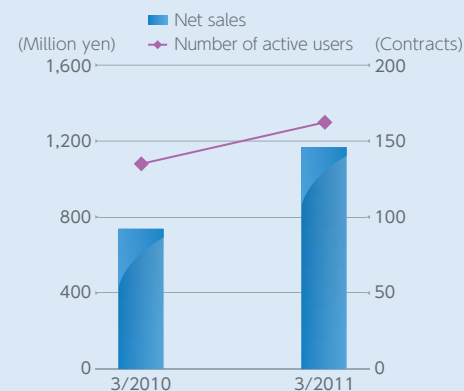
### Enhancing Management Support Services

- **Future collaboration between medical facilities and long-term care services**  
At-home medical care, long-term care support for discharged patients, etc.
- **Child care in hospitals**  
Operation of child care centers in hospitals, child care center establishment support
- **Clerical support for doctors**  
Services to relieve clerical burden, such as assistance with doctors' clerical work
- **Medical business consulting**  
Research and analysis services
- **Management support systems**  
Mediclips (website production service for medical facilities), etc.

## Net Sales and Operating Income



## Business Results for Clerical Support for Doctors



Since the start of these services in 2008, medical facility needs have been increasing.

# Health Care Business

## Overview and Outlook

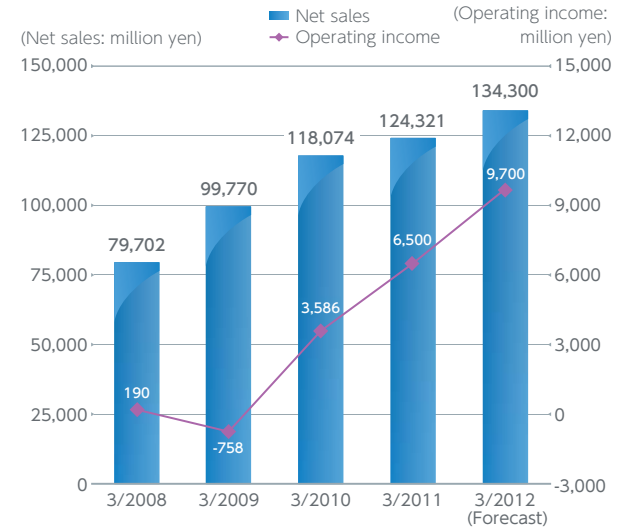
In the Health Care Business, heightened needs for long-term care stemming from an increase in the elderly population and the construction of a nationwide comprehensive long-term care services network have led to an increase in the number of users of services covered by long-term care insurance, outstripping market expansion and resulting in a sustained increase in net sales and operating income.

Seeking further business growth, we are proceeding with the development of at-home and facility care services as well as long-term care infrastructure, such as offices and staff that can offer services adapted to community needs, and we are stepping up the provision of non-insured long-term care services, including welfare services for the handicapped, to satisfy diversifying needs.

### Establishment of a New Company in China by Nichii Carenet Company

On September 20, 2011, subsidiary Nichii Carenet Company (president and representative director: Daisuke Terada) decided to establish a new company to engage in the welfare equipment wholesaling business in China. In addition, Nichii Carenet has reached a basic agreement with Changzhou Zhongjin Medical Equipment Co., Ltd. of China to facilitate the acquisition of a portion of the Chinese company's operations through this newly created company. Since the elderly population of China is nearly as large as the entire population of Japan and Chinese society is rapidly aging, long-term care needs are expected to increase. The establishment of the new company represents the first step in the pursuit of further business development in China (tentatively scheduled for January 2012).

## Net Sales and Operating Income



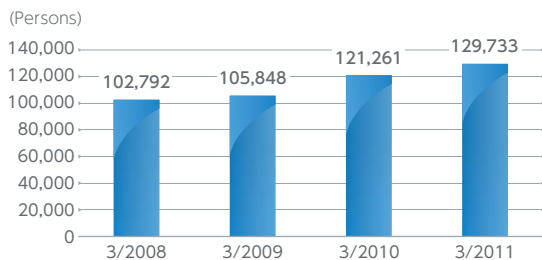
## Comprehensive Long-term Care Services Lineup

### At-home Care Services

Home-visit care, Day-care, Care plans, Home-visit bathing, Welfare equipment rental services, Preventative care, Home-visit nursing care

▶▶▶ Provision of services to approx. 130,000 users nationwide

#### Number of Users of At-home Care Services

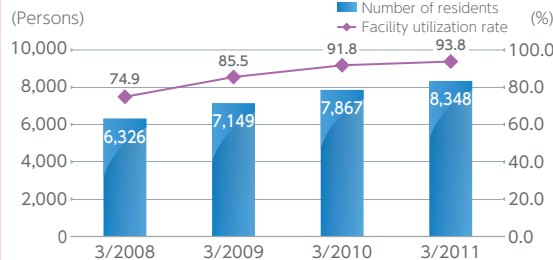


### Facility Care Services

Group homes for people with dementia, Pay nursing homes, Rental housing for the elderly, etc.

▶▶▶ Preparation of housing for the elderly in various locations

#### Number of Facility Care Service Users, Facility Utilization Rate

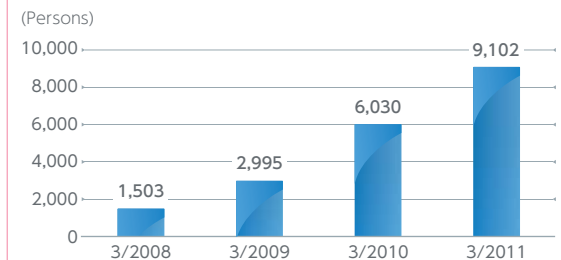


### Non-insured Long-term Care Services

Welfare services for the handicapped, Housekeeping services, Food catering, Dog therapy, etc.

▶▶▶ Support for healthier, happier living

#### Number of Users of Welfare Services for the Handicapped



# Education Business

## Overview and Outlook

In the Education Business, sales and profit declined in the fiscal year ended March 31, 2011, reflecting a drop-off from the dramatic increase in the number of enrolled students in the Company's main course offerings in the previous fiscal year, at a time of rising unemployment in the wake of the global financial crisis. Nevertheless, human resource development for the medical and long-term care sectors is an urgent priority to address the needs of an aging society, and, as a result, a certain level of future demand for education is expected.

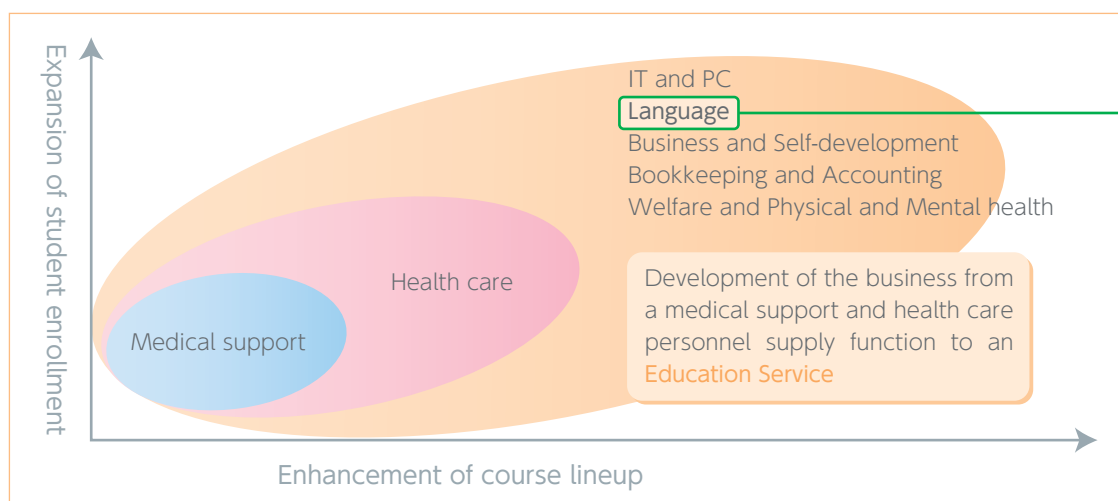
To mitigate the risk posed by the Education Business's high susceptibility to changes in business conditions, we have built a business foundation that ensures stable earnings. In 2010, we opened Web College as a vehicle for a new style of learning employing an e-learning system. To broaden and deepen our student enrollment, we are enhancing the lineup of courses useful for self-development, such as language, bookkeeping, and IT, as well as courses on hobbies and culture.

### Tender Offer for GABA CORPORATION

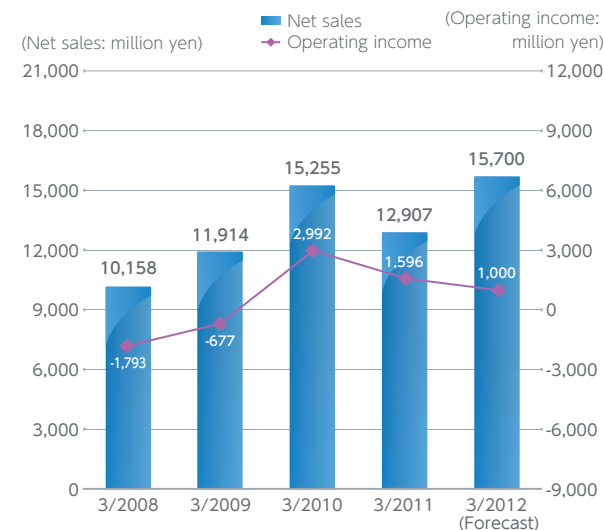
Nichii Gakkan launched a tender offer for GABA CORPORATION, a provider of English conversation lessons, acquiring 96.59% of GABA shares, and, on December 5, 2011, the Company made GABA CORPORATION a wholly owned subsidiary through share exchange.

The purpose of the acquisition was to expand the course lineup by offering English-language courses in addition to our preparatory courses for practical qualifications in the medical and long-term care sectors; reinforce the earnings foundation of the Education Business; and create organic synergies with existing businesses such as medical support, health care, and child care services.

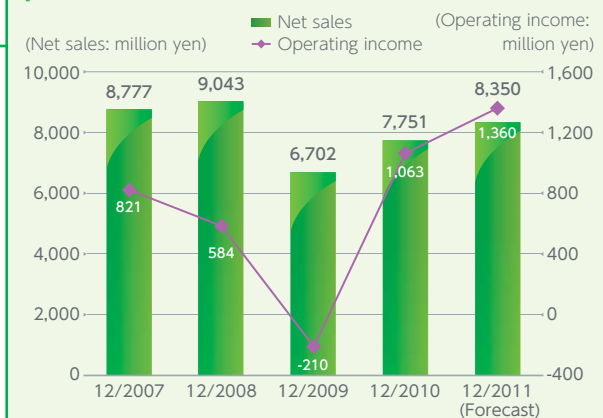
## Course Lineup



## Net Sales and Operating Income



## Business Performance of GABA



# Business Environment

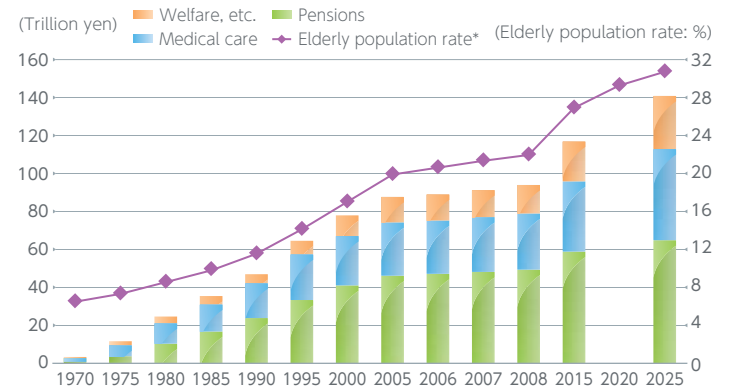
## Development of a Sustainable Social Security System

Japan's social security sector faces annual increases in social security benefit costs to cope with population aging occurring at a rate unprecedented in other countries. In this environment, fundamental reform to reinforce the function of social security and ensure the sustainability of the social security system is an urgent necessity. Such reform must include the securing of financial and human resources, where shortages are a particular concern, to put in place social infrastructure to enable everyone to lead secure lives.

With regard to financial resources, the final draft of the Comprehensive Tax and Social Security Reform plan of June 30, 2011 incorporates an increase in the consumption tax to 10% by around 2015 and the reinforcement of the function of social security.

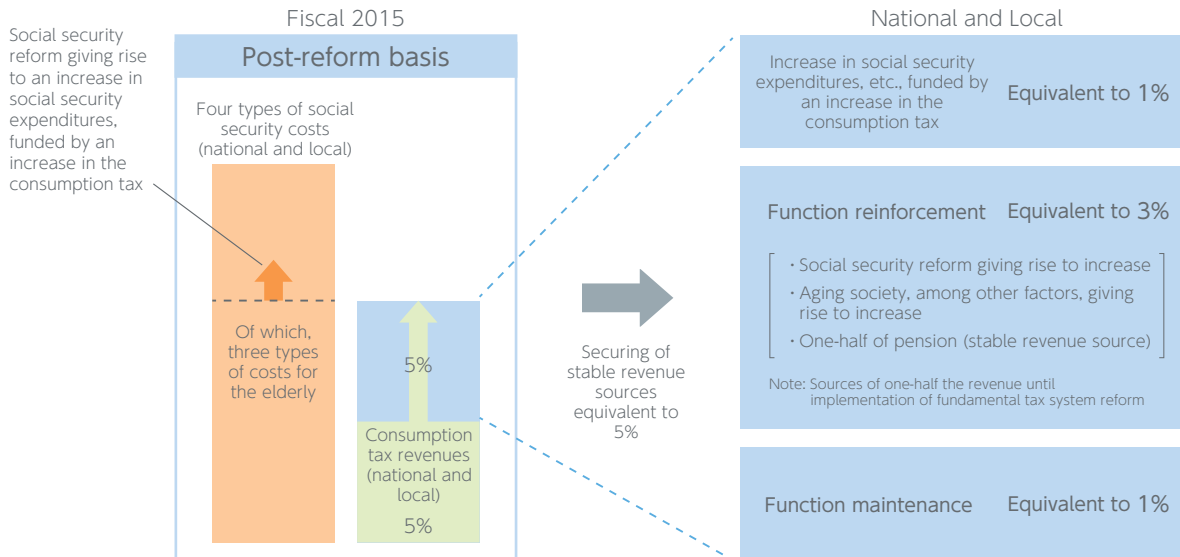
With a view to 2025, when the elderly population rate will exceed 30%, additional human resources are considered necessary in the medical care and long-term care sectors, and measures to secure human resources are being considered.

## Projected Elderly Population Rate and Social Security Benefits



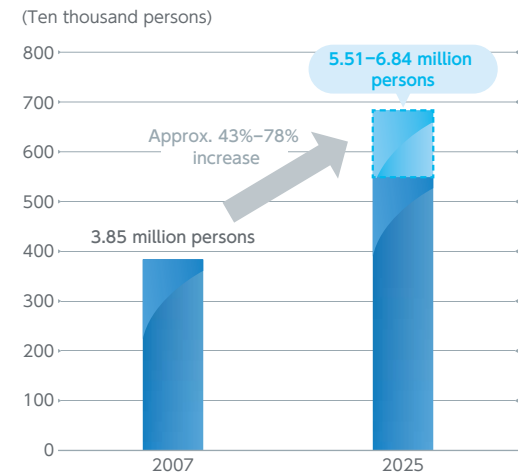
\*The proportion of the elderly (people of age 65 and over) to the total population  
Source: Headquarters of the Government and Ruling Parties for Social Security Reform record of decisions

## Proposal for Reinforcing the Function of Social Security in Comprehensive Tax and Social Security Reform



\*Three types of costs for the elderly; basic pension, elderly medical, and long-term care  
\*Four types of social security costs; pension, medical, long-term care, and measures to counter birthrate decline  
Source: Prepared by Nichii based on Ministry of Health, Labour and Welfare data

## Expected Total Number of Medical and Long-term Care Personnel Required



Source: Fiscal 2009 Health Enhancement for the Elderly Program, Comprehensive Community Care Research Association Report

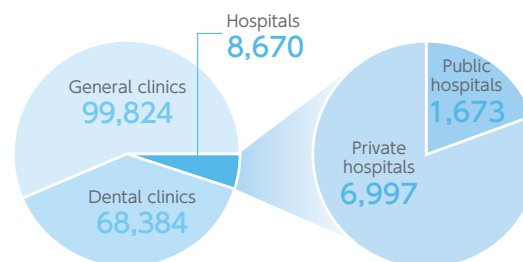
# Business Environment of Medical and Long-term Care Sectors

## Medical Treatment Fee Revision Rates (average)



Source: Prepared by Nichii based on Ministry of Health, Labour and Welfare data

## Number of Medical Facilities



Source: Prepared by Nichii based on Ministry of Health, Labour and Welfare data

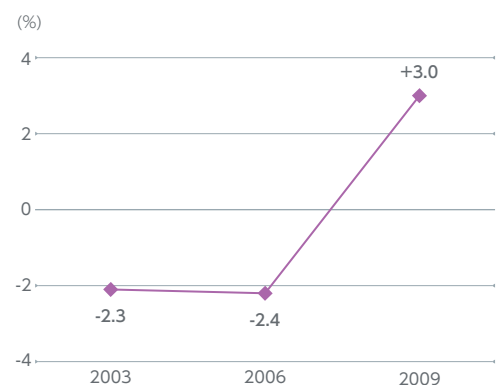
## Hospital Outsourcing Rates

Service	1991	2009
Bedding laundry	95.4%	97.4%
Medical waste disposal	79.3%	96.9%
Laboratory testing	90.0%	95.5%
Hospital cleaning	70.2%	81.7%
Patient food services	19.9%	62.3%
Medical office administration services	23.1%	31.8%
Disinfection and sterilization	14.3%	20.7%
Intra-hospital logistics	0%	16.8%

Source: Association for Promotion of Health Care Service

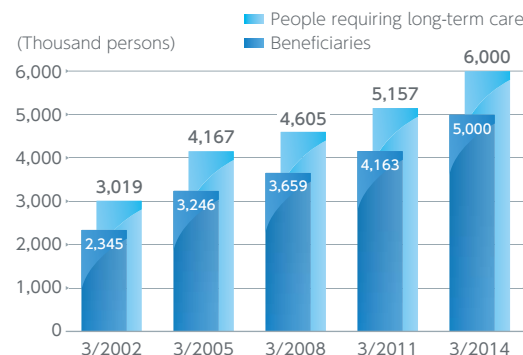
In the medical care sector, the fiscal 2010 medical treatment fee revision resulted in the first upward revision in a decade for such purposes as improving the operating efficiency of medical facilities and eliminating the shortage of physicians. Although the operating environment facing medical facilities remains difficult, the medical sector is showing signs of improvement. While medical office administration outsourcing has largely progressed at public hospitals, room for expansion remains, principally at private hospitals, in preparation for the strengthening of community health care.

## Adjustment to Long-term Care Fees



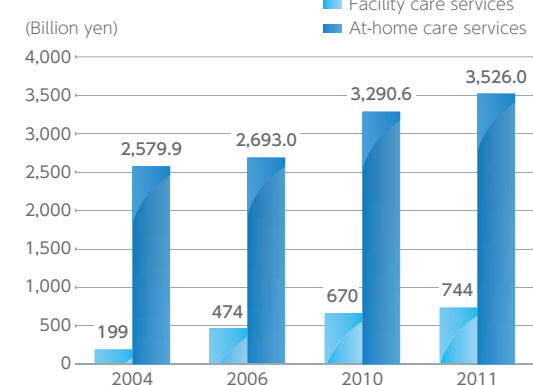
Source: Prepared by Nichii based on Ministry of Health, Labour and Welfare data

## Projected Number of People Requiring Long-term Care and Beneficiaries of Long-term Care Services



Source: Actual results are from All-Japan Federation of National Health Insurance Organizations; estimates are excerpted from materials provided by the Social Security Council.

## Long-term Care Benefits



Source: All-Japan Federation of National Health Insurance Organizations

In the long-term care sector, the anticipated continued growth in the elderly population is expected to result in a sustained increase in demand for long-term care services. Fiscal 2009 brought the first-ever upward revision in the adjustment to long-term care fees, implemented once every three years, and the working conditions of caregivers are being improved in order to secure the human resources necessary to provide high-quality services. In addition, as long-term care benefit costs increase year after year and the shortage of social security funds becomes pronounced, measures are being implemented to develop a sustainable system from the perspective of users.

## Consolidated Balance Sheets

(Million yen)

	3/2001	3/2002	3/2003	3/2004	3/2005	3/2006	3/2007	3/2008	3/2009	3/2010	3/2011
<b>Assets</b>											
<b>Current assets</b>											
Cash and deposits	6,375	11,651	11,201	6,107	4,058	12,557	9,872	3,725	4,727	4,128	3,912
Notes and accounts receivable	13,384	18,605	21,630	24,038	24,801	25,343	24,124	25,666	25,720	28,554	29,891
Marketable securities											
Inventories	1,082	1,013	2,729	4,480	4,698	1,943	1,475	637			
Merchandise and finished goods									311	341	404
Work in progress									3	2	4
Raw materials and supplies									155	204	278
Deferred tax assets	2,167	1,010	1,992	1,831	1,847	2,882	3,766	2,829	1,364	3,118	3,435
Short-term loans receivable	381	389	724	364	38						
Others	3,439	1,973	1,947	2,371	3,133	2,650	3,330	6,150	5,357	4,853	6,292
Allowance for doubtful accounts	(4)	(32)	(21)	(31)	(74)	(135)	(105)	(159)	(106)	(72)	(56)
<b>Total current assets</b>	<b>26,826</b>	<b>34,611</b>	<b>40,204</b>	<b>39,161</b>	<b>38,502</b>	<b>45,242</b>	<b>42,464</b>	<b>38,850</b>	<b>37,533</b>	<b>41,130</b>	<b>44,163</b>
<b>Fixed assets</b>											
<b>Tangible fixed assets</b>											
Buildings and structures	8,033	16,019	15,433	15,704	18,853	24,699	26,351	28,514	27,033	26,163	26,596
Machinery and vehicles	88	104	64	60	39	38	29	37	16	10	7
Tools, furniture and fixtures	715	717	524	421	482	492	411	727	549	425	529
Land	8,289	8,707	8,707	8,707	8,002	7,844	7,681	8,140	8,085	7,950	8,031
Lease assets									626	1,857	4,924
Construction in progress	7,342	230	66	2,224	1,235	2,040			257	800	235
<b>Total tangible fixed assets</b>	<b>24,470</b>	<b>25,778</b>	<b>24,795</b>	<b>27,117</b>	<b>28,614</b>	<b>35,115</b>	<b>34,473</b>	<b>37,420</b>	<b>36,569</b>	<b>37,208</b>	<b>40,326</b>
<b>Intangible fixed assets</b>											
Consolidated adjustment account	1,759	1,694	1,562	3,317	3,112	2,881					
Goodwill							2,670	20,824	19,920	14,530	13,564
Software	242	327	145	120	642	922	735	886	2,022	2,821	3,862
Software in progress									1,451	368	281
Lease assets									476	1,127	1,116
Others	107	167	164	160	156	192	398	869	185	181	192
<b>Total intangible fixed assets</b>	<b>2,109</b>	<b>2,188</b>	<b>1,872</b>	<b>3,597</b>	<b>3,910</b>	<b>3,996</b>	<b>3,804</b>	<b>22,580</b>	<b>24,055</b>	<b>19,030</b>	<b>19,018</b>
<b>Investments and other assets</b>											
Investment securities	2,579	1,699	2,115	2,889	1,831	1,219	1,201	1,076	985	1,731	1,489
Long-term loans receivable	557	4,344	4,459	4,239	5,089	2,557	2,444	8,589	8,199	4,649	5,636
Long-term prepaid expenses	153	130	93	92	104	147	145	826	769	1,892	2,538
Guarantee deposit	4,182	4,149	4,205	4,483	5,022	4,977	4,763	8,785	9,209	9,813	9,701
Deferred tax assets	679	951	872	895	976	3,307	1,525	1,561	1,716	2,926	2,444
Others	836	866	1,043	920	1,256	3,873	2,024	2,284	2,148	1,417	1,521
Allowance for doubtful accounts	(384)	(401)	(166)	(66)	(68)	(2,538)	(732)	(690)	(695)	(718)	(1,059)
<b>Total investments and other assets</b>	<b>8,605</b>	<b>11,739</b>	<b>12,623</b>	<b>13,456</b>	<b>14,212</b>	<b>13,543</b>	<b>11,372</b>	<b>22,432</b>	<b>22,333</b>	<b>21,711</b>	<b>22,272</b>
<b>Total fixed assets</b>	<b>35,184</b>	<b>39,707</b>	<b>39,291</b>	<b>44,172</b>	<b>46,738</b>	<b>52,655</b>	<b>49,650</b>	<b>82,434</b>	<b>82,958</b>	<b>77,950</b>	<b>81,617</b>
<b>Total Assets</b>	<b>62,011</b>	<b>74,318</b>	<b>79,496</b>	<b>83,333</b>	<b>85,240</b>	<b>97,898</b>	<b>92,115</b>	<b>121,284</b>	<b>120,491</b>	<b>119,081</b>	<b>125,781</b>

(Million yen)

	3/2001	3/2002	3/2003	3/2004	3/2005	3/2006	3/2007	3/2008	3/2009	3/2010	3/2011
<b>Liabilities</b>											
<b>Current liabilities</b>											
Notes and accounts payable	732	1,330	1,961	2,049	2,391	1,736	1,144	1,751	803	940	979
Short-term loans payable	16,288	2,269	1,313	853	4,717	13,063	402	313	8,668	1,018	1,318
Current portion of long-term loans payable	5	6,075	71	58	78	55	33	20	1,418	2,869	4,781
Current portion of bonds							3,808	3,808	1,480		
Lease liabilities									268	703	936
Income taxes payable	131	532	6,499	3,035	978	2,074	154	690	870	2,350	3,538
Consumption taxes payable	950	1,138	1,845	1,466	1,205	1,742	1,574	772	417	945	743
Other accrued expenses	9,269	10,704	12,212	13,406	13,866	15,402	16,011	16,199	12,800	13,906	14,457
Allowance for employee bonuses	2,468	3,141	3,335	3,163	3,681	3,475	3,320	3,019	2,626	4,199	4,223
Allowance for directors' bonuses							36	36	32	34	35
Others	3,709	4,266	4,112	4,810	4,254	5,017	4,891	4,396	7,709	7,526	8,542
<b>Total current liabilities</b>	<b>33,556</b>	<b>29,458</b>	<b>31,352</b>	<b>28,844</b>	<b>31,173</b>	<b>42,567</b>	<b>31,375</b>	<b>31,008</b>	<b>37,096</b>	<b>34,493</b>	<b>39,556</b>
<b>Long-term liabilities</b>											
Bonds							5,288	1,480			
Long-term loans payable	74	15,066	140	66	57	39	19	28,025	26,622	24,002	18,991
Lease obligations									928	2,493	5,441
Long-term advances received								4,289	3,839	3,636	2,777
Deferred tax liabilities	270	266	262	261	0						
Allowance for employee retirement benefits	1,197	1,529	1,784	2,067	2,414	2,767	2,941	3,384	3,704	4,133	4,428
Allowance for directors' retirement benefits	109	115	120	128	128	129	132	143	142	149	157
Asset retirement obligations											1,233
Others	85	55	44	60	87	102	110	2,343	284	444	994
<b>Total long-term liabilities</b>	<b>1,738</b>	<b>17,033</b>	<b>2,352</b>	<b>2,585</b>	<b>2,688</b>	<b>3,038</b>	<b>8,492</b>	<b>39,666</b>	<b>35,521</b>	<b>34,858</b>	<b>34,024</b>
<b>Total liabilities</b>	<b>35,294</b>	<b>46,491</b>	<b>33,705</b>	<b>31,429</b>	<b>33,861</b>	<b>45,606</b>	<b>39,867</b>	<b>70,675</b>	<b>72,617</b>	<b>69,352</b>	<b>73,580</b>
<b>Minority interests</b>											
Minority interests	1,052	1,575	1,172	111	137	132					
<b>Shareholders' equity</b>											
Common stock	6,143	6,143	11,933	11,933	11,933	11,933					
Capital reserves	7,395	7,395									
Capital surplus			14,361	17,354	17,354	17,354					
Consolidated surplus	12,154	12,821									
Retained earnings			19,559	26,713	27,562	28,723					
Valuation difference on available-for-sale securities	(28)	(95)	(98)	41	182	77					
Treasury stock	(0)	(12)	(1,137)	(4,250)	(5,791)	(5,930)					
<b>Total shareholders' equity</b>	<b>25,663</b>	<b>26,251</b>	<b>44,618</b>	<b>51,791</b>	<b>51,241</b>	<b>52,159</b>					
<b>Total liabilities, minority interests, and shareholders' equity</b>	<b>62,011</b>	<b>74,318</b>	<b>79,496</b>	<b>83,333</b>	<b>85,240</b>	<b>97,898</b>					
<b>Net assets</b>											
Shareholders' equity											
Common stock							11,933	11,933	11,933	11,933	11,933
Capital surplus							17,354	17,354	17,354	17,354	17,354
Retained earnings							28,686	27,075	24,820	26,912	29,492
Treasury stock							(5,934)	(5,935)	(6,436)	(6,788)	(6,789)
<b>Total shareholders' equity</b>							<b>52,039</b>	<b>50,427</b>	<b>47,672</b>	<b>49,411</b>	<b>51,991</b>
Unrealized gains on other securities							56	26	10	92	(46)
Total accumulated other comprehensive income							56	26	10	92	(46)
Minority interests							150	154	191	223	255
<b>Total net assets</b>							<b>52,247</b>	<b>50,609</b>	<b>47,873</b>	<b>49,728</b>	<b>52,200</b>
<b>Total Liabilities and Net Assets</b>							<b>92,115</b>	<b>121,284</b>	<b>120,491</b>	<b>119,081</b>	<b>125,781</b>

## Consolidated Statements of Income

(Million yen)

	3/2001	3/2002	3/2003	3/2004	3/2005	3/2006	3/2007	3/2008	3/2009	3/2010	3/2011
Net sales	114,226	142,386	171,293	189,987	201,590	206,222	202,549	199,797	213,601	235,352	240,827
Cost of sales	94,331	114,079	131,026	146,196	160,854	165,174	163,310	163,719	174,900	188,499	193,033
Gross profit	19,894	28,307	40,267	43,791	40,735	41,047	39,238	36,077	38,701	46,853	47,793
Selling, general and administrative expenses	25,030	24,968	27,354	29,921	35,450	36,057	36,602	33,905	37,687	39,988	39,925
Advertising and promotion expenses	5,467	3,720	3,387	3,614	4,475	5,121	6,938	4,883	5,275	4,713	4,537
Directors' compensation	141	127	120	127	122	151	152	155	182	178	152
Salaries and benefits	9,599	10,226	11,390	12,188	13,788	13,563	12,621	12,455	13,683	14,487	14,508
Provision for employee bonuses	711	786	732	761	962	861	808	737	720	1,033	1,027
Provision for directors' bonuses	-	-	-	-	-	-	36	36	32	34	35
Provision for directors' retirement benefits	8	12	8	7	8	7	8	10	9	8	8
Directors' retirement benefits	-	-	-	-	0	0	0	-	-	1	-
Provision for employee retirement benefits	167	402	283	296	414	422	326	331	338	383	324
Legal welfare expenses	1,296	1,429	1,663	1,647	1,970	1,984	1,857	1,891	2,073	2,265	2,360
Travel and transportation expenses	1,126	1,148	1,233	1,393	1,441	1,463	1,362	1,302	1,445	1,456	1,490
Rental expenses	1,701	1,968	2,455	2,620	3,427	3,604	3,439	3,010	3,195	3,126	3,019
Provision for doubtful accounts	3	53	31	24	104	101	29	-	-	15	24
Depreciation and amortization	456	360	285	291	392	674	662	646	883	1,573	1,889
Amortization of consolidation adjustment account	131	130	131	153	220	215	-	-	-	-	-
Amortization of goodwill	-	-	-	-	-	-	207	421	1,193	1,268	965
Others	4,219	4,602	5,628	6,794	8,121	7,884	8,152	8,021	8,653	9,442	9,580
Operating income	(5,135)	3,339	12,912	13,869	5,284	4,990	2,635	2,171	1,013	6,864	7,868
Non-operating income	201	349	220	288	303	281	298	349	473	678	2,537
Non-operating expenses	140	345	241	112	115	86	224	478	687	665	745
Ordinary income	(5,074)	3,342	12,891	14,045	5,472	5,185	2,709	2,042	800	6,877	9,660
Extraordinary income	25	1	16	137	5	2,041	32	327	97	157	116
Extraordinary losses	1,306	582	143	84	435	5,268	512	1,275	443	4,530	1,688
Net income before income taxes and minority interests	(6,355)	2,761	12,765	14,098	5,043	1,958	2,230	1,093	453	2,503	8,088
Income taxes—current	332	532	6,668	6,265	3,440	3,243	510	491	675	2,332	4,200
Income taxes for prior periods	-	-	-	-	-	-	-	-	-	-	114
Income taxes—deferred	(2,561)	1,043	(910)	40	(454)	(3,295)	912	1,406	827	(3,020)	259
Minority interests in income	(127)	92	18	29	27	34	32	30	41	36	36
Net income (loss)	(3,999)	1,092	6,988	7,762	2,029	1,974	774	(834)	(1,090)	3,154	3,478
Operating income to sales	(4.5)%	2.3%	7.5%	7.3%	2.6%	2.4%	1.3%	1.1%	0.5%	2.9%	3.3%
Ordinary income to sales	(4.4)%	2.3%	7.5%	7.4%	2.7%	2.5%	1.3%	1.0%	0.4%	2.9%	4.0%
Net income to sales	(3.5)%	0.8%	4.1%	4.1%	1.0%	1.0%	0.4%	(0.4)%	(0.5)%	1.3%	1.4%

Note: Amounts have been rounded down to the nearest million.

## Consolidated Statements of Comprehensive Income

	3/2001	3/2002	3/2003	3/2004	3/2005	3/2006	3/2007	3/2008	3/2009	3/2010	3/2011
Income before minority interests	-	-	-	-	-	-	-	-	-	-	3,514
Other comprehensive income											
Valuation difference on available-for-sale securities	-	-	-	-	-	-	-	-	-	-	(139)
Total other comprehensive income	-	-	-	-	-	-	-	-	-	-	(139)
Comprehensive income	-	-	-	-	-	-	-	-	-	-	3,375
Comprehensive income attributable to											
Comprehensive income attributable to owners of the parent	-	-	-	-	-	-	-	-	-	-	3,338
Comprehensive income attributable to minority interests	-	-	-	-	-	-	-	-	-	-	36

## Consolidated Statements of Changes in Shareholders' Equity

	Shareholders' equity					Unrealized gains and adjustments		Minority interests	Total net assets	
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Unrealized gains on other securities	Total unrealized gains on other securities			
	<b>3/2011</b>									
Balance as of March 31, 2010	11,933	17,354	26,912	(6,788)	49,411	92	92	223	49,728	
Changes of items during the period										
Dividends from retained earnings			(897)		(897)				(897)	
Decrease by merger										
Net income (loss)			3,478		3,478				3,478	
Purchase of treasury stock				(0)	(0)				(0)	
Disposal of treasury stock			(0)	0	0				0	
Net changes of items other than shareholders' equity						(139)	(139)	31	(107)	
Total changes of items during the period			2,580	(0)	2,579	(139)	(139)	31	2,472	
Balance as of March 31, 2011	11,933	17,354	29,492	(6,789)	51,991	(46)	(46)	255	52,200	

Note: Amounts have been rounded down to the nearest million.

## Consolidated Statements of Cash Flows

(Thousand yen)

	3/2006	3/2007	3/2008	3/2009	3/2010	3/2011
<b>Cash flows from operating activities</b>						
Income before income taxes	1,958,719	2,230,512	1,093,957	453,944	2,503,989	8,088,781
Allowance for depreciation	1,781,896	2,021,741	2,291,512	2,778,966	3,634,337	4,343,250
Increase (decrease) in allowance for doubtful accounts	2,530,998	(1,836,397)	(81,141)	(48,155)	(12,024)	325,417
Increase (decrease) in allowance for employee bonuses	(167,514)	(155,563)	(334,669)	(392,664)	1,572,173	23,886
Increase (decrease) in allowance for directors' bonuses	-	36,000	-	(3,600)	1,600	1,100
Increase (decrease) in allowance for employee retirement benefits	359,693	174,129	277,825	319,552	428,729	295,099
Increase (decrease) in allowance for directors' retirement benefits	927	3,034	10,964	(1,164)	7,177	8,699
Increase (decrease) in allowance for loss on disaster	-	-	-	-	-	382,800
Interest and dividends income	(64,063)	(39,181)	(39,377)	(32,215)	(25,015)	(117,737)
Interest expenses	57,430	97,860	287,072	575,107	548,866	599,663
Gain on prior periods bad debts recovered	-	-	-	-	(98,015)	-
Loss on cancellation of guarantee money deposited	-	-	33,012	-	-	-
Amortization of consolidation adjustment account	215,964	-	-	-	-	-
Amortization of goodwill	-	207,389	421,574	1,193,461	1,268,693	965,722
Loss (gain) on sales of investment securities	(552,837)	(2,850)	(21,000)	-	120,945	(5,119)
Adjustment for amortization of goodwill	-	-	-	-	4,121,190	-
Compensation for damage received	-	-	-	-	(141,101)	-
Other income	(2,521)	(8,148)	-	-	-	-
Loss on revaluation of memberships	-	-	-	12,836	-	-
Loss on retirement of fixed assets	74,997	59,472	43,400	29,229	47,986	43,157
Loss on sale of fixed assets	55,325	22,147	-	-	-	4,889
Gain on sale of fixed assets	(4)	(29,320)	(489)	(3,868)	(43,528)	-
Impairment loss	131,098	52,560	93,739	121,847	89,751	23,742
Loss on disaster	-	-	-	-	-	260,264
Settlement package	-	-	180,000	-	-	-
Rebranding expense	-	-	246,651	-	-	-
Gain on sales of subsidiaries' and affiliates' stocks	(1,489,112)	-	(20,999)	-	-	-
Loss on valuation of stocks of subsidiaries and affiliates	118,492	-	-	-	-	-
Loss (gain) on liquidation of subsidiaries and affiliates	-	-	-	(63,250)	-	-
Loss on liquidation of subsidiaries and affiliates	-	-	-	74,837	-	-
Gain on donation of fixed assets	-	-	(218,130)	-	-	-
Loss on revaluation of inventories	2,422,614	274,665	694,157	-	-	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	-	-	-	-	504,813
Increase (decrease) in notes and accounts receivable	(1,111,859)	1,135,841	1,402,522	8,539	(2,184,188)	(1,337,096)
Increase (decrease) in inventories	173,720	193,928	147,064	167,966	(77,046)	(139,788)
Other extraordinary loss	3,503	-	-	-	-	-
Increase (decrease) in other current assets	366,889	(718,806)	(1,883,515)	1,264,279	(222,665)	(1,164,567)
Decrease (increase) in claims provable in bankruptcies	-	1,842,880	39,903	(1,456)	(25,345)	(24,654)
Increase (decrease) in accounts payable	13,383	(591,739)	(289,753)	(947,557)	120,290	39,127
Increase (decrease) in other current liabilities	1,698,167	513,686	(3,715,182)	(111,446)	514,549	590,398
Increase (decrease) in consumption tax payable	538,836	(168,499)	(925,020)	(354,866)	526,589	(201,228)
Decrease (increase) in other fixed assets	30,326	73	431	301,867	560,782	499,699
Increase (decrease) in other long-term liabilities	13,006	8,593	(592,149)	(2,015,476)	(114,590)	(596,522)
Directors' bonuses paid	(36,000)	(27,850)	-	-	-	-
Other, net	-	-	-	19,948	4,959	(15,726)
Subtotal	9,122,079	5,296,163	(857,639)	3,346,663	13,129,093	13,398,071
Interest and dividends received	63,284	38,253	35,702	35,459	25,764	23,104
Interest paid	(58,274)	(85,398)	(288,918)	(581,505)	(553,526)	(598,890)
Income taxes paid	(2,546,191)	(2,592,692)	(222,218)	(469,205)	(1,016,236)	(3,026,906)
Refund of income taxes	91,923	-	1,223,751	5,942	-	-
Compensation for damage received	-	-	-	-	141,101	-
Settlement package paid	-	-	(180,000)	-	-	-
<b>Cash flows from operating activities</b>	<b>6,672,819</b>	<b>2,656,325</b>	<b>(289,322)</b>	<b>2,337,354</b>	<b>11,726,195</b>	<b>9,795,378</b>

Note: Amounts have been rounded down to the nearest thousand.

	3/2006	3/2007	3/2008	3/2009	3/2010	3/2011
(Thousand yen)						
<b>Cash flows from investing activities</b>						
Payments into time deposits	(378,500)	(396,000)	(286,500)	(562,500)	(405,500)	(414,000)
Withdrawal of time deposits	399,000	300,000	297,500	562,160	433,500	420,000
Purchase of short-term investment securities	-	-	-	-	-	(100,000)
Proceeds from sales of short-term investment securities	-	-	-	-	-	100,000
Payments for purchases of shares of newly consolidated subsidiaries	-	-	(4,591,675)	-	-	-
Expenditure for business transfer	-	-	(21,000,000)	-	(160,667)	-
Payments for purchases of shares of consolidated subsidiaries	(20,000)	(7,000)	(15,000)	-	-	-
Acquisition of tangible fixed assets	(7,796,518)	(1,340,623)	(706,771)	(782,081)	(1,228,500)	(2,198,956)
Proceeds from sale of tangible fixed assets	58,593	160,977	88,983	18,976	397,694	21,328
Acquisition of intangible fixed assets	(250,691)	(132,451)	(603,990)	(2,339,198)	(445,748)	(1,903,155)
Acquisition of investment securities	-	(300,000)	-	-	(608,667)	-
Proceeds from sale of investment securities	874,633	305,000	221,000	-	32,055	12,120
Purchase of stocks of subsidiaries and affiliates	(260,500)	-	(144,000)	-	(250,000)	-
Proceeds from sales of stocks of subsidiaries and affiliates	250,005	-	41,000	4,000	-	-
Proceeds from liquidation of subsidiaries and affiliates	-	-	-	73,182	-	-
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	434,841	-	-	-	-	-
Payments for purchases of long-term prepaid expenses	(94,749)	(47,022)	(69,786)	(91,082)	-	-
Payments of loans receivable	(232,942)	(61,400)	(778,566)	(1,053,560)	(228,775)	(1,305,605)
Proceeds from repayment of loans	1,659,152	173,355	184,289	232,278	2,136,329	148,988
Payments for purchases of guarantee money paid (leasehold deposits)	(319,504)	(210,196)	(2,089,663)	(736,847)	(678,605)	(479,398)
Proceeds from refunds of guarantee money paid (leasehold deposits)	237,671	423,594	347,653	292,331	323,962	421,887
Subsidy income	-	-	-	-	-	229,251
Other (net)	(99,005)	41,359	(57,007)	243,143	(55,437)	(355,245)
<b>Cash flows from investing activities</b>	<b>(5,538,514)</b>	<b>(1,090,406)</b>	<b>(29,162,534)</b>	<b>(4,139,198)</b>	<b>(738,361)</b>	<b>(5,402,785)</b>
<b>Cash flows from financing activities</b>						
Proceeds from short-term borrowings	184,150,000	170,540,000	1,226,060,000	-	-	-
Payments for repayment of short-term debt	(175,804,000)	(183,201,000)	(1,226,149,000)	-	-	-
Net increase (decrease) in short-term loans	-	-	-	8,355,002	(7,650,000)	300,000
Proceeds from issuance of corporate bonds	-	11,000,000	-	-	-	-
Payments for redemption of bonds	-	(1,904,000)	(3,808,000)	(3,808,000)	(1,480,000)	-
Proceeds from long-term loans	42,109	15,689	28,028,091	16,614	265,573	7,000,000
Repayments for long-term loans	(84,149)	(57,909)	(34,011)	(21,751)	(1,434,904)	(10,100,000)
Proceeds from sale of treasury stock	2,107	808	795	899	432	41
Acquisition of treasury stock	(142,025)	(6,370)	(3,215)	(503,697)	(1,588)	(680)
Payments for dividends by parent company	(776,050)	(769,594)	(774,017)	(1,157,213)	(808,997)	(894,448)
Payments for dividends to minority shareholders	(2,400)	(4,500)	(4,500)	(4,500)	(4,500)	(4,500)
Repayments of lease obligations	-	-	-	(104,733)	(493,363)	(767,599)
Others	-	-	-	-	-	(51,092)
<b>Cash flows from financing activities</b>	<b>7,385,590</b>	<b>(4,386,876)</b>	<b>23,316,142</b>	<b>2,772,619</b>	<b>(11,607,346)</b>	<b>(4,518,279)</b>
Effect of exchange rate change on cash and cash equivalents	0	(1)	-	-	-	15,977
Increase (decrease) in cash and cash equivalents	8,519,895	(2,820,958)	(6,135,713)	970,775	(619,512)	(109,708)
<b>Cash and cash equivalents at beginning of year</b>	<b>3,871,610</b>	<b>12,391,506</b>	<b>9,570,547</b>	<b>3,434,833</b>	<b>4,436,404</b>	<b>3,864,764</b>
Increase in cash and cash equivalents due to additional consolidation of subsidiaries	-	-	-	30,795	-	-
Increase in cash and cash equivalents from mergers	-	-	-	-	47,872	-
<b>Cash and cash equivalents at end of year</b>	<b>12,391,506</b>	<b>9,570,547</b>	<b>3,434,833</b>	<b>4,436,404</b>	<b>3,864,764</b>	<b>3,755,056</b>

Note: Amounts have been rounded down to the nearest thousand.

## Stock Information (as of September 30, 2011)

### Stock Data

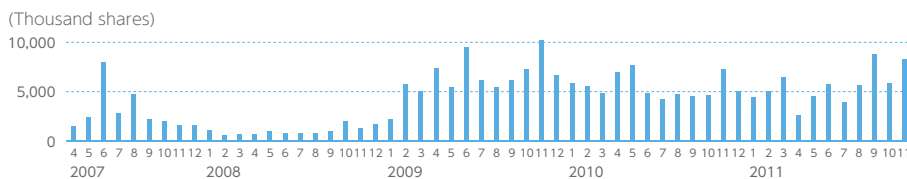
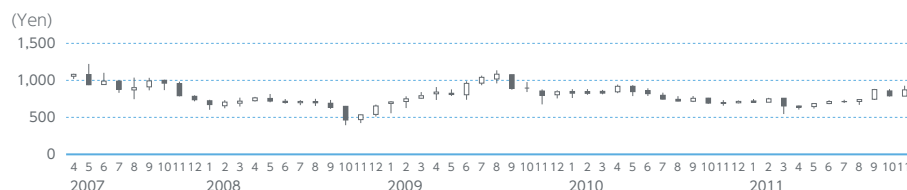
Total number of shares authorized to be issued	220,000,000 shares
Total issued and outstanding shares	73,017,952 shares
Capital	11,933,790,500 yen
Number of shareholders	23,872

### Major Shareholders

Shareholder Name	Shares Held (Thousand shares)	Percentage of Total (Percentage)
Meiwa Ltd.	12,990	18.8
Akihiko Terada	9,582	13.8
Japan Trustee Service Bank, Ltd.	6,513	9.4
The Master Trust Bank of Japan, Ltd.	2,185	3.1
Bank of Tokyo-Mitsubishi UFJ	1,607	2.3
Nippon Life Insurance Company	1,239	1.7
Nichii Gakkan Company Employee Shareholding Association	1,112	1.6
The Tokyo Tomin Bank, Ltd.	1,010	1.4
Mizuho Trust & Banking Co., Ltd., Retirement Benefit Trust (Mizuho Bank Account) for the Re-trust by the Trustee of Trust & Custody Services Bank, Ltd.	1,009	1.4
HYATT	901	1.3

Notes: 1. There is treasury stock (3,956 thousand shares) in addition to the above.  
 2. The shares held by trust and banking corporations include those for trusted services.  
 3. Percentages are rounded to the first decimal place.

### Stock Price and Volume



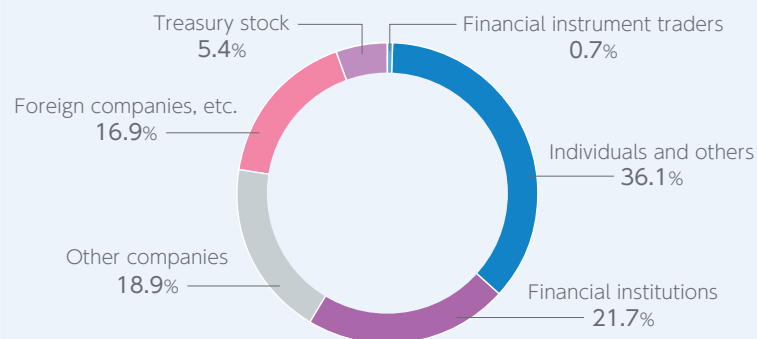
\* Share prices have been adjusted to reflect stock splits.

### Dividends

The Company has a basic policy of providing stable, continuing shareholder returns. We have established a dividend policy on a consolidated basis, taking into consideration the medium- to long-term trend in business performance. In the fiscal year ending March 31, 2012, we plan to increase the annual dividend by 2 yen, to 16 yen per share.



### Ownership and Distribution of Shares (as of September 30, 2011)



Note: Shareholding ratios are truncated to one decimal place.

## Impact of the Great East Japan Earthquake and Principal Support Activities

The management and employees of the Nichii Group express our heartfelt sympathies to those affected by the Great East Japan Earthquake of March 11, 2011, and our deepest gratitude to everyone who provided support.

Although the Nichii Group incurred damage to some of its facilities, we mounted a united, Groupwide effort in the immediate aftermath of the earthquake to urgently restore the service provision structure in order to ensure the safety and peace of mind of our customers. As a result, the impact of the catastrophe on our business was limited.

We are actively engaging in activities to assist in the reconstruction of the affected areas.

### Preserving the Peace of Mind in Communities through the Power of Nichii's On-site Capabilities, Collective Strength, and Nationwide Network

Provision of daily necessities to affected areas

Acceptance of victims at long-term care facilities

Dispatch of therapy dogs to affected areas

Dispatch of vehicles with bath facilities to evacuation sites



A support facility for the elderly (Kamaishi City, Iwate Prefecture)

Operation of support sites for the elderly in temporary housing areas



## Corporate Information

### Company Profile (as of September 30, 2011)

Registered name:	Nichii Gakkan Company	
Location:	2-9 Kanda-Surugadai, Chiyoda-ku, Tokyo, Japan	
Established:	August 1973	
Number of employees:	16,177 (Consolidated) 14,095 (Non-consolidated)	
Stock exchange listing:	First Section of the Tokyo Stock Exchange	
Stock code:	9792	
Principal businesses:	<p><b>Medical Support Business</b> Medical Office Administration Total Services, Research and Analysis Services, PFI</p> <p><b>Health Care Business</b> At-home Care Services, Facility Care Services, Daily Living Assistance</p> <p><b>Education Business</b> Home Helper Training, Medical Office Administration Education, Others</p>	
Major subsidiaries:	<p>NICHII CARE PALACE COMPANY Nichii Carenet Company Nihon Support Service Co., Ltd. NIHON CREDITLEASE CORPORATION Tokyo Marunouchi Publishing Co., Ltd. NICHII GREEN FARM COMPANY GABA CORPORATION</p>	<p>Operation of pay nursing homes and rental housing for the elderly Sale and rental of long-term care products and welfare equipment Data processing, storage and delivery service, personnel services Leasing of medical equipment and welfare equipment Publication and sale of books Operation and management of tourist facilities Provider of English conversation lessons</p>

### Directors, Corporate Auditors and Executive Officers (as of December 5, 2011)

Chairman and Representative Director	Akihiko Terada	Standing Statutory Auditors	Kichizo Yamashita
President and Representative Director	Masatoshi Saito		Shuji Otomaru
Executive Vice President and Representative Director	Kazuyoshi Yaji	Corporate Auditors	Yutaka Oishi
Senior Managing Director	Nobusuke Mori		Shuji Oshima
Directors	Koichi Terada	Executive Officers	Masaru Tokieda
	Mitsuo Kaise		Kenzo Ito
	Hisami Arai		Chieko Ikeda
	Kayoko Kihara		Yasuhiro Hiraoka
	Toshiyuki Kitamura		
	Yasuto Agari		
	Tsuyoshi Terada		
	Takako Ide		

Note: As of December 5, 2011, Takayuki Masuda, former managing director of the Company, resigned from his post and assumed the position of vice president and representative director of GABA CORPORATION, a consolidated subsidiary of the Company.

### Inquiry

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