

NICHII GAKKAN COMPANY【9792】

Semiannual Financial Results Briefing Document for the Year Ending March 2006

Group
Strategy

Medical

Health
care

Education

Reference
Data

November 22, 2005



Table of Contents

Semiannual Financial Results Briefing Document for the Year Ending March 2006

1. Group Strategy	
◆Nichii Gakkan Group Business Strategy	2
2. Medical Support Business	
◆Current Business Strategy	3
◆Medical Support Business Growth Strategy	4
3. Health Care Business	
◆Home-visit Nursing Care Service Strategy	5
◆Approach to Long-term Care Insurance System Amendments (1)	6
◆Approach to Long-term Care Insurance System Amendments (2)	7
4. Education Business	
◆Fundamental Review of Education Business	8
5. Reference Materials	
◆Long-term Care Insurance System Amendments (1)	9
◆Long-term Care Insurance System Amendments (2)	10
◆Capital Investment and Allowance for Depreciation (Non-consolidated)	11

All profit targets and other future data, including the number of contracts, number of users and goals contained in this document, are forecasts based on current Nichii Group information. Such information is subject to the influence of uncertain factors such as economic circumstances, relaxation of regulations and employment conditions. Please understand, therefore, that actual outcome of business performance and other achievements, such as the number of contracts and number of users, may be substantially different from those forecast.

【Group Strategy】 Nichii Gakkan Group Business Strategy

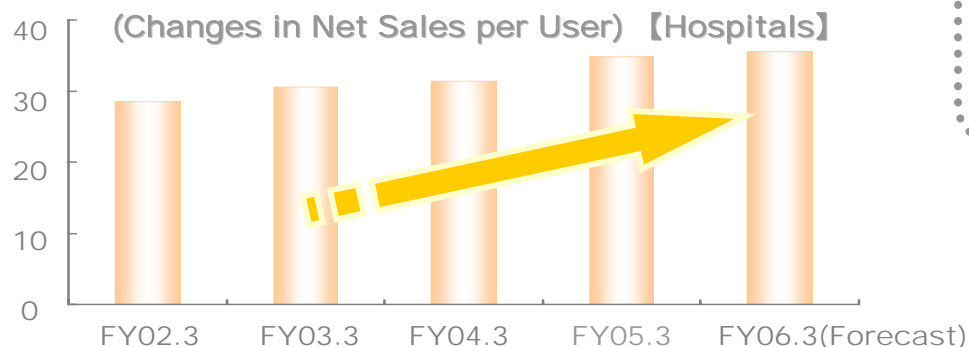


【Medical Support Business】 Current Business Strategy

Continuous and Enhanced Sales Promotion Activities

Sales Expansion among Existing Users

(Millions of Yen)



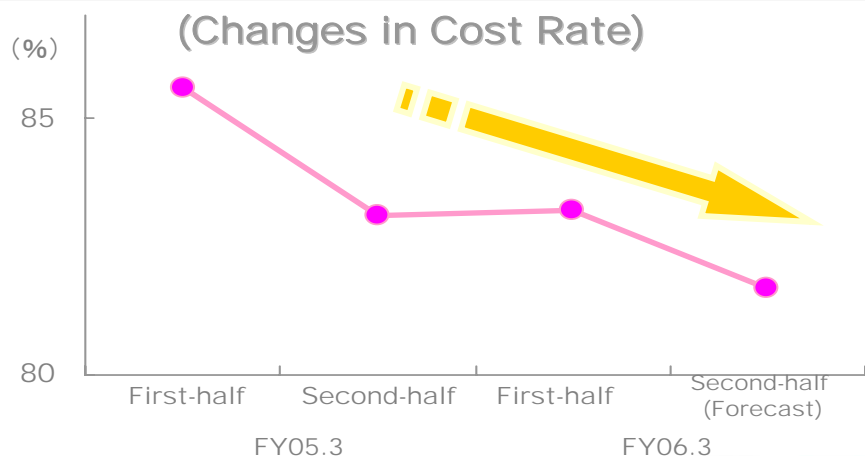
Proactive Approach to Changes

- ◆ Revision of medical service payments in April 2006
 - ◆ Changes in medical management environment due to medical system reforms
- Increase in demand for payment revision-related business or insurance system revision support business

Acquiring new users by using the revision-related business as a steppingstone.
Intensification of sales expansion among existing users.

* Revision-related business: Payment revision-related, insurance system reform-themed seminars, etc.

Continuous and Enhanced Cost Improvement



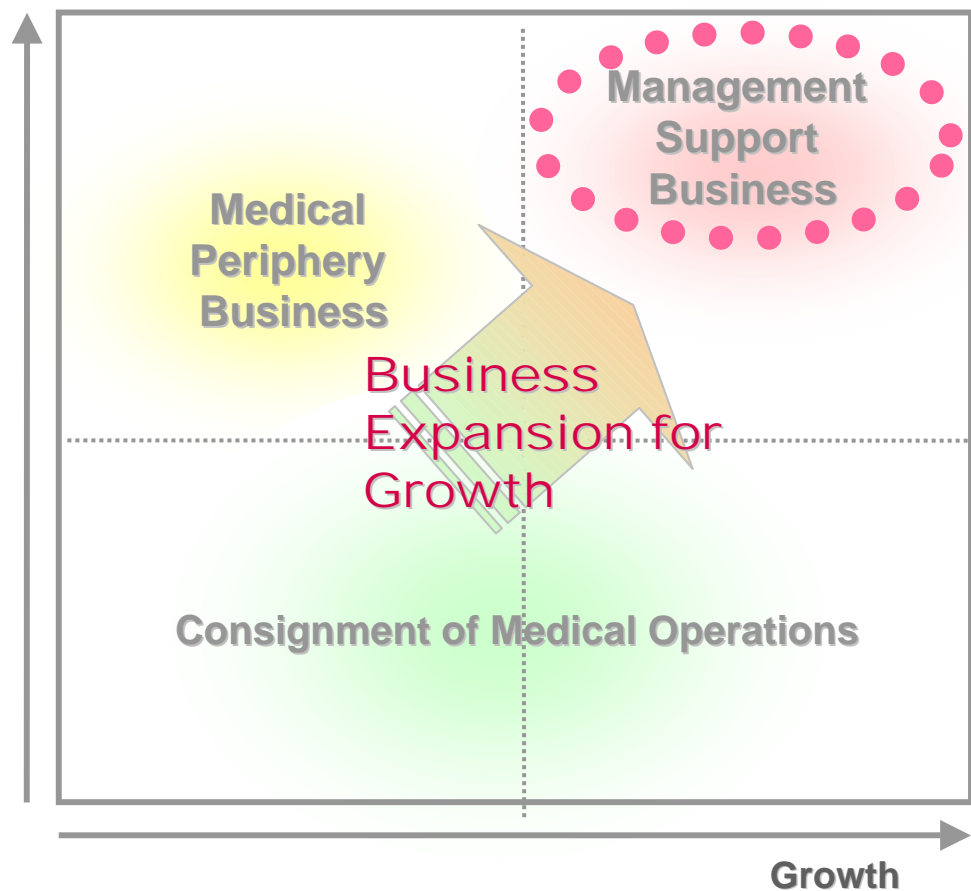
Concrete Efforts

1. Improving operational efficiency by management enhancement
2. Continued improvement of contracts
3. New employment system

【Medical Support Business】 Medical Support Business Growth Strategy

“Management Support Business” Focused on Growth

Added Value



◆ Management Support Business Strategy ◆

1. Expansion of medical management analysis support services
2. Proactive approach to PFI business
3. Expansion of mutual support services between medical and nursing care
4. Approach to Business solutions

【Health Care Business】 Home-visit Nursing Care Service Strategy

Annual Growth Rate in Number of Users for First-half period (End of March through End of September)

* Home-visit nursing care service includes home-visit bathing service.

FY 2004

	End of Mar.	End of Sep.	% Change
Home-visit nursing care :			
Number of users	57,586	59,430	3.2%
(Number of facilities)	(672)	(764)	(13.7%)
Day care :			
Number of users	15,147	15,346	1.3%
(Number of facilities)	(184)	(185)	(0.5%)
Welfare equipment rental :			
Number of users	26,000	28,315	8.9%
(Number of facilities)	(163)	(212)	(29.3%)

FY 2005

	End of Mar.	End of Sept.	% Change
Home-visit nursing care :			
Number of users	60,699	63,045	3.9%
(Number of facilities)	(889)	(892)	(0.3%)
Day care :			
Number of users	15,159	15,889	4.8%
(Number of facilities)	(191)	(213)	(11.5%)
Welfare equipment rental :			
Number of users	29,614	31,660	6.9%
(Number of facilities)	(223)	(211)	(-5.4%)

First-half Results

Efforts were made to acquire new users for respective services.

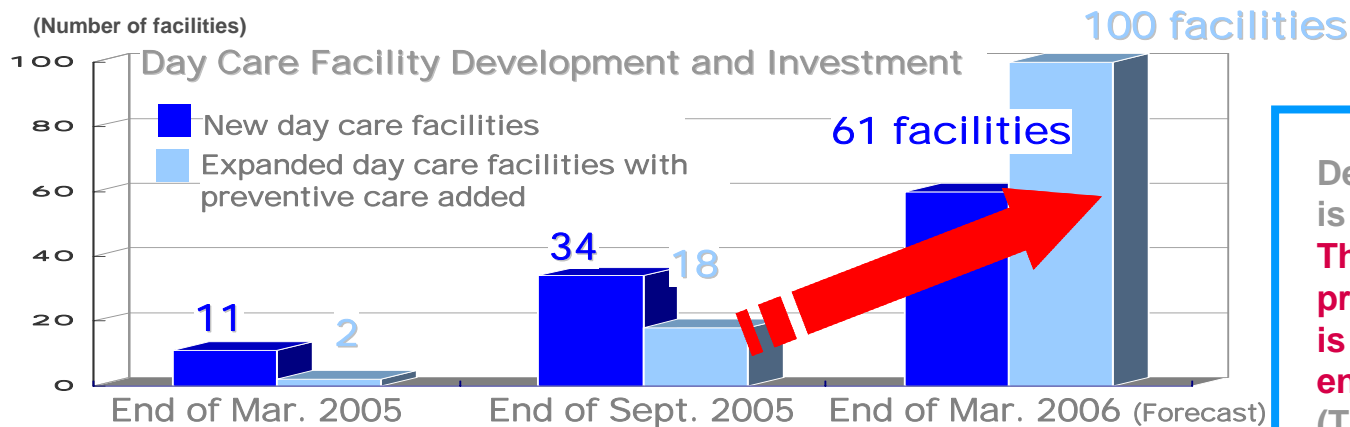
Second-half Strategy

1. Enhancing the capabilities of the center manager and service leaders at each facility
2. Constructing an information sharing system at each facility
3. Continuing to promote the "Plus 1" program

【Health Care Business】 Approach to Long-term Care Insurance System Amendments (1)

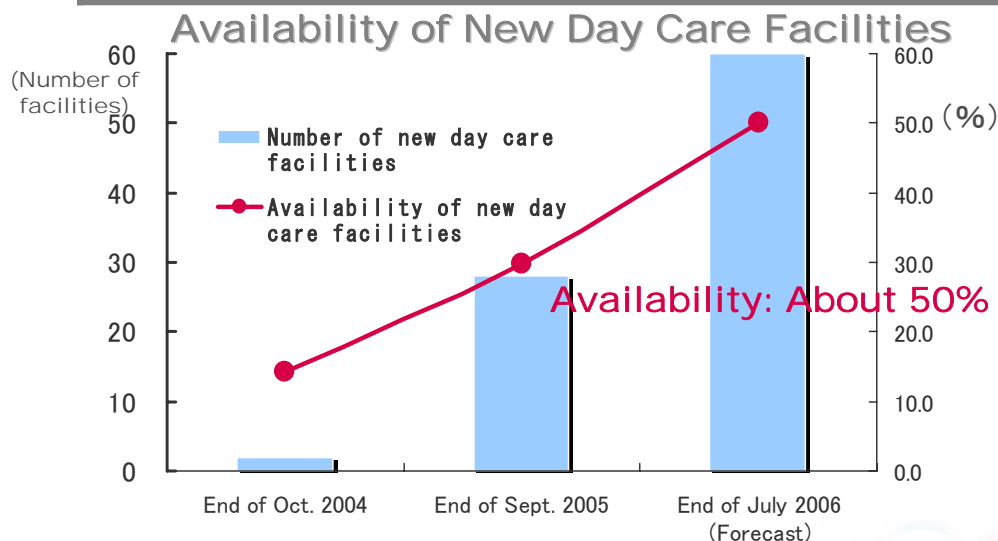
Progress of "Multi-functional Care Center"

【As of the end of September 2005】



Development of day care facilities is steadily progressing.
The number of facilities capable of providing preventive care service is expected to reach 161 by the end of March 2006.
 (Total day care facilities: 244)

Account	Interim figures for FY Mar. 2006 (Result)	Figures for FY Mar. 2007 (Forecast)
Capital investment	¥3,223 million	¥9,100 million



Number of users of new day care facilities has increased and the availability (average) is also steadily increasing.
Availability is expected to reach about 50% as a profitable line of business.

【Health Care Business】 Approach to Long-term Care Insurance System Amendments (2)

Total Preventive Care System

【Our Total Preventive Care Service】

Exercise

Providing services with both facilities (161 day care facilities with exercise machines) and people (Our 2,500 preventive exercise instructors). (To be constructed by the end of March 2006)

Nutrition

Providing nutrition advice by securing an adequate number of nationally registered dietitians, and nutrition management utilizing our "Frozen Meals."

Dental Care

Providing oral care with a coalition of dental hygienists and dentists, utilizing a network of medical institutions

Establishment of a Comprehensive Service Infrastructure



We will support local municipalities by working on "new preventive benefits" and "community support projects."

【Education Business】 Fundamental Review of Education Business

Education Business We support our group's "Business Model" which is recognized as the source of our business growth.

A fundamental business review has begun,
with the goal of further business expansion.

【Current Period】

1. Strengthening Our Local-Area Strategy

Strengthening community-based area marketing

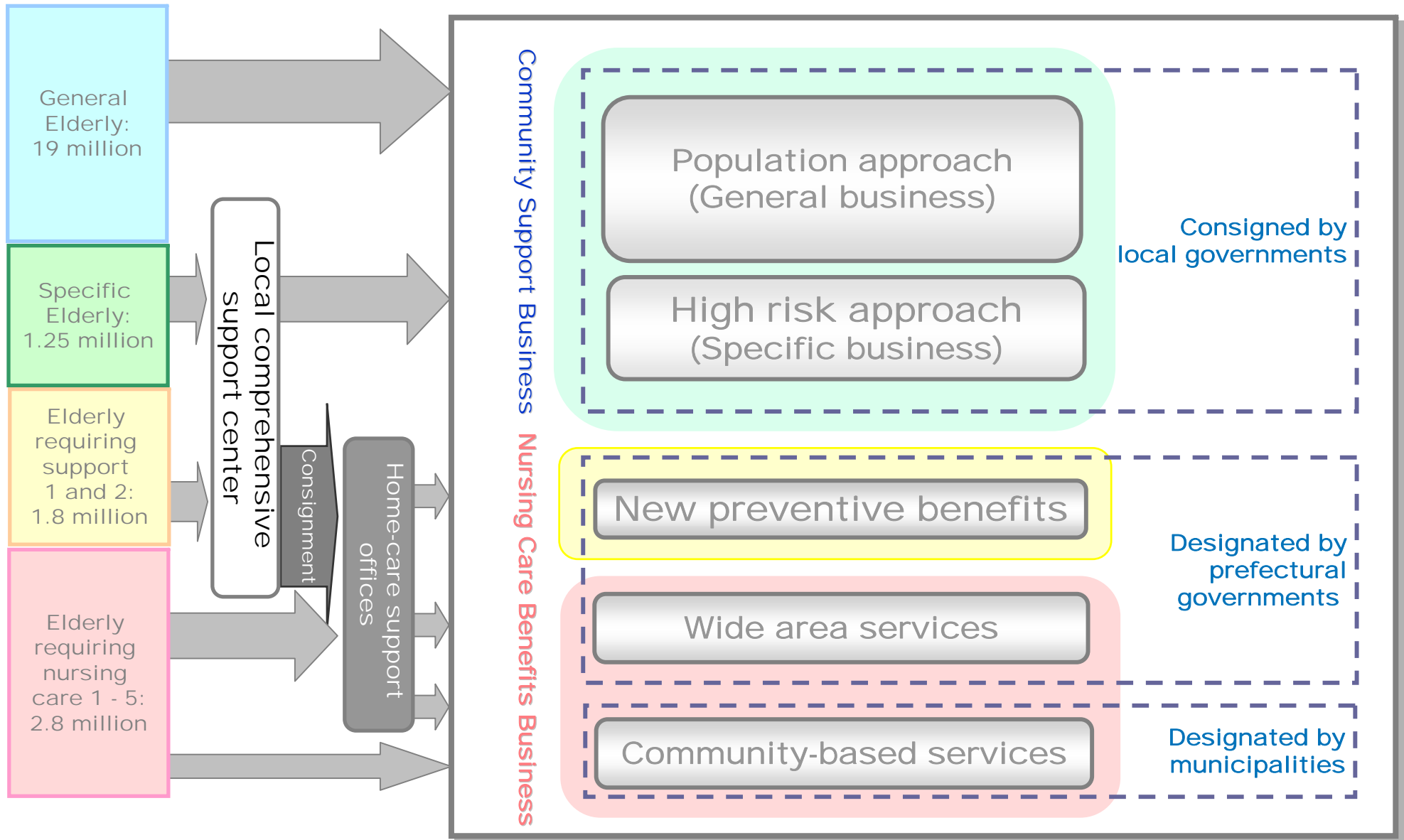
2. Fundamental Review of Marketing Activities ~New Advertising Strategy~

- ◆ Maximizing contact opportunities with potential students by sales promotions and diversification of sales channels
- ◆ Renewal of advertisements to be more fresh and appealing
- ◆ Improving the efficiency of course enrollment procedures utilizing the Web and mobile access.

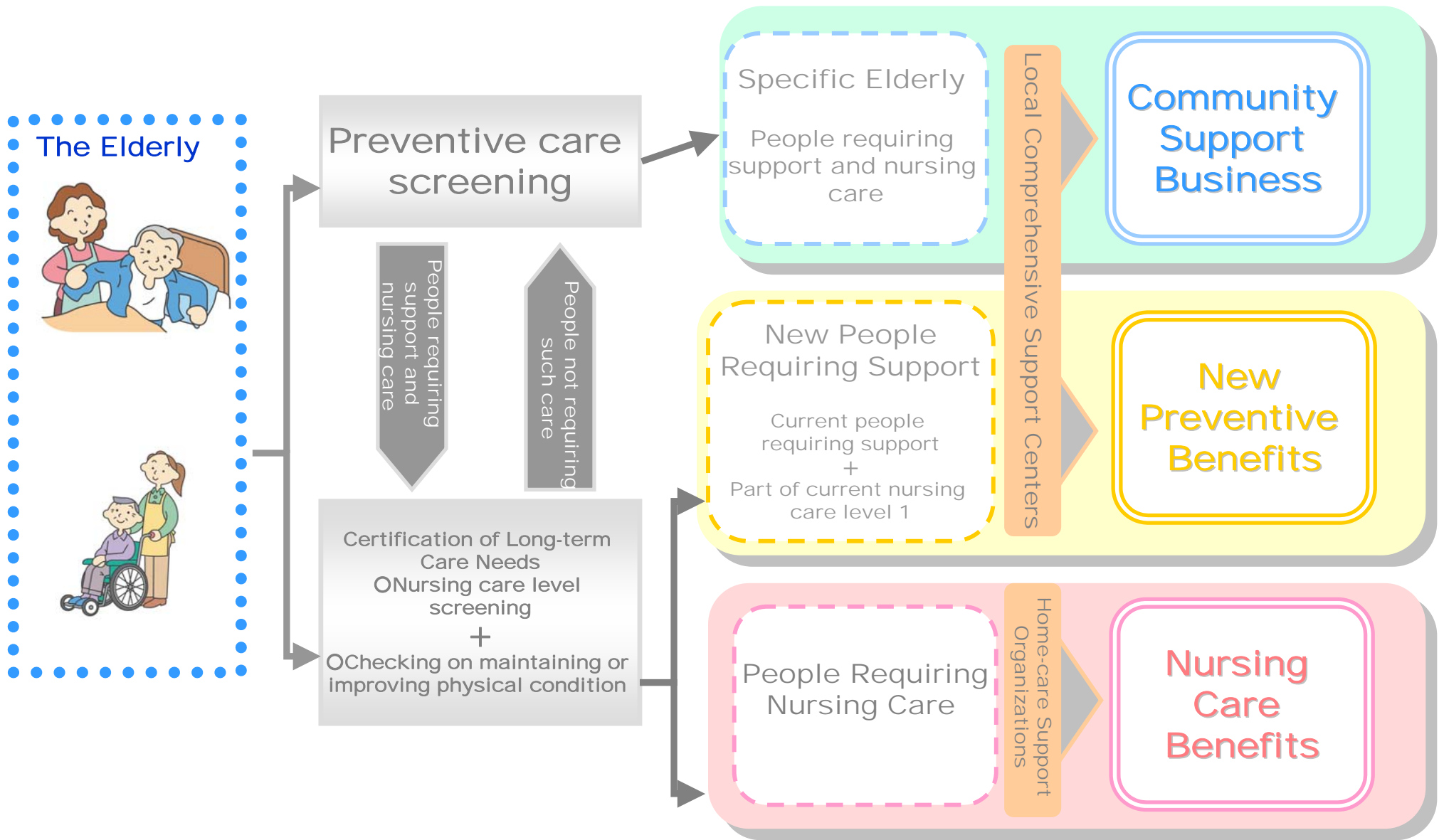
3. Enhancement of Educational Business Sections

Planning and implementing a systematic and consistent strategy covering course planning, acquiring students, and advertising, through manpower management.

【Reference Materials】 Long-term Care Insurance System Amendments (1)

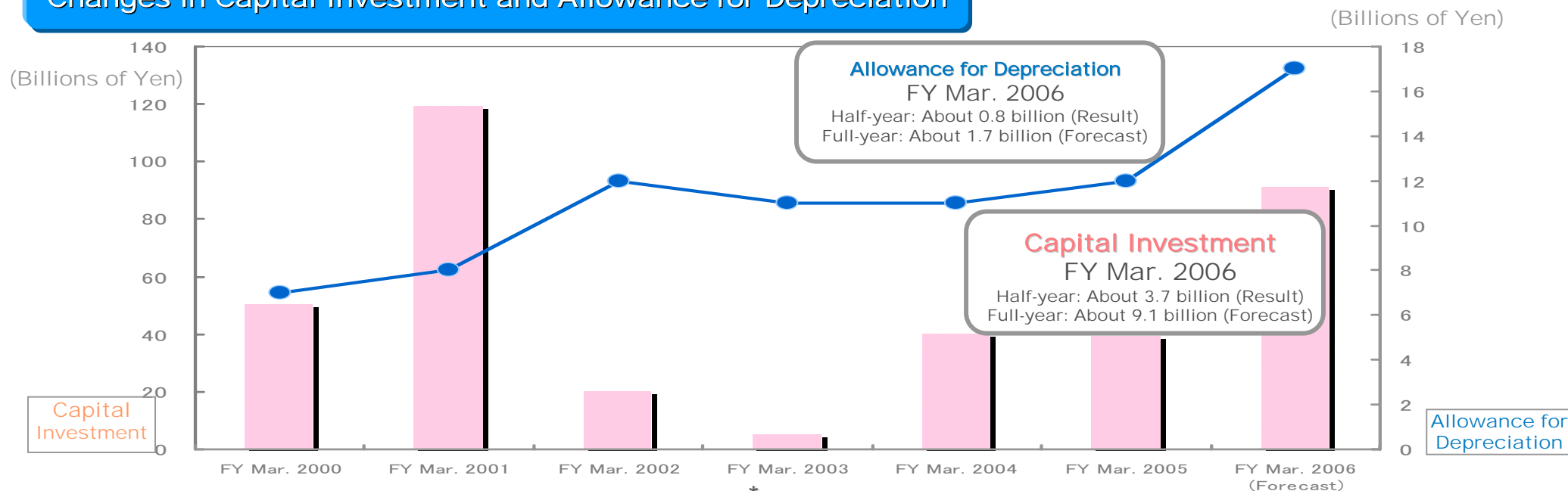


【Reference Materials】 Long-term Care Insurance System Amendments (2)



【Reference Materials】 Capital Investment and Allowance for Depreciation (Non-consolidated)

Changes in Capital Investment and Allowance for Depreciation



*Capital investment: only tangible fixed assets
 Allowance of depreciation: includes tangibles, intangibles, and others

◆FY Mar. 2000 – FY Mar. 2001

Accomplished capital investment with the implementation of long-term insurance, and acquired an overwhelming share of the day care market.

◆FY Mar. 2002 – FY Mar. 2004

In this period we concentrated on payback from our aggressive capital investment, and therefore refrained from excessive investment and focused on business development.

◆FY Mar. 2005 – FY Mar. 2006

Implemented the “Multi- functional Care Center Project” with the revision of long-term insurance, and will continue to promote prior investments.