

NICHII GAKKAN COMPANY

# Financial Results Briefing Document

for the First Nine Months of the Fiscal Year  
Ending March 31, 2014

February. 7, 2014



# Financial Results for the First Nine Months of the FY2014

(Unit:million yen)

	FY2013 3Q	FY2014 3Q	
	Amount	Amount	Year on Year
Net Sales	199,587	204,208	2.3%
Operating Income	6,634	5,061	▲ 23.7%
%	3.3%	2.5%	-
Ordinary Income	6,126	3,951	▲ 35.5%
%	3.1%	1.9%	-
Net Income	2,885	2,300	▲ 20.3%
%	1.4%	1.1%	-

# Consolidated Net Sales and Operating Income by Segment

(Unit:million yen)

Net Sales	FY2013 3Q	FY2014 3Q	Year on Year
			%
Medical Support	77,955	79,373	1.8%
Long-term Care +Health Care	106,157	110,502	4.1%
Education	15,458	14,124	▲ 8.6%
Other	1,386	1,051	▲ 24.1%
Eliminations/Corporate	▲ 1,370	▲ 843	-
Total	199,587	204,208	2.3%

(Unit:million yen)

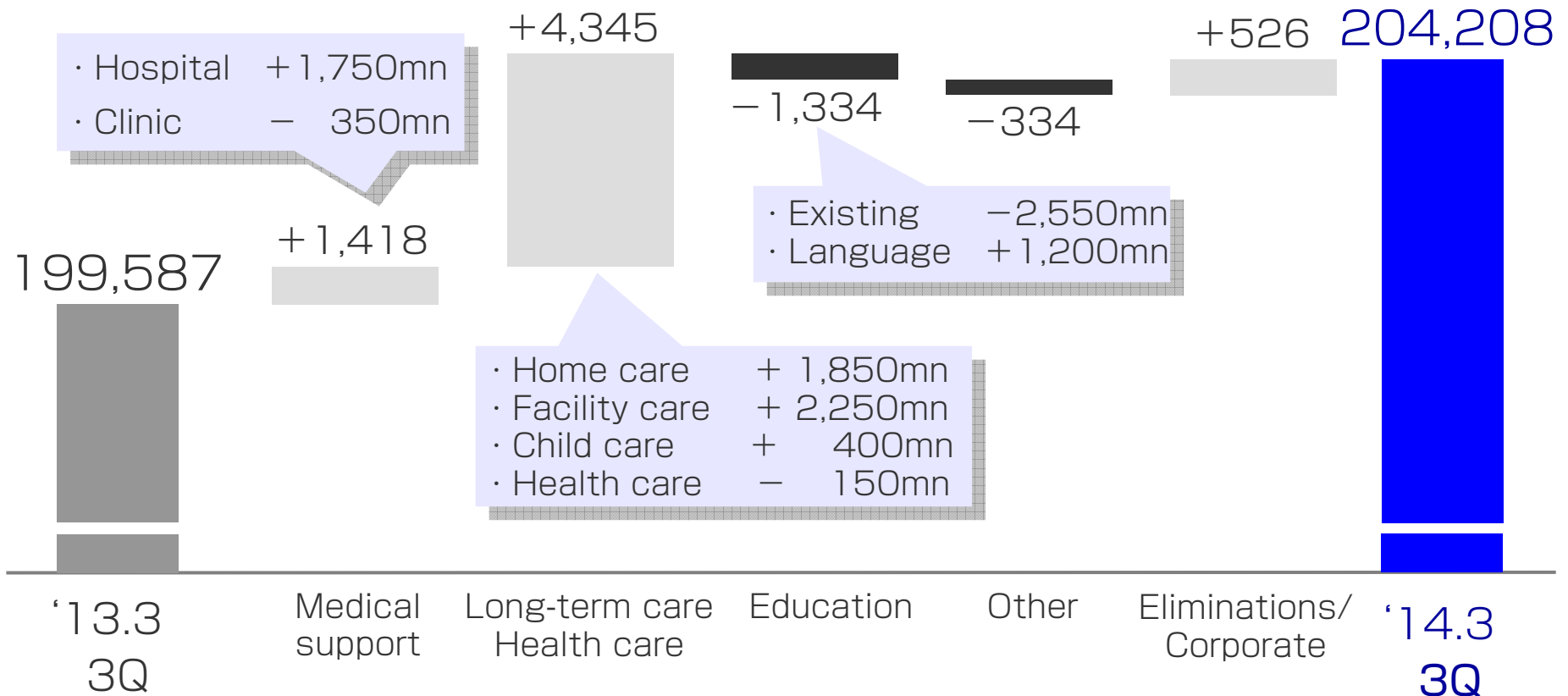
Operating income	FY2013 3Q	FY2014 3Q	Year on Year
			%
Medical Support	6,169	6,110	▲ 1.0%
Long-term Care +Health Care	8,604	9,947	15.6%
Education	▲ 2,662	▲ 5,163	-
Other	140	69	▲ 50.9%
Eliminations/Corporate	▲ 5,617	▲ 5,901	-
Total	6,634	5,061	▲ 23.7%

# Increases/Decreases in Net Sales (Year on Year)

An increase in sales, owing to contribution of long term care and medical support

( Increase in sales of 4,621 million yen )

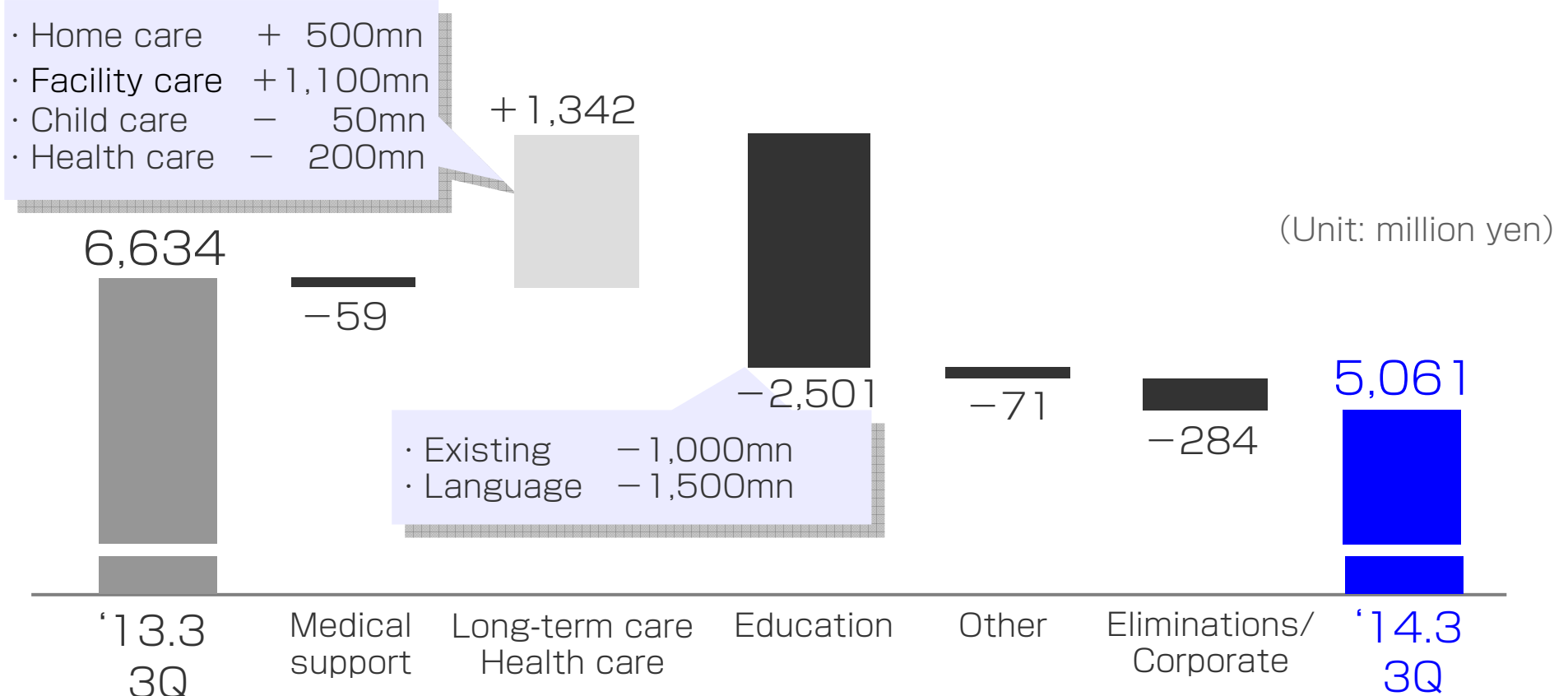
(Unit: million yen)



# Increases/Decreases in Operating income (Year on Year)

Long term care are contribute.  
 Declined from a year ago, owing to the impact of the  
 changeover the qualification system of Nursing Care

( Decrease in profit of  
 1,573million yen )



# FY2014 Financial Results Forecast

(Unit:million yen)

	FY2013.3	FY2014.3	
	Amount	Amount	Year on Year
Net sales	267,191	273,200	2.2%
Operating income	8,741	6,600	▲ 24.5%
%	3.3%	2.4%	-
Ordinary income	8,326	5,000	▲ 39.9%
%	3.1%	1.8%	-
Net income	4,383	2,800	▲ 36.1%
%	1.6%	1.0%	-

# FY2014 Financial Results Forecast

## Net Sales and Operating Income by Segment

(Unit:millon yen)

Net Sales	FY2013.3	FY2014.3	Year on Year
			%
Medical Support	104,110	105,800	1.6%
Long-term Care +Health Care	141,311	148,000	4.7%
Education	21,727	19,200	▲ 11.6%
Other	1,684	1,300	▲ 22.8%
Eliminations/ Corporate	▲ 1,642	▲ 1,100	-
Total	267,191	273,200	2.2%

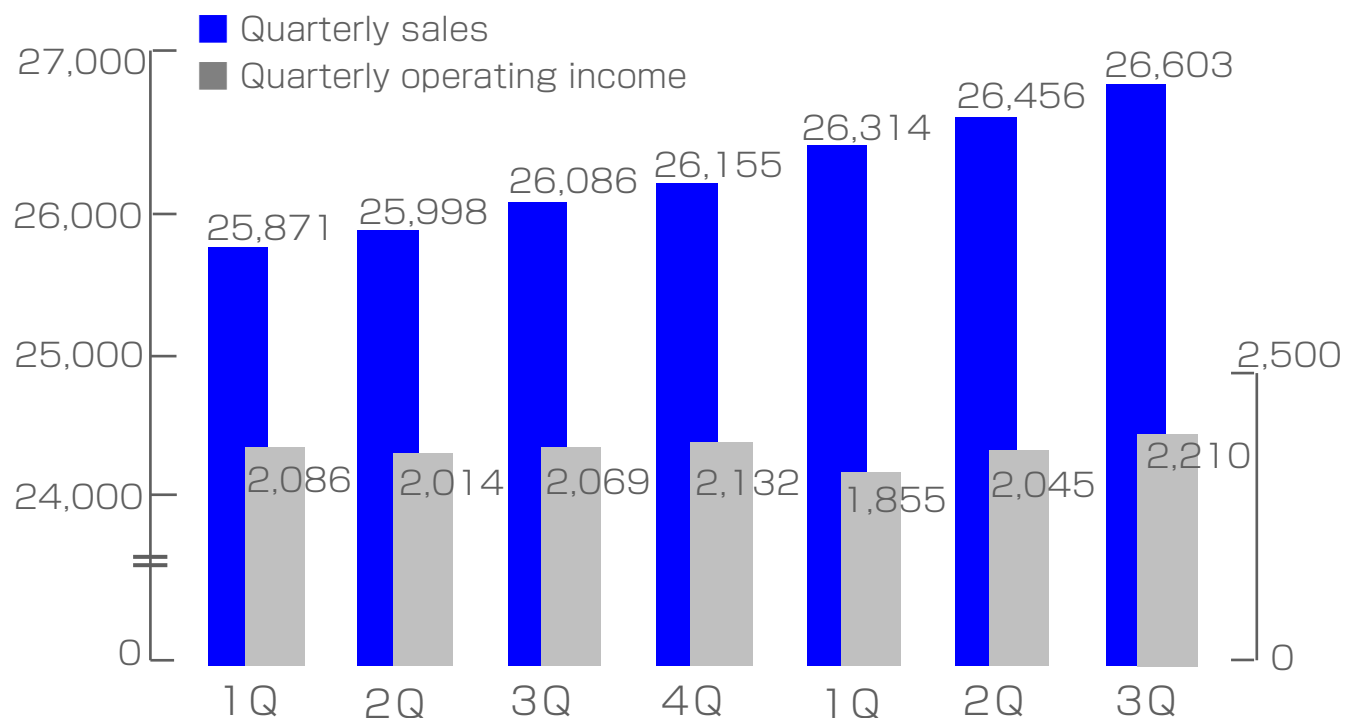
(Unit:millon yen)

Operating Income	FY2013.3	FY2014.3	Year on Year
			%
Medical Support	8,301	7,900	▲ 4.8%
Long-term Care +Health Care	11,183	13,400	19.8%
Education	▲ 3,338	▲ 6,900	-
Other	128	100	▲ 22.2%
Eliminations/ Corporate	▲ 7,534	▲ 7,900	-
Total	8,741	6,600	▲ 24.5%

## Segment Highlights (Medical support)

Revenue continue to increase, owing to the performance of the hospital business.

Profit get on a track to recovery through new contract of large-scale hospital.



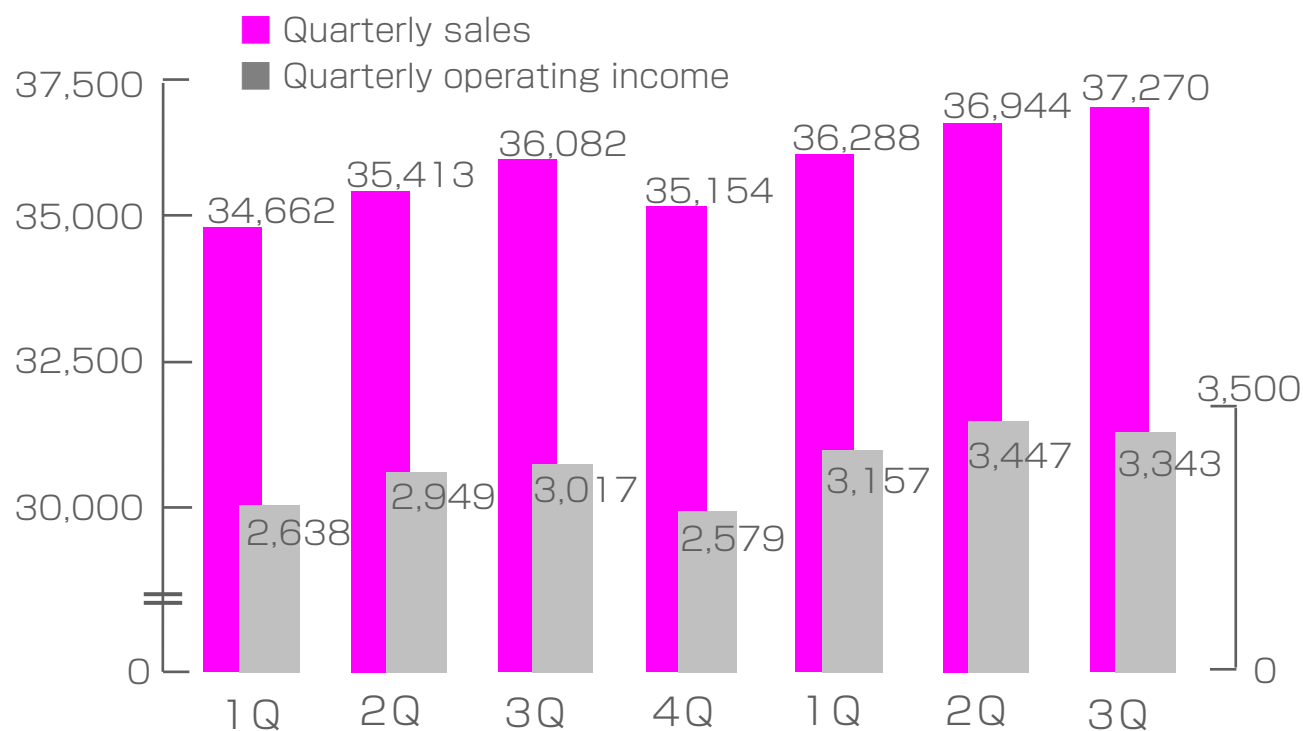
3Q · Year on Year (million yen)		
Net sales	79,373	+1,418
Operating income	6,110	-59

3Q (Quarterly) · Year on Year (million yen)		
Net sales	26,603	+517
Operating income	2,210	+141



## Segment Highlights (Long-term care and Health care)

As the number of users continue to increase in both home care and facility care services, Stable growth continue both sales and profits.

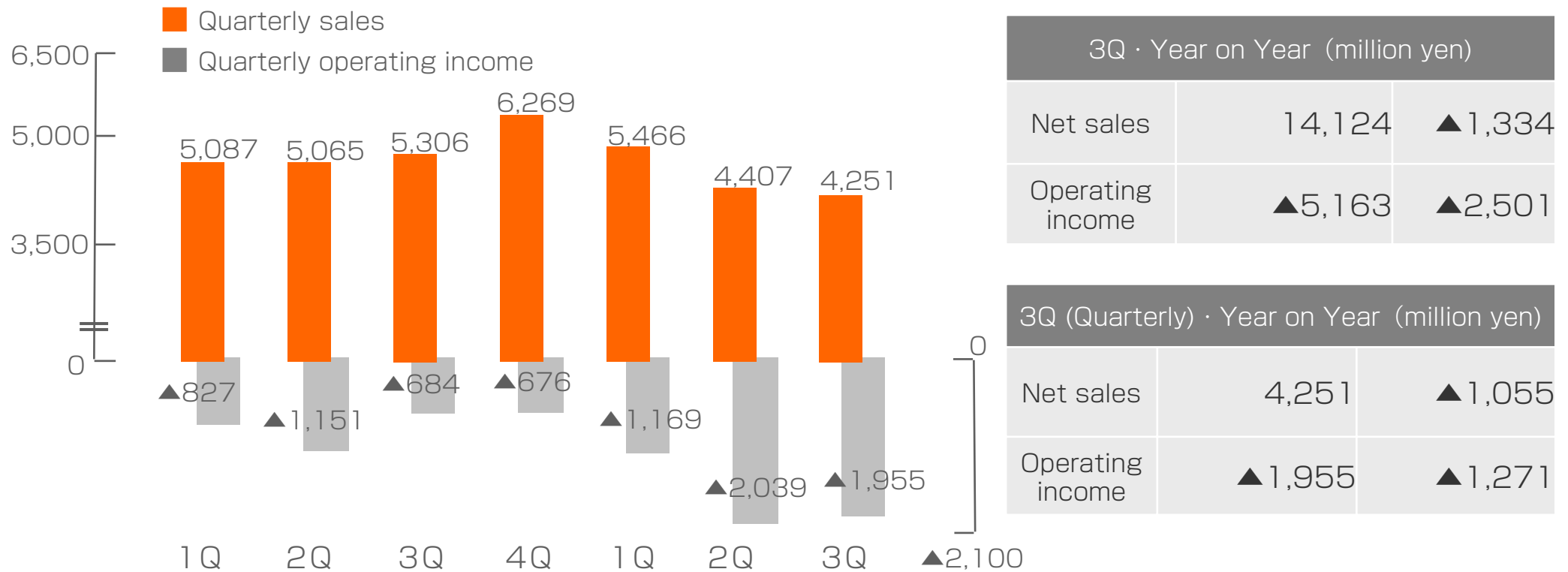


3Q · Year on Year (million yen)		
Net sales	110,502	+4,345
Operating income	9,947	+1,342

3Q (Quarterly) · Year on Year (million yen)		
Net sales	37,270	+1,188
Operating income	3,343	+326

## Segment Highlights (Education)

While Sales decrease owing to the impact of the changeover of the qualification system, Degree of deficit is reduced in a quarter due to efficiency of classroom operation and strategic investments having run their course.

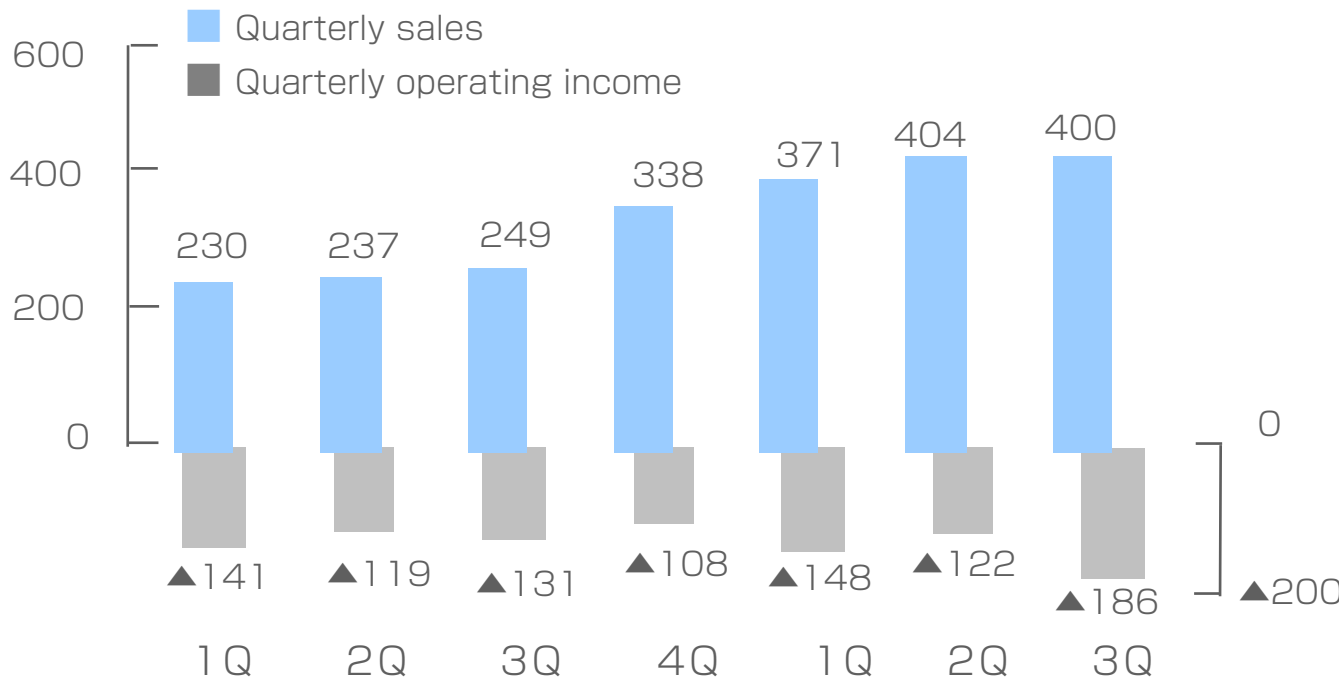


## Segment Highlights by Education Brand

		FY2013 3Q	FY2014 3Q	Year on Year
Nichii ( Existing )	Net Sales	8,089	5,544	▲31.5%
	Operating Income	▲239	▲1,223	—
COCOJuku	Net Sales	120	661	—
	Operating Income	▲3,371	▲5,150	—
GABA	Net Sales	6,923	7,519	8.6%
	Operating Income <sup>* 1</sup>	778	1,145	47.2%

\* 1: Operating income figures indicate post-goodwill figures

Revenue continue to increase, owing to promotion of total child care service in anticipation of the October 2015 establishment of a new childcare system.



3Q (million yen)		
Net sales	1,175	+459
Operating income	▲456	▲65

3Q (Quarterly) (million yen)		
Net Sales	400	+151
Operating income	▲186	▲55

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

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