



**TANABE MANAGEMENT  
CONSULTING. CO., LTD.**

## **51st Term Business Report**

April 1, 2012 to March 31, 2013

[www.tanabekeiei.co.jp](http://www.tanabekeiei.co.jp)

Securities code: 9644



# Management Philosophy

Tanabe Management Consulting respects, advances together with, and brings prosperity to enterprises, and contributes broadly to society. On the strength of its excellent credibility and with an international perspective, Tanabe adapts to ceaseless change and pioneers new approaches to the world.

Note: Figures quoted in this report are rounded to the nearest indicated unit.

## To Our Shareholders



President and Chief Executive Officer

**Hitoshi Kimoto**

On the occasion of reporting business operations in the 51st business year of Tanabe Management Consulting Co., Ltd. (April 1, 2012 to March 31, 2013), we would like to extend to you our warm greetings and sincere gratitude for your continued support.

In the current business year, each department implemented the measures mentioned below to achieve our business objectives under the basic policy, "Increasing growth potential and profitability through promotion of the new medium-term vision."

The Consulting Department tried to strengthen its client base by using client relationship management (CRM), while cultivating new clients by holding strategic domain workshops, management workshops, and first call company forums.

To promote partnerships with licensed social insurance consultant's offices in addition to financial institutions and accountant's offices, the Network Department focused on expanding its client base through development of new service options.

The Sales Promotion Department strived to expand its client base by offering a wide variety of high-value added proposals, mainly in event planning.

As a result of these efforts by each department, the Company achieved record sales.

Although the European and Chinese economies remained uncertain, there were some signs of an economic recovery in Japan, supported by progress of the yen depreciation and a stock market rally against the backdrop of the government's various measures to pull Japan out of a deflationary spiral and achieve economic growth. To focus on assisting clients in achieving "permanent prosperity" under these circumstances, we are determined to develop new products and services that meet clients' real needs by listening to them and exerting our originality and ingenuity.

We appreciate your continued support and cooperation.

June 2013

# Business Model

## Consulting Department

### ▶ What is a management consultant?

- A business partner who advises and provides solutions for various managerial problems in the management of a company

### ▶ Features of consulting services by Tanabe Management Consulting

- Our management consultants provide community-based consulting services in 10 major cities in Japan.
- Instead of focusing on specific businesses and functions (e.g. financing and manufacturing), we offer comprehensive consulting services that diagnose companies for total optimization from a management viewpoint.
- Our consulting services are tailored primarily for small and medium-size companies.

### ▶ Main services

- Supporting business strategies and giving advice on management judgments
- Designing organizations, revitalizing organizations, and fostering human resources
- Supporting the establishment of appropriate management systems including salary systems
- Revamping earnings structures (improving production sites)
- Assisting business succession and grooming successors

### Our consulting approach

Instead of simply applying standard packages or patterns to needs  
(partial optimization)

Comprehensively judging problems that occasionally occur by looking at a company's entire situation  
(total optimization)

Permanent prosperity of a company

#### Three Actualities

Based on a tried-and-true method generated from more than 50 years of Sangen Shugi (actual fact, actual site, and actual product) consulting, we thoroughly review a company's present situation, grasp the true nature of their problems, and formulate a strategy and vision at the actual site.

#### Judgment

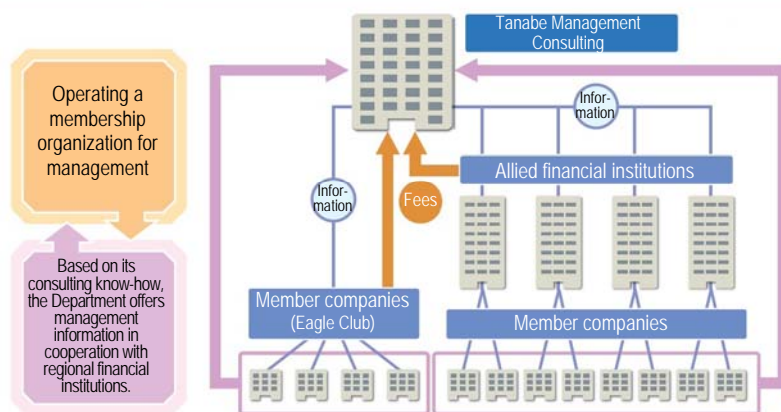
Strategy and vision require sophisticated management judgment. We provide judgment from a neutral and objective standpoint.

#### Implementation

Based on the judgment provided, we assist our clients in implementing their strategies and visions. We also support our clients in fostering human resources to attain permanent prosperity and create an innovative corporate culture.

## Network Department

In 1959, we launched "Eagle Club," a study group of entrepreneurs, which was the origin of the Network Department. The Department currently operates a membership organization for top management while strengthening relationships with possible future clients by continuously offering management information that compiles consulting information that compiles consulting know-how fostered over the last 50 years through allied financial institutions, accountant's offices and licensed social insurance consultant's offices.



Operating a membership organization for management

Based on its consulting know-how, the Department offers management information in cooperation with regional financial institutions.

## Sales Promotion Department

In 1959, responding to a proposal from the founder, our management consultants devised a diary useful for business called the "Blue Diary," which was the origin of the Sales Promotion Department. The department is currently extending its range of services, engaging in producing novelties, merchandising and promotion support, etc. Through activities to promote sales of goods and raise brand power and recognition, the Department assists our clients in achieving further growth.



- Novelties** Planning, producing and delivering sales promotion tools used for corporate image improvement and sales promotion
- Blue Diary** A business diary we have produced since 1959. They are used as year-end gifts or as diaries for clients' employees.
- Merchandising** Helping clients manufacture goods by using our experience in product planning and procurement, and production know-how
- Promotion support** Proposing and planning all kinds of activities related to sales promotion for companies, from creation of logo designs, planning of annual sales promotions, and participation in events and exhibitions, to making of company brochures

# Operating Results

## Consulting Department

Annual sales of the Consulting Department increased, because revenue from management cooperation, the mainstay of the Department, various workshops (Strategic Domain and Management Theme Workshop) and seminars, etc. grew steadily.

### Sales

**3,391 million yen**

Up 240 million yen (7.6%)  
from the previous year



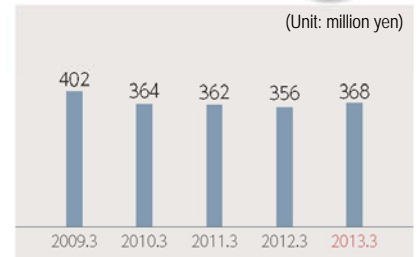
## Network Department

Annual sales of the Network Department increased, because the number of membership organizations rose and revenue from study groups held for allied financial institutions grew solidly.

### Sales

**368 million yen**

Up 11 million yen (3.2%)  
from the previous year



## Sales Promotion Department

Annual sales of the Sales Promotion Department increased, because orders for sales promotion goods grew solidly throughout the year while sales of business diaries remained unchanged.

### Sales

**3,571 million yen**

Up 370 million yen (11.6%)  
from the previous year



# Financial Highlights

## Sales

(Million yen)



## Operating Income • Operating Income Ratio

Operating Income (Million yen)    Operating Income Ratio (%)



## Ordinary Income • Net Income

Ordinary Income    Net Income (million yen)



## Total Assets • Net Assets • Shareholders' Equity Ratio

Total Assets    Net Assets (million yen)    Shareholders' Equity Ratio (%)



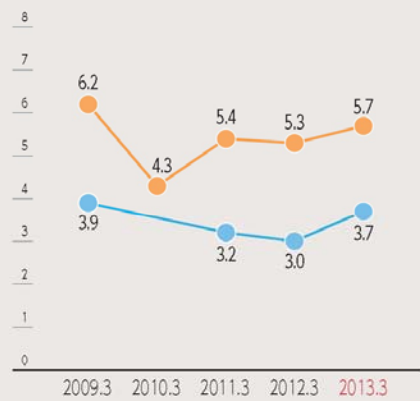
## Net Income per Share

(Yen)



## ROE • ROA

ROE    ROA (%)



ROE: Return on Equity    ROA: Return on Assets

\* No ROE figure is available for March 2010 because the Company posted a net loss.

### ▶▶▶ Seminars

#### ▶ First Call Company Forum 2013



Becoming the first choice company over the next 100 years

First Call Company Forum 2013 was held in eight cities across Japan from February to June 2013. A total of 499 top managers, successors and executives from 316 companies participated in the forum held in four cities during the 51st business year (February and March 2013).

We define a First Call Company ("FCC") as a company that is "selected as the first choice by its clients over the next 100 years." Under the recent harsh business environment, we believe that it has become difficult for any company to survive without aiming to become an FCC.

Our FCC forum is a gathering of top managers all over the country who try to transform their companies into FCCs. "What are the conditions to become an FCC?" Our top management consultants and top managers of FCCs will provide the essence of FCCs to participants.

We also hold a social gathering after the forum where participants can cultivate friendships. At the end of the gathering, participants make their "FCC declaration (declaring in which area they will strive to become an FCC)." Participants were very satisfied at each event.



▲ A forum scene



A dialogue between guest speakers



▲ Information exchange





## COLUMN

### Experience Science



Director:  
**Norito Minamikawa**

Create “a company that is selected as the first choice by its clients over the next 100 years.”

A new business trend has just begun in Japan. Tanabe Management Consulting proposes the “FCC declaration” as a management concept after such a turning point in the nation’s economy.

An FCC is a company that first comes to a client’s mind and is the first one called. An FCC has the following five features: (i) relentlessly seeks value for its clients; (ii) makes its business a leading brand; (iii) determines to build strong balance sheets; (iv) maintains an organization that allows it to develop products and services in a free and open-minded manner; and (v) maintains management techniques for business succession.

Tanabe Management Consulting declares itself as an FCC and will strive with all its strength to foster and increase the number of companies that sympathize with the concept of “a company that is selected as the first choice by its clients over the next 100 years.”

## ▶▶▶ New Book



### “Strategy-Linked, Company DNA-Based Personnel System to Increase Competitiveness”

Written by Company DNA-Based Personnel System Consulting Team, Tanabe Management Consulting Co., Ltd.

We think that the source of a company’s competitiveness comes from the organizational climate and culture and define them as the “Company DNA (genes).” Among measures to strengthen the Company DNA, we consider it very important to create a personnel and wage system suited to each company.

This book is a collection of our research results on what a personnel and wage system best suited to each company should be and is filled with thoughts of Tanabe’s consultants who hope that many companies aim to create a system that continually improves their competitiveness.

### ▶▶▶ Strategic Domains and Management Theme Workshops

With the aim of becoming a first call company, “a company that is selected as the first choice by its clients over the next 100 years,” we have been studying strategic domains (business areas) and management themes that should be tackled in the next generation.



#### ▶ Healthcare Business Strategy Workshop (6 times a year)

In this workshop, participants go on observation tours to learn about successful business models in the growing healthcare business. Our consultants accompanying the tour explain key points and success factors from the viewpoint of company management in an understandable way.



#### ▶ Environmental Business Growth Strategy Workshop (6 times a year)

This workshop is designed to offer participants opportunities to learn strategies that smoothly connect environmental businesses that are expected to grow further with their companies' businesses through firsthand experience in the environmental business market. The workshop started in May 2013 and has gained a good reputation.



#### ▶ Other workshops

In addition to the above-mentioned workshops, nationwide we hold a “Food Business Growth Strategy Workshop” (6 times a year), “Visualization of Management Workshop” (4 times a year), and “Human Resource Growth Strategy Workshop” (6 times a year).





**Blue DIARY**

**A business diary** by our management consultants that's been a **client favorite** for more than

**50** years

"Blue Diary" is our long-selling product that has been a favorite of clients for many years. In the current fiscal year, we were pleased to sell 3.3 million copies.

In 1959, the early days of consulting activities in Japan, Shoichi Tanabe, the Company's founder (the current founder and honorable chairman), produced the diary after many failures and much trial and error with the hope that our clients would find it handy, saying "A diary devised by management consultants is useful in business."

Mr. Tanabe named the diary "Blue Diary" with the desire that it would become a "top notch" diary, because he thought hearing the word "blue" made people think of the top class things including "blueblood (a person from a royal or noble family)," "blue chip (stock or shares are an investment which are considered fairly safe to invest in)," and "Blue Ribbon Award (one of Japan's film awards)."

We present our special shareholder business diary (a genuine leather-bound Blue Diary NE) to every shareholder who holds 100 or more shares of the Company's stock as of September 30 every year, because we hope our shareholders will use the diary filled with the founder's feeling.

### History of Blue Diary

- 1959 "BD" released as a diary useful in business. Sold as year-end gifts in response to clients' requests.
- 1960 "BJ," a pocket-sized diary that fits into the pocket, released.
- 1964 "BM," a ring-type diary in an unconventional size, released.
- 1979 B5-size desk-top series diary released.
- 1989 Slim-type series released.
- 1992 "AC," a diary with dates starting from April 1, released.
- 2002 "Eco-diary series," an eco-friendly diary, released.
- 2010 FSC certification obtained to offer environmentally friendly products.

### Bookbinding Strength and convenience



Robustness that stands up to yearlong use  
Pages firmly open when a user writes in the diary.  
Users won't find it bulky when writing in the diary.

▲ Annual plan

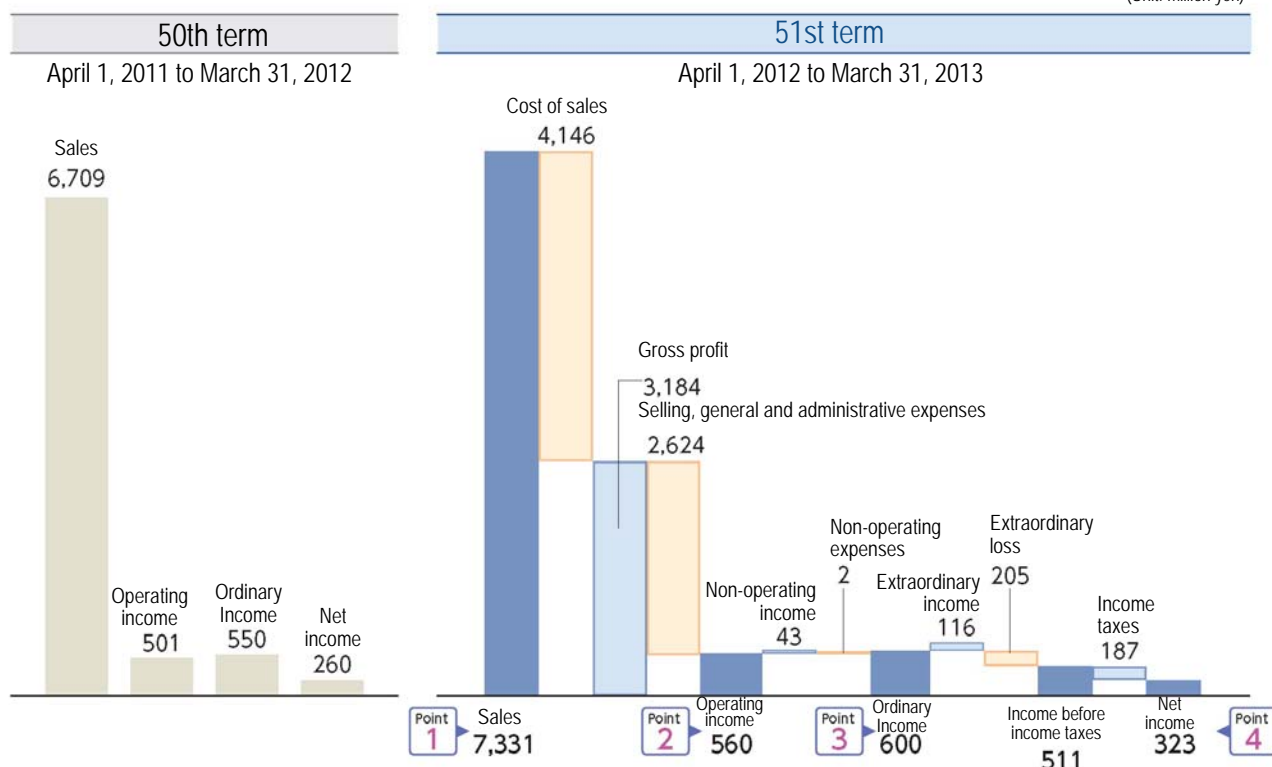
▲ A subway map is included.

Diary  
A two-page spread for the whole week plus memos ▶

# Financial Statements

## Income Statement (Summary)

(Unit: million yen)



**Point 1 Sales**  
The Company saw sales for the Sales Consulting Department, Network Department, and Sales Promotion Department increase by 7.6%, 3.2% and 11.6% respectively from the previous year. Consequently, total sales increased by 9.3%.

**Point 2 Operating income**  
Operating income increased by 11.8% from the previous year due to a large contribution from increased sales as well as cost reduction efforts.

**Point 3 Ordinary Income**  
Ordinary income increased by 9.1% from the previous year, because non-operating income decreased by 16.0%, even though operating income grew by 11.8%.

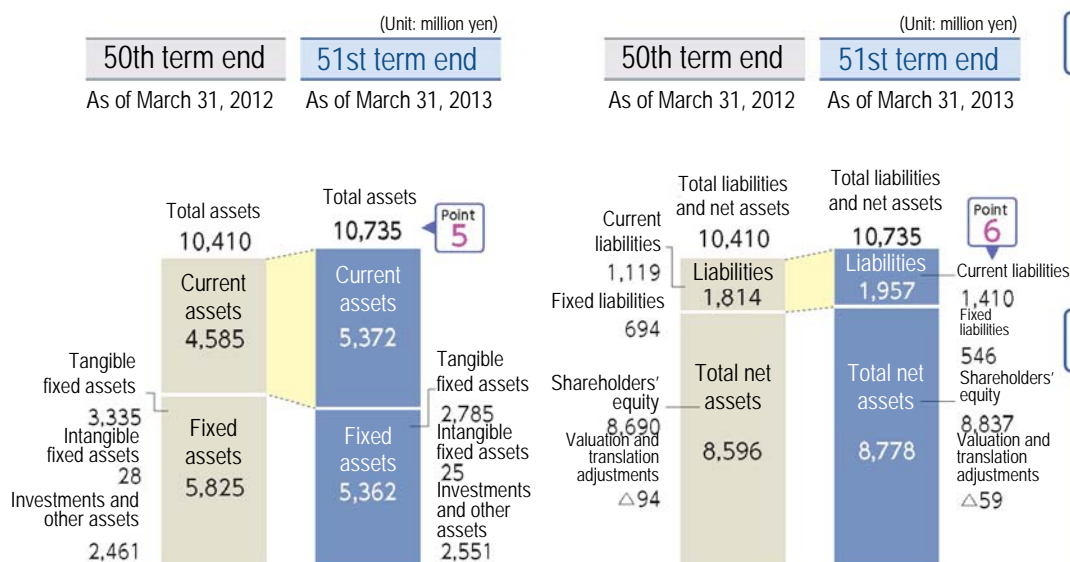
**Point 4 Net income**  
Net income increased by 24.2% from the previous year, because income taxes decreased, although income before income taxes fell by 5.7%.

Disclosure of financial information

For detailed financial information, please access to our website "IR Information." The URL is as follows:

<http://www.tanabekeiei.co.jp>

## Balance Sheet (Summary)



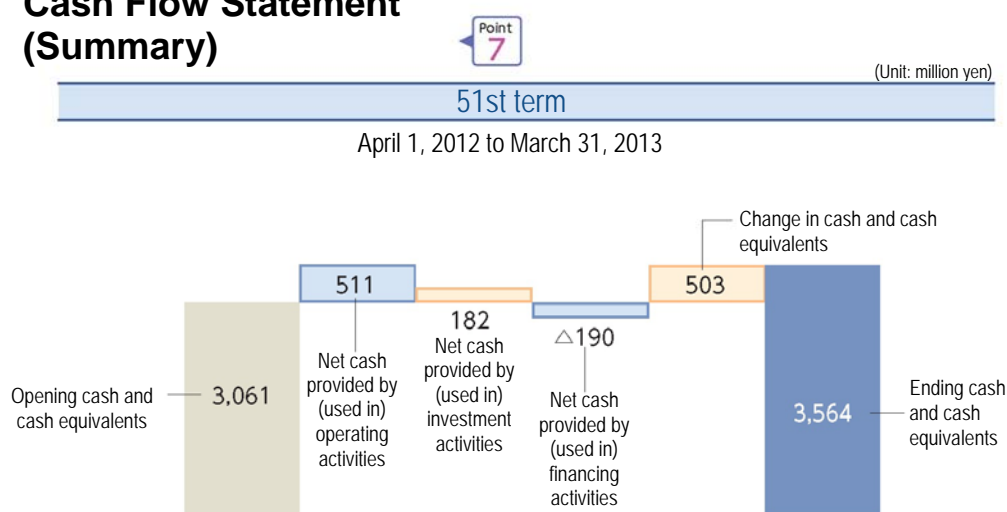
**Point 5** **Assets**

Total assets increased by 324 million yen, because current assets rose by 787 million yen due to an increase in sales, although fixed assets decreased by 462 million yen due to sales and impairments.

**Point 6** **Liabilities**

Total liabilities increased by 142 million yen, because current liabilities rose by 290 million yen due to an increase in income taxes payable, although fixed liabilities decreased by 148 million yen due to a decline in provision for directors' retirement benefits.

## Cash Flow Statement (Summary)



**Point 7** **Cash Flow Statement**

Net cash provided by operating activities amounted to 511 million yen, due to an increase in income before income taxes, impairment loss of fixed assets and a decline in provision for directors' retirement benefits.

Net cash provided by investment activities amounted to 182 million yen, due to proceeds from sales of fixed assets, etc.

Net cash used in financing activities amounted to 190 million yen, due to payment of cash dividends, etc.

Consequently, cash and cash equivalents at the end of the current term amounted to 3,564 million yen.

# Stock Information (As of March 31, 2013)

Total number of shares authorized:..... 35,000,000  
 Total number of shares issued: .....8,754,200  
 Share unit number:..... 100  
 Number of shareholders: ..... 7,682

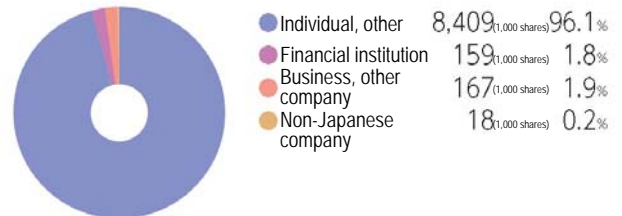
## Principal shareholders (top ten shareholders)

Name of shareholder	Number of shares held	Investment ratio
Shoichi Tanabe	1,474 (1,000 shares)	17.0 (%)
Jiro Tanabe	562	6.4
Eiko Tanabe	507	5.8
Yoichiro Tanabe	507	5.8
Toki Narasaki	447	5.1
Tanabe Management Consulting Client Share Ownership Scheme	295	3.4
Tanabe Management Consulting Employee Share Ownership Scheme	220	2.5
Shinichi Ueda	151	1.7
Toshio Denbara	144	1.6
Hitoshi Kimoto	137	1.5

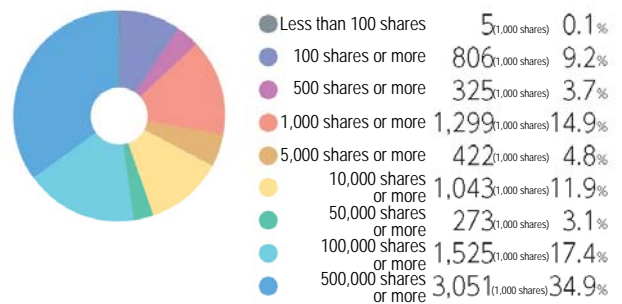
(Note) Treasury stock (90,633 shares) is excluded from the investment ratio calculation.

## [Shareholder distribution]

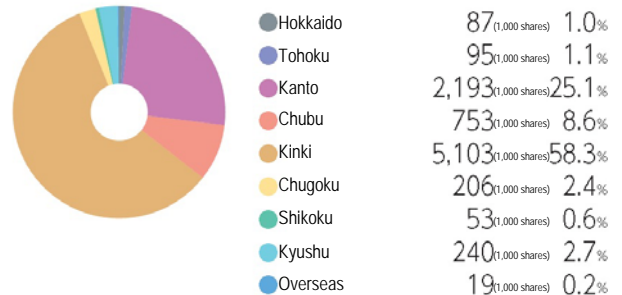
### By business type



### By number of shares held



### By region



## Share price chart



## Corporate Profile

Trade name: Tanabe Management Consulting Co., Ltd. (As of April 1, 2013)

Headquarters: 3-3-41 Miyahara, Yodogawa-ku, Osaka

Website: <http://www.tanabekeiei.co.jp/> (in Japanese)

Founded: October 16, 1957

Incorporated: April 1, 1963

Capital: 1,772 million yen

Number of employees: 289

### Company Directors and Auditors

(As of June 25, 2013)

Representative Director and Chairman:	Jiro Tanabe
President and Chief Executive Officer:	Hitoshi Kimoto, in charge of compliance, Chairman of Tanabe Management Consulting (Shanghai) Co., Ltd. Director of Tanabe Trade (Shanghai) Co., Ltd.
Executive Vice President:	Takahiko Wakamatsu, Head of Consulting Dept., in charge of Network Dept., and Director of Tanabe Management Consulting (Shanghai) Co., Ltd.
Executive Managing Director:	Yoshikuni Nagao, Deputy Head of Consulting Dept., in charge of Tokyo Head Office, Tohoku Branch Office and Niigata Branch Office, Director of Tanabe Management Consulting (Shanghai) Co., Ltd.
Managing Director:	Hiroaki Miyake, Manager of SP Dept., and in charge of China business, Director of Tanabe Management Consulting (Shanghai) Co., Ltd., and Chairman of Tanabe Trade (Shanghai) Co., Ltd.
Managing Director:	Masahiro Okawa, in charge of Planning & Development Div., Chubu Head Office, and Hokuriku Branch Office
Director:	Kazuo Nakahigashi, Head of Network Dept.
Director:	Toshiyuki Nakamura, in charge of Osaka Head Office, Hokkaido Branch Office and Chushikoku Branch Office
Director:	Norito Minamikawa in charge of Seibu Head Office and Okinawa Branch Office
Standing Auditor:	Hiroki Tsutsui, Auditor of Tanabe Management Consulting (Shanghai) Co., Ltd. and Auditor of Tanabe Trade (Shanghai) Co., Ltd.
Outside Auditor:	Yoshinori Tani, Attorney (Yoshinori Tani Law Firm)
Outside Auditor:	Haruhisa Yazaki, President and Chief Executive Officer, MU Trust Apple Planning Company, Ltd. and Outside Auditor of Sakura Rubber Co., Ltd.

## Network

(As of June 25, 2013)

### Offices

Headquarters	〒532-0003	3-3-41 Miyahara, Yodogawa-ku, Osaka
<b>Consulting Department</b>		
Tokyo Head Office	〒150-6034	Yebisu Garden Place Tower 34F, 4-20-3 Ebisu, Shibuya-ku, Tokyo
Chubu Head Office	〒450-0002	Nagoya Building 5F, 4-6-17 Meieki, Nakamura-ku, Nagoya
Osaka Head Office	〒532-0003	3-3-41 Miyahara, Yodogawa-ku, Osaka
Seibu Head Office	〒810-0001	ACROS Fukuoka 12F, 1-1-1 Tenjin, Chuo-ku, Fukuoka City
Hokkaido Branch Office	〒060-0005	JR Tower Office Plaza Sapporo 11F, 2-5 Kitagojo-nishi, Chuo-ku, Sapporo City
Tohoku Branch Office	〒980-0811	Sendai Trust Tower 15F, 1-9-1 Ichiban-cho, Aoba-ku, Sendai City
Niigata Branch Office	〒950-0087	Hokuriku Bldg. 5F, 1-2-23 Higashiodori, Chuo-ku, Niigata City
Hokuriku Branch Office	〒920-0856	Visage 5F, 16-1 Showamachi, Kanazawa City
Chushikoku Branch Office	〒730-0016	Hiroshima Mazda Building 10F, 13-4 Nobori-cho, Naka-ku, Hiroshima City
Okinawa Branch Office	〒900-0015	Nissei Naha Center Building 10F, 1-12-12 Kumoji, Naha
Nagoya Training Center	〒481-0041	73-1 Kunotsuboyama, Kitanagoya City, Aichi
Planning and Development Division	〒532-0003	3-3-41 Miyahara, Yodogawa-ku, Osaka

Network Department	〒532-0003	3-3-41 Miyahara, Yodogawa-ku, Osaka
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### Sales Promotion Department

Sales Division		
Tokyo Sales Division (Tokyo No. 1, No. 2 and No. 5 Divisions)	〒104-0032	Hatchobori SF Bldg. 5F, 3-12-8 Hatchobori, Chuo-ku, Tokyo
	〒330-0845	Omiya Nakamachi AK Building 4F, 1-104 Nakamachi, Omiya-ku, Saitama City
Event Promotion Division		
Tokyo 3	〒222-0033	Fuji-kasai Yokohama Building 4F, 2-4-19 Shinyokohama, Kohoku-ku, Yokohama City
Tokyo 4	〒532-0003	3-3-41 Miyahara, Yodogawa-ku, Osaka
Osaka 1	〒460-0008	Showa Building 6F, 4-3-26 Sakae, Naka-ku, Nagoya
Nagoya Sales Office	〒812-0013	No.5 Hakata Kaisei Bldg. 10F, 1-18-25 Hakataeki-higashi, Hakata-ku Fukuoka City
Fukuoka Sales Office	〒532-0003	3-3-41 Miyahara, Yodogawa-ku, Osaka
Special Sales Division	〒104-0032	Hatchobori SF Bldg. 5F, 3-12-8 Hatchobori, Chuo-ku, Tokyo
Administrative Division	〒532-0003	3-3-41 Miyahara, Yodogawa-ku, Osaka
	〒104-0032	Hatchobori SF Bldg. 8F, 3-12-8 Hatchobori, Chuo-ku, Tokyo

### Tanabe Trade (Shanghai) Co., Ltd.

Room 2661, 26th floor, Xinhongqiao Center Building, 83 Loushanguan Road, Changning, 200336 Shanghai

## Notes for Shareholders

Fiscal year:	April 1 to March 31 the following year
Dividend Record Date (year-end dividend):	March 31
Dividend Record Date (interim dividend):	September 30
Annual General Shareholders' Meeting:	June every year
Administrator for shareholders' register, special account managing institution:	Mitsubishi UFJ Trust and Banking Corporation Contact: Osaka Securities Agent Department, Mitsubishi UFJ Trust and Banking Corporation 3-6-3 Fushimi-machi, Chuo-ku, Osaka 541-8502 Tel: 0120-094-777 (toll free)
Listing Stock Exchange:	JASDAQ market of the Osaka Securities Exchange
Method of public notice:	Public notices of the Company shall be given electronically. Public notice URL: <a href="http://www.tanabekeiei.co.jp/koukoku/in dex.htm">http://www.tanabekeiei.co.jp/koukoku/in dex.htm</a> (in Japanese) Provided that, when electronic public notices cannot be given due to unavoidable reasons, public notices of the Company shall be given in the Nihon Keizai Shimbun.

### Notes:

- Procedures such as change of shareholder's address, requests for purchase of odd shares and the like shall, in principle, be handled by an account managing institution (stockbroker, etc.) where you hold an account. For details, please contact your stockbroker. Please note that the Administrator for the shareholders' register (Mitsubishi UFJ Trust and Banking Corporation) cannot handle these procedures.
- For procedures related to stocks registered in your special account, please contact the above-mentioned special account managing institution (Mitsubishi UFJ Trust and Banking Corporation). You can carry out these procedures at the head office and branch offices of Mitsubishi UFJ Trust and Banking Corporation.
- You can receive unpaid dividends at the head office and branch offices of Mitsubishi UFJ Trust and Banking Corporation.
- We present our special business diary to every shareholder who holds 100 or more shares of the Company's stock as of September 30 each year. We hope that you find our diary useful.
- As of June 2013, the Company's stock is listed on the JASDAQ market of the Osaka Securities Exchange, but from July 16, 2013 it will be listed on the JASDAQ market of the Tokyo Stock Exchange in association with the integration of cash equity markets.

 **TANABE MANAGEMENT CONSULTING CO., LTD.**



"Waterless printing" is adopted, which generates no hazardous waste liquids.



An easy-to-read font is adopted that is based on the concept of universal design (UD).



This report uses environmentally friendly vegetable oil inks.

Questionnaire  
for  
Shareholders

## We look forward to receiving your opinions.

We are pleased to conduct a questionnaire survey to find out what our shareholders think about the Company. We would appreciate it if you could take the time to reply to our questionnaire.

Please access the link below and reply to the questions at our questionnaire site, which will be displayed after you input the access code. The questionnaire takes only about 5 minutes to complete.

 <http://www.e-kabunushi.com>  
Access code **9644**



Send an empty email to obtain the URL.

Please send an empty email (with no title or message) to [kabu@wjm.jp](mailto:kabu@wjm.jp). You will receive the URL for the questionnaire by return email.



Access through your mobile phone.

A mobile phone with a QR code reader allows you to access the above website. Please scan the QR code printed on the right.



- The survey period will last for about two months after you receive this business report.

Those who respond to the questionnaire survey will be entered into a drawing for a prize (book card worth 500 yen).



\* This questionnaire survey is being conducted by e-Shareholder Research, provided by a2media Corporation. (For information about a2media Corporation, please visit <http://www.a2media.co.jp> [in Japanese])

\* Your reply will be used for statistical purposes only and will never be used for any other purpose without your prior consent.

● If you have any inquiries regarding the questionnaire, please contact the Administration Office of e-Shareholder Research.

TEL: 03-5777-3900 (Weekdays 10:00 - 17:30)

MAIL: [info@e-kabunushi.com](mailto:info@e-kabunushi.com)