

www.tanabekeiei.co.jp



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

**The 51st Term Interim
Business Report**

April 1, 2012 to September 30, 2012

Securities code: 9644



Management Philosophy of Tanabe Management Consulting Co., Ltd.

Tanabe Management Consulting respects enterprises, advances together with enterprises, 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 after omitting those less than the indicated units.

To Our Shareholders



President and Chief Executive Officer

Hitoshi Kimoto

We would like to extend to you our warm greetings and sincere gratitude for your continued support.

On October 16, 2012, we celebrated the 55th anniversary of our foundation. We would like to thank you again for your kind assistance. We aim to grow our business further and focus on contributing broadly to society and enhancing our corporate value under our management philosophy.

In the first six-month period of the current business year (April 1, 2012 to September 30, 2012), each department implemented the following measures 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 strove to create loyal clients through improvement of clients' satisfaction. As a result, the Department posted its highest monthly revenue from long-term consulting services (in five years), leading to stabilization of the Company's revenue.

The Network Department actively promoted partnerships with financial institutions, accountant's offices and licensed social insurance consultant's offices, and focused on the expansion of its client base and the development of new services.

The Sales Promotion Department devoted its energies on the sales promotion field, such as events, and strove to expand its client base by cultivating new clients.

The Japanese economy has gradually recovered against the backdrop of reconstruction demand in the wake of the Great East Japan Earthquake. However, there is a risk that fluctuations in financial and capital markets might affect the global economy, exerting downward pressure on the Japanese economy. To focus on assisting clients in achieving "permanent prosperity" under these circumstances, we are determined to develop new products and services and improve clients' satisfaction by listening to clients' needs and exerting our originality and ingenuity.

We appreciate your continued support and cooperation.

November 2012

Operating Results

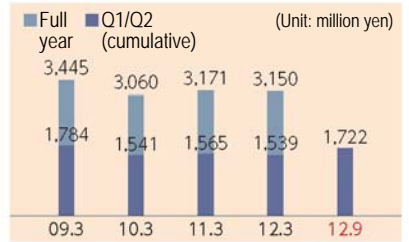
Consulting Department

Sales of the Consulting Department increased steadily, due to a solid growth in revenue from management cooperation, its mainstay service, and seminars, etc.

Sales

1,722 million yen

Up 182 million yen (11.9%) from a year earlier



54.8%

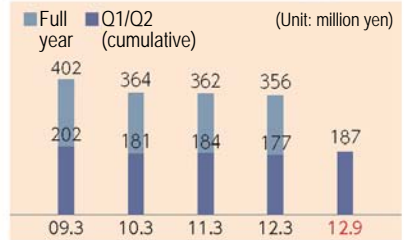
Network Department

Sales of the Network Department grew moderately, due to a solid increase in spot sales from partner companies, etc.

Sales

187 million yen

Up 10 million yen (6.0%) from a year earlier



6.0%

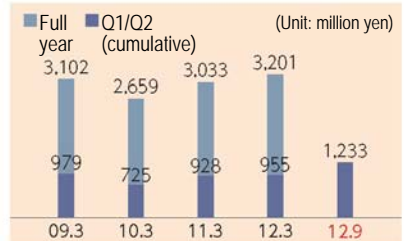
Sales Promotion Department

Sales of the Sales Promotion Department rose substantially, due to a favorable business environment, including an increase in opportunities to offer proposals for large lots of novelty goods against the backdrop of the expansion of customers' sales promotion budgets.

Sales

1,233 million yen

Up 278 million yen (29.1%) from a year earlier



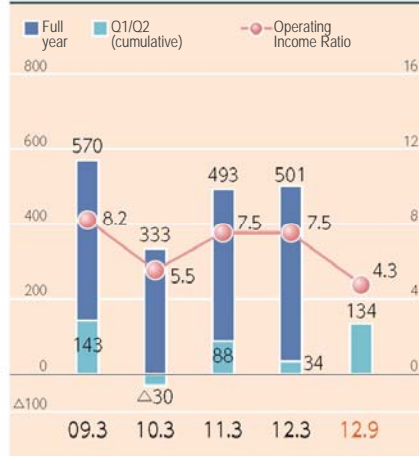
39.2%

Financial Highlights

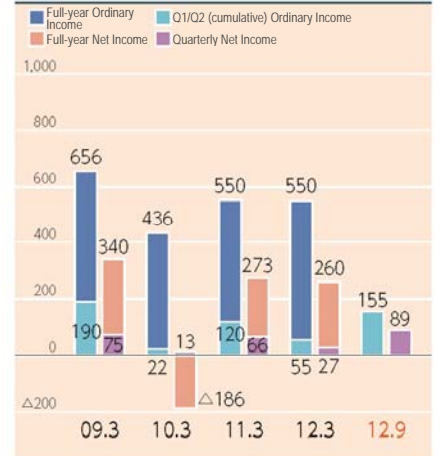
Sales (million yen)



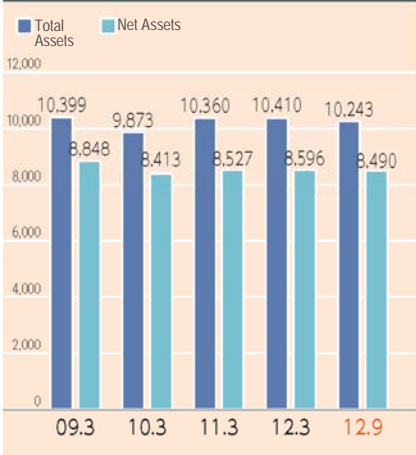
Operating Income & Operating Income Ratio (million yen)



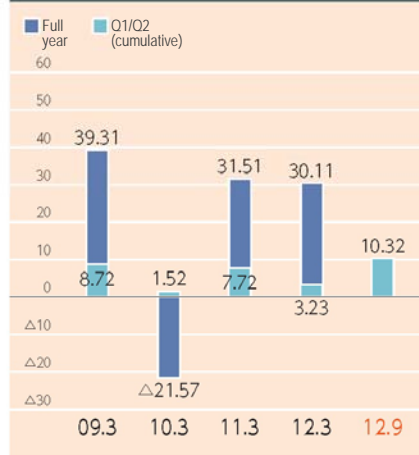
Ordinary Income & Quarterly (Full-year) Net Income (million yen)



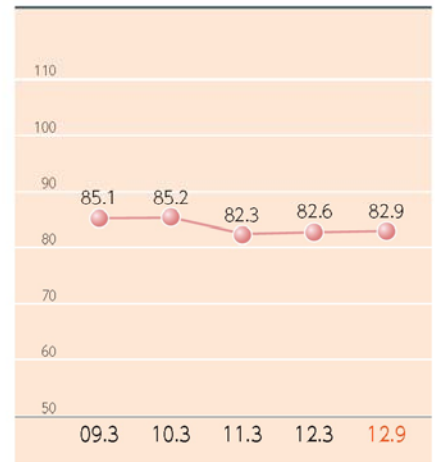
Total Assets & Net Assets (million yen)



Quarterly (Full-year) Net Income per Share (yen)



Shareholders' Equity Ratio (%)



* Business performance varies according to the season, because sales of business diaries (calendar year edition) tend to concentrate in the third quarter. Consequently, indices fluctuate between the first/second quarter (cumulative) and the full year.

TOPICS

Seminars – Introduction

■ Management Strategy Seminar

Our annual Management Strategy Seminar is held in 10 cities across Japan from November to December. Every year, more than 1,600 top managers and executives participate in the seminar nationwide.



At our annual Management Strategy Seminar in 2012, which we have held for 53 straight years, our top management consultants will give lectures on the main theme of “*RE-mission Strategy* (strategy for resetting the mission) in an Economy with a Shot in the Arm.”



■ Manager Candidate School

The School is designed to encourage participants to apply what they learn through a 15-day manager education program over seven months toward reform within the Company. Since the opening of the School in 1972, we have fostered more than 20,000 professional managers. We also plan to hold the Manager Candidate School in 10 cities across Japan from May 2013.

Introduction of Domains and Management Theme Workshops

■ “Visualization of Management Workshop” (four times a year)

In this workshop, participants can learn about the essence of innovations on the business front through firsthand experience at the enterprises selected as main places for research. These enterprises conduct 5S activities, visualized policy and target control, visualized daily operation control, visualization of earnings and financial structure restructuring, and visualization of human resource cultivation, advocating “Visualization” as a keyword.

■ “Tanabe’s Food Business Growth Strategy Workshop” (six times a year)

In this workshop, participants go on observation tours of top-ranking food-related enterprises around Japan to learn about “conditions of food-related enterprises that achieve permanent prosperity.” The Company held the second-term workshop this fiscal year, because the workshop had gained a good reputation in the previous fiscal year.

■ “Human Resource Growth Strategy Workshop” (six times a year)

This workshop is designed to offer participants opportunities to get in touch with the essence of “the growth of human resources” through observation tours to enterprises that have achieved “the growth of an enterprise,” “the growth of human resources” and “the creation of clients,” and are still undertaking new efforts and strategic efforts with the aim of growing human resources.

■ Workshops planned to be held

“Tanabe’s Healthcare Business Strategy Workshop,” which is designed to incorporate growing medical, nursing and health markets into the growth strategy of participants’ companies, started in November 2012. We also plan to hold a workshop based on an observation tour under the concept of “supporting the creation of a first call company in green innovation.”



TOPICS

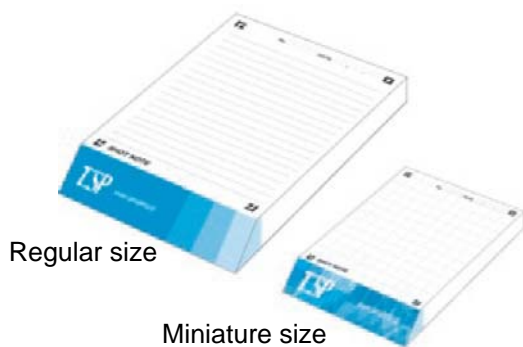
Sales Promotion Department's topics

- Releasing “SHOT NOTE,” prepared exclusively for novelty use under license from KINGJIM Co., Ltd.

The Company has obtained a license from KINGJIM Co., Ltd. (Head office: Chiyoda-ku, Tokyo) for the use of the trademark of “SHOT NOTE” and its recognition markers, and released two types of “SHOT NOTE” prepared exclusively for novelty use.

Type Cut Memo

The Cut Memo is an eye-catching memo pad for your desktop. Various types of cut-ends can be prepared that produce an outstanding design. Cut Memo notepads are available in regular and miniature sizes.



Type Diary Memo

The Diary Memo is handy to carry around and is a perfect complement for the Blue Diary. Diary Memo notepads are available in two options: memo pad with or without post-it stickers.



● Information

The “SHOT NOTE” is a new notepad developed with the concept of “digitizing handwritten notes easily,” which bridges the gap between handwritten notes and smartphones. A handwritten note can be converted into a digitized note that is easily stored and organized via the SHOT NOTE iPhone application, etc., by simply snapping a photo of it. More than two million copies have sold as a next generation stationery product since its debut in February 2011.

Network Department topics

■ Creation of a company history book

We make a proposal to companies that will be celebrating the anniversary of their foundation to prepare a company history book for them. We have compiled a company history book for more than 200 enterprises using know-how of interviewing and editing for information magazines. In the current fiscal year, we also receive requests for the preparation of company history books and are engaged in compilation.



A company history book can be used as an educational tool, such as an assigned book in new employee training or a learning material for in-house study groups, or can also be used as a strategic tool to convey the company's vision and mission through the distribution of copies to its customers and business partners.

COLUMN

Experience Science



Toshiyuki Nakamura,
Director

Placing importance on a long-term trust-based relationship with clients

One of the features of the Company's consulting service is "offering support in general management." Our consultants carefully consider and discuss matters with clients' executives face-to-face, and "bring prosperity to enterprises" by offering advice on specific management problems and support for implementing measures.

It is said that Japan is now undergoing structural transformation. That is exactly why we think it important to offer consulting supports that comprehensively assist enterprises in achieving permanent prosperity through support in the realization of a "vision." However, we become aware that such service is only possible when "a long-term trust-based relationship with clients" is established, and we are determined to devote ourselves to improve our skills from day to day.



TANABE MANAGEMENT CONSULTING CO., LTD.

Main events over 55 years from its founding

The year 2012 marks our 55th anniversary, thanks to your support and cooperation.

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- 2012 Celebrated 55th anniversary of its foundation.
 - 2011 Established Tanabe Trading (Shanghai) Co., Ltd.
 - 2008 Relocated the head office to Miyahara, Yodogawa-ku, Osaka.
 - 2006 Established Tanabe Management Consulting (Shanghai) Co., Ltd.
 - 2004 Delisted from the OTC market and became listed on the JASDAQ market of the Osaka Securities Exchange.
 - 2001 Commenced sales of SP goods and reorganized the BD Department into the SP Department.
 - 1993 Became listed on the OTC market.
 - 1986 Changed the Company name to Tanabe Management
 - 1980 Relocated the head office to Enoki-cho, Suita-shi, Osaka.
 - 1972 Opened the Manager Candidate School.
 - 1971 Relocated the head office to Kitahama, Higashi-ku (currently Chuo-ku),
 - 1970 Launched the first issue of *Jissen Chakuqan* (currently *Consultant Eye*).
 - 1967 Changed the Company name to Tanabe Keiei K.K.
 - 1963 Established Tanabe Keiei Sodansho K.K.; Launched the first issue of the *EC Newsletter* (currently *DECIDE*). Opened the Presidents Classroom.
 - 1961 Launched the first issue of *Keiei Sokuho* (currently *Keiei Shiza*).
 - 1959 Devised the "Blue Diary." Opened the Management Strategy
 - 1958 Launched the "Eagle Club."
 - 1957 Founded Tanabe Keiei Soudansho at Nippon Trust Building, 1 Shijoyanaginobanba-higashiiru Tachiuri-machi, Shimodono-ku, Kyoto.

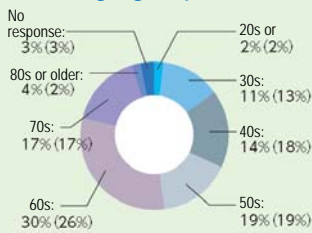
Report on Results of the Questionnaire

Response rate:
14.1%

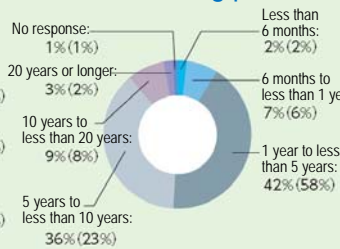
In our questionnaire survey conducted in June 2012, we received responses from 1,077 shareholders. We would like to take this opportunity to express our gratitude for your cooperation. Here are the results of the questionnaire on major items.

Figures in parentheses are results from the previous questionnaire.

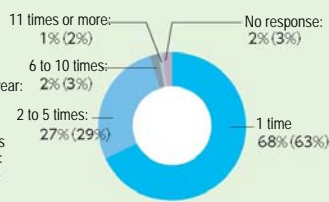
Q1. Age group



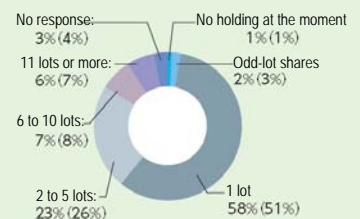
Q2. Stock holding period



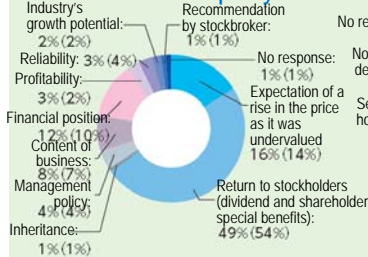
Q3. Number of times you have purchased stock in the Company



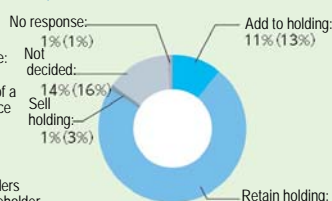
Q4. Number of shares held



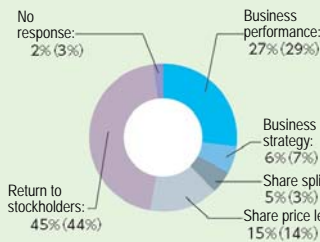
Q5. Reasons for purchasing stock in the Company



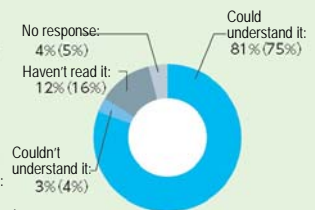
Q6. Future intentions



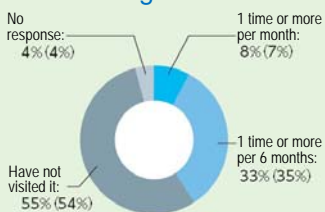
Q7. Information for making decisions



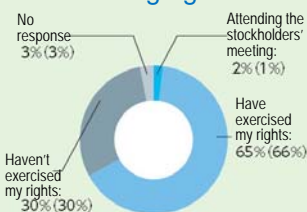
Q8. Contents of business report



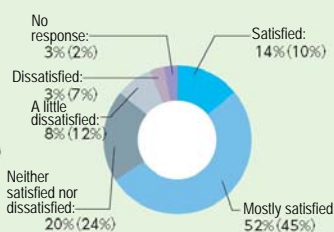
Q9. Frequency of visiting the website



Q10. Exercise of voting rights



Q11. Degree of satisfaction



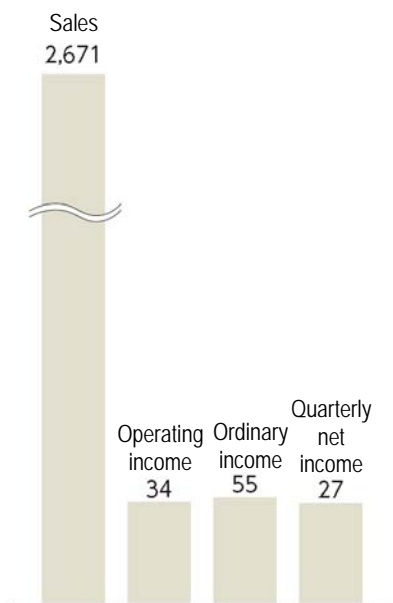
Financial Statements

Income Statement (Summary)

(Unit: million yen)

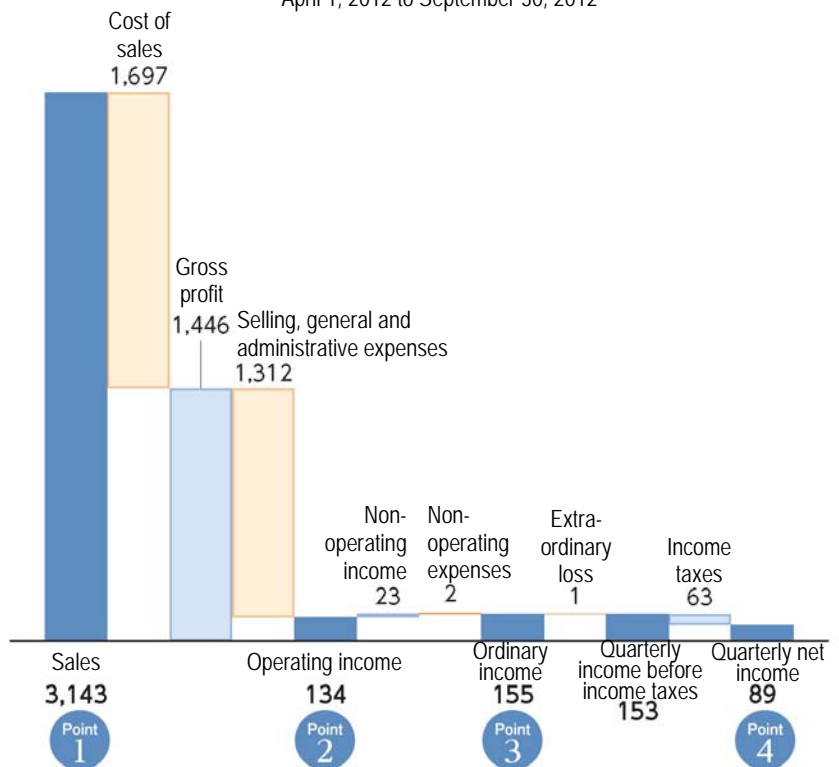
50th term Q1/Q2 (cumulative)

April 1, 2011 to September 30, 2011



51st term Q1/Q2 (cumulative)

April 1, 2012 to September 30, 2012



Point 1

Sales

Sales of the Consulting Department, the Network Department and the Sales Promotion Department increased by 11.9%, 6.0% and 29.1%, respectively. Consequently, the Company's sales grew by 17.7%.

Point 2

Operating income

Operating income increased by 284.8%, due to efforts to employ capable persons and cut down expenses in addition to the great contribution of the increase in sales.

Point 3

Ordinary income

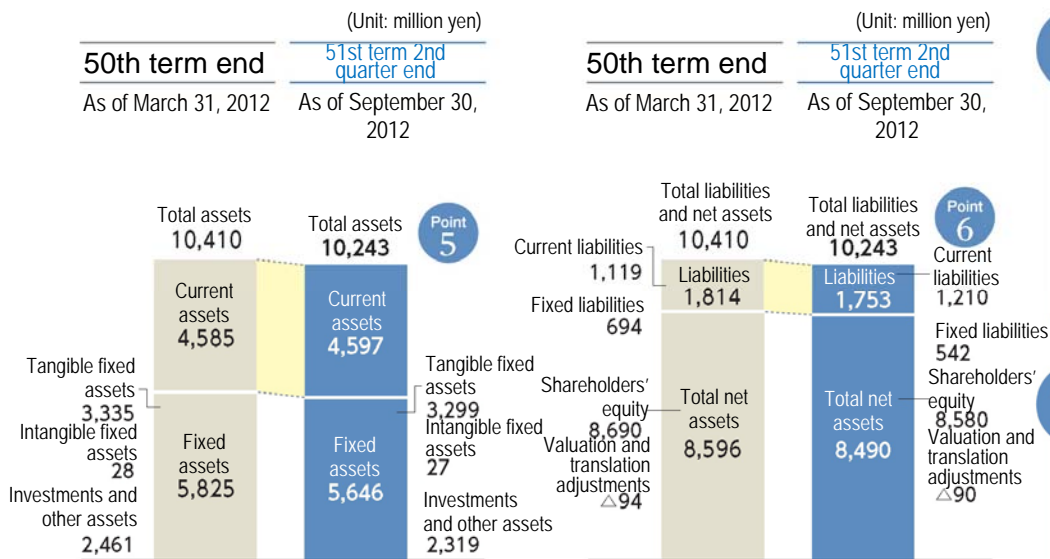
Ordinary income increased by 177.0%, due to an increase in operating income, etc.

Point 4

Quarterly net income

Quarterly net income increased by 220.0%, due to an increase in operating income and ordinary income, etc.

Balance Sheet (Summary)



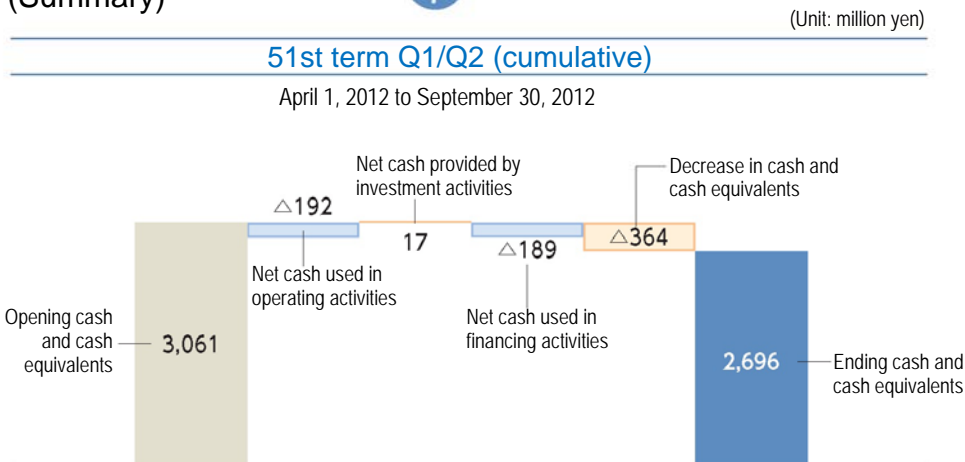
Point 5 Assets

Though current assets remained almost unchanged, fixed assets decreased by 178 million yen from the end of the 50th term due to the cancellation of life insurance for directors, depreciation, etc. Consequently, total assets decreased by 167 million yen from the end of the 50th term.

Point 6 Liabilities

Total liabilities decreased by 61 million yen from the end of the 50th term, due to a decline in provision for directors' retirement benefits, etc.

Cash Flow Statement (Summary)



Point 7 Cash Flow Statement

Net cash used in operating activities totaled 192 million yen due to the payment of directors' retirement benefits, advance payments-trade, income tax, etc., despite an increase in quarterly income before income tax.

Net cash provided by investment activities totaled 17 million yen due to the surrender value of insurance.

Net cash used in financing activities totaled 189 million yen due to payment of cash dividends.

Consequently, cash and cash equivalents at the end of the 2nd quarter of the 51st term totaled 2,696 million yen.

Stock Information

(As of September 30, 2012)

Total number of shares authorized..... 35,000,000 shares
 Total number of shares issued..... 8,754,200 shares
 Share unit number..... 100 shares
 Number of shareholders 8,275 persons

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	316	3.6
Tanabe Management Consulting Employee Share Ownership Scheme	229	2.6
Toshio Denbara	144	1.6
Mitsubishi UFJ Trust and Banking Corporation (Standing proxy: The Master Trust Bank of Japan, Ltd.)	129	1.4
Hitoshi Kimoto	123	1.4

(Note) Treasury stock (90,599 shares) is excluded from the investment ratio calculation.

Share price chart



Network

(As of September 30, 2012)

Offices

Headquarters 〒532-0003 3-3-41 Miyahara, Yodogawa-ku, Osaka

Consulting Department

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 City

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 〒980-6022 Sumitomo Seimei Sendai Chuo Building 22F, 4-6-1 Chuo, 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 City

Shonan Training Center 〒238-0101 1333 Aza-Nemoto, Kamimiyada, Minamishitauramachi, Miura City, Kanagawa

Nagoya Training Center 〒481-0041 73-1 Kunotsuboyama, Kitanaogoya 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

Sales Promotion Department

Sales Div.

Tokyo Sales Division (Tokyo No. 1, No. 2, and No. 5 Division) 〒104-0032 Hatchobori SF Bldg. 5F, 3-12-8 Hatchobori, Chuo-ku, Tokyo

Tokyo 3 〒330-0845 Omiya Nakamachi AK Building 4F, 1-104 Nakamachi, Omiya-ku, Saitama City

Tokyo 4 〒222-0033 Fuji-kasai Yokohama Building 4F, 2-4-19 Shinyokohama, Kohoku-ku, Yokohama City

Osaka 1 〒532-0003 3-3-41 Miyahara, Yodogawa-ku, Osaka

Nagoya Sales Office 〒460-0008 Showa Building 6F, 4-3-26 Sakae, Naka-ku, Nagoya City

Fukuoka Sales Office 〒812-0013 No.5 Hakata Kaisei Bldg. 10F, 1-18-25 Hakataeki-higashi, Hakata-ku Fukuoka City

Special Sales Division 〒532-0003 3-3-41 Miyahara, Yodogawa-ku, Osaka
 〒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 Management Consulting (Shanghai) Co., Ltd.

Room 1202 Mei Long Zhen Square, 1038 Nanjing West Road, Jing'an District, 200041 Shanghai

Tanabe Trading (Shanghai) Co., Ltd.

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

Corporate Profile

(As of September 30, 2012)

Trade name: Tanabe Management Consulting Co., Ltd.

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: 286 persons

Company Directors and Auditors

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 Trading (Shanghai) Co., Ltd.
Executive Vice President:	Takahiko Wakamatsu , Head of Consulting Dept., in charge of Network Dept. and Administration Dept., and 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 Trading (Shanghai) Co., Ltd.
Managing Director	Yoshikuni Nagao , Deputy Head of Consulting Dept., Director of Tanabe Management Consulting (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 , Manager of Osaka Head Office and Chushikoku Branch Office
Director	Norito Minamikawa , Head of Seibu Head Office
Standing Auditor	Hiroki Tsutsui , Auditor of Tanabe Management Consulting (Shanghai) Co., Ltd. and Auditor of Tanabe Trading (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.




Kazuo Nakahigashi Toshiyuki Nakamura Masahiro Okawa Yoshikuni Nagao Norito Minamikawa Hiroaki Miyake
Jiro Tanabe Hitoshi Kimoto Takahiko Wakamatsu

Notes for Shareholders

Fiscal year:	April 1 to March 31 of 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:	The public notices of the Company shall be given electronically. Public notice URL: http://www.tanabekeiei.co.jp/koukoku/index.htm (in Japanese) Provided that, when electronic public notices cannot be given due to unavoidable reasons, the 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 be in principle 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 every year. We hope that you find our diary useful.

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



"Waterless printing" is adopted that generates no hazardous waste liquid.

UD FONT

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



Vegetable oil inks are used that are environmentally friendly.

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 URL below and reply to the questions on our questionnaire site, which will be displayed after you input the access code. The questionnaire will take only about five minutes to complete.

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

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検索



Send an empty email to obtain the URL by return email.

Please send an empty email (with no title or message) to 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 draw 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