



en-japan inc.

Fiscal Year Ending December 2008

Interim Earnings Announcement (Non-Consolidated)

August 7, 2008

Company Name en-japan inc. Listing Exchanges Osaka Securities Exchange (Hercules Market)
 Stock Code 4849 URL <http://corp.en-japan.com/>
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 Scheduled Date to Submit September 22, 2008
 Interim Financial Report

1. FY Ending December 2008 Interim Operating Results (From January 1, 2008 to June 30, 2008)

(1) Operating Results (Figures rounded down to nearest million yen; percentages indicate percent change from prior fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FYE 12/08 Interim	10,795	(5.6)	3,088	(-1.9)	3,075	(-3.1)	1,467	(-14.2)
FYE 12/07 Interim	10,218	(44.0)	3,148	(32.3)	3,172	(34.3)	1,711	(37.5)
FYE 12/07	22,686	(34.1)	7,564	(34.9)	7,573	(35.1)	4,168	(34.2)

	EPS	Fully Diluted EPS
	Yen	Yen
FYE 12/08 Interim	6,145.12	6,057.22
FYE 12/07 Interim	7,072.90	6,867.68
FYE 12/07	17,209.57	16,744.56

(Reference) Earnings from investments in companies subject to equity method accounting:

FYE 12/08 Interim: ¥0 FYE 12/07 Interim: ¥0 FYE 12/07: ¥0

(2) Financial Position

	Total Assets	Net Assets	Net Asset Ratio	Net Assets per Share
	Million yen	Million yen	%	Yen
FYE 12/08 Interim	15,870	12,186	76.8	51,206.58
FYE 12/07 Interim	14,603	10,647	72.9	43,949.81
FYE 12/07	18,382	13,221	71.9	54,419.05

(Reference) Net assets: FYE 12/08 Interim: ¥12,186 million FYE 12/07 Interim: ¥10,647 million FYE 12/07: ¥13,221 million

(3) Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing activities	Cash and Cash Equivalents at End of Period
	Million yen	Million yen	Million yen	Million yen
FYE 12/08 Interim	1,151	-190	-2,488	6,459
FYE 12/07 Interim	1,543	-910	-690	6,116
FYE 12/07	5,293	-2,899	-564	8,003

2. Dividends

	Dividends per Share		
(Date of Record)	Interim	Year-end	Full Year
	Yen	Yen	Yen
FYE 12/07	—	4,100.00	4,100.00
FYE 12/08	—		tba
FYE 12/08 (Projected)		tba	

3. FY Ending December 2008 Projected Operating Results (January 1, 2008 - December 31, 2008)

(Percentages indicate change from prior fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income		EPS
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	26,100	15.0	8,000	5.8	8,000	5.6	4,500	7.9	18,908.68

4. Other

(1) Changes in accounting methods, filing processes and presentation method used to prepare the interim financial statements (Items reported in Changes in Important Matters Used as the Basis for Preparation of the Interim Financial Statements)

- (a) Changes in conjunction with revisions in accounting methods: No
 (b) Changes other than the above: No

(2) Number of shares issued (Common stock)

(a) Number of shares outstanding at end of period (Including treasury stock)

FYE 12/08 Interim: 244,986 shares FYE 12/07 Interim: 242,261 shares FYE 12/07: 242,956 shares

(b) Number of shares of treasury stock at end of period

FYE 12/08 Interim: 7,000 shares FYE 12/07 Interim: 0 shares FYE 12/07: 0 shares

Note: For the number of shares used as the basis for calculation of interim (fiscal year) earnings per share, please refer to “Per Share Information” on page 31.

Note: Explanation concerning appropriate use of the projected operating results and other items to note

The operating results projections shown above were prepared based on data en-japan judged to be reasonable at the present point in time. Because of various uncertainty factors, however, there is a possibility actual operating results will differ from the projected numerical values. For the items concerning the above projections, please refer to page 6 of the Appendix.

1. Business Performance

(1) Analysis of Business Performance

① Business performance during the interim period

During the interim accounting period under review (January 1, 2008 – June 30, 2008), the sense of a slowdown in Japan's economy was heightened by a variety of factors, including uncertainty in the financial market against the backdrop of the subprime loan problem and the sharp rise in prices for oil and raw materials.

In the domestic employment market, demand for human resources at firms remained steady because of a structural work force shortage stemming from the large number of baby-boom employees taking retirement and Japan's declining birthrate.

At the same time, however, efforts by some firms to review their recruitment activities, spurred by the uncertainties in the business outlook, were also more evident.

Based on this environment, en-japan moved forward with revisions to its sales and marketing organization from a long-term perspective, with the goal of responding to the slowdown in market growth and expanding its market share.

As a result, the Company's net sales for the interim accounting period under review increased 5.6% year-over-year to ¥10,795 million. On the other hand, operating income slipped 1.9% year-over-year to ¥3,088 million because of higher operating expenses, particularly increased personnel expenses, and ordinary income edged down 3.1% year-on-year to ¥3,075 million, and after posting an extraordinary loss on valuation of affiliated company stock, net income for the interim period under review decreased 14.2% year-on-year to ¥1,467 million.

The operating results for each business segment are discussed below.

Summary of Net Sales by Main Product during the Interim Accounting Period

< Mid-Career Hiring Business >

The Company's "[en] Career Change Info" site is an Internet-based integrated career change information site that provides information concerning hiring for various types of work and information on corporate clients. The site provides fair, truthful and detailed information collected independently by Company employees on each corporate client from a third party point of view. For the second consecutive year, the site was chosen Number One for overall evaluation among the 30 leading job change sites (see Note), and has received high marks from job seekers using the site. Given the economic environment described above, we released our "[en] Career Change Info Mobile" site and worked to strengthen our sales and marketing organization. Net sales for the interim accounting period under review decreased 0.6% compared with the same period one year earlier to ¥5,982 million.

"[en] Career Change Consultant" is Japan's largest collective site for job placement agencies in Japan. This site enables job seekers to search job placement agencies by characteristics (industry, occupational category, business field, geographic region, etc.) and register themselves with multiple agencies at the same time using a single entry function. During the interim period under review, the Company increased sales broadly by developing new users and raising order unit prices. Sales of this site rose 21.9% year-over-year to ¥1,164 million.

"[en] Temporary Placement Info" was revamped in November 2007. The increase in order unit prices from the improved site helped push interim accounting period net sales of this site up 18.0% year-over-year to ¥1,796 million.

"[en] Part-time Jobs" was re-launched as a new site in February 2008. Net sales of this site for the interim accounting period rose 10.4% year-over-year to ¥604 million.

Note: Overall evaluation calculated based on 11 indicators ("Name awareness," "Number of website visits," "Use when seeking a job change," "Regular use," "Most frequently used," "Reliability," "Quantity of information," "Ease of information search," "Overall level of satisfaction," "Intention to use again" and "Most useful site") in the *Comparison of Career Change Websites* questionnaire survey conducted among job seekers by Cybozu Media and Technology Co., Ltd.

< New Graduate Hiring Business >

"[en] Job Info for Students" was able to steadily demonstrate results through "[en] Job Info for Students 2009," a job information site for university and postgraduate students who will graduate in March 2009, which the Company established in October 2007. As a

result, net sales of this business for the interim accounting period grew 6.5% year-over-year to ¥1,040 million.

< Education/Evaluation Business and Other >

In the Education/Evaluation Business, the Company works in tandem with the “hiring”-related services provided by the Mid-Career Hiring Business and the New Graduate Hiring Business to plan and implement training programs to support post-hire “activities.” The Education/Evaluation Business also provides support for the creation of personnel and evaluation systems to “strengthen the bonds” between employees who have been hired and their firms. As a result, this comprehensive consulting on human resource strategies contributes to sales growth by increasing the synergistic effects between the Mid-Career Hiring Business and New Graduate Hiring Business.

During the interim accounting period under review, the Company also began its new “[en] 高校生(koukousei)” business, which helped push net sales of the Education/Evaluation Business and Other up 47.9% year-on-year to ¥153 million.

Operating Results Comparison

Sales segments

(Unit: Thousand yen)

Category	FY Ending December 2007 Interim Period From January 1, 2007 to June 30, 2007		FY Ending December 2008 Interim Period From January 1, 2008 to June 30, 2008		FY Ending December 2007 From January 1, 2007 to December 31, 2007	
	Net Sales (thousand yen)	Share (%)	Net Sales (thousand yen)	Share (%)	Net Sales (thousand yen)	Share (%)
Mid-Career Hiring Business						
[en] Career Change Info	6,016,431	58.9	5,982,522	55.4	12,737,547	56.2
[en] Career Change Consultant	955,819	9.3	1,164,872	10.8	2,042,680	9.0
[en] Temporary Placement Info	1,523,180	14.9	1,796,665	16.6	3,181,038	14.0
[en] Part-time Jobs	547,735	5.4	604,547	5.6	1,105,809	4.9
Other	94,416	0.9	52,954	0.5	177,330	0.8
New Graduate Hiring Business						
[en] Job Info for Students	711,515	7.0	955,588	8.9	2,751,771	12.1
Other	265,172	2.6	84,607	0.8	503,090	2.2
Education/Evaluation Business and Other	104,032	1.0	153,814	1.4	186,869	0.8
Total	10,218,303	100.0	10,795,571	100.0	22,686,137	100.0

(Notes) 1. Figures do not include consumption taxes.

2. "Other" under Mid-Career Hiring Business and New Graduate Hiring Business represents competency testing.

3. In the past, outsourcing services have been classified under "Other" for the Mid-Career Hiring Business and New-Graduate Hiring Business. Due to the strong relationship with the respective websites, beginning this period, these services will be classified and presented under their respective websites. For the interim period under review, outsourcing services net sales included for presentation under the respective websites were ¥38,060,000 under the Mid-Career Hiring Business and ¥157,942,000 under the New-Graduate Hiring Business.

② Outlook for the fiscal year

Although it cannot anticipate an optimistic environment because of factors such as (1) corporate restraints on recruitment activity in conjunction with the economic slowdown and (2) increasingly severe competitive conditions, the Company has taken measures that include strengthening its sales and marketing organization, expecting the fiscal year operating results projection released on February 14, 2008 as shown below to be achieved.

(Unit: Million yen)

	Net Sales	Operating Income	Ordinary Income	Net Income
Prior projection	26,100	8,000	8,000	4,500
(Reference) Previous FY results	22,686	7,564	7,573	4,168

(2) Analysis of Financial Position

① Assets, Liabilities and Net Assets

< Current Assets >

The balance of current assets at the end of the interim period under review decreased by ¥1,956 million compared with the end of the previous fiscal year to ¥9,367 million. The main factor was a decrease in cash and deposits of ¥1,543 million because of payments of corporate and other taxes and payments of dividends.

< Fixed Assets >

The balance of fixed assets at the end of the interim period under review fell ¥554 million compared with the end of the previous fiscal year to ¥6,502 million. This mainly reflected a decrease in affiliated shareholdings of ¥571 million in conjunction with the posting of a valuation loss on affiliated company stock.

< Current Liabilities >

The balance of current liabilities at the end of the interim period under review declined ¥1,476 million compared with the end of the previous fiscal year to ¥3,684 million. The main changes were a decrease in corporate taxes payable of ¥959 million, a decrease in payments due of ¥173 million and a decrease in consumption taxes payable of ¥147 million.

< Net Assets >

Total net assets at the end of the interim period under review were ¥12,186 million, ¥1,034 million less than at the end of the previous fiscal year. Although earned surplus increased by ¥471 million as a result of higher earnings, this was offset by the acquisition of ¥1,553 million of treasury stock.

② Cash Flows

During the interim accounting period, cash and cash equivalents (hereinafter referred to as "Cash") rose 5.6% year-on-year, increasing ¥343 million compared with the interim period of the previous fiscal year to ¥6,459 million yen. Although the Company made payments of corporate taxes and dividends, and used funds for the purchase of treasury stock, cash and cash equivalents increased as a result of cash inflows generated by the Company's strong operating performance.

< Cash Flows from Operating Activities >

Cash provided by operating activities fell 25.4% year-on-year to ¥1,151 million. Although Cash increased because of interim period net income before taxes of ¥2,519 million and a loss on valuation of affiliated company stock of ¥527 million, Cash was used to pay corporate taxes of ¥2,015 million.

< Cash Flows from Investing Activities >

Cash used in investing activities was ¥190 million, a decrease of 79.0% compared with the interim period of the previous fiscal year. This was due to funds used for the purchase of tangible fixed assets of ¥95 million, funds used for the purchase of intangible fixed assets of ¥265 million, and funds used for the purchase of investment securities of ¥30 million while funds provided from the redemption of term deposits were ¥228 million.

< Cash Flows from Financing Activities >

Cash used for financing activities jumped 260.4% compared with the same period one year earlier to ¥2,488 million. Cash increased slightly due to funds provided by issuance of stock of ¥57 million, while funds used for the purchase of treasury stock totaled ¥1,553 million and funds used for dividend payment increased to ¥991 million.

Cash Flow Indicators

	FY Ended December 2004	FY Ended December 2005	FY Ended December 2006	FY Ended December 2007	FY Ending December 2008 Interim
Equity ratio (%)	72.4	70.2	68.0	71.9	76.8
Equity ratio on a market capitalization basis (%)	1,115.5	1,841.8	977.2	421.6	268.4

(Notes) 1. Each indicator is calculated using financial values and the following formulas.

- a) Equity ratio: Shareholders' equity/Total assets
 - b) Equity ratio on a market capitalization basis: (Closing share price at end of the term x Number of shares outstanding at end of period)/Total assets
2. en-japan does not calculate debt redemption period or interest coverage ratio because the Company does not have any interest-bearing debt.

(3) Basic Policy Concerning Distribution of Earnings and Dividends for the Business Period under Review

en-japan considers the appropriate implementation of dividends and return of earnings to shareholders, while taking into consideration the need to ensure proper internal reserves to provide for proactive development of its business and sudden changes in its management environment in the future, to be its fundamental policy. For the period under review, the Company has not undecided the amount of the dividend it plans to pay.

(4) Business Risks

Details of the major risk factors recognized by the Company as part of its business are provided below. en-japan believes it is also important to identify other factors that are not yet deemed to be business risks, in order to help investors more easily understand the Company's business and consider these factors in their investment decisions, and will maintain an aggressive disclosure strategy with regard to these factors as well. In addition to identifying these risk factors before they occur and implementing preventative measures for them as well as making prompt response in the event of the occurrence, we will carefully consider these factors in the context of our management and our future business development. Investors are advised that the risk factors described below are not meant to be a comprehensive list of all potential risks that should be considered before making an investment in the Company's shares.

(a) Intellectual Property Right Infringement

We view our brand as a highly valuable property and we have acquired various trademarks associated with it. We are also in the process of acquiring any possible patents and utility model rights to protect our unique system and business model.

Additionally, we have included warnings on our site cautioning that the copy rights of the content and services belong to the Company, prohibiting other parties from copying, forwarding, translating, or making other use of our content and services without our express written consent. We may be, however, warned by a third party that the content and services on our sites are in violation of its intellectual property rights. In such case, the determination of ownership may require considerable time, and we may be forced to expend substantial company funds in legal actions to support and protect our intellectual property rights, which may affect our business operations.

(b) Business Development

en-japan provides various job information services over the Internet. The Company's main source of revenues comes from job advertisements placed by corporations on en-japan's Internet websites. With regard to the operation of our sites, it is generally considered to be difficult to determine the specific revenue contributions from our information services and our advertising production work, therefore we disclose the various risks associated with both parts of our business.

(b.1) New Businesses

en-japan's policy is to leverage the strengths of the [en] brand to develop new businesses in the future, including further expansion of the services and content provided to job seekers and corporate clients.

To aggressively broaden the base of its businesses, en-japan maintains a policy of establishing alliances and partnerships with portal sites and other websites. Because of the numerous unpredictable factors associated with new business development, there is a possibility the Company's operating results will be affected by unforeseen circumstances arising from these newer businesses.

en-japan recognizes the importance of maintaining its brand awareness in the market in order to attain success in its businesses. Therefore the Company's policy is to seek alliances with new portal sites to the extent necessary as part of its strategy to maintain a high level of brand awareness. Generally, the term of such alliance agreements is one year, and the agreements are renewed annually. If these agreements are not renewed, or are terminated for by any reason, there is a possibility en-japan's operating results will be adversely affected.

(b.2) Business Operations

As part of its business expansion strategy, en-japan recognizes the importance of increasing awareness of the [en] brand, and pursues an aggressive advertising strategy in both traditional print media and new electronic media with the goal of raising the number of users of its sites. Accurately assessing the effectiveness of this strategy is difficult, and its details have not been decided yet, however, and the increase in costs associated with such advertising campaigns pose a risk to the Company's operating results.

Moreover, to strengthen the marketing and new technology development functions that are critical to expanding its businesses,

the Company must hire individuals capable of supporting these demands. The inability to secure adequate human resources, or the loss of existing staff, could adversely affect the Company's operating results.

(b.3) Business with Partners in Specific Industries

en-japan conducts its marketing activities by avoiding a concentration on customers in certain specific industries and focusing on a broad range of customers in various industries. Because demand for job advertisements is closely related to trends in the economy, however, the Company projects its dependence on customers in certain industries will increase. Although the Company will continue its strategy of marketing to a broad range of industries, there is a possibility the macroeconomic trends affecting customers in specific industries could adversely affect the Company's operating results.

(b.4) M&A and Capital Alliances

en-Japan considers corporate mergers and acquisitions, and capital alliances to be an important means of growing its existing businesses and expanding into new business areas. The inability to implement these activities as planned, however, could adversely affect the Company's operating results.

Furthermore, our joint venture operations in the People's Republic of China may be susceptible to unforeseen circumstances including changes in local laws and regulations, terrorism, domestic warfare, and social and political turmoil due to natural disaster, etc. In the event that we were to encounter one or another of these events, our earnings and financial position could be impacted.

(c) Unique Character of Company Services and Technologies

(c.1) Differentiation of Products and Services

The market for job information services can be divided into three segments covering (a) magazines, newspapers and other traditional print media advertising companies, (b) on-line job information advertising companies utilizing the Internet and (c) human resources recruiting and temporary labor dispatch companies. en-japan conducts its businesses in the second category. Because of the large number of existing companies and new entrants to this segment of the market, competition in this category of on-line advertising is becoming increasingly severe.

As a means of differentiating itself from competitors, en-japan maintains a strategy of continuously enhancing its system functions, improving the services provided to both corporate clients and users and maintaining and raising awareness of the [en] brand in the market. With regard to pricing competition, en-japan believes that continuing to provide a high level of well-targeted, value-added services, at an appropriate pricing structure is critical to maintaining the trust of both its clients and users and avoiding competition solely on terms of pricing in the manner of some of the Company's competitors.

Because it recognizes the potential for increased competition despite such differentiation efforts, however, en-japan highlights this as a business risk that could adversely affect operating results.

(c.2) New Technologies

Technological advancements in Internet-related businesses are rapid and dramatic, and new technologies and services are being created continuously. Because its business is deeply rooted in the Internet, en-japan recognizes the need to maintain the Company's competitive position by constantly developing new technologies and services and providing these to customers as quickly as possible. In order to continually provide high-quality services, the Company's divisions work in cooperation initiated by each of planning groups to constantly pursue the development of new services. As an integral part of this strategy, en-japan considers the various requests from its customers and users, and seeks to reflect as many of these as possible in its systems. Because en-japan is in a strong growth phase, with the need to expand human resources as well as the Company's services and systems development, there is a possibility that delays in the implementation of new technologies and services could lead to a deterioration in en-japan's competitive position within the industry.

(d) Protection of Personal Information

As a company participating in the human resources business, en-japan recognizes the extreme importance of properly managing personal information in the course of its business to prevent the leakage, misuse or alteration of personal data, and has aggressively undertaken efforts to create a personal information protection management system. Consequently, the Company received privacy mark certification from the Japan Information Processing and Development Corporation on March 22, 2001, and on June 15, 2007

obtained privacy mark certification under guidelines that use personal information protection management systems in compliance with JIS Q 15001:2006 as a certification standard.

To ensure information security, personal information is coded when transmitted, strictly managed, and stored in servers at a 24-hour data center with full security facilities. Moreover, because the Company recognizes the legal ramifications resulting from any leakage of this information or other serious problems with the security of this data regardless of the content of its contracts, access to data stored on this server is strictly limited to only certain employees. Even when the Company does not have any legal obligations, however, there is a possibility for problems with personal data to damage en-japan's brand image and adversely affect the Company's businesses and operating results.

(e) Special Legal Provisions

Currently in Japan, the laws governing various usages of the Internet and related businesses are very limited, and there is a need to further fortify these laws. Consequently, there is a possibility the Company's business operations could be restricted by changes such as enactment in the future of new regulations or laws governing Internet usage or clarification of the application of existing statutes.

Job information services businesses are subject to the obligation to publicly convey appropriate information, including "worker recruiting methods" and "specification of working conditions," as defined by the Employment Security Law. en-japan's businesses also are subject to legal regulations such as the provisions governing "equal pay for both men and women" set forth by the Labor Standards Law, the "protection of minimum wages by region or industry" based on the Minimum Wage Law and the "regulations on false or exaggerated representations" set forth by the Consumer Protection Law.

en-japan maintains strict adherence to these laws and provisions in the production of various contents for its sites, and informs its corporate clients of the need to conform to these laws and provisions to help strengthen the trust of users in the Company's sites and services. If the Company's system to maintain the spirit and practice of these laws and provisions should not function adequately, however, there is a possibility this could have an adverse affect on the Company's businesses and the relationships of trust and confidence the Company has established with its users.

en-japan acquired employment agency certification as defined by the Employment Security Law in November 2000. If the Company is unable to renew its certification, or if this certification is cancelled, there is a possibility this could adversely affect the Company's operating results.

(f) Potential for Dilution of Share Value through the Stock Option System

en-japan has adopted a stock option system. If stock options are exercised in the future, there is a possibility this will dilute the value of the Company's shares.

(g) Regarding Large Natural Disasters and Accidents

Because en-japan's business relies on computer communications systems, there is a possibility the Company could become unable to continue operating if its communications systems are interrupted because of a natural disaster, power failure, damage to the telecommunications networks or other problems. There also is a risk the Company's business might be interrupted if the servers at the Company or its Internet Service Provider become inoperative because of a temporary access overload or network difficulties because of criminal acts including unauthorized access from outside the Company, or errors by its employees. Should such damage occur, in addition to the direct harm suffered by the Company, a larger system failure could also result in a loss of business and loss of trust among our customers and users, or a lawsuit or demands for compensation against the Company, and there is a possibility this could adversely affect the Company's businesses.

(h) Risk Concerning Compliance with Laws

To fulfill the social responsibilities that accompany the growth of its business, en-japan is working to create a stronger internal control organization. Nevertheless, such an organization does not guarantee the Company can eliminate all illegal conduct, and if an employee commits a serious error or injustice or engages in illegal activity, there is a possibility the Company's financial position and business performance will be adversely affected by a lawsuit, demand for compensation for damages or other action. Moreover, if the Company has received administrative guidance as a result of an investigation by the Labor Standards Supervision Office or other authority, there is a possibility the Company's business operations could be influenced and its financial position and

business performance adversely affected.

(i) Lawsuits

On September 7, 2007 (complaint receipt date), en-japan was named in a lawsuit filed by DNP Facility Service Co., Ltd., demanding payment of sales proceeds for tickets and other items that the company alleges it sold to en-japan (claim amount of ¥829,404,000 and delinquency charges).

en-japan believes the filing and suit are without merit, and in the future the Company will clarify the veracity of its assertions with the court.

2. Current Conditions of the Company's Group

The Company had no material items to report because it does not have any significant subsidiaries.

3. Management Policy

(1) Basic Management Policy of the Company

en-japan is developing its business centered on job information services provided over the Internet. The Company's core corporate philosophy is to expand business operations by supporting job-seekers and corporate clients and providing high quality products and services.

The Company places the highest value on serving society, and believes the unique characteristics that differentiate en-japan from other firms give the Company a significant presence, and the Company's basic policy is to provide products and services that play a valuable role in helping to build a better society.

(2) Intermediate- to Long-Term Management Strategy

(2.a) Trends in the External Operating Environment

With the growth of Japan's economy and subsequent strong demand for labor, and the so-called "2007 Problem," which refers to the large number of Japanese baby-boomers who will reach retirement age beginning in 2007, Japan is confronted with a declining pool of workers. Consequently, Japanese corporations are taking aggressive actions that include hiring of mid-career workers, raising the retirement age and stepping up hiring of qualified younger workers.

Moreover, as the shift from paper media such as recruiting information magazines, newspapers and recruiting inserts to internet recruitment websites progresses, the Internet recruitment advertisement market is expected to expand as well.

To stay ahead of the market's expansion and ensure the growth of its business, en-japan will aggressively take the steps necessary to fortify its business organization.

(2.b) Intermediate- to Long-Term Management Strategy

As the core of its Internet job advertisement business, en-japan operates various websites including "[en] Career Change Info," "[en] Career Change Consultant," "[en] Temporary Placement Info," "[en] Part-time Jobs" and "[en] Job Info for Students." The Company has solidified its position as the top-ranked specialized job information website by seeking to maintain the highest quality and further increasing the satisfaction level of both clients and job seekers.

Furthermore, the Company is broadening its range of products and services beyond job information services by focusing efforts on consulting businesses such as employee training and personnel evaluation systems.

(3) Issues to be Addressed by the Company

Issues Concerning the Expansion of the Company's Business

One important issue pertaining to the development of en-japan's businesses is the ability to maintain the high quality of job information on the Company's websites while increasing the number of companies advertising jobs on en-japan's sites. en-japan produces highly accurate and detailed job information from the perspective of a third party on behalf of its clients by sending its sales staff to clients' offices to conduct interviews, then creating job advertisements based on the information gathered. Many competitors leave the production of job advertising to their clients. Although en-japan is the top-ranked job advertisement website operator in terms of quality of job information provided, it also needs to keep pace with competitors in terms of growth rates in the number of companies placing ads on the Company's sites. To maintain strong growth, the Company will aggressively hire and train new staff and enhance its marketing and production capabilities.

4. Interim Financial Statements

(1) Interim Balance Sheets

(Unit: Thousand yen)

		FY Ending December 2007 Interim Period (As of June 30, 2007)			FY Ending December 2008 Interim Period (As of June 30, 2008)			FY Ending December 2007 (As of December 31, 2007)		
Categories	Notes	Amount (thousand yen)		Share (%)	Amount (thousand yen)		Share (%)	Amount (thousand yen)		Share (%)
(Assets)										
I Current Assets										
1. Cash and deposits		6,116,746			6,459,872			8,003,825		
2. Notes receivables		14,875			6,267			13,044		
3. Accounts receivable		2,247,320			2,344,630			2,639,824		
4. Inventories		10,428			13,941			13,176		
5. Prepaid expenses		245,065			279,879			246,081		
6. Deferred tax assets		233,334			247,777			407,713		
7. Other		35,516			47,111			23,014		
Reserve for bad debts		-15,268			-31,487			-21,849		
Total Current Assets			8,888,019	60.9		9,367,992	59.0		11,324,829	61.6
II Fixed Assets										
1. Tangible fixed assets										
(1) Buildings	Note 1	152,028			175,239			146,307		
(2) Structures	Note 1	74,889			5,812			—		
(3) Equipment and fixtures	Note 1	525,557			449,829			505,003		
(4) Construction in progress		70,485			26,622			11,287		
Total Tangible Fixed Assets			822,960	5.6		657,504	4.1		662,598	3.6
2. Intangible fixed assets										
(1) Trademarks		4,497			5,426			5,831		
(2) Software		667,766			1,040,427			964,816		
(3) Software under development		266,552			46,552			115,736		
(4) Telephone subscription rights		1,351			1,351			1,351		
Total Intangible Fixed Assets			940,168	6.4		1,093,758	6.9		1,087,735	5.9
3. Investments and other assets										
(1) Investment securities		627,700			713,483			730,885		
(2) Affiliate shareholdings		571,594			—			571,594		
(3) Long-term prepaid expenses		155,689			92,801			131,764		
(4) Deferred tax assets		94,389			399,638			191,028		
(5) Long-term deposits		1,396,520			2,350,000			2,578,300		
(6) Insurance reserve		428,120			436,787			430,332		
(7) Deposit guarantees		678,598			712,316			672,996		
(8) Other		18,690			75,059			24,678		
Reserve for bad debts		-18,690			-28,429			-24,678		
Total Investments and Other Assets			3,952,612	27.1		4,751,657	29.9		5,306,901	28.9
Total Fixed Assets			5,715,742	39.1		6,502,920	41.0		7,057,235	38.4
Total Assets			14,603,761	100.0		15,870,913	100.0		18,382,065	100.0

		FY Ending December 2007 Interim Period (As of June 30, 2007)			FY Ending December 2008 Interim Period (As of June 30, 2008)			FY Ending December 2007 (As of December 31, 2007)		
Categories	Notes	Amount (thousand yen)		Share (%)	Amount (thousand yen)		Share (%)	Amount (thousand yen)		Share (%)
(Liabilities)										
I Current Liabilities										
1. Accounts payable		102,046			45,539			72,564		
2. Payments due		1,223,009			1,310,460			1,484,451		
3. Accrued expenses		135,442			126,870			215,929		
4. Corporate taxes payable		1,431,663			1,127,735			2,086,839		
5. Consumption taxes payable	Note 2	150,881			85,191			232,919		
6. Advances received		567,202			495,158			577,837		
7. Deposits		95,286			201,592			129,124		
8. Reserve for bonuses		243,159			281,730			345,539		
9. Reserve for directors bonuses		—			—			6,300		
10. Other		7,745			10,183			9,124		
Total Current Liabilities			3,956,436	27.1		3,684,463	23.2		5,160,631	28.1
Total Liabilities			3,956,436	27.1		3,684,463	23.2		5,160,631	28.1
(Net Assets)										
I Shareholders' Equity										
1. Paid-in capital			868,927	6.0		961,377	6.1		932,780	5.1
2. Capital surplus										
(1) Capital legal reserve		1,335,496			1,427,942			1,399,348		
Total capital surplus			1,335,496	9.1		1,427,942	9.0		1,399,348	7.6
3. Earned surplus										
(1) Other earned surplus										
General reserve		2,000,000			2,000,000			2,000,000		
Earned surplus brought forward		6,421,398			9,350,249			8,878,759		
Total earned surplus			8,421,398	57.7		11,350,249	71.5		10,878,759	59.2
4. Treasury stock			—			−1,553,757	△9.8		—	
Total Shareholders' Equity			10,625,823	72.8		12,185,812	76.8		13,210,889	71.9
II Valuation and Translation Adjustments										
1. Valuation difference on other investment			21,501	0.1		637	0.0		10,545	0.0
Total Valuation and Translation Adjustments			21,501	0.1		637	0.0		10,545	0.0
Total Net Assets			10,647,324	72.9		12,186,450	76.8		13,221,434	71.9
Total Liabilities and Net Assets			14,603,761	100.0		15,870,913	100.0		18,382,065	100.0

(2) Interim Income Statements

(Unit: Thousand yen)

		FY Ending December 2007 Interim Period (From January 1, 2007 to June 30, 2007)			FY Ending December 2008 Interim Period (From January 1, 2008 to June 30, 2008)			FY Ending December 2007 (From January 1, 2007 to December 31, 2007)			
Categories	Notes	Amount (thousand yen)		Share (%)	Amount (thousand yen)		Share (%)	Amount (thousand yen)		Share. (%)	
I Sales			10,218,303	100.0		10,795,571	100.0		22,686,137	100.0	
II Cost of sales			983,893	9.6		1,079,922	10.0		2,033,507	9.0	
Gross income			9,234,409	90.4		9,715,648	90.0		20,652,629	91.0	
III Sales, general and administrative expenses			6,086,309	59.6		6,626,871	61.4		13,088,112	57.7	
Operating income			3,148,099	30.8		3,088,777	28.6		7,564,516	33.3	
IV Non-operating income		Note 1		32,271	0.3		25,795	0.2		41,422	0.2
V Non-operating expense		Note 2		7,800	0.0		39,554	0.3		32,865	0.1
Ordinary income				3,172,571	31.1		3,075,017	28.5		7,573,073	33.4
VI Extraordinary income		Note 3		6	0.0		—	—		6	0.0
VII Extraordinary loss		Note 4		9,123	0.1		555,613	5.2		245,864	1.1
Net income before taxes			3,163,454	31.0		2,519,404	23.3		7,327,216	32.3	
Corporate, resident and enterprise taxes		1,396,306			1,093,670			3,366,205			
Corporate tax adjustment		55,817	1,452,124	14.2	—41,874	1,051,795	9.7	—207,680	3,158,525	13.9	
Net income			1,711,330	16.8		1,467,609	13.6		4,168,691	18.4	

(3) Interim Statement of Changes in Shareholders' Equity

FY Ending December 2007 Interim Period (From January 1, 2007 to June 30, 2007)

(Unit: Thousand yen)

	Shareholders' equity							Valuation and translation adjustments		Total Net Assets
	Paid-in capital	Capital surplus		Earned surplus			Total Shareholders' Equity	Valuation difference on other investment securities	Total valuation and translation adjustments	
		Capital legal reserve	Total capital surplus	Other earned surplus		Total earned surplus				
				General reserve	Earned surplus brought forward					
December 31, 2006 balance	841,221	1,307,790	1,307,790	2,000,000	5,459,685	7,459,685	9,608,697	2,393	2,393	9,611,090
Change of items during the interim accounting period										
New share issuance	27,706	27,706	27,706	—	—	—	55,412	—	—	55,412
Dividends from surplus	—	—	—	—	-749,617	-749,617	-749,617	—	—	-749,617
Interim net income	—	—	—	—	1,711,330	1,711,330	1,711,330	—	—	1,711,330
Net change of items other than Shareholders' equity during the interim accounting period	—	—	—	—	—	—	—	19,108	19,108	19,108
Total changes of items during the interim accounting period	27,706	27,706	27,706	—	961,713	961,713	1,017,125	19,108	19,108	1,036,234
June 30, 2007 balance	868,927	1,335,496	1,335,496	2,000,000	6,421,398	8,421,398	10,625,823	21,501	21,501	10,647,324

FY Ending December 2008 Interim Period (From January 1, 2008 to June 30, 2008)

(Unit: Thousand yen)

	Shareholders' equity							Valuation and translation adjustments		Total Net Assets	
	Paid-in capital	Capital surplus		Earned surplus			Treasury stock	Total Shareholder s' Equity	Valuation difference on other investment securities		Total valuation and translation adjustments
		Capital legal reserve	Total capital surplus	Other earned surplus		Total earned surplus					
				General reserve	Earned surplus brought forward						
December 31, 2007 balance	932,780	1,399,348	1,399,348	2,000,000	8,878,759	10,878,759	—	13,210,889	10,545	10,545	13,221,434
Change of items during the interim accounting period											
New share issuance	28,596	28,594	28,594	—	—	—	—	57,190	—	—	57,190
Dividends from surplus	—	—	—	—	–996,119	–996,119	—	–996,119	—	—	–996,119
Interim net income	—	—	—	—	1,467,609	1,467,609	—	1,467,609	—	—	1,467,609
Purchase of treasury stock	—	—	—	—	—	—	–1,553,757	–1,553,757	—	—	–1,553,757
Net change of items other than Shareholders' equity during the interim accounting period	—	—	—	—	—	—	—	—	–9,907	–9,907	–9,907
Total changes of items during the interim accounting period	28,596	28,594	28,594	—	471,489	471,489	–1,553,757	–1,025,077	–9,907	–9,907	–1,034,984
June 30, 2008 balance	961,377	1,427,942	1,427,942	2,000,000	9,350,249	11,350,249	–1,553,757	12,185,812	637	637	12,186,450

FY Ending December 2007 (From January 1, 2007 to December 31, 2007)

(Unit: Thousand yen)

	Shareholders' equity							Valuation and translation adjustments		Total Net Assets
	Paid-in capital	Capital surplus		Earned surplus			Total Shareholders' Equity	Valuation difference on other investment securities	Total valuation and translation adjustments	
		Capital legal reserve	Total capital surplus	Other earned surplus		Total earned surplus				
				General reserve	Earned surplus brought forward					
December 31, 2006 balance	841,221	1,307,790	1,307,790	2,000,000	5,459,685	7,459,685	9,608,697	2,393	2,393	9,611,090
Change of items during the interim accounting period										
New share issuance	91,559	91,558	91,558	—	—	—	183,117	—	—	183,117
Dividends from surplus	—	—	—	—	-749,617	-749,617	-749,617	—	—	-749,617
Interim net income	—	—	—	—	4,168,691	4,168,691	4,168,691	—	—	4,168,691
Net change of items other than Shareholders' equity during the interim accounting period	—	—	—	—	—	—	—	8,152	8,152	8,152
Total changes of items during the interim accounting period	91,559	91,558	91,558	—	3,419,074	3,419,074	3,602,191	8,152	8,152	3,610,344
December 31, 2007 balance	932,780	1,399,348	1,399,348	2,000,000	8,878,759	10,878,759	13,210,889	10,545	10,545	13,221,434

(4) Interim Statements of Cash Flows

		FY Ending December 2007 Interim Period (From January 1, 2007 to June 30, 2007)	FY Ending December 2008 Interim Period (From January 1, 2008 to June 30, 2008)	FY Ending December 2007 (From January 1, 2007 to December 31, 2007)
Category	Notes	Amount (thousand yen)	Amount (thousand yen)	Amount (thousand yen)
I Cash flows from operating activities				
Net income before taxes		3,163,454	2,519,404	7,327,216
Depreciation expense		296,595	382,738	653,802
Impairment loss		—	—	99,959
Increase (decrease) in reserve for bad debts		186	13,389	12,755
Increase (decrease) in reserve for bonuses		95,166	-63,809	197,547
Increase (decrease) in reserve for directors bonuses		-8,800	-6,300	-2,500
Interest received		-11,148	-19,462	-27,916
Foreign exchange gains (losses)		-8,875	14,280	10,527
Loss (gains) from investment in LLC		-4,456	13,694	13,831
Valuation loss on investment securities		—	—	49,999
Loss on valuation of affiliated company stock		—	527,154	—
Gain on sale of fixed assets		-6	—	-6
Loss on sale of fixed assets		—	—	17,117
Loss on retirement of fixed assets		458	21,619	50,105
(Increase) decrease in accounts receivable		30,448	301,969	-360,223
Increase (decrease) in accounts payable		22,066	-27,024	-7,415
Increase (decrease) in payments due		-213,397	-226,716	141,705
(Increase) decrease in other current assets		3,829	-46,252	-7,758
Increase (decrease) in other current liabilities		-37,263	-283,928	207,596
(Increase) decrease in other fixed assets		—	35,210	38,596
Subtotal		3,328,257	3,155,968	8,414,939
Interest and dividends received		7,620	11,474	22,718
Corporate taxes paid		-1,792,686	-2,015,959	-3,143,891
Cash flows from operating activities		1,543,191	1,151,483	5,293,767
II Cash flows from investing activities				
Funds used for purchase of long-term deposits		—	—	-1,200,000
Funds provided from redemption of long-term deposits		—	228,300	—
Funds used for purchase of investment securities		-260,000	-30,000	-469,950
Funds provided from sale of investment securities		9,000	17,000	29,000
Funds used for acquisition of tangible fixed assets		-306,872	-95,609	-362,879
Funds provided from sale of tangible fixed assets		—	—	15,300
Funds used for acquisition of intangible fixed assets		-272,631	-265,411	-833,617
Funds used for lease deposits		-74,898	-39,358	-90,819
Funds provided from return of lease deposits		678	38	22,201
Funds used for accumulation of insurance reserve		-6,454	-6,454	-8,666
Funds provided from cancellation of insurance reserve		424	—	424
Funds used for extension of loans		-200	-100	-1,020
Funds provided from loans recovered		521	743	978
Cash flows from investing activities		-910,431	-190,852	-2,899,046
III Cash flows from financing activities				
Funds provided by issuance of stock		55,412	57,190	183,117
Funds used for acquisition of treasury stock		—	-1,553,757	—
Funds used for dividend payment		-745,774	-991,547	-747,178
Cash flows from financing activities		-690,361	-2,488,114	-564,060
IV Translation adjustment to cash and equivalents		575	-16,470	-607
V Net increase (decrease) in cash and equivalents		-57,026	-1,543,953	1,830,052
VI Cash and equivalents at beginning of period		6,173,772	8,003,825	6,173,772
VII Cash and equivalents at end of period		6,116,746	6,459,872	8,003,825

(5) Important Matters Used as the Basis for Preparation of the Interim Financial Statements

FY Ending December 2007 Interim Period (From January 1, 2007 to June 30, 2007)	FY Ending December 2008 Interim Period (From January 1, 2008 to June 30, 2008)	FY Ending December 2007 (From January 1, 2007 to December 31, 2007)
<p>1 Appraisal standards and appraisal methods for assets</p> <p>(1) Subsidiary company stock The Company has adopted the cost method, cost being determined by the moving average method</p> <p>(2) Other negotiable securities</p> <p>Securities without a market price The Company has adopted the cost method, cost being determined by the moving average method Furthermore, the Company accounts for investments in investment limited partnerships and similar associations (investments deemed to be negotiable securities under Article 2 Paragraph 2 of the Securities and Exchange Law) by booking a net amount equivalent to the equity method value, using the most recent closing statement that can be obtained in accordance with the account settlement date provided in the partnership agreement as a base.</p> <p>(3) Inventory assets Supplies The latest purchase cost method</p>	<p>1 Appraisal standards and appraisal methods for assets</p> <p>(1) Subsidiary company stock Same as at left</p> <p>(2) Other negotiable securities</p> <p>Securities without a market price The Company has adopted the cost method, cost being determined by the moving average method Furthermore, the Company accounts for investments in investment limited partnerships and similar associations (investments deemed to be negotiable securities under Article 2 Paragraph 2 of the Financial Instruments and Exchange Law) by booking a net amount equivalent to the equity method value, using the most recent closing statement that can be obtained in accordance with the account settlement date provided in the partnership agreement as a base.</p> <p>(3) Inventory assets Same as at left</p>	<p>1 Appraisal standards and appraisal methods for assets</p> <p>(1) Subsidiary company stock Same as at left</p> <p>(2) Other negotiable securities</p> <p>Securities without a market price Same as at left</p> <p>(3) Inventory assets Same as at left</p>
<p>2 Depreciation methods for fixed assets</p> <p>(1) Tangible fixed assets The Company has adopted the declining-balance method. However, for buildings (excluding installed facilities) the Company has adopted the straight-line depreciation method. The depreciable lives mainly used by the Company are as follows. Buildings 5-24 years Structures 20 years Equipment and fixtures 3-20 years</p> <p>(2) Intangible fixed assets The Company has adopted the straight-line method. Software for use within the Company is depreciated over a period from 1 to 5 years, based on the assumed useful life according to the software characteristics.</p>	<p>2 Depreciation methods for fixed assets</p> <p>(1) Tangible fixed assets Same as at left</p> <p>(2) Intangible fixed assets Same as at left</p>	<p>2 Depreciation methods for fixed assets</p> <p>(1) Tangible fixed assets The Company has adopted the declining-balance method. However, for buildings (excluding installed facilities) the Company has adopted the straight-line depreciation method. The depreciable lives mainly used by the Company are as follows. Buildings 5-24 years Equipment and fixtures 3-20 years</p> <p>(2) Intangible fixed assets Same as at left</p>

FY Ending December 2007 Interim Period (From January 1, 2007 to June 30, 2007)	FY Ending December 2008 Interim Period (From January 1, 2008 to June 30, 2008)	FY Ending December 2007 (From January 1, 2007 to December 31, 2007)
<p>3 Accounting standards for reserves</p> <p>(1) Allowance for doubtful accounts To provide for losses on doubtful accounts, the Company charges to income an amount based on actual loss experience for normal accounts, plus an amount for projected unrecoverable amounts based on separate assessments of the probability of collection from specified credits such as credits in danger of bankruptcy.</p> <p>(2) Accrued bonuses to employees To fully provide for expenditures of bonuses the Company will pay to employees, an amount is appropriated to the reserve during the interim accounting period based upon an estimated bonus amount.</p> <p>(3) Accrued bonuses to directors and auditors —</p>	<p>3 Accounting standards for reserves</p> <p>(1) Allowance for doubtful accounts Same as at left</p> <p>(2) Accrued bonuses to employees Same as at left</p> <p>(3) Accrued bonuses to directors and auditors —</p>	<p>3 Accounting standards for reserves</p> <p>(1) Allowance for doubtful accounts Same as at left</p> <p>(2) Accrued bonuses to employees To fully provide for expenditures of bonuses the Company will pay to employees, an amount is appropriated to the reserve during the fiscal year based upon an estimated bonus amount.</p> <p>(3) Accrued bonuses to directors and auditors To fully provide for expenditures of bonuses the Company will pay to directors, an amount is appropriated to the reserve during the fiscal year based upon an estimated bonus amount.</p>
<p>4 Accounting treatment for lease transactions For finance lease transactions except for leases that transfer ownership of the property to the lessee, rent expenses are charged to income as payments are made based on the method applied for ordinary rental transactions.</p>	<p>4 Accounting treatment for lease transactions Same as at left</p>	<p>4 Accounting treatment for lease transactions Same as at left</p>
<p>5 Funds included in cash on the Interim Statements of Cash Flows Funds included in cash (cash and cash equivalents) on the Statement of Cash Flows include cash on hand, deposits that can be withdrawn on demand and highly liquid short-term investments that mature within three months of the date of acquisition and which can be easily converted into cash and that have minimal risk of a change in price.</p>	<p>5 Funds included in cash on the Interim Statements of Cash Flows Same as at left</p>	<p>5 Funds included in cash on the Statements of Cash Flows Same as at left</p>
<p>6 Other important matters used as the basis for preparation of the interim financial Statements</p> <p>(1) Accounting treatment of consumption tax Consumption tax is taken out of all Statement of Income items and Balance Sheet items.</p>	<p>6 Other important matters used as the basis for preparation of the interim financial Statements</p> <p>(1) Accounting treatment of consumption tax Same as at left</p>	<p>6 Other important matters used as the basis for preparation of the financial Statements</p> <p>(1) Accounting treatment of consumption tax Same as at left</p>

(6) Changes in Important Matters Used as the Basis for Preparation of the Interim Financial Statements

FY Ending December 2007 Interim Period (From January 1, 2007 to June 30, 2007)	FY Ending December 2008 Interim Period (From January 1, 2008 to June 30, 2008)	FY Ending December 2007 (From January 1, 2007 to December 31, 2007)
<p>(Depreciation method for tangible fixed assets)</p> <p>Following revision of the Corporation Tax Law, beginning from this interim accounting period the Company has adopted the depreciation method based on the revised Corporation Tax Law for tangible fixed assets acquired on or after April 1, 2007. As a result, interim period operating income, ordinary income and net income before taxes were ¥240,000 less, respectively, than they otherwise would have been had the accounting standards used in past periods been applied.</p>	—	<p>(Depreciation method for tangible fixed assets)</p> <p>Following revision of the Corporation Tax Law, beginning from this fiscal year the Company has adopted the depreciation method based on the revised Corporation Tax Law for tangible fixed assets acquired on or after April 1, 2007. As a result, fiscal year operating income, ordinary income and net income before taxes were ¥2,821,000 less, respectively, than they otherwise would have been had the accounting standards used in past periods been applied.</p>

(7) Notes Related to the Interim Financial Statements
(Notes Related to the Interim Balance Sheets)

	FY Ending December 2007 Interim Period (As of June 30, 2007)	FY Ending December 2008 Interim Period (As of June 30, 2008)	FY Ending December 2007 (As of December 31, 2007)
Note 1 Total accumulated depreciation for tangible fixed assets	¥672,121,000	¥899,039,000	¥784,113,000
Note 2 Accounting treatment of consumption tax etc.	The suspense accounts for consumption tax receipts and consumption tax payable are offset and disclosed on the balance sheet as consumption taxes payable.	Same as at left	—
Note 3 Overdraft facility agreement	—	<p>To procure working capital efficiently the Company has concluded an overdraft facility agreement with one of its transaction banks. The unused balance at the end of the interim accounting period based on this agreement was as follows.</p> <p>Maximum overdraft amount ¥1,000,000,000</p> <p>Outstanding borrowings 0</p> <p>Balance ¥1,000,000,000</p>	<p>To procure working capital efficiently the Company has concluded an overdraft facility agreement with one of its transaction banks. The unused debt balance at the end of the fiscal year based on this agreement was as follows.</p> <p>Maximum overdraft amount ¥1,000,000,000</p> <p>Outstanding borrowings 0</p> <p>Balance ¥1,000,000,000</p>

(Notes Related to the Interim Statements of Income)

FY Ending December 2007 Interim Period (From January 1, 2007 to June 30, 2007)	FY Ending December 2008 Interim Period (From January 1, 2008 to June 30, 2008)	FY Ending December 2007 (From January 1, 2007 to December 31, 2007)
<p>Note 1 Main items comprising non-operating income</p> <p>Interest income ¥11,148,000</p> <p>Exchange gains ¥8,875,000</p> <p>Investment limited partnership investment income ¥4,456,000</p>	<p>Note 1 Main items comprising non-operating income</p> <p>Interest income ¥19,462,000</p>	<p>Note 1 Main items comprising non-operating income</p> <p>Interest income ¥27,916,000</p>
<p>Note 2 Main items comprising non-operating expense</p> <p>Contribution for employment of handicapped workers ¥7,800,000</p>	<p>Note 2 Main items comprising non-operating expense</p> <p>Exchange losses ¥14,280,000</p> <p>Investment limited partnership investment losses ¥13,694,000</p> <p>Contribution for employment of handicapped workers ¥8,750,000</p> <p>Treasury stock acquisition expense ¥2,829,000</p>	<p>Note 2 Main items comprising non-operating expense</p> <p>Exchange losses ¥10,527,000</p> <p>Investment limited partnership investment losses ¥13,831,000</p> <p>Contribution for employment of handicapped workers ¥7,800,000</p>
<p>Note 3 Main items comprising extraordinary income</p> <p>Gain on sale of fixed assets ¥6,000</p>	<p>Note 3 Main items comprising extraordinary income</p> <p>—</p>	<p>Note 3 Main items comprising extraordinary income</p> <p>Gain on sale of fixed assets ¥6,000</p>
<p>Note 4 Main items comprising extraordinary loss</p> <p>Loss on retirement of fixed assets ¥458,000</p> <p>Office relocation cost ¥8,664,000</p>	<p>Note 4 Main items comprising extraordinary loss</p> <p>Loss on retirement of fixed assets ¥21,619,000</p> <p>Office relocation cost ¥6,838,000</p> <p>Loss on valuation of affiliated company ¥527,154,000</p>	<p>Note 4 Main items comprising extraordinary loss</p> <p>Loss on sale of fixed assets ¥17,117,000</p> <p>Loss on retirement of fixed assets ¥50,105,000</p> <p>Office relocation cost ¥16,727,000</p>

	stock	Lawsuit-related costs ¥11,954,000 Valuation loss on investment securities ¥49,999,000 Impairment loss ¥99,959,000
Note 5 Depreciation and amortization expense Tangible fixed assets ¥120,452,000 Intangible fixed assets ¥176,142,000	Note 5 Depreciation and amortization expense Tangible fixed assets ¥114,926,000 Intangible fixed assets ¥267,811,000	Note 5 Depreciation and amortization expense Tangible fixed assets ¥258,014,000 Intangible fixed assets ¥395,787,000

(Notes Related to the Interim Statement of Changes in Shareholders' Equity)

FY Ending December 2007 Interim Period (From January 1, 2007 to June 30, 2007)

(1) Class of shares issued and number of shares, treasury stock and number of shares

	Number of shares at the end of prior fiscal year (shares)	Increase in number of shares during the interim period (shares)	Decrease in number of shares during the interim period (shares)	Number of shares at end of the interim period (shares)
Issued shares				
Common stock (Note)	241,812	449	—	242,261
Total	241,812	449	—	242,261

(Note) The increase of 449 shares in total issued shares of common stock was an increase from the issue of new shares based on execution of subscription rights as an incentive stock option.

(2) Matters pertaining to subscription rights and treasury stock subscription rights

The Company had no material items to report.

(3) Matters pertaining to dividends

Dividends paid

Resolution	Class of stock	Total dividend (thousand yen)	Dividend per share (yen)	Date of record	Payment date
March 29, 2007 Ordinary General Meeting of the Shareholders	Common stock	749,617	3,100	December 31, 2006	March 30, 2007

FY Ending December 2008 Interim Period (From January 1, 2008 to June 30, 2008)

(1) Class of shares issued and number of shares, class of treasury stock and number of shares

	Number of shares at the end of prior fiscal year (shares)	Increase in number of shares during the interim period (shares)	Decrease in number of shares during the interim period (shares)	Number of shares at end of the interim period (shares)
Issued shares				
Common stock (Note)	242,956	2,030	—	244,986
Total	242,956	2,030	—	244,986

(Note) The increase of 2,030 shares in total issued shares of common stock was an increase from the issue of new shares based on execution of subscription rights as an incentive stock option.

(2) Matters pertaining to treasury stock

	Number of shares at the end of prior fiscal year	Increase in number of shares during the interim period	Decrease in number of shares during the interim period	Number of shares at end of the interim period
Common stock	—	7,000	—	7,000
Total	—	7,000	—	7,000

(3) Matters pertaining to subscription rights and treasury stock subscription rights

The Company had no material items to report.

(4) Matters pertaining to dividends

Dividends paid

Resolution	Class of stock	Total dividend (1,000 yen)	Dividend per share (yen)	Date of record	Payment date
March 27, 2008 Ordinary General Meeting of the Shareholders	Common stock	996,119	4,100	December 31, 2007	March 28, 2008

FY Ending December 2007 (From January 1, 2007 to December 31, 2007)

(1) Class of shares issued and number of shares, treasury stock and number of shares

	Number of shares at the end of prior fiscal year	Increase in number of shares during the fiscal year	Decrease in number of shares during fiscal year	Number of shares at end of the fiscal year
Issued shares				
Common stock (Note)	241,812	1,144	—	242,956
Total	241,812	1,144	—	242,956

(Note) The increase of 1,144 shares in total issued shares of common stock was an increase from the issue of new shares based on execution of subscription rights as an incentive stock option.

(2) Matters pertaining to subscription rights and treasury stock subscription rights

The Company had no material items to report.

(3) Matters pertaining to dividends

(1) Dividends paid

Resolution	Class of stock	Total dividend (thousand yen)	Dividend per share (yen)	Date of record	Payment date
March 29, 2007 Ordinary General Meeting of the Shareholders	Common stock	749,617	3,100	December 31, 2006	March 30, 2007

(2) Dividends for which the date of record falls in the current accounting fiscal year and the dividend payment date is in the following fiscal year

Scheduled resolution date	Class of stock	Total dividend (thousand yen)	Dividend per share (yen)	Date of record	Planned payment date
March 29, 2008 Ordinary General Meeting of the Shareholders	Common stock	996,119	4,100	December 31, 2007	March 28, 2008

(Notes Related to Interim Statements of Cash Flows)

FY Ending December 2007 Interim Period (From January 1, 2007 to June 30, 2007)	FY Ending December 2008 Interim Period (From January 1, 2008 to June 30, 2008)	FY Ending December 2007 (From January 1, 2007 to December 31, 2007)
Relationship between the outstanding amount of cash and cash equivalents at the end of the interim period and line item amount on the interim balance sheet	Relationship between the outstanding amount of cash and cash equivalents at the end of the interim period and line item amount on the interim balance sheet	Relationship between the outstanding amount of cash and cash equivalents at the end of the fiscal year and line item amount on the fiscal year-end balance sheet
Cash and deposits account ¥6,116,746,000	Cash and deposits account ¥6,459,872,000	Cash and deposits account ¥8,003,825,000
Term deposits with a maturity longer than 3 months 0	Term deposits with a maturity longer than 3 months 0	Term deposits with a maturity longer than 3 months 0
Cash and cash equivalents ¥6,116,746,000	Cash and cash equivalents ¥6,459,872,000	Cash and cash equivalents ¥8,003,825,000

(Notes Related to Lease Transactions)

FY Ending December 2007 Interim Period (From January 1, 2007 to June 30, 2007)	FY Ending December 2008 Interim Period (From January 1, 2008 to June 30, 2008)	FY Ending December 2007 (From January 1, 2007 to December 31, 2007)																																												
Finance lease transactions except for leases that transfer ownership rights to the property to the lessee (1) Amounts corresponding to lease property acquisition prices, accumulated depreciation, accumulated asset impairment loss and outstanding balance at the end of the interim period	Finance lease transactions except for leases that transfer ownership rights to the property to the lessee (1) Amounts corresponding to lease property acquisition prices, accumulated depreciation, accumulated asset impairment loss and outstanding balance at the end of the interim period	Finance lease transactions except for leases that transfer ownership rights to the property to the lessee (1) Amounts corresponding to lease property acquisition prices, accumulated depreciation, accumulated asset impairment loss and outstanding balance at the end of the fiscal year																																												
<table><tr><td></td><td>Acquisition price (¥'000)</td><td>Accumulated depreciation (¥'000)</td><td>Outstanding balance at end of interim period (¥'000)</td></tr><tr><td>Equipment and fixtures</td><td>58,316</td><td>44,047</td><td>14,268</td></tr><tr><td>Software</td><td>9,582</td><td>7,476</td><td>2,106</td></tr><tr><td>Total</td><td>67,899</td><td>51,523</td><td>16,375</td></tr></table>		Acquisition price (¥'000)	Accumulated depreciation (¥'000)	Outstanding balance at end of interim period (¥'000)	Equipment and fixtures	58,316	44,047	14,268	Software	9,582	7,476	2,106	Total	67,899	51,523	16,375	<table><tr><td></td><td>Acquisition price (¥'000)</td><td>Accumulated depreciation (¥'000)</td><td>Outstanding balance at end of interim period (¥'000)</td></tr><tr><td>Equipment and fixtures</td><td>25,430</td><td>10,657</td><td>14,772</td></tr><tr><td>Total</td><td>25,430</td><td>10,657</td><td>14,772</td></tr></table>		Acquisition price (¥'000)	Accumulated depreciation (¥'000)	Outstanding balance at end of interim period (¥'000)	Equipment and fixtures	25,430	10,657	14,772	Total	25,430	10,657	14,772	<table><tr><td></td><td>Acquisition price (¥'000)</td><td>Accumulated depreciation (¥'000)</td><td>Outstanding balance at end of fiscal year (¥'000)</td></tr><tr><td>Equipment and fixtures</td><td>42,150</td><td>35,066</td><td>7,084</td></tr><tr><td>Software</td><td>7,523</td><td>6,919</td><td>604</td></tr><tr><td>Total</td><td>49,674</td><td>41,985</td><td>7,688</td></tr></table>		Acquisition price (¥'000)	Accumulated depreciation (¥'000)	Outstanding balance at end of fiscal year (¥'000)	Equipment and fixtures	42,150	35,066	7,084	Software	7,523	6,919	604	Total	49,674	41,985	7,688
	Acquisition price (¥'000)	Accumulated depreciation (¥'000)	Outstanding balance at end of interim period (¥'000)																																											
Equipment and fixtures	58,316	44,047	14,268																																											
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Total	49,674	41,985	7,688																																											
(2) Outstanding balance of future lease payments at the end of the interim period, etc. Outstanding balance of future lease payments at the end of the interim period Within one year ¥14,008,000 After one year ¥3,088,000 Total ¥17,096,000	(2) Outstanding balance of future lease payments at the end of the interim period, etc. Outstanding balance of future lease payments at the end of the interim period Within one year ¥6,945,000 After one year ¥8,733,000 Total ¥15,679,000	(2) Outstanding balance of future lease payments at the end of the fiscal year, etc. Outstanding balance of future lease payments at the end of the fiscal year Within one year ¥6,063,000 After one year ¥2,011,000 Total ¥8,074,000																																												
(3) Amount of lease payments, reversal of lease asset impairment account, depreciation expense, interest paid, and impairment loss Lease payments ¥12,952,000 Depreciation expense ¥12,209,000 Interest expense ¥433,000	(3) Amount of lease payments, reversal of lease asset impairment account, depreciation expense, interest paid, and impairment loss Lease payments ¥5,444,000 Depreciation expense ¥5,106,000 Interest expense ¥130,000	(3) Amount of lease payments, reversal of lease asset impairment account, depreciation expense, interest paid, and impairment loss Lease payments ¥22,595,000 Depreciation expense ¥21,286,000 Interest expense ¥663,000																																												
(4) Accounting method for amounts equivalent to depreciation expense and interest expense (a) Accounting method for amount equivalent to depreciation expense Straight-line depreciation using the lease term as the depreciable life and zero residual value. (b) Accounting method for amount equivalent to interest expense Interest method using the difference between total lease payments and the acquisition price of the lease property, allocated to each year.	(4) Accounting method for amounts equivalent to depreciation expense and interest expense (a) Accounting method for amount equivalent to depreciation expense Same as at left (b) Accounting method for amount equivalent to interest expense Same as at left	(4) Accounting method for amounts equivalent to depreciation expense and interest expense (a) Accounting method for amount equivalent to depreciation expense Same as at left (b) Accounting method for amount equivalent to interest expense Same as at left																																												
(Impairment loss) The Company does not allocate impairment losses to lease assets.	(Impairment loss) Same as at left	(Impairment loss) Same as at left																																												

(Notes Related to Negotiable Securities)

FY Ending December 2007 Interim Period (As of June 30, 2007)

(1) Other negotiable securities with market prices

The Company had no material items to report.

(2) Other negotiable securities that do not have a market price

Category	Amount shown on the interim balance sheet
Investments in investment limited partnerships and similar vehicles	¥497,700,000
Unlisted stocks	¥130,000,000
Total	¥627,700,000

FY Ending December 2008 Interim Period (As of June 30, 2008)

(1) Other negotiable securities with market prices

The Company had no material items to report.

(2) Other negotiable securities that do not have a market price

Category	Amount shown on the interim balance sheet
Investments in investment limited partnerships and similar vehicles	¥443,533,000
Unlisted stocks	¥267,450,000
Corporate bonds	¥2,500,000
Total	¥713,483,000

FY Ending December 2007 (As of December 31, 2007)

(1) Other negotiable securities with market prices

The Company had no material items to report.

(2) Other negotiable securities that do not have a market price

Category	Amount shown on the interim balance sheet
Investments in investment limited partnerships and similar vehicles	¥460,935,000
Unlisted stocks	¥269,950,000
Total	¥730,885,000

(Notes Related to Derivative Transactions)

FY Ending December 2007 Interim Period (From January 1, 2007 to June 30, 2007)	FY Ending December 2008 Interim Period (From January 1, 2008 to June 30, 2008)	FY Ending December 2007 (From January 1, 2007 to December 31, 2007)
The Company had no pertinent items to report because it does not use derivatives transactions.	Same as at left	Same as at left

(Investment Gains and Losses Reported under Equity Method Accounting)

FY Ending December 2007 Interim Period (From January 1, 2007 to June 30, 2007)	FY Ending December 2008 Interim Period (From January 1, 2008 to June 30, 2008)	FY Ending December 2007 (From January 1, 2007 to December 31, 2007)
The Company had no pertinent items to report because it does not have any investments to which equity method accounting is applied.	Same as at left	Same as at left

(Notes Related to Stock Options)

Because it believes the need to disclose information concerning the incentive stock option for the interim period earnings announcement is not significant, the Company has omitted disclosure of this item.

(Per Share Information)

FY Ending December 2007 Interim Period (From January 1, 2007 to June 30, 2007)		FY Ending December 2008 Interim Period (From January 1, 2008 to June 30, 2008)		FY Ending December 2007 (From January 1, 2007 to December 31, 2007)	
Net assets per share	¥43,949.81	Net assets per share	¥51,206.58	Net assets per share	¥54,419.05
Interim period net income per share	¥7,072.90	Interim period net income per share	¥6,145.12	Fiscal year net income per share	¥17,209.57
Net income per share on a fully diluted basis	¥6,867.68	Net income per share on a fully diluted basis	¥6,057.22	Net income per share on a fully diluted basis	¥16,744.56

(Notes) 1. The basis for calculating net assets per share is shown below.

Item	FY Ending December 2007 Interim Period (From January 1, 2007 to June 30, 2007)	FY Ending December 2008 Interim Period (From January 1, 2008 to June 30, 2008)	FY Ending December 2007 (From January 1, 2007 to December 31, 2007)
Total net assets on the interim period (fiscal year) balance sheet (¥ '000)	10,647,324	12,186,450	13,221,434
Net assets pertaining to common stock (¥ '000)	10,647,324	12,186,450	13,221,434
Number of shares of common stock issued (shares)	242,261	244,986	242,956
Number of shares of treasury stock (shares)	—	7,000	—
Number of shares of common stock used to calculate net assets per share (shares)	242,261	237,986	242,956

2. Basis for calculating interim period (fiscal year) net income per share and net income per share after adjustment for potential ordinary shares

Item	FY Ending December 2007 Interim Period (From January 1, 2007 to June 30, 2007)	FY Ending December 2008 Interim Period (From January 1, 2008 to June 30, 2008)	FY Ending December 2007 (From January 1, 2007 to December 31, 2007)
Interim period (fiscal year) net income (¥ '000)	1,711,330	1,467,609	4,168,691
Interim period (fiscal year) net income related to common stock (¥ '000)	1,711,330	1,467,609	4,168,691
Amount not attributed to common stock shareholders (¥ '000)	—	—	—
Average number of common stock shares outstanding during the period (shares)	241,956	238,825	242,231
Interim period (fiscal year) net income adjustments (¥ '000)	—	—	—
Items increasing the number of shares of common stock used to calculate interim period (fiscal year) fully diluted net income per share (shares)			
Warrants	3,041	2,513	2,955
Stock acquisition rights	4,189	953	3,772
Increase in number of shares of	7,230	3,466	6,727

common stock			
Summary of potential shares not included in the calculation of interim period (fiscal year) net income per share of common stock after adjustment for potential ordinary shares because the shares do not have a dilution effect	—	—	—

(Material Events after the Close of the Interim Period (Fiscal Year))

FY Ending December 2007 Interim Period (From January 1, 2007 to June 30, 2007)	FY Ending December 2008 Interim Period (From January 1, 2008 to June 30, 2008)	FY Ending December 2007 (From January 1, 2007 to December 31, 2007)
<p>Lawsuit</p> <p>On September 7, 2007 (complaint receipt date) the Company was named in a lawsuit filed by DNP Facility Service Co., Ltd. demanding payment of sales proceeds for tickets and other items the plaintiff alleges it sold to the Company (claim amount of ¥829,404,000 and delinquency charges).</p> <p>The Company believes the filing and suit are without merit, and in the future the Company will clarify the veracity of its assertions with the court.</p>	—	—

(Other)

The Company had no material items to report.