



En-Japan Inc.

1st Quarter FY December 2009 Earnings Announcement (Non-Consolidated)

May 13, 2009

Company Name en-japan inc. Listing Exchange Osaka Securities Exchange (Hercules Market)
 Stock Code 4849 URL <http://corp.en-japan.com/>
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1. FY Ending December 2009 First Quarter Year-to-Date Operating Results (From January 1, 2009 to March 31, 2009)

(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 12/09 1st Qtr	2,963	—	197	—	186	—	110	—
FYE 12/08 1st Qtr	5,557	8.2	1,782	9.5	1,763	7.9	998	10.0

	EPS	Fully Diluted EPS
	Yen	Yen
FYE 12/09 1st Qtr	466.90	466.05
FYE 12/08 1st Qtr	4,106.68	4,044.44

(2) Financial Position

	Total Assets	Net Assets	Net Asset Ratio	Net Assets per Share
	Million yen	Million yen	%	Yen
FYE 12/09 1st Qtr	14,332	12,452	86.9	53,434.83
FYE 12/08	16,769	13,812	82.4	57,954.36

(Reference) Net Assets FYE 12/09 1st Qtr 12,452 Million yen FYE 12/08 13,812 Million yen

2. Dividends

	Dividends per Share				
(Date of Record)	1st Quarter-end	2nd Quarter-end	3rd Quarter-end	Year-end	Full Year
	Yen	Yen	Yen	Yen	Yen
FYE 12/08	—	0.00	—	4,100.00	4,100.00
FYE 12/09	—				
FYE 12/09 (projected)		—	—	—	

Notes 1. Revisions to the Company's dividend projection during the quarter: None
 2. The amount of the projected dividend for the current fiscal year is undecided. For details please refer to Item 3 under "Note: Explanation Concerning Appropriate Use of the Projected Operating Results and Other Items to Note" on Page 2.

3. FY Ending December 2009 Projected Operating Results (January 1, 2009 - December 31, 2009)

(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
FYE 12/09 Interim	5,204	—	-266	—	-207	—	-320	—	-1,373.16
Full year	10,900	-48.9	1,000	-83.2	1,050	-82.2	280	-90.9	1,201.52

Note: Revisions to the Company's operating results projections during the quarter: None

4. Other

- (1) Application of simplified accounting method and special accounting method in the preparation of quarterly financial statements? Yes

[Note: For details please refer to Item 4. Other under Qualitative Information and Financial Statements on Page 4.]

- (2) Changes in accounting principles, procedures and reporting methods pertaining to preparation of the quarterly financial statements (Items reported in Changes in Important Matters Used as the Basis for Preparation of the Quarterly Financial Statements).

a. Changes in conjunction with revisions in accounting methods: Yes

b. Revisions other than a.: No

[Note: For details please refer to Item 4. Other under Qualitative Information and Financial Statements on Page 4.]

- (3) Number of shares issued (common stock)

a. Number of shares issued at the end of the period (including treasury stock).

FYE 12/09 1st Qtr	245,538 shares	FYE 12/08	245,338 shares
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b. Number of shares of treasury stock at the end of the period

FYE 12/09 1st Qtr	12,500 shares	FYE 12/08	7,000 shares
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c. Average number of shares issued during the period (Quarter)

FYE 12/09 1st Qtr	236,003 shares	FYE 12/08 1st Qtr	243,043 shares
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Note: Explanation Concerning Appropriate Use of the Projected Operating Results and Other Items to Note

1. Beginning from this accounting fiscal year, the Company has adopted the “Accounting Standard for Quarterly Financial Reporting” (Accounting Standards Board of Japan Statement No. 12) and the “Guidance on Accounting Standard for Quarterly Financial Reporting” (Accounting Standards Board of Japan Implementation Guidance No. 14). In addition, the quarterly financial report has been prepared in accordance with the “Regulation for Quarterly Financial Statements.”

2. The earnings projections were prepared based on information available to the Company as of the date this material was released. There is a possibility the Company’s actual operating results will differ from the projected amounts as a result of various future factors.

3. The Company’s projected dividend for the fiscal year ending December 2009 is undecided at the present point in time. The Company will disclose the dividend amount when it has completed its outlook, after giving comprehensive consideration to its full-year operating results and other factors.

【Qualitative Information and Financial Statements】

1. Qualitative Information concerning Operating Results

During the first quarter of the current fiscal year (January 1, 2009 to March 31, 2009), Japan's economy experienced a marked contraction, as corporate earnings deteriorated and personal consumption stagnated as a result of the global economic slowdown.

The domestic employment situation was negatively affected by the deteriorating state of the economy, and corporations exhibited a strong tendency to reduce both new graduate employment and mid-career hiring.

Faced with this environment, en-japan sought to expand its market share by implementing various measures, including enhancements to product capabilities and optimum positioning of its marketing and strategic skills. Because of a substantial contraction in the job advertising market and intensification of price competition with other firms in the industry, however, net sales in the first quarter fell to ¥2,963 million. In addition, despite the Company's efforts to reduce expenses, operating income, ordinary income and net income were affected by the large drop in sales and decreased to ¥197 million, ¥186 million and ¥110 million, respectively.

A year-on-year comparison of quarterly net sales by segment is presented below:

Category \ Period	FY Ending December 2008 First Quarter (From January 1, 2008 to March 31, 2008)		FY Ending December 2009 First Quarter (From January 1, 2009 to March 31, 2009)	
	Net Sales (thousand yen)	Share (%)	Net Sales (thousand yen)	Share (%)
Mid-Career Hiring Business				
[en] Career Change Info	3,045,796	54.8	1,086,863	36.7
[en] Career Change Consultant	582,943	10.5	433,918	14.6
[en] Temporary Placement Info	886,639	16.0	773,450	26.1
[en] Part-time Jobs	294,524	5.3	201,436	6.8
Other	29,648	0.5	23,419	0.8
New Graduate Hiring Business				
[en] Job Info for Students	608,228	10.9	366,449	12.4
Other	51,176	0.9	40,967	1.4
Education/Evaluation Business, Other	58,616	1.1	36,835	1.2
Total	5,557,573	100.0	2,963,341	100.0

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

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

2. Qualitative Information concerning Financial Position

Assets, Liabilities and Net Assets

Total Assets as of the end of the first quarter under review decreased by ¥2,437 million compared with the last day of the prior fiscal year to ¥14,332 million. This decrease was mainly due to a decrease in Cash and Deposits and a decrease in Notes Receivable and Accounts Receivable.

Total Liabilities as of the end of the first quarter under review were ¥1,880 million, a decrease of ¥1,076 million compared with the last day of the prior fiscal year. This decrease mainly reflected a decrease in corporate taxes payable.

Total Net Assets decreased by ¥1,360 million compared with the last day of the prior fiscal year to ¥12,452 million. The lower net assets were mainly the result of a decrease in Retained Earnings as a result of dividend payments and the acquisition of treasury stock.

Cash Flow Condition

(Cash Flows from Operating Activities)

Cash used for operating activities totaled ¥200 million, including a payment of ¥607 million in corporate taxes.

(Cash Flows from Investing Activities)

Cash used for investing activities amounted to ¥514 million. The main use of funds was an expenditure of ¥387 million for the purchase of investment securities.

(Cash Flows from Financing Activities)

Cash used for financing activities amounted to ¥1,308 million. This consisted mainly of ¥484 million for the acquisition of treasury stock and ¥828 million for dividend payments.

3. Qualitative Information concerning Projected Operating Results

There are no changes to the operating results projections for the fiscal year ending December 2009 announced in the “Notice Concerning Revision of Operating Results Projections and Year-End Dividends Projection” released by the Company on May 8, 2009.

4. Other

(1) Application of simplified accounting method and special accounting method in the preparation of quarterly financial statements

Method of calculating estimated balance of doubtful accounts for normal accounts

Because actual loss experience and other factors have not changed significantly from the values calculated at the end of the prior fiscal year, the Company used reasonable criteria such as the loan loss ratio for the prior fiscal year to calculate the estimated balance of doubtful accounts for normal accounts.

Method of calculating fixed assets depreciation expense

For assets depreciated using the declining balance method, the Company allocates the depreciation expense pertaining to the current fiscal year proportionally over the period.

Method of calculating corporate taxes, deferred tax assets, and deferred tax liability

To calculate its tax payment amount for corporate taxes the Company uses a method that limits tempering tax increase and decrease items and tax credits to material amounts.

Because there have been no remarkable changes in the operating environment or major temporary differences since the end of the prior fiscal year, when judging the possibility of recovery of deferred income tax assets the Company uses the future operating results forecast and tax planning that it utilized at the end of the prior fiscal year.

(2) Changes in accounting principles, procedures and reporting methods pertaining to preparation of the quarterly financial statements

Beginning from this accounting fiscal year, the Company has adopted the “Accounting Standard for Quarterly Financial Reporting” (Accounting Standards Board of Japan Statement No. 12) and the “Guidance on Accounting Standard for Quarterly Financial Reporting” (Accounting Standards Board of Japan Implementation Guidance No. 14). In addition, the quarterly financial report has been prepared in accordance with the “Regulation for Quarterly Financial Statements.”

Application of the “Accounting Standard for Measurement of Inventories”

Beginning from the first quarter accounting period under review, the Company has adopted the “Accounting Standard for Measurement of Inventories” (ASBJ Statement No. 9, issued July 5, 2006) and will value inventory based on the cost method, with cost being determined mainly by the Latest Purchase Cost method (amounts shown on Balance Sheets will be the reduced book value based on decline in profitability).

The affect of this change on the first quarter balance sheet is not material.

5. Quarterly Financial Statements

(1) Quarterly Balance Sheet

Categories	Period	FY Ending December 2009 First Quarter (As of March 31, 2009)	Previous Fiscal Year-end (As of December 31, 2008)
		Amount (thousand yen)	Amount (thousand yen)
Assets			
Current Assets			
Cash and deposits		6,633,108	8,657,204
Notes and accounts receivable		1,328,116	2,031,334
Inventories		15,346	11,133
Other		490,440	586,055
Reserve for bad debts		-52,301	-48,520
Total Current Assets		8,414,711	11,237,207
Fixed Assets			
Tangible fixed assets		732,540	755,859
Intangible fixed assets		1,157,298	1,089,581
Investments and other assets			
Other		4,067,944	3,725,694
Reserve for bad debts		-40,007	-38,765
Total Investments and Other Assets		4,027,937	3,686,929
Total Fixed Assets		5,917,777	5,532,371
Total Assets		14,332,488	16,769,578
Liabilities			
Current Liabilities			
Accounts payable		44,821	131,022
Corporate taxes payable		19,954	663,740
Reserve for bonuses		220,840	234,892
Other		1,594,524	1,927,198
Total Current Liabilities		1,880,141	2,956,853
Total Liabilities		1,880,141	2,956,853
Net Assets			
Shareholders' Equity			
Paid-in capital		967,326	965,246
Capital surplus		1,433,891	1,431,811
Earned surplus		12,106,494	12,973,491
Treasury stock		-2,038,386	-1,553,757
Total Shareholders' Equity		12,469,325	13,816,792
Valuation and Translation Adjustments			
Valuation difference on other investment		-16,978	-4,066
Total Valuation and Translation Adjustments		-16,978	-4,066
Total Net Assets		12,452,346	13,812,725
Total Liabilities and Net Assets		14,332,488	16,769,578

(2) Quarterly Income Statement

Categories	Period	FY Ending December 2009 First Quarter (From January 1, 2009 To March 31, 2009)
		Amount (thousand yen)
Sales		2,963,341
Cost of sales		548,828
Gross income		2,414,513
Selling, general and administrative expenses		
Salaries and allowances		764,739
Advertising and public relations expenses		683,559
Other		768,311
Total selling, general and administrative expenses		2,216,609
Operating income		197,903
Non-operating income		
Interest received		9,468
Other		7,128
Total non-operating income		16,597
Non-operating expenses		
Loss from investment in LLC		25,053
Other		2,699
Total non-operating expenses		27,753
Ordinary income		186,747
Extraordinary loss		
Office relocation expenses		38
Total extraordinary loss		38
Net income before taxes		186,709
Corporate, local and business taxes		9,327
Corporate tax adjustment		67,192
Total tax expense		76,520
Net income		110,189

(3) Quarterly Statement of Cash Flows

	FY Ending December 2009 First Quarter (From January 1, 2009 to March 31, 2009)
Category	Amount (thousand yen)
Cash flows from operating activities	
Net income before taxes	186,709
Depreciation expense	200,827
Increase (decrease) in reserve for bad debts	5,022
Increase (decrease) in reserve for bonuses	-14,051
Interest and dividends received	-9,468
Loss (gain) from investment in LLC	25,053
(Increase) decrease in accounts receivable	703,217
Increase (decrease) in accounts payable	-86,200
Increase (decrease) in payments due	-341,852
(Increase) decrease in other current assets	15,891
Increase (decrease) in other current liabilities	-303,985
(Increase) decrease in other fixed assets	20,888
Subtotal	402,052
Interest and dividends received	4,545
Corporate taxes paid	-607,114
Cash flows from operating activities	-200,517
Cash flows from investing activities	
Funds used for acquisition of tangible fixed assets	-32,648
Funds used for acquisition of intangible fixed assets	-94,280
Funds used for purchase of investment securities	-387,500
Funds used for accumulation of insurance reserve	-1,105
Funds used for other investing activities	-12
Funds provided from other investing activities	697
Cash flows from investing activities	-514,850
Cash flows from financing activities	
Funds provided by issuance of stock	4,159
Funds used for acquisition of treasury stock	-484,629
Funds used for dividend payment	-828,267
Cash flows from financing activities	-1,308,737
Translation adjustment to cash and equivalents	8
Net increase (decrease) in cash and equivalents	-2,024,096
Cash and equivalents at beginning of period	7,657,204
Cash and cash equivalents at end of period	5,633,108

Beginning from this accounting fiscal year, the Company has adopted the “Accounting Standard for Quarterly Financial Reporting” (Accounting Standards Board of Japan Statement No. 12) and the “Guidance on Accounting Standard for Quarterly Financial Reporting” (Accounting Standards Board of Japan Implementation Guidance No. 14). In addition, the quarterly financial report has been prepared in accordance with the “Regulation for Quarterly Financial Statements.”

(4) Notes Relating to the Going Concern Assumption

There are no pertinent items

(5) Notes on Significant Changes to Shareholders' Equity

There are no pertinent items

(6) Material Events after the Close of the Quarter

Call for voluntary retirements

At a board meeting held on April 3, 2009, the Board of Directors of the Company resolved to issue a call for voluntary retirements. The main details of that measure and the results are described below.

1. Reason for implementing the call for voluntary retirements

The worldwide recession originating with the financial crisis in the United States has resulted in a significant decline in corporate hiring in Japan, and the scope of the recruitment advertising market in Japan has contracted to an even greater degree than forecast at the beginning of the current fiscal period.

The Company is treating these difficult circumstances as a serious business issue, adjusting its personnel structure to match the scope of the recruitment advertising market in an effort to increase corporate profitability. To accomplish an organizational restructuring as part of its future business strategy, the Company also resolved to issue a call for voluntary retirements.

2. Outline of the call for voluntary retirements

- | | |
|----------------------------|--|
| (1) Eligibility | All employees |
| (2) Number | 250 (Except for new employees) |
| (3) Application period | April 6 – April 30, 2009 |
| (4) Retirement date | May 31, 2009 (planned) |
| (5) Preferential treatment | Premium retirement benefits will be paid to retiring individuals |

3. Result of call for voluntary retirements

Number of applicants 321

4. Projected amount of loss as a result of the voluntary retirements

The special retirement allowance in conjunction with the call for voluntary retirements will be approximately ¥230 million. The Company plans to report this amount as an extraordinary loss in the second quarter accounting period.

Reference

Financial Statements Pertaining to the First Quarter of the Previous Fiscal Year

(Summary) Income Statement for the first quarter of the previous fiscal year

Categories	First Quarter (From January 1, 2008 to March 31, 2008)
	Amount (thousand yen)
I Sales	5,557,573
II Cost of sales	557,123
Gross income	5,000,450
III Selling, general and administrative expenses	3,217,455
Operating income	1,782,995
IV Non-operating income	16,410
V Non-operating expenses	35,433
Ordinary income	1,763,972
VI Extraordinary loss	9,660
Net income before taxes	1,754,311
Tax expense	756,212
Net income	998,098

(Summary) Statement of Cash Flows for the first quarter of the previous fiscal year

	FY Ending December 2008 First Quarter (From January 1, 2008 to March 31, 2008)
Category	Amount (thousand yen)
I Cash flows from operating activities	
Net income before taxes	1,754,311
Depreciation expense	191,182
Increase (decrease) in reserve for bad debts	-925
Increase (decrease) in reserve for bonuses	35,818
Increase (decrease) in reserve for directors bonuses	-6,300
Interest received	-14,061
Foreign exchange (gains) losses	30,138
Loss (gain) from investment in LLC	2,465
Loss on disposal of fixed assets	855
(Increase) decrease in accounts receivable	227,885
Increase (decrease) in accounts payable	-34,095
Increase (decrease) in payments due	-171,477
(Increase) decrease in other current assets	-38,375
Increase (decrease) in other current liabilities	-245,153
(Increase) decrease in other fixed assets	21,366
Subtotal	1,753,634
Interest and dividends received	11,464
Corporate taxes paid	-2,039,942
Cash flows from operating activities	-274,843
II Cash flows from investing activities	
Funds provided from maturity of time deposits	228,300
Funds used for purchase of investment securities	-30,000
Funds provided from sales of investment securities	17,000
Funds used for acquisition of tangible fixed assets	-32,583
Funds used for acquisition of intangible fixed assets	-96,501
Funds used for lease deposits	-1,829
Funds provided from return of lease deposits	11
Funds used for accumulation of insurance reserve	-1,105
Funds provided from loans recovered	230
Cash flows from investing activities	83,522
III Cash flows from financing activities	
Funds provided by issuance of stock	13,203
Funds used for acquisition of treasury stock	-1,553,757
Funds used for dividend payment	-915,055
Cash flows from financing activities	-2,455,608
IV Translation adjustment to cash and equivalents	-30,138
V Net increase (decrease) in cash and equivalents	-2,677,067
VI Cash and equivalents at beginning of period	8,003,825
VII Cash and cash equivalents at end of period	5,326,757