



en-japan inc.

Fiscal Year Ending December 2009

Interim Earnings Announcement (Non-Consolidated)

August 10, 2009

Company Name	en-japan inc.	Listing Exchanges	Osaka Securities Exchange (Hercules Market)
Stock Code	4849	URL	http://corp.en-japan.com/
Representative (Title)	President	(Name)	Takatsugu Suzuki
Contact (Title)	Managing Director, Administrative Office	(Name)	Shinichi Yamazaki
Scheduled date for submission of Quarterly Report	August 11, 2009	Telephone	+81-3-3342-4506

1. FY Ending December 2009 Interim Operating Results (From January 1, 2009 to June 30, 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 (Loss)	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FYE 12/09 Interim	5,250	—	206	—	197	—	—87	—
FYE 12/08 Interim	10,795	5.6	3,088	—1.9	3,075	—3.1	1,467	—14.2

	EPS	Fully Diluted EPS
	Yen	Yen
FYE 12/09 Interim	—371.75	—
FYE 12/08 Interim	6,145.12	6,057.22

(2) Financial Position

	Total Assets	Net Assets	Net Asset Ratio	Net Assets per Share
	Million yen	Million yen	%	Yen
FYE 12/09 Interim	13,680	12,381	90.5	53,113.17
FYE 12/08	16,769	13,812	82.4	57,954.36

(Reference) Net Assets FYE 12/09 Interim 12,381 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	—	0.00			
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
Full year	10,900	—48.9	1,000	—83.2	1,000	—83.1	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 Interim Period	245,624 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 Interim Period	12,500 shares	FYE 12/08	7,000 shares
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c. Average number of shares outstanding during the period (Quarter)

FYE 12/09 Interim Period	234,544 shares	FYE 12/08 Interim Period	238,825 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 interim accounting period under review, the effects of the global financial crisis spread to the real economy, and Japan labored under severe conditions. The economy experienced a marked slowdown characterized by a deterioration of corporate operating results, restraints on capital investment and a slump in personal consumption. With the number of wholly-unemployed individuals following an upward trend, the severity of the employment situation was heightened further as well.

Confronted with such an environment, en-japan sought to expand its market share by introducing highly price competitive products and broadening its client services, while also striving to maintain earnings through cost reductions in areas such as advertising and public relations expenses and sales promotion costs. The Company also implemented a call for voluntary retirements in response to the rapid change in business environment, which was greater than anticipated.

As a result, net sales for the interim accounting period under review were ¥5,250 million, operating income was ¥206 million and ordinary income totaled ¥197 million. Because the Company booked the special retirement allowance of ¥236 million in conjunction with the implementation of the call for voluntary retirements as an extraordinary loss, the net loss for the interim period was ¥87 million.

Operating Results Comparison

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

Category \ Period	FY Ending December 2008 Interim Period (From January 1, 2008 to June 30, 2008)		FY Ending December 2009 Interim Period (From January 1, 2009 to June 30, 2009)	
	Net Sales (thousand yen)	Share (%)	Net Sales (thousand yen)	Share (%)
Mid-Career Hiring Business				
[en] Career Change Info	5,982,522	55.4	2,028,714	38.6
[en] Career Change Consultant	1,164,872	10.8	786,383	15.0
[en] Temporary Placement Info	1,796,665	16.6	1,352,663	25.8
[en] Part-time Jobs	604,547	5.6	371,795	7.1
Other	52,954	0.5	43,723	0.8
New Graduate Hiring Business				
[en] Job Info for Students	955,588	8.9	495,482	9.4
Other	84,607	0.8	67,114	1.3
Education/Evaluation Business, Other	153,814	1.4	104,221	2.0
Total	10,795,571	100.0	5,250,099	100.0

(Notes) 1. Values do not include consumption taxes or local 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 at the end of the interim period under review decreased by ¥3,089 million compared with the last day of the prior fiscal year to ¥13,680 million. This decrease was mainly due to a decrease in Cash and Deposits and a decrease in Notes Receivable and Accounts Receivable.

Total Liabilities at the end of the interim period were ¥1,298 million, a decrease of ¥1,658 million compared with the end of the last day of the prior fiscal year. This decrease mainly reflected a decrease in corporate taxes payable.

Total Net Assets decreased by ¥1,430 million compared with the last day of the prior fiscal year to ¥12,381 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 ¥405 million. Although cash increased by ¥989 million as the result of a decrease in accounts receivable, the Company reported a net loss before taxes of ¥104 million and made a payment of ¥612 million in corporate taxes.

(Cash Flows from Investing Activities)

Cash from investing activities amounted to ¥793 million. This consisted mainly of funds provided from maturity of time deposits of ¥1,000 million and ¥525 million of funds provided from the cancellation of an insurance reserve.

(Cash Flows from Financing Activities)

Cash flow used for financing activities amounted to ¥1,447 million. This consisted mainly of funds used for acquisition of treasury stock of ¥484 million and ¥969 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” released by the Company on August 7, 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 at the end of the interim period 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 standard concerning valuation of inventory

Beginning from the first quarter of the 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 interim balance sheet is not material.

5. Interim Financial Statements

(1) Interim Balance Sheet

Categories	Period	FY Ending December 2009 Interim Period (As of June 30, 2009)	Previous Fiscal Year-end (As of December 31, 2008)
		Amount (thousand yen)	Amount (thousand yen)
Assets			
Current Assets			
Cash and deposits		6,597,577	8,657,204
Notes and accounts receivable		1,041,671	2,031,334
Inventories		10,773	11,133
Other		773,361	586,055
Reserve for bad debts		-59,290	-48,520
Total Current Assets		8,364,094	11,237,207
Fixed Assets			
Tangible fixed assets		621,538	755,859
Intangible fixed assets		1,105,322	1,089,581
Investments and other assets			
Other		3,633,601	3,725,694
Reserve for bad debts		-44,060	-38,765
Total Investments and Other Assets		3,589,541	3,686,929
Total Fixed Assets		5,316,401	5,532,371
Total Assets		13,680,495	16,769,578
Liabilities			
Current Liabilities			
Accounts payable		26,266	131,022
Corporate taxes payable		15,579	663,740
Reserve for bonuses		79,783	234,892
Other		1,176,912	1,927,198
Total Current Liabilities		1,298,541	2,956,853
Total Liabilities		1,298,541	2,956,853
Net Assets			
Shareholders' Equity			
Paid-in capital		968,495	965,246
Capital surplus		1,435,060	1,431,811
Earned surplus		11,909,113	12,973,491
Treasury stock		-2,038,386	-1,553,757
Total Shareholders' Equity		12,274,283	13,816,792
Valuation and Translation Adjustments			
Valuation difference on other investment securities		107,670	-4,066
Total Valuation and Translation Adjustments		107,670	-4,066
Total Net Assets		12,381,953	13,812,725
Total Liabilities and Net Assets		13,680,495	16,769,578

(2) Quarterly Income Statement

Interim Income Statement

<div> <div>Period</div> <div>FY Ending December 2009 Interim Period (From January 1, 2009 To June 30, 2009)</div> </div>	
	Amount (thousand yen)
Sales	5,250,099
Cost of sales	963,013
Gross income	4,287,085
Selling, general and administrative expenses	
Salaries and allowances	1,446,601
Advertising and public relations expenses	1,150,619
Other	1,483,789
Total selling, general and administrative expenses	4,081,010
Operating Income	206,075
Non-operating income	
Interest received	14,863
Dividends received	18,500
Other	12,235
Total non-operating income	45,599
Non-operating expenses	
Loss from investment in LLC	41,854
Other	12,118
Total non-operating expenses	53,973
Ordinary income	197,700
Extraordinary income	
Reimbursement due to cancellation of insurance	84,807
Total extraordinary income	84,807
Extraordinary loss	
Loss on sale of fixed assets	561
Loss on disposal of fixed assets	84,292
Office relocation expenses	11,716
Loss on valuation of affiliated company stock	29,999
Loss on valuation of investment securities	24,263
Special retirement allowance	236,184
Total extraordinary loss	387,018
Net loss before taxes	-104,509
Corporate, local and business taxes	2,020
Corporate tax adjustment	-19,338
Total tax expense	-17,318
Net loss	-87,191

2nd Quarter Income Statement

Categories	Period	FY Ending December 2009 Second Quarter (From April 1, 2009 To June 30, 2009)
		Amount (thousand yen)
Sales		2,286,757
Cost of sales		414,184
Gross income		1,872,572
Selling, general and administrative expenses		
Salaries and allowances		681,861
Advertising and public relations expenses		467,060
Other		715,478
Total selling, general and administrative expenses		1,864,400
Operating Income		8,171
Non-operating income		
Interest received		5,394
Dividends received		18,500
Other		5,106
Total non-operating income		29,001
Non-operating expenses		
Loss from investment in LLC		16,800
Other		9,419
Total non-operating expenses		26,220
Ordinary income		10,953
Extraordinary income		
Reimbursement due to cancellation of insurance		84,807
Total extraordinary income		84,807
Extraordinary loss		
Loss on sale of fixed assets		561
Loss on disposal of fixed assets		84,292
Office relocation expenses		11,678
Loss on valuation of affiliated company stock		29,999
Loss on valuation of investment securities		24,263
Special retirement allowance		236,184
Total extraordinary loss		386,980
Net loss before taxes		-291,219
Corporate, local and business taxes		-7,307
Corporate tax adjustment		-86,531
Total tax expense		-93,838
Net loss		-197,380

(3) Quarterly Statement of Cash Flows

	FY Ending December 2009 Interim Period (From January 1, 2009 to June 30, 2009)
Category	Amount (thousand yen)
Cash flows from operating activities	
Net loss before taxes	-104,509
Depreciation expense	403,266
Increase (decrease) in reserve for bad debts	16,064
Increase (decrease) in reserve for bonuses	-155,108
Interest and dividends received	-33,363
Loss (gain) from investment in LLC	41,854
Loss (gain) on valuation of investment securities	24,263
Loss on valuation of affiliated company stock	29,999
Loss (gain) on sale of fixed assets	561
Loss on disposal of fixed assets	84,292
Special retirement allowance	236,184
Reimbursement due to cancellation of insurance	-84,807
(Increase) decrease in accounts receivable	989,662
Increase (decrease) in accounts payable	-104,756
Increase (decrease) in payments due	-435,806
(Increase) decrease in other current assets	-22,757
Increase (decrease) in other current liabilities	-496,617
(Increase) decrease in other fixed assets	31,868
Subtotal	420,292
Interest and dividends received	23,049
Corporate taxes paid	-612,580
Special retirement allowance paid	-236,184
Cash flows from operating activities	-405,423
Cash flows from investing activities	
Funds provided from maturity of time deposits	1,000,000
Funds used for acquisition of tangible fixed assets	-51,914
Funds used for acquisition of intangible fixed assets	-278,518
Funds used for purchase of investment securities	-387,500
Funds used for accumulation of insurance reserve	-1,391
Funds provided from cancellation of insurance reserve	525,198
Funds used for other investing activities	-15,376
Funds provided from other investing activities	2,818
Cash flows from investing activities	793,315
Cash flows from financing activities	
Funds provided by issuance of stock	6,497
Funds used for acquisition of treasury stock	-484,629
Funds used for dividend payment	-969,393
Cash flows from financing activities	-1,447,525
Translation adjustment to cash and equivalents	5
Net increase (decrease) in cash and equivalents	-1,059,627
Cash and equivalents at beginning of period	7,657,204
Cash and cash equivalents at end of period	6,597,577

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

There are no pertinent items

Reference

Financial Statements Pertaining to the Interim Period of the Previous Fiscal Year

(1) Income Statement for the interim period of the previous fiscal year

Categories	Interim Period (From January 1, 2008 to June 30, 2008)		
	Amount (thousand yen)		Share (%)
I Sales		10,795,571	100.0
II Cost of sales		1,079,922	10.0
Gross income		9,715,648	90.0
III Selling, general and administrative expenses		6,626,871	61.4
Operating Income		3,088,777	28.6
IV Non-operating income		25,795	0.2
V Non-operating expenses		39,554	0.3
Ordinary income		3,075,017	28.5
VI Extraordinary loss		555,613	5.2
Net income before taxes		2,519,404	23.3
Corporate, resident and enterprise taxes	1,093,670		
Corporate tax adjustment	-41,874	1,051,795	9.7
Net income		1,467,609	13.6

(2) Statement of Cash Flows for the interim period of the previous fiscal year

	FY Ending December 2008 Interim Period (From January 1, 2008 to June 30, 2008)
Category	Amount (thousand yen)
I Cash flows from operating activities	
Net income before taxes	2,519,404
Depreciation expense	382,738
Increase (decrease) in reserve for bad debts	13,389
Increase (decrease) in reserve for bonuses	-63,809
Increase (decrease) in reserve for directors bonuses	-6,300
Interest received	-19,462
Foreign exchange (gains) losses	14,280
Loss (gain) from investment in LLC	13,694
Loss on valuation of affiliated company stock	527,154
Loss on disposal of fixed assets	21,619
(Increase) decrease in accounts receivable	301,969
Increase (decrease) in accounts payable	-27,024
Increase (decrease) in payments due	-226,716
(Increase) decrease in other current assets	-46,252
Increase (decrease) in other current liabilities	-283,928
(Increase) decrease in other fixed assets	35,210
Subtotal	3,155,968
Interest and dividends received	11,474
Corporate taxes paid	-2,015,95
Cash flows from operating activities	1,151,483
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	-95,609
Funds used for acquisition of intangible fixed assets	-265,411
Funds used for lease deposits	-39,358
Funds provided from return of lease deposits	38
Funds used for accumulation of insurance reserve	-6,454
Funds used for extension of loans	-100
Funds provided from loans recovered	743
Cash flows from investing activities	-190,852
III Cash flows from financing activities	
Funds provided by issuance of stock	57,190
Funds used for acquisition of treasury stock	-1,553,757
Funds used for dividend payment	-991,547
Cash flows from financing activities	-2,488,114
IV Translation adjustment to cash and equivalents	-16,470
V Net increase (decrease) in cash and equivalents	-1,543,953
VI Cash and equivalents at beginning of period	8,003,825
VII Cash and cash equivalents at end of period	6,459,872