

en-japan inc.



Fiscal Year Ending December 2009

3rd Quarter Earnings Announcement (Non-Consolidated)

November 12, 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	November 13, 2009	Telephone	+81-3-3342-4506

1. FY Ending December 2009 3rd Quarter Operating Results (From January 1, 2009 to September 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 3rd Qtr	7,510	—	459	—	430	—	—9	—
FYE 12/08 3rd Qtr	15,727	1.8	4,109	—16.7	4,114	—17.0	2,055	—25.8

	EPS	Fully Diluted EPS
	Yen	Yen
FYE 12/09 3rd Qtr	—41.91	—
FYE 12/08 3rd Qtr	8,613.37	8,533.60

(2) Financial Position

	Total Assets	Net Assets	Net Asset Ratio	Net Assets per Share
	Million yen	Million yen	%	Yen
FYE 12/09 3rd Qtr	13,725	12,499	91.1	53,615.38
FYE 12/08	16,769	13,812	82.4	57,954.36

(Reference) Net Assets FYE 12/09 3rd Quarter 12,499 million yen FYE 12/08 13,812 million yen

2. Dividends

	Dividends per Share				
	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 to 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 (1) 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 (2) 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 3rd Quarter	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 3rd Quarter	12,500 shares	FYE 12/08	7,000 shares
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c. Average number of shares outstanding during the period (Quarter Year-to-Date)

FYE 12/09 3rd Quarter	234,065 shares	FYE 12/08 3rd Quarter	238,657 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 year-to-date period through the third quarter, Japan's economy remained weak against the backdrop of the global recession that began in the autumn of 2008. Signs of a partial recovery were also evident, as a result of measures to stimulate the economy. This failed to result in a full-fledged economy recovery, however, and the future outlook for the domestic economy continued to be uncertain, as personal consumption fell because employment conditions remained severe.

Based on this harsh business environment, in which firms' hiring needs were weak, the Company added the theme "Hiring 'successful human resources' who will contribute to improving corporate operating performance" to "[en] Career Change Info," en-japan's main website, and worked to provide corporate clients with proposals and support. As a result, en-japan's share of net sales in the internet recruitment advertisement market increased above the prior year. The Company also took thorough steps to improve productivity and reduce expenses with the goal of ensuring earnings.

As a result, net sales at the third quarter year-to-date period were ¥7,510 million, operating income was ¥459 million and ordinary income was ¥430 million. The net loss was ¥9 million.

Operating Results Comparison

Net sales by segment:

Category \ Period	FY Ending December 2008 3rd Quarter (From January 1, 2008 to September 30, 2008)		FY Ending December 2009 3rd Quarter (From January 1, 2009 to September 30, 2009)	
	Net Sales (thousand yen)	Share (%)	Net Sales (thousand yen)	Share (%)
Mid-Career Hiring Business				
[en] Career Change Info	8,555,451	54.4	3,069,293	40.9
[en] Career Change Consultant	1,728,053	11.0	1,089,354	14.5
[en] Temporary Placement Info	2,692,352	17.1	1,849,902	24.6
[en] Part-time Jobs	894,241	5.7	553,926	7.4
Other	70,019	0.5	61,717	0.8
New Graduate Hiring Business				
[en] Job Info for Students	1,481,169	9.4	674,371	9.0
Other	94,913	0.6	77,905	1.0
Education/Evaluation Business, Other	211,749	1.3	134,375	1.8
Total	15,727,948	100.0	7,510,846	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 third quarter under review decreased by ¥3,044 million compared with the last day of the prior fiscal year to ¥13,725 million. This decrease was mainly due to a decrease in cash and deposits and a decrease in notes and accounts receivable.

Total Liabilities decreased by ¥1,730 million compared with the last day of the prior fiscal year to ¥1,226 million. This decrease mainly reflected a decline in corporate taxes payable.

Total Net Assets decreased by ¥1,313 million compared with the last day of the prior fiscal year to ¥12,499 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 flow used for operating activities totaled ¥1,247 million. Although cash increased by ¥951 million as the result of a decrease in accounts receivable, the Company made a payment of ¥1,768 million in corporate taxes.

(Cash Flows from Investing Activities)

Cash from investing activities amounted to ¥401 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 ¥1,449 million. This consisted mainly of funds used for acquisition of treasury stock of ¥484 million and ¥970 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 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 at the end of the third quarter under review.

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.

The Company assesses the recoverability of deferred tax assets based on a methodology that employs the future operating results projection and tax planning assumptions utilized at the end of the prior fiscal year when it recognizes there have been no remarkable changes in the operating environment or occurrence of major temporary differences since the end of the prior fiscal year, or on a methodology that employs the future operating results projection and tax planning assumptions utilized at the end of the prior fiscal year, tempered for the effect of such changes when it recognizes there have been remarkable changes in the operating environment or occurrence of major temporary differences since 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 current fiscal year, 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 third quarter balance sheet is not material.

5. Quarterly Financial Statements

(1) Quarterly Balance Sheet

Categories	Period	FY Ending December 2009 3rd Quarter (As of September 30, 2009)	Previous Fiscal Year-end (As of December 31, 2008)
		Amount (thousand yen)	Amount (thousand yen)
Assets			
Current Assets			
Cash and deposits		5,361,557	8,657,204
Notes and accounts receivable		1,080,181	2,031,334
Inventories		9,513	11,133
Other		1,690,844	586,055
Reserve for bad debts		-60,108	-48,520
Total Current Assets		8,081,988	11,237,207
Fixed Assets			
Tangible fixed assets		575,287	755,859
Intangible fixed assets		1,120,189	1,089,581
Investments and other assets			
Other		3,992,743	3,725,694
Reserve for bad debts		-44,925	-38,765
Total Investments and Other Assets		3,947,818	3,686,929
Total Fixed Assets		5,643,294	5,532,371
Total Assets		13,725,282	16,769,578
Liabilities			
Current Liabilities			
Accounts payable		35,875	131,022
Corporate taxes payable		—	663,740
Reserve for bonuses		157,778	234,892
Other		1,032,597	1,927,198
Total Current Liabilities		1,226,251	2,956,853
Total Liabilities		1,226,251	2,956,853
Net Assets			
Shareholders' Equity			
Paid-in capital		968,495	965,246
Capital surplus		1,435,060	1,431,811
Retained earnings		11,986,495	12,973,491
Treasury stock		-2,038,386	-1,553,757
Total Shareholders' Equity		12,351,664	13,816,792
Valuation and Translation Adjustments			
Valuation difference on other investment securities		147,366	-4,066
Total Valuation and Translation Adjustments		147,366	-4,066
Total Net Assets		12,499,031	13,812,725
Total Liabilities and Net Assets		13,725,282	16,769,578

(2) Quarterly Income Statements

3rd Quarter Year-to-Date

Categories	Period	FY Ending December 2009 3rd Quarter YTD (From January 1, 2009 to September 30, 2009)
		Amount (thousand yen)
Sales		7,510,846
Cost of sales		1,378,593
Gross income		6,132,253
Selling, general and administrative expenses		
Salaries and allowances		1,978,427
Advertising and public relations expenses		1,551,788
Other		2,142,722
Total selling, general and administrative expenses		5,672,938
Operating Income		459,314
Non-operating income		
Interest received		19,764
Dividends received		18,500
Other		13,795
Total non-operating income		52,060
Non-operating expenses		
Loss from investment in LLC		57,942
Loss from cancellation of lease		17,678
Other		5,088
Total non-operating expenses		80,708
Ordinary income		430,666
Extraordinary income		
Reimbursement due to cancellation of insurance		84,807
Total extraordinary income		84,807
Extraordinary loss		
Loss on sale of fixed assets		578
Loss on disposal of fixed assets		110,328
Office relocation expense		86,593
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		487,948
Net income before taxes		27,525
Corporate, resident and enterprise taxes		2,814
Corporate tax adjustment		34,520
Total taxes		37,335
Net income (loss)		-9,809

3rd Quarter Income Statement

Categories	Period	FY Ending December 2009 3rd Quarter (From July 1, 2009 to September 30, 2009)
		Amount (thousand yen)
Sales		2,260,747
Cost of sales		415,580
Gross income		1,845,167
Selling, general and administrative expenses		
Salaries and allowances		531,826
Advertising and public relations expenses		401,169
Other		658,932
Total selling, general and administrative expenses		1,591,928
Operating income		253,239
Non-operating income		
Interest received		4,901
Other		1,901
Total non-operating income		6,802
Non-operating expenses		
Loss from investment in LLC		16,087
Loss from cancellation of lease		8,285
Other		2,702
Total non-operating expenses		27,076
Ordinary income		232,965
Extraordinary loss		
Loss on sale of fixed assets		16
Loss on disposal of fixed assets		26,036
Office relocation expense		74,876
Total extraordinary loss		100,930
Net income before taxes		132,035
Corporate, resident and enterprise taxes		794
Corporate tax adjustment		53,859
Total taxes		54,653
Net income		77,381

(3) Quarterly Statement of Cash Flows

	FY Ending December 2009 3rd Quarter Year-to-Date (From January 1, 2009 to September 30, 2009)
Category	Amount (thousand yen)
Cash flows from operating activities	
Net income before taxes	27,525
Depreciation expense	629,264
Increase (decrease) in reserve for bad debts	17,747
Increase (decrease) in reserve for bonuses	-77,113
Interest and dividends received	-38,264
Loss (gain) from investment in LLC	57,942
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	578
Loss on disposal of fixed assets	110,328
Special retirement allowance	236,184
Reimbursement due to cancellation of insurance	-84,807
(Increase) decrease in accounts receivable	951,152
Increase (decrease) in accounts payable	-95,147
Increase (decrease) in payments due	-508,468
(Increase) decrease in other current assets	133,925
Increase (decrease) in other current liabilities	-726,723
(Increase) decrease in other fixed assets	32,322
Subtotal	720,710
Interest and dividends received	35,862
Income taxes paid	-1,768,264
Special retirement allowance paid	-236,184
Cash flows from operating activities	-1,247,875
Cash flows from investing activities	
Funds provided from redemption of long-term deposits	1,000,000
Funds used for acquisition of tangible fixed assets	-64,063
Funds used for acquisition of intangible fixed assets	-417,508
Funds used for purchase of investment securities	-387,500
Funds used for purchase of affiliated company stock	-254,778
Funds used for accumulation of insurance reserve	-1,391
Funds provided from cancellation of insurance reserve	525,198
Funds used for other investing activities	-16,858
Funds provided from other investing activities	18,256
Cash flows from investing activities	401,354
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	-970,992
Cash flows from financing activities	-1,449,124
Translation adjustment to cash and cash equivalents	-1
Net increase (decrease) in cash and cash equivalents	-2,295,647
Cash and cash equivalents at beginning of period	7,657,204
Cash and cash equivalents at end of period	5,361,557

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 3rd Quarter of the Previous Fiscal Year

(1) Income Statement for the 3rd quarter of the previous fiscal year

Categories	3rd Quarter Year-to-Date (From January 1, 2008 to September 30, 2008)		
	Amount (thousand yen)		Share (%)
I Sales		15,727,948	100.0
II Cost of sales		1,600,559	10.2
Gross income		14,127,389	89.8
III Selling, general and administrative expenses		10,017,527	63.7
Operating Income		4,109,862	26.1
IV Non-operating income		41,950	0.3
V Non-operating expenses		36,823	0.2
Ordinary income		4,114,988	26.2
VI Extraordinary loss		555,613	3.6
Net income before taxes		3,559,375	22.6
Tax expense		1,503,733	9.5
Net income		2,055,642	13.1

(2) Statement of Cash Flows for the 3rd quarter of the previous fiscal year

	FY Ending December 2008 3rd Quarter Year-to-Date (From January 1, 2008 to September 30, 2008)
Category	Amount (thousand yen)
I Cash flows from operating activities	
Net income before taxes	3,559,375
Depreciation expense	576,471
Increase (decrease) in reserve for bad debts	20,757
Increase (decrease) in reserve for bonuses	196,190
Increase (decrease) in reserve for directors bonuses	-6,300
Interest received	-30,850
Foreign exchange (gains) losses	9,549
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	384,137
Increase (decrease) in accounts payable	-40,657
Increase (decrease) in payments due	-236,782
(Increase) decrease in other current assets	-56,162
Increase (decrease) in other current liabilities	-339,487
(Increase) decrease in other fixed assets	60,297
Subtotal	4,659,008
Interest and dividends received	22,741
Corporate taxes paid	-3,731,312
Cash flows from operating activities	950,437
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	27,000
Funds used for acquisition of tangible fixed assets	-121,517
Funds used for acquisition of intangible fixed assets	-457,531
Funds used for purchase of affiliated company stock	-30,000
Funds used for lease deposits	-39,377
Funds provided from return of lease deposits	56
Funds used for accumulation of insurance reserve	-7,560
Funds used for extension of loans	-2,481
Funds provided from loans recovered	996
Cash flows from investing activities	-432,116
III Cash flows from financing activities	
Funds provided by issuance of stock	64,928
Funds used for acquisition of treasury stock	-1,553,757
Funds used for dividend payment	-993,193
Cash flows from financing activities	-2,482,021
IV Translation adjustment to cash and equivalents	-11,738
V Net increase (decrease) in cash and equivalents	-1,975,439
VI Cash and equivalents at beginning of period	8,003,825
VII Cash and cash equivalents at end of period	6,028,386