

en-japan inc.



### 3rd Quarter FY March 2012 Earnings Announcement [Japan GAAP] (Consolidated)

November 10, 2011

Company Name	en-japan inc.	Listing Exchanges	Osaka Securities Exchange (Hercules Market)
Stock Code	4849	URL	<a href="http://corp.en-japan.com/">http://corp.en-japan.com/</a>
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Scheduled date for submission of Quarterly Report	November 11, 2011	Telephone	+81-3-3342-4506
Scheduled date to begin dividend payments	—		
Preparation of Quarterly Summary Supplementary Explanatory Materials	Yes		
Quarterly Earnings Briefing	No		

(Figures rounded down to nearest million yen)

#### 1. FY Ending March 2012 Third Quarter Year-to-Date Operating Results (From January 1, 2011 to September 30, 2011)

(1) Consolidated Operating Results (cumulative) (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 3/12 3rd Qtr	8,902	34.3	1,680	99.5	1,533	76.4	686	68.1
FYE 12/10 3rd Qtr	6,631	—	842	—	869	—	408	—

(Note) 1. Comprehensive income FYE03/12 3rd Qtr – million yen (-%) FYE12/10 3rd Qtr – million yen (-%)

2. Following the Company's change of fiscal year-end from December 31 to March 31, the fiscal year under review covers a transitional period of 15 months from January 1, 2011 to March 31, 2012. Comprehensive income is not disclosed as the Company's financial statements for the quarter under review were prepared based on the same accounting standard applied in the previous fiscal term ended December 31, 2010.

3. Year-on-year changes for 3rd Qtr FYE12/10 are not shown because the Company did not create quarterly consolidated financial statements in 3rd Qtr FYE12/09.

	EPS	Fully Diluted EPS
	Yen	Yen
FYE 3/12 3rd Qtr	3,100.75	3,097.10
FYE 12/10 3rd Qtr	1,814.68	1,810.92

#### (2) Consolidated Financial Position

	Total Assets	Net Assets	Net Asset Ratio
	Million yen	Million yen	%
FYE 3/12 3rd Qtr	14,833	12,831	86.5
FYE 12/10	14,612	12,334	84.1

(Reference) Core capital FYE 3/12 3rd Qtr 12,831 million yen FYE 12/10 12,284 million yen

#### 2. Dividends

	Dividends per Share					
	1st Quarter-end	2nd Quarter-end	3rd Quarter-end	4th Quarter-end	Year-end	Full Year
	Yen	Yen	Yen	Yen	Yen	Yen
FYE 12/10	—	0.00	—	—	1,130.00	1,130.00
FYE 3/12	—	—	0.00	—	—	—
FYE 3/12 (projected)	—	—	—	—	1,825.00	1,825.00

(Note) Revisions to the Company's latest dividend forecast: None

### 3. FY Ending March 2012 Projected Consolidated Operating Results (January 1, 2011 - March 31, 2012)

(Percentage for the 4th quarter [year-to-date] indicates changes from the same period of the prior fiscal year.)

	Net Sales		Operating Income		Ordinary Income		Net Income		EPS
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
4th quarter (year-to-date)	12,308	23.2	2,333	31.5	2,207	22.5	1,120	28.0	5,060.02
Full year	15,580	—	2,780	—	2,685	—	1,384	—	6,252.62

(Note) 1. Revisions to the Company's latest operating results projections: Yes

2. Due to the Company's change of fiscal year-end from December 31 to March 31, the fiscal year under review covers a transitional period of 15 months from January 1, 2011 to March 31, 2012.

3. Year-on-year changes for the full year are not shown, as there are no comparable figures.

### 4. Other

- (1) Changes in status of material subsidiaries during the quarter year-to-date period under review  
(Changes to specified subsidiaries accompanying the additional consolidation or removal from consolidation of companies) No
- (2) Adoption of special accounting treatment used in preparation of the quarterly consolidated financial statements Yes
- (3) Changes in accounting policy, changes in accounting estimates, or restatement due to correction
  - a. Changes in accounting policy accompanying amendment of accounting principles: Yes
  - b. Changes in accounting policy other than "a.": No
  - c. Changes in accounting estimates -
  - d. Restatement due to correction -

(Note) Because the Company adopts a transitional accounting period following the change of the fiscal year-end from December 31 to March 31, the Company discloses quarterly financial information based on the accounting standard applied in the previous fiscal term ended December 31, 2010. Therefore, "c" and "d" are not subject to disclosure.

#### (4) Number of shares issued (common stock)

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

FYE 3/12 3rd Qtr 245,954 shares FYE 12/10 245,838 shares

- b. Number of shares of treasury stock at the end of the period

FYE 3/12 3rd Qtr 24,500 shares FYE 12/10 24,500 shares

- c. Average number of shares issued during the period (Quarter Year-to-Date)

FYE 3/12 3rd Qtr 221,423 shares FYE 12/10 3rd Qtr 225,109 shares

#### Notice regarding quarterly review procedures

This quarterly earnings announcement is excluded from quarterly review procedures based on the Financial Instruments and Exchange Act. As of the time of disclosure of this quarterly earnings announcement, en-japan had not completed the quarterly financial statements review procedure based on the Financial Instruments and Exchange Law.

#### Explanation regarding appropriate use of operating results projections, other special notes

The forward-looking statements, including business results projections, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual business results may differ substantially due to a number of factors. See Page 5 "Qualitative Information Concerning Projected Consolidated Operating Results" of Attachments for the conditions used as assumptions and matters to note when using the projected operating results.

The Company holds briefings on its business and financial results for individual investors from time to time. Please see the Company's website for the schedule of such briefings.

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## 1. Qualitative Information of Consolidated Performance during the quarter under review

### (1) Qualitative Information Concerning Consolidated Operating Results

During the nine-month period ended September 31, 2011, the Japanese economy seems to have recovered to the state it was in before the Great East Japan Earthquake, thanks to a recovery in corporate production activities. Nonetheless, the outlook for the Japanese economy is bleak with an ongoing sharp appreciation of the Japanese yen stemming from the financial crisis in the US and European countries.

Concerning the job situation, both the ratio of job offers to job seekers and the unemployment rate are gradually improving.

Under such circumstances, the en-japan Group reinforced its sales activities on “Search-based Employment Solutions,” a success-fee based product of the group’s mainstay website [en] Career Change Info, and worked to improve its success rate.

Also, as a part of the group’s initiatives to expand its business in Asia, the Company set up EN-WORLD SINGAPORE PTE. LTD. in Singapore and started a personnel placement business from September 2011. The group has positioned this as part of its focus to promote business in Asia as stipulated in its mid-term management plan, and the group will be using the customer base of its subsidiary Wall Street Associate KK to develop its operations.

As a result, the Company recorded net sales of ¥8,902 million (up 34.3% year on year), operating income of ¥1,680 million (up 99.5% year on year) and net income of ¥686 million (up 68.1% year on year) for the third quarter year-to-date period of the fiscal year ending March 2012.

#### [1] Mid-Career Hiring Business

In [en] Career Change Info, the number of job postings increased by 8.9% compared to the same period in the preceding year, on the back of a recovery in intermediate recruitment needs. The number of job postings of the Search-based Employment Solutions also rose by 176.3% year on year.

A gradual recovery in [en] Temporary Placement Info continues with an improvement in the number of postings of companies with temporary placement needs.

In [en] Career Change Consultant, although the overall recruiting industry is on a recovering track, recruitment cases are concentrated in large recruitment companies. Small and medium sized recruitment companies, our main customers, are still facing a difficult operating environment. Amid such circumstances, the Company started a new service to share part of its database of [en] Career Change Info with recruitment companies. Because this is a success-fee based service, more companies are using it and have started getting results.

[en] New Career Challenges performed favorably, because demand in the market was on a recovery track, and the group worked to enhance its marketing efficiency.

Wall Street Associates KK also performed firmly thanks to ongoing strong recruitment needs from foreign affiliated enterprises.

As a result, net sales were ¥8,022 million (up 36.9% year on year), and operating income was ¥2,357 million (up 31.4% year on year) for the third quarter year-to-date period of the fiscal year ending March 2012.

#### [2] New Graduate Hiring Business

The Company actively promoted its marketing activities for the full-fledged opening in December of the “[en] Job Info for Students 2013,” a website dedicated to students graduating in March 2013. The number of member students is steadily increasing because the Company held seminars especially for students looking for a job.

As a result, net sales were ¥620 million (up 18.0% year on year), and operating losses were ¥418 million (operating losses in the same period of the preceding year were ¥557 million) for the third quarter year-to-date period of the fiscal year ending March 2012.

Usually, the Company’s net sales and operating income in the New Graduate Hiring Business concentrate mainly in the October to November period. However, they are expected to be dispersed in the December to March period from this fiscal year under review. This reflects the change in the timing of launching the job information website from October to December, following the revision of the

“Charter of Ethics of Companies Concerning Hiring.” For this reason, the Company changed its fiscal year end from December to March.

### [3] Education/Evaluation Business

The trend for companies to refrain from investing in training is gradually receding. However, the situation at [en] College flat-rate training service continues to be more challenging than expected at the beginning of the fiscal year, as its recovery is not strong enough to cover the drop in sales due to the earthquake.

As a result, net sales were ¥176 million (down 19.0% year on year), and operating losses were ¥24 million (operating income in the same period of the preceding year were ¥12 million) for the third quarter year-to-date period of the fiscal year ending March 2012.

### [4] Other Business

In [en] Wedding service, the Company narrowed down the number of wedding sites posted on its website to focus on enhancing the viewers’ response through site visits and questioning. This led to an increase in the unit price per posting.

The Company received more inquiries than expected on the cloud-based human resources and payroll accounting system “FINE” but still had difficulty in receiving orders.

As a result of the above, net sales were ¥83 million (up 213.5% year on year), and operating losses were ¥234 million (operating losses in the same period of the preceding year were ¥407 million) for the third quarter year-to-date period of the fiscal year ending March 2012.

Quarterly sales information by segment is presented below:

Category	The 11th term FY Ended December 2010 Third Quarter (Year to Date)		The 12th term FY Ended March 2012 Third Quarter (Year to Date)	
	From January 1, 2010 to September 30, 2010		From January 1, 2011 to September 30, 2011	
	Net Sales (thousand yen)	Share (%)	Net Sales (thousand yen)	Share (%)
Mid-Career Hiring Business	5,860,454	88.4	8,022,144	90.1
New Graduate Hiring Business	525,756	7.9	620,244	7.0
Education/Evaluation Business	218,396	3.3	176,941	2.0
Other Business	26,478	0.4	83,009	0.9
Total	6,631,085	100.0	8,902,339	100.0

- Notes: 1. Values for net sales do not include consumption taxes or local consumption taxes.  
 2. Intercompany sales among consolidated companies are eliminated.  
 3. Net sales of the consolidated subsidiary Wall Street Associates KK is categorized in Mid-Career Hiring Business.

### (2) Qualitative Information Concerning Consolidated Financial Position

Total assets at the end of the third quarter of the fiscal year ending in March 2012 increased by ¥221 million compared with the end of the previous fiscal year to ¥14,833 million. This mainly reflected a increase in intangible fixed assets and other assets.

Total liabilities at the end of the third quarter under review were ¥2,002 million, a decrease of ¥275 million compared with the end of the previous fiscal year. This was mainly because although reserve for bonuses and long-term liabilities increased, corporate and other taxes payable decreased to a larger extent.

Total net assets were ¥12,831 million, up by ¥496 million compared with the end of the previous fiscal year. The increase in net assets was mainly the result of an increase in retained earnings.

(Cash Flows from Operating Activities)

Cash flows from operating activities in the third quarter year-to-date period of the fiscal year ending March 2012 increased to ¥891 million. (down 66.9% year on year). In spite of a decrease in cash flow due to the corporate taxes payment of ¥1,210 million, cash flow from operations increased mainly as a result of posting a net income before taxes of ¥1,369 million, depreciation expenses of ¥518 million and an increase in reserve for bonuses of ¥224 million.

(Cash Flows from Investing Activities)

Cash flow from investing activities in the third quarter year-to-date period of the fiscal year ending March 2012 was ¥441 million. (down 75.5% year on year) This mainly consisted of cash used for acquiring additional stocks of subsidiaries and affiliates amounting to ¥388 million.

(Cash Flows from Financing Activities)

Cash flow used for financing activities in the third quarter year-to-date period of the fiscal year ending March 2012 was ¥274 million. (down 83.9% year on year) This mainly consisted of dividend payment of ¥251 million.

(3) Qualitative Information Concerning Projected Consolidated Operating Results

The Company's operating results in the third quarter year-to-date period under review exceeded the initial projection. Hence, it slightly increased its earnings forecast for the fourth quarter year-to-date period. But the Company reiterates its full-year forecast for net sales and operating income as the economic outlook remains bleak.

In addition, the Company revised its forecast for ordinary income and net income as described below. This is because it posted more non-operating expenses than initially expected due to several factors such as its establishment of a foundation.

Revisions on Consolidated Operating Results Forecast for FYE 3/12 Period

(January 1, 2011 – March 31, 2012)

	Net Sales	Operating Income	Ordinary Income	Net Income	EPS
	Million yen	Million yen	Million yen	Million yen	yen
Previous projections (A)	15,580	2,780	2,732	1,420	6,414.06
Revised projections (B)	15,580	2,780	2,685	1,378	6,225.70
Change (B-A)	0	0	-47	-42	
Rate of change (%)	0.0	0.0	-1.7	-3.0	

Revisions on Consolidated Operating Results Forecast for FYE 3/12 Fourth Quarter Year-to-Date Period  
(January 1, 2011 – December 31, 2011)

	Net Sales	Operating Income	Ordinary Income	Net Income	EPS
	Million yen	Million yen	Million yen	Million yen	yen
Previous projections (A)	12,240	2,200	2,131	1,080	4,880.38
Revised projections (B)	12,308	2,333	2,207	1,120	5,060.02
Change (B-A)	68	133	76	40	
Rate of change (%)	0.6	6.0	3.6	3.7	
(Reference) Actual results (FYE12/10)	9,991	1,774	1,803	875	3,905.72

2. Summary Information (others)

(1) Changes in status of material subsidiaries during the quarter year-to-date period under review

The Company had no material items to report.

(2) Adoption of special accounting treatment used in preparation of the quarterly consolidated financial statements

[1] Method of calculating estimated balance of doubtful accounts in normal accounts

Because loan loss ratio and other factors for the third quarter consolidated accounting period under review have not changed significantly from the values calculated at the end of the prior consolidated accounting period, the Company uses reasonable criteria such as the loan loss ratio for the prior consolidated accounting period to calculate the estimated balance of doubtful accounts in normal accounts.

[2] 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 consolidated accounting period proportionally over the period.

[3] 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.

When judging the possibility of recovery of deferred income tax assets, the Company uses the future operating results projections and tax planning that it utilized at the end of the prior consolidated accounting period when it determines there have been no significant changes in the operating environment or major temporary differences since the end of the prior consolidated accounting period. When it determines there have been significant changes in the operating environment or major temporary differences since the end of the prior consolidated accounting period, the company uses the future operating results projections and tax planning that it utilized at the end of the prior consolidated fiscal year, tempered for the effect for such significant changes.

(3) Changes in accounting policy, changes in accounting estimates, or restatement due to correction

[1] Change in accounting standards

Application of the “Accounting Standards for Asset Retirement Obligations”

From the first quarter of the fiscal year under review, the Company applies the “Accounting Standards for Asset Retirement Obligations” (Accounting Standard Boards of Japan [ASBJ] Statement No. 18 of March 31, 2008) and the “Guidance on Accounting Standards for Asset Retirement Obligations” (ASBJ Guidance No. 21 of March 31, 2008).

The impact of this change in the third quarter year-to-date period of the fiscal year ending March 2012 is a decrease of operating income and ordinary income by ¥3,544 thousand, and net income before taxes by ¥7,791 thousand. Also, changes to the asset retirement obligations accompanying the application of this accounting policy amounted to ¥8,201 thousand.

[2] Change in presentation

(Quarterly consolidated income statements)

Based on the “Accounting Policies Concerning Consolidated Financial Statements” (ASBJ Statement No. 22 of December 26, 2008), the Company applies the “Cabinet Office Ordinance Partially Revising Regulation on Terminology, Forms and Preparation of Financial Statements, etc.” (The Cabinet Office Ordinance No. 5 of March 24, 2009). As a result, “Income before minority interests” is presented in the third quarter consolidated accounting period under review.



## 3. Quarterly Consolidated Financial Statements

## (1) Quarterly Consolidated Balance Sheets

(Unit: Thousand yen)

	FY Ending March 2012 End-Third Quarter Consolidated Accounting Period (As of September 30, 2011)	Summarized consolidated balance sheets for the prior fiscal year (as of December 31, 2010)
Assets		
Current Assets		
Cash and deposits	6,210,358	6,184,799
Notes and accounts receivable	1,303,609	1,241,579
Other	484,181	532,263
Reserve for bad debts	-14,295	-3,813
Total Current Assets	7,983,853	7,954,830
Fixed Assets		
Tangible fixed assets	577,597	605,887
Intangible fixed assets		
Goodwill	1,556,189	1,327,429
Other	1,081,640	1,028,207
Total intangible fixed assets	2,637,830	2,355,637
Investments and other assets		
Investment securities	2,202,605	2,102,528
Other	1,474,273	1,656,305
Reserve for bad debts	-42,594	-62,749
Total Investments and Other Assets	3,634,284	3,696,084
Total Fixed Assets	6,849,712	6,657,609
Total Assets	14,833,565	14,612,439
Liabilities		
Current Liabilities		
Accounts payable	31,878	49,158
Lease liabilities	37,272	17,153
Corporate and other taxes payable	119,440	699,030
Reserve for bonuses	409,166	185,104
Reserve for directors' bonuses	4,165	—
Other	1,266,791	1,276,331
Total Current Liabilities	1,868,715	2,226,777
Long-term Liabilities		
Long-term accrued amount payable	62,289	35,536
Lease liabilities	50,118	15,327
Asset retirement obligations	21,168	—
Total Long-term Liabilities	133,576	50,864
Total Liabilities	2,002,291	2,277,641
Net Assets		
Shareholders' Equity		
Paid-in capital	972,552	970,929
Capital surplus	1,439,117	1,437,494
Retained earnings	13,652,260	13,144,766
Treasury stock	-3,438,187	-3,438,187
Total Shareholders' Equity	12,625,743	12,115,003
Valuation and Translation Adjustments		
Valuation difference on other investment securities	215,046	169,944
Foreign currency translation adjustment	-9,515	—
Total Valuation and Translation Adjustments	205,530	169,944
Small-lot shareholders' equity	—	49,850
Total Net Assets	12,831,274	12,334,797
Total Liabilities and Net Assets	14,833,565	14,612,439

## (2) Quarterly Consolidated Income Statements

[Third Quarter Consolidated Year-to-Date]

(Unit: Thousand yen)

	FY Ended March 2011 Third Quarter Consolidated Year-to- Date (From January 1, 2010 to September 30, 2010)	FY Ending March 2012 Third Quarter Consolidated Year-to- Date (From January 1, 2011 to September 30, 2011)
Net sales	6,631,085	8,902,339
Cost of sales	1,151,924	1,392,605
Gross income	5,479,160	7,509,733
Selling, general and administrative expenses	4,636,915	5,829,338
Operating income	842,245	1,680,395
Non-operating income		
Interest received	20,867	16,036
Dividends income	22,500	30,000
Equity in earnings of affiliates	—	50,656
Interest on refund of corporate taxes and other	29,551	—
Gain on investments in partnership	—	1,243
Other	13,190	8,645
Total non-operating income	86,109	106,582
Non-operating expenses		
Loss on investments in partnership	36,858	—
Rent payable	—	52,885
Donation expenses	—	130,000
Other	22,184	70,774
Total non-operating expenses	59,043	253,659
Ordinary income	869,311	1,533,317
Extraordinary income		
Reversal of reserve for bad debts	—	10,000
Total extraordinary income	—	10,000
Extraordinary loss		
Loss on disposal of fixed assets	60,840	68,458
Effect of application in accounting standard for asset retirement obligations	—	4,247
Loss on valuation of investment securities	19,100	—
Subsidiary establishment expenses	—	101,514
Litigation expenses	26,554	—
Total extraordinary loss	106,494	174,220
Net income (loss) before taxes	762,816	1,369,096
Corporate, local and business taxes	453,158	669,310
Corporate tax adjustment	-100,846	-2,624
Total tax expense	352,311	666,686
Income before minority interests	—	702,409
Small-lot shareholder income (loss)	2,005	15,831
Net income (loss)	408,499	686,578

[Third Quarter Consolidated]

(Unit: Thousand yen)

	FY Ended March 2011 Third Quarter Consolidated Year- to-Date (From July 1, 2010 to September 30, 2010)	FY Ending March 2012 Third Quarter Consolidated Year-to- Date (From July 1, 2011 to September 30, 2011)
Net sales	2,409,613	3,162,155
Cost of sales	381,631	466,714
Gross income	2,027,981	2,695,440
Selling, general and administrative expenses	1,663,864	1,978,680
Operating income	364,116	716,760
Non-operating income		
Interest received	9,449	5,656
Equity in earnings of affiliates	—	23,648
Gain on investments in partnership	—	3,356
Other	1,735	2,005
Total non-operating income	11,184	34,667
Non-operating expenses		
Loss on investments in partnership	3,503	—
Donation expenses	—	130,000
Other	8,084	63,165
Total non-operating expenses	11,587	193,165
Ordinary income	363,713	558,262
Extraordinary income		
Reversal of reserve for bad debts	253	—
Total extraordinary income	253	—
Extraordinary loss		
Loss on disposal of fixed assets	—	4,684
Total extraordinary loss	—	4,684
Net income (loss) before taxes	363,966	553,578
Corporate, local and business taxes	237,702	366,671
Corporate tax adjustment	-57,867	-55,522
Total tax expense	179,834	311,149
Income before minority interests	—	242,429
Small-lot shareholder income (loss)	2,005	7,869
Net income (loss)	182,126	234,559

## (3) Quarterly Consolidated Statement of Cash Flows

(Unit: Thousand yen)

	FY Ended March 2011 Third Quarter Consolidated Year-to-Date (From January 1, 2010 to September 30, 2010)	FY Ending March 2012 Third Quarter Consolidated Year-to-Date (From January 1, 2011 to September 30, 2011)
Cash flows from operating activities		
Net income (loss) before taxes	762,816	1,369,096
Depreciation expense	584,943	518,985
Goodwill amortization	10,366	102,667
Increase (decrease) in reserve for relocation	-13,192	-9,672
Increase (decrease) in reserve for bonuses	131,126	224,062
Increase (decrease) in reserves for directors' bonuses	—	4,165
Interest and dividends received	-43,367	-46,036
Foreign exchange loss (gain)	2,213	802
Equity in (earnings) losses of affiliates	—	-50,656
Loss (gain) from investment in LLC	36,858	-1,243
Loss (gain) on valuation of investment securities	19,100	—
Loss on disposal of fixed assets	60,840	68,458
Interest on refund of corporate taxes and other	-29,551	—
Subsidiary establishment expenses	—	101,514
(Increase) decrease in accounts receivable	-71,278	-62,029
Increase (decrease) in accounts payable	-17,083	-17,279
Increase (decrease) in payments due	-91,894	-237,415
(Increase) decrease in other current assets	323,410	6,360
Increase (decrease) in other current liabilities	-34,061	97,037
(Increase) decrease in other fixed assets	-46,108	6,128
Increase (decrease) in other long-term liabilities	29,313	86,507
Subtotal	1,614,452	2,161,452
Interest and dividends received	50,724	41,379
Corporate taxes paid	-49,526	-1,210,135
Corporate taxes refund	1,078,543	—
Subsidiary establishment expenses paid	—	-101,514
Cash flows from operating activities	2,694,193	891,182
Cash flows from investing activities		
Funds provided from maturity of time deposits	1,200,000	300,000
Cash used for acquisition of tangible fixed assets	-242,459	-157,237
Cash used for acquisition of intangible fixed assets	-290,245	-219,295
Cash used for purchase of investment securities	-1,000,000	-30,361
Cash provided from sale of investment securities	4,650	7,584
Cash used for acquiring stock of affiliated companies	—	-159,679
Cash provided from sale of stock of affiliated companies	56,190	—
Cash used for purchase of investments in subsidiaries	-1,466,771	—
resulting in change in scope of consolidation	—	—
Cash used for purchase of investments in subsidiaries	—	-388,708
Cash used for deposits and guarantees	-279,175	-82,126
Cash provided from return of deposit and guarantees	4,986	288,221
Purchase of insurance funds	—	-6,456
Payments of loans receivable	—	-3,000
Cash provided from collection of loans	211,563	11,846
Other payments	—	-1,804
Cash flows from investing activities	-1,801,261	-441,017
Cash flows from financing activities		
Decrease in short-term loans payable	-31,992	—
Decrease in long-term loans payable	-85,352	—
Cash provided by issuance of stock	2,372	3,246
Cash used for purchase of treasury stock	-1,399,800	—
Cash used for dividend payment	-189,299	-251,213
Cash dividends paid to minority shareholders	—	-8,400
Cash used for repayment of lease obligations	-10,336	-18,240
Cash provided from stock issuance to minority shareholders	3,478	—
Cash flows from financing activities	-1,710,930	-274,607
Translation adjustments on cash and equivalents	-2	0
Net increase (decrease) in cash and equivalents	-818,001	175,559
Cash and equivalents at beginning of period	6,214,449	5,884,799
Cash and equivalents at end of period	5,396,448	6,060,358

## (4) Notes Relating to the Going Concern Assumption

Third quarter year-to-date period under review (from January 1, 2011, to September 30, 2011)

There are no pertinent items.

## (5) Segment Information

[Segment Information by the type of business]

Prior third quarter consolidated accounting period (from July 1, 2010 to September 30, 2010)

(thousand yen)

	Mid-Career Hiring Business	New Graduate Hiring Business	Education/ Evaluation Business	Other Business	Total	Elimin ation or all compa ny	Consolidate d total
Net sales							
(1) Sales to outside customers	2,148,985	172,490	69,014	19,122	2,409,613	–	2,409,613
(2) Internal sales among segments, transfers	–	–	–	–	–	–	–
Total	2,148,985	172,490	69,014	19,122	2,409,613	–	2,409,613
Segment income (loss)	690,882	–168,725	–2,254	–155,785	364,116	–	364,116

(Notes)

1. Segment classification is based on the business classification adopted for the purpose of internal management.
2. Description of main businesses in reportable segment
  - (1) Mid-Career Hiring Business – [en] Career Change Info., [en] Career Change Consultant, [en] Temporary Placement Info, [en] Part-time Jobs Plus, testing services, personnel placement, personnel dispatching
  - (2) New Graduate Hiring Business – [en] Job Info for Students, testing services
  - (3) Education/Evaluation Business – Education, evaluation services
  - (4) Other Business - the [en] Green Wedding, FINE businesses, and others

Prior third quarter consolidated accounting period (Year-to-Date) (from January 1, 2010 to September 30, 2010)

(thousand yen)

	Mid-Career Hiring Business	New Graduate Hiring Business	Education/ Evaluation Business	Other Business	Total	Elimin ation or all compa ny	Consolidate d total
Net sales							
(1) Sales to outside customers	5,860,454	525,756	218,396	26,478	6,631,085	–	6,631,085
(2) Internal sales among segments, transfers	–	–	–	–	–	–	–
Total	5,860,454	525,756	218,396	26,478	6,631,085	–	6,631,085
Segment income (loss)	1,794,580	–557,510	12,543	–407,368	842,245	–	842,245

(Notes)

1. Segment classification is based on the business classification adopted for the purpose of internal management.
2. Description of main businesses in reportable segment

- (1) Mid-Career Hiring Business – [en] Career Change Info., [en] Career Change Consultant, [en] Temporary Placement Info, [en] Part-time Jobs Plus, testing services, personnel placement, personnel dispatching
- (2) New Graduate Hiring Business – [en] Job Info for Students, testing services
- (3) Education/Evaluation Business – Education, evaluation services
- (4) Other Business - the [en] Green Wedding, FINE businesses, and others

[Segment Information by region]

Third quarter of the previous fiscal year (from July 1, 2010 to September 30, 2010) and third quarter year-to-date period of the previous fiscal year (from January 1, 2010 to September 30, 2010)

Segment information by region is not shown as there were no overseas branches or foreign subsidiaries.

[Overseas Sales]

Third quarter of the previous fiscal year (from July 1, 2010 to September 30, 2010) and third quarter year-to-date period of the previous fiscal year (from January 1, 2010 to September 30, 2010)

Overseas sales are not shown as the Company's overseas sales were smaller than 10% of the total consolidated sales.

[Segment Information]

(Additional Information)

From the first quarter of the fiscal year ending March 2012, the Company applies the “Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Statement No. 17 of March 27, 2009) and “Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Guidance No. 20 of March 21, 2008).

## 1. Outline of reporting segments

The Company's reporting segments are business units for which separate financial information can be obtained and periodically reviewed by the Company's decision making bodies such as the Board of Directors in the determination of resource allocation as well as the evaluation of business performance.

The Company is engaged in the management of various job advertising websites on the Internet as its principal business activities. The Company also offers personnel training programs and human strategy consulting services which ultimately culminate in personnel evaluation.

The Company therefore classifies its business into the three segments of the Mid-Career Hiring Business, New Graduate Hiring Business, and Education/Evaluation Business, in accordance with their respective management organization and characteristics of services.

The main services provided at each segment are as follows.

- (1) Mid-Career Hiring Business – [en] Career Change Info., [en] Career Change Consultant, [en] Temporary Placement Info, [en] New Career Challenges, testing services, personnel placement, personnel dispatching
- (2) New Graduate Hiring Business – [en] Job Info for Students, testing services
- (3) Education/Evaluation Business – Education, evaluation services, [en] college, testing services

## 2. Information on sales and profit/loss by reporting segment

Third quarter consolidated accounting period under review (Year-to-Date) (from January 1, 2011 to September 30, 2011)

(thousand yen)

	Reporting segments				Others (see notes)	Total
	Mid-Career Hiring Business	New Graduate Hiring Business	Education/Evaluation Business	Total		
Net sales						
Sales to outside customers	8,022,144	620,244	176,941	8,819,330	83,009	8,902,339
Internal sales among segments, transfers	—	—	—	—	—	—
Total	8,022,144	620,244	176,941	8,819,330	83,009	8,902,339
Segment profit/loss (-)	2,357,918	-418,523	-24,833	1,914,561	-234,166	1,680,395

(Notes)

1. “Other” includes the [en] Green Wedding and FINE businesses that are not included in the three reporting segments.
2. The sum of the segment profit/loss equals the operating income/loss in the consolidated income statement.

Third quarter consolidated accounting period under review (from July 1, 2011 to September 30, 2011)

(thousand yen)

	Reporting segments				Others (see notes)	Total
	Mid-Career Hiring Business	New Graduate Hiring Business	Education/Evaluation Business	Total		
Net sales						
Sales to outside customers	2,902,383	175,248	55,591	3,133,222	28,932	3,162,155
Internal sales among segments, transfers	—	—	—	—	—	—
Total	2,902,383	175,248	55,591	3,133,222	28,932	3,162,155
Segment profit/loss (-)	944,227	-147,647	-9,051	787,528	-70,767	716,760

(Notes)

1. “Other” includes the [en] Wedding and FINE businesses that are not included in the three reporting segments.
2. The sum of the segment profit/loss equals the operating income/loss in the consolidated income statement.

## 3. Information on fixed assets, impairment loss or goodwill by reporting segment

(Significant change in the amount of goodwill)

In the Mid-career hiring business segment, the Company acquires the stock of Wall Street Associates KK additionally to make it a wholly-owned subsidiary.

This resulted in an increase of goodwill by ¥331,427 thousand during the third quarter consolidated accounting period under review.

## (6) Notes on Significant Changes to Shareholders' Equity

Third quarter year-to-date period under review (from January 1, 2011 to September 30, 2011)

There are no pertinent items.