

en-japan inc.



4th Quarter FY March 2012 Earnings Announcement [Japan GAAP] (Consolidated)

February 9, 2012

Company Name	en-japan inc.	Listing Exchanges	Osaka Securities Exchange (Jasdaq Market)
Stock Code	4849	URL	http://corp.en-japan.com/
Representative (Title)	President	(Name)	Takatsugu Suzuki
Contact (Title)	Managing Director, Administrative Office	(Name)	Mitsuhiro Ota
Scheduled date for submission of Quarterly Report	February 10, 2012	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 Fourth Quarter Year-to-Date Operating Results (From January 1, 2011 to December 31, 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 4th Qtr	12,356	—	2,586	—	2,447	—	1,185	—
FYE 12/10	9,991	—	1,774	—	1,803	—	875	—

(Note) 1. Comprehensive income FYE03/12 4th Qtr – million yen (-%) FYE12/10 – 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 FYE12/10 are not shown because the Company did not create quarterly consolidated financial statements in FYE12/09.

4. The full-year figure is shown for quarterly net income for the fiscal term ended December 31, 2010.

	EPS	Fully Diluted EPS
	Yen	Yen
FYE 3/12 4th Qtr	5,353.55	5,347.90
FYE 12/10	3,905.72	3,897.70

(2) Consolidated Financial Position

	Total Assets	Net Assets	Net Asset Ratio
	Million yen	Million yen	%
FYE 3/12 4th Qtr	15,893	13,466	84.7
FYE 12/10	14,612	12,334	84.1

(Reference) Core capital FYE 3/12 4th Qtr 13,466 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
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	15,580	—	2,985	—	2,857	—	1,403	—	6,338.67

(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 4th 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 4th 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 4th Qtr	221,431 shares	FYE 12/10	224,141 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

Following the Company's change of fiscal year-end, the fiscal year ending March 31, 2012 covers a transitional period of 15 months from January 1, 2011 to March 31, 2012.

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. See page 4 "Qualitative Information Concerning Projected Consolidated Operating Results" of the Quarterly Earnings Announcement (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.

Attachments Table of Contents

1. Qualitative Information of Consolidated Performance during the quarter under review	- 2 -
(1) Qualitative Information Concerning Consolidated Operating Results.....	- 2 -
(2) Qualitative Information Concerning Consolidated Financial Position.....	- 4 -
(3) Qualitative Information Concerning Projected Consolidated Operating Results.....	- 4 -
2. Summary Information (others)	- 5 -
(1) Changes in status of material subsidiaries during the quarter year-to-date period under review	- 5 -
(2) Adoption of special accounting treatment used in preparation of the quarterly consolidated financial statements	- 5 -
(3) Changes in accounting policy, changes in accounting estimates, or restatement due to correction	- 5 -
3. Quarterly Consolidated Financial Statements.....	- 6 -
(1) Quarterly Consolidated Balance Sheets.....	- 6 -
(2) Quarterly Consolidated Income Statements.....	- 7 -
[Fourth Quarter Consolidated Year-to-Date]	- 7 -
[Fourth Quarter Consolidated].....	- 8 -
(3) Quarterly Consolidated Statement of Cash Flows.....	- 9 -
(4) Notes Relating to the Going Concern Assumption.....	- 10 -
(5) Segment Information	- 10 -
(6) Notes on Significant Changes to Shareholders' Equity	- 11 -

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

(1) Qualitative Information Concerning Consolidated Operating Results

During the twelve-month period ended December 31, 2011, the Japanese economy was affected by such factors as financial anxiety in Europe, ongoing appreciation of the Japanese yen and damage caused by the floods in Thailand, and its outlook continues to be uncertain.

Concerning the job situation, thanks to the reconstruction demand from the Great East Japan Earthquake and recovery in the supply chain, the number of job openings started to go up, and the ratio of job offers to job seekers continued improving.

Under such circumstances, the en-japan Group promoted its marketing activities for “Search-based Hiring Solutions,” a success-fee-based product of the group’s mainstay website [en] Career Change Info. The group also renewed its website for the first time in the past five years to enhance its matching function between job seekers and employers. In addition, with a view to eliminating a mismatch between workers and employers, the group introduced a word-of-mouth information site named “Kaisha no Hyoban” that is expected to be useful to people looking for a new job.

Regarding the corporate system, the group changed its organization in the Mid-Career Hiring Business area by dividing its marketing units by customer group instead of by product group, in order to enable the group to offer products that match customers’ various needs in a one-stop manner.

As a result, the Company recorded net sales of ¥12,356 million (up 23.7% year on year), operating income of ¥2,586 million (up 45.8% year on year), ordinary income of ¥2,447 million (up 35.7% year on year) and net income of ¥1,185 million (up 35.4 % year on year) for the fourth 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 of the Search-based Hiring Solutions saw an increase of 159.7% year on year, thanks to the group’s efforts to extend the coverage of its job postings.

In addition, the group renewed its website in December 2011. By adding information held by job placement agencies on job openings in addition to those of general corporate, the group’s site has become a career change information site with the largest database of job openings in Japan.

In [en] Temporary Placement Info, the number of postings continued to increase gradually, fuelled by a strong hiring appetite for temporary workers mainly for sales work in the smartphone sector.

As an initiative to acquire new users, the group launched a new site for smartphones in December 2011.

In [en] Career Change Consultant, quarterly net sales grew year on year for the first time in the past 13 quarters. This was attributable to the introduction of a new service in which the Company shares part of its [en] Career Change Info database with job placement agencies [en] New Career Challenges saw its net sales and the number of postings perform firmly, because demand in the market continued to be on a recovery track.

Wall Street Associates KK also performed favorably with its net sales exceeding its initial target. This was because the Company succeeded in introducing personnel that match the employers’ needs amid companies’ strong hiring appetite for human resources with an international background.

As a result, net sales were ¥10,740 million (up 26.0% year on year), and operating income was ¥3,075 million (up 16.6% year on year) for the fourth quarter year-to-date period of the fiscal year ending March 2012.

[2] New Graduate Hiring Business

The grand opening of the “[en] Job Info for Students 2013,” a website dedicated to providing job information on small, medium-sized and venture companies, was delayed for two months and took place on December 1, 2011, following a revision of the “Charter of Ethics of Companies Concerning Hiring.” With an increase in the number of students interested in small, medium-sized and venture companies from an early stage of their job seeking activities amid a difficult employment environment, the number of entries grew to 1.6 times of

that of the previous year. On the marketing front, the unit price of site products rose from the preceding year, and sales of training products were favorable.

As a result, net sales were ¥1,262 million (up 12.4% year on year), and operating losses were ¥170 million (operating losses in the same period of the preceding year were ¥363 million) for the fourth quarter year-to-date period of the fiscal year ending March 2012.

[3] Education/Evaluation Business

At “en- College” flat-rate training service, the number of member companies increased and the business became profitable in October on a single-month basis for the first time since the launch of the service.

Also, as more Japanese companies are now seeking to hire foreign personnel, the Company introduced English and Chinese versions of “3E-I,” a test to assess intellectual ability, and “3E-HII,” a test to assess appropriate functions, relationship skills and stress tolerance.

As a result, net sales were ¥241 million (down 17.3% year on year), and operating losses were ¥24 million (operating income in the same period of the preceding year were ¥6 million) for the fourth quarter year-to-date period of the fiscal year ending March 2012.

[4] Other Business

In “en-Wedding” service, amid a challenging operating environment with fewer and fewer couples getting married each year, the Company saw a rise in the unit price per posting thanks to its efforts to narrow down the number of wedding sites posted on the website to enhance the posting effect. Nonetheless, net sales came below the Company’s initial target.

Concerning the management and human resources strategy system “FINE,” although the Company acquired a number of new orders during the fourth quarter under review, its performance continues to be stagnant with a tendency for the Company to require a longer period of time to reach the final-order stage.

As a result of the above, net sales were ¥112 million (up 112.4% year on year), and operating losses were ¥294 million (operating losses in the same period of the preceding year were ¥504 million) for the fourth quarter year-to-date period of the fiscal year ending March 2012.

Quarterly sales information by segment is presented below:

Category	The 12th term FY Ended March 2012 Fourth Quarter (Year to Date)	
	From January 1, 2011 to December 31, 2011	
	Net Sales (thousand yen)	Share (%)
Mid-Career Hiring Business	10,740,288	86.9
New Graduate Hiring Business	1,262,437	10.2
Education/Evaluation Business	241,454	2.0
Other Business	112,743	0.9
Total	12,356,924	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 fourth quarter of the fiscal year ending in March 2012 increased by ¥1,281 million compared with the end of the previous fiscal year to ¥15,893 million. This mainly reflected an increase in intangible fixed assets and other assets.

Total liabilities at the end of the fourth quarter under review were ¥2,427 million, an increase of ¥149 million compared with the end of the previous fiscal year. This was mainly because although corporate and other taxes payable decreased, reserve for bonuses and long-term liabilities increased to a larger extent.

Total net assets were ¥13,466 million, up by ¥1,131 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 fourth quarter year-to-date period of the fiscal year ending March 2012 increased to ¥2,028 million (down 47.8% year on year). In spite of a decrease in cash flow due to the corporate taxes payment of ¥1,220 million, cash flow from operations increased mainly as a result of posting a net income before taxes of ¥2,251 million, depreciation expenses of ¥708 million and an increase in reserve for bonuses of ¥105 million.

(Cash Flows from Investing Activities)

Cash flow from investing activities in the fourth quarter year-to-date period of the fiscal year ending March 2012 was ¥409 million (down 83.6% 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 fourth quarter year-to-date period of the fiscal year ending March 2012 was ¥283 million (down 83.5% year on year). This mainly consisted of dividend payment of ¥251 million.

(3) Qualitative Information Concerning Projected Consolidated Operating Results

The Company revised its full-year forecast for consolidated operating results as operating income and ordinary income are expected to increase as a result of cost reduction.

In addition, the statutory effective tax rate used in tax effect accounting was revised following the promulgation in December 2, 2011 of the “Act for Partial Revision of the Income Tax Act etc. for the Purpose of Creating Taxation System Responding to Changes in Economic and Social Structures” and the “Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction Following the Great East Japan Earthquake.” As a result, the Company also revised its net income projection as it expects to revise its corporate tax adjustments from the previous forecast.

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	2,685	1,384	6,252.62
Revised projections (B)	15,580	2,985	2,857	1,403	6,338.67
Change (B-A)	0	205	172	19	
Rate of change (%)	0.0	7.4	6.4	1.4	

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 fourth 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 fourth quarter year-to-date period of the fiscal year ending March 2012 is a decrease of operating income and ordinary income by ¥4,808 thousand, and net income before taxes by ¥9,056 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 fourth quarter consolidated accounting period under review.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Unit: Thousand yen)

	FY Ending March 2012 End-Fourth Quarter Consolidated Accounting Period (As of December 31, 2011)	Summarized consolidated balance sheets for the prior fiscal year (as of December 31, 2010)
Assets		
Current Assets		
Cash and deposits	7,370,355	6,184,799
Notes and accounts receivable	1,410,258	1,241,579
Other	337,419	532,263
Reserve for bad debts	-12,781	-3,813
Total Current Assets	9,105,252	7,954,830
Fixed Assets		
Tangible fixed assets	622,351	605,887
Intangible fixed assets		
Goodwill	1,513,681	1,327,429
Other	1,151,296	1,028,207
Total intangible fixed assets	2,664,977	2,355,637
Investments and other assets		
Investment securities	2,071,871	2,102,528
Other	1,472,637	1,656,305
Reserve for bad debts	-43,212	-62,749
Total Investments and Other Assets	3,501,297	3,696,084
Total Fixed Assets	6,788,626	6,657,609
Total Assets	15,893,878	14,612,439
Liabilities		
Current Liabilities		
Accounts payable	53,269	49,158
Lease liabilities	32,686	17,153
Corporate and other taxes payable	405,362	699,030
Reserve for bonuses	290,933	185,104
Reserve for directors' bonuses	6,664	—
Other	1,498,698	1,276,331
Total Current Liabilities	2,287,613	2,226,777
Long-term Liabilities		
Long-term accrued amount payable	70,948	35,536
Lease liabilities	41,946	15,327
Asset retirement obligations	26,716	—
Total Long-term Liabilities	139,611	50,864
Total Liabilities	2,427,224	2,277,641
Net Assets		
Shareholders' Equity		
Paid-in capital	972,552	970,929
Capital surplus	1,439,117	1,437,494
Retained earnings	14,151,124	13,144,766
Treasury stock	-3,438,187	-3,438,187
Total Shareholders' Equity	13,124,607	12,115,003
Valuation and Translation Adjustments		
Valuation difference on other investment securities	354,923	169,944
Foreign currency translation adjustment	-12,877	—
Total Valuation and Translation Adjustments	342,046	169,944
Small-lot shareholders' equity	—	49,850
Total Net Assets	13,466,653	12,334,797
Total Liabilities and Net Assets	15,893,878	14,612,439

(2) Quarterly Consolidated Income Statements

[Fourth Quarter Consolidated Year-to-Date]

(Unit: Thousand yen)

	FY Ending March 2012 Fourth Quarter Consolidated Year-to-Date (From January 1, 2011 to December 31, 2011)
Net sales	12,356,924
Cost of sales	1,878,634
Gross income	10,478,289
Selling, general and administrative expenses	7,891,461
Operating income	2,586,828
Non-operating income	
Interest received	20,930
Dividends income	33,874
Equity in earnings of affiliates	48,831
Other	12,682
Total non-operating income	116,317
Non-operating expenses	
Loss on investments in partnership	2,232
Rent payable	62,695
Donation expenses	130,000
Other	61,146
Total non-operating expenses	256,075
Ordinary income	2,447,070
Extraordinary income	
Reversal of reserve for bad debts	10,000
Total extraordinary income	10,000
Extraordinary loss	
Loss on disposal of fixed assets	84,150
Effect of application in accounting standard for asset retirement obligations	4,247
Loss on valuation of investment securities	16,082
Subsidiary establishment expenses	101,514
Total extraordinary loss	205,994
Net income (loss) before taxes	2,251,076
Corporate, local and business taxes	970,234
Corporate tax adjustment	79,567
Total tax expense	1,049,802
Income before minority interests	1,201,273
Small-lot shareholder income (loss)	15,831
Net income (loss)	1,185,442

[Fourth Quarter Consolidated]

(Unit: Thousand yen)

	FY Ending March 2012 Fourth Quarter Consolidated Year-to-Date (From October 1, 2011 to December 31, 2011)
Net sales	3,454,584
Cost of sales	486,028
Gross income	2,968,555
Selling, general and administrative expenses	2,062,123
Operating income	906,432
Non-operating income	
Interest received	4,893
Dividend income	3,874
Other	4,429
Total non-operating income	13,197
Non-operating expenses	
Loss on investments in partnership	3,476
Other	2,399
Total non-operating expenses	5,876
Ordinary income	913,753
Extraordinary loss	
Loss on disposal of fixed assets	15,691
Loss on valuation of investment securities	16,082
Total extraordinary loss	31,773
Net income (loss) before taxes	881,979
Corporate, local and business taxes	300,924
Corporate tax adjustment	82,191
Total tax expense	383,115
Income before minority interests	498,863
Small-lot shareholder income (loss)	—
Net income (loss)	498,863

(3) Quarterly Consolidated Statement of Cash Flows

(Unit: Thousand yen)

	FY Ending March 2012 Fourth Quarter Consolidated Year-to-Date (From January 1, 2011 to December 31, 2011)
Cash flows from operating activities	
Net income (loss) before taxes	2,251,076
Depreciation expense	708,691
Goodwill amortization	145,175
Increase (decrease) in reserve for relocation	-10,568
Increase (decrease) in reserve for bonuses	105,829
Increase (decrease) in reserves for directors' bonuses	6,664
Interest and dividends received	-54,804
Foreign exchange loss (gain)	398
Equity in (earnings) losses of affiliates	-48,831
Loss (gain) from investment in LLC	2,232
Loss (gain) on valuation of investment securities	16,082
Loss on disposal of fixed assets	84,150
Subsidiary establishment expenses	101,514
(Increase) decrease in accounts receivable	-168,678
Increase (decrease) in accounts payable	4,110
Increase (decrease) in payments due	-107,327
(Increase) decrease in other current assets	7,199
Increase (decrease) in other current liabilities	153,462
(Increase) decrease in other fixed assets	5,781
Increase (decrease) in other long-term liabilities	92,455
Subtotal	3,294,612
Interest and dividends received	56,343
Corporate taxes paid	-1,220,832
Subsidiary establishment expenses paid	-101,514
Cash flows from operating activities	2,028,608
Cash flows from investing activities	
Funds provided from maturity of time deposits	300,000
Cash used for acquisition of tangible fixed assets	-286,793
Cash used for acquisition of intangible fixed assets	-358,446
Cash used for purchase of investment securities	-30,361
Proceeds from sales and redemption of investment securities	307,584
Cash used for acquiring stock of affiliated companies	-159,679
Cash used for purchase of investments in subsidiaries	-388,708
Cash used for deposits and guarantees	-82,129
Cash provided from return of deposit and guarantees	294,510
Purchase of insurance funds	-6,456
Payments of loans receivable	-11,313
Cash provided from collection of loans	13,846
Other payments	-1,804
Cash flows from investing activities	-409,750
Cash flows from financing activities	
Cash provided by issuance of stock	3,246
Cash used for dividend payment	-251,431
Cash dividends paid to minority shareholders	-8,400
Cash used for repayment of lease obligations	-26,718
Cash flows from financing activities	-283,304
Translation adjustments on cash and equivalents	3
Net increase (decrease) in cash and equivalents	1,335,556
Cash and equivalents at beginning of period	5,884,799
Cash and equivalents at end of period	7,220,355

(4) Notes Relating to the Going Concern Assumption

Fourth quarter year-to-date period under review (from January 1, 2011, to December 31, 2011)

There are no pertinent items.

(5) 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

Fourth quarter consolidated accounting period under review (Year-to-Date) (from January 1, 2011 to December 31, 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	10,740,288	1,262,437	241,454	12,244,181	112,743	12,356,924
Internal sales among segments, transfers	–	–	–	–	–	–
Total	10,740,288	1,262,437	241,454	12,244,181	112,743	12,356,924
Segment profit/loss (-)	3,075,523	– 170,262	– 24,126	2,881,134	– 294,306	2,586,828

(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.

Fourth quarter consolidated accounting period under review (from October 1, 2011 to December 31, 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	2,718,144	642,193	64,513	3,424,850	29,734	3,454,584
Internal sales among segments, transfers	—	—	—	—	—	—
Total	27,188,144	642,193	64,513	3,424,850	29,734	3,454,584
Segment profit/loss (-)	717,604	248,261	707	966,573	— 60,140	906,432

(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.

(6) Notes on Significant Changes to Shareholders' Equity

Fourth quarter year-to-date period under review (from January 1, 2011 to December 31, 2011)

There are no pertinent items.