en-japan inc.
Fiscal Year Ended March 31, 2015, Earnings Announcement
[under Japanese GAAP] (Consolidated)

May 12, 2015

Company Name	en-japan inc.	Listing Exchanges	Tokyo Securities Exchange (Jasdaq Market)
Stock Code	4849	URL	http://corp.en-japan.com/
Representative (Title)	President	(Name)	Takatsugu Suzuki
Contact (Title)	Executive Officer and Corporate Planning Division Director	(Name)	Masanobu Hasegawa Telephone +81-3-3342-4506
Regular General Shareholders' Meeting		June 25, 2015	
Scheduled date to begin dividend payments		June 26, 2015	
Scheduled date for submission of Securities Report		June 26, 2015	
Preparation of Summary Supplementary Explanatory Materials			Yes
Earnings Briefing			Yes (for institutional investors)

(Figures rounded down to nearest million yen)

1. FYE 03/2015 Consolidated Earnings (From April 1, 2014 to March 31, 2015)

(1) Consolidated Operating Results (Percentages indicate percent change from the prior fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FYE 03/2015	19,623	17.1	3,943	14.6	4,259	13.7	2,531	-9.2
FYE 03/2014	16,755	23.5	3,441	―	3,747	―	2,789	―

(Note) Comprehensive income FYE03/2015: 3,087 million yen (69.6%) FYE03/2014: 1,820 million yen (-%)

	EPS	Fully Diluted EPS	ROE	Ordinary Income to Total Assets	Operating Income to Sales
	Yen	Yen	%	%	%
FYE 03/2015	112.68	―	13.8	17.8	20.1
FYE 03/2014	125.59	―	17.3	18.2	20.5

(Reference) Equity in earnings (loss) of affiliates FYE 03/2015 67 million yen FYE 03/2014 60 million yen

(Notes) 1. Figures for FYE03/14 reflect the retroactive application of a change in the accounting policy. Therefore, the percent change from the prior year is not presented.
2. Fully diluted EPS is not shown above because there are no dilutive shares.

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Million yen	Million yen	%	Yen
FYE 03/2015	25,241	19,775	77.9	874.34
FYE 03/2014	22,733	17,135	74.8	759.11

(Reference) Equity FYE 03/2015 19,674 million yen FYE 03/2014 17,010 million yen

(Note) Figures for the FYE03/14 reflect a retroactive application of a change in the accounting policy.

(3) Consolidated Cash Flows

	Net Cash Provided by (Used in) Operating Activities	Net Cash Provided by (Used in) Investing Activities	Net Cash Provided by (Used in) Financing Activities	Cash and Cash Equivalents at End of Period
	Million yen	Million yen	Million yen	Million yen
FYE 03/2015	2,533	-6,148	-609	9,137
FYE 03/2014	3,695	-1,165	-60	13,169

2. Dividends

	Dividend per Share					Total Dividend Amount (Full year)	Dividend Payout Ratio (Consolidated)	Dividend to Net Asset Ratio (Consolidated)
	1st Quarter-end	2nd Quarter-end	3rd Quarter-end	Year End	Full-Year Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FYE 03/2014	–	0.00	–	24.50	24.50	578	19.5	3.4
FYE 03/2015	–	0.00	–	32.00	32.00	758	28.4	3.9
FYE 03/2016 (projected)	–	0.00	–	33.00	33.00		28.3	

(Note) For the dividend of the fiscal year ended March 31, 2015, refer to “1. Analysis of Business Performance and Financial Position (3) Basic Policy concerning Distribution of Earnings and Current and Future Period Dividends” on page 8 of the Attachments.

3. FY Ending March 2016 Projected Consolidated Operating Results (From April 1, 2015 to March 31, 2016)
(Percentage for the full year indicates the percentage change from the prior fiscal year and percentage for the half year indicates the percentage changes from the same period of the prior fiscal year.)

	Net Sales		Operating Income		Ordinary Income		Net income attributable to owners of the parent company		EPS
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Half year	11,449	24.4	1,537	-11.5	1,601	-16.6	993	-15.6	44.17
Full year	24,520	24.9	4,000	1.4	4,120	-3.3	2,620	3.5	116.43

*Notes

(1) Change in major subsidiaries during the fiscal year under review (Change in specific subsidiaries that will accompany a change in scope of consolidation): No

Addition (Name): None Exclusion (Name) None

(Note) New Era India Consultancy Pvt. Ltd. has been added to the scope of consolidation starting from the first quarter of FYE03/15 following the stock acquisition, although this company is not a specified subsidiary.

(2) 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: No
d. Restatement due to correction No

Note concerning changes in accounting policy, changes in accounting estimates, or restatement due to correction

(3) Number of shares issued (common stock)

a. Number of shares issued at fiscal year-end (including treasury stock)
FYE 03/2015 24,858,000 shares FYE 03/2014 24,858,000 shares

b. Number of shares of treasury stock at fiscal year-end
FYE 03/2015 2,355,700 shares FYE 03/2014 2,450,000 shares

c. Average number of shares issued during the period
FYE 03/2015 22,466,379 shares FYE 03/2014 22,209,751 shares

(Reference) Summary of Non-Consolidated Operating Results

1. FYE 03/2015 Non-Consolidated Earnings (From April 1, 2014 to March 31, 2015)

(1) Non-Consolidated Operating Results (Percentages indicate percent change from the prior fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FYE 03/2015	12,725	5.7	3,319	10.0	3,730	5.4	2,431	-16.6
FYE 03/2014	12,041	13.3	3,017	–	3,541	–	2,915	–

	EPS	Fully Diluted EPS
	Yen	Yen
FYE 03/2015	108.24	–
FYE 03/2014	131.27	–

(Notes) 1. Figures for FYE03/14 reflect the retroactive application of a change in the accounting policy. Therefore, the percent change from the prior year is not presented.
2. Fully diluted EPS is not shown above because there are no dilutive shares.

(2) Non-Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Million yen	Million yen	%	Yen
FYE 03/2015	22,531	19,190	85.2	852.81
FYE 03/2014	21,270	17,112	80.4	763.66

(Reference) Equity FYE 03/2015 19,190 million yen FYE 03/2014 17,112 million yen

(Note) Figures for the FYE03/14 reflect a retroactive application of a change in the accounting policy.

[Notice regarding audit procedures]

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

[Explanation regarding appropriate use of operating results projections and other special notes]

Forward-looking statements including projected operating results contained in this report and supplementary materials are based on information currently available to the Company and on certain assumptions deemed as rational, and are not intended to guarantee achievements by the Company. Actual results may differ significantly from such projections due to various factors. Please refer to “(1) Analysis of Business Performance (Outlook for the Next Fiscal Year))” in “1. Analysis of Business Performance and Financial Position” on page 5 of the Attachments for the conditions used as assumptions and matters to note when using the projected operating results.

Attachments Table of Contents

1. Analysis of Business Performance and Financial Position

(1) Analysis of Business Performance

The business environment of the human resources market where the Company operates continued to be favorable throughout the fiscal year as can be seen from the jobs-to-applicant ratio of 1.11 in 2014, which was the first time that the ratio exceeded 1.0 since 2007. On the other hand, competition to acquire job seekers in the market has intensified even further.

Under such circumstances, the Company worked to improve the quality of the job advertisement website and expand sales centering on the [en] Career Change Info service which was fully renewed in August 2014.

With regard to the job placement business, the Company strengthened the service provided by en World Japan K.K., a subsidiary that has strengths in placing global human resources, as well as en-japan's "en agent."

Concerning overseas development, the Company acquired in June 2014 New Era India, a job placement agency located in India, the seventh country where the Company has a presence. Also, with a goal to make its overall international operations profitable, the Company improved profitability in each overseas subsidiary.

As a result, the Company recorded net sales of ¥19,623 million (up 17.1% on a year-on-year basis), operating income of ¥3,943 million (up 14.6% on a year-on-year basis), and ordinary income of ¥4,259 million (up 13.7% on a year-on-year basis) in the fiscal year ended March 31, 2015. Net income declined to ¥2,531 million (down 9.2% on a year-on-year basis) since the Company had recorded a gain on sales of investment securities of ¥2,030 million a year earlier.

Operating results by segment are as follows (net sales include internal sales).

1) Hiring Business

The Hiring Business comprises management of job advertisement websites, provision of job placement services, and operations at overseas subsidiaries, among others.

(Job advertisement websites)

The number of applications increased after the renewal of the Group's mainstay [en] Career Change Info website, and sales to new customers grew steadily. As a result, both number of job listings and net sales increased year on year. Other websites also performed well thanks to this positive website effect; as a result, all of the websites achieved higher net sales compared to the previous fiscal year.

(Job placement service)

The Company's subsidiary en Japan K.K. generated sound operating results primarily because hiring demand from foreign companies in Japan continued to be strong and those of Japanese multinational companies also grew, and the increase in the number of work-ready staff took effect.

With regard to "en agent," a job placement service operated by en-japan, the number of newly employed staff and net sales by quarter grew as the Company strengthened the personnel organization and training. As a result, net sales increased from the preceding fiscal year.

(Overseas subsidiaries)

Full-year operating results of consolidated subsidiaries in Thailand and Vietnam and some of the operating results of the Indian subsidiary have been included in the consolidated operating results of the fiscal year under review. In addition, the operating performance of Vietnamese and Australian subsidiaries was particularly favorable. Consequently, net sales from overseas subsidiaries grew significantly year on year.

As a result, net sales were ¥18,942 million (up 17.1% on a year-on-year basis) and operating income came in at ¥3,953 million (up 19.5% on a year-on-year basis) for the fiscal year ended March 31, 2015.

2) Education/Evaluation Business

The Education/Evaluation Business comprises a flat-rate training service and provision of a recruiting and personnel-related system, among others.

(Flat-rate training service)

Concerning en-College, the Company started providing the service at multiple new spots in the fiscal year ended March 31, 2015. Furthermore, the Company developed new courses and revised the content of existing courses to strengthen measures ultimately to improve customer satisfaction. As a result, the number of companies under contract and net sales grew from the previous fiscal year.

(Recruiting and personnel-related system)

Net sales increased year on year as new and repeat orders at a consolidated subsidiary, Cbase Corporation, grew.

As a result, net sales were ¥747 million (up 17.4% on a year-on-year basis). On the profit front, the Company posted an operating loss of ¥9 million (against an operating income of ¥132 million in the same period of the previous fiscal year) mainly due to a rise in upfront costs such as personnel expenses following an increase in the number of staff to support the Company's business expansion.

(Outlook for the Next Fiscal Year)

We foresee that the operating environment of the human resources market will continue recovering, as the market of many countries especially of Japan are suffering from shortages of human resources.

Under such circumstances, we have formulated a mid-term management plan covering the three-year period up to the fiscal year ending in March 31, 2018. In the next fiscal year, which corresponds to the first year of the said plan, we intend to focus on enhancing the competitiveness of our job advertisement website, which has just been improved thanks to the site renewal in the fiscal year under review, even further. By conducting an aggressive promotion campaign as a prior investment in the next fiscal year, we will strive to establish a dominant position in the market and achieve the operation target in the final year of the mid-term management plan.

Consequently, the Group projects net sales of ¥24,520 million, operating income of ¥4,000 million, ordinary income of ¥4,120 million, and net income of ¥2,620 million on a consolidated basis for the fiscal year ending March 31, 2016.

(2) Analysis of Financial Position

1) Assets, Liabilities and Net Assets

Total assets at the fiscal year ended in March 31, 2015 increased by ¥2,507 million compared with the end of the previous fiscal year to ¥25,241 million. Current assets decreased ¥1,469 million to ¥14,343 million. This was mainly due to a decrease in cash and deposits of ¥4,042 million and an increase in notes and account receivables – trade of ¥621 million and securities of ¥2,011 million. Noncurrent assets increased ¥3,977 million to ¥10,897 million. This was primarily attributable to an increase in goodwill of ¥1,423 million following an acquisition of subsidiaries' shares which led to a change in the scope of consolidation, as well as purchase of investment securities of ¥922 million and software of ¥613 million.

Total liabilities were ¥5,465 million, a decrease of ¥132 million compared with the end of the previous fiscal year. Current liabilities decreased ¥319 million to ¥4,859 million. This mainly stemmed from a decrease in income taxes payable of ¥920 million and an increase in provision for bonuses of ¥100 million. Noncurrent liabilities rose ¥186 million to ¥605 million. This was primarily due to an increase in asset retirement obligations of ¥151 million.

Total net assets were ¥19,775 million, up by ¥2,640 million compared with the end of the previous fiscal year. This was mainly attributable to an increase in retained earnings of ¥1,953 million and a foreign currency translation adjustment of ¥486 million.

2) Cash Flow

Cash and cash equivalents at end of period for the fiscal year ended March 31, 2015 decreased ¥4,031 million from the previous fiscal year to ¥9,137 million.

(Net cash provided by (used in) operating activities)
Net cash provided by operating activities in the fiscal year ended March 31, 2015 was ¥2,533 million compared to the previous fiscal year of ¥3,695 million. This was due to the posting of income before income taxes and minority interests of ¥4,207 million and income taxes paid of ¥2,404 million.

(Net cash provided by (used in) investing activities)
Net cash used in investing activities during the fiscal year ended March 31, 2015 was ¥6,148 million compared to net cash used in the amount of ¥1,165 million during the previous fiscal year. Major components were ¥2,000 million for the purchase of securities, ¥1,046 million for the purchase of shares of subsidiaries, ¥897 million for the purchase of investment securities and ¥884 million for the purchase of intangible assets.

(Net cash provided by (used in) financing activities)
Net cash used in financing activities during the fiscal year ended March 31, 2015 amounted to ¥609 million compared to ¥60 million used in the previous fiscal year. This was primarily due to cash dividends paid of ¥577 million.

(Reference) Cash Flow Indicators

	FYE 12/10	FYE 03/12	FYE 03/13	FYE 03/14	FYE03/15
Equity ratio (%)	84.1	84.4	82.6	74.8	77.9
Equity ratio based on market capitalization (%)	172.5	130.2	150.1	180.9	147.2
Cash flows/Interest-bearing debt ratio (%)	-	-	-	-	-
Interest coverage ratio (times)	-	-	-	-	-

(Notes)
Each indicator is calculated based on the following criteria.
Equity Ratio: Equity/Total assets
Equity ratio based on market capitalization: Market capitalization/Total assets
Cash flows/Interest-bearing debt ratio: Interest-bearing debt/Operating cash flow
Interest coverage ratio: Operating cash flow/Interest payment
*Market capitalization is calculated as follows:
[Closing stock price at fiscal year-end] × [Number of shares issued at fiscal year-end (net of treasury stock)]
*The Company started adopting the "Practical Solution on Transactions of Delivering Company's Own Stock to Employees, etc., through Trusts" (PITF No. 30 issued by the Accounting Standards Board of Japan on March 26, 2015) from the fiscal year ended March 31, 2015. Following this change, financial data after the fiscal year ended December 31, 2010 represent figures after retroactive application of this accounting policy.

(3) Basic Policy concerning Distribution of Earnings and Current and Future Period Dividends

The Company adopts the basic policy of returning profits to shareholders based on a target dividend payout ratio of approximately 30% of net income, which is linked to the Group's earnings, while using retained earnings to invest in the Group's future growth ultimately for the purpose of maximizing corporate value.

As a result, the Company decided to pay a year-end dividend of ¥32 per share for the fiscal year ended March 31, 2015.

Next fiscal year, the Company plans to pay a year-end dividend of ¥33 per share based on this policy.

(4) Business Risks

Details of the major risk factors recognized by the en-japan Group as part of its business are provided below. The Group believes in actively disclosing information to investors and shareholders that may not be considered business risks, but which the Group believes is important for making investing decisions or understanding the Company's business. Having identified the potential of these risks, the Group endeavors to either prevent their occurrence or respond in the event of occurrence; however, the Group believes that decisions related to management or future business operations should be made only after carefully considering the matters presented below. The matters presented below do not necessarily represent all of the risks related to investment in en-japan inc. stock.

(a) Management Risks

(i) Changes in the business trend and employment situation
The en-japan Group's business is highly sensitive to changes in the economic environment such as business trends and labor market conditions. The Group expects that, even if the economic environment unexpectedly deteriorates, there will always be a certain level of demand for recruiting and job seeking services. However, the Company's earnings could be adversely affected if changes in the economic environment are beyond the expectations of the Group.

(ii) Business lines
The en-japan Group is currently promoting its business centering on areas where it can take advantage of the expertise and brand strength it has built up over years, as a company specialized in offering services that contribute to hiring personnel and helping those newly hired to succeed. However, the earnings of the Group might be adversely impacted by factors such as the curtailment and slowed growth of the relevant markets and by declines in competitiveness and/or prices of various services offered by the Group.

(iii) New business
It is the Group's policy to explore new business for the purpose of expanding the size of its operation and diversifying its earnings base. In implementing this policy, the Group conducts the necessary information gathering and analysis to reduce risk. But there may be many uncertain factors, and in the event that the Group fails to develop new business as planned and additional costs relating to system investment, R&D, advertisement and personnel for the new business arise, they may have a negative effect on the Group's earnings.

(iv) M&A
The en-japan Group pursues M&A activities and plans to continue taking this approach as necessary going forward, in an effort to promote business expansion. The Group plans to continue taking this approach as necessary going forward. In executing an M&A or such like, the Group conducts advance evaluations in detail of the financial conditions of the target company, contract terms and other factors in order to evade risks as much as possible. However, such transactions may have a negative effect on the Group's earnings if, after executing an M&A, the Company fails to develop its business according to the plan due to contingent liabilities or a change in the business environment, among other factors, forcing the Company to post impairment losses on goodwill and shares of affiliate companies.

(v) Overseas subsidiaries
The Group owns overseas subsidiaries, and management of these overseas subsidiaries carries specific operational risks such as the effects from changes in economic, political, legal, and tax-related matters in each of the relevant countries and regions, as well as the difference in business practices, on top of the foreign exchange fluctuation risk. If our overseas business expands in the future and the share of the overseas subsidiaries within the Group's sales and earnings increases, and changes in the economic conditions in relevant countries and regions occur, such changes may affect the Group's operating performance.

(vi) Dependence on Representative Directors
Michikatsu Ochi, Chairman and Representative Director, and Takatsugu Suzuki, President and Representative Director, are concurrently responsible for the formulation of overall management policies and business strategies of the Group, as well as the management of a specific business division, playing a major role in multiple areas. While the Company is working to establish a management structure that does not depend excessively on Representative Directors, should an unforeseen incident occur with respect to them, this may affect the Group's operating performance.

(vii) Human capital

We believe that a strong sales structure and technological development are vital factors in building a solid corporate foundation for the Group to keep growing. Accordingly, the en-japan Group places high priority on the hiring and training of talented individuals. Group business activities and earnings may be negatively affected in the event that the Group cannot hire and train the necessary personnel required for expanding operations, or in the event that highly skilled and knowledgeable personnel leave the Group.

Even if the hiring and training of the necessary personnel proceed as planned, if there is an increase in the Group's fixed assets such as personnel costs or facility costs, above the level expected by the Group, this may adversely impact the operating performance of the Group.

(viii) Share price dilution due to stock option grants

The en-japan Group has adopted a stock-based compensation system. Future exercises of stock options may dilute share prices.

(b) Business Risks

(i) Advertising and promotion activities

Enhancing recognition of the en-japan Group brand in the market is vital to the growth of our business. The en-japan Group plans to actively engage in advertising and promotional activities, including the use of current media, to build our capacity to attract customers. However, it is impossible to accurately predict the effectiveness of these activities, and detailed plans have yet to be made. Expenses may increase significantly depending on the cost of advertising and promotions, which could have a negative effect on Group earnings.

(ii) Response to search engine

Internet users commonly obtain the necessary information through a search site, and our Group's website services also collect customers through a search site. If in the future, search results are not be displayed in favor of the en-japan Group due to such reasons as changes in a search engine operator's high-order display policy or system trouble, the Group's customer collection effect will be reduced, and this may have a negative impact on the operating performance of the Group.

(iii) Transactions with customers in specific industries

The en-japan Group sells job placement advertisements across a broad range of industries and occupations. However, demand for employment advertisements is strongly linked to changes in the economic environment and may result in a concentration of sales to a specific industry. The Group plans to continue a policy of selling advertisements across a wide range of industries and occupations; however, the business environment in a specific industry may have a negative effect on Group earnings.

(iv) New technologies

Technological innovation proceeds at a dramatic pace in the Internet business segment; new technologies and services are introduced continuously. Our business is deeply intertwined with the Internet, and in order to continue offering competitive services we must be able to provide the latest technologies and services to our clients and users in a timely manner. To offer high-quality services, the Group has put into place a system for each planning division to take the lead in working with related departments to develop new products and services. This enables the en-japan Group to receive feedback from users and clients and reflect this information in our system.

Although we continue to expand the Group's personnel structure, if we delay the introduction of new technologies and/or services because an excessive amount of time is required to develop systems that are effective in enhancing our services, we may lose our competitive advantage within the industry, which may have an effect on the operating performance of the Group.

(c) Legal and Regulatory Risks

(i) Intellectual property infringement

The en-japan Group owns numerous intellectual property rights, including trademarks related to service names and copyrights related to content offered by the Group. The Group is engaged in the appropriate protection, maintenance and acquisition of intellectual property rights; however, disputes may occur with third parties related to such intellectual property, resulting in legal defense costs and other expenditures that may negatively affect our business and/or Group earnings.

(ii) Compliance with laws and statutes

In recognition of the growing number of subsidiaries and affiliates in the Group both in Japan and overseas, we are creating a stronger internal management control structure. Nevertheless, in the event that the construction, operation or monitoring of the system concerning internal controls does not function sufficiently because of human factors or a rapid change in the business environment, the Group might be unable to appropriately manage the various business risks, and this might have a negative effect on the Group's earnings.

Moreover, even if systems concerning internal controls fulfill their functions completely, such structures do not guarantee the elimination of all illegal activities. In the event a Group employee is responsible for serious negligence, fraud or another illegal act, the Group's earnings may be adversely impacted by subsequent lawsuits and/or compensation for damages.

(iii) Protection of personal information

The en-japan Group recognizes the extreme importance of managing personal information appropriately during the course of its business activities to ensure the prevention of leaks and misuse or alteration of information. Therefore, we have implemented proactive measures to create a management system to protect personal information.

However, in the event of a serious problem such as a leak of personal information, there is a risk that legal responsibility could be imposed on the Group regardless of its contractual obligations. Even if the Group is not charged with legal responsibility, issues connected with personal data management could potentially damage the Group's brand image and have a negative impact on the Group's business and/or earnings.

(iv) Special statutory regulations

The en-japan Group needs to comply with laws and regulations of the countries and regions where it operates. The Group also needs to acquire permission and authorization for certain types of business.

In the event that the Group violates such laws and regulations or loses permission and authorization, the Group may no longer operate its business. Furthermore, in the event that new laws and regulations applicable to the Group's business are established or that a revision or change in judiciary or administrative interpretation of such laws and regulations occurs, the Group will be compelled to restructure its system to respond to such change, and as a result, the Group's earnings could be negatively affected.

(v) Major natural disasters and accidents

The en-japan Group's business relies on communications networks that connect computer systems. The Group may be unable to operate normally in the event that a natural disaster, power failure or communications problem interferes with network communications. Servers at the Group or our Internet Service Provider may not operate properly due to temporary access overloads, and network problems may occur due to unauthorized access from outside the Group or employee error. Not only could such damages inflict direct harm on the Group, but a server inoperability or defect could also result in damage to the Group's reputation and suspension of business transactions, or in lawsuits and compensation for damages, potentially having a negative impact on the Group's business.

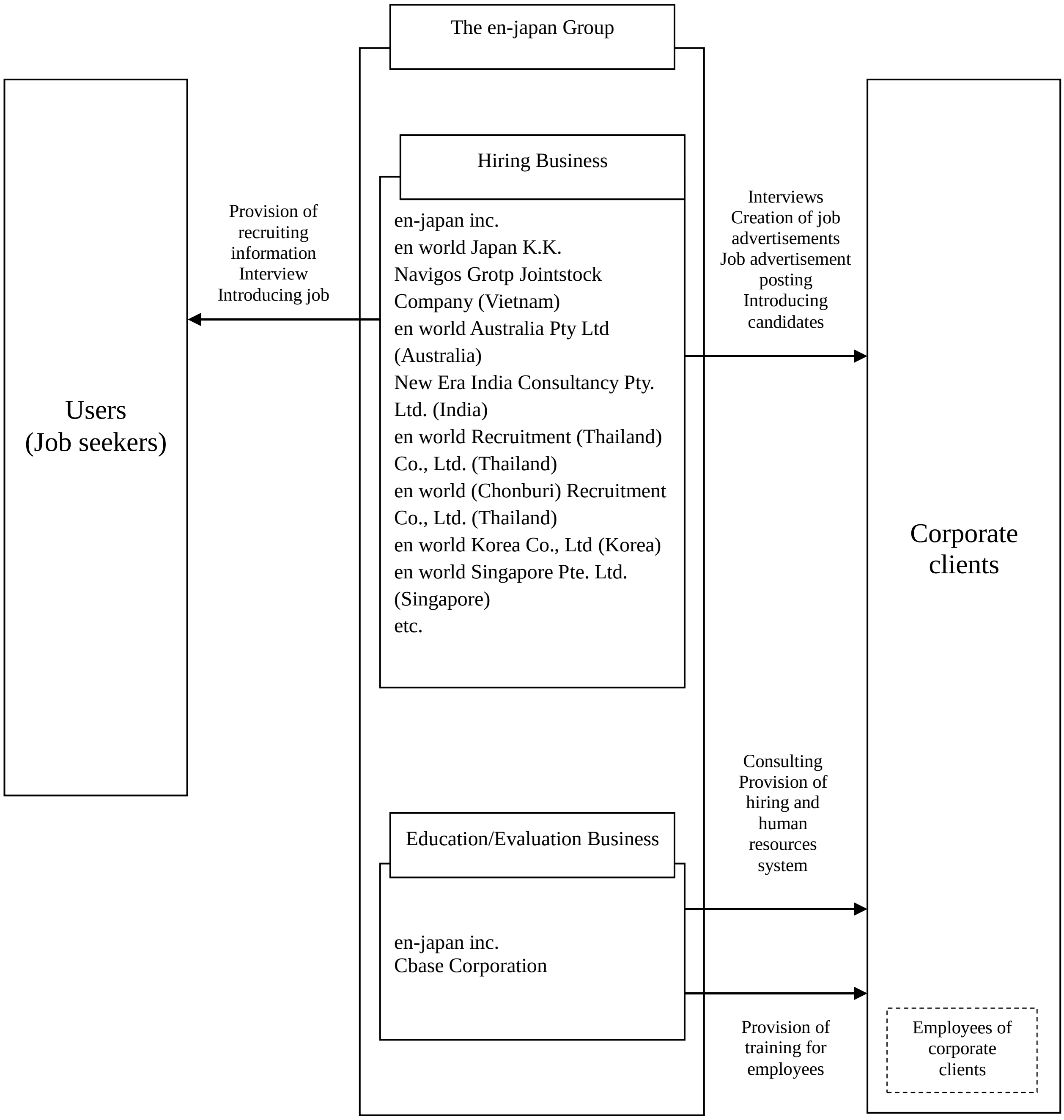
(vi) Litigation with a third party

The en-japan Group complies with laws and regulations in the countries and regions where it operates, but if a lawsuit which is important to our business is filed and an unfavorable judgment relating to our Group is made, the Group's earnings may be negatively affected.

(5) Significant Events, etc. Relating to the Going Concern Assumption

The Company had no material items to report.

2. Current Conditions of the Corporate Group



3. Management Policies

(1) Basic Corporate Management Policy

The en-japan Group is a provider of services that contribute to hiring personnel and helping newly hired people to succeed. The Group is specialized mainly in businesses involving the management of recruitment websites, job placement services, and personnel education and evaluations. Since its establishment, the Group has focused on assisting job seekers in every way possible by emphasizing individuality, social justice, and profitability; and, thanks to this policy the Company has been able to establish a dominant position.

Going forward, we will be working to differentiate ourselves from our competitors by providing services that consistently allow for the hiring of individuals who fit better in the respective organizations and businesses and ensure such individuals can demonstrate competence and stay with the companies they joined.

The Group's main business, the hiring business, is highly susceptible to the changes in economic trends. To achieve sustainable growth in the Group's business, it will be working to develop and foster new businesses other than education/evaluation and personnel hiring business.

(2) Target Management Indices

The en-japan Group believes that providing high-quality services will translate into greater recognition among job seekers and corporate clients, leading to improvements in net sales, operating income and ordinary income. The Group, therefore, positions these three parameters as significant management indices and will work to enhance them, towards the ultimate purpose of maximizing corporate value from a middle- to long-term perspective.

(3) Mid- and Long-term Company Management Strategies and Issues to be Addressed

The Group expects that the human resources business market in Japan will not experience significant growth over the long term in the future due to a declining and aging population. Also, since the human resources business is susceptible to fluctuations in economic trends, the Group recognizes that it is important to react appropriately to changes in the operating environment especially when the economy is going through a downturn.

In light of such circumstances, the en-japan Group will be strengthening the operation of (1) its recruitment website, (2) its job placement service, (3) its international business and (4) new businesses, mainly to enhance its business portfolio.

[(1) Recruitment website and (2) human placement]
Due to a labor shortage in the domestic market, firms' hiring demand is currently high. Nevertheless, companies' hiring demand is becoming more diversified and selective, and they tend to take different hiring methods depending on the type of human resources they wish to hire. For this reason, the Group will be strengthening its mainstay recruitment website and enhancing its service lineup through a job placement service with a view to expanding and stabilizing its business performance.

[(3) International business]
International economies have higher growth potential compared to Japan, and demand for a human resources service is expected to be high particularly in countries whose population is large and average age is lower than in other countries. Going forward, cross border job placements and job changes within the Asian region are expected to increase. To respond to such phenomenon, the Group will be promoting collaboration among these countries more aggressively in the future.

[(4) New business]
With changes in the employment environment and people's lifestyles, job placement and job change services in the human resources business market are expected to be more diversified. To respond to such change, the Group will be developing new services in the arena of the hiring business. The Group will also be striving to create new businesses in areas other than hiring, in order to stabilize its business portfolio and minimize any negative impact on the Group's earnings when the economy is going through a downturn.

(4) Other Important Matters for Management of the Company

No material matters to report

4. Basic Approach to the Selection of Accounting Standards

It is the en-japan Group's policy, in the foreseeable future, to continue preparing its consolidated financial statements based on the Japanese accounting standard to secure the comparability of financial data over different periods and among different companies.

Concerning the adoption of International Financial Reporting Standards (IFRS), the Group will be taking appropriate measures in consideration of the domestic and international situation.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousand yen)

	Prior Fiscal Year (As of March 31, 2014)	Current Fiscal Year (As of March 31, 2015)
Assets		
Current assets		
Cash and deposits	12,169,219	8,126,330
Notes and accounts receivable—trade	1,832,513	2,453,824
Securities	1,000,000	3,011,460
Supplies	15,043	12,670
Deferred tax assets	498,676	384,620
Other	312,301	386,318
Allowance for doubtful accounts	-14,247	-31,491
Total current assets	15,813,507	14,343,732
Noncurrent assets		
Property, plant and equipment		
Buildings	384,126	623,635
Accumulated depreciation	-162,143	-190,964
Buildings, net	221,983	432,670
Furniture and fixtures	1,009,088	908,742
Accumulated depreciation	-820,085	-612,640
Furniture and fixtures, net	189,003	296,102
Lease assets	131,073	60,585
Accumulated depreciation	-90,503	-45,735
Lease assets, net	40,570	14,850
Total property, plant and equipment	451,556	743,622
Intangible assets		
Software	705,355	1,318,918
Goodwill	3,328,770	4,751,832
Other	745,620	625,910
Total intangible assets	4,779,746	6,696,661
Investments and other assets		
Investment securities	463,257	1,386,145
Long-term loans receivable	5,646	401,700
Deferred tax assets	231,350	154,245
Stocks of subsidiaries and affiliates	327,106	545,593
Other	664,851	974,814
Allowance for doubtful accounts	-3,268	-5,276
Total investments and other assets	1,688,944	3,457,222
Total noncurrent assets	6,920,247	10,897,506
Total assets	22,733,755	25,241,239

(Thousand yen)

	Prior Fiscal Year (As of March 31, 2014)	Current Fiscal Year (As of March 31, 2015)
Liabilities		
Current liabilities		
Accounts payable—trade	65,039	45,690
Lease obligations	27,006	14,033
Income taxes payable	1,890,233	969,814
Accounts payable—other	1,556,348	1,401,254
Provision for bonuses	593,920	694,630
Reserve for directors' bonuses	14,631	17,090
Provision related to termination of website service	182,060	6,027
Other	849,863	1,711,272
Total current liabilities	5,179,103	4,859,812
Noncurrent liabilities		
Long-term loans payable	3,198	18,038
Lease obligations	14,033	-
Deferred tax liabilities	122,669	125,395
Provision for stock benefits	151,915	155,935
Asset retirement obligations	75,957	227,312
Long-term accounts payable - other	51,066	78,766
Total noncurrent liabilities	418,841	605,448
Total liabilities	5,597,944	5,465,260
Net assets		
Shareholders' equity		
Capital stock	1,194,993	1,194,993
Capital surplus	1,661,558	1,718,709
Retained earnings	17,391,831	19,344,897
Treasury stock	-3,437,958	-3,284,414
Total shareholders' equity	16,810,424	18,974,185
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,480	26,489
Foreign currency translation adjustment	187,122	674,040
Total accumulated other comprehensive income	199,602	700,529
Minority interests	125,782	101,262
Total net assets	17,135,810	19,775,978
Total liabilities and net assets	22,733,755	25,241,239

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
Consolidated Statements of Income

(Thousand yen)

	Prior Fiscal Year (From April 1, 2013 to March 31, 2014)	Current Fiscal Year (From April 1, 2014 to March 31, 2015)
Net sales	16,755,178	19,623,921
Cost of sales	1,921,681	1,931,066
Gross profit	14,833,496	17,692,854
Selling, general and administrative expenses		
Advertising expenses	2,578,832	2,512,838
Salaries and allowances	3,536,353	4,308,360
Bonuses	980,654	1,308,360
Other	4,296,306	5,523,243
Total selling, general and administrative expenses	11,392,146	13,749,782
Operating income	3,441,350	3,943,071
Non-operating income		
Interest income	14,293	36,122
Dividends income	37,500	6,667
Foreign exchange gains	167,132	166,320
Gain on investments in partnership	70,549	14,952
Equity in earnings of affiliates	60,173	67,190
Miscellaneous income	11,742	33,279
Total non-operating income	361,391	324,532
Non-operating expenses		
Provision of allowance for doubtful accounts	-	2,871
Loss on valuation of investment securities	18,680	-
Transfer expenses	21,339	-
Miscellaneous loss	15,258	5,673
Total non-operating expenses	55,277	8,544
Ordinary income	3,747,463	4,259,059
Extraordinary income		
Gain on sales of investment securities	2,030,865	7,199
Total extraordinary income	2,030,865	7,199
Extraordinary loss		
Loss on retirement of noncurrent assets	*1 40,701	*1 45,447
Loss related to termination of website service	*2 190,718	-
Loss on valuation of stocks of subsidiaries and affiliates	166,147	1,970
Loss on sales of investment securities	-	5,053
Loss on valuation of investment securities	48,200	6,269
Impairment loss	*3 470,816	-
Total extraordinary loss	916,585	58,741
Income before income taxes and minority interests	4,861,744	4,207,518
Income taxes—current	2,343,089	1,447,070
Income taxes—deferred	-291,478	193,784
Total income taxes	2,051,611	1,640,854
Income before minority interests	2,810,133	2,566,664
Minority interests in income	20,719	35,202
Net income	2,789,413	2,531,461

Consolidated Statements of Comprehensive Income

(Thousand yen)

	Prior Fiscal Year (From April 1, 2013 to March 31, 2014)	Current Fiscal Year (From April 1, 2014 to March 31, 2015)
Income before minority interests	2,810,133	2,566,664
Other comprehensive income		
Valuation difference on available-for-sale securities	-1,029,785	14,008
Foreign currency translation adjustment	-3,367	466,474
Share of other comprehensive income of associates accounted for by equity method	43,465	40,138
Total other comprehensive income	*1 -989,687	*1 520,621
Comprehensive income	1,820,445	3,087,285
(Breakdown)		
Comprehensive income attributable to owners of the parent	1,799,726	3,032,388
Comprehensive income attributable to minority interests	20,719	54,897

(3) Consolidated Statements of Changes in Net Assets
Prior fiscal year (from April 1, 2013 to March 31, 2014)

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the current period	986,144	1,452,708	15,219,016	-3,438,187	14,219,682
Cumulative effects of changes in accounting policies			-27,895	228	-27,666
Restated balance	986,144	1,452,708	15,191,120	-3,437,958	14,192,015
Changes of items during the period					
Issuance of new shares	208,849	208,849			417,698
Disposal of treasury shares					
Dividends from surplus			-456,140		-456,140
Net income			2,789,413		2,789,413
Decrease in surplus from newly consolidated subsidiary			-132,562		-132,562
Increase by share exchanges					
Net changes of items other than shareholders' equity					
Total changes of items during the period	208,849	208,849	2,200,711	-	2,618,409
Balance at the end of current period	1,194,993	1,661,558	17,391,831	-3,437,958	16,810,424

	Accumulated other comprehensive income			Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at the beginning of the current period	1,042,266	16,455	1,058,722	-	15,278,404
Cumulative effects of changes in accounting policies					-27,666
Restated balance	1,042,266	16,455	1,058,722	-	15,250,737
Changes of items during the period					
Issuance of new shares					417,698
Disposal of treasury shares					-
Dividends from surplus					-456,140
Net income					2,789,413
Decrease in surplus from newly consolidated subsidiary					-132,562
Increase by share exchanges					-
Net changes of items other than shareholders' equity	-1,029,785	170,666	-859,119	125,782	-733,336
Total changes of items during the period	-1,029,785	170,666	-859,119	125,782	1,885,072
Balance at the end of current period	12,480	187,122	199,602	125,782	17,135,810

Current fiscal year (from April 1, 2014 to March 31, 2015)

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the current period	1,194,993	1,661,558	17,391,831	-3,437,958	16,810,424
Cumulative effects of changes in accounting policies					
Restated balance	1,194,993	1,661,558	17,391,831	-3,437,958	16,810,424
Changes of items during the period					
Issuance of new shares					
Disposal of treasury shares				583	583
Dividends from surplus			-578,396		-578,396
Net income			2,531,461		2,531,461
Decrease in surplus from newly consolidated subsidiary					
Increase by share exchanges		57,151		152,960	210,112
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	57,151	1,953,065	153,543	2,163,760
Balance at the end of current period	1,194,993	1,718,709	19,344,897	-3,284,414	18,974,185

	Accumulated other comprehensive income			Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at the beginning of the current period	12,480	187,122	199,602	125,782	17,135,810
Cumulative effects of changes in accounting policies					-
Restated balance	12,480	187,122	199,602	125,782	17,135,810
Changes of items during the period					
Issuance of new shares					-
Disposal of treasury shares					583
Dividends from surplus					-578,396
Net income					2,531,461
Decrease in surplus from newly consolidated subsidiary					-
Increase by share exchanges					210,112
Net changes of items other than shareholders' equity	14,008	486,918	500,927	-24,519	476,407
Total changes of items during the period	14,008	486,918	500,927	-24,519	2,640,168
Balance at the end of current period	26,489	674,040	700,529	101,262	19,775,978

(4) Consolidated Statements of Cash Flows

(Thousand yen)

	Prior Fiscal Year (From April 1, 2013 to March 31, 2014)	Current Fiscal Year (From April 1, 2014 to March 31, 2015)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	4,861,744	4,207,518
Depreciation	591,685	563,614
Amortization of goodwill	252,093	375,129
Impairment losses	470,816	-
Increase (decrease) in allowance for doubtful accounts	-2,941	19,251
Increase (decrease) in provision for bonuses	87,082	100,524
Increase (decrease) in reserve for directors' bonuses	-20,768	2,456
Increase (decrease) in provision related to termination of website service	182,060	-176,033
Interest and dividends income	-51,793	-42,789
Foreign exchange losses (gains)	-167,132	-166,320
Loss (gain) on equity in earnings of affiliates	-60,173	-67,190
Loss (gain) on sales of investment securities	-2,030,865	-2,146
Loss (gain) on investments in partnership	-70,549	-14,952
Loss (gain) on valuation of investment securities	66,880	-4,430
Loss (gain) on valuation of stocks of subsidiaries and affiliates	166,147	1,970
Loss on retirement of noncurrent assets	40,701	45,447
Decrease (increase) in notes and accounts receivable—trade	-344,743	-519,200
Increase (decrease) in notes and accounts payable—trade	23,342	-21,602
Increase (decrease) in accounts payable—other	671,435	-209,837
Decrease (increase) in other current assets	190,589	-65,662
Increase (decrease) in other current liabilities	88,642	754,084
Decrease (increase) in other noncurrent assets	-416,887	-48,959
Increase (decrease) in other noncurrent liabilities	69,614	101,002
Subtotal	4,596,982	4,831,873
Interest and dividends income received	91,068	94,635
Income taxes paid	-995,796	-2,404,731
Income taxes refund	3,192	11,842
Net cash provided by (used in) operating activities	3,695,447	2,533,620

(Thousand yen)

	Prior Fiscal Year (From April 1, 2013 to March 31, 2014)	Current Fiscal Year (From April 1, 2014 to March 31, 2015)
Net cash provided by (used in) investing activities		
Purchase of securities	-	-2,000,000
Purchase of property, plant and equipment	-223,175	-296,145
Purchase of intangible assets	-757,115	-884,159
Purchase of investment securities	-377,450	-897,921
Proceeds from sales and redemption of investment securities	2,636,469	78,199
Purchase of stocks of subsidiaries and affiliates	-	-35,849
Cash used for purchase of investments in subsidiaries	-100,740	-1,046,799
Purchase of shares of subsidiaries resulting in change in scope of consolidation	*2 -2,155,382	*2 -597,559
Payments for lease and guarantee deposits	-97,548	-190,882
Proceeds from collection of lease and guarantee deposits	42,093	4,302
Purchase of insurance funds	-7,936	-17,629
Proceeds from cancellation of insurance funds	-	5,919
Payments of loans receivable	-150,230	-401,000
Collection of loans receivable	25,135	130,685
Other proceeds	96	-
Net cash provided by (used in) investing activities	-1,165,782	-6,148,840
Net cash provided by (used in) financing activities		
Repayments of long-term loans payable	-	-4,238
Proceeds from issuance of common stock	417,698	-
Cash dividends paid	-434,397	-577,717
Repayments of lease obligations	-43,879	-27,006
Net cash provided by (used in) financing activities	-60,578	-609,051
Effect of exchange rate change on cash and cash equivalents	194,487	192,842
Net increase (decrease) in cash and cash equivalents	2,663,573	-4,031,428
Cash and cash equivalents at beginning of period	10,349,167	13,169,219
Increase in cash and cash equivalents from newly consolidated subsidiary	156,478	-
Cash and cash equivalents at end of period	*1 13,169,219	*1 9,137,790

(5) Notes to the Consolidated Financial Statements

(Notes Relating to the Going Concern Assumption)

The Company had no material items to report.

(Basis of Preparing the Consolidated Financial Statements)

1. Scope of Consolidation

(1) Number of consolidated subsidiaries: 13

Name of company: en world Japan K.K.
en-Asia holdings Limited
en world Singapore Pte. Ltd.
en world Hong Kong Limited.
Cbase Corporation
en world Australia Pty Ltd
en world Korea Co., Ltd
Navigos Group, Ltd.
Navigos Group Joint Stock Company
en world Recruitment (Thailand) Co Ltd.
En Holdings (Thailand) Ltd.
New Era India Consultancy Pvt. Ltd.
en world (Chonburi) Recruitment Co Ltd.

(2) Names of unconsolidated subsidiaries:

Talent Alliance (Beijing) Technology Development Limited,
Bake de Nature Corporation,
Zhiyuan Human Resource Management Service,
Global Education, Inc.,
INNOBASE CO., LTD.
en executive search inc.
Fuman Kaitori Center Inc.
(Reason for exclusion from consolidation).
Unconsolidated subsidiaries are excluded from the scope of consolidation because the impacts of their total assets, net sales, net income (loss), and retained earnings on the consolidated financial statements are not material.

2. Application of the Equity Method

(1) Number of unconsolidated subsidiaries accounted for by the equity method: 1

Name of company: Talent Alliance (Beijing) Technology Development Limited
The closing date of the affiliate accounted for by the equity method differs from the consolidated closing date, but the Company used the financial statements created on the said affiliate's closing date.

(2) Names of the unconsolidated subsidiaries and affiliates that are not accounted for by the equity method

Unconsolidated subsidiaries:
Bake de Nature Corporation,
Zhiyuan Human Resource Management Service,
Global Education, Inc.,
INNOBASE CO., LTD.
en executive search inc.
Fuman Kaitori Center Inc.
(Reason for not applying the equity method)
The unconsolidated subsidiaries and affiliates above that are not accounted for by the equity method are excluded from the application of the equity method because their income (loss) and retained earnings have no significant impact on the consolidated financial statements, and they are immaterial on the whole.

3. Fiscal Year, etc., of Consolidated Subsidiaries

Consolidated subsidiaries whose term end differs from the consolidated term end are as follows:

Consolidated subsidiaries	Closing date	
en world Australia Pty Ltd.	June 30	Note 1
Navigos Group, Ltd.	December 31	Note 2
Navigos Group Joint Stock Company	December 31	Note 2
en world Recruitment (Thailand) Co Ltd.	December 31	Note 2
en world (Chonburi) Recruitment Co Ltd.	December 31	Note 2

Note 1 The Group adopts provisional financial statements ending on December 31, and necessary adjustments on consolidation are made to reflect material transactions conducted between that date and the consolidated term end.

Note 2 The Group adopts provisional financial statements for the term end of consolidated subsidiaries, provided, however, those necessary adjustments on consolidation are made to reflect material transactions conducted between this date and the consolidated term end.

4. Summary of Significant Accounting Policies

(1) Valuation basis and method for important assets

1) Securities

a. Held-to-maturity securities
Carried at amortized cost (straight-line method)

b. Available-for-sale securities
Available-for-sale securities for which the fair market values are readily determinable:
Valued at market as of the balance sheet date. Unrealized gain or loss is included directly in net assets. The cost of securities sold is determined by the moving-average method.
Compound instruments whose embedded derivatives cannot be estimated individually are valued at market as a whole, and unrealized gains or losses are included in the Statements of Income.
Available-for-sale securities for which the fair market values are not readily determinable:
Valued at cost determined by the moving-average method
The Company accounts for investments in investment limited partnerships and similar associations (investments deemed to be negotiable securities under Article 2, Paragraph 2, of the Financial Instruments and Exchange Act) by booking a net amount equivalent to the equity method value, based on the most recent closing statement that can be obtained in accordance with the account reporting date provided for in the partnership agreement.

2) Valuation of inventories
Supplies
Most recent purchase cost method (amount reported on the balance sheet is stated by writing down based on decrease in profitability)

(2) Depreciation method for major depreciable assets
1) Property, plant and equipment (excluding lease assets)
The depreciation of property, plant and equipment at the Company and its consolidated subsidiary is computed by the declining-balance method using the applicable rates based on the estimated useful lives of the assets.
However, buildings (excluding annexed facilities) are depreciated using the straight-line method.

The range of useful lives is as follows:

Buildings:	7–25 years
Furniture and fixtures:	5–20 years

For assets acquired on or before March 31, 2007, the remaining book values are equally depreciated on a straight-line basis over five years, starting from the year following the year during which depreciation to the residual values was completed up to the maximum depreciable amounts.

2) Intangible assets (excluding lease assets)
The amortization of intangible assets at the Company and its consolidated subsidiary is computed by the straight-line method. Computer software for internal use is amortized over the estimated useful life (2–5 years) depending on the nature of the respective software products.

3) Lease assets
Lease assets related to the finance lease transactions other than those where the ownership of the lease assets is deemed to be transferred to the lessee are amortized by the straight-line method, assuming the lease period as the useful life and no residual value.

(3) Accounting for important reserves
1) Allowance for doubtful accounts:
The allowance for doubtful accounts is provided for possible bad debt of claims at an amount of possible losses from uncollectible receivables based on the actual loan loss ratio from bad debt for ordinary receivables and on the estimated recoverability for specific doubtful receivables.

2) Provision for bonuses:
The provision for bonuses is provided for possible payment of bonuses to employees at an amount based on the amount estimated to be paid at the end of the fiscal year under review.

3) Provision for directors' bonuses:
Provision for directors' bonuses at subsidiaries is provided for in estimated amounts, which the subsidiaries will pay based on the service provided during the current consolidated accounting period.

4) Provision related to termination of website service
A provision related to termination of website service is provided for possible loss incurred by terminating the website management service.

5) Provision for stock benefits
A provision for stock benefits is provided for possible delivery of stock to employees in accordance with the stock delivery regulation at an amount based on the estimated amount of stock benefits obligation at the end of the fiscal year under review.

(4) Method and period of amortization of goodwill
The amount of goodwill and negative goodwill is equally amortized over the estimated years during which the effects are estimated to emerge.

(5) Scope of cash and cash equivalents in the consolidated statements of cash flows
Cash and cash equivalents in the consolidated statements of cash flows include cash on hand, demand deposits and short-term investments due within three months from the date of acquisition, which are easily convertible into cash with little or no risk from fluctuation in value.

(6) Other important matters of presenting the consolidated financial statements
Accounting for consumption taxes
Transactions subject to the consumption tax and the local consumption tax are recorded at amounts exclusive of the consumption tax.

(Change in Accounting Policy)

The Company started adopting the "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees, etc., through Trusts" (PITF No. 30 issued by the Accounting Standards Board of Japan on March 26, 2015) from the fiscal year ended March 31, 2015, and the Company has posted in its liabilities the net amount of dividends which the Company paid to stocks owned by the trust and expenses related to the trust.
This change of accounting policy is applied retroactively, and therefore consolidated financial statements of the previous fiscal year represent figures after retroactive application of this accounting policy.
As a result, noncurrent liabilities at the end of the previous fiscal year increased by ¥51,066 thousand and retained earnings and treasury stock decreased by ¥51,295 thousand and ¥228 thousand, respectively, compared with the figures before the retroactive application of the change in the accounting policy.

(Consolidated Balance Sheets)

Overdraft Facility Agreement
To procure working capital efficiently, the Company has concluded an overdraft facility agreement with one of its primary financing banks. The unused balance at the end of fiscal years based on this agreement was as follows.

	Prior fiscal year (As of March 31,2014)	Current fiscal year (As of March 31,2015)
Maximum overdraft amount	1,000,000 thousand yen	1,000,000 thousand yen
Outstanding borrowings	— thousand yen	— thousand yen
Balance	1,000,000 thousand yen	1,000,000 thousand yen

(Consolidated Statements of Income)

*1 Loss on Retirement of Noncurrent Assets

	Prior fiscal year (from April 1, 2013 to March 31, 2014)	Current fiscal year (from April 1, 2014 to March 31, 2015)
Buildings	2,991 thousand yen	6,056 thousand yen
Furniture and fixtures	3,776 thousand yen	3,927 thousand yen
Software	33,933 thousand yen	35,463 thousand yen

*2 Loss related to termination of website service
Prior fiscal year (from April 1, 2013 to March 31, 2014)
Loss incurred by terminating website management service.

*3 Impairment Losses
Prior fiscal year (from April 1, 2013 to March 31, 2014)
The Company recognized impairment losses for the asset group described below.

(1) Outline of asset group for which the Company recognized impairment losses

Purpose of use	Type	Location
Mid-career Hiring Business	Buildings Furniture and fixtures Software	Shinjuku-ku, Tokyo
New Graduate Hiring Business	Furniture and fixtures Software Software-in-progress	Shinjuku-ku, Tokyo

(2) Reason for recognizing impairment losses
Impairment losses at Mid-career Hiring Business were recognized on assets that will no longer be used following the change to business policy.
Impairment losses at New Graduate Hiring Business were recognized as the Company decided to terminate the website management service.

(3) Amount of impairment loss

Purpose of use	Type	Amount (thousand yen)
Mid-career Hiring Business	Buildings	60,907
	Furniture and fixtures	37,710
	Software	203,787
New Graduate Hiring Business	Furniture and fixtures	7,850
	Software	80,220
	Software-in-progress	80,340

(4) Method of asset grouping
The en-japan Group divides its assets into asset groups in accordance with the management accounting category, which is applied to monitor earnings of the business assets and such like continuously.

(5) Method of estimating recoverability
The recoverable amount of the said asset groups is measured by net sales value. Net sales value is set as ¥0 because diversion to other use or sale is considered to be difficult.

(Consolidated Statements of Comprehensive Income)

*1. Adjustments and Taxes in Other Comprehensive Income

	Prior fiscal year (from April 1, 2013 to March 31, 2014)		Current fiscal year (from April 1, 2014 to March 31, 2015)	
Valuation difference on available-for-sale securities				
Amount incurred during the term	396,794	thousand yen	-3,932	thousand yen
Recycling amount	-1,996,834	thousand yen	-	thousand yen
Amount before tax adjustment	-1,600,040	thousand yen	-3,932	thousand yen
Taxes	570,254	thousand yen	17,941	thousand yen
Valuation difference on available-for-sale securities	-1,029,785	thousand yen	14,008	thousand yen
Foreign currency translation adjustment				
Amount incurred during the term	-3,367	thousand yen	466,474	thousand yen
Share of other comprehensive income by equity method				
Amount incurred during the term	43,465	thousand yen	40,138	thousand yen
Other comprehensive income	-989,687	thousand yen	520,621	thousand yen

(Consolidated Statements of Cash Flows)

*1. Relationship between Cash and Cash Equivalents at End of Period and the Line Item Amounts Stated on the Consolidated Balance Sheets

	Prior fiscal year (from April 1, 2013 to March 31, 2014)		Current fiscal year (from April 1, 2014 to March 31, 2015)	
Cash and deposits	12,169,219	thousand yen	8,126,330	thousand yen
Securities	1,000,000	thousand yen	1,011,460	thousand yen
Cash and cash equivalents	13,169,219	thousand yen	9,137,790	thousand yen

*2. Details of Assets and Liabilities of Newly Consolidated Subsidiaries Resulting from the Company's Share Acquisition

Prior fiscal year (from April 1, 2013 to March 31, 2014)

Details of assets and liabilities of newly consolidated subsidiaries as of the starting date of consolidation following the Company's share acquisition and relationship between share acquisition cost and the (net) payment for the share acquisition are as follows:

(1) Navigos Group, Ltd

Current assets	272,811	thousand yen
Noncurrent assets	579,413	thousand yen
Goodwill	1,683,558	thousand yen
Current liabilities	-236,141	thousand yen
Noncurrent liabilities	-121,687	thousand yen
Minority interests	-50,428	thousand yen
Share acquisition cost	2,127,526	thousand yen
Cash and cash equivalents	-194,270	thousand yen
Difference: payment for the share acquisition	1,933,255	thousand yen

(2) The Capstone Group Recruitment and Consulting (Thailand) Ltd., and En Holdings (Thailand) Ltd.

Current assets	39,762	thousand yen
Noncurrent assets	42,617	thousand yen
Goodwill	188,013	thousand yen
Current liabilities	-11,682	thousand yen
Noncurrent liabilities	-14,660	thousand yen
Minority interests	-14,688	thousand yen
Foreign currency translation adjustment	122	thousand yen
Share acquisition cost	229,484	thousand yen
Cash and cash equivalents	-7,358	thousand yen
Difference: payment for the	222,126	thousand yen

share acquisition

Current fiscal year (from April 1, 2014 to March 31, 2015)

Details of assets and liabilities of newly consolidated subsidiaries as of the starting date of consolidation following the Company's share acquisition and relationship between share acquisition cost and the (net) payment for the share acquisition are as follows:

(1) New Era India Consultancy Pvt. Ltd.

Current assets	206,686	thousand yen
Noncurrent assets	50,375	thousand yen
Goodwill	535,093	thousand yen
Current liabilities	-110,371	thousand yen
Noncurrent liabilities	-7,524	thousand yen
Minority interests	-55,666	thousand yen
Share acquisition cost	618,592	thousand yen
Cash and cash equivalents	-21,033	thousand yen
Difference: payment for the share acquisition	597,559	thousand yen

(Tax-Effect Accounting)

1. Breakdown of Deferred Tax Assets and Deferred Tax Liabilities by Major Factor

	Prior Fiscal Year (As of March 31, 2014)		Current Fiscal Year (As of March 31, 2015)	
Deferred tax assets				
Loss on valuation of stocks of subsidiaries and affiliates	293,429	thousand yen	213,165	thousand yen
Provision for bonuses	192,772	thousand yen	214,718	thousand yen
Allowance for doubtful accounts	33,352	thousand yen	100,646	thousand yen
Loss on valuation of investment securities	44,636	thousand yen	81,221	thousand yen
Asset retirement obligations	35,633	thousand yen	73,340	thousand yen
Accrued enterprise tax	132,976	thousand yen	69,341	thousand yen
Long-term accounts payable-other	54,142	thousand yen	50,542	thousand yen
Advances received	26,818	thousand yen	46,817	thousand yen
Software development expenses	-	thousand yen	40,513	thousand yen
Depreciation	158,783	thousand yen	33,774	thousand yen
Provision related to termination of website service	64,886	thousand yen	1,995	thousand yen
Other	89,614	thousand yen	76,143	thousand yen
Subtotal deferred tax assets	1,127,046	thousand yen	1,001,221	thousand yen
Valuation reserve	-372,166	thousand yen	-392,091	thousand yen
Total deferred tax assets	754,880	thousand yen	609,129	thousand yen
Deferred tax liabilities				
Intangible assets identified as a result of business combination	-122,669	thousand yen	-125,395	thousand yen
Retirement expenses corresponding to asset retirement obligations	-17,941	thousand yen	-57,601	thousand yen
Valuation difference on available-for-sale securities	-6,911	thousand yen	-12,661	thousand yen
Total deferred tax liabilities	-147,522	thousand yen	-195,658	thousand yen
Net deferred tax assets (liabilities)	607,357	thousand yen	413,471	thousand yen

2. Reconciliation between the Statutory Effective Tax Rate and the Actual Effective Income Tax Rate after Tax-effect Accounting

	Prior Fiscal Year (As of March 31, 2014)		Current Fiscal Year (As of March 31, 2015)	
Statutory effective tax rate	38.01	%	35.64	%
(Reconciliation items)				
Amortization of goodwill	1.97	%	3.18	%
Downward adjustment of deferred tax assets at the end of term due to change in tax rate	0.85	%	0.91	%
Change in valuation allowances	1.51	%	-0.30	%
Special tax deductions for Tax Credits for Salary Growth	-0.35	%	-1.33	%
Other	0.21	%	0.90	%
Actual effective income tax rate after having applied tax-effect accounting	42.20	%	39.00	%

3. Revision to the Amount of Deferred Tax Assets and Deferred Tax Liabilities due to Change in the Corporate Income Tax Rate

Following the promulgation of the "Act for Partial Amendment of the Income Tax Act, etc." and the "Act to Amend the Local Taxation Act, etc." on March 31, 2015, the effective tax rate applied to the calculation of deferred tax assets and deferred tax liabilities for the fiscal year under review (provided, however, that they shall be limited to deferred tax assets/liabilities that will be eliminated after April 1, 2015) was changed from 35.6% in the previous fiscal year to 33.1% for those that are expected to be eliminated from April 1, 2015 to March 31, 2016, and to 32.3% for those that are expected to be eliminated after April 1, 2016, respectively.

As a result, the amount of deferred tax assets (after deducting the amount of deferred tax liabilities) declined by ¥38,216 thousand, and the amount of income taxes – deferred increased by the same amount in the fiscal year under review.

(Business Combination, etc.)

1. Business Combination due to Acquisition

(1) Summary of business acquisition

1) Name and business of acquired company

New Era India Consultancy, Pvt. Ltd. (hereafter "New Era")

Business: Human placement

2) Major reason for business combination

New Era has a good reputation in the Indian market and demonstrates strengths in job placement services particularly in the IT field, servicing a number of global companies as clients. Headquartered in New Delhi, the firm has operating sites in major cities around the country and plans on further expanding its business in India going ahead.

This capital participation is expected to realize synergies with the Group's customer assets and expertise. The Group aims further growth of New Era by promoting business transactions with Japan-based companies.

3) Date of business combination

June 10, 2014

4) Legal form of business combination

Acquisition of shares by cash

5) Company name after business combination

New Era India Consultancy, Pvt. Ltd.

6) Voting right ratio acquired

60.0%

7) Major reason for determining company to acquire

Because it acquired the acquiree's share in exchange for cash consideration.

(2) Period in which acquired company's operating results is included in consolidated income statements in the fiscal year under review

Because the Company set June 30, 2014 as the date when the acquisition is deemed to have taken place, the Company's consolidated financial statements include New Era's operating results after the said date.

(3) Acquisition cost of acquired company and its breakdown

Compensation for acquisition	¥589,432 thousand
Expenses directly required for acquisition (advisory fee, etc.)	¥29,160 thousand
Acquisition cost	¥618,592 thousand

(4) Amount of goodwill generated, reason for generation, and method/period of amortization

1) Amount of goodwill generated

¥535,093 thousand

2) Reason for generation of goodwill

The Company recognizes the difference between net amounts of assets acquired and liabilities assumed and acquisition cost as goodwill. This represents the future additional earnings power of New Era expected by the Company, because New Era has strengths in the job placement of IT-related personnel in the Indian market.

3) Method/period of amortization

Straight-line method over 10 years

(Segment Information, etc.)

(Segment Information)

1. Outline of Reporting Segments

The en-japan Group’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.

As a company specializing in offering services that contribute to hiring personnel and helping those newly hired to succeed, the en-japan Group is engaged mainly in managing job advertising websites, job placement services, and education/evaluation of human resources.

Therefore, the Company classifies its business into the two segments of the Hiring Business and Education/Evaluation Business, in accordance with their respective management organization and characteristics of services.

The Company decided to terminate operation of its job advertisement website in the New Graduate Hiring Business at the end of March 2015 and change its business model. For this reason, the Company has changed is operating segment to “Hiring Business” and “Education/Evaluation Business” starting from the fiscal year under review. Items of segment information data in the previous fiscal year have been reclassified to reflect the change in the reporting segment and secure comparability.

The main services provided at each segment are as follows.

(1) Hiring Business –	Management of job advertising website (main websites are [en] Career Change Info and [en] Temporary Placement Info, [en] Career Change Consultant, Vietnam Works), personnel placement (main brands are en world and en agent) and personnel dispatching services
(2) Education/Evaluation Business –	Provision of en-College flat-rate training service and hiring/human resources-related system

2. Measurement of Sales, Income (loss), Assets, Liabilities and Other Material Items of Reportable Segments

The accounting policies for the reportable segments are the same as those described in “Basis of Presenting the Consolidated Financial Statements.”

Intersegment sales are based on the transaction price among third parties and figures of segment profit (loss) are based on operating income.

Note that the assets are not allocated by business segment, but depreciation expenses on assets are allocated to each of the business segments in accordance with rational criteria set based on their status of use and such like.

3. Information on Sales, Income (loss), Assets, Liabilities and Other Material Items by Reportable Segment

Prior fiscal year (from April 1, 2013 to March 31, 2014)

(Thousand yen)

	Reportable segments			Adjustment amount (Note 1)	Amount stated in Consolidated Financial Statements (Note 2)
	Hiring Business	Education/ Evaluation Business	Total		
Net sales					
Sales to outside customers	16,152,902	602,275	16,755,178	–	16,755,178
Internal sales among segments, transfers	20,929	34,229	55,158	-55,158	–
Total	16,173,831	636,505	16,810,336	-55,158	16,755,178
Segment profit	3,308,167	132,582	3,440,750	600	3,441,350
Other Items					
Depreciation	583,395	8,289	591,685	–	591,685
Amortization of goodwill	236,335	15,758	252,093	–	252,093

(Notes)

1. Adjustment amount of segment profit represents elimination of intersegment transactions.
2. Segment profit has been adjusted based on the operating income in the consolidated financial statements.
3. Segment assets are not stated because assets are not allocated by reportable segment.

Current fiscal year (from April 1, 2014 to March 31, 2015)

(Thousand yen)

	Reportable segments			Adjustment of Segment Profit (Note 1)	Amount stated in Consolidated Financial Statements (Note 2)
	Hiring Business	Education/ Evaluation Business	Total		
Net sales					
Sales to outside customers	18,919,830	704,090	19,623,921	–	19,623,921
Internal sales among segments, transfers	22,622	43,080	65,702	-65,702	–
Total	18,942,452	747,170	19,689,623	-65,702	19,623,921
Segment profit/loss (-)	3,953,065	-9,093	3,943,971	-899	3,943,071
Other Items					
Depreciation	543,421	20,192	563,614	–	563,614
Amortization of goodwill	350,392	24,737	375,129	–	375,129

(Notes)

1. Adjustment of segment profit represents eliminated intersegment transactions.
2. Segment profit/loss is adjusted from operating income booked in the consolidated financial statements.
3. Segment assets are not stated since the assets are not allocated by reportable segment.

(Related Information)

Prior fiscal year (from April 1, 2013 to March 31, 2014)

1. Information by Product and Service

Presentation is omitted as similar information is provided in the segment information.

2. Information by Region

(1) Net sales

(Thousand yen)

Japan	Asia/Oceania	Total
15,916,974	838,203	16,755,178

(2) Property, plant and equipment

(Thousand yen)

Japan	Asia/Oceania	Total
400,266	51,289	451,556

3. Information by Major Customer

Presentation is omitted as there are no sales to specific outside customers categorized as major customers that exceed 10% of sales recorded in the consolidated statements of income.

Current fiscal year (from April 1, 2014 to March 31, 2015)

1. Information by Product and Service

Presentation is omitted as similar information is provided in the segment information.

2. Information by Region

(1) Net sales

(Thousand yen)

Japan	Asia/Oceania	Total
17,781,862	1,842,058	19,623,921

(2) Property, plant and equipment

(Thousand yen)

Japan	Asia/Oceania	Total
556,313	187,309	743,622

3. Information by Major Customer

Presentation is omitted as there are no sales to specific outside customers categorized as major customers that exceed 10% of sales recorded in the consolidated statements of income.

(Information on Impairment Losses of Property, Plant and Equipment by Reportable Segment)

Prior fiscal year (from April 1, 2013 to March 31, 2014)

(Thousand yen)

	Reportable segments			Adjustment amount	Total
	Hiring Business	Education/ Evaluation Business	Total		
Impairment loss	470,816	–	470,816	–	470,816

Current fiscal year (from April 1, 2014 to March 31, 2015)

The Company had no material matters to report.

(Information on Amortization of Goodwill and Unamortized Balance by Reportable Segment)

Prior fiscal year (from April 1, 2013 to March 31, 2014)

(Thousand yen)

	Reportable segments			Adjustment amount	Total
	Hiring Business	Education/ Evaluation Business	Total		
Depreciation amount in the period	236,335	15,758	252,093	–	252,093
Balance at the end of the period	3,139,276	189,494	3,328,770	–	3,328,770

Current fiscal year (from April 1, 2014 to March 31, 2015)

(Thousand yen)

	Reportable segments			Adjustment amount	Total
	Hiring Business	Education/ Evaluation Business	Total		
Depreciation amount in the period	350,392	24,737	375,129	–	375,129
Balance at the end of the period	4,534,353	217,478	4,751,832	–	4,751,832

(Information on Gain on Negative Goodwill by Reportable Segment)

Prior fiscal year (from April 1, 2013 to March 31, 2014)

The Company had no material matters to report.

Current fiscal year (from April 1, 2014 to March 31, 2015)

The Company had no material matters to report.

(Per-Share Information)

	Prior Fiscal Year (From April 1, 2013 to March 31, 2014)	Current fiscal year (from April 1, 2014 to March 31, 2015)
Net Assets per Share	759.11 yen	874.34 yen
EPS	125.59 yen	112.68 yen
Fully Diluted EPS	– yen	– yen

(Notes)

1. Fully diluted EPS are not shown above because there are no dilutive shares.
2. The Company instituted a 100-for-1 stock split effective on October 1, 2013. Therefore, net assets per share, EPS, and fully diluted EPS are calculated assuming that the stock split was instituted at the beginning of the previous consolidated fiscal year.
3. The basis for calculating EPS and fully diluted EPS is shown below.

	Prior Fiscal Year (From April 1, 2013 to March 31, 2014)	Current fiscal year (from April 1, 2014 to March31, 2015)
EPS		
Net Income (thousand yen)	2,789,413	2,531,461
Amount not attributable to Common Shareholders (thousand yen)	–	–
Net Income associated with Common Stock (thousand yen)	2,789,413	2,531,461
Average Number of Shares of Common Stock Outstanding during the Period (shares)	22,209,751	22,466,379
Fully Diluted EPS		
Net Income Adjustments (thousand yen)	–	–
(of which interest expenses [after deducting tax equivalent amount]) (thousand yen)	–	–
Increase in the Number of Shares of Common Stock (shares)	–	–
(of which subscription rights to shares [shares])	–	–
Summary of Potential Shares not used in the Calculation of Fully Diluted EPS (potential shares have no dilutive effect)	Two types of subscription rights to shares (number of subscription rights to shares: 159)	One type of subscription rights to shares (number of subscription rights to shares: 72)

(Material Subsequent Event)

The Company had no material matters to report.

6. Other

Changes in Assignment of Directors

The Company will disclose information on this once the assignments have been confirmed.