



**en-japan inc.**

## 2nd Quarter FY March 2016 Earnings Announcement [Japan GAAP] (Consolidated)

**November 11, 2015**

Company Name	en-japan inc.	Listing Exchanges	Tokyo Stock Exchange (Jasdaq Market)	
Stock Code	4849	URL	<a href="http://corp.en-japan.com/">http://corp.en-japan.com/</a>	
Representative (Title)	President	(Name)	Takatsugu Suzuki	
Contact (Title)	Executive Officer and Corporate Planning Division Director	(Name)	Masanobu Hasegawa	Telephone +81-3-3342-4506
Scheduled date for submission of Quarterly Report	November 12, 2015			
Scheduled date to begin dividend payments	—			
Preparation of Quarterly Summary Supplementary Explanatory Materials	Yes			
Quarterly Earnings Briefing	Yes (for institutional investors and analysts)			

(Figures rounded down to nearest million yen)

### 1. FY Ending March 2016 Cumulative Second Quarter Operating Results (From April 1, 2015 to September 30, 2015)

(1) Consolidated Operating Results (cumulative) (percentages indicate percent change from prior fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FYE 3/16 2nd Qtrr	12,184	32.4	2,875	65.4	2,927	52.4	1,844	56.6
FYE 3/15 2nd Qtrr	9,205	23.0	1,738	7.5	1,921	5.1	1,177	(49.2)

(Note) Comprehensive income FYE 3/16 2nd Qtrr 1,882 million yen (82.3%) FYE 3/15 2nd Qtrr 1,032 million yen (-21.3%)

	EPS	Fully Diluted EPS
	Yen	Yen
FYE 3/16 2nd Qtrr	81.67	81.61
FYE 3/15 2nd Qtrr	52.51	—

(Note) Fully diluted EPS for the second quarter of the fiscal year ended March 2015 is not shown, because there are no dilutive shares.

### (2) Consolidated Financial Position

	Total Assets	Net Assets	Net Asset Ratio
	Million yen	Million yen	%
FYE 3/16 2nd Qtrr	26,122	20,290	77.2
FYE 3/15	25,241	19,775	77.9

(Reference) Core capital FYE 3/16 2nd Qtrr 20,170 million yen FYE 3/15 19,674 million yen

## 2. Dividends

	Dividends per Share				
	1st Quarter-end	2nd Quarter-end	3rd Quarter-end	Year-end	Full Year
	Yen	Yen	Yen	Yen	Yen
FYE 3/15	–	0.00	–	32.00	32.00
FYE 3/16	–	0.00			
FYE 3/16 (projected)			–	33.00	33.00

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

## 3. FY Ending March 2016 Projected Consolidated Operating Results (April 1, 2015 - March 31, 2016)

(Percentages indicate percentage change from the same period of the prior fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net income attributable to owners of parent	EPS
	Million yen	%	Million yen	%	Million yen	%	Million yen	Yen
Full year	25,900	32.0	4,800	21.7	4,850	13.9	3,000	18.5
								132.34

(Note) Revisions to the Company's latest operating results projections: None

### \* Notes

(1) Changes in major subsidiaries during the cumulative quarter under review (Change in specific subsidiaries that will accompany a change in scope of consolidation) No

Newly included None (Name of company) –

Exclusion None (Name of company) –

(Note) I Tank Japan, Inc. was added to the scope of consolidation starting from the second quarter of the fiscal year ending March 31, 2016, following the stock acquisition through the share exchange, although this company is not a specified subsidiary.

(2) Adoption of special accounting treatment used in preparation of the quarterly consolidated financial statements No

(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: No

d. Restatement due to correction: No

(Note) For details, refer to "2. Summary Information (Notes) (3) Changes in Accounting Policy, Changes in Accounting Estimates, or Restatement due to Correction" on page 4 of the Attachments

(4) Number of shares issued (common stock)

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

FYE 3/16 2nd Qtr 24,858,000 shares FYE 3/15 24,858,000 shares

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

FYE 3/16 2nd Qtr 2,107,731 shares FYE 3/15 2,355,700 shares

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

FYE 3/16 2nd Qtr 22,586,318 shares FYE 3/15 2nd Qtr 22,430,654 shares

### \* Notice regarding quarterly review procedures

- This quarterly earnings announcement is not within the scope of the quarterly review procedure under the Financial Instruments and Exchange Act. As of the time of disclosure of this quarterly earnings announcement, the quarterly review over the quarterly financial statements has not yet been completed.

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

(Notes concerning forward-looking statements)

- 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. For assumptions used when preparing projected operating results and reminders when using projected operating results, please refer to “1. Qualitative Information of Consolidated Performance during the Quarter under Review (3) Explanation of Future Projections such as Projections of Consolidated Operating Results” on page 4 of the Attachments.

## Attachments Table of Contents

1. Qualitative Information of Consolidated Performance during the Quarter under Review .....	- 2 -
(1) Explanation of Operating Results.....	- 2 -
(2) Explanation of Financial Position .....	- 3 -
(3) Explanation of Future Projections such as Projections of Consolidated Operating Results .....	- 4 -
2. Summary Information (Notes).....	- 4 -
(1) Changes in Status of Material Subsidiaries during the Cumulative Quarter under Review.....	- 4 -
(2) Adoption of Special Accounting Treatment used in Preparation of the Quarterly Consolidated Financial Statements .....	- 4 -
(3) Changes in Accounting Policy, Changes in Accounting Estimates, or Restatement due to Correction .....	- 4 -
3. Significant Events related to Going Concern Assumptions .....	- 5 -
4. Quarterly Consolidated Financial Statements .....	- 6 -
(1) Quarterly Consolidated Balance Sheets .....	- 6 -
(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income .....	- 7 -
(3) Quarterly Consolidated Statements of Cash Flows .....	- 9 -
(4) Notes regarding Quarterly Consolidated Financial Statements .....	- 11 -
(Notes relating to the Going Concern Assumption).....	- 11 -
(Notes on Significant Changes to Shareholders' Equity) .....	- 11 -
(Segment Information) .....	- 12 -

## 1. Qualitative Information of Consolidated Performance during the Quarter under Review

### (1) Explanation of Operating Results

The business environment of the human resources market where the en-japan operates continued to be favorable, as reflected in the jobs-to-applicant ratio that reached 1.24 in September 2015, and hiring needs from corporations stay on an upward trend.

Under such circumstances, the Company continued to improve effects of service sites and reinforce sales activities, centering on en TENSHOKU., its core service site, while also bolstering promotion activities to heighten people's recognition of the Company and attract more members.

In our job placement business, we continued to strengthen en-japan's "en AGENTS," as well as our subsidiary, en World Japan K.K. While "en AGENTS" focused on reinforcing countermeasures for improving productivity, en World Japan K.K. worked on expanding sales targeted at globally operating Japanese corporations in addition to domestic foreign-owned companies.

Meanwhile, our overseas subsidiaries made efforts to improve the productivity of existing services, strengthened sales in the new developing segment of servicing Japanese corporations, and took other steps to further increase profitability of the Group's overseas business.

As a result, the Company recorded net sales of ¥12,184 million (up 32.4% on a year-on-year basis), operating income of ¥2,875 million (up 65.4% year on year), ordinary income of ¥2,927 million (up 52.4% year on year) and net income attributable to owners of parent of ¥1,844 million (up 56.6% year on year).

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

#### [1] Hiring Business

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

(Job advertisement website)

The Company's mainstay, en TENSHOKU. logged a significant year-on-year increase in the number of job listings and net sales, thanks to strong hiring demand from corporations as well as continued growth in the number of applications received after the renewal of the website in the previous year. We also updated the word-of-mouth website, KAISHA NO HYŌBAN, linked to the job advertisement website at the end of August in a bid to boost the number of word-of-mouth referrals. Thus, we are making efforts for improving our fitness level prior to customers' application by placing information having third-party viewpoints on the job advertisement website and enhancing the user-oriented website, which is one of our outstanding features.

The Company showed strong operating performances in other job advertisement websites: They are en MIDDLE NO TENSHOKU which replaced [en] Career Change Consultant at the end of August, and [en] Haken-no Oshigoto Info. which was released as a renewed website of en HAKEN.

(Job placement service)

en-japan's job placement service "en AGENTS" posted an increase in net sales, which were attributed to a significant boost in the number of individuals entering companies for each month compared with the same period of the previous year.

Our subsidiary, en World Japan K.K., marked a year-on-year growth in net sales, due mainly to strong hiring demand from domestic foreign-owned companies and globally operating Japanese companies as well as the increased recruitment of consultants.

(Overseas subsidiaries)

The operating performance of the entity in India which was converted into the Company's subsidiary last June has been added to the Group's financial results since the beginning of this quarter. The subsidiary in Vietnam saw a significant year-on-year growth in net sales, attributed to an improvement in productivity due to stable retention of labor, while the subsidiaries in Thailand attained a strong on-year boost in net sales, thanks to aggressive business development targeted at Japanese companies.

As a result, for the cumulative second quarter of the fiscal year ending March 31, 2016, net sales were ¥11,789 million (up 32.2% on a year-on-year basis) and operating income was ¥2,951 million (up 67.7% year on year).

#### [2] Education/Evaluation Business

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

among others.

(Flat-rate training service)

The Company promoted product development linked to the hiring business and sales expansion, while also bolstering acquisitions of repeat orders and new orders.

(Recruiting and personnel-related system)

The Company's consolidated subsidiary Cbase Corporation logged a year-on-year increase in net sales, backed by a strong performance in repeat and new orders.

As a result, net sales were ¥427 million (up 34.8% on a year-on-year basis). On the profit front, the Company posted an operating loss of ¥76 million (operating loss of ¥22 million was posted a year earlier), due to advance costs incurred mainly in relation to the new business development.

## (2) Explanation of Financial Position

### Analysis of Financial Position

Total assets at the end of the second quarter of the fiscal year ending in March 31, 2016 increased ¥880 million compared to the end of the previous fiscal year to ¥26,122 million.

Current assets increased ¥1,595 million to ¥15,939 million. This was mainly due to an increase in cash and deposits of ¥1,108 million and an increase in notes and accounts receivable-trade of ¥274 million. Noncurrent assets decreased ¥714 million to ¥10,183 million. This was primarily attributable to a decrease in goodwill of ¥796 million, due to changes in accounting policy associated with amendments to accounting standards, etc.

Total liabilities at the end of the second quarter of the fiscal year under review were ¥5,832 million, an increase of ¥366 million compared to the end of the previous fiscal year.

Current liabilities increased ¥284 million to ¥5,144 million. This mainly stemmed from an increase in income taxes payable of ¥198 million and an increase in provision for bonuses of ¥84 million. Noncurrent liabilities increased ¥82 million to ¥687 million. This was primarily due to an increase in provision for stock benefits of ¥22 million.

Total net assets were ¥20,290 million, up ¥514 million from the end of the previous fiscal year. This was mainly due to an increase in retained earnings of ¥1,103 million resulting from the posting of net income attributable to owners of parent, and a decrease in capital surplus of ¥1,039 million caused by changes in accounting policy associated with amendments to accounting standards.

### Analysis of Cash Flows

Cash and cash equivalents at the end of the second quarter of the fiscal year ending March 31, 2016 increased ¥1,097 million from the end of the previous fiscal year to ¥10,235 million.

Changes in the respective cash flows in the cumulative second quarter of the fiscal year ending March 31, 2016 and their factors are described as follows.

#### (Cash Flows from Operating Activities)

Net cash provided by operating activities in the cumulative second quarter of the fiscal year ending March 31, 2016 were ¥2,200 million (against ¥(142) million in the same period of the previous fiscal year). This was primarily a result of posting income before income taxes and minority interests of ¥2,926 million, which was reduced by income taxes paid of ¥1,021 million.

#### (Cash Flows from Investing Activities)

Net cash provided by investing activities in the cumulative second quarter of the fiscal year ending March 31, 2016 were ¥(319) million (against ¥(1,777) million in the same period of the previous fiscal year). This mainly consisted of cash used for purchasing intangible assets of ¥463 million.

#### (Cash Flows from Financing Activities)

Net cash provided by financing activities in the cumulative second quarter of the fiscal year ending March 31, 2016 were ¥(791) million (against ¥(596) million in the same period of the previous fiscal year). This mainly consisted of cash dividend paid of ¥757

million.

(3) Explanation of Future Projections such as Projections of Consolidated Operating Results

Concerning consolidated operating results projections for the fiscal year ending March 31, 2016, there is no change from the projections announced on October 28, 2015.

2. Summary Information (Notes)

(1) Changes in Status of Material Subsidiaries during the Cumulative Quarter under Review

I Tank Japan, Inc. was added to the scope of consolidation starting from the second quarter of the fiscal year ending March 31, 2016. This resulted from the share exchange under which the Company became a wholly-owning company holding 100% of the shares of I Tank Japan, Inc. and I Tank Japan, Inc. became a wholly-owned subsidiary of the Company. The deemed acquisition date is September 30, 2015 and only the balance sheets were incorporated into the consolidated financial statements for the second quarter of the fiscal year ending March 31, 2016.

(2) Adoption of Special Accounting Treatment used in Preparation of the Quarterly Consolidated Financial Statements

The Company had no material items to report.

(3) Changes in Accounting Policy, Changes in Accounting Estimates, or Restatement due to Correction

(i) Names of accounting standards and changes in accounting policy

The Company has adopted the Accounting Standard for Business Combinations (ASBJ Statement No. 21, September 13, 2013), Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22, September 13, 2013) and Accounting Standard for Business Divestitures (ASBJ Statement No. 7, September 13, 2013) effective the first quarter of the fiscal year ending March 31, 2016. Accordingly, the Company posts the amount of differences arising from changes in the Company's ownership interests in subsidiaries for which it retains control to capital surplus, and records the amount as expenses in the fiscal year in which acquisition-related expenses arose.

In addition, the Company implemented changes in presentation of quarterly net income and in presentation from minority interests to non-controlling interests.

In order to reflect these changes in presentation, the Company rearranged account classifications in the quarterly consolidated financial statements and consolidated financial statements for the cumulative second quarter and full year of the previous fiscal year.

In the quarterly statements of cash flows for the cumulative second quarter of the fiscal year ending March 31, 2016, cash flows resulting from the purchase and sale of shares of subsidiaries outside the scope of consolidation are reported in the classification of cash flows from financing activities. Meanwhile, cash flows that arose from costs related to purchasing shares of subsidiaries accompanying the change in the scope of consolidation, or cash flows resulting from costs related to the purchase and sale of shares of subsidiaries outside the scope of consolidation are reported in the classification of cash flows from operating activities.

(ii) Outline of accounting treatment in accordance with transitional measures

The Company has adopted the Accounting Standard for Business Combinations, etc., in accordance with the transitional measures provided in Item 58-2 (3) of Accounting Standard for Business Combinations, Item 44-5 (3) of Accounting Standard for Consolidated Financial Statements, and Item 57-4 (3) of Accounting Standard for Business Divestitures. The Company has reflected the amount of cumulative effects of changes in accounting policies as of the beginning of the first quarter of the fiscal year ending March 31, 2016 assuming that the new accounting policies have been applied retroactively to all past periods, by decreasing/increasing the respective amount to capital surplus and retained earnings.

(iii) Amount of effects of changes in accounting policy

As a result, as of the beginning of the first quarter of the fiscal year ending March 31, 2016, goodwill decreased by ¥1,315,328,000 capital surplus decreased by ¥1,312,329,000 and foreign currency translation adjustment decreased by ¥20,068,000, while retained earnings increased by ¥17,069,000. In addition, operating income, ordinary income and income before income taxes and minority interests each increased by ¥57,634,000 for the cumulative second quarter of the fiscal year ending March 31, 2016 on a consolidated basis.

### 3. Significant Events related to Going Concern Assumptions

The Company had no material items to report.



4. Quarterly Consolidated Financial Statements  
(1) Quarterly Consolidated Balance Sheets

(Unit: Thousand yen)

	Previous Fiscal Year (As of March 31, 2015)	Second Quarter of Current Fiscal Year (As of September 30, 2015)
<b>Assets</b>		
Current Assets		
Cash and deposits	8,126,330	9,235,110
Notes and accounts receivable-trade	2,453,824	2,727,998
Short-term investment securities	3,011,460	3,000,000
Other	783,610	1,012,466
Allowance for doubtful accounts	-31,491	-36,405
Total Current Assets	14,343,732	15,939,170
Noncurrent Assets		
Property, plant and equipment	743,622	709,984
Intangible assets		
Goodwill	4,751,832	3,955,000
Other	1,944,828	2,215,727
Total intangible assets	6,696,661	6,170,728
Investments and other assets		
Investment securities	1,386,145	1,079,798
Stocks of subsidiaries and affiliates	545,593	492,767
Other	1,530,759	1,735,691
Allowance for doubtful accounts	-5,276	-5,949
Total investments and other assets	3,457,222	3,302,308
Total Noncurrent Assets	10,897,506	10,183,021
Total Assets	25,241,239	26,122,191
<b>Liabilities</b>		
Current Liabilities		
Accounts payable-trade	45,690	45,761
Short-term loans payable	-	1,288
Income taxes payable	969,814	1,168,067
Provision for bonuses	694,630	778,888
Other provision	23,117	7,820
Other	3,126,559	3,142,648
Total Current Liabilities	4,859,812	5,144,474
Noncurrent Liabilities		
Long-term loans payable	18,038	16,364
Provision for stock benefits	155,935	178,737
Asset retirement obligations	227,312	228,220
Other	204,161	264,369
Total Noncurrent Liabilities	605,448	687,691
Total Liabilities	5,465,260	5,832,166
<b>Net Assets</b>		
Shareholders' Equity		
Capital stock	1,194,993	1,194,993
Capital surplus	1,718,709	678,714
Retained earnings	19,344,897	20,448,190
Treasury stock	-3,284,414	-2,880,090
Total Shareholders' Equity	18,974,185	19,441,807
Accumulated Other Comprehensive Income		
Valuation difference on available-for-sale securities	26,489	2,836
Foreign currency translation adjustment	674,040	725,712
Total Accumulated Other Comprehensive Income	700,529	728,548
Subscription rights to shares	-	13,282
Non-controlling interests	101,262	106,386
Total Net Assets	19,775,978	20,290,024
Total Liabilities and Net Assets	25,241,239	26,122,191

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

Quarterly Consolidated Statements of Income

Cumulative Second Quarter

(Unit: Thousand yen)

	Cumulative Second Quarter of the Previous Fiscal Year (From April 1, 2014 to September 30, 2014)	Cumulative Second Quarter of the Current Fiscal Year (From April 1, 2015 to September 30, 2015)
Net sales	9,205,434	12,184,646
Cost of sales	926,600	1,086,008
Gross profit	8,278,833	11,098,638
Selling, general and administrative expenses	6,540,599	8,223,503
Operating income	1,738,234	2,875,135
Non-operating income		
Interest income	10,281	30,618
Dividends income	187	6,307
Equity in earnings of affiliates	60,682	20,816
Gain on investments in partnership	12,680	-
Gain on valuation of investment securities	6,720	7,980
Foreign exchange gain	83,767	-
Other	14,672	6,755
Total non-operating income	188,992	72,478
Non-operating expenses		
Loss on investments in partnership	-	6,779
Foreign exchange losses	-	12,263
Other	6,177	1,451
Total non-operating expenses	6,177	20,494
Ordinary income	1,921,048	2,927,118
Extraordinary income		
Gain on sales of investment securities	7,199	-
Total extraordinary income	7,199	-
Extraordinary loss		
Loss on retirement of noncurrent assets	22,254	620
Total extraordinary loss	22,254	620
Income before income taxes and minority interests	1,905,993	2,926,498
Income taxes-current	594,162	1,147,514
Income taxes-deferred	128,485	-74,333
Total income taxes	722,648	1,073,181
Net income	1,183,345	1,853,317
Net income attributable to non-controlling owners	5,571	8,637
Net income attributable to owners of parent	1,177,774	1,844,680

Quarterly Consolidated Statements of Comprehensive Income

Cumulative Second Quarter

(Unit: Thousand yen)

	Cumulative Second Quarter of the Previous Fiscal Year (From April 1, 2014 to September 30, 2014)	Cumulative Second Quarter of the Current Fiscal Year (From April 1, 2015 to September 30, 2015)
Net income	1,183,345	1,853,317
Other comprehensive income		
Valuation difference on available-for-sale securities	-10,868	-23,653
Foreign currency translation adjustment	-139,177	33,245
Share of other comprehensive income of associates accounted for by equity method	-504	19,736
Total other comprehensive income	-150,551	29,328
Comprehensive income	1,032,793	1,882,646
(Break down)		
Comprehensive income attributable to owners of the parent	1,027,981	1,872,699
Comprehensive income attributable to non-controlling owners	4,811	9,946

## (3) Quarterly Consolidated Statements of Cash Flows

(Unit: Thousand yen)

	Cumulative Second Quarter of the Previous Fiscal Year (From April 1, 2014 to September 30, 2014)	Cumulative Second Quarter of the Current Fiscal Year (From April 1, 2015 to September 30, 2015)
Cash flows from operating activities		
Income before income taxes and minority interests	1,905,993	2,926,498
Depreciation and amortization	232,113	387,792
Amortization of goodwill	168,402	185,609
Increase (decrease) in allowance for doubtful account	7,351	5,623
Increase (decrease) in reserve for bonuses	52,411	84,302
Increase (decrease) in other provision	-57,542	-15,297
Interest and dividends received	-10,468	-36,925
Foreign exchange loss (gain)	-83,767	12,263
Loss (gain) on equity in earnings of affiliates	-60,682	-20,816
Loss (gain) from investments in partnership	-12,680	6,779
Loss (gain) on sales of investment securities	-7,199	-
Loss (gain) on valuation of investment securities	-6,720	-7,980
Loss on retirement of noncurrent assets	22,254	620
(Increase) decrease in notes and accounts receivable – trade	-94,590	-249,237
Increase (decrease) in notes and accounts payable – trade	-18,843	-1,359
Increase (decrease) in accounts payable – other	-437,442	-100,188
(Increase) decrease in other current assets	-75,603	38,365
Increase (decrease) in other current liabilities	223,121	-111,829
(Increase) decrease in other noncurrent assets	-15,322	-79,647
Increase (decrease) in other noncurrent liabilities	-31,701	50,250
Subtotal	1,699,082	3,074,824
Interest and dividends income received	77,945	126,502
Income taxes paid	-1,919,703	-1,021,263
Income taxes refund	-	20,545
Net cash provided by (used in) operating activities	-142,674	2,200,609
Cash flows from investing activities		
Purchase of property, plant and equipment	-121,289	-72,863
Purchase of intangible assets	-557,460	-463,051
Purchase of investment securities	-100,800	-73,347
Proceeds from sales of investment securities	24,700	327,915
Purchase of stocks of subsidiaries and affiliates	-19,500	-
Purchase of investments in subsidiaries	-159,102	-
Cash used for purchase of investments in subsidiaries resulting in a change in the scope of consolidation	-596,092	-
Proceeds from purchase of investments in subsidiaries resulting in a change in the scope of consolidation	-	28,775
Payment for lease and guarantee deposits	-187,404	-10,236
Proceeds from collection of lease and guarantee	681	63
Purchase of insurance funds	-6,456	-6,456
Proceeds from cancellation of insurance funds	5,919	-
Payments of loans receivable	-190,000	-51,155
Collection of loans receivable	129,715	1,190
Net cash provided by (used in) investing activities	-1,777,089	-319,167

	Cumulative Second Quarter of the Previous Fiscal Year (From April 1, 2014 to September 30, 2014)	Cumulative Second Quarter of the Current Fiscal Year (From April 1, 2015 to September 30, 2015)
Cash flows from financing activities		
Repayment of long-term loans payable	-1,871	-
Purchase of treasury stock	-	-92
Cash dividends paid	-577,337	-757,461
Cash used for purchase of investments in subsidiaries outside the scope of consolidation	-	-23,718
Repayment of lease obligations	-17,650	-10,672
Net cash provided by (used in) financing activities	-596,859	-791,944
Effect of exchange rate change on cash and cash equivalents	41,994	7,823
Net increase (decrease) in cash and cash equivalents	-2,474,628	1,097,319
Cash and cash equivalents at beginning of period	13,169,219	9,137,790
Cash and cash equivalents at end of period	10,694,590	10,235,110

(4) Notes regarding Quarterly Consolidated Financial Statements

(Notes relating to the Going Concern Assumption)

There are no pertinent items.

(Notes on Significant Changes to Shareholders' Equity)

The Company has adopted the Accounting Standard for Business Combinations from the first quarter of the fiscal year ending March 31, 2016.

The impact associated with this change is described in “2. Summary Information (Notes) (3) Changes in Accounting Policy, Changes in Accounting Estimates or Restatement due to Correction” on pages 4.

On July 31, 2015, the Company implemented the share exchange making the Company a wholly-owning company holding 100% of the shares of I Tank Japan, Inc. and I Tank Japan, Inc. a wholly-owned subsidiary of the Company. As a result, capital surplus increased ¥289,983,000 and treasury stock decreased ¥404,416,000 for the cumulative second quarter of the fiscal year ending March 31, 2016.

(Segment Information)

[Segment Information]

I Cumulative second quarter of the previous fiscal year (April 1, 2014 to September 30, 2014)

1 Information on sales and profit/loss by reporting segment

(Unit: Thousand yen)

	Reportable segments			Adjustments (Notes) 1	Amount recorded in quarterly consolidated statements of income (Notes) 2
	Hiring Business	Education/ Evaluation Business	Total		
Net sales					
Sales to outside customers	8,907,764	297,669	9,205,434	—	9,205,434
Internal sales among segments, transfers	7,073	19,676	26,749	-26,749	—
Total	8,914,837	317,345	9,232,183	-26,749	9,205,434
Segment profit (loss)	1,760,420	-22,486	1,737,934	300	1,738,234

(Notes) 1. Adjustments to segment profit (loss) are eliminations of intersegment transactions.

2. Segment profit (loss) is adjusted from the operating income booked in the consolidated financial statements.

II Cumulative second quarter of the fiscal year under review (from April 1, 2015 to September 30, 2015)

1 Information on sales and profit/loss by reporting segment

(Unit: Thousand yen)

	Reportable segments			Adjustments (Notes) 1	Amount recorded in quarterly consolidated statements of income (Notes) 2
	Hiring Business	Education/ Evaluation Business	Total		
Net sales					
Sales to outside customers	11,779,611	405,034	12,184,646	—	12,184,646
Internal sales among segments, transfers	9,405	22,830	32,236	-32,236	—
Total	11,789,017	427,865	12,216,882	-32,236	12,184,646
Segment profit (loss)	2,951,790	-76,954	2,874,835	300	2,875,135

(Notes) 1. Adjustments to segment profit (loss) are eliminations of intersegment transactions.

2. Segment profit (loss) is adjusted from the operating income booked in the consolidated financial statements.

2. Information concerning impairment loss or goodwill on fixed assets by segment

(Significant change in amount of goodwill)

As indicated in “2. Summary Information (Notes) (3) Changes in Accounting Policy, Changes in Accounting Estimates, or Restatement due to Correction” on page 4, the Company has adopted the Accounting Standard for Business Combinations, etc. and followed the transitional measures provided in Item 58-2 (3) of Accounting Standard for Business Combinations, Item 44-5 (3) of Accounting Standard for Consolidated Financial Statements, and Item 57-4 (3) of Accounting Standard for Business Divestitures.

The amount of decrease in goodwill associated with this handling in the hiring business is ¥1,208,156,000 and that in the education/evaluation business is ¥107,171,000 for the cumulative second quarter of the fiscal year ending March 31, 2016.

Because the Company acquired shares of I Tank, Japan, Inc. through the share exchange in the second quarter of the fiscal year ending March 31, 2016, there have been significant fluctuations in the value of goodwill in the Hiring Business segment. The amount of goodwill booked as a result of the acquisition is ¥673,443,000.

3. Matters related to changes in the reporting segment

(Application of Accounting Standard for Business Combinations, etc.)

As indicated in “2. Summary Information (Notes) (3) Changes in Accounting Policy, Changes in Accounting Estimates, or Restatement due to Correction” on page 4, the Company has adopted the Accounting Standard for Business Combinations, etc. and followed the transitional measures provided in Item 58-2 (3) of Accounting Standard for Business Combinations, Item 44-5 (3) of Accounting Standard for Consolidated Financial Statements, and Item 57-4 (3) of Accounting Standard for Business Divestitures.

As a result, segment profit for the cumulative second quarter of the fiscal year ending March 31, 2016 has increased in the hiring business segment by ¥51,826,000 and in the education/evaluation business segment by ¥5,807,000, compared to the results obtained under the conventional method.