

En-Japan Inc.

3rd Quarter FY12/05 Earnings Announcement (Non-Consolidated) November 10, 2005

Company Name: En-Japan Inc.

Stock Code: 4849

(URL: <http://www.en-japan.com/>)

Osaka Securities Exchange (Hercules Market)

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1. Notes regarding the creation of our quarterly financial and earnings data.

1) Changes in accounting practices during the most recent year. We adopt a simple method of accounting for corporate taxes.

2) Changes in the scope of our consolidated accounts and companies held under the equity accounting method. NA

3) Involvement of CPA or corporate auditors. NA

2. 3rd Quarter FY12/05 Financial Position and Aggregated Earnings Performance (From January 1, 2005 to September 30, 2005)

(1) Earnings Performance

(figures are rounded to the nearest million yen)

	Sales		Operating Income		Ordinary Income		Net Income	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
1 st to 3 rd Quarters FY12/05	7,973	73.3	2,891	94.8	2,911	95.5	1,519	74.6
1 st to 3 rd Quarters FY12/04	4,600	46.0	1,483	14.7	1,489	14.9	870	12.9
FY12/04	6,980		2,245		2,254		1,253	

	EPS	Fully Diluted EPS
	Yen	Yen
1 st to 3 rd Quarters FY12/05	6,352.35	6,119.50
1 st to 3 rd Quarters FY12/04	3,670.70	3,580.48
FY12/04	5,277.44	5,147.07

(note) The percentage change in sales, operating income, ordinary income, and net income are made with the same period during the previous fiscal year.

(Information regarding our earnings performance)

During the first three quarters of the fiscal year December 2005 (from January 1, 2005 to September 30, 2005), Japanese corporations benefited from a gradual recovery in the economy, and the labor market tightened a step further. Against the backdrop of this operating environment, we saw continued strong growth in our earnings.

With regards to the earnings performance of our individual sites, “en Career Change Info” site saw a 59.6% increase in sales from the same period during the previous year. Furthermore sales of “en Career Change Consultant” site (a collective site designed for personnel recruiting companies) rose by 20% over the previous year on the back of its renewal in July, which included the opening of a new section called the “High-end Jobs Corner” (a special section of the website including information for jobs ranging from ¥8 to ¥20 million a year in compensation) and other moves to fortify the information provided by this site. Our “en Temporary Placement Info” site (a site for temporary worker dispatch companies) was selected as “the most satisfying worker-dispatch job site” in a recent survey (“Dispatched Worker Site Usage Survey 2005” by Interwired Co., Ltd.) and its sales rose by a remarkable 71.3% year-over-year.

Our “en Part-time Jobs Plus” site (a site advertising part-time job offers for positions where there is a possibility that the worker might be hired later as a full-time employee), which we opened in February 2005, saw a brisk start in the Kanto area, and the site for the Kansai area, which we opened in July, is also contributing to strong growth in this division’s sales. In the area of our new graduate hiring business, we started offering training services for newly hired staff in coordination with our training and evaluation business as our “en Job Info for Students” business entered its third year of operations. Furthermore we are seeing further growth in our “en Job Info for Students” site for new graduates in 2007 hiring season on the back of strong growth seen during 2006.

As a result of our various efforts, our total sales rose by 73.3% year-over-year to ¥7,973 million, ordinary income by 95.5% to ¥2,911 million, and net income by 74.6% to ¥1,519 million. We provide our sales and growth figures for our various business segments below.

Segments \ Period	1 st to 3 rd Quarter FY12/04			1 st to 3 rd Quarter FY12/05		
	Sales (¥1,000)	Share (%)	Yoy change (%)	Sales (¥1,000)	Share (%)	Yoy change (%)
Mid-Career Hiring Business						
en Career Change Info	2,928,672	63.7	37.2	4,675,582	58.6	59.6
en Career Change Consultant	736,015	16.0	25.0	883,579	11.1	20.0
en Temporary Placement Info	687,737	14.9	60.7	1,178,143	14.8	71.3
en Part-time Jobs Plus	—	—	—	174,874	2.2	—
Others	—	—	—	59,251	0.7	—
New-graduate Hiring- Related Business						
en Job Info for Students	157,100	3.4	—	691,457	8.7	340.1
Others	68,811	1.5	—	229,236	2.9	233.1
Training, Evaluation Business	22,305	0.5	—	81,161	1.0	263.9
Total	4,600,642	100.0	46.0	7,973,286	100.0	73.3

(Note)

1. In our mid-career hiring and our new graduate hiring businesses, the others portion is comprised of sales derived from outsourced services which include personnel hiring screening, company information meetings, hiring related consulting and other services.
2. In our new graduate hiring, and training and evaluation related businesses, sales during the first to third quarters of fiscal year December 2004 include only four months of sales from because we acquired the operations of Nihon Brain Center Co., Ltd. in of June 2004.

(1) Financial Position

	Total assets	Shareholders' Equity	Equity ratio	BPS
	Million yen	Million yen	%	Yen
3 rd Quarter FY12/05	8,546	6,334	74.1	26,446.44
3 rd Quarter FY12/04	5,788	4,725	81.6	19,831.44
FY12/04	7,067	5,116	72.4	21,417.22

(Information Relating to Changes in Our Financial Position)

Total assets during the third quarter rose by ¥1,478 million from end of the previous fiscal year to ¥8,546. We attribute this increase to the acquisition of both tangible and intangible assets associated with the renewal of our backbone system and our “en Part-time Jobs Plus” and “en Career Change Consultant” sites. Moreover, we saw an increase in

our tax payables accompanying the rise in our earnings, as well as payments-due associated with aggressive advertising spending to help raise our brand recognition. Our capital rose due to gains in our retained earnings which was supported by increases in unappropriated profits and special reserves for appropriated profits from the previous fiscal year.

3. FY12/05 Earnings Projections (January 1, 2005 to December 31, 2005)

	Net Sales	Ordinary Income	Net Income	EPS
	Million yen	Million yen	Million yen	Yen
Full year	11,200	3,500	1,980	8,266.64

(Note) Our EPS projections are based on the total number of shares outstanding at the end of the third quarter (239,517 shares).

(Information Regarding our Earnings Projections)

We have revised up our earnings projections for the fiscal year December 2005 which were announced on August 18, 2005 at the time of our interim earnings announcement.

The gradual improvement in the Japanese economy has led to increased demand for workers and an improvement in the overall labor market. Against this backdrop, we have been successful in raising the “en” brand recognition, which in turn has enabled us to record strong earnings growth in each of our sites. Additionally our job related information for new graduates, which was integrated last year, entered its third year of operations. And following on the heels of the success of our “en Job Info for Students 2006” campaign, our “en Job Info for Students 2007” campaign is also trending strongly. Although we revised our earnings up previously on August 18, 2005, the better than expected performance of our various sites since then has allowed us to make yet another upward revision to our earnings.

(Note: We base our earnings projections on the most accurate information available at the time of this announcement. However, our actual figures may deviate from our projections due to various unforeseen factors.)

(Quarterly Financial Statement)

1. Quarterly Balance Sheet (Summary)

	3 rd Quarter FY12/04 (September 30, 2004)		3 rd Quarter FY12/05 (September 30, 2005)		Previous Full Fiscal Year (December 31, 2004)	
Categories	Value (¥1,000)	Share (%)	Value (¥1,000)	Share (%)	Value (¥1,000)	Share (%)
(Assets)						
I Current assets						
1. Cash and equivalents	3,576,120		4,199,190		4,569,364	
2. Notes receivable	8,529		7,307		14,633	
3. Accounts receivable	826,412		1,391,335		990,165	
4. Inventories	6,774		7,589		8,810	
5. Prepaid expenses	40,203		134,694		50,869	
6. Others	61,930		111,897		103,601	
Bad credit reserves	△10,554		△13,281		△10,593	
Total current assets	4,509,417	77.9	5,838,733	68.3	5,726,851	81.0
II Fixed assets						
1. Tangible fixed assets						
(1) Buildings	—		125,279		—	
(2) Facilities	91,500		—		89,796	
(3) Equipment and others	191,185		674,281		195,017	
(4) Construction in progress	—		32,900		—	
Total tangible fixed assets	282,686	4.9	832,460	9.7	284,814	4.0
2. Intangible fixed assets						
(1) Trademarks	2,208		3,187		2,140	
(2) Software	94,646		171,817		73,381	
(3) Software in progress	33,757		54,520		95,287	
(4) Telephone deposits	1,351		1,351		1,351	
Total intangible assets	131,964	2.3	230,876	2.7	172,161	2.4
3. Investments and other assets						
(1) Investment securities	98,000		140,000		82,400	
(2) Deferred tax assets	150,000		374,440		150,000	
(3) Long-term deposits	403,240		411,930		408,175	
(4) Insurance reserve fund	200,759		389,217		199,930	
(5) Lease deposits	11,961		328,693		43,038	
Total investments and other assets	863,962	14.9	1,644,281	19.3	883,545	12.6
Total fixed assets	1,278,613	22.1	2,707,618	31.7	1,340,520	19.0
Total assets	5,788,030	100.0	8,546,352	100.0	7,067,372	100.0

	3 rd Quarter FY12/04 (September 30, 2004)		3 rd Quarter FY12/05 (September 30, 2005)		Previous Full Fiscal Year (December 31, 2004)	
Categories	Value (¥1,000)	Share (%)	Value (¥1,000)	Share (%)	Value (¥1,000)	Share (%)
(Liabilities)						
I Current liabilities						
1. Accounts payables	9,511		13,170		12,542	
2. Payments due	473,819		887,763		705,511	
3. Unpaid expenses	98,317		144,891		160,319	
4. Unpaid taxes	270,195		801,246		701,065	
5. Unpaid consumption taxes	59,754		81,406		95,459	
6. Advances received	129,914		273,589		239,138	
7. Deposits	17,366		9,188		34,299	
8. Others	3,360		724		2,266	
Total current liabilities	1,062,238	18.4	2,211,981	25.9	1,950,604	27.6
II Long-term liabilities	—	—	—	—	—	—
Total liabilities	1,062,238	18.4	2,211,981	25.9	1,950,604	27.6
(Shareholders' equity)						
I Capital	774,268	13.4	794,137	9.3	783,002	11.1
II Capital reserves	1,240,840	21.4	1,260,708	14.8	1,249,573	17.7
III Retained earnings						
1. Contingent reserves	—		2,000,000		—	
2. Quarterly unappropriated profits	2,679,136		2,223,070		3,061,894	
Total retained earnings	2,679,136	46.3	4,223,070	49.4	3,061,894	43.3
IV Net unrealized gains on securities and other holdings	31,547	0.5	56,453	0.6	22,296	0.3
Total shareholders' equity	4,725,792	81.6	6,334,371	74.1	5,116,767	72.4
Total liabilities and shareholders' equity	5,788,030	100.0	8,546,352	100.0	7,067,372	100.0

2. Quarterly Income Statement (Summary)

	1 st to 3 rd Quarter FY12/04 (From January 1, 2004 to September 30, 2004)		1 st to 3 rd Quarter FY12/05 (From January 1, 2005 to September 30, 2005)		Previous Full Fiscal Year (From January 1, 2004 to December 31, 2004)	
Categories	Value (¥1,000)	Share (%)	Value (¥1,000)	Share (%)	Value (¥1,000)	Share (%)
I Net sales	4,600,642	100.0	7,973,286	100.0	6,980,678	100.0
II Cost of sales	344,581	7.5	706,790	8.9	572,105	8.2
Gross profits	4,256,061	92.5	7,266,495	91.1	6,408,573	91.8
III Sales, general and administrative expenses	2,772,188	60.2	4,375,306	54.8	4,163,222	59.6
Operating income	1,483,872	32.3	2,891,189	36.3	2,245,350	32.2
IV Non-operating income	6,660	0.1	19,894	0.2	10,513	0.2
V Non-operating expenses	1,179	0.0	—	—	1,192	0.1
Ordinary income	1,489,353	32.4	2,911,083	36.5	2,254,671	32.3
VI Extraordinary losses	—		89,826	1.1	—	
Current net income before taxes	1,489,353	32.4	2,821,256	35.4	2,254,671	32.3
Taxes and other expenses	618,836	13.5	1,301,717	16.3	1,001,396	14.3
Quarterly net income	870,516	18.9	1,519,539	19.1	1,253,275	18.0
Unappropriated retained earnings carried forward from previous term	1,808,619		703,531		1,808,619	
Unappropriated retained earnings	2,679,136		2,223,070		3,061,894	