



En-Japan Inc.

1st Quarter FY12/06 Earnings Announcement (Non-Consolidated)

May 10, 2006

Company Name: En-Japan Inc.

Stock Code: 4849

(URL: <http://corp.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 term. 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. 1st Quarter FY12/06 Financial Position and Earnings Performance (From January 1, 2006 to March 31, 2006)

(1) Earnings Performance (figures are rounded down to the nearest million yen)

	Sales		Operating Income		Ordinary Income		Net Income	
	Million Yen	%yy	Million Yen	%yy	Million Yen	%yy	Million Yen	%yy
1 st Quarter FY12/06	3,574	43.2	1,426	40.9	1,429	41.0	794	37.8
1 st Quarter FY12/05	2,495	95.1	1,012	85.7	1,012	85.5	576	78.0
FY12/05	11,491		3,791		3,826		2,203	

	EPS	Fully Diluted EPS
	Yen	Yen
1 st Quarter FY12/06	3,303.21	3,185.71
1 st Quarter FY12/05	2,411.89	2,330.75
FY12/05	9,205.85	8,873.40

(note) The percentage change comparisons 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 quarter of fiscal year December 2006, (January 1 to March 31, 2006) the effective job offers-to-applicants ratio improved a step further to 1.04 in February from 1.00 in December (Source: Ministry of Health, Labor and Welfare) on the back of the continued recovery in the Japanese economy. Moreover the unemployment rate improved to 4.1%, falling 0.3% points from the end of last year (source: Ministry of Internal Affairs and Communications).

Against this backdrop we continued to take aggressive steps to raise the recognition of our “en” brand and to fortify our marketing function. With regards to our mid-career hiring business, sales from “en Career Change Info,” “en Career Change Consultant” and “en Temporary Placement Info” sites continued to grow strongly, along with brisk sales growth from “en Part-time Jobs Plus” site which was opened in February 2005. Additionally our student job information site called “en Job Info for Students 2007” launched in October 2005 got off to a good start, with sales rising strongly compared with the previous site which was in operation last year.

Consequently our sales rose by 43.2% year-over-year to ¥3,574 million, ordinary income by 41.0% to ¥1,429

million, and net income by 37.8% to ¥794 million during the first quarter of fiscal year December 2006. We provide our sales and growth figures for our various business segments below.

Period Segments	1 st Quarter FY12/05			1 st Quarter FY12/06		
	Sales (¥1,000)	Share (%)	Yoy change (%)	Sales (¥1,000)	Share (%)	Yoy change (%)
Mid-Career Hiring Business						
en Career Change Info	1,478,700	59.3	73.1	1,942,087	54.3	31.3
en Career Change Consultant	273,305	11.0	21.3	344,895	9.7	26.2
en Temporary Placement Info	342,342	13.7	71.6	577,850	16.2	68.8
en Part-time Jobs Plus	17,723	0.7	—	169,665	4.7	857.3
Others	21,067	0.8	—	41,479	1.2	96.9
New-graduate Hiring-Related Business						
en Job Info for Students	216,859	8.7	—	318,601	8.9	46.9
Others	117,864	4.7	—	143,273	4.0	21.6
Training, Evaluation Business	27,308	1.1	—	36,363	1.0	33.2
Total	2,495,170	100.0	95.1	3,574,213	100.0	43.2

(Note)

1. In our mid-career hiring businesses, the others portion is comprised of sales derived from outsourcing services.
2. In our new graduate hiring business, the others portion is comprised of sales derived from consulting and outsourcing services.

(2) Financial Position

	Total assets	Shareholders' Equity	Equity ratio	BPS
	Million yen	Million yen	%	Yen
1 st Quarter FY12/06	9,680	7,235	74.7	30,072.94
1 st Quarter FY12/05	6,873	5,336	77.6	22,318.73
FY12/05	9,949	6,986	70.2	29,049.85

(Information Relating to Changes in Our Financial Position)

At the end of the first quarter our total assets declined by ¥269 million from the end of the previous fiscal year to ¥9,680 million. This decline is attributed primarily to the payment of dividends and taxes, which caused cash and equivalents to decline.

Total liabilities also declined by ¥518 million from the end of the previous fiscal year to ¥2,444 million due to primarily to a ¥531 million reduction in unpaid taxes.

With regard to shareholders' equity, capital reserves increased by approximately ¥7 million due to the exercise of stock options, and unappropriated retained earnings rose by ¥241 million due to strong growth in net income. Consequently shareholders' equity rose by ¥249 million from the end of the previous fiscal year to ¥7,235 million.

3. FY12/06 Earnings Projections (January 1, 2006 to December 31, 2006)

	Net Sales	Ordinary Income	Net Income	EPS
	Million yen	Million yen	Million yen	Yen
Full Year	15,420	4,716	2,630	10,926.06

(Note) Our EPS projections are based on the total number of shares outstanding at the end of the first quarter (240,709 shares).

(Information Regarding Our Earnings Projections)

We made no changes to our original earnings projections for the fiscal year December 2006 announced on February 15, 2006. These projections are based on the best information available at the time of their announcement and our actual results may deviate from these projections due to various unforeseen factors.

(Quarterly Financial Statement)

1. Quarterly Balance Sheet (Summary)

	1 st Quarter FY12/05 (March 31, 2005)		1 st Quarter FY12/06 (March 31, 2006)		Previous Full Fiscal Year (December 31, 2005)	
Categories	Value (¥1,000)	Share (%)	Value (¥1,000)	Share (%)	Value (¥1,000)	Share (%)
(Assets)						
I Current assets						
1. Cash and equivalents	4,073,479		4,880,291		5,565,531	
2. Notes receivable	10,689		20,036		10,433	
3. Accounts receivable	1,098,046		1,574,747		1,473,310	
4. Inventories	15,880		15,956		10,738	
5. Prepaid expenses	45,223		170,276		163,666	
6. Others	104,109		178,267		161,681	
Bad credit reserves	-12,402		-19,306		-16,626	
Total current assets	5,335,027	77.6	6,820,270	70.4	7,368,735	74.1
II Fixed assets						
1. Tangible fixed assets						
(1) Buildings	—		118,108		119,856	
(2) Facilities	86,731		—		—	
(3) Equipment and others	196,192		563,408		597,749	
(4) Construction in progress	—		94,255		38,637	
Total tangible fixed assets	282,923	4.1	775,772	8.0	756,243	7.6
2. Intangible fixed assets						
(1) Trademarks	2,748		4,595		3,090	
(2) Software	130,231		138,987		160,584	
(3) Software in progress	26,976		346,478		142,195	
(4) Telephone deposits	1,351		1,351		1,351	
Total intangible assets	161,308	2.3	491,413	5.1	307,222	3.1
3. Investments and other assets						
(1) Investment securities	78,400		98,206		25,000	
(2) Prepayments	—		251,578		271,338	
(3) Long term deposits	362,780		390,424		384,140	
(4) Insurance reserve fund	408,868		414,405		413,235	
(5) Lease deposits	199,930		346,889		331,890	
(6) Others	44,666		91,749		91,749	
Total investments and other assets	1,094,645	16.0	1,593,253	16.5	1,517,355	15.2
Total fixed assets	1,538,878	22.4	2,860,439	29.6	2,580,821	25.9
Total assets	6,873,905	100.0	9,680,709	100.0	9,949,557	100.0

	1 st Quarter FY12/05 (March 31, 2005)		1 st Quarter FY12/06 (March 31, 2006)		Previous Full Fiscal Year (December 31, 2005)	
Categories	Value (¥1,000)	Share (%)	Value (¥1,000)	Share (%)	Value (¥1,000)	Share (%)
(Liabilities)						
I Current liabilities						
1. Accounts payables	10,886		20,005		62,730	
2. Payments due	617,844		1,046,555		1,023,714	
3. Unpaid expenses	113,466		55,237		69,748	
4. Unpaid taxes	438,612		642,724		1,174,419	
5. Unpaid consumption taxes	68,552		102,408		123,675	
6. Advances received	227,969		348,857		364,860	
7. Deposits	—		164,460		100,350	
8. Others	60,545		64,733		43,860	
Total current liabilities	1,537,877	22.4	2,444,981	25.3	2,963,360	29.8
Total liabilities	1,537,877	22.4	2,444,981	25.3	2,963,360	29.8
(Shareholders' equity)						
I Capital	784,811	11.4	810,309	8.4	806,379	8.1
II Capital reserves	1,251,383	18.2	1,276,879	13.2	1,272,950	12.8
III Retained earnings						
1. Contingent reserves	2,000,000		2,000,000	20.6	2,000,000	
2. Quarterly unappropriated profits	1,279,908		3,148,539	32.5	2,906,867	
Total retained earnings	3,279,908	47.7	5,148,539	53.1	4,906,867	49.3
IV Net unrealized gains on securities and other holdings	19,924	0.3	—	—	—	—
Total shareholders' equity	5,336,027	77.6	7,235,728	74.7	6,986,197	70.2
Total liabilities and shareholders' equity	6,873,905	100.0	9,680,709	100.0	9,949,557	100.0

2. Quarterly Income Statement (Summary)

	1 st Quarter FY12/05 (From January 1, 2005 to March 31, 2005)		1 st Quarter FY12/06 (From January 1, 2006 to March 31, 2006)		Previous Full Fiscal Year (From January 1, 2005 to December 31, 2005)	
Categories	Value (¥1,000)	Share (%)	Value (¥1,000)	Share (%)	Value (¥1,000)	Share (%)
I Net sales	2,495,170	100.0	3,574,213	100.0	11,491,772	100.0
II Cost of sales	217,141	8.7	307,502	8.6	1,097,051	9.5
Gross profits	2,278,029	91.3	3,266,710	91.4	10,394,720	90.5
III Sales, general and administrative expenses	1,265,882	50.7	1,840,198	51.5	6,603,000	57.5
Operating income	1,012,146	40.6	1,426,511	39.9	3,791,720	33.0
IV Non-operating income	3,777	0.1	5,621	0.2	34,852	0.3
V Non-operating expenses	2,980	0.1	3,026	0.1	450	0.0
Ordinary income	1,012,944	40.6	1,429,107	40.0	3,826,122	33.3
VI Extraordinary profit	—	—	—	—	81,308	0.7
VII Extraordinary losses	—	—	5,465	0.2	96,147	0.8
Current net income before taxes	1,012,944	40.6	1,423,642	39.8	3,811,282	33.2
Taxes and other expenses	436,567	17.5	628,843	17.6	1,607,946	14.0
Quarterly net income	576,376	23.1	794,798	22.2	2,203,336	19.2
Unappropriated retained earnings carried forward from previous term	703,531		2,353,740		703,531	
Unappropriated retained earnings	1,279,908		3,148,539		2,906,867	