



En-Japan Inc.

1st Quarter FY December 2007 Earnings Announcement (Non-Consolidated) May 9, 2007

Company Name: En-Japan Inc.

Stock Code: 4849

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

Osaka Securities Exchange (Hercules Market)

Senior Director: President and CEO, Michikatsu Ochi

Telephone: +81-3-3342-4506

Contact: Managing Director, Takashi Fujino

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 corporate tax rate calculation based on our billings.
- 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 FY12/07 Financial Position and Aggregated Earnings Performance (From January 1, 2007 to March 31, 2007)

(1) Earnings Performance (figures are rounded 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 FY12/07	5,135	43.7	1,627	14.1	1,634	14.4	907	14.2
1 st Quarter FY12/06	3,574	43.2	1,426	40.9	1,429	41.0	794	37.8
FY12/06	16,919		5,605		5,607		3,105	

	EPS	Fully Diluted EPS
	Yen	Yen
1 st Quarter FY12/07	3,751.89	3,638.84
1 st Quarter FY12/06	3,303.21	3,185.71
FY12/06	12,892.66	12,460.36

(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 quarter of the fiscal year under review (from January 1, 2007 to March 31, 2007), the Japanese economy continued to expand due to strong manufacturing activities which accompanied favorable trends in capital investments, exports and domestic demand. Moreover, the overall employment environment continued to trend strongly from the previous fiscal year and allowed the effective job offers-to-applicants ratio to remain above 1.0.

Against this backdrop, our ongoing promotional activities and fortified marketing capabilities allowed sales of all of our businesses and all of our sites to trend favorably. Consequently we were able to exceed our performance of the first quarter during the previous fiscal year by a large margin.

At the same time, the promotional activities we conducted during the first quarter included posting of lit sign boards based on our new television commercials and became our largest advertising campaign since we were established. Furthermore with a view to the future, we made investments in expanded office space and other facilities necessary to accommodate an expansion in the number of our staff from April forward.

Consequently our total sales rose by 43.7% year-over-year to ¥5,135 million, and operating, ordinary and net incomes grew by 14.1% year-over-year to ¥1,627 million, 14.4% year-over-year to ¥1,634 million, and 14.2% year-over-year to ¥907 million respectively.

Sales by Our Various Business Segments

Period Segments	1 st Quarter FY12/06			1 st Quarter FY12/07		
	Sales (¥1,000)	Share (%)	YY change (%)	Sales (¥1,000)	Share (%)	YY change (%)
Mid-Career Hiring Business						
en Career Change Info	1,942,087	54.3	31.3	2,964,074	57.7	52.6
en Career Change Consultant	344,895	9.7	26.2	463,370	9.0	34.4
en Temporary Placement Info	577,850	16.2	68.8	743,472	14.5	28.7
en Part-time Jobs Plus	169,665	4.7	857.3	272,290	5.3	60.5
Others	41,479	1.2	96.9	45,029	0.9	8.6
New-graduate Hiring-Related Business						
en Job Info for Students	318,601	8.9	46.9	427,536	8.3	34.2
Others	143,273	4.0	21.6	177,500	3.5	23.9
Training, Evaluation Business	36,363	1.0	33.2	42,086	0.8	15.7
Total	3,574,213	100.0	43.2	5,135,359	100.0	43.7

(Note)

1. In our mid-career hiring business, 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	Net Assets	Net Asset Ratio	BPS
	Million yen	Million yen	%	Yen
1 st Quarter FY12/07	13,180	9,783	74.2	40,439.92
1 st Quarter FY12/06	9,680	7,235	74.7	30,072.94
FY12/06	14,129	9,611	68.0	39,746.13

(Information Relating to Changes in Our Financial Position)

At the end of the first quarter of the fiscal year under review, our total assets declined by ¥948 million from the end of the previous fiscal year to ¥13,180 million. We attribute this decline to the payment of dividends and corporate taxes which caused cash and deposits to decline by ¥1,271 million. Additionally we acquired tangible fixed assets of ¥185 million, and investment securities of ¥154 million.

At the end of the first quarter, net assets increased by ¥172 million to ¥9,783 million. This increase is attributed primarily to a rise of ¥157 million in retained earnings carried forward.

(3) Cash Flow Conditions

	Operating Cash Flow	Investing Cash Flow	Financing Cash Flow	Cash and Equivalents at Term End
	Million yen	Million yen	Million yen	Million yen
1 st Quarter FY12/07	-100	-500	-669	4,902
1 st Quarter FY12/06	41	-215	-505	4,885
FY12/06	4,076	-2,986	-481	6,173

We saw a ¥100 million outflow of cash and equivalents for our operating activities. The main factors behind this outflow was an inflow of ¥1,630 million from net income before taxes along with an outflow of ¥1,804 million for payment of corporate and other taxes.

In our investment activities we saw an outflow of ¥500 million. The main reason behind this outflow was the ¥108 investment for expanded office space, a lit sign board advertising campaign, and acquisition of tangible fixed assets. Furthermore we saw an outflow of ¥180 million for acquisition of intangible assets associated with the development of our various websites, and ¥160 million for the purchase of investment securities.

We saw a net outflow of ¥669 million in our financing activities. The main factor behind this outflow was an ¥686 million payment for dividends.

Consequently we saw a ¥1,271 million decline in our cash and equivalents from the end of the previous fiscal year to ¥4,902 million.

3. FY December 2007 Earnings Projections (From January 1, 2007 to December 31, 2007)

	Sales	Ordinary Income	Net Income	EPS
FY 12/07	Million yen 23,200	Million yen 7,000	Million yen 3,758	Yen 15,533.80

(Note) Our EPS projections are based on the number of outstanding shares as of the end of the 1st quarter (241,924 shares).

(Information Relating to Our Earnings Projections)

With regards to our fiscal year December 2007 earnings projections, we maintain our outstanding earnings projection, which were originally announced on February 14, 2007. These projections are based on the best information available to us at the time of this announcement. However our actual results may deviate from these projections due to various unforeseen factors.

(Reference Information)

1. Balance Sheet (Summary)

Term Categories	1 st Quarter FY12/06 (As of March 31, 2006)		1 st Quarter FY12/07 (As of March 31, 2007)		FY12/06 (As of December 31, 2006)		Change from previous FY end
	Value (¥1,000)	Share (%)	Value (¥1,000)	Share (%)	Value (¥1,000)	Share (%)	Value (¥1,000)
(Assets)							
I Current Assets							
1. Cash and equivalents	4,880,291		4,902,311		6,173,772		
2. Notes receivables	20,036		10,703		16,853		
3. Accounts receivables	1,574,747		2,245,303		2,275,791		
4. Inventories	15,956		17,336		13,630		
5. Prepaid expenses	170,276		256,849		224,044		
6. Others	178,267		265,284		333,960		
Bad credit reserves	-19,306		-31,646		-33,772		
Total current assets	6,820,270	70.4	7,666,142	58.2	9,004,281	63.7	-1,338,139
II Fixed Assets							
1. Tangible fixed assets							
(1) Buildings	118,108		124,965		110,705		
(2) Structures, facilities	—		77,027		—		
(3) Equipment	563,408		547,826		515,356		
(4) Construction in progress	94,255		95,427		33,775		
Total tangible fixed assets	775,772	8.0	845,246	6.4	659,837	4.7	185,409
2. Intangible Fixed Assets							
(1) Trademarks	4,595		4,657		4,165		
(2) Software	138,987		612,995		644,478		
(3) Software in progress	346,478		249,076		199,591		
(4) Telephone deposits	1,351		1,351		1,351		
Total intangible fixed assets	491,413	5.1	868,080	6.6	849,587	6.0	18,492
3. Investments and other assets							
(1) Investment securities	98,206		494,806		340,019		
(2) Securities in affiliates	—		571,594		571,594		
(3) Long-term prepaid expenses	251,578		174,548		195,039		
(4) Long-term deposits	390,424		1,386,100		1,388,220		
(5) Insurance reserve fund	414,405		422,771		422,090		
(6) Lease deposits	346,889		655,466		604,378		
(7) Others	91,749		95,714		94,294		
Total investments and other assets	1,593,253	16.5	3,801,002	28.8	3,615,637	25.6	185,364
Total fixed assets	2,860,439	29.6	5,514,329	41.8	5,125,062	36.3	389,266
Total assets	9,680,709	100.0	13,180,472	100.0	14,129,344	100.0	-948,872

Term Categories	1 st Quarter FY12/06 (As of March 31, 2006)		1 st Quarter FY12/07 (As of March 31, 2007)		FY12/06 (As of December 31, 2006)		Change from previous FY end
	Value (¥1,000)	Share (%)	Value (¥1,000)	Share (%)	Value (¥1,000)	Share (%)	Value (¥1,000)
(Liabilities)							
I Current Liabilities							
1. Accounts payable	20,005		60,840		79,979		
2. Payments due	1,046,555		1,552,359		1,459,616		
3. Unpaid expenses	55,237		188,193		309,229		
4. Unpaid corporate taxes	642,724		648,205		1,848,360		
5. Unpaid consumption taxes	102,408		126,576		228,573		
6. Advances received	348,857		380,681		327,737		
7. Bonus reserves	164,460		289,481		147,992		
8. Others	64,733		150,747		116,763		
Total current liabilities	2,444,981	25.3	3,397,084	25.8	4,518,254	32.0	-1,121,169
Total liabilities	2,444,981	25.3	3,397,084	25.8	4,518,254	32.0	-1,121,169
(Shareholders' equity)							
I Capital	810,309	8.4	—	—	—	—	—
II Capital reserves	1,276,879	13.2	—	—	—	—	—
III Retained earnings							
1. Unappropriated reserves	2,000,000	20.6	—	—	—	—	—
2. Unappropriated earnings	3,148,539	32.5	—	—	—	—	—
Total retained earnings	5,148,539	53.1	—	—	—	—	—
Total shareholders' equity	7,235,728	74.7	—	—	—	—	—
Total liabilities and shareholders' equity	9,680,709	100.0	—	—	—	—	—
(Net assets)							
I Shareholders' equity							
1. Capital	—	—	849,525	6.4	841,221	6.0	8,304
2. Capital reserves							
(1) Capital surplus reserves	—	—	1,316,094	10.0	1,307,790	9.2	8,304
Total capital reserves	—	—	1,316,094	10.0	1,307,790	9.2	8,304
3. Retained earnings							
(1) Unappropriated reserves							
Contingent reserves	—	—	2,000,000	57.8	2,000,000	52.8	157,774
Reserves carried forward	—	—	5,617,459	74.2	5,459,685	68.0	174,382
Total retained earnings	—	—	7,617,459	57.8	7,459,685	52.8	157,774
Total shareholders' equity	—	—	9,783,080	74.2	9,608,697	68.0	174,382
II Valuation, translation gains							
1. Gains on other securities	—	—	306	0.0	2,393	0.0	-2,086
Total valuation, translation gains	—	—	306	0.0	2,393	0.0	-2,086
Total net assets	—	—	9,783,387	74.2	9,611,090	68.0	172,296
Total liabilities and net assets	—	—	13,180,472	100.0	14,129,344	100.0	-948,872

2. Income Statement (Summary)

Categories	Term	1 st Quarter FY12/06 (From January 1, 2006 to March 31, 2006)		1 st Quarter FY12/07 (From January 1, 2007 to March 31, 2007)		YoY change	Previous Fiscal Year (From January 1, 2006 to December 31, 2006)	
		Value (¥1,000)	Share (%)	Value (¥1,000)	Share (%)	Value (¥1,000)	Value (¥1,000)	Share (%)
I	Sales	3,574,213	100.0	5,135,359	100.0	1,561,146	16,919,926	100.0
II	Cost of sales	307,502	8.6	446,191	8.7	138,688	1,604,439	9.5
	Gross income	3,266,710	91.4	4,689,168	91.3	1,422,457	15,315,487	90.5
III	Sales, general and administrative expenses	1,840,198	51.5	3,061,236	59.6	1,221,037	9,710,010	57.4
	Operating income	1,426,511	39.9	1,627,932	31.7	201,420	5,605,476	33.1
IV	Non-operating income	5,621	0.2	10,203	0.2	4,581	30,842	0.2
V	Non-operating expense	3,026	0.1	3,886	0.1	859	29,263	0.2
	Ordinary income	1,429,107	40.0	1,634,249	31.8	205,141	5,607,055	33.1
VI	Extraordinary loss	5,465	0.2	4,026	0.1	-1,439	16,038	0.1
	Net income before taxes	1,423,642	39.8	1,630,223	31.7	206,581	5,591,017	33.0
	Taxes	628,843	17.6	722,832	14.0	93,988	2,485,072	14.6
	Net income	794,798	22.2	907,391	17.7	112,592	3,105,944	18.4