

en-japan inc.



3rd Quarter FY March 2013 Earnings Announcement [Japan GAAP] (Consolidated)

February 8, 2013

Company Name	en-japan inc.	Listing Exchanges	Osaka Securities Exchange (Jasdaq Market)
Stock Code	4849	URL	http://corp.en-japan.com/
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	Vice President and		
Contact (Title)	Managing Director,	(Name)	Takashi Fujino
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Scheduled date for submission of Quarterly Report	February 12, 2013		
Scheduled date to begin dividend payments	-		
Preparation of Quarterly Summary Supplementary Explanatory Materials	Yes		
Quarterly Earnings Briefing	None		

(Figures rounded down to nearest million yen)

1. FY Ending March 2013 Third Quarter Year-to-Date Operating Results (From April 1, 2012 to December 31, 2012)

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

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FYE 3/13 3rd Qtr	10,236	-	2,316	-	2,403	-	1,459	-
FYE 3/12 3rd Qtr	8,902	34.3	1,680	99.5	1,533	76.4	686	68.1

(Note) 1. Comprehensive income FYE3/13 3rd Qtr 1,738 million yen (-%) FYE3/12 3rd Qtr 737 million yen (-%)

2. The Company changed its fiscal year-end from December 31 to March 31 effective the fiscal year ended March 31, 2012. Given that, in conjunction with this change, the third quarter of FYE 3/13 (April to December) and the third quarter of FYE 3/12 (January to September) differ in terms of the months subject to comparison, year-on-year changes from the third quarter of the previous term to the third quarter of FYE 3/13 are not shown above.

	EPS	Fully Diluted EPS
	Yen	Yen
FYE 3/13 3rd Qtr	6,586.25	6,583.31
FYE 3/12 3rd Qtr	3,100.75	3,097.10

(2) Consolidated Financial Position

	Total Assets	Net Assets	Net Asset Ratio
	Million yen	Million yen	%
FYE 3/13 3rd Qtr	17,653	14,893	84.4
FYE 3/12	16,084	13,581	84.4

(Reference) Core capital FYE 3/13 3rd Qtr 14,893 million yen FYE 3/12 13,581 million yen

2. Dividends

	Dividends per Share					
	1st Quarter-end	2nd Quarter-end	3rd Quarter-end	4th Quarter-end	Year-end	Full Year
	Yen	Yen	Yen	Yen	Yen	Yen
FYE 3/12	-	-	0.00	-	1,850.00	1,850.00
FYE 3/13	-	0.00	-			
FYE 3/13 (projected)					1,950.00	1,950.00

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

3. FY Ending March 2013 Projected Consolidated Operating Results (April 1, 2012 - March 31, 2013)

(Percentages indicate percent change from the prior fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income		EPS
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	13,770	—	2,700	—	2,800	—	1,530	—	6,903.77

(Note) 1. Revisions to the Company's latest operating results projections: None

2. Due to the Company's change of fiscal year-end, FYE 3/12 covered a transitional period of 15 months. Therefore, year-on-year changes for the consolidated operating results projections of FYE 3/13 are not shown.

* Notes

- (1) Changes in status of material subsidiaries during the quarter year-to-date period under review
(Changes to specified subsidiaries accompanying the additional consolidation or removal from consolidation of companies) No
Newly included - companies (Name of company), Excluded - companies (Name of company)
- (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: Yes
 - d. Restatement due to correction: No

(Note) The Company changed the depreciation method effective the first quarter of the fiscal year under review, which is applicable to "a case when a change in accounting policy is difficult to distinguish from a change in accounting estimates." For details, please refer to "(3) Changes in accounting policy, changes in accounting estimates, or restatement due to correction" in "2. Matters Concerning Summary Information (Notes)" on page 5 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 3/13 3rd Qtr 246,142 shares FYE 3/12 246,118 shares
- b. Number of shares of treasury stock at the end of the period
FYE 3/13 3rd Qtr 24,500 shares FYE 3/12 24,500 shares
- c. Average number of shares issued during the period (Quarter Year-to-Date)
FYE 3/13 3rd Qtr 221,641 shares FYE 3/12 3rd Qtr 221,423 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 procedure over the quarterly consolidated financial statements is in process.

Explanation regarding appropriate use of operating results projections, 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. For matters concerning projected operating results, please refer to "Qualitative Information Concerning Consolidated Operating Results Projections" on page 4 of the Attachments.

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1. Qualitative Information of Consolidated Performance during the quarter under review

Following the Company's change of fiscal year-end from December 31 to March 31, the previous fiscal term (FYE3/12) covered a transitional period of 15 months. Given that, in conjunction with this change, the third quarter year-to-date period of the previous FYE 3/12 (January 1, 2011 to September 30, 2011) and the third quarter year-to-date period of the fiscal year under review (April 1, 2012 to December 31, 2012) differ in terms of the months subject to comparison, year-on-year comparisons from the third quarter year-to-date period of the previous fiscal year are not made.

(1) Qualitative Information Concerning Consolidated Operating Results

During the third quarter year-to-date period of the fiscal year ending March 31, 2013, the economic outlook continued to be uncertain in Japan, due primarily to the sovereign debt crisis in Europe and the economic slowdowns in emerging countries. However, corporate production activities and individual consumption were on a moderate recovery track, backed by the restoration demand associated with the Great East Japan Earthquake.

The employment environment has been showing signs of recovery as the effective ratio of job offers to job seekers in December 2012 improved from the month before.

Under such circumstances, the en-japan Group worked to reinforce measures on its mainstay website, [en] Career Change Info, to expand the sales of contingent-fee-type job advertising and increase the number of persons joining companies.

In addition, the en-japan Group worked to expand its product lineups and reinforce its sites. Specifically, the Group launched [en] Temp to Perm Info, a recruitment site for females wishing to work as full-time employees, in December 2012. In addition, site renewals were implemented for [en] Career Change Consultant, [en] Temporary Placement Info, and [en] New Career Challenges.

In the overseas business, a job placement agency, en world Korea Co., Ltd., was established in South Korea in November 2012 and it began operating in December of that year.

As a result, the Company recorded net sales of ¥ 10,236 million, operating income of ¥ 2,316 million, ordinary income of ¥ 2,403 million and net income of ¥ 1,459 million for the third quarter year-to-date period of the fiscal year ending March 2013.

Provided below for reference are year-on-year comparisons of operating results for the same month periods.

(Reference) Year-on-year comparisons of operating results for the April-December period (Unit: Million yen)

	2nd to 4th Quarters of FYE 3/12 (April to December 2011)	3rd Quarter Year-to-Date of FYE 3/13 (April to December 2012)	Year-on-Year Change (%)
Net sales	9,459	10,236	8.2%
Operating income	2,081	2,316	11.3%
Ordinary income	1,986	2,403	20.9%
Net income	1,013	1,459	44.1%

[1] Mid-Career Hiring Business

In [en] Career Change Info, the Company focused on contingent-fee-type job advertising by implementing various measures to expand net sales, including the launch of a new product in November 2012. As a result, the number of job listings in the contingent-fee-type job advertising and the number of persons joining companies increased year on year, although the number fell short of the plan. The Company launched a new product also in December 2012 and has been reinforcing its efforts toward increasing the number of persons joining companies and expanding net sales.

Meanwhile, charge-per-listing job advertising indicated steady performance and generally achieved the number of listings and net sales as planned.

In [en] Temporary Placement Info, net sales exceeded the plan, mainly as a result of implementing site renewals and achieving favorable sales of new products for small-size temporary staffing companies.

[en] Career Change Consultant posted net sales above the plan, thanks to the increased number of customers repeatedly using the services and the strong performance of success-fee based services.

In [en] New Career Challenges, site renewals brought about positive effects as expected, including a rise in the number of listings and total number of applications. Furthermore, demand for sales and administrative positions continued to be high. As a result, net sales exceeded the plan.

[en] Temp to Perm Info is a site that provides only job postings that call for “full-time employees or positions with the option of upgrading to a full-time employee” mainly of temporary staffing agencies. The site was opened on December 10, 2012 and has since been steadily increasing the number of registered users, and actual job placements have already been made. en-japan will continue to work on increasing the number of corporate users as well as registered users through reinforcing sales and promotional activities.

Sales at en world Japan K.K. exceeded the plan, thanks to the strong performance of “en premium,” a job placement service brand for growing Japanese companies on top of the continuing high hiring needs among global companies and the effectiveness of the skills developed by newly employed staff members.

As a result, net sales were ¥ 8,811 million, and operating income were ¥ 2,127 million for the third quarter year-to-date period of the fiscal year ending March 2013.

[2] New Graduate Hiring Business

[en] Job Info for Students 2014 for students graduating in March 2014 was opened on December 1, 2012. Given that many companies faced difficulties in securing the number of applicants in the previous fiscal year, some companies took earlier steps in accepting entries and holding company information sessions.

Under such circumstances, [en] Job Info for Students 2014 attracted repeat customers and steadily sold new products. Consequently, the site secured an increase in the number of corporate listings and a higher unit price compared to the results of the fiscal year before.

As a result, net sales amounted to ¥ 1,167 million and operating income were ¥ 190 million for the third quarter year-to-date period of the fiscal year ending March 2013.

[3] Education/Evaluation Business

The flat-rate training service en-College posted higher net sales year on year, due to an increase in the number of new corporate members in April 2012 and the addition of members also in the third quarter.

As a result, net sales were ¥ 224 million, and operating income were ¥ 35 million for the third quarter year-to-date period of the fiscal year ending March 2013.

Provided below for reference are year-on-year comparisons of operating results by segment for the same month periods.

(Reference) Year-on-year comparisons of operating results by segment for the April- December period (Unit: Million yen)

		2nd to 4th Quarters of FYE 3/12 (April to December 2011)	3rd Quarter Year-to- Date of FYE 3/13 (April to December 2012)	Year-on-Year Change (%)
Mid-Career Hiring Business	Net Sales	8,172	8,811	7.8%
	Operating income	2,337	2,127	-9.0%
New Graduate Hiring	Net Sales	1,011	1,167	15.5%

Business	Operating income	-59	190	—
Education/Evaluation	Net Sales	189	224	18.1%
Business	Operating income	-4	35	—

(2) Qualitative Information Concerning Consolidated Financial Position

Assets, liabilities and net assets

Total assets at the end of the third quarter of the fiscal year ending in March 2013 increased by ¥1,569 million compared with the end of the previous fiscal year to ¥17,653 million. This mainly reflected an increase in cash and deposits of ¥1,860 million.

Total liabilities at the end of the third quarter under review were ¥2,760 million, an increase of ¥258 million compared with the end of the previous fiscal year. This is mainly due to an increase in deferred tax liabilities of 125 million yen and an increase in corporate and other taxes payable of 82 million yen.

Total net assets were ¥ 14,893 million, up by ¥ 1,311 million compared with the end of the previous fiscal year. The growth in net assets was mainly the result of an increase in retained earnings of ¥ 1,031 million and an increase in valuation difference on other investment securities of ¥ 269 million.

(3) Qualitative Information Concerning Consolidated Operating Results Projections

There is no change to the consolidated full-year operating results projections for the year ending March 31, 2013, which were announced on November 12, 2012.

2. Summary Information (Notes)

(1) Changes in status of material subsidiaries during the quarter year-to-date period under review

The Company had no material items to report.

(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

(Change in accounting policy, which is difficult to distinguish from a change in accounting estimates)

In conjunction with the revision to the Corporation Tax Act, the Company and its consolidated subsidiaries adopt the depreciation method based on the revised Corporation Tax Act for property, plant and equipment acquired on or after April 1, 2012 effective the first quarter of the fiscal year under review.

The impact of this change on profit and loss for the third quarter year-to-date period of the fiscal year under review is minimal.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Unit: Thousand yen)

	Previous Fiscal Year (As of March 31, 2012)	Third Quarter of Current Fiscal Year (As of December 31, 2012)
Assets		
Current Assets		
Cash and deposits	7,815,613	9,676,336
Notes and accounts receivable	1,303,775	1,602,064
Other	437,300	542,654
Reserve for bad debts	-6,238	-14,738
Total Current Assets	9,550,450	11,806,317
Fixed Assets		
Tangible fixed assets	539,162	470,975
Intangible fixed assets		
Goodwill	1,471,173	1,343,649
Other	699,803	863,684
Total intangible fixed assets	2,170,977	2,207,333
Investments and other assets		
Investment securities	2,244,639	1,896,876
Other	1,592,104	1,285,607
Reserve for bad debts	-13,211	-13,392
Total Investments and Other Assets	3,823,533	3,169,091
Total Fixed Assets	6,533,672	5,847,400
Total Assets	16,084,123	17,653,717
Liabilities		
Current Liabilities		
Accounts payable	33,950	24,937
Lease liabilities	31,416	26,068
Corporate and other taxes payable	235,067	317,615
Reserve for bonuses	391,225	348,549
Other	1,682,109	1,754,418
Total Current Liabilities	2,373,770	2,471,589
Long-term Liabilities		
Long-term accrued amount payable	66,498	98,334
Lease liabilities	35,045	15,878
Asset retirement obligations	26,818	49,224
Deferred tax liabilities	—	125,284
Total Long-term Liabilities	128,361	288,722
Total Liabilities	2,502,132	2,760,311
Net Assets		
Shareholders' Equity		
Paid-in capital	977,812	978,478
Capital surplus	1,444,376	1,445,043
Retained earnings	14,101,568	15,132,930
Treasury stock	-3,438,187	-3,438,187
Total Shareholders' Equity	13,085,570	14,118,264
Accumulated other comprehensive income		
Valuation difference on other investment securities	507,138	776,781
Foreign currency translation adjustment	-10,717	-1,640
Total accumulated other comprehensive income	496,421	775,140
Total Net Assets	13,581,991	14,893,405
Total Liabilities and Net Assets	16,084,123	17,653,717

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

Quarterly Consolidated Statements of Income

Third Quarter Consolidated Year to Date

(Unit: Thousand yen)

	Third Quarter Consolidated Year-to- Date of the Previous Fiscal Year (From January 1, 2011 to September 30, 2011)	Third Quarter Consolidated Year-to- Date of the Current Fiscal Year (From April 1, 2012 to December 31, 2012)
Net sales	8,902,339	10,236,550
Cost of sales	1,392,605	1,425,153
Gross income	7,509,733	8,811,397
Selling, general and administrative expenses	5,829,338	6,495,344
Operating income	1,680,395	2,316,052
Non-operating income		
Interest received	16,036	10,720
Dividends income	30,000	36,374
Gain on investments in partnership	1,243	—
Equity in earnings of affiliates	50,656	35,095
Gain on sales of investment securities	—	12,973
Miscellaneous income	8,645	12,146
Total non-operating income	106,582	107,310
Non-operating expenses		
Loss on investments in partnership	—	2,662
Office transfer expenses	—	14,170
Rent payable	52,885	—
Contribution	130,000	—
Miscellaneous loss	70,774	3,344
Total non-operating expenses	253,659	20,177
Ordinary income	1,533,317	2,403,186
Extraordinary income		
Gain on sales of subsidiaries and affiliates' stocks	—	58,122
Reversal of reserve for bad debts	10,000	—
Total extraordinary income	10,000	58,122
Extraordinary loss		
Loss on retirement of property, plant and equipment	68,458	1,593
Effect of application in accounting standard for asset retirement obligations	4,247	—
Loss on valuation of investment securities	—	20,665
Subsidiary establishment expenses	101,514	—
Total extraordinary loss	174,220	22,258
Net income (loss) before taxes	1,369,096	2,439,049
Corporate, local and business taxes	669,310	813,851
Corporate tax adjustment	-2,624	165,415
Total tax expense	666,686	979,266
Income before minority interests	702,409	1,459,782
Small-lot shareholder income (loss)	15,831	—
Net income (loss)	686,578	1,459,782

Quarterly Consolidated Statements of Comprehensive Income

Third Quarter Consolidated Year to Date

(Unit: Thousand yen)

	Third Quarter Consolidated Year-to- Date of the Previous Fiscal Year (From January 1, 2011 to September 30, 2011)	Third Quarter Consolidated Year-to- Date of the Current Fiscal Year (From April 1, 2012 to December 31, 2012)
Income before minority interests	702,409	1,459,782
Other comprehensive income		
Valuation difference on other investment securities	45,101	269,642
Share of other comprehensive income of associates	-9,515	9,076
Total other comprehensive income	35,586	278,719
Comprehensive income	737,996	1,738,501
(Factor that comprehensive is income attributable to)		
Comprehensive income attributable to owners of the parent	722,164	1,738,501
Comprehensive income attributable to minority interests	15,831	—

(3) Notes Relating to the Going Concern Assumption

There are no pertinent items.

(4) Segment Information

[Segment Information]

I Third quarter consolidated accounting period of the previous fiscal year (January 1, 2011 to September 30, 2011)

1 Information on sales and profit/loss by reporting segment

(Unit: Thousand yen)

	Reporting segments				Others (see notes)	Total
	Mid-Career Hiring Business	New Graduate Hiring Business	Education/ Evaluation Business	Total		
Net sales						
Sales to outside customers	8,022,144	620,244	176,941	8,819,330	83,009	8,902,339
Internal sales among segments, transfers	—	—	—	—	—	—
Total	8,022,144	620,244	176,941	8,819,330	83,009	8,902,339
Segment profit/loss (-)	2,357,918	-418,523	-24,833	1,914,561	-234,166	1,680,395

(Notes)

1. “Other” includes the [en] Wedding and FINE businesses that are not included in the three reporting segments.
2. The sum of the segment profit/loss equals the operating income/loss in the consolidated income statement.

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

There are no pertinent items.

II Third quarter consolidated accounting period under review (from April 1, 2012 to December 31, 2012)

1 Information on sales and profit/loss by reporting segment

(Unit: Thousand yen)

	Reporting segments				Others (see notes)	Total
	Mid-Career Hiring Business	New Graduate Hiring Business	Education/ Evaluation Business	Total		
Net sales						
Sales to outside customers	8,811,082	1,167,903	224,270	10,203,256	33,293	10,236,550
Internal sales among segments, transfers	—	—	—	—	—	—
Total	8,811,082	1,167,903	224,270	10,203,256	33,293	10,236,550
Segment profit/loss (-)	2,127,099	190,138	35,657	2,352,894	-36,842	2,316,052

(Notes)

1. “Other” includes the en-Wedding and FINE businesses that are not included in the three reporting segments.
2. The sum of the segment profit/loss equals the operating income/loss in the consolidated income statement.

- 2 Information concerning impairment loss or goodwill on fixed assets by segment
There are no pertinent items.

- (5) Notes on Significant Changes to Shareholders' Equity
There are no pertinent items.