



En-Japan Inc.

Interim FY12/07 Earnings Announcement (Non-Consolidated)

August 9, 2007

Company Name: En-Japan Inc. Listed Market: Osaka Securities Exchange (Hercules Market)
 Stock Code: 4849 Homepage URL: <http://corp.en-japan.com/>
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 Interim Earnings Financial Filings Date: September 20, 2007

1. Interim FY12/07 Earnings Performance (From January 1, 2007 to June 30, 2007)

(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 |
| Interim FY12/07 | 10,218 | (44.0) | 3,148 | (32.3) | 3,172 | (34.3) | 1,711 | (37.5) |
| Interim FY12/06 | 7,097 | (40.1) | 2,378 | (26.9) | 2,362 | (25.3) | 1,244 | (25.6) |
| FY12/06 | 16,919 | (47.2) | 5,605 | (47.8) | 5,607 | (46.5) | 3,105 | (41.0) |

| | EPS | Fully Diluted EPS |
|-----------------|-----------|-------------------|
| | Yen | Yen |
| Interim FY12/07 | 7,072.90 | 6,867.68 |
| Interim FY12/06 | 5,170.29 | 4,989.40 |
| FY12/06 | 12,892.66 | 12,460.36 |

(Note) Earnings from investments in companies held under equity accounting method: Interim FY12/07: ¥0, FY12/06: ¥0

(2) Financial Position

| | Total Assets | Net Assets | Net Asset Ratio | Book Value per Share |
|-----------------|--------------|-------------|-----------------|----------------------|
| | Million Yen | Million Yen | % | Yen |
| Interim FY12/07 | 14,603 | 10,647 | 72.9 | 43,949.81 |
| Interim FY12/06 | 10,495 | 7,691 | 73.3 | 31,939.72 |
| FY12/06 | 14,129 | 9,611 | 68.0 | 39,746.13 |

(Note) Capital: Interim FY12/07: ¥10,647 million, Interim FY12/06: ¥7,691 million, FY12/06: ¥9,611 million

(3) Cash Flow Conditions

| | Operating Cash Flow | Investing Cash Flow | Financing Cash Flow | Cash and Equivalents |
|-----------------|---------------------|---------------------|---------------------|----------------------|
| | Million Yen | Million Yen | Million Yen | Million Yen |
| Interim FY12/07 | 1,543 | -910 | -690 | 6,116 |
| Interim FY12/06 | 1,274 | -1,137 | -537 | 5,164 |
| FY12/06 | 4,076 | -2,986 | -481 | 6,173 |

2. Dividends

| | Dividends Per Share | | |
|---------------------|---------------------|----------|-----------------|
| | Interim End | Year End | Total Full Year |
| | Yen | Yen | Yen |
| FY12/06 | — | 3,100.00 | 3,100.00 |
| FY12/07 | — | | TBA |
| FY12/07 (Projected) | | TBA | |

3. FY12/07 Earnings Projections (From January 1, 2007 to December 31, 2007)

| | Sales | | Operating Income | | Ordinary Income | | Net Income | | EPS |
|-----------|--------|--------|------------------|--------|-----------------|--------|------------|--------|-----------|
| | Yen | % yy | Yen | % yy | Yen | % yy | Yen | % yy | Yen |
| Full Year | 23,200 | (37.1) | 7,050 | (25.8) | 7,000 | (24.8) | 3,758 | (21.0) | 15,512.19 |

4. Others

(1) Changes in the accounting methods, filing process, and format of display used to create of our financial accounts.

- (a) Changes in accounting methods: Yes
- (b) Other changes excluding the above: No

(2) Number of shares issued (Common stock)

(a) Shares at the term end (Including treasury stock)

Interim FY12/07: 242,261, Interim FY12/06: 240,815, FY12/06: 241,812

(b) Treasury stock at term end

Interim FY12/07: 0, Interim FY12/06: 0, FY12/06: 0

● Regarding our earnings forecasts and references to them.

Our earnings projections above are based on data available at the time of this announcement. Our actual results may differ from these projections due to various unforeseen factors.

1. Analysis of Our Earnings Performance

(1.1) Analysis of Our Earnings Performance

(a) Our Interim Earnings Performance

During the interim period under review, the Japanese economy continued to expand gradually on the back of favorable corporate earnings, strong capital investments and exports, and continued growth in domestic demand. Against this economic backdrop, the job market continued to improve and the unemployment rate stood at 3.7% in June (Ministry of Internal Affairs and Communications).

At En-Japan, we continued our promotional activities of last year with aggressive advertising on various forms of public transportation and in stations, and on banners in various portal sites. In addition, we also launched new television commercials and our total promotional spending activities reached their highest level since our founding. As a result of these efforts, the brand image and recognition of En-Japan by both clients and users rose even further.

In our mid-career hiring business, we saw sales increases in all of our sites. Consequently our mid-career hiring business sales rose by ¥2,959 million or 47.9% year-over-year to ¥9,137 million. Furthermore we saw solid gains in our website for students called “en Job Info for Students 2008” and sales of our new graduate hiring related business, which has become one of our main earnings drivers, rose by ¥142 million or 17.1% year-over-year to ¥976 million.

During the interim period under review our efforts allowed us to grow sales by 44.0% year-over-year to ¥10,218 million, operating income by 32.3% year-over-year to ¥3,148 million, ordinary income by 34.3% year-over-year to ¥3,172 million, and net income by 37.5% year-over-year to ¥1,711 million.

We provide details of the earnings performance of each of our business segments as follows.

Performance of Our Main Business Segments

(Mid-career Hiring Related Business)

Our “en Career Change Info” site was selected as the best site amongst 30 different public and private sector websites in the “2007 Career Change Job Site Comparison Survey” conducted by Cybozu Media and Technology Co., Ltd. This survey measured the “brand recognition,” “foot traffic,” “repeater usage,” “user satisfaction,” “usage direction,” “credibility,” and “effectiveness” of various job websites by surveying both users of and workers who have changed jobs using these various sites. In addition to our superior services, we successfully leveraged the strengths of our marketing and contents production capabilities to grow our sales by a large margin. During the interim period under review sales grew by 57.0% year-over-year to ¥6,016 million.

“en Career Change Consultant” is the largest collective site for recruiting companies in Japan and combines the convenience of single entry search functions of the highly specialized job information (industry, type of work, region) provided by various recruiting companies. Our successful cultivation of new clients allowed this division’s sales to rise by 34.5% year-over-year to ¥955 million during the interim period.

“en Temporary Placement Info” received the top ranking as the most satisfying worker dispatch job site in the “Dispatched Worker Site Usage Survey 2006” by Interwired Co., Ltd. last year. The high level of effectiveness of and foot traffic to this site as a channel supplying job information to users allowed us to steadily expand the number of job advertisements listed on this site. Consequently our sales rose by 27.7% year-over-year to ¥1,523 million.

“en Part-time Jobs Plus” is a specialized site that lists only part-time job offers for positions where there is a possibility for workers to be hired as full-time employees. The tough employment market conditions, which make finding full time employees difficult, have been a boost to the popularity of this site amongst our corporate clients. Consequently, sales of this site grew by 50.7% year-over-year to ¥547 million during the interim period under review.

(New-Graduate Hiring Business)

In our “en Job Info for Students” business, we were able to steadily expand our earnings on the back of our “en Job Info for Students 2008” (targeting both university undergraduate and graduate students graduating in April 2008) website launched in October 2006. Furthermore our special columns “A Professional’s Job” and “Company Visit Documentaries” helped to raise the brand recognition of and increase the foot traffic to our site by student users at colleges and universities. Consequently sales relating to these sites rose by 18.2% year-over-year to ¥711 million, and sales of our consulting and outsourcing services related to the hiring of new graduates grew by 14.1% year-over-year to ¥265 million.

(Education and Evaluation Business)

In our education and evaluation business, we provide various support services related to the new graduate hiring process. Our services include the planning and implementation of pre-hiring training programs designed to enhance “worker performance” and to increase worker retention rates after they are hired. We also disclose various information relating to our pre- and post-hiring training programs to clients as part of our comprehensive solutions provision services, which also include the job advertising function as well. By providing our customers with comprehensive solutions, we are able to contribute to the effective hiring of employees, increase worker contribution to their employers, and raise worker retention rates. Consequently our sales grew by 22.6% year-over-year to ¥104 million.

Business Performance Comparison**Sales Segments**

(Units: Sales = ¥1,000)

| Category | Interim FY12/06 From January 1, 2006 to June 30, 2006 | | Interim FY12/07 From January 1, 2007 to June 30, 2007 | | FY12/06 From January 1, 2006 to December 31, 2006 | |
|-------------------------------------|---|-----------|---|-----------|---|-----------|
| | Sales | Share (%) | Sales | Share (%) | Sales | Share (%) |
| Mid-Career Hiring Business | | | | | | |
| en Career Change Info | 3,832,573 | 54.0 | 6,016,431 | 58.9 | 9,174,868 | 54.2 |
| en Career Change Consultant | 710,552 | 10.0 | 955,819 | 9.3 | 1,556,552 | 9.2 |
| en Temporary Placement Info | 1,192,711 | 16.8 | 1,523,180 | 14.9 | 2,556,605 | 15.1 |
| en Part-time Jobs Plus | 363,356 | 5.1 | 547,735 | 5.4 | 838,085 | 5.0 |
| Others | 78,942 | 1.1 | 94,416 | 0.9 | 147,506 | 0.9 |
| New-Graduate Hiring Business | | | | | | |
| en Job Info for Students | 601,810 | 8.5 | 711,515 | 7.0 | 2,051,423 | 12.1 |
| Others | 232,352 | 3.3 | 265,172 | 2.6 | 448,347 | 2.6 |
| Training, Evaluation | 84,863 | 1.2 | 104,032 | 1.0 | 146,537 | 0.9 |
| Total | 7,097,160 | 100.0 | 10,218,303 | 100.0 | 16,919,926 | 100.0 |

(Note) “Others” in our mid-career hiring and new graduate hiring divisions include consulting, outsourcing, testing and other services.

(1.2) Full Year Earnings Projections

During the interim period under review, earnings in each of our business segments trended strongly and exceeded our initial projections. With regards to our full year earnings projections, we expect to achieve our earnings targets announced on February 14, 2007. Furthermore everyone in our Company remains committed to fulfilling the expectations of our investors and achieving these projections.

(Units: Million yen)

| | Sales | Operating Income | Ordinary Income | Net Income |
|-------------------------------------|--------|------------------|-----------------|------------|
| Outstanding Projections for FY12/07 | 23,200 | 7,050 | 7,000 | 3,758 |
| (Reference) FY12/06 | 16,919 | 5,605 | 5,607 | 3,105 |

2. Analysis of Our Financial Position**(2.1) Review of Our Assets, Liabilities, and Net Assets****(Current Assets)**

At the end of the interim period under review, our current assets declined by ¥116 million from the end of the last fiscal year to ¥8,888 million. We attribute this decline to payments for corporate taxes and dividends which contributed to a ¥57 million reduction in our cash and equivalents.

(Fixed Assets)

The balance of our fixed assets increased by ¥590 million from the end of the previous fiscal year to ¥5,715 million at the end of the interim term. We attribute this increase in fixed assets to a ¥287 million increase in investments in limited liability partnership and marketable securities, and a ¥163 million rise in tangible fixed assets arising from spending to expand our office floor space and for the acquisition of new assets.

(Current Liabilities)

Our current liabilities declined by ¥561 million from the previous year end to ¥3,956 million at the end of the interim period. This decline is due in part to a ¥416 million decline in unpaid corporate taxes.

(Net Assets)

At the end of the interim period our net assets increased by ¥1,036 million from the end of the previous term to ¥10,647 million. A ¥961 million rise in retained earnings resulting from our strong profits was a main factor for our higher net assets.

(2.2) Cash Flow Conditions

While we saw an outflow of our operating cash flow for the payment of corporate taxes, dividends, and to acquire intangible fixed assets associated with our website renewal, our strong operating activities allowed us to see a gain of ¥951 million to a net inflow of ¥6,116 million, up 18.4% year-over-year.

(Operating Cash Flow)

We saw a net inflow of ¥1,543 million (Up 21.1% year-over-year) in our operating cash flow. Our realization of ¥3,163 million in ordinary income before taxes was a major factor contributing to the higher inflow, and more than offset the outflow for the payment of ¥1,792 million in taxes.

(Investing Cash Flow)

We saw a 20.0% year-over-year decline in the net outflow of cash from our investing activities to ¥910 million. The main uses of this cash outflow were a ¥306 million acquisition of tangible fixed assets, ¥272 million purchases of intangible fixed assets, and ¥260 million purchases of marketable securities.

(Financing Cash Flow)

We saw a 28.5% year-over-year increase in the net outflow of cash from our financing activities of ¥690 million. This increase is attributed primarily to a ¥745 million payment of dividends which more than offset the ¥55 million inflow from share issuance.

Trends in Cash Flow Indicators

(Units: %)

| | FY12/03 | FY12/04 | FY12/05 | FY12/06 | Interim FY12/07 |
|---|---------|---------|---------|---------|--------------------|
| Equity Ratio | 82.4 | 72.4 | 70.2 | 68.0 | 72.9 |
| Equity Ratio based on Market Capitalization | 714.6 | 1,115.5 | 1,841.8 | 977.2 | 763.1 |

(Notes) 1. Each indicator is calculated in accordance with the formulas shown below.

- a) Equity ratio: $\text{Net assets} / \text{Total assets}$
- b) Equity ratio based on market capitalization: $\text{Market capitalization} / \text{Total assets}$
2. We do not show values for our debt redemption period or interest coverage because we have no interest-bearing debt.

(2.3) Our Basic Policy Regarding Profit Allocation

Our Company maintains a policy regarding profit allocation that seeks to strike a balance between retaining an appropriate amount of earnings that will allow us to respond quickly and aggressively to rapid changes in our operating environment, while returning an appropriate level of profits to our shareholders through dividends and other methods. We have yet to determine the dividend level to be paid at the end of the current fiscal year.

(2.4) Business Risks

We provide a list of the major potential risk factors associated with our business operations below. Furthermore we also include other factors which are not necessarily risks associated with our business operations but which may be considered as factors influencing investment decisions in our shares as part of our proactive disclosure policy to investors. We remain well aware of the potential for these various risks to occur and we have prepared various steps to prevent them from occurring and to handle them after they occur. At the same time we take these various risk factors into consideration in determining our future management direction and directives and consider the various issued listed below to be important. Moreover we would like to remind investors that the list below does not include every possible risk factor that could influence investment decisions in our shares.

(a) Regarding Intellectual Property Rights Infringements

We view our brand as a highly valuable asset and we will aggressively acquire various trademarks associated with it. Also we are in the process of acquiring any possible utility model patents to protect our unique system and business model.

Additionally, we have included warnings on our site cautioning other parties from copying, forwarding, translating, or making other unauthorized uses of our contents and services. We post warnings of our intellectual property rights to users of our site, and will pursue legal action against any third party that violates our intellectual property rights. In the event of violations, our business operations may be impacted by legal actions to support and protect our intellectual property rights.

(b) Regarding Our Business Operations

We provide various job information services over the Internet. Our main source of revenues comes from job advertisements placed by companies on our various Internet websites. With regard to the operation of our sites, it is difficult to determine the specific revenue contributions from our information and advertising production services, therefore we disclose the various risks associated with both parts of our business to enable investors to better assess investment opportunities in our Company.

(b.1) Regarding New Businesses

In the future we will implement a policy that leverages the strengths of our “en” brand by fortifying our services and contents to develop new businesses. We maintain a policy of establishing alliances and partnerships related to our portal sites to aggressively broaden the base of our businesses. And because of the numerous unpredictable factors associated with new business development, we recognize the potential for our earnings to be impacted by unforeseen circumstances arising from these newer businesses.

In order to maintain the success of our businesses, we recognize the importance of maintaining our brand recognition in the market. Therefore, we may seek alliances with new portal sites as part of our strategy to maintain a high level of brand recognition. Because the term of our alliance agreements is one year and is renewed on an annual basis, the loss of contracts could impact our earnings.

(b.2) Regarding Our Operations

As part of our business expansion strategy, we recognize the importance of raising recognition of the “en” brand, and we will pursue an aggressive advertising strategy including use of the traditional print media with the goal of raising the number of users of our sites. However, accurately assessing the effectiveness of this strategy is difficult, and the costs associated with such advertising campaigns pose a risk to our earnings.

Moreover, we need to increase our staff numbers to fortify our marketing and new technology development functions, which are critical in expanding our business realm. The inability to secure adequate numbers of staff and or the loss of existing staff could negatively impact our earnings.

(b.3) Regarding Business with Partners in Specific Industries

We have avoided a concentration of customers in certain specific industries by targeting a wide range of customers in various industries in our marketing activities. However, because demand for job advertisements is closely related to trends in the economy, our dependence upon customers in certain industries could rise. While we will continue our strategy of marketing to a broad range of industries, our earnings could be impacted by the macroeconomic trends affecting customers in certain specific industries.

(b.4) Regarding M&A and Capital Alliances

We consider corporate mergers and acquisitions, and capital participation as an effective means of growing our existing businesses and expanding into new business areas. But the inability to implement these activities as planned could profoundly impact our earnings.

(3) Regarding Our Unique Services and Technologies

(3.1) Differentiation of Our Services

The market for job information services can be divided into three segments: a) magazines, newspapers and other traditional print media job advertising companies, b) on-line job information advertising companies utilizing the Internet, and c) human resources recruiting and temporary labor dispatch companies. Our company belongs to the second category of job advertising over the Internet. The competition within this category of on-line advertising is becoming increasingly fierce due to the large number of existing and new entrants to this segment of the market.

As a means of differentiating our services from our competitors, our Company maintains a strategy of improving the functionality of our systems, improving the services provided to both clients and users, and raising the “en” brand recognition in the market. With regard to pricing competition, we will continue to provide a high level of value-added services to maintain the trust of both our clients and users, which is crucial in maintaining our existing pricing structure and avoiding being forced to compete only in terms of pricing as do many of our competitors. However, we recognize the potential for increased competition despite our best efforts at differentiation as a business risk that could affect our earnings.

(3.2) Regarding Our Technological Development

Technological advancements in Internet-related businesses are rapid and dramatic, and new technologies and services are always being born. Because our business is deeply rooted in the Internet, we recognize the need to constantly develop new technologies and services and to provide them to our customers in a timely manner in order to maintain our competitive position. In order to continually provide high-quality services, we have established our mid-career hiring media development, new graduate hiring media development, career change consultant and temporary placement information divisions to pursue the development of new services on an ongoing basis in each of our various business areas. As an integral part of this strategy, we consider the various requests from our customers and users and make changes to our system to reflect as many of these requests as possible. Because we are in a strong growth phase, which requires us to expand our personnel, and because development of effective systems to fortify our services can take a long time, any delays in the implementation of new technologies and services or inability to hire new staff could lead to a deterioration of our competitive position within the industry.

(4) Regarding the Protection of Personal Information

As a company participating in the human resources business, we recognize the extreme importance of properly managing personal information to prevent its leakage, misuse, and alteration. Consequently, we are aggressively promoting the implementation of a personal information protection structure and we first acquired our “privacy mark” certification from the Japan Information Processing Development Corporation on March 22, 2001. Furthermore on June 15, 2007 we acquired a new “privacy mark” certification for our personal information protection structure that complies with the “personal information protection compliance program” (JIS Q 15001:2006).

Personal information is strictly managed and we take steps such as coding information prior to being sent and storing information in servers at a 24-hour data center with full security functions. Moreover, we grant only a limited number of employees access to this data, because we recognize the legal ramifications resulting from any leakage of this information or any other serious trouble with the information security above and beyond those defined by our contracts with our customers. In addition to our legal responsibilities, we also recognize the potential for problems with personal data to damage our brand image, and the impact this could have on our business and earnings.

(5) Regarding Special Legal Provisions

Currently in Japan, the laws governing various usages of the Internet and related businesses are very limited and there is a need to further fortify these laws. Consequently, the creation of new laws governing the usage of the Internet could profoundly impact our business operations.

The job information services business is subject to the “equal opportunity laws” and “statement of conditions of employment” as defined by the job stabilization law. Our business is also subject to provisions set forth by the labor standard laws which call for “equal pay for both men and women” and the “protection of minimum wages by region,” and those set forth by the consumer protection laws for “truth in advertising.”

We maintain strict adherence to these laws and provisions in the production of various contents for our sites, and inform our clients of the need to conform to these laws and provisions as part of our efforts to strengthen the trust of our users in our site and services. However, we also recognize that any inability to maintain the spirit and practice of these laws and provisions could have a negative impact upon our business and the relationships we have built with our users.

In November 2000 we acquired our employment agency certification as defined by the job stabilization law. However we recognize that our inability to receive an extension or cancellation of the certification could negatively impact our earnings.

(6) The Potential for Dilution of Shareholder Value by Our Stock Option System

We recognize the dilution of shareholder value as a risk resulting from the potential exercise of outstanding stock options already issued and from stock options which could be issued in the future.

(7) Regarding Large Natural Disasters and Accidents

Because our business relies upon computer systems and communication networks, we recognize the risk of interruption of our business resulting from any potential disruption of communications systems stemming from natural disasters or accidents. We also acknowledge the risk to our business from temporary failure of our servers due to excessively high levels of access, from criminal acts resulting from unauthorized access, or from employee error. In addition to these risks, the potential for server failure beyond our control could also result in a loss of business and a loss of trust among our customers and users, and could also lead to the pursuit of punitive damages by our partners which in turn could impact our business.

(8) Risks Arising from Legal Compliance

We recognize the need to further fortify our internal control structure to ensure that we remain accountable to our societal responsibilities in the course of our business expansion. And despite our best efforts, we cannot guarantee complete and total compliance with the various laws relating to our business, and we recognize the potential for lawsuits and punitive damages as a result of acts of negligence or violations of the law by our employees. Furthermore in the event that we are given administrative guidance by the Labor Standards Supervision Office, our business operations, earnings and financial conditions could be impacted.

2. Corporate Structure

We do not have any significant subsidiaries.

3. Management Policy

(1) Our Basic Management Policy

Our primary business is the provision of various job information services over the Internet. We seek to provide high quality services to both job-seeking workers and job-offering corporate clients as an integral part of our business expansion strategy. We realize the important role to society that our Company must serve and we believe that our reason for existence is to provide unique services and products which contribute to an improvement in employment environment.

(2) Intermediate- to Long-Term Management Strategy

(2.1) Trends in the External Operating Environment

In addition to the expansion in the economy and improvement in labor market conditions, the declining birth rates and the “2007 Problem” (The trend where a large numbers of “Baby Boomers” will begin reaching retirement age in 2007) will contribute to a shortage of workers, and force companies to not only increase their mid-career hirings and raise their retirement age, but also increase their hiring of younger aged workers as well.

Moreover the shift from the conventional print media of magazines and newspapers to the Internet as a means of accessing the labor markets and providing job information is continuing. Furthermore we expect the Internet job advertising market to account for an even larger share of the overall market.

Against the backdrop of this market environment, we will aggressively fortify our internal structure to maintain the fast pace of growth in our business.

(2.2) Our Intermediate- to Long-Term Management Strategy

We offer a full range of job information through our various websites including “en Career Change Info,” “en Career Change Consultant,” “en Temporary Placement Info,” “en Job Info for Students” and “en Part-time Jobs Plus.” Furthermore we also seek to secure our position as the top ranked Internet job advertiser through our provision of top quality job information and services to both job seekers and job offering clients.

Furthermore we are broadening our range of services to include not only the job information provision services, but also hiring, training and evaluation functions.

(2.3) Issues Confronting Our Company

(a) Issues Concerning the Expansion of Our Business

One important issue in the expansion of our business is our ability to maintain the high-quality level of the job information in our websites while increasing the number of companies advertising jobs on our various websites. We produce highly accurate and objective job advertisements on behalf of our clients by sending our sales staff to clients’ offices and then conducting interviews upon which we create advertisements. Many of our competitors ask job offering companies to create their own advertisements. Although we are the top ranked job advertisement website operator in terms of quality of job information provided, we also need to keep pace with our competitors in terms of growth rates in the number of companies placing ads on our sites. In order to maintain our strong growth, we will aggressively hire and train new staff, and fortify our marketing and production capabilities as well.

(b) Issues Concerning Our Management Structure

Furthermore we will take steps to further rationalize and optimize our back-office functions, which have supported the quick paced growth in our Company since its founding. These steps include increases in our staff numbers, optimization of our operations, and fortification of our internal control structure, all of which are designed to help raise our corporate value.

4. Interim Financial Statements

(1) Interim Balance Sheets

| | | Last Interim Period (June 30, 2006) | | Current Interim Period (June 30, 2007) | | Last Fiscal Year (December 31, 2006) | | | |
|-----------------------------------|----------------|--|--------------|---|------------|---|----------------|------------|--------------|
| Categories | Value (¥1,000) | | Share (%) | Value (¥1,000) | | Share (%) | Value (¥1,000) | | Share (%) |
| Assets | | | | | | | | | |
| I Current Assets | | | | | | | | | |
| 1. Cash & equivalents | 5,164,852 | | | 6,116,746 | | | 6,173,772 | | |
| 2. Notes receivables | 7,653 | | | 14,875 | | | 16,853 | | |
| 3. Accounts receivables | 1,531,427 | | | 2,247,320 | | | 2,275,791 | | |
| 4. Inventories | 12,981 | | | 10,428 | | | 13,630 | | |
| 5. Prepaid expenses | 159,821 | | | 245,065 | | | 224,044 | | |
| 6. Deferred tax assets | 169,655 | | | 233,334 | | | 302,362 | | |
| 7. Others | 30,843 | | | 35,516 | | | 31,598 | | |
| Bad credit reserves | -21,960 | | | -15,268 | | | -33,772 | | |
| Total Current Assets | | 7,055,275 | 67.2 | | 8,888,019 | 60.9 | | 9,004,281 | 63.7 |
| II Fixed Assets | | | | | | | | | |
| 1. Tangible fixed assets | | | | | | | | | |
| (1) Buildings | 118,998 | | | 152,028 | | | 110,705 | | |
| (2) Structures | — | | | 74,889 | | | — | | |
| (3) Equipment, o0thers | 556,680 | | | 525,557 | | | 515,356 | | |
| (4) Construction in progress | 47,346 | | | 70,485 | | | 33,775 | | |
| Total Tangible Fixed Assets | | 723,026 | 6.9 | | 822,960 | 5.6 | | 659,837 | 4.7 |
| (b) Intangible Fixed Assets | | | | | | | | | |
| (1) Trademarks | 4,452 | | | 4,497 | | | 4,165 | | |
| (2) Software | 281,370 | | | 667,766 | | | 644,478 | | |
| (3) Software under development | 319,603 | | | 266,552 | | | 199,591 | | |
| (4) Telephone deposits | 1,351 | | | 1,351 | | | 1,351 | | |
| Total Intangible Fixed Assets | | 606,777 | 5.8 | | 940,168 | 6.4 | | 849,587 | 6.0 |
| (c) Investments, other assets | | | | | | | | | |
| (1) Investment securities | 270,143 | | | 627,700 | | | 340,019 | | |
| (2) Affiliate shareholdings | 342,742 | | | 571,594 | | | 571,594 | | |
| (3) Deferred tax assets | 95,174 | | | 94,389 | | | 94,294 | | |
| (4) Long-term deposits | 378,480 | | | 1,396,520 | | | 1,388,220 | | |
| (5) Insurance reserve fund | 419,818 | | | 428,120 | | | 422,090 | | |
| (6) Lease deposits | 348,143 | | | 678,598 | | | 604,378 | | |
| (7) Others | 256,036 | | | 174,380 | | | 195,039 | | |
| Bad credit reserves | — | | | -18,690 | | | — | | |
| Total Investment and Other Assets | | 2,110,537 | 20.1 | | 3,952,612 | 27.1 | | 3,615,637 | 25.6 |
| Total Fixed Assets | | 3,440,342 | 32.8 | | 5,715,742 | 39.1 | | 5,125,062 | 36.3 |
| Total Assets | | 10,495,617 | 100.0 | | 14,603,761 | 100.0 | | 14,129,344 | 100.0 |

| | Last Interim Period (June 30, 2006) | | | Current Interim Period (June 30, 2007) | | | Last Fiscal Year (December 31, 2006) | | |
|---|--|------------|--------------|---|------------|--------------|---|------------|-----------|
| Categories | Value (¥1,000) | | Share (%) | Value (¥1,000) | | Share (%) | Value (¥1,000) | | Share (%) |
| Liabilities | | | | | | | | | |
| I Current Liabilities | | | | | | | | | |
| 1. Accounts payable | 59,249 | | | 102,046 | | | 79,979 | | |
| 2. Payments due | 811,321 | | | 1,223,009 | | | 1,459,616 | | |
| 3. Unpaid expenses | 73,170 | | | 135,442 | | | 309,229 | | |
| 4. Unpaid corporate taxes | 1,167,429 | | | 1,431,663 | | | 1,848,360 | | |
| 5. Unpaid consumption taxes | 97,793 | | | 150,881 | | | 228,573 | | |
| 6. Advances received | 378,457 | | | 567,202 | | | 327,737 | | |
| 7. Deposits | 44,252 | | | 95,286 | | | 79,122 | | |
| 8. Bonus reserves | 172,378 | | | 243,159 | | | 147,992 | | |
| 9. Director bonus reserves | — | | | — | | | 8,800 | | |
| 10. Others | — | | | 7,745 | | | 28,841 | | |
| Total Current Liabilities | | 2,804,052 | 26.7 | | 3,956,436 | 27.1 | | 4,518,254 | 32.0 |
| Total Liabilities | | 2,804,052 | 26.7 | | 3,956,436 | 27.1 | | 4,518,254 | 32.0 |
| Net Assets | | | | | | | | | |
| I Shareholders' equity | | | | | | | | | |
| 1. Capital | | 813,001 | 7.8 | | 868,927 | 6.0 | | 841,221 | 6.0 |
| 2. Capital Reserves | | | | | | | | | |
| (1) Capital reserves | 1,279,571 | | | 1,335,496 | | | 1,307,790 | | |
| Total capital reserves | | 1,279,571 | 12.2 | | 1,335,496 | 9.1 | | 1,307,790 | 9.2 |
| 3. Retained Earnings | | | | | | | | | |
| (1) Other retained earnings reserves | | | | | | | | | |
| Contingent reserves | 2,000,000 | | | 2,000,000 | | | 2,000,000 | | |
| Earnings reserves carried forward | 3,598,136 | | | 6,421,398 | | | 5,459,685 | | |
| Total retained earnings | | 5,598,136 | 53.3 | | 8,421,398 | 57.7 | | 7,459,685 | 52.8 |
| Total shareholders' equity | | 7,690,709 | 73.3 | | 10,625,823 | 72.8 | | 9,608,697 | 68.0 |
| II Net unrealized valuation gains | | | | | | | | | |
| 1. Valuation gains on marketable securities | | 854 | 0.0 | | 21,501 | 0.1 | | 2,393 | 0.0 |
| Total unrealized valuation gains | | 854 | 0.0 | | 21,501 | 0.1 | | 2,393 | 0.0 |
| Total Net Assets | | 7,691,564 | 73.3 | | 10,647,324 | 72.9 | | 9,611,090 | 68.0 |
| Total Liabilities and Net Assets | | 10,495,617 | 100.0 | | 14,603,761 | 100.0 | | 14,129,344 | 100.0 |

(2) Interim Income Statement

| | Last Interim Period (From January 1, 2006 to June 30, 2006) | | | Current Interim Period (From January 1, 2007 to June 30, 2007) | | | Last Fiscal Year (From January 1, 2006 to December 31, 2006) | | |
|------------------------------------|---|-----------|--------------|--|------------|--------------|--|------------|--------------|
| Categories | Value (¥1,000) | | Share (%) | Value (¥1,000) | | Share (%) | Value (¥1,000) | | Share (%) |
| I Sales | | 7,097,160 | 100.0 | | 10,218,303 | 100.0 | | 16,919,926 | 100.0 |
| II Cost of Sales | | 680,815 | 9.6 | | 983,893 | 9.6 | | 1,604,439 | 9.5 |
| Gross Income | | 6,416,345 | 90.4 | | 9,234,409 | 90.4 | | 15,315,487 | 90.5 |
| III SG&A expenses | | 4,037,413 | 56.9 | | 6,086,309 | 59.6 | | 9,710,010 | 57.4 |
| Operating Income | | 2,378,931 | 33.5 | | 3,148,099 | 30.8 | | 5,605,476 | 33.1 |
| IV Non-operating income | | 10,254 | 0.1 | | 32,271 | 0.3 | | 30,842 | 0.2 |
| V Non-operating expense | | 27,145 | 0.3 | | 7,800 | 0.0 | | 29,263 | 0.2 |
| Ordinary Income | | 2,362,040 | 33.3 | | 3,172,571 | 31.1 | | 5,607,055 | 33.1 |
| VI Extraordinary income | | — | — | | 6 | 0.0 | | — | — |
| VII Extraordinary loss | | 12,208 | 0.2 | | 9,123 | 0.1 | | 16,038 | 0.1 |
| Ordinary Income before Taxes | | 2,349,831 | 33.1 | | 3,163,454 | 31.0 | | 5,591,017 | 33.0 |
| Corporate, enterprise, other taxes | 1,142,925 | | | 1,396,306 | | | 2,655,487 | | |
| Corporate tax adjustment | -37,490 | 1,105,434 | 15.6 | 55,817 | 1,452,124 | 14.2 | -170,414 | 2,485,072 | 14.6 |
| Net Income | | 1,244,396 | 17.5 | | 1,711,330 | 16.8 | | 3,105,944 | 18.4 |

(3) (Statement of Changes in Capital)

Interim FY12/06 (From January 1, 2006 to June 30, 2006)

(Units: ¥1,000)

| | Shareholders' equity | | | | | | | Translation Gains | | Total net assets |
|--------------------------------------|----------------------|--------------------------|------------------------|-------------------------|-----------------------------------|-------------------------|----------------------------|--|-----------------------|------------------|
| | Capital | Capital reserves | | Retained earnings | | | Total shareholders' equity | Valuation gains on marketable securities | Total valuation gains | |
| | | Capital reserves surplus | Total capital reserves | Other retained earnings | | Total retained earnings | | | | |
| | | | | Contingent reserves | Retained earnings carried forward | | | | | |
| As of December 31, 2005 | 806,379 | 1,272,950 | 1,272,950 | 2,000,000 | 2,906,867 | 4,906,867 | 6,986,197 | — | — | 6,986,197 |
| Changes during Interim FY12/06 | | | | | | | | | | |
| New share issuance | 6,621 | 6,621 | 6,621 | — | — | — | 13,243 | — | — | 13,243 |
| Dividend payment | — | — | — | — | -553,127 | -553,127 | -553,127 | — | — | -553,127 |
| Net income | — | — | — | — | 1,244,396 | 1,244,396 | 1,244,396 | — | — | 1,244,396 |
| Changes from other items | — | — | — | — | — | — | — | 854 | 854 | 854 |
| Total changes during Interim FY12/06 | 6,621 | 6,621 | 6,621 | — | 691,269 | 691,269 | 704,512 | 854 | 854 | 854 |
| As of June 30, 2006 | 813,001 | 1,279,571 | 1,279,571 | 2,000,000 | 3,598,136 | 5,598,136 | 7,690,709 | 854 | 854 | 7,691,564 |

Interim FY12/07 (From January 1, 2007 to June 30, 2007)

(Units: ¥1,000)

| | Shareholders' equity | | | | | | | Translation Gains | | Total net assets |
|--------------------------------------|----------------------|--------------------------|------------------------|-------------------------|--------------------------|-------------------------|----------------------------|--|-----------------------|------------------|
| | Capital | Capital reserves | | Retained earnings | | | Total shareholders' equity | Valuation gains on marketable securities | Total valuation gains | |
| | | Capital reserves surplus | Total capital reserves | Other retained earnings | | Total retained earnings | | | | |
| | | | | Contingent reserves | Capital reserves surplus | | | | | |
| As of December 31, 2006 | 841,221 | 1,307,790 | 1,307,790 | 2,000,000 | 5,459,685 | 7,459,685 | 9,608,697 | 2,393 | 2,393 | 9,611,090 |
| Changes during Interim FY12/07 | | | | | | | | | | |
| New share issuance | 27,706 | 27,706 | 27,706 | — | — | — | 55,412 | — | — | 55,412 |
| Dividend payment | — | — | — | — | -749,617 | -749,617 | -749,617 | — | — | -749,617 |
| Net income | — | — | — | — | 1,711,330 | 1,711,330 | 1,711,330 | — | — | 1,711,330 |
| Changes from other items | — | — | — | — | — | — | — | 19,108 | 19,108 | 19,108 |
| Total changes during Interim FY12/07 | 27,706 | 27,706 | 27,706 | — | 961,713 | 961,713 | 1,017,125 | 19,108 | 19,108 | 1,036,234 |
| As of June 30, 2007 | 868,927 | 1,335,496 | 1,335,496 | 2,000,000 | 6,421,398 | 8,421,398 | 10,625,823 | 21,501 | 21,501 | 10,647,324 |

FY12/06 (From January 1, 2006 to December 31, 2006)

(Units: ¥1,000)

| | Shareholders' equity | | | | | | | Translation Gains | | Total net assets |
|------------------------------|----------------------|--------------------------|------------------------|-------------------------|--------------------------|-------------------------|-------------------|--|-----------------------|------------------|
| | Capital | Capital reserves | | Retained earnings | | | Retained earnings | Valuation gains on marketable securities | Total valuation gains | |
| | | Capital reserves surplus | Total capital reserves | Other retained earnings | | Total retained earnings | | | | |
| | | | | Contingent reserves | Capital reserves surplus | | | | | |
| As of December 31, 2006 | 806,379 | 1,272,950 | 1,272,950 | 2,000,000 | 2,906,867 | 4,906,867 | 6,986,197 | — | — | 6,986,197 |
| Changes during FY12/06 | | | | | | | | | | |
| New share issuance | 34,841 | 34,840 | 34,840 | — | — | — | 69,682 | — | — | 69,682 |
| Dividend payment | — | — | — | — | -553,127 | -553,127 | -553,127 | — | — | -553,127 |
| Net income | — | — | — | — | 3,105,944 | 3,105,944 | 3,105,944 | — | — | 3,105,944 |
| Changes from other items | — | — | — | — | — | — | — | 2,393 | 2,393 | 2,393 |
| Total changes during FY12/06 | 34,841 | 34,840 | 34,840 | — | 2,552,817 | 2,552,817 | 2,622,500 | 2,393 | 2,393 | 2,624,893 |
| As of December 31, 2006 | 841,221 | 1,307,790 | 1,307,790 | 2,000,000 | 5,459,685 | 7,459,685 | 9,608,697 | 2,393 | 2,393 | 9,611,090 |

(4) (Cash Flow Statement)

| | Last Interim Period (From January 1, 2006 to June 30, 2006) | Current Interim Period (From January 1, 2007 to June 30, 2007) | Last Fiscal Year (From January 1, 2006 to December 31, 2006) |
|--|---|--|--|
| Categories | Value (¥1,000) | Value (¥1,000) | Value (¥1,000) |
| I Operating cash flow | | | |
| Ordinary income before taxes | 2,349,831 | 3,163,454 | 5,591,017 |
| Depreciation | 198,778 | 296,595 | 481,635 |
| Bad credit reserves increase | 5,334 | 186 | 17,146 |
| Bonus reserves increase | 72,027 | 95,166 | 47,641 |
| Director bonus reserves increase | — | -8,800 | 8,800 |
| Interest received | -5,065 | -11,148 | -14,218 |
| Foreign exchange gain | 5,836 | -8,875 | -4,288 |
| Loss on special investment vehicle | 6,256 | -4,456 | 14,015 |
| Tangible fixed asset liquidation gain | — | -6 | — |
| Fixed asset retirement loss | 9,285 | 458 | 11,404 |
| Accounts receivables | -55,336 | 30,448 | -808,900 |
| Change in payables | -3,481 | 22,066 | 17,249 |
| Unpaid expense increase | -174,457 | -213,397 | 305,895 |
| Change in other current assets | 20,841 | 3,829 | 11,237 |
| Change in other current liabilities | -20,589 | -37,263 | 385,837 |
| Subtotal | 2,409,261 | 3,328,257 | 6,064,474 |
| Interest and dividends received | 2,728 | 7,620 | 8,267 |
| Corporate taxes paid | -1,137,796 | -1,792,686 | -1,996,023 |
| Operating cash flow | 1,274,193 | 1,543,191 | 4,076,717 |
| II Investing cash flow | | | |
| Outflow from long-term deposits | — | — | -1,000,000 |
| Outflow for acquisition of securities | -250,000 | -260,000 | -325,000 |
| Inflow from liquidation of securities | — | 9,000 | — |
| Outflow for acquisition of shares of affiliates | -342,742 | — | -571,594 |
| Outflow for acquisition of tangible fixed assets | -98,327 | -306,872 | -152,257 |
| Outflow for acquisition of intangible fixed assets | -402,670 | -272,631 | -658,367 |
| Outflow for lease deposits | -24,671 | -74,898 | -283,177 |
| Inflow from return of lease deposits | 8,419 | 678 | 10,689 |
| Outflow for insurance reserve fund | -6,582 | -6,454 | -8,921 |
| Inflow from redemption of insurance reserves | — | 424 | 691 |
| Inflow from loans recovered | — | 521 | 1,065 |
| Outflows from loans extended | -20,884 | -200 | — |
| Investing cash flow | -1,137,460 | -910,431 | -2,986,871 |
| III Financing cash flow | | | |
| Inflow from share issuance | 13,243 | 55,412 | 69,682 |
| Outflow for dividend payment | -550,478 | -745,774 | -551,495 |
| Financing cash flow | -537,235 | -690,361 | -481,813 |
| IV Value of translation associated cash and equivalents | -176 | 575 | 208 |
| V Cash and equivalents net increase | -400,678 | -57,026 | 608,241 |
| VI Cash and equivalents at start of term | 5,565,531 | 6,173,772 | 5,565,531 |
| VII Cash and equivalents at end of term | 5,164,852 | 6,116,746 | 6,173,772 |