

25 January 2002

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Summary of results for the first quarter of the year ending 30 September 2002

The Company's results for the first quarter of the year ending 30 September 2002 are summarized as follows.

Some figures in the financial statements included in this report have not been prepared as part of the formal closing of accounts as at 30 September 2002. The financial statements have not been audited.

1 . Operation

(1) Summary of the results for the first quarter of the year ending 30 September 2002

	1st quarter ended 31 December 2001	Percentage Increase	1st quarter ended 31 December 2000	Year ended 30 September 2001
	JPY in million	%	JPY in million	JPY in million
Turnover	168	19.6	140	950
Operating Profit / (Loss)	(2)	-	8	312
Ordinary Profit / (Loss)	(37)	-	8	312

(2) Turnover by service delivery

	1st quarter ended 31 December 2001		Percentage Increase (Decrease)	1st quarter ended 31 December 2000		Year ended 30 September 2001	
	JPY in million	%		JPY in million	%	JPY in million	%
Products	46	27.7	(0.4)	46	33.3	491	51.7
Training	0	0.3	(48.4)	1	0.7	20	2.2
Consultancy	120	72.0	30.5	92	66.0	438	46.1
Total	168	100.0	19.6	140	100.0	950	100.0

(3) Major fluctuations of the main assets and liabilities

Accounts	As at 31 December 2001	Increase (Decrease)	As at 30 September 2001
(Assets)	JPY in million	JPY in million	JPY in million
Cash	701	154	547
Trade debtors	155	55	99
(Liabilities)			
Income taxes payable	4	(95)	100
Deposits received	19	14	5
Equity			
Share capital	542	185	356
Share premium	305	251	54
Other retained earnings	159	(136)	296

(Notes)

1. Only accounts with over \ 10 million fluctuation from the year-end balance of 2001 are explained.
2. “Share capital”, “Share premium” and “Cash” increased due to a capital injection during the year.
3. “Trade debtors” increased due to higher volume of sales in December 2001 compared with September 2001.
4. “Income taxes payable” decreased as a result of the payment of the previous year’s taxes.
5. “Deposits received” increased by the amounts of taxes withheld on dividends and directors’ bonus.
6. “Other retained earnings” decreased as a result of the profit appropriation and the operating losses for the first quarter.

2 . Summary of operation

In the first quarter of the year ending 30 September 2002, economic stagnation and September 11th attack in the US has damaged the Japanese companies’ results, causing a reduction in exports. In addition, the unemployment rate is at a record high, and employment problems have decreased personal consumption. The Japanese economy continues to be in a severe situation.

Such economic stagnation has decreased employment of new graduates and resulted in Japanese companies spending less on hiring of staff compared to previous years. This has been the main factor leading to profit decreases in the assessment of human resources industry.

However, the assessment test, which we launched last year, matches the needs of large companies in relation to recruitment process efficiency and is growing to be an amazing success, which we have never experienced. In addition, the Osaka office (a sales office) has continued to attract new clients since the operation commenced.

These factors increased sales by JPY 27 million for this quarter (JPY 168 million, 119.6% of the last year’s quarter) compared to that for the same quarter last year.

However, administrative expenses increased as a result of rent expenses etc. (JPY 8 million) and personnel costs of the Otemachi office (Corporate Culture Measurement Center) which will begin sales operation in April, 2002, and the rent increase by moving from the Shinbashi office to Kudanshita for expansion of business, resulting in an operating loss of JPY 2 million. The stock listing expenses (JPY 33 million) within non-operating expenses increased the ordinary loss to JPY 37 million.

The ordinary loss arose from stock listing expenses, investment expenses to enlarge the sales location, and the seasonal changes in sales.

3 . New service information

The main new products in this quarter were “Tamatebako 2002” and “Meyasubako ver.2.” “Tamatebako 2002” is the 2002 version of the on-line tool using the Internet to select new graduates. This tool ranks applicants applying through Internet, by going through a large number of application documents by computer based on certain standards.

“Meyasubako ver.2” is a new version of the tool to measure employees’ satisfaction objectively, using the Internet. The purpose of this tool is to assist organization development by measuring changes in employees’ loyalties, trustfulness, and anxiety.

4 . Research and development activities

Research and development activities were focused on Corporate Culture Measurement tool. This tool is the Japanese language version of the Corporate Culture Questionnaire (CCQ) of SHL UK. The tool facilitates specific suggestions on how to create a strong corporate culture. The tool is still being developed and sales are expected to begin in April, 2002.

5 . Office circumstances

We opened the Otemachi office and the Osaka office in August and October 2001, respectively. The Otemachi office is currently used as a demonstration room mainly for Internet services. The Osaka office is operated for the purpose of developing new customers in Kansai area.

Furthermore, the Shinbashi office was moved to Kudanshita, renamed the Kudanshita office, and has been operated to strengthen agency sales.

6 . Prospects for the current period

We intend to disclose a result of each quarter, but not in respect of future prospects.

7 . Others

(1) Summary of issued shares and dilution of shares.

	Issued shares		Share capital		Share premium		Notes
	Change in number	Ending balance	Change in amount	Ending balance	Change in amount	Ending balance	
	Shares	Shares	JPY in million	JPY in million	JPY in million	JPY in million	
30 September 2001	-	7,092	-	356	-	54	
10 December 2001	1,000	8,092	170	526	248	302	1.
In December 2001	37	8,129	3	530	3	305	2.
In December 2001	80	8,209	12	542	-	305	3.

(Notes)

1. Due to capital increase resulting from stock listing
2. Due to the exercise of warrant rights
3. Due to the exercise of stock options under the Commercial Code article 280-19

(2) Summary of dilution of shares

	Warrants		Stock options	
	Decrease in number	Ending balance	Decrease in number	Ending balance
	Shares	Shares	Shares	Shares
30 November 2001	-	189	-	244
In October 2001	5 Note 1	184	-	244
In November 2001	5 Note 1	179	-	244
In December 2001	37	142	80	164

(Notes)

1. Due to the lapse of rights resulting mainly from resignation of employees.
2. The decrease in number and the ending balances are disclosed on the basis of the numbers of shares which can be issued through the exercise of rights.

(3) Change in director

A director, Shuichi Yamada, was appointed as the managing director at the meeting of the board of directors on 26 December 2001.

Naohiro Nakamura and Masaki Sanjo were appointed as directors in the shareholders' meeting on 26 December 2001.