

Overview of the Interim-Term Financial Results and Performance (Excerpt)

April 28, 2006

2. Operating Results and Financial Condition

(a) Operating Results

Consolidated net sales for the interim term (October 1, 2005, through March 31, 2006) jumped 26.5% year over year to ¥725 million. By service segment, product sales increased 16.7% to ¥265 million, consulting sales rose 32.4% to ¥438 million and training sales soared 46.4% to ¥21 million.

The ¥38 million increase in product sales was primarily due to favorable sales of the GAB and CAB aptitude tests that corporations use to screen university graduates and the *Kessaibako* and HURMIS internal (employee) assessment tools. The ¥107 million rise in consulting sales reflected increased sales of *Tamatebako*, an Internet screening system for university graduates, the “*Web Aptitude Test*” and other Web-based assessment tools tailored to individual customer requirements, and internal assessment services provided by consolidated subsidiaries. The ¥6 million increase in training sales was primarily attributable to increased revenue from interview training seminars.

Consolidated operating income for the interim term ended March 31, 2006, totaled ¥227 million, up 104.6%, or ¥116 million, from a year earlier. This significant increase was owing to a ¥152 million rise in net sales, although cost of sales increased ¥14 million, or 12.6%, to ¥126 million, and selling, general and administrative expenses rose ¥21 million, or 6.3%, to ¥372 million. Major contributors to the increase in selling, general and administrative expenses were the inclusion of bonuses payable to directors amounting to ¥14 million and an increase of ¥5 million in sales promotion expense.

Consolidated ordinary income for the interim term under review jumped 123.2%, or ¥126 million, from the previous year to ¥229 million, resulting from a significant increase in operating income and a year-over-year increase of ¥2 million in non-operating income, as well as a decline of ¥7 million in non-operating expenses. This decline was mainly attributable to the new stock issuing expense for a stock split amounting to ¥4 million being recognized in the previous interim period and investment securities (investment in a limited partnership for the investment business) generating returns during the interim period under review.

After taking into account income taxes—current and income taxes—deferred, consolidated net income for the interim term ended March 31, 2006, soared 155.1%, or ¥86 million, from the previous year to ¥142 million.

Consolidated Sales by Service Segment

(Truncated to millions)

Segment \ Term	Interim Period from October 1, 2005, to March 31, 2006		Year-Over-Year Increase (Decrease)	Previous Interim Period from October 1, 2004, to March 31, 2005		Reference Fiscal Year ended September 30, 2005	
	Value	Percentage		Value	Percentage	Value	Percentage
	¥ million	%	%	¥ million	%	¥ million	%
Product	265	36.7	16.7	227	39.7	525	37.3
Consulting	438	60.4	32.4	331	57.8	857	60.8
Training	21	2.9	46.4	14	2.5	27	1.9
Total	725	100.0	26.5	573	100.0	1,411	100.0

Note: The services provided by the Group are categorized into three segments: Product, Consulting and Training. The Group uses its products to provide personnel assessment services, and it is not determined for which segment of service the products are used at the point of production. This aspect of our business makes it difficult to identify operating expenses separately for each segment. Therefore, only the sales of each segment are disclosed.

(b) Full-Year Outlook (October 1, 2005, through September 30, 2006)

During the interim period under review, an improvement in wages and employment due to the ongoing economic recovery, combined with the expected massive retirement of baby boomers in 2007, stimulated recruiting activities to acquire new university graduates and mid-career workers. In full recognition of these circumstances, the Group intends to strengthen ties with its agents to expand the sale of Web-based services in the recruitment market, as well as to promote the sale of internal (employee) assessment services for managerial staff.

Accordingly, consolidated net sales of ¥1,700 million (up 20.5% year over year), ordinary income of ¥590 million (up 23.7%) and net income of ¥342 million (up 24.3%) are projected for the year ending September 30, 2006.