

Year ending September 2007

Consolidated Financial and Operating Results (Excerpt) for the First Quarter, Ended December 31, 2006

January 31, 2007

Listed Company: SHL-JAPAN Ltd. (Securities Code: 4327 G)

[Qualitative information regarding consolidated operating results]

Net sales for the quarter under review (October 1, 2006, through December 31, 2006) decreased ¥6 million, or 3.0%, from the year-earlier quarter to ¥219 million.

By business segment, ¥70 million was “Product sales” (down 3.3% year over year), ¥146 million was “Consultancy sales” (down 3.0%) and ¥2 million was “Training sales” (up 8.4%).

“Product sales” decreased ¥2 million from the corresponding year-earlier period. “Consultancy sales” declined ¥4 million year over year. Both decreases resulted from the delayed timing (in the second half for both segments) for recording net sales into the financial statements. “Training sales” were almost flat on a value basis compared with the corresponding year-earlier period.

An operating loss of ¥1 million was recorded for the quarter under review. Cost of goods sold increased 1.6% to ¥46 million, remaining almost flat year over year.

Selling, general and administrative expenses decreased ¥6 million, or 3.5%, to ¥173 million. As net sales decreased ¥6 million from the year-earlier quarter, the operating income summary was almost flat compared with the corresponding year-earlier period. A major factor of the decline in selling, general and administrative expenses was a decrease of ¥7 million in sales promotion-related expenses.

An ordinary loss of ¥1 million was recorded for the quarter under review. This was principally attributable to the operating loss recorded for the quarter.

After taking into account the above factors and income taxes—deferred, the consolidated net loss for the first quarter, ended December 31, 2006, was ¥1 million.

[Qualitative information regarding consolidated financial forecasts]

The SHL-JAPAN Group has not amended its consolidated financial forecasts for the year ending September 30, 2007, which were released on October 31, 2006, as the consolidated operating results for the quarter under review were as previously projected. Accordingly, we forecast net sales of ¥1,815 million (up 13.2% year over year), ordinary income of ¥728 million (up 12.7%) and net income of ¥414 million (up 13.1%), on a consolidated basis.