

**Year Ended September 30, 2007**

**Overview of Consolidated Financial Results and Performance (Excerpt)**

October 31, 2007

Overview of Operating Results and Financial Position

a. Operating results for the year ended September 30, 2007

Consolidated net sales for the year ended September 30, 2007 (October 1, 2006, through September 30, 2007) advanced ¥48 million, or 3.0% year over year, to ¥1,652 million. By business segment, “Product sales” increased 7.4% to ¥591 million, “Consultancy sales” increased 1.1% to ¥1,033 million and “Training sales” decreased 9.6% to ¥27 million.

Product sales for the year under review increased ¥40 million year over year. This rise was primarily due to favorable sales of the GAB, IMAGES and other paper tests for customers through the agency channel. Consultancy sales increased only ¥10 million year over year, reflecting less-than-expected demand for our consulting service at the screening stage for new graduates as leading corporations instead focused their recruiting efforts on screening their own target populations to cope with the increasingly sellers’ market for the employment of new graduates. Training sales were almost flat year over year, decreasing ¥2 million.

Consolidated operating income for the year under review totaled ¥707 million, up 10.6% year over year. Although cost of goods sold increased ¥25 million, or 11.2%, to ¥248 million, operating income increased ¥67 million year over year because selling, general and administrative expenses decreased ¥44 million, or 6.0%, to ¥696 million and net sales increased ¥48 million. The rise in cost of goods sold was mainly attributable to an increase in the number of development staff. Leading contributors to the decline in selling, general and administrative expenses were non-recording of the reserve for directors’ bonuses, of which ¥37 million was recorded for the previous fiscal year, as a result of a management decision of its non-payment and a year-over-year reduction of ¥13 million in sales promotion expense.

Consolidated ordinary income for the year under review rose ¥68 million, or 10.5% year over year, to ¥714 million. This rise was almost the same as the increased amount of consolidated operating income because non-operating income and non-operating expenses remained flat compared with the previous fiscal year.

After taking into account the above factors and income taxes—current and income taxes—

deferred, consolidated net income for the year under review increased ¥59 million, or 16.2% year over year, to ¥425 million.

b. Projected performance for the year ending September 30, 2008 (October 1, 2007, through September 30, 2008)

We recognize that current factors such as the sustained underlying trend of economic recovery, aggressive plans for adding employees at many enterprises and an environment that shows signs of an ultra-sellers' market for the employment will likely continue in the fiscal year ending September 30, 2008. Consequently, we expect corporate investment by leading companies for improving the employee screening process will remain flat, at best.

Meanwhile, we anticipate that the trend of several aptitude tests being shifted to the Internet, which was already noticeable in the year ended September 30, 2007, will accelerate in the current fiscal year. We therefore expect the ratio of sales of Web-based assessment tools, which accounted for 46% of total sales for the year under review, to further increase, thereby supporting profitability.

In addition, we highly anticipate an increase in sales of our products handled by Mainichi Communications Inc., which recently made an equity participation in SHL-JAPAN Ltd.

As a consequence, net sales of ¥1,854 million (up 12.2% year over year), operating income of ¥800 million (up 13.1%), ordinary income of ¥802 million (up 12.4%) and net income of ¥478 million (up 12.4%) are projected on a consolidated basis for the year ending September 30, 2008.