Consolidated Financial and Operating Results for the Third Quarter, Ended June 30, 2008

July 31, 2008

[Qualitative information, financial statements, etc.]

1. Qualitative information regarding consolidated operating results

Consolidated net sales for the third quarter under review (October 1, 2007, through June 30, 2008) advanced ¥98 million, or 9.2% year over year, to ¥1,175 million. By business segment, "Product sales" decreased 4.0% to ¥467 million, "Consultancy sales" increased 20.2% to ¥679 million and "Training sales" increased 15.7% to ¥28 million.

Consultancy sales for the third quarter under review increased ¥114 million year over year, which primarily resulted from aggressive sales of Web-based assessment tools (Internet-related services) that allow customer corporations to considerably reduce their burden in the course of screening target applicants, thereby resulting in favorable sales of customized versions of the "*Web Aptitude Test.*" Meanwhile, product sales for the third quarter under review decreased ¥19 million year over year. This sluggishness was primarily attributable to the market conditions in which demand for our product service at the screening stage for new graduates remained weak following the previous fiscal year because our customer corporations continued to focus recruiting investment efforts on screening their own target populations in response to the current sellers' market for the employment of new graduates. Training sales improved ¥3 million year over year.

Consolidated operating income for the third quarter under review totaled ¥426 million, up 22.0% year over year. Although cost of goods sold increased ¥3 million, or 2.0%, to ¥199 million and selling, general and administrative expenses increased ¥17 million, or 3.3%, to ¥549 million, operating income increased ¥76 million year over year due to an increase of ¥98 million in net sales. A leading contributor to the rise in selling, general and administrative expenses was a year-over-year increase of ¥34 million in expenses, including personnel expenses due to increases in the number of sales and administration staff, sales promotion expenses and internal control system improvement expenses despite a decline of ¥16 million in R&D expenses.

Consolidated ordinary income for the third quarter under review rose ¥75 million, or 21.4% year over year, to ¥425 million, reflecting an increase in consolidated operating income and year-over-year increases of ¥1 million in non-operating income and ¥3 million in non-operating expenses. The rise in non-operating income was primarily attributable to an increase in interest received, whereas the rise in non-operating expenses was mainly due to a ¥3 million loss on investment in capital of a limited liability investment partnership for venture enterprises.

Income before income taxes for the third quarter under review increased ¥90 million, or 25.8%

year over year, to ¥441 million. This reflected an increase in consolidated ordinary income, the recording of ¥100 million in insurance income due to the death of the former President under extraordinary gains and the recording of ¥12 million in company funeral-related expenses and ¥71 million in directors' retirement benefits under extraordinary losses.

After taking into account the above factors and income taxes—current and income taxes—deferred, consolidated net income for the third quarter, ended June 30, 2008, increased ¥49 million, or 24.9 % year over year, to ¥246 million.

2. Qualitative information regarding consolidated financial forecasts

As the full-year projections for the year ending September 30, 2008, are expected to be less than those previously released given the operating results for the third quarter under review, we hereby revise our projections for the year ending September 30, 2008, as described below.

For the third quarter under review, net sales increased 9.2% and operating income increased 22.0% from the corresponding nine-month period a year earlier on a consolidated basis. According to our management indicators, however, the year-over-year growth rate in net sales from our top 100 customer corporations remained at about 6%, which is lower than we previously predicted. This lower-than-expected trend reflects the increased time required to conclude our service contracts due to customers' prudent tendency toward large-scale contracts and will likely continue in the fourth quarter, during which one of the major themes for corporations is the employment of new graduates for the next fiscal year. As a consequence, we expect full-year net sales to fall short of our previously released estimate by ¥104 million, or 5.6%.

As a result, we have revised our full-year projections for the year ending September 30, 2008, to ¥1,750 million in net sales (up 5.9% year over year), ¥749 million in operating income (up 5.9%), ¥747 million in ordinary income (up 4.7%) and ¥448 million in net sales (up 5.4%), on a consolidated basis.

We have not revised the previously released dividend figure and intend to distribute an annual dividend of ¥6,300 per share for the year ending September 30, 2008.