

Year Ended September 30, 2008

Overview of Consolidated Financial Results and Performance (Excerpt)

October 31, 2008

Overview of Operating Results and Financial Position

a. Operating results for the year ended September 30, 2008

Consolidated net sales for the year ended September 30, 2008 (October 1, 2007, through September 30, 2008) advanced ¥25 million, or 1.5% year over year, to ¥1,677 million. By business segment, “Product sales” decreased 5.4% to ¥559 million, “Consultancy sales” increased 5.3% to ¥1,088 million and “Training sales” increased 6.7% to ¥29 million.

Consultancy sales for the year under review increased ¥54 million year over year. This rise primarily resulted from continued 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*.” However, in the fourth quarter, during which sales in association with the screening for new graduates for the next fiscal year account for a major portion, consultancy sales were lower than we previously predicted, reflecting customers’ prudent tendency toward large-scale contracts in view of the unprecedented, U.S.-originated financial system crisis and growing concerns of global economic setback. Product sales decreased ¥31 million year over year. This decline was primarily attributable to the sluggish 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 forming their own target populations in response to the current sellers’ market for the employment of new graduates, and to the decreased sales from the internal assessments of current employees compared with those a year earlier given the unfavorable economic environment in the fourth quarter. Training sales increased ¥1 million year over year.

Consolidated operating income for the year under review totaled ¥693 million, down 2.0% year over year. Although net sales increased ¥25 million, operating income decreased ¥14 million year over year because cost of goods sold increased ¥2 million, or 1.1%, to ¥251 million, and selling, general and administrative expenses increased ¥36 million, or 5.2%, to ¥732 million. A leading contributor to the rise in selling, general and administrative expenses was a year-over-year increase of ¥50 million in expenses, including personnel expenses due to increases in the number of officers and employees and internal control system improvement expenses despite a decline of ¥14 million in

R&D expenses.

Consolidated ordinary income for the year under review decreased 2.9% year over year to ¥693 million. Ordinary income decreased ¥20 million, reflecting a year-over-year increase of ¥5 million in non-operating expenses in addition to a decline in consolidated operating income. The rise in non-operating expenses was mainly due to a ¥5 million loss on investment in capital of a limited liability investment partnership for venture enterprises.

Income before income taxes for the year under review decreased ¥5 million, or 0.8% year over year, to ¥707 million. This reflected a decline in consolidated ordinary income, the recording of ¥102 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 provision for 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 year under review decreased ¥5 million, or 1.3% year over year, to ¥419 million.

b. Projected Performance for the year ending September 30, 2009 (October 1, 2008, through September 30, 2009)

We recognize that the difficult economic environment involving serious risks for global financial systems and concerns about a worldwide economic setback will likely continue in the fiscal year ending September 30, 2009, which would result in unstable domestic employment conditions.

Given this business climate, we expect the market of screening for new graduates, in which the trend of an excessive seller's market has caused an imbalance in the supply-demand relationship, to improve. If our expectation is realized, such a change in market conditions should serve as a spur to our product sales.

Meanwhile, we anticipate that the trend of several aptitude tests being shifted to the Internet, which was already noticeable in the year under review, will accelerate in the year ending September 30, 2009. We therefore expect the ratio of sales of Web-based assessment tools, which accounted for 52% (46% in the previous fiscal year) of total sales for the year under review, to further increase, thereby supporting profitability. We will follow the policy of increasing our operating performance through aggressive sales of Web Aptitude Test.

As a consequence, net sales of ¥1,840 million (up 10.3% year over year), operating income of ¥754 million (up 9.5%), ordinary income of ¥752 million (up 8.9%) and net income of ¥437 million (down 7.7%) are projected on a consolidated basis for the year ending September 30, 2009.