

Financial and Operating Results (Excerpt) for the Second Quarter, Ended March 31, 2009

[Qualitative information, financial statements, etc.]

1. Qualitative information regarding operating results

As SHL-JAPAN Ltd. (the “Company”) merged its sole consolidated subsidiary as of January 1, 2008, the operating results of the Company for the year ending September 2009 will be reported only on a non-consolidated basis. For the interim term, or two cumulative quarters, ended March 31, 2009 (October 1, 2008, through March 31, 2009), net sales advanced ¥23 million, or 2.8% year over year, operating income increased ¥44 million, or 13.9%, ordinary income rose ¥48 million, or 15.3%, income before income taxes increased ¥19 million, or 6.3%, and net income for the interim term advanced ¥10 million, or 5.9%, compared with the corresponding consolidated figures for the interim term of the previous fiscal year. Consequently, the Company secured increases in revenues and profits.

The following describes the operating results for the interim term ended March 31, 2009, compared with the corresponding interim term of the previous fiscal year on a non-consolidated basis.

Net sales for the interim term under review advanced ¥31 million, or 3.9% year over year, to ¥848 million. By business segment, “Product sales” improved 1.3% to ¥286 million and “Consultancy sales” increased 6.5% to ¥545 million, whereas “Training sales” decreased 22.7% to ¥16 million. Above all, “Consultancy sales” increased ¥33 million year over year due to favorable sales of customized versions of the “*Web Aptitude Test.*”

Operating income for the interim term under review totaled ¥361 million, up 15.5% year over year. Although selling, general and administrative expenses increased ¥3 million, or 1.0%, to ¥369 million, operating income for the interim term under review advanced ¥48 million year over year due to a decrease of ¥20 million, or 14.6%, in cost of goods sold to ¥117 million and an increase of ¥31 million in net sales.

Ordinary income for the interim term under review totaled ¥364 million, up 16.1% year over year. This ¥50 million increase in ordinary income reflected a year-over-year increase of ¥5 million in non-operating income in addition to a rise in operating income, which were partly offset by a year-over-year increase of ¥3 million in non-operating expenses. The rise in non-operating income was primarily attributable to the recording of a ¥7 million return premium for cancellation of certain life insurance contracts, whereas the rise in non-operating expenses was mainly due to a ¥6 million loss on investment in capital of a limited liability investment partnership for venture enterprises.

Income before income taxes for the interim term under review decreased ¥32 million, or 8.8%

year over year, to ¥335 million. Major contributors to this decline were a ¥54 million gain on extinguishment of tie-in shares, which was derived from the merger of a subsidiary, under extraordinary gains that was recorded in the corresponding interim term of the previous fiscal year, and the recording of a ¥28 million loss from the integration or abolition of sales bases (recorded as a “loss on retirement of noncurrent assets” and “office transfer expenses”) under extraordinary losses.

After taking into account the above factors and income taxes—current and income taxes—deferred, net income for the interim term ended March 31, 2009, decreased ¥43 million to ¥197 million.

2. Qualitative information regarding financial forecasts

As the full-year financial forecasts for the year ending September 30, 2009, based on the operating results for the interim term under review are expected to fall short of the previously released projections, we are revising our full-year financial forecasts at this time.

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income
Previous projection (A)	1,840	754	752	437
Revised projection (B)	1,710	693	694	386
Increase/decrease (B – A)	(130)	(60)	(58)	(51)
Rate of change (%)	(7.1)	(8.1)	(7.7)	(11.7)
Non-consolidated operating results for the year ended September 30, 2008	1,668	689	691	473
Consolidated operating results for the year ended September 30, 2008	1,677	693	693	419

As described in “1. Qualitative information regarding operating results” above, the Company secured increases in revenues and profits for the interim term ended March 31, 2009. However, according to an analysis of the Company’s management indices, sales to the top 100 customers rose only 8%, which was below our expectation, although sales of Web-based assessment tools (Internet-related service) remained relatively firm with a year-over-year rise of approximately 15%.

These tendencies likely indicate the weakened intention of our customers to engage new employees, considerably affected by the current stagnant economic environment globally, and we recognize that this harsh business climate will continue. Consequently, we anticipate a more cautious

and reluctant approach by corporations to large-lot agreements in the fourth quarter, during which the recruiting of new graduates for the next fiscal year will be a main management theme at many corporations, accompanied by a continued tendency toward requiring more time to conclude our agreements.

Taking into account the above factors, we have revised our previous projections for the fiscal year ending September 2009 to the following: ¥1,710 million in net sales (up 2.5% year over year), ¥693 million in operating income (up 0.6%), ¥694 million in ordinary income (up 0.5%) and ¥386 million in net income (down 18.5%).

The Company plans to distribute an annual dividend of ¥6,800 per share without revising the previously released projection.

Note: Compared with the consolidated operating results for the previous fiscal year, the above financial forecasts for the year ending September 30, 2009, correspond to ¥1,710 million in net sales (up 1.9% year over year), ¥693 million in operating income (up 0.0%), ¥694 million in ordinary income (up 0.2%) and ¥386 million in net income (down 8.0%).