

## Financial and Operating Results (Excerpt) for the Third Quarter, Ended June 30, 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 third quarter, or three cumulative quarters, ended June 30, 2009 (October 1, 2008, through June 30, 2009), net sales advanced ¥13 million, or 1.1% year over year, operating income increased ¥17 million, or 4.1%, ordinary income rose ¥22 million, or 5.2%, income before income taxes decreased ¥36 million, or 8.2%, and net income declined ¥6 million, or 2.8%, compared with the corresponding consolidated figures for the third quarter of the previous fiscal year. Consequently, the Company recorded an increase in revenues and a decline in profits.

The following describes the operating results for the third quarter under review compared with the corresponding third quarter of the previous fiscal year on a non-consolidated basis.

Net sales for the third quarter under review advanced ¥21 million, or 1.9% year over year, to ¥1,188 million. By business segment, “Product sales” increased 4.0% to ¥482 million and “Consultancy sales” rose 1.2% to ¥682 million, whereas “Training sales” decreased 16.4% to ¥23 million. Although sales of customized versions of the “*Web Aptitude Test*” were favorable given a stringent market environment in which most leading corporate customers reduced costs for employing new graduates, sales of the “*Human Assessment Service\**,” etc., were stagnant. As a consequence, the rise in “Consultancy sales” was only ¥7 million. Meanwhile, “Product sales” mainly for the GAB/CAB employment screening-related products expanded ¥18 million, reflecting rising demand for services given by the Product segment of the Company at the screening stage for many small- and medium-sized corporations that desire to employ new graduates.

Operating income for the third quarter under review totaled ¥444 million, up 5.2% year over year. Although selling, general and administrative expenses increased ¥19 million, or 3.5%, to ¥562 million, operating income for the third quarter under review advanced ¥21 million year over year due to a decrease of ¥19 million, or 9.6%, in cost of goods sold to ¥181 million and an increase of ¥21 million in net sales.

Ordinary income for the third quarter under review totaled ¥447 million, up 5.7% year over year. This ¥24 million increase reflected a year-over-year rise 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 the 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 third quarter under review decreased 17.9% year over year to ¥405 million. Income before income taxes for the corresponding third quarter of the previous fiscal year reflected the recording of ¥100 million in insurance income due to the death of the former President and a ¥54 million gain on extinguishment of tie-in shares, which was derived from the merger of a subsidiary, under extraordinary gains, as well as the recording of ¥12 million in company funeral-related expenses and ¥71 million in directors' retirement benefits under extraordinary losses. Meanwhile, income before income taxes for the third quarter under review decreased ¥88 million year over year mainly due to the recording of a ¥42 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 third quarter ended June 30, 2009, decreased ¥60 million to ¥240 million.

\*The Company's Human Assessment Service offers individualized competency reports through the observation, recording, classification and evaluation of the general responsive behaviors of individual subjects. The tests are carefully conducted by professionally trained assessors in simulated scenes such as a group debate. The assessment results are fed back to the respective subjects and corporate customers.

## 2. Qualitative information regarding financial forecasts

As a result of our analysis of the operating results and financial position of the Company for the third quarter under review and the review of the financial forecasts, we do not intend to revise the full-year projections for the year ending September 30, 2009, which were released on April 30, 2009.

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%).

The above financial forecasts are forward-looking statements about future performance and are based on the Company's assumptions and beliefs in light of the information currently available as of the day when the above data was released. There are potential risks and uncertainties inherent in forecasting, and actual results, therefore, might differ materially from these forecasts due to various factors.