

Year Ending September 30, 2010**Financial and Operating Results (Excerpt) for the First Quarter, Ended December 31, 2009**

January 29, 2010

Listed Company Name:	SHL-JAPAN Ltd.	Registered on Osaka Securities Exchange
Securities Code	4327	
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Date to submit the Quarterly Securities Report:	February 15,2010	
Date to start distributing dividends:	—	

1. Qualitative information regarding operating results

During the first quarter of the year ending September 30, 2010 (October 1, 2009, through December 31, 2009), uncertainty persisted with the potential risk of a double-dip recession due to the so-called Dubai shock and concerns about yen appreciation although the domestic and global economies showed signs of bottoming. Meanwhile, the domestic employment situation remained difficult. The employment of new graduates for Japanese enterprises, a measure that is generally considered to be a typical lagging indicator of the overall economy, was severely affected across the board.

In such a harsh economic climate, net sales of SHL-JAPAN Ltd. (the “Company”) for the first quarter decreased ¥47 million, or 19.5% year over year, to ¥195 million partly due to the fact that the first quarter is regularly a work-in-process period for subsequent business operations in the business cycle of our fiscal year. By business segment, “Product sales” decreased 8.2% to ¥68 million and “Consultancy sales” declined 26.4% to ¥122 million, whereas “Training sales” increased 150.9% to ¥4 million. Above all, “Consultancy sales” decreased ¥43 million year over year, reflecting unfavorable sales of customized versions of the “*Web Aptitude Test*,” a Web assessment tool, and “*Tamatebako*,” an Internet-based screening system.

An operating loss of ¥24 million was recorded for the quarter under review. This was primarily attributable to ¥180 million in selling, general and administrative expenses (a year-over-year increase of ¥6 million, or 3.9%) in addition to the decline in revenue, although the cost of goods sold decreased ¥5 million, or 13.2%, to ¥39 million.

An ordinary loss of ¥24 million was recorded for the quarter under review. This figure was almost the same as the operating loss because both non-operating income and non-operating expenses were relatively small.

After taking into account the above factors and income taxes—current and income taxes—deferred, a net loss of ¥14 million was recorded for the first quarter under review.

2. Qualitative information regarding business forecasts

As described in “1. Qualitative information regarding operating results,” we recognize that the tough management environment surrounding the Company continues and will linger in the foreseeable future.

Nevertheless, in terms of current customer trends, we are encouraged by favorable signs such as the resumed employment of new graduates especially among certain customers mainly in the manufacturing sector and the fact that many customers have not yet determined their employment plans. We therefore believe that our projected performance for the year ending September 30, 2010, is achievable by proactively matching such potential customer needs with the reception of orders in the days ahead. Consequently, we are not revising our financial forecasts at this time.

All forecasts in this document are based on various assumptions with information available at this time and therefore involve known and unknown risks and uncertainties. Actual results to differ materially from these forecasts.