

Year ending September 2011

Non-consolidated Financial and Operating Results (Excerpt) for the First Quarter Ended December 31, 2010 (in accordance with the GAAP of Japan)

January 31, 2011

Listed Company Name: SHL-JAPAN Ltd. Registered on Osaka Securities Exchange
Securities Code 4327
URL: <http://www.shl.co.jp/>
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Date to submit the Quarterly Securities Report: February 14, 2011
Date to start distributing dividends: —

1. Qualitative information regarding operating results

During the first quarter of the year ending September 30, 2011 (October 1, 2010, through December 31, 2010), future prospects remained uncertain given the impact of such factors as yen appreciation and deflation even though the domestic economy gradually recovered. The recent press report on informal employment-related decisions made by Japanese corporations indicated this spring's employment of new college/university graduates would be at the lowest rate ever, reflecting a continuing difficult domestic employment situation.

In such a harsh economic climate, net sales of SHL-JAPAN Ltd. (the "Company") for the first quarter increased ¥35 million, or 18.2% year over year, to ¥231 million. By business segment, "Product sales" increased 16.0% to ¥79 million and "Consultancy sales" rose 21.0% to ¥148 million, whereas "Training sales" decreased 27.4% to ¥3 million. The increase in "Product sales" was primarily attributable to favorable sales of the "GAB," which is used for the screening of new graduates who want to be recruited on the main career track. The increase in "Consultancy sales" mainly reflected favorable sales of customized versions of the "Web Aptitude Test."

An operating loss was posted for the quarter under review, decreasing ¥21 million from the loss posted a year earlier to ¥2 million. Although selling, general and administrative expenses increased ¥13 million, or 7.2% year over year, to ¥193 million, revenue increased and the cost of goods sold was up 2.2% to ¥39 million, which was almost level with a year earlier.

An ordinary loss was posted for the quarter under review, decreasing ¥20 million from the loss posted a year earlier to ¥3 million. This figure was almost the same as the operating loss because both non-operating income and non-operating expenses were relatively small.

A loss before income taxes of ¥6 million was recorded for the quarter under review due to

extraordinary losses of ¥3 million. This amount, however, was a ¥17 million decrease compared with a year earlier. The major component of the extraordinary losses was a loss on retirement of noncurrent assets of ¥2 million for office renovation.

After taking into account the above factors and income taxes—current and income taxes—deferred, a net loss of ¥3 million, down ¥10 million from a year earlier, was recorded for the first quarter under review.

2. Qualitative information regarding business forecasts

Assuming that the current employment environment will continue, we recognize that the tough management environment surrounding the Company will continue into the foreseeable future. Despite such an environment, the Company intends to focus on expanding the number of customers, thereby further improving business performance.

Under the recognition described above and based on our analyses of the operating results, financial position and other managerial administration data for the first quarter, ended December 31, 2010, followed by our careful consideration of business forecasts, the Company is not at this time revising its financial forecasts for the year ending September 30, 2011, which were released on October 29, 2010.

Notes:

1. As the Company's services are often used for the screening of new graduates to be employed by corporate customers, our sales inevitably involve seasonal fluctuations. In recent years, as sales of our employment screening tools to help Japanese corporations employ new graduates tended to be concentrated in the February–April period, during which screening for employment is basically conducted by corporate customers, we have not presented performance forecasts for the interim term.
2. Of the financial forecasts released on October 29, 2010, net income per share has changed due to the purchase of the Company's own shares at a later date, but there is no change in the other forecasts.

*Status of a quarterly review

- This financial summary does not need to undergo a quarterly review under the Financial Instruments and Exchange Act. The quarterly financial statements under the Financial Instruments and Exchange Act have not been reviewed at the time of the announcement of this financial summary.

*Explanations and other special notes concerning the appropriate use of business performance forecasts

- 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.