



Year ending September 2011

**Non-consolidated Financial and Operating Results (Excerpt) for the Third Quarter Ended
June 30, 2011 (in accordance with the GAAP of Japan)**

July 29, 2011

Listed Company Name: SHL-JAPAN Ltd. Registered on Osaka Securities Exchange
Securities Code 4327
URL: <http://www.shl.co.jp/>
Representative: Manabu Nara, Managing Director
Contact: Naohiro Nakamura, Executive Director TEL:+81-3-5385-8781
Date to submit the Quarterly Securities Report: August 15, 2011
Date to start distributing dividends: —
The original disclosure in Japanese was released on July 29, 2011 at 14:50 (GMT+9)

1. Qualitative information regarding operating results

For the third quarter of the year ending September 30, 2011 (October 1, 2010, through June 30, 2011), net sales of SHL-JAPAN Ltd. (the “Company”) increased ¥18 million, or 1.4% year over year, to ¥1,319 million. By business segment, “Product sales” advanced 5.4% to ¥577 million, “Consultancy sales” decreased 1.7% to ¥710 million and “Training sales” increased 6.1% to ¥31 million. After the Great East Japan Earthquake on March 11, 2011, many clients modified (suspended or postponed) their schedules for recruiting and selecting new graduates, which delayed our services for job applicant testing and the provision of our Human Assessment Services.* This was a significant factor that reduced net sales for the first three quarters of the fiscal year. Despite such a harsh business environment, however, the Company achieved a slight increase in net sales, which was primarily attributable to continuing favorable sales of the “GAB” in “Product sales.” The “GAB” is used for the screening of new graduates who want to be recruited on the main career track.

Operating income for the first three quarters under review totaled ¥549 million, up 0.4% year over year. Although the cost of goods sold increased ¥2 million, or 1.8%, to ¥167 million and selling, general and administrative expenses increased ¥13 million, or 2.3%, to ¥602 million, operating income for the first three quarters grew ¥2 million year over year due to an increase in revenue during the three cumulative quarters. The increase in selling, general and administrative expenses was primarily attributable to an increase of ¥29 million in labor costs due to the expansion of sales personnel.

Ordinary income for the first three quarters under review totaled ¥551 million, up 0.7% year over year. This ¥3 million increase in ordinary income reflected a year-over-year increase of ¥2 million in non-operating income in addition to an increase in operating income despite a rise in non-operating

expenses including commission for purchase of treasury stock. The increase in non-operating income was mainly due to a ¥2 million gain on investments in a limited liability partnership for venture businesses.

Income before income taxes for the first three quarters under review totaled ¥548 million, up 0.1% year over year. Income before income taxes was almost at the same level as a year earlier, reflecting the rise in ordinary income, despite the recording of an extraordinary loss of ¥3 million on the retirement of noncurrent assets for office renovation at the head office.

After taking into account the above factors and income taxes—current and income taxes—deferred, net income for the first three quarters under review increased 0.1% to ¥324 million, which was almost the same as that a year earlier.

*Through our Human Assessment Services, professional trained assessors observe, record, classify and evaluate the examinees' behavior in group discussions or simulated scenes, provide feedback to examinees and submit reports on individuals' talent to the client.

2. Qualitative information regarding business forecasts

Luckily, the direct impact of the Great East Japan Earthquake that occurred on March 11, 2011, on the Company was insignificant. However, unlike other years when the Company's second and third quarters were the peak for our clients recruiting and selecting new graduates, many clients have modified (suspended or postponed) their schedules due to the impact of the Great East Japan Earthquake. The period for recruiting and selecting new graduates from among those who will graduate in March 2012 seems to have been prolonged. In the coming fourth quarter (July 1, 2011, through September 30, 2011), we will focus on continual customer follow-up activities so that we will not miss any business opportunities for the clients who have postponed their schedules for recruiting and selecting new graduates, in addition to sales activities for the next fiscal year geared toward recruiting and selecting new graduates who will graduate in March 2013.

Under the aforementioned recognition and based on our analyses 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 April 28, 2011.

Note: As for the financial forecasts above made by the Company, there has been no change since they were released on October 29, 2010, in the "Non-Consolidated Financial and Operating Results (Excerpt) for the Year Ended September 30, 2010 (in accordance with the GAAP of Japan)."

However, net income per share has changed as the Company purchased and retired treasury stock.

*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.