

**Year ending September 2012**

**Non-Consolidated Financial and Operating Results (Excerpt) for the First Quarter Ended  
December 31, 2011 (in accordance with the GAAP of Japan)**

**January 31, 2012**

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, 2012  
Date to start distributing dividends: —

1) Qualitative information regarding operating results

During the first quarter of the year ending September 30, 2012 (October 1, 2011, through December 31, 2011), net sales of SHL-JAPAN Ltd. (the “Company”) increased ¥35 million, or 15.2% year over year, to ¥266 million. By business segment, “Product sales” advanced 33.2% to ¥106 million, “Consultancy sales” rose 5.0% to ¥155 million and “Training sales” increased 36.8% to ¥4 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 “*Marksheet Test*.” The increase in “Training sales” was mainly due to an increase in the number of in-house seminars.

The Company is confident that the increase in revenue for the first quarter was mainly attributable to our efforts in response to customer feedback on midcareer recruiting, for which the media has reported a trend toward increased future certainty, and follow-up activities for customers whose recruiting activity was postponed from the previous fiscal year due to the impact of the Great East Japan Earthquake. Conversely, the Company experienced adverse effects such as the delayed provision of our prospective services by adopting the industry’s self-imposed restraint on the screening of new graduates (through which industrial organizations agree not to start the screening process for new graduates prior to a fixed date in view of the academic schedules for students at universities and colleges).

Operating income for the quarter under review totaled ¥17 million compared with an operating loss of ¥2 million posted for the corresponding first quarter a year earlier. Operating income was reported due to the increase in net sales although the cost of goods sold increased ¥15 million, or

37.9% year over year, to ¥55 million, reflecting relatively numerous deliveries of our products ordered in and carried forward from the previous fiscal year, as well as small-scale orders. Selling, general and administrative expenses edged down 0.1% to ¥193 million. The flat selling, general and administrative expenses were primarily attributable to year-over-year declines in other disbursement items, which more than offset an increase of ¥7 million in labor costs due to the expansion of sales personnel.

Ordinary income for the quarter under review totaled ¥17 million compared with an ordinary loss of ¥3 million a year earlier. This figure was almost the same as operating income because both non-operating income and non-operating expenses were relatively small.

Income before income taxes for the quarter under review totaled ¥6 million after reporting extraordinary losses of ¥10 million compared with a loss before income taxes of ¥6 million a year earlier. The extraordinary losses represented the recording of a valuation loss on a golf membership and others.

After taking into account the above factors and income taxes—current, net income for the quarter under review amounted to ¥3 million compared with a net loss of ¥3 million a year earlier.

## (2) Qualitative information regarding business forecasts

The business situation, in which uncertainty in the economic environment persists due to such factors as the debt crisis in Europe and the lingering high appreciation of the yen, has not changed since the end of the previous fiscal year. Furthermore, self-imposed restraint (through which industrial organizations agree not to start the screening process for new graduates prior to a fixed date in view of the academic schedules for students at universities and colleges) might oblige corporate customers to change their conventional graduate employment plans and the Company has already experienced the negative impact of this trend on its operations.

Based on the basic recognition that the aforementioned business climate will continue in the foreseeable future, we intend to increase our operating performance through aggressive sales promotion along with efforts to enhance product appeal and reinforce our sales organization.

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, 2011, 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, 2012, which were released on October 28, 2011.

## 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.

\*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.