Non-consolidated Financial and Operating Results (Excerpt) for the Year Ended September 30, 2013
(J-GAAP basis)

Nov 6, 2013

Listed Company Name:	SHL-JAPAN Ltd.	Registered on Tokyo Securities Exchange
Securities Code:	4327	URL:http://www.shl.co.jp/
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Scheduled date for the ordinary general meeting of shareholders: Dec 21,2013
Scheduled date for commencement of dividend payment: Dec 24,2013
Scheduled date for filing the securities report: Dec 25,2013
The original disclosure in Japanese was released on October 25, 2013 at 15:45 (GMT+9)

(1) Analysis of Operating Results

(Operating results for the year ended September 30, 2013)

For the year ended September 30, 2013 (October 1, 2012 through September 30, 2013), net sales of SHL-JAPAN Ltd. (the "Company") increased ¥128 million, or 7.0% year over year, to ¥1,967 million. By business segment, "Product sales" increased 9.5% to ¥963 million, "Consultancy sales" increased 4.9% to ¥970 million and "Training sales" decreased 2.0% to ¥33 million.

Product sales for the year under review increased ¥83 million year over year. This increase was primarily attributable to continuously favorable sales of the "*GAB,*" which is used for the screening of new graduates recruited for the main career track. Consultancy sales also increased ¥45 million year over year. This increase was primarily attributable to an increase in sales of customized versions of the "*Web Test*," a Web assessment tool.

During the year ended September 30, 2013, against a backdrop of general expectations of economic recovery following the economic policies launched by the government, the Company conducted aggressive marketing activities mainly to develop new customers in view of the positive posture of corporations toward employment, on which the media has reported a year-over-year increase in the informal job offer rate for expected graduates at the end of March 2014, thereby ensuring an increase in revenue. Reviewing net sales of the Company by quarter, the Company's performance significantly exceeded that of a year earlier for the second quarter (January 1, 2013 through March 31, 2013), during which screening for employment is conducted. However, net sales of the Company for the fourth quarter (July 1, 2013 through September 30, 2013) were low, decreasing ¥37 million year over year to ¥336 million. The Company's fourth quarter falls under the period on which sales of screening tools for the coming year's new graduates are concentrated. Regarding the fourth quarter under review, as in the same period a year earlier, the decline in net sales for the fourth quarter was primarily attributable to the postponement of the sales period as sales of screening tools for the coming year's new graduates were affected by the industry's self-imposed controls on the screening of new graduates (under which industry groups agreed not to start the screening process and recruitment-related PR activity for new graduates prior to a fixed date in light of academic schedules).

Operating income for the year under review increased 10.8% year over year to ¥858 million. The cost of goods sold increased ¥1 million, or 0.5% year over year, to ¥239 million, and selling, general and administrative expenses increased ¥43 million, or 5.3%, to ¥870 million. However, operating income for the year increased ¥83 million year over year due to the increase in revenue. The increase in selling, general and administrative expenses was primarily attributable to increases of sales promotion related expenses, supplies

expenses and labor costs mainly due to the expansion of sales personnel and share-based compensation expenses.

Ordinary income for the year under review increased ¥86 million, or 11.1% year over year, to ¥863 million. This increase in ordinary income was mainly due to a year-over-year increase of ¥2 million in non-operating income in addition to the increase in operating income. The increase in non-operating income was mainly attributable to a year-over-year increase of ¥2 million in gains on investments in a limited liability partnership for venture businesses.

Income before income taxes for the year under review totaled ¥905 million (up 18.5% year over year). Income before income taxes increased ¥141 million year over year mainly due to a year-over-year increase of ¥50 million in extraordinary gains and a year-over-year decrease of ¥4 million in extraordinary losses, in addition to the increase in ordinary income. The increase in extraordinary gains was primarily due to the recording of ¥52 million in insurance income arising from the passing of a director under extraordinary gains. The decrease in extraordinary losses was primarily due to the recording of a ¥10 million valuation loss on golf club memberships for the same period a year earlier, in addition to the recording of ¥7 million in directors' retirement benefits, a ¥1 million impairment loss on idle assets and a ¥1 million loss on abandonment of inventories.

After taking into account the above factors and income taxes-current and income taxes-deferred, net income for the year under review increased ¥113 million, or 25.8% year over year, to ¥552 million.

(Projected performance for the year ending September 30, 2014)

Although the employment environment is expected to remain firm in the coming fiscal year due to gradual recovery from the implementation of various economic policies, the business environment of the Company is uncertain in view of the impact of the rise in consumption taxes on the Japanese economy. In addition, the Company's business results is expected to be affected by the unfavorable screening period and recruitment-related PR activity for new graduates, which will be further shortened due to the request by the government of business organizations to delay the screening process for new graduates prior to a certain date in light of academic schedules for students and the announcement of the "Guideline for Screening of Job Applicants" by Nippon Keidanren (Japanese Business Federation). In particular, we project considerable adverse effects for the fourth quarter (July 1, 2014 through September 30, 2014) taking into account the timing of the scheduled implementation of the Guideline.

In the aforementioned business environment, however, we intend to increase our operating performance through enhanced efforts to strengthen our business quality for the purpose of speedily providing optimum services based on our precise analysis of corporate needs.

In light of the above, net sales of ¥2,045 million (up 3.9% year over year), operating income of ¥898 million (up 4.7%), ordinary income of ¥899 million (up 4.2%) and net income of ¥553 million (up 0.1%) are projected for the year ending September 30, 2014.

(2) Basic policy regarding profit distribution and dividends for the year ended September 30, 2013 and the year ending September 30, 2014

The Company considers the return of profits to shareholders to be one of its mainstay management tasks. Consequently, the Company intends to maintain a policy of ensuring stable and proactive profit distribution to shareholders with a benchmark payout ratio of 50% while maintaining an internal reserve for the future reinforcement of its business structure. The Company's basic policy on dividends from surplus is to distribute dividends twice per annum as an interim dividend and a year-end dividend. The internal decision organization is the Board of Directors for the interim dividend and a general meeting of shareholders for the year-end dividend.

In line with the above policies, the Company plans to distribute an annual dividend per share of ¥90 for the year ended September 30, 2013, consisting of ¥53 per share for the year-end dividend and ¥37 per share for the interim dividend. This is a dividend increase of ¥18.50 (up 25.9%) annually compared with a ¥71.50 ordinary dividend per share for the previous fiscal year, and is a dividend increase of ¥4.25 (up 5.0%) annually

compared with a ¥85.75 annual dividend per share for the previous fiscal year, which was composed of an ordinary dividend and a commemorative dividend.

The Company intends to reinforce its management foundation by allotting the internal reserve to IT investments to ensure higher safety of its information systems and R&D projects of new assessment tools.

The Company intends to maintain the annual dividend per share for the year under review.

Note: The Company conducted a 100-for-1 stock split of common stocks as of April 1, 2013. Consequently, the dividend amounts in the above description are the converted per-share dividend amounts corresponding to the number of shares after the stock split. Regarding the dividends for the year ended September 31 2012 and at the end of the second quarter of the year under review, the aforementioned per-share dividend amounts are different from the actual ones before the stock split.

* Presentation of the status of auditing procedures implemented

This financial summary (Financial and Operating Results) is not subject to the auditing procedures under the Financial Instruments and Exchange Act. The auditing procedures for financial statements under the Financial Instruments and Exchange Act have not been completed at the time of the announcement of this financial summary.

*Explanations and other special notes concerning the appropriate use of financial results forecasts

・The forward looking statements regarding financial results forecasts, etc. appearing in this financial results summary have been prepared based on information currently available to the Company and certain assumptions that the Company believes to be reasonable. The Company makes no guarantees as to their realization. Actual financial results may differ substantially from the forecasts due to various factors.

・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 have tended to be concentrated in the second quarter, during which screening for employment is conducted by corporate customers, net sales for the second quarter tend to be higher and net sales for the first quarter tend to be lower than those of other quarters. Accordingly, we have not presented cumulative performance forecasts for the first two quarters.

・The Company has scheduled a results briefing for institutional investors and analysts on October 31, 2013.

Please refer to the IR Information for details of the materials that will be distributed at the session. The materials will also be posted on the Company's Web site immediately after this meeting.

http://www.shl.ne.jp/ir/index.asp