SHL-JAPAN Ltd.

Year Ending September 2014

Non-consolidated Financial and Operating Results (Excerpt) for the Second Quarter Ended March 31, 2014 (J-GAAP basis)

May 7, 2014

Listed Company Name:	SHL-JAPAN Ltd.	Registered on Tokyo Stock 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:	May 15,2014	
Date to start distributing dividends:	June 2,2014	

The original disclosure in Japanese was released on April 28, 2014 at 15:15 (GMT+9)

Qualitative information regarding the quarterly settlement of accounts

(1) Explanation of Operating results

During the first half of the year ending September 30, 2014 (October 1, 2013, through March 31, 2014), net sales of SHL-JAPAN Ltd. (the "Company") increased ¥104 million, or 8.9%, year over year to ¥1,280 million. By business segment, "Product sales" increased 15.8% to ¥614 million, "Consultancy sales" increased 2.6% to ¥643 million and "Training sales" increased 23.1% to ¥22 million. The increase in Product sales was primarily attributable to favorable sales of the "*GAB,*" which is used for the screening of new graduates recruited for the main career track and for which the effect of launching new services was considerable. The increase in Consultancy sales mainly reflected favorable sales of "*Tamatebako,*" a Web assessment tool for the screening of new graduates.

The Company is confident that the increase in revenue for the first half in all business segments was mainly attributable to our aggressive marketing activities that fit well with customers' needs in view of the positive posture of corporations toward employment. The media has reported an increase in the informal job offer rate for new graduates this year with a significant rise in the ratio of job offers to applicants due to a considerable increase in the anticipated number of new graduates to be employed next year, against a backdrop of general expectations of economic recovery.

Operating income for the first half under review increased 7.5% year over year to ¥682 million. The cost of goods sold rose ¥39 million, or 34.8%, year over year to ¥152 million, and selling, general and administrative expenses increased ¥17 million, or 4.0%, year over year to

¥445 million. However, operating income increased ¥47 million year over year due to the increase in revenue. The increase in the cost of goods sold was primarily attributable to increases in subcontract cost and the amortization cost for product masters of newly developed software associated with the provision of new services, as well as the increase in deliveries of our products ordered. The increase in selling, general and administrative expenses was mainly attributable to the year-over-year increase in labor costs largely due to the expansion centered on sales personnel despite decreases in several account items such as research and development expenses.

Ordinary income for the first half under review increased ¥44 million, or 7.0%, year over year to ¥682 million. Although non-operating expenses were as small as they were in the same period a year earlier, non-operating income decreased ¥2 million year over year. The decrease in non-operating income was mainly attributable to the recording of ¥2 million in gains on investments in a limited liability partnership for venture businesses for the same period a year earlier.

Income before income taxes for the first half under review totaled ¥683 million (up 0.3% year over year). Income before income taxes increased ¥1 million year over year, reflecting a year-over-year decrease of ¥50 million in extraordinary gains despite a year-over-year decrease of ¥7 million in extraordinary losses and an increase in ordinary income. The decrease in extraordinary gains was primarily due to the recording of ¥52 million in insurance income arising from the passing of a Director despite the recording of ¥1 million for the same period a year earlier as reversal of allowance for doubtful accounts for golf club memberships. The decrease in extraordinary losses was due to the recording of ¥7 million in directors' retirement benefits for the same period a year earlier.

Net income for the first half under review amounted to ¥418 million (up 5.4% year over year). Income taxes—current decreased ¥19 million year over year to ¥264 million as the estimated effective tax rate was set to 38.74% (compared with 41.7% for the same period a year earlier) pursuant to a change in the corporate tax rate, in addition to the increase in income before income taxes. As a result, net income increased ¥21 million year over year.

(2) Explanation about future prospects such as business forecasts

As mentioned earlier in "(1) Explanation of Operating results," given the forward-looking posture of corporations toward employment against a backdrop of general expectations of economic recovery, screening and employment activities of corporations targeting new graduates next year are expected to reach a peak in the third quarter (April 1, 2014, through June 30, 2014). However, due to the impact of the raised consumption tax in April 2014, the sense of uncertainty in the near-term

economic environment cannot be cast aside and the Company recognizes that the market for screening and employment might be affected by future economic ups and downs.

Under such a business environment, we intend to continue increasing 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.

Under the recognition described above and based on our analysis of the operating results, financial position and other managerial administrative data for the first half ended March 31, 2014, followed by our careful consideration of business forecasts, the Company is not at this time revising its financial forecast for the year ending September 30, 2014, which was released on October 25, 2013.

(Note)

* Implementation status of quarterly review procedures

This financial results summary is not subject to quarterly review procedures under the Financial Instruments and Exchange Act, and the quarterly financial statement review procedures based on the Act were in progress at the time of the disclosure of these financial results.

* 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, our sales have tended to be concentrated in the second quarter, during which screening for the employment of new graduates is often conducted by many corporate customers.

Document and entity information

	Sep 2014	Mar 2014
Company information		
Company information		
FASF member mark		true
Document name		第2四半期決算短信〔日本基準〕(非連結)
Filing date		2014-04-28
Company name		SHL-JAPAN Ltd.
Stock exchange listings		
Tokyo		true
Tokyo 1st section		-
Tokyo 2nd section		-
Tokyo Mothers		-
Tokyo JASDAQ		true
Tokyo PRO Market		-
Tokyo Others		-
Nagoya		-
Nagoya 1st section		-
Nagoya 2nd section		-
Nagoya Centrex		-
Nagoya Others		-
Sapporo		-
Sapporo		-
Sapporo Ambitious		-
Sapporo Others		-
Fukuoka		-
Fukuoka		-
Fukuoka Q-Board		-
Fukuoka Others		-
Green Sheet		-
Japan Securities Dealers Association		-
Securities code		43270
URL		http://www.shl.co.jp/
Business category		
General Business	true	
Specific Business	-	
Fiscal Year End	2014-09-30	
Quarterly period		2
Representative		
Title		代表取締役社長
Name		奈良　学
Inquiries		
Title		常務取締役
Name		中村　直浩
Tel		03(5385)8781
Other		
Quarterly statement filing date (as planned)		2014-05-15
Dividend payable date (as planned)		2014-06-02
Supplemental material of quarterly results		true
Way of getting		-
Convening briefing of quarterly results		true
Target for briefing of quarterly results		証券アナリスト・機関投資家向け
Note to fraction processing method		(百万円未満切捨て)

Business Results-Quarterly operating results

(in millions of yens)

	Mar 2014	Mar 2013
Quarterly operating results		
Quarterly operating results		
Operating results		
Income statements information		
Net sales		
Net sales	1,280	1,176
% change	8.9	12.0
Operating income		
Operating income	682	635
% change	7.5	24.5

Ordinary income		
Ordinary income	682	637
% change	7.0	24.7
Net income		
Net income	418	397
% change	5.4	36.1
Other operating results		
Net income per share (Yen)	135.05	128.17
Diluted net income per share (Yen)	133.87	-
Note to operating results		
Note to operating results	(注)当社は、平成25年4月1日付で1株を100株とする株式分割を行っておりますが、平成25年9月期の期首に当該株式分割が行われたと仮定して1株当たり四半期純利益を算定しております。	

Business Results-Quarterly financial positions

(in millions of yens)

	Mar 2014	Sep 2013
Quarterly financial positions		
Quarterly financial positions		
Financial positions		
Total assets	3,918	3,532
Net assets	3,319	3,046
Capital adequacy ratio (%)	84.5	86.1
Note to financial positions		
Owner's equity	3,309	3,040
Note to financial positions	-	

Business Results-Note to quarterly business results

	Mar 2014
Quarterly note to business results	
Quarterly note to business results	
Note to financial results	
Note to financial results	-

Quarterly Dividends

(in millions of yens)

	Sep 2014	Mar 2014	Sep 2013
Quarterly dividends			
Quarterly dividends			
Dividends			
Dividend per share (Yen)			
Dividend per share (Yen)			
First quarter			
Result	-		-
Second quarter			
Result		45.00	3,700.00
Third quarter			
Result			-
Forecast	-		
Upper	-		
Lower	-		
Year end			
Result			53.00
Forecast		45.00	
Upper	-		
Lower	-		
Annual			
Result			-
Forecast		90.00	
Upper	-		
Lower	-		
Correction of dividend forecast from the most recent dividend forecast			

Correction of dividend forecast from the most recent dividend forecast	
Annual	-
Note to dividends	
Note to dividends	
Annual	(注)当社は、平成25年4月1日付で1株を100株とする株式分割を行っておりますが、当該株式分割前の配当金につきましては実際の配当金の額を記載しております。

Quarterly Forecasts

(in millions of yens)

	Sep 2014
Quarterly forecasts	
Quarterly forecasts	
Title for forecasts	3. 平成26年9月期の業績予想（平成25年10月1日～平成26年9月30日）
Preamble to forecasts	
Preamble to forecasts	-
Main table of forecasts	
Net sales	
Net sales	
Forecast	2,045
Upper	-
Lower	-
% change	
Forecast	3.9
Upper	-
Lower	-
Operating income	
Operating income	
Forecast	898
Upper	-
Lower	-
% change	
Forecast	4.7
Upper	-
Lower	-
Ordinary income	
Ordinary income	
Forecast	899
Upper	-
Lower	-
% change	
Forecast	4.2
Upper	-
Lower	-
Net income	
Net income	
Forecast	553
Upper	-
Lower	-
% change	
Forecast	0.1
Upper	-
Lower	-
Net income per share (Yen)	
Net income per share (Yen)	
Forecast	178.35
Upper	-
Lower	-
Note to forecasts	
Note to forecasts	-
Correction of financial forecast from the most recent financial forecast	
Correction of financial forecast from the most recent financial forecast	
Forecast	-

Notes, Quarterly-Applying of specific accounting of the consolidated quarterly financial statements

	Mar 2014
Applying of specific accounting of the consolidated quarterly financial statements	
Applying of specific accounting of the consolidated quarterly financial statements	
Others	
Applying of specific accounting of the quarterly financial statements	
Applying of specific accounting of the quarterly financial statements	true
Note to applying of specific accounting of the quarterly financial statements	
Note to applying of specific accounting of the quarterly financial statements	-

Notes, Quarterly-Changes in accounting policies and accounting estimates retrospective restatement

	Mar 2014
Changes in accounting policies, accounting estimates and retrospective restatement	
Changes in accounting policies, accounting estimates and retrospective restatement	
Others	
Changes in accounting policies, accounting estimates and retrospective restatement	
Changes in accounting policies based on revisions of accounting standard	-
Changes in accounting policies other than ones based on revisions of accounting standard	-
Changes in accounting estimates	-
Retrospective restatement	-
Note to changes in accounting policies, accounting estimates and retrospective restatement	
Note to changes in accounting policies, accounting estimates and retrospective restatement	-

Notes, Quarterly-Number of issued and outstanding shares common stock

	Mar 2014	Sep 2013	Mar 2013
Number of issued and outstanding shares (common stock)			
Number of issued and outstanding shares (common stock)			
Others			
Number of issued and outstanding shares (common stock)			
Number of issued and outstanding shares at the end of fiscal year (including treasury stock)	3,101,800	3,101,800	
Number of treasury stock at the end of fiscal year	21	21	
Average number of shares	3,101,779		3,101,800
Note to number of issued and outstanding shares (common stock)			
Note to number of issued and outstanding shares (common stock)	(注)当社は、平成25年4月1日付で1株を100株とする株式分割を行っておりますが、平成25年9月期の期首に当該株式分割が行われたと仮定して期中平均株式数を算定しております。		

This information is a summary of the earnings report. It does not contain all details included in the earnings report disclosed in Japanese.