

Medium-Term Management Plan FY2016-FY2018



May 12th, 2015
en-japan Inc.

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Target of Medium-Term Management Plan

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**Aim to hit a new record-high profit* in
the final year of the three-year
medium-term management plan**

*FY Dec/2007: ¥ 7.56 bil

**Final year of
the medium-term management plan** (FY Mar/2018)

Net Sale ¥ 36 bil Operating Income ¥7.6 bil

FY Mar/2015 YOY +84% FY Mar/2015 YOY +93%

Target of Medium-Term Management Plan by Service



	Segments	FY2015 (Results)	FY2016	FY2017	FY2018
Sales	Job Board	*¥10.6bil YOY -¥0.1bil	¥12.9bil YOY +¥2.3bil	¥14.8bil YOY +1.9bil	¥18.0bil YOY +3.2bil
	Job Placement	¥6.25bil YOY +¥1.35bil	¥7.7bil YOY +¥1.45bil	¥8.7bil YOY +¥1.0bil	¥10.0bil YOY +¥1.3bil
	Overseas	¥1.84bil YOY +¥1bil	¥2.5bil YOY +¥0.66bil	¥2.9bil YOY +¥0.4bil	¥3.3bil YOY +¥0.4bil
	* Other	¥0.91bil YOY +¥0.05bil	¥1.4bil YOY +0.49bil	¥2.8bil YOY +¥1.4bil	¥4.7bil YOY +¥1.9bil
	Consolidated total	¥19.6bil YOY +¥2.85bil	¥24.5bil YOY +¥4.9bil	¥29.2bil YOY +¥4.7bil	¥36.0bil YOY +¥6.8bil
Operating Income	Consolidated total	¥3.95bil YOY +¥0.5bil	¥4.0bil YOY +¥0.05bil	¥5.5bil YOY +¥1.5bil	¥7.6bil YOY +¥2.1bil

*Sales decreased due to closure of the site for new graduates in FY2015

*Other includes Education/Evaluation business, new businesses, Aptitude test, etc.

Priority Areas in the Medium-term Management Plan

Priority Areas in the Medium-term Management Plan



Job Board

Job Placement

Overseas

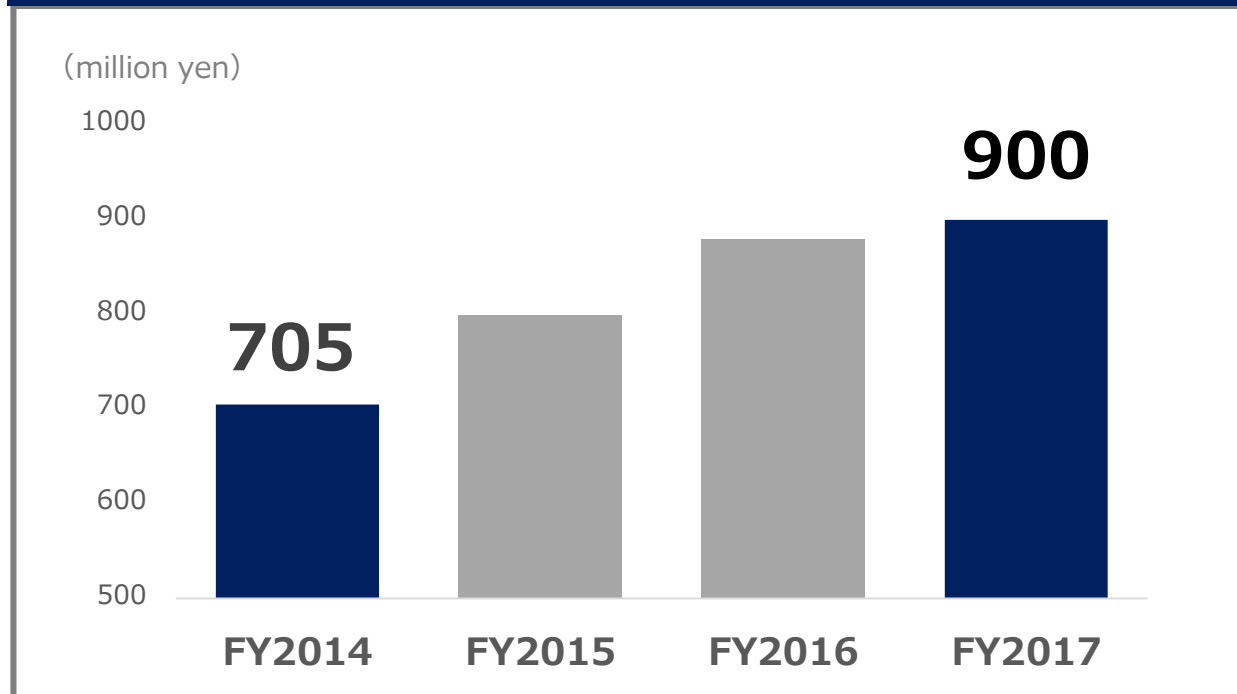
New Businesses

Current status of priority areas and Strategies toward the final year of the medium-term management plan

I . Job Board

In FY2017, the market is expected to grow roughly 30% from FY2014

Net sales projections for the Internet career change information services



Source: Yano Research Institute Ltd. "Current Status and Prospects of Human Resources Business 2014"

Aim to grow significantly beyond market growth

**Job board
FY Mar/2018**

Net sales ¥ 18.0 billion
Operating income ¥ 4.2 billion

- ✓ **en Japan's core site, [en] Career Change Info is the growth driver**
- ✓ **Other sites will also show steady growth and contribute to earnings**

Objectives for reinforcing the job board business

I: Growth over the next three years will determine the future position of sites

- ✓ The latest operating performance has been extremely favorable as a result of site renewals and sales structure enhancement.
- ✓ Now is the time, when [en] Career Change Info is favorable, to invest and aim for greater growth.

II: Contribute to the growth of en Agent

- ✓ Job placement service site, en Agent has the advantage of being able to utilize the job-seeker database of [en] Career Change Info.
- ✓ Therefore, the growth of [en] Career Change Info leads to the growth of en Agent.

Reinforcement of the sales structure

Increase
workforce

- ✓ Expand the sales force mainly by adding new graduate employees

Agents

- ✓ Introduce an agent system to boost sales while emphasizing the strength of direct sales
- ✓ Maintain high quality without changing the style of keeping detailed scripts based on interviews

Productivity improvement

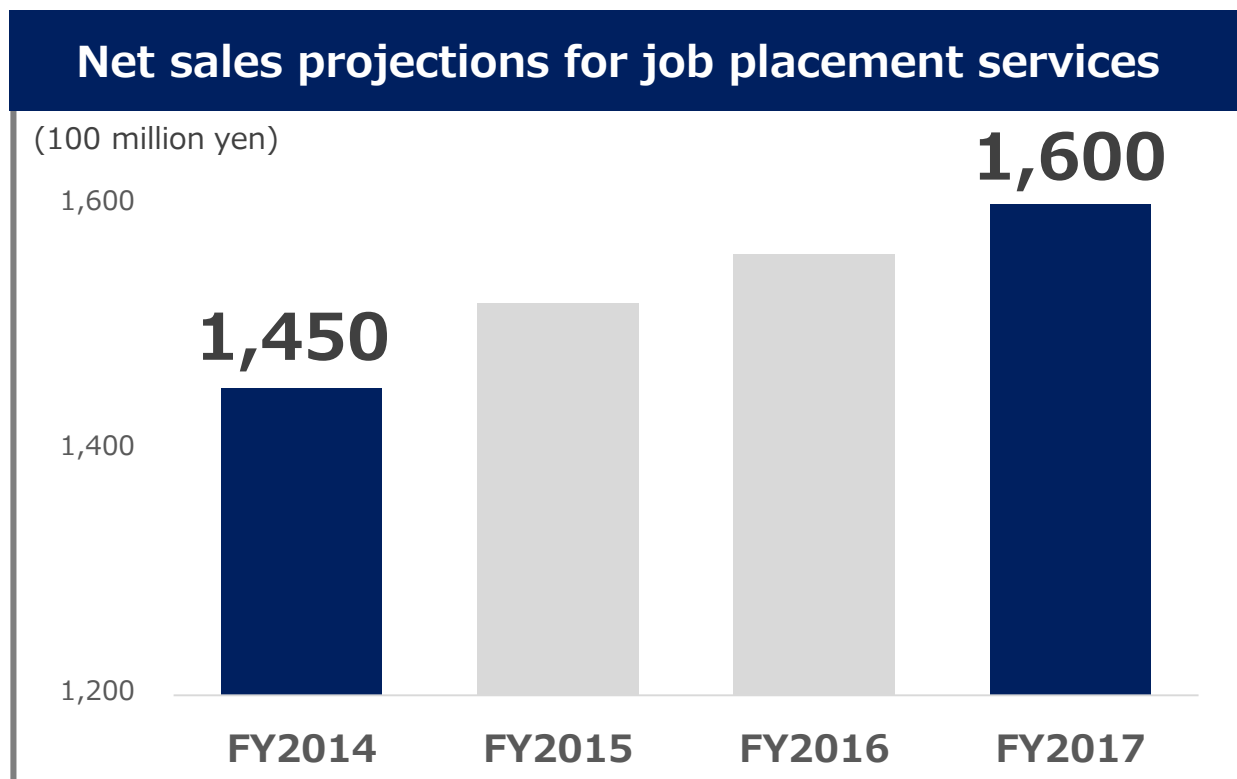
- ✓ Divide process of works per sales staff member to have the staff concentrate on sales and improve productivity

Enhancement of promotional activities

- ✓ Enhance online/offline promotions to add more value to the site

II. Job Placement

The market is expected to grow roughly 10% in FY2017 from FY2014 and remain on a stable upward trend



Source: Yano Research Institute Ltd. "Current Status and Prospects of Human Resources Business 2014"

**Aim to post net sales of
¥ 10.0 billion between
en world Japan and en Agent, etc.**

**Job placement
FY Mar/2018**

**Net sales: ¥ 10.0 billion
Operating income: ¥ 2.0 billion**

Objectives for reinforcing job placement services

I: Market size and recovery speed

- ✓ The size of the job placement service market is larger than that of the career change site
- ✓ Since the unit price has not fallen, the market's speed of recovery is fast

II: Stabilization of portfolio in the recruitment business

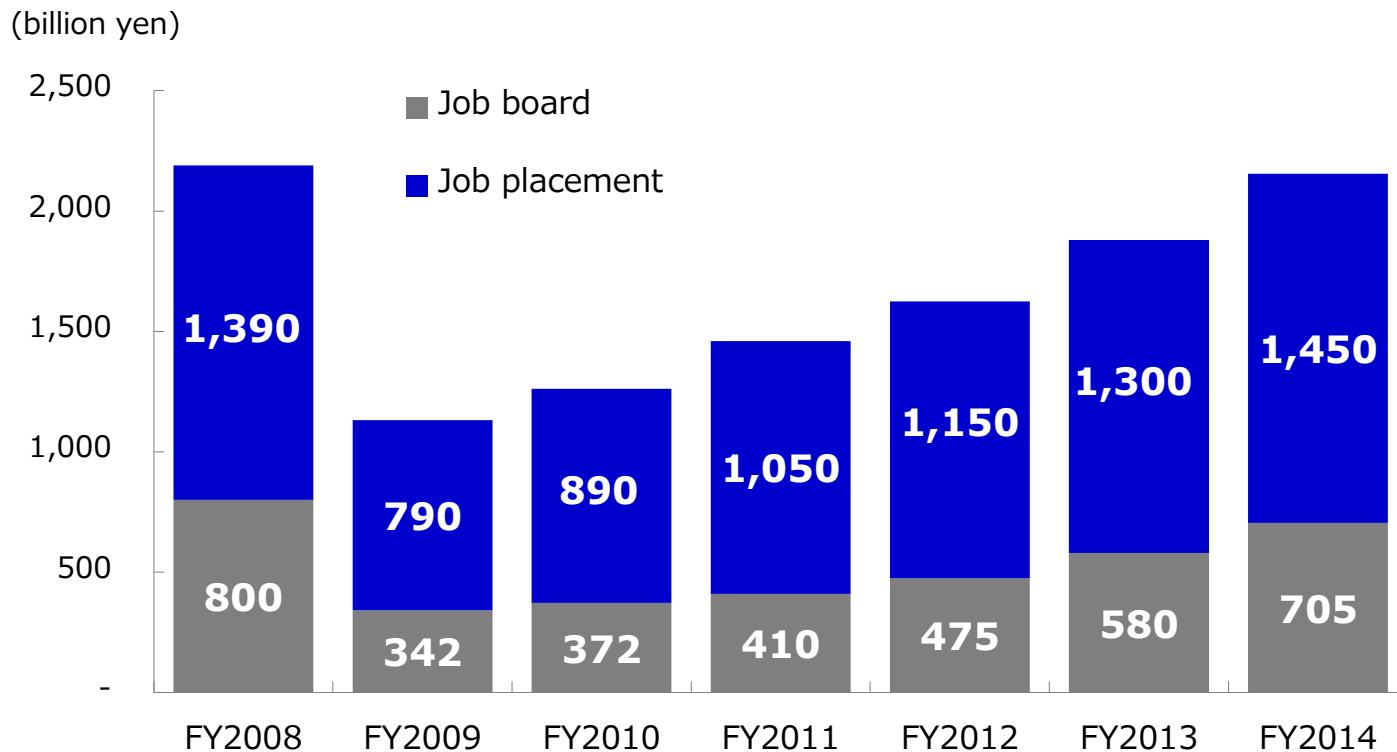
- ✓ It is difficult for the recruitment site alone to satisfy diversifying hiring needs
- ✓ While the market faces economic risk, promote stabilization of business by expanding the service lineup

Changes in the Japanese Job Change Market



Transition in job board and job placement market

(White-Collar /full-time employee)



Source: Illustrated with partial estimates made by the Company based on Yano Research Institute Ltd.'s "Current Status and Prospects of Human Resources Business 2014"

Current status of EWJ

- ✓ Has become one of the largest players in the areas of foreign companies and global talented personnel
- ✓ Brand power – Comes to mind first when hiring or changing jobs
- ✓ Effective use of [en] Career Change Consultant as a means to attract strong candidates
- ✓ Need to increase workforce and system to achieve further growth

Strategies towards FY Mar/2018

- ✓ Utilize it's own educational system to enhance workforce in a more tactful manner than that of competitors
- ✓ Expand sales to Japanese-owned global companies (new growth area)
- ✓ Achieve higher-level fitting through system-related investments.



Current status of en Agent

- ✓ Achieved growth of a certain level in a short period of time through taking advantage of the job-seeker database of [en] Career Change Info
- ✓ Contribution to earnings will come in the future, since it is still in the phase of advance investment

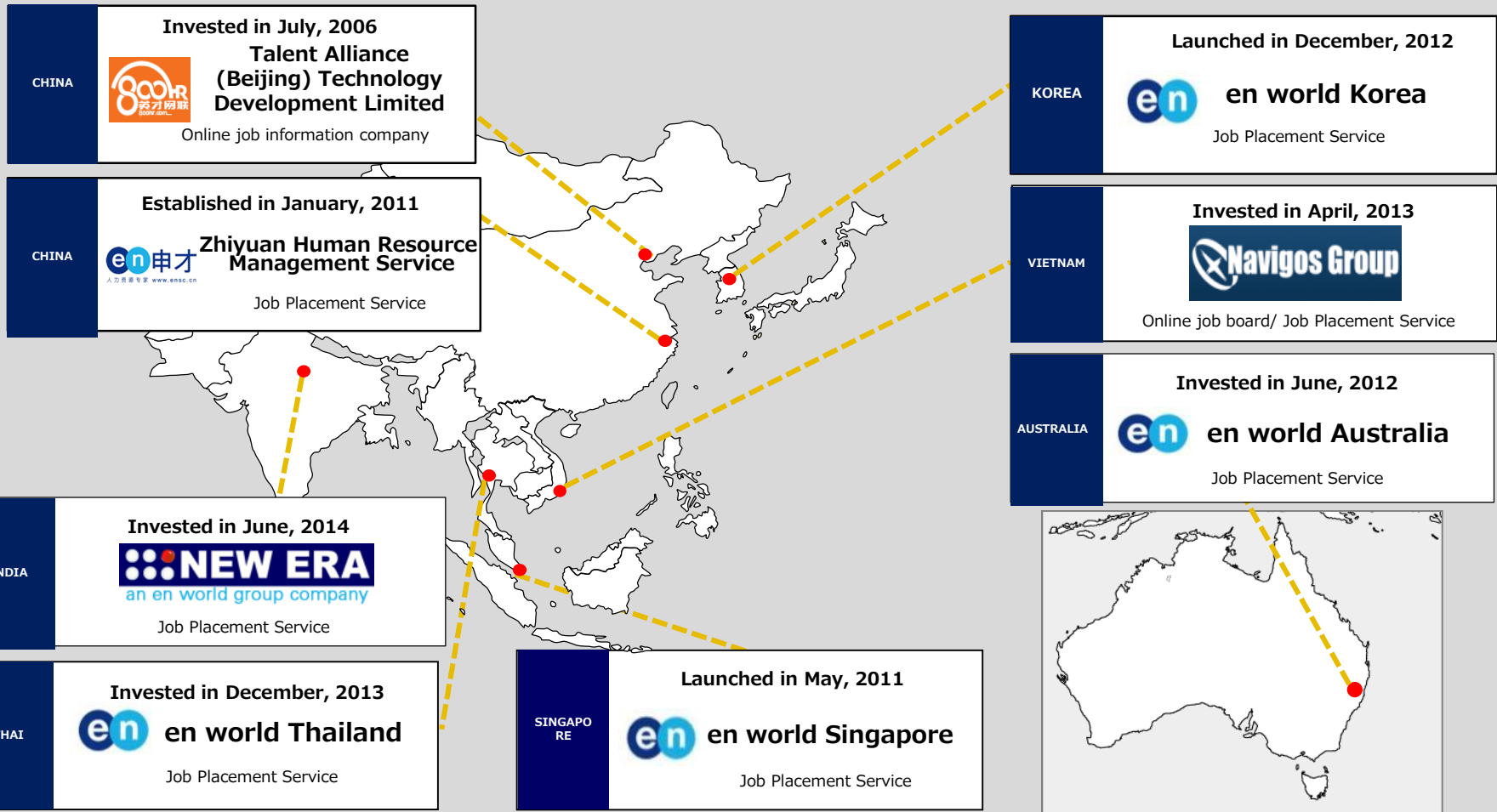
Strategies towards FY Mar/2018

- ✓ Manage to become profitable in FY Mar/2016. Improve productivity and contribute to earnings
- ✓ Contribute to the growth of en Agent through generating synergistic effects from the high growth of [en] Career Change Info
- ✓ Aim to achieve an operating profit ratio of 20% in FY Mar/2018

III. Overseas

Status of Overseas Business Expansion

Entered into 7 countries mainly in Asia



※Talent Alliance (Beijing) Technology Development Limited is equity method affiliated company
 ※Zhiyuan Human Resource Management Service is unconsolidated subsidiary

**Double net sales from FY Mar/2015
Contribute to income also after
eliminating goodwill**

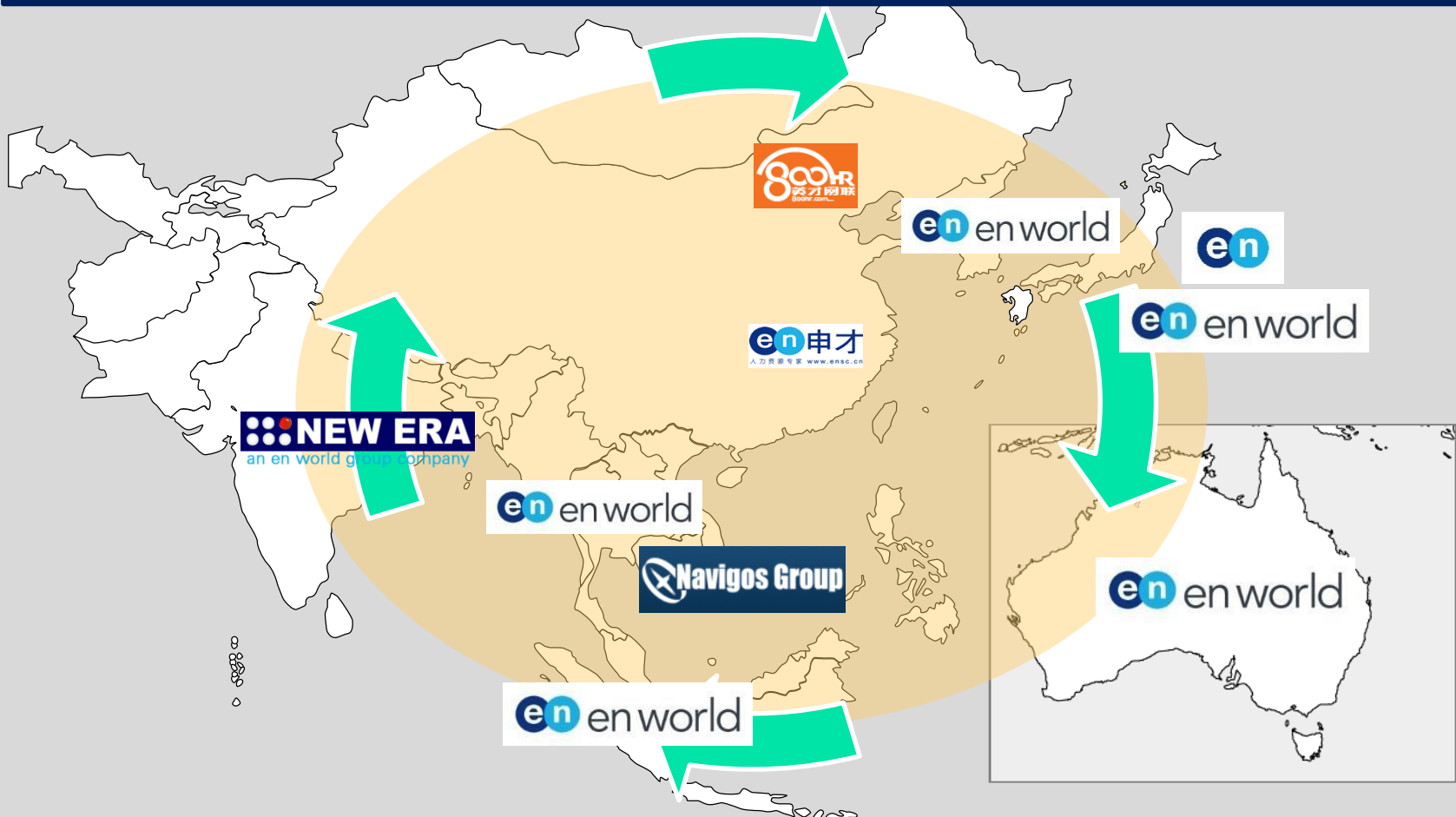
**Overseas business
FY Mar/2018**

**Net sales: ¥ 3.3 billion
Operating income: ¥ 0.6 billion**

Objectives for Overseas Business Expansion



Cases in which people work beyond borders are expected to increase in Asia going forward. Aim for business growth in the entire Asian region by reinforcing sharing of corporate clients and career candidates among group companies in Asian countries



Current status of overseas business

- ✓ Managed to be profitable in the overseas business overall
- ✓ Providing support in placing local persons to local companies and foreign firms

Strategies towards FY Mar/2018

- ✓ Grasp the new opportunity of servicing Japanese companies in line with their active entries into other Asian countries
- ✓ Reinforce collaboration among group companies in Asia to achieve growth not only in the country of location but also in the entire Asian region. Proceed to implement common systems and other infrastructural measures.

(Reference)

Japanese firms' entries into other Asian countries

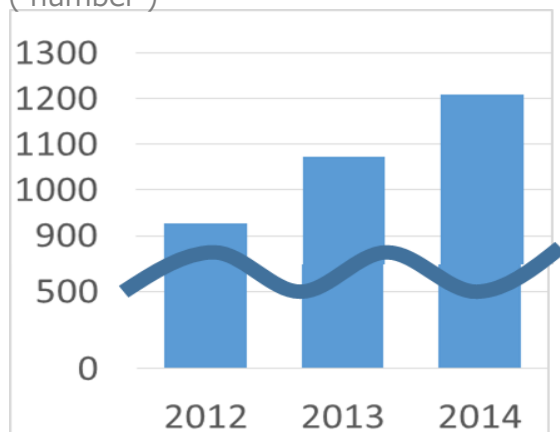


The number of Japanese firms entering other Asian markets has been increasing year after year. The en Japan Group is reinforcing services for Japanese companies operating in Asian countries.

Number of Japanese companies

Thai

(number)

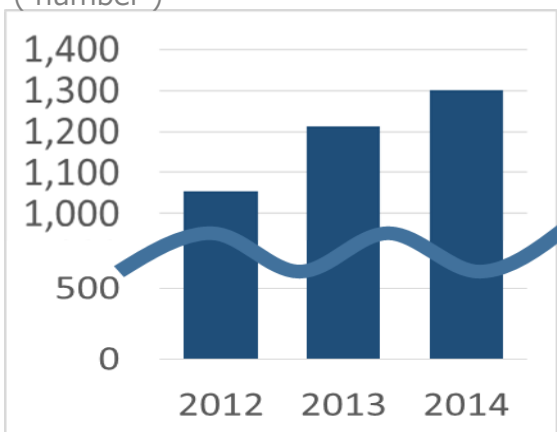


<en Group>



Vietnam

(number)

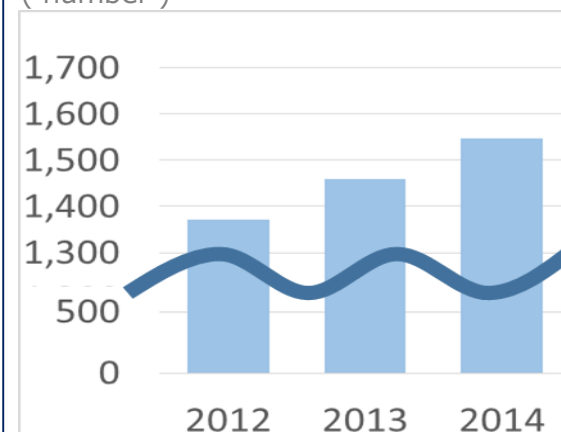


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India

(number)



<en Group>



*(Source) Thailand: Number of Japanese corporate members of The Japanese Chamber of Commerce, Bangkok;

Vietnam: Total number of Japanese corporate members of The Japanese Business Association in Vietnam, The Japanese Business Association of Ho Chi Minh City, and The Japanese Business Association in Danang;

India: Number of operating Japanese firms announced by the Ministry of Foreign Affairs and JETRO.

(Reference)

Examples of services to Japanese companies

- ✓ Brand power of Navigos, a subsidiary with the No. 1 market share in Vietnam
- ✓ 70% of persons with Japanese language skills in Vietnam are registered



The screenshot shows the JapanWorks website, which is a job portal for Japanese companies in Vietnam. The header includes the JapanWorks logo, navigation links (TRANG CHỦ, TÌM KIẾM, HỎI ĐÁP TIẾNG NHẬT, EVENTS), and a VietnamWorks logo. The main banner features a smiling woman and the text "日本語のお仕事情報No.1 JapanWorks". Below the banner is a search section with a red bar labeled "TÌM VIỆC LÀM PHÙ HỢP". The search area includes input fields for "Tất cả ngành nghề" and "Tất cả địa điểm", and a "Tất cả cấp bậc" dropdown. A "TÌM KIẾM" button is also present. To the right of the search section is a sidebar with a group photo and the text "HỘI THẢO CƠ HỘI THĂNG TIẾN VỚI TIẾNG NHẬT". Below the search section is a "VIỆC LÀM MỚI" section with a red bar. It lists a job opening for "Giám Đốc/Phụ Trách/Nhân Viên Kinh Doanh Bất Động Sản" in Ha Noi, dated 13/04/2015. The job description includes "Có Kỹ Năng Xây Dựng và Duy Trì Mối Quan Hệ Với Khách Hàng" and "Hiểu Biết Sâu Về Thị Trường Bất Động Sản và Pháp Luật Liên Quan Trong Lĩnh Vực Bất Động Sản". To the right of the job listing is a sidebar with a woman's photo and the text "CÔNG VIỆC DÀNH CHO NGƯỜI MƠI BIẾT TIẾNG NHẬT" and "NỔI BẬT TRONG THÁNG".

IV. New Businesses

Objectives of New Business activities

Objectives of new business activities

- ✓ **The core recruitment service business is impacted significantly by fluctuations in economic conditions**
- ✓ **Implement the following within the next few years when the market outlook is favorable in an aim to stabilize the business portfolio**
 - **Expand the service lineup of the recruitment service business**
 - **Create new business activities other than recruitment services**

Some of our New Businesses

Recruitment services

女の求人マート Job offer mart for women

Job listing smartphone site for women. Mainly lists part-time job openings for women searching based on employment area and job type.

en エンカツ en Katsu

Recruitment support service for younger generations. A job placement service focusing on staff development.

en EN EXECUTIVE SEARCH

Job placement service specializing in management positions in Japanese companies.

INNØBASE

Matches hiring needs with excellent new graduate candidates based on scouting rather than on the traditional selection approach from a large candidate population.

Other services

Complaint purchasing center

(Made it into a subsidiary through acquisition)



Compile "complaints" purchased from consumers into a database for sale to companies that can make use of consumer voices in business and product development.

Eying future deployment in the U.S. with a large marketing research market.



Promoting online process for en-College

(Capital & business alliance with ShareWis)

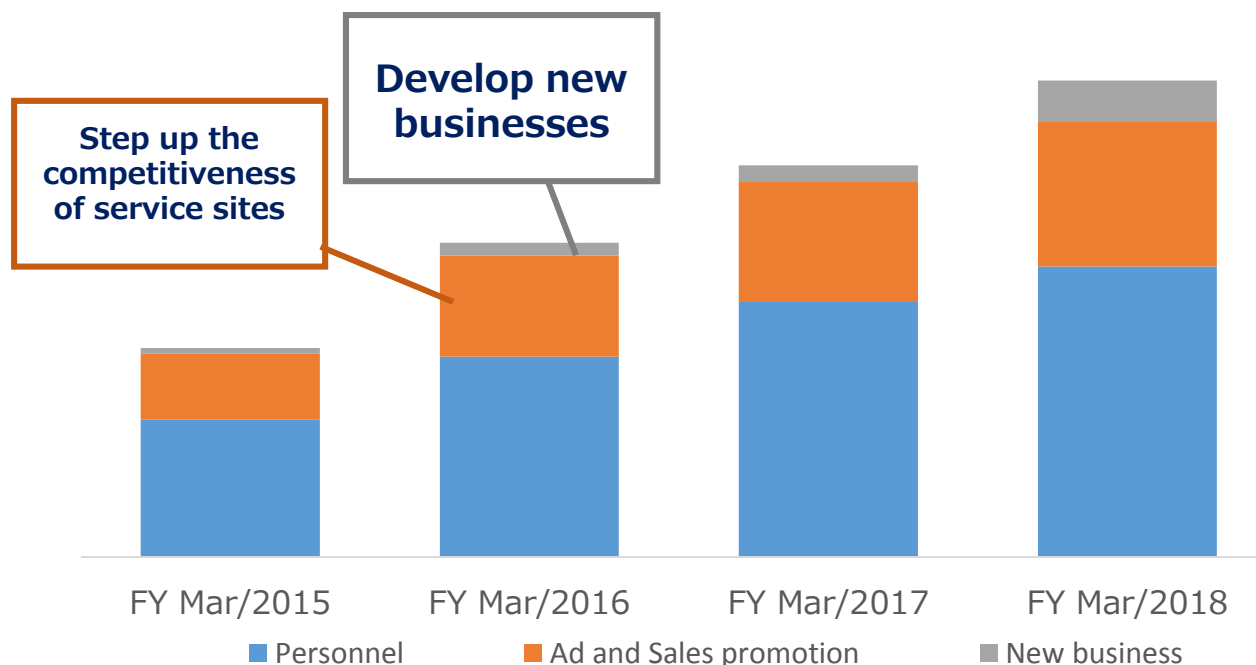
Collaboration between ShareWis, a provider of online learning services for the working population, and en-College, a group-type training service, to expand contents and promote online services.

Generate other new businesses in addition to these going forward

Focused areas for Investment

Focused areas for Investment

Personnel expenses	Increase workforce to support the high growth of priority areas: job board and job placement services
Advertising expenses	Step up en Japan's competitiveness centered on [en] Career Change Info to surely expand market share
Development of new businesses	The core business is significantly impacted by fluctuations in economic conditions. Invest in the development of new businesses to pursue sustainable growth



Target of Medium-Term Management Plan



*This is the same as the slide 3

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Income**

FY Mar/2015 YOY **+84%**

FY Mar/2015 YOY **+93%**

Return to Shareholders

Basic Policy regarding Profit Distribution

Basic Policy regarding Profit Distribution

✓ Dividend payout ratio ^{*} **30%**

Reference:

FY2018 dividend forecast	<u>Approx. ¥ 60</u>
FY2015 (plan)	¥ 32

*Consolidated net profit base



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