



# **8th Term Interim FY12/07 Earnings Announcement Presentation**

**August 10th, 2007**

**en-japan inc.**

**(Stock Code: 4849)**



**Our First Time to Achieve ¥10 Billion in Sales During an Interim Period!!**

**Sales: ¥10.21 Billion, up 44% YoY**

**Ordinary Income: ¥3.17 Billion, up 34% YoY**

**(Compares with 25% YoY Growth in Previous Interim)**

## Solid Earnings Growth

**Ordinary Income:  
¥3.17 Billion, Up 34%  
YoY**

■ 1Q: ¥1.63 Billion, Up  
14% YoY



■ 2Q: ¥1.54 Billion, Up  
65% YoY (Absorbed  
increased personnel  
costs)

## Our Main Site “en Career Change Info” Growing Strongly

**Sales: ¥60.2 Billion,  
Up 57% YoY**

■ 1Q: 53% Growth YoY



■ 2Q: 61% Growth YoY

**\* Our other sites are  
also trending favorably**

## We Are On Target to Achieve Our Earnings Projections

### Sales

Growth YoY	42%
Achievement ratio of FY12/07 projections as of interim period	44%

### Ordinary Income

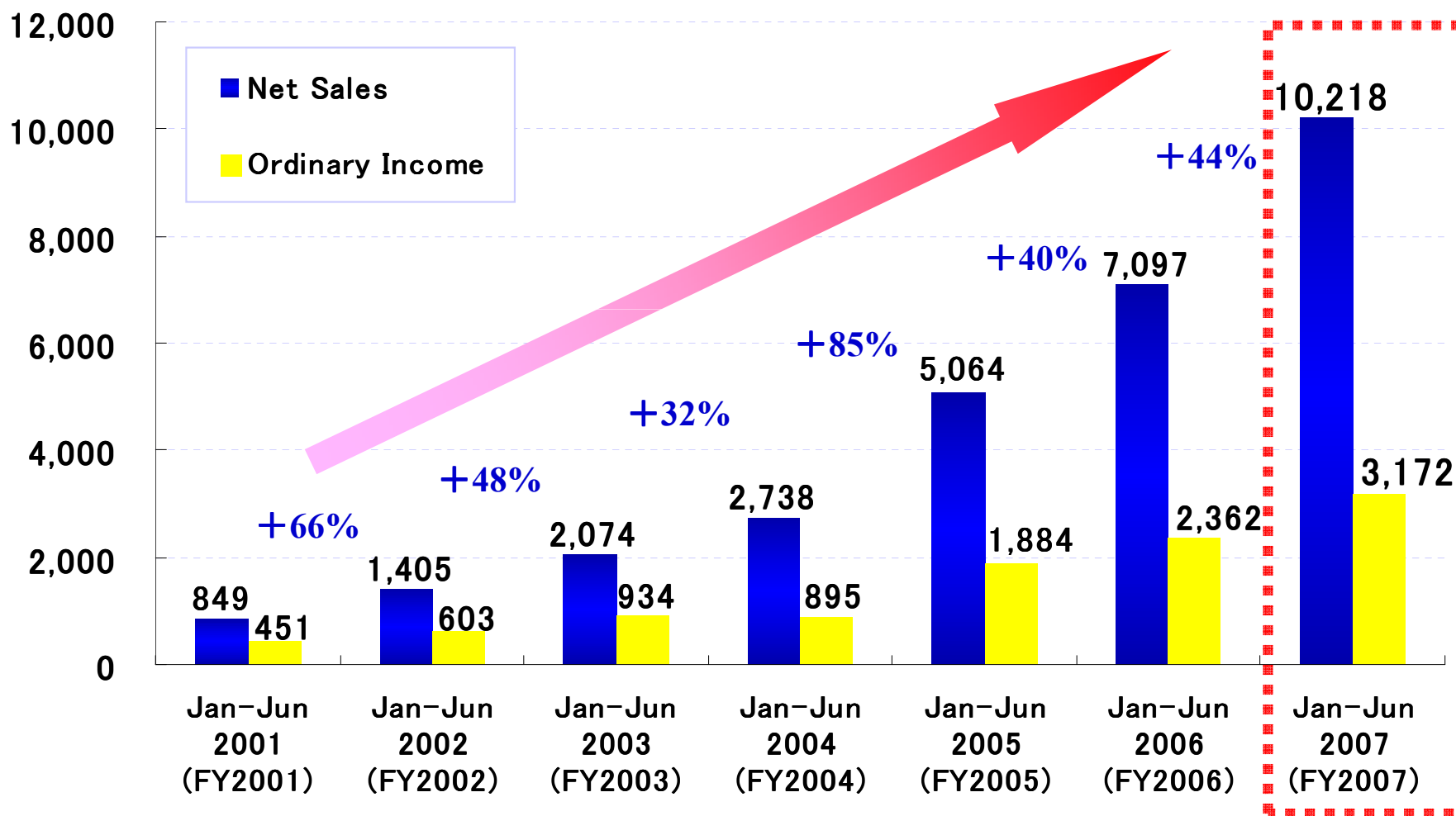
Growth YoY	42%
Achievement ratio of FY12/07 projections as of interim period	45%

## ■ 8<sup>th</sup> Interim Period Overall Earnings Performance

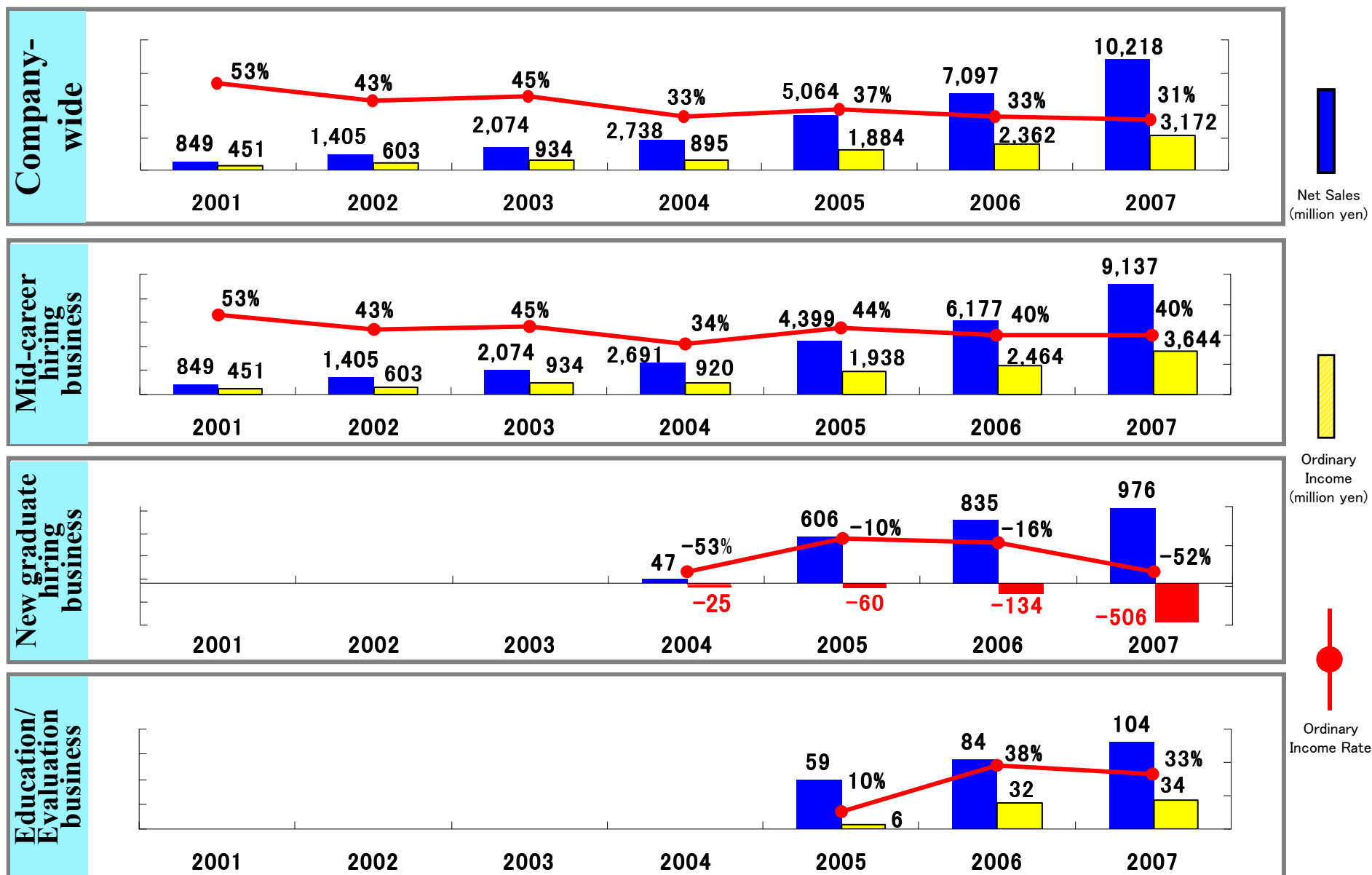


- Sales rise 44% YOY to ¥10.2 billion, ordinary income rises 34% YOY to ¥3.1 billion.

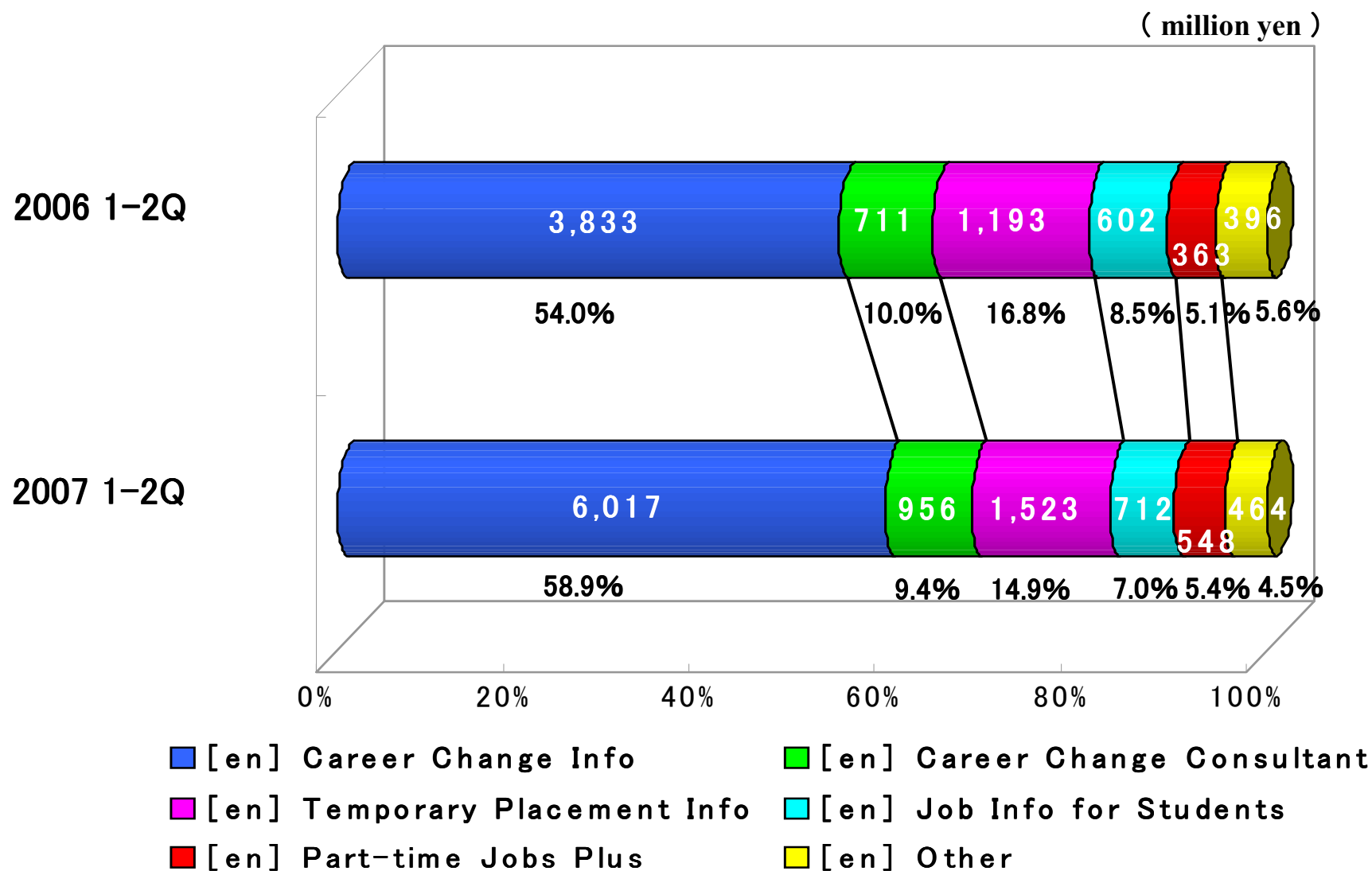
(million yen)



# 8<sup>th</sup> Term Interim Segment Performance

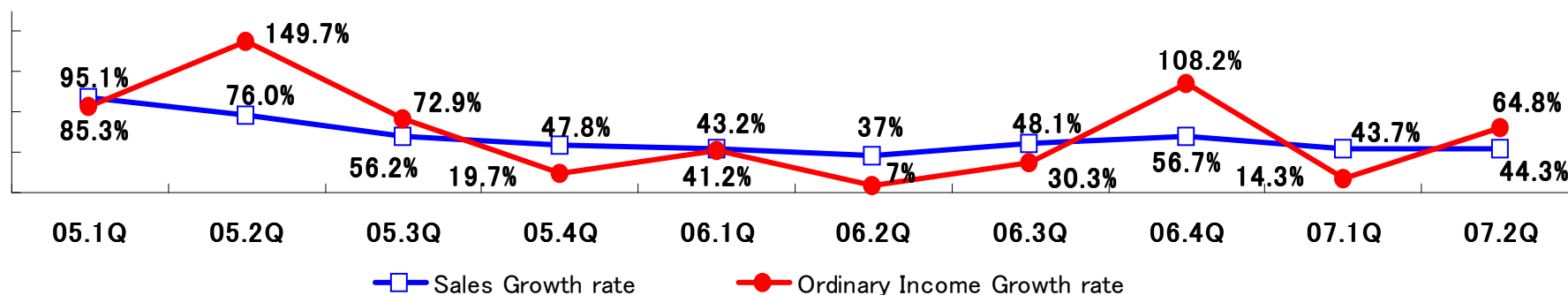
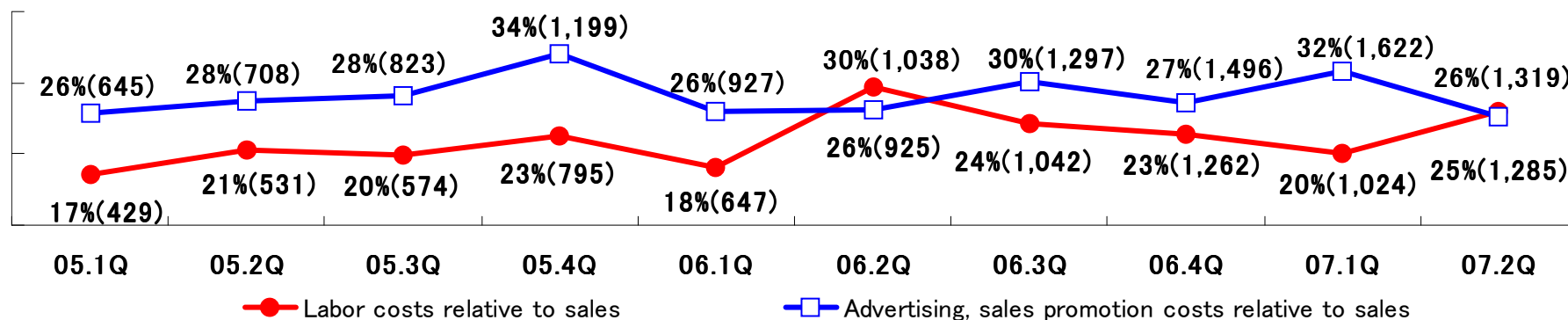
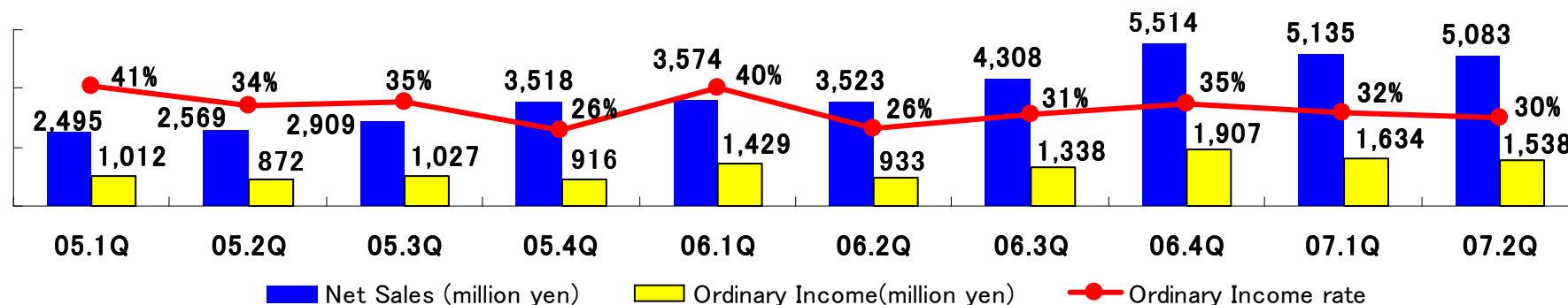


## ■ Sales Breakdown by Product



※Other: Hiring outsourcing business, education/evaluation business, etc.

# Transition of Quarter Performance (Companywide)



# 8<sup>th</sup> Interim Period Income Statement



	Jan-Jun 2006			Jan-Jun 2007		
	(million yen)	% of sales	% YOY change	(million yen)	% of sales	% YOY change
<b>Net Sales</b>	<b>7,097</b>	100.0%	40.1%	<b>10,218</b>	100.0%	44.0%
<b>Cost of Sales</b>	<b>680</b>	9.6%	56.3%	<b>983</b>	9.6%	44.6%
<b>Personnel</b>	<b>267</b>	3.8%	76.8%	<b>359</b>	3.5%	34.5%
<b>Other</b>	<b>413</b>	5.8%	45.4%	<b>624</b>	6.1%	51.1%
<b>Gross Profit</b>	<b>6,416</b>	90.4%	38.6%	<b>9,234</b>	90.4%	43.9%
<b>SGA (Sales,general&amp;administrative)</b>	<b>4,037</b>	56.9%	46.5%	<b>6,086</b>	59.6%	50.8%
<b>Personnel</b>	<b>1,418</b>	20.0%	69.8%	<b>1,985</b>	19.4%	40.0%
<b>Advertising, sales promotion</b>	<b>1,852</b>	26.1%	36.9%	<b>2,907</b>	28.4%	57.0%
<b>Other</b>	<b>767</b>	10.8%	35.0%	<b>1,194</b>	11.7%	55.7%
<b>Operating income</b>	<b>2,378</b>	33.5%	26.9%	<b>3,148</b>	30.8%	32.4%
<b>Ordinary income</b>	<b>2,362</b>	33.3%	25.3%	<b>3,172</b>	31.0%	34.3%
<b>Net income</b>	<b>1,244</b>	17.5%	25.5%	<b>1,711</b>	16.7%	37.5%

**(Sales: +¥3.12bn)**

- en Career Change Info: +¥2.18bn
- en Career Change Consultant: +¥240mn
- en Temporary Placement Info: +¥330mn
- en Part-time Jobs Plus: +¥180mn
- en Job Info for Students: +¥110mn
- Others: +¥50mn

**(CGS: +¥90mn)**

Increase in personnel due to business expansion

**(Other costs: +¥210mn)**

Fair, conference costs: +¥100mn, depreciation from site renewals: +¥50mn, consigned work fees: +¥50mn

**(Personnel costs: +¥560mn)**

Increased personnel costs associated with business expansion, fortified marketing

**(Ad, marketing costs: +¥1.05bn)**

Ads on TV, stations, mass transportation, other promotional activities strengthened

**(Other: +¥420mn)**

Rent, other costs from expanded HQ floor space: +¥180mn, depreciation: +¥40mn, add personnel, consumables: +¥20mn

# ■ 8<sup>th</sup> Interim Period – Mid-Career Hiring Business



	Jan-Jun 2006			Jan-Jun 2007		
	(million yen)	% of sales	% YOY change	(million yen)	% of sales	% YOY change
<b>Net Sales</b>	<b>6,177</b>	100.0%	40.4%	<b>9,137</b>	100.0%	47.9%
<b>Cost of Sales</b>	<b>459</b>	7.4%	69.4%	<b>603</b>	6.6%	31.4%
<b>Gross Profit</b>	<b>5,717</b>	92.6%	38.5%	<b>8,533</b>	93.4%	49.3%
<b>SGA (Sales, general &amp; administrative)</b>	<b>3,237</b>	52.4%	47.4%	<b>4,913</b>	53.8%	51.8%
<b>Personnel</b>	<b>987</b>	16.0%	83.1%	<b>1,448</b>	15.8%	46.7%
<b>Advertising, sales promotion</b>	<b>1,667</b>	27.0%	31.1%	<b>2,574</b>	28.2%	54.4%
<b>Other</b>	<b>583</b>	9.4%	51.4%	<b>891</b>	9.8%	52.8%
<b>Operating income</b>	<b>2,480</b>	40.1%	28.3%	<b>3,619</b>	39.6%	45.9%
<b>Ordinary income</b>	<b>2,464</b>	39.9%	27.1%	<b>3,644</b>	39.9%	47.9%

## (Sales: +¥2.96bn)

- en Career Change Info: +¥2.18bn
- en Career Change Consultant: +¥240mn
- en Temporary Placement Info: +¥330mn
- en Part-time Jobs Plus: +¥180mn

## (CGS: +¥140mn)

Contents production costs accompanying expansion in our business: +¥80mn, Worker fair costs: +¥40mn

## (Labor costs: +¥460mn)

Personnel costs associated with expansion of our business and fortification of our marketing efforts

## (Ad, promotion costs: +¥900mn)

Fortification of TV commercials and other promotional activities

## (Others: +¥300mn)

Costs associated with expansion of floor space, including rent: +¥130mn, depreciation: +¥30mn, additional personnel, consumable costs: +¥20mn

- ◆ **Mid-Career Hiring Business:** [en] Career Change Info, [en] Career Change Consultant, [en] Temporary Placement Info, [en] Part-time Jobs Plus, other mid-career hiring related



# ■ 8<sup>th</sup> Interim Period – New Graduate Hiring Business

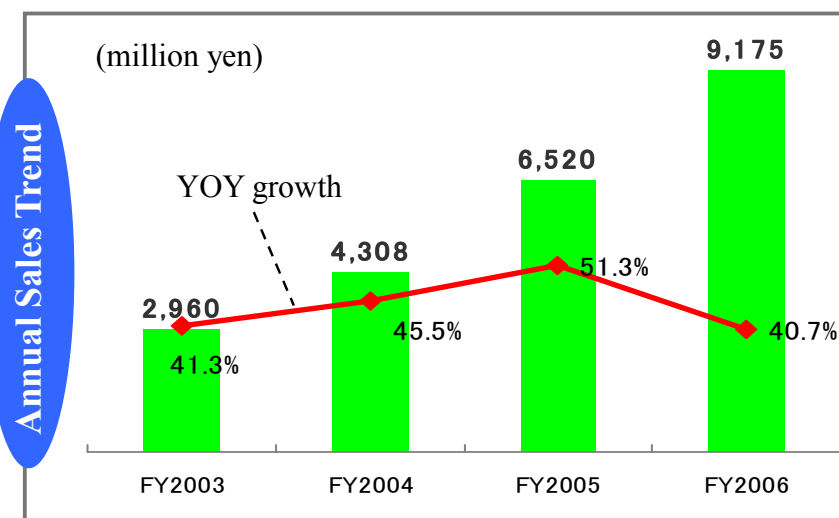


	Jan-Jun 2006			Jan-Jun 2007			
	(million yen)	% of sales	% YOY change	(million yen)	% of sales	% YOY change	
<b>Net Sales</b>	<b>835</b>	100.0%	37.8%	<b>976</b>	100.0%	16.9%	(Sales: +¥140mn) • Site sales: ¥710mn (+¥110mn) • Other (Hiring outsourcing): ¥260mn (+¥30mn)
<b>Cost of Sales</b>	<b>212</b>	25.4%	41.3%	<b>369</b>	37.8%	74.1%	(Sales: +¥160mn) Depreciation from sites: +¥50mn, conference expenses: +¥50mn, server maintenance fees: +¥40mn
<b>Gross Profit</b>	<b>622</b>	74.5%	36.4%	<b>607</b>	62.2%	-2.4%	
<b>SGA (Sales, general &amp; administrative)</b>	<b>757</b>	90.7%	45.6%	<b>1,114</b>	114.1%	47.2%	(Labor costs: +¥100mn) Costs associated with increased personnel accompanying business expansion
<b>Personnel</b>	<b>398</b>	47.7%	46.9%	<b>498</b>	51.0%	25.1%	
<b>Advertising, sales promotion</b>	<b>184</b>	22.0%	127.2%	<b>332</b>	34.0%	80.4%	(Ad, marketing: +¥150mn) Conference related, other expenses
<b>Other</b>	<b>175</b>	21.0%	3.6%	<b>284</b>	29.1%	62.3%	
<b>Operating income</b>	<b>-134</b>	-16.0%	109.4%	<b>-506</b>	-51.8%	-	
<b>Ordinary income</b>	<b>-134</b>	-16.0%	127.1%	<b>-506</b>	-51.8%	-	(Others: +¥100mn) Rent and other costs associated with expansion of floor space at our headquarters: +¥40mn, consigned work fees: +¥10mn

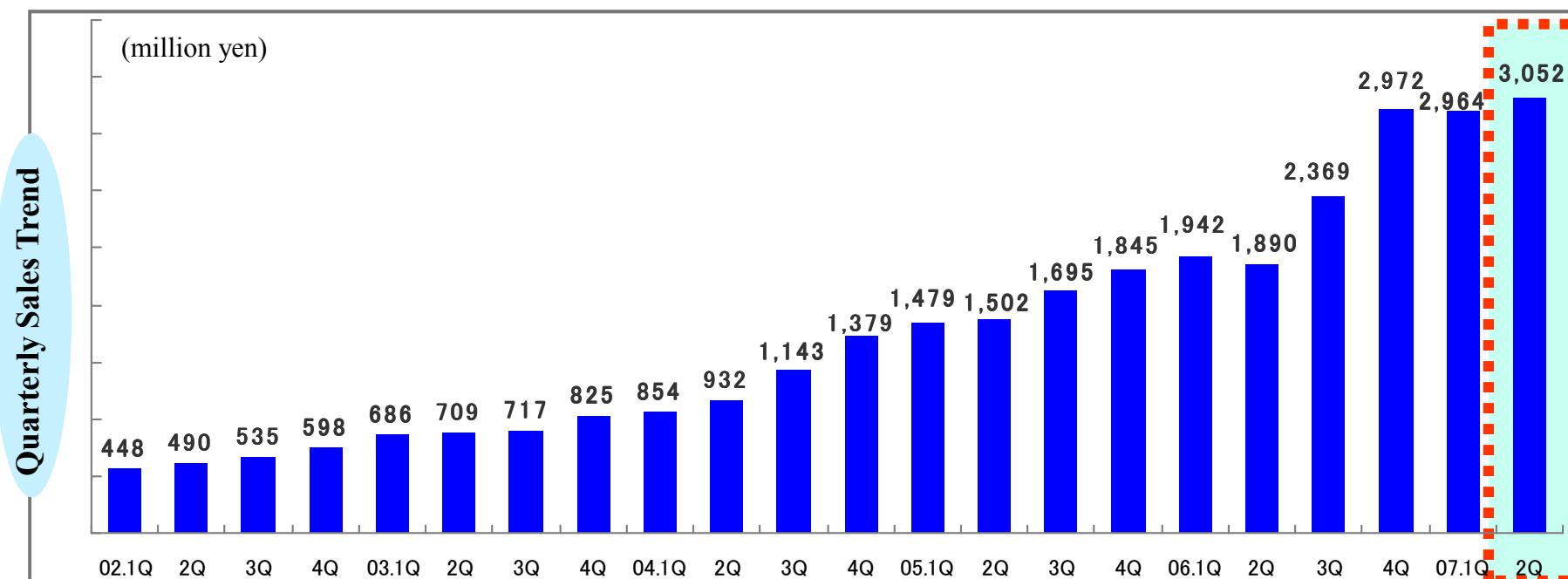
- ◆ **New Graduate Hiring Business: [en] Job Info for Students, other new graduate hiring related**

	Jan-Jun 2006			Jan-Jun 2007		
	(million yen)	% of sales	% YOY change	(million yen)	% of sales	% YOY change
<b>Net Sales</b>	<b>84.8</b>	100.0%	42.0%	<b>104.0</b>	100.0%	22.6%
<b>Cost of Sales</b>	<b>9.3</b>	11.0%	-36.3%	<b>10.9</b>	10.5%	17.2%
<b>Gross Profit</b>	<b>75.5</b>	89.0%	67.4%	<b>93.0</b>	89.4%	23.2%
<b>SGA (Sales,general&amp;administrative)</b>	<b>43.0</b>	50.7%	8.6%	<b>58.2</b>	56.0%	35.3%
<b>Personnel</b>	<b>32.3</b>	38.1%	31.3%	<b>38.4</b>	36.9%	18.9%
<b>Advertising, sales promotion</b>	<b>0.0</b>	0.0%	-	<b>0.0</b>	0.0%	-
<b>Other</b>	<b>10.7</b>	12.6%	-27.7%	<b>19.8</b>	19.0%	85.0%
<b>Operating income</b>	<b>32.4</b>	38.2%	489.1%	<b>34.8</b>	33.5%	7.4%
<b>Ordinary income</b>	<b>32.4</b>	38.2%	440.0%	<b>34.8</b>	33.5%	7.4%

## ■ 8th Term Performance – [en]Career Change Info



- Achieved record high sales in 2Q of ¥3.05bn, up ¥1.16bn or 61.5% YoY
- Average unit sales price rose to ¥552,000 on favorable sales of hiring outsourcing (web agent) and other options
- Job seeking users rose to 1.69 million as of end June
- Maintained high client (job offering company) satisfaction of 91.4% (as of March)
- Attained record high user satisfaction level of 98.2% (as of June)



## Survey by Cybozu Media and Technology Co., Ltd.

**2005**

**2<sup>nd</sup> Place Private Sector Site**

(Points)

1	Recruit Navi Next	98.0
2	Hello Work Internet Service	84.7
3	En Japan	84.1
4	Toraba-yu Net	66.2
5	Mainichi Career Navi	58.4

**2006**

**1<sup>st</sup> Place Private Sector Site**

(Points)

1	Hello Work Internet Service	91.52
2	En Japan	90.05
3	Recruit Navi Next	85.91
4	Yahoo! Recruit Navi	71.42
5	Toraba-yu Net	61.40



**2007**

**1<sup>st</sup> Place Overall, Best of 30 Websites**

(Points)

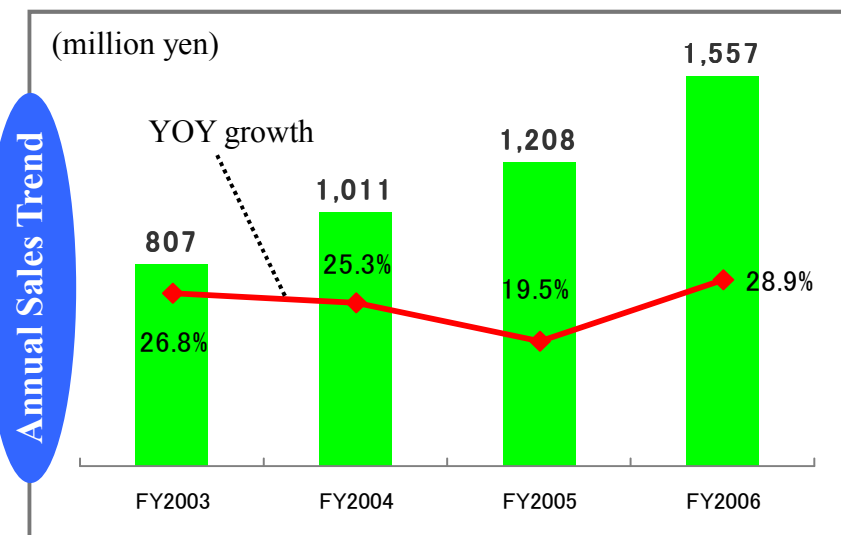
1	En Japan	94.27
2	Recruit Navi Next	88.72
3	Hello Work Internet Service	86.86
4	Yahoo! Recruit Navi	67.58
5	e-aidem	59.10

**Chosen as the Top Site of 30 Sites as the “Most Well Heard of Site,” “Actually Used Site,” “Frequently Used Site”**

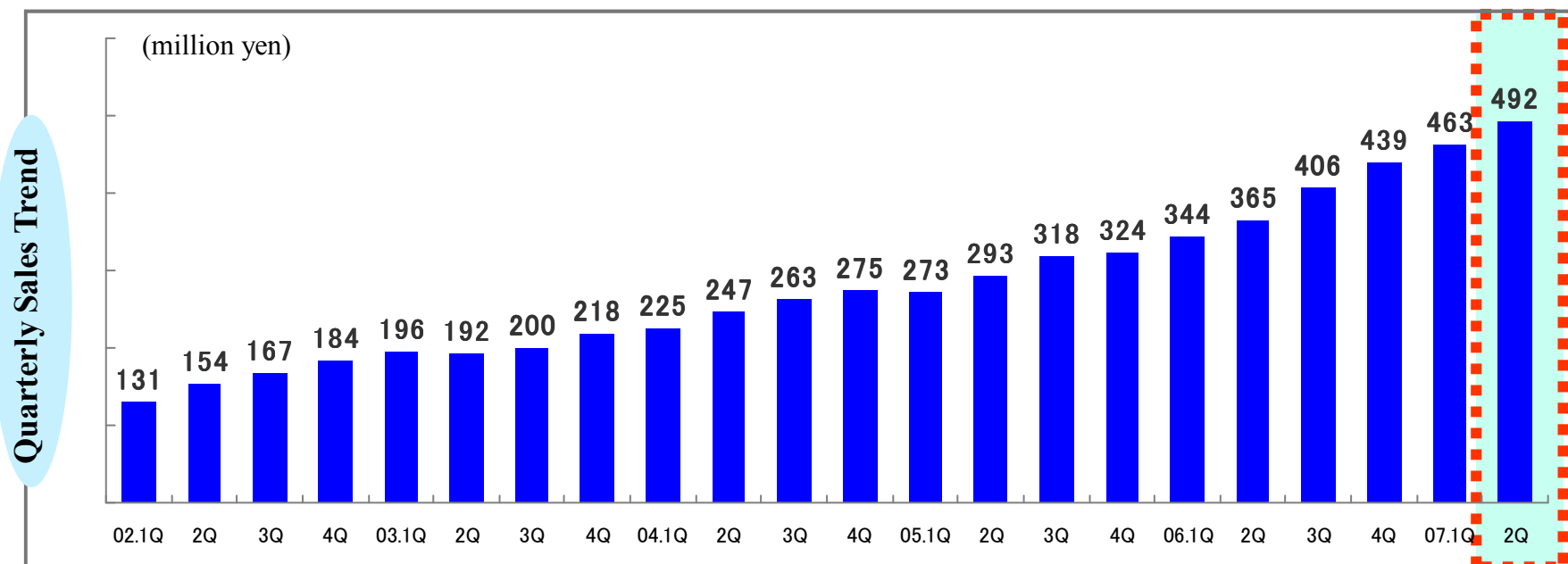
\* Metaphase Co., Ltd. and Chance International Inc. conducted the survey of workers who changed jobs within the past year did and did not use a website. 1,182 responses.

\* This survey measured the “brand recognition,” “foot traffic,” “repeater usage,” “user satisfaction,” “usage direction,” “credibility,” and “effectiveness” of job websites

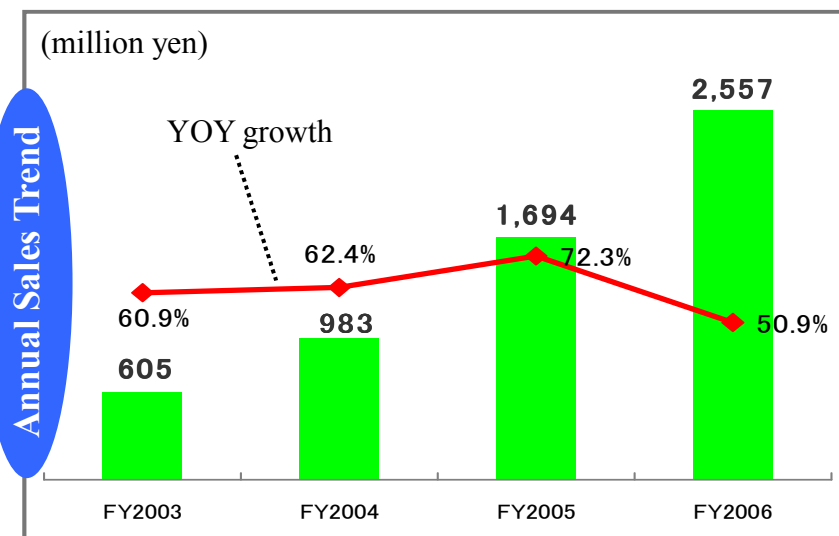
\* Yahoo! Recruit Navi is a job portal site comprised of From A Navi, Shot Works, Recruit Navi Dispatch, Recruit Agent, Recruit Navi New Graduate, Entre Net



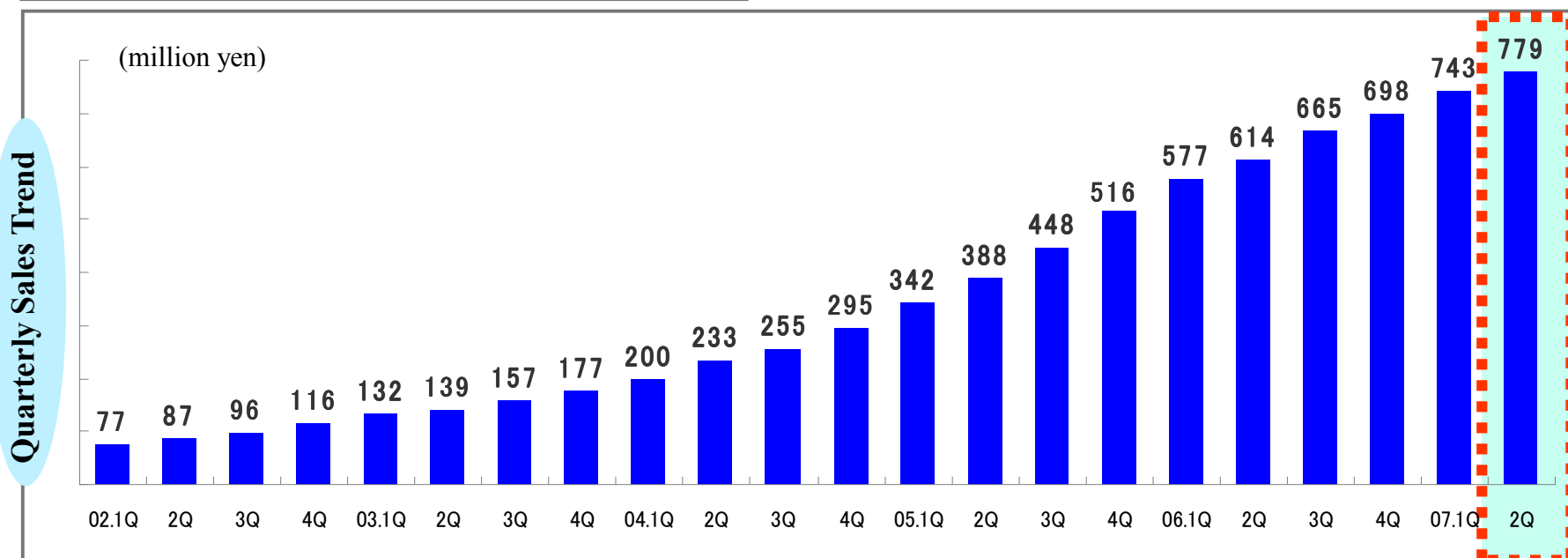
- Against the backdrop 2Q sales reached a record high of ¥490mn, up ¥120mn or 34.8% YoY. Thus we maintained our top position in the industry.
- We had 349 companies listing jobs on our site as of end June, up 47 companies YoY, and our average pricing remained at record high levels.
- Due to the favorable growth in our earnings, we may be able to achieve our targets one year early.



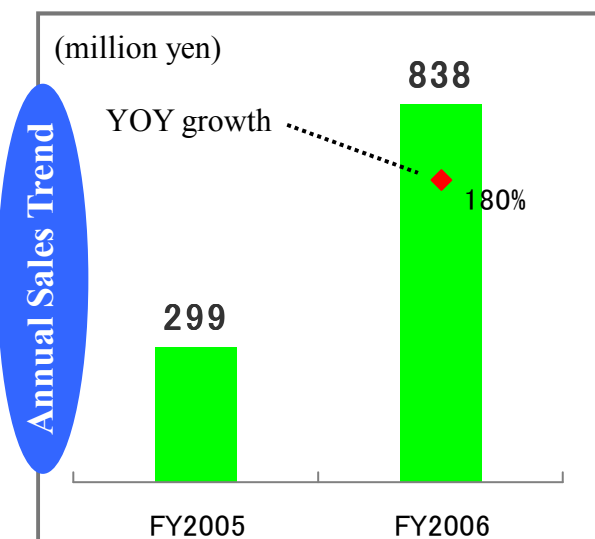
## ■ 8th Term Performance – [en]Temporary Placement Info



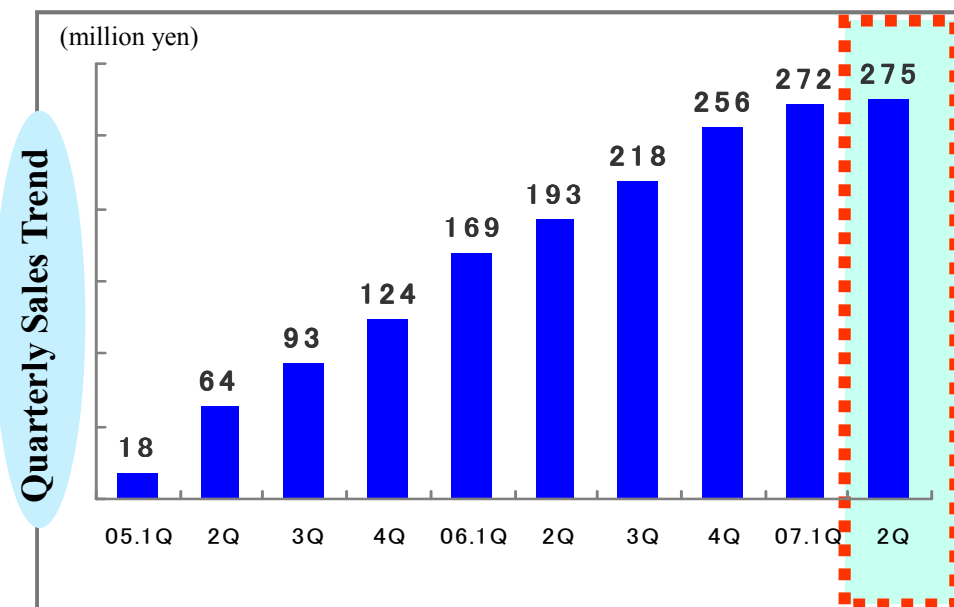
- In 2Q we achieved record high sales of ¥780mn, up ¥160mn or 26.9% YoY. We maintained our top position in the industry.
- Due to the effectiveness of our sites and the high performance for price profile we provide, we are selected more often by our customers. The number of job advertising companies stood at 588 as of end June, up 106 YoY.
- The number of users also steadily expanded reaching 386,000 as of June end, up 113,000 YoY



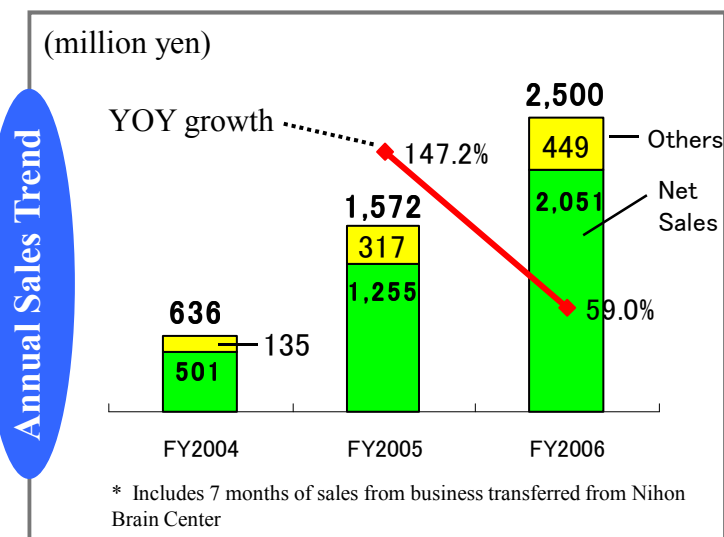
# 8th Term Performance – [en]Part-time Jobs Plus



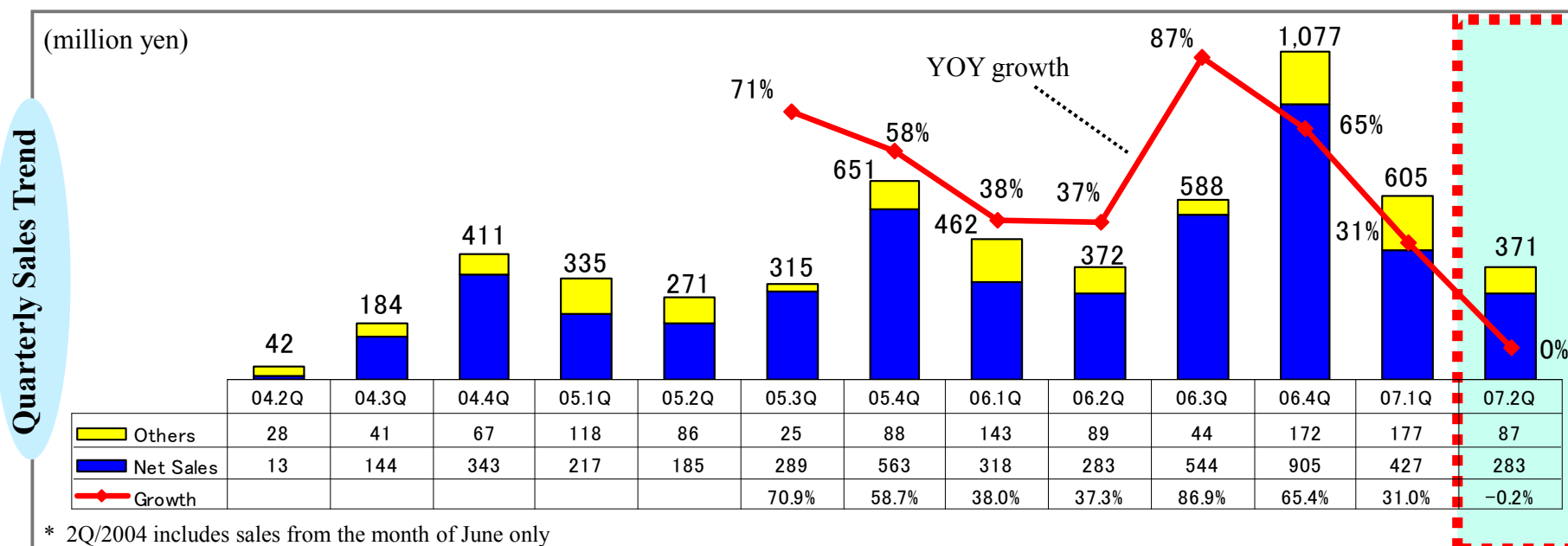
- In 2Q we achieved record high sales of ¥275mn, up 42.5% or ¥80mn YoY
- Our monthly sales exceeded ¥100mn for the first time in June
- The number of job advertising companies stood at 361 as of end June, up 78 companies YoY
- We saw an increase in job seeking users from our i-mode site launched in April and other cellular telephone sites.
- Since the opening of our site, we have seen over 4,000 part time workers hired as full time workers



# ■ 8th Term Performance – [en]Job Info for Students



- In 2Q due to changes in sales realization methods and the marketing efforts to open our 2009 website (launch in October 2007), sales trended sideways (Excluding the sales realization method change factor, sales would have risen 8% YoY)
- The number of advertising companies on our 2008 website rose by 248 YoY to 1,645 companies as of end June
- The number of “a professional’s job” articles rose by 340 YoY to 2,691 as of end June
- We received a high 85% customer satisfaction rating for our 2008 website





### 2008 Website Overview

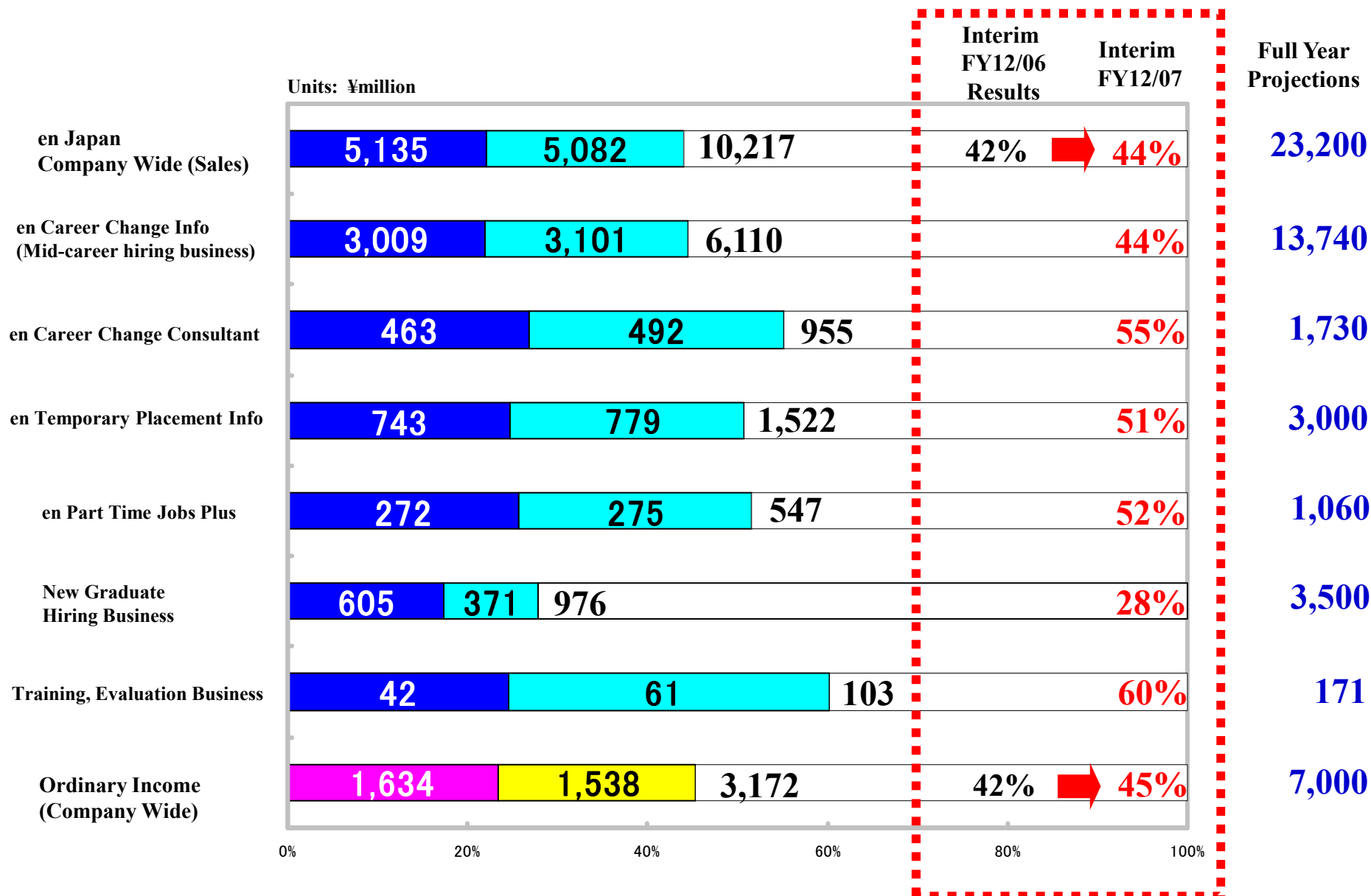
Sales rise 47% YoY to ¥2.64bn (from 3Q2006 to 2Q2007)  
Client satisfaction 85%, intent of repeat usage 88%, largest number of users per company  
Viewed as the most effective site to access to highly motivated students. Earnings foundation solidified

### 2<sup>nd</sup> Half Projections – Preparing for Launch of Our 2009 Website

- ① Secure job seeking users → Fortify our brand and strengthen relations with universities to secure job seeking users
- ② Marketing strategy → Allocating resources properly to capture marketing opportunities during the first half of the season
- ③ Earnings strategy → Review lower profitability services, and conference strategy

**Achieved sales of ¥3.5bn, ordinary income of ¥150mn!!**

# ■ Projection Achievement Ratio Analysis



## FY12/07 Projections

**Sales: ¥23.2bn, Ordinary Income: ¥7.0bn**

- We had 1,135 employees as of June end. We expect to have 1,150 as of the year end.
- en Career Change Info:
  - Market conditions remain strong, but clients to choose service providers on effectiveness of sites
  - Expanding advertisements (1,791 during 2Q, expect 2,200 to 2,400 during the second half)
  - Using the high effectiveness of our site, we will maintain both high prices while offering high price performance to clients
- Using our comprehensive service line-up to expand sales, harvesting new clients
- Costs in the 2<sup>nd</sup> Half
  - Advertising, promotional costs to remain within budget (¥6.3bn in the full year)
  - Personnel costs to remain within budget as well

## Our Future Business Strategy

### (Human Resources Related Businesses)

- Employee Retention Program targetting workers and their superiors (P&R Support) started

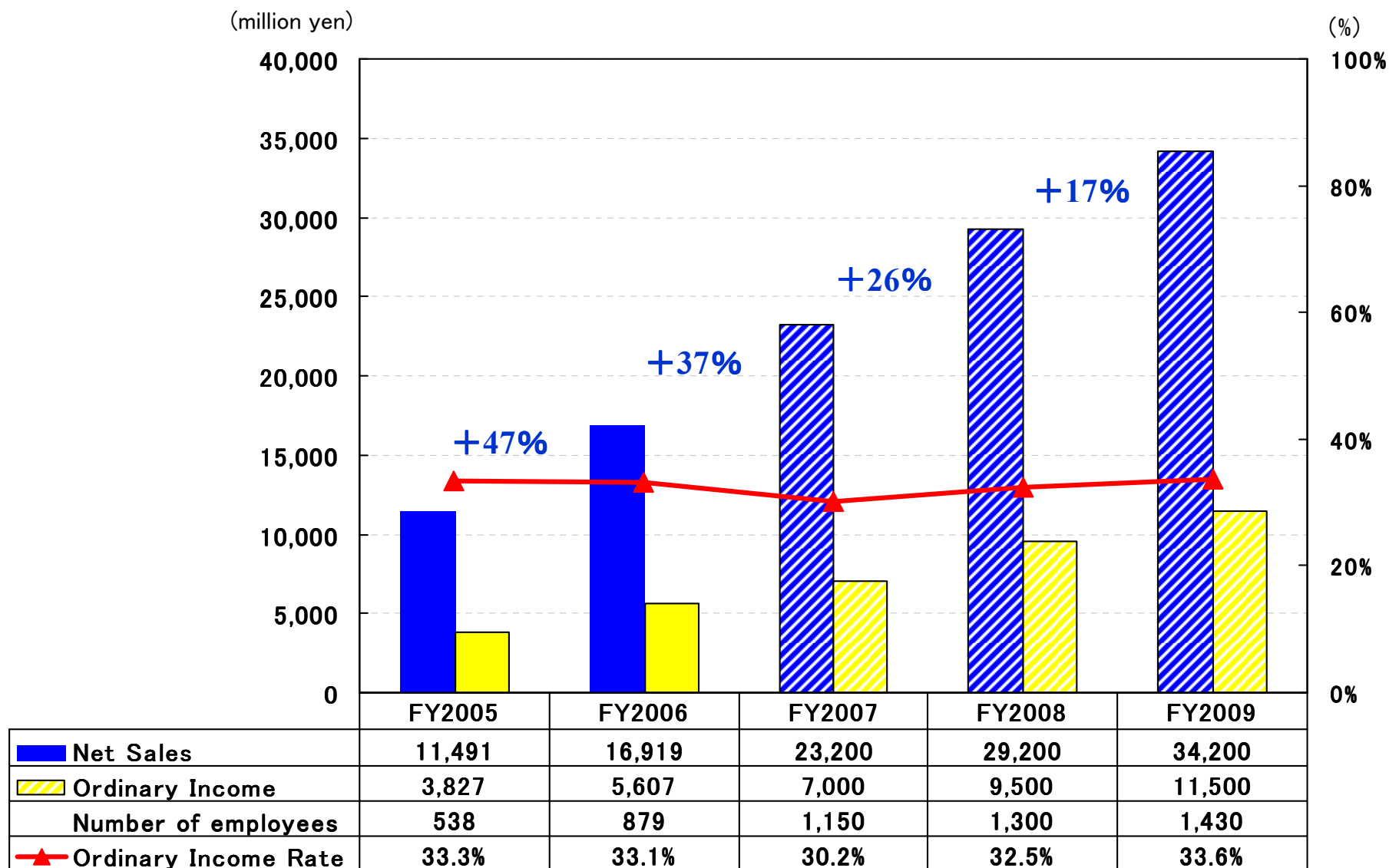
### (Overseas)

- 英才網聯(北京)科技有限公司 to turn to profits
  - Earnings in Interim FY12/07
    - > Sales: 7.28mn Yuan (¥120mn), Ordinary Income: 500,000 Yuan (¥8mn)
  - Earnings projections in full year FY12/07
    - > Sales: 18mn Yuan (¥280mn), Ordinary Income: 1mn Yuan (¥16mn)
    - ⇔ 2006: -4.8mn Yuan (-¥7.3mn)

### (New Businesses)

- Preparing to Launch New Businesses
- Our Venture Investment Track Record
  - Invested ¥130mn in 5 companies as of June end
  - ¥300mn investments in 10 companies in FY12/07

# ■ Performance Forecast (Companywide)





**■ IR Administration Office**

**TEL : 03-3342-4506   Mail: [ir-en@en-japan.com](mailto:ir-en@en-japan.com)   URL: <http://corp.en-japan.com>**

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