

# Medium-Term Management Plan

FY2018-FY2020

May,31.2017

en-japan Inc.

**Job Board**

**New HR service**

# Target of Medium-Term Management Plan

## Final year of the medium-term management plan (FY2020)

### Numerical target

<b>Sales</b>	<b>50.0</b> bil JPY	<b>Operating Income</b>	<b>11.0</b> bil JPY
VS FY Mar/2017	<b>+57.7</b> %	VS FY Mar/2017	<b>+60.5</b> %

### Hiring business in Japan

Establish firm presence in the market both in terms of quality and quantity.

### Overseas business

Proceed with selection and concentration.  
Concentrate operating sites and achieve sure growth.

### New Business

Secure a certain level of size primarily in the job placement field.

Numerical target

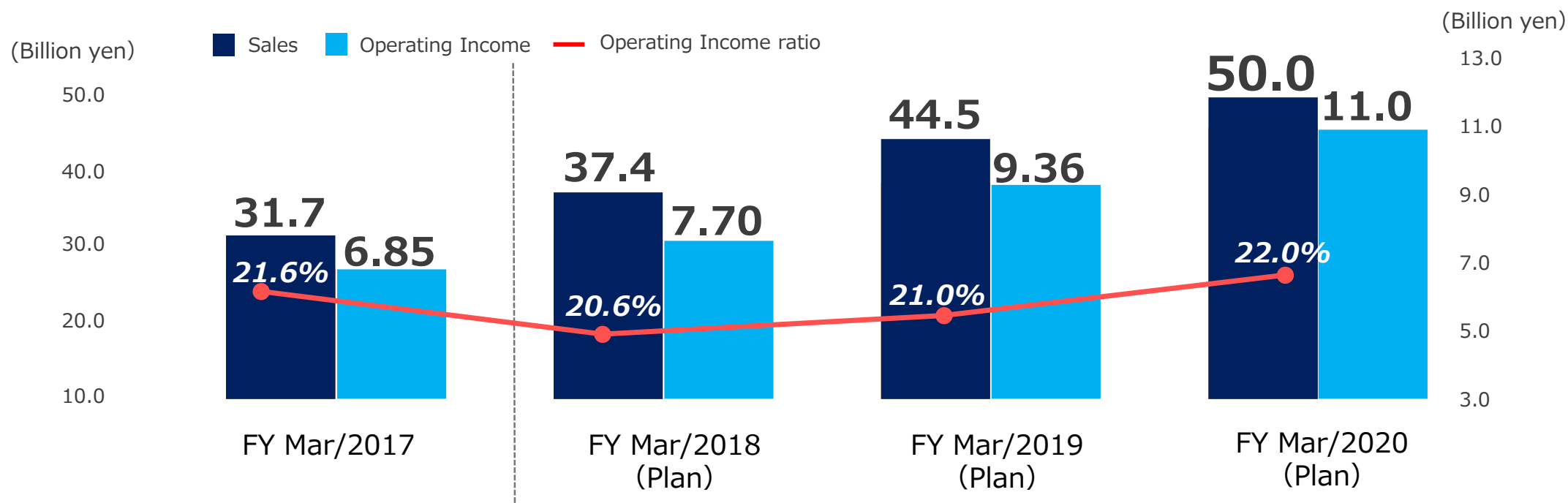
## Final year of the medium-term management plan (FY2020)

**Sales** **50.0** bil JPY

**Operating  
Income** **11.0** bil JPY

VS  
FY Mar/2017 **+57.7** %

VS  
FY Mar/2017 **+60.5** %



## The area of recruiting services

### Existing

 **エノ転職**

[en]Career Change Info

 **ミドルの転職**

[en]Career Change Consultant

 **エン派遣**

[en]Temporary Placement Info

 **エン エージェント**

en Agent

 **enworld**

Overseas subsidiaries

etc.

### \*New Services \*Services started after 2015

**A M B I**

- Recruitment site specializing in high achievers in their 20s

 **ミドルの転職**

[en]Career Change Consultant

- Introduction of direct recruiting

 **エノ転職**

[en]Career Change Info

- Introduction of direct recruiting

 **エンバイト**

en BAITO

- Expansion of scope of the site for temporary staffing companies



- Free-of-charge cloud-type hiring support system

etc.

### Fields other than the job placement field



Complaint purchasing center

 **エン婚活**

en KONKATSU Co., Ltd.

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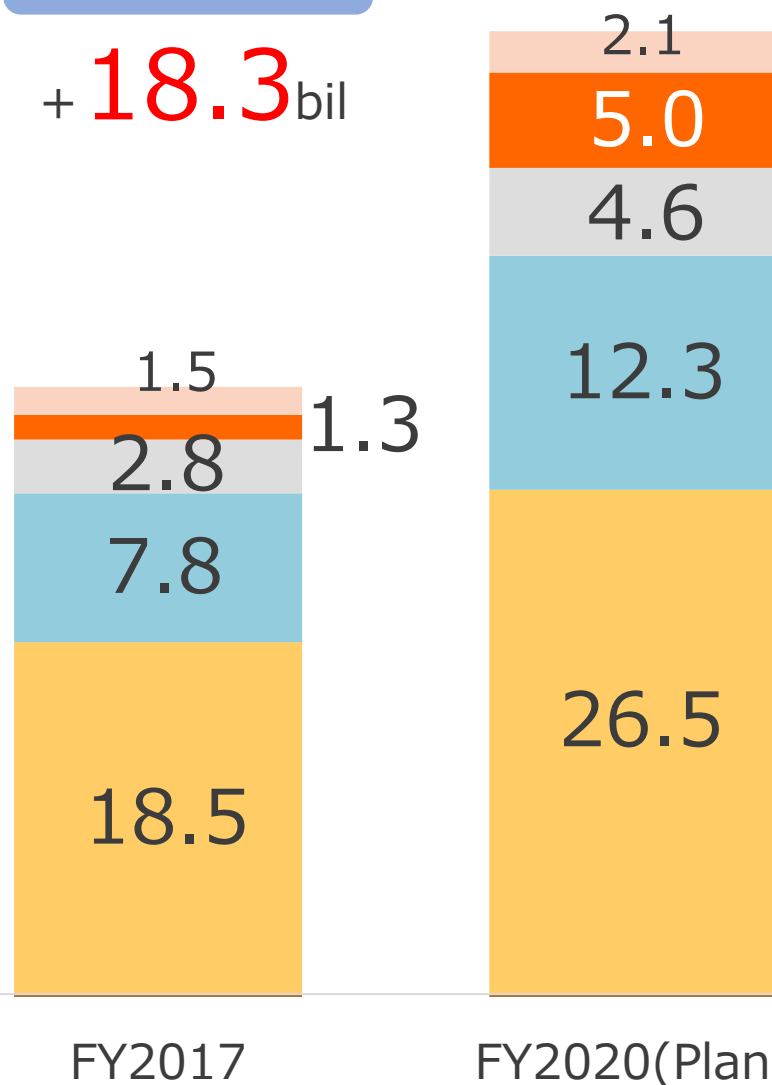
etc.

# FY Mar/2020 Sales plan by service



Sales (bil JPY)

+ **18.3** bil



Others

New Services (Mainly HR)

Overseas business

Job Search

Job Board

Increase by approximately  
¥**8.0** billion in existing  
job board sites

Increase by approximately  
¥**3.0** billion in new job  
placement services

\*Others . . . Education and Evaluation service, Aptitude test development etc.

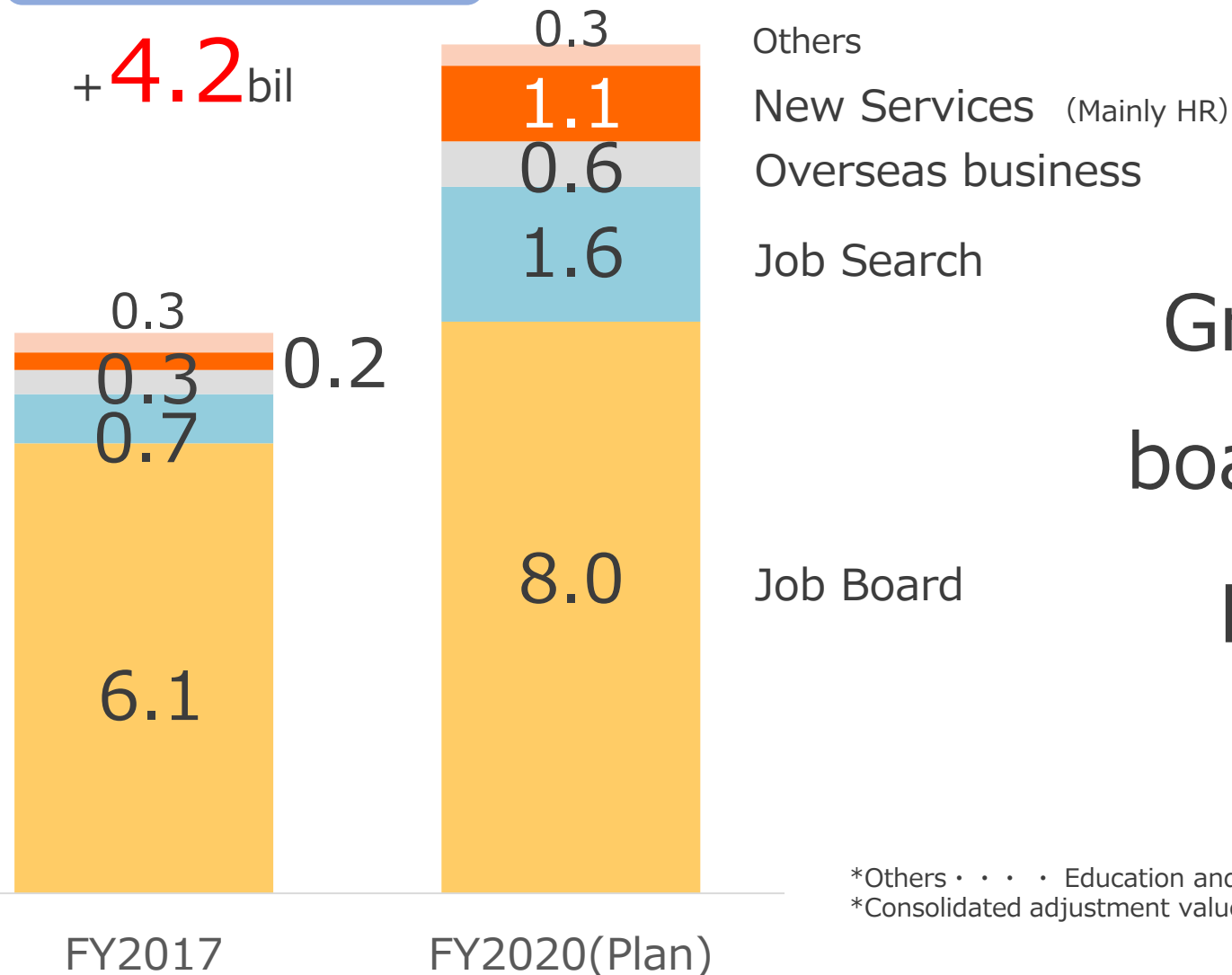
\*Consolidated adjustment values, etc. FY Mar/2017 -0.2bil, FY Mar/2020 -0.5bil

# FY Mar/2020 Operating Income Plan by Service



Operating Income  
(bil JPY)

+4.2bil



Growth of existing job  
board sites and new job  
placement services

\*Others . . . . Education and Evaluation service ,Aptitude test development etc.

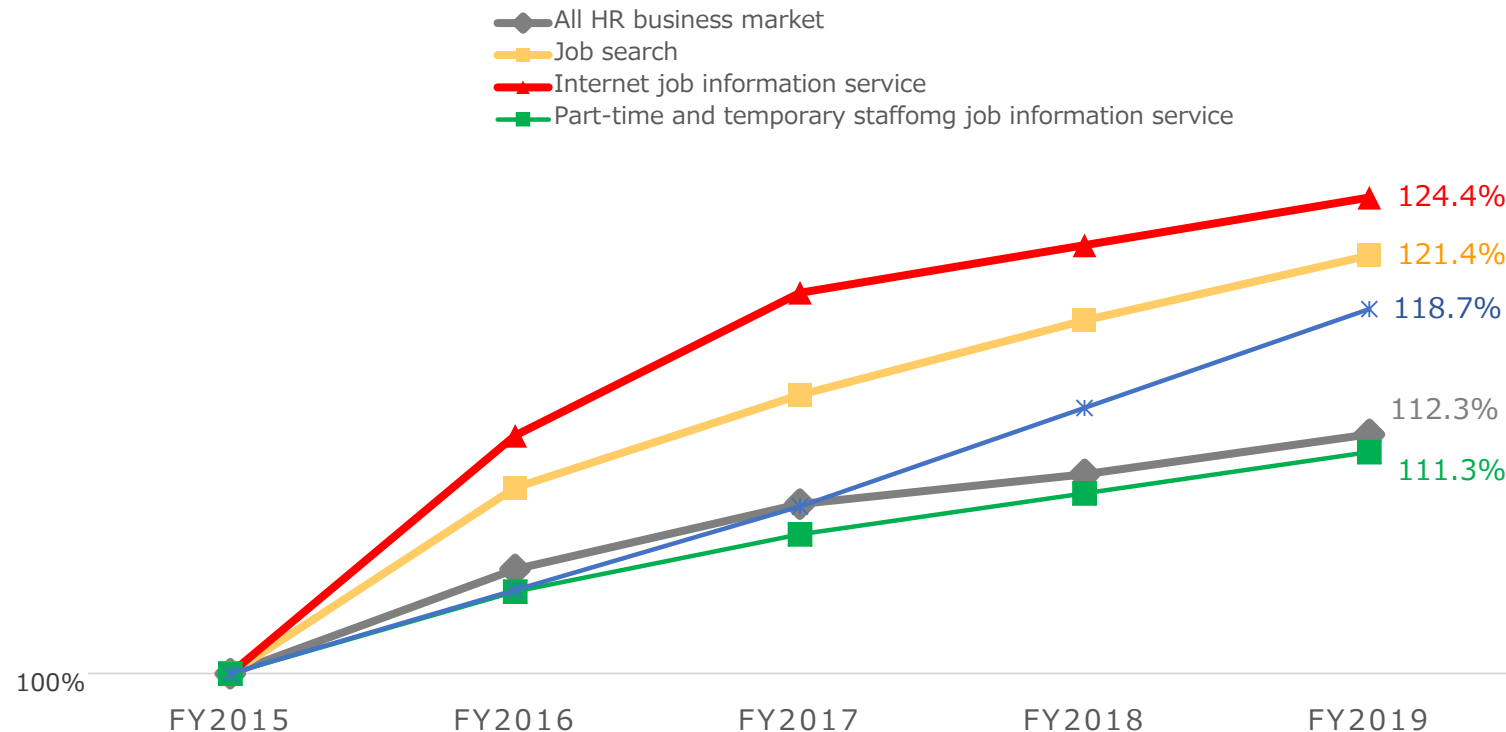
\*Consolidated adjustment values, etc FY Mar/2017 -0.7bil,FY Mar/2020 -0.6bil



# Current Status of Each Business and Mid-term Management Strategy

## Steady growth is expected up until 2020

Medium-to-long-term forecast for HR related business market (vs FY2015)



	en	Our Sales growth	Market size (JPY)
Internet job information service	en エン転職 [en]Career Change Info	151%	102bil
Job search	en エンエージェント en Agent	177%	255bil
Global job search	en enworld	145%	30.5bil
Part-time and temporary staffing job information service	en エン派遣 [en]Temporary Placement Info en インバイト en BAITO	148%	265bil
(Reference) All HR business market		112%	8,229bil

\*All HR business market = Temporary staffing service, job search, outplacement, temporary engineer staffing, sales and marketing support personnel, internet job information service, part-time job and temporary staffing job information service, dispatching and outsourcing service in manufacturing, medical staff, global job search

# Hiring business in Japan (Job Board)

## Continue to grow in a way that exceeds market growth

### Growth driver

**Job Board  
FY2020**

**Sales**      **26.5bil JPY**    (+ 8.0bil JPY ,+43% vs FY Mar/2017)

**Operating  
Income**      **8.0bil JPY**    (+ 1.9bil JPY ,+30% vs FY Mar/2017)

- **[en]Career Change Info, the core site, will continue to show high growth.**
- **Site for temporary staffing companies will expand and continue to grow.**

## Further expansion in the number of listings

- Promote not only sales and script writing but also increase efficiency through division of labor, etc.
- Pursue not only enhancement of in-house sales personnel but also active use of external resources.

## Promotion

- Continue reinforcing efforts to increase effects and recognition levels of sites. Percentage of total net sales is expected to settle around a certain level.

## Effective use of assets (database)

- Instead of posting advertisements, have companies directly approach job seekers.
- Introduce direct recruiting (new job placement-related business).

# Hiring business in Japan (Job Search)

## Promote growth mainly at the top-line level in these three years

**Job Search  
in Japan  
FY2020**

<b>Sales</b>	<b>12.3bil JPY</b>	(+ 4.4bil JPY ,+57% vs FY Mar/2017)
<b>Operating Income</b>	<b>1.6bil JPY</b>	(+ 0.9bil JPY,+138% vs FY Mar/2017)

- **Increase productivity by expanding target fields.**
- **EWJ to move up from the business reconstruction stage to the operation stage. Start by increasing net sales.**

# Overseas business



Move forward with selection and concentration,  
and make doubly sure there will be growth

**Overseas  
business  
FY2020**

<b>Sales</b>	<b>4.6bil JPY</b>	( + 1.8bil JPY , +65% vs FY Mar/2017)
<b>Operating Income</b>	<b>0.6bil JPY</b>	( + 0.3bil JPY , +88% vs FY Mar/2017)

- **Reassess the possibility, position and strength for expanding the future job placement business in each country.**
- **Concentrate resources in Vietnam and India where growth is most likely.**

# New Business

Secure a certain level of size with the job placement field at the core

**New Business  
FY2020**

<b>Sales</b>	<b>5.0bil JPY</b>	(+ 3.8bil JPY, about 4times vs FY Mar/2017)
<b>Operating Income</b>	<b>1.1bil JPY</b>	(+ 0.9bil JPY, about 5times vs FY Mar/2017)

- **Focus on the new business (service) centered on the job placement field.**
- **Pursue advance investment within this medium-term management plan period to respond to the structural changes in the job placement business over the long term.**
- **Uncertain elements, such as M&A, are not included.**

## – engage – Enhancing New HR-Tech Service Development



Already 40,000 firms have implemented the recruitment support system “engage.” en-japan formed an alliance with OBC, which has a high share in business package software for small-and-medium-sized enterprises.

Began individually providing “engage” to 100,000 or more corporate customers of OBC.

\*OBC・・・OBIC BUSINESS CONSULTANTS CO., LTD.



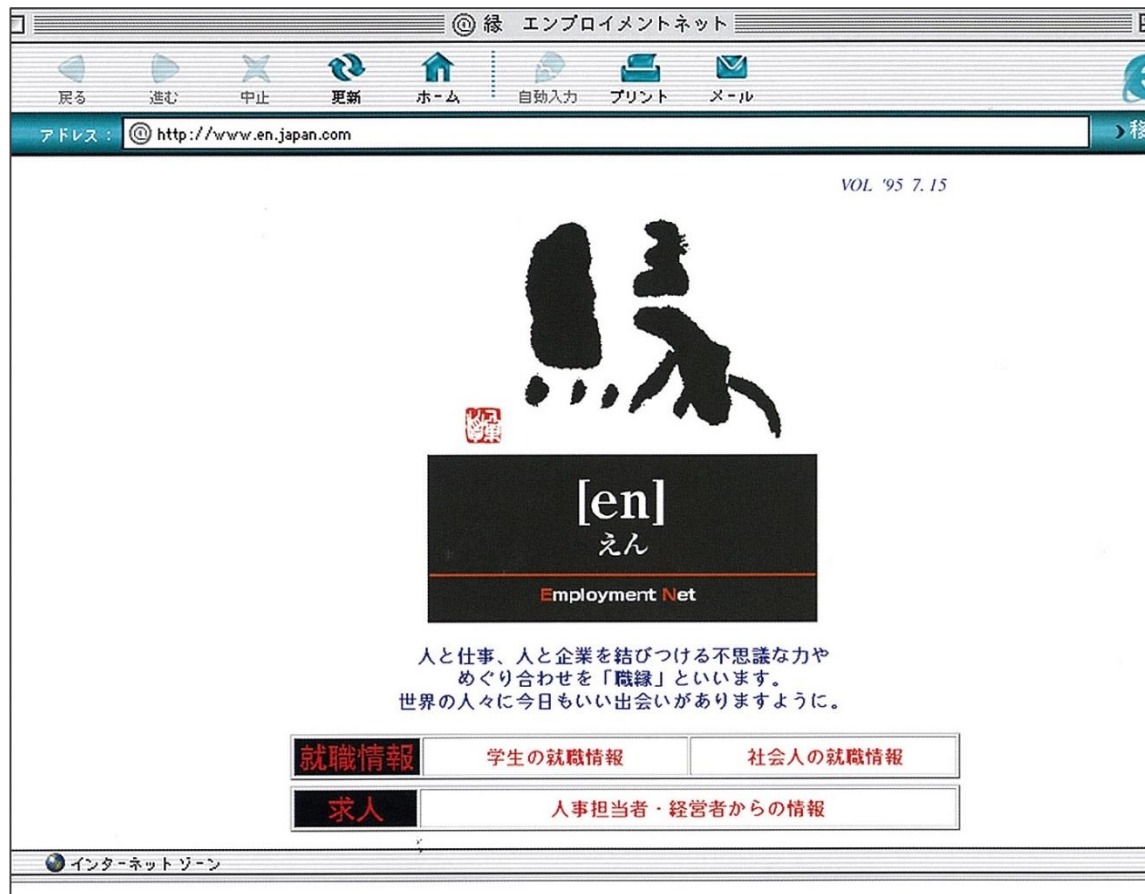
August 29, 2016 release

engage

- A totally free-of-charge cloud-type recruitment support system
- Enables even users with no knowledge about the web to easily create and update recruitment websites. The system may also be applied for smartphones.
- Scouting of users of [en]Career Change Info , which holds 5 million or more members is also possible.

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# Why is a new recruiting service necessary?

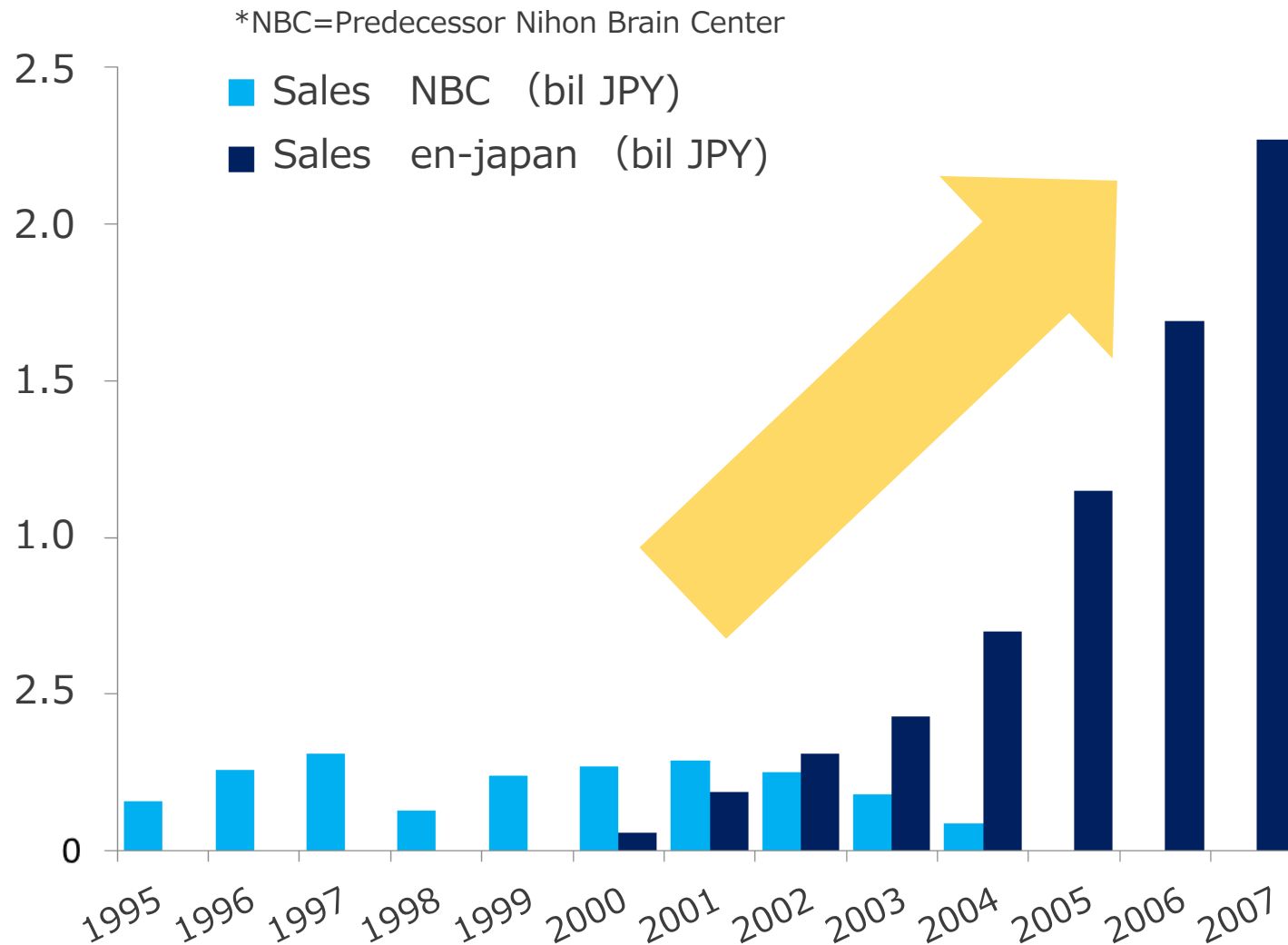


July 1995  
en Employment Net,  
Japan's first job board site,  
was opened

In five years from the launch, recorded cumulative losses exceeding ¥0.5 billion.

Net sales at the time were ¥3.0 billion.

Despite having no leeway, the business was continued with high anticipations for the future.

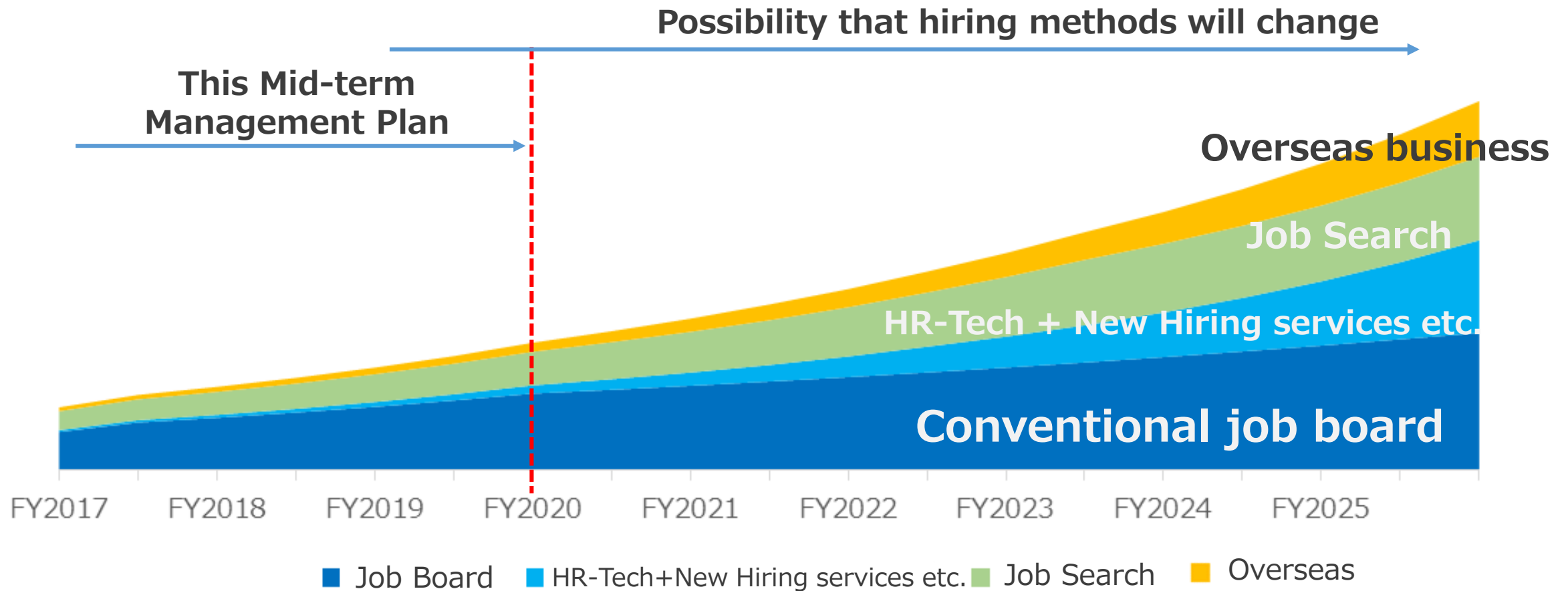


**Entered the black in  
2000;  
expanded rapidly in  
connection with the  
diffusion of the  
Internet.**



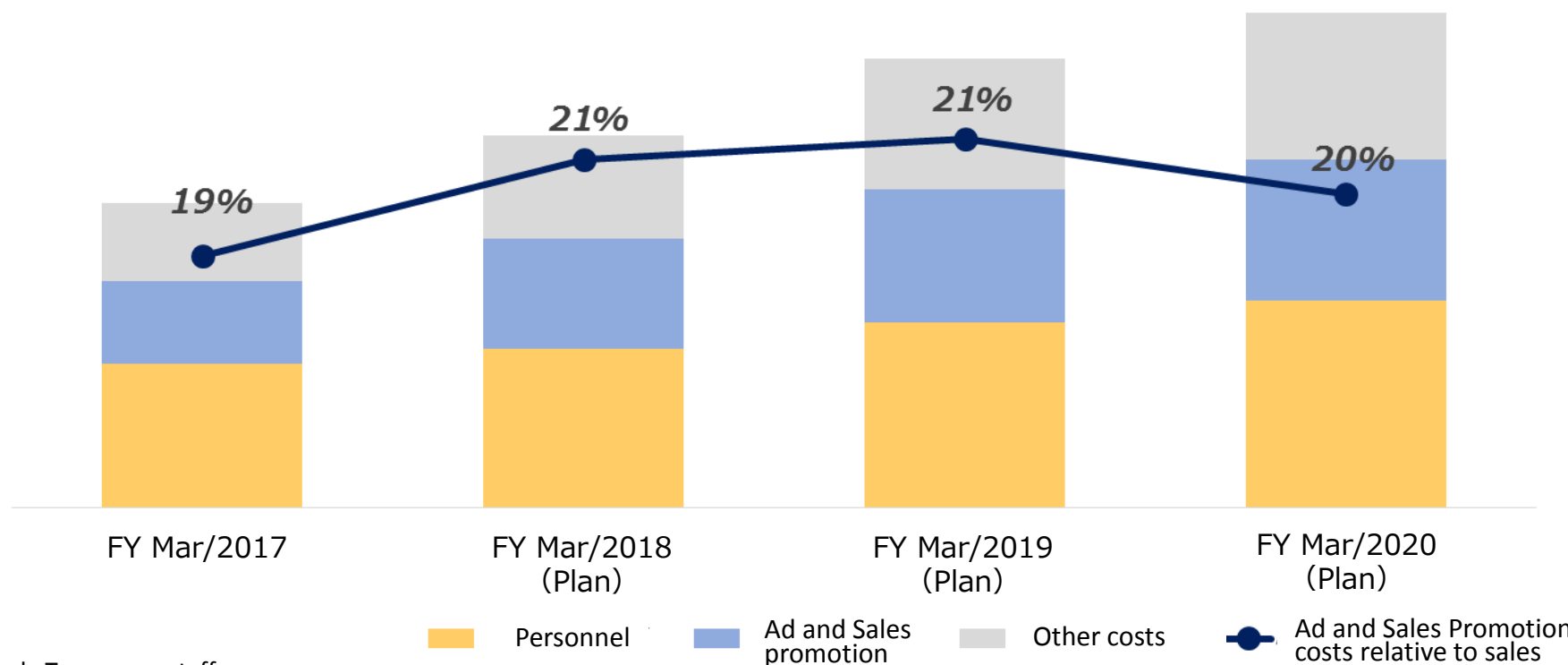
**Sales/  
Operating Income**  
\*Conceptual diagram

This three-year Mid-term Management Plan includes investments looking ahead 10 years from now



# Focused areas for Investment

## Ratio of advertisement & sales promotion expenses to net sales will level out



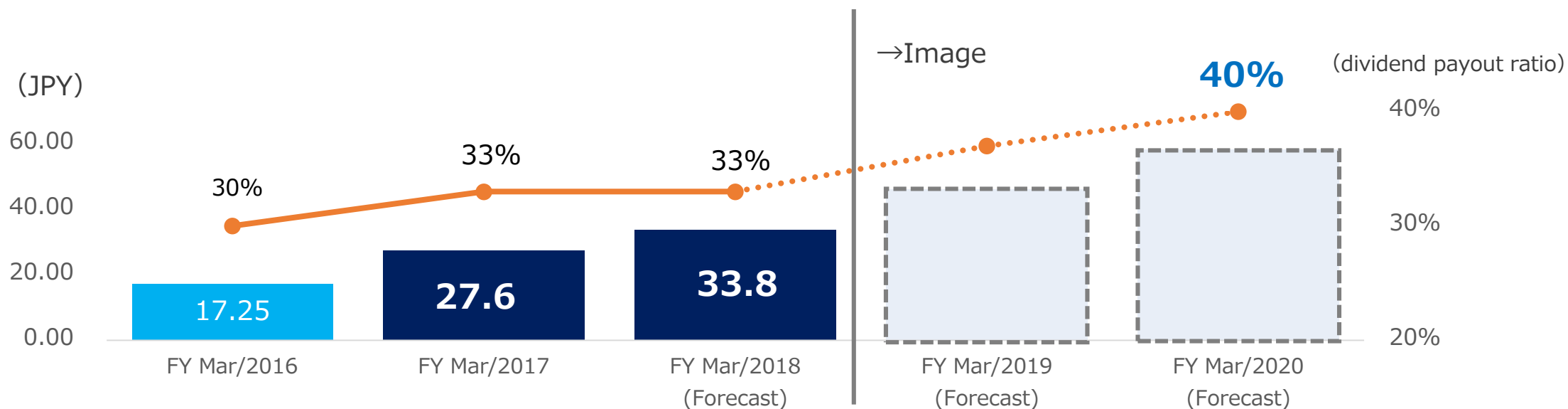
\*"Personnel" include Temporary staff expenses

# Revision of Policy for Shareholders' Returns

## Basic policy

The company targets a dividend payout ratio of over 30% and will decide the specific dividend payout ratio in consideration of business performance, financial conditions, investment plans, and other factors each fiscal year.

**In the medium-term, the company aims to achieve a dividend payout ratio of 40% for the fiscal year ending March 31, 2020.**



\*We executed a 2-for-1 stock split in April 2016. Dividends for the year ended March 31, 2016 are adjusted taking into account the impact of this stock split.

\*The difference with the dividend payout ratio listed on the financial summary is due to the amount of dividends for J-ESOP.



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