



en-japan Inc.

3rd Quarter of FYE Mar/2019 Earnings Review

February 7, 2019

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Consolidated Performance Summary for 3rd Quarter of FYE Mar/2019

3Q (Apr.–Dec.)
Sales

34.8bil JPY

28.8bil JPY

22.6bil JPY

18.6bil JPY

Increased
20.5%

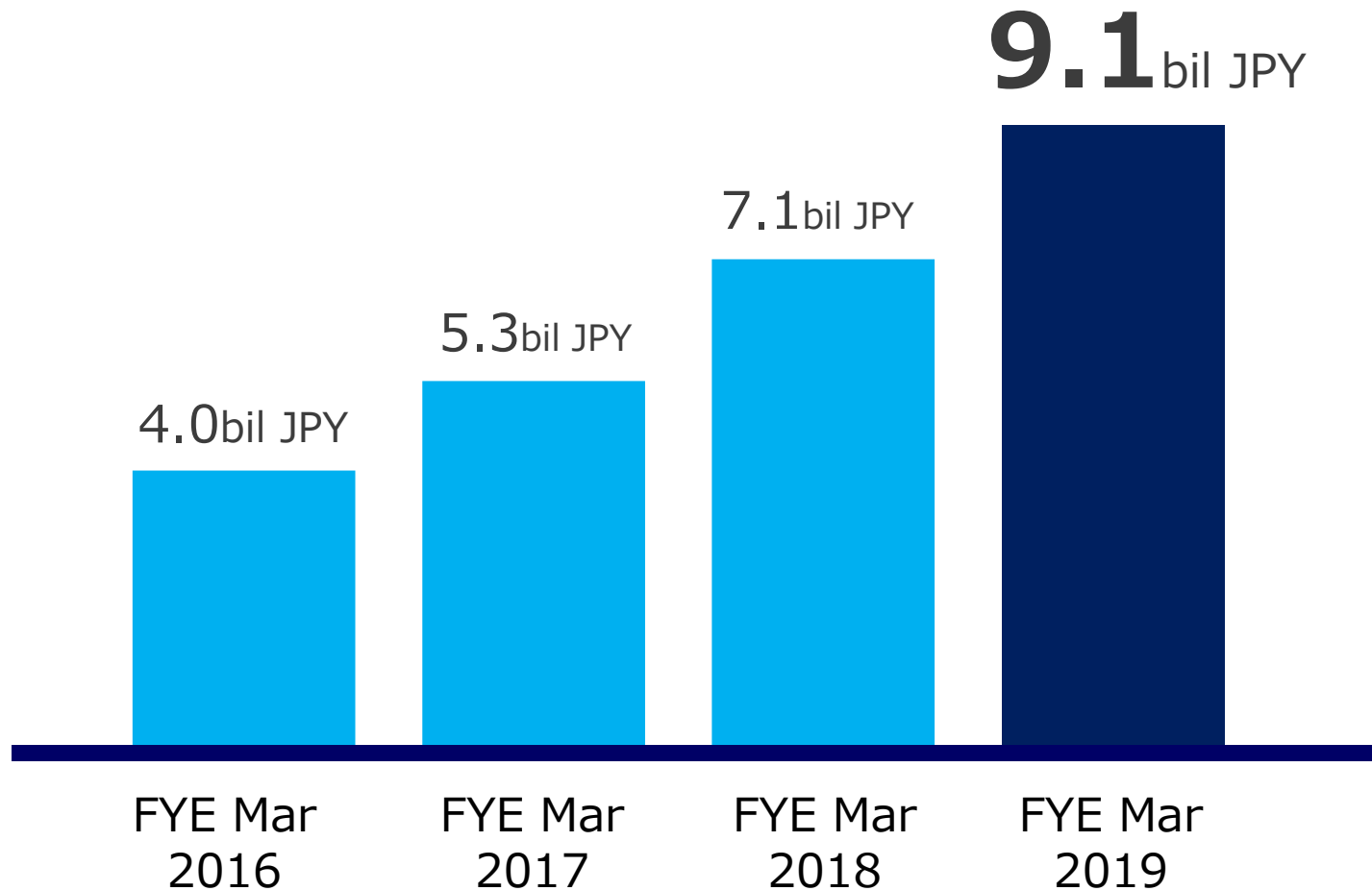
FYE Mar
2016

FYE Mar
2017

FYE Mar
2018

FYE Mar
2019

3Q (Apr.–Dec.)
Operating Income



Increased
27.3%

Job Board

Main Job Board
total
Sales

22,254 M JPY + **21.5%** YoY

- Unit price for [en]Career Change Info continued to increase due to measures taken to expand the share of Client budget. Its growth exceeded that of the market.
- Sales at site for Permanent recruitment agencies increased 41% YoY, showing high growth. This was contributed to by the steady effects of changing the fee-charging model and expanding the recruitment site specializing in high achievers in their 20s.

Permanent Recruitment

Domestic
total
Sales

8,177 M JPY + **20.3%** YoY

- Permanent recruitment market is large in size and is stably maintaining high growth rate.
- Net sales of EWJ increased 26% YoY and it is maintaining high growth. In addition to its core job placement business, Professional contract service and RPO increased. en Agent made progress as expected.

Expenses, Others

- Advertising and sales promotion expenses increased 20.2% YoY, with funds generally invested as planned. Total expenses increased 18.3% YoY, mainly due to increase in personnel expenses and outsourcing expenses associated with enhancement of operational efficiency. Overall, performance was below the Plan.
- "HR OnBoard," which supports active participation and retention of new employees at an early stage, was launched free of charge to all client companies in February 2019.
The number of companies using "engage" exceeded 160,000.

[3Q FYE Mar/2019 Results] Consolidated Income Statement



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	FYE Mar 2018 (Apr.–Dec.2017)		FYE Mar 2019 (Apr.–Dec.2018)		YOY change (million yen)	YOY change	Note
	(million yen)	% of sales	(million yen)	% of sales			
Net Sales	28,875	100.0%	34,801	100.0%	5,926	20.5%	Growth achieved by Job Board sites and Permanent recruitment services, etc.
Cost of Sales	2,691	9.3%	3,430	9.9%	738	27.4%	
Personnel	1,834	6.4%	2,270	6.5%	435	23.7%	Increase in production-related. Increase in personnel expenses due to growth in EWJ's specialist dispatch service, etc.
Other	857	3.0%	1,160	3.3%	303	35.4%	
Gross Profit	26,183	90.7%	31,370	90.1%	5,187	19.8%	
SGA (Sales, general & administrative)	19,033	65.9%	22,269	64.0%	3,235	17.0%	
Personnel	7,891	27.3%	9,008	25.9%	1,117	14.2%	Headcount increased mainly en-japan and EWJ.
Advertising, Sales Promotion	5,863	20.3%	7,046	20.2%	1,182	20.2%	Increased mainly in en-japan's Job Board. Enhanced online advertisements to attract members.
Other	5,279	18.3%	6,214	17.9%	935	17.7%	Outsourcing expenses, etc. increased in conjunction with the enhancement of operating efficiency.
Operating Income	7,149	24.8%	9,101	26.2%	1,951	27.3%	
Ordinary Income	7,251	25.1%	9,266	26.6%	2,014	27.8%	Increase in investment income based on equity method, etc.
Net Income attributable to en-japan	5,057	17.5%	6,487	18.6%	1,430	28.3%	

Changing Factor of Earnings Year on Year

Year on year

(JPY)

Sales

28.87bil

Sales increased **5.92** bil or +20.5% YOY

Job Board +3.94bil
Permanent Recruitment +1.38bil
Overseas +0.09bil
etc.

34.80bil

Expenses

21.72bil

Cost increased **3.97** bil or +18.3% YOY

Personnel expenses +1.55bil
Advertising, Sales Promotion +1.18bil
Outsourcing expenses +0.28bil
etc.

25.70bil

Operating
Income

7.14bil

OP increased **1.95** bil or +27.3% YOY

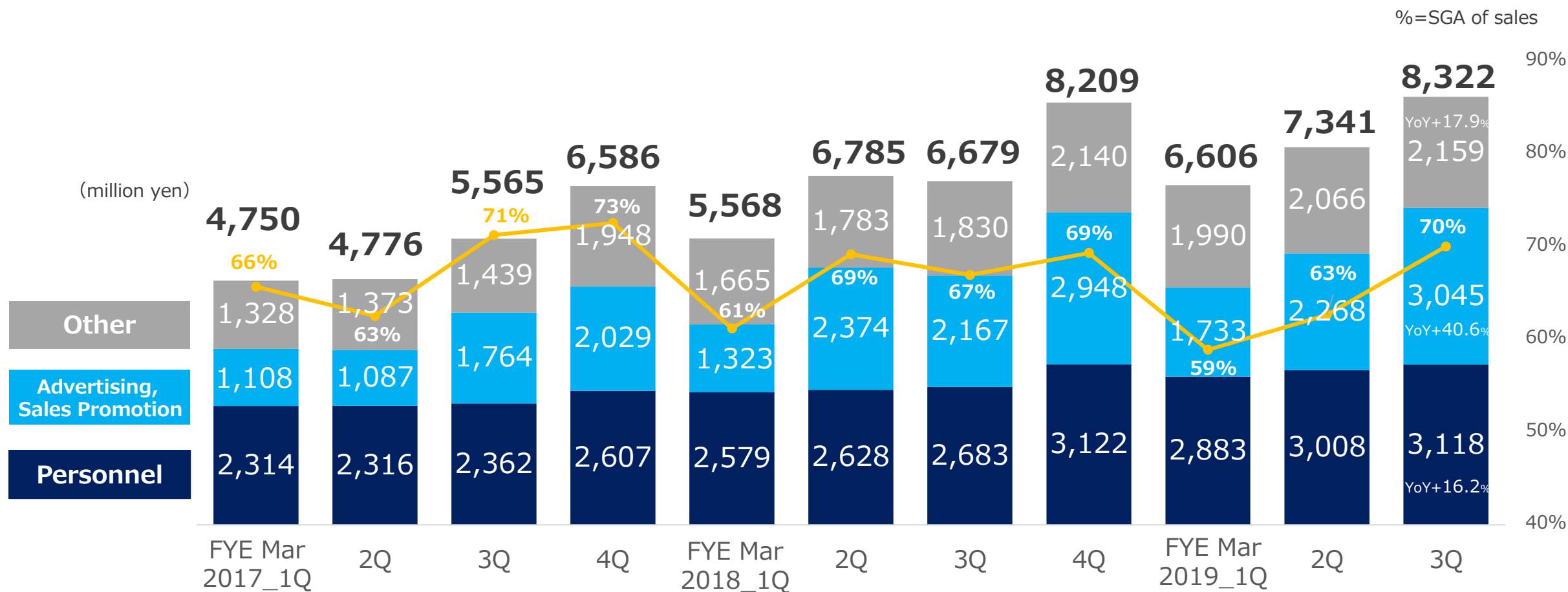
9.10bil

3Q FYE Mar 2018
(Apr-Dec.2017)

3Q FYE Mar 2019
(Apr-Dec.2018)

SGA expenses increased 24.6% YOY in the Q3

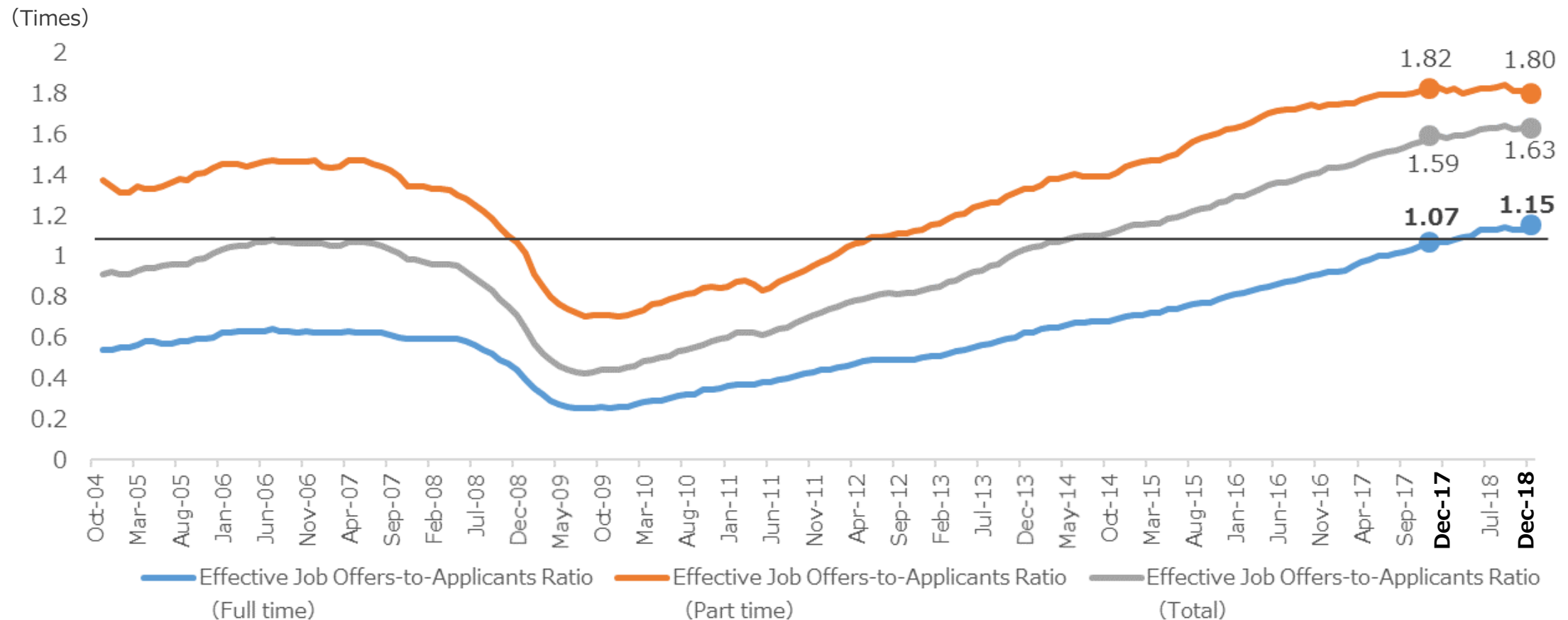
Advertising and sales promotion expenses increased 40.6% YoY
and generally funds were utilized as planned.



Market Environment and Topics

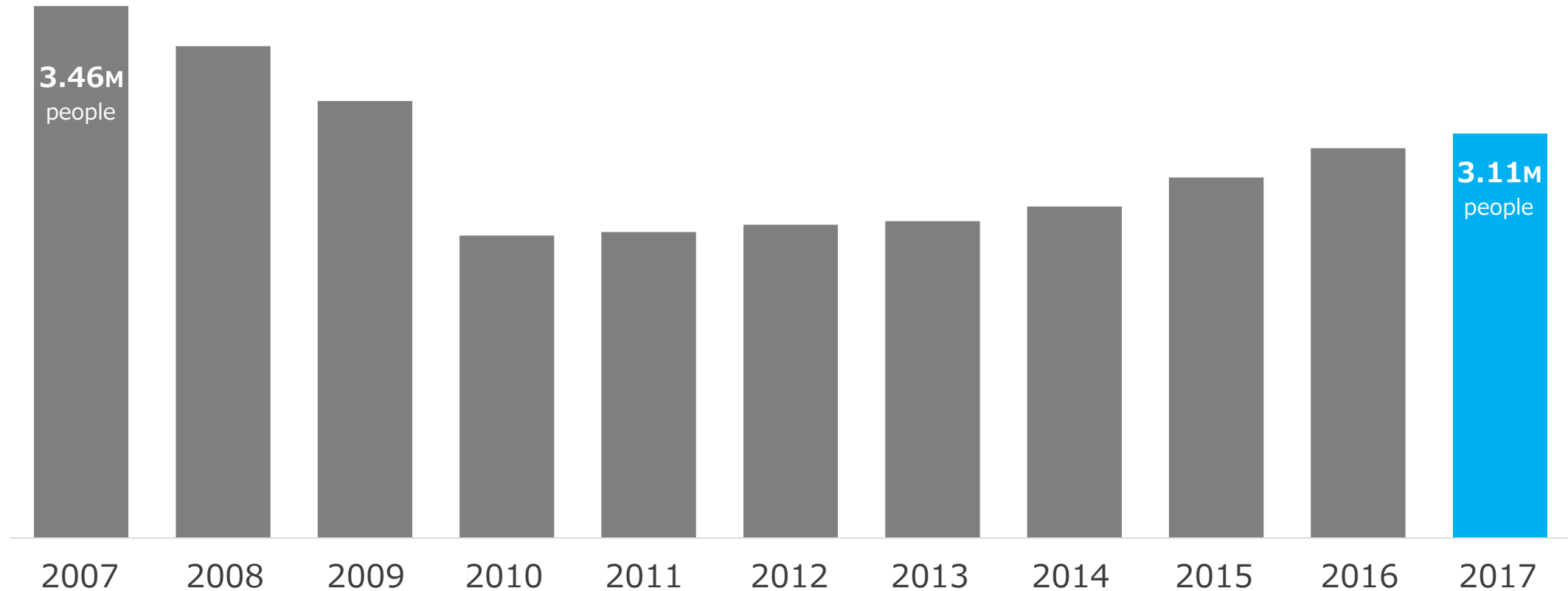
Job offers-to-applicants ratio continued to rise due to structural labor shortage.

Level of increase in job offers-to-applicants ratio for regular, full-time workers is the largest, with companies having a strong sense that there is a labor shortage.



People
changing
careers

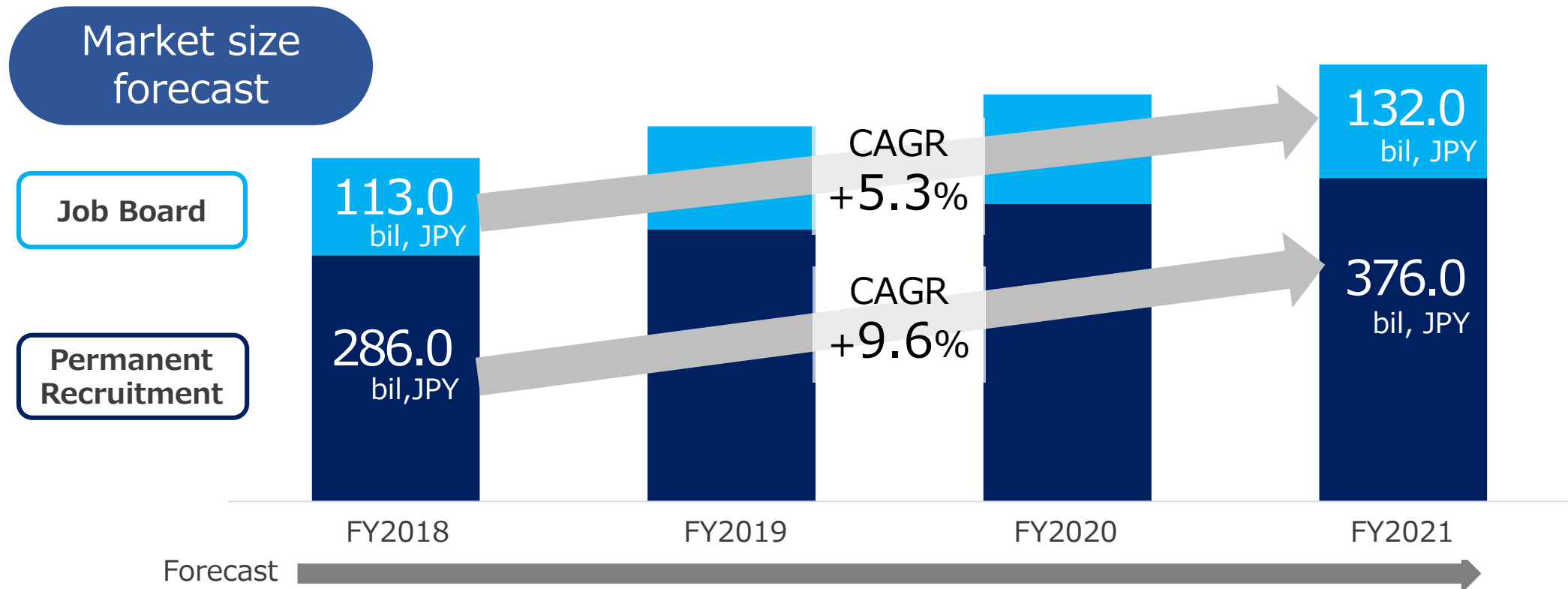
Number of people changing careers on the rise in Japan



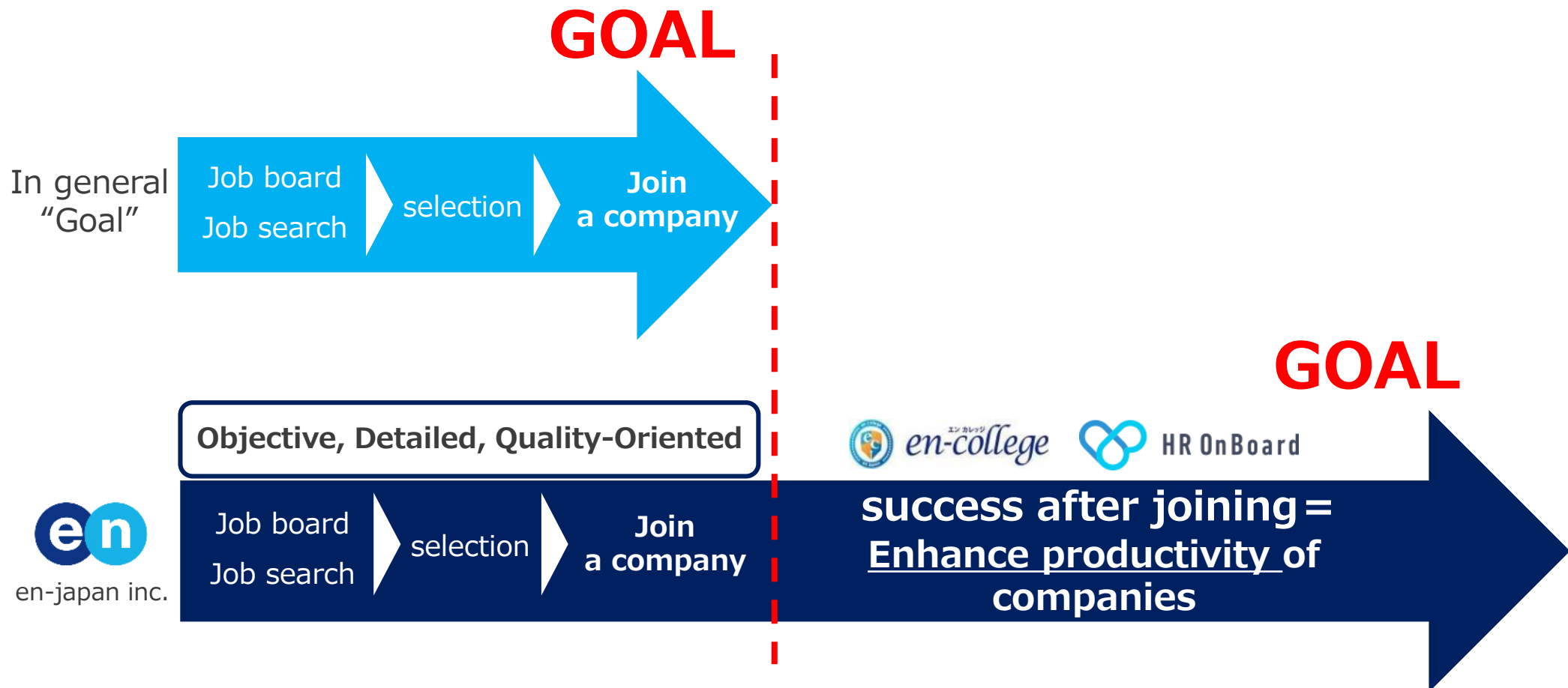
Source : Prepared by en-japan based on materials released by Static Bureau of the Ministry of Internal Affairs

Hiring market is expected to expand due to structural labor shortage.

Permanent recruitment market is steady in particular, both in market size and growth rate.



en-japan's goal is to have workers demonstrate competence upon entering companies. en-japan focuses on recruitment with little mismatches and post-employment support.





HR OnBoard

Launched to All Client Companies Free of Charge

(From February 2019)

Expansion of measures toward realizing “success after joining”
Quantification of data on “success after joining” will also be worked on by utilizing Tech.

List of relevant services

iroots

 エン/転職

 イン エージェント

 ミドルの転職

A M B I

 engage



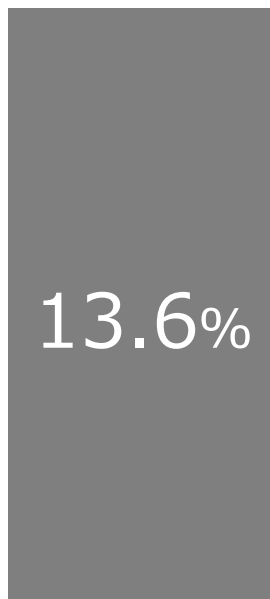
 HR OnBoard



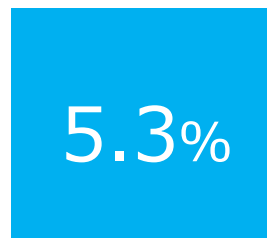


HR OnBoard

Turnover Rate



Before
implementation



After
implementation

Turnover rate decreased
in companies that have
implemented the tool.

*Average turnover rate of 112 companies that have implemented HR OnBoard as a pilot

Our service offered to “Google for Jobs” provided by Google January 23, 2019

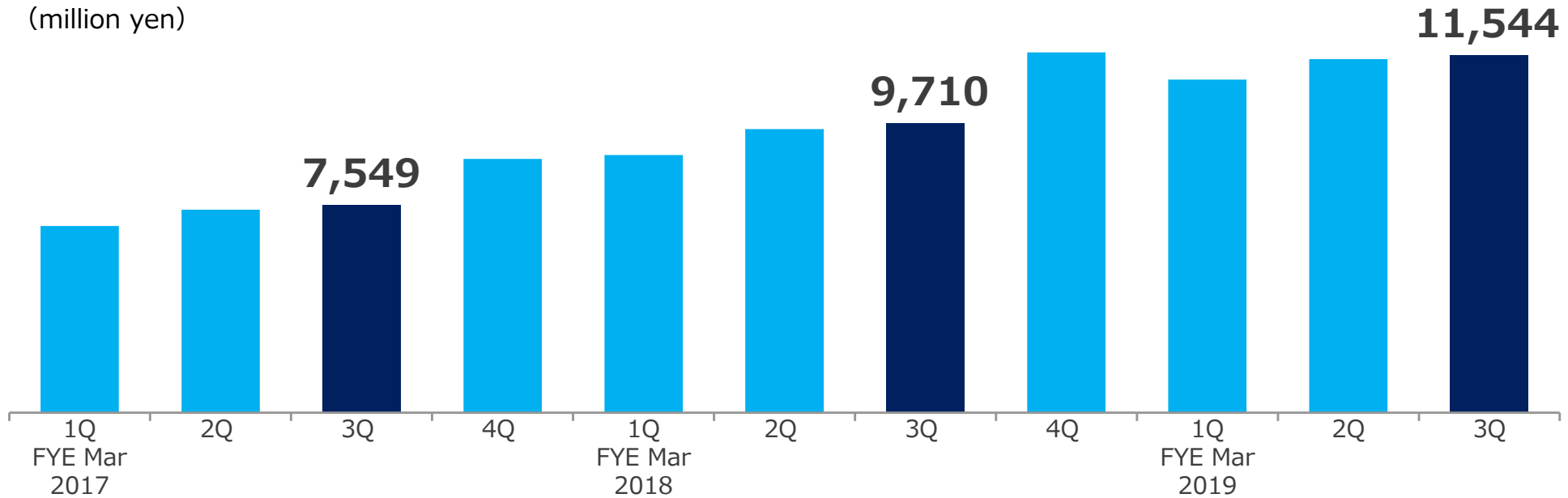
List of relevant services



- If relevant, recruitment information presently disclosed in recruitment sites and hiring-related tools which we operate and provide will be presented as search results on “Google for Jobs”.
- Our word-of-mouth site and “KAISHA NO HYOBAN,” a company evaluation site, are also available.

Performance Summary for 3rd Quarter of FYE Mar/2019 by Main Services

Sales of Hiring Business (By quarter)



(Million yen)	1Q FY2017	2Q FY2017	3Q FY2017	4Q FY2017	1Q FY2018	2Q FY2018	3Q FY2018	4Q FY2018	1Q FY2019	2Q FY2019	3Q FY2019
[en]Career Change Info (Job board, SH ads=Retainer fee+Success fee)	2,694	3,065	3,296	4,097	3,906	4,405	4,307	5,563	4,887	5,132	5,153
Other sites (Sites for Permanent Recruitment agencies and Temporary staffing companies)	1,407	1,493	1,578	1,855	1,747	1,873	2,063	2,416	2,228	2,428	2,421
en world Japan(Permanent Recruitment)	1,296	1,285	1,122	1,176	1,295	1,321	1,357	1,519	1,586	1,705	1,719
Overseas subsidiaries (Vietnam , India , Singapore , Thailand , Australia)	644	738	730	709	734	849	858	825	768	873	897
Other	945	841	837	975	1,193	1,139	1,170	1,326	1,467	1,330	1,374
Total	6,977	7,413	7,549	8,767	8,865	9,557	9,710	11,606	10,880	11,426	11,544

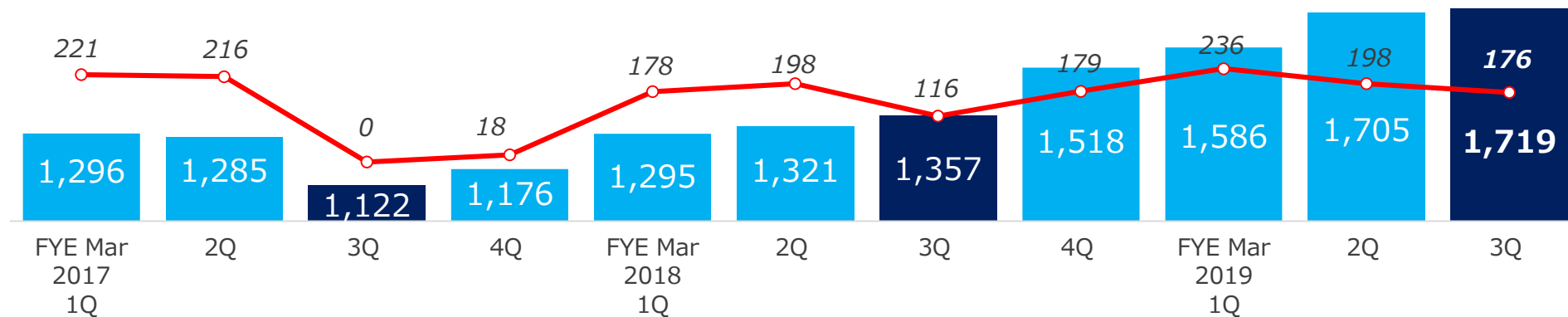
* Effective FYE Mar/2019, sales of aptitude tests are transferred to the education and evaluation business. No retroactive adjustments have been made.

Results of en world Japan

3Q	Sales		Operating Income	
	Oct.-Dec.			
	Apr.-Dec.			
		1,719M JPY	26.6% increase vs. YOY	176M JPY 51.4% increase vs. YOY
		5,011M JPY	26.1% increase vs. YOY	611M JPY 23.8% increase vs. YOY

- The core permanent recruitment business and professional contract business performed favorably. RPO also stably contributed to sales.
- Income also increased favorably due to growth in sales.

■ Sales ○ Operating Income (Million Yen)



In addition to the core permanent recruitment business, professional contract service and the new RPO service business developed.



Permanent Recruitment

Handles mainly job offerings of management-level executives and specialists of global companies inside and outside Japan

Professional Contract service

Dispatch of highly skilled specialists and management-level personnel on a fixed-period project basis

Recruitment Process Outsourcing (RPO)

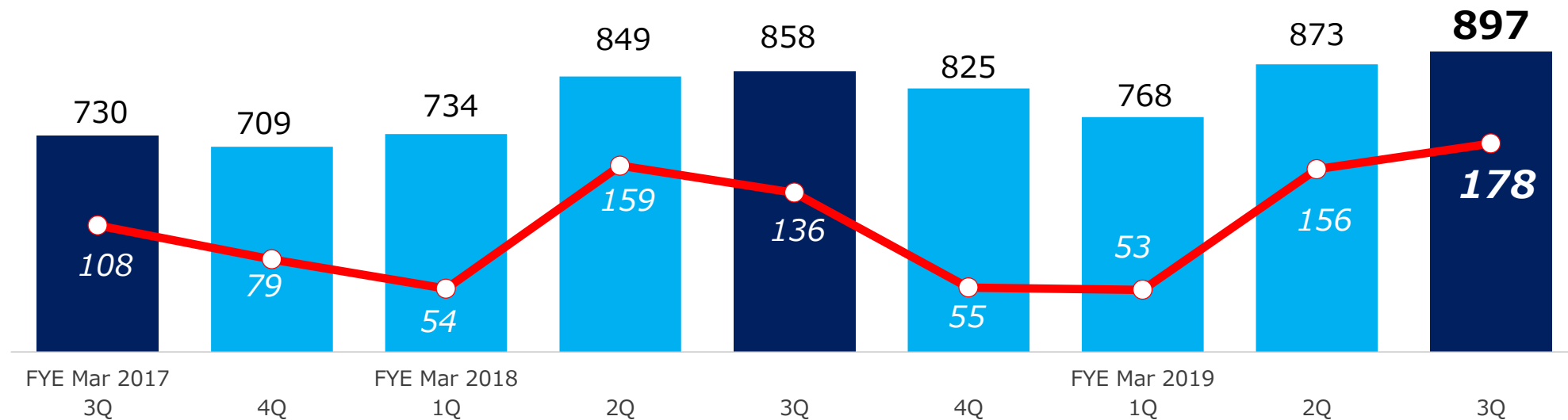
Provision of total support acting on behalf of clients to discover talented staff and carry out related back office work

Results of overseas subsidiaries

3Q		Sales		Operating Income	
	Oct.-Dec.	897 M JPY	4.6% increase vs. YOY	178 M JPY	30.4% increase vs. YOY
	Apr.-Dec.	2,539 M JPY	4.0% increase vs. YOY	388 M JPY	10.5% increase vs. YOY

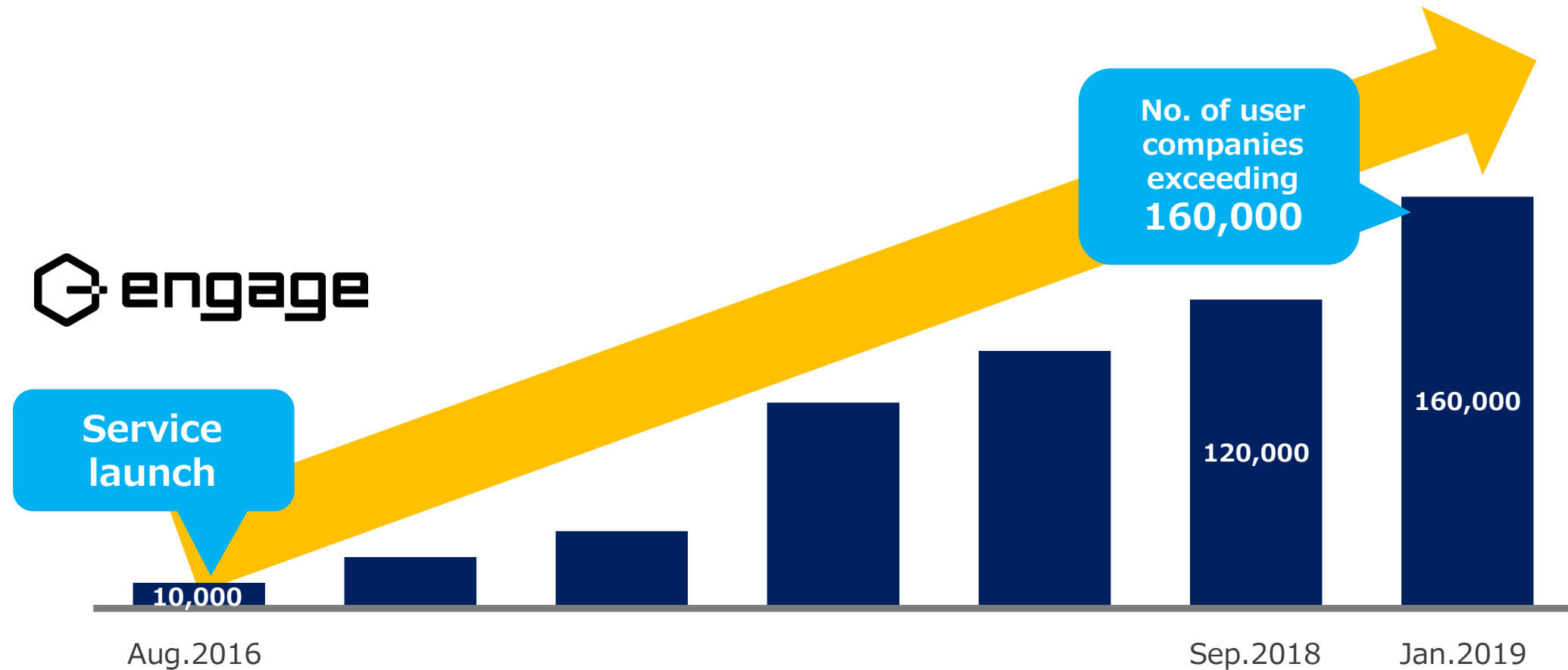
- In addition to Vietnam, a priority country, sales in Singapore increased YoY.
 - While India is undergoing structural reconstruction, sales are beginning to return to the same level as the previous year.
- Expenses are also efficiently used. Income has started to increase in overseas subsidiaries as a whole.

■ Sales ● Operating Income (Million Yen)



HR-Tech

The number of companies using “engage” topped **160,000**.



Issues for companies

Small and medium-sized companies in particular do not allocate resources to their recruiting sites (slow updates, not smartphone-compatible, design issues, etc.)

Solutions



[1] Easy-to-build company recruiting sites (compatible with all employment formats)

- Stylish, template-based, extensive use of images
- Optimized for smartphone displays (responsive)

[2] Help with recruiting activities

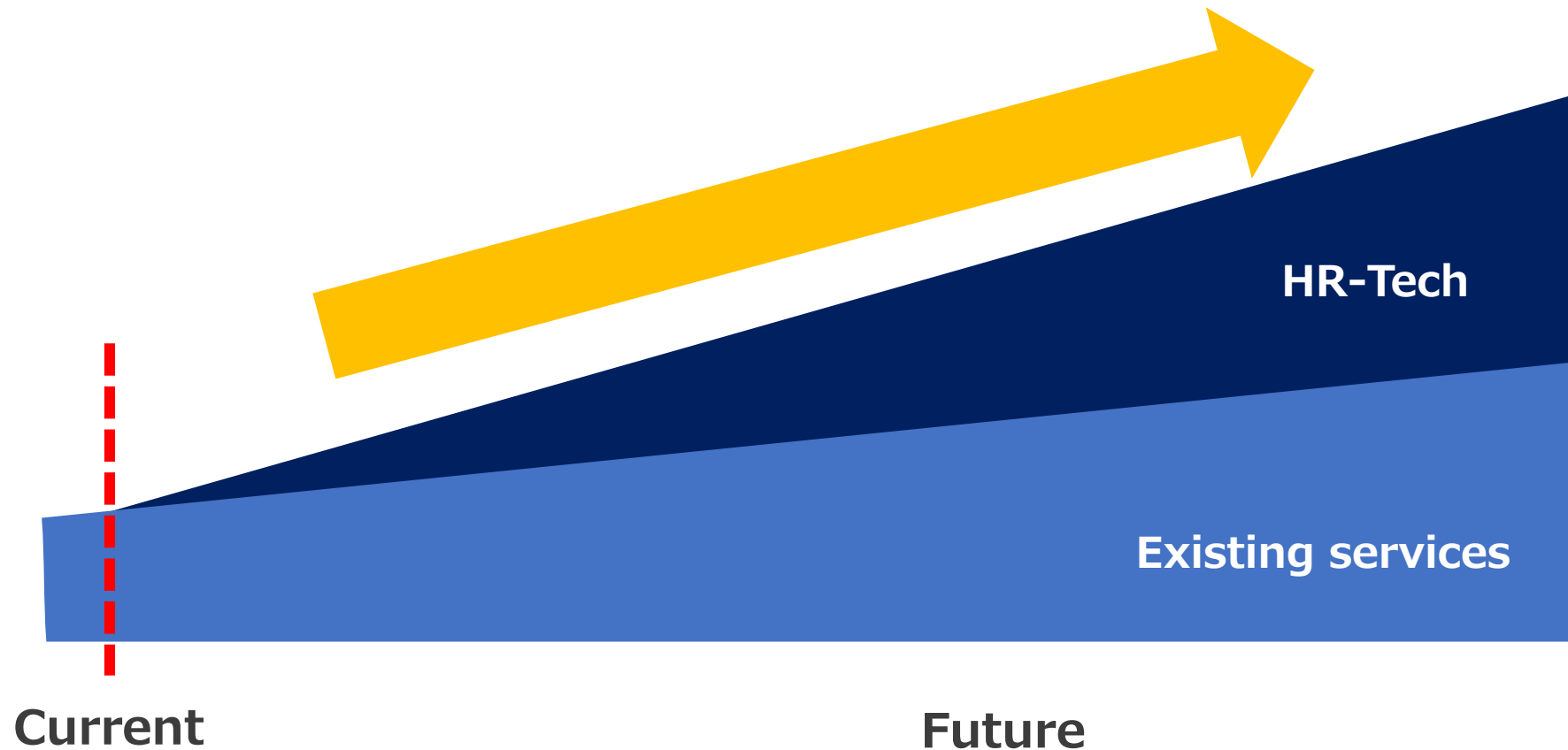
- Automatically list on recruiting search engines (such as indeed)
- Targeted scouting among 7 million members of [en]Career Change Info

[3] Applicant Tracking System (ATS)

- Applicant resume management
- Chat messages to arrange interviews

Image
Sales & OP

Aim for stable growth in existing business
and accelerated growth using HR-tech



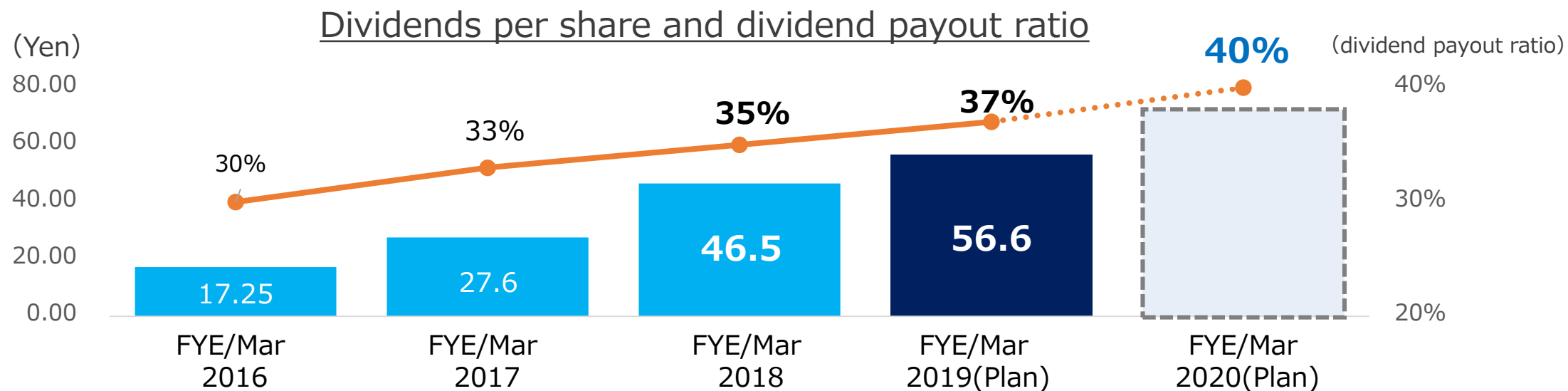
Return to Shareholders

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.

FYE Mar/2019

The dividend payout ratio plan: **37%**, ¥**56.6**



Appendix

*Effective the 1st quarter of FYE Mar/2019, net sales of aptitude tests in the hiring business are transferred to the education and evaluation business.
Figures for the corresponding period of the previous fiscal year have been adjusted to reflect this change.

	3Q FYE Mar 2018 (Apr.–Dec.2017)		3Q FYE Mar 2019 (Apr.–Dec.2018)		YOY change (million yen)	YOY change (%)
	(million yen)	% of Sales	(million yen)	% of Sales		
Net Sales	27,972	100.0%	33,851	100.0%	5,878	21.0%
Cost of Sales	2,600	9.3%	3,321	9.8%	721	27.7%
Gross Profit	25,372	90.7%	30,530	90.2%	5,157	20.3%
SGA(Sales, general & administrative)	18,224	65.2%	21,523	63.6%	3,299	18.1%
Personnel	7,446	26.6%	8,582	25.4%	1,135	15.3%
Advertising, Sales Promotion	5,842	20.9%	7,013	20.7%	1,170	20.0%
Other	4,935	17.6%	5,928	17.5%	992	20.1%
Operating Income	7,148	25.6%	9,006	26.6%	1,858	26.0%

Hiring Business

Job Board

[en]Career Change Info, [en]Career Change Consultant,
AMBI, [en]Temporary Placement Info, en BAITO,
i-tank japan, Overseas subsidiaries, etc.

Permanent Recruitment

en Agent, en world Japan,
Overseas subsidiaries, etc.

Others

Hiring related system,
Zeku,
New Businesses, etc.

[en] Career Change Consultant grew strongly,
promoted by the change to a pay-per-success type fee-charging model and service usage by clients.
“AMBI”, since its release in 2017, has been maintaining a smooth launch.

[en] Career Change Consultant en ミドルの転職



- Career change site for high achievers in their 30s and 40s.
- With the site concept of “Mid-career professionals going to the next stage,” the site supports mid-career-generation people assuming key roles in management whom companies have a strong wish to employ.

A M B I



- Career site specializing in high achievers in their 20s.
- Many job offerings with an annual income of 5 million yen or more, potential jobs, and jobs for would-be executives, next-generation leaders, and managers are listed.

[3Q FYE Mar/2019 Results]

Income statement of Education/Evaluation & Other business (Consolidated)



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*Effective the 1st quarter of FYE Mar/2019, net sales of aptitude tests in the hiring business are transferred to the education and evaluation business.
Figures for the corresponding period of the previous fiscal year have been adjusted to reflect this change.

	3Q FYE Mar 2018 (Apr.–Dec.2017)		3Q FYE Mar 2019 (Apr.–Dec.2018)		YOY change (million yen)	YOY change (%)
	(million yen)	% of Sales	(million yen)	% of Sales		
Sales	974	100.0%	1,033	100.0%	58	6.0%
Cost of Sales	155	15.9%	177	17.2%	22	14.6%
Gross Profit	819	84.1%	855	82.8%	36	4.4%
SGA(Sales, general & administrative)	753	77.3%	766	74.2%	13	1.8%
Personnel	444	45.6%	424	41.1%	-20	-4.6%
Advertising, Sales Promotion	20	2.1%	33	3.2%	12	58.0%
Other	287	29.5%	309	29.9%	21	7.6%
Operating Income	66	6.8%	89	8.6%	22	34.3%

**Education/Evaluation
& Other business**

Education / Evaluation

en College, Consultation on recruitment , and
Aptitude test development, etc.

Subsidiary

Cbase (HR related system)

Other

New business

Non-consolidated Performance Summary for 3rd Quarter of FYE Mar/2019

	3Q FYE Mar 2018 (Apr.–Dec.2017)		3Q FYE Mar 2019 (Apr.–Dec.2018)		YOY change (million yen)	YOY change (%)
	(million yen)	% of Sales	(million yen)	% of Sales		
Net Sales	22,087	100.0%	26,584	100.0%	4,497	20.4%
Cost of Sales	1,601	7.2%	1,976	7.4%	375	23.4%
Personnel	789	3.6%	957	3.6%	167	21.2%
Other	811	3.7%	1,019	3.8%	208	25.7%
Gross Profit	20,486	92.8%	24,608	92.6%	4,121	20.1%
SGA(Sales, general & administrative)	13,829	62.6%	16,377	61.6%	2,547	18.4%
Personnel	4,507	20.4%	5,083	19.1%	575	12.8%
Advertising, Sales Promotion	5,750	26.0%	6,919	26.0%	1,169	20.3%
Other	3,571	16.2%	4,373	16.5%	802	22.5%
Operating Income	6,656	30.1%	8,230	31.0%	1,574	23.7%
Ordinary Income	6,716	30.4%	8,354	31.4%	1,637	24.4%
Net Income	4,783	21.7%	5,893	22.2%	1,109	23.2%

Year on Year

(Yen)

Sales

22.08bil

Sales increased **4.49** bil or +20.4% YOY

Job Board +3.94bil
Permanent Recruitment +0.34bil

etc.

26.58bil

Expenses

15.43bil

Cost increased **2.92** bil or +18.9% YOY

Personnel expenses +0.74bil
Advertising, Sales Promotion +1.16bil
Outsourcing expenses +0.31bil

etc.

18.35bil

Operating Income

6.65bil

OP increased **1.57** bil or +23.7% YOY

8.23bil

3Q FYE Mar 2018
(Apr-Dec.2017)

3Q FYE Mar 2019
(Apr-Dec.2018)

*Effective the 1st quarter of FYE Mar/2019, net sales of aptitude tests in the hiring business are transferred to the education and evaluation business.
Figures for the corresponding period of the previous fiscal year have been adjusted to reflect this change.

	3Q FYE Mar 2018 (Apr.–Dec.2017)※reference		3Q FYE Mar 2019 (Apr.–Dec.2018)		YOY change (million yen)	YOY change (%)
	(million yen)	% of Sales	(million yen)	% of Sales		
Sales	21,545	100.0%	25,867	100.0%	4,321	20.1%
Cost of Sales	1,489	6.9%	1,813	7.0%	324	21.8%
Gross Profit	20,056	93.1%	24,053	93.0%	3,996	19.9%
SGA(Sales, general & administrative)	13,454	62.4%	15,856	61.3%	2,401	17.9%
Personnel	4,267	19.8%	4,775	18.5%	508	11.9%
Advertising, Sales Promotion	5,741	26.6%	6,887	26.6%	1,146	20.0%
Other	3,446	16.0%	4,192	16.2%	746	21.7%
Operating Income	6,602	30.6%	8,197	31.7%	1,594	24.2%

Hiring Business

(Non-consolidated)

Job Board

[en]Career Change Info, [en]Career Change Consultant,
AMBI, [en]Temporary Placement Info, en BAITO, etc.

Permanent Recruitment

en Agent, etc.

Others

Hiring related system
New Businesses, etc.

[3Q FYE Mar/2019 Results] Non-consolidated Income Statement of Education/Evaluation and other businesses



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*Effective the 1st quarter of FYE Mar/2019, net sales of aptitude tests in the hiring business are transferred to the education and evaluation business.
Figures for the corresponding period of the previous fiscal year have been adjusted to reflect this change.

	3Q FYE Mar 2018 (Apr.–Dec.2017)※reference		3Q FYE Mar 2019 (Apr.–Dec.2018)		YOY change (million yen)	YOY change (%)
	(million yen)	% of Sales	(million yen)	% of Sales		
Sales	491	100.0%	717	100.0%	225	45.9%
Cost of Sales	103	21.1%	162	22.7%	58	56.8%
Gross Profit	387	78.9%	554	77.3%	166	43.0%
SGA(Sales, general & administrative)	339	69.0%	521	72.7%	181	53.6%
Personnel	218	44.5%	305	42.6%	86	39.7%
Advertising, Sales Promotion	8	1.8%	32	4.5%	23	271.8%
Other	111	22.7%	183	25.6%	71	64.1%
Operating Income	48	9.9%	33	4.7%	-15	-31.2%

**Education/Evaluation
& Other business**

(Non-consolidated)

Education / Evaluation

en College, Consultation on recruitment,
and Aptitude test development, etc.

Other

New business

FYE Mar/2019

Earnings Forecast

- Consolidated , Company , Segment , Main Services -

FYE Mar/2019 Earnings Forecast (Consolidated)



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	FYE Mar 2018 (Apr.2017–Mar.2018)		FYE Mar 2019 Forecast (Apr.2018–Mar.2019)		YOY change (million yen)	YOY change	Note
	(million yen)	% of Sales	(million yen)	% of Sales			
Net Sales	40,710	100.0%	48,550	100.0%	7,839	19.3%	Growth achieved mainly by en-japan and EWJ
Cost of Sales	3,835	9.4%	5,278	10.9%	1,442	37.6%	
Personnel	2,615	6.4%	3,584	7.4%	968	37.1%	Strengthening of investment in script production-related expenses Manpower reinforcement at EWJ
Other	1,220	3.0%	1,694	3.5%	473	38.8%	
Gross Profit	36,875	90.6%	43,272	89.1%	6,396	17.3%	
SGA (Sales, general & administrative)	27,243	66.9%	32,572	67.1%	5,328	19.6%	
Personnel	11,012	27.1%	13,057	26.9%	2,044	18.6%	Increase due to hiring of new graduates and mid-career hires by en-japan
Advertising, Sales Promotion	8,811	21.6%	10,448	21.5%	1,636	18.6%	Primarily online advertisements linked to sales
Other	7,419	18.2%	9,067	18.7%	1,647	22.2%	Necessary outsourcing expenses associated with the enhancement of operating efficiency
Operating Income	9,631	23.7%	10,700	22.0%	1,068	11.1%	
Ordinary Income	9,736	23.9%	10,720	22.1%	983	10.1%	
Net Income attributable to en-japan	6,368	15.6%	7,330	15.1%	961	15.1%	

Year on year

(JPY)

Sales

40.71bil

Sales increased by **7.84** bil or +19.3% YoY

[en]Career Change Info	+3.9bil
Sites for job search agencies and temporary staffing companies	+1.33bil
Overseas subsidiaries	+0.58bil
en Agent and other	+0.44bil
EWJ	+1.1bil
Etc.	

48.55bil

Expenses

31.08bil

Cost increased **6.77** bil or +21.8% YoY

Personnel expenses	+3.01bil
Advertising, Sales Promotion	+1.64bil
Outsourcing expenses	+0.5bil
Etc.	

37.85bil

Operating Income

9.63bil

OP increased **1.07** bil or +11.1% YoY

10.70bil

FYE Mar 2018
Actual

FYE Mar 2019
Forecast

(Million yen)

		FYE Mar/2018 Actual	FYE Mar/2019 Forecast	YoY change	Note
en-japan	Sales	31,437	37,100	18.0%	
	Operating Income	9,029	9,602	6.3%	
	Operating Income ratio(%)	28.7%	25.9%		
en world Japan	Sales	5,493	6,600	20.2%	RPO. Advance investment in expenses associated with the strengthening of the specialist dispatch service
	Operating Income	672	720	7.1%	
	Operating Income ratio(%)	12.2%	10.9%		
Overseas Subsidiaries	Sales	3,261	3,849	18.0%	
	Operating Income	407	519	27.5%	
	Operating Income ratio(%)	12.5%	13.5%		
Other Subsidiaries	Sales	776	1,252	61.3%	Full consolidation of a new consolidated subsidiary ZEKU
	Operating Income	-8	257	—	
	Operating Income ratio(%)	-1.0%	20.5%		
Company-wide adjustments	Sales	-257	-251	—	
	Operating Income	-469	-398	—	

[FYE Mar/2019] Performance forecast by segments

*Effective the 1st quarter of FYE Mar/2019, net sales of aptitude tests in the hiring business are transferred to the education and evaluation business.
Figures for the corresponding period of the previous fiscal year have been adjusted to reflect this change.

(Million yen)

		FYE Mar/2018 Actual	FYE Mar/2019 Forecast	YoY change
Hiring Business	Sales	39,485	47,191	19.5%
	Operating Income	9,652	10,606	9.9%
	Operating Income ratio(%)	24.4%	22.5%	
Education and Evaluation	Sales	1,337	1,358	1.6%
	Operating Income	69	93	34.8%
	Operating Income ratio(%)	5.2%	6.8%	
Company-wide adjustments	Sales	-112	0	—
	Operating Income	-90	0	—

(Million yen)

	Sales				
	FYE Mar/2018 Actual	YoY change (vs FYE Mar/2017)	FYE Mar/2019 Forecast	YoY change	Note
Hiring Business					
Job Board	26,291	34.9%	31,520	19.9%	[en]Career Change Info, [en]Career Change Consultant, and sites for temporary staffing companies, etc.
Permanent Recruitment	9,279	18.6%	10,830	16.7%	Total of domestic Permanent Recruitment services
Overseas Subsidiaries	3,261	15.6%	3,849	18.0%	Mainly Permanent Recruitment. Navigos operates job board also.

Medium-Term Management Plan

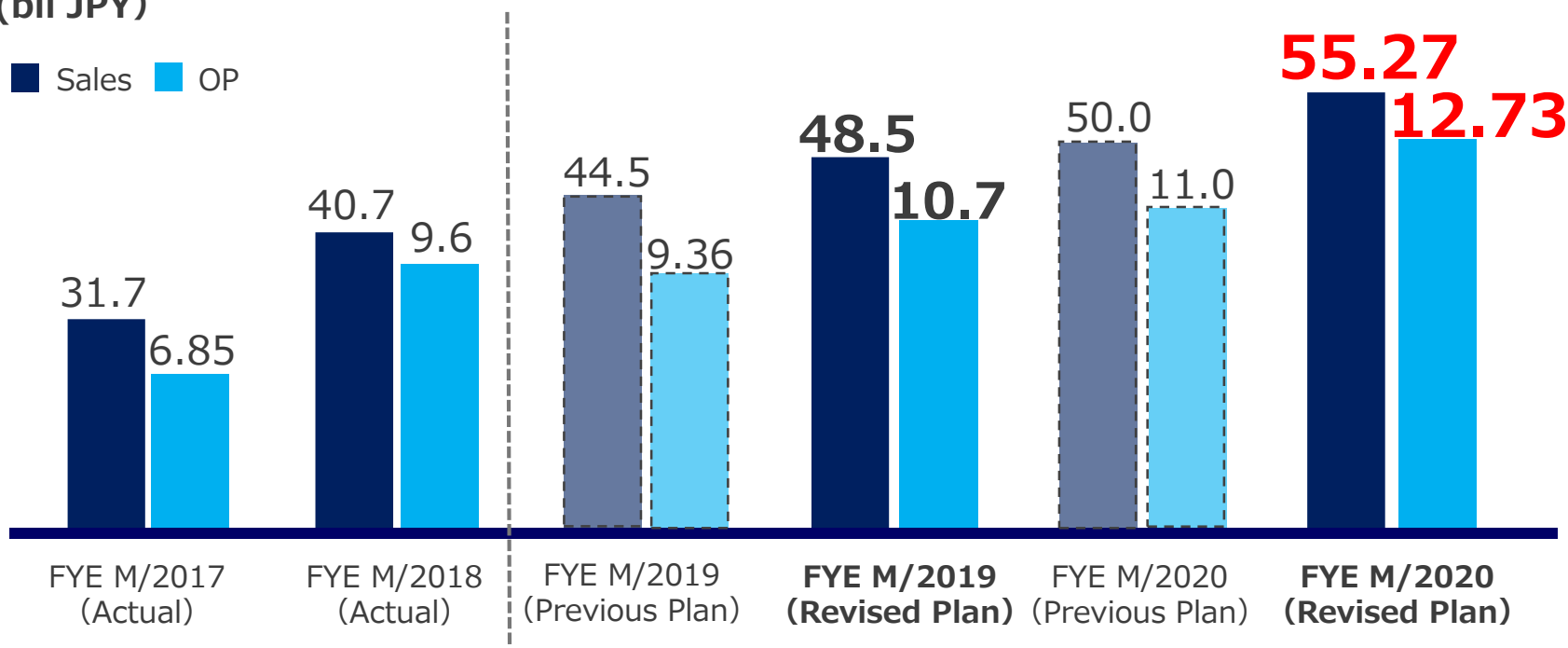
- Revised May, 2018 -

Plan for
FYE Mar/2020

Sales **55.3** bil JPY (vs. previous Plan + **5.3bil**)
Operating Income **12.7** bil JPY (vs. previous Plan + **1.7bil**)

(bil JPY)

■ Sales ■ OP



The area of recruiting services

Existing Services

エヌ転職

[en]Career Change Info

ミドルの転職

[en]Career Change Consultant

エヌ派遣

[en]Temporary Placement Info

エヌエージェント

en Agent

enworld

Overseas subsidiaries

etc.

New Services

*Services started after 2015

インバイト en BAITO

- Expansion of scope of the site for temporary staffing companies

A M B I

- Recruitment site specializing in high achievers in their 20s

ミドルの転職 **engage**

- Introduction of direct recruiting

engage

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

ZEKU 株式会社ゼクウ

- Hiring & employment management services for temporary staffing companies

- LINE Career

etc.

Fields other than the job placement field

Insight Tech

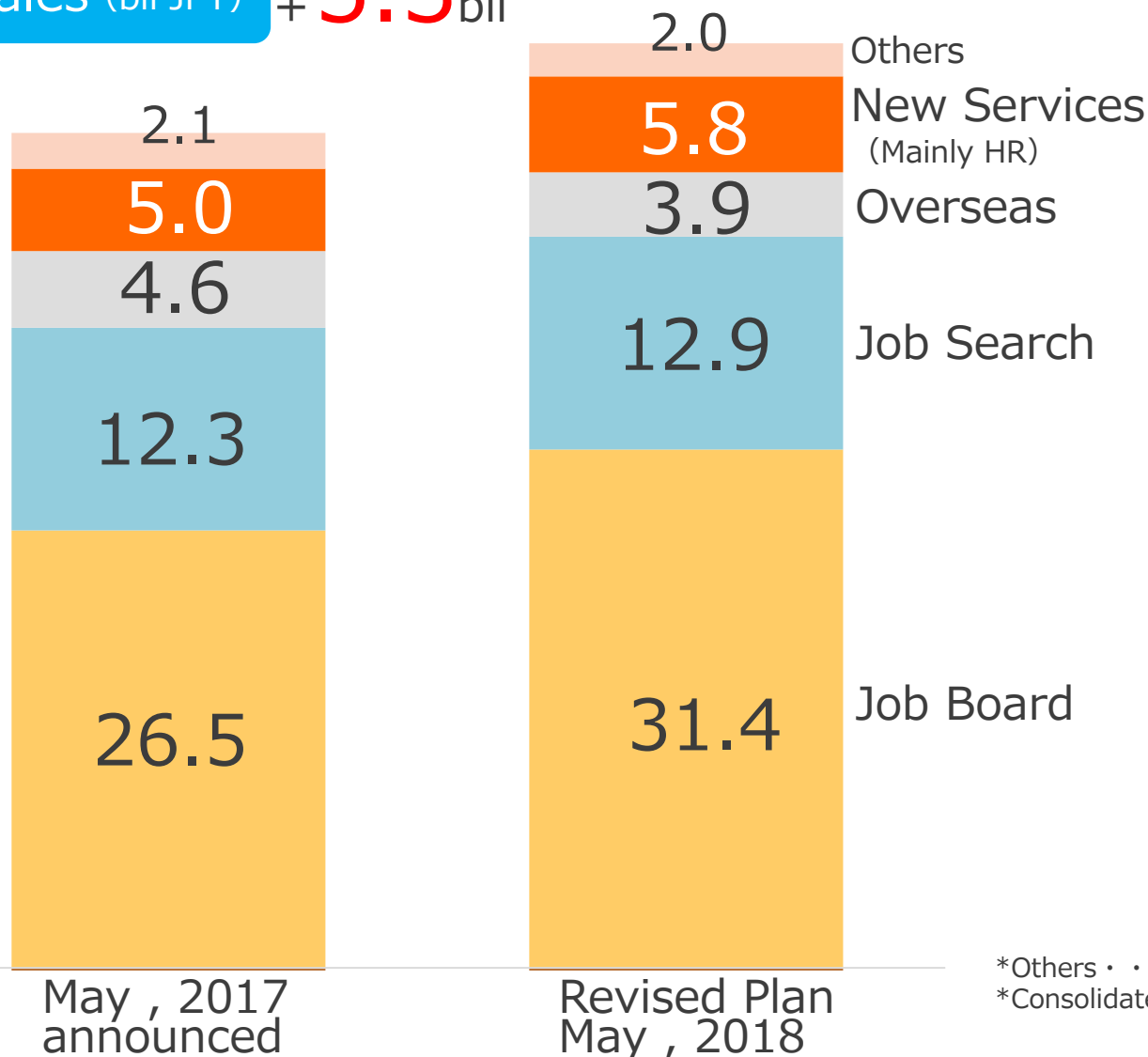
エヌ婚活
エージェント

en KONKATSU Agent Inc.

•
•
•

etc.

Sales (bil JPY) + **5.3** bil



Increase by approximately
¥ **5.0** billion in existing
job board sites

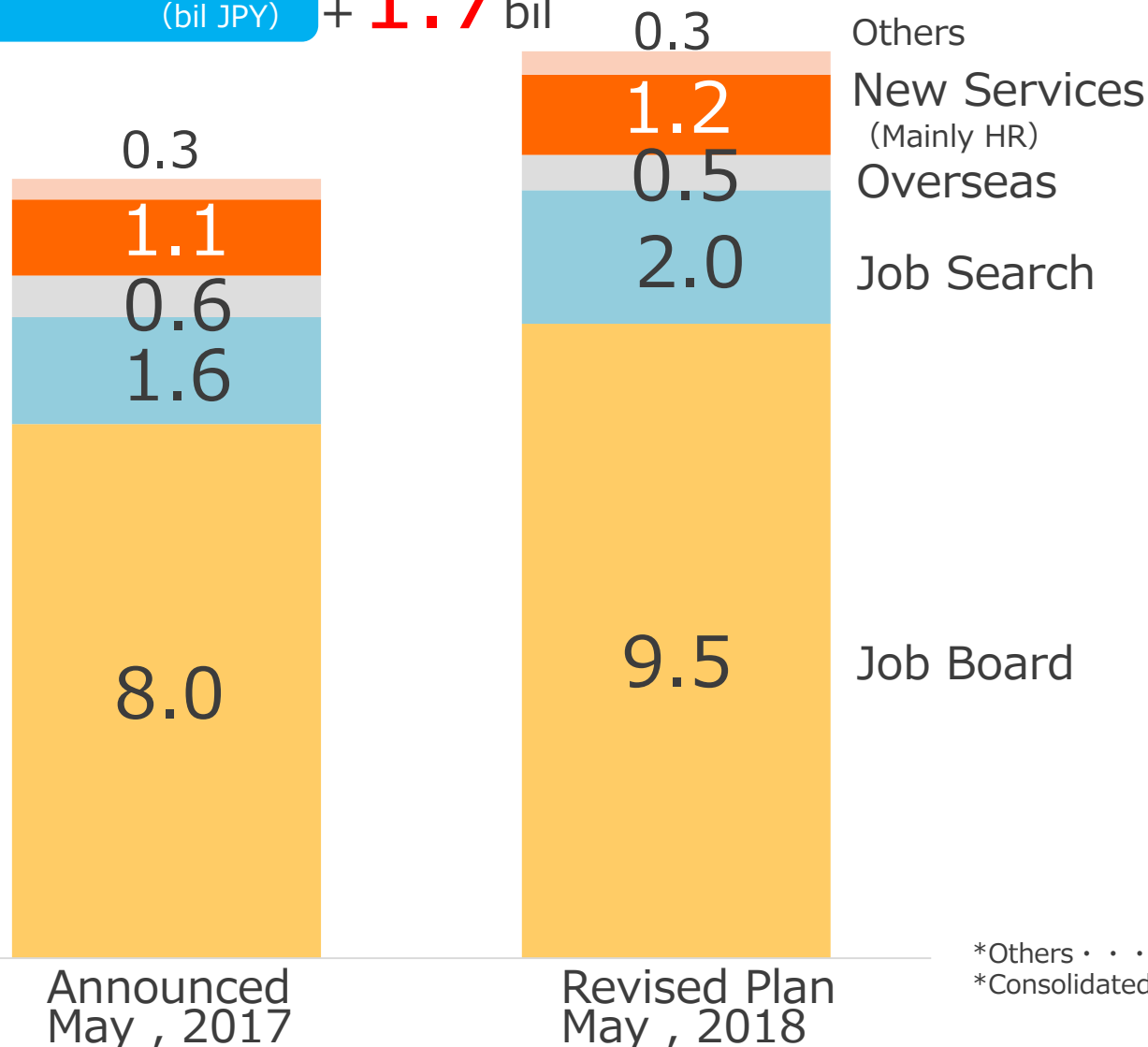
Increase by approximately
¥ **1.4** billion in Job Search
and new HR services

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

*Consolidated adjustment values, etc. FYE Mar/2020 -0.7bil

Operating Income
(bil JPY)

+ **1.7** bil



Increase by approximately
¥ **1.5** billion in existing
job board sites

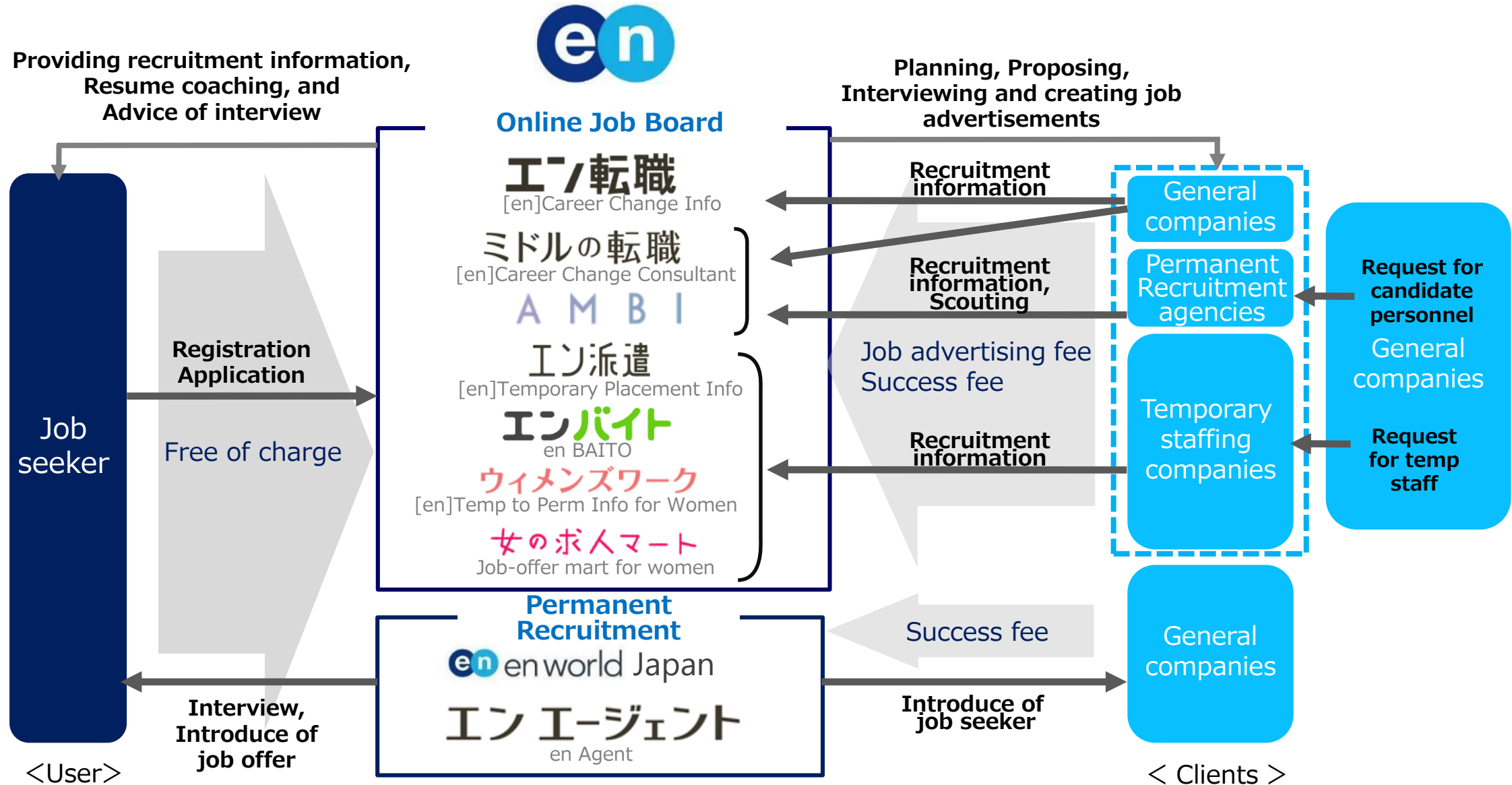
Increase by approximately
¥ **0.5** billion in Job search
and new HR services

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

*Consolidated adjustment values, etc. ,FY Mar/2020 -0.8bil JPY

Company Overview

【 Company Name 】	en-japan Inc.
【 Establishment 】	January 14, 2000
【 Representatives 】	Michikatsu Ochi (Chairman) Takatsugu Suzuki (President)
【 Headquarters 】	Shinjuku I-land Tower, 6-5-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo
【 Total Stockholder's Equity 】	JPY 1,194million (as of Dec. 2018)
【Stock Listing 】	The First Section of the Tokyo Stock Exchange / (code : 4849)
【Fiscal Year 】	April 1 – March 31
【 Number of Employees 】	Consolidated 2,767, Non-consolidated 1,502 (as of Dec. 2018)
【 Number of Outstanding Shares 】	49,716,000 (as of Dec. 2018)
【 Business Description 】	(1) Internet job recruitment service (2) Permanent recruitment service (3) Implementation of training, seminars (4) Consultation on recruitment , Aptitude test development



<Hiring Business・Job Board (Domestic) >

	Contents	Characteristics	Users	Clients
[en]Career Change Info エノ転職	Site for Comprehensive Career Change Info	<ul style="list-style-type: none"> Companies which put their recruitment ads on the job board are carefully researched and taken pictures by en-japan. Honest and detailed recruitment information developed by en-japan from the perspective of job seekers. 	<ul style="list-style-type: none"> Mainly 20s 	General Companies
[en]Career Change Consultant ミドルの転職	Collective site for Permanent Recruitment agencies	<ul style="list-style-type: none"> Over 500 recruitment companies whose specialties are career change for job seekers in 30's and 40's, and job information are available Disclose consultants specialty areas, their achievements, together with evaluations by users 	<ul style="list-style-type: none"> 30s to 40s 	Permanent Recruitment agencies, General Companies
A M B I	Recruitment site specializing in high achievers in their 20s	<ul style="list-style-type: none"> Mainly listing information for users in their 20s with yearly income of 5 million yen or more The site is designed to focus on headhunting from companies and job placement agencies 	<ul style="list-style-type: none"> Mainly 20s 	Permanent Recruitment agencies, General Companies
[en]Temporary Placement Info イン派遣	Collective site for temporary staffing companies	<ul style="list-style-type: none"> Temp agencies reputations and job information are available User friendly search function which does not require complicated user guide 	<ul style="list-style-type: none"> Females in their 20s to mid-40s 	Temporary staffing companies
en BAITO インバイト	Part-time job information site	<ul style="list-style-type: none"> Part-time job information mostly owned by temporary staffing companies User friendly functions such as job-recommendation based on their search history 	<ul style="list-style-type: none"> University students Graduates without jobs Housewives Permanent part-timers 	Temporary staffing companies
[en]Temp to Perm Info for Women ウィメンズワーク	Recruitment information site for females	<ul style="list-style-type: none"> A recruitment information site for females wishing to work as full-time regular employees. The site lists only such openings for "full-time employees or possible upgrade to full-time employee". Offers a number of listings for office-work posts. 	<ul style="list-style-type: none"> Females in their 20s to 30s 	Temporary staffing companies
Job-offer mart for women 女の求人マート	Recruitment information site for females	<ul style="list-style-type: none"> Comprehensive job board for women Covers wide variety of jobs regardless of employment contract of each area 	<ul style="list-style-type: none"> Females in their 20s to 40s 	Temporary staffing companies
Career BAITO キャリアバイト	Internship information sites for university students	<ul style="list-style-type: none"> Targeting university students who look for "paid internship jobs that can foster their abilities," rather than seeking those jobs purely for money The pioneer site for internship jobs which is the best in the country in terms of both performance and the number of jobs 	<ul style="list-style-type: none"> University students 	General Companies

<Hiring Business • Permanent Recruitment (Domestic) >

	Contents	Characteristics	Clients
	Permanent Recruitment	<ul style="list-style-type: none"> • Clients are foreign companies with sales, service, production and other sites in Japan and Japanese companies with global operations • Handling Japanese-English bilingual middle management to executive level positions 	<ul style="list-style-type: none"> • Foreign companies • Japanese companies
	Permanent Recruitment	<ul style="list-style-type: none"> • Job search services that leverage en Japan's job-seeker database and the track record of its past business transactions with corporate clients 	<ul style="list-style-type: none"> • Japanese companies

<Hiring Business (Overseas) >

	country	Contents	Characteristics	Clients
	Singapore	Permanent Recruitment	<ul style="list-style-type: none"> • Clients are local business companies and global business companies operating in Singapore. • Engages mainly in placing local and global individuals. 	<ul style="list-style-type: none"> • Local Companies • Global Companies
	Thailand	Permanent Recruitment	<ul style="list-style-type: none"> • Offers job search services under the TOP TALENT ASIA brand. • Mainly places management-level individuals. Strong in high income-earning zone. 	<ul style="list-style-type: none"> • Local Companies • Global Companies
	Australia	Permanent Recruitment	<ul style="list-style-type: none"> • Clients are local business companies and global business companies operating in Australia. • Particularly strong in placing engineers. 	<ul style="list-style-type: none"> • Local Companies • Global Companies
	Vietnam	Permanent Recruitment	<ul style="list-style-type: none"> • No. 1 service in Vietnam. • Engages in placing management-level individuals in local and global business companies. Enhancing Japanese companies in Vietnam. 	<ul style="list-style-type: none"> • Local Companies • Global Companies • Japanese companies
		Job board	<ul style="list-style-type: none"> • No. 1 recruiting website in Vietnam. • Clients are local individuals and local and global business companies. Enhancing Japanese companies in Vietnam. 	<ul style="list-style-type: none"> • Local Companies • Global Companies • Japanese Companies
	India	Permanent Recruitment	<ul style="list-style-type: none"> • Clients are local business companies and global business companies operating in India. • Mainly places high income-earning zone. Particularly strong in IT field. 	<ul style="list-style-type: none"> • Local Companies • Global Companies

*Talent Alliance (Beijing) Technology Development Limited is equity method affiliated company (Job Board) .

<Hiring Business・Others>

	Contents	Characteristics	Clients
ZEKU 株式会社ゼクウ	Hiring management system Operation management system	<ul style="list-style-type: none"> Uniform management of various data and functions, e.g. hiring information, interviewers, response to applications, and effectiveness measurement. Uniform management of hired staff and job listings. 	Temporary staffing companies General Companies

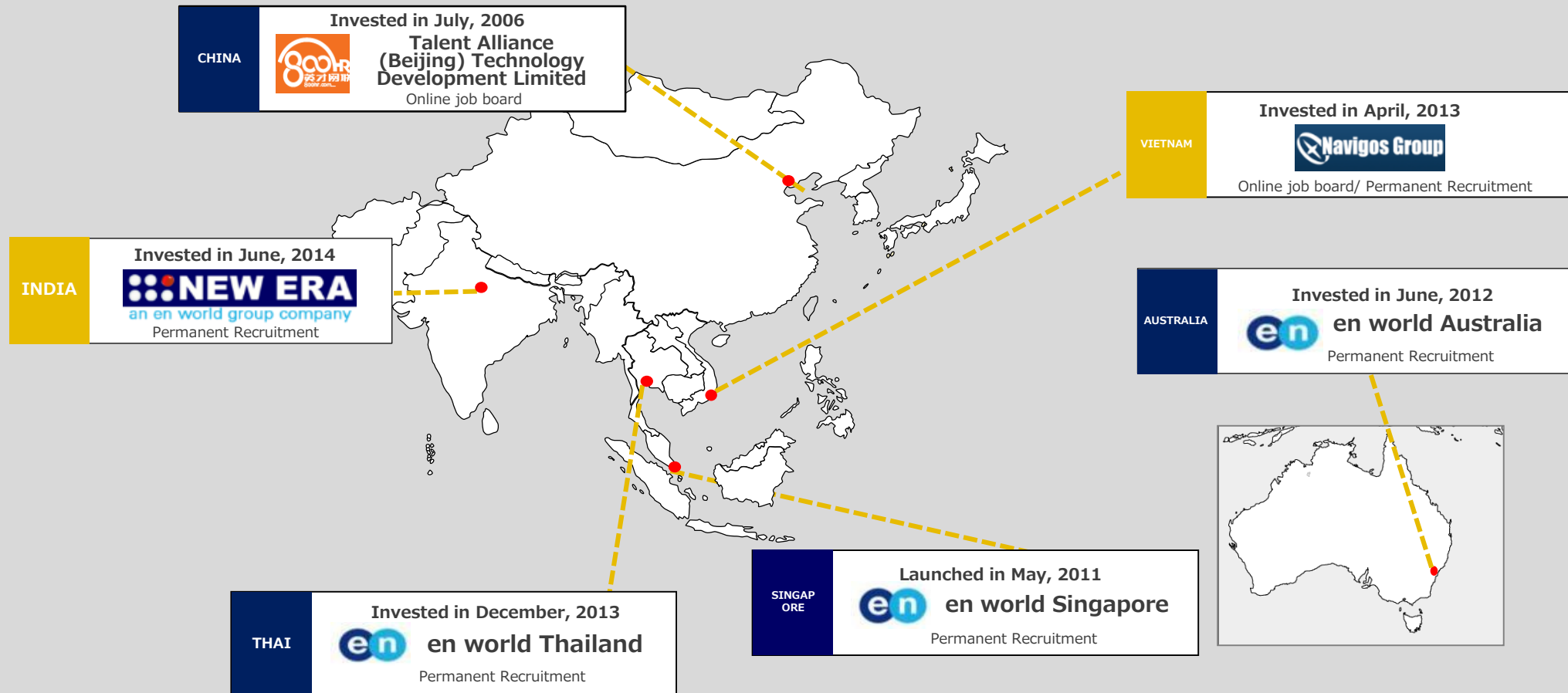
< Education / Evaluation Business >

	Contents	Characteristics	Clients
en-college エンカレッジ	<ul style="list-style-type: none"> Employee training Aptitude test development Personnel system development 	<ul style="list-style-type: none"> Skill-enhancement training for personnel in charge of recruiting, and development and sales of screening tests Operation of en-College, a fixed-fee education service Development of personnel evaluation system aimed at maximizing competence of individuals 	General Companies

<Other New Business *Unconsolidated subsidiary >

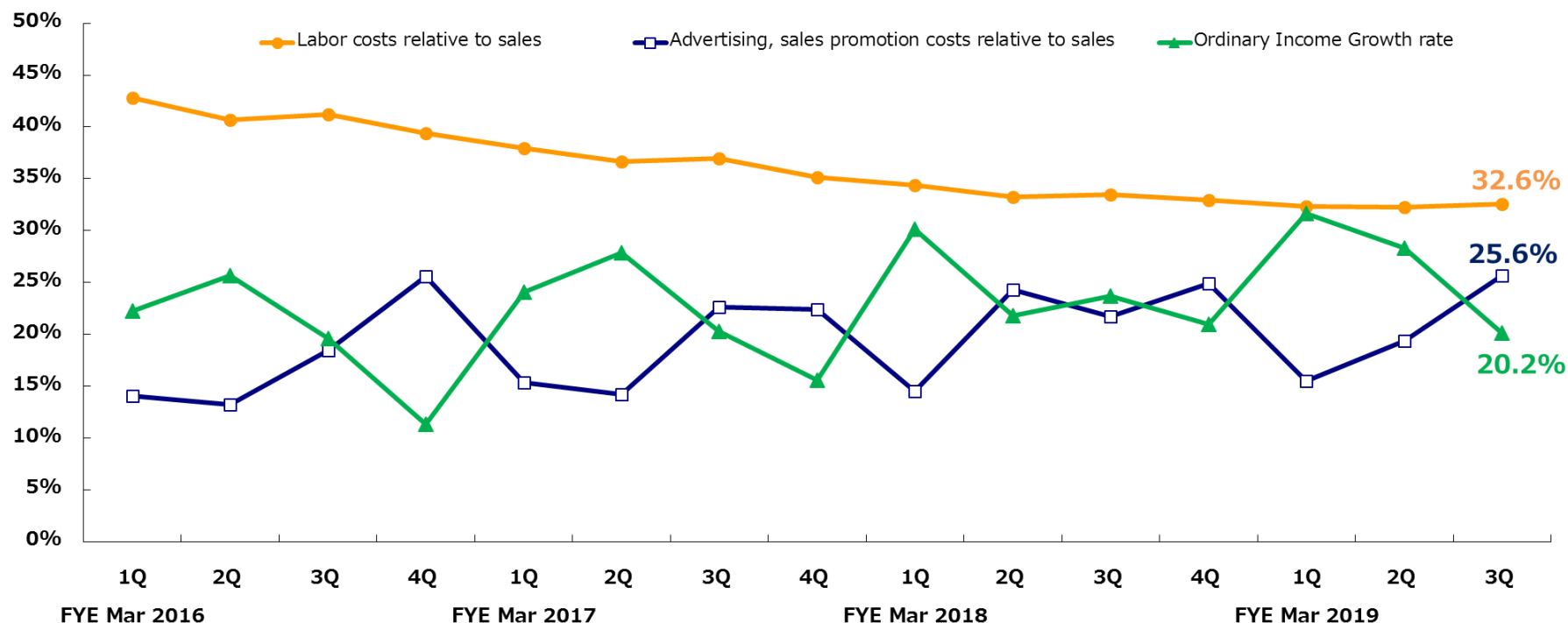
	Contents	Characteristics	Clients
InsightTech	Marketing research Data analysis using AI	<ul style="list-style-type: none"> Creates a database of and analyzes complaints acquired from consumers and sells the database/analysis as a product that contributes to product development to companies. Analyzes data owned by companies using sophisticated data analysis technologies. Provides issue-solving solutions. 	General Companies
エン婚活 エージェント en KONKATSU Agent Inc.	Online service to support those looking for a marriage partner	<ul style="list-style-type: none"> Service to support people looking for a husband or wife with the new concept of seeking happiness after marriage 	General users

Concentrating resources in Vietnam and India based on a mid-to-long-term perspective



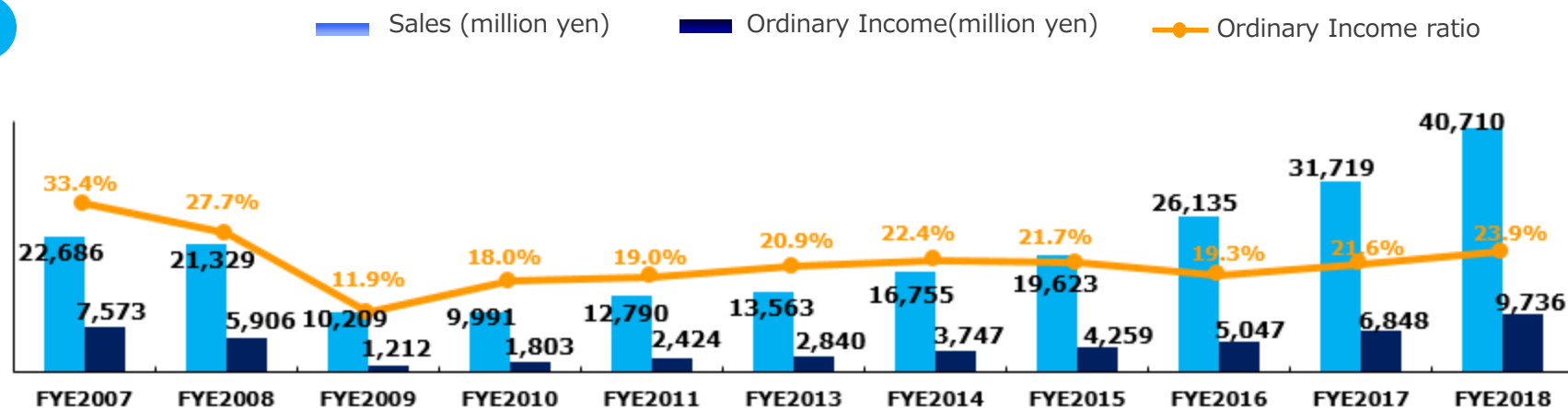
Cost relative to sales

- Labor cost and Sales & Promotion cost (consolidated)



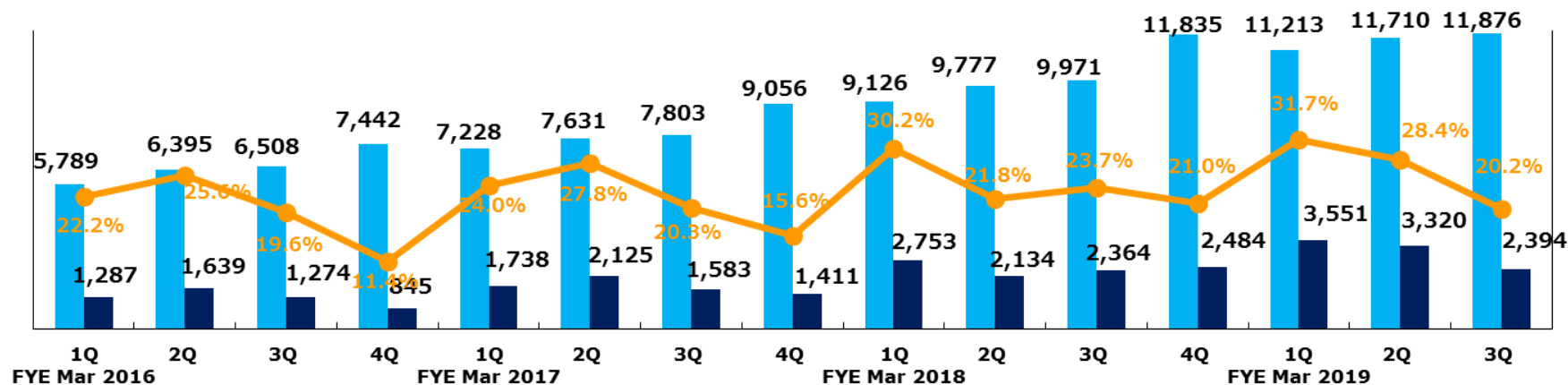
	1Q FYE Mar 2016	2Q	3Q	4Q	1Q FYE Mar 2017	2Q	3Q	4Q	1Q FYE Mar 2018	2Q	3Q	4Q	1Q FYE Mar 2019	2Q	3Q
Ordinary Income (million yen)	1,287	1,639	1,274	845	1,738	2,125	1,583	1,411	2,753	2,134	2,364	2,484	3,551	3,320	2,394
Ordinary Income rate	22.2%	25.6%	19.6%	11.4%	24.0%	27.8%	20.3%	15.6%	30.2%	21.8%	23.7%	21.0%	31.7%	28.4%	20.2%
Labor costs (million yen)	2,480	2,603	2,684	2,931	2,743	2,797	2,885	3,185	3,137	3,250	3,336	3,901	3,629	3,778	3,870
Labor costs relative to sales	42.8%	40.7%	41.2%	39.4%	37.9%	36.7%	37.0%	35.2%	34.4%	33.2%	33.5%	33.0%	32.4%	32.3%	32.6%
sales promotion costs (million yen)	815	847	1,200	1,906	1,108	1,086	1,764	2,028	1,323	2,373	2,166	2,947	1,733	2,267	3,045
sales promotion costs relative to sales	14.1%	13.2%	18.4%	25.6%	15.3%	14.2%	22.6%	22.4%	14.5%	24.3%	21.7%	24.9%	15.5%	19.4%	25.6%

Fiscal year end



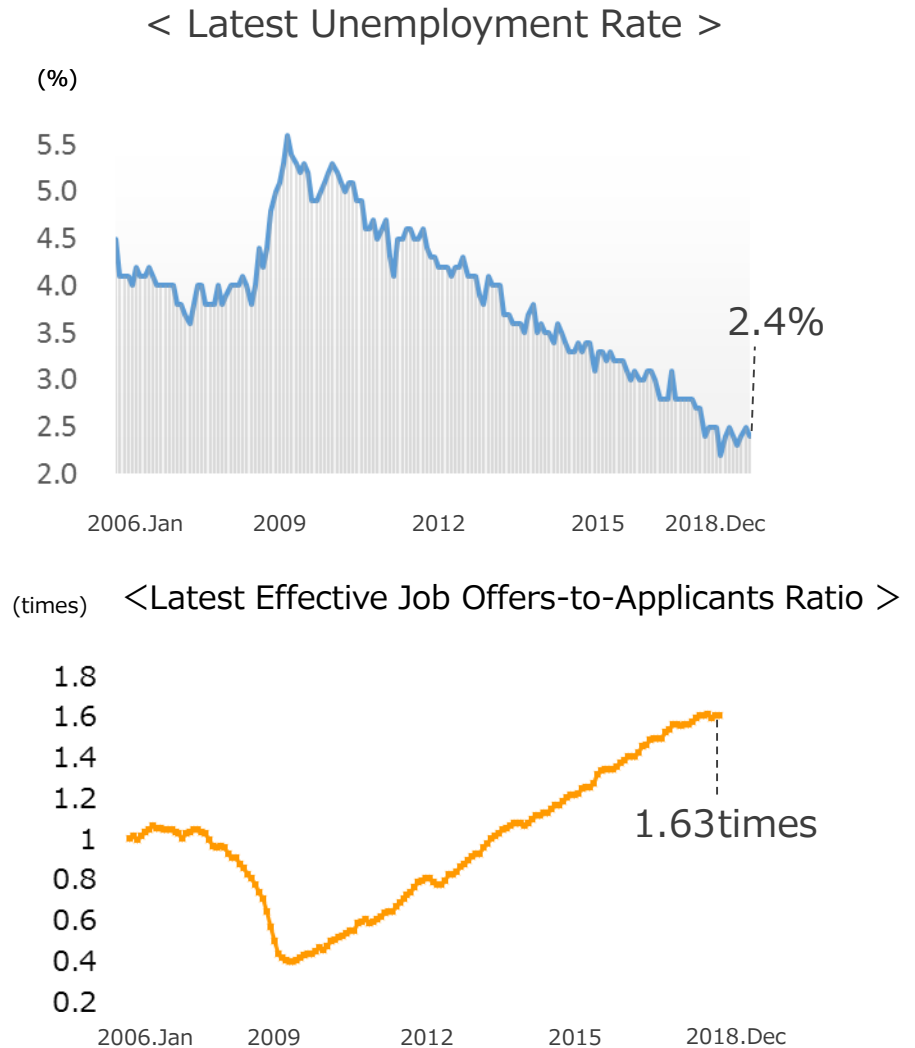
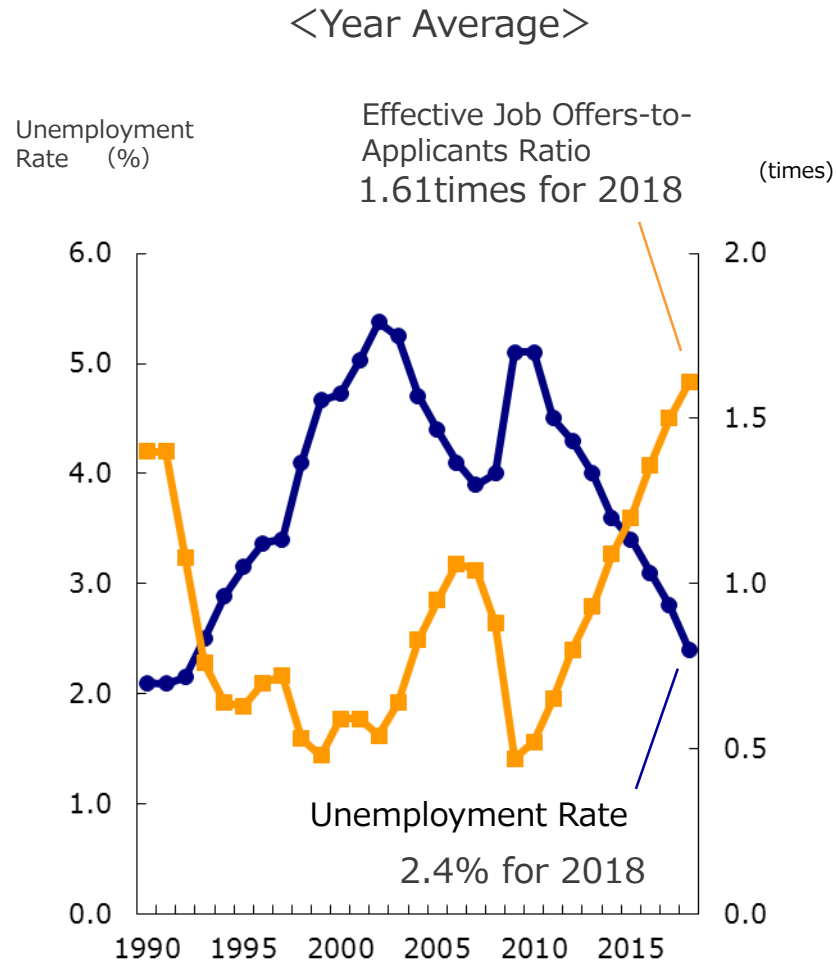
*FY2011 converted 15 months to 12 months due to the change of accounting period (Change from December to March)

Quarter

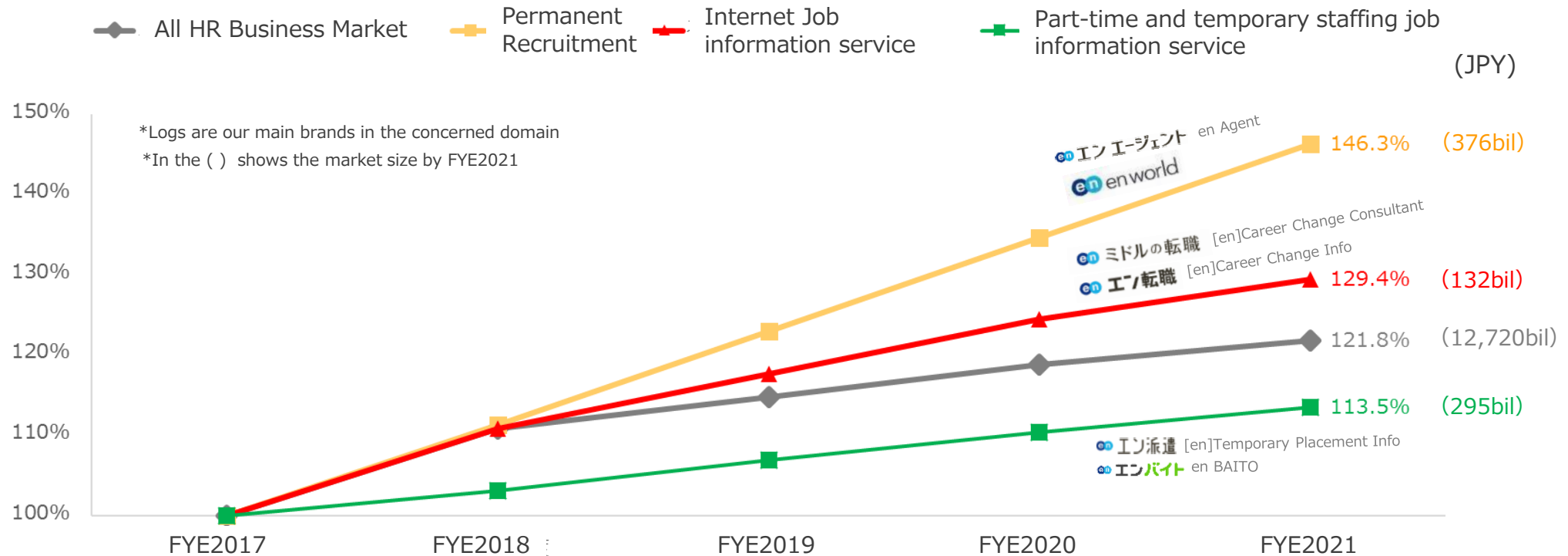


The market environment

– Trends in Unemployment Rate & Effective Job Offers-to-Applicants Ratio



Medium-to-long-term forecast for HR related business market (vs FYE2017)



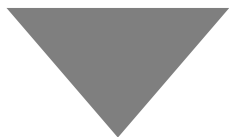
*All HR business market = Temporary staffing service, Permanent Recruitment, outplacement, temporary engineer staffing, sales and marketing support personnel, internet job information service, part-time job and temporary staffing job information service, dispatching and outsourcing service in manufacturing,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

Source: Prepared by en-japan based on "Current Status and Prospects of Human Resources Business 2018" by Yano Research Institute Ltd.

Action to ESG

Social Contribution Through Core Business

An industrial structure in which short-term earnings are contributed to more by non-retention of and repeated job changes by the newly employed is an issue and considered as not leading to sustainable business growth.



Success After Joining

Service is provided by not setting employment and career change per se as a goal, but setting instead the goal of “giving people who join the company a fulfilled life” and “helping to enhance the company’s performance.” This is linked to differentiation factors for the company as its unique strength.

[Main initiatives]



- 100% of job advertisements based on interviews
- Detailed and objective information, Staff name and photo



- Industry’s first linkage between word-of-mouth sites and recruitment advertisements
- Functions to provide companies’ comments regarding word-of-mouth

入社者の離職リスクが見える・対策がわかる



- Identifies employee retention risk at an early stage and conducts appropriate follow-up activities
- Acts as an employee retention tool to prevent workers from leaving jobs at an early stage

etc,

Promotion of Women's Participation and Advancement

Since our establishment, we have been promoting active hiring and advancement of female employees. They are actively involved in various areas.

*Data is for en-japan on a non-consolidated basis
As of Nov, 2018

Percentage of women to all employees

45.9%

Percentage of women to all directors

1 Person 20%



W O M e n
L A B O

Main Incentives and System

- Development of "WOMenLABO" project promoting women's participation and advancement
- Holding of social gatherings and luncheons to support employees taking childcare leave
- Satisfaction survey for female employees
- Smart Growth system (a system designed to prevent career stagnation and decrease in income by working on a short-time basis after returning from childcare leave), etc.

JPX-NIKKEI 400

Selected as constituent of JPX-NIKKEI 400 in August 2018

JPX-NIKKEI 400 is a stock index composed of companies with "high appeal for investors," meeting the requirements of global investment standards, such as efficient use of capital and investor-focused management perspectives. The constituents are jointly selected by Tokyo Stock Exchange and Nikkei Inc.



■ en-japan inc. Corporate Planning Department IR Group

TEL : +81-3-3342-4506 Mail: ir-en@en-japan.com URL: <https://corp.en-japan.com/en/>

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