



1st Quarter of FYE Mar/2020 Earnings Review

August 8, 2019

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TSE First Section

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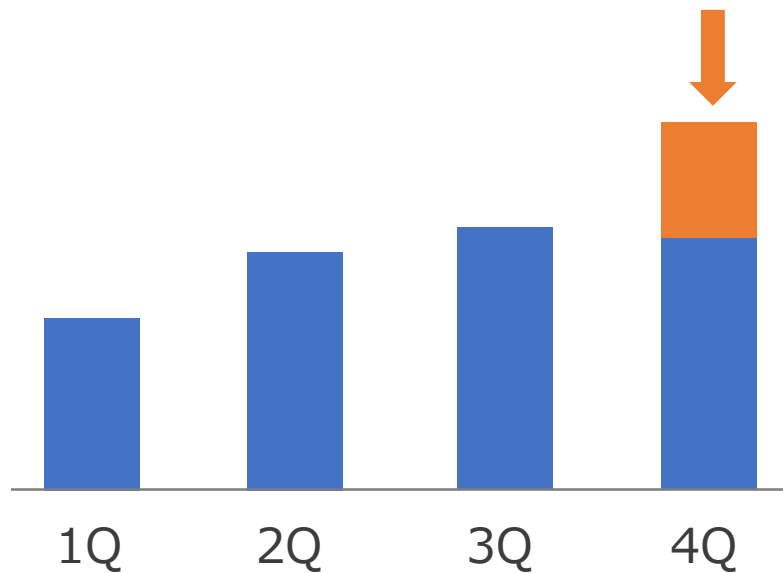
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The results of Talent Alliance (Beijing) Technology Development Limited(hereinafter TATD Ltd.), which became a consolidated subsidiary in the fourth quarter of FYE Mar/2019, are reflected in the fourth quarter for the whole period. For purposes of comparison in line with the actual circumstances, this Earnings Review material is prepared with figures that reflect the subsidiary's actual quarterly results.

Financial
accounting

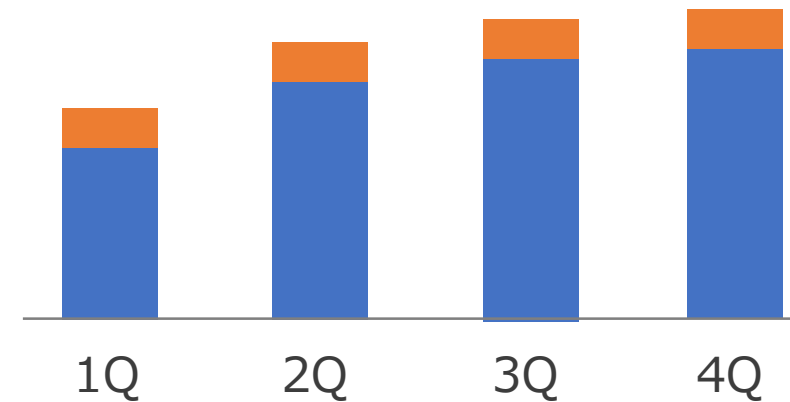
Results for one period of TATD Ltd.
is recorded.



FYE Mar/2019

Earnings
Review material

Actual quarterly results TATD Ltd.
are recorded.



FYE Mar/2019

Shown below is the P/L for FYE Mar/2019 that reflects the quarterly results of TATD Ltd.

(単位：百万円／millions of yen)

			FY2019				
			Q1	Q2	Q3	Q4	Full Year
連結売上高			11,595	12,066	12,148	12,922	48,733
consolidated net sales	前期比 YoY (%)		27.1%	23.4%	21.8%	9.2%	19.7%
売上原価			1,167	1,163	1,163	1,188	4,682
Cost of Sales	売上比 Ratio to Sales (%)		10.1%	9.6%	9.6%	9.2%	9.6%
	前期比 YoY (%)		41.3%	27.5%	22.0%	3.9%	22.1%
人件費 Personnel Cost			746	770	752	717	2,987
その他 Others			421	392	410	470	1,694
売上総利益			10,427	10,903	10,985	11,734	44,051
Gross profit	売上比 Ratio to Sales (%)		89.9%	90.4%	90.4%	90.8%	90.4%
	前期比 YoY (%)		25.6%	23.0%	21.8%	9.7%	19.5%
販売費及び一般管理費			6,850	7,572	8,565	9,401	32,389
SGA expenses	売上比 Ratio to Sales (%)		59.1%	62.8%	70.5%	72.8%	66.5%
	前期比 YoY (%)		23.0%	11.6%	28.2%	14.4%	18.9%
人件費 Personnel Cost			3,056	3,177	3,304	3,132	12,671
広告宣伝費 Advertising Cost			1,762	2,282	3,056	3,841	10,943
その他 Others			2,031	2,112	2,205	2,426	8,775
営業利益			3,577	3,331	2,419	2,332	11,661
Operating income	売上比 Ratio to Sales (%)		30.9%	27.6%	19.9%	18.1%	23.9%
	前期比 YoY (%)		31.0%	60.2%	3.5%	-5.8%	21.1%
経常利益			3,622	3,373	2,385	2,453	11,834
Ordinary income	売上比 Ratio to Sales (%)		31.2%	28.0%	19.6%	19.0%	24.3%
	前期比 YoY (%)		31.6%	58.1%	0.9%	-1.0%	21.6%
親会社株主に帰属する当期純利益			2,470	2,346	1,652	1,674	8,144
Net income attributable to owners of parent	売上比 Ratio to Sales (%)		21.3%	19.4%	13.6%	13.0%	16.7%
	前期比 YoY (%)		29.5%	57.8%	-0.6%	27.9%	27.9%

Shown below is the P/L for FYE Mar/2019 under financial accounting.

(単位：百万円／millions of yen)

		FY2019				
		Q1	Q2	Q3	Q4	Full Year
連結売上高		11,213	11,710	11,876	13,932	48,733
consolidated net sales	前期比 YoY (%)	22.9%	19.8%	19.1%	17.7%	19.7%
売上原価		1,143	1,141	1,146	1,252	4,682
Cost of Sales	売上比 Ratio to Sales (%)	10.2%	9.7%	9.7%	9.0%	9.6%
	前期比 YoY (%)	38.4%	25.1%	20.2%	9.5%	22.1%
人件費 Personnel Cost		746	770	752	717	2,987
その他 Others		396	369	393	534	1,694
売上総利益		10,070	10,569	10,730	12,680	44,051
Gross profit	売上比 Ratio to Sales (%)	89.8%	90.3%	90.3%	91.0%	90.4%
	前期比 YoY (%)	21.3%	19.2%	19.0%	18.6%	19.5%
販売費及び一般管理費		6,611	7,336	8,322	10,120	32,389
SGA expenses	売上比 Ratio to Sales (%)	59.0%	62.6%	70.1%	72.6%	66.5%
	前期比 YoY (%)	18.7%	8.1%	24.6%	23.2%	18.9%
人件費 Personnel Cost		2,883	3,007	3,118	3,662	12,671
広告宣伝費 Advertising Cost		1,733	2,267	3,045	3,897	10,943
その他 Others		1,994	2,060	2,158	2,560	8,775
営業利益		3,459	3,233	2,408	2,560	11,661
Operating income	売上比 Ratio to Sales (%)	30.8%	27.6%	20.3%	18.4%	23.9%
	前期比 YoY (%)	26.7%	55.5%	3.0%	3.4%	21.1%
経常利益		3,546	3,325	2,394	2,568	11,834
Ordinary income	売上比 Ratio to Sales (%)	31.6%	28.4%	20.2%	18.4%	24.3%
	前期比 YoY (%)	28.8%	55.8%	1.3%	3.6%	21.6%
親会社株主に帰属する当期純利益		2,463	2,355	1,668	1,656	8,144
Net income attributable to owners of parent	売上比 Ratio to Sales (%)	22.0%	20.1%	14.0%	11.9%	16.7%
	前期比 YoY (%)	29.1%	58.4%	0.4%	26.6%	27.9%

Consolidated Performance Summary for 1st Quarter of FYE Mar/2020

Consolidated performance

- Consolidated net sales stood at 13.76 billion yen, up 18.7% YoY, which exceeded expectations.
- Consolidated operating income was 2.9 billion yen, down 18.8% YoY, which also exceeded expectations.

Domestic Job Board

- Net sales totaled 7.55 billion yen, up 3.4% YoY. The result for the overall segment was as expected.

Domestic Permanent Recruitment

- Net sales totaled 3.04 billion yen, up 10.5% YoY. The result for the overall segment exceeded expectations due to the strong performance of EWJ.

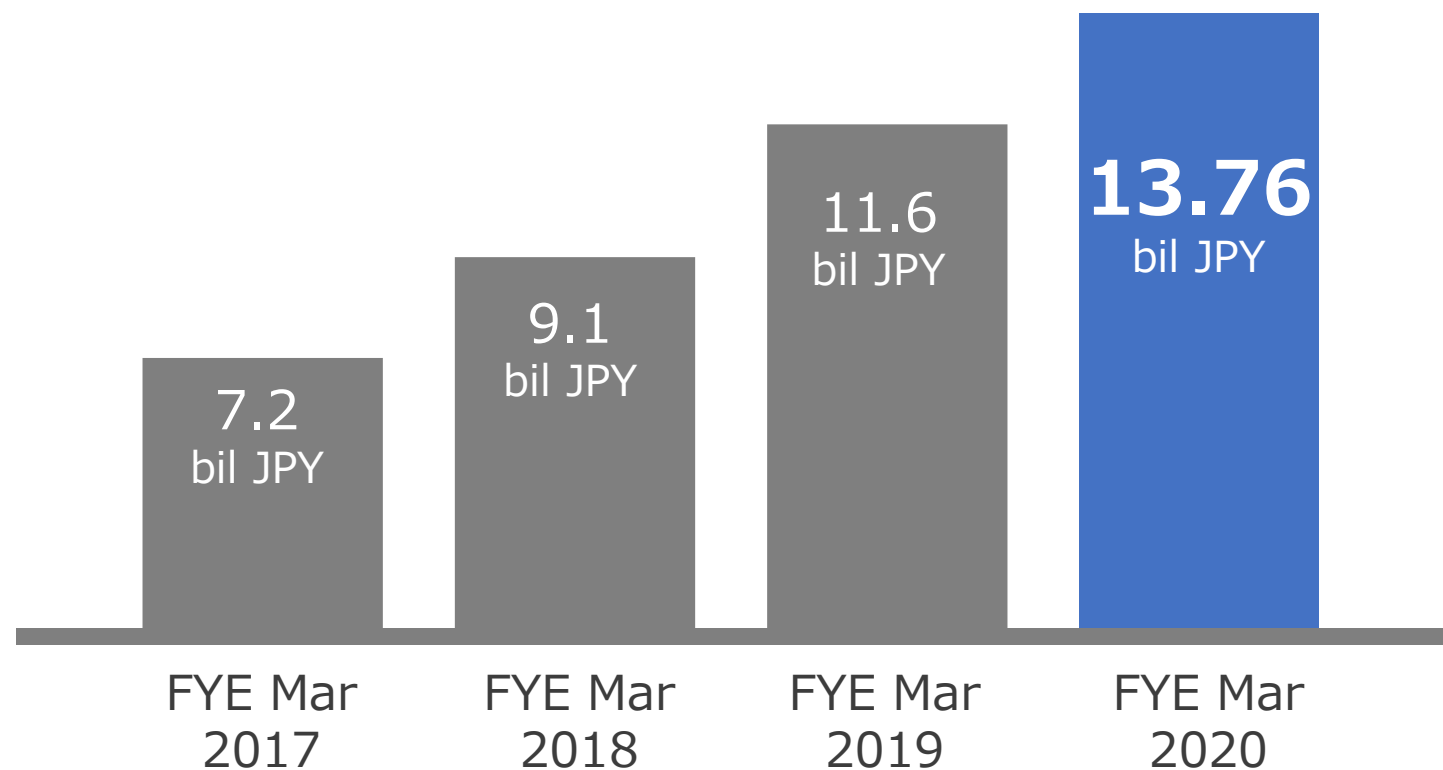
Overseas

- Net sales came to 2.72 billion yen, up 137.4% YoY, which exceeded the plan. FFI in India, which was newly consolidated, started out strongly and contributed to P/L from this first quarter.

HR-Tech

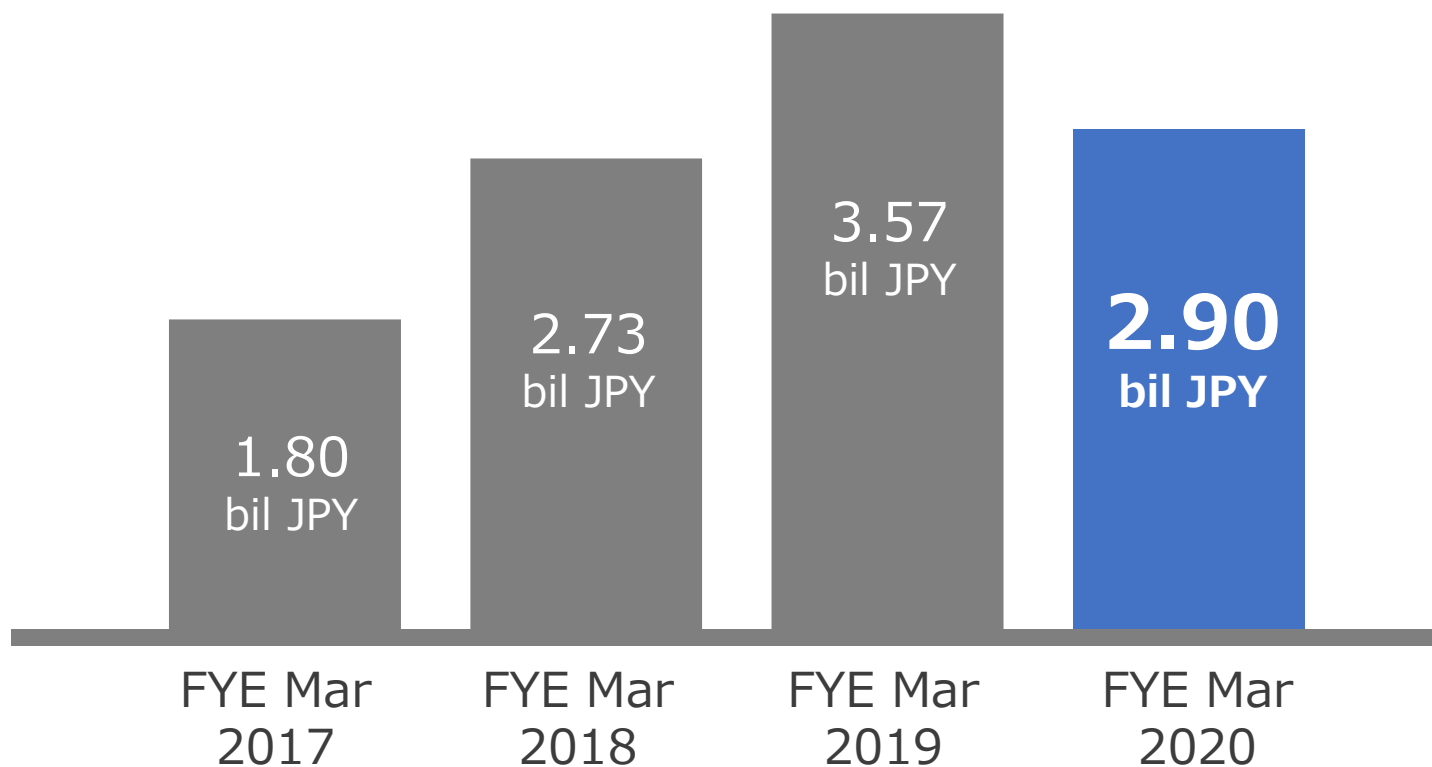
- Net sales stood at 43 million yen, indicating a favorable start. The number of firms using engage topped 210,000.

1Q (Apr.–Jun.)
Sales



Increased
18%

1Q(Apr.–Jun.)
Operating Income



Decreased
18%

[1Q FYE Mar/2020 Results] Consolidated Income Statement

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	FYE Mar 2019 (Apr.–Jun.2018) *		FYE Mar 2020 (Apr.–Jun.2019)		YOY change (million yen)	YOY change (%)	FYE Mar 2019 (Apr.–Jun.2018) -Financial accounting-	
	(million yen)	% of Sales	(million yen)	% of Sales			(million yen)	% of Sales
Net Sales	11,595	100.0%	13,763	100.0%	2,168	18.7%	11,213	100.0%
Cost of Sales	1,167	10.1%	2,542	18.5%	1,375	117.8%	1,143	10.2%
Personnel	746	6.4%	1,518	11.0%	772	103.5%	746	6.7%
Other	421	3.6%	1,023	7.4%	602	143.0%	396	3.5%
Gross Profit	10,427	89.9%	11,221	81.5%	794	7.6%	10,070	89.8%
SGA(Sales, general & administrative)	6,850	59.1%	8,316	60.4%	1,466	21.4%	6,611	59.0%
Personnel	3,056	26.4%	3,574	26.0%	518	17.0%	2,883	25.7%
Advertising, Sales Promotion	1,762	15.2%	2,394	17.4%	632	35.9%	1,733	15.5%
Other	2,031	17.5%	2,347	17.1%	316	15.6%	1,994	17.8%
Operating Income	3,577	30.8%	2,904	21.1%	-673	-18.8%	3,459	30.8%
Ordinary Income	3,622	31.2%	2,892	21.0%	-730	-20.2%	3,546	31.6%
Net Income attributable to en-japan	2,470	21.3%	1,917	13.9%	-553	-22.4%	2,463	22.0%

* The P/L for FYE Mar/2019 that reflects the quarterly results of Talent Alliance (Beijing) Technology Development.

Changing Factor of Earnings Year on Year

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1Q(Apr.–Jun.)
Year on year

(JPY)

Sales

11.59bil

Sales increased **2.16** bil or +18.7% YOY

Domestic Job Board	+0.24bil
Domestic Permanent Recruitment	+0.28bil
Overseas	+1.57bil
HR-Tech	+0.04bil
etc.	

13.76bil

Expenses

8.01bil

Cost increased **2.84** bil or +35.4% YOY

Personnel expenses	+1.29bil
Advertising, Sales Promotion	+0.63bil
Outsourcing expenses	+0.53bil
etc.	

10.85bil

Operating
Income

3.58bil

OP Decreased **0.67** bil or -18.8% YOY

2.90bil

1Q FYE Mar 2019
(Apr.–Jun.2018)

1Q FYE Mar 2020
(Apr.–Jun.2019)

Cost of Sales

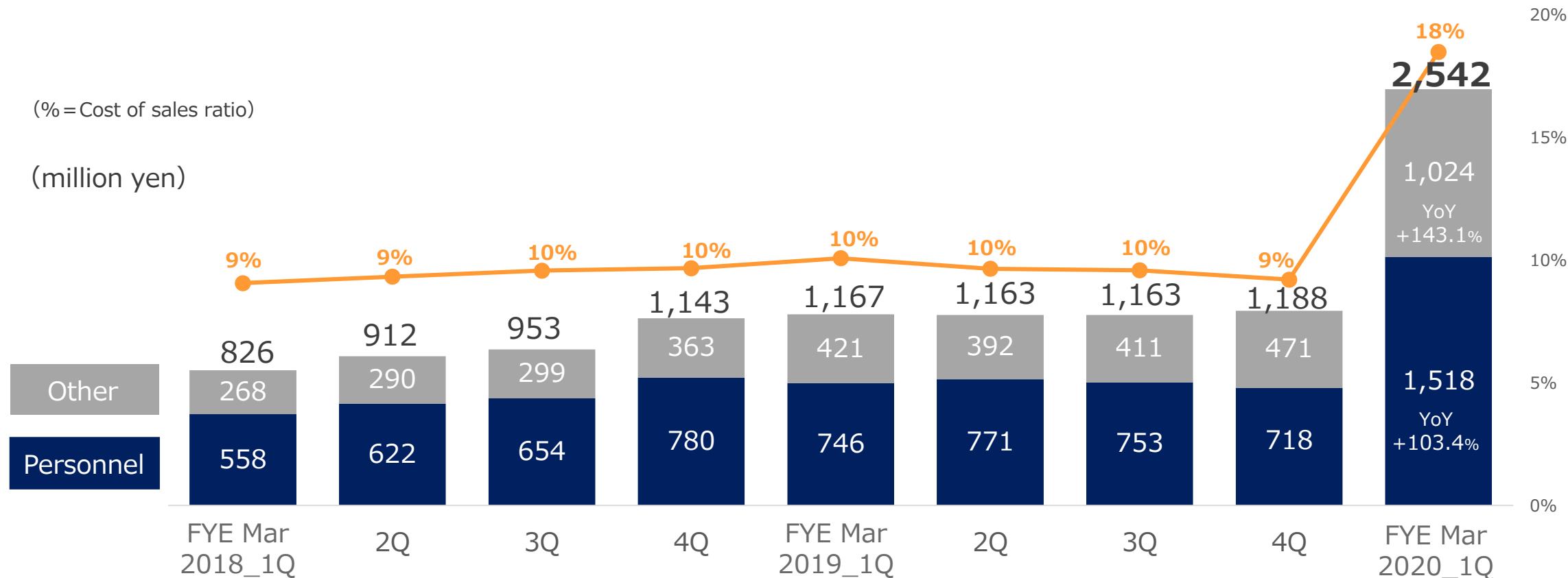
Cost of Sales increased 117% YOY in the 1Q.

There were increases in labor costs and outsourcing expenses for dispatch staff members associated with FFI, a newly consolidated IT temporary staffing company.

Some of the labor costs recorded by FFI at the time of initial planning were transferred to outsourcing expenses.

(% = Cost of sales ratio)

(million yen)

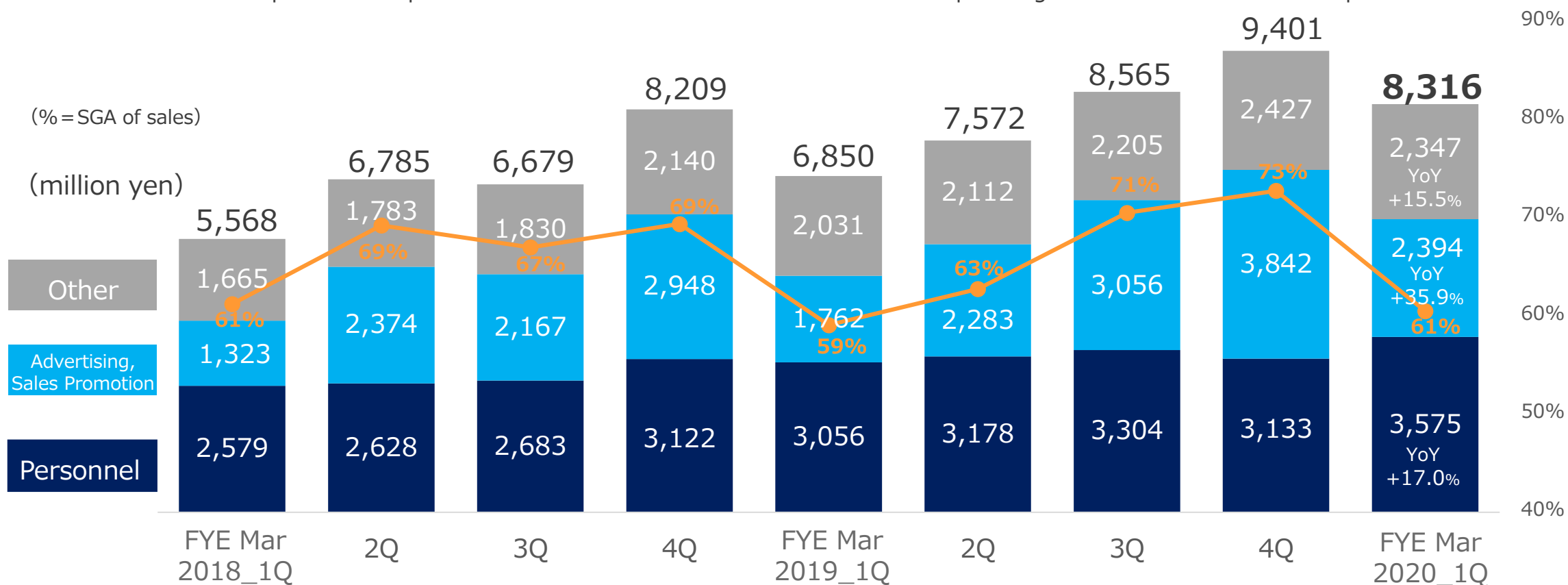


SGA Expenses

SGA expenses increased 21.4% YOY in the 1Q.

The increase was attributable to the advertising expenses of the domestic Job Board, engage, and personnel expenses associated with domestic Permanent Recruitment.

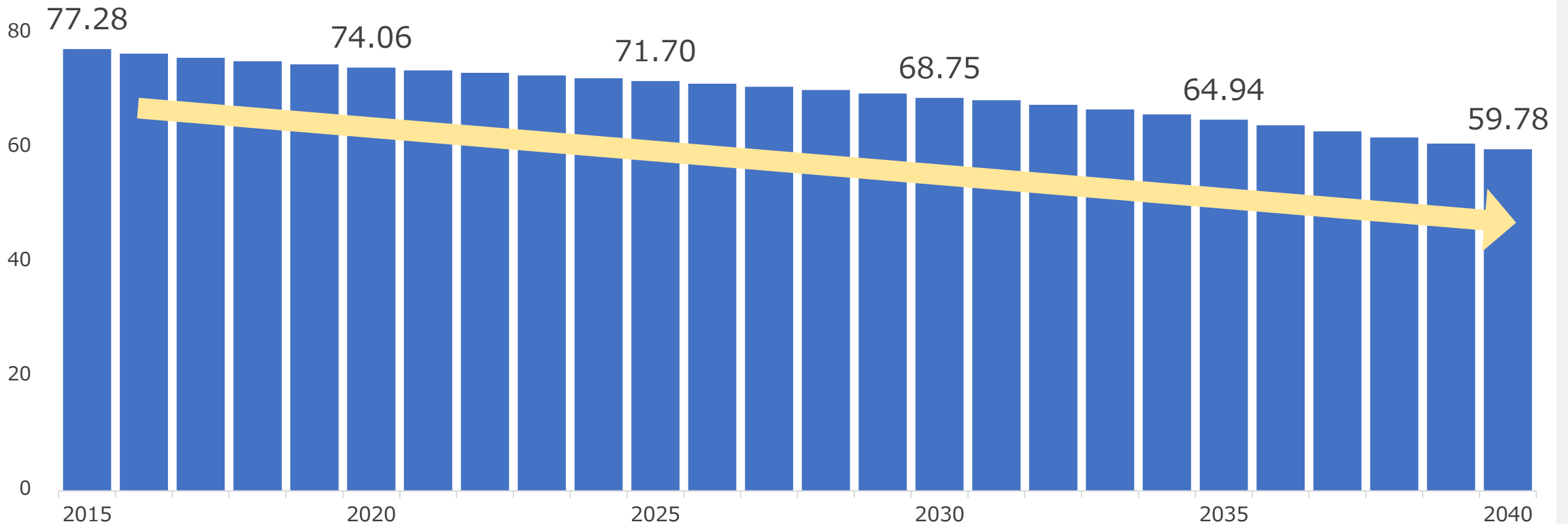
Some of the personnel expenses of FFI recorded at cost at the time of initial planning were transferred to SGA expenses.



Market Environment and Topics

Domestic working-age population continues to decline

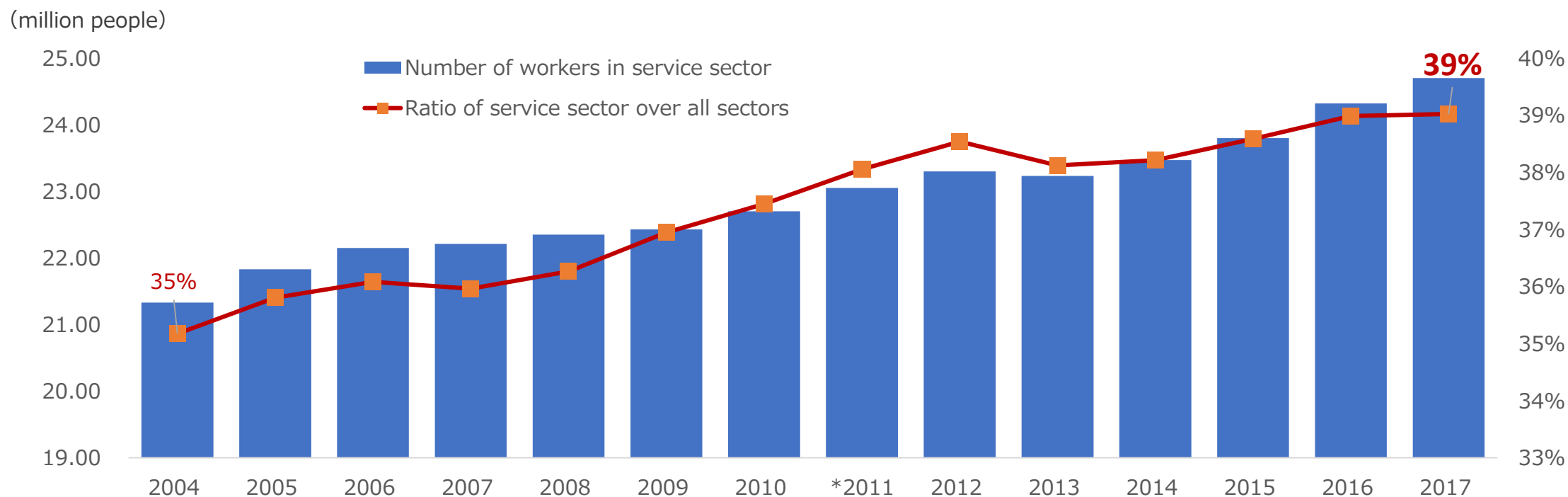
(Million People)



Source : National Institute of Population and Social Security Research

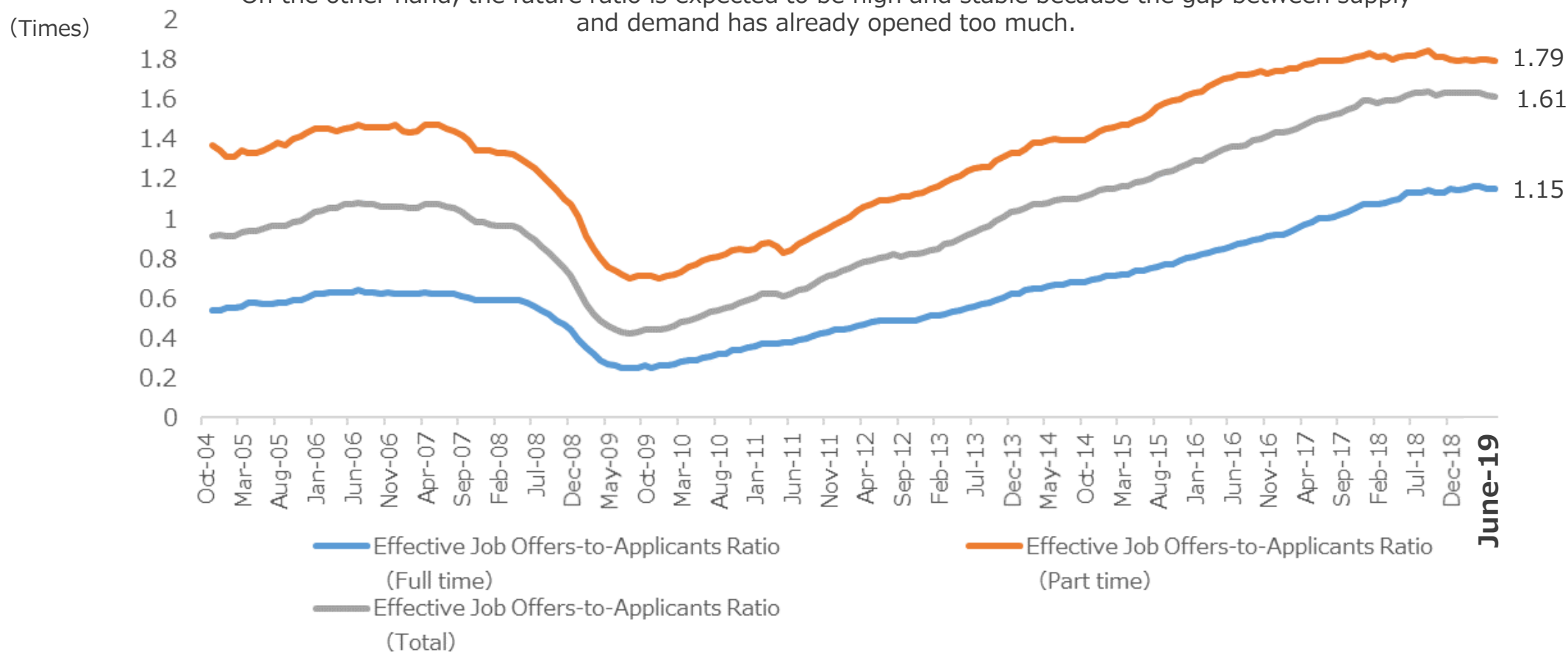
The number and percentage of employees in non-manufacturing industries, especially in the service industry, is expanding.

The ratio is expected to rise in the future, focusing on nursing care etc.

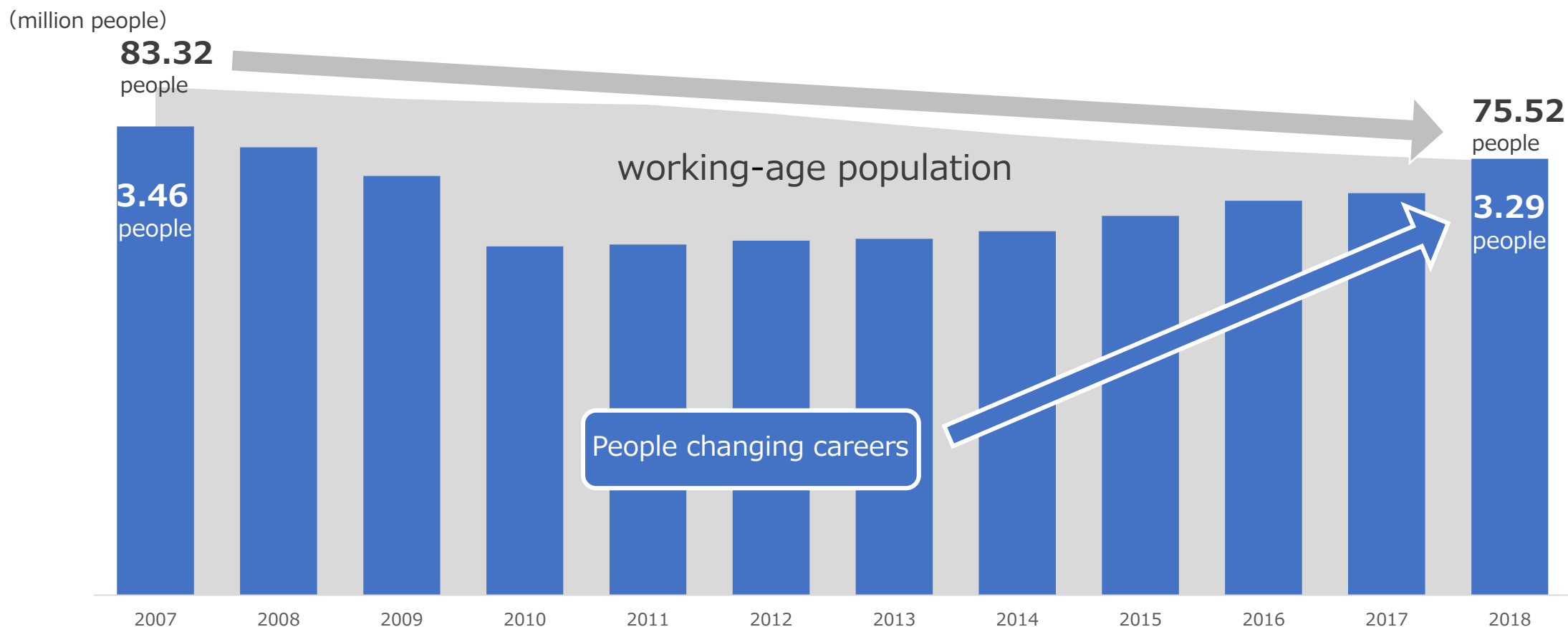


Effective Job Offers-to-applicants ratio remains high due to a structural labor shortage

On the other hand, the future ratio is expected to be high and stable because the gap between supply and demand has already opened too much.



The working-age population declines, but Number of people changing careers increases and mobility is raised

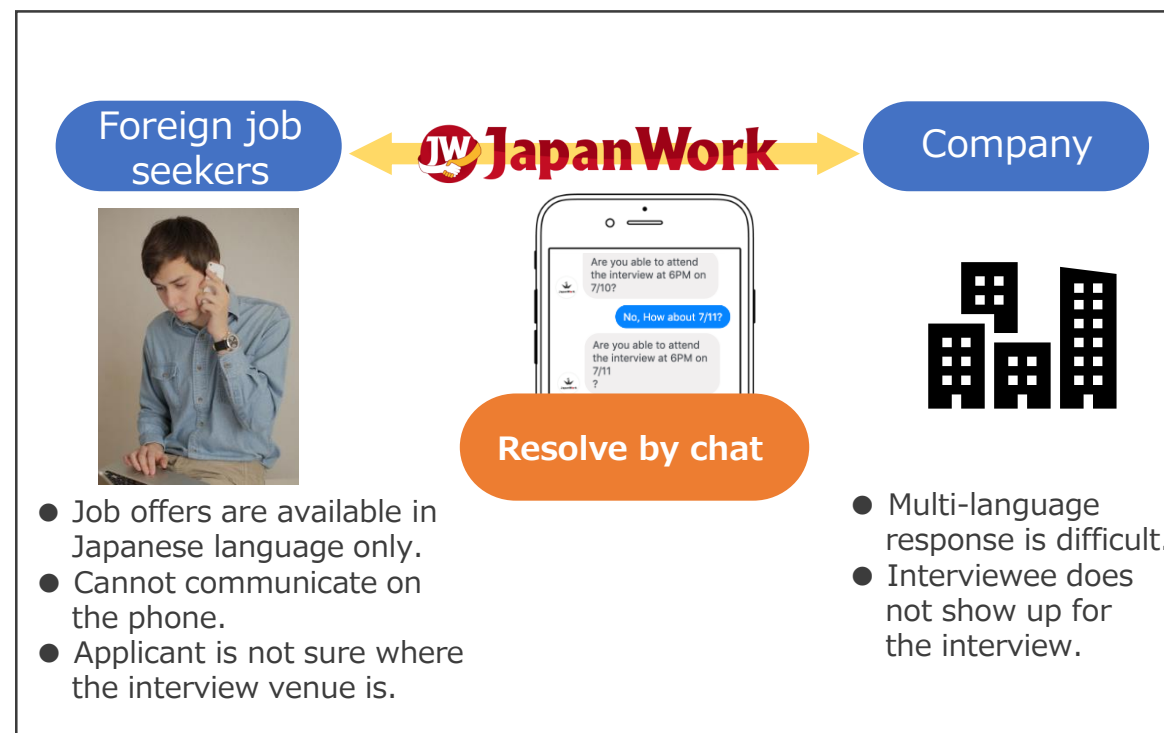


Source : Prepared by en-japan based on materials released by Static Bureau of the Ministry of Internal Affairs



We undertake correspondence between foreign job seekers and recruiting firms using Chatbot.

Company name	JapanWork, INC.
Established	2016
Address	Shibuya-ku, Tokyo
Main business	Recruiting for foreigners in Japan
Name and post of representative	Yuto Suzuki, Representative Director
Results (Dec. 2018)	Sales : 16million yen Operating income : -19million yen
Acquisition value and Number of shares	Acquisition value : approx. 0.23bil Number of shares : 51% *Use treasury shares and cash



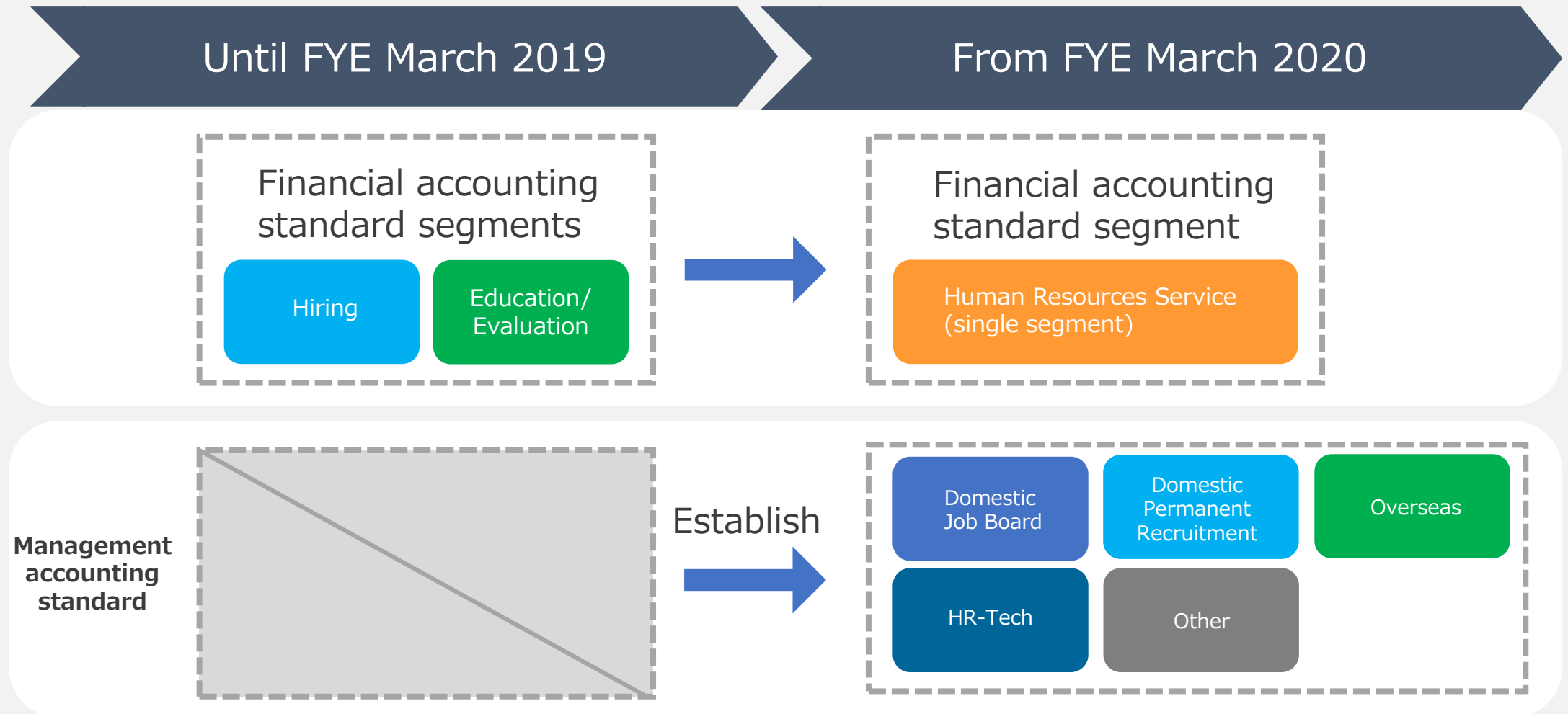
Performance Overview by Segment^{*} for 1Q FYE Mar/2020

^{*}a management accounting basis

Revision to our segmentation

21

Starting from FYE March 2020, we will disclose new business segmentation on a management accounting basis, making it easy to know the state of our business lines.



1Q FYE Mar/2020 Performance Overview by Segment

① Domestic Job Board

22

(million yen)

7,301 7,550

YoY
+3.4%

- 1Q FYE Mar 2019
- 1Q FYE Mar 2020

Sales

Operating Income

2,844

1Q FYE Mar 2020

[en]Career Change Info

Amount of sales activities decreased due to major client handoffs associated with a change in strategic policies. Number of postings decreased. Share within large-lot clients increased and unit price rose significantly.

Sites for Permanent Recruitment agencies

Volume of usage by corporate clients and job seekers increased for both [en]Career Change Consultant and AMBI. Number of members of AMBI topped 200,000. Continues to achieve high growth.

Sites for Temporary staffing companies

Job posting mindset of leading temporary staffing companies, which are our major customers, was more positive than expected. Additional orders received, etc. led to favorable results.

Cost and profit

Advertising expenses in the first quarter of the previous year were lower and the significant increase in the first quarter of this fiscal year was as expected.

Domestic Job Board⇒[en]Career Change Info, [en]Career Change Consultant, AMBI, [en]Temporary Placement Info, en BAITO, etc.

	1Q FYE Mar 2019 (Apr.2018-Jun.2018)		1Q FYE Mar 2020 (Apr.2019-Jun.2019)		YOY change (million yen)	YOY change (%)
	(million yen)	% of Sales	(million yen)	% of Sales		
Sales	7,301		7,550		248	3.4%
Operating Income			2,844	37.7%		

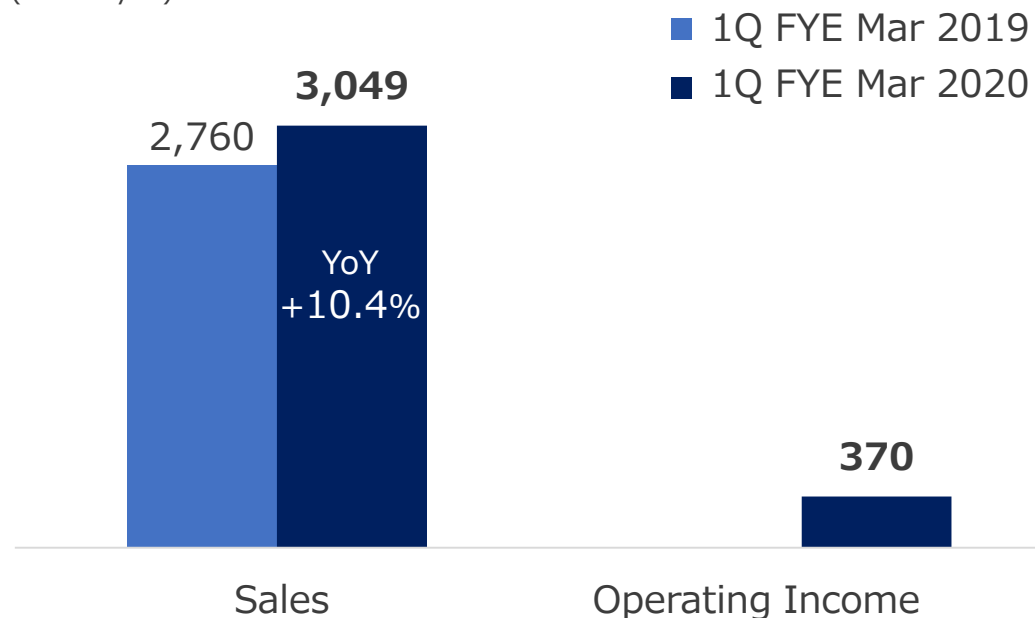
* Segment operating income for the fiscal year ending March 2019 is not calculated / compared due to different distribution criteria.

1Q FYE Mar/2020 Performance Overview by Segment

② Domestic Permanent Recruitment

23

(million yen)



1Q FYE Mar 2020

en Agent	Net sales were flat year on year but were slightly higher than expected. Highly increased manpower in April to achieve growth in the medium term. While efforts are made to have manpower quickly demonstrate strength, this year will be a period of advance investment.
en world Japan (EWJ)	Cases of informal acceptance that built up in the fourth quarter of the previous period smoothly led to employment contracts and favorable results above expectations.
Cost and profit	While advance investments were made for manpower at en Agent and EWJ, growth in sales resulted in profits above expectations.

Domestic Permanent Recruitment ⇒ en world Japan、 en Agent, etc.

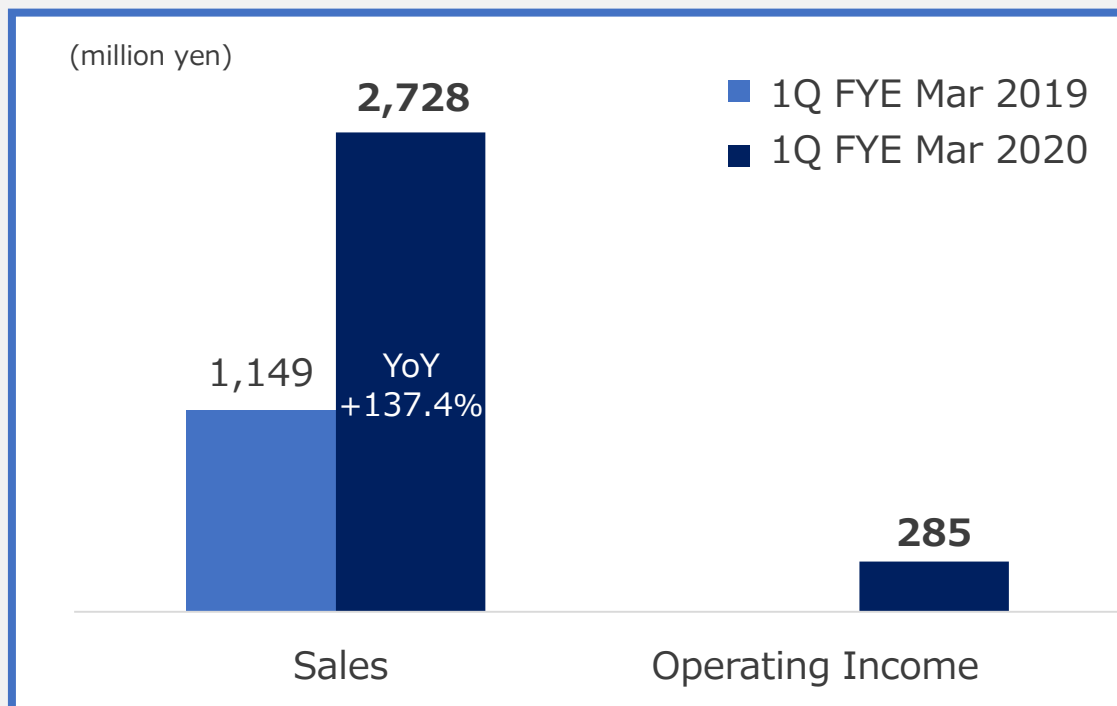
	1Q FYE Mar 2019 (Apr.2018-Jun.2018)		1Q FYE Mar 2020 (Apr.2019-Jun.2019)		YOY change (million yen)	YOY change (%)
	(million yen)	% of Sales	(million yen)	% of Sales		
Sales	2,760		3,049		288	10.5%
Operating Income			370	12.1%		

* Segment operating income for the fiscal year ending March 2019 is not calculated / compared due to different distribution criteria.

1Q FYE Mar/2020 Performance Overview by Segment

③ Overseas

24



1Q FYE Mar 2020	
Overall summary	Performance of overseas business on the whole exceeded our expectations.
Vietnam	Recruitment sites performed strongly and drove the performance. The new site in Da Nang began operation. Continuing to reinforce high-class services and educational services, which are expected to grow going forward.
India	FFI in India, which was newly consolidated, posted results above our initial expectations. Since this may be due to temporary factors, progress in line with the budget is expected in the second quarter onward.

Overseas ⇒ Vietnam, India, China, Singapore, Thailand, Australia
(Job Board, Permanent Recruitment, IT temp)

	1Q FYE Mar 2019 (Apr.2018-Jun.2018)		1Q FYE Mar 2020 (Apr.2019-Jun.2019)		YOY change (million yen)	YOY change (%)
	(million yen)	% of Sales	(million yen)	% of Sales		
Sales	1,149		2,728		1,579	137.4%
Operating Income			285	10.5%		

* Segment operating income for the fiscal year ending March 2019 is not calculated / compared due to different distribution criteria.

1Q FYE Mar/2020 Performance Overview by Segment

④ HR-Tech

25

(million yen)

■ 1Q FYE Mar 2020

43

Sales

-393

Operating Income

1Q FYE Mar 2020

Overall summary

The total number of accounts for engage topped 210,000 firms in June. The number of firms using the new fee-based plan launched in April has been steady. Net sales proceeded as planned.

Cost and profit

The magnitude of negative profit is as expected. Implemented active investments primarily for online promotion. Participated in HR Conference, etc., which led to an increase in the number of firms using our services. Also placed advertising videos in taxis aimed at raising the level of recognition.

HR-Tech⇒ engage and related service

	1Q FYE Mar 2019 (Apr.2018-Jun.2018)		1Q FYE Mar 2020 (Apr.2019-Jun.2019)		YOY change (million yen)	YOY change (%)
	(million yen)	% of Sales	(million yen)	% of Sales		
Sales			43		43	
Operating Income			-393	-914.7%		

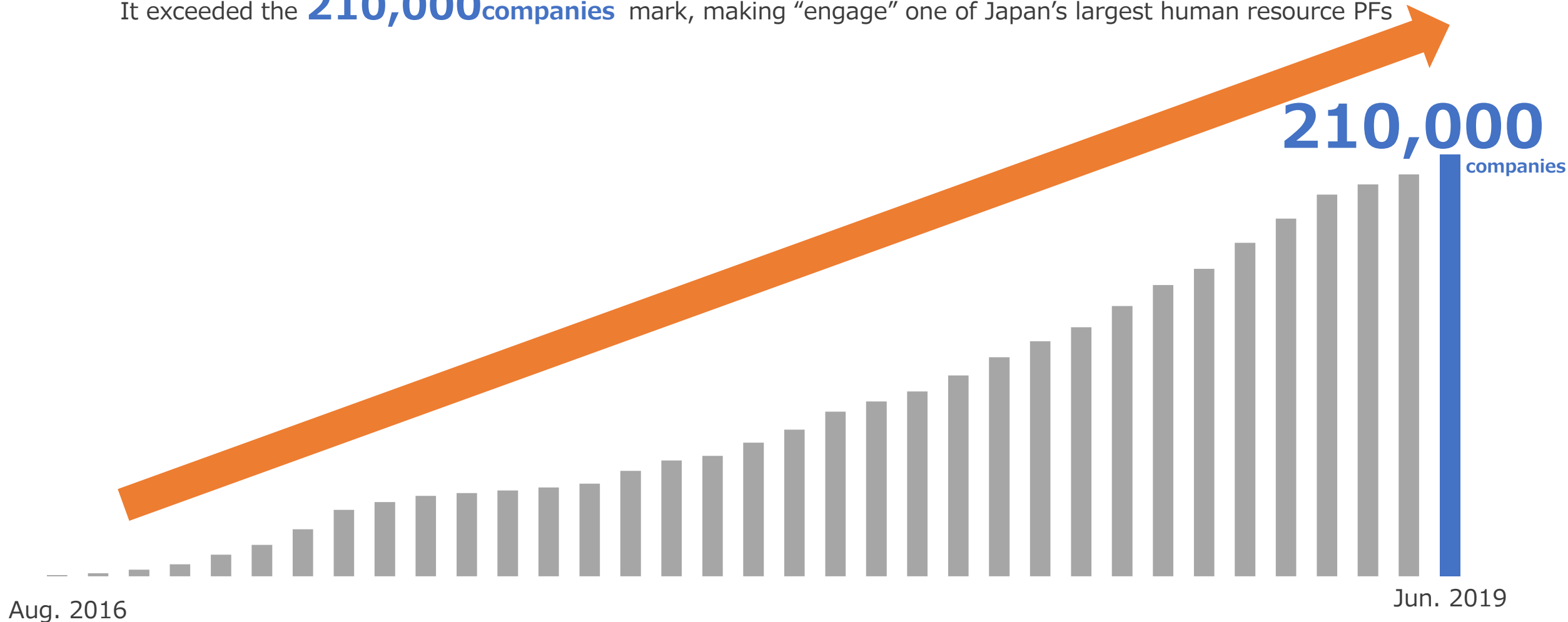
* Segment operating income for the fiscal year ending March 2019 is not calculated / compared due to different distribution criteria.

The number of companies using “engage”

26

An important KPI as a platform is the number of user companies

It exceeded the **210,000** companies mark, making “engage” one of Japan’s largest human resource PFs

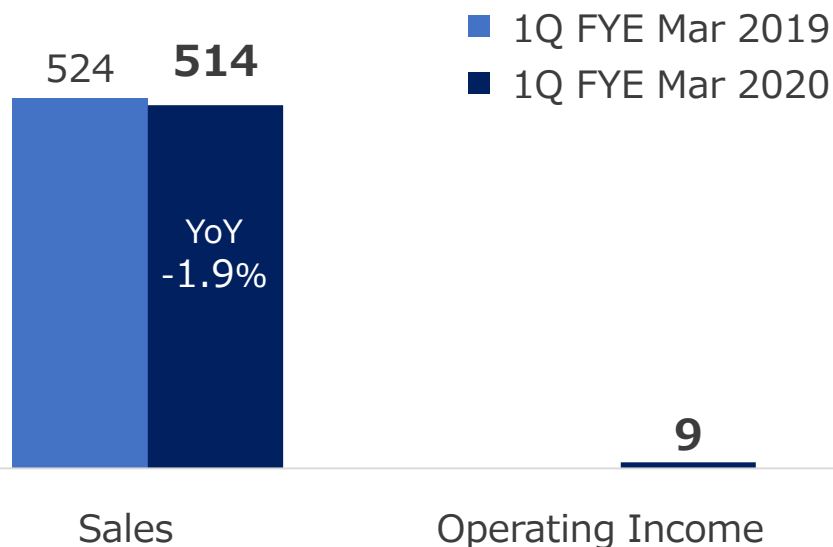


1Q FYE Mar/2020 Performance Overview by Segment

⑤ Domestic Other Business / Subsidiary

27

(million yen)



1Q FYE Mar 2020

Overall summary

Although net sales of Cbase, which was sold in the third quarter of the previous period, were eliminated and the segment posted lower income, the result was above our expectations. en-japan's educational assessment products and subsidiary ZEKU posted favorable results and continue to steadily increase earnings.

Cost and profit

Personnel expenses and outsourcing expenses associated with investments for new business development increased. The segment on the whole was slightly in the black. Higher net sales led to higher-than-expected results.

Domestic Other Business / Subsidiary

⇒ Education / Evaluation 、 ZEKU、 Other New Business

	1Q FYE Mar 2019 (Apr.2018-Jun.2018)		1Q FYE Mar 2020 (Apr.2019-Jun.2019)		YOY change (million yen)	YOY change (%)
	(million yen)	% of Sales	(million yen)	% of Sales		
Sales	524		514		-10	-1.9%
Operating Income			9	1.9%		

* Segment operating income for the fiscal year ending March 2019 is not calculated / compared due to different distribution criteria.

Return to Shareholders

We will revise our policy starting from FY March 2020

Until
FYE Mar
2019

Aiming for a dividend payout ratio of 30% or more, we determine a specific payout ratio based on the business results, financial position, investment plans for each fiscal year, among others.

In the medium term, we aim to achieve a dividend payout ratio of 40% for FY March 2020



From
FYE Mar
2020

We will make efforts for investment and shareholder return in a manner conducive to raising shareholder value, while securing our financial soundness. Specific measures are as follows.

- **Dividend payout ratio: 50%**
- **During the term of the Medium-Term Management Plan, we will use a total of 20.0 billion yen for growth investments consisting mainly of M&A and capital contribution**
- **We will prioritize M&A and capital contribution and buy back our own shares during the term of the plan as required in consideration of investment circumstances (feasibility).**

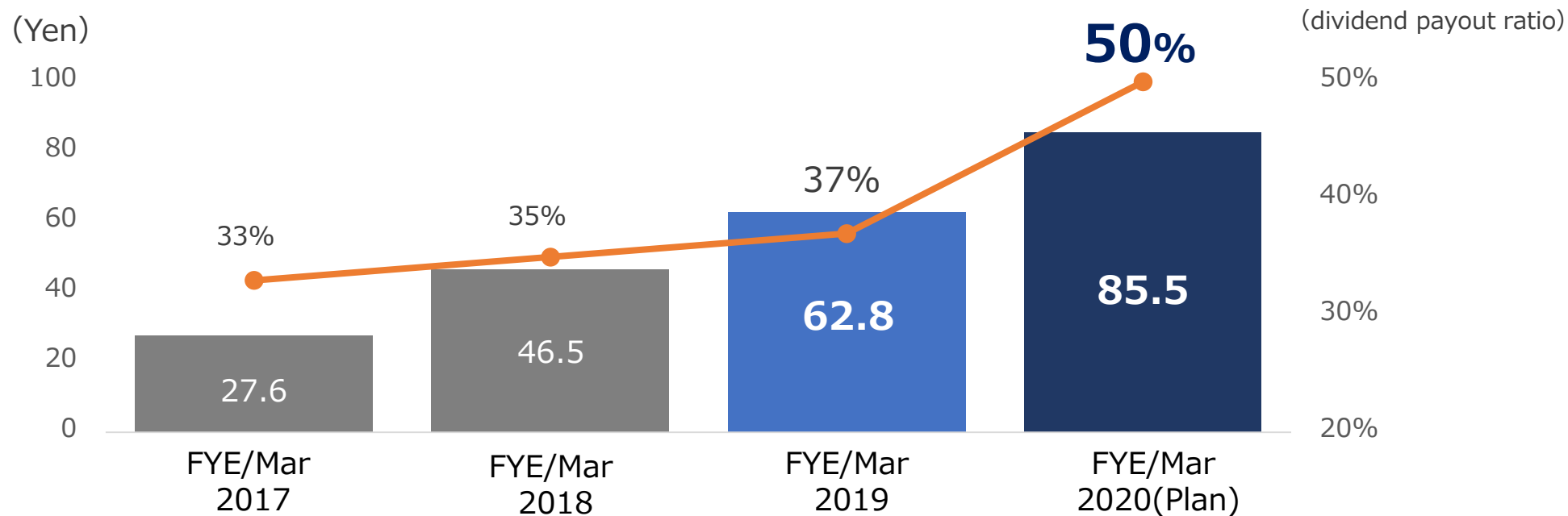
*We could potentially buy back our own shares flexibly depending on market developments.

The dividend payout performance and plan

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FYE Mar/2019 : ¥ **62.8** (YonY+ ¥ 16.3)

FYE Mar/2020 plan : ¥ **85.5** (YonY+ ¥ 22.7)



Appendix

Consolidated Balance Sheet

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(million yen)	FYE Mar 2019 (Mar. 2019)	FYE Mar 2020 Q1 (Jun. 2019)	YOY change (million yen)	YOY change (%)
Current asset	37,255	33,697	-3,558	-9.6%
Cash	28,409	25,159	-3,250	-11.4%
Accounts receivable	5,614	5,385	-229	-4.1%
Other current assets	3,231	3,153	-78	-2.4%
Non-current assets	12,596	12,848	252	2.0%
Property, plant and equipment	719	730	11	1.5%
Intangible assets	6,858	6,869	11	0.2%
Investments and other assets	5,018	5,249	231	4.6%
Assets	49,852	46,546	-3,306	-6.6%
Liabilities	14,385	12,287	-2,098	-14.6%
Current liabilities	13,274	11,032	-2,242	-16.9%
Not current liabilities	1,111	1,255	144	13.0%
Net assets	35,466	34,259	-1,207	-3.4%
Liabilities/Net assets	49,852	46,546	-3,306	-6.6%

Decrease due to payment of accounts payable and dividend

Payment of accounts payable for enhanced advertising at the end of the previous period

Decrease in retained earnings due to dividend payment

Non-consolidated Income Statement for 1Q FYE Mar/2020

[1Q FYE Mar/2020 Results] Non-consolidated Income Statement

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	FYE Mar 2019 (Apr.–Jun.2018)		FYE Mar 2020 (Apr.–Jun.2019)		YOY change (million yen)	YOY change (%)
	(million yen)	% of Sales	(million yen)	% of Sales		
Net Sales	8,672	100.0%	8,988	100.0%	316	3.6%
Cost of Sales	674	7.8%	704	7.8%	30	4.5%
Personnel	317	3.7%	302	3.4%	-15	-4.7%
Other	356	4.1%	401	4.5%	45	12.6%
Gross Profit	7,998	92.2%	8,283	92.2%	285	3.6%
SGA(Sales, general & administrative)	4,778	55.1%	5,804	64.6%	1,026	21.5%
Personnel	1,667	19.2%	1,855	20.6%	188	11.3%
Advertising, Sales Promotion	1,698	19.6%	2,385	26.5%	687	40.5%
Other	1,412	16.3%	1,563	17.4%	151	10.7%
Operating Income	3,219	37.1%	2,478	27.6%	-741	-23.0%
Ordinary Income	3,336	38.5%	2,578	28.7%	-758	-22.7%
Net Income	2,359	27.2%	1,789	19.9%	-570	-24.2%

Changing Factor of Earnings (Non-consolidated)

35

Year on year

(JPY)

Sales

8.67bil

Sales increased **0.31** bil or +3.6% YOY

Domestic Job Board
HR-Tech

+0.24bil
+0.04bil
etc

8.98bil

Expenses

5.45bil

Cost increased **1.05** bil or +19.4% YOY

Personnel expenses
Advertising, Sales Promotion
etc

+0.18bil
+0.68bil
etc

6.50bil

Operating
Income

3.22bil

OP decreased **0.74** bil or -23.0% YOY

2.47bil

1Q FYE Mar 2019
(Apr-Jun.2018)

1Q FYE Mar 2020
(Apr-Jun.2019)

FYE Mar/2020 Earnings Forecast

(Published on May 14, 2019)

- Consolidated•Segment•Main Services -

FYE Mar/2019 Earnings Forecast (Consolidated)

37

	FYE Mar 2019 (Apr.2018–Mar.2019)		FYE Mar 2020 (Apr.2019–Mar.2020)		YOY change (million yen)	YOY change (%)	
	(million yen)	% of Sales	(million yen)	% of Sales			
Net Sales	48,733	100.0%	60,000	100.0%	11,267	23.1%	<ul style="list-style-type: none"> • Increase due to consolidation of FFI of India • Increase due to recruitment website and job placement services in Japan
Cost of Sales	4,682	9.6%	10,885	18.1%	6,203	132.5%	
Personnel	2,987	6.1%	8,911	14.9%	5,923	198.2%	<ul style="list-style-type: none"> • Increase due to consolidation of FFI of India which provides IT temporary staffing service
Other	1,694	3.5%	1,974	3.3%	280	16.5%	
Gross Profit	44,051	90.4%	49,114	81.9%	5,063	11.5%	
SGA (Sales, general & administrative)	32,389	66.5%	36,914	61.5%	4,524	14.0%	<ul style="list-style-type: none"> • Mainly staffing reinforcement by non-consolidated en-japan
Personnel	12,671	26.0%	15,179	25.3%	2,508	19.8%	
Advertising, Sales Promotion	10,943	22.5%	11,631	19.4%	687	6.3%	<ul style="list-style-type: none"> • Flattened in existing recruitment website service while bolstering technology related promotion
Other	8,775	18.0%	10,103	16.8%	1,328	15.1%	
Operating Income	11,661	23.9%	12,200	20.3%	539	4.6%	
Ordinary Income	11,834	24.3%	12,219	20.4%	384	3.2%	
Net Income attributable to en-japan	8,144	16.7%	8,210	13.7%	66	0.8%	

[FYE March 2020 Forecast] Changing Factor of Earnings (Consolidated)

38

Actual vs Forecast

(JPY)

Sales

48.73bil

Sales increased by **11.27** bil or +23.1% YoY

Domestic Job Board	+2.4bil
Domestic Permanent Recruitment	+1.7bil
Overseas	+6.5bil
HR-Tech	+0.5bil 等

60.00bil

Expenses

37.07bil

Cost increased **10.73** bil or +28.9% YoY

Personnel expenses	+8.43bil
Advertising, Sales Promotion	+0.68bil
Office rent	+0.41bil
Goodwill	+0.14bil 等

47.80bil

Operating Income

11.66bil

OP increased **0.54** bil or +4.6% YoY

12.20bil

FY2019
Actual

FY2020
Forecast

(reference) FYE Mar/2020 Earnings Forecast (Non-consolidated)

39

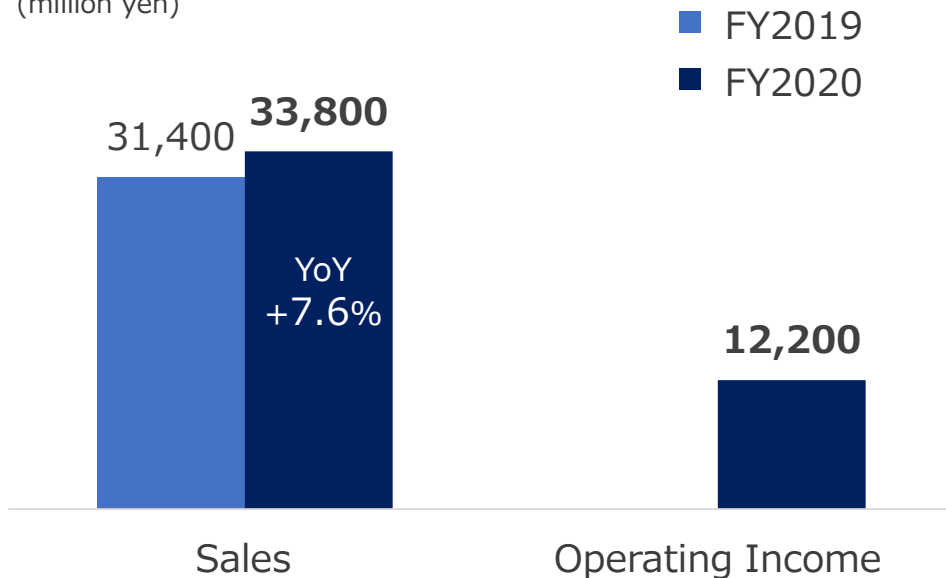
	FYE Mar 2019 (Apr.2018–Mar.2019)		FYE Mar 2020 Forecast (Apr.2019–Mar.2020)		YOY change (million yen)	YOY change (%)
	(million yen)	% of Sales	(million yen)	% of Sales		
Net Sales	36,519	100.0%	40,000	100.0%	3,480	9.5%
Cost of Sales	2,648	7.3%	2,945	7.4%	296	11.2%
Personnel	1,266	3.5%	1,323	3.3%	57	4.5%
Other	1,382	3.8%	1,621	4.1%	239	17.3%
Gross Profit	33,871	92.7%	37,054	92.6%	3,183	9.4%
SGA (Sales, general & administrative)	23,683	64.9%	26,354	65.9%	2,671	11.3%
Personnel	6,819	18.7%	8,088	20.2%	1,269	18.6%
Advertising, Sales Promotion	10,759	29.5%	11,408	28.5%	649	6.0%
Other	6,105	16.7%	6,858	17.1%	753	12.3%
Operating Income	10,187	27.9%	10,700	26.7%	513	5.0%
Ordinary Income	10,576	29.0%	10,829	27.1%	253	2.4%
Net Income	7,442	20.4%	7,540	18.9%	98	1.3%

FY March 2020 Performance Plan by Segment

① Domestic Job Board

40

(million yen)



FYE Mar 2020 Forecast

[en]Career Change Info

Concentrate on customers targeted and areas and realign its sales organization structure. Although sales will be on a par with the market growth rate, build a platform aimed at steady profit growth

Sites for Permanent Recruitment agencies

The after-billing model for middle-level worker career change is strong. AMBI will make advance investments by bolstering direct recruiting

Sites for Temporary staffing companies

Market growth is predicted to be moderate. Seek to achieve a higher share of business in leading temporary staffing service companies and achieve steady income growth

Domestic Job Board⇒[en]Career Change Info, [en]Career Change Consultant, AMBI, [en]Temporary Placement Info, en BAITO, etc.

	FYE Mar 2019 (Apr.2018–Mar.2019)		FYE Mar 2020 Forecast (Apr.2019–Mar.2020)		YOY change (million yen)	YOY change (%)
	(million yen)	% of Sales	(million yen)	% of Sales		
Sales	31,400		33,800		2,400	7.6%
Operating Income			12,200	36.1%		

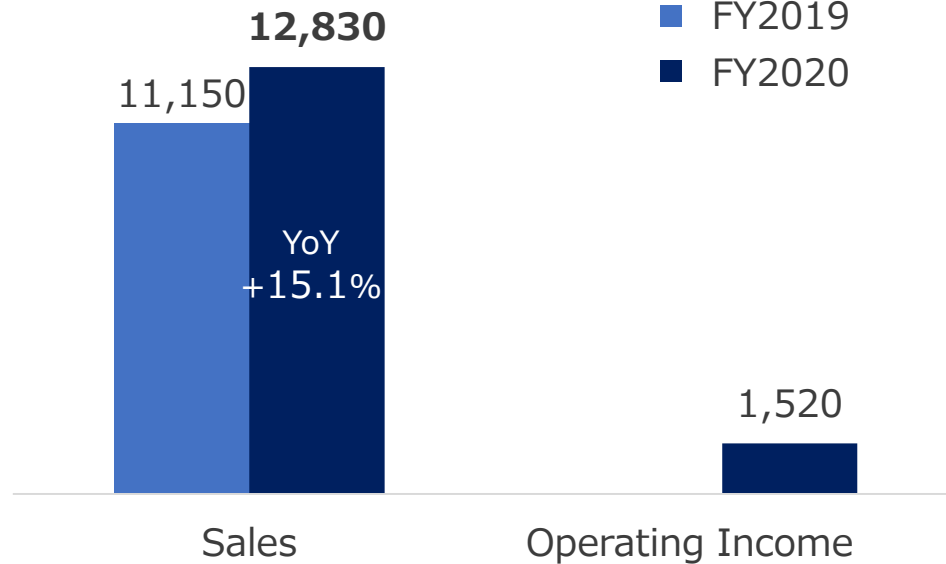
* Segment operating income for the fiscal year ending March 2019 is not calculated / compared due to different distribution criteria.

FY March 2020 Performance Plan by Segment

② Domestic Permanent Recruitment

41

(million yen)



FYE Mar 2020 Forecast

en Agent

Make increased efforts to expand sales during the term of the Medium-Term Management Plan
As the firm reinforces staffing more than previously expected, advance costs will be incurred, but work to improve profits from the next fiscal year onward

en world Japan

Productivity improved more than expected in the previous term. Reinforce staffing for the new fiscal year as well along with the policy to bolster job placement service

Domestic Permanent Recruitment
⇒en world Japan、en , etc.

	FYE Mar 2019 (Apr.2018–Mar.2019)		FYE Mar 2020 Forecast (Apr.2019–Mar.2020)		YOY change (million yen)	YOY change (%)
	(million yen)	% of Sales	(million yen)	% of Sales		
Sales	11,150		12,830		1,680	15.1%
Operating Income			1,520	11.8%		

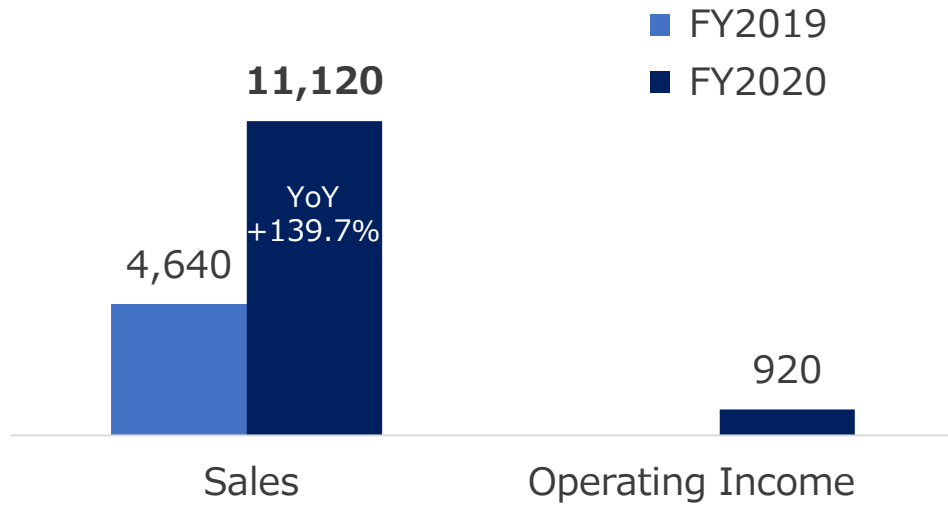
* Segment operating income for the fiscal year ending March 2019 is not calculated / compared due to different distribution criteria.

FY March 2020 Performance Plan by Segment

③ Overseas

42

(million yen)



FYE Mar 2020 Forecast

- over view** An M&A program will result in an addition of an Indian temporary staffing service company, causing sales to grow markedly. We will continue to strengthen our operations in India and Vietnam.
- Vietnam** Upgrade services for high-class customers, a segment that will likely grow in the future. Newly establish the Da Nang office
- India** Step up the linkage of job placement to IT temporary staffing service. For the latter, we will improve profitability by revising targeted customers, among other steps

Overseas ⇒ Vietnam, India, China, Singapore, Thailand, Australia
(Job Board, Permanent Recruitment, IT temp)

	FYE Mar 2019 (Apr.2018–Mar.2019)		FYE Mar 2020 Forecast (Apr.2019–Mar.2020)		YOY change (million yen)	YOY change (%)
	(million yen)	% of Sales	(million yen)	% of Sales		
Sales	4,640		11,120		6,480	139.7%
Operating Income			920	8.3%		

* Segment operating income for the fiscal year ending March 2019 is not calculated / compared due to different distribution criteria.

FY March 2020 Performance Plan by Segment

④ HR-Tech

43

(million yen)

500

■ FY2020

-1,240

Sales

Operating Income

FYE Mar 2020 Forecast

over view

A loss is projected to be incurred for the fiscal year as we will continue to invest actively. We will monetize in provincial areas on a trial basis while building a platform for expansion from the next fiscal year onwards.

HR-Tech⇒ engage and related service

	FYE Mar 2019 (Apr.2018–Mar.2019)		FYE Mar 2020 Forecast (Apr.2019–Mar.2020)		YOY change (million yen)	YOY change (%)
	(million yen)	% of Sales	(million yen)	% of Sales		
Sales			500			
Operating Income			-1,240	-248.0%		

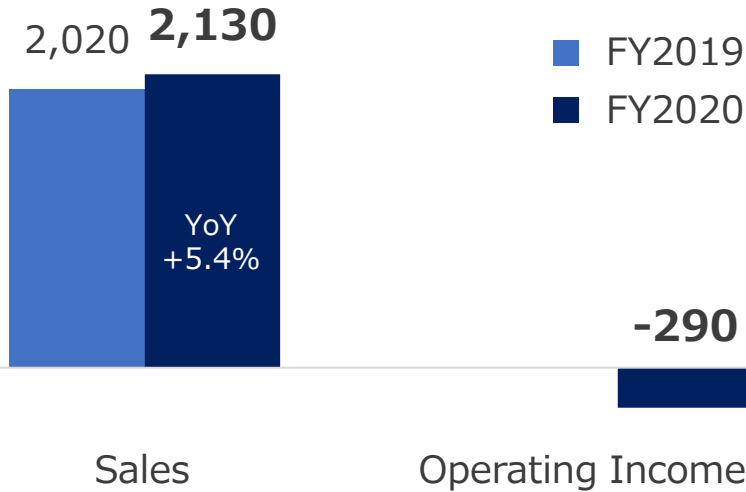
* Segment operating income for the fiscal year ending March 2019 is not calculated / compared due to different distribution criteria.

FY March 2020 Performance Plan by Segment

⑤ Domestic Other Business / Subsidiary

44

(million yen)



FYE Mar 2020 Forecast

Over view

An education/evaluation service and ZEKU are expected to grow steadily. Loss is projected to be posted due to new business-related advance investments.

Domestic Other Business / Subsidiary

⇒ Education / Evaluation , ZEKU、 Other New Business

	FYE Mar 2019 (Apr.2018–Mar.2019)		FYE Mar 2020 Forecast (Apr.2019–Mar.2020)		YOY change (million yen)	YOY change (%)
	(million yen)	% of Sales	(million yen)	% of Sales		
Sales	2,020		2,130		110	5.4%
Operating Income			-290	-13.6%		

* Segment operating income for the fiscal year ending March 2019 is not calculated / compared due to different distribution criteria.

*Repeat on the summary

Medium-Term Management Plan

(FY2020-FY2022)

Published on May 14, 2019

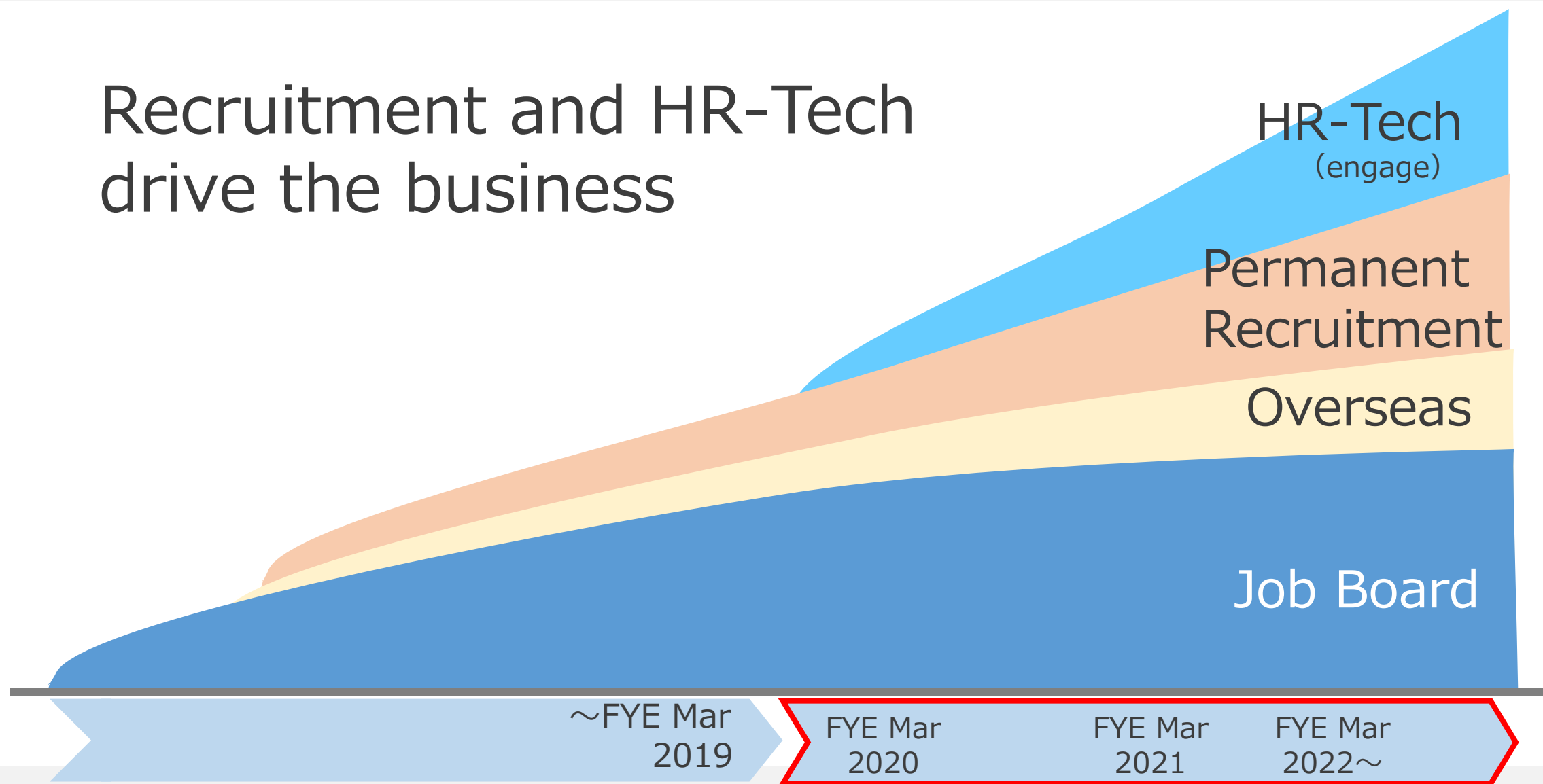
Permanent Recruitment and HR-Tech Become Growth Drivers

- Expand growth in the promising field of permanent recruitment. Carry out personnel growth, structuralization and standardization.
- Growth via the HR-Tech service and the expansion and monetization of “engage”.

Enhancement of M&A in the technology field

- We will use of 20 billion yen total for growth investment focused on M&As and funding within the period of the mid-term management plan.
- Our policy is to actively carry out M&A in the technology field in Japan and overseas.

Recruitment and HR-Tech drive the business



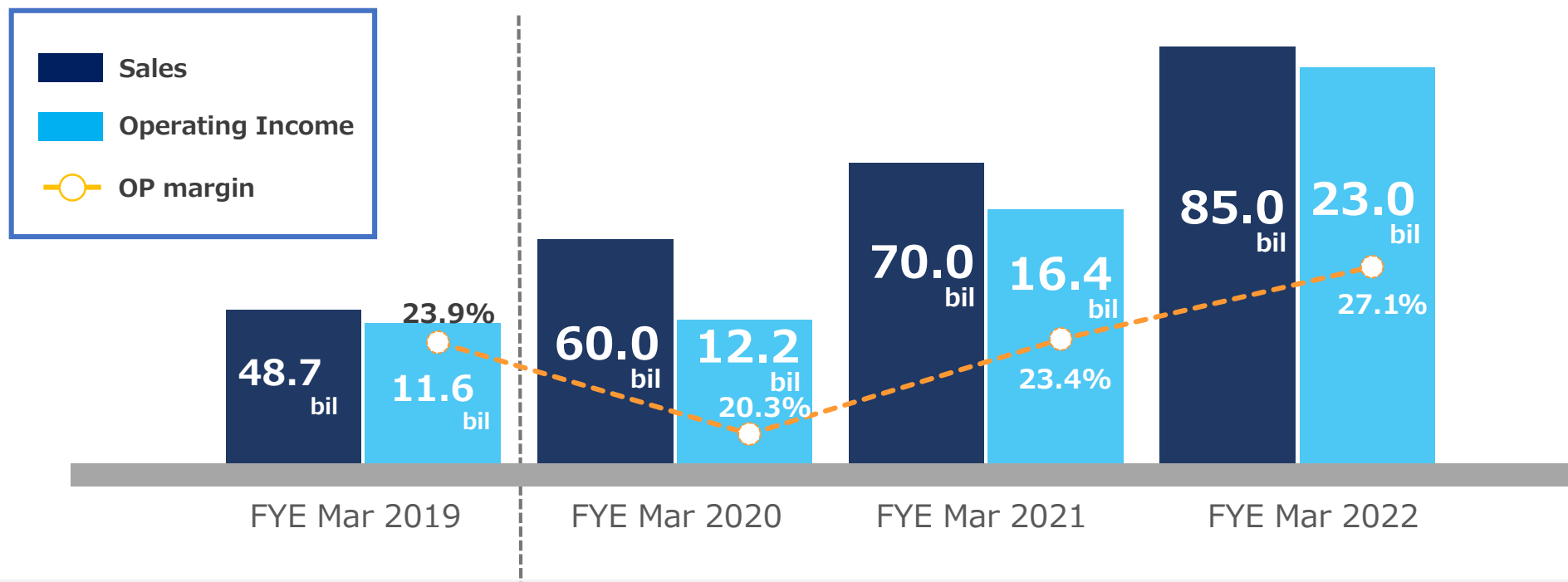
Plan for
FYE Mar/2022

Sales 85.0 bil

March 2019
Year on Year **+74 %**

Operating Income 23.0 bil

March 2019
Year on Year **+97 %**



New Mid-term performance plan FY2020-FY2022 by segments

49

(bil JPY)		FYE Mar 2020	FYE Mar 2021	FYE Mar 2022
Domestic Job Board	Sales	33.8	36.8	39.5
	Operating Income	12.2	13.8	14.8
	OP margin	36.1%	37.5%	37.5%
Domestic Permanent Recruitment	Sales	12.8	15.8	19.0
	Operating Income	1.5	2.3	4.0
	OP margin	11.8%	14.6%	21.1%
Overseas	Sales	11.1	13.5	16.4
	Operating Income	0.9	1.3	1.7
	OP margin	8.3%	9.6%	10.4%
HR-Tech	Sales	0.5	2.0	8.0
	Operating Income	-1.2	0.2	3.2
	OP margin	-248%	10.0%	40.0%
Other than HR	Sales	2.1	2.8	3.6
	Operating Income	-0.3	0.1	0.1
	OP margin	-13.6%	3.6%	2.8%
adjustment	Sales	-0.3	-0.9	-1.5
	Operating Income	-0.9	-1.3	-0.8
consolidated	Sales	60.0	70.0	85.0
	Operating Income	12.2	16.4	23.0
	OP margin	20.3%	23.4%	27.1%

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%

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.

Percentage of women to all directors

1 Person 20%

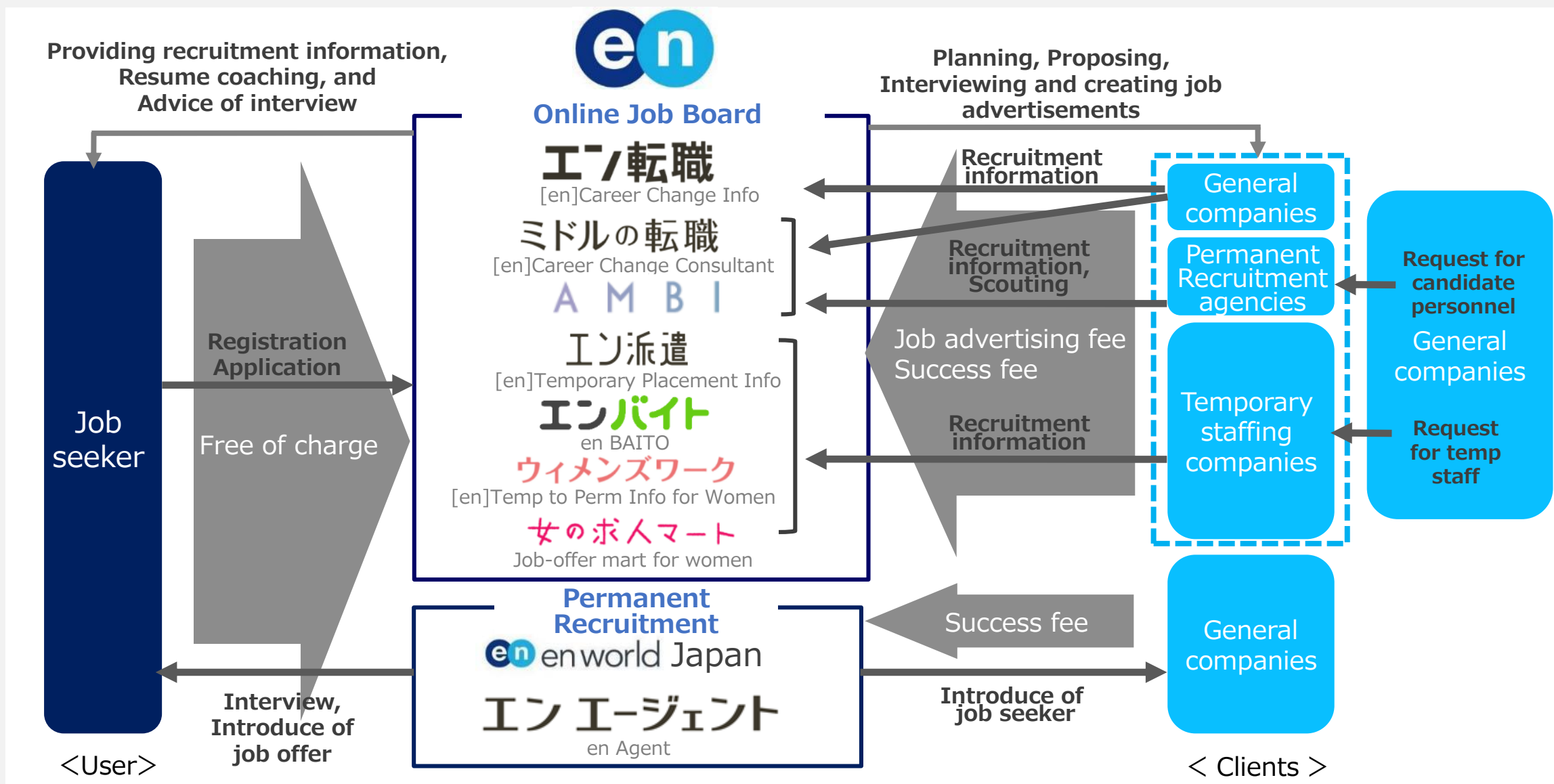
Broaden the application of employee welfare

Apply the employee welfare system also to employees with a same-sex partner, broadening the application







- Apply the employee welfare system, made available to employees in male-female marriage to date, also to employees in common-law marriage with a same-sex partner
- Wedding anniversary congratulatory money, congratulation or condolence leave, subsidy for unaccompanied posting and a grant of retirement benefit shares to bereaved families

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 June. 2019)
【 Stock Listing 】	The First Section of the Tokyo Stock Exchange / (code : 4849)
【 Fiscal Year 】	April 1 – March 31
【 Number of Employees 】	Consolidated 3,558, Non-consolidated 1,707 (as of June. 2019)
【 Number of Outstanding Shares 】	49,716,000 (as of June. 2019)
【 Business Description 】	(1) Internet job recruitment service (2) Permanent recruitment service (3) Implementation of training, seminars (4) Consultation on recruitment , Aptitude test development



<Job Board (Domestic) >

Service brand	Contents	Characteristics	Users	Clients	Company
[en]Career Change Info  エヌ転職	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-japan
[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"> Mainly 30s to 40s 	Permanent Recruitment agencies, General Companies	
	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  エヌ派遣	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"> Mainly Females in their 20s to mid-40s 	Temporary staffing companies	
en BAITO  エヌバイト	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"> Mainly 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"> Mainly Females in their 20s to 40s 	Temporary staffing companies	




<Permanent Recruitment (Domestic) >

Service brand	Contents	Characteristics	Clients	Company
	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 	en world Japan
	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 	en-japan


<Overseas ①>

Service brand	country	Contents	Characteristics	Clients	Company
	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 	en world Singapore
	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 	en world Thailand
	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 	en world Australia
	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 	Navigo group Joint Stock Company
		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 	






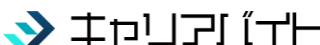

<Overseas ②>

Service brand	country	Contents	Characteristics	Clients	Company
	China	Job board	<ul style="list-style-type: none"> Established in 2004. Strong in construction and real estate areas In recent years, areas other than construction and real estate have been strengthened. 	<ul style="list-style-type: none"> Local Companies Global Companies 	Talent Alliance (Beijing) Technology Development Limited
	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 	NEWERA INDIA
		Temporary staffing (IT areas)	<ul style="list-style-type: none"> Has 20 years of experience in IT dispatching and has many leading IT companies as clients Focus on investment and education in advanced technologies such as AI and IoT 	<ul style="list-style-type: none"> Local Companies Global Companies 	Future Focus Infotech


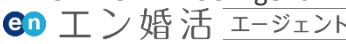
<HR-Tech>

Service brand	Contents	Characteristics	Clients	Company
	Digital platform aimed at having workers play active roles after being hired, joining companies	<ul style="list-style-type: none"> A freemium-model recruitment support tool Can create high-quality corporate recruitment websites and job listings easily and quickly Job offers created are automatically linked to Indeed, Google job search and such like Use of the fee-based plan allows access to a greater number of job-seeker applications and stronger recruitment support Aptitude tests, retention tools and other related services are also available on engage 	General Companies	en-japan

<Domestic Other Business / Subsidiary>

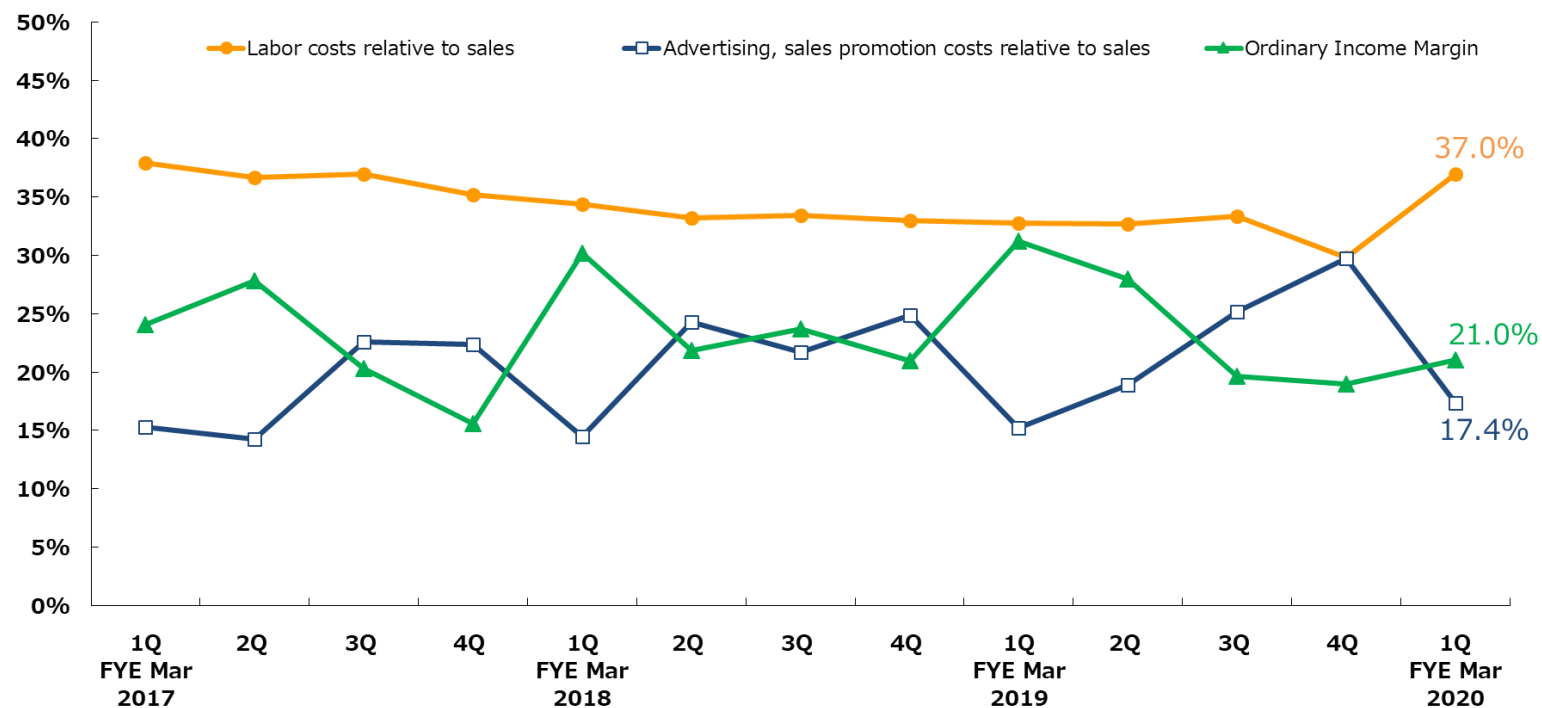
	Contents	Characteristics	Clients	Company
  	Provision of various services to help employees play active roles and keep working for the company	<ul style="list-style-type: none"> • Development and sale of aptitude tests • Operation of en-college training services • Development and sale of retention tool “HR OnBoard” • Establishment of personnel assessment system, etc. 	General Companies Temporary staffing companies	en-japan
	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	Zeku
	Design and development of web site and application	<ul style="list-style-type: none"> • Company in the UI/UX growth contracting business. • Not only site design but also design and consulting for the purpose of users using the site. 	General Companies	OWLS
	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 	General Companies	i-tank japan
	Recruitment business for foreigners	<ul style="list-style-type: none"> • Undertakes correspondence between foreign job seekers in Japan and hiring firms using chat • Resolves the inconvenience of job seekers, such as job listings being available only in Japanese language and difficulty in communication on the phone • Resolves issues faced by hiring firms, such as job applicant not showing up for an interview due to a lack of communication 	General Companies	Japan Work

<Other New Business *Unconsolidated subsidiary >

	Contents	Characteristics	Clients	Company
	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	Insight Tech
	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	en KONKATSU AGENT

Cost relative to sales - Labor cost and Sales & Promotion cost (consolidated)

60

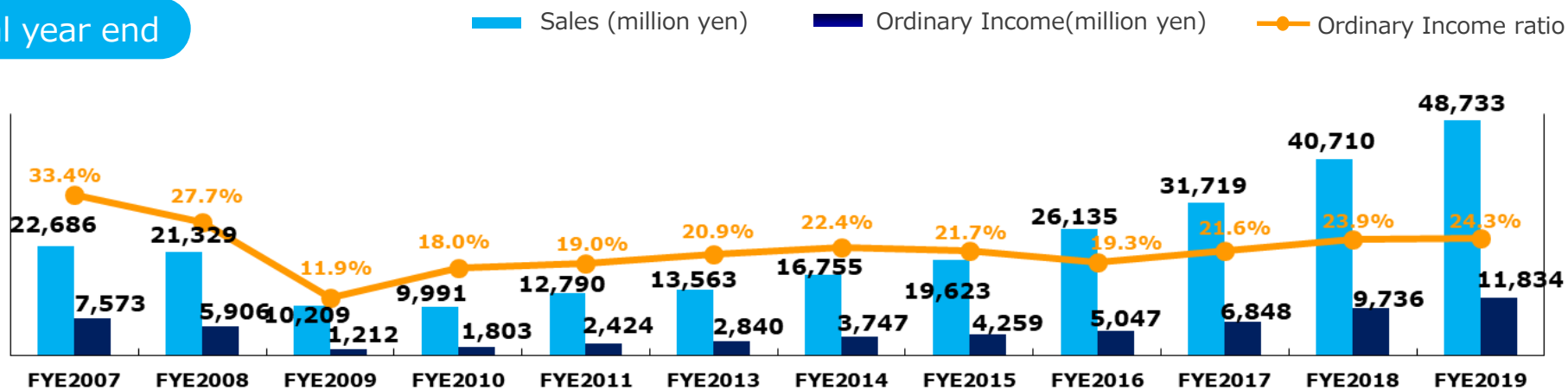


	1Q FYE Mar 2017	2Q	3Q	4Q	1Q FYE Mar 2018	2Q	3Q	4Q	1Q FYE Mar 2019	2Q	3Q	4Q	1Q FYE Mar 2020
Ordinary Income (million yen)	1,738	2,125	1,583	1,411	2,753	2,134	2,364	2,484	3,622	3,373	2,385	2,453	2,892
% of sales	24.0%	27.8%	20.3%	15.6%	30.2%	21.8%	23.7%	21.0%	31.2%	28.0%	19.6%	19.0%	21.0%
Labor costs (million yen)	2,743	2,797	2,885	3,185	3,137	3,250	3,336	3,901	3,803	3,947	4,056	3,849	5,092
% of sales	37.9%	36.7%	37.0%	35.2%	34.4%	33.2%	33.5%	33.0%	32.8%	32.7%	33.4%	29.8%	37.0%
Ad, sales promotion costs (million yen)	1,108	1,086	1,764	2,028	1,323	2,373	2,166	2,947	1,762	2,282	3,056	3,841	2,394
% of sales	15.3%	14.2%	22.6%	22.4%	14.5%	24.3%	21.7%	24.9%	15.2%	18.9%	25.2%	29.7%	17.4%

Earnings for Fiscal year end and each quarter

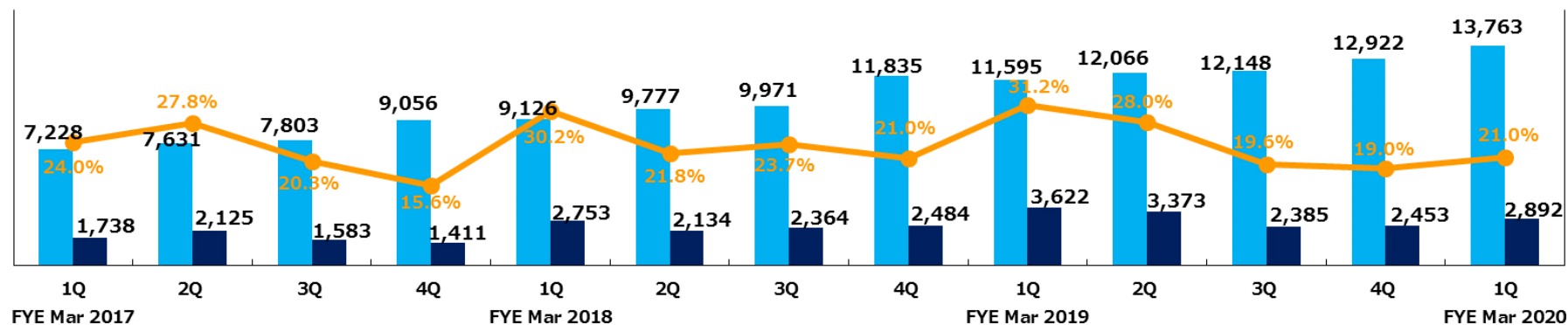
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Fiscal year end



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

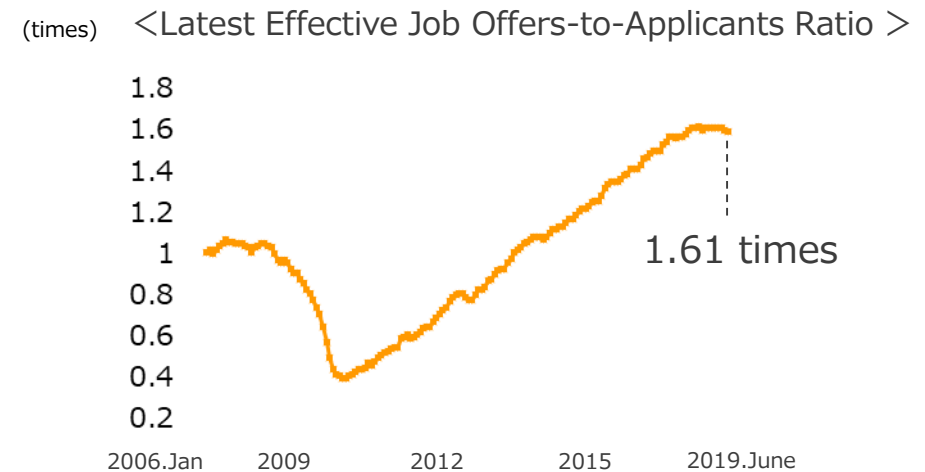
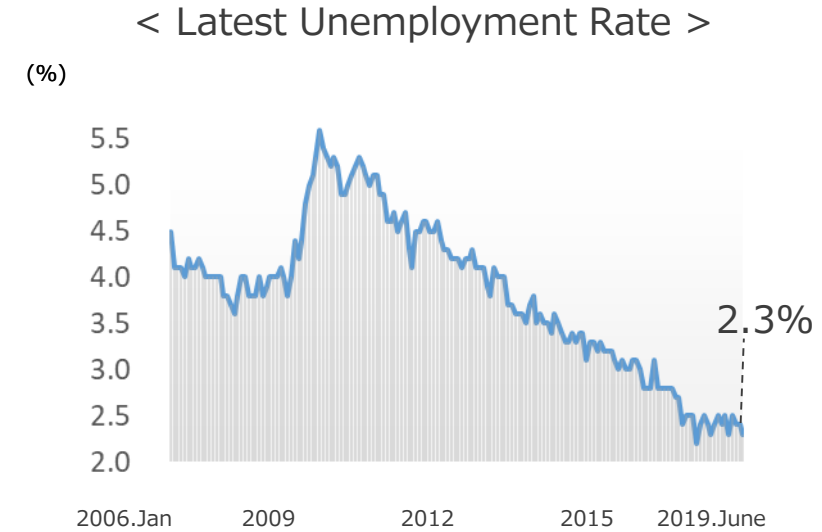
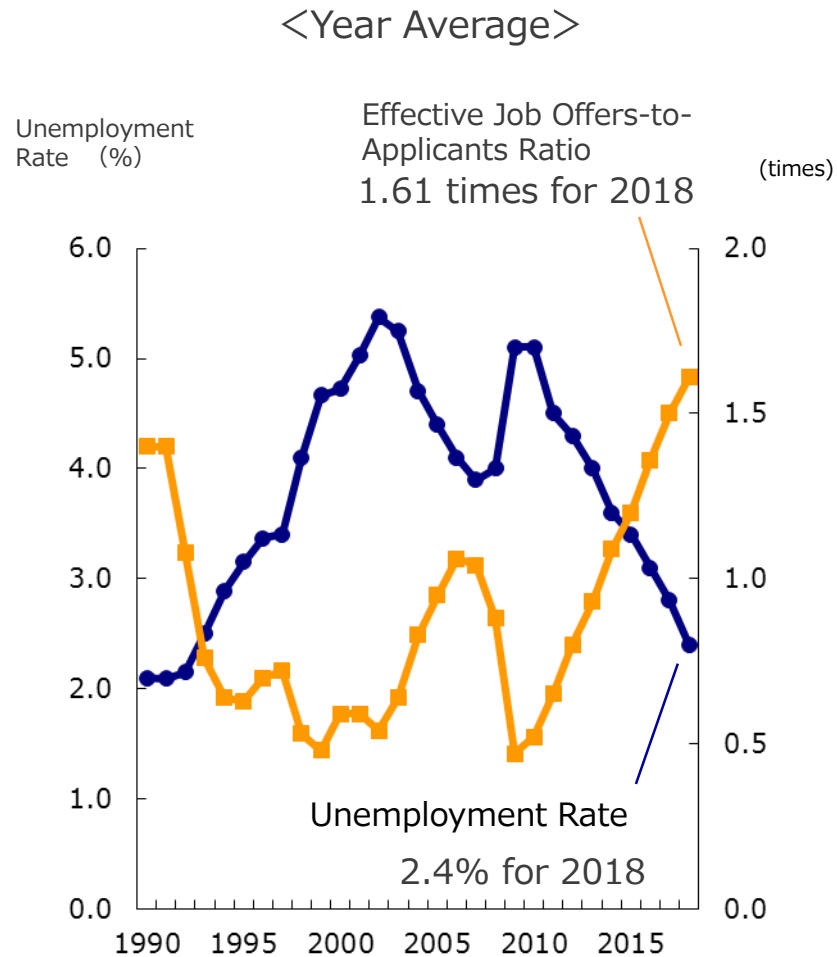
Quarter



The market environment

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

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Source : Ministry of Health, Labor and Welfare ,
the Statistics Bureau, Ministry of Internal Affairs and Communications



■ 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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