



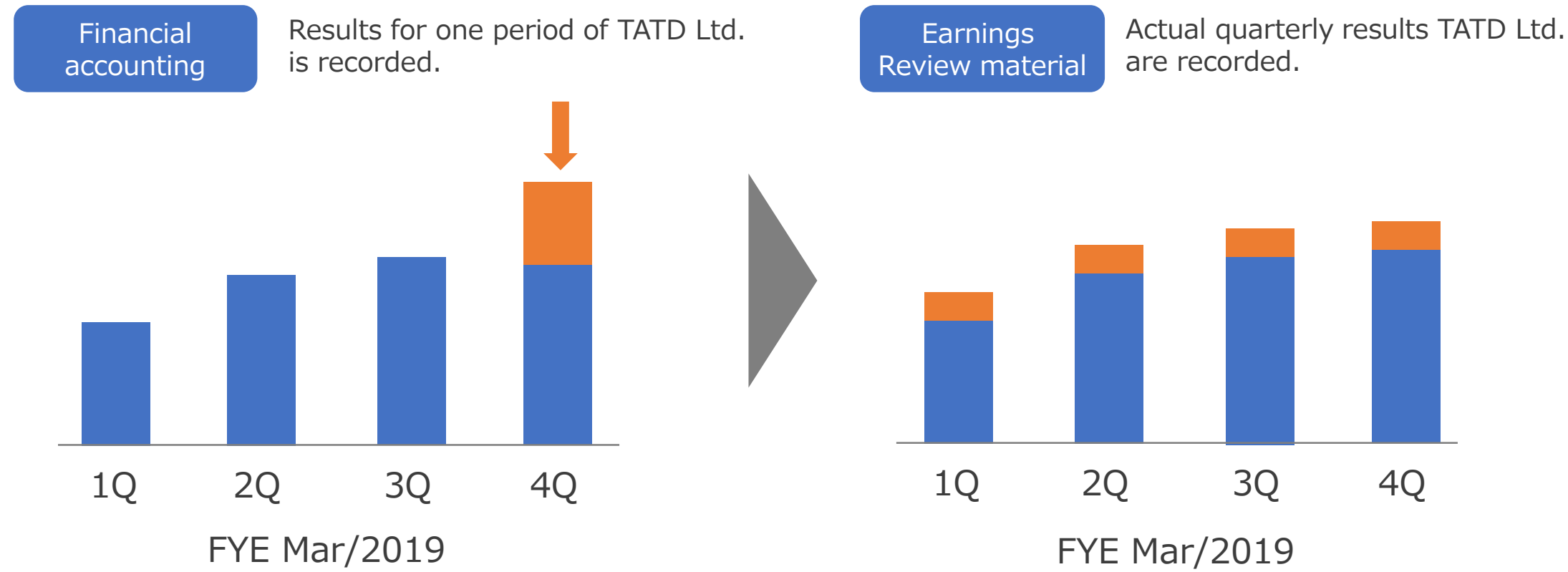
3rd Quarter of FYE Mar/2020 Earnings Review

February 12, 2020

Security Code 4849
TSE First Section

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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.



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 3rd Quarter of FYE Mar/2020

Consolidated performance

Sales : 41.9bill YoY +17.0% Operating income : 8.1bill YoY -12.1%

- Both sales and operating income fell short of the plan.

Domestic Job Board

Sales : 23.4bill YoY +3.2% Operating income : 8.5bill

- Sales of [en] Career Change Info fell short of the plan.
- Operating income fell short of the plan although sites with a high profit rate contributed to earnings.

Domestic Permanent Recruitment

Sales : 8.8bill YoY +6.2% Operating income : 0.9bill

- Sales at both EWJ and EA fell short of the plan.
- Operating income was generally in line with the plan mainly as a result of reducing personnel costs.

Overseas

Sales : 8.1bill YoY +130.5% Operating income : 0.7bill

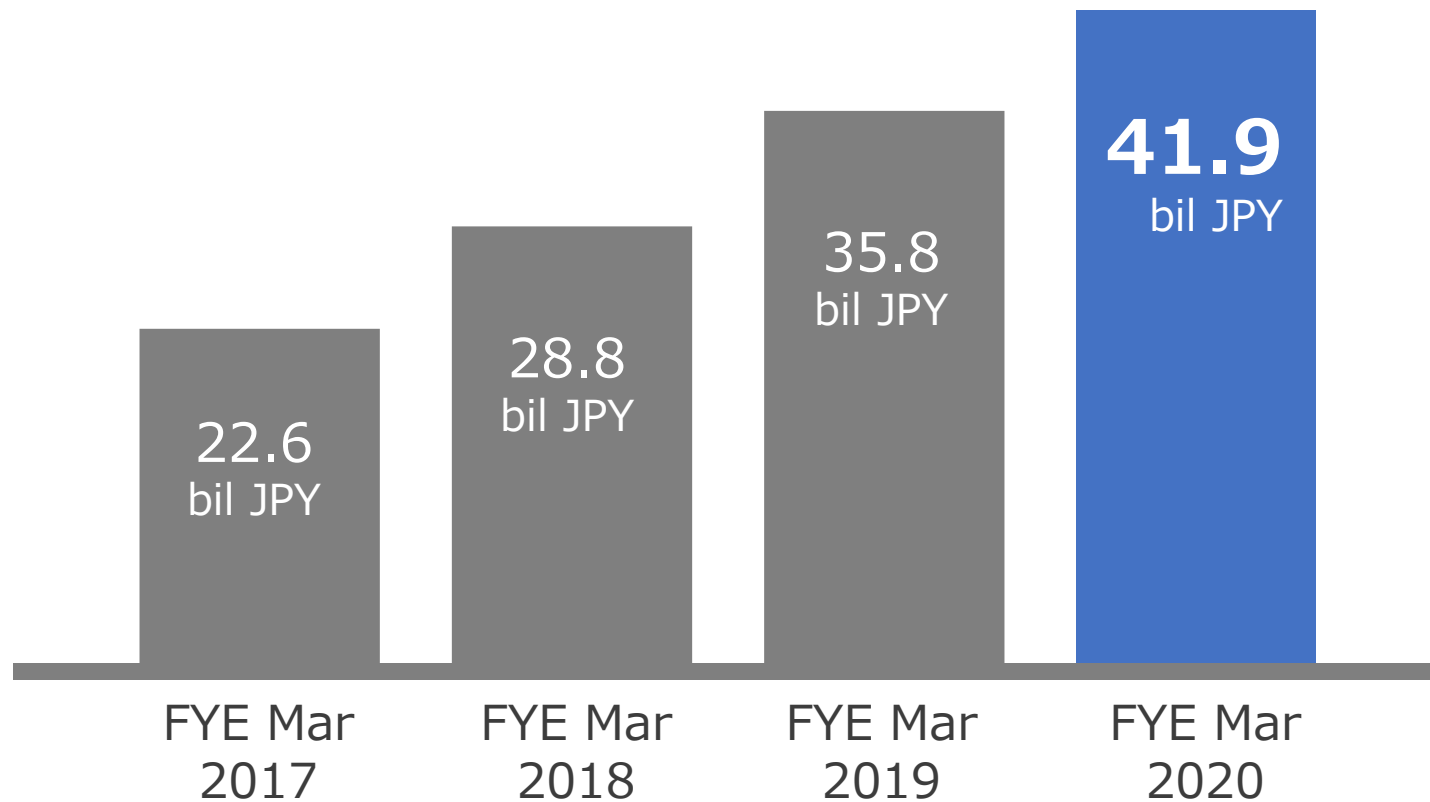
- Despite the strong performance in Vietnam and India, the segment overall was comparable to the plan due to sluggish performance in less-focused-on countries.
- Operating income exceeded the plan as performance in Vietnam and India contributed to earnings.

HR-Tech

Sales : 0.2bill Operating income : -1.2bill

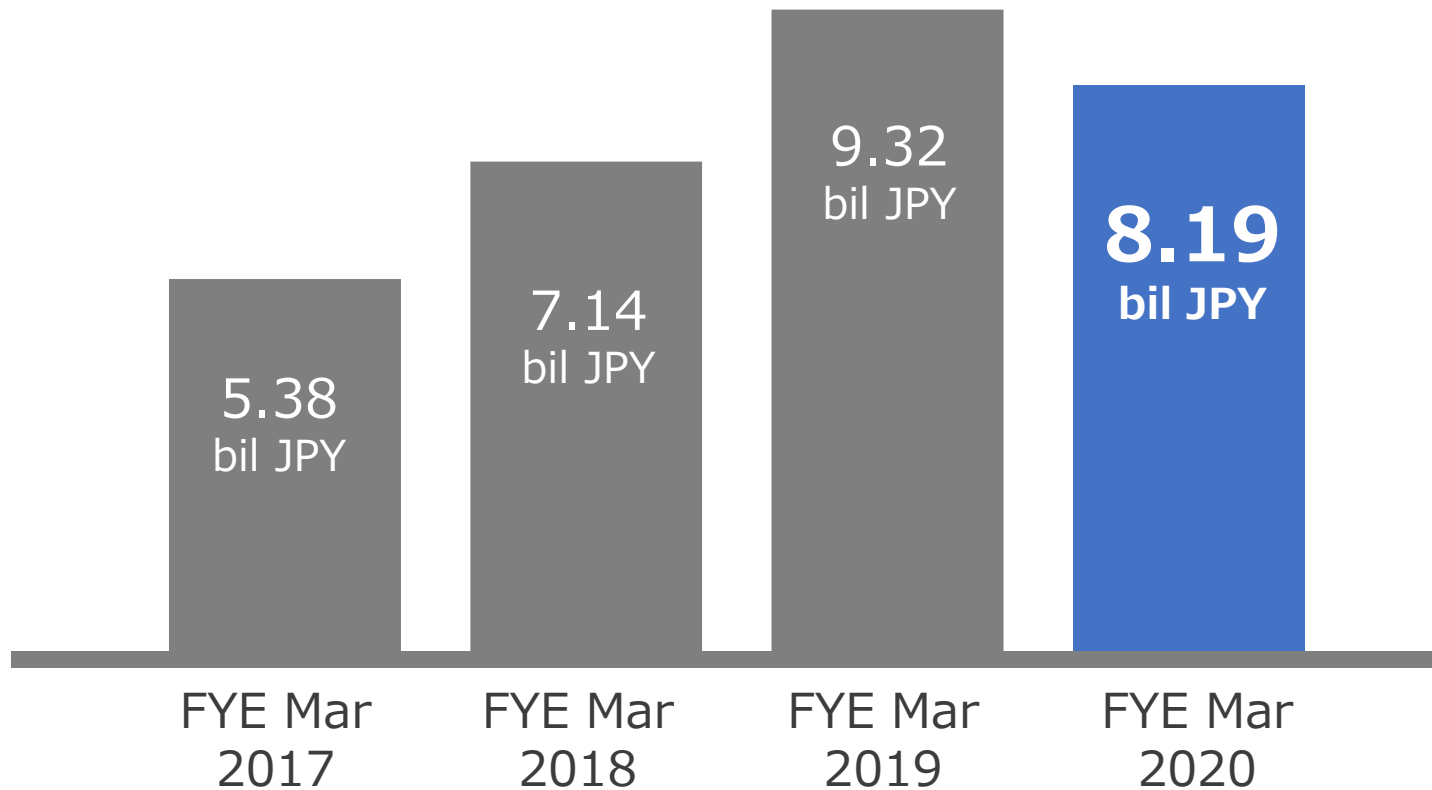
- Orders progressed steadily although sales were slightly below the plan.
- Operating loss, including incremental investment, was generally in line with the plan.

3Q (Apr.–Dec.)
Sales



Increased
17.0%

3Q (Apr.–Dec.)
Operating Income



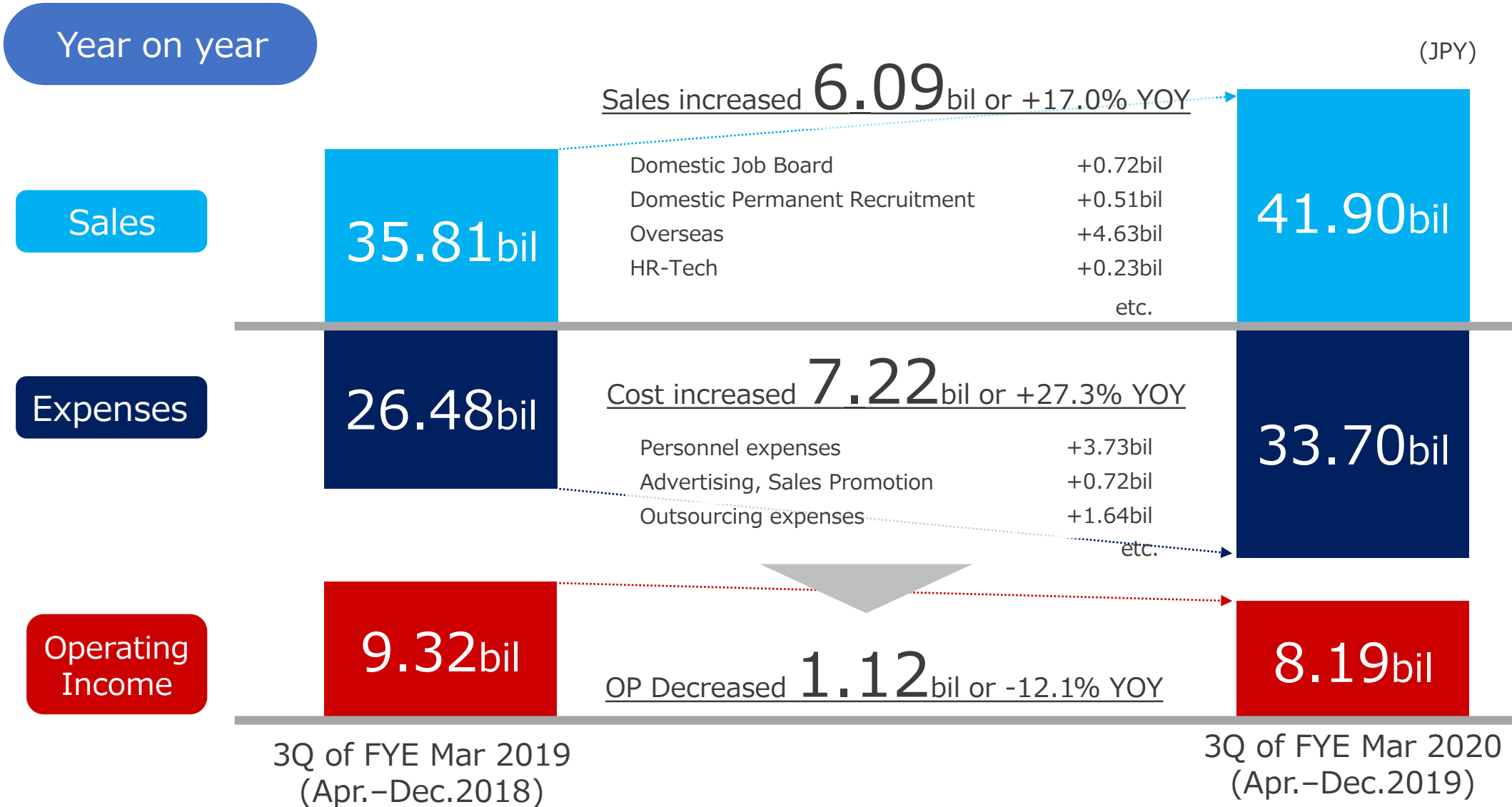
Decreased
12.1%

[3Q of FYE Mar/2020 Results] Consolidated Income Statement

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	FYE Mar 2019 (Apr.–Dec.2018) *		FYE Mar 2020 (Apr.–Dec.2019)		YOY change (million yen)	YOY change (%)	FYE Mar 2019 (Apr.–Dec.2018) -Financial accounting-	
	(million yen)	% of Sales	(million yen)	% of Sales			(million yen)	% of Sales
Net Sales	35,810	100.0%	41,904	100.0%	6,094	17.0%	34,801	100.0%
Cost of Sales	3,493	9.8%	7,780	18.6%	4,287	122.7%	3,430	9.9%
Personnel	2,270	6.3%	4,889	11.7%	2,619	115.4%	2,270	6.5%
Other	1,223	3.4%	2,891	6.9%	1,668	136.4%	1,160	3.3%
Gross Profit	32,316	90.2%	34,123	81.4%	1,807	5.6%	31,370	90.1%
SGA(Sales, general & administrative)	22,988	64.2%	25,924	61.9%	2,936	12.8%	22,269	64.0%
Personnel	9,538	26.6%	10,654	25.4%	1,116	11.7%	9,008	25.9%
Advertising, Sales Promotion	7,101	19.8%	7,827	18.7%	726	10.2%	7,046	20.2%
Other	6,348	17.7%	7,443	17.8%	1,095	17.2%	6,214	17.9%
Operating Income	9,328	26.0%	8,198	19.6%	-1,130	-12.1%	9,101	26.2%
Ordinary Income	9,380	26.2%	8,176	19.5%	-1,204	-12.8%	9,266	26.6%
Net Income attributable to en-japan	6,469	18.1%	5,483	13.1%	-986	-15.2%	6,487	18.6%

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

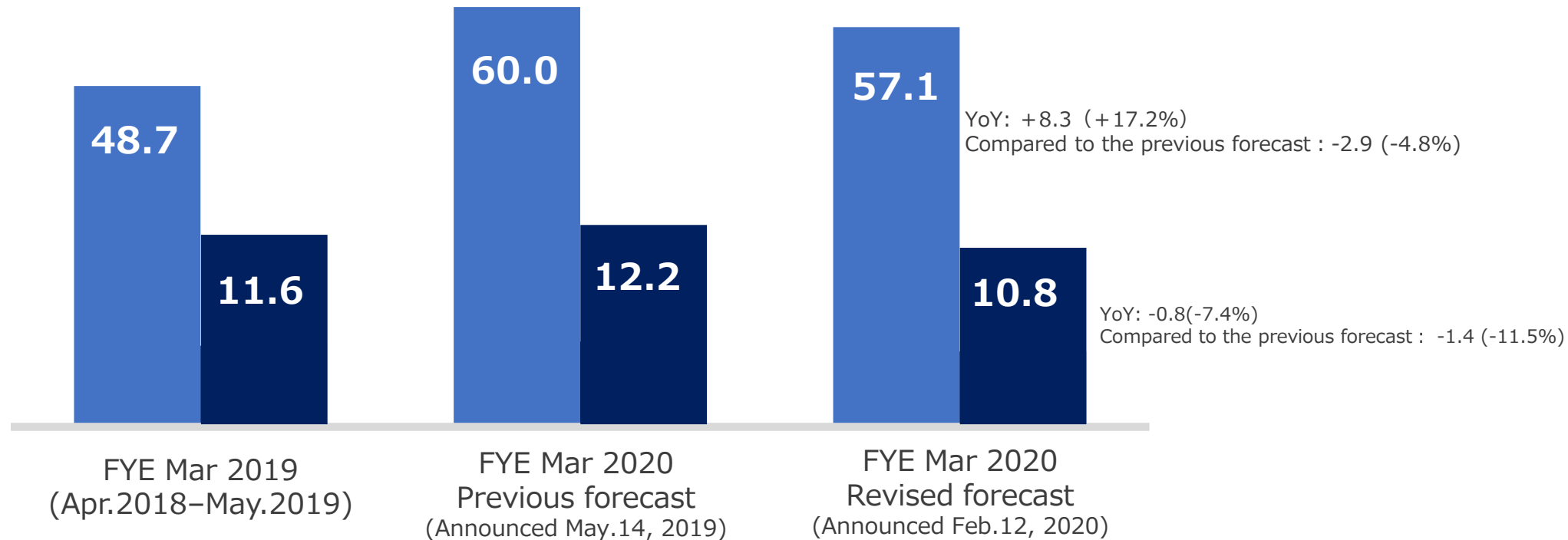


Full-year earnings forecast

Performance is expected to fall short of the previous forecast primarily in Domestic Job Board and Domestic Permanent Recruitment. Full-year sales and operating income forecasts are revised downward.

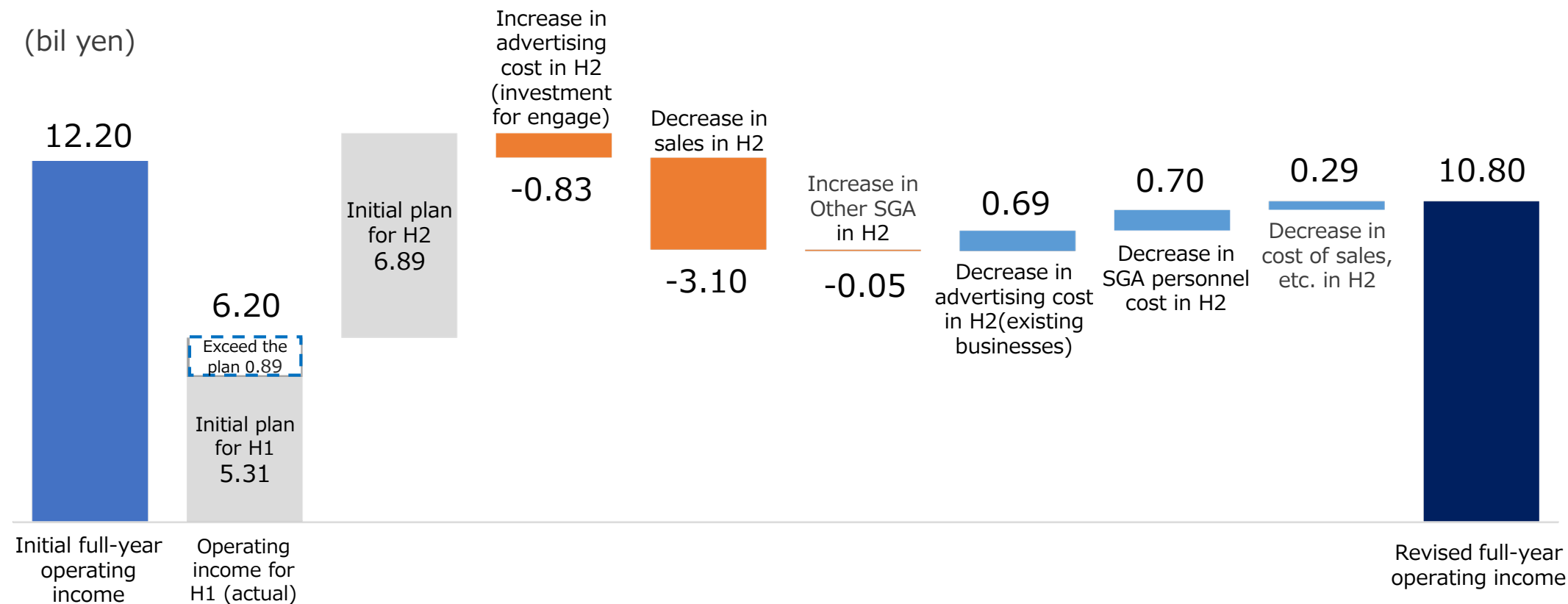
(bil yen)

■ Sales ■ Operating Income



Operating Income

The main factor is the lower sales in the second half of the year. Although efforts are made to increase cost efficiency in existing businesses, the impact of lower sales is significant.



FYE Mar/2020 Revised Forecast by Segment


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(bil JPY)		Initial Forecast	Revised Forecast	Change
Domestic Job Board	Sales	33.80	32.25	-1.55
	Operating Income	12.20	11.74	-0.46
	OP margin	36.1%	36.4%	+0.3Pt.
Domestic Permanent Recruitment	Sales	12.83	11.95	-0.88
	Operating Income	1.52	1.26	-0.26
	OP margin	11.8%	10.6%	-1.3Pt.
Overseas	Sales	11.12	10.77	-0.35
	Operating Income	0.92	0.92	+0.00
	OP margin	8.3%	8.5%	+0.3Pt.
HR-Tech	Sales	0.50	0.50	±0.00
	Operating Income	-1.24	-2.02	-0.78
	OP margin	-248.0%	-405.0%	-156.0Pt.
Other than HR	Sales	2.13	2.11	-0.02
	Operating Income	-0.29	-0.20	+0.09
	OP margin	-13.6%	-9.9%	+4.1Pt.
adjustment	Sales	-0.38	-0.50	-0.11
	Operating Income	-0.91	-0.90	+0.06
consolidated	Sales	60.0	57.1	-2.9
	Operating Income	12.2	10.8	-1.4
	OP margin	20.3%	18.9%	-1.4Pt.


Brocante

Operates the largest-level IT freelance listing/job advertising site in Japan.

Company name	Brocante inc.
Date of established	October 2017
Address	Shibuyaku, Tokyo
Main business	Operation of "Freelance Start", a project search site for freelancers
Name and post of representative	Ryo Kasama, Representative Director
Operating results (FYE Sep 30, 2019)	Sales : 73 million yen Operating income : 7 million yen
Acquisition value and Number of shares	Acquisition value : approx. 0.6bil Number of shares : 100% *Share exchange by treasury stock

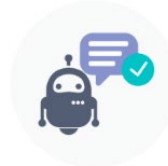







国内最大級の案件・求人数

興味のある案件をカンタンに見つけて条件の良いエージェントから案件に応募できます。



登録がとにかく簡単

複数のフリーランスエージェントにワンクリックもしくはチャットボットで一括登録する事ができます。



お役立ち情報が充実

楽しく、賢くフリーランスで活躍するために必要なお役立ち情報をお届けします。

- Handles listings in a wide range of job types
- Over 100,000 listings (as of January 2020)
- Also posts the characteristics and reputations of agents
- Users can save and collectively manage listings of interest and applied listings

KYNA.VN

Học Online Cùng Chuyên Gia

KYNABIZ

Giải Pháp Đào Tạo Trực Tuyến Toàn Diện

Online education business for adults in Vietnam

Navigos acquired the shares of Viet Resources Training Company Limited, a new company operating online educational services for adults, that was established by Dream Viet Education, a leading online education business operator in Vietnam.

Company name	Viet Resources Training Company Limited
Date of established	2019
Address	Hanoi Vietnam
Main business	Online education business for adults
Name and post of representative	Nguyen Thanh MINH
Number of shares	Number of shares : 80%



KYNA.VN Giải pháp E-learning Khách hàng Chương trình đào tạo Case study Liên hệ 0938.989.791 tuvan@kynabiz.vn

BẠN MUỐN HỌC GÌ HÔM NAY

- Sinh nhật
- Bán hàng
- Giao tiếp
- Khoá học mới
- Facebook
- Tiếng Hoa
- Thuyết phục
- Photoshop
- Yoga
- SEO

Khoá học nổi bật cho bạn

- CONTENT MARKETING** (101) 299.000đ 488.000đ (-39%)
- Giải pháp bán hàng Online tuyệt đỉnh** (101) 399.000đ 1.800.000đ (-78%)
- 5 Bí quyết đầu tư bất động sản** (101) 299.000đ 800.000đ (-63%)
- Photoshop cho dân kế web** (101) 4.7đ (101) 54.78đ (91%)
- Bạn cần hỗ trợ?** (101) 4.7đ (101) 54.78đ (91%)

GIẢI PHÁP ĐÀO TẠO NHÂN SỰ CHẤT LƯỢNG CAO

Chuyên nghiệp – Nhanh chóng – Đo lường hiệu quả

Xem thêm thông tin

Được top 500 doanh nghiệp lớn nhất Việt Nam tin dùng

Doanh nghiệp của bạn đang lên kế hoạch xây dựng chương trình đào tạo bài bản nhưng:

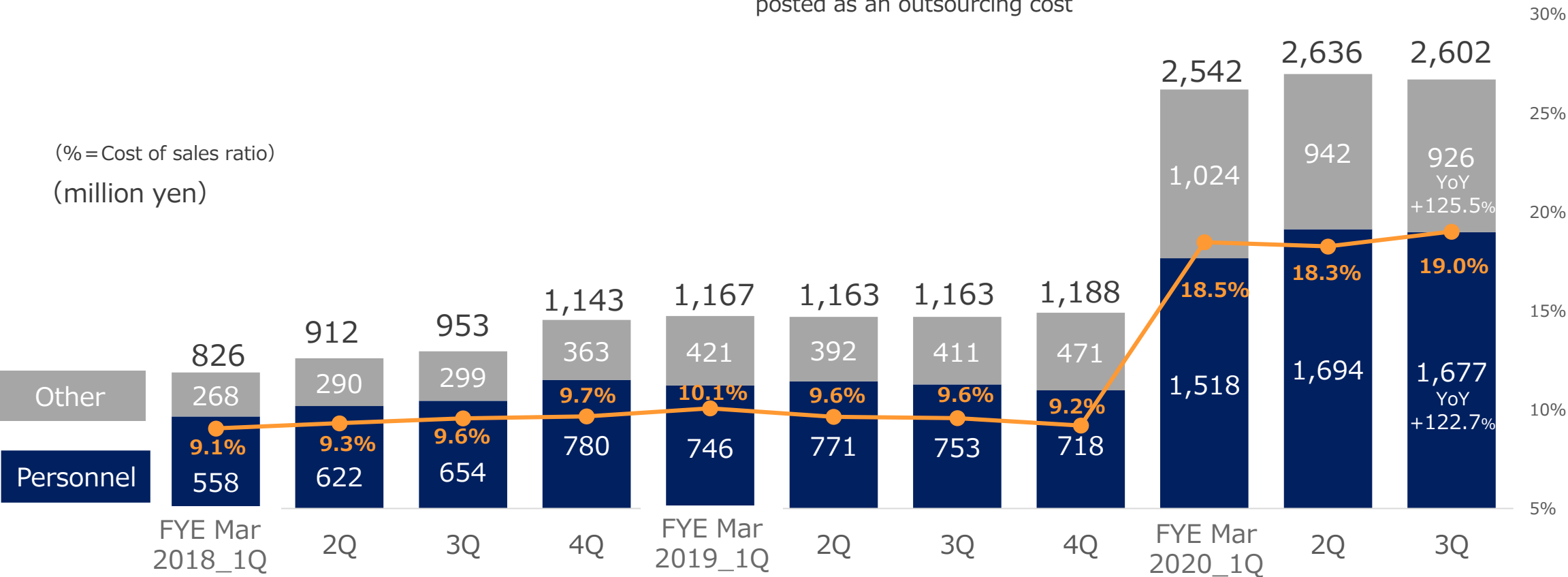
- ❌ Thiếu hụt nhân lực đào tạo.
- ❌ Chi phí cho nhân lực đào tạo tốn kém, mất thời gian.
- ❌ Nhân viên đào tạo không có thời gian để đào tạo chuyên sâu.
- ❌ Chưa có hệ thống đào tạo nhân sự bài bản.
- ❌ Chất lượng đào tạo phụ thuộc vào nhân viên đào tạo.
- ❌ Lo lắng về vấn đề bảo mật cho chương trình đào tạo.

Cost of Sales

Cost showed a 123.7% increase in 3 Q

Personnel cost of temporary workers and outsourcing cost related to FFI, an IT temporary staffing agency, which was newly consolidated, increased

Some costs which were recorded as personnel cost by FFI in the plan at the beginning of the term were posted as an outsourcing cost

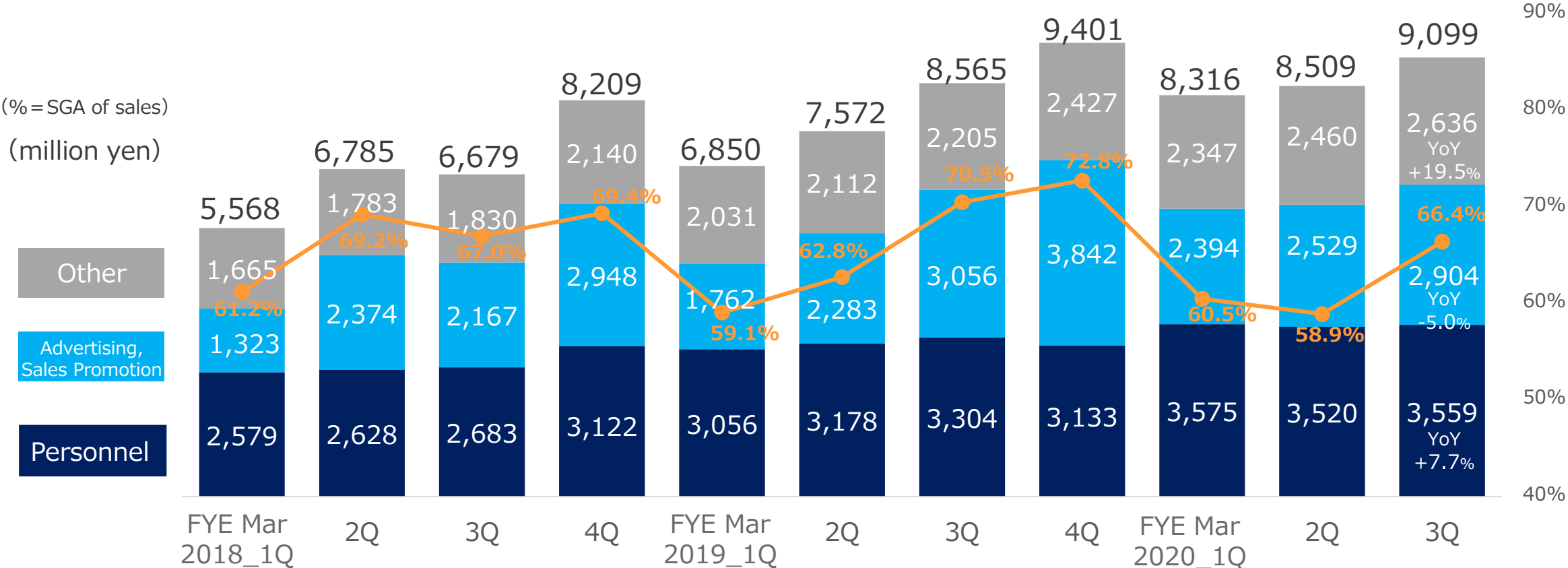


SGA Expenses

SGA expenses demonstrated a 6.2% increase in 3 Q

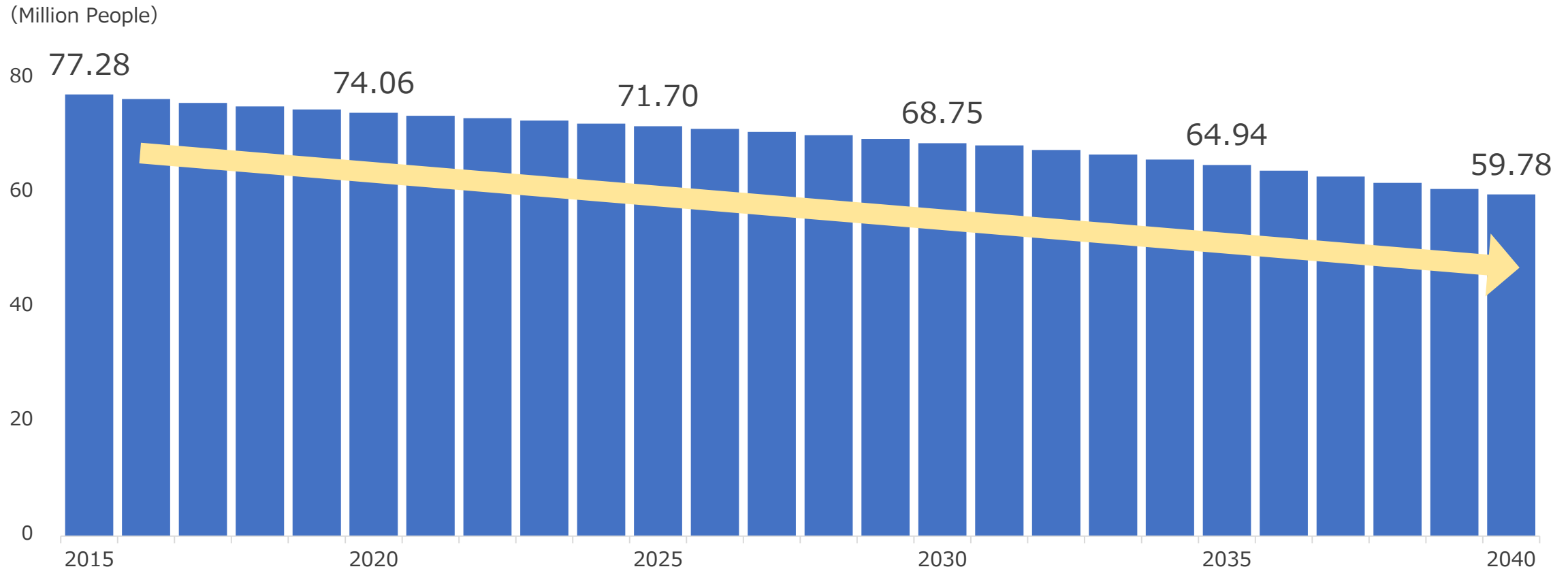
Although efforts were made to increase the efficiency of advertising cost for job boards, expenses associated with advance investment newly made for HR-Tech increased.

Some expenses recorded as personnel cost of Cost of Sales by FFI under the initial plan were recorded as personnel cost of SGA expenses.



Market Environment

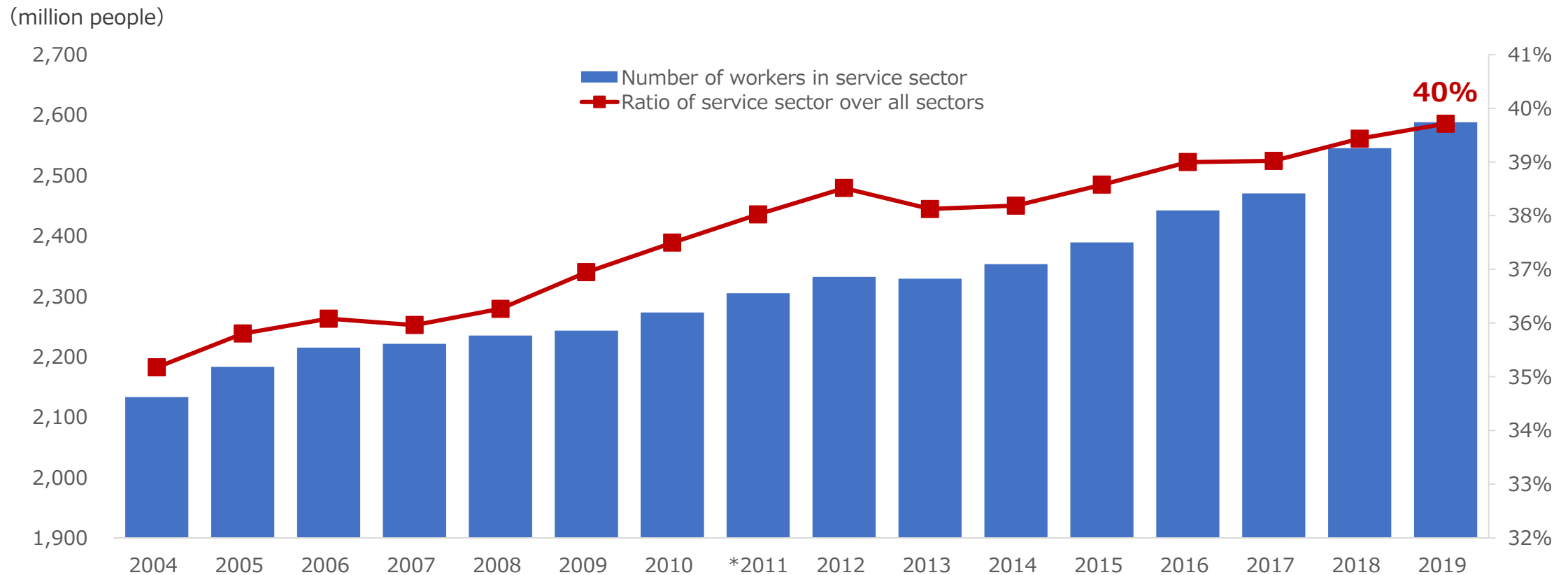
Domestic working-age population continues to decline



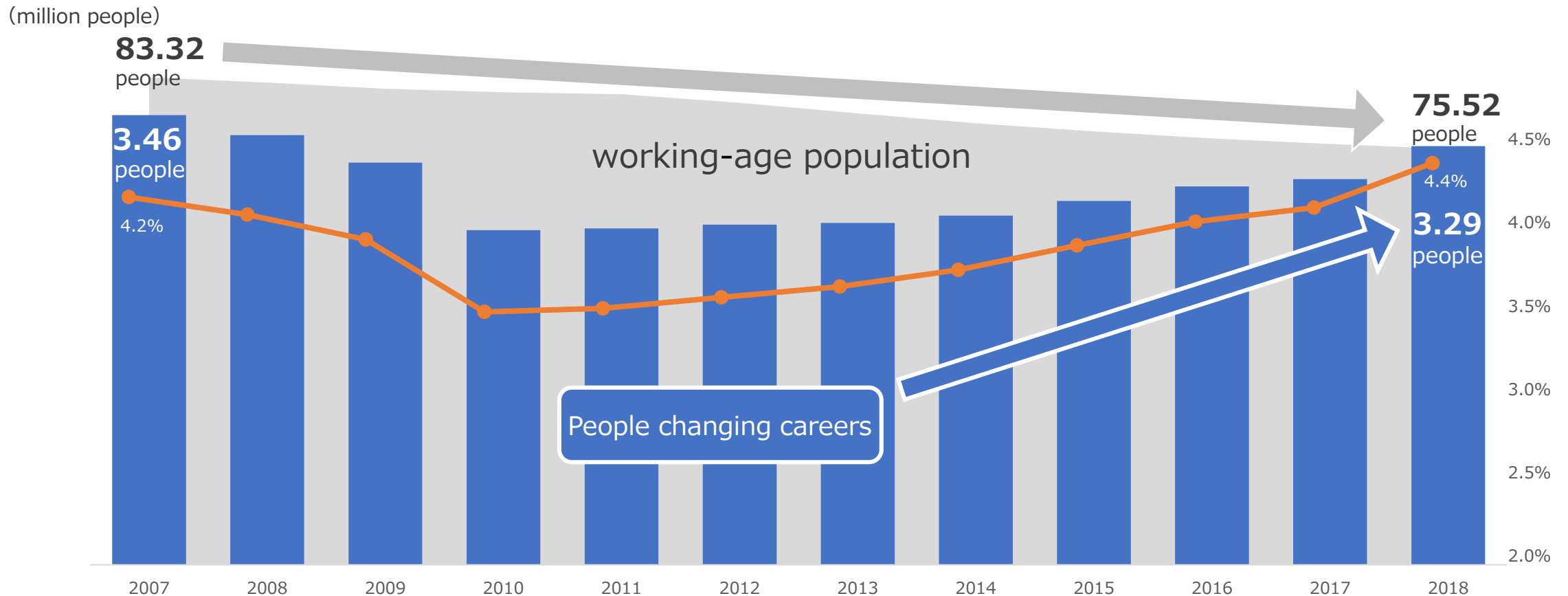
Source : National Institute of Population and Social Security Research

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.



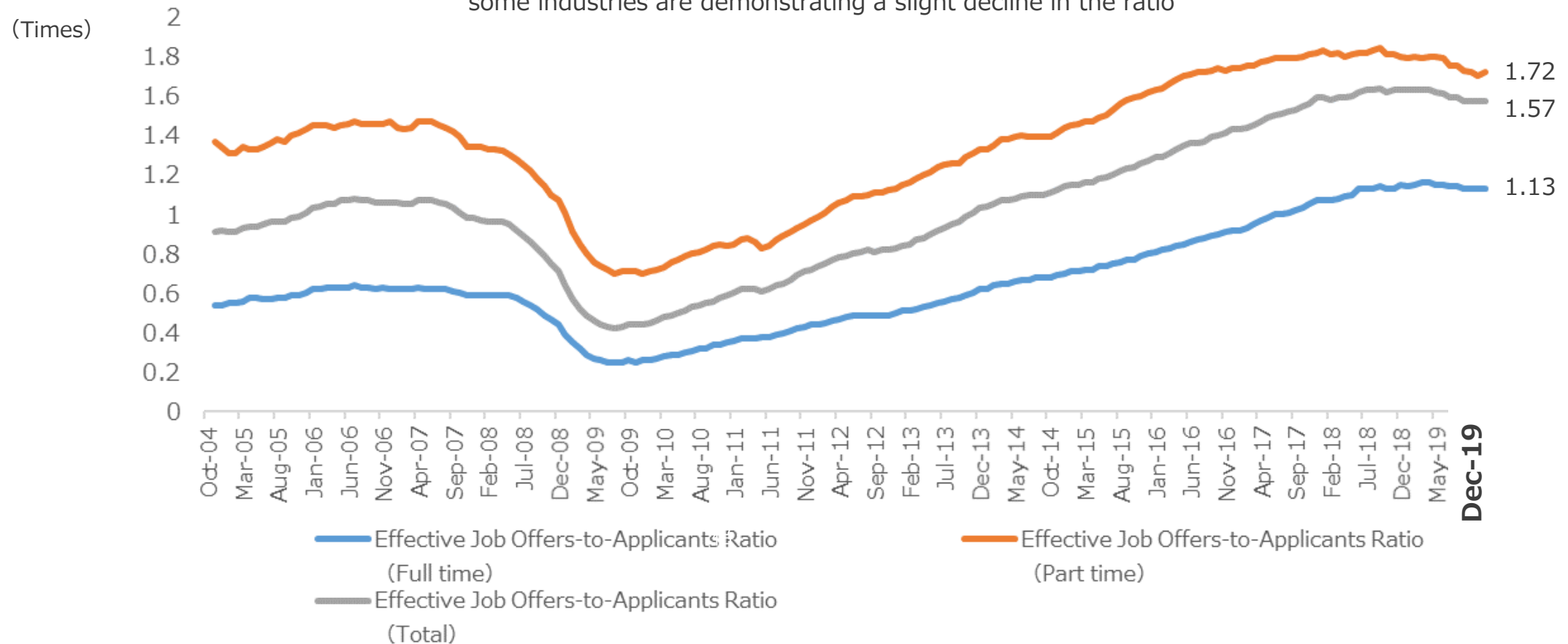
The working-age population declines, but Number of people changing careers increases and mobility is raised



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

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

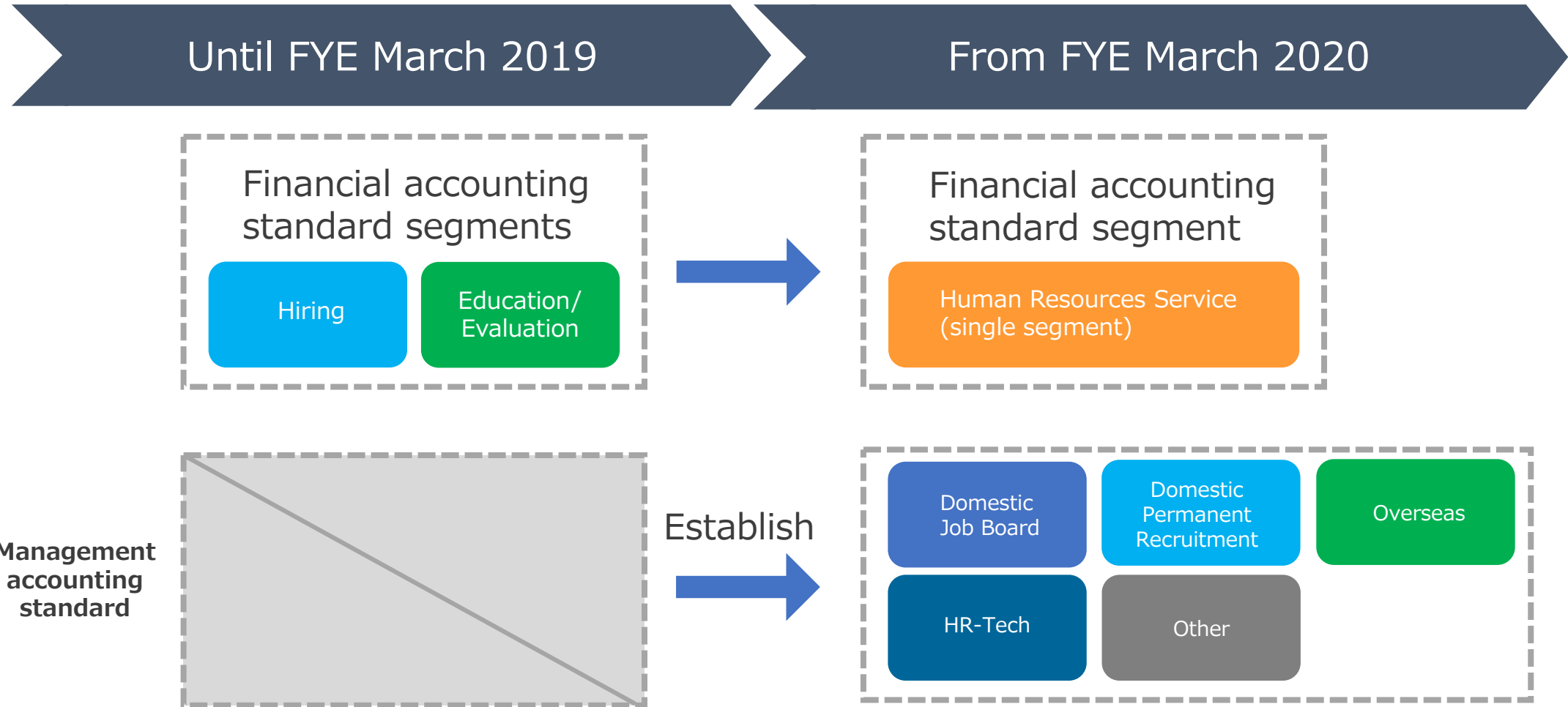
Job offers-to-applicants ratio remains high. However, due to uncertainty regarding business sentiment, some industries are demonstrating a slight decline in the ratio



Performance Overview by Segment^{*} for 3rd Quarter of FYE Mar/2020

^{*}a management accounting basis

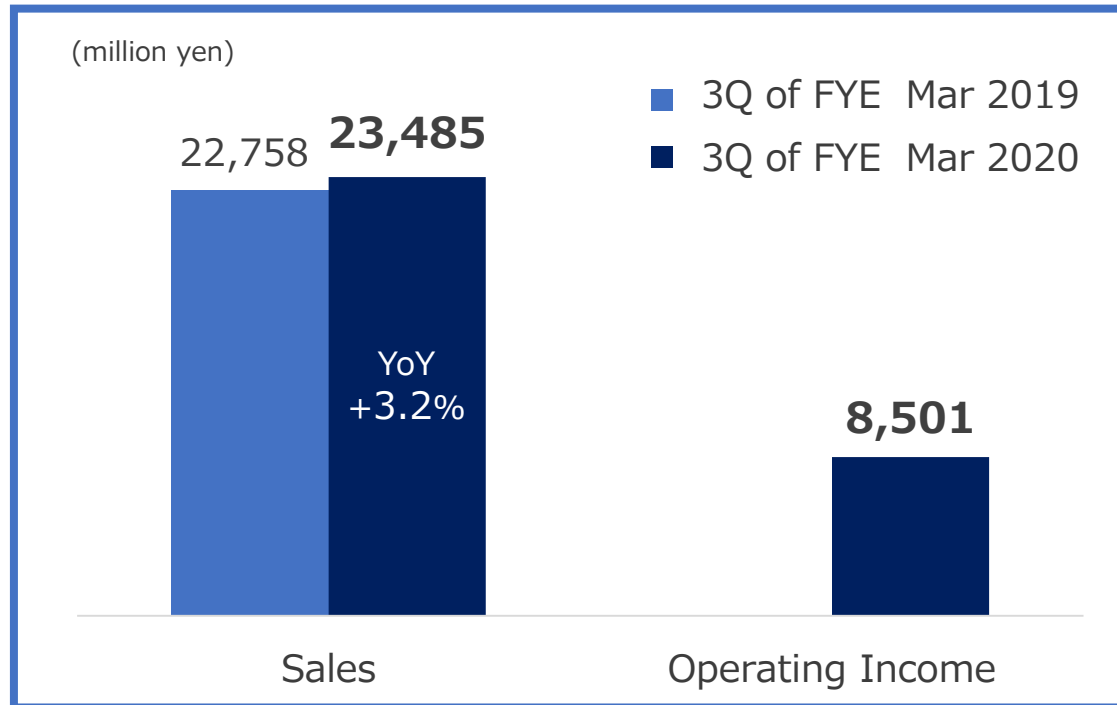
Starting from FYE March 2020, we will disclose new business segmentation on a management accounting basis, making it easy to know the state of our business lines.



3Q of FYE Mar/2020 Performance Overview by Segment

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① Domestic Job Board



3Q of FYE Mar 2020	
[en]Career Change Info	<ul style="list-style-type: none"> - Number of items mainly for SMEs fell short of expectations due to the impact of price competition in the market. Full-year forecast was revised downward. - Share continued to increase for large-lot customers and unit prices increased.
Sites for Permanent Recruitment agencies	<ul style="list-style-type: none"> - Although there is a sense of slowdown in the customers' permanent recruitment market, the Company focused on capturing new customers and fields. - AMBI focused on promoting the use of sites by corporations and continued to show high growth.
Sites for Temporary staffing companies	<ul style="list-style-type: none"> - The office segment performed steadily due mainly to additional orders from leading temporary staffing companies. - en BAITO demonstrated high growth mainly in the nursing care and light work segments.
Cost and profit	<ul style="list-style-type: none"> - Despite efforts made to enhance cost efficiency, the decline in sales could not be absorbed and income fell short of the plan.

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

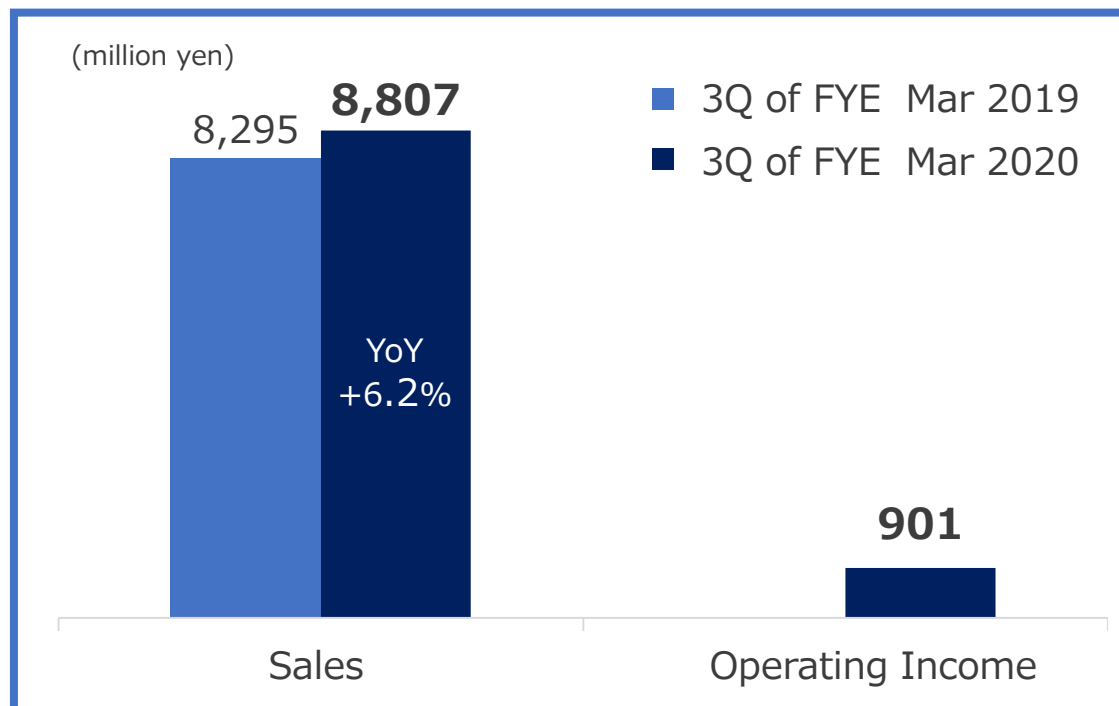
	3Q of FYE Mar 2019 (Apr.2018-Dec.2018)		3Q of FYE Mar 2020 (Apr.2019-Dec.2019)		YOY change (million yen)	YOY change (%)
	(million yen)	% of Sales	(million yen)	% of Sales		
Sales	22,758		23,485		726	3.2%
Operating Income			8,501	36.2%		

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

3Q of FYE Mar/2020 Performance Overview by Segment

② Domestic Permanent Recruitment

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3Q of FYE Mar 2020	
en Agent (EA)	<ul style="list-style-type: none"> - Sales fell short of the plan, due to a staff shortage and the time needed for increasing productivity. The full-year forecast was revised downward. - The Company focused on establishing an organizational structure and developing staff to promote medium-term growth.
en world Japan (EWJ)	<ul style="list-style-type: none"> - Performance of the main Permanent Recruitment business fell short of the plan as the needs of customers, mainly manufacturers, decreased due to the impact of economic conditions. - Operating income exceeded the plan as a result of cost reductions.
Cost and profit	<ul style="list-style-type: none"> - Income was generally in line with the plan due mainly to the reduction of personnel cost.

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

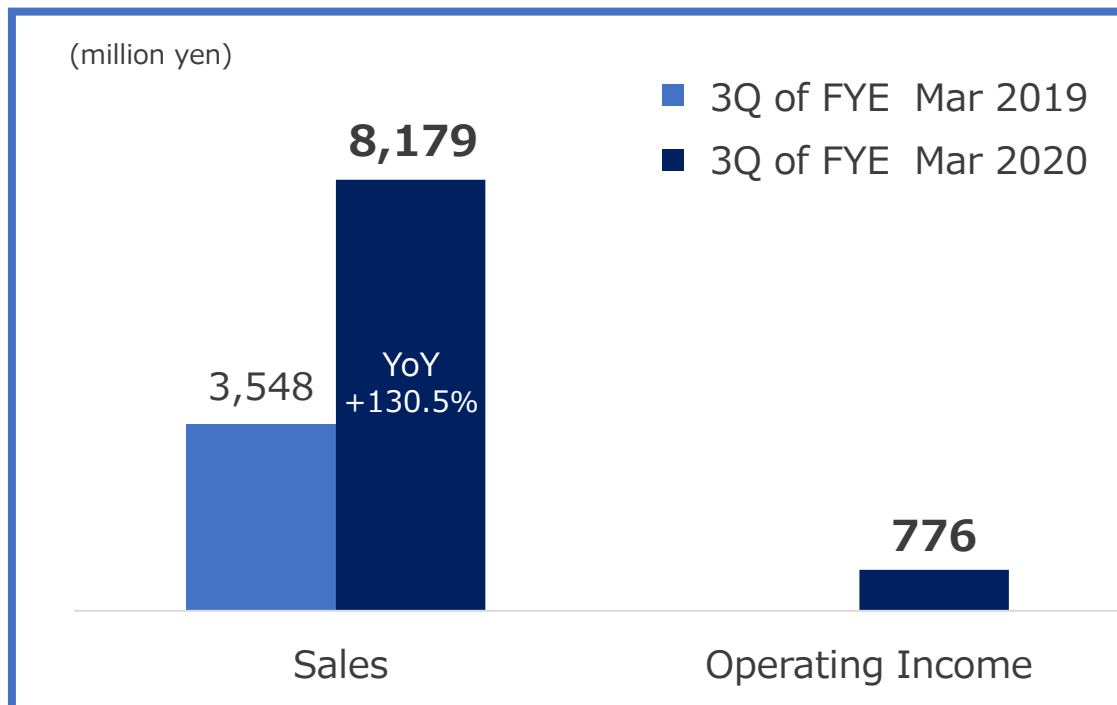
	3Q of FYE Mar 2019 (Apr.2018-Dec.2018)		3Q of FYE Mar 2020 (Apr.2019-Dec.2019)		YOY change (million yen)	YOY change (%)
	(million yen)	% of Sales	(million yen)	% of Sales		
Sales	8,295		8,807		512	6.2%
Operating Income			901	10.2%		

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

3Q of FYE Mar/2020 Performance Overview by Segment

③ Overseas

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3Q of FYE Mar 2020	
Overall summary	<ul style="list-style-type: none"> - Sales and operating income exceeded expectations in Vietnam and India. - Results fell short of the plan in less-focused-on countries. Decided to consider partial closure or sell-off based on priority strategies.
Vietnam	<ul style="list-style-type: none"> - The main business, the job-search website continued to be favorable. - Made the company that operates online educational services for adults a subsidiary and strengthened educational services that are expected to show growth going ahead.
India	<ul style="list-style-type: none"> - FFI, an IT temporary staffing agency which was newly consolidated effective this term, exceeded the plan in terms of the first nine months although results for the third quarter alone fell short of the plan.

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

	3Q of FYE Mar 2019 (Apr.2018-Dec.2018)		3Q of FYE Mar 2020 (Apr.2019-Dec.2019)		YOY change (million yen)	YOY change (%)
	(million yen)	% of Sales	(million yen)	% of Sales		
Sales	3,548		8,179		4,630	130.5%
Operating Income			776	9.5%		

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

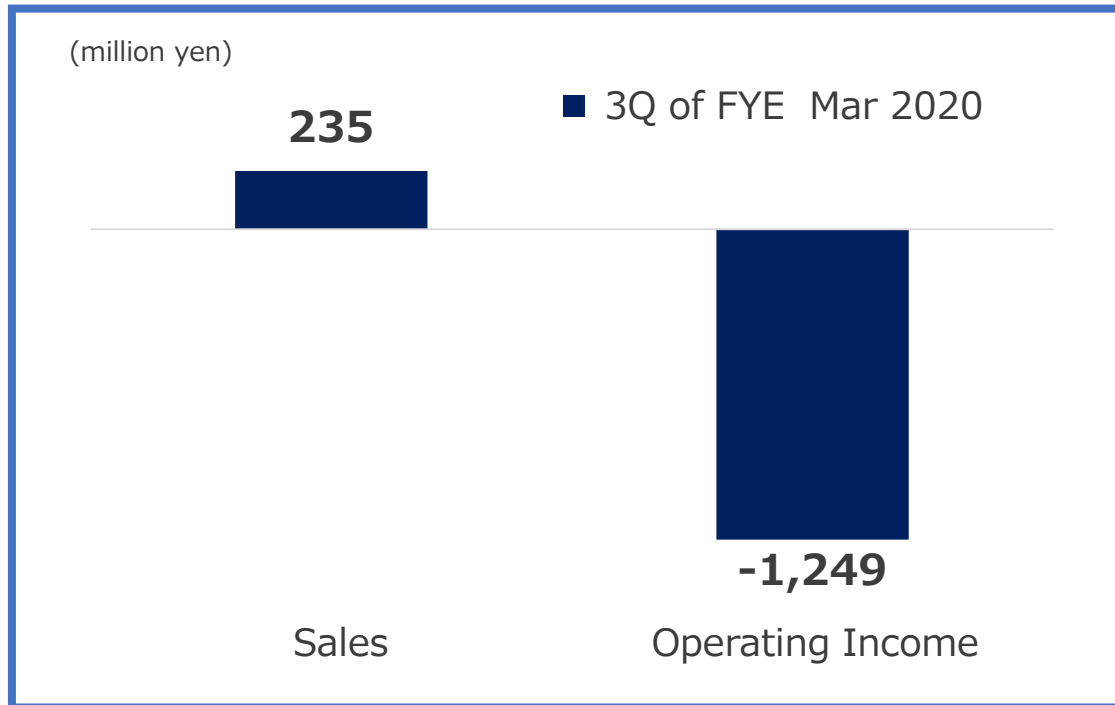
In the overseas business, a decision was made to close Singapore and start examining selling the business in China in order to focus on affiliates specializing in technologies with higher growth potential while also continuing to place high priority on Vietnam and India.

Singapore

Company name	en world SINGAPORE PTE.LTD.
Date of established	September 2011
Address	Singapore
Number of shares	100%
Investment period	Established in September 2011 (Organic)
Main business	Recruitment for local and global companies
Operating results (FYE Mar 31, 2019)	Sales : 0.17billion yen Operating Income : -3million yen
Future prospects	<ul style="list-style-type: none"> •Scheduled to exclude from consolidation as of March 31 •Expenses associated with the closure are expected •No impairment loss due to establishment by own company

China

Company name	Talent Alliance (Beijing) Technology Development Limited.
Date of established	March 2004
Address	Beijing in China
Number of shares	49%
Investment period	Invested in July 2006
Main business	Operation of a Chinese job board
Operating results (FYE Mar 31, 2019)	Sales : 1.27billion yen Operating Income : 0.27billion yen
Future prospects	<ul style="list-style-type: none"> •Timing of sale is not determined •Gain on sale of shares of affiliates will arise at the time of sale •No impairment loss since goodwill has been fully amortized

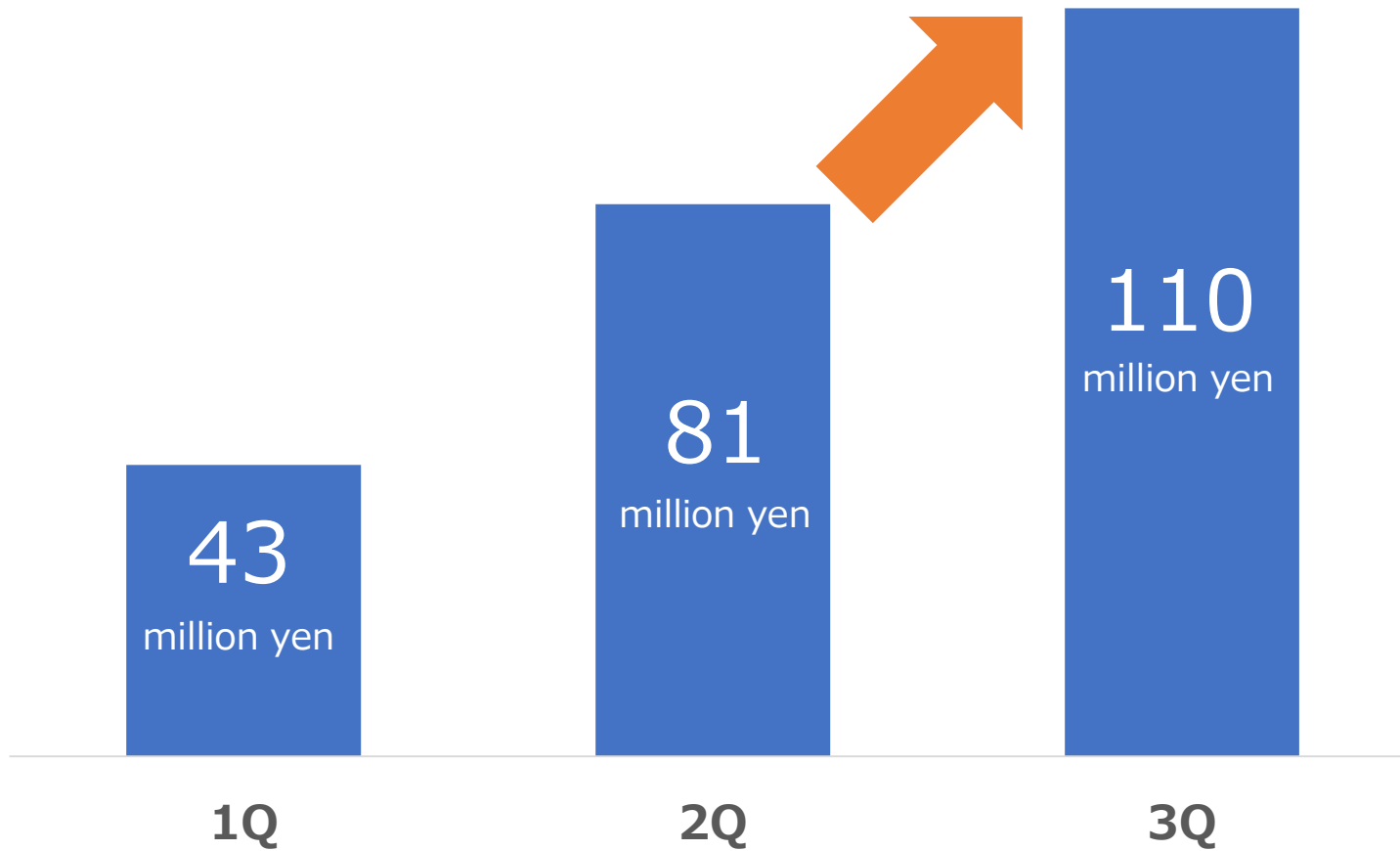


3Q of FYE Mar 2020	
Overall summary	<ul style="list-style-type: none"> - Sales progressed slightly below the plan. - Total number of accounts using engage exceeded 250,000 companies. - Number of paid-plan user companies increased steadily. - Collaboration with en BAITO began in December, driving the use of paid part-time/casual job items.
Cost and profit	<ul style="list-style-type: none"> - TV commercials were launched in an aim to increase the recognition level and the number of user companies. - Expenditure including incremental investment was generally in line with the plan.

HR-Tech⇒ engage and related service

	3Q of FYE Mar 2019 (Apr.2018-Dec.2018)		3Q of FYE Mar 2020 (Apr.2019-Dec.2019)		YOY change (million yen)	YOY change (%)
	(million yen)	% of Sales	(million yen)	% of Sales		
Sales			235		235	
Operating Income			-1,249	-530.8%		

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



Sales
Up **35%**



engage

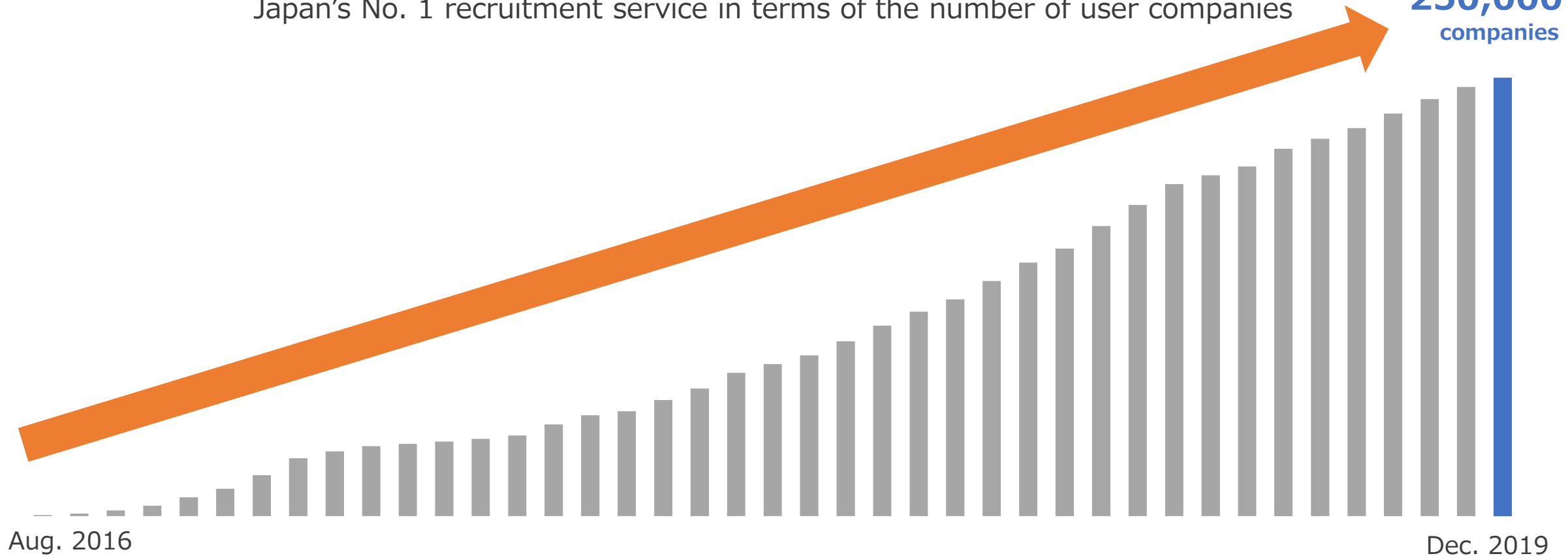


- Following linkages with [en] Career Change Info and LINE Career, began offering listings on en BAITO, a part-time/casual job information site. (Fee-based option)
- This was in response to the reinforcement of hiring part-time and hourly-pay workers by companies.



Total number of users exceeds **250,000** mark.
Japan's No. 1 recruitment service in terms of the number of user companies

250,000
companies



TV commercial broadcasting



Expanded the scale to cover 21 prefectures.
Launched a campaign in line with the TV commercial broadcasting.



Broadcasting period: Jan.16 – Jan.31
area : Kanto / Tokai / Kansai / Fukuoka / Hokkaido / Miyagi
/ Shizuoka / Hiroshima

**TVCM 放映記念キャンペーン**
2020年1月16日(木)～2月15日(金)



に特別掲載！

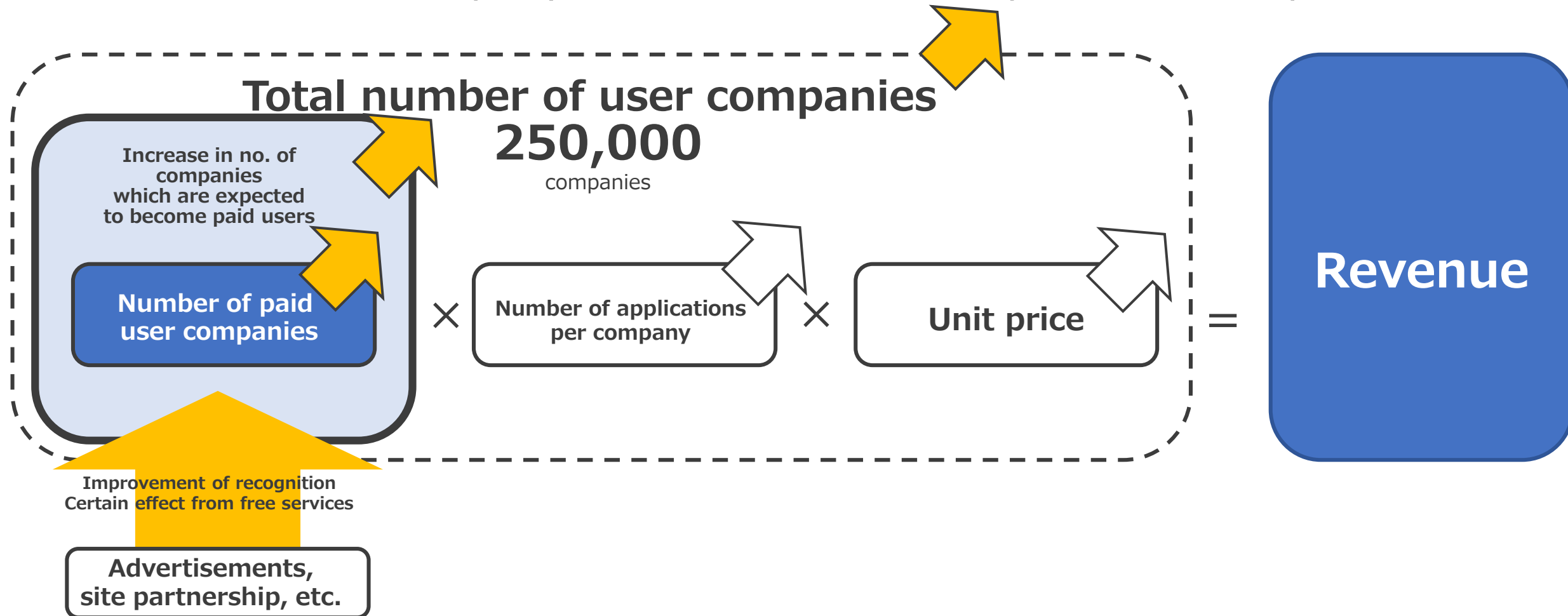
／例えば／
有料オプション **35,000円**で掲載可能！
※掲載料金、掲載サイトは、職種・エリア・雇用形態により異なります。

既にエンゲージで求人中の方
求人一覧からキャンペーン申し込み >

まだ求人されていない方
お問い合わせフォームへ >



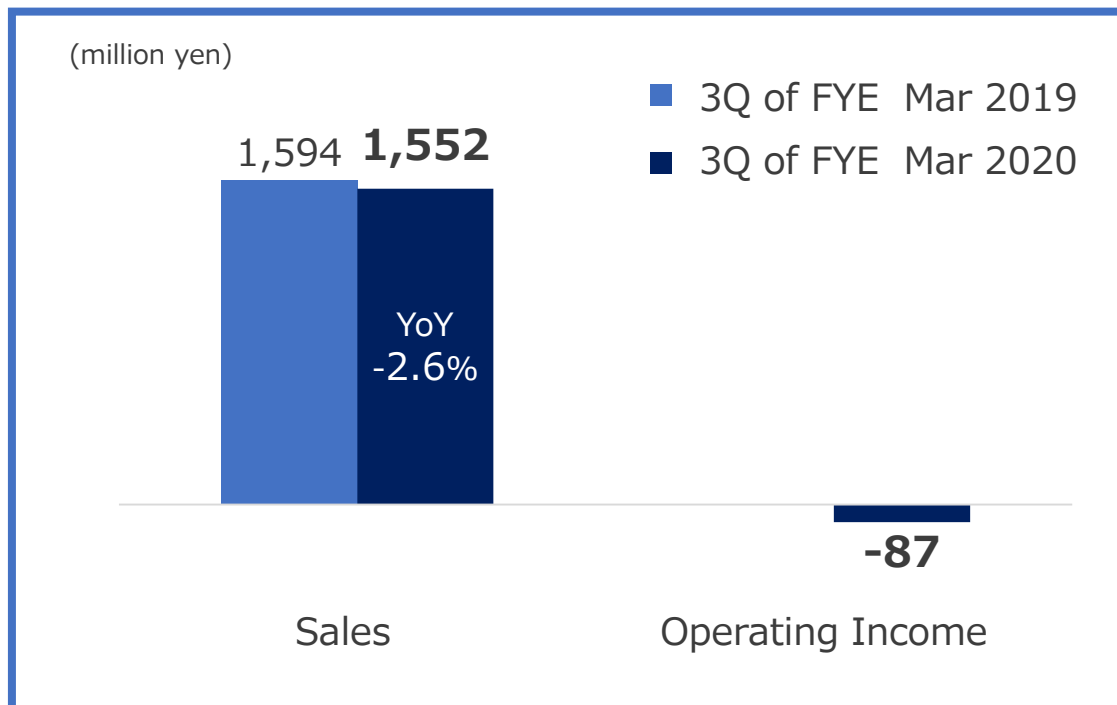
Current priority is expansion of the total number of company users and number of paid user companies



3Q of FYE Mar/2020 Performance Overview by Segment

⑤ Domestic Other Business / Subsidiary

36



3Q of FYE Mar 2020	
Overall summary	<ul style="list-style-type: none"> - Performance exceeded the plan despite the elimination of sales of CBASE that we sold in the third quarter of the previous term and the decline in overall revenues for the segment. - ZEKU demonstrated steady growth in both sales and operating income. - Effective the third quarter of FYE Mar/2020, JapanWork was newly consolidated. Since it is currently in the investment phase, expenses are steadily being incurred.
Cost and profit	<ul style="list-style-type: none"> - Personnel cost and advertising cost associated with new business development increased. - Operating income exceeded expectations although the segment on the whole was in the red.

Domestic Other Business / Subsidiary

⇒ Education / Evaluation 、 ZEKU、 JapanWork、 Other New Business

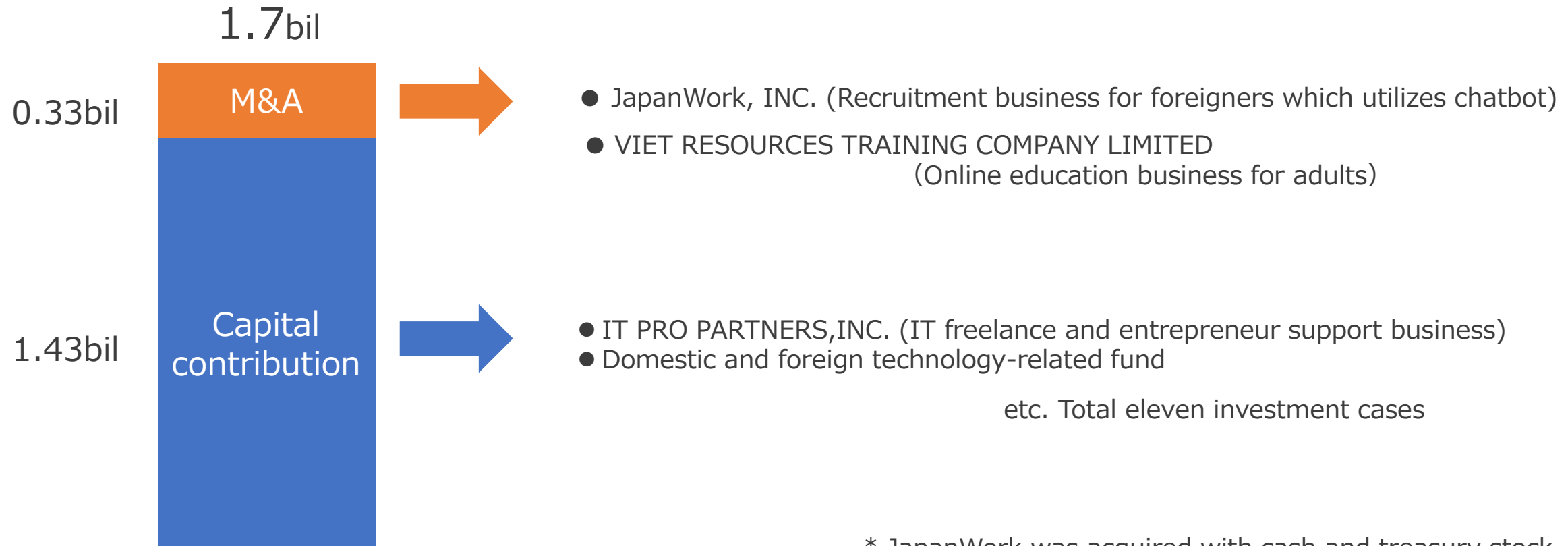
	3Q of FYE Mar 2019 (Apr.2018-Dec.2018)		3Q of FYE Mar 2020 (Apr.2019-Dec.2019)		YOY change (million yen)	YOY change (%)
	(million yen)	% of Sales	(million yen)	% of Sales		
Sales	1,594		1,552		-42	-2.6%
Operating Income			-87	-5.7%		

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

M&A and capital contribution results

April to December 2019
results

Total M&A and investment was about **1.7** billion yen
(Policy to invest mainly in human resources-related businesses that have strength in IT,
digital and niche domains in Japan and overseas)



* JapanWork was acquired with cash and treasury stock.

Return to Shareholders

Matters concerning the purchase of treasury shares were determined with a view to further increasing corporate value by enhancing capital efficiency

Details of share buyback program

Class of shares

Common stock

Aggregate number of shares to be repurchased

Up to 500,000 shares

(equal to 1.1% of total issued shares excluding treasury stock)

Aggregate price of shares to be repurchased

Up to 2 billion yen

Period for share buyback

From February 13, 2020 to April 30, 2020

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**

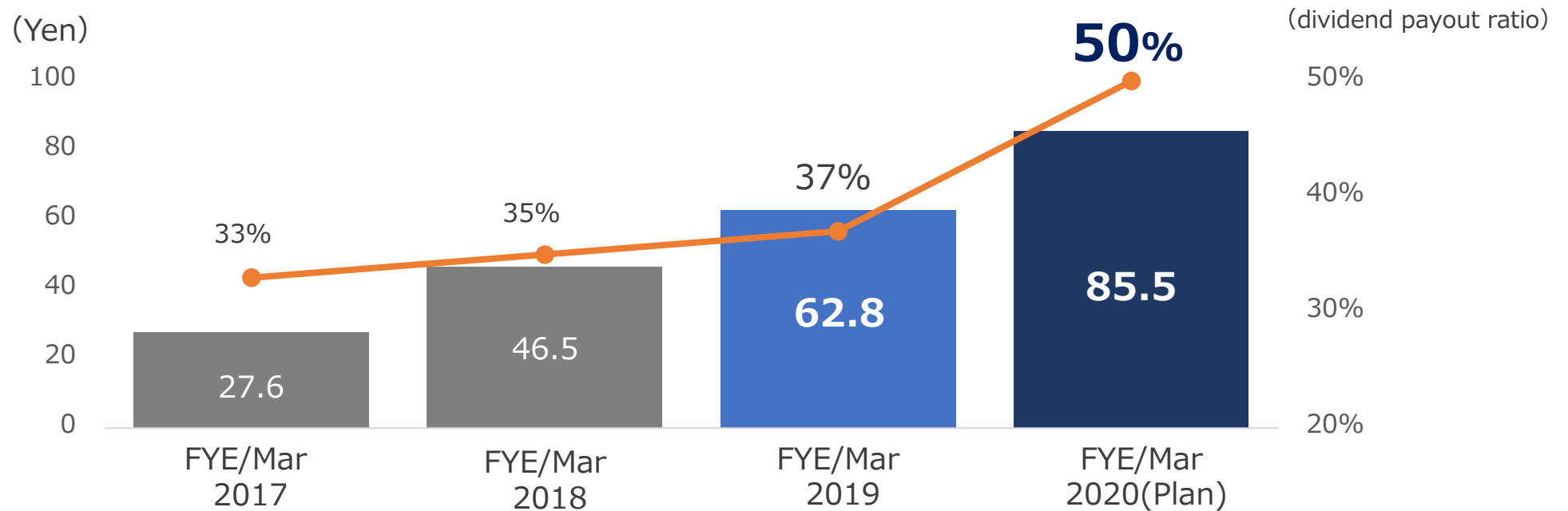
We will make efforts for investment and shareholder return in a manner conducive to raising shareholder value, while securing our financial soundness. Specific measures are as follows.

- **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.

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

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



Appendix

(million yen)	FYE Mar 2019 (Mar. 2019)	FYE Mar 2020 Q3 (Dec. 2019)	YOY change (million yen)	YOY change (%)
Current asset	37,255	35,370	-1,885	-5.1%
Cash	28,409	27,006	-1,403	-4.9%
Accounts receivable	5,614	5,113	-501	-8.9%
Other current assets	3,231	3,250	19	0.6%
Non-current assets	12,596	14,255	1659	13.2%
Property, plant and equipment	719	667	-52	-7.2%
Intangible assets	6,858	7,147	289	4.2%
Investments and other assets	5,018	6,439	1,421	28.3%
Assets	49,852	49,625	-227	-0.5%
Liabilities	14,385	11,884	-2,501	-17.4%
Current liabilities	13,274	10,646	-2,628	-19.8%
Not current liabilities	1,111	1,237	126	11.3%
Net assets	35,466	37,741	2,275	6.4%
Liabilities/Net assets	49,852	49,625	-227	-0.5%

Decline due to the payment of accounts payable and dividends

Increase in investment securities

Payment of accounts payable due to the reinforcement of advertising at the end of the previous term, etc.

Decline in retained earnings due to dividend payment

Non-consolidated Income Statement
for 3rd Quarter of FYE Mar/2020

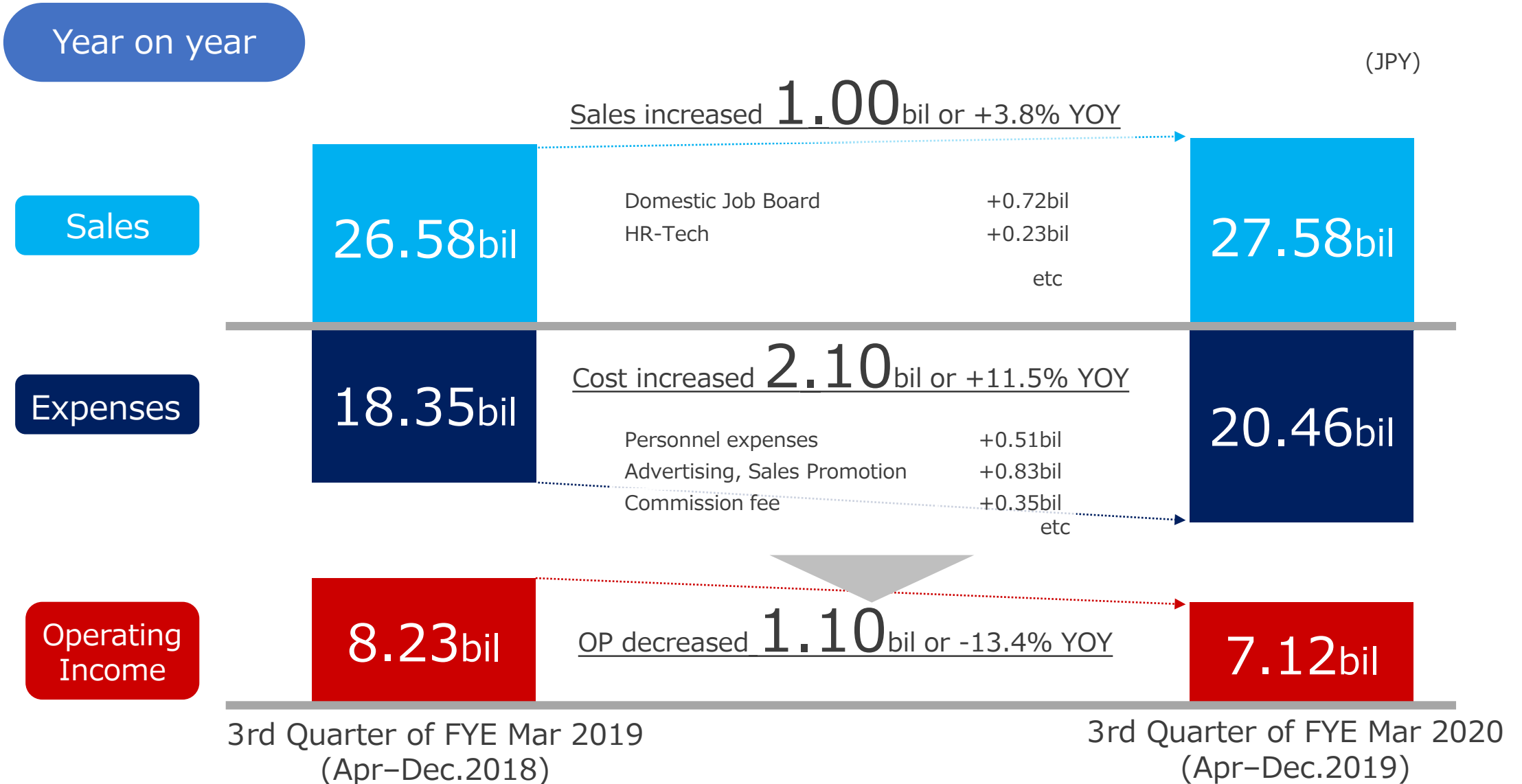
[3Q of FYE Mar/2020 Results] Non-consolidated Income Statement

46

	FYE Mar 2019 (Apr.–Dec.2018)		FYE Mar 2020 (Apr.–Dec.2019)		YOY change (million yen)	YOY change (%)
	(million yen)	% of Sales	(million yen)	% of Sales		
Net Sales	26,584	100.0%	27,584	100.0%	1,000	3.8%
Cost of Sales	1,976	7.4%	2,132	7.7%	156	7.9%
Personnel	957	3.6%	939	3.4%	-18	-1.9%
Other	1,019	3.8%	1,193	4.3%	174	17.1%
Gross Profit	24,608	92.6%	25,452	92.3%	844	3.4%
SGA(Sales, general & administrative)	16,377	61.6%	18,324	66.4%	1,947	11.9%
Personnel	5,083	19.1%	5,618	20.4%	535	10.5%
Advertising, Sales Promotion	6,919	26.0%	7,753	28.1%	834	12.1%
Other	4,373	16.4%	4,952	18.0%	579	13.2%
Operating Income	8,230	31.0%	7,128	25.8%	-1,102	-13.4%
Ordinary Income	8,354	31.4%	7,164	26.0%	-1,190	-14.2%
Net Income	5,893	22.2%	4,947	17.9%	-946	-16.1%

Changing Factor of Earnings (Non-consolidated)

47



Revisions to FYE Mar/2020
Earnings Forecast
(Announced on February 12)
-Consolidated • Non-consolidated -

FYE Mar/2020 Consolidated Earnings Forecast (Revised on February 12)

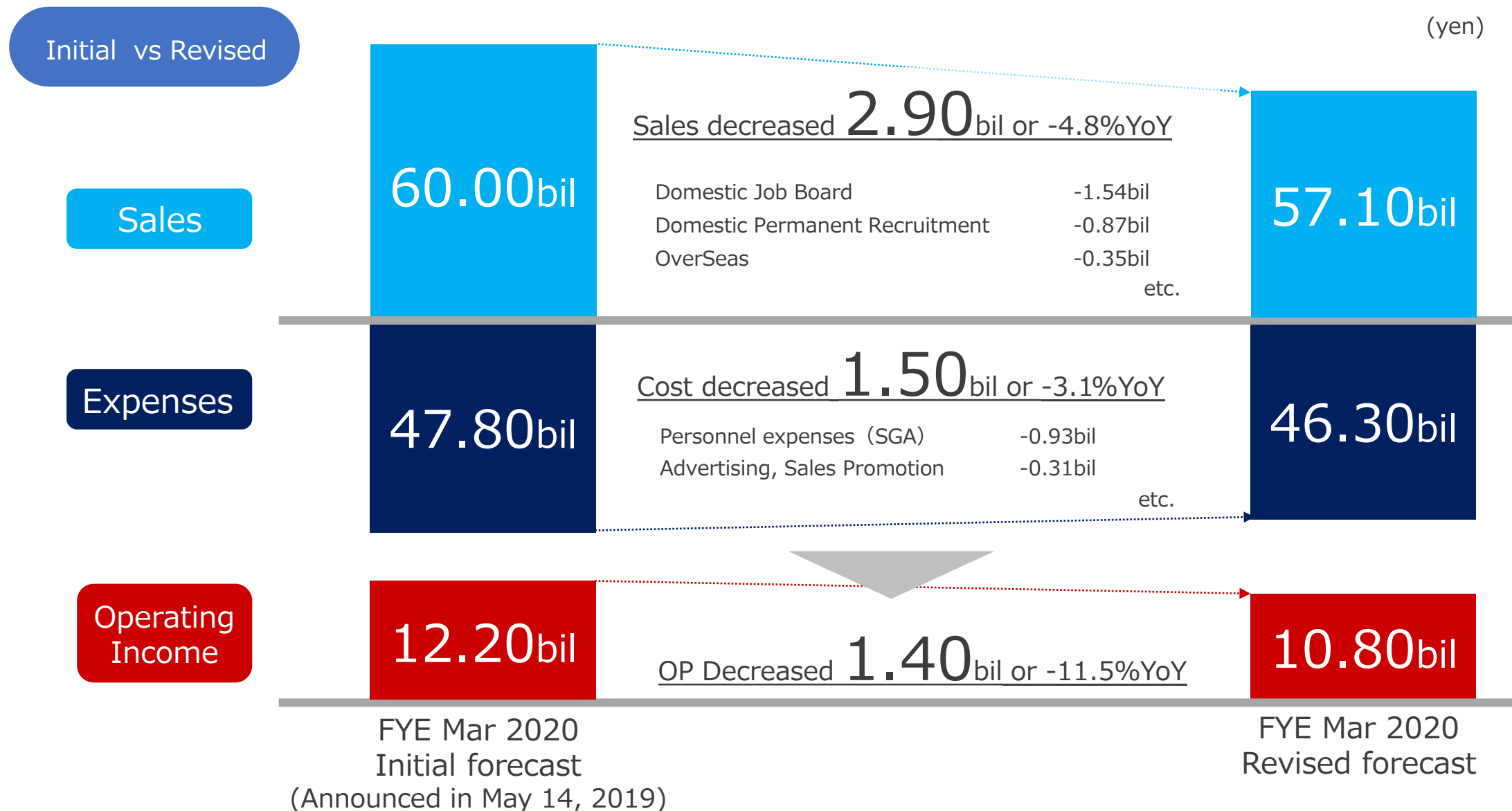
49

	FYE Mar 2019 (Apr.2018–Mar.2019)		FYE Mar 2020 Initial forecast (Announced in May) (Apr.2019–Mar.2020)		FYE Mar 2020 Revised Forecast (Apr.2019–Mar.2020)		YOY change (million yen)	YOY change (%)
	(million yen)	% of Sales	(million yen)	% of Sales	(million yen)	% of Sales		
Net Sales	48,733	100.0%	60,000	100.0%	57,100	100.0%	-2,900	-4.8%
Cost of Sales	4,682	9.6%	10,885	18.1%	10,600	18.6%	-285	-2.6%
Personnel	2,987	6.1%	8,911	14.9%	6,727	11.8%	-2,184	-24.5%
Other	1,694	3.5%	1,974	3.3%	3,872	6.8%	1,898	96.2%
Gross Profit	44,051	90.4%	49,114	81.9%	46,500	81.4%	-2,614	-5.3%
SGA(Sales, general & administrative)	32,389	66.5%	36,914	61.5%	35,700	62.5%	-1,214	-3.3%
Personnel	12,671	26.0%	15,179	25.3%	14,242	24.9%	-937	-6.2%
Advertising, Sales Promotion	10,943	22.5%	11,631	19.4%	11,316	19.8%	-315	-2.7%
Other	8,775	18.0%	10,103	16.8%	10,142	17.8%	39	0.4%
Operating Income	11,661	23.9%	12,200	20.3%	10,800	18.9%	-1,400	-11.5%
Ordinary Income	11,834	24.3%	12,219	20.4%	10,810	18.9%	-1,408	-11.5%
Net Income attributable to en-japan	8,144	16.7%	8,210	13.7%	7,310	12.8%	-899	-11.0%

FYE Mar/2020 Initial Forecast vs. Revised Forecast

– Changing Factor of Earnings

50



FYE Mar/2020 Non-Consolidated Earnings Forecast (Revised on February 12)

51

	FYE Mar 2019 (Apr2018.–Mar.2019)		FYE Mar 2020 Initial forecast (Announced in May) (Apr2019.–Mar.2020)		FYE Mar 2020 Revised forecast (Apr2019.–Mar.2020)		YOY change (million yen)	YOY change (%)
	(million yen)	% of Sales	(million yen)	% of Sales	(million yen)	% of Sales		
Net Sales	36,519	100.0%	40,000	100.0%	38,022	100.0%	-1,978	-4.9%
Cost of Sales	2,648	7.3%	2,945	7.4%	2,963	7.8%	18	0.6%
Personnel	1,266	3.5%	1,323	3.3%	1,274	3.4%	-49	-3.7%
Other	1,382	3.8%	1,621	4.1%	1,690	4.4%	69	4.2%
Gross Profit	33,871	92.7%	37,054	92.6%	35,059	92.2%	-1,995	-5.4%
SGA(Sales, general & administrative)	23,683	64.9%	26,354	65.9%	25,442	66.9%	-912	-3.5%
Personnel	6,819	18.7%	8,088	20.2%	7,503	19.7%	-585	-7.2%
Advertising, Sales Promotion	10,759	29.5%	11,408	28.5%	11,171	29.4%	-237	-2.1%
Other	6,105	16.7%	6,858	17.1%	6,767	17.8%	-91	-1.3%
Operating Income	10,187	27.9%	10,700	26.8%	9,617	25.3%	-1,083	-10.1%
Ordinary Income	10,576	29.0%	10,829	27.1%	9,654	25.4%	-1,175	-10.9%
Net Income	7,442	20.4%	7,540	18.9%	6,704	17.6%	-836	-11.1%

*Repeat on the summary

Medium-Term Management Plan

(FY2020-FY2022)

Published on May 14, 2019

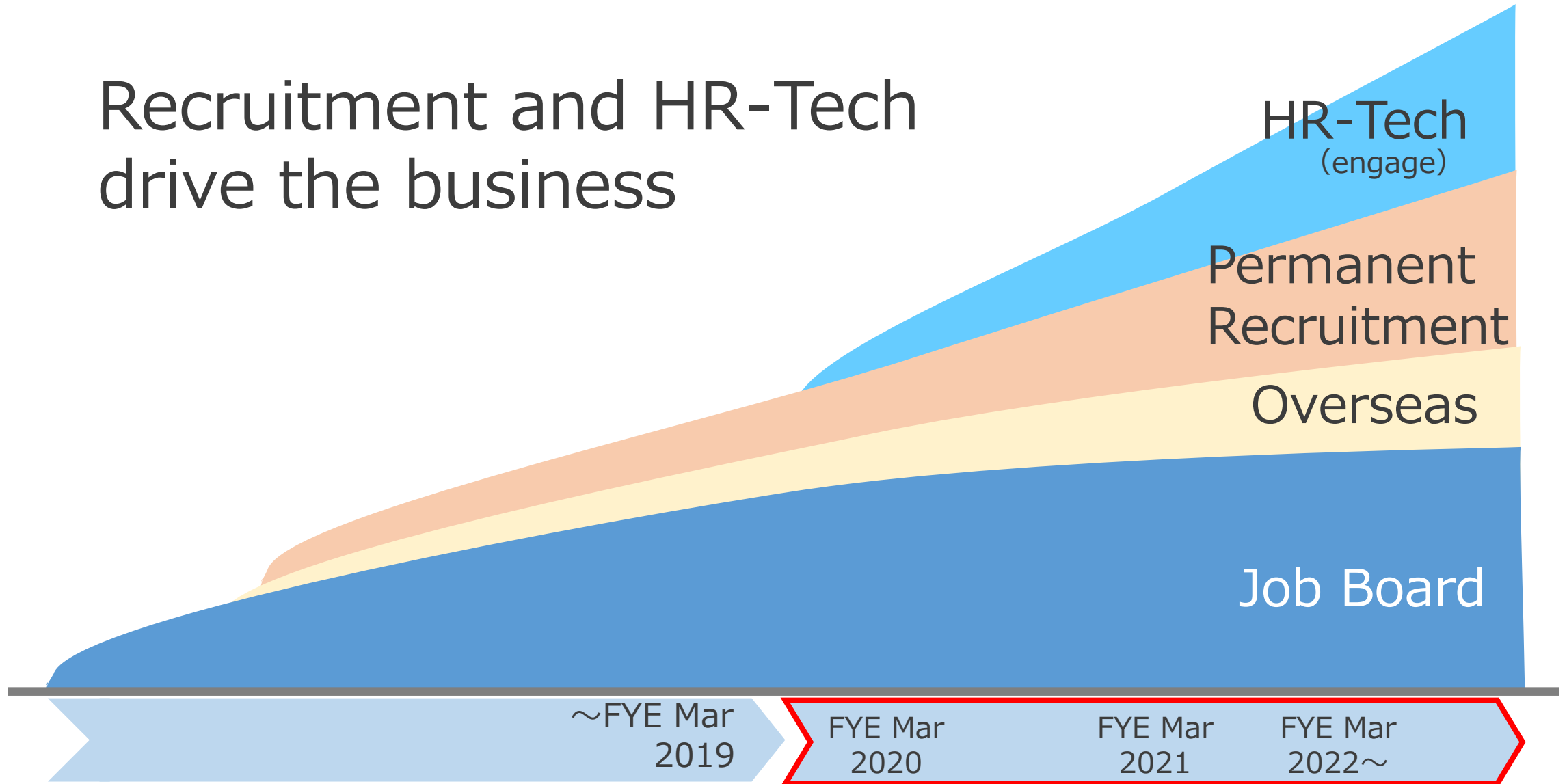
Permanent Recruitment and HR-Tech Become Growth Drivers

- 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



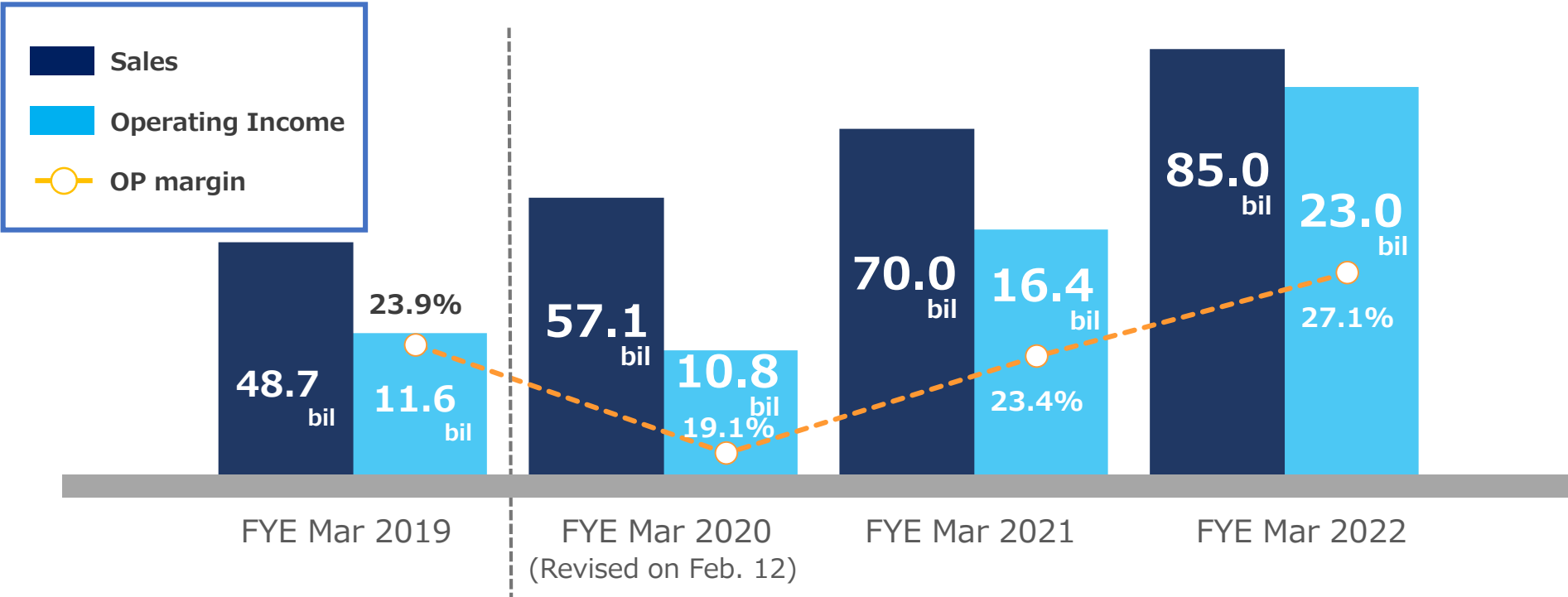
Plan for
FYE Mar/2022

Sales **85.0** bil

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

Operating Income **23.0** bil

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



(bil JPY)		FYE Mar 2020 (Revised on Feb. 12)	FYE Mar 2021	FYE Mar 2022
Domestic Job Board	Sales	32.2	36.8	39.5
	Operating Income	11.7	13.8	14.8
	OP margin	36.4%	37.5%	37.5%
Domestic Permanent Recruitment	Sales	11.9	15.8	19.0
	Operating Income	1.2	2.3	4.0
	OP margin	10.6%	14.6%	21.1%
Overseas	Sales	10.7	13.5	16.4
	Operating Income	0.9	1.3	1.7
	OP margin	8.5%	9.6%	10.4%
HR-Tech	Sales	0.5	2.0	8.0
	Operating Income	-2.0	0.2	3.2
	OP margin	-405.0%	10.0%	40.0%
Other than HR	Sales	2.1	2.8	3.6
	Operating Income	-0.2	0.1	0.1
	OP margin	-9.8%	3.6%	2.8%
adjustment	Sales	-0.5	-0.9	-1.5
	Operating Income	-0.9	-1.3	-0.8
consolidated	Sales	57.1	70.0	85.0
	Operating Income	10.8	16.4	23.0
	OP margin	18.9%	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

47.6%

Percentage of women to all directors

1 Person 20%



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.

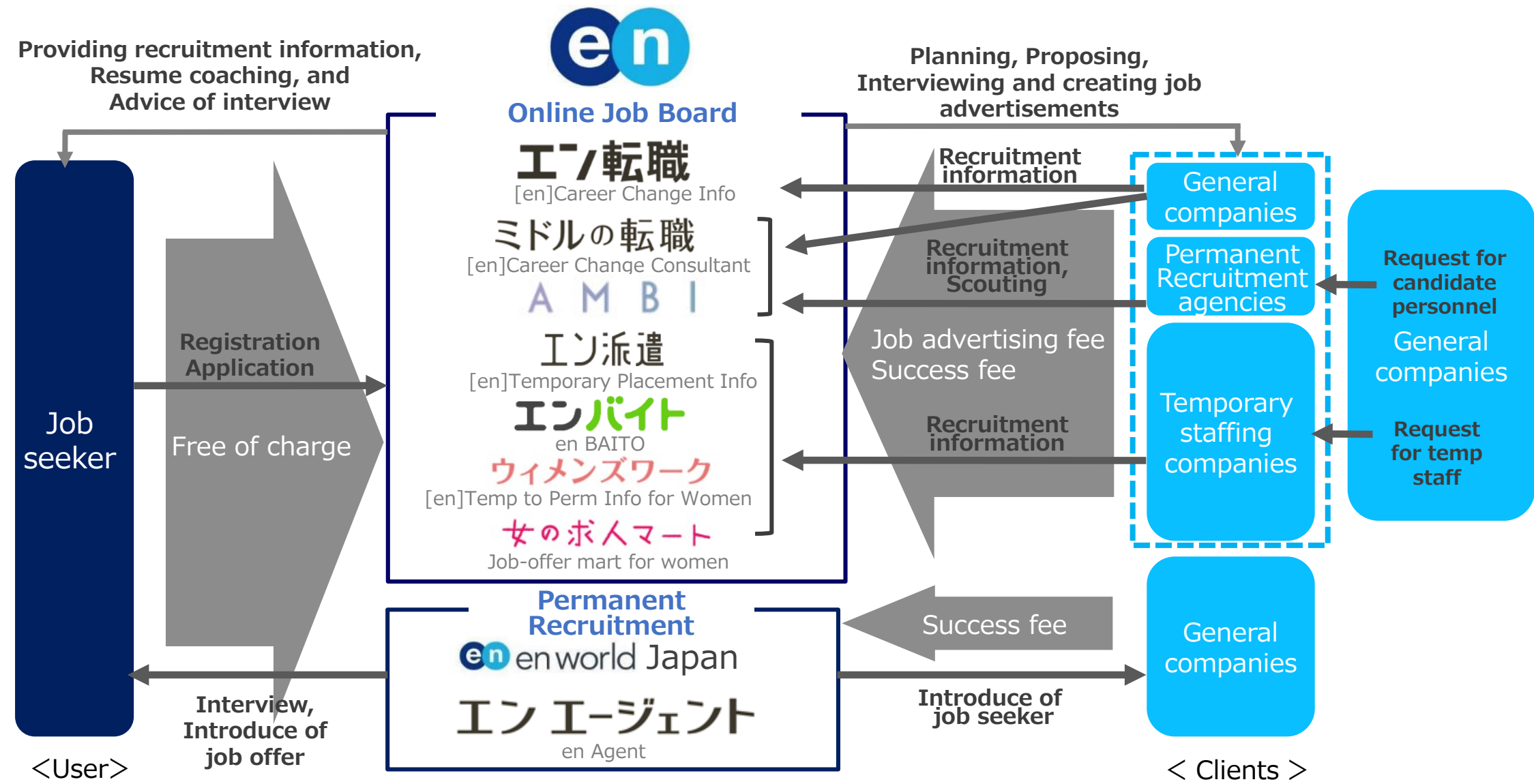
Broaden the application of employee welfare

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 Dec. 2019)
【 Stock Listing 】	The First Section of the Tokyo Stock Exchange / (code : 4849)
【 Fiscal Year 】	April 1 – March 31
【 Number of Employees 】	Consolidated 3,575, Non-consolidated 1,657 (as of Dec. 2019)
【 Number of Outstanding Shares 】	49,716,000 (as of Dec. 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-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  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"> Mainly 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"> 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
	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
	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 	Navigos 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
	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



<HR-Tech>

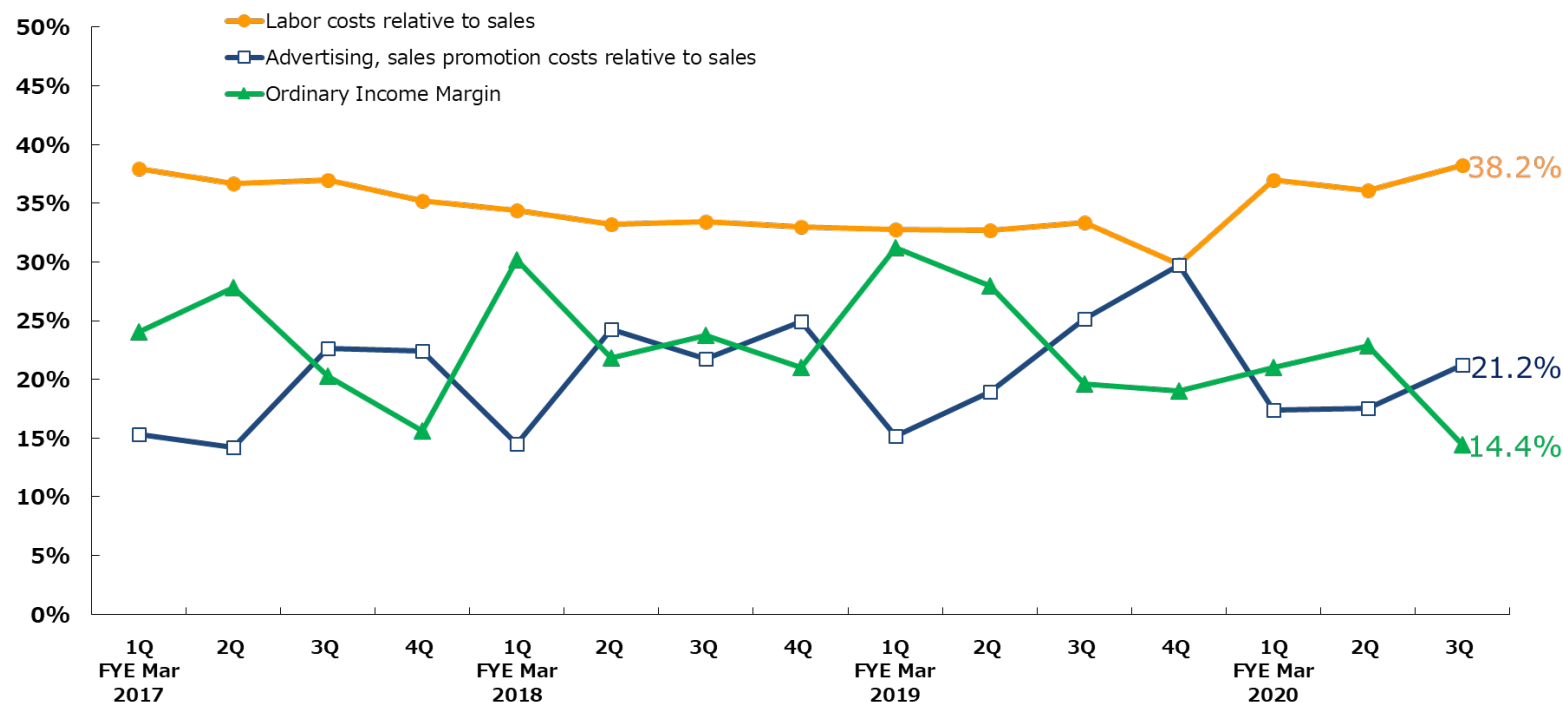
Service brand	Contents	Characteristics	Clients	Company
	Digital platform aimed at having workers play active roles after being hired, joining companies	<ul style="list-style-type: none"> A freemium-model recruitment support tool Can create high-quality corporate recruitment websites and job listings 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
iroots	Scout site for new graduates	<ul style="list-style-type: none"> Recruitment scouting site for new graduates A service that enables companies to directly scout new graduates based on personal profiles and aptitude diagnosis 	General Companies	en-japan
 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	Zeku
OWLS	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
 i-tank japan	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
 JapanWork	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
 pasture	Freelance management service	<ul style="list-style-type: none"> A cloud service that enables uniform management of orders placed with freelancers, progress and billing Orders received and placed are all digitalized. Also offers linkage with other web-based services, including CRM and accounting software. 	General Companies	en-japan
 FREELANCE START	Job search engine site for freelance engineers	<ul style="list-style-type: none"> One of the largest freelance job search engine sites in Japan Allows users to collectively search and apply by compiling listings by freelance agents 	Freelance agents	Brocante

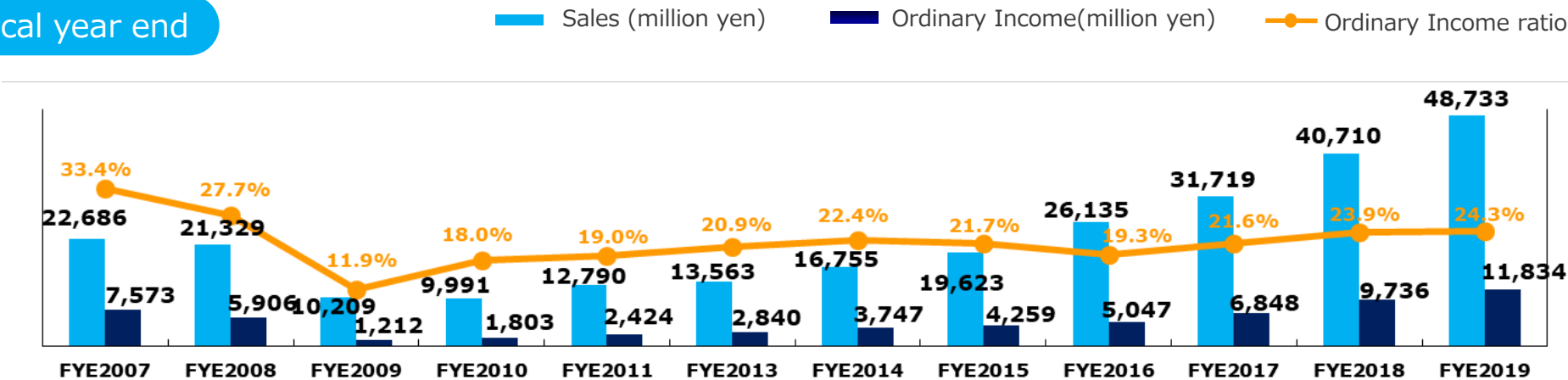
<Other New Business *Unconsolidated subsidiary >

	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
en- KONKATSU-Agent  エン婚活 エージェント	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



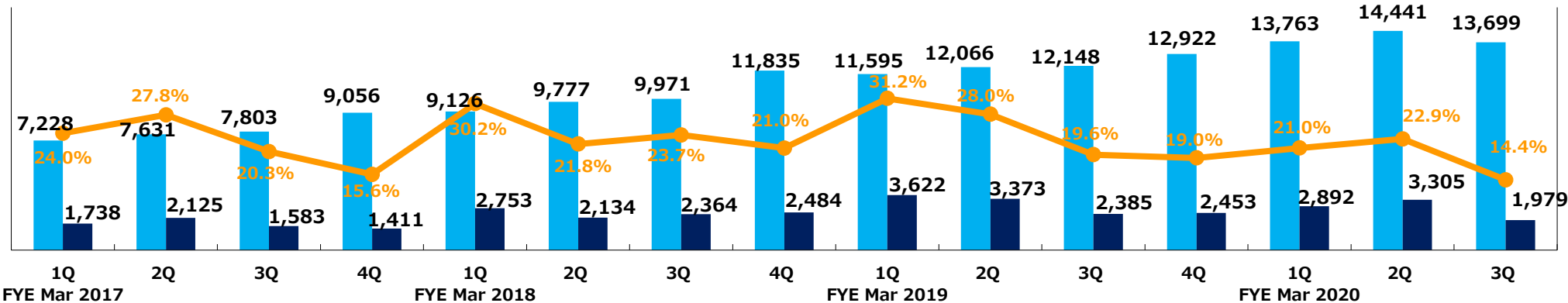
	1Q FYE Mar 2017	2Q	3Q	4Q	1Q FYE Mar 2018	2Q	3Q	4Q	1Q FYE Mar 2019	2Q	3Q	4Q	1Q FYE Mar 2020	2Q	3Q
Ordinary Income (million yen)	1,738	2,125	1,583	1,411	2,753	2,134	2,364	2,484	3,622	3,373	2,385	2,453	2,892	3,305	1,979
% of sales	24.0%	27.8%	20.3%	15.6%	30.2%	21.8%	23.7%	21.0%	31.2%	28.0%	19.6%	19.0%	21.0%	22.9%	14.4%
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	5,214	5,235
% 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%	36.1%	38.2%
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	2,528	2,904
% 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%	17.5%	21.2%

Fiscal year end



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

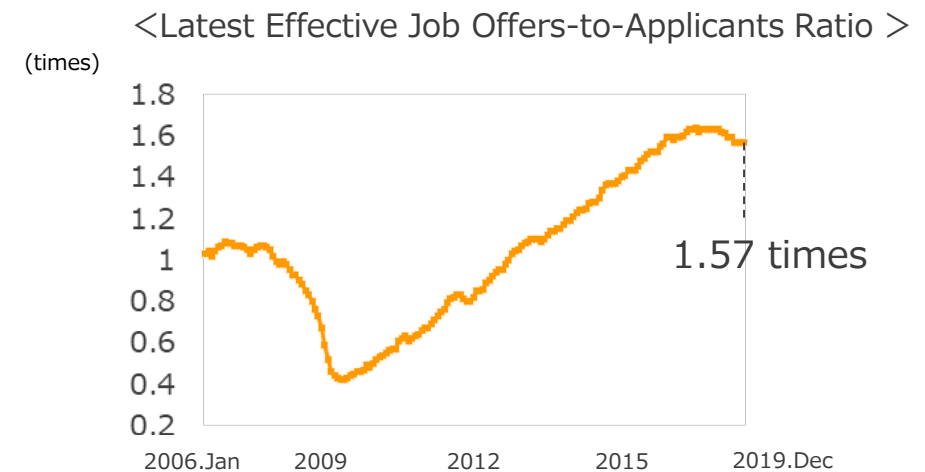
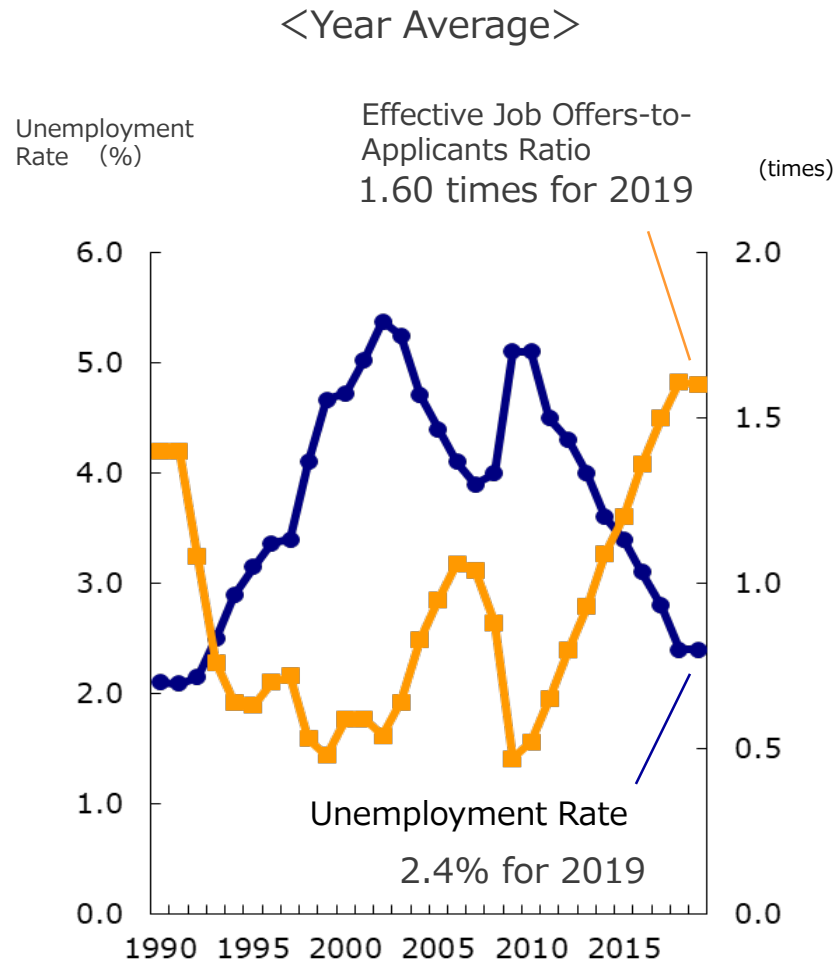
Quarter



The market environment

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

70



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



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Cautionary Statement

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