



# Medium-Term Management Plan

(FYE Mar/2023 - FYE Mar/2027: Five-year plan)

May 12, 2022

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TSE Prime

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# Medium-Term Management Plan

(FYE Mar/2023 - FYE Mar/2027 )

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  - Businesses with investment : HR-Tech engage / Human resource platform
  - Existing businesses : Domestic / Overseas
- Basic Policy for Financing
- ESG

## Our Purpose (reason for being)

To make the world better by increasing number of  
people who work hard for others and society:  
Inner Calling & Work Hard



### Job Board

Matching job seekers and companies on the website: mainly for full-time employees, but other sites cover temporary staff and part-timers  
Fees are based on advertisements from companies and success in recruitment



### Permanent Recruitment

Matching job seekers and companies by our consultants: wide coverage from young people with potential to high-class staff  
Billing model: success-based fee from companies



### Overseas

Businesses mainly in India and Vietnam  
India: IT staffing service with over 3,000 registered temp staff  
Vietnam: largest share of domestic job board and permanent recruitment services



### HR-Tech

Recruitment website and job listing service "engage," used by 0.42 mil. companies in Japan  
Maintains excellent job listings (over 1 mil.) and matches companies and job seekers throughout Japan, based on freemium model

## Value

Co-creation oriented management

- Core value
- Business value
- Human value

## Purpose

To make the world better by increasing the number of people who work hard for others and society:

Inner Calling & Work Hard

## Vision

Good to Great  
Worldwide

**Our treasured value evolves to realize our purpose, leading to social contribution through our main business**

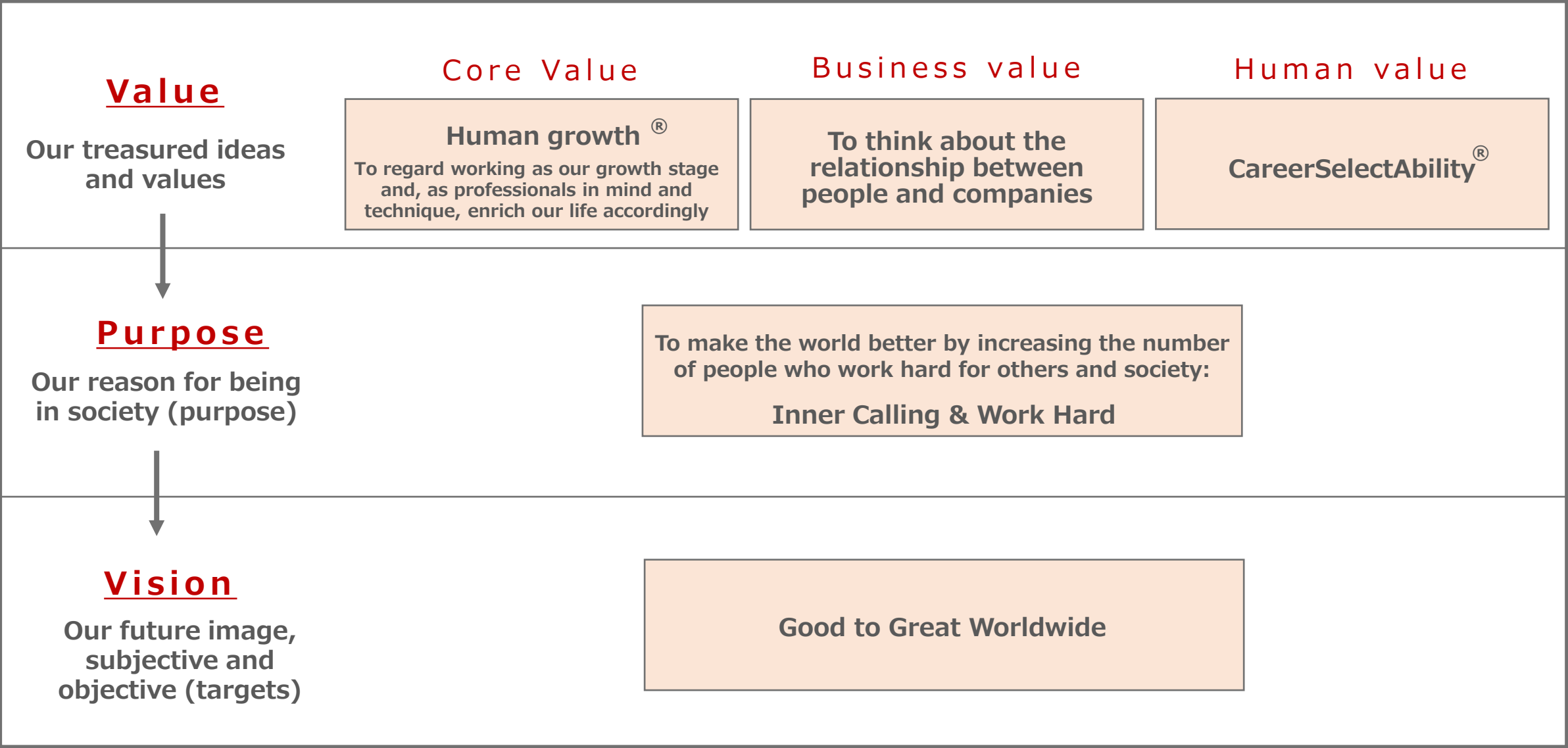
**Differentiation of business for competitiveness**

**Capability of employees**

### Included in Medium-term Plan

**Appropriate movement of labor to positions with big social impact and to growth industries**

**Expanded job opportunities with technology to provide job offers with secured quality and quantity**



**Total of 26 projects with 116 successful recruitments during the last period: doubled from two periods ago**  
- en Japan changes society from the hiring front with its various services and know-how







Team structure

In this project, employees in various job categories at en Japan support recruitment activities by bringing together their expertise for the entire Company. People who are mainly from these six job categories constitute the team.

Recruitment consultant

Customer success

Copywriter

Designer

Digital marketer

Public relations

## Prerequisites for Great Company

- ① Wins worldwide respect with achievements at global level that do not wither
- ② Has unchanging core values and purposes beyond just money-making
- ③ Has passed the post of CEO on to the next generation
- ④ Thrives beyond the lifecycle of its initial flagship products

## Our Company

Provides the most honest and detailed job offers in the world  
Develops the “success after joining” concept since its foundation, not instigating job changes

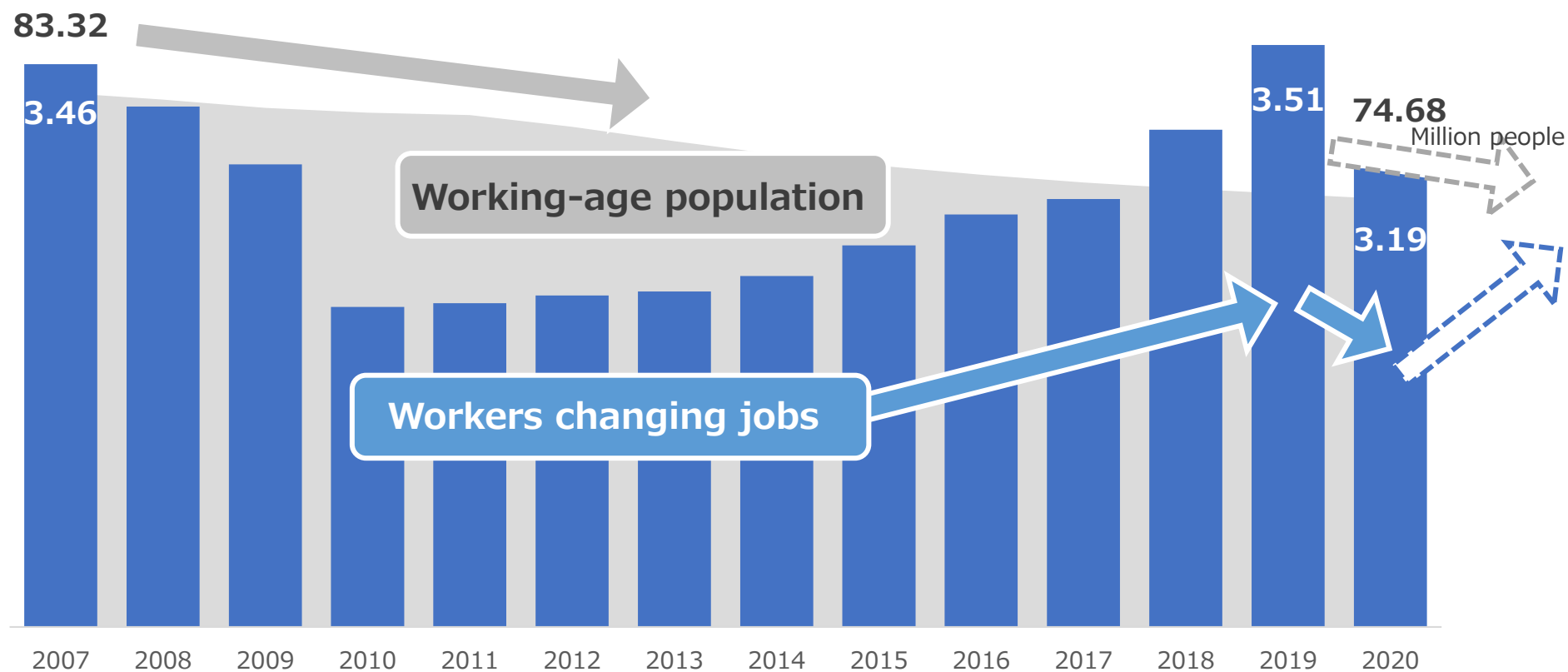
Has changed the governing structure from double-heads to single-head in April 2022 (Current President Suzuki is the representative)

Strengthens engage and human resources platform, a challenge that brings drastic change in the hiring market



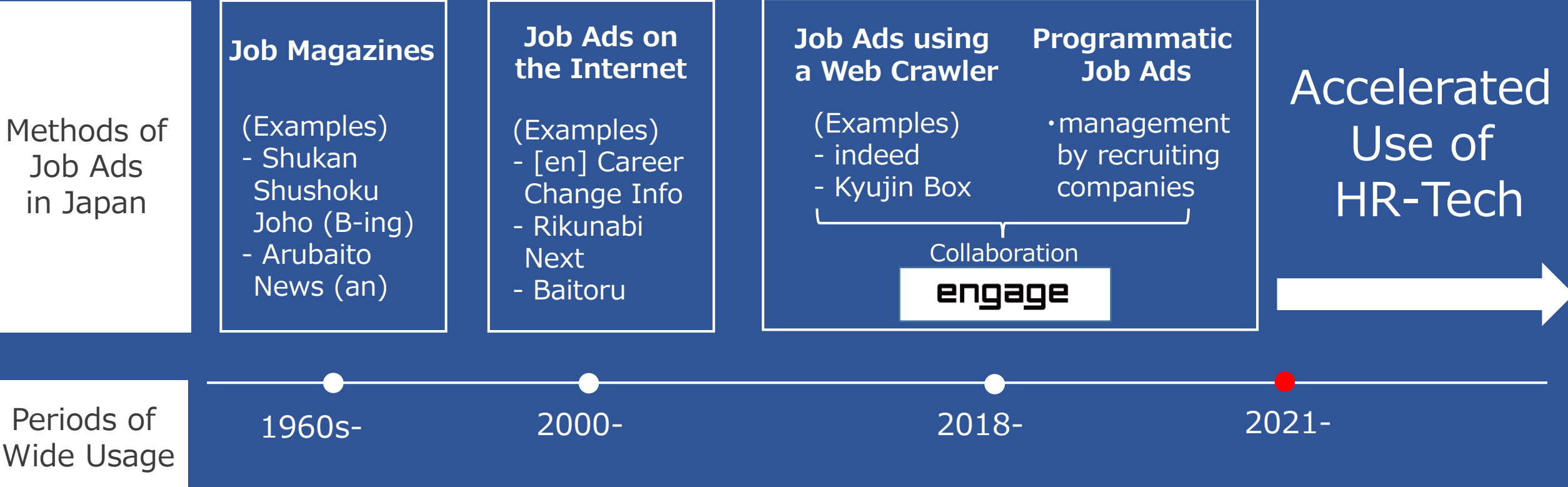
# Forecast for Hiring Market

Against the decrease in working-age population, labor mobility is likely to increase because of work-style changes and shift to growing industries



Past	Future	Backgrounds
<ul style="list-style-type: none"><li>● Lifetime employment, career-track position</li></ul>	<ul style="list-style-type: none"><li>● Higher labor mobility</li><li>● More demand for professionals and those in managerial positions</li></ul>	<ul style="list-style-type: none"><li>● Shorter corporate longevity</li><li>● More demand for human resources to tackle social changes</li></ul>
<ul style="list-style-type: none"><li>● Companies choose job seekers</li></ul>	<ul style="list-style-type: none"><li>● Job seekers choose companies</li></ul>	<ul style="list-style-type: none"><li>● Decrease in working-age population</li></ul>
<ul style="list-style-type: none"><li>● Human resource firms are responsible for recruitment.</li></ul>	<ul style="list-style-type: none"><li>● Recruitment by hiring companies themselves (direct recruiting)</li></ul>	<ul style="list-style-type: none"><li>● Change in approaches, as seen in D2C, etc.</li></ul>

# New hiring methods are widely used, which accelerate the use of HR-Tech



# Basic Policy in Medium-Term Management Plan

**Make businesses with investment have the same size as the existing ones in five years**

<b>Businesses with investment</b>	<b>Make aggressive investment in engage and AMBI to position them as our next core businesses</b>
<b>Existing businesses</b>	<b>Make certain investment in existing businesses to maintain them as profitable businesses</b>



**Further strengthen investment in human resources to support growth, as well as governance**

## Consolidated performance targets

Increase sales and operating income to a level more than **double** in five years

### Sales

FYE Mar 2022 Actual

FYE Mar 2027 Target

54.5<sub>bill</sub> ➡ 120<sub>bill</sub>

CAGR: approx. 17%

### Operating Income

FYE Mar 2022 Actual

FYE Mar 2027 Target

9.6<sub>bill</sub> ➡ 24<sub>bill</sub>

CAGR: approx. 20%

### OP margin

FYE Mar 2022 Actual

FYE Mar 2027 Target

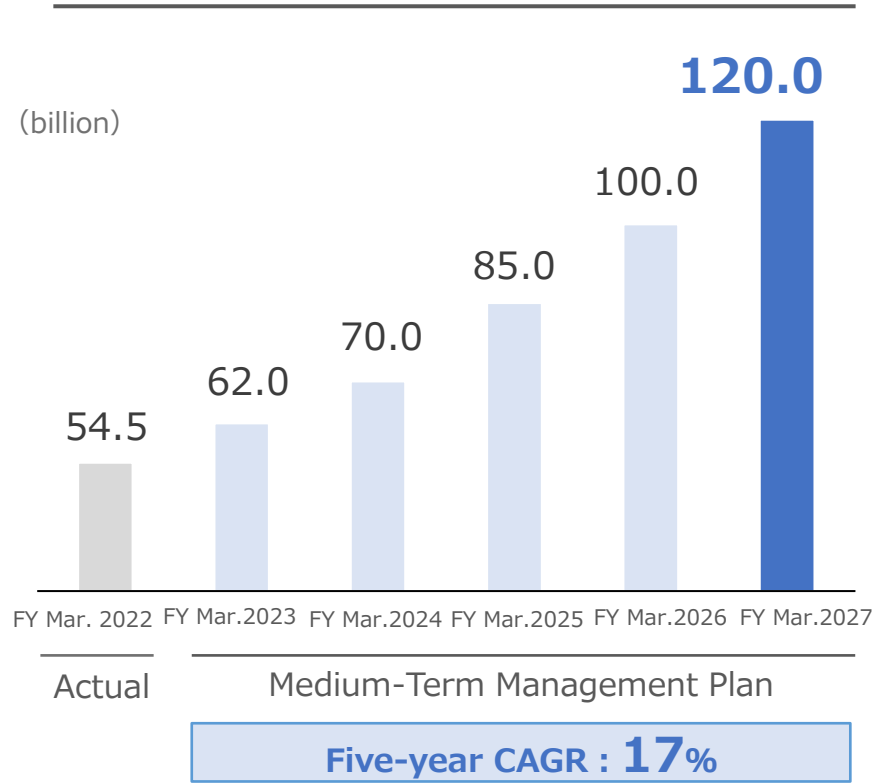
18% ➡ 20%

+2pt

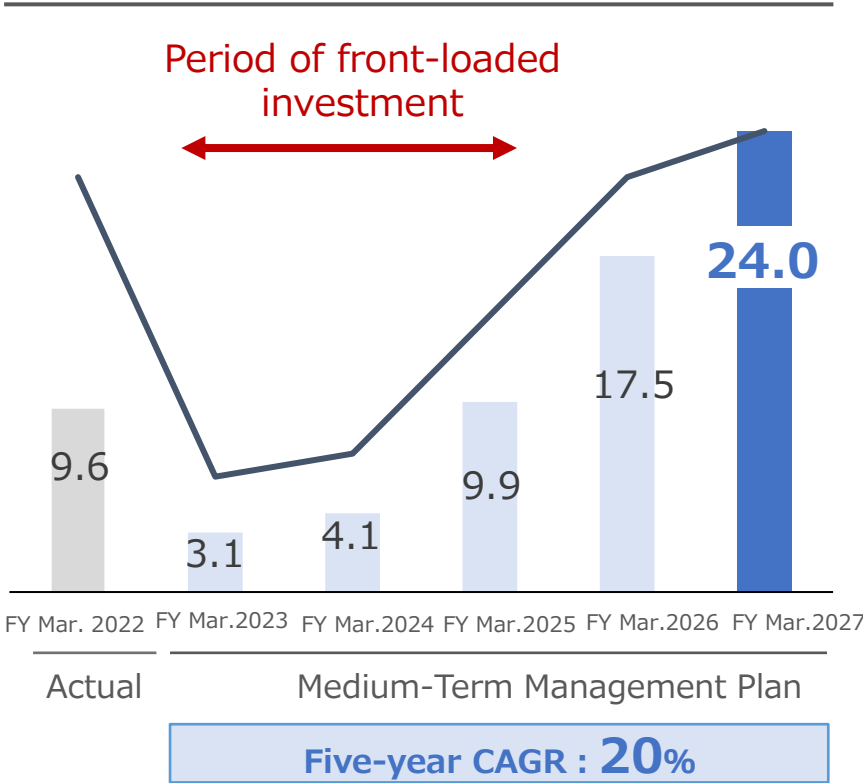


Focus totally on front-loaded investment in 1st half of the Medium-Term Plan: accelerate sales in 2nd half with large income returns

Sales (consolidated)



Operating income (consolidated), OP margin



## Segments have been revised to follow the strategy direction going forward

\* The below are based on managerial accounting.

Segments	Domestic Job Board	Domestic Recruitment Consultancy	Overseas	HR-tech	(Other)
Main components	<ul style="list-style-type: none"> <li>•[en] Career Change Info</li> <li>•[en] Career Change Consultant</li> <li>•AMBI</li> <li>•[en] Temporary Placement Info、en BAITO etc.</li> </ul>	<ul style="list-style-type: none"> <li>•EWJ</li> <li>•en Agent</li> </ul>	<ul style="list-style-type: none"> <li>•FFI (India)</li> <li>•Navigos (Vietnam)</li> <li>•英才 (China)</li> <li>•NewEra (India)</li> </ul>	<ul style="list-style-type: none"> <li>•engage</li> <li>•ATS/Test</li> <li>•Services to provide follow-up after joining companies</li> </ul>	<ul style="list-style-type: none"> <li>•iroots (for new graduates)</li> <li>•OWLS</li> <li>•New Business (Pasture) etc.</li> </ul>



Segments	Businesses with investment		Existing businesses	
	HR-tech engage	Human resource platform	Domestic	Overseas
Main components	<ul style="list-style-type: none"> <li>•engage</li> </ul>	<ul style="list-style-type: none"> <li>•AMBI</li> <li>•[en] Career Change Consultant etc.</li> </ul>	<b>Domestic Job Board</b> <ul style="list-style-type: none"> <li>•[en] Career Change Info</li> <li>•[en] Temporary Placement Info、en BAITO etc.</li> </ul>	<ul style="list-style-type: none"> <li>•FFI (India)</li> <li>•Navigos (Vietnam)</li> <li>•英才 (China)</li> <li>•NewEra (India)</li> </ul>
			<b>Domestic Permanent Recruitment</b> <ul style="list-style-type: none"> <li>•EWJ</li> <li>•en Agent</li> </ul>	
			<b>Domestic: others</b> <ul style="list-style-type: none"> <li>•ATS/Test</li> <li>•Services to provide follow-up after joining companies</li> <li>•New businesses etc.</li> </ul>	

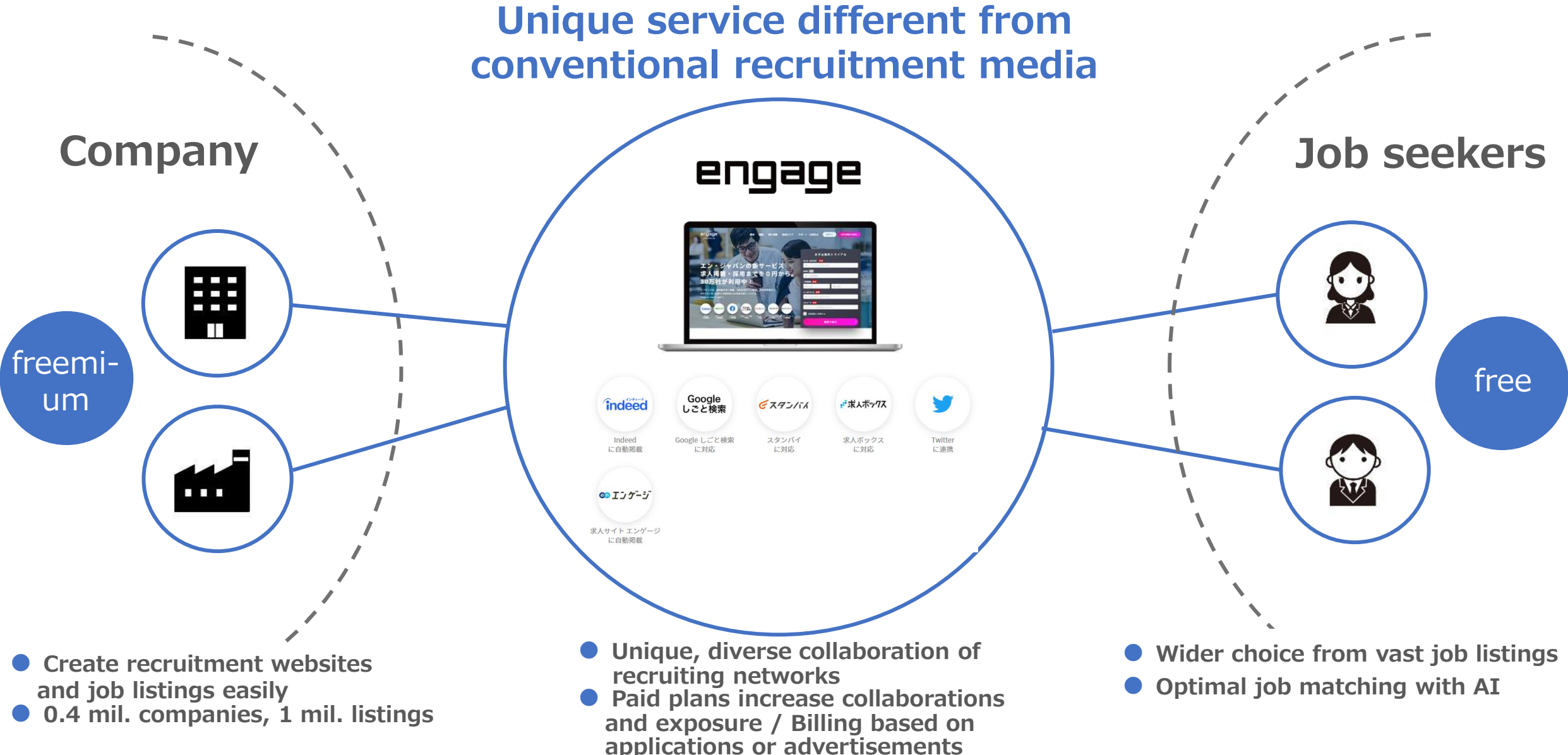
# Numerical plan by segment

18

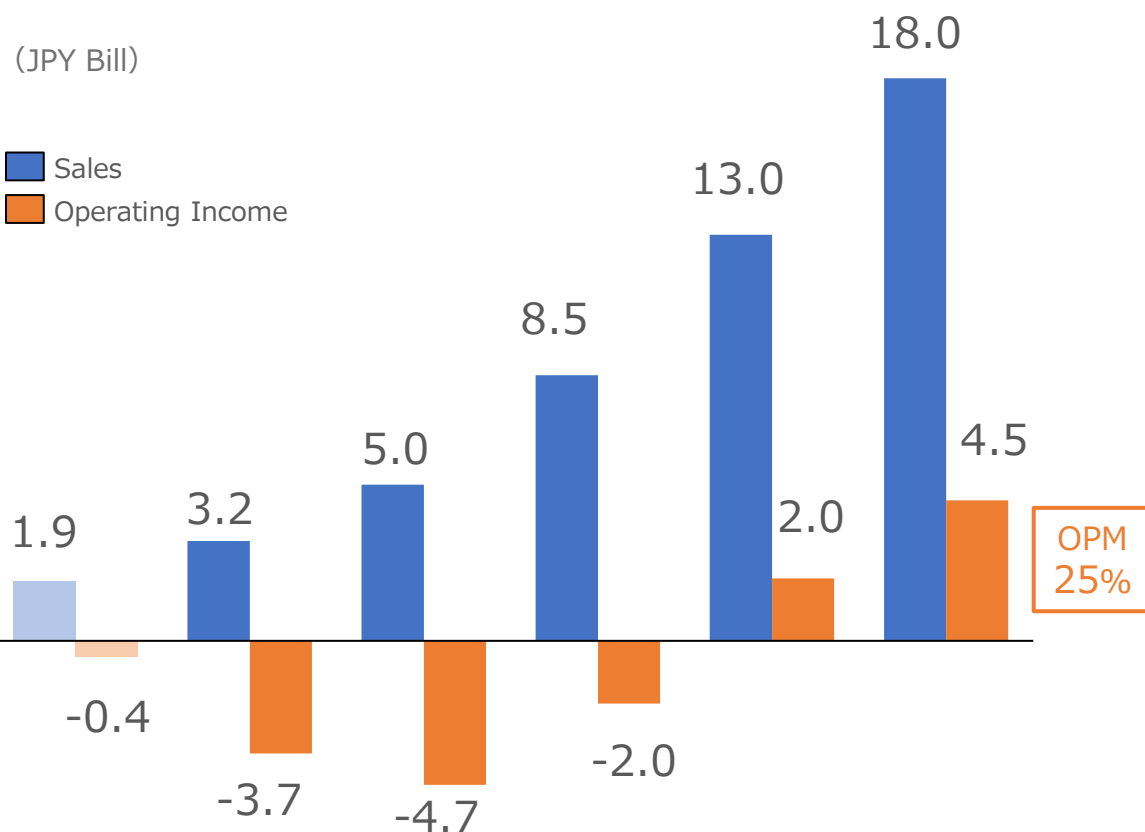
(bil JPY)			FYE Mar 2022 (Apr.2021-Mar.2022)	Medium-Term Management Plan				
				FYE Mar 2023	FYE Mar 2024	FYE Mar 2025	FYE Mar 2026	FYE Mar 2027
Business with investment	HR-Tech engage	Sales	1.9	3.2	5.0	8.5	13.0	18.0
		Operating Income	-0.4	-3.7	-4.7	-2.0	2.0	4.5
		OP margin	-23%	-115%	-94%	-24%	16%	25%
	Human resource platform	Sales	4.4	5.4	6.9	8.5	10.5	13.3
		Operating Income	0.8	-1.3	-0.2	1.1	1.6	2.5
		OP margin	19%	-24%	-3%	14%	15%	19%
Existing Business	Domestic	Sales	37.8	40.3	44.9	50.2	56.6	63.5
		-Job Board	25.8	27.4	29.2	31.0	33.4	35.9
		-Permanent Recruitment	9.7	9.9	11.2	13.0	15.2	17.4
		-Other	2.3	2.9	4.4	6.1	8.0	10.2
		Operating Income	9.3	7.9	9.1	11.1	13.6	16.6
		OP margin	24%	20%	20%	22%	24%	26%
	Overseas	Sales	11.0	13.5	14.3	18.2	21.6	25.8
		Operating Income	0.9	0.9	1.1	2.0	2.8	3.7
		OP margin	8%	7%	8%	11%	13%	14%
adjustment		Sales	-0.6	-0.4	-1.1	-0.3	-1.7	-0.6
		Operating Income	-0.9	-0.8	-1.3	-2.3	-2.5	-3.4
consolidated		Sales	54.5	62.0	70.0	85.0	100.0	120.0
		Operating Income	9.6	3.1	4.1	9.9	17.5	24.0
		OP margin	18%	5%	6%	12%	18%	20%

Businesses with  
investment

HR-Tech  
- engage -



## Sales: 10 times in 5 years



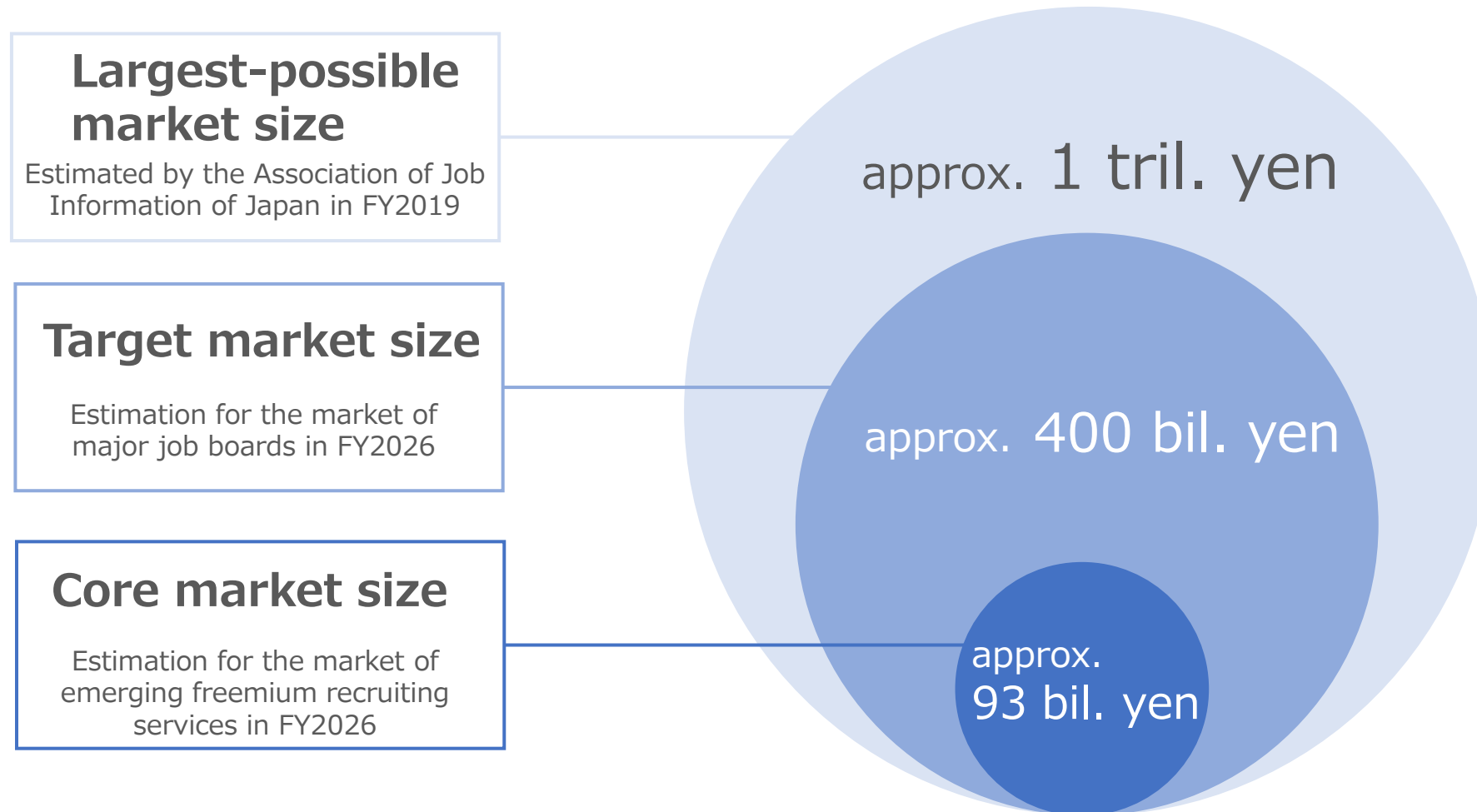
FY Mar. 2022 FY Mar.2023 FY Mar.2024 FY Mar.2025 FY Mar.2026 FY Mar.2027

Actual

Medium-Term Management Plan

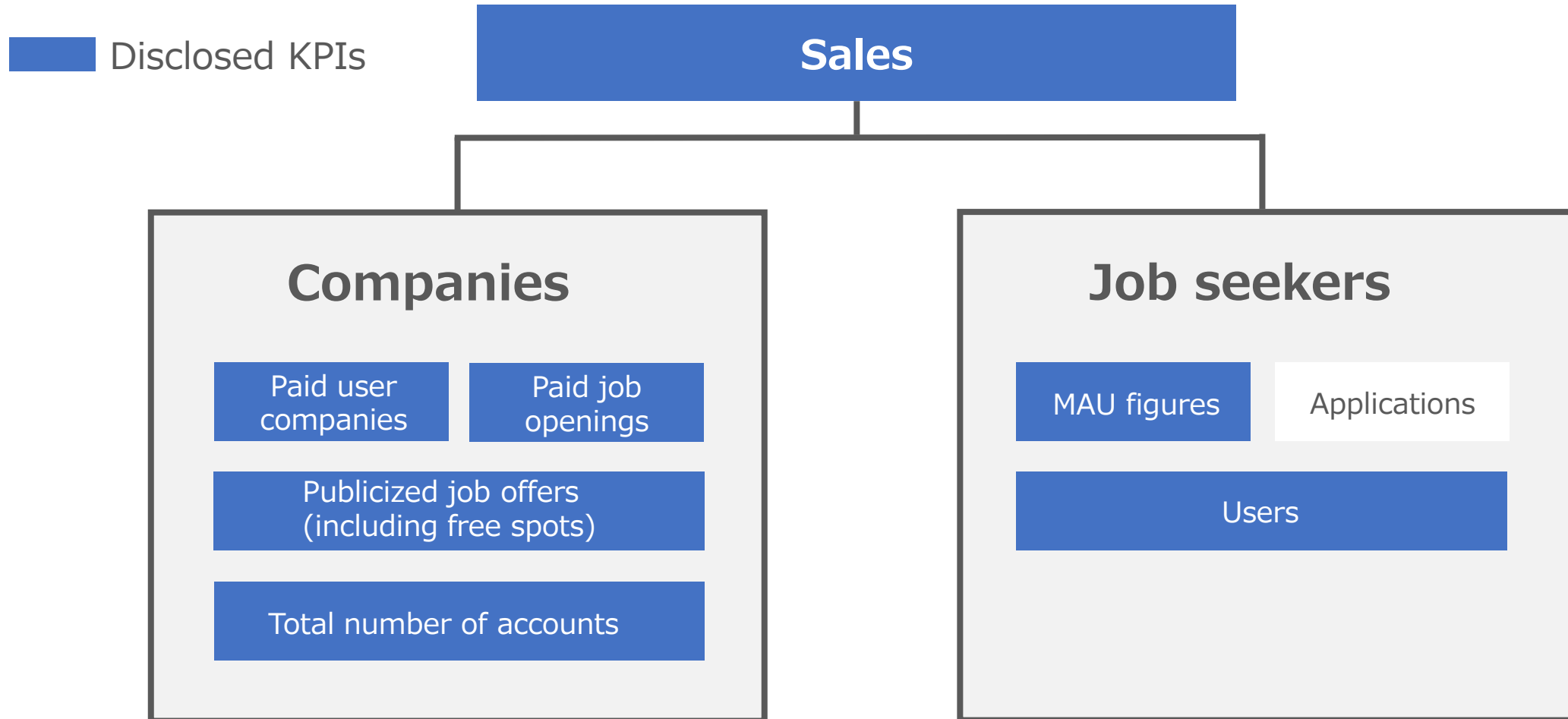
- Sales: **10** times in 5 years (CAGR60%)
- OP margin: **25%**  
Further increase planned in the longer term
- Opportunity for high growth with steady buildup of company KPIs
- Strengthened investment in promotions to get more job seekers

**Good opportunity with market size of 400 bil. yen even in the domain of conventional recruiting media**





**Focus on number of paid user companies and paid job openings for companies, and number of users and MAU figures for job seekers**



## Company KPIs on a steady trend

- esp. increase in paid usage, leading to a virtuous cycle

### 4Q FYE Mar 2022

#### Total number of accounts

0.42 mil.  
companies

approx. **12%** of  
all in Japan

#### Publicized job offers

Approx. **1 mil.**  
listings

**equivalent** to those for full-time employees in Hello Work

#### Paid user companies

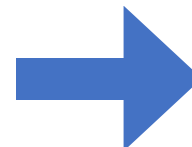
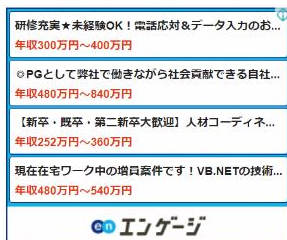
9,500  
companies  
approx. **1.7 times**  
year-on-year

#### Paid job openings

0.15 mil.  
listings  
approx. **5 times**  
year-on-year

## Strengthen toC promotions

- Increase in users leads to more activities of job seekers
- Increase in sales along with strong company KPIs
- Online ads mainly used, with commercials for wider recognition



### 4Q FYE Mar 2022

The two indicators are disclosed quarterly as KPIs

Users

1,100,000

MAU figures

330,000

Businesses with  
investment

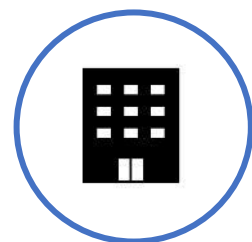
Human resource platform  
(AMBI•[en] Career Change Consultant)

## Online matching of high-class human resources and companies

General Companies

Permanent Recruitment agencies

● Success fee



Job listings

Scouting

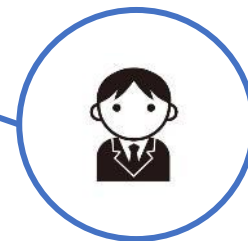
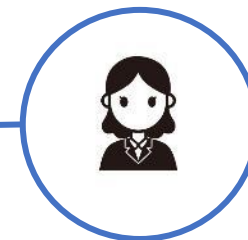


View listings  
Application

Reply to  
scouting

Job seekers

● Free-of-charge



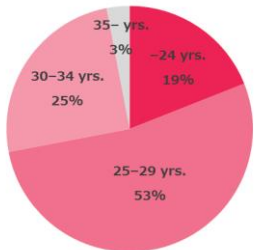
- More than 2.5 mil. high-class users
- AMBI is specialized for top-class young professionals, used by mega ventures and large companies

## A M B I

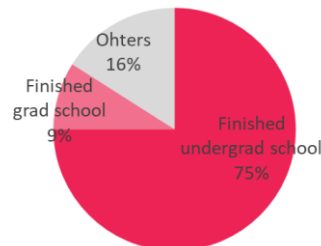
AMBI is a direct recruiting service dedicated to young, high-class staff

AMBI has a listing of many young, high-class workers; over 45% are from high-ranked universities at least "MARCH" schools\*  
Over 50% of the users have middle-level or better English skills

\* "MARCH" schools are Meiji Univ., Aoyama Gakuin Univ., Rikkyo Univ., Chuo Univ., and Hosei Univ.



34 yrs. old or younger: 97%



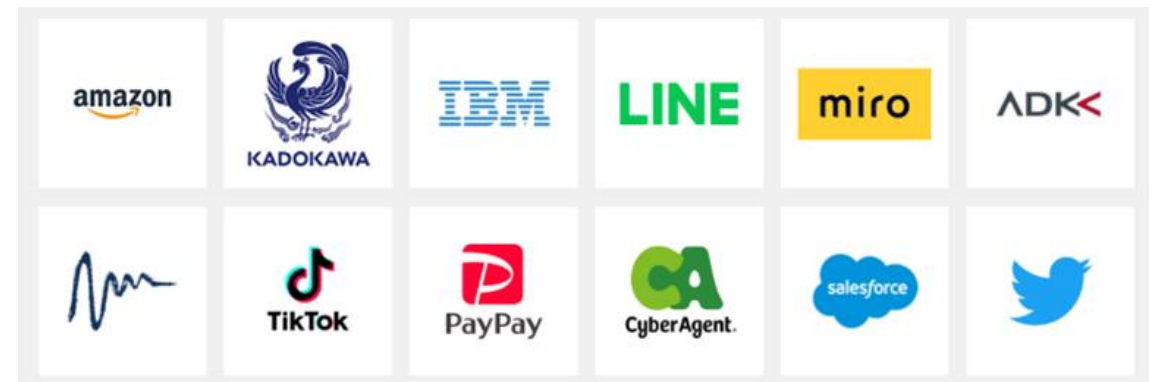
Univ. grads.: 84%  
MARCH or higher: over 45%



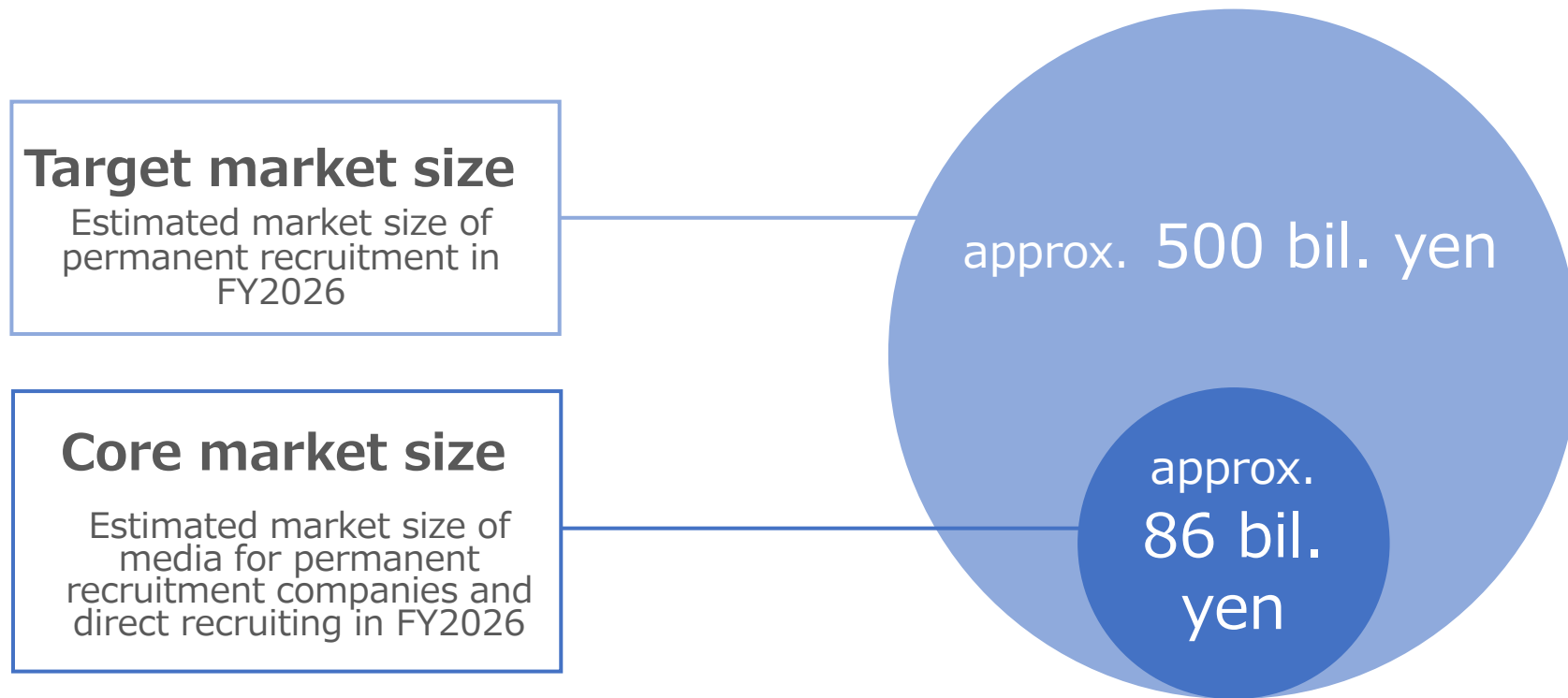
New users:  
Approx. 20,000/month  
Total: over 500,000 users

User companies are screened to ensure the registration exclusively of appealing companies/recruitments

(Examples of user companies)



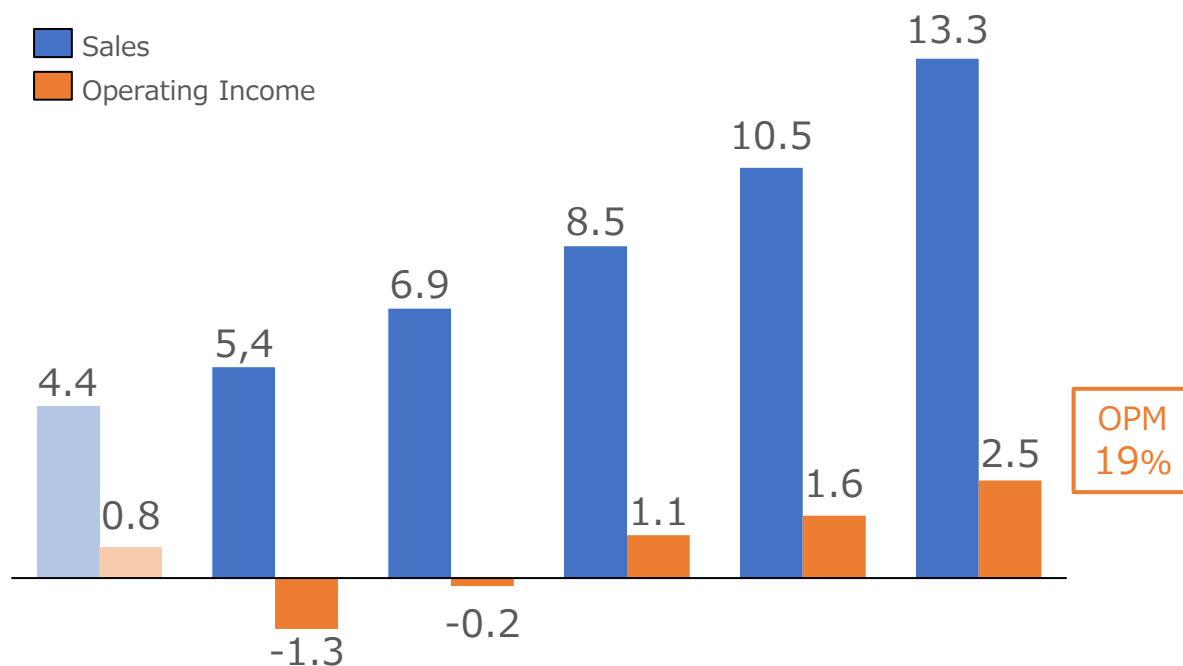
**Target market of permanent recruitment is expected to increase, with large potential in the domain of high-class staff**





## Sales: 3 times in 5 years

(JPY Bill)



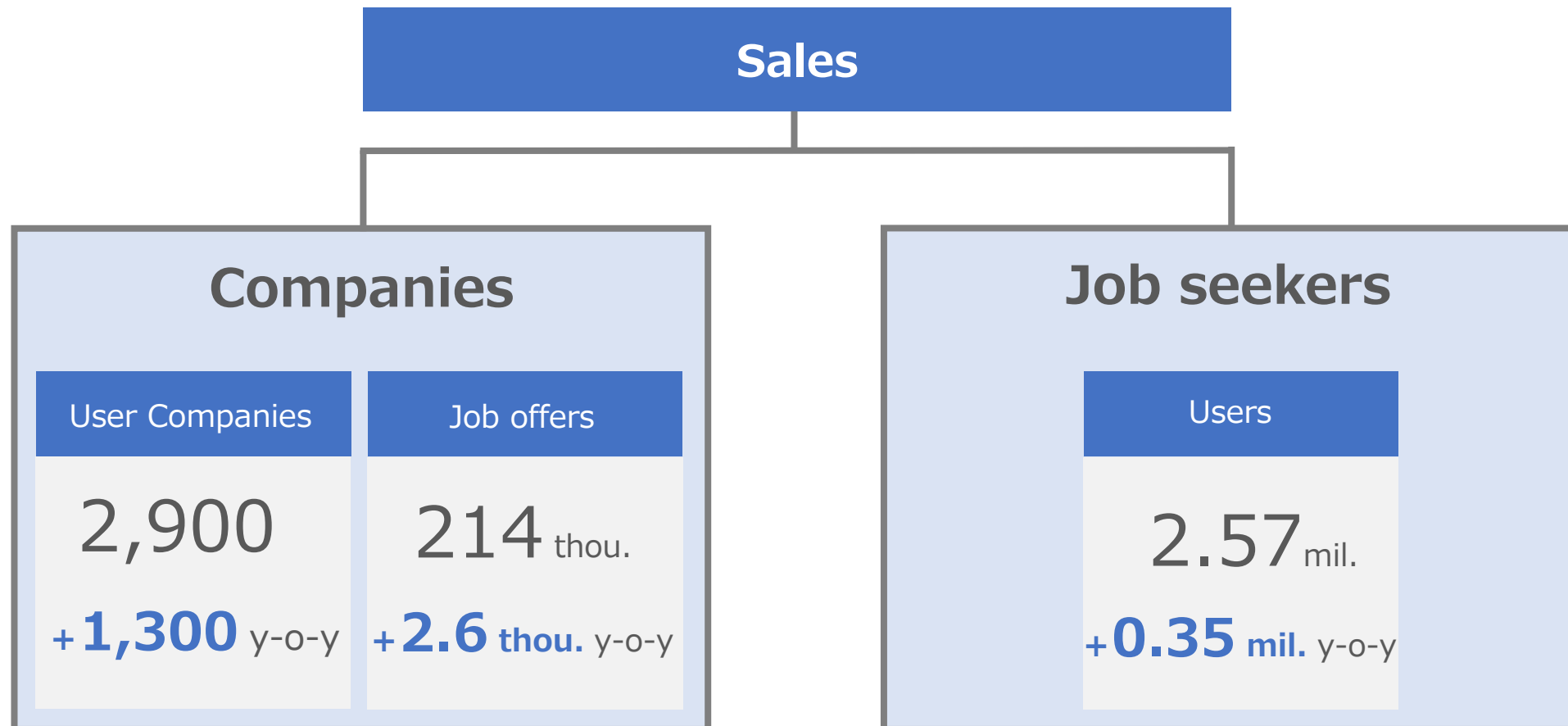
FY Mar. 2022 FY Mar.2023 FY Mar.2024 FY Mar.2025 FY Mar.2026 FY Mar.2027

Actual

Medium-Term Management Plan

- Sales: **3** times in 5 years  
(CAGR25%)
- OP margin: **19%**  
Further increase planned in the longer term
- Build up a certain position  
mainly with AMBI
- Strengthen investment in  
promotions and increase  
operating staff to create a firm  
position in high-growth market

Indicators of companies and job seekers are disclosed quarterly as KPIs  
Increase in job seekers due to strengthened promotions is especially important as it leads to more usage by companies



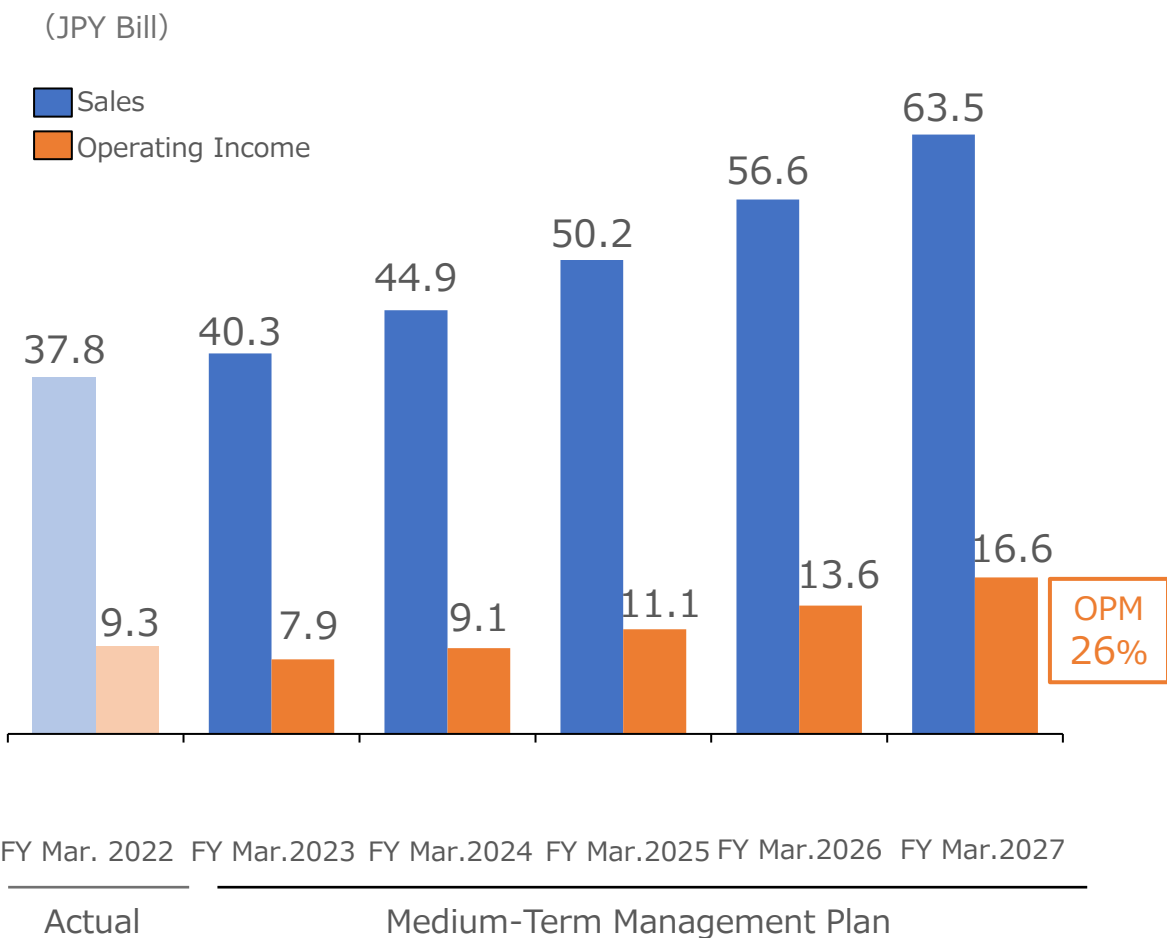
Existing businesses

Domestic/Overseas

## Positioning of all the existing businesses

- They will maintain high profitability and continue to be positioned as a basis for earnings
- Their firm position will be kept by increasing staff and investing in promotions along with a full-scale market recovery

**Income doubles in 5 years:**  
**OP margin also rises**



**Job Board**

- Final year’s OP margin in the plan: 30% or more
- High profitability, a major part of earnings
- Business productivity already at pre-pandemic level: plan to increase personnel

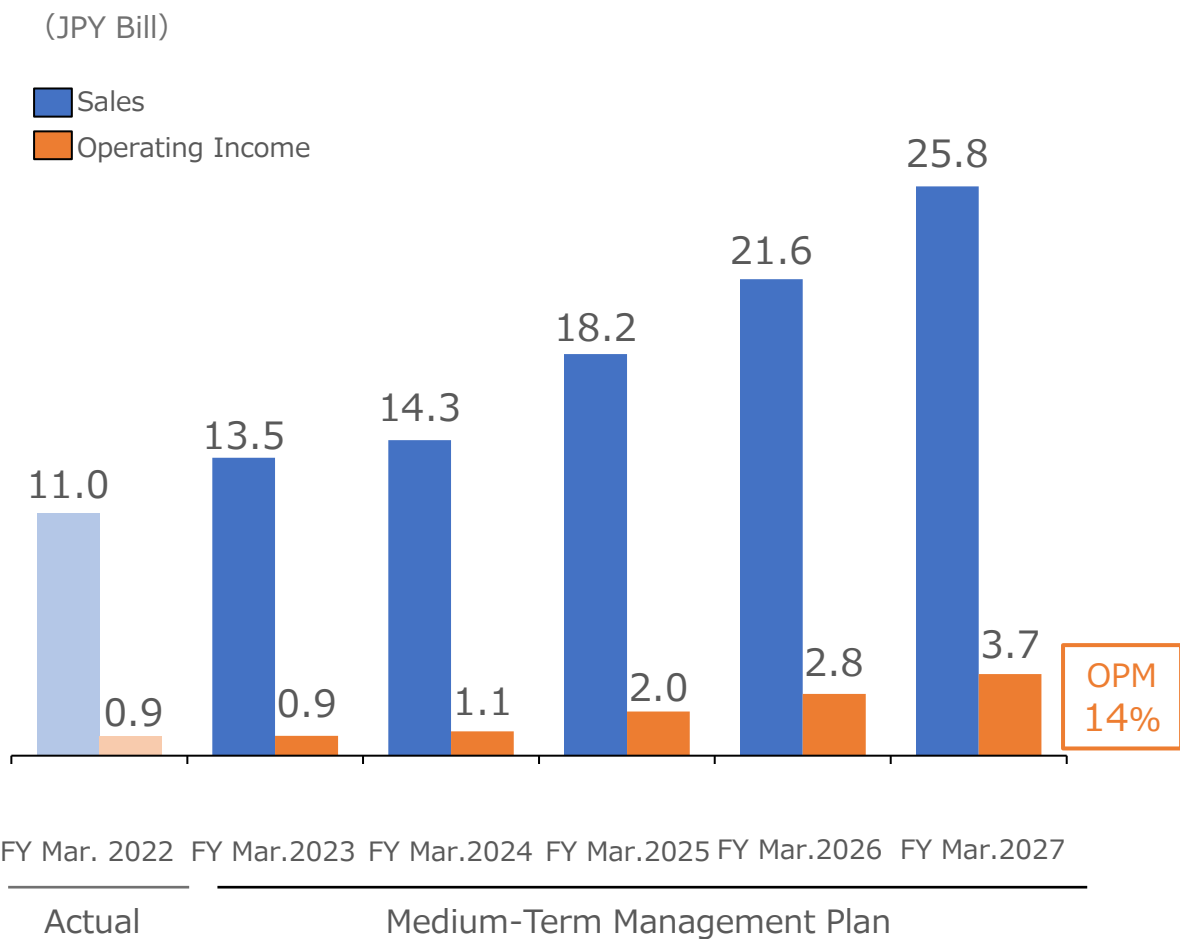
**Permanent Recruitment**

- Final year’s OP margin in the plan: 20% or more
- Personnel increase and system investment on agenda for steady OP margin growth

**Other**

- Final year’s OP margin in the plan: 10% or more
- New investment incurs heavy expenses in 1st half, but they increase earnings in 2nd half with rise in SX (Sales Tech), etc.

**Sales double in 5 years:**  
**Income increases 4 times**



**India**

- OP margin to rise from low single digit to nearly 10%
- Growing demand for IT personnel, lasting for a long period and being a tailwind
- Expansion of high-added-value projects in India  
Strengthened business for highly profitable customers (U.S. companies)

**Vietnam**

- OP margin planned to be 30% or more with the job board having the largest share in the country
- Expansion of profitability through unit price rise for increasing OP margin in permanent recruitment business

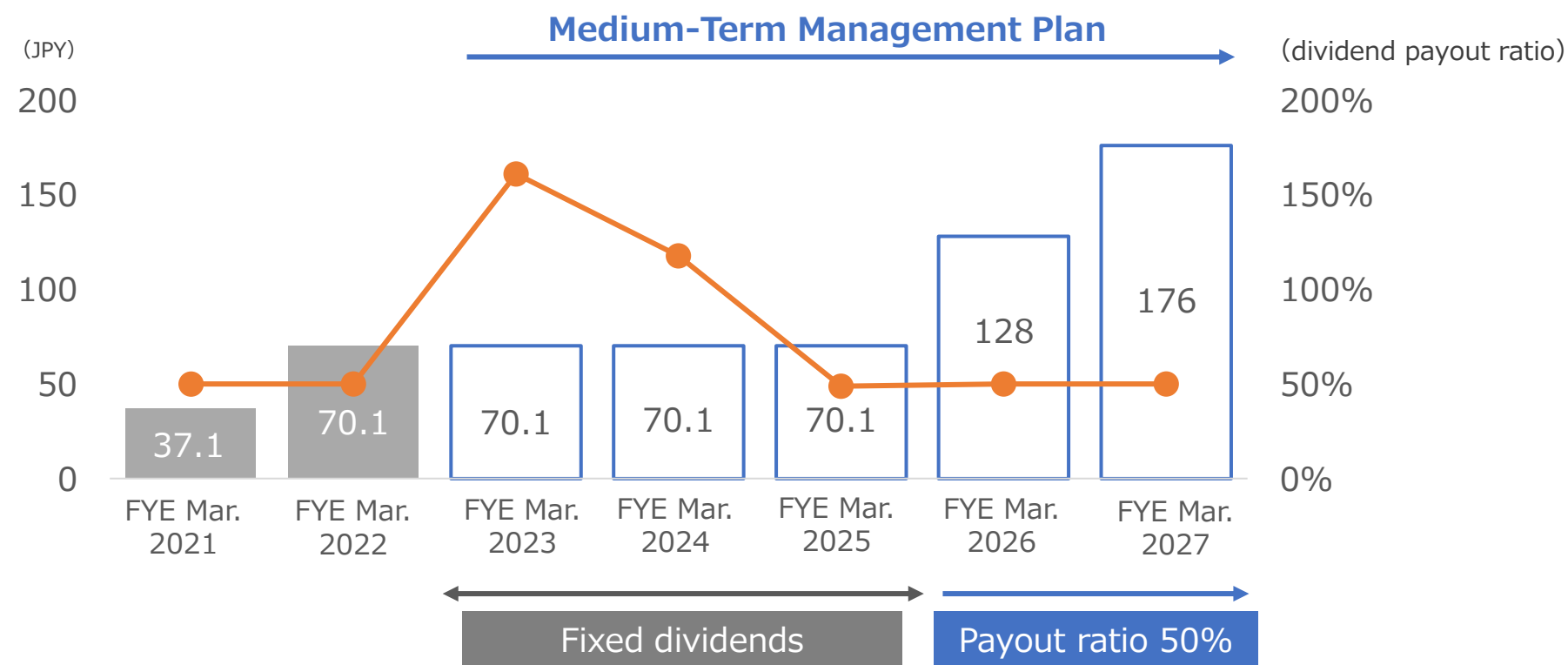
## Basic Policy for Financing



Funds in possession are mainly for growth investment (M&A), while further shareholder return is considered accordingly  
Dividends maintain the previous term’s level (70.1 yen) during three years of strengthened front-loaded investment

Cash & savings	Usage	Policies
Single year P/L	Business	<ul style="list-style-type: none"><li>● Enhance advertising for substantial mid-term growth</li><li>● Investment in the business model is within the range of single-year P/L</li></ul>
B/S 2/3	M&A	<ul style="list-style-type: none"><li>● As effective fund usage, <b><u>prioritize M&amp;A that leads to growth investment</u></b></li><li>● Prioritize cash reserve but avoid inefficient retention: consider borrowing according to the size</li></ul>
	Shareholder return	<ul style="list-style-type: none"><li>● <b><u>Provide dividends for 3 years at the same level as the previous period;</u></b> after that, make the payout ratio 50%</li><li>● Consider obtaining treasury shares flexibly based on the progress of M&amp;A</li></ul>
B/S 1/3	Retention for contingencies	<ul style="list-style-type: none"><li>● Hold about one-third of the retained cash as a standard</li><li>● Control the cost flexibly while retaining the three-month equivalent of fixed cost for contingencies</li></ul>

**Dividends are to be fixed during period of front-loaded investment  
In FYE March 2026 and onward, when earnings increase  
substantially, dividend payout ratio is to be set at 50%**



\* Dividend payout is based on the net income attributable to owners of the parent company.  
\* The difference from the dividend payout described in the summary of financial results is attributed to the dividend related to J-ESOP. Specifically, dividend payout of the Company is calculated as follows: total dividend/net income attributable to the shareholders of parent company=dividend payout (%)  
\* Assuming dividend payment for FYE Mar/2022 is approved by the general meeting of shareholders.

E S G

CO<sub>2</sub> emissions are reduced continually, though our business model originally has only a small impact on the environment

Item		FYE Mar 2019 (Apr.2018-Mar.2019)	FYE Mar 2020 (Apr.2019-Mar.2020)	FYE Mar 2021 (Apr.2020-Mar.2021)
GHG and energy emissions data *1	CO <sub>2</sub> emissions (scope 1) (City gas consumption) (Mt-CO <sub>2</sub> e/year)	—	—	—
	CO <sub>2</sub> emissions (scope 2) (Electricity consumption) (Mt-CO <sub>2</sub> e/year)	1,315.1	1,343.7	795.7
	Energy consumption (scope 1) (City gas consumption) (MWh/year)	—	—	—
	Energy consumption (scope 2) (electricity consumption) (MWh/year)	6,214.4	6,397.1	3,749.2
Paper consumption/ Net sales*2	Indexed to 100 in FY03/19	100	87.9	13.6
Percentage of digitized documents*3	Internal approval documents	0%	59%	100%
	Stamped documents	0%	0%	83%

## (Examples)

- Reduce environmental burden in the course of business, educate and raise awareness of employees, based on the basic policy for the environment
- Reduce electricity consumption by promoting remote work
- Reduce paper consumption by promoting paperless operations

## The goal is to continue growth of society and employees based on our purpose

**Co-Creation**  
「エンの理念」は、社員全員で作るもの。

「共創型理念経営」。エン・ジャパンが実践する経営スタイルです。トップダウンで理念を押し付け、丸暗記させる。それでは本当に現場で役立つ「生きた哲学」にはなりません。時代の変化を受け止め、社員の意見を反映し、つねに理念をアップデートしていくのが当社です。新入社員でも関係なく、意見は大歓迎。役員がきちんと受け止め、ともに議論し、よくなる言葉を、社員全員で共に創り上げていく。エン・ジャパンがここにあります。

**REMOTE WORK**

毎日の通勤時間、0分。  
通勤いらずで仕事スタート。

自宅で仕事ができるから、毎日の通勤は不要。商談も訪問型ではなく「インサイドセールス」が基本です。通勤ラッシュとは無縁で、気持ちにも少し余裕ができます。こだわりのデスクや快適なワークスペースづくりに投資する社員も多数。自分好み

16m2の空間などに活用しています。



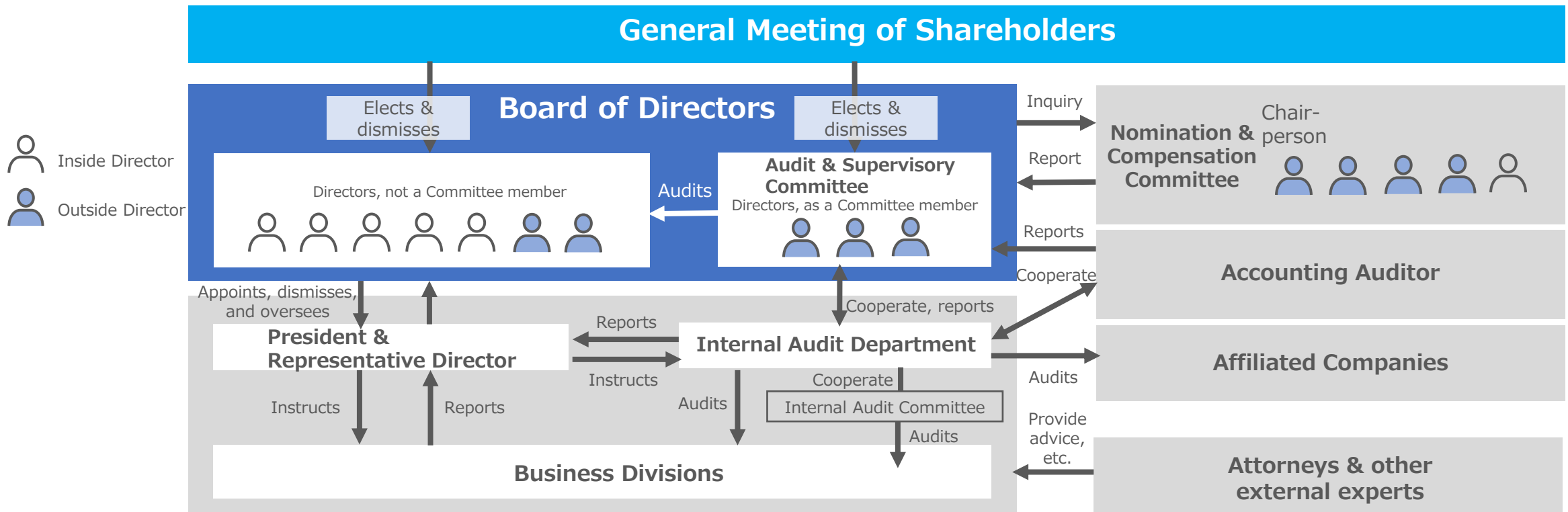
### (Examples)

- Promote businesses based on our purpose  
“To make the world better by increasing the number of people who work hard for others and society”
- Update corporate philosophy reflecting employees’ opinions through “Co-creation oriented management”
- Strengthen incentives to employees through new performance-based remuneration, etc.
- Expand job-based recruitment of new grads  
Promote early career building while enabling flexible career model with, e.g., internal job changes and transfers
- Promote working arrangements mainly with remote work, while enhancing internal communications with virtual offices, etc.

## Objectivity and transparency of management are enhanced by strengthening oversight function of Board of Directors

- Transition from a Company with an Audit and Supervisory Board to a Company with an Audit and Supervisory Committee
- Ratio of Outside Directors to be **more than 50%**

- \*Organization diagram of corporate governance -





■ en Japan Inc. Corporate Planning Department IR Group

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

Cautionary Statement

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