

eole (2334)

Fiscal Year (Unconsolidated) (Million Yen)		Sales	Operating Profit	Recurring Profit	Net Profit	EPS (Yen)	DPS (Yen)	BPS (Yen)
FY03/2019		1,955	78	76	58	25.55	0.00	495.44
FY03/2020		1,844	26	26	0	0.41	0.00	497.67
FY03/2021CoE		-	-	-	-	-	0.00	-
FY03/2020	YoY	(5.7%)	(66.0%)	(65.5%)	(98.4%)	-	-	-
FY03/2021CoE	YoY	-	-	-	-	-	-	-

Source: Company Data, WRJ Calculation

1.0 Executive Summary (9 July 2020)


Active Investment

eole, focusing on programmatic job advertising, is to implement active investment for development with an objective to provide innovative services in anticipation of prospective recovery in the market environment. In FY03/2020, the Company suffered from decreased sales and earnings due to loss of large-scale deal in promotional advertising, etc. to have offset steady progress in job advertising, which is now followed by market environment, suggested by changes in the active job openings-to-applicants ratio, etc., suffering from situations that uncertainty stemming from the impacts of COVID-19 never being dispelled. Consequently, FY03/2021 Company forecasts have not been decided. However, more importantly, the Company has announced that it will place emphasis on making HR Ads Platform commercially viable, realizing next-generation posting of programmatic job advertising for post-COVID-19 world. With respect to operations of own media, which is the original source of earnings with the Company, investment for development is now approaching a halt, suggesting effectively no further investment going forward. Now, the Company is to concentrate all the resources on development of HR Ads Platform, trying to become the next-generation leader of programmatic job advertising.

IR Representative: Ikuko Motoda, Corporate Strategy Division (+81 50 5840 5670 / i-motoda@eole.co.jp)

2.0 Company Profile

Programmatic Job Advertising

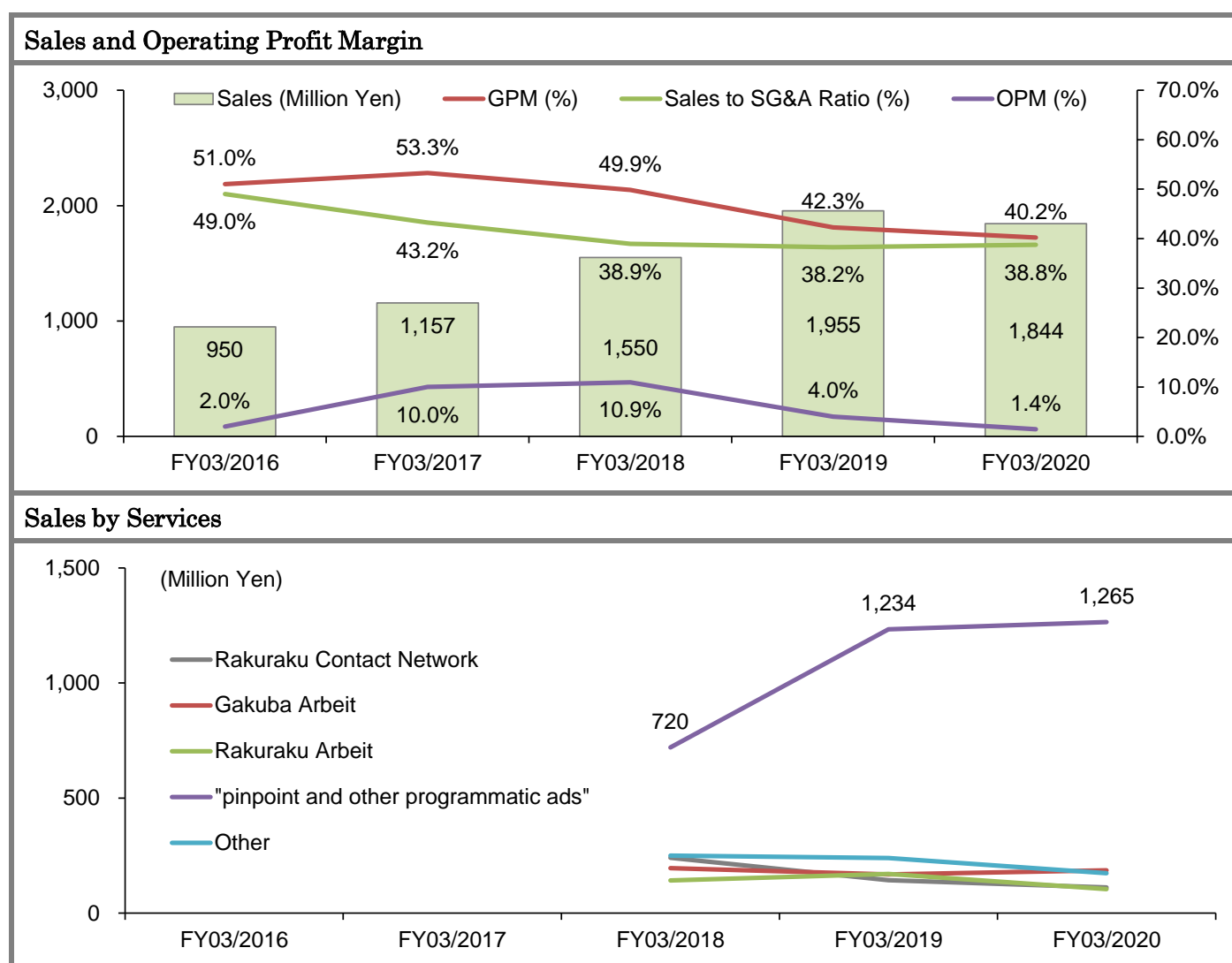
Company Name	eole Inc. Website IR Information (Japanese) Share Price (Japanese) 
Established	25 April 2001
Listing	15 December 2017: Tokyo Stock Exchange Mothers (ticker: 2334)
Capital	¥737m (as of the end of March 2020)
No. of Shares	2,312,500 shares, including 66 treasury shares (as of the end of March 2020)
Main Features	<ul style="list-style-type: none">● Strengths on targeted ads based on attribute data● Proprietary knowhow on system linkage with job search engines, represented by “Indeed”● Advocating to realize next-generation posting for programmatic job advertising
Business Segment	I . Internet Media Business
Top Management	President: Makoto Ogawa
Shareholders	Naohito Yoshida (founder and chairperson) 27.68%, Goro Inc. (owned by Yoshida) 9.11%, Toppan Printing 6.27% (as of the end of March 2020, but for treasury shares)
Headquarters	Minato-ku, Tokyo, JAPAN
No. of Employees	Unconsolidated: 82 (as of the end of March 2020)

Source: Company Data

3.0 Recent Trading and Prospects

FY03/2020 Results

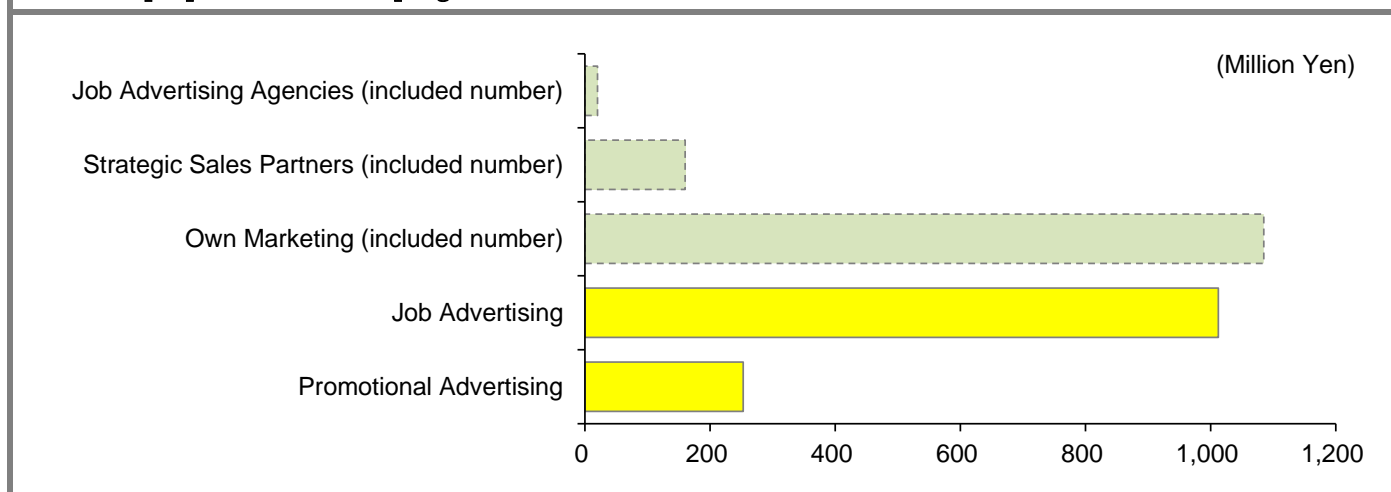
In FY03/2020, sales came in at ¥1,844m (down 5.7% YoY), operating profit ¥26m (down 66.0%), recurring profit ¥26m (down 65.5%) and net profit ¥0m (down 98.4%), while operating profit margin 1.4% (down 2.6% points). Sales and earnings came down due mainly to loss of large-scale deal of promotional advertising on the mainstay services of “pinpoint and other programmatic ads”. Meanwhile, the Company has unexpectedly implemented reversal of deferred tax assets for Q4, having resulted in income taxes adjustment of ¥19m. According to the Company, this is due to a factor that it conservatively reviewed taxable income in FY03/2021 and thereafter in light of the impacts from COVID-19.



Source: Company Data, WRJ Calculation

From October 2018 to May 2019, the Company operated advertising of the above-mentioned large-scale deal, while this has been lost since June 2019. Meanwhile, the Company’s strategy for FY03/2020, i.e., “further expansion and promotion for recruitment-related advertising domain”, has turned out to be reasonably successful, according to the Company. Nevertheless, another one, i.e., “enhancement of partnership with Strategic Sales Partners and Job Advertising Agencies” did not make progress as initially expected, having been another factor for the sluggish business performance with the Company.

Sales of “pinpoint and other programmatic ads” (FY03/2020)



Source: Company Data, WRJ Calculation

“pinpoint and other programmatic ads” saw sales of ¥1,265m (up 2.5%) and sales composition ratio of 68.6% (up 5.5% points) out of total. Sales of job advertising, presumably accounting for some 80% of sales here, increased by 16.3% over the previous year, while sales of promotional advertising, accounting for the remaining 20% or so, came down over the previous year due to loss of above-mentioned large-scale deal, according to the Company.

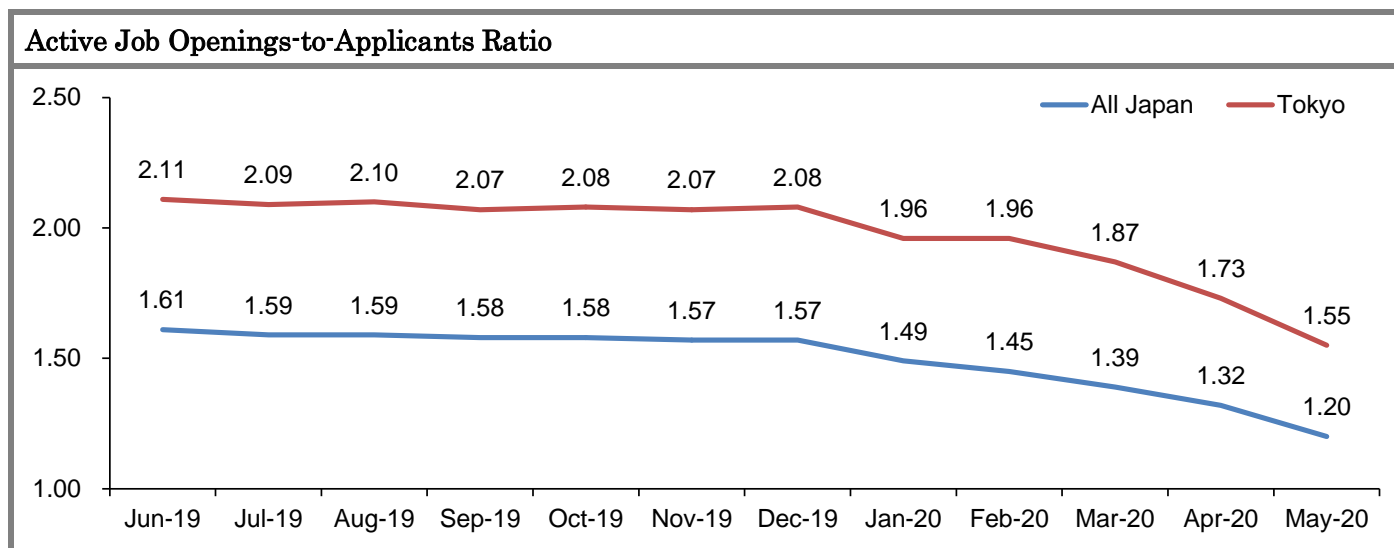
The Company argues that this loss was caused by major changes in the organizational structure by the counterparty. Meanwhile, the above-mentioned period for operations of the said advertising suggests that the Company saw sales stemming from here for 6 months in H2 FY03/2019 and only the first two months in FY03/2020. Eventually, the impacts stemming from this loss is to inevitably persist in the first two months in Q1 FY03/2021 (April and May in 2020) for sales in terms of changes over the same period of the previous year.

Given firm sales of job advertising, the Company suggests that “further expansion and promotion for recruitment-related advertising domain” was reasonably successful. Still, as “enhancement of partnership with Strategic Sales Partners and Job Advertising Agencies” did not make progress as initially expected, sale of job advertising fell short of initial expectations, according to the Company.

Collective sales of Strategic Sales Partners and Job Advertising Agencies appear to equate to some 15% of sales in "pinpoint and other programmatic ads". Most of this appears to be attributable to Strategic Sales Partners where counterparties are in charge of selling ads with their own brands while the Company in charge of operating the ads. For Job Advertising Agencies where counterparties are in charge of selling ads with the Company’s brand while the Company in charge of operating ads, sales are insignificant.

With respect to Strategic Sales Partners, a large-scale counterparty related to job advertising voluntarily refrained from selling ads with their own reasons in Q2, which had a major impact on sluggish sales of Strategic Sales Partners. However, this large-scale counterparty has resumed selling ads in the domain of new graduate recruitment since Q4.

With respect to Job Advertising Agencies, the Company suggests that sales plummeted, albeit originally small. The background to this is that counterparties have remained reluctant to allocate their resources on selling the Company’s services, while concentrating their resources on selling search advertising of job search engines represented by “Indeed”. Meanwhile, “Indeed” and others have been universally adopted by all kinds of advertisers to date, meaning that a sort of saturation has arrived in this respect, according to the Company. More importantly, the Company spots a possibility for this to drive recovery for allocation of sales promotion resources by counterparties upon the Company’s targeted ads, etc.



Source: [The Japan Institute for Labour Policy and Training](#)

Meanwhile, prospective sales as a whole for the Company are to inevitably suffer from the impacts stemming from COVID-19, according to the Company. As far as assuming that the impacts are to extend going forward, it will be unavoidable for the economy to further slowdown and for active job openings-to-applicants ratio, on which the Company’s business environment hinges, to further come down, Structural labor shortage will persist in the overall labor market, being attributable to low birthrate and aging population. Still, the impacts stemming from COVID-19 will make recruitment selections being stagnated in most of companies and recruitment appetite getting lower for the time being as least.

FY03/2020 Company Forecasts and Results

Unconsolidated Fiscal Year (Million Yen)	Date	Event	Sales	Operating Profit	Recurring Profit	Net Profit
FY03/2020CoE	15-May-19	Q4 Results	2,420	166	166	112
FY03/2020CoE	14-Aug-19	Q1 Results	2,420	166	166	112
FY03/2020CoE	14-Nov-19	Q2 Results	2,420	166	166	112
FY03/2020CoE	14-Feb-20	Q3 Results	1,793	9	8	4
		Amount of Gap	(626)	(157)	(157)	(107)
		Rate of Gap	(25.9%)	(94.5%)	(94.7%)	(95.6%)
FY03/2020Act	15-May-20	Q4 Results	1,844	26	26	0
		Amount of Gap	50	17	17	(4)
		Rate of Gap	2.8%	191.3%	199.0%	(81.2%)
FY03/2020CoE	15-May-19	Q4 Results	2,420	166	166	112
FY03/2020Act	15-May-20	Q4 Results	1,844	26	26	0
		Amount of Gap	(576)	(140)	(140)	(112)
		Rate of Gap	(23.8%)	(84.3%)	(84.3%)	-
Unconsolidated Half Year (Million Yen)	Date	Event	Sales	Operating Profit	Recurring Profit	Net Profit
Q1 to Q2 FY03/2020CoE	15-May-19	Q4 Results	1,017	13	13	10
Q1 to Q2 FY03/2020CoE	14-Aug-19	Q1 Results	1,017	13	13	10
Q1 to Q2 FY03/2020Act	14-Nov-19	Q2 Results	945	27	27	21
		Amount of Gap	(72)	14	14	11
		Rate of Gap	(7.1%)	101.4%	104.0%	112.4%
Q1 to Q2 FY03/2020CoE	15-May-19	Q4 Results	1,017	13	13	10
Q1 to Q2 FY03/2020Act	14-Nov-19	Q2 Results	945	27	27	21
		Amount of Gap	(72)	14	14	11
		Rate of Gap	(7.1%)	101.4%	104.0%	112.4%
Unconsolidated Half Year (Million Yen)	Date	Event	Sales	Operating Profit	Recurring Profit	Net Profit
Q3 to Q4 FY03/2020CoE	15-May-19	Q4 Results	1,403	153	153	102
Q3 to Q4 FY03/2020CoE	14-Aug-19	Q1 Results	1,403	153	153	102
Q3 to Q4 FY03/2020CoE	14-Nov-19	Q2 Results	1,475	139	139	91
		Amount of Gap	72	(14)	(14)	(11)
		Rate of Gap	5.1%	(9.2%)	(9.2%)	(10.8%)
Q3 to Q4 FY03/2020CoE	14-Feb-20	Q3 Results	848	(18)	(19)	(17)
		Amount of Gap	(627)	(157)	(158)	(108)
		Rate of Gap	(42.5%)	-	-	-
Q3 to Q4 FY03/2020Act	15-May-20	Q4 Results	898	(1)	(1)	(21)
		Amount of Gap	50	17	18	(4)
		Rate of Gap	5.9%	-	-	-
Q3 to Q4 FY03/2020CoE	15-May-19	Q4 Results	1,403	153	153	102
Q3 to Q4 FY03/2020Act	15-May-20	Q4 Results	898	(1)	(1)	(21)
		Amount of Gap	(505)	(154)	(154)	(123)
		Rate of Gap	(36.0%)	-	-	-

Source: Company Data, WRJ Calculation

Income Statement (Cumulative/Quarterly)

Income Statement	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	YoY
(Million Yen)	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1 to Q4	Net Chg.
(Million Yen)	03/2019	03/2019	03/2019	03/2019	03/2020	03/2020	03/2020	03/2020	03/2020	Net Chg.
Sales	414	814	1,281	1,955	551	945	1,315	1,844	1,844	(111)
Cost of Sales	233	461	730	1,129	339	557	781	1,102	1,102	(26)
Gross Profit	181	352	551	826	212	387	534	741	741	(84)
SG&A Expenses	182	364	541	748	178	359	533	714	714	(33)
Operating Profit	(1)	(11)	9	78	33	27	1	26	26	(51)
Non Operating Balance	(0)	(0)	(2)	(2)	(0)	(0)	(0)	(0)	(0)	+1
Recurring Profit	(2)	(12)	7	76	33	27	1	26	26	(49)
Extraordinary Balance	-	-	-	(2)	-	-	-	-	-	+2
Profit before Income Taxes	(2)	(12)	7	73	33	27	1	26	26	(47)
Total Income Taxes	0	1	2	15	6	5	1	25	25	+10
Net Profit	(3)	(13)	4	58	27	21	(0)	0	0	(57)
Sales YoY	-	+19.3%	+20.6%	+26.1%	+33.2%	+16.0%	+2.7%	(5.7%)	(5.7%)	-
Operating Profit YoY	-	-	(91.4%)	(53.8%)	-	-	(83.2%)	(66.0%)	(66.0%)	-
Recurring Profit YoY	-	-	(92.2%)	(50.9%)	-	-	(83.3%)	(65.5%)	(65.5%)	-
Net Profit YoY	-	-	(94.1%)	(35.3%)	-	-	-	(98.4%)	(98.4%)	-
Gross Profit Margin	43.7%	43.3%	43.0%	42.3%	38.4%	41.0%	40.6%	40.2%	40.2%	(2.0%)
Sales to SG&A Expenses Ratio	44.2%	44.7%	42.3%	38.2%	32.4%	38.0%	40.5%	38.8%	38.8%	+0.5%
Operating Profit Margin	(0.5%)	(1.4%)	0.8%	4.0%	6.0%	3.0%	0.1%	1.4%	1.4%	(2.6%)
Recurring Profit Margin	(0.6%)	(1.5%)	0.6%	3.9%	6.0%	2.9%	0.1%	1.4%	1.4%	(2.5%)
Net Profit Margin	(0.7%)	(1.6%)	0.4%	3.0%	4.9%	2.3%	(0.0%)	0.1%	0.1%	(3.0%)
Total Income Taxes/Profit before Income Taxes	-	-	38.5%	20.3%	18.2%	20.6%	151.7%	96.4%	96.4%	+76.1%
Income Statement	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	YoY
(Million Yen)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q4	Net Chg.
(Million Yen)	03/2019	03/2019	03/2019	03/2019	03/2020	03/2020	03/2020	03/2020	03/2020	Net Chg.
Sales	414	400	466	674	551	393	370	528	528	(146)
Cost of Sales	233	228	268	399	339	217	223	321	321	(77)
Gross Profit	181	171	198	275	212	175	147	206	206	(68)
SG&A Expenses	182	181	177	206	178	180	173	181	181	(24)
Operating Profit	(1)	(9)	20	68	33	(5)	(26)	25	25	(43)
Non Operating Balance	(0)	(0)	(1)	(0)	(0)	(0)	(0)	0	0	+0
Recurring Profit	(2)	(9)	19	68	33	(5)	(26)	25	25	(43)
Extraordinary Balance	-	-	-	(2)	-	-	-	-	-	+2
Profit before Income Taxes	(2)	(9)	19	66	33	(5)	(26)	25	25	(41)
Total Income Taxes	0	0	1	12	6	(0)	(3)	23	23	+11
Net Profit	(3)	(10)	18	54	27	(5)	(22)	1	1	(52)
Sales YoY	-	-	+23.1%	+38.1%	+33.2%	(1.8%)	(20.5%)	(21.7%)	(21.7%)	-
Operating Profit YoY	-	-	(34.7%)	+18.3%	-	-	-	(63.6%)	(63.6%)	-
Recurring Profit YoY	-	-	+1.7%	+18.7%	-	-	-	(63.5%)	(63.5%)	-
Net Profit YoY	-	-	+16.6%	+379.8%	-	-	-	(97.1%)	(97.1%)	-
Gross Profit Margin	43.7%	42.9%	42.5%	40.8%	38.4%	44.6%	39.8%	39.2%	39.2%	(1.7%)
Sales to SG&A Expenses Ratio	44.2%	45.3%	38.0%	30.6%	32.4%	46.0%	46.9%	34.4%	34.4%	+3.8%
Operating Profit Margin	(0.5%)	(2.4%)	4.5%	10.2%	6.0%	(1.4%)	(7.1%)	4.7%	4.7%	(5.5%)
Recurring Profit Margin	(0.6%)	(2.5%)	4.2%	10.2%	6.0%	(1.4%)	(7.1%)	4.7%	4.7%	(5.4%)
Net Profit Margin	(0.7%)	(2.6%)	3.9%	8.0%	4.9%	(1.3%)	(6.1%)	0.3%	0.3%	(7.7%)
Total Income Taxes/Profit before Income Taxes	-	-	9.0%	18.2%	18.2%	-	-	93.7%	93.7%	+75.4%

Source: Company Data, WRJ Calculation

Sales by Services (Cumulative/Quarterly)

Sales by Services (Million Yen)	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	YoY Net Chg.
	Q1 03/2019	Q1 to Q2 03/2019	Q1 to Q3 03/2019	Q1 to Q4 03/2019	Q1 03/2020	Q1 to Q2 03/2020	Q1 to Q3 03/2020	Q1 to Q4 03/2020		
Rakuraku Contact Network	32	58	99	143	23	55	81	112		(30)
Gakuba Arbeit	41	82	123	168	48	91	135	186		+18
Rakuraku Arbeit	45	88	131	170	28	56	78	104		(65)
"pinpoint and other programmatic ads"	230	464	748	1,234	397	637	878	1,265		+31
Other	64	121	177	239	53	105	142	174		(65)
Sales	414	814	1,281	1,955	551	945	1,315	1,844		(111)
Rakuraku Contact Network	-	-	-	(40.4%)	(28.9%)	(5.1%)	(18.6%)	(21.6%)		-
Gakuba Arbeit	-	-	-	(13.8%)	+17.4%	+10.9%	+9.9%	+11.2%		-
Rakuraku Arbeit	-	-	-	+19.9%	(36.6%)	(36.5%)	(40.3%)	(38.4%)		-
"pinpoint and other programmatic ads"	-	-	-	+71.2%	+72.4%	+37.3%	+17.3%	+2.5%		-
Other	-	-	-	(4.1%)	(16.6%)	(13.5%)	(19.8%)	(27.2%)		-
Sales YoY	-	-	-	+26.1%	+33.2%	+16.0%	+2.7%	(5.7%)		-
Rakuraku Contact Network	7.9%	7.1%	7.8%	7.3%	4.2%	5.8%	6.2%	6.1%		(1.2%)
Gakuba Arbeit	10.0%	10.1%	9.6%	8.6%	8.8%	9.6%	10.3%	10.1%		+1.5%
Rakuraku Arbeit	11.0%	10.9%	10.3%	8.7%	5.2%	5.9%	6.0%	5.7%		(3.0%)
"pinpoint and other programmatic ads"	55.7%	57.0%	58.5%	63.1%	72.1%	67.5%	66.7%	68.6%		+5.5%
Other	15.5%	14.9%	13.8%	12.3%	9.7%	11.1%	10.8%	9.5%		(2.8%)
Sales Composition Ratio	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		0.0%

Sales by Services (Million Yen)	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	YoY Net Chg.
	Q1 03/2019	Q2 03/2019	Q3 03/2019	Q4 03/2019	Q1 03/2020	Q2 03/2020	Q3 03/2020	Q4 03/2020		
Rakuraku Contact Network	32	25	41	44	23	32	25	31		(12)
Gakuba Arbeit	41	40	41	44	48	42	44	51		+6
Rakuraku Arbeit	45	42	43	38	28	27	22	26		(12)
"pinpoint and other programmatic ads"	230	233	284	485	397	239	240	386		(98)
Other	64	57	55	62	53	51	37	32		(30)
Sales	414	400	466	674	551	393	370	528		(146)
Rakuraku Contact Network	-	-	-	-	(28.9%)	+25.2%	(37.7%)	(28.1%)		-
Gakuba Arbeit	-	-	-	-	+17.4%	+4.3%	+7.9%	+15.0%		-
Rakuraku Arbeit	-	-	-	-	(36.6%)	(36.4%)	(48.1%)	(31.9%)		-
"pinpoint and other programmatic ads"	-	-	-	-	+72.4%	+2.6%	(15.4%)	(20.3%)		-
Other	-	-	-	-	(16.6%)	(10.2%)	(33.3%)	(48.4%)		-
Sales YoY	-	-	-	-	+33.2%	(1.8%)	(20.5%)	(21.7%)		-
Rakuraku Contact Network	7.9%	6.4%	8.9%	6.5%	4.2%	8.2%	7.0%	6.0%		(0.5%)
Gakuba Arbeit	10.0%	10.2%	8.9%	6.6%	8.8%	10.8%	12.0%	9.7%		+3.1%
Rakuraku Arbeit	11.0%	10.7%	9.3%	5.7%	5.2%	6.9%	6.1%	4.9%		(0.7%)
"pinpoint and other programmatic ads"	55.7%	58.4%	61.0%	71.9%	72.1%	61.0%	64.9%	73.2%		+1.3%
Other	15.5%	14.3%	12.0%	9.3%	9.7%	13.1%	10.0%	6.1%		(3.2%)
Sales Composition Ratio	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		0.0%

Source: Company Data, WRJ Calculation

Balance Sheet (Quarterly)

Balance Sheet (Million Yen)	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	YoY Net Chg.
	Q1 03/2019	Q2 03/2019	Q3 03/2019	Q4 03/2019	Q1 03/2020	Q2 03/2020	Q3 03/2020	Q4 03/2020		
Cash and Deposit	741	761	731	761	832	794	742	802		+41
Accounts Receivables	203	169	175	312	151	142	142	170		(141)
Other	12	10	18	10	15	12	15	22		+12
Current Assets	957	942	925	1,083	999	950	900	995		(88)
Tangible Assets	7	6	8	7	7	6	5	4		(3)
Intangible Assets	282	283	292	292	303	307	325	353		+61
Investments and Other Assets	90	90	90	89	89	89	89	74		(14)
Fixed Assets	380	380	391	389	400	403	420	433		+43
Deferred Assets	2	1	0	0	0	0	-	-		(0)
Total Assets	1,339	1,324	1,317	1,473	1,400	1,353	1,320	1,428		(45)
Accounts Payables, etc.	70	76	90	182	95	77	73	165		(17)
Corporate Bond	50	50	30	20	15	5	-	-		(20)
Short Term Debt	1	-	-	-	-	-	-	-		-
Other	101	100	105	125	116	97	94	109		(16)
Current Liabilities	223	226	226	328	227	179	168	274		(53)
Corporate Bond	35	25	-	-	-	-	-	-		-
Long Term Debt	-	-	-	-	-	-	-	-		-
Other	0	0	-	-	-	-	-	-		-
Fixed Liabilities	35	25	-	-	-	-	-	-		-
Total Liabilities	258	251	226	328	227	179	168	274		(53)
Shareholders' Equity	1,078	1,070	1,088	1,142	1,170	1,171	1,149	1,150		+8
Other	2	2	2	2	2	2	2	2		-
Net Assets	1,081	1,072	1,090	1,145	1,173	1,174	1,151	1,153		+8
Total Liabilities and Net Assets	1,339	1,324	1,317	1,473	1,400	1,353	1,320	1,428		(45)
Equity Capital	1,078	1,070	1,088	1,142	1,170	1,171	1,149	1,150		+7
Interest Bearing Debt	86	75	30	20	15	5	-	-		(20)
Net Debt	(654)	(686)	(701)	(741)	(817)	(789)	(742)	(802)		(61)
Equity Ratio	80.5%	80.8%	82.6%	77.5%	83.6%	86.5%	87.0%	80.6%		-
Net Debt Equity Ratio	(60.7%)	(64.2%)	(64.5%)	(64.9%)	(69.9%)	(67.5%)	(64.6%)	(69.8%)		-
ROE (12 months)	-	1.4%	1.5%	5.3%	7.9%	8.4%	4.8%	0.1%		-
ROA (12 months)	-	5.3%	4.9%	5.2%	8.2%	8.7%	5.3%	1.8%		-
Quick Ratio	423%	411%	401%	327%	433%	523%	525%	354%		-
Current Ratio	429%	416%	409%	330%	440%	530%	534%	362%		-

Source: Company Data, WRJ Calculation

Cash Flow Statement (Cumulative)

Cash Flow Statement (Million Yen)	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	YoY Net Chg.
	Q1 03/2019	Q1 to Q2 03/2019	Q1 to Q3 03/2019	Q1 to Q4 03/2019	Q1 03/2020	Q1 to Q2 03/2020	Q1 to Q3 03/2020	Q1 to Q4 03/2020		
Operating Cash Flow	-	50	-	164	-	105	-	190		+25
Investing Cash Flow	-	257	-	198	-	(63)	-	(135)		(334)
Operating Cash Flow and Investing Cash Flow	-	308	-	363	-	41	-	54		(308)
Financing Cash Flow	-	(31)	-	(87)	-	(8)	-	(13)		+74

Source: Company Data, WRJ Calculation

FY03/2021 Company Forecasts

FY03/2021 Company forecasts have not been decided. At present, it is too difficult to rationally calculate the impacts stemming from COVID-19, according to the Company. Still, the Company is keen on disclosing Company forecasts as soon as it becomes possible to reasonably estimate.

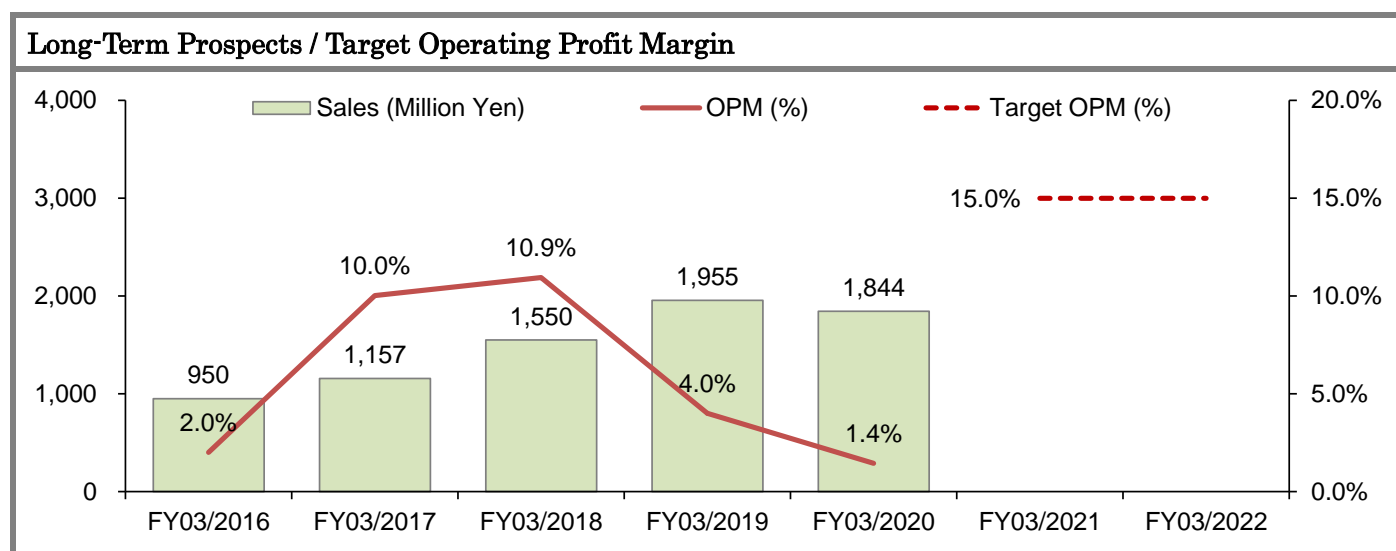
The Company places top priority on ensuring the safety of its employees and the people involved. Meanwhile, it considers and implements measures corresponding to the status of infections as well as accelerating shift to teleworking. As working style, the Company expanded the scale of flexible working hours in late February and thus encouraged staggered working, which was followed by the establishment of business style based on teleworking since late March. Then, in early April, the Company took leave in some departments.

With respect to detailed operations, the Company has increased telephone conferences and web conferences, for example, as well as banning business trip in principle, while working to maintain and improve sanitary conditions by means of encouraging to wear masks, etc. at the same time. Meanwhile, the Company continuously puts emphasis on new sales methods to make use of tools to acquire leads on websites and/or to negotiate online as it has been doing so since CY2019. That is to say, the Company has been focusing on online negotiations rather than on real ones in the first place. Thus, it appears that the Company appears to be start benefiting from here in the near future.

When the Company looks at recent business trends from perspective of customers, it sees some suspensions going on for ad placement, etc. In the mainstay job advertising, advertisers, who find it difficult to make progress in employment selection for job applicants in line with switching to teleworking under the state-of-emergency declaration, are suspending ad placement. Meanwhile, in promotional advertising, advertises on which the government called to voluntarily refrain from operations, represented by those associated with travels, restaurants and events, are suspending ad placement. In addition, as teleworking progresses due to the state-of-emergency declaration, opportunities for business negotiations come down, constraining sales activities to cultivate new customers. All in all, as a general trend, the Company recognizes ongoing weakness in appetite for ad placement and/or that of recruitment and thus budgets on advertising being cut back on.

Long-Term Prospects

The Company had a target of “maintaining sales growth rate of 20% or more from a long-term perspective, while achieving operating profit margin of 15% as soon as possible”, but it suffered from decreased sales and earnings, having resulted in lowered operating profit margin two years in a row for FY03/2020. Then, so far in FY03/2021, the impacts stemming from COVID-19 have remained unclear and thus short-term prospective business performance. Still, more importantly, the Company is to implement active investment for development with an objective to provide innovative services in anticipation of prospective recovery in the market environment.



Source: Company Data, WRJ Calculation

It has been revealed that the Company will place emphasis on making HR Ads Platform commercially viable, realizing next-generation posting of programmatic job advertising for post-COVID-19 world. With respect to operations of own media, which is the original source of earnings with the Company, investment for development is now approaching a halt, suggesting effectively no further investment going forward. Now, the Company is to concentrate all the resources on development of HR Ads Platform, trying to become the next-generation leader of programmatic job advertising.

In the video for FY03/2020 financial results briefing, posted on the Company's website on 27 May 2020, Makoto Ogawa, President of the Company, mentions that he will make HR Ads Platform commercially viable, while focusing on “pinpoint and other programmatic ads” and also on expansion of new graduate recruitment domain, etc. as strategy for FY03/2021. In other words, he intends to enhance the Company’s long-term growth potential by implementing such strategy in FY03/2021, as far as we could gather. Ogawa says he is going for future growth even faster than above-mentioned target by means of making HR Ads Platform commercially viable as soon as possible.

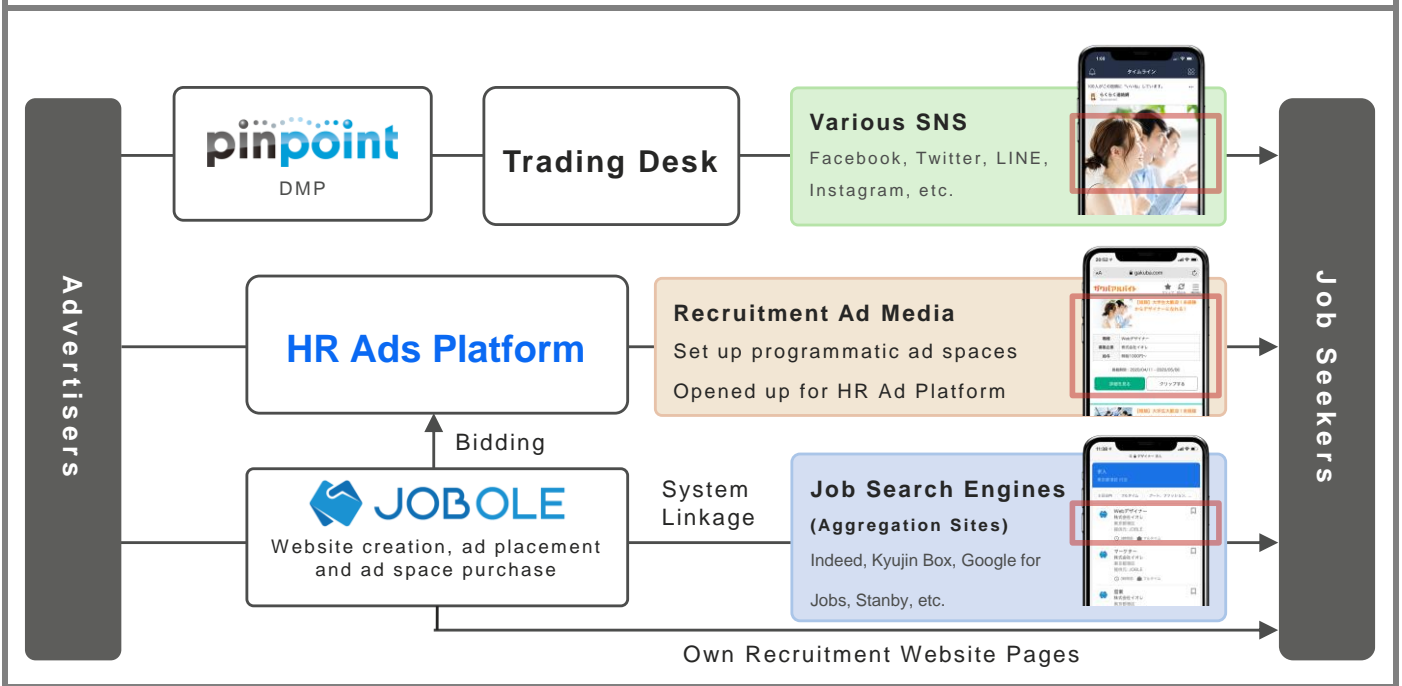
Making HR Ads Platform commercially viable means to set up and operate Japan's first platform for programmatic job advertising, which realizes shift from conventional booking-type job posting to next-generation programmatic-type job posting. Under the conventional booking-type job advertising scheme, advertisers (companies that are seeking for human resources) request sales representatives, including those of advertising agencies, etc., to place ads on individual recruitment ad media for a certain period of time and advertisers and sales representatives work together to create recruitment documents.

On the other hand, HR Ads Platform which the Company is about to start building will be able to correspond to advertisers without going through sales representatives. It is said that job advertising is automatically posted to a plurality of recruitment ad media through CPC (Cost Per Click: paying per click) and CPA (Cost Per Action: paying per performance), which is based on the mechanism of so-called bidding using ad technology to make programmatic ads programmatic.

From a perspective of advertisers, the Company suggests that they should be able to maximize cost efficiency for advertising. The reason is that, to date, they have been able to be posting job advertising only for a specific period with predetermined packaged prices, while it will be possible to operate ads based on desired unit prices and KPIs to a certain extent. Meanwhile, this is the greatest feature and benefit with programmatic ads in the first place. At the same time, the Company also spots that creation of recruitment documents will become more efficient in a sense. This is because, even if the time required to create a single recruitment document is the same, it is assumed that the recruitment document will be posted on plurality of recruitment ad media in the first place. In other words, it will be possible to eliminate the time and effort required to post recruitment documents for each of plurality of recruitment ad media one by one.

From a perspective of recruitment ad media, the Company suggests, since own sales representatives and/or those of advertising agencies are not intervened, they should cut back on expenses to this extent. Meanwhile, the Company also suggests, just like advertisers, they should be able to lower workforce to put up ads. From a perspective of job seekers, the Company suggests that they benefit from improved choices of recruitment as well as from improved immediacy.

Strategic Image Diagram for Innovations in Job Advertising Market



Source: Company Data

The Company suggests Strategic Image Diagram for Innovations in Job Advertising Market, where it is assumed that recruitment ad media will open up part of the advertising spaces to provide for third-party ad delivery, just like promotional ad media, which is expected to make it possible for HR Ads Platform to become commercially viable. In other words, it is suggested that recruitment ad media have been rather conservative on programmatic ads until recently. However, in the most recent negotiations with them, the Company finds their positive stances for opening up in the near future.

When the assumptions on above-mentioned image diagram realize, the Company's services will have comprehensive accesses to job seekers, comprising those by various SNS (based on attribute data of "pinpoint DMP") to potential job seekers, those by recruitment ad media (based on HR Ads Platform) and those by job search engines represented by "Indeed" (based on JOBOLE), covering all the accesses to job seekers on the Internet. Thus, the Company will be able to fittingly propose optimal job advertising tailored to the needs of individual advertisers.

"pinpoint DMP" is a DMP that anonymously processes and stores attribute data on some 20m people and the Company is able to deliver targeted ads based on the attribute data stored here.

JOBOLE is an innovative system to have integrated ad technology and HR technology (Human Resources Technology: that of maximizing performance of people and organizations), which is in charge of creation of website pages (often recruitment ones) for advertisers, ad placement (creation of recruitment documents, etc.) and ad space purchase. Meanwhile, this is expected to evolve into a system with capability of multimodal approaches than ever before once HR Ads Platform becomes commercially viable.

With respect to JOBOLE released in March 2019, comprehensive system linkage with job search engines has been accomplished. It started with system linkage with “Indeed” in April of the same year, which was followed by “Google for Jobs” in June, “Kyujin Box” in August and “Stanby (Yahoo! Shigoto Kensaku) in October. Further, the Company develops various new functions as needed to improve conveniences for advertisers and job seekers. Currently, the system posts recruitment documents for some 30,000 people in the number of job vacancies available and they have been delivered to all those job search engines at the same time. When HR Ads Platform become commercially viable, it will make to possible for the system to have direct accesses also to each of recruitment ad media.

On the other hand, it has been also revealed that the Company will continue focusing on "pinpoint and other programmatic ads". The contents of the services literally comprise "pinpoint" and "other programmatic ads". Both share the common point that they use so-called RTB (Real Time Bidding), which is ad-technology-based system of bidding for ad spaces. While the former represents so-called targeted ads using system linkage with various SNS and attribute data of “pinpoint DMP”, the latter is characterized by high-level operational capability in system linkage with job search engines represented by “Indeed”.

With respect to “pinpoint”, the Company intends to further improve the superiority of attribute data. Originally, the Company started with using member data from Rakuraku Contact Network, while having added more data by means of promoting alliances and/or partnership with other data suppliers to date. The Company also plans to continue doing so in the future. According to the Company, as in the expansion of search advertising in the 2000’s, there will be a phase in the near future where more importance will be attached to benefits, i.e., switchover from competition by sales forces to that of capability. At this stage, superiority of attribute data held by the Company will be highly appreciated and the Company’s presence in the market is expected to improve.

With respect to "other programmatic ads”, the Company’s knowhow on operations creates a differentiating factor. For example, in system linkage between job search engines represented by “Indeed” and JOBOLE, high-level conversion rate is realized through feed management which is a unique method of JOBOLE. Meanwhile, although JOBOLE belongs to "other programmatic ads", it is also possible to use posted recruitment documents as a hook for beefing up sales in “pinpoint” or targeted ads.

The Company also suggests that it will continue focusing on job advertising in the future. In particular, the Company aims to expand the domain of new graduate recruitment. Currently, given the impacts stemming COVID-19, methods of recruitment are under review, while internships as well as joint information sessions and other large-scale events have been all suspended. In light of this, the Company spots that there is a strong likelihood that demand will be created for the Internet-based universe formation that the Company is developing. On top of this, given a factor that year-round recruitment for new graduates is expected to start up, the Company spots a possibility for its opportunities to make money may increase with superiority of attribute data held by itself. The current rules will be applied for those graduating in 2021, while the new rules are expected to be applied for those who graduating thereafter.

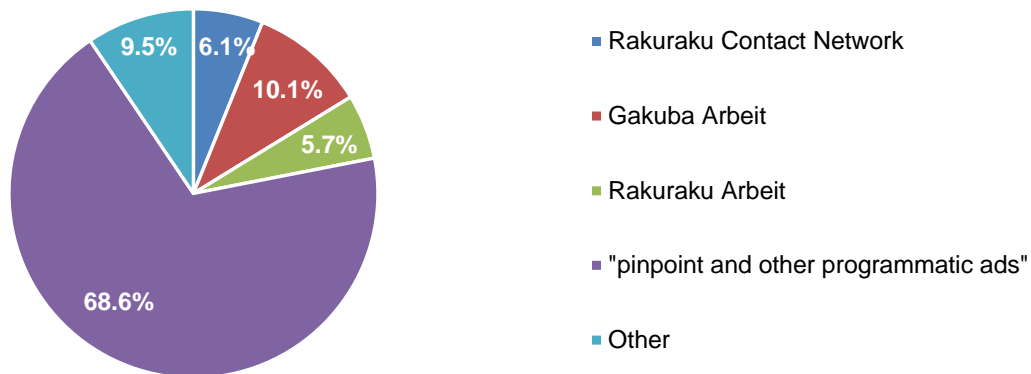
Diversification of job-hunting schedules will take place in line with the introduction of year-round recruitment as well as recruitment on a global basis, which is expected to make dramatic changes in the way that new graduates are recruited. The Company plans to actively use “pinpoint DMP”, which has a wealth of attribute data for university students, to respond to job hunting to start up earlier than before as well as to diversification of activities and methods for recruitment. Thus, the Company is trying to get at improved presence in the domain of new graduate recruitment. In particular, the Company believes that the fact it holds a large amount of attribute data even for freshmen and sophomores at universities, who have been only potential candidates but could become genuine candidates going forward, is a major differentiating factor in that the Company is able to delivery targeted ads to them.

4.0 Business Model

“pinpoint DMP”

The Company's business is centered on "pinpoint and other programmatic ads". Prior to the launch of “pinpoint DMP”, in April 2014, working as the basis for this, the Company operated its own media as the earning sources, including Rakuraku Contact Network, Gakuba Arbeit and Rakuraku Arbeit. Then, from the beginning of FY03/2019, the Company has been implementing strategy of intensively allocating resources on “pinpoint and other programmatic ads”, while, in March 2019, with the commencement of operations of JOBOLE, it has accelerated focus on job advertising in “pinpoint and other programmatic ads”.

Sales Breakdown (FY03/2020)



Development Status of Own Media

FY03/2020 Q4	FY03/2021 Q1	Q2	...
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Gakuba Arbeit



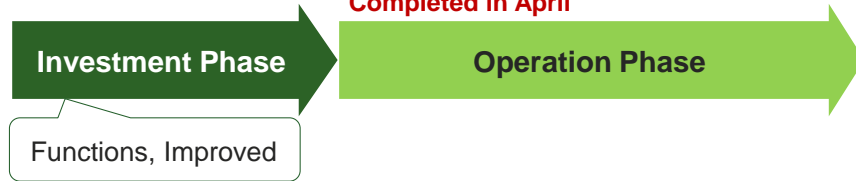
▲ Development Completed in January



Rakuraku Arbeit



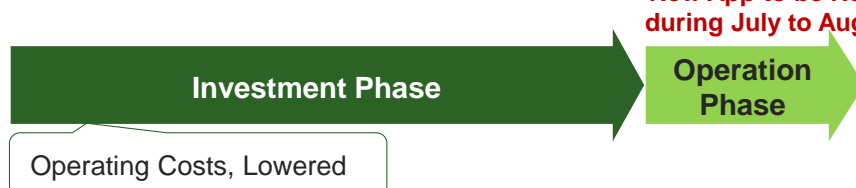
▲ Development except System Linkage Completed in April



Rakuraku Contact Network



▲ New App to be Released during July to August



Source: Company Data, WRJ Calculation

With respect to own media, which is the original source of earnings, the Company is seeing a transition from investment phase to operation phase in each. Development of Gakuba Arbeit was completed in January 2020 and thus this transition. Excluding the part related to data linkage, development of Rakuraku Arbeit was completed in April and the current situation is almost the same as that of Gakuba Arbeit. Meanwhile, development of Rakuraku Contact Network is still going on for the sake of launching new app from July to August, which is expected to reduce its operating costs. After the completion here, there will be this transition from investment phase to operation phase. As can be seen from this case, the Company suggests that recent investment for development on own media is of cutting back on operating costs in operating phase to a large extent. Going forward, all those own media may work as cash-cow services for the Company, as far as we could see.

Meanwhile, in line with this, the Company's development forces will concentrate on development of HR Ads Platform and the Company will actively invest in HR Ads Platform. Most recently, there is a strong sense of uncertainty stemming from the impacts of COVID-19. However, the Company adopts policy of actively implementing investment with a view for the future, while narrowing down what should be narrowed down.

In FY03/2020, Rakuraku Contact Network saw sales of ¥112m (down 21.6% YoY), Gakuba Arbeit ¥186m (up 11.2%), Rakuraku Arbeit ¥104m (down 38.4%) and Other ¥174m (down 27.2%). In Other, the Company operates as ad agencies to sell ads by other media.

Rakuraku Contact Network is one of Japan's largest contact network services operated by the Company. As of the end of FY03/2020, the number of membership stood at 6.92m (up 3.3% YoY), the number of app membership 2.12m (up 18.8%) and the number of organizations under membership 380,000 (up 1.8%). All those KPIs are rather firm, partly because of termination of similar services offered by a peer, but it appears that Rakuraku Contact Network seems to maintain its capability to appeal as media more than a certain level.

The Company's earning model here is based on gaining advertising revenue from ads posted on the media and on provision of paid services. The main organizations by attribute are sports-related clubs (25.2% of total as of the of FY03/2020), schools and educational institutions (21.8%) and hobby-related clubs (19.5%). Meanwhile, the Company also suggests lots of adoptions are seen as a communication tool in clubs, seminars, extracurricular activities, laboratories, etc. across the board in universities, while as a liaison network for organizations relating to parents' associations at the same time. Specific examples cited are a parents-use liaison network for boy's football team, that of PTA, etc.

Therefore, the contents of communication in Rakuraku Contact Network are often like "what you have for tomorrow's excursion" and/or "confirming the attendance of an organization to which 100 people belong", implying that the importance and necessity of the contents are high when it comes to users who are contacted, which is a major feature. Meanwhile, when users use Rakuraku Contact Network, it is essential to register user information such as name, gender, affiliation and e-mail address of each user. The Company anonymously processes this information and stores it in DMP (Data Management Platform: software platform used to collect and manage data). This is what the Company is calling "pinpoint DMP". Here, the Company also deals with attribute data held by partner companies on top of those of Rakuraku Contact Network and the total has attribute data relating to some 20m people.

Gakuba Arbeit refers to the operation of a part-time job information website that specializes in recruiting for university students and the Company creates in-house contents for this. In FY03/2020, the number of people who have newly registered came in at 180,000 (up 29.1%) and thus this KPI saw steady growth. The Company's website renewal in May 2019 simplified membership registration and in October it released a function that allows applicants to register at the same time as they apply. The Company's earning model here is based on collecting fees on placing ads on this website from advertisers. Meanwhile, the Company also conducts data linkage with Rakuraku Contact Network here and recruits high-quality young part-time staffs through push-type promotions such as e-mail magazines using attribute data. All those attribute data obtained through this data linkage includes a large number of university students and university graduates and the Company in the Internet-based part-time job information ad business has one of the largest attribute data in this domain, which appears to be differentiating itself from peers.

Rakuraku Arbeit refers to the operation to run so-called aggregation site that turns part-time job information posted on media run by other companies into portals. The earning model here is based on collecting fees for sending applicants to part-time job advertisers. In other words, it is a performance-based earning model. Here is, again, data linkage with Rakuraku Communications Network. Especially, attribute data of home managers and freeters are utilized. In FY03/2020, sales came down almost 40% over the previous year. This is because job advertising market is continuing to change with the rapid expansion of search advertising for job search engines represented by "Indeed". In response to this change, the Company's advertiser, a major part-time job information website, has ceased servicing and this has had a major impact for the Company.

5.0 Financial Statements

Income Statement

Income Statement (Million Yen)	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.CoE	
	FY	FY	FY	FY	FY	FY	YoY
	03/2016	03/2017	03/2018	03/2019	03/2020	03/2021	Net Chg.
Sales	950	1,157	1,550	1,955	1,844	-	-
Cost of Sales	465	541	777	1,129	1,102	-	-
Gross Profit	485	616	773	826	741	-	-
SG&A Expenses	465	500	603	748	714	-	-
Operating Profit	19	116	169	78	26	-	-
Non Operating Balance	(4)	(3)	(14)	(2)	(0)	-	-
Recurring Profit	14	112	155	76	26	-	-
Extraordinary Balance	(207)	-	(0)	(2)	-	-	-
Profit before Income Taxes	(193)	112	154	73	26	-	-
Total Income Taxes	(33)	(15)	63	15	25	-	-
Net Profit	(159)	127	91	58	0	-	-
Sales YoY	-	+21.9%	+33.9%	+26.1%	(5.7%)	-	-
Operating Profit YoY	-	+509.7%	+46.0%	(53.8%)	(66.0%)	-	-
Recurring Profit YoY	-	+674.8%	+38.0%	(50.9%)	(65.5%)	-	-
Net Profit YoY	-	-	(28.7%)	(35.3%)	(98.4%)	-	-
Gross Profit Margin	51.0%	53.3%	49.9%	42.3%	40.2%	-	-
Sales to SG&A Expenses Ratio	49.0%	43.2%	38.9%	38.2%	38.8%	-	-
Operating Profit Margin	2.0%	10.0%	10.9%	4.0%	1.4%	-	-
Recurring Profit Margin	1.5%	9.7%	10.0%	3.9%	1.4%	-	-
Net Profit Margin	(16.8%)	11.0%	5.9%	3.0%	0.1%	-	-
Total Income Taxes/Profit before Income Taxes	-	(13.4%)	41.3%	20.3%	96.4%	-	-

Source: Company Data, WRJ Calculation

Sales by Services

Sales by Services (Million Yen)	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.CoE	
	FY	FY	FY	FY	FY	FY	YoY
	03/2016	03/2017	03/2018	03/2019	03/2020	03/2021	Net Chg.
Rakuraku Contact Network	-	-	241	143	112	-	-
Gakuba Arbeit	-	-	195	168	186	-	-
Rakuraku Arbeit	-	-	142	170	104	-	-
"pinpoint and other programmatic ads"	-	-	720	1,234	1,265	-	-
Other	-	-	250	239	174	-	-
Sales	950	1,157	1,550	1,955	1,844	-	-
Rakuraku Contact Network	-	-	-	(40.4%)	(21.6%)	-	-
Gakuba Arbeit	-	-	-	(13.8%)	+11.2%	-	-
Rakuraku Arbeit	-	-	-	+19.9%	(38.4%)	-	-
"pinpoint and other programmatic ads"	-	-	-	+71.2%	+2.5%	-	-
Other	-	-	-	(4.1%)	(27.2%)	-	-
Sales YoY	-	+21.9%	+33.9%	+26.1%	(5.7%)	-	-
Rakuraku Contact Network	-	-	15.5%	7.3%	6.1%	-	-
Gakuba Arbeit	-	-	12.6%	8.6%	10.1%	-	-
Rakuraku Arbeit	-	-	9.2%	8.7%	5.7%	-	-
"pinpoint and other programmatic ads"	-	-	46.5%	63.1%	68.6%	-	-
Other	-	-	16.2%	12.3%	9.5%	-	-
Sales Composition Ratio	100.0%	100.0%	100.0%	100.0%	100.0%	-	-

Source: Company Data, WRJ Calculation

Balance Sheet

Balance Sheet (Million Yen)	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.CoE	
	FY 03/2016	FY 03/2017	FY 03/2018	FY 03/2019	FY 03/2020	FY 03/2021	YoY Net Chg.
Cash and Deposit	165	116	790	761	802	-	-
Accounts Receivables	142	175	246	312	170	-	-
Other	25	32	12	10	22	-	-
Current Assets	333	324	1,049	1,083	995	-	-
Tangible Assets	14	10	8	7	4	-	-
Intangible Assets	194	266	282	292	353	-	-
Investments and Other Assets	79	101	90	89	74	-	-
Fixed Assets	288	377	381	389	433	-	-
Deferred Assets	5	3	2	0	-	-	-
Total Assets	626	706	1,433	1,473	1,428	-	-
Accounts Payables, etc.	45	54	109	182	165	-	-
Corporate Bond	50	50	50	20	-	-	-
Short Term Debt	27	21	4	-	-	-	-
Other	120	150	135	125	109	-	-
Current Liabilities	242	276	298	328	274	-	-
Corporate Bond	150	100	50	-	-	-	-
Long Term Debt	25	4	-	-	-	-	-
Other	17	6	0	-	-	-	-
Fixed Liabilities	192	110	50	-	-	-	-
Total Liabilities	435	387	349	328	274	-	-
Shareholders' Equity	175	302	1,081	1,142	1,150	-	-
Other	15	15	2	2	2	-	-
Net Assets	191	318	1,084	1,145	1,153	-	-
Total Liabilities and Net Assets	626	706	1,433	1,473	1,428	-	-
Equity Capital	175	302	1,081	1,142	1,150	-	-
Interest Bearing Debt	252	175	104	20	-	-	-
Net Debt	86	59	(686)	(741)	(802)	-	-
Equity Ratio	28.0%	42.9%	75.5%	77.5%	80.6%	-	-
Net Debt Equity Ratio	49.6%	19.7%	(63.5%)	(64.9%)	(69.8%)	-	-
ROE (12 months)	-	53.3%	13.1%	5.3%	0.1%	-	-
ROA (12 months)	-	16.9%	14.5%	5.2%	1.8%	-	-
Quick Ratio	127%	105%	348%	327%	354%	-	-
Current Ratio	137%	117%	352%	330%	362%	-	-

Source: Company Data, WRJ Calculation

Cash Flow Statement

Cash Flow Statement (Million Yen)	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.CoE	
	FY 03/2016	FY 03/2017	FY 03/2018	FY 03/2019	FY 03/2020	FY 03/2021	YoY Net Chg.
Operating Cash Flow	74	169	202	164	190	-	-
Investing Cash Flow	(223)	(132)	(512)	198	(135)	-	-
Operating Cash Flow and Investing Cash Flow	(148)	37	(310)	363	54	-	-
Financing Cash Flow	120	(87)	579	(87)	(13)	-	-

Source: Company Data, WRJ Calculation

Per Share Data

Per Share Data (Before Adjustments for Split) (Yen)	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.CoE	
	FY 03/2016	FY 03/2017	FY 03/2018	FY 03/2019	FY 03/2020	FY 03/2021	YoY Net Chg.
No. of Shares FY End (thousand shares)	1,598	1,598	2,303	2,306	2,313	-	-
Net Profit/EPs (thousand shares)	1,425	1,520	1,927	2,305	2,285	-	-
Treasury Shares FY End (thousand shares)	0	0	0	0	0	-	-
Earnings Per Share	(112.28)	83.94	47.24	25.55	0.41	-	-
Earnings Per Share (Fully Diluted)	-	-	42.96	24.11	0.38	-	-
Book Value Per Share	115.42	199.36	469.64	495.44	497.67	-	-
Dividend Per Share	0.00	0.00	0.00	0.00	0.00	-	-
Per Share Data (After Adjustments for Split) (Yen)	Par.Act FY 03/2016	Par.Act FY 03/2017	Par.Act FY 03/2018	Par.Act FY 03/2019	Par.Act FY 03/2020	Par.CoE FY 03/2021 YoY Net Chg.	
Share Split Factor	1	1	1	1	1	-	-
Earnings Per Share	(112.28)	83.94	47.24	25.55	0.41	-	-
Book Value Per Share	115.42	199.36	469.64	495.44	497.67	-	-
Dividend Per Share	0.00	0.00	0.00	0.00	0.00	-	-
Payout Ratio	0.0%	0.0%	0.0%	0.0%	0.0%	-	-

Source: Company Data, WRJ Calculation

6.0 Other Information

Creating Brand New Conveniences and Pleasures

The Company's management policy is "taking advantage of new technologies, we create novel unprecedented conveniences and new pleasures, supporting the entire world, while also making a contribution to society". The Company, which was established on 25 April 2001, is said to have begun fully realizing this management policy through Rakuraku Contact Network, which has been in operation since April 2005. Making full use of new technologies such as mobile phones and e-mail, both of which have become increasingly popular in those days, the Company has started up such innovative contact network services, currently being one of the largest for this domain in Japan. In the same way, Gakuba Arbeit and Rakuraku Arbeit have followed suit and then services of "pinpoint and other programmatic ads" to make full use of Smartphones and ad technology.

Meanwhile, the Company advocates its management strategy of utilizing big data held to provide services in new X-tech domains. Big data held by the Company is attribute data of some 20m people, mainly obtained through the operations of Rakuraku Contact Network. Meanwhile, X-tech domains represent those of epoch-making business to be created by fusion of digital and real. With such management strategy, the Company is trying to get at persistent provisions of "brand new conveniences and brand new pleasures", going forward.

Company History

Date	Events
April 2001	Established eole Inc. in Roppongi, Minato-ku (capital: ¥10m)
June 2001	Head Office, moved to Nishihara, Shibuya-ku and started operations
April 2003	Head Office, moved to Okusawa, Setagaya-ku
April 2005	Launched Rakuraku Contact Network
October 2007	The number of registered membership for Rakuraku Contact Network exceeded a million
April 2010	Launched Gakuba Arbeit (ex-Daigakusei Arbeit.com)
August 2010	The number of registered membership for Rakuraku Contact Network exceeded 4m
April 2013	The number of registered membership for Rakuraku Contact Network exceeded 6m and/or 350,000 organizations
July 2013	Launched Rakuraku Arbeit
October 2013	Head Office, moved to Takanawa, Minato-ku
March 2014	Launched Smartphone app for Rakuraku Contact Network
April 2014	Started operations of private DMP or “pinpoint DMP”
November 2014	Started ad delivery to Google’s DBM (DoubleClick Bid Manager), utilizing “pinpoint DMP”
October 2015	Started ad delivery to Facebook, Twitter, Instagram and YouTube, utilizing “pinpoint DMP”
June 2016	Rakuraku Contact Network app downloads exceeded a million in the number Started ad delivery to LINE through “RED” by FreakOut inc., utilizing “pinpoint DMP”
January 2017	Started ad delivery to LINE Corporation’s “LINE Ads Platform”, utilizing “pinpoint DMP”
July 2017	Concluded capital and business partnership with Toppan Printing Co., Ltd.
December 2017	Listed on Tokyo Stock Exchange Mothers
March 2019	Launched JOBOLE
September 2019	Rakuraku Contact Network app downloads exceeded 2m in the number
October 2019	Concluded business partnership with DM SOLUTIONS Co., Ltd.

Disclaimer

Information here is a summary of “IR Information” of the Company, compiled by Walden Research Japan, from a neutral and professional standing point, in the form of a report. “IR Information” of the Company comprises a) contents of our interview with the Company, b) contents of presentations for institutional investors, c) contents of timely disclosed information and d) contents of the homepage, etc.

Company name: Walden Research Japan Incorporated

Head office: 4F Hulia Ginza 1-chome Building, 1-13-1 Ginza, Chuo-ku, Tokyo 104-0061 JAPAN

URL: www.walden.co.jp

E-mail: info@walden.co.jp

Phone : +81 3 3553 3769