

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		1,400	(299)	(278)	(280)	(120.59)	0.00	-
FY03/2020	YoY	(5.7%)	(66.0%)	(65.5%)	(98.4%)	-	-	-
FY03/2021CoE	YoY	(24.1%)	-	-	-	-	-	-
Half Year (Unconsolidated) (Million Yen)		Sales	Operating Profit	Recurring Profit	Net Profit	EPS (Yen)	DPS (Yen)	BPS (Yen)
Q1 to Q2 FY03/2020		945	27	27	21	-	-	-
Q3 to Q4 FY03/2020		898	(1)	(1)	(21)	-	-	-
Q1 to Q2 FY03/2021		576	(205)	(191)	(192)	-	-	-
Q3 to Q4 FY03/2021CoE		823	(93)	(87)	(88)	-	-	-
Q1 to Q2 FY03/2021		(39.0%)	-	-	-	-	-	-
Q3 to Q4 FY03/2021CoE		(8.4%)	-	-	-	-	-	-

Source: Company Data, WRJ Calculation (CoE: median)


1.0 Executive Summary (6 January 2021)

Programmatic Job Advertising Platform

eole, focusing on programmatic job advertisements, is planning to achieve long-term growth by promoting the commercialization of its programmatic job advertising platform HR Ads Platform. In FY03/2021, demand for job advertising has fallen sharply due to the impacts stemming from COVID-19 and thus inevitably sales as a whole for the Company likewise. However, from Q1 to Q2, the extent of decline in sales over the same period of the previous year has got smaller. For Q3, the Company suggests that the pace of the decline in sales is shrinking further. In the mainstay job advertising domain, the Company is highly regarded for its superior expertise in operations of programmatic job advertising and there is an aspect that switching from peers is accelerating, according to the Company. Meanwhile, sales of the promotion advertising domain (not significant in sales amount) have surged, presumably due to the acquisition of new large-scale project. With respect to HR Ads Platform, which is positioned as “a new platform to support stakeholders in the recruiting circles”, the Company has announced, on 12 October 2020, that it had formed a tie-up with Lacotto operated by CareerIndex Inc., i.e., a site of job vacancy information for part-timers and temporary staffs, while having commenced the operations at the same time. Assuming that linkage formation like this with external recruitment media, etc. to steadily make progress from a long-term perspective, the Company is going for establishing itself as the leader in the new job advertising market created by this platform in FY03/2025 as a target. On the demand side, the Company assumes that it will make progress for linkage with ATS (Applicant Tracking System) operated by peers.

2.0 Company Profile

Programmatic Job Advertisements

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	¥745m (as of the end of September 2020)
No. of Shares	2,330,183 shares, including 66 treasury shares (as of the end of September 2020)
Main Features	<ul style="list-style-type: none">● Strengths on targeted advertising based on attribute data● Proprietary knowhow on system linkage with job search engines, e.g., Indeed● Starting up operations of HR Ads Platform
	I . Internet Media Business
Top Management	President: Makoto Ogawa
Shareholders	Naohito Yoshida (founder and chairperson) 27.47%, Goro Inc. (owned by Yoshida) 9.04%, Toppan Printing 6.22% (as of the end of Sep.2020, but for treasury shares)
Head Office	Minato-ku, Tokyo, JAPAN
No. of Employees	Unconsolidated: 91 (as of the end of September 2020)

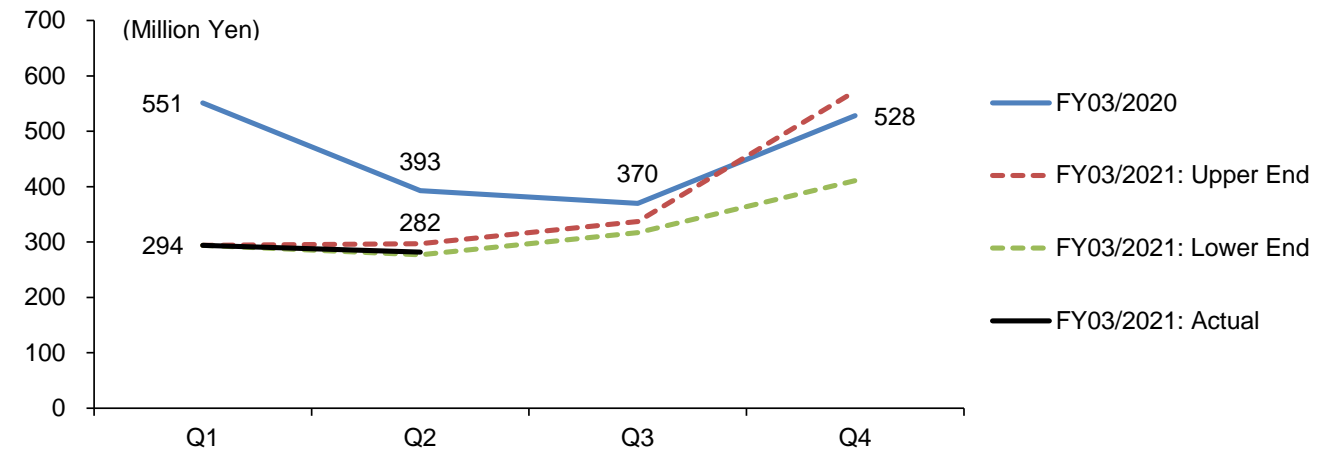
Source: Company Data

3.0 Recent Trading and Prospects

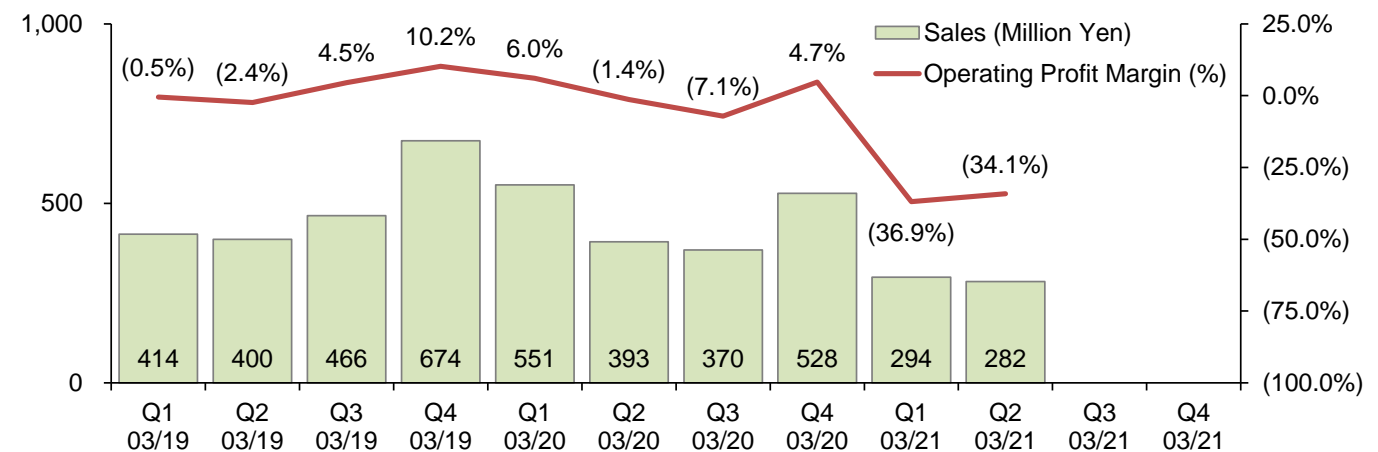
Q1 to Q2 FY03/2021

In Q1 to Q2 FY03/2021, sales came in at ¥576m (down 39.0% YoY), operating profit minus ¥205m (versus ¥27m during the same period of the previous year), recurring profit minus ¥191m (¥27m) and net profit minus ¥192m (¥21m), while operating profit margin minus 35.6% (down 38.5% points).

Sales of FY03/2021 Company Forecasts and Actual Results

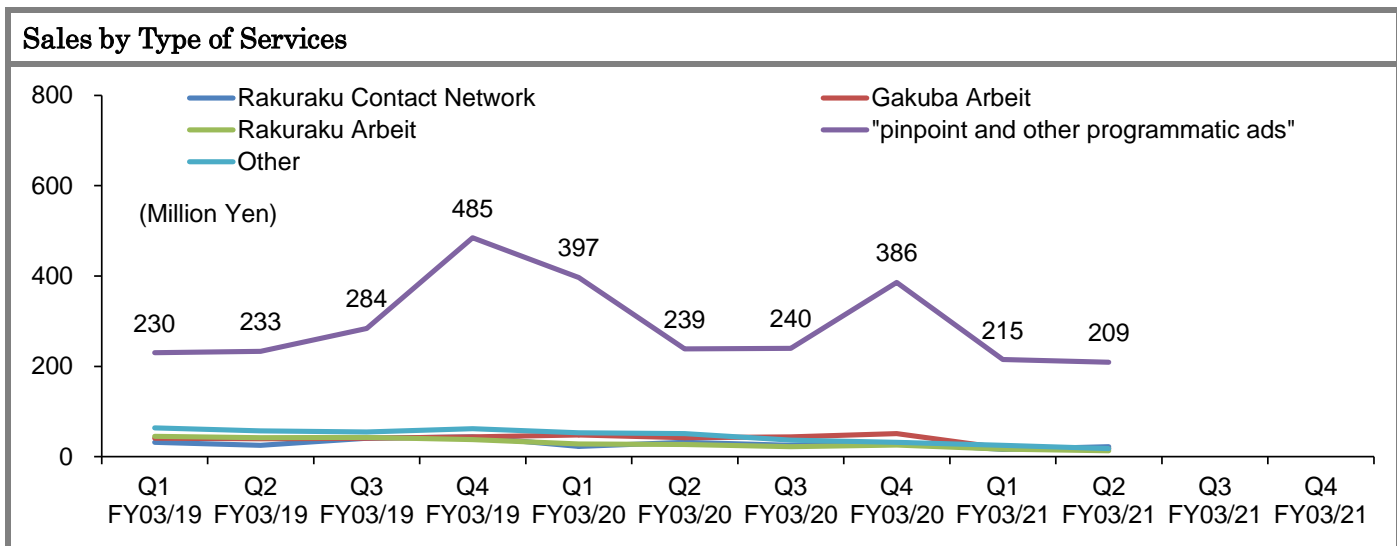


Sales and Operating Profit Margin



Source: Company Data, WRJ Calculation (Upper End and Lower End: assumptions of Company forecasts)

In Q1, sales came in at ¥294m (down 46.7%) and operating profit margin minus 36.9% versus sales of ¥282m (down 28.1%) and operating profit margin of minus 34.1% in Q2, implying that the rate of decline in sales has shrunk for Q2 over Q1 in terms of changes over the same period of the previous year, while operating profit margin has improved, albeit not much. More importantly, it appears that trading in Q3 over Q2 are showing a trend of further shrinkage for the rate of decline in sales as assumed in Company forecasts. Thus, the Company suggests that the time series performance on a quarterly basis is heading for a direction to suggest a trend of recovery.



Source: Company Data, WRJ Calculation

In Q1 to Q2, sales of “pinpoint and other programmatic ads”, the mainstay by type of services, came in at ¥424m (down 33.5%), having accounted for 73.5% (up 6.1% points) out of sales as a whole for the Company. In other words, the above-mentioned performance as a whole for the Company was of “pinpoint and other programmatic ads” to a large extent. In fact, the shrinkage of decline in sales for Q2 over Q1 had a lot to do with the trends of “pinpoint and other programmatic ads, i.e., sales of ¥215m (down 45.9%) in Q1 and sales of ¥209m (down 12.9%) in Q2. Meanwhile, it is apparent that the shrinkage of decline in sales as a whole for the Company was mainly attributable to that of “pinpoint and other programmatic ads”, when it is reviewed that it saw increased sales composition ratio as noted above.

According to our estimates based on the chart disclosed by the Company, sales of “pinpoint and other programmatic ads” in Q2 (July to September) comprised some 79% by the job advertising domain and the remainder or some 21% by the promotion advertising domain. Meanwhile, we estimate sales of the job advertising domain declined by some 20% over the same period of the previous year, while the Company discloses that sales of the promotion advertising domain increased by 49.3%.

According to ASSOCIATION OF JOB INFORMATION OF JAPAN, the number of job advertising posted, which is cited as an indicator by the Company to suggest the market trends for the job advertising domain, saw a decline by 52.0% over the same month of the previous year in July 2020, by 46.8% in August and by 55.5% in September, having resulted in roughly halved for Q2 (July to September) over the same period of the previous year as far as we could see. Simply comparing with this, it would be suggested that the Company is seeing increased market share in the job advertising domain. The Company is highly regarded for its superior expertise in operations of programmatic job advertising and there is an aspect that switching from peers is accelerating, according to the Company.

With respect to surging sales in the promotion advertising domain, it appears that this had a lot to do with the acquisition of new large-scale project. In the first place, the Company suggests that sales of the promotion advertising domain depend on whether the Company acquires just one project or not in a sense. This is because sales per project is larger than that of the job advertising domain, while the absolute amounts of sales as a domain are smaller. The Company does suggest that demand came down sharply for sectors of traveling, restaurants, etc. in particular, having directly affected by the impacts stemming from COVID-19, which appears to have had a limited impact in terms of relativeness.

Programmatic Job Advertising Platform HR Ads Platform

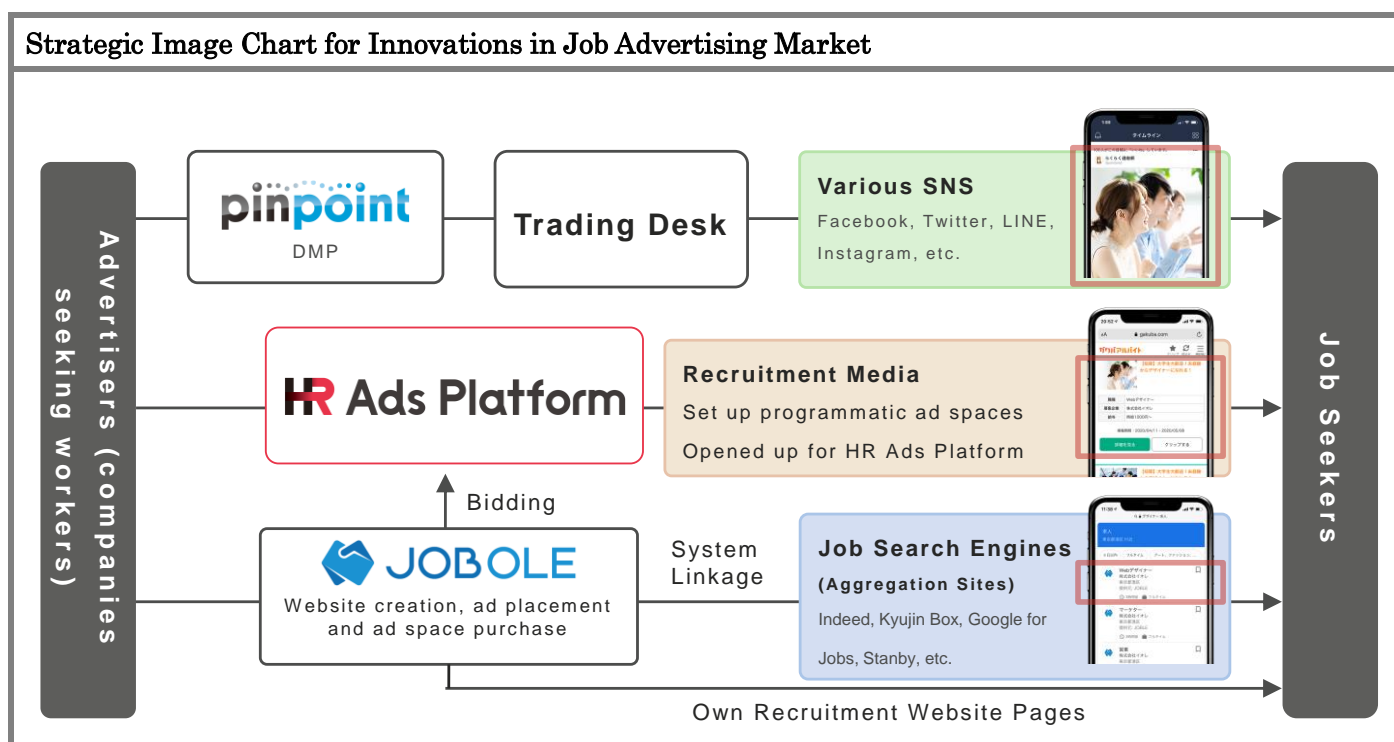
On 12 October 2020, the Company announced that it had started up the operations of programmatic job advertising platform HR Ads Platform through system linkage with external recruitment media, having had completed development of core system and setup of linkage with JOBOLE. The Company mentions that it has set up a tie-up with Lacotto operated by CareerIndex Inc., i.e., a site of job vacancy information for part-timers and temporary staffs. This is said to be a portal site that posts job vacancy information all over Japan as many as 760,000 or more in the number with respect to that of part-timers of various lines of work, mainly those of restaurants and retailing-related. In a view of Lacotto, it is suggested that this tie-up increases the number of job vacancy posted, providing users with enhanced convenience.

HR Ads Platform was developed and launched in order to create new market in the field of so-called X-Tech, i.e., literarily integrating HR technology and Ad technology. The former represents Human Resources technology to maximize human and organizational performance, while the latter advertising technology to maximize the performance of online advertising. In other words, it will be possible for companies seeking workers to be connected to recruitment media more than before with the new method and thus this is positioned as “a new platform to support stakeholders in the recruiting circles”.

According to the Company, HR Ads Platform is *Japan's first* programmatic job advertising platform (patent pending) that allows to post job advertisements on a number of recruitment media by means of using workings of bidding, which is the key characteristics of programmatic advertising. According to the Company, it will be possible to automatically select the optimal posting target (as well as posting ranking and timing) out of a number of recruitment media with which the Company has set up system linkage through its proprietary algorithms. Meanwhile, on top of this, as a billing scheme of pay-per-performance, i.e., CPA (Cost per Acquisition) and CPC (Cost per Click) is adopted, it will be also possible to realize posting of job advertisements excellent in speed and cost effectiveness by companies seeking workers for a number of recruitment media.

For example, given the startup of the above-mentioned tie-up, it has become possible for companies seeking workers which have posted copy of job vacancy collectively as many as almost 50,000 in the number on the Company's ATS (Applicant Tracking System) JOBOLE to post job advertisements on Lacotto by means of using HR Ads Platform. Meanwhile, most recently, it has been disclosed that the Company has started up tie-up with recruitment media such as Shufu JOB Part and jobMAKER.

Further, the Company aims to generalize system linkage toward the end of FY03/2021 by promoting horizontal deployment not only to recruitment media but also to all types of system linkage partners, i.e., temporary staff media, recruitment ASP providers and recruitment advertising media. Moreover, the Company is developing additional functions for its core system, while it will begin collaborating with ATS operated by peers on the demand side (recruitment media, etc. on the supply side). Assuming that linkage formation with all those partners is to steadily make progress from a long-term perspective, the Company is going for establishing itself as the leader in the new job advertising market created by this platform in FY03/2025 as a target.



Source: Company Data

The contents of “pinpoint and other programmatic ads”, which has a large exposure to the job advertising domain, can be broadly divided into programmatic advertisements to use “pinpoint DMP” and programmatic advertisements without it. "pinpoint DMP" is a DMP (Data Management Platform: a platform for centrally managing and analyzing data and ultimately realizing the optimization of action plan for delivery of advertisements), in which attribute data of persons exceeding 20m in the number is anonymously processed and stored. With respect to the former, the delivery of targeted advertising based on attribute data stored here is being developed. Meanwhile, with respect to the latter, it appears that a large part of the approach to job seekers by advertisers (companies seeking workers) has been conducted through system linkage between JOBOLE and various job search engines represented by Indeed. Meanwhile, as mentioned earlier, the Company is highly regarded for its superior expertise in operations of programmatic job advertising and there is an aspect that switching from peers is accelerating, according to the Company.

Now, JOBOLE will be a key foundation for deploying HR Ads Platform. JOBOLE, which has been in operations since March 2019, comprehensively achieved system linkage with job search engines, following on from Indeed in April of the same year, with Google for Jobs in June, Kyujin Box in August and Stanby (Yahoo! Shigoto Kensaku) in October. In addition, the Company develops various new functions as appropriate with the aim of improving convenience for advertisers (companies seeking workers) and job seekers. For example, it has built system linkage with HR Ads Platform and now it is expected to be possible to have a direct access to each recruitment media as well. Meanwhile, when assuming that linkage with ATS operated by peers will take off on a full-fledged basis on top of the Company's ATS JOBOLE, it should realize growth on a dimension different from that of the past.

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		Net Chg.
	03/2020	03/2020	03/2020	03/2020	03/2021	03/2021	03/2021	03/2021		
Sales	551	945	1,315	1,844	294	576	-	-		(368)
Cost of Sales	339	557	781	1,102	222	429	-	-		(128)
Gross Profit	212	387	534	741	71	147	-	-		(239)
SG&A Expenses	178	359	533	714	179	352	-	-		(6)
Operating Profit	33	27	1	26	(108)	(205)	-	-		(233)
Non Operating Balance	(0)	(0)	(0)	(0)	-	13	-	-		+14
Recurring Profit	33	27	1	26	(108)	(191)	-	-		(218)
Extraordinary Balance	-	-	-	-	-	-	-	-		-
Profit before Income Taxes	33	27	1	26	(108)	(191)	-	-		(218)
Total Income Taxes	6	5	1	25	0	1	-	-		(4)
Net Profit	27	21	(0)	0	(109)	(192)	-	-		(214)
Sales YoY	+33.2%	+16.0%	+2.7%	(5.7%)	(46.7%)	(39.0%)	-	-		-
Operating Profit YoY	-	-	(83.2%)	(66.0%)	-	-	-	-		-
Recurring Profit YoY	-	-	(83.3%)	(65.5%)	-	-	-	-		-
Net Profit YoY	-	-	-	(98.4%)	-	-	-	-		-
Gross Profit Margin	38.4%	41.0%	40.6%	40.2%	24.2%	25.6%	-	-		(15.4%)
Sales to SG&A Expenses Ratio	32.4%	38.0%	40.5%	38.8%	61.2%	61.1%	-	-		+23.1%
Operating Profit Margin	6.0%	3.0%	0.1%	1.4%	(36.9%)	(35.6%)	-	-		(38.5%)
Recurring Profit Margin	6.0%	2.9%	0.1%	1.4%	(36.9%)	(33.2%)	-	-		(36.1%)
Net Profit Margin	4.9%	2.3%	(0.0%)	0.1%	(37.1%)	(33.4%)	-	-		(35.7%)
Total Income Taxes/Profit before Income Taxes	18.2%	20.6%	151.7%	96.4%	-	-	-	-		-
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		Net Chg.
	03/2020	03/2020	03/2020	03/2020	03/2021	03/2021	03/2021	03/2021		
Sales	551	393	370	528	294	282	-	-		(110)
Cost of Sales	339	217	223	321	222	206	-	-		(11)
Gross Profit	212	175	147	206	71	76	-	-		(99)
SG&A Expenses	178	180	173	181	179	172	-	-		(8)
Operating Profit	33	(5)	(26)	25	(108)	(96)	-	-		(91)
Non Operating Balance	(0)	(0)	(0)	0	-	13	-	-		+14
Recurring Profit	33	(5)	(26)	25	(108)	(82)	-	-		(77)
Extraordinary Balance	-	-	-	-	-	-	-	-		-
Profit before Income Taxes	33	(5)	(26)	25	(108)	(82)	-	-		(77)
Total Income Taxes	6	(0)	(3)	23	0	0	-	-		+0
Net Profit	27	(5)	(22)	1	(109)	(83)	-	-		(77)
Sales YoY	+33.2%	(1.8%)	(20.5%)	(21.7%)	(46.7%)	(28.1%)	-	-		-
Operating Profit YoY	-	-	-	(63.6%)	-	-	-	-		-
Recurring Profit YoY	-	-	-	(63.5%)	-	-	-	-		-
Net Profit YoY	-	-	-	(97.1%)	-	-	-	-		-
Gross Profit Margin	38.4%	44.6%	39.8%	39.2%	24.2%	27.0%	-	-		(17.6%)
Sales to SG&A Expenses Ratio	32.4%	46.0%	46.9%	34.4%	61.2%	61.1%	-	-		+15.1%
Operating Profit Margin	6.0%	(1.4%)	(7.1%)	4.7%	(36.9%)	(34.1%)	-	-		(32.8%)
Recurring Profit Margin	6.0%	(1.4%)	(7.1%)	4.7%	(36.9%)	(29.2%)	-	-		(27.8%)
Net Profit Margin	4.9%	(1.3%)	(6.1%)	0.3%	(37.1%)	(29.4%)	-	-		(28.1%)
Total Income Taxes/Profit before Income Taxes	18.2%	-	-	93.7%	-	-	-	-		-

Source: Company Data, WRJ Calculation

Sales by Type of Services (Cumulative/Quarterly)

Sales by Type of Services (Million Yen)	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	YoY
	Q1 03/2020	Q1 to Q2 03/2020	Q1 to Q3 03/2020	Q1 to Q4 03/2020	Q1 03/2021	Q1 to Q2 03/2021	Q1 to Q3 03/2021	Q1 to Q4 03/2021	Q1 to Q4 03/2021	Net Chg.
Rakuraku Contact Network	23	55	81	112	16	39	-	-	-	(15)
Gakuba Arbeit	48	91	135	186	19	38	-	-	-	(52)
Rakuraku Arbeit	28	56	78	104	17	30	-	-	-	(25)
"pinpoint and other programmatic ads"	397	637	878	1,265	215	424	-	-	-	(213)
Other	53	105	142	174	25	44	-	-	-	(60)
Sales	551	945	1,315	1,844	294	576	-	-	-	(368)
Rakuraku Contact Network	(28.9%)	(5.1%)	(18.6%)	(21.6%)	(27.2%)	(28.9%)	-	-	-	-
Gakuba Arbeit	+17.4%	+10.9%	+9.9%	+11.2%	(60.0%)	(58.0%)	-	-	-	-
Rakuraku Arbeit	(36.6%)	(36.5%)	(40.3%)	(38.4%)	(39.4%)	(45.0%)	-	-	-	-
"pinpoint and other programmatic ads"	+72.4%	+37.3%	+17.3%	+2.5%	(45.9%)	(33.5%)	-	-	-	-
Other	(16.6%)	(13.5%)	(19.8%)	(27.2%)	(52.7%)	(57.9%)	-	-	-	-
Sales YoY	+33.2%	+16.0%	+2.7%	(5.7%)	(46.7%)	(39.0%)	-	-	-	-
Rakuraku Contact Network	4.2%	5.8%	6.2%	6.1%	5.7%	6.8%	-	-	-	+1.0%
Gakuba Arbeit	8.8%	9.6%	10.3%	10.1%	6.6%	6.6%	-	-	-	(3.0%)
Rakuraku Arbeit	5.2%	5.9%	6.0%	5.7%	6.0%	5.4%	-	-	-	(0.6%)
"pinpoint and other programmatic ads"	72.1%	67.5%	66.7%	68.6%	73.1%	73.5%	-	-	-	+6.1%
Other	9.7%	11.1%	10.8%	9.5%	8.6%	7.7%	-	-	-	(3.4%)
Sales Composition Ratio	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-	-	-	0.0%

Sales by Type of Services (Million Yen)	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	YoY
	Q1 03/2020	Q2 03/2020	Q3 03/2020	Q4 03/2020	Q1 03/2021	Q2 03/2021	Q3 03/2021	Q4 03/2021	Q4 03/2021	Net Chg.
Rakuraku Contact Network	23	32	25	31	16	22	-	-	-	(9)
Gakuba Arbeit	48	42	44	51	19	18	-	-	-	(23)
Rakuraku Arbeit	28	27	22	26	17	13	-	-	-	(13)
"pinpoint and other programmatic ads"	397	239	240	386	215	209	-	-	-	(30)
Other	53	51	37	32	25	18	-	-	-	(32)
Sales	551	393	370	528	294	282	-	-	-	(110)
Rakuraku Contact Network	(28.9%)	+25.2%	(37.7%)	(28.1%)	(27.2%)	(30.1%)	-	-	-	-
Gakuba Arbeit	+17.4%	+4.3%	+7.9%	+15.0%	(60.0%)	(55.7%)	-	-	-	-
Rakuraku Arbeit	(36.6%)	(36.4%)	(48.1%)	(31.9%)	(39.4%)	(50.8%)	-	-	-	-
"pinpoint and other programmatic ads"	+72.4%	+2.6%	(15.4%)	(20.3%)	(45.9%)	(12.9%)	-	-	-	-
Other	(16.6%)	(10.2%)	(33.3%)	(48.4%)	(52.7%)	(63.2%)	-	-	-	-
Sales YoY	+33.2%	(1.8%)	(20.5%)	(21.7%)	(46.7%)	(28.1%)	-	-	-	-
Rakuraku Contact Network	4.2%	8.2%	7.0%	6.0%	5.7%	7.9%	-	-	-	(0.2%)
Gakuba Arbeit	8.8%	10.8%	12.0%	9.7%	6.6%	6.7%	-	-	-	(4.2%)
Rakuraku Arbeit	5.2%	6.9%	6.1%	4.9%	6.0%	4.7%	-	-	-	(2.2%)
"pinpoint and other programmatic ads"	72.1%	61.0%	64.9%	73.2%	73.1%	73.9%	-	-	-	+13.0%
Other	9.7%	13.1%	10.0%	6.1%	8.6%	6.7%	-	-	-	(6.4%)
Sales Composition Ratio	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 03/2020	Q2 03/2020	Q3 03/2020	Q4 03/2020	Q1 03/2021	Q2 03/2021	Q3 03/2021	Q4 03/2021		
Cash and Deposit	832	794	742	802	671	548	-	-	-	(246)
Accounts Receivables	151	142	142	170	96	105	-	-	-	(36)
Other	15	12	15	22	21	25	-	-	-	+13
Current Assets	999	950	900	995	789	680	-	-	-	(270)
Tangible Assets	7	6	5	4	4	3	-	-	-	(2)
Intangible Assets	303	307	325	353	362	356	-	-	-	+48
Investments and Other Assets	89	89	89	74	74	73	-	-	-	(15)
Fixed Assets	400	403	420	433	441	434	-	-	-	+30
Deferred Assets	0	0	-	-	-	-	-	-	-	(0)
Total Assets	1,400	1,353	1,320	1,428	1,230	1,114	-	-	-	(239)
Accounts Payables, etc.	95	77	73	165	68	66	-	-	-	(11)
Corporate Bond	15	5	-	-	-	-	-	-	-	(5)
Short Term Debt	-	-	-	-	-	-	-	-	-	-
Other	116	97	94	109	109	71	-	-	-	(25)
Current Liabilities	227	179	168	274	178	137	-	-	-	(42)
Corporate Bond	-	-	-	-	-	-	-	-	-	-
Long Term Debt	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Fixed Liabilities	-	-	-	-	-	-	-	-	-	-
Total Liabilities	227	179	168	274	178	137	-	-	-	(42)
Shareholders' Equity	1,170	1,171	1,149	1,150	1,049	974	-	-	-	(197)
Other	2	2	2	2	2	2	-	-	-	+0
Net Assets	1,173	1,174	1,151	1,153	1,052	977	-	-	-	(197)
Total Liabilities and Net Assets	1,400	1,353	1,320	1,428	1,230	1,114	-	-	-	(239)
Equity Capital	1,170	1,171	1,149	1,150	1,049	974	-	-	-	(197)
Interest Bearing Debt	15	5	-	-	-	-	-	-	-	(5)
Net Debt	(817)	(789)	(742)	(802)	(671)	(548)	-	-	-	+241
Equity Ratio	83.6%	86.5%	87.0%	80.6%	85.3%	87.4%	-	-	-	-
Net Debt Equity Ratio	(69.9%)	(67.5%)	(64.6%)	(69.8%)	(64.0%)	(56.3%)	-	-	-	-
ROE (12 months)	7.9%	8.4%	4.8%	0.1%	(12.2%)	(19.9%)	-	-	-	-
ROA (12 months)	8.2%	8.7%	5.3%	1.8%	(8.8%)	(15.6%)	-	-	-	-
Quick Ratio	433%	523%	525%	354%	431%	476%	-	-	-	-
Current Ratio	440%	530%	534%	362%	443%	495%	-	-	-	-

Source: Company Data, WRJ Calculation

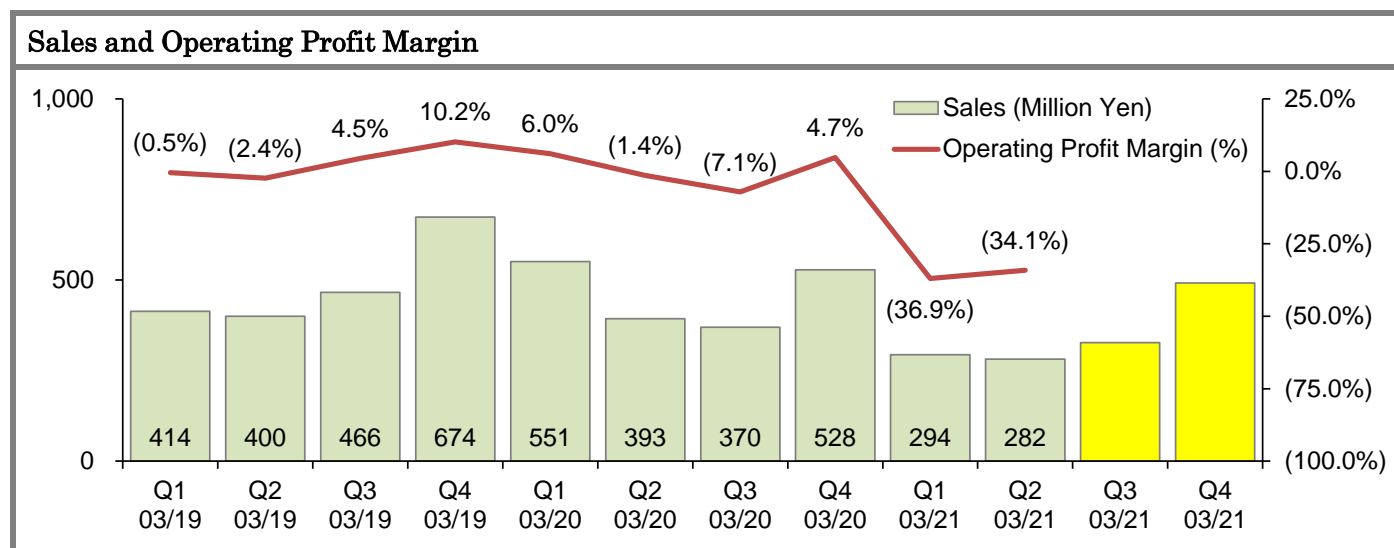
Cash Flow Statement (Cumulative)

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 03/2020	Q1 to Q2 03/2020	Q1 to Q3 03/2020	Q1 to Q4 03/2020	Q1 03/2021	Q1 to Q2 03/2021	Q1 to Q3 03/2021	Q1 to Q4 03/2021		
Operating Cash Flow	-	105	-	190	-	(181)	-	-	-	(287)
Investing Cash Flow	-	(63)	-	(135)	-	20	-	-	-	+83
Operating Cash Flow and Investing Cash Flow	-	41	-	54	-	(161)	-	-	-	(203)
Financing Cash Flow	-	(8)	-	(13)	-	7	-	-	-	+16

Source: Company Data, WRJ Calculation

FY03/2021 Company Forecasts

FY03/2021 Company forecasts (announced on 14 August 2020, in a range format) are going for prospective sales of ¥1,300m to ¥1,501m and operating profit of minus ¥327m to minus ¥271m, as well as implying sales of ¥1,400m (down 24.1% YoY), operating profit of minus ¥299m (versus ¥26m in the previous year), recurring profit of minus ¥278m (¥26m) and net profit of minus ¥280m (¥0m) in terms of median value of the ranges, while operating profit margin of minus 21.3% (down 22.8% points).



Source: Company Data, WRJ Calculation (Q3 and Q4 FY03/2021: median of assumptions in Company forecasts)

There is a social issue of shortage for labor due to the declining birthrate and aging population. However, given uncertainty for the future due to the impacts stemming from COVID-19, it has also remained uncertain when the corporate appetite for hiring will recover, according to the Company. Therefore, it cannot be denied that uncertainty also remains with respect to the Company's performance, being heavily exposed to the job advertising domain in "pinpoint and other programmatic ads", which has a major impact on the Company's performance as a whole.

When the Company announced FY03/2020 results (15 May 2020), Company forecasts were not determined, because it was difficult to reasonably estimate the impacts stemming from COVID-19. Still, when the Company accounted Q1 results, it also announced the above-mentioned Company forecasts, disclosed in a range format based on information available at times and forecasts of market trends. Although such a situation will continue to some extent for H2, it is assumed that economic activities will gradually resume with thorough preventive measures, etc. and that the recovery in corporate appetite for hiring will proceed moderately.

The upper end of Company forecasts for Q4 assume sales are to increase over the same period of the previous year, driven by moderate recovery in the hiring appetite, starting in October 2020 and thereafter, while the lower end assuming a delayed recovery in the market condition but no further deterioration as much as leading to another release for declaration of state of emergency. Meanwhile, it appears that Company forecasts assume sales in Q4 to decline by some 7% over the same period of the previous year in terms of median.

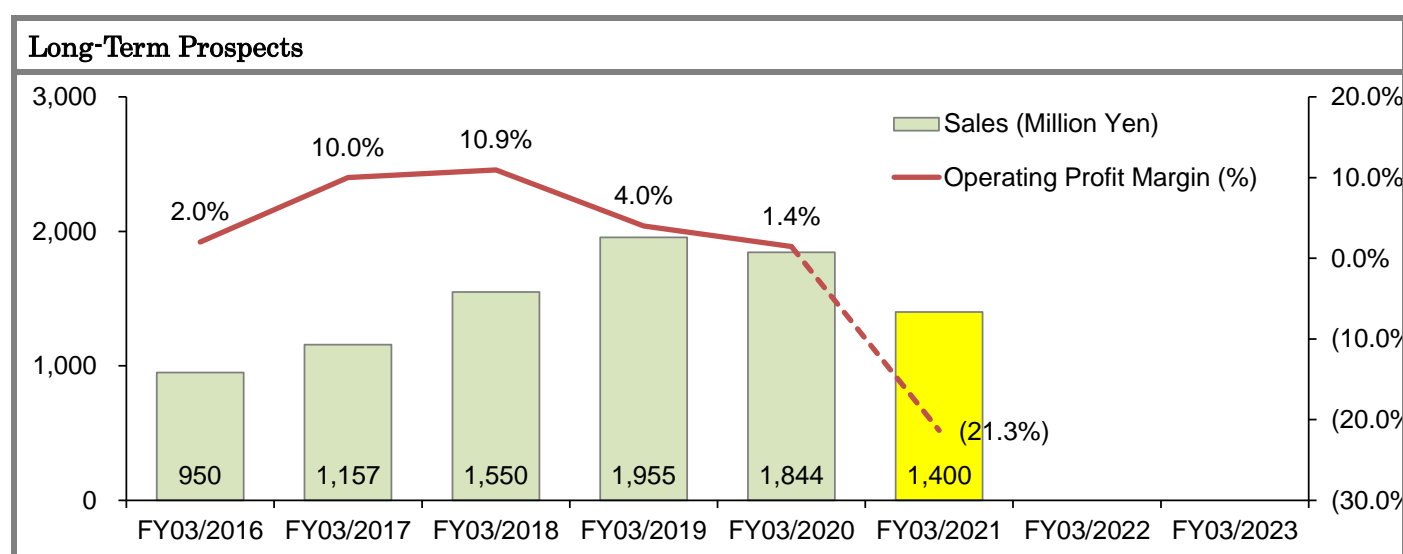
FY03/2021 Company Forecasts and Actual Results

Unconsolidated Fiscal Year (Million Yen)	Date	Event	Sales	Operating Profit	Recurring Profit	Net Profit
FY03/2021CoE	15-May-20	Q4 Results	-	-	-	-
FY03/2021CoE	14-Aug-20	Q1 Results	1,400	(299)	(278)	(280)
FY03/2021CoE	13-Nov-20	Q2 Results	1,400	(299)	(278)	(280)
		Amount of Gap	-	-	-	-
		Rate of Gap	-	-	-	-
FY03/2021CoE	15-May-20	Q4 Results	-	-	-	-
FY03/2021CoE	13-Nov-20	Q2 Results	1,400	(299)	(278)	(280)
		Amount of Gap	-	-	-	-
		Rate of Gap	-	-	-	-
Unconsolidated Half Year (Million Yen)	Date	Event	Sales	Operating Profit	Recurring Profit	Net Profit
Q1 to Q2 FY03/2021CoE	15-May-20	Q4 Results	-	-	-	-
Q1 to Q2 FY03/2021CoE	14-Aug-20	Q1 Results	-	-	-	-
Q1 to Q2 FY03/2021Act	13-Nov-20	Q2 Results	576	(205)	(191)	(192)
		Amount of Gap	-	-	-	-
		Rate of Gap	-	-	-	-
Q1 to Q2 FY03/2021CoE	15-May-20	Q4 Results	-	-	-	-
Q1 to Q2 FY03/2021Act	13-Nov-20	Q2 Results	576	(205)	(191)	(192)
		Amount of Gap	-	-	-	-
		Rate of Gap	-	-	-	-
Unconsolidated Half Year (Million Yen)	Date	Event	Sales	Operating Profit	Recurring Profit	Net Profit
Q3 to Q4 FY03/2021CoE	15-May-20	Q4 Results	-	-	-	-
Q3 to Q4 FY03/2021CoE	14-Aug-20	Q1 Results	-	-	-	-
Q3 to Q4 FY03/2021CoE	13-Nov-20	Q2 Results	824	(94)	(87)	(88)
		Amount of Gap	-	-	-	-
		Rate of Gap	-	-	-	-
Q3 to Q4 FY03/2021CoE	15-May-20	Q4 Results	-	-	-	-
Q3 to Q4 FY03/2021CoE	13-Nov-20	Q2 Results	824	(94)	(87)	(88)
		Amount of Gap	-	-	-	-
		Rate of Gap	-	-	-	-

Source: Company Data, WRJ Calculation (CoE: median)

Long-Term Prospects

The Company, having had seen sales of ¥1,955m (up 33.9% YoY), operating profit of ¥78m (down 53.8%) and operating profit margin of 4.0% (down 6.9% points) in FY03/2019, had set a goal of "maintaining a sales growth rate of 20% or more from a long-term perspective, while achieving operating profit margin of 15% as soon as possible". In FY03/2019, the Company saw sales surged as a whole in line with those of "pinpoint and other programmatic ads", i.e., ¥1,234m (up 71.2%), driven by sharp increase associated with the mainstay job advertising domain. Meanwhile, operating profit margin plummeted basically because gross profit margin came in at 42.3% (down 7.6% points).



Source: Company Data, WRJ Calculation (CoE: median)

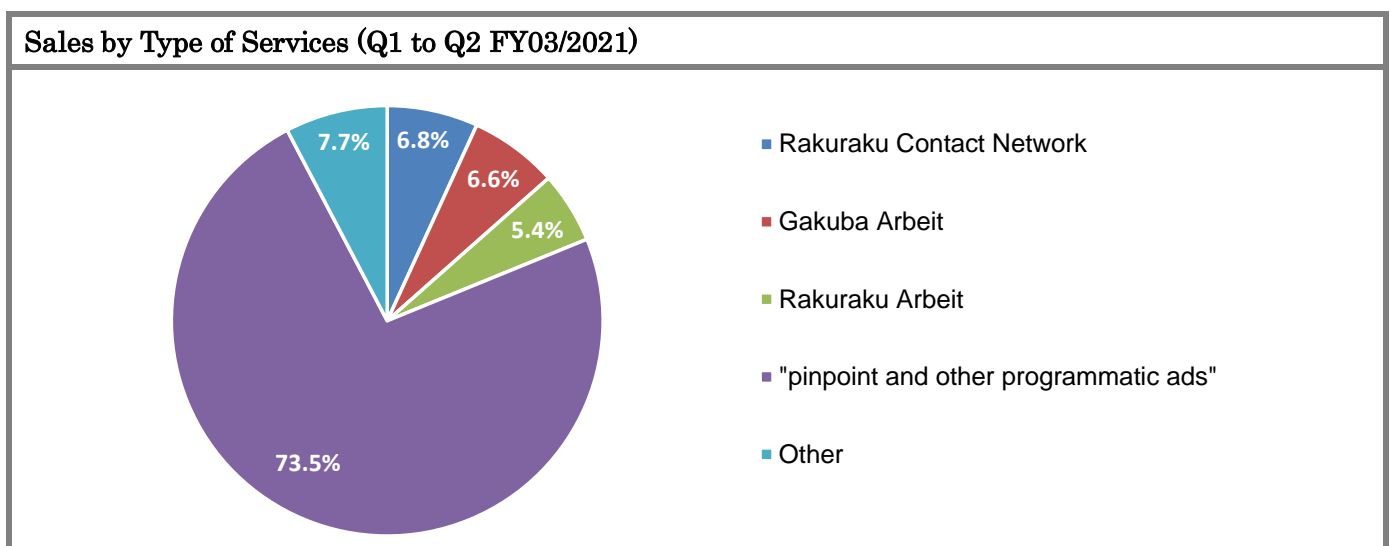
Compared with conventional operations of running own media comprising Rakuraku Contact Network, Gakuba Arbeit and Rakuraku Arbeit, cost of sales is inevitably larger by the amount of advertising space purchased from external media for "pinpoint and other programmatic ads" and thus gross profit margin correspondingly lower, according to the Company. In other words, operating profit margin came down in FY03/2019 due to a worsened sales mix. More importantly, however, the Company spotted that sales of "pinpoint and other programmatic ads" had a significant growth potential from a long-term perspective, while it was considered that sales could surge with limited spending on SG&A expenses, having had resulted in a strategy to drive operating profit margin by means of focusing on the pursuit of benefit from increased sales, as far as we could see.

In FY03/2020, however, sales as a whole for the Company have failed to increase and it was unavoidable that operating profit margin further came down. This is due mainly to a factor that sales of "pinpoint and other programmatic ads" increased by no more than 2.5% over the previous year. For the mainstay job advertising domain, sales increased by 16.3%, but sales of the promotion advertising domain plummeted due to the loss of large-scale project. Now, this was followed by the impacts stemming from COVID-19 to have appeared since the beginning of FY03/2021. The Company says that uncertainty has continued to date. Nevertheless, from a long-term perspective, it is suggested that the Company is in a direction of seeing significant increases in sales and earnings in line with persistently increased contribution from programmatic job advertising platform HR Ads Platform.

4.0 Business Model

Selection and Concentration

As a strategy to be implemented in FY03/2021, the Company aims to promote Selection and Concentration for operations in response to the new normal with COVID-19, while prioritizing to secure profitability and building a base to draw up a new growth curve. By the type of services, "pinpoint and other programmatic ads" is subject to Concentration, while the operations of own media such as Gakuba Arbeit and Rakuraku Arbeit will be reinforced after the economic recovery. In both of them, it is said that the impacts of the deterioration in the marketplace, for which the number of job advertising posted (ASSOCIATION OF JOB INFORMATION OF JAPAN) is an indicator, will have to be significant, according to the Company. With respect to Rakuraku Contact Network, which is the origin of the Company's own media operations, the Company has shifted to a phase of maintenance and operation, following the launch of the new app Rakuraku Renrakumo Dot App on 31 August 2020. In the first place, this new app was developed to reduce the operating costs of Rakuraku Contact Network, while the development further is temporarily terminated. Therefore, in a phase of maintenance and operation going forward, the expense related will be reduced, according to the Company.



Source: Company Data, WRJ Calculation

In April 2014, the Company began operating private DMP "pinpoint DMP", which formed the base of "pinpoint and other programmatic ads" at the initial stage. From its founding in April 2001, the Company had been basically developing operations of its own media, comprising Rakuraku Contact Network, Gakuba Arbeit and Rakuraku Arbeit by then. Meanwhile, the Company, which began operating JOBOLE in March 2019, has formulated a strategy of allocating the resources intensively in the job advertising domain of "pinpoint and other programmatic ads", which has been implemented in fact. Now, given the startup of operations for programmatic job advertising platform HR Ads Platform, the Company strengthens its focus on the job advertising domain to a greater extent than in the past.

"pinpoint and other programmatic ads"

In "pinpoint and other programmatic ads", the Company develops targeted advertising based on system linkage between "pinpoint DMP" and various SNSs. At the same time, the Company also develops advertising based on system linkage between JOBOLE and various job search engines. Meanwhile, the commonality between the two is that an advertising space bidding system is adopted, which is called RTB (Real Time Bidding) that makes full use of advertising technology. In other words, this is the distinguished feature for programmatic advertisements and thus is also true of HR Ads Platform.

Bidding by HR Ads Platform at the moment is started by inputting the budget, target price per application and posting period set by companies seeking workers into JOBOLE. Companies seeking workers are not able to designate the media for job advertising to be delivered, but following the commencement of the bidding, the advertising space of recruitment media, which has the most appropriate features to cope with the contents of the information input, will be automatically awarded and job advertising will be delivered. Therefore, what will make differences is the expertise to identify the most appropriate advertising space of recruitment media. Thus, it is the top priority in the first place to enhance system linkage with alliance partners, while this is, in fact, what the Company is trying to get at most aggressively at the moment.

With respect to "pinpoint and other programmatic ads", it has been clarified that the Company will continue to focus also on the promotion advertising domain, on top of strengthening of its focus on the job advertising domain. Demand in the promotion advertising domain is likely to recover relatively earlier and the Company intends to support sales of "pinpoint and other programmatic ads" by means of aggressively capturing the recovery in demand. Meanwhile, the Company is strengthening its focus on the subdomain of new graduate recruitment in particular on the job advertising domain, but the Company here is in a situation of being forced to struggle.

For hiring of new graduates in 2022, the existing rules of job-hunting process are being abolished and diversification of job-hunting schedule (adoption of year-round recruitment), global hiring, etc. will be advancing. In a view of companies seeking workers, it will be rather forced to cope with job hunting which takes place earlier than before as well as diversified recruiting activities and methods of recruiting. In light of all those changes in the situation, Company used to anticipate an opportunity to expand sales of targeted advertising, which utilizes attribute data associated with a great number of college students stored in "pinpoint DMP". The Company, having started up focusing on new graduate recruitment accompanied with a strategic partner, expanded promotion nationwide in July 2020. However, given the impacts stemming from COVID-19, the cancellation of large-scale events such as internships and joint briefings has been continuing and thus forcing recruitment activities at companies seeking workers to be delayed. In response, the Company is most recently preparing to form tie-up with the strategic partner for mid-career recruitment and/or that of part-timers.

Rakuraku Contact Network

In Q1 to Q2 FY03/2021, sales came in at ¥39m (down 28.9% YoY). Rakuraku Contact Network represents services to support group communication provided to practitioners of group activities all over Japan such as those of extracurricular activities, circles, parent-teacher association, etc. Meanwhile, the Company's earnings model here is to collect charges on advertising posted on Rakuraku Contact Network and/or fees on paid services. This is one of the largest contact network services in Japan to support group activities and the number of users stood at 6.96m belonging to collective 390,000 groups as of the end of Q2 FY03/2021, where convenient functions such as scheduling and confirmation of attendance are supporting their group activities, according to the Company. By attribution of group, sports-related circles accounted for 25.2% of total, schools and education for 21.9%, hobby-related circles for 19.5%, friends and colleagues for 15.3%, volunteer organizations for 10.2% and work-related for 8.0%.

For example, the contents of communication in Rakuraku Contact Network are often like "what you have for tomorrow's excursion" and/or "confirming the attendance for a group 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 one would like to use Rakuraku Contact Network, he or she must register user information such as his or her name, gender, affiliation and email address, while the Company anonymously processes the information and stores it in DMP (Data Management Platform: a platform for centrally managing and analyzing data and ultimately optimizing action plan for advertising). The Company runs its "pinpoint DMP" which stores attribute data obtained here as well as attribute data acquired from external partner companies. According to the Company, the former is far better than the latter in accuracy, while collective attribute data 20m or more is stored, comprising the former and the latter.

Gakuba Arbeit

In Q1 to Q2 FY03/2021, sales came in at ¥38m (down 58.0%). Gakuba Arbeit represents a website to provide part-time job advertising exclusively for college students, where the Company creates the contents in-house. The Company's earnings model here is to collect posting fees for advertising from companies seeking workers that post their job advertising on Gakuba Arbeit. Given the impacts stemming from COVID-19, sales declined sharply, but the number of job advertising posted is showing a trend of recovery most recently, while the number of new membership registrations has increased in Q2 (July to September) over the same period of the previous year. From the beginning of FY03/2021, the simplification of new membership registrations seems to have begun to make a full-scale contribution. Still, after having had completed development for this simplification in January 2020, the Company suggests that a changeover started from a phase of investments to a phase of maintenance and operations, leading to lowered expenses related going forward, just like Rakuraku Contact Network.

According to the Company, Gakuba Arbeit has data linkage with Rakuraku Contact Network, enabling push-type appeals through sending out e-mail magazine with the use of attribute data, etc. for the sake of recruiting high-quality young part timers. Attribute data obtained through this data linkage includes that of a great number of college students and graduate students and the Company is said to have one of the largest attribute data in the said area of online job advertising on part timers, which is a factor differentiating itself from peers in the said area. Meanwhile, this is the background for the Company to focus on hiring of new graduates on the job advertising domain of “pinpoint and other programmatic ads” at the same time.

Rakuraku Arbeit

In Q1 to Q2 FY03/2021, sales came in at ¥30m (down 45.0%). Rakuraku Arbeit represents a part-time job information portal site where advertising of external recruiting media for part-time job is posted. The Company’s earnings model here is to collect compensations for referring applicants to advertisers, i.e., recruiting media for part-time job. Here is, again, data linkage with Rakuraku Contact Network and there is an aspect that the Company uses attribute data on housewives and freeters in particular.

In April 2020, the Company completed the development of Rakuraku Arbeit other than that of the above-mentioned data linkage and a changeover has been starting also here from a phase of investments to a phase of maintenance and operations. Going forward, the Company is to see reduced expenses related, just like Rakuraku Contact Network and Gakuba Arbeit.

5.0 Financial Statements

Income Statement

Income Statement	Par.Act FY	Par.Act FY	Par.Act FY	Par.Act FY	Par.Act FY	Par.CoE FY	YoY
(Million Yen)	03/2016	03/2017	03/2018	03/2019	03/2020	03/2021	Net Chg.
Sales	950	1,157	1,550	1,955	1,844	1,400	(443)
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	(299)	(325)
Non Operating Balance	(4)	(3)	(14)	(2)	(0)	20	+20
Recurring Profit	14	112	155	76	26	(278)	(304)
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	(280)	(281)
Sales YoY	-	+21.9%	+33.9%	+26.1%	(5.7%)	(24.1%)	-
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%	(21.3%)	(22.8%)
Recurring Profit Margin	1.5%	9.7%	10.0%	3.9%	1.4%	(19.9%)	(21.3%)
Net Profit Margin	(16.8%)	11.0%	5.9%	3.0%	0.1%	(20.0%)	(20.1%)
Total Income Taxes/Profit before Income Taxes	-	(13.4%)	41.3%	20.3%	96.4%	-	-

Source: Company Data, WRJ Calculation (CoE: median)

Sales by Type of Services

Sales by Type of Services	Par.Act FY	Par.Act FY	Par.Act FY	Par.Act FY	Par.Act FY	Par.CoE FY	YoY
(Million Yen)	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	1,400	(443)
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%)	(24.1%)	-
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%	100.0%	0.0%

Source: Company Data, WRJ Calculation (CoE: median)

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 (CoE: median)

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 (CoE: median)

Per Share Data

Per Share Data (Before 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.
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	(120.59)	-
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	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	1	-
Earnings Per Share	(112.28)	83.94	47.24	25.55	0.41	(120.59)	-
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	0.00	-
Payout Ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-

Source: Company Data, WRJ Calculation (CoE: median)

6.0 Other Information

Creating New Convenience and New Pleasure

The Company's management policy is "taking advantage of new technology, we create new convenience and new pleasure both unprecedented, supporting the entire world, while 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 operations since April 2005. Making full use of new technology 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 in Japan. Likewise, Gakuba Arbeit and Rakuraku Arbeit have followed suit and then services of "pinpoint and other programmatic ads" to make full use of Smartphones and advertising technology.

In the initial stage when the Company began focusing on "pinpoint and other programmatic ads", it was advocated that it would utilize the big data held by the Company. In other words, there was a conspicuous focus on expanding sales in the job advertising domain by means of using attribute data obtained through the operation of Rakuraku Contact Network. Meanwhile, most recently, the Company has begun focusing on programmatic job advertising platform HR Ads Platform with an objective to further "create new convenience and new pleasure".

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 of sales
April 2003	Head Office, moved to Okusawa, Setagaya-ku
April 2005	Launched Rakuraku Contact Network
October 2007	The number of memberships registered for Rakuraku Contact Network exceeded a million
April 2010	Launched Gakuba Arbeit (ex-Daigakusei Arbeit.com)
August 2010	The number of memberships registered for Rakuraku Contact Network exceeded 4m
April 2013	The number of memberships registered for Rakuraku Contact Network exceeded 6m and/or 350,000 groups
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 advertising delivery to Google’s DBM (DoubleClick Bid Manager), utilizing “pinpoint DMP”
October 2015	Started advertising delivery to Facebook, Twitter, Instagram and YouTube, utilizing “pinpoint DMP”
June 2016	Rakuraku Contact Network app downloads exceeded a million in the number Started advertising 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.
August 2020	Launched smartphone app Rakuraku Renrakumo Dot App
October 2020	Launched programmatic job advertising platform HR Ads Platform

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.

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