

Excerpted version



Financial Results

**for the First Quarter of the Fiscal Year
Ending March 31, 2021**

eole Inc.

(TSE Mothers, Securities Code: 2334)

August 14, 2020

Unless otherwise specified, this English-language version of the financial results of eole Inc. has been prepared solely for the convenience of non-Japanese speakers. Should there be any inconsistencies between the English and the Japanese versions, please note that the Japanese version will always prevail.

I

**Business Results for 1Q FY03/21
and Forecast for FY03/21**

II

Business Review for FY03/21

III

Other Business Initiative

No translation



I

**Business Results for 1Q
FY03/21 and Forecast for
FY03/21**

The translation of Chapter I is omitted.

Regarding our business results for 1Q FY03/21 and forecast for FY03/21, refer to the “Company Report” prepared by Walden Research Japan Incorporated posted on our website as of August 19, 2020.

URL: [Company Report by Walden Research Japan](#)



II | Business Review for FY03/21

1. Launch of HR Ads Platform

2. Expansion of “pinpoint and Other Programmatic Ads”

3. Expansion of New Graduate Recruitment Sales

4. Development Status of Proprietary Media

- We advocate the selection and concentration of our business in the era of coexisting with COVID-19 and prioritize profitability to construct infrastructure for redrawing the growth curve.

Business focus

HR Ads Platform

pinpoint and Other Programmatic Ads

New Graduate Recruitment Sales

Customer Advertising



- By incorporating the concepts of bidding and automatic ad delivery into recruitment media advertising, we lead the change in the recruitment advertising industry from face-to-face sales to sales by ad technology, corresponding to the era of coexisting with COVID-19.
- Focus on the business that has potential for player change while coexisting with COVID-19.
- Renew sales initiatives with a strategic sales partner.
- Support our sales by focusing customer advertising, for which sales are thought to recover relatively soon.

Business to reinforce after economic recovery

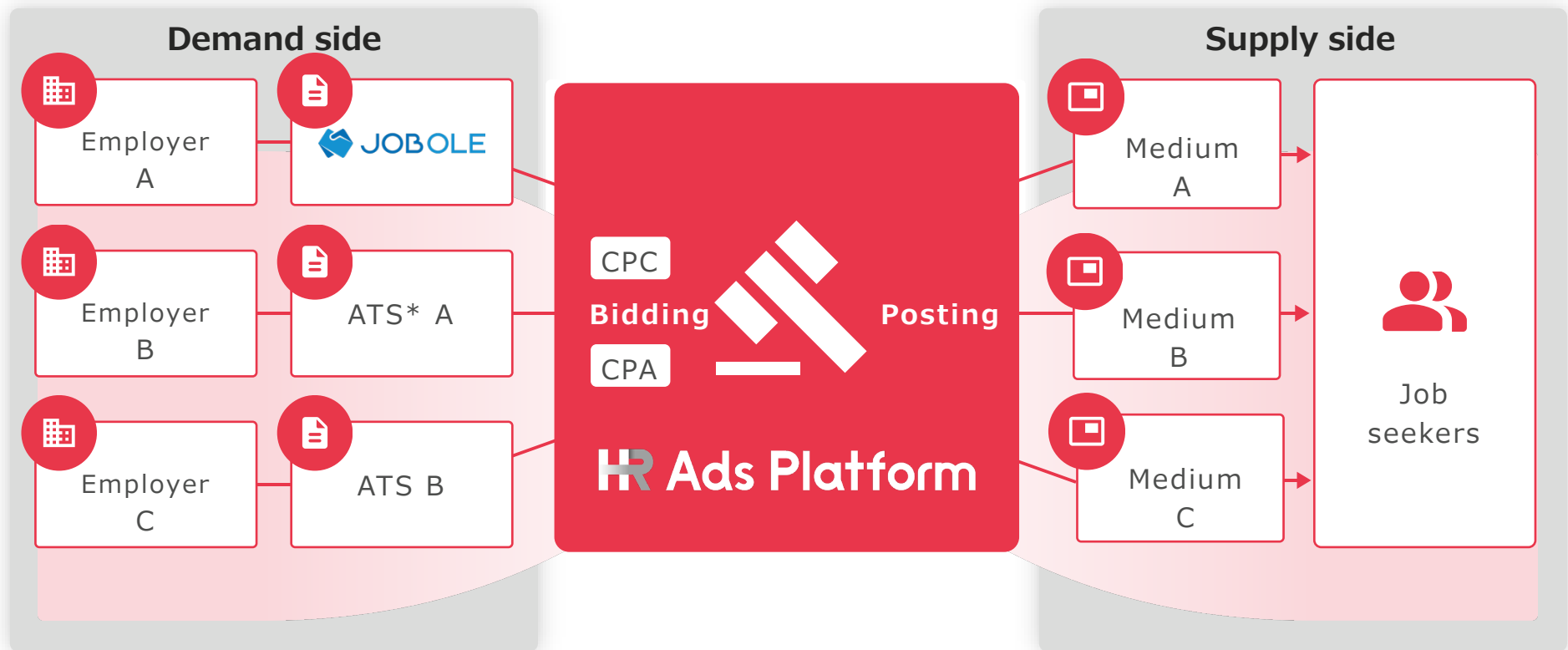
Gakuba Arbeit, Rakuraku Arbeit



- Because of the dramatic decrease in the number of job listings, Gakuba Arbeit and Rakuraku Arbeit will be reinforced after the economic recovery.
- Proprietary media are in the maintenance phase.

1. Launch of HR Ads Platform — Overview

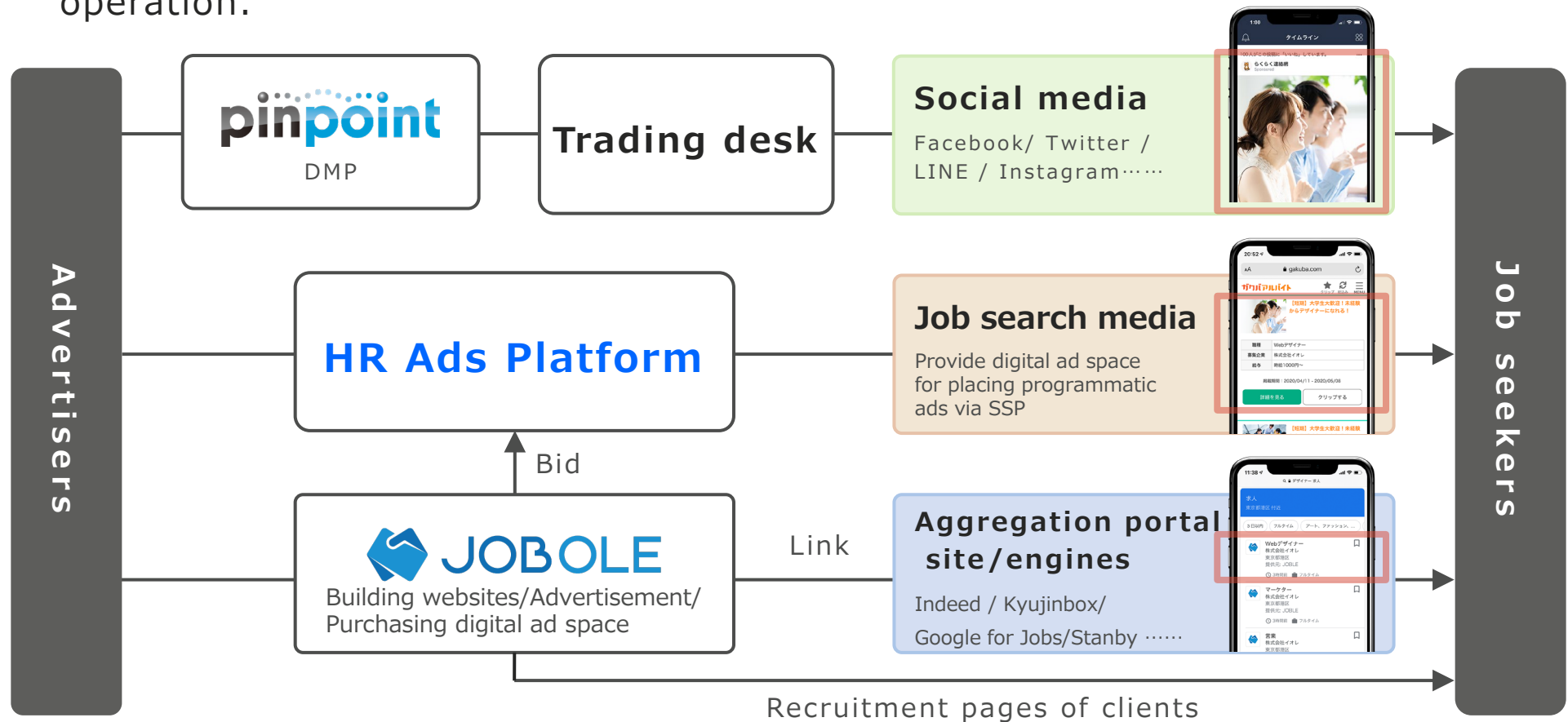
- Employers can automatically post job advertisements from abundant job posting manuscripts on ATSS, including JOBOLE, to job advertisement spaces on each medium.
- For posting, bidding such as cost per click (CPC) or cost per acquisition (CPA) is adopted. Every click or acquisition generated revenue, and we pay a commission to the media.



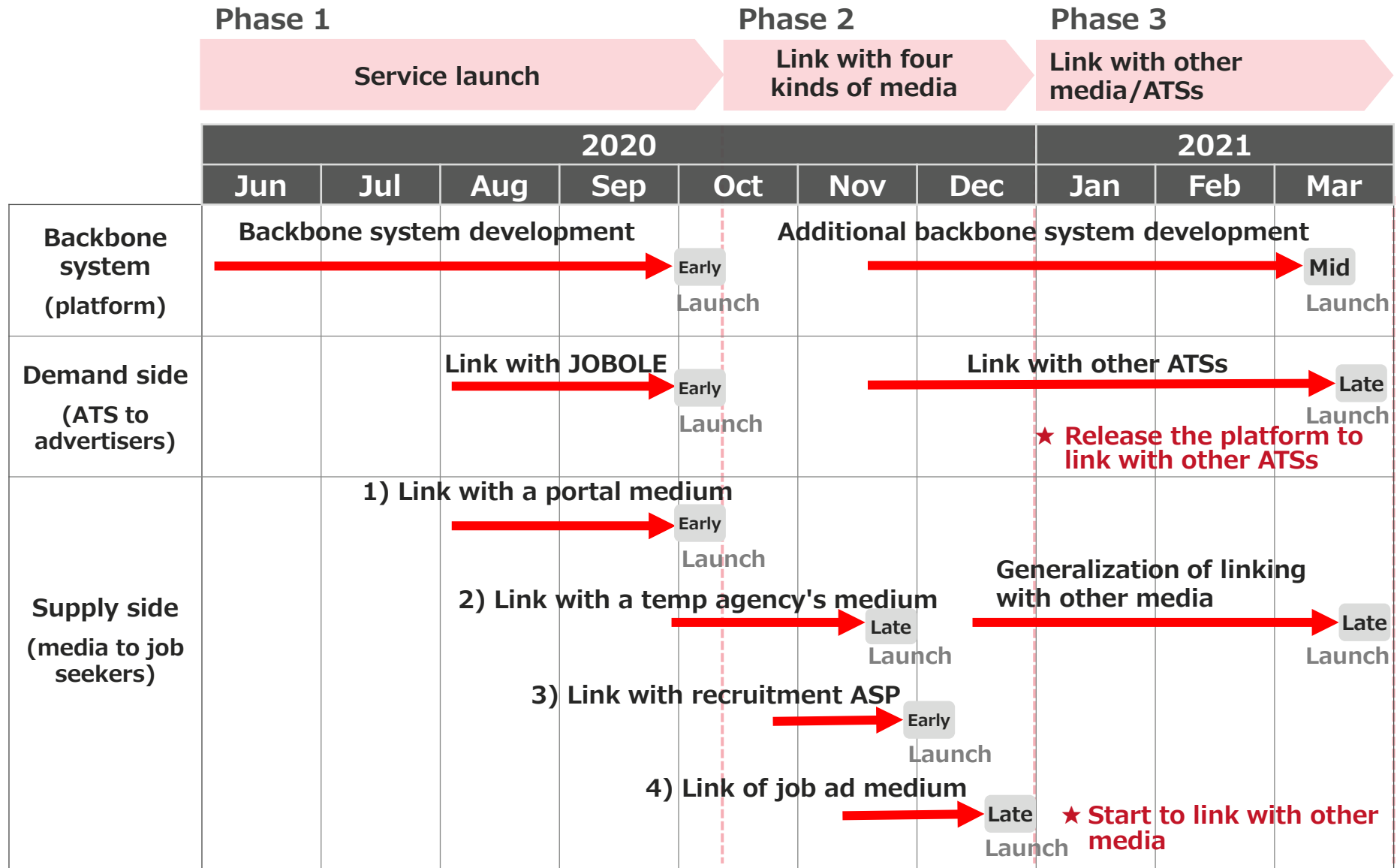
* Refer to "Glossary" at the end of this material.

1. Launch of HR Ads Platform — Strategic Concept


- We have various channels for job seekers through SNS, recruitment media, aggregation sites and recruitment pages of clients.
- We aim to become a market leader in the new job advertising market by providing appropriate recruitment channel to advertisers through our operation.



1. Launch of HR Ads Platform — Roadmap for FY03/21



Growth Concept of HR Ads Platform



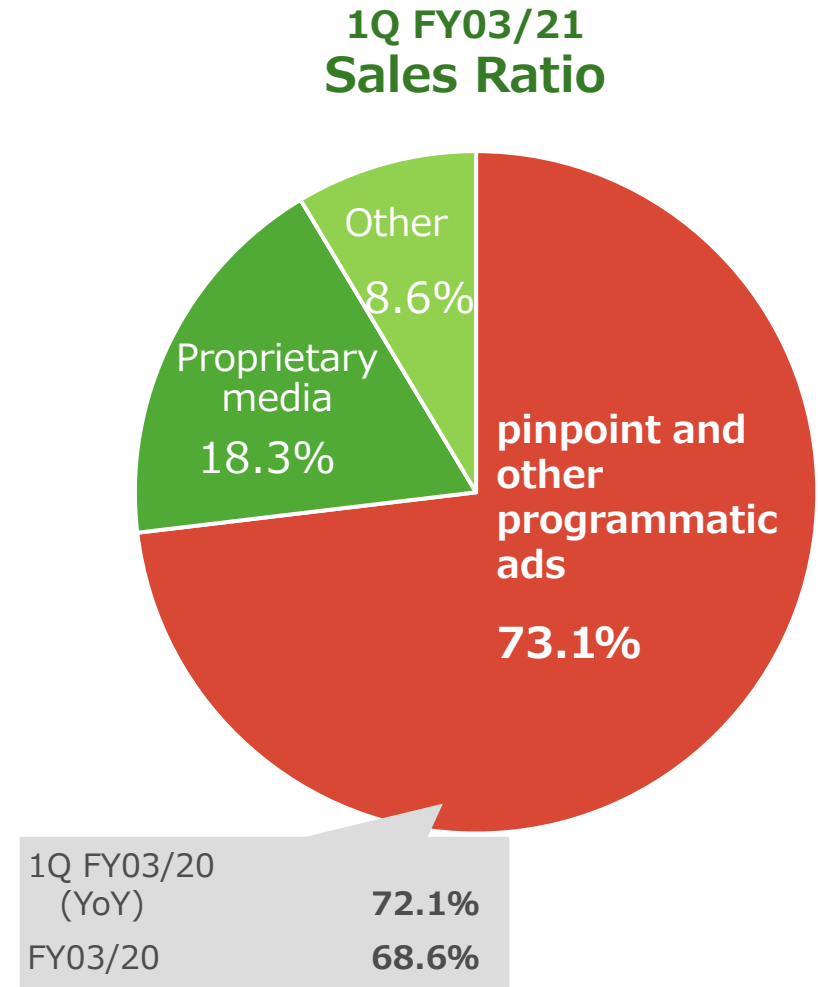
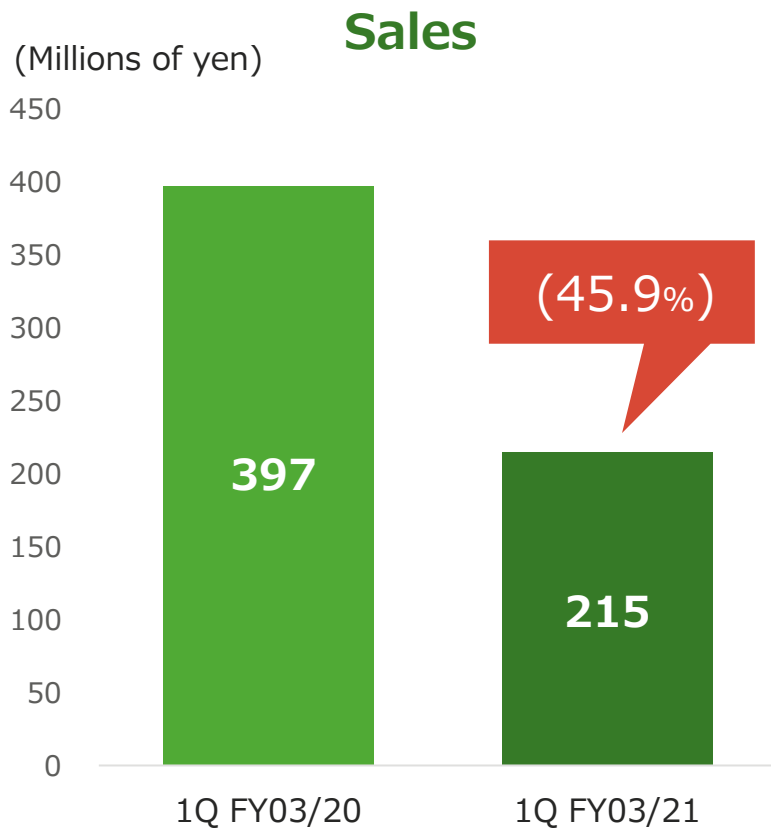
	FY03/21	FY03/22~ FY03/24	FY03/25
Enhancing first-mover advantage	<ul style="list-style-type: none"> • Link with four kinds of media • Backbone system development • Development generalization for linkage with media 	<ul style="list-style-type: none"> • Promotion to link with other media based on linkages with four kinds of media • Increase in purchasing ad spaces on HR Ads platform • Building of efficient development system 	<ul style="list-style-type: none"> • Link with major media • Development of additional peripheral functions
Increasing advertisers	<ul style="list-style-type: none"> • Launch • Open HR Ads Platform to other ATSS 	<ul style="list-style-type: none"> • Accumulation of operational know-how and analysis of advertisers • Enhancement of the administrator's screen • Expansion of JOBOLE 	<ul style="list-style-type: none"> • Completion of opening HR Ads Platform to other ATSS • Automated operation including AI
Remarks	<ul style="list-style-type: none"> • Launch the first programmatic job advertising platform in Japan 	<ul style="list-style-type: none"> • Ensuring the same amount as major job ad media regarding the number of job posting manuscripts 	<ul style="list-style-type: none"> • Become a market leader in the new job ad market

2. Expansion of “pinpoint and Other Programmatic Ads”

What is necessary to succeed		Content	Strengths	Future development
1.	Competitive data (DMP)	Hold high-quality audience data including attribute data, which is most important, in volume.	Holding high quality data through the “Rakuraku Contact Network.” This data is very important in the job ad market.	In addition to the measures to increase membership for Rakuraku Contact Network, we advocate alliances with other data suppliers and finding new partner companies, thus expanding our data.
2.	Operation know-how	Accumulate know-how of programmatic ads in the job ad market (including linkage with large social media and job search engines).	On “Indeed,” which is a programmatic job ad, JOBOLE has the unique operational method and know-how to achieve a high conversion rate. Also, it has considerable experience for linkage with large social media.	We will demonstrate our presence in the process transferred from the sales power game to the operational power game (effect) such as the era of search advertising expansion in the 2000s.
3.	Number of Job Listing Manuscripts	Market share by handling the number of manuscripts	By utilizing JOBOLE as a pump-priming tool, we can acquire job seekers through “pinpoint and other programmatic ads.”	We will expand JOBOLE and the HR Ads Platform.

2. Expansion of “pinpoint and Other Programmatic Ads” (Continued)

- Continue to expand “pinpoint and other programmatic ads” while carefully observing the industry, business and employment pattern.



2. Expansion of “pinpoint and Other Programmatic Ads” — Progress of JOBOLE

Number of Job Listing Manuscripts*



Linkage

Mar JOBOLE released

Apr Linkage with Indeed
Jun Corresponding with Google for Jobs

Aug Linkage with Kyujinbox

Oct Linkage with Stanby (Yahoo! Shigoto Kensaku)

Released functions

May Optimization of displayed recruitment page on smartphones

Jul

- Improvement of usability on JOBOLE management screen
- Improvement of import function on JOBOLE management screen
- Improvement of feed job information from JOBOLE to linked job search engines

Oct Improvement of import function through JOBOLE management screen

Jan

- Prevention of duplicate job manuscripts and optimization of job posting
- Promotion of sort function on job management screen

Mar Development of visualization feature for companies' recruitment progress

Apr Addition of message function and dashboard function

Jun Release of new price plan

• The number of job manuscripts is the figure listing on JOBOLE at the end of each quarter.

3. Expansion of New Graduate Recruitment Sales

- We focus on new graduate recruitment sales with a strategic sales partner, and increase the number of contracts steadily after starting nationwide development in July.

Review of recruitment approach due to the impact of COVID-19

- Cancellation of internship
- Cancellation of large-scale events such as joint corporate information sessions for job hunting

Discontinue hiring guideline for new graduates in 2021 due to the decision by Keidanren

- Diversification of recruitment schedules (all-year recruiting activities for new graduates)
- Global recruitment



A big change in hiring new graduates

- Trend of earlier recruitment activities
- Diversification of recruitment activities and approaches

We will aggressively expand our share of new graduate recruitment, such as gathering job seekers through websites using pinpoint DMP, which has abundant data on university students.

4. Development Status of Proprietary Media

— Transition to maintenance/operation phase of proprietary media

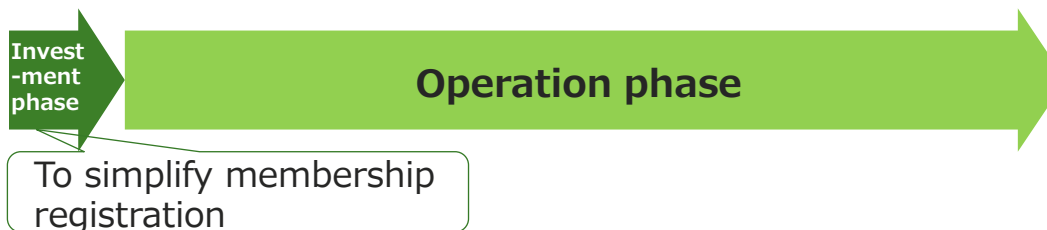
- Development of Gakuba Arbeit was finished in January 2020, and development of Rakuraku Arbeit was finished except for linkage in April 2020. Both are in the maintenance phase.
- A new app for Rakuraku Contact Network will be released in August to reduce operating costs. Through these developments, future maintenance and operation costs can be reduced.

FY03/20 4 Q	FY03/21 1 Q	2 Q	...
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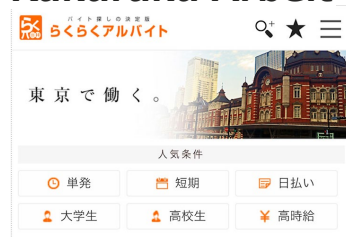
Gakuba Arbeit



↑ Development finished in Jan.



Rakuraku Arbeit



↑ Development finished except for linkages in Apr.



Rakuraku Contact Network



↑ A new app will be released on late August



- We are investigating and implementing countermeasures according to the infection situation, while prioritizing the safety of our employees and clients.
- Telework has also accelerated.

Work system

- Late February: Implemented staggered working hours by expanding flexible working hours
- Late March: Implemented a work system based on teleworking
- Early April: Implemented temporary leave in some departments
- June 1: Implemented work system combining teleworking and office working
- August 1: Standardized teleworking and advocated for a more flexible work style

Work style

- Implement teleconference and internet conference, prohibit non-urgent business trips and maintain a hygienic environment, such as by wearing masks.
- We have been promoting the acquisition of potential clients through websites since last year and using new sales methods such as online sales negotiation.

- Develop proactive initiatives and respond to a changing society.

Response to social changes

- Changed our organization as of June 1. Established a new organization corresponding to the era of coexisting with COVID-19.
- Preparing for advertisers that will resume recruitment activities after the end of COVID-19 and recontacting dormant clients.
- Building a system to efficiently acquire leads (potential clients) for accepting orders.
 - ➔ Inside sales from lead nurturing
For example, we published white papers dedicated to university student marketing on July 1.



<https://daigaku-koukoku.com/download/>

Term	Definition
ATS (Applicant Tracking System)	A unified management system for supporting the recruitment process of companies, from job application to hiring.
CPC (Cost Per Click)	CPC (Cost per click) has two different meanings. One is the cost per click of a user through advertisement, while the other is the unit price of a pay-per-click advertising transaction.
CPM (Cost Per Mille)	Cost of 1,000 ad reach or exposure.
DMP (Data Management Platform)	A platform for managing data such as website access logs, purchase data and advertising data and optimizing a company's marketing activities by utilizing said data.
DSP (Demand Side Platform)	A demand-side platform (DSP) is an ad delivery system that conducts RTB (real-time bidding) to many ad spots on websites based on user action history and their attribution.
pinpoint DMP	DMP developed by eole. pinpoint DMP has abundant user data being encrypted and not identifying any personal information which enables ad distribution and marketing surveys utilizing user information taken from Rakuraku Contact Network and affiliated companies.
RTB (Real-Time Bidding)	An auction system for digital advertisement space. Every time a user visits a website (impression), user information from cookie and advertisement space information such as minimum bid price are instantly sent to DSPs. Advertisements with the highest bids are displayed.
SSP (Supply-Side Platform)	A supply-side platform is a platform that maximizes media revenue, including websites, apps, etc. An advertisement offering the highest price for the ad space is displayed through SSP.
Ad exchange	A platform coordinating advertisement space stock and demand among DSPs, SSPs and ad networks, in addition to advertising agencies.
Ad network	An advertising network for ad distributable media such as websites, social media, and blogs. It can deliver ads all at once.
Programmatic ad	An advertising method that automatically or instantly assists with the optimization of an advertisement with a platform processing huge volumes of data. This includes search ads and some ad networks. Typical examples are DSPs, ad exchanges, and SSPs.
Trading desk	An agency service which manages digital advertisements using DSP and the other platforms, etc.

Disclaimer

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