

The logo for eole Inc. is displayed on the left side of the slide. The word "eole" is written in a large, white, lowercase, sans-serif font. The letter "e" has a green circular graphic inside its left loop. To the right of "eole", the word "Inc." is written in a smaller, white, lowercase, sans-serif font.

Financial Results

**for the 1st Half of the Fiscal Year
Ended March 31, 2020**

eole Inc.
(TSE Mothers, Securities Code: 2334)
November 15, 2019

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	Corporate Profile
II	Overview of Financial Results for 1H FY03/20
	i. Business results highlights for 1H FY03/20
	ii. Strategic topics
	iii. Market environment and growth strategy
III	Reference Information

A large, semi-transparent watermark of the 'eole Inc.' logo is positioned in the background. The logo consists of the word 'eole' in a bold, italicized, lowercase sans-serif font, with 'eole' in a light green color and 'Inc.' in a darker green. A thin diagonal line starts from the top-left corner and extends towards the bottom-right corner of the slide.

I | Corporate Profile

Company Name	eole Inc.		
Established	April 25, 2001	Stock Market	The Mothers section of the Tokyo Stock Exchange (Securities code: 2334)
		Head Office	9F KDX Takanawadai Building, 3-5-23 Takanawa, Minato-ku, Tokyo 108-0074, Japan
Capital	737 million yen *As of September 30, 2019	TEL	+81-3-4455-7092
Number of Employees	82 *As of September 30, 2019	FAX	+81-3-5793-3533
Board Members	President: Makoto OGAWA Chairperson: Naohito YOSHIDA Director: Yoko NAKAI Director: Takehisa ICHIJO External Board Director: Suguru TOMIZUKA Corporate Auditor: Minoru AKIMOTO Auditor: Toru OYAMA Auditor: Masahiro TAJIMA	Lines of Business	1. Sales, marketing and service of internet-based computers and smartphones, including Rakuraku Contact Network, a communication network service that supports group and social activities, Gakuba Arbeit and Rakuraku Arbeit. 2. Internet advertising business 3. Development and offer of pinpoint, a private Data Management Platform(DMP) 4. Sales promotion
		Main Banks	Mizuho Bank Sumitomo Mitsui Banking Corporation

2001	Established eole Inc. in Roppongi, Minato-ku, Tokyo (Capital stock: 10 million yen)	2014	Smartphone app , the 'Rakuraku Contact Network' released Started offer of private DMP*1, pinpoint*2
2003	Head office moved to Nishihara, Shibuya-ku, Tokyo	2015	Delivery to Google's DBM (Double-Click Bid Manager)utilizing pinpoint DMP started
2005	Head office moved to Okusawa, Setagaya-ku, Tokyo 'Rakuraku Contact Network' launched Capital stock increased to 126 million yen	2016	Capital stock increased to 382 million yen
2007	Rakuraku Contact Network subscribers exceeds 1,000,000 persons Capital stock increased to 209 million yen	2017	Downloads of Rakuraku Contact Network app surpasses 1 million Capital and business partnership with Toppan Printing Co., Ltd. concluded Listed on Tokyo Stock Exchange Mothers Section
2009	Capital stock increased to 301 million yen	2018	Capital stock increased to 721 million yen
2010	'Gakuba Arbeit (formerly Daigakusei Arbeit.com)' launched Capital stock increased to 329 million yen Rakuraku subscribers exceeds 4,000,000 persons	2019	Capital stock increased to 734 million yen 'JOBOLE' launched Capital stock increased to 737 million yen
2013	Rakuraku Contact Network subscribers exceeds 6,000,000 persons, while the number of groups exceeds 350,000 in total. 'Rakuraku Arbeit' launched Head office moved to Takanawa, Minato-ku, Tokyo		

*1, 2 Refer to "Glossary" (at the end of this document).

Business Overview

Business	Service	Overview	Revenue model
Programmatic ads	 pinpoint ^{*1}	DSP* ² advertisement service in cooperation with pinpoint DMP* ¹ which possesses highly accurate data based on registration information in our services.	DSP advertisement service (programmatic ad) based on own private DMP, including a trading desk* ³ .
	Other programmatic ads	“Indeed” and other agency services for media advertisements/programmatic ad business utilizing JOBOLE	Programmatic ad services
Proprietary media	 Rakuraku Contact Network らくらく連絡網	A service which supports group and community activities, including extracurricular activities, club activities and Parents and Teachers Association (PTA).	<ul style="list-style-type: none"> • Advertisements • SSP advertisements, etc. • A paid version of Rakuraku Contact Network is also available
	 Gakuba Arbeit ガクバアルバイト	Website for part-time job recruitment information exclusive to college and university students.	Posting fees
	 Rakuraku Arbeit らくらくアルバイト	Portal site for part-time job seekers.	Result reward (PPA)
Other	Other	Other main services include 1. Sales promotion: Agency for field-based advertising of products on university campuses. 2. Other company job advertisements: Agency for job advertisements pertaining to other companies.	To be established individually

*1-3 Refer to “Glossary” (at the end of this document).

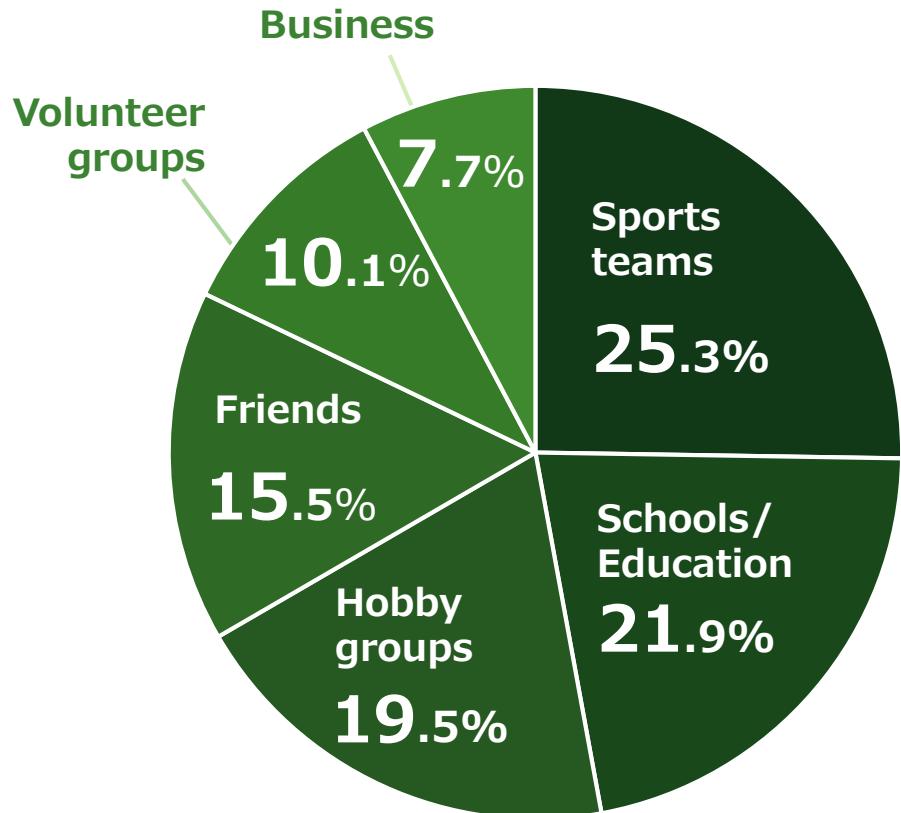
The largest contact network supporting group and community activities in Japan.



Used by **386,000 groups** and **6,850,000 members**^{*1}

Assists group activities with convenient functions such as **scheduling** and **attendance checking**.

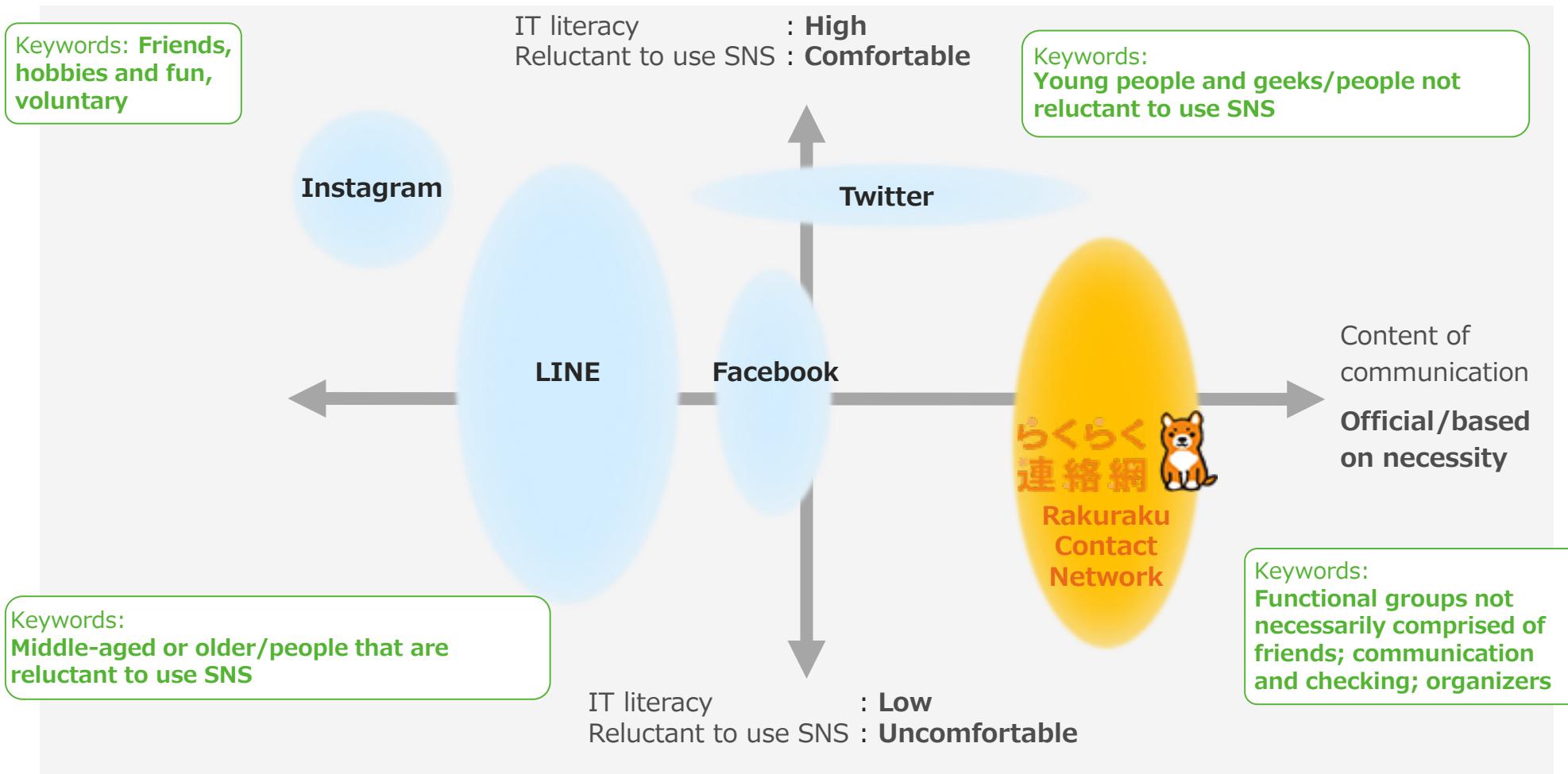
Attributes of clubs and activities^{*2}



*1,2 As of September 30, 2019

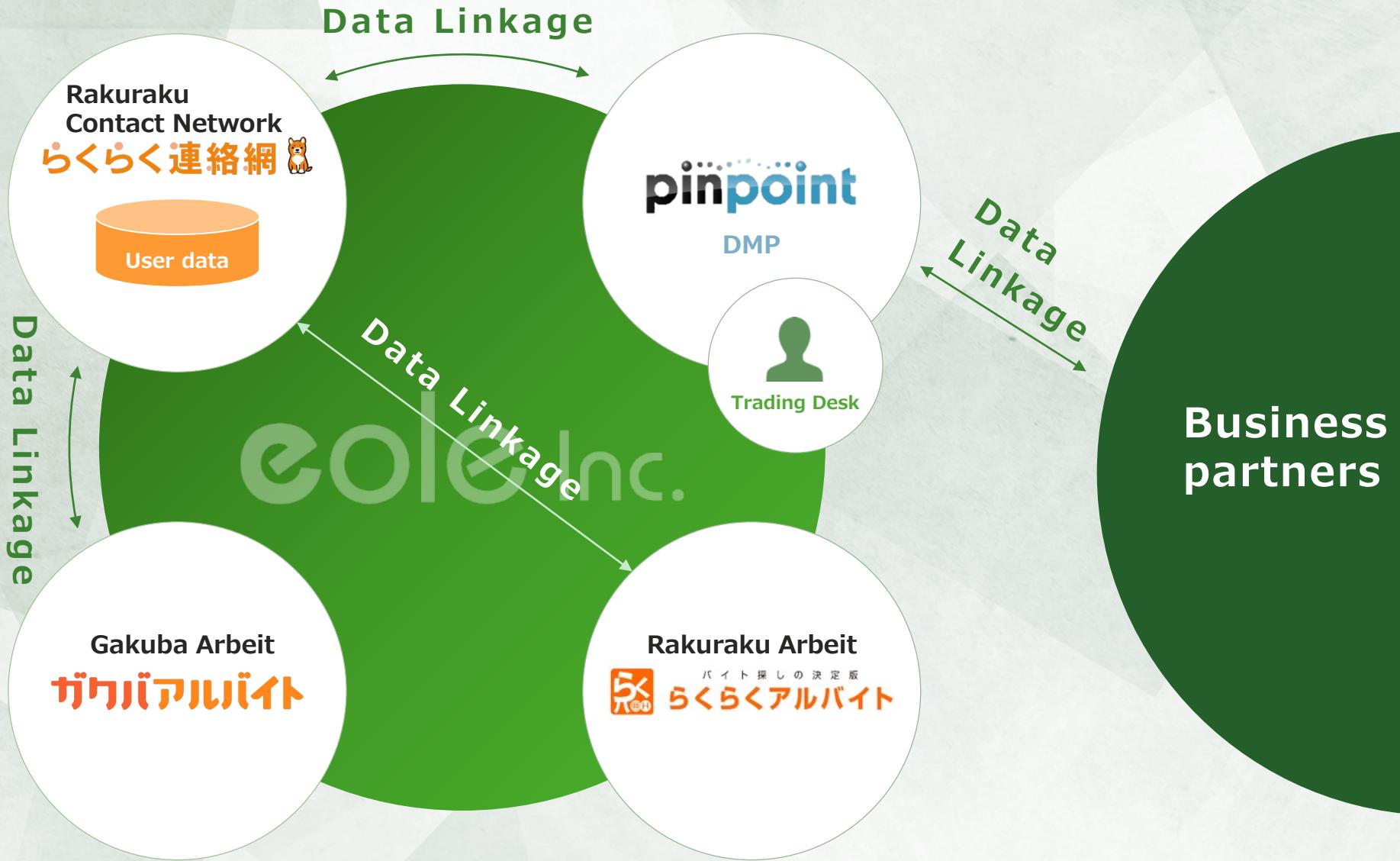
Position alongside SNS services (Conceptual diagram)

Organizers and leaders in functional groups not necessarily comprised of friends use the Rakuraku Contact Network as an information sharing tool for communication and checking.



Business Model Utilizing Rakuraku Contact Network

eole Inc.



“Gakuba Arbeit” is a part-time job recruitment information site exclusively for college and university students. “Rakuraku Arbeit” is a part-time job recruitment information portal site.



Gakuba Arbeit

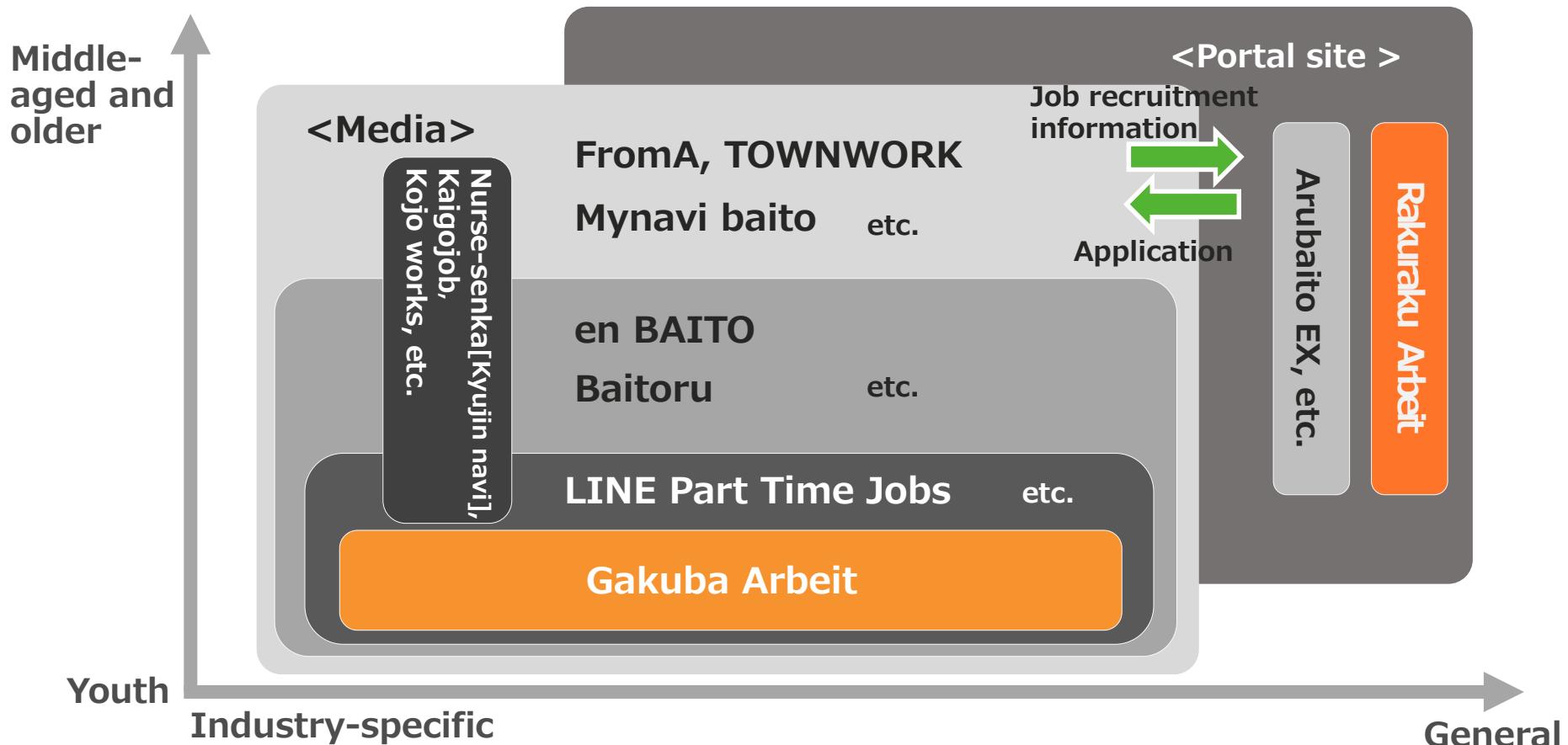
- A part-time job **recruitment information site** exclusively for college and university students based on the Rakuraku Contact Network
- Revenue model: **Posting fee**



Rakuraku Arbeit

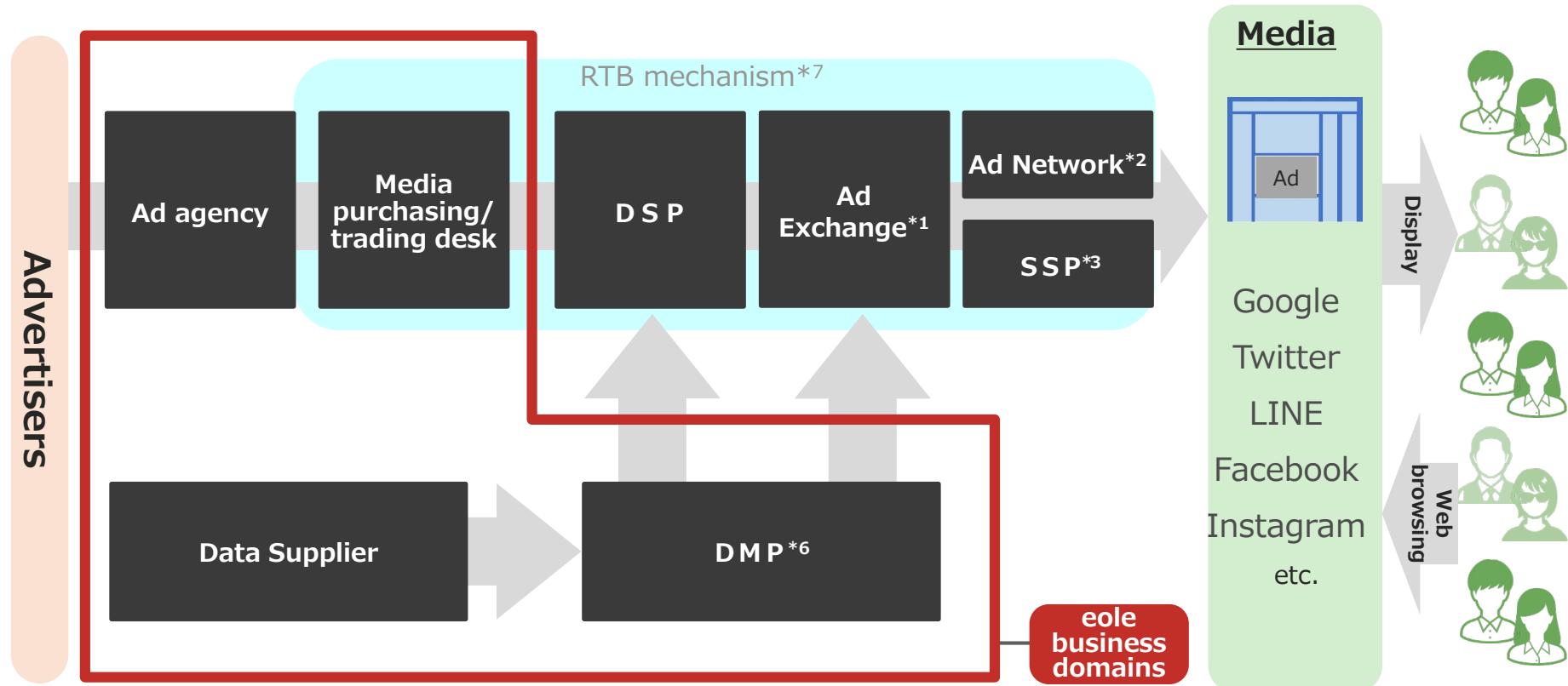
- A part-time job **recruitment information site** where a wide range of recruitment information from job information provider partner sites is posted, enabling one-stop applications.
- Revenue model: **Performance-based (PPA)**

Position “Gakuba Arbeit” and “Rakuraku Arbeit” in job media (Conceptual diagram)

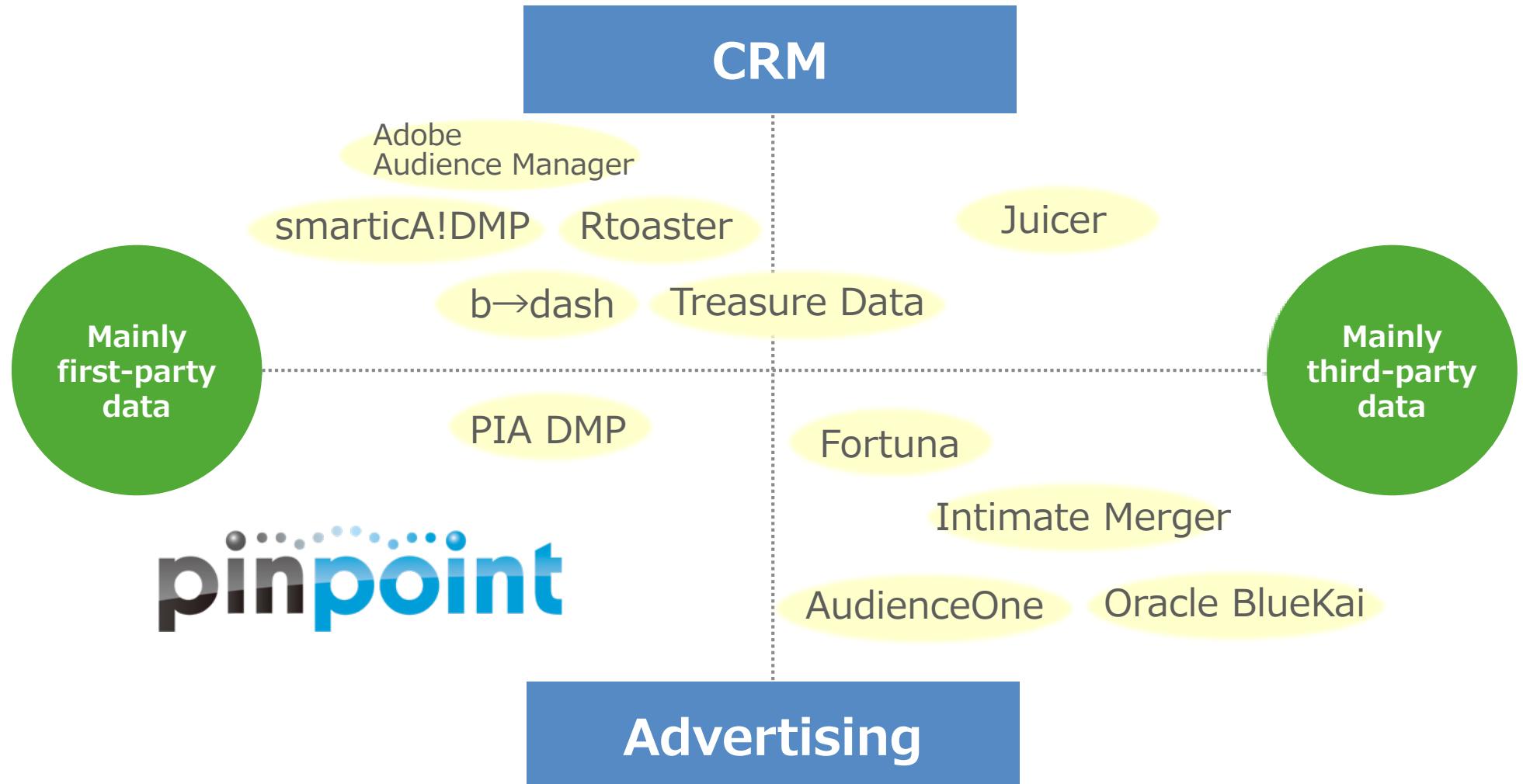


eole's business domain in internet advertisement (Conceptual diagram)

Utilizing its unique data, eole generates revenue from DPS/social media ad services including agency trading desk and creative production.



*1-7 Refer to "Glossary" (at the end of this material).



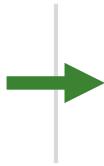
* Refer to "glossary" (at the end of this material).

A DMP (Data Management Platform) that enables ad delivery utilizing user information from the Rakuraku Contact Network and business partners.

We possess data of over 20 million people in total based on the clear attribute data of the Rakuraku Contact Network and business partners.

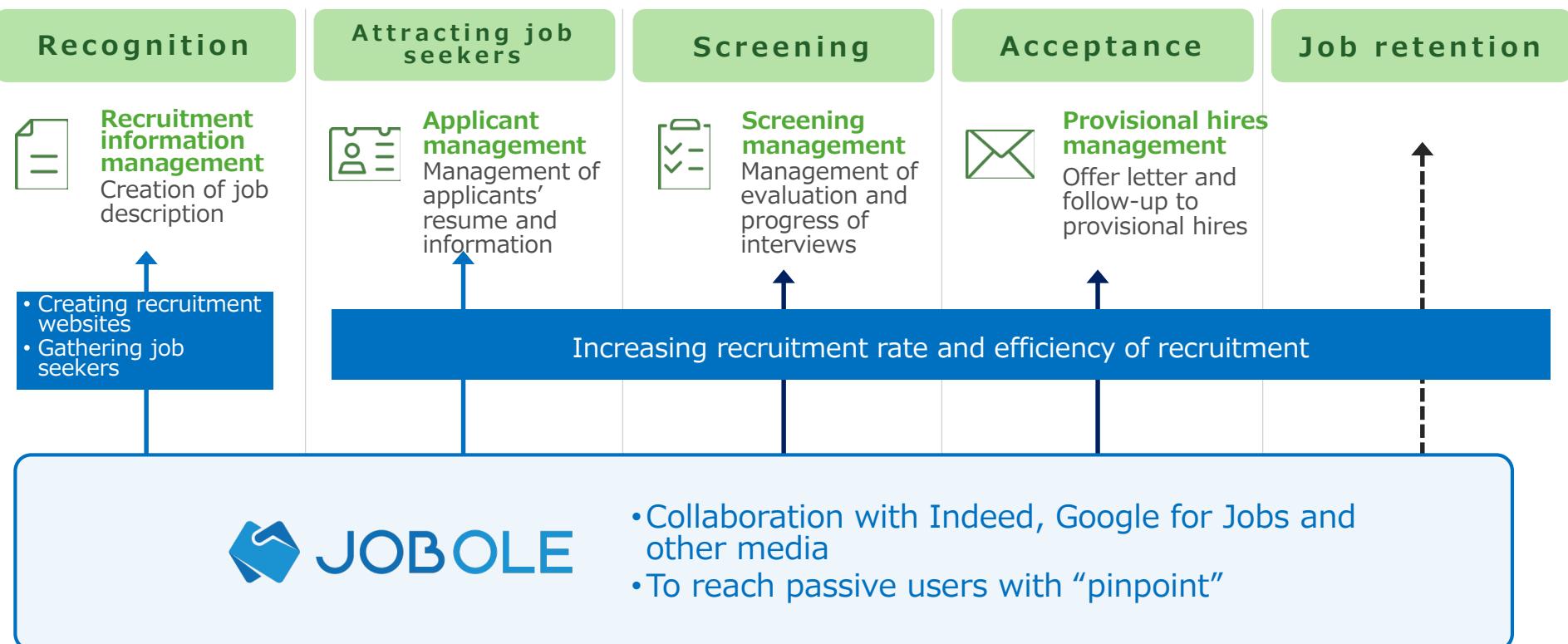


With the growth of web advertisement and smartphone advertisement markets, advertisement exposure taking advantage of technology (ad-tech) and with pinpoint targeting has become the mainstream.



In compliance with the Personal Information Protection Law, we collect and use information as data without identifying individuals. Moreover, in October 2017, we made a declaration as an anonymously processed information handling business operator.

Most ATS (Applicant Tracking System) were created to support internal recruitment processes. JOBOLE has excels at maximizing the effectiveness of job advertisements, seeking to partner with other ATS.



The logo for eole Inc. is visible in the background, featuring the word "eole" in a stylized, italicized font with a green "e", and "Inc." in a smaller, black, sans-serif font.

II | Overview of Financial Results for 1H FY03/20

i. Business results highlights for 1H FY03/20

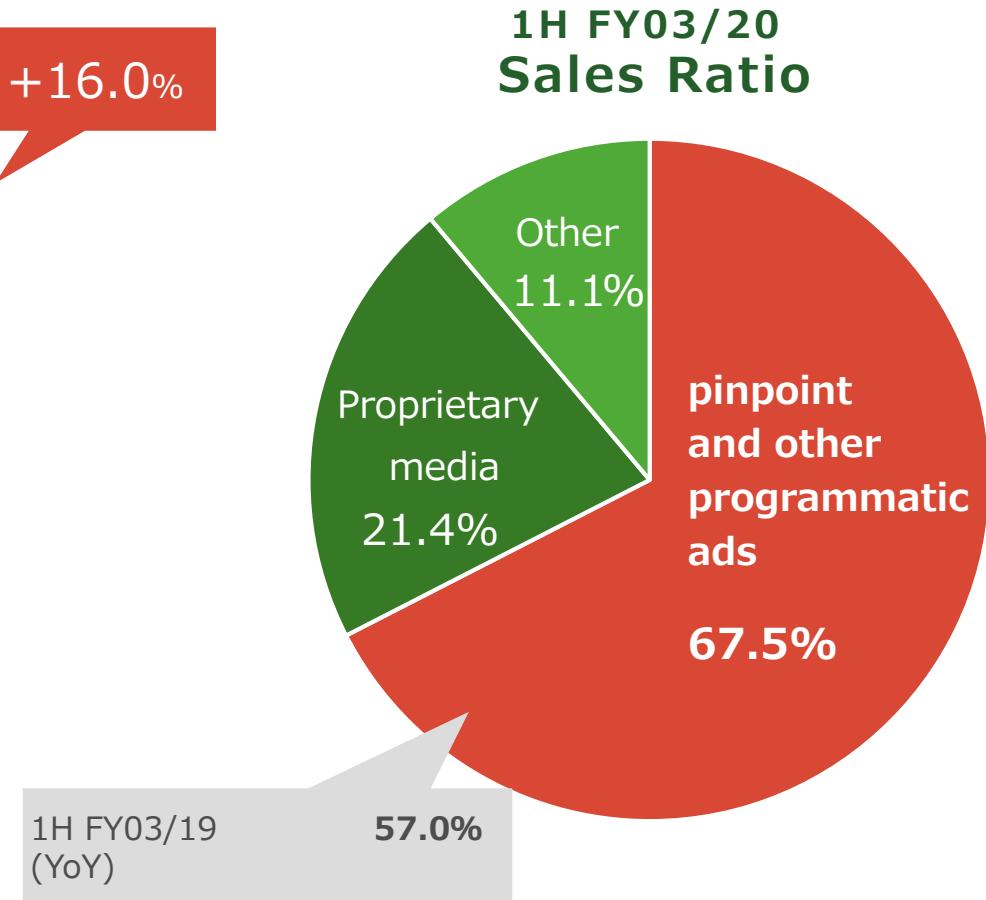
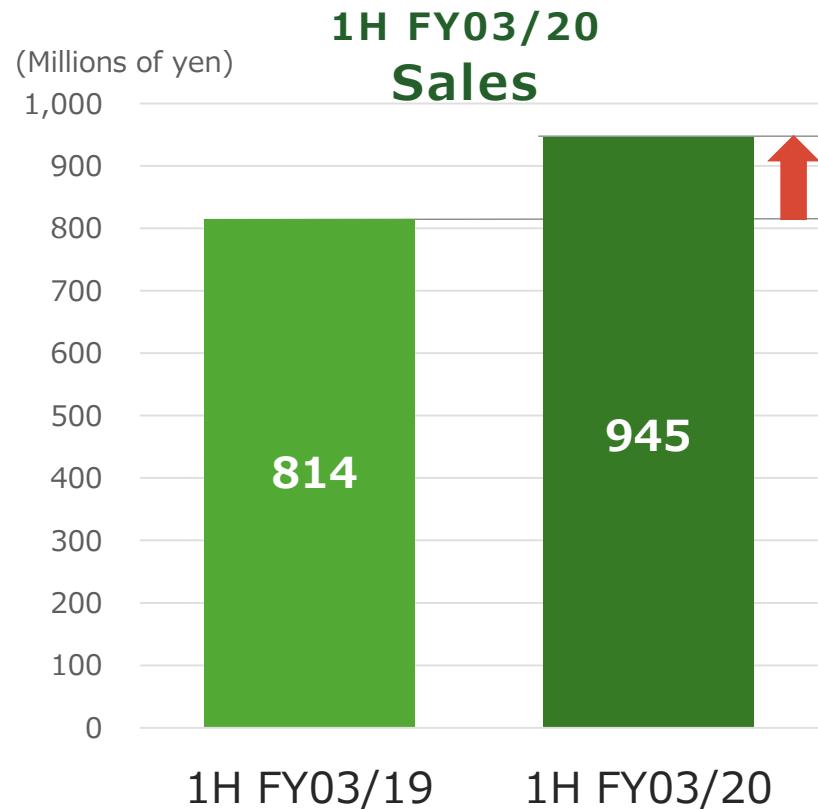
We further promoted and expanded “pinpoint and other programmatic ads” through initiatives such as the development of linked media with JOBOLE (released in March 2019). Sales of job ads, which have a relatively high profit margin, grew, making up for sluggish growth in sales of consumer advertising.

(Millions of yen)	1H FY03/19 Actual Results	1H FY03/20 Actual Results	Year-on-year change
Sales	814	945	+16.0%
Operating profit	(11)	27	-
Ordinary profit	(12)	27	-
Net Profit	(13)	21	-

1H FY03/20 Previous Forecast	
Previous forecast (May 15, 2019)	Change from forecast
1,017	(72)
13	+14
13	+14
10	+11

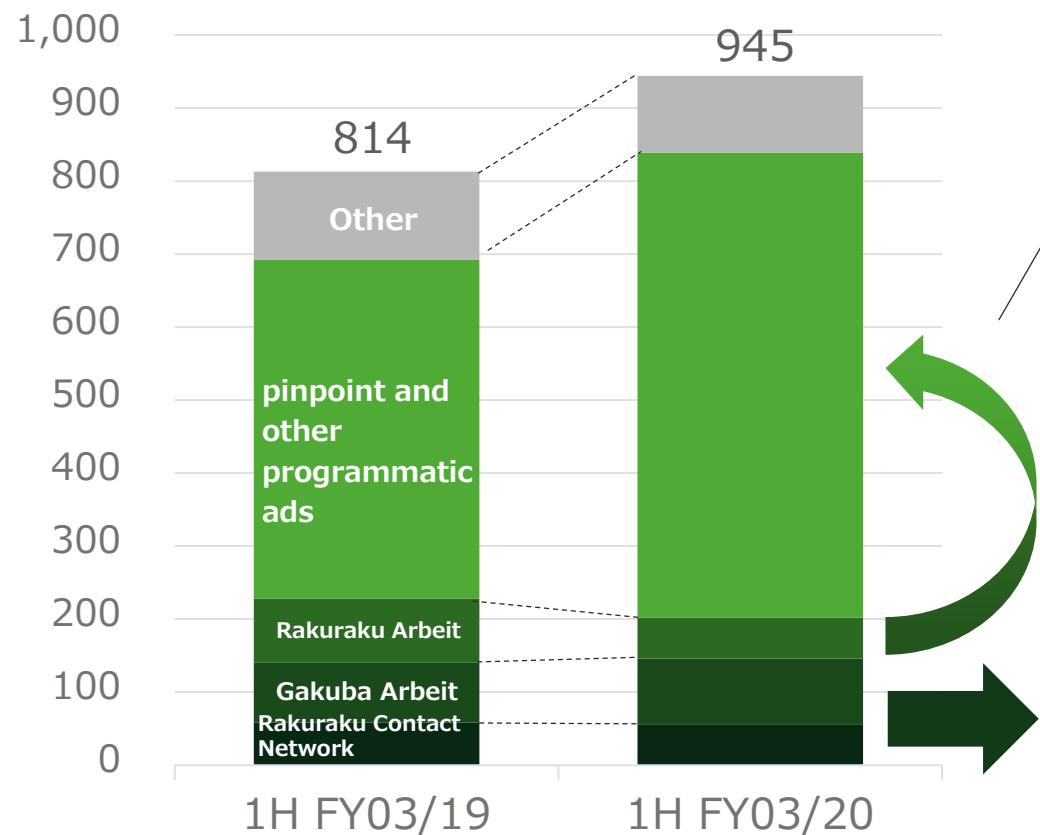
Growth of “pinpoint and Other Programmatic Ads”

Since the beginning of FY03/19, we've shifted the main focus of our resources to “pinpoint and other programmatic ads.” In 1H FY03/20, the expansion of the service led our overall growth.



The changes in sales by service reflect the shift to “pinpoint and other programmatic ads.”

(Millions of yen)



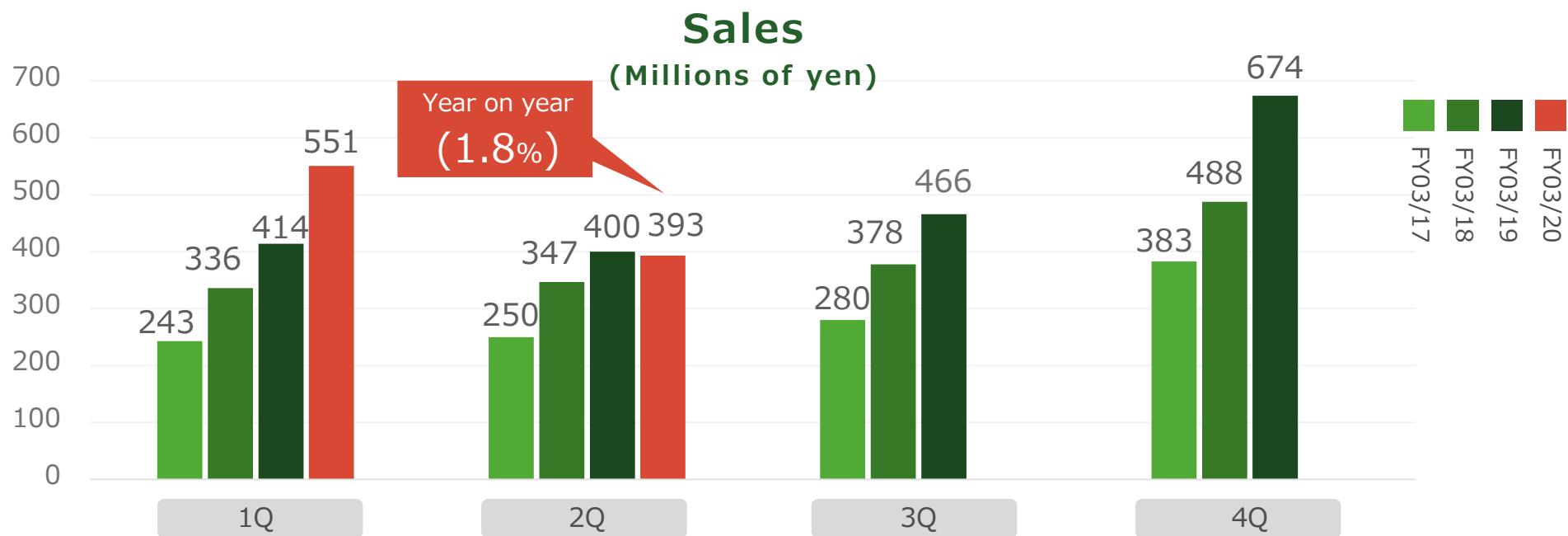
Background/outlook

Shift in both the market and our resources

- Some changes in the job ad market, including the end of a large job advertising media and diversification of promotion activities, have begun to emerge.
- Since FY03/19, we've shifted our main resources to “pinpoint and other programmatic ads,” eyeing changes in the market

Largely unchanged

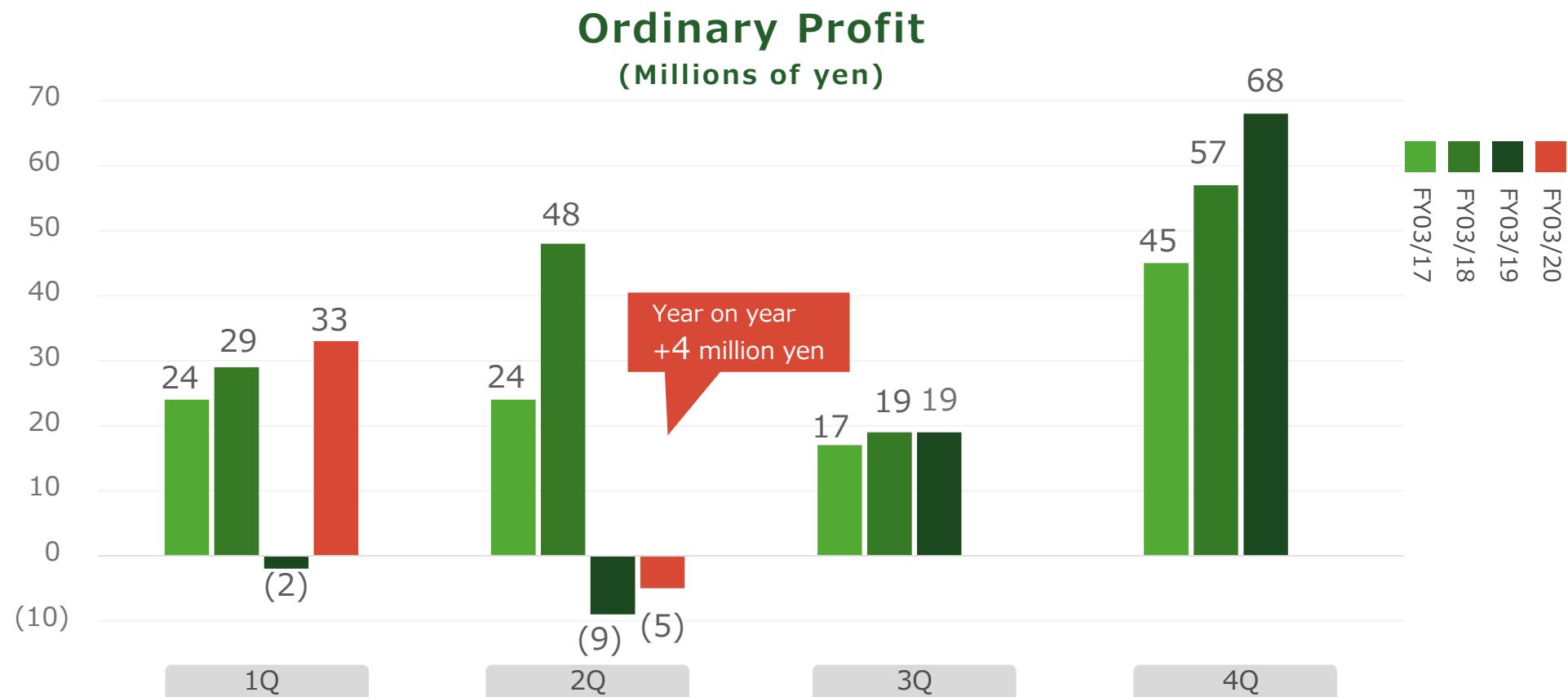
Sales dropped 1.8% year on year in 2Q FY03/20 with the earlier and longer recruiting activities, and sales concentrated in 1Q FY03/20. Compared with 1Q, sales dropped due to the sluggish sales of Rakuraku Arbeit and consumer ads in “pinpoint and other programmatic ads.”



 In the ad market, especially in the job ad market we focus on, there are visible seasonal trends that grow significantly toward the end of the fiscal year (due to the characteristics of recruitment activities for the new fiscal year).

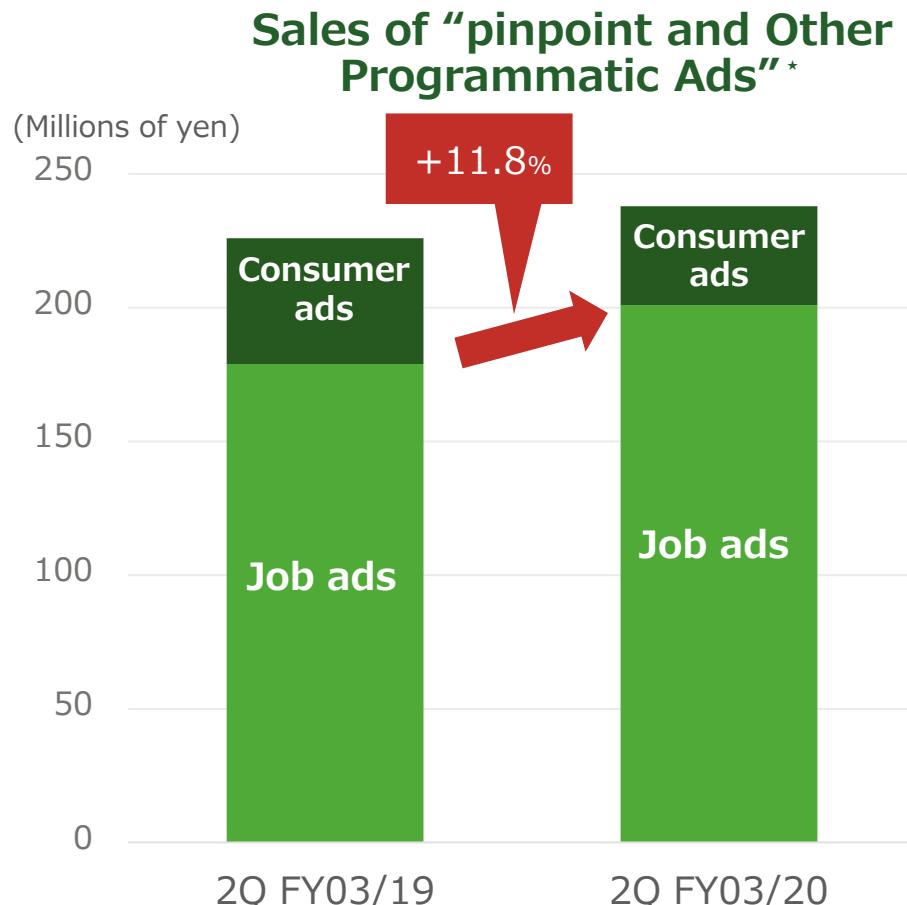
Note: All FY03/17 figures in this document are for reference purpose only, as quarterly financial statements of FY03/17 have not been prepared, while also not yet audited by an auditing firm. All figures are rounded down to one million yen. The year-on-year rate is rounded down to an integer after making calculations in units of one yen. These cutoff methods are applied throughout this document.

Ordinary profit improved in 2Q FY03/20 compared with the same period of the previous year due to increase in sales of job ads which have a relatively high profit margin.

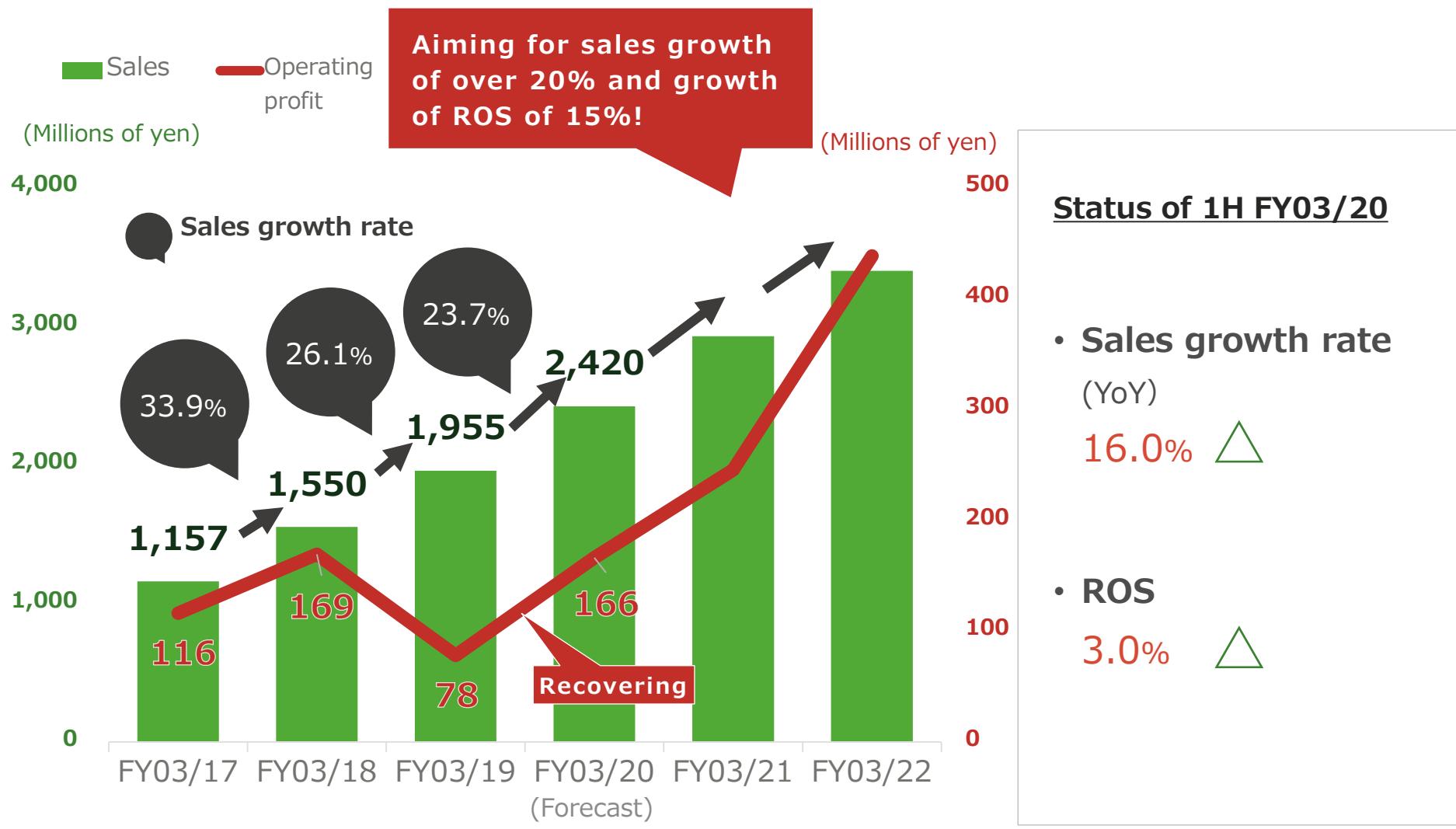


Note: All FY03/17 figures in this document are for reference purpose only, as quarterly financial statements of FY03/17 have not been prepared, while also not yet audited by an auditing firm.

Although sales of consumer ads were sluggish, sales of job ads where eole possesses advantages grew steadily.



* Production costs such as creative work and web production are not included.



ROS 10.0% 10.9% 4.0% 6.9%

A large, semi-transparent watermark of the 'eole Inc.' logo is positioned in the background of the slide. The logo consists of the word 'eole' in a bold, italicized, black serif font, with 'eole' stacked above 'Inc.'. To the left of 'eole', there is a stylized graphic element resembling a green and white gear or a series of overlapping circles.

II | Overview of Financial Results for 1H FY03/20

ii. Strategic topics

- 1. Development of JOBOLE**
- 2. Increase in Rakuraku Contact Network Membership**
- 3. Initiatives for Linkage with Partners' Data and Our Promotion of Sales**

1. Development of JOBOLE

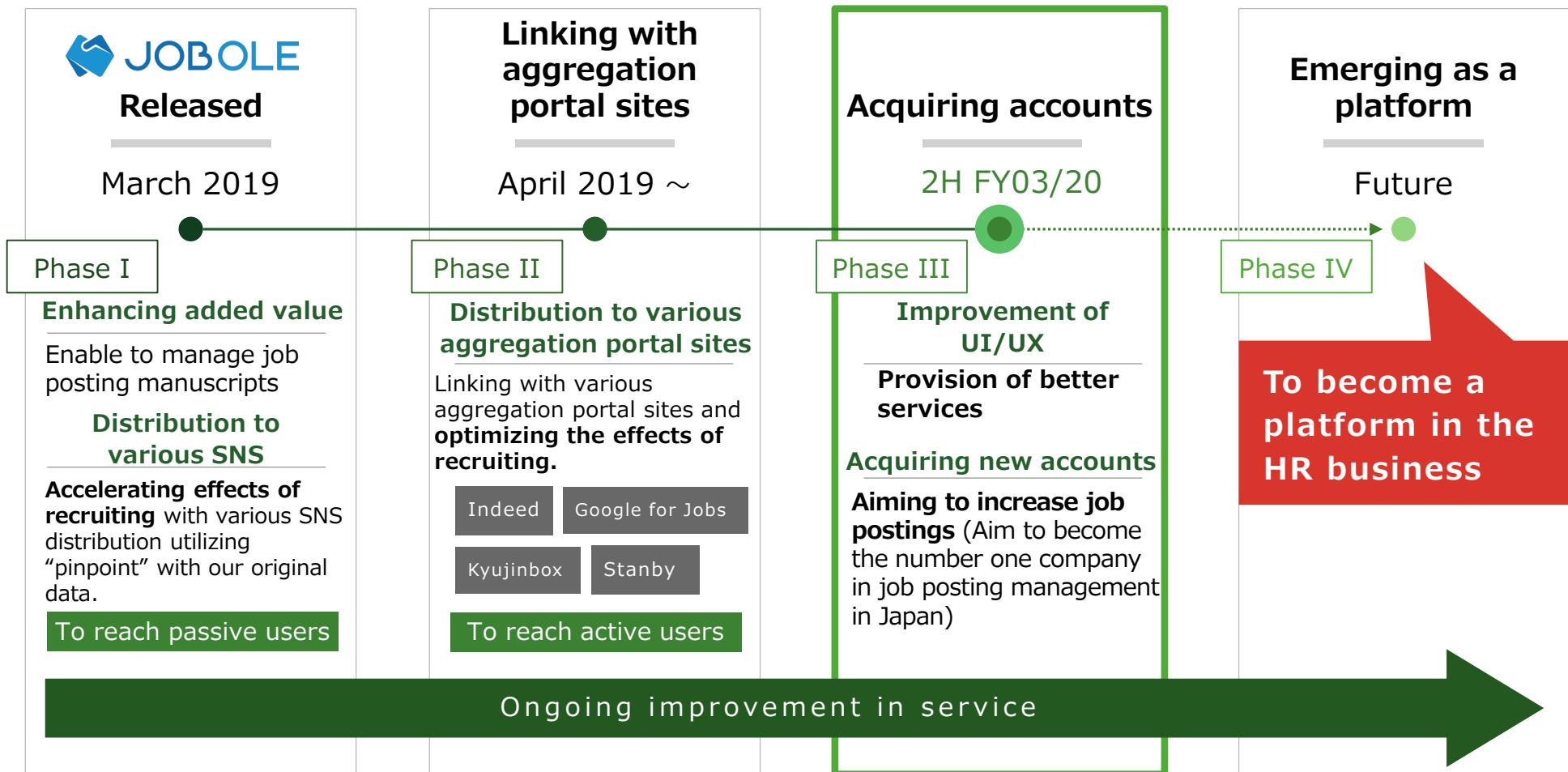
**2. Increase in Rakuraku Contact Network
Membership**

**3. Initiatives for Linkage with Partners' Data
and Our Promotion of Sales**

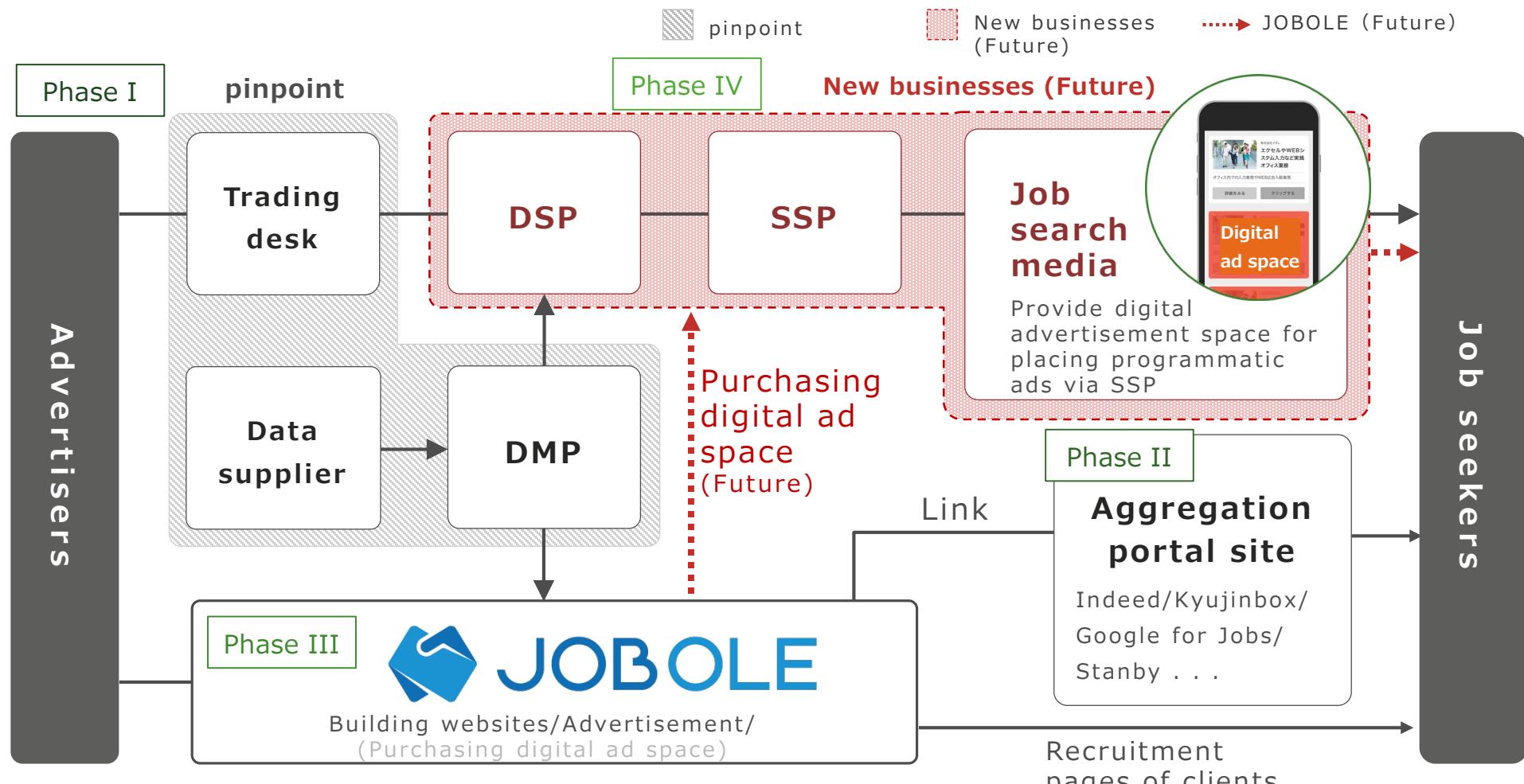
Further Expansion and Promotion of Recruitment Ads

— Utilization of new service “JOBOLE”

A new software service “JOBOLE”, a one stop job posting tool, was released in March 2019 to support the growth of programmatic recruitment ads and take in recruitment needs. Sales for the service have been steadily increasing.



We forecast that job ad media will provide a portion of the advertisement space, which enables 3PAS (third-party ad serving) like job ad media. JOBOLE will become a system enabling a multifaced approach featuring job ad media, aggregation portal sites and client recruitment web pages.



1. Development of JOBOLE

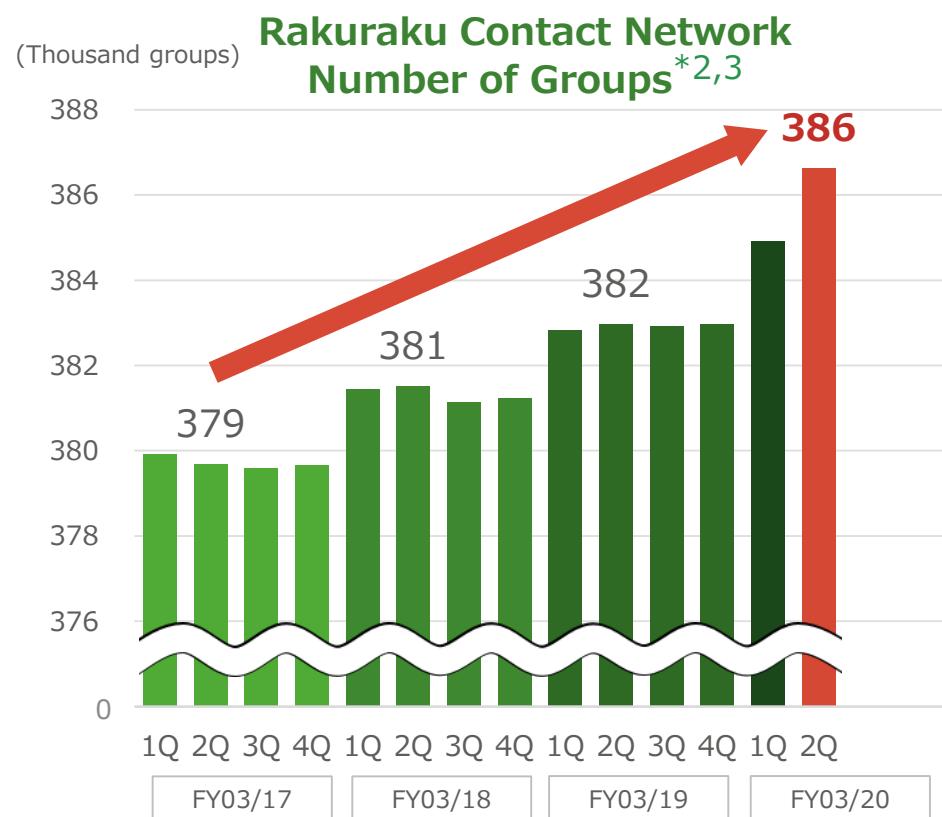
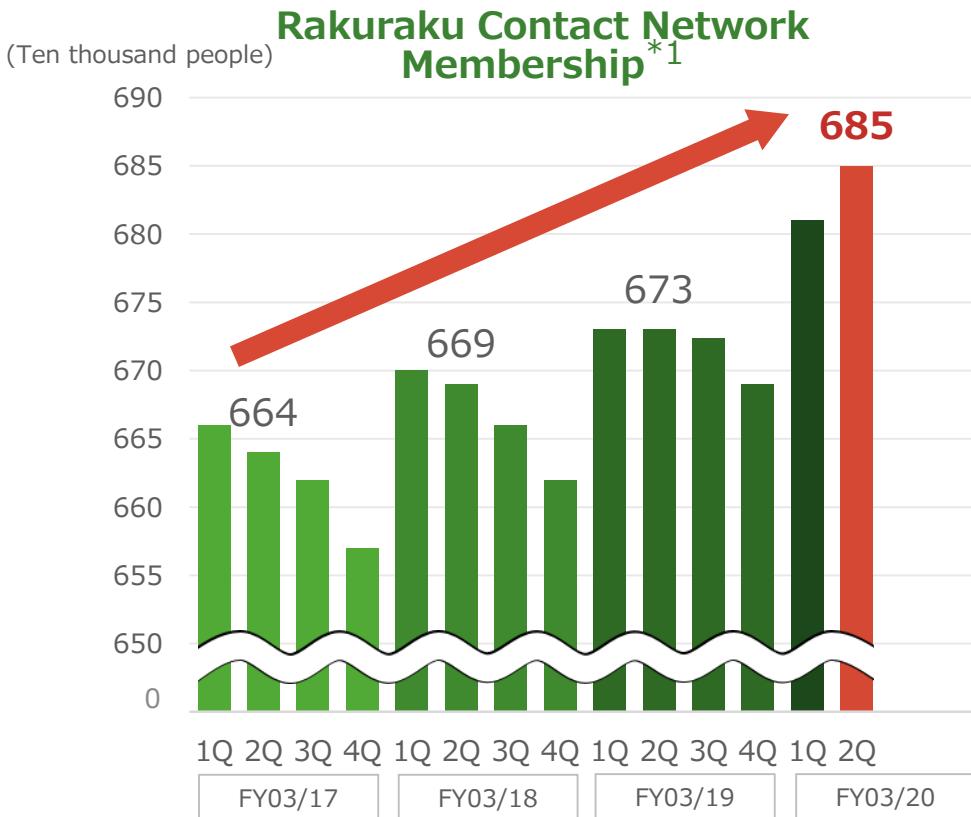
2. Increase in Rakuraku Contact Network Membership

3. Initiatives for Linkage with Partners' Data and Our Promotion of Sales

Increase in Membership of Rakuraku Contact Network and Number of Groups

eole Inc.

Unlike past trends, both the membership and groups of Rakuraku Contact Network increased not only year on year but also quarter on quarter.



 There is a seasonal change where the membership and groups tend to increase from April to June with the beginning of new semesters, while the figure tends to decrease from the end of December till the end of March with the end of semesters, etc.

*1 Figures are rounded down to the nearest thousand.

*2 Figures are rounded down to the nearest thousand.

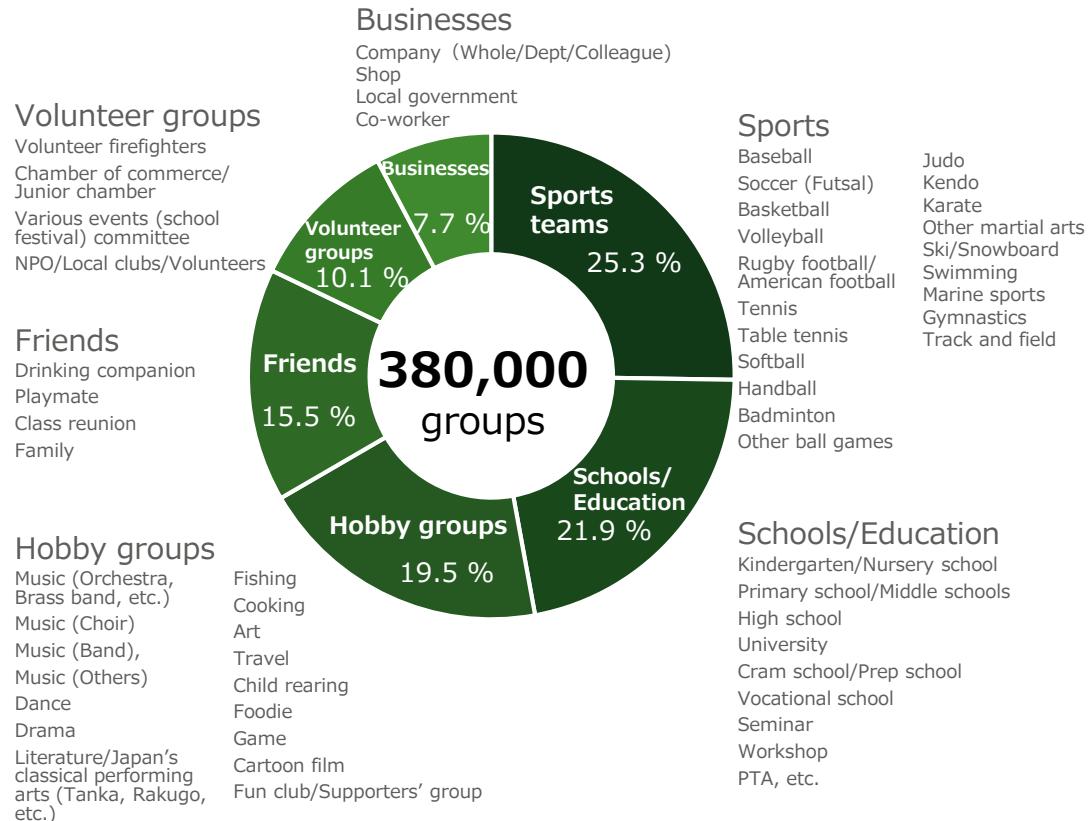
*3 A group is a group with more than three members

Increase in Membership of Rakuraku Contact Network and Number of Groups (Continued)

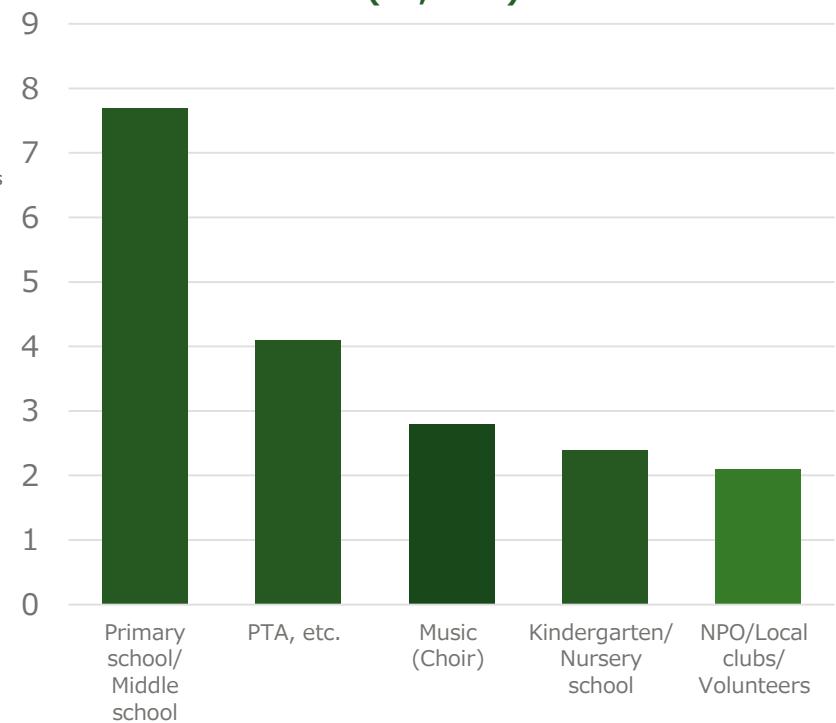
eole Inc.

By club and activity attribute, “schools/education” increased. This is thought to be due to the termination of a similar services by another company. (Since the number of services similar to Rakuraku Contact Network is few, our service has come to possess a dominant share of contact networks in Japan.)

Club and Activity Attributes



Major Groups with High Growth Rate (%; YoY)



1. Development of JOBOLE

**2. Increase in Rakuraku Contact Network
Membership**

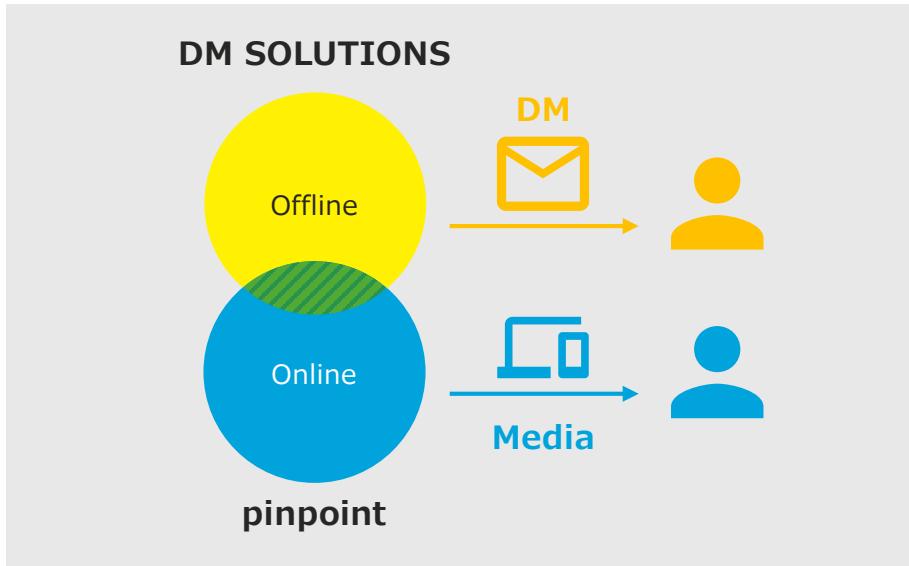
**3. Initiatives for Linkage with Partners' Data
and Our Promotion of Sales**

We announced a business alliance with DM SOLUTIONS Co., Ltd. on October 7, 2019, as part of data linkage. We will fuse "digital advertising" and "analog advertising" and proceed to develop solutions utilizing the resources and strengths of both companies, thereby providing new value to the market.



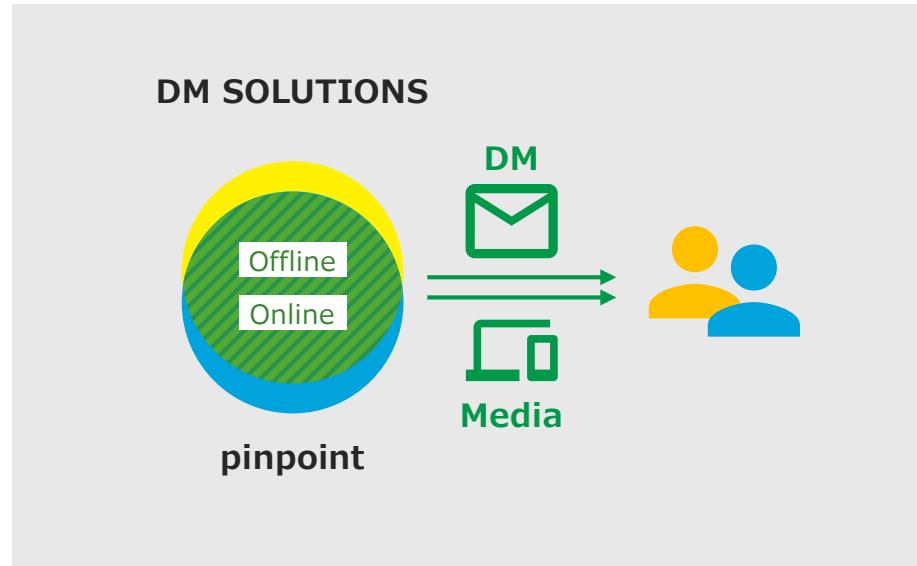
Overview of DM SOLUTIONS Co., Ltd.

CEO	Takuji HANAYA
Headquarters	Crystal Park Building 2F, 1-1-3 Gotenyama, Musashino-shi, Tokyo
Established	September 15, 2004
Capital	221,835,000 yen
Listing market	TSE JASDAQ Standard
Number of employees	322
Businesses	Internet business Direct mail business



Current initiatives

- ✓ DM SOLUTIONS commenced sales of pinpoint as a strategic sales partner of eole.
- ✓ Provides solutions for both digital and analog advertisements.



Future initiatives

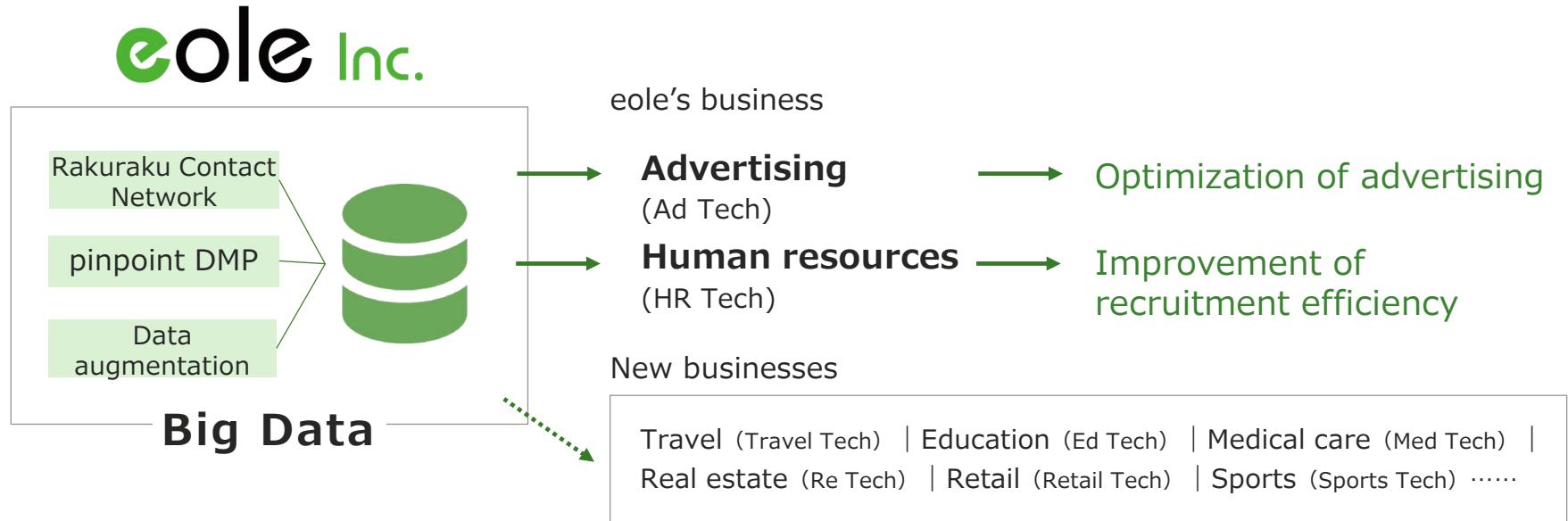
- ✓ Establish foundation for storing customer data of DM SOLUTIONS in pinpoint DMP.
- ✓ Develop a service that generates advertisements to be posted on SNS from direct mail data via DMP.

The logo for eole Inc. is visible in the background on the left side of the slide. It features the word "eole" in a large, white, sans-serif font, with a green checkmark icon integrated into the letter "e". Below "eole" is the word "Inc." in a smaller, white, sans-serif font.

II | Overview of Financial Results for 1H FY03/20

iii. Market environment and growth strategy

Utilizing eole's big data, we will provide new x-tech services.



Applicable technologies

Big data

Location information

AI

VR

Robot

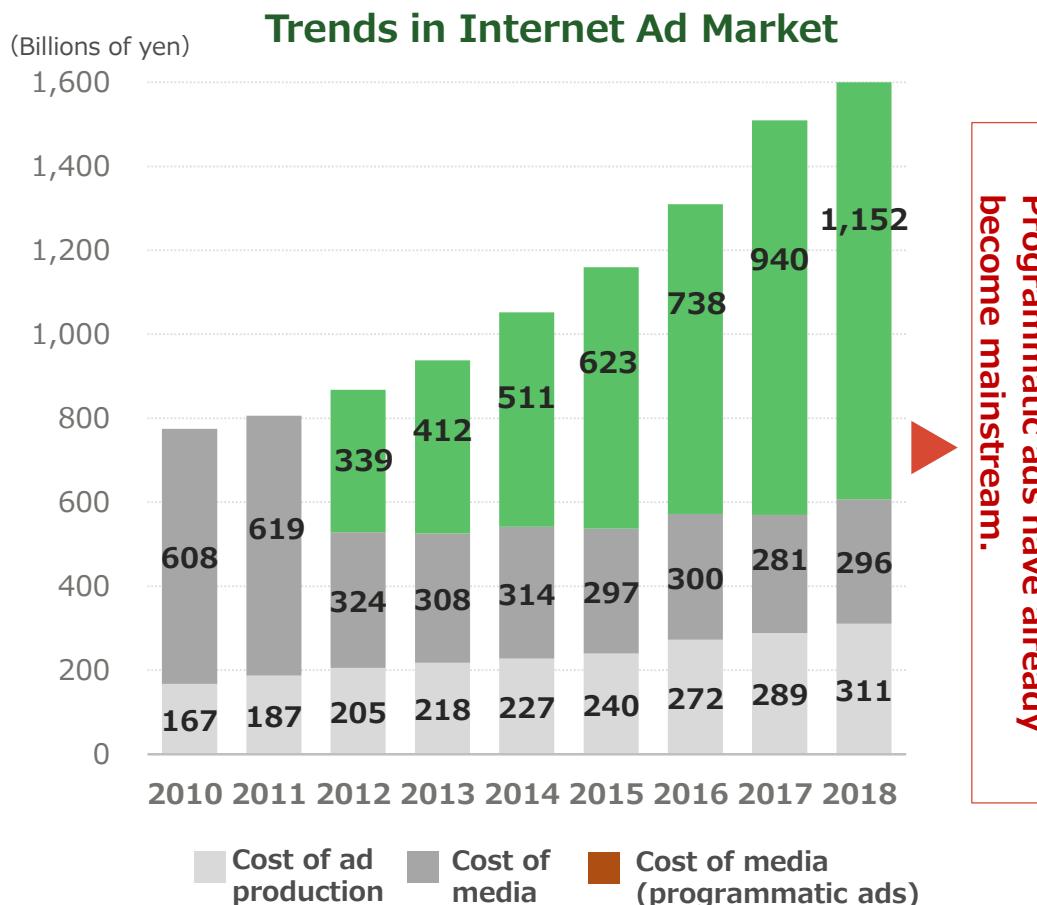
Sensor

Available solutions

Productivity improvement

Operational efficiency

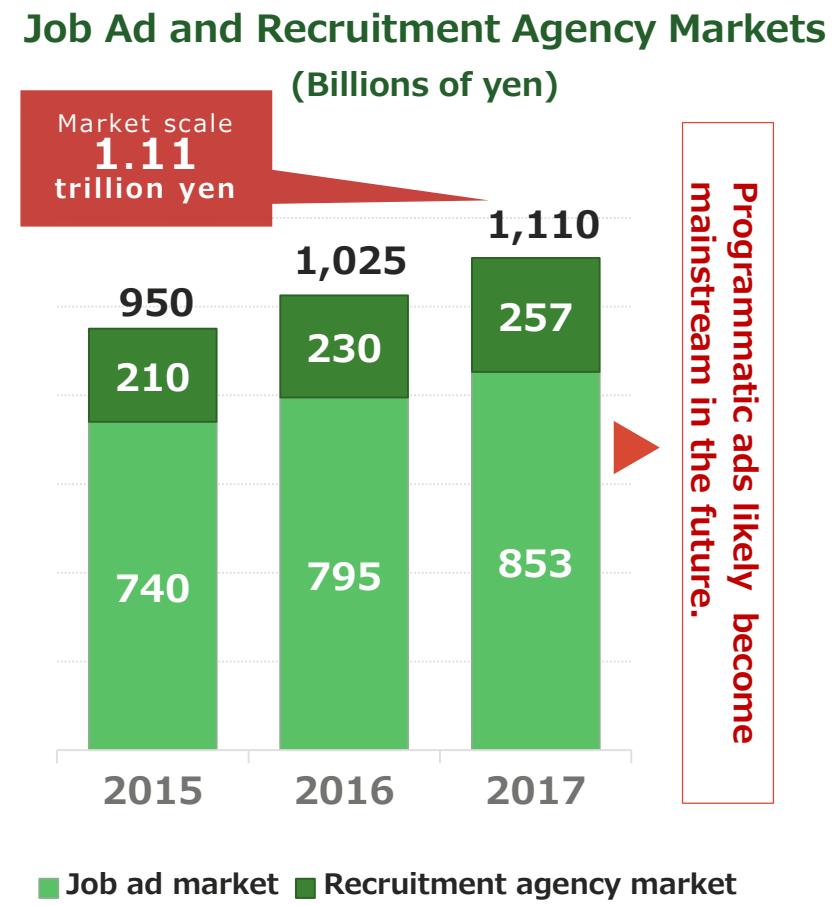
Programmatic advertising has become the mainstream in the internet ad market. It is also expected to expand in the active job ad market.



Note: Figures for the cost of media and cost of programmatic ads were not obtained to FY2011. Only the total of cost of media, including programmatic ads, is indicated.

Source: Dentsu Inc., "2017 Ad Expenses in Japan"

Copyright©2019 eole Inc. All Rights Reserved



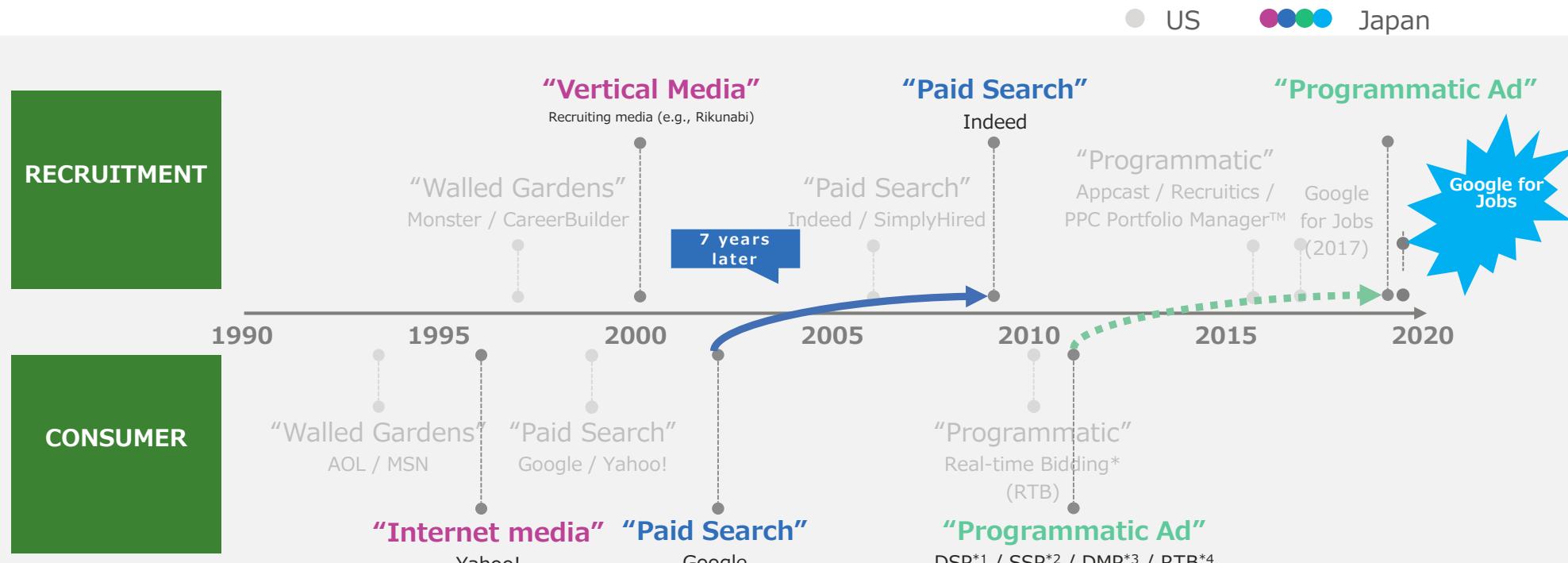
Source:

- Recruitment agency market: "Human Resources Business Market Outlook Report" by Yano Research Institute Ltd. (November 20, 2018)
- Job ad market: "Market Size of Job Information Services in FY2017" by ASSOCIATION OF JOB INFORMATION OF JAPAN (January 17, 2019)

Analysis of Latest Market Environment

— Correlation between consumer advertising and job ads

Following trends in the US, a transition to programmatic ads in Japanese job ads is progressing more quickly than expected.



Background to changes in market

Employment market tightening up Indeed gaining popularity in Japanese market Entrance of "Google for Jobs"

Keidanren decided to do away with hiring guidelines for new graduates, which will enhance diversification of recruitment channels and schedules.

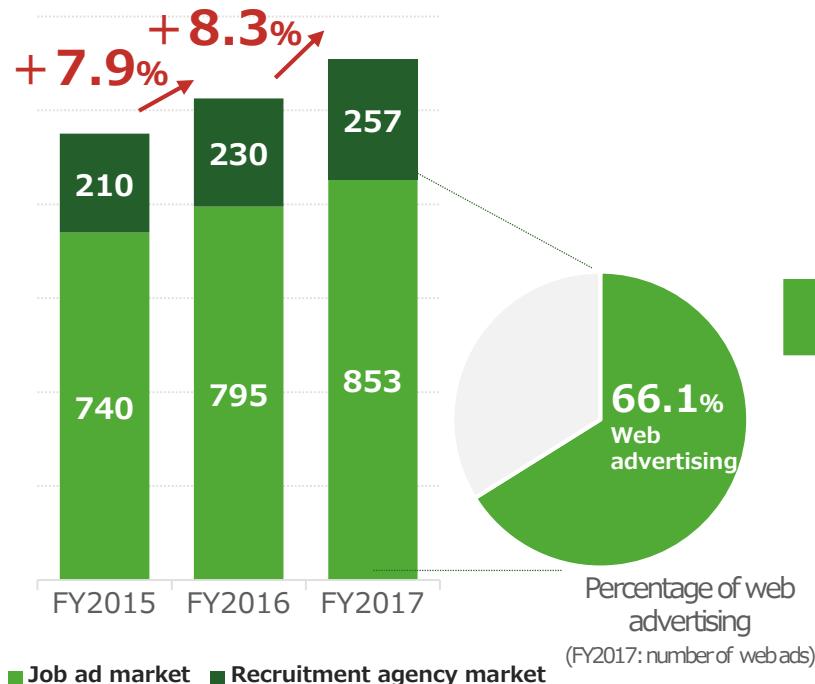
A number of internet ad agencies entered the job advertising field.

End of large job advertising media

In particular, we will target programmatic ads in recruitment ads and establish a track record with our “pinpoint and other programmatic ads service,” expanding the scale of our business.

Market Trends of Job Ad and Recruitment Agency Markets

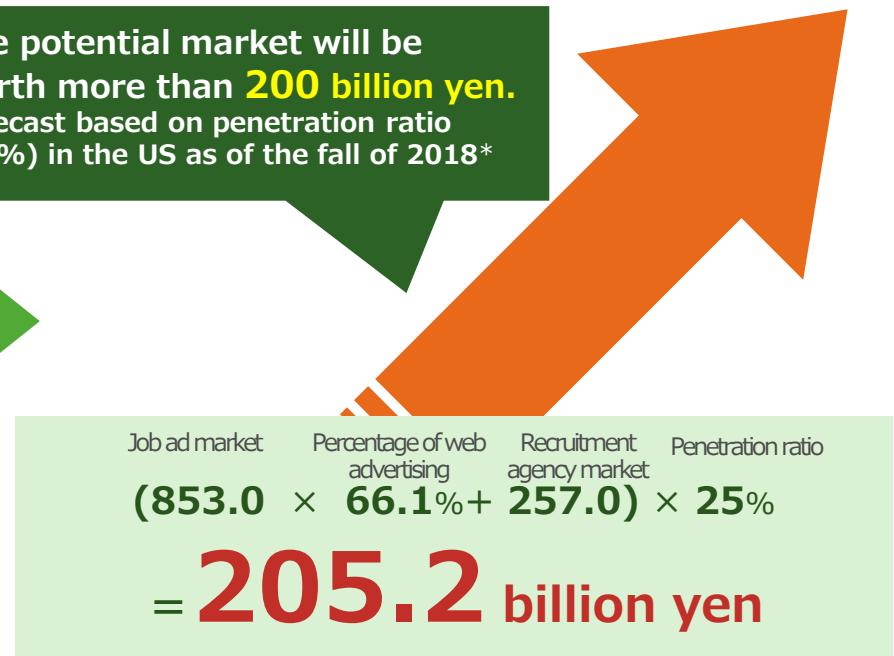
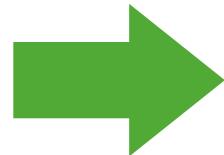
(Billions of yen)



Potential Market for Programmatic Ads in Recruitment Ads

(Billions of yen)

The potential market will be worth more than **200 billion yen**. Forecast based on penetration ratio (25%) in the US as of the fall of 2018*



Source:

- Recruitment agency market: “Human Resources Business Market Outlook Report” by Yano Research Institute Ltd (November 20, 2018)
- Job ad market: “Market Size of Job Information Services in FY2017” by ASSOCIATION OF JOB INFORMATION OF JAPAN (January 17, 2019)

* Industry Dive (DEEP LIVE) “How programmatic recruitment marketing could get more bang for your hiring buck” [\[https://www.hrdive.com/news/how-programmatic-recruitment-marketing-could-get-more-bang-for-your-hiring/531995/\]](https://www.hrdive.com/news/how-programmatic-recruitment-marketing-could-get-more-bang-for-your-hiring/531995/) (Accessed February 4, 2019)

We aim to establish a robust presence in recruitment ads at an early stage, grow together with the market, and become a leading company.

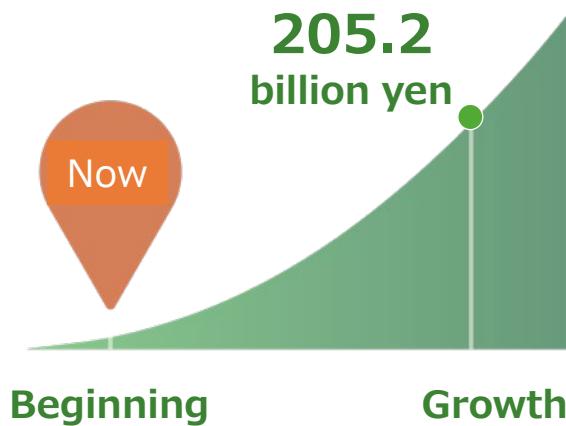
Concept of business growth

The market share of a leading company in internet ads is approximately 10%.

We aim to be a leading company with a 10% share of job ads.

Concept of programmatic ad growth in job ads

Aiming to achieve
10% market share



In the case that the penetration ratio of programmatic ads becomes equivalent to the US in the fall of 2018.

In the case that the penetration ratio of programmatic ads in the recruitment ads becomes equivalent to that of internet ads.

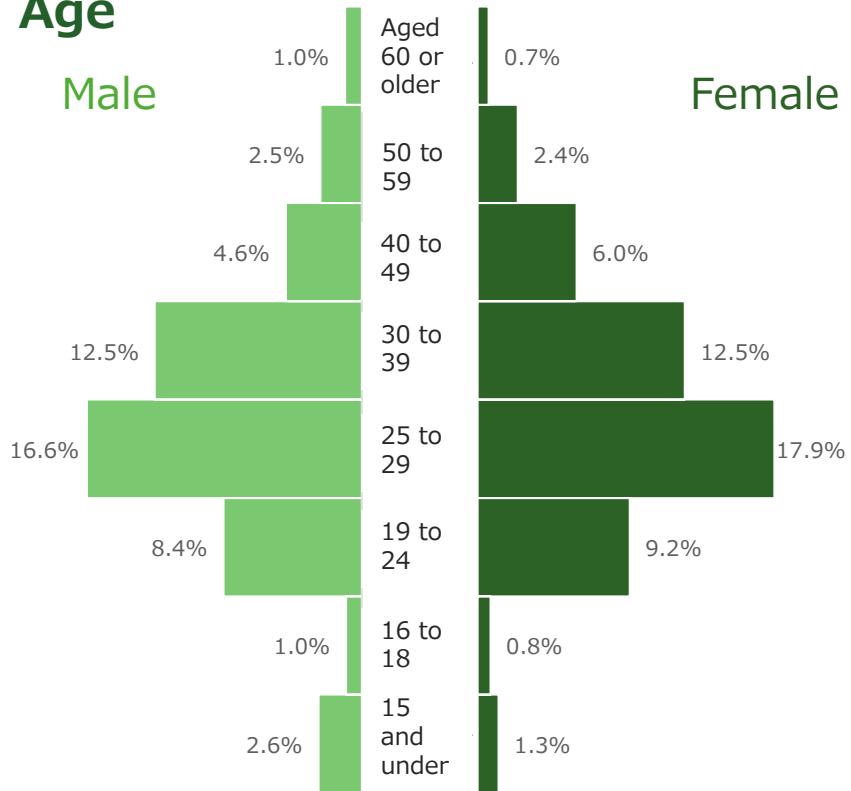
A large, semi-transparent watermark of the "eole Inc." logo is visible in the background. The logo consists of the word "eole" in a stylized, italicized font where the letters "e" and "o" are interconnected, followed by "Inc." in a smaller, standard font.

III | Reference Information

Overview of Rakuraku Contact Network (6.85 Million Users)

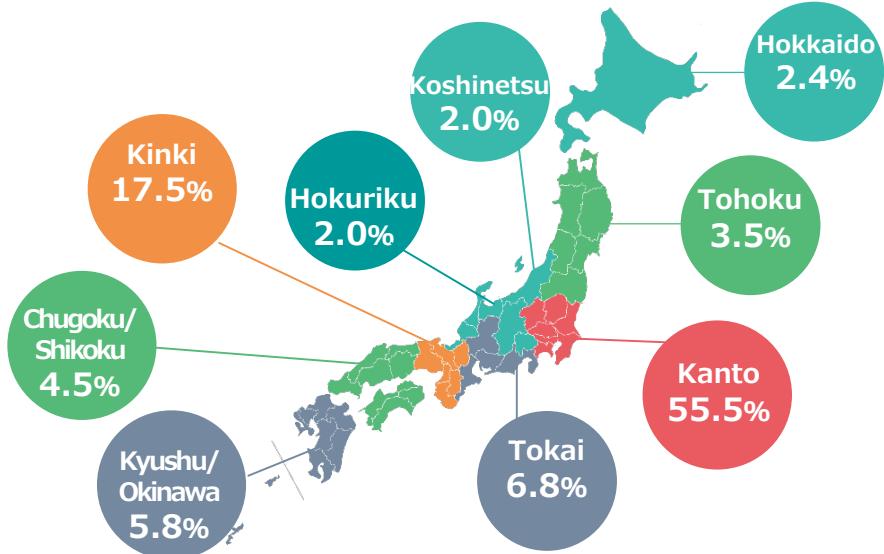
Age

Male



Female

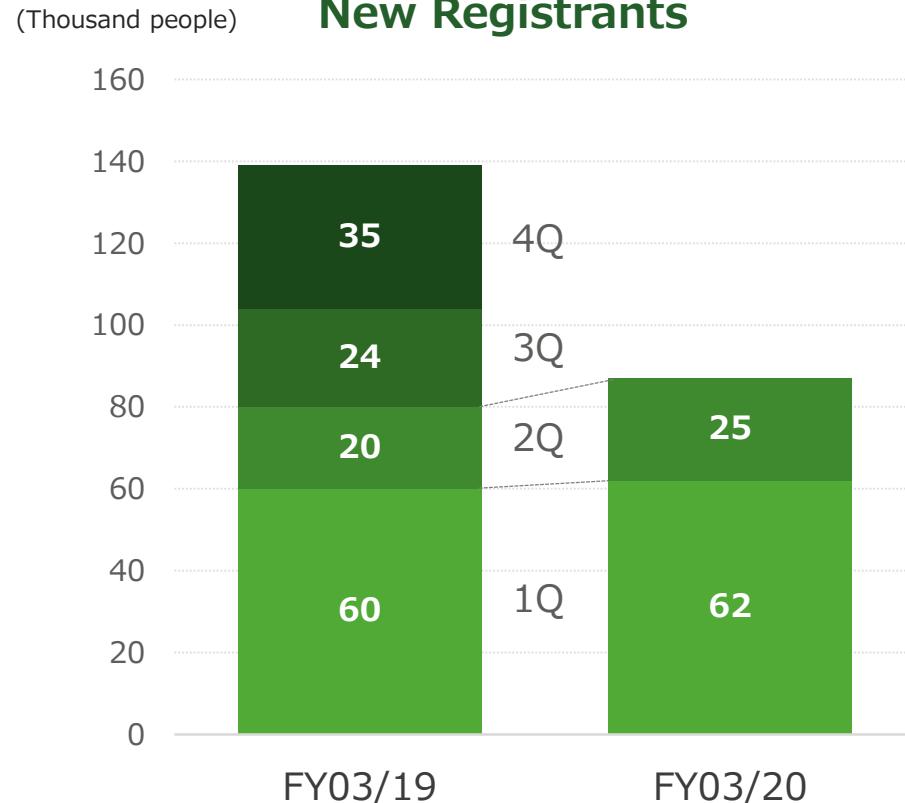
Place of Residence



Note: As of September 30, 2019

In 1H FY03/20, new registrants for Gakuba Arbeit increased by 8.1% year on year, and membership for Rakuraku Arbeit increased by 14.6% year on year.

Gakuba Arbeit New Registrants



Rakuraku Arbeit Membership



Note: Figures are rounded down to the nearest thousand.

Note: Figures are rounded down to the nearest thousand.

We will enhance collaboration with databases of third parties to improve quantity and quality of accessible data other than the Rakuraku Contact Network. We have access to data of more than 20 million users.

[Data collaboration with pinpoint DMP*]

Own data



Students and PTA data
Rakuraku Contact Network



Database collaboration through business partnership



Parent data
Toppan Printing Co., Ltd.
("Shufoo!")



Medical doctor data
MedPeer Inc.("MedPeer")



Other data
Youth, part-time workers, other strategic data partners



pinpoint DMP

* Refer to "Glossary" (at the end of this document).

Business Results in 1H FY03/20 — B/S Summary

eole Inc.

(Millions of yen)	End of FY03/19 (Mar. 31, 2019)	1H FY03/20 (Sept. 30, 2019)	Change
Assets			
Current assets			
Cash and cash equivalents	761	794	33
Accounts receivable-trade	312	142	(169)
Other	10	12	2
Total current assets	1,083	950	(132)
Non-current assets			
Tangible fixed assets	7	6	(1)
Intangible fixed assets	292	307	15
Investments and other assets	89	89	0
Total non-current assets	389	403	13
Deferred assets	0	0	0
Total assets	1,473	1,353	(119)

(Millions of yen)	End of FY03/19 (Mar. 31, 2019)	1H FY03/20 (Sept. 30, 2019)	Change
Liabilities			
Current liabilities			
Account payable-Trade	182	77	(105)
Current portion of corporate bonds	20	5	(15)
Other	125	97	(28)
Total current liabilities	328	179	(149)
Total liabilities	328	179	(149)
Net assets			
Shareholders' equity	1,142	1,171	29
[Retained earnings]	[(268)]	[(246)]	[21]
Share options	2	2	—
Total net assets	1,145	1,174	29
Total liabilities and net assets	1,473	1,353	(119)

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

In preparing all of this material, eole Inc. relied upon and assumed the accuracy and completeness of all available information. However, we make no representations or warranties of any kind, express or implied, about the completeness and accuracy.

This presentation also contains forward-looking statements. Actual results, performance and achievements are subject to various risks and uncertainties. Accordingly, actual results may differ significantly from those expressed or implied by forward-looking statements. Readers are cautioned against placing undue reliance on forward-looking statements.

Third parties are not permitted to use and/or disclose this material and the contents herein for any other purpose without the prior written consent of eole Inc.