

Financial Results for Q2 FY2017



Recruit Holdings Co., Ltd.

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■ First Half Fiscal Year 2017 Highlights

■ 1H FY 2017 Results were favorable

Revenue: +15.0%, EBITDA: +14.4%, Adjusted EPS: +11.1%

■ HR Technology, Media & Solutions, and Staffing segments achieved revenue & EBITDA increases

■ HR technology achieved continued strong revenue growth

Revenue: +59.3% in USD terms*1

*1: This is the local financial results of Indeed, which differ from the figures of reported Recruit Holdings Co., Ltd. consolidated results under IFRS due to differences in consolidation methodologies.

■ 1H FY2017 Consolidated Financial Results

	FY2016	FY2017		
	1H (Apr-Sep)	1H (Apr-Sep)	YoY Change	YoY Change After adjustment*2
Revenue	924.7	1,063.0	+15.0%	-
EBITDA	121.7	139.2	+14.4%	-
EBITDA margin	13.2%	13.1%	-0.1pt	-
Operating income	117.4	108.3	-7.7%	+13.7%
Profit attributable to owners of the parent	83.9	82.0	-2.3%	-
Adjusted profit	72.6	80.6	+11.1%	-
Adjusted EPS (Yen)	43.47*1	48.30	+11.1%	-
Dividend per share (Yen)	-	11.00	-	-

*1: Applying 3-for-1 stock split which was implemented on July 1, 2017 *2: Excluding proceeds from sales of subsidiary and relevant tax reconciliation from FY2016 figures

■ Q2 FY2017 Consolidated Financial Results

(JPY Bn)	FY2016	FY2017		
	Q2 (Jul-Sep)	Q2 (Jul-Sep)	YoY Change	YoY Change After adjustment ^{*2}
Revenue	486.1	538.6	+10.8%	-
EBITDA	58.6	67.3	+14.8%	-
EBITDA margin	12.1%	12.5%	+0.4pt	-
Operating income	67.4	52.0	-22.8%	+15.0%
Profit attributable to owners of the parent	49.1	41.8	-14.9%	-
Adjusted profit	34.0	38.3	+12.6%	-
Adjusted EPS (Yen)	20.71 ⁽¹⁾	22.97	+10.9%	-

*1: Applying 3-for-1 stock split which was implemented on July 1, 2017 *2: Excluding proceeds from sales of subsidiary and relevant tax reconciliation from FY2016 figures

Results by Segment

(JPY Bn)	FY2016	FY2017			
Revenue	Q2 (Jul-Sep)	Q2 (Jul-Sep)	YoY Change	1H (Apr-Sep)	YoY Change
Consolidated results	486.1	538.6	+10.8%	1,063.0	+15.0%
HR Technology	29.9	52.7	+75.8%	99.1	+67.9%
Media & Solutions	161.1	166.7	+3.5%	332.0	+2.9%
Staffing	299.9	324.6	+8.2%	642.6	+16.3%
Corporate Expenses/ Elimination	-4.9	-5.4	-	-10.7	-
EBITDA					
Consolidated results	58.6	67.3	+14.8%	139.2	+14.4%
HR Technology	3.9	8.4	+116.1%	16.1	+96.6%
Media & Solutions	37.2	39.0	+4.7%	82.2	+1.0%
Staffing	17.6	20.1	+14.0%	40.7	+25.3%
Corporate Expenses/ Elimination	-0.2	-0.2	-	0.0	-

■ Media & Solutions: Results by Business

(JPY Bn) Revenue	FY2016	FY2017			
	Q2 (Jul-Sep)	Q2 (Jul-Sep)	YoY Change	1H (Apr-Sep)	YoY Change
Media & Solutions	161.1	166.7	+3.5%	332.0	+2.9%
Marketing Solutions	91.9	96.8	+5.4%	188.6	+3.3%
Housing and Real Estate	23.9	25.1	+5.4%	49.8	+0.4%
Bridal	13.7	13.9	+1.6%	27.8	+1.9%
Travel	16.9	16.9	-0.1%	30.5	-1.5%
Dining	8.9	8.8	-1.1%	17.6	-1.0%
Beauty	14.1	15.7	+11.0%	30.7	+10.4%
Others	14.2	16.2	+13.9%	31.9	+10.6%
HR Solutions	67.6	68.7	+1.7%	140.0	+3.2%
Domestic Recruiting	61.4	62.2	+1.4%	128.5	+2.8%
Others	6.2	6.4	+4.1%	11.4	+7.2%
Corporate Expenses/ Eliminations	1.5	1.1	-24.5%	3.3	-21.6%
EBITDA					
Media & Solutions	37.2	39.0	+4.7%	82.2	+1.0%
Marketing Solutions	23.3	25.2	+8.1%	50.0	+1.4%
HR Solutions	16.0	17.4	+8.8%	38.2	+10.4%
Corporate Expenses/Eliminations	-2.1	-3.6	-	-6.0	-

■ Staffing: Results by Business

(JPY Bn) Revenue	FY2016	FY2017			
	Q2 (Jul-Sep)	Q2 (Jul-Sep)	YoY Change	1H (Apr-Sep)	YoY Change
Staffing	299.9	324.6	+8.2%	642.6	+16.3%
Domestic Staffing	112.2	123.9	+10.4%	249.6	+11.5%
Overseas Staffing	187.7	200.6	+6.9%	392.9	+19.5%

EBITDA

Staffing	17.6	20.1	+14.0%	40.7	+25.3%
Domestic Staffing	7.1	9.0	+27.5%	20.4	+40.2%
Overseas Staffing	10.5	11.0	+4.8%	20.2	+13.2%

Consolidated Financial Forecast for FY2017

(JPY Bn)	FY2016		FY2017		
	Full-year*1	Full-year After adjustment*2	Full-year Forecast	YoY Change*1	YoY Change After adjustment*2
Revenue	1,941.9	-	2,084.0	+7.3%	-
EBITDA	232.2	-	251.0	+8.1%	-
Operating income	193.5	171.5	185.5	-4.1%	+8.1%
Profit attributable to owners of the parent	136.6	117.6	122.0	-10.7%	+3.7%
Adjusted profit	133.7	-	137.0	+2.4%	-
Adjusted EPS (Yen)	80.06 ⁽⁴⁾	-	82.01	+2.4%	-
Profit used as basis for dividend calculation	122.1	-	124.0	+1.5%	-
Dividend per share (Yen)	21.67 ⁽⁴⁾	-	22.00	-	-

*1: Those figures are finalized under IFRS since the figures announced at FY2016 full-year results were estimated amounts as of the time.

*2: Excluding proceeds from sales of subsidiary and relevant tax reconciliation from FY2016 figures

*3: Assumed foreign exchange rates for FY2017: JPY110 /USD, JPY118 /EUR, JPY82 /AUD

*4: Applying 3-for-1 stock split which was implemented on July 1, 2017



Appendix

■ Adjustment items for EBTDA and Adjusted Profit under IFRS

(JPY Bn)	FY2017	
	Q2 Jul-Sep	Q2 YTD Apr-Sep
EBITDA		
Operating income	52.0	108.3
Other operating income	-0.5	-0.8
Other operating expenses	+0.8	+2.1
Depreciation and amortization	+14.9	+29.5
EBITDA	67.3	139.2

(JPY Bn)	FY2017	
	Q2 Jul-Sep	Q2 YTD Apr-Sep
Adjusted Profit		
Profit (loss) attributable to owners of the parent	41.9	82.0
amortization of intangible assets arising due to business combinations	+4.7	+9.3
one-off income	-0.9	-2.0
one-off losses	+0.7	+1.9
tax reconciliation regarding the adjustment items	-7.9	-10.5
Adjusted profit	38.3	80.6

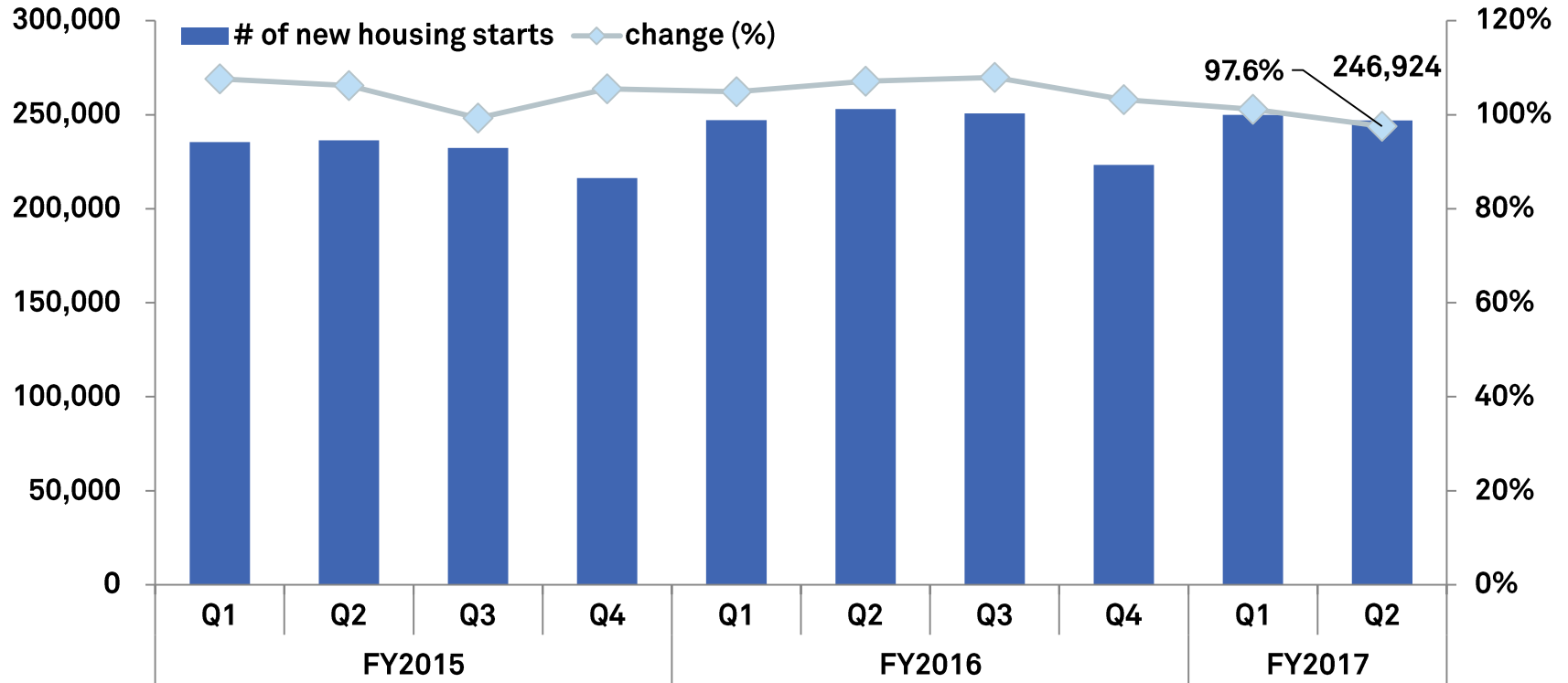
Other Data

	FY2016				FY2017	
	Q1e	Q2e	Q3e	Q4e	Q1e	Q2e
HotPepper Gourmet # of seats reserved online* (million)	9.63	19.40	36.92	51.53	14.48	28.28
HotPepper Beauty # of online reservations* (million)	13.88	29.44	44.93	61.38	18.24	37.95
Air REGI # of accounts (thousand)	244	255	267	279	292	305
Study Sapuri high school student course #of paying subscribers (thousand)	215	230	237	244	318	333

*Based on number of reservations, cancels are not counted

Market Conditions: Housing and Real Estate

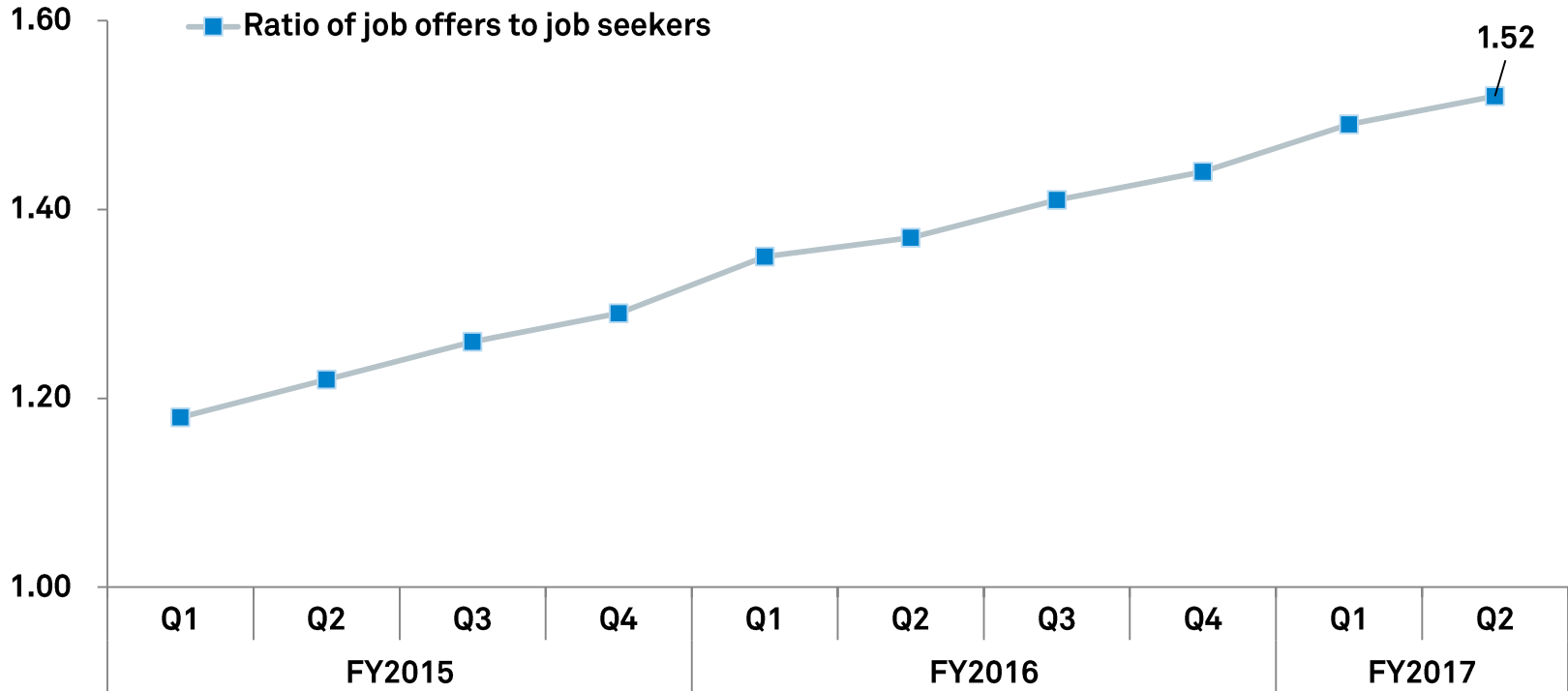
(# of houses)



*Source: MLIT housing start statistics

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Market Conditions : Domestic Recruiting

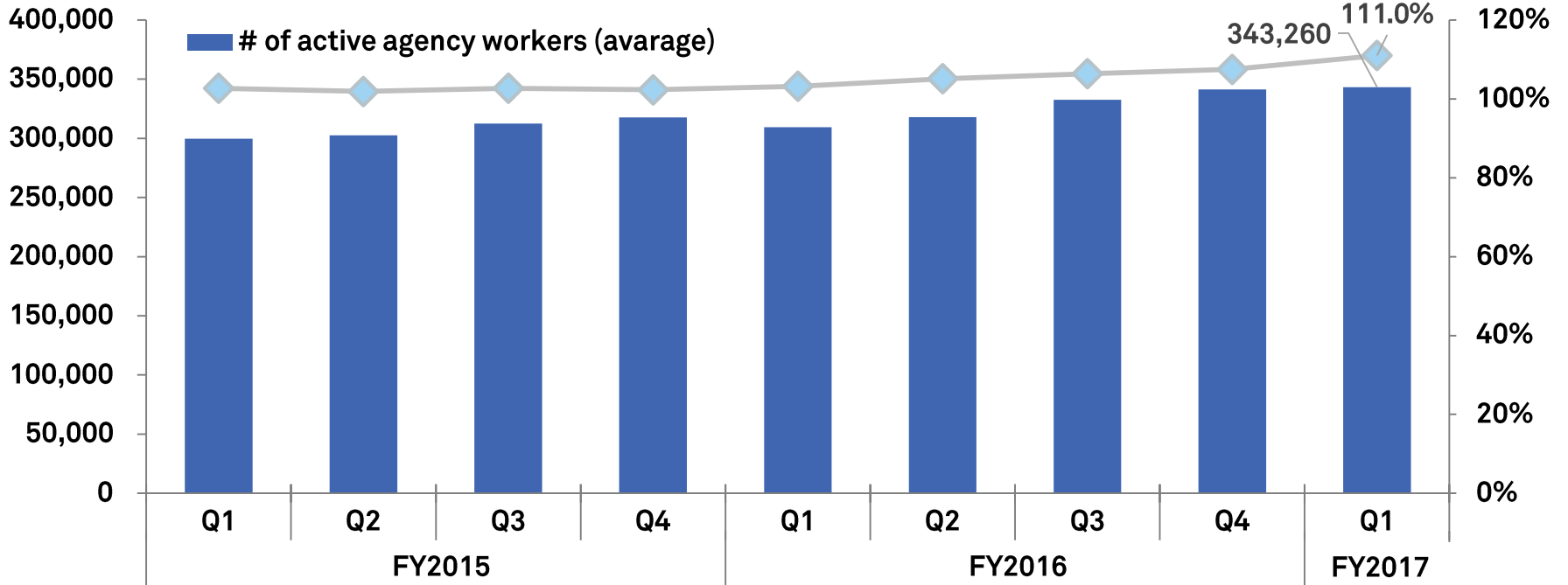


*Source: Ministry of Health, Labour and Welfare

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Market Conditions : Domestic Staffing

(# of persons)



■ Notes

EBITDA = operating income + depreciation and amortization ± other operating income/expenses

Adjusted profit: Profit (loss) attributable to owners of the parent ± adjustment items* (excluding non-controlling interests) ± tax reconciliation regarding the adjustment items

***amortization of intangible assets arising due to business combinations ± one-off income/losses**

Adjusted EPS: adjusted profit / (number of shares issued at the end of the period - number of treasury stock at the end of the period)

Profit used as basis of dividend calculation= Profit (loss) attributable to owners of the parent excluding one-off income/losses etc.