

## Summary of Financial Results for FY2015

Recruit Holdings Co., Ltd.

### Results for FY2015

#### ■ Consolidated Earnings Summary

In fiscal 2015, net sales increased by 22.2% to ¥ 1588.6 billion, EBITDA rose by 5.7% to ¥ 202.2 billion. Both achieved record high results. Overseas net sales was over ¥ 500 billion and ratio of overseas sales to consolidated net sales recorded 35.9%. Net income before amortization of goodwill increased by 4.5% to 112.4 billion yen. As we previously announced, we plan to pay a per-share dividend of 50 yen.

#### ■ Marketing Media

In Marketing Media, net sales up 4.8% to ¥ 349.3 billion, reflecting favorable growth in Lifestyle operation. As we estimated, EBITDA decreased by 3.1% to ¥ 93.2 billion, since start-companies Quandoo and Hotspring were consolidated from this fiscal year, in addition to a temporary negative impact from system failure of beauty business in the third quarter.

Life Event net sale: In housing and real estate business, new condominium division was sluggish due to short supply of newly built condominiums. Independent housing division and leasing division continued to trend favorably. Bridal division remain stable.

Lifestyle net sales: In travel business, room rate and guest nights showed favorable growth rate of mid-single digit year-on-year. In dining business, acquisition of small- and medium-sized clients has improved. As a result, number of paying clients recorded strong increase of 18.2% year-on-year. And net sales trended favorably. In beauty business, transaction expand with existing clients and acquisition of new clients benefit favorable net sales trend.

Number of online reservations recorded high growth of 50% year-on-year. Dining business was 37.29 million, and Beauty business was 45.01 million.

Overseas subsidiaries' progress: As key strategy, we are committed to increasing clients in Quandoo, online restaurant reservation provider in Europe, and Treatwell, online beauty salon reservation provider in Europe. Quandoo's client restaurants exceed 12 thousand and salons using Treatwell was over 20 thousand, both are expanding steadily.

#### ■ HR Media

In HR media, net sales increased by 18.7% year-on-year to ¥ 359.2 billion, reflecting favorable trend both in domestic and overseas business. EBITDA grew by 12.8% year-on-year to ¥ 88.0

billion. In domestic recruiting, favorable market condition and net sales trend have continued. Effective ratio of job offers to job seekers in March was highly stable at a level of 1.3. In overseas business, net sales rose significantly by 83.1% owing to increase of small- and medium-sized clients. Positive impact from the weak yen was ¥7.4 billion, and deducting it, net sales growth rate was 67%. Average number of UVs per month during 2015, increased by 38.2% year-on-year to 170.0 million, due to steady growth outside of the US.

## ■ Staffing

In Staffing, net sales increased by 31.8% to ¥ 890.0billion, due to favorable trend of domestic business, positive impact from weak yen in overseas business, and contribution from acquired subsidiaries. EBITDA grew 21.9% to ¥ 49.6 billion, since profit rate improved in overseas subsidiaries in addition to increase of net sales. In domestic Staffing, net sales trended favorably, reflecting solid business environment. In overseas Staffing, we consolidated Peoplebank, Chandler, and Atterro in FY2015. Their net sales totaled ¥ 163.3 billion. The positive impact from weak yen was ¥ 35.3 billion. Deducting these factors, net sales decreased by 3%. As we announced before, this decline was due to the end of some transactions to enhance operating efficiency. We have successfully improved EBITDA margin of acquired subsidiaries, and EBITDA also increased. As we announced before, now we are going to acquire USG people, staffing company in the Netherlands. We are confident that we could improve the company's margin as well.

## Forecasts for FY 2016 and Mid Term Management Strategy

### ■ Mid Term Management Strategy

To realize our long-term vision of 'to be the No.1 in global HR business by around 2020', and 'to be the No.1 in global HR business & matching platform by around 2030', we are committed to enhancing competitive advantage, developing new businesses, and carrying out M&A both in domestic and overseas business over the next three years.

First, especially in overseas HR Media, to make Indeed a pillar of growth over the mid- to long-term, we actively work on business expansion with M&A, in addition to existing business growth. In recruitment ad selling business, we continue to improving monetization in the US, and marketing investment for monetization in other countries.

We are also committed to entering new business markets. According to external research, HR ad business, in which Indeed's operate mainly, is only one-sixth of whole HR related service market scale, such as screening or sourcing. We could contribute to solve clients' problems in wider area

of HR market with our high technology.

Through these measures, we plan to make Indeed an important pillar of the Group's business in terms of its scale with at least more than double net sales.

Second, we promote new domestic businesses, 'Air Series' and 'Study Sapuri'.

We operate 'Air Series' as business support services for small and medium-sized enterprises (SMEs). Currently, we not only operate the service alone, but we promote the service through partnership with other companies. We become a first Japanese Apple mobility partner for 'Air Series' development. We work with Apple from the planning step of the application design to accelerate development speed. We are also in collaboration with BIC CAMERA. At service counter in BIC CAMERA Yuraku-cho store and other two stores, we promote introduction of services such as 'Air REGI', 'Air Payment', 'Mobile Payment for Air REGI', and 'Air Wait' to SMEs. Under these measures, we aim to make 'Air Series' profitable in three to five years.

In 'Study Sapuri', high school course, which we started prior to the other services, recorded the number of paying subscribers of over 167 thousand at the end of FY2015 and went into the black in FY2015. The services are also used as supplemental materials at 700 high schools among approximately 5,000 high schools in Japan. We promote the service introduction together with national and local government or schools. Under these measures, we aim to make 'Study Sapuri' whole business profitable in three to five years.

We will carry out various growth investments, including M&A, ever more flexibly and aggressively to realize the strategies mentioned above. To achieve it, we set forth our management target 'compound annual growth rate over the next three years'. It was changed from the previous time indicator of 'stable growth in each fiscal year'. Also we think it is important to enhance the shareholders' value, and set 'Adjusted EPS' as key index for management. We aim higher growth rate than current target. Over the next three years, while carrying out various investment, we aim further growth in the future. We will continue to invest actively for the next three years to realize high profit growth in the future. As we have explained, we examine each M&A case to meet our criteria for investment. Another financial strategy has not changed as previously announced.

## ■ Consolidated Earnings Summary Forecasts

For fiscal 2016, we estimate net sales of ¥ 1690.0 billion, an increase of 6.4% year-on-year, EBITDA of ¥ 217.0 billion, up 7.3% year-on-year. Adjusted EPS is to be ¥ 215.14, an increase of 2.7% year-on-year and we plan to pay a per-share dividend of 50 yen at the same level of the previous fiscal year.

This forecast is an outlook as of now, and could be changed by acquisition of USG people.  
(Subject to the completion of the acquisition transaction)

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