

**Recruit Holdings  
Strategy Presentation**

# **Help Businesses Work Smarter**

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07. 12. 2022

Recruit Holdings Co., Ltd.  
Managing Corporate Executive  
Officer, Head of Media & Solutions  
SBU

Recruit Co., Ltd.  
President and  
Representative Director

**Yoshihiro  
Kitamura**












# Overview of Media & Solutions SBU

## Marketing Solutions

## HR Solutions

Vertical matching platforms and SaaS solutions to improve business operational efficiency

 Housing & Real Estate	 Beauty	 Bridal	 For new graduates	 Part time
 Travel	 Dining	Others	 For professionals	 Placement

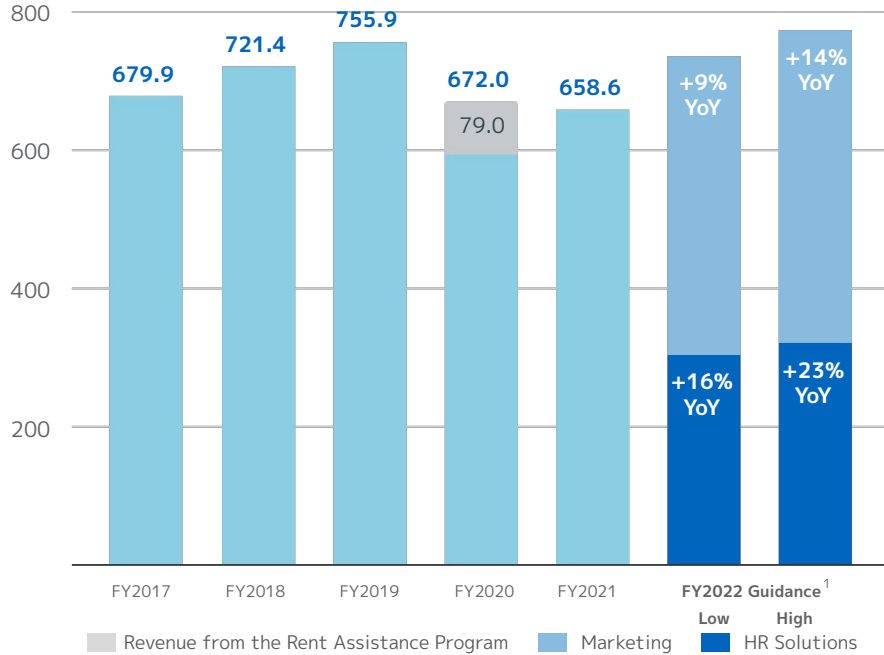
SaaS



# Progress of Media & Solutions

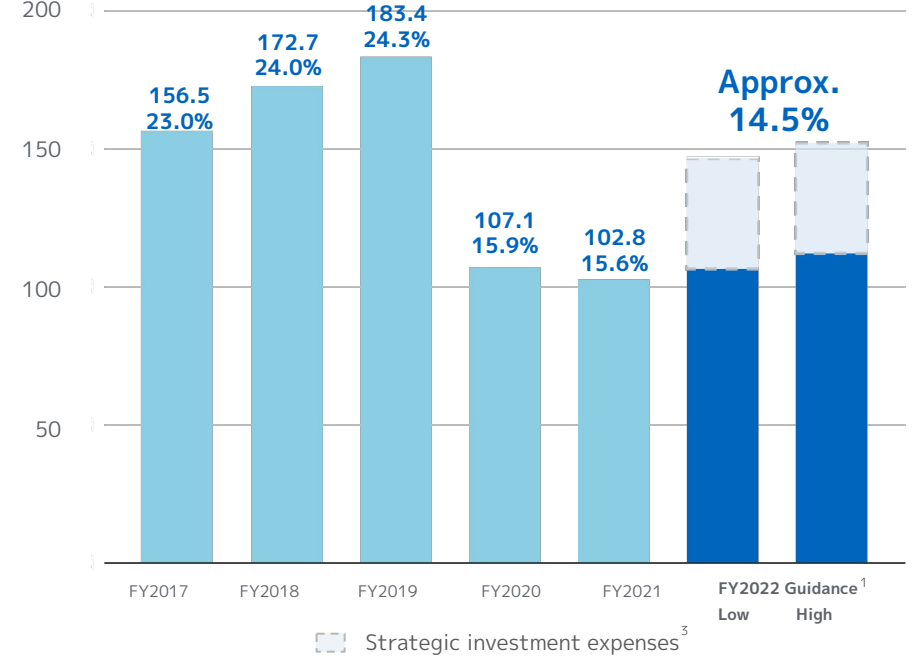
## Revenue

(in billions of yen)



## Adjusted EBITDA and Adjusted EBITDA Margin (New Definition)<sup>2</sup>

(in billions of yen)



1: For FY2022 guidance, the Company assumes the current recovery trend will continue assuming that business clients' activities will not be impacted significantly by potential reimposition of COVID-19 related restrictions and changes in global economic trends. FY2022 guidance is the same as and based on the same assumption of our guidance announced on May 16, 2022.

2: From FY2022, the Company changed the adjustment items for adjusted EBITDA. New definition of adjusted EBITDA has been applied retroactively to FY2017 through FY2021.

Adjusted EBITDA : Operating income + depreciation and amortization (excluding depreciation of right-of-use assets) + share-based payment expenses ± other operating income/expenses

3: Adjusted EBITDA margin in FY2022 is expected to be approximately 14.5%. The Company expects to invest in marketing expenses to strengthen HR Solutions and SaaS Solutions, and in upgrading technology infrastructure and core systems. Excluding these strategic investment expenses, the expected adjusted EBITDA margin for Media & Solutions in FY2022 would be approximately 20%.

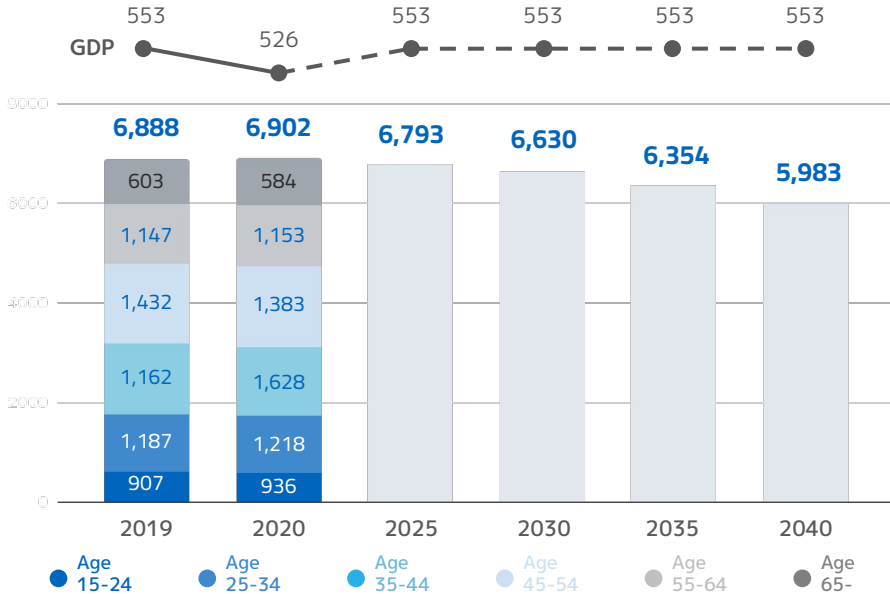
# Help Businesses Work Smarter



# Need to Increase Labor Productivity

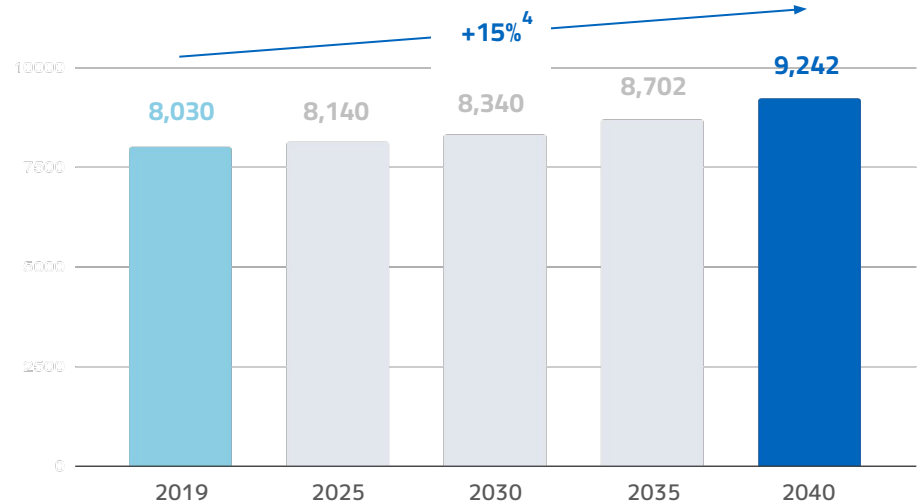
## Simulated GDP and the Labor Force Population in Japan<sup>1, 2, 3</sup>

(In trillions of yen, in 10K)



## Simulated Labor Productivity Per Person in Labor Force Needed to Maintain 2019 GDP

(in thousands of yen)



1: For the purpose of this simulation, the Company has assumed that the real GDP of Japan in 2019 will be maintained after 2025.

2: The Company has estimated the future labor force population by multiplying the 2020 population by employment rate for each age group of 5-year-old class with assuming all population retire at age 80.

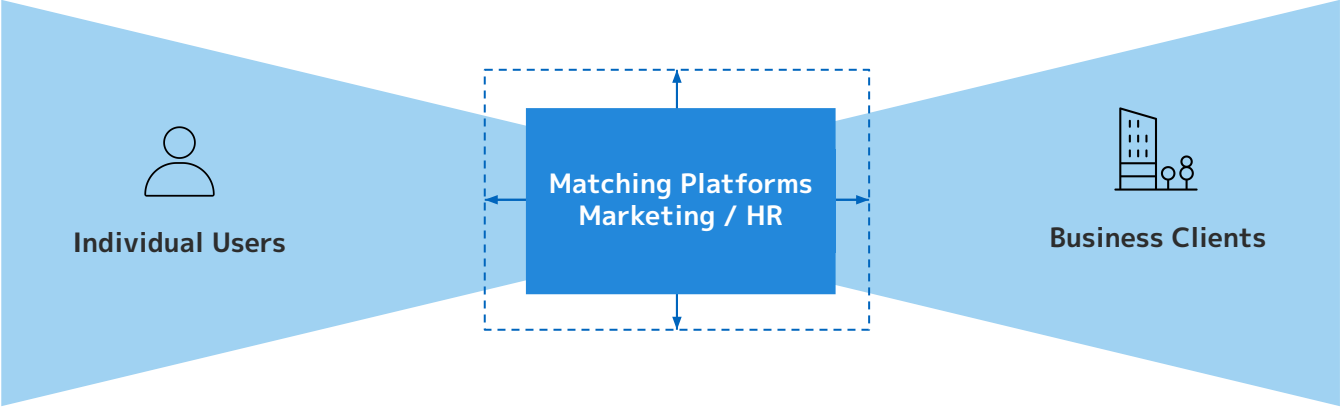
(Source: Statistic Bureau, Ministry of Internal Affairs and Communications of Japan "The population estimate published in January 2021", the Statistic Bureau of Japan in January 2021 "the employment rate by age group")

3: Real GDP for each year / Labor Force Population calculated in note 2 for each year (on the assumption that real GDP of 2019 will be maintained after 2025).

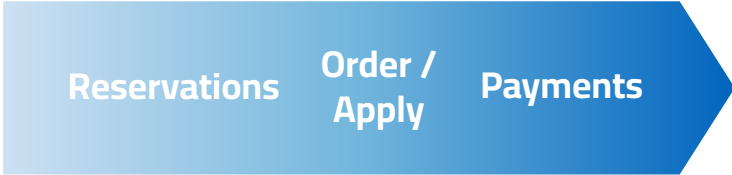
4: Based on note 3, the Company calculated the labor productivity per labor force and calculated "+15%" based on the actual labor productivity in 2019 and the estimated labor productivity in 2040.

# Our Original Business Model

## Two-sided marketplace



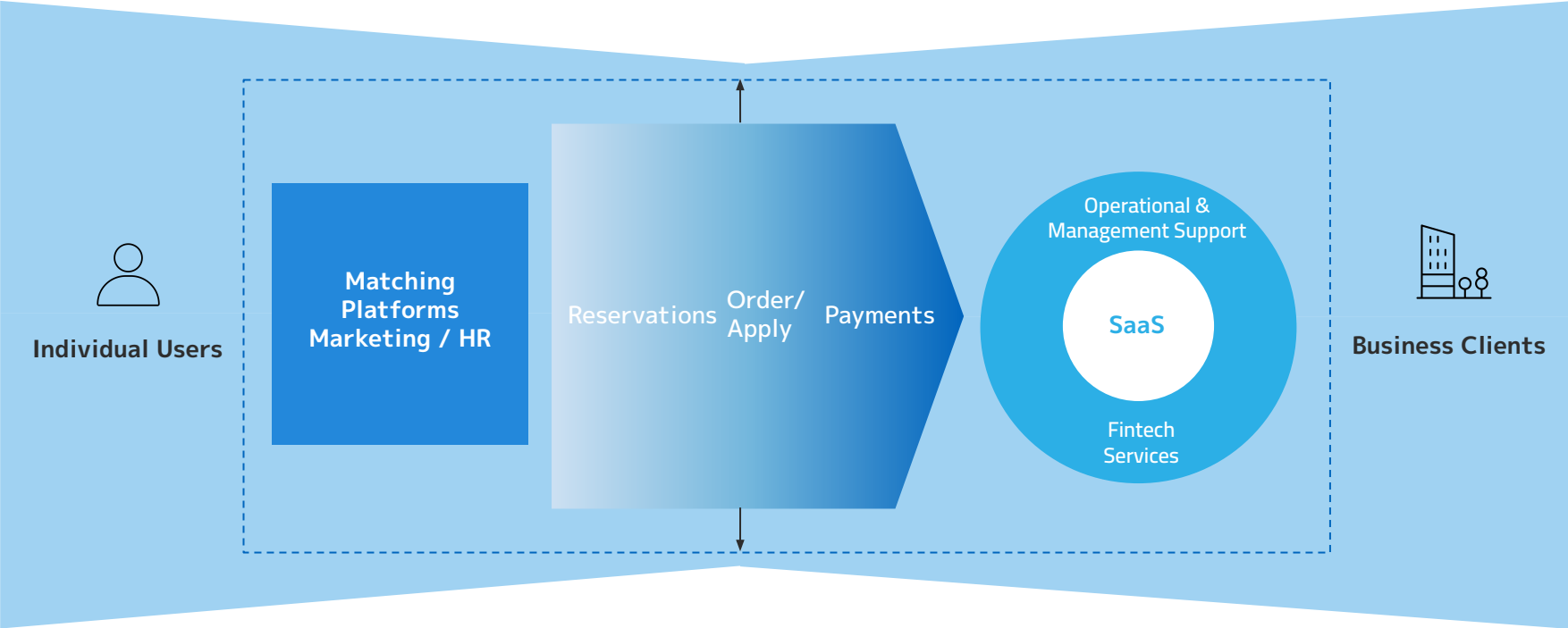
# Simplify Business Operational Processes



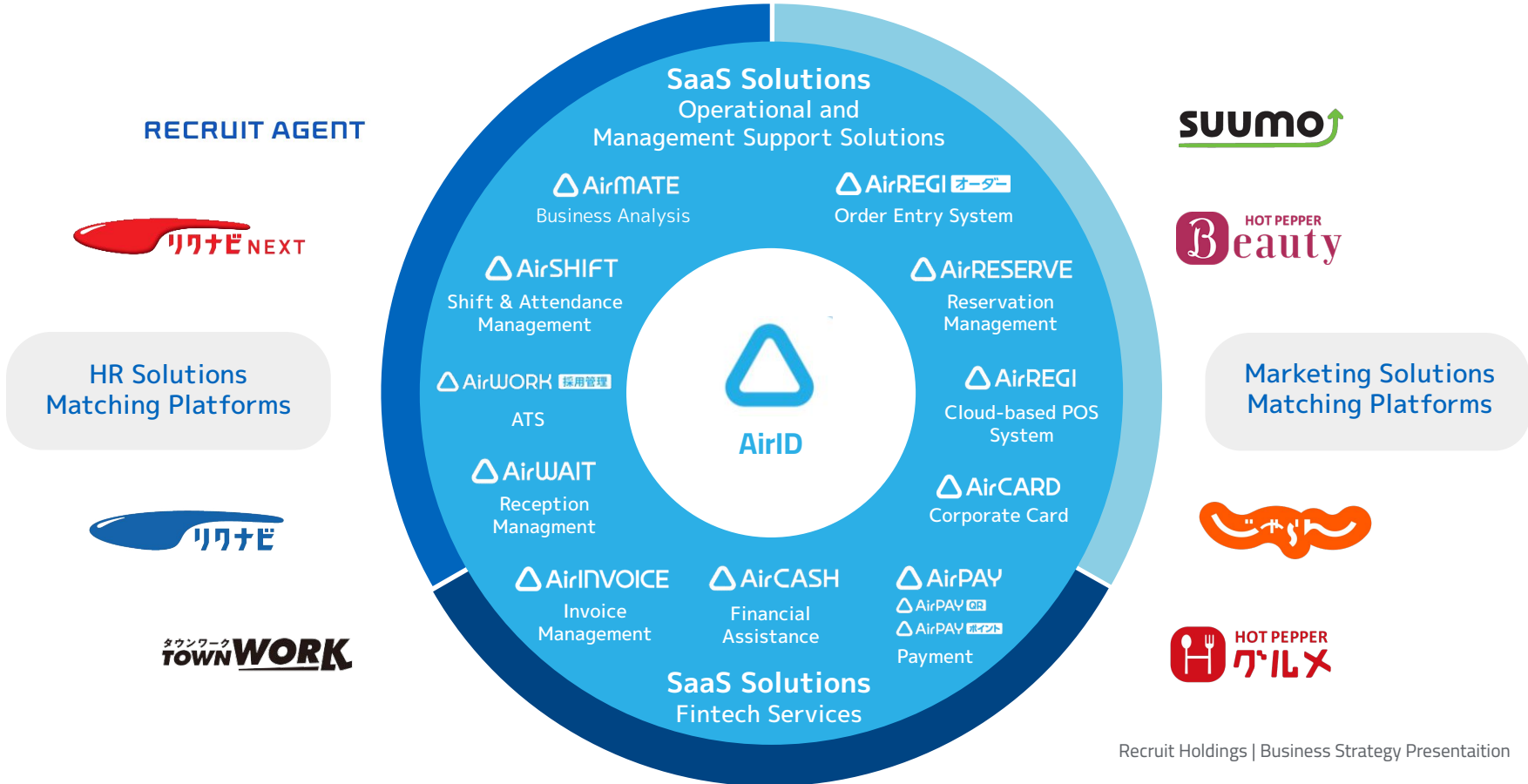


# Our New Business Model Evolved with Technology

## Simplify Business Processes



# Our Targeted Ecosystem



# Actual and Forecast of Our KPIs

# of Actions <sup>1</sup>

Approx.

**300** MM

FY2021

# of SaaS Accounts <sup>2</sup>

Approx.

**2.45** MM

FY2021

GPV <sup>3</sup>

Approx.

**1** trl yen <sup>4</sup>

FY2022 Forecast

1: The total of the number of applications on Rikunabi NEXT, TOWNWORK, and RECRUIT AGENT, the number of individual users who were mediated to our business clients at SUUMO Counter, the number of online reservation on Hot Pepper Beauty, the number of hotel bookings on Jalan, the number of seats reserved on Hot Pepper Gourmet, the number of payments through AirPAY during the period from April 1, 2021 to March 31, 2022.

2: Cumulative number of registered accounts of paid and freemium SaaS solutions provided by Media & Solutions SBU in Japan as of March 31, 2022 (Registered accounts refer to the number of stores and business locations that have registered for each relevant service including both active and non-active accounts).

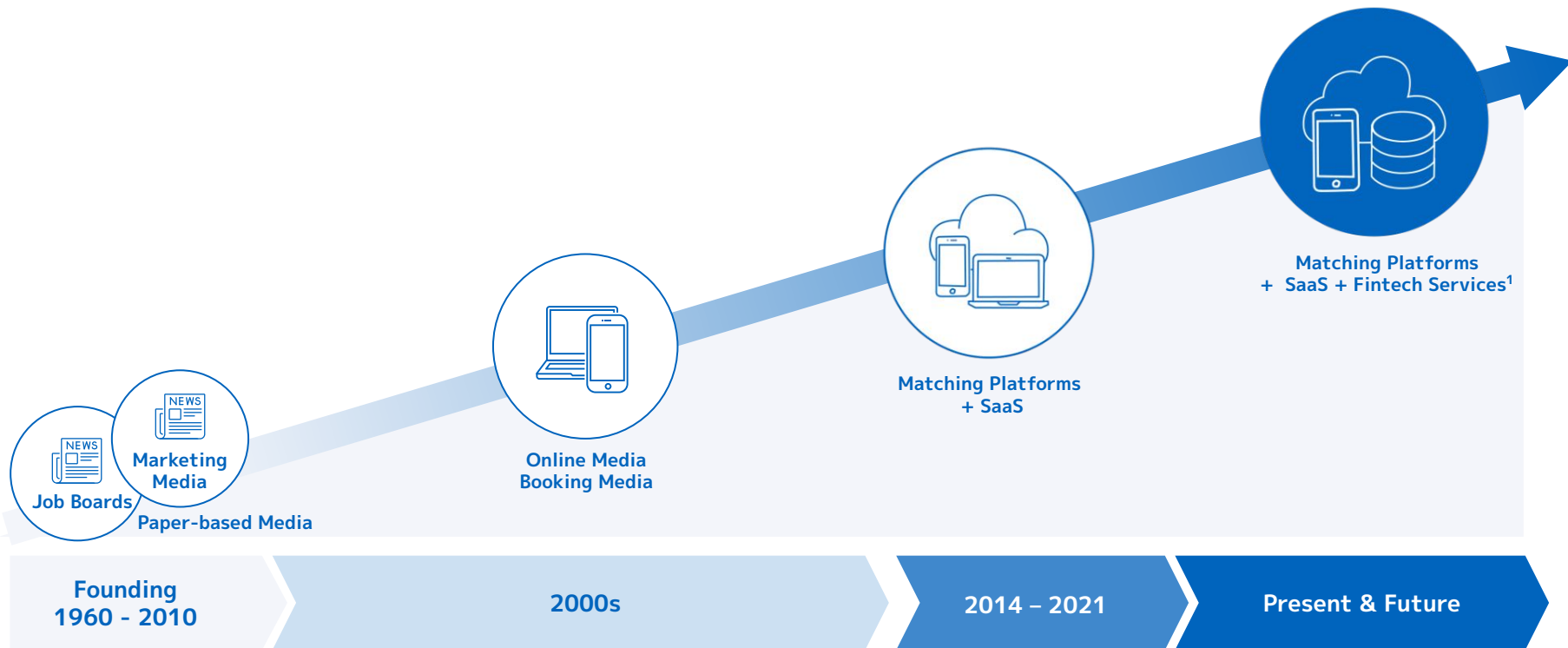
3: Total gross payment volume of offline payments through AirPAY terminals, including QR code payments through AirPAY QR, and online payments through AirPAY ONLINE.

4: Assuming that a rapid deterioration of the economic environment will not occur in Japan, based on the GPV defined in note 3 and the growth trend for the number of stores and business locations that have registered for the relevant services, the Company's current target is to achieve the GPV shown above for the period from April 1, 2022 to March 31, 2023. There is no guarantee that this target will be achieved, and actual results may differ materially from this target.

Media  
&  
Solutions

Matching  
&  
Solutions

# Trajectory of Our Evolution



1: AirCASH

# Total Number of Actions on Recruit Matching Platforms<sup>1</sup>



FY2011<sup>2</sup>

Approx. **33** MM

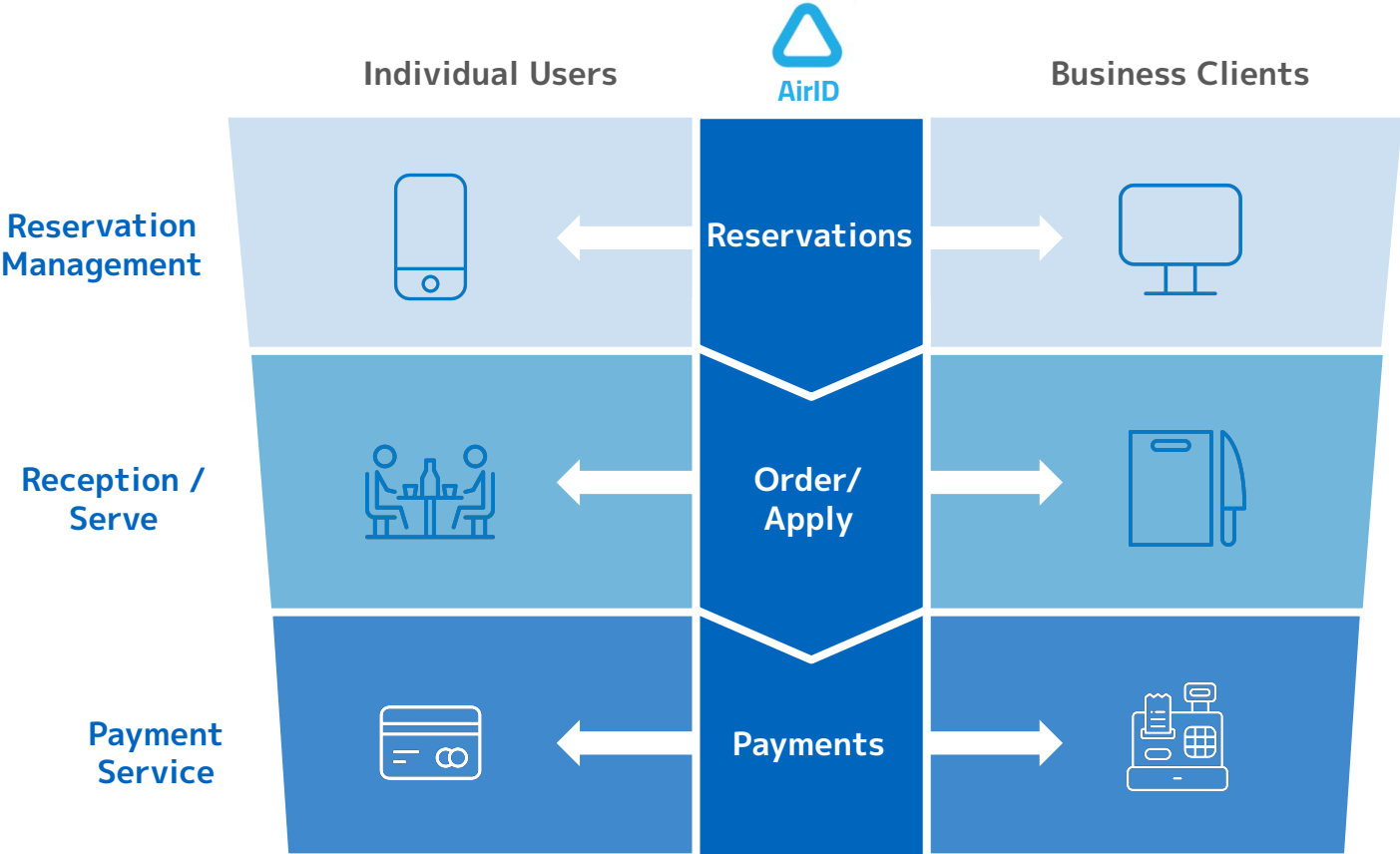
FY2021<sup>2</sup>

Approx. **300** MM

1: The total of the number of applications on Rikunabi NEXT, TOWNWORK, and RECRUIT AGENT, the number of individual users who were mediated to our business clients at SUUMO Counter, the number of online reservation on Hot Pepper Beauty, the number of hotel bookings on Jalan, the number of seats reserved on Hot Pepper Gourmet, the number of payments through AirPAY.

2: During the period from April 1 to March 31 for each year.

# How to Expand the Number of Accounts



FY2021

Approx. **2.45** MM

1: Cumulative number of registered accounts of paid and freemium SaaS solutions provided by Matching & Solutions SBU in Japan as of March 31, 2022 (Registered accounts refer to the number of stores and business locations that have registered for each relevant service including both active and non-active accounts.)



# The Estimated Number of Business Locations and Stores



1: The Company estimated the number of business locations and stores that can be potential users of SaaS solutions provided by Matching & Solutions SBU as of June 30, 2022 in Japan by identifying the total number of business locations and stores of small and medium-sized enterprises in Japan (using the definition used by Small and Medium Enterprise Agency) based on the 2016 Economic Census for Business Activity conducted by the Ministry of Internal Affairs and Communications and the Ministry of Economy, Trade and Industry. In the Company's disclosure up to June 22, 2022, the number of business locations and stores that estimated to be potential users of Air BusinessTools was roughly 2.9 million as the Company estimated the number of these potential users by aggregating the number of all such potential users in all industries in which there were 20 or more existing Air BusinessTools registered accounts (including non-active accounts) as of March 31, 2020. However, considering the solutions (including AirWORK ATS) provided by Matching & Solutions SBU in Japan as of June 30, 2022, the Company now believes it is possible to provide its SaaS solutions to all business locations and stores of small and medium-sized businesses regardless of the industry. Accordingly, the Company decided to count all such business locations and stores as potential users of its SaaS solutions. Matching & Solutions SBU continues to target potential users among small and medium-sized businesses as defined by Small and Medium Enterprise Agency based on the current major target for potential users of SaaS solutions.

# The Ecosystem Simplifies Flows of People, Goods & Services, and Money



The Total Amount of  
Cashless Payment in Japan

Approx. **100** trl yen<sup>1</sup>

FY2021

Recruit's GPV<sup>2</sup>

Approx. **1** trl yen<sup>3</sup>

FY2022 Forecast

1: The actual total amount of cashless payment in Japan for 2020 (Source: Yano Research Institution Ltd., The Research on Cashless Payment Market in Japan (2021)) including credit cards, prepaid cards, debit cards, and other payment methods except cash. As the total amount includes payment methods that Matching & Solutions SBU does not provide as of the end of June in 2022, the potential market size that Matching & Solutions SBU can currently address in the cashless payment market is not equivalent to the total cashless payment market size indicated above.

2: Total gross payment volume of offline payments through AirPAY terminals, including QR code payments through AirPAY QR, and online payments through AirPAY ONLINE

3: Assuming that a rapid deterioration of the economic environment will not occur in Japan, based on the GPV defined in note 2 and the growth trend for the number of stores and business locations that have registered for the relevant services, the Company's current target is to achieve the GPV shown above for the period from April 1, 2022 to March 31, 2023. There is no guarantee that this target will be achieved, and actual results may differ materially from this target.

## Login

With your AirID

AirIDでAirキャッシュにログイン

AirIDまたはメールアドレス

パスワード

次回からAirIDまたはメールアドレスの入力を省略

ログイン

AirIDを忘れた方 パスワードを忘れた方

Airサービス共通利用約款  
プライバシーポリシー  
よくあるご質問

RECRUIT (C) Recruit Co., Ltd.

※Airペイご契約者で、管理者権限をお持ちのAirIDでのみご利用いただけます

## Step 1

Select the amount of funds you need and deduction plan

AirCASH

必要金額  
¥200,000

引落し期間 2021年7月

必要金額  
10 20万円 35 50 65 90

引落率 / 引落完了期間 (目安)

早く 80% / 2ヶ月    少しずつ 20% / 5ヶ月

この内容で利用する

## Step 2

Applied

AirCASH

以下内容をご確認ください

Airペイ引落金額  
¥207,580

引落金額 ¥200,000  
サービス料 ¥7,580  
引落率 80%

入金予定日 (目安) 2021年5月19日

引落完了日 (目安) 2021年7月

お振込先情報

金融機関	ソラコム銀行
支店	銀座支店
口座種別	普通

同意して申込みする

この内容で利用する

## Pay

Applied funds are transferred to your bank account within 2 days at earliest

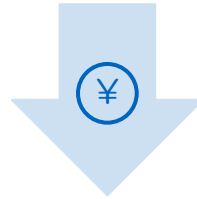


# Simplify Payroll Payments

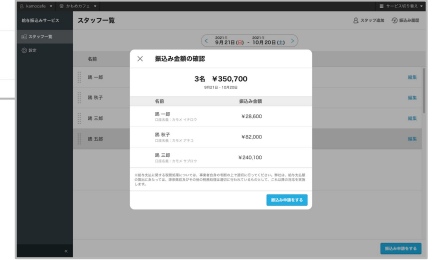
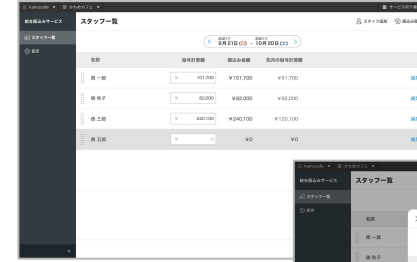
Long queue at bank ATMs on pay day of employers making payroll payments and employees withdrawing wages



Employer



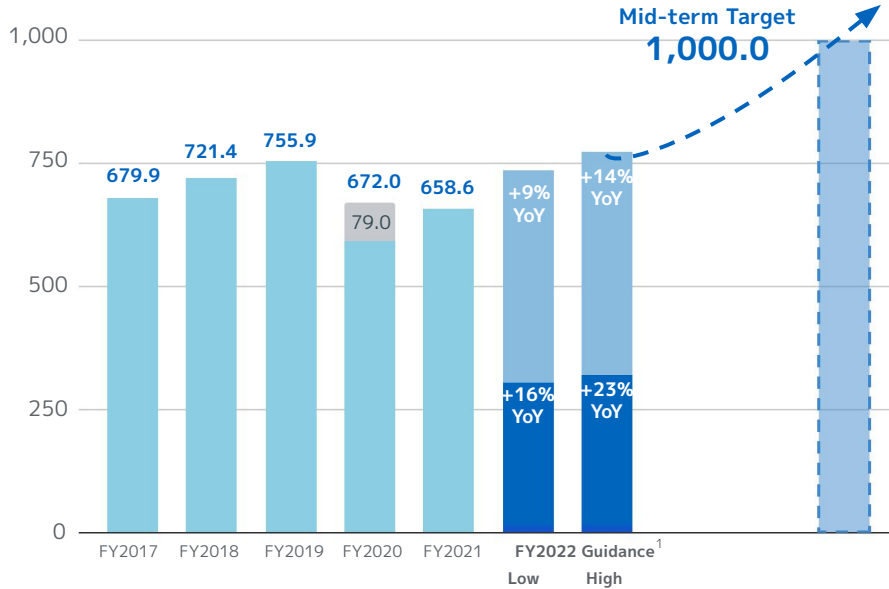
Employee



# Mid-term Target of Matching & Solutions SBU

## Revenue

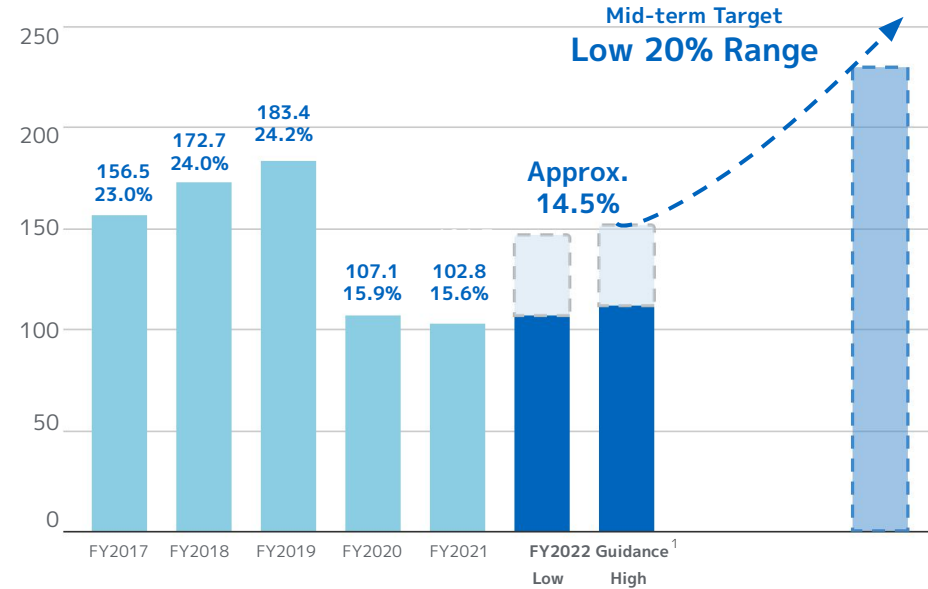
(in billions of yen)



■ Revenue from the Rent Assistance Program ■ Marketing ■ HR Solutions

## Adjusted EBITDA & Adjusted EBITDA Margin (New Definition)<sup>2</sup>

(in billions of yen)



▨ Strategic investment expenses<sup>3</sup>

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# Help Businesses Work Smarter

Matching & Solutions SBU

# Disclaimer

## Forward-Looking Statements

This material contains forward-looking statements, which reflect the Company's assumptions, estimates and outlook for the future based on the Company's plans and expectations as of March 31, 2021 unless the context otherwise indicates. There can be no assurance that the relevant forward-looking statements will be achieved. Please note that significant differences between such forward-looking statements and actual results may arise due to various factors, including changes in economic conditions, changes in individual users' preferences and business clients' needs, competition, changes in the legal and regulatory environment, fluctuations in foreign exchange rates, and other factors. Accordingly, readers are cautioned against placing undue reliance on any such forward-looking statements. The Company has no obligation to update or revise any information contained in this document based on any subsequent developments except as required by applicable law or stock exchange rules and regulations.

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This material includes information derived from or based on third-party sources, including information about the markets in which we operate. These statements are based on statistics and other information from third-party sources as cited herein, and the Company has not independently verified and cannot assure the accuracy or completeness of any information derived from or based on third-party sources.

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