

Recruit Holdings Co., Ltd.

Investor Presentation

November 2023



Disclaimer

Forward-Looking Statements

This material contains forward-looking statements, which reflect the Company's assumptions, estimates and outlook for the future based on information available to the Company and the Company's plans and expectations as of the date of this material 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, climate change or other changes in the natural environment, the impact of the spread of COVID-19, the occurrence of large-scale natural disasters, 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 material based on any subsequent developments except as required by applicable law or stock exchange rules and regulations.

Third-Party Information

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.

Notes Of This Document

This material has been prepared for the sole purpose of providing general reference information. Neither this material nor any of its contents may be disclosed or used by any third party for any other purpose without the prior written consent of the Company. The Company makes no representation as to the accuracy or completeness of the information contained in this material and shall not be liable for any loss or damage arising from the use of this material.

MISSION

Opportunities for Life.

Faster, simpler and closer to you.

**“Couldn't this be faster and easier?” and
“How can we make this more convenient?”**

- Hisayuki "Deko" Idekoba
President, CEO, and Representative Director of the Board



Recruit Group¹: A Matching Company

Global leader in HR Technology and Business Solutions

Founded

1960

Headquarters

Tokyo

Employees²

51K+

Revenue³

¥3.42T

Adjusted EBITDA^{3,4}

¥545B

Adjusted EPS^{3,5}

¥199.35

1 Recruit Holdings Co., Ltd. and its consolidated subsidiaries

2 As of March 31, 2022 (HR Tech:13,161, M&S: 21,526, Staffing: 16,934, Corporate: 136)

3 Consolidated results as of March 31, 2023. From FY2022, the Company changed the adjustment items for adjusted EBITDA and adjusted EPS and figures in this report are based on the new definition. (Please refer to FAQ for Q4FY2021)

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

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

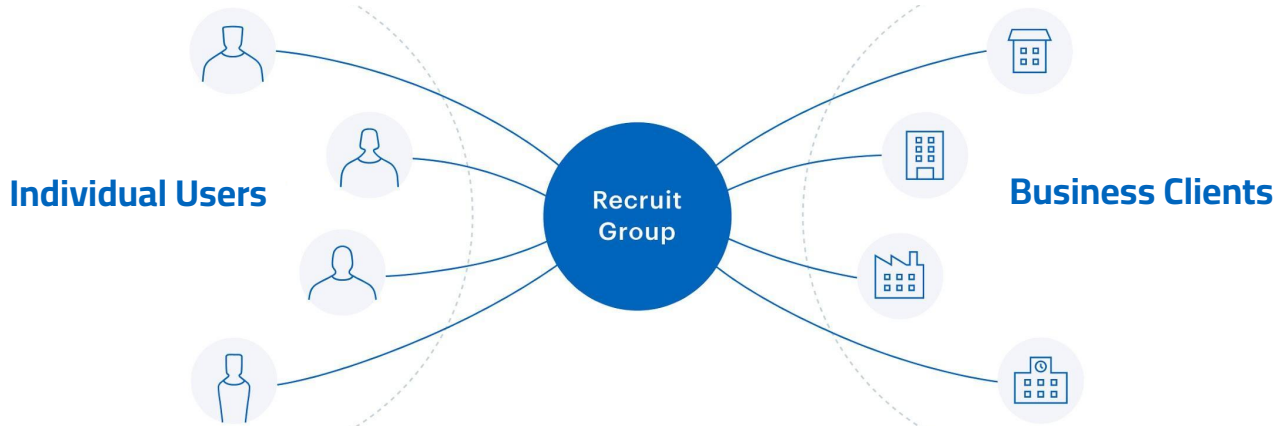
6 Adjusted profit : Profit attributable to owners of the parent ± Non-recurring income/losses (excluding non-controlling interests) ± tax reconciliation related to certain non-recurring income/losses

7 Non-recurring income/losses : Gains or losses from disposals of shares of associates, expenses relating to company restructuring, gains or losses from the sale or impairment of property and equipment, and income and expense items that the Company believes are unusual or non-recurring in nature which do not reflect the Company's underlying results of operations.



Our Business Model

A history of connecting businesses and individuals in multiple industries



Employment



Housing & Real Estate



Beauty



Travel



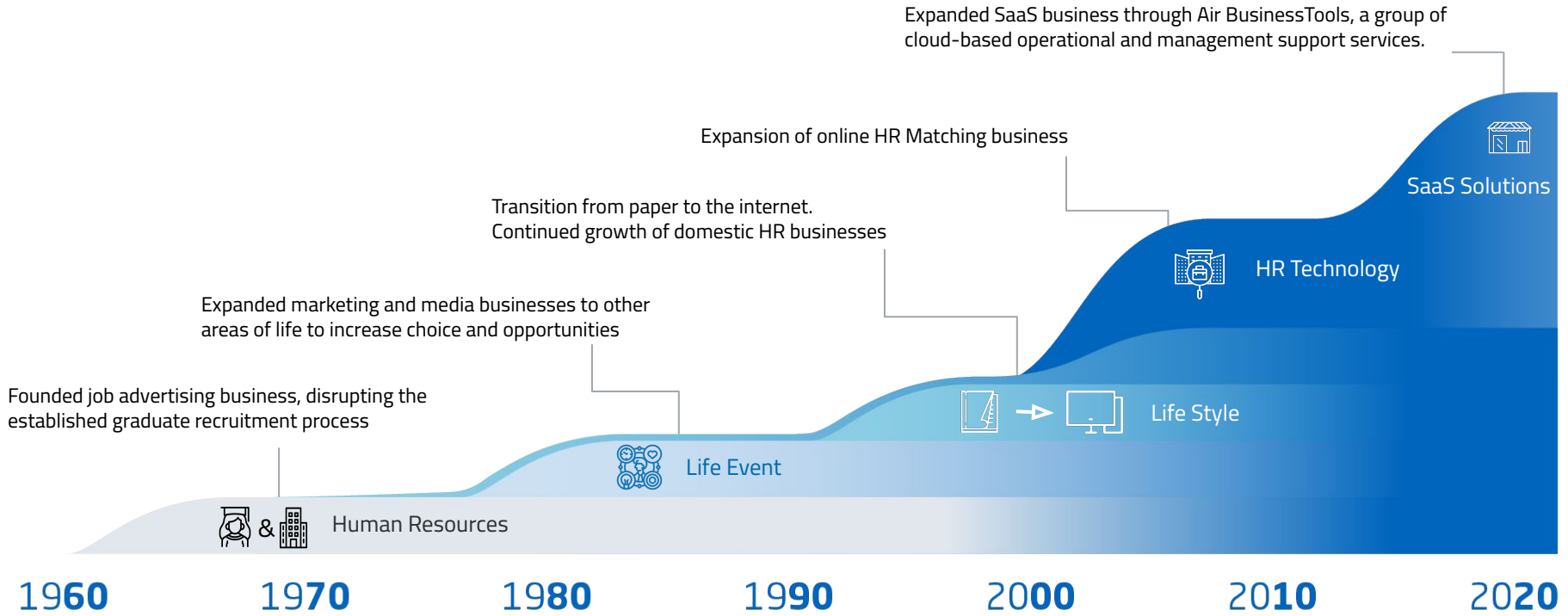
Bridal



Dining

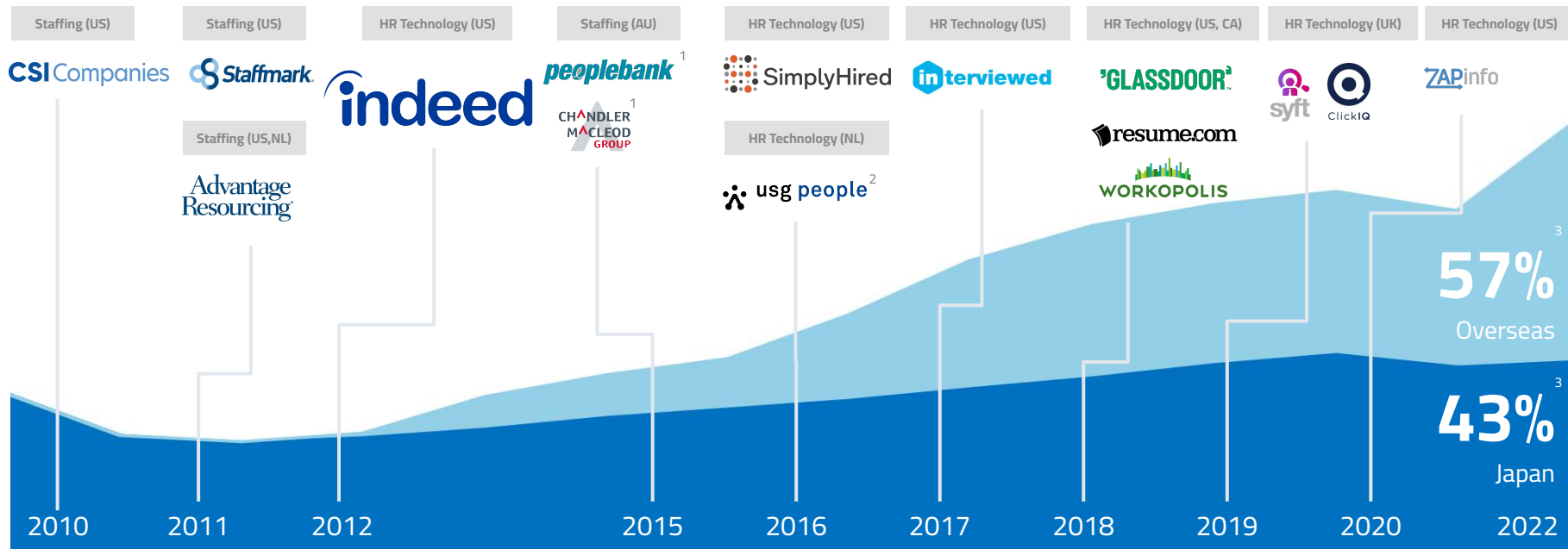
Matching platforms in Jobs, Life Events, and Lifestyle

Proven track record of business expansion, digital transformation and disruption



Globalization of HR Matching businesses through M&A

FY2022 Consolidated Revenue **3.42tn yen**



1 Peoplebank and Chandler Macleod Group were rebranded as RGF Staffing APEJ in November 2021

2 Company name of USG People Holdings B.V. was changed to RGF Staffing the Netherlands B.V. in April 2021, and other USG People group companies were rebranded to RGF Staffing in March 2021

3 Revenue breakdown between Japan and overseas is calculated based on the revenue in FY2023

Opportunities For Life. Faster, simpler and closer to you.

- 01 Our business model**
A history of connecting businesses and individuals in multiple industries
- 02 Our business strategy**
A three-part strategy combining historical strengths and future opportunities
- 03 Our leadership and Capital Allocation Policy**

Leading brands across three Strategic Business Units (SBU)

	HR Technology SBU	Matching & Solutions SBU		Staffing SBU
		Marketing Solutions	HR Solutions	
Business	Global platforms on jobs, hiring solutions and real-time conversations	Matching platforms and SaaS solutions in Japan		Temporary staffing services in Japan, Europe, US and Australia
Brands	 			
Source of Revenue	Pay for performance Subscription fees	Subscription fees Transaction fees		Fee for dispatching temporary staff

Opportunities For Life. Faster, simpler and closer to you.

- 01 Our business model**
A history of connecting businesses and individuals in multiple industries
- 02 Our business strategy**
A three-part strategy combining historical strengths and future opportunities
- 03 Our leadership and Capital Allocation Policy**

Our Business Strategy

Three strategic pillars combining our historical strengths with future opportunities

1

Simplify Hiring

Connect people with jobs,
Faster and easier

2

Help Businesses Work Smarter

Improve the productivity and
performance of clients' businesses
through SaaS solutions in Japan

3

Prosper Together

Sustainable growth
shared by all stakeholders

1

Simplify Hiring

Connect people with jobs,
Faster and easier

Led by HR Technology



We help people
get jobs



The new home for
workplace conversations



CSI Companies





“I just want to make it easier for people to find better jobs.”

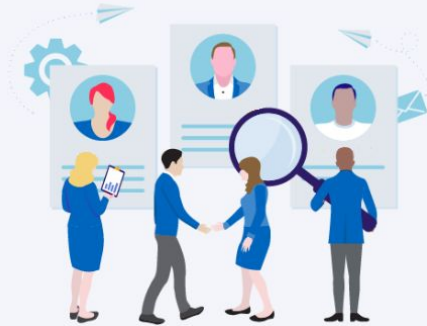
Hisayuki "Deko" Idekoba

Representative Director, President and CEO
Recruit Holdings Co., Ltd.

Our Vision to Simplify Hiring

Leading the transformation of job search and hiring

Today



**Complicated, confusing,
manual and slow**

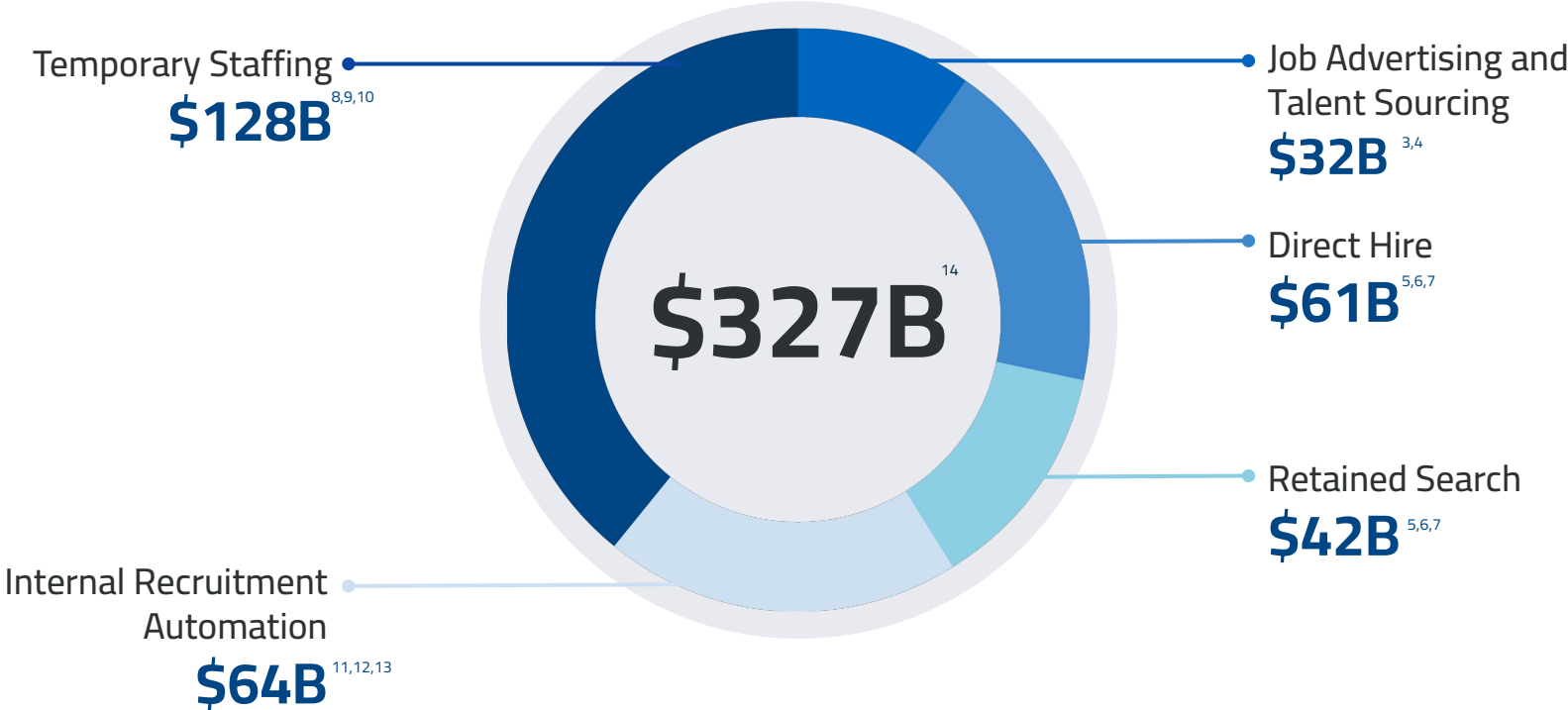
Future



**Easier and faster for people to get jobs
Reduced cost and time to hire for employers**

Large and growing HR Matching market

Addressable across our three SBUs



*Please refer to the page 40 and 41 for footnotes

Definitions of HR Matching Markets


Addressable Markets


Job Advertising and Talent Sourcing ^{3,4}	a collection of online and offline tools and services that help employers advertise jobs, source candidates, and build and promote their online employer brand
Direct Hire ^{5,6,7}	where agencies are paid fees for placing permanent workers at employers (alt: <i>Permanent Placement</i>)
Retained Search ^{5,6,7}	where agencies are paid an upfront fee to exclusively search for employees to fill specific roles at employers, commonly executive roles
Temporary Staffing ^{8,9,10}	where agencies are paid to find and employ, or facilitate employment of, workers for a temporary period for business clients
Internal Recruitment Automation ^{11,12,13}	estimate of how much of spending on internal talent acquisition resources and tasks that can reasonably be automated and monetized by third parties

*Please refer to the page 40 and 41 for footnotes


Trends that support long term growth of HR Matching industry

 Tight labor markets


 Virtual recruiting


 Automation and AI (data-driven recruitment)

 Outsourced recruiting

 Globalization of talent

 Flexible work

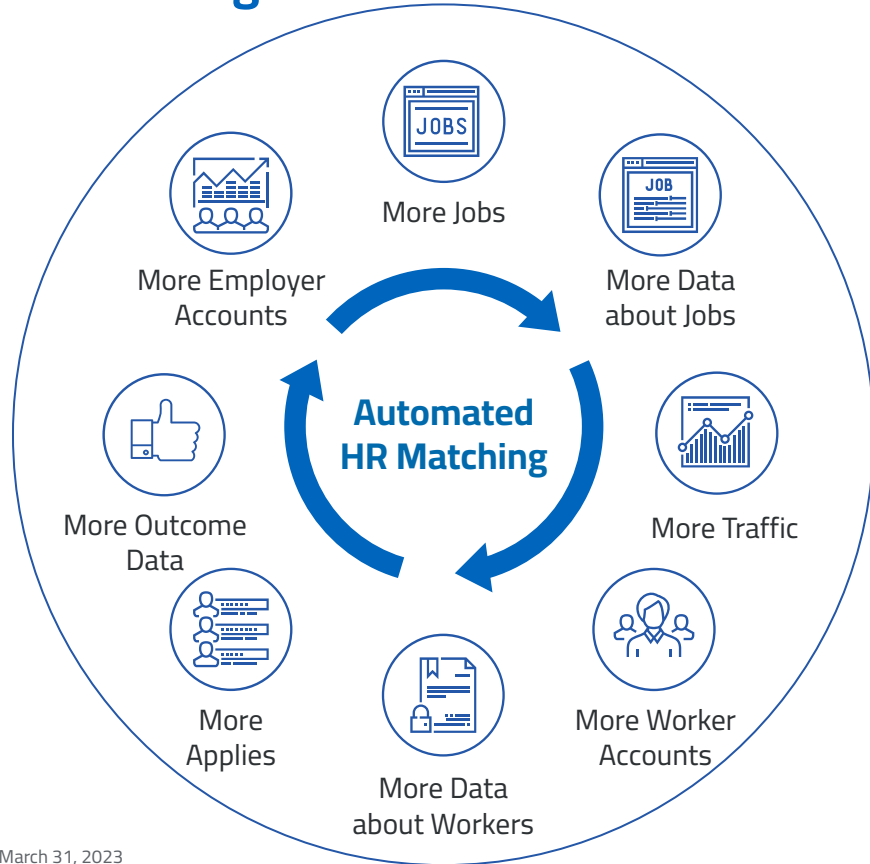
 High labor market churn

 Workforce diversity

Improving quality and speed of matching

Leveraging data and technology across our HR Matching businesses

- **245M** resumes¹
- **850M** total ratings and reviews²
- **435M** assessments taken³
- **30M** jobs⁴



¹ Internal data, total number of searchable resumes on Indeed as of March 31, 2023

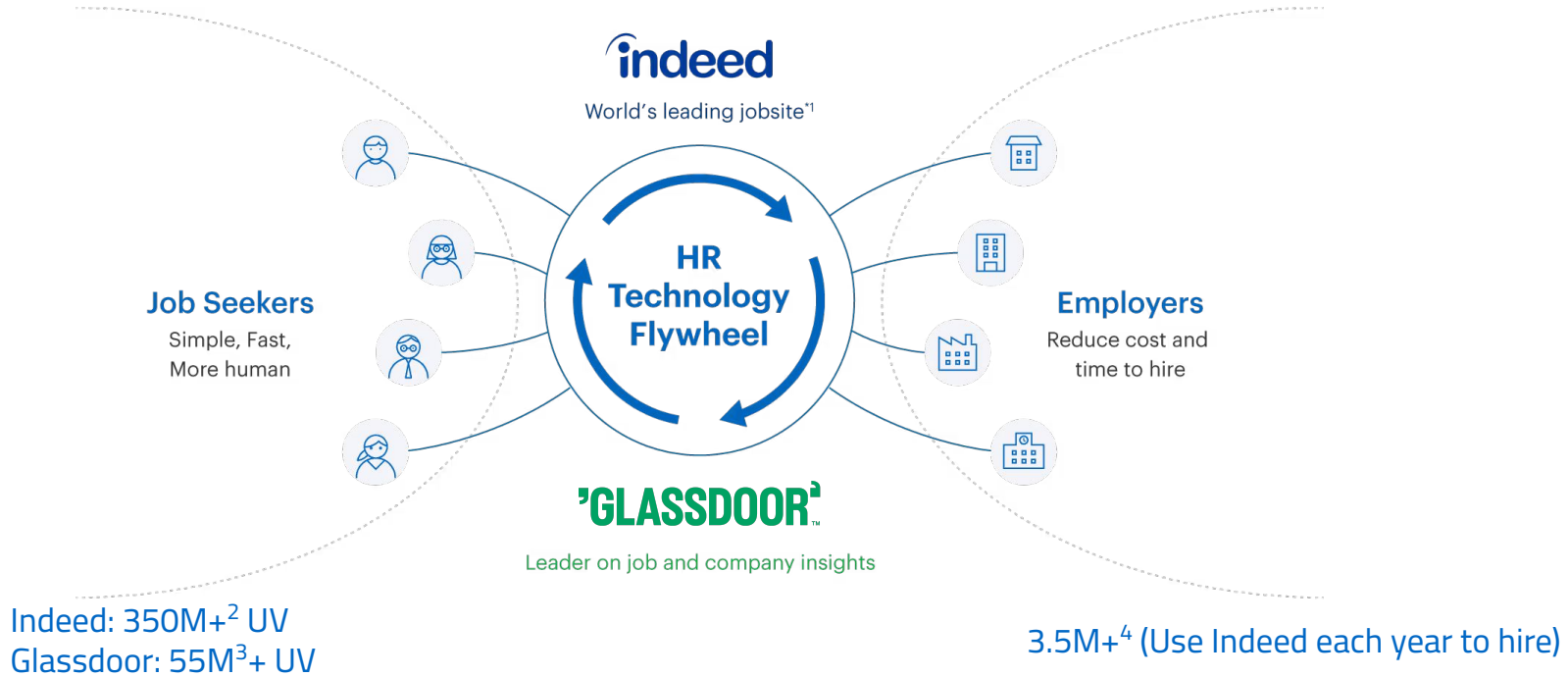
² Internal data, on Indeed as of March 31, 2023

³ Internal data, cumulative number of Indeed Assessments completed by job seekers as of March 31, 2023

⁴ Daily average number of jobs searchable on Indeed, worldwide, March 2023

HR Technology: Global two-sided talent marketplace

Online job matching platforms to become world's leading job site in the HR Matching market



1 Source: comScore, Total Visits, March 2023

2 Source: Internal data, an average of each month's total of distinct cookie IDs visiting Indeed's site between April 2023 to September 2023

3 Source: Internal data based on Google Analytics, an average of each month's total of distinct cookie IDs visiting Glassdoor's site between October 2022 - March 2023

4 Source: Internal data, number of distinct organizations that have either spent on any Indeed product or a hosted job between January 2022 and December 2022. Note, that organization can be counted multiple times

Job seekers hired every minute¹

18

2021

23

2022

approx. +30% YoY

¹ Hires per minutes increased from approx. 18 in calendar 2021 to approx. 23 in calendar 2022 (approx. 30% increase). See P19 of "Consolidated Financial Results for the Year Ended March 31, 2023 (IFRS, Unaudited)" for calculation methodology.

Applying the HR Matching engine

Collaborating across our three SBUs to target the entire HR matching market

Staffing

HR Technology

indeed *flex*

indeed

RGF Staffing

'GLASSDOOR'

RECRUIT AGENT

リクナビNEXT

fromAnavi

リクナビ



Matching Engine

AirWORK 採用管理

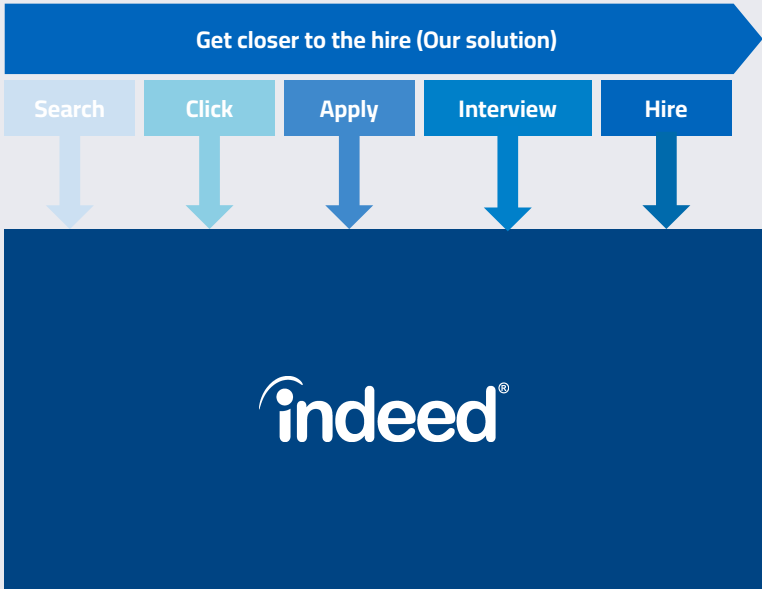
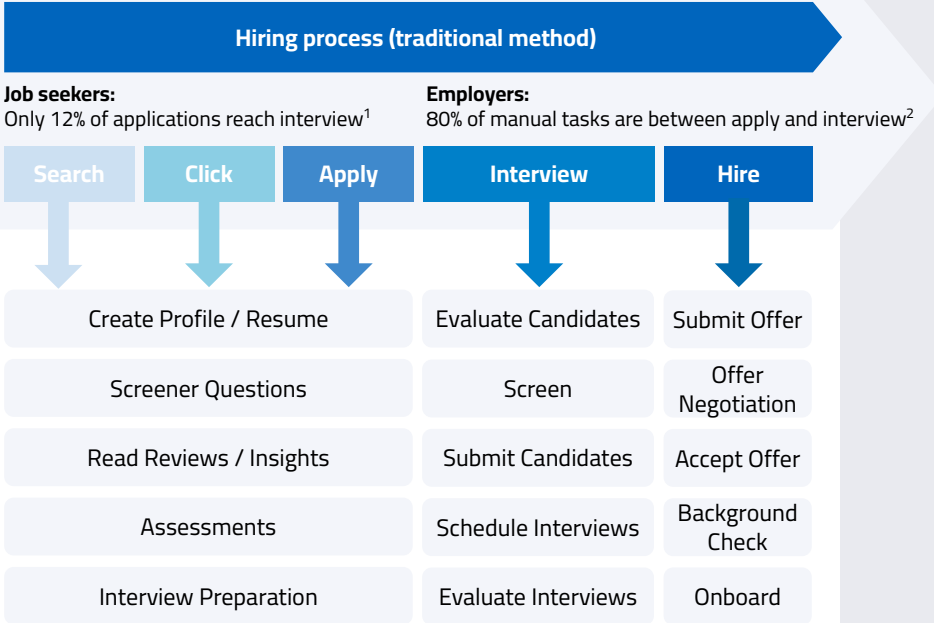
タウンワーク TOWNWORK

Matching & Solutions

Pillar 1: Simplify Hiring

Automating the recruitment process

Removing inefficiencies from search to hire

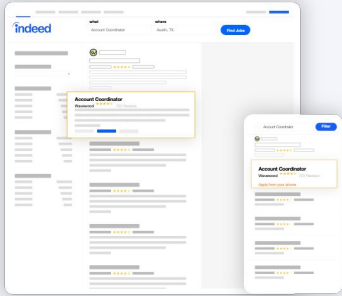


¹ In 2018 - JobVite 2019 Recruiting Benchmark Report
² Indeed Data (US)

Pillar 1: Simplify Hiring

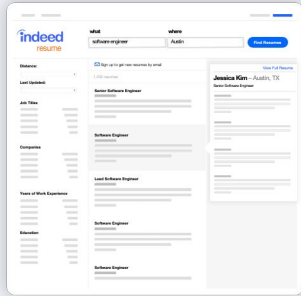
Manage your hiring from start to finish

Pay for Performance: Ads, Resume, Indeed Hiring Platform, and Employer Branding¹



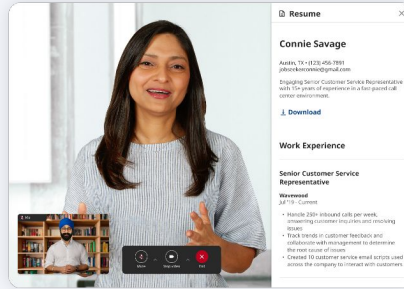
INDEED ADS

Find great people & get quality applicants



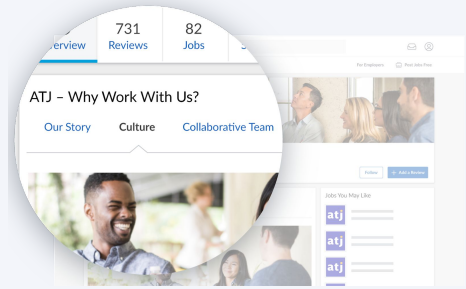
INDEED RESUME

Connect directly with your top picks



INDEED HIRING PLATFORM

Fast track your recruiting efforts with automation



GLASSDOOR BRANDING

Showcase why you're a great place to work

¹ Does not represent all Indeed and Glassdoor products currently available

2

Help Businesses Work Smarter

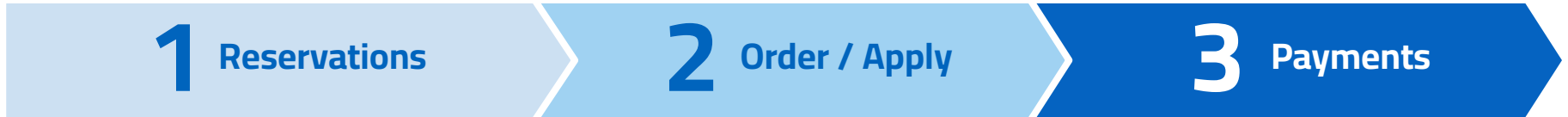
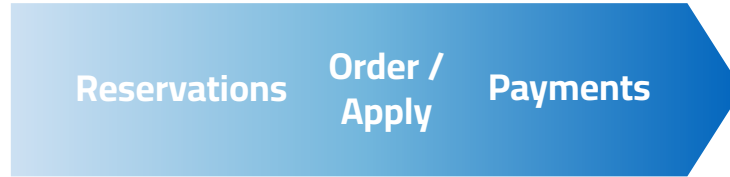
Improve the productivity and performance of clients' businesses through SaaS solutions in Japan

Led by Matching & Solutions SBU



Simplify Business Operational Processes

Simplify Entire Business Process by Replacing Complicated Administrative and Operational Processes with Air BusinessTools



Our New Business Model Evolved with Technology

Maximize Number of Actions with our Ecosystem Combined with Matching Platforms and SaaS

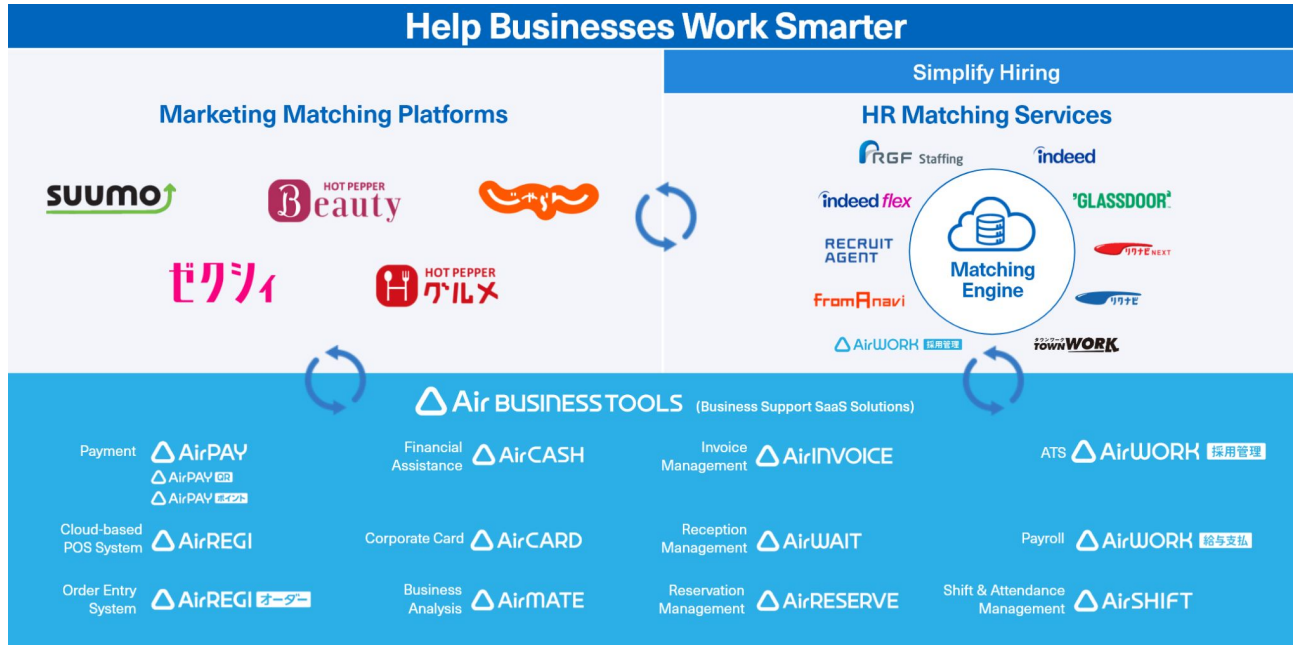
Simplify Business Processes



One of the Largest Matching Platforms in Japan

Our Ecosystem to help businesses work smarter in Japan

Efficiently Circulating Flow of People, Goods and Services, and Payments within the Ecosystem



Trends that support “Help Businesses Work Smarter” in Japan

- Aging population and low birth rate drives need to improve productivity
- Need for Digital transformation

FY 2022 KPI Results

Three KPIs will be Expanded, Maximized, and Sustained in a Chain Reaction

of Actions¹

YoY +34%

420_M⁴

of SaaS Accounts²

YoY +30%

3.18_M⁵

GPV³

YoY +69%

1.3_{trl}⁶
yen

1 The total of the number of applications on Rikunabi NEXT, TOWNWORK, and RECRUIT AGENT, the number of individual users who were referred 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, and the number of payments through AirPAY during the period from April 1, 2022 to March 31, 2023.

2 Cumulative number of registered accounts of paid and unpaid SaaS solutions provided by Matching & Solutions SBU in Japan as of March 31, 2023. 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. (Since the revenue generated from the payment processing fee we collect is based on a very small percentage basis of total gross payment volume, changes in total gross payment volume are not necessarily proportional to changes in our total revenue)

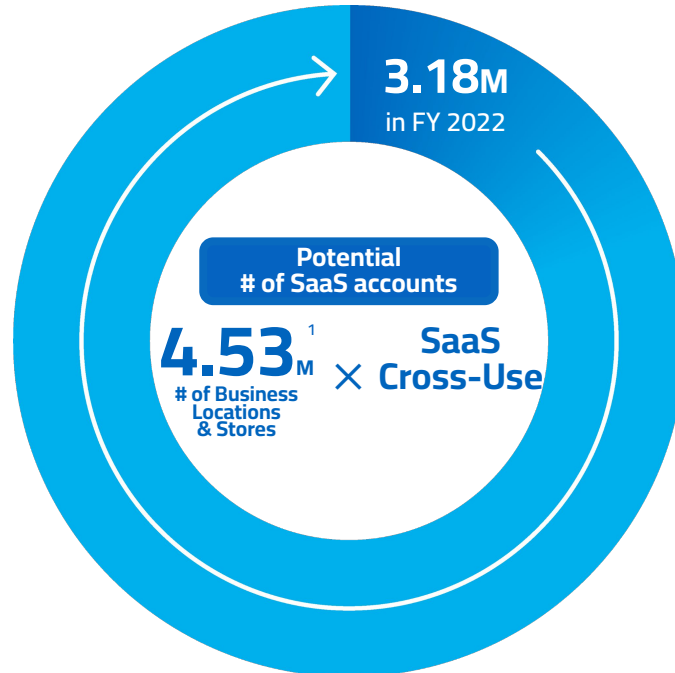
4 Rounded down to the whole number.

5 Rounded down to the third decimal place.

6 Rounded down to the second decimal place.

The Estimated Number of Business Locations and Stores

Huge Potential for Account Expansion through
Further Introduction of Existing Services and Launching New Services



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. 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.

3

Prosper Together

Seek sustainable growth that
every stakeholder shares



Our Commitment to Sustainability¹



E Environmental Climate Action

Become carbon neutral throughout our business activities by FY2021 and our entire value chain by FY2030²

S Social Social Impact

Shorten the time it takes to get hired by half by FY2030³

Help 30 million people facing barriers get hired by FY2030⁴

S Social Our People

Achieve gender parity across all employee levels by FY2030⁵

G Governance Corporate Governance

Reach gender parity of the Board of Directors members including Audit & Supervisory Board members by FY2030⁶

¹ The years indicated are Recruit Holdings' fiscal years (FY), which begin on April 1 each year and end on March 31 of the following year. All targeted figures displayed here are approximate.

² Carbon neutrality includes reducing greenhouse gas (GHG) emissions as well as offsetting the remaining emissions. GHG emissions throughout business activities are the sum of direct emissions from the use of fuels in owned or controlled sources (Scope 1) and indirect emissions from the use of purchased electricity, heat, or steam in owned or controlled sources (Scope 2). GHG emissions from the value chain are indirect emissions other than Scope 1 and 2 (Scope 3). The entire value chain represents the total of Scopes 1, 2 and 3.

³ The period from the time a user starts an active job search on the Indeed job platform to the time the users confirm receipt of a job offer.

⁴ The initiative as of today includes providing assistance through the Company's online job platform, and through partnerships with NPOs and other organizations with whom the Company collaborates. The Company may also aim to reduce other various barriers, including newly emerging issues in the labor market by FY2030.

⁵ All employee levels refer to the following three groups including all employees, managerial positions, and senior executives. Senior executive positions are defined as Senior Vice Presidents and Corporate Officers of Recruit Holdings and Matching & Solutions Strategic Business Unit (SBU), and CEOs of the Company's major subsidiaries and heads of key functions in the HR Technology and Staffing SBUs. Figures for managerial positions and employees are calculated from Recruit Holdings, SBU Headquarters, and primary operating companies of each SBU. Managerial positions mean all of those that have subordinate employees.

⁶ The Board of Directors members are defined as Directors of the Board and Audit & Supervisory Board members.

Opportunities For Life. Faster, simpler and closer to you.

- 01 Our business model**
A history of connecting businesses and individuals in multiple industries
- 02 Our business strategy**
A three-part strategy combining historical strengths and future opportunities
- 03 Our leadership and Capital Allocation Policy**

Board of Directors



Masumi Minegishi
Representative Director
and Chairperson



Hisayuki Idekoba
Representative Director,
President and CEO

Head of HR Technology SBU



Ayano Senaha
Director, Executive Vice President
and COO



Rony Kahan
Director of the Board



Naoki Izumiya
Independent Director



Hiroki Totoki
Independent Director



Keiko Honda
Independent Director



Katrina Lake
Independent Director

Disciplined Capital Allocation toward Strategic Action and Shareholder Returns supported by Strong Financial Position

- 01** Product development and marketing expense for existing businesses for future growth
- 02** Continuous payment of stable per-share dividends
- 03** Strategic M&A mainly focused on HR Technology in the HR Matching Market
- 04** Share repurchase program, depending on the capital markets environment and the outlook of the Company's financial position

¹ The Company's ROE target is approximately 15%.

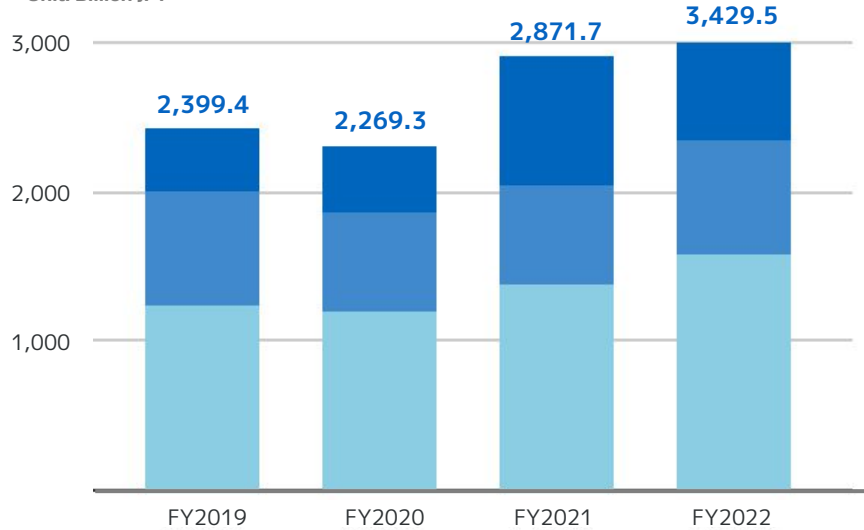
The Company also applies a hurdle rate exceeding the cost of capital when evaluating each investment opportunity, and focuses on achieving capital efficiency above the cost of shareholders' equity on a consolidated basis.

Appendix

Consolidated Financial Results

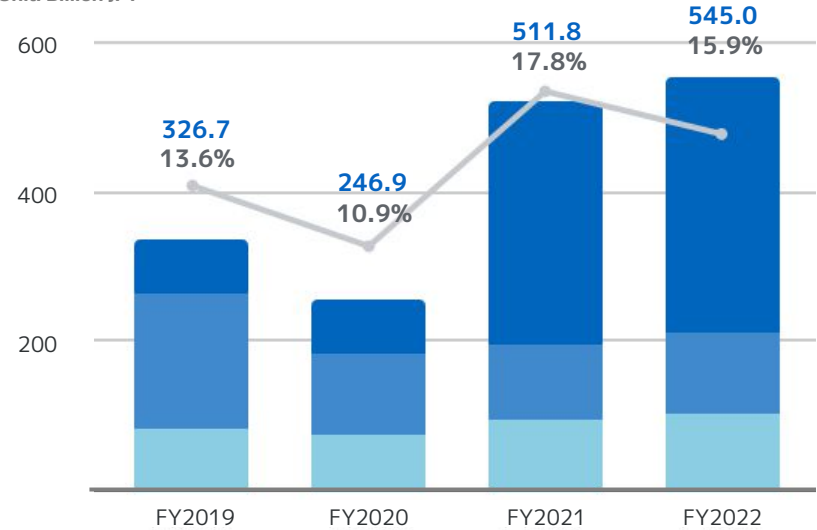
Revenue

Unit: Billion JPY



Adjusted EBITDA & Adjusted EBITDA Margin¹

Unit: Billion JPY



● HR Technology
 ● Matching & Solutions
 ● Staffing
 ● Adjusted EBITDA Margin

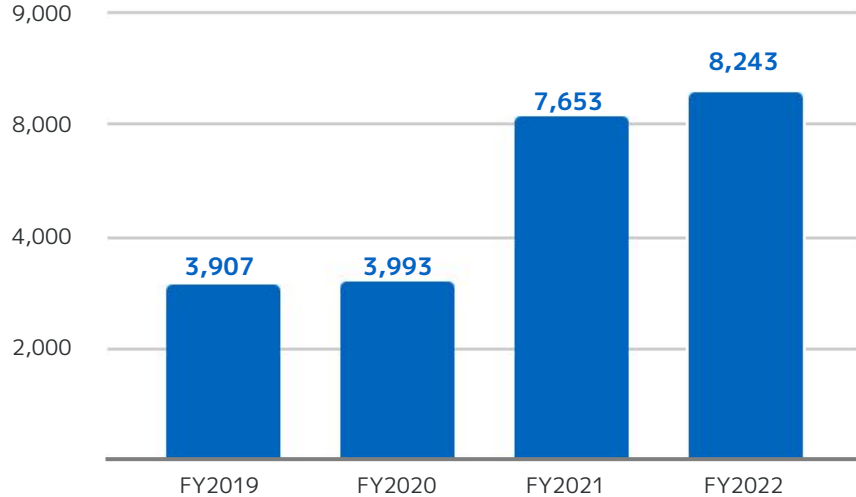
¹ From FY2022, the Company changed the adjustment items for adjusted EBITDA. New definition of adjusted EBITDA has been applied retroactively to FY2019 through FY2021.
 Adjusted EBITDA : Operating income + depreciation and amortization (excluding depreciation of right-of-use assets) + share-based payment expenses ± other operating income/expenses

Appendix:

HR Technology SBU Financial Results

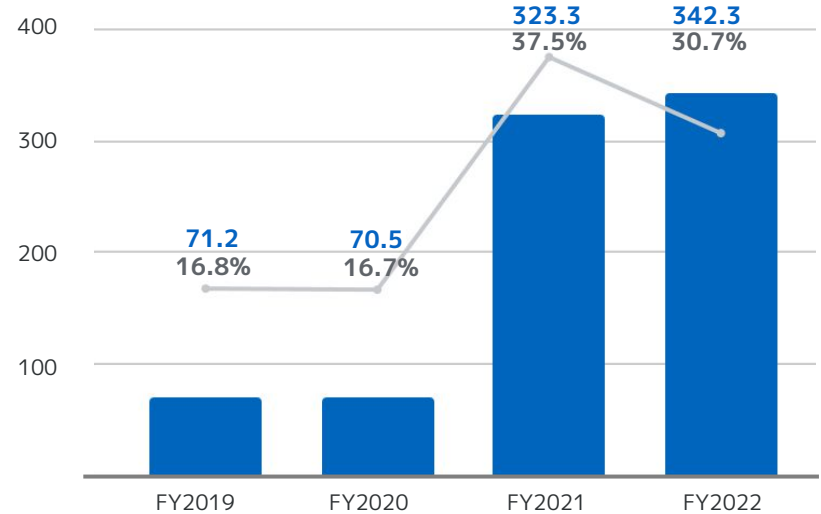
Revenue

Unit: Million USD



Adjusted EBITDA & Adjusted EBITDA Margin¹

Unit: Billion JPY



● Adjusted EBITDA Margin

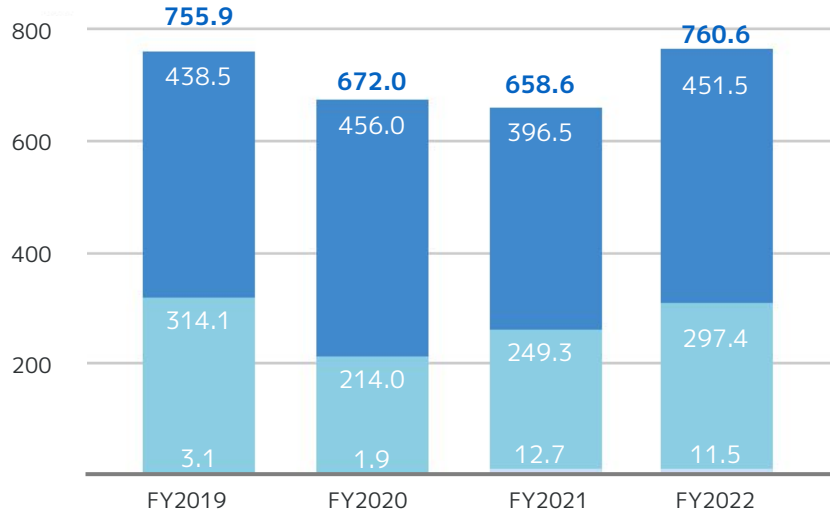
¹ New definition of adjusted EBITDA has been applied retroactively to FY2019 through FY2021.

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

Matching & Solutions SBU Financial Results

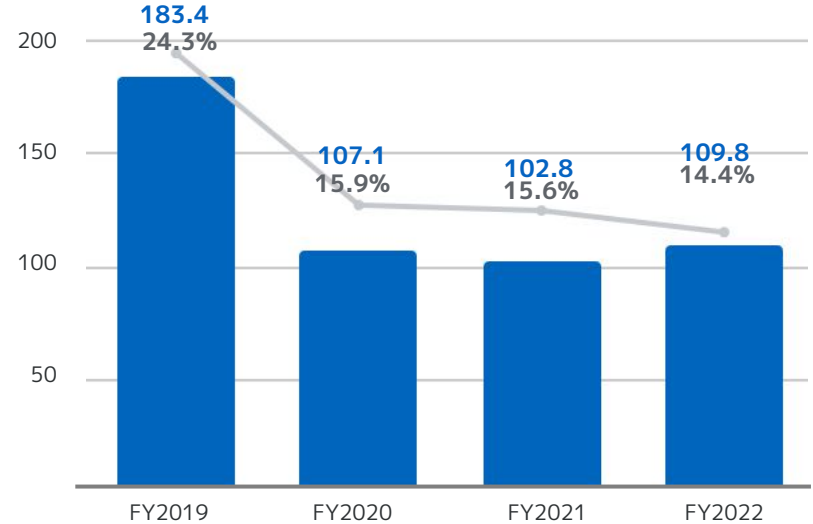
Revenue

Unit: Billion JPY



Adjusted EBITDA & Adjusted EBITDA Margin¹

Unit: Billion JPY



● Marketing Solutions

● HR Solutions

● Others & Elimination

● Adjusted EBITDA Margin

¹ New definition of adjusted EBITDA has been applied retroactively to FY2019 through FY2021.

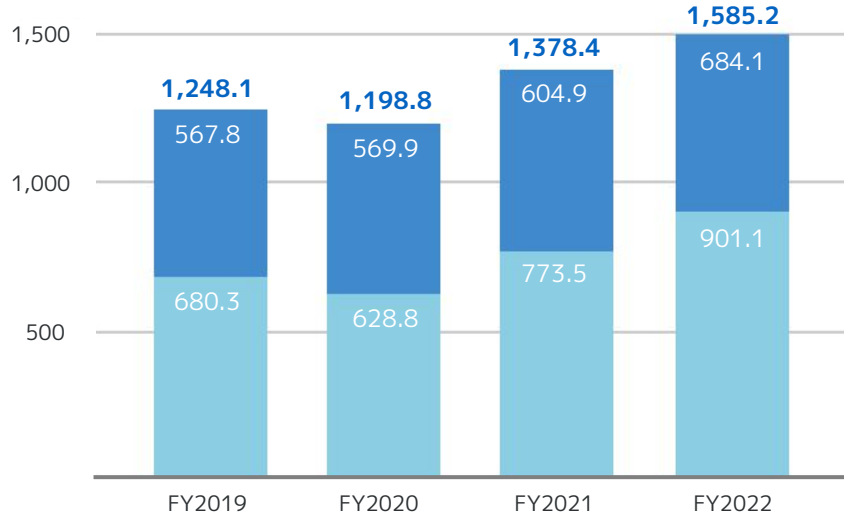
Adjusted EBITDA : Operating income + depreciation and amortization (excluding depreciation of right-of-use assets) + share-based payment expenses ± other operating income/expenses

Appendix:

Staffing SBU Financial Results

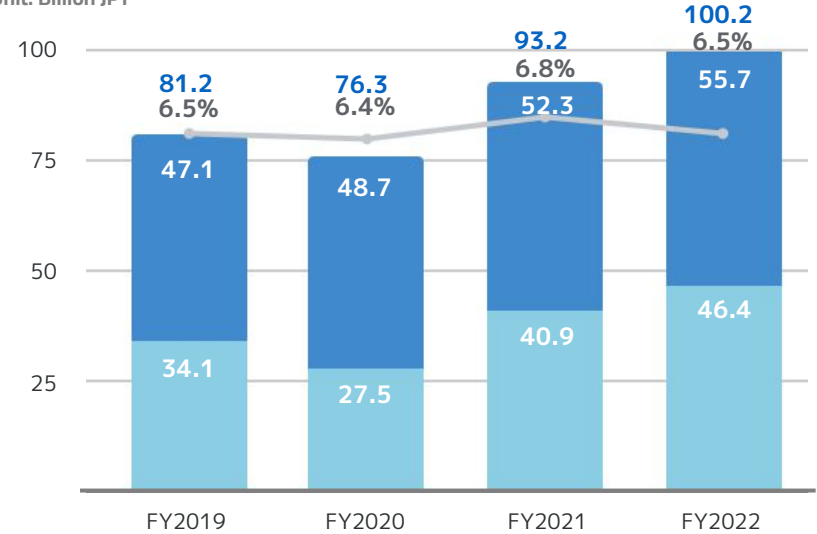
Revenue

Unit: Billion JPY



Adjusted EBITDA & Adjusted EBITDA Margin¹

Unit: Billion JPY



● Japan
 ● Europe, US & Australia
 ● Adjusted EBITDA Margin

¹ New definition of adjusted EBITDA has been applied retroactively to FY2019 through FY2021.

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

Appendix:

Footnote

Page 15, 16

- 1 The Company is aware there may be legal restrictions in this area and so will endeavor that the Company's work meets those requirements.
- 2 Sum of the estimated size of addressable markets for the job advertising & talent sourcing tools market, the direct hire market, and the retained search market in terms of annual revenue, the estimated size of the addressable market for the internal recruitment automation market in terms of the amount of current expenses of employers for internal talent acquisition resources that could be reasonably automated and monetized, and the addressable markets for the temporary staffing market in terms of annual gross profit, in each case based on the Company's estimates and third party market data as described in the notes below.
- 3 Estimated size of the global online job advertising and talent sourcing tools market calculated by adding together the revenue of HR Technology in the relevant year, the Company's estimates for revenue of competing job advertising boards in the Company's target operating markets in the relevant year based on third party reports and internal research, and the Company's estimates for annual revenue of the talent solutions business of LinkedIn in the Company's target operating markets in the relevant year based on publicly available information and internal research.
- 4 Estimated size of the global offline job advertising market derived based on the proportion of online to offline spending (excluding TV, cinema and radio advertising) in the overall advertising market in the relevant year based on third party reports and the estimated size of global online job advertising and talent sourcing tools market. The numbers in this chart are the sum of the global offline job advertising market and global online job advertising and talent sourcing tools market.
- 5 Source for 2021 as of May 16, 2022: SIA, Global Staffing Market Estimates and Forecast: November 2021 Update. Placement & Search market is derived by applying 14%, which was Placement & Search's share of 2021 Global Staffing Revenue to 550 billion US dollars, the estimated 2021 Global Staffing Revenue, derived by applying the estimated 2021 14% growth rate to the estimated 2020 market of 483 billion US dollars. Direct Hire Market is defined as a segment of Placement & Search Market, which in turn is a segment of Global Staffing Industry Market. Direct Hire Market segment was derived by applying SIA's Global Staffing Industry Market figure to country-by-country ratios of the relative proportion attributable to this segment within the total market based on proprietary third party market data. Retained Search Market is defined as the portion of Placement & Search Market not attributable to the Direct Hire Market and derived as the difference between these two segments.
- 6 Source for 2021 [updated]: SIA, Global Staffing Market Estimates and Forecast: November 2022 Update. Placement & Search market is derived by applying 15% [adjusted from 14% estimated in the prior year], which was Placement & Search's share of 2021 Global Staffing Revenue to 620 billion US dollars [upwardly revised from the prior estimate of 550 billion US dollars], which was estimated 2021 Global Staffing Revenue. Direct Hire Market is defined as a segment of Placement & Search Market, which in turn is a segment of Global Staffing Industry Market. Direct Hire Market segment was derived by applying SIA's Global Staffing Industry Market figure to country-by-country ratios of the relative proportion attributable to this segment within the total market based on proprietary third party market data. Retained Search Market is defined as the portion of Placement & Search Market not attributable to the Direct Hire Market and derived as the difference between these two segments.
- 7 Source for 2022: SIA, Global Staffing Market Estimates and Forecast: November 2022 Update. Placement & Search market is derived by applying 15%, which was Placement & Search's share of 2022 Global Staffing Revenue to 688 billion US dollars, which was estimated 2022 Global Staffing Revenue, derived by applying the estimated 2022 11% growth rate to the estimated 2021 market of 620 billion US dollars. Direct Hire Market is defined as a segment of Placement & Search Market, which in turn is a segment of Global Staffing Industry Market. Direct Hire Market segment was derived by applying SIA's Global Staffing Industry Market figure to country-by-country ratios of the relative proportion attributable to this segment within the total market based on proprietary third party market data. Retained Search Market is defined as the portion of Placement & Search Market not attributable to the Direct Hire Market and derived as the difference between these two segments.

Appendix:

Footnote



Page 15, 16

- 8 Source for 2021 as of May 16, 2022: derived by applying a gross profit margin of 18.68%, which was calculated based on the weighted average of the top 3 publicly traded global staffing companies in terms of revenue in 2021 to 473 billion US dollars, which was the revenue of the temporary staffing market in 2021 from SIA, Global Staffing Market Estimates and Forecast: November 2021 Update by applying the estimated 2021 14% growth rate to the estimated 2020 market of 415 billion US dollars.
- 9 Source for 2021 [updated]: derived by applying a gross profit margin of 18.68%, which was calculated based on the weighted average of the top 3 publicly traded global staffing companies in terms of revenue in 2021 to 527 billion US dollars[, upwardly revised from 473 billion US dollars], which was the revenue of the temporary staffing market in 2021 from SIA, Global Staffing Market Estimates and Forecast: November 2022 Update. Additionally, this revised market estimate includes the estimated markets for each of the Talent Platforms, Staffing Platforms, VMS/FMS, MSP and RPO.
- 10 Source for 2022: derived by applying a gross profit margin of 19.85% which was calculated based on the weighted average of the top 3 publicly traded global staffing companies in terms of revenue in 2022 to 585 billion US dollars, which was the revenue of the temporary staffing market in 2021 from SIA, Global Staffing Market Estimates and Forecast: November 2022 Update by applying the estimated 2022 11% growth rate to the restated estimated 2021 market of 527 billion US dollars. Additionally, this revised market estimate includes the estimated markets for each of the Talent Platforms, Staffing Platforms, VMS/FMS, MSP and RPO.
- 11 Source for 2021 as of May 16, 2022: Amount derived by applying an approximately 5% growth rate estimated by the Company to the estimated 2020 market of roughly 42 billion US dollars based on SIA, The Evolution of Recruiting: Estimating the Addressable Market for Recruitment Automation (custom research commissioned by Indeed): March 2022. SIA's estimates are based on the assumption that 35% of historical spending on internal talent acquisition resources could be reasonably captured by current technology and that technology would result in 35% cost savings from historical spending. In the report, SIA notes given the challenges in making global estimates with incomplete information, and in estimating potential automation and savings, SIA advises readers to think of the estimated market size as a midpoint in a range with a 20% spread.
- 12 Source for 2021 [updated]: Amount derived by applying an approximately 11% growth rate estimate by the Company to the estimated 2020 market of roughly 55 billion US dollars based on SIA, The Evolution of Recruiting: Estimating the Addressable Market for Recruitment Automation (custom research commissioned by Indeed): March 2022 and the updated assumptions as described below in SIA, The Evolution of Recruiting: Estimating the Addressable Market for Recruitment Automation (custom research commissioned by Indeed): January 2023 Update. SIA's estimates are based on the assumption that 40%, upwardly revised from 35%, of historical spending on internal talent acquisition resources could be reasonably captured by current technology and that technology would result in 28%, downwardly revised from 35%, cost savings from historical spending. In the report, SIA notes given the challenges in making global estimates with incomplete information, and in estimating potential automation and savings, SIA advises readers to think of the estimated market size as a midpoint in a range with a 20% spread. Additionally, this revised market estimate includes the addition of the ATS market and the Background Checks market.
- 13 Source for 2022: SIA, The Evolution of Recruiting: Estimating the Addressable Market for Recruitment Automation (custom research commissioned by Indeed): January 2023 Update. SIA's estimates are based on the assumption that 40% of historical spending on internal talent acquisition resources could be reasonably captured by current technology and that technology would result in 28% cost savings from historical spending. In the report, SIA notes given the challenges in making global estimates with incomplete information, and in estimating potential automation and savings, SIA advises readers to think of the estimated market size as a midpoint in a range with a 20% spread. This market estimate includes the addition of the ATS market and the Background Checks market.
- 14 As described above, the estimates of the job advertising & talent sourcing tools market, the direct hire market, the retained search market, the internal recruitment automation market and the temporary staffing market are based on internal estimates and independent market research in addition to third party market data. Accordingly, the estimates described above may differ materially from the actual size of such markets.

Page 29

- 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. 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.