FAQ's for Q4 FY2021

Recruit Holdings Co., Ltd.

Q1. What did you see in the global HR Matching market? Also, please explain how the HR Matching TAM has changed since pre-COVID of 2019?

During Q4 FY2021, although the impact of the COVID-19 pandemic continued to subside, the unique conditions of the global labor market generally persisted in several countries, while signs that the labor market imbalance was easing began to materialize. The number of job seekers actively engaged in the labor market continued to increase and job openings growth began to slow, even though overall job openings remained near record highs and well above pre-pandemic levels as well as levels in the prior year in many countries.

In the US, while the labor force participation rate remained below pre-pandemic levels, it increased steadily during the quarter, as some workers that had left the workforce due to COVID-19 re-entered in an improving public health environment and against an economic background of rising inflation and wages. The uptick in labor force participation was reflected in a step up in job seeker activity globally at the beginning of the calendar year, and this trend continued during the quarter on HR Technology's job platforms.

In Japan, the jobs-to-applicants ratio trended upwards during the quarter, while still remaining below pre-pandemic levels, with the hiring environment continuing to gain strength as the past impact of the states of emergency showed signs of easing. As a result, hiring demand in Japan continued to rebound broadly during Q4 FY2021 across HR Technology, the placement and job advertising business in HR Solutions of Media & Solutions, and Staffing.

Even with these gradually changing labor market dynamics, there remained a significant imbalance in the labor market between open roles and job seekers looking for work in many countries, resulting in increased demand year over year, both for hiring products and services in HR Technology and for temporary staff globally in Staffing.

The unique labor market conditions seen during Q4 FY2021 were a continuation of the phenomenon that began with the initial economic recovery from COVID-19 and have had a significant impact on the size of the HR Matching Total Addressable Market (TAM). After contracting during 2020 during the heights of the COVID pandemic, we estimate that the overall size of the HR Matching market expanded as the labor market imbalance emerged and demand for HR matching products and services increased dramatically.

HR Matching addressable markets (estimated)

(In billions of US dollars)	2019	2020	2021
Job Advertising and Talent Sourcing	21	19	26
Direct Hire	55	32	45
Retained Search		21	31
Temporary Staffing (Net)	82	72	88
Sub Total	159	144	192
Internal Recruitment Automation	N/A	N/A	43
Total Addressable Market ("TAM")	**159**	**144**	**236**

We have estimated the total addressable market shown above based on third-party data and on our own market research, internal estimates and assumptions. Please refer to page 24 of the earnings release for details.

Q2. What are the reasons for changing the adjustment items for your target management KPIs, adjusted EBITDA and adjusted EPS beginning in FY2022?

For adjusted EBITDA, we have decided to include share-based payment expenses as an adjustment item to better reflect our cash flow generation and to enhance comparability with other companies globally. The equity incentive plan has been disclosed as "share-based payment expenses" in the *Condensed Quarterly Consolidated Statement of Cash Flows* since Q1 FY2021.

For adjusted EPS, we have decided to remove amortization of intangible assets arising due to business combinations as an adjustment item for adjusted profit, which is the numerator in adjusted EPS calculation, and adjust only non-recurring income/losses to present the recurring per-share profitability of the business and to enhance comparability with other companies globally.

In FY2021, the amount of share-based payment expenses was 32.4 billion yen, adjusted EBITDA and adjusted EPS under the new definitions were 511.8 billion yen and 188.94 yen, respectively. We will apply the new definitions with revised adjustment items for adjusted EBITDA and adjusted EPS for FY2021 retrospectively in quarterly disclosures for FY2022 in order to provide useful year over year comparisons.

Adjusted EBITDA and adjusted EPS for FY2021 under the new definitions are below. The amount of share-based payment expenses in FY2021 are shown in the consolidated statement of cash flows in each of the FY2021 earnings releases.

	FY2021					FY2022E
	Q1	Q2	Q3	Q4	Full year	Full year
NEW Consolidated adjusted EBITDA	**131.4**	**147.1**	**142.0**	**91.2**	**511.8**	**520.0**
Share-based payment expenses	5.7	6.4	7.1	13.0	32.4	77.5
OLD Consolidated adjusted EBITDA	125.6	140.6	134.8	78.1	479.3	-
NEW Consolidated adjusted EPS (yen)	**49.33**	**55.06**	**53.33**	**30.02**	**188.94**	**170.65**
OLD adjusted EPS (yen)	51.24	56.95	55.26	31.98	196.67	-

The definition of adjusted EBITDA and adjusted profit beginning in FY2022 are below.

Adjusted EBITDA

New definition	Prior definition
Operating income	Operating income
± Other operating income/expenses	± Other operating income/expenses
+ Depreciation and amortization	+ Depreciation and amortization
- Depreciation and amortization (right-of-use-assets)	- Depreciation and amortization (right-of-use-assets)
+ Share-based payment expenses	
Adjusted EBITDA	**Adjusted EBITDA**

Adjustment item of adjusted profit

New definition	Prior definition
Profit (loss) attributable to owners of the parent	Profit (loss) attributable to owners of the parent
± Non-recurring income/losses	± Non-recurring income/losses
	+ Amortization of intangible assets arising due to business combination
± Tax reconciliation regarding the non-recurring income/losses	± Tax reconciliation regarding the adjusted items
Adjusted Profit	**Adjusted Profit**

Q3. Why did share-based payment expenses in FY2021 increase significantly compared to FY2020?

We implemented a new equity incentive plan for employees of the HR Technology SBU in Q4 FY2020 to replace the previous cash-based long term incentive plan. This equity incentive plan has a multi-year vesting schedule and the cost of the plan is recognized over this vesting period. FY2021 was the first full year to record the expense for the plan, which resulted in share-based payment expenses, including the compensation for directors, increasing significantly year over year, from 5.3 to 32.4 billion yen.

In FY2022, we expect share-based payment expenses, including compensation for directors, to be approximately 77.5 billion yen. This increase is due to adding an additional HR Technology SBU equity incentive plan year as well as the planned increase of HR Technology SBU employee headcount by approximately 30%.

Also, we announced the disposal of treasury shares in the amount of 124.1 billion yen on May 16, 2022 in our announcement “Recruit Holdings Announces the Disposal of Treasury Shares through Third-party Allotment to Implement an Equity Incentive Plan primarily for HR Technology SBU Employees”. The amount of 124.1 billion yen was calculated based on an estimated number of shares expected to be granted to existing HR Technology employees in the future.

The shares will be granted only to employees who remain with us for a certain period of time, and the share-based payment expenses will be recorded over this vesting period until the shares are delivered. The amount of the disposal of treasury shares of 124.1 billion yen does not correspond to the estimated share-based payment expenses of 77.5 billion yen for FY2022.

Q4. What is the consolidated financial guidance and the outlook for each SBU for FY2022?

The global HR Matching market includes job advertising & talent sourcing tools, direct hire, retained search, internal recruitment automation, and temporary staffing. FY2022 guidance is based on the assumption that a rapid deterioration of the economic environment will not occur and that business clients' hiring activities will not diminish significantly during the fiscal year.

In the US, we have continued to see job seeker activity and job seeker supply increase since the beginning of this calendar year, and so we assume that the imbalance in the labor market in the US will continue to ease gradually throughout the fiscal year. In Japan, we assume that hiring demand from business clients will continue to increase as economic activities recover from COVID-19 related impacts. In much of Europe, similar to the US, there remains an imbalance in the labor market between open roles and job seekers looking for work, however, we also expect this imbalance will continue to gradually ease throughout the fiscal year.

Regarding the business environment surrounding Marketing Solutions in Japan, we assume the current recovery trend will continue assuming that business clients’ activities will not be impacted significantly by potential reimplementation of COVID-19 related restrictions and changes in global economic trends.

Based on the business environment above, we announced the consolidated financial guidance and the outlook for each SBU for FY2022.

(In billions of yen, unless otherwise stated)	FY2021	FY2022	
	Result	Outlook	YoY
Revenue	**2,871.7**	**3,300.0**	**+14.9%**
Adjusted EBITDA	**511.8**	**520.0**	**+1.6%**
Adjusted EPS (yen)	**188.94**	**170.65**	**-9.7%**

From FY2022, we changed the adjustment items for adjusted EBITDA and adjusted EPS, respectively. New definition of adjusted EBITDA and adjusted EPS applied retroactively to FY2021.

The foreign exchange rate assumptions for the consolidated financial guidance for FY2022 are as follows: 120 yen per US dollar, 134 yen per Euro, 90 yen per Australian dollar.

The following table presents the outlook for each segment in FY2022.

(In billions of yen, unless otherwise stated)			FY2021 Full year result	Guidance for FY2022
HR Technology	Revenue (million US dollars)		7,653	**approx. +10% - +20% yoy on a USD basis**
	Adjusted EBITDA margin		37.5%	**approx. 30%**
Media & Solutions	Revenue	Marketing Solutions	396.5	**approx. +9% - +14% yoy**
		HR Solutions	249.3	**approx. +16% - +23% yoy**
	Adjusted EBITDA margin		15.6%	**approx. 14.5%**
Staffing	Revenue	Japan	604.9	**approx. +9% - +12% yoy**
		Europe, US and Australia	773.5	**approx. +5.5% - +7%**
	Adjusted EBITDA margin		6.8%	**approx. 6%**

New definition of adjusted EBITDA, which includes share-based payment expenses as an adjustment item, is applied retroactively to adjusted EBITDA margin of FY2021.

Q5. What are the assumptions for HR Technology's outlook for FY2022?

HR Technology guidance for FY2022 is based on the assumption that a rapid deterioration of the economic environment will not occur and business clients' hiring activities will not diminish significantly during the fiscal year.

In FY2022, HR Technology assumes a limited increase in the number of sponsored job advertisements year over year, and the growth rate for revenue will further moderate throughout the fiscal year. Based on these assumptions, revenue in HR Technology, on a US dollar basis, is expected to increase approximately 10% to 20%, primarily due to an increase in revenue per sponsored job advertisement by simplifying the hiring process for business clients.

Revenue from Indeed Flex, a technology driven temporary staffing online platform service within HR Technology that has been testing collaborations with the Staffing SBU since FY2021, is expected to be approximately 2% to 3% of HR Technology FY2022 revenue.

In line with HR Technology's long-term business strategy of expanding throughout the HR Matching market, HR Technology plans to significantly increase the number of employees in engineering, product development, and other technical roles in order to strengthen existing products and create new solutions that will help expand services for both job seekers and employers. Additionally, HR Technology will aim to continue to expand its sales force and strengthen marketing activities to attract new users and clients.

HR Technology plans to increase the number of employees by approximately 30% from approximately 13,000 at the end of FY2021 resulting in increased employee benefit expenses. Along with increased marketing expenses, these investments will result in a year over year increase of approximately 100 billion yen of SG&A expenses excluding share-based payment expenses.

In FY2022, adjusted EBITDA margin for HR Technology, taking into account growth investments in Indeed Flex, is expected to be approximately 30%.

Q6. What are the assumptions for Media & Solutions' outlook for FY2022?

Based on the assumptions that the potential reimplementation of various COVID-19 related restrictions and the significant changes in global economic trends will not impact business clients' activities, revenue in Media & Solutions is expected to recover to approximately the level of FY2019, not considering a potential new Go To campaign and its impact.

In Marketing Solutions, revenue is expected to increase approximately 9% to 14% year over year as Housing & Real Estate and Beauty, which together accounted for more than 50% of revenue in Marketing Solutions in FY2021, are expected to remain strong. In HR Solutions, revenue is expected to increase approximately 16% to 23% year over year as we expect a continued recovery in the part-time job advertising service and growth in the placement service as a result of a recovery in hiring demand from business clients.

While adjusted EBITDA margin for Media & Solutions in FY2022 has the potential to be approximately 20% if we only take into account expected revenue growth, it is expected to be approximately 14.5% taking into account the approximately 40 billion yen in expected investments for future growth.

The investments consist of approximately 30 billion yen in marketing expenses to strengthen HR Solutions and execute our Simplify Hiring strategy and in SaaS Solutions to execute our Help Businesses Work Smarter strategy as well as approximately 10 billion yen to upgrade the technology infrastructure and core systems to enable the future evolution of the Media & Solutions SBU.

Q7. What are the assumptions for Staffing's outlook for FY2022?

Staffing guidance for FY2022 is based on the assumption that a rapid deterioration of the economic environment will not occur and business clients' temp staffing activities will not diminish significantly during the fiscal year.

In FY2022, revenue in *Japan* is expected to increase approximately 9% to 12% year over year as demand from business clients that began in the second half of FY2021 is expected to remain strong.

In FY2022, revenue in *Europe, US, and Australia* is expected to increase approximately 5.5% to 7% year over year. The temporary demand related to COVID-19, such as testing and vaccination support in Europe, is expected to lessen in FY2022.

Adjusted EBITDA margin for the Staffing SBU is expected to be approximately 6% as it continues to focus on operational efficiency.

Q8. Please tell us what kind of service Indeed Flex provides.

Founded in 2015 in the UK and formerly known as Syft, Indeed Flex is a tech-first staffing platform focused on providing job seekers with a faster way to find temporary work that fits their lifestyle. Syft was acquired by Indeed in 2019 and rebranded as Indeed Flex in April 2021. Currently, Indeed Flex is available in the UK and in select markets in the US, as well as through a collaboration with RGF Staffing (Staffing SBU).

For employers, Indeed Flex offers instant access to a high-quality vetted workforce, as well as a suite of flexible staffing solutions tailored to their specific business needs including internal workforce management, functionality to manage relationships with multiple staffing agencies, and advanced staffing insights.

Job seekers are connected to temp staffing opportunities in the UK and the US through an easy-to-use mobile app which offers them a broad choice of immediately available short and longer-term employment opportunities across multiple industries. Indeed Flex empowers job seekers through ownership, control and choice over where, when, and for whom they work. By putting job seekers first and leveraging technology and data, Indeed Flex aims to enable workers to find the work they want.

Indeed Flex is the employer of record for temporary staff, and as such revenue is recognized on a gross basis, with wages paid to temporary staff included in cost of sales.

Q9. Are there any changes to the capital allocation policy or dividend policy?

There is no change to the capital allocation policy which has the following priorities:

- Product development and marketing expense for existing businesses for future growth
- Continuous payment of stable per-share dividends
- Strategic M&A mainly focused on HR Technology in the HR Matching market
- Share repurchase program, depending on the capital markets environment and the outlook of our financial position

We prioritize investments for execution of our long-term strategy, such as the strategic investments of approximately 140 billion yen planned for FY2022.

Also, there is no change to the dividend policy, which is the continuous payment of stable per-share dividends. Total annual dividend for FY2021 is 21.0 yen per share, which consists of an interim dividend of 10.5 yen per share and a year-end dividend of 10.5 yen per share. Total annual dividend forecast for FY2022 is 22.0 yen per share, which consists of an interim dividend of 11.0 yen per share and a year-end dividend of 11.0 yen per share.

Regarding strategic M&A, we will carry out acquisitions that will contribute to executing our long-term strategy at appropriate valuations.

We will consider and execute share repurchases flexibly in consideration of our cash balance and our share price, as we executed the self tender offer during the period of January 31 to March 1, 2022.

Q10. Is there any impact to you from the going private transaction of 51job?

We entered into definitive agreements on June 21, 2021 with 51job, Inc. (“51job”) and a group of Investors regarding a going private transaction of 51job (“the Transaction”). The Transaction was approved at the extraordinary general meeting of shareholders of 51job on April 27, 2022, and closed on May 10, 2022.

After the completion of the transaction, we will retain a majority portion of our existing minority shareholding in 51job. As part of the Transaction, we received convertible bonds and cash as consideration for a portion of our existing investment in 51job common shares. As a result, 36.9 billion yen is expected to be recorded as extraordinary gains in our non-consolidated financial results for the year ending March 31, 2023.

On a consolidated basis, the financial impact of the amount of common shares transferred and the total amount of convertible bonds and cash received is expected to be recorded as a reduction of investment. Therefore, the impact of the Transaction on our consolidated financial results for the fiscal year ending March 31, 2023 is expected to be immaterial.

We are not making an additional investment in 51job as part of the Transaction. After the completion of the Transaction, our shareholding in 51job is expected to be approximately 39.9% of outstanding shares and approximately 45.4% on a fully diluted basis including the convertible bonds. 51job is expected to remain an equity-method associate of us.

Q11. When and how will you achieve carbon neutrality throughout your business activities in FY2021 as targeted?

We expect to have achieved carbon neutrality throughout our business activities in FY2021 as we planned, by combining our reduction efforts and the offset of greenhouse gas (GHG) emissions. Formally, we expect to have achieved carbon neutrality after receiving a third-party assurance on the measured GHG emissions in November 2022.

In order to reduce emissions, we saved energy in offices by promoting remote work, and by changing to renewable energy power. (We include emissions from remote work conducted outside offices in the calculation of GHG emissions across our entire value chain).

In addition, in order to be 100% renewable, a sufficient amount of Renewable Energy Certification (certificate showing the environmental value of electricity generated by solar power or biomass) which satisfies the strict criteria of RE100 has been secured for offices where the option to choose an electric power source generated by renewable energy is not available.

After all of the above, if there are any residual emissions, we aim to secure a sufficient amount of tree planting removal credits certified by international accreditation bodies to offset such residual emissions.

Q12. Tell us about the details of the measured “15 weeks” that it takes for job seekers to be hired?

15 weeks is the period from the time a user starts an active job search on the Indeed job platform to the time that 90% of such users had received a job offer (assuming for this purpose that the period it takes for 90% users to receive a job offer represents a statistically significant value). The job search duration is calculated based on surveyed users’ data collected between September 2021 and March 2022. 15 weeks is the baseline duration calculated as of March 31, 2022 that we will use in our effort to reduce the time it takes to find a job by half. We do not disclose country-by-country figures.

Q13. How do you plan to link your ESG targets to executive compensation?

The Board of Directors has decided to link the achievement of the three-year targets for reducing GHG emissions and increasing the ratio of women in our workforce and our Board of Directors Members to a portion of long-term incentive compensation. Those eligible for this initiative, starting from FY2022, are executive directors and officers in charge of managing the achievement of these ESG goals. Compensation based on ESG target achievements is set as a part of BIP trust (stock) compensation. Eligibility to receive this award and the payout amount will depend on whether or not the three-year target is achieved.

Appendix

Historical Results of Operations by Segment

(In billions of yen)		FY2020 Q1	FY2020 Q2	FY2020 Q3	FY2020 Q4	FY2021 Q1	FY2021 Q2	FY2021 Q3	FY2021 Q4	FY 2019 Result	FY 2020 Result	FY 2021 Result
Consolidated Operating Results												
	Revenue	475.4	569.1	611.5	613.1	664.7	701.1	746.0	759.7	2,399.4	2,269.3	2,871.7
	YoY %	-20.0%	-6.2%	0.5%	4.0%	39.8%	23.2%	22.0%	23.9%	3.8%	-5.4%	26.5%
	(New) Adj. EBITDA	53.8	70.3	87.9	34.8	131.4	147.1	142.0	91.2	326.7	246.9	511.8
	(Old) Adj. EBITDA	53.4	69.9	87.5	30.7	125.6	140.6	134.8	78.1	325.1	241.6	479.3
	(New) Adj. EBITDA margin	11.3%	12.4%	14.4%	5.7%	19.8%	21.0%	19.0%	12.0%	13.6%	10.9%	17.8%
	(Old) Adj. EBITDA margin	11.2%	12.3%	14.3%	5.0%	18.9%	20.1%	18.1%	10.3%	13.6%	10.6%	16.7%
HR Technology												
	Revenue in million USD ($)	689	973	1,095	1,235	1,683	1,948	1,986	2,034	3,907	3,993	7,653
	YoY % USD ($)	-25.8%	-2.3%	8.8%	26.8%	144.5%	100.1%	81.3%	64.7%	32.7%	2.2%	91.6%
	Revenue	74.1	103.4	114.5	131.1	184.4	214.4	225.8	236.6	424.9	423.2	861.4
	YoY %	-27.5%	-3.1%	4.6%	23.3%	148.9%	107.3%	97.2%	80.4%	30.0%	-0.4%	103.5%
	(New) Adj. EBITDA	7.8	14.7	26.7	21.1	74.8	92.3	78.5	77.5	71.2	70.5	323.3
	(Old) Adj. EBITDA	7.8	14.7	26.7	17.3	69.4	86.4	71.9	65.2	71.2	66.7	293.1
	(New) Adj. EBITDA margin	10.6%	14.3%	23.4%	16.1%	40.6%	43.1%	34.8%	32.8%	16.8%	16.7%	37.5%
	(Old) Adj. EBITDA margin	10.6%	14.3%	23.4%	13.3%	37.7%	40.3%	31.9%	27.6%	16.8%	15.8%	34.0%
Media & Solutions												
Marketing Solutions	Revenue	77.1	123.7	134.0	121.0	91.5	98.3	102.1	104.5	438.5	456.0	396.5
	YoY %	-27.1%	11.9% (-14.8%)	22.8% (-5.2%)	7.1% (-9.7%)	18.7%	-20.5% (4.3%)	-23.8% (-1.3%)	-13.6% (2.3%)	9.5%	4.0% (-14.0%)	-13.0% (5.2%)
HR Solutions	Revenue	55.1	48.5	52.1	58.2	56.5	57.5	62.8	72.4	314.1	214.0	249.3
	YoY %	-32.1%	-38.7%	-30.1%	-26.5%	2.7%	18.4%	20.5%	24.4%	-0.9%	-31.9%	16.5%
Total	Revenue	132.9	172.8	186.8	179.3	151.8	157.8	168.5	180.3	755.9	672.0	658.6
	YoY %	-29.1%	-9.3% (-24.8%)	1.1% (-15.5%)	-7.0% (-16.8%)	14.2%	-8.7% (10.1%)	-9.8% (7.9%)	0.6% (12.4%)	4.8%	-11.1% (-21.6%)	-2.0% (11.1%)
	(New) Adj. EBITDA	27.4	34.3	37.9	7.3	31.5	32.4	36.4	2.3	183.4	107.1	102.8
	(Old) Adj. EBITDA	27.3	34.3	37.8	7.2	31.5	32.3	36.3	2.2	182.9	106.7	102.4
	(New) Adj. EBITDA margin	20.7%	19.9%	20.3%	4.1%	20.8%	20.5%	21.6%	1.3%	24.3%	15.9%	15.6%
	(Old) Adj. EBITDA margin	20.6%	19.8%	20.2%	4.1%	20.8%	20.5%	21.6%	1.2%	24.2%	15.9%	15.6%

Staffing												
Japan	Revenue	145.8	138.8	142.7	142.5	146.9	145.7	155.7	156.5	567.8	569.9	604.9
	YoY %	5.9%	-0.7%	-2.6%	-0.8%	0.8%	4.9%	9.1%	9.8%	4.7%	0.4%	6.1%
	Adj. EBITDA	17.0	13.8	14.1	3.7	16.1	12.6	14.8	8.6	47.1	48.7	52.3
	Adj. EBITDA margin	11.7%	9.9%	9.9%	2.7%	11.0%	8.7%	9.5%	5.5%	8.3%	8.6%	8.7%
Europe, US, and Australia	Revenue	128.4	159.6	173.9	166.8	188.2	189.8	202.0	193.4	680.3	628.8	773.5
	YoY %	-26.6%	-10.2%	0.1%	8.3%	46.5%	18.9%	16.2%	15.9%	-9.0%	-7.6%	23.0%
	Adj. EBITDA	2.8	8.6	10.6	5.2	10.1	11.3	13.7	5.6	34.1	27.4	40.8
	Adj. EBITDA margin	2.2%	5.4%	6.1%	3.1%	5.4%	6.0%	6.8%	2.9%	5.0%	4.4%	5.3%
Total	Revenue	274.2	298.5	316.6	309.3	335.1	335.5	357.7	349.9	1,248.1	1,198.8	1,378.4
	YoY %	-12.3%	-6.0%	-1.2%	3.9%	22.2%	12.4%	13.0%	13.1%	-3.3%	-4.0%	15.0%
	(New) Adj. EBITDA	19.9	22.4	24.8	9.0	26.2	24.0	28.6	14.3	81.2	76.3	93.2
	(Old) Adj. EBITDA	19.8	22.4	24.8	9.0	26.2	24.0	28.6	14.2	81.2	76.2	93.1
	(New) Adj. EBITDA margin	7.3%	7.5%	7.8%	2.9%	7.8%	7.2%	8.0%	4.1%	6.5%	6.4%	6.8%
	(Old) Adj. EBITDA margin	7.2%	7.5%	7.8%	2.9%	7.8%	7.2%	8.0%	4.1%	6.5%	6.4%	6.8%

Figures in parenthesis represent YoY % in revenue excluding Rent Assistance Program by The Small and Medium Enterprise Agency of the Ministry of Economy in Japan from Q2 FY2020 to Q4 FY2020.

Forward-Looking Statements

This document contains forward-looking statements, which reflect the Company's assumptions and outlook for the future and estimates based on information available to the Company and the Company's plans and expectations as of the date of this document or other date indicated. There can be no assurance that the relevant forecasts and other forward-looking statements will be achieved. Please note that significant differences between the forecasts and other forward-looking statements and actual results may arise due to various factors, including changes in economic conditions, changes in individual users' preferences and enterprise 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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