

Recruit Holdings

FY2021 Consolidated Results and
FY2022 Guidance

05. 16. 2022

**President, CEO,
and Representative
Director of the Board
Recruit Holdings**

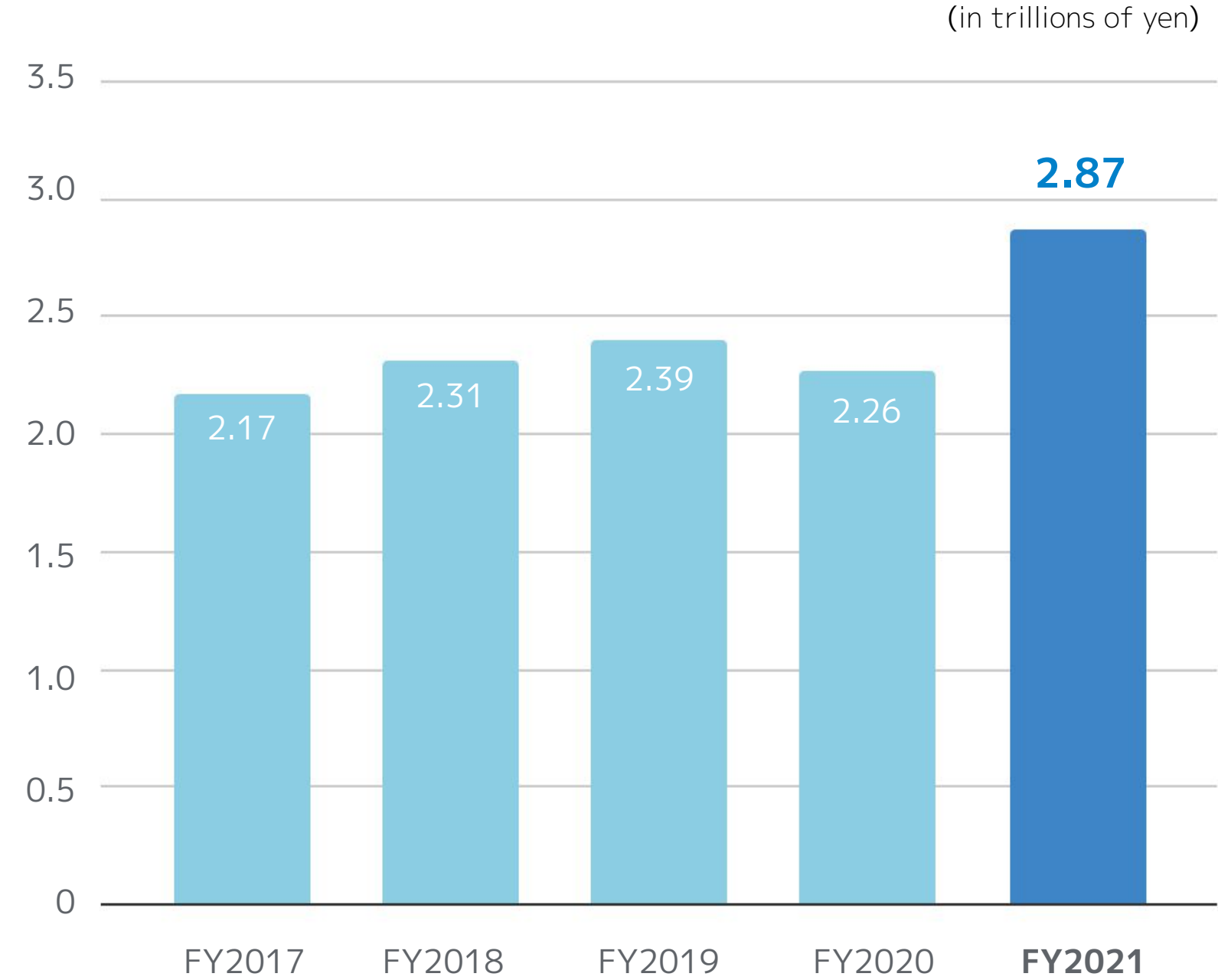
**Hisayuki "Deko"
Idekoba**



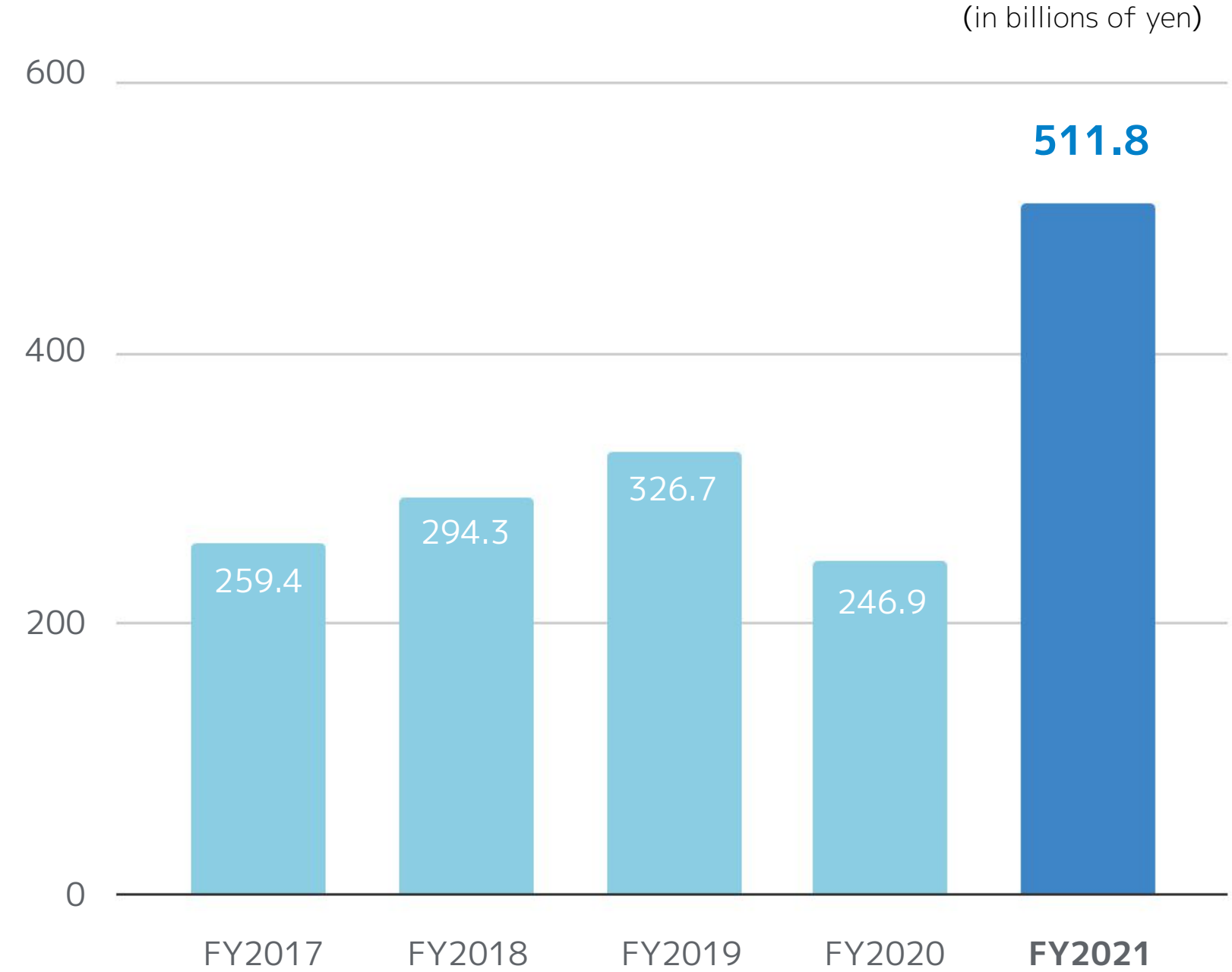


FY2021 Results

Consolidated Revenue



Consolidated Adjusted EBITDA (New Definition)¹

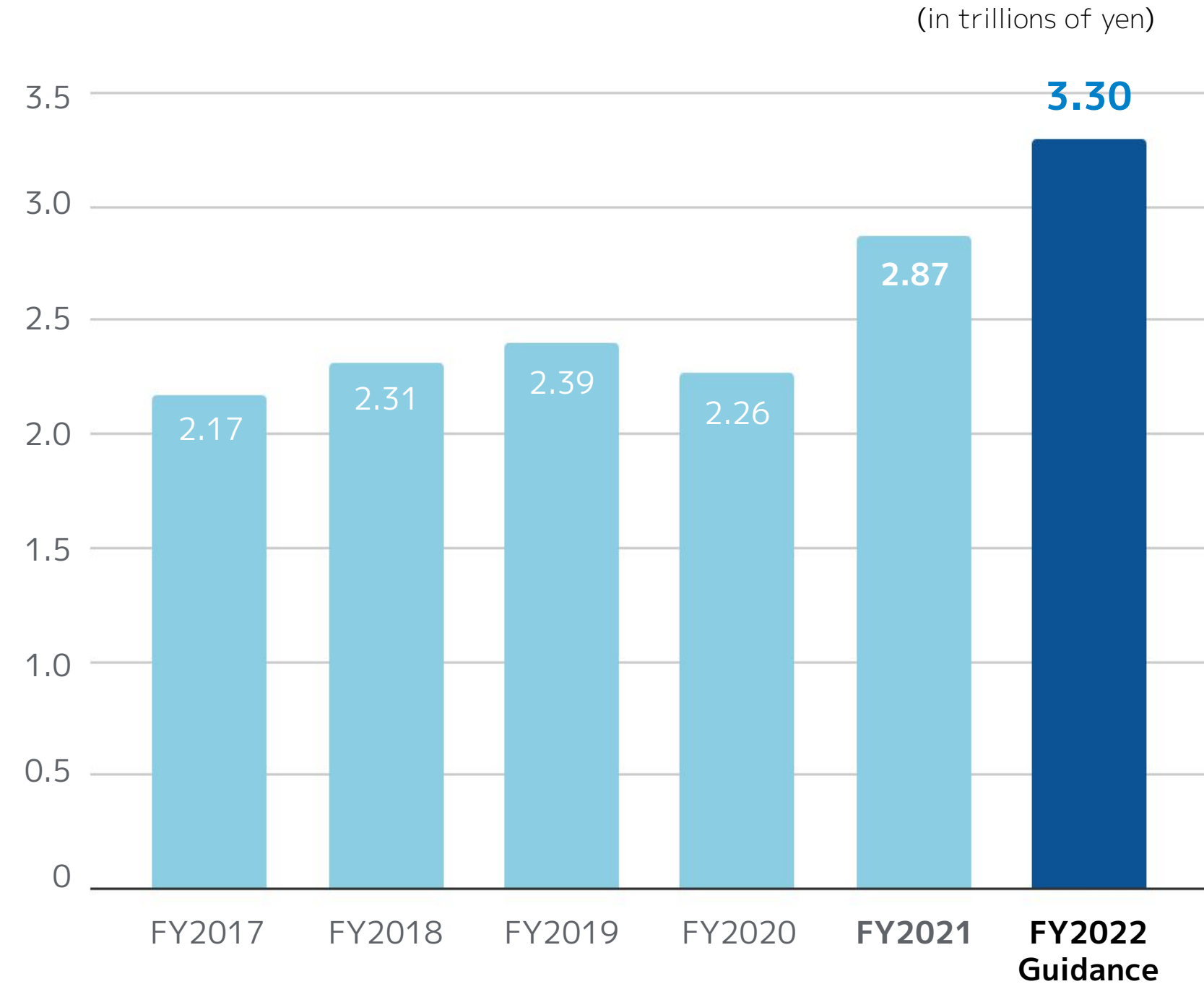


1: From FY2022, share-based payment will be added as an adjustment item for adjusted EBITDA. New definition of adjusted EBITDA and adjusted EPS are applied to FY2017 through FY2021.

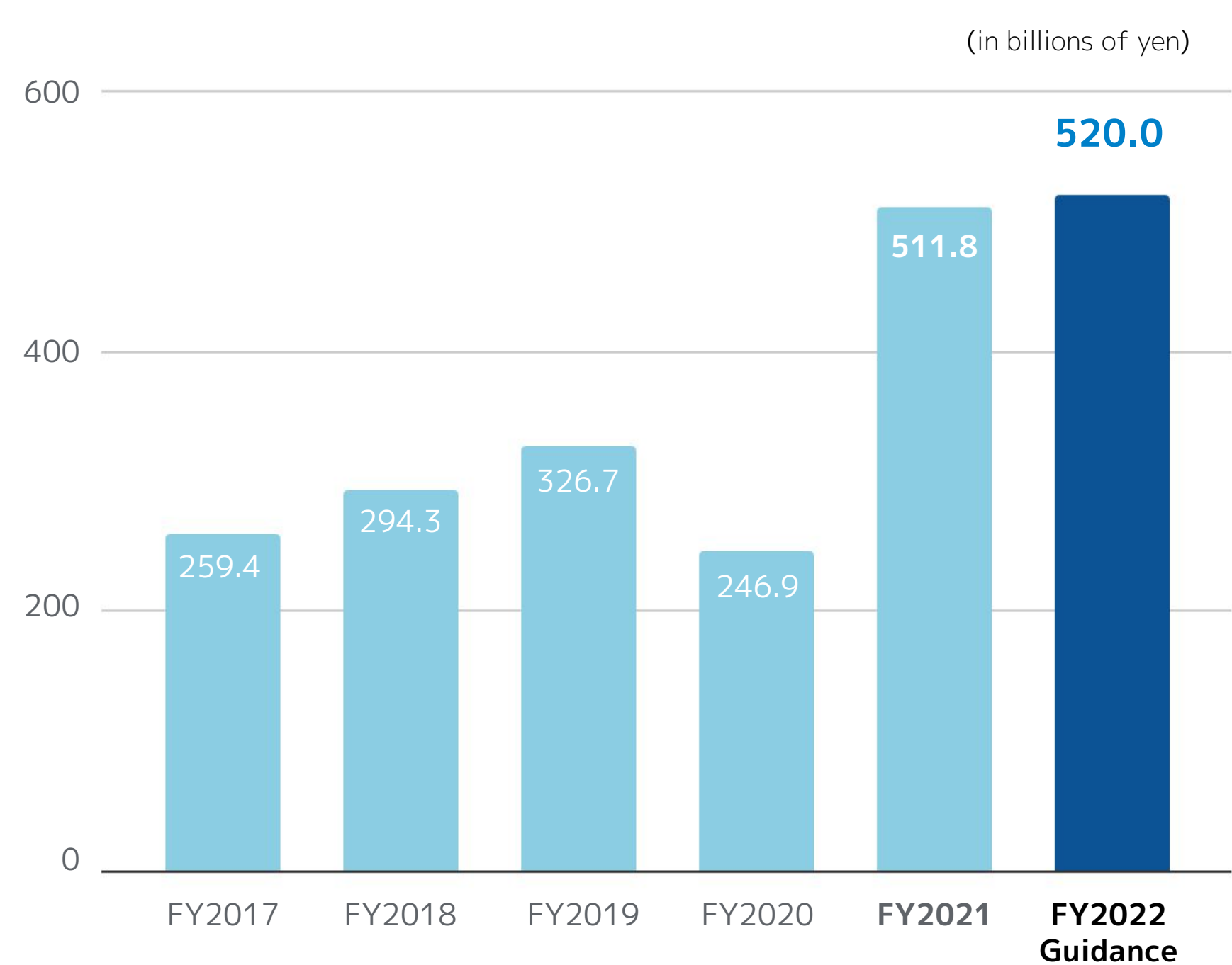
Adjusted EBITDA : Operating income + depreciation and amortization (excluding depreciation of right-of-use assets) + share-based payment expenses ± other operating income/expenses

FY2022 Guidance

Consolidated Revenue



Consolidated Adjusted EBITDA (New Definition)¹



1: From FY2022, share-based payment will be added as an adjustment item for adjusted EBITDA. New definition of adjusted EBITDA and adjusted EPS are applied 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

Opportunities for Life.

Faster, simpler and
closer to you.



Our Business Strategies

01

Simplify Hiring

Make it easier and faster for people to get jobs

02

Help Businesses Work Smarter

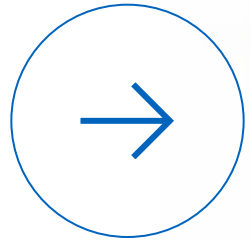
Improve performance and productivity for SMEs in Japan

03

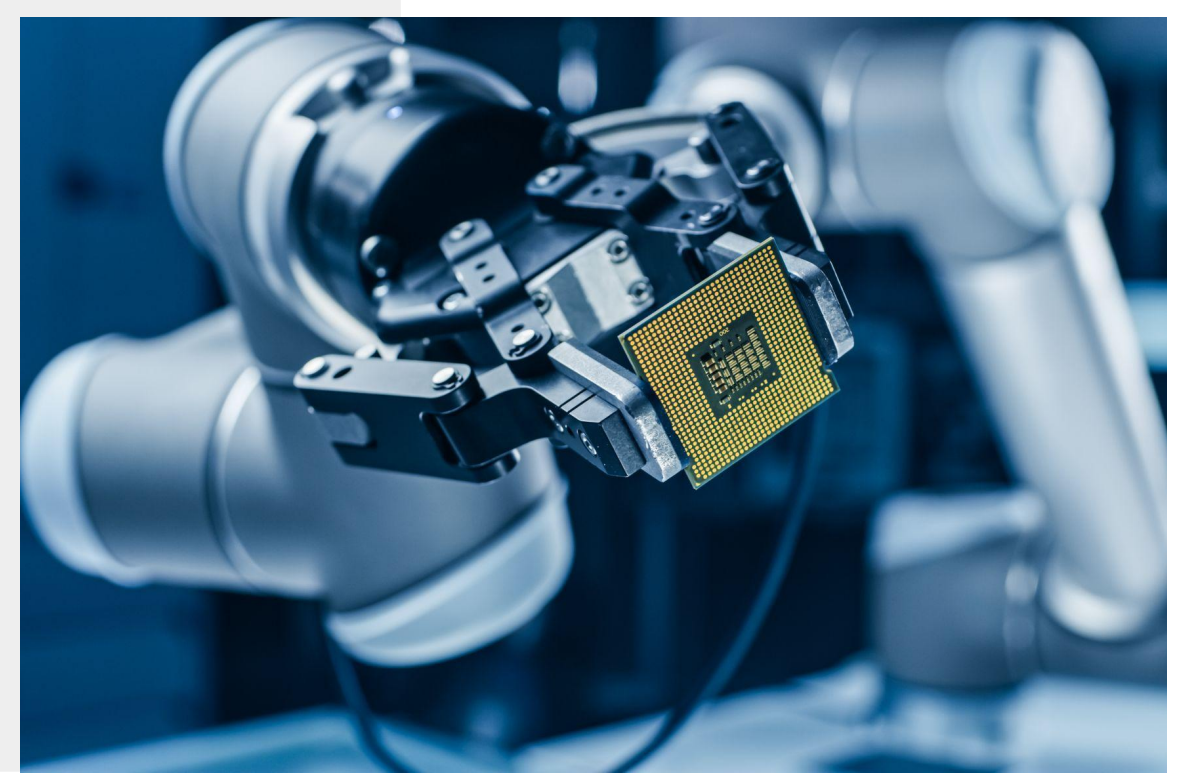
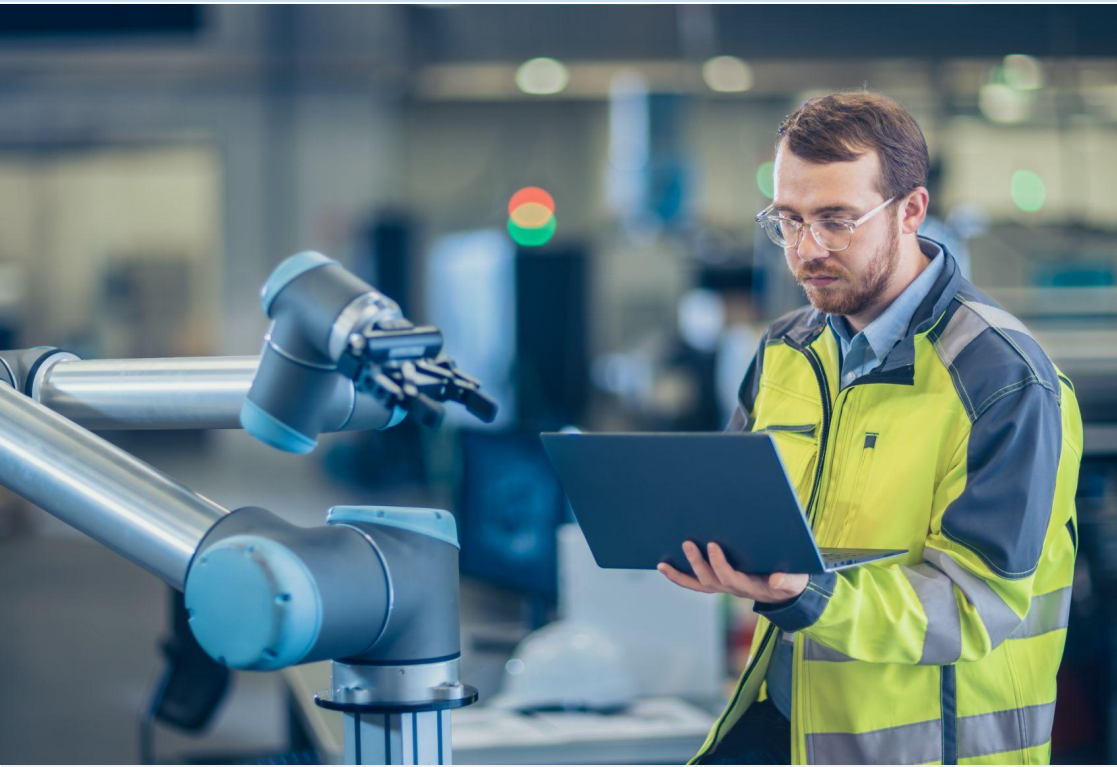
Prosper Together

Sustainable growth shared by all stakeholders

Simplify Hiring







1940s

DOES MACHINE DISPLACE
MEN IN THE LONG RUN?

1960s

AUTOMATION LOOMING LARGE IN LABOR PICTURE
Automation Might End Most
Unskilled Jobs In 10 Years

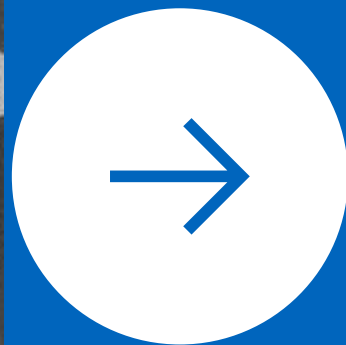
**Automation Linked
To Jobless Count**

1980s

A Robot
Is After
Your Job

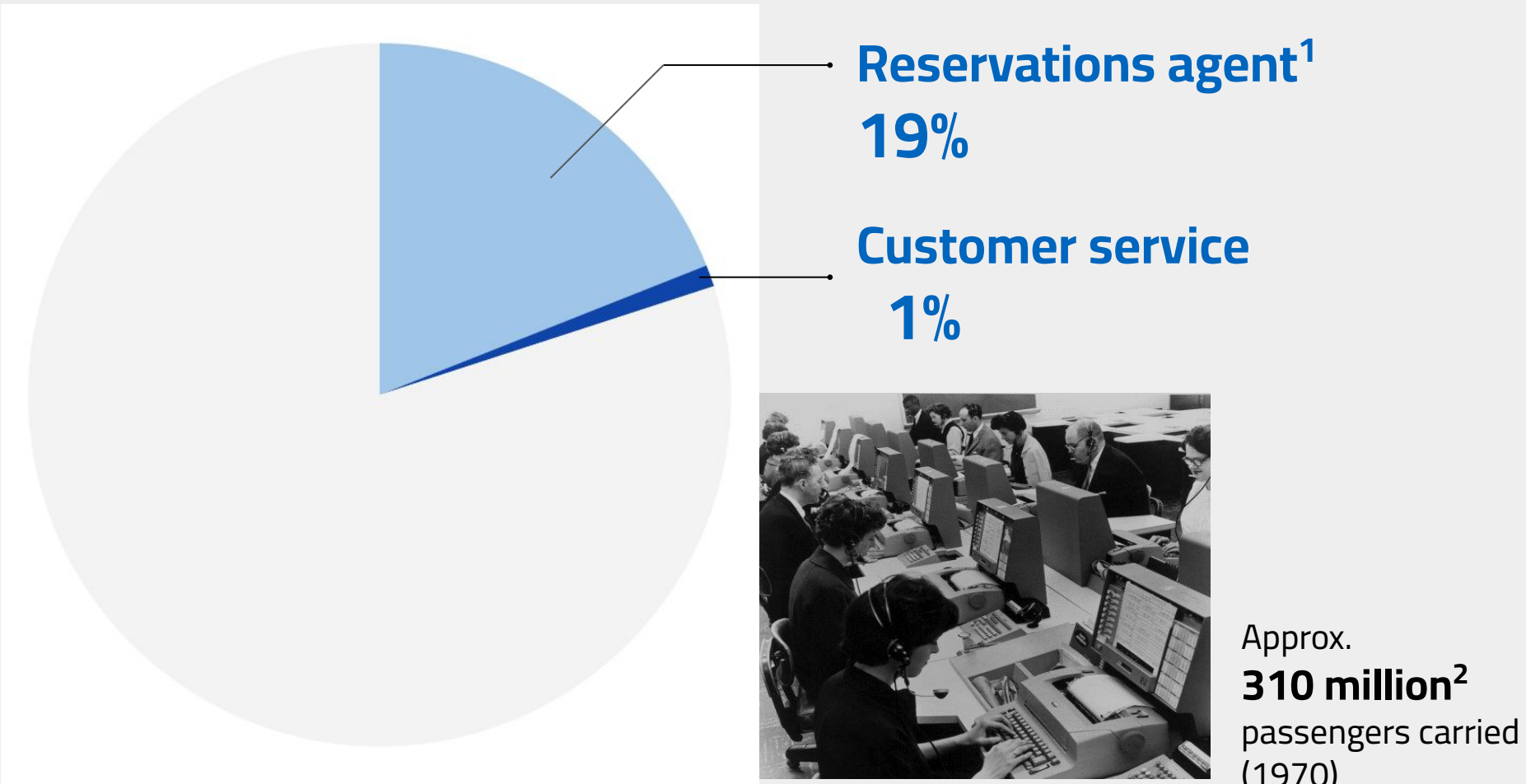
2000s

*Technology Is Heightening
Job Worries, Greenspan Says*



Transformation of Employment in the US Airline Industry

1970s



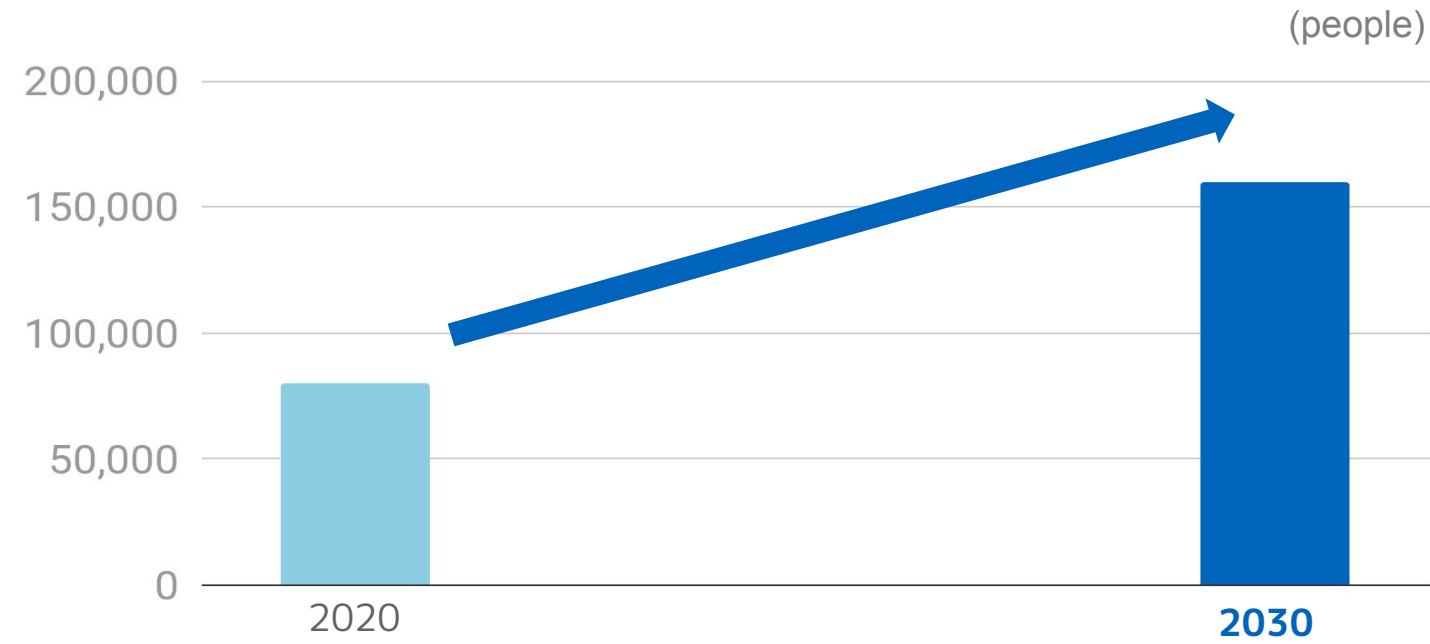
→ 2010s



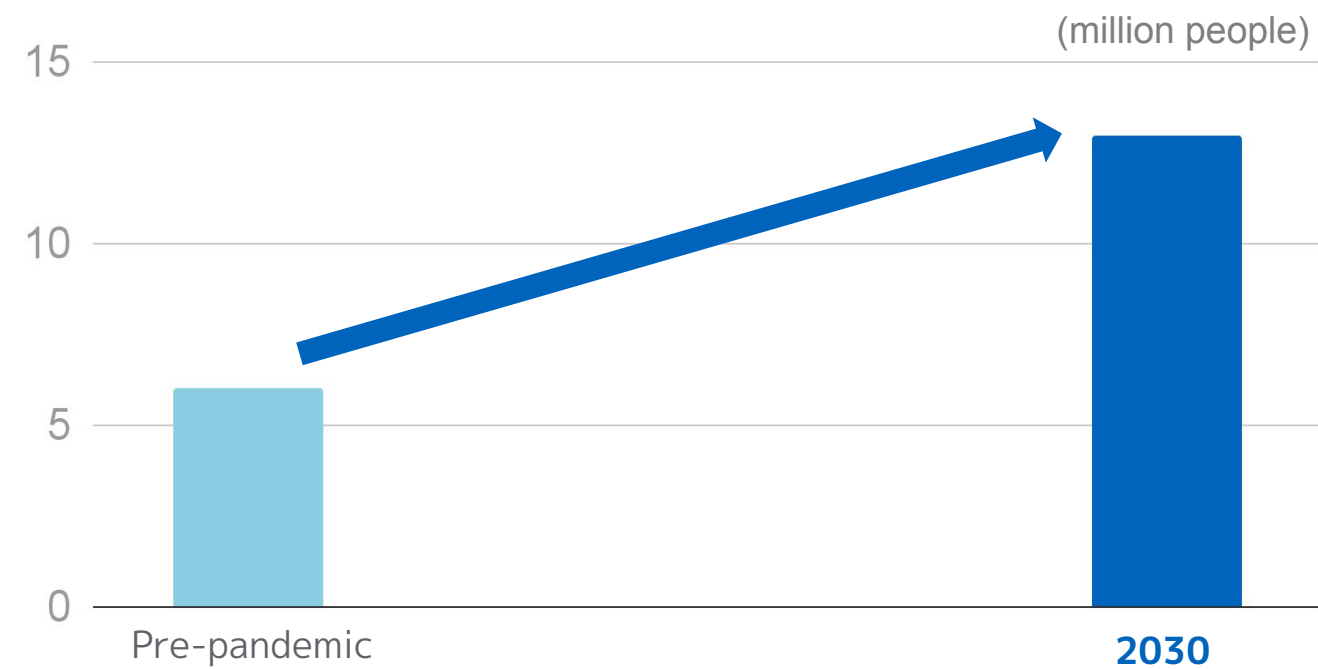
1: Current Population Survey, IPUMS
2: Our World in Data

Shortage of Essential Workers

Truck Driver Shortage (US)¹



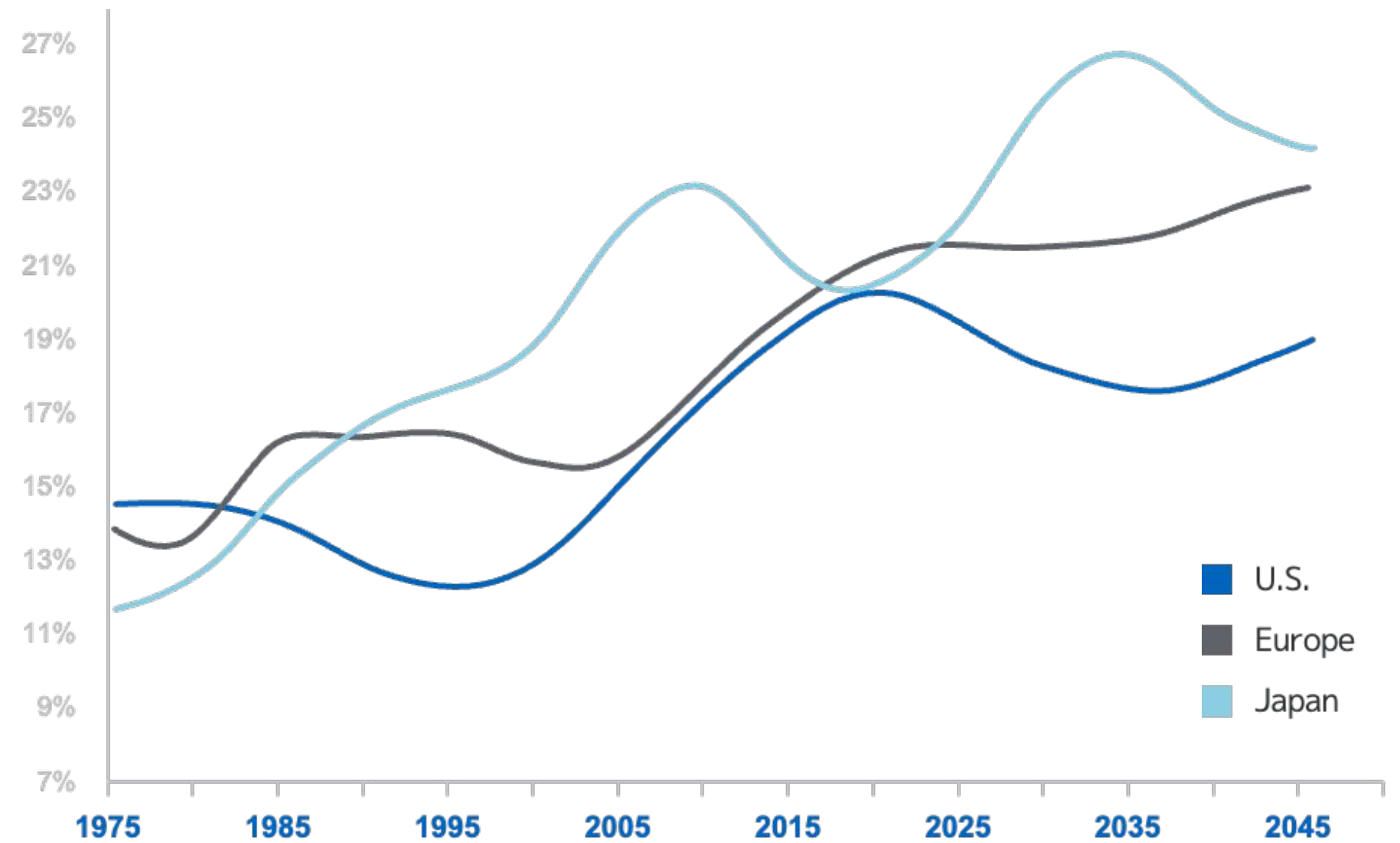
Nurse Shortage (Global)^{2, 3}



1: ATA Driver Shortage Report 2021
 2: Becker's Hospital Review: World could be short 13 million nurses by 2030, report finds
 3: Reuters: Global shortage of nurses set to grow as pandemic enters third year - group

Global Labor Force Aging Rapidly

Share of Workers Aged 55-64 as a % of Working Age Population⁴



4: UN World Population Prospects, Morgan Stanley Research, via Business Insider
 5: All aggregated data on years after 2021 is estimated.

34
32
30
28
26
24
22
20

2018

XSLFOQFS SMMMA
TFPMOYNSBWRVL
CKOSAVDP JKPC T
CDS EN BVZRS L Z
NEWPEQRMS DCW

8656577482582273
8011981273072103
3996884440084690
5249138379094161
2997707021372787

48825.383513198794

KLMFEOVNYBVZNYWYU
VG YCSFXBECYPVEBYFW
RNDOI NSXOWYZBWB
EBYUFSEBEG KJZFBSTPS
DOTMZWSX FZBVFYZOYN

8656577482582273
8011981273072103
3996884440084690

KLMFEOVNYBVZNYWYU 8656
VG YCSFXBECYPVEBYFW 801





ALL ABOUT YOU



Your Ideal Job

Job seekers hired every minute¹

10

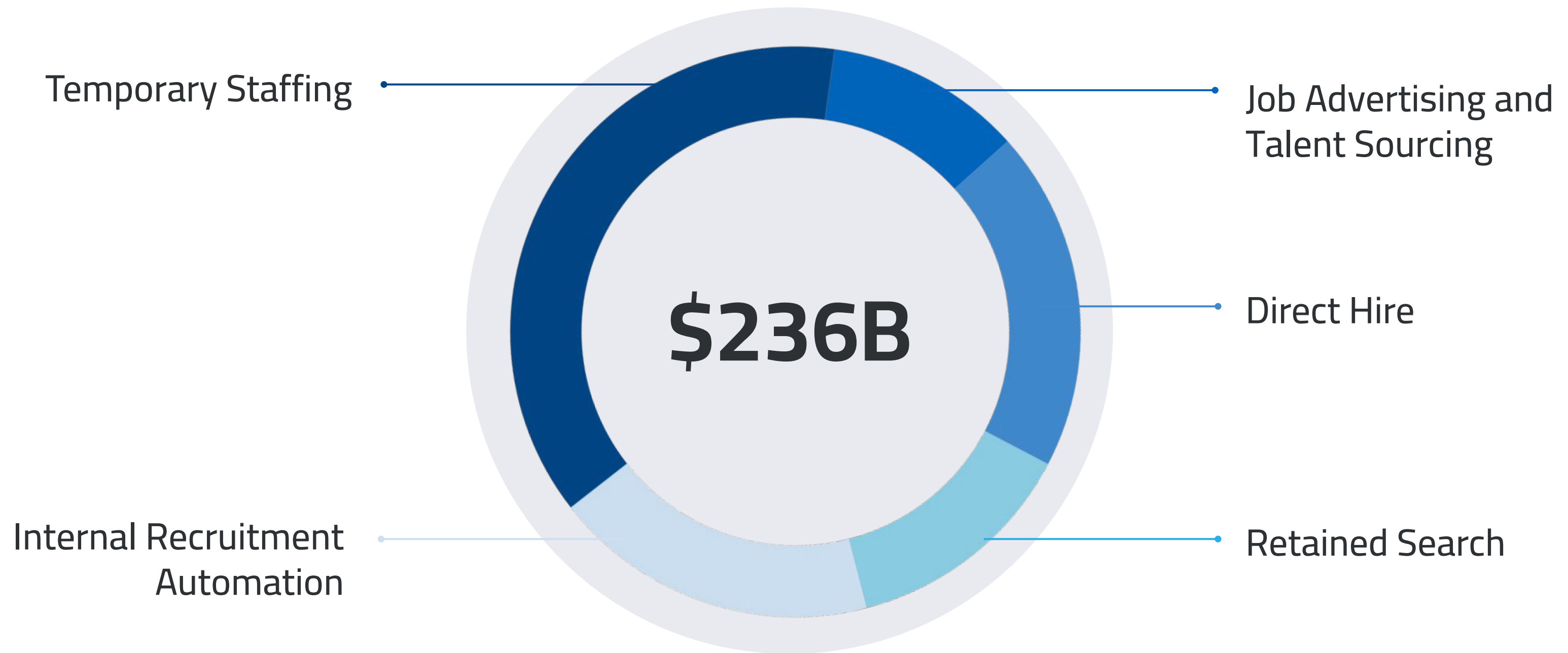
Jan-Mar 2019

20

Jan-Mar 2022

1: Hires per minute is a calculation of hired signals per quarter on Indeed and Glassdoor, divided by minutes per quarter. A hired signal refers to the event when a specific job seeker is hired for a specific job on a specific date. Hired signals are counted either when an employer or job seeker explicitly communicates a hire occurred (e.g., via survey or web form) or when there is other clear evidence from Indeed and Glassdoor data that a hire occurred (e.g., from a resume or an Indeed message) and may not represent all hires facilitated by Indeed and Glassdoor. See P24 of "Consolidated Financial Results for the Year Ended March 31, 2022 (IFRS, Unaudited)" for more detailed information.

HR Matching TAM (Total Addressable Markets)¹



1: The Company has estimated the 2021 total addressable market shown above based on third-party data and the Company's own market research, internal estimates and assumptions. See P25 of "Consolidated Financial Results for the Year Ended March 31, 2022 (IFRS, Unaudited)" for more detailed information.

Simplify Hiring across all SBUs

Staffing SBU



HR Technology SBU



Media & Solutions SBU

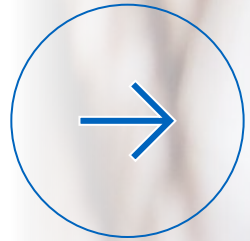


A portrait of Yoshihiro Kitamura, a middle-aged man with dark hair, wearing a dark blue suit jacket over a white button-down shirt. He is smiling slightly and looking directly at the camera. The background is a blurred office environment with modern lighting and a potted plant on the right.

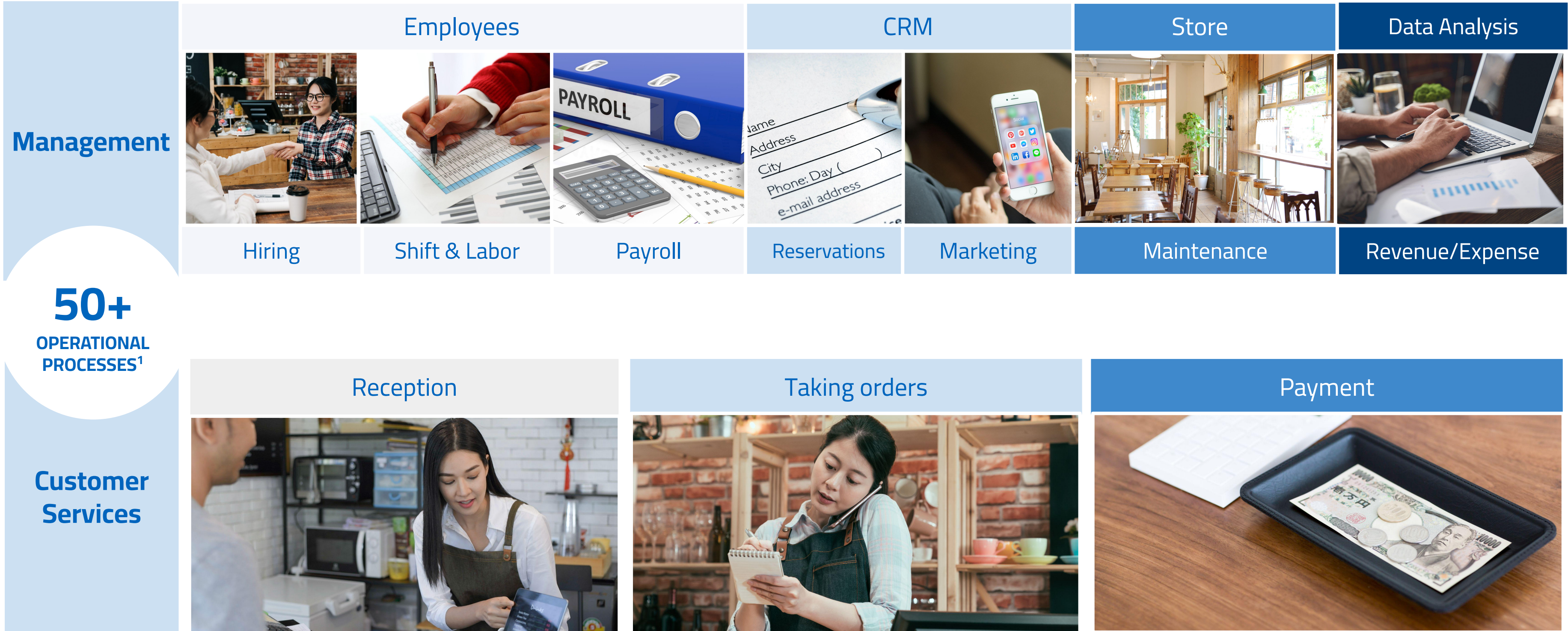
**Managing Corporate
Executive Officer, Head of
Media & Solutions Business
Recruit Holdings
President and
Representative Director
Recruit**

Yoshihiro Kitamura

Help Businesses Work Smarter



Processes required for store operation

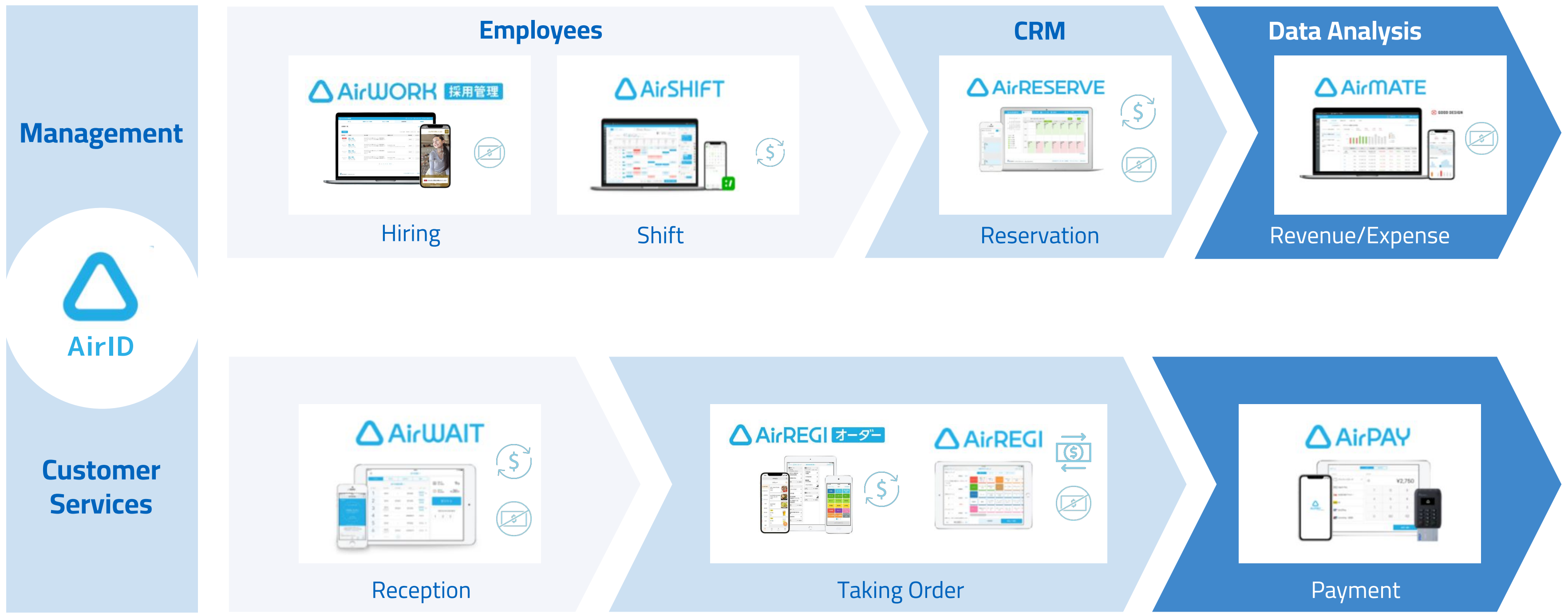


50+
OPERATIONAL
PROCESSES¹

Customer Services

1: Survey results by Recruit Co., Ltd.

Air BusinessTools Help Businesses Work Smarter



Free |
 Pay-for-performance |
 Subscription

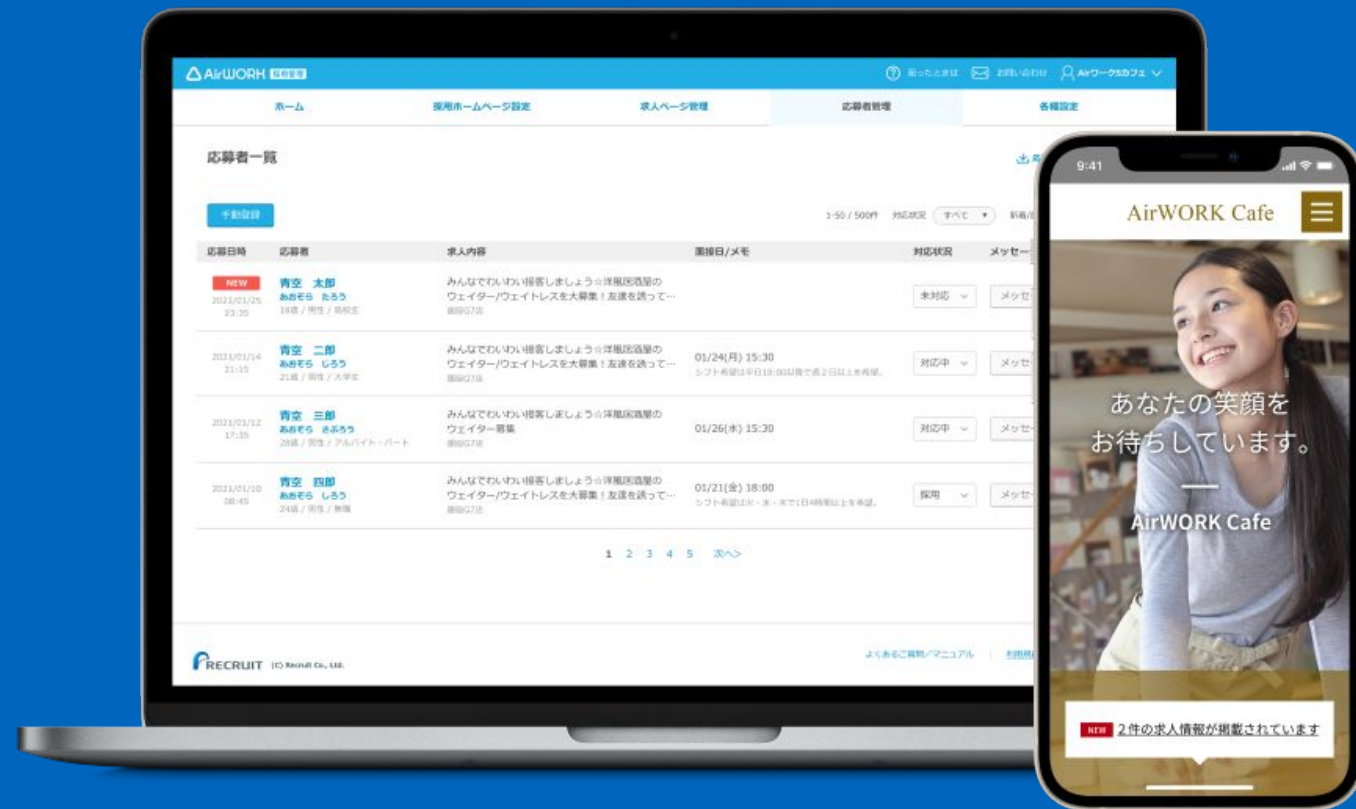
Our Ecosystem



Newly-launched services in FY2021

AirWORK

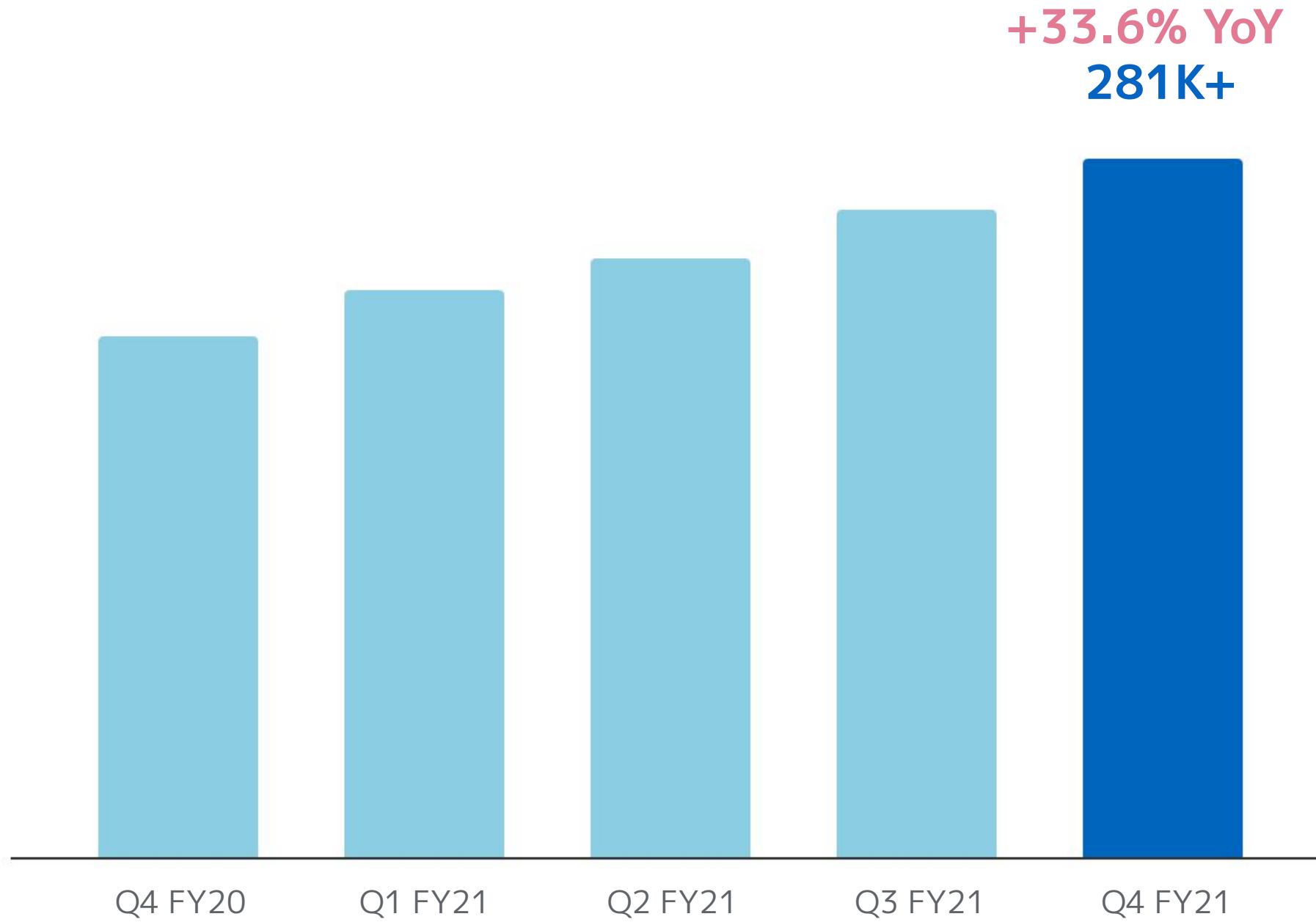
採用管理



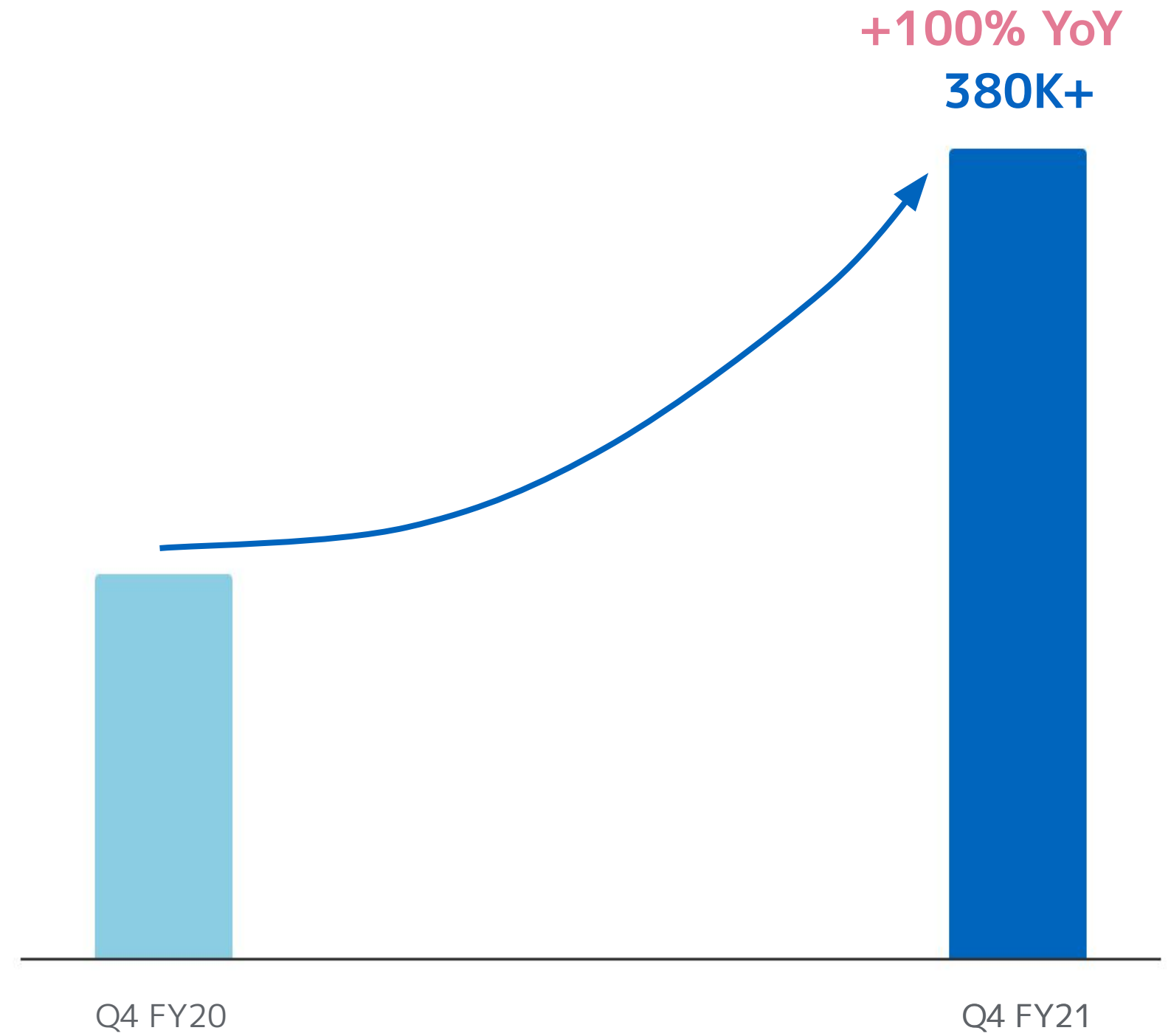
AirWALLET



AirPAY accounts¹ Quarterly From Q4 FY20 - Q4 FY21



AirWORK ATS² Accounts¹



1: Registered accounts refers to the number of stores and business locations that have registered for the relevant service (including both active and non-active accounts.)

2: JobOpLite was rebranded as AirWORK ATS in Q1 FY2021.

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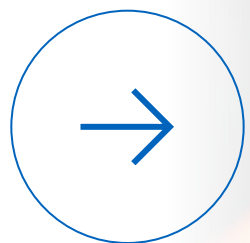


**COO, Managing Corporate
Executive Officer,
and Director of the Board
Recruit Holdings**

**Ayano "Sena"
Senaha**



Prosper Together



Our Commitment to Sustainability¹

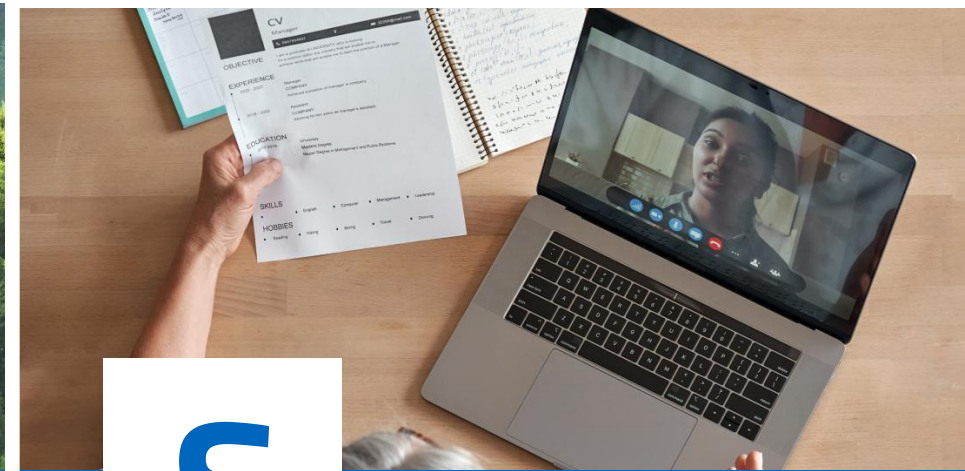


E

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 Corporate Executive Officers and Corporate Officers of Recruit Holdings and Media & 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.

Shorten the time it takes to get jobs¹ by half



1/2 by FY2030

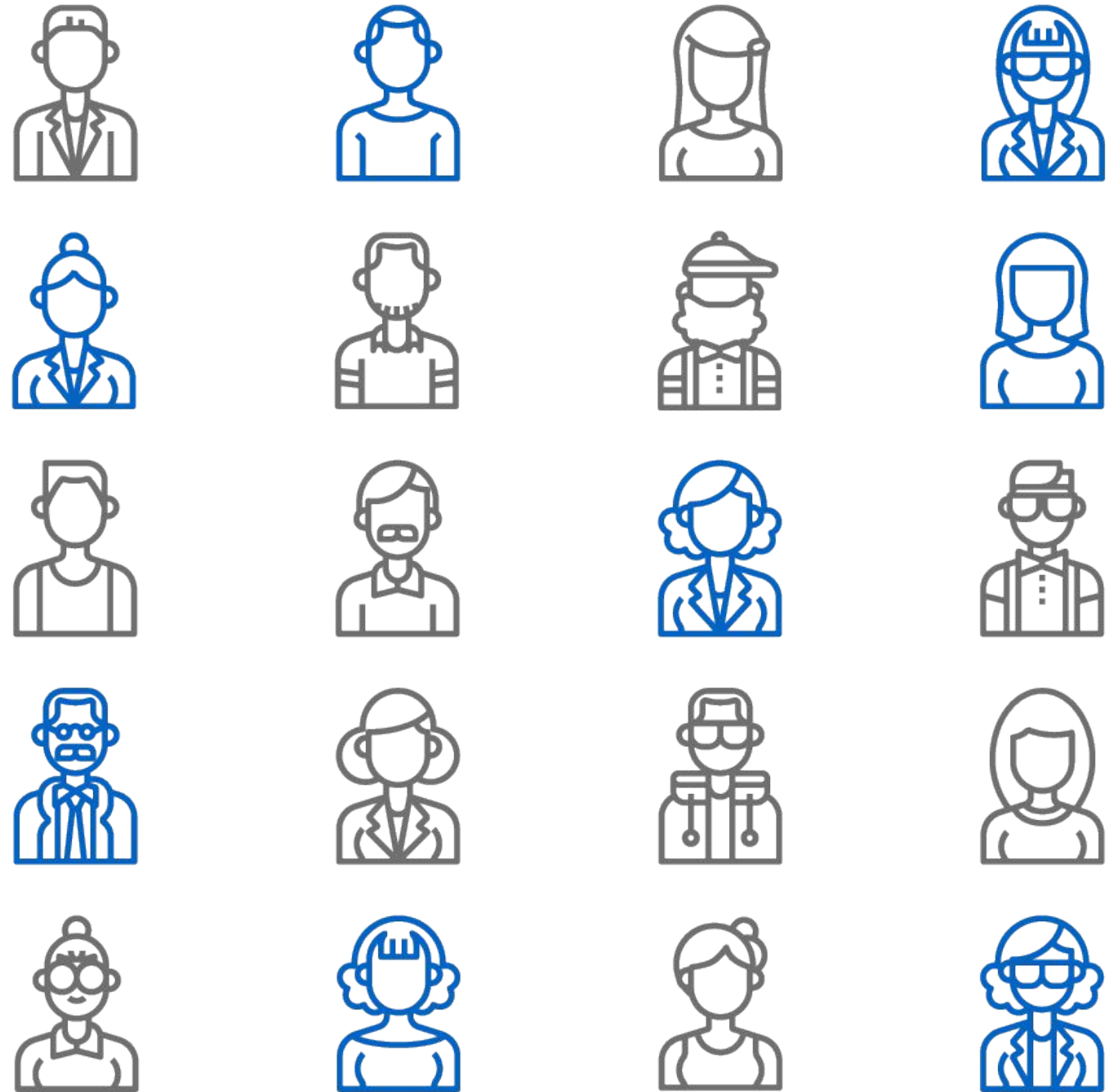


1: The period from the time a user starts an active job search on the Indeed job platform to the time the users confirms receipt of a job offer. The years indicated are Recruit Holdings' fiscal years (FY), which begin on April 1 each year and end on March 31 of the following year. All targeted figures displayed here are approximate.

Why does it matter?

Nearly
40%

of people in OECD countries
would fall below the poverty
line if they lack income for
three months¹



1: The figure is based on data compiled in 28 countries (source: OECD (2020), How's Life? 2020: Measuring Well-Being).



Approximately **15 weeks**¹



Search



Click



Apply



Interview



Hire

¹: Baseline job search duration calculated as of March 31, 2022. Calculated as the period from the time users started 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% of users to receive a job offer represents a statistically significant value). The job search duration is calculated based on surveyed user data collected between September 2021 and March 2022.

Help 30 million people facing barriers¹ get hired by FY2030



Using technology and partnerships to promote inclusive hiring



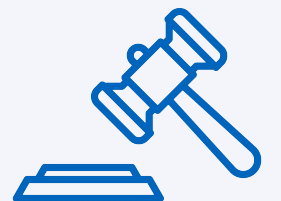
Race & Ethnicity



Disability



Age



Criminal Record²

1: 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.

2: In the United States, approximately 70 million people (source: The Sentencing Project) have a criminal record, and the unemployment rate of job seekers with a criminal record is approximately five times higher than the US average (source: Prison Policy Initiative). However, recidivism rates have been found to drop significantly if an individual finds a job that pays above minimum wage within two months of release (source: The Urban Institute).

Representation of Women¹

Approximately **50%** by FY2030

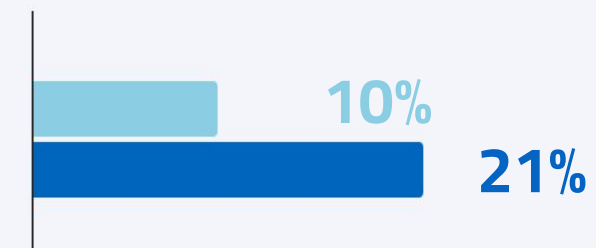


Representation of Women

Gender Parity

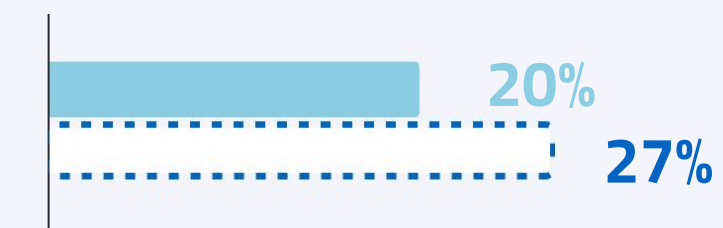
- April 1, 2021
- April 1, 2022

Senior Executives²



- July 1, 2021
- July 1, 2022 upon approval

Members of the Board³



50%

1: Senior executive positions are defined as Corporate Executive Officers and Corporate Officers of Recruit Holdings and Media & Solutions 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. "Members of the Board" is defined as Directors of the Board and Audit & Supervisory Board members.

2: The representation of women in Senior Executives are as of April 1, 2021 and 2022.

3: The representation of women in Members of the Board will reach approximately 27% if the appointment of candidates for election at Annual General Meeting of Shareholders, to be held in June 2022, is approved.

4: 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.

**Become carbon neutral
through our business
activities by FY2021¹
and our entire value chain
by FY2030²**

**Accelerate with three-year
reduction target³**



1: Carbon neutrality includes reducing the greenhouse gas (GHG) emissions as well as offsetting remaining emissions. GHG emissions through business activities are the sum of direct emissions from the use of fuels in the owned or controlled sources (Scope 1) and indirect emissions from the use of purchased electricity, heat, or steam in the owned or controlled sources (Scope 2). The Company will have achieved its FY2021 goal of carbon neutrality throughout its business activities upon completion of the following steps: Conducted measurement of FY2021 GHG emissions, obtained an accredited third-party assurance on the amount by November 2022, and offsetting of those emissions.

2: GHG emissions through the value chain are indirect emissions other than Scope 1 and 2, occurring in the value chain (Scope 3). The entire value chain represents the total of Scopes 1, 2 and 3.

3: The GHG emission reduction target which is based on the results from FY2022 to FY2024.

4: 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.

Opportunities for Life.

Faster, simpler and
closer to you.



**Corporate Executive Officer
(Investor Relations and Special
Advisor to CEO)
Recruit Holdings**

Junichi Arai



FY2021 Consolidated Results

FY2022 Guidance

05.16.2022

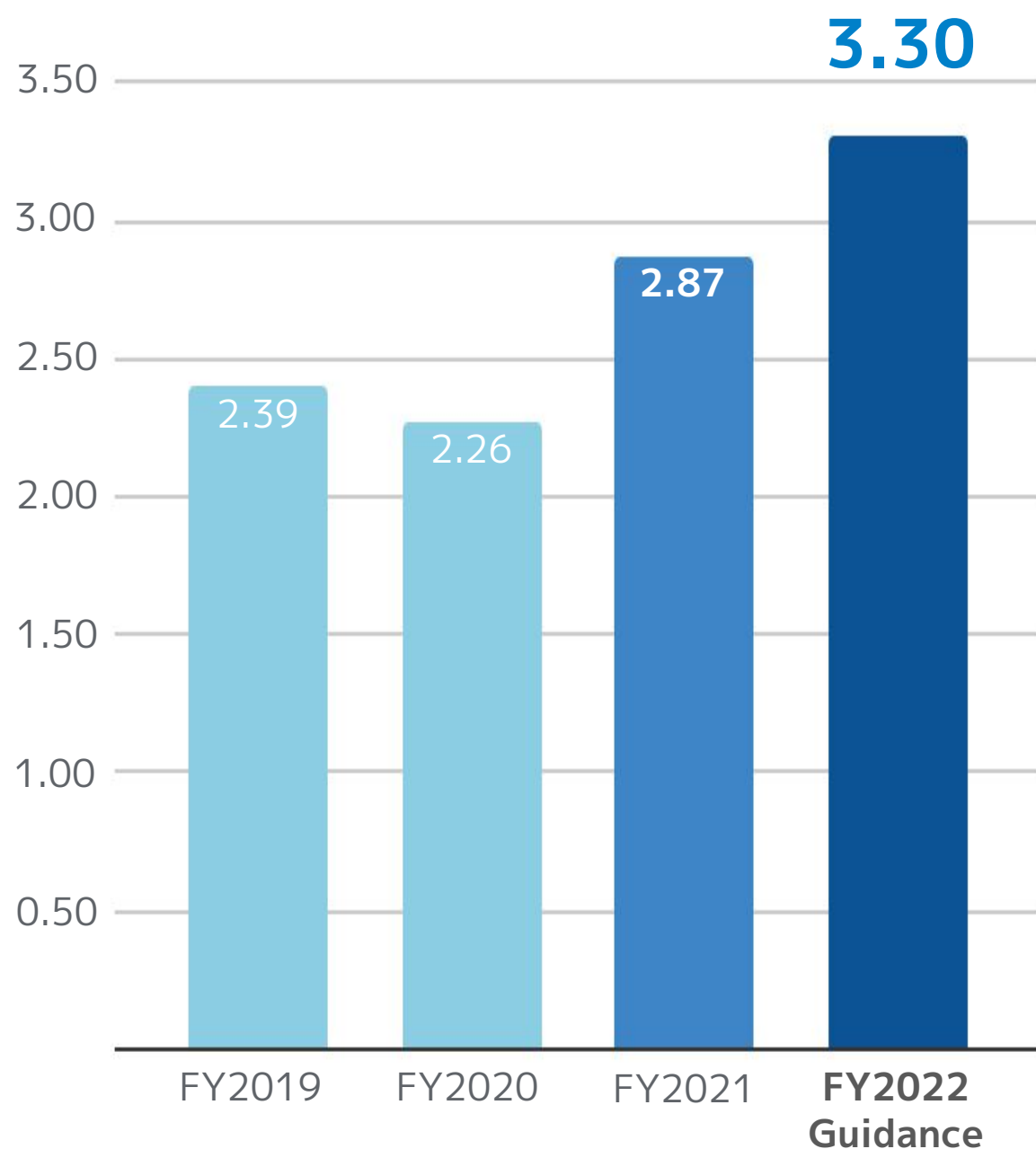


Consolidated Financial Results for FY2021 and FY2022 Guidance



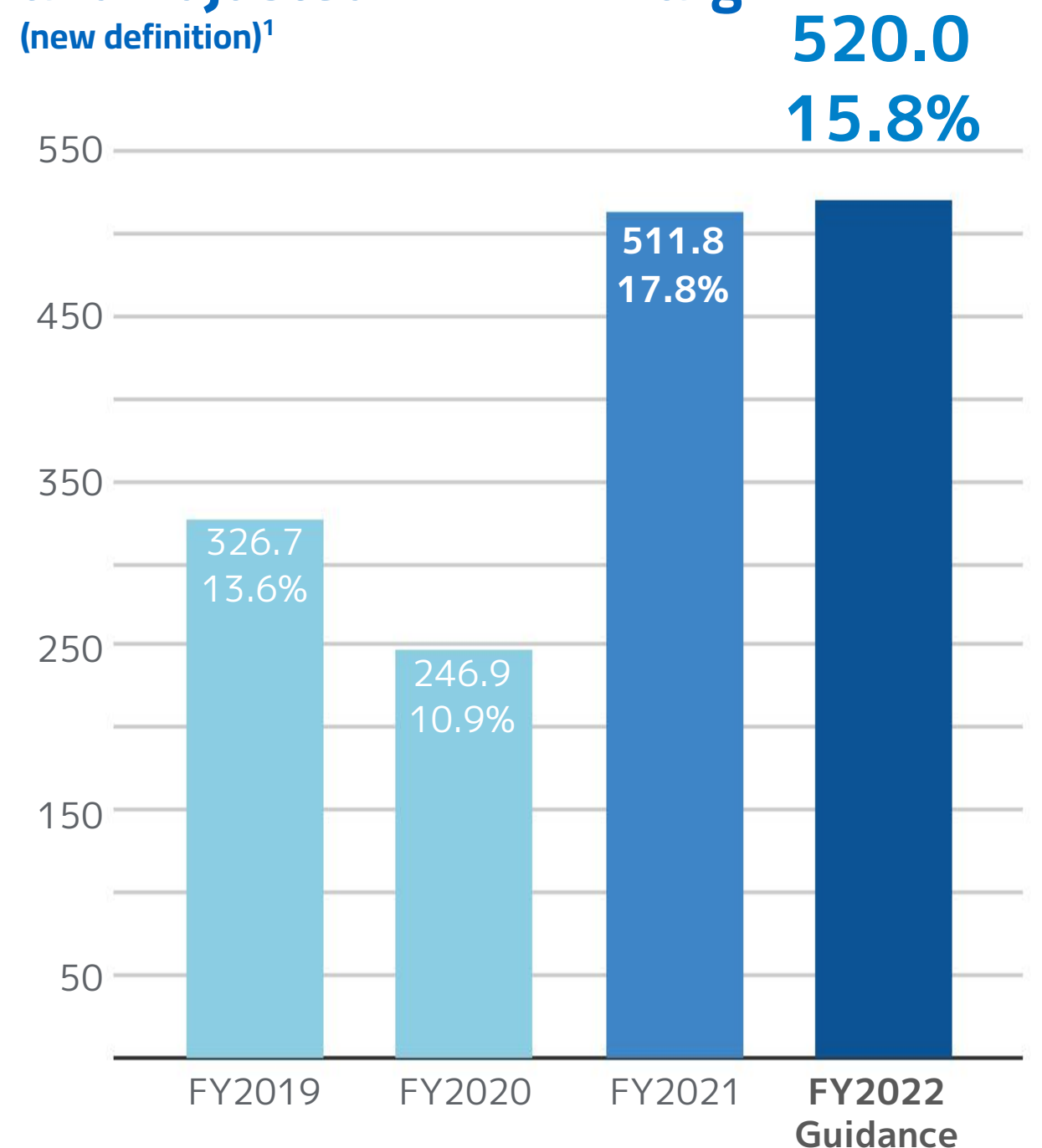
Revenue

(in trillions of yen)



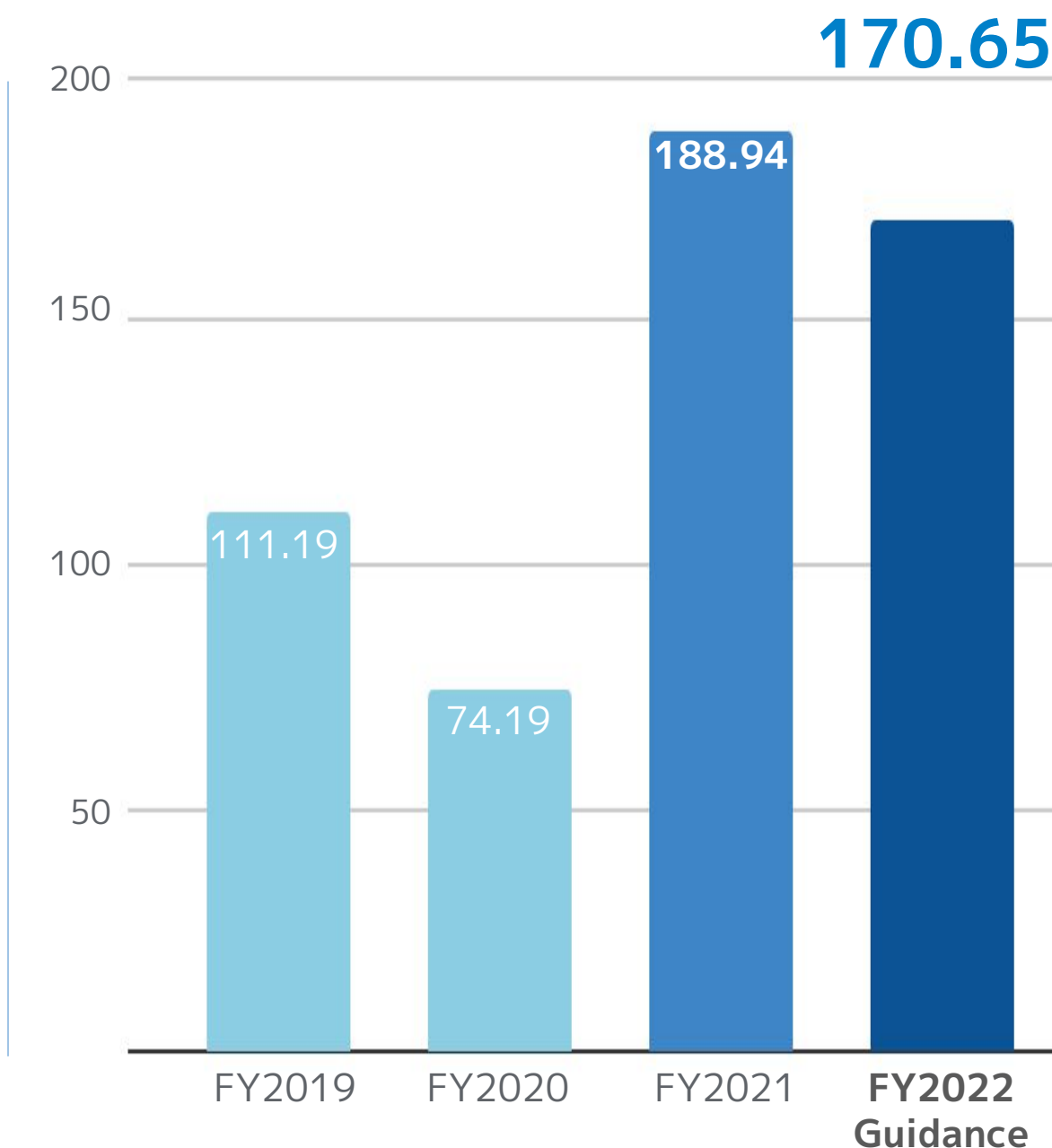
Adjusted EBITDA and Adjusted EBITDA margin (new definition)¹

(in billions of yen)



Adjusted EPS (new definition)¹

(in yen)



¹: From FY2022, the Company changed the adjustment items for adjusted EBITDA and adjusted EPS respectively. New definition of adjusted EBITDA and adjusted EPS 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

Adjusted EPS : (Profit attributable to owners of the parent ± non recurring income/losses ± tax reconciliation regarding the non-recurring income/losses)/(number of issued shares at the end of the period - number of treasury stock at the end of the period)

FY2021 Consolidated Financial Results

	FY2020	FY2021	
	Actual	Actual	YoY
(In billions of yen, unless otherwise stated)			
Revenue	2,269.3	2,871.7	+26.5%
Adjusted EBITDA (adjusted for share-based payment expenses)	246.9	511.8	+107.2%
Adjusted EBITDA ¹	241.6	479.3	+98.4%
Operating income	162.8	378.9	+132.7%
Profit before tax	168.5	382.7	+127.1%
Profit for the period	131.6	297.7	+126.1%
Profit attributable to owners of the parent	131.3	296.8	+125.9%
Adjusted EPS (yen) ¹	82.56	196.67	+138.2%

1: Based on prior definition of adjusted EBITDA and adjusted EPS applied to FY2019 through FY2021.

Summary of FY2021 Consolidated Financial Results

Revenue was record-high of 2.87 trillion yen (+ 26.5% YoY), adjusted EBITDA without adjustment for share-based payment expenses was 479.3 billion yen (+98.4% YoY), adjusted EBITDA margin 16.7%

- HR Technology: Revenue increased to USD 7.6 billion (+91.6% YoY), and adjusted EBITDA margin significantly increased to 34.0%
- Media & Solutions: Revenue increased to 658.6 billion yen (+11.1% YoY excluding the impact from Rent Assistance Program in FY2020). Adjusted EBITDA margin 15.6%
- Staffing: Record high revenue of 1.37 trillion yen (+15.0% YoY), adjusted EBITDA margin 6.8%

Adjusted EPS with adjustment for amortization of PPA was 196.67 yen

Dividend per share for FY2021: 2H 10.5 yen, Full year 21.0 yen

Net cash at the end of March 2022 was 608.9 billion yen

FY2022 Consolidated Financial Guidance

(In billions of yen, unless otherwise stated)	FY2021 Actual	FY2022 Guidance	
	Full Year	Full Year	YoY
Revenue	2,871.7	3,300.0	+14.9%
Adjusted EBITDA ¹	511.8	520.0	+1.6%
Adjusted EPS ¹ (yen)	188.94	170.65	-9.7%

1: From FY2022, the Company changed the adjustment items for adjusted EBITDA and adjusted EPS respectively. New definition of adjusted EBITDA and adjusted EPS has been applied retroactively to FY2021.

Summary of FY2022 Consolidated Financial Guidance

Assuming there will be no deterioration of the global business environment, revenue is expected to be 3.30 billion yen, an increase of 14.9% YoY, with an expected increase of revenue in all 3 segments, due to the growth of our global HR Matching business and Marketing Solutions in Japan

Consolidated adjusted EBITDA is expected to be 520 billion yen (+1.6% YoY)

- Adjusted for an expected 77.5 billion yen of share-based payment expenses
- Planned increase in expenses of 140 billion yen in total including an increase in employee benefit expenses excluding share-based payment expenses in HR Technology and strategic investments in Media & Solutions
- Adjusted EBITDA margin for HR Technology is expected to be approximately 30%, approximately 14.5% for Media & Solutions, and approximately 6.0% for Staffing

Adjusted EPS: 170.65 yen (-9.7% YoY)

Full year dividend per share for FY2022: 22.0 yen

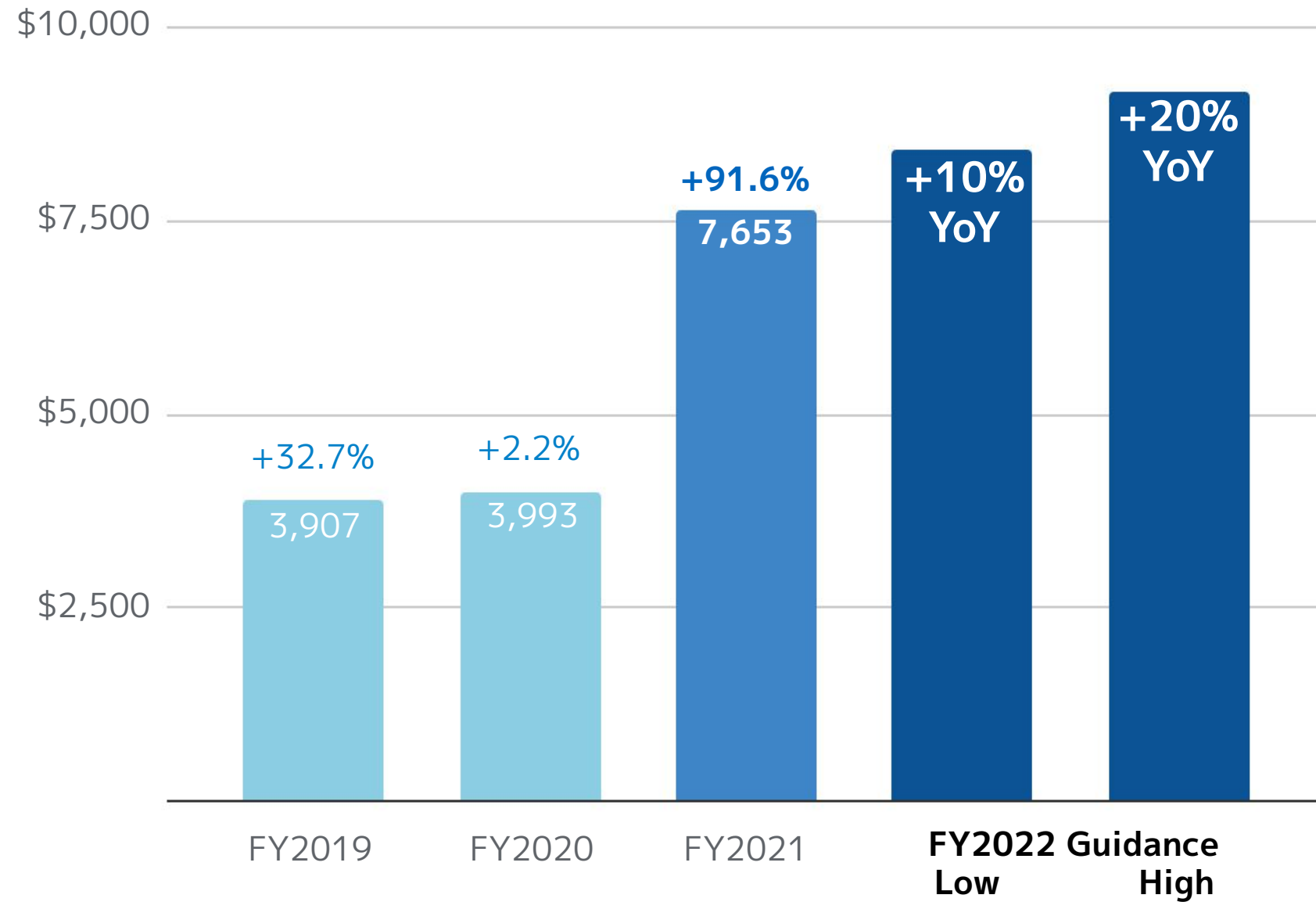
Assumptions for the foreign exchange rates for the consolidated financial guidance for FY2022 are as follows:
120 yen per USD, 134 yen per EUR, 90 yen per AUD

Financial Results and FY2022 Guidance by Segment

HR Technology

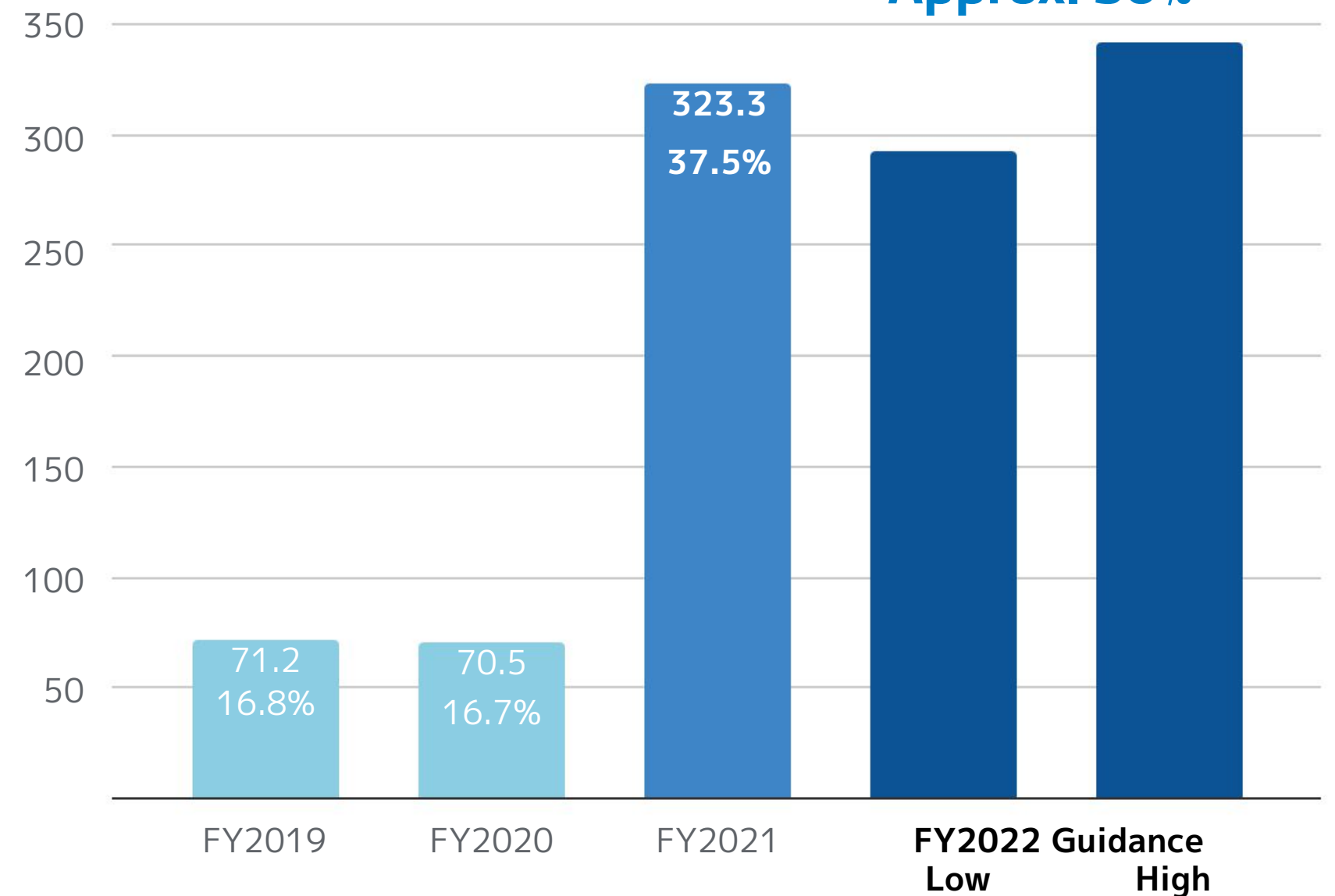
Revenue

(in millions of USD)



Adjusted EBITDA and Adjusted EBITDA margin¹

(in billions of yen)

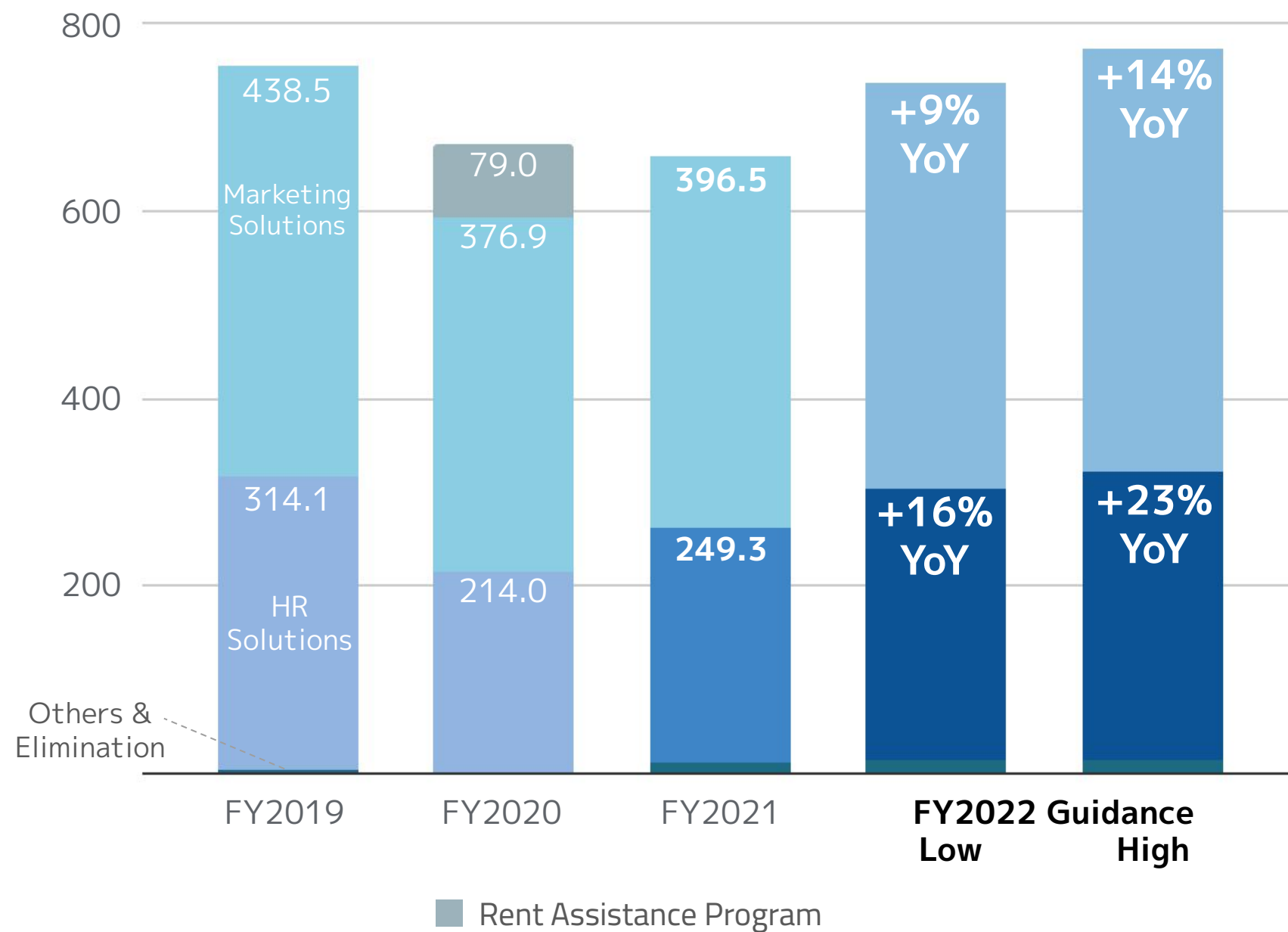


1: From FY2022, share-based payment expenses will be added as an adjustment item for adjusted EBITDA. New definition of adjusted EBITDA has been applied retroactively to FY2019 through FY2021.

Financial Results and FY2022 Guidance by Segment

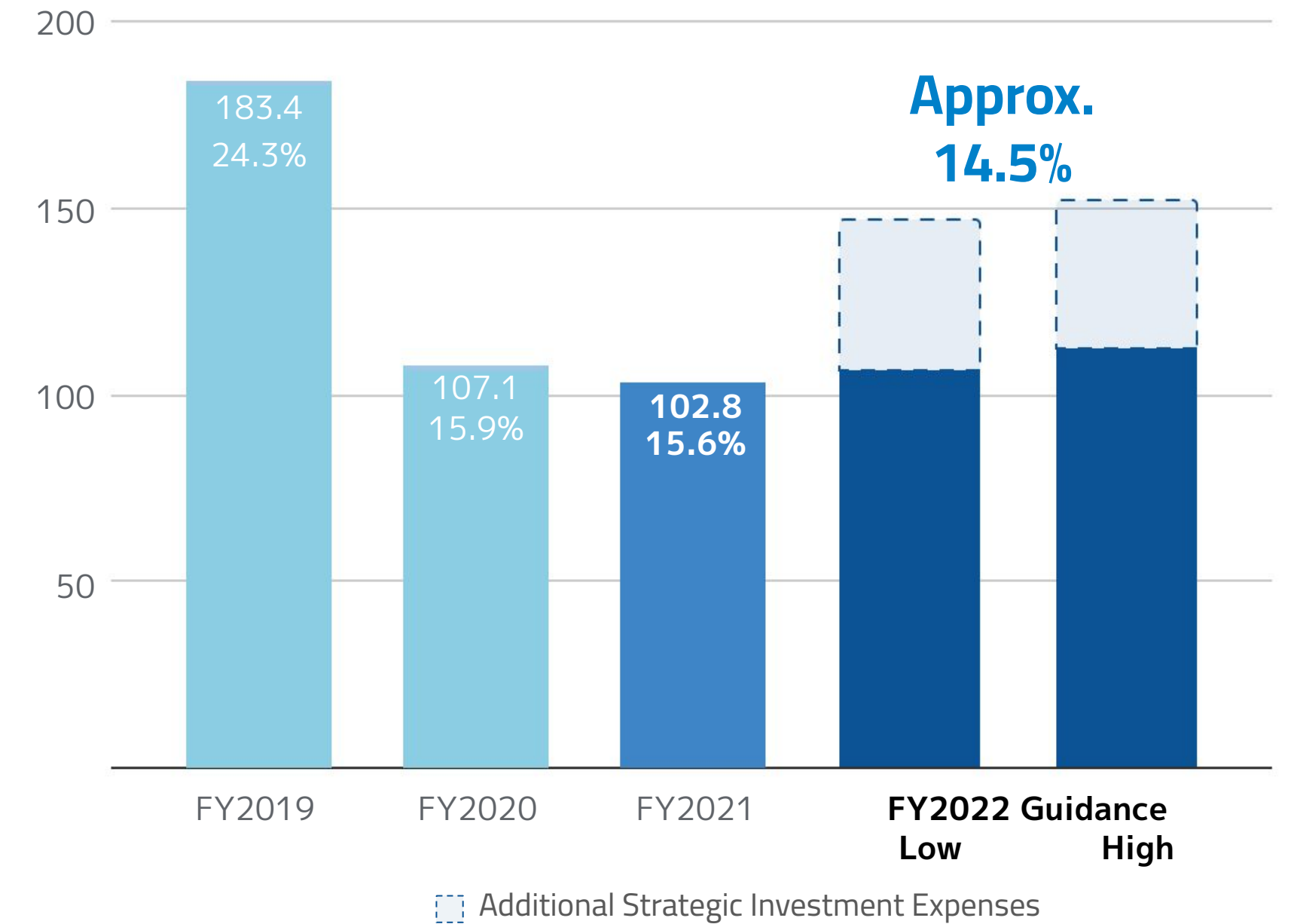
Media & Solutions

Revenue



Adjusted EBITDA and Adjusted EBITDA margin¹

(in billions of yen)

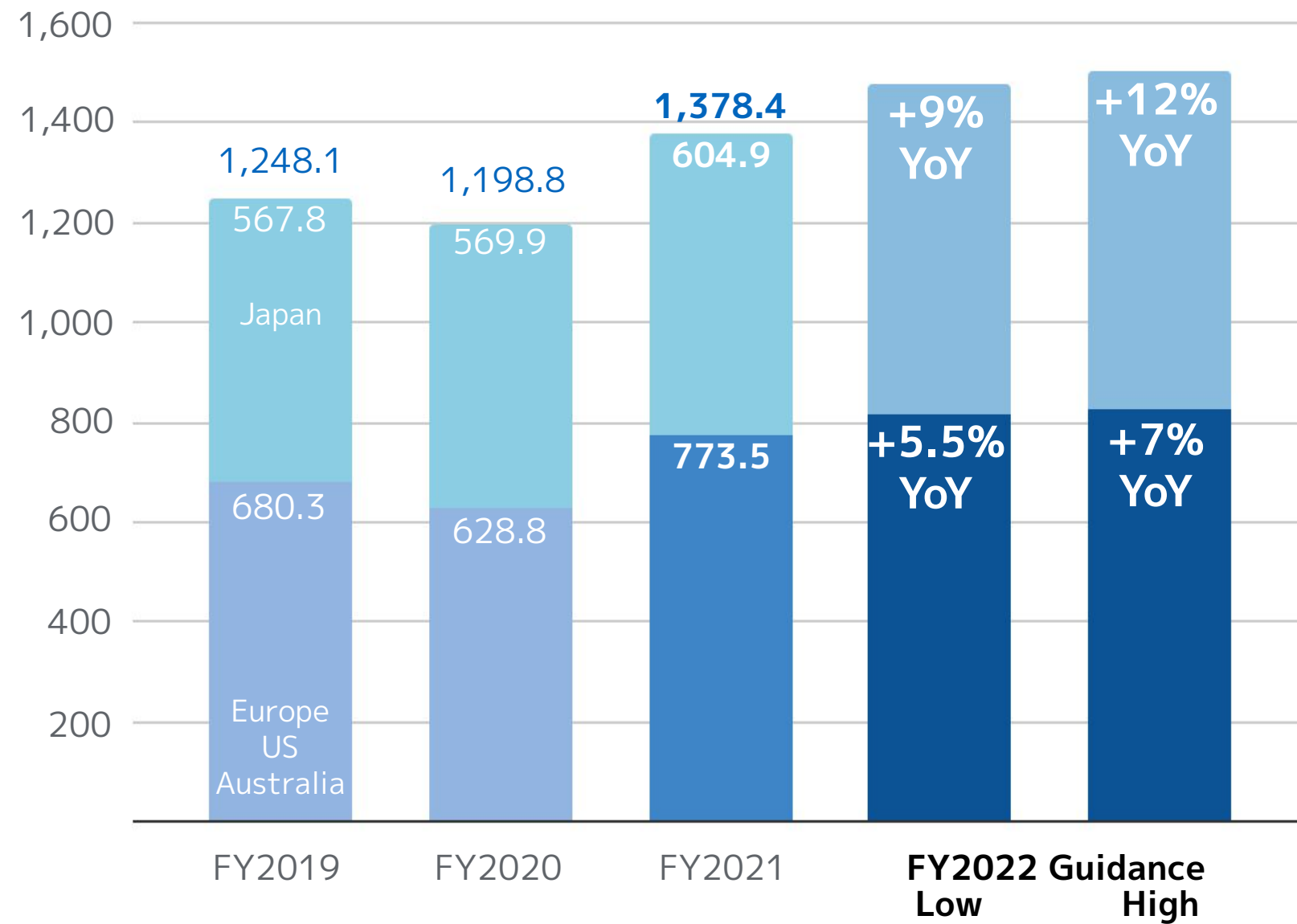


1: From FY2022, share-based payment expenses will be added as an adjustment item for adjusted EBITDA. New definition of adjusted EBITDA has been applied retroactively to FY2019 through FY2021.

Financial Results and FY2022 Guidance by Segment

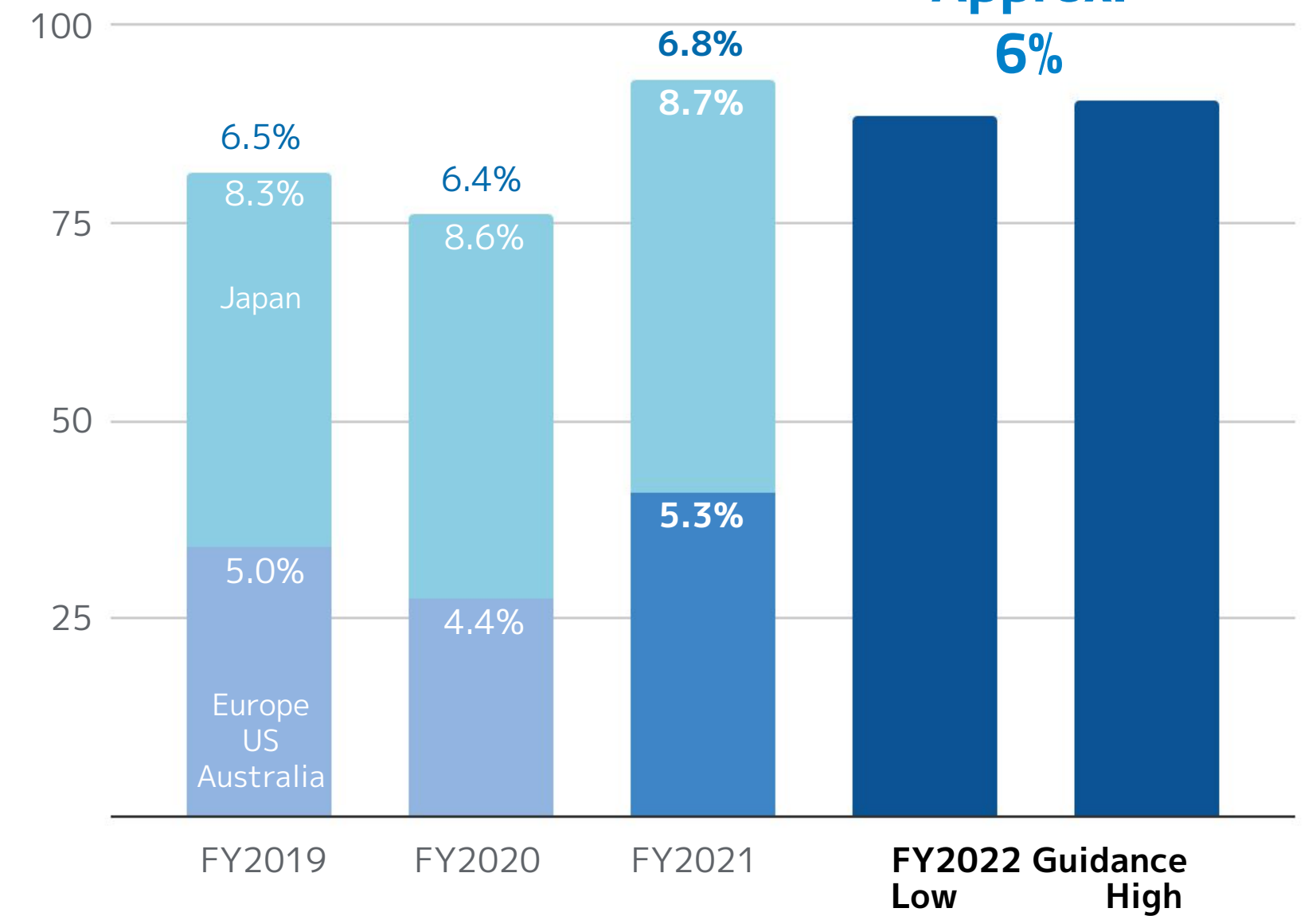
Staffing

Revenue



Adjusted EBITDA and Adjusted EBITDA margin¹

(in billions of yen)



■ Staffing Total

1: From FY2022, share-based payment expenses will be added as an adjustment item for adjusted EBITDA. New definition of adjusted EBITDA has been applied retroactively to FY2019 through FY2021.

Capital Allocation Policy

No changes to the following priorities

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

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.

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

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