

# Financial Results for Q1 FY2015

August 10, 2015



Recruit Holdings Co., Ltd.

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# **1. Q2 FY2015**

## **Consolidated Financial Highlights**

# 1 -( I ) Consolidated Earnings Summary

- Recorded double digits increase and EBITDA increase YoY
- Made steady progress toward full-year forecast
- All main three segments recorded an increase in sales and EBITDA

(JPY bn)	FY2014	FY2015			
	Q1 YTD ACT	Q1 YTD ACT* <sub>3</sub>	YoY Change	Full-year Forecast* <sub>4</sub> (announced on May 13)	YoY Change
Net Sales	305.8	<b>344.1</b>	+12.5%	1550.0	+19.2%
EBITDA* <sub>1</sub>	47.5	<b>49.7</b>	+4.7%	201.0	+5.0%
EBITDA Margin	15.5%	14.5%	-1.1pt	13.0%	-1.7pt
Operating income	31.5	<b>30.1</b>	-4.7%	112.0	-8.6%
Ordinary income	33.2	<b>31.7</b>	-4.4%	117.0	-6.9%
Net income attributable to owners of the parent	18.6	<b>22.2</b>	+19.5%	65.0	-6.7%
Adjusted net income* <sub>2</sub>	27.5	<b>33.2</b>	+20.8%	112.5	+4.6%

\*1 : EBITDA = Operating income + Depreciation and amortization + Amortization of goodwill

\*2 : Adjusted net income = Net income attributable to owners of the parent + Amortization of goodwill

\*3 : Average exchange rate: JPY 119.16 /USD (JPY102.77/USD for FY2014) , JPY 93.67 /AUD

\*4 : Assuming exchange rate: JPY119.00/USD, JPY 91 .00/AUD

# (Consolidated Earnings in Existing business)

(JPY bn)	FY2014	(Ref*1) FY2015			
	Q1 YTD ACT	Q1 YTD ACT*2	YoY Change	Full-year Forecast*3 (announced on May 13)	YoY Change
Net Sales	305.8	<b>334.4</b>	+9.4%	1396.0	+7.4%
EBITDA	47.5	<b>50.2</b>	+5.7%	202.5	+5.8%

\*1 : Estimated by deducting the earnings of subsidiaries which are going to be consolidated during FY2015

\*2 : Average exchange rate: JPY 119.16 /USD (JPY102.77/USD for FY2014) , JPY 93.67 /AUD

\*3 : Assuming exchange rate: JPY119.00/USD, JPY 91 .00/AUD

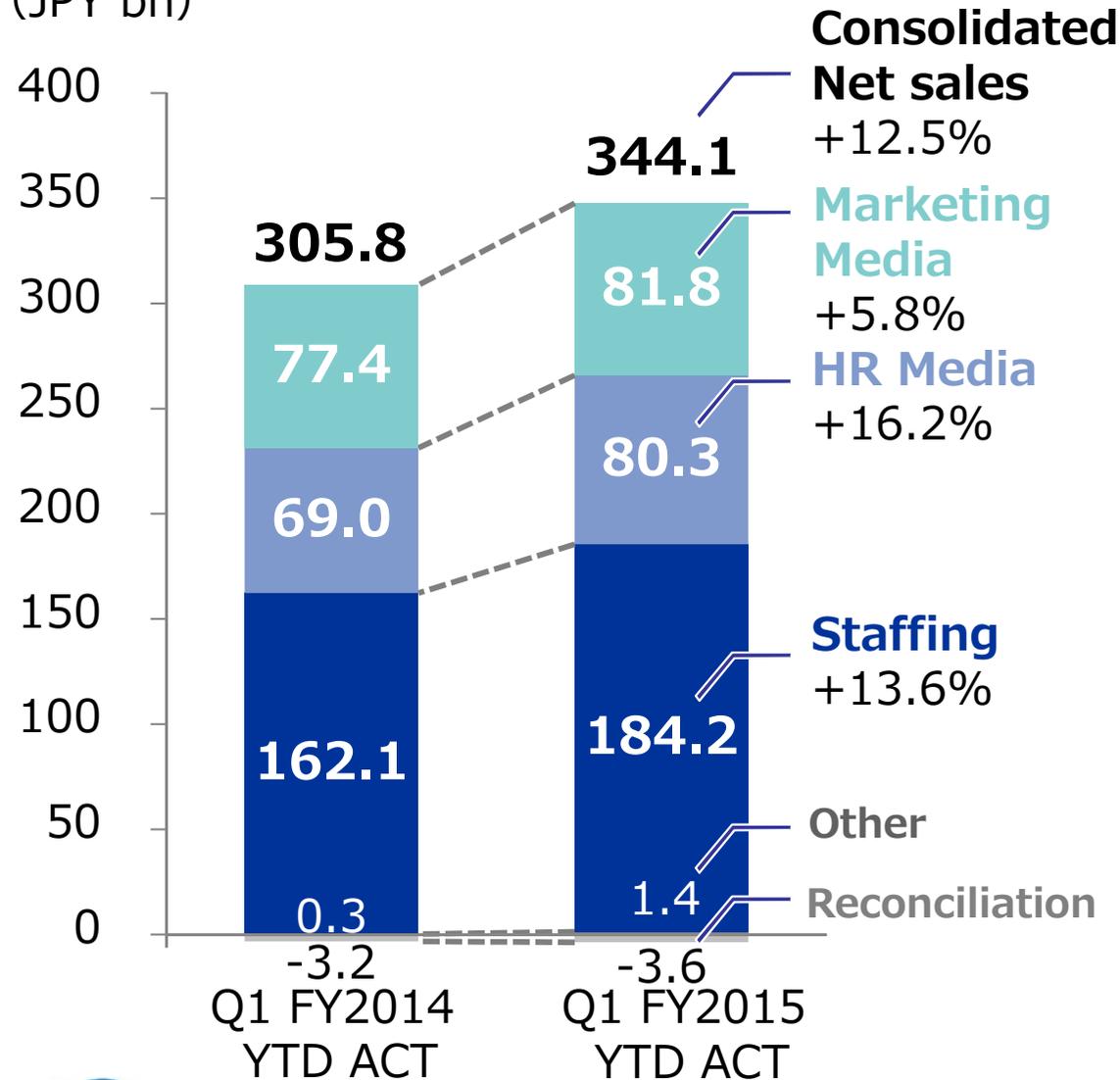
## (Main Newly Consolidated subsidiaries)

Schedule of consolidation	Company name	Segment
Q1 FY2015	Quandoo GmbH, Germany	Marketing Media Other
	Peoplebank Holdings Pty Ltd	Staffing Overseas
Q2 FY2015 (scheduled)	Chandler Macleod Group Limited	Staffing Overseas
	Atterro, Inc.	Staffing Overseas
Q3 FY2015 (scheduled)	Hotspring Ventures Limited	Marketing Media Other
	Treatwell Holdings B.V.	Marketing Media Other

# 1 -(Ⅱ) Segment Net sales & EBITDA

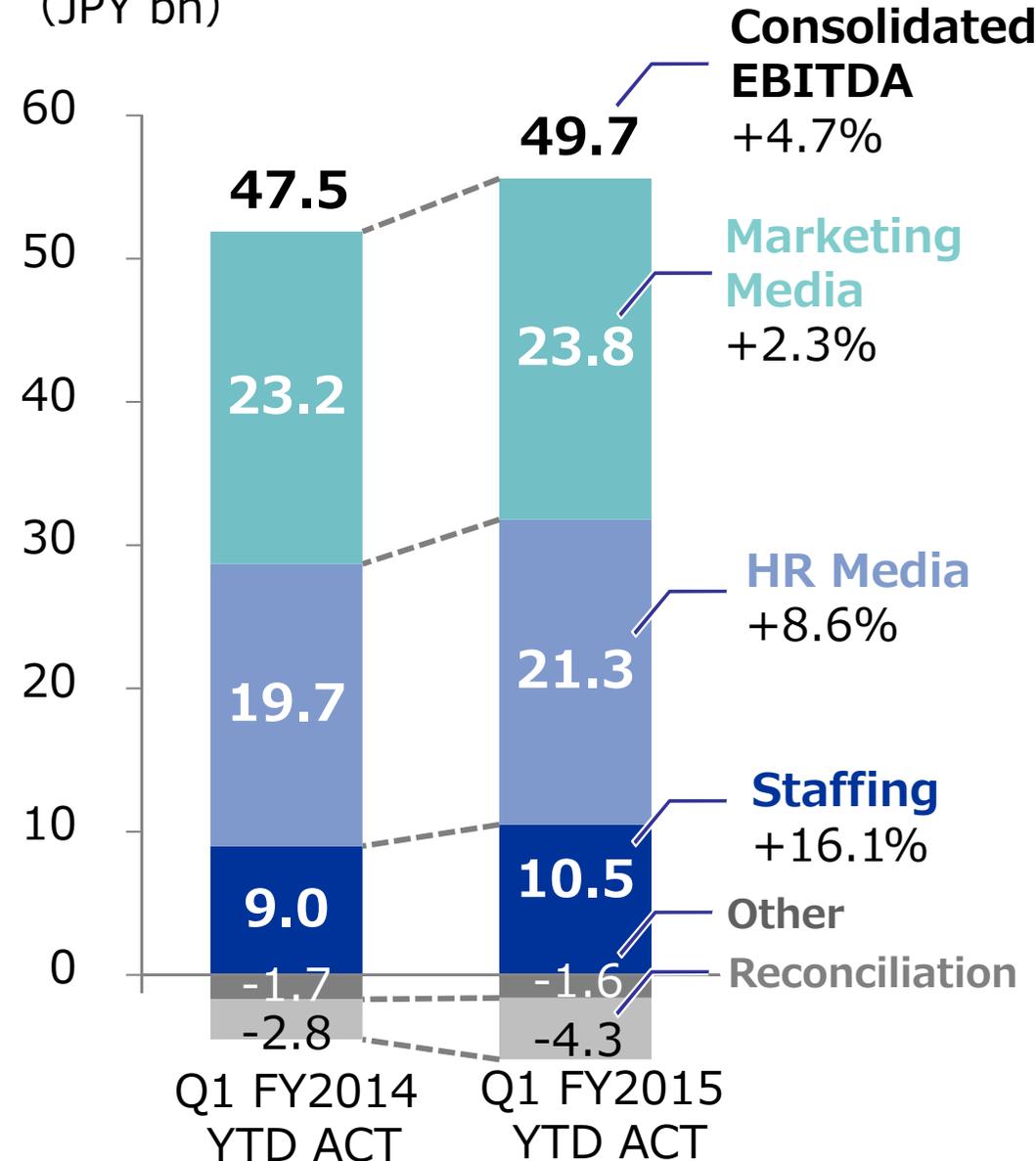
## Segment Net sales

(JPY bn)



## Segment EBITDA

(JPY bn)



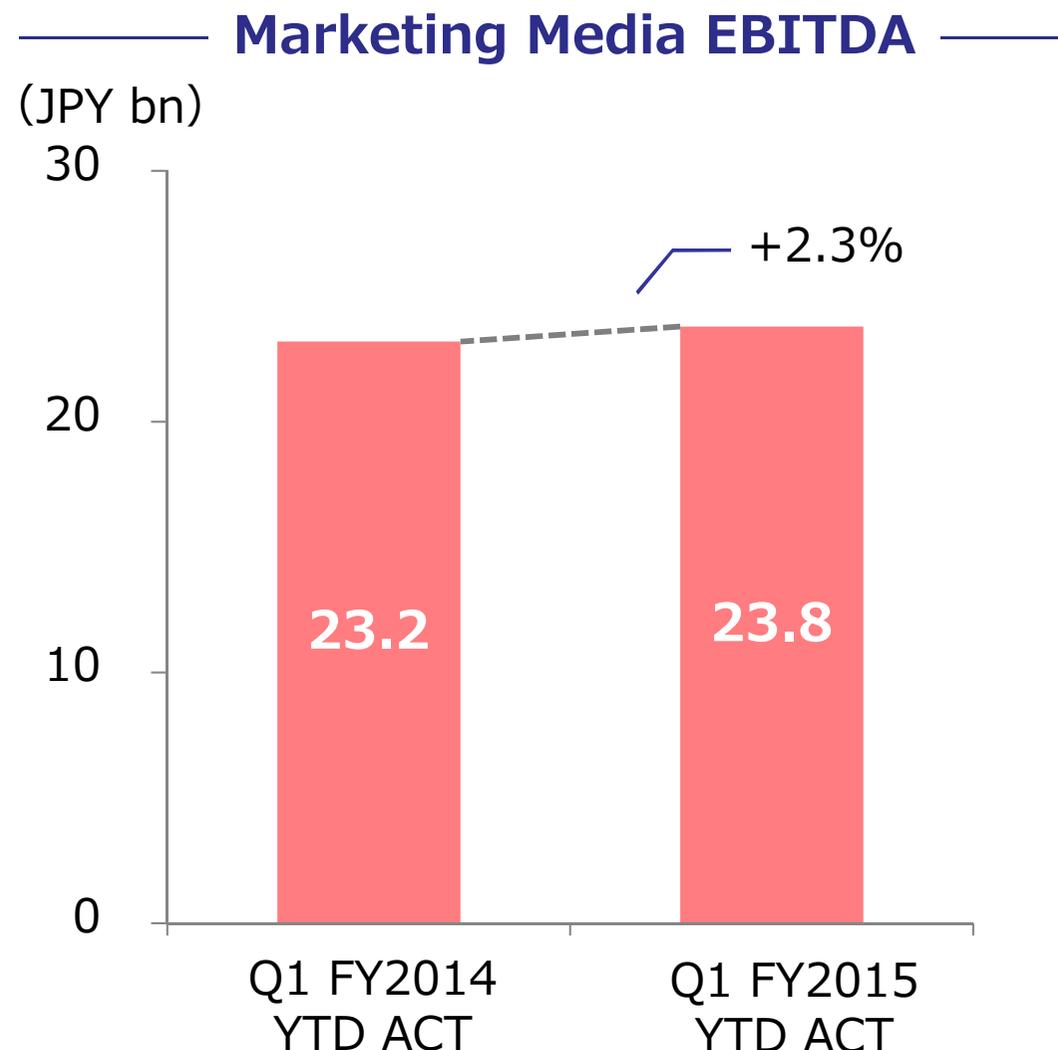
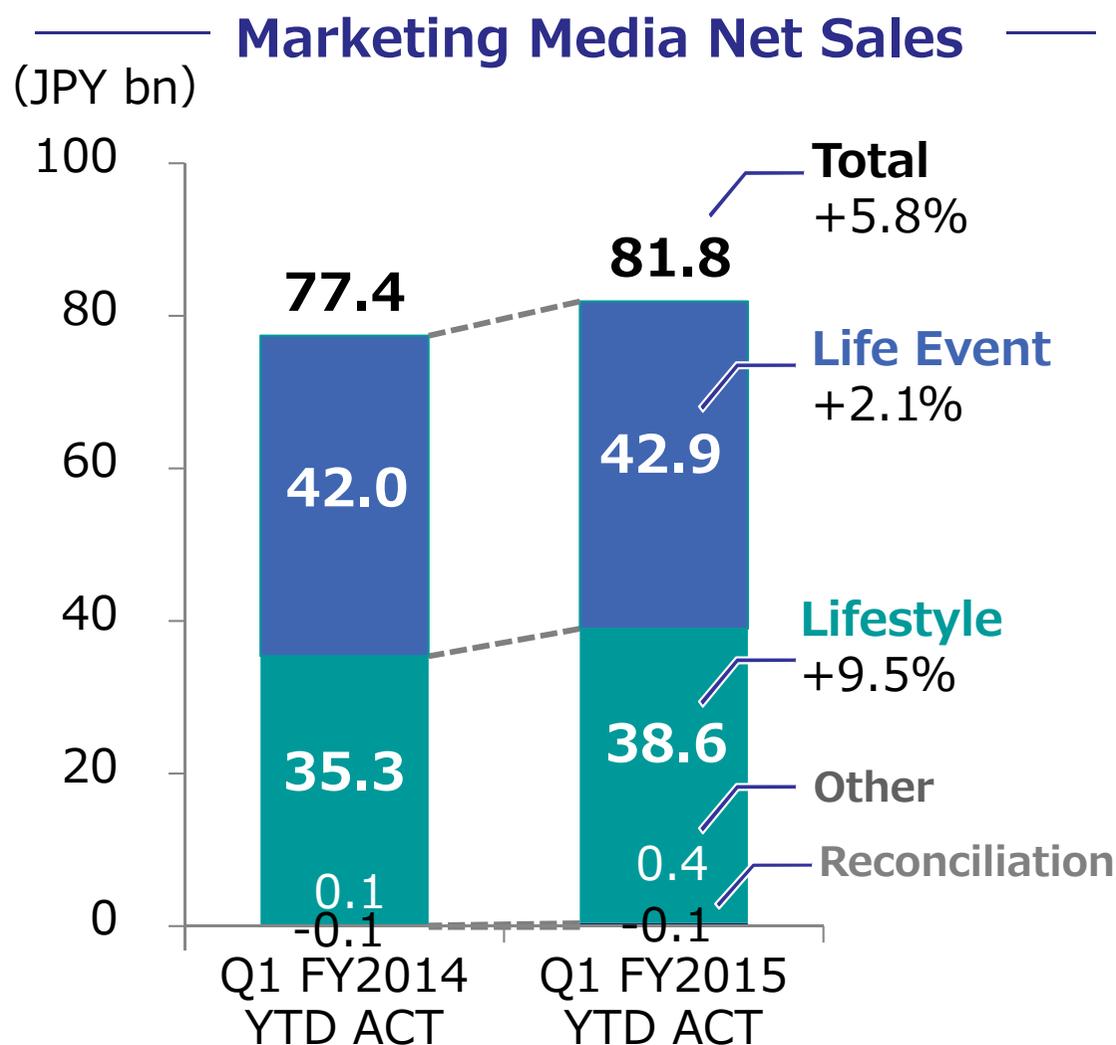
## **2 . Earnings Results by Segments for Q1 FY2015**

## **2. Earnings Results by Segments for Q1 FY2015**

### **(I) Marketing Media**

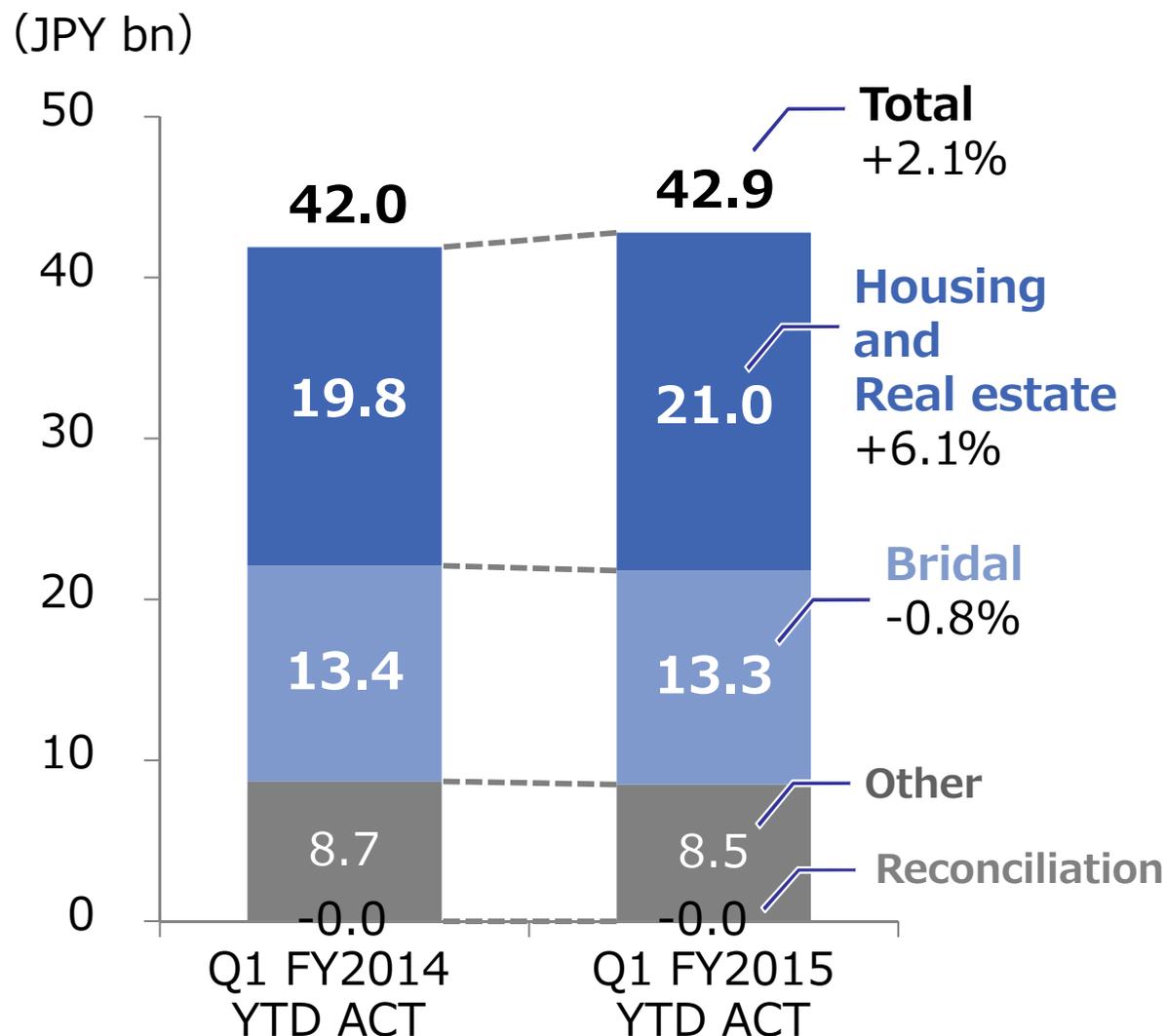
## 2-(I) Marketing Media Net Sales & EBITDA

- Net sales increased by 5.8% YoY. Life Event operation's Net sales trended solidly and Lifestyle operation's Net sales trended favorably.
- EBITDA increased by 2.3% YoY reflecting the increase in Net sales.



## 2-(I) Marketing Media : Life Event Operations

### Life Event Net Sales

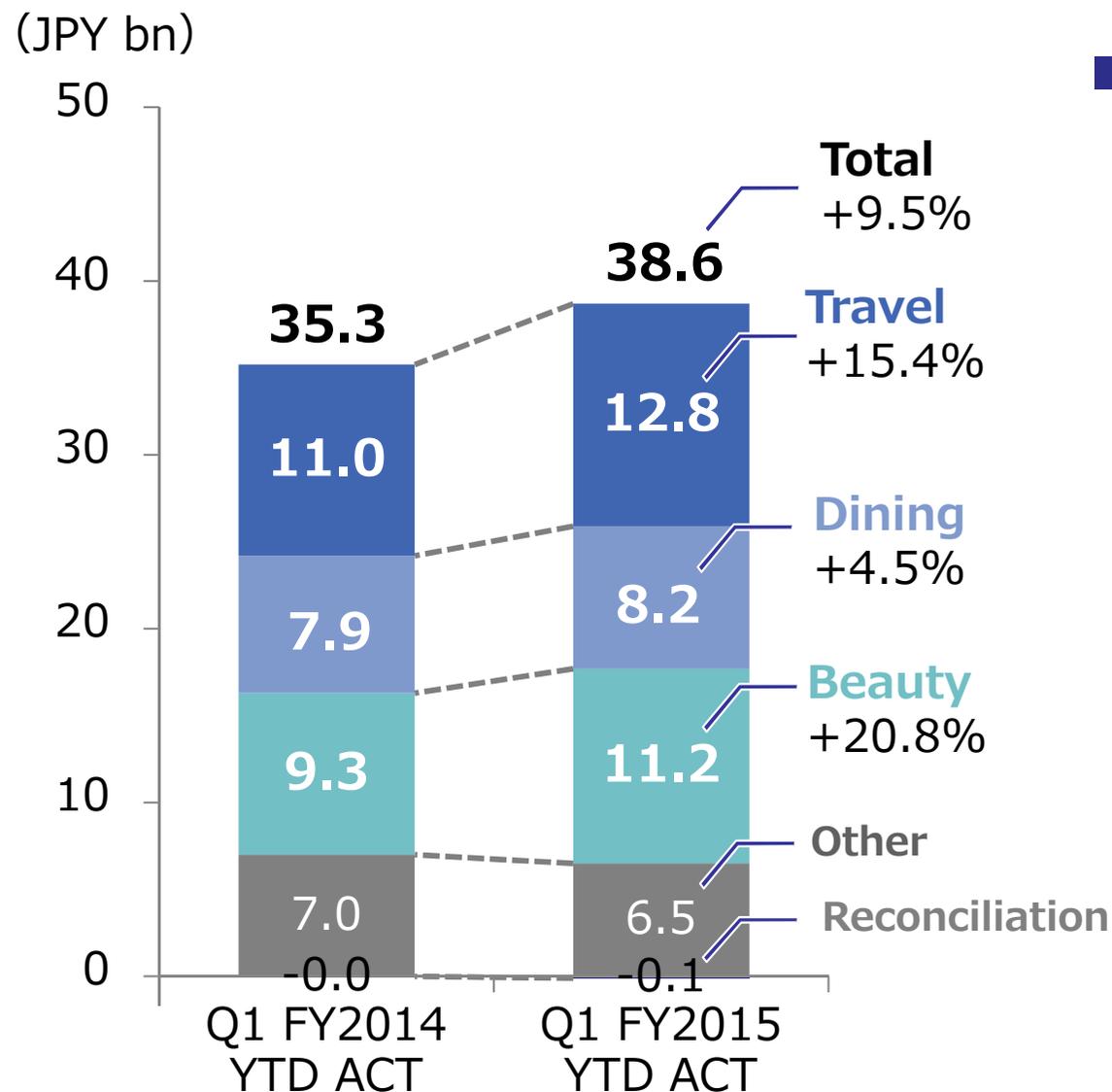


#### ■ Solid net sales

- In the housing and real estate business, while net sales remained sluggish in the condominium apartment division reflecting the continuing decrease in supply of newly-built condominium apartments, net sales in the independent housing division and the leasing division continued to trend favorably.
- In the bridal business, net sales trended solidly owing to increasing needs for attracting customers of major wedding venue operator clients.

## 2-(I) Marketing Media : Lifestyle operations

### Lifestyle Net sales



#### ■ Strong net sales

- The travel business trended favorably due to a rise in the accommodation rate per person per night and an increase in the total number of accommodation guests using our services.
- The dining business trended solidly due to the number of clients increased as we introduced a operation support service.
- The beauty business trended favorably as the transaction value with new and existing clients expands owing to the increase number of online reservation.

# (Topics in Domestic Business)

## ■ Dining business

The number of users  
**HotPepper Gourmet**<sup>\*1</sup>  
(Q1 FY2015 YTD ACT)

**7.21**

**million users**  
(25.29million users in FY2014<sup>\*2</sup>)

## ■ Beauty business

The number of online reservations  
**HotPepper Beauty**<sup>\*1</sup>  
(Q1 FY2015 YTD ACT)

**8.09**

**million reservations**  
(30.04million reservations in FY2014)

\*1 : Based on number of reservation, cancels are not counted

\*2 : We changed the method of calculation from FY2015

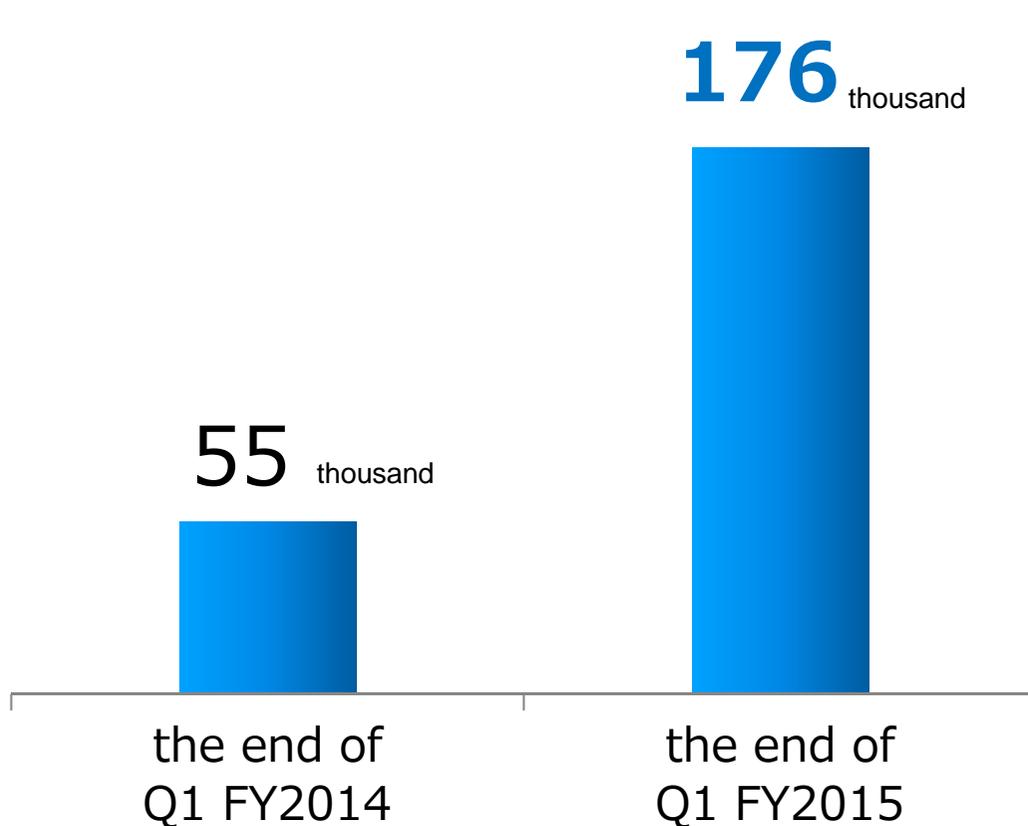
# (Topics in Domestic Business)

## ■ Business Support for SMEs

The number of accounts

### Air REGI

(Q1 FY2015 YTD ACT)

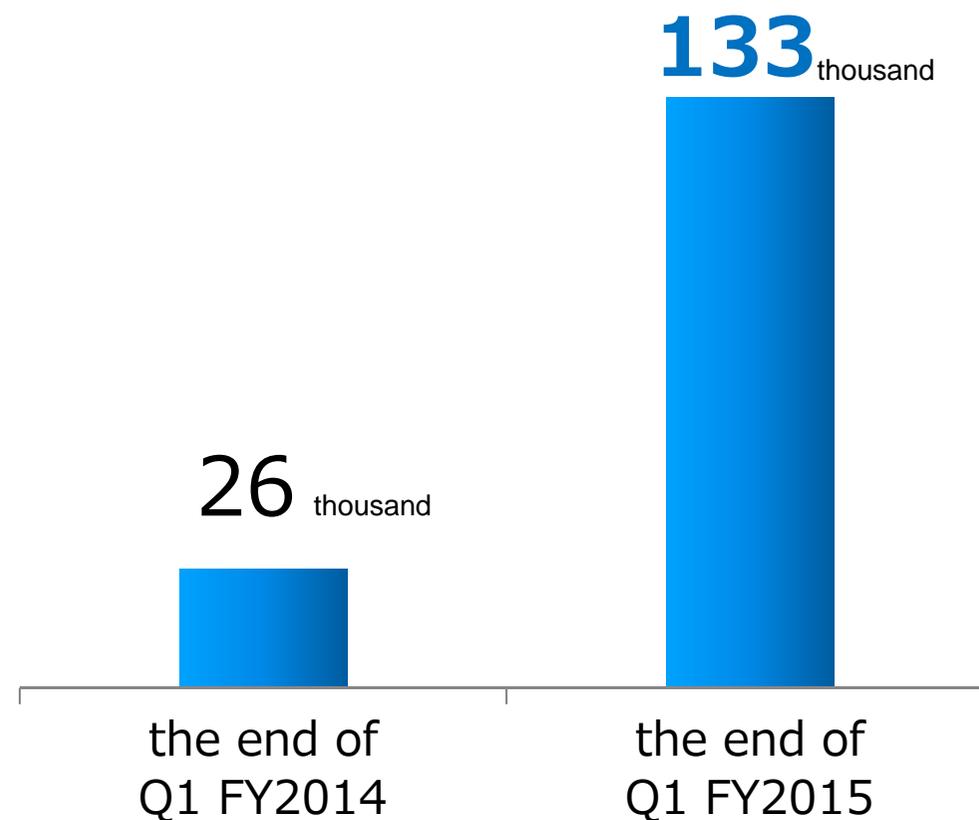


## ■ Education related business (Education related industry)

The number of paying members

### Jyuken Suppli

(Q1 FY2015 YTD ACT)



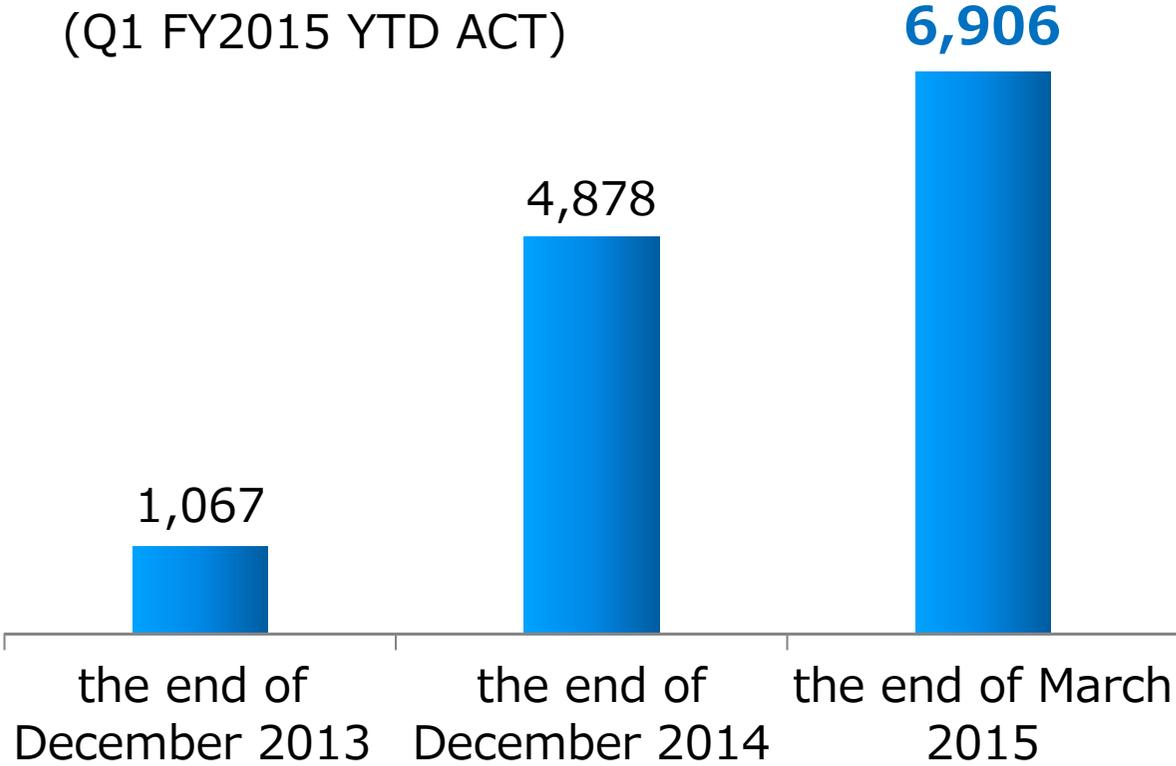
# (Topics in Overseas Business)

## ■ Quandoo, European dining reservation service company was consolidated

- It was included in the Consolidated P/L from January, we posted its three months(Jan.-Mar. 2015) results on other business in Lifestyle operation.
- The number of restaurants using Quandoo increased steadily as expected.

### The number of restaurants using Quandoo reservation service

(Q1 FY2015 YTD ACT)



◀ consolidated from March 5, 2015



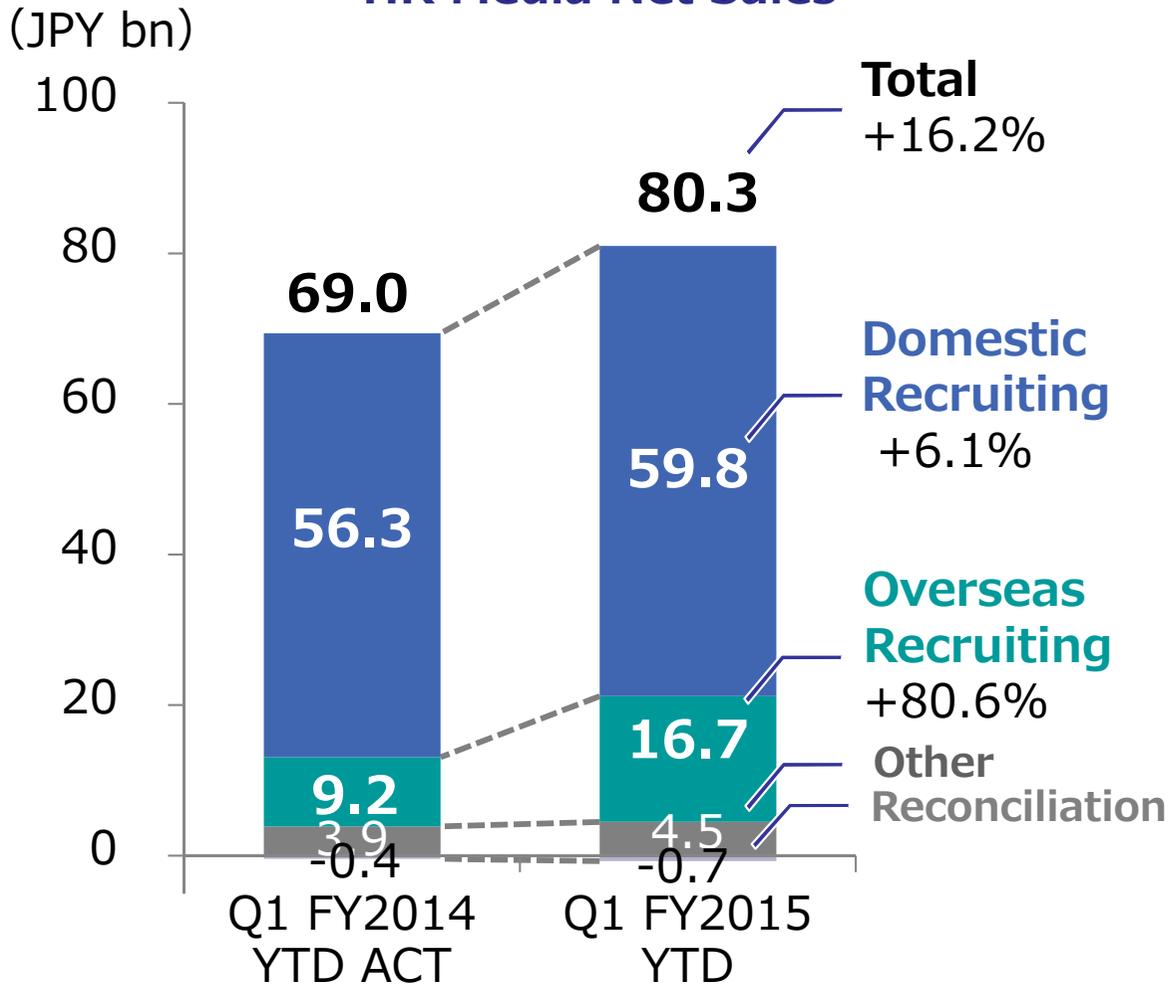
## **2. Earnings Results by Segments for Q1 FY2015**

### **(II) HR Media**

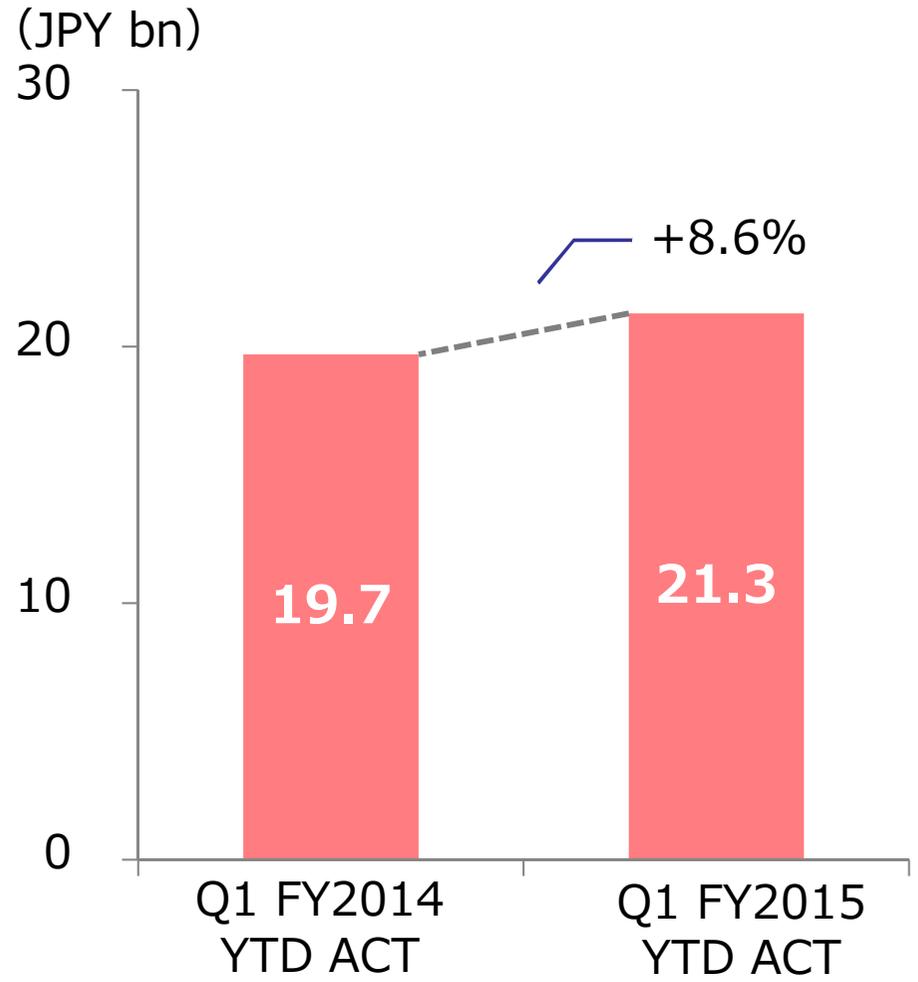
# 2-(II) HR Media Net sales & EBITDA

- Net sales increased by 16.2% YoY owing to brisk domestic and overseas recruiting business
- EBITDA increased by 8.6% YoY reflecting the reinforcement of investment in overseas recruiting business

HR Media Net Sales



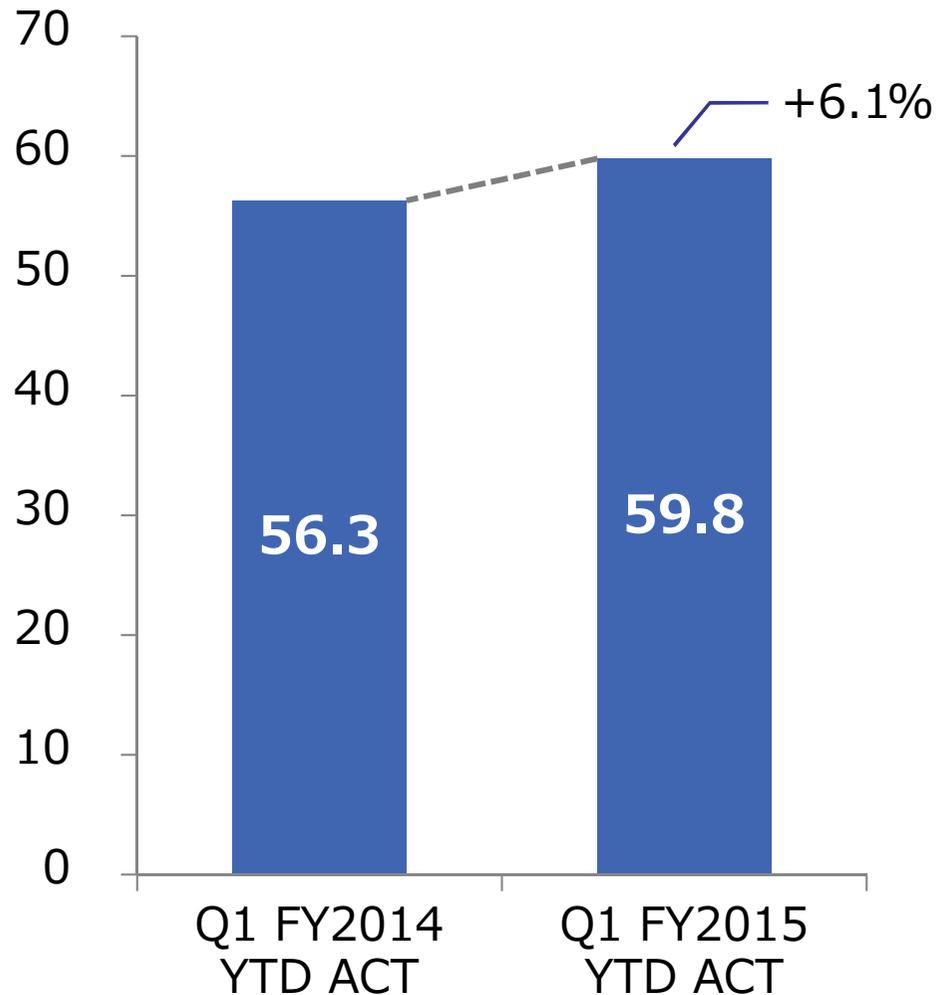
HR Media EBITDA



## 2-(Ⅱ) HR Media : Domestic Recruiting

### Domestic Recruiting Net sales

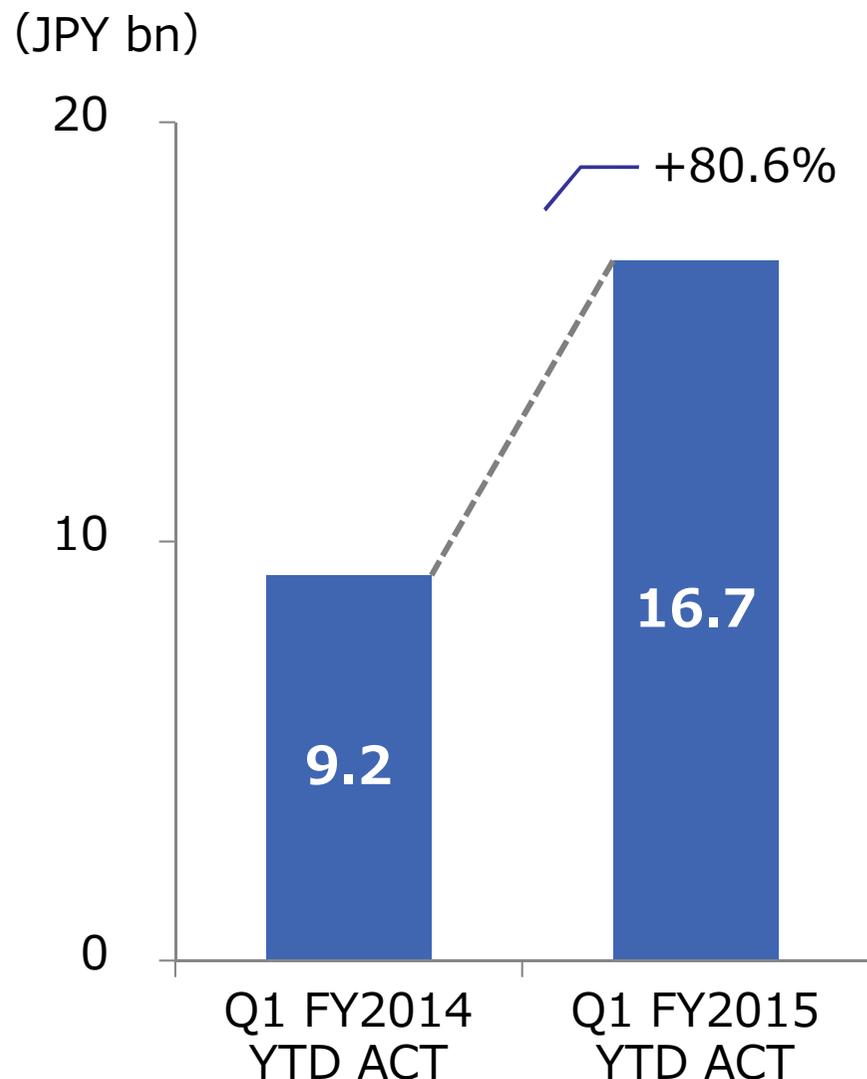
(JPY bn)



- **Favorable market environment**
  - The ratio of job-offers to job-seekers and the number of recruitment advertisements continued to improve.
- **Strong net sales**
  - Net sales trended favorably due to the reinforcement of brand strength, attracting users, and sales operations.

## 2-(II) HR Media : Overseas Recruiting

### Overseas Recruiting Net sales (Indeed)



#### ■ Strong Net sales

- Net sales trended favorably because the small- and medium-sized enterprise clients continued to increase.
- The number of Unique Visitors in a month has grown up to 177million as of March 2015.(increased by 52.6% year-on-year)
- The number of Unique Visitors in regions except the US made steady growth.

## **2. Earnings Results by Segments for Q1 FY2015**

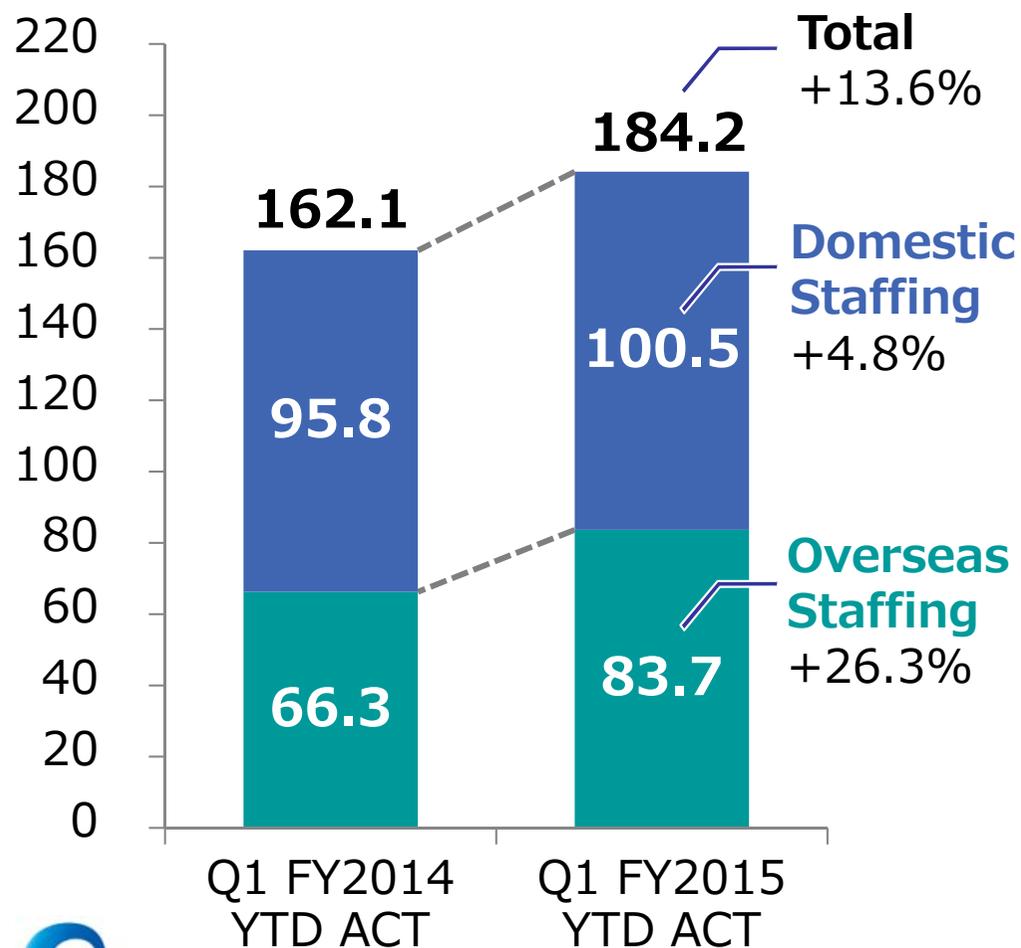
### **(Ⅲ) Staffing**

## 2-(Ⅲ) Staffing Net sales & EBITDA

- Net sales increased by 13.6% YoY owing to brisk domestic and overseas staffing business and consolidation of overseas subsidiaries
- EBITDA increased by 16.1% YoY reflecting increase in net sales and progress on management efficiency

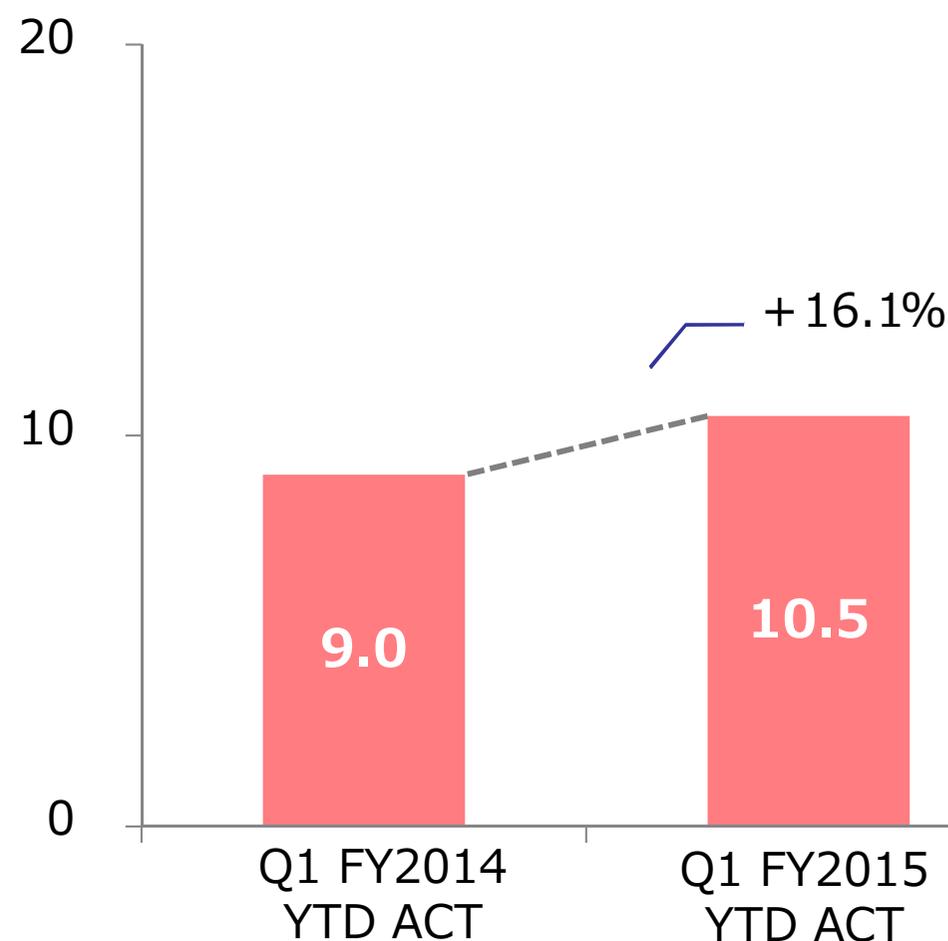
Staffing Segment Net Sales

(JPY bn)



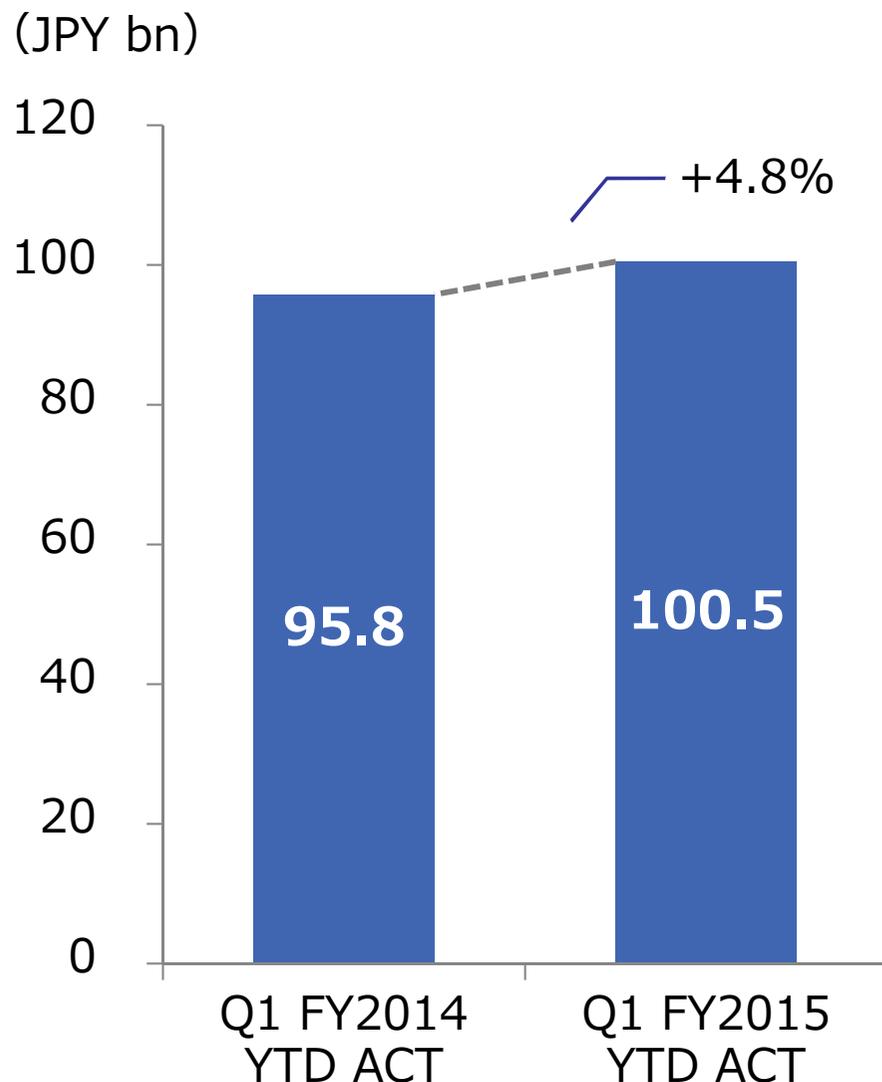
Staffing Segment EBITDA

(JPY bn)



## 2-(Ⅲ) Staffing: Domestic Staffing

### Domestic Staffing Net sales



#### ■ Solid market environment

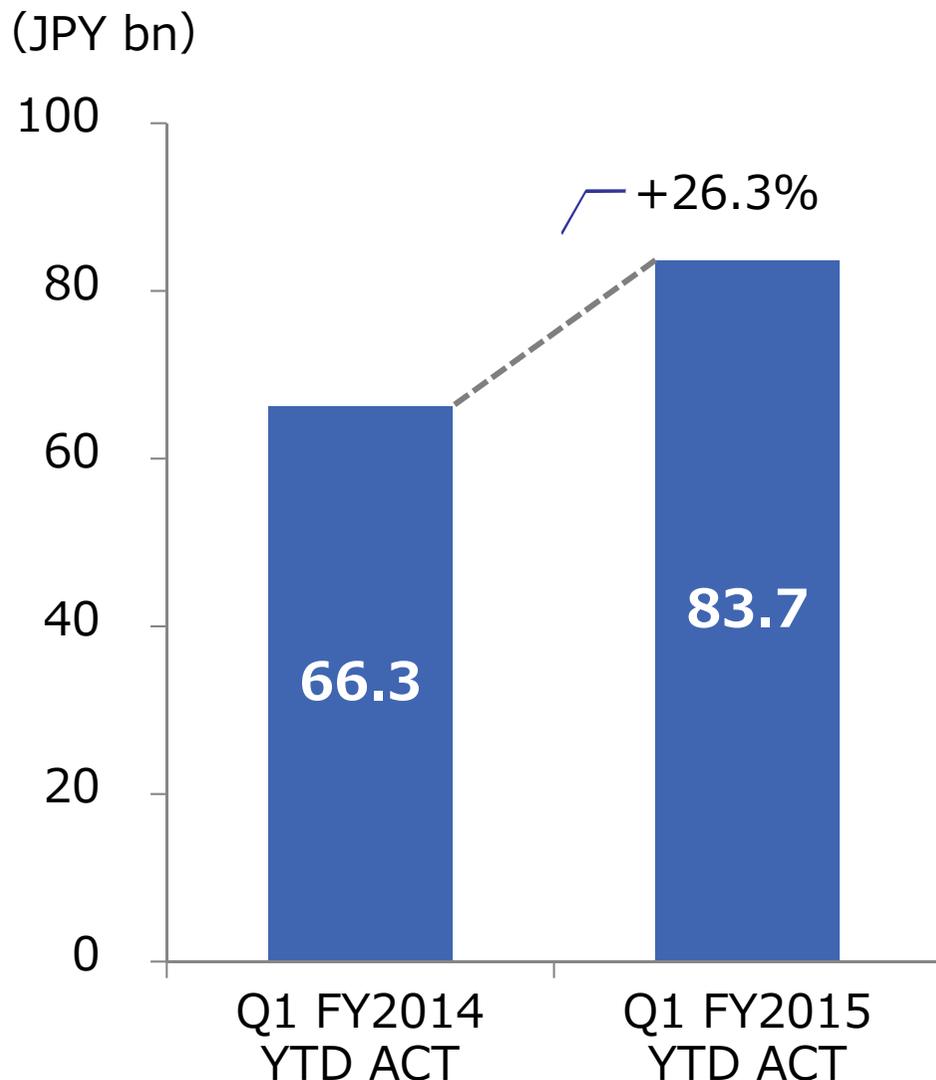
- The number of active agency workers, quarterly average, maintained a rising trend for the seven consecutive quarters.

#### ■ Strong net sales

- Net sales in Recruit Staffing trended strongly owing to enhanced sales operations.
- Net sales in Staff Service trended favorably owing to the continuation of existing staffing contracts and an increase in the number of new staffing contracts.

## 2-(Ⅲ) Staffing: Overseas Staffing

### Overseas Staffing Net sales



#### ■ Solid market environment

- The staffing market in North America and Europe continued to enjoy a moderate expansion.

#### ■ Strong net sales

- Net sales in existing subsidiaries trended favorably owing to positive impact from a weak yen.
- The contribution from newly consolidated subsidiary Peoplebank, a company in Australia.

(we posted its two months results, Feb.-Mar. 2015)

# Forecast for Full-year FY2015

## ■ No changes to the Full-year forecast announced at the beginning of the term

(JPY bn)	FY2014	FY2015	
	Full-year	Full-year Forecast*3	YoY Change
<b>Net sales</b>	1,299.9	<b>1,550.0</b>	<b>+19.2%</b>
<b>EBITDA*1</b>	191.4	<b>201.0</b>	<b>+5.0%</b>
EBITDA Margin	14.7%	13.0%	-1.7pt
Operating income	122.4	112.0	-8.6%
Ordinary income	125.6	117.0	-6.9%
Net income attributable to owners of the parent	69.7	65.0	-6.7%
Adjusted net income*2	107.5	112.5	+4.6%
Dividend per share (JPY)	47	50	—
Goodwill amortization	37.8	47.5	—
Depreciation	31.0	41.5	—

(Ref*4) FY2015 Full-year	
Full-year Forecast*4	YoY Change
<b>1,396.0</b>	<b>+7.4%</b>
<b>202.5</b>	<b>+5.8%</b>

\*1: EBITDA = Operating income + Depreciation and amortization + Amortization of goodwill

\*2: Adjusted net income = Net income + Amortization of goodwill

\*3: Assuming exchange rate: JPY119.00/USD(JPY 105.79/USD for FY2014), JPY91.00/AUD

\*4: Estimated by deducting the earnings forecast of subsidiary which are going to be consolidated during this FY2015

# Appendix

# Company Profile

Company Name : Recruit Holdings Co.,Ltd.  
 Capital : 10 billion yen  
 Stock Exchange Registration : Tokyo Stock Exchange 1st Section (Stock Code : 6098)  
 Number of Shares Issued : 565,320,010  
 Number of Shareholders : 69,446

Name of Major shareholders	Number of Shares	% of shares
Dai Nippon Printing Co., Ltd.	37,700,000	6.67%
TOPPAN PRINTING CO., LTD.	37,700,000	6.67%
The Recruit Group Employees Shareholding Association	31,407,260	5.56%
DENTSU INC.	30,000,000	5.31%
NTT DATA Corporation	20,500,000	3.63%
The Norinchukin Bank	12,500,000	2.21%
Mizuho Bank, Ltd.	12,000,000	2.12%
Sumitomo Mitsui Banking Corporation	12,000,000	2.12%
The Bank of Tokyo-Mitsubishi U F J , Ltd.	12,000,000	2.12%
The Dai-ichi Life Insurance Company, Limited	12,000,000	2.12%
MITSUI & CO., LTD.	12,000,000	2.12%

Type of Shareholder	Number of Shares	% of shares
Financial Institutions	103,583,100	18.32%
Securities Companies	6,725,441	1.19%
Other Companies	237,452,008	42.00%
Foreign Institutions and Individuals	72,891,197	12.89%
Individuals and Others	144,042,264	25.48%
Treasury stock	626,000	0.11%



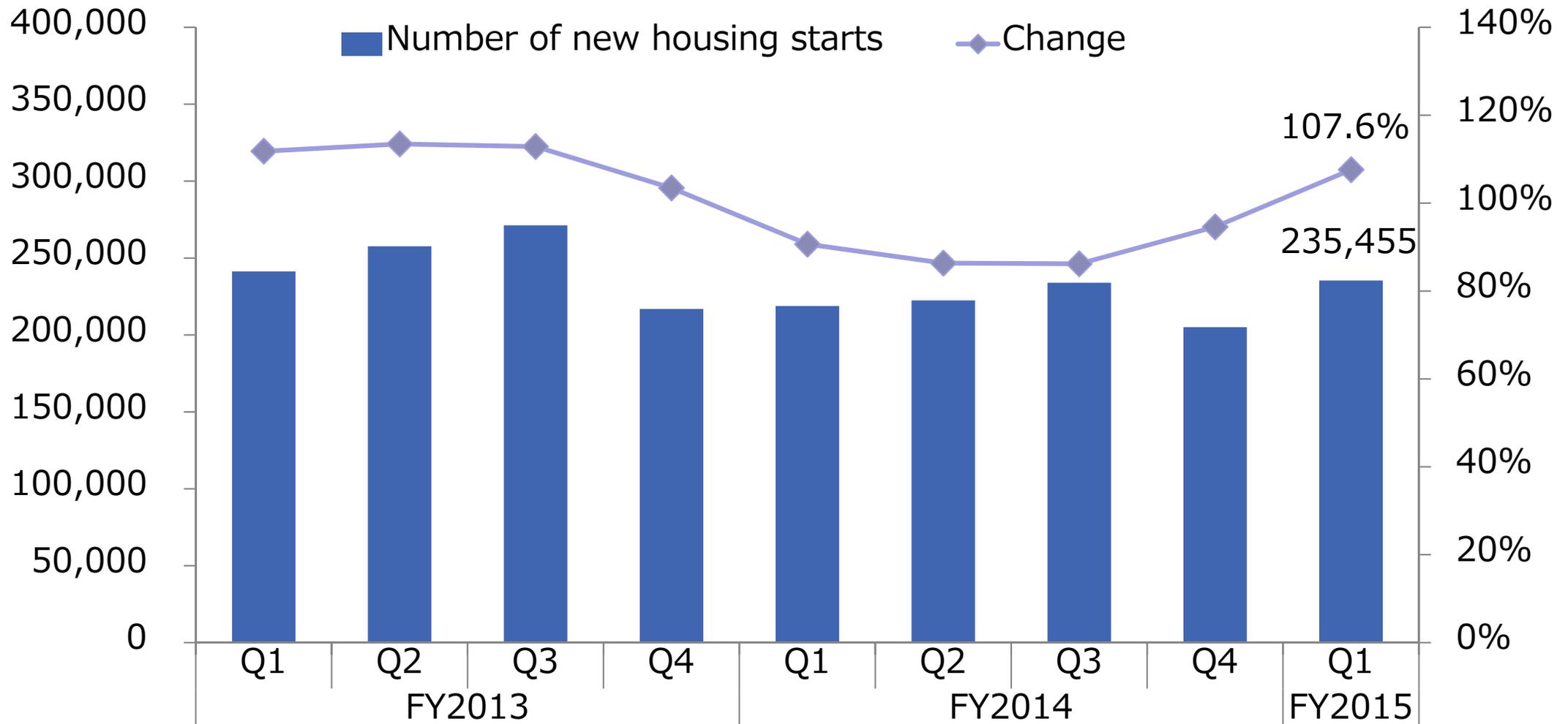
# Business Segments & Major Services

Marketing Media	Life Event	Housing and Real Estate, Bridal, Automobiles, Education    
	Lifestyle	Travel, Dining, Beauty, other info   
	Other	(Overseas)  
HR Media	Domestic Recruiting	Job Advertising, HR Placement    
	Overseas Recruiting	Job Advertising 
	Other	Executive Search, HR Training  
Staffing	Domestic Staffing	(Domestic)  
	Overseas Staffing	(Overseas)    
Other		 

# Market Environment: Housing and Real Estate Business

## Number of new housing starts

(# of houses)



\*Source: MLIT housing start statistics

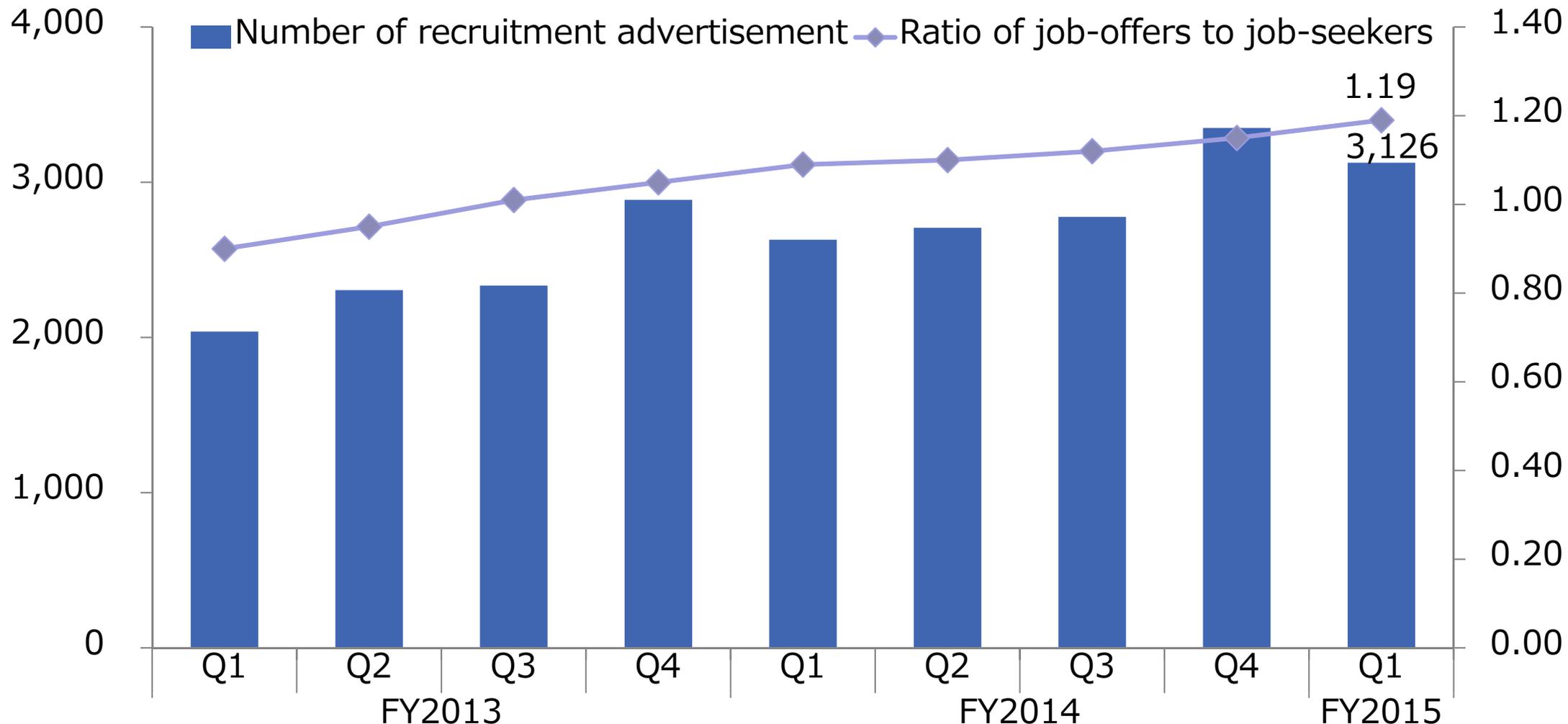


# Market Environment: Domestic Recruiting Operations

## - Number of recruitment advertisements / Ratio of job-offers to job-seekers -

(Unit: 1,000)

(Unit: ratio)



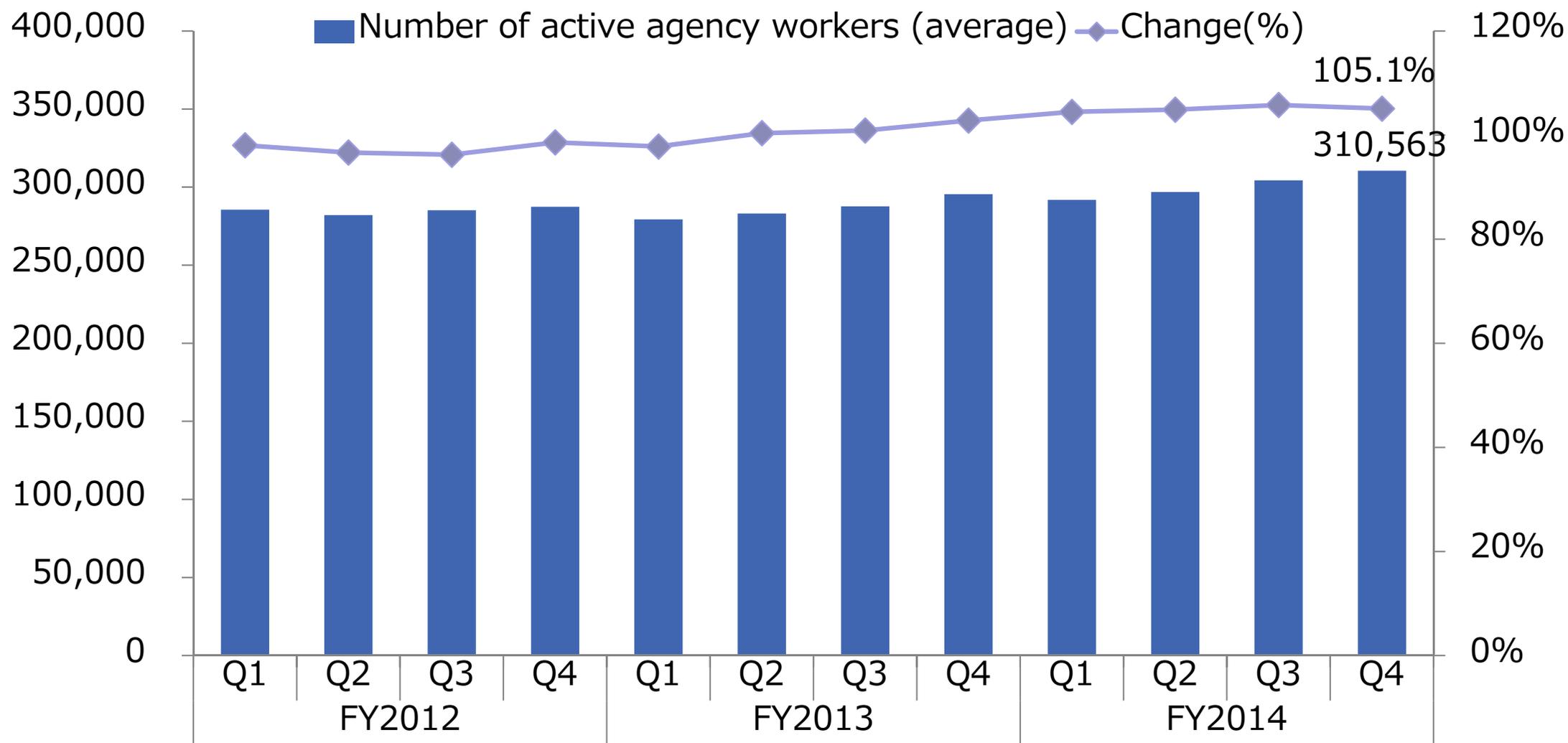
\*Source: Association of Job Information of Japan (Zenkyukyo), Ministry of Health, Labour and Welfare



# Market Environment: Domestic Staffing Operations

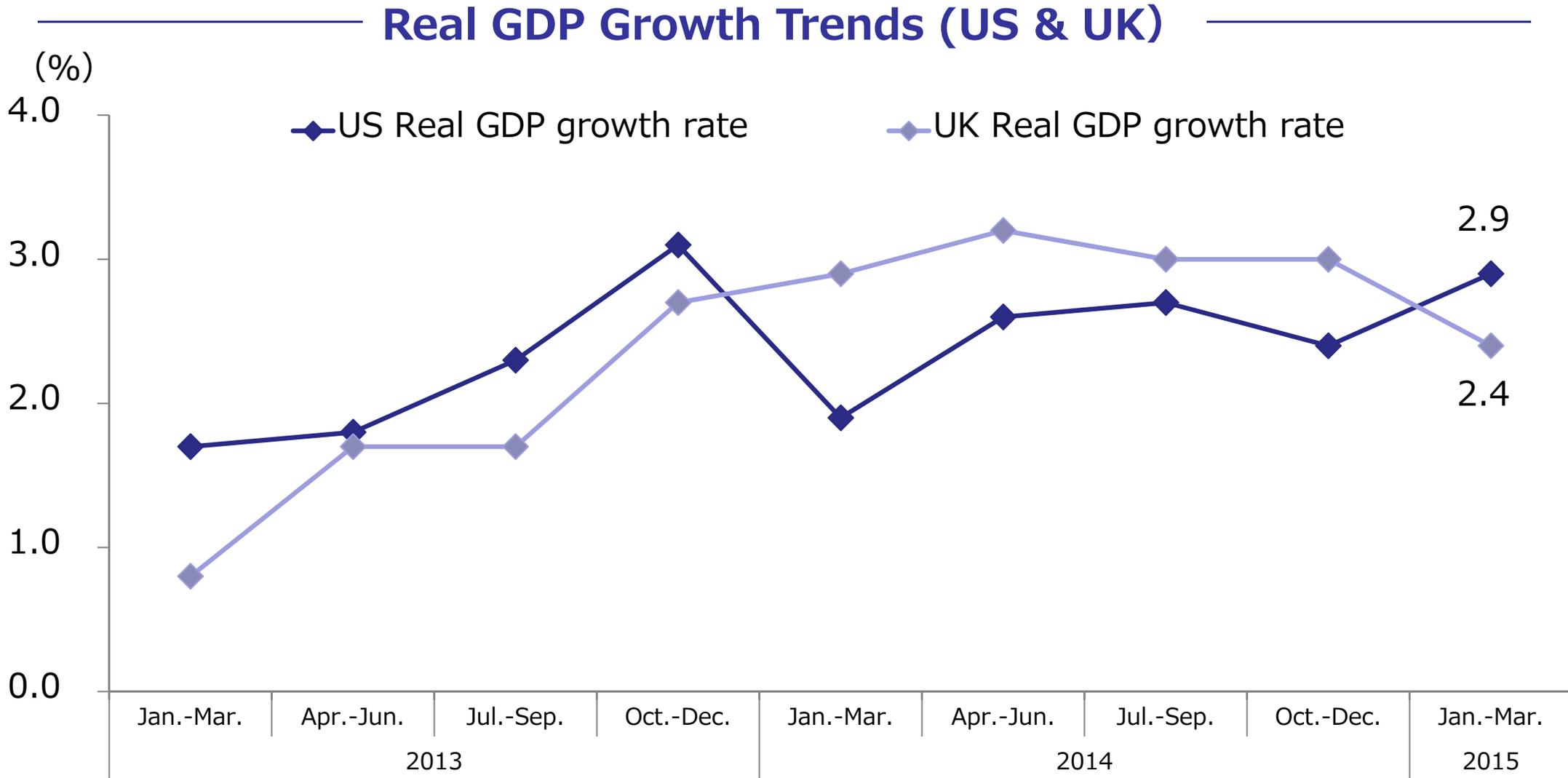
## Number of active agency workers

(#of persons)



\*Source: Japan Staffing Services Association

# Market Environment: Overseas Staffing Operations



\*Source:

- U.S. Department of Commerce: National Income and Product Accounts Table 1.1.11. Real Gross Domestic Product: Percent Change From Quarter 1Year Ago
- UK Office for National Statistics Gross Domestic Product: Quarter on quarter previous year