

Financial Results for Q2 FY2015

November 10, 2015



Recruit Holdings Co., Ltd.

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- Company Profile
- Business Segment & Major services
- Market Environment

1 . Q2 FY2015

Consolidated Financial Highlights

1 -(I) Consolidated Earnings Summary

- Strong growth has continued.
 - Net sales: double digits growth
 - EBITDA: increase
- Both enjoyed favorable trend in line with full-year forecast.

(JPY Bn)	FY2014	FY2015			
	2Q YTD	2Q YTD*3	YoY Change	Full-Year Forecast <small>Announced at May 13*4</small>	YoY Change
Net sales	617.3	736.4	+19.3%	1,550.0	+19.2%
EBITDA*1	85.8	93.7	+9.3%	201.0	+5.0%
EBITDA Margin	13.9%	12.7%	-1.2pt	13.0%	-1.7pt
Operating income	53.4	52.2	-2.1%	112.0	-8.6%
Ordinary income	55.3	55.1	-0.2%	117.0	-6.9%
Net income attributable to owners of the parent	28.4	32.4	+14.1%	65.0	-6.7%
Adjusted net income*2	46.3	55.4	+19.6%	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 120.30 /USD (JPY102.46/USD for FY2014) , JPY 94.00 /AUD

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

(Consolidated Earnings in Existing Businesses)

(JPY Bn)	FY2014	(Ref.*1) FY2015			
	Q2 YTD	Q2 YTD*2	YoY CHange	Full-Year Forecast*3 Announced at May 13	YoY Change
Net Sales	617.3	677.0	+9.7%	1,396.0	+7.4%
EBITDA	85.8	93.5	+9.0%	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 120.3 /USD (JPY102.4/USD for FY2014) , JPY 94.0 /AUD

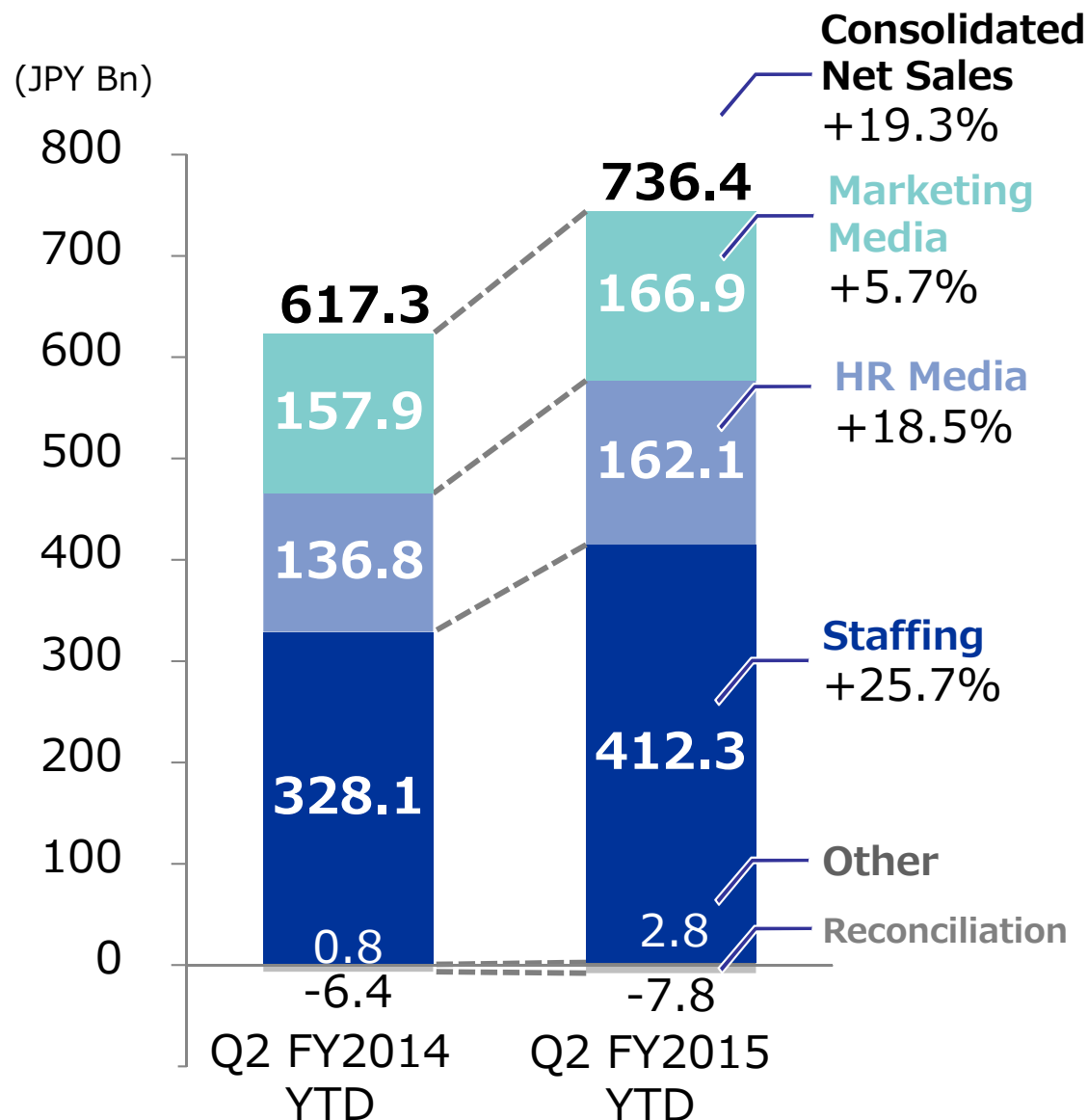
*3 : Assuming exchange rate: JPY119.0/USD, JPY 91 .0/AUD

(Newly Consolidated subsidiaries)

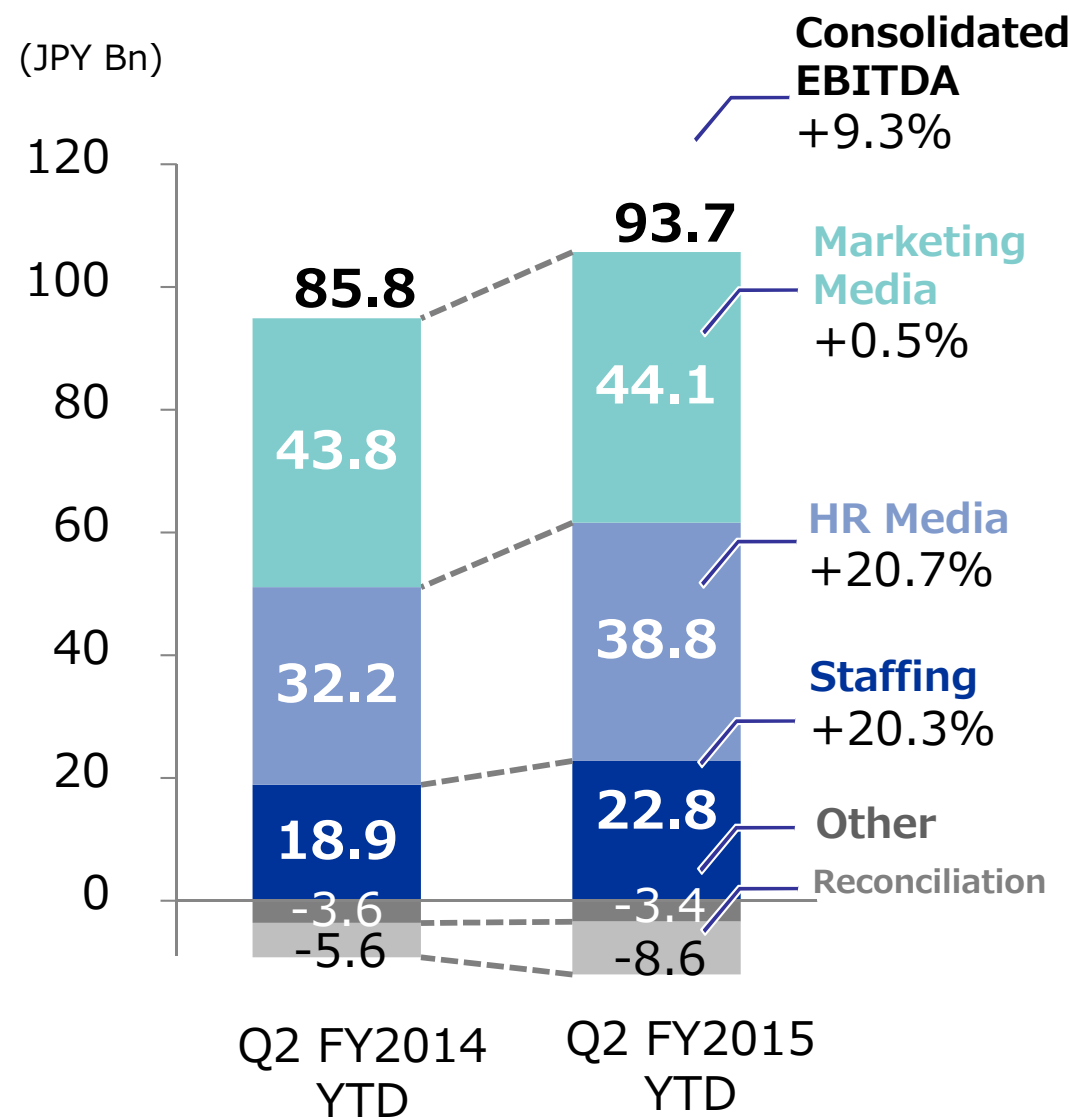
Schedule of Consolidation	Period of Consolidation in FY2015	Company	Segment
Q1	full year	Quandoo GmbH, Germany	Marketing Media Other
	11 months	Peoplebank Holdings Pty Ltd	Overseas Staffing
Q2	9 months	Chandler Macleod Group Limited	Overseas Staffing
	7 months	Atterro, Inc.	Overseas Staffing
Q3 (Schedule)	6 months	Hotspring Ventures Limited	Marketing Media Other
	6 months	Treatwell Holdings B.V.	Marketing Media Other

1 -(Ⅱ) Segment Net Sales & EBITDA

Segment Net Sales



Segment EBITDA



2 . Earnings Results by Segments for Q2 FY2015

2. Earnings Results by Segments for Q2 FY2015

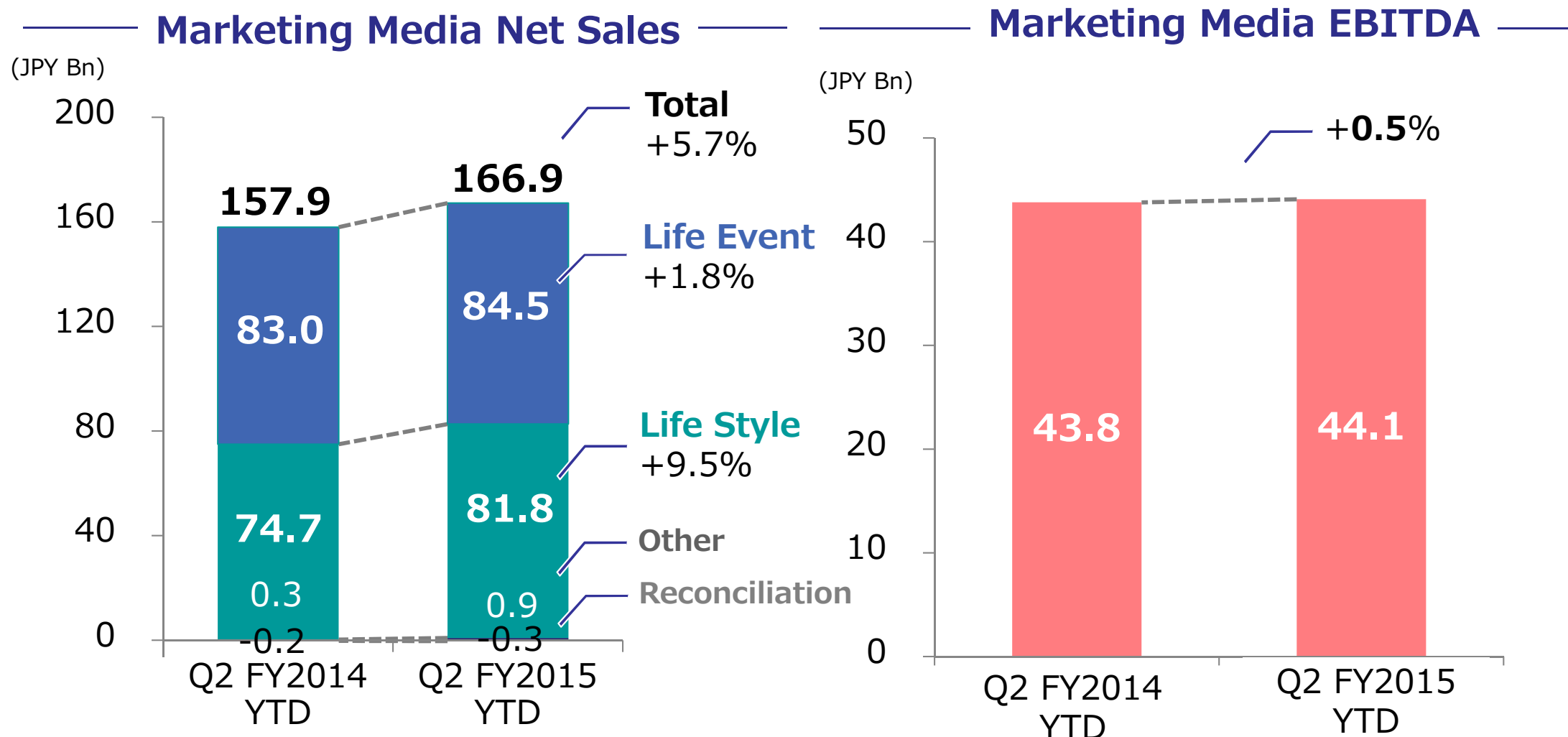
(I) Marketing Media

2 -(I) Marketing Media Net Sales & EBITDA

■ **Net Sales** : Rose 5.7% YoY -Life Event: solid -Lifestyle: favorable

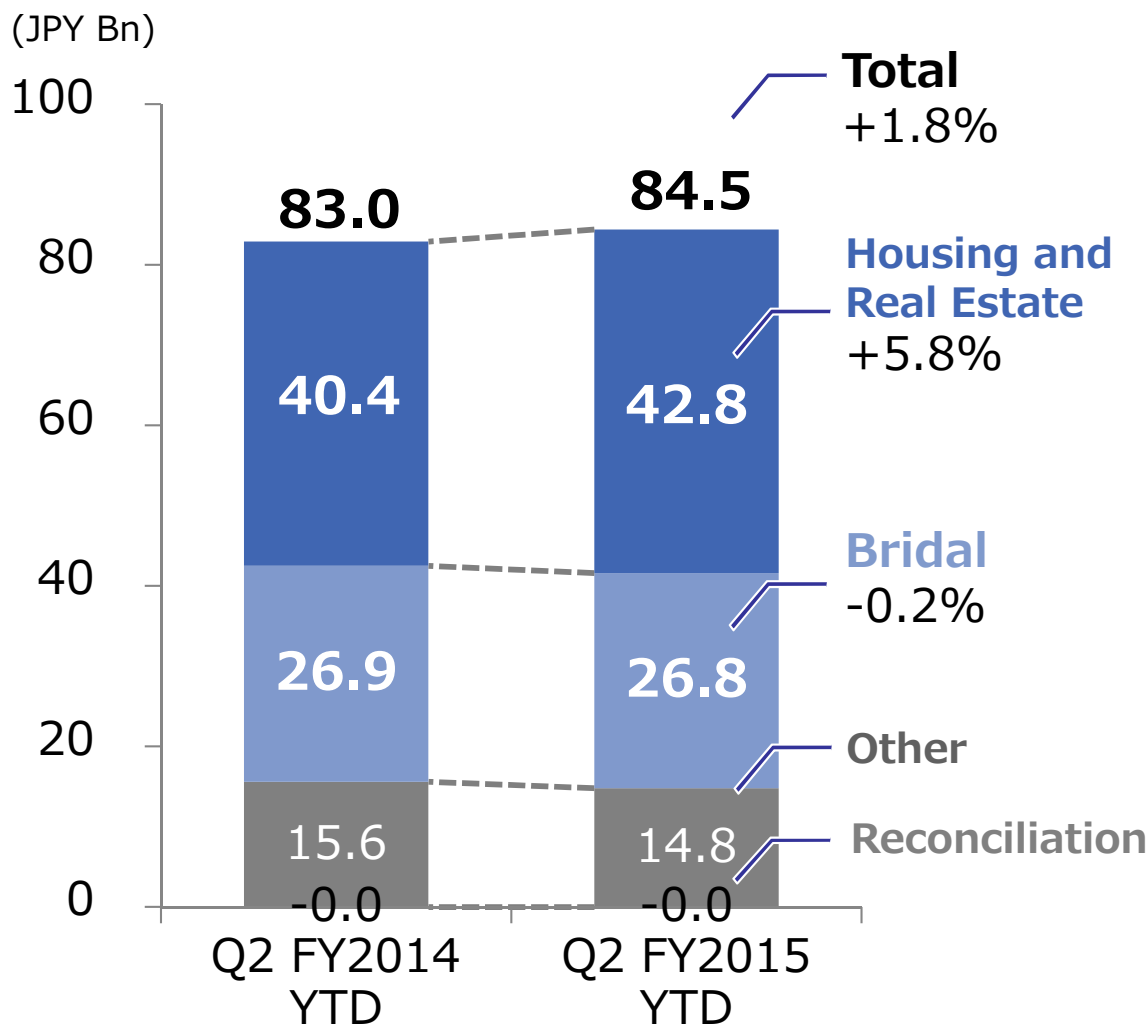
■ **EBITD** : Remained a YoY increase of 0.5%

-due to consolidation of acquired subsidiaries in EU Dining business



2 -(I) Marketing Media : Life Event Operations

Life Event Net sales



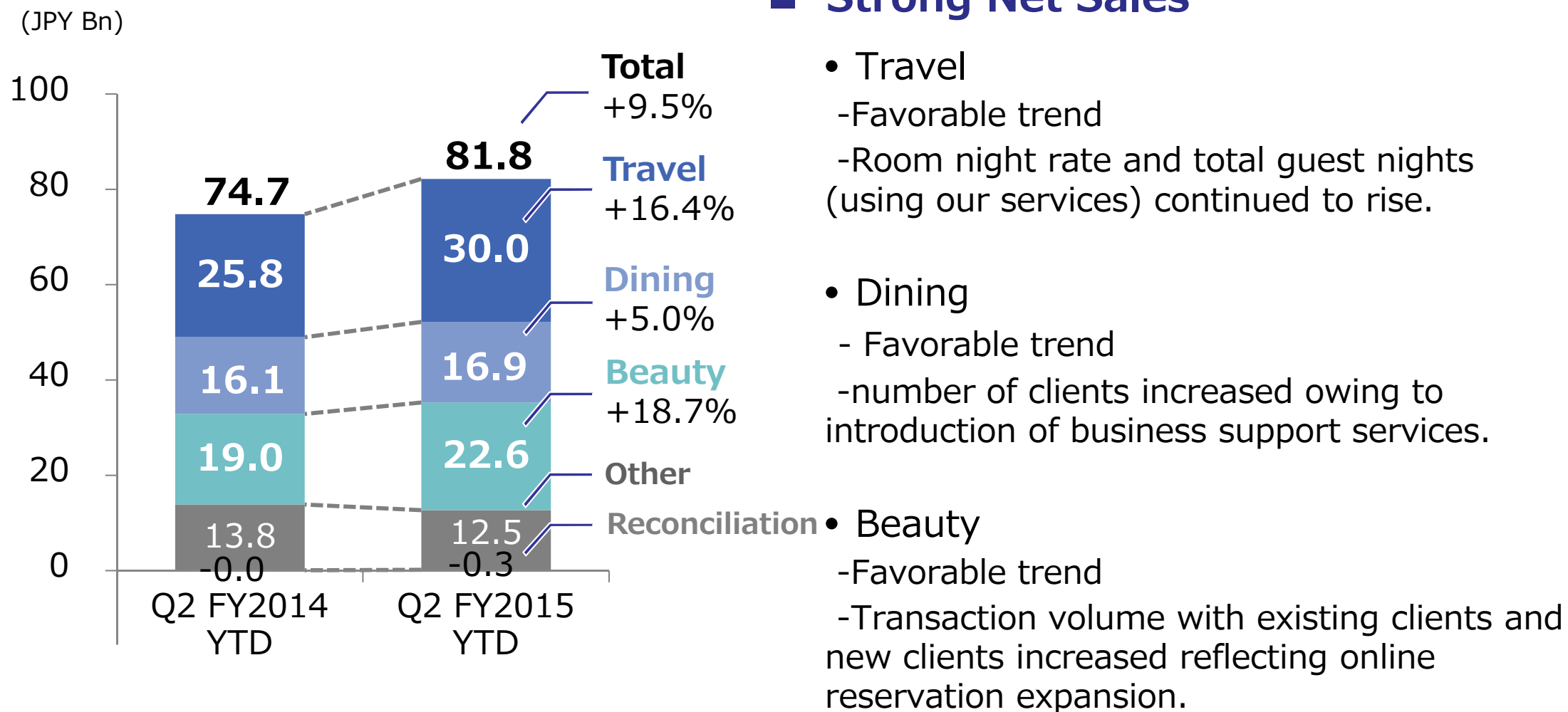
■ Solid Net Sales

- Housing and Real Estate
 - New condominium division showed sluggish trend.
 - Independent housing division and leasing division continued to trend favorably.
- Bridal
 - Solid sales with major wedding venue operating clients' needs of acquiring customers.

2-(I) Marketing Media : Lifestyle Operations

Lifestyle Net Sales

■ Strong Net Sales



(Topics : Domestic Business)

■ Dining Business

HotPepper Gourmet ^{*1}
of seats reserved online
(Q2 FY2015 YTD)

16.91 million
(25.29 million in FY2014)

■ Beauty Business

HotPepper Beauty ^{*1}
of online reservations
(Q2 FY2015 YTD)

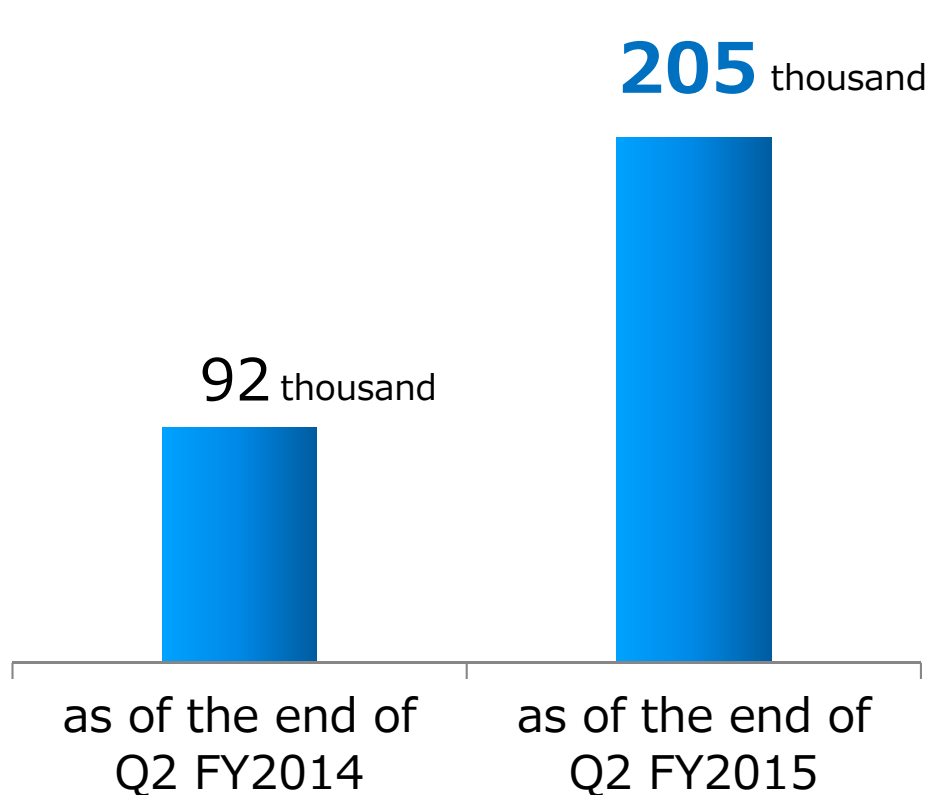
17.33 million
(30.04 million in FY2014)

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

(Topics : Domestic Business)

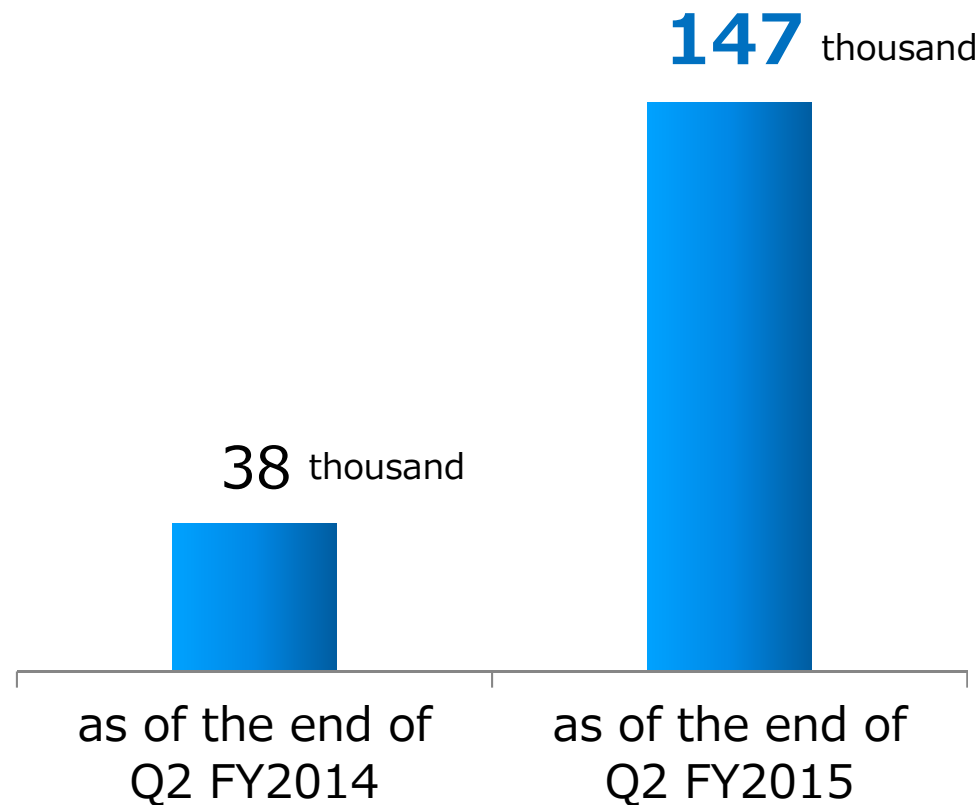
■ Business support for SMEs

Air REGI # of accounts (Q2 FY2015 YTD)



■ Education related business (Educational industry)

Jyuken Sapuri #of paying subscribers (Q2 FY2015 YTD)

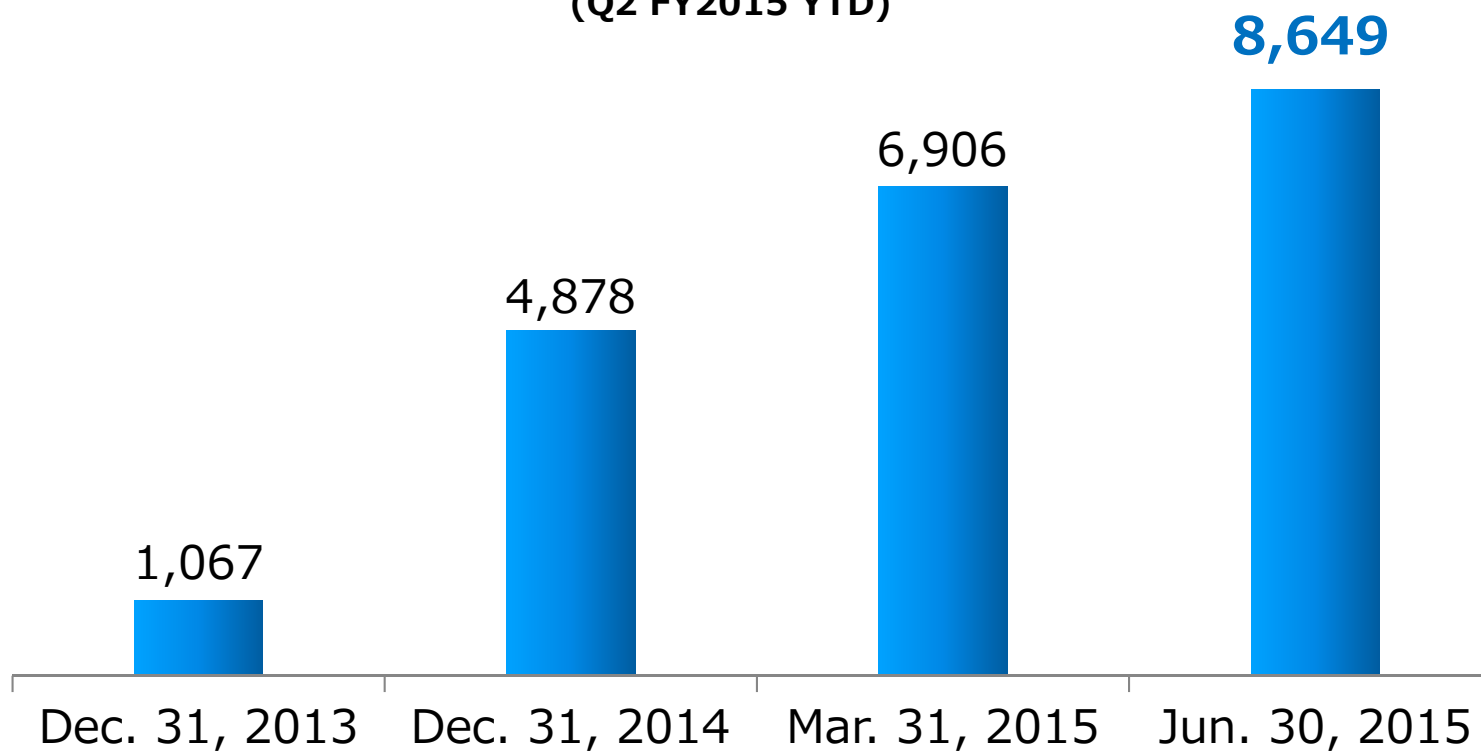


(Topics : Overseas Business)

- Number of restaurants using Quandoo's service increased steadily as expected.

of restaurants using Quandoo's service

(Q2 FY2015 YTD)



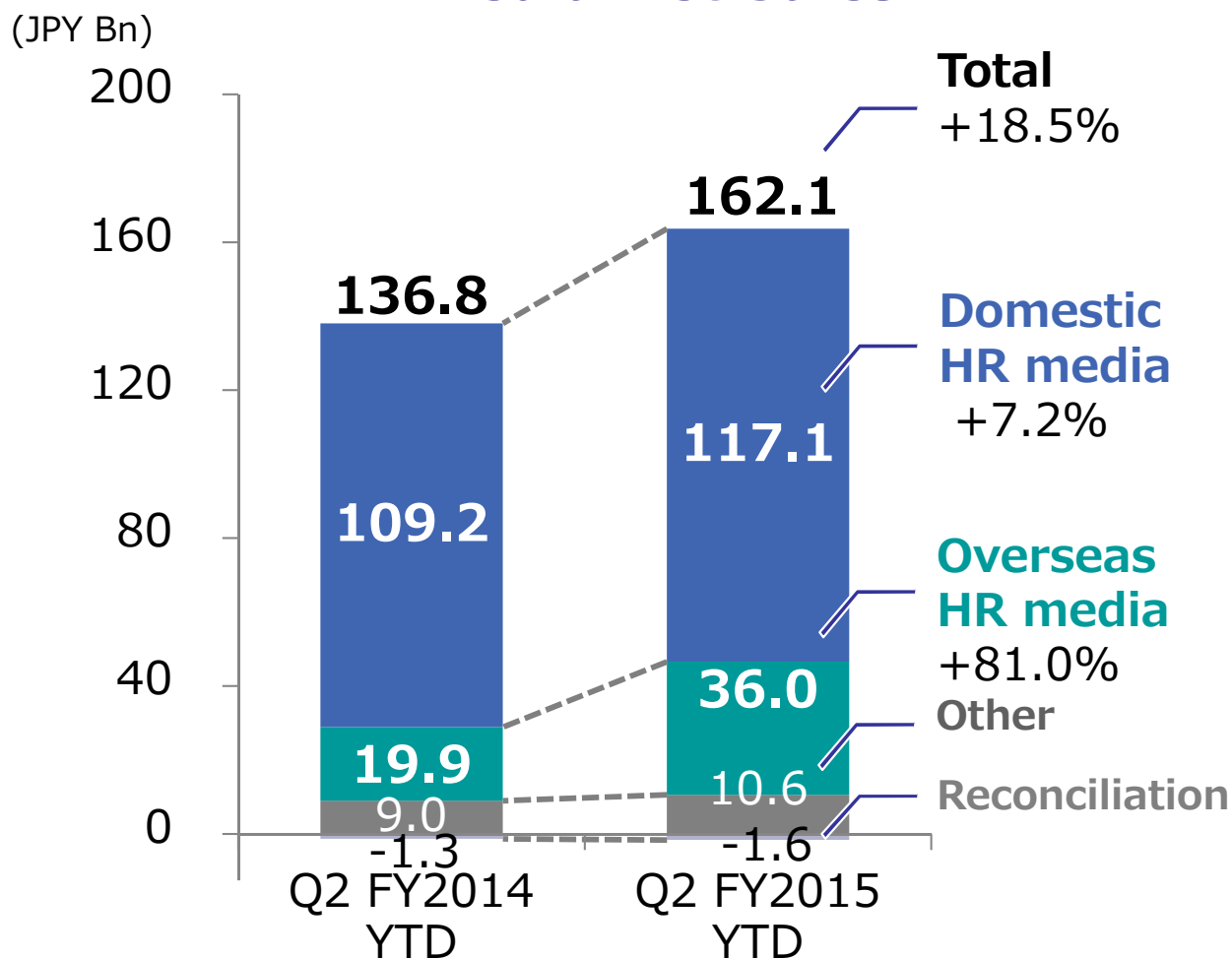
2 . Earnings Results by Segments for Q2 FY2015

(Ⅱ) HR Media

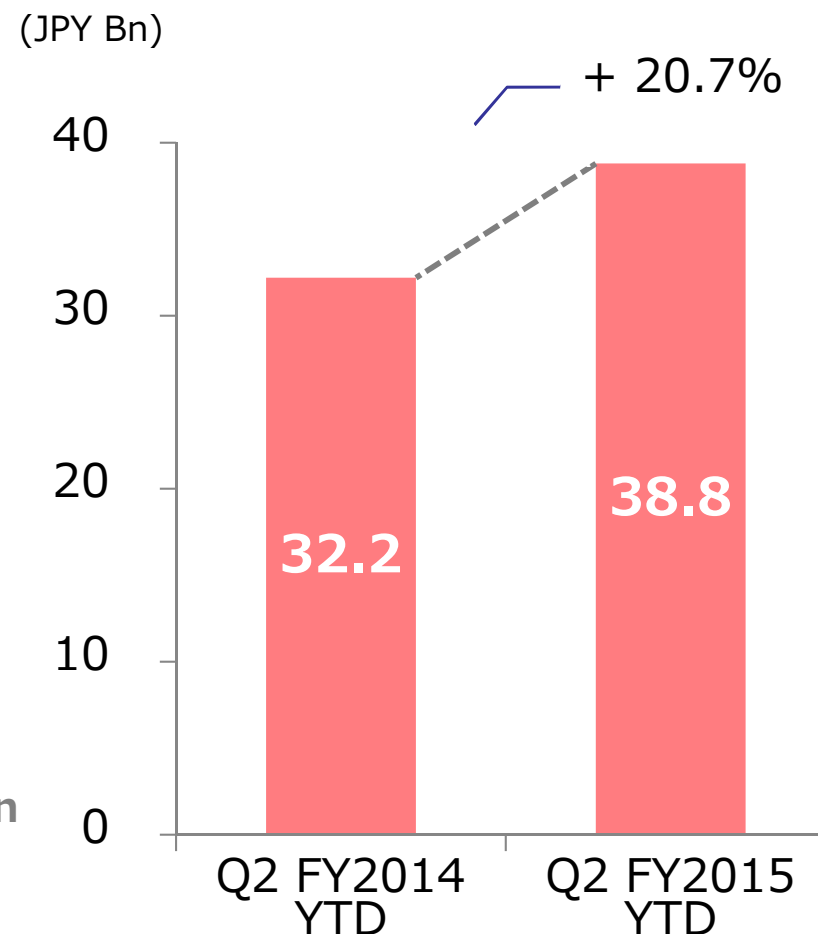
2-(Ⅱ) HR Media Net Sales & EBITDA

- **Net Sales** : Rose 18.5% YoY. -Due to favorable trend both in domestic and overseas.
- **EBITDA** : Grew 20.7% YoY. -Reflected the increase of net sales in overseas recruiting.

HR Media Net Sales

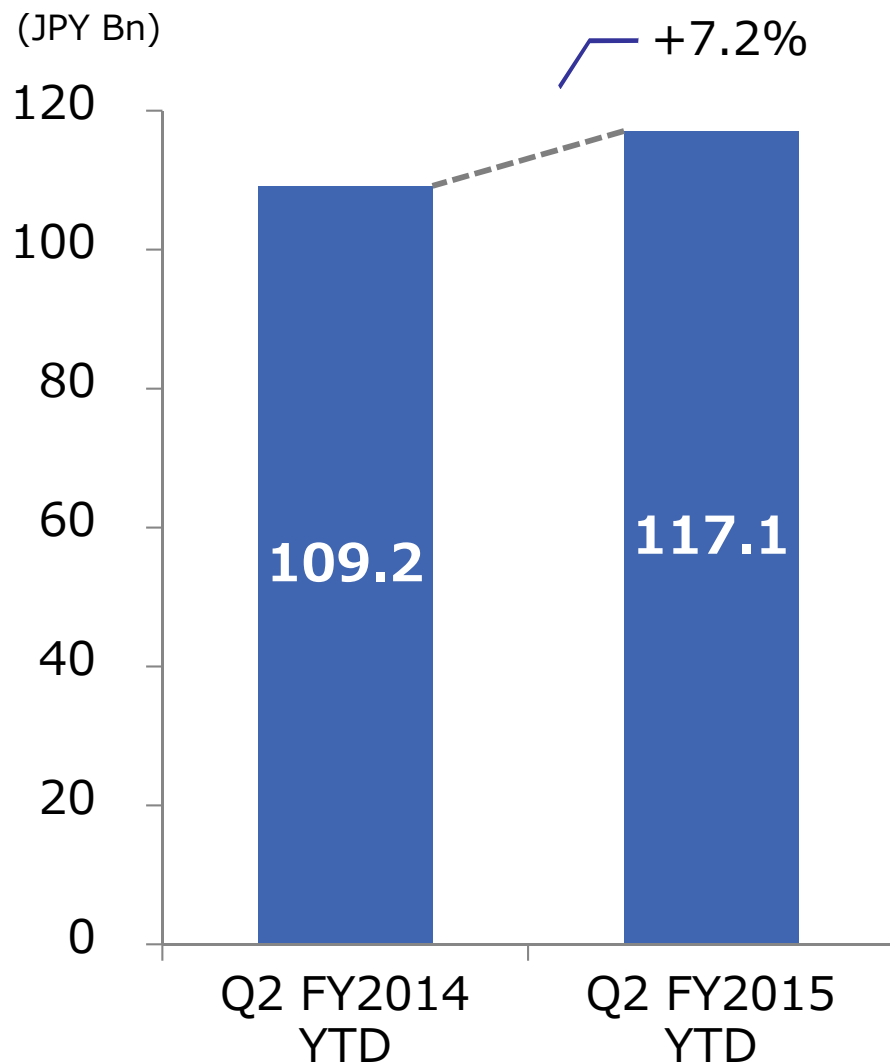


HR Media EBITDA



2-(Ⅱ) HR Media : Domestic Recruiting

Domestic Recruiting Net Sales



■ Favorable Market Condition

- Effective ratio of Job offers to Job seekers have continued to improve.
- Number of recruitment ads have increased.

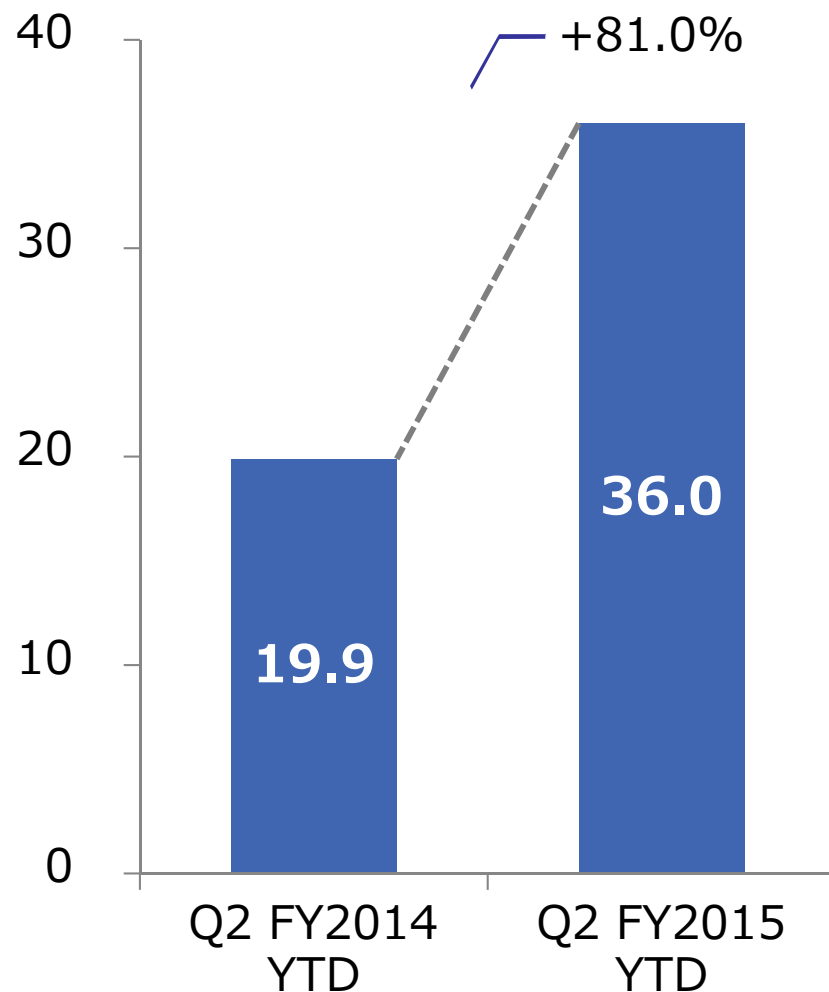
■ Strong Net Sales

- Our brand strength
- Enhanced ability to acquire users and operating system

2-(Ⅱ) HR Media : Overseas Recruiting

Overseas Recruiting (Indeed) Net Sales

(JPY Bn)



■ Favorable Net Sales

- SMEs clients increased steadily.
- Average UVs/month during Jan.- Jun. 2015 achieved 169million (+48.2% YoY).

2. Earnings Results by Segments For Q2 FY2015

(Ⅲ) Staffing

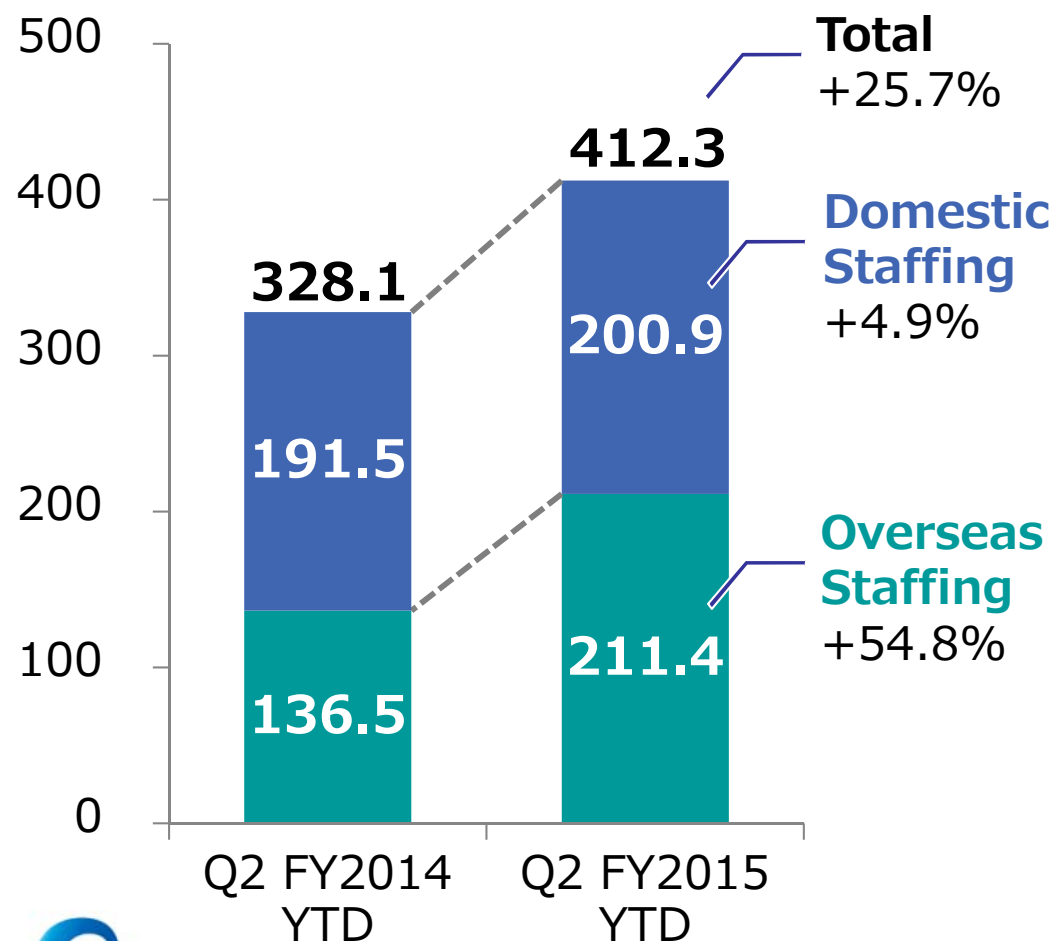
2-(Ⅲ) Staffing Net Sales & EBITDA

■ **Net Sales: +25.7%** -due to solid trend in domestic, impact of weak yen in overseas, and contribution from new overseas subsidiaries.

■ **EBITDA: +20.3%** -Reflecting efficient operation and increase of net sales.

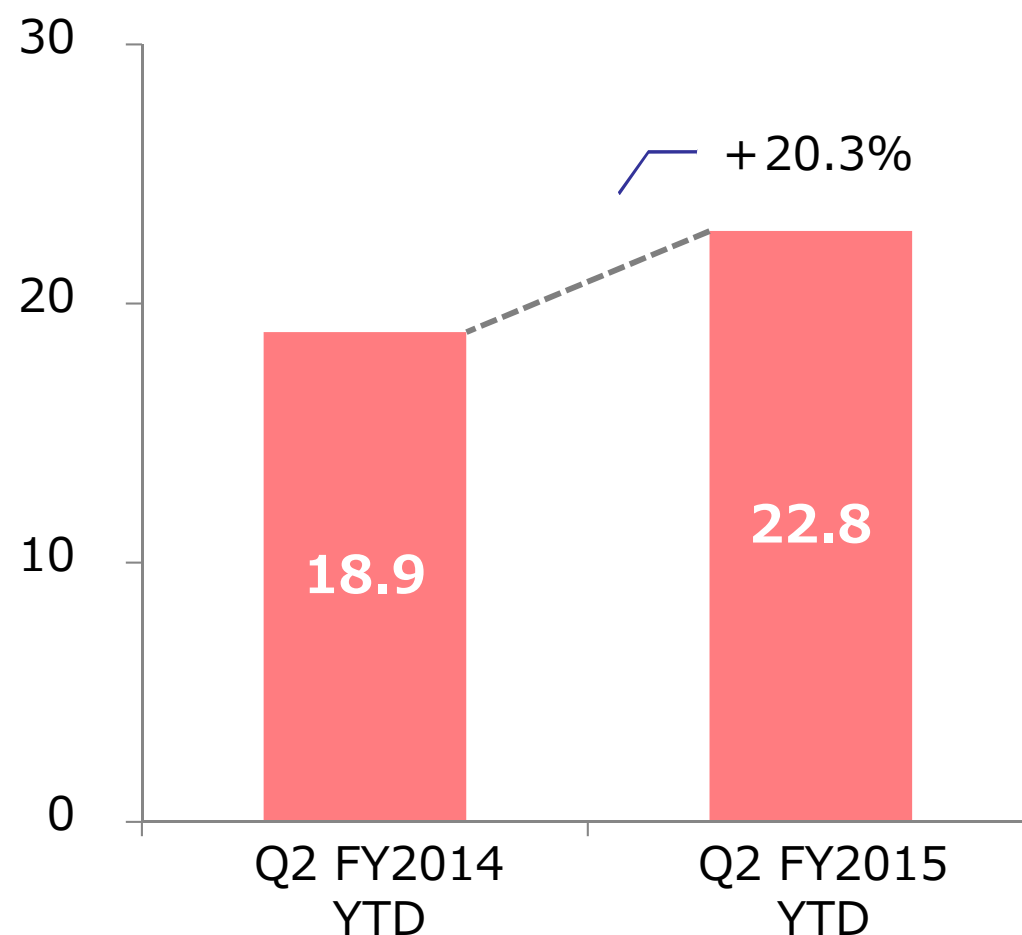
Staffing Net Sales

(JPY Bn)



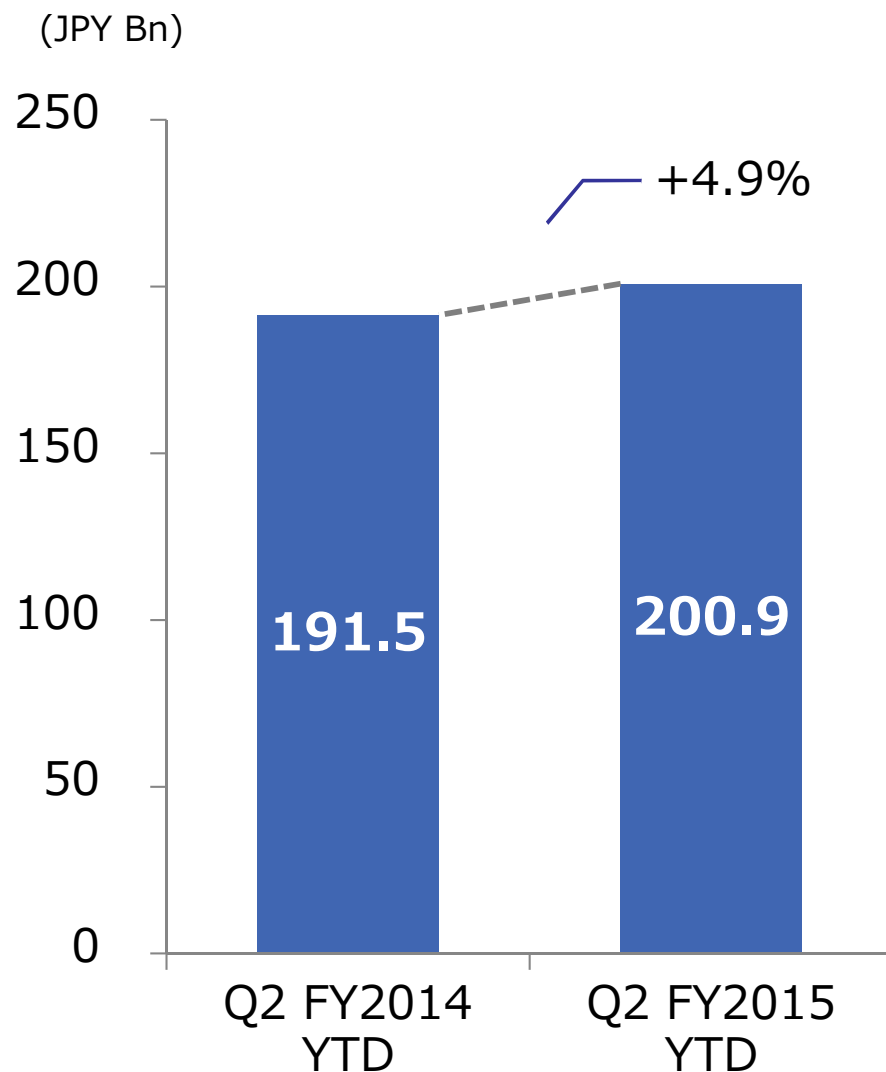
Staffing EBITDA

(JPY Bn)



2-(Ⅲ) Staffing : Domestic Staffing

Domestic Staffing Net Sales



■ Solid Market Conditions

- Number of active agency worker (quarterly average) increased in eight consecutive quarters.

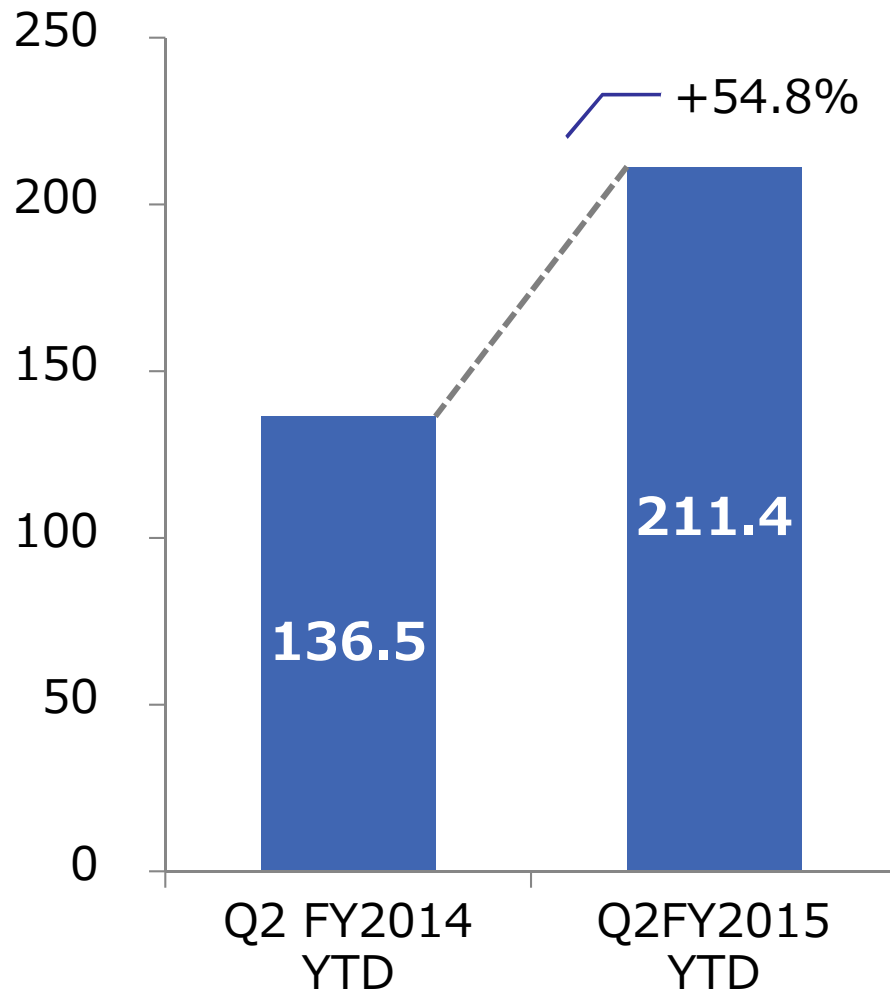
■ Solid Net Sales

- Recruit Staffing
 - Grew favorably
 - Enhanced sales operation
- STAFF SERVICE
 - Trended solidly
 - Maintained existing clients and acquired new clients

2-(Ⅲ) Staffing : Overseas Staffing

Overseas Staffing Net Sales

(JPY Bn)



■ Solid Market Condition

- Moderate growth continued in North America, EU, and Australia.

■ Favorable Net Sales

- Existing subsidiaries
 - Favorable results owing to weak yen.
- Contribution of new subsidiaries
 - Peoplebank (Australia)
5 months results, Feb.- Jun. 2015
 - Chandler (Australia)
3 months results, Apr.- Jun. 2015
 - Atterro (US)
1 month results, Jun. 2015

Forecast for Full-year FY2015

■ No change to the full-year forecast

(JPY Bn)	FY2014	FY2015	
	YTD	Full-year Forecast* ₃	YoY Change
Net sales	1,299.9	1,550.0	+19.2%
EBITDA*₁	191.4	201.0	+5.0%
EBITDA Margie	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 Forecast* ₃ for Existing Businesses	YoY Change
1,396.0	+7.4%
202.5	+5.8%

*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 subsidiaries which are going to be consolidated during FY2015

Appendix

会社概要

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 : 55,832


















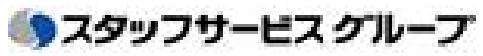






Name of Major shareholders	Number of Shares	% of shares
TOPPAN PRINTING CO., LTD.	37,700,000	6.66%
Dai Nippon Printing Co., Ltd.	35,700,000	6.31%
DENTSU INC.	30,000,000	5.30%
The Recruit Group Employees Shareholding Association	24,553,960	4.34%
NTT DATA Corporation	20,500,000	3.62%
JP MORGAN CHASE BANK 380055	14,205,147	2.51%
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	108,301,500	19.15%
Securities Companies	2,755,282	0.48%
Other Companies	233,564,570	41.31%
Foreign Institutions and Individuals	91,944,029	16.26%
Individuals and Others	128,157,629	22.66%
Treasury stock	597,000	0.10%

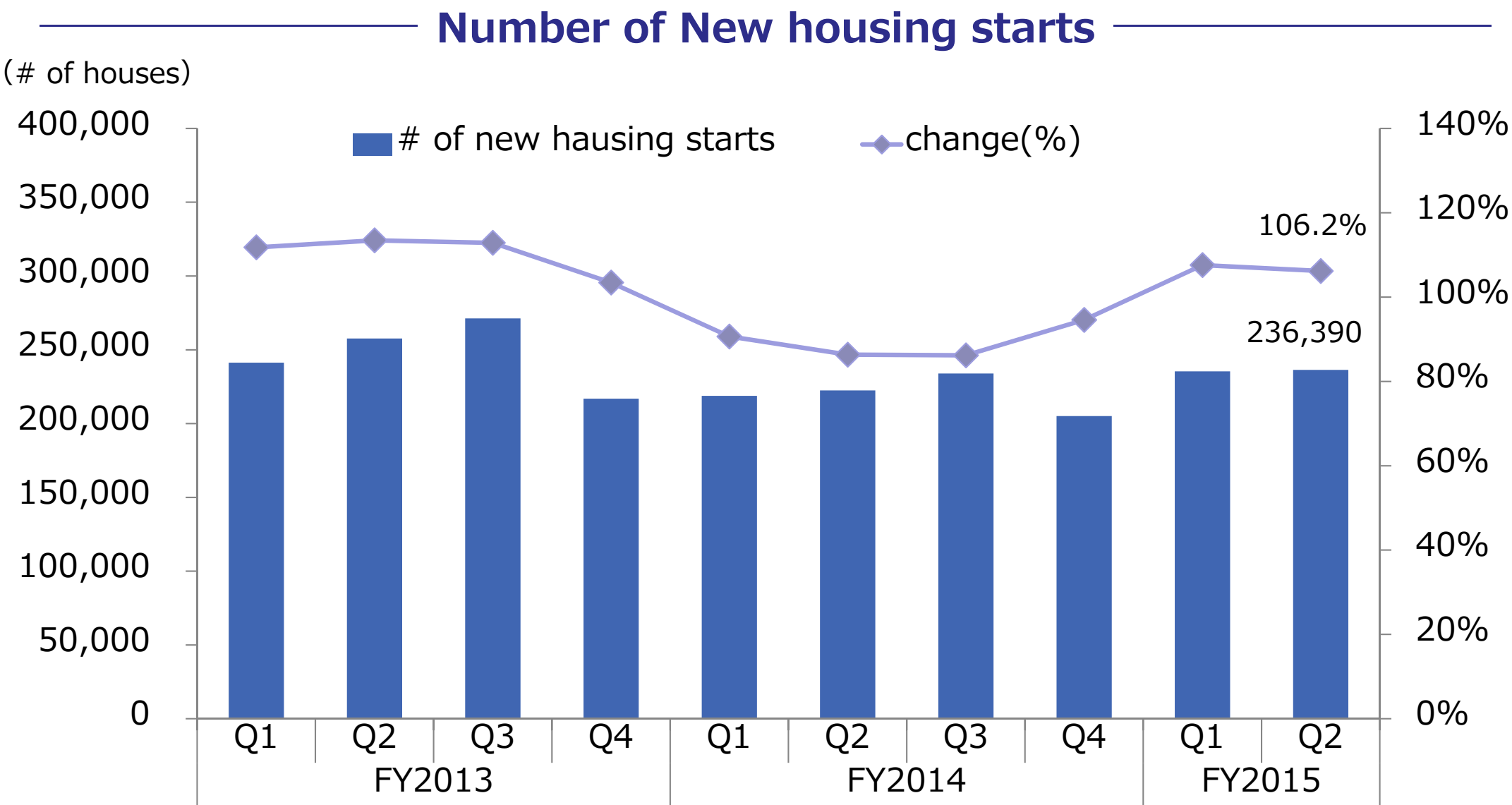
*as of September 30, 2015



Business Segments & Major Services

Marketing Media	Life Event	Housing and Real Estate, Bridal, Automobiles, Education, other    
	Lifestyle	Travel, Dining, Beauty, other   
	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		 

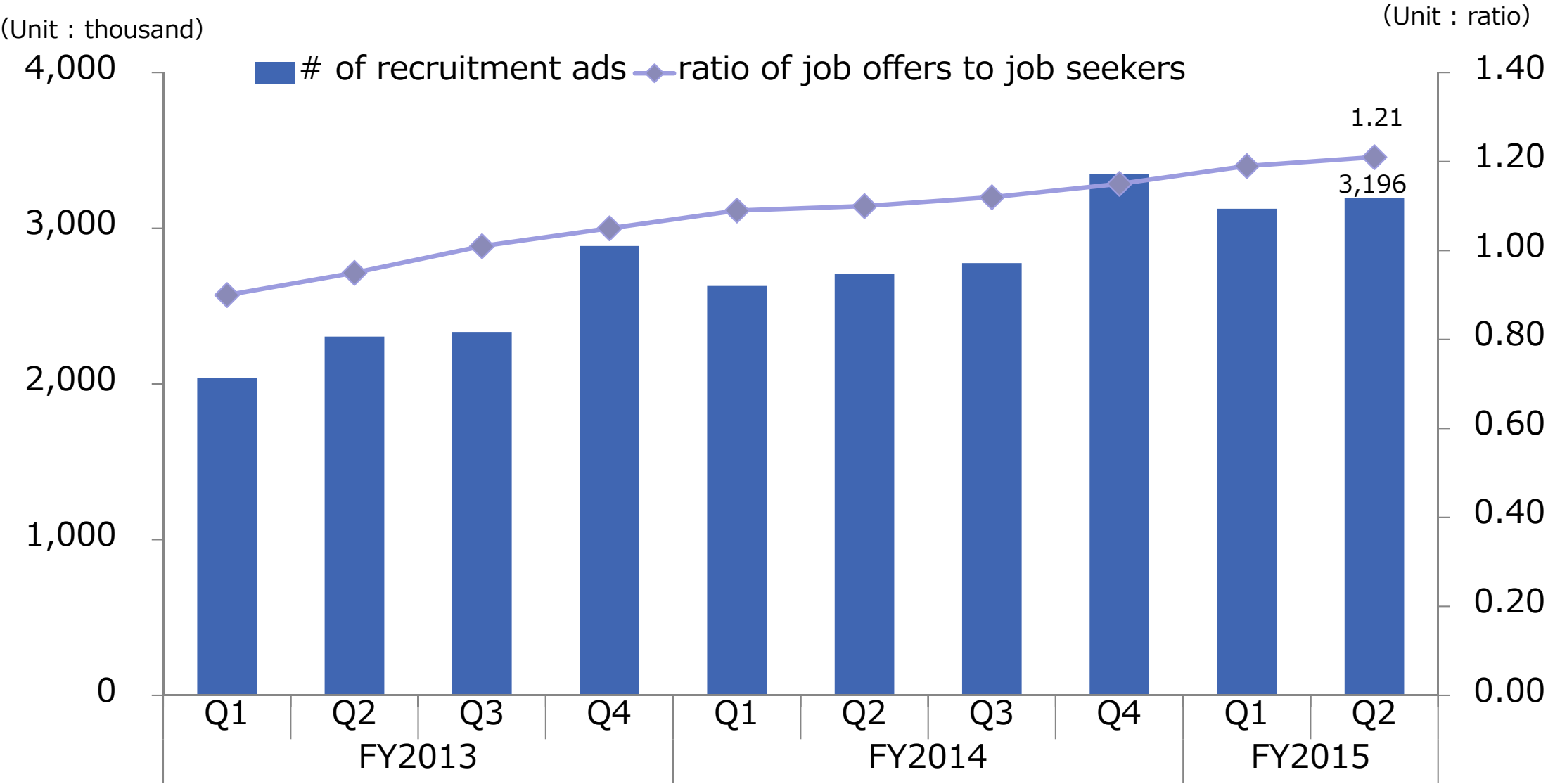
Market Conditions: Housing and Real Estate Business



*Source: MLIT housing start statistics

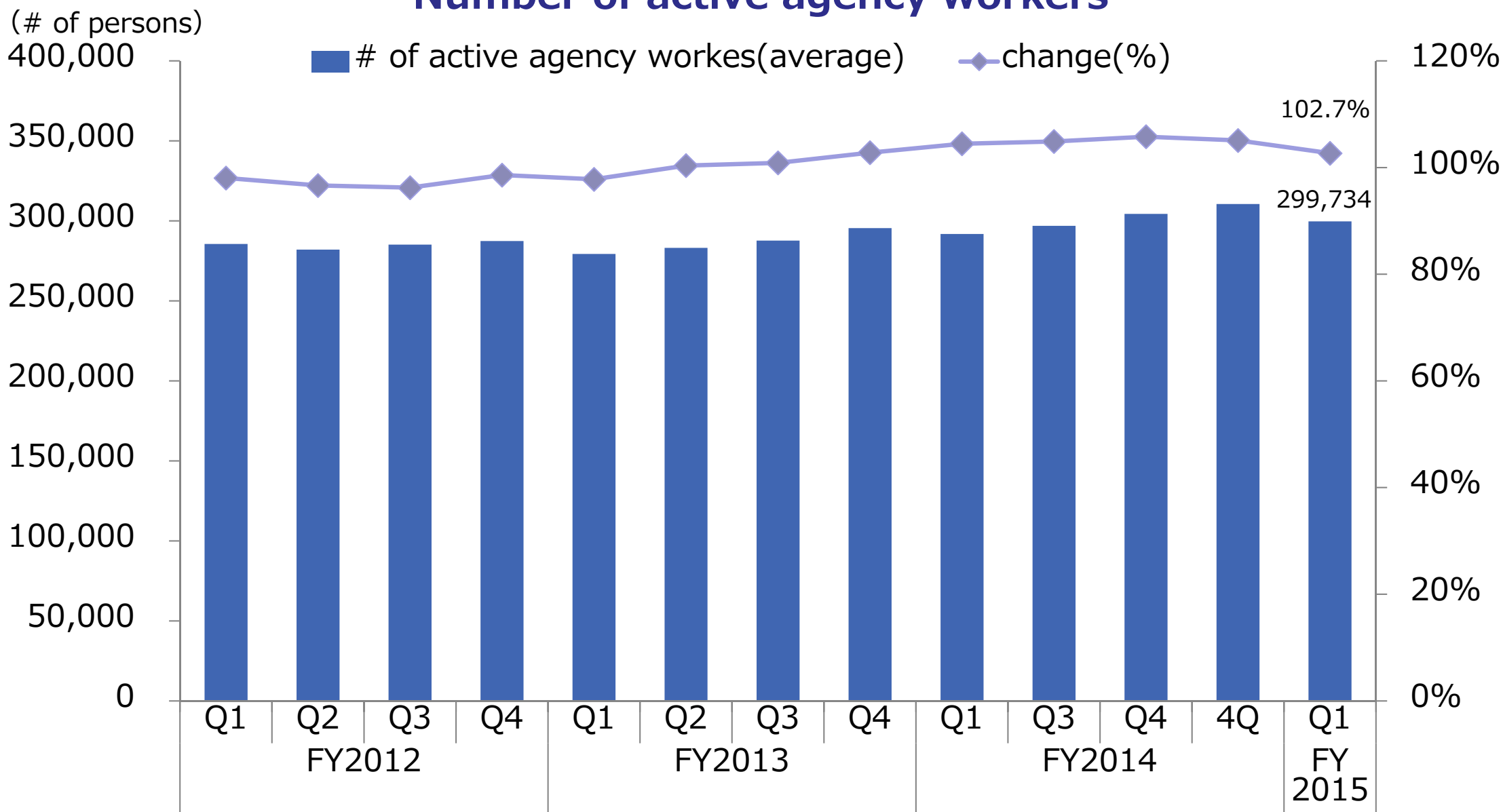
Market Conditions : Domestic Recruiting Operation

Number of recruitment ads/Ratio of job offers to job seekers



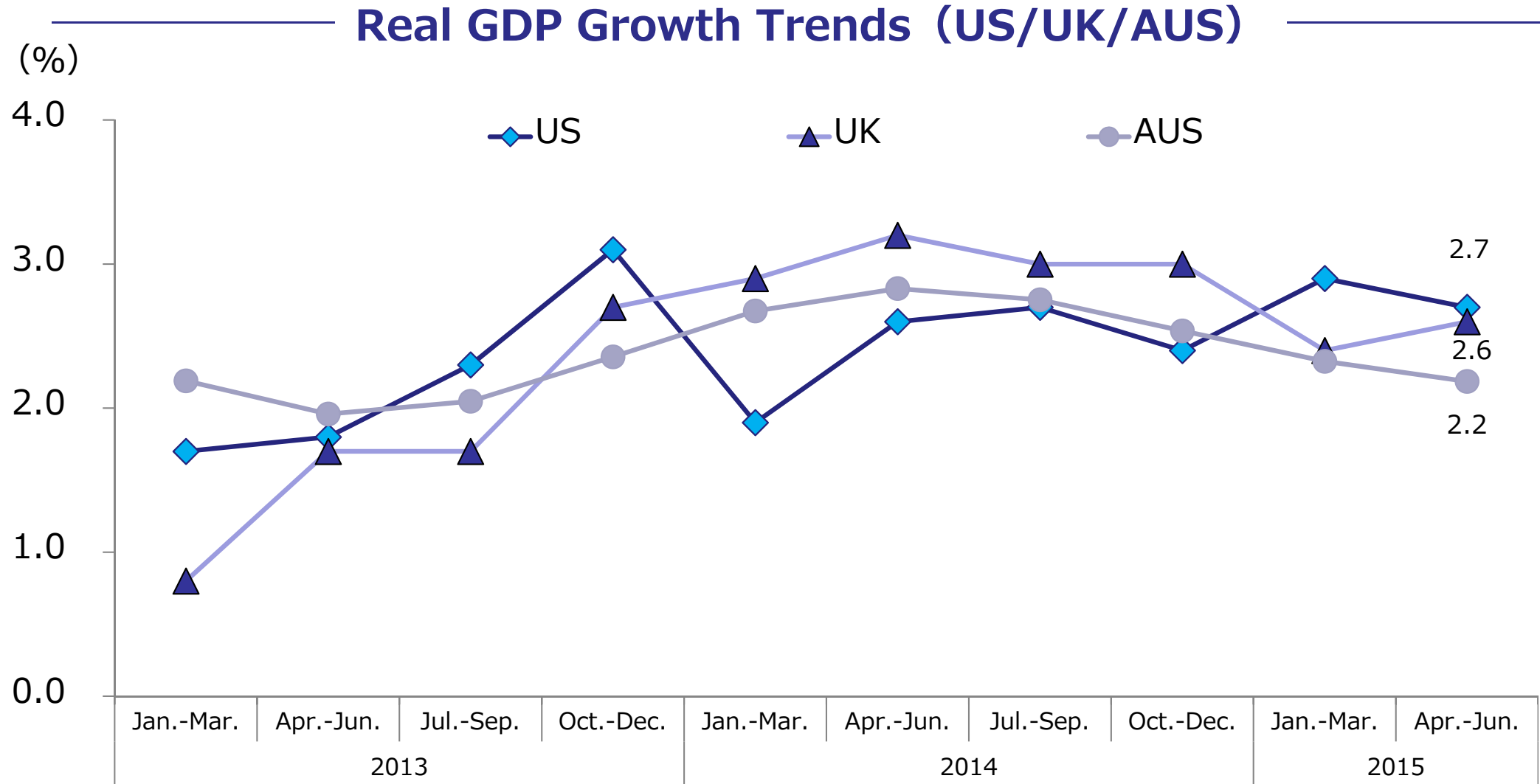
Market Conditions : Domestic Staffing Operation

Number of active agency workers



*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
- Australian Bureau of Statistics, 5206.0 - Australian National Accounts: National Income, Expenditure and Product