

Financial Results for Q3 FY2015

February 10, 2016



Recruit Holdings Co., Ltd.

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- Market Environment

1. Q3 FY2015 Consolidated Financial Highlights

1 -(I) Consolidated Earnings Summary

- Strong growth has continued.
 - Net sales: grew over 20% YoY
 - EBITDA: increased
- Favorable trend in line with full-year forecast.

(JPY Bn)	FY2014	FY2015			
	Q3 YTD	Q3 YTD*3	YoY Change	Full-Year Forecast <small>Announced at May 13*4</small>	YoY Change
Net sales	935.5	1,139.4	+21.8%	1,550.0	+19.2%
EBITDA*1	139.1	146.6	+5.4%	201.0	+5.0%
EBITDA Margin	14.9%	12.9%	-2.0pt	13.0%	-1.7pt
Operating income	88.4	81.9	-7.3%	112.0	-8.6%
Ordinary income	91.8	86.9	-5.3%	117.0	-6.9%
Net income attributable to owners of the parent	48.5	47.7	-1.8%	65.0	-6.7%
Adjusted net income*2	76.5	83.1	+8.7%	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 120.98/USD (JPY 102.93/USD for FY2014), JPY 92.29/AUD

*4: Assuming exchange rate: JPY119.00/USD, JPY 91.00/AUD

(Consolidated Earnings in Existing Businesses)

(JPY Bn)	FY2014	(Ref.*1) FY2015			
	Q3 YTD	Q3 YTD*2	YoY Change	Full-Year Forecast*3 Announced at May 13	YoY Change
Net Sales	935.5	1,026.9	+9.8%	1,396.0	+7.4%
EBITDA	139.1	147.4	+5.9%	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 120.98/USD (JPY 102.93 /USD for FY2014), JPY 92.29/AUD

*3: Assuming exchange rate: JPY119.00/USD, JPY 91.00/AUD

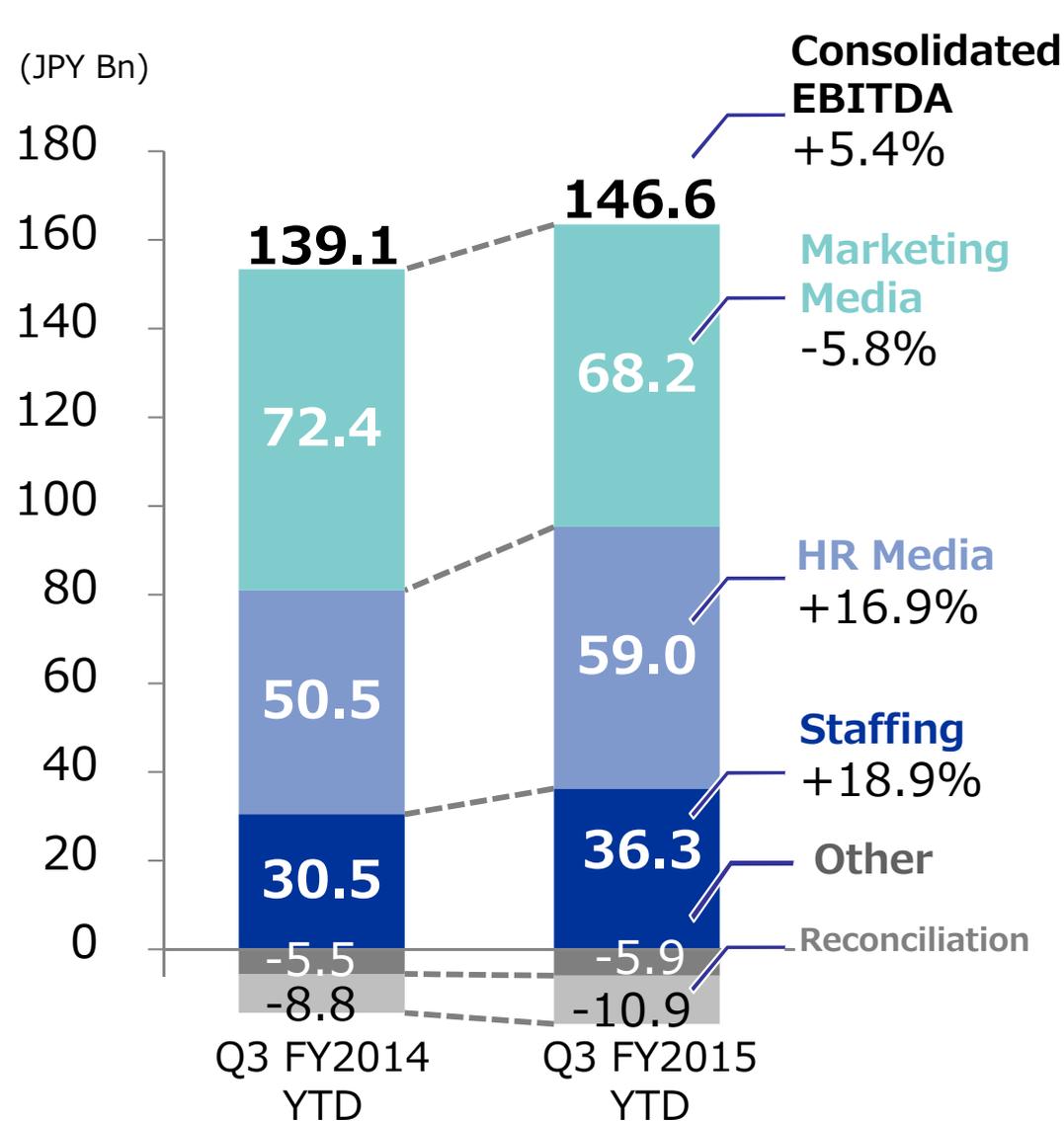
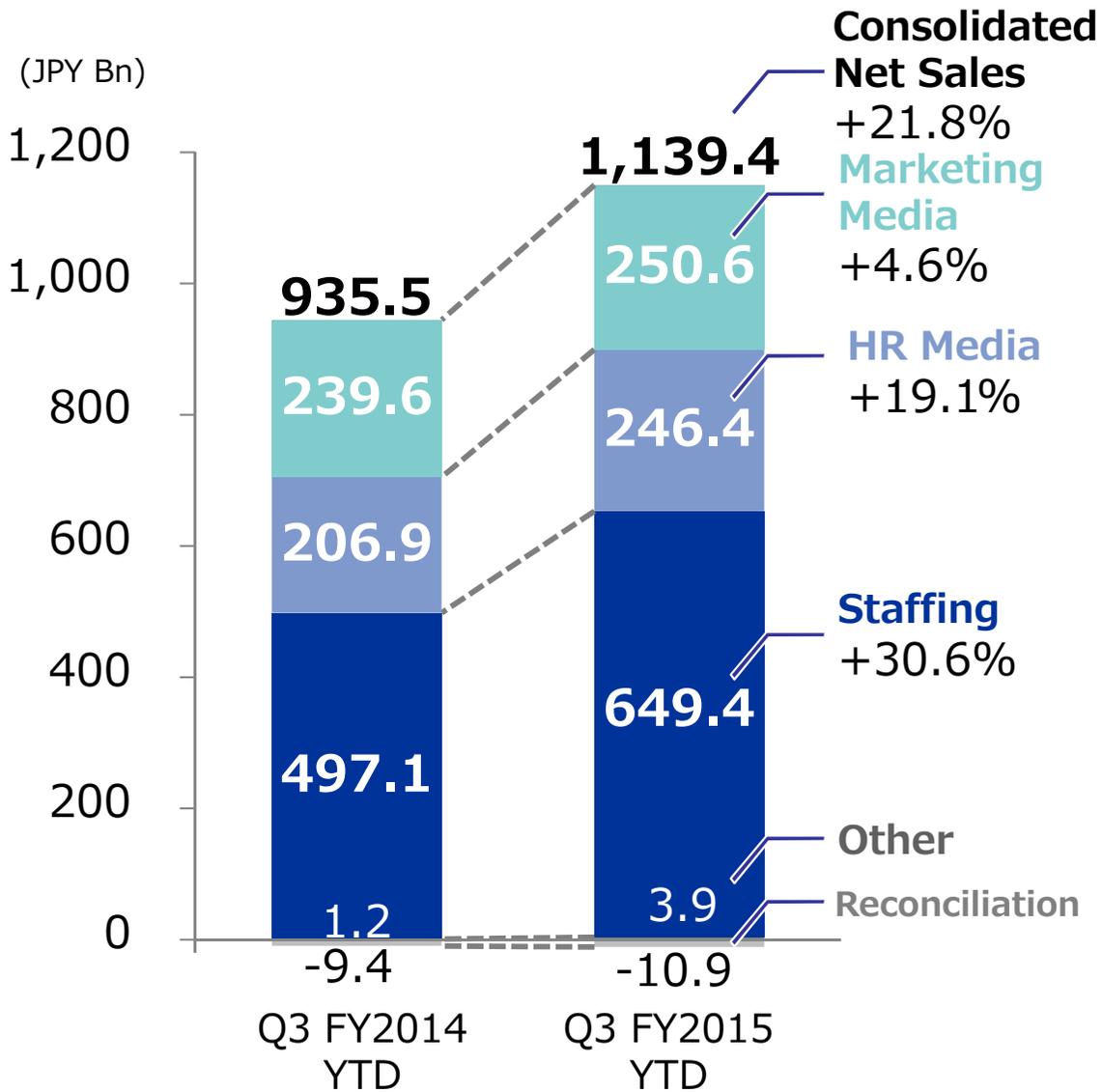
(Newly Consolidated Subsidiaries)

Consolidation Start Quarter	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	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 Q3 FY2015

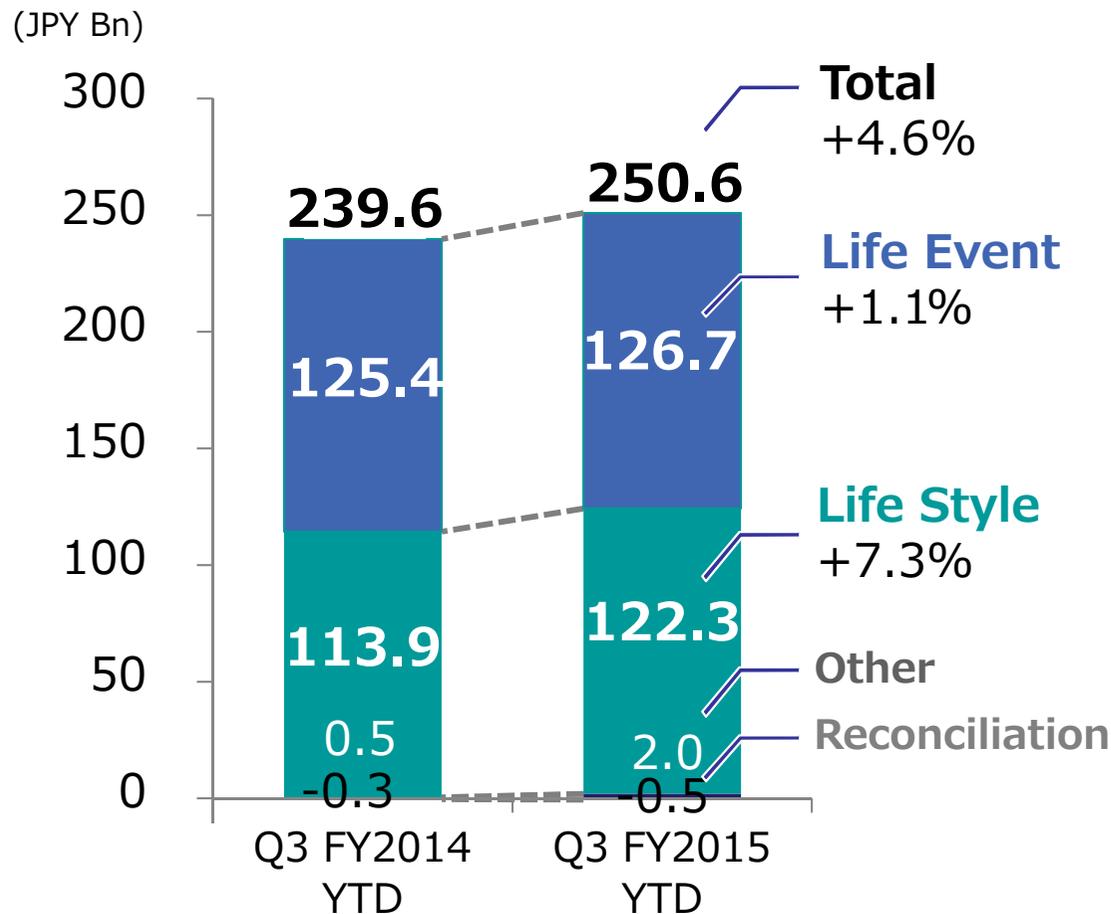
2. Earnings Results by Segments for Q3 FY2015

(I) Marketing Media

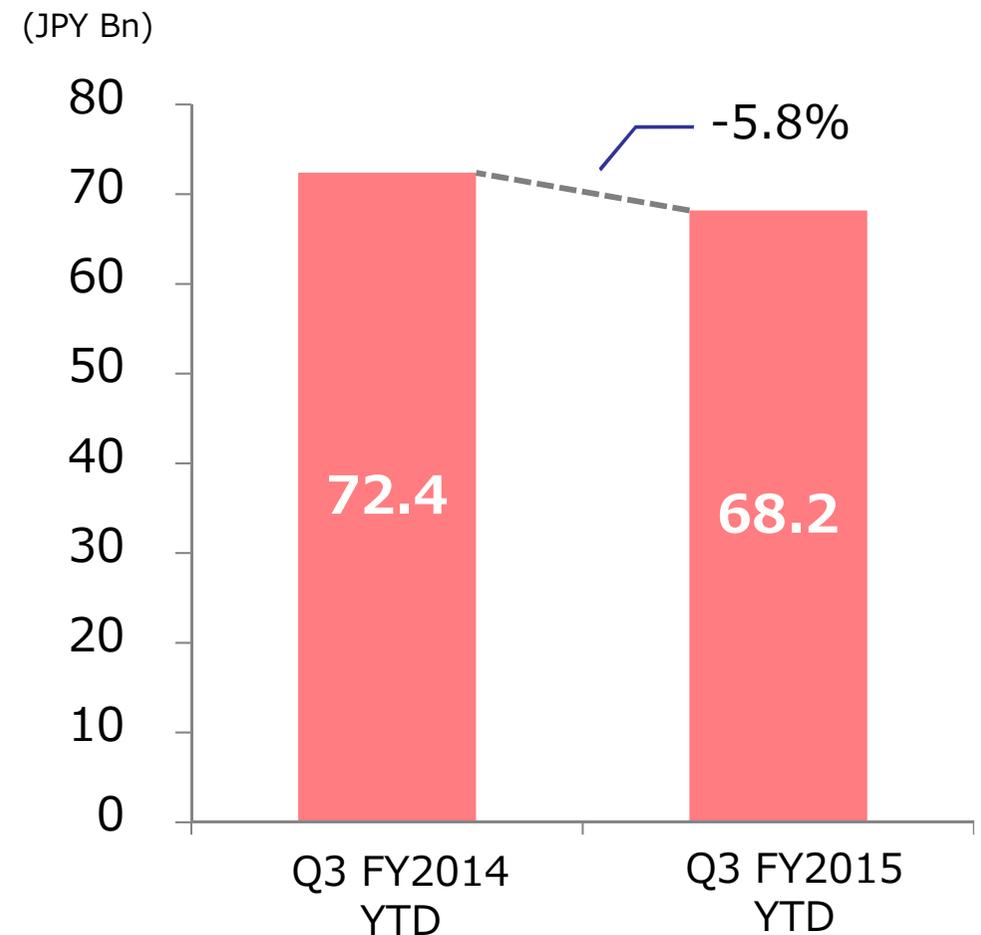
2 -(I) Marketing Media Net Sales & EBITDA

- **Net Sales:** increased by 4.6% YoY -Life Event: solid -Lifestyle: favorable
- **EBITD:** decreased by 5.8% YoY -due to consolidation of acquired subsidiaries in Europe Dining/Beauty business.

Marketing Media Net Sales

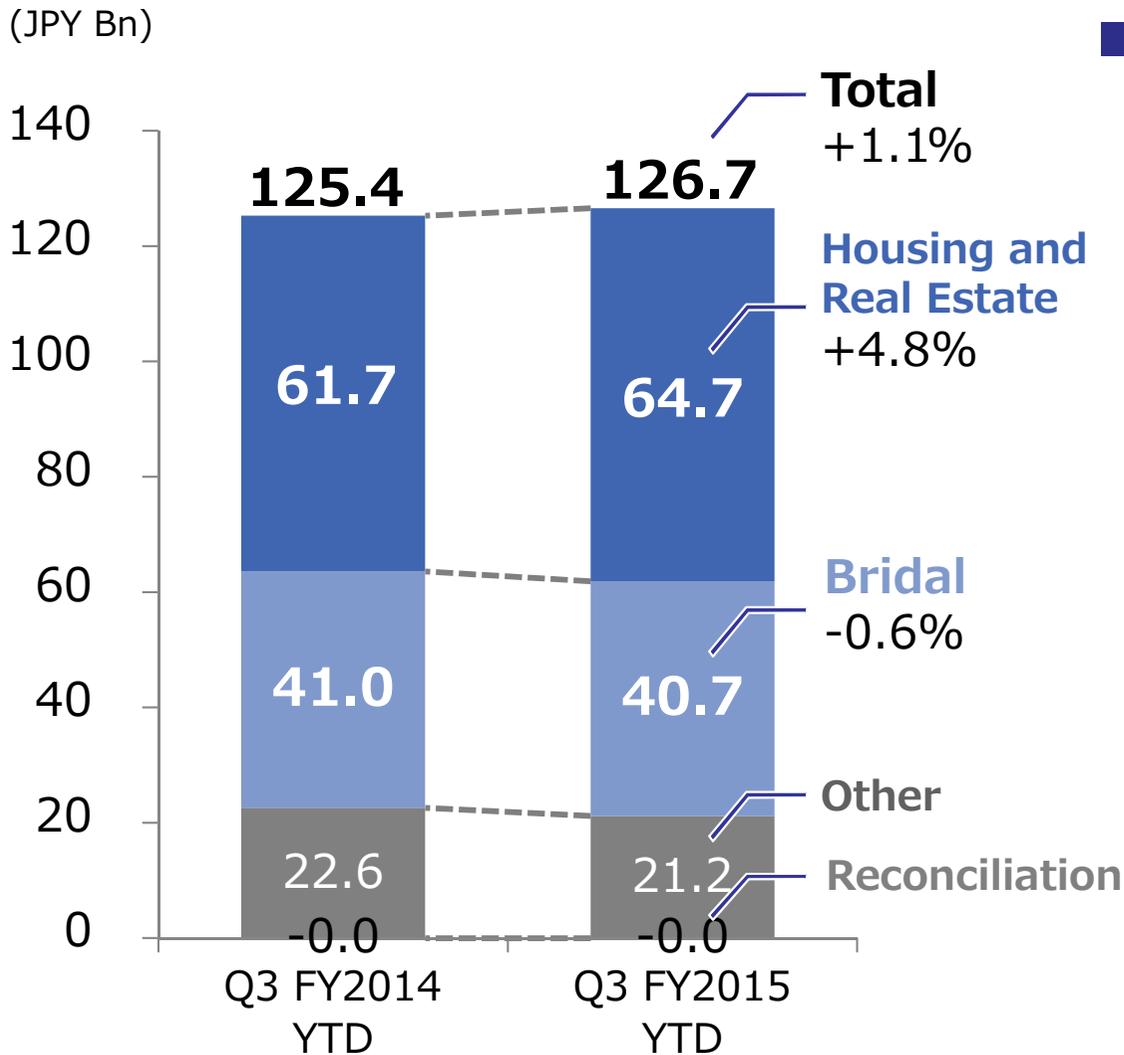


Marketing Media EBITDA



2 -(I) Marketing Media: Life Event Operations

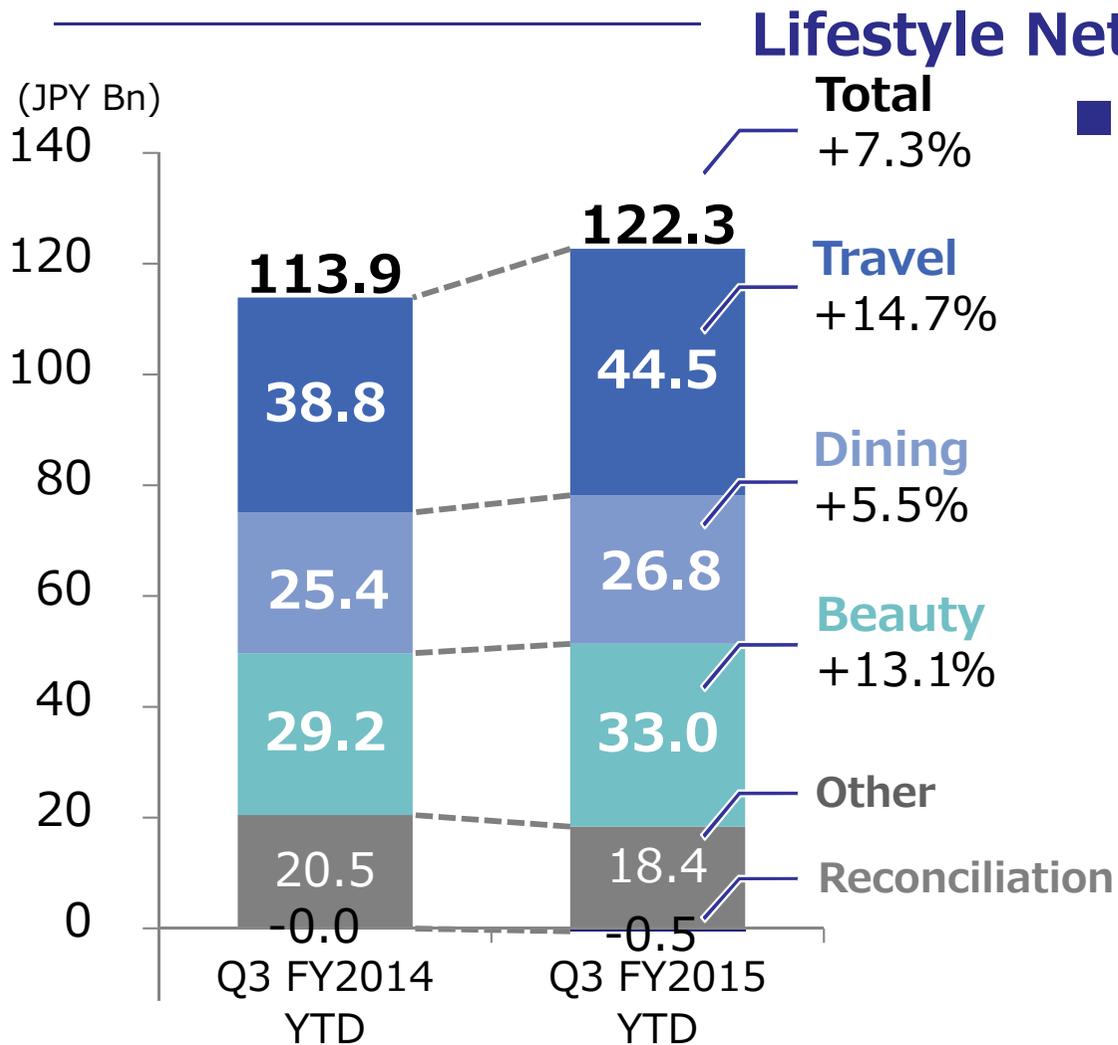
Life Event Net sales



■ Solid Net Sales

- Housing and Real Estate
 - New condominium division showed sluggish trend.
 - Independent housing division and leasing division continued to trend favorably.
- Bridal
 - Sales was stable with major clients' needs of acquiring customers in metropolitan area.

2 -(I) Marketing Media: Lifestyle Operations



■ Strong Net Sales

- Travel
 - Favorable trend
 - Room night rate and total guest nights (using our services) continued to rise.
- Dining
 - Favorable trend
 - Number of clients increased owing to introduction of business support services.
- Beauty
 - Trended favorably in spite of temporary impact of system failures occurred in Q3.
 - Transaction volume with existing clients and new clients increased reflecting online reservation expansion.

(Topics: Domestic Business)

■ Dining Business

HotPepper Gourmet ^{*1}
of seats reserved online
(Q3 FY2015 YTD)

27.23 million
(25.29 million in FY2014)

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

■ Beauty Business

HotPepper Beauty ^{*1*2}
of online reservations
(Q3 FY2015 YTD)

32.59 million
(30.04 million in FY2014)

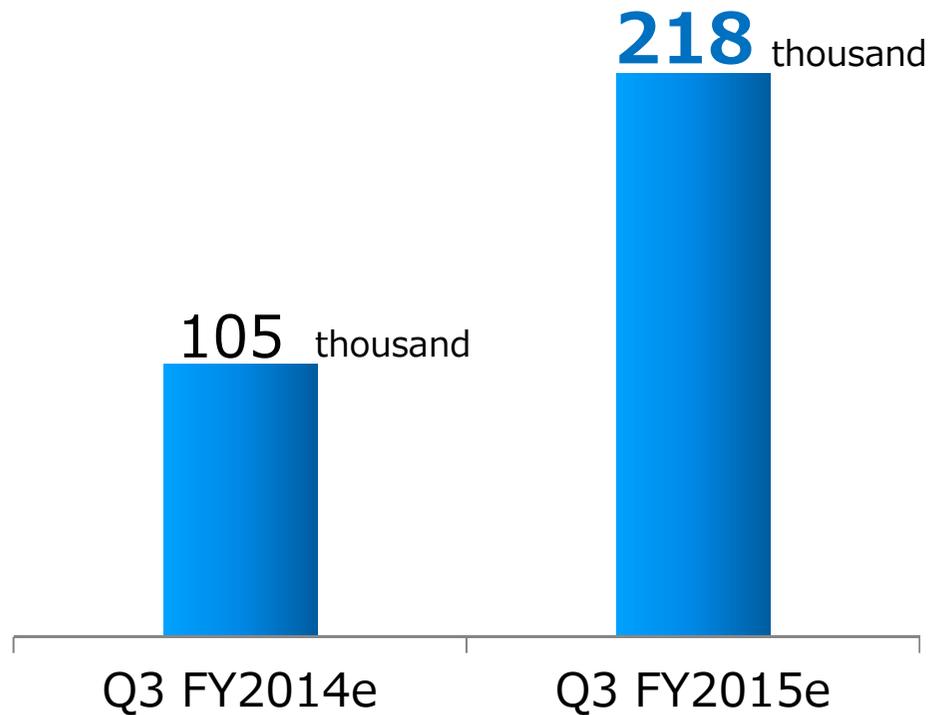
*2: There were errors in number of Hotppepper beauty online reservations we announced in Q1&Q2 financial results. Revised numbers are as follows:

Q1 FY2015: 9.99 million (before: 8.09 million)
Q2 FY2015: 21.28 million (before: 17.33 million)

(Topics: Domestic Business)

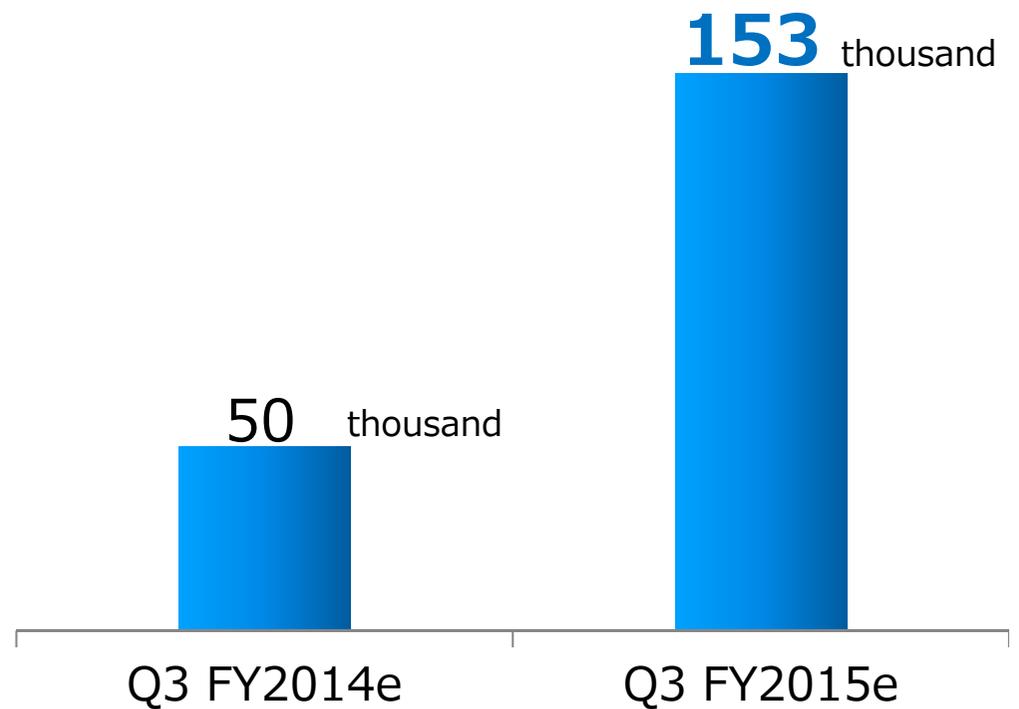
■ Business support for SMEs

Air REGI # of accounts



■ Education related business (Educational industry)

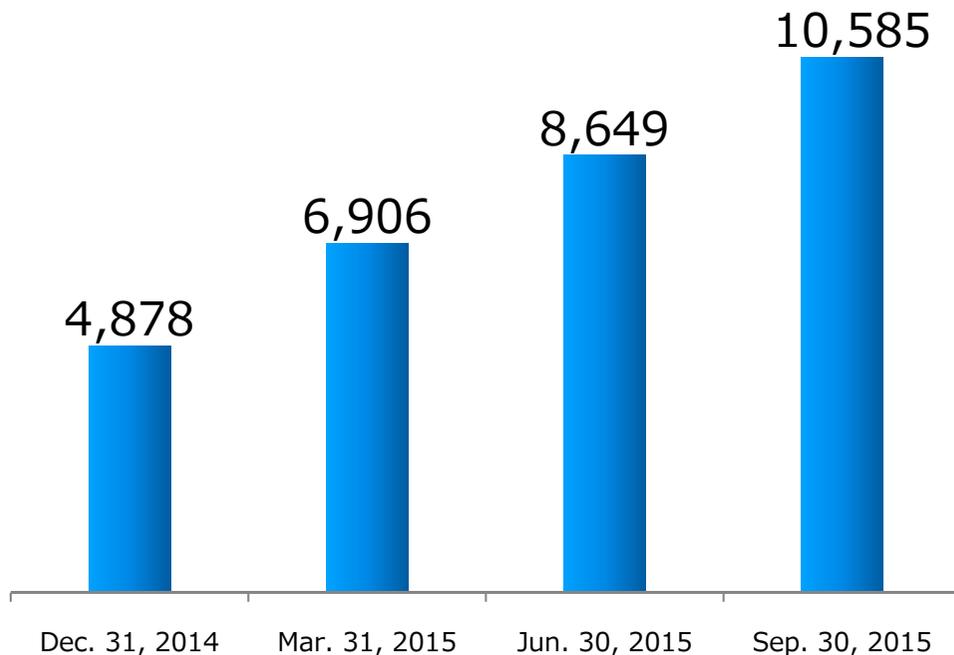
Jyuken Sapuri #of paying subscribers



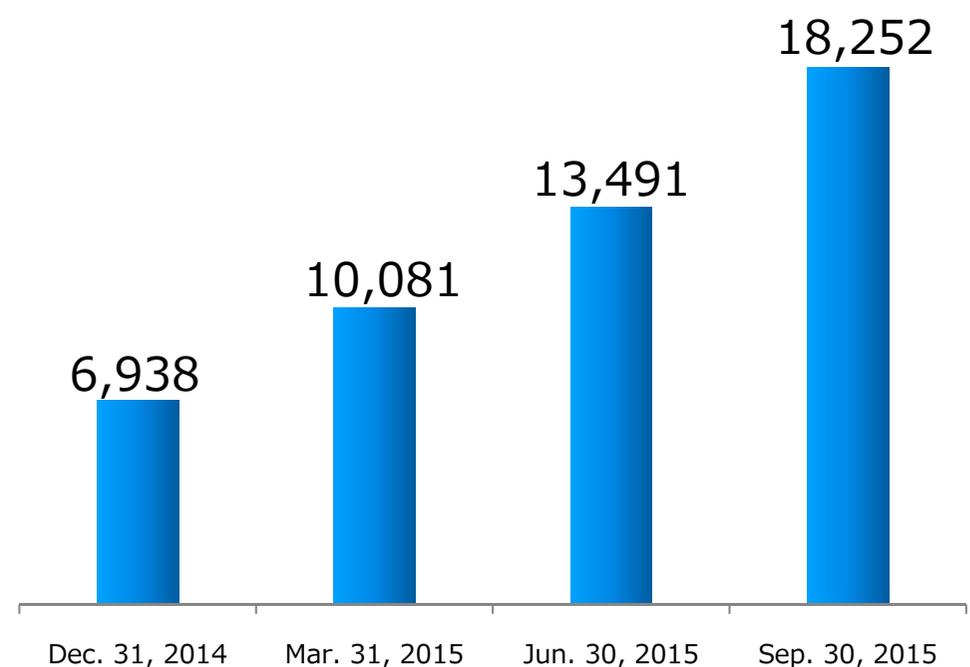
(Topics: Overseas Business)

- Online reservation of Dining/Beauty businesses:
-Number of restaurants and salons increased steadily as expected.

of restaurants using
Quandoo
(overseas dining business)



of salons using
Treatwell^{*1}
(overseas beauty business)



*1: online reservation website brand names of HotSpring and Treatwell are unified into 'Treatwell' from Jan. 2016.

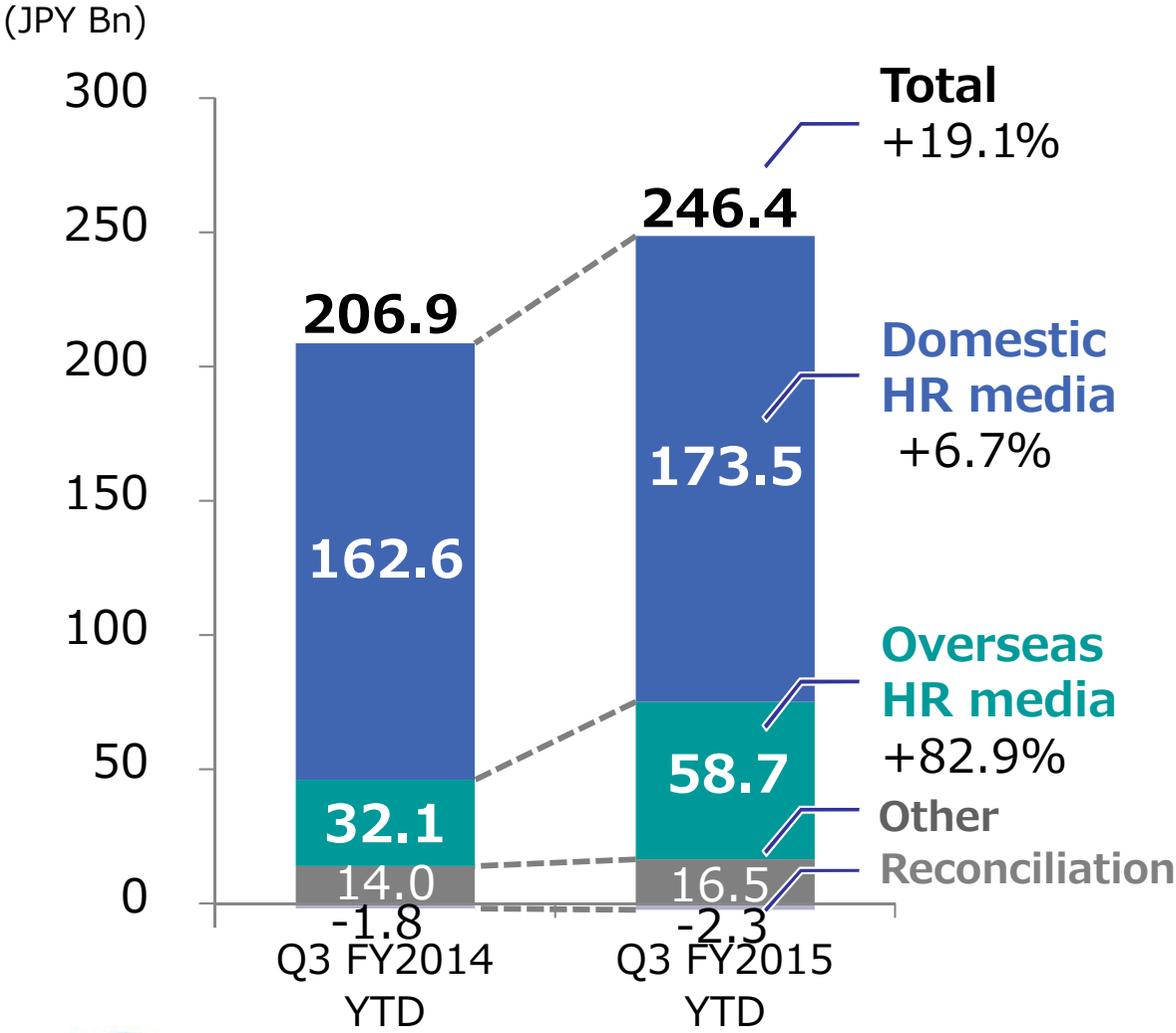
2. Earnings Results by Segments for Q3 FY2015

(Ⅱ) HR Media

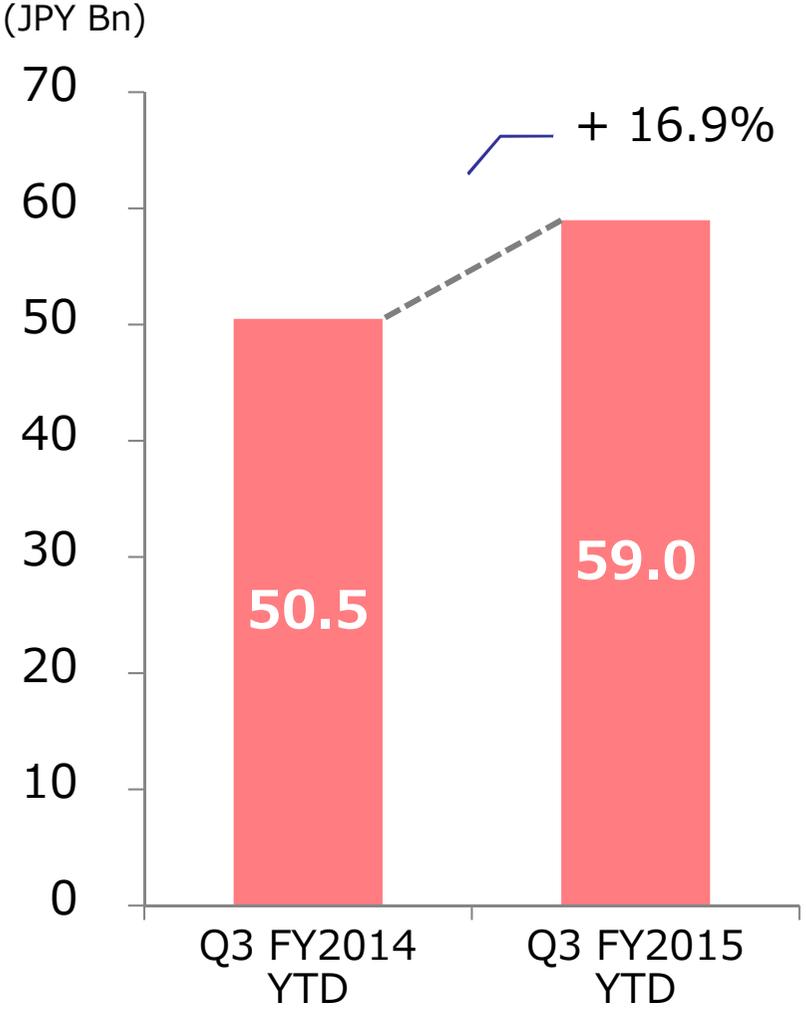
2-(II) HR Media Net Sales & EBITDA

- **Net Sales:** Rose 19.1% YoY. -Due to favorable trend both in domestic and overseas.
- **EBITDA:** Grew 16.9% YoY. -Reflected the increase of net sales.

HR Media Net Sales

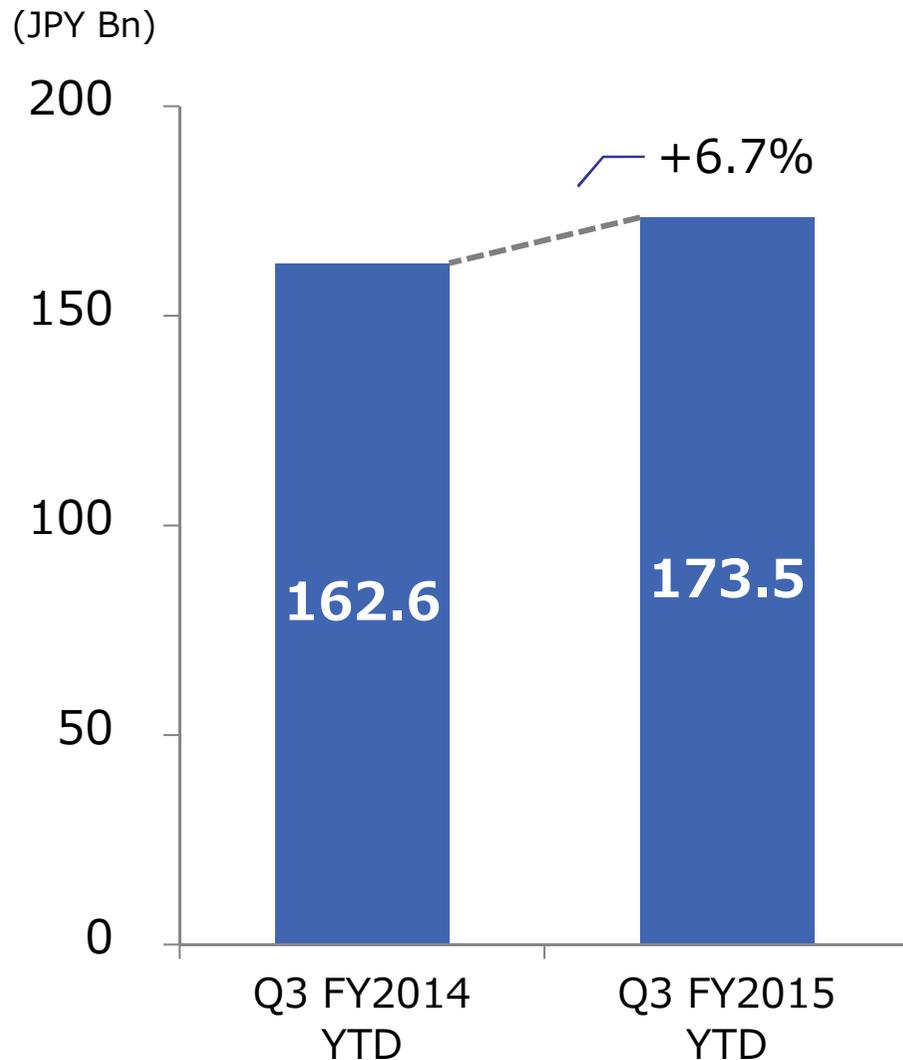


HR Media EBITDA



2-(Ⅱ) HR Media: Domestic Recruiting

Domestic Recruiting Net Sales



■ Favorable Market Condition

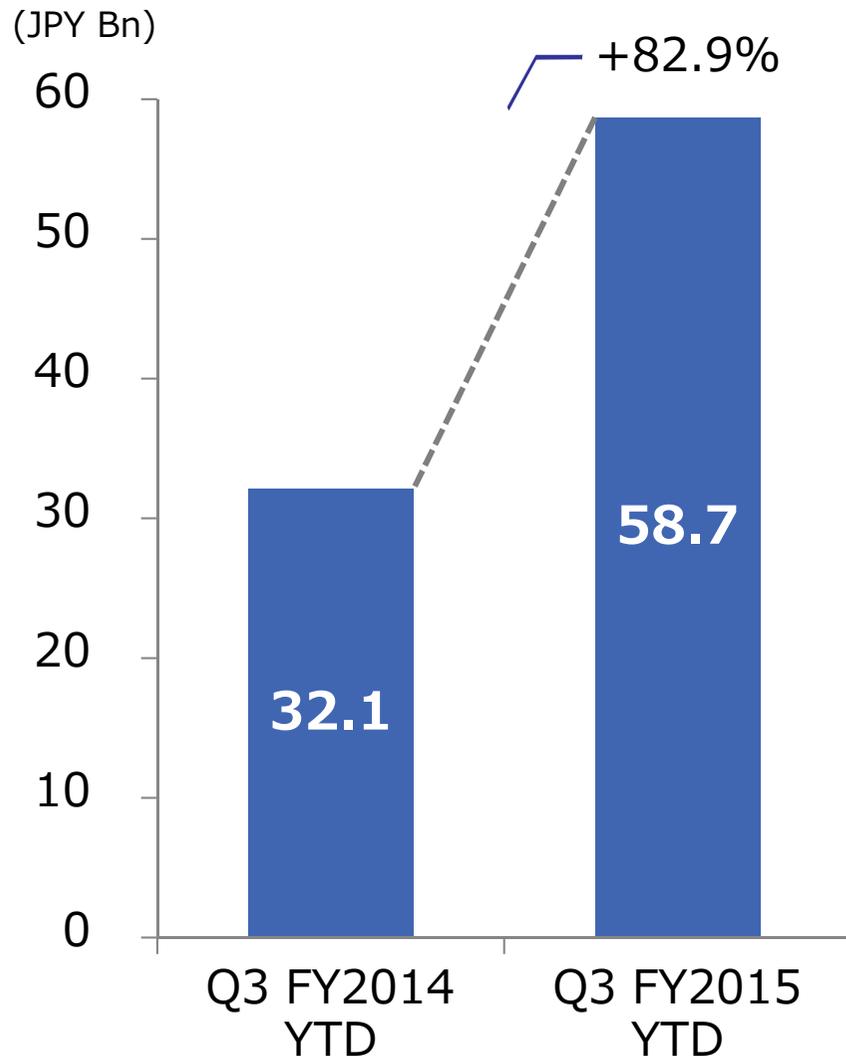
- Effective ratio of Job offers to Job seekers have continued to improve.
- Number of recruitment ads have increased.

■ Strong Net Sales

- Enhanced ability to acquire users and operating system.

2-(II) HR Media: Overseas Recruiting

Overseas Recruiting (Indeed) Net Sales



■ Favorable Net Sales

- SMEs clients increased steadily.
- Average UVs/month during Jan.- Sep. 2015 achieved 172million (+44.4% YoY).

2. Earnings Results by Segments For Q3 FY2015

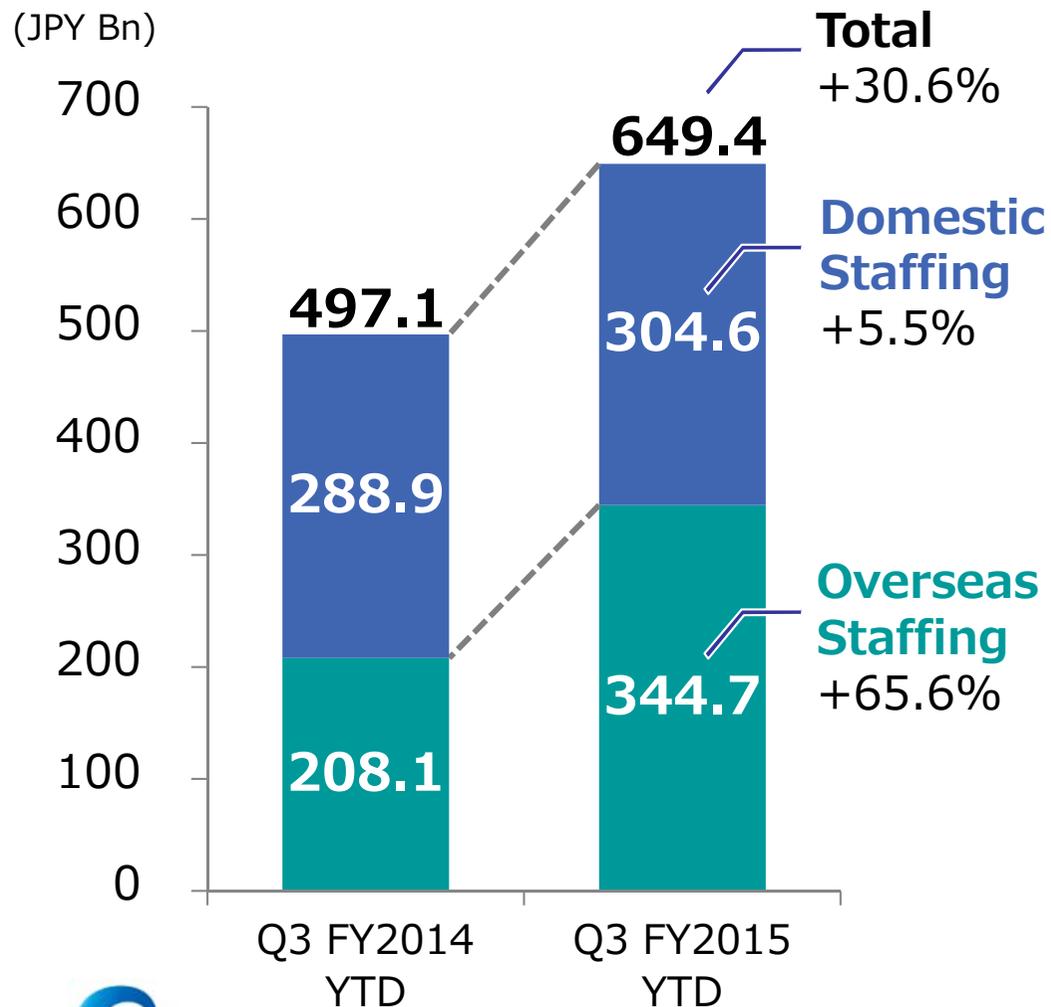
(Ⅲ) Staffing

2-(Ⅲ) Staffing Net Sales & EBITDA

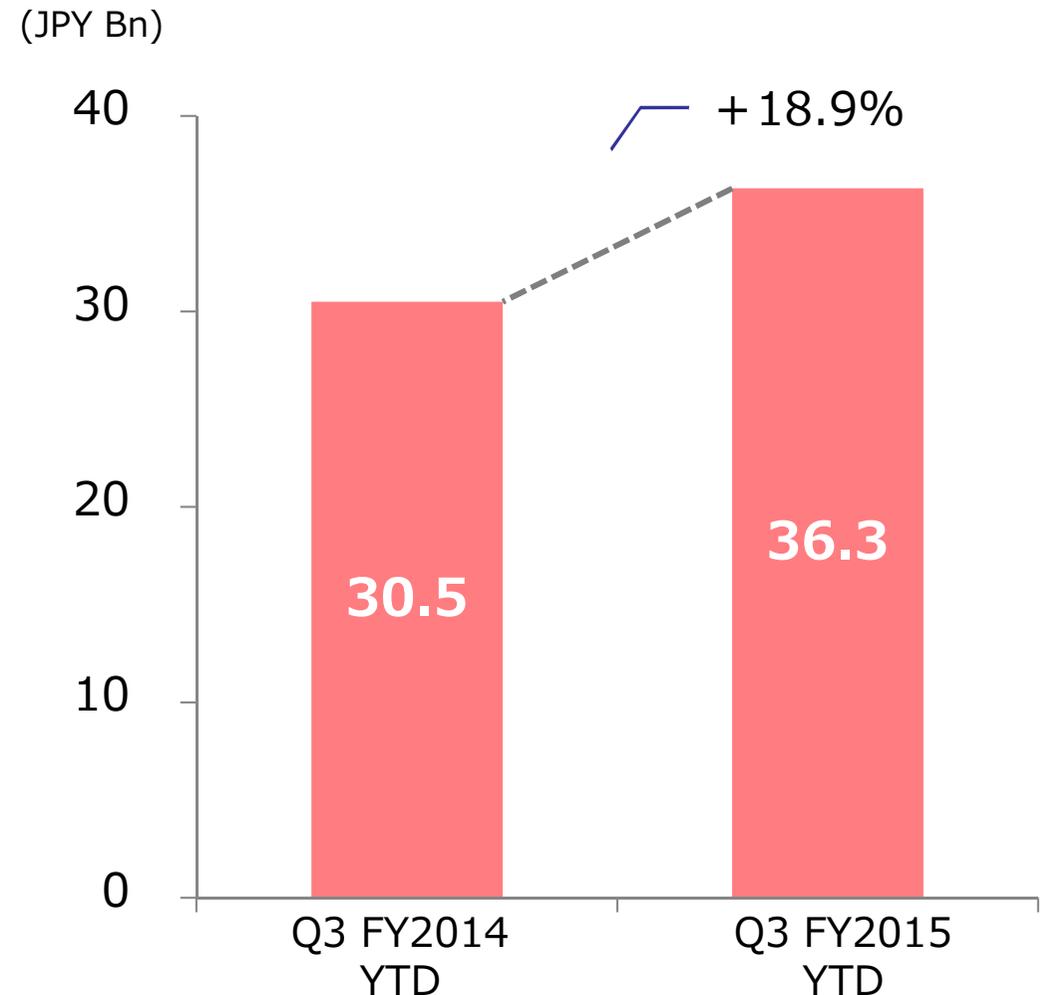
■ **Net Sales: +30.6%** - due to favorable trend in domestic, impact of weak yen in overseas, and contribution from new overseas subsidiaries.

■ **EBITDA: +18.9%** - Reflecting efficient operation and increase of net sales.

Staffing Net Sales

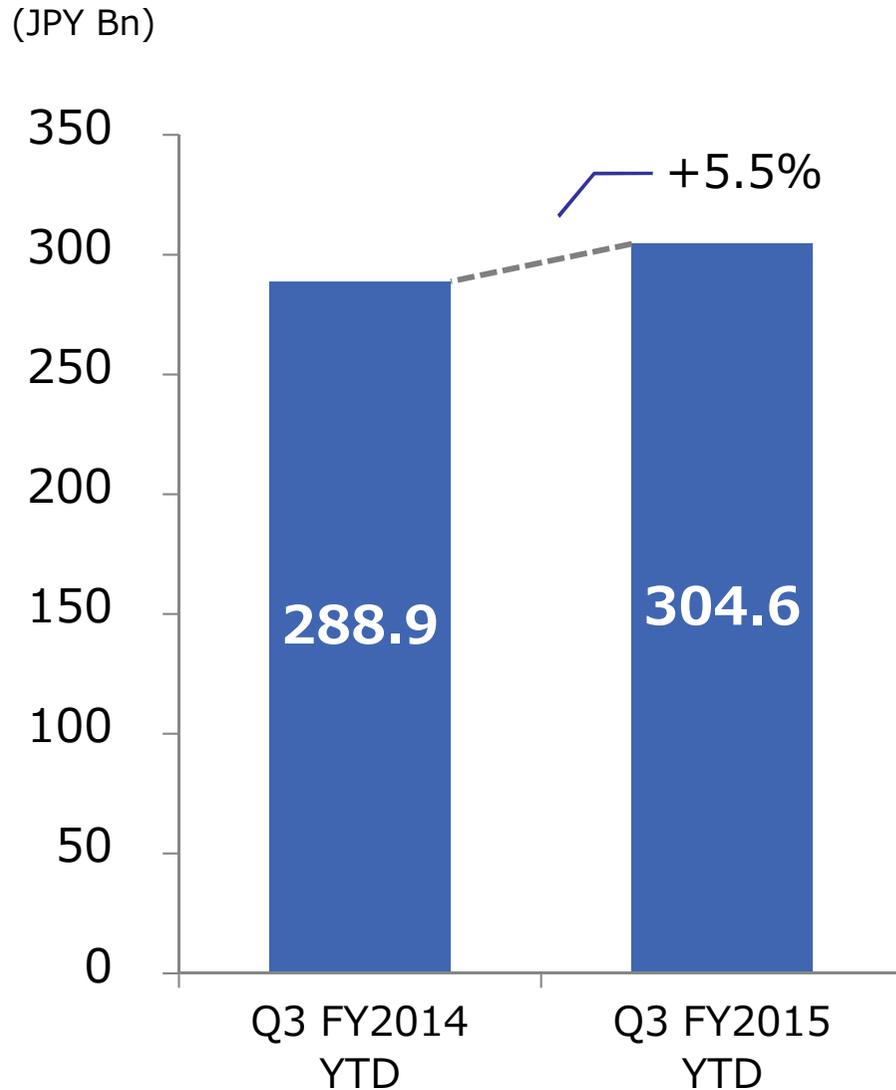


Staffing EBITDA



2-(Ⅲ) Staffing : Domestic Staffing

Domestic Staffing Net Sales



■ Solid Market Conditions

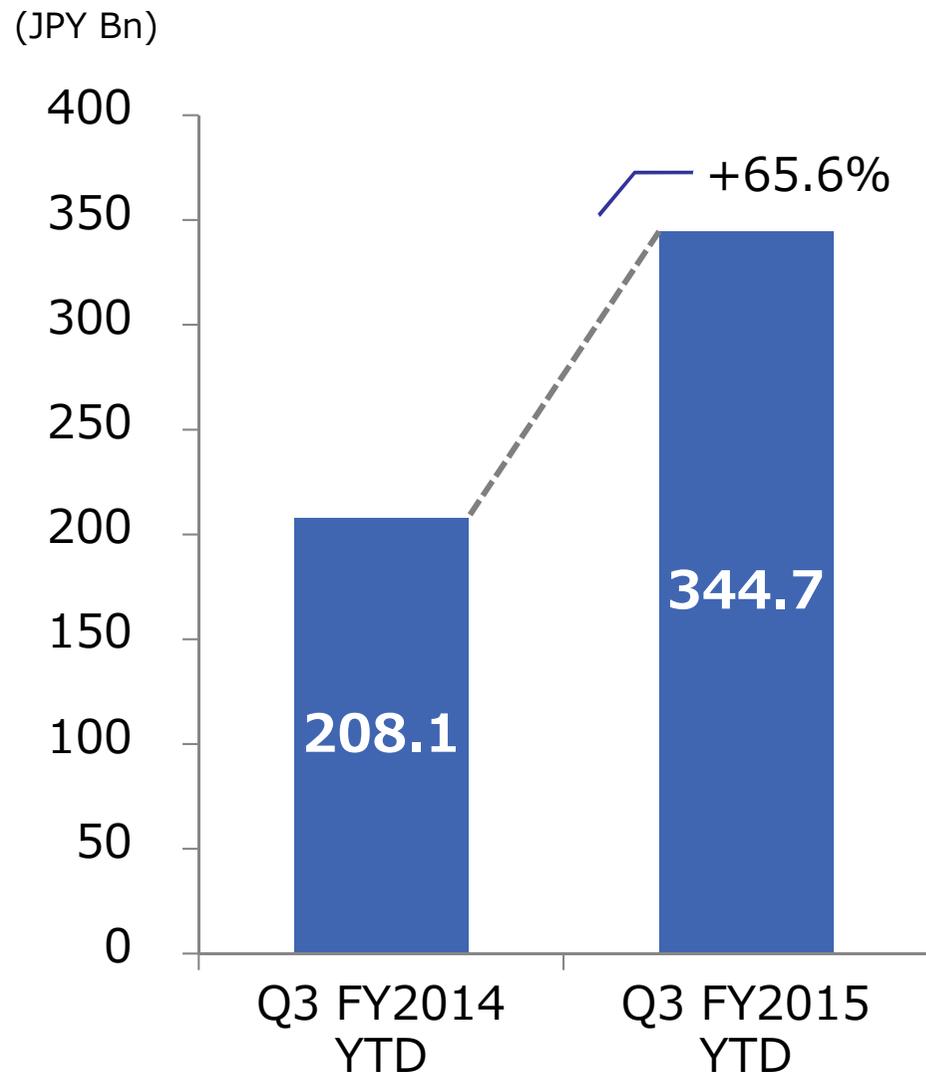
- Number of active agency worker (quarterly average) increased in nine consecutive quarters.
- The growth rate has been slowed down.

■ Favorable Net Sales

- Recruit Staffing
 - Enhanced sales operation resulted in favorable growth of clerical and IT personnel in metropolitan area.
- STAFF SERVICE
 - Trended solidly.
 - Focused on acquiring registered workers and extending the term of their contract.

2-(Ⅲ) Staffing : Overseas Staffing

Overseas Staffing Net Sales



■ Solid Market Condition

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

■ Favorable Net Sales

- Existing subsidiaries
 - Favorable results owing to weak yen.
- Contribution of new subsidiaries: Peoplebank, Chandler, Atterro
 - Steady growth mainly in Peoplebank: favorable transaction with major clients.

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

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	: 55,832

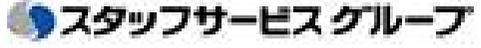
Name of Major shareholders	Number of Shares	% of shares
TOPPAN PRINTING CO., LTD.	37,700,000	6.66%
Dai Nippon Printing Co., Ltd.	35,700,000	6.31%
DENTSU INC.	30,000,000	5.30%
The Recruit Group Employees Shareholding Association	24,553,960	4.34%
NTT DATA Corporation	20,500,000	3.62%
JP MORGAN CHASE BANK 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

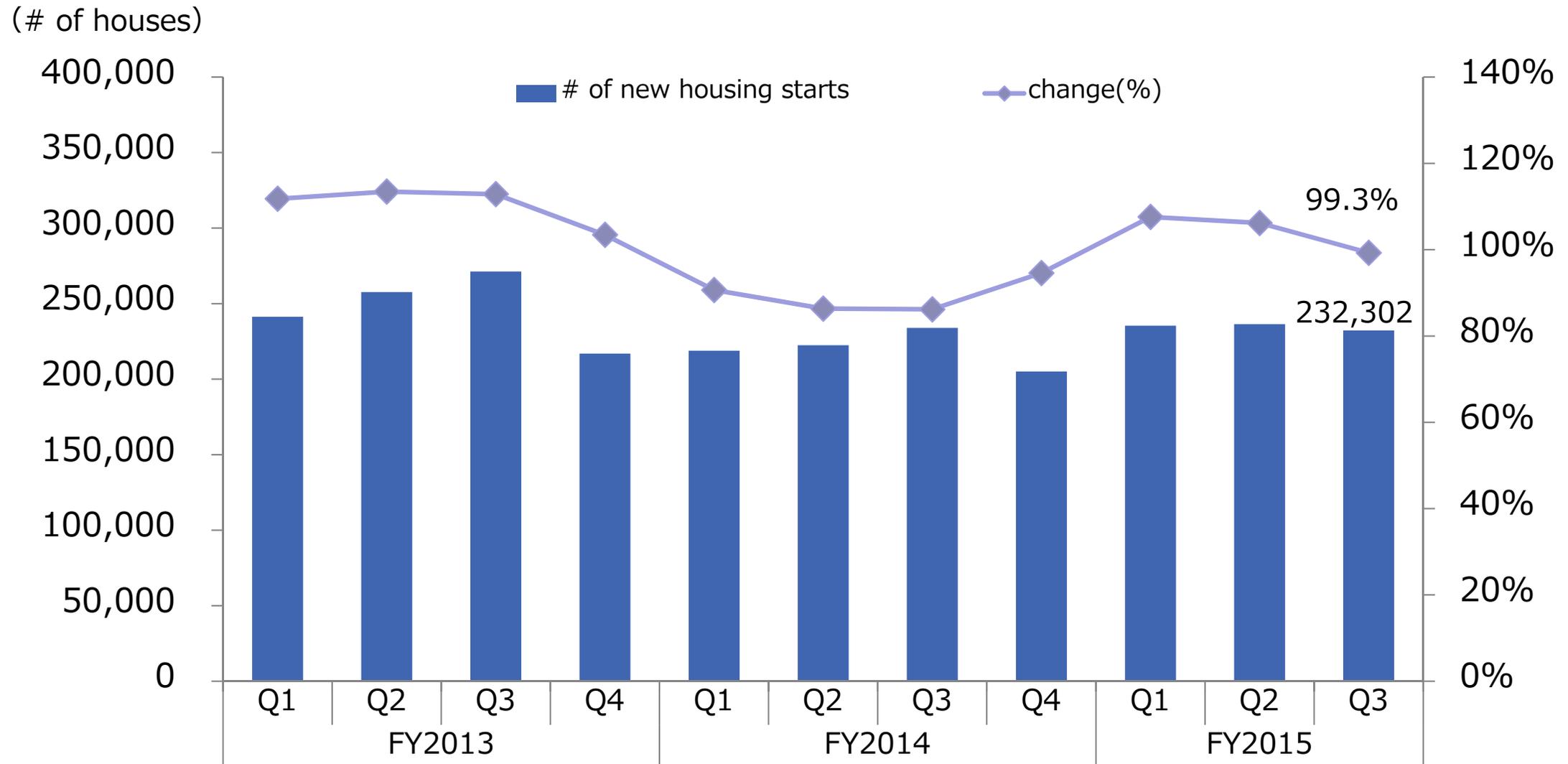


Business Segments & Major Services

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

Number of New housing starts



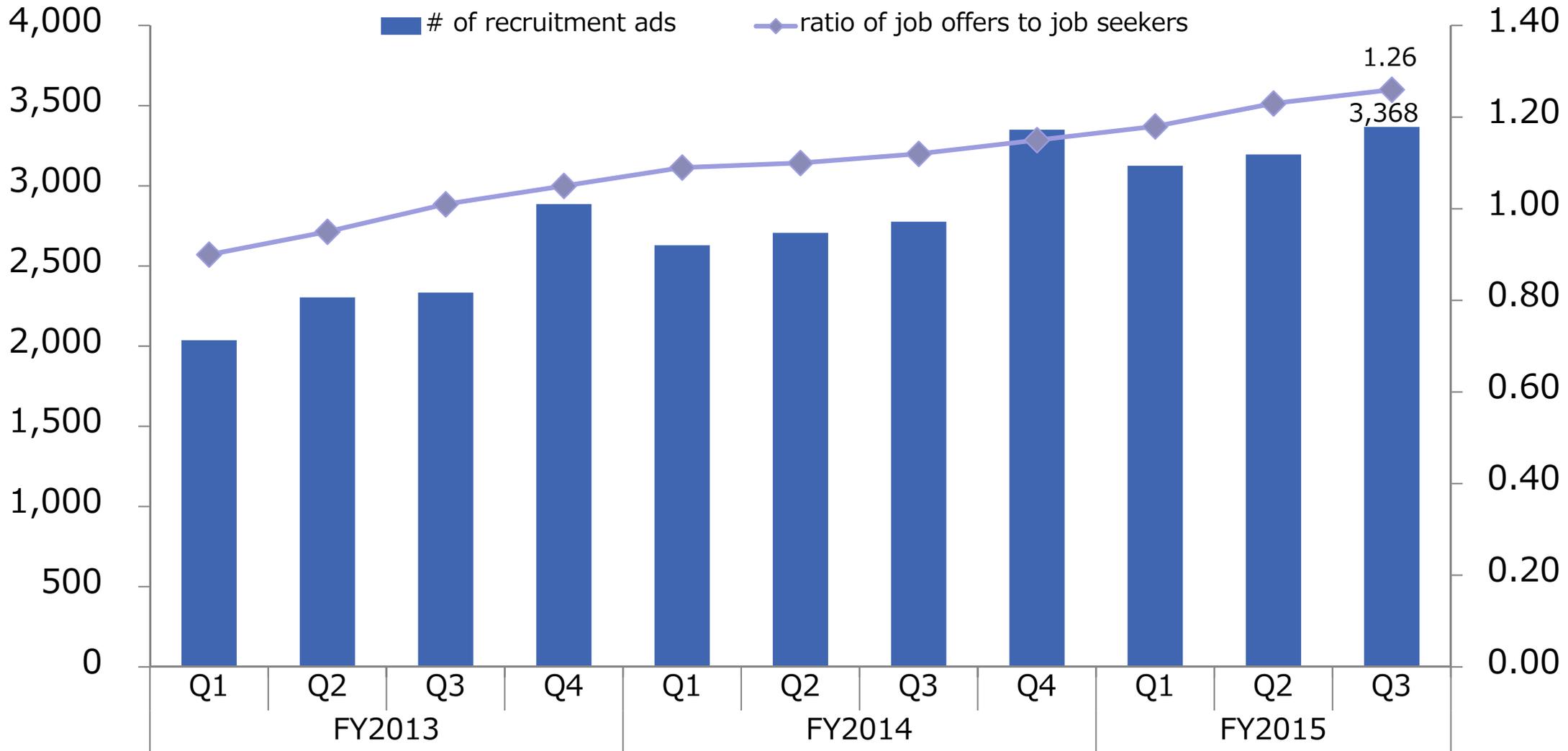
*Source: MLIT housing start statistics

Market Conditions : Domestic Recruiting Operation

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

(Unit: thousand)

(Unit: ratio)

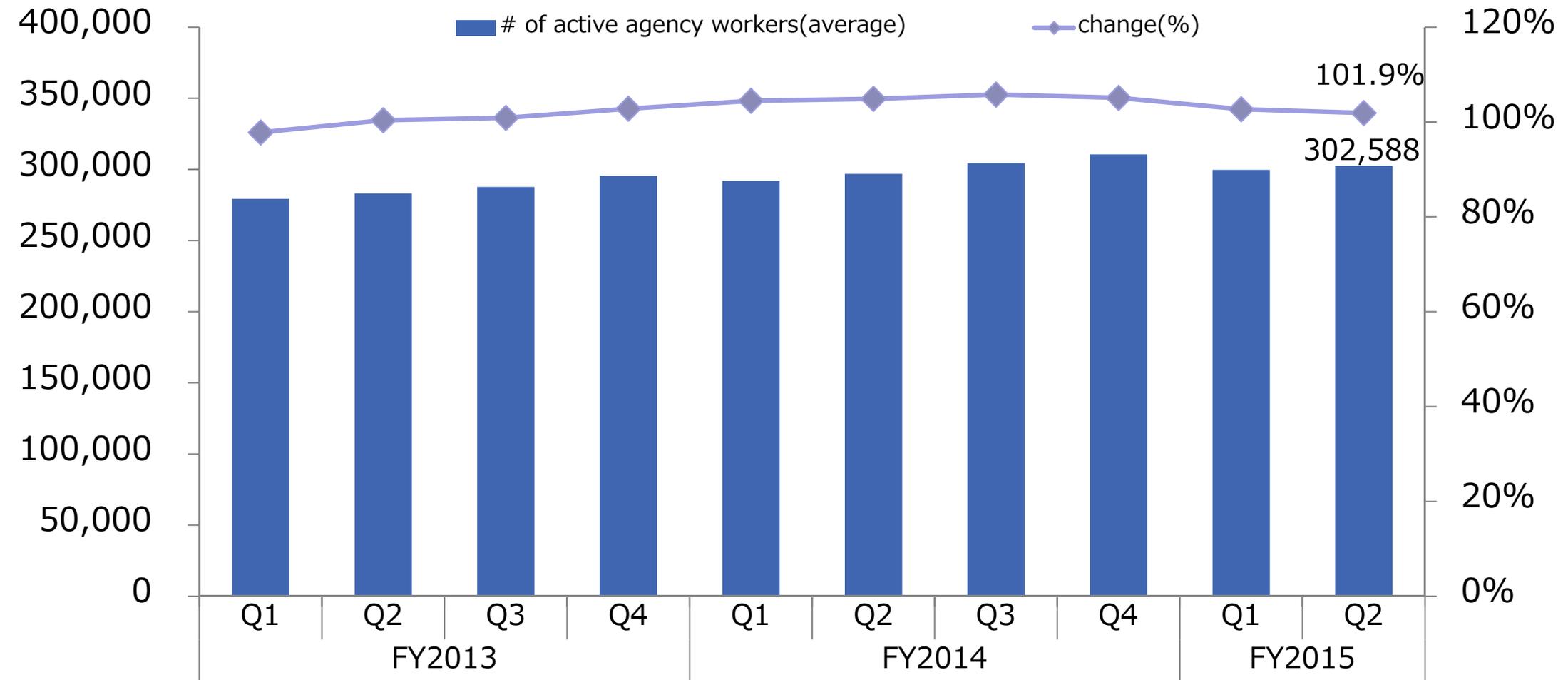


*Source: Association of Job Information of Japan (Zenkyukyo), Ministry of Health, Labour and Welfare

Market Conditions : Domestic Staffing Operation

Number of active agency workers

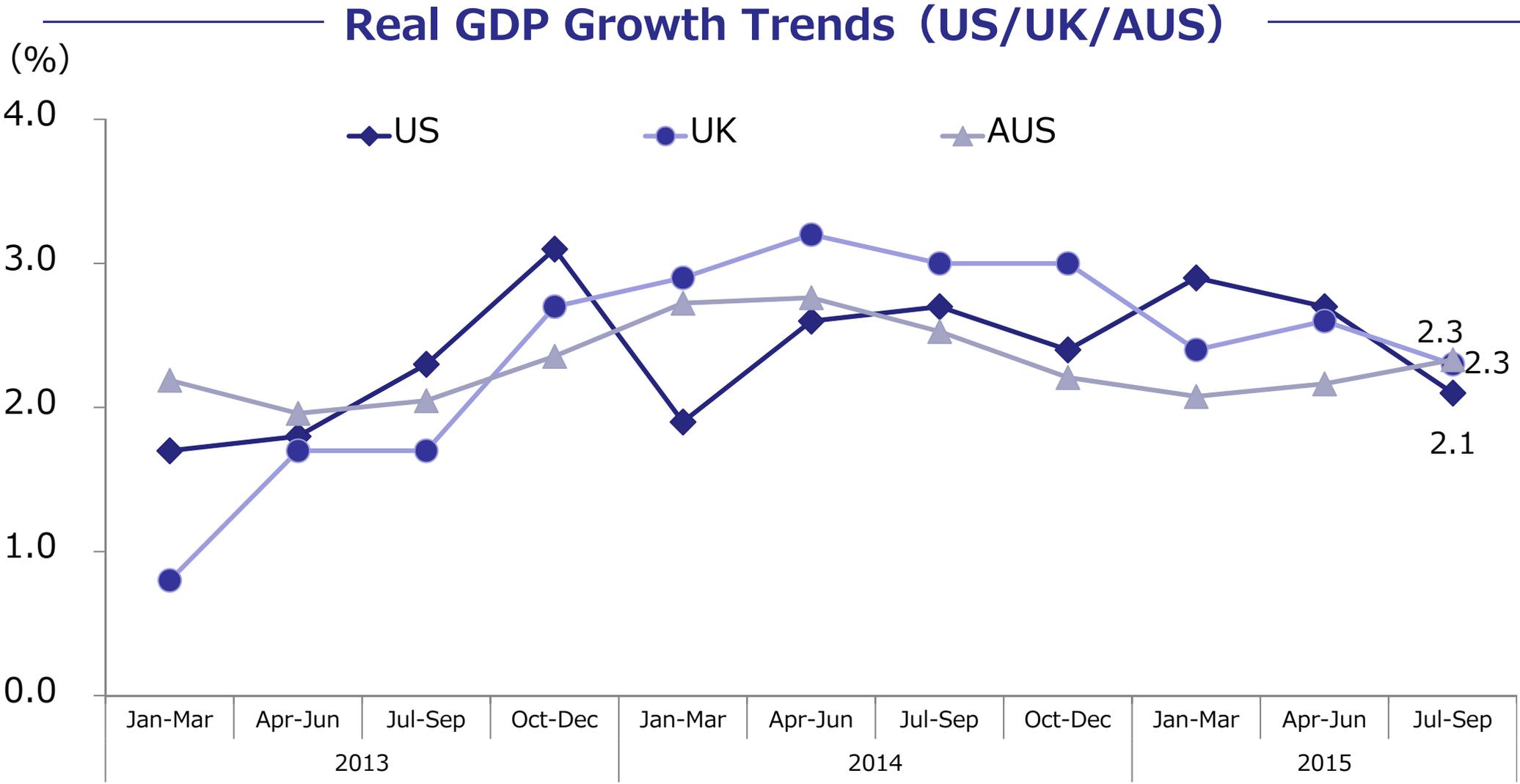
(# of persons)



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

