

July 27, 2016

To whom it may concern:

Company name: Recruit Holdings Co., Ltd.
Representative: Masumi Minegishi, President, CEO and
Representative Director
(Securities code: 6098, TSE First Section)
Contact: Keiichi Sagawa, Board Director,
Senior Managing Corporate Executive Officer
(Tel: +81-3-6835-1111)

Notification of Recording Extraordinary Income Due to Transfer of Subsidiary (Transfer of Shares)

Recruit Holdings Co., Ltd. (hereinafter the “Company”) hereby announces that it will transfer all shares (hereinafter the “Share Transfer”) of the Company’s wholly owned subsidiary Yuko Yuko Corporation (hereinafter “Yuko Yuko”) to Yuko Yuko Holdings Inc. in which funds and other entities operated by each of Unison Capital, Inc., Fukuoka Capital Partners Co., Ltd. and Shizuoka Capital Co., Ltd., as well as Dentsu Inc. plan to jointly invest. This matter was resolved at the board of directors meeting held today. In association with this, the Company expects to record extraordinary income, as described below.

1. Reason for transfer of shares

In order to acquire business in the senior demographic of the accommodation booking market in the travel business of the Marketing Media segment, the Company acquired Yuko Yuko in 2006 and has since promoted a growth strategy. At the same time, as a result of the Company’s efforts to grow its existing travel information magazine “Jalan” and travel information search and booking website “Jalan.net,” and rising internet usage rates, the number of active users has steadily increased regardless of age, including the senior demographic.

In light of this situation, the Company has concluded that it will be beneficial to cooperate with partner companies other than those of the Recruit Group for the further growth of Yuko Yuko and, accordingly, has resolved to transfer the shares of Yuko Yuko.

2. Outline of the subsidiary to be transferred (as of March 31, 2016)

(1) Name	Yuko Yuko Corporation	
(2) Location	Ginza Namiki Dori Building, 2-3-6 Ginza, Chuo-ku, Tokyo	
(3) Title and name of the representative	Koji Hagiwara, Representative Director	
(4) Description of business	Publisher and operator of domestic hotel information magazine “Yuko yuko” and domestic hotel booking website “yukoyuko.net”	
(5) Capital	¥205,756,000	
(6) Foundation	January 12, 2000	
(7) Major shareholders and shareholding ratio	Recruit Holdings Co., Ltd. 100.00%	
(8) Relationships between the Company and Yuko Yuko	Capital relationship	Wholly owned subsidiary of the Company.
	Human relationship	Two employees of RECRUIT LIFESTYLE CO., LTD., a wholly owned subsidiary of the Company, also serve as Directors and an employee of the Company also serves as an Audit & Supervisory Board Member of Yuko Yuko
	Business relationship	The Company sublets a rental property to Yuko Yuko as office space. In addition, a business relationship involving the consignment of arrangements for transportation and hotel stays exists between the Company’s affiliates and Yuko Yuko.

(9) Consolidated financial results and consolidated financial position of Yuko Yuko for the last three years (Unit: millions of yen unless otherwise indicated)			
Fiscal year	Year ended March 31, 2014	Year ended March 31, 2015	Year ended March 31, 2016
Net assets	4,303	5,255	6,327
Total assets	5,229	6,137	7,304
Net assets per share (yen)	973,069	1,188,275	1,430,563
Net sales	8,203	7,618	7,928
Operating income	1,772	1,435	1,586
Ordinary income	1,779	1,445	1,598
Net income	1,031	951	1,071
Net income per share (yen)	233,271	215,161	242,293
Dividend per share	-	-	-

3. Outline of the recipient of shares (Yuko Yuko Holdings Inc.) (As of July 27, 2016)

(1) Name	Yuko Yuko Holdings Inc.		
(2) Location	4-1 Kioi-cho, Chiyoda-ku, Tokyo		
(3) Title and name of the representative	Kiyoto Matsuda, Representative Director		
(4) Description of business	Acquisition and holding of Yuko Yuko shares		
(5) Relationship between the Company and Yuko Yuko Holdings Inc.	Capital relationship	There is no capital relationship to be noted between the Company and Yuko Yuko Holdings Inc. In addition, there are no capital relationships to be noted between persons associated with the Company / the Company's affiliates and persons associated with Yuko Yuko Holdings Inc. / Yuko Yuko Holdings Inc.'s affiliates.	
	Human relationship	There is no human relationship to be noted between the Company and Yuko Yuko Holdings Inc. In addition, there are no human relationships to be noted between persons associated with the Company / the Company's affiliates and persons associated with Yuko Yuko Holdings Inc. / Yuko Yuko Holdings Inc.'s affiliates.	
	Business relationship	There is no business relationship to be noted between the Company and Yuko Yuko Holdings Inc. In addition, there are no business relationships to be noted between persons associated with the Company / the Company's affiliates and persons associated with Yuko Yuko Holdings Inc. / Yuko Yuko Holdings Inc.'s affiliates.	
	Status of related parties	Yuko Yuko Holdings Inc. does not fall under the category of a related party of the Company. In addition, persons associated with and affiliates of Yuko Yuko Holdings Inc. do not fall under the category of a related party of the Company.	

4. Number of shares to be transferred and shares held before and after the transfer

(1) Number of shares held before the transfer	4,423 shares (Number of voting rights: 4,423, ownership percentage 100.00%)
(2) Number of shares to be transferred	4,423 shares (Number of voting rights: 4,423)
(3) Transfer price	¥20.2 billion (planned)
(4) Number of shares held after the transfer	0 shares (Number of voting rights: 0, ownership percentage: 0.00%)

5. Schedule

(1) Date of resolution at the board of directors meeting	July 27, 2016
(2) Date of agreement	July 27, 2016
(3) Date of execution of share transfer	August 31, 2016 (planned)

6. Future forecasts

In association with the Share Transfer, the Company expects to record a gain on sales of shares of subsidiaries and associates of ¥19.6 billion (planned) and ¥19.5 billion (planned) in its consolidated and non-consolidated financial statements, respectively, for the fiscal year ending March 31, 2017. The impact of the Share Transfer on the Company's consolidated financial results for the fiscal year ending March 31, 2017 has been reflected in the figures noted in the Company's release titled "Announcement of Revision of the Financial Forecasts" disclosed today.

*The forecasts above were made based on information available as of the date of this release. The actual amount recorded and timing thereof may differ from current estimates depending on various factors, including changes in transfer price and date of execution.