

Financial Results for Q1 FY2016

August 9, 2016



Recruit Holdings Co., Ltd.

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1. Topics for Q1 FY2016

1

Upward revision to full-year forecast

Double-digit Growth for Net sales, EBITDA, and Net income:
benefited from USG People acquisition and transfer of subsidiaries

※USG People will be consolidated from the third quarter

2

Favorable results

A good start of major three segments with favorable trends

3

Aim to adopt IFRS within FY2017

Steady progress toward the IFRS adoption

Revised Financial Forecast

(JPY Bn)	FY2015	FY2016		
	Full-year	Full-year Forecast announced on May13 *	Full-year Forecast revised on July 27 *	YoY Change
Net Sales	1,588.6	1,690.0	1,830.0	+15.2%
EBITDA*1	202.2	217.0	223.0	+10.3%
EBITDA margin	12.7%	12.8%	12.2%	-0.4pt
Operating income	114.0	121.5	117.0	+2.6%
Ordinary income	119.3	126.5	122.0	+2.2%
Net income attributable to owners of the parent	64.5	61.5	74.0	+14.7%
Net income before amortization of goodwill*2	112.4	110.5	128.5	+14.2%
Dividend per share (JPY)	50	50	50	—
Adjusted net income*3	118.3	121.5	124.5	+5.2%
Adjusted EPS (JPY) *4	209.57	215.14	220.45	+5.2%

(Ref) for existing business FY2016 **		
Full-year Forecast announced on May13 *	Full-year Forecast revised on July 27 *	YoY Change
1,690.0	1,680.0	+5.8%
217.0	215.3	+6.5%

* Assumed foreign exchange rates for FY2016: JPY115.00/USD, JPY81.00/AUD, JPY125.00/EUR (Assumed foreign exchange rates for consolidation of USG People B.V.: JPY117.00/EUR)

** In the first quarter of FY2016, USG People B.V. and its subsidiaries are consolidated to Recruit Holdings. Earnings of the companies will be included in Recruit Holdings' results from the third quarter, since deemed acquisition date was June 30, 2016.

*1-*4 Refer to p.33 Notes

2. Q1 FY2016 Consolidated Financial Highlights

2-(I) Consolidated Earnings Summary

- Net sales and EBITDA achieved double-digit increase YoY
- Major three segments made great starts with the increase

(JPY Bn)	FY2015	FY2016			
	Q1 YTD	Q1 YTD*	YoY Change	Full-Year Forecast** revised on July 27	YoY Change
Net Sales	344.1	407.5	+18.4%	1,830.0	+15.2%
EBITDA*1	49.7	55.5	+11.7%	223.0	+10.3%
EBITDA margin	14.5%	13.6%	-0.8pt	12.2%	-0.4pt
Operating income	30.1	32.7	+8.6%	117.0	+2.6%
Ordinary income	31.7	33.3	+5.0%	122.0	+2.2%
Net income attributable to owners of the parent	22.2	17.4	-21.8%	74.0	+14.7%
Net income before amortization of goodwill*2	33.2	29.5	-11.2%	128.5	+14.2%
Adjusted net income*3	30.0	33.0	+10.2%	124.5	+5.2%
Adjusted EPS (JPY) *4	53.15	58.55	+10.2%	220.45	+5.2%

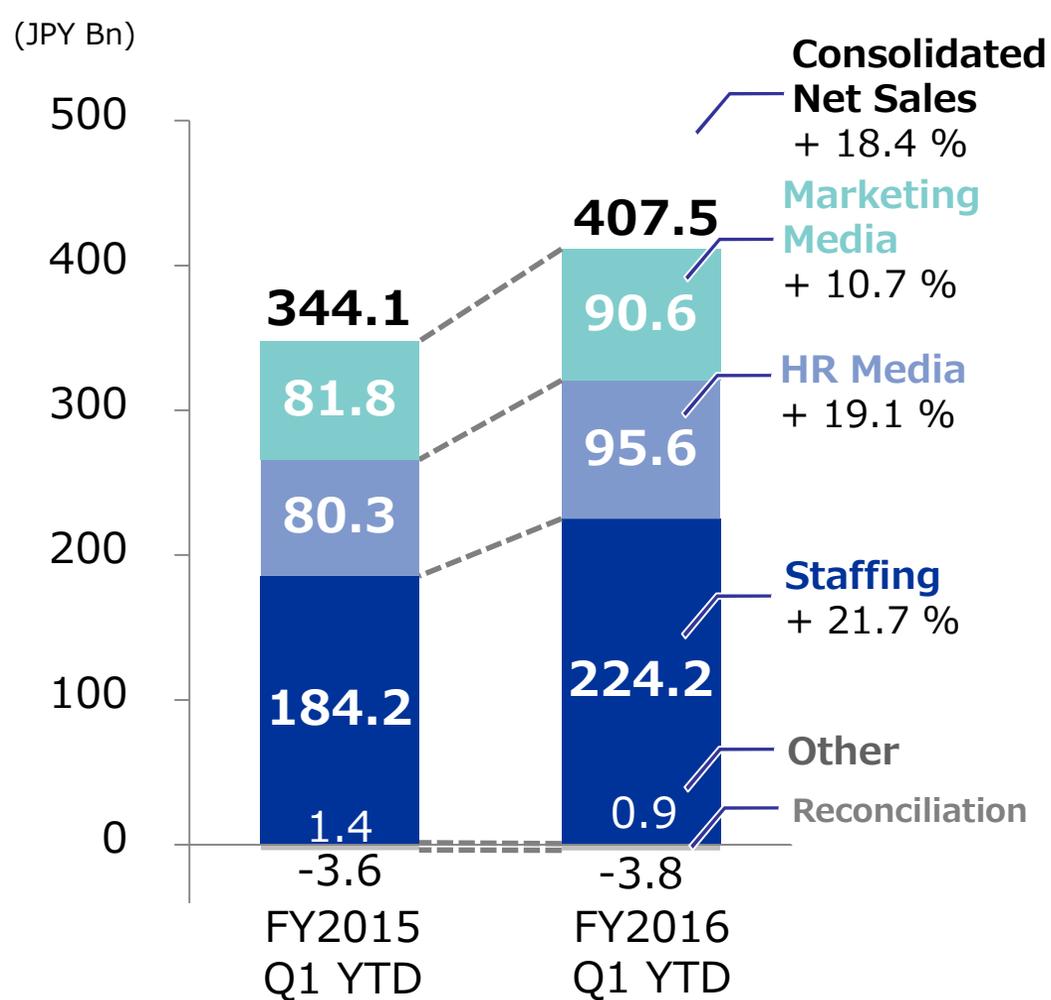
* Average foreign exchange rates of the first quarter: JPY115.35/USD (Q1 FY2015: JPY119.16/USD), JPY83.27/AUD (Q1 FY2015: JPY93.67/AUD)

** Assumed foreign exchange rates for FY2016: JPY115.00/USD, JPY81.00/AUD

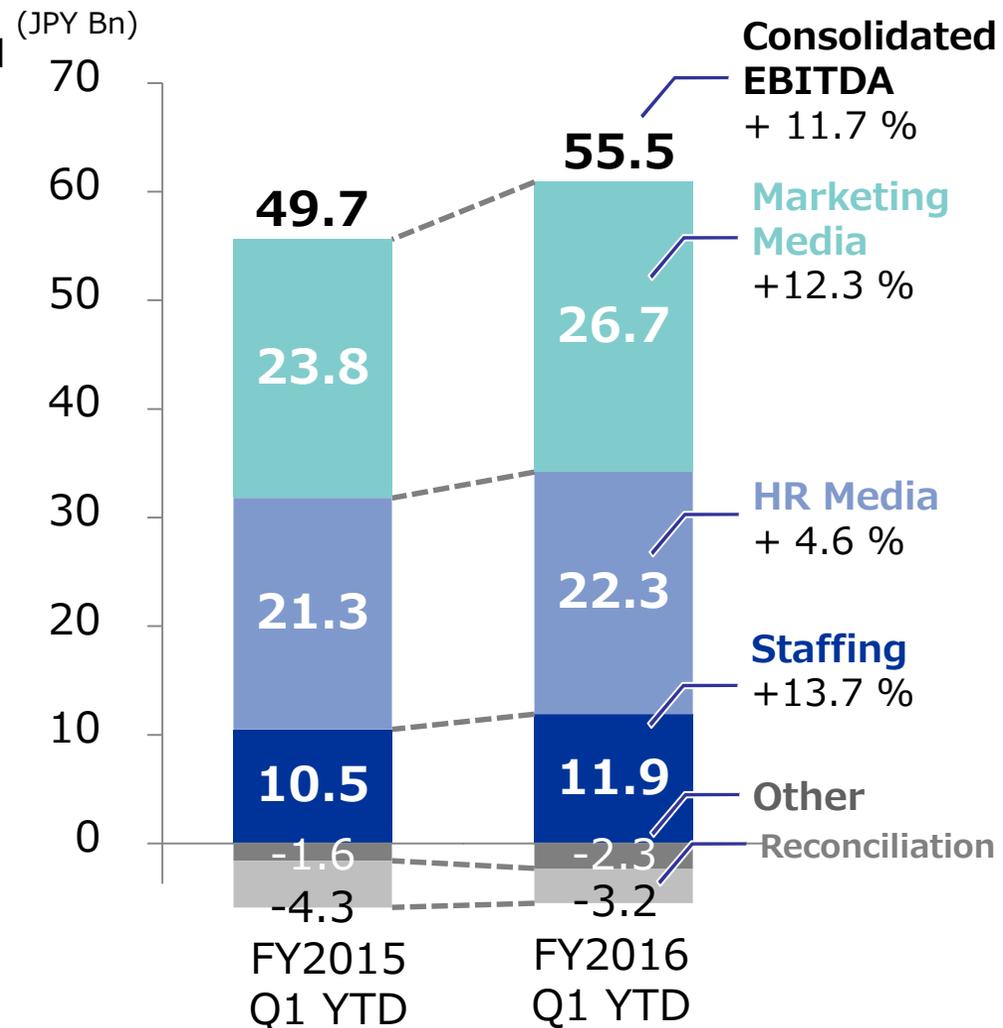
*1-*4 Refer to p.33 Notes

2-(Ⅱ) Segment Net sales & EBITDA

Segment Net Sales



Segment EBITDA



3. Earnings Results by Segment for Q1 FY2016

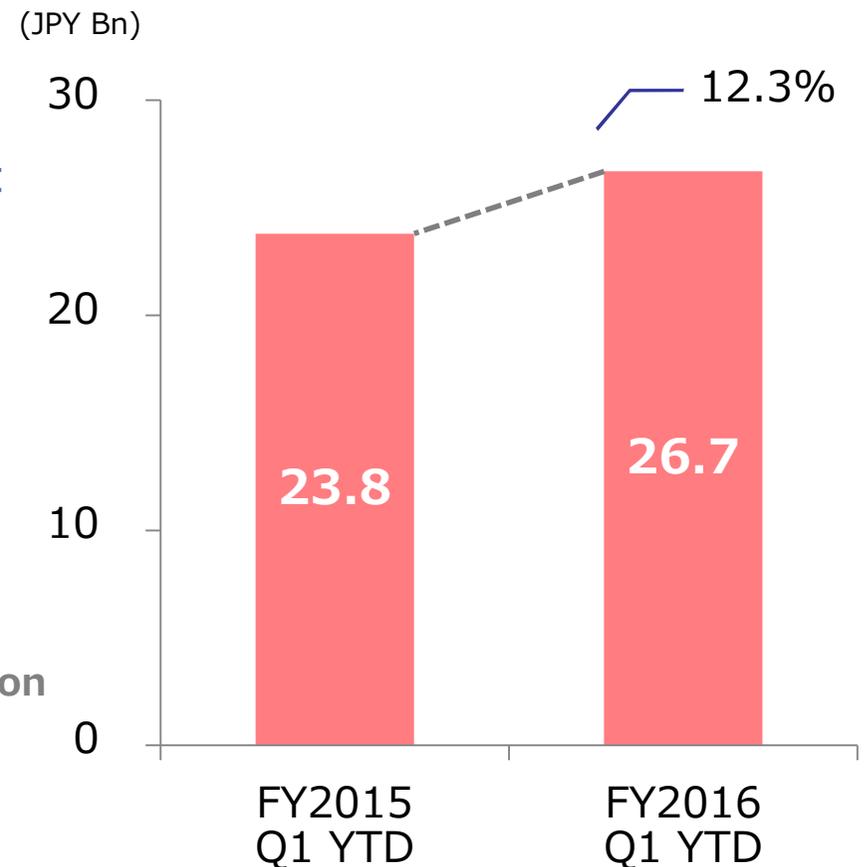
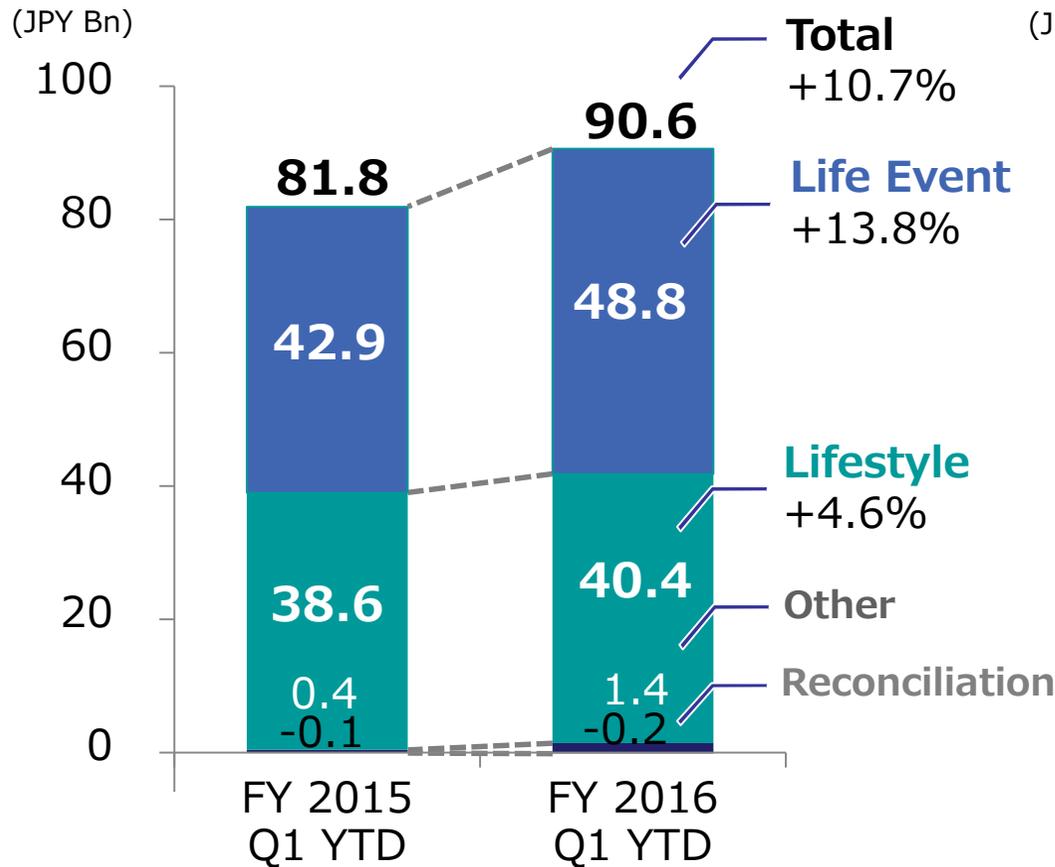
3. Earnings Results by Segment for Q1 FY2016

(I) Marketing Media

3-(I) Marketing Media Net Sales & EBITDA

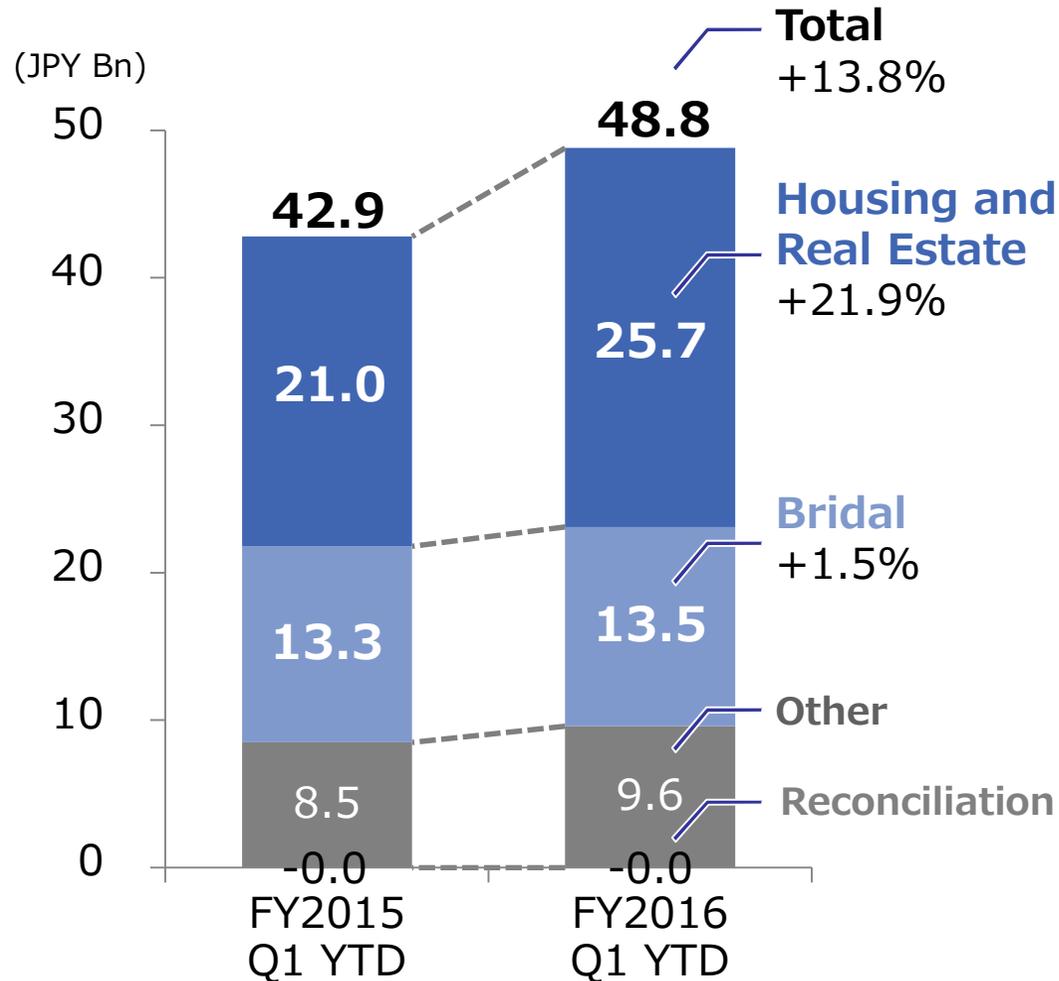
- Net sales: Favorable trends both in Life Event & Lifestyle, +10.7% YoY
- EBITDA: Double-digit increase, reflecting the net sales growth

Marketing Media Net Sales Marketing Media EBITDA



3-(I) Marketing Media: Life Event Operations

Life Event Net sales

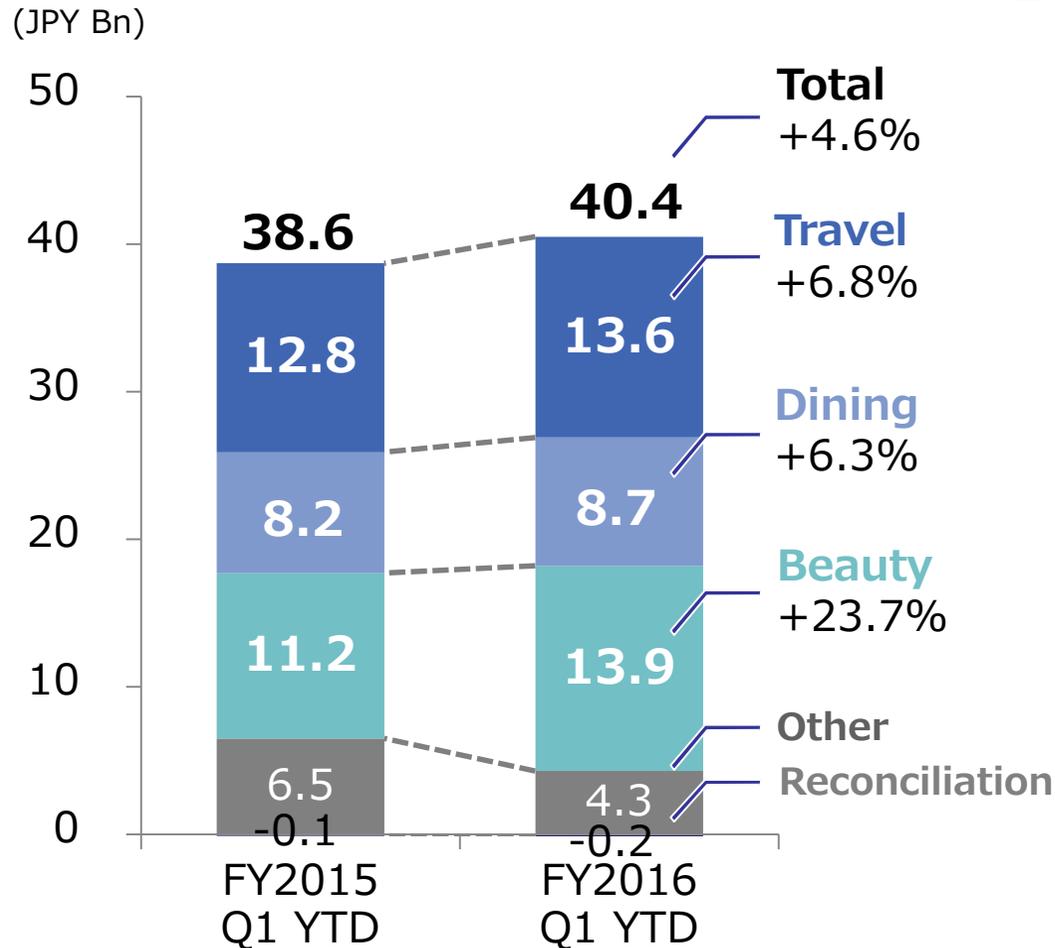


■ Favorable net sales

- Housing and Real Estate
-Favorable trend in its major business, new condominium apartment division, independent housing division, and leasing division.
- Bridal
-Stable trend reflecting customer acquisition needs of its major clients.

3-(I) Marketing Media: Lifestyle Operations

Lifestyle Net Sales



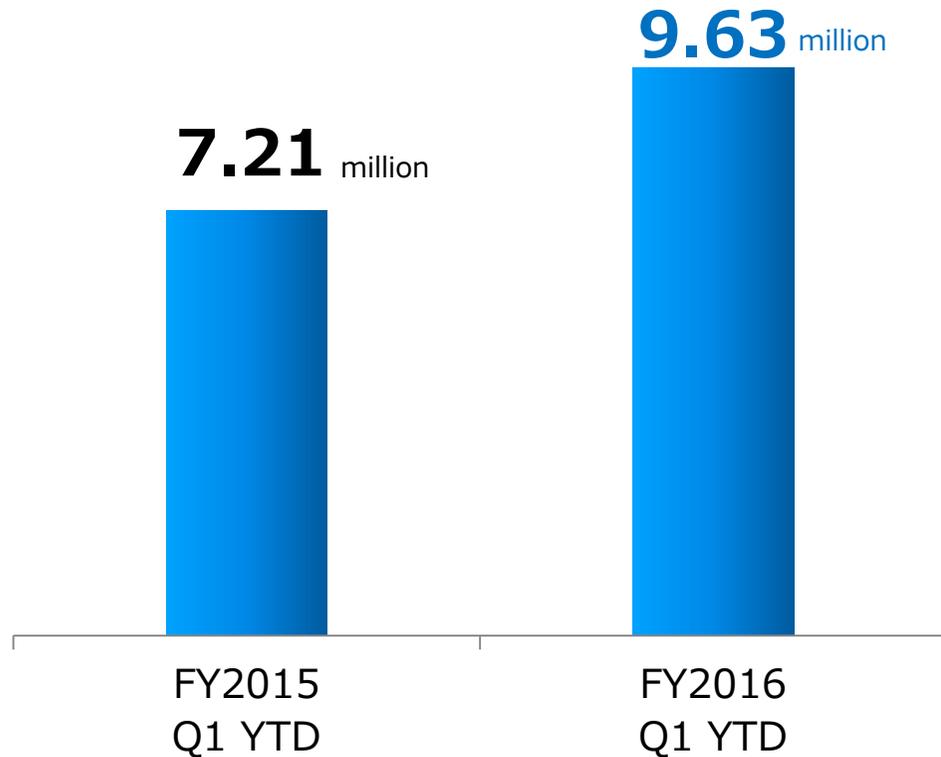
■ Favorable net sales

- Travel
 - Favorable trend
 - Room rates and total guest nights through its service continued to rise.
- Dining
 - Favorable trend
 - Number of small and medium sized clients increased owing to online reservation's steady growth
- Beauty
 - Favorable trend
 - Continuous steady growth of online reservation brings about an increase of transaction with existing clients and new clients acquisition

(Topics: Domestic Business)

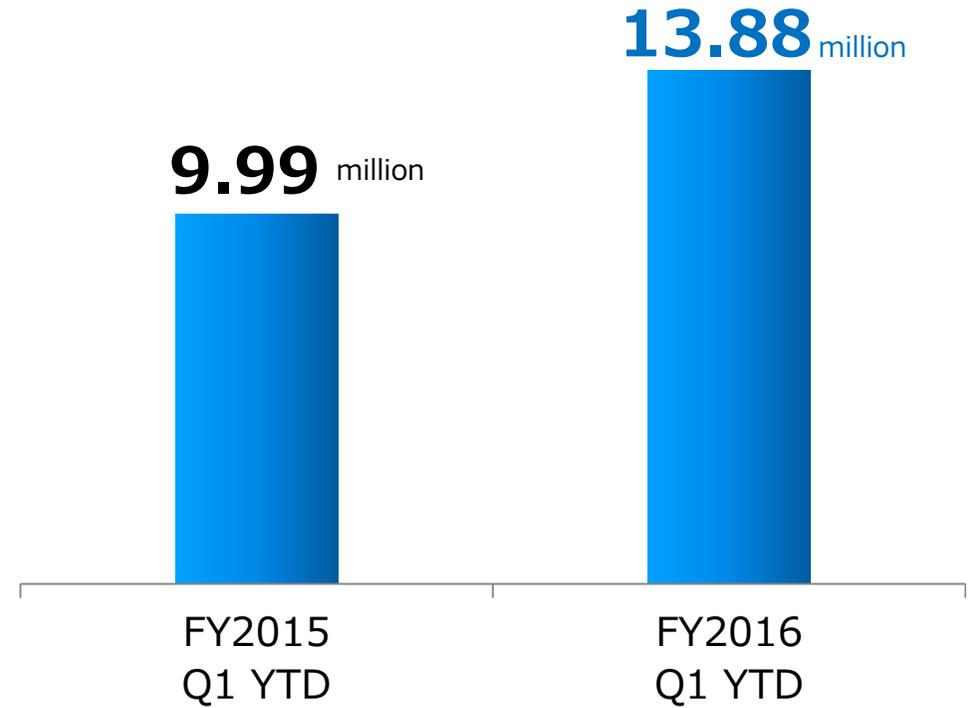
■ Dining Business

HotPepper Gourmet
of seats reserved online*



■ Beauty Business

HotPepper Beauty
of online reservations*

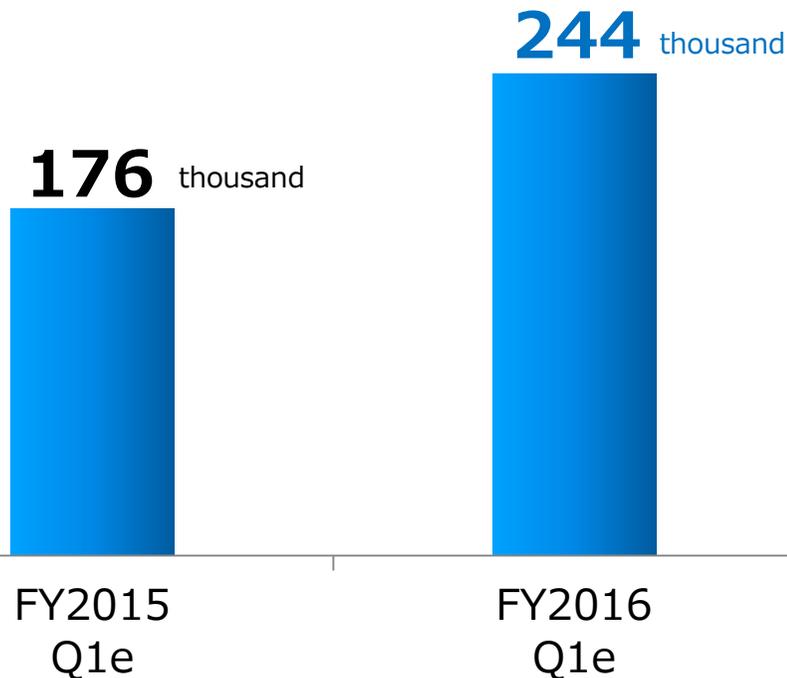


*Based on number of reservations, cancels are not counted.

(Topics: Domestic Business)

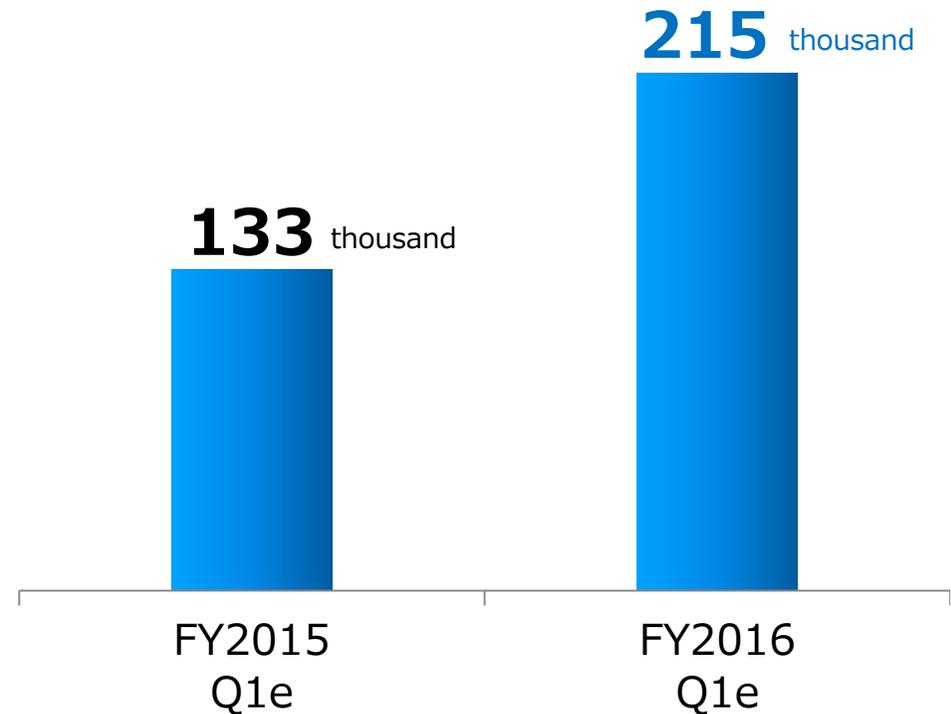
■ Business support for SMEs

Air REGI # of accounts



■ Education related business (Educational industry)

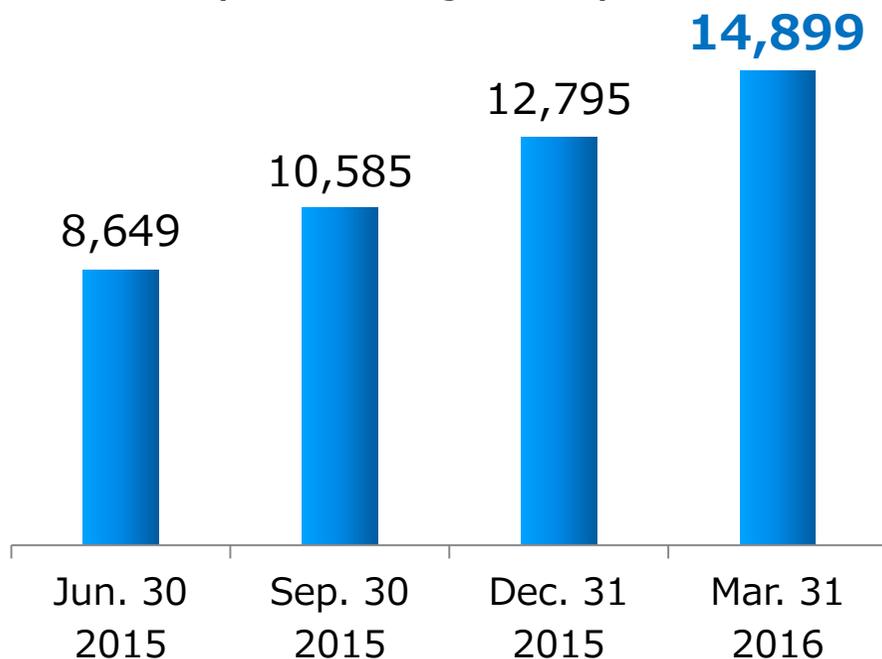
Study Sapuri high school student course #of paying subscribers



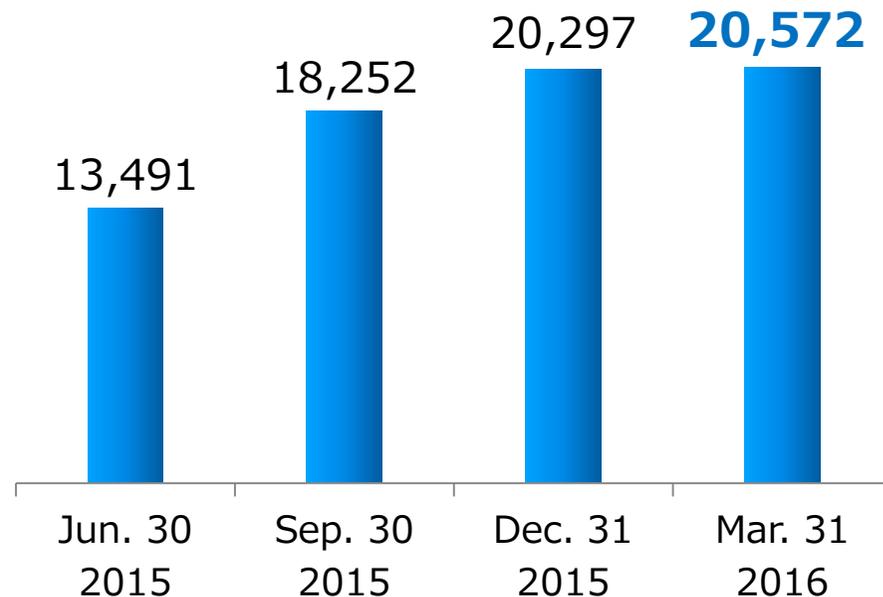
(Topics: Overseas Business)

- Focus on acquisition of user-capturing restaurants and salons for the future, regarding achievement of a certain number clients acquisition

Quandoo
of restaurants
(overseas dining business)



Treatwell
of salons*
(overseas beauty business)



* Online reservation website, Hotspring and Treatwell were unified into 'Treatwell' in January, 2016.

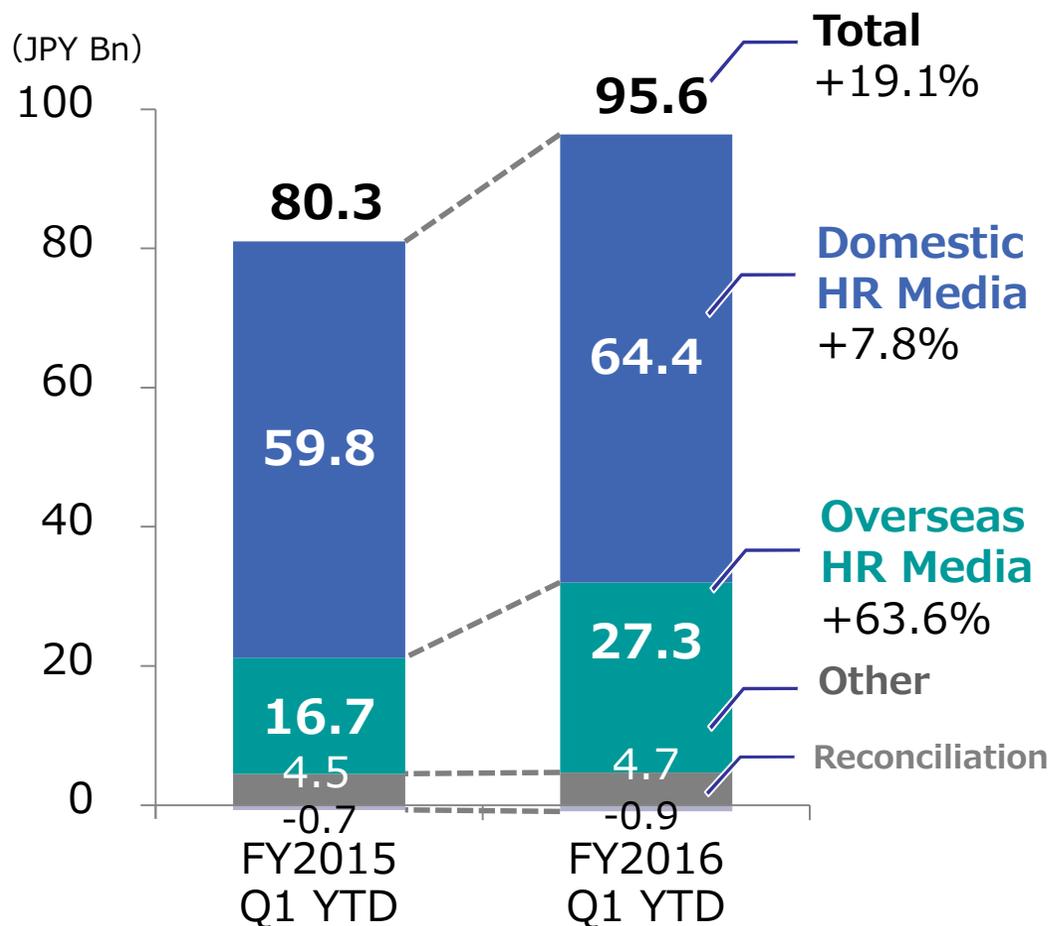
3. Earnings Results by Segment for Q1 FY2016

(Ⅱ) HR Media

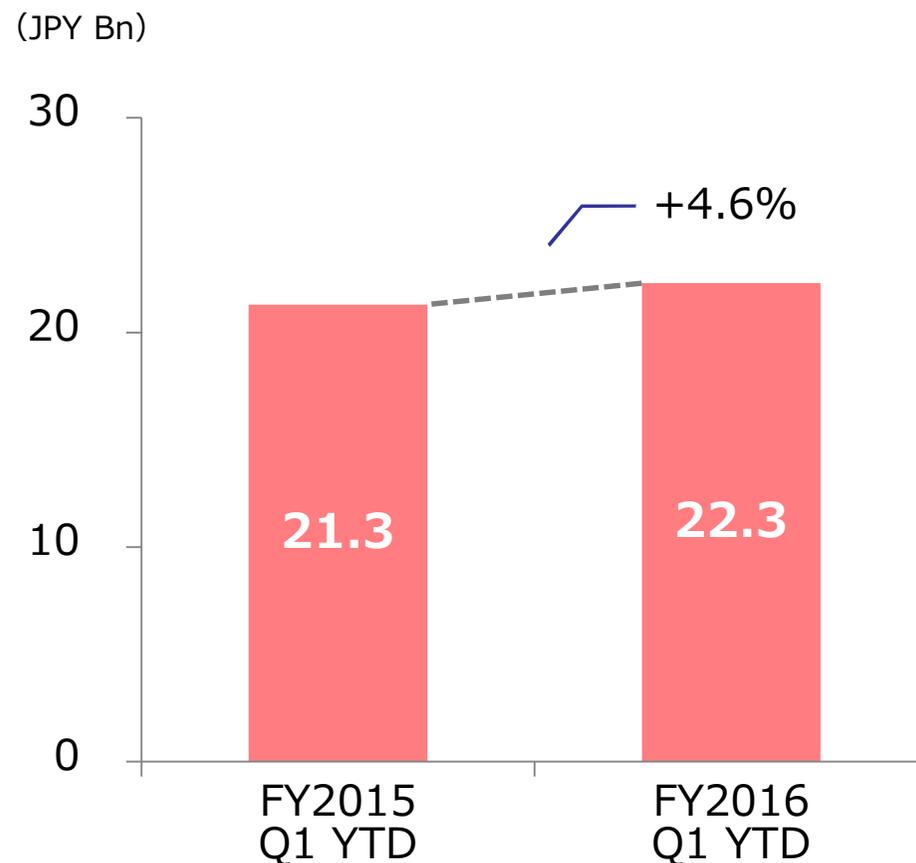
3-(Ⅱ) HR Media Net Sales & EBITDA

- Net sales: +19.1% YoY, Favorable trend both in domestic and overseas businesses
- EBITDA : +4.6% YoY, reflecting the enhanced domestic competitiveness and overseas customer acquisition investments

HR Media Net Sales

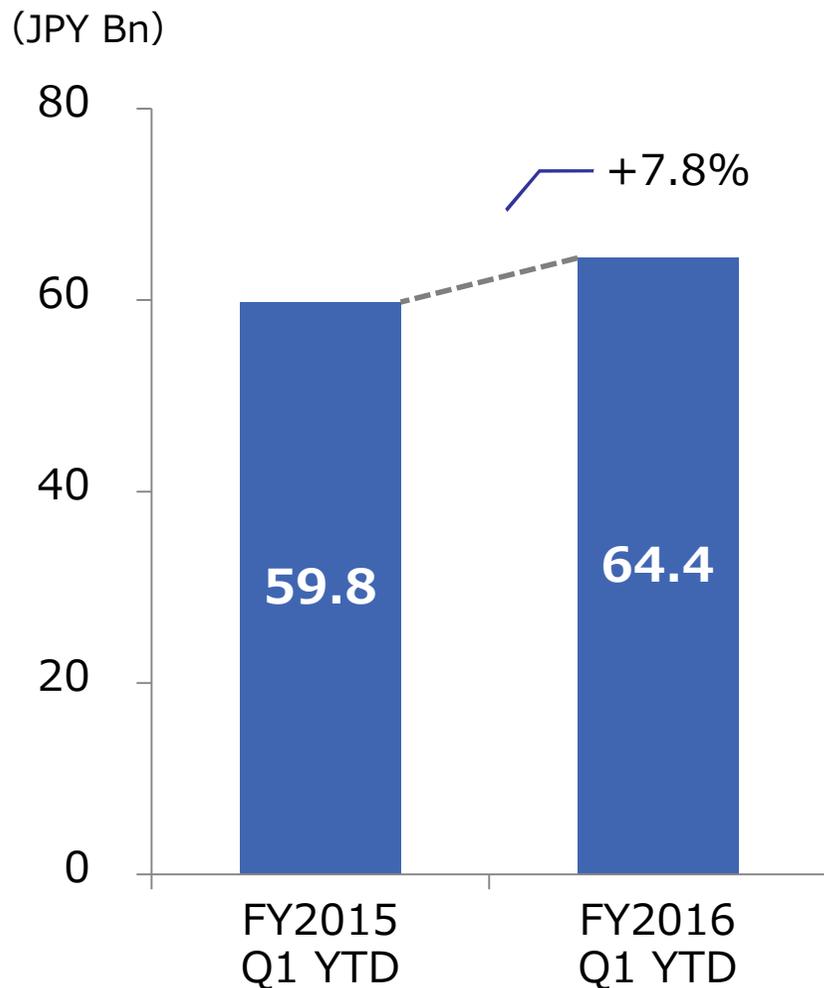


HR Media EBITDA



3-(Ⅱ) HR Media: Domestic Recruiting

Domestic Recruiting Net Sales



■ Favorable market environment

- The effective ratio of job offers to job seekers was stable at a high level.
- Number of recruitment ads continued to increase.

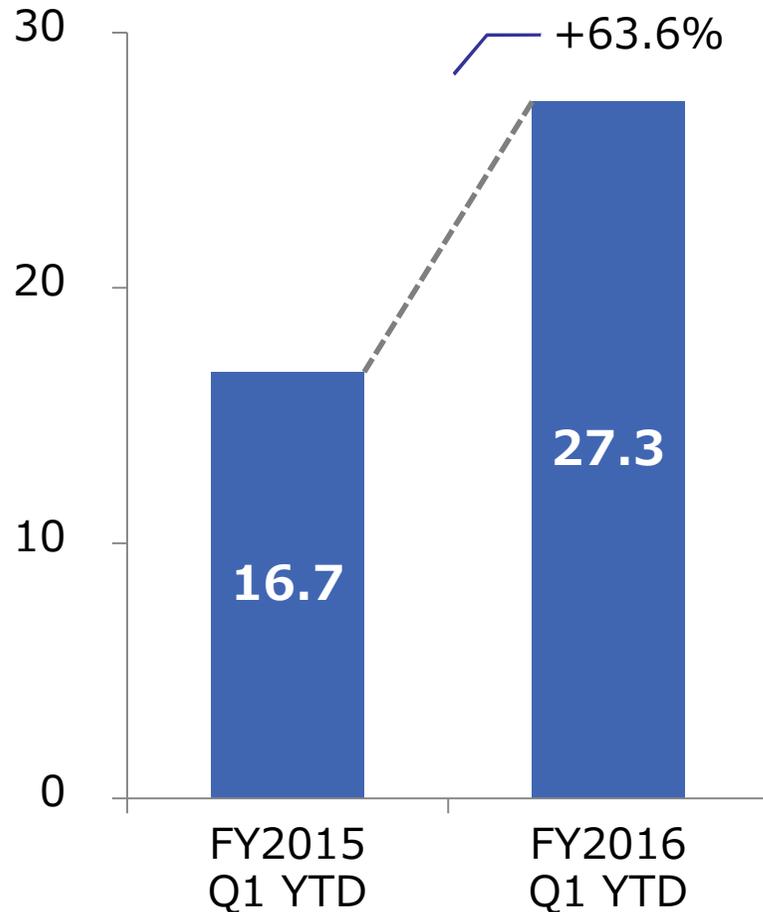
■ Favorable net sales

- Reflecting measures for user-acquisition and operating system enhancement.

3-(Ⅱ) HR Media: Overseas Recruiting

Overseas Recruiting (Indeed) Net Sales

(JPY Bn)



■ Favorable Net Sales

- SMEs clients increased steadily.
- Focus on strengthening business base outside of the US, in addition to user acquisition enhancement

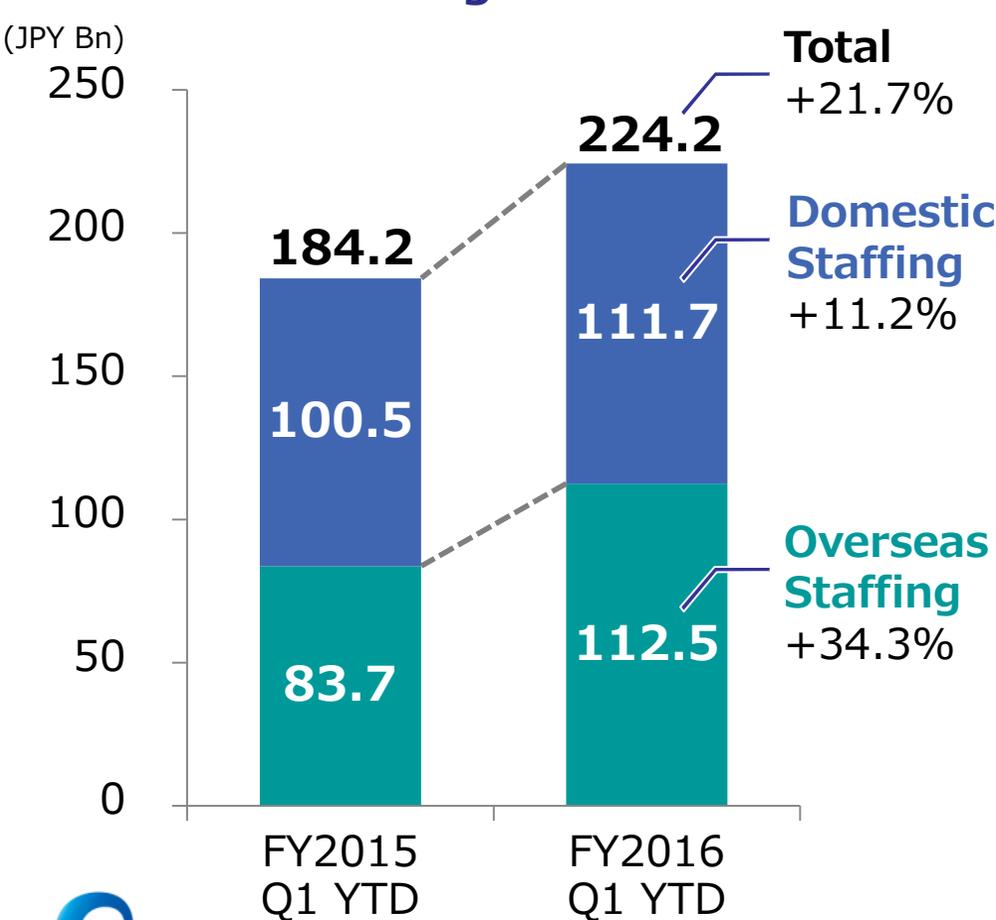
3. Earnings Results by Segment for Q1 FY2016

(Ⅲ) Staffing

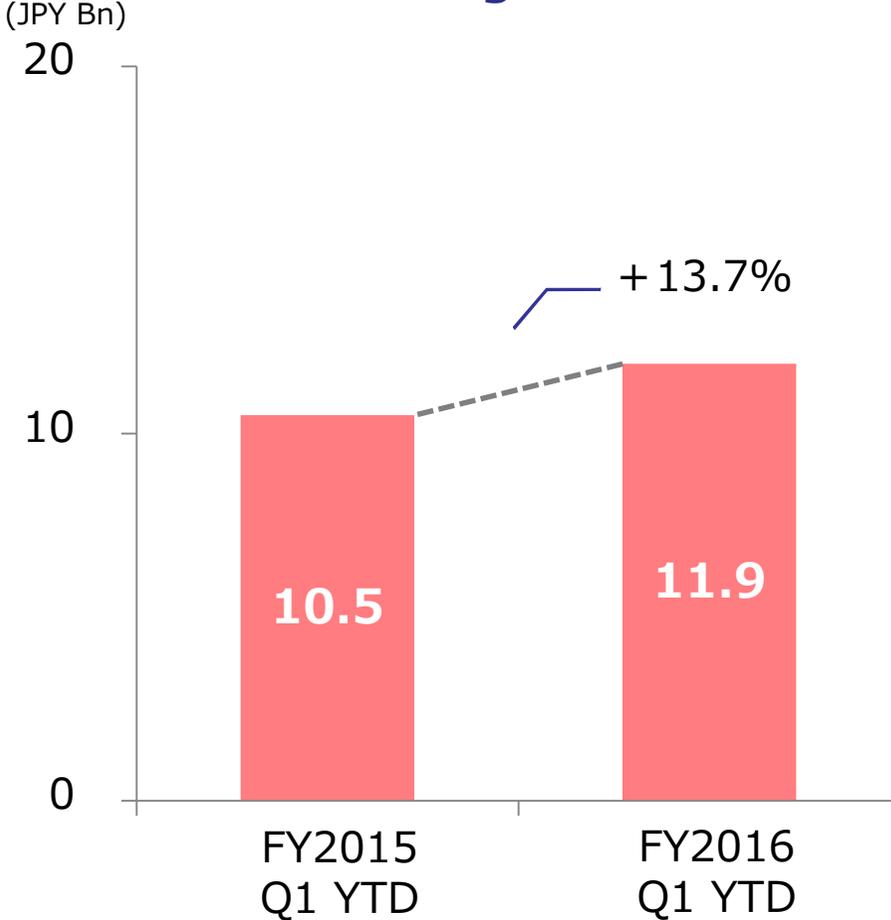
3-(Ⅲ) Staffing: Net Sales & EBITDA

- **Net Sales: +21.7%** - Favorable trend in domestic business
 - Contribution from new overseas subsidiaries consolidated in FY2015.
- **EBITDA: +13.7%** - Increase of net sales and efficient operation.

Staffing Net Sales

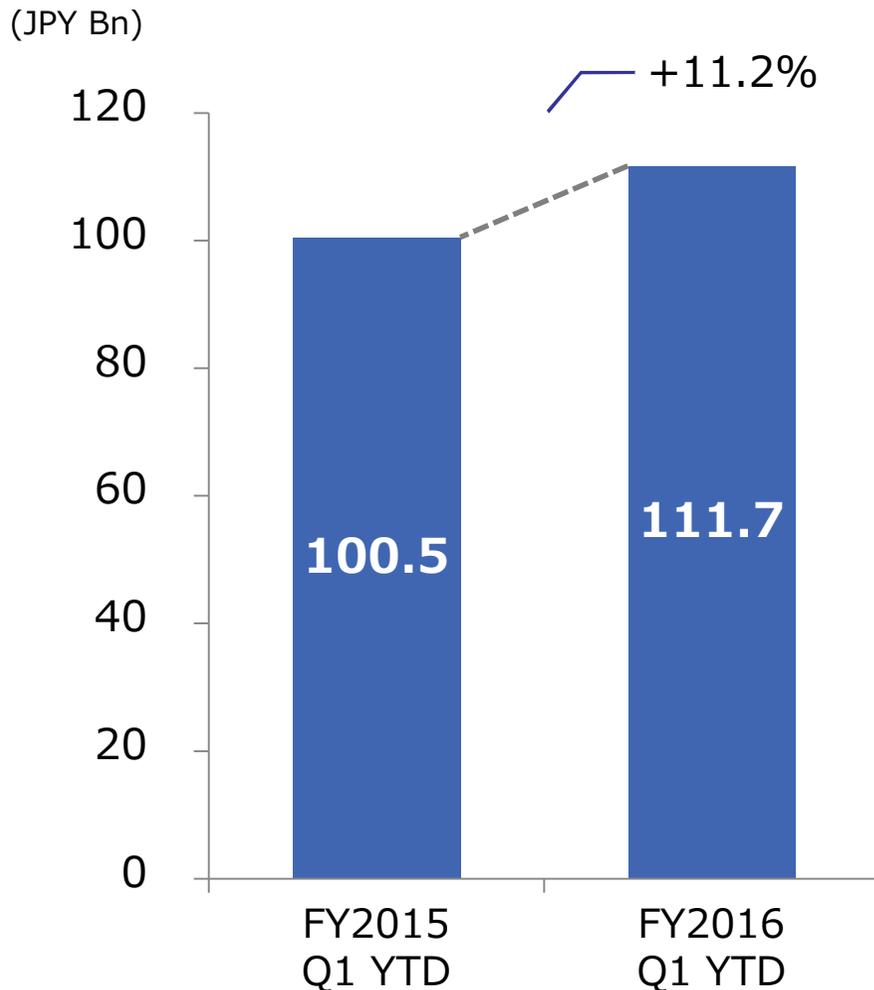


Staffing EBITDA



3-(Ⅲ) Staffing : Domestic Staffing

Domestic Staffing Net Sales



■ Solid Market Condition

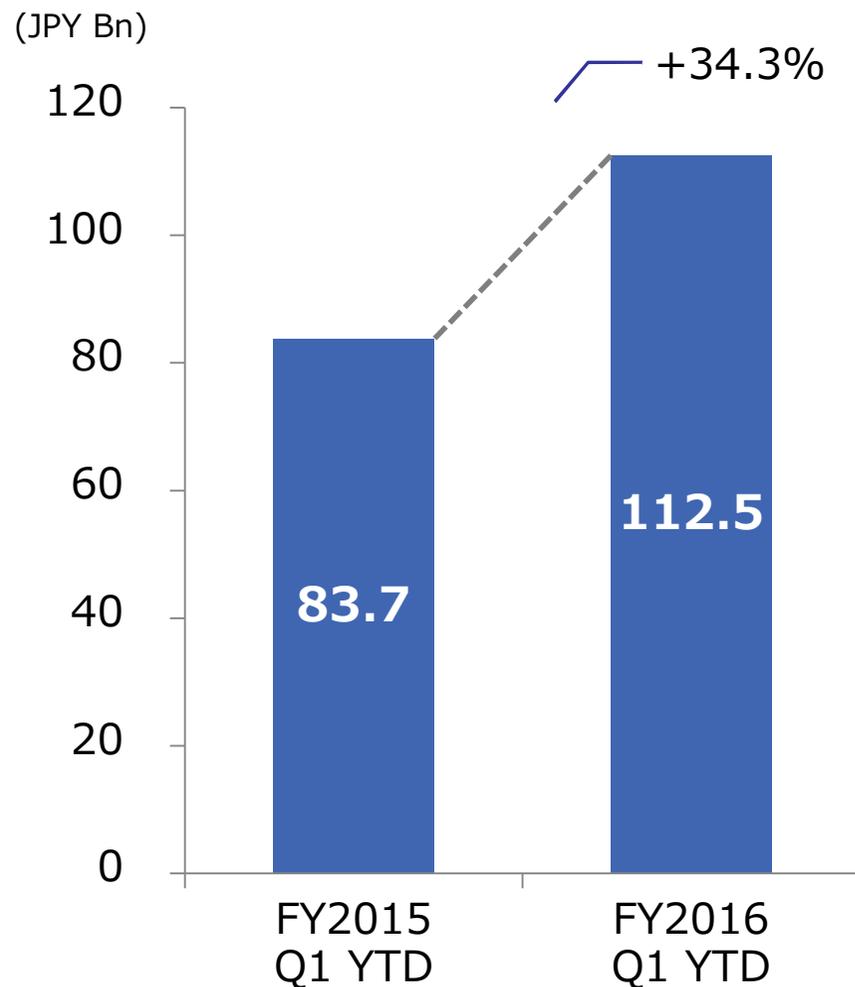
- Number of active agency workers (quarterly average) continued to increase. It was stable at a high level.

■ Favorable Net Sales

- Net sales trended favorably.
 - Reflecting the enhancement of sales operations and measures to increase the number of registered agency workers.
 - Continuous favorable growth of clerical, IT, and engineer personnel divisions mainly in the Tokyo metropolitan area.

3-(Ⅲ) Staffing : Overseas Staffing

Overseas Staffing Net Sales



■ Solid Market Condition

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

■ Favorable Net Sales

- Significant increase benefited from a positive impact that comes from consolidation of Peoplebank, Chandler, and Atterro from the beginning of this fiscal year.

FY2016 Full-year Forecast

(JPY Bn)	FY2015	FY2016		
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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	: 50,074

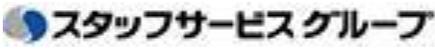
Name of Major shareholders	Number of Shares	% of shares
TOPPAN PRINTING CO., LTD.	37,700,000	6.66%
Dai Nippon Printing Co., Ltd.	35,700,000	6.31%
DENTSU INC.	30,000,000	5.30%
The Recruit Group Employees Shareholding Association	23,031,760	4.07%
NTT DATA Corporation	15,500,000	2.74%
JP MORGAN CHASE BANK 380055	14,040,934	2.48%
Japan Trustee Services Bank, Ltd. -Trust Account-	13,183,100	2.33%
Mizuho Bank, Ltd.	12,000,000	2.12%
Sumitomo Mitsui Banking Corporation	12,000,000	2.12%
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	12,000,000	2.12%
MITSUI & CO., LTD.	12,000,000	2.12%

Type of Shareholder	Number of Shares	% of shares
Financial Institutions	126,001,800	22.28%
Securities Companies	2,450,279	0.43%
Other Companies	210,251,654	37.19%
Foreign Institutions and Individuals	102,817,758	18.18%
Individuals and Others	123,214,319	21.79%
Treasury stock	584,200	0.10%

*as of March 31, 2016

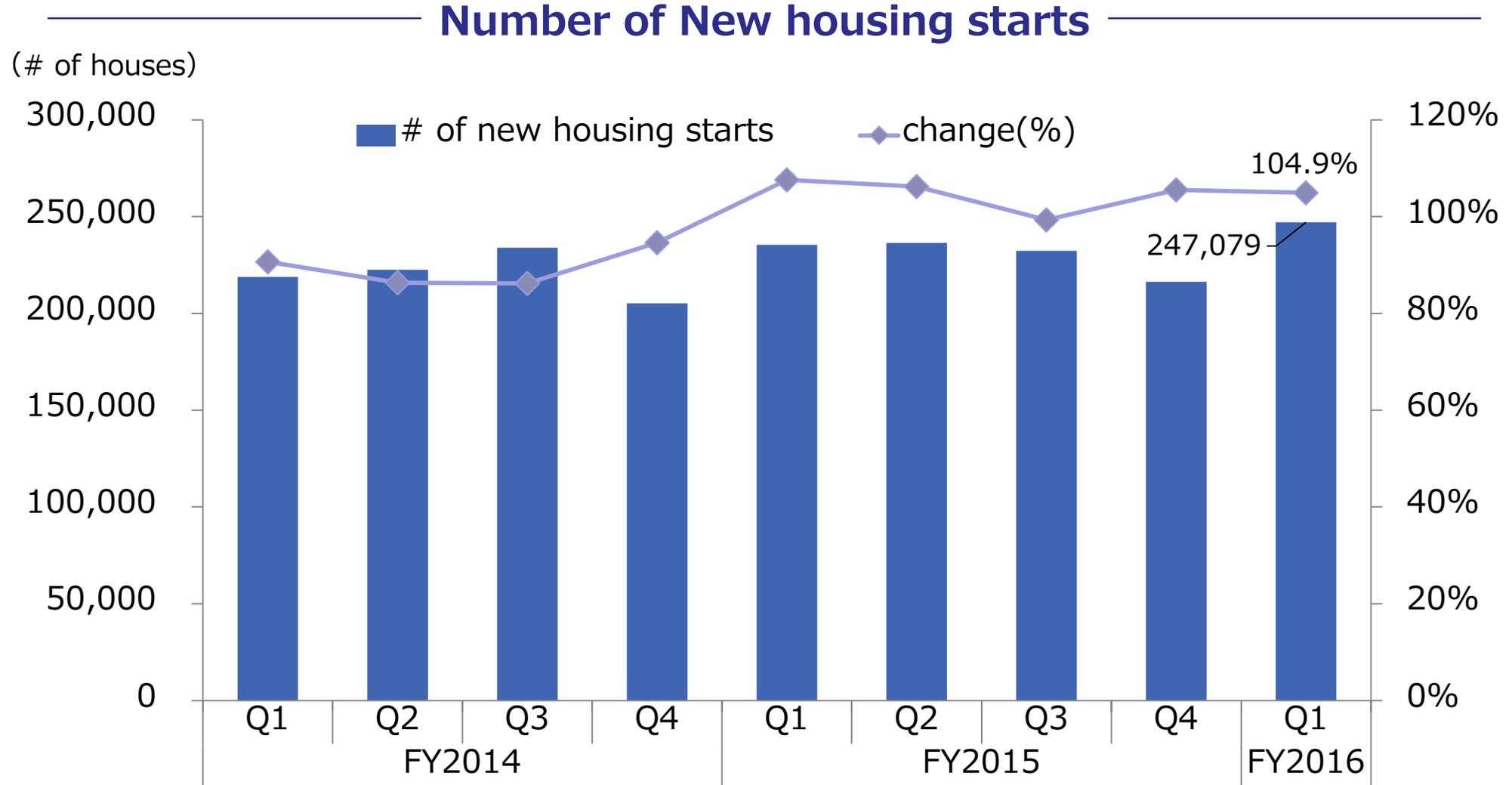


Business Segments & Major Services

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)    

*As of the end of Q1 FY2016

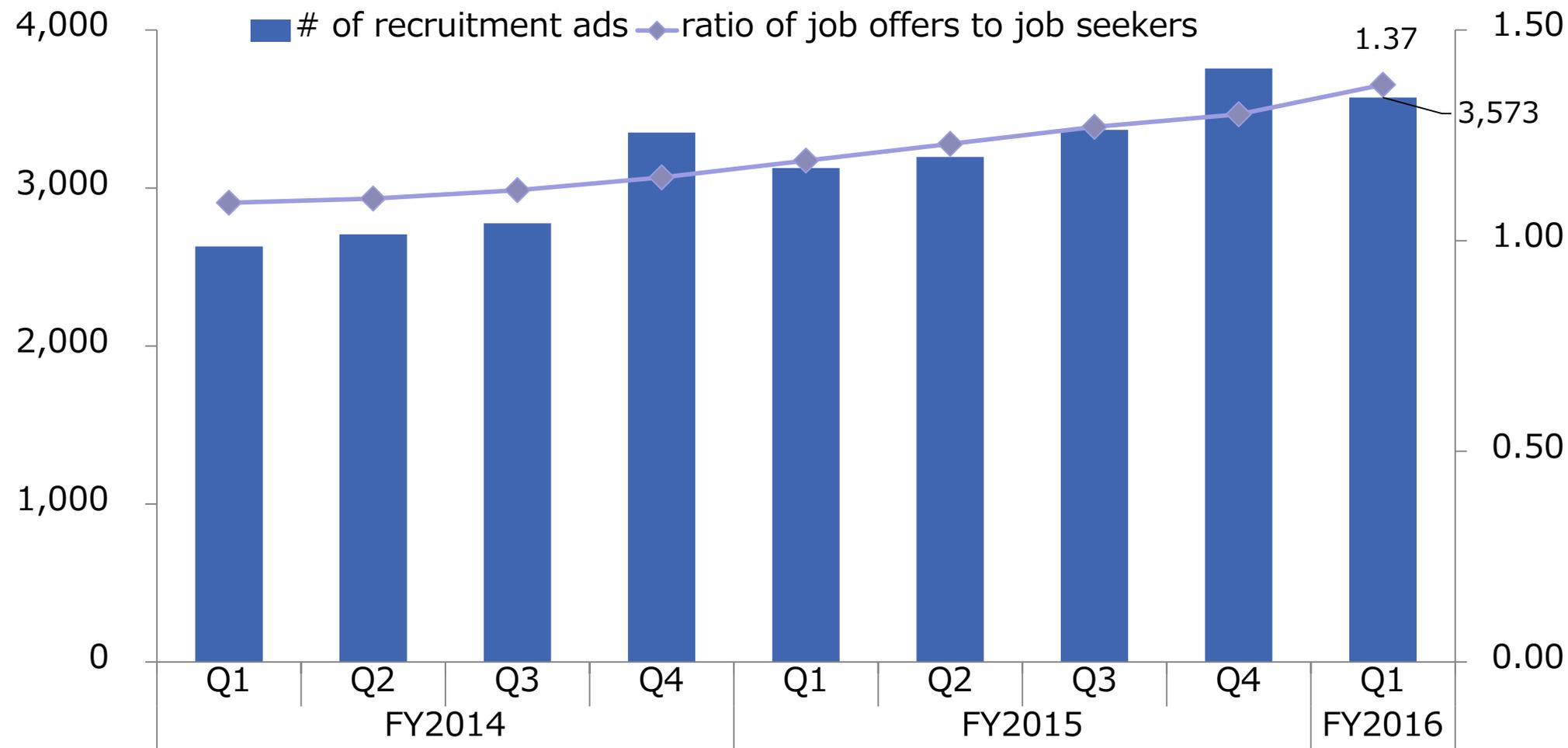
Market Conditions: Housing and Real Estate Business



Market Conditions : Domestic Recruiting Operation

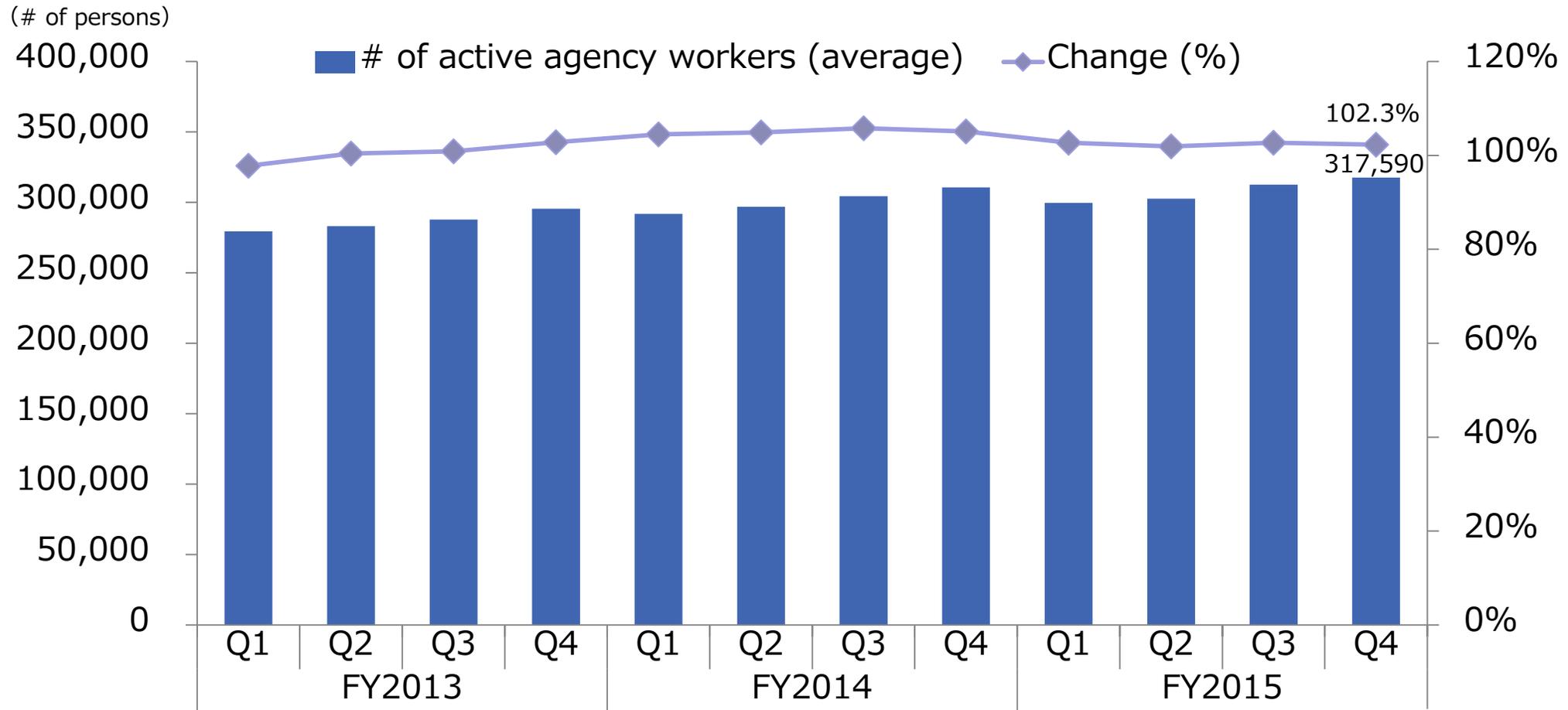
Number of recruitment ads/Ratio of job offers to job seekers

(Unit: thousand)



Market Conditions : Domestic Staffing Operation

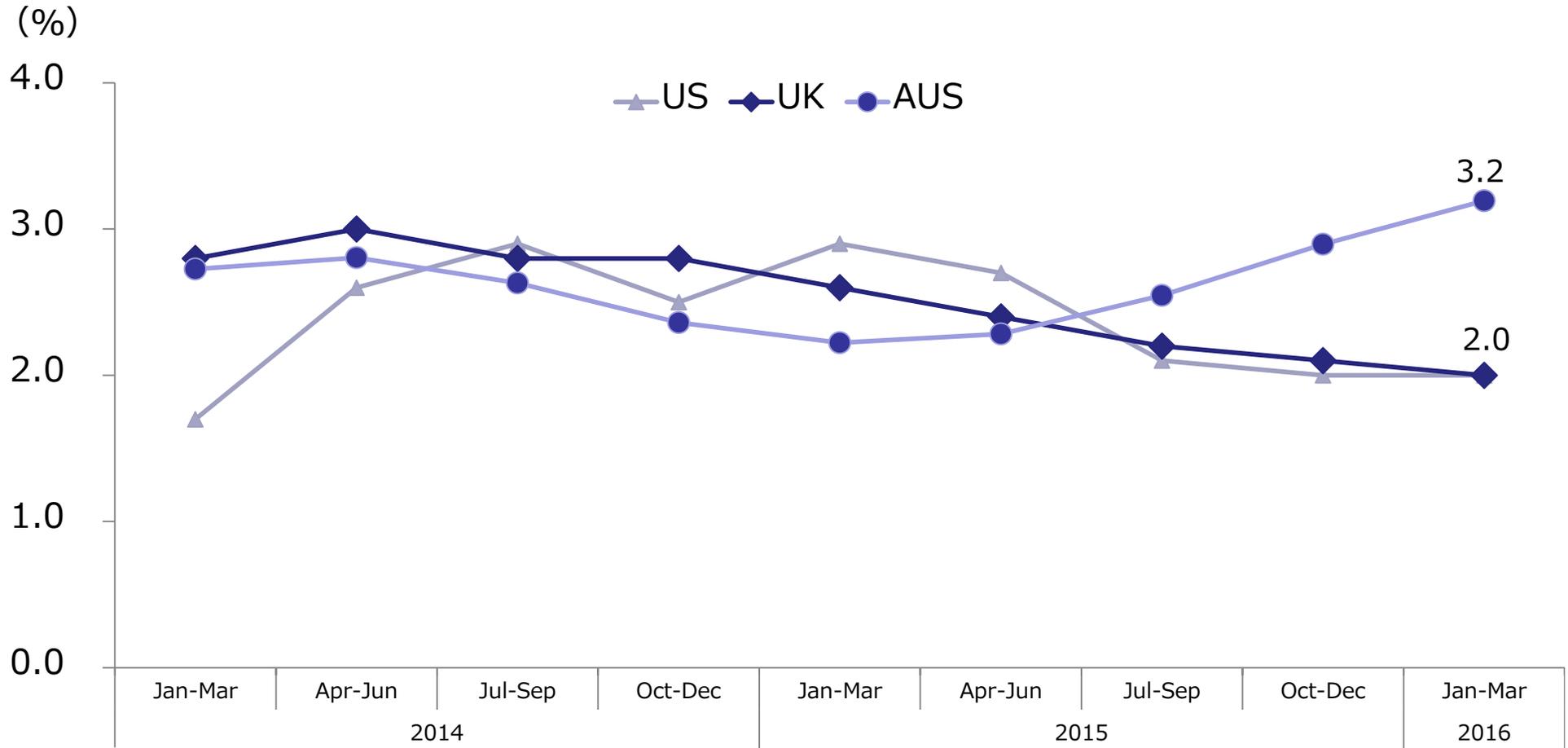
Number of active agency workers



*Source: Japan Staffing Services Association

Market Conditions : Overseas Staffing

Real GDP Growth Trends (US/UK/AUS)



*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

Notes

- *1 EBITDA: operating income + depreciation and amortization + amortization of goodwill
- *2 Net income before amortization of goodwill: net income attributable to owners of the parent + amortization of goodwill
- *3 Adjusted net income: net income attributable to owners of the parent \pm adjustment items* (excluding non-controlling interests) \pm tax reconciliation regarding the adjustment items
 - * Adjustment items: amortization of goodwill and intangible assets arising due to business combinations \pm extraordinary income/losses
- *4 Adjusted EPS: adjusted net income / (number of shares issued at the end of the period - number of treasury stock at the end of the period)