

**(Revision / Revision of Numerical Data) Partial Revision to
the “Consolidated Financial Results for the Three Months Ended June 30, 2018
(IFRS, Unaudited)”**

TOKYO, JAPAN (November 13, 2018) – Recruit Holdings Co., Ltd. announced today that there were partial revisions to the “Consolidated Financial Results for the Three Months Ended June 30, 2018 (IFRS, Unaudited)” announced on August 10, 2018, along with revisions to the numerical data. The details of the revisions are as outlined below. The revised parts are underlined.

1. Reason of the Revision

Recruit Holdings Co., Ltd. and its consolidated subsidiaries (the “Group”) has adopted IFRS 15 “Revenue from Contracts with Customers” (issued in May 2014) and “Clarifications to IFRS 15” (issued in April 2016) (collectively, “IFRS 15”) from the three months ended June 30, 2018.

During the closing process for the six months ended September 30, 2018, the Group re-examined the contracts with customers and reassessed the previous identification of a customer based on the IFRS 15 definition. As a result, it was concluded that sales agents for some transactions should be defined as the customer, whereas in prior periods the end-customers of the sales agents were instead defined as the customer.

Accordingly, revenues from certain customers which were originally presented on a gross basis are presented on a net basis. The Group recalculated the consideration for transactions with sales agents under IFRS 15, which resulted in a reduction of revenue and cost of sales of 1,803 million yen respectively.

2. Details of the Revision

○Summary Information

Consolidated Operating Results

(Before revision)

| (in millions of yen, unless otherwise stated) | Three Months Ended June 30, | | % change |
|--|-----------------------------|----------------|-------------|
| | 2017 | 2018 | |
| Revenue | 524,396 | <u>567,277</u> | <u>8.2%</u> |
| EBITDA ¹ | 71,881 | 78,727 | 9.5% |
| Operating income | 56,326 | 67,839 | 20.4% |
| Profit before tax | 59,115 | 67,731 | 14.6% |
| Profit for the period | 40,460 | 47,592 | 17.6% |
| Profit attributable to owners of the parent | 40,219 | 47,363 | 17.8% |
| Profit available for dividends ² | 39,251 | 45,011 | 14.7% |
| Total comprehensive income | 49,565 | 57,547 | 16.1% |
| Earnings per share – Basic (yen) | 24.08 | 28.35 | - |
| Earnings per share – Diluted (yen) | 24.03 | 28.29 | - |
| Earnings per share – Adjusted ³ (yen) | 25.34 | 29.37 | 15.9% |

(After revision)

| (in millions of yen, unless otherwise stated) | Three Months Ended June 30, | | % change |
|--|-----------------------------|----------------|-------------|
| | 2017 | 2018 | |
| Revenue | 524,396 | <u>565,474</u> | <u>7.8%</u> |
| EBITDA ¹ | 71,881 | 78,727 | 9.5% |
| Operating income | 56,326 | 67,839 | 20.4% |
| Profit before tax | 59,115 | 67,731 | 14.6% |
| Profit for the period | 40,460 | 47,592 | 17.6% |
| Profit attributable to owners of the parent | 40,219 | 47,363 | 17.8% |
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| Earnings per share – Adjusted ³ (yen) | 25.34 | 29.37 | 15.9% |

1. Management's Discussion and Analysis

Consolidated Results of Operations for Q1 FY2018

Results of Operations

(Before revision)

| (in billions of yen) | Three Months Ended June 30, | | Variance | % change |
|---|-----------------------------|--------------|-------------|--------------|
| | 2017 | 2018 | | |
| Revenue ¹ | 524.3 | <u>567.2</u> | <u>42.8</u> | <u>8.2%</u> |
| HR Technology | 46.4 | <u>71.1</u> | <u>24.6</u> | <u>53.0%</u> |
| Media & Solutions | 165.2 | 173.5 | 8.3 | 5.0% |
| Staffing | 318.0 | 329.1 | 11.0 | 3.5% |
| | (Omitted) | | | |
| Exchange rate effects on revenue ^{2,3} (in billions of yen) | | | | |
| Consolidated | - | 3.5 | - | - |
| Staffing segment: Overseas | - | 4.6 | - | - |
| | (Omitted) | | | |

Overview

Recruit Holdings' consolidated revenue for Q1 FY2018 was 567.2 billion yen, an increase of 8.2% from the same period of the previous year. This was due to growth of all three segments, HR Technology, Media & Solutions and Staffing, among which the growth of HR Technology contributed significantly. The exchange rate movements positively impacted consolidated revenue during the period by 3.5 billion yen.

(Omitted)

(After revision)

| (in billions of yen) | Three Months Ended June 30, | | Variance | % change |
|---|-----------------------------|--------------|-------------|--------------|
| | 2017 | 2018 | | |
| Revenue ¹ | 524.3 | <u>565.4</u> | <u>41.0</u> | <u>7.8%</u> |
| HR Technology | 46.4 | <u>69.3</u> | <u>22.8</u> | <u>49.1%</u> |
| Media & Solutions | 165.2 | 173.5 | 8.3 | 5.0% |
| Staffing | 318.0 | 329.1 | 11.0 | 3.5% |
| | (Omitted) | | | |
| Exchange rate effects on revenue ^{2,3} (in billions of yen) | | | | |
| Consolidated | - | 3.5 | - | - |
| Staffing segment: Overseas | - | 4.6 | - | - |
| | (Omitted) | | | |

Overview

Recruit Holdings' consolidated revenue for Q1 FY2018 was 565.4 billion yen, an increase of 7.8% from the same period of the previous year. This was due to growth of all three segments, HR Technology, Media & Solutions and Staffing, among which the growth of HR Technology contributed significantly. The exchange rate movements positively impacted consolidated revenue during the period by 3.5 billion yen.

(Omitted)

Results of Operations by Segment

HR Technology

(Before revision)

This reportable segment consists of the operations of *Indeed*, an online job search engine and its related businesses. The operations of *Glassdoor*, an online jobs and recruiting site, were acquired on June 21, 2018. Profits and losses from *Glassdoor*'s operations will impact the HR Technology segment's results from Q2 FY2018.

Quarterly revenue in the HR Technology segment was 71.1 billion yen, an increase of 53.0% year on year. This growth was mainly due to new customer acquisition and expanding spend from existing customers against the backdrop of a favorable economic environment and strong labor market. Quarterly revenue growth was 56.0% on a US dollar basis.

(Omitted)

The operating results and relevant data for this reportable segment are as follows:

| (in billions of yen, unless otherwise stated) | Three Months Ended June 30, | | Variance | % change |
|--|-----------------------------|-------------|-------------|--------------|
| | 2017 | 2018 | | |
| Segment revenue | 46.4 | <u>71.1</u> | <u>24.6</u> | <u>53.0%</u> |
| Segment EBITDA | 7.7 | 9.4 | 1.6 | 21.6% |
| Revenue in millions of US dollars ¹ | 418 | <u>652</u> | <u>234</u> | <u>56.0%</u> |

¹ This is the financial results of operating companies in this segment, which differ from the IFRS-based consolidated financial results of the Company.

(After revision)

This reportable segment consists of the operations of *Indeed*, an online job search engine and its related businesses. The operations of *Glassdoor*, an online jobs and recruiting site, were acquired on June 21, 2018. Profits and losses from *Glassdoor*'s operations will impact the HR Technology segment's results from Q2 FY2018.

Quarterly revenue in the HR Technology segment was 69.3 billion yen, an increase of 49.1% year on year. This growth was mainly due to new customer acquisition and expanding spend from existing customers against the backdrop of a favorable economic environment and strong labor market. Quarterly revenue growth was 51.7% on a US dollar basis. Assuming IFRS 15 was applied to Q1 FY2017 revenue on a pro forma basis in US dollars, revenue growth was 57.6%.

(Omitted)

The operating results and relevant data for this reportable segment are as follows:

| (in billions of yen, unless otherwise stated) | Three Months Ended June 30, | | Variance | % change |
|--|-----------------------------|-------------|-------------|--------------|
| | 2017 | 2018 | | |
| Segment revenue | 46.4 | <u>69.3</u> | <u>22.8</u> | <u>49.1%</u> |
| Segment EBITDA | 7.7 | 9.4 | 1.6 | 21.6% |
| Revenue in millions of US dollars ¹ | 418 | <u>634</u> | <u>216</u> | <u>51.7%</u> |
| Revenue in millions of US dollars ¹ (adjusted) ² | <u>402</u> | <u>634</u> | <u>231</u> | <u>57.6%</u> |

¹ This is the financial results of operating companies in this segment, which differ from the IFRS-based consolidated financial results of the Company.

² Assuming IFRS 15 was applied to Q1 FY2017 revenue on a pro forma basis.

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2. Condensed Consolidated Financial Statements and Primary Notes

(2) Condensed Consolidated Statement of Profit and Loss

For the Three-Month Period

(Before revision)

| | (in millions of yen) | |
|---------------|-------------------------------------|-------------------------------------|
| | Three Months Ended June 30, 2017 | Three Months Ended June 30, 2018 |
| Revenue | 524,396 | 567,277 |
| Cost of sales | 282,760 | 290,295 |
| Gross profit | 241,635 | 276,982 |
| | (Omitted) | |

(After revision)

| | (in millions of yen) | |
|---------------|-------------------------------------|-------------------------------------|
| | Three Months Ended June 30, 2017 | Three Months Ended June 30, 2018 |
| Revenue | 524,396 | 565,474 |
| Cost of sales | 282,760 | 288,492 |
| Gross profit | 241,635 | 276,982 |
| | (Omitted) | |

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(7) Notes to Condensed Consolidated Financial Statements

1. Change in Accounting Policies

(Before revision)

(Omitted)

In addition, for transactions where another party is involved in providing services to customers, the Group examined whether it has control over the services before the satisfaction of the performance obligations related to the services, and then has determined that it does not have control over the services.

Accordingly, revenues from certain customers which were presented on a gross basis are presented on a net basis.

As a result, compared with the previous accounting standards, in the condensed consolidated statement of profit or loss for the three months ended June 30, 2018, revenue and cost of sales decreased by 3,785 million yen, respectively.

(After revision)

(Omitted)

The Group also identified performance obligations in contracts with customers based on the above five-step approach.

For certain sales transactions through sales agents, the Group reassessed the previous identification of a customer, and concluded that sales agents for some transactions should be defined as the customer. Accordingly, consideration for such transactions is determined based on the transaction price agreed with the agents.

In addition, for transactions where another party is involved in providing services to customers, the Group examined whether it has control over the services before the satisfaction of the performance obligations related to the services, and then has determined that it does not have control over the services.

Accordingly, revenues from certain customers which were presented on a gross basis are presented on a net basis.

As a result, compared with the previous accounting standards, in the condensed consolidated statement of profit or loss for the three months ended June 30, 2018, revenue and cost of sales decreased by 5,588 million yen, respectively.

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3. Operating Segments

(2) Information on Reportable Segments

(Before revision)

(Omitted)

For the Three Months Ended June 30, 2018

(in millions of yen)

| | Reportable Segment | | | | Eliminations and Adjustments | Consolidated |
|-----------------------------------|--------------------|-------------------|----------|----------------|------------------------------|----------------|
| | HR Technology | Media & Solutions | Staffing | Total | | |
| Revenue | | | | | | |
| Revenue from third parties | <u>69,745</u> | 171,988 | 325,543 | <u>567,277</u> | - | <u>567,277</u> |
| Intersegment revenue or transfers | 1,361 | 1,555 | 3,566 | 6,483 | (6,483) | - |
| Total | <u>71,107</u> | 173,543 | 329,110 | <u>573,760</u> | (6,483) | <u>567,277</u> |
| Segment profit (loss) | 9,447 | 47,386 | 24,038 | 80,872 | (2,145) | 78,727 |

(Omitted)

(After revision)

(Omitted)

For the Three Months Ended June 30, 2018

(in millions of yen)

| | Reportable Segment | | | | Eliminations and Adjustments | Consolidated |
|-----------------------------------|--------------------|-------------------|----------|----------------|------------------------------|----------------|
| | HR Technology | Media & Solutions | Staffing | Total | | |
| Revenue | | | | | | |
| Revenue from third parties | <u>67,942</u> | 171,988 | 325,543 | <u>565,474</u> | - | <u>565,474</u> |
| Intersegment revenue or transfers | 1,361 | 1,555 | 3,566 | 6,483 | (6,483) | - |
| Total | <u>69,303</u> | 173,543 | 329,110 | <u>571,957</u> | (6,483) | <u>565,474</u> |
| Segment profit (loss) | 9,447 | 47,386 | 24,038 | 80,872 | (2,145) | 78,727 |

(Omitted)

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