Consolidated Financial Results
for the Year Ended March 31, 2015
[Japanese GAAP]

May 13, 2015

Company name: Recruit Holdings Co., Ltd.
Listed stock exchange: Tokyo Stock Exchange
Securities code: 6098
URL: http://www.recruit.jp
Representative: Masumi Minegishi, President and Representative Director, & CEO
Contact: Keiichi Sagawa, Senior Corporate Executive Officer, Board Director
(Tel: +81-3-6835-1111)
Scheduled date of Ordinary General Meeting of Shareholders: June 17, 2015
Scheduled commencement date of dividend distribution: June 18, 2015
Scheduled submission date of securities report: June 18, 2015
Preparation of briefing materials to the financial results: Yes
Holding of financial results briefing: Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest million yen.)

1. Consolidated Financial Results for the Year Ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

(1) Consolidated Operating Results (Percentage indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2015	1,299,930	9.1	122,499	4.3	125,617	2.9	69,702	6.5
Year ended March 31, 2014	1,191,567	13.6	117,438	(6.0)	122,050	(4.8)	65,421	(8.9)

Note: Comprehensive income Year ended March 31, 2015 ¥117,875 million [3.1%]
Year ended March 31, 2014 ¥114,324 million [12.4%]

	Basic net income per share	Diluted net income per share	Net income to own capital	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
Year ended March 31, 2015	127.79	127.68	10.8	12.8	9.4
Year ended March 31, 2014	126.64	126.64	13.6	14.6	9.9

Reference: Share of profit of entities accounted for using equity method: Year ended March 31, 2015: ¥3,215 million
Year ended March 31, 2014: ¥3,301 million

The Company implemented a 10-for-1 stock split on July 31, 2014. Basic and diluted net income per share are computed assuming the stock split was implemented on April 1, 2013.

Reference: EBITDA (Operating income + Depreciation and amortization + Amortization of goodwill)
Year ended March 31, 2015 ¥191,404 million [6.0%]
Year ended March 31, 2014 ¥180,647 million [6.2%]
Net income before amortization of goodwill (Net income + Amortization of goodwill)
Year ended March 31, 2015 ¥107,584 million [6.0%]
Year ended March 31, 2014 ¥101,474 million [4.7%]

(2) Consolidated Financial Position

	Total assets	Equity	Own capital ratio	Equity per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2015	1,100,782	754,157	68.1	1,327.49
As of March 31, 2014	860,381	546,621	63.2	1,025.59

Reference: Own capital As of March 31, 2015 ¥749,628 million
As of March 31, 2014 ¥543,356 million

Note: Own capital ratio = [(Equity – Stock acquisition rights – Minority interests) / Total assets] x 100

The Company implemented a 10-for-1 stock split on July 31, 2014. Equity per share is computed assuming the stock split was implemented on April 1, 2013.

(3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2015	137,497	(80,358)	62,580	313,197
Year ended March 31, 2014	126,127	(48,745)	(92,923)	187,153

2. Dividends

	Dividends per share					Total dividends paid (annual)	Payout ratio (consolidated)	Dividends to equity (consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2014	-	0.00	-	260.00	260.00	13,774	20.5	2.8
Year ended March 31, 2015	-	0.00	-	47.00	47.00	26,540	36.8	4.0
Year ending March 31, 2016 (forecast)	-	0.00	-	50.00	50.00		43.4	

The Company implemented a 10-for-1 stock split on July 31, 2014. The amount of annual dividend for the year ended March 31, 2014, assuming the stock split was implemented on April 1, 2013, is ¥26.00 per share.

3. Consolidated Financial Results Forecast for the Year Ending March 31, 2016 (from April 1, 2015 to March 31, 2016)

(Percentage indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	1,550,000	19.2	112,000	(8.6)	117,000	(6.9)	65,000	(6.7)	115.10

Reference:	EBITDA	Year ending March 31, 2016	¥201,000 million	[5.0%]
	Net income attributable to owners of the parent before amortization of goodwill	Year ending March 31, 2016	¥112,500 million	[4.6%]

Note:

Net income attributable to owners of the parent before amortization of goodwill (Net income attributable to owners of the parent + Amortization of goodwill)

* Notes

(1) Changes in significant subsidiaries during the current fiscal year (Changes in specified subsidiaries accompanying change in scope of consolidation): Yes

Newly included:	7 companies	(Company name)	Travel Book Philippines, Inc. A.C.N 139 871 560 Pty Ltd Ambit Engineering Pty Ltd P.B. Recruitment Pty Ltd Peoplebank Australia Ltd Peoplebank Holdings Pty Ltd RGF Staffing Melbourne One Pty Ltd
Excluded:	3 companies	(Company name)	Beijing Lexin Chuanglian Information Technology Taofang Corporation Taofang Hong Kong Corporation Limited

(2) Changes in accounting policies, changes in accounting estimates and restatements

1) Changes in accounting policies in accordance with revision of accounting standards: None
2) Changes in accounting policies other than item 1) above: None
3) Changes in accounting estimates: None
4) Restatements: None

(3) Number of shares issued (common stock)

1) Number of shares issued at the end of the period (including treasury stock)

As of March 31, 2015	565,320,010 shares	As of March 31, 2014	601,399,740 shares

2) Number of treasury stock at the end of the period

As of March 31, 2015	626,000 shares	As of March 31, 2014	71,604,830 shares

3) Average number of shares during the period

Year ended March 31, 2015	545,456,336 shares	Year ended March 31, 2014	516,559,875 shares

Note: The Company implemented a 10-for-1 stock split on July 31, 2014. The number of shares issued (common stock) is computed assuming the stock split was implemented on April 1, 2013.

(Reference) Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Year Ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

(1) Non-consolidated Operating Results (Percentage indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2015	512,928	4.2	76,361	1.6	77,133	0.0	50,256	8.9
Year ended March 31, 2014	492,054	13.3	75,156	(17.9)	77,096	(17.0)	46,143	(13.1)

	Basic net income per share	Diluted net income per share
	Yen	Yen
Year ended March 31, 2015	92.14	92.07
Year ended March 31, 2014	89.32	-

The Company implemented a 10-for-1 stock split on July 31, 2014. Basic and diluted net income per share are computed assuming the stock split was implemented on April 1, 2013.

(2) Non-consolidated Financial Position

	Total assets	Equity	Own capital ratio	Equity per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2015	1,044,796	539,990	51.6	954.12
As of March 31, 2014	820,660	389,694	47.4	734.95

Reference: Own capital As of March 31, 2015 ¥538,783 million
As of March 31, 2014 ¥389,377 million

The Company implemented a 10-for-1 stock split on July 31, 2014. Equity per share is computed assuming the stock split was implemented on April 1, 2013.

* Implementation status for audit procedures

The audit procedures based on the Financial Instruments and Exchange Act do not apply to this document, and audit procedures for securities report based on the Financial Instruments and Exchange Act have not been completed at the time of disclosure of this document.

* Explanation regarding appropriate use of financial results forecast and other special notes

The consolidated financial results forecast mentioned above includes future assumptions and projections as well as forecasts based on plans as of the disclosure date of this document. There are possibilities that actual results may differ significantly from this forecast due to various factors in the future. For the matters concerning the financial results forecast, please refer to page 4 of the Attached Materials.

Contents of the Attached Materials

1. Analysis of Operating Results and Financial Position

(1) Analysis of Operating Results

(Operating results for the current fiscal year)

During the year ended March 31, 2015, despite low personal consumption seen in some areas due to factors including the impact of the consumption tax increase, the Japanese economy was on a moderate recovery track amid factors such as further progress in the trend toward yen depreciation and higher stock prices, and continuing improvement in corporate business results and the employment situation against a backdrop of the government's economic measures and monetary easing by the Bank of Japan etc.

Under this environment, the Group continued to strengthen existing segments in Japan as well as driving forward with global expansion.

In the Marketing Media segment, the Group made efforts to further enhance contact with clients by promoting implementation of operational support services for clients mainly through the utilization of IT including "Air REGI" in the dining business and "SALON BOARD" in the beauty business. In the HR Media segment, the Group moved ahead with reinforcement of its brand strength and sales operations in response to trends in recruitment demand in the Domestic Recruiting operations, while the Overseas Recruiting operations saw steady growth in utilization of our services by small- and medium-sized clients amid ongoing introduction of marketing know-how cultivated in Japan. In the Staffing segment, the Group promoted efficient business operations in Japan and overseas.

As a result, net sales amounted to ¥1,299.9 billion (a year-on-year increase of 9.1%), operating income was ¥122.4 billion (a year-on-year increase of 4.3%), ordinary income was ¥125.6 billion (a year-on-year increase of 2.9%), and net income was ¥69.7 billion (a year-on-year increase of 6.5%).

EBITDA (the sum of operating income, depreciation and amortization, and amortization of goodwill) amounted to ¥191.4 billion (a year-on-year increase of 6.0%), and net income before amortization of goodwill (the sum of net income and amortization of goodwill) was ¥107.5 billion (a year-on-year increase of 6.0%).

The Group aggressively seeks to strengthen and expand its business bases utilizing M&As and other means. In this context, it has adopted EBITDA as a management index, since it enables the Group and the users of its financial information to make a comparison with other companies without being affected by the differences between accounting standards in various countries.

Overview of major segments is as follows.

1) Marketing Media segment

In the year ended March 31, 2015, the Marketing Media segment recorded net sales of ¥333.4 billion (a year-on-year increase of 3.4%) and segment income (segment EBITDA) of ¥96.2 billion (a year-on-year increase of 1.1%).

Overview of main operations is as follows.

I. Life Event operations

In the housing and real estate business, the subdued market environment continued as evidenced by a decrease in the number of new housing starts, reflecting the impact of the consumption tax increase along with soaring construction costs and costs of acquiring building lots. Under this environment, condominium apartment division recorded sluggish net sales. On the other hand, independent housing division recorded favorable net sales due to efforts such as continuing to enhance the provision of solutions to clients.

The bridal business posted solid net sales. This reflects increased use of the Group's services by major wedding venue operator clients when opening their new branches and needs for attracting customers, in addition to the contribution of "Zexy Wedding Consulting Counter," a face-to-face consultation service.

As a result, net sales in the Life Event operations were ¥177.7 billion (a year-on-year decrease of 0.0%). The breakdown of net sales by major businesses was ¥83.9 billion (a year-on-year decrease of 3.0%) in the housing and real estate business and ¥53.6 billion (a year-on-year increase of 0.6%) in the bridal business.

II. Lifestyle operations

In the travel business, sales were favorable as a result of a rise in rate per person per night as well as an increase in the total number of guests using the Group's services.

In the dining business, net sales were robust, backed by efforts such as enhanced contact with clients through the introduction of "Air REGI."

In the beauty business, the number of online reservations made through our services continued to rise at a steady pace as we introduce "SALON BOARD" and improve convenience. This resulted in acquisition of new clients and increased transaction volume with existing clients, which led to strong net sales.

As a result, net sales in the Lifestyle operations were ¥155.4 billion (a year-on-year increase of 7.4%). The breakdown of net sales by major businesses was ¥53.4 billion (a year-on-year increase of 10.3%) in the travel business, ¥34.3 billion (a year-on-year increase of 2.2%) in the dining business and ¥39.9 billion (a year-on-year increase of 17.6%) in the beauty business.

2) HR Media segment

In the year ended March 31, 2015, the HR Media segment recorded net sales of ¥302.7 billion (a year-on-year increase of 13.4%) and segment income (segment EBITDA) of ¥78.0 billion (a year-on-year increase of 6.0%).

Overview of main operations is as follows.

I. Domestic Recruiting operations

In the Domestic Recruiting operations, the employment situation continues to improve with the recovery in the Japanese economy, reflecting continued improvement in the ratio of job-offers to job-seekers and continued increase in the number of Recruitment Advertisements. Under this environment, the Group carried out measures such as enhancing brand strength and attracting users as well as enhancing the sales operations, which resulted in strong net sales mainly for job advertisements for mid-career recruitment and employment placement in the regular employee recruitment division, and job advertisements for part-time and temporary workers in the recruiting division.

As a result, net sales in the Domestic Recruiting operations were ¥239.8 billion (a year-on-year increase of 5.9%).

II. Overseas Recruiting operations

Net sales were favorable in the Overseas Recruiting operations, reflecting continued growth in utilization of the Group's services by small- and medium-sized clients.

As a result, net sales in the Overseas Recruiting operations were ¥46.1 billion (a year-on-year increase of 85.1%).

3) Staffing segment

In the year ended March 31, 2015, the Staffing segment recorded net sales of ¥675.2 billion (a year-on-year increase of 10.2%) and segment income (segment EBITDA) of ¥40.7 billion (a year-on-year increase of 17.2%).

Overview of main operations is as follows.

I. Domestic Staffing operations

In the Domestic Staffing operations, the staffing market continues to enjoy a moderate expansion trend as evidenced by the number of active agency workers for the current and previous five consecutive quarters being higher than that for the same periods of the previous fiscal year.

Under this environment, net sales were favorable at Recruit Staffing Co., Ltd. due to strengthening of the sales operations in the administrative and IT division in the Tokyo metropolitan area. At STAFF SERVICE HOLDINGS CO., LTD., net sales were strong mainly in the administrative, medical, and manufacturing division, as a result of continuation of existing staffing contracts and an increase in the number of new staffing contracts.

As a result, net sales in the Domestic Staffing operations were ¥389.5 billion (a year-on-year increase of 8.6%).

II. Overseas Staffing operations

In Overseas Staffing operations, the staffing market in North America and Europe continues to enjoy a moderate expansion trend.

Under this environment, net sales were favorable, reflecting the impact of yen depreciation and other factors. Net sales continued to be favorable at Advantage Resourcing Europe B.V. mainly in the outsourcing services.

As a result, net sales in the Overseas Staffing operations were ¥285.6 billion (a year-on-year increase of 12.5%).

4) Other segment

In the year ended March 31, 2015, net sales of Other segment amounted to ¥2.0 billion (a year-on-year decrease of 29.9%). Segment income (segment EBITDA) was ¥(11.2) billion (¥(11.5) billion for the year ended March 31, 2014) due to factors including investments relating to implementation of single user ID used in each service offered by the Group.

(Consolidated Financial Results Forecast for the Year Ending March 31, 2016)

Net sales for the next fiscal year are forecasted to amount to ¥1,550 billion (a year-on-year increase of 19.2%), backed by solid growth in each business segment and incorporation of net sales of newly consolidated subsidiaries. As for income, since a portion of operating expenses is expected to increase due to factors such as increases in investment in view of the medium- to long-term growth and amortization of goodwill associated with acquisitions of new subsidiaries, the Group is expected to record an operating income of ¥112 billion (a year-on-year decrease of 8.6%), ordinary income of ¥117 billion (a year-on-year decrease of 6.9%), and net income attributable to owners of the parent of ¥65 billion (a year-on-year decrease of 6.7%). EBITDA and net income before amortization of goodwill are expected to amount to ¥201 billion (a year-on-year increase of 5.0%) and ¥112.5 billion (a year-on-year increase of 4.6%), respectively.

The Group will continue with efforts to realize sustained income growth in the next fiscal year.

In Japan, the Group will continue to improve the competitiveness of our existing businesses. Specifically, in addition to enhancing our client base through operational support utilizing IT, we will expand our user base by utilizing single user IDs used in each service and providing point programs. Also, we will work on improving the functionality and area of deployment of our IT operational support tools with the goal of launching the service on a full-scale as the operation support business for small- to medium-sized companies. Furthermore, we endeavor to create new growth businesses by focusing on business development through utilization of IT in the education industry and examining the potential of businesses in the healthcare industry.

In terms of overseas, while we continue to promote the growth and improvement of profitability of each subsidiary by continuing the introduction of management knowhow cultivated by the Group to the subsidiaries acquired through M&As, we will endeavor to expand our business base through active M&As.

(Consolidated financial results forecast in existing businesses)

The Company has a management target to increase EBITDA in existing businesses, excluding financial results forecast of the subsidiaries newly included in the scope of consolidation from the next fiscal year due to share acquisitions, etc., at middle to high single-digit growth rates. Taking this into consideration, net sales and EBITDA in existing businesses for the fiscal year ending March 31, 2016 are expected to amount to ¥1,396 billion (a year-on-year increase of 7.4%) and ¥202.5 billion (a year-on-year increase of 5.8%), respectively. The difference between the consolidated financial results forecast and the consolidated financial results forecast in existing businesses is due to financial results of companies newly made consolidated subsidiaries through share acquisitions including Peoplebank Holdings Pty Ltd, Chandler Macleod Group Limited and Quandoo GmbH, Germany.

	Year ended March 31, 2015	Year ending March 31, 2016	Year-on-year change	
	Full-year result	Full-year forecast (Note)	Amount	Percentage
	Billions of yen	Billions of yen	Billions of yen	%
Net sales in existing businesses	1,299.9	1,396.0	96.0	7.4
EBITDA in existing businesses	191.4	202.5	11.0	5.8

Note: Financial results of subsidiaries scheduled to be newly consolidated from the year ending March 31, 2016 are excluded.

(2) Analysis of Financial Position

(Assets, liabilities and equity)

1) Assets

Current assets increased by ¥176.3 billion (45.2%) from the end of the previous fiscal year to ¥566.6 billion. This was mainly due to increases in cash and deposits.

Noncurrent assets increased by ¥64.0 billion (13.6%) from the end of the previous fiscal year to ¥534.1 billion. This was mainly due to an increase in goodwill and investment securities.

As a result, total assets as of March 31, 2015 increased by ¥240.4 billion (27.9%) from the end of the previous fiscal year to ¥1,100.7 billion.

2) Liabilities

Current liabilities increased by ¥7.1 billion (3.1%) from the end of the previous fiscal year to ¥240.2 billion.

Long-term liabilities increased by ¥25.7 billion (31.9%) from the end of the previous fiscal year to ¥106.3 billion. This was mainly due to an increase in deferred tax liabilities and a decrease in long-term debt.

As a result, total liabilities as of March 31, 2015 increased by ¥32.8 billion (10.5%) from the end of the previous fiscal year to ¥346.6 billion.

3) Equity

Total equity increased by ¥207.5 billion (38.0%) from the end of the previous fiscal year to ¥754.1 billion. This was mainly due to increases in common stock and capital surplus from issuance of new shares and retirement of treasury stock, as well as increases in retained earnings and foreign currency translation adjustments, and a decrease in treasury stock.

(Cash flows)

Cash and cash equivalents as of March 31, 2015 increased by ¥126.0 billion from the end of the previous fiscal year to ¥313.1 billion, due to the fact that cash inflows from operating activities and financing activities exceeded cash outflows from investing activities.

1) Cash flows from operating activities

Net cash from operating activities consists primarily of income before income taxes and minority interests of ¥126.9 billion, amortization of goodwill of ¥37.8 billion, depreciation and amortization of ¥31.0 billion, an increase in trade receivables of ¥25.1 billion, income taxes-paid of ¥56.5 billion, and an increase in trade payables of ¥24.1 billion. As a result, cash flows from operating activities resulted in a cash inflow of ¥137.4 billion, an increase of ¥11.3 billion in cash inflow compared with the previous fiscal year (cash inflow of ¥126.1 billion).

2) Cash flows from investing activities

Net cash from investing activities consists primarily of payments for purchase of investments in subsidiaries resulting in change in scope of consolidation of ¥33.5 billion, payments for purchase of intangible assets such as software of ¥28.5 billion, and payments for purchase of investment securities of ¥7.4 billion. As a result, cash flows from investing activities resulted in a cash outflow of ¥80.3 billion, an increase of ¥31.6 billion in cash outflow compared with the previous fiscal year (cash outflow of ¥48.7 billion).

3) Cash flows from financing activities

Net cash from financing activities consists primarily of proceeds from sales of treasury stock of ¥92.4 billion and proceeds from issuance of common stock of ¥10.8 billion as well as repayments of long-term debt of ¥26.7 billion. As a result, cash flows from financing activities resulted in a cash inflow of ¥62.5 billion, an increase of ¥155.5 billion in cash inflow compared with the previous fiscal year (cash outflow of ¥92.9 billion).

(Reference) Indicators related to cash flows

	Year ended March 31, 2013	Year ended March 31, 2014	Year ended March 31, 2015
Own capital ratio (%)	51.5	63.2	68.2
Own capital ratio on a market value basis (%)	-	-	192.5
Interest-bearing debt/cash flow ratio (years)	1.0	0.9	0.3
Interest coverage ratio (multiple)	86.3	111.2	225.4

Own capital ratio: [(Total equity – Stock acquisition rights – Minority interests) / Total assets] x 100

Own capital ratio on a market value basis: [Total market capitalization/Total assets] x 100

Interest-bearing debt/cash flow ratio: Interest-bearing debt/cash flows

Interest coverage ratio: Cash flows /Interest expenses paid

(Notes)
1. All indicators are calculated using financial figures on a consolidated basis.
2. Total market capitalization is calculated based on the total number of shares issued at the end of the fiscal year excluding treasury stock.
3. Cash flows refer to cash flows from operating activities.
4. Interest-bearing debt refers to all liabilities on the consolidated balance sheets for which interest is paid.

(3) Basic Policy on Profit Distribution and Dividend for Current Fiscal Year and Next Fiscal Year

The Company believes that placing priority on the implementation of strategic investments to attain sustainable profit growth and improve corporate value will in turn contribute to profits shared with our shareholders. In addition, we recognize returning profits to our shareholders as one of our key management policies and have the principle of paying consistent and sustainable dividends. In line with this, our basic policy is to return profits, comprehensively taking into account trends of business results and ensuring sufficient internal reserves, which are necessary for investment in future growth, and the reinforcement of our financial base.

In accordance with this basic policy, we have decided to pay a dividend of ¥47 per share for the 55th fiscal year.

In the future, we will aim to provide stable and sustainable dividend payouts through profit growth at a consolidated payout ratio of approximately 25% of consolidated net income before amortization of goodwill (Note), while following the basic policy above.

We will improve corporate value by allocating internal reserves to strategic investments for growth.

As for cash dividends, the Company sets a basic policy of paying a year-end dividend once a year.

Matters stipulated by Article 459, Paragraph 1 of the Companies Act, including cash dividends, are resolved not by General Meetings of Shareholders, but rather by Meetings of the Board of Directors, unless otherwise provided by laws and regulations.

Dividends for the next fiscal year (year ending March 31, 2016) are planned to be ¥50 per share.

(Note) “Consolidated net income before amortization of goodwill” is calculated by adding amortization of goodwill to net income.

2. Overview of the Group

The Company is responsible for formulating the Group’s management policy and managing the business as a holding company. The Group consists of the Company, 163 subsidiaries and 9 associates (as of March 31, 2015).

The Group traces its origins to placing job advertisements of companies in university newspapers and providing job information to students in 1960. Since its establishment, the Group has created and operated platforms that connect clients (companies, etc.) with users (individuals, etc.). Currently, the Group engages in various businesses, possesses a wide range of business operations, and also has gained a certain level of market share in each operation.

The Group’s businesses are classified into four reportable segments, which are “Marketing Media segment,” “HR Media segment,” “Staffing segment,” and “Other segment,” by type of business.

The Marketing Media segment consists of Life Event operations such as bridal and housing, which are major events in life, as well as Lifestyle operations such as travel, dining and beauty, and provides information provision services pertaining to life events and different types of daily consumption.

The HR Media segment consists of Domestic Recruiting operations and Overseas Recruiting operations, and provides services such as recruitment advertisements and employment placement services.

The Staffing segment consists of Domestic Staffing operations and Overseas Staffing operations, and conducts staffing for clerical jobs, manufacturing jobs, light industrial jobs, and various specialist jobs.

The Other segment engages in businesses including the publication and operation of “R25,” a magazine and information site targeted at the working population aged 25 and older.

The details of services of the Marketing Media segment, the HR Media segment and the Staffing segment are as follows.

(1) Marketing Media segment

In Life Event operations and Lifestyle operations, the Group provides services to support promotional activities of clients and action of users utilizing the media owned by the Group.

In Life Event operations, the Group provides information services related to housing, marriage, higher education for high school students and automobiles, etc.

In the housing and real estate business, the Group publishes and operates an information magazine and information site on buying, selling, renting and renovation of homes. Specifically, the Group publishes and operates “SUUMO,” an information magazine and information site. Also, the Group offers “SUUMO Counter,” a face-to-face service counter where people can directly ask for advice on purchasing newly built condominiums and custom homes.

In the bridal business, the Group proposes a new form of wedding through “Zexy,” a bridal information magazine and information site for couples who wish to have a wedding that fits their individual tastes. Also, the Group offers “Zexy Wedding Consulting Counter,” a face-to-face service counter where people can directly ask for advice on the selection of wedding venues.

In addition, the Group publishes and operates the free school information magazine “Rikunabi Shingaku Book” and the information site “Rikunabi Shingaku” that support high school students in choosing their future educational path, as well as “Car Sensor,” a used vehicle information magazine and information site that is convenient for people looking for a vehicle.

In Lifestyle operations, the Group provides services to support the actions of users in various everyday situations such as travel, dining, beauty, learning and shopping

In the travel business, the Group publishes and operates “Jalan,” an information magazine and information site that mainly provides information on accommodations, tours and nearby sightseeing destination within Japan. The information site not only provides information, but also supports booking of accommodation. Furthermore, staff stationed all over Japan carefully collects information on inns and hotels and provides unique plans.

In addition, the Group publishes and operates “Hot Pepper Gourmet,” an information magazine and information site that provides information on restaurants and discount coupons, “Hot Pepper Beauty,” an information magazine and site for searching and booking hair salons as well as relaxation and beauty salons, and “Ponpare,” a website offering discount tickets for group purchase.

(2) HR Media segment

In the Domestic Recruiting operations and Overseas Recruiting operations, the Group offers services to support the recruitment activities of clients and job search by users using the media owned by the Group.

In the Domestic Recruiting operations, the Group provides information to job-seeking students through “Rikunabi,” a job information site for new graduates, “Rikunabi Next,” a job portal site for working people who want to change jobs, and “Recruit Agent,” an employment placement service that offers face-to-face consultation. The Group also publishes and operates “From A Navi,” a temporary job information site, and “Townwork,” an information magazine and information site that provides job information on temporary jobs and full-time jobs.

In the Overseas Recruiting operations, the Group operates Indeed.com, a job aggregator search engine.

(3) Staffing segment

In the Domestic Staffing operations and the Overseas Staffing operations, the Group provides staffing services for clerical jobs, manufacturing jobs, light industrial jobs, and various specialist jobs. When the Group dispatches workers, it recruits and registers staff to be dispatched in advance, selects the staff to be dispatched who meets the requirements of the client company from the registered staff, and dispatches them to the client company upon entering into an employment contract with them.

In the Domestic Staffing operations, the Group conducts registration-type General Worker Dispatching

Undertakings by recruiting, registering and dispatching staff to companies after obtaining a license from the Minister of Health, Labour and Welfare in accordance with the provisions of the Act for Securing the Proper Operation of Worker Dispatching Undertakings and Ensuring the Protection of Dispatched Workers, and provides services through Recruit Staffing Co., Ltd., STAFF SERVICE HOLDINGS CO., LTD. and others.

In the Overseas Staffing operations, the Group provides services through STAFFMARK HOLDINGS, INC., Advantage Resourcing America, Inc., Advantage Resourcing Europe B.V. and others.

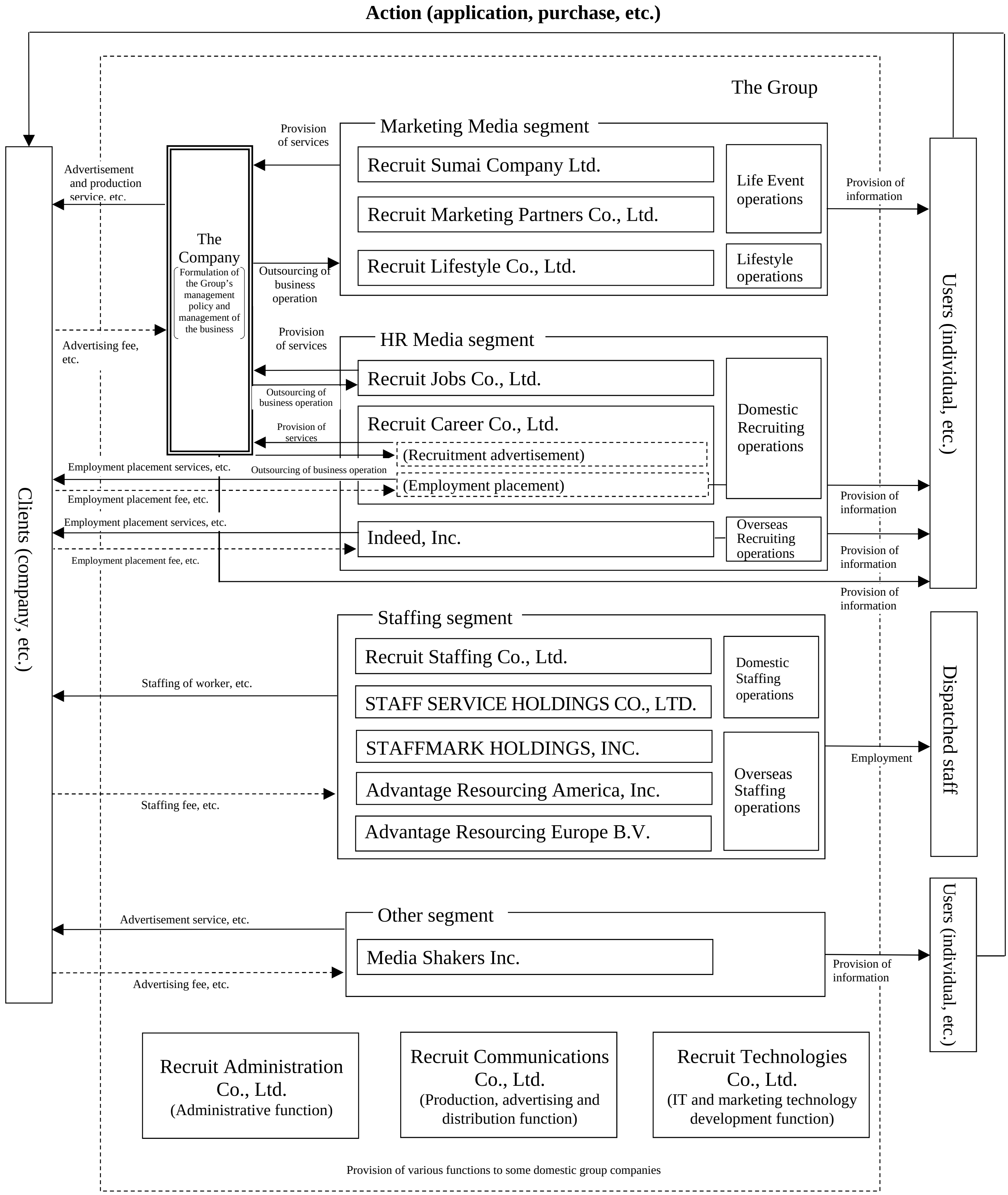
The descriptions of the Group's main business, the position of the Company or major subsidiaries and associates in the relevant businesses, and the relationship with the segments are as follows.

Name of segment	Operation	Main companies	Description of main business	Main service
Marketing Media segment	Life Event operations	The Company Recruit Sumai Company, Ltd. Recruit Marketing Partners Co., Ltd.	Provide services that meet various housing needs such as renting, purchasing, building and renovating	"SUUMO" Information magazine and information site on buying and selling, renting, and renovation of homes
				"SUUMO Counter" Service counter where people can directly ask for advice on purchasing newly built condominiums and custom homes
			Provide services such as bridal information services, higher education information services for high school students, automobile-related information services, and Internet advertising services	"Zexy" Information magazine and information site on wedding from wedding preparations to marriage life
				"Zexy Wedding Consulting Counter" Service counter where people can directly ask for advice on the selection of wedding venues
				"Rikunabi Shingaku Book" "Rikunabi Shingaku" Free school information magazine and information site that support high school students in choosing their future educational path
				"Car Sensor" Information magazine and information site on purchasing or replacing vehicles, mainly featuring used vehicles
	Lifestyle operations	The Company Recruit Lifestyle Co., Ltd.	Provide services to support the activities of users in various everyday situations such as travel, dining, beauty, learning and shopping	"Jalan" Information magazine and information site that provides information on accommodations, tours and nearby sightseeing destinations for travel mainly within Japan
				"Hot Pepper Gourmet" Information magazine and information site that provides information on restaurants and discount coupons
				"Hot Pepper Beauty" Information magazine and site for searching and booking hair salons as well as relaxation and beauty

Name of segment	Operation	Main companies	Description of main business	Main service
				salons
				"Ponpare" Website offering discount tickets for group purchase in a wide range of categories such as food and restaurants, leisure, and esthetic beauty salons
HR Media segment	Domestic Recruiting operations	The Company Recruit Career Co., Ltd. Recruit Jobs Co., Ltd.	Provide recruitment advertisement, employment placement and selection support in the regular employee recruitment division	"Rikunabi" Job information site for new graduates
				"Rikunabi Next" Job portal site for working people who want to change jobs
				"Recruit Agent" Employment placement service that supports people wishing to change jobs
			Provide various recruitment-related information including temporary jobs, part-time jobs, staffing, and full-time jobs	"From A Navi" Temporary job information site
				"Townwork" Information magazine and information site that provides job information on temporary jobs and full-time jobs
	Overseas Recruiting operations	Indeed, Inc.	Operates job information search site overseas	"Indeed.com" Job aggregator search engine site
Staffing segment	Domestic Staffing operations	Recruit Staffing Co., Ltd. STAFF SERVICE HOLDINGS CO., LTD.	Provide staffing services in Japan	-
	Overseas Staffing operations	STAFFMARK HOLDINGS, INC. Advantage Resourcing America, Inc. Advantage Resourcing Europe B.V.	Provide staffing services in North America and Europe, etc.	-
Other segment		Media Shakers Inc.	Publishes and runs "R25," an information magazine and information site targeted at the working population aged 25 and older	-

Operational Chart

An overview of the main transactions and major consolidated subsidiaries is as follows.



3. Management Policy

(1) Basic Management Policy of the Group

The Group has established a group management philosophy, which sets “Creation of New Value,” “Contributions to Society,” and “Respect for All Individuals” as “The Recruit Way,” in addition to “Responding to the needs of society by creating new value, thereby contributing to a brighter and more fulfilling world in which all individuals can live life to the fullest” as our “Mission.”

Under this management philosophy, we endeavor to become a company that supports positive actions of each individual by producing as many “No. 1 Matching Services” as possible that connects the industry and people, and conduct business operations focusing mainly on Marketing Media segment, HR Media segment and Staffing segment.

We will work on maximizing shareholder and corporate value through these business activities.

(2) Target Management Index

Seeking to attain sustainable profit growth, we are working to improve the growth potential and efficiency in each of our business segments, and we focus on EBITDA as a major management index.

(3) Issues to be Addressed and Management Strategy of the Group

The Group’s basic policy for growth is to actively expand its overseas business while developing its domestic business stably and sustainably. Also, we will contribute to society by creating as many “Opportunities for Life” as possible from the users’ point of view.

In our long-term vision, we aim to become the top provider in the HR Media operations and Staffing operations globally by 2020, and to become the corporate group operating the No. 1 matching platform globally in all of our business domains, including the Marketing Media segment, by 2030. To realize our long-term vision, we will actively work to train managerial personnel from a long-term perspective, train IT personnel to create and realize new added value, and enhance the governance system which is the foundation for accelerating our growth strategy.

1) Stable and sustainable growth in existing domestic businesses

We will actively promote the following two main growth strategies for domestic businesses.

-Enhancing competitive advantage of existing businesses

We will aim to increase the per-client transaction amount for existing clients by providing highly cost-effective solutions to attract a high volume of users and providing high level attraction volume to encourage clients to replace the advertising expenses spent on other media with our media. Additionally, we will work to expand the number of our clients by providing services where clients can utilize our IT system within their workflow.

We will also strive to expand our user base by acquiring new users through utilization of single user IDs and point programs in each service and boosting repeat user ratio through promotion of cross use.

-Creation of new growth businesses

In order to ensure stable and sustainable growth of our domestic businesses, we will endeavor to develop new businesses using the business base and knowhow cultivated through our existing businesses. Specifically, we will extend the provision of services where clients can utilize our IT system within their workflow, which had been limited to specific businesses such as the dining business and the beauty business, to all clients regardless of their industry, and launch it on a full scale as the operation support business for small- to medium-sized companies. We will also focus on business development through utilization of IT in the education industry and examine the potential of businesses in the healthcare industry.

2) Further growth of businesses overseas

While further improving competitiveness of our existing overseas businesses, we will aim to actively expand businesses mainly through M&A.

Specifically, we will promote growth of the Market Media segment and the HR Media segment by transferring the sales and marketing knowhow as well as user acquisition knowhow established in our domestic businesses, and we will enhance competitiveness of the Staffing segment by improving profitability through application of management methods established domestically.

4. Basic Rationale for Selection of Accounting Standards

To prepare for the future application of International Financial Reporting Standards (IFRS), we have established an IFRS adoption project, and are developing accounting policy and examining the timing of an adoption.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
Assets		
Current assets		
Cash and deposits	161,153	307,161
Notes and accounts receivable - trade	162,418	195,709
Securities	26,030	6,178
Deferred tax assets	16,278	24,599
Other current assets	30,986	38,346
Allowance for doubtful accounts	(6,555)	(5,355)
Total current assets	390,312	566,639
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	8,095	8,313
Land	7,763	7,763
Other, net	7,685	9,677
Total property, plant and equipment	23,543	25,754
Intangible assets		
Goodwill	193,713	216,394
Software	46,241	54,685
Other	62,261	64,139
Total intangible assets	302,216	335,218
Investments and other assets		
Investment securities	106,526	133,836
Net defined benefit asset	78	143
Deferred tax assets	11,296	11,949
Other assets	26,804	27,523
Allowance for doubtful accounts	(398)	(282)
Total investments and other assets	144,308	173,169
Total noncurrent assets	470,069	534,143
Total assets	860,381	1,100,782

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
Liabilities		
Current liabilities		
Notes and accounts payable - trade	42,313	49,017
Electronically recorded obligations - operating	9,594	8,978
Current portion of long-term debt	26,719	15,000
Accrued expenses	65,634	76,620
Income taxes payable	34,096	15,110
Accrued employees' bonuses	17,223	19,806
Other current liabilities	37,527	55,703
Total current liabilities	233,108	240,236
Long-term liabilities		
Long-term debt	30,000	15,000
Deferred tax liabilities	15,919	52,817
Workers' compensation liability	6,805	8,069
Net defined benefit liability	25,182	28,232
Other long-term liabilities	2,745	2,267
Total long-term liabilities	80,652	106,387
Total liabilities	313,760	346,624
Equity		
Shareholders' equity		
Common stock	3,002	10,000
Capital surplus	17,632	53,679
Retained earnings	503,006	558,310
Treasury stock	(60,815)	(531)
Total shareholders' equity	462,826	621,459
Accumulated other comprehensive income		
Unrealized gain (loss) on available-for-sale securities	23,429	34,177
Deferred gain (loss) on derivatives under hedge accounting	712	(75)
Foreign currency translation adjustments	58,318	97,006
Remeasurements of defined benefit plans	(1,929)	(2,939)
Total accumulated other comprehensive income	80,530	128,169
Stock acquisition rights	321	1,206
Minority interests	2,943	3,322
Total equity	546,621	754,157
Total liabilities and equity	860,381	1,100,782

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2014		Fiscal year ended March 31, 2015	
Net sales		1,191,567		1,299,930
Cost of sales		589,251		644,737
Gross profit		602,315		655,192
Selling, general and administrative expenses	*1	484,877	*1	532,693
Operating income		117,438		122,499
Non-operating income				
Interest income		249		375
Dividend income		1,619		1,557
Share of profit of entities accounted for using equity method		3,301		3,215
Other		1,039		996
Total non-operating income		6,209		6,144
Non-operating expenses				
Interest expense		1,066		599
Foreign exchange losses		-		1,392
Going public expenses		-		395
Other		531		637
Total non-operating expenses		1,597		3,025
Ordinary income		122,050		125,617
Extraordinary income				
Gain on sales of investment securities		112		1,859
Gain on sales of shares of subsidiaries and associates		8		339
Gain on step acquisitions		134		920
Gain on change in equity		231		66
Other		35		11
Total extraordinary income		522		3,196
Extraordinary losses				
Loss on sales of noncurrent assets	*2	7	*2	35
Loss on disposal of noncurrent assets	*3	1,550	*3	817
Loss on sales of shares of subsidiaries and associates		-		254
Impairment loss	*4	1,252	*4	481
Other		368		293
Total extraordinary losses		3,179		1,881
Income before income taxes and minority interests		119,393		126,932
Income taxes: Current		54,253		32,190
Income taxes: Deferred		(397)		24,886
Total income taxes		53,856		57,076
Net income before minority interests		65,536		69,856
Minority interests in net income		115		153
Net income		65,421		69,702

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Net income before minority interests	65,536	69,856
Other comprehensive income		
Unrealized gain (loss) on available-for-sale securities	6,415	10,748
Deferred gain (loss) on derivatives under hedge accounting	(899)	(787)
Foreign currency translation adjustments	39,236	36,225
Remeasurements of defined benefit plans, net of tax	-	(1,008)
Share of other comprehensive income in associates	4,035	2,841
Total other comprehensive income	* 48,787	* 48,019
Comprehensive income	114,324	117,875
Total comprehensive income attributable to:		
Owners of the parent	113,914	117,516
Minority interests	410	358

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2014 (from April 1, 2013 to March 31, 2014)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current period	3,002	14,680	450,597	(85,698)	382,582
Cumulative effects of changes in accounting policies					-
Restated balance	3,002	14,680	450,597	(85,698)	382,582
Changes of items during period					
Issuance of new shares					-
Cash dividends			(13,012)		(13,012)
Net income			65,421		65,421
Purchase of treasury stock				(9)	(9)
Disposal of treasury stock		2,952		24,892	27,844
Retirement of treasury stock					-
Change in scope of equity method					-
Other changes during the period					
Total changes of items during period	-	2,952	52,409	24,882	80,244
Balance at end of current period	3,002	17,632	503,006	(60,815)	462,826

	Accumulated other comprehensive income					Stock acquisition rights	Minority interests	Total equity
	Unrealized gain (loss) on available-for-sale securities	Deferred gain (loss) on derivatives under hedge accounting	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	17,013	1,612	15,343	-	33,969	-	2,696	419,247
Cumulative effects of changes in accounting policies					-			-
Restated balance	17,013	1,612	15,343	-	33,969	-	2,696	419,247
Changes of items during period								
Issuance of new shares								-
Cash dividends								(13,012)
Net income								65,421
Purchase of treasury stock								(9)
Disposal of treasury stock								27,844
Retirement of treasury stock								-
Change in scope of equity method								-
Other changes during the period	6,415	(899)	42,974	(1,929)	46,561	321	247	47,130
Total changes of items during period	6,415	(899)	42,974	(1,929)	46,561	321	247	127,374
Balance at end of current period	23,429	712	58,318	(1,929)	80,530	321	2,943	546,621

Fiscal year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current period	3,002	17,632	503,006	(60,815)	462,826
Cumulative effects of changes in accounting policies			(950)		(950)
Restated balance	3,002	17,632	502,056	(60,815)	461,876
Changes of items during period					
Issuance of new shares	6,997	3,852			10,850
Cash dividends			(13,774)		(13,774)
Net income			69,702		69,702
Purchase of treasury stock				(4)	(4)
Disposal of treasury stock		65,928		26,554	92,483
Retirement of treasury stock		(33,734)		33,734	-
Change in scope of equity method			326		326
Other changes during the period					
Total changes of items during period	6,997	36,047	56,253	60,284	159,582
Balance at end of current period	10,000	53,679	558,310	(531)	621,459

	Accumulated other comprehensive income					Stock acquisition rights	Minority interests	Total equity
	Unrealized gain (loss) on available-for-sale securities	Deferred gain (loss) on derivatives under hedge accounting	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	23,429	712	58,318	(1,929)	80,530	321	2,943	546,621
Cumulative effects of changes in accounting policies					-			(950)
Restated balance	23,429	712	58,318	(1,929)	80,530	321	2,943	545,671
Changes of items during period								
Issuance of new shares								10,850
Cash dividends								(13,774)
Net income								69,702
Purchase of treasury stock								(4)
Disposal of treasury stock								92,483
Retirement of treasury stock								-
Change in scope of equity method								326
Other changes during the period	10,748	(787)	38,688	(1,010)	47,638	885	379	48,903
Total changes of items during period	10,748	(787)	38,688	(1,010)	47,638	885	379	208,486
Balance at end of current period	34,177	(75)	97,006	(2,939)	128,169	1,206	3,322	754,157

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	119,393	126,932
Depreciation and amortization	27,156	31,023
Impairment loss	1,252	481
Amortization of goodwill	36,052	37,882
Retirement benefit expenses	-	393
Increase (decrease) in allowance for doubtful accounts	(580)	(1,368)
Increase (decrease) in accrued employees' bonuses	3,501	2,095
Increase (decrease) in liability for employees' retirement benefits	(22,307)	-
Increase (decrease) in provision for workers' compensation liability	592	250
Increase (decrease) in net defined benefit liability	22,037	(252)
Interest and dividend income	(1,869)	(1,932)
Interest expense	1,066	599
Foreign exchange (gains) losses	(46)	592
Share of (profit) loss of entities accounted for using equity method	(3,301)	(3,215)
Going public expenses	-	395
(Gain) loss on step acquisitions	(134)	(920)
(Gain) loss on change in equity	(231)	(66)
Loss on disposal of noncurrent assets	1,550	817
(Gain) loss on sales of investment securities-net	(112)	(1,847)
(Increase) decrease in trade receivables	(12,322)	(25,140)
Increase (decrease) in trade payables	17,961	24,148
Other-net	(2,684)	1,565
Subtotal	186,974	192,434
Interest and dividend income received	2,182	2,232
Interest expense paid	(1,134)	(610)
Income taxes-paid	(61,895)	(56,559)
Net cash provided by operating activities	126,127	137,497
Cash flows from investing activities		
Payments into time deposits	-	(4,126)
Proceeds from withdrawal of time deposits	16	4,000
Payments for purchase of property, plant and equipment	(5,440)	(6,695)
Payments for purchase of intangible assets	(22,074)	(28,527)
Payments for purchase of investment securities	(2,585)	(7,480)
Proceeds from sales and redemption of investment securities	502	4,492
Payments for purchase of shares of subsidiaries and associates	(324)	(1,573)
Proceeds from sales of shares of subsidiaries and associates	36	703
Payments for investments in capital	(1,018)	(1,822)
Payments for purchase of investments in subsidiaries resulting in change in scope of consolidation	(7,199)	(33,520)
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	-	105
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	-	(121)
Payments for purchase of investments in subsidiaries	(8,408)	(1,570)
Payments for transfer of business	(147)	(125)
Payments of short-term loans receivable	(1)	(292)
Collection of long-term loans receivable	75	169
Other-net	(2,175)	(3,972)
Net cash used in investing activities	(48,745)	(80,358)

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Cash flows from financing activities		
Increase (decrease) in short-term borrowings-net	(6,160)	(2)
Repayments of long-term debt	(101,700)	(26,719)
Payments for issuance of common stock	-	(395)
Proceeds from issuance of common stock	-	10,850
Proceeds from share issuance to minority shareholders	-	412
Proceeds from sales of treasury stock	27,844	92,483
Dividends paid	(12,880)	(13,670)
Cash dividends paid to minority shareholders	(2)	(292)
Other-net	(23)	(85)
Net cash provided by (used in) financing activities	(92,923)	62,580
Foreign currency translation adjustments on cash and cash equivalents	1,335	6,324
Net increase (decrease) in cash and cash equivalents	(14,206)	126,044
Cash and cash equivalents at beginning of period	201,433	187,153
Decrease in cash and cash equivalents due to deconsolidation of subsidiaries	(73)	-
Cash and cash equivalents at end of period	187,153	313,197

(5) Notes to Consolidated Financial Statements

(Going Concern Assumption)

Not applicable.

(Important Matters that Form the Basis for Preparing Consolidated Financial Statements)

1. Matters Related to the Scope of Consolidation

(1) Status of consolidated subsidiaries

Number of consolidated subsidiaries: 162

Names of the major consolidated subsidiaries

Recruit Sumai Company Ltd.

Recruit Marketing Partners Co., Ltd.

Recruit Lifestyle Co., Ltd.

Recruit Career Co., Ltd.

Recruit Jobs Co., Ltd.

Indeed, Inc.

Recruit Staffing Co., Ltd.

STAFF SERVICE HOLDINGS CO., LTD.

STAFFMARK HOLDINGS, INC.

Advantage Resourcing America, Inc.

Advantage Resourcing Europe B.V.

Recruit Administration Co., Ltd.

Recruit Communications Co., Ltd.

Recruit Technologies Co., Ltd.

During the year ended March 31, 2015, RGF Staffing Melbourne One Pty Ltd and 9 other companies have become consolidated subsidiaries due to new establishment, while Peoplebank Holdings Pty Ltd and 35 other companies have become consolidated subsidiaries due to acquisition of their shares during the year ended March 31, 2015, etc.

Meanwhile, Taofang Corporation and 6 other companies, which were consolidated subsidiaries of the Company, have been excluded from the scope of consolidation from the year ended March 31, 2015 due to sales of their shares, etc.

(2) Status of non-consolidated subsidiaries

Name of major non-consolidated subsidiaries

RECRUIT Treefarm Australia Pty. Ltd.

Non-consolidated subsidiaries are excluded from the scope of consolidation as the total amounts of their total assets, net sales, net income or loss (amount corresponding to equity interest), and retained earnings (amount corresponding to equity interest), etc. have no significant impacts on the consolidated financial statements.

2. Matters Related to the Application of Equity Method

(1) Status of equity-method associates

Number of equity-method associates: 9

Names of the major companies, etc.

51job, Inc.

During the year ended March 31, 2015, Loyalty Marketing, Inc. has become an equity-method associate due to third-party allotment.

Meanwhile, All About, Inc. and 2 other companies have been excluded from the scope of application of the equity method from the year ended March 31, 2015 due to sale of their shares.

(2) Status of non-consolidated subsidiaries and associates to which the equity method is not applied

Name of the major non-consolidated subsidiary and associate to which the equity method is not applied

RECRUIT Treefarm Australia Pty. Ltd.

Non-consolidated subsidiaries and associates to which the equity method is not applied are excluded from the scope of application of the equity method since their exclusion has an insignificant impact on the consolidated financial statements in terms of net income or loss (amount corresponding to equity interest) and retained earnings (amount corresponding to equity interest), etc., individually and in aggregate.

3. Matters Related to the Fiscal Year of Consolidated Subsidiaries

The balance sheet date of STAFFMARK HOLDINGS, INC. and 85 other consolidated subsidiaries is December 31.

The consolidated financial statements are prepared using the consolidated subsidiaries' financial statements as of December 31, and necessary adjustments are made to reflect important transactions that occurred between their balance sheet date and the consolidated balance sheet date.

The Company acquired shares of Peoplebank Holdings Pty Ltd and 16 other companies as of January 30, 2015 with the deemed acquisition date of January 31, 2015. Financial statements of these companies as of the deemed acquisition date are used and necessary consolidation adjustments are made to reflect important transactions that occurred between this date and the consolidated balance sheet date.

4. Matters Related to Accounting Standards

(1) Valuation standards and valuation methods of significant assets

1) Securities

Available-for-sale securities

Available-for-sale securities with market value

Market value method based on the market price at the end of the period, etc. (valuation differences are directly recorded as equity and cost of securities sold is calculated by the moving-average method)

Available-for-sale securities without market value

Stated at cost using the moving-average method

2) Receivables and payables arising from derivative transactions

Market value method

(2) Depreciation and amortization methods of significant depreciable assets

1) Property, plant and equipment

Declining balance method

However, the straight-line method is applied for buildings (excluding accompanying facilities) acquired on or subsequent to April 1, 1998.

Overseas consolidated subsidiaries adopt the straight-line method based on the accounting standards of the countries where they are located.

The principal useful lives are as follows:

Buildings and structures: 2-50 years

2) Intangible assets

Straight-line method

The principal years of amortization are as follows:

Software (for internal use): 5 years (period available for internal use)

(3) Accounting standards for significant allowances and provisions

1) Allowance for doubtful accounts

In order to provide for losses due to bad debt, for general receivables, an estimated uncollectible amount is principally recorded according to the historical bad debt ratio. For specific receivables from companies in financial difficulty, an estimated uncollectible amount is recorded by assessing the collectability of each receivable individually.

2) Accrued employees' bonuses

In order to provide for payment of bonuses to employees, an estimated amount of bonuses to be paid is recorded.

3) Workers' compensation liability

In order to provide for payments of medical fees and compensation for absence from work in relation to accidents and injuries of dispatched staff, etc., certain overseas consolidated subsidiaries record an estimated amount of payment based on the probability of occurrence.

(4) Accounting methods for retirement benefits

1) Method of attributing expected retirement benefit to periods

In calculating retirement benefit obligations, the method of attributing the expected retirement benefits to periods before the end of the current fiscal year is based on the straight-line method.

2) Method of amortizing actuarial differences and prior service cost

Prior service cost is amortized over a fixed period (mainly 5 years) within the average remaining service period of employees at the time of incurrence.

Actuarial differences are amortized over a fixed period (mainly 5 years) within the average remaining service period of employees at the time of incurrence in each fiscal year, starting from the fiscal year following the year of incurrence.

3) Adoption of the simplified method for small-sized companies, etc.

Certain consolidated subsidiaries adopt the simplified method where retirement benefit obligations are measured at the amount of retirement benefits to be required for voluntary termination at the end of the fiscal year for the calculation of net defined benefit liability and retirement benefit expenses.

(5) Translation of significant assets and liabilities denominated in foreign currencies into Japanese yen

Monetary receivables and payables denominated in foreign currencies have been translated into Japanese yen at the spot exchange rate at the consolidated balance sheet date, and translation adjustments are treated as gains or losses.

Assets and liabilities of overseas consolidated subsidiaries, etc. are translated into Japanese yen using the spot exchange rate at the consolidated balance sheet date, revenues and expenses are translated into Japanese yen using the average exchange rate for the period, and translation adjustments are included in foreign currency translation adjustments and minority interests under equity.

(6) Significant hedge accounting

1) Hedge accounting

Deferred hedge accounting is applied in principle.

Appropriation treatment is applied to foreign exchange forward contracts that meet the requirements for appropriation treatment.

2) Hedging instruments and hedged items

Hedging instruments	Hedged items
Interest rate swap	Borrowing interest
Foreign exchange forward contracts	Foreign currency-denominated monetary receivables and payables, etc.

3) Hedging policy

Interest rate swap transactions are limited to the range of actual demand, and are carried out for the purpose of hedging fluctuation risks of interest rates for borrowings.

Foreign exchange forward contracts are carried out for the purpose of hedging fluctuation risks of exchange rates for foreign currency transactions, and hedged items are distinguished on an individual contract basis.

4) Methods for evaluating the effectiveness of hedges

Hedge effectiveness of interest rate swap transactions is evaluated semi-annually, by comparing the accumulated fluctuations in cash flow of the underlying hedged item with that of the hedging instrument.

When a foreign exchange forward contract is entered into, it is allocated to a particular transaction in the same amount denominated in foreign currencies and due on the same date in accordance with the risk management policy. Therefore, the correlation with subsequent fluctuations in the exchange rates is completely ensured, and thus the evaluation of effectiveness on the balance sheet date is omitted.

(7) Amortization method and amortization period of goodwill

For amortization of goodwill, the duration of its effect is estimated and it is amortized over the estimated years to recover its investment within the limit of ten years on a straight line basis.

In the case where its amount is immaterial, the entire amount is amortized in the fiscal year of incurrence.

(8) Scope of cash and cash equivalents in the consolidated statements of cash flows

Cash and cash equivalents consist of cash on hand, demand deposits and short-term investments that are highly liquid with a maturity of three months or less from the date of acquisition, readily convertible into cash and subject to minimum risk of price fluctuations.

(9) Other important matters for preparing consolidated financial statements

Accounting method for consumption taxes

Consumption taxes and local consumption taxes are accounted for by the tax exclusion method.

(Changes in Presentation Method)

(Consolidated Balance Sheets)

"Electronically recorded obligations - operating," which was included in "Notes and accounts payable - trade" under "Current liabilities" in the previous fiscal year, is presented as a separate item from the current fiscal year due to an increase in significance. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year were reclassified.

As a result, in the consolidated balance sheets for the previous fiscal year, ¥9,594 million presented as "Notes and accounts payable - trade" under "Current liabilities" was reclassified as "Electronically recorded obligations - operating."

(Consolidated Statements of Income)

"Interest income," which was included in "Other" under "Non-operating income" in the previous fiscal year, is presented as a separate item from the current fiscal year due to an increase in significance. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year were reclassified.

As a result, in the consolidated statements of income for the previous fiscal year, ¥249 million presented as "Other" under "Non-operating income" was reclassified as "Interest income."

"Reversal of allowance for doubtful accounts" under "Non-operating income," which was separately presented in the previous fiscal year, is included in "Other" from the current fiscal year due to a decrease in significance. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year were reclassified.

As a result, in the consolidated statements of income for the previous fiscal year, ¥102 million presented as "Reversal of allowance for doubtful accounts" under "Non-operating income" was reclassified as "Other."

"Commissions paid" under "Non-operating expenses," which was separately presented in the previous fiscal year, is included in "Other" from the current fiscal year due to a decrease in significance. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year were reclassified.

As a result, in the consolidated statements of income for the previous fiscal year, ¥103 million presented as "Commissions paid" under "Non-operating expenses" was reclassified as "Other."

"Gain on sales of shares of subsidiaries and associates," which was included in "Gain on sales of investment securities" under "Extraordinary income" in the previous fiscal year, is presented as a separate item from the current fiscal year as a result of a review of presented items. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year were reclassified.

As a result, in the consolidated statements of income for the previous fiscal year, ¥8 million presented as "Gain on sales of investment securities" under "Extraordinary income" was reclassified as "Gain on sales of shares of subsidiaries and associates."

"Loss on sales of noncurrent assets," which was included in "Other" under "Extraordinary losses" in the previous fiscal year, is presented as a separate item from the current fiscal year due to an increase in significance. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year were reclassified.

As a result, in the consolidated statements of income for the previous fiscal year, ¥7 million presented as "Other" under "Extraordinary losses" was reclassified as "Loss on sales of noncurrent assets."

(Consolidated Statements of Cash Flows)

"Foreign exchange (gains) losses," which was included in "Other, net" under "Cash flows from operating activities" in the previous fiscal year, is presented as a separate item from the current fiscal year due to an increase in significance. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year were reclassified.

As a result, in the consolidated statements of cash flows for the previous fiscal year, ¥(46) million presented as "Other, net" under "Cash flows from operating activities," was reclassified as "Foreign exchange (gains) losses."

"Commissions fee" under "Cash flows from operating activities," which was separately presented in the previous fiscal year, is included in “Other, net” from the current fiscal year due to a decrease in significance. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year were reclassified.

As a result, in the consolidated statements of cash flows for the previous fiscal year, ¥103 million presented as “Commissions fee” under “Cash flows from operating activities” was reclassified as “Other, net.”

“(Gain) loss on sales of shares of subsidiaries and associates,” which was included in “(Gain) loss on sales of investment securities-net” under “Cash flows from operating activities” in the previous fiscal year, is included in “Other, net” from the current fiscal year as a result of a review of presented items. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year were reclassified.

As a result, in the consolidated statements of cash flows for the previous fiscal year, ¥8 million presented as “(Gain) loss on sales of investment securities-net” under “Cash flows from operating activities” was reclassified as “Other, net.”

“Proceeds from withdrawal of time deposits,” “Payments for transfer of business,” “Payments of short-term loans receivable” and “Collection of long-term loans receivable,” which were included in “Other-net” under “Cash flows from investing activities” in the previous fiscal year, are presented as separate items from the current fiscal year due to an increase in significance. To reflect these changes in presentation, the consolidated financial statements for the previous fiscal year were reclassified.

As a result, in the consolidated statements of cash flows for the previous fiscal year, ¥(56) million presented as “Other-net” under “Cash flows from investing activities” was reclassified as ¥16 million of “Proceeds from withdrawal of time deposits,” ¥(147) million of “Payments for transfer of business,” ¥(1) million of “Payments of short-term loans receivable” and ¥75 million of “Collection of long-term loans receivable.”

“Payments for purchase of shares of subsidiaries and associates,” which was included in “Payments for purchase of investment securities” under “Cash flows from investing activities” in the previous fiscal year, is separately presented as “Payments for purchase of shares of subsidiaries and associates” from the current fiscal year as a result of a review of presented items. “Proceeds from sales of shares of subsidiaries and associates,” which was included in “Proceeds from sales of investment securities,” is separately presented as “Proceeds from sales of shares of subsidiaries and associates” from the current fiscal year as a result of a review of presented items. “Proceeds from redemption of investment securities,” which was included in “Other-net,” is presented as “Proceeds from sales and redemption of investment securities” together with “Proceeds from sales of investment securities” from the current fiscal year as a result of a review of presented items. To reflect these changes in presentation, the consolidated financial statements for the previous fiscal year were reclassified.

As a result, in the consolidated statements of cash flows for the previous fiscal year, ¥(324) million presented as “Payments for purchase of investment securities” under “Cash flows from investing activities” was reclassified as “Payments for purchase of shares of subsidiaries and associates.” In addition, ¥36 million presented as “Proceeds from sales of investment securities” was reclassified as “Proceeds from sales of shares of subsidiaries and associates.” ¥407 million presented as “Proceeds from sales of investment securities” and ¥95 million presented as “Other-net” were reclassified as ¥502 million of “Proceeds from sales and redemption of investment securities.”

“Cash dividends paid to minority shareholders,” which was included in “Other-net” under “Cash flows from financing activities” in the previous fiscal year, is presented as separate items from the current fiscal year due to an increase in significance. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year were reclassified.

As a result, in the consolidated statements of cash flows for the previous fiscal year, ¥(2) million presented as “Other-net” under “Cash flows from financing activities” was reclassified as “Cash dividends paid to minority shareholders.”

(Additional Information)

Revision of the amounts of deferred tax assets and deferred tax liabilities due to changes in income tax rate

Pursuant to “Act on Partial Revision of the Income Tax Act” and “Act on Partial Revision of the Local Tax Act” issued on March 31, 2015, the effective tax rate applied to the calculation of deferred tax assets and deferred tax liabilities for the year ended March 31, 2015 (provided that, it is limited to those to be settled on and after April 1, 2015) was changed from 35.6% in the previous fiscal year to 33.1% for those which are anticipated to be recovered or paid during the period between April 1, 2015 and March 31, 2016, or 32.3% for those which will be recovered or paid from April 1, 2016 onward.

As a result, deferred tax liabilities (after offsetting deferred tax assets) decreased by ¥1,862 million, income taxes: deferred recorded for the year ended March 31, 2015 decreased by ¥907 million, and remeasurements of defined benefit plans decreased by ¥148 million, while unrealized gain (loss) on available-for-sale securities increased by ¥1,103 million.

(Consolidated Statements of Income)

1. The major components and amounts of selling, general and administrative expenses are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Sales commission	31,829	34,751
Promotion expenses	28,689	35,247
Advertising expenses	71,961	78,770
Personnel expenses	113,272	121,445
Provision for bonuses	15,665	19,296
Retirement benefit expenses	6,885	7,634
Rent expenses	22,238	24,598
Business commissions	54,772	63,006
Depreciation and amortization	26,637	30,465
Provision of allowance for doubtful accounts	986	1,471
Amortization of goodwill	36,052	37,882

2. The breakdown of loss on sales of noncurrent assets is as follows:

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Other (Tools, furniture and fixtures)	7	31
Other	-	4
Total	7	35

3. The breakdown of loss on disposal of noncurrent assets is as follows:

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Software	1,309	647
Other	241	169
Total	1,550	817

4. Impairment loss

The Company recorded impairment loss for the following asset groups.

Fiscal Year Ended March 31, 2014 (from April 1, 2013 to March 31, 2014)

(1) Summary of asset groups for which impairment loss was recognized

Use	Type	Location
Assets to be disposed	Software and other	Chiyoda-ku, Tokyo and others
Business assets	Software and other	Shinagawa-ku, Tokyo and others

(2) Details of how impairment loss was recognized

As for assets to be disposed, an indication of impairment was identified due to disposal of individual assets, discontinuation of businesses and reorganizations, etc. Thus, the carrying amount of the assets was reduced to the recoverable amount, and the amount of the decrease was recorded as impairment loss.

(3) The amounts of impairment loss per type of major noncurrent assets

(Millions of yen)

Type	Amount
Software	1,073
Other	178
Total	1,252

(4) Method of grouping assets

The Group's business assets are grouped based mainly on classification under managerial accounting. Additionally, assets to be disposed, assets associated with discontinuation of businesses and reorganizations, and idle assets are grouped on an individual basis.

(5) Method of calculating recoverable amount

The recoverable amount of assets to be disposed is calculated by the net sales value using the amount subtracting expected disposal expenses from the expected disposal amount. The recoverable amount of business assets is measured at value in use by discounting the future cash flows at 10%.

Fiscal Year Ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

(1) Summary of asset groups for which impairment loss was recognized

Use	Type	Location
Assets to be disposed	Software and other	Chuo-ku, Tokyo and others
Business assets	Software and other	Shinagawa-ku, Tokyo and others

(2) Details of how impairment loss was recognized

As for assets to be disposed and business assets, an indication of impairment was identified due to disposal of individual assets, discontinuation of businesses and reorganizations, etc. Thus, the carrying amount of the assets was reduced to the recoverable amount, and the amount of the decrease was recorded as impairment loss.

(3) The amounts of impairment loss per type of major noncurrent assets

(Millions of yen)

Type	Amount
Software	397
Other	84
Total	481

(4) Method of grouping assets

The Group's business assets are grouped based mainly on classification under managerial accounting. Additionally, assets to be disposed, assets associated with discontinuation of businesses and reorganizations, and idle assets are grouped on an individual basis.

(5) Method of calculating recoverable amount

The recoverable amount of assets to be disposed is calculated by the net sales value using the amount subtracting expected disposal expenses from the expected disposal amount. The recoverable amount of business assets is measured at value in use by discounting the future cash flows at 10%.

(Consolidated Statements of Comprehensive Income)

Reclassification adjustment and tax effect in respect of other comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Unrealized gain (loss) on available-for-sale securities		
Gains (losses) arising during the year	9,368	16,126
Reclassification adjustments to profit or loss	14	(1,221)
Amount before income tax effect	9,383	14,904
Income tax effect	(2,967)	(4,156)
Unrealized gain (loss) on available-for-sale securities	6,415	10,748
Deferred gain (loss) on derivatives under hedge accounting		
Gains (losses) arising during the year	1,366	294
Reclassification adjustments to profit or loss	(2,868)	(1,509)
Amount before income tax effect	(1,502)	(1,214)
Income tax effect	602	427
Deferred gain (loss) on derivatives under hedge accounting	(899)	(787)
Foreign currency translation adjustments		
Gains (losses) arising during the year	39,210	36,345
Reclassification adjustments to profit or loss	25	(119)
Foreign currency translation adjustments	39,236	36,225
Remeasurements of defined benefit plans, net of tax		
Gains (losses) arising during the year	-	(1,745)
Reclassification adjustments to profit or loss	-	393
Amount before income tax effect	-	(1,351)
Income tax effect	-	343
Remeasurements of defined benefit plans, net of tax	-	(1,008)
Share of other comprehensive income in associates		
Gains (losses) arising during the year	4,035	2,841
Total other comprehensive income	48,787	48,019

(Segment Information, etc.)

[Segment Information]

1. Overview of Reportable Segments

The Group's reportable segments are components for which separate financial information is available and whose operating results are regularly reviewed by the Board of Directors to decide on the allocation of operating resources and assess business performance.

The Company is composed of business segments based on company organization as a classification unit for assessing their performance, and has four reportable segments, namely, (1) Marketing Media segment, (2) HR Media segment, (3) Staffing segment, and (4) Other segment by type of business.

The Marketing Media segment consists of Life Event operations such as marriage and housing, which are major events in life, as well as Lifestyle operations such as travel, dining, and beauty, and provides information services relating to life events and various consumer events.

The HR Media segment consists of Domestic Recruiting operations and Overseas Recruiting operations, and provides services such as recruitment advertisements and employment placement.

The Staffing segment consists of Domestic Staffing operations and Overseas Staffing operations, and conducts staffing for clerical jobs, manufacturing jobs, light industrial jobs, and specialist jobs, etc.

The Other segment engages businesses including in the publication and operation of "R25," a magazine and information site targeted at the working population aged 25 and older.

2. Calculation Method of Net Sales and Income (Loss) by Reportable Segment

The accounting methods for business segments reported is the same as those described in "Important Matters that Form the Basis for Preparing Consolidated Financial Statements." Income of reportable segments is the amount based on operating income (EBITDA), excluding depreciation and amortization and amortization of goodwill. Intersegment sales or transfers are calculated based on a price used in transactions with third parties.

3. Net Sales and Income (Loss) by Reportable Segment

Fiscal Year Ended March 31, 2014 (from April 1, 2013 to March 31, 2014)

(Millions of yen)

	Reportable Segment				Total	Reconciliations (Note 1)	Consolidated (Note 2)
	Marketing Media	HR Media	Staffing	Other			
Net sales							
Sales to third parties	321,390	262,649	604,837	2,689	1,191,567	-	1,191,567
Intersegment sales or transfers	924	4,266	7,641	172	13,005	(13,005)	-
Total	322,315	266,916	612,478	2,861	1,204,572	(13,005)	1,191,567
Segment income (loss)	95,163	73,626	34,721	(11,585)	191,926	(74,488)	117,438

Notes: 1. Reconciliations of segment income (loss) of ¥(74,488) million include depreciation and amortization of ¥(27,156) million; amortization of goodwill of ¥(36,052) million; and corporate expenses not allocated to any reportable segments of ¥(11,278) million. Corporate expenses consist primarily of general and administrative expenses that are not allocable to the reportable segments.

2. Segment income (loss) is adjusted to operating income in the consolidated statements of income.

3. Segment assets are not stated as they are not calculated.

Fiscal Year Ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

(Millions of yen)

	Reportable Segment				Total	Reconciliations (Note 1, 2)	Consolidated (Note 3)
	Marketing Media	HR Media	Staffing	Other			
Net sales							
Sales to third parties	332,731	298,075	665,285	1,917	1,298,010	1,919	1,299,930
Intersegment sales or transfers	679	4,658	9,919	87	15,345	(15,345)	-
Total	333,411	302,734	675,204	2,005	1,313,356	(13,426)	1,299,930
Segment income (loss)	96,245	78,049	40,703	(11,231)	203,767	(81,268)	122,499

Notes: 1. Reconciliations of sales to third parties primarily include revenue from research, development, and investments in new technologies, which are not undertaken for profit-making purposes.

2. Reconciliations of segment income (loss) of ¥(81,268) million include depreciation and amortization of ¥(31,023) million; amortization of goodwill of ¥(37,882) million; and corporate expenses not allocated to any reportable segments of ¥(12,362) million. Corporate expenses consist primarily of general and administrative expenses that are not allocable to the reportable segments.
3. Segment income (loss) is adjusted to operating income in the consolidated statements of income.
4. Segment assets are not stated as they are not calculated.

[Related Information]

Fiscal Year Ended March 31, 2014 (from April 1, 2013 to March 31, 2014)

1. Information by Product or Service

This information is omitted because the same information is disclosed in the segment information.

2. Information by Region

(1) Net sales

(Millions of yen)

Japan	North America	Others	Total
908,885	231,913	50,767	1,191,567

Note: Net sales are classified into country or region based on locations where services were provided.

(2) Property, plant and equipment

This information is omitted because the amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment in the consolidated balance sheets.

3. Information by Major Customer

This information is omitted because among the sales to third parties there are no counterparties to whom the sales account for 10% or more of net sales in the consolidated statements of income.

Fiscal Year Ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

1. Information by Product or Service

This information is omitted because the same information is disclosed in the segment information.

2. Information by Region

(1) Net sales

(Millions of yen)

Japan	North America	Others	Total
965,351	264,764	69,814	1,299,930

Note: Net sales are classified into country or region based on locations where services were provided.

(2) Property, plant and equipment

This information is omitted because the amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment in the consolidated balance sheets.

3. Information by Major Customer

This information is omitted because among the sales to third parties there are no counterparties to whom the sales account for 10% or more of net sales in the consolidated statements of income.

[Information Regarding Impairment Loss on Noncurrent Assets by Reportable Segment]
Fiscal Year Ended March 31, 2014 (from April 1, 2013 to March 31, 2014)

(Millions of yen)

	Reportable Segment				Corporate / Elimination	Total
	Marketing Media	HR Media	Staffing	Other		
Impairment loss	-	-	-	-	1,252	1,252

Note: Impairment loss is not allocated to reporting segments, and main components consist of loss associated with assets to be disposed.

Fiscal Year Ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

(Millions of yen)

	Reportable Segment				Corporate / Elimination	Total
	Marketing Media	HR Media	Staffing	Other		
Impairment loss	-	-	-	-	481	481

Note: Impairment loss is not allocated to reporting segments, and main components consist of loss associated with business assets.

[Information Regarding Amortization of Goodwill and the Balance of Unamortized Goodwill by Reportable Segment]
Fiscal Year Ended March 31, 2014 (from April 1, 2013 to March 31, 2014)

(Millions of yen)

	Reportable Segment				Corporate / Elimination	Total
	Marketing Media	HR Media	Staffing	Other		
Amortization for the year	-	-	-	-	36,052	36,052
Balance at the end of the year	-	-	-	-	193,713	193,713

Note: Amortization of goodwill and the balance of unamortized goodwill are not allocated to reporting segments. Goodwill is generated from business combinations, etc.

Fiscal Year Ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

(Millions of yen)

	Reportable Segment				Corporate / Elimination	Total
	Marketing Media	HR Media	Staffing	Other		
Amortization for the year	-	-	-	-	37,882	37,882
Balance at the end of the year	-	-	-	-	216,394	216,394

Note: Amortization of goodwill and the balance of unamortized goodwill are not allocated to reporting segments. Goodwill is generated from business combinations, etc.

[Information Regarding Negative Goodwill by Reportable Segment]
Not applicable.

(Per Share Information) (Yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Equity per share	1,025.59	1,327.49
Net income per share	126.64	127.79
Diluted net income per share	126.64	127.68

Notes: 1. The Company implemented a 10-for-1 stock split for its common stock on July 31, 2014. Equity per share, net income per share and diluted net income per share have been calculated assuming the stock split was implemented on April 1, 2013.

2. Basis for calculating net income per share and diluted net income per share are as follows:

(Millions of yen, unless otherwise stated)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Net income per share		
Net income	65,421	69,702
Amount not attributable to common shareholders	-	-
Net income related to common stock	65,421	69,702
Average number of shares of common stock outstanding during the year (shares)	516,559,875	545,456,336
Diluted net income per share		
Adjustment on net income	(4)	(3)
Change in equity related to stock acquisition rights issued by consolidated subsidiaries	[(4)]	[(3)]
Increase in the number of common stock (shares)	-	409,968
Stock acquisition rights (shares)	[-]	[409,968]
Summary of diluted shares that were not included in the calculation of diluted net income per share due to lack of dilutive effect	Submitting company Common stock 334,000 shares (Stock acquisition rights 334,000 shares) Associate 51job, Inc. Common stock 5,241,424 shares (Stock acquisition rights 5,241,424 shares)	Associate 51job, Inc. Common stock 15,412,860 shares (Stock acquisition rights 11,377,188 shares Convertible bonds 4,035,672 shares)

3. Basis for calculating equity per share are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Total equity	546,621	754,157
Amount deducted from total equity	3,264	4,529
Stock acquisition rights	[321]	[1,206]
Minority interests	[2,943]	[3,322]
Equity at the end of the fiscal year related to common stock	543,356	749,628
Number of common stock at the end of the year used in the calculation of equity per share (shares)	529,794,910	564,694,010

(Significant Subsequent Events)

Acquisition of companies, etc. through share acquisition

The Company has agreed on January 14, 2015 to acquire 100% of outstanding shares of Chandler Macleod Group Limited ("Chandler Macleod"), an Australian staffing company that provides a range of staffing services particularly in Australia, through an Australian subsidiary of the Company. Chandler Macleod became a subsidiary of the Company as of April 16, 2015.

(1) Purpose of the acquisition

The Company aims to achieve stable and sustainable growth by enhancing existing domestic businesses as well as promoting the establishment and expansion of a global business platform.

In the Staffing segment, through the acquisition of The CSI Companies, Inc., a U.S. staffing company, in 2010, we determined that the management techniques that we have established in Domestic Staffing operations are applicable overseas. As such, in 2011, we have acquired STAFFMARK HOLDINGS, INC. a U.S. staffing provider, as well as Advantage Resourcing America, Inc. and Advantage Resourcing Europe B.V., staffing companies that operate in the U.S. and Europe. In order to further accelerate and expand these efforts, we have acquired the shares of Chandler Macleod, which provides a wide range of staffing services in Australia, etc.

(2) Name of the counterparties of the share acquisition

All shareholders of Chandler Macleod

(3) Name of the company acquired, description of business and its scale

Name: Chandler Macleod Group Limited

Description of business: Management and administration of staffing companies

Scale: (Fiscal year ended June 30, 2014)

Common stock:	AUD 182 million
Consolidated equity:	AUD 190 million
Consolidated total assets:	AUD 389 million
Consolidated net sales:	AUD 1,413 million
Consolidated EBITDA:	AUD 38 million

(4) Date of share acquisition

April 16, 2015

(5) Number of shares to be acquired, acquisition cost, and equity ratio after the acquisition

Number of shares to be acquired: 547,985,086 shares

Acquisition cost: Common stock of Chandler Macleod

AUD 290 million (Approximately ¥26.7 billion)

Advisory fees, etc. (Estimated amount) ¥0.6 billion

Equity ratio after the acquisition: 100%

(6) Financing of payment fund

A part of funds procured through listing of the Company's shares is used for payment.