

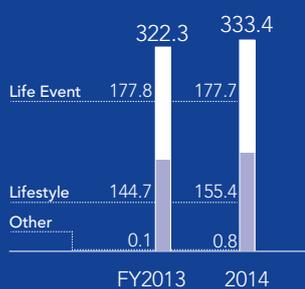


MARKETING MEDIA BUSINESS

This segment consists of life event operations and lifestyle operations. In life event operations, we provide information on housing and real estate, bridal and others for people looking to make major life decisions on what house to buy or what type of wedding they want to have. In lifestyle operations, we provide information on lodging accommodations, restaurants, and beauty salons for people looking to make daily-life decisions, such as where to travel, eat or get their hair cut.

Net Sales

(Billions of Yen)



EBITDA

(Billions of Yen)



Note: Segment net sales includes net sales and transfers between segments.



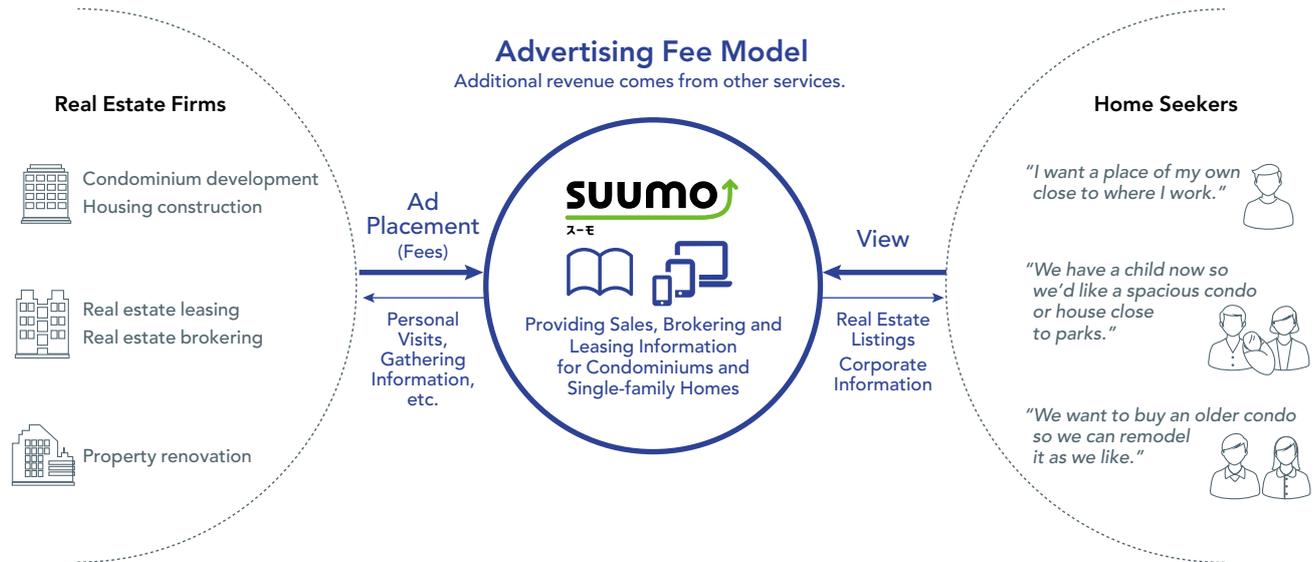


LIFE EVENT

HOUSING AND REAL ESTATE

Sustained Growth Supported by Industry Leading Brand Strength and Multi-Service Support Tailored to Client Needs

Business Model



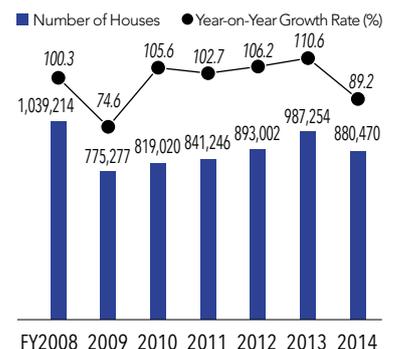
Our housing and real estate media operate under the SUUMO brand. All media have information placed by advertisers and are free to readers, most of whom are looking to buy or lease a home. Advertisers include developers, construction companies and local builders (offering new condominiums and single-family homes), property-leasing firms, brokers handling existing housing and remodelers. These media carry information on condominiums, new single-family homes, existing homes, properties for lease, custom-home construction and renovation services and information that individuals need when making housing decisions.

Primary earnings come from advertising fees. Additionally, at brick-and-mortar locations, we offer consulting services and charge clients success fees for brokering deals.

Market Environment

Japan's housing market suffered a sudden downturn triggered by the global financial crisis of 2008, as reflected in new home construction. Afterward, conditions began to improve as housing demand and business confidence returned. The market stumbled again after the Great East Japan Earthquake in 2011, but recovery activities in the aftermath ultimately fueled a rise in demand. Growth surged through fiscal 2013 as consumers rushed to close prior to the consumption tax hike. This increase, however, led to weak demand, with new housing construction in fiscal 2014 down 10.8% from the prior year. At only 880,470 units, fiscal 2014 was the first down year since fiscal 2009, when we were negatively affected by the global financial crisis.

New Housing Construction Starts in Japan



Source: Ministry of Land, Infrastructure, Transport and Tourism, Housing Starts

Business Overview

Over the last three fiscal years, the consumption tax hike from 5% to 8% in April 2014 has had a major impact on business results. This macro-level change ignited a demand that was reflected in results for fiscal 2013, and caused the ensuing downward trend for fiscal 2014. We responded to this turbulence by enhancing the quality and volume of our housing and real estate content — moves that allowed us to maintain brand awareness and our leading position in the market.

Impacts of the 2011 earthquake continued to be felt even in fiscal 2012, but fundamental soundness in the market caused net sales to rise 6.6% year-on-year to 78.6 billion yen. Sales were up again in fiscal 2013, rising 10.0% to 86.6 billion yen as consumers rushed to close ahead of the consumption tax hike. This accelerated purchasing, however, sapped new condominium demand the following year, leaving net sales down 3.0% for the year to 83.9 billion yen. Our independent housing and leasing division, though, continued to perform well.

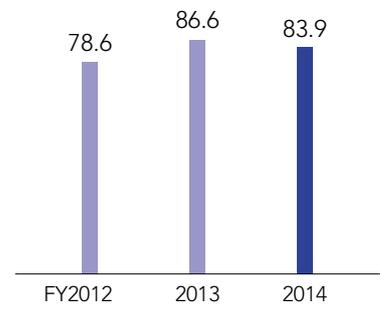
Strategy Going Forward

One of our greatest strengths is the power of the SUUMO brand, which is highly visible among people searching for housing. We also rely on our ability to gather and analyze information on people looking for housing. This allows us to provide advertisers with excellent recommendations based on our deep understanding of their businesses, and sustain our solid relationships.

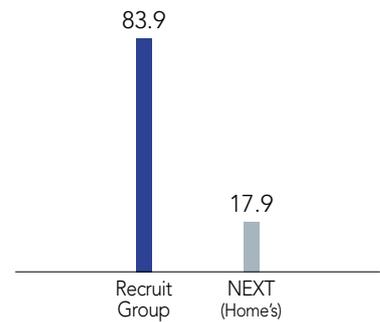
Looking to the future, we will continue to publish housing and real estate media that deliver even greater value and satisfaction for users in the real estate market. At the same time we aim to provide clients with not only an advertising framework, but also comprehensive sales promotion support, including management assistance and other services. Examples include product development, sales strategy consultation, promotion and other plans and support for campaign design — all of which are underpinned by analysis of the needs of users in the housing market.

Our goals are for clients to realize even greater returns on their advertising investments and for us to sustain growth in transaction value per client.

Annual Net Sales (Billions of Yen)



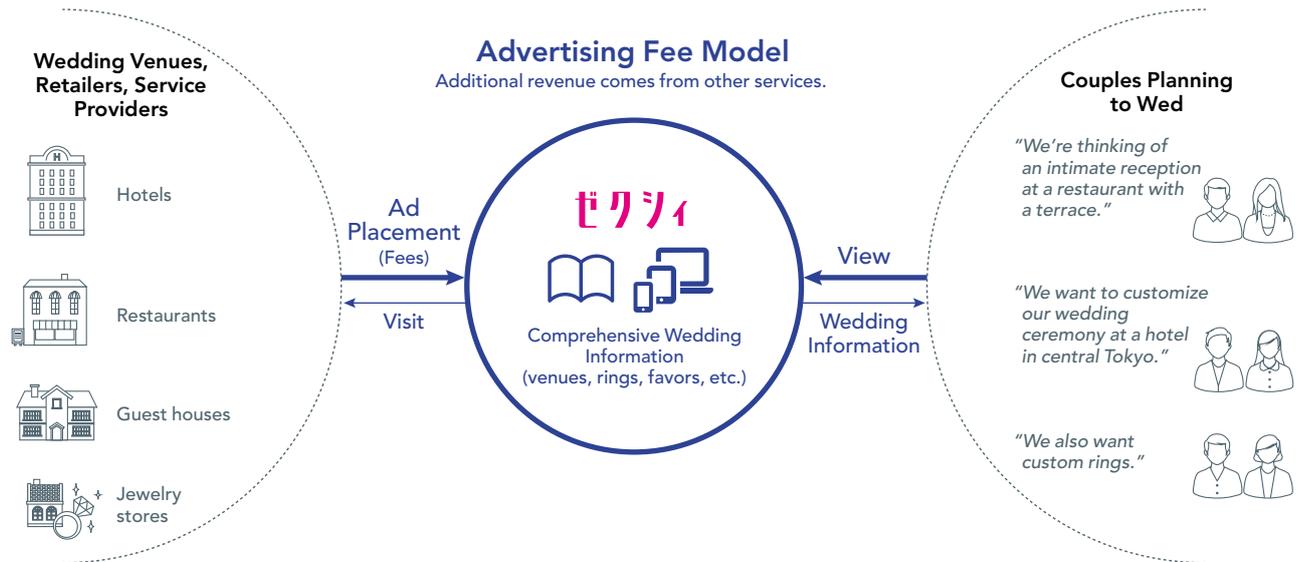
FY2014 Net Sales Comparison (Billions of Yen)



LIFE EVENT BRIDAL

Bridal Information Magazine Market Pioneer Dedicated to Sustainable Growth and Market Expansion

Business Model



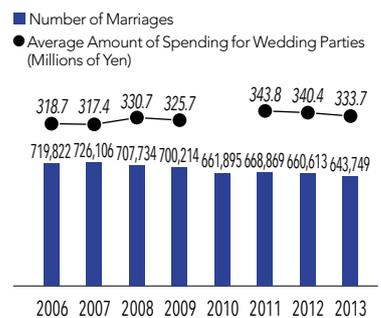
Zexy is our brand for a wide range of wedding-related information, delivered via a monthly bridal magazine, website and other Recruit media, as well as through personal consulting. The information is gathered from wedding halls, hotels, restaurants and other venues. We also provide information from retailers of jewelry, formal wear and other wedding accouterments, photography and other services. In addition, Zexy helps with venue reservations and ring selection, and offers gems of advice on every aspect of weddings, from when a couple first decides to tie the knot through to their vows.

Wedding media revenue mainly comes from advertising fees for client venues as well as goods and services while our personal consulting service earns from venues and other clients when our assistance results in a couple saying, "I do."

Market Environment

Japan's bridal industry can be assessed by two indicators: the annual number of couples marrying and the per-couple spending on ceremonies, parties and other related items. Due to a decreasing population and the rising number of unmarried people, Japan is experiencing a mild downward trend in marriages. Though this trend is expected to continue, money spent on weddings has recently risen, particularly with the increasing popularity of renting ornate homes or entire restaurants for ceremonies and receptions. This has resulted in vigorous competition as companies vie to attract business by offering new venues, facilities, goods and services for memorable nuptials.

Bridal Industry Trends in Japan



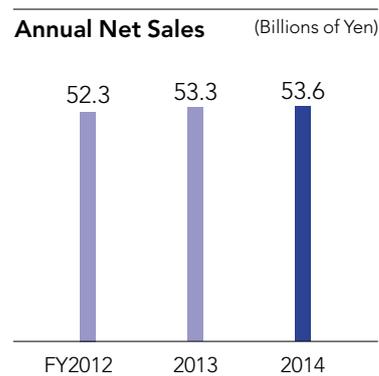
Source: Ministry of Health, Labour and Welfare, Vital Statistics and Zexy Wedding Trend Research (2014)

Note: Data is not available for 2011.

Business Overview

As the pioneer of the Japanese bridal-magazine market, the Recruit Group — through our Zexy brand — is a leading source for bridal information. Our overwhelming brand awareness has helped us chalk up solid results in an industry where annual sales exceed 50 billion yen.

With major wedding-venue operators expanding and needing to boost site traffic, net sales for fiscal 2012 rose 7.3% year-on-year to 52.3 billion yen. Our value-added services, including Zexy Wedding Consulting Counters boosted net sales by another 1.8% the following year to 53.3 billion yen. Fiscal 2014 saw a 0.6% rise in net sales to 53.6 billion yen as well as the launch of Zexy Enmusubi and other matchmaking services.

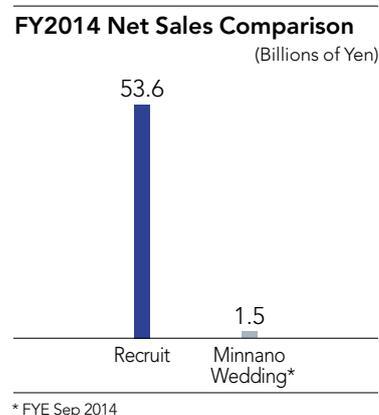


Strategy Going Forward

The Recruit Group's dominance in bridal media is mainly due to three factors: unrivaled brand power (i.e., most couples planning to wed mention Zexy as one of their sources for bridal information); leveraging this brand power to drive users to our advertising clients; and sales expertise that fosters robust client relationships.

Our desire to grow goes hand-in-hand with efforts to improve usability of our smart device apps and websites, ultimately boosting our formidable brand power and providing the means to further enhance ROI for advertising clients and sustain the Group's own growth.

One area we are eager to develop is matchmaking — targeting the large number of singles who have yet to find their significant other. While marriage rates mired in a downward trend, this market is large enough to warrant consideration. By helping to match interested singles with compatible partners, we can stimulate the bridal industry overall.

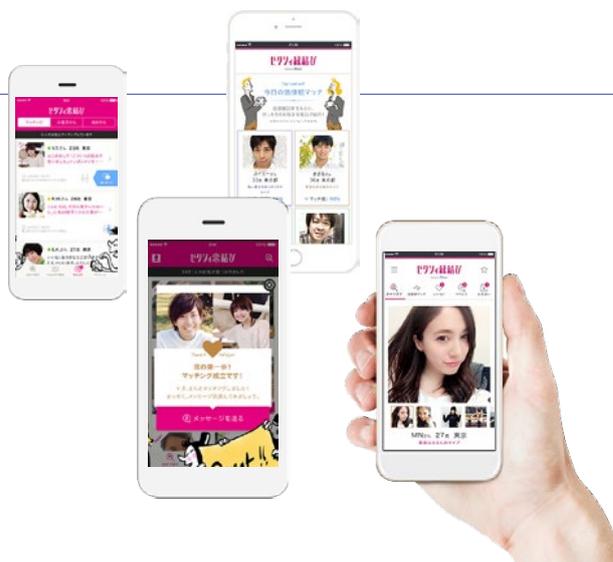


Zexy Enmusubi and Koimusubi

Zexy has distinguished itself as a media channel that provides bridal information for couples currently engaged. In December 2014, we introduced new services for couples not quite there: people still searching for Mr. or Ms. Right.

Zexy Enmusubi is a service that helps identify potential matches based on an 18-item questionnaire designed to accurately pinpoint preferences and tendencies of potential mates. This service also assists in scheduling dates.

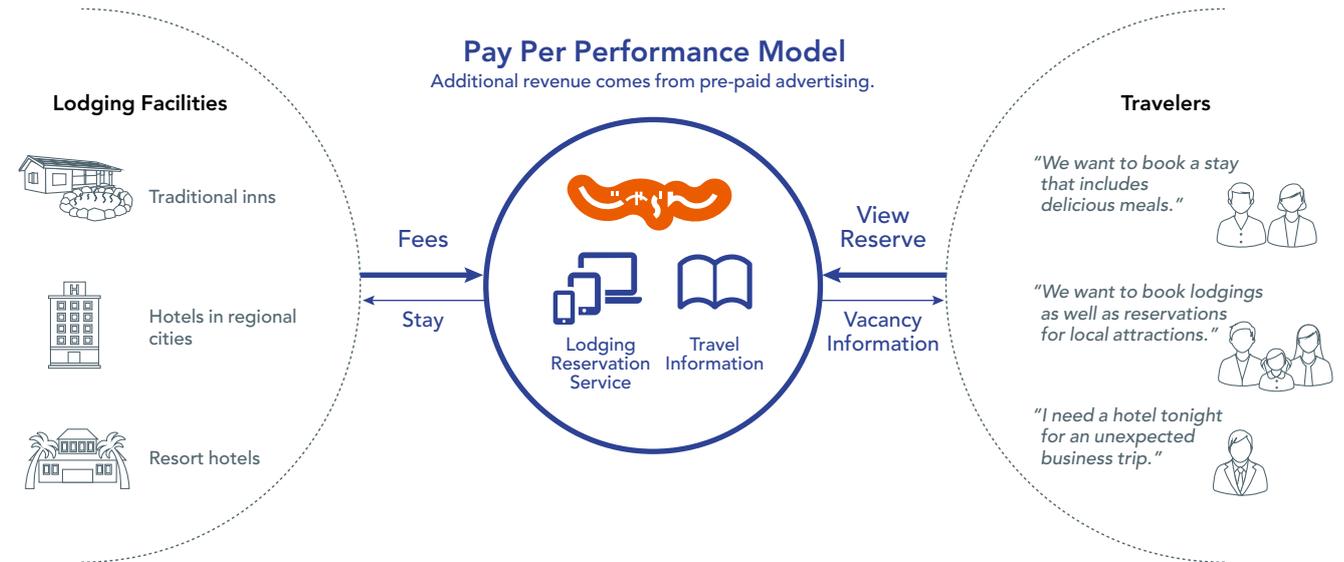
Zexy Koimusubi complements Zexy Enmusubi by organizing singles parties where eligibles have the chance to meet in informal surroundings as a prelude to the next step.



LIFESTYLE
TRAVEL

Attractive Lodging and Leisure Plans Meet User Needs and Increase Reservations

Business Model



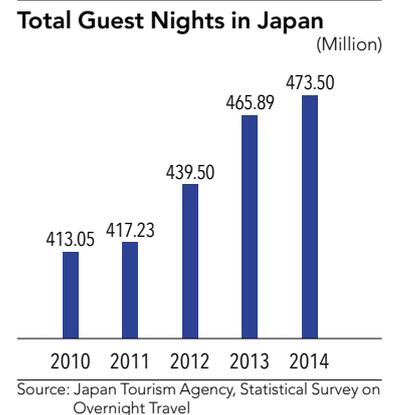
Jalan is our travel and leisure brand, which includes a website and infazine. Our core offering, Jalan.net, is a one-stop service for domestic travel reservations. People rely on Jalan.net for booking hotels and other lodging, as well as for reserving tickets to attractions at their destination. The site lets users compare lodgings, outlines available discounts and premiums, describes local attractions, and includes other useful travel info. Infozine Jalan is published monthly with different issues targeting specific locales and tourist destinations. Readers can avail themselves of timely and inviting suggestions for scenic drives, local activities and comfortable places to stay. Each publication also makes a great reference for future adventures.

Revenue from our travel-related media is generated by pay per booking (based on room rates) from hotels, and inns booked through Jalan.net.

Market Environment

As Japan's population declined, so went the travel industry; at least until 2012, when the number of foreign visitors increased. This upward trend — assisted by the yen's depreciation — has continued through 2014. The results have seen decreased room vacancies and a corresponding rise in room rates.

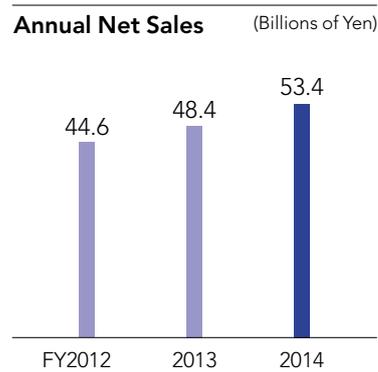
Against this background the online travel reservation market is thriving, with further upward movement expected to continue for the foreseeable future.



Business Overview

The online travel-reservation business in Japan is fiercely competitive, with numerous firms jockeying for position in the invigorated market to take advantage of the rise in lodging rates. The Recruit Group has enjoyed solid growth here, due to our strength in the leisure market.

Thanks to close collaboration with our advertisers in tailoring lodging options to meet consumer demand, the Recruit Group has seen net sales surge yearly: 9.8% year-on-year to 44.6 billion yen in fiscal 2012, 8.7% to 48.4 billion yen in 2013 and 10.3% to 53.4 billion yen in 2014 (the last due in part to a rise in total guest nights that contributed to a rise in room rates).

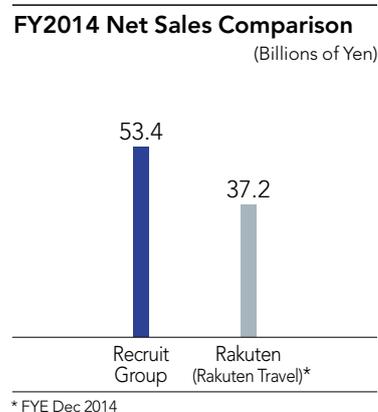


Strategy Going Forward

The Recruit Group has a long history of providing timely travel information that is both enticing and practical. Owing to its solution-oriented sales activities, the Group's online travel presence is highly visible, and its brand image impeccable, especially as regards leisure travel for couples and families.

To achieve further growth in reservation bookings, we are offering services to heighten satisfaction, both to our advertisers and users. These services include increased lodging options for business and leisure, as well as richer destination itineraries.

The Group's formula for strengthening services hinges on fast response to consumer needs — such as early/last-minute reservations and competitive pricing — and by sustaining client relationships. Recruit also keeps abreast of market trends, using SEO and other means to attract customers while making the user interface/experience more convenient and satisfying.



A New Approach for Booking Travel

In July 2015 the Recruit Group launched a service that lets users view and reserve from about 3,000 services for activities like scuba diving and trekking.

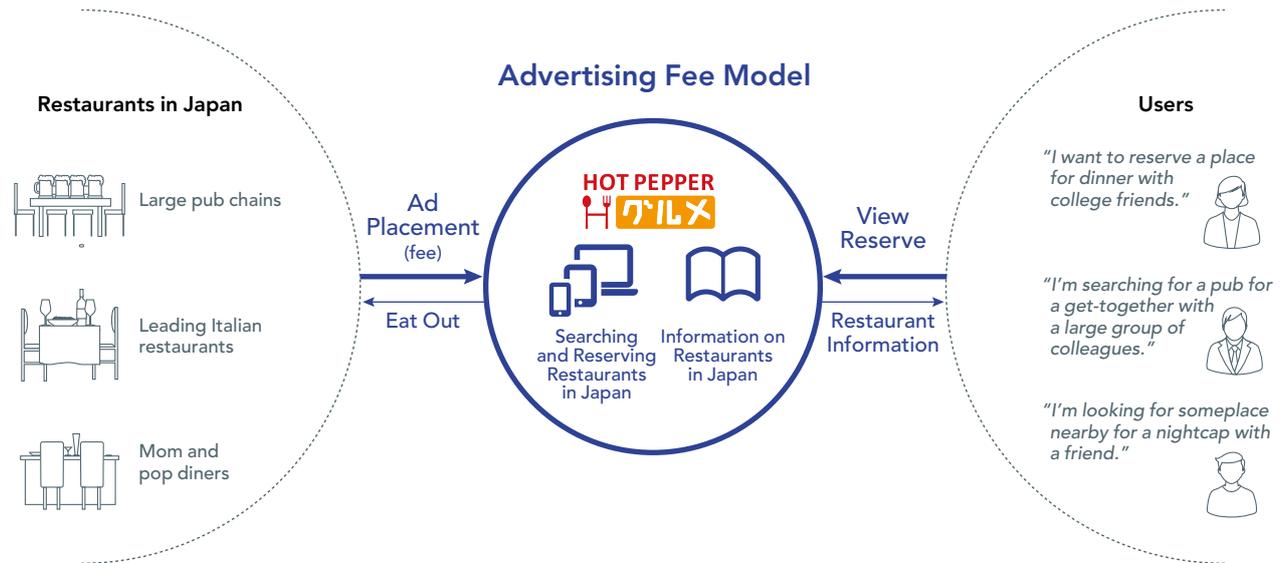
When people plan trips, they often have a purpose in mind. Until recently it was nearly impossible to search and book travel arrangements by prioritizing the purpose of the trip. We now offer this type of search capability, making it easier to meet the needs of travellers in search of a specific experience rather than destination.



LIFESTYLE DINING

Applying Technology to Drive Restaurant Reservations and Reduce Client Burden

Business Model



Recruit operates the Hot Pepper Gourmet restaurant search-and-reservation website and publishes the Hot Pepper restaurant magazine. Both provide free information about restaurants in Japan.

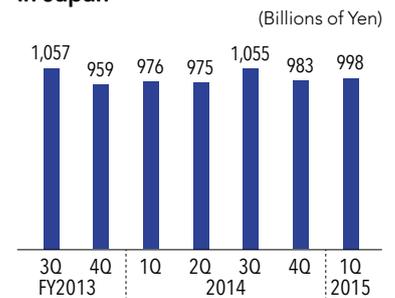
Hot Pepper Gourmet contains restaurant descriptions and coupons, and allows users to check availability and make reservations. The site offers a number of convenient features, including restaurant reviews and a function for managing banquet and party attendees. Hot Pepper is distributed mainly in large urban areas and attracts users with information and coupons for restaurants in areas categorized by train station or other features.

Hot Pepper Gourmet and Hot Pepper are financed by revenue from advertisers, who post descriptions and coupons for their establishments.

Market Environment

In a sluggish economy characterized by consumers who are saving more, growth in the restaurant industry has been flat for the past three years. Studies show that about 75% of consumers in the three largest metropolitan areas — Tokyo, Kansai and Tokai — eat out approximately four times a month. And as the country's population declines, so will the restaurant industry, of which 90% comprises small- and medium-sized eateries. Nevertheless, considering factors such as widespread Internet usage and increasingly sophisticated online reservation services, the market for attracting customers and reserving online should continue to grow.

Trends in Dining Out Market in Japan

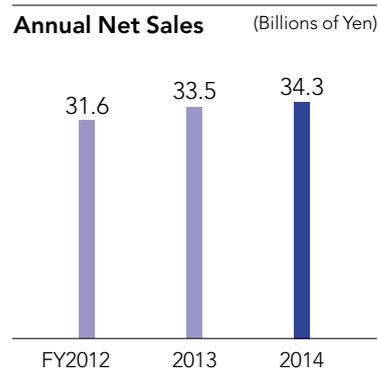


Source: Hot Pepper Dining Market Research
 Note: Total amount of Tokyo metropolitan area, Kansai and Tokai markets

Business Overview

The Recruit Group uses a proactive, high-value-added sales approach to build solid relationships, mainly with restaurant chains and other large players in the industry. This approach has increased net sales even as growth in the industry has remained flat. In fiscal 2013 net sales rose 6.0% year-on-year to 33.5 billion yen. We are also strengthening relationships with small- and medium-sized clients. In fiscal 2014 some major clients performed more weakly than expected, but this was offset by an increase in the number of smaller clients, who increased advertising 2.2% for a rise to 34.3 billion yen in net sales.

Note: Compiling dining segment data began in fiscal 2012 following the restructuring of our business segments. Comparative information for fiscal 2012 results, therefore, is not available.

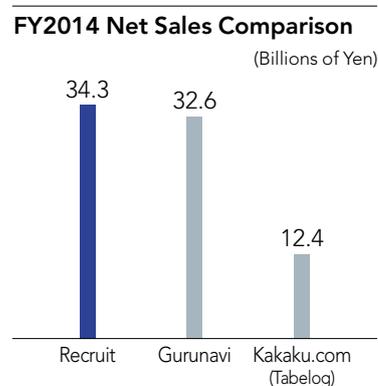


Strategy Going Forward

For our restaurant clients, the strength of the Recruit Group comes from our high-value-added services, which include advice encompassing menu development as well as marketing recommendations backed by sophisticated data analysis. Our services are highly regarded and help build solid customer relationships.

While working to strengthen sales activities targeting the industry's leading companies, we also realize that over 90% of restaurants are small- and medium-sized establishments, so we are aggressively targeting them in order to expand our client base. Key to this is our Air REGI service, which eases restaurant management.

In fiscal 2014, 25.29 million people used Recruit to make reservations online. This places us among the leaders in the industry and indicates the success of our reservation services, which simplify administration for clients and offer users useful tools. Building on our success in this area, we aim to sustain growth by providing clients with even greater returns on their advertising expenditures.



Air REGI

The free Air REGI POS register app tracks orders by table. It displays tables where orders have been placed as occupied until the bill is paid. A table where an order has not been placed, or where payment has just been made, is shown as open. This information is automatically transmitted to the Hot Pepper Gourmet website so the restaurants can minimize reservation management.

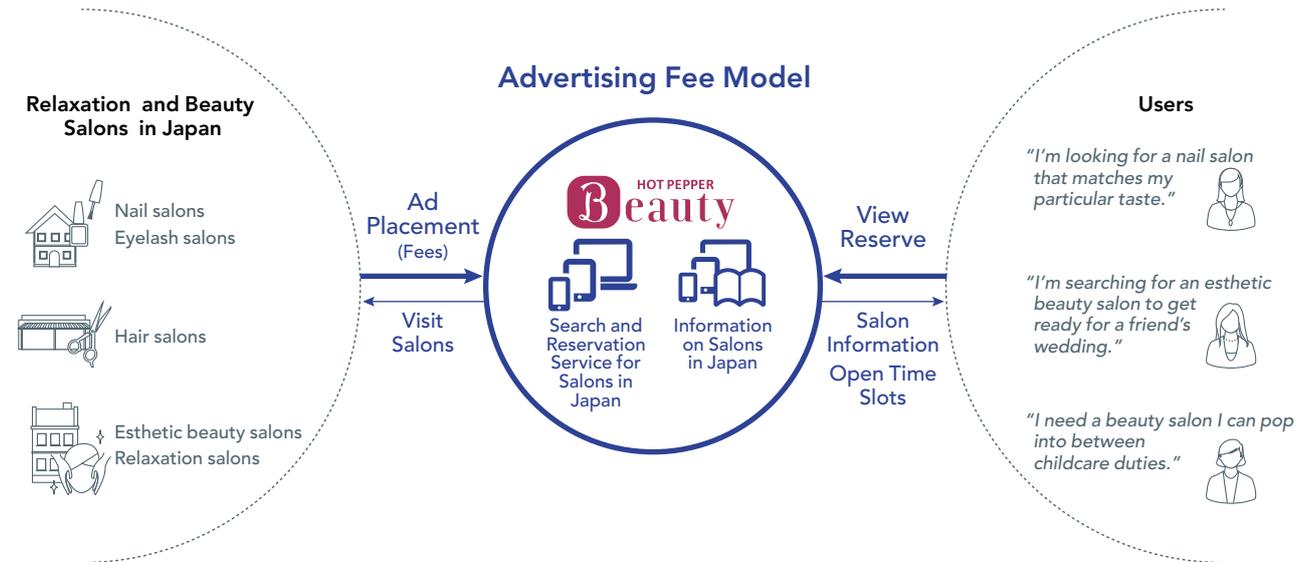
Air REGI greatly facilitates managing and disseminating information about table availability through the simple process of taking orders and recording payments — no extra steps are required and the restaurant gets more done with less effort. The app can also centrally manage reservations, including those from non-Recruit channels.



LIFESTYLE
BEAUTY

Growing the Online Reservation Market through Client Business Support Solutions

Business Model



Our Hot Pepper Beauty brand provides users of beauty, nail, esthetic and relaxation salons with information and reservation services free of charge via a website, infozines and other media.

Our website contains salon profiles, coupons and service details, and offers the ability to make appointments with stylists and technicians. We also publish catalogs on hairstyle, nail, and other beauty services, provide users with a place to share comments on salons, and offer a vast amount of other information and convenient services that are very popular. People in major cities throughout Japan can find profiles and coupons for nearby salons in our infozines.

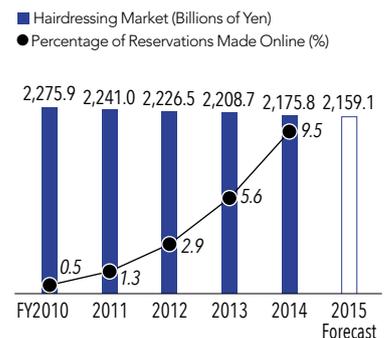
Advertisers pay fees for publishing salon ads, coupons, reservation details and other information on our website and in our infozines.

Market Environment

As consumer sentiment has cooled and people have begun reducing expenses, the amount of money spent on salon services has trended down. But in spite of a mild contraction over the last three years, the market for salon services still exceeds 2.0 trillion yen, with small- and medium-sized enterprises making up over 90% of service providers.

In comparison the market for online salon-reservation services has continued to expand, driven not only by the Internet, but also by a transformation in reservation activity led by Hot Pepper Beauty's online reservation service. Our own estimates reveal that the percentage of salon appointments made online has been rising since 2010, accounting for about 10% of the total in 2014 and with room for further expansion.

Hairdressing Market and Online Reservation Trends in Japan



Source: Yano Research Institute Ltd., Hairdressing Market in Japan: Key Findings 2015 and Recruit's estimate (As of March 2015)

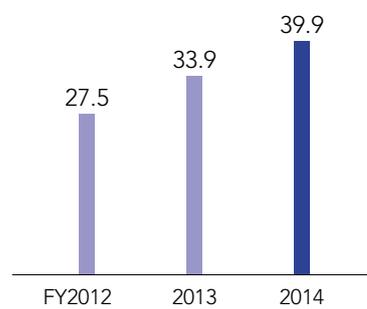
Business Overview

The Recruit Group is a pioneer in providing services for the salon market and rates highly among both salon users and operators due in part to our comprehensive online reservation services. Our sales lead the industry and, thanks to a robust user base as evidenced by unparalleled brand awareness and tremendous user traffic, the number of paid advertisers on Hot Pepper Beauty is steadily rising.

In fiscal 2013 we enhanced the convenience of our SALON BOARD cloud-based support tool, expanding it to serve hair salons as well as nail, esthetic beauty, relaxation and other salons. Net sales rose 23.5% year-on-year to 33.9 billion yen. Continuing these efforts in fiscal 2014 resulted in steadily rising online reservations, helping us expand business with existing advertising clients and allowing us to add new clients, with a 17.6% increase in net sales to 39.9 billion yen.

Note: Collecting salon media data began in fiscal 2012 following restructuring of our business segments. Comparative information for fiscal 2012 is therefore not available.

Annual Net Sales (Billions of Yen)

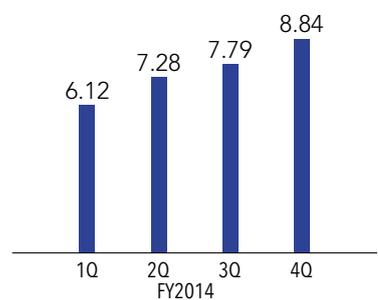


Strategy Going Forward

The Recruit Group attained the leading position in the online salon reservation business by using its advantage as the market pioneer to build robust advertising client and user bases. Advertising clients who adopt our SALON BOARD cloud-based reservation and customer-management system reduce their administrative burden and allow users to reserve appointments with particular stylists online. Our advertising clients are reaping the benefits of working with the industry leader, as evidenced by the 30.04 million online salon reservations made in fiscal 2014.

We are furthering growth by expanding the number of advertising clients and increasing business with existing clients. Considering that small- and medium-sized enterprises comprise more than 90% of salon operators, we are pursuing sales activities encourage adoption of SALON BOARD and that include customer-base expansion and sales-promotion consulting. In addition, functions that increase user convenience are being added to expand our user base and rate of repeat usage.

Number of Online Reservations via Hot Pepper Beauty (Millions)



SALON BOARD

SALON BOARD is a cloud-based reservation and customer-management system that can be used on both personal computers and smart devices. It is available to advertising clients free of charge.

In the past individual salons mostly took reservations by phone and managed them on paper. Today operations have been streamlined, with users able to make reservations anytime by viewing availabilities online at SALON BOARD, our Hot Pepper



Beauty service. Centralized management of all reservations — even for those received by phone or in person — is possible using Recruit Group services, which ultimately lessens the administrative burden and helps expand the customer base. Efforts are now underway to integrate Air REGI to offer clients even greater convenience in their accounting and sales-management operations.

HR MEDIA BUSINESS

In this segment, we provide services that offer employment information to job seekers both in Japan and overseas. In Japan, we provide information on finding employment (company information) for new graduates, and recruiting services for mid-career and part-time job seekers. We also operate a global job-search website.

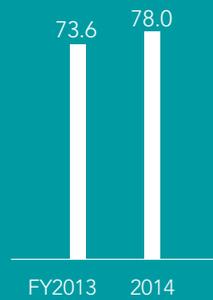
Net Sales

(Billions of Yen)



EBITDA

(Billions of Yen)



Note: Segment net sales includes net sales and transfers between segments.

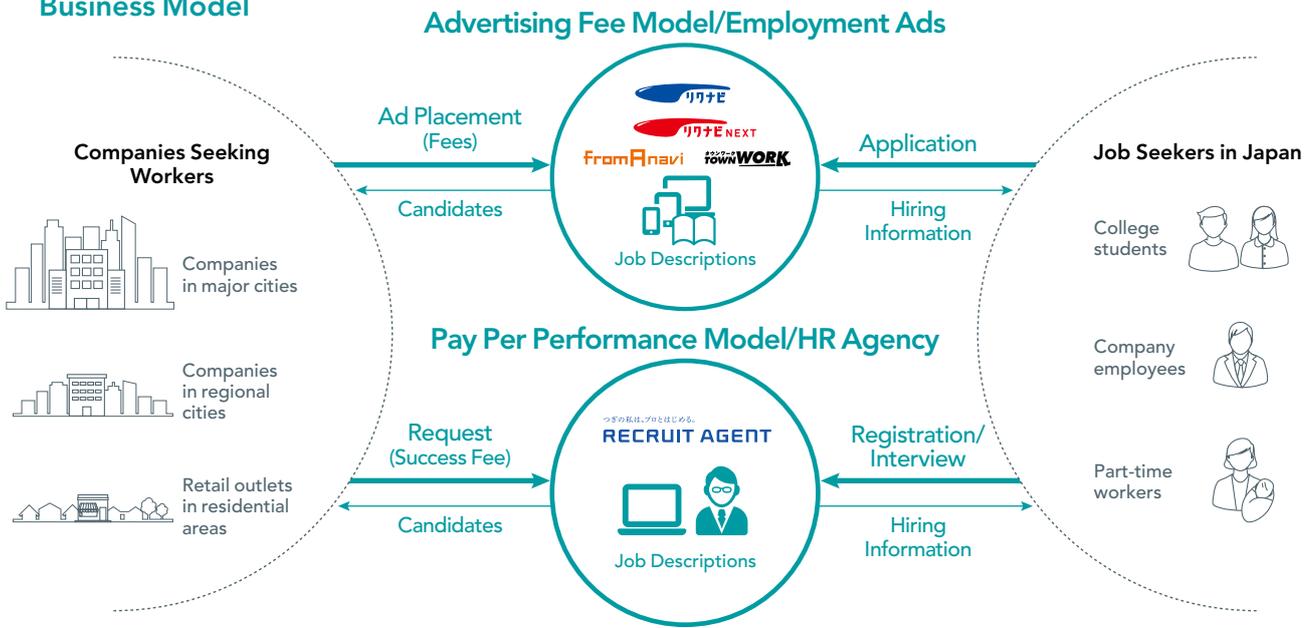




DOMESTIC RECRUITING

Leading the Industry by Applying Technology to Boost Advertising Effectiveness

Business Model



Our domestic recruiting services fill full- and part-time positions with well-qualified individuals. For full-time jobs, our uniquely targeted services include Rikunabi (a website for soon-to-be graduates), Rikunabi NEXT (a portal site for working people who want to change jobs) and RECRUIT AGENT (an agency that connects companies with interested candidates). Part-time offerings include free job publications and online job-search resources under the TOWNWORK and From A navi brands. As a pioneer in recruitment advertising, we offer numerous services to meet the needs of any job seeker and employer. Job seekers rely on our trusted services for job listings and leads from employers — our primary advertisers.

Domestic recruiting has two main revenue streams: one from recruitment ads posted by employers in our publications; the other from fees earned as a placement agency.

Market Environment

Key indicators of employment trends in Japan include the number of recruitment ads and the ratio of job offers to job seekers, both of which are affected by the economy. The financial crisis of 2008 caused the recruitment-media market to contract in fiscal 2008, followed by an uptick in the economy that resulted in a surge. Since fiscal 2012 worker demand has continued to rise as corporate earnings improved due to government-stimulus programs. Currently, with a jobs-to-applicants ratio at around 1.19 as of June 2015 (the highest in 23 years and two months) followed by May, and the number of ads for April through June 2015 at 3,126,282 (up 18.9% year-on-year), the recruitment-media market is showing new life.

Numbers of Recruitment Ads / Effective Ratio of Job Offers to Applicants in Japan



Source: Zenkoku Kyujin Joho Kyokai, Number of Recruitment Advertising Research and Japanese Ministry of Health, Labour and Welfare, General Employment Placement Situation

Note: Effective ratios of job offers to applicants are figures as of the last month of each quarter.

Business Overview

As a pioneer in recruitment advertising, our services are geared to both job seekers and employers. Recruitment advertising has grown the last three fiscal years for both full- and part-time jobs. We've taken advantage of this trend to lead the industry in net sales.

A strong job market in fiscal 2012 boosted net sales 23.4% year-on-year to 192.3 billion yen. This upward trend continued through fiscal 2013 with net sales rising 17.8% to 226.5 billion yen, helping us to leverage brand power, develop new products and improve sales. As hiring demand rises, the number of clients using multiple job-posting media also increases. This helped us expand market share in fiscal 2014, with net sales increasing 5.9% to 239.8 billion yen.

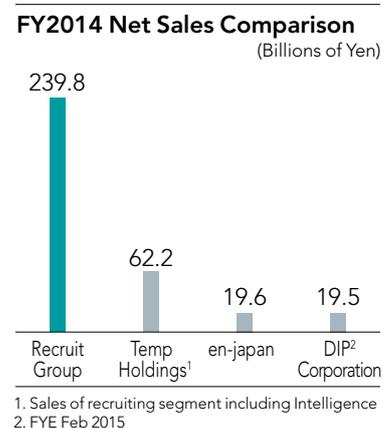
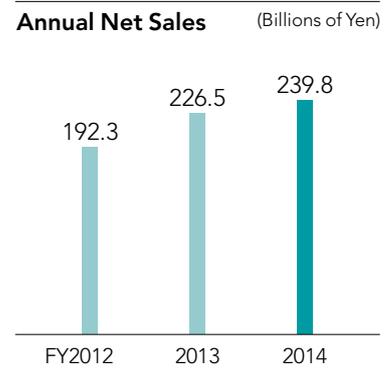
Strategy Going Forward

Our leading position in the recruitment field is due to strong brand recognition (which makes it easy to connect with job seekers) and solid relationships with advertising clients. Maintaining our top position has reinforced the view among both job seekers and employers that Recruit is the go-to company for recruitment. Our services are highly rated by users and clients. We plan to solidify this view by employing the latest IT to enhance our strengths and improve results for advertising clients.

For full-time recruitment, we are improving the quality of ad responses by applying big-data analytics to tailor search results according to each job seeker. Employing our vast database, the Rikunabi website can display precisely targeted job descriptions optimized for each user. We closely analyze user behavior and characteristics, then return search results from over 5 billion possible variations. Moreover, in order to align our services more closely with the needs of job seekers and advertising clients, college students can now use our employment agency services, which were previously reserved for people wanting to change jobs.

For part-time recruitment, we aim to attract more job seekers via television ads, outdoor advertising and other channels as well as by expanding SEO efforts. We also keep pace with changes to smart devices by enhancing the user interface and experience as well as by developing user-driven apps. Other measures make it easier for job seekers to obtain information from advertising clients.

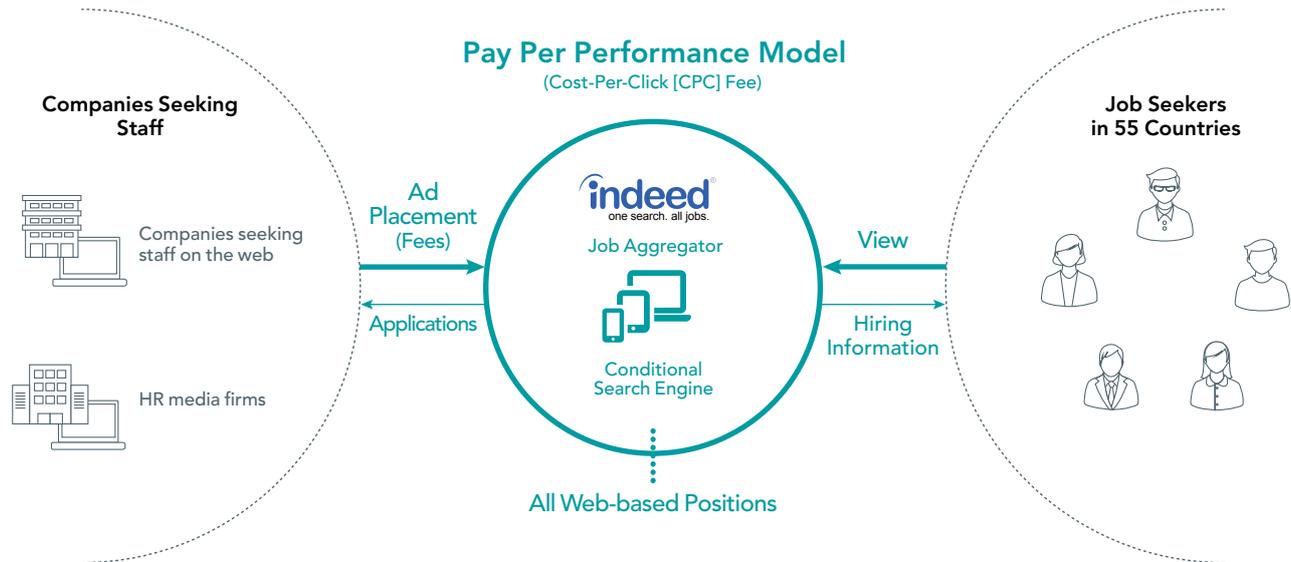
In addition, by offering support through a system that centralizes all management — from selecting recruitment media to managing information about ad respondents — we empower clients to start initiatives that fulfill any recruiting need. Recruit intends to continue these efforts to expand our client base and increase growth.



OVERSEAS RECRUITING

Strong Growth Driven by Indeed's Tech Prowess in Synergy with Sales & Marketing Expertise Refined in Domestic Market

Business Model



Since 2012 our North America subsidiary, Indeed, has lead the Group's overseas recruiting efforts.

Using a proprietary search algorithm, Indeed aggregates job information from across the web and delivers comprehensive results to job seekers. Our clients include companies looking to hire as well as other online job advertising websites, who expect significant traffic from Indeed.

Indeed's fee structure is click-based, employing the same model as standard search engines, but unlike those of traditional job sites, where listing fees are borne by companies. When a job seeker searches Indeed, ads linked to search terms automatically appear with the hits. Advertisers are billed every time a job seeker clicks on their ads.

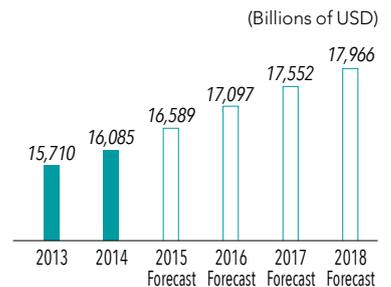
Available in 55 countries and 28 languages, Indeed is fast becoming a global platform for job searches and HR recruiting.

Market Environment

The online HR-advertising market in North America — where Indeed is monetizing its services — grows at compound annual rates approximating GDP, and is expected to increase 2.7% from 2013 to 2018. The North American online HR media market — and the market for applicant-tracking systems in which Indeed already participates — is also expected to grow.

Note: Applicant tracking refers to a system that streamlines hiring activities by centrally managing information regarding matters such as open positions, job applicants and the hiring progress for each position.

US GDP (Real) Growth Results and Forecast



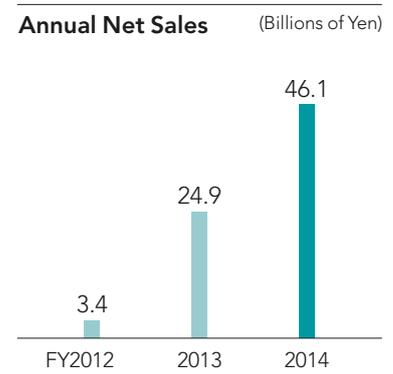
Source: International Monetary Fund, World Economic Outlook Database

Business Overview

By combining outstanding technical prowess with sales and marketing know-how developed by the Recruit Group in Japan, Indeed quickly experienced enormous growth, becoming a huge player in the North American market as regards sales and unique visitors.

For fiscal 2013 — Indeed’s first full year in the Recruit Group — the firm racked up net sales of 24.9 billion yen, an increase of 621.2% year-on-year. Factors such as ongoing growth in the number of small- and medium-sized clients using Indeed kept pushing up sales in fiscal 2014 as well, when they soared 85.1% to 46.1 billion yen.

Note: Year-on-year performance results for fiscal 2012 are not included in our overseas recruiting business overview because there were no fiscal 2011 results with which to compare. In addition, results for fiscal 2012 cover only three months.



Strategy Going Forward

Indeed has achieved enormous growth in a short time, the keys to which have been the proprietary search algorithm created by Indeed’s engineers, the Group’s ability to tailor advertising to the needs of employers and job seekers, and the steady incorporation of sales and marketing know-how developed by the Recruit Group in Japan. For example, in North America, the number of job ads reached 6.8 million within one year up to October 2015.

Looking beyond domestic markets, Indeed is aggressively trying to boost earnings outside North America, where monetization is on the rise. Although Indeed is already available in other parts of the world, it has yet to achieve the powerful presence it enjoys in North America. Growth opportunities, however, are still huge, and the company is investing aggressively to enhance brand awareness and attract both job seekers and employers, mainly in mature economies. Indeed also continues to incorporate sales and marketing know-how developed by the Recruit Group as it works to achieve its ambitious objectives.



Source: Google Analytics



STAFFING BUSINESS

We provide staffing services in Japan and overseas. Overseas, we have built up our staffing operations mainly in North America, Europe and Australia through acquired subsidiaries.

Net Sales
(Billions of Yen)

EBITDA
(Billions of Yen)



Note: Segment net sales includes net sales and transfers between segments.

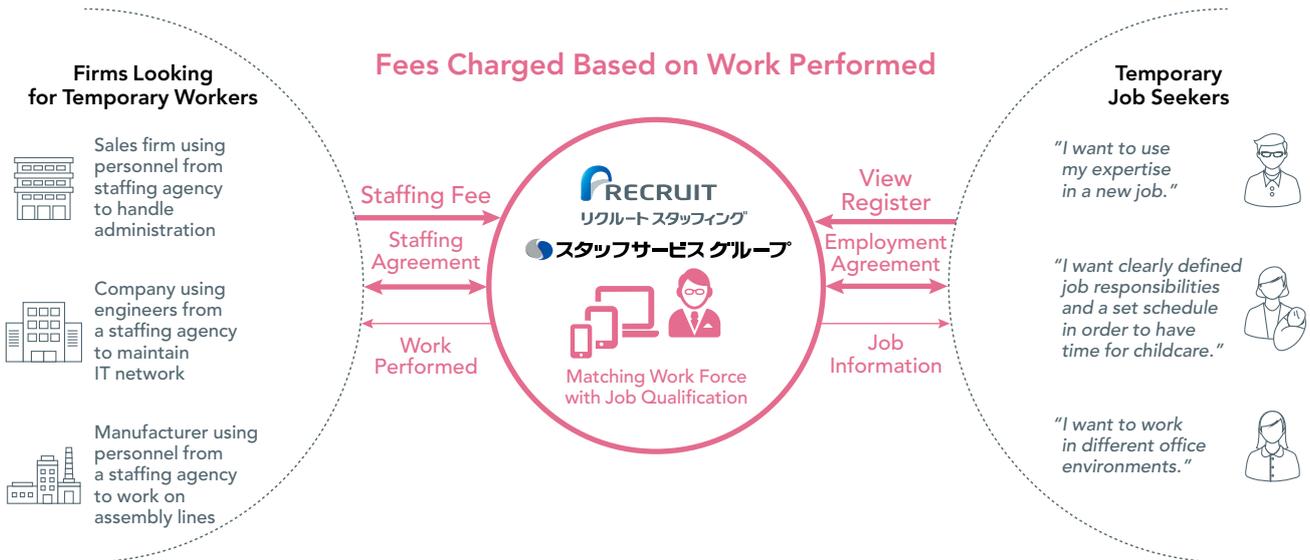




DOMESTIC STAFFING

Our Original Unit Management Method Delivers Industry-leading EBITDA Margins

Business Model



Recruit Staffing and Staff Service Holdings form the core of our domestic services, placing qualified and motivated individuals in key positions. Combined, both of these firms cover every job in any field, and for every type of client. Recruit Staffing is excellent for large companies in urban areas, while Staff Service Holdings is popular with small- and medium-sized clients, for whom speed is primary.

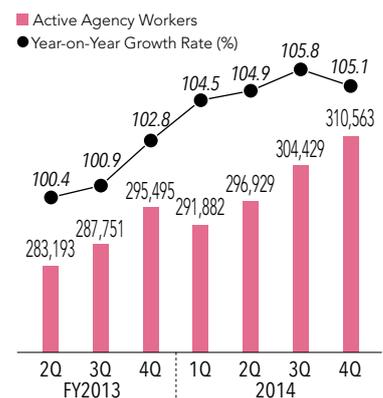
Business models for staffing are similar worldwide and involve sourcing individuals on a work-based fee. Because accounting standards require that compensation for outsourced personnel be recorded as both sales and sales costs, EBITDA margins tend to be low. When calculated based on gross income, however, EBITDA margins are on par with those of other marketing and HR-media segments. In addition to sales expansion, therefore, the Recruit Group focuses on productivity in P/L management. The unit management method described on the next page is our own approach to managing costs, and doubles as an efficient way to manage business operations.

Market Environment

The staffing industry in Japan must comply with the Worker Dispatching Act and keep abreast of revisions to this legislation. Still, this kind of work type is popular enough in Japan, so the staffing business's performance mirroring changes in macroeconomic factors such as GDP.

The number of people working through staffing agencies — a good indicator of market conditions in the industry — declined between fiscal years 2009 through 2011 as a result of the global financial crisis and the Great East Japan Earthquake of 2011, among other factors. Since then, however, the number of people working through staffing agencies has increased, riding the tide of a mild government-led recovery that has produced year-on-year growth for the seven most recent quarters.

Average Number of Active Agency Workers in Japan

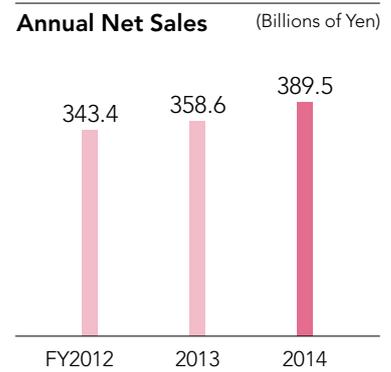


Source: Japan Staffing Services Association, Staffing Service Survey

Business Overview

Initiatives based on the Recruit Group's productivity- and efficiency-focused unit management have led to post-net sales figures and EBITDA margins that make the Group one of the top-performing Japanese businesses.

The last three fiscal years have seen us solidify our existing client base and add new clients by improving our sales organization. At the same time we have taken steps to extend the time individuals remain in a temporary job, such as strengthening training programs. As a result we have seen steady growth in net sales, which rose 3.2% to 343.4 billion yen in fiscal 2012 and 4.4% to 358.6 billion yen the following term. In fiscal 2014 net sales rose 8.6% to 389.5 billion yen.

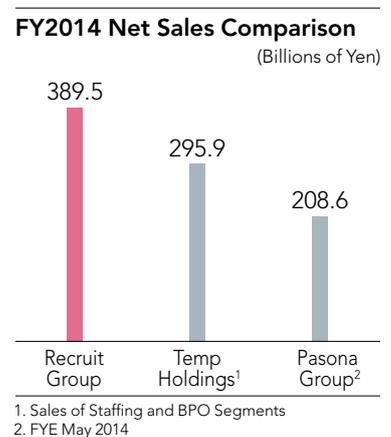


Strategy Going Forward

Our unit management method — which promotes efficient operations and high EBITDA margins — is the pillar of our strength. We intend to continue operating efficiently as we match individuals with companies in ways that satisfy both.

Monitoring these efforts lets us tailor sales activities based on factors such as the size and location of client companies, and ensures the highest standard of conduct among sales staff. Furthermore, we are solidifying relationships with existing clients and expanding our client base.

By making the most of our strengths — namely multiple services backed by outstanding brand competitiveness in the HR-media field — we can enlarge our pool of qualified labor and offer job seekers and employers the latest and most advanced web-based resources to heighten the user experience.

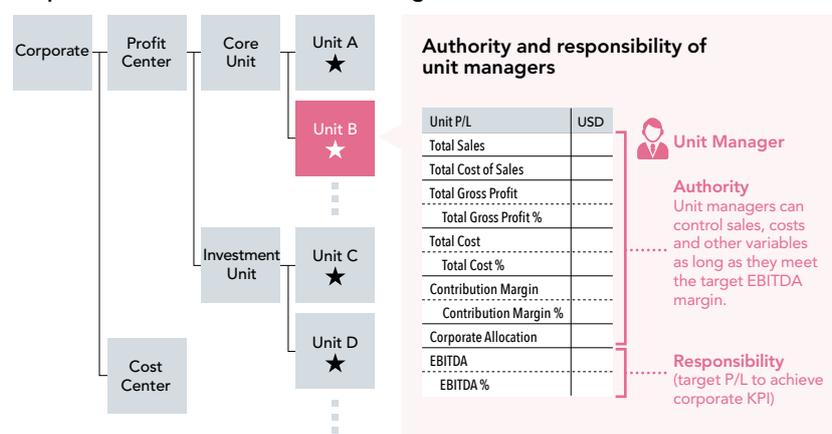


Unit Management

Our unit management method uses individual units within the Group as the basis for managing P/L.

Profit margins and income figures are established for each unit, but how to achieve these goals is left to managers, including decisions regarding commissions. Easily tracking accountability enables swift response to frontline issues. Furthermore, management that is creative and cognizant of the need to enhance productivity boosts profits. When a unit performs well, we share the details with the Group.

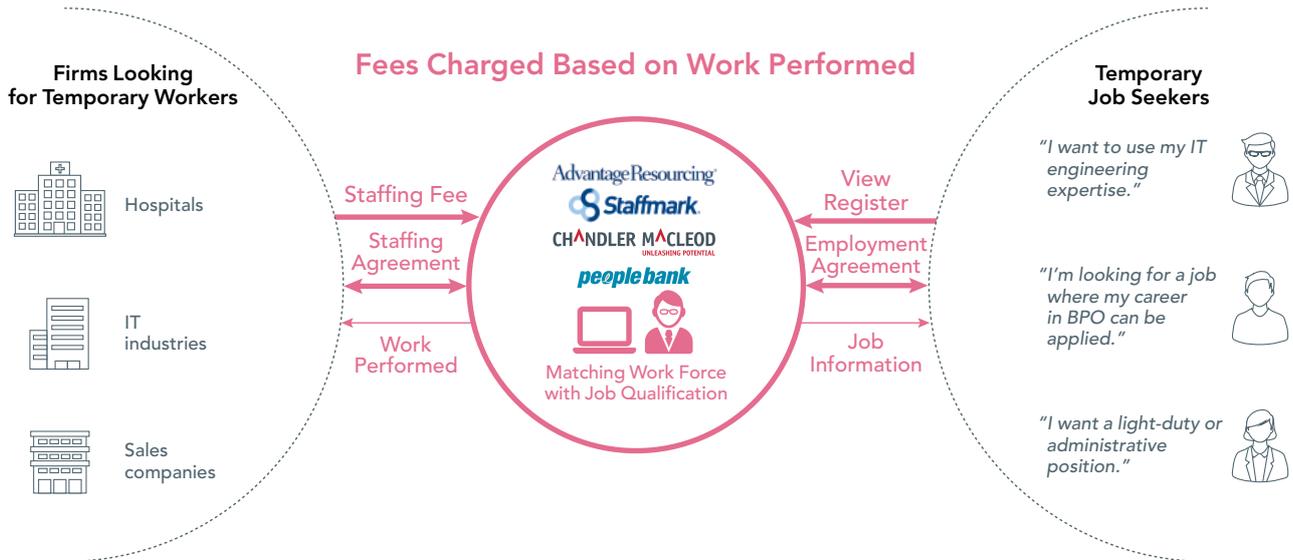
Corporate P/L is the Result of Profit Margins and Income from Each Unit ★



OVERSEAS STAFFING

Growing Through Acquisitions in Mature Economies and Their Incorporation of Our Unit Management Method

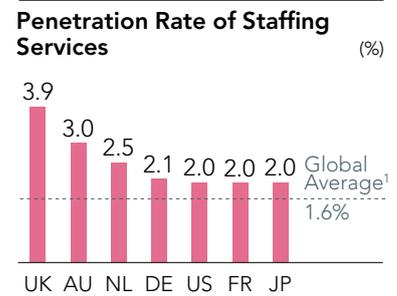
Business Model



In a move to expand our staffing business in the US, UK, Australia and other countries, Recruit Holdings acquired CSI in 2010, Staffmark and Advantage in 2011 and Peoplebank, Chandler Macleod and Atterro in 2015. Given the similarity of global staffing models, Recruit’s overseas subsidiaries have adopted our unit management method. This proven technique helps them optimize their own management and sets them on a path toward even greater EBITDA and EBITDA margins. Improvements has been noted at CSI, Staffmark and Advantage, where unit management has had time to take effect.

Market Environment

Similar to Japan, overseas staffing markets reflect the performance of the macro economy and track changes in GDP. Globally, staffing services have achieved a labor-market penetration rate averaging 1.6%. In mature economies, however, this rate exceeds 2.0%. These economies also account for approximately 70% or less of the 40 trillion yen spent annually on staffing services worldwide.



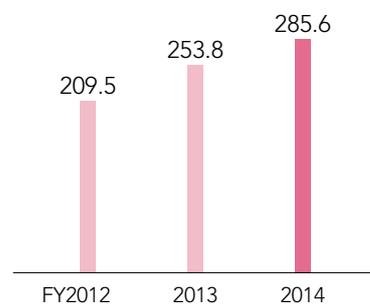
Source: Ciett Economic Report 2015
 1. The above ranking does not include China due to the lack of statistical data

Business Overview

The Recruit Group is using M&A to expand its overseas staffing business, introducing unit management to each new subsidiary. Our success in this area is evident in steadily improving EBITDA and EBITDA margins.

In fiscal 2012 net sales surged 641.8% year-on-year to 209.5 billion yen on the strength of results from Staffmark and Advantage. In fiscal 2013 net sales rose 21.1% to 253.8 billion yen due mainly to a depreciating yen. Ongoing yen depreciation and other factors — such as buoyant results in outsourcing — caused net sales to rise 12.5% to 285.6 billion yen in fiscal 2014.

Annual Net Sales (Billions of Yen)

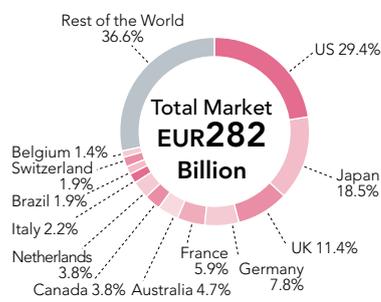


Strategy Going Forward

We plan to continue expanding operations through M&A in mature economies, introducing unit management to new acquisitions and streamlining their operations in order to improve EBITDA and EBITDA margins and stimulate growth. Candidates for M&A are closely examined to find out if, as a member of the Recruit Group, these companies can improve their EBITDA margin, even from a very low starting point. Merely being part of a mature economy is not sufficient reason to be considered for M&A.

When we acquire a company, its operations are left to local management, who have the best knowledge of local business conditions. Recruit, however, sometimes staffs key positions with its own personnel including executives and people who implement unit management.

Global Staffing Markets in 2013



Source: Ciett Economic Report 2015

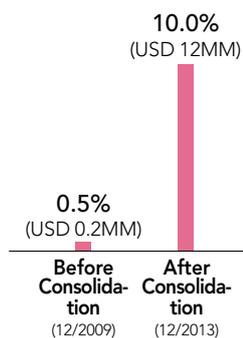
Service Coverage of Six Group Companies

● Core Business domain ○ Business domain

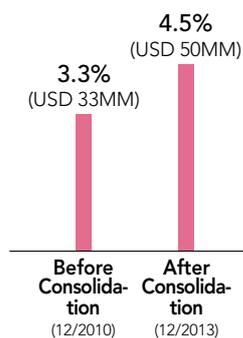
	Clerical	Light Industry	IT	Engineering	Professional	Healthcare IT	Out Sourcing	Mining	Other
The CSI Companies	○		○			●			
Staffmark	○	●			○		○		
Advantage Resourcing	●	○	●	●	○		●		○
peoplebank			●	●					
CHANDLER MACLEOD	●	●	○	○	○		○	●	○
Attèro	●	●	●	●			○		

Track Record of Value-up by Transferring Recruit's Knowhow

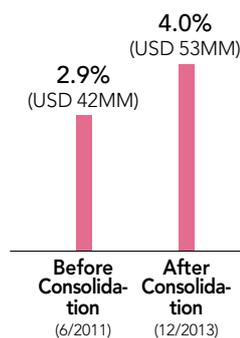
The CSI Companies
(Consolidated in Jul 2010)



Staffmark
(Consolidated in Oct 2011)



Advantage Resourcing
(Consolidated in Dec 2011)



OTHER BUSINESS

Cross-Service Single ID Encourages Users to Access a Wider Range of Offerings

Business Overview

Since fiscal 2012 this segment has been charged with expenses related to the integration of user ID information collected while providing services, resulting in a negative EBITDA. During fiscal 2014 net sales fell 29.9% year-on-year to 2.0 billion yen, while EBITDA was in the red by 11.2 billion yen versus a negative 11.5 billion yen during the previous year.

Strategy Going Forward

The Recruit Group provides services for events that generally occur only a few times in a person's lifetime, and for events that are routine. Until now information gathered while providing services for these events has been managed exclusively on platforms specific to each service.

Each of these platforms leads its respective field in numbers of users. In order to expand these platforms, however, we are ensuring that users have more options for utilizing points earned through purchases by unifying user IDs and by partnering with Loyalty Marketing, Inc., operator of the Ponta point system. These steps will allow us to analyze the buying patterns of users with the goal of providing them with more targeted information. Our payoffs will be realized through the efficient acquisition of new users, higher repeat rates for existing users, greater rates of cross-usage, optimized user-capture costs and enhanced competitiveness for each platform.

ID unification was completed for users of our main services in December 2014, and cross-usage effects — for example, when users of Zexy (a bridal information resource) go through Jalan.Net to book travel — are already evident.

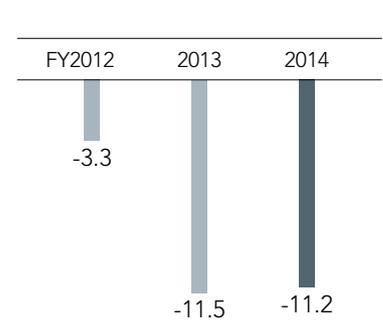
Looking ahead, the conversion of Recruit points into Ponta points is slated for the winter of 2015. This will be the culmination of a process begun in July 2014 when users were able to convert Ponta points (for use at brick-and-mortar stores) into Recruit points (for use in purchasing our web-based services) and vice versa.

Annual Net Sales (Billions of Yen)



Note: Segment net sales includes net sales and transfers between segments.

EBITDA (Billions of Yen)



Greater Convenience through ID Unification

