

Acquisition of Australian staffing companies: Peoplebank and Chandler Macleod

January 14, 2015



Recruit Holdings Co., Ltd.

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1. Highlights of the transaction

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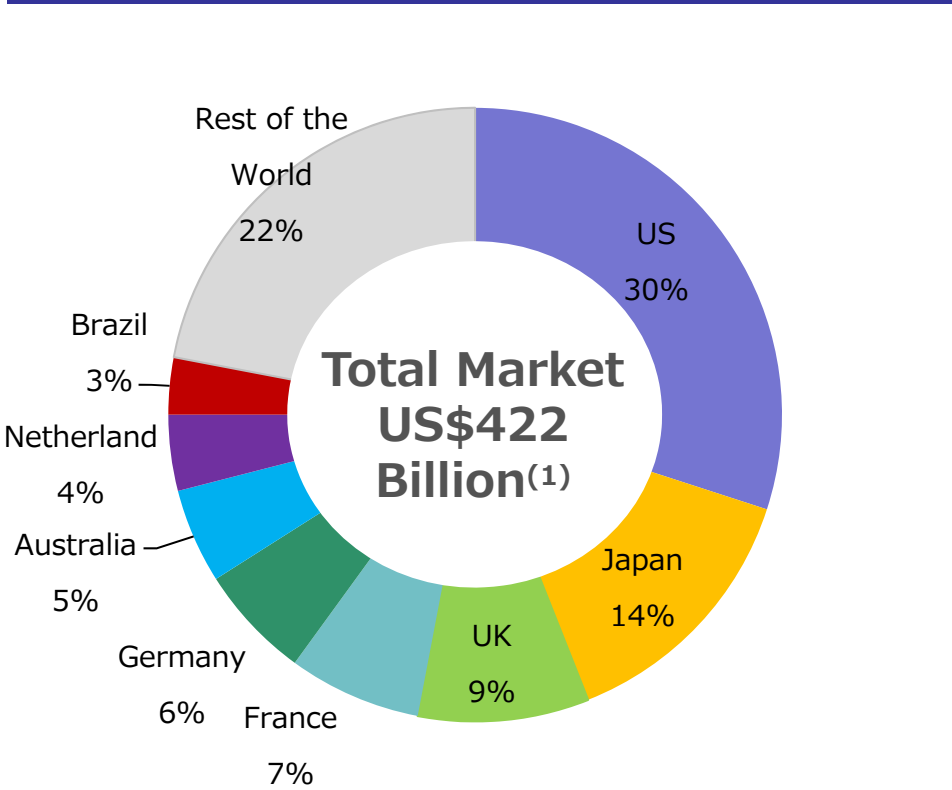
- Provided us full-scale entry into the strategically important and expanding **Australian market**
- As a result of the successful completion of both transactions, Recruit is now **in the second position in the Australian** staffing market
- Improve EBITDA margin of the acquired companies through the introduction of our **Unit Management Method**, cultivated in Japan

2. About Staffing industry market

2-1. Global Staffing market

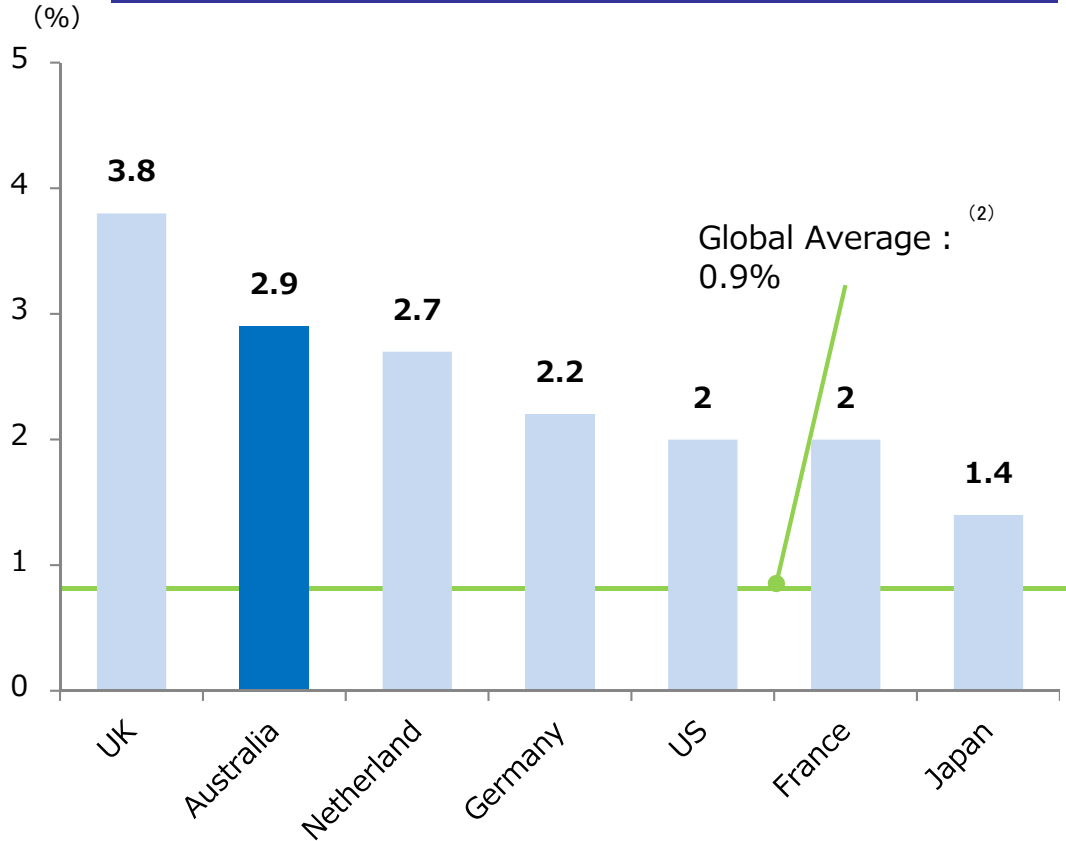
- The staffing industry is mature and well established industry and is a key component of the overall labor market. Market size is Appx. JPY40 trillion globally (mostly in matured countries) .
- Australia is one of the attractive market because of the high penetration rate and market size.

Global staffing markets (2013)



(1) Calculated by adding the sales
 Source: Staffing Industry Analysts: 2014 Contingent Market Forecasts (Nov. 2013)

Staffing market penetration rate: Global⁽¹⁾

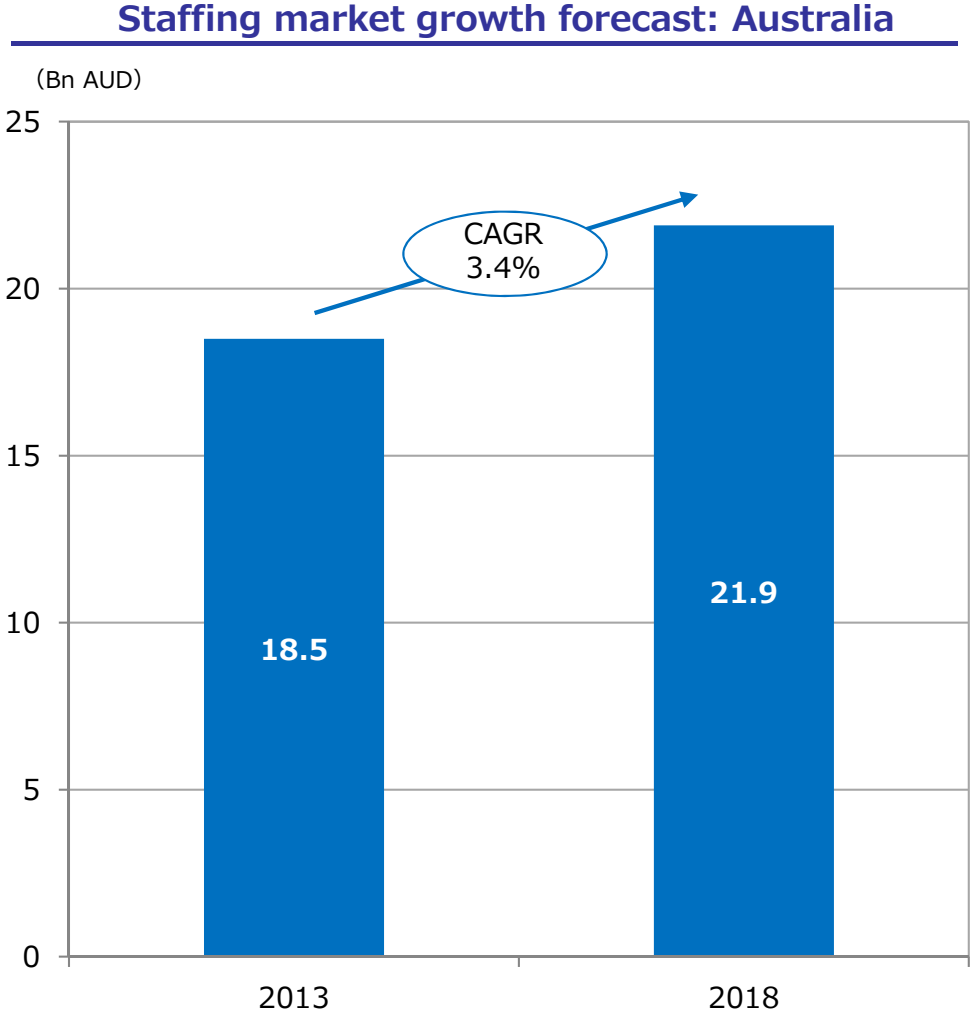
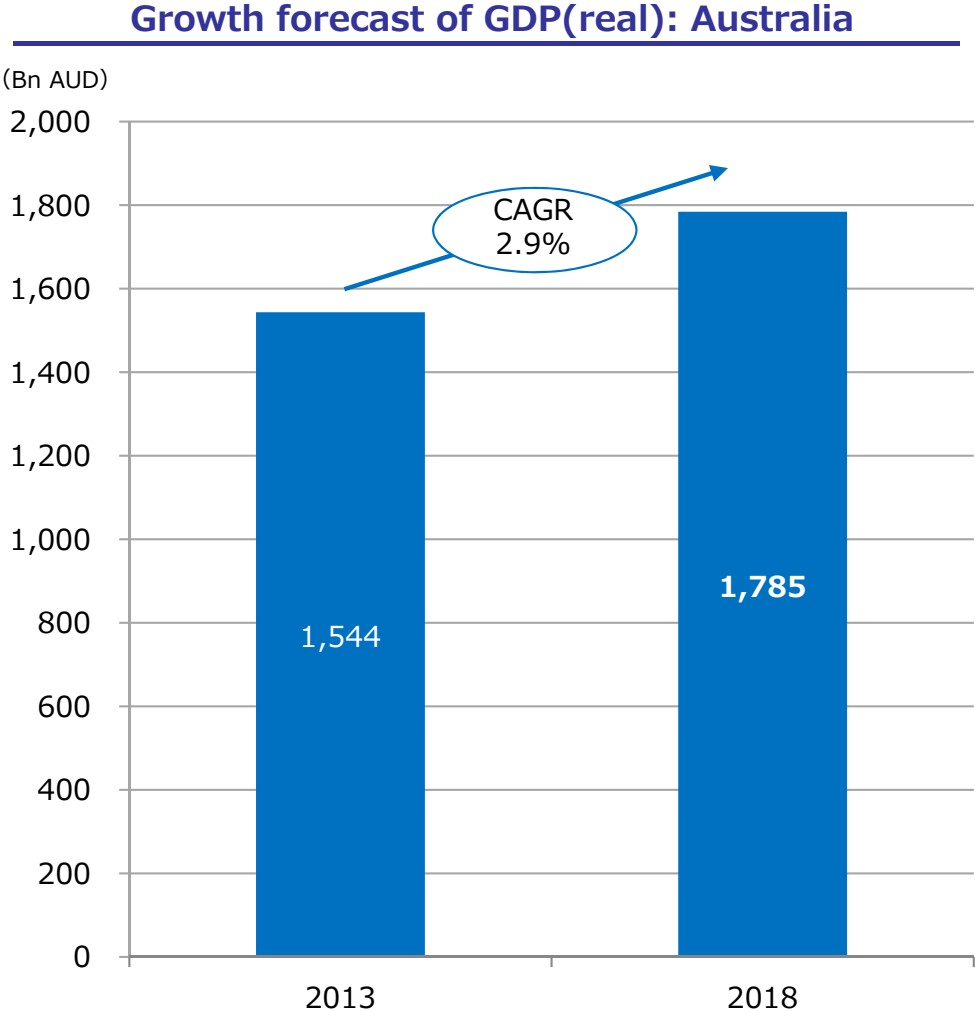


(1) The penetration ratio is calculated by dividing number of temporary staffing by all labor population
 (2) The above ranking does not include China due to the lack of reliable statistical data
 Source: Ciett Economic Report 2014



2-2. Staffing market in Australia

■ We see steady growth in the Australian staffing market.



Source : International Monetary Fund, World Economic Outlook Database, October 2014

Source : IBIS World 「Temporary Staff Services in Australia」



3. About Peoplebank and Chandler Macleod

3-1. Company profile (1/2)

- Both Peoplebank and Chandler Macleod are staffing businesses based in Australia.
 - ✓ Peoplebank specialized in IT
 - ✓ Chandler Macleod is diversified staffing firm with multiple services

Peoplebank

Corporate name : Peoplebank Holdings Pty Ltd

Established : 2007

HQ : North Sydney, Australia

Listed : Private

Revenue : \$522million (AUD) in FY2014

EBITDA (margin) : \$14million (AUD) in FY2014 (2.7%)

Head count : Appx. 230

Countries : 5 (Australia, Singapore, Hong Kong, Indonesia, Malaysia)

Business domain : IT & Engineering

Managements :



Peter Acheson
CEO

Chandler Macleod

Corporate name : Chandler Macleod Group Limited

Established : 1959

HQ : Sydney, Australia

Listed : Listed (Australian Security Exchange)

Revenue : \$1,413million (AUD) in FY2014

EBITDA (margin) : \$38million (AUD) in FY2014 (2.7%)

Head count : Appx. 1,100

Countries : 7 (Australia, China(including Hong Kong), Singapore, Indonesia, New Zealand, UK and Ireland)

Business domain : Diversified staffing

Managements :



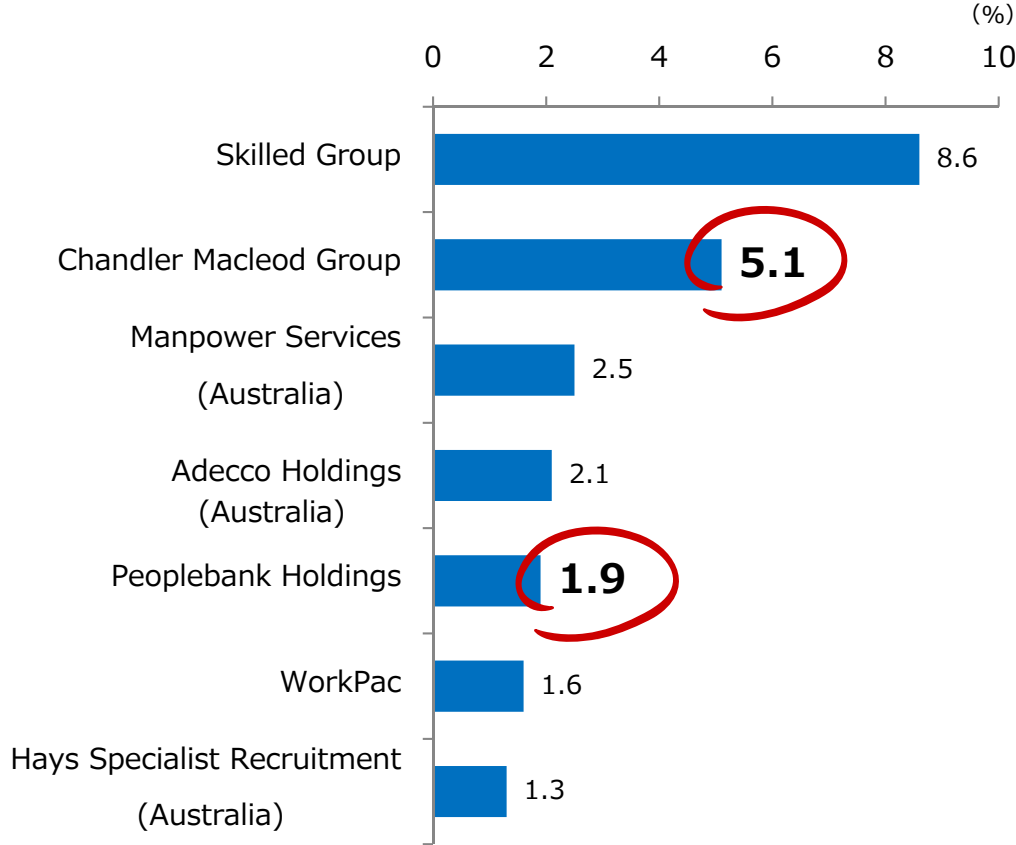
Cameron Judson
CEO and Managing Director



3-1. Company profile (2/2)

- Through acquisition of Peoplebank and Chandler Macleod, we will become one of the market leaders in the Australian staffing market.
- Each acquired companies will operate independently to maximize their specialty, in line with the approach to previously acquired company.

Market Share among Australian staffing business



Source: IBISWorld 「Temporary Staff Services in Australia」



Business Domain / Service line-ups

	people bank	CHANDLER MACLEOD UNLEASHING POTENTIAL	The CSI Companies	Staffmark Disciplined People. Exceptional Results.	Advantage Resourcing
Clerical	Core Business domain	Core Business domain	Business domain	Business domain	Core Business domain
Light Industry	Core Business domain	Core Business domain	Business domain	Core Business domain	Business domain
IT	Core Business domain	Business domain	Business domain	Business domain	Core Business domain
Engineering	Core Business domain	Business domain	Business domain	Business domain	Core Business domain
Professional	Business domain	Business domain	Business domain	Business domain	Business domain
Healthcare IT	Business domain	Business domain	Core Business domain	Business domain	Business domain
Out Sourcing	Business domain	Business domain	Business domain	Business domain	Core Business domain
Mining	Business domain	Core Business domain	Business domain	Business domain	Business domain
Other	Business domain	Business domain	Business domain	Business domain	Business domain

3-2. Growth strategy and Track record

- In the past M&A, we have improve EBITDA margin of the acquired companies through the introduction of our Unit Management Method, cultivated in Japan.
- We expect a similar performance from both acquisitions in Australia.



The CSI Companies

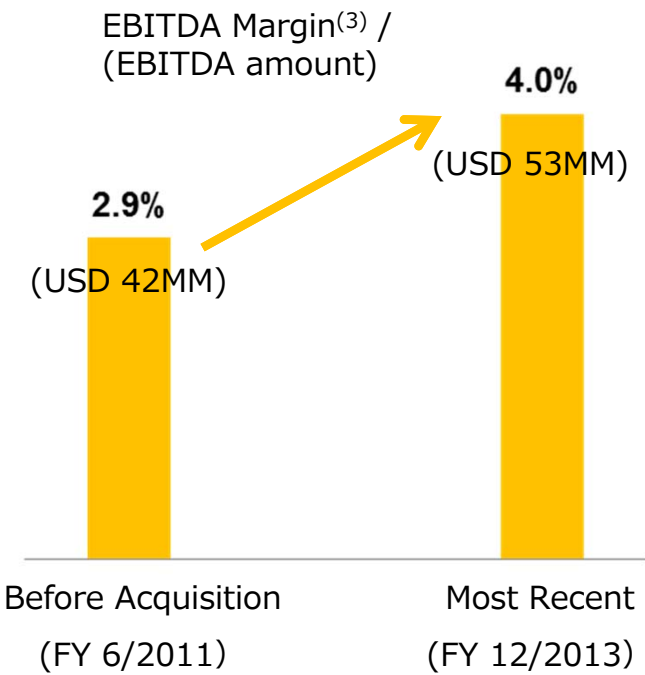
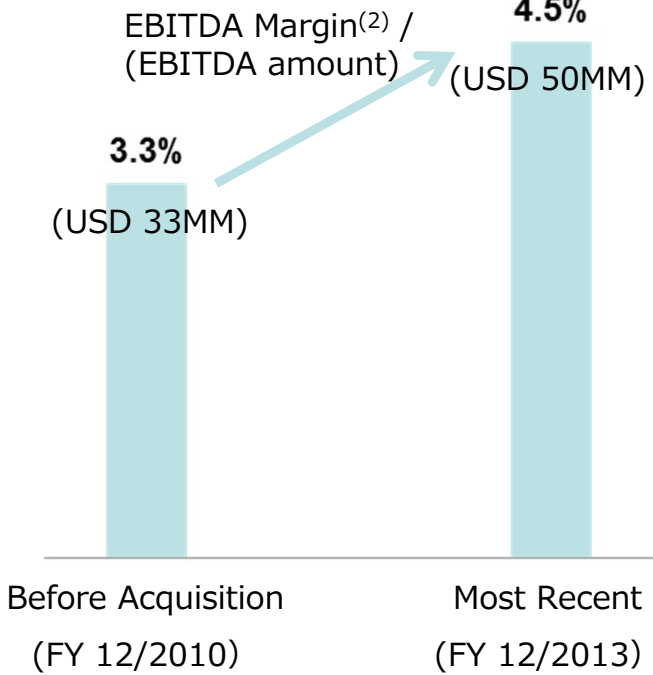
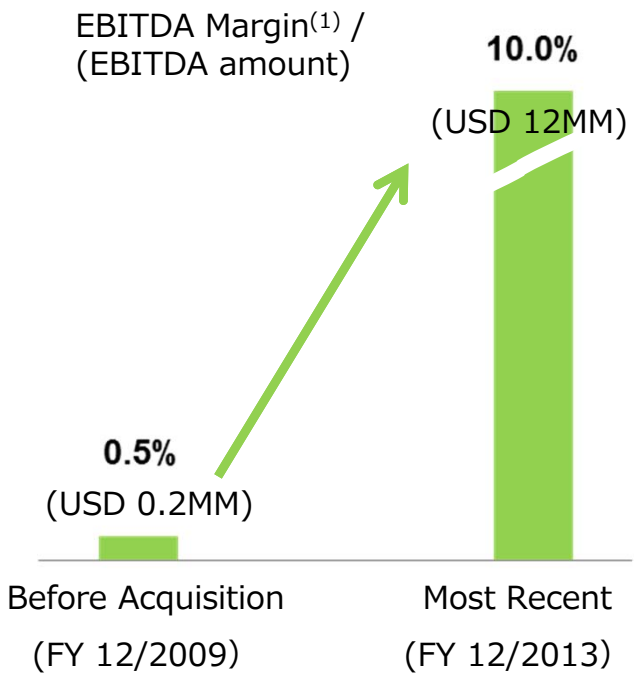
Acquired in Jul. 2010



Acquired in Oct. 2011



Acquired in Dec. 2011



4. Acquisition cost and Impact to our Financial results

Total acquisition cost : Appx. JPY36Bn⁽¹⁾

(Cost for ordinary share: Peoplebank AUD 68.6 MM (Appx. JPY 6.7Bn)⁽²⁾,
Chandler Macleod AUD290.4MM (Appx. JPY 28.3Bn) ⁽²⁾)

(1)Total acquisition cost include Advisory and other related costs

(2) JPY 97.43/ AUD

Impact : Insignificant impact to financial results for FY2014

(Consolidation to our FS will occur from FY2015)

Financing arrangements : None

(cash in hand, partly generated by the IPO)

Appendix

Our Mid-to-Long term vision

- Our plan is to grow our global business whilst maintaining our dominant position in Japan.
- We set our target to be the No.1 in Global HR Business by appx. 2020 and No.1 in Global HR and Marketing Media by appx. 2030.
- We will promote further M&A overseas with cash generated from our domestic business.



Sustainable growth in domestic business

Further growth in overseas business

Strong client base

IT strategies

Improve profitability at subsidiaries

M&A strategies

No. 1 market share (net sales) in major services

Acquire new clients by leveraging IT technologies

Enhance value by providing our operating knowhow

Expand and enhance business foundation through M&A



1

“2-Phase Approach” for Global Expansion

Phase 1

- *Feasibility evaluation*
- *Small-size acquisitions / minority investments etc.*

Phase 2

- *Global expansion through acquisitions*
- *Maximizing value of acquired companies*

2

Disciplined Investment Criteria

- *Implementing appropriate hurdle rate when making investment decisions*

M&A track record

- We are driving global expansion in Staffing, HR Media and Marketing Media segments.
- For Staffing and HR Media, we will accelerate our investments within Phase 2 criteria.



Staffing

 **The CSI Companies**
Acquired in 2010

 **Staffmark.**
Acquired in 2011

Advantage Resourcing
Acquired in 2011

 **ANTEO** group
Acquired in 2013

4
companies

HR Media

 **Good Job Creations**
Acquired in 2009

Bó Lê Associates
The Leader in Executive Search in Asia
Minority Investment in 2010
100% Acquisition in 2013

 **NuGrid Consulting**
Acquired in 2013

 **indeed**
Acquired in 2012

 **MOBOLT**
Acquired in 2014

5
companies

Marketing Media

 **TRAVEL BOOK**  **MyTour.vn**  **pegipegi**
NOW TRAVELLING IS EASY
JV (Minority Investment) in 2012

 **MOVOTO**
Acquired in 2013

9
companies




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