

To whom it may concern:

Company name: Recruit Holdings Co., Ltd.
Representative: Masumi Minegishi, President, CEO, and
Representative Director
(Securities code: 6098, TSE First Section)
Contact: Keiichi Sagawa, CFO, and
Senior Managing Corporate Executive Officer
(Tel: +81-3-6835-1111)

Notification of the Group Reorganization and Dividends from Consolidated Subsidiaries

Recruit Holdings Co., Ltd. (the “Company”) announces that its Board of Directors has resolved today on a reorganization of its consolidated subsidiaries accompanied by the Company’s company-split (collectively, the “Group Reorganization”), which was previously mentioned as a significant subsequent event in the “Consolidated Financial Results for the Year Ended March 31, 2017 [Japanese GAAP]” dated May 12, 2017. The Company also announces that it has resolved to receive dividends from retained earnings of its consolidated subsidiaries in relation to the Group Reorganization for its efficient financial management of the group companies.

1. Purpose of the Group Reorganization

“Recruit Group is focused on 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” is the Company’s management philosophy. In order to realize the more fulfilling world and to continue evolving on a global basis, the Company recognizes it must continue enhancing its shareholders value, by keeping ahead of changes in the IT business environment, and by executing transactions for expansions, divestitures and restructuring of its business portfolio in the fastest manner.

Given this context, the Company has been pursuing the enhancement of its consolidated business value together with the three Strategic Business Units (SBUs) of the Global Online HR (currently HR Technology), Media & Solutions, and Global Staffing (currently Staffing) segments since April 2016. Also, the reporting segments have been changed according to the SBUs effective from the first quarter of the fiscal year ending March 31, 2018.

For reasons of both the enhancement of the Company’s consolidated business value and managerial resource development, it is an urgent matter for the Company to set the basis for (i) pure holding company functions, (ii) a highly efficient group management structure including group governance, monitoring and managing systems for the group companies’ operating performance and financial data, and (iii) SBUs to expand their businesses in line with business strategies based on their respective characteristics and positioning. The Company therefore resolved to conduct the Group Reorganization that includes the Company’s company-split.

2. Process of the Group Reorganization

With the Company's three SBUs at the core, the Group Reorganization is structured as follows:

1. Indeed, Inc. and all other affiliated companies of the HR Technology segment will be sub-consolidated under one of the Company's existing subsidiaries (to be implemented on January 1, 2018).
2. Part of the rights and obligations held by the Company in connection with the Media & Solutions segment will be succeeded to a wholly-owned subsidiary of the Company through an absorption-type company-split, where the Company is the splitting company, and all the affiliated companies of the Media & Solutions segment will be sub-consolidated under a succeeding company (the succeeding company is planned to be Recruit Administration Co., Ltd., the effective date of the company-split is April 1, 2018 and the succeeding company will change its name to Recruit Co., Ltd. on the same day). Additionally, according to Article 783, Paragraph 1 of the Companies Act, the agreement on the company-split will require the special resolution of the proposal at the General Meeting of Shareholders. For details about the General Meeting of Shareholders, please refer to "3. Schedule of the company-split of the Company" below and a separate announcement today titled "Notification of Setting the Record Date for Convening the Extraordinary General Meeting of Shareholders." The details of the company-split will be disclosed in due course.
3. All the affiliated companies of the Staffing segment, which comprises the Japanese domestic and international Staffing operations, will be sub-consolidated under one of the Company's existing subsidiaries (As for international Staffing operations, the sub-consolidation to be implemented on January 1, 2018 and as for Japanese domestic Staffing operations to be implemented on March 31, 2018).

3. Schedule of the Company-split of the Company

(1) Date of public notice of the record date for the Extraordinary General Meeting of Shareholders	October 13, 2017	(planned)
(2) Record date for the Extraordinary General Meeting of Shareholders	October 31, 2017	(planned)
(3) Resolution for convening the Extraordinary General Meeting of Shareholders	November 14, 2017	(planned)
(4) Execution of the company-split agreement	November 14, 2017	(planned)
(5) Date of the Extraordinary General Meeting of Shareholders	January 17, 2018	(planned)
(6) Effective date of the company-split	April 1, 2018	(planned)

4. Outline of Dividends from Consolidated Subsidiaries

(1) Amount of dividends

Name of business units and companies	Amount of dividends
HR Technology segment (RGF OHR USA, Inc.)	89 million U.S. dollars (approx. 10.0 billion yen)
Media & Solutions segment (Recruit Career Co., Ltd.; Recruit Jobs Co., Ltd.; Recruit Lifestyle Co., Ltd.; Recruit Marketing Partners Co., Ltd.; Recruit Sumai Company Ltd.; Recruit Management Solutions Co., Ltd.; and Recruit Communications Co., Ltd.)	164.5 billion yen
Staffing segment (Japanese domestic) (STAFF SERVICE HOLDINGS CO., LTD.)	152.1 billion yen
Staffing segment (international) (USG People B.V.)	106 million euros (approx. 14.2 billion yen)
Total	Approx. 340.8 billion yen*

* The total (estimated amount) of dividends is the sum of the above estimated values converted at rates of 111.81 yen per U.S. dollar and 133.64 yen per euro.

(2) Date of receipt scheduled on October 31, 2017

5. Impact on the Company's Financial Results

The Group Reorganization's possible impacts on the Company's consolidated financial results for the fiscal year ending March 31, 2018 have been carefully examined, and it is not anticipated that the consolidated profit for the period would be negatively affected by the transactions.