

Announcement of Secondary Offering of Shares in the International Markets

TOKYO, JAPAN (November 30, 2020) – Recruit Holdings Co., Ltd. (TSE: 6098) (the “Company”) announced that its Board of Directors resolved today to conduct a secondary offering (the “Offering”) of 94,722,500 shares of common stock of the Company (approximately 5.59% of total shares outstanding as of November 30, 2020) in the international markets by certain of its shareholders.

The Company decided to conduct the Offering in order to provide an opportunity for 8 of its shareholders to reduce their holdings in a coordinated manner, similar to the secondary offering of the Company’s common stock in 2019. The Company further recognizes that there has been concern in the capital markets regarding the impact on its stock price from potential uncoordinated sales of its shares by its shareholders. The Offering is aimed at facilitating the sale of shares in a coordinated manner that addresses this concern. In addition, through this Offering, the Company aims to further expand its shareholder base internationally among investors that support the Company’s long-term strategies.

The Company’s Board of Directors also resolved today to implement a share repurchase program of up to 70.0 billion yen or up to 20,000,000 shares of the Company’s common stock to commence immediately following the settlement date for the Offering with the aim of enhancing shareholder value. For related information, please refer to the Company’s announcement titled “Announcement of Share Repurchases” released today.

1. Secondary offering of shares

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|---|---|---|--------------------|-------------------|----------------------------|-------------------|---|------------------|----------------------------------|------------------|--|------------------|----------------------------|------------------|------------------------------------|------------------|----------------------------------|------------------|
| (1) | Class and number of shares to be offered | 86,111,300 shares of common stock of the Company | | | | | | | | | | | | | | | | |
| (2) | Selling shareholders and the number of shares offered | <table border="0" style="width: 100%;"> <tr> <td style="width: 70%;">DENTSU GROUP INC.:</td> <td style="text-align: right;">43,376,000 shares</td> </tr> <tr> <td>TOPPAN PRINTING CO., LTD.:</td> <td style="text-align: right;">20,512,800 shares</td> </tr> <tr> <td>TOKYO BROADCASTING SYSTEM TELEVISION, INC.:</td> <td style="text-align: right;">8,332,500 shares</td> </tr> <tr> <td>Tosho Printing Company, Limited:</td> <td style="text-align: right;">4,500,000 shares</td> </tr> <tr> <td>Nippon Television Network Corporation:</td> <td style="text-align: right;">4,000,000 shares</td> </tr> <tr> <td>FUJI MEDIA HOLDINGS, INC.:</td> <td style="text-align: right;">2,500,000 shares</td> </tr> <tr> <td>HAKUHODO DY HOLDINGS INCORPORATED:</td> <td style="text-align: right;">1,890,000 shares</td> </tr> <tr> <td>Nomura Research Institute, Ltd.:</td> <td style="text-align: right;">1,000,000 shares</td> </tr> </table> | DENTSU GROUP INC.: | 43,376,000 shares | TOPPAN PRINTING CO., LTD.: | 20,512,800 shares | TOKYO BROADCASTING SYSTEM TELEVISION, INC.: | 8,332,500 shares | Tosho Printing Company, Limited: | 4,500,000 shares | Nippon Television Network Corporation: | 4,000,000 shares | FUJI MEDIA HOLDINGS, INC.: | 2,500,000 shares | HAKUHODO DY HOLDINGS INCORPORATED: | 1,890,000 shares | Nomura Research Institute, Ltd.: | 1,000,000 shares |
| DENTSU GROUP INC.: | 43,376,000 shares | | | | | | | | | | | | | | | | | |
| TOPPAN PRINTING CO., LTD.: | 20,512,800 shares | | | | | | | | | | | | | | | | | |
| TOKYO BROADCASTING SYSTEM TELEVISION, INC.: | 8,332,500 shares | | | | | | | | | | | | | | | | | |
| Tosho Printing Company, Limited: | 4,500,000 shares | | | | | | | | | | | | | | | | | |
| Nippon Television Network Corporation: | 4,000,000 shares | | | | | | | | | | | | | | | | | |
| FUJI MEDIA HOLDINGS, INC.: | 2,500,000 shares | | | | | | | | | | | | | | | | | |
| HAKUHODO DY HOLDINGS INCORPORATED: | 1,890,000 shares | | | | | | | | | | | | | | | | | |
| Nomura Research Institute, Ltd.: | 1,000,000 shares | | | | | | | | | | | | | | | | | |
| (3) | Method of offering | This offering will be made in the international markets (in the United States, however, the offering will be restricted to qualified institutional investors in accordance with the Rule 144A under the U.S. Securities Act of 1933) (the "international offering"), whereby the shares will be purchased wholly by the international managers. | | | | | | | | | | | | | | | | |
| (4) | Offer price | The offer price will be determined by a process equivalent to the bookbuilding process set out under the applicable regulations of the Japan Securities Dealers Association, based, in consideration of market demand and other conditions, on the preliminary pricing terms calculated by multiplying by a factor between 0.90 and 1.00, the closing price of the shares of common stock of the Company in regular trading on the Tokyo Stock Exchange Inc. (and rounding down to the nearest one yen), on a certain date between Wednesday, December 2, 2020 | | | | | | | | | | | | | | | | |

- and Thursday, December 3, 2020 (the “Pricing Date”) (or by using the closing price on the business day immediately preceding the Pricing Date).
- (5) Compensation for the underwriters The spread between the offer price and the price paid by the underwriters to the selling shareholders.
- (6) Share unit for subscription 100 shares
- (7) Settlement date A certain date between Friday, December 4, 2020 and Monday, December 7, 2020, provided that such date will be the second business day following the Pricing Date.
- (8) The Representative Director of the Company will solely be authorized to approve the offer price and all other matters necessary for this offering.

2. Over-allotments in the international offering (Please refer to Reference 2. below.)

- (1) Class and number of shares to be offered 8,611,200 shares of common stock of the Company
This number represents the maximum number of shares to be offered, and the actual number of shares to be offered may decrease, or the over-allotments in the international offering may not be carried out at all, subject to market demand and other conditions. The number of shares to be offered will be decided on the Pricing Date.
- (2) Seller The designated international manager
- (3) Method of offering The designated international manager will, in consideration of market demand and other conditions, over-allot shares in the international offering by borrowing no more than 8,611,200 shares from certain of the selling shareholders.
- (4) Offer price The offer price will be determined on the Pricing Date. The offer price will be the same as the offering price in the international offering.
- (5) Share unit for subscription 100 shares
- (6) Settlement date The same settlement date as in the international offering.
- (7) The Representative Director of the Company will solely be authorized to approve the offer price and all other matters necessary for this offering.

Reference

1. Purpose of the secondary offering of shares

As described above, the Company has decided to conduct the Offering in order to facilitate the sale of the Company's common stock in a coordinated manner and further expand its shareholder base internationally.

2. Concerning the over-allotment in the international offering

The designated international manager, through its affiliate company in Japan, will be granted an option to acquire additional shares of common stock of the Company from certain of shareholders of the Company (the “Green Shoe Option”), not exceeding the total potential size of the over-allotments in the international



offering, with an exercise period beginning on the settlement date of the international offering, and ending on Friday, December 25, 2020.

In lieu of exercising all or part of the Green Shoe Option, the designated international manager may also return shares borrowed (“borrowed shares”) as described above through the purchase of shares of common stock of the Company on the Tokyo Stock Exchange Inc. (a “syndicate covering transaction”) during the period beginning on the settlement date of the international offering, and ending on Friday, December 25, 2020 (the “syndicate covering transaction period”). The shares of common stock of the Company acquired through a syndicate covering transaction by the designated international manager through its affiliate company in Japan will wholly be used for the purpose of returning the borrowed shares. Meanwhile, during the syndicate covering transaction period, the designated international manager, through its affiliate company in Japan, may not conduct any syndicate covering transactions or may terminate a syndicate covering transaction before the number of shares purchased reaches the number of shares subject to the over-allotments in the international offering.

Any remaining borrowed shares after shares have been returned with shares acquired through syndicate covering transactions will be returned by the designated international manager through its exercise of the Green Shoe Option.

The decision on whether or not the over-allotments in the international offering are made, along with the number of shares over-allotted, will be made on the Pricing Date. In the event that over-allotments in the international offering are not made, no shares will be borrowed by the designated international manager through its affiliate company in Japan, no Green Shoe Option will be granted and no syndicate covering transactions at the Tokyo Stock Exchange Inc. will be executed.

The designated international manager will carry out the aforementioned transactions in consultation with the joint lead managers of the international offering.

3. Lock-up

With regard to the Offering, the selling shareholders, DENTSU GROUP INC., TOPPAN PRINTING CO., LTD., TOKYO BROADCASTING SYSTEM TELEVISION, INC., Tosho Printing Company, Limited, Nippon Television Network Corporation, FUJI MEDIA HOLDINGS, INC., HAKUHODO DY HOLDINGS INCORPORATED and Nomura Research Institute, Ltd., as well as the Company’s shareholders (including the holder of American depository shares representing the Company’s common stock) Dai Nippon Printing Co., Ltd., NTT DATA Corporation, the Recruit Group Directors and Officers Shareholding Associations, Masumi Minegishi, Yukiko Nagashima (the officially registered name of Ms. Yukiko Nagashima is Yukiko Watanabe), Akihito Fujiwara, Hisayuki Idekoba, Rony Kahan, Ayano Senaha, Mio Kashiwamura, Hiroaki Ogata, Takahiro Noguchi, Kentaro Mori, Yoshihiro Kitamura, Junichi Arai, Iwaaki Taniguchi and Rob Zandbergen, have agreed with the joint lead managers that the former will not conduct sales, etc. of shares in the Company, (excluding certain cases including the international offerings, and the lending of the shares of common stock of the Company in connection with the over-allotments), during the period beginning on the Pricing Date, and ending on the 180th day from the settlement date of the Offering (the “lock-up period”), without written prior consent of the joint lead managers for the international offering.

On the other hand, the Company has agreed with the international managers that it will, without written prior consent of the joint lead managers, not carry out certain transactions including the issuance of shares in the Company, the issuance of securities that can be converted into or exchanged with shares in the Company, and the issuance of securities that represent the rights to acquire or receive shares of the Company (excluding such transactions associated with stock splits, etc.), during the lock-up period.

In either of the aforementioned cases, the joint lead managers have the authority to wholly or partially waive the aforementioned agreements at their own discretion, even during the lock-up period.



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<https://recruit-holdings.com/ir/>

Note: This press release is not an offer to sell or a solicitation of any offer to buy the securities of Recruit Holdings Co., Ltd. in the United States or elsewhere. The securities referenced in this press release have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "Securities Act"). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities will not be publicly offered or sold in the United States.