

Recruit Holdings Announces Revision of Consolidated Financial Guidance and Dividend Forecasts for FY2021

TOKYO, JAPAN (August 12, 2021) - Recruit Holdings Co., Ltd. (TSE 6098) (the “Company”) resolved at the Board of Directors meeting held today its revised consolidated financial guidance and dividend forecasts for FY2021 (April 1, 2021 to March 31, 2022).

Revised Consolidated financial forecast for FY2021

(In millions of yen, unless otherwise stated)	Revenue	Adjusted EBITDA	Operating income	Profit before tax	Profit for the period	Profit attributable to owners of the parent	Adjusted EPS (yen)
Previous FY2021 guidance	2,450,000	270,000	180,000	185,000	140,000	140,000	95.51
	-	-	-	-	-	-	-
	2,600,000	335,000	245,000	250,000	190,000	190,000	126.10
Updated FY2021 guidance	2,600,000	360,000	270,000	270,000	200,000	200,000	136.32
	-	-	-	-	-	-	-
	2,700,000	430,000	340,000	340,000	250,000	250,000	166.92
Difference (Previous - Updated)	150,000	90,000	90,000	85,000	60,000	60,000	40.82
	-	-	-	-	-	-	-
	100,000	95,000	95,000	90,000	60,000	60,000	40.82
% change	6.1%	33.3%	50.0%	45.9%	42.9%	42.9%	42.7%
	-	-	-	-	-	-	-
	3.8%	28.4%	38.8%	36.0%	31.6%	31.6%	32.4%
FY2020 results	2,269,346	241,658	162,823	168,502	131,690	131,393	82.56

The Company revised its consolidated financial guidance for FY2021 which was announced on May 17, 2021 to reflect the updated outlook for HR Technology and Staffing and information available as of August 12, 2021. The Company’s business environment continues to evolve rapidly, as COVID-19 related restrictions in some countries have variously been relaxed and reintroduced making forecasting difficult. The Company’s outlook remains cautious and FY2021 guidance is based on the assumption that long-term stagnation of economic activities caused by new large scale lockdowns and states of emergency will not occur during FY2021.

In HR Technology, the competition for talent in the US remained elevated, resulting in a significant increase in revenue and adjusted EBITDA year over year, which exceeded the Company’s prior expectations for Q1 FY2021. As of May 17, 2021 when the Company originally announced the financial guidance for FY2021, the Company assumed that the increased competition for talent in the US would ease during the first half of FY2021. However, based on the current business environment and assuming surges in new COVID-19 cases do not substantially impact the business environment, the Company expects that the elevated hiring demand will ease at some point during the second half of the current fiscal year, although the precise timing remains uncertain.

In Staffing, the continued demand for talent in logistics roles to support e-commerce and healthcare roles to support COVID-19 mitigation efforts, in Europe, resulted in revenue and adjusted EBITDA growth for Q1 FY2021 in Europe, US, and Australia which exceeded the Company’s expectations. The Company expects that while elevated demand for talent will continue, the impacts of such elevated demand will gradually ease throughout the fiscal year.



The Rent Assistance Program by The Small and Medium Enterprise Agency of the Ministry of Economy in Japan, from which the Company recorded 79.0 billion yen of revenue in FY2020, was completed in FY2020, and therefore there will be no financial impact from the program in FY2021.

If completed, the Company expects that the financial impact of the going private transaction of 51job announced on June 22, 2021 will not have a significant impact on the financial results for FY2021. Cash and convertible bonds which the Company is expected to receive as consideration for a portion of its existing investment into 51job common shares as a part of the transaction are expected to be treated as a reduction of that investment book value and as such have no significant profit impact.

Dividend Forecasts for FY2021

(In yen)	At the end of Q2	At the end of Q4	Total
Previous forecast (as of May 17, 2021)	Undecided	Undecided	Undecided
Updated forecast (as of August 12, 2021)	10.50	10.50	21.00
FY2020	9.50	10.50	20.00

Based on the Company's dividend policy, which aims for the continuous payment of stable dividends, the Company has determined interim and year-end dividend forecasts of 10.50 yen per share, respectively, resulting in a total dividend for FY2021 of 21.00 yen per share, an increase of 1.00 yen per share from the previous fiscal year.

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This document contains forward-looking statements, which reflect the Company's assumptions and outlook for the future and estimates based on information available to the Company and the Company's plans and expectations as of the date of this document or other date indicated. There can be no assurance that the relevant forecasts and other forward-looking statements will be achieved. Please note that significant differences between the forecasts and other forward-looking statements and actual results may arise due to various factors, including changes in economic conditions, changes in individual users' preferences and enterprise clients' needs, competition, changes in the legal and regulatory environment, fluctuations in foreign exchange rates, and other factors. Accordingly, readers are cautioned against placing undue reliance on any such forward-looking statements. The Company has no obligation to update or revise any information contained in this document based on any subsequent developments except as required by applicable law or stock exchange rules and regulations.