

Financial Results for Q3 FY2014

February 13, 2015



Recruit Holdings Co., Ltd.

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1. Q3 FY2014

Consolidated Financial Highlights

1-(I) Consolidated Earnings Summary

■ EBITDA to decrease as forecast at the beginning of the fiscal year, but favorable progress is being made toward achieving our full fiscal year forecast

- EBITDA to decrease by 3.8% due to the change in launch timing of products for prospective new graduates. (There will be no substantial impact on full-year results since the timing for booking will be Q4 of this term, compared to Q3 in the previous term.)

(JPY Bn)	FY2013		FY2014			
	Q3 YTD	(ref.*5) Q3 YTD	Q3 YTD*3	YoY Change	(ref.*5) YoY Change	Full-year Forecast*4 (announced on May 14)
Net sales	869.4	853.5	935.5	+7.6%	+9.6%	1290.0
EBITDA*1	144.5	132.9	139.1	-3.8%	+4.7%	191.0
EBITDA Margin	16.6%	15.6%	14.9%	-1.8pt	-0.7pt	14.8%
Operating income	98.3	86.7	88.4	-10.2%	+1.9%	121.0
Ordinary income	102.0	90.4	91.8	-10.0%	+1.7%	126.0
Net income	55.0	—	48.5	-11.8%	—	66.0
Adjusted net income*2	81.5	—	76.5	-6.1%	—	103.0

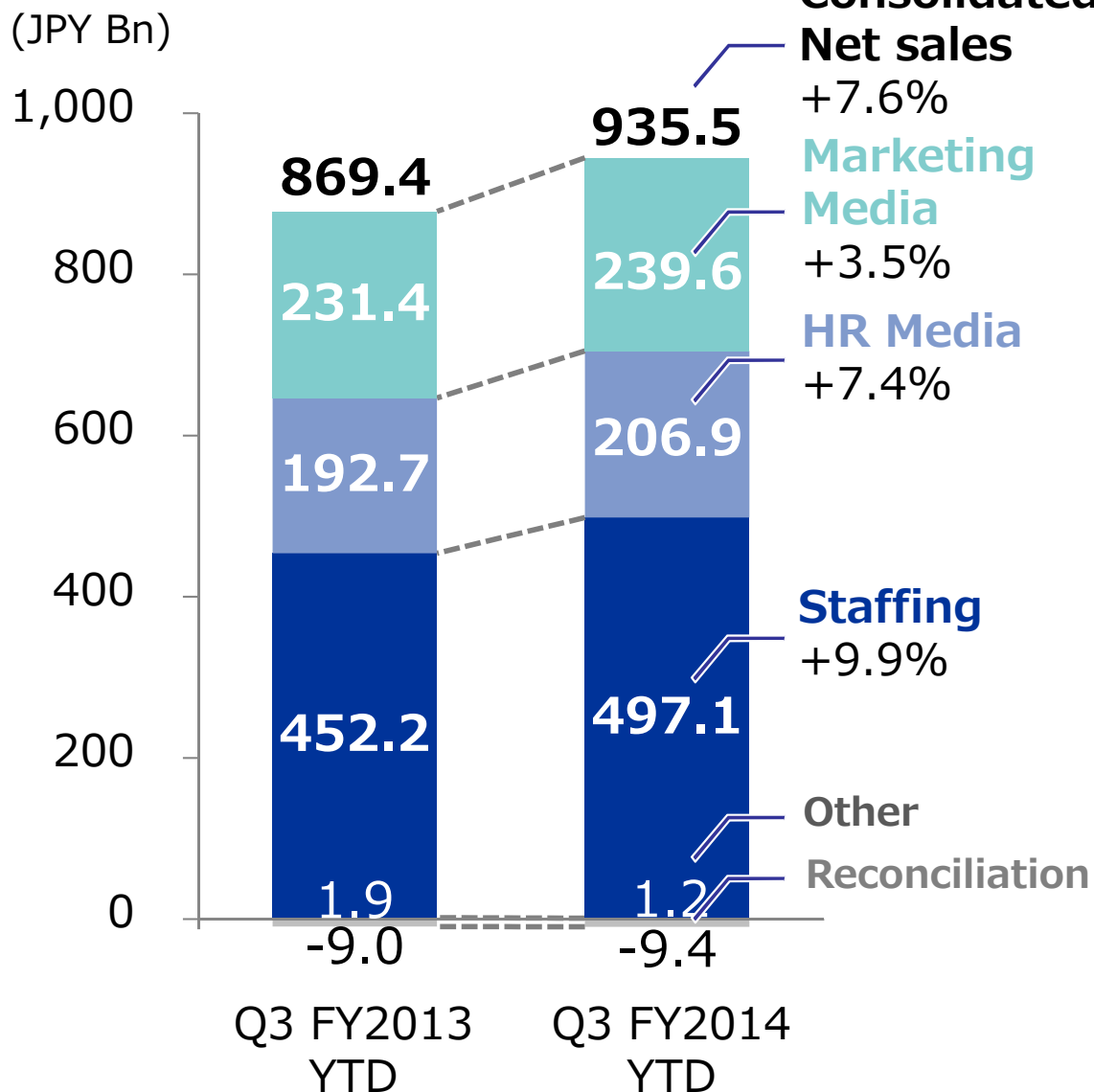
*1 : EBITDA = Operating income + Depreciation and amortization + Amortization of goodwill *2 : Adjusted net income = Net income + Amortization of goodwill

*3 : Average exchange rate: JPY102.93/USD *4 : Same as the forecast announced on October 16, 2014. Assuming exchange rate: JPY103.00/USD

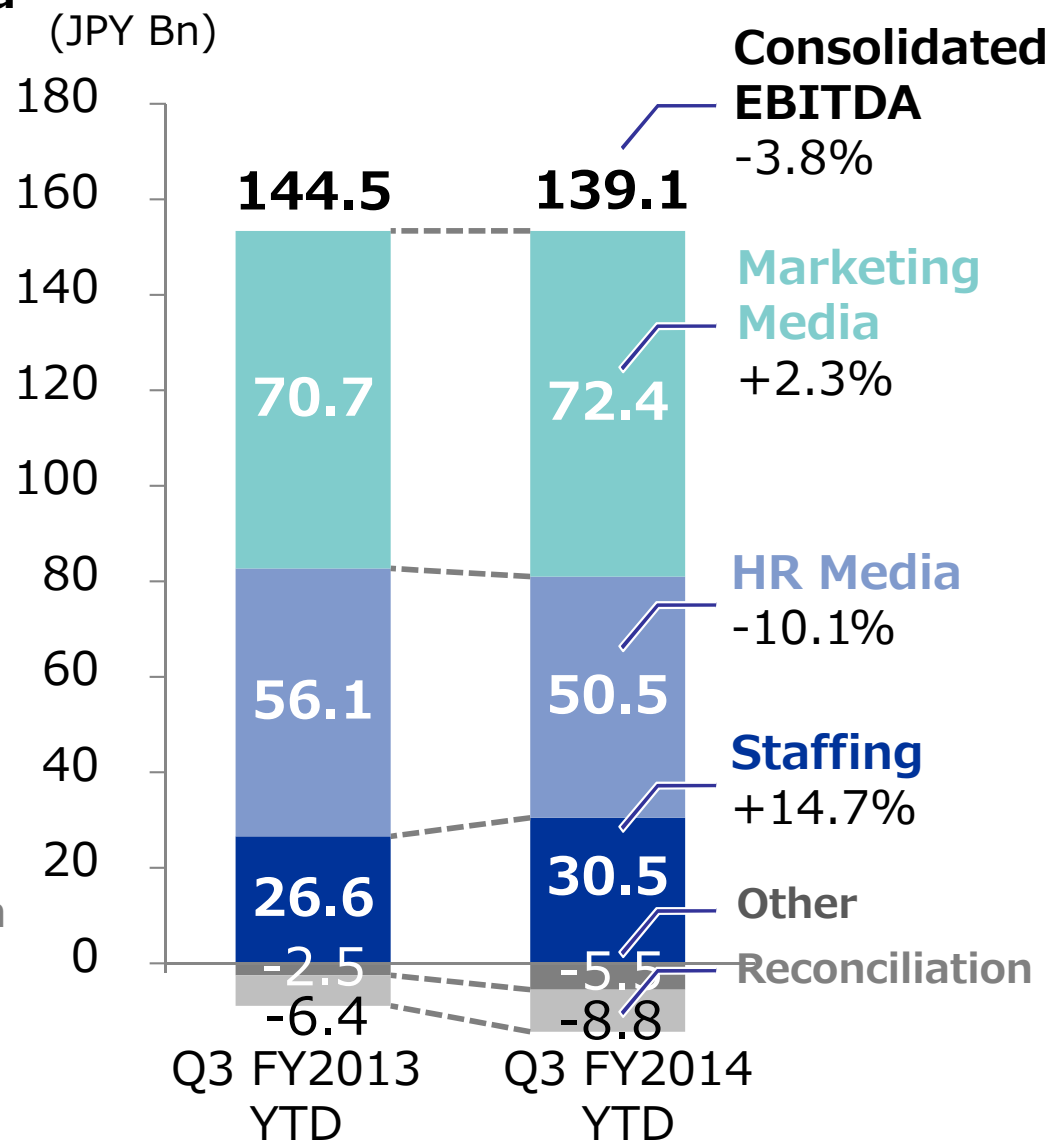
*5 : Reference figure (estimate) after deducting the earnings results of the new graduate products, which reflected effects of the change in timing on this term's earnings results.

1-(II) Segment Net sales & EBITDA

Segment Net sales*



Segment EBITDA



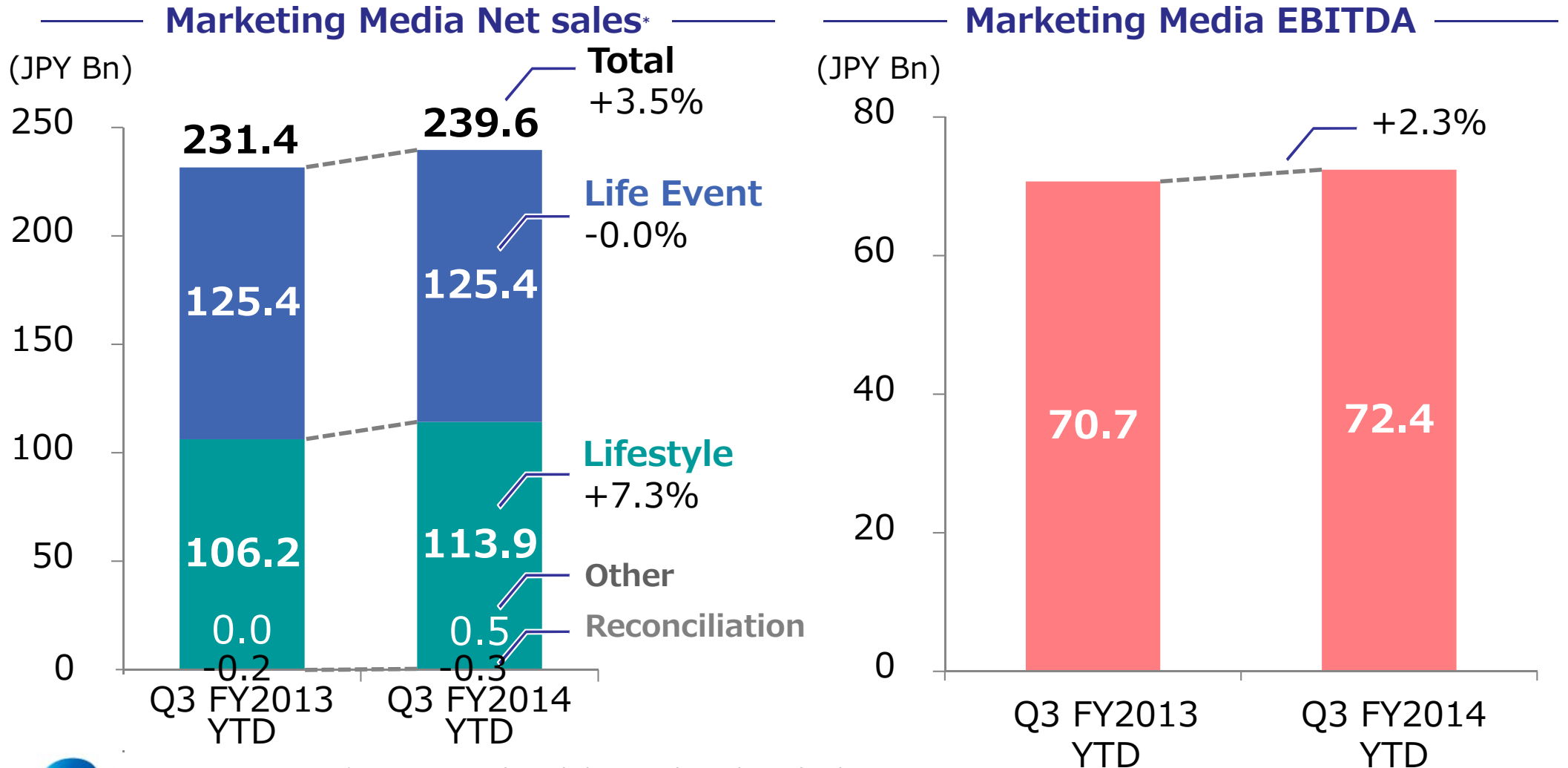
*Segment Net sales includes net sales and transfers between segments

2. Earnings Results by Segments for Q3 FY2014

**2. Earnings Results by Segments
for Q3 FY2014
(I) Marketing Media**

2-(I) Marketing Media Net sales & EBITDA

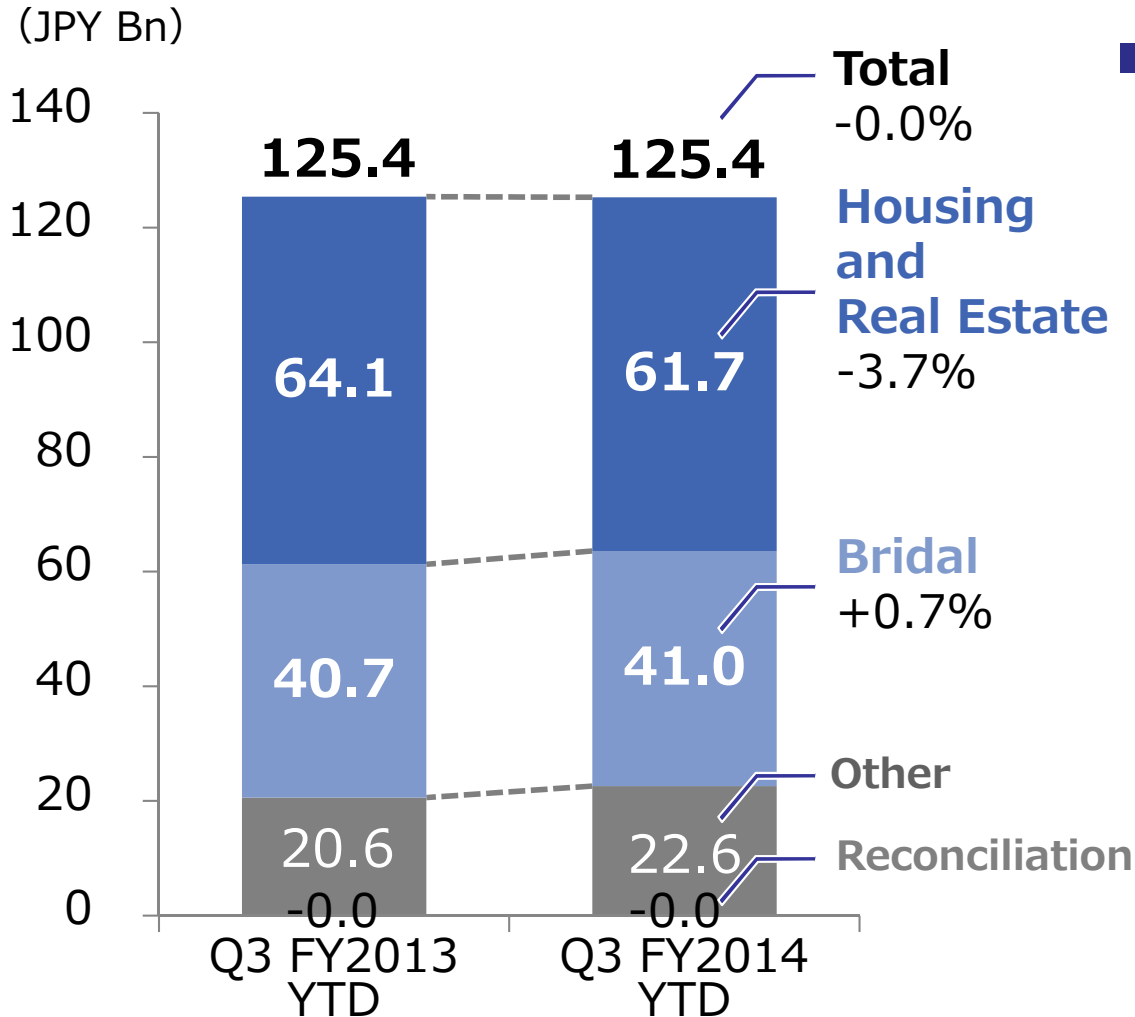
- Net sales increased 3.5% YoY. While Life Event operations net sales remained stable, the Lifestyle operations net sales trended favorably
- EBITDA increased 2.3% YoY reflecting the increase in net sales



*Segment net sales includes net sales and transfers between segments

2-(I) Marketing Media: Life Event Operations

Life Event Net sales*



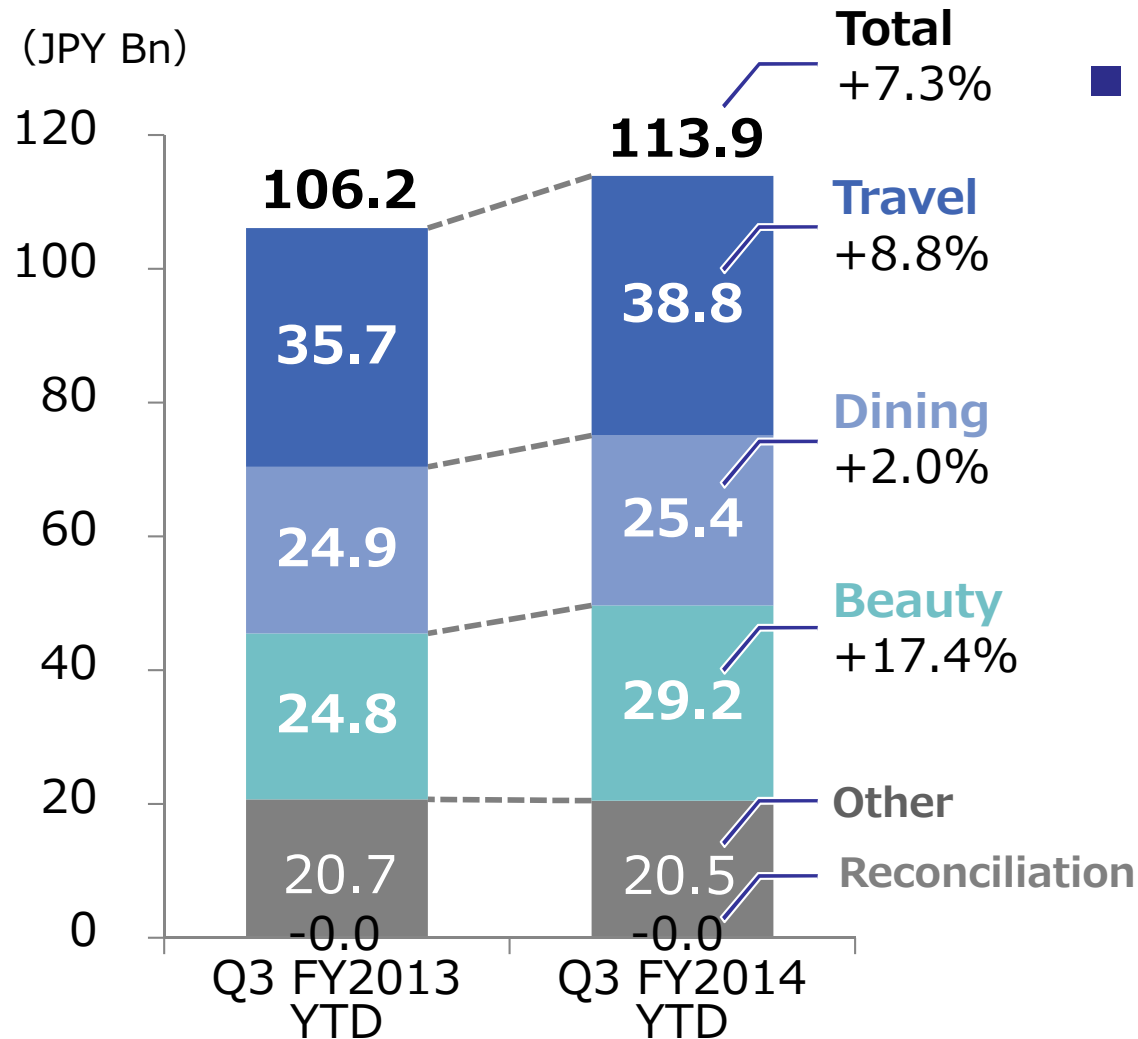
■ Solid net sales

- Net sales trended sluggishly in the condominium apartment division reflecting the change of market environments, which negatively impacted the housing and real estate business.
- Net sales trended solidly in the bridal business, owing in part to new store openings by major clients that operate wedding halls.

*Segment net sales includes net sales and transfers between segments

2-(I) Marketing Media: Lifestyle Operations

Lifestyle Net sales*



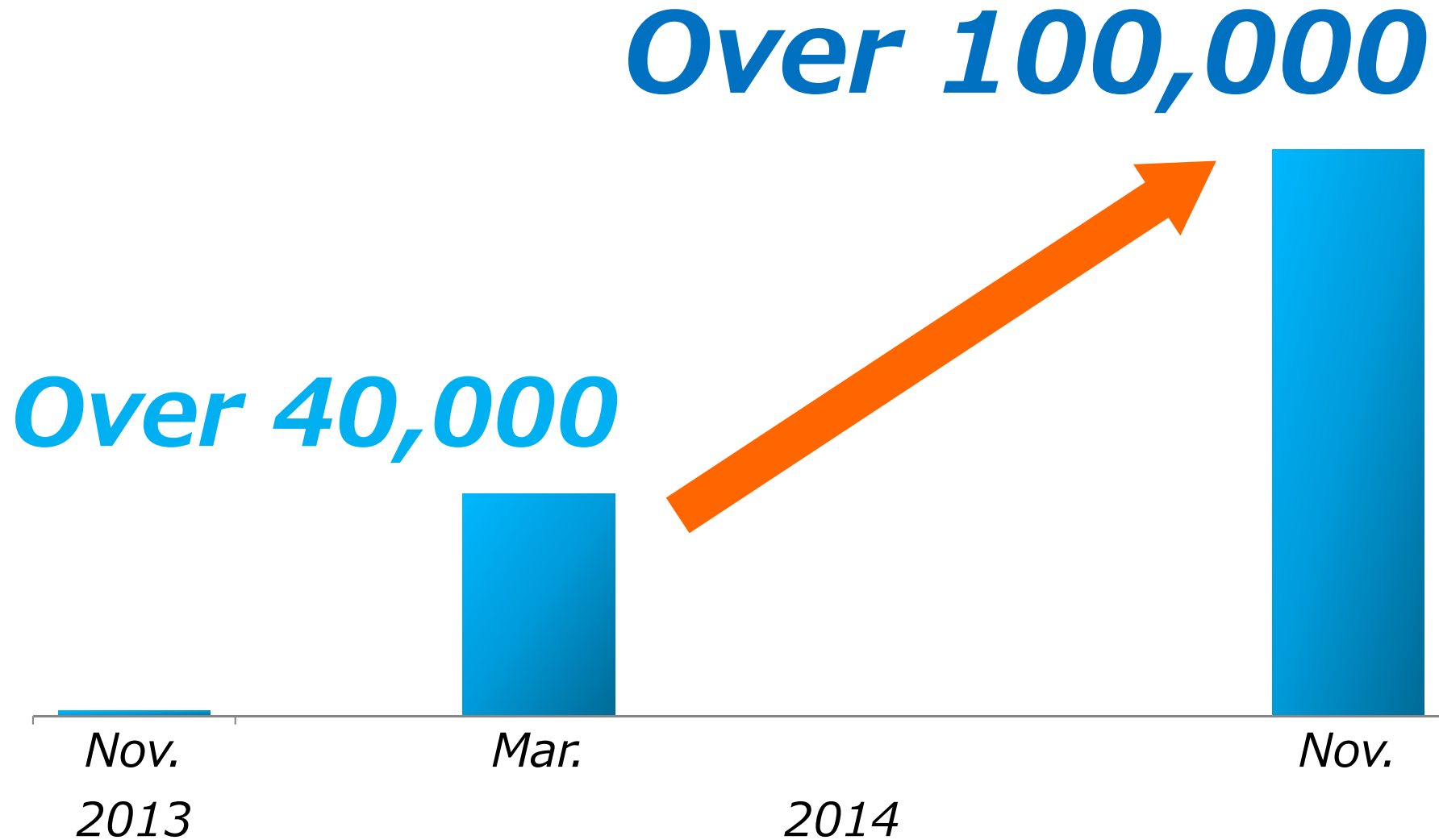
Strong net sales

- The travel business trended favorably due to a rise in the unit price of hotels and other accommodations as well as an increase in the number of total users of our services (number of persons who stayed overnight).
- The dining business was robust as we promoted strengthening of client contacts.
- The beauty business trended favorably mainly due to an increase in business with new and existing clients.

*Segment net sales includes net sales and transfers between segments

(Topics)

■ Number of Air REGI registered accounts

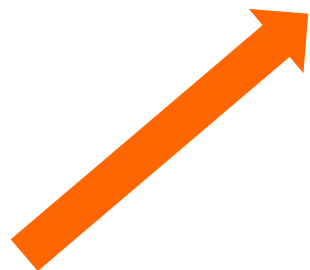


(Topics)

■ Dining business

+7.96
million users

16.96
million users



Q2 FY2014
YTD

Q3 FY2014
YTD

**No. of online reservations
HotPepper Gourmet***

■ Beauty business

+7.79
million reservations

21.20
million reservations



Q2 FY2014
YTD

Q3 FY2014
YTD

**No. of online reservations
HotPepper Beauty***



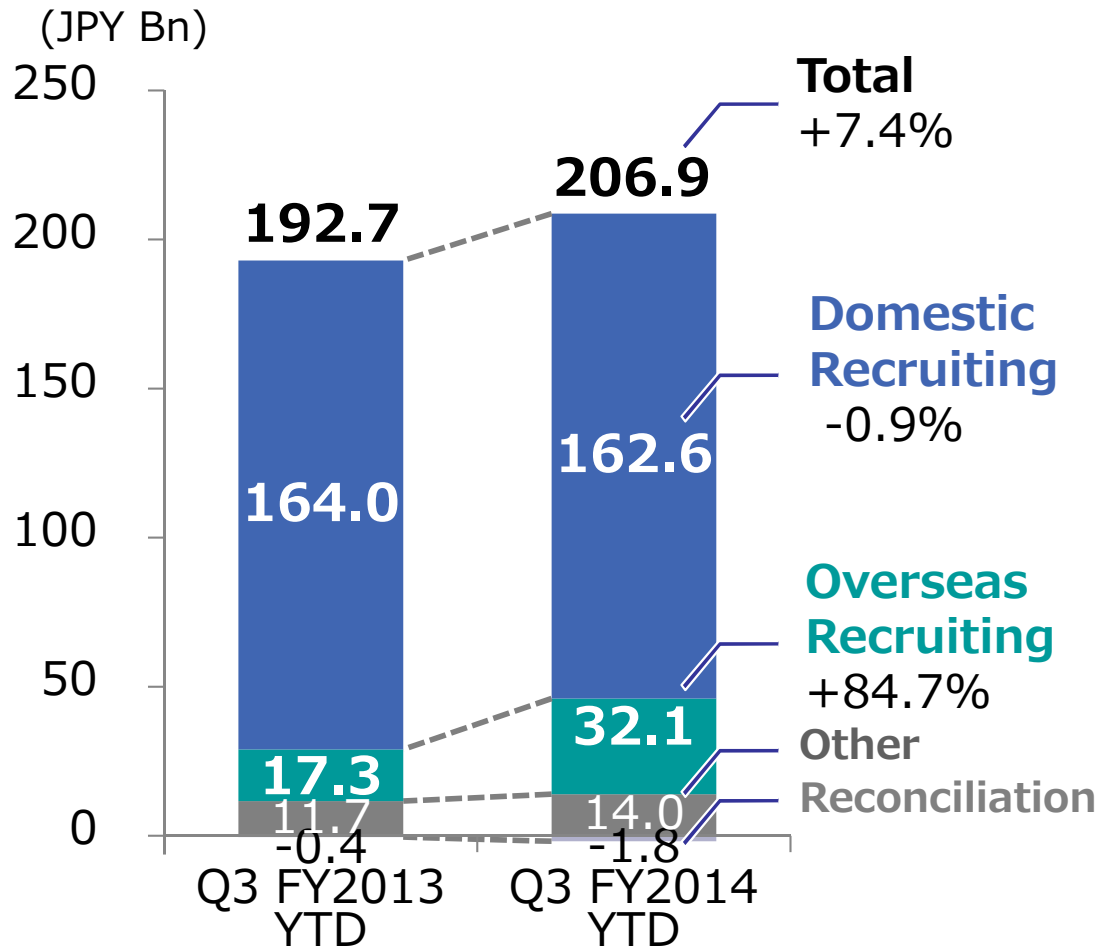
*Based on number of reservation, cancels are not counted

**2. Earnings Results by Segments
for Q3 FY2014
(II) HR Media**

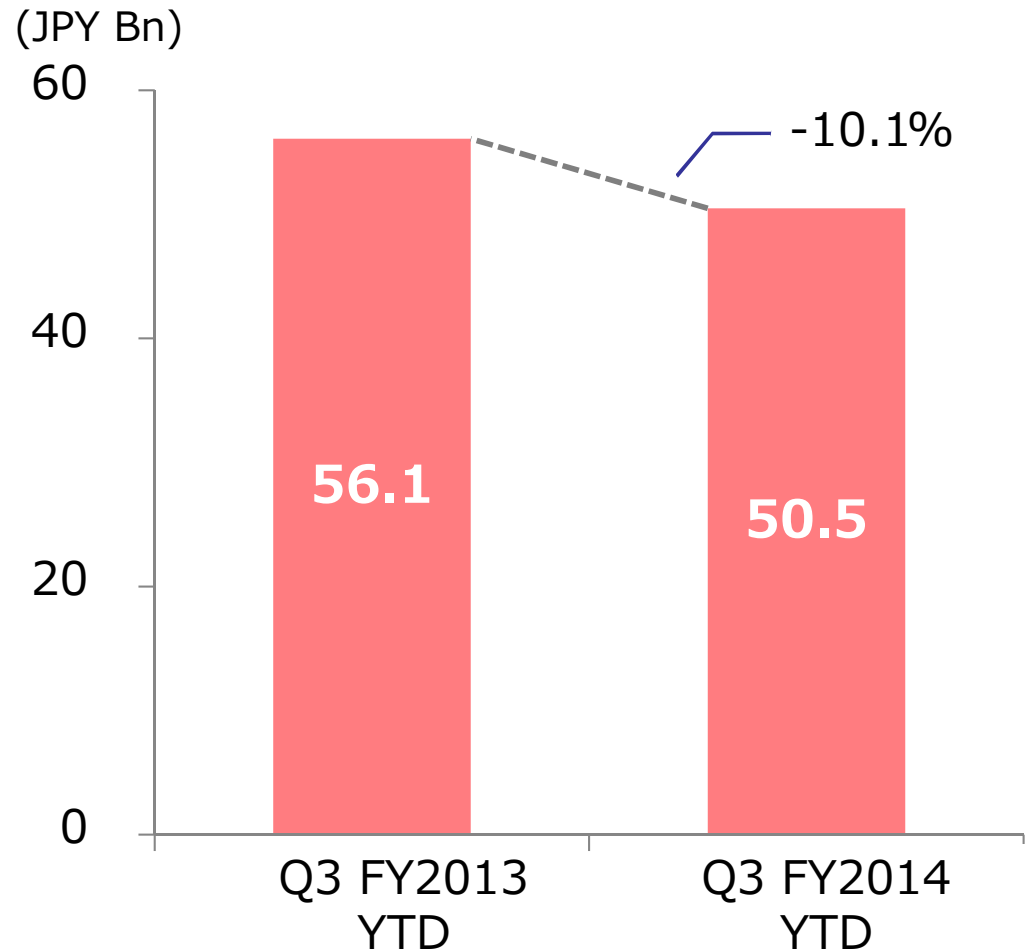
2-(II) HR Media Net sales & EBITDA

- Net sales remained at an increase of 7.4% YoY due to the impact of the change in timing of the launch of products for new graduates
- EBITDA decreased 10.1% YoY owing to the same factor

HR Media Net sales*



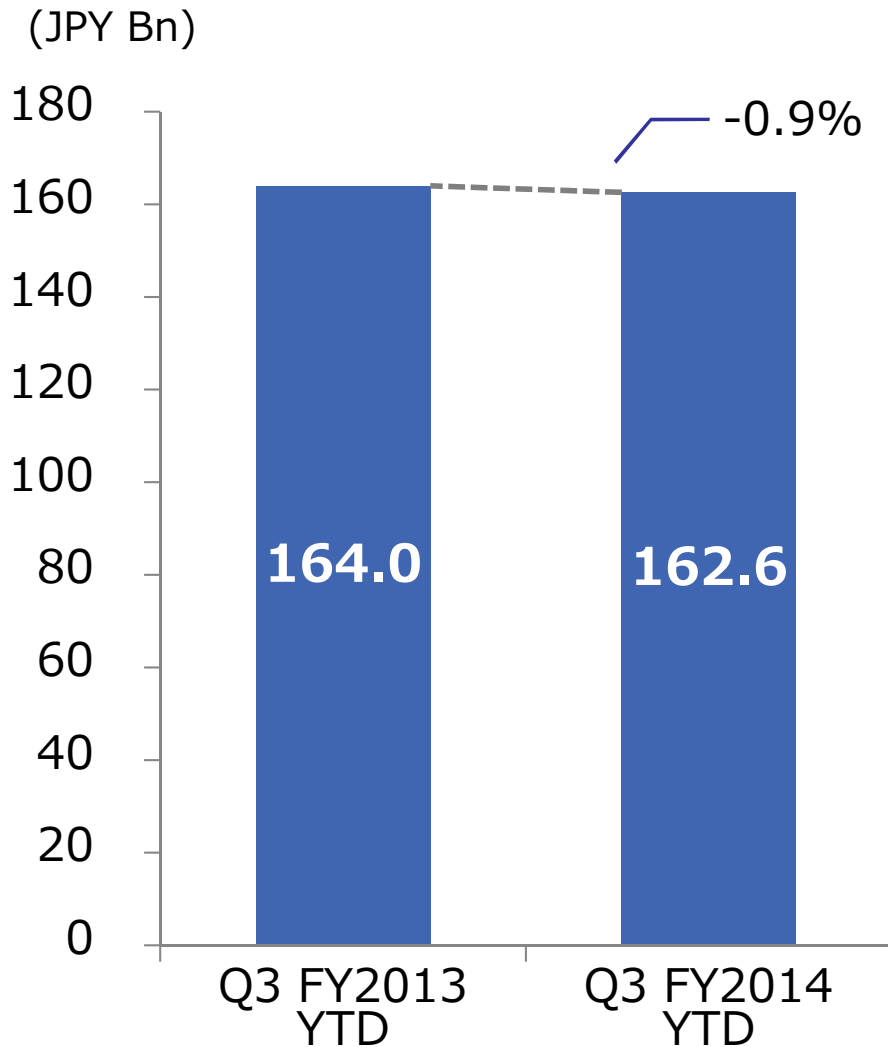
HR Media EBITDA



* includes net sales and transfers between segments

2-(II) HR Media: Domestic Recruiting

Domestic Recruiting Net sales



■ Favorable market environment

- The ratio of job-offers to job-seekers and number of placed recruitment advertisement continued to improve.

■ Net sales saw a temporary decrease due to specific factors (this effect is expected to have no impact on the full-year earnings results)

- Change in launch timing of products for prospective new graduates (Q3 in FY2013 to Q4 of this year)
- Net sales are trended favorably mainly in mid-career and part-time/temporary worker services due in part to the enhancement of brand strength and the sales force.

(Reference : Domestic Recruiting)

- Net sales of mid-career and part-time/temporary worker services* (YoY change)

Q1

Q2

Q3

Q3 YTD

Mid-career and part-time/ temporary worker services

+17.3%

+5.8%

+7.0%

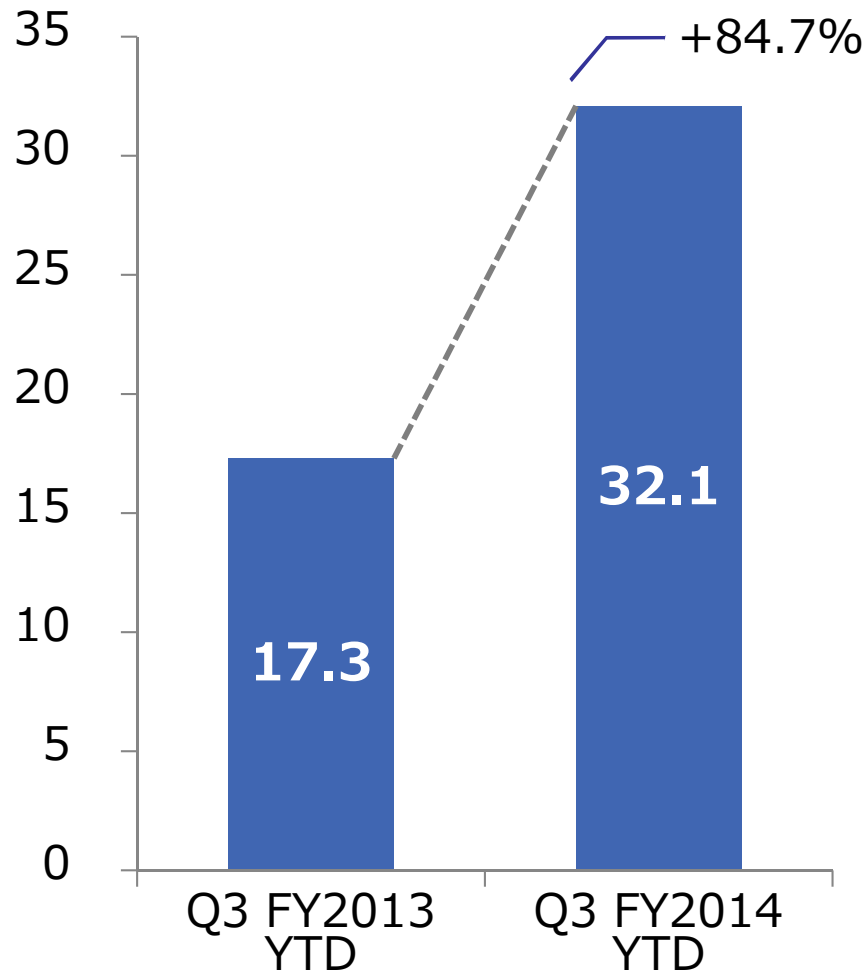
+9.9%

*Net sales of mainly mid-career and part-time / temporary worker services (managerial accounting figures)

2-(II) HR Media: Overseas Recruiting

Overseas Recruiting Net sales (Indeed)

(JPY Bn)



■ Strong net sales

- Net sales trended favorably reflecting smooth growth in service use by small and medium-sized clients.

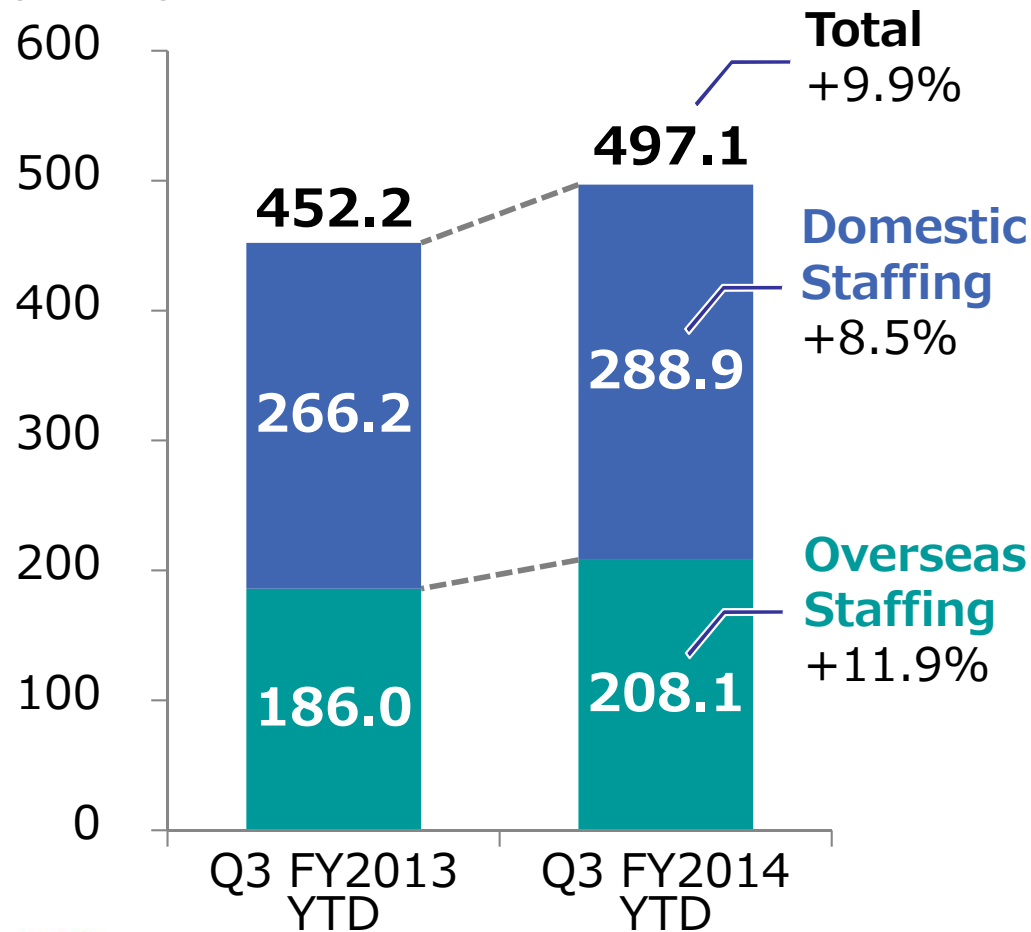
**2. Earnings Results by Segments
for Q3 FY2014
(III) Staffing**

2-(III) Staffing Net sales & EBITDA

- Net sales increased 9.9% YoY owing to brisk domestic and overseas staffing business
- EBITDA increased 14.7% YoY due in part to progress in efficient management

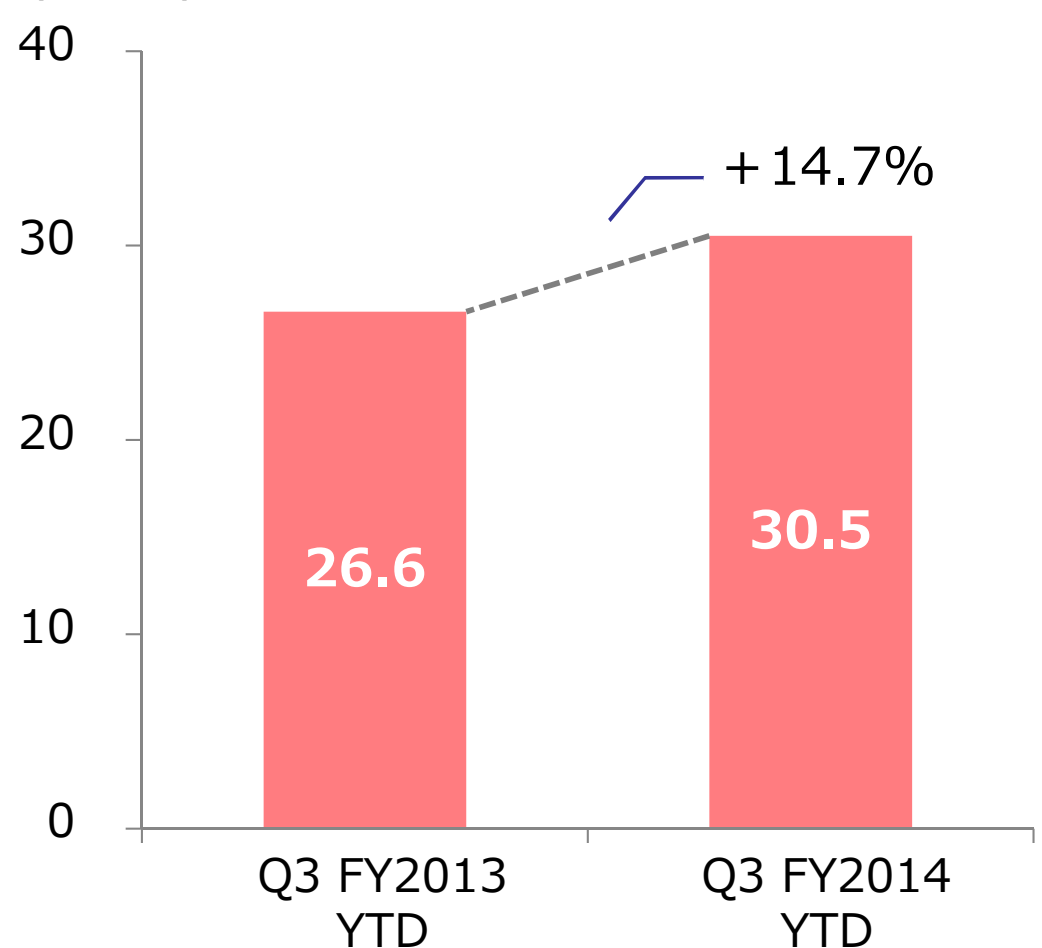
—— Staffing Segment Net sales* ——

(JPY Bn)



—— Staffing Segment EBITDA ——

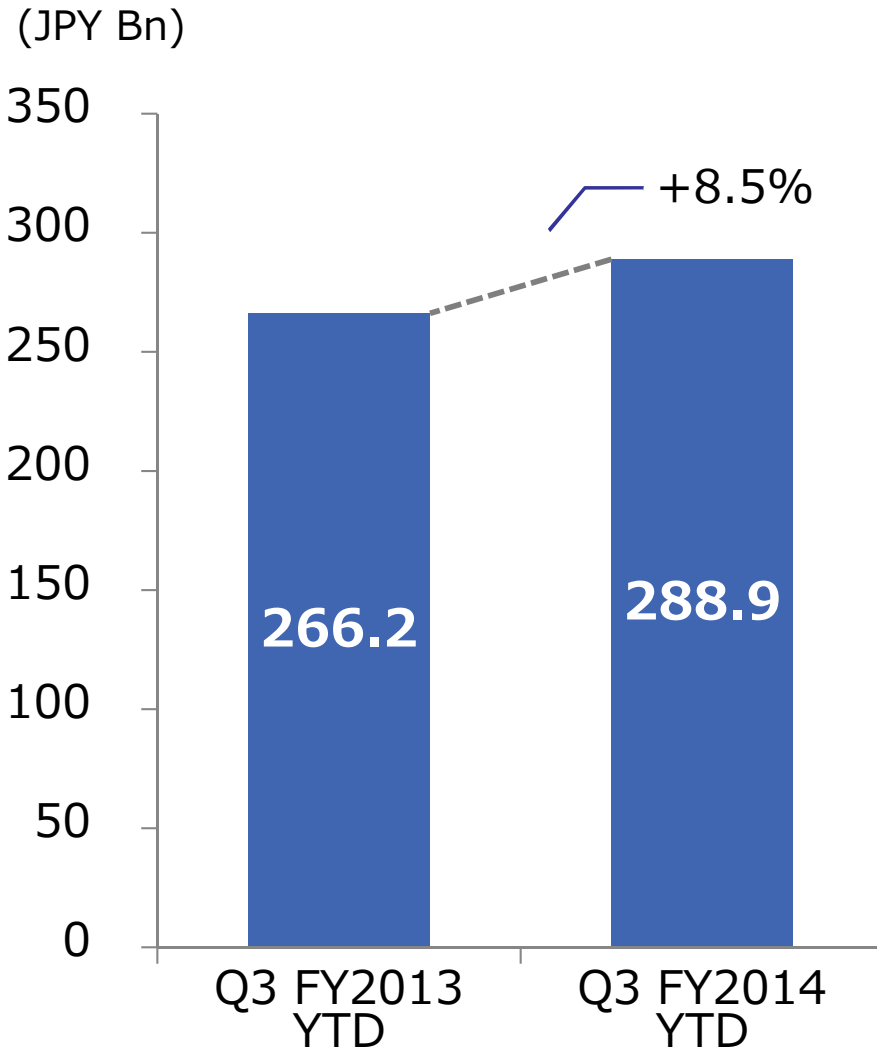
(JPY Bn)



*Segment net sales includes net sales and transfers between segments

3-(III) Staffing: Domestic Staffing

Domestic Staffing Net sales



■ Solid market environment

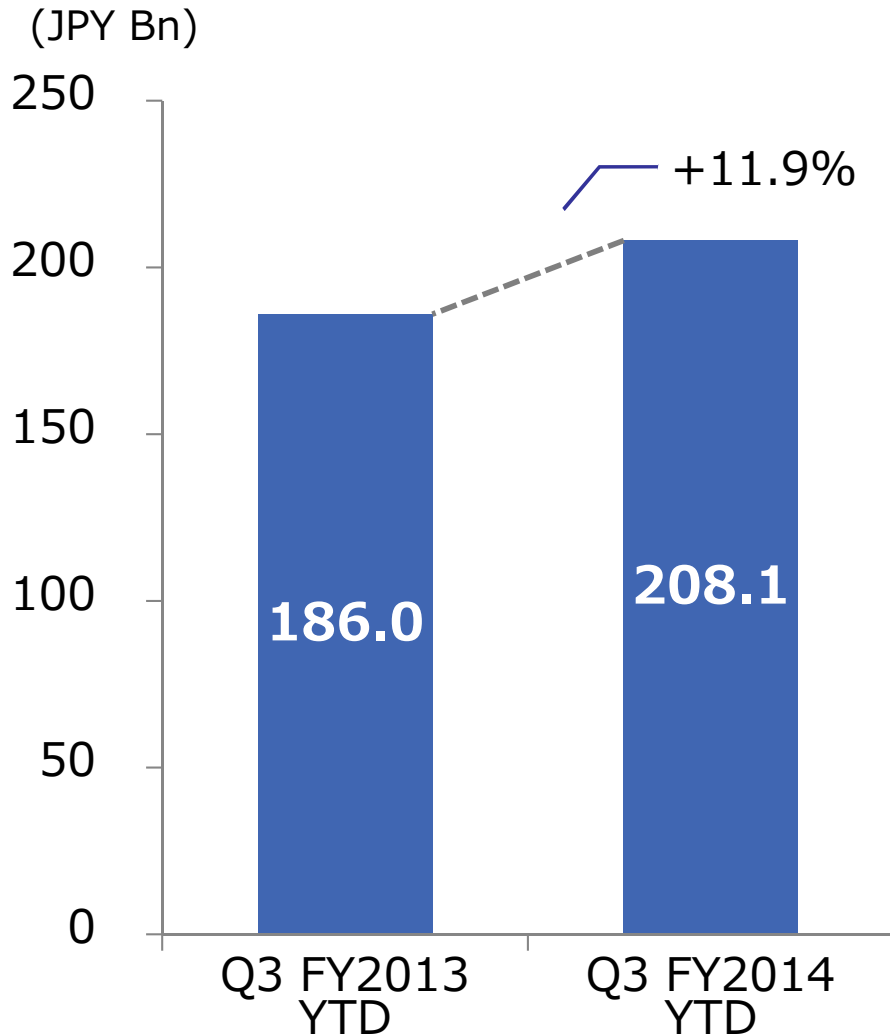
- The number of active agency workers (quarterly average) maintained a rising trend for the fifth consecutive quarter

■ Strong net sales

- Net sales in Recruit Staffing trended strongly owing to enhanced sales force
- Net sales in Staff Service trended favorably owing to the extension of existing staffing contracts and an increase in new staffing contracts.

2-(III) Staffing: Overseas Staffing

Overseas Staffing Net sales



■ Solid market environment

- The staffing market in North America and Europe continued to expand gradually

■ Strong net sales

- Positive impact from a weak yen.
- Net sales trended favorably owing in part to solid earnings growth at Advantage Resourcing Europe B.V. (UK).

(Topics)

■ Full-scale entry into Australia's staffing market (announced on Jan. 14, 2015)

- Acquired 100% of the outstanding shares of Australian IT Recruitment Company, Peoplebank
- Commenced procedures for acquisition of 100% of outstanding shares of Australian HR Services Provider, Chandler Macleod

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 Securities 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

Forecast for Full-year FY2014

- No changes to the full-year forecast announced at the beginning of the term

(JPY Bn)	FY2013	FY2014		
	Full-year	Full-year Forecast* ₃ (announced on May 14)	YoY	
			Amount of Change	% of Change
Net sales	1,191.5	1,290.0	+98.4	+8.3%
EBITDA*₁	180.6	191.0	+10.3	+5.7%
EBITDA Margin	15.2%	14.8%	—	-0.4pt
Operating income	117.4	121.0	+3.5	+3.0%
Ordinary income	122.0	126.0	+3.9	+3.2%
Net income	65.4	66.0	+0.5	+0.9%
Adjusted net income* ₂	101.4	103.0	+1.5	+1.5%

*1 : EBITDA = Operating income + Depreciation and amortization + Amortization of goodwill

*2 : Adjusted net income = Net income + Amortization of goodwill

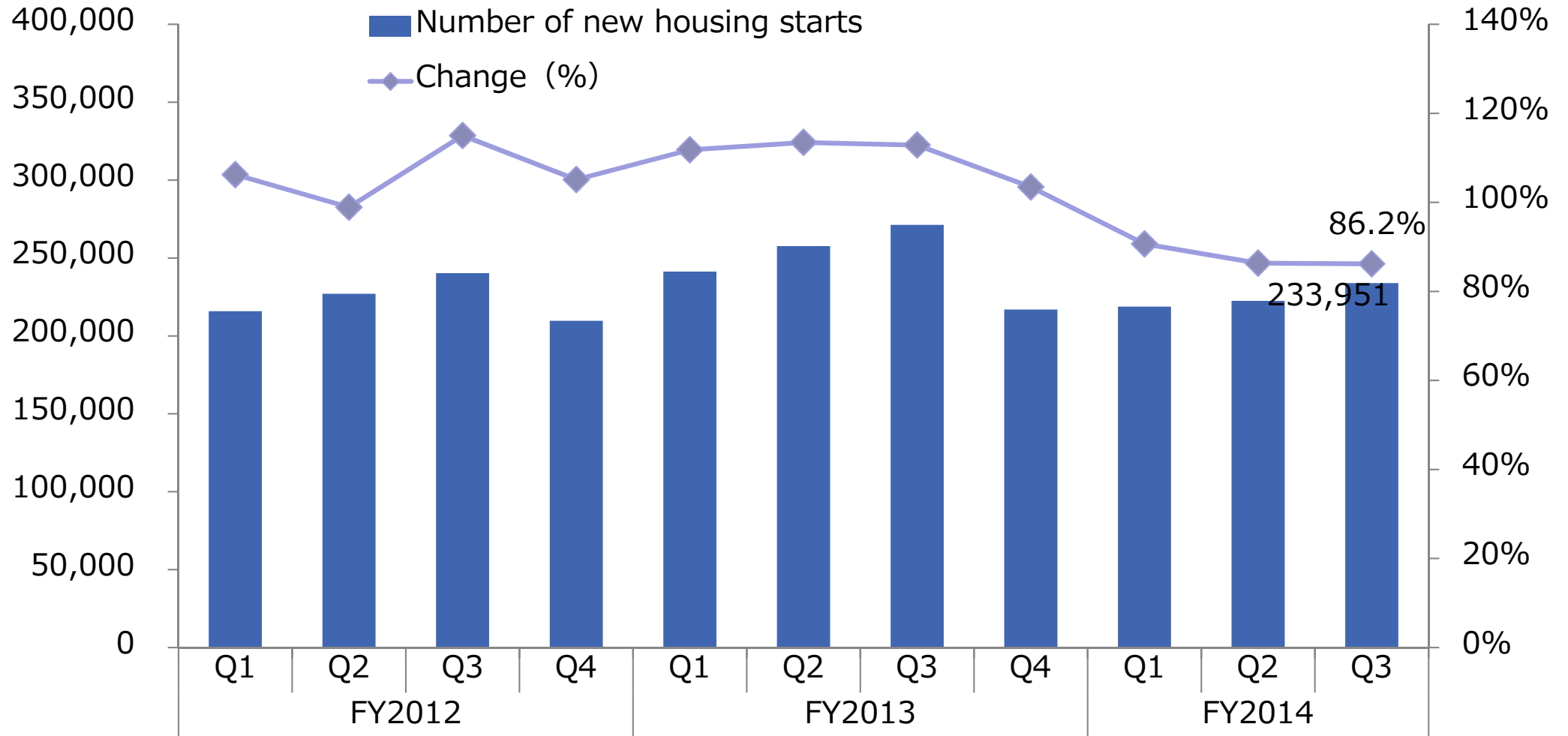
*3 : Same as the forecast announced on October 16, 2014. Assuming exchange rate: JPY103.00/USD

Appendix

Market Environment: Housing and Real Estate Business

Number of new housing starts

(# of houses)



*Source: MLIT housing start statistics

Market Environment: Domestic Recruiting Operations

— Number of recruitment advertisements / Ratio of job-offers to job-seekers —

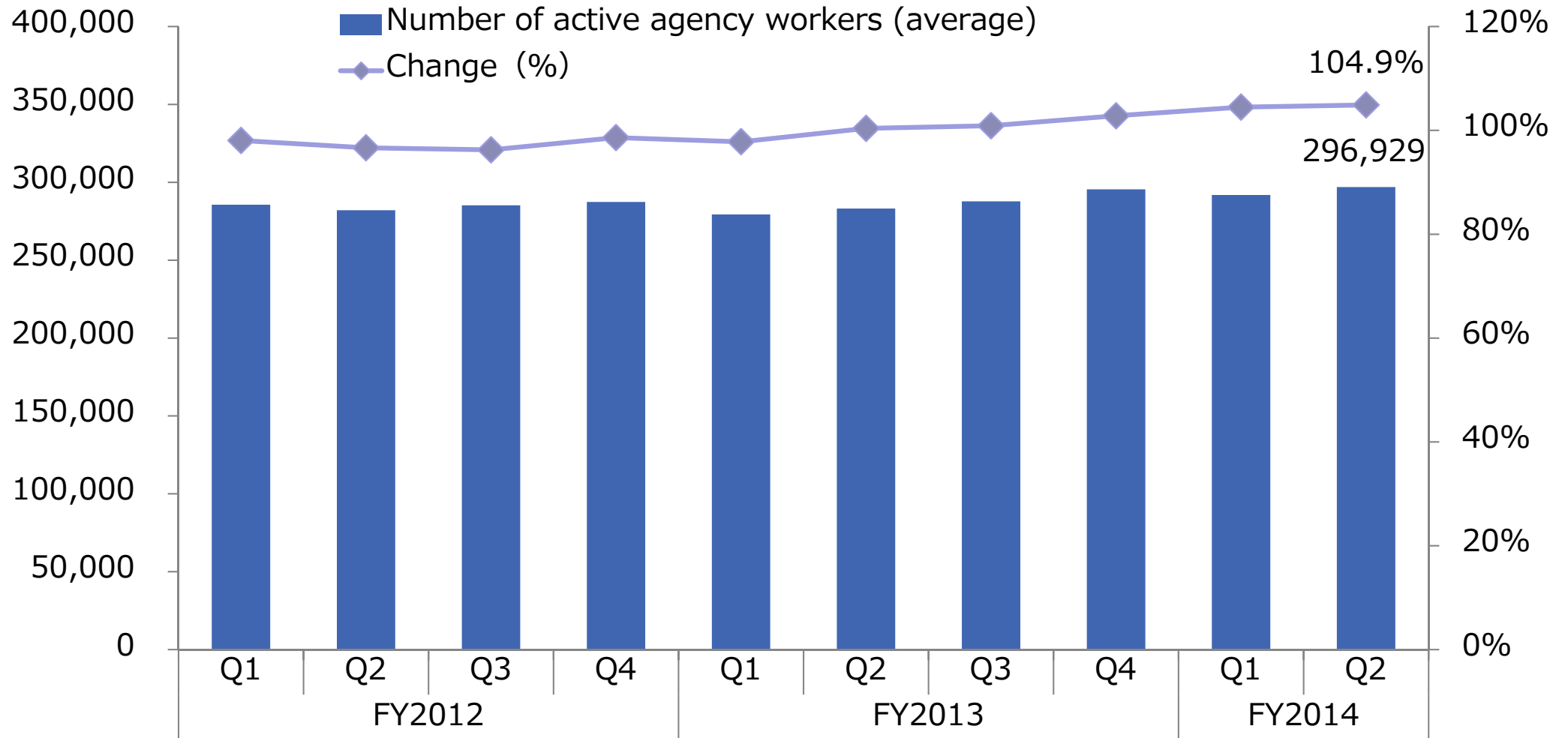


*Source: Association of Job Information of Japan (Zenkyukyo), Ministry of Health, Labour and Welfare

Market Environment: Domestic Staffing Operations

Number of active agency workers

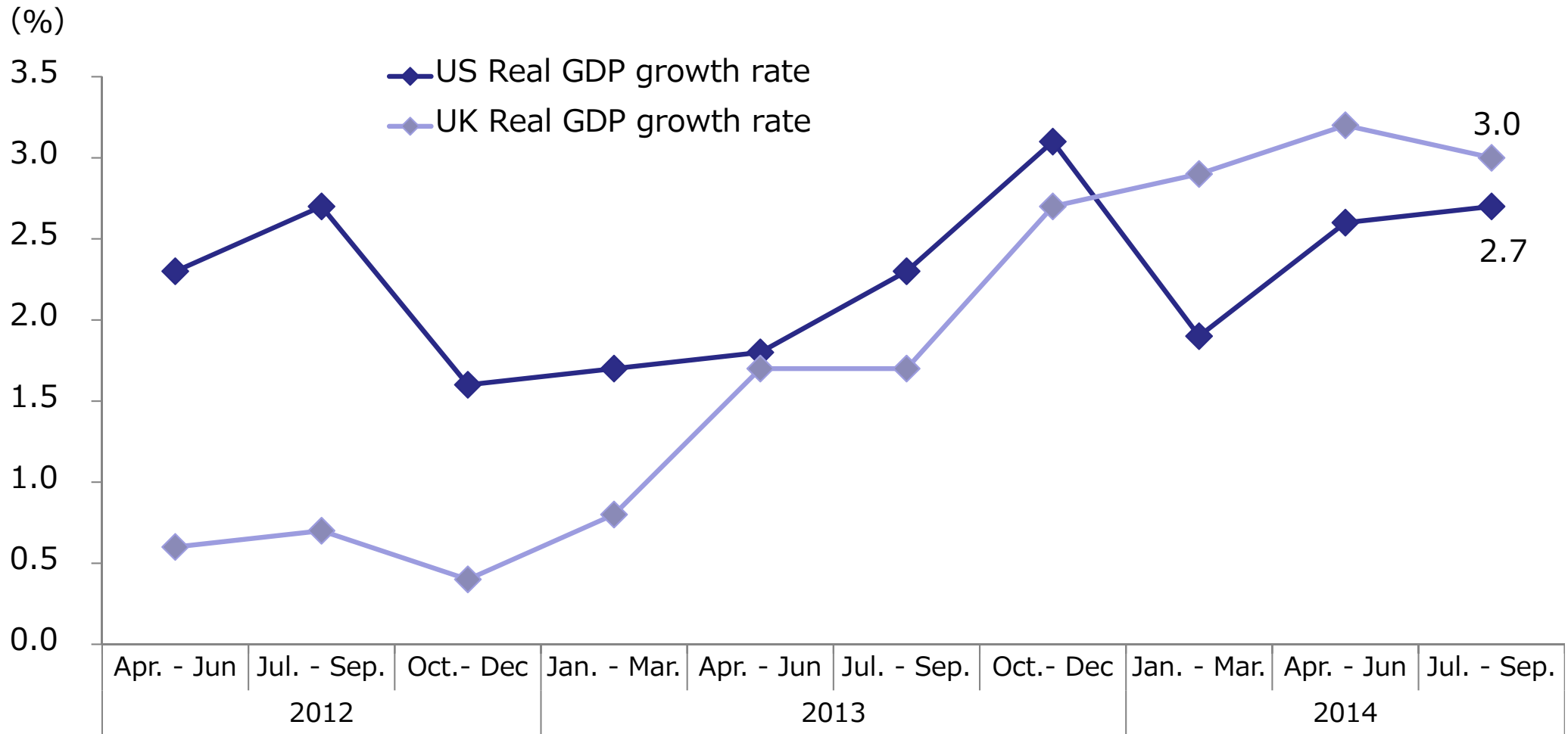
(# of persons)



*Source: Japan Staffing Services Association

Market Environment: Overseas Staffing Operations

Real GDP Growth Trends (US & UK)



*Source:

- U.S. Department of Commerce: National Income and Product Accounts Table 1.1.11. Real Gross Domestic Product: Percent Change From Quarter 1Year Ago
- UK Office for National Statistics Gross Domestic Product: Quarter on quarter previous year