

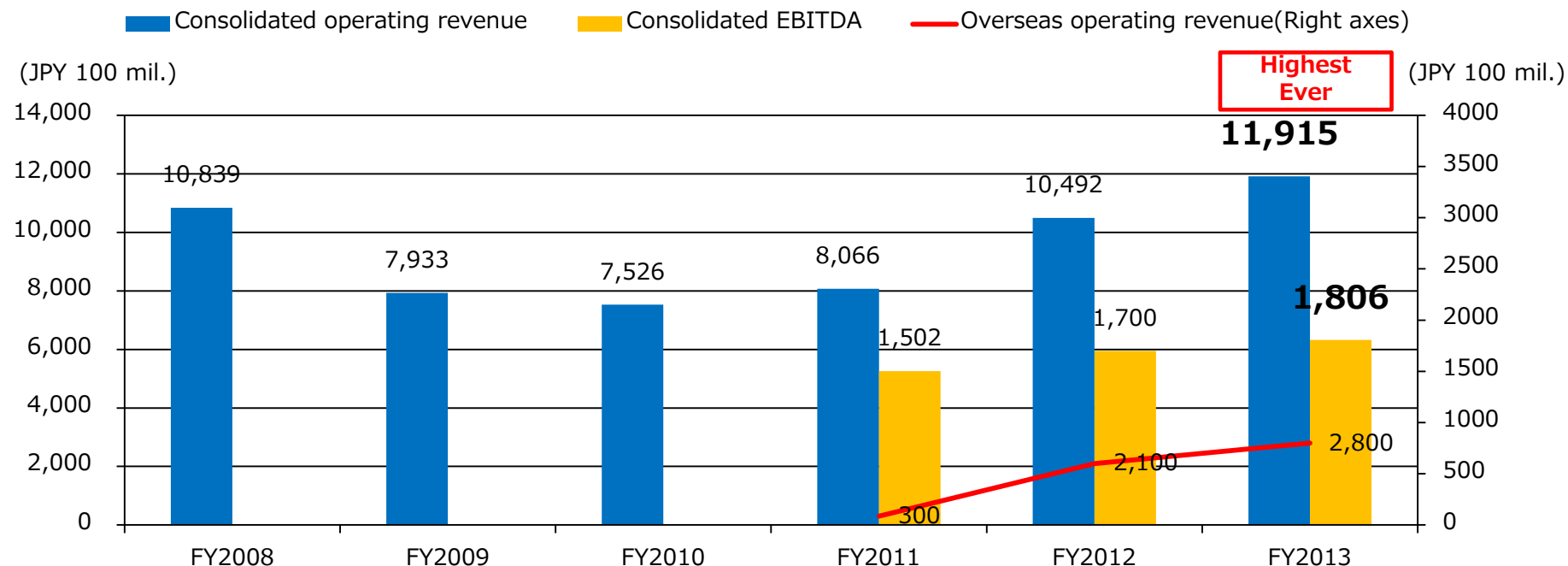
# Financial Results of the Year Ended March 2014

May 14, 2014

Recruit Holdings Co., Ltd.

Masumi Minegishi, President and Representative Director, CEO





\*EBITDA: Calculated as operating income + depreciation costs + goodwill amortization (set as a financial metric in the fiscal year ended March 31, 2013 and calculated since the fiscal year ended March 31, 2012)

\*Average exchange rate during the period: US\$1=JPY97.7

## We achieved the highest ever consolidated operating revenue

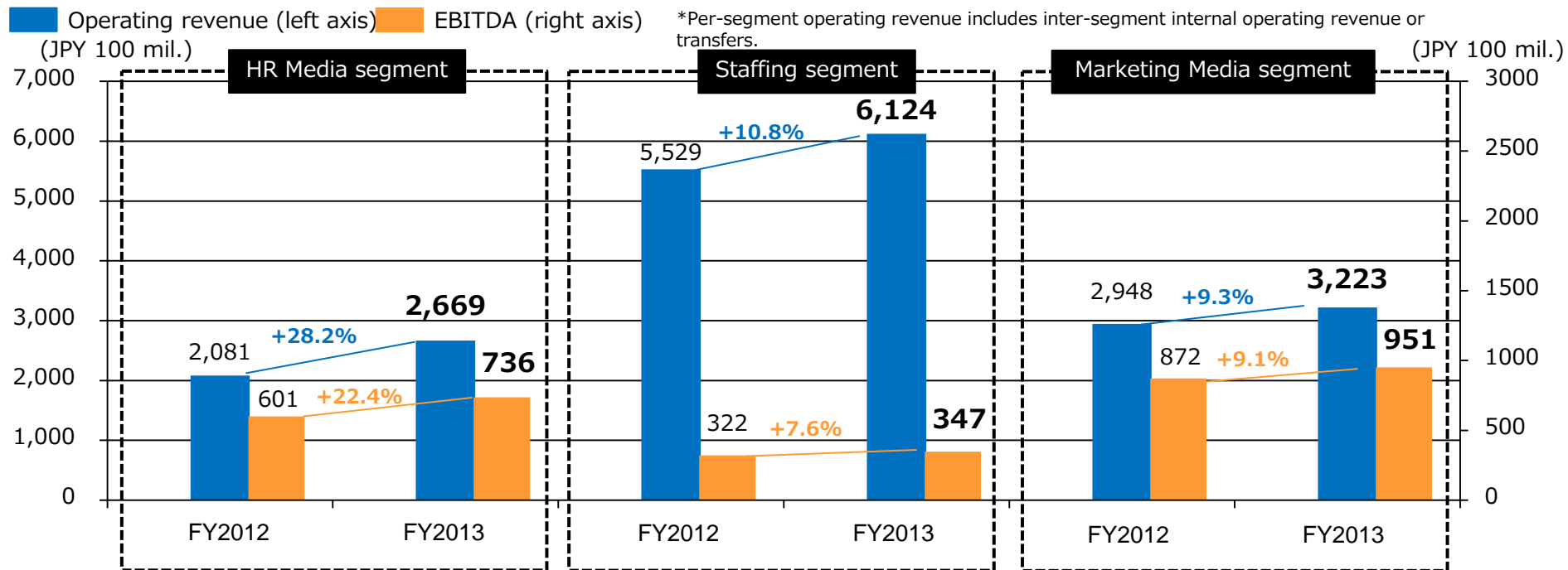
### Consolidated operating revenue show 13.6% increase over last year

Consolidated operating revenue outside Japan grew approximately 33%, from JPY 210 billion the previous year to more than JPY 280 billion (accounting for approximately 23% of consolidated operating revenue), helped by the full-year results of Indeed, Inc., which became a subsidiary in the previous year, and by the cheaper yen exchange rate. Consolidated operating revenue in Japan grew 8%, from approximately JPY 830 billion in the previous year to around JPY 900 billion.

### Consolidated EBITDA show 6.2% increase over last year

Profit increased for the second straight term, exceeding the results for the previous fiscal year and initial forecasts.

# FY2013 Results in Major Business Segments



## Increased sales and profits (EBITDA) in all major segments.

### ■ In the HR Media segment, sales grew 28.2% and EBITDA increased 22.4%

(Rikunavi, Rikunavi NEXT, Recruit Agent, TOWN WORK, Hatalike, Indeed, Inc., Bó Lè Associates Group Limited, etc.)

In the domestic recruiting operations, sales grew 17.8% as Japanese firms are hiring actively.

In other operations, sales increased 146.9%, mainly helped by Indeed consolidated results and the addition of Bó Lè as subsidiary.

### ■ In the Staffing segment, sales grew 10.8% and EBITDA was up 7.6%

(Recruit Staffing, Staff Service Holdings, Staffmark Holdings, Inc., Advantage Resourcing America Inc., etc.)

Sales grew 4.4% in the domestic staffing operations with the strong staffing market.

The overseas staffing operations saw a 21.1% rise in sales caused by efficient business operations and the cheaper yen.




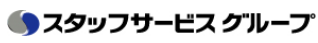



### ■ In the Marketing Media segment, double-digit sales growth in the Lifestyle domain resulted in overall sales growth of 9.3% and EBITDA growth of 9.1%

(SUUMO, ZEXY, Car Sensor, Jalan, HOT PEPPER, Ponpare, etc.)

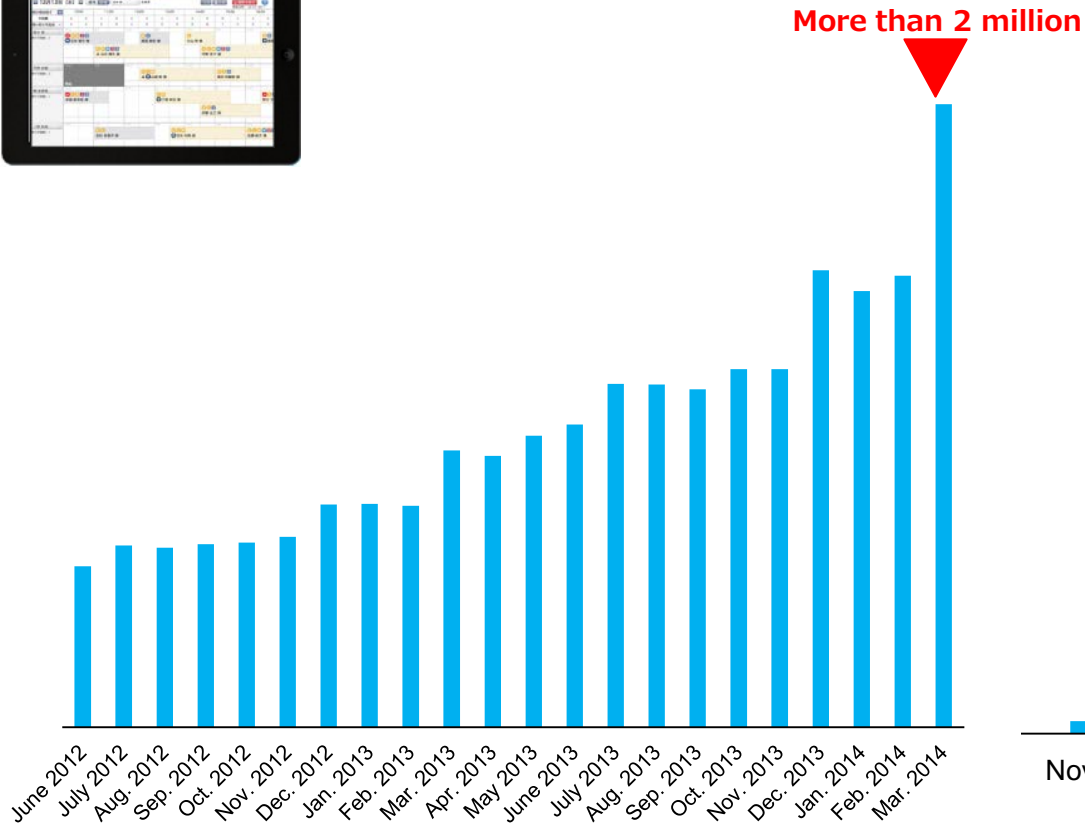
With strong domestic market, sales grew 7.6% in the Life Event operations and 11.6% in the Lifestyle operations.

## Business development pace accelerated after new management structure adopted in 2012

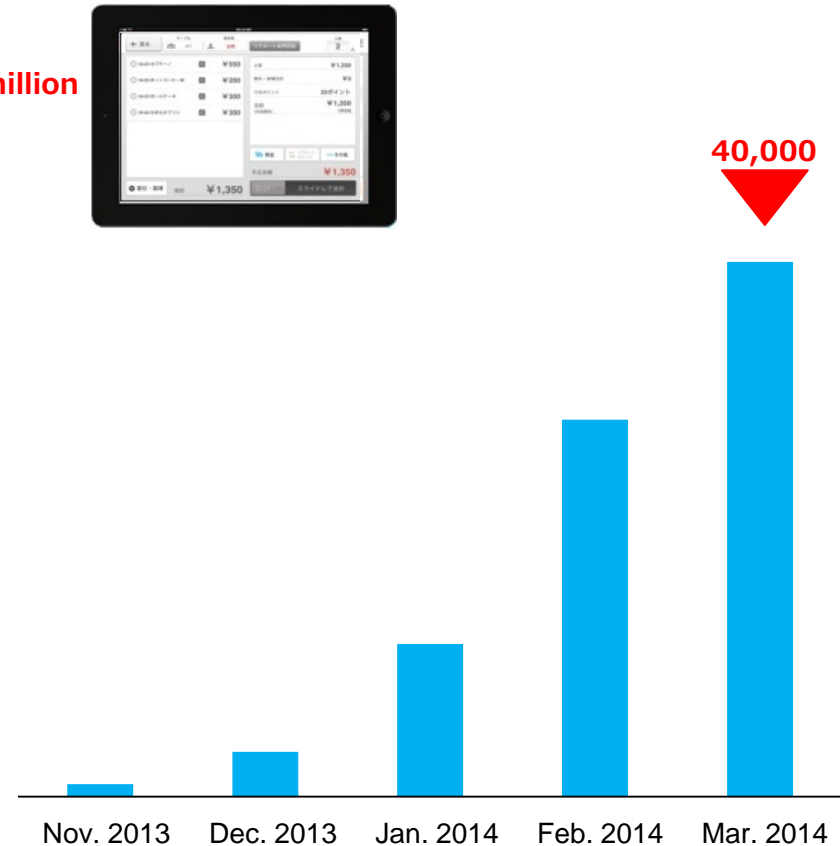
Examples of new business rollout and newly launched services

HR Media	<b>Recruit Career Co., Ltd.</b> Schedule management application <i>Shukatsu Manager</i> , circle (club) search application <i>bira</i> Start of <i>Rikunavi Shushoku Agent for Varsity Students</i> . 
	<b>Recruit Jobs Co., Ltd.</b> Renewal of <i>Town Work Net</i> Start of shift management application <i>Shift Board</i> and resume application <i>Résumé</i> 
Staffing	<b>Recruit Staffing Co., Ltd.</b> Start of <i>Japheego</i> staffing site aimed at Java and PHP engineers 
	<b>Staff Service Group</b> Start of full-time staffing of nursing care professionals 
Marketing Media	<b>Recruit Marketing Partners Co., Ltd.</b> Strengthening online prep school service, <i>Juken Suppli</i> . Started offering online English conversation and qualification courses. Started assistive vehicle navigation service 
	<b>Recruit Lifestyle Co., Ltd.</b> Start of Free POS register application <i>Air Regi</i> , online bookstore <i>Ponpare e-Bookstore</i> , <i>TABROOM</i> furniture information site 
	<b>Recruit Sumai Company, Ltd.</b> Renewal of <i>SUUMO</i> real estate and housing site and applications, and accelerating deployment of <i>SUUMO Counter</i> free face-to-face consulting service 

## Creating new demand by combining IT and operations support

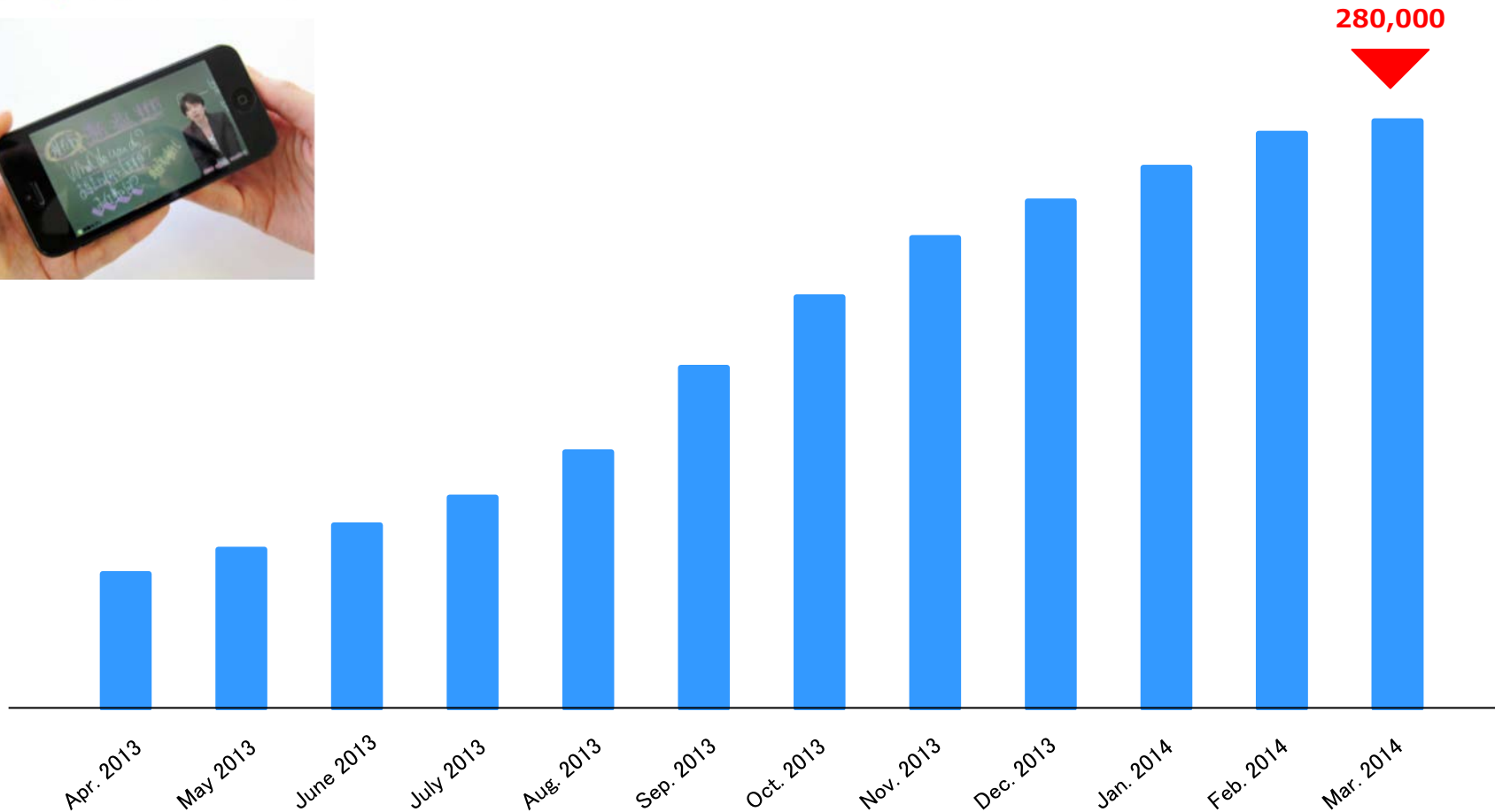


**Trend in online  
reservations through  
SALON BOARD\***



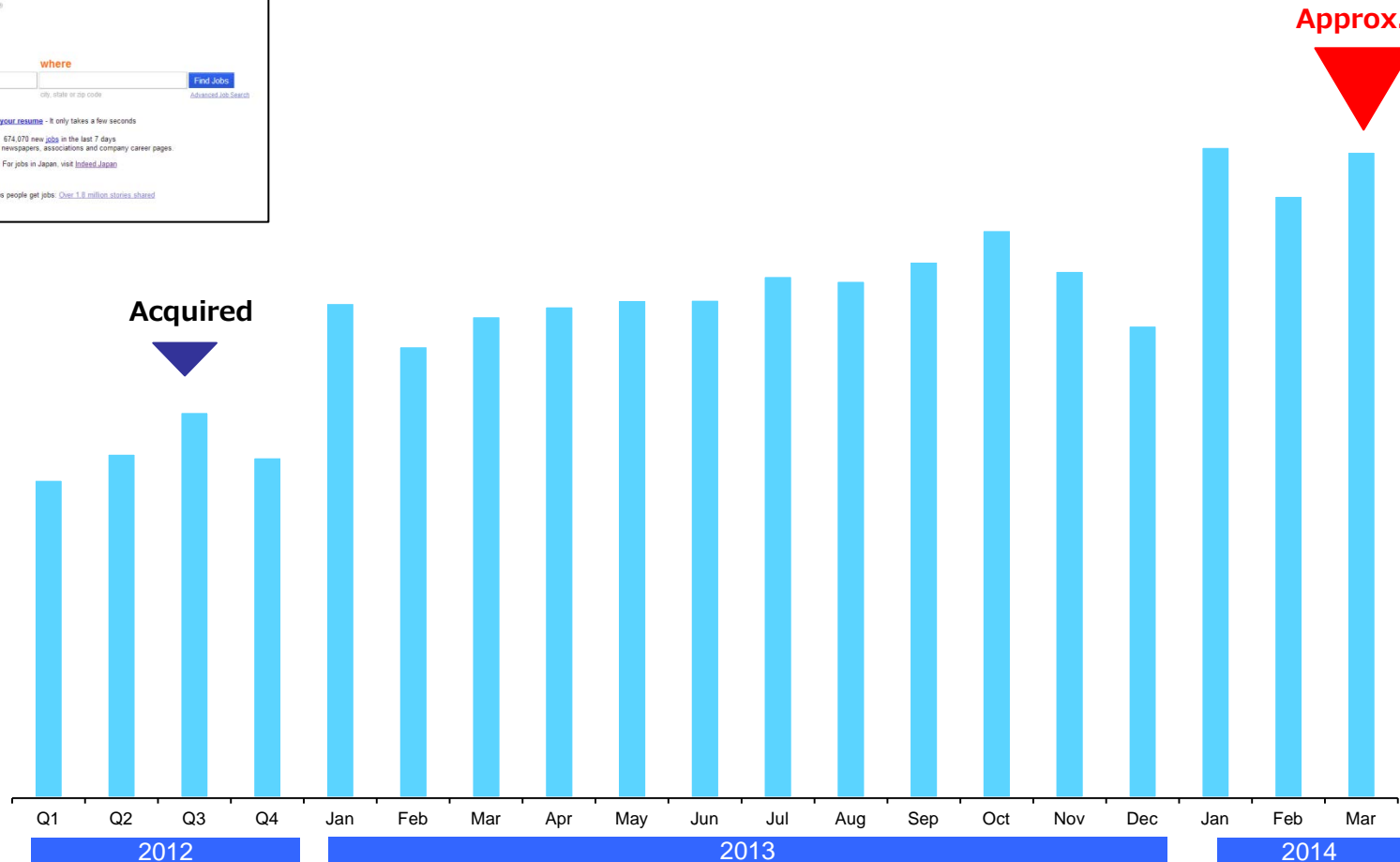
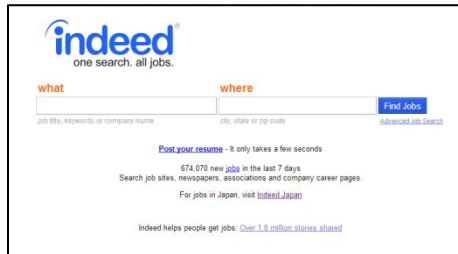
**Account growth**

# Juken Suppli online prep school has grown into a service used by 280,000 students preparing for entrance exams



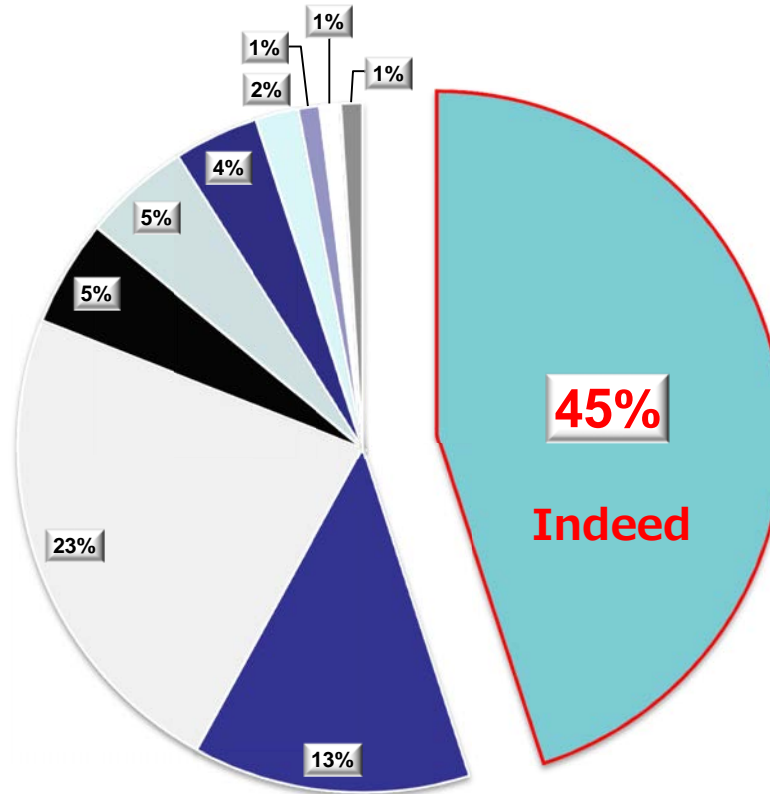
Juken Suppli membership trends to Mar. 2014

Since becoming a subsidiary, Indeed, Inc., operator of the largest job site worldwide, has accelerated its growth



Trend in unique visitors

## Number of hires via Indeed.com the most in North America



■ Indeed.com 
 ■ Careerbuilder 
 ■ Unspecified job board 
 ■ LinkedIn 
 ■ Monster 
 ■ Craiglist 
 ■ Simply hired 
 ■ Dice 
 ■ Seek 
 ■ Snag-a-job

Share of hires by external online sources

SilkRoad Technology

## Five strategy measurements toward advancing IT use

### **Hiring**

Start of hiring new graduates as Web specialists and greater mid-career hiring of IT personnel, aimed at reaching a 1,000-engineer staff

### **Training**

Joint establishment with Indeed of “Engineer HUB” as an IT development center for training of Web specialists

### **Increasing number of management**

Increasing the number of executive officers in IT department from 8 to 20 responsible for online product and service development and system functions in each business company and support companies

### **R&D**

Establishment of a JPY 5 billion fund specifically for investment in middleware, wearables, and other leading-edge IT areas

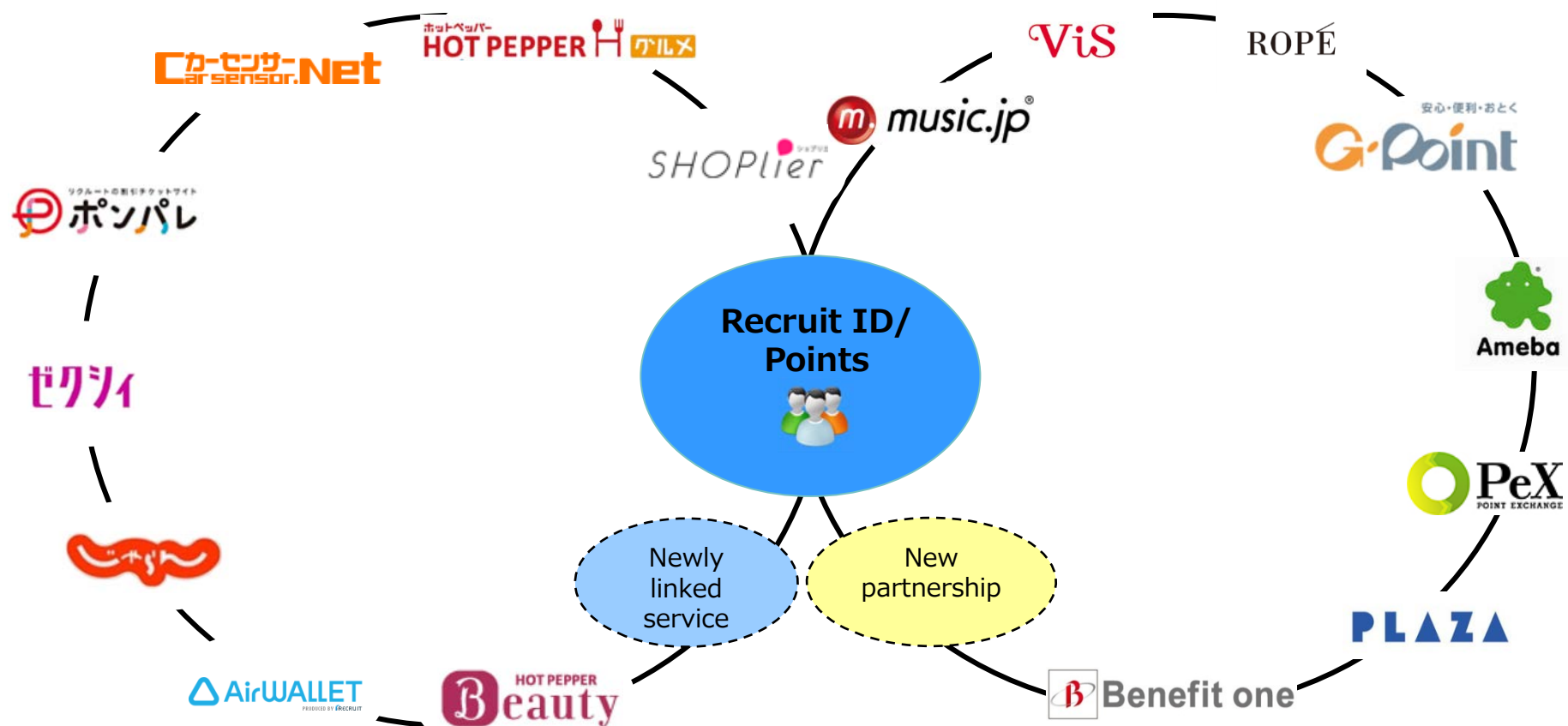
### **Strengthening of business development**

Holding monthly business plan contests, with well-known Silicon Valley venture capitalists and entrepreneurs serving as judges

## Strengthening user base through single sign-on (SSO) and more convenient point services

Internal × SSO

External × point tie-ups



Note: Only some of the linked services and partnerships are shown here.

## Growth through increasing value of existing businesses and M&A

### Increasing value of existing businesses

Improving profitability of business companies in Japan and overseas.

### M&A

Seeking M&A opportunities in HR and marketing media business



# *Appendix*

Business Segment	Operations	Main field	Main business companies, products and services
HR Media	Recruiting	Recruiting advertisement and job advertisement	Recruit Career Co., Ltd. (Rikunavi, Rikunavi NEXT, Recruit Agent, etc.) Recruit Jobs Co., Ltd. TOWN WORK, Hatalike, etc.
	Other	HR solutions, global recruiting advertisement	Recruit Management Solutions Co., Ltd. RGF Hong Kong Limited Indeed, Inc.
Staffing	Domestic staffing	Staffing service	Recruit Staffing Co., Ltd. Staff Service Holdings Co., Ltd.
	Overseas staffing	Staffing service	The CSI Companies, Inc Staffmark Holdings, Inc Advantage Resourcing America, Inc. Advantage Resourcing Europe B.V.
Marketing Media	Life Events	Housing and real estate, bridal, post-secondary education, automobiles	Recruit Sumai Company, Ltd. (SUUMO, etc.) Recruit Marketing Partners Co., Ltd. (ZEXY, Car Sensor, Rikunavi Shingaku, etc.)
	Lifestyle	Travel, beauty, dining, learning, online shopping, group purchase discounts	Recruit Lifestyle Co., Ltd. (Jalan net, HOT PEPPER, Ponpare, etc.)
	Other		—
Other		Cross-media promotions, digital content planning and distribution, other	—

# Consolidated Profit and Loss Statement (Summary)



(JPY 100 mil. )	Year ended Mar. 2013	Year Ended Mar. 2014			
	Full-year results	Full-year outlook announced May 2013	Full-year results	Change from full-year outlook	Year-on-year change
<b>Operating revenue</b>	<b>10,492</b>	<b>11,500</b>	<b>11,915</b>	<b>+3.6%</b>	<b>+13.6%</b>
<b>EBITDA*</b>	<b>1,700</b>	<b>1,750</b>	<b>1,806</b>	<b>+3.2%</b>	<b>+6.2%</b>
EBITDA margin	16.2%	15.2%	15.2%	-0.1%	-1.0 pt
<b>Operating income</b>	<b>1,249</b>	—	<b>1,174</b>	—	<b>-6.0%</b>
Operating margin	11.9%	—	9.9%	—	-2.1 pt
<b>Ordinary income</b>	<b>1,281</b>	<b>1,180</b>	<b>1,220</b>	<b>+3.4%</b>	<b>-4.8%</b>
<b>Net income</b>	<b>718</b>	—	<b>654</b>	—	<b>-8.9%</b>

\*EBITDA: Calculated as operating income + depreciation costs + goodwill amortization

\*Average exchange rate during the period: US\$1=JPY 97.7

# Results in Each Business Segment

(JPY 100 mil. )	FY2012	FY2013	Year-on-year change	
	Full-year results	Full-year results	Change	Change rate
<b>Operating revenue</b>	<b>10,492</b>	<b>11,915</b>	<b>+1,423</b>	<b>+13.6%</b>
<b>HR Media</b>	<b>2,081</b>	<b>2,669</b>	<b>+587</b>	<b>+28.2%</b>
Recruiting	1,923	2,265	+342	+17.8%
Other	163	403	+240	+146.9%
<b>Staffing</b>	<b>5,529</b>	<b>6,124</b>	<b>+595</b>	<b>+10.8%</b>
Domestic staffing	3,434	3,586	+152	+4.4%
Overseas staffing	2,095	2,538	+442	+21.1%
<b>Marketing Media</b>	<b>2,948</b>	<b>3,223</b>	<b>+275</b>	<b>+9.3%</b>
Life Events	1,652	1,778	+125	+7.6%
Lifestyle	1,296	1,447	+150	+11.6%
Other	1	1	0	—
<b>Other Business</b>	<b>33</b>	<b>28</b>	<b>-4</b>	<b>-13.3%</b>
Adjustment	-100	-130	-29	—
<b>EBITDA</b>	<b>1,700</b>	<b>1,806</b>	<b>+106</b>	<b>+6.2%</b>
<b>HR Media</b>	<b>601</b>	<b>736</b>	<b>+134</b>	<b>+22.4%</b>
<b>Staffing</b>	<b>322</b>	<b>347</b>	<b>+24</b>	<b>+7.6%</b>
<b>Marketing Media</b>	<b>872</b>	<b>951</b>	<b>+79</b>	<b>+9.1%</b>
<b>Other Business</b>	<b>-33</b>	<b>-115</b>	<b>-82</b>	<b>—</b>
Adjustment	-62	-112	-49	—

\*Per-segment operating revenue includes inter-segment internal operating revenue or transfers.

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