

August 12, 2021

Recruit Holdings Co., Ltd. (TSE 6098)
Consolidated Financial Results for the Three Months Ended June 30, 2021 (IFRS, Unaudited)

Tokyo, August 12, 2021 — Recruit Holdings Co., Ltd. announced today its consolidated financial results for the three months ended June 30, 2021 (April 1, 2021 to June 30, 2021)

Consolidated Operating Results

(Amounts are rounded down to the nearest million yen)

(In millions of yen, unless otherwise stated)	Three Months Ended June 30,		% change
	2020	2021	
Revenue	475,488	664,712	39.8%
Adjusted EBITDA	53,431	125,677	135.2%
Operating income	26,671	104,717	292.6%
Profit before tax	28,547	105,407	269.2%
Profit for the period	22,457	78,043	247.5%
Profit attributable to owners of the parent	22,323	77,864	248.8%
Total comprehensive income	29,256	85,328	191.7%
Basic EPS (yen)	13.54	47.64	-
Diluted EPS (yen)	13.52	47.49	-
Adjusted EPS (yen)	17.49	51.24	193.0%

Consolidated Financial Position

(In millions of yen, unless otherwise stated)	As of March 31, 2021	As of June 30, 2021
Total assets	2,196,613	2,235,088
Total equity	1,101,289	1,174,869
Equity attributable to owners of the parent	1,091,571	1,165,465
Ratio of equity attributable to owners of the parent (%)	49.7%	52.1%

Dividends

(In yen, unless otherwise stated)	FY2020	FY2021	FY2021 (Forecast)
At the end of Q1	-	-	-
At the end of Q2	9.50	-	10.50
At the end of Q3	-	-	-
At the end of Q4	10.50	-	10.50
Total	20.00	-	21.00

The Company is providing FY2021 dividend forecast for the first time.

Consolidated Financial Guidance for FY2021

The Company has revised the guidance of key financial metrics for FY2021 as below:

(In millions of yen, unless otherwise stated)	FY2021 (Forecast)	year over year % change
Revenue	2,600,000 - 2,700,000	14.6% - 19.0%
Adjusted EBITDA	360,000 - 430,000	49.0% - 77.9%
Operating income	270,000 - 340,000	65.8% - 108.8%
Profit before tax	270,000 - 340,000	60.2% - 101.8%
Profit for the period	200,000 - 250,000	51.9% - 89.8%
Profit attributable to owners of the parent	200,000 - 250,000	52.2% - 90.3%
Adjusted EPS (yen)	136.32 - 166.92	65.1% - 102.2%

Please refer to page 10, Qualitative Information on Consolidated Financial Guidance for more details.

Changes in Significant Subsidiaries Resulting from Change in Scope of Consolidation

Recruit Career Co., Ltd. was absorbed and merged to Recruit Co., Ltd. and excluded from this reporting period.

Changes in Accounting Policies and Changes in Accounting Estimates

There has been no change in: (1) accounting policies required by IFRS, (2) accounting policies other than the foregoing item (1), and (3) accounting estimates.

Number of Issued Shares - Common Stock

	As of March 31, 2021	As of June 30, 2021
Number of issued shares including treasury stock	1,695,960,030	1,695,960,030
Number of treasury stock	61,763,564	61,568,855

	Three Months Ended June 30, 2020	Three Months Ended June 30, 2021
Average number of shares during the period	1,648,642,191	1,634,344,467

Definition of the Abbreviation

Abbreviation	Definition
Recruit Holdings, the Holding Company	Recruit Holdings Co., Ltd. on a standalone basis
the Company, Recruit Group, We, Our	Recruit Holdings Co., Ltd. and its consolidated subsidiaries
SBU	Strategic Business Unit
Q1	Three-month period from April 1 to June 30
Q2	Three-month period from July 1 to September 30
Q3	Three-month period from October 1 to December 31
Q4	Three-month period from January 1 to March 31
FY2020	Fiscal year from April 1, 2020 to March 31, 2021
FY2021	Fiscal year from April 1, 2021 to March 31, 2022

Definition of the Financial Measures

Financial Measures	Definition
Adjusted EBITDA	Operating income + depreciation and amortization (excluding depreciation of right-of-use assets) ± other operating income/expenses
Adjusted profit	Profit attributable to owners of the parent ± adjustment items (excluding non-controlling interests) ± tax reconciliation related to certain adjustment items
Adjusted EPS	Adjusted profit / ((number of issued shares at the beginning of the period + number of issued shares at the end of the period)/2 - (number of treasury stock at the beginning of the period + number of treasury stock at the end of the period)/2)
Adjustment items	Amortization of intangible assets arising due to business combinations ± non-recurring income/losses
Non-recurring income/losses	Gains or losses from disposals of shares of associates, expenses relating to company restructuring, gains or losses from the sale or impairment of property and equipment, and income and expense items that the Company believes are unusual or non-recurring in nature which do not reflect the Company's underlying results of operations

Effective from Q1 FY2021, the Company has changed the method of calculating adjusted EPS, but the impact of this change is minor.

Supplementary Information

- The US dollar based revenue of the HR Technology segment represents the financial results of operating companies in the HR Technology segment on a US dollar basis, which differ from the consolidated financial results of the Company.
- In the Staffing segment, beginning in Q1 FY2021, the name of the *Japan operations* subsegment has been changed to *Japan*, and the name of the *Overseas operations* subsegment has been changed to *Europe, US, and Australia*.

Average exchange rate during the period

(In yen)	FY2020				FY2021
	Q1	Q2 cumulative	Q3 cumulative	Q4 cumulative	Q1
US dollar	107.63	106.93	106.11	106.10	109.52
Euro	118.59	121.34	122.44	123.76	131.94
Australian dollar	70.74	73.32	74.35	76.21	84.30

Quarterly earnings releases are not subject to review by a certified public accountant nor an independent auditor.

Forward-Looking Statements

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 business 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.

Note Regarding Reference Translation

This document has been translated from the Japanese language original for reference purposes only and may not be used or disclosed for any other purpose without the Company's prior written consent. In the event of any conflict or discrepancy between this translated document and the Japanese language original, the Japanese language original shall prevail in all respects. The Company makes no representations regarding the accuracy or completeness of this translation and assumes no responsibility for any losses or damages arising from the use of this translation.

Third-Party Information

This document includes information derived from or based on third-party sources, including information about the markets in which the Company operates. These statements are based on statistics and other information from third-party sources as cited herein, and the Company has not independently verified and cannot assure the accuracy or completeness of any information derived from or based on third-party sources.

U.S. Disclaimer – Un-sponsored American Depositary Receipt (“ADR”)

The Company does not support or encourage, and has not consented to, the creation of any un-sponsored ADR facilities in respect of its securities and in any event disclaims any liability in connection with an un-sponsored ADR. The Company does not represent to any depository institution, bank or anyone nor should any such entity rely on a belief that the Web site of the Company includes all published information in English, currently, and on an ongoing basis, required to claim an exemption under U.S. Exchange Act Rule 12g3-2(b).

A full set of materials regarding Q1 FY2021 results announcement is posted on <https://recruit-holdings.com/ir/library/report/>

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1. Management's Discussion and Analysis

Q1 FY2021 Highlights

Consolidated:

- Revenue, adjusted EBITDA, and adjusted EBITDA margin increased year over year (YoY) mainly due to the performance of HR Technology.
- Adjusted EPS was 51.24 yen, an increase of 193.0% YoY.

(In billions of yen, unless otherwise stated)	Q1 FY2020	Q1 FY2021	% change
Revenue			
HR Technology	74.1	184.4	148.9%
Media & Solutions	132.9	151.8	14.2%
Staffing	274.2	335.1	22.2%
Total ¹	475.4	664.7	39.8%
Adjusted EBITDA			
HR Technology	7.8	69.4	783.9%
Media & Solutions	27.3	31.5	15.2%
Staffing	19.8	26.2	32.3%
Total ¹	53.4	125.6	135.2%
Adjusted EBITDA margin			
HR Technology	10.6%	37.7%	-
Media & Solutions	20.6%	20.8%	-
Staffing	7.2%	7.8%	-
Consolidated	11.2%	18.9%	-
Operating income	26.6	104.7	292.6%
Profit attributable to owners of the parent	22.3	77.8	248.8%
Adjusted EPS (yen)	17.49	51.24	193.0%

¹ The sum of the three segments does not correspond with consolidated revenue and adjusted EBITDA due to Eliminations and Adjustments, such as intra-group transactions.

HR Technology:

- Revenue and US dollar based revenue increased 148.9% and 144.5% YoY, respectively, as a broad surge in hiring activity led to increased demand for sponsored job advertising.
- Adjusted EBITDA margin was 37.7%, driven by a significant increase in revenue while costs increased to a lesser extent.

Media & Solutions:

- Revenue increased 14.2% YoY led by both Marketing Solutions and HR Solutions. In Marketing Solutions, Housing & Real Estate and Beauty contributed to the increase. In HR Solutions, the job advertising business improved slightly year over year.
- Adjusted EBITDA margin was 20.8%. Media & Solutions focused on strategic investments in marketing and product development in line with increased revenue.

Staffing:

- Revenue increased 22.2% YoY (+15.7% excluding exchange rate impact), led by *Europe, US, and Australia* with slower growth in *Japan*.
- Adjusted EBITDA margin was 7.8% with YoY improvement driven by *Europe, US, and Australia*, offset by a slight decrease in adjusted EBITDA in *Japan*.

Revised Financial Guidance for FY2021:

- Consolidated financial guidance for FY2021 has been revised. Please refer to P10 for the details.

Consolidated Results of Operations

The following table summarizes the consolidated financial results for Q1 FY2021.

(In billions of yen, unless otherwise stated)	Three Months Ended June 30,		% change
	2020	2021	
Consolidated operating results			
Revenue	475.4	664.7	39.8%
Operating income	26.6	104.7	292.6%
Profit before tax	28.5	105.4	269.2%
Profit for the period	22.4	78.0	247.5%
Profit attributable to owners of the parent	22.3	77.8	248.8%
Management Key Performance Indicators			
Adjusted EBITDA	53.4	125.6	135.2%
Adjusted EBITDA margin	11.2%	18.9%	-
Adjusted EPS (yen)	17.49	51.24	193.0%

¹ Revenue in Q1 FY2021 excluding the positive impact of the exchange rate of 21.1 billion yen increased 35.3%.

During Q1 FY2021, while the impact of the global spread of COVID-19 and measures to help prevent the spread continued, in the US and Europe economic activity recovered broadly and hiring demand increased as vaccine rollouts progressed. In Japan, the economic recovery was gradual, as the state of emergency and priority preventative measures remained in place.

As a result, the Company's consolidated revenue for Q1 FY2021 increased 39.8% year over year due to increased revenue in all three segments: HR Technology, Media & Solutions, and Staffing. Consolidated adjusted EBITDA margin was 18.9% primarily due to the increase in adjusted EBITDA margin of HR Technology, and consolidated adjusted EBITDA increased significantly, 135.2%, year over year. Adjusted EPS was 51.24 yen, an increase of 193.0% year over year.

The following table presents the selling, general and administrative expenses for Q1 FY2021.

(In billions of yen, unless otherwise stated)	Three Months Ended June 30,		% change
	2020	2021	
Sales commission	5.6	6.9	22.7%
Promotion expenses	3.9	8.6	116.8%
Advertising expenses	16.1	42.5	164.5%
Employee benefit expenses	102.7	123.2	20.0%
Service outsourcing expenses	22.4	32.5	45.1%
Rent expenses	5.3	4.9	-7.1%
Depreciation and amortization	28.4	29.4	3.5%
Other	19.1	18.6	-2.8%
Total	203.8	266.9	31.0%

Research and development expenses in Q1 FY2021 were 19.0 billion yen.

Results of Operations by Segment

HR Technology

The following table presents the Q1 FY2021 financial results for the HR Technology segment.

(In billions of yen, unless otherwise stated)	Three Months Ended June 30,		% change
	2020	2021	
Revenue	74.1	184.4	148.9%
Adjusted EBITDA	7.8	69.4	783.9%
Adjusted EBITDA margin	10.6%	37.7%	-
Revenue in million US dollars (\$)			
US	522	1,295	148.0%
Non-US	166	388	133.6%
Total	688	1,683	144.5%

Revenue increased 148.9% year over year. On a US dollar basis, revenue increased 144.5% as a broad surge in hiring activity led to increased demand for sponsored job advertising. The imbalance between muted job seeker activity and significant hiring demand continued to increase competition for talent on Indeed and Glassdoor, and that competition was a significant driver of revenue growth in Q1 FY2021.

While US revenue continued to accelerate during Q1 FY2021, increasing 148.0% year over year, Non-US revenue grew 133.6%, a significant improvement compared to Q4 FY2020. Europe and Canada, in particular, benefited from similar reopening trends that started in the US in Q4 FY2020. At the same time, the competition for talent in the US started to show signs of rebalancing at the end of Q1 FY2021 as job seeker activity trended towards pre-COVID-19 levels.

Adjusted EBITDA margin was 37.7%, driven by a significant increase in revenue while costs increased to a lesser extent. HR Technology increased investments in sales & marketing year over year after instituting substantial cost control measures in Q1 FY2020, while continuing investments for growth focused on product and technology initiatives. Adjusted EBITDA increased 783.9% year over year.

Media & Solutions

The following table presents the Q1 FY2021 financial results for the Media & Solutions segment.

(In billions of yen)	Three Months Ended June 30,		% change
	2020	2021	
Revenue			
Marketing Solutions	77.1	91.5	18.7%
HR Solutions	55.1	56.5	2.7%
Others and Eliminations	0.7	3.6	393.1%
Total	132.9	151.8	14.2%
Adjusted EBITDA	27.3	31.5	15.2%
Adjusted EBITDA margin	20.6%	20.8%	-

As of April 1, 2021, Media & Solutions integrated seven main core operating and functional subsidiaries, with the new organizational structure expected to enable Media & Solutions to provide business clients the best possible solutions, all faster and simpler. With the new organizational structure, Media & Solutions aims to further build an ecosystem that supports businesses' operations by providing online platforms, which connect individual users and business clients, and SaaS solutions, which are operational and management support tools.

Beginning in Q1 FY2021, the Company has changed Media & Solutions' disclosures to align with the new management and organizational structure. As a result, revenue of each subsegment in Marketing Solutions and HR Solutions will not be disclosed separately. Air BusinessTools will continue to be included in Marketing Solutions, while certain revenue which had been included in each subsegment will be shown in Others and Eliminations.

Revenue in Media & Solutions increased 14.2% year over year with an increase in revenue for both Marketing Solutions and HR Solutions in Q1 FY2021.

Although individuals' and business clients' activities continued to be impacted by COVID-19 related restrictions in Japan during Q1 FY2021, economic activities continued gradual recovery. As a result, revenue in each vertical of Marketing Solutions, which are Housing & Real Estate, Beauty, Travel, Bridal, and Dining, significantly increased compared to the same period of the previous year when economic activities were more severely affected. Housing & Real Estate and Beauty were the primary drivers of revenue growth.

In Air BusinessTools, the number of AirPAY accounts increased 41.6% year over year, as of June 30, 2021. Of the approximately 228,000 AirPAY registered accounts as of June 30, 2021, approximately 146,000 accounts also subscribed to other Air BusinessTools solutions.

Revenue in HR Solutions increased year over year mainly due to a slight improvement in the part-time job advertising business. During the same period of the previous year, part-time job advertising experienced significant revenue impact from the spread of COVID-19 due to a concentration of business clients in the hospitality sector. Revenue in the placement service decreased year over year, despite

increasing hiring demand from business clients. This demand did not result in year over year revenue growth for the placement service as revenue in Q1 FY2020 reflected the strong pre-COVID-19 hiring demand.

Adjusted EBITDA margin in Media & Solutions for Q1 FY2021 was 20.8%. Media & Solutions focused on strategic investments in marketing and product development in line with increased revenue. Adjusted EBITDA increased 15.2% year over year.

Staffing

The following table presents the Q1 FY2021 financial results for the Staffing segment.

(In billions of yen)	Three Months Ended June 30,		% change
	2020	2021	
Revenue			
Japan	145.8	146.9	0.8%
Europe, US, and Australia	128.4	188.2	46.5%
Total	274.2	335.1	22.2%
Adjusted EBITDA			
Japan	17.0	16.1	-5.0%
Europe, US, and Australia	2.8	10.1	256.4%
Total	19.8	26.2	32.3%
Adjusted EBITDA margin			
Japan	11.7%	11.0%	-
Europe, US, and Australia	2.2%	5.4%	-
Staffing	7.2%	7.8%	-

Revenue increased 22.2% year over year¹ primarily driven by the increase in *Europe, US, and Australia*. Adjusted EBITDA margin was 7.8% as the slight margin decline in *Japan* was offset by growth in *Europe, US, and Australia*. Adjusted EBITDA increased 32.3% year over year.

Revenue in *Japan* increased 0.8% year over year mainly due to increased total working hours of temporary staff, which had been reduced as a result of COVID-19 in Q1 FY2020 due to the suspension of operations. This positive impact was partially offset by a decreased number of temporary staff year over year. Adjusted EBITDA margin was 11.0% and adjusted EBITDA decreased 5.0% year over year.

Revenue in *Europe, US, and Australia* increased 46.5% year over year² mainly due to increased demand for temporary staff, along with continued demand for logistics roles to support e-commerce and healthcare roles to support COVID-19 mitigation efforts particularly in Europe. Adjusted EBITDA margin was 5.4% as revenue increased significantly. Adjusted EBITDA increased 256.4% year over year.

¹ Excluding the positive impact of foreign exchange rate movements of 17.8 billion yen, revenue increased 15.7% year over year.

² Excluding the positive impact of foreign exchange rate movements of 17.8 billion yen, revenue increased 32.7% year over year.

Management Actions for Q1 FY2021

The Company's Response to the Spread of COVID-19

Amidst the spread of COVID-19, the Company has continued to prioritize the health and safety of its employees, their families, and their communities. The Company has also focused on supporting individual users, enterprise clients, and business partners, and operates its businesses while implementing measures to help prevent the spread of COVID-19. In addition, each SBU has leveraged new and existing tools to continue to support all of their stakeholders facing new and unique challenges during this period. Please find more information regarding the Company's response to COVID-19 on the website: <https://recruit-holdings.com/newsroom/covid19.html>

On June 15, 2021, following the announcement by the Japanese government encouraging private companies to support the distribution of vaccinations, the Company announced that it would facilitate vaccinating employees at group companies in Japan and temporary staff who are being contracted through the Company's staffing subsidiaries in Japan. These vaccinations have not yet begun as of August 12, 2021, but the Company will start the vaccination when vaccines become available.

Recruit Holdings Enters into Agreements Regarding the Going Private Transaction of 51job, Inc.

The Company entered into definitive agreements with 51job, Inc. (NASDAQ:JOBS) ("51job") and a group of investors (the "Investors") on June 21, 2021, regarding a going private transaction of 51job by the Investors and the Company (the "Transaction"), following the resolution by the Board of Directors of the Company.

After the expected completion of the Transaction, the Company's shareholding in 51job is expected to be approximately 37.0% of outstanding shares and approximately 42.7% of shares on a fully diluted basis including convertible bonds. 51job is expected to remain an equity-method associate of the Company.

For related information, please refer to the following release:

“Recruit Holdings Announces Entering into Agreements Regarding Going Private Transaction of 51job, Inc.” released on June 22, 2021:
https://recruit-holdings.com/ir/ir_news/2021/20210622_01.html

Analysis of Consolidated Financial Position

(In billions of yen)	As of March 31, 2021	As of June 30, 2021	Variance	% Change
Assets				
Total current assets	927.5	966.6	39.1	4.2%
Total non-current assets	1,269.0	1,268.4	(0.6)	-0.1%
Total assets	2,196.6	2,235.0	38.4	1.8%
Liabilities				
Total current liabilities	603.1	575.4	(27.7)	-4.6%
Total non-current liabilities	492.1	484.8	(7.3)	-1.5%
Total liabilities	1,095.3	1,060.2	(35.1)	-3.2%
Equity				
Total equity attributable to owners of the parent	1,091.5	1,165.4	73.8	6.8%
Non-controlling interests	9.7	9.4	(0.3)	-3.2%
Total equity	1,101.2	1,174.8	73.5	6.7%

As of the end of Q1 FY2021, cash and cash equivalents and interest-bearing debt which includes bonds and borrowings, excluding lease liabilities, on a consolidated basis were 537.4 billion yen and 112.7 billion yen, respectively. Net cash, the amount calculated by subtracting interest-bearing debt from cash and cash equivalents, was 424.6 billion yen, an increase of 36.4 billion yen compared to the end of FY2020.

The maximum amount of borrowings under overdraft agreements was 113.0 billion yen as of June 30, 2021, and the entire amount remained unused. In addition, committed credit facilities with a total maximum borrowing amount of 200.0 billion yen, for which the Company entered into an agreement on March 31, 2021, remained unused as of June 30, 2021.

Also, the Company has registered a maximum 200.0 billion yen worth of corporate bonds for potential issuances in Japan, the full amount of which is unissued as of June 30, 2021.

Analysis of Consolidated Cash Flows

(In billions of yen)	Three Months Ended June 30,		Variance
	2020	2021	
Net cash flows from operating activities	86.8	84.9	(1.9)
Net cash flows from investing activities	(25.0)	(20.5)	4.5
Net cash flows from financing activities	(35.6)	(27.8)	7.8
Effect of exchange rate changes on cash and cash equivalents	(1.3)	(0.0)	1.3
Net increase (decrease) in cash and cash equivalents	24.6	36.4	11.7
Cash and cash equivalents at the beginning of the period	421.2	501.0	79.7
Cash and cash equivalents at the end of the period	445.9	537.4	91.5

Cash and cash equivalents as of June 30, 2021 was 537.4 billion yen, an increase of 36.4 billion yen from the end of FY2020.

2. Qualitative information on Consolidated Financial Guidance

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 ("Rent Assistance Program"), 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.

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 forecasted dividend for FY2021 of 21.00 yen per share, an increase of 1.00 yen per share from the previous fiscal year.

The following table presents FY2021 Consolidated Financial Guidance.

(In billions of yen, unless otherwise stated)	FY2021 Financial Guidance			
	Revised	YoY	Previous (May 17, 2021)	YoY
Revenue	2,600.0 - 2,700.0	14.6% - 19.0%	2,450.0 - 2,600.0	8.0% - 14.6%
Adjusted EBITDA	360.0 - 430.0	49.0% - 77.9%	270.0 - 335.0	11.7% - 38.6%
Operating income	270.0 - 340.0	65.8% - 108.8%	180.0 - 245.0	10.5% - 50.5%
Profit before tax	270.0 - 340.0	60.2% - 101.8%	185.0 - 250.0	9.8% - 48.4%
Profit for the year	200.0 - 250.0	51.9% - 89.8%	140.0 - 190.0	6.3% - 44.3%
Profit attributable to owners of the parent	200.0 - 250.0	52.2% - 90.3%	140.0 - 190.0	6.6% - 44.6%
Adjusted EPS (yen)	136.32 - 166.92	65.1% - 102.2%	95.51 - 126.10	15.7% - 52.7%

The following table presents FY2021 SBU Financial Guidance:

		FY2021 Full Year Guidance	
		Revised	Previous (May 17, 2021)
HR Technology	Revenue	approx. +65% - +75% YoY on a USD basis	approx. +40% - +50% YoY on a USD basis
	Adjusted EBITDA margin	high 20% range	approx. 20%
Media & Solutions	Revenue		
	Marketing Solutions	approx. -3% - +9% YoY¹	approx. -3% - +9% YoY ¹
	HR Solutions	approx. +13% - +24% YoY	approx. +13% - +24% YoY
	Adjusted EBITDA margin	Similar to FY2020	Similar to FY2020
Staffing	Revenue		
	Japan	Similar to FY2020	Similar to FY2020
	Europe, US, and Australia	approx. +15% - +20% YoY	approx. +5% - +10% YoY
	Adjusted EBITDA margin	Similar to FY2020	Similar to FY2020

¹ Percentage change in Marketing Solutions revenue guidance for FY2021 is based on revenue for Marketing Solutions in FY2020 excluding 79.0 billion yen from the Rent Assistance Program which was completed in FY2020.

3. Condensed Quarterly Consolidated Financial Statements and Primary Notes

Condensed Quarterly Consolidated Statements of Financial Position

(In millions of yen)	As of March 31, 2021	As of June 30, 2021
Assets		
Current assets		
Cash and cash equivalents	501,043	537,461
Trade and other receivables	342,259	350,391
Other financial assets	39,043	33,948
Other assets	45,170	44,851
Total current assets	927,517	966,651
Non-current assets		
Property and equipment	81,290	79,115
Right-of-use assets	283,674	269,745
Goodwill	399,361	405,590
Intangible assets	206,793	204,838
Investments in associates and joint ventures	72,373	77,150
Other financial assets	183,016	189,470
Deferred tax assets	38,350	37,683
Other assets	4,235	4,844
Total non-current assets	1,269,096	1,268,437
Total assets	2,196,613	2,235,088

(In millions of yen)	As of March 31, 2021	As of June 30, 2021
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	243,905	218,074
Bonds and borrowings	54,673	54,685
Lease liabilities	36,415	36,604
Other financial liabilities	779	2,766
Income tax payables	20,662	14,374
Provisions	11,509	6,586
Other liabilities	235,224	242,320
Total current liabilities	603,172	575,412
Non-current liabilities		
Bonds and borrowings	58,106	58,086
Lease liabilities	268,574	254,791
Other financial liabilities	895	896
Provisions	11,331	10,951
Net liability for retirement benefits	57,039	57,441
Deferred tax liabilities	71,839	78,126
Other liabilities	24,365	24,513
Total non-current liabilities	492,152	484,807
Total liabilities	1,095,324	1,060,219
Equity		
Equity attributable to owners of the parent		
Common stock	40,000	40,000
Share premium	17,422	17,113
Retained earnings	1,201,573	1,263,464
Treasury stock	(180,148)	(179,579)
Other components of equity	12,723	24,467
Total equity attributable to owners of the parent	1,091,571	1,165,465
Non-controlling interests	9,717	9,403
Total equity	1,101,289	1,174,869
Total liabilities and equity	2,196,613	2,235,088

Condensed Quarterly Consolidated Statements of Profit or Loss

(In millions of yen, unless otherwise stated)	Three Months Ended June 30,	
	2020	2021
Revenue	475,488	664,712
Cost of sales	237,988	292,032
Gross profit	237,499	372,679
Selling, general and administrative expenses	203,823	266,974
Other operating income	2,861	866
Other operating expenses	9,865	1,853
Operating income	26,671	104,717
Share of profit (loss) of associates and joint ventures	1,314	675
Finance income	1,508	1,020
Finance costs	946	1,005
Profit before tax	28,547	105,407
Income tax expense	6,090	27,363
Profit for the period	22,457	78,043
Profit attributable to:		
Owners of the parent	22,323	77,864
Non-controlling interests	133	179
Profit for the period	22,457	78,043
Earnings per share attributable to owners of the parent		
Basic earnings per share (yen)	13.54	47.64
Diluted earnings per share (yen)	13.52	47.49

Condensed Quarterly Consolidated Statements of Comprehensive Income

(In millions of yen)	Three Months Ended June 30,	
	2020	2021
Profit for the period	22,457	78,043
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Net change in financial assets measured at fair value through other comprehensive income	5,276	1,162
Remeasurements of defined retirement benefit plans	-	-
Share of other comprehensive income of associates and joint ventures	(32)	40
Subtotal	5,244	1,203
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	1,231	6,035
Effective portion of changes in fair value of cash flow hedges	323	45
Subtotal	1,554	6,081
Other comprehensive income (loss) for the period, net of tax	6,798	7,284
Comprehensive income for the period	29,256	85,328
Comprehensive income attributable to:		
Owners of the parent	29,149	85,153
Non-controlling interests	106	174
Total comprehensive income	29,256	85,328

Condensed Quarterly Consolidated Statements of Changes in Equity

For the Three Months Ended June 30, 2020

	Equity attributable to owners of the parent				Other components of equity		
	Common stock	Share premium	Retained earnings	Treasury stock	Share-based payments	Exchange differences on translation of foreign operations	Effective portion of changes in fair value of cash flow hedges
(In millions of yen)							
Balance at April 1, 2020	40,000	18,904	1,067,492	(113,244)	5,584	(30,557)	271
Profit for the period			22,323				
Other comprehensive income						1,258	323
Comprehensive income for the period	-	-	22,323	-	-	1,258	323
Transfer from other components of equity to retained earnings			5,244				
Purchase of treasury stock				(1,927)			
Disposal of treasury stock		(649)		2,039	(302)		
Dividends			(24,725)				
Share-based payments					444		
Equity transactions with non-controlling interests							
Other			(38)				
Transactions with owners - total	-	(649)	(19,520)	112	142	-	-
Balance at June 30, 2020	40,000	18,255	1,070,296	(113,132)	5,726	(29,299)	594

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Net change in financial assets measured at fair value through other comprehensive income	Remeasurements of defined retirement benefit plans	Total	Total		
Balance at April 1, 2020	-	-	(24,702)	988,449	7,293	995,743
Profit for the period			-	22,323	133	22,457
Other comprehensive income	5,244		6,825	6,825	(27)	6,798
Comprehensive income for the period	5,244	-	6,825	29,149	106	29,256
Transfer from other components of equity to retained earnings	(5,244)		(5,244)	-		-
Purchase of treasury stock			-	(1,927)		(1,927)
Disposal of treasury stock			(302)	1,088		1,088
Dividends			-	(24,725)		(24,725)
Share-based payments			444	444		444
Equity transactions with non-controlling interests			-	-	100	100
Other			-	(38)	15	(23)
Transactions with owners - total	(5,244)	-	(5,101)	(25,158)	115	(25,043)
Balance at June 30, 2020	-	-	(22,977)	992,440	7,515	999,956

For the Three Months Ended June 30, 2021

	Equity attributable to owners of the parent				Other components of equity		
	Common stock	Share premium	Retained earnings	Treasury stock	Share-based payments	Exchange differences on translation of foreign operations	Effective portion of changes in fair value of cash flow hedges
(In millions of yen)							
Balance at April 1, 2021	40,000	17,422	1,201,573	(180,148)	8,987	3,548	187
Profit for the period			77,864				
Other comprehensive income						6,039	45
Comprehensive income for the period	-	-	77,864	-	-	6,039	45
Transfer from other components of equity to retained earnings			1,203				
Disposal of treasury stock		(309)		568	(177)		
Dividends			(17,159)				
Share-based payments					5,836		
Equity transactions with non-controlling interests							
Other			(18)				
Transactions with owners - total	-	(309)	(15,974)	568	5,658	-	-
Balance at June 30, 2021	40,000	17,113	1,263,464	(179,579)	14,646	9,588	232

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Other components of equity		Total	Total		
	Net change in financial assets measured at fair value through other comprehensive income	Remeasurements of defined retirement benefit plans	Total	Total		
Balance at April 1, 2021	-	-	12,723	1,091,571	9,717	1,101,289
Profit for the period			-	77,864	179	78,043
Other comprehensive income	1,203		7,289	7,289	(4)	7,284
Comprehensive income for the period	1,203	-	7,289	85,153	174	85,328
Transfer from other components of equity to retained earnings	(1,203)		(1,203)	-		-
Disposal of treasury stock			(177)	82		82
Dividends			-	(17,159)	(501)	(17,660)
Share-based payments			5,836	5,836		5,836
Equity transactions with non-controlling interests			-	-	12	12
Other			-	(18)		(18)
Transactions with owners - total	(1,203)	-	4,455	(11,259)	(488)	(11,748)
Balance at June 30, 2021	-	-	24,467	1,165,465	9,403	1,174,869

Condensed Quarterly Consolidated Statements of Cash Flows

(In millions of yen)	Three Months Ended June 30,	
	2020	2021
Cash flows from operating activities		
Profit before tax	28,547	105,407
Depreciation and amortization	29,509	30,570
Share-based payment expenses	442	5,726
(Increase) decrease in trade and other receivables	61,156	(7,880)
Increase (decrease) in trade and other payables	(40,545)	(26,018)
Other	15,203	16,867
Subtotal	94,314	124,673
Interest and dividends received	983	700
Interest paid	(861)	(897)
Income taxes paid	(7,594)	(39,571)
Net cash provided by operating activities	86,841	84,905
Cash flows from investing activities		
Payment for purchase of property and equipment	(5,324)	(4,761)
Payment for purchase of intangible assets	(11,359)	(12,257)
Other	(8,415)	(3,505)
Net cash used in investing activities	(25,099)	(20,524)
Cash flows from financing activities		
Repayments of lease liabilities	(9,807)	(10,619)
Payment for purchase of treasury stock	(1,927)	-
Dividends paid	(24,483)	(17,048)
Other	522	(209)
Net cash used in financing activities	(35,696)	(27,877)
Effect of exchange rate changes on cash and cash equivalents	(1,398)	(86)
Net increase (decrease) in cash and cash equivalents	24,647	36,417
Cash and cash equivalents at the beginning of the period	421,253	501,043
Cash and cash equivalents at the end of the period	445,900	537,461

Going Concern Assumption

Not applicable.

Notes to Condensed Quarterly Consolidated Financial Statements

1. Operating Segments

(1) Overview of Reportable Segments

The Company's operating segments are those components of the Company for which discrete financial information is available and whose operating results are regularly reviewed by the Board of Directors to decide on the allocation of operating resources and assess business performance. The Company has three operating segments by type of business, namely, HR Technology, Media & Solutions, and Staffing, which are also the reportable segments.

HR Technology consists of the operations of Indeed, Glassdoor and other related businesses. Media & Solutions consists of two business operations, namely, Marketing Solutions and HR Solutions. Staffing consists of two business operations, which are Japan, and Europe, the US and Australia.

(2) Information on Reportable Segments

Segment profit (loss) is adjusted EBITDA (operating income + depreciation and amortization (excluding depreciation of right-of-use assets) ± other operating income/expenses).

Eliminations and Adjustments related to segment profit (loss) include corporate expenses not allocated to any reportable segments. Corporate expenses consist primarily of general and administrative expenses that are not allocable to the segments. Intersegment revenue or transfers are calculated based on a price used in similar transactions with third parties. Segment assets and liabilities are not stated as they are not subject to review for the purpose of deciding on the allocation of operating resources and assessing business performance.

For the Three Months Ended June 30, 2020

(In millions of yen)	Reportable Segment				Eliminations and Adjustments	Consolidated
	HR Technology	Media & Solutions	Staffing	Total		
Revenue						
Revenue from third party customers	73,199	131,831	270,456	475,488	-	475,488
Intersegment revenue or transfers	905	1,156	3,776	5,838	(5,838)	-
Total	74,105	132,988	274,233	481,326	(5,838)	475,488
Segment profit (loss)	7,856	27,368	19,867	55,092	(1,661)	53,431
Depreciation and amortization (Note)						19,755
Other operating income						2,861
Other operating expenses						9,865
Operating income						26,671
Share of profit (loss) of associates and joint ventures						1,314
Finance income						1,508
Finance costs						946
Profit before tax						28,547

Note: Depreciation and amortization exclude depreciation of right-of-use assets.

For the Three Months Ended June 30, 2021

(In millions of yen)	Reportable Segment				Eliminations and Adjustments	Consolidated
	HR Technology	Media & Solutions	Staffing	Total		
Revenue						
Revenue from third party customers	182,809	150,721	331,181	664,712	-	664,712
Intersegment revenue or transfers	1,612	1,127	4,005	6,745	(6,745)	-
Total	184,421	151,848	335,187	671,458	(6,745)	664,712
Segment profit (loss)	69,439	31,517	26,280	127,238	(1,560)	125,677
Depreciation and amortization (Note)						19,972
Other operating income						866
Other operating expenses						1,853
Operating income						104,717
Share of profit (loss) of associates and joint ventures						675
Finance income						1,020
Finance costs						1,005
Profit before tax						105,407

Note: Depreciation and amortization exclude depreciation of right-of-use assets.

3. Significant Subsequent Events

Not applicable.