

Notice of Annual Meeting of Shareholders 2023

Request to Shareholders

- Although the COVID-19-related activity restrictions by the government have been eased, we ask that shareholders attending the meeting in person check their own physical condition and take precautions to prevent the spread of infection, such as wearing a mask.
- Any major changes in the operation of the meeting due to factors such as the status of the spread of COVID-19 or the contents of announcements made by the government by the day of the meeting will be posted on our website.

Deadline for exercising voting rights by mail or via the Internet: 5:30 p.m. JST, June 23, 2023 (Friday)

LETTER TO SHAREHOLDERS

Dear Shareholders,

I am pleased to invite you to participate in our 63rd Annual Shareholders Meeting.

Looking back on the business environment over the past year, in the U.S. in particular, demand for hiring remained elevated as a result of the reaction to the COVID-19 pandemic. While US hiring demand peaked during the fiscal year, we have seen it gradually calm down.

Although the global outlook remains uncertain, we continue to pursue our mission: “Opportunities for Life. Faster, Simpler and Closer to you,” which means connecting individual users and business clients faster, simpler and closer than ever before.

For example, Recruit Group Company Indeed, a leading matching and hiring platform and the #1 job site in the world, reached approximately 330 million monthly unique visitors¹. Through Indeed, we helped more than 12 million job seekers globally get hired in the past 12 months².

In addition, the number of actions taken by individual users on the services provided by Matching & Solutions in Japan, such as making reservations and applying for jobs, totaled approximately 420 million³, as we helped to match many individuals and companies.

Our long-term labor market outlook is based on the premise that we are facing labor supply shortages resulting from structural societal changes in almost all developed countries. These structural changes include an aging workforce, shifting attitudes to work-life balance and changes in immigration patterns.

It is under such circumstances that we aim to contribute further to building a prosperous future through our global HR matching services, and SaaS solutions provided in Japan.

We believe this is essential to achieve both a sustainable society and sustainable growth for our company, resulting in mutual prosperity for all stakeholders. We also believe that prioritizing strategic investments that lead to these goals will serve the long-term common interests of our shareholders.

In addition, we will continue to pay stable per-share dividends and implement shareholder return measures, such as share repurchase programs.

We aim to achieve long term profitable growth by executing our management strategies in parallel with prudent decision-making in light of significant changes in the global economy and business environment. By doing this, we expect to achieve a sustainable increase in our enterprise value.

Thank you for your continued support.

May 2023



Hisayuki Idekoba
Representative Director, President and CEO
Recruit Holdings Co., Ltd.

¹ Internal data, an average of each month's total of distinct cookie IDs visiting Indeed's site between October 2022 - March 2023

² A hire is a calculation of hired signals on Indeed and Glassdoor, from January 1 - December 31, 2022. A hired signal refers to the event when a specific job seeker is hired for a specific job on a specific date. Hired signals are counted either when an employer or job seeker explicitly communicates a hire occurred (e.g., via survey or web form) or when there is other clear evidence from Indeed and Glassdoor data that a hire occurred (e.g., from a resume or an Indeed message) and may not represent all hires facilitated by Indeed and Glassdoor.

³ The total of the number of applications on Rikunabi NEXT, TOWNWORK, and RECRUIT AGENT, the number of individual users who were referred to our business clients at SUUMO Counter, the number of online reservation on Hot Pepper Beauty, the number of hotel bookings on Jalan, the number of seats reserved on Hot Pepper Gourmet, and the number of payments through AirPAY during the period from April 1, 2022 to March 31, 2023.

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The following items are not included in the documents in accordance with laws, regulations and Article 15 of the Articles of Incorporation of the Company. The information is provided as “Matters omitted in the printed Notice of Annual Meeting of Shareholders 2023.”

- “Trends in Assets and Income,” “Main Offices,” “Employees,” “Main Lenders,” “Status of Shares,” “Status of Stock Acquisition Rights,” “Independent Directors and Independent Audit & Supervisory Board Members,” “Independent Auditor,” and “Internal Controls and Their Operational Status” in the Business Report
- Consolidated Financial Statements
- Non-consolidated Financial Statements
- Audit Reports

Forward-Looking Statements

This document contains forward-looking statements, which reflect the Company's assumptions, estimates and outlook for the future based on the Company's plans and expectations as of March 31, 2023 unless the context otherwise indicates. There can be no assurance that the relevant forward-looking statements will be achieved. Please note that significant differences between such forward-looking statements and actual results may arise due to various factors, many of which are outside the Company's control, including changes in economic conditions, changes in individual users' preferences and enterprise clients' needs, competition, changes in the legal and regulatory environment including changes in laws and regulations or guidance, interpretation, enforcement or practice relating to laws and regulations, fluctuations in foreign exchange rates, climate change or other changes in the natural environment, the impact of the spread of COVID-19, the occurrence of large-scale natural disasters, 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 we operate. 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 depositary 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).

Definition of Abbreviations

In this document, the terms the “Company,” “Recruit Group,” “we,” and “our” refer to Recruit Holdings Co., Ltd. and its consolidated subsidiaries unless the context indicates otherwise. The “Holding Company” refers to Recruit Holdings Co., Ltd. (“Recruit Holdings”) on a standalone basis.

The Company’s fiscal year starts on April 1 and ends on March 31 of each year. Accordingly, “FY2022” refers to the period from April 1, 2022 to March 31, 2023. References to “FY” or “fiscal year” for prior and subsequent are to 12-month periods commencing in each case on April 1 of the year indicated and ending on March 31 of the following year.

Q1 refers to the three-month period from April 1 to June 30, Q2 refers to the three-month period from July 1 to September 30, Q3 refers to the three-month period from October 1 to December 31, and Q4 refers to the three-month period from January 1 to March 31.

For other definitions, please refer to the chart below.

Abbreviation	Definition
SBU	Strategic Business Unit
IFRS	International Financial Reporting Standards

Definition of Financial Measures

Financial Measures	Definition
Adjusted EBITDA ¹	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 ¹	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)
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

¹ From 2022, the Company has changed the adjustment items for adjusted EBITDA and adjusted EPS. For adjusted EBITDA, the share-based payment expenses are included as an adjustment item, and for adjusted EPS, amortization of intangible assets arising due to business combinations is removed as an adjustment item. The new definition is applied retroactively to all of adjusted EBITDA and adjusted EPS in this business report.

Average Exchange Rate During the Period

	FY2021	FY2022	(In yen)
US dollar	112.39	135.50	
Euro	130.55	140.99	
Australian dollar	83.06	92.66	

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS 2023

TSE code: 6098

June 2, 2023

Dear Shareholders,

We would like to notify you of the 63rd Annual Meeting of Shareholders (the “Meeting”) of Recruit Holdings for FY2022.

In convening the Meeting, the Company has electronically provided the information contained in the reference documents for the Annual Meeting of Shareholders and other materials (matters subject to electronic provision). The “Notice of Annual Meeting of Shareholders 2023,” along with the “Matters omitted in the printed Notice of Annual Meeting of Shareholders 2023” is posted on the Company’s website below. You are kindly asked to access the website to confirm the information.

Website of the Company

https://recruit-holdings.com/en/newsroom/20230626_63meeting/



The same information is also available on the following website:

The Listed Company Search page of the Tokyo Stock Exchange’s website

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show/>

Please enter our company name or securities code (6098) and press the “Search” button, and select in the order of “Basic information” and “Documents for public inspection/PR information.”



Thank you very much for your cooperation.

Masumi Minegishi
Representative Director and Chairperson
Recruit Holdings Co., Ltd.
1-9-2 Marunouchi, Chiyoda-ku,
Tokyo, Japan

Date and Time: June 26, 2023 (Monday) at 10:00 a.m. JST (Reception for attendees opens at 9:00 a.m. JST)

Place: B2 floor Event Hall (Reception: B2 floor), BELLESALLE Tokyo Nihombashi, Tokyo Nihombashi Tower, 2-7-1 Nihombashi, Chuo-ku, Tokyo, Japan
Please note that the location of the meeting is different from last year's meeting.

Meeting Agenda:

Report matters:

1. The Business Report, the Consolidated Financial Statements and the results of audits of the Consolidated Financial Statements by the Independent Auditor and the Audit and Supervisory Board for FY2022
2. The Non-consolidated Financial Statements for FY2022

Matters to be acted upon:	Proposal 1:	Election of Eight (8) Directors of the Board
	Proposal 2:	Election of One (1) Substitute Audit and Supervisory Board Member
	Proposal 3:	Revision of Maximum Amount of Compensation for Independent Directors

Instructions for Exercising Voting Rights

1. To vote by mail, please indicate your approval or disapproval of the proposals on the enclosed Voting Form and return the Form to the Company by post to reach us by 5:30 p.m. JST on June 23, 2023 (Friday).
2. No indication of approval or disapproval on the Voting Form will be treated as the indication of approval.
3. To vote via the Internet, please review the "Voting via the Internet" on pages 11-12 below, and register your approval or disapproval of the proposals by 5:30 p.m. JST on June 23, 2023 (Friday).
4. If you vote more than once via the Internet, we will treat only the most recent vote as valid.
5. If you vote both in writing and via the Internet, we will treat only the vote submitted via the Internet as valid.

Voting Information

- The following items are not included in the documents to be delivered to shareholders who have requested delivery of written documents in accordance with laws, regulations and Article 15 of the Articles of Incorporation of the Company. The information is posted on the Company's website and the Listed Company Search page of the Tokyo Stock Exchange's website as "Matters omitted in the printed Notice of Annual Meeting of Shareholders 2023."
- "Trends in Assets and Income," "Main Offices," "Employees," "Main Lenders," "Status of Shares," "Status of Stock Acquisition Rights," "Independent Directors and Independent Audit & Supervisory Board Members," "Independent Auditor," and "Internal Controls and Their Operational Status" in the Business Report
 - Consolidated Financial Statements
 - Non-consolidated Financial Statements
 - Audit Reports

Therefore, the documents to be delivered to shareholders who have requested delivery of written documents are part of the documents audited by the Audit and Supervisory Board members and the Independent Auditor in preparing their audit reports.

- When attending in person on the day of the Meeting, please present the enclosed Voting Form to the reception.
- In the case of attendance by proxy, a power of attorney is required in addition to the Voting Form. Please note the proxy must be one other shareholder having voting rights in the Company.
- If any amendments to the matters subject to electronic provision are made, a notice on the amendments, together with matters before and after the amendments, will be posted on the Company's website and the Listed Company Search page of the Tokyo Stock Exchange's website.
- **Please note that no gift will be provided for attendees at the Meeting to maintain fairness between the attendees and those shareholders who cannot attend. We appreciate your understanding on this matter.**
- **Instead of mailing the Notice of Resolutions in writing, we will publish the result of resolutions on our website (https://recruit-holdings.com/en/newsroom/20230626_63meeting/) after the Meeting is concluded.**

Notice on Dividends of Surplus

Based on a resolution at the Annual Meeting of Shareholders on June 26, 2014, the Company's Articles of Incorporation provides that the Board of Directors decides on the dividends of surplus, etc.

The Board of Directors authorized the payment of year-end dividends for FY2022 at its meeting on May 15, 2023, and under the provisions in the Articles of Incorporation, as follows.

Year-end dividend:	11.00 yen per share
Effective date and date of commencing payment:	June 27, 2023 (Tuesday)

We plan to send "Statements of Payments of Dividends" and "Confirmation of Designated Account for the Payment of Dividends" on June 26, 2023 (Monday) for shareholders who have chosen to have dividends sent to bank accounts via direct deposit, or to have dividends allocated to securities company accounts in proportion to the number of shares held in respective accounts.

For any other shareholders not mentioned above, we plan to send "Dividend Receipts" and "Statements of Payments of Dividends" on June 26, 2023. The dividends can be collected at savings counters of nearby Japan Post Bank or post offices within the term for payment (June 27, 2023 to July 31, 2023).

Guide to the Business Report Briefing Video

A video presentation explaining the Company's business results for the fiscal year ended March 31, 2023 and issues to be addressed will be available on the Company's website from June 2, 2023 (Friday).

Questions Regarding the Meeting Agenda

We welcome your questions regarding report matters and matters to be acted upon on the Company's website from June 2, 2023 (Friday).

We will post answers to the issues of strong interest to our shareholders on the Company's website as below.

- Answers to questions received by **12:00 p.m. JST on June 20, 2023 (Tuesday)** will be posted in the **afternoon of June 22, 2023 (Thursday)**.

Where to find materials for the Meeting, and inquiries prior to the Meeting

Please use the URL or QR code below, or search "**Recruit Shareholders Meeting**."

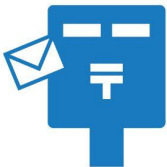


https://recruit-holdings.com/en/newsroom/20230626_63meeting/



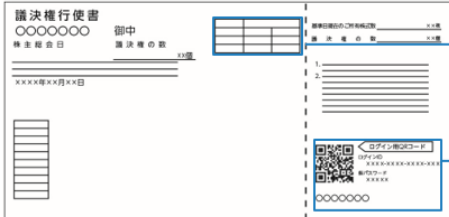
Shareholders are kindly requested to review these materials and video, and exercise their voting rights via the Internet or by mail.

Please also refer to the summary of the shareholders' meetings held in FY2022 posted on the above website.

Instructions for Exercising Voting Rights

Methods for Exercising Voting Rights in Advance		Attendance in Person
<p>1 Voting by mail (in writing)</p>  <p>Please indicate your approval or disapproval of the proposals on the enclosed Voting Form, and return the Form to the Company by mail to reach us by the deadline.</p> <div style="border: 1px solid black; padding: 5px; text-align: center;"> <p>Deadline</p> <p>By 5:30 p.m. JST, June 23, 2023 (Friday)</p> </div>	<p>2 Voting via the Internet</p>  <p>You can exercise your voting rights via the Internet. Please see the next page for details.</p> <div style="border: 1px solid black; padding: 5px; text-align: center;"> <p>Deadline</p> <p>By 5:30 p.m. JST, June 23, 2023 (Friday)</p> </div>	<p>3 Voting by attendance</p>  <p>Please present the enclosed Voting form to the reception. Please also bring this Notice of the Annual Meeting of Shareholders.</p> <p><small>* If attending in person on the day of the Meeting, you need neither to send the Voting Form nor to exercise your voting rights via the Internet.</small></p> <div style="border: 1px solid black; padding: 5px; text-align: center;"> <p>Date and Time of the Meeting</p> <p>10:00 a.m. JST, June 26, 2023 (Monday)</p> </div>

The Voting Form



1) Exercise of voting rights by mail (in writing)

Please indicate your approval or disapproval of each proposal here.

Proposal 1

[In case of approval: Please circle "approve"
In case of disapproval: Please circle "disapprove"]

If you plan to vote against one or more candidates, please circle "approve" and state the candidate number(s) of the candidate(s) you plan to vote against in the parenthesis.

2) Exercise of voting rights via the internet

The 2D code, login ID and temporary password required for exercising voting rights via the internet are provided here.

3) Exercise of voting rights by attending the venue in person

Please submit the Voting Form at the venue reception.

Method of Voting via the Internet

Voting via the Internet is only possible by accessing the website for exercising voting rights using a computer or a smartphone.

Please access the website for exercising voting rights to register your approval or disapproval.

Deadline: By 5:30 p.m. JST, June 23, 2023 (Friday)

Entering Login ID and Temporary Password

- 1 Please access the voting rights exercise website.

Voting rights exercise website:
<https://evote.tr.mufg.jp/>

Japanese only. We recommend to use an auto translation function of your browser.

- 2 Please enter the login ID and temporary password indicated on the bottom right of the Voting Form and click "Login."

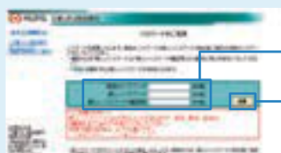


Enter the login ID and temporary password

Click "Login"

* This is a screen image on a PC.

- 3 Please register a new password.



Enter the new password

Click "Send"

Scanning the 2D Code

You can login to the voting rights exercise website without entering the login ID and temporary password indicated on the bottom right of the Voting Form.

- 1 Please scan the 2D code indicated on the right bottom of the Voting Form.



* Depending on your smartphone model, you may not be able to login to the website via the 2D code.

Please follow the instructions on the screen to register your approval or disapproval.

▶▶▶ For further information for exercising voting rights via the Internet, please see the next page.

Notes on exercise of voting rights via the internet

Please access the voting rights exercise website designated by Recruit Holdings to exercise your voting rights (<https://evote.tr.mufig.jp/>), and confirm the following points before you exercise them.

- The service will be suspended from 2 a.m. to 5 a.m. every day.
- You may be unable to exercise your voting rights using your PC or smartphone depending on your internet environment, such as when a firewall is used for the internet connection, when an antivirus software is installed, or when a proxy server is used.
- Voting via the internet will be accepted until 5:30 p.m. on Friday, June 23, 2023, but we kindly request you to exercise your voting rights at your earliest convenience. Please contact the help desk if you have any questions.
- Please note that shareholders are requested to change their temporary passwords on the voting rights exercise website in order to prevent unauthorized access (“spoofing”) and falsification of votes by third parties other than shareholders.
- A new login ID and a temporary password will be provided each time a meeting of shareholders is convened.
- Handling of voting rights exercised multiple times
 - (1) If you vote more than once via the internet, we will treat only the most recent vote as valid.
 - (2) If you vote both in writing and via the internet, we will treat only the vote submitted via the internet as valid.
- Any fees arising from accessing the voting rights exercise website (internet connection fees, telecommunication charges, etc.) shall be borne by the shareholder.

To Institutional Investors

Recruit Holdings is a member of the electronic voting system platform operated by ICJ, Inc.

REFERENCE DOCUMENTS FOR THE ANNUAL MEETING OF SHAREHOLDERS

Proposal 1: Election of Eight (8) Directors

The terms of office will expire for all seven (7) Directors at the conclusion of the Meeting. Accordingly, the Company proposes to increase the number of independent Directors by one (1) to further strengthen the management and supervision of its overall business operations and elect eight (8) Directors including four (4) independent Directors.

The candidates for Directors are as follows:

Candidate No.	Name	Board Position	Director since	Gender	Attendance at Board of Directors Meeting during FY2022
1	Masumi Minegishi	Representative Director and Chairperson	2009	Male	Participated in all 8 meetings
2	Hisayuki Idekoba	Representative Director, President and CEO	2019	Male	Participated in all 8 meetings
3	Ayano Senaha	Director	2020	Female	Participated in all 8 meetings
4	Rony Kahan	Director	2018	Male	Participated in all 8 meetings
5	Naoki Izumiya	Independent Director	2018	Male	Participated in all 8 meetings
6	Hiroki Totoki	Independent Director	2018	Male	Participated in all 8 meetings
7	Keiko Honda	Independent Director	2022	Female	Participated in all 6 meetings*
8	Katrina Lake	-	-	Female	-

* Keiko Honda's "Attendance at Board of Directors Meeting during FY2022" is based on the number of meetings held after she assumed office on June 21, 2022.



**Representative Director and
Chairperson**

Age: 59

(Date of Birth: January 24th, 1964)

**Number of Company Shares held:
1,012,732**

Career summary:

Masumi Minegishi is Representative Director and Chairperson. He has previously served as Representative Director, President and CEO of Recruit Holdings from 2012 to 2020. He is credited with leading the Company's transformation into a global tech company. Five years after joining the Company in 1987, Mr. Minegishi was transferred to the new business development office, where he contributed to the launch of Zexy, the bridal magazine. He became Senior Vice President in 2003 and Executive Vice President in 2004. After leading the housing information business and consolidated numerous operations to build the SUUMO brand, he was appointed as a Director and Executive Vice President in 2009.

Meeting body in charge for the fiscal year ended March 2023 (*Bold: Chairperson)

Board of Directors, Business Strategy Meeting, Nomination Committee, Compliance Committee, Risk Management Committee, Sustainability Committee

Term of office

From June 26, 2023 to the conclusion of the Annual Meeting of Shareholders to be held in 2024.

Career summary, positions and responsibilities

Unless otherwise stated, position refers to Recruit Holdings Co., Ltd.

**Current position*

June	2022	Independent Outside Director* of ANA HOLDINGS INC. Outside Director* of Konica Minolta, Inc.
April	2021	• Representative Director* and Chairperson*
April	2019	• Vice Chairman* of KEIZAI DOYUKAI (Japan Association of Corporate Executives)
April	2012	• Representative Director, President and CEO
April	2011	• Director, Senior Executive Vice President in charge of Corporate Strategy Office, Business Development, Corporate Planning, Human Resources, and Integrated Marketing Communication(IMC)
April	2010	• Director, Executive Vice President in charge of Customer Action Platform Strategic Business Unit, Business Development, Corporate Planning, and Housing (Customer Action Platform referring to the travel, dining, beauty, education, and other lifestyle business categories)
June	2009	• Director, Executive Vice President in charge of Business Development, Corporate Planning, and Housing
April	2004	• Executive Vice President in charge of Important Strategy Control at Sales Promotion Business (formerly the Group-IMC Strategic Business Unit), Housing Division Company, and IMC Division Company
April	2003	• Senior Vice President in charge of Information & Editing Department and IMC Division Company
April	1987	• Joined the Company

Significant concurrent position(s)

- Vice Chairman of KEIZAI DOYUKAI (Japan Association of Corporate Executives)
- Outside Director of Konica Minolta, Inc.
- Independent Outside Director of ANA HOLDINGS INC.

Reasons for being appointed as a Director

Masumi Minegishi served as CEO of Recruit Holdings Co., Ltd., from 2012 to March 2021 and demonstrated strong leadership as he oversaw the business of the entire group. Mr. Minegishi has served as a Director since 2009 and we believe that he is an appropriate person to sustainably improve the enterprise value of the Company, and should continue to serve as a Director.

Mr. Minegishi's role as Representative Director and Chairperson of the Company chiefly involves carrying out supervision of management. He is not responsible for managing any particular business area, and he has limited involvement in the decision making of day-to-day operations.



**Representative Director,
President and CEO**

Age: 48
(Date of Birth: April 22nd, 1975)

Number of Company Shares held:
236,966

Career summary:

Hisayuki "Deko" Idekoba is Representative Director, President and CEO of Recruit Holdings. He previously served as Executive Vice President, COO overseeing the company's business operations and was appointed as a Director in 2019. Mr. Idekoba has led the digital transformation of the Company's numerous businesses including Jalan, travel service and Hot Pepper Beauty, beauty salon reservation service. He was responsible for transitioning print publications and marketing into online businesses, and making online booking common in the Japan market. In his previous role as Senior Vice President, he led the acquisition of Indeed and later served as CEO & President of Indeed, transforming the Company into the leading global HR technology company it is today.

Meeting body in charge for the fiscal year ended March 2023 (*Bold: Chairperson)

Board of Directors, **Business Strategy Meeting**,
Nomination Committee, Compensation
Committee, **Compliance Committee**, Risk Management
Committee, Sustainability Committee

Term of office

From June 26, 2023 to the conclusion of the Annual Meeting of Shareholders to be held in 2024.

Career summary, positions and responsibilities

*Unless otherwise stated, position refers to Recruit Holdings Co., Ltd.
Current position

April	2021	• Representative Director*, President* and CEO* In charge of Corporate Planning Division, and HR Technology Business
April	2020	• Director, Senior Executive Vice President in charge of Finance and Operations (COO)
June	2019	• Director, Senior Executive Vice President in charge of Corporate Planning (CSO), Administration (CRO), and Operations (COO)
April	2019	• Senior Executive Vice President in charge of Corporate Planning (CSO), Administration (CRO), and Operations (COO); Director* of Indeed, Inc.
April	2018	• Director* of Recruit Co., Ltd.
January	2018	• Senior Executive Vice President in charge of Operations (COO); CEO* and Director* of RGF OHR USA, INC.; Chairman* and Director* of RGF Staffing B.V. (formerly Recruit Global Staffing B.V.)
April	2016	• Executive Vice President in charge of HR Technology Strategic Business Unit ("SBU") (formerly Global Online HR SBU)
October	2015	• CEO of Indeed, Inc.
October	2013	• CEO and President of Indeed, Inc.
September	2012	• Chairman of the Board of Indeed, Inc.
April	2012	• Senior Vice President in charge of R&D and Asia Job Board at Global Headquarters
April	1999	• Joined the Company

Significant concurrent position(s)

- Director of Indeed, Inc.
- CEO and Director of RGF OHR USA, INC.
- Director of Recruit Co., Ltd.
- Chairman and Director of RGF Staffing B.V.

Reasons for being appointed as a Director

Hisayuki "Deko" Idekoba has driven much of the Company's technology-based business growth as a Senior Vice President since 2012 and has successfully achieved steady growth of Indeed. Mr. Idekoba has served as a Director of the Company since 2019 and we believe that he is an appropriate person to sustainably improve the enterprise value of the Company, and should continue to serve as a Director.



Director, Executive Vice President and COO

Age: 40
(Date of Birth: December 5th, 1982)

Number of Company Shares held: 20,871

Career summary:

Ayano "Sena" Senaha is Director, Executive Vice President in charge of Human Resources and General Affairs Division, Finance Division, Risk Management Division, Group Governance and Sustainability Transformation in the Corporate Planning Division and COO. She has played a major role in the rapid globalization of the Company, leading and contributing to a series of post-merger integrations. Six years after joining the Company, she was transferred to newly acquired ADVANTAGE GROUP LIMITED in London in 2012. She skillfully turned around its financial performance after being appointed Managing Director in 2014. She became Chief of Staff at Indeed, Senior Vice President in 2018, and Director in 2020. She is credited with aiding the development of a corporate governance structure that neutralizes risks while enabling quick decision-making.

Meeting body in charge for the fiscal year ended March 2023 (*Bold: Chairperson)

Board of Directors , Business Strategy Meeting, Nomination Committee, Compensation Committee, Compliance Committee, **Risk Management Committee, Sustainability Committee**

Term of office

From June 26, 2023 to the conclusion of the Annual Meeting of Shareholders to be held in 2024.

Career summary, positions and responsibilities

*Unless otherwise stated, position refers to Recruit Holdings Co., Ltd.
Current position

April	2023	<ul style="list-style-type: none"> Director*, Executive Vice President* and COO* In charge of Human Resources and General Affairs Division, Finance Division, Risk Management Division, Group Governance and Sustainability Transformation in the Corporate Planning Division Director* of Recruit Co., Ltd.
July	2022	<ul style="list-style-type: none"> Director* of Indeed, Inc.
April	2022	<ul style="list-style-type: none"> Director* of RGF Staffing B.V. Member of the Board of Directors* of Georg Fischer Ltd.
April	2021	<ul style="list-style-type: none"> Director, Executive Vice President and COO In charge of Human Resources and General Affairs Division, Finance Division, Risk Management Division, and Corporate Planning and Sustainability Transformation in the Corporate Planning Division
June	2020	<ul style="list-style-type: none"> Director, Executive Vice President in charge of Corporate Planning (CSO), Human Resources and General Affairs (CHRO), and Risk Management (CRO)
April	2020	<ul style="list-style-type: none"> Executive Vice President in charge of Corporate Planning (CSO), Human Resources and General Affairs (CHRO), and Risk Management (CRO)
January	2020	<ul style="list-style-type: none"> Director of Glassdoor, Inc.
April	2018	<ul style="list-style-type: none"> Senior Vice President in charge of Corporate Planning, Corporate Communication, and Human Resources

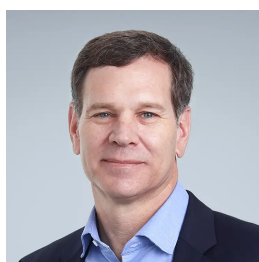
January	2018	• Executive Manager in charge of Corporate Planning and Talent Management; Chief of Staff at Indeed, Inc.; Director* of RGF OHR USA, INC.
April	2016	• Executive Manager in charge of Talent Management
July	2015	• Executive Manager in charge of R&D Business Development
January	2014	• Managing Director of ADVANTAGE GROUP LIMITED; Managing Director of ADVANTAGE PROFESSIONAL UK LIMITED; Director of ADVANTAGE XPO LIMITED
January	2013	• Director of RGF Staffing UK Limited (formerly ADVANTAGE RESOURCING UK LIMITED); Director of ADVANTAGE XPO LIMITED
April	2006	• Joined the Company

Significant concurrent position(s)

- Director* of Indeed, Inc.
- Director of RGF OHR USA, INC.
- Director of Recruit Co., Ltd.
- Director of RGF Staffing B.V.
- Member of the Board of Directors of Georg Fischer Ltd.

Reasons for being appointed as a candidate for Director

Ayano "Sena" Senaha has served as COO of the Company since 2021 and Senior Vice President since 2018. Ms. Senaha has played a major role in the rapid globalization of the Company, having led and contributed to several post-merger integrations and having developed a corporate governance structure which ensures the balance of business strategies and risk management. Ms. Senaha has served as a Director of the Company since 2020 and we believe that she is an appropriate person to sustainably improve the enterprise value of the Company, and should continue to serve as a Director.



Director (Non-Executive)

Age: 55
(Date of Birth: November 26th, 1967)

Number of Company Shares held: 219,850

Career summary:

Rony Kahan was appointed Director of Recruit Holdings in 2018. He has also served as Chairman and Director of Indeed since 2013. Rony started his career in the HR industry in 1998 by co-founding jobsinthemoney.com, which became the leading job site for finance professionals. In 2003 he sold the business, and the following year, co-founded Indeed with the mission to help people get jobs. This novel approach to the job search market caught the attention of Recruit Holdings, which acquired Indeed in 2012. Working together with the new leadership team, Mr. Kahan successfully grew Indeed into the world’s leading job search engine.

Meeting body in charge for the fiscal year ended March 2023

Board of Directors, Business Strategy Meeting

Term of office

From June 26, 2023 to the conclusion of the Annual Meeting of Shareholders to be held in 2024.

Career summary, positions and responsibilities

*Unless otherwise stated, position refers to Recruit Holdings Co., Ltd.
Current position

- June 2018 • Director*
- April 2018 • Chairman and Director* of RGF OHR USA, INC.
- October 2013 • Chairman and Director* of Indeed, Inc.
- September 2012 • CEO of Indeed, Inc.
- November 2004 • Co-founder, President, and Chairman of the Board of Indeed, Inc.
- August 1998 • Co-founder of jobsinthemoney.com, Inc.

Significant concurrent position(s)

- Chairman and Director of Indeed, Inc.
- Chairman and Director of RGF OHR USA, INC.

Reasons for being appointed as a candidate for Director

Rony Kahan is a co-founder of Indeed, Inc., a consolidated subsidiary of Recruit Holdings. We are confident that his extensive track record of innovation, his deep expertise and broad connections in the HR technology industry will help us further accelerate the global expansion of our HR technology business. Mr. Kahan has served as a Director of the Company since 2018 and we believe that he is an appropriate person to sustainably improve the enterprise value of the Company, and should continue to serve as non-Executive Director.



**Independent Director
(Non-Executive)**

Age: 74
(Date of Birth: August 9th, 1948)

**Number of Company Shares
held: 1,407**

Career summary:

Naoki Izumiya, who is Honorary Advisor of Asahi Group Holdings, Ltd., has served as an independent Director of the Recruit Holdings' Board since 2018. Before his role as Chairman of the Board, he promoted the growth of Asahi Group companies and spearheaded acquisitions including Calpis Co., Ltd. He expanded the business globally to Oceania, south east Asia and Europe. Mr. Izumiya served in various roles at Asahi Breweries, Ltd. including Senior General Manager of Strategy Planning Headquarters, General Manager of the Tokyo Branch and Public Relations before he was appointed President and Representative Director of Asahi Breweries, Ltd. in 2010.

Meeting body in charge for the fiscal year ended March 2023 (***Bold: Chairperson**)

Board of Directors, **Nomination Committee**, Compensation Committee

Term of office

From June 26, 2023 to the conclusion of the Annual Meeting of Shareholders to be held in 2024.

Career summary, positions and responsibilities

**Current position*

March	2021	• Honorary Advisor* of Asahi Group Holdings, Ltd.
March	2019	• Chairman of the Board of Asahi Group Holdings, Ltd.
June	2018	• Independent Director* of Recruit Holdings Co., Ltd., and Independent Director* of Obayashi Corporation
March	2018	• Chairman and Representative Director of Asahi Group Holdings, Ltd.
March	2016	• Chairman and Representative Director, CEO of Asahi Group Holdings, Ltd.
March	2014	• President and Representative Director, CEO of Asahi Group Holdings, Ltd.
July	2011	• President and Representative Director, COO of Asahi Group Holdings, Ltd.
March	2010	• President and Representative Director of Asahi Breweries, Ltd.
March	2009	• Senior Managing Director and Senior Managing Executive Officer of Asahi Breweries, Ltd.
March	2006	• Managing Director, Managing Executive Officer, and Senior General Manager of Sales & Marketing Headquarters for Alcoholic Beverages at Asahi Breweries, Ltd.
March	2004	• Managing Director of Asahi Breweries, Ltd.
March	2003	• Director of Asahi Breweries, Ltd.
September	2001	• Executive Officer, Deputy General Manager of Tokyo Metropolitan Headquarters, and General Manager of Tokyo Branch at Asahi Breweries, Ltd.
October	2000	• Executive Officer and Senior General Manager of Strategy Planning Headquarters at Asahi Breweries, Ltd.
March	2000	• Executive Officer and Senior General Manager of Group Management Strategy Headquarters at Asahi Breweries, Ltd.
April	1972	• Joined Asahi Breweries, Ltd.

Significant concurrent position(s)

- Honorary Advisor of Asahi Group Holdings, Ltd.
- Independent Director of Obayashi Corporation

Reasons for being appointed as a candidate for Director

Naoki Izumiya has a strong background in advanced corporate communication strategy, a track record of executive development, and extensive experience enhancing enterprise value through aggressive acquisition and successful synergistic integration of overseas companies. Mr. Izumiya has served as an independent Director of Recruit Holdings since 2018. We believe that he is an appropriate person to advise the Company on overall management and supervise the execution of the business, and should continue to serve as independent Director.

The Company expects independent Directors to play the following roles in addition to supervising the management of the Company:

- To provide the Company with advice based on their management experience in corporations operating globally and/or that are publicly listed, which are necessary for the Company to further enhance its enterprise value and shareholder value in the mid- to long-term period.
- To play a leading role in matters related to selection and dismissal, evaluation and compensation of Directors and Senior Vice Presidents as a chair and/or member of the Nomination and Compensation Committees.
- To oversee decision-making in cases where any potential conflict of interest exists between Directors and the Company. The Board of Directors acts as the decision-making body for matters that may cause conflicts of interest by ensuring the decision is delivered under the presence of Independent Directors as well as independent Audit and Supervisory Board members.

Independence Criteria

Naoki Izumiya meets both the requirements for independence stipulated by the Tokyo Stock Exchange and those of the Holding Company. Within the past 10 years, Mr. Izumiya has served as Chairman and Representative Director of Asahi Group Holdings, Ltd., which has a business relationship with the Company. However, such transactions account for less than 1% of the consolidated revenue of Asahi Group Holdings, Ltd. and Recruit Holdings, respectively, and are thus too small to be material. Therefore, the Company believes that Mr. Izumiya has sufficient independence where there are no potential conflicts of interests with general shareholders.



**Independent Director
(Non-Executive)**

Age:58
(Date of Birth: July 17th, 1964)

**Number of Company Shares held:
4,186**

Meeting body in charge for the fiscal year ended March 2023 (*Bold: Chairperson)

**Board of Directors , Nomination Committee,
Compensation Committee**

Career summary:

Hiroki Totoki, who is currently Director, President, COO and CFO, Representative Corporate Executive Officer, of Sony Group Corporation, has served as an independent Director of the Recruit Holdings' Board since 2018. In previous roles at Sony Corporation, he contributed to the launch of Sony Bank Inc., and led Sony's Business Strategy, Corporate Development, Finance, and New Business Development departments. In 2013, he became Representative Director and CFO of Sony Network Communications Inc. (formerly So-net Entertainment Corporation). In 2014, Mr. Totoki led the structural reformation of the smartphone business as President and CEO of Sony Mobile Communications Inc. In 2021, he was appointed as Director, Executive Deputy President and CFO, Representative Corporate Executive Officer of Sony Group Corporation.

Term of office

From June 26, 2023 to the conclusion of the Annual Meeting of Shareholders to be held in 2024.

Career summary, positions and responsibilities

**Current position*

April	2023	• Director*, President*, COO* and CFO*, Representative Corporate Executive Officer*, of Sony Group Corporation
April	2021	• Director, Executive Deputy President and CFO, Representative Corporate Executive Officer of Sony Group Corporation
June	2020	• Director, Executive Deputy President and CFO, Representative Corporate Executive Officer of Sony Corporation
June	2019	• Director of Sony Corporation
June	2018	• Senior Executive Vice President, CFO, and Representative Corporate Executive Officer of Sony Corporation; Independent Director* of Recruit Holdings Co., Ltd.
April	2018	• Executive Vice President, CFO, and Representative Corporate Executive Officer of Sony Corporation
June	2017	• Executive Vice President, CSO, and Corporate Executive Officer of Sony Corporation
April	2016	• Executive Vice President and Corporate Executive Officer of Sony Corporation; President and Representative Director of Sony Network Communications Inc. (formerly So-net Corporation)
November	2014	• Group Executive of Sony Corporation; President and CEO of Sony Mobile Communications Inc.
December	2013	• Senior Vice President and Corporate Executive of Sony Corporation

April	2013	• Representative Director, Corporate Executive Officer, Deputy President, and CFO of Corporate Executive Officer of Sony Network Communications, Inc. (formerly So-net Entertainment Corporation)
April	2012	• Representative Director, Corporate Executive Officer and Senior Managing Director of Sony Network Communications Inc. (formerly So-net Entertainment Corporation)
June	2005	• Director, Corporate Executive Officer and Senior Managing Director of Sony Network Communications Inc. (formerly Sony Communication Network Corporation)
February	2002	• Representative Director of Sony Bank Inc.
April	1987	• Joined Sony Corporation

Significant concurrent position(s)

- Director, President COO and CFO, Representative Corporate Executive Officer of Sony Group Corporation

Reasons for being appointed as a candidate for Director

Hiroki Totoki has deep insight, cultivated through years of managing a global company with diversified business portfolios and experience leading technology-based business development. Mr. Totoki has served as an independent Director of Recruit Holdings since 2018. We believe that he is an appropriate person to advise the Company on overall management and supervise the execution of business, and should continue to serve as independent Director.

The Company expects independent Directors to play the following roles in addition to supervising the management of the Company:

- i. To provide the Company with advice based on their management experience in corporations operating globally and/or that are publicly listed, which are necessary for the Company to further enhance its enterprise value and shareholder value in the mid- to long-term period.
- ii. To play a leading role in matters related to selection and dismissal, evaluation and compensation of Directors and Senior Vice Presidents as a chair and/or member of the Nomination and Compensation Committees.
- iii. To oversee decision-making in cases where any potential conflict of interest exists between Directors and the Company. The Board of Directors acts as the decision-making body for matters that may cause conflicts of interest by ensuring the decision is delivered under the presence of independent Directors as well as independent Audit and Supervisory Board Members.

Independence Criteria

Hiroki Totoki meets both the requirements for independence stipulated by the Tokyo Stock Exchange and those of the Holding Company. Mr. Totoki currently serves as Director, President, COO and CFO, Representative Corporate Executive Officer of Sony Group Corporation, which has a business relationship with the Company. However, such transactions account for less than 1% of the consolidated revenue of Sony Group Corporation and Recruit Holdings, respectively, and are thus too small to be material. Therefore, the Company believes that Mr. Totoki has sufficient independence where there are no potential conflicts of interests with general shareholders.



**Independent Director
(Non-Executive)**

Age: 61
(Date of Birth: September 27th,
1961)

**Number of Company Shares held:
1,056**

Career summary:

Keiko Honda has served as an independent Director of the Recruit Holdings' Board since 2022. She is highly experienced in corporate management, financial economics, ESG, and is currently an Adjunct Professor and Adjunct Senior Research Scholar on ESG investing at Columbia University School of International and Public Affairs, a position she has held since 2020. Ms. Honda began her career at Bain & Company Japan in 1984. In 1986, she joined Shearson Lehman Brothers Securities Co., Ltd., and later joined McKinsey & Company as the first female senior partner in the Asian division, where she advised on corporate strategy and M&A for 24 years since 1989. Ms. Honda was appointed Executive Vice President in 2013, and served as CEO and Executive Vice President of Multilateral Investment Guarantee Agency of the World Bank Group from 2014 to 2019.

Meeting body in charge for the fiscal year ended March 2023

Board of Directors, Nomination Committee, Compensation Committee, Sustainability Committee

Term of office

From June 26, 2023 to the conclusion of the Annual Meeting of Shareholders to be held in 2024.

Career summary, positions and responsibilities

**Current position*

June	2022	• Independent Director* of Recruit Holdings Co., Ltd.
June	2020	• Outside Director* of Mitsubishi UFJ Financial Group, Inc.
March	2020	• Independent Director* of AGC Inc.
January	2020	• Adjunct Professor and Adjunct Senior Research Scholar* at Columbia University School of International and Public Affairs
October	2019	• Retired from Multilateral Investment Guarantee Agency (World Bank Group)
June	2014	• CEO and Executive Vice President of Multilateral Investment Guarantee Agency (World Bank Group)
July	2013	• Executive Vice President of Multilateral Investment Guarantee Agency (World Bank Group)
July	2007	• Senior Partner of McKinsey & Company
July	1999	• Partner of McKinsey & Company
July	1989	• Joined McKinsey & Company, Inc. Japan
May	1986	• Joined Shearson Lehman Brothers Securities Co., Ltd.
April	1984	• Joined Bain & Company Japan, Inc.

Significant concurrent position(s)

- Adjunct Professor and Adjunct Senior Research Scholar at Columbia University School of International and Public Affairs
- Independent Director of AGC Inc.
- Outside Director of Mitsubishi UFJ Financial Group, Inc.

Reasons for being appointed as a candidate for Director

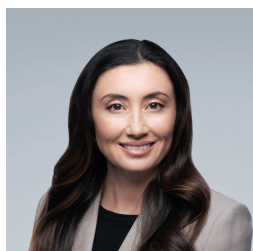
Keiko Honda has served in key roles in both financial institutions and consulting firms at a time when they were expanding their business globally, and has a great wealth of experience and knowledge in management and finance, as well as a high level of expertise with regard to ESG issues. Ms. Honda has served as an independent Director of Recruit Holdings since 2022. We believe that she is an appropriate person to advise the Company on overall management and supervise the execution of business, and should continue to serve as an independent Director.

The Company expects independent Directors to play the following roles in addition to supervising the management of the Company:

- To provide the Company with advice based on their management experience in corporations operating globally and/or that are publicly listed, which are necessary for the Company to further enhance its enterprise value and shareholder value in the mid- to long-term period.
- To play a leading role in matters related to selection and dismissal, evaluation and compensation of Directors and Senior Vice Presidents as a chair and/or member of the Nomination and Compensation Committees.
- To oversee decision-making in cases where any potential conflict of interest exists between Directors and the Company. The Board of Directors acts as the decision-making body for matters that may cause conflicts of interest by ensuring the decision is delivered under the presence of independent Directors as well as independent Audit and Supervisory Board members.

Independence Criteria

Keiko Honda meets both the requirements for independence stipulated by the Tokyo Stock Exchange and those of the Holding Company. Within the past 10 years, Ms. Honda had served as CEO and Executive Vice President of Multilateral Investment Guarantee Agency (World Bank Group), which has no material business relationship with the Company. Therefore, the Company believes that Ms. Honda has sufficient independence where there are no potential conflicts of interests with general shareholders.



**Independent Director
(Non-Executive)**

Age: 40
(Date of Birth: December 24th, 1982)

Number of Company shares held: 0

Career summary:

Katrina Lake is the CEO and Chairperson of Stitch Fix, Inc., a technology platform based in the US that offers personal online styling services. Ms. Lake brings a wealth of experience and extensive knowledge from serving as an independent director for companies such as Grubhub, Inc., a global food delivery service provider and Glossier, Inc., a cosmetics brand. Ms. Lake joined the EY-Parthenon (formerly The Parthenon Group) in 2005, and in 2011, after working for Leader Ventures, LLC, she founded Stitch Fix, Inc.. In 2017, Stitch Fix, Inc. was listed on NASDAQ, making her the youngest female CEO ever to be listed on the stock exchange.

Term of office:

From June 26, 2023 to the conclusion of the Annual Meeting of Shareholders to be held in 2024.

Career summary, positions and responsibilities

**Current position*

January	2023	• CEO* and Chairperson* of Stitch Fix, Inc.
August	2021	• Chairperson of Stitch Fix, Inc.
June	2018	• Outside Director* of Glossier, Inc.
December	2015	• Outside Director of Grubhub, Inc.
January	2011	• Founder and CEO of Stitch Fix, Inc.
September	2007	• Joined Leader Ventures, LLC
September	2005	• Joined EY-Parthenon (formerly The Parthenon Group, LLC)

Significant concurrent position(s)

CEO and Chairperson of Stitch Fix, Inc.

Reasons for being appointed as a candidate for Director

Katrina Lake has a wealth of experience and extensive knowledge gained both from building a technology based platform business in the US, and her tenure serving as CEO and Chairperson of an expanding business that is publicly traded on the US stock exchange. She also has experience serving on the Board of Directors of some platform companies, including one that was publicly traded. We believe that she is an appropriate person to advise the Company on overall management and supervise the execution of business to serve as independent Director.

The Company expects independent Directors to play the following roles in addition to supervising the management of the Company:

- i. To provide the Company with advice based on their management experience in corporations operating globally and/or that are publicly listed, which are necessary for the Company to further enhance its

-
- enterprise value and shareholder value in the mid- to long-term period.
- ii. To play a leading role in matters related to selection and dismissal, evaluation and compensation of Directors and Senior Vice Presidents as a chair and/or member of the Nomination and Compensation Committees.
 - iii. To oversee decision-making in cases where any potential conflict of interest exists between Directors and the Company. The Board of Directors acts as the decision-making body for matters that may cause conflicts of interest by ensuring the decision is delivered under the presence of independent Directors as well as independent Audit and Supervisory Board members.

Independence Criteria

Katrina Lake meets both the requirements for independence stipulated by the Tokyo Stock Exchange and those of the Holding Company. Within the past 10 years, Ms. Lake currently serves as CEO and Chairperson of Stitch Fix, Inc., which has a business relationship with the Company. However, such transactions account for less than 1% of the consolidated revenue of Stitch Fix, Inc. and Recruit Holdings, respectively, and are thus too small to be material. Therefore, the Company believes that Ms. Lake has sufficient independence where there are no potential conflicts of interests with general shareholders.

- * Each candidate does not have any special interest in the Company.
- * The above number of shares held by each candidate is as of March 31, 2023, and the shares held include a stake in the Recruit Group Officer Stock Ownership Association and a stake in American Depositary Receipt (ADR) facility (please note that the Company does not support or encourage, and has not consented to, the creation of any unsponsored ADR facilities and this information is being provided as factual reference only). Other information in the Reference Documents for the Annual Meeting of Shareholders is based on information available as of May 15, 2023.
- * The Company has entered into a directors and officers liability insurance contract to insure all Directors. The contents of the insurance contract are as described on page 64 of the BUSINESS REPORT. If the candidates are reappointed and appointed, they will continue to be named as the insured under the contract. The insurance contract is expected to be renewed during their term of office.
- * The Holding Company has entered into agreements with Rony Kahan, Naoki Izumiya, Hiroki Totoki and Keiko Honda to limit their liability under Article 423, Paragraph 1 of the Companies Act of Japan. The maximum amount of liability for damages covered in the agreement is the minimum amount required under applicable laws and regulations. The limitation of liability, however, applies only when the relevant personnel has performed his or her duties in good faith and is not deemed negligent. If the reappointment of each of them is approved as proposed, the agreements will be continued. Also, if the appointment of Ms. Lake is approved as proposed, the agreement will be made between her and the Holding Company.
- * The Company has reported Naoki Izumiya, Hiroki Totoki and Keiko Honda to the Tokyo Stock Exchange as independent Directors as specified by the Tokyo Stock Exchange. If they are reappointed as proposed, they will continue to serve as Independent Directors. Also, the Company plans to report Ms. Lake to the Tokyo Stock Exchange as independent Director as specified by the Tokyo Stock Exchange, and if her appointment is approved, she will serve as independent Director.

Proposal 2: Election of One (1) Substitute Audit and Supervisory Board Member

The Company proposes to elect a substitute Audit and Supervisory Board member in preparation for the case in which the number of Audit and Supervisory Board members would fall below the statutory minimum. Up until the time the elected substitute Audit and Supervisory Board member assumes the post, the Board of Directors shall be allowed to resolve to cancel the validity of the substitute Audit and Supervisory Board member's election with the consent of the Audit and Supervisory Board. The Audit and Supervisory Board has consented to the proposal.

The candidates for substitute Audit and Supervisory Board member is as follows:

MIHO TANAKA (Name on family register: MIHO TAKAHASHI)

New Appointment



Substitute Independent Audit and Supervisory Board Member

Age: 48

(Date of Birth: December 1st, 1974)

Number of Company Shares held:

0

Career summary:

Miho Tanaka is a Partner of SHIBA & TANAKA LAW OFFICES (formerly Shiba Management Legal Office), Supervisory Director of marimo Regional Revitalization REIT, Inc., Outside Corporate Auditor of Solasto Corporation and External Director of Tokyo Century Corporation. Her field of expertise is in cross-border business for Japanese and international companies, mergers and acquisitions, finance transactions and corporate governance. Prior to this, she worked at TMI Associates from 2007 to 2015 as a lawyer. Ms. Tanaka started her career in 2004 when she was admitted to Dai-ni Tokyo Bar Association and joined Asahi Koma Law Office (currently Nishimura & Asahi).

Term of office

From June 26, 2023 to the conclusion of the Annual Meeting of Shareholders to be held in 2024.

Career summary and positions

**Current position*

June	2021	• External Director* of Tokyo Century Corporation
June	2020	• Outside Corporate Auditor* of Solasto Corporation
February	2016	• Supervisory Director* of marimo Regional Revitalization REIT, Inc.
July	2015	• Partner* of SHIBA & TANAKA LAW OFFICES (formerly Shiba Management Legal Office)
February	2007	• TMI Associates
October	2004	• Admitted to Dai-ni Tokyo Bar Association, Asahi Koma Law Office (currently Nishimura & Asahi)

Significant concurrent position(s)

- Partner of Shiba Management Legal Office (SHIBA & TANAKA LAW OFFICES)
- Supervisory Director of marimo Regional Revitalization REIT, Inc.
- Outside Corporate Auditor of Solasto Corporation
- External Director of Tokyo Century Corporation

Reasons for being appointed as a candidate for substitute Audit and Supervisory Board member

Miho Tanaka has developed expertise as a lawyer for many years and despite never having been involved directly, has deep knowledge of corporate management. She would bring a neutral and objective perspective supported by her deep insight and a wealth of experience. We believe that she is an appropriate person to supervise the Company's overall management, and should serve as a substitute Audit and Supervisory Board member.

Independence Criteria

Miho Tanaka currently serves as Partner of SHIBA & TANAKA LAW OFFICES, which has no business relationship with the Company. Therefore, the Company believes that Ms. Tanaka has sufficient independence where there are no potential conflicts of interests with general shareholders.

- * The candidate does not have any special interest in the Company.
- * The above number of shares held by the candidate is as of March 31, 2023, and other information in the Reference Documents for the Annual Meeting of Shareholders is based on information available as of May 15, 2023.
- * Ms. Tanaka is a candidate for substitute independent Audit and Supervisory Board member.
- * The Company has entered into a directors and officers liability insurance contract to insure all Audit and Supervisory Board members. The contents of the insurance contract are as described on page 64 of the BUSINESS REPORT. If Ms. Tanaka is appointed as independent Audit and Supervisory Board member, she will be named as the insured under the contract. The insurance contract is expected to be renewed during their term of office.
- * If Ms. Tanaka is appointed as independent Audit and Supervisory Board member, the Company plans to enter into an agreement with them to limit their liability under Article 423, Paragraph 1 of the Companies Act of Japan. The maximum amount of liability for damages in the agreement is planned to be the minimum amount required under applicable laws and regulations.
- * Ms. Tanaka meets both the requirements for independence stipulated by the Tokyo Stock Exchange and those of the Holding Company. Ms. Tanaka currently serves as Partner of SHIBA & TANAKA LAW OFFICES, which has no business relationship with the Company. Therefore, the Company believes that Ms. Tanaka has sufficient independence where there are no potential conflicts of interests with general shareholders.
- * If Ms. Tanaka is appointed as independent Audit and Supervisory Board member, the Company will report her to the Tokyo Stock Exchange as independent Audit and Supervisory Board member as specified by the Tokyo Stock Exchange.

Reference Information related to Proposal 1

Skills matrix of the Board of Directors

If Proposal 1 is approved as proposed, the composition of the Board of Directors and skills of each of the Directors and Audit and Supervisory Board members will be as follows. From the perspective of corporate management, the Nomination Committee of the Company deliberates on skills that are particularly important to achieving its medium- to long-term management strategy, and the Board of Directors resolves on them.

The Company's Directors and Audit and Supervisory Board members after this Annual Meeting of Shareholders (planned)

Skills and Expertise	Masumi Minegishi	Hisayuki Idekoba	Ayano Senaha	Rony Kahan	Naoki Izumiya	Hiroki Totoki	Keiko Honda	Katrina Lake	Yukiko Nagashima	Takashi Nishimura	Yoichiro Ogawa	Katsuya Natori
	Representative Director and Chairperson	Representative Director and President	Director	Director	Director	Director	Director	Director	Standing Audit and Supervisory Board Member	Standing Audit and Supervisory Board Member	Audit and Supervisory Board Member	Audit and Supervisory Board Member
												
Corporate Management	●	●		●	●	●	●	●	●		●	
Finance						●	●				●	
Legal/Risk Management			●								●	●
Global Business	●	●	●	●	●	●	●	●		●	●	●
Technology	●	●	●	●		●		●		●		●
HR Business	●	●	●	●					●	●		
ESG/Sustainability			●		●		●					
Transformation	●	●	●	●	●	●	●	●	●	●	●	●

Independent Independent Director as reported to the Tokyo Stock Exchange

Important Skill and Expertise and Reason for selection

Corporate Management

The Company is listed on the Tokyo Stock Exchange Prime Market and operates a wide range of businesses, including HR Technology, Matching & Solutions, and Staffing in more than 60 countries around the world. Therefore, the Company has identified "Corporate Management" as an important skill, as its sustainable growth requires corporate management skills to manage its business portfolio in

accordance with the expectations of its diverse stakeholders.

Finance

To maximize long-term corporate and shareholder value, the Company flexibly and proactively invests in new businesses, research and development, cross-border M&A, and other growth investments. The Company has identified "Finance" as an important skill, as finance strategies are critical to the realization of corporate strategy.

Legal/Risk Management

In order to ensure the continuous and stable growth of the Company, it has established a systematic risk management system and is actively engaged in risk management while complying with relevant laws and regulations. The Company has identified "Legal/Risk Management" as an important skill because it is necessary for the Board of Directors to determine and oversee effective risk management policies.

Global Business

The Company operates businesses and services in more than 60 countries and territories around the world. Therefore, the Company has identified "Global Business" as an important skill for making important management decisions.

Technology

The Company aims to further improve and accelerate the efficiency of matching by leveraging technology and data to provide the best options for individual users and to help corporate clients further improve their business efficiency. To this end, the Company has identified "Technology" as an important skill for making critical management decisions.

HR Business

The HR Matching market includes job advertising & talent sourcing tools, direct hire, retained search, internal recruitment automation, and temporary staffing. The Company is committed to making it easier and faster for people to get jobs, while reducing the cost and time to hire for employers across the HR Matching market. Our goal is to automate many of the steps in the hiring process and to improve the quality and speed of matching across all three SBUs. To this end, the Company has identified the "HR business" as an important expertise for making key management decisions on the Board of Directors.

ESG/Sustainability

The Company believes that positive impact on society and the global environment through our entire corporate activities and coexistence and co-prosperity with all stakeholders will lead to our sustainable growth, and the company has defined this as one of its management strategies. To this end, the Company has identified "ESG and Sustainability" as an important expertise for making important management-related decisions at the Board of Directors.

Transformation

Since our founding, the Company has been committed to "Opportunities for Life" and has achieved sustainable growth by repositioning its business portfolio to eliminate society's disadvantages (dissatisfaction, inconvenience, and anxiety) through the creation of new value. The Company believes that its DNA is to continue transforming itself to create new value, and the Company has identified "Transformation" as a key expertise common to all members of its Board of Directors, both internal and external.

Name	Skills
Masumi Minegishi	Corporate Management - As Representative Director, President and CEO of the Company from 2012 to 2020, Masumi Minegishi has achieved business portfolio reorganization by aggressively investing capital in M&A in the global market to transform the Company into a global technology company. In addition, he has a proven track record of evolving the governance of the Company, having taken the Company public on the Tokyo Stock Exchange in 2014. - He has served as an Outside Director of Konica Minolta, Inc. and ANA HOLDINGS Inc. since 2022.

Global Business

- As Representative Director, President and CEO, he led the Company's transformation into a global company by raising the ratio of overseas sales from approximately 4% in FY2012 to approximately 45% in FY2019.

Technology

- As Senior Vice President of the Company, he led the digitalization of the magazine business in the area of sales promotion. After assuming the position of Representative Director, President and CEO, he accelerated digitalization across Japan and led the M&A of a global technology company.

HR Business

- After assuming the position of Representative Director, President and CEO, he led the global expansion of the HR business through acquisitions of job matching and staffing companies such as Indeed, Inc. and Glassdoor, Inc.

Transformation

- By strongly promoting the digitalization of our business, he drove the reorganization of our business portfolio. In addition, he has demonstrated and proven his ability to bring the Company to the global stage through IPOs and M&As.

Hisayuki Idekoba

Corporate Management

- Hisayuki Idekoba led the acquisition of Indeed Inc. in 2012, after which he led its growth as its CEO. Later, as a Director, Senior Executive Vice President of the Company, he drove the transformation of the entire group. He has served as Representative Director, President and CEO from April 2021.

Global Business

- He led the Company's post-acquisition growth through cross-border M&A to become a global leader in the HR matching market, and since 2018, he has strongly promoted global governance as a director of the SBU Headquarters overseeing the HR technology and staffing businesses.

Technology

- In the area of sales promotion in Japan, he promoted the digitalization of business by transforming the information magazine business using technology and the promotion of online reservations, etc. After the acquisition of Indeed, Inc., he has led the evolution of the global platform business using technology and data.

HR Business

- Aiming to create a "Getting a job with the push of a button" he has conceived and strongly led the evolution of HR matching using technology and data beyond the existing framework of the HR business industry.

Transformation

- In Japan, he led the digital shift of the information magazine business, thereby reorganizing the business portfolio. He has since transformed the Company into a global HR matching company through cross-border M&A and subsequent business growth.

Ayano Senaha

Legal/Risk Management

- As a Senior Vice President of the Company since 2018, Ayano Senaha has promoted the establishment of a governance structure that balances business strategy and risk management, and has served as the Chairman of the Company's Risk Management Committee since 2021.

Global Business

- As a Director of a UK staffing company since 2013 and Managing Director since 2014, she led the growth of the business after cross-border M&A. Since 2018, as Director of the headquarters of the HR Technology business and its main subsidiaries, she has been driving the strengthening of global governance.
- Since 2022, she has been an External Director of Georg Fischer Ltd, a Swiss listed company.

Technology

- As a Director of the HR Technology headquarters and its main subsidiaries, she is responsible for the evolution of the business through the use of technology and data.

HR Business

- She was in charge of advertising sales for major companies in the HR business in Japan. As a Managing Director of a staffing company in the U.K., she achieved a significant improvement in business performance. In 2018, she became a Director of the HR technology business headquarters and main subsidiaries. She has extensive knowledge and experience in the HR business.

ESG/Sustainability

- As a Senior Vice President of the Company, she has been in charge of sustainability since 2018, and in 2021, she integrated "Commitment to Sustainability - Prosper Together" into the Company's corporate strategy as an aggressive approach to sustainability, setting quantitative targets to be achieved by 2030. The Company has been recognized as a regional top performer by institutional investors and ESG rating agencies.

Transformation

- In addition to driving the evolution of our globalization and governance, she has made aggressive sustainability our group management strategy and established a group-wide promotion system to achieve our sustainable growth by positively impacting society and the global environment through our entire corporate activities.

Rony Kahan

Corporate Management

- In 1998, Rony Kahan founded a job website for financial professionals, and sold the company in 2003. In 2004, he co-founded Indeed, Inc. and was appointed to the role of President & Chairman, and later served as CEO in 2012 and Chairman in 2013. He has experience and expertise in managing companies in various phases from start-ups to large scale businesses as well as expanding companies into new business areas.

Global Business

- By 2012, he had grown Indeed, Inc., which he co-founded, into the #1 job site in the world that serves more than 50 countries (26 languages).

Technology

- After starting his first company in the early days of the Internet, he focused on search engine technology that was becoming popular at the time. He founded Indeed, Inc. in 2004 with the goal of creating a job search engine that automatically collects job information regardless of industry, and the company became profitable early. He has extensive knowledge and experience in technology and data-based product development and business operations.

HR Business

- He has extensive knowledge and experience in the global job matching

Name	Skills
	<p>business and pioneered the "Job seekers first" philosophy at Indeed, Inc.</p> <p>Transformation</p> <ul style="list-style-type: none"> - He has been innovating in the HR matching business at the dawn of the Internet and laid the foundation for the service that became the world's No. 1 job search engine based on the philosophy of "We help people get jobs." After the acquisition of Indeed, he served as Director and Chairman of the Board, furthering the evolution of Indeed, Inc.
Naoki Izumiya	<p>Corporate Management</p> <ul style="list-style-type: none"> - As a President and CEO of Asahi Breweries, Ltd. since 2010 and the first President and Representative Director of Asahi Group Holdings, Ltd. since the following year, Naoki Izumiya has led large-scale M&A in Japan and abroad to enhance the corporate value of the group, while evolving the governance of the company. - Since 2018, he has served as an Independent Director of Obayashi Corporation and the Company. <p>Global Business</p> <ul style="list-style-type: none"> - Since his appointment as President and CEO of Asahi Group Holdings, Ltd. (formerly Asahi Breweries, Ltd.), he has led the company's globalization by significantly expanding its overseas sales ratio through numerous large-scale M&A, particularly in Southeast Asia and Australia. <p>ESG/Sustainability</p> <ul style="list-style-type: none"> - He promoted initiatives on advanced sustainability themes at Asahi Breweries, Ltd. such as contributing to the creation of a low-carbon society and preserving biodiversity. He also has experience and expertise in establishing a governance structure through the establishment of the Global Sustainability Committee. <p>Transformation</p> <ul style="list-style-type: none"> - As a President and CEO, he established Asahi Group Holdings, Ltd. and led the transition to a pure holding company and the evolution of the group's governance structure. He has also led the company's portfolio restructuring through domestic and international M&A.
Hiroki Totoki	<p>Corporate Management</p> <ul style="list-style-type: none"> - After the launch of Sony Bank Inc., Totoki Hiroki became a Representative Director in 2002. Later, he served as President and CEO of Sony Mobile Communications, Inc. where he carried out structural reform of the smartphone business in 2014. In 2016, he was appointed President and Representative Director of Sony Network Communications Inc. (formerly So-net Corporation). In 2021, he was appointed as Director, Executive Deputy President and CFO, Representative Corporate Executive Officer of Sony Group Corporation and in April 2023, he was appointed as Director, President, COO and CFO, Representative Corporate Executive Officer. He has extensive knowledge and experience in corporate management necessary for a listed company with global operations. - He has served as an independent Director of the Company since 2018. <p>Finance</p> <ul style="list-style-type: none"> - After working in the finance department and financial subsidiary of Sony Group Corporation (formerly Sony Corporation), he served as the representative of a financial business company and CFO of a group subsidiary. In 2018, he was appointed EVP CFO of Sony Group Corporation (formerly Sony Corporation), and in 2020, he was appointed Director, Executive Deputy President and CFO, Representative Corporate Executive Officer. He has extensive knowledge and experience in finance and accounting necessary to make management

decisions for listed companies with global operations.

Global Business

- He is responsible for leading the management and business execution of Sony Group Corporation (formerly Sony Corporation), which has more than 1,480 consolidated subsidiaries worldwide as of 2021, and overseas sales account for more than 70% of the total sales of the company. He has broad and deep knowledge and experience in global business.

Technology

- As the representative of Sony Mobile Communications Inc., he was responsible for the restructuring of the smartphone business. He has also led the company's business growth in the technology-driven field of semiconductor products such as video and audio equipment and image sensors.

Transformation

- He was involved in the launch of Sony Bank Inc. and as Representative Director of the bank, led its rapid growth and laid the foundation for its continuous business expansion. He also served as CFO of Sony Group Corporation where he led the company's sustained portfolio transformation.

Keiko Honda

Corporate Management

- Keiko Honda is a former Director of the World Bank Group's Multilateral Investment Guarantee Agency (MIGA), which provides guarantees for risks in developing countries, where she served as Executive Vice President since 2013 and CEO and Executive Vice President since 2014, leading the agency until 2019.
- She serves as an Independent Director of AGC Inc. and Outside Director of Mitsubishi UFJ Financial Group, Inc. from 2020 and independent Director of the Company from 2022.

Finance

- She has led projects related to corporate finance and M&A at financial institutions and consulting firms. She is also a member of the United Nations Investments Committee since 2018, a member of the Expert Committee on Policy Evaluation of the Japanese Financial Services Agency since 2021, and a member of the Asia Sustainable Infrastructure Advisory Panel of the Singapore government.

Global Business

- In addition to her experience in global financial institutions and consulting firms, she has extensive experience in leading businesses, organizations, and people across countries and regions as the CEO and Executive Vice President of the Multilateral Investment Guarantee Agency (MIGA), an institution of the World Bank Group.

ESG/Sustainability

- She has extensive knowledge and expertise as an Adjunct Professor and Adjunct Senior Research Scholar at Columbia University's School of International and Public Affairs, specializing in ESG investments.

Transformation

- She was the first female senior partner in Asia at McKinsey & Company. She has also led an organizational transformation at the Multilateral Investment Guarantee Agency (MIGA), significantly expanding the agency's project portfolio and increasing the diversity of its leadership.

Name	Skills
Katrina Lake	<p>Corporate Management</p> <ul style="list-style-type: none"> - While pursuing a graduate degree at Harvard University, Katrina Lake founded Stitch Fix, Inc. in 2011, which is a technology-based platform business. As CEO, she led the company through its listing on the U.S. NASDAQ stock exchange in 2017, and drove business growth. She also has experience and expertise as an outside Director of several platform companies, including publicly traded companies. <p>Global Business</p> <ul style="list-style-type: none"> - Stitch Fix, Inc. operates in both the US and the U.K. She has a proven track record of achieving business growth by focusing on the optimal matching of brands and stylists in accordance with the needs of users in each region. <p>Technology</p> <ul style="list-style-type: none"> - Stitch Fix, Inc. offers a service in which AI-selected products are sorted by real, human personal stylists to provide customers with the most suitable clothes. In 2016, she was named one of the "100 Most Creative People in Business" by Fast Company magazine and appeared in Fortune magazine's "40 Under 40" in the US. <p>Transformation</p> <ul style="list-style-type: none"> - She has a proven track record of utilizing technology to develop and expand services with high user demand that transcend the boundaries of existing industries and business models. In November, 2017, the company went public on NASDAQ. She is recognized as the youngest woman to go public and the first woman to lead an initial public offering in the technology sector.
Yukiko Nagashima	<p>Corporate Management</p> <ul style="list-style-type: none"> - As President and Representative Director of Recruit Staffing Co., Ltd., Yukiko Nagashima has promoted a work style that emphasizes productivity and has created employment opportunities for a more diverse range of individuals. - Since 2019, she has served as an Outside Director of Japan Tobacco Inc. <p>HR Business</p> <ul style="list-style-type: none"> - She has led the recruitment advertising and temporary staffing businesses in Japan for our group companies and has served as a board member of HR business industry associations. She has extensive knowledge and experience in the HR business. <p>Transformation</p> <ul style="list-style-type: none"> - In our group, she promoted the expansion of the business from the job information business to the sales promotion information business, and the transition from information magazines to the Internet. As an Audit and Supervisory Board member, she has a proven track record of supporting the strengthening of governance to help the Company evolve into a global company.
Takashi Nishimura	<p>Global Business</p> <ul style="list-style-type: none"> - In 2013, when the Company strengthened its overseas business development, Takashi Nishimura became the General Manager of the Overseas Business Management Office, and the following year he was appointed Executive Vice President of Recruit U.S.A. - He later served as a director of Indeed, Inc. and RGF Staffing B.V. (formerly Recruit Global Staffing B.V.), and has a proven track record of promoting the strengthening of group governance on a global scale. <p>Technology</p> <ul style="list-style-type: none"> - As Senior Vice President of Indeed, Inc., a subsidiary of the Company, he was in charge of developing new recruiting solutions and services, and led the product

Name	Skills
	<p>development organization with a focus on technology.</p> <p>HR Business</p> <ul style="list-style-type: none"> - He has extensive knowledge and experience in the HR business, having led the recruitment advertising business in Japan, the staffing business in Japan and overseas, and the global recruiting platform business at a group company. <p>Transformation</p> <ul style="list-style-type: none"> - He was at the forefront of the transformation of our group into a global company. As Senior Vice President of Indeed, Inc., he has a proven track record of creating synergies across SBUs by developing solutions across the HR technology and staffing businesses.
Yoichiro Ogawa	<p>Corporate Management</p> <ul style="list-style-type: none"> - Yoichiro Ogawa has extensive experience and knowledge in leading management as a top corporate executive, having served as Vice Chairman of the Board of Directors of Deloitte Touche Tohmatsu Limited and Representative for the Asia-Pacific region, as well as CEO of Deloitte Tohmatsu Group. - Since 2021, he has served as an Outside Director of Honda Motor Co., Ltd. <p>Finance</p> <ul style="list-style-type: none"> - After joining Deloitte Touche Tohmatsu LLC (formerly Tohmatsu, Awoki & Co.), he registered as a certified public accountant in 1984. After engaging in international accounting at a US accounting firm, he became a partner of the same firm. He has a wide range of knowledge and expertise in accounting and auditing. <p>Legal/Risk Management</p> <ul style="list-style-type: none"> - He has extensive experience in providing client services from a neutral and objective standpoint over a long period of time at audit firms, based on his deep insight into audit work and extensive international experience. <p>Global Business</p> <ul style="list-style-type: none"> - After joining Deloitte Touche Tohmatsu Limited, (formerly auditing firm of Tohmatsu & Aoki), he provided client services in the United States. In 2015, as the representative for the Asia-Pacific region of Deloitte Touche Tohmatsu Limited, where he led cross-border collaboration across countries and regions. <p>Transformation</p> <ul style="list-style-type: none"> - As CEO of Deloitte Tohmatsu Group, he accelerated the deployment of solutions in the technology domain and promoted the improvement of service quality and sophistication of security response across the Group. In addition, he has a proven track record of improving organizational diversity by developing leaders in the Asia-Pacific region and promoting women's activities.
Katsuya Natori	<p>Legal/Risk Management</p> <ul style="list-style-type: none"> - Katsuya Natori was admitted to the bar in 1986 and joined Nishimura & Asahi (formerly Masuda and Ejiri Law Office). After graduating from the University of Washington School of Law (LL.M.) in 1990, he gained experience in international legal affairs at several US law firms. Later, he has experience leading the legal departments of several global companies. <p>Global Business</p> <ul style="list-style-type: none"> - He has served as General Manager of the Legal & External Affairs Division of Apple Japan, Inc. (formerly Apple Computer Co., Ltd.), Director and General Manager of the Legal Division of Oracle Information Systems (Japan) G.K. (formerly Sun Microsystems K.K.), Executive Officer and General Manager of the Legal Department of Fast Retailing Co., Ltd., and Director and Executive

Name

Skills

Officer of IBM Japan, Ltd. He has extensive experience in leading the management of companies with global operations.

Technology

- In addition to his experience leading the legal department of a global IT company, he also has extensive knowledge and experience in technology, including his role as the head of a technology-driven business process outsourcing business.

Transformation

- He has established a role as a general counsel (GC) in Japan, using his legal expertise to control risk and optimize management. He has also served as an Outside Auditor and chairman of third-party committees for various companies based on his deep knowledge of corporate compliance and governance, and has a proven track record of facilitating the optimization of corporate operations.

Policy of Strategic Shareholdings

In principle, the Company's policy is to reduce strategic shareholdings. The decision on whether or not to hold each company's stock is made based on a comprehensive assessment of the economic value of its stock, cost of capital, strategic importance, environment, social and governance (ESG) aspects, and other factors. The Board of Directors scrutinizes these shareholdings once a year and deliberates the reduction of these holdings if they do not meet the above criteria.

As of March 31, 2023, the total amount of strategic shareholdings held by the Holding Company and Recruit Co., Ltd. was 86.4 billion yen, which is 5.3% of the consolidated total equity.

(in millions of yen)

	The Holding Company		Recruit Co., Ltd.	
	Unlisted	Listed	Unlisted	Listed
Number of issuers	3	12	4	4
Amount on the balance sheet	1,800	65,790	1,528	17,350

Proposal 3: Revision of Maximum Amount of Compensation for Independent Directors

At the 59th Annual Meeting of Shareholders held in June 2019, the Company received approval concerning the monetary compensation for the Directors of the Company for the total amount not to exceed 1.4 billion yen per year (of which the annual total for independent Directors will not exceed 100 million yen).

As stated in Proposal 1, the Company has proposed to increase the number of independent Directors in order to strengthen the supervisory function of the Board of Directors. In addition, for the purpose of providing flexibility in attaining outstanding talent going forward, the Company requests the approval to increase the monetary compensation for independent Directors from the current 100 million yen per year to a new limit of 300 million yen per year, and in conjunction with the aforementioned increase, to set the total amount of monetary compensation for the Directors to 1.6 billion yen per year.

The outline of the Company's compensation policies of individual Directors is as stated in "Compensation Policies for FY2022" of the Compensation section of the Business Report. The Company has not planned to change those policies, because if this proposal is approved, then the details of such policies will continue to be considered appropriate. In light of these policies, the content of this proposal is necessary and reasonable, and the Company has deemed it appropriate.

If Proposal 1 is approved and adopted, the affected persons will be eight Directors (of which four are independent Directors).

Compensation for independent Directors consists of base salary only, not tied to performance considering the importance of their role of oversight from an independent and objective standpoint.

This proposal has been submitted taking into account the results of deliberations by the Compensation Committee. This committee is chaired by an independent Director, and a majority of its members are independent Directors and independent Audit and Supervisory Board members.

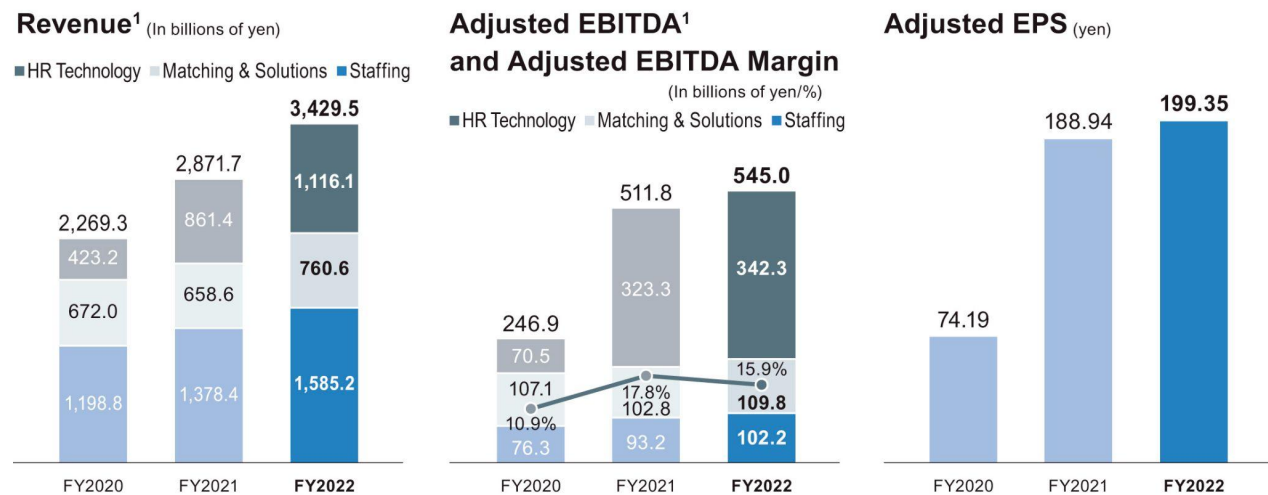
BUSINESS REPORT

(April 1, 2022 – March 31, 2023)

Overview of the Company

Overview of Operations for FY2022

Consolidated Results of Operations for FY2022



¹ The sum of the three segments does not correspond with consolidated figures due to Adjustments, such as intra-group transactions.

Consolidated revenue for FY2022 was 3.42 trillion yen, an increase of 19.4% year over year due to the revenue growth in all segments, HR Technology, Matching & Solutions, and Staffing. Excluding the positive impact of exchange rate fluctuations of 286.7 billion yen, consolidated revenue for FY2022 increased 9.4% year over year.

Consolidated operating income for FY2022 was 344.3 billion yen, a decrease of 9.1% year over year mainly due to restructuring charges of 17.6 billion yen related to a workforce reduction and a one time charge of 13.9 billion yen for impairment losses on right-of-use assets related to leased office space in HR Technology, an impairment loss mainly related to software of 9.3 billion yen in Matching & Solutions, and an impairment loss mainly related to software of 3.3 billion yen and an impairment loss on goodwill of 4.4 billion yen in Staffing.

Profit before tax for FY2022 was 367.7 billion yen, a decrease of 3.9% year over year.

Profit for FY2022 was 271.6 billion yen, a decrease of 8.8% year over year and profit attributable to owners of the parent for FY2022 was 269.7 billion yen, a decrease of 9.1% year over year.

Consolidated adjusted EBITDA margin for FY2022 was 15.9%, a decrease from 17.8% for the previous fiscal year, as a result of investments to achieve long-term strategies in the HR Technology and Matching & Solutions businesses. Adjusted EBITDA for FY2022 was 545.0 billion yen, an increase of 6.5% year over year, and adjusted EPS for FY2022 was 199.35 yen, an increase of 5.5% year over year.

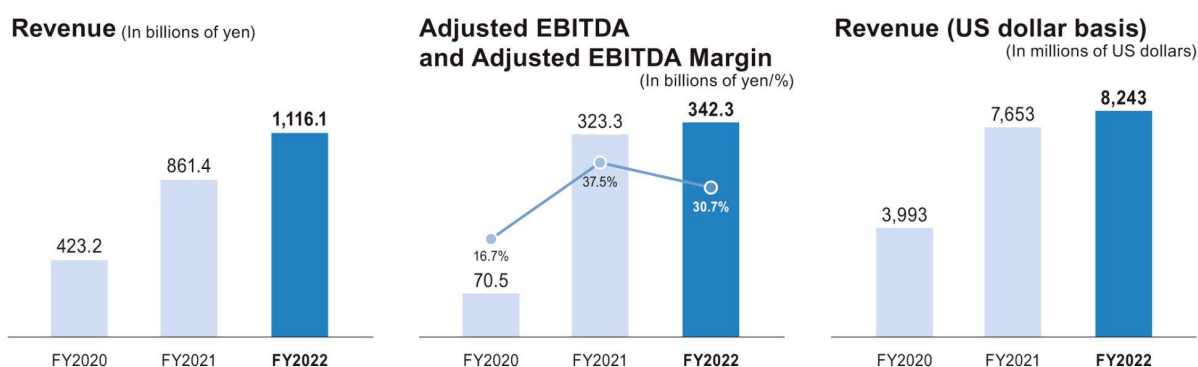
From 2022, the Company has changed the adjustment items for adjusted EBITDA and adjusted EPS. For adjusted EBITDA, the share-based payment expenses are included as an adjustment item, and for adjusted EPS, amortization of intangible assets arising due to business combinations is removed as an adjustment item. The new definition is applied retroactively to all of adjusted EBITDA and adjusted EPS in this business report.

Research and development expenses in FY2022 were 168.9 billion, consisting primarily of compensation expenses for engineering and other technical employees responsible for the development of new products and enhancement of existing products using new technologies. The majority of research and development expenses were related to HR Technology.

Results of Operations by Segment

HR Technology

•Global online matching and hiring platform that offers advertising and other human resources matching solutions



Revenue for FY2022 was 1.11 trillion yen, an increase of 29.6% year over year, and on a US dollar basis, revenue increased 7.7%. In the first half of FY2022, demand for talent globally remained strong leading to increased demand for Indeed and Glassdoor's hiring products and services, but hiring demand continued to normalize globally and the imbalance between supply and demand continued to moderate in the second half of FY2022.

Adjusted EBITDA margin was 30.7%, a decrease from 37.5% for the previous fiscal year, and adjusted EBITDA for FY2022 was 342.3 billion yen, an increase of 5.9% year over year. In order to achieve the Company's business strategy to Simplify Hiring, HR Technology hired employees focused on product and technology initiatives in the first half of FY2022. Considering the change in the business environment we paused hiring and significantly reduced operational cost including the advertisement in the second half of this fiscal year.

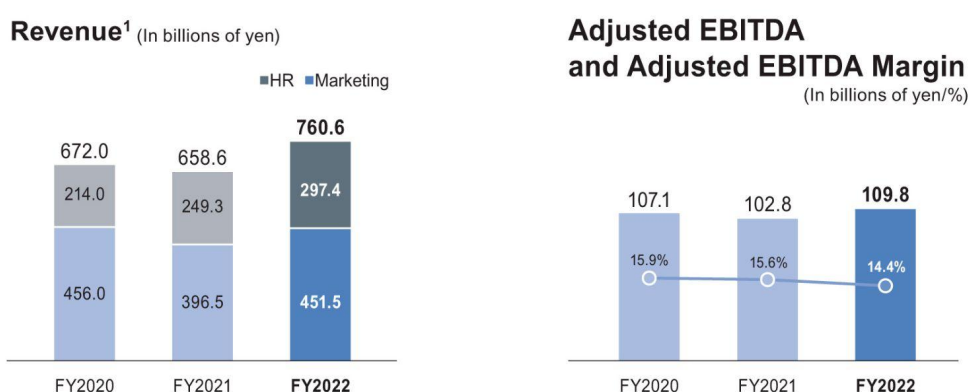
Matching & Solutions

Marketing Solutions:

Provides matching platforms in a variety of industries, such as Housing & Real Estate, Beauty, Travel, Bridal, Dining and others, to connect individual users and business clients. Offers cloud-based SaaS solutions to improve business clients' efficiency of operations.

HR Solutions:

A variety of HR services mainly in Japan through online platforms and print media for job seekers and business clients.



¹ The sum of the segments does not correspond with consolidated figures due to Other and Elimination, such as intra-group transactions.

Revenue for FY2022 was 760.6 billion yen, an increase of 15.5% year over year.

Revenue in Marketing Solutions increased 13.9%. Revenue in Housing & Real Estate and Beauty, which together account for more than 50% of the revenue of Marketing Solutions, increased year over year and continued to be the primary drivers of revenue growth and revenue in Housing & Real Estate, Beauty, Travel, Bridal, and Dining all increased year over year.

Revenue for HR Solutions increased 19.3% as hiring demand recovered in Japan. Revenue in the part-time job advertising business which is concentrated in the hospitality sector, was impacted by the state of emergency and priority preventative measures in the first half of FY2022 but the hiring demand was even more aggressive compared to FY2021. As the measures were lifted at the end of September 2021, the hiring demand increased and resulted in revenue growth. Also, revenue in the placement service increased year over year, due to increased hiring demand in many industries which utilize placement services while some business clients began to act cautiously on hiring.

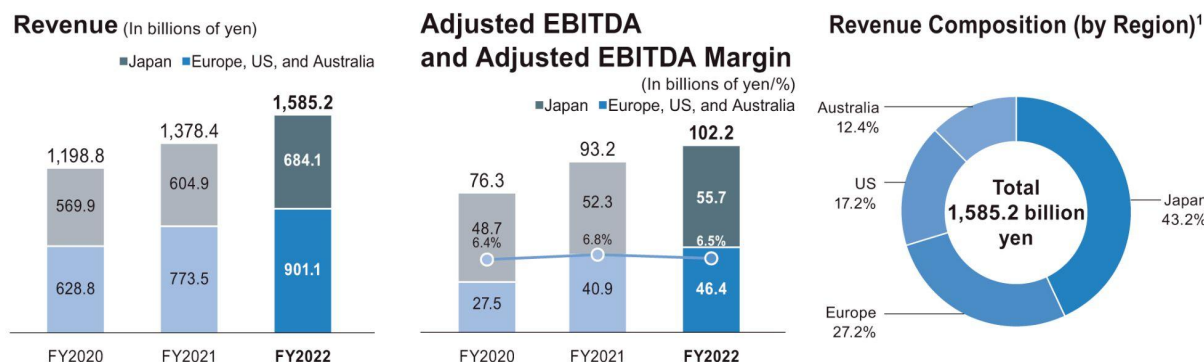
Adjusted EBITDA for FY2022 was 109.8 billion yen, an increase of 6.8% and adjusted EBITDA margin for FY2022 decreased to 14.4% as Matching & Solutions executed strategic marketing activities and investment for SaaS solutions.

In Air Business Tools, the number of AirPAY accounts as of March 31, 2023 increased 40.2% year over year. Of the approximately 394,000 AirPAY registered accounts as of March 31, 2023, approximately 226,000 accounts also subscribed to other Air BusinessTools solutions (cross-use).

Staffing

• **Japan**: Staffing services in Japan

• **Europe, US, and Australia**: Staffing services mainly in Europe, US, and Australia



¹ Sum of revenue from individual companies after consolidation adjustments for *Europe, US, and Australia*.

Revenue for FY2022 was 1.58 trillion yen, an increase of 15.0% year over year. Excluding the positive impact of foreign exchange rate fluctuations, revenue increased 7.8% year over year.

Revenue in *Japan* increased 13.1% due to an increase in the number of temporary staff on assignment as demand for staffing services continued to grow year over year.

Revenue in *Europe, US, and Australia* also increased 16.5%. Excluding the positive impact of exchange rate fluctuations, revenue increased 3.7% due to continued growth in demand for staffing services in each region, despite a slowdown in demand related to supporting COVID-19 mitigation efforts that existed in FY2021, while the uncertain economic outlook also led to slower growth in overall staffing demand.

Adjusted EBITDA margin for FY2022 was 6.5%, a decrease from 6.8% for FY2021, and adjusted EBITDA for FY2022 was 102.2 billion yen, an increase of 9.6% year over year.

In *Japan*, adjusted EBITDA margin for FY2022 in Japan decreased compared to the previous year to 8.2% due to increased advertising expenses to attract temporary staff. In *Europe, US, and Australia*, adjusted EBITDA margin was 5.2%.

The following table presents main brands and services for each reportable segment, as of March 31, 2023.

Segment	Operations	Brands and Services
HR Technology	-	<p>Indeed Online matching and hiring platform</p> <p>Glassdoor Online matching and hiring platform</p>
Matching & Solutions	<p>Marketing Solutions</p> <p>HR Solutions</p>	<p>SUUMO Online platform, print media, and in-person consultation service for housing and real estate</p> <p>Hot Pepper Beauty Online platform and print media for beauty treatment</p> <p>Jalan Online platform and print media for travel in Japan</p> <p>Study Sapuri Online learning service for students and adults</p> <p>Air BusinessTools Cloud-based operational and management support solutions for business clients across an expanding variety of businesses</p> <p>Rikunabi Online matching platform for new graduates</p> <p>Rikunabi NEXT Online matching platform for professionals</p> <p>RECRUIT AGENT Employment placement service for professionals</p> <p>RECRUIT DIRECT SCOUT Talent sourcing service for professionals</p> <p>TOWNWORK Online matching platform and print media for part-time and full-time job seekers</p>
Staffing	<p>Japan</p> <p>Europe, US, and Australia</p>	-

Capital expenditures

The total amount of capital expenditures for FY2022 was 112.3 billion yen. This was primarily due to an increase in right-of-use assets from the conclusion of new lease contracts, and the development and acquisition of software.

HR Technology

For FY2022, capital expenditures of 34.9 billion yen were made primarily for the enhancement of various facilities. There were no significant disposals or sales of facilities.

Matching & Solutions

For FY2022, capital expenditures of 57.9 billion yen were made primarily for the development and acquisition of software. There were no significant disposals or sales of facilities.

Staffing

For FY2022, capital expenditures of 19.2 billion yen were made primarily due to an increase in right-of-use assets from the renewal of lease contracts and the enhancement of various facilities. There were no significant disposals or sales of facilities.

Corporate

There were no significant acquisitions, disposals or sales of facilities.

Financing

Not applicable.

Significant business combination, etc.

Not applicable.

Significant Subsidiaries (as of March 31, 2023)

Segment	Company	Common stock	Ratio of voting rights held by the Company ¹	Major business
HR Technology				
	RGF OHR USA, INC.	10 US dollars	100.0%	HR Technology Business Headquarters
	Indeed, Inc.	10 US dollars	100.0%	Online matching and hiring platform
	Glassdoor, Inc.	10 US dollars	100.0%	Online matching and hiring platform
Matching & Solutions				
Marketing Solutions	Recruit Co., Ltd.	350 million yen	100.0%	- Matching & Solutions Business Headquarters
HR Solutions				- Provides online platforms and print media in Housing & Real Estate, Beauty, Travel, Bridal, Dining and others
				- Provides online platforms and print media for job advertisements and placement services
Staffing				
	RGF Staffing B.V.	2.0 euro	100.0%	Staffing Business Headquarters
Japan	Recruit Staffing Co., Ltd.	300 million yen	100.0%	Provides staffing services mainly for clerical jobs in Japan
	STAFF SERVICE HOLDINGS CO., LTD.	500 million yen	100.0%	Provides staffing services mainly for clerical and manufacturing jobs in Japan
Europe, US, and Australia	RGF Staffing France SAS	26,395 thousand euro	100.0%	Provides comprehensive staffing services in France
	RGF Staffing Germany GmbH	500 thousand euro	100.0%	Provides comprehensive staffing services in Germany
	RGF Staffing the Netherlands B.V.	1 thousand euro	100.0%	Provides comprehensive staffing services in the Netherlands
	RGF Staffing UK Limited	11,172 thousand GBP	100.0%	Provides comprehensive staffing services in the United Kingdom
	Unique NV	50,082 thousand euro	100.0%	Provides comprehensive staffing services in Belgium
	Staffmark Group, LLC	117,514 thousand US dollars	100.0%	Provides staffing services mainly for light works in the United States
	The CSI Companies, Inc.	2.0 US dollars	70.0%	Provides staffing services mainly for clerical and IT jobs in the United States

Chandler Macleod Group Limited	191,490 thousand Australian dollars	100.0%	Provides comprehensive staffing services in Australia
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¹ The ratio of voting rights includes indirect holding of voting rights.

Issue to be Addressed

Management Philosophy

Recruit Group Management Philosophy is defined by its Basic Principle, Vision, Mission and Values as follows:

Basic Principle

We are focused on creating new value for our society to contribute to a brighter world where all individuals can live life to the fullest.

Vision

Follow Your Heart

We envision a world where individuals and businesses can focus on what really matters. The more people are free to pursue their passions, the better our future becomes.

Mission

Opportunities for Life.
Faster, Simpler and closer to you.

Since our foundation, we have connected individuals and businesses offering both a multitude of choices.

In this era of search where information has become available anytime anywhere, we need to focus more on proposing the optimal choice. We seek to provide “Opportunities for Life” much faster, surprisingly simpler and closer than ever before.

Values

Wow the World

What we do isn't a job. We enjoy exploring what is possible for our future. We question the status quo, fail well and overcome with resilience. We are a force for change.

Bet on Passion

We are a team of people fueled by curiosity. We respect and capitalize on each other's differences. We know that one person's crazy idea, when backed by data and research, can become the best bet.

Prioritize Social Value

We, as global citizens, strive to contribute to a sustainable society through all of our corporate activities. Each one of us is committed to seeking out the needs of society and taking action for a better future.

The Company has developed a two-sided marketplace business model to align with its management philosophy. Through its platforms, the Company facilitates the best possible matches for the mutual benefit of both individual users and business clients. In recent years, technological advancement has enabled the Company to improve matching efficiency, providing better matching outcomes for individual users and improving operational efficiencies for business clients.

Target Management Key Performance Indicators (KPIs)

The Company aims to invest in new businesses, research and development, and mergers and acquisitions (M&A) in order to achieve profitable growth over the long-term, and maximize enterprise value as well as shareholder value. Therefore, the Company has set adjusted EBITDA and adjusted EPS as target management KPIs.

Executive officers' compensation is linked to target management KPIs, especially adjusted EBITDA, to align with shareholder interests. Also, starting from FY2022, the Company has decided to link the level of achievement of ESG targets to the compensation of certain executive officers. For details, please refer to "Prosper Together" in the section "Business Strategies of the Company".

Starting from FY2022, the Company will change adjustment items for adjusted EBITDA and adjusted EPS which are Target Management Key Performance Indicators (KPIs).

For adjusted EBITDA, the Company has decided to include share-based payment expenses as an adjustment item to better reflect its cash flow generation and to enhance comparability with other companies globally.

The Company implemented the equity incentive plan for employees of HR Technology in Q4 FY2020. Share-based payment expenses in FY2021, which also includes the existing Recruit Group directors' plans, was 32.4 billion.

The definition of adjusted EBITDA from FY2022 is set as below:

- Adjusted EBITDA = Operating income + depreciation and amortization (excluding depreciation of right-of-use assets) + share-based payment expenses ± other operating income/expenses

For adjusted EPS, the Company has decided to remove amortization of intangible assets arising due to business combinations as an adjustment item for adjusted profit, which is the numerator in adjusted EPS calculation, and adjust only non-recurring income/losses to present the recurring per-share profitability of the business and to enhance comparability with other companies globally.

Since the Company adopted IFRS in FY2017, goodwill, often a major portion of intangible assets arising due to business combinations, is no longer amortized each period, but instead tested for impairment at least annually. When impairment occurs, it is considered as a non-recurring loss (please refer to the following definition).

The definition of adjusted EPS and related financial measures from FY2022 are set as below:

- 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)
- Adjusted profit = Profit attributable to owners of the parent ± Non-recurring income/losses (excluding non-controlling interests) ± tax reconciliation related to certain non-recurring income/losses
- Non-recurring income/losses are 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

The Company will apply its new definition for adjusted EBITDA and adjusted EPS for FY2021 retroactively in quarterly disclosure for FY2022 in order to provide useful YoY comparisons.

Business Strategies

The Company strives to maximize enterprise value and shareholder value by responding to the rapidly transforming technology and internet landscape and by identifying business opportunities globally.

Through HR Technology, HR Solutions in Matching & Solutions and Staffing for the global HR Matching market as well as through Marketing Solutions in Matching & Solutions for Japan, the Company aims not only to provide online advertising business but also to be a solution provider to improve the business performance and productivity of clients' businesses by utilizing technology.

In an environment of high uncertainty, the Company believes that making a positive impact on society and this shared planet is key to achieving sustainable growth, and prospering together with all stakeholders through all corporate activities with a sound governance foundation is important. Therefore, the Company has set specific targets for environmental, social and governance (ESG) matters as a corporate strategy which will be monitored by the Board of Directors, and will take initiatives through dialogue with stakeholders.

The Company's business strategies are as follows:

Simplify Hiring - Aim to simplify hiring by connecting people with jobs, faster and easier

The HR Matching market includes job advertising & talent sourcing tools, direct hire, retained search, internal recruitment automation, and temporary staffing. The Company is committed to making it easier and faster for people to get jobs, while reducing the cost and time to hire for employers across the HR Matching market.

The Recruit group is dedicated to automating many of the steps in the hiring process and to enhancing the quality and speed of matching in all HR matching markets it operates in. We aim to leverage the vast amount of data available in each service combined with AI and machine learning technology to simplify the hiring process and deliver greater value to job seekers and employers. The Company's long term vision is to more quickly, effectively and fairly connect job seekers and employers at the push of a button¹.

At the center of this strategy, HR Technology SBU operates a global two-sided talent marketplace that includes the world's leading online matching and hiring platforms², Indeed and Glassdoor. Every day, millions of job seekers connect with millions of employers of all sizes, from small businesses to large enterprises and staffing agencies, directly on Indeed and Glassdoor.

Job seekers can access more than 30 million jobs³ that have been aggregated from public sources or posted directly by employers to HR Technology's platforms and can access hundreds of millions of company ratings, company reviews and salaries⁴ to help them make informed job and career decisions. Job seekers are provided with a suite of tools and resources that make getting a job simple, fast and more human, including job search and recommendations, resume posting, career advice, and scheduling and conducting video and phone interviews.

For employers, both Indeed and Glassdoor offer solutions to recruit and hire qualified talent in an easier and more efficient way. Employers can post and advertise jobs and build their company's employment brand across both platforms, reaching a broad and diverse job seeker audience. Indeed and Glassdoor offer a range of products for employers to source, screen, interact with, and interview candidates and

together they provide an efficient source of candidates through pay-for-performance and subscription pricing models.

The scale of the two-sided talent marketplace created by Indeed and Glassdoor is evidenced by the 3 million employers⁵ that use Indeed each year to hire, the 330 million Unique Visitors⁶ that visit Indeed, and 55 million Unique Visitors⁷ that visit Glassdoor each month to search for jobs, create resumes, research companies and participate in the hiring process.

Improving the matching process between job seekers and employers is vital to enhance the efficiency and effectiveness of the two-sided talent marketplace. This involves continuously refining the accuracy and timeliness of the information we use, in conjunction with AI and machine learning technology, to provide the most suitable job recommendations and the most qualified candidate pool available. Additionally, an essential element of this effort is to increase engagement with job seekers in our talent marketplace. By logging in and creating a profile, job seekers provide us with a better understanding of their skills and preferences, enabling us to offer more personalized job recommendations that are highly relevant to them. This not only provides a superior user experience but also helps job seekers find suitable opportunities more efficiently.

Furthermore, we also believe that it is crucial to understand the factors that drive successful and unsuccessful outcomes for job seekers and employers. Our talent marketplace facilitates interactions between job seekers and employers, such as messaging, calls, application submissions, interview requests and RSVPs, offers, and more. By tracking these interactions in our marketplace throughout the hiring process, we gain valuable insights into why job seekers and employers progress from one step to the next.

The Company considers the measured average number of hires per minute⁸ to be a Key Performance Indicator (KPI) that demonstrates our success in simplifying the hiring process. We believe this KPI indicates a successful engagement between job seekers and employers, which represents improvements in matching and automation, as well as improvements in employer engagement that help us measure more hires. In calendar 2022, based on internal measurement, an average of 23 job seekers were hired on Indeed and Glassdoor every minute.

The Company believes that by fully utilizing the Recruit group's business client relationships, offline and online data, combined with machine learning and AI technologies, the Recruit group's matching engine can be improved significantly, helping to simplify the process for job seekers and make recruiting more efficient.

RECRUIT AGENT and RECRUIT DIRECT SCOUT, the placement services in Matching & Solutions SBU, use the Recruit group's matching engine to streamline processes like screening resumes, which used to be done manually. By combining the matching engine with the data and knowledge from more than 60 years of operating HR businesses in the Japanese market, we will accelerate our Simplify Hiring strategy in Japan.

The Staffing SBU is working to improve the job seeker experience for temporary workers by applying data and automation to the traditional temporary staffing business, collaborating with HR Technology's app-based solution, Indeed Flex, to provide access to available jobs, salary choice and schedule flexibility.

The Company estimates the global HR Matching market was roughly 327 billion US dollars⁹ in 2022.

The Company believes that the size of the global HR Matching market increased significantly again in 2022, after initially rebounding in 2021 from the contraction caused by the COVID-19 pandemic in 2020.

The Company believes that the past two years of significant growth are reflective of a historically unique period in the global labor market brought upon by the economic recovery from the initial impact of the COVID-19 pandemic and how employers and job seekers reacted to the pandemic. While the Company

expects that the HR Matching market will grow over the long term, the Company expects that the HR Matching market will contract in 2023 as labor markets, including employer and job seeker activities and expectations, adjust and normalize, and are likely to be negatively impacted by overall economic conditions.

The size of the market in 2021 has been updated from the Company's initial estimate in the Q4 FY2021 Earnings Release as of May 16, 2022 based on information that became available after the publication of such initial estimate pertaining to each market listed below as well as revisions to the definition and scope of the Internal Recruitment Automation and Temporary Staffing markets. As described in more detail below, we revised the definitions of these two markets by adding the estimated annual revenue of the Applicant Tracking Systems¹⁰ ("ATS") and the estimated annual internal spending by employers on Background Checks¹¹ that can be reasonably automated and monetized by third parties to the Internal Recruitment Automation market, and adding an estimated annual revenue for each of the Talent Platforms¹², Staffing Platforms¹³, Vendor/Freelancer Management Systems¹⁴ ("VMS/FMS"), and the estimated annual spending by employers on Managed Service Providers¹⁵ ("MSP") and Recruitment Process Outsourcing¹⁶ ("RPO") that can be reasonably automated and monetized by third parties to the Temporary Staffing market. In addition, other markets in 2021 have also been updated from the Company's initial estimate in the Q4 FY2021 Earnings Release as of May 16, 2022 based on information that became available after the publication.

HR Matching addressable markets (estimated)

(In billions of US dollars)	2021		2022
	as of May 16, 2022	Updated	
Job Advertising and Talent Sourcing ^{17, 18}	26	27	32
Direct Hire ^{19, 20, 21}	45	55	61
Retained Search ^{19, 20, 21}	31	36	42
Temporary Staffing ^{22, 23, 24}	88	108	128
Internal Recruitment Automation ^{25, 26, 27}	43	61	64
Total Addressable Market ("TAM")²⁸	236	288	327

Job Advertising and Talent Sourcing: The global online job advertising and talent sourcing market is estimated by the Company to have been roughly 30 billion US dollars¹⁷ in terms of annual revenue in 2022. The global offline job advertising market, which the Company estimates was roughly 2 billion US dollars¹⁸ in terms of annual revenue, is expected to continue to contract as a portion of the total job advertising and talent sourcing market as demand in this market flows into online channels.

Direct Hire: The direct hire market, where companies are paid fees for placing permanent workers at employers, is estimated by the Company to have been roughly 61 billion US dollars²¹ in terms of annual revenue globally in 2022 and has historically been dominated by traditional relationship-based business models.

Retained Search: The retained search market, where companies are paid to search for employees to fill specific roles, commonly executive roles, is estimated by the Company to have been roughly 42 billion US dollars²¹ in terms of annual revenue globally in 2022 and is similarly dominated by traditional relationship-based models.

Temporary Staffing: The temporary staffing market, where companies are paid to find and employ, or facilitate employment of, workers for a temporary period, is estimated by the Company to have been roughly 585 billion US dollars²⁴ in annual revenue globally in 2022. The total gross profit for all staffing companies, which is calculated by subtracting the amount of salary for temporary staff and related costs from the total revenue, is estimated by the Company to have been roughly 116 billion US dollars²⁴ in 2022. Additionally, we have revised our definition of this market to include the estimated annual revenue globally in 2022 for each of the Talent Platforms, Staffing Platforms and VMS/FMS markets, and an estimated annual spending by employers on MSP and RPO that can be reasonably automated and monetized by third parties (including an estimated reduction from historical spending due to cost savings achieved through automation). Given the related nature of these markets and the frequency with which service providers offer some or all of these services, the Company believes that it is appropriate to combine these markets as part of the temporary staffing market. Including these new markets, the Company estimates that the temporary staffing market was roughly 128 billion US dollars globally in 2022. The Company sees near-term opportunities to introduce technology-driven solutions that create efficiencies by automating human-driven processes involved in traditional temporary staffing services and over the long-term seeks to transform the market through these solutions. The Company intends to explore the development of new and innovative solutions in temporary staffing and apply them to new and existing businesses to capture future opportunities by leveraging data and technology.

Internal Recruitment Automation: The potential internal recruitment automation market, which the Company has begun to address, is estimated by the Company to have been roughly 64 billion US dollars²⁷ in 2022. The size of this market is estimated based on the historical estimated spending by employers on internal talent acquisition resources, and then estimating how much of this spending can be reasonably automated and monetized by third parties (including an estimated reduction from historical spending due to cost savings achieved through automation). Additionally, in order to more comprehensively capture the automation tools that are currently used by employers in the recruitment process, we have revised our definition of this market to include the estimated annual revenue globally in 2022 for ATS and an estimated annual internal spending by employees on Background Checks that can be reasonably automated and monetized by third parties.

The **Direct Hire, Retained Search, and Internal Recruitment Automation** markets have historically been characterized as business processes and methods that are highly dependent on manual processes in order to source and screen candidates, schedule interviews, and disposition candidates. The Company is currently aiming to develop highly efficient solutions for recruiters, hiring managers, and business owners at lower prices compared to the industry average, using data and automation to make getting a job and hiring an employee simpler and faster. As a result, the Company aims to further grow the number of employers it serves and increase the share of employers' recruiting budgets that it can capture.

¹ The Company is aware there may be legal restrictions in this area and so will endeavor that the Company's work meets those requirements.

² Source: comScore, Total Visits, March 2023

³ Daily average number of jobs searchable on Indeed, worldwide, March 2023

⁴ Cumulative number of company ratings, company reviews and salaries submitted on Indeed (approximately 850 million), worldwide, as of March 31, 2023

⁵ Internal data based on the last 12 months of activity as of March 2023

⁶ Internal data, an average of each month's total of distinct cookie IDs visiting Indeed's site between October 2022 - March 2023

⁷ Internal data based on Google Analytics, an average of each month's total of distinct cookie IDs visiting Glassdoor's site between October 2022 - March 2023

⁸ Hires per minute is a calculation of hired signals per year on Indeed and Glassdoor, divided by minutes per year. A hired signal refers to the event when a specific job seeker is hired for a specific job on a specific date. Hired signals are counted either when an employer or job seeker explicitly communicates a hire occurred (e.g., via survey or web form) or when there is other clear evidence from Indeed and Glassdoor data that a hire occurred (e.g., from a resume or an Indeed message) and may not represent all hires facilitated by Indeed and Glassdoor.

⁹ Sum of the estimated size of addressable markets for the job advertising & talent sourcing tools market, the direct hire market and the retained search market in terms of annual revenue, the estimated size of the addressable market for the internal recruitment

automation market in terms of the amount of current expenses of employers for internal talent acquisition resources that could be reasonably automated and monetized plus the estimated size of the addressable market for the ATS market and the Background Checks market, and the addressable markets for the temporary staffing market in terms of annual gross profit plus the estimated size of the addressable markets for the Talent Platforms, Staffing Platforms, VMS/FMS, MSP, and RPO markets, in each case based on the Company's estimates and third party market data as described in the notes below.

- ¹⁰ The Applicant Tracking Systems ("ATS") market, where companies provides software and other tools to facilitate the tracking of applicants through different stages of the recruitment process, is estimated by the Company to have been roughly 1 billion US dollars in terms of annual revenue globally in 2021 and 2022 based on SIA, The Evolution of Recruiting: Estimating the Addressable Market for Recruitment Automation (custom research commissioned by Indeed): March 2022 and SIA, The Evolution of Recruiting: Estimating the Addressable Market for Recruitment Automation (custom research commissioned by Indeed): January 2023 Update, respectively, as well as a growth rate estimated by the Company.
- ¹¹ The Background Checks market, where companies use digitized methods to verify and vet applicants' background and credentials, is estimated by the Company to have been roughly 1 billion US dollars in terms of annual internal spending by employers that can be reasonably automated and monetized by third parties in 2021 and 2022 based on SIA, The Evolution of Recruiting: Estimating the Addressable Market for Recruitment Automation (custom research commissioned by Indeed): March 2022 and SIA, The Evolution of Recruiting: Estimating the Addressable Market for Recruitment Automation (custom research commissioned by Indeed): January 2023 Update, respectively, as well as a growth rate estimated by the Company.
- ¹² The Talent Platforms market, where companies manage marketplaces that facilitate direct contingent work arrangements that enable a legal relationship between companies and workers, is estimated by the Company to have been roughly less than 1 billion US dollars in 2021 and roughly 2 billion US dollars in 2022 in terms of annual revenue globally based on SIA, The Evolution of Recruiting: Estimating the Addressable Market for Recruitment Automation (custom research commissioned by Indeed): March 2022 and SIA, The Evolution of Recruiting: Estimating the Addressable Market for Recruitment Automation (custom research commissioned by Indeed): January 2023 Update, respectively, as well as a growth rate estimated by the Company.
- ¹³ The Staffing Platforms market, where companies manage marketplaces that facilitate automated match of candidates with relevant temporary assignments, is estimated by the Company to have been roughly less than 1 billion US dollars in 2021 and roughly 4 billion US dollars in 2022 in terms of annual revenue globally based on SIA, The Evolution of Recruiting: Estimating the Addressable Market for Recruitment Automation (custom research commissioned by Indeed): March 2022 and SIA, The Evolution of Recruiting: Estimating the Addressable Market for Recruitment Automation (custom research commissioned by Indeed): January 2023 Update, respectively, as well as a growth rate estimated by the Company.
- ¹⁴ The Vendor/Freelancer Management Systems ("VMS/FMS") market, where companies provide technology used to manage a company's contingent workforce program, is estimated by the Company to have been roughly 2 billion US dollars in 2021 and roughly 3 billion US dollars in 2022 in terms of annual revenue globally based on SIA, The Evolution of Recruiting: Estimating the Addressable Market for Recruitment Automation (custom research commissioned by Indeed): March 2022 and SIA, The Evolution of Recruiting: Estimating the Addressable Market for Recruitment Automation (custom research commissioned by Indeed): January 2023 Update, respectively, as well as a growth rate estimated by the Company.
- ¹⁵ The Managed Service Provider ("MSP") market, where companies provide services associated with management of all or part of a client's contingent workforce program through the use of automation, is estimated by the Company to have been roughly less than 1 billion US dollars in 2021 and roughly 1 billion US dollars in 2022 in terms of annual spending by employers that can be reasonably automated and monetized by third parties based on SIA, The Evolution of Recruiting: Estimating the Addressable Market for Recruitment Automation (custom research commissioned by Indeed): March 2022 and SIA, The Evolution of Recruiting: Estimating the Addressable Market for Recruitment Automation (custom research commissioned by Indeed): January 2023 Update, respectively, as well as a growth rate estimated by the Company.
- ¹⁶ The automated Recruitment Process Outsourcing ("RPO") market, where companies perform the partial or full internal recruitment function for a third party, from sourcing to onboarding through the use of automation, is estimated by the Company to have been roughly 2 billion US dollars in 2021 and roughly 3 billion US dollars in 2022 in terms of annual spending by employers that can be reasonably automated and monetized by third parties based on SIA, The Evolution of Recruiting: Estimating the Addressable Market for Recruitment Automation (custom research commissioned by Indeed): March 2022 and SIA, The Evolution of Recruiting: Estimating the Addressable Market for Recruitment Automation (custom research commissioned by Indeed): January 2023 Update, respectively, as well as a growth rate estimated by the Company.
- ¹⁷ Estimated size of the global online job advertising and talent sourcing tools market calculated by adding together the revenue of HR Technology in the relevant year, the Company's estimates for revenue of competing job advertising boards in the Company's target operating markets in the relevant year based on third party reports and internal research, and the Company's estimates for annual revenue of the talent solutions business of LinkedIn in the Company's target operating markets in the relevant year based on publicly available information and internal research.
- ¹⁸ Estimated size of the global offline job advertising market derived based on the proportion of online to offline spending (excluding TV, cinema and radio advertising) in the overall advertising market in the relevant year based on third party reports and the estimated size of global online job advertising and talent sourcing tools market. The numbers in this chart are the sum of the global offline job advertising market and global online job advertising and talent sourcing tools market.
- ¹⁹ Source for 2021 as of May 16, 2022: SIA, Global Staffing Market Estimates and Forecast: November 2021 Update. Placement & Search market is derived by applying 14%, which was Placement & Search's share of 2021 Global Staffing Revenue to 550 billion US dollars, the estimated 2021 Global Staffing Revenue, derived by applying the estimated 2021 14% growth rate to the estimated 2020 market of 483 billion US dollars. Direct Hire Market is defined as a segment of Placement & Search Market, which in turn is a segment of Global Staffing Industry Market. Direct Hire Market segment was derived by applying SIA's Global Staffing

Industry Market figure to country-by-country ratios of the relative proportion attributable to this segment within the total market based on proprietary third party market data. Retained Search Market is defined as the portion of Placement & Search Market not attributable to the Direct Hire Market and derived as the difference between these two segments.

- ²⁰ Source for 2021: SIA, Global Staffing Market Estimates and Forecast: November 2022 Update. Placement & Search market is derived by applying 15%, adjusted from 14% estimated in the prior year, which was Placement & Search's share of 2021 Global Staffing Revenue to 620 billion US dollars, upwardly revised from the prior estimate of 550 billion US dollars, which was estimated 2021 Global Staffing Revenue. Direct Hire Market is defined as a segment of Placement & Search Market, which in turn is a segment of Global Staffing Industry Market. Direct Hire Market segment was derived by applying SIA's Global Staffing Industry Market figure to country-by-country ratios of the relative proportion attributable to this segment within the total market based on proprietary third party market data. Retained Search Market is defined as the portion of Placement & Search Market not attributable to the Direct Hire Market and derived as the difference between these two segments.
- ²¹ Source for 2022: SIA, Global Staffing Market Estimates and Forecast: November 2022 Update. Placement & Search market is derived by applying 15%, which was Placement & Search's share of 2022 Global Staffing Revenue to 688 billion US dollars, which was estimated 2022 Global Staffing Revenue, derived by applying the estimated 2022 11% growth rate to the estimated 2021 market of 620 billion US dollars. Direct Hire Market is defined as a segment of Placement & Search Market, which in turn is a segment of Global Staffing Industry Market. Direct Hire Market segment was derived by applying SIA's Global Staffing Industry Market figure to country-by-country ratios of the relative proportion attributable to this segment within the total market based on proprietary third party market data. Retained Search Market is defined as the portion of Placement & Search Market not attributable to the Direct Hire Market and derived as the difference between these two segments.
- ²² Source for 2021 as of May 16, 2022: derived by applying a gross profit margin of 18.68%, which was calculated based on the weighted average of the top 3 publicly traded global staffing companies in terms of revenue in 2021 to 473 billion US dollars, which was the revenue of the temporary staffing market in 2021 from SIA, Global Staffing Market Estimates and Forecast: November 2021 Update by applying the estimated 2021 14% growth rate to the estimated 2020 market of 415 billion US dollars.
- ²³ Source for 2021: derived by applying a gross profit margin of 18.68%, which was calculated based on the weighted average of the top 3 publicly traded global staffing companies in terms of revenue in 2021 to 527 billion US dollars, upwardly revised from 473 billion US dollars, which was the revenue of the temporary staffing market in 2021 from SIA, Global Staffing Market Estimates and Forecast: November 2022 Update. Additionally, this revised market estimate includes the estimated markets for each of the Talent Platforms, Staffing Platforms, VMS/FMS, MSP and RPO.
- ²⁴ Source for 2022: derived by applying a gross profit margin of 19.85% which was calculated based on the weighted average of the top 3 publicly traded global staffing companies in terms of revenue in 2022 to 585 billion US dollars, which was the revenue of the temporary staffing market in 2021 from SIA, Global Staffing Market Estimates and Forecast: November 2022 Update by applying the estimated 2022 11% growth rate to the restated estimated 2021 market of 527 billion US dollars. Additionally, this revised market estimate includes the estimated markets for each of the Talent Platforms, Staffing Platforms, VMS/FMS, MSP and RPO.
- ²⁵ Source for 2021 as of May 16, 2022: Amount derived by applying an approximately 5% growth rate estimated by the Company to the estimated 2020 market of roughly 42 billion US dollars based on SIA, The Evolution of Recruiting: Estimating the Addressable Market for Recruitment Automation (custom research commissioned by Indeed): March 2022. SIA's estimates are based on the assumption that 35% of historical spending on internal talent acquisition resources could be reasonably captured by current technology and that technology would result in 35% cost savings from historical spending. In the report, SIA notes given the challenges in making global estimates with incomplete information, and in estimating potential automation and savings, SIA advises readers to think of the estimated market size as a midpoint in a range with a 20% spread.
- ²⁶ Source for 2021: Amount derived by applying an approximately 11% growth rate estimate by the Company to the estimated 2020 market of roughly 55 billion US dollars based on SIA, The Evolution of Recruiting: Estimating the Addressable Market for Recruitment Automation (custom research commissioned by Indeed): March 2022 and the updated assumptions as described below in SIA, The Evolution of Recruiting: Estimating the Addressable Market for Recruitment Automation (custom research commissioned by Indeed): January 2023 Update. SIA's estimates are based on the assumption that 40%, upwardly revised from 35%, of historical spending on internal talent acquisition resources could be reasonably captured by current technology and that technology would result in 28%, downwardly revised from 35%, cost savings from historical spending. In the report, SIA notes given the challenges in making global estimates with incomplete information, and in estimating potential automation and savings, SIA advises readers to think of the estimated market size as a midpoint in a range with a 20% spread. Additionally, this revised market estimate includes the addition of the ATS market and the Background Checks market.
- ²⁷ Source for 2022: SIA, The Evolution of Recruiting: Estimating the Addressable Market for Recruitment Automation (custom research commissioned by Indeed): January 2023 Update. SIA's estimates are based on the assumption that 40% of historical spending on internal talent acquisition resources could be reasonably captured by current technology and that technology would result in 28% cost savings from historical spending. In the report, SIA notes given the challenges in making global estimates with incomplete information, and in estimating potential automation and savings, SIA advises readers to think of the estimated market size as a midpoint in a range with a 20% spread. This market estimate includes the addition of the ATS market and the Background Checks market.
- ²⁸ As described above, the estimates of the job advertising & talent sourcing tools market, the direct hire market, the retained search market, the internal recruitment automation market and the temporary staffing market are based on internal estimates and independent market research in addition to third party market data. Accordingly, the estimates described above may differ materially from the actual size of such markets.

Help Businesses Work Smarter - Aim to improve the productivity and performance of clients' businesses through SaaS solutions in Japan

Help Businesses Work Smarter aims to contribute to improving productivity and profitability of our business clients in Japan, mainly led by Marketing Solutions, which provides vertical matching platforms and associated vertical-specific business support SaaS solutions, as well as business support SaaS solutions which work across all verticals, called Air BusinessTools.

The Help Businesses Work Smarter strategy will be achieved by consolidating business clients' operations within a single ecosystem, consisting of vertical matching platforms, SaaS solutions, and the HR matching services.

While building the ecosystem, the Company believes "the number of actions by individual users¹," "the number of registered SaaS accounts²," and "the gross payment volume, GPV³," are important KPIs.

The number of actions by individual users in FY2022 was approximately 420 million, an increase of 34% year over year. Actions by individual users includes the number of online reservations on our salon, restaurant, and lodging matching platforms and the total number of applications in our HR matching services. An increase in the number of actions in Marketing Solutions may translate into revenue growth for business clients, while in HR Solutions, it leads to an increase in matching opportunities between job seekers and business clients.

As of March 31, 2023 the number of registered SaaS accounts was approximately 3.18 million, an increase of 30% year over year. AirPAY, a cashless payment service, and AirWORK ATS, a recruitment management system, were primary drivers of the increase in the number of accounts, as these and other Air BusinessTools extend our services to new businesses outside our existing verticals, such as retailers.

The Company estimates that roughly 4.53 million⁴ business locations and stores in Japan are potential users of Air BusinessTools. Assuming each business location uses multiple SaaS solutions, we believe there is still significant opportunity to expand. An increase in the number of registered accounts represents the expansion of our customer base.

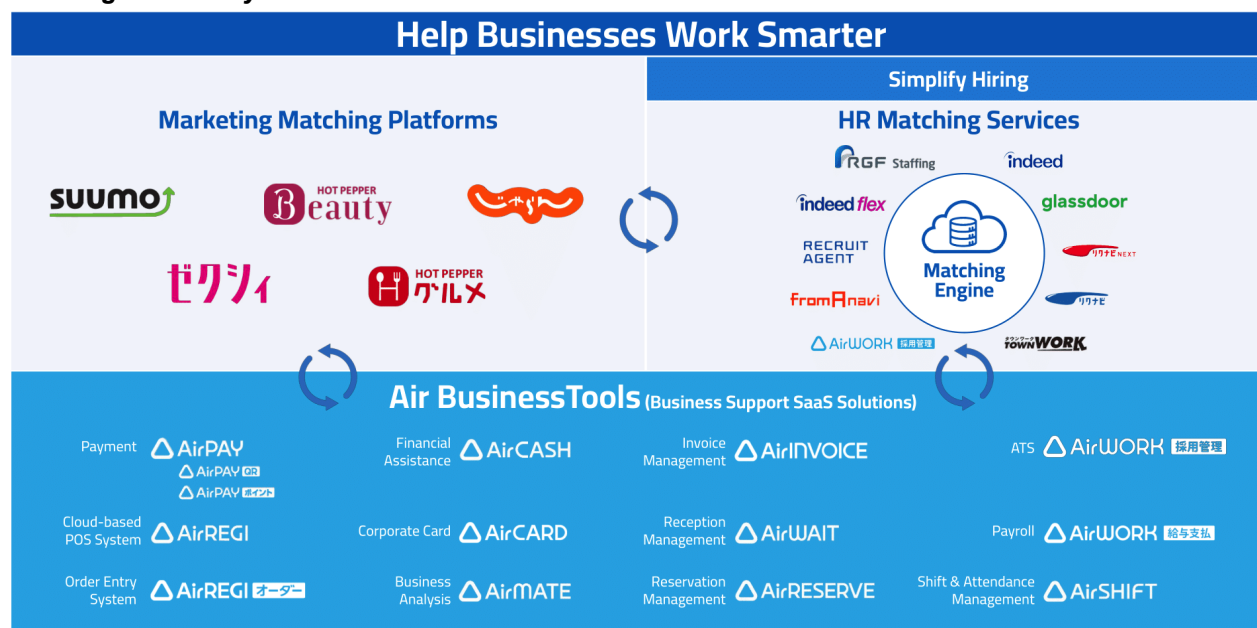
For FY2022, GPV reached approximately 1.3 trillion yen, an increase of 69% year over year. Apart from the increase in the number of AirPAY registered accounts, the growth in payment volumes is also due to the new online payment service offered through AirPAY. The newly launched online payment service is now available for both Hot Pepper Beauty and Hot Pepper Gourmet, following its introduction on Jalan net. This service enables individual users to make online payments for their salon bookings and restaurant reservations, which translated to GPV that we had not previously captured. GPV is important for the future expansion of fintech services, which, when linked with Marketing Solutions, we believe will become a new potential source of revenue in the long term.

During FY2022, new fintech services were developed and launched including AirCASH, a service allowing business clients to receive cash in advance based on their future revenue and AirINVOICE, an invoice management service, allowing business clients to complete payments with smartphones.

By integrating vertical matching platforms in Marketing Solutions with Air BusinessTools SaaS solutions, the Company creates opportunities to engage with business clients across many business operation services. Additionally, incorporating HR matching services into our offering will complete all business operations within our ecosystem, increasing the recurring use of our various products for business clients and ultimately resulting in greater lifetime value.

For example, Hot Pepper Beauty WORK, launched in February 2023, automatically links job advertisements by business clients to their pages on Hot Pepper Beauty. By providing realistic and reliable information to job seekers, such as salon staff profiles, clientele, and client reviews, Hot Pepper Beauty enables job seekers to have a concrete understanding of the work environment prior to joining a company. For business clients, the automatic integration with Hot Pepper Beauty eliminates the need to enter additional information other than the job information, allowing them to always have the most up-to-date job information available. This initiative combines a vertical matching platform in Marketing Solutions with an HR matching service to provide greater convenience for both job seekers and business clients.

Our Targeted Ecosystem



- ¹ The total of the number of applications on Rikunabi NEXT, TOWNWORK, and RECRUIT AGENT, the number of individual users who were referred to our business clients at SUUMO Counter, the number of online reservation on Hot Pepper Beauty, the number of hotel bookings on Jalan, the number of seats reserved on Hot Pepper Gourmet, and the number of payments through AirPAY during the period from April 1, 2022 to March 31, 2023.
- ² Cumulative number of registered accounts of paid and unpaid SaaS solutions provided by Matching & Solutions SBU in Japan as of March 31, 2023. Registered accounts refer to the number of stores and business locations that have registered for each relevant service including both active and non-active accounts.
- ³ Total gross payment volume of offline payments through AirPAY terminals, including QR code payments through AirPAY QR, and online payments through AirPAY ONLINE (Since the revenue generated from the payment processing fee we collect is based on a very small percentage of total gross payment volume, changes in total gross payment volume are not necessarily proportional to changes in our total revenue).
- ⁴ The Company estimated the number of business locations and stores that can be potential users of SaaS solutions provided by Matching & Solutions SBU as of June 30, 2022 in Japan by identifying the total number of business locations and stores of small and medium-sized enterprises in Japan (using the definition used by Small and Medium Enterprise Agency) based on the 2016 Economic Census for Business Activity conducted by the Ministry of Internal Affairs and Communications and the Ministry of Economy, Trade and Industry. Considering the solutions (including AirWORK ATS) provided by Matching & Solutions SBU in Japan as of June 30, 2022, the Company now believes it is possible to provide its SaaS solutions to all business locations and stores of small and medium-sized businesses regardless of the industry. Accordingly, the Company decided to count all such business locations and stores as potential users of its SaaS solutions. Matching & Solutions SBU continues to target potential users among small and medium-sized businesses as defined by Small and Medium Enterprise Agency based on the current major target for potential users of SaaS solutions.

Prosper Together - Seek sustainable growth shared by all stakeholders

The Company believes that it can make a positive impact on society and the global environment through its corporate activities. And by doing so, we can prosper together with all our stakeholders and take an essential step toward achieving sustainable growth. As we announced in May 2021, our environmental, social, and governance (ESG) goals have become one of the strategic pillars of our corporate strategy. The progress we have made toward these goals is outlined below.

Environmental (E)

We anticipate achieving our short-term goal of reaching carbon neutrality throughout our business activities in FY2022 - just as in FY2021.^{1,2} Our long-term goal is to achieve carbon neutrality across our entire value chain by FY2030.^{1,2} In order to accelerate our efforts toward this long-term goal, we set a three-year reduction target³ and signed on to the Science Based Targets initiative's (SBTi) "Near-term targets to 1.5°C."⁴ In recognition of our environmental actions, following 2021, we were selected in 2022 as a Supplier Engagement Leader, CDP's highest supplier engagement

rating.⁵

Furthermore, we have also started contributing to the environment through our products. With Indeed Interview, which allows users to complete job interviews online, we are avoiding Greenhouse Gas (GHG) emissions.⁶

Social (S)

As a leader in the global two-sided talent marketplace, the Company has made two commitments to create a significant social impact through its business in the area of work, which is an indispensable foundation for people's lives, and to contribute to reducing the duration of unemployment for all job seekers.

As part of our commitment to reduce the time it takes to get hired by half by FY2030, we are focused on expanding the collection and analysis of user data on Indeed. We made progress on this in FY2022, and in doing so, we discovered that there are large differences in job search duration based on the type of occupation as well as the salary range.

We made advancement in product development to shorten the time to get hired. For example, we observed that job search duration was 17% shorter when job seekers applied to open roles that were sponsored, and when those hiring employers used a Pay Per Application pricing model instead of a Pay Per Click model.⁷ In addition, the time to hire for employers decreased 16% when they used Indeed Assessments which enables skill-based matching.⁸

We set a goal of helping 30 million job seekers facing barriers get jobs by FY2030 by reducing bias and barriers in hiring that can make it harder for many job seekers to find, get and keep a job. We worked to reduce common barriers that affect people globally such as education, disabilities, criminal records,⁹ experience in military services¹⁰ and lack of work essentials¹¹ such as access to technology and transportation. We are proud to have been able to help approximately 3.9 million job seekers facing barriers get hired¹² through making advancements in products and partnerships.¹³

The diversity of Recruit Group's employees has been the source of our value creation from the very beginning. Betting on the passion and ideas of our employees has long been our competitive advantage. This is why our corporate agenda continues to prioritize a diverse, equitable and inclusive (DEI) workforce that empowers individuals and fosters innovation.

We are addressing our overall gender gap by working towards a group-wide commitment to increase the representation of women across the group companies to achieve approximately 50% in senior executive positions, managerial positions, and total employees within the Company by FY2030.¹⁴ To accelerate our efforts, we have also set a three-year target.³

One such example is underway within the Matching & Solutions Business which operates mainly in Japan, where the gender gap is particularly significant. To increase representation of women, we worked to identify and reduce gender bias by clarifying the requirements for managerial positions and reevaluating what had previously been considered as must-have skills or necessary work styles. These efforts not only increased representation of women in managerial candidates, but also opened up opportunities for employees regardless of gender, and enhanced the overall pool of managerial candidates.

Governance (G)

Diversity in the boardroom is also critical for high quality decision-making, transparency and soundness in a company's governance structure. Recruit Holdings continues to enhance the diversity of skills, experience, and backgrounds of the board members and is committed to achieving approximately 50% women's representation among the members of the Board of Directors and Audit and Supervisory Board by FY2030.

In FY2023, Recruit Holdings will propose candidates for the Board of Directors including Katrina Lake as a new addition at its Annual General Meeting of Shareholders in June 2023. If approved, the representation of women will increase from approximately 27% to approximately 33%.¹⁵ This appointment will not only broaden the diversity of the Board of Directors from a gender perspective, but also in terms of nationality, age, skills and experience.

The Board of Directors has resolved to set mid-term targets over a three-year period for both GHG emissions reduction and gender parity, and beginning in FY2022 Recruit Holdings has linked the achievement of these targets to a percentage of the long-term incentive compensation¹⁶ for the executive directors and corporate officers in charge of driving and realizing these ESG goals.

- ¹ GHG emissions throughout our business activities are the sum of direct emissions from the use of fuels in owned or controlled sources and are referred to as Scope 1. Indirect emissions from the use of purchased electricity, heat, or steam in owned or controlled sources are referred to as Scope 2 GHG emissions from the value chain are referred to as Scope 3, and comprise indirect emissions other than Scope 1 and 2. The entire value chain represents the sum of Scopes 1, 2 and 3 GHG emissions. The Company aims to achieve carbon neutrality upon completion of the following steps: measurement of GHG emissions, obtaining an accredited third-party assurance on the amount of GHG emissions, and offsetting of those emissions.
- ² All GHG emission figures are approximate numbers calculated based on the GHG Protocol. Additionally, independent third-party assurances have been obtained from SOCOTEC Certification Japan and SCS Global Services for GHG emissions and avoided GHG emissions.
- ³ The GHG emission reduction target is based on the results from FY2022 to FY2024. The women's representation target for employees is based on the results from April 1, 2022 to April 1, 2025. The women's representation target for members of the Board of Directors is based on the results from July 1, 2022 to July 1, 2025.
- ⁴ Near-term targets to 1.5°C is a short-term target defined by the Science Based Targets initiative (SBTi) and established in line with the science-based level of reduction in GHG emissions required to limit the global temperature rise to below 1.5°C compared to the temperatures before the Industrial Revolution.
- ⁵ CDP is a British charity-controlled non-governmental organization (NGO) established in 2000. It owns one of the world's largest environmental databases, working with large global financial institutions to disclose the environmental impact of companies.
- ⁶ The amount of GHG emissions avoided through the Indeed Interview is more than approximately 13,000t-CO₂, a contribution beyond the Group's value chain mitigation, so it is not included in the calculation of the Group's Scope 1, Scope 2 or Scope 3 GHG emissions.
- ⁷ Difference calculated using time from a job seeker's application on Indeed to the job for which they ultimately were hired to the time of the hire for hires made on Indeed in the United States between January 2022 and January 2023. The data set analyzed included sponsored jobs only hosted on Indeed using one of these two pricing models: Pay Per Application and Pay Per Click. Pay Per Application is a newer pricing model where employers only pay for job applicants that meet their criteria. Pay Per Click is Indeed's standard sponsored job pricing model, where employers pay when a job seeker clicks on their sponsored job listing.
- ⁸ For jobs on Indeed that (a) were less than 14 days old and (b) had applications between November 1, 2022 through December 31, 2022, an analysis revealed a statistically significant difference in the number of days for an employer to make a hire on Indeed between jobs that used Assessments and those that did not. Time to hire was defined as the period from the day the job was posted on Indeed to the day that the job was closed by the employer with the reason that the employer hired a candidate on Indeed.
- ⁹ In the United States, approximately 70 million people have a criminal record (source: The Sentencing Project), and the unemployment rate of job seekers with a criminal record is approximately five times higher than the US average (source: Prison Policy Initiative).
- ¹⁰ A U.S. Chamber of Commerce Foundation study from 2016 found that 53% of veterans are unemployed for four months or longer after leaving the military. We recognize veterans who are looking for a new opportunity or transitioning from military service to civilian life may have difficulty matching their skills and experience to the job market.
- ¹¹ This indicates barriers that hinder job hunting, such as being unable to connect to the Internet and a resultant lack of access to a job platform, and/or lack of transportation to interviews and work.
- ¹² Represents number of hires made on Indeed reported from both job seeker and employer sources through our Hired Signal measurement, from May 1, 2021 - March 31, 2023, globally for job seekers, who faced at least one of the following barriers: education, criminal record, military experience, disability or lack of essentials such as a computer or internet access.
- ¹³ The initiatives as of today include providing assistance through the Company's online job platform, and through partnerships with NPOs and other organizations with whom the Company collaborates. The Company may also aim to reduce other various barriers, including newly emerging issues in the labor market by FY2030.
- ¹⁴ Senior executive positions are defined as Senior Vice Presidents and Corporate Professional Officers of Recruit Holdings and Matching & Solutions Strategic Business Unit (SBU), and CEOs of the Company's major subsidiaries and heads of key functions in the HR Technology and Staffing SBUs. The respective percentages of women in managerial positions and total employees are calculated from Recruit Holdings, SBU Headquarters and the primary operating companies of each SBU. Managerial positions mean those that have subordinate employees.
- ¹⁵ The Board of Directors members are defined as Directors and Audit and Supervisory Board members.
- ¹⁶ Compensation based on ESG target achievements is set as a part of board incentive plan (BIP) trust (stock) compensation. Eligibility to receive this compensation and the payout amount will depend on whether or not the three-year target is achieved.

In support of the Company's strategies, each SBU's business strategies are as follows:

HR Technology

HR Technology aims to further grow HR Matching revenue globally through Indeed and Glassdoor while the demand for an efficient job seeking experience and hiring process empowered by technology continues to rise.

Matching & Solutions

In the future, Matching & Solutions will further expand its SaaS solutions, which are business support tools, to create an ecosystem that supports all economic activities related to the operations of our business clients, including fintech services.

Staffing

Staffing aims to achieve steady financial performance by providing job seekers with flexible working opportunities, and by offering employers a flexible workforce across a wide range of industries. *Japan* aims to maintain a stable adjusted EBITDA margin while *Europe, US, and Australia* focus on continuous improvement of adjusted EBITDA margin.

Capital Allocation Policy

The Company's capital allocation policy has the following priorities:

- Product development and marketing expense for existing businesses for future growth
- Continuous payment of stable per-share dividends
- Strategic M&A mainly focused on HR Technology in the HR Matching Market
- Share repurchase program, depending on the capital markets environment and the outlook of the Company's financial position

The Company focuses on achieving capital efficiency and applies a hurdle rate exceeding the cost of capital when evaluating each investment opportunity. The Company's ROE target is approximately 15%.

Leadership

Directors and Audit and Supervisory Board Members (as of March 31, 2023)

Unless otherwise stated, position refers to Recruit Holdings Co., Ltd.

Board Position	Name	Responsibilities at the Company and significant concurrent positions as of March 31, 2023
Representative Director and Chairperson	Masumi Minegishi	Chairperson; Vice Chairman of KEIZAI DOYUKAI (Japan Association of Corporate Executives); Outside Director of Konica Minolta, Inc.; Independent Outside Director of ANA HOLDINGS INC.
Representative Director and President	Hisayuki Idekoba	CEO; Corporate Planning Division and HR Technology Business; Director of Indeed, Inc.; CEO and Director of RGF OHR USA, INC.; Director of Recruit Co., Ltd.; Chairman and Director of RGF Staffing B.V.
Director	Ayano Senaha	COO; Human Resources and General Affairs Division; Finance Division; Risk Management Division; Corporate Planning and Sustainability Transformation in the Corporate Planning Division; Director of Indeed, Inc.; Director of RGF OHR USA, INC.; Director of RGF Staffing B.V.; Member of the Board of Directors of Georg Fischer Ltd.
Director	Rony Kahan	Chairman of the Board and Director of Indeed, Inc.; Chairman of the Board and Director of RGF OHR USA, INC.
Independent Director	Naoki Izumiya	Honorary Advisor of Asahi Group Holdings, Ltd.; Independent Director of Obayashi Corporation
Independent Director	Hiroki Totoki	Director, Executive Deputy President and CFO, Representative Corporate Executive Officer of Sony Group Corporation
Independent Director	Keiko Honda	Adjunct Professor and Adjunct Senior Research Scholar at Columbia University School of International and Public Affairs; Independent Director of AGC Inc.; Outside Director of Mitsubishi UFJ Financial Group, Inc.

Standing Audit and Supervisory Board Member	Yukiko Nagashima (Name in the family register: Yukiko Watanabe)	Outside Director of Japan Tobacco Inc.; Outside Audit & Supervisory Board Member of Sumitomo Corporation
Standing Audit and Supervisory Board Member	Takashi Nishimura	
Independent Audit and Supervisory Board Member	Yoichiro Ogawa	Chief of Yoichiro Ogawa CPA Office; Outside Director of Honda Motor Co., Ltd.
Independent Audit and Supervisory Board Member	Katsuya Natori	Managing Partner of ITN Partners; Supervisory Director of Global One Real Estate Investment Corp.; Outside Audit & Supervisory Board Member of circlace Inc.; Outside Director of TOKYO ROPE MFG. CO., LTD.; Outside Audit & Supervisory Board Member of Hino Motors, Ltd.

* Audit and Supervisory Board member Yoichiro Ogawa has extensive knowledge of finance and accounting based on his experience as CEO of Deloitte Tohmatsu Group, as well as Representative of the Asia-Pacific Region at Deloitte Touche Tohmatsu Limited.

* The Company has entered into an agreement with each of the Directors, excluding Executive Directors, and with Audit and Supervisory Board members, to limit their liability under Article 423, Paragraph 1 of the Companies Act of Japan. The maximum amount of liability for damages covered in the agreement is the minimum amount required under applicable laws and regulations. The limitation of liability, however, applies only when the relevant personnel has performed his or her duties in good faith and is not deemed negligent.

* Since the Company is promoting global business development, it has entered into a directors and officers liability insurance contract principally to hire and retain outstanding executives globally who have the knowledge, experience and professional relationships on a high level to execute their duties without obsolescence.

Directors, Audit and Supervisory Board members, and Senior Vice Presidents (including their inheritors) and employees of the Company including its subsidiaries (excluding those whose total assets are more than 25% of the consolidated assets of the Company, or whose securities are publicly traded on any exchanges in the US), among others, are named as the insured of the contract.

The Company pays all of the insurance premiums. The insurance contract covers any losses, legal defense costs, etc. caused by the insured persons' execution of their duties, and which are claimed for during the term of insurance. However, the contract does not cover any losses caused by dishonest or improper conduct such as willful breach of duty or criminal acts.

* Changes in responsibilities of Directors from April 1, 2023

Name	New position for FY2023	Former position in FY2022	Date of change
Ayano Senaha	Human Resources and General Affairs Division, Finance Division, Risk Management Division, and Group Governance and Sustainability Transformation in the Corporate Planning Division	Human Resources and General Affairs Division, Finance Division, Risk Management Division, and Corporate Planning and Sustainability Transformation in the Corporate Planning Division	April 1, 2023

Compensation

Compensation Policies for FY2022

Basic Compensation Policies

The compensation for Directors, Audit and Supervisory Board members and Senior Vice Presidents is determined in accordance with the following policies:

- Set compensation levels that will be attractive to outstanding management talent globally.
- Make compensation plans highly performance-based.
- Connect compensation to mid- to long-term enterprise value.
- Make the compensation decision process highly objective and transparent.

Compensation Levels

Compensation levels are set at a commensurate rate with peer companies, both in Japan and overseas, which are similar in both business and scale.

To set the individual compensation levels for each executive of the Company, we use data from outside database services, etc. regarding compensation levels for equivalent posts at benchmark companies.

We also take into consideration factors relating to each individual such as what the Company expects from each individual to set the most appropriate compensation levels.

This method for determining the compensation level is not only used for the executives of the Company, but is also used to determine the appropriate compensation level for those who occupy important posts in each SBU.

Compensation Elements

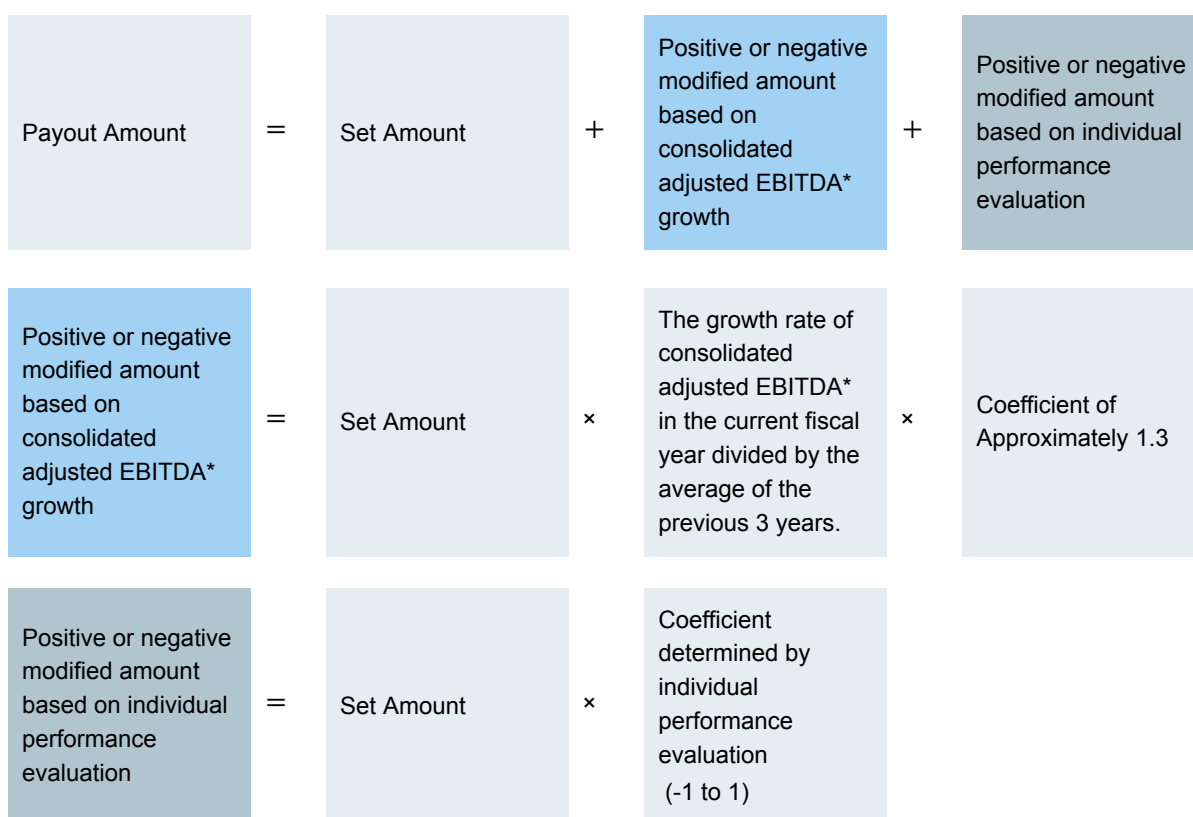
The Company's compensation for executives is composed of "Base Salary (Cash)," "Annual Incentive (Cash)," "BIP Trust Long-term Incentive (Equity)," and "Stock Option Long-term Incentive (Equity)." The goals of each type of compensation and the method for payout are explained below.

Base Salary (Cash)

This element is aimed at securing excellent management personnel and encouraging sound job performance. The amount set according to the individual role of each executive is paid in monthly installments.

Annual Incentive (Cash)

This element is meant to motivate executives to achieve their annual goals. The actual payout amount, based on the set amount according to each role, is linked to the growth rate of adjusted EBITDA, which is an important management performance indicator of the Company, and each individual's performance evaluation, the calculation of which is outlined below. The payment method is to pay the set amount every month in the current fiscal year, and then pay the additional amount in the following fiscal year, or collect the amount monthly, in the case of a negative modified amount, over the following fiscal year from the executive following their performance. The calculation for the payout of annual incentives is as expressed below.



* The definition of adjusted EBITDA used to calculate the annual incentive payout amount for the evaluation period for FY2022 is as follows:

- Adjusted EBITDA = Operating income + depreciation and amortization (excluding depreciation of right-of-use assets) + share-based payment expenses ± other operating income/expenses

Regarding the individual performance evaluations, before the beginning of each fiscal year, the Compensation Committee sets the expected responsibilities of each role, and then the Compensation Committee reviews and evaluates performance at the end of the fiscal year.

The Board of Directors of the Company, in order to prosper together with all stakeholders, has resolved to make a commitment to sustainability, and announced group-wide ESG targets in May 2021. In keeping with this commitment, we have decided to include initiatives for important ESG themes in the annual evaluation of each Senior Vice President, including Executive Directors, that will subsequently be reflected in their compensation.

Long-term Incentive: BIP Trust (Equity)

This element is intended to motivate executives to improve the Company's enterprise value over the mid- to long-term. By giving executives the right to receive shares in the future, we encourage them to contribute to sustainably increasing enterprise value. The amount of shares of the Company equivalent to the set amount, according to the role of each individual executive, will be acquired and stored in a trust account to be delivered, in principle, upon retirement.

From FY2022, in order to encourage swift action toward realizing the Company's business strategy to "Prosper Together - Seek sustainable growth shared by all stakeholders," we decided to link the BIP Trust compensation for Executive Directors to the ESG goals. In FY2022, regarding the three goals of Reduction of Greenhouse Gas Emissions as a measure against climate change, Ratio of Female Employees, and Ratio of Female Members of the Board of Directors for which goals are set for

FY2030, we will set multiple quantitative target values as mid-term targets for the three years leading up to FY2024. Approximately 15% of BIP Trust awards for Executive Directors will be linked to the achievement of these target values. If a target value is not achieved, then the shares attributed to such a target value will not be vested to Executive Directors. These target values are based on deliberation by the Sustainability Committee, which includes outside experts, and then are approved by the Board of Directors.

Long-term Incentive: Stock Options (Equity)

This element is intended to motivate executives to increase the Company's enterprise value over the mid- to long-term. By giving executives the right to earn value from their awards only when the stock price rises, we encourage them to contribute to enhance both shareholder value and enterprise value.

By allocating the amount of stock options equivalent to the set amount according to the roles of each individual executive, and allowing them to exercise the stock options after a certain period set by the Board of Directors, the recipient, by exercising the shares, may acquire the shares at the value of the closing share price of the allotment date.

The stock options can be exercised within the period that commences one year from the start date of the fiscal year in which the allotment date of the stock acquisition rights occurs and ends within 10 years from the allotment date. In principle, all stock options will be exercisable after three years or more have passed from the start date of the fiscal year in which the allotment date occurs.

The President/CEO of each SBU Headquarters serve as Senior Vice Presidents of the Company. By applying the above compensation design and setting long-term incentives (equity) as a large proportion of their total compensation, the Company aims to motivate them to improve business performance and increase enterprise value with a long-term perspective.

In order to encourage swift action at the front lines of the business geared toward realizing the Company's business strategy to "Prosper Together - Seek sustainable growth shared by all stakeholders," the CEOs of each SBU Headquarters will also have a portion of their BIP Trust compensation linked to ESG goals.

For the purpose of attracting and retaining outstanding management talent globally, and in cases where personnel were recruited based on standards of markets with significantly different hiring practices and laws and regulations from those of Japan, the Company may adopt a compensation design or policy differing from the one described above.

However, only if the Compensation Committee, which is chaired by an independent Director and has a majority of independent members, determines that this exception is necessary will a differing compensation design or policy be adopted.

In such a case, with regards to the BIP Trust, the vesting of shares may occur during the recipient's tenure in office, however, with regards to the vesting timing, when the vesting of shares occurs in a single installment, the timing of vesting of shares will not occur until at least two years or more have passed from the start date of the fiscal year in which the recipient is eligible to receive grants.

When the vesting of shares occurs in multiple installments, the period of the vesting of shares will not begin until at least one year or more has passed from the start date of the fiscal year in which the recipient is eligible to receive grants, and in such a case, the average length of the period required for the vesting to be completed shall be two years or more*.

* For example, the following schemes may be used to meet this requirement:

- Of the shares to be granted, one-third will be vested after one year, one-third after two years, and one-third after three years (in this case the average length of the period is two years); and
- Of the shares to be granted, one-quarter will be vested after one year, one-quarter after two years, one-quarter after three years, and one-quarter after four years (in this case the average length of the period is 2.5 years).

Ratio of Compensation Elements Methods for FY2022

For FY2022, the following percentages of compensation were paid to Directors and Audit and Supervisory Board members.

In the case of Directors, excluding independent Directors, the achievement percentage of set targets will be reflected in their compensation relative to a set amount which is determined using benchmark data from outside database services, etc. Their incentive ratio, especially for long-term incentives, increases in line with increasing role and responsibility.

Compensation for independent Directors and Audit and Supervisory Board members consists of base salary only, not tied to performance, considering the importance of their role of oversight from an independent and objective standpoint.

The below compensation elements ratios were paid for FY2022:

	Base Salary (Cash)	Annual Incentive (Cash)	Long-term Incentive (Equity)	
			BIP Trust	Stock Options
Directors, excluding independent Directors ²	37%	16%	33%	14%
Independent Directors	100%	-	-	-
Audit and Supervisory Board members	100%	-	-	-



¹ The composition above is based on a model with a target achievement rate of 100%.

² The percentage to be paid to Directors excluding independent Directors is shown as the average for the four applicable Directors.

Governance

The Company has established a Compensation Committee as an advisory body to the Board of Directors. The Compensation Committee is chaired by an independent Director and has a majority of independent members. This committee is established for the purpose of enhancing objectivity and transparency of compensation for Directors and Senior Vice Presidents.

The compensation amount for each Director is determined by the Board of Directors, taking into account reports by the Compensation Committee. The compensation for each Audit and Supervisory Board member is determined by the Audit and Supervisory Board based on consultation among its members.

The Company appoints external compensation consultants to provide objective viewpoints and expertise in compensation practices. With their support, the Company reviews its compensation levels and compensation elements in light of external data, the economic environment, industry trends, the state of business management, and other factors.

In addition, the Company has clawback clauses that limit, or claim the return of part or all of, long-term incentive compensation if there is any malfeasance, misconduct, or any other serious violation of duties or internal rules during the term of office of a Director and Senior Vice Presidents.

The amount of individual compensation for Directors and Audit and Supervisory Board members are determined within compensation ranges approved at the Annual Meeting of Shareholders. Dates and details of resolutions are as follows.

Compensation for Directors

Types of compensation		Resolution date	Applicable recipients	Total amount and shares	Number of applicable recipients at the time of the resolution
Base Salary		June 19, 2019	Directors	Total annual amount not to exceed 1.4 billion yen (of which annual total for independent Directors not to exceed 100 million yen)	7 Directors (including 2 independent Directors)
Annual Incentive					
Long-term Incentive	BIP Trust	June 17, 2021	Directors, excluding independent Directors	Total annual amount not to exceed 2.0 billion yen Not to exceed 700,000 shares annually	4 Directors, excluding independent Directors
	Stock Options	June 17, 2021	Directors, excluding independent Directors	Total annual amount not to exceed 1.4 billion yen Annual number of stock options not to exceed 18,000*	4 Directors, excluding independent Directors

* The target number of shares per one stock option is 100 shares.

Compensation for Audit and Supervisory Board Members

Types of compensation		Resolution date	Applicable recipients	Total amount and shares	Number of applicable recipients at the time of the resolution
Base salary		June 20, 2017	Audit and Supervisory Board members	Total monthly amount not to exceed 10 million yen	4 Audit and Supervisory Board members

Compensation Setting Process

Individual compensation amounts for each Director are determined by the Board of Directors taking into account the reports by the Compensation Committee. The compensation amount for each Audit and Supervisory Board member is determined by the Audit and Supervisory Board based on consultation among its members. The amount of individual compensation for Directors and Audit and Supervisory Board members are determined within compensation ranges approved at the Annual Meeting of Shareholders.

The Board of Directors also decides the policy for deciding the compensation of Directors and Senior Vice Presidents, and the details of the compensation structure based on discussions surrounding the calculation logic and exact calculated compensation range, in the Compensation Committee.

Individual compensation amounts for Directors other than the Representative Director, are approved by the President, CEO who also serves as a Representative Director (Hisayuki Idekoba for FY2022) to ensure efficient Board management. The authority to approve this decision is delegated to the President, CEO, and Representative Director following a resolution by the Board of Directors on the condition that the decision is made with respect to the results of the deliberation by the Compensation Committee.

Results for Compensation

Total Compensation Amount in FY2022

(In millions of yen, unless otherwise stated)

Executive level	Total compensation	Amount of compensation by type				Allowance for retirement benefits, etc. ¹	Number of applicable recipients
		Cash compensation		Equity compensation			
		Base salary	Annual incentive	Long-term incentive			
			BIP Trust	Stock options			
Directors, excluding independent Directors	1,858	168	367	826	495	-	4
Independent Directors	78	78	-	-	-	-	3
Audit and Supervisory Board members, excluding independent members	82	82	-	-	-	0	3
Independent Audit and Supervisory Board members	31	31	-	-	-	-	2

¹ As part of the revision of the executive compensation plan, the Company abolished the executive retirement benefit plan for Directors and Audit and Supervisory Board members as of the conclusion of the Annual Meeting of Shareholders held on June 21, 2016. The Company has also resolved to pay retirement benefits to those who continue to serve from the Annual Meeting of Shareholders held on June 21, 2016. In connection with the above resolution, the amounts shown above include the retirement benefits paid to an Audit and Supervisory Board member who retired during FY2022.

² The amounts shown above are calculated based on IFRS.

Employees with Director Level Secondments

There are currently no employees with Director level secondments.

Targets for Compensation Paid in FY2022

The target and result of the performance indicators related to performance-based annual bonuses paid in cash in FY2022 are as follows:

(In billions of yen, unless otherwise stated)

	Performance indicators	Target	Actual
Annual Incentive ¹	Adjusted EBITDA for FY2021	286.6 ²	479.3

¹ In addition to the above, individual performance evaluations are reflected in annual incentives.

² For the annual incentive, since this award is linked to the adjusted EBITDA growth compared to the average adjusted EBITDA of the previous 3 years, this target value represents the average adjusted EBITDA from FY2018 to FY2020.

Actions of the Board of Directors and Committees in FY2022

The Compensation Committee met two times in FY2022, and all members of the Committee were in attendance. The main matters for deliberation and resolution are as follows:

- Compensation level and elements for executives
- Evaluation and determination of compensation of individual Directors

Of the Board of Directors meetings held in the current fiscal year, discussions were held two times on matters related to executive compensation.

When deciding the details of compensation for Directors, the Compensation Committee conducts a multifaceted examination of the proposal and reports to the Board of Directors. As the report is done in a manner that is consistent with our decision-making policy, the Board of Directors will adopt the proposal in keeping with the results of the report. We judge this process to be in keeping with our decision-making policy.

Corporate Governance

Corporate Governance Overview

Basic Policy on Corporate Governance

Guided by Recruit Group Management Philosophy, the Board of Directors prioritizes corporate governance policies and practices that are designed to achieve long-term growth, increased corporate and shareholder value, and benefits for all of our stakeholders. Our stakeholders include employees, individual users and business clients, as well as our shareholders, business partners, non-profit organizations (NPOs) and non-governmental organizations (NGOs), national and other governments, and local communities.

In order to further enhance corporate value in the future, the Company believes it is important to prosper together with all stakeholders through all corporate activities with a sound governance foundation. Therefore, the Company has redefined its commitment to sustainability as well as setting ESG targets, and defines corporate governance as one of our material foundations for our corporate activities, and prioritizes related initiatives.

Corporate Governance Overview

The Company's corporate governance structure is a "Company with an Audit and Supervisory Board" as defined under the Companies Act of Japan. In this structure, Audit and Supervisory Board members appointed by shareholders conduct audits of the execution of the duties by Directors as an independent body from the Board of Directors. This is the foundation for the Company's efforts to ensure and improve transparency, soundness, and efficiency of management.

Under this structure, the Company has appointed multiple independent Directors and independent Audit and Supervisory Board members who are highly independent. The Company also has voluntarily established committees to serve as advisory bodies to the Board of Directors, including the Nomination, Compensation, Compliance, Risk Management, and Sustainability Committees. To enhance independence, the Nomination and Compensation Committees are all chaired by independent Directors and have a majority of outside members.

Annually, the Board of Directors analyzes and assesses its own effectiveness, confirms whether deliberations are conducted properly from the perspective of various stakeholders, and carries out initiatives for improvement.

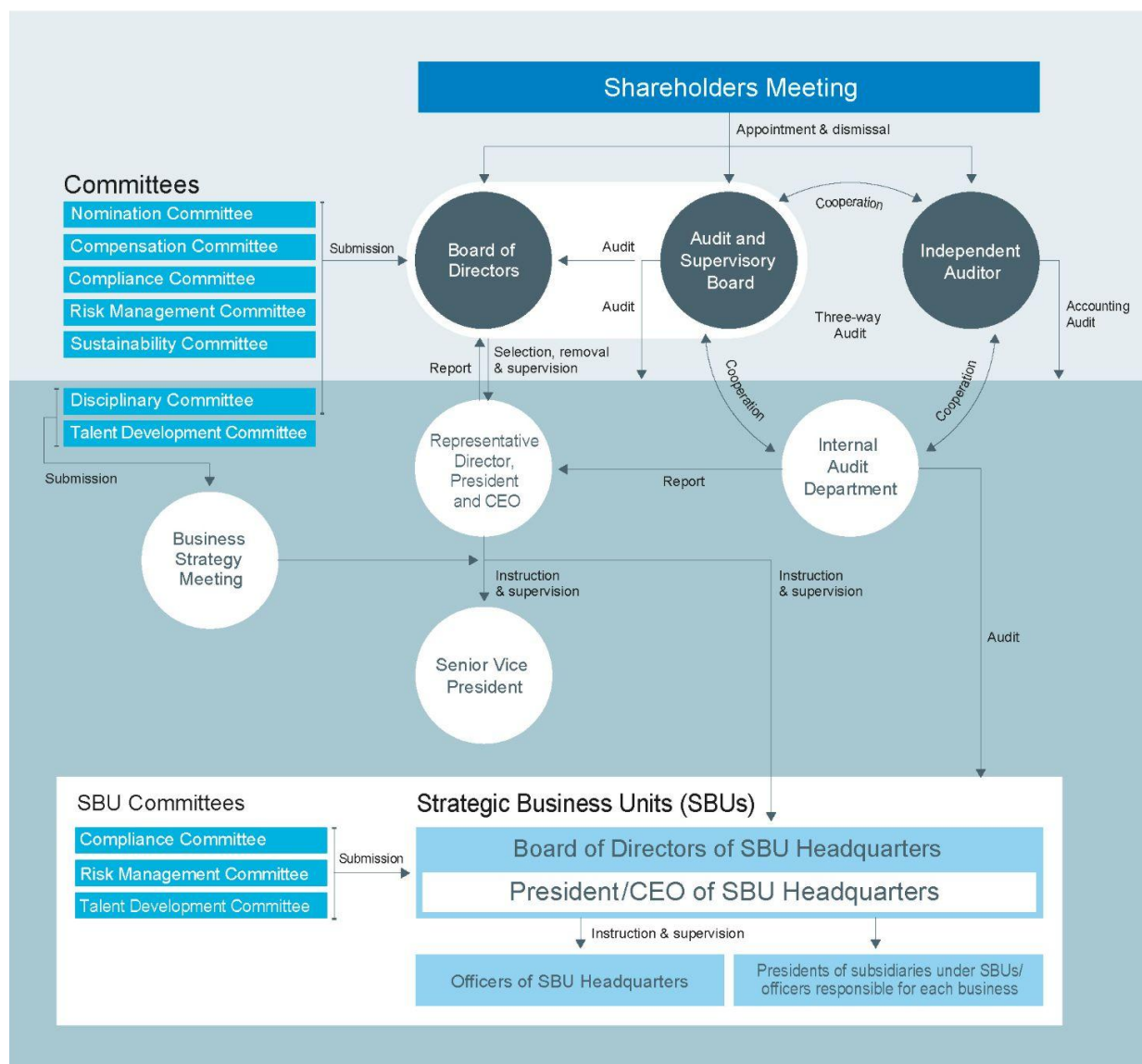
Furthermore, the Company has appointed Senior Vice Presidents, and established the Business Strategy Meeting to serve as an advisory body to the CEO, in order to enhance the Company's decision-making process and execution. The Business Strategy Meeting discusses important matters for the Company and the CEO approves the execution of such matters.

The Company has organized management units called Strategic Business Units ("SBU"). Each SBU has established a managing company, or SBU Headquarters, which manages the subsidiaries of each SBU.

After deciding basic management policies and important matters, and clarifying the scope of responsibilities, the Board of Directors delegates certain decision-making authority to the Business Strategy Meeting, SBU Headquarters, and other relevant bodies.

Through this arrangement, the Company aims to ensure that our corporate governance mechanisms are functioning sufficiently, both in terms of timely decision-making and effective internal control.

Corporate Governance Structure



The following are the SBU Headquarters:

- HR Technology SBU : RGF OHR USA, INC.
- Matching & Solutions SBU : Recruit Co., Ltd.
- Staffing SBU : RGF Staffing B.V.

Important decisions for the SBUs are made by the Board of Directors of each SBU Headquarters. The majority of the Board of Directors of each SBU Headquarters comprises non-Executive Directors who are appointed by the Holding Company. President/CEO of SBU Headquarters concurrently serve as Senior Vice Presidents of the Holding Company.

Board of Directors

Role of the Board of Directors

The Board of Directors seeks to increase enterprise and shareholder value in the mid-to long-term. The responsibilities of the Board of Directors include:

- Setting basic management policies to achieve the Company's strategic objectives
- Conducting oversight of operations and management
- Making decisions that could have a major impact on the Company
- Resolving matters required to be resolved by the Board of Directors as stipulated in relevant laws and regulations

Board of Directors meetings are held at least once every three months. The Board of Directors makes decisions on matters which significantly impact the Company's corporate governance and/or the Company's consolidated financial performance, such as investments above a certain threshold and key personnel matters. The Board of Directors delegates authority over other business matters to the Business Strategy Meeting and other decision-making bodies according to their appropriate level of responsibilities.

Criteria for determining organizational decision-making authority are set forth in the rules on decision-making authority. These rules are reviewed at least once per year by the Board of Directors and revised as necessary.

Composition of the Board of Directors

The Board of Directors is composed of seven Directors and four Audit and Supervisory Board members, including three independent Directors and two independent Audit and Supervisory Board members.

As a result of its growth, the Company today operates across many business sectors and geographic locations, engages with a broad universe of individual users and business clients, and employs people from diverse backgrounds. The Company recognizes that the Board of Directors should reflect this diversity to ensure that it sustains the high-quality discussions that drive innovation and the long-term success of the Company.

As for the size of the Board of Directors, the Company believes that the Board of Directors should have an appropriate number of members in order to foster high-quality discussions. Under the Company's Articles of Incorporation, the Board of Directors may have a maximum of eleven Directors.

In addition, we have a structure in which different persons serve as the Chairperson of the Board of Directors and the CEO. We believe that checks and balances are effective and this structure contributes to the strengthening of governance by separating the roles of the Chairperson of the Board of Directors and the CEO.

Approach to Selecting Directors

The approach to selecting candidates for the Board of Directors is to choose qualified personnel from a pool of diverse candidates who can fulfill the duties and responsibilities of the position by considering their skills, leadership and professional experience, personal background, judgment, personality, and insight, without discrimination based on attributes of gender, age, nationality or ethnicity. Current Directors who are considered for renomination are evaluated on these criteria as well as their performance on the Board and number of terms of office.

In order to further improve the quality of management decision-making, the Company is working to increase the diversity of the Board of Directors. The Company has specifically set a target for gender, and aims to propose candidates for election to its Annual Meeting of Shareholders, to achieve an approximately 50% ratio of women out of the total number of Directors and Audit and Supervisory Board

members by FY2030. As of May 15, 2023, three of the eleven members of the Board of Directors including Audit and Supervisory Board members are women.

The Company has a policy that at least one third of the Directors are independent Directors who maintain appropriate separation from management execution. As of May 15, 2023, there are seven Directors, of which three are reported as independent Directors to the Tokyo Stock Exchange. Independent Directors are selected based on the above criteria as well as their management experience at corporations operating globally and/or that are publicly listed.

The Company expects independent Directors to play the following roles in addition to supervising the management of the Company:

- To provide the Company with advice based on their management experience in corporations operating globally and/or that are publicly listed, which are necessary for the Company to further enhance its enterprise value and shareholder value in the mid-to long-term period.
- To play a leading role in matters related to selection and dismissal, compensation and evaluation of Directors and Senior Vice Presidents as a chair and/or member of the Nomination and Compensation Committees.
- To oversee decision-making in cases where any potential conflict of interest exists between Directors and the Company. The Board of Directors acts as the decision-making body for matters that may cause conflicts of interest by ensuring the decision is delivered under the presence of independent Directors as well as independent Audit and Supervisory Board members.

In order to ensure that independent Directors fulfill the above roles, the Company takes the following measures:

- To share and discuss the topics discussed during the Compliance Committee and Risk Management Committee with the Board of Directors for the purpose of creating an environment that allows Directors and Senior Vice Presidents to take appropriate risks when making decisions.
- To share and discuss the topics discussed during the Sustainability Committee as well as the voice of our shareholders with the Board of Directors for the purpose of ensuring the discussions at the Board appropriately reflect the diverse perspectives of our stakeholders.

In addition to the above mentioned independent Directors, the Board appoints one non-Executive Director who does not execute business operations, but who has in-depth knowledge of and experience in the Internet industry.

Activities of the Board of Directors

The Board of Directors strives to foster an atmosphere that encourages free, open, and constructive discussion and exchange of opinions. The Board of Directors expects independent Directors to raise issues, actively comment, and advise, on matters in their areas of expertise and experience.

To ensure the Board of Directors has open and constructive discussion, meetings are conducted according to the following procedures:

- Draft versions of Board of Directors meeting materials are distributed to participants at least three business days prior to meetings.
- Along with Board of Directors meeting materials, the administrators provide summaries of the agenda discussion points. The administrators make a concerted effort to deliver the summaries three business days prior to meetings. In addition, the administrators explain to the Chairperson of the Board, Independent and non-Executive Directors the agenda details in advance of the meetings.
- The annual schedule for Board of Directors meetings is decided during the previous fiscal year, and at the beginning of each fiscal year the schedule for important agenda items is confirmed.

- The frequency of meetings, matters for deliberation and time devoted to discussion are reviewed each fiscal year and adjusted as necessary, based on the performance in the prior fiscal year and strategy for subsequent fiscal years.

The Board of Directors also provides opportunities for free discussion among participants outside of regular meetings, spending about the same amount of time as in the Board of Directors meetings, in order to encourage an active exchange of opinions.

Concrete Agenda of the Board of Directors

In addition to monitoring the management execution such as business performance and risks, the Board of Directors mainly discussed the following agenda during FY2022.

- Business portfolio strategy
- Sustainability strategy
- Corporate governance structure
- Capital policy and shareholder returns

As for the business portfolio strategy, the Board of Directors discussed the progress and promotion policy of "Simplify Hiring" and "Help Businesses Work Smarter." In addition, the Board of Directors discussed risks and countermeasures related to the execution of the strategy based on the deliberations of the Risk Management Committee. Please refer to "Business Strategies" in the "Issue to be Addressed" of "Overview of the Company" section for more details.

As for the sustainability strategy, the Board of Directors resolved on the progress and plans for sustainability activities to achieve the ESG commitments of "Prosper Together" based on the deliberations of the Sustainability Committee. Please refer to "Business Strategies" in the "Issue to be Addressed" of "Overview of the Company" section for more details.

As for the corporate governance structure, the Board of Directors resolved on the structures of the Board of Directors and the Audit and Supervisory Board to improve diversity and independence based on the deliberations of the Nomination Committee. Please refer to "Proposal 1: Election of Eight (8) Directors of the Board" and "Reference Information related to Proposal 1" in the "REFERENCE DOCUMENTS FOR THE ANNUAL MEETING OF SHAREHOLDERS" section for more details.

As for the capital policy and shareholder returns, in addition to stable and continuous dividends, the Board of Directors discussed and resolved on the share buyback program of up to 150 billion yen for the improvement of capital efficiency and enhancement of shareholder returns. Please refer to the following URL for more details.

https://recruit-holdings.com/en/newsroom/20221017_1000/

Audit and Supervisory Board

Role of the Audit and Supervisory Board

The Audit and Supervisory Board is responsible for the following:

- Supervising the activities and performance of each Director as well as the Board of Directors as a whole and auditing the maintenance and operational status of internal control policies, procedures, and processes, based on the audit plan.
- Evaluating the appropriateness and performance of the Independent Auditor.

All members of the Audit and Supervisory Board attend the Board of Directors meetings as part of their oversight responsibilities. In addition, one or more standing Audit and Supervisory Board members must attend the Business Strategy Meeting to enhance the oversight function.

The Audit and Supervisory Board generally meets once a month and holds extraordinary meetings as needed.

Composition of the Audit and Supervisory Board

The Audit and Supervisory Board comprises four members, including two independent members. One substitute Audit and Supervisory Board member has been elected, in order to avoid any potential non-compliance with the statutory requirement that more than half of the members of the Audit and Supervisory Board be independent members.

Approach to Selecting Audit and Supervisory Board Members

The approach to selecting candidates for the Audit and Supervisory Board is to select qualified persons with suitable experience and capabilities and with the necessary knowledge in the areas of finance, accounting, and legal affairs, to fulfill the duties and responsibilities as an Audit and Supervisory Board member. The Company has two standing Audit and Supervisory Board members who deeply understand the business of the Company, and two independent Audit and Supervisory Board members, one with expertise in legal affairs and one with expertise in finance and accounting.

All the Audit and Supervisory Board members make efforts to continuously expand their knowledge in order to fulfill their audit function in areas such as finance, accounting, and legal affairs through appropriate training courses funded by the Company. For example, the Audit and Supervisory Board members seek to deepen their understanding of the latest accounting standards and important matters for auditing by taking relevant training and seminars offered by the Japan Audit and Supervisory Board Members Association or by outside audit and assurance firms.

Advisory Bodies to the Board of Directors: Nomination and Compensation Committees

The Nomination and Compensation Committees advise the Board of Directors. Each committee has a majority of independent members and is chaired by an independent Director in order to enhance the transparency and objectivity of the decision-making process.

These committees review and consider the nomination, evaluation, and compensation of Directors and Senior Vice Presidents in each fiscal year. Final decisions are made by resolution of the Board of Directors.

The roles of each committee are as follows:

Nomination Committee

The Nomination Committee deliberates on the nomination, succession and dismissal of the CEO, and appropriateness of the process for nominating and dismissing candidates for Directors and Senior Vice Presidents.

In the latest fiscal year the three main topics deliberated by the Nomination Committee were as follows:

- Nomination and succession planning of the CEO
- Governance Structure and skills matrix of the Board of Directors
- Appropriateness of the process for nominating candidates for Directors of the Board and Senior Vice Presidents

The Nomination Committee has reviewed the CEO appointment by considering whether the current CEO has effectively performed their role in light of the Company's progress in implementing our mid- to long-term strategy, business performance, and so forth. The Committee then presented a proposal to reappoint the current CEO for the following fiscal year to the Board of Directors. As for the succession plan, the Committee evaluated the appropriateness and implementation progress of the development plan for potential successors, taking into account the talent requirements established based on our corporate strategy and anticipated timing of leadership transitions. Furthermore, during the latest fiscal year, each of

the three SBU briefed the Nomination Committee on progress made to the succession plan for key posts, which also serve as the pipeline for CEO succession.

The Nomination Committee has also conducted a comprehensive review of the governance structure that ought to be implemented, alongside the skills matrix of the Board of Directors. The Committee took into consideration the outcomes of the evaluation of the effectiveness of the Board of Directors and deliberated on the policies for the evolution of the governance structure, as well as the specific skill sets that ought to be further enhanced through future appointments to the Board of Directors. Drawing from these discussions, the Committee advanced the candidacy of Katrina Lake as a new Independent Director, for the Board of Directors' consideration.

Regarding the nomination of Directors and Senior Vice Presidents, the Nomination Committee discussed the best management structure, taking into account the mid- to long-term governance policy and the timing of planned CEO succession. The Committee deliberated on the adequacy of the aforementioned process from the selection of candidates to the resolutions by the Board of Directors. Finally, Directors or Senior Vice Presidents can be dismissed in cases where it is recognized that they have significantly harmed the enterprise value of the Company due to violation of laws and regulations or other similarly significant reasons. In such cases, the Nomination Committee reviews the individual's conduct and makes a recommendation to the Board of Directors.

Compensation Committee

The Compensation Committee deliberates on policies relating to the determination of compensation for Directors and Senior Vice Presidents, evaluation procedures, compensation structure, the individual evaluation of Directors of the Board and Senior Vice Presidents, as well as individual compensation amounts.

In the latest fiscal year the three main topics deliberated and approved by the Compensation Committee were as follows:

- Individual performance evaluation for the latest fiscal year
- Compensation levels and metrics for performance-based compensation for the following fiscal year
- Proposal for revision of maximum amount of compensation for independent Directors submitted to the Annual Meeting of Shareholders held on June 26, 2023.

The Compensation Committee conducted the individual performance evaluations for the latest fiscal year. The Executive Director under evaluation was not present during the process, and the evaluation was based on the review of the missions established for each individual prior to the start of the fiscal year. For the evaluation of the individual performance of the two Representative Directors, an independent Director serving as the chair of the Committee formulated a draft proposal after conducting interviews with all Executive Directors and Standing Audit and Supervisory Board Members. The proposal was then deliberated upon by the Compensation Committee.

The compensation levels for the following fiscal year were determined by referencing data on the executive compensation in similar-sized companies in the same industry, both domestically and overseas, during the most recent fiscal year and so forth. For the compensation levels of Executive Directors, the Compensation Committee discussed and decided on each Executive Director's expected roles for the following year, with the individuals in question absent during the process. Furthermore, the Compensation Committee discussed the metrics for performance-based compensation and established that the Annual Incentives for Executive Directors would remain linked to consolidated adjusted EBITDA growth, and the mechanism to automatically tie compensation to business performance would thus be maintained.

Finally, the Compensation Committee evaluated the appropriateness of the proposal for revision of maximum amount of compensation for independent Directors submitted to the Annual Meeting of Shareholders held on June 26, 2023, by referencing compensation ceilings of major domestic companies.

Please refer to the "Compensation" section in this document for more information on the Company's

compensation policy and results.

Other Advisory Bodies to the Board of Directors

Compliance Committee

An advisory body to the Board of Directors chaired by the Representative Director, President and CEO. The Committee deliberates on compliance themes and measures of the Company. The Committee decides and evaluates action plans based on the information collected from the Holding Company's administrative departments and subsidiaries. The Compliance Committee's deliberations and decisions are reported to the Board of Directors for promoting a compliance mindset.

Risk Management Committee

An advisory body to the Board of Directors chaired by the Executive Vice President and Director in charge of the Risk Management Division. The Committee deliberates on key risk themes and measures of the Company. The Committee monitors the status of risk management at each SBU as well as identifies and determines the risks deserving of particular attention, which are reported to the Board of Directors.

Sustainability Committee

An advisory body to the Board of Directors chaired by the Executive Vice President and Director in charge of sustainability. The Committee deliberates on the Company's sustainability strategy and monitors its progress. The Committee's participants include the CEO, the Chairperson, the Director in charge of sustainability, Senior Vice Presidents who are in charge of each SBU, and outside experts.

The Committee addresses important sustainability agendas of the Company, such as discussions to achieve the ESG commitment set forth as a management strategy, aiming to prosper together with all stakeholders. Based on the Committee's deliberation, the Board of Directors then resolves the direction and action plans that promote the Company's sustainability activities, and monitors the progress.

Other Advisory Bodies

Business Strategy Meeting

An advisory body to the CEO and chaired by the CEO, the meeting attendees deliberate on matters mainly relating to investments and personnel for which authority has been delegated by the Board of Directors. The meeting consists of Executive Directors, Senior Vice Presidents in charge of corporate functions and standing Audit and Supervisory Board members.

Talent Development Committee

An advisory body to the Business Strategy Meeting with participation by Senior Vice Presidents of the Company, the Committee deliberates on matters concerning the fostering of key talent, including the planning and monitoring of their career development and professional growth.





































































Disciplinary Committee

An advisory body to the Board of Directors and Business Strategy Meeting, the Committee deliberates on the recommended disciplinary action for the Company's personnel including its employees.

Composition and Attendance of the Board and Committees as of March 31, 2023

Upper row: Composition as of March 31, 2023

Lower row: Attendance of members as of March 31, 2023 (excluding Business Strategy Meeting)

Position	Name and surname	Board of Directors	Audit and Supervisory Board	Business Strategy Meeting ^{*4}	Nomination Committee	Compensation Committee	Compliance Committee	Risk Management committee	Sustainability Committee	Attendance		
										C	M	O
										Chair	Member	Observer
Representative Director and Chairperson	Masumi Minegishi	 8/8			 2/2		 2/2	 2/2	 2/2			
Representative Director, President and CEO	Hisayuki Idekoba	 8/8			 2/2	 2/2	 2/2	 2/2	 2/2			
Internal Directors	Ayano Senaha	 8/8			 2/2	 2/2	 2/2	 2/2	 2/2			
	Rony Kahan	 8/8										
Independent Directors	Naoki Izumiya	 8/8			 2/2	 2/2						
	Hiroki Totoki	 8/8			 2/2	 2/2						
	Keiko Honda	 6/6 ^{*2}			 2/2 ^{*2}	 2/2 ^{*2}				 2/2 ^{*2}		
Standing Audit and Supervisory Board Members	Yukiko Nagashima	 ^{*1} 8/8	 16/16				 2/2	 2/2				
	Takashi Nishimura	 ^{*1} 6/6 ^{*3}	 11/11 ^{*3}				 2/2 ^{*3}	 2/2 ^{*3}				
Independent Audit and Supervisory Board Members	Yoichiro Ogawa	 ^{*1} 8/8	 16/16		 2/2							
	Katsuya Natori	 ^{*1} 8/8	 16/16			 2/2						
Senior Vice Presidents	Yoshihiro Kitamura									 2/2		
	Rob Zandbergen									 2/2		
	Junichi Arai						 2/2	 2/2				
	Hiroaki Ogata											
	Mio Kashiwamura						 2/2	 2/2				
	Akihiko Mori						 2/2	 2/2				
	Kentaro Mori						 2/2	 2/2				
	Lowell Brickman						 2/2	 2/2				
Outside Experts	Aron Cramer									 2/2		

- ¹ Audit and Supervisory Board members are required to attend the Board of Directors meetings to audit the execution of duties of Directors under the Companies Act of Japan.
- ² Six meetings of the Board of Directors, two Nomination Committees, two Compensation Committees as well as two Sustainability Committees were held since the person was appointed as Director at the Annual Meeting of Shareholders held on June 21, 2022.
- ³ Six meetings of the Board of Directors, eleven Audit and Supervisory Board, two Compliance Committees, as well as two Risk Management Committees were held since the person was appointed as Audit and Supervisory Board member at the Annual Meeting of Shareholders held on June 21, 2022.
- ⁴ Information on attendance is not provided for the Business Strategy Meeting since participants for each meeting vary depending on the content of the proceedings.

Basic Policy on Profit Distribution and Dividends

The Company's primary use of capital is to invest for its long-term business strategy in order to achieve sustainable profit growth and increase enterprise value. The Company believes that this approach will contribute to the common interests of shareholders. The Company also considers the return of capital to its shareholders in the form of dividends to be an important part of its capital allocation strategy. The Company strives to continuously pay stable per-share dividends considering its long-term cash needs and financial position.

The Company may consider implementing share repurchase programs, depending on the capital market environment and the outlook of its financial position.

Total annual dividend for FY2022 is 22.0 yen per share, which consists of an interim dividend of 11.0 yen per share and a year-end dividend of 11.0 yen per share.







The Company basically declares dividends twice a year. Matters stipulated in Article 459, Paragraph 1 of the Companies Act of Japan, including cash dividends, are not resolved at the Annual Meeting of Shareholders, but at Board of Directors meetings, unless otherwise provided by laws and regulations.

Total annual dividend forecast for FY2023 is 23.0 yen per share, which consists of an interim dividend of 11.5 yen per share and a year-end dividend of 11.5 yen per share.

Resolution date at the Board of Directors meetings	Total dividend (In millions yen)	Dividend per share (In yen)
November 14, 2022	18,143	11.0
May 15, 2023	18,116	11.0

Reference | ESG Indexes and Recognitions

Recruit Holdings is incorporated into the following ESG related indexes and obtained recognitions.

<p>CDP Climate Change A-: Leadership-level</p> <p>CDP's 2022 Supplier Engagement Leaderboard</p> 	<p>MSCI Japan ESG Select Leaders Index</p> <p>2023 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX</p> <p>MSCI Japan Empowering Women Index</p> <p>2023 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)</p>
<p>FTSE4Good Index Series</p>  <p>FTSE4Good</p> <p>FTSE Blossom Japan Index</p>  <p>FTSE Blossom Japan Index</p> <p>FTSE Blossom Japan Sector Relative Index</p>  <p>FTSE Blossom Japan Sector Relative Index</p>	<p>Sustainalytics ESG Regional Top Rated company in 2022</p> 
<p>Dow Jones Sustainability Asia Pacific Index</p> <p>Member of</p> <p>Dow Jones Sustainability Indices</p> <p>Powered by the S&P Global CSA</p>	<p>Excellent Integrated Reports selected by GPIF asset managers</p> <p>Recruit Group Profile Inside Out 2022</p> <p>https://recruit-holdings.com/files/sustainability/data/Recruit_insideout2022_en.pdf</p> 

Note: MSCI ESG Indexes

THE INCLUSION OF Recruit Holdings Co., Ltd. IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF Recruit Holdings Co., Ltd. BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Recruit Holdings Co., Ltd. has been independently assessed according to the criteria of each index, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series, FTSE Blossom Japan Index and FTSE Blossom Japan Sector Relative Index. Please refer to <https://recruit-holdings.com/en/sustainability/about/recognitions/> for more details on each index.

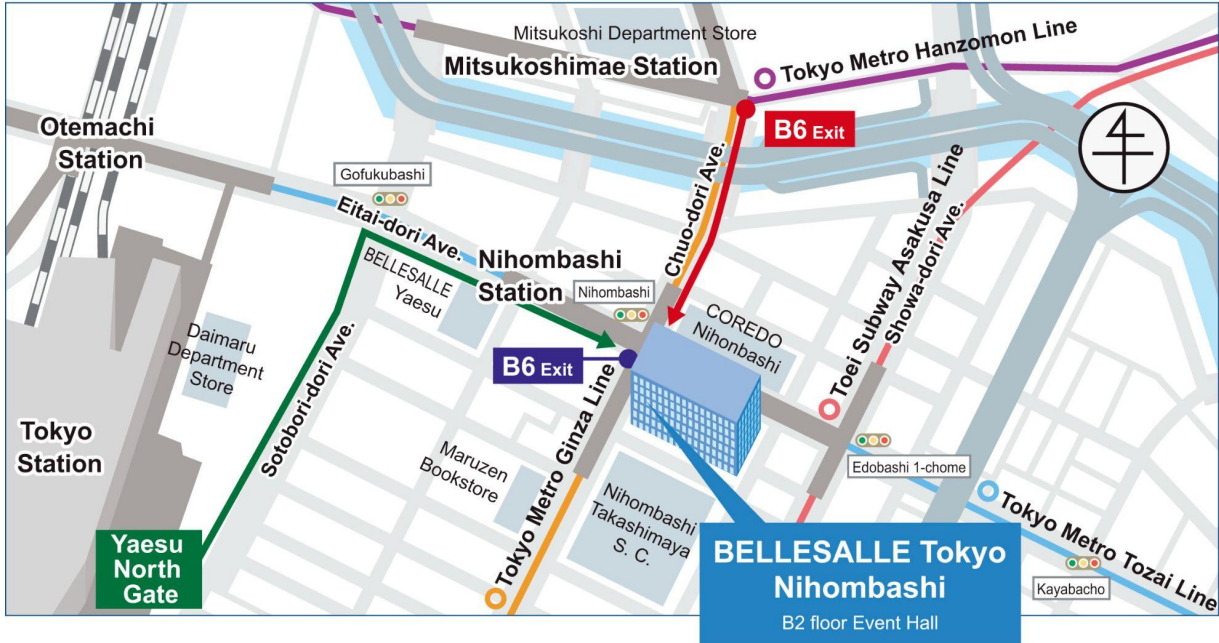
*The above contents are based on the latest information available to the Company as of April 2023.

Venue Access Guide for the Annual Meeting of Shareholders

Date and Time June 26, 2023 (Monday) at 10:00 a.m. JST
(Reception for attendees opens at 9:00 a.m. JST)

Place B2 floor Event Hall (Reception: B2 floor),
BELLESALLE Tokyo Nihombashi
Tokyo Nihombashi Tower,
2-7-1 Nihombashi, Chuo-ku, Tokyo

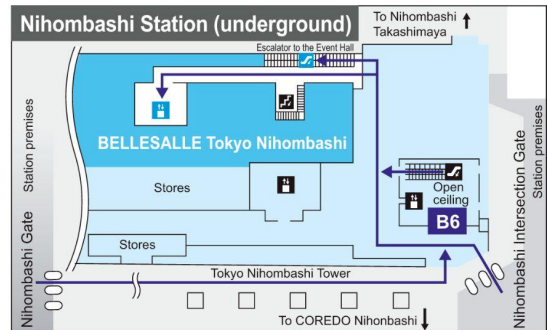
Please note that no gift will be provided for attendees at the Meeting to maintain fairness between the attendees and those shareholders who cannot attend. We appreciate your understanding on this matter.



Access

<ul style="list-style-type: none"> ● Tokyo Metro Ginza Line ● Tokyo Metro Tozai Line ● Toei Subway Asakusa Line 	Nihombashi Station	Direct access from B6 Exit
<ul style="list-style-type: none"> ● Tokyo Metro Ginza Line ● Tokyo Metro Hanzomon Line 	Mitsukoshimae Station	Approx. 3 min. walk from B6 Exit
<ul style="list-style-type: none"> ● JR Lines 	Tokyo Station	6 min. walk from Yaesu North Exit

*As there is no parking space available for the attendees on the day of the Meeting, please refrain from visiting the venue by car.



Recruit Holdings Co., Ltd.



**Matters omitted
in the printed
Notice of Annual
Meeting of
Shareholders
2023**

This document has been prepared to provide the omitted information in accordance with laws, regulations and Article 15 of the Articles of Incorporation of the Company, and prepared separately from, the Notice of Annual Meeting of Shareholders (the “Notice”).

Forward-Looking Statements

This document contains forward-looking statements, which reflect the Company's assumptions, estimates and outlook for the future based on the Company's plans and expectations as of March 31, 2023 unless the context otherwise indicates. There can be no assurance that the relevant forward-looking statements will be achieved. Please note that significant differences between such forward-looking statements and actual results may arise due to various factors, many of which are outside the Company's control, including changes in economic conditions, changes in individual users' preferences and enterprise clients' needs, competition, changes in the legal and regulatory environment including changes in laws and regulations or guidance, interpretation, enforcement or practice relating to laws and regulations, fluctuations in foreign exchange rates, climate change or other changes in the natural environment, the impact of the spread of COVID-19, the occurrence of large-scale natural disasters, 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 we operate. 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 – Unsponsored American Depositary Receipt (“ADR”)

The Company does not support or encourage, and has not consented to, the creation of any unsponsored ADR facilities in respect of its securities and in any event disclaims any liability in connection with an unsponsored 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).

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Trends in Assets and Income

(In millions of yen, unless otherwise stated)

Item	FY2019	FY2020	FY2021	FY2022 (current consolidated fiscal year)
Revenue	2,399,465	2,269,346	2,871,705	3,429,519
Profit before tax	226,149	168,502	382,749	367,767
Profit attributable to owners of the parent	179,880	131,393	296,833	269,799
Basic earnings per share (yen)	108.27	79.83	181.68	168.59
Equity attributable to owners of the parent	988,449	1,091,571	1,363,776	1,627,010
Total assets	1,998,917	2,196,613	2,423,542	2,793,281
Equity attributable to owners of the parent per share (yen)	599.65	667.96	847.45	1,030.33

¹ The Company prepares its consolidated financial statements based on IFRS.

² Basic earnings per share has been calculated based on the average number of shares during the period less the number of treasury stock, and equity attributable to owners of the parent per share has been calculated based on the number of shares issued at the end of each period less the number of treasury stock.

Main Offices (as of March 31, 2023)

The Holding Company

Company name	Location
Recruit Holdings Co., Ltd.	Chiyoda-ku, Tokyo, Japan

Main Subsidiaries

Segment	Company name	Location
HR Technology		
	RGF OHR USA, INC.	Delaware, United States
	Indeed, Inc.	Delaware, United States
	Glassdoor, Inc.	Delaware, United States
Matching & Solutions		
	Marketing Solutions	
	HR Solutions	
	Recruit Co., Ltd.	Chiyoda-ku, Tokyo, Japan
Staffing		
	RGF Staffing B.V.	Flevoland, Netherlands
	Japan	
	Recruit Staffing Co., Ltd.	Chuo-ku, Tokyo, Japan
	STAFF SERVICE HOLDINGS CO., LTD.	Chiyoda-ku, Tokyo, Japan
	Europe, US, and Australia	
	RGF Staffing France SAS	Moselle, France
	RGF Staffing Germany GmbH	Bayern, Germany
	RGF Staffing the Netherlands B.V.	Flevoland, Netherlands
	RGF Staffing UK Limited	London, United Kingdom
	Unique NV	Antwerp, Belgium
	Staffmark Group, LLC	Ohio, United States
	The CSI Companies, Inc.	Florida, United States
	Chandler Macleod Group Limited	New South Wales, Australia

Employees (as of March 31, 2023)

Segment	Number of employees
HR Technology	15,606
Matching & Solutions	23,446
Staffing	19,313
Holding Company corporate function	128
Total	58,493

- ¹ The number of employees includes employees that have been assigned to the Company from companies outside the Company and excludes employees that have been assigned to companies outside the Company. It also excludes that of contract employees.
- ² "Holding Company corporate function" represents employees in corporate functions of the Holding Company such as finance and risk management.
- ³ The number of employees increased by 6,736 compared to the previous fiscal year. This is mainly due to the increase of manpower for the expansion of the HR Technology and the Matching & Solution business, as well as the addition of part-time overseas employees to the total Staffing business headcounts, along with an increase in permanent dispatched employees in Japan. In addition, the headcount reduction announced in March 2023 by a subsidiary under the HR technology business will be reflected in FY2023.

Main Lenders (as of March 31, 2023)

Lenders	Amount borrowed (In millions of yen)
MUFG Bank, Ltd.	3,764
Sumitomo Mitsui Banking Corporation	2,835
Mizuho Bank, Ltd.	2,835
Sumitomo Mitsui Trust Bank, Limited	928
Resona Bank, Limited.	928
Mizuho Trust & Banking Co., Ltd.	428
The Bank of Yokohama, Ltd.	428
THE HOKURIKU BANK, LTD.	328

Status of Shares (as of March 31, 2023)

Total Number of Shares Authorized to be Issued	6,000,000,000
Total Number of Shares Issued	1,695,960,030
Number of Shareholders	106,176

Major Shareholders

Shareholder name	Number of shares	Shareholding ratio
The Master Trust Bank of Japan, Ltd. (Trust account)	291,418,400	17.69%
Custody Bank of Japan, Ltd. (Trust account)	113,236,695	6.87%
JP MORGAN CHASE BANK 385632	70,665,386	4.29%
SSBTC CLIENT OMNIBUS ACCOUNT	40,480,552	2.45%
Dai Nippon Printing Co., Ltd.	36,600,000	2.22%
The Master Trust Bank of Japan, Ltd. (ESOP Trust account 76826)	32,500,000	1.97%
Nippon Television Network Corporation	28,330,000	1.72%
The Master Trust Bank of Japan, Ltd. (ESOP Trust account 76719)	27,256,100	1.65%
STATE STREET BANK WEST CLIENT - TREATY 505234	25,493,394	1.54%
TOPPAN INC.	25,100,000	1.52%

¹ The Company's treasury stock (49,041,017 shares) is excluded in the calculation of the shareholding ratio. Treasury stock does not include the Company's stock held by the Board Incentive Plan Trust (1,883,815 shares) and the ESOP Trust (65,919,972 shares).

² A Report of Large Volume Holding that was made available for public inspection on May 11, 2020 reports that Sumitomo Mitsui Trust Asset Management Co., Ltd. and its joint holder Nikko Asset Management Co., Ltd. hold shares as given below as of April 30, 2020. However, their holdings are not reflected in the status of major shareholders above since the Company was not able to confirm beneficial ownership or the number of shares held as of March 31, 2023.

Overview of the Report of Large Volume Holding mentioned above is as follows.

Name	Number of shares	Shareholding ratio
Sumitomo Mitsui Trust Asset Management Co., Ltd.	48,135,600	2.84%
Nikko Asset Management Co., Ltd.	37,486,600	2.21%
Total	85,622,200	5.05%

³ A change report of the Report of Large Volume Holding that was made available for public inspection on July 21, 2020 reports that Nomura Securities Co., Ltd. and its joint holders NOMURA INTERNATIONAL PLC and Nomura Asset Management Co., Ltd. hold shares as given below as of July 15, 2020. However, their holdings are not reflected in the status of major shareholders above since the Company was not able to confirm beneficial ownership or the number of shares held as of March 31, 2023.

Overview of the change report is as follows.

Name	Number of shares	Shareholding ratio
Nomura Securities Co., Ltd.	2,572,647	0.15%
NOMURA INTERNATIONAL PLC	1,812,603	0.11%
Nomura Asset Management Co., Ltd.	83,182,100	4.90%
Total	87,567,350	5.16%

- ⁴ A change report of the Report of Large Volume Holding that was made available for public inspection on August 4, 2022 reports that BlackRock Japan Co., Ltd. and its joint holders BlackRock Advisers, LLC, BlackRock Investment Management LLC, BlackRock (Netherlands) BV, BlackRock Fund Managers Limited, BlackRock Asset Management Ireland Limited, BlackRock Fund Advisors, BlackRock Institutional Trust Company, N.A., and BlackRock Investment Management (UK) Limited hold shares as given below as of July 29, 2022. However, their holdings are not reflected in the status of major shareholders above since the Company was not able to confirm beneficial ownership or the number of shares held as of March 31, 2023.

Overview of the change report is as follows.

Name	Number of shares	Shareholding ratio
BlackRock Japan Co., Ltd.	28,939,500	1.71%
BlackRock Advisers, LLC	4,827,561	0.28%
BlackRock Investment Management LLC	2,724,027	0.16%
BlackRock (Netherlands) BV	4,513,777	0.27%
BlackRock Fund Managers Limited	3,627,512	0.21%
BlackRock Asset Management Ireland Limited	10,341,856	0.61%
BlackRock Fund Advisors	23,920,063	1.41%
BlackRock Institutional Trust Company, N.A.	21,603,383	1.27%
BlackRock Investment Management (UK) Limited	2,278,989	0.13%
Total	102,776,668	6.06%

- ⁵ A Report of Large Volume Holding that was made available for public inspection on September 26, 2022 reports that Capital Research and Management Company and its joint holder Capital International K.K. hold shares as given below as of September 15, 2022. However, their holdings are not reflected in the status of major shareholders above since the Company was not able to confirm beneficial ownership or the number of shares held as of March 31, 2023.

Overview of the Report of Large Volume Holding mentioned above is as follows.

Name	Number of shares	Shareholding ratio
Capital Research and Management Company	90,264,909.23	5.32%
Capital International K.K.	1,776,500	0.10%
Total	92,041,409.23	5.43%

The details of the BIP Trust compensation that was awarded to executives during FY2022 are as follows.

Type	Category	Number of shares	Number of recipients
BIP Trust	Directors (Excluding independent Directors)	36,300	1
	independent Directors	0	0

Status of Stock Acquisition Rights

Status of Stock Acquisition Rights as of March 31, 2023

Stock acquisition rights issued based on the resolutions of the Annual Meeting of Shareholders held on June 20, 2013 and of the meeting of the Board of Directors held on July 31, 2013.

- Number of stock acquisition rights: 73
- Type and number of shares subject to stock acquisition rights
Common stock: 219,000 shares (3,000 shares per 1 stock acquisition right)
- Issuance price of the stock acquisition right
Stock acquisition rights shall be issued free of charge.
- Amount to be paid upon exercise of the stock acquisition rights: 1 yen
- Period during which stock acquisition rights may be exercised
September 1, 2013 to August 31, 2033
- Terms for exercising stock acquisition rights
Persons allotted with stock acquisition rights can only exercise these rights within 10 days from the date on which they lose their positions as a Director, Senior Vice President, or Corporate Professional Officer of the Company.
- Status of stock acquisition rights held by the Directors and Senior Vice Presidents of the Company

	Number of stock acquisition rights	Type of shares subject to stock acquisition rights	Number of shares subject to stock acquisition rights	Number of holders
Directors (excluding independent Directors)	52	Common stock	156,000 shares	2
Senior Vice Presidents	21	Common stock	63,000 shares	1

Stock acquisition rights issued based on the resolutions of the Annual Meeting of Shareholders held on June 26, 2014 and of the meeting of the Board of Directors held on November 13, 2014

- Number of stock acquisition rights: 80
- Type and number of shares subject to stock acquisition rights
Common stock: 240,000 shares (3,000 shares per 1 stock acquisition right)
- Issuance price of the stock acquisition right
Stock acquisition rights shall be issued free of charge.
- Amount to be paid upon exercise of the stock acquisition rights: 1 yen
- Period during which stock acquisition rights may be exercised
December 27, 2014 to December 26, 2034
- Terms for exercising stock acquisition rights
Persons allotted with stock acquisition rights can only exercise these rights within 10 days from the date on which they lose their positions as a Director, Senior Vice President, or Corporate Professional Officer of the Company.
In the event of the death of the Director, Senior Vice President or Corporate Professional Officer, their heirs may exercise the stock acquisition rights within one year from the time of death or by the final date of the exercise period, whichever comes first.
- Status of stock acquisition rights held by the Directors and Senior Vice Presidents of the Company

	Number of stock acquisition rights	Type of shares subject to stock acquisition rights	Number of shares subject to stock acquisition rights	Number of holders
Directors (excluding independent Directors)	67	Common stock	201,000 shares	2
Senior Vice Presidents	13	Common stock	39,000 shares	1

Stock acquisition rights issued based on the resolution of the meeting of the Board of Directors held on August 10, 2015.

- Number of stock acquisition rights: 844
- Type and number of shares subject to stock acquisition rights
Common stock: 253,200 shares (300 shares per 1 stock acquisition right)
- Issuance price of the stock acquisition right
Stock acquisition rights shall be issued free of charge.
- Amount to be paid upon exercise of the stock acquisition rights: 1 yen
- Period during which stock acquisition rights may be exercised
September 26, 2015 to September 25, 2035
- Terms for exercising stock acquisition rights
Persons allotted with stock acquisition rights can only exercise these rights within 10 days from the date on which they lose their positions as a Director, Senior Vice President, or Corporate Professional Officer of the Company (if the person allotted with stock acquisition rights had already lost all of the positions on the date of the allotment of stock acquisition rights, said person can exercise these rights within one year from the day following the date of allotment of stock acquisition rights).
In the event of the death of the Director, Senior Vice President or Corporate Professional Officer, their heirs may exercise the stock acquisition rights within one year from the time of death or by the final date of the exercise period, whichever comes first.
- Status of stock acquisition rights held by the Directors and Senior Vice Presidents of the Company

	Number of stock acquisition rights	Type of shares subject to stock acquisition rights	Number of shares subject to stock acquisition rights	Number of holders
Directors (excluding independent Directors)	667	Common stock	200,100 shares	2
Senior Vice Presidents	177	Common stock	53,100 shares	2

Stock acquisition rights issued based on the resolution of the meeting of the Board of Directors held on July 16, 2019.

- Number of stock acquisition rights: 3,453
- Type and number of shares subject to stock acquisition rights
Common stock: 345,300 shares (100 shares per 1 stock acquisition right)
- Issuance price of the stock acquisition right
Stock acquisition rights shall be issued free of charge.
- Amount to be paid upon exercise of the stock acquisition rights: 3,718 yen
- Period during which stock acquisition rights may be exercised
July 31, 2019 to July 30, 2029

- Terms for exercising stock acquisition rights

Stock acquisition rights cannot be exercised in fractional portions.

If persons allotted with stock acquisition rights (the "Stock Acquisition Right Holder") lose their positions as a Director or Senior Vice President of the Company, they may exercise the stock acquisition rights within three years from the date on which they lose their positions or by the final date of the exercise period, whichever comes first.

A Stock Acquisition Right Holder may not pledge or otherwise dispose of the stock acquisition rights.

Other conditions will be set out in the stock acquisition rights allotment agreement to be executed between the Company and the Stock Acquisition Right Holder pursuant to the resolution of the Company's Board of Directors.

- Status of stock acquisition rights held by the Directors and Senior Vice Presidents of the Company

	Number of stock acquisition rights	Type of shares subject to stock acquisition rights	Number of shares subject to stock acquisition rights	Number of holders
Directors (excluding independent Directors)	2,618	Common stock	261,800 shares	4
Senior Vice Presidents	835	Common stock	83,500 shares	4

Stock acquisition rights issued based on the resolution of the meeting of the Board of Directors held on July 8, 2020.

- Number of stock acquisition rights: 2,640
- Type and number of shares subject to stock acquisition rights
Common stock: 264,000 shares (100 shares per 1 stock acquisition right)
- Issuance price of the stock acquisition right
Stock acquisition rights shall be issued free of charge.
- Amount to be paid upon exercise of the stock acquisition rights: 3,558 yen
- Period during which stock acquisition rights may be exercised
July 27, 2020 to July 26, 2030
- Terms for exercising stock acquisition rights

Stock acquisition rights cannot be exercised in fractional portions.

If persons allotted with stock acquisition rights (the “Stock Acquisition Right Holder”) lose their positions as a Director or Senior Vice President of the Company, they may exercise the stock acquisition rights within three years from the date on which they lose their positions or by the final date of the exercise period, whichever comes first.

A Stock Acquisition Right Holder may not pledge or otherwise dispose of the stock acquisition rights.

Other conditions will be set out in the stock acquisition rights allotment agreement to be executed between the Company and the Stock Acquisition Right Holder pursuant to the resolution of the Company’s Board of Directors.

- Status of stock acquisition rights held by the Directors and Senior Vice Presidents of the Company

	Number of stock acquisition rights	Type of shares subject to stock acquisition rights	Number of shares subject to stock acquisition rights	Number of holders
Directors (excluding independent Directors)	2,000	Common stock	200,000 shares	4
Senior Vice Presidents	640	Common stock	64,000 shares	4

Stock acquisition rights issued based on the resolution of the meeting of the Board of Directors held on July 14, 2021.

- Number of stock acquisition rights: 7,045
- Type and number of shares subject to stock acquisition rights
Common stock: 704,500 shares (100 shares per 1 stock acquisition right)
- Issuance price of the stock acquisition right
Stock acquisition rights shall be issued free of charge.
- Amount to be paid upon exercise of the stock acquisition rights: 5,762 yen
- Period during which stock acquisition rights may be exercised
April 1, 2022 to July 28, 2031
- Terms for exercising stock acquisition rights
Stock acquisition rights cannot be exercised in fractional portions.

If persons allotted with stock acquisition rights (the “Stock Acquisition Right Holder”) lose their positions as a Director or Senior Vice President of the Company, they may exercise the stock acquisition rights within three years from the date on which they lose their positions or by the final date of the exercise period, whichever comes first.

A Stock Acquisition Right Holder may not pledge or otherwise dispose of the stock acquisition rights.

Other conditions will be set out in the stock acquisition rights allotment agreement to be executed between the Company and the Stock Acquisition Right Holder pursuant to the resolution of the Company’s Board of Directors.

- Status of stock acquisition rights held by the Directors and Senior Vice Presidents of the Company

	Number of stock acquisition rights	Type of shares subject to stock acquisition rights	Number of shares subject to stock acquisition rights	Number of holders
Directors (excluding independent Directors)	6,244	Common stock	624,400 shares	4
Senior Vice Presidents	801	Common stock	80,100 shares	4

Stock acquisition rights issued based on the resolution of the meeting of the Board of Directors held on July 8, 2022.

- Number of stock acquisition rights: 5,044
- Type and number of shares subject to stock acquisition rights
Common stock: 504,400 shares (100 shares per 1 stock acquisition right)
- Issuance price of the stock acquisition right
Stock acquisition rights shall be issued free of charge.
- Amount to be paid upon exercise of the stock acquisition rights: 4,700 yen
- Period during which stock acquisition rights may be exercised
April 1, 2023 to July 24, 2032
- Terms for exercising stock acquisition rights
Stock acquisition rights cannot be exercised in fractional portions.

If persons allotted with stock acquisition rights (the “Stock Acquisition Right Holder”) lose their positions as a Director or Senior Vice President or employees of the Company, they may exercise the stock acquisition rights within three years from the date on which they lose their positions or by the final date of the exercise period, whichever comes first.

A Stock Acquisition Right Holder may not pledge or otherwise dispose of the stock acquisition rights.

Other conditions will be set out in the stock acquisition rights allotment agreement to be executed between the Company and the Stock Acquisition Right Holder pursuant to the resolution of the Company’s Board of Directors.

- Status of stock acquisition rights held by the Directors and Senior Vice President and key management personnels of the Company

	Number of stock acquisition rights	Type of shares subject to stock acquisition rights	Number of shares subject to stock acquisition rights	Number of holders
Directors (excluding independent Directors)	2,290	Common stock	229,000 shares	3
Senior Vice President and key management personnels	2,754	Common stock	275,400 shares	9

Status of Stock Acquisition Rights Granted in FY2022

Stock acquisition rights issued based on the resolution of the meeting of the Board of Directors held on July 8, 2022.

- Number of stock acquisition rights: 5,044
- Type and number of shares subject to stock acquisition rights
Common stock: 504,400 shares (100 shares per 1 stock acquisition right)
- Issuance price of the stock acquisition right
Stock acquisition rights shall be issued free of charge.
- Amount to be paid upon exercise of the stock acquisition rights: 4,700 yen
- Period during which stock acquisition rights may be exercised
April 1, 2023 to July 24, 2032
- Terms for exercising stock acquisition rights
Stock acquisition rights cannot be exercised in fractional portions.

If persons allotted with stock acquisition rights (the "Stock Acquisition Right Holder") lose their positions as a Director or Senior Vice President or employees of the Company, they may exercise the stock acquisition rights within three years from the date on which they lose their positions or by the final date of the exercise period, whichever comes first.

A Stock Acquisition Right Holder may not pledge or otherwise dispose of the stock acquisition rights.

Other conditions will be set out in the stock acquisition rights allotment agreement to be executed between the Company and the Stock Acquisition Right Holder pursuant to the resolution of the Company's Board of Directors.

- Status of stock acquisition rights held by the Directors and Senior Vice President and key management personnels of the Company.

	Number of stock acquisition rights	Type of shares subject to stock acquisition rights	Number of shares subject to stock acquisition rights	Number of holders
Directors (excluding independent Directors)	2,290	Common stock	229,000 shares	3
Senior Vice President and key management personnels	2,754	Common stock	275,400 shares	9

Independent Directors and Independent Audit & Supervisory Board Members

Relationship between Significant Entities Where Independent Directors and Independent Audit and Supervisory Board Members Hold Concurrent Positions and the Company

Name	Relationship
<p>Naoki Izumiya (Appointed in June 2018)</p>	<p>Naoki Izumiya has within the past 10 years served as Chairman and Representative Director of Asahi Group Holdings, Ltd., and serves as Independent Director of Obayashi Corporation.</p> <p>These companies have business relationships with the Company. However, such transactions account for less than 1% of the consolidated revenue of these companies and Recruit Holdings, respectively, and are thus too small to be material.</p> <p>Therefore, the Company believes that Mr. Izumiya has sufficient independence where there are no potential conflicts of interests with general shareholders.</p>
<p>Hiroki Totoki (Appointed in June 2018)</p>	<p>Hiroki Totoki currently serves as Director, Executive Deputy President and CFO, Representative Corporate Executive Officer of Sony Group Corporation, which has a business relationship with the Company.</p> <p>However, such transactions account for less than 1% of the consolidated revenue of Sony Group Corporation and Recruit Holdings, respectively, and are thus too small to be material.</p> <p>Therefore, the Company believes that Mr. Totoki has sufficient independence where there are no potential conflicts of interests with general shareholders.</p>
<p>Keiko Honda (Appointed in June 2022)</p>	<p>Keiko Honda currently serves as Independent Director of AGC, Outside Director of Mitsubishi UFJ Financial Group, and Adjunct Professor and Adjunct Senior Research Scholar at Columbia University School of International and Public Affairs. They have business relationships with the Company. However, such transactions account for less than 1% of the consolidated revenue of these companies and Recruit Holdings, respectively, and are thus too small to be material.</p> <p>In addition, she has within the past 10 years served as CEO and Executive Vice President of Multilateral Investment Guarantee Agency (World Bank Group), which has no material business relationship with the Company.</p> <p>Therefore, the Company believes that Ms. Honda has sufficient independence where there are no potential conflicts of interests with general shareholders.</p>

Yoichiro Ogawa
(Appointed in June 2020)

Yoichiro Ogawa currently works as Chief of Yoichiro Ogawa CPA Office, which has no material business relationship with the Company.

In addition, he has within the past 10 years worked for Deloitte Touche Tohmatsu Limited, Deloitte Touche Tohmatsu LLC, and the Deloitte Tohmatsu Group, and currently serves as Independent Director of Honda Motor Co., Ltd. These companies have business relationships with the Company. However, such transactions account for less than 1% of the sales of those companies and Recruit Holdings consolidated revenue, respectively, and are thus too small to be material.

Therefore, the Company believes that Mr. Ogawa has sufficient independence where there are no potential conflicts of interests with general shareholders.

Katsuya Natori
(Appointed in June 2020)

Katsuya Natori currently serves as Managing Partner of ITN Partners, Outside Audit and Supervisory Board Member of circlace, Inc. and Hino Motors, Ltd., and Independent Director of TOKYO ROPE MFG. CO., LTD.

These companies have business relationships with the Company. However, such transactions account for less than 1% of the consolidated revenue of these companies. and Recruit Holdings, respectively, and are thus too small to be material.

In addition, he serves as Supervisory Director of Global One Real Estate Investment Corporation, which has no material business relationship with the Company.

Therefore, the Company believes that Mr. Natori has sufficient independence where there are no potential conflicts of interests with general shareholders.

Independence Criteria of Independent Directors and Independent Audit and Supervisory Board Members

The Company selects independent Directors and independent Audit and Supervisory Board members in accordance with the independence standards established by the Tokyo Stock Exchange. In addition, the Company has a policy to select candidates who meet all of the following criteria:

- In case the candidate, or an entity for which the candidate serves as an executive member, is a shareholder of the Company, the voting rights held by the candidate or the entity should not exceed 10%.
- Transactions between the Company and the entity, where the candidate is an executive member, should not exceed 1% of the Company's consolidated revenue during the most recent fiscal year.
- Transactions between the Company and the entity, where the candidate is an executive member, should not exceed 1% of the consolidated revenue of the entity to which the candidate belongs during the most recent fiscal year.

Relationship with Major Business Partners and Other Specified Associated Service Providers

Not applicable to any of the independent Directors and independent Audit and Supervisory Board members.

Activities of Independent Directors and Independent Audit and Supervisory Board Members during FY2022

For the attendance record of each person at the Board of Directors meetings, the Audit and Supervisory Board meetings, and Committees during FY2022, please refer to "Composition and Attendance of the Board and Committees as of March 31, 2023" in the "Corporate Governance Overview."

Naoki Izumiya, Independent Director

Naoki Izumiya has made statements in the Board of Directors meeting from a practical perspective as an independent Director, based on his deep insight cultivated through his experience as President and Representative Director as well as Chairman of the Board of Asahi Group Holdings, Ltd., a global manufacturing company, and as an outside Director of listed companies.

As Chairman of the Nominating Committee he demonstrated strong leadership, in improving the transparency of the selection process of Directors and Senior Vice Presidents, including the CEO. He also served as a member of the Compensation Committee, and contributed to discussions surrounding the compensation and evaluation of Directors and Senior Vice Presidents.

Hiroki Totoki, Independent Director

Hiroki Totoki has made statements in the Board of Directors meeting from a practical perspective as an independent Director, based on his deep insight cultivated through his experience as Director, Executive Deputy President and CFO, Representative Corporate Executive Officer of Sony Group Corporation, a global company with diversified business portfolios, and as Director of its group companies.

As Chairman of the Compensation Committee, he demonstrated strong leadership in discussions on the compensation and evaluation of Directors and Senior Vice Presidents. He also served as a member of the Nomination Committee and contributed to discussions and to improving transparency in the process of appointing Directors and Senior Vice Presidents, including the CEO.

Keiko Honda, Independent Director

Keiko Honda has made statements in the Board of Directors meeting from a practical perspective as an independent Director, based on her deep insight cultivated through her experience in key roles in both financial institutions and consulting firms.

She contributed to discussions as a member of the Nomination Committee and to improving transparency in the process of appointing Directors and Senior Vice Presidents, including the CEO.

She also contributed to discussions as a member of the Compensation Committee on the compensation and evaluation of Directors and Senior Vice Presidents.

Yoichiro Ogawa, Independent Audit and Supervisory Board Member

Yoichiro Ogawa made statements in the Board of Directors meeting from a neutral and objective perspective as an independent Audit and Supervisory Board member, based on international accounting knowledge gained as a certified public accountant and extensive international experience gained through management experience at a global accounting firm.

He has served as a Representative of the Asia-Pacific Region at Deloitte Touche Tohmatsu Limited, and CEO of Deloitte Tohmatsu Group. Based on his career and his deep insight of accounting knowledge cultivated as a certified public accountant as well as a wealth of international experience he amassed as CEO of the Deloitte Tohmatsu Group, he made statements from a neutral and objective perspective as an independent Audit and Supervisory Board Member.

He also contributed to discussions as a member of the Nomination Committee and to improving transparency in the process of appointing Directors and Senior Vice Presidents, including the CEO.

Katsuya Natori, Independent Audit and Supervisory Board Member

Katsuya Natori made statements in the Board of Directors meeting from a neutral and objective perspective as an independent Audit and Supervisory Board member, based on a high level of insight in corporate and international legal affairs cultivated through experience as a lawyer and as head of the legal department of a global IT company.

Based on his career and a wealth of international experience he has amassed as a Director at global companies, he made statements from a neutral and objective perspective as an independent Audit and Supervisory Board Member. He has served as General Counsel at Apple Japan, Inc., General Counsel at Oracle Information Systems (Japan) G.K., General Counsel and Executive Officer at Fast Retailing Co., Ltd., Vice President of Global Process Services at IBM Japan, Ltd.

He also contributed to discussions as a member of both the Compensation Committee on the compensation and evaluation of Directors and Senior Vice Presidents.

Independent Auditor

Name

Ernst & Young ShinNihon LLC

Amount of Compensation

Compensation for Audit in FY2022

474 million yen

Total amount of monetary and other financial benefits payable by the Company to the Independent Auditor

684 million yen

- * The audit engagement entered into by the Company and the Independent Auditor does not clearly distinguish the amount of auditor compensation etc. for audits prescribed in the Companies Act of Japan and those prescribed in the Financial Instruments and Exchange Act. Therefore, the compensation for the audit above shows the total amount of such compensation.
- * The Audit and Supervisory Board verified the contents of the audit plan which included the auditing time, change in the amount of audit compensation, as well as the audit plan and its performance results in previous years, and as a result of careful review on the adequacy of the amount of compensation, has approved the amount of compensation, etc. to be paid to the Independent Auditor, pursuant to the provisions of Article 399, Paragraph 1 of the Companies Act of Japan.
- * Some of the consolidated subsidiaries of the Company undergo an audit by audit corporations other than the Independent Auditor of the Company.

Description of Non-audit Business

The Company retains the Independent Auditor for services including various advisory services as non-audit businesses and pays compensation for such services.

Policy regarding Determination of Dismissal or Non-reappointment of Independent Auditor

In the case that the Independent Auditor falls under any of the items prescribed in Article 340, Paragraph 1 of the Companies Act of Japan, the Audit and Supervisory Board shall dismiss the Independent Auditor upon consent of all Audit and Supervisory Board members. In cases other than above, where the conduct of a proper audit is deemed difficult due to factors such as the occurrence of an event damaging the eligibility and independence of the Independent Auditor, the Audit and Supervisory Board shall propose the dismissal or non-reappointment of the Independent Auditor to a Shareholders Meeting.

Internal Controls and Their Operational Status

Internal Controls

Important details of the Company's internal control policies, procedures, and processes were approved as follows by resolution of the Board of Directors meeting on March 18, 2022.

Measures to Ensure That Directors and Employees of the Company Comply with Laws and Regulations and the Articles of Incorporation in the Execution of Their Duties

Governance Structure

- A Board of Directors, which must include independent Directors, shall be established at the Company to carry out decision-making on important matters.
- An Audit and Supervisory Board, which shall include independent Audit and Supervisory Board members, shall be established at the Company. The Company's Audit and Supervisory Board members shall audit the execution of duties by the Company's Directors by attending meetings of the Board of Directors and other important meetings and investigating the state of operations and similar matters on the basis of the audit standards established by the Audit and Supervisory Board.
- The Company shall establish a Nomination Committee and Compensation Committee, each chaired by an independent Director, to conduct deliberations on the nomination, appointment, evaluation and compensation of the Directors and Senior Vice Presidents.
- The Company shall dispatch its Directors to each SBU Headquarters, such that the Company's Directors account for a majority of the Board of Directors of each SBU Headquarters and supervise the management of each SBU Headquarters.

Internal Audit

- An Internal Audit Department shall be established within the Company, under the direct control of the Representative Director, President, CEO, and shall conduct audits of the Company's managers, employees, and similar personnel (collectively, "Recruit Affiliated Persons") and their compliance with laws and regulations, as well as the Articles of Incorporation and company policies.

Code of Ethics and Internal Policies

- The "Recruit Group Code of Ethics" shall be established and all Recruit Affiliated Persons shall be informed thereof.
- While giving due consideration to the autonomy and independence of the Company's subsidiaries, the "Recruit Group Policies" shall be established as shared group-wide policies for Recruit Holdings and its subsidiaries on matters such as decision-making, investment management, finance, human resource management, risk management, and compliance, in order to realize unified group-wide management of the whole Company.

Structure for Compliance

- The Company shall establish the "Recruit Group Compliance Policy" that sets forth basic policies regarding compliance. The Company's Board of Directors shall appoint an individual with ultimate responsibility for compliance, establish a department in charge of compliance, make decisions on basic group-wide compliance policies, and monitor the effectiveness of the compliance measures. The Representative Director, President and CEO, shall convene and serve as chairperson of the

Compliance Committee and shall evaluate the effectiveness of each SBU's compliance program and make decisions on the group-wide compliance plan at the Business Strategy Meeting.

- The Board of Directors of each SBU Headquarters shall appoint an individual with ultimate responsibility for compliance at the SBU, make decisions on the SBU's basic compliance policies, and monitor the effectiveness of the SBU's compliance measures. The CEO of each SBU Headquarters shall convene and serve as chairperson of the Compliance Committee for the SBU and shall evaluate the effectiveness of the SBU's compliance and make decisions on and inspections of the SBU Headquarters' operational plans.
- The CEO of each subsidiary of the Company shall appoint an individual with ultimate responsibility for compliance at the subsidiary, evaluate the effectiveness, and make decisions on and inspections of the subsidiary's operational plans of its compliance.

Whistleblowing Policy

- The Holding Company and its subsidiaries shall establish measures, including reporting hotlines for harassment and/or illegal or other improper behavior, to promptly transmit information to the applicable department in charge of compliance within the Company or the relevant subsidiary, in the event that a Recruit Affiliated Person discovers a potential issue related to internal controls. The department in charge of compliance that receives the report shall promptly and thoroughly investigate the matter, decide on response measures in consultation with the related departments, and implement appropriate response measures.

Training

- The Holding Company and its subsidiaries shall plan and conduct necessary training for Recruit Affiliated Persons to ensure compliance with the "Recruit Group Code of Ethics" and internal policies.

Disciplinary Actions

- In the event that a violation of laws, regulations, internal policies, or other compliance rules is discovered, the Holding Company and its subsidiaries shall impose strict measures against any Recruit Affiliated Persons involved in such violation.

Preventing All Relationships with Anti-Social Forces

- The Company shall establish procedures to prevent all relationships, including business relationships, with anti-social forces, as defined by the Japanese government.

Policies and Procedures concerning Retention and Management of Information regarding the Execution of Duties by the Company's Directors

- The Holding Company shall establish the "Documents and Contracts Management Policy," providing for the creation and retention of documents and materials related to Directors' execution of their duties, including documents such as the minutes of Annual Meetings of Shareholders, meetings of the Board of Directors, and Business Strategy Meetings.
- The length of time of, and department responsible for, the retention of the documents described in the previous paragraph shall be as set forth in the "Documents and Contracts Management Policy." Documents shall be retained in a manner that allows them to be viewed upon request by Recruit Holdings' Directors and Audit and Supervisory Board members.

Internal Policies and Other Measures concerning Management of Risk of Loss

- The Company shall establish the “Recruit Group Risk Management Policy” and “Recruit Group Risk Escalation Rules” to provide comprehensive, group-wide risk management.
- The Company’s Board of Directors shall appoint an individual with ultimate responsibility for group-wide risk management, establish a department in charge of risk management, and make decisions on the basic policies regarding, and monitor the status of, the Company’s risk management. In addition, the Risk Management Committee, chaired by the Director responsible for group-wide risk management, shall monitor risk management within each SBU and identify risks. Based on the results of these committee meetings, the Business Strategy Meeting shall identify and determine risks requiring particular attention at the group level and discuss measures to mitigate such risks.
- The Board of Directors of each SBU Headquarters shall appoint an individual with ultimate responsibility for risk management at the SBU and make decisions on basic policies regarding, and monitor the status of, the SBU’s risk management. In addition, through the SBU Risk Management Committee attended by those responsible for the respective management functions of each SBU Headquarters, the Board of Directors of each SBU Headquarters shall monitor the status of risk management at each SBU as well as identify and determine the risks deserving of particular attention.
- The CEO of each of the Company’s subsidiaries shall be ultimately responsible for risk management at the subsidiary and shall appoint an individual to oversee risk management at the subsidiary, identify risks for the subsidiary and determine the significance of such risks.
- If a serious incident occurs that may affect the Company as a whole, the Company shall establish a crisis management task force to address the situation.

Measures to Ensure the Efficient Execution of Duties by the Company’s Directors and Its Subsidiaries

- The Company’s Board of Directors or the Business Strategy Meeting shall set group-wide management targets for the Company and shall make these targets widely known within the Company as a whole, while also setting specific targets to be achieved by each function of the Company in order to achieve the group-wide targets. The Company’s Senior Vice Presidents in charge of each function shall determine and execute efficient methods of achieving these targets.
- The Company’s Board of Directors shall regularly review the Company’s progress in achieving these targets and, by promoting improvements such as eliminating or reducing factors that impede efficiency and increase the likelihood of achieving the targets.
- The Company shall establish a Business Strategy Meeting as an advisory body to the CEO and shall carry out discussions on necessary matters regarding management of the Company as a whole.
- In addition, expert committees such as the Sustainability Committee shall be set up as advisory bodies to the Company’s Board of Directors and the Business Strategy Meeting.

Policies and Procedures to Ensure the Reliability of Internal Controls for Financial Reporting

- The Company shall establish the “J-SOX General Policy,” the policy for the Japanese regulatory framework similar to Sarbanes-Oxley (SOX), and a system of internal control for financial reporting

based on the internal control reporting system described in the Financial Instruments and Exchange Act of Japan.

Policies and Procedures concerning Reporting to the Holding Company regarding the Execution of Duties by Subsidiaries' Directors and Similar Persons

- The Holding Company shall establish internal divisions to oversee each SBU. Based on requests from such oversight divisions, Directors of the subsidiaries shall regularly report their business results and the status of implementation of their business strategies to their respective oversight divisions.
- The Holding Company and SBU Headquarters shall share information regarding their management activities on a regular basis, and discuss management policies, as needed.
- The Company shall establish the “Group Management Policy of the Recruit Group” and require the Company’s subsidiaries to obtain approval of the Holding Company regarding important issues and make a prior confirmation with or subsequent report to the relevant departments of the Company.

Matters concerning Appointment of Employees to Assist Audit and Supervisory Board Members in Their Audit Duties

- The Company shall appoint one or more persons as “Assistants to support the Company’s Audit and Supervisory Board members” (“Assistants”) and make an official announcement of the appointment.

Matters relating to Ensuring the Independence of Employees from the Company’s Directors Described in the Preceding Item and the Effectiveness of Instructions Given to the Employees

- Assistants shall only follow the directions provided by the Audit and Supervisory Board members in supporting their duties. The opinions of the Audit and Supervisory Board members and the Audit and Supervisory Board shall be respected with regard to the appointment, transfer, evaluation, and discipline of these Assistants.

Procedures concerning Reports to the Company’s Audit and Supervisory Board Members

- Recruit Affiliated Persons and the Company’s Independent Auditor shall report to the applicable Audit and Supervisory Board members of the Company on the matters set forth below. Measures shall be put in place to allow for reporting in a timely manner by means of meetings, interviews, telephone, email, and similar methods.
 - Material matters regarding business management
 - Matters that have the potential to cause significant loss to the Company
 - Material matters regarding internal auditing and risk management
 - Material violations of laws, regulations, or the Articles of Incorporation
 - Any other material matters regarding internal controls
- The Company’s Audit and Supervisory Board members and the Internal Audit Department shall cooperate with the Directors and Audit and Supervisory Board members of each SBU Headquarters and its subsidiaries as needed and share information on a regular basis.

Measures to Ensure That Individuals Reporting on Matters Described in the Preceding Item Are Not Unfavorably Treated on the Basis of Such Reporting

- The Company shall establish the “Recruit Group Compliance Policy” under which any individual who has made a report described in the preceding item may not be subjected to unfavorable treatment such as dismissal, unjustified transfer, or similar measures due to him or her reporting such matters in good faith.

Matters relating to Policies concerning Procedures for Making Advance Payments or Reimbursements of Expenses Incurred in Connection with the Execution of Duties by the Company’s Audit and Supervisory Board Members and Treatment of Other Expenses or Obligations Associated with the Execution of Duties by These Members

- The Company shall bear the costs of the budget requested in advance by the Audit and Supervisory Board members for expenses necessary to execute their duties. In addition, the Company’s Audit and Supervisory Board members may request payment from the Company of expenses incurred in urgent or unexpected circumstances, and the Company shall bear such costs.

Other Measures to Ensure the Effectiveness of Audits by Audit and Supervisory Board Members

- The Company’s Audit and Supervisory Board members and Audit and Supervisory Board shall hold regular meetings to exchange opinions with the Representative Director, President, CEO and with the Company’s Independent Auditor, respectively.

Overview of Operational Status of Internal Controls

The Company endeavors to develop and appropriately operate its internal controls based on the resolution described above by having the Internal Audit Department carry out inspections.

A description of the main points of the operational status of internal controls during FY2022 is as follows.

Compliance Initiatives

- The Company provided compliance training to Recruit Affiliated Persons based on group-wide policies on information management and the prevention of insider trading, in addition to other policies such as the “Recruit Group Code of Ethics” and “Recruit Group Compliance Policy,” to increase awareness of compliance.
- Based on the “Recruit Group Compliance Policy,” the Company has set up a group-wide consultation hotline for the purpose of preventing violations of laws and regulations and other improper activities. The “Recruit Group Compliance Policy” provides that any individual who makes a report through the hotline shall not be subject to unfavorable treatment by the Company on the basis of making such a report. The status of internal reporting and consultations made on the Company’s hotline was reported regularly to the Board of Directors.
- Based on the information collected from the Company’s administrative division and subsidiaries, the status of group-wide compliance was deliberated in the Compliance Committee, after which the Company determined appropriate measures to be taken and reported the measures and their implementation status to the Board of Directors. Based on the determined policies, meetings of the SBU Compliance Committee were held at each SBU.
- Internal audits were performed by the Internal Audit Department, which is under the direct supervision of the Representative Director, President and CEO. The Internal Audit Department performed audits of each division of Recruit Holdings and its subsidiaries in accordance with the annual plan approved by the Board of Directors and reported to the President and Representative

Director as well as the Board of Directors.

Risk Management Initiatives

- The Company worked to achieve widespread understanding of the “Recruit Group Risk Management Policy,” which defines the risk management objectives, procedures, and methods of managing risk in the Company as a whole, and the “Recruit Group Risk Escalation Rules,” which aim to ensure immediate reporting and sharing of information in the event of a crisis, by posting them on the Company’s intranet, among other measures.
- In accordance with the “Recruit Group Risk Management Policy,” meetings of the SBU Risk Management Committee were held at each SBU. Based on information collected from each committee and the Company’s administrative division, matters concerning risks identified and remedial measures were determined at meetings of the Risk Management Committee, after which the Company reported to the Board of Directors which risks required focused efforts. The progress of remedial measures was confirmed by the same process.

Initiatives to Promote Appropriate and Efficient Execution of Professional Duties

- During FY2022, the Board of Directors of the Company met 8 times. In addition to resolutions on matters reserved for the decision of the Board of Directors pursuant to laws and regulations and the Company’s Articles of Incorporation, the Board of Directors also made decisions on matters that may have a major impact on the Recruit Group Management Philosophy, the Company’s corporate governance, and the Company’s consolidated financial results as well as the reputation of the Company as a whole.
- During FY2022, the Business Strategy Meeting, an advisory body to the Company’s CEO, was held 11 times. The meeting acted as a platform to ascertain the state of business execution by each business division and deliberate on important matters delegated by the Board of Directors, thereby enabling the CEO of the Company to apply a flexible decision-making process.

Management of Subsidiaries

- Based on the “Group Management Policy of the Recruit Group” and similar standards, the Company decided important matters regarding its subsidiaries and received subsequent reports from the subsidiaries regarding such matters.
- The Company’s monthly business results were reported to the Board of Directors, which confirmed and deliberated matters including progress toward achieving the Company’s management targets, management issues, and response measures.

Activities of Audit and Supervisory Board Members

- Reporting and information disclosure to Audit and Supervisory Board members were conducted at important Company meetings by ensuring opportunities for Audit and Supervisory Board members to attend these meetings.
- Audit and Supervisory Board members worked to increase the effectiveness of their audits primarily by holding regular information-sharing meetings with Audit and Supervisory Board members of the Company’s subsidiaries, and Directors of its subsidiaries in charge of audits. They also held regular meetings with the Internal Audit Department and Independent Auditor of the Company. In addition, Senior Vice Presidents of the Company reported to Audit and Supervisory Board members on business results, the state of business operations, the development of internal controls, and similar matters, to enhance the effectiveness of audits conducted by Audit and Supervisory Board members.

- The Representative Director, President and CEO and Audit and Supervisory Board members held regular meetings to exchange opinions.
- The Company has appointed an “Assistant to support the Company Audit and Supervisory Board Members” in their duties. The Company ensures the independence of such Assistants from the Directors, which includes respecting the opinions of the Audit and Supervisory Board members with regard to the appointment, transfer, evaluation, and discipline of these Assistants.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Financial Position

As of March 31, 2023

(In millions of yen)

Description	Amount
Assets	
Current assets	1,465,342
Cash and cash equivalents	877,370
Trade and other receivables	527,558
Other financial assets	6,629
Other assets	53,784
Non-current assets	1,327,939
Property and equipment	70,990
Right-of-use assets	185,036
Goodwill	462,977
Intangible assets	187,634
Investments in associates and joint ventures	26,967
Other financial assets	228,326
Deferred tax assets	161,301
Other assets	4,704
Total assets	2,793,281
Liabilities	
Current liabilities	782,777
Trade and other payables	349,916
Bonds and borrowings	33,845
Lease liabilities	41,167
Other financial liabilities	408
Income tax payables	70,122
Provisions	9,876
Other liabilities	277,442
Non-current liabilities	369,554
Bonds and borrowings	1,429
Lease liabilities	178,513
Other financial liabilities	495

Provisions	12,068
Net liability for retirement benefits	61,244
Deferred tax liabilities	107,617
Other liabilities	8,185
Total liabilities	1,152,332
Equity	
Equity attributable to owners of the parent	1,627,010
Common stock	40,000
Share premium	33,754
Retained earnings	1,711,350
Treasury stock	(432,612)
Other components of equity	274,517
Non-controlling interests	13,939
Total equity	1,640,949
Total liabilities and equity	2,793,281

Consolidated Statement of Profit or Loss

For the year ended March 31, 2023

(In millions of yen)

Description	Amount
Revenue	3,429,519
Cost of sales	1,432,643
Gross profit	1,996,875
Selling, general and administrative expenses	1,603,242
Other operating income	4,559
Other operating expenses	53,888
Operating income	344,303
Share of profit (loss) of associates and joint ventures	3,013
Finance income	25,385
Finance costs	4,936
Profit before tax	367,767
Income tax expense	96,096
Profit for the year	271,671
Profit attributable to:	
Owners of the parent	269,799
Non-controlling interests	1,872
Profit for the year	271,671

Consolidated Statement of Changes in Equity

For the year ended March 31, 2023

(In millions of yen)

	Equity attributable to owners of the parent						
	Common stock	Share premium	Retained earnings	Treasury stock	Other components of equity		
					Share-based payments	Exchange differences on translation of foreign operations	Effective portion of the change in the fair value of cash flow hedges
Balance at April 1, 2022	40,000	20,640	1,464,947	(298,457)	34,682	101,909	52
Profit for the year			269,799				
Other comprehensive income						96,949	10
Comprehensive income for the year	-	-	269,799	-	-	96,949	10
Transfer from other components of equity to retained earnings			11,217				
Purchase of treasury stock		(281)		(152,065)			
Disposal of treasury stock		13,140		17,909	(31,458)		
Dividends			(34,614)				
Share-based payments					72,370		
Equity transactions with non-controlling interests		255					
Transactions with owners - total	-	13,114	(23,396)	(134,155)	40,912	-	-
Balance at March 31, 2023	40,000	33,754	1,711,350	(432,612)	75,595	198,859	63

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Other components of equity			Total		
	Net change in financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total			
Balance at April 1, 2022	-	-	136,644	1,363,776	12,518	1,376,294
Profit for the year			-	269,799	1,872	271,671
Other comprehensive income	10,839	378	108,177	108,177	777	108,955
Comprehensive income for the year	10,839	378	108,177	377,977	2,649	380,626
Transfer from other components of equity to retained earnings	(10,839)	(378)	(11,217)	-		-
Purchase of treasury stock			-	(152,347)		(152,347)
Disposal of treasury stock			(31,458)	(407)		(407)
Dividends			-	(34,614)	(828)	(35,443)
Share-based payments			72,370	72,370		72,370
Equity transactions with non-controlling interests			-	255	(399)	(144)
Transactions with owners - total	(10,839)	(378)	29,695	(114,742)	(1,228)	(115,971)
Balance at March 31, 2023	-	-	274,517	1,627,010	13,939	1,640,949

Notes to Consolidated Financial Statements

Notes on Important Matters that Form the Basis for Preparing the Consolidated Financial Statements

Standards for Preparing the Consolidated Financial Statements

The Consolidated Financial Statements of the Company are prepared in accordance with International Financial Reporting Standards (“IFRS”), pursuant to Article 120, Paragraph 1 of the Rules of Corporate Accounting. Certain disclosure items required by IFRS are omitted pursuant to the latter part of the same paragraph.

Matters Related to the Scope of Consolidation

Status of consolidated subsidiaries

Number of consolidated subsidiaries: 257

Names of major consolidated subsidiaries

- RGF OHR USA, INC.
- Indeed, Inc.
- Glassdoor, Inc.
- Recruit Co., Ltd.
- RGF Staffing B.V.
- Recruit Staffing Co., Ltd.
- STAFF SERVICE HOLDINGS CO., LTD.
- RGF Staffing France SAS
- RGF Staffing Germany GmbH
- RGF Staffing the Netherlands B.V.
- RGF Staffing UK Limited
- Unique NV
- Staffmark Group, LLC
- The CSI Companies, Inc.
- Chandler Macleod Group Limited

Matters Related to the Application of the Equity Method

Status of equity-method associates

Number of equity-method associates: 8

Names of major companies, etc.

- 51job, Inc.
- kaonavi, inc.

Significant Accounting Policies

Valuation standards and valuation methods of financial instruments

Financial assets

Recognition, classification and measurement of financial assets

Financial assets are recognized when the Company becomes a party to the contract of the financial instruments. The Company measures all financial assets at fair value at initial recognition and classifies them as financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income (“FVTOCI financial assets”), or financial assets measured at fair value through profit or loss (“FVTPL financial assets”).

Financial assets measured at amortized cost

The Company classifies financial assets that satisfy the following conditions as financial assets measured at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at amortized cost are initially recognized as the sum of the fair value and transaction costs, and subsequently measured at amortized cost using the effective interest method less impairment losses. Interest income, gains or losses on derecognition, and impairment losses are recognized as finance income or costs in profit or loss.

FVTOCI financial assets

FVTOCI debt financial assets

The Company classifies debt financial assets that satisfy the following conditions as FVTOCI debt financial assets measured at fair value through other comprehensive income:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

FVTOCI debt financial assets are initially recognized as the sum of the fair value and transaction costs, and subsequent changes in fair value (other than impairment losses) are recognized in other comprehensive income. The cumulative amount in other comprehensive income is reclassified to profit or loss upon derecognition of the asset. Interest income, gains or losses on derecognition, and impairment losses are recognized as finance income or costs in profit or loss.

FVTOCI equity financial assets

Of financial assets measured at fair value, the Company classifies equity financial assets for which the Company has made an irrevocable election at initial recognition to present subsequent fair value changes in other comprehensive income as FVTOCI equity financial assets measured at fair value through other comprehensive income. The Company, in principle, designates all equity financial assets as FVTOCI equity financial assets.

FVTOCI equity financial assets are initially recognized as the sum of the fair value and transaction costs. Subsequent changes in fair value as well as gains or losses on derecognition are recognized in other

comprehensive income, and their cumulative amount is immediately reclassified to retained earnings after being recognized in other components of equity. Dividends received on FVTOCI equity financial assets are recognized as finance income when entitlement to the dividends is established, except for cases where the dividend clearly represents the recovery of part of the cost of investment.

FVTPL financial assets

The Company classifies all financial assets including derivatives as FVTPL financial assets, unless these are measured at amortized cost or at fair value through other comprehensive income as stated above.

FVTPL financial assets are initially recognized at fair value, and any subsequent changes in fair value as well as any gains or losses on disposal are recognized as finance income or costs in profit or loss.

Impairment of financial assets

The Company recognizes a provision for expected credit losses on financial assets measured at amortized cost or FVTOCI debt financial assets.

The Company assesses at the end of each reporting period whether credit risk on a financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has increased significantly since initial recognition, the provision for that financial asset is measured at an amount equal to lifetime expected credit losses. If credit risk has not increased significantly, the provision is measured at an amount equal to 12-month expected credit losses. Whether credit risk has increased significantly or not is determined based on changes in default risk. For trade receivables that do not contain a significant financing component, the provision is measured at an amount equal to lifetime expected credit losses under a simplified approach, based on historical evidence of credit losses, regardless of changes in the credit risk.

Derecognition

The Company derecognizes a financial asset when the contractual rights to cash flows arising from the financial asset expire or substantially all the risks and rewards of ownership of the financial asset are transferred. Interests in a transferred financial asset created or retained by the Company are recognized separately as assets or liabilities.

Financial liabilities

Recognition, classification and measurement of financial liabilities

Financial liabilities are recognized when the Company becomes a party to the contract of the financial instruments. The Company measures all financial liabilities at fair value at initial recognition and classifies them as financial liabilities measured at amortized cost or financial liabilities measured at fair value through profit or loss (“FVTPL financial liabilities”).

Financial liabilities measured at amortized cost

The Company classifies all financial liabilities as financial liabilities measured at amortized cost, except for:

- FVTPL financial liabilities (including derivative liabilities)
- financial guarantee contracts
- contingent consideration recognized in a business combination

Financial liabilities measured at amortized cost are initially recognized as the fair value less transaction costs, and subsequently measured at amortized cost using the effective interest method.

FVTPL financial liabilities

FVTPL financial liabilities are initially recognized at fair value and any subsequent changes in fair value are recognized as finance income or costs in profit or loss, unless the hedge accounting criteria are met.

Derecognition

The Company derecognizes financial liabilities when the obligations are discharged, canceled, or expired.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the consolidated statement of financial position only if there is a currently enforceable legal right to set off the recognized amounts, and there is an intention to either settle on a net basis or to realize the asset and settle the liability simultaneously.

Derivatives and hedge accounting

Derivatives

To hedge foreign currency risks and risks of changes in interest rates, the Company enters into derivative contracts, including interest rate swaps, currency swaps and forward foreign exchange contracts. These derivatives are initially recognized as assets or liabilities at fair value at the date on which the contracts are entered into, and subsequently measured at fair value at the end of the reporting period. The changes in the fair value of derivatives (gains and losses on valuation of derivatives) are immediately recognized in profit or loss if hedge accounting is not applied. The changes in the fair value of derivatives which purpose is to hedge foreign currency risks are presented in the consolidated statement of profit or loss after being offset by exchange rate differences (foreign exchange gains and losses) that arise from changes in foreign exchange rates of monetary items denominated in foreign currencies.

Hedge Accounting

When the hedging relationship qualifies for hedge accounting, the Company accounts for a part of the derivatives as cash flow hedges. The effective portion of changes in the fair value of derivatives designated as cash flow hedges is recognized in other comprehensive income, and the cumulative amount is recognized in other components of equity. The amount recognized in other components of equity is reclassified to profit or loss in order to offset the effects arising when the hedged item is recognized in profit or loss. The ineffective portion of cash flow hedges is immediately recognized in profit or loss.

Depreciation and amortization methods of significant depreciable assets

Property and equipment

Property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses by using the cost model.

The costs of property and equipment include those directly attributable to the acquisition of the asset and the estimate of the costs of dismantlement, removal and restoration.

Property and equipment are depreciated using the straight-line method over the useful life of each significant component of the asset. The depreciation method, useful lives and residual values are reviewed at the end of each fiscal year, and the effects of any changes in estimates, if any, are accounted for as changes in accounting estimates prospectively by including it in profit or loss in the period of the

change and future periods. Major useful lives of property and equipment are as follows:

- Buildings and structures: 2 to 50 years
- Tools, furniture and fixtures: 2 to 20 years

Intangible assets

Intangible assets are measured at cost less accumulated amortization and accumulated impairment losses by using the cost model.

Intangible assets acquired separately are measured at cost at initial recognition. Identifiable intangible assets acquired through business combinations separately from goodwill are measured at fair value at the date on which the Company obtains control.

Expenditures on research activities are expensed as incurred. Expenditures on development activities are capitalized only if all of the following can be demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- the Company's intention to complete the intangible asset, and use or sell it
- the Company's ability to use or sell the intangible asset
- how the intangible asset will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- the Company's ability to measure reliably the expenditure attributable to the intangible asset during its development

Intangible assets with definite useful lives are amortized using the straight-line method over their useful lives. The amortization method and useful lives are reviewed at the end of each fiscal year, and the effects of any changes in the estimates are accounted for as changes in accounting estimates, if any, prospectively by including it in profit or loss in the period of the change and future periods. Intangible assets with indefinite useful lives are not amortized. Major useful lives of intangible assets are as follows:

- Software: 5 years
- Customer-related assets: 2 to 15 years

Leases

Right-of-use assets are measured at cost less accumulated depreciation and accumulated impairment losses by applying the cost model. The cost of a right-of-use asset includes the amount of the initial measurement of the lease liability at the commencement date, any lease payments made at or before the commencement date less lease incentives, and restoration costs required by the lease contract. Right-of-use assets are depreciated using the straight-line method over the lease term. The lease term is reassessed upon the occurrence of a significant event or a significant change in circumstances that affects whether the lessee is reasonably certain to exercise the extension, or not to exercise the termination option. When the lease term is modified, the lease liability will be remeasured and, in principle, the amount of right-of-use assets will be adjusted. The Company has elected not to recognize right-of-use assets and lease liabilities for leases which are of low value.

Accounting standards for significant allowances and provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Where the effect of the time value of money is material, the amount of the provision is measured at the

present value of the expenditures expected to be required to settle the obligation. In calculating the present value, the Company uses a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

Accounting standards for revenue

The Company recognizes revenue based on the following five-step approach. The details of revenue recognition for each segment are described in “Notes on Revenue Recognition.”

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

Other important matters that form the basis for preparing consolidated financial statements

Impairment of non-financial assets

At the end of each reporting period, the Company assesses whether there is any indication that its assets may be impaired. If any such indication exists, impairment tests are performed to assess the recoverable amount of the asset or the cash-generating unit (“CGU”) to which it belongs. Intangible assets with indefinite useful lives and those not yet available for use are not amortized, and tested for impairment annually irrespective of whether there is any indication of impairment, or whenever there is an indication of impairment.

The recoverable amount is measured at the higher of an asset or CGU’s fair value less costs of disposal and its value in use. The value in use is calculated by discounting the estimated future cash flows to their present value with a pre-tax discount rate that reflects the time value of money and the risks specific to the asset or CGU. If the recoverable amount of an individual asset or a CGU is less than its carrying amount, the carrying amount is reduced to the recoverable amount, and an impairment loss is recognized as “Other operating expenses” in the consolidated statement of profit or loss.

For assets for which impairment losses were recognized in prior periods, the Company assesses at the closing date whether there is any indication of a reversal of an impairment loss. If there is an indication of a reversal of an impairment loss, and the recoverable amount of an individual asset or a CGU exceeds its carrying amount, the impairment loss is reversed to the lower of its recoverable amount and the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior periods.

Goodwill

Goodwill is measured at cost less accumulated impairment losses.

Goodwill is allocated to a CGU or a group of CGUs that is expected to benefit from the synergies of the business combination. A CGU or a group of CGUs to which goodwill is allocated is determined based on the smallest level unit at which the goodwill is monitored for internal management purposes, and no larger than an operating segment.

The Company performs an impairment test for a CGU or the group of CGUs to which goodwill was allocated at a specified point of time in each fiscal year or whenever there is an indication of impairment. If the recoverable amount of a CGU or a group of CGUs is less than its carrying amount in an impairment test, the difference is recognized as an impairment loss, in principle. In recognizing the impairment loss, the carrying amount of goodwill allocated to the CGU or the group of CGUs is reduced, and then the carrying amounts of the other assets in the CGU or the group of CGUs are reduced pro rata on the basis of the carrying amount of each asset. An impairment loss for goodwill is recognized in profit or loss as

“Other operating expenses” and is not reversed in subsequent periods.

Post-employment benefits

The Company operates defined contribution plans and defined benefit plans as retirement benefit plans for employees.

Defined Contribution Plans

Retirement benefit costs for defined contribution plans are recognized in profit or loss for the period over which the employees render the related services.

Defined Benefit Plans

For each defined benefit plan, the Company calculates the present value of the defined benefit obligations and the related current service cost and past service cost using the projected unit credit method, and recognizes them as an expense. The discount rate is determined by reference to the closing-date market yields on high quality corporate bonds for the period corresponding to the discount period, which is set on the basis of the period until the expected date of benefit payment in each future fiscal year. Net interest on the net defined benefit liability is recorded as cost of sales or selling, general and administrative expenses. Remeasurements of the net defined benefit liability incurred in the current period are recognized as other comprehensive income, and the cumulative amount is immediately reclassified to retained earnings after being recognized in other components of equity.

Effects of changes in foreign exchange rates

The Company's consolidated financial statements are presented in Japanese yen, which is the functional currency of the Holding Company. Each entity in the Company determines its own functional currency, and the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are translated into the functional currency of each of the subsidiaries and the associates at the spot exchange rate on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing at the closing date. Non-monetary assets and liabilities measured at historical cost that are denominated in foreign currencies are translated into the functional currency using the exchange rates at the date of the initial transaction. Non-monetary assets and liabilities measured at fair value that are denominated in foreign currencies are translated into the functional currency using the spot exchange rates at the date when the fair value is determined. Differences arising from the translation and settlement are recognized as profit or loss. When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange difference is also recognized in other comprehensive income.

The assets and liabilities of foreign operations are translated using the spot exchange rate at the closing date, while income and expenses of foreign operations are translated using the spot exchange rate at the date of the transaction or a rate that approximates such rate. The resulting translation differences are recognized as other comprehensive income. In cases where a foreign operation is disposed of, the cumulative amount of translation differences related to the foreign operation is recognized in profit or loss on disposal.

Amounts presented

Amounts presented are rounded down to the nearest million yen.

Notes on Accounting Estimates

In preparing the consolidated financial statements, management makes judgments, accounting estimates

and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Estimates and assumptions are based on management's best judgments based on historical performance and various factors considered reasonable. By their nature, however, actual results may differ from the estimates and assumptions made. Estimates and their underlying assumptions are continuously reviewed. The effects of changes in accounting estimates are recognized prospectively by including it in profit or loss in the period of the change and future periods. Estimates and assumptions that significantly affect the amounts recognized in the consolidated financial statements are as follows:

Method of Fair Value Measurement of Financial Instruments

When measuring the fair values of certain financial instruments, the Company uses a valuation technique that includes unobservable inputs. The unobservable inputs may be affected by changes in uncertain future economic conditions. As of March 31, 2023, such accounting estimates were recognized under "Other financial assets" in the consolidated statement of financial position.

Impairment of Property and Equipment, Right-of-use Assets, Goodwill and Intangible Assets

The Company tests property and equipment, right-of-use assets, goodwill and intangible assets for impairment in accordance with "Significant Accounting Policies" in "Notes on Important Matters that Form the Basis for Preparing Consolidated Financial Statements." Recoverable amounts in impairment tests are measured based on assumptions such as growth rates and discount rates that are used in the estimates of future cash flow projections. These assumptions are determined by management's best estimates and judgments. However, they may be affected by changes in uncertain future economic conditions. As of March 31, 2023, such accounting estimates were recognized under "Property and equipment," "Right-of-use assets," "Goodwill," and "Intangible assets" in the consolidated statement of financial position. The details of goodwill and intangible assets are described in "Notes on Goodwill and Intangible Assets."

Assessment of Defined Benefit Obligations

The Company operates defined benefit plans as retirement benefit plans. For each defined benefit plan, the present value of defined benefit obligations and the related costs including service cost are determined based on the actuarial assumptions such as discount rates, mortality rates and other factors. These assumptions are determined by management's best estimates and judgments. However, they may be affected by changes in uncertain future economic conditions. As of March 31, 2023, such accounting estimates were recognized under "Net liability for retirement benefits" in the consolidated statement of financial position.

Recoverability of Deferred Tax Assets

Deferred tax assets are recognized for deductible temporary differences, unused tax credits and unused tax losses to the extent that it is probable that sufficient future taxable income will be available against which the deductible temporary differences can be utilized. The period in which it is probable that sufficient future taxable income will be available and the amount of the future taxable income are determined by management's best estimates and judgments. However, they may be affected by changes in uncertain future economic conditions. As of March 31, 2023, such accounting estimates were recognized under "Deferred tax assets" in the consolidated statement of financial position.

Notes to Consolidated Statement of Financial Position

Loss allowance directly deducted from assets

Trade and other receivables	11,814 million yen
Other financial assets	261 million yen

Accumulated depreciation and accumulated impairment losses of property and equipment

131,932 million yen

Accumulated depreciation and accumulated impairment losses of right-of-use assets

117,053 million yen

Notes to Consolidated Statement of Profit or Loss

Impairment of non-financial assets

The amount of impairment losses included in Other operating expenses is 31,073 million yen. This is mainly due to impairment losses of 13,902 million yen on right-of-use assets and property, plant and equipment in connection with the integration of offices in HR Technology, impairment losses of 9,374 million yen on software and other assets in connection with the decline in profitability of certain cash-generating units in Matching & Solutions, impairment losses of 4,419 million yen on goodwill in connection with the decline in profitability of certain cash-generating units, as well as impairment losses of 3,365 million yen on software in connection with changes in development plans in Staffing.

Notes to Consolidated Statement of Changes in Equity

Class and total number of shares issued as of March 31, 2023

Common stock:	1,695,960,030 shares
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Class and number of shares of treasury stock as of March 31, 2023

Common stock:	116,844,804 shares
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The Holding Company has introduced the Board Incentive Plan (BIP) Trust and the ESOP Trust. The number of shares of treasury stock as of March 31, 2023 includes 67,803,787 shares in the Holding Company held by the trust. During FY2022, the BIP Trust and the ESOP Trust acquired 435,500 shares of the shares of the Holding Company and sold and delivered 5,126,631 shares of the shares of the Company.

Matters related to dividends

Amount of dividends paid

Resolution	Source of dividends	Total amount of dividends (in millions of yen)	Dividend per share (yen)	Record date	Effective date
May 16, 2022 Meeting of the Board of Directors (Note 1)	Retained earnings	17,031	10.5	March 31, 2022	June 22, 2022
November 14, 2022 Meeting of the Board of Directors (Note 2)	Retained earnings	18,143	11.0	September 30, 2022	December 12, 2022

Notes: 1. The total amount of dividends includes dividends of 133 million yen on the shares in the Holding Company held by the BIP Trust and the ESOP Trust.

2. The total amount of dividends includes dividends of 426 million yen on the shares in the Holding Company held by the BIP Trust and the ESOP Trust.

Dividends whose record date is in the year ended March 31, 2023 but whose effective date is in the following fiscal year

Resolution	Source of dividends	Total amount of dividends (in millions of yen)	Dividend per share (yen)	Record date	Effective date
May 15, 2023 Meeting of the Board of Directors (Note)	Retained earnings	18,116	11.0	March 31, 2023	June 27, 2023

Note: The total amount of dividends includes dividends of 745 million yen on the shares in the Holding Company held by the BIP Trust and the ESOP Trust.

Class and number of shares to be issued upon the exercise of stock acquisition rights as of March 31, 2023 (excluding those for which the first day of the exercise period has not arrived)

Common stock: 2,592,600 shares

Notes on Goodwill and Intangible Assets

Significant Intangible Assets

Significant items included in intangible assets are customer-related assets arising from the acquisition of shares in RGF Staffing B.V. (37,383 million yen as of March 31, 2023). The remaining amortization period as of March 31, 2023 is 7 years.

Impairment Tests on Goodwill

The Company groups its assets by CGU, the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows generated from other assets or groups of assets, by considering managerial units of operation, in principle. Goodwill is allocated to each CGU or group of CGUs that is expected to benefit from the synergies of the business combinations at the acquisition date. In HR Technology, the entire operation is tested for impairment as a single CGU as it is expected to benefit from the synergies among its entities, and goodwill is monitored for internal management purposes considering that fact. In Staffing, each of the composing entities is tested for impairment as a CGU or a group of CGUs, in principle, in light of their unique business environment. The balance of goodwill of each CGU or group of CGUs are as follows:

(In millions of yen)

Reportable Segment	CGU or group of CGUs	Amount
HR Technology	HR Technology	246,959
Staffing	RGF Staffing B.V.	168,120
	Each of the other entities	47,897
	Total	462,977

The Company's significant goodwill is those relating to HR Technology and those arising from the acquisition of shares in RGF Staffing B.V.

The Company tests goodwill for impairment annually irrespective of whether there are any indications of impairment, or whenever there is an indication of impairment. An impairment loss on goodwill is recognized when the recoverable amount of the CGU or the group of CGUs is lower than its carrying amount. The recoverable amount is based on the value in use, which is calculated using the present value of estimated pre-tax 5-year future cash flows based on a business plan approved by the management of each CGU. The estimated 5-year future cash flows are determined based on internal and external sources including market growth rates as well as management's assessment of future trends in the industry and historical data. For the periods subsequent to the period covered by the estimated future cash flows, the Company calculates the terminal value based on indefinite life by discounting the future cash flows estimated by using a conservative growth rate determined by considering the environment of the country and the industry in which the CGU belongs. The pre-tax discount rate is determined based on the weighted average cost of capital considering the time value of money and the risks specific to the assets.

Impairment of Goodwill and Intangible Assets

Impairment losses on goodwill and intangible assets are recorded as "Other operating expenses" in the consolidated statement of profit or loss. Major impairment losses on goodwill and intangible assets in the current fiscal year are as described in "Notes to Consolidated Statement of Profit and Loss".

Notes on Revenue Recognition

Reconciliation of Disaggregated Revenue to Segment Revenue

The reconciliation of revenue disaggregated by major goods/service and operating segments for the year ended March 31, 2023 is as follows:

(In millions of yen)

	Amount
HR Technology	1,116,159
US	812,715
Non-US	303,443
Matching & Solutions	760,687
Marketing Solutions	451,594
HR Solutions	297,496
Other and Elimination	11,596
Staffing	1,585,274
Japan	684,161
Europe, US and Australia	901,112
Adjustments	(32,601)
Total	3,429,519

Due to the growth in revenue of HR Technology, effective from FY2022, revenue of HR Technology is separated into two categories: the US and non-US.

The Company has three reportable segments, HR Technology, Matching & Solutions, and Staffing, whose operating results are reviewed regularly by the Board of Directors to decide on the allocation of operating resources and to assess business performance. Beginning FY2022, the Media & Solutions segment has changed its name to Matching & Solutions.

Revenues from these businesses are recognized based on contracts with customers. The amount of variable considerations included in revenue is immaterial. Furthermore, the amount of promised consideration does not include any significant financing components.

HR Technology

The Company receives consideration from customers by providing services which enable job seekers to search for opportunities and customers to find candidates by operating an online matching and hiring platform. Revenue is recognized when the performance obligation is satisfied, which is when an individual user accesses or submits an application to the customer's job information through a paid advertisement placed by the customer on the online job search engine site.

Matching & Solutions

Marketing Solutions

The Company receives advertising fees from customers by providing housing, beauty, travel, bridal and dining related information through its websites and printed media to prospective users of the services or purchasers of the products. For online advertisement placement services, regarding advertisement-related services with a guaranteed placement period, the Company has an obligation to place an advertisement over a period specified in a contract. Since the performance obligation is satisfied

over time, revenue is recognized over the contract period on a straight-line basis.

For advertisement placement services in printed media, the Company provides advertisement-related services without a definite placement period to customers based on a contract, under which it is obliged to place an advertisement on a specific page of a printed media. Accordingly, the Company considers the performance obligation to be satisfied at the issuance date of the printed media, and revenue is recognized when the media containing the advertisement are displayed at stores and are available for purchase or browsing by consumers, or when they are delivered to subscribers.

HR Solutions

The Company provides employment matching services where it introduces job seekers considering a career change to customers recruiting mid-career professionals, by determining the requirements for a successful candidate and then selecting candidates whose work experience, skills and intention meet those requirements. The Company receives referral fees from the customer when the referred job seeker is employed and recognizes revenue at the time of employment. Regarding employment placement services, the Company has an obligation to provide individual employment arrangement services based on a contract. Since the performance obligation is satisfied at the time of employment, revenue is recognized at that point of time.

The Company also receives advertising fees from customers who are recruiting new graduates or mid-career professionals by supporting the entire process from recruitment to employment through advertisement placements on its websites and printed media.

For online advertisement placement services, regarding advertisement-related services with a guaranteed placement period, the Company has an obligation to place an advertisement over a period specified in a contract. Since the performance obligation is satisfied over time, revenue is recognized over the contract period on a straight-line basis.

For advertisement placement services in printed media, the Company provides advertisement-related services without a definite placement period to customers based on a contract, under which it is obliged to place an advertisement on a specific page of a printed media. Accordingly, the Company considers the performance obligation to be satisfied at the issuance date of the printed media, and revenue is recognized when the media containing the advertisement are displayed at stores and are available for purchase or browsing by consumers, or when they are delivered to subscribers.

Regarding the sale of a set of services or a series of placements, the Company determines the stand-alone selling price for each underlying service at the inception of the contract, and allocates the transaction price in proportion to those stand-alone selling prices.

Any discount is allocated in proportion to the stand-alone selling prices to each performance obligation in the contract.

Staffing

The Company provides staffing services for clerical jobs, manufacturing jobs and light duty works, as well as various specialist positions to customers. For staffing services, the Company has an obligation to provide personnel based on a contract. The Company considers the performance obligation to be satisfied when labor is provided by the temporary employee. Accordingly, revenue is recognized based on the total number of hours worked by the temporary employee during their dispatched period.

Transaction Price Allocated to the Remaining Performance Obligations

Applying the expedient in IFRS 15, the Company does not disclose information on contracts with an individual expected contract period of one year or less or contracts for which revenue is recognized in the amount to which the Company has a right to invoice directly based on the value of the services performed. The Company has no significant transactions with an individual expected contract period exceeding one year.

Notes on Financial Instruments

Matters Related to the Status of Financial Instruments

In the course of conducting its business activities, the Company is exposed to financial risks (credit risk, liquidity risk, foreign currency risk, interest rate risk, and price risk). The Company monitors these financial risks in order to avoid or reduce the risks as necessary.

The Company uses derivative transactions to hedge foreign currency risk and interest rate risk, and not for speculative purposes.

Credit risk

The Company's trade receivables such as notes and accounts receivable - trade are exposed to customer credit risk.

The Company reviews new clients to understand and mitigate at an early stage the potential uncollectability of receivables due to deterioration in their financial conditions. Regarding trade receivables, the Company manages the due dates and balances of each client and also monitors the financial condition of major clients on a regular basis. In addition, the Company enters into transactions only with financial institutions with high credit ratings to mitigate counterparty risk.

The Company is not exposed to credit risk that is excessively concentrated in a particular counterparty.

Liquidity risk

The Company manages its liquidity risk by preparing and updating a cash management plan at each subsidiary level, ensuring liquidity is available based on estimated revenue and expenditures, and realizing group financing through a cash-pooling system. In addition, the Company has entered into commitment line contracts with financial institutions to further prepare for liquidity risk.

Market risk

Foreign currency risk

The Company's activities are exposed to the risk of rapid fluctuation of foreign exchange rates.

For certain foreign currency-denominated receivables and payables, the foreign currency fluctuation risk is hedged on an individual basis.

Interest rate risk

Borrowings are appropriated for working capital and funds for capital investment, and since a large portion of borrowings have floating interest rates, they are exposed to interest rate fluctuation risk.

Regarding interest rate fluctuation risk of borrowings, interest rate swaps are used to fix a portion of or the entire interest expense.

Price risk

The Company is exposed to market price fluctuation risk associated with equity instruments.

Equity instruments are managed by regularly monitoring the market prices and financial condition of issuers and, on an ongoing basis, evaluating the holding status in light of the relationship with issuers.

Matters Related to Fair Value and Breakdown by Level of Fair Value, etc. of Financial Instruments

Method of Fair Value Measurement

Assets

Since cash and cash equivalents, and trade and other receivables are settled within a short period of time, their carrying amounts approximate their fair values.

The fair value of other financial assets other than the following are determined by discounting the future cash flows to their present value by using an interest rate that reflects the remaining term and credit risk of the asset, and their carrying amounts approximate their fair value.

Equity Financial Assets and Debt Financial Assets

The fair value of stocks included in equity financial assets for which active markets exist is determined based on market prices. The fair value of stocks included in equity financial assets and debt financial assets for which active markets do not exist is assessed mainly based on transaction prices in the latest arm's length transactions.

Derivative Assets

The fair value of derivative assets is determined based on prices presented by financial institutions.

Liabilities

Since trade and other payables, and short-term borrowings are settled within a short period of time, their carrying amounts approximate their fair values.

The fair value of long-term borrowings is determined by discounting the future cash flows to the present value by using an interest rate that would be applied to new similar borrowings.

The fair value of bonds is determined with reference to market prices.

The fair value of other financial liabilities other than the following are determined by discounting the future cash flows to the present value by using an interest rate that reflects the remaining term and credit risk of the liability, and their carrying amounts approximate their fair values.

Derivative Liabilities

The fair value of derivative liabilities is determined based on prices presented by financial institutions.

Fair Value Hierarchy

Fair value measurements in the Company are categorized, depending on their observability in the market, into three different levels which are defined as follows:

Level 1: Fair value measured at quoted prices in active markets

Level 2: Fair value determined, either directly or indirectly, by using observable prices other than Level 1

Level 3: Fair value determined using valuation techniques based on significant unobservable inputs

When more than one input is used to measure the fair value, the level of the fair value is determined based on the lowest level input that is significant to the measurement of the overall fair value. There were no significant transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 2023. The Company recognizes transfers between the levels of the hierarchy at the end of the reporting period during which the event causing the transfer occurred.

The Breakdown by Level of Financial Assets and Liabilities Measured at Fair Value on a Recurring Basis

The breakdown by level of the fair value hierarchy of financial instruments is as follows:

(In millions of yen)

	Carrying amount	Level 1	Level 2	Level 3
Financial assets				
Equity financial assets	171,434	84,020	-	87,414
Debt financial assets	30,426	-	-	30,426
Derivative assets	2,878	-	2,878	-
Total	204,739	84,020	2,878	117,841

Equity financial assets categorized within Level 1 are mainly stocks for which active markets exist.

Derivative assets categorized within Level 2 are mainly derivative financial instruments including interest rate swaps, currency swaps and forward foreign exchange contracts.

Equity financial assets categorized within Level 3 are mainly unlisted stocks for which active markets do not exist. Debt financial assets are convertible bonds for which active markets do not exist.

Reconciliation from the beginning balance to the ending balance of financial assets categorized within Level 3 of the fair value hierarchy is as follows:

(In millions of yen)

	Equity financial assets	Debt financial assets
Beginning balance	63,055	-
Profit or loss ¹	-	686
Other comprehensive income ²	23,784	-
Purchase ³	759	29,882
Sale	(2,117)	-
Other	1,932	(141)
Ending balance	87,414	30,426
Total unrealized profit or loss recognized as profit or loss for financial assets held as of March 31, 2023	-	686

¹ Related to financial assets measured at fair value through profit or loss and is included in "Finance income" and "Finance costs."

² Related to financial assets measured at fair value through other comprehensive income and is included in "Net change in financial assets measured at fair value through other comprehensive income."

³ Purchase in the debt financial assets column is mainly the increase of convertible bonds received during FY2022 as consideration for the sale of a portion of shares as part of the going private transaction of 51job, Inc.

Financial Assets and Financial Liabilities Measured at Amortized Cost

The carrying amount and fair value of financial assets and financial liabilities measured at amortized cost are as follows:

(In millions of yen)

	Carrying amount	Fair value
Bonds	19,991	19,994

The above table does not include financial assets and financial liabilities measured at amortized cost whose carrying amount approximates their fair value.

The fair value hierarchy of bonds is categorized as Level 2.

Notes on Per Share Information

Equity per share attributable to owners of the parent: 1,030.33 yen

Basic earnings per share: 168.59 yen

The Holding Company has introduced a Board Incentive Plan (BIP) Trust and an ESOP Trust. The Holding Company's stocks held in the trust are recognized as treasury stocks in the consolidated financial statements. Accordingly, the Holding Company's stocks held in the trust are included in the treasury stocks deducted from the number of shares issued at the end of the period for the calculation of equity per share attributable to owners of the parent. In addition, the Holding Company's stocks held in the trust are included in the treasury stocks deducted in the calculation of the average number of shares during the period for the calculation of basic earnings per share.

The number of treasury stocks at the end of the period deducted for the calculation of equity per share attributable to owners of the parent is 67,803,787 shares.

The average number of treasury stocks deducted for the calculation of basic earnings per share is 44,833,176 shares in the current fiscal year.

Notes on Significant Subsequent Events

Not applicable.

NON-CONSOLIDATED FINANCIAL STATEMENTS

Balance Sheet

As of March 31, 2023

(In millions of yen)

Description	Amount
Assets	
Current assets	270,481
Cash and deposits	179,228
Accounts receivable - trade	54,571
Prepaid expenses	223
Short-term loans receivable	36,041
Accounts receivable - other	91
Other current assets	325
Non-current assets	1,395,826
Property, plant and equipment	98
Buildings	30
Machinery and equipment	1
Tools, furniture and fixtures	66
Intangible assets	224
Software	189
Other intangible assets	34
Investments and other assets	1,395,503
Investment securities	66,291
Stocks of subsidiaries and associates	1,193,418
Long-term loans receivable	131,681
Other assets	4,114
Allowance for doubtful accounts	(3)
Total assets	1,666,307
Liabilities	
Current liabilities	427,896
Short-term borrowings	377,291
Current portion of bonds payable	20,000
Accounts payable - other	1,447
Accrued expenses	1,697

Income taxes payable	26,488
Deposits received	696
Other current liabilities	275
Long-term liabilities	311,638
Long-term borrowings	200,000
Provision for retirement benefits for directors (and other officers)	615
Provision for Board Incentive Plan Trust	4,121
Deferred tax liabilities	106,637
Other long-term liabilities	263
Total liabilities	739,534
Equity	
Shareholders' equity	895,961
Common stock	40,000
Capital surplus	99,625
Other capital surplus	99,625
Retained earnings	1,271,797
Legal retained earnings	10,000
Other retained earnings	1,261,797
General reserve	820,909
Retained earnings brought forward	440,888
Treasury stock	(515,461)
Valuation and translation adjustments	28,450
Unrealized gain (loss) on available-for-sale securities	28,450
Stock acquisition rights	2,360
Total equity	926,772
Total liabilities and equity	1,666,307

Statement of Income

For the year ended March 31, 2023

(In millions of yen)

Description	Amount
Operating revenue	417,404
Dividends from subsidiaries and associates	367,794
Royalty income	49,610
Operating expenses	10,619
Salaries and allowances	4,148
Business commissions	2,990
Other	3,480
Operating income	406,784
Non-operating income	2,497
Interest income	549
Dividend income	1,475
Other	473
Non-operating expenses	2,966
Interest expense	2,251
Foreign exchange losses	194
Commission for purchase of treasury shares	350
Other	170
Ordinary income	406,315
Extraordinary income	36,977
Gain on sale of shares of subsidiaries and associates	36,977
Extraordinary losses	826
Loss on retirement of non-current assets	11
COVID-19 related expenses	815
Other	0
Income before income taxes	442,466
Income taxes - current	30,053
Income taxes - deferred	1,989
Net income	410,423

Statement of Changes in Equity

For the year ended March 31, 2023

(In millions of yen)

	Shareholders' equity								
	Common stock	Capital surplus		Legal retained earnings	Retained earnings			Treasury stock	Total shareholders' equity
		Other capital surplus	Total capital surplus		General reserve	Retained earnings brought forward	Total retained earnings		
Balance at beginning of the current period	40,000	25,811	25,811	10,000	820,909	65,640	896,549	(320,640)	641,719
Changes of items during the period									
Cash dividends						(35,174)	(35,174)		(35,174)
Net income						410,423	410,423		410,423
Purchase of treasury stock								(152,065)	(152,065)
Disposal of treasury stock		73,813	73,813					(42,754)	31,058
Other changes during the period									
Total changes of items during the period	-	73,813	73,813	-	-	375,248	375,248	(194,820)	254,241
Balance at end of the current period	40,000	99,625	99,625	10,000	820,909	440,888	1,271,797	(515,461)	895,961

	Valuation and translation adjustments		Stock acquisition rights	Total equity
	Unrealized gain (loss) on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of the current period	29,491	29,491	1,768	672,979
Changes of items during the period				
Cash dividends				(35,174)
Net income				410,423
Purchase of treasury stock				(152,065)
Disposal of treasury stock				31,058
Other changes during the period	(1,040)	(1,040)	591	(448)
Total changes of items during the period	(1,040)	(1,040)	591	253,793
Balance at end of the current period	28,450	28,450	2,360	926,772

Notes to Non-consolidated Financial Statements

Notes on Matters Related to Significant Accounting Policies

Valuation Standards and Valuation Methods of Assets

Valuation standards and valuation methods of securities

Shares of subsidiaries and associates: Stated at cost using the moving-average method

Available-for-sale securities

Available-for-sale securities other than those without market value:	Market value method (Valuation differences are directly recorded as equity and cost of securities sold is calculated by the moving-average method.)
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Available-for-sale securities without market value:	Stated at cost using the moving-average method
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Depreciation and Amortization Methods of Non-current Assets

Property, plant and equipment

Straight-line method

The principal useful lives are as follows:

Buildings: 2 to 50 years

Tools, furniture and fixtures: 2 to 15 years

Intangible assets

Straight-line method

The principal years of amortization are as follows:

Software (for internal use): 5 years (period available for internal use)

Accounting Standards for Allowances and Provisions

Allowance for doubtful accounts

In order to provide for losses due to bad debt, for general receivables, an estimated uncollectible amount is recorded according to the historical bad debt ratio. For specific receivables from companies in financial difficulty, an estimated uncollectible amount is recorded by assessing the collectability of each receivable individually.

Provision for retirement benefits for Directors (and other officers)

In order to provide for the payments of retirement benefits to Directors (and other officers), an estimated amount of benefits payable at the end of the fiscal year is recorded in accordance with the internal rules.

Provision for Board Incentive Plan Trust

In order to provide for the grant of shares of the Holding Company to Directors (and other officers), an estimated amount of shares to be granted in proportion to the points awarded to Directors (and other officers) is recorded in accordance with the stock delivery regulations.

Significant Hedge Accounting

Hedge accounting

Deferred hedge accounting is applied.

Exceptional treatment is applied to interest rate swaps that meet the requirements for exceptional treatment. Integrated treatment (exceptional treatment/appropriation treatment) is applied to interest rate and currency swap transactions that meet the requirements for integrated treatment.

Hedging instruments and hedged items

Hedging instruments	Hedged items
Interest rate swap	Interest on borrowings
Interest rate and currency swap	Foreign currency-denominated debt

Hedging policy

The Holding Company engages in interest rate swap transactions and interest rate and currency swap transactions in order to hedge the risks associated with fluctuations in interest rates and foreign exchange rates.

Methods for evaluating the effectiveness of hedges

Evaluation of effectiveness on exceptional treatment for interest rate swaps and integrated treatment for interest rate and currency swaps is omitted.

Standards for Revenue and Expense Recognition

Royalty income

The Holding Company recognizes revenue based on the following five-step approach.

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

The Holding Company earns royalty income as consideration for granting the right to use Recruit brands, to which it has rights, to its subsidiaries. The Holding Company has an obligation to grant rights to use Recruit brands to its subsidiaries over a period specified in a contract. Revenue is recognized over the contract period as the performance obligation is satisfied over time.

Dividends from subsidiaries and associates

Dividends from subsidiaries and associates are recognized on the effective date.

Other Important Matters That Form the Basis for Preparing Non-consolidated Financial Statements

Translation of significant assets and liabilities denominated in foreign currencies into Japanese yen

Monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the spot exchange rate at the closing date, and translation adjustments are treated as gains or losses.

Application of the Consolidated Taxation System

The Company previously applied the Consolidated Taxation System; however, by filing a notification not to shift to the Group Tax Relief System, it has ceased to apply the Consolidated Taxation System from FY2022.

Notes on Accounting Estimates

Valuation of Stocks of Subsidiaries and Associates

Amount recorded on the Non-consolidated Financial Statements as of March 31, 2023

Stocks of subsidiaries and associates 1,193,418 million yen

Information on significant accounting estimates for identified items

Stocks of subsidiaries and associates include investments in RGF Staffing B.V. of 402,140 million yen. The Holding Company determines whether there is a significant decline in the value in substance by comparing the value in substance which reflects excess earnings power expected when the Holding Company acquired RGF Staffing B.V. with the carrying amount. When the Holding Company assesses if the excess earnings power is impaired, the Holding Company considers the business plan, the growth rates and the discount rates used in the impairment test of goodwill for preparation of its consolidated financial statements. The business plan used for determining whether there is a significant decline in the value in substance, which reflects excess earnings power, is prepared based on management's best estimate. However, it may be affected by changes in uncertain future economic conditions.

Notes on Changes in Presentation Methods

Matters Related to Statement of Income

Commission for purchase of treasury shares (37 million yen in the year ended March 31, 2022 and 350 million yen in the year ended March 31, 2023), which was included in Other under Non-operating expenses in the year ended March 31, 2022, is separately presented in the year ended March 31, 2023, due to its increased materiality.

Additional Information

Board Incentive Plan ("BIP") Trust

The Company has introduced an equity compensation plan using a Board Incentive Plan ("BIP") Trust as an incentive plan for the Directors, Senior Vice Presidents and Corporate Professional Officers of Recruit Holdings and its subsidiaries.

Overview of the plan

This plan is implemented as a long-term incentive plan for the Directors and Senior Management, and is intended to motivate them to improve the Company's business performance and increase its enterprise value over the mid- to long-term, by clarifying and strengthening the interrelation between their compensation and shareholder value. In the plan, the Directors and Senior Management are granted the Recruit Holdings' shares or receive the monetary equivalent value of such shares according to their ranks or the level of attainment of performance targets when linked to business performances.

Shares of Recruit Holdings held by the BIP Trust

Shares of Recruit Holdings held by the BIP Trust are recorded as treasury stock in equity at their carrying amount in the trust. The carrying amount and number of shares of the above treasury stock are 7,475

million yen and 1,883,815 shares as of March 31, 2023.

Employee Stock Ownership Plan (“ESOP”) Trust

The Company has introduced an equity-based incentive plan using an ESOP Trust as an incentive plan for employees of its subsidiaries.

Overview of the plan

This plan is implemented as a long-term incentive plan for the employees and is intended to motivate them to improve the Company’s business performance and increase its enterprise value over the mid- to long-term, by clarifying and strengthening the interrelation between their compensation and shareholder value. In the plan, the employees are granted the Recruit Holdings’ shares or receive the monetary equivalent value of such shares according to the vesting period.

Shares of Recruit Holdings held by the ESOP Trust

Shares of Recruit Holdings held by the ESOP Trust are recorded as treasury stock in equity at their carrying amount in the trust. The carrying amount and number of shares of the above treasury stock are 313,182 million yen and 65,919,972 shares as of March 31, 2023. Due to the disposal of treasury stock to the trust, treasury stock has increased 67,320 million yen as of March 31, 2023.

Notes to Balance Sheet

Accumulated depreciation of property, plant and equipment: 587 million yen

Guarantee obligation

The Holding Company guarantees the following subsidiaries and associates as stated below:

Indeed, Inc.	124,120 million yen
Indeed Ireland Operations Limited	29,709 million yen
Glassdoor, Inc.	18,331 million yen
Staffmark Group, LLC	11,025 million yen
RGF Staffing B.V.	6,486 million yen
Chandler Macleod Group Limited	788 million yen
Recruit MUFG Business Co., Ltd.	204 million yen
Megagon Labs, Inc.	138 million yen
Other	4 million yen
Total	190,807 million yen

Monetary receivables and payables in relation to subsidiaries and associates

Short-term monetary receivables:	90,819 million yen
Short-term monetary payables:	365,464 million yen
Long-term monetary receivables:	131,681 million yen

Long-term monetary payables:	200,000 million yen
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Notes to Statement of Income

Transaction volume with subsidiaries and associates

Transaction volume of operating transactions (revenue):	417,404 million yen
Transaction volume of operating transactions (expenses):	992 million yen
Transaction volume of non-operating transactions (revenue):	541 million yen
Transaction volume of non-operating transactions (expenses):	2,179 million yen

Notes to Statement of Changes in Equity

Class and number of shares of treasury stock as of March 31, 2023

Common stock: 116,844,804 shares

The Holding Company has introduced the Board Incentive Plan (BIP) Trust and the ESOP Trust. The number of shares of the Holding Company held by the trust included in the number of treasury stock as of March 31, 2023 is 67,803,787 shares.

Notes on Tax Effect Accounting

Breakdown by major component of deferred tax assets and deferred tax liabilities

Deferred tax assets

Stocks of subsidiaries and associates	95,992 million yen
Tax losses carry-forward	887 million yen
Loss on valuation of investment securities	3,428 million yen
Other	3,699 million yen
Subtotal of deferred tax assets	104,008 million yen
Valuation allowance	(100,044) million yen
Total deferred tax assets	3,963 million yen

Deferred tax liabilities

Stocks of subsidiaries and associates	(102,558) million yen
Unrealized gain (loss) on available-for-sale securities	(8,043) million yen
Total deferred tax liabilities	(110,601) million yen
Net deferred tax liabilities	(106,637) million yen

Notes on Transactions with Related Parties

Subsidiaries and associates, etc.

(In millions of yen)

Attribute	Name of company, etc.	Ownership percentage of voting rights, etc.	Relationship with related parties	Description of transactions	Transaction amount	Account item	Balance at end of the fiscal year
				Loan of funds ¹	-	Long-term loans receivable	131,681
				Collection of funds	26,336	Short-term loans receivable	26,336
Subsidiary	Recruit Co., Ltd.	Ownership Direct 100%	Loan transactions; Interlocking directorate	Borrowing of funds ²	-	Short-term borrowings	203,078
				Royalty income ³	43,504	Accounts receivable - trade	47,855
Subsidiary	Recruit Staffing Co., Ltd.	Ownership Indirect 100%	Loan transactions; Interlocking directorate	Borrowing of funds ²	-	Short-term borrowings	42,483
Subsidiary	STAFF SERVICE HOLDINGS CO., LTD.	Ownership Indirect 100%	Loan transactions; Interlocking directorate	Borrowing of funds ²	-	Short-term borrowings	34,462
Subsidiary	Recruit Global Treasury Services Ltd.	Ownership Direct 100%	Loan transactions	Borrowing of funds ⁴	-	Long-term borrowings	200,000
Subsidiary	RGF OHR USA, Inc.	Ownership Direct 100%	Interlocking directorate	Receipt of dividends	367,794	-	-
Subsidiary	HR Tech Funding Service Limited	Ownership Direct 100%	Underwriting of investments; Interlocking directorate	Underwriting of increased investments	367,794	-	-
Associate	51job, Inc.	Ownership Direct 39.9%	Underwriting of investments; Interlocking directorate	Partial disposal of shares ⁵	38,756	-	-

Transaction terms and policies for determining transaction terms, etc.

¹ The loan rate is reasonably determined based on market rates and other relevant factors.

² The Holding Company centrally manages the Company's funds, and intercompany lending and borrowing are settled on a daily basis. Thus, transaction amount is not stated. The interest rate is reasonably determined based on market rates.

³ Royalty income is recognized as a proportion of gross profit, and the rate is determined on a rational basis.

⁴ The borrowing rate is reasonably determined based on market rates and other relevant factors.

- ⁵ As a result of the sale of a portion of shares as part of the going private transaction of 51job, Inc., the Holding Company received convertible bonds and cash as consideration. While the convertible bonds received retained their carrying amounts of the shares transferred, a gain on sale of shares of subsidiaries and associates of 36,977 million yen is recorded from the sale of a portion of shares. Transaction terms and conditions are determined based on a consent between the parties after negotiating each item separately.
- ⁶ The amounts of transactions do not include consumption taxes, while the year-end balances include consumption taxes.
- ⁷ Information on guarantee obligations is stated in “Guarantee obligation” under the “Notes to Balance Sheet” section.

Notes on Per Share Information

Equity per share:	585.40 yen
Net income per share:	256.47 yen

- ⁴ The Holding Company has introduced the Board Incentive Plan (BIP) Trust and the ESOP Trust. The Holding Company's stock held in the trust is recognized as treasury stock in the non-consolidated financial statements. Accordingly, the Holding Company's stocks held in the trust are included in the treasury stock deducted from the number of shares issued at the end of the period for the calculation of equity per share. In addition, the Holding Company's stocks held in the trust are included in the treasury stocks deducted in the calculation of the average number of shares during the period for the calculation of net income per share.
- The number of treasury stocks at the end of the period deducted for the calculation of equity per share is 67,803,787 shares. The average number of treasury stocks deducted for the calculation of net income per share is 44,833,176 shares in the current fiscal year.

Notes on Significant Subsequent Events

Not applicable.

Notes on Company Subject to Regulation on Consolidated Dividends

The Holding Company is subject to regulation on consolidated dividends.

AUDIT REPORTS

(Translation)
Independent Auditor's Report

May 15, 2023

The Board of Directors
Recruit Holdings Co., Ltd.

Ernst & Young ShinNihon LLC
Tokyo, Japan

Hitoshi Matsuoka
Designated Engagement Partner
Certified Public Accountant

Yoshifumi Mitsugi
Designated Engagement Partner
Certified Public Accountant

Takuto Miki
Designated Engagement Partner
Certified Public Accountant

Opinion

Pursuant to Article 444, paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of changes in equity, and notes to the consolidated financial statements of Recruit Holdings Co., Ltd. (the "Company") applicable to the fiscal year from April 1, 2022 to March 31, 2023.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position and results of operations of the Group, which consists of the Company and its consolidated subsidiaries, applicable to the fiscal year ended March 31, 2023, in accordance with the provisions of the latter part of Article 120, Paragraph 1 of the Rules of Corporate Accounting that permits the omission of certain items required by International Financial Reporting Standards ("IFRSs").

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Other Information comprises the business report and the related supplemental schedule. Management is responsible for the preparation and disclosure of the Other Information. In addition, the

Audit and Supervisory Board members and Audit and Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operation of the controls over the Group's reporting process of the Other Information.

Our audit opinion on the consolidated financial statements does not cover the Other Information, and we do not provide an opinion on the Other Information.

Our responsibility in conducting the audit of the consolidated financial statements is to read the Other Information and, in doing so, consider whether there are material inconsistency between the Other Information and the consolidated financial statements or our knowledge obtained in the audit procedure and to pay attention to whether there are any indication of a material misstatement in the Other Information besides such material differences.

If, based on the work we have performed, we conclude that there is a material misstatement in the Other Information, we are required to report such facts.

We have nothing to report in this regard.

Responsibilities of Management, Audit and Supervisory Board Member and Audit and Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the provisions of the latter part of Article 120, Paragraph 1 of the Rules of Corporate Accounting that permits the omission of certain items required by IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by the provisions of the latter part of Article 120, Paragraph 1 of the Rules of Corporate Accounting that permits the omission of certain items required by IFRSs, matters related to going concern.

Audit and Supervisory Board members and Audit and Supervisory Board are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- In making those risk assessments, we consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going

concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with the provisions of the latter part of Article 120, Paragraph 1 of the Rules of Corporate Accounting that permits the omission of certain items required by IFRSs.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Board member and Audit and Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Board member and Audit and Supervisory Board with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Conflicts of Interest

We have no interest in the Company and its consolidated subsidiaries which should be disclosed in accordance with the Certified Public Accountants Act.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.

(Translation)
Independent Auditor's Report

May 15, 2023

The Board of Directors
Recruit Holdings Co., Ltd.

Ernst & Young ShinNihon LLC
Tokyo, Japan

Hitoshi Matsuoka
Designated Engagement Partner
Certified Public Accountant

Yoshifumi Mitsugi
Designated Engagement Partner
Certified Public Accountant

Takuto Miki
Designated Engagement Partner
Certified Public Accountant

Opinion

Pursuant to Article 436, paragraph 2, item 1 of the Companies Act, we have audited the accompanying non-consolidated financial statements, which comprise the balance sheet, the statement of income, the statement of change in equity, the notes to the non-consolidated financial statements, and the related supplementary schedules (the "Financial Statements") of Recruit Holdings Co., Ltd. (the "Company") applicable to the 63rd fiscal year from April 1, 2022 to March 31, 2023.

In our opinion, the Financial Statements present fairly, in all material respects, the financial position and results of operations of the Company for the fiscal year ended March 31, 2023, in conformity with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Other Information comprises the business report and the related supplemental schedule. Management is responsible for the preparation and disclosure of the Other Information. In addition, the Audit and Supervisory Board members and Audit and Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operation of the controls over the Group's reporting process of the Other Information.

Our audit opinion on the Financial Statements does not cover the Other Information, and we do not provide an opinion on the Other Information.

Our responsibility in conducting the audit of the Financial Statements is to read the Other Information and, in doing so, consider whether there are material inconsistency between the Other Information and the Financial Statements or our knowledge obtained in the audit procedure and to pay attention to whether there are any indication of a material error in the Other Information besides such material differences.

If, based on the work we have performed, we conclude that there is a material misstatement in the Other Information, we are required to report such facts.

We have nothing to report in this regard.

Responsibilities of Management, Audit and Supervisory Board Member and Audit and Supervisory Board for the Financial Statements

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of the Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

Audit and Supervisory Board members and Audit and Supervisory Board are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- In making those risk assessments, we consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the audit of the Financial Statements is not expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and

events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.

We communicate with the Audit and Supervisory Board member and Audit and Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Board member and Audit and Supervisory Board with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Conflicts of Interest

We have no interest in the Company which should be disclosed in accordance with the Certified Public Accountants Act.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.

Audit and Supervisory Board's Report

The Audit and Supervisory Board reports the following reflecting the discussion among its members on the execution of duties of Directors during the fiscal year 2022, from April 1, 2022 through March 31, 2023. The discussion was made based on audit reports prepared by each Audit and Supervisory Board member.

Procedures and Details of the Audits Conducted by the Audit and Supervisory Board and by Each Member

The Audit and Supervisory Board set the audit policies and division of duties among Audit and Supervisory Board members, and received a report from each Audit and Supervisory Board member. The Audit and Supervisory Board was also reported by Directors and, the Independent Auditor regarding the execution of their duties, requested explanations as necessary and received responses.

Each Audit and Supervisory Board member conducted the audit in accordance with the audit standards set by the Audit and Supervisory Board, and the audit policies and the division of duties among its members. In its audit activities, each member endeavored to collect information and ensure an appropriate audit environment, by proactively communicating with Directors of the Board, Internal Audit Department, and other employees. The detailed procedures are as follows:

- Each Audit and Supervisory Board member attended the Board of Director meetings and other important meetings. They received reports from Directors and employees on the status of execution of their duties, and requested explanations as necessary. Each Audit and Supervisory Board member also inspected the important approval documents, etc., and examined the status of operations and of assets at its head office and principal offices. For the audit of its subsidiaries, each Audit and Supervisory Board member communicated and shared information with the Directors and Audit and Supervisory Board members of the subsidiaries, and received their business reports as necessary.
- Each Audit and Supervisory Board member periodically received reports from Directors and employees requested explanations as necessary, and expressed his or her opinions on the following matters that are stated in the Business Report.
 - The resolutions by the Board of Directors regarding the establishment of systems necessary to ensure that the execution of duties by Directors complies with laws and regulations and the Articles of Incorporation.
 - The resolutions by the Board of Directors regarding the establishment of systems stipulated in Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act of Japan, to ensure the properness of operations of the Company.
 - The development and operation of the Internal Controls established based on the resolutions above.
- The Audit and Supervisory Board members monitored and verified that the Independent Auditor maintains its independence and conducts the audits appropriately. The members also received reports on the status of the execution of duties from the Independent Auditor, requested explanations as necessary and received responses. In addition, The Audit and Supervisory Board member were informed by the Independent Auditor that it had arranged the “System for Ensuring Properness in Execution of Duties” (matters stipulated in the items of Article 131 of the Ordinance

on Accounting of Companies) in accordance with “Standards for Quality Control of Audits” (Business Accounting Council, October 28, 2005), requested explanations as necessary and received responses. Furthermore, the Audit and Supervisory Board members discussed Key Audit Matters (“KAM”) with EY Ernst & Young ShinNihon LLC, received reports on the status of their audit, and requested explanations as necessary.

Based on the procedures mentioned above, The Audit and Supervisory Board reviewed the Business Report and the related supplementary schedules, the Non-consolidated Financial Statements which comprise the Balance Sheet, Statement of Income, Statement of Change in Equity, Notes to the Non-consolidated Financial Statements, and the related supplementary schedules, as well as the Consolidated Financial Statements which comprise the Consolidated Statement of Financial Position, Consolidated Statement of Profit or Loss, Consolidated Statement of Change in Equity, and Notes to the Consolidated Financial Statements for the year ended March 31, 2023.

Audit Results

Audit Results of Business Report and Other Related Reports

The Audit and Supervisory Board acknowledges the followings:

- The Business Report and supplementary schedules present fairly the status of the Company in conformity with related laws, regulations, and the Articles of Incorporation of the Company.
- Regarding the execution of duties by Directors, there were no instances of misconduct or material matters concerning violation of laws, regulations, or the Articles of Incorporation of the Company.
- The resolution of the Board of Directors regarding the Internal Controls is fair and reasonable. There are no matters or findings to be brought up regarding details stated in the Business Report and the execution of duties by Directors in relation to such internal controls.

Results of the Audit of Non-consolidated Financial Statements and Supplementary Schedules

The Audit and Supervisory Board acknowledges that the audit methods used and the audit results issued of the Independent Auditor, Ernst & Young ShinNihon LLC are fair and reasonable.

Results of the Audit of Consolidated Financial Statements and Supplementary Schedules

The Audit and Supervisory Board acknowledges that the audit methods used and the audit results issued of the Independent Auditor, Ernst & Young ShinNihon LLC are fair and reasonable.

May 15, 2023

Audit and Supervisory Board of Recruit Holdings Co., Ltd.

Standing Audit and Supervisory Board member	Yukiko Nagashima
Standing Audit and Supervisory Board member	Takashi Nishimura
Independent Audit and Supervisory Board member	Yoichiro Ogawa
Independent Audit and Supervisory Board member	Katsuya Natori