

# FAQs for Q3 FY2024

Recruit Holdings Co., Ltd.

## **Q1. Please explain the revised guidance and outlook of each segment for FY2024.**

Please refer to “2. Qualitative Information on Consolidated Financial Guidance” on page 4 of the earnings release for Q3 FY2024.

[https://recruit-holdings.com/files/ir/library/upload/Recruit\\_202503Q3\\_earnings\\_en.pdf#guidance](https://recruit-holdings.com/files/ir/library/upload/Recruit_202503Q3_earnings_en.pdf#guidance)

## **Q2. Please provide an update on the share repurchases announced on July 9, 2024.**

Please refer to the following.

Status and Completion of Share Repurchases

[https://recruit-holdings.com/en/newsroom/20250210\\_0001/](https://recruit-holdings.com/en/newsroom/20250210_0001/)

## **Q3. Please describe the labor market dynamics in the global HR Matching market during Q3.**

In Q3, job markets in the US and, to a lesser extent, Japan largely stabilized, characterized by steady labor demand, healthy wage growth and signs of growing confidence among employers and job seekers. At the same time, markets in several large European countries ended 2024 in a more fragile state, marked by fading labor demand, stagnant growth and political uncertainty.

### **US**

In Q3, the unemployment rate reversed some of the troubling increases that marked the start of the year, and stood at just 4.1% in December, a historically very low level. According to the Job Openings and Labor Turnover Survey (JOLTS) from the US Bureau of Labor Statistics, seasonally-adjusted job openings rose for two straight months in October and November, the first such streak since March 2022, before giving some of those gains back in December and falling back below the important 8 million threshold. Both the hires and quits rates remained below pre-pandemic levels, but showed signs of stabilization throughout the quarter, suggesting that confidence amongst both employers and job seekers, while still somewhat weak, is at least not getting worse and could be primed for a rebound.

### **Europe**

In Europe, it may still be too early to call a bottom in job openings, even as they stabilize in other regions. The economies in France, Germany and the UK all remained fairly weak overall, with manufacturing leading the slide in both France and Germany, even as those nations' services sectors appeared relatively stable. The level of job postings on Indeed in both France and Germany remained above pre-pandemic norms, but the steady declines that marked much of 2024 showed few signs of slowing as the year came to a close. In the UK, the level of job postings on Indeed was almost 15% below the pre-pandemic baseline as of late December, with postings in almost all job categories having weakened over the year.

### **Japan**

In Japan, there were no signs of a meaningful downturn, and employer demand remained consistently strong. While real inflation-adjusted wage growth remained slightly below the annual rate of inflation in October, nominal wage growth continued its sustained upward trajectory throughout the year, ending October up 2.3% year-over-year, according to Japan's Ministry of Health, Labour & Welfare. Historically, Japanese wage growth has been relatively rigid and muted but was driven up in 2024 by a combination of factors including inflation-driven wage re-negotiations, government-led wage hike requests and other policy-related factors. A loosening of the historically rigid Japanese labor market has also helped boost wages.

**Q4. Please explain Recruit's board of directors, audit and supervisory board members and executive appointments after April 1, 2025, as announced on February 12, 2025.**

Please refer to the following.

Recruit Holdings Announces Board of Directors and Audit and Supervisory Board Members Candidates:

[https://recruit-holdings.com/en/newsroom/20250212\\_0001/](https://recruit-holdings.com/en/newsroom/20250212_0001/)

Recruit Holdings Announces Executive Appointments for FY2025:

[https://recruit-holdings.com/en/newsroom/20250212\\_0002/](https://recruit-holdings.com/en/newsroom/20250212_0002/)

**Q5. Please summarize the progress of the Prosper Together strategic pillar.**

In December 2024, the Company released "Recruit Group Profile 2024", which outlines the management strategies and corporate activities of the Group, including Prosper Together. In addition to the Company's approach to human capital management, this year's profile includes new pages introducing the sustainability events attended by Ayano Senaha, Director, Executive Vice President and COO, and its initiatives for AI governance.

For more details, please see below.

[https://recruit-holdings.com/files/sustainability/data/Recruit\\_insideout2024\\_en.pdf](https://recruit-holdings.com/files/sustainability/data/Recruit_insideout2024_en.pdf)

The Company held a Fireside Chat Webcast on July 2, 2024 during which Ayano Senaha, Director, Executive Vice President and COO, and Junichi Arai, Senior Vice President of Corporate Strategy and Investor Relations, discussed the progress and challenges of the third year of our sustainability commitment "Prosper Together," one of its corporate strategic pillars. For more information about this fireside chat, please refer to the following.

[https://recruit-holdings.com/en/newsroom/20240702\\_0001/](https://recruit-holdings.com/en/newsroom/20240702_0001/)

The Company also continues to be listed in all six ESG indices for Japanese equities adopted by the Government Pension Investment Fund (GPIF).

[https://recruit-holdings.com/en/newsroom/20240828\\_0001/](https://recruit-holdings.com/en/newsroom/20240828_0001/)

## Appendix

### Historical Results of Operations by Each Segment

		Q1	Q2	FY2023			Q1	FY2024	
				Q3	Q4	FY	Q2	Q3	
<b>Consolidated Operating Results (In billions of yen)</b>									
Revenue		850.8	855.1	866.7	843.7	3,416.4	901.5	897.1	<b>896.9</b>
YoY %		0.9%	(2.7)%	(1.5)%	1.9%	(0.4)%	6.0%	4.9%	<b>3.5%</b>
Adj. EBITDA		165.9	162.2	158.2	111.9	598.3	179.0	188.1	<b>179.6</b>
YoY %		8.9%	11.7%	14.4%	2.6%	9.8%	7.9%	16.0%	<b>13.5%</b>
Adj. EBITDA margin		19.5%	19.0%	18.3%	13.3%	17.5%	19.9%	21.0%	<b>20.0%</b>
<b>HR Technology (In millions of USD)</b>									
US	Revenue	1,317	1,231	1,129	1,162	4,841	1,251	1,260	<b>1,184</b>
	YoY %	(18.6)%	(23.5)%	(21.3)%	(13.1)%	(19.3)%	(5.0)%	2.4%	<b>4.9%</b>
Japan	Revenue	119	118	123	142	503	155	186	<b>198</b>
	YoY %	-	-	-	-	-	29.3%	57.5%	<b>61.2%</b>
Rest of World	Revenue	437	428	390	401	1,659	422	443	<b>424</b>
	YoY %	-	-	-	-	-	(3.5)%	3.5%	<b>8.5%</b>
Total	Revenue	1,875	1,778	1,643	1,706	7,004	1,829	1,890	<b>1,807</b>
	YoY %	(14.2)%	(18.2)%	(17.2)%	(10.1)%	(15.0)%	(2.5)%	6.3%	<b>10.0%</b>
<b>HR Technology (In billions of yen)</b>									
US	Revenue	181.1	178.2	167.1	172.8	699.4	195.0	188.6	<b>180.5</b>
	YoY %	(13.7)%	(20.0)%	(17.7)%	(2.3)%	(13.9)%	7.7%	5.9%	<b>8.0%</b>
Japan	Revenue	16.4	17.0	18.1	21.0	72.7	24.1	27.9	<b>30.3</b>
	YoY %	-	-	-	-	-	46.5%	63.6%	<b>66.9%</b>
Rest of World	Revenue	60.2	61.9	57.7	59.6	239.6	65.8	66.4	<b>64.6</b>
	YoY %	-	-	-	-	-	9.4%	7.2%	<b>11.8%</b>
Total	Revenue	257.9	257.2	243.0	253.5	1,011.8	285.1	283.0	<b>275.4</b>
	YoY %	(9.1)%	(14.4)%	(13.4)%	0.9%	(9.3)%	10.6%	10.0%	<b>13.3%</b>
	Adj. EBITDA	98.1	92.1	80.7	73.3	344.3	100.2	107.0	<b>98.9</b>
	YoY %	2.7%	1.0%	2.4%	(4.4)%	0.6%	2.2%	16.2%	<b>22.6%</b>
Adj. EBITDA margin		38.1%	35.8%	33.2%	28.9%	34.0%	35.2%	37.8%	<b>35.9%</b>
<b>Matching &amp; Solutions (In billions of yen)</b>									
HR Solutions	Revenue	80.8	74.1	73.1	76.8	305.0	74.8	69.5	<b>63.2</b>
	YoY %	11.3%	5.5%	(0.8)%	(4.9)%	2.5%	(7.4)%	(6.2)%	<b>(13.6)%</b>
	Adj. EBITDA <sup>1</sup>	20.4	15.5	13.1	13.4	62.6	18.1	16.1	<b>11.0</b>
	YoY %	24.2%	(0.9)%	8.4%	(33.2)%	(2.8)%	(11.2)%	4.3%	<b>(16.4)%</b>
Adj. EBITDA margin <sup>1</sup>		25.3%	21.0%	18.0%	17.5%	20.5%	24.3%	23.3%	<b>17.4%</b>
Marketing Solutions	Revenue	116.6	123.4	123.6	128.6	492.4	125.5	133.3	<b>132.8</b>
	YoY %	11.2%	10.3%	7.1%	7.9%	9.0%	7.7%	8.0%	<b>7.4%</b>
	Adj. EBITDA <sup>1</sup>	31.4	39.7	42.1	24.6	138.0	40.3	46.6	<b>45.8</b>
	YoY %	(7.9)%	(3.0)%	7.7%	(23.8)%	(5.9)%	28.5%	17.3%	<b>8.8%</b>
Adj. EBITDA margin <sup>1</sup>		26.9%	32.2%	34.1%	19.2%	28.0%	32.1%	35.0%	<b>34.6%</b>
Others and Eliminations	Revenue	2.5	2.5	2.6	2.6	10.3	2.5	2.7	<b>2.6</b>
	YoY %	(14.7)%	(13.7)%	(1.0)%	(11.5)%	(10.4)%	0.9%	5.7%	<b>(2.6)%</b>
Adj. EBITDA		(9.3)	(9.0)	(8.8)	(9.7)	(37.0)	(6.7)	(6.5)	<b>(6.6)</b>
Total	Revenue	199.9	200.1	199.5	208.1	807.8	202.9	205.5	<b>198.7</b>
	YoY %	10.8%	8.1%	3.9%	2.5%	6.2%	1.5%	2.7%	<b>(0.4)%</b>
	Adj. EBITDA	42.5	46.2	46.4	28.4	163.6	51.7	56.2	<b>50.2</b>
	YoY %	35.7%	65.5%	47.1%	50.2%	49.0%	21.7%	21.7%	<b>8.1%</b>
Adj. EBITDA margin		21.3%	23.1%	23.3%	13.7%	20.3%	25.5%	27.4%	<b>25.3%</b>
<b>Staffing (In billions of yen)</b>									
Japan	Revenue	186.1	184.0	193.4	187.9	751.6	200.2	197.4	<b>208.4</b>
	YoY %	12.7%	10.9%	10.9%	5.3%	9.9%	7.6%	7.2%	<b>7.8%</b>
Europe, US, and Australia	Revenue	215.2	222.2	240.2	204.8	882.6	222.3	220.3	<b>230.0</b>
	YoY %	(2.4)%	(5.1)%	(0.4)%	(0.1)%	(2.1)%	3.3%	(0.9)%	<b>(4.2)%</b>
Total	Revenue	401.4	406.3	433.6	392.8	1,634.2	422.5	417.7	<b>438.4</b>
	YoY %	4.1%	1.5%	4.3%	2.4%	3.1%	5.3%	2.8%	<b>1.1%</b>
	Adj. EBITDA	26.7	25.3	32.5	13.2	97.9	28.6	26.7	<b>31.9</b>
	YoY %	(2.0)%	(9.2)%	9.2%	(22.9)%	(4.2)%	7.1%	5.6%	<b>(1.9)%</b>
Adj. EBITDA margin		6.7%	6.2%	7.5%	3.4%	6.0%	6.8%	6.4%	<b>7.3%</b>

<sup>1</sup> Before allocation of corporate overhead costs.

### Historical Consolidated and Staffing Constant Currency Revenue Results

(In billions of yen)	FY2023				FY2024		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
<b>Consolidated Operating Results</b>							
Reported	850.8	855.1	866.7	843.7	901.5	897.1	<b>896.9</b>
YoY %	0.9%	(2.7)%	(1.5)%	1.9%	6.0%	4.9%	<b>3.5%</b>
Constant currency	825.1	828.3	840.4	794.2	843.3	877.2	<b>881.7</b>
YoY %	(2.1)%	(5.7)%	(4.5)%	(4.0)%	(0.9)%	2.6%	<b>1.7%</b>
<b>Staffing</b>							
Reported	401.4	406.3	433.6	392.8	422.5	417.7	<b>438.4</b>
YoY %	4.1%	1.5%	4.3%	2.4%	5.3%	2.8%	<b>1.1%</b>
Constant currency	390.3	390.6	417.9	370.5	397.9	408.0	<b>431.9</b>
YoY %	1.2%	(2.4)%	0.6%	(3.4)%	(0.9)%	0.4%	<b>(0.4)%</b>
<b>Staffing Europe, US, and Australia</b>							
Reported	215.2	222.2	240.2	204.8	222.3	220.3	<b>230.0</b>
YoY %	(2.4)%	(5.1)%	(0.4)%	(0.1)%	3.3%	(0.9)%	<b>(4.2)%</b>
Constant currency	204.1	206.5	224.5	182.5	197.7	210.6	<b>223.5</b>
YoY %	(7.4)%	(11.8)%	(6.9)%	(11.0)%	(8.1)%	(5.2)%	<b>(7.0)%</b>

### Historical HR Technology Constant Currency Revenue Results

(In millions of USD)	FY2023				FY2024		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
<b>Rest of World</b>							
Reported	437	428	390	401	422	443	<b>424</b>
YoY %	-	-	-	-	(3.5)%	3.5%	<b>8.5%</b>
Constant currency	-	-	-	-	428	441	<b>425</b>
YoY %	-	-	-	-	(2.1)%	3.0%	<b>9.0%</b>
<b>Total</b>							
Reported	1,875	1,778	1,643	1,706	1,829	1,890	<b>1,807</b>
YoY %	(14.2)%	(18.2)%	(17.2)%	(10.1)%	(2.5)%	6.3%	<b>10.0%</b>
Constant currency	1,879	1,759	1,631	1,717	1,855	1,893	<b>1,812</b>
YoY %	(14.1)%	(19.1)%	(17.8)%	(9.5)%	(1.1)%	6.4%	<b>10.3%</b>

### Number of Accounts Per SaaS Service<sup>1</sup>

(In thousands of accounts)	FY2023				FY2024			
	As of	June 30	September 30	December 31	March 31	June 30	September 30	December 31
Registered accounts <sup>2</sup>		3,350	3,470	3,600	3,780	3,920	4,050	<b>4,180</b>
YoY %		26.8%	22.4%	19.9%	18.2%	17.1%	16.7%	<b>16.1%</b>
AirPAY		417	430	450	475	491	504	<b>515</b>
YoY %		37.4%	31.0%	25.4%	20.5%	17.7%	17.0%	<b>14.2%</b>
Cross-use of AirPAY and other Air BusinessTools <sup>3</sup>		236	245	258	274	289	298	<b>309</b>
YoY %		25.7%	23.6%	22.5%	21.9%	22.4%	21.7%	<b>19.3%</b>

<sup>1</sup> The number of registered accounts retroactively reflects changes in counting methods due to product renewals and other factors.

<sup>2</sup> Cumulative number of registered accounts of paid and unpaid SaaS solutions provided by Matching & Solutions segment in Japan.

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.

<sup>3</sup> Cross-use of AirPAY and other Air BusinessTools accounts that use AirPAY and at least one of the following solutions: AirREGI, AirRESERVE, AirWAIT, AirSHIFT, or AirREGI ORDER.

***Forward-Looking Statements***

This document contains forward-looking statements, which reflect the Company's assumptions and outlook for the future and estimates based on information available to the Company and the Company's plans and expectations as of the date of this document or other date indicated. There can be no assurance that the relevant forecasts and other forward-looking statements will be achieved. Please note that significant differences between the forecasts and other forward-looking statements and actual results may arise due to various factors, including changes in economic conditions, changes in individual users' preferences and business clients' needs, competition, changes in the legal and regulatory environment, fluctuations in foreign exchange rates, climate change or other changes in the natural environment, 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.

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