Issues to be Addressed

Mid-term Management Strategy

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Recruit Holdings Co., Ltd.
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Provide Effective Matching Solutions

Leveraging technology to improve matching across HR and Media businesses
Innovate the estimated 16 trillion yen+\(^{(1)}\) HR matching market with effective matching solutions

**Job advertising & talent sourcing tools**

<table>
<thead>
<tr>
<th>Online</th>
<th>Offline</th>
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<tbody>
<tr>
<td>¥1.7 trillion</td>
<td>¥550 billion+</td>
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: Total ~ ¥2.2 trillion+\(^{(2)}\)

**Placement & Search**

: Total ~ ¥5.5 trillion\(^{(3)}\)

**Temp Staffing Market**

Gross Profit\(^{(4)}\)

~¥9.0 trillion yen

: Total ~ ¥50 trillion\(^{(3)}\)

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(1) Source: SIA (Staffing Industry Analysts). www.staffingindustry.com; 2018 company estimates, consists of the job advertising and talent sourcing tools market, the placement and executive search market, and the temporary staffing market (gross profit)

(2) Source: 2018 company estimates, consists of online job advertising, employer branding, and talent sourcing tools

(3) Source: SIA, Global Staffing Industry Market Estimates and Forecast: November 2018 Update, company estimates; assumes 6% industry growth rate (2018)

(4) Assumes gross profit margin of 18.3% calculated based on the weighted average of the top 3 publicly traded global staffing companies in terms of revenue (2018)

(5) Assumes 1 US Dollar to 110 yen
Growth and Evolution in HR Matching Market

1. Long-Term Goals of Recruit Group

Recruit Group HR matching business\(^{(1)}\) in FY2018: 870 billion yen

\[
\text{Total}\(^{(2)}\): \text{Approximately 1,270 billion yen}
\]

\begin{itemize}
  \item Staffing (Gross Profit)
  \item HR Technology
  \item M&S: Marketing Solutions
  \item M&S: HR Solutions
\end{itemize}

\(^{(1)}\) Business scale of HR matching businesses comprised of revenue of (i) HR Technology, (ii) HR Solutions in Media & Solutions and (iii) Staffing excluding salary for temporary staff etc.

\(^{(2)}\) “Total” comprised of (1) and revenue of Marketing Solutions in Media & Solutions
Growth and Evolution in HR Matching Market

Leveraging technology to drive innovation in overall HR matching businesses:

- HR Technology
  Improve matching efficiency to lead the evolution of all HR matching businesses in Recruit Group
- HR Solutions in Media & Solutions / Staffing
  Continue to improve existing businesses

Employing disruptive technological innovation to become the global leader in the HR matching market
Mid-term Segment Strategies

HR Technology
Promote further growth of online job advertising business
Expand capabilities through internal investment and M&A in online HR matching businesses

Media & Solutions
Focus on stable growth in advertising business and expand operational and management support service across subsegments
Aim for stable revenue growth and keep adjusted EBITDA margin at a current level

Staffing
Improve adjusted EBITDA margin on a global scale
Management KPIs and Financial Policies

Management KPIs

Adjusted EBITDA\(^{(1)}\) and Adjusted EPS

Financial Policies - Capital Efficiency

Maintain ROE of approximately 15%

Financial Policies - Capital Allocation

1. Dividends: Implement twice a year - Interim and year-end
Target consolidated payout ratio of approximately 30\(^{(2)}\)%

2. M&A: Strategic acquisitions primarily in the HR Technology segment

3. Stock buy-back: Consider implementing a share repurchase program based on the capital market environment and financial outlook

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(1) Adjusted EBITDA: operating income + depreciation and amortization (excluding depreciation of right-of-use assets) ± other operating income/expenses

(2) Consolidated payout ratio: approximately 30% of Profit available for dividends (profit attributable to owners of the parent excluding non-recurring income/losses)
Consolidated revenue and adjusted EBITDA are expected to increase, with revenue and adjusted EBITDA increasing in all three segments.

Management KPIs

Adjusted EBITDA is expected to be in the range of 310 billion yen to 330 billion yen, exceeding the previous fiscal year.

Adjusted EPS is aimed to grow high single digits compared to FY2018.

Dividends

FY2019 - Annual 30 yen: interim 15 yen and year-end 15 yen

* Assumed foreign exchange rates for FY2019: JPY 107 per US dollar, JPY 129 per Euro, JPY 78 per Australian dollar
FY2019 Segment Financial Guidance

HR Technology
Revenue in US dollar terms is expected to grow 35% plus or minus a few percent
Adjusted EBITDA margin is expected to be plus or minus a few percent compared to FY2018

Media & Solutions
Revenue is expected to grow mid single digits in Marketing Solutions and low single digits in HR Solutions
Adjusted EBITDA margin is expected to be the same level of FY2018

Staffing
Revenue is expected to grow low single digits in both Japan and Overseas operations
Adjusted EBITDA margin is expected to increase slightly
Sustainability Activities

What is Sustainability activities?

Activities aiming sustainable value creation for society, not only through business, but also through social contribution activities, and creation of diversified internal organizations.

Recruit Group’s three guiding principles

1. Contributing to society through our business
2. Meeting society’s expectations
3. Fulfilling our responsibilities as a corporate citizen
Notes

EBITDA: operating income + depreciation and amortization ± other operating income/expenses

Adjusted EBITDA: operating income + depreciation and amortization (excluding depreciation of right-of-use assets) ± other operating income/expenses

Adjusted profit: profit attributable to owners of the parent ± adjustment items* (excluding non-controlling interests) ± tax reconciliation related to certain adjustment items

*Adjustment items = amortization of intangible assets by acquisitions ± non-recurring income/losses

Adjusted EPS: adjusted profit / (number of shares issued at the end of the period - number of treasury stock at the end of the period)

Profit available for dividends = profit attributable to owners of the parent ± non-recurring income/losses, etc.
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