

## **Speaker notes for Press Conference Regarding The Acquisition of Glassdoor, Inc.**

(Each slide number below corresponds to the document "Acquisition of Glassdoor, Inc." disclosed on May 09, 2018)

### **Slide 1: Acquisition of Glassdoor, Inc.**

I am Junichi Arai, Recruit Holdings Corporate Executive Officer.  
We announced that we have signed a definitive agreement to acquire the Glassdoor company, a privately held U.S. company which runs an online jobs and recruiting site.

I will begin by providing a summary of the transaction and an overview of Glassdoor followed by a video from Recruit Holdings COO and Head of the HR technology segment, Hisayuki Idekoba, known as Deko, to explain the strategic rationale of the transaction.

After that, I will explain Glassdoor's business model and the significant scale they have achieved

And finally, I will review the impact of this acquisition on the consolidated income statement of Recruit Holdings.

### **Slide 3: Glassdoor, Inc.**

Glassdoor has built a trusted and highly recognized brand known for introducing greater workplace transparency through its large database of company reviews, salary information and other company insights. This information is extremely valuable since it is provided by employees and former employees.

As Glassdoor's company name and logo shows, it is an image looking into a company through a transparent glass door.

I hope you visit the [glassdoor.com](http://glassdoor.com) site later to learn more about their business

### **Slide 4: Transaction Overview**

We will acquire all the outstanding shares of the Glassdoor for US \$ 1.2 billion and convert it into Japanese yen at approximately 127.2 billion yen.

The transaction will be funded 100% using cash on hand.

The transaction is expected to close during the second quarter of Recruit's current fiscal year, after closing conditions and regulatory approvals are completed.

Upon closing, Glassdoor will operate as a subsidiary of our company, within our HR Technology SBU.

We will discuss the impact on The Company's consolidated financial results at the end of the presentation.

### **Slide 5: Glassdoor Overview**

Glassdoor was founded in 2007 based in California, USA.

Glassdoor manages one of the largest and fastest growing jobs and recruiting sites. Glassdoor's mission is "to help people everywhere find jobs and companies they love".

As I mentioned at the beginning, Glassdoor is known for increasing transparency in recruiting and hiring by publishing a huge database of reviews provided by employees and former employees.

Glassdoor has continued to scale under Robert Hohman's leadership and has reached \$171mm in revenue for the most recent fiscal year. The number of employees is approximately 750 people.

Please watch the video message on our website from Deko, our COO, on the rationale of this transaction.

### **Slide 6: Glassdoor Founded In Community Driven Content**

Glassdoor was built on the idea of increasing transparency for job seekers as they research jobs and companies by allowing users to anonymously share feedback on their employers.

Over time, this forum has expanded to include employer reviews, CEO ratings, salary data, and jobs, to become one of the largest job sites in the US by unique visitors.

These unique insights are extremely valuable for job seekers during their job search and empowers them make more informed decisions about where they choose to work.

Glassdoor's content for job seekers is free, including reviews. Glassdoor's revenue comes from employers who are looking to recruit and hire. Glassdoor offers employers opportunities to advertise jobs and to promote their brand to potential candidates.

Glassdoor has developed a business that enhances matching between job seekers and employers worldwide, which is why it is a great fit with the Recruit Group

### **Slide 7: Leading User-Generated Content (UGC) Jobs Community**

Today, Glassdoor brings a loyal and growing user base of more than 59 million unique users each month

Glassdoor has 40 million reviews and insights for more than 770,000 companies and there are 16 million jobs on Glassdoor's site, making it one of the largest job sites in the world

### **Slide 8: Key Performance Metrics**

Glassdoor has seen increased trust and engagement among job seekers leading to significant growth in its unique user base, as shown in the chart on the left

Glassdoor has achieved a 60% revenue CAGR from March 2015 until year ended March 31, 2018. Also, Glassdoor achieved 37% yoy revenue growth during their most recent Fiscal Year.

### **Slide 9: Transaction Rationale**

We believe that this acquisition is strategically important to Recruit as it brings Glassdoor's large database of company information and content into our HR technology SBU and, over time, this will allow Glassdoor and Indeed to work together as sister companies to strengthen our offering for job seekers and employers.

- ✓ HR technology platform will be strengthened by welcoming a trusted and highly-known brand,
- ✓ in addition, the Glassdoor team brings experienced and outstanding people to join the group,
- ✓ We will be able to further strengthen, deepen and expand services provided to both job seekers and recruitment companies
- ✓ Enables further expansion of business in the expanding HR technology business area

### **Slide 10: Financial Impacts**

Since the acquisition will be fully funded by the cash held on the balance sheet, there are no plans to borrow money or use equity finance to execute this transaction.

Assuming that the transaction is completed at the end of July, Glassdoor would contribute to the performance of this fiscal year for 8 months. The contribution is estimated to be approximately ¥16.0 billion in sales and about -¥3.0 billion in EBITDA, which is related to transaction costs, salaries and incentives. It also takes into account the costs involved. And we have estimated the negative impact of -¥3.1 billion on adjusted Net Income.

We plan to incorporate this impact into the consolidated earnings forecast for the fiscal year ending March 2019 scheduled to be announced at the announcement of the fiscal year ending March 31, 2018 scheduled for May 15th.

That concludes my prepared remarks.

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