Thank you very much for your time today.

My name is Keiichi Sagawa, CFO and Senior Managing Corporate Executive Officer of Recruit Holdings.

First of all, I would like to talk about "Rikunabi DMP Follow" service, before starting the results presentation. In relation to this service, Japanese authorities issued an administrative admonishment and an administrative directive to Recruit Career, our Group company in the Media & Solutions SBU from August to September. We regret any inconvenience and concern this caused for students who used our Rikunabi service, and for shareholders and investors.

Recruit Group takes the protection of personal information very seriously, and, as we already announced, will implement measures to strengthen our governance in order to prevent recurrences of such issues.

The investigations by the regulators are still ongoing, and we will keep you updated regarding any developments on this issue.

1. Recent Developments

I will begin with the recent developments in the first half of FY2019.

On August 28, 2019, the Board of Directors resolved to conduct a secondary offering of 121.5 million shares of its common stock. The settlement was completed as of September 30, 2019.

The purpose of this secondary offering was to provide an opportunity for a number of our shareholders to reduce their holdings in a coordinated manner, and thereby address the potential impact on our stock price from uncoordinated sales of our shares in the open market.

In addition, we resolved to conduct share repurchases to enhance shareholder returns and to balance the supply and demand of our stock in the aftermarket following the secondary offering.

As of October 31, 2019, we have completed share repurchases totaling approximately 60% of the maximum total purchase amount of 80.0 billion yen. We intend to purchase the remaining amount, approximately 30.0 billion yen, by November 29, 2019.
2. FY2019 1st Half Highlights

Slide 5: FY2019 1st Half Highlights

Next, I will touch upon the highlights of the first half of FY2019.

Consolidated revenue increased 5.1% to 1,201.2 billion yen, adjusted EBITDA grew 14.5% to 177.7 billion yen. Adjusted EPS, excluding non-recurring income and losses, grew 15.9% year on year to 67.96 yen.

All of these hit record highs.

By segment, revenue and adjusted EBITDA grew in the HR Technology and Media & Solutions segments, while those of the Staffing segment decreased as a result of the challenging economic environment mainly in Europe.

In the HR Technology segment, strong revenue growth continued in the first half of FY2019, up 40.1% in US dollar terms.

From this quarter, HR Technology segment revenue growth will no longer benefit from acquired revenue related to the Glassdoor acquisition, as Glassdoor has been consolidated from Q2 FY2018.

Staffing revenue for the first half decreased 3.8% year on year, however, excluding the negative impact of foreign exchange, revenue decreased 0.6%, almost flat year on year.

3. FY2019 Q2 Financial Results

Slide 6. FY2019 Q2 Consolidated Financial Results

Next, here are the consolidated financial results for the three months of Q2 FY2019.

Quarterly revenue increased 5.0% year on year. Quarterly adjusted EBITDA grew 18.1%, and adjusted EBITDA margin was 14.9%. Adjusted EPS in Q2 grew 18.5% year on year.

Slide 7. HR Technology

I will now explain the three-month financial results by segment, beginning with the HR Technology segment.

Revenue in Q2 increased 34.8% in US dollar terms.

Revenue growth was primarily driven by increased sponsored job advertising, against a backdrop of a tight labor market in the US and Japan.

While strong revenue growth continued in the US, Non US markets continued to outpace the US.
Also, recruiting solutions including resume searching, employer branding and placement services are contributing to revenue growth, however, the business scale is still small.

Adjusted EBITDA margin in Q2 was 22.9% for Q2 FY2019. This was primarily due to the timing difference of investments in sales and marketing expenses.

To accelerate revenue growth, the HR Technology segment will continue to invest in sales and marketing activities, and in product enhancements. The timing of these investments will fluctuate on a quarterly basis. As a result, adjusted EBITDA margin for FY2019 is still expected to be approximately the same level of FY2018, plus or minus a few %, as previously announced.

**Slide 8. Media & Solutions**

Next, I will discuss the Media & Solutions segment.

Revenue in Q2 increased 8.3% year on year, adjusted EBITDA grew 8.8% and adjusted EBITDA margin was 25.2%.

First, I will walk through some of the highlights of the Marketing Solutions subsegment in Media & Solutions.

Revenue growth in Media & Solutions was mainly driven by the Housing and Real Estate, Travel, Beauty and Others subsegments.

In the Travel business, revenue in Q2 increased 20.8% year on year, mainly due to increased booking fees on, Jalan, which went into effect from April 1, 2019.

In the Beauty business, revenue in Q2 increased 13.8% year on year as a result of an increase in the number of beauty salon clients advertising on Hot Pepper Beauty.

The Others subsegment includes a number of different businesses such as automobile and Air BusinessTools, renamed from AirSeries, which is SaaS based operational and management support services.

Revenue in the Others subsegment in Q2 increased 11.4% year on year, mainly due to high demand for Air BusinessTools especially from SMEs such as retailers, against the backdrop of a tax hike and the point reward project for consumers using cashless payments initiated by the Government beginning October 1, 2019.

As a result, Q2 revenue in Marketing Solutions increased 9.7%, and adjusted EBITDA increased 5.2% year on year with an adjusted EBITDA margin of 28.3%.

I will now talk about HR Solutions.

In the Recruiting in Japan subsegment, revenue in Q2 increased, especially in the placement business in mid-career, as the Japanese labor market remained extremely tight. In this environment, the subsegment focused on strengthening its organizational structure.
As a result, Q2 revenue in HR Solutions increased 6.5% year on year, and adjusted EBITDA increased 17.7% with adjusted EBITDA margin of 27.0%.

**Slide 9: Offering Comprehensive SaaS Solutions to SMEs in Japan**

Earlier I referred to Air BusinessTools. While we pursued advertising type businesses in Japan in the past, we are now strengthening these SaaS products to be a growth pillar in the Media & Solutions segment in the future, in addition to the advertising business.

As you can see on slide 9, we have multiple services in Air BusinessTools, including reservation management system, such as SALON BOARD, supporting marketing activities, and POS function, AirREGI, that grew strongly in terms of the number of accounts. Going forward, we will focus on expanding the number of transactions through other services, including AirPAY, a payment function, and AirSHIFT, an attendance management tool, to support efficiency enhancement of non-mainstay operations of SMEs and retailers.

**Slide 10: Growth Momentum of SaaS Accounts Continues**

The total number of our SaaS accounts has grown quickly, with a 5-year growth rate of 31.0%, that already exceeds that of our Classified Ads accounts.

We aim to increase the total number of SaaS accounts by attracting new clients to Air BusinessTools.

**Slide 11: The Number of Air Pay Accounts**

Thanks to the recent promotion of cashless payments by the government, growth in the number of accounts for payment service, AirPAY, in particular, has been strong.

The chart on page 11 shows the trend of the number of AirPAY accounts.

Please allow me to refrain from giving the detailed figures, but recently, the number of accounts has increased considerably by more than 80% in the six months from the end of March to the end of September 2019. Growing by 1.8 times, a significant growth.

In addition, even after the consumption tax hike enforcement on October 1, 2019, we are continuing to see high demand for new AirPAY accounts from SMEs, and we expect this demand to continue for some time.

Going forward, we aim to grow our SaaS business mainly with new clients who have not previously utilized our advertising services, by using AirPAY and AirREGI, which has approximately 450 thousand accounts already, as a driver, while encouraging them to add
other services such as *AirSHIFT*. So to grow the total number of account, to strengthen the solid foundation of SaaS business for the future growth.

**Slide 12. Staffing**

Finally, the Staffing segment.

Revenue in Q2 were down by 2.6% year on year, while adjusted EBITDA was up by 5.0%, with adjusted EBITDA margin was 6.7%. Excluding the negative impact of foreign exchange, increased 1.7% year on year.

In Japan operations, revenue in Q2 increased 5.5% year on year, as the Japanese labor market remained tight, indicating continued strong demand for agency workers.

Adjusted EBITDA was up by 20.4% year on year as a result of the absence of the one-off expenses related to abnormally high holiday pay in Q2 FY2018, affected by the Revised Worker Dispatching Act in Japan.

Adjusted EBITDA margin was 8.2%.

In Overseas operations, revenue in Q2 declined by 8.0% year on year, mainly due to an uncertain outlook for the European economy.

Adjusted EBITDA was lower by 8.7% year on year, with Adjusted EBITDA margin of 5.5%, which was flat year on year.

With the current uncertain economic environment in certain European countries, the Staffing segment will focus on generation of its adjusted EBITDA margin through optimizing personnel allocation and further reducing administrative costs, while continuing to focus on utilizing the Unit Management System.
Slide 13. FY2019 Consolidated Financial Guidance

Next, regarding the consolidated financial guidance for the full-year of FY2019, we made no change from the announcement on May 14, 2019.

Year to date performance has trended well. As I mentioned, we plan to invest heavily to drive future growth, mainly in the HR Technology segment. While we expect the uncertain economic outlook for the overseas Staffing business to continue. So, as a result, we foresee adjusted EBITDA to be within the range of 310 to 330 billion yen for FY2019, as we previously disclosed.

Let me also inform you that the Board of Directors resolved today on the payment of interim dividends of 15 yen per share in line with our initial expectation.

Slide 14. FY2019 Segment Financial Guidance

As to the segment financial guidance, no change was made from Q1 FY2019.

This concludes my presentation.
Thank you for your attention.