

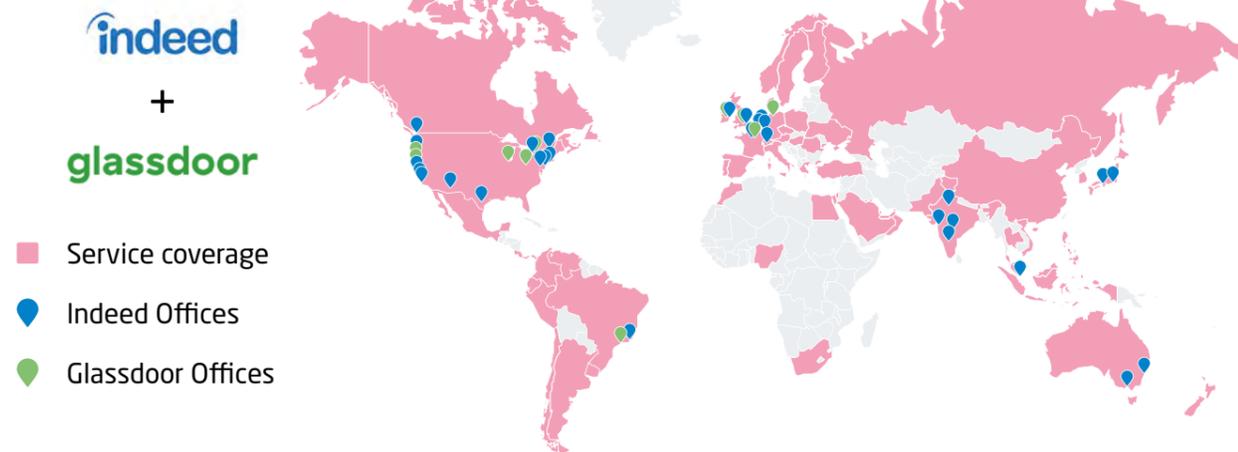
HR Technology SBU

The HR Technology SBU consists of the operations of Indeed, an online job search engine, and the operations of Glassdoor, an online job and company information site. HR Technology has maintained the highest growth of all the SBUs, and in the three-year period from FY2015, sales on a US dollar basis increased nearly fourfold from \$770 million to \$2.94 billion.¹

Business summary	Operational data No. of employees	FY2018 Financial performance
 <p>Founded in 2004 and acquired by Recruit Holdings in 2012, Indeed utilizes aggregation technology, a hosted job platform, and a proprietary search algorithm to simplify the job search experience by creating a single destination for job seekers to find relevant job openings. The job listings on Indeed are aggregated from thousands of company websites, job boards, staffing firm websites, and direct job postings on Indeed's online platform. Indeed helps employers recruit and hire talent through job advertising, providing an efficient platform to post jobs and source candidates through multiple pay-per-performance pricing models. Indeed also offers employers the ability to directly source candidates from its database of millions of resumes and is continuing to develop new recruiting solutions. Indeed has offices in 29 cities across 14 countries,² helping people find jobs in more than 60 countries.</p>	<p>Over 250 million monthly unique visitors⁴</p> <p>Over 150 million resumes³</p> <p>9,500 employees³</p>	<p>Segment revenue: 326.9 billion yen</p> <p>YoY growth: +49.6%</p> <p>Segment EBITDA: 47.4 billion yen</p> <p>YoY growth: +55.0%</p>
 <p>Founded in 2007, and acquired by Recruit Holdings in 2018, Glassdoor combines job postings with millions of reviews, salaries, and insights shared by users to increase transparency and help people everywhere find a job and company they love. Glassdoor helps employers hire talent at scale through recruiting solutions including job advertising, job posting, and employer branding products.</p>	<p>Over 60 million monthly unique visitors⁵</p> <p>960 employees³</p>	

Global presence

As of August 31 2019



¹ The US dollar-based revenue reporting represents the financial results of operating companies in this segment on a US dollar basis, which differ from the consolidated financial results of Recruit Holdings.

² Approximate, as of March 31, 2019.

³ Approximate, as of June 30, 2019.

⁴ Internal data based on Google Analytics service; Average monthly unique visitors in the three months ended June 30, 2019.

⁵ Internal data based on Google Analytics service; Peak monthly unique visitors in the three months ended June 30, 2019.

Mid-term strategy

The HR Technology SBU aims to maintain growth through the continued expansion of our existing online job advertising services. We intend to pursue further growth by utilizing technology and automation to simplify the job search experience and lower the cost-per-hire for employers. We are expanding our capabilities through internal investments and will consider acquisitions to advance in these areas. The HR Technology SBU aims to improve the efficiency of our HR Matching business across

the Group by leveraging our industry expertise and through collaboration with the Media & Solutions and Staffing SBUs (see p19/20 for information on the HR Matching market). Together, Indeed and Glassdoor are committed to reaching more job seekers and employers by growing the business in key markets around the world. We expect that our non-US operations, which in FY2018 accounted for almost 30% of HR Technology SBU revenue, will represent an increasingly larger portion of our business over time.

Client success stories

Austin Capital Bank: Indeed Hire makes hiring easy



made our recruiting and hiring process enjoyable” said Erik. “It’s efficient, reasonably priced and it makes hiring easy, allowing us to focus again on critical operations functions. We plan to keep using Indeed Hire.”

Founded in 2006, Austin Capital Bank is a national leader in US financial services innovation. In June 2017, the bank was experiencing rapid growth and its hiring needs grew as a result. President and CEO Erik Beguin and COO Stephanie Rankin found themselves overwhelmed with a large volume of resumes and unable to screen the hundreds of applicants. It was then that they turned to Indeed Hire, who assigned a hiring specialist who quickly came to understand their needs and deftly identified the right candidates for them. “Using Indeed Hire has been a huge time saver for us and has actually

Takashi Nishimura, General Manager at Indeed, explains that Indeed Hire is the next step in the evolution of a business with a singular focus—to help people get jobs. “We built Indeed Hire to provide an end-to-end recruitment solution at a fraction of the industry-average cost, helping employers lower their costs and helping more job seekers find the right job for them. Leveraging Indeed’s technology and data, we have dramatically simplified the entire process through automation, while backing it up with highly skilled specialists. Our simple success-based pricing model aligns our interests directly with those of our enterprise clients including SMEs, and our hiring professionals are seen as an extension of their talent attraction teams.” Takashi continues “This innovative approach places us at the forefront of the evolving HR market, enabling us to fulfill our focus of improving the experience for job seekers while helping employers find great hires.”

■ Simplifying the job search process with innovative technology



Hisayuki Idekoba
Head of HR Technology
SBU

Isn't there a better way?

Recruit Group has been evolving its HR business since it was founded 59 years ago in order to meet the changing needs of the HR industry. What we have always considered important is to continue asking "Isn't there a better way?" One answer can be found in the HR Technology SBU, which uses technology to improve job search activities of individual users and recruiting activities of enterprise clients in a simple and efficient manner.

We made a full-scale entry into this field in 2012 with the acquisition of Indeed. Not so long ago, searching for a job was a burdensome process whereby job seekers had to use a wide variety of sources, including print media and online job boards, to try to find a job that met their needs. Founded in the US in 2004, Indeed uses aggregation technology to bring together job listings scattered across the Internet onto a single site, making the job search process much more efficient. We have made it easy and efficient for people to find and get jobs in more than 60 countries.

In addition, Glassdoor, acquired by Recruit Group in 2018, facilitates transparency in job searching by providing word-of-mouth information that helps people choose a job, including reviews of the work environment and information on salaries.

Indeed and Glassdoor are working towards a common goal of making it easier to help people get jobs, while helping employers recruit and hire talent. Utilizing each company's respective strengths, we are committed to achieving this goal.

Beyond online job advertising

Our core business of online job advertising has grown significantly over the last few years, and we will continue to expand our business on a global scale. At the same time, we will seek to expand into new markets beyond our existing online job advertising business.

For example, the recruitment market is significantly larger than online job advertising, and we see a huge opportunity to disrupt this market and deliver a better solution to job seekers and employers. Indeed Hire, first launched in 2016, is a product uniquely positioned to tackle this new opportunity. Designed to meet the needs of businesses that do not have the time to review hundreds of resumes, the service leverages our data and strength in machine learning to deal with many of the repetitive and manual steps involved in traditional job placement and search. The result is a pay-per-hire full-service recruiting agency that helps improve each step of the hiring process for everyone.

Expanding our services through M&A

We have also evolved our existing products and services through M&A. For example, through the acquisition of Interviewed.com in 2017, we launched Indeed Assessments in 2018, which brings a comprehensive library of assessments to help employers screen candidates for their aptitude, cognitive abilities, and specific skills that fit their hiring needs. The ability to immediately identify the job seeker's skills has made it possible for individual users to find the jobs that suit them best, and for clients to quickly identify qualified candidates, significantly reducing the time and cost of hiring.

The HR industry continues to rapidly evolve. In particular, the pace of advancements in technologies such as machine learning is remarkable, and we are entering a genuinely exciting time for the industry. Our goal is to contribute to enriching people's lives by using innovative technologies to eliminate the challenges of job searching and recruitment, making these processes more efficient.

Taking advantage of the strengths of our Group, which has a history of turning every change in the industry into an opportunity, we will continue to innovate so that growth in the HR Technology SBU can help drive the growth of the entire Recruit Group.

■ Risk management **Lowell Brickman**

Executive Officer, Risk Management, HR Technology SBU,
General Counsel and Secretary, Indeed



One of the biggest challenges for a technology company experiencing growth is finding that delicate balance between the expansion of services and assurance that all products are completely risk free. An easy way to mitigate risk is to simply say "no" to anything new, but of course, that's bad for business. Our risk management team is told to put themselves in the shoes of the business person, understand their objectives, and develop a course of action whereby they can say "yes," allowing the project to move ahead but in a legal, safe way.

The introduction of SBU Risk Management Committees, reporting to the Risk Management Committee at our holding company, has helped make risk management a key priority in our SBU. We have a Risk Management subcommittee, a committee underneath the main committee, which has representatives from product, legal, privacy, and engineering. With this system, we try to ensure that the highest levels of our company are made aware of potential issues in advance, resulting in the prioritization of preventative actions.

Another challenge for our HR Technology SBU, which has been accelerating its M&A strategy, is ensuring that all new subsidiaries of the SBU are also maintaining effective compliance and privacy practices. To handle this, we take a three-step approach: we require that they obtain permission from the SBU headquarters in certain high-risk areas, we have them report back to us to confirm that they have put requested safeguards and training in place, and we track their activities through reporting. While what we're doing is not easy, with carefully thought-out systems in place, highly-skilled engineers, and a company culture that promotes compliance, we believe we can scale both safely and securely, while allowing new companies a measure of independence.

When it comes to data security, our engineers play an absolutely essential role in securing our systems. We work closely with our highly skilled employees, including those from Indeed and Glassdoor, to develop and maintain policies and processes designed to protect our data. This can be quite a challenge when operating in so many countries. Our team of attorneys, privacy and security analysts, and engineers all over the world, work together in this task.

Indeed Stories

How Indeed wows the world Chris Hyams CEO, Indeed



Indeed's mission is to help people get jobs. After family and health, for most people a job is the most important thing in their life. This mission is what gets us up in the morning and what keeps us up at night. It grounds us in the incredible impact we have on society.

Indeed was founded in 2004 with two key principles, starting with the cornerstone of our mission: putting job seekers first in everything we do. In every decision about our products and our business, the question we ask is, "What's best for the job seeker?" This might sound obvious, but it's a revolutionary idea. We bring millions of jobs from all over the world into one place, and make it simple and fast for people to find the right opportunity.

The second principle of our business is delivering the most value to employers. Our core business model is pay-for-performance, which means that our incentives are aligned with our clients. If we deliver candidates, we get paid; if we don't, we don't get paid. This model ensures that our primary focus is on driving better results and more value. Indeed wows the world by putting job seekers first and delivering the most value to our clients. This combination offers a competitive advantage under a variety of market conditions. Over time, the job market will undoubtedly experience ups and downs in line with economic cycles. In more challenging times, we can offer job seekers greater choice, and at the same time offer employers a more efficient method of finding the right talent.

One of Indeed's greatest strengths is our employees. They are inspired to be part of a company that has a positive impact on society by helping millions of people around the world find jobs. Our pay-for-performance business model relies on continuous innovation to help job seekers find jobs better, and to help employers hire better. It's essential that our people are empowered to be innovative and entrepreneurial in their work. Diversity and inclusion is a key element of innovation,

as the people we serve represent every demographic in the world. Indeed is for everyone, so the more diverse experience and thought we bring to the company, the better we are at identifying and solving new problems.

Being a part of Recruit Group has given us a strong competitive advantage. The Group has decades of operating experience in markets that have undergone significant transformations since the 1960s. This experience has provided insight into how to think about long-term sustainability and growth that few technology companies our age are likely to figure out on their own. We have also learned from Recruit Group's successful hands-off approach to M&A. Indeed has run autonomously with a consistent mission and focus, but with the added strength of the Group behind us. This is a technique that we have extended to the companies that we have successfully incorporated.

Overall, this is a very exciting time for Indeed. I look forward to continuing to scale our current business, while also leading innovation in new markets like the job placement industry, so we can positively impact the lives of even more people around the world.

Our stories: The Orange Chair

Putting job seekers first is a fundamental principle that has been with us from the start at Indeed. It's a philosophy that guides us in our work every day, and has become ingrained in our company culture. Several years ago, as our young company was growing rapidly, our CTO, Andrew Hudson, wanted to ensure that this idea remained front and center. To remind team members to always ask, "What's best for the job seeker" with every decision, he ordered an orange chair to be put in every meeting room, so the job seeker would always have a seat at the table. Since then, the orange chairs have kept us focused every day on putting job seekers first, and we've grown to help over 250 million unique visitors per month find jobs.



Sustainability at Indeed

Our activities to help promote a sustainable society



Earth day and the Go Green Initiative

Helping people facing challenges in finding employment

Through a partnership with the international nonprofit organization Goodwill, Indeed has committed to help one million job seekers who are facing challenges such as disabilities, having a criminal record, or undergoing difficult life transitions, to find employment by 2024. Indeed is doing this by offering online assessments and event management, and training tools to Goodwill job seekers.

Earth day and the Go Green Initiative

Employees actively participate in the voluntary environmental initiatives "Earth day" and "Go Green." Activities include picking up garbage, planting trees to repopulate species, and promoting environmental awareness within the organization.

Supporting athletes' careers

Through an official partnership with the Irish Olympic team for Tokyo 2020, Indeed will collaborate with the Olympic Federation of Ireland Athletes' Commission and together create a program of workshops, mentoring, and job placements for athletes to help them manage their careers alongside their athletic endeavors and plan for their future professional lives.



Supporting athletes' careers

Glassdoor Stories

How Glassdoor brings transparency to the job market Robert Hohman Co-Founder and CEO,* Glassdoor



Our mission of “helping people everywhere find a job and company they love” is extremely important for our operations and employees. Before Glassdoor there was very little transparency in the jobs market, but by providing information on what it’s really like to work at a company, we are enabling people to make informed choices, leading to better work environments and fair pay worldwide. Right from the start, it was clear that Glassdoor’s mission fits perfectly with Recruit Group’s philosophy of “Opportunities for Life.” It’s also a Group that celebrates the unique strengths of the businesses within it, allowing Group companies to run autonomously. This empowers individual businesses such as Glassdoor to pursue independent goals in line with their strengths, and also has a positive impact upon talent retention.

Going forward, a key driver for Glassdoor’s growth will be global expansion. Perhaps the biggest change since joining Recruit Group has been our ability to invest in our long-term vision, which has meant faster international expansion. During calendar year 2019, Glassdoor launched 8 new sites, including several in Asia, Europe, and Latin America. Working alongside Indeed brings further advantages: with Glassdoor’s recognition as a leading destination for job seekers to learn about companies and job opportunities, and Indeed’s industry-leading technology and data, we are in a unique position to leverage their respective strengths to serve job seekers in a deeper way than has ever been done before, and help employers of all sizes recruit and hire top talent.

Next chapter to begin: CEO appointment



Christian Sutherland-Wong
President and COO, Glassdoor*

Glassdoor recently announced a change of leadership, with Christian Sutherland-Wong, Glassdoor President and COO, being promoted to Chief Executive Officer, effective as of January 6, 2020. Robert Hohman will remain with Glassdoor as chairman. Appointed as COO in early 2018, Christian oversees day-to-day operations, strategy, and business for Glassdoor. He joined the company in 2015 and previously held roles at LinkedIn and Bain & Company.

“I am honored and thrilled to lead Glassdoor into our next chapter” said Christian. “My vision is to build on Glassdoor’s excellence, as a business and as an employer, that Robert has established over the past twelve years.”

“I have full confidence that Christian will build on the success he’s brought to Glassdoor, doing what’s best for job seekers, employers, and our employees,” said Robert. “I am extremely proud of what Glassdoor has accomplished and it is well-positioned to further disrupt the employment industry.”

Client success stories Forrester Research: Attracting smart, motivated and curious employees

Forrester Research is one of the most influential research and advisory firms in the world. It’s an idea company powered by exceptional employees who have the talent and courage to challenge business norms. Finding that 91% of hires used Glassdoor, Forrester embraced the platform, providing a space for employees to tell the Forrester story in an authentic, engaging manner. This led to a 24% increase in overall ratings, and a 325% increase in candidate awareness. Forrester’s Employee Experience Specialist Else Ross noted, “Glassdoor is an authentic way employees can take an active role in attracting and inspiring future colleagues. In doing so, they are making an immediate and meaningful impact on our brand.”

Sustainability at Glassdoor

Our activities to help promote a sustainable society



Employee gathering event at Glassdoor

Advocating for fair pay

Glassdoor is committed to advocating for and educating on fair pay practices around the world. The company publishes economic research and holds many events to promote equal pay for equal work. As of June 2019, Glassdoor itself has no gender pay gaps within its workforce.

Training recruiters

Glassdoor holds an annual “Glassdoor Recruit” event during which recruiting professionals gather and employers can learn and sharpen their talent acquisition and hiring strategies. In 2018, a wide variety of topics such as “building and scaling a diversified workforce” and “eliminating bias to hire the best” were covered.

Reducing CO₂ on Bike-to-Work Day

Glassdoor encourages employees to commute by bicycle and holds an annual “Bike-to-Work” day. Every year, employees worldwide join this event to help the environment by reducing their CO₂ foot print.

Unconscious bias training for every employee

Every employee at Glassdoor receives unconscious bias training, which aims to nurture a workforce in which every employee understands themselves and can feel empathy for those around them. These insights help in the development and provision of services through having a better understanding of individual users’ needs.