

Our Business Evolution

The 59 Years of Our Corporate History

AT A GLANCE

OUR BUSINESS EVOLUTION / PERFORMANCE HIGHLIGHTS / OUR GROUP STRUCTURE

FY2018
Consolidated Revenue
2,310.7bn yen

Business fields expansion

Recruit Group was founded in 1960 as a small advertising agency specializing in university newspapers. Two years later, we published our “Invitation to Companies,” a collection of job listings for university students, through which we established our business model referred to as the “Ribbon Model.” Since then, we have widened our range of HR business, while also expanding into the life events field, including education, housing, automobiles, bridal, and the lifestyle field including travel, dining, and beauty. Recently, we have introduced software as a service (SaaS) business tools to support operations within small and medium-sized enterprises (SMEs), such as retailers and restaurants.

Digital transformation

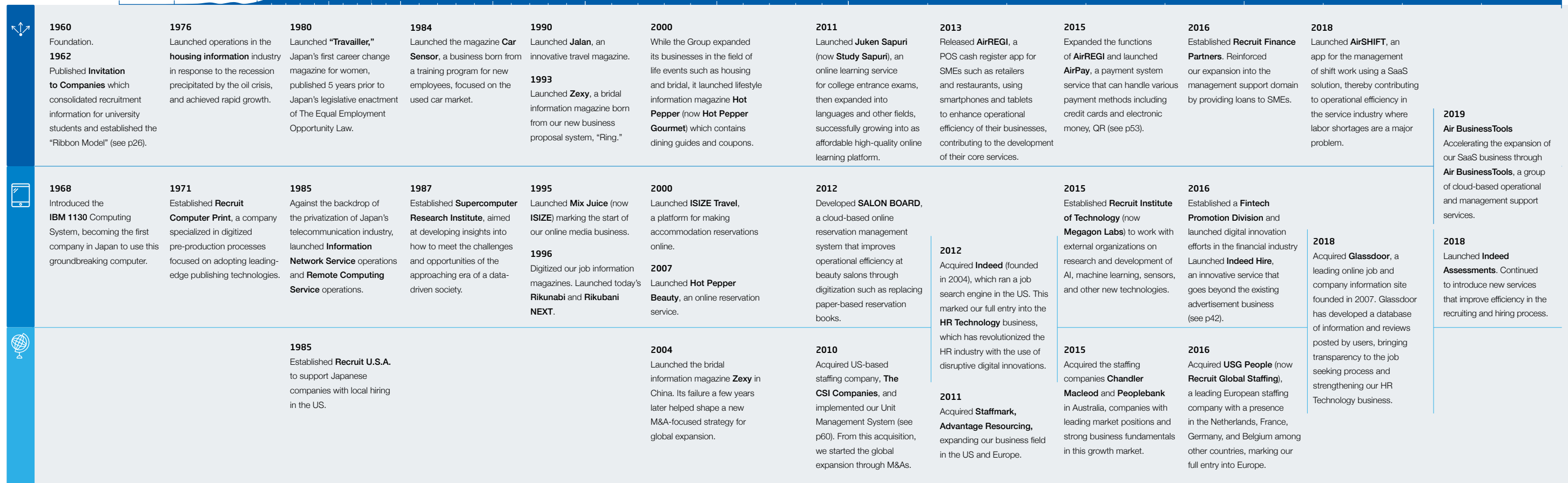
Recruit Group began using computers at a time when their use was still limited, putting digitization into practice for increased efficiency. Following the introduction of a supercomputer in the 1980s, we transitioned from paper magazines to online media in the 1990s, and then to mobile platforms. Not only did this allow for faster and more convenient delivery of information, but it also transformed how individual users and enterprise clients interact, through the development of groundbreaking tools such as online reservation systems. Today we are accelerating our businesses utilizing digital solutions including SaaS.

Globalization

In the 2000s, Recruit Group entered the global market with a bridal business in China. Although this ended as a withdrawal, the failure helped us to shape our mergers and acquisitions (M&A) strategy, and we later succeeded in expanding in the US, Europe, Australia and beyond. The acquisitions of Indeed in 2012 and Glassdoor in 2018 have led to the successful establishment of our HR Technology business, spearheading the growth of the Group as a whole and bringing the number of countries we serve to over 60.

46%
Overseas

54%
Japan



Performance Highlights

Three-year historical summary (FY2016 - FY2018)

Recent Achievements



Consolidated results:
Adjusted EPS*¹ 3-Year
CAGR **15.5%**

Greatly exceeded the
FY2016-2018 target of
“high single-digit growth”
that we set in our mid-
term strategy in May 2016.



HR Technology:
approximately 4x
growth in revenue

US\$2.94 billion in FY2018,
compared to US\$0.77 billion
in FY2015.²



Global footprint:
Services provided in
over 60 countries

45,000+ employees
around the world.

As of March 31, 2019



19.3% ROE for FY2018

Significantly exceeded our target of 15%.



41.7% of managers globally are female

The Group continues to promote gender diversity
in our managerial positions.⁸

As of April, 2019
Read more on p32



Media & Solutions:
No.1 in revenue
in almost all major
businesses



Staffing: **5th largest**
in revenue globally³

Our Staffing segment EBITDA
margin increased through
productivity improvements.



Consolidated results
for FY2018

Revenue
2,310.7bn yen
YoY growth: +6.3%

EBITDA*⁴
293.2bn yen
YoY growth: +13.5%



HR Technology
Monthly Unique
Visitors

Indeed
Over 250 million⁵
Glassdoor
Over 60 million⁶

Read more on p41



Almost **1,000** ideas submitted to Ring

Recruit Group's new business proposal
system, and a symbol of a corporate culture
that emphasizes the importance of innovation.

2019 submissions, as of June 30 2019
Read more on p54



Almost **42% CO₂** reduction⁷

Greatly exceeded our target of 25% reduction
in CO₂ emissions by FY2020 as set by our
Japan-based businesses in FY2008.

As of March 31, 2019
Read more on p84



AirREGI: Over **420,000** accounts

422,000 registered accounts for AirREGI, a
cloud-based POS cash register linking with
various SaaS applications to support SMEs.

As of June 30, 2019
Read more on p50

¹ Adjusted EPS = adjusted profit / (number of shares issued at the end of the period - number of treasury stock at the end of the period).
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.

² The financial results of operating companies in the HR Technology segment on a US dollar basis, which differ from the consolidated financial results of Recruit Holdings.

³ SIA (Staffing Industry Analysts), "Largest Global Staffing Firms 2018"

⁴ EBITDA = operating income + depreciation and amortization ± other operating income/expenses.

⁵ Average monthly unique visitors in the three months ended June 30, 2019, based on Google Analytics service.

⁶ Peak monthly unique visitors during the three months ended June 30, 2019, based on Google Analytics service.

⁷ Compared to FY2008.

⁸ All of those in managerial positions that have subordinates, calculated from Recruit Holdings, SBU Headquarters, and primary operating companies of each SBU.

Our Group Structure

Our Group operates the business through three Strategic Business Units (SBUs). This structure supports business expansion on an individual SBU basis, allowing each SBU to operate businesses in a self-sustaining manner while also allowing Recruit Holdings to focus on its holding company functions, including further enhancement of its corporate governance and monitoring of the Group companies.

HR Technology

Through its leading online job search platforms and recruiting solutions, HR Technology SBU focuses on improving the job search experience for job seekers, and recruiting and hiring activities for employers. This SBU includes the operations of Indeed in more than 60 countries and the newly acquired operations of Glassdoor and has achieved the highest growth rate in all three SBUs of the Group in recent years.



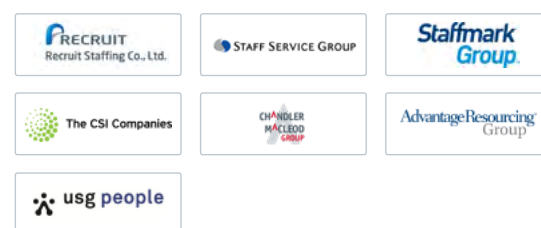
Media & Solutions

The Media & Solutions SBU consists of Marketing Solutions and HR Solutions, and has achieved the top market share in revenue for many of the core businesses in Japan, while maintaining the ability to generate high EBITDA margin. Marketing Solutions offers online and print-based advertising and marketing media services mainly in Japan, in a multitude of businesses such as Housing and Real Estate, Bridal, Travel, Dining, and Beauty. It also provides SaaS solutions to support our SME clients' efforts to improve their operational efficiency and managerial processes. HR Solutions supports individual users' job search activities and enterprise clients' recruiting activities through its job boards and placement services.



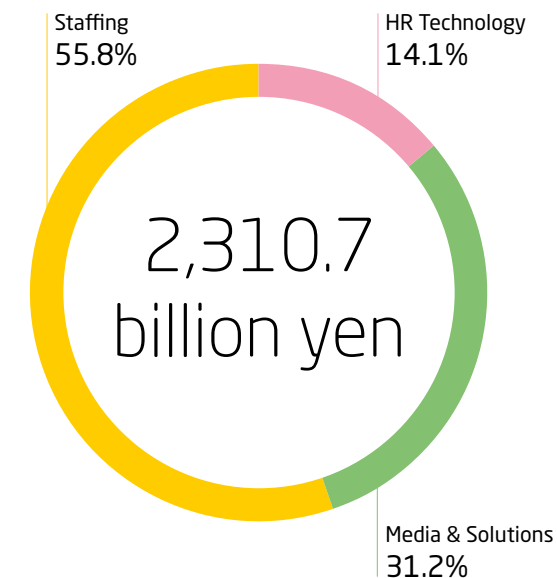
Staffing

The Staffing SBU consists of Japan and Overseas operations including North America, Europe, and Australia, and primarily offers temporary staffing services for clerical, manufacturing, light industry, and various professional positions. This SBU provides diverse job opportunities and flexible ways of working, to match the various needs of job seekers and enterprise clients in an ever-changing global work environment.

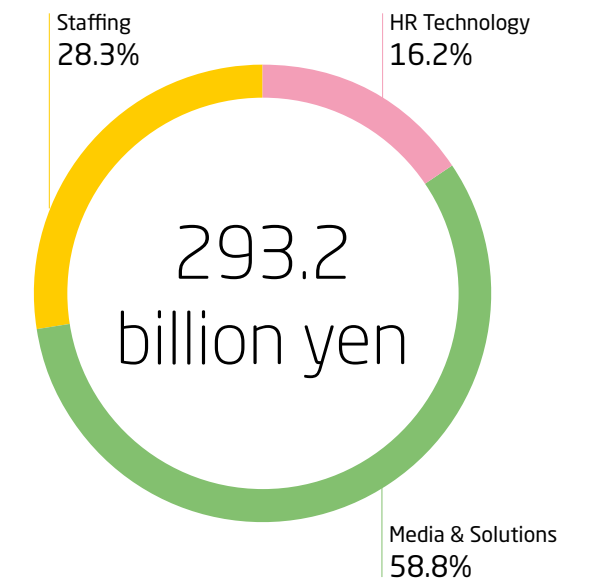


FY2018 Performance

Consolidated Revenue

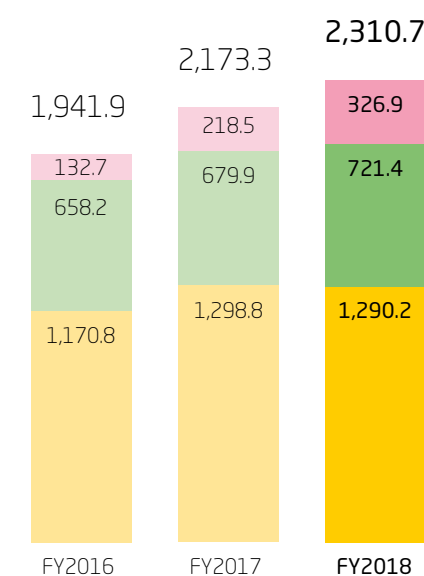


Consolidated EBITDA

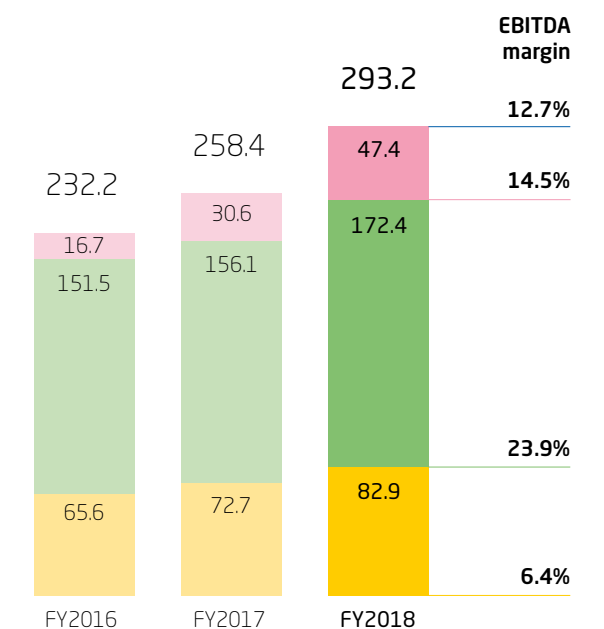


Historical Performance

Consolidated Revenue (in billions of yen)



Consolidated EBITDA (in billions of yen)



■ HR Technology ■ Media & Solutions ■ Staffing

Note: EBITDA = operating income + depreciation and amortization ± other operating income/expenses.
The sum of the three segments does not correspond with consolidated revenue and EBITDA due to Eliminations and Adjustments, such as intra-group transactions.

SBU Performance Summaries

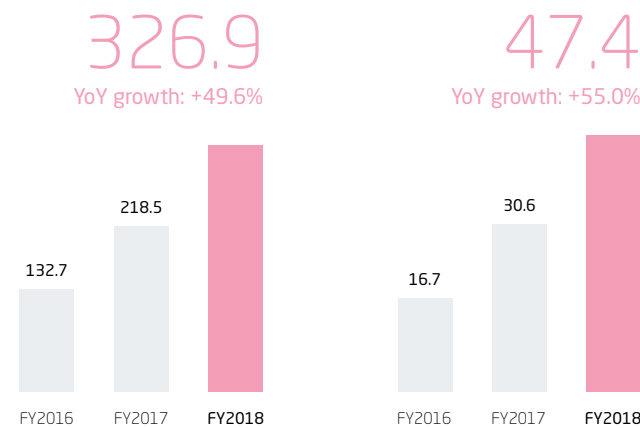
Segment Revenue (in billions of yen)

Segment EBITDA^{*1} (in billions of yen)

FY2018 financial results by segment

HR Technology

Focuses on improving the job search experience for job seekers and recruitment and hiring activities for employers including SMEs through its online platform and recruiting solutions using advanced technology.



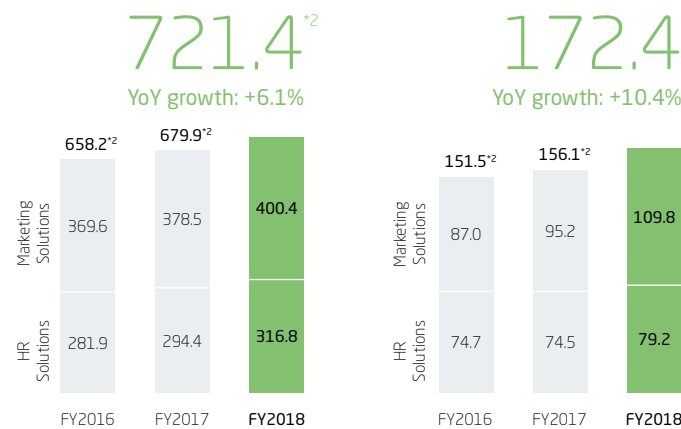
Segment revenue increased 49.6% YoY, supported by a favorable economic environment and tight labor market, resulting in increased sponsored job advertising revenue from new and existing clients at Indeed. Revenue from Glassdoor, which was acquired in June 2018, also contributed to revenue growth.

Revenue growth in US dollar terms was 54.0% YoY^{*3}, assuming IFRS 15^{*4}, which we adopted in the beginning of FY2018, had been applied in FY2017 on a pro forma basis.

Segment EBITDA increased 55.0% YoY. To support future revenue growth, we continued to invest in sales and marketing activities to acquire new individual users and enterprise clients, and in product enhancements to increase user and client engagement.

Media & Solutions

Comprised of Marketing Solutions and HR Solutions, providing matching services to individual users and enterprise clients including SMEs in a multitude of markets and businesses.

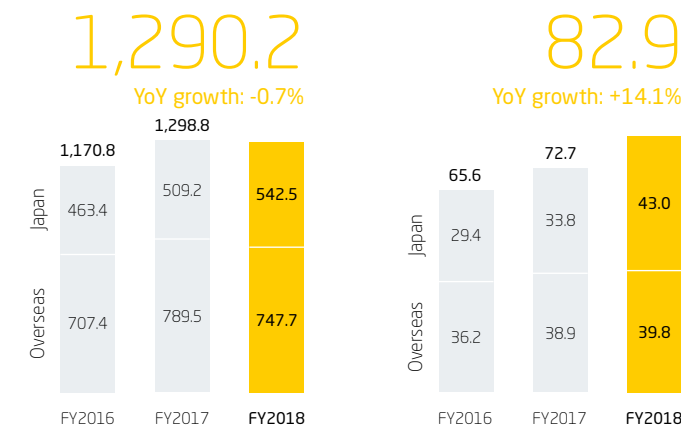


Segment revenue increased 6.1% YoY, primarily driven by increased revenue in the Beauty business, where an increase in the number of beauty salon clients lead to growth in online beauty salon reservations, and Housing and Real Estate business in Marketing Solutions. HR Solutions also contributed to revenue growth, primarily due to increased revenue in the Recruiting in Japan business, which focused on enhancing its brand value, strengthening user attractiveness, and reinforcing its sales structure in an extremely tight Japanese labor market.

Segment EBITDA increased 10.4% YoY. Both HR Solutions and particularly Marketing Solutions recorded higher EBITDA.

Staffing

Primarily offers temporary staffing services mainly in Japan, North America, Europe, and Australia, for various job types including office clerks, in a multitude of industries.



Segment revenue for FY2018 decreased 0.7% YoY resulting from a decline in revenue in Overseas operations primarily due to an uncertain outlook for the European economy, the negative impact of foreign exchange rate movements, and the adoption of IFRS 15^{*4}, while revenue in Japan operations increased reflecting a tight labor market.

Segment EBITDA increased 14.1% YoY as a result of improvement in operational productivity. In addition, in Japan operations, placement fee revenue increased YoY as a result of law revisions effective October 1, 2018 which encouraged enterprise clients to hire agency workers directly and contributed to higher EBITDA.



^{*1} EBITDA = operating income + depreciation and amortization ± other operating income/expenses
^{*2} The sum of Marketing Solutions and HR Solutions does not correspond with segment revenue and EBITDA due to Eliminations and Adjustments, such as intra-group transactions.

^{*3} 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.

^{*4} Recruit Holdings adopted IFRS 15 in the beginning of FY2018, and changed its accounting policy, and revenues from certain customers which were previously presented on a gross basis with agent commissions classified in cost of sales are now presented on a net basis.

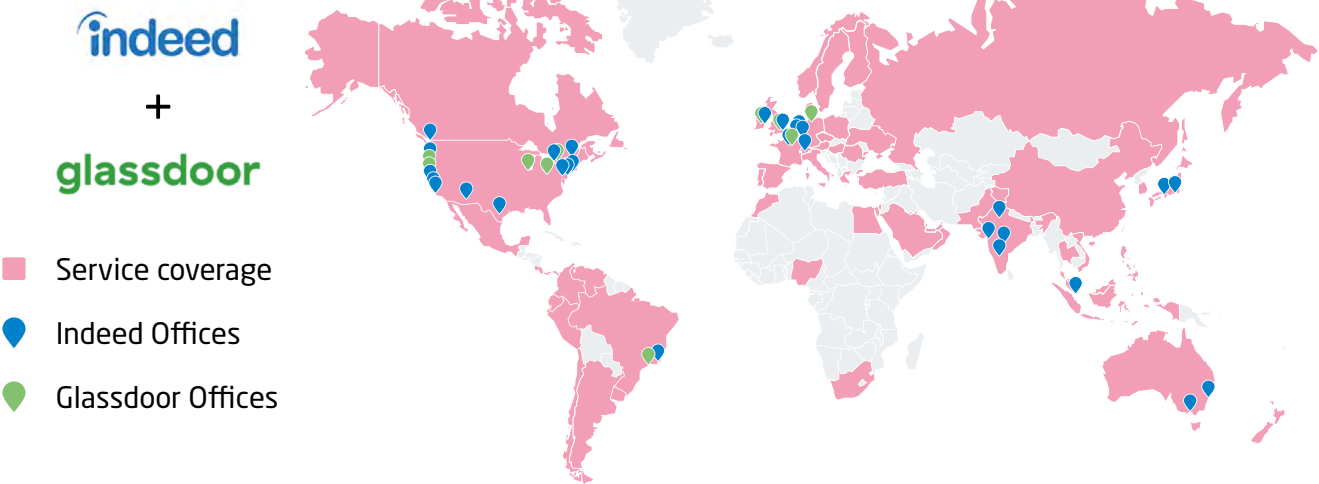
HR Technology SBU

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
<div></div> <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 visitors^{*4}</p> <p>Over 150 million resumes^{*3}</p> <p>9,500 employees^{*3}</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>
<div></div> <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 visitors^{*5}</p> <p>960 employees^{*3}</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



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

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.”

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.

Media & Solutions SBU

In our Media & Solutions SBU, a number of vertical media platforms and related businesses are divided into two major operations: Marketing Solutions and HR Solutions.

Marketing Solutions focuses on Housing and Real Estate, Bridal, Travel, Dining, as well as Beauty and various other areas through our media which are mainly our online platforms. With this focus, we provide individual users a multitude of choices, and advertising services for enterprise clients including SMEs to aid them in attracting individual users. We also support SMEs with operational and management support services through Air BusinessTools, our SaaS solutions.

In HR Solutions, we provide services that support individual users' job search activities and enterprise clients' recruiting activities through our media and online platforms and placement services.

Business summary		Main service	FY2018 Revenue Billions of yen (YoY growth)
Marketing Solutions			400.4 (+5.8%) ¹
Housing and Real Estate	The Housing and Real Estate business operates SUUMO, an online platform and print media, which provides information related to home purchases, sales, rentals, and renovation services. SUUMO Counter offers in-person consultation services for purchasing newly built condominiums and custom designed homes.		104.1 (+6.1%)
Bridal	The Bridal business operates Zexy, a magazine and online platform, which provides comprehensive information to organize customized wedding events. Zexy also provides in-person consultation services for selecting wedding facilities.		54.9 (-0.9%)
Travel	The Travel business operates Jalan, an online platform and print media, which provides information about hotels, guided tours, and sightseeing locations in Japan. The Jalan online platform also offers an online booking service in addition to providing travel information.		61.6 (+4.7%)
Dining	The Dining business operates Hot Pepper Gourmet, an online platform and print media, which provides information about restaurants as well as discount coupons. The Hot Pepper Gourmet online platform offers various services to users such as online booking and a scheduling function for invited guests.		38.8 (+4.0%)
Beauty	The Beauty business operates Hot Pepper Beauty, an online platform and print media, which provides users with information about hair treatments, relaxation, and other beauty treatment salons. The Hot Pepper Beauty online platform offers an online booking service as well as a searching functionality to find available time slots of selected hair stylists, nail technicians, etc.		72.0 (+12.9%)
Others	Others include Car Sensor, an online platform and print media providing information on pre-owned automobiles for potential buyers, Study Sapuri, an online learning support platform for students and adults. Also, we provide Air BusinessTools, which are cloud-based operational support services for SMEs such as shops and restaurants.		68.7 (+6.0%)
HR Solutions			316.8 (+7.6%) ¹
Recruiting in Japan	Recruiting in Japan operates online job boards (Rikunabi for new graduates and Rikunabi Next for professionals), employment placement service Recruit Agent, and an online platform and print media for part-time job seekers, TOWNWORK.		283.9 (+4.9%)
Others	Others in HR Solutions offers HR development business in Japan and placement service in Asia.		32.8 (+38.3%)

¹ The sum of Marketing Solutions and HR Solutions does not correspond with segment revenue due to Eliminations and Adjustments, such as intra-group transactions.

Mid-term Strategy

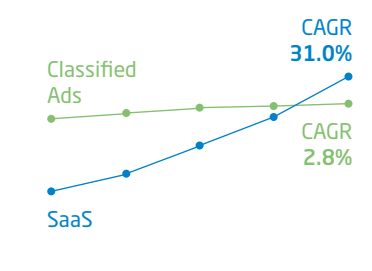
We intend to focus on achieving further growth of our existing advertising businesses in both Marketing Solutions and HR Solutions, by providing valuable information and services to individual users and help enterprise clients including SMEs to effectively attract users and recruit and hire talent, in various business areas such as Housing and Real Estate, Bridal, Travel, Dining, Beauty, and Recruiting in Japan.

We believe that we have identified a significant untapped opportunity in providing value-added SaaS solutions to SMEs, which can help their businesses potentially reduce operational and managerial costs.

With our nationwide sales force deepening relationships through frequent interactions with SMEs, we will expand our SaaS solutions with the provision of Air BusinessTools, a comprehensive bundled suite of cloud-based solutions to support day-to-day management and operations, including reservation, CRM, POS system, payments, workforce management, hiring functions and other areas. Combining the SaaS solutions with our existing advertising businesses can enhance the growth of the Media & Solutions business. We have seen significant expansion of our SaaS solutions in recent years. The number of registered accounts for SaaS solutions² has surpassed that of advertising accounts (see the chart on the left). The SaaS business contributes not only to increasing revenue per client and lowering the churn rate with existing clients, but also to expanding our enterprise client base, especially among SMEs such as smaller retailers. By further accelerating the expansion of our SaaS business, we will support the operational and managerial functions of our SMEs to help their businesses work smarter, as we have since the founding of Recruit Group.

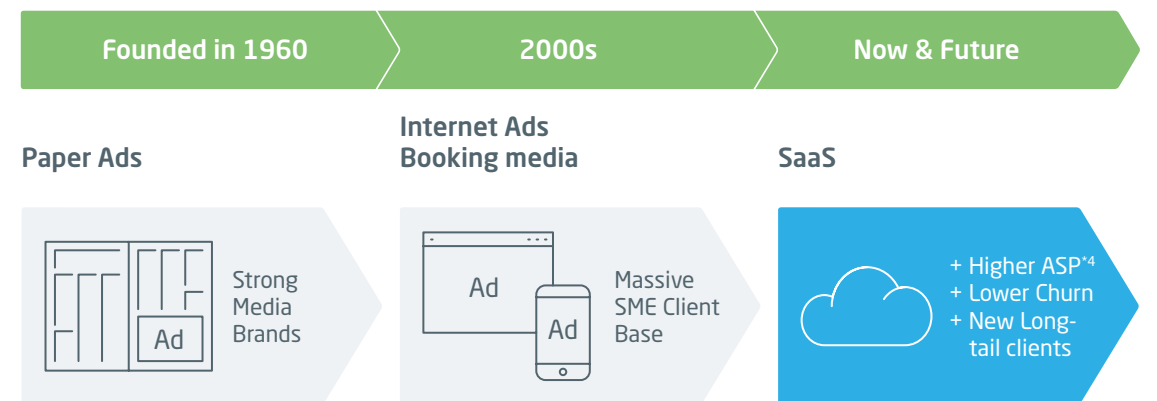
We will aim to generate stable revenue growth and maintain the current high level of adjusted EBITDA³ margin by executing the strategies mentioned above.

Total number of Accounts ^{*2}



FY2014 FY2018

Registered accounts for our SaaS solutions² increased at a CAGR of 31% from March 31, 2015 to March 31, 2019. Growth in registered accounts for SaaS solutions² significantly exceeded the growth in accounts for classified advertising services.



² Registered accounts for SaaS include multiple accounts of the same enterprise clients including SMEs for different types of SaaS solutions offered mainly through Air BusinessTools. The accounts of classified ads and SaaS include the freemium users. The accounts are as of fiscal year end.

³ Adjusted EBITDA = operating income + depreciation and amortization (excluding depreciation of right-of-use assets) ± other operating income/expense

⁴ Average Selling Price

■ Transforming ourselves through diversity



Yoshihiro Kitamura
Head of Media &
Solutions SBU

59 years of commitment to change

The Media & Solutions SBU has inherited and improved upon Recruit Group's core businesses while continuing to provide new values by tackling the challenges faced by individual users and enterprise clients. Our ability to change ourselves in response to the needs of the society and time in which we live is our strength, and it provides the foundations and infrastructure that support our SBU.

For example, when we started the online reservation service for our Beauty business in Marketing Solutions in 2007, there were less than 100 appointments booked per month through our online reservation platform. Now, over 300,000 salon appointments are booked online in a single day. More than a decade has passed and the business has continued to evolve: revenue for the Beauty business in FY2018 was 72 billion yen, an increase of 12.9% compared to the previous fiscal year, turning it into a sustained high-growth business.

Making appointments online is very common these days. If a service achieves widespread popularity, neither individual users nor enterprise clients are surprised by it or appreciate just how convenient it is compared to the past—it's just a given that these services exist. In this way, we are now planting as

many seeds as possible so that in ten or twenty years, when we look back at today, we can say, "That was it! That was when we changed the game!" This is why continuous change and innovation is essential.

A place where unique talents gather

Currently, in the Media & Solutions SBU, we are transforming our advertising business, which has been our core business since the foundation of the Group, using technology such as SaaS solutions.. Through this process we are maintaining the constant pursuit of evolution and trying new approaches to push ourselves to challenge the status quo. We believe that the attitude of humbly seeking improvements inspires us to find better ways of doing things, which ultimately delivers more value to the world.

Within the Media & Solutions SBU, our people are a core strength. We come from a wide variety of backgrounds, and everyone has different areas of experience and capabilities. Here, these many unique talents are gathered in a single place. Sometimes, former employees return to the company or become involved in our business in a new way—both things that we welcome. The breadth of diversity of our employees is reflected in the results of our internal survey. Their unique talents complement each other, resulting in new

ideas and new value. It is crucial that we provide a supportive environment for our people to generate ideas, which is how we can create new value.

The evolution of technology and the strengthening of governance

While helping fuel our transformation, the evolution of technology brings new risks. Consequently, we recognize that it is essential to manage these appropriately. In particular, to maintain a sustainable business, the protection of personal information and cybersecurity, as well as other aspects of risk management, are critical. For this reason, the entire

Media & Solutions SBU is strengthening governance in a way that supersedes organizational divisions. We consider the evolution of technology to be an inescapable force, similar to gravity. Going against it is difficult, and if we are to realize a better world, we must embrace it. We are committed to pushing forward with our transformation, making full use of the latest tools available to us, while always keeping the extreme importance of risk management and compliance in mind.



■ **Risk management**
Kentaro Mori
Corporate Executive Officer,
Risk Management, Recruit Co., Ltd.

Up until now, in the Media & Solutions SBU, we have promptly responded to changes in the business environment through quick decision-making based on our delegation system. At the same time, it is necessary to take a holistic viewpoint that accounts for both increasingly complex industry regulation and the expectations of society.

Operating many online platforms as we do, privacy management, including the protection of personal information, is one of the most important aspects of our business. We will increase the effectiveness of our risk management and further strengthen our governance system. Specifically, we plan to establish a team dedicated to privacy management and integrate legal functions in the Media & Solutions SBU in Japan. Also, we have established an Advisory Committee on data utilization which is comprised of both internal and

external members to more appropriately reflect the needs of society, including our users. We have committed to revising our privacy policy to be more user-centric. We will also continue to provide our employees with ongoing training focused on privacy issues and personal data protection to reinforce the importance of privacy management.

We believe that the goal of risk management is the improvement of our enterprise value and the prevention of damage to it. Because each of our businesses has earned a competitive position in its marketplace, it is even more important to ensure that each business is scrutinized from both legal and ethical standpoints. Moving forward, we will identify priorities and execute highly effective risk management while carefully monitoring advancements in technology and social trends.



Recruit-CSIRT: Cybersecurity award winners

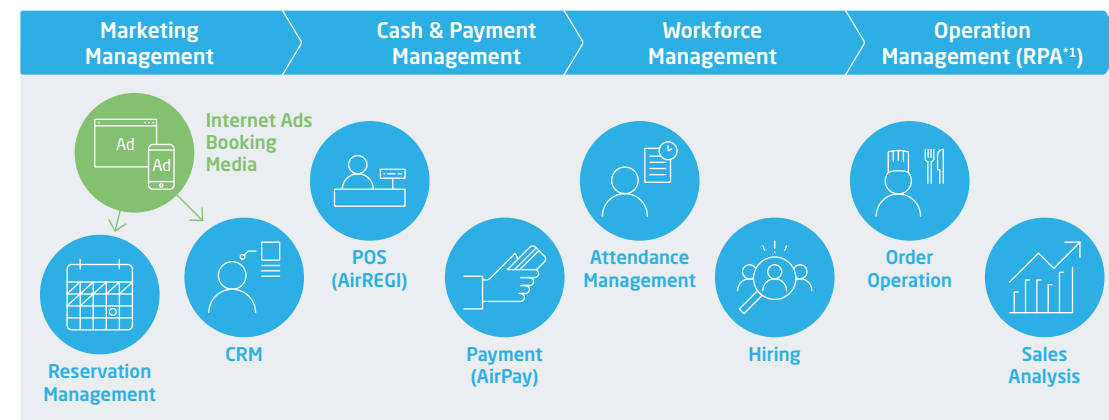
Recruit-CSIRT provides early detection to prevent cyberattacks, minimizing damage to Recruit Group's businesses in Japan. In February 2018, its advanced security measures and exemplary CSIRT activities were recognized and awarded the Encouragement Prize by the Minister of Internal Affairs and Communications.

For further information on Recruit Group's risk management, see p79/80

Air BusinessTools

Air BusinessTools is our SaaS solutions, a comprehensive bundled suite of cloud-based solutions to support management and operations of SMEs, such as small retailers, in areas including reservations, CRM, POS

system, payments, workforce management, and hiring functions. These value-added SaaS solutions contribute to enhancing the efficiency and productivity of SMEs, by reducing their operational and managerial costs.



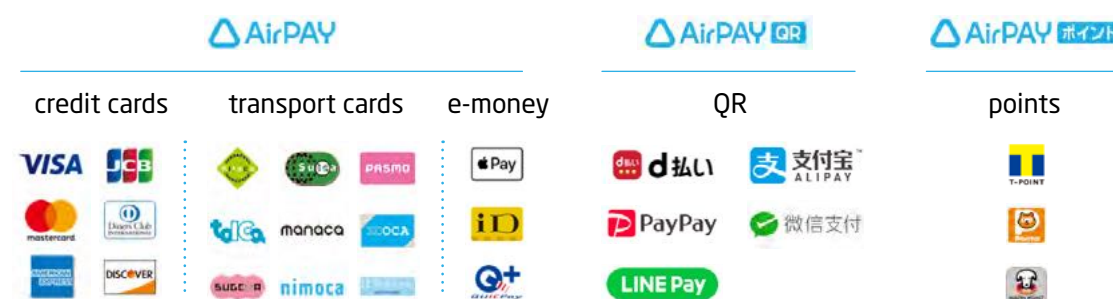
AirPay: Electronic in-store payment service

AirPay is a payment service provided as a function of Air BusinessTools that supports 26 types of payment methods² including credit cards, e-money, QR, and points. Being able to use various payment methods in a single store benefits both customers and SMEs.

The Japanese government's promotion of cashless payment methods has also increased demand for in-store payment services and as such has helped fuel the adoption of AirPay.



Supported payment solutions



¹ Robotics Process Automation
² As of August 31, 2019

Client success stories AirPay supports small businesses near Mt. Fuji



Tatsuya Kijima
Travel Sales Management
Division, Regional Strategy
Development,
Recruit Lifestyle Co., Ltd.

Yudai Hayashi
Head of AirREGI Business
Unit, Internet Business
Development Division,
Recruit Lifestyle Co., Ltd.

With Mt. Fuji being designated a World Heritage site, the city of Fujiyoshida is seeing a significant increase in tourists, including international visitors. However, very few of the local shops and hotels had accepted cashless payments, so we looked to address the fact that the city is not sufficiently equipped to meet the needs of consumers. With even more local revitalization plans in line for the future, AirPay is being introduced to more than 100 shops within the city, including shops on Mt. Fuji itself, and the entire region is moving towards accepting cashless payments, becoming able to better accommodate tourists. Tourists from overseas and mountain climbers do not carry much cash, so being able to accept credit cards and other payment methods to facilitate easy transactions ties directly into the revitalization efforts of the region. Shops that have begun accepting these payments have shared feedback such as, "It is so easy to operate even for a small shop like us," and "Our sales have increased thanks to the introduction of AirPay." In March of 2019, we entered into a comprehensive cooperation agreement with the city of Fujiyoshida for further local revitalization. We will take this initiative to other areas of Japan promoting cashless payments nationwide.

New business proposal system "Ring"

The Media & Solutions SBU functions as a hub for our new business proposal system "Ring," which is open to all employees of Recruit Group. Ring started in 1982, and has produced numerous businesses including the bridal information platform "Zexy" and the online learning service "Study Sapuri."

The themes are not limited to existing areas for Recruit Group, and all business proposals are welcome. Ring is the very embodiment of our Group's basic principle of creating new value, and it gives participants an opportunity to turn their own ideas into proposals to seek the support and resources to make them a reality.

In 2019, almost 1,000 new business proposals were submitted through Ring. More than 70% of these proposals were outside the scope of the proposer's primary job responsibility, and in this way Ring has become a vehicle for innovation that goes beyond departments and work duties.



Sustainability at the Media & Solutions SBU

Our activities to help promote a sustainable society



Students using online learning service Quipper in the Philippines

The foundation of our business model is to connect people who seek opportunities and organizations that provide them in various areas of daily consumption. This concept is directly aligned with Goal 10 of the UN Sustainable Development Goals (SDGs), which is the elimination of inequality among people and nations. Meanwhile, the outcomes produced by each of our services are different. By helping improve the productivity of SME clients with our Air BusinessTools, we believe that we will contribute to SDG Goal 8, which is focused on job satisfaction and economic growth. Our services for pursuing further education help advance progress towards SDG Goal 4 of quality education for all. By toppling these “SDGs Dominos” (see p25), we will contribute to the realization of a sustainable society and economy in which no one is left behind.

We are committed to continuing to create positive change for society while protecting the rights of all stakeholders, including users and clients, by running our core businesses while implementing such initiatives. We believe that this will lead to our achieving our sustainability objectives.

Recruit / Recruit Jobs: physical condition measurement for seniors

We support seniors who have given up working due to age barriers, such as mismatches in job content with physical capabilities. This nationwide program aims to help such individuals find suitable work by measuring and visualizing their physical strength, operational skills, personality, and other personal traits. As of May 2019, our program has been held at 30 locations nationwide.

Recruit: WORK FIT

“WORK FIT” is a free employment support program to help anyone find their ideal job. This program is customized not only for undergraduates, but also for people who are unemployed, in reform schools, or children in orphanages. Since 2011, approximately 30,000 people have participated in the program (as of March, 2019).

Recruit / Recruit Office Support: supporting athletes

Since 2018, we have had a sponsorship agreement with five athletes and one coach to encourage compatibility between work and athletic activities. Sitting volleyball player Jun Tazawa has won numerous national tournaments, while wheelchair tennis player Koji Sugeno is fourth in the world ranking in the quad class (as of September, 2019).



Sitting volleyball athlete Jun Tazawa

Recruit Sumai Company—LGBT-friendly housing search support

We offer guidance on LGBT-friendly properties, advice on buying homes, the introduction of shared mortgages, and other support so that users can find a home without obstacles, regardless of sexual orientation. Properties and agencies that explicitly state that they will not refuse consultation or move-in on the basis of a tenant identifying as LGBT are recognized as LGBT-friendly.

Recruit Career: “Sankaku”

We began offering working internships in 2018 as a means for people to broaden their scope of personal activities and have now had a total of over 2,000 participants. The program provides an opportunity for business people to broaden their careers without leaving their current positions, and engage with people and tasks outside of their current job environment.

Recruit: “iction!”

Started in 2015, project “iction!” is focused on concentrated working hours where employees can more easily balance their working lives with parenting. We have signed a cooperation agreement with the city of Kitakyushu to support women’s employment with the cooperation of the government and local companies. Through this activity, the rate of social return on investment (SROI) is about 14.6 fold, with a monetary value of approximately 200 million yen.



iction! Project

The Staffing SBU's purpose is to contribute to society by providing mainly temporary job opportunities to as many people as possible. The social value we provide is best described as offering "Opportunities for Life" around the world to people from all walks of life. We do this by offering them work and career opportunities and at the same time helping enterprise clients establish an effective workforce to continuously move them forward.

Today our operations span the world: North America, Europe, Australia, and Japan. We provide staffing services in a wide range of markets, such as clerical, industrial, medical and technical. In addition to temporary staffing and permanent placement, we offer solutions for professionals with highly specialized expertise, such as IT, engineering, finance, and legal.

Japan

In Japan, our Staffing business provides a broad range of staffing solutions across all industries and professions - e.g., clerical, industrial, engineering, and IT. With our brands, Recruit Staffing and Staff Service Group, we are the leading player in the staffing market in Japan with a presence in all major cities.

Recruit Staffing is particularly strong in providing clerical job opportunities, especially in metropolitan areas such as Tokyo, Osaka, and Nagoya. Staff Service Group provides a wide range of job opportunities, with its strong relationships mainly with local companies including those in smaller cities across Japan.

North America

In the North America region, our Staffing business is active with Staffmark Group and The CSI Companies. Staffmark Group is a family of staffing brands in the US and Canada, providing staffing solutions for small businesses as well as large companies. Individual brands include: Staffmark, Advantage Resourcing, Advantage xPO, and the Atterro companies. Each

providing expertise, connections, and technology to connect job seekers and enterprise clients. The CSI Companies designs staffing solutions for companies across a wide range of industries focusing on professionals in IT, finance, healthcare, pharmacy, and office. It has a leading position in the professionals market in the Southeast region of the US.

Europe

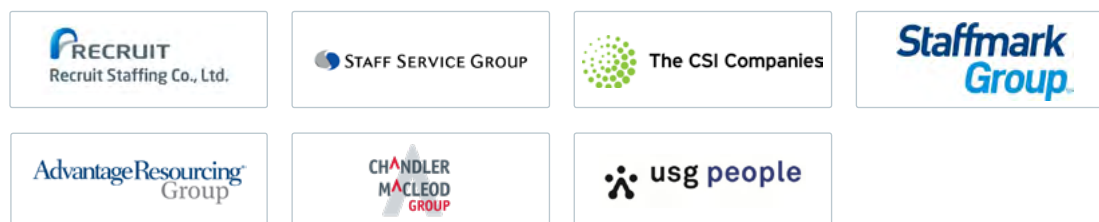
In Europe our Staffing business is positioned in the Northwestern region, with staffing activities in Belgium, France, Germany, the Netherlands, and in the United Kingdom. With Start People, Unique, Secretary Plus,

USG Professionals, and Advantage Resourcing as our main brands, we have built strong local networks to serve job seekers and enterprise clients across the countries in virtually all market segments.

Australia

In Australia, our Staffing business is represented by the Chandler Macleod Group. It offers a broad range of staffing services from various well established brands, and provides a variety of opportunities for job seekers. The Chandler Macleod Group spans the Asia Pacific

region, including Australia, New Zealand, China and Singapore. Chandler Macleod Group's brands include: AHS Hospitality, Aurion, Chandler Macleod, Peoplebank and Vivir Healthcare.

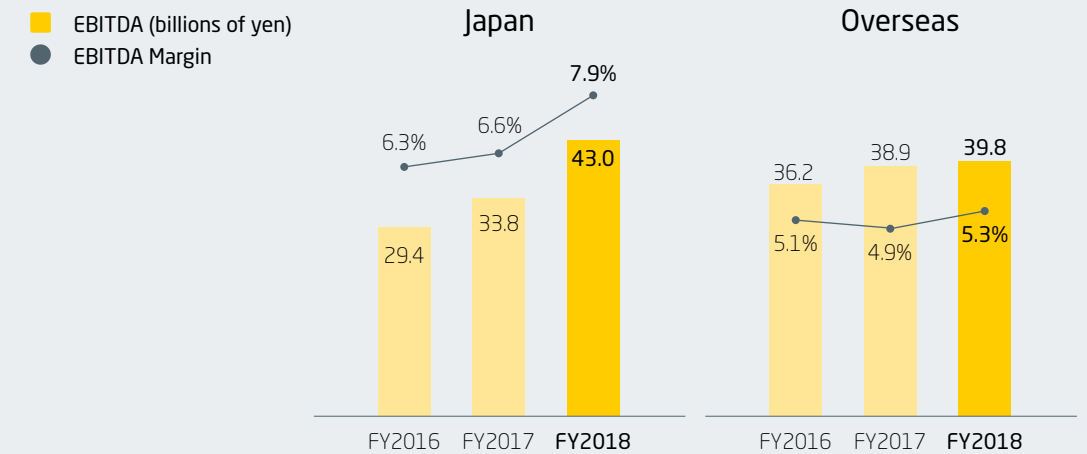


Mid-term strategy

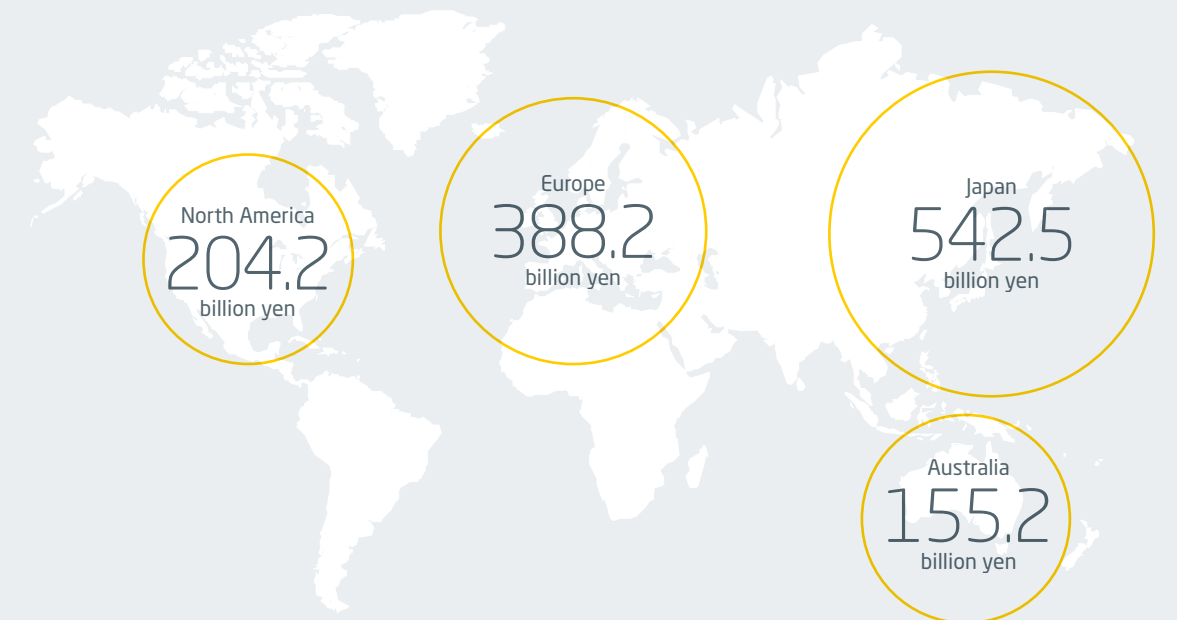
In the Staffing business, we will aim to improve adjusted EBITDA margins^{*1} by continuing to focus on operational efficiency.

Our Japan operations have high profitability in the global staffing industry, and we will focus on maintaining its profitability. We will further aim to improve adjusted EBITDA^{*1} margin in our operations in North America, Europe and Australia by further implementing the Unit Management System (see p60).

EBITDA and EBITDA margin



Revenue by region for FY2018^{*2}



^{*1} Adjusted EBITDA = operating income + depreciation and amortization (excluding depreciation of right-of-use assets) ± other operating income/expense.

^{*2} Sum of the individual companies sales before consolidation adjustments for North America, Europe and Australia.

The Staffing Leadership Message

■ Creating a smart and agile organization to contribute to society



Rob Zandbergen
Head of Staffing SBU

The Staffing SBU is uniquely positioned to meet the needs of both job seekers and employers through leveraging decades of experience of relationship building.

Investment in our employees and productivity improvements are key factors in delivering outstanding services for our agency workers on assignments and enterprise clients. We will continue to improve upon our commercial and operational excellence and are committed to delivering meaningful added value to our stakeholders and society in order to meet their changing needs and expectations.

Our operational priority—productivity improvement—will be realized through the leveraging of our strong local market positions with a clear focus on value over volume, driven by our Unit Management philosophy. This applies not only to our existing products and services, but also will help guide us as we work to establish new revenue streams. This strategy, together with our empowered employees, will strengthen our competitiveness while supporting the transformation of the Staffing SBU into an agile, technology-driven business to meet job seekers' and enterprise clients' needs and to have an increasingly meaningful impact on them.

Our focus within our global network is to add value to society. This is also at the heart of our business as we aim to provide opportunities to people from all walks of life by finding a workplace where they are safe, happy, rewarded, trained, and developed. In line with this, we consider respecting and advancing human rights an essential part of our daily business.

Being aware of our responsibility, we take a proactive approach to supporting and respecting the prosperity of people and the protection of their rights, independent of race, gender, religion, social status, or any other characteristic, within the context of our activities and operations.

With our position, we have the opportunity to provide a meaningful impact upon the lives of hundreds of thousands of people who currently face barriers to employment, and by extension, their families and communities. Within our staffing business, we also have many initiatives that help improve the lives of people who face barriers that leave them at a distance from employment. Examples include activities and projects to support immigrant populations, people with disabilities, veterans, and minority groups in finding jobs.

With this approach, our Staffing SBU is strategically positioned to deliver upon its commitment to society, while maintaining sustainable growth in the years ahead.

■ Strategy execution within the Unit Management System

A crucial element in the success of the Staffing SBU, whose business spans many countries and regions, is the localization of products and services to fit the needs of individual markets. To do this, we have introduced the Unit Management System, a style of management that provides individual businesses with the flexibility to make decisions based on their deep knowledge of local client need and market situation.

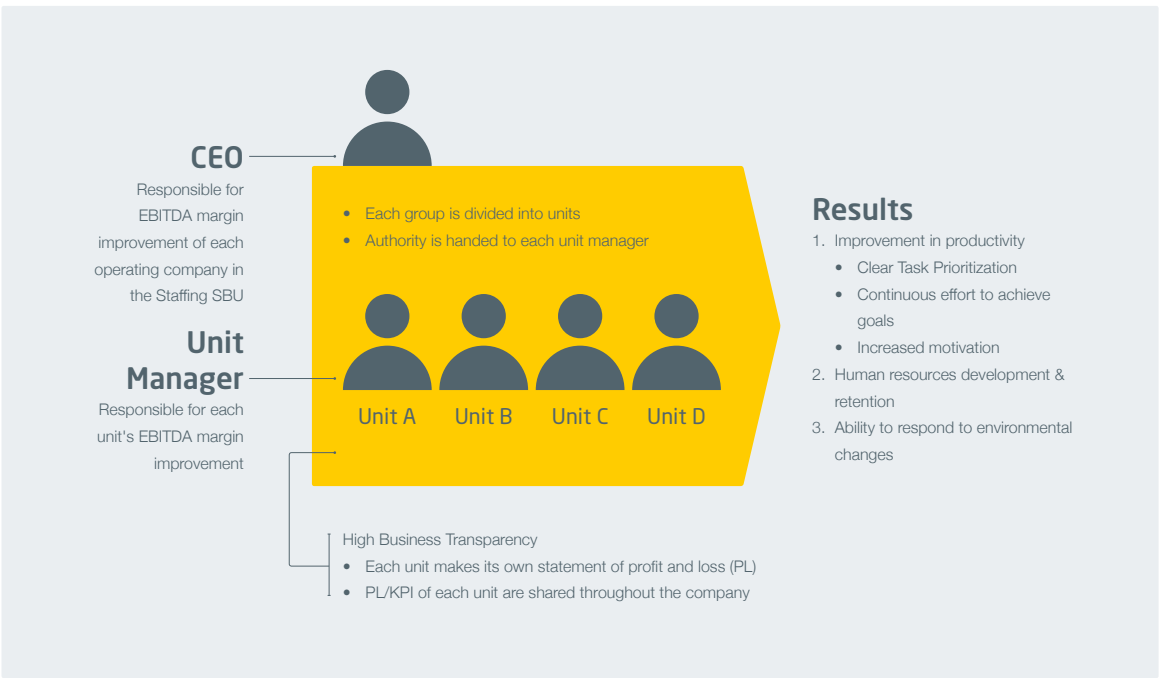
The Unit Management System divides an organization into small units based on differences in the markets they serve. Each unit is regarded as if they are a standalone company and the Unit Manager is given authority to make decisions. This arrangement allows each unit to devise and execute actions to implement our strategic priorities effectively for each market, with the aim of maximizing their local profits.

This system is designed to enhance the sense of ownership by the person responsible for each unit by giving discretion to promote higher-quality decision making.

In addition, common challenges and solutions in global markets are categorized and shared within SBUs in order to align each unit's strategy to our overall strategy quickly and simply, and to maximize each unit's ability to create value for their clients.

As each unit implements this process, productivity and profitability will improve and contribute to productivity improvements for the entire SBU.

Unit Management System



Case studies

The Unit Management System



With almost three decades in the industry, Peoplebank, a Chandler Macleod Group company, is South East Asia and Oceania's leading IT and digital talent solutions provider. Peoplebank joined Recruit Group in 2015, and its implementation of our Unit Management System (see p60) demonstrates the effectiveness of this approach in managing our group companies.

In Australia, the IT recruitment market has had lower margins than elsewhere, and in 2014, when Peoplebank was proceeding with its own previous M&As' post-acquisition integration, the market experienced a significant decline. It was then that Peoplebank began implementing the Unit Management System company-wide while refocusing on its core services. All 35 top managers took part in Unit Management workshops, and subsequently, the company has implemented significant changes. These include the simplification of its cost-allocation methodology, re-alignment of short-term incentives with EBITDA, and the open publishing of unit results every month while implementing incremental measurements weekly. Since 2015, the company's EBITDA margin has almost doubled. Today at Peoplebank, the Unit Management System has become a core part of basic training for new hires. "The system has helped drive Peoplebank's business foundation with a high-performance culture," said Peter Acheson, longstanding Peoplebank CEO, and now CEO of Chandler Macleod Group. "Making small incremental improvements is the only way to get there."

Case studies

Supporting the challenges faced by the young "Freeter"¹ class through engineer dispatch



In Japan, the combination of an aging society and favorable economic conditions has led to a shortage of workers in many industries. This situation is especially acute in the IT sector, where it is estimated that by 2030 there will be a shortage of up to 790,000 workers.² At the same time, there are approximately 1.4 million people under the age of 35 who are currently working as "freeters" that find themselves struggling to form mid- to long-term careers and achieve incomes above a certain level.³

In a bid to help meet the needs of both job seekers and employers, in 2012, Recruit Staffing Information Services started an engineer dispatch service. Under this program, inexperienced engineers—including members of the young freeter class—continue to receive training while gaining experience at client businesses through our Career Design Style program. Rather than setting the number of job matches as a measure of success, we focus on post-job matching management indicators of the engineer's career development. We work with clients to provide OJT⁴ which leads to professional licenses, and have developed a scheme for salary increases based on experience. We have continued to achieve solid growth year after year, and as of the end of March 2019, the number of our dispatch engineers has exceeded 1,000. Through this program, we will continue to support young people in building their careers and help clients who are facing a lack of engineers. In this way, we can bring further value to society by tackling social problems while also helping individuals to achieve personal growth.

¹ "Freeter" is a term used in Japan to describe people who are either unemployed or only work part-time, and was originally used to refer to young people who deliberately chose a more 'free' lifestyle over starting a career.

² "Survey Results Concerning the Latest Trends in IT Personnel and their Future Estimates--Report, Abridged Version," Ministry of Economy, Trade, and Industry (2016)

³ "2018 Labor Force Survey Results" (Ministry of Internal Affairs and Communications, Statistics Bureau) (Accessed on August 31, 2019)

⁴ An abbreviation for "On-the-Job Training." Refers to professional training received at an actual workplace by performing real work.

Case Studies

Our people are the "Plus" in Secretary Plus

USG People Belgium's "Secretary Plus" Brand



Among the many staffing services provided by our group company USG People Belgium, the "Secretary Plus" brand, which specializes in management support staffing, delivers exceptional profitability and has one of the highest conversion ratios (EBITDA divided by gross profit) in the Staffing SBU. In the staffing industry, competition for highly skilled clerical talent is intensifying. In response to this, Secretary Plus Belgium has established a clear differentiating brand strategy as well as a detailed follow-up system to support agency workers. This has led to high satisfaction rates among both agency workers and enterprise clients. Linda Cappelle, the company's CEO, said "Secretary Plus' 'Plus' points to the high level of added value that our people bring. The professionalism of our staff and the enthusiasm of each employee who supports them are key factors in our business growth, and strong teamwork is the very foundation of our success."

Risk Management

Sander Weisz Global Director, Risk Management, Legal, Compliance & Sustainability, Recruit Global Staffing



The introduction of the Staffing SBU Risk Management Committees in 2017 has had the positive effect of focusing everyone's attention on the key risks that require mitigating action. Discussions held in the Staffing SBU Committee are subsequently reported to the Risk Management Committee of Recruit Holdings.

Our Staffing SBU has operating companies around the globe, and to effectively manage the risks that they face in the course of doing business, each operating company has its own Risk Management Committee which holds regular meetings. A representative of the SBU Committee attends these meetings and then shares the outcomes at SBU Committee meetings for review and discussion. In this way, the Risk Management Committees within the operating companies help our leadership teams focus on the risks that require mitigating action, helping us realize our goals securely and efficiently.

In addition to this reporting system, each operating company is responsible for establishing its own risk management systems based on Recruit Group's policies and the SBU's guidelines. They periodically report to the SBU Headquarters' risk management department on specific risks that are unique to their local operating environments.

One of our most important operational risks is the frequent changes in labor laws all around the world, and it is essential that we comply with all updated laws and local legislation. Another priority is ensuring that our cybersecurity and data protection policies and systems are managed extremely carefully in order to control risks in these sensitive areas. Overall, our role as the risk management department is to support and assist each operating company within the Staffing SBU in executing its strategies to help realize our collective goals.

For further information on Recruit Group's risk management, see p79/80

Sustainability at the Staffing SBU

Our activities to help promote a sustainable society



Refugee support activities in Myanmar

The Staffing SBU plays an integral role in the SDGs Domino Effect (see p25 for details). By working to create optimal matching between candidates and clients, which directly leads to “SDG 10. Reduced Inequalities,” we are also contributing to the achievement of “SDG 5. Gender Equality.” This is particularly the case in countries and regions where female participation in the labor market is low. Through this, we can also contribute to “SDG 8. Decent Work and Economic Growth.”

Additionally, we firmly believe that it is important to protect the human rights of all stakeholders, including temporary agency workers as well as our management and employees, and ensure diversity and inclusion while operating our services. On this point, we adhere to the United Nations Guiding Principles for Businesses and Human Rights”, and continue to raise the standards of our services, including our Staffing business.

Advantage resourcing & Staffmark - career support

- **Supporting the Careers of Military Service Members and Veterans.** Provide career assistance such as resume writing and partnering with external organizations.
- **Supporting Refugees.** In addition to technology and housing assistance, we helped over 300 refugees from Myanmar, providing training and assistance with finding jobs for those who met certain criteria in the US.

Recruit Staffing - supporting students from overseas

In recent years, the number of undergraduate and postgraduate foreign students has been increasing, but it has not always been easy for them to find suitable jobs after graduating school. To help support them in their careers, Recruit Staffing created a service that provides foreign students with opportunities to work and develop professional skills while still in school. Since the service was launched in 2015, approximately 500 foreign students have been employed by approximately 120 companies across Japan.

Chandler Macleod - contributing to client companies' diversity

Chandler Macleod is dedicated to contributing to client companies' diversity. For one of their clients, a solar farm company, Chandler Macleod partnered with six local community groups to provide training programs for a diverse range of workers, helping to successfully match multiple candidates including those from indigenous populations, mature workers, long-term unemployed, and female workers.

Advantage Resourcing - education on human rights

Advantage Resourcing organized a number of free seminars and events for clients to address key employment human rights issues such as the Modern Slavery Act, as well as regular employment law seminars.

USG People Germany - renewable energy

In Germany, while approximately 30% of power is generated from renewables, at USG People Germany, 100% of energy consumed is sourced from renewables, translating to an annual saving of 232 tonnes of CO₂.



A local community support event



Recruiting for a solar energy project in Australia