

Remuneration

Remuneration for our Board Directors and Audit & Supervisory Board Members

Remuneration principles

- Set remuneration levels that will attract outstanding management talent globally
- Make remuneration plans highly performance-based
- Tie remuneration to medium and long-term enterprise value
- Make the remuneration decision process highly objective and transparent

Remuneration levels

Remuneration levels are set using benchmarks linked to executive compensation levels at enterprises in Japan and overseas of comparable business type and scale, as compiled by outside database services.

Remuneration structure

Remuneration consists of the following four types. The stock option plan as a long-term incentive was introduced after being approved at the General Meeting of Shareholders on June 19, 2019.

	Form	Performance-based indicators for FY2019	Overview of payment method	(Reference) Performance-based indicator for FY2018.
Fixed remuneration	Cash	-	A base amount* ¹ is paid in cash.	-
Short-term incentive²	Cash	FY2019 Adjusted EBITDA	The base amount* ¹ is increased or decreased by an amount calculated by multiplying the growth rate from past years by a fixed coefficient, and is paid in cash.	FY2018 EBITDA
Long-term incentive	BIP trust	FY2019 Adjusted EBITDA FY2019 Adjusted EPS	The base amount* ¹ is multiplied by a payment ratio within the range of 0% to 150% based on degree of target achievement, and our shares equivalent to the above calculation is granted.	FY2018 EBITDA & 3-year CAGR of Adjusted EPS from FY2016 to FY2018.
	Stock options	-	Stock options are allotted equivalent to the base amount* ¹ .	-

BIP trust (Long-term incentive)

Recruit Holding's shares in an amount equivalent to cash reflecting performance-based indicators in the base amount*¹ are purchased on the market and held in a trust account, then turned over to the recipient upon retirement.

¹ The above "base amount" is decided separately for each type of remuneration and based on each role.

² Short-term incentive, in addition to the above, reflects the individual performance evaluation for the fiscal year.

For detailed information on Adjusted EBITDA, see p38.

For detailed information on EBITDA and Adjusted EPS, see p11/12.

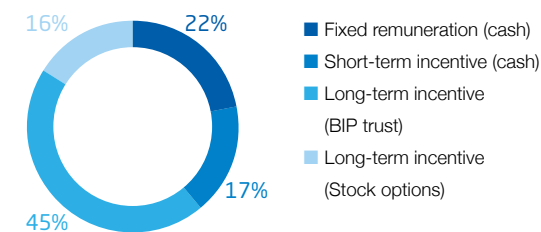
Stock options (Long-term incentive)

Stock options are allotted equivalent to the base amount*¹. After a period prescribed by the Board of Directors has elapsed, the recipient by exercising the stock options can obtain Company shares at their closing price on the day of allotment (profits are realized only when the share price goes up).

¹ With the aim of attracting and retaining outstanding management talent globally, Recruit Holdings may adopt a remuneration structure differing from the structure described above, in cases where personnel were recruited based on standards of markets with significantly different hiring practices and laws and regulations.

Percentages to be paid

Board Directors (excluding External Board Directors)



These percentages show the average remuneration ratio of five Board Directors for FY2019.

External Board Directors, Audit & Supervisory Board Members

Remuneration consists of fixed remuneration only, which is not tied to financial performance. This considers the importance of their role of oversight from an independent, objective standpoint.

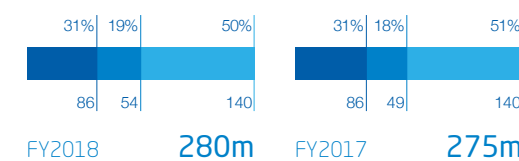
How is remuneration determined?

Recruit Holdings has established an Evaluation Committee and Remuneration Committee, each chaired by an External Board Director and having a majority of outside members, as advisory bodies to the Board of Directors for the purpose of enhancing objectivity and transparency of remuneration for Board Directors and Audit & Supervisory Board Members. Regarding the amount of individual remuneration, remuneration for Board Directors is determined by the Board of Directors, taking into account the reports by the Evaluation Committee and the Remuneration Committee, while remuneration for Audit & Supervisory Board Members is determined based on consultation among the Audit & Supervisory Board Members, within remuneration ranges approved by the General Meeting of Shareholders.

Total remuneration for FY2018 and FY2017*⁴

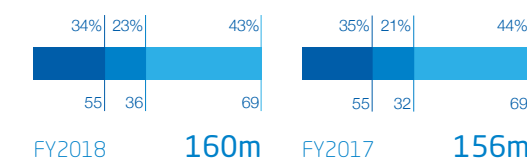
Masumi Minegishi

Representative Director, President and CEO



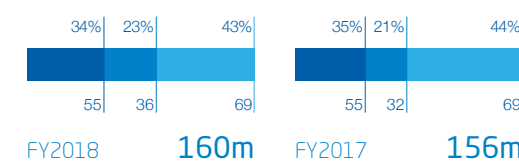
Keiichi Sagawa

Board Director, CFO and Senior Managing Corporate Executive Officer



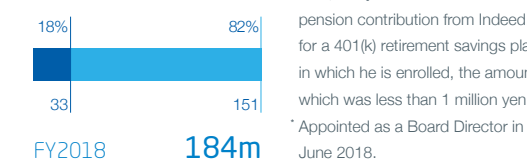
Shogo Ikeuchi

Board Director, CHRO and Senior Managing Corporate Executive Officer



Rony Kahan

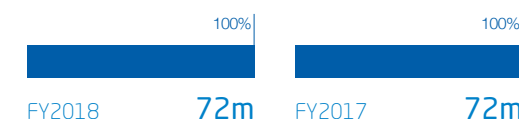
Board Director



* In addition to the remuneration shown here, Rony Kahan received a defined pension contribution from Indeed, Inc. for a 401(k) retirement savings plan in which he is enrolled, the amount of which was less than 1 million yen.

⁴ Appointed as a Board Director in June 2018.

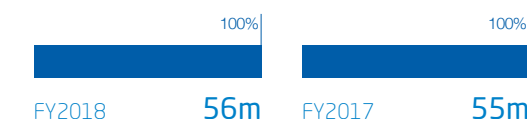
Total of two Audit & Supervisory Board Members (excluding External members)



Fixed remuneration only

■ Fixed remuneration (cash) ■ Short-term incentive (cash) ■ Long-term incentive (BIP Trust)

Total of two External Board Directors*⁵ and two Audit & Supervisory Board Members



*⁴ The remuneration amounts shown above are actual expenses recorded in each fiscal year, and calculated based on IFRS Standards.

*⁵ Two External Board Directors indicate Mr. Ohyagi and Mr. Shingai before General Meeting of Shareholders held on June 19, 2018, and Mr. Izumiya and Mr. Totoki after the same General Meeting of Shareholders.