

56th Ordinary General Meeting of Shareholders



June 21, 2016

Recruit Holdings Co., Ltd.

**Summary of Recruit Holdings'
Consolidated Earnings Performance
in the 56th Fiscal Year
(April 1, 2015 to March 31, 2016)**



Consolidated Earnings

(JPY Bn)	55th Fiscal Year	56th Fiscal Year	
	Results	Results	YoY
Net sales	1,299.9	1,588.6	+22.2%
EBITDA	191.4	202.2	+5.7%
EBITDA margin	14.7%	12.7%	-2.0pt
Operating income	122.4	114.0	-6.9%
Ordinary income	125.6	119.3	-5.0%
Net income attributable to owners of the parent	69.7	64.5	-7.4%

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This is a summary of the Consolidated Statement of Income for the 56th fiscal year.

We recorded net sales of ¥1,588.6 billion, an increase of 22.2% year on year. EBITDA, which we use as a management index, totaled ¥202.2 billion, an increase of 5.7%. And our net income attributable to owners of the parent was ¥64.5 billion, a decrease of 7.4%.

(Reference) EBITDA

EBITDA

Operating income + Depreciation and amortization + Amortization of goodwill

Goodwill

Stock acquisition price – Equity of acquired company

Our EBITDA is operating income plus depreciation and amortization and amortization of goodwill.

Goodwill, which is recognized at the time of M&A, is the amount calculated by deducting the acquired company's equity from the stock acquisition price. This is amortized over a set period.

Business Segments

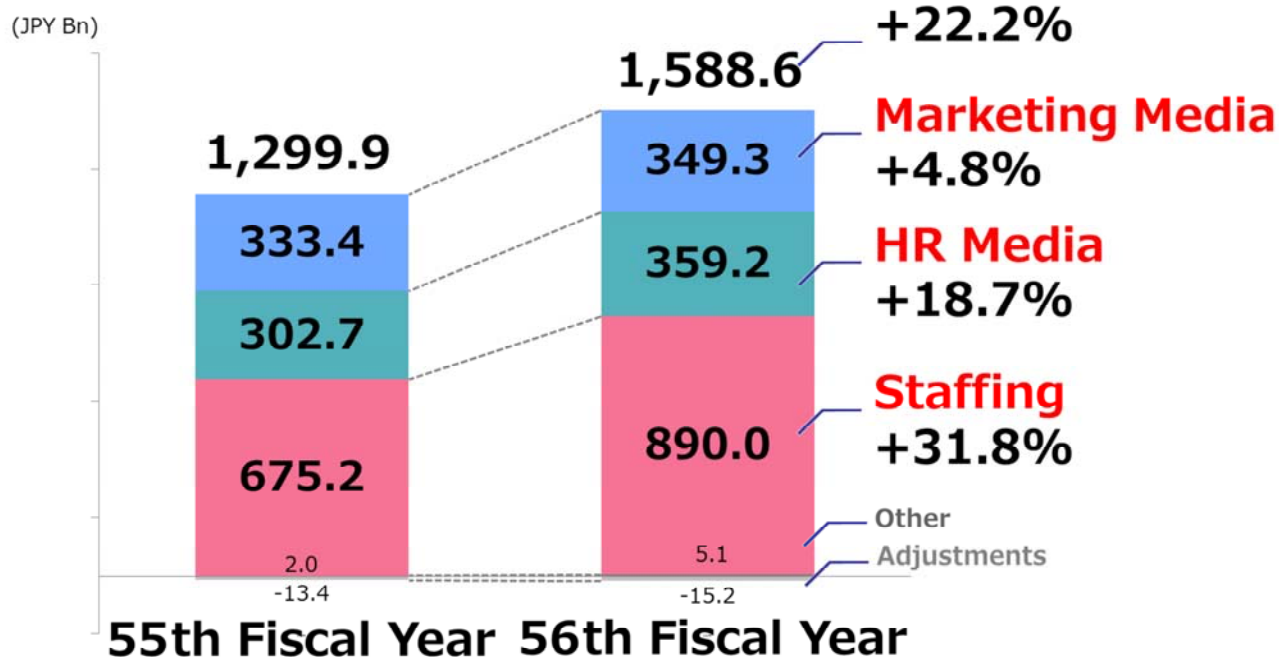
Marketing Media

HR Media

Staffing

Our main business segments are Marketing Media, HR Media, and Staffing.

Sales by Segment



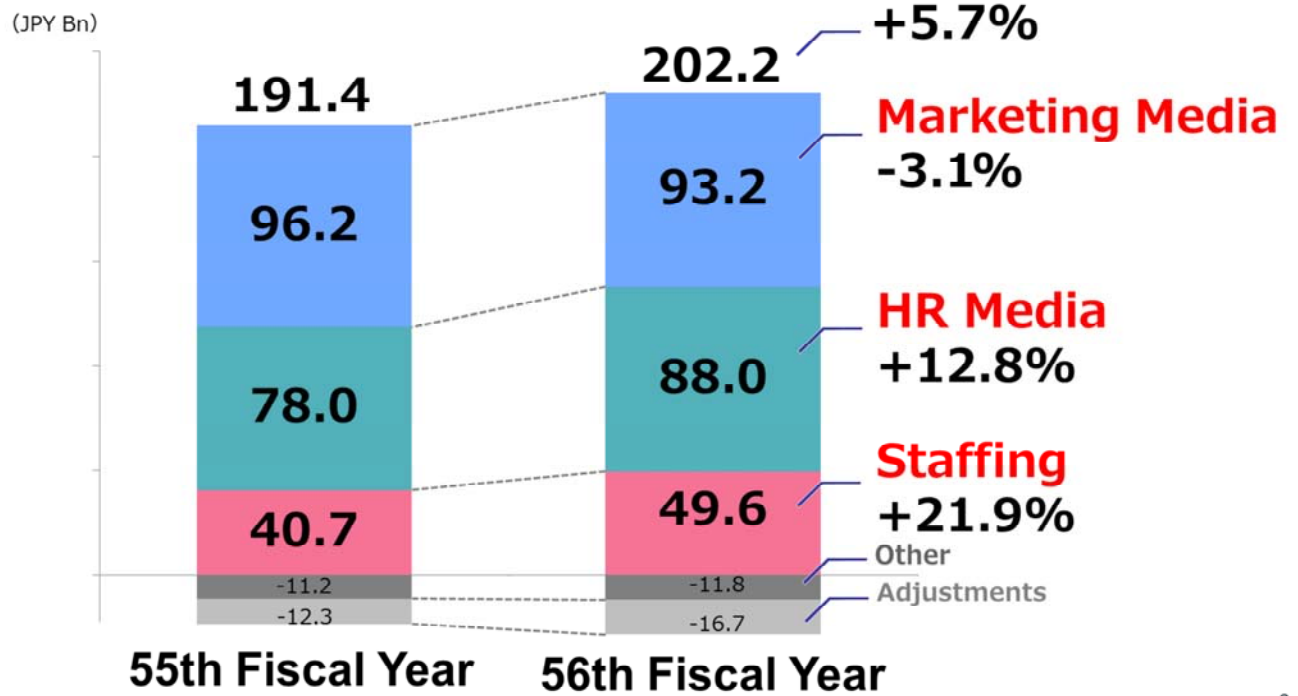
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This slide shows our sales by segment.

Net sales were strong in all of the three main business segments, and grew year on year.

In particular, sales in the Staffing segment increased substantially thanks to the contribution of the business results of Chandler Macleod and other acquired companies.

EBITDA by Segment



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This is our EBITDA performance by segment.

EBITDA rose by 5.7% year on year to ¥202.2 billion, which was a record high.

Segment Earnings Summary

Marketing Media

Life Event

SUUMO
スーモ

ゼクシィ

Lifestyle



ホットペッパー
HOT PEPPER
グルメ

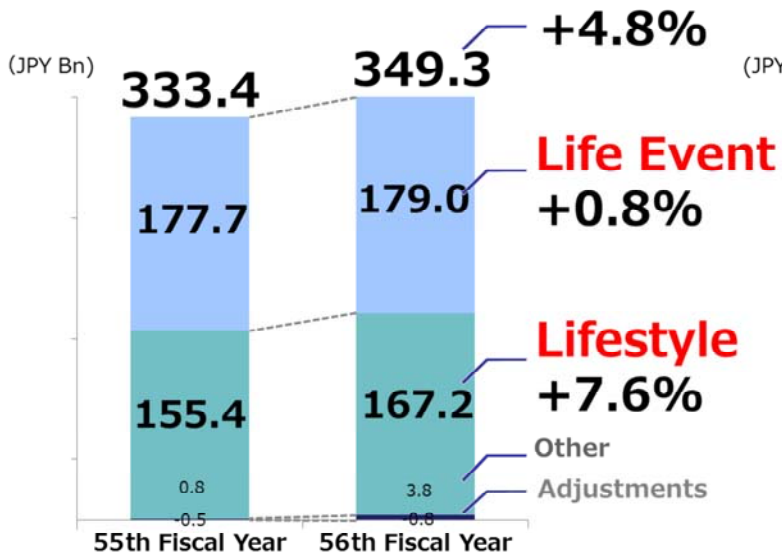
B HOT PEPPER
Beauty

Marketing Media mainly consists of Life Event operations and Lifestyle operations. Life Event operations primarily consist of *SUUMO*, a housing information service, and *Zexy*, a bridal information service. Lifestyle operations chiefly consists of *Jalan*, a travel information service, *Hot Pepper Gourmet*, a dining information service, and *Hot Pepper Beauty*, a beauty salon information service.

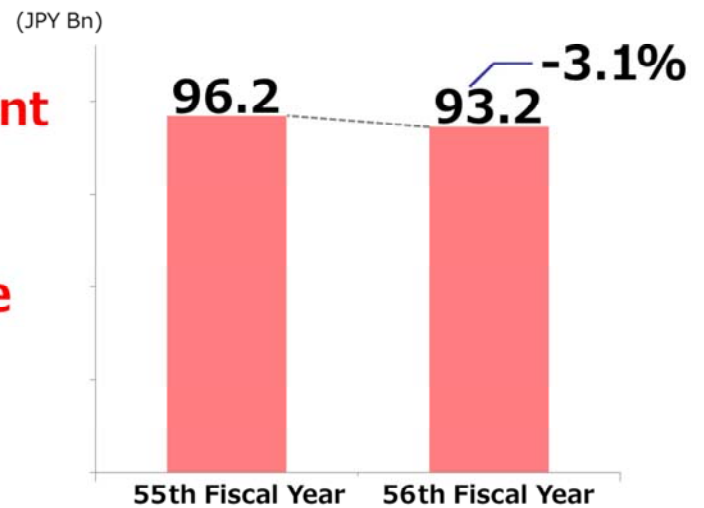
From the 56th fiscal year, the business results of *Quandoo*, an online restaurant reservation service provider in Europe, and *Hotspring*, a beauty salon online reservation service provider in Europe, were included.

Marketing Media Sales & EBITDA

Sales



EBITDA

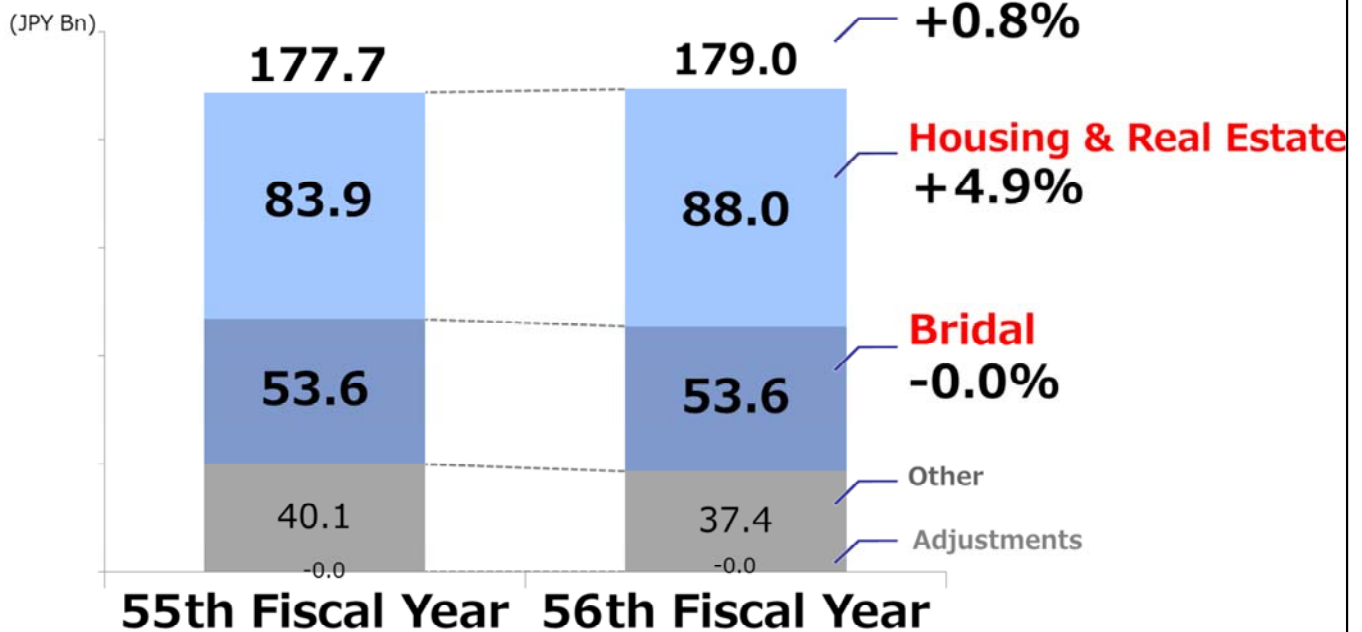


Net sales in the Marketing Media business segment totaled ¥349.3 billion, an increase of 4.8% year on year, driven by strong sales in the Lifestyle operations.

EBITDA dropped by 3.1% year on year to ¥93.2 billion, mainly due to the impact of including the business results of overseas subsidiaries, such as Quandoo and Hotspring, from the 56th fiscal year.

When the business results of these overseas subsidiaries were excluded, EBITDA grew by 4.2% from the previous fiscal year.

Life Event Sales



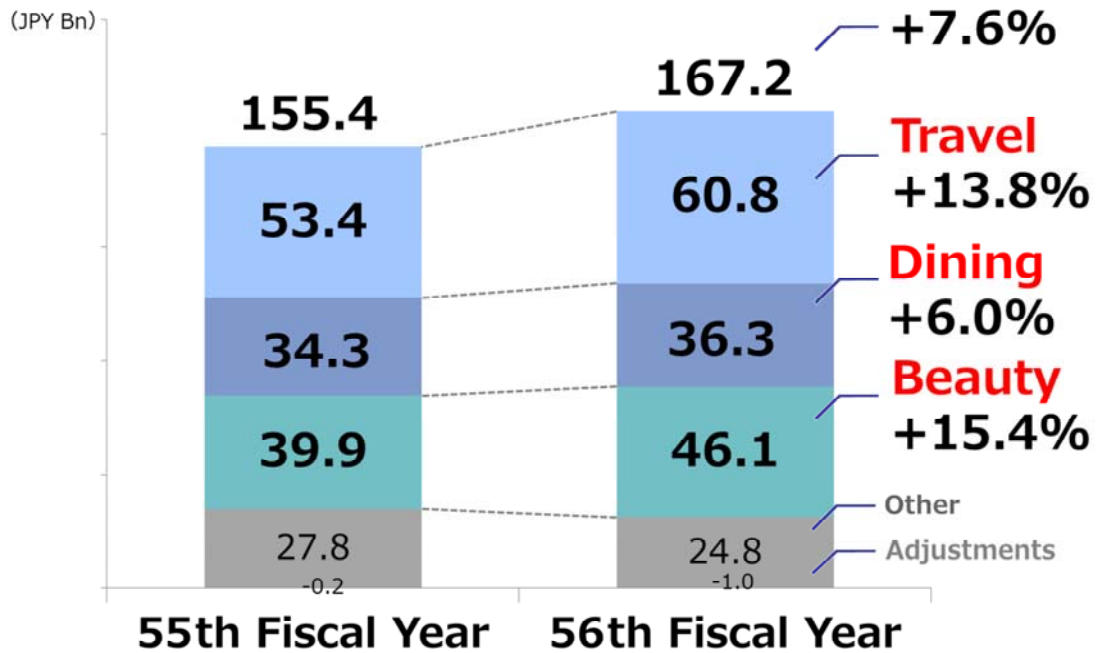
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This slide shows the breakdown of sales from the Life Event operations.

Housing & real estate business sales increased by 4.9% year on year as a result of steady growth in the independent housing division and the leasing division, despite sluggish sales in the newly built condominium division.

Bridal sales remained unchanged from the previous fiscal year, with a declining trend in the number of couples marrying in Japan offset by the demand for attracting customers among major wedding venues.

Lifestyle Sales



This slide shows the breakdown of sales from the Lifestyle operations.

Sales in the travel business rose by 13.8% year on year owing to growth in both room rates and the number of guests.

In the dining business, an increase in the number of clients as a result of the growth in online reservations and other factors led to a year-on-year sales increase of 6%.

Meanwhile, sales in the beauty business rose by 15.4% from the previous fiscal year thanks to expanded business with existing clients and acquisition of new clients.

HR Media

Domestic Recruiting



つぎの私は、プロとはじめる。

RECRUIT AGENT

タウンワーク
TOWNWORK

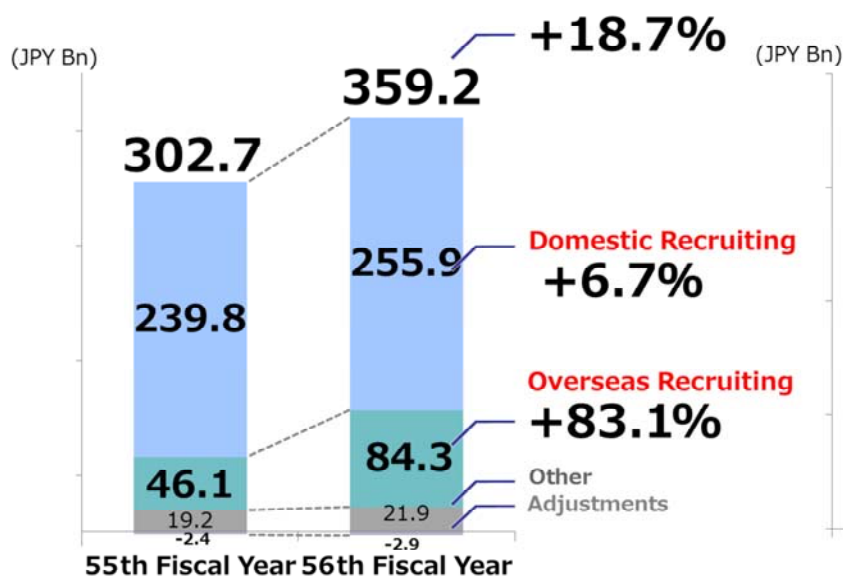
Overseas Recruiting



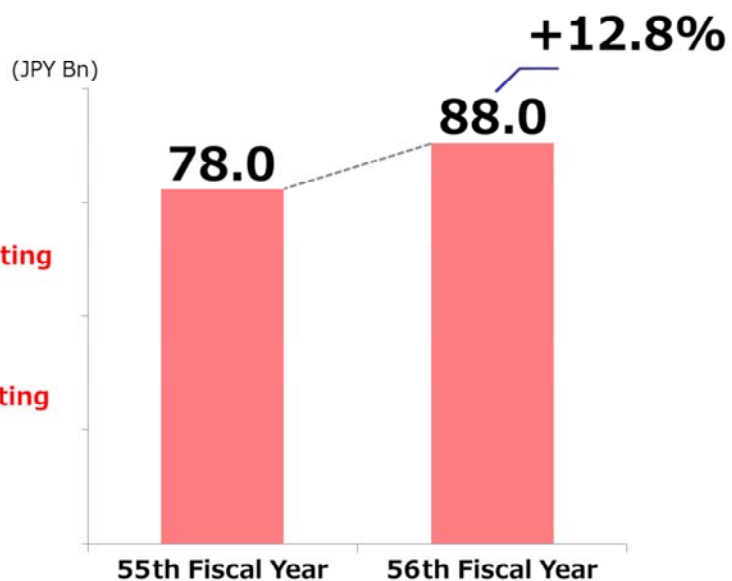
The HR Media segment is comprised of domestic and overseas recruiting operations. Our domestic recruiting operations primarily consist of *Rikunabi*, a job search website for new graduates, *Rikunabi NEXT*, a job portal site for mid-career jobseekers, *RECRUIT AGENT*, an employment placement service for jobseekers, and *TOWNWORK*, an information service on temporary/part-time jobs. Meanwhile, overseas recruiting operations consist of *Indeed.com*, a job aggregator search engine website, operating globally but mainly in the US.

HR Media Sales & EBITDA

Sales

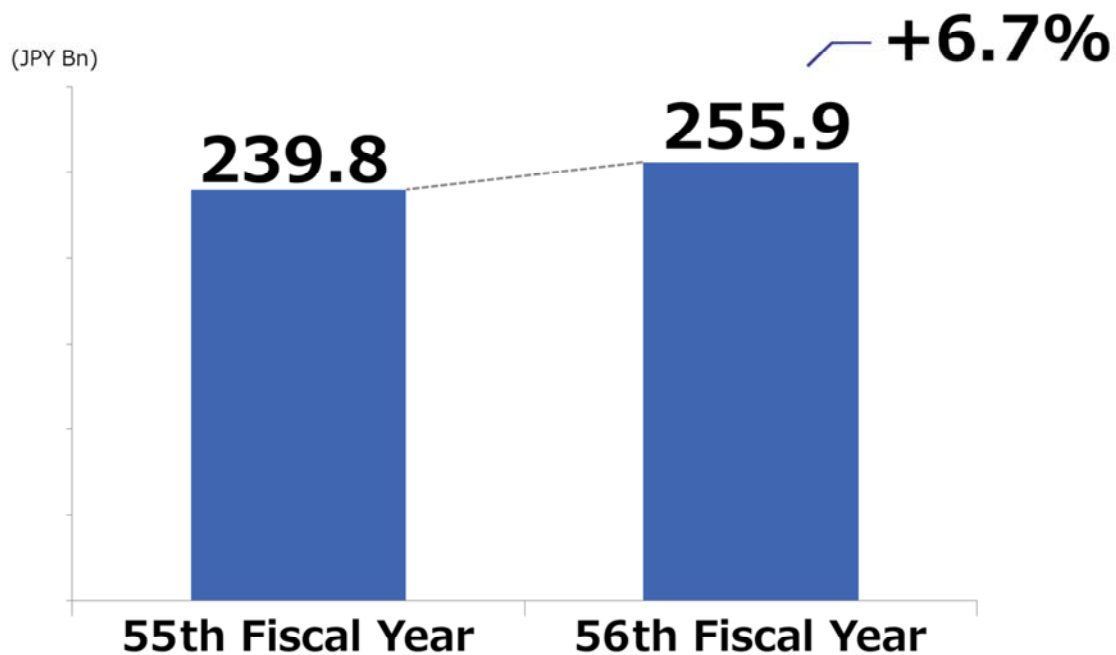


EBITDA



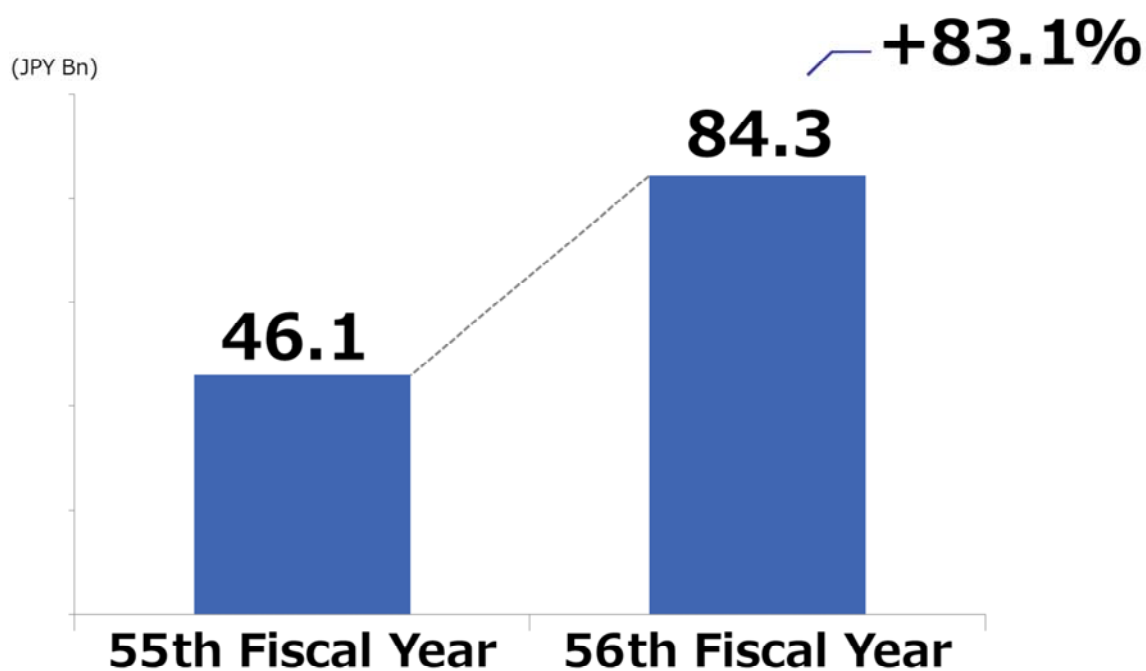
Net sales in the HR Media segment totaled ¥359.2 billion, an increase of 18.7% year on year. In the meantime, EBITDA was ¥88.0 billion, an increase of 12.8%.

Domestic Recruiting Sales



Sales in the domestic recruiting operations grew by 6.7% year on year, reflecting favorable market conditions including the continued high-level ratio of job-offers to job-seekers.

Overseas Recruiting Sales



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In the overseas recruiting operations, sales rose substantially by 83.1% year on year, thanks to a continued increase in utilization of the Group's services by small- and medium-sized clients.

Meanwhile, the average monthly number of unique visitors steadily grew during the period from January to December 2015 to approximately 170 million, a year-on-year increase of 38.2%.

Staffing

Domestic Staffing

 **RECRUIT**
リクルートスタッフィング

 **スタッフサービスグループ**

Overseas Staffing

 **Staffmark**

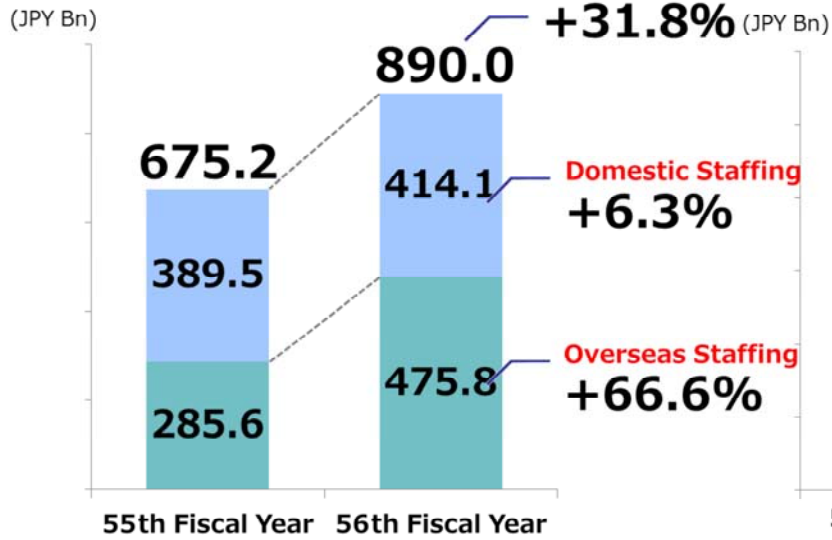
Advantage Resourcing

**CHANDLER
MACLEOD**
UNLEASHING POTENTIAL

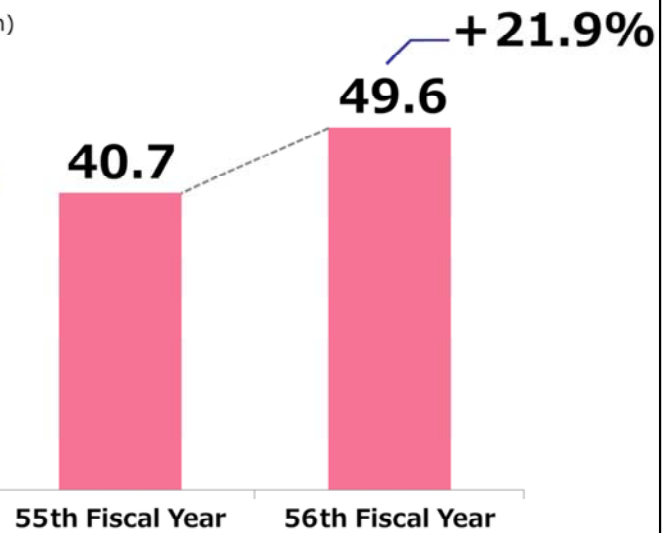
The Staffing segment consists mainly of domestic and overseas staffing operations. Recruit Staffing and Staff Service Group are the two companies that primarily make up the domestic staffing operations. Meanwhile, Staffmark and Advantage Resourcing, which mainly operate in North America, and Chandler Macleod, which mainly operates in Australia, are the three companies that primarily make up our overseas staffing operations.

Staffing Sales & EBITDA

Sales

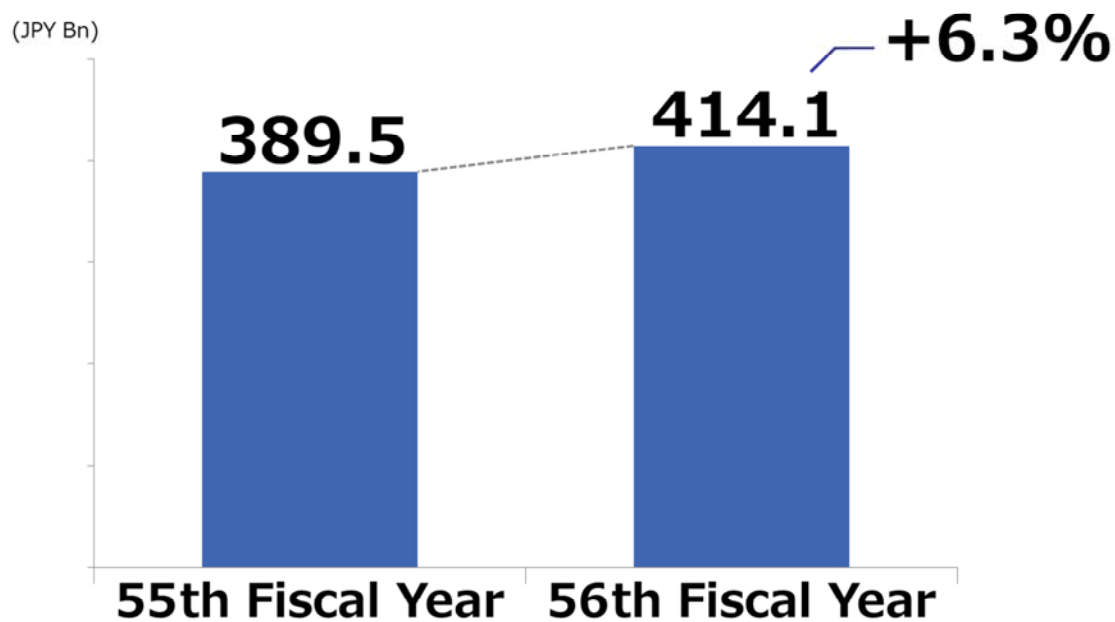


EBITDA



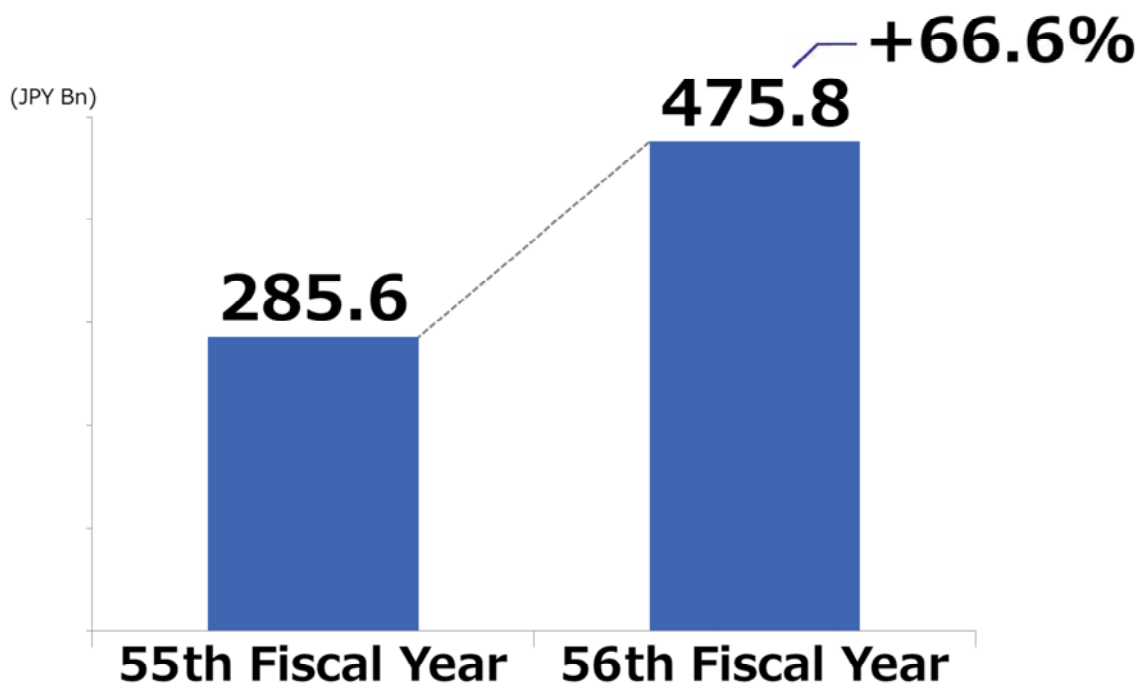
Net sales in the Staffing segment grew by 31.8% from the previous fiscal year to ¥890 billion. Meanwhile, EBITDA was ¥49.6 billion, a year-on-year increase of 21.9%.

Domestic Staffing Sales



In the domestic staffing operations, sales increased by 6.3% year on year, owing to strong sales at Recruit Staffing and Staff Service Group, supported by continuing solid market conditions.

Overseas Staffing Sales



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In the overseas staffing operations, sales grew by 66.6% year on year, with the contribution of the business results of Peoplebank and Chandler Macleod, both of which mainly operate in Australia, and Atterro, which mainly operates in North America, in addition to the favorable impact of yen depreciation.

Summary of Consolidated Balance Sheets

Consolidated Balance Sheets as of the End of the 56th Fiscal Year

Assets ¥1,150.6 bn (+ ¥49.8 bn)	Liabilities ¥373.6 bn (+ ¥27.0 bn)	Change in assets • Current assets + ¥23.0 billion • Noncurrent assets + ¥26.7 billion
	Equity ¥777.0 bn (+ ¥22.8 bn)	Change in liabilities • Current liabilities + ¥41.7 billion • Long-term liabilities – ¥14.7 billion Change in equity + ¥22.8 billion

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Our total assets at the end of the fiscal year stood at ¥1,150.6 billion, an increase of ¥49.8 billion versus the end of the previous fiscal year. Total liabilities stood at ¥373.6 billion, an increase of ¥27.0 billion. Our equity increased by ¥22.8 billion to ¥777.0 billion.

Current assets grew by ¥23.0 billion owing mainly to an increase in securities. Noncurrent assets increased by ¥26.7 billion, primarily attributable to a rise in software.

Current liabilities were up ¥41.7 billion, mainly reflecting an increase in accrued expenses, while long-term liabilities declined by ¥14.7 billion, owing mainly to a decrease in long-term debt.

Total equity increased by ¥22.8 billion.

Dividend Payout in 56th Fiscal Year

Dividend in 56th Fiscal Year

**Per-share dividend in 56th Fiscal Year
¥50**

Net income before amortization of goodwill in the 56th Fiscal Year:	¥112.4 billion
Total dividend payout:	¥28.2 billion

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We set our consolidated payout ratio at approximately 25% of net income before amortization of goodwill, which is net income plus amortization of goodwill. Our basic policy is to provide our shareholders with a consistent and stable dividend payout.

Also, in line with our Articles of Incorporation, the distribution of surplus is left up to the discretion of the Board of Directors.

In the 56th fiscal year, our net income before amortization of goodwill was ¥112.4 billion, and at the May 13, 2016 Board of Directors meeting, it was voted that the company would pay a per-share dividend of ¥50, or a total dividend payout of ¥28.2 billion.