

# Financial Results for FY 2015

May 13, 2016



Recruit Holdings Co., Ltd.

# Disclaimer

In preparing these materials, Recruit Holdings Co., Ltd. relies upon and assumes the accuracy and completeness of all available information. However, we make no representations or warranties of any kind, express or implied, about the completeness and accuracy.

This presentation also contains forward-looking statements. Actual results, performance and achievements are subject to various risks and uncertainties. Accordingly, actual results may differ significantly from those expressed or implied by forward-looking statements. Readers are cautioned against placing undue reliance on forward-looking statements.

Third parties are not permitted to use and/or disclose this document and the contents herein for any other purpose without the prior written consent of Recruit Holdings Co., Ltd.

# Contents

## **1. FY2015 Consolidated Financial Highlights**

- I. Consolidated Earnings Summary P.4
- II. Segment Net sales & EBITDA P.5

## **2. Earnings Results by Segments for FY2015**

- I. Marketing Media P.7
- II. HR Media P.13
- III. Staffing P.17

### **Appendix**

FY2016 Full-year forecast

Company Profile

Business Segment & Major services

Market Environment

# 1. FY2015 Consolidated Financial Highlights

# 1-(I) Consolidated Earnings Summary

## ■ Record high net sales & EBITDA

(JPY Bn)	FY2014	FY2015		
	Full-year	Full-Year Forecast <small>Announced at May 13 *3</small>	Full-year*4	YoY Change
Net sales	1,299.9	1,550.0	<b>1,588.6</b>	+22.2%
EBITDA*1	191.4	201.0	<b>202.2</b>	+5.7%
EBITDA Margin	14.7%	13.0%	12.7%	-2.0pt
Operating income	122.4	112.0	<b>114.0</b>	-6.9%
Ordinary income	125.6	117.0	<b>119.3</b>	-5.0%
Net income attributable to owners of the parent	69.7	65.0	<b>64.5</b>	-7.4%
Net income attributable to owners of the parent before amortization of goodwill*2	107.5	112.5	<b>112.4</b>	+4.5%
Dividend per share (JPY)	47	50	<b>50</b>	—

\*1: EBITDA = Operating income + Depreciation and amortization + Amortization of goodwill

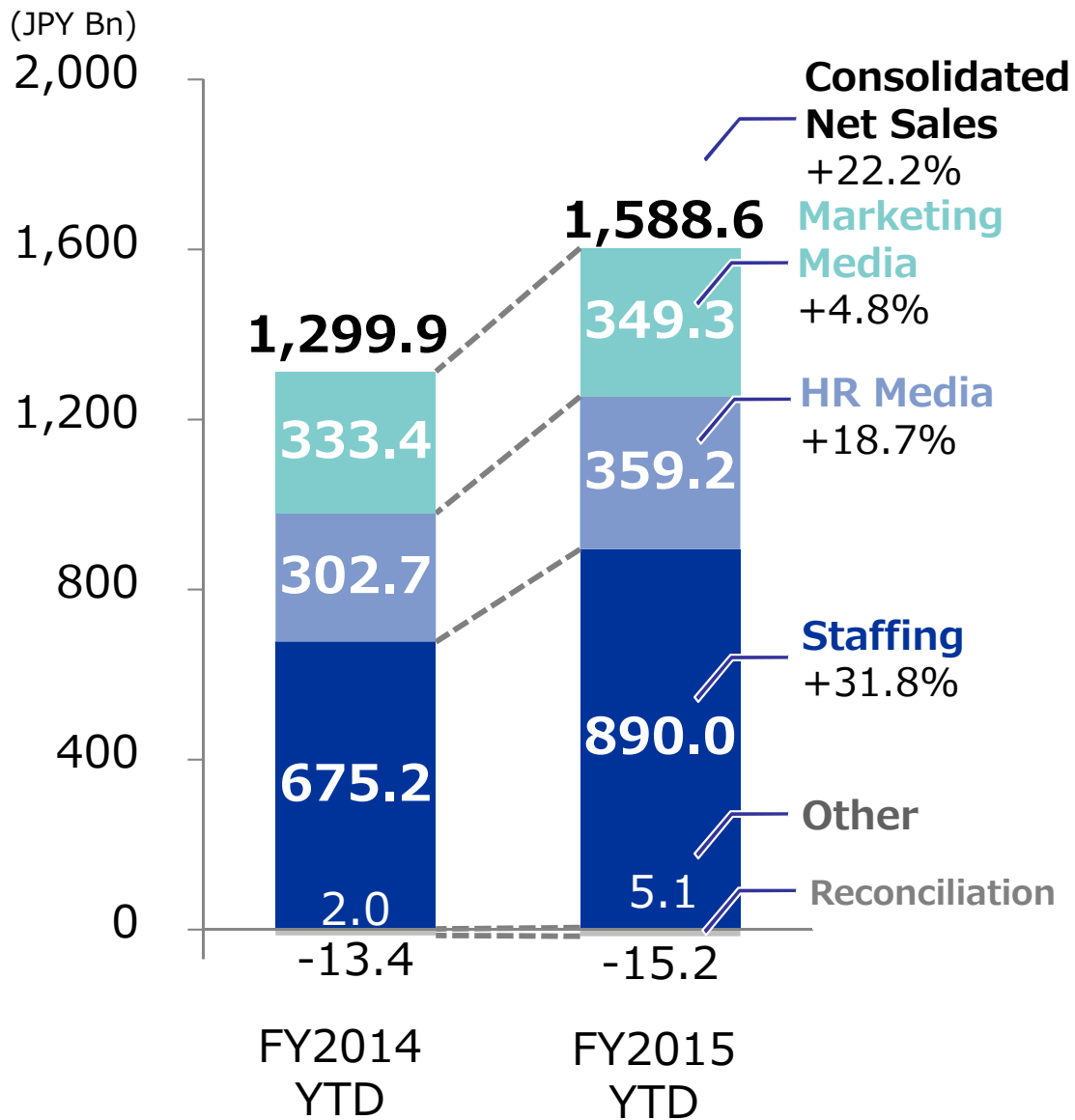
\*2: Net income attributable to owners of the parent before amortization of goodwill = Net income attributable to owners of the parent + Amortization of goodwill

\*3: Assuming exchange rate: JPY119.00/USD, JPY 91.00/AUD

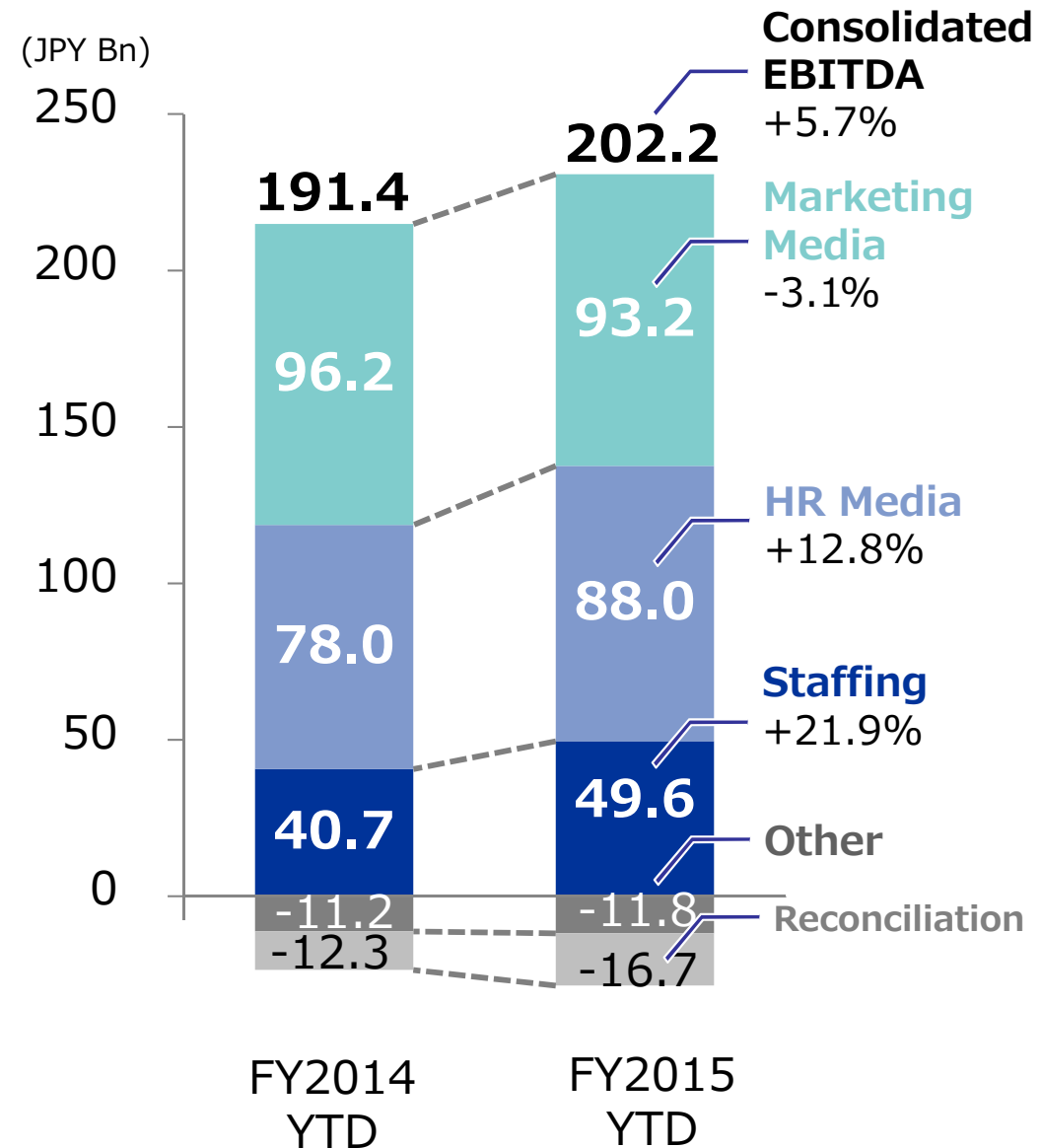
\*4: Average exchange rate: JPY 121.10/USD (JPY 105.79/USD for FY2014), JPY 91.07/AUD

# 1-(II) Segment Net Sales & EBITDA

## Segment Net Sales



## Segment EBITDA



## **2. Earnings Results by Segments for FY2015**

## **2. Earnings Results by Segments for FY2015**

### **(I) Marketing Media**



## 2 -(I) Marketing Media: Net Sales & EBITDA

■ Net Sales: +4.8% YoY

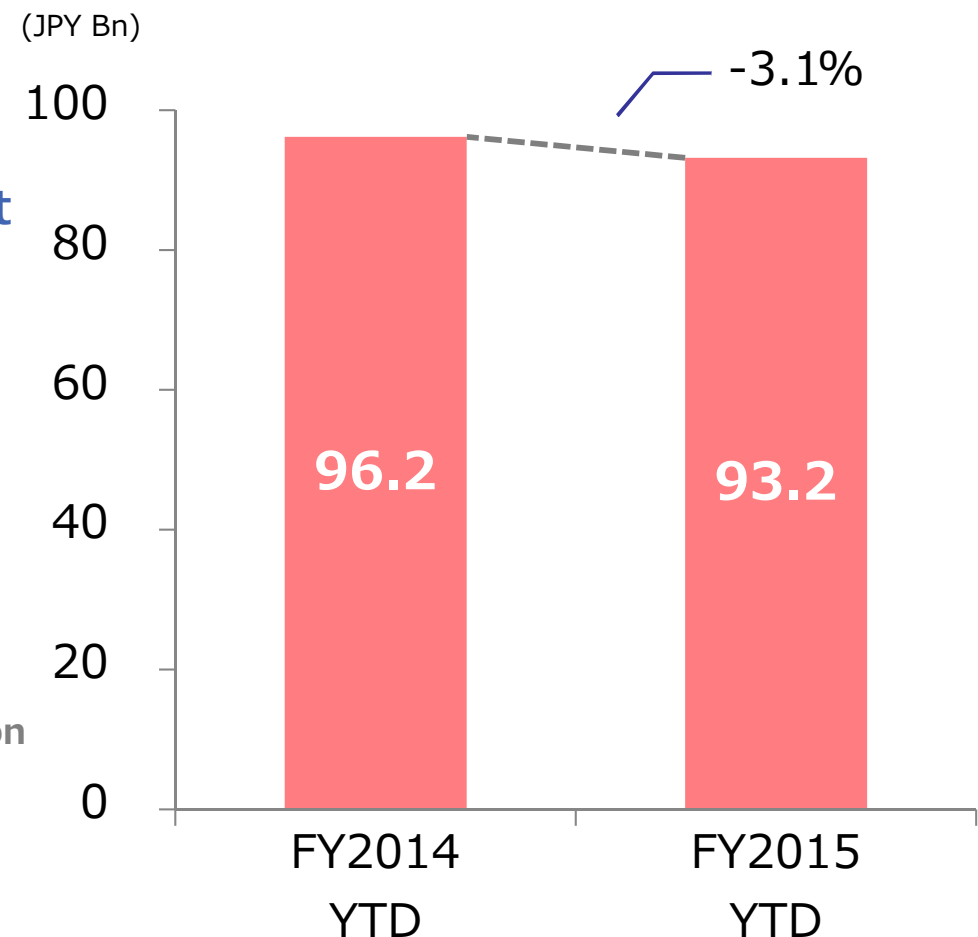
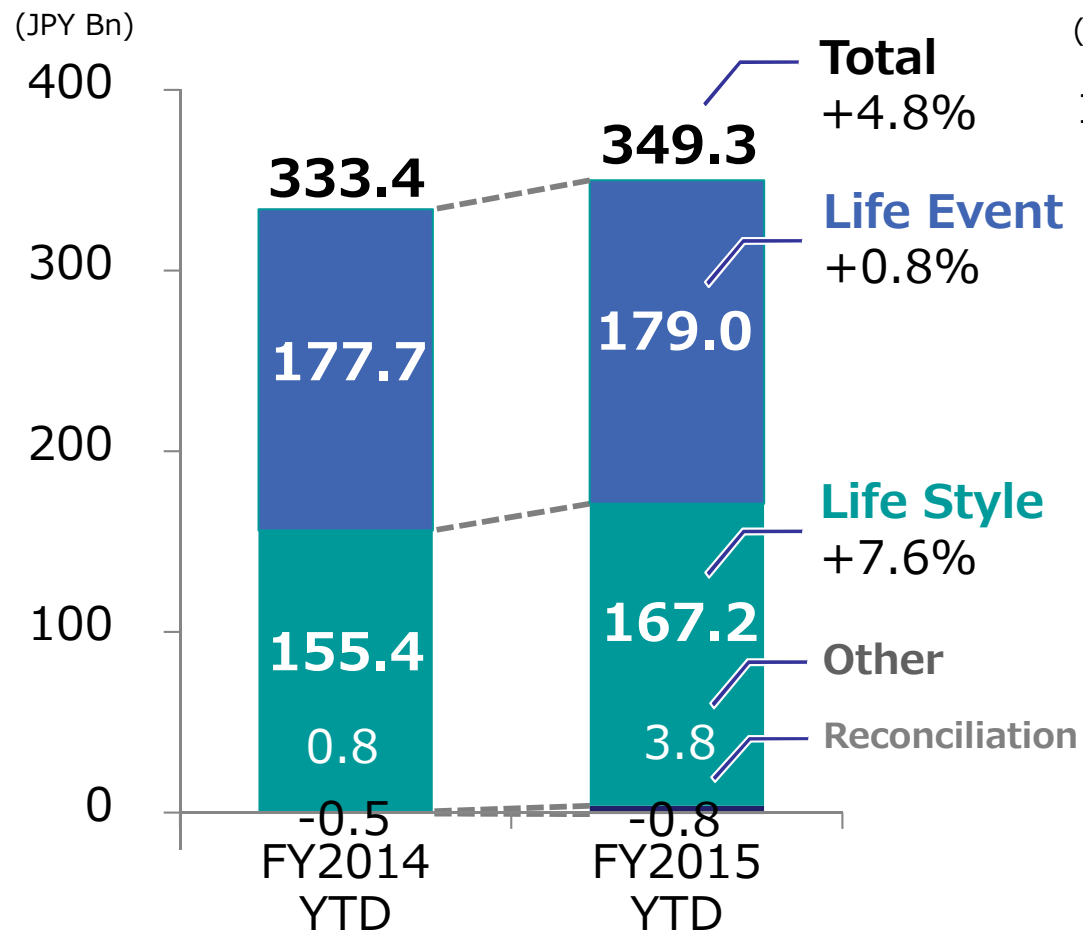
-Life Event: solid -Lifestyle: favorable

■ EBITDA: -3.1% YoY

-due to consolidation of acquired subsidiaries in Europe Dining/Beauty business.

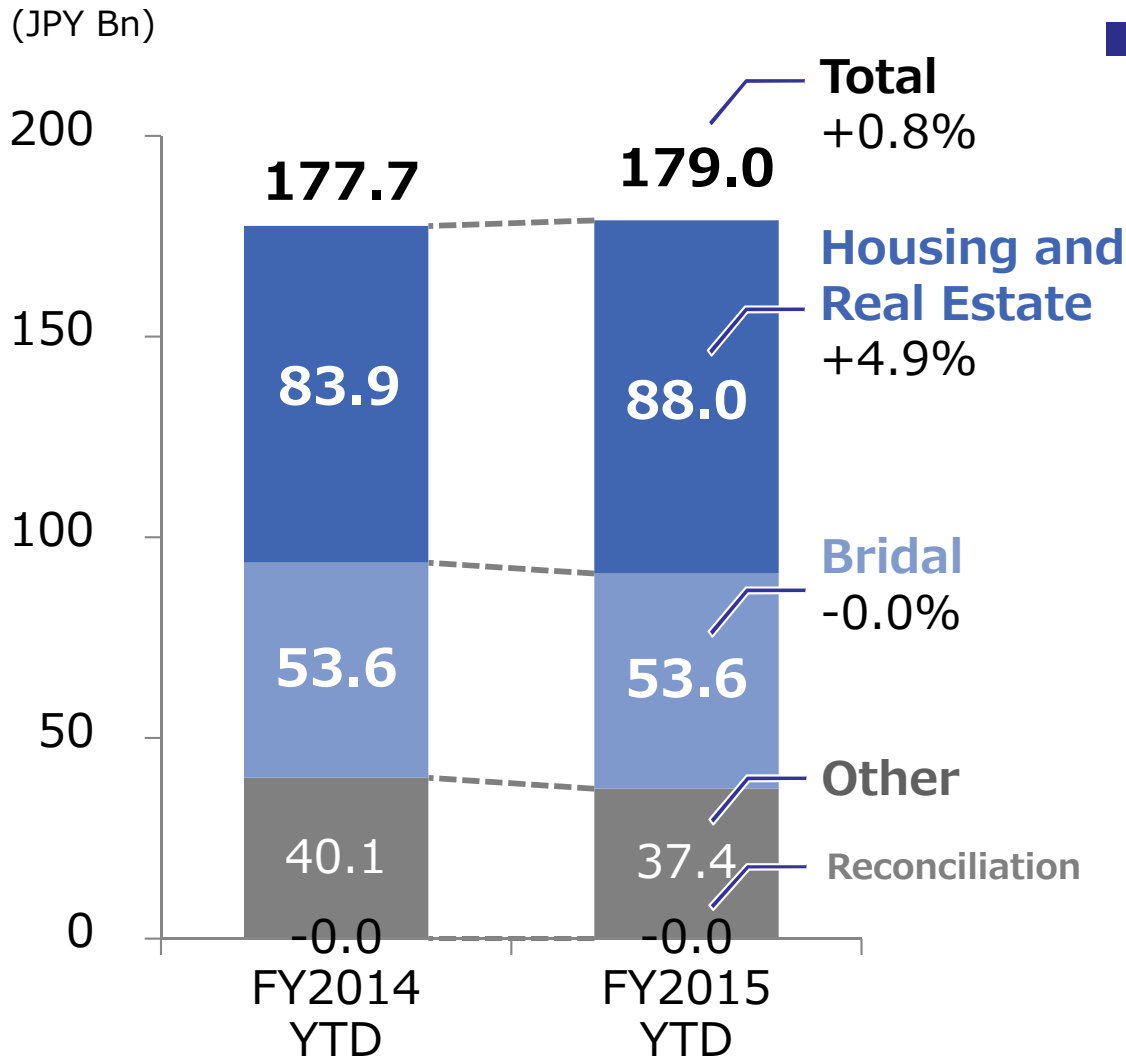
Marketing Media Net Sales

Marketing Media EBITDA



# 2-(I) Marketing Media: Life Event Operations

## Life Event Net sales

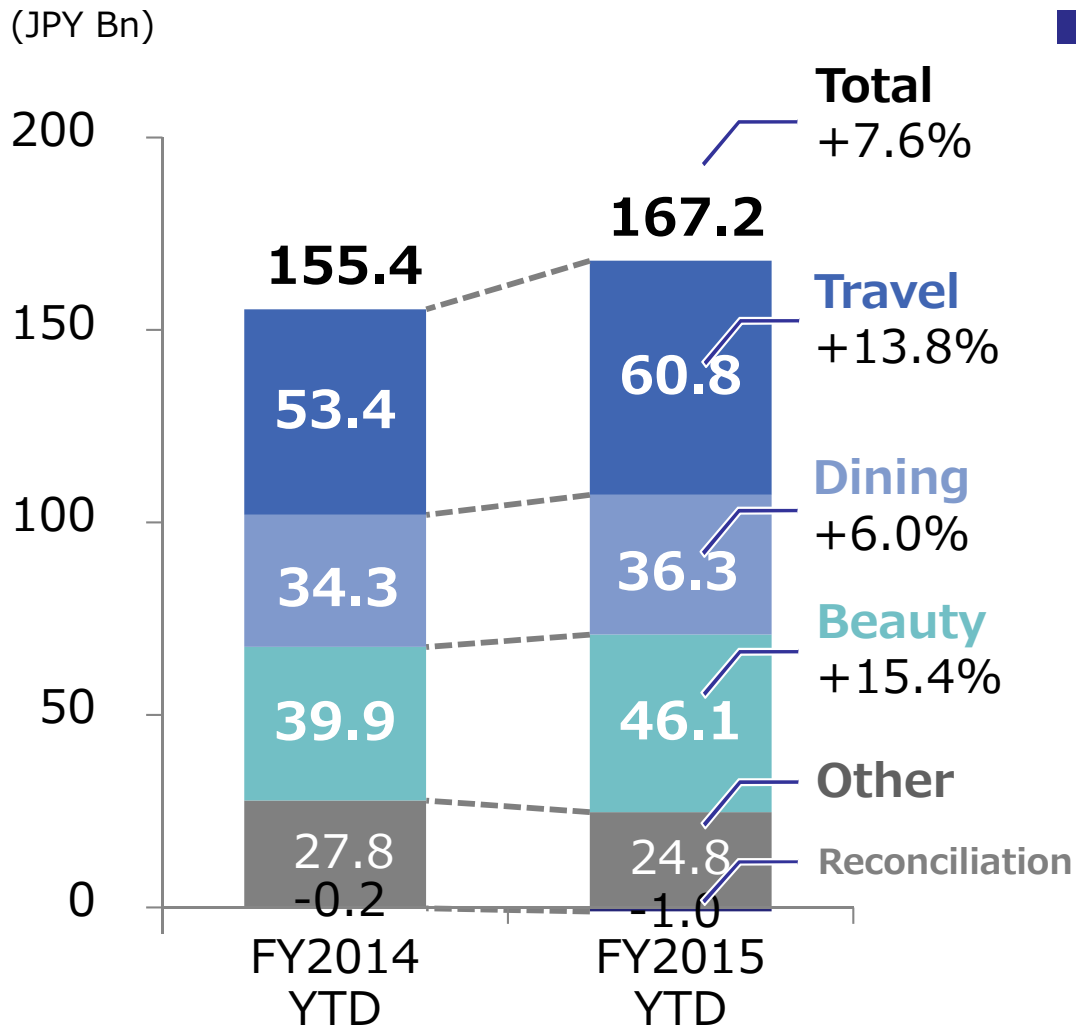


### ■ Solid Net Sales

- Housing and Real Estate
  - New condominium division showed sluggish trend.
  - Independent housing division and leasing division continued to trend favorably.
- Bridal
  - Sales was stable with major clients' needs of acquiring customers in major cities.

## 2-(I) Marketing Media: Lifestyle Operations

### Lifestyle Net Sales



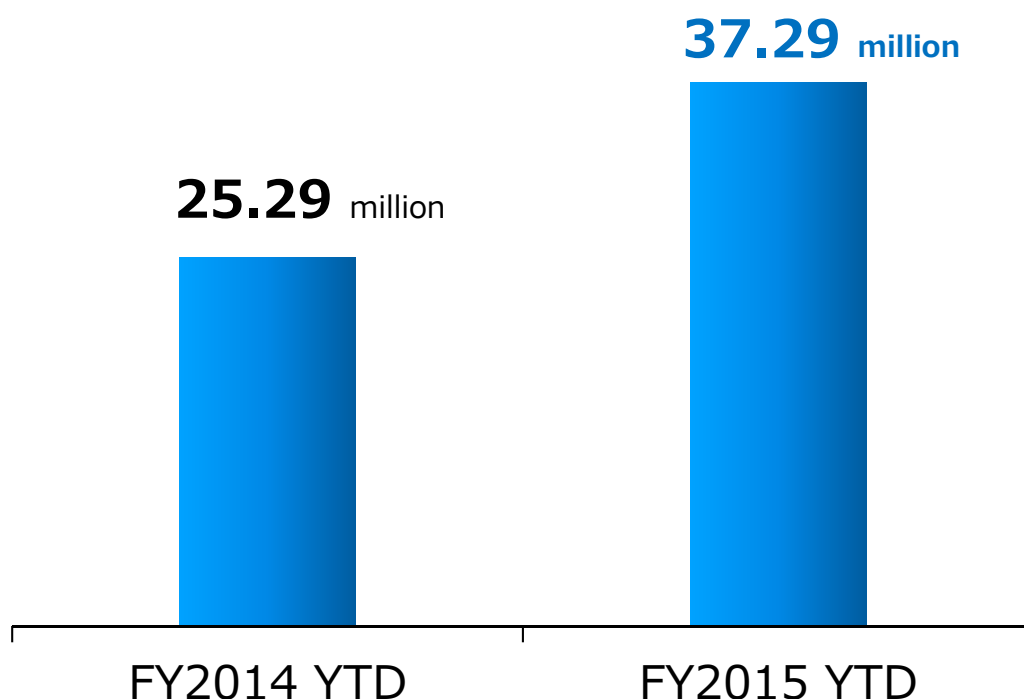
### ■ Strong Net Sales

- Travel
  - Favorable trend.
  - Room rate and total guest nights using our services continued to rise.
- Dining
  - Favorable trend.
  - Number of small and medium sized clients increased owing to increase of online reservations.
- Beauty
  - Favorable trend.
  - Transaction volume with existing clients and new clients increased reflecting solid online reservation expansion.

# (Topics: Domestic Business)

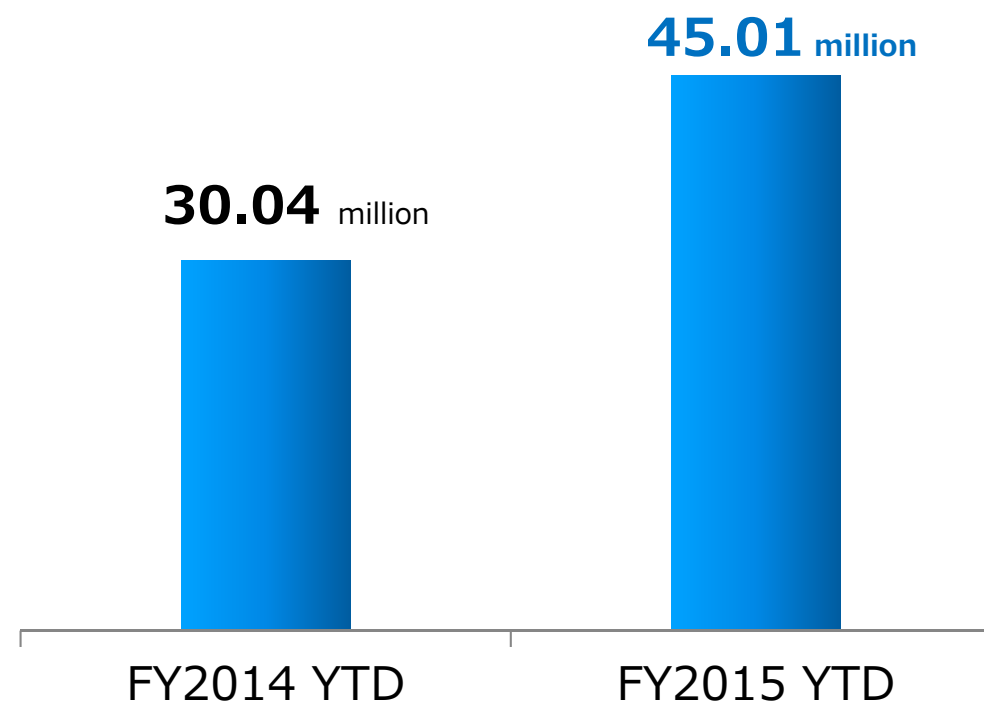
## ■ Dining Business

**HotPepper Gourmet**  
# of seats reserved online\*



## ■ Beauty Business

**HotPepper Beauty**  
# of online reservations\*

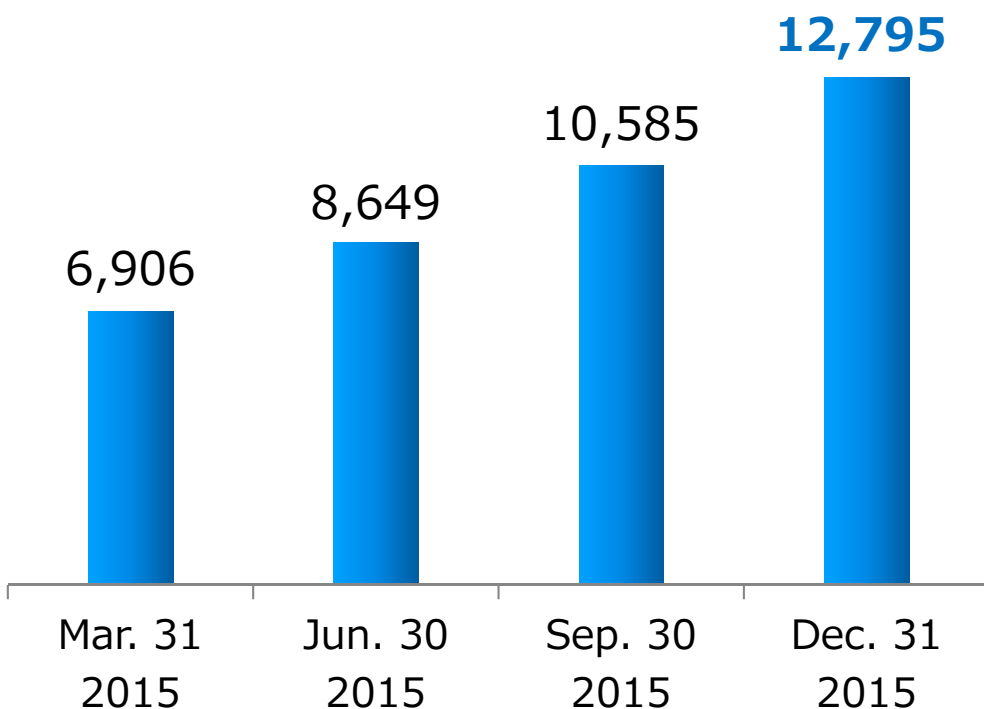


\*: Based on number of reservations, cancels are not counted

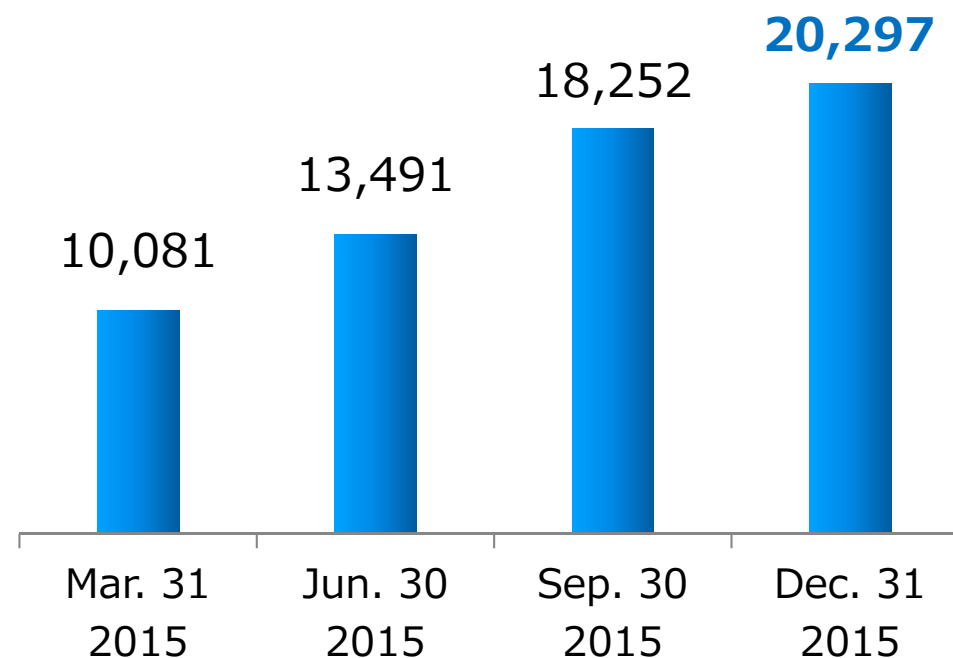
# (Topics: Overseas Business)

- Online reservation of Dining/Beauty businesses  
-Number of clients increased steadily as expected.

# of restaurants using  
**Quandoo**  
(overseas dining business)



# of salons using  
**Treatwell\***  
(overseas beauty business)



\*: online reservation website Hotspring and Treatwell are unified into 'Treatwell' from Jan. 2016.

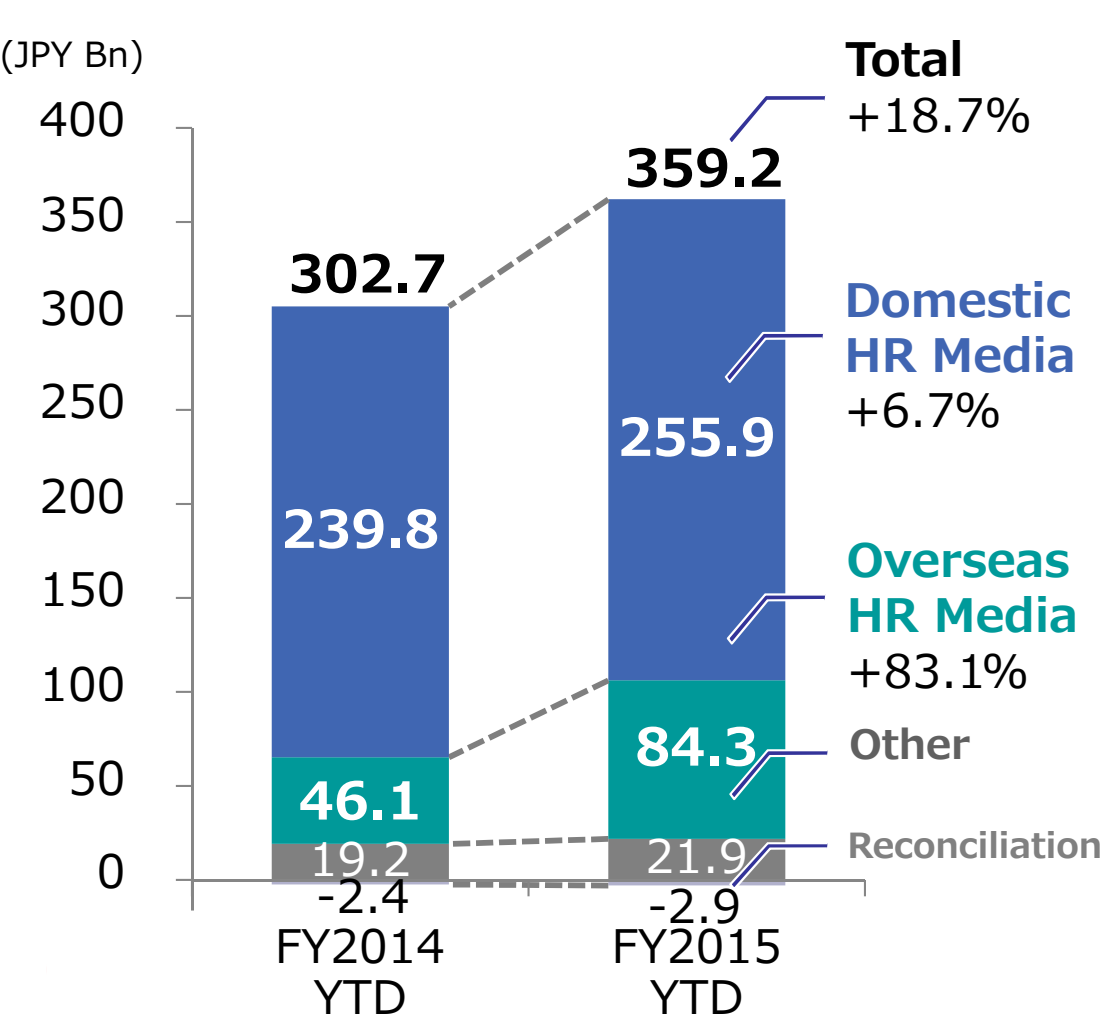
## **2. Earnings Results by Segments for FY2015**

### **(Ⅱ) HR Media**

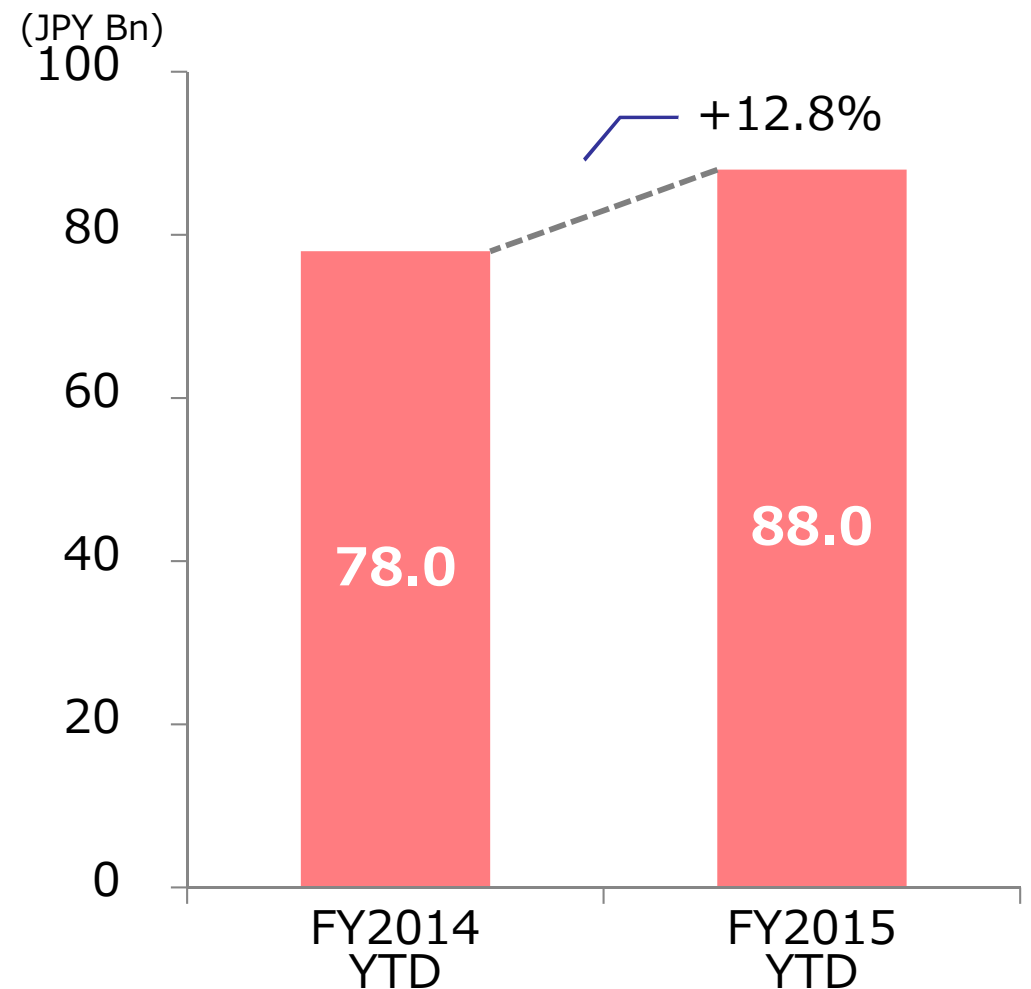
## 2-(Ⅱ) HR Media Net Sales & EBITDA

- Net sales: +18.7% YoY, Favorable trend both in domestic and overseas
- EBITDA: +12.8% YoY, Reflecting net sales increase

### HR Media Net Sales

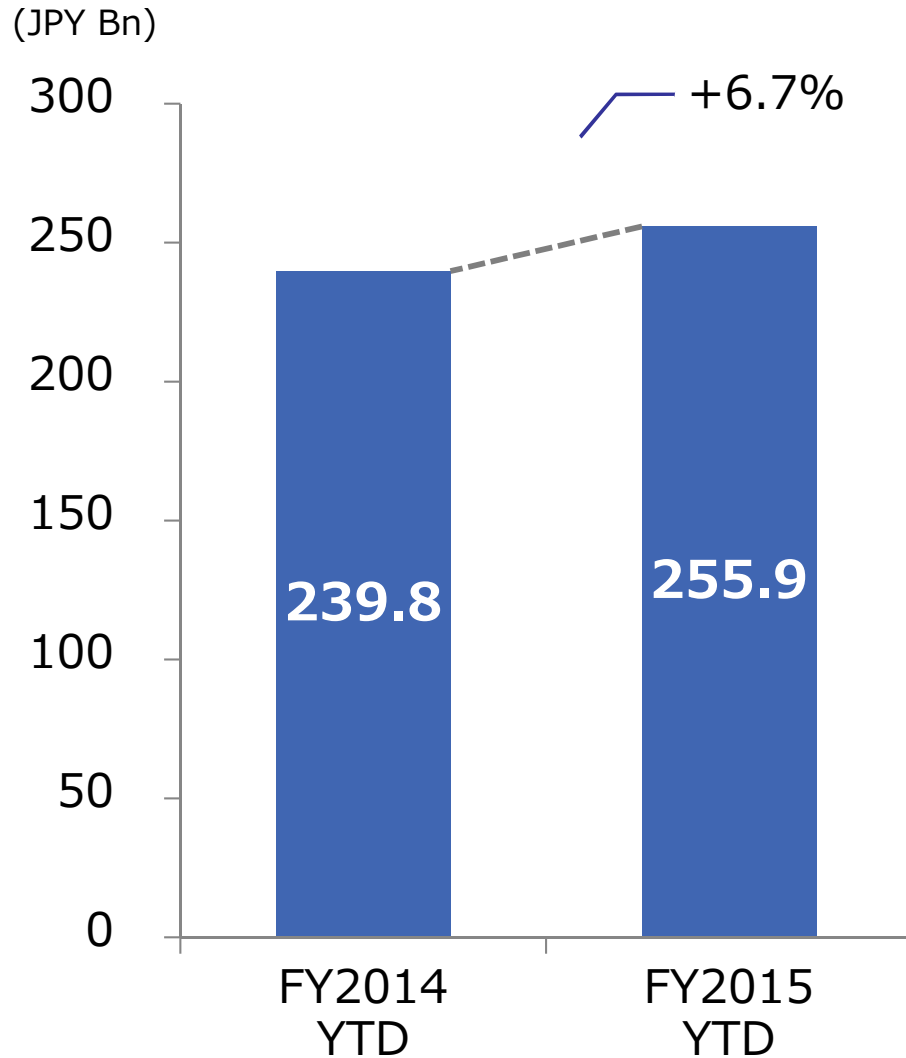


### HR Media EBITDA



## 2-(Ⅱ) HR Media: Domestic Recruiting

### Domestic Recruiting Net Sales



#### ■ Favorable Market Condition

- Effective ratio of Job offers to Job seekers was stable at a high level.
- Number of recruitment ads has continued to increase.

#### ■ Strong Net Sales

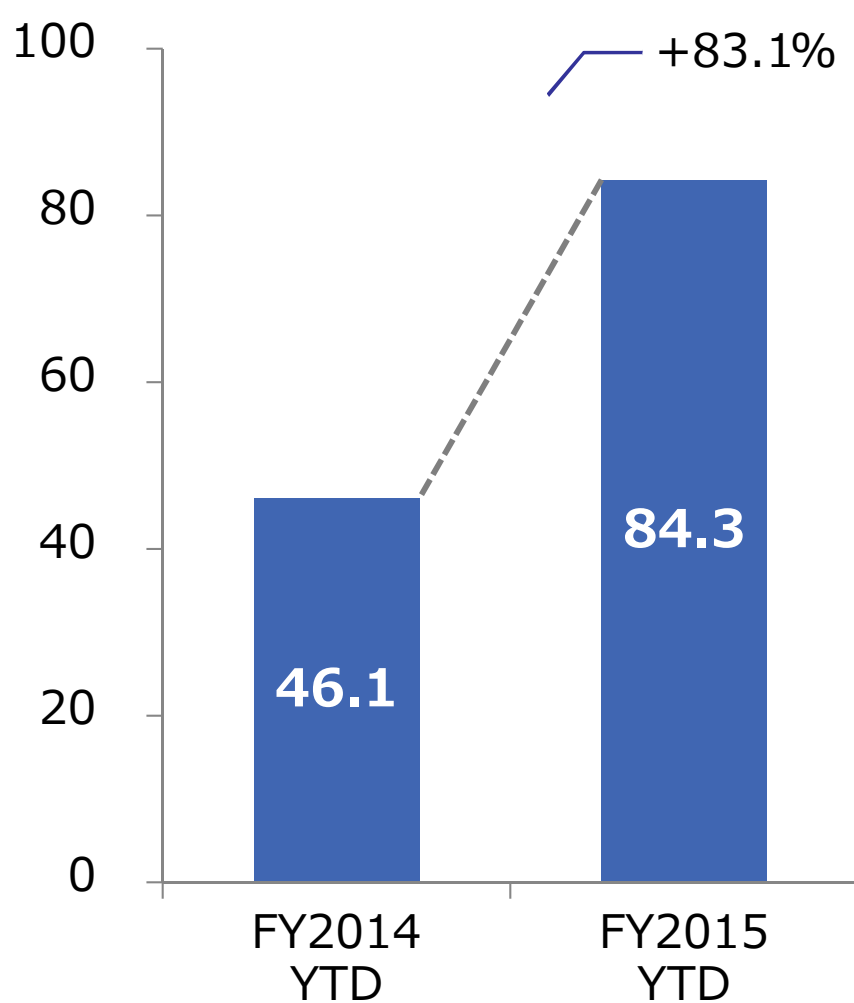
- Enhanced ability to acquire users and operating system.



## 2-(II) HR Media: Overseas Recruiting

### Overseas Recruiting (Indeed) Net Sales

(JPY Bn)



#### ■ Favorable Net Sales

- SMEs clients increased steadily.
- Average UVs/month (during 2015) achieved 170.0million, +38.2% YoY.

## **2. Earnings Results by Segments For FY2015**

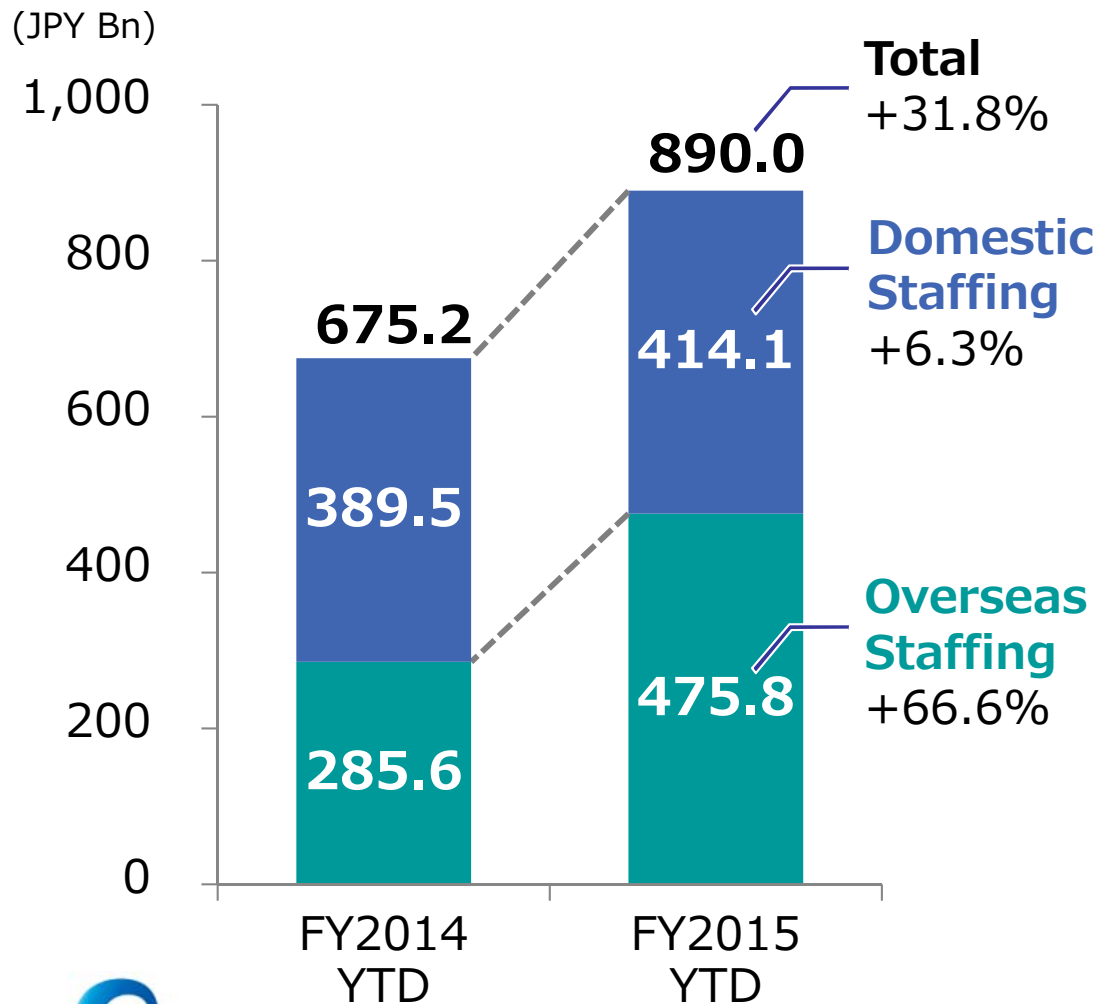
### **(Ⅲ) Staffing**

## 2-(Ⅲ) Staffing: Net Sales & EBITDA

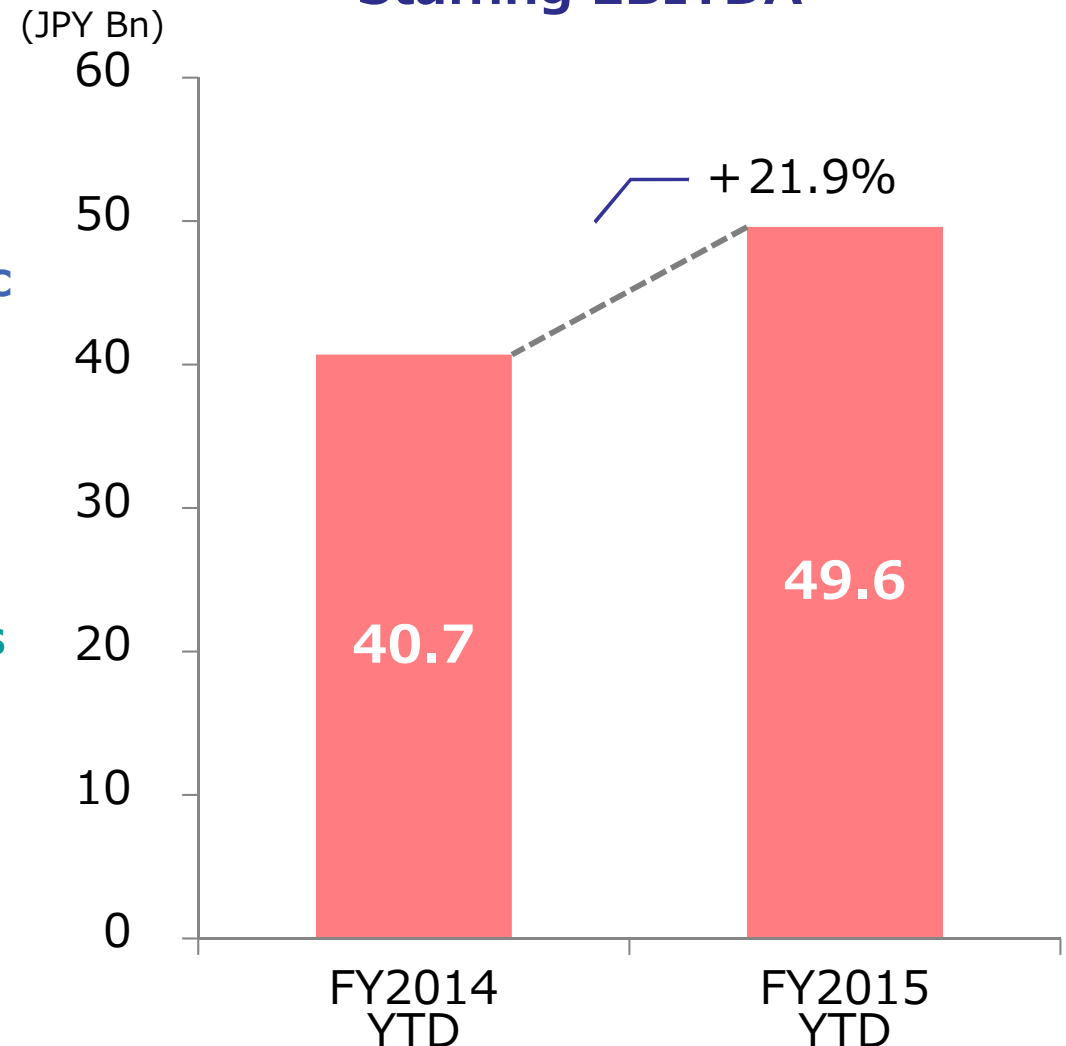
■ **Net Sales: +31.8%** - Favorable trend in domestic, impact of weak yen in overseas, and contribution from new overseas subsidiaries.

■ **EBITDA: +21.9%** - Efficient operation and increase of net sales.

### Staffing Net Sales

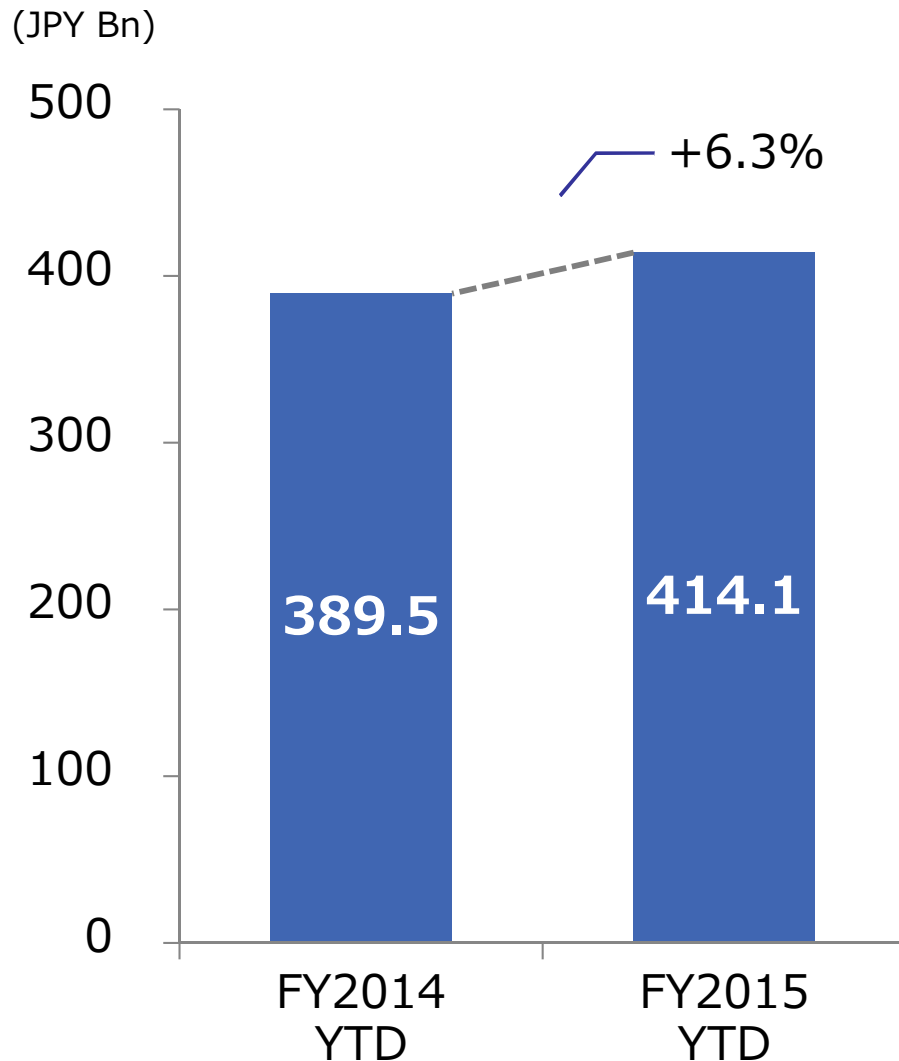


### Staffing EBITDA



## 2-(Ⅲ) Staffing : Domestic Staffing

### Domestic Staffing Net Sales



#### ■ Solid Market Conditions

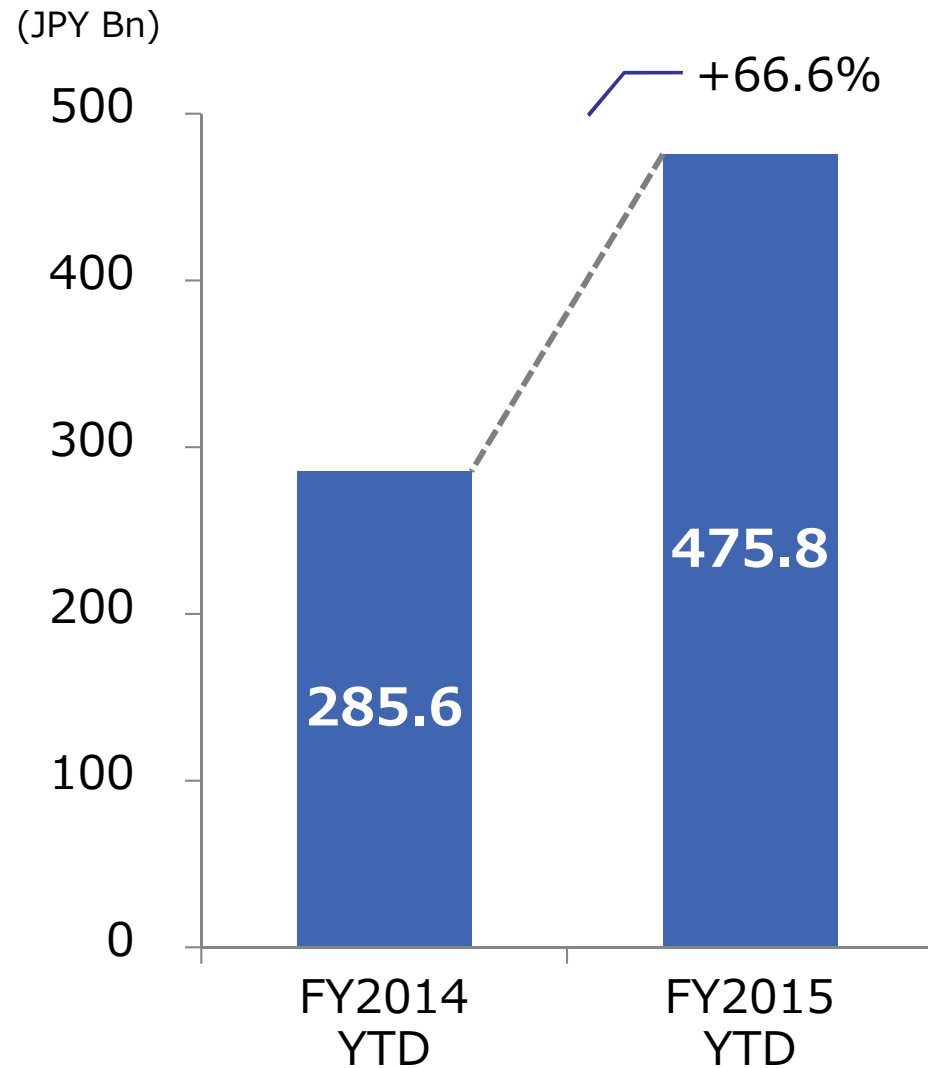
- Number of active agency workers (quarterly average) continued to increase. It was stable at a high level.

#### ■ Favorable Net Sales

- Net sales trended favorably.
  - Enhanced sales operations and focused on acquiring registered agency workers.
  - Favorable growth of clerical, IT, and engineer personnel divisions mainly in the Tokyo metropolitan area.

## 2-(Ⅲ) Staffing : Overseas Staffing

### Overseas Staffing Net Sales



#### ■ Solid Market Condition

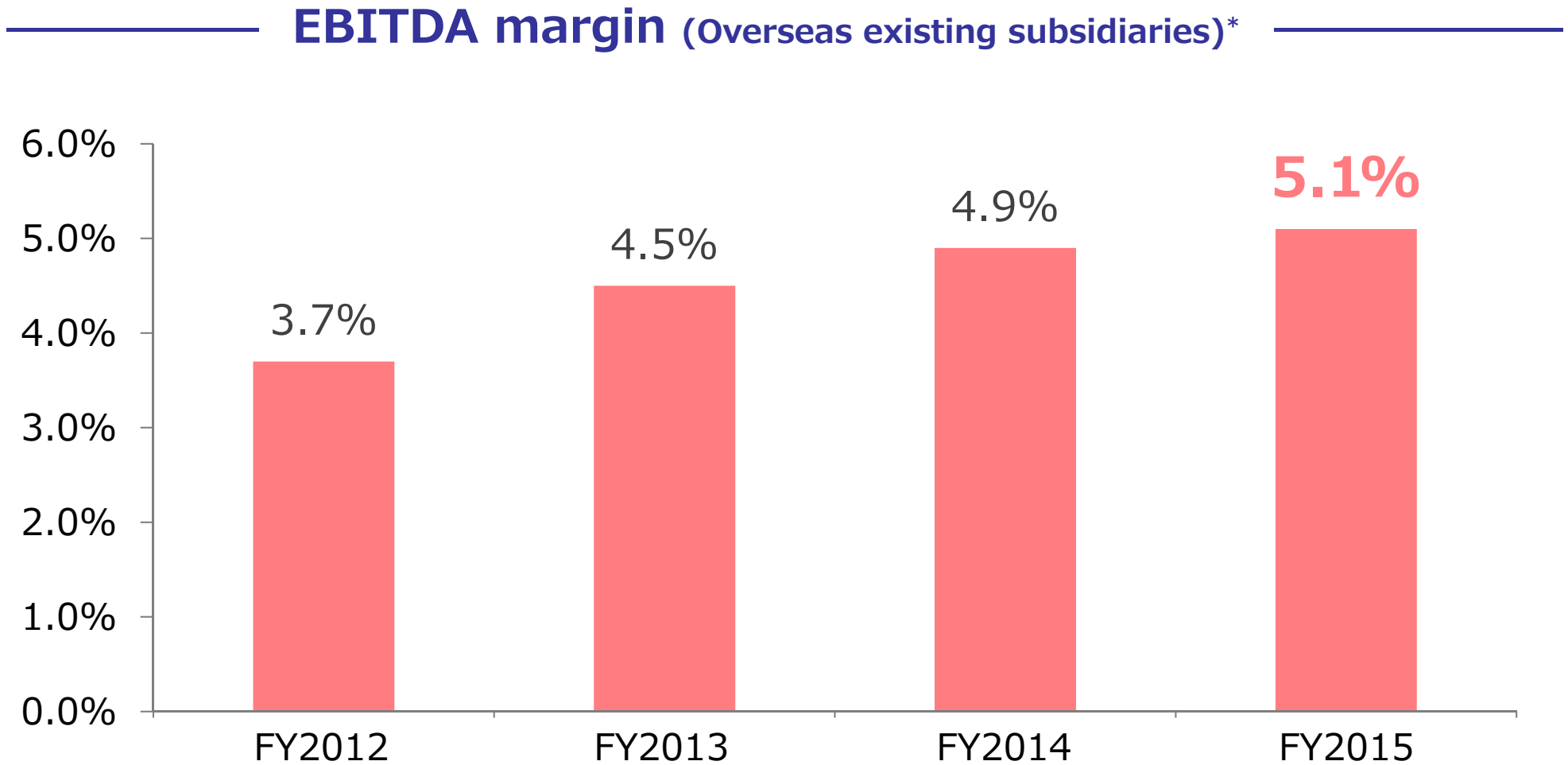
- Moderate GDP growth continued in North America, Europe, and Australia.

#### ■ Favorable Net Sales

- Existing subsidiaries
  - Favorable results owing to weak yen.
- Contribution of new subsidiaries, Peoplebank, Chandler, and Atterro
  - On steady growth.

# (Topics: Overseas Business)

■ In overseas subsidiaries: EBITDA margin has improved steadily.



\* CSI, Staffmark, Advantage ResourcingのEBITDAの合計

# Appendix

# FY2016 Full-year Forecast

(JPY Bn)	FY2015	FY2016	
	Full-year	Full-year Forecast*1	YoY Change
<b>Net Sales</b>	1,588.6	<b>1,690.0</b>	<b>+6.4%</b>
<b>EBITDA</b>	202.2	<b>217.0</b>	<b>+7.3%</b>
EBITDA Margin	12.7%	<b>12.8%</b>	<b>+0.1pt</b>
Operating income	114.0	<b>121.5</b>	<b>+6.5%</b>
Ordinary income	119.3	<b>126.5</b>	<b>+6.0%</b>
Net income attributable to owners of the parent	64.5	<b>61.5</b>	<b>-4.7%</b>
Net income attributable to owners of the parent before amortization of goodwill	112.4	<b>110.5</b>	<b>-1.8%</b>
Dividend per share (JPY)	50	<b>50</b>	—
Adjusted net income*3	118.3	<b>121.5</b>	<b>+2.7%</b>
Adjusted EPS*4 (JPY)	209.57	<b>215.14</b>	<b>+2.7%</b>

(Ref.*2) FY2016 Full-year	
Full-year Forecast*1	YoY Change
<b>1,690.0</b>	<b>+6.4%</b>
<b>217.0</b>	<b>+7.3%</b>

\*1: Assuming exchange rate: JPY115.00/USD, JPY 81.00/AUD (JPY 121.10/USD, JPY 91.07/AUD for FY2015)

\*2: As of now, the consolidated financial results forecast is equal to the financial results forecast for existing business

\*3: Adjusted net income: net income attributable to owners of the parent ± adjustment items\* (excluding non-controlling interests) ± tax reconciliation regarding the adjustment items

\*: Adjustment items: amortization of goodwill and intangible assets arising due to business combinations ± extraordinary income/losses

\*4: Adjusted EPS: adjusted net income / (number of shares issued at the end of the period - number of treasury stock at the end of the period)



# Company Profile

Company Name	: Recruit Holdings Co.,Ltd.
Capital	: 10 billion yen
Stock Exchange Registration	: Tokyo Stock Exchange 1st Section (Stock Code : 6098)
Number of Shares Issued	: 565,320,010
Number of Shareholders	: 50,074


























Name of Major shareholders	Number of Shares	% of shares
TOPPAN PRINTING CO., LTD.	37,700,000	6.66%
Dai Nippon Printing Co., Ltd.	35,700,000	6.31%
DENTSU INC.	30,000,000	5.30%
The Recruit Group Employees Shareholding Association	23,031,760	4.07%
NTT DATA Corporation	15,500,000	2.74%
JP MORGAN CHASE BANK 380055	14,040,934	2.48%
Japan Trustee Services Bank, Ltd. -Trust Account-	13,183,100	2.33%
Mizuho Bank, Ltd.	12,000,000	2.12%
Sumitomo Mitsui Banking Corporation	12,000,000	2.12%
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	12,000,000	2.12%
MITSUI & CO., LTD.	12,000,000	2.12%

Type of Shareholder	Number of Shares	% of shares
Financial Institutions	126,001,800	22.28%
Securities Companies	2,450,279	0.43%
Other Companies	210,251,654	37.19%
Foreign Institutions and Individuals	102,817,758	18.18%
Individuals and Others	123,214,319	21.79%
Treasury stock	584,200	0.10%

\*as of March 31, 2016

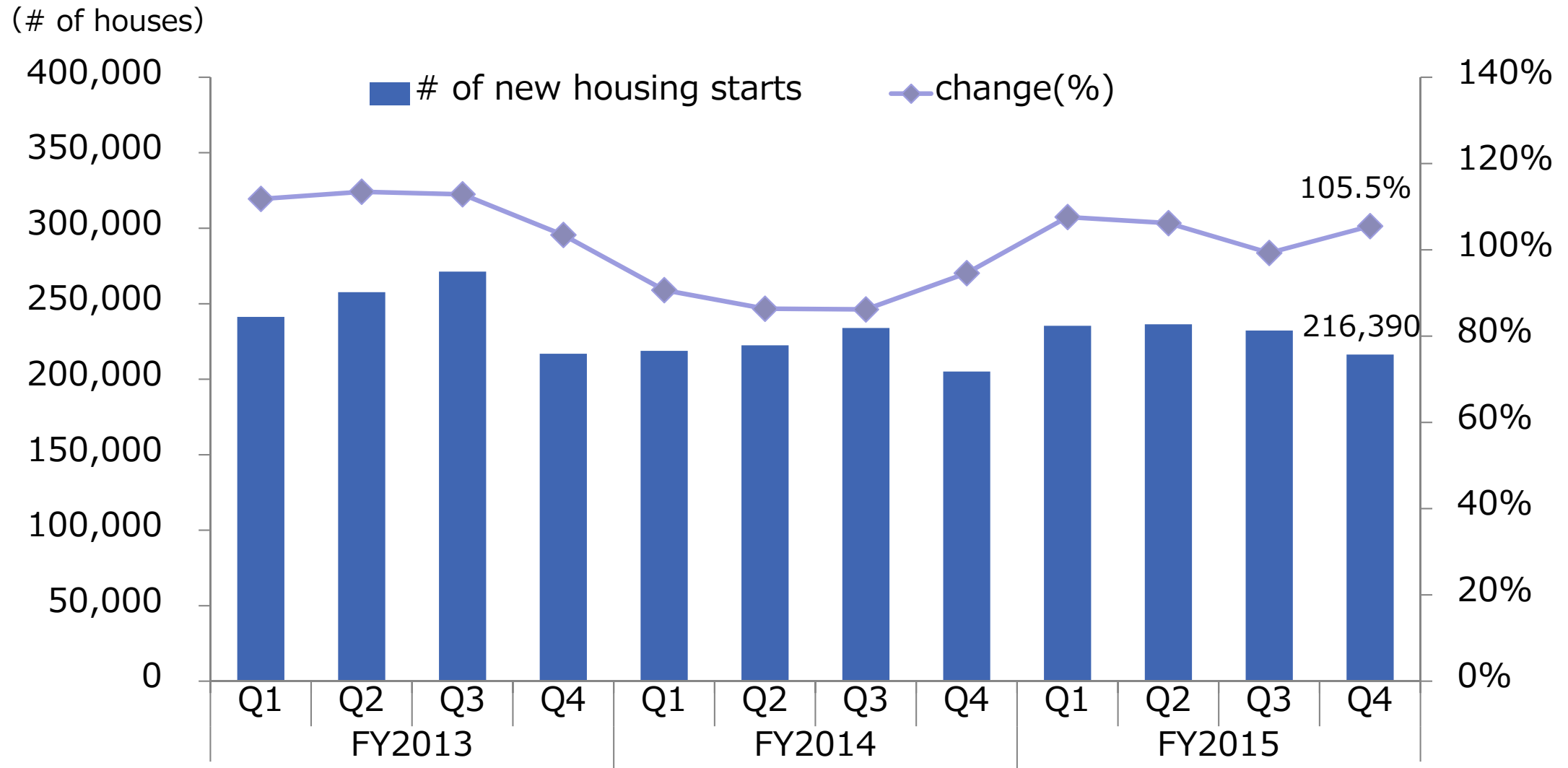


# Business Segments & Major Services

Marketing Media	Life Event	Housing and Real Estate, Bridal, Automobiles, Education, other    
	Lifestyle	Travel, Dining, Beauty, other   
	Other	(Overseas)   
HR Media	Domestic Recruiting	Job Advertising, HR Placement    
	Overseas Recruiting	Job Advertising 
	Other	Executive Search, HR Training  
Staffing	Domestic Staffing	(Domestic)  
	Overseas Staffing	(Overseas)    
Other		 

# Market Conditions: Housing and Real Estate Business

## Number of New housing starts

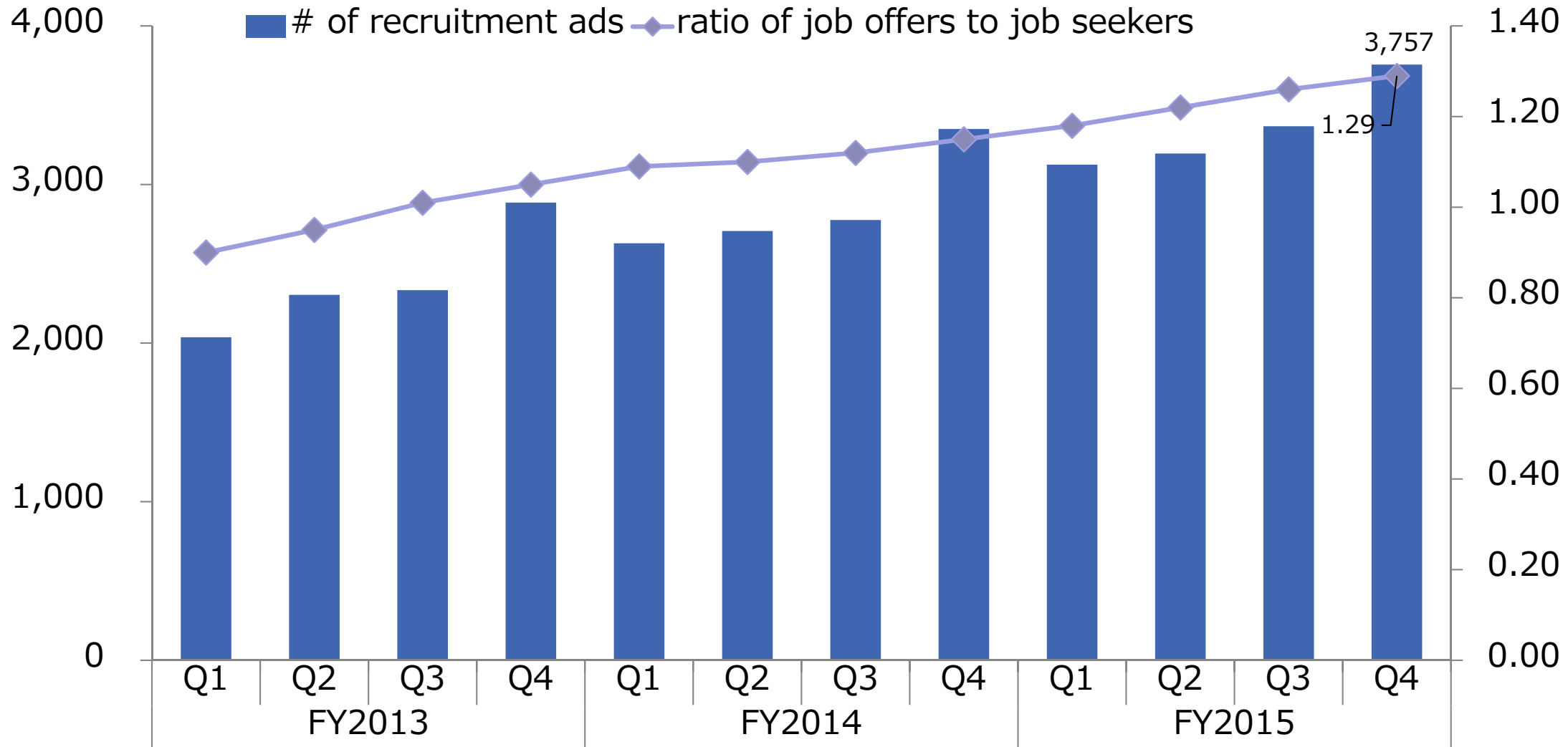


# Market Conditions : Domestic Recruiting Operation

## Number of recruitment ads/Ratio of job offers to job seekers

(Unit: thousand)

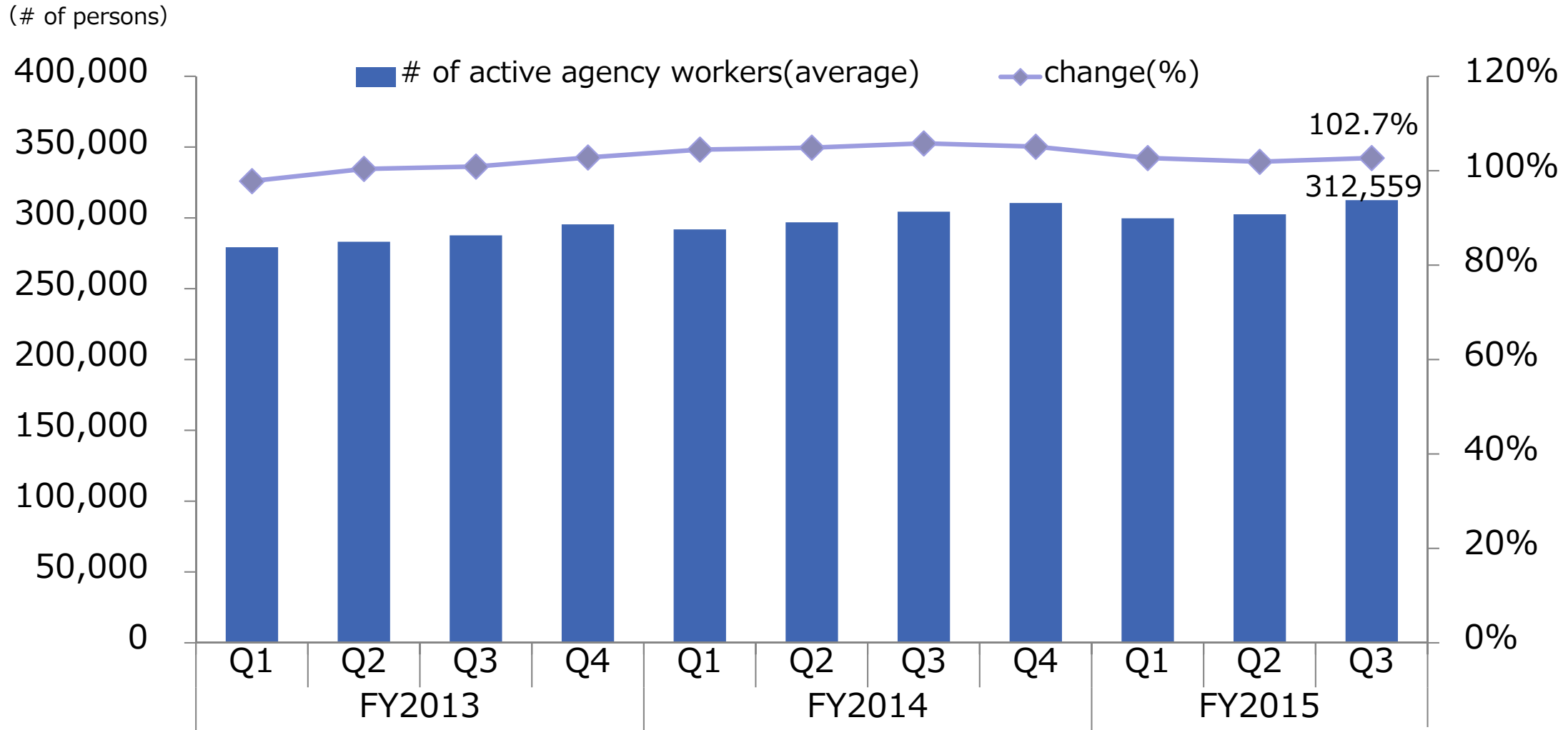
(Unit: ratio)



\*Source: Association of Job Information of Japan (Zenkyukyo), Ministry of Health, Labour and Welfare

# Market Conditions : Domestic Staffing Operation

## Number of active agency workers

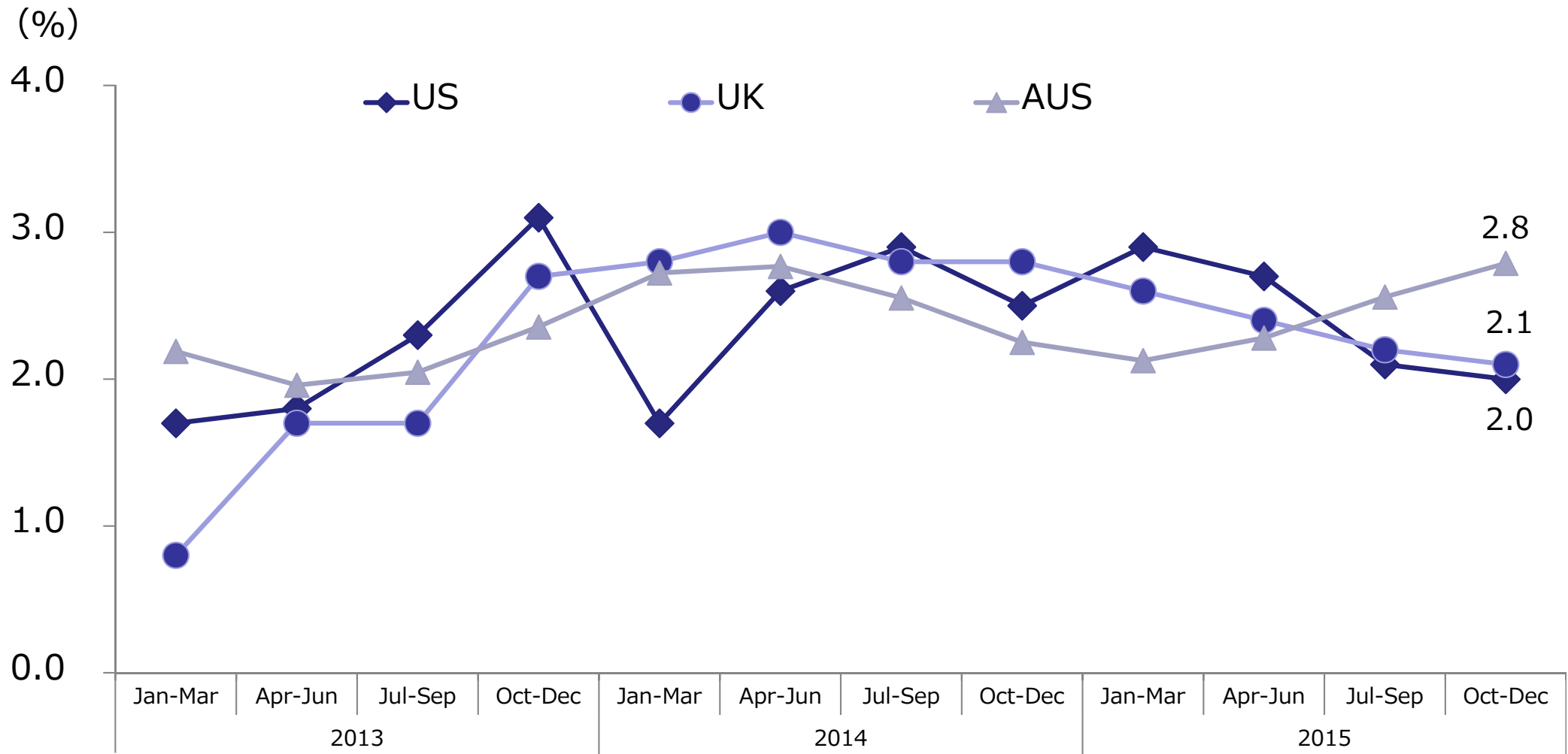


\*Source: Japan Staffing Services Association



# Market Conditions : Overseas Staffing

## Real GDP Growth Trends (US/UK/AUS)



\*Source

- U.S. Department of Commerce: National Income and Product Accounts Table 1.1.11. Real Gross Domestic Product: Percent Change From Quarter 1Year Ago
- UK Office for National Statistics Gross Domestic Product: Quarter on quarter previous year
- Australian Bureau of Statistics, 5206.0 - Australian National Accounts: National Income, Expenditure and Product