

Financial Results for Q3 FY2016

Announcement date: February 13, 2017



Recruit Holdings Co., Ltd.

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1. Q3 FY2016

Consolidated Financial Highlights

1-(I) Highlights

1

Consolidated Net Sales & EBITDA: Double-digit Increase

Q3 YTD: All segments recorded favorable results

*consolidated USG People in Q3 FY2016

2

Revised Dividend Forecast from ¥50 to ¥60

- Payout ratio is raised from approx. 25% to approx. 30%
- Dividend resource is defined as

Revised : Net income prior to amortization of goodwill,
excluding the effects of extraordinary items etc.

Previous: Net income prior to amortization of goodwill

3

Voluntary Adoption of IFRS

Resolved to voluntarily adopt IFRS from Q1 FY2017

*Recruit will explain its impact followed by IFRS adoption at the announcement of FY2016 full-year results.

1-(Ⅱ) Consolidated Earnings Summary

■ Net sales and EBITDA: Double-digit increase YoY

(JPY Bn)	FY2015	FY2016			
	Q3 YTD	Q3 YTD*	YoY Change	Full-Year Forecast** revised on July 27	YoY Change
Net Sales	1,139.4	1,300.7	+14.2%	1,830.0	+15.2%
EBITDA*1	146.6	166.8	+13.8%	223.0	+10.3%
EBITDA margin	12.9%	12.8%	-0.0pt	12.2%	-0.4pt
Operating income	81.9	92.2	+12.6%	117.0	+2.6%
Ordinary income	86.9	96.5	+11.0%	122.0	+2.2%
Net income attributable to owners of the parent	47.7	67.6	+41.8%	74.0	+14.7%
Net income before amortization of goodwill*2	83.2	106.8	+28.4%	128.5	+14.2%
Adjusted net income*3	85.4	97.9	+14.7%	124.5	+5.2%
Adjusted EPS (JPY) *4	151.23	175.97	+16.4%	223.58	+6.7%

* Average foreign exchange rates for Q3 YTD: JPY 108.57 /USD (Q3 FY2015: JPY 120.98 /USD), JPY 80.43 /AUD (Q3 FY2015: JPY 92.29 /AUD), , JPY 121.06 /EUR (Q3 FY2015: JPY 134.74 /EUR, rate for consolidation of USG People B.V. : JPY 114.26 /EUR)

** Assumed foreign exchange rates for FY2016: JPY 115/USD, JPY 81/AUD, JPY125/EUR (Rate for consolidation of USG People B.V.: JPY 117/EUR)

*1-4: Refer to P.26 Notes

Consolidated Earnings in Existing Business

Consolidated earnings in existing business

(JPY Bn)	FY2015	FY2016* ₁			
	Q3 YTD	Q3 YTD* ₂	YoY Change	Full-Year Forecast* ₃ revised on July 27	YoY Change
Net Sales	1,139.4	1,218.8	+7.0%	1,680.0	+5.8%
EBITDA	146.6	161.9	+10.4%	215.3	+6.5%

*1 : Excluded financial results of subsidiaries newly consolidated or to be consolidated in FY2016

*2 : Average foreign exchange rates of the 3Q: JPY 108.57 /USD (Q3 FY2015: JPY 120.98 /USD), JPY 80.43 /AUD (Q3 FY2015: JPY 92.29 /AUD), , JPY 121.06 /EUR (Q3 FY2015: JPY 134.74 /EUR)

*3 : Assumed foreign exchange rates for FY2016: JPY115/USD, JPY81/AUD, JPY125/EUR

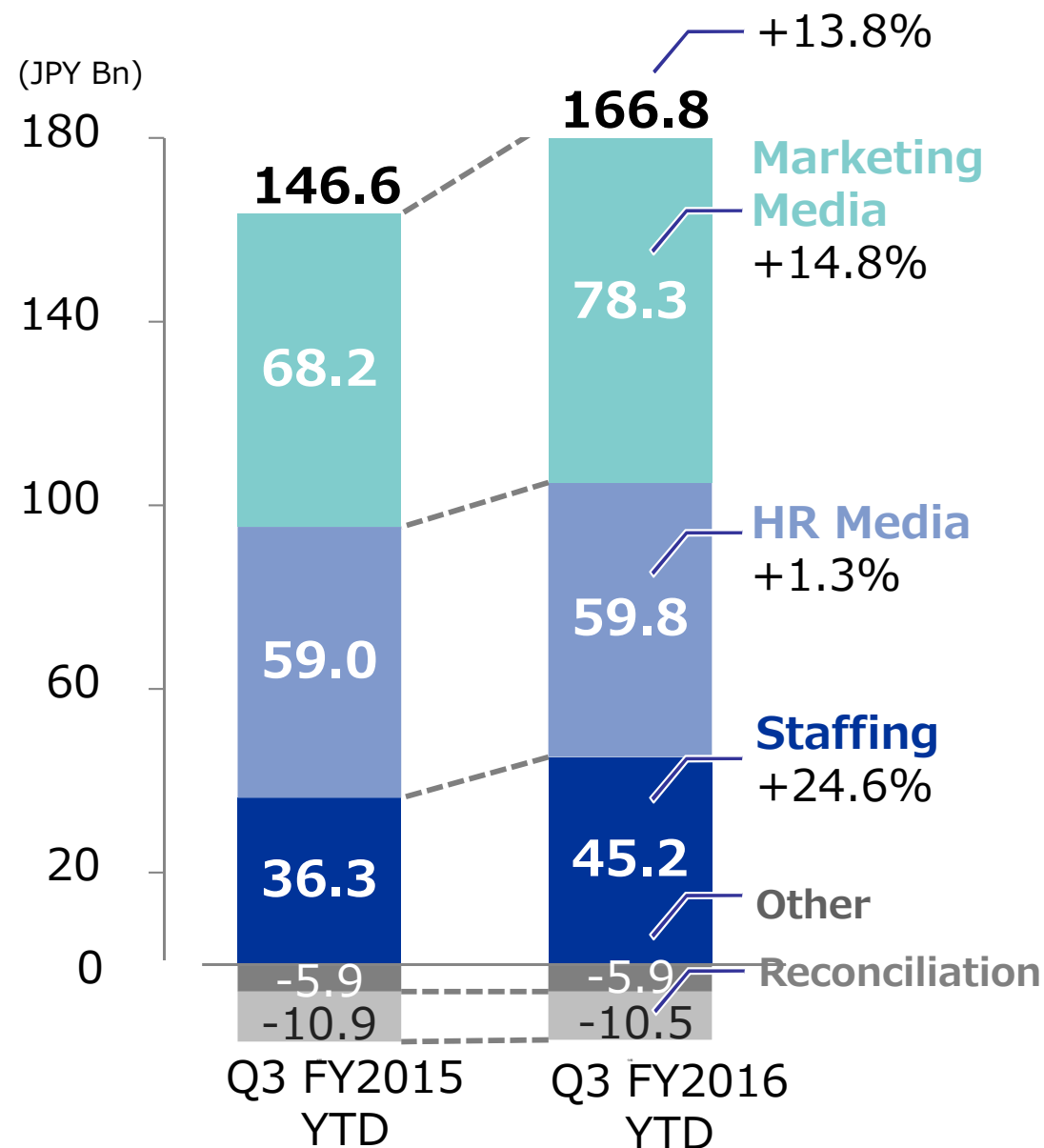
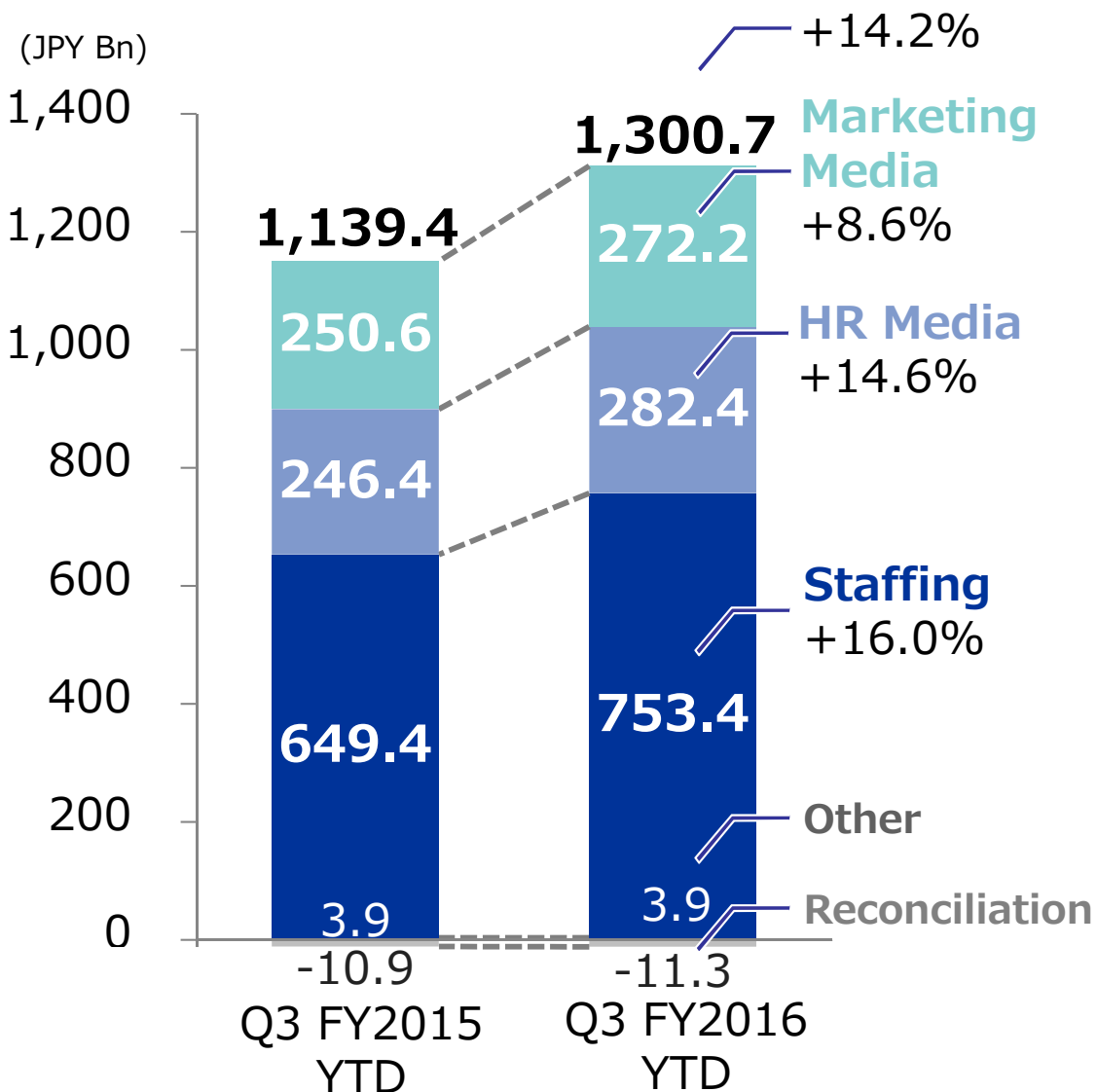
New Subsidiary consolidated in Q3 YTD

Consolidation	Company	Segment
3 months of Q3	USG People B.V.	Overseas Staffing

1-(Ⅲ) Breakdown of Net Sales & EBITDA

Net Sales

EBITDA



2. Segment Results for Q3 FY2016

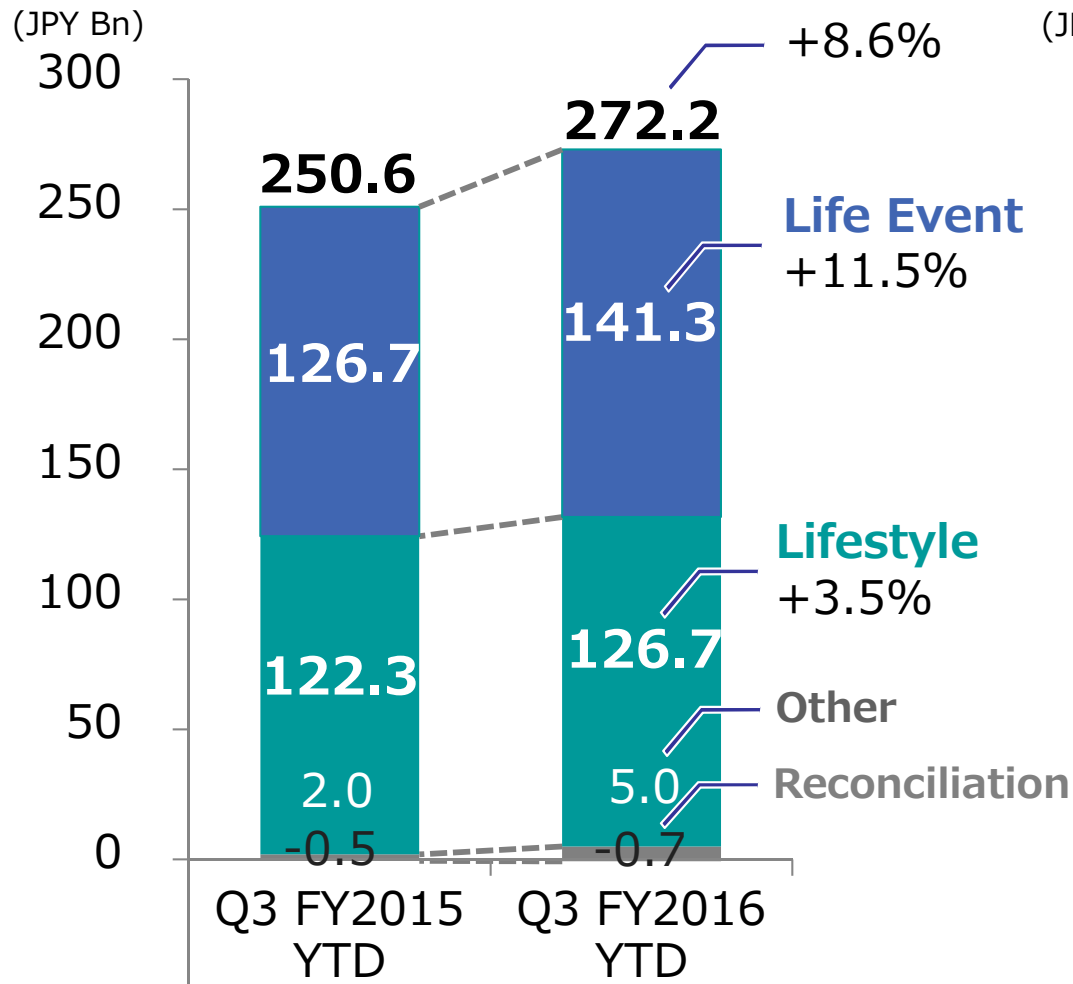
2. Segment Results for Q3 FY2016

(I) Marketing Media

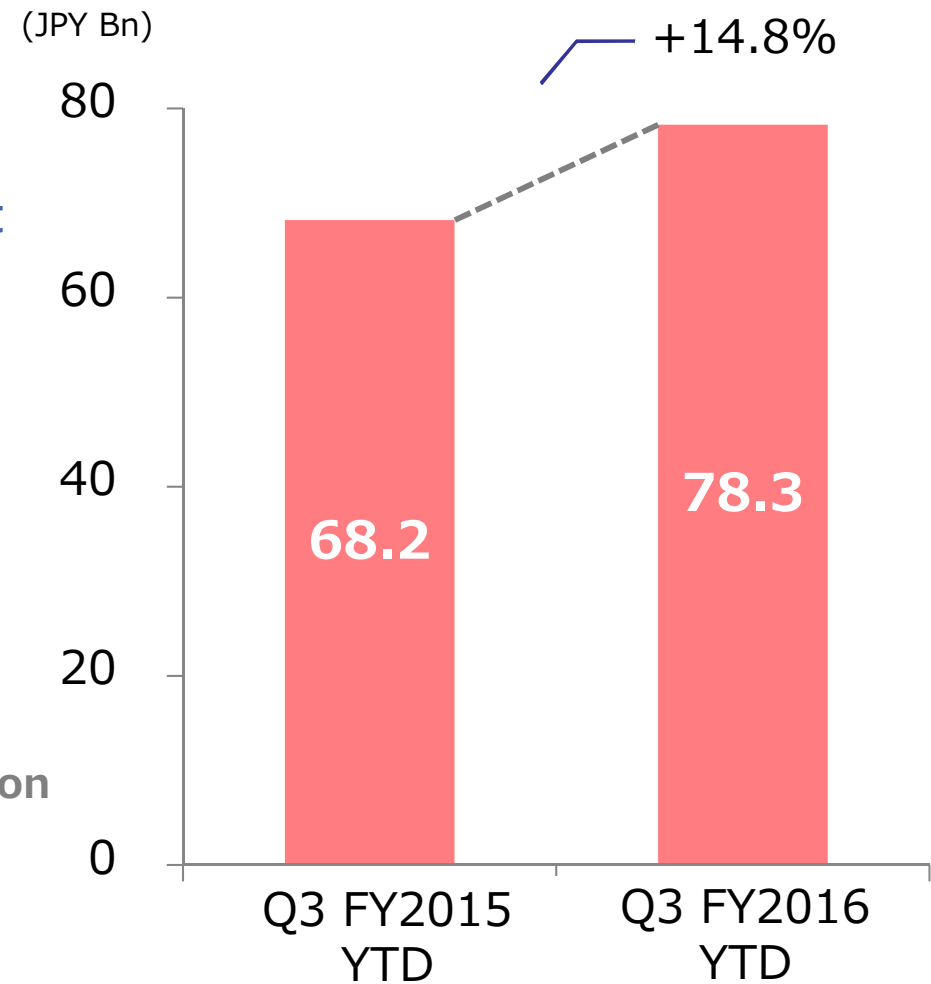
2-(I) Marketing Media Net Sales & EBITDA

- Net sales: +8.6% YoY, favorable results both in Life Event and Lifestyle
- EBITDA: +14.8% YoY, due mainly to net sales increase

Marketing Media Net Sales



Marketing Media EBITDA



2-(I) Marketing Media Net Sales & EBITDA by business

- Life Event: +11.5% YoY, with favorable trend mainly in housing and real estate business
- Lifestyle: Achieved +3.5% YoY followed by favorable trend in beauty business, despite downward impacts by business transfers

Net Sales by Business

(JPY Bn)	FY2015	FY2016	
	Q3 YTD	Q3 YTD	YoY Change
Life Event	126.7	141.3	+11.5%
Housing and real estate	64.7	74.0	+14.4%
Bridal	40.7	41.5	+1.8%
Other	21.2	25.7	+21.1%*
Reconciliation	-0.0	-0.0	-
Lifestyle	122.3	126.7	+3.5%
Travel	44.5	43.0	-3.4%
Dining	26.8	27.9	+4.3%
Beauty	33.0	42.5	+28.6%
Other	18.4	13.5	-26.7%*
Reconciliation	-0.5	-0.3	-

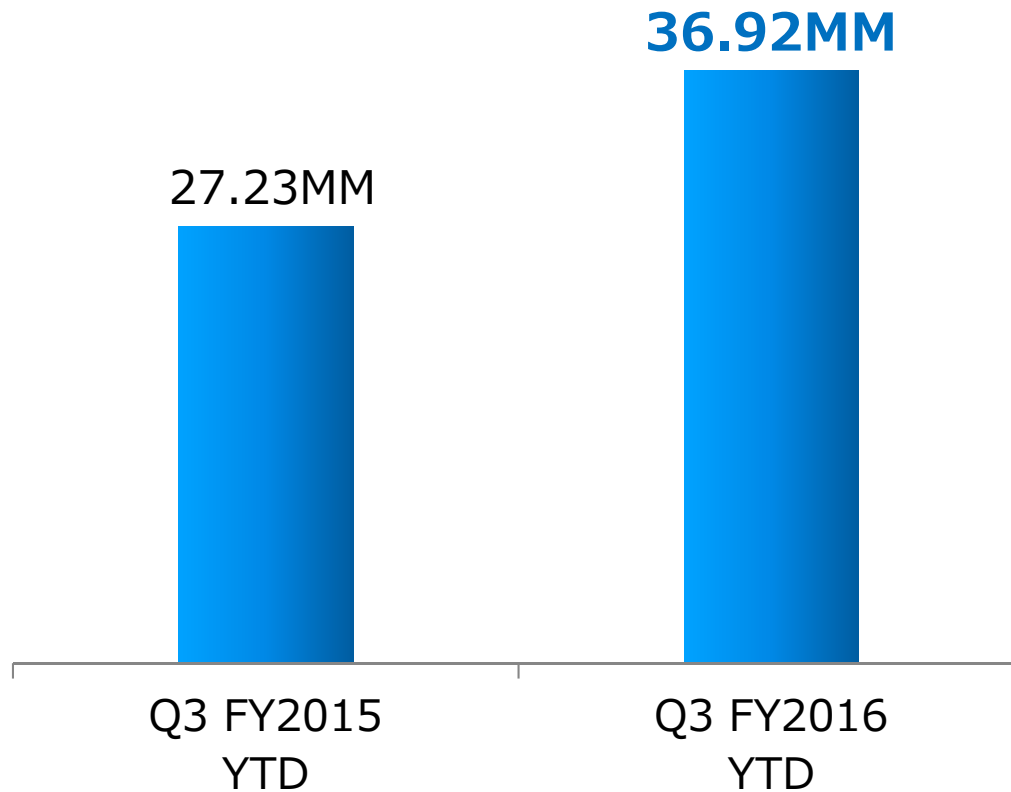
*Including impacts from business transfer between Other in Life Event and Other in Lifestyle

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Topics: Domestic Business

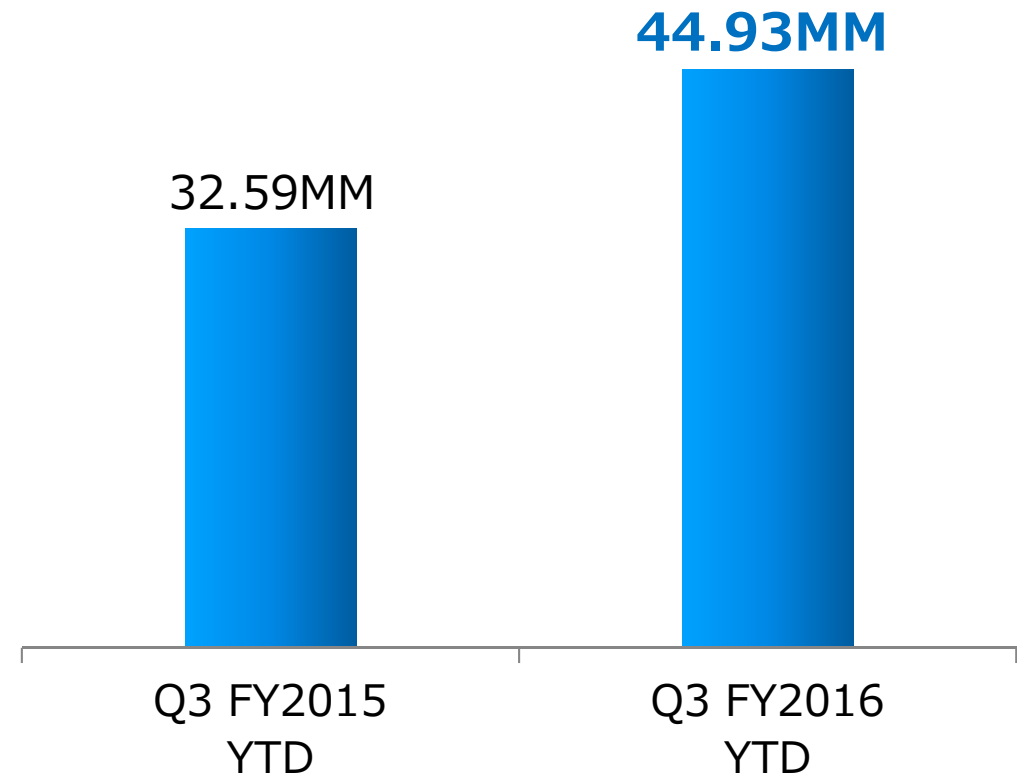
■ Dining Business

HotPepper Gourmet # of seats reserved online*



■ Beauty Business

HotPepper Beauty # of online reservations*

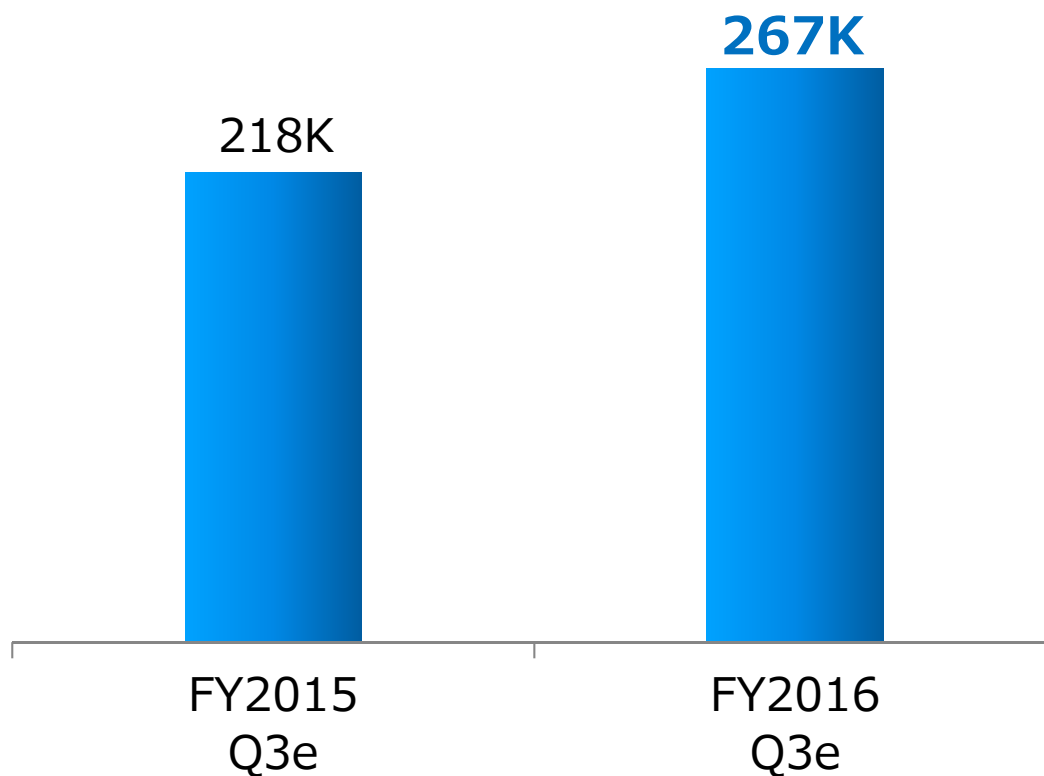


*Based on number of reservations, cancels are not counted.

Topics: Domestic Business

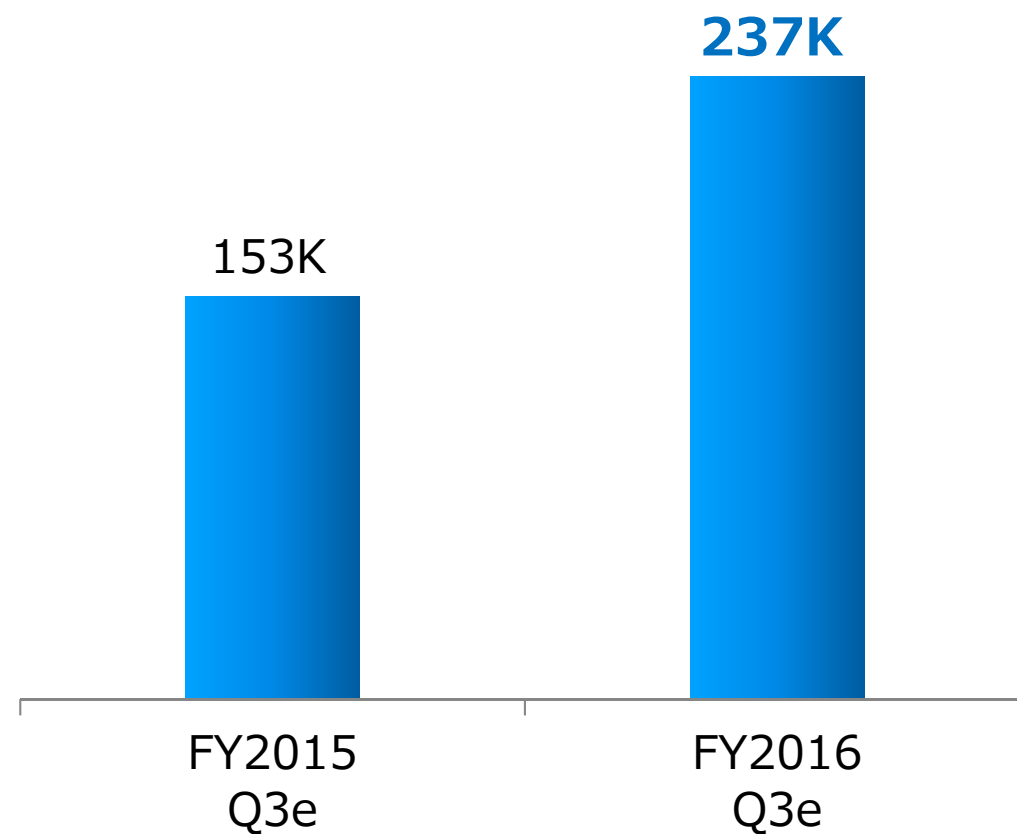
■ Business support for SMEs

Air REGI
of accounts



■ Education related business (Educational industry)

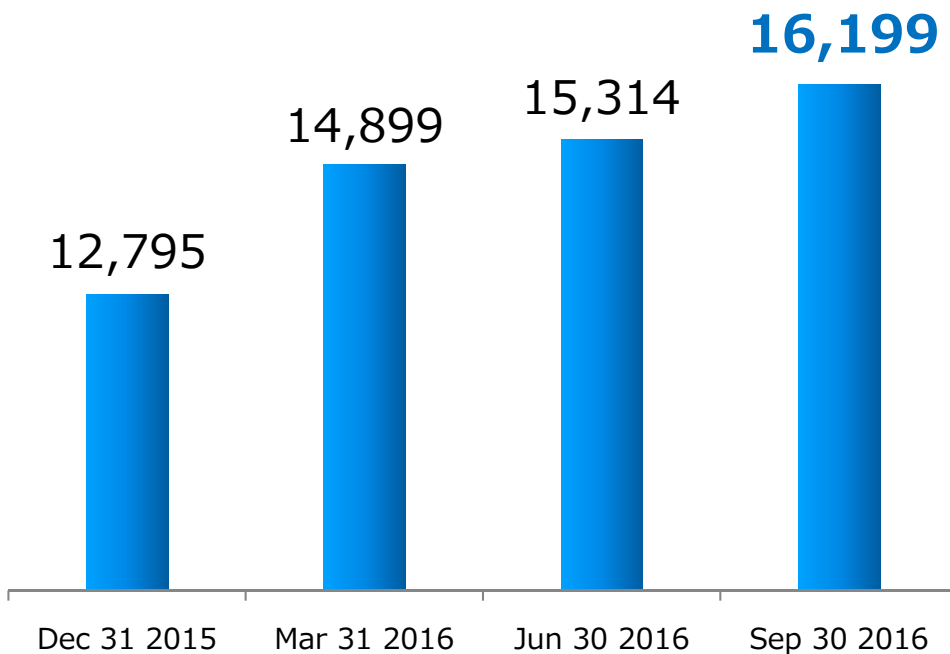
Study Sapuri
high school student course
#of paying subscribers



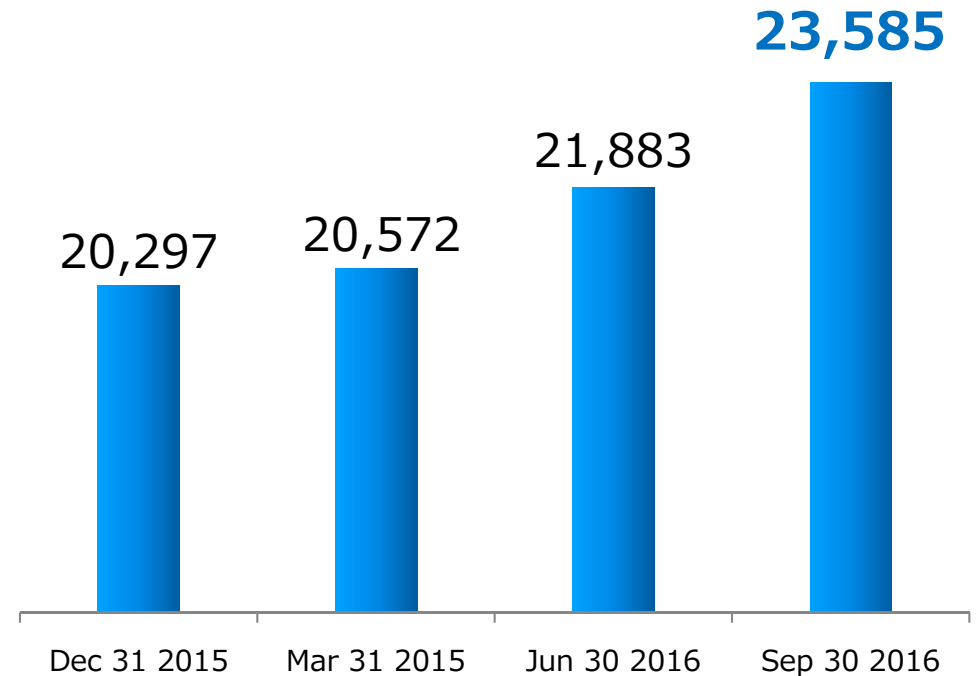
Topics: Overseas Business

- Already gained a certain number of clients
- Given that the increase on the number of reservation has not yet reached our initial expectation, Recruit put more focus on acquisition of user-capturing restaurants and salons.

Quandoo
of restaurants
(overseas dining business)



Treatwell
of salons*
(overseas beauty business)



* Online reservation website, Hotspring and Treatwell were unified into 'Treatwell' in January, 2016.

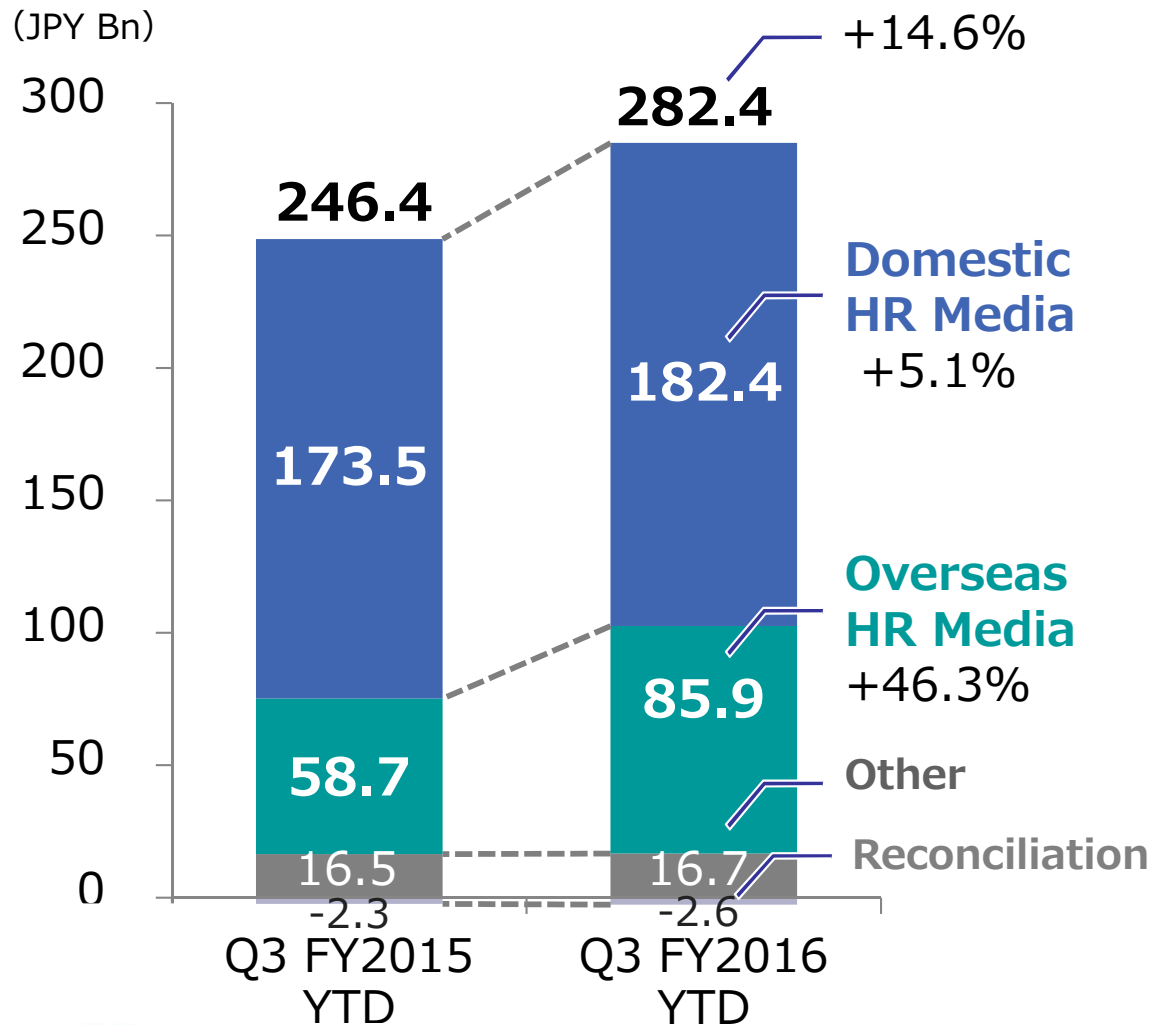
2. Earnings Results by Segment for Q3 FY2016

(Ⅱ) HR Media

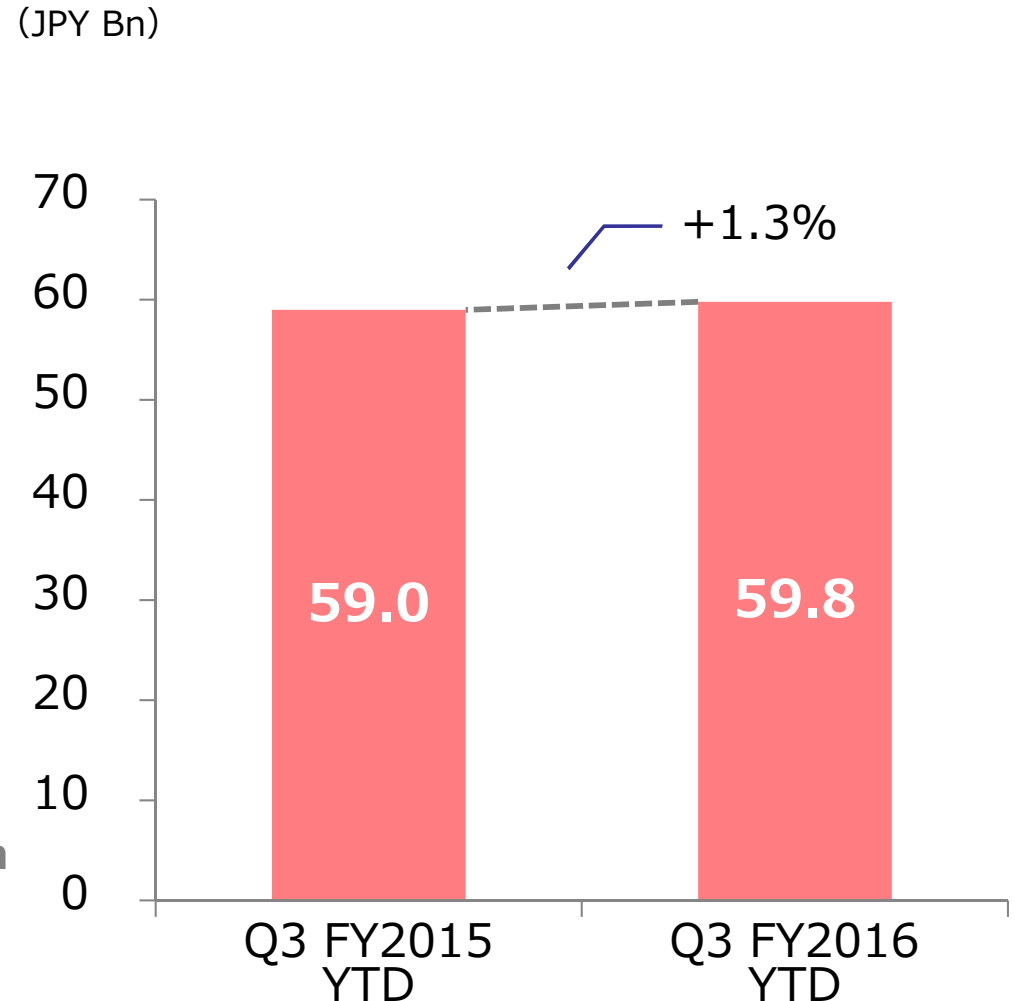
2-(Ⅱ) HR Media Net Sales & EBITDA

- Net sales: +14.6% YoY, favorable trend continues both in domestic and overseas
- EBITDA: +1.3% YoY, in line with our forecast, despite impacts by prior investment for achieving competitive advantages in domestic and overseas

HR Media Net Sales



HR Media EBITDA



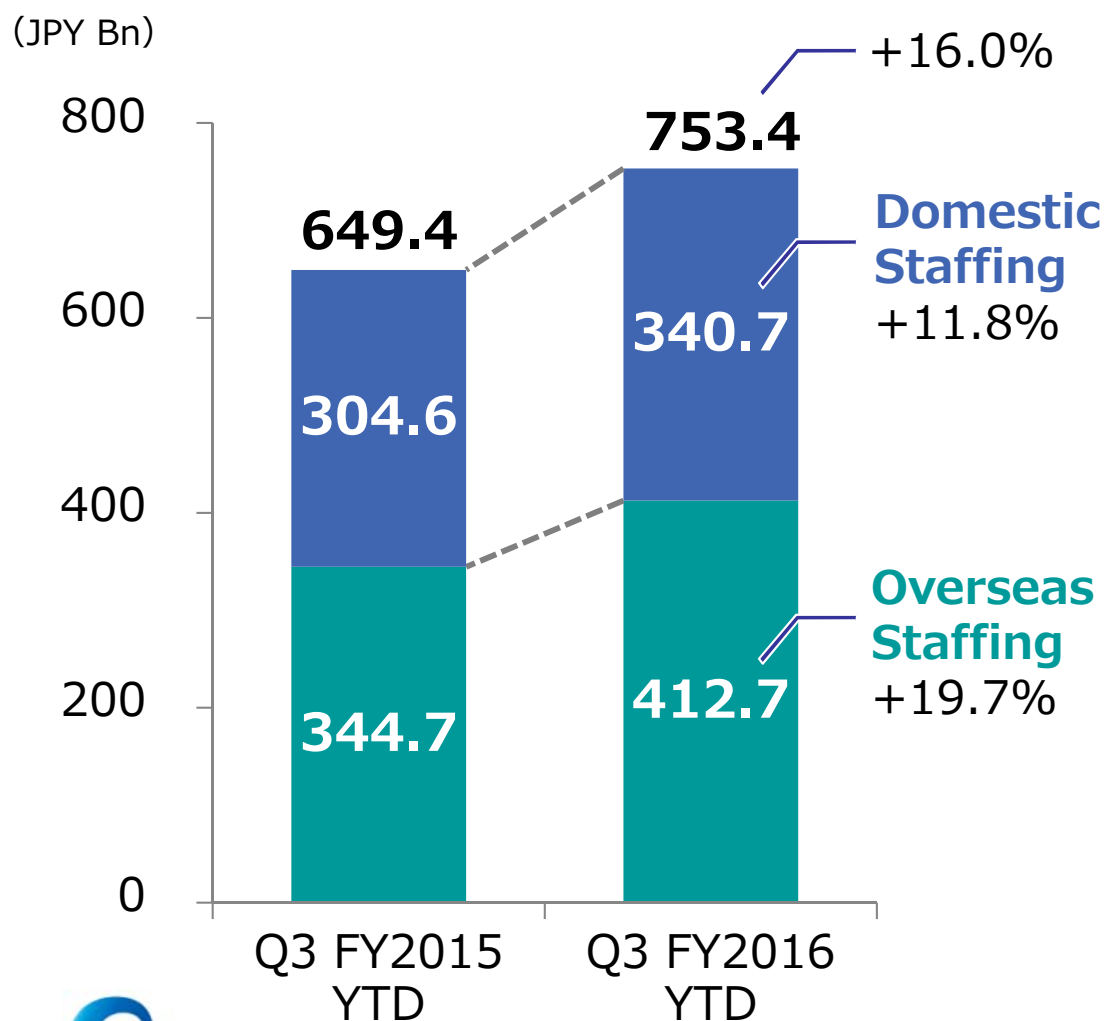
2. Earnings Results by Segment for Q3 FY2016

(Ⅲ) Staffing

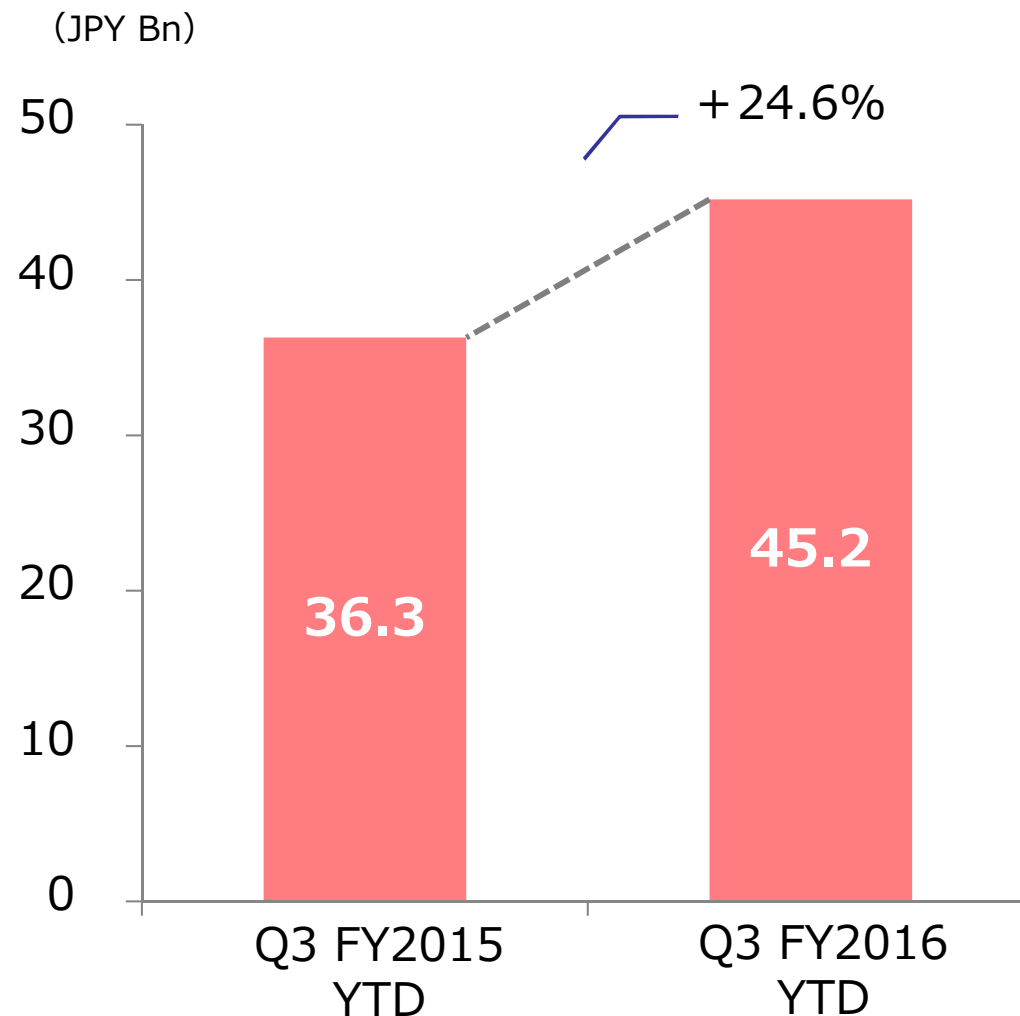
2-(Ⅲ) Staffing Net Sales & EBITDA

- **Net Sales: +16.0% YoY**, due to favorable trend in domestic and contribution of USG People consolidated in Q3
- **EBITDA: +24.6% YoY**, with net sales increase and development of unit management

Staffing Net Sales



Staffing EBITDA



FY2016 Full-year Forecast

(JPY Bn)	FY2015	FY2016		
	Full-year	Full-year Forecast announced on May 13 *	Full-year Forecast revised on July 27 *	YoY Change
Net sales	1,588.6	1,690.0	1,830.0	+15.2%
EBITDA *1	202.2	217.0	223.0	+10.3%
EBITDA margin	12.7%	12.8%	12.2%	-0.4pt
Operating income	114.0	121.5	117.0	+2.6%
Ordinary income	119.3	126.5	122.0	+2.2%
Net income attributable to owners of the parent	64.5	61.5	74.0	+14.7%
Net income before amortization of goodwill *2	112.4	110.5	128.5	+14.2%
Dividend per share (JPY)	50	50	50	—
Adjusted net income *3	118.3	121.5	124.5	+5.2%
Adjusted EPS (JPY) *4	209.57	215.14	223.58	+6.7%

(Ref) Existing business FY2016 **		
Full-year Forecast announced on May 13 *	Full-year Forecast revised on July 27 *	YoY Change
1,690.0	1,680.0	+5.8%
217.0	215.3	+6.5%

**Revised to ¥60
as of February 13, 2017**

* Assumed foreign exchange rates for FY2016: JPY115/USD, JPY81/AUD, JPY125/EUR (Rate for consolidation of USG People B.V.: JPY117/EUR)

** USG People B.V. and its subsidiaries are consolidated to Recruit Holdings in Q1 FY2016. Earnings of the companies was included in Recruit Holdings' results from Q3, since deemed acquisition date was June 30, 2016.

*1-4 Refer to p.26 Notes



Appendix

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	: 47,397

















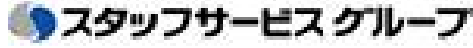





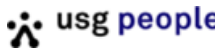
Name of Major shareholders	Number of Shares	% of shares
TOPPAN PRINTING CO., LTD.	37,700,000	6.66%
Dai Nippon Printing Co., Ltd.	23,700,000	4.19%
DENTSU INC.	21,000,000	3.71%
The Recruit Group Employees Shareholding Association	20,242,760	3.58%
JP MORGAN CHASE BANK 380055	19,668,848	3.47%
Japan Trustee Services Bank, Ltd. (trust account)	12,993,300	2.29%
Tokyo Broadcasting System Holdings, Inc.	11,110,000	1.96%
Nippon Television Network Corporation	11,110,000	1.96%
The Master Trust Bank of Japan, Ltd. (trust account)	10,820,600	1.91%
NTT DATA Corporation	10,500,000	1.85%

Type of Shareholder	Number of Shares	% of shares
Financial Institutions	94,748,600	16.76%
Securities Companies	3,972,549	0.70%
Other Companies	169,017,421	29.89%
Foreign Institutions and Individuals	176,105,222	31.15%
Individuals and Others	113,290,397	20.04%
Treasury stock	8,185,821	1.44%

*As of Sep. 30, 2016



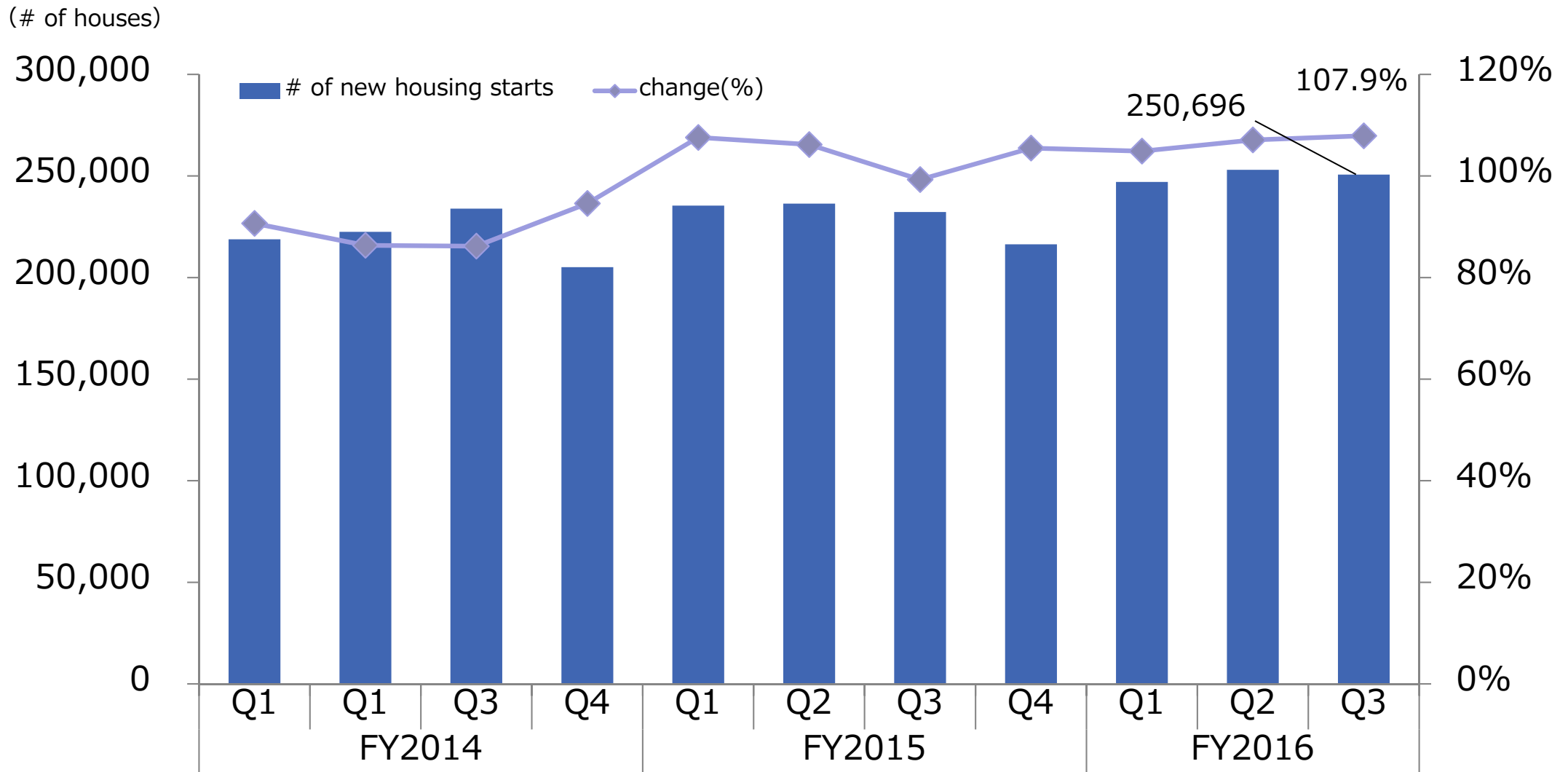
Business Segments & Major Services

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	 
	Overseas Staffing	     

*As of Dec. 31, 2016

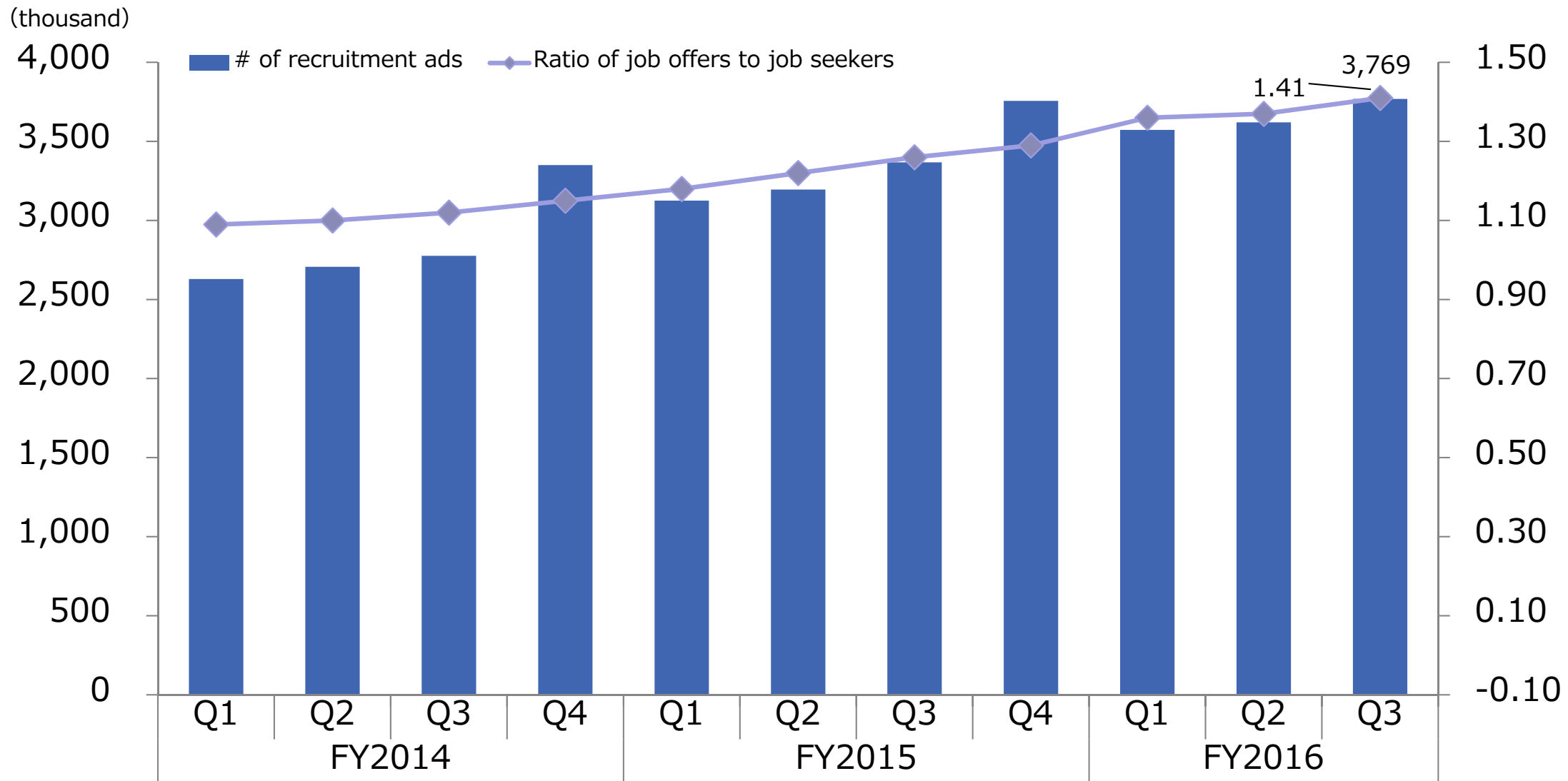
Market Conditions: Housing and Real Estate Business

Number of New housing starts



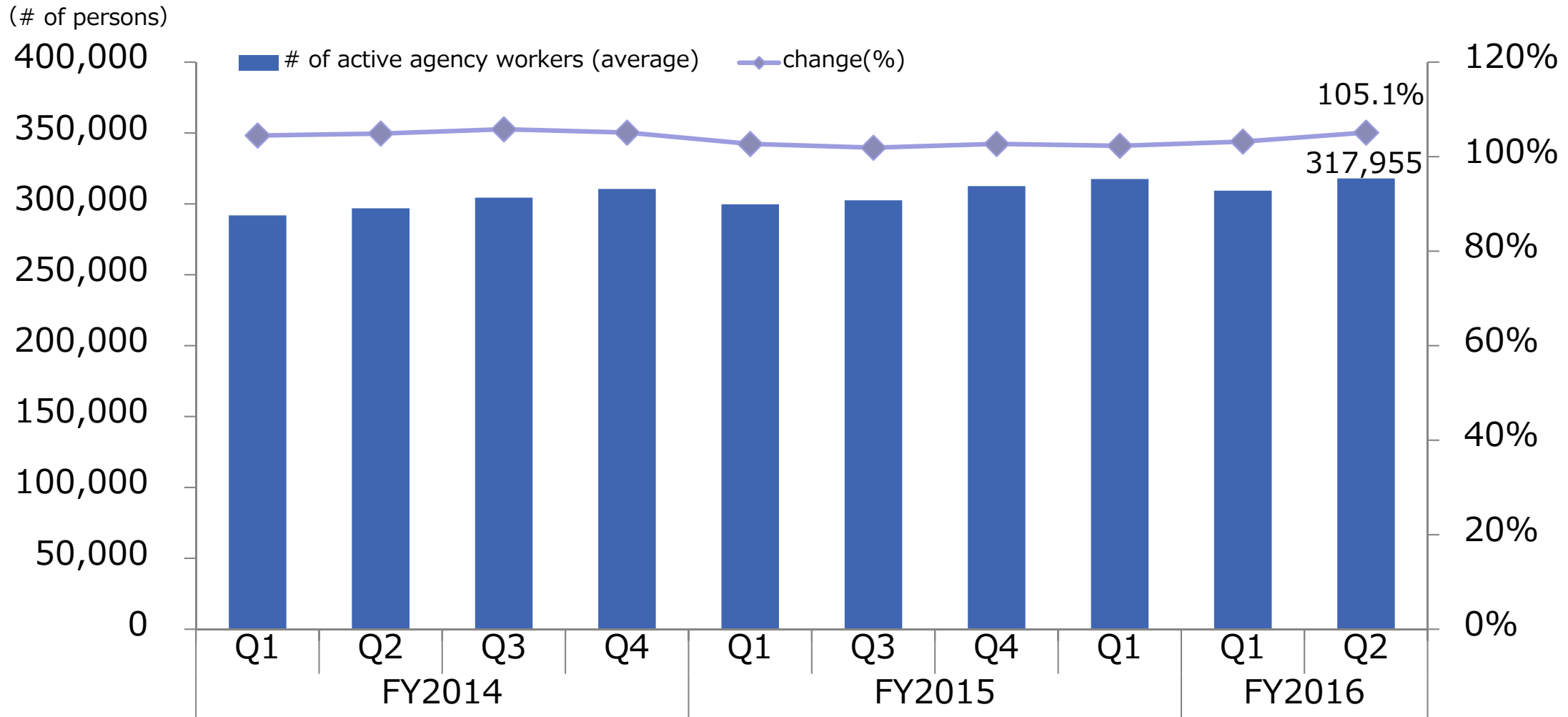
Market Conditions : Domestic Recruiting Operation

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



Market Conditions : Domestic Staffing Operation

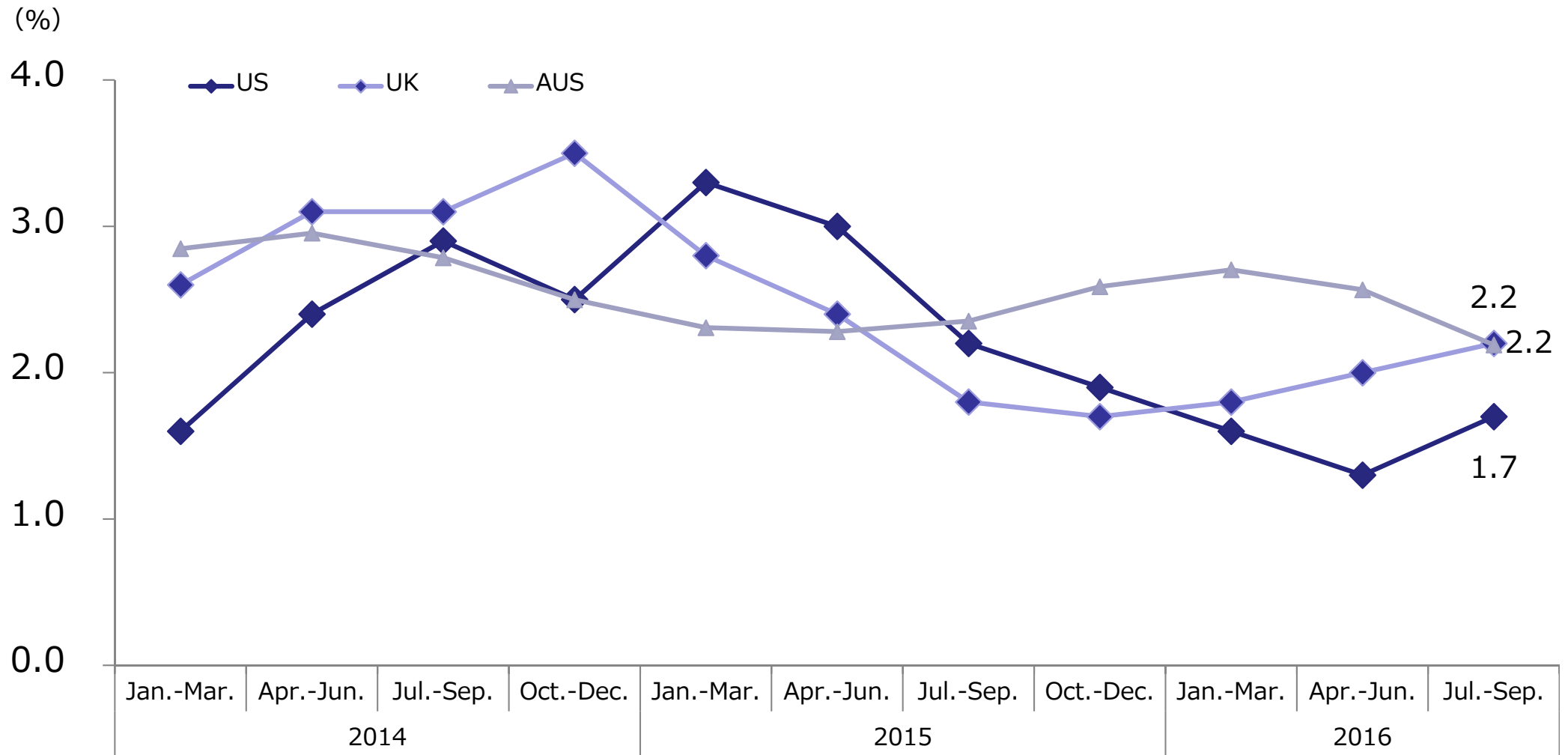
Number of active agency workers



*Source: Japan Staffing Services Association

Market Conditions : Overseas Staffing Operation

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 1 year 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

Notes

- *1 EBITDA: operating income + depreciation and amortization + amortization of goodwill
- *2 Net income before amortization of goodwill: net income attributable to owners of the parent
+ amortization of goodwill
- *3 Adjusted net income: net income attributable to owners of the parent \pm adjustment items*
(excluding non-controlling interests) \pm tax reconciliation regarding
the adjustment items
*Adjustment items: amortization of goodwill and intangible assets arising due to
business combinations \pm 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)