

Financial Results for Q1 FY2017



Recruit Holdings Co., Ltd.

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■ Highlights

■ Q1 FY2017 Results: Favorable

Revenue: +19.6% YoY, EBITDA: +13.9%, Adjusted EPS: +11.3%

■ Indeed: Continuous high growth

Revenue: +58.4% in USD terms*₁

■ Staffing: Earnings growth with contribution of M&A (USG People)

Revenue: +25.8%, EBITDA: 38.8%

*1: The Indeed results are based on fiscal year ending December and on USD, which differ from the figures of reported Recruit Holdings Co., Ltd. consolidated results, due to differences in consolidation methodologies.

■ Q1 FY2017 Consolidated Financial Results

(JPY Bn)	FY2016	FY2017	
	Q1 YTD	Q1 YTD	YoY Change
Revenue	438.5	524.3	+19.6%
EBITDA	63.0	71.8	+13.9%
EBITDA margin	14.4%	13.7%	-0.7pt
Adjusted profit	38.5	42.3	+9.7%
Adjusted EPS (Yen)	22.76⁽¹⁾	25.34	+11.3%

(1) Applying 3-for-1 stock split which was implemented on July 1, 2017

■ Adjustment Items for EBITDA and Adjusted Profit under IFRS

(JPY Bn)	FY2017
EBITDA	Q1 YTD
Operating income	56.3
Other operating income	-0.3
Other operating expenses	+1.3
Depreciation and amortization	+14.5
EBITDA	71.8

(JPY Bn)	FY2017
Adjusted Profit	Q1 YTD
Profit attributable to owners of the parent	40.2
Amortization of intangible assets arising due to business combinations	+4.6
One-off income	-1.1
One-off losses	+1.1
Tax reconciliation regarding the adjustment items	-2.5
Adjusted Profit	42.3

Results by Segment

(JPY Bn)	FY2016		FY2017	
		Q1 YTD	Q1 YTD	YoY Change
Revenue				
Consolidated results		438.5	524.3	+19.6%
HR Technology		29.0	46.4	+59.9%
Media & Solutions		161.4	165.2	+2.3%
Staffing		252.7	318.0	25.8%
Corporate Expenses/Elimination		-4.7	-5.3	-
EBITDA				
Consolidated results		63.0	71.8	+13.9%
HR Technology		4.3	7.7	+79.0%
Media & Solutions		44.1	43.1	-2.2%
Staffing		14.8	20.6	38.8%
Corporate Expenses/Elimination		-0.2	0.3	-

Media & Solutions: Results by Business

(JPY Bn)	FY2016	FY2017	
Revenue	Q1 YTD	Q1 YTD	YoY Change
Media & Solutions	161.4	165.2	+2.3%
Marketing Solutions	90.6	91.7	+1.2%
Housing and Real Estate	25.7	24.6	-4.2%
Bridal	13.5	13.8	+2.2%
Travel	14.1	13.6	-3.1%
Dining	8.9	8.8	-0.9%
Beauty	13.7	15.0	+9.7%
Others	14.5	15.6	+7.3%
HR Solutions	68.0	71.2	+4.7%
Domestic Recruiting	63.6	66.3	+4.2%
Others	4.4	4.9	+11.6%
Corporate Expenses/Eliminations	2.7	2.1	-19.9%

EBITDA

Media & Solutions	44.1	43.1	-2.2%
Marketing Solutions	25.9	24.7	-4.6%
HR Solutions	18.6	20.7	+11.7%
Corporate Expenses/Eliminations	-0.4	-2.3	-

■ Staffing: Results by Business

(JPY Bn) Revenue	FY2016	FY2017	
	Q1 YTD	Q1 YTD	YoY change
Staffing	252.7	318.0	+25.8%
Domestic Staffing	111.7	125.7	+12.6%
Overseas Staffing	141.0	192.3	+36.3%
EBITDA			
Staffing	14.8	20.6	+38.8%
Domestic Staffing	7.4	11.3	+52.2%
Overseas Staffing	7.3	9.2	+25.1%

Consolidated Earnings Forecast for FY2017

(JPY Bn)	FY2016		FY2017		
	Full-year*1	Full-year After adjustment*2	Full-year Forecast	YoY Change*1	YoY Change After adjustment*2
Revenue	1,941.9	-	2,084.0	+7.3%	-
EBITDA	232.2	-	251.0	+8.1%	-
Operating income	193.5	171.5	185.5	-4.1%	+8.1%
Profit attributable to owners of the parent	136.6	117.6	122.0	-10.7%	+3.7%
Adjusted profit	133.7	-	137.0	+2.4%	-
Adjusted EPS (Yen)	80.06*4	-	82.01	+2.4%	-
Profit used as basis for dividend calculation	122.1	-	124.0	+1.5%	-
Dividend per share (JPY)	21.67*4	-	22.00	-	-

*1: Those figures are finalized under IFRS since the figures announced at FY2016 full-year results were estimated amounts as of the time.

*2: Excluding proceeds from sales of subsidiary and relevant tax reconciliation from FY2016 figures

*3: Assumed foreign exchange rates for FY2017: JPY110 /USD, JPY118 /EUR, JPY82 /AUD

*4: Applying 3-for-1 stock split which was implemented on July 1, 2017



Appendix

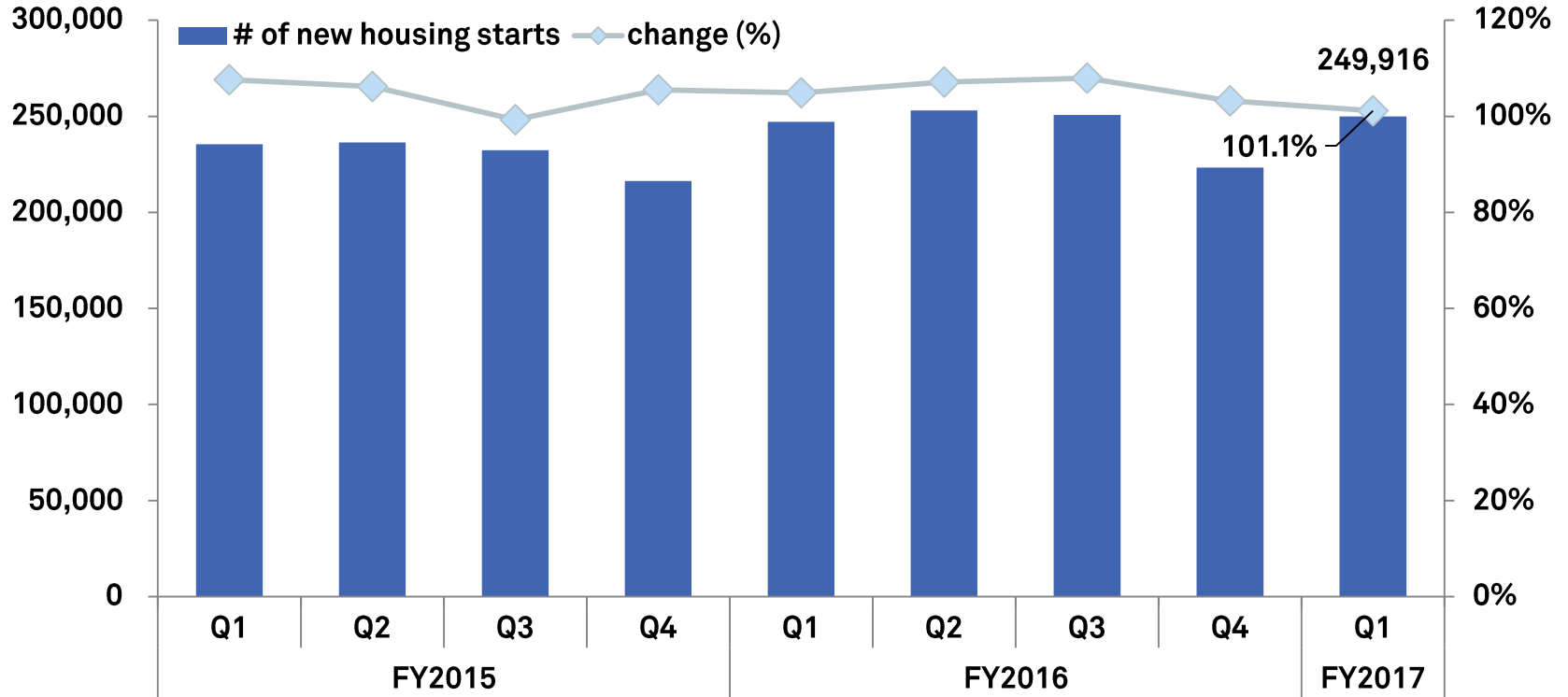
Other Data

	FY2016				FY2017
	Q1e	Q2e	Q3e	Q4e	Q1e
HotPepper Gourmet # of seats reserved online* (million)	9.63	19.40	36.92	51.53	14.48
HotPepper Beauty # of online reservations* (million)	13.88	29.44	44.93	61.38	18.24
Air REGI # of accounts (thousand)	244	255	267	279	292
Study Sapuri high school student course #of paying subscribers (thousand)	215	230	237	244	318

*Based on number of reservations, cancels are not counted

Market Conditions: Housing and Real Estate

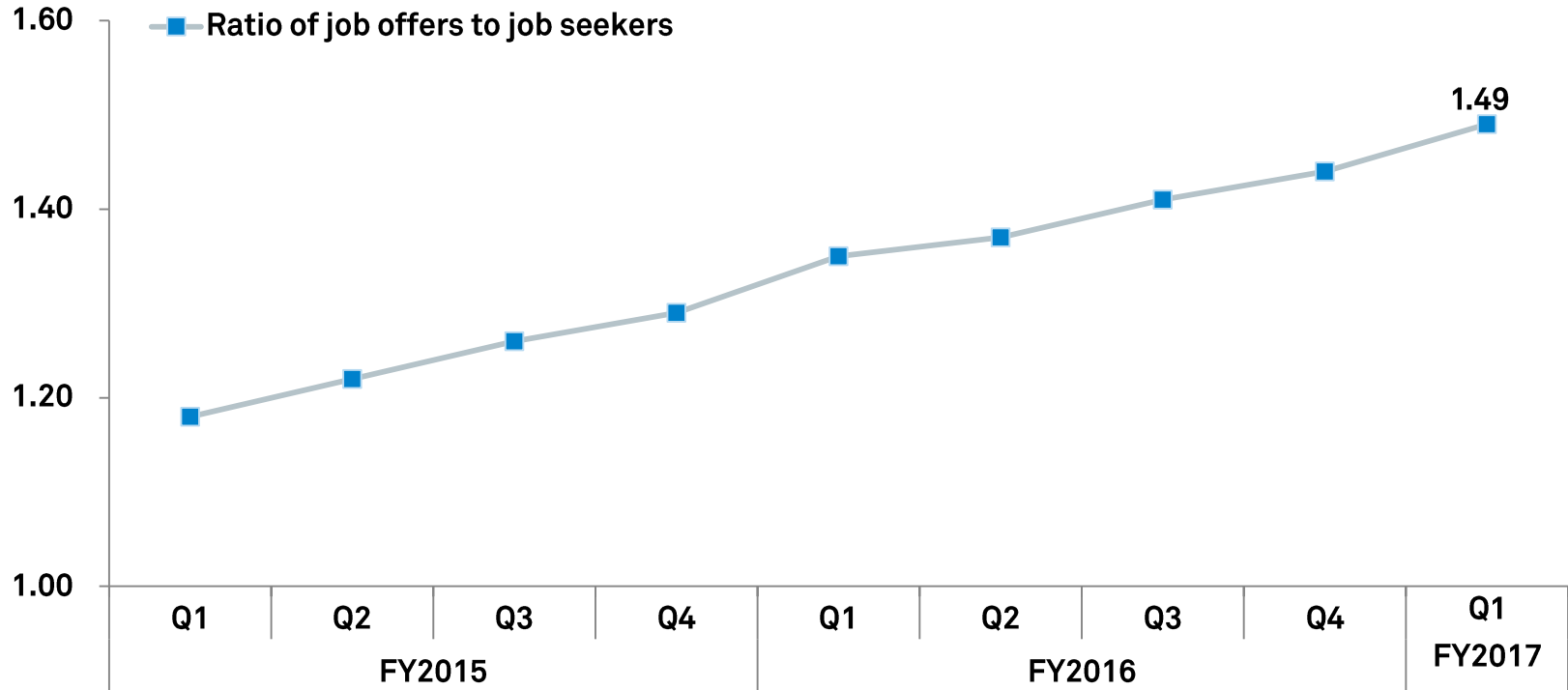
(# of houses)



*Source: MLIT housing start statistics

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Market Conditions : Domestic Recruiting

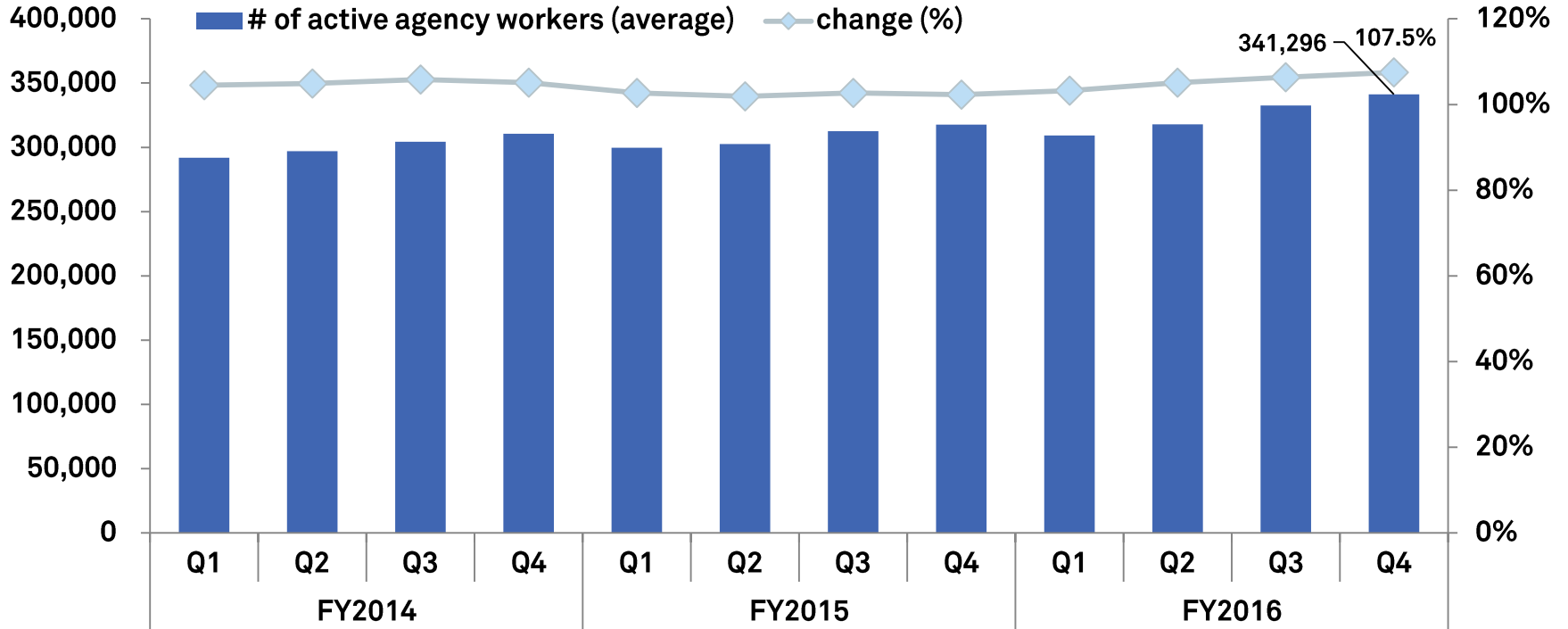


*Source: Ministry of Health, Labour and Welfare

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Market Conditions : Domestic Staffing

(# of persons)



*Source: Japan Staffing Services Association

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Notes

EBITDA = operating income + depreciation and amortization + other operating income, expenses

Adjusted profit: Profit (loss) attributable to owners of the parent \pm adjustment items*(excluding non-controlling interests)

\pm tax reconciliation regarding the adjustment items

***amortization of intangible assets arising due to business combinations \pm one-off income/losses**

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

Profit used as basis of dividend calculation= Profit (loss) attributable to owners of the parent excluding one-off income/losses etc.