

May 9, 2025

Recruit Holdings Co., Ltd. (TSE 6098)
Consolidated Financial Results for the Year Ended March 31, 2025 (IFRS, Unaudited)

Tokyo, May 9, 2025 — Recruit Holdings Co., Ltd. announced today its consolidated financial results for the year ended March 31, 2025 (April 1, 2024 to March 31, 2025).

Consolidated Operating Results

(In billions of yen, unless otherwise stated)	FY2023	FY2024	% change
Revenue	3,416.4	3,557.4	4.1%
Adjusted EBITDA	598.3	678.8	13.5%
Operating income	402.5	490.5	21.9%
% of revenue	11.8%	13.8%	-
Profit before tax	426.2	527.1	23.7%
Return on assets (%)	14.4%	17.8%	-
Profit attributable to owners of the parent	353.6	408.5	15.5%
% of total equity attributable to owners of the parent	19.5%	22.6%	-
Total comprehensive income	555.3	383.1	(31.0)%
Basic EPS (yen)	225.99	271.44	20.1%
Diluted EPS (yen)	222.90	268.32	-

Reference: Share of profit (loss) of associates and joint ventures was (8.8) billion yen in FY2024 and (1.3) billion yen in FY2023.

Adjusted EBITDA: Operating income + depreciation and amortization (excluding depreciation of right-of-use assets)
+ share-based payment expenses ± other operating income/expenses

Consolidated Financial Position

(In billions of yen, unless otherwise stated)	As of March 31, 2024	As of March 31, 2025
Total assets	3,144.6	2,772.2
Total equity	2,008.9	1,627.3
Equity attributable to owners of the parent	2,000.9	1,617.5
Ratio of equity attributable to owners of the parent (%)	63.6%	58.3%
Equity attributable to owners of the parent per share (yen)	1,295.40	1,102.86

Consolidated Cash Flows

(In billions of yen, unless otherwise stated)	FY2023	FY2024
Net cash flows from operating activities	535.3	610.3
Net cash flows from investing activities	(68.7)	(61.0)
Net cash flows from financing activities	(334.6)	(880.4)
Cash and cash equivalents at the end of the year	1,136.8	808.6

Dividends

(In yen, unless otherwise stated)	FY2023	FY2024	FY2025 Guidance
At the end of Q1	-	-	-
At the end of Q2	11.50	12.00	12.50
At the end of Q3	-	-	-
At the end of Q4	11.50	12.00	12.50
Total	23.00	24.00	25.00
Total amount of dividend payment (in billions of yen)	37.1	37.0	-
Payout ratio-consolidated (%)	10.2	8.8	-
Ratio of dividends to total equity attributable to owners of the parent (%)	2.0	2.0	-

Consolidated Financial Guidance for FY2025

(In billions of yen, unless otherwise stated)	FY2025 Full-year Guidance	Year over year % change
Revenue	3,520.0	(1.1)%
Gross Profit	2,076.0	(0.5)%
Adjusted EBITDA	697.0	2.7%
Operating income	540.0	10.1%
Profit attributable to owners of the parent	428.0	4.8%
Basic EPS (yen)	295.00	8.7%

Please refer to page 11, Consolidated Financial Guidance for FY2025 for more details.

Significant changes in the scope of consolidation during the period

There were no significant changes in the scope of consolidation during the period.

Changes in Accounting Policies and Changes in Accounting Estimates

There has been no change in: (1) accounting policies required by IFRS, (2) accounting policies other than the foregoing item (1), and (3) accounting estimates.

Number of Issued Shares - Common Stock

	As of March 31, 2024	As of March 31, 2025
Number of issued shares including treasury stock	1,649,841,949	1,563,912,149
Number of treasury stock ¹	105,201,121	97,196,562

	FY2023	FY2024
Average number of shares during the period	1,564,947,878	1,504,932,604

¹ The number of treasury stock 97,196,562 as of March 31, 2025 includes treasury stock held by the Company (36,408,381 shares) and the Company's stock held in the trust account of the Board Incentive Plan ("BIP") trust and the Employee Stock Ownership Plan ("ESOP") trust (60,788,181 shares).

Definition of the Abbreviation

Abbreviation	Definition
Recruit Holdings, the Holding Company	Recruit Holdings Co., Ltd. on a standalone basis
the Company, Recruit Group, We, Our	Recruit Holdings Co., Ltd. and its consolidated subsidiaries
SBU	Strategic Business Unit
Q1	Three-month period from April 1 to June 30
Q2	Three-month period from July 1 to September 30
Q3	Three-month period from October 1 to December 31
Q4	Three-month period from January 1 to March 31
FY2023	Fiscal year from April 1, 2023 to March 31, 2024
FY2024	Fiscal year from April 1, 2024 to March 31, 2025
FY2025	Fiscal year from April 1, 2025 to March 31, 2026

Supplementary Information

- All comparisons in this report are year over year unless otherwise stated.

Average exchange rate during the period

	FY2023				FY2024			
(In yen)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
US dollar	137.49	144.63	147.86	148.63	155.85	149.71	152.37	152.55
Euro	149.58	157.32	159.06	161.33	167.85	164.28	162.58	160.55
Australian dollar	91.87	94.63	96.25	97.67	102.71	100.18	99.49	95.72

Reference: Outline of Non-consolidated Financial Results

Non-consolidated Operating Results

(In billions of yen, unless otherwise stated)	FY2023	FY2024	% change
Revenue	153.9	615.7	300.0%
Operating profit	144.6	605.1	318.3%
Recurring profit	139.4	603.6	332.8%
Net income	126.1	604.6	379.4%
Earnings per share – Basic (yen)	80.59	401.76	-
Earnings per share – Diluted (yen)	79.49	397.13	-

Non-consolidated Financial Position

(In billions of yen, unless otherwise stated)	As of March 31, 2024	As of March 31, 2025
Total assets	1,768.6	1,654.3
Net assets	879.7	693.3
Equity ratio (%)	49.6%	41.7%
Net assets per share (yen)	567.58	470.02

Reference: Equity was 876.7 billion yen as of March 31, 2024 and 689.3 billion yen as of March 31, 2025.

Earnings releases are not subject to review by a certified public accountant nor an independent auditor.

Forward-Looking Statements

This document contains forward-looking statements, which reflect the Company's assumptions and outlook for the future and estimates based on information available to the Company and the Company's plans and expectations as of the date of this document or other date indicated. There can be no assurance that the relevant forecasts and other forward-looking statements will be achieved. Please note that significant differences between the forecasts and other forward-looking statements and actual results may arise due to various factors, many of which are outside the Company's control, including changes in economic conditions, changes in individual users' preferences and business clients' needs, competition, changes in the legal and regulatory environment including changes in laws and regulations or guidance, interpretation, enforcement or practice relating to laws and regulations, fluctuations in foreign exchange rates, climate change or other changes in the natural environment, the occurrence of large-scale natural disasters, and other factors. Accordingly, readers are cautioned against placing undue reliance on any such forward-looking statements. The Company has no obligation to update or revise any information contained in this document based on any subsequent developments except as required by applicable law or stock exchange rules and regulations.

Note Regarding Reference Translation

This document has been translated from the Japanese language original for reference purposes only and may not be used or disclosed for any other purpose without the Company's prior written consent. In the event of any conflict or discrepancy between this translated document and the Japanese language original, the Japanese language original shall prevail in all respects. The Company makes no representations regarding the accuracy or completeness of this translation and assumes no responsibility for any losses or damages arising from the use of this translation.

Third-Party Information

This document includes information derived from or based on third-party sources, including information about the markets in which we operate. These statements are based on statistics and other information from third-party sources as cited herein, and the Company has not independently verified and cannot assure the accuracy or completeness of any information derived from or based on third-party sources.

U.S. Disclaimer – Unsponsored American Depositary Receipt (“ADR”)

The Company does not support or encourage, and has not consented to, the creation of any unsponsored ADR facilities in respect of its securities and in any event disclaims any liability in connection with an unsponsored ADR. The Company does not represent to any depository institution, bank or anyone nor should any such entity rely on a belief that the Web site of the Company includes all published information in English, currently, and on an ongoing basis, required to claim an exemption under U.S. Exchange Act Rule 12g3-2(b).

A full set of materials regarding FY2024 results announcement is posted on <https://recruit-holdings.com/en/ir/financials/>

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1. Management's Discussion and Analysis

Consolidated Results of Operations

The following table summarizes the consolidated financial results for the three months and fiscal year ended March 31, 2024 and 2025.

(In billions of yen, unless otherwise stated)	Three Months Ended March 31,		% change	Fiscal Year Ended March 31,		% change
	2024	2025		2024	2025	
Consolidated operating results						
Revenue	843.7	861.7	2.1%	3,416.4	3,557.4	4.1%
Operating income	55.7	81.1	45.7%	402.5	490.5	21.9%
Profit before tax	44.2	84.9	92.1%	426.2	527.1	23.7%
Profit for the period	34.0	66.8	96.3%	354.5	408.1	15.1%
Profit attributable to owners of the parent	34.2	66.9	95.7%	353.6	408.5	15.5%
Basic EPS (yen)	22.08	45.31	105.2%	225.99	271.44	20.1%
Management Key Performance Indicators						
Adjusted EBITDA	111.9	132.0	17.9%	598.3	678.8	13.5%
Adjusted EBITDA margin	13.3%	15.3%	-	17.5%	19.1%	-

Consolidated revenue for Q4 FY2024 increased 2.1% as revenue in HR Technology and Matching & Solutions increased. Excluding the positive impact of exchange rate fluctuations of 7.0 billion yen, revenue increased 1.3%.

Consolidated operating income for Q4 FY2024 increased 45.7% driven by revenue growth and lower other operating expenses, which benefitted from the absence of the impairment loss recorded in Q4 FY2023 in connection with the integration of offices.

Consolidated adjusted EBITDA margin for Q4 FY2024 was 15.3% and consolidated adjusted EBITDA increased 17.9%.

For FY2024, consolidated revenue increased 4.1%. Excluding the positive impact of exchange rate fluctuations of 100.4 billion yen, revenue increased 1.2%. Adjusted EBITDA margin was 19.1% and adjusted EBITDA increased 13.5%.

The following table presents the selling, general and administrative expenses for the three months and fiscal year ended March 31, 2024 and 2025.

(In billions of yen, unless otherwise stated)	Three Months Ended March 31,		% change	Fiscal Year Ended March 31,		% change
	2024	2025		2024	2025	
Sales commission	8.6	3.6	(57.7)%	32.8	26.4	(19.5)%
Promotion expenses	28.8	23.6	(18.2)%	76.7	70.1	(8.6)%
Advertising expenses	64.5	77.9	20.7%	212.2	247.2	16.5%
Employee benefit expenses	187.2	188.5	0.7%	727.5	750.1	3.1%
Service outsourcing expenses	64.7	67.2	3.9%	235.9	235.3	(0.3)%
Rent expenses	6.5	7.9	21.1%	29.4	31.6	7.2%
Depreciation and amortization	29.2	25.8	(11.7)%	112.4	103.8	(7.7)%
Other	25.1	22.0	(12.3)%	94.1	93.8	(0.3)%
Total	414.9	416.8	0.4%	1,521.3	1,558.6	2.5%

The following table presents the share-based payment expenses and research and development expenses for the three months and fiscal year ended March 31, 2024 and 2025.

(In billions of yen)	Three Months Ended March 31,		% change	Fiscal Year Ended March 31,		% change
	2024	2025		2024	2025	
Share-based payment expenses ¹	15.1	16.1	6.1%	79.3	80.4	1.3%
Research and development expenses ²	55.5	50.0	(9.9)%	154.8	168.3	8.7%

¹ Included in employee benefit expenses.

² Consisted primarily of compensation expenses for engineering and other technical employees of HR Technology responsible for the development of new products and enhancement of existing products using new technologies, which is accounted for as employee benefit expenses.

Results of Operations by Segment

HR Technology

The following table presents the financial results for the three months and fiscal year ended March 31, 2024 and 2025 for the HR Technology segment.

(In billions of yen, unless otherwise stated)	Three Months Ended March 31,		% change	Fiscal Year Ended March 31,		% change
	2024	2025		2024	2025	
Revenue						
US	172.8	181.3	4.9%	699.4	745.6	6.6%
Europe and Others ¹	59.6	64.9	8.9%	239.6	261.9	9.3%
Japan	21.0	36.5	73.9%	72.7	118.9	63.5%
Total	253.5	282.8	11.5%	1,011.8	1,126.5	11.3%
Adjusted EBITDA	73.3	97.7	33.3%	344.3	404.1	17.3%
Adjusted EBITDA margin	28.9%	34.6%	-	34.0%	35.9%	-
Revenue in million US dollars (\$)						
US	1,162	1,188	2.2%	4,841	4,886	0.9%
Europe and Others ¹	401	425	6.1%	1,659	1,716	3.5%
Japan	142	239	68.6%	503	779	54.8%
Total	1,706	1,854	8.7%	7,004	7,382	5.4%

¹ "Rest of World" is renamed "Europe and Others" starting Q4 FY2024.

Revenue for Q4 FY2024 increased 11.5%. On a US dollar basis, revenue increased 8.7%.

Even though the number of paid job ads decreased, on a US dollar basis, revenue in the US for Q4 FY2024 increased 2.2% as the Company made progress on initiatives to improve monetization and the rate of increase in revenue per paid job ad exceeded the rate of decrease in the number of paid job ads.

On a yen basis, revenue in Japan increased 73.9%, or 68.6% on a US dollar basis, as revenue from full-time and part-time job advertising services, which was recorded in HR Solutions of Matching & Solutions, was transferred to Indeed Japan via Indeed PLUS.

Adjusted EBITDA margin for Q4 FY2024 increased 5.6 percentage points to 34.6%.

For FY2024, revenue increased 11.3% or 5.4% on a US dollar basis, adjusted EBITDA margin was 35.9%, and adjusted EBITDA increased 17.3%.

Matching & Solutions

The following table presents the financial results for the three months and fiscal year ended March 31, 2024 and 2025 for the Matching & Solutions segment.

(In billions of yen)	Three Months Ended March 31,		% change	Fiscal Year Ended March 31,		% change
	2024	2025		2024	2025	
Revenue						
HR Solutions	76.8	67.7	(11.9)%	305.0	275.3	(9.7)%
Marketing Solutions	128.6	137.8	7.1%	492.4	529.5	7.5%
Others and Eliminations	2.6	3.1	21.2%	10.3	11.0	6.3%
Total	208.1	208.7	0.3%	807.8	816.0	1.0%
Adjusted EBITDA	28.4	27.6	(2.6)%	163.6	185.9	13.6%
Adjusted EBITDA margin	13.7%	13.3%	-	20.3%	22.8%	-

Revenue in Matching & Solutions for Q4 FY2024 increased 0.3%.

Revenue in HR Solutions decreased 11.9%. Revenue in the placement service continued to grow steadily in a stable business environment. However, revenue in the job advertising service declined primarily due to the shift of the business to HR Technology through Indeed PLUS, which was largely completed by the end of the fiscal year ended March 31, 2025.

Revenue in Marketing Solutions increased 7.1%. Revenue in the total of Beauty, Travel, and Dining combined with SaaS solutions including Air BusinessTools increased. Additionally, Housing & Real Estate and Others, which includes other services in Marketing Solutions, each increased.

Adjusted EBITDA margin in Matching & Solutions for Q4 FY2024 decreased 0.4 percentage points to 13.3%. Adjusted EBITDA margin decreased due to aggressive marketing efforts in Q4 FY2024 to prepare for the month of April, when consumer spending tends to be more active.

For FY2024, revenue increased 1.0%. Adjusted EBITDA margin was 22.8%, and adjusted EBITDA increased 13.6% year over year.

Matching & Solutions' strategy is to "Help Businesses Work Smarter," including by improving clients' productivity and business results through their use of the Company's ecosystem of matching platforms and SaaS solutions centered around Air BusinessTools.

The current priority for Air BusinessTools is to increase the number of SaaS registered accounts¹. As of March 31, 2025, the number of SaaS registered accounts², the number of AirPAY registered accounts and the number of accounts using both AirPAY and another Air BusinessTools solution (cross-use) steadily increased year over year. Revenue from Air BusinessTools is included in Marketing Solutions. The details of SaaS registered accounts are presented in the following table.

(In thousand of accounts) As of	FY2023				FY2024			
	June 30	September 30	December 31	March 31	June 30	September 30	December 31	March 31
Registered accounts ²	3,350	3,470	3,600	3,780	3,920	4,050	4,180	4,340
YoY % Change	26.8%	22.4%	19.9%	18.2%	17.1%	16.7%	16.1%	14.7%
AirPAY	417	430	450	475	491	504	515	531
YoY % Change	37.4%	31.0%	25.4%	20.5%	17.7%	17.0%	14.2%	11.8%
Cross-use of AirPAY and other Air BusinessTools ³	236	245	258	274	289	298	309	320
YoY % Change	25.7%	23.6%	22.5%	21.9%	22.4%	21.7%	19.3%	16.7%

¹ The number of registered accounts retroactively reflects changes in counting methods due to product renewals and other factors.

² Cumulative number of registered accounts of paid and unpaid SaaS solutions provided by Matching & Solutions SBU in Japan.

Registered accounts refer to the number of stores and business locations that have registered for each relevant service including both active and non-active accounts.

³ Cross-use of AirPAY and other Air BusinessTools accounts that use AirPAY and at least one of the following solutions: AirREGI, AirRESERVE, AirWAIT, AirSHIFT, or AirREGI ORDER.

Staffing

The following table presents the financial results for the three months and fiscal year ended March 31, 2024 and 2025 for the Staffing segment.

(In billions of yen)	Three Months Ended March 31,		% change	Fiscal Year Ended March 31,		% change
	2024	2025		2024	2025	
Revenue						
Japan	187.9	199.0	5.9%	751.6	805.1	7.1%
Europe, US, and Australia	204.8	189.1	(7.7)%	882.6	861.8	(2.4)%
Total	392.8	388.1	(1.2)%	1,634.2	1,666.9	2.0%
Adjusted EBITDA	13.2	10.0	(24.0)%	97.9	97.4	(0.5)%
Adjusted EBITDA margin	3.4%	2.6%	-	6.0%	5.8%	-

The following table presents the revenue by region of *Europe, US and Australia* for the fiscal year ended March 31, 2024 and 2025 for the Staffing segment.

(In billions of yen)	Fiscal Year Ended March 31,		% change
	2024	2025	
Revenue			
Europe ¹	442.5	420.4	(5.0)%
US ¹	244.0	247.1	1.3%
Australia ¹	196.0	194.1	(0.9)%
Total	882.6	861.8	(2.4)%

¹ Sum of revenue from individual companies after consolidation adjustments for *Europe, US, and Australia*.

Revenue for Q4 FY2024 decreased 1.2%. Excluding the negative impact of exchange rate fluctuations of 0.4 billion yen, revenue decreased 1.1% due to a decrease in revenue in *Europe, US, and Australia*.

Revenue in *Japan* increased 5.9% due to an increase in the number of temporary staff on assignment as demand for staffing services continued to grow year over year.

Revenue in *Europe, US, and Australia* decreased 7.7%. Excluding the negative impact of exchange rate fluctuations of 0.4 billion yen, revenue for Q4 FY2024 decreased 7.5% as demand for staffing services continued to slow down against a backdrop of an uncertain economic environment.

Adjusted EBITDA margin for Q4 FY2024 was 2.6% as temporary staff recruitment costs and marketing expenses to acquire business clients increased.

For FY2024, revenue increased 2.0%, excluding the positive impact of exchange rate fluctuations of 40.3 billion yen, revenue for FY2024 decreased 0.5%. Adjusted EBITDA margin was 5.8%, and adjusted EBITDA decreased 0.5%.

The Outstanding Amount of Goodwill for each SBU as of March 31, 2025

The following table presents the outstanding amount of goodwill for each SBU as of March 31, 2025.

(In billions of yen)	Goodwill for each SBU as of March 31, 2025
HR Technology	277.1
Matching & Solutions	-
Japan	-
Overseas	-
Staffing	231.0
Japan	27.8
Europe	186.3
US	13.5
Australia	3.1
Total	508.1

Management Actions for the Six Months Ended March 31, 2025

Completion of Share Repurchase Resolved at the Company's Board of Directors on July 9, 2024

The Company's Board of Directors resolved on July 9, 2024 to conduct a share repurchase of its common stock and the self tender offer was conducted from July 10, 2024 to February 7, 2025. The total number of shares purchased and the total share repurchase amount was 64.6 million shares and 599.9 billion yen.

Please find the resolutions and the final status of these share repurchases on the website:

"Status and Completion of Share Repurchases" released on February 10, 2025

https://recruit-holdings.com/en/newsroom/20250210_0001/

Retirement of Treasury Stock

The Company's Board of Directors resolved on March 12, 2025 to conduct the retirement of treasury stock. The Company retired 85.9 million shares on March 24, 2025, equal to the total number of treasury stock acquired from March 18, 2024 to June 25, 2024, from July 10, 2024 to February 7, 2025 and on March 3, 2025.

Please find more information on the website:

"Recruit Holdings Announces Retirement of Treasury Stock" released on March 12, 2025

https://recruit-holdings.com/en/newsroom/20250312_0001/

Resolution of the Share Repurchase at the Company's Board of Directors Meeting on February 28, 2024 and Status of Share Repurchases

The Company's Board of Directors resolved on February 28, 2025 to conduct a share repurchase of its common stock.

The total number of shares to be repurchased was 52.0 million shares (maximum) (up to 3.51% of total number of shares issued and outstanding (excluding treasury stock)), and the total purchase price is 450.0 billion yen (maximum). The repurchase period is from March 3, 2025 to December 23, 2025.

Subsequently, the Company's Board of Directors resolved on April 25, 2025 to expand the limit of the share repurchase to 62.0 million shares (maximum) (up to 4.23% of total number of shares issued and outstanding (excluding treasury stock)).

As of April 30, 2025, 42.5 million shares have been repurchased at the total price of 340.6 billion yen on an execution date basis.

Please find more information on the following websites:

"Recruit Holdings Announces Share Repurchases" released on February 28, 2025

https://recruit-holdings.com/en/newsroom/20250228_0001/

"Recruit Holdings Announces the Determination of Matters Related to the Repurchase of Own Shares (Expansion of Repurchase Limit)" released on April 25, 2025

https://recruit-holdings.com/en/newsroom/20250425_0001/

"Status of Share Repurchases" released on May 1, 2025

https://recruit-holdings.com/en/newsroom/20250501_0001/

Capital Resources and Liquidity

Basic Policy

The Company's basic policy is to obtain funds from global financial markets through debt as necessary, while maintaining appropriate credit ratings and strong consolidated financial position, in order to secure liquidity required for smooth operations and to invest flexibly for its long-term business strategy that will lead to increasing its enterprise value.

The Company aims to maintain a sufficient level of shareholders' equity while achieving appropriate capital efficiency, in order to respond flexibly to investment opportunities for future growth while at the same time enhancing its ability to address possible risks relating to its business operations and assets.

Use of Capital

The Company allocates its capital mainly to working capital, corporate taxes, mergers and acquisitions, asset acquisitions and capital expenditures by its SBUs as well as repayments of borrowings, payment of interest, payment of dividends, and share repurchases.

Fundraising

The Company's primary source of liquidity for working capital and investments are cash flows from operating activities. However, the Company may consider and execute external financing when various conditions are deemed favorable, such as demand for funds, interest rate trends, repayment amount, redemption period of existing interest-bearing debt, amount to be raised, and financing structure.

For short-term working capital, the Company primarily utilizes borrowings from financial institutions and/or commercial paper. For mid- to long-term needs, the Company will raise funds mainly through borrowings from financial institutions and/or the corporate bond market. To maintain flexible financing capabilities, the Company has registered a maximum 200.0 billion yen worth of corporate bonds for potential issuances, the full amount of which is unused as of March 31, 2025.

Additionally, the Company has entered into overdraft agreements with four financial institutions to secure liquidity and raise working capital funds efficiently. The maximum amount of borrowings under these overdraft agreements is 113.0 billion yen as of March 31, 2025, and the entire amount remains unused. In addition, the Company entered into a committed credit facility agreement providing for a total commitment amount of 200.0 billion yen. The entire amount available under these credit facilities remains unused as of March 31, 2025. The Company maintains these overdraft agreements and credit facilities to ensure sufficient liquidity in the event of significant changes in the business environment.

Credit Ratings

The Company has long-term credit ratings of A from S&P Global Rating Japan, A3 from Moody's Japan, AA from Rating and Investment Information, Inc. (R&I), and AA+ from Japan Credit Rating Agency, Ltd. (JCR) as of March 31, 2025. The Company has short-term credit ratings of a-1+ from R&I.

Cash Management

In order to maximize overall capital efficiency, the Company prioritizes internal lending and borrowing within the Company over external financing, mainly through a cash management system, when it is legally permissible and economically reasonable to do so.

The Company maintains internal liquidity of cash and cash equivalents by consolidating the cash management operations of all currencies to the Holding Company and its subsidiaries, which provide internal treasury management services.

Fund Management

The Company does not engage in any investments for speculative purposes. Investments are limited to financial instruments that are highly liquid and have a low risk of principal loss, with a focus on risk diversification.

Policy of Strategic Shareholdings

In principle, the Company's policy is to reduce strategic shareholdings. The decision on whether or not to hold each company's stock is made based on a comprehensive assessment of the economic value of its stock, cost of capital, strategic importance, environment, social and governance aspects, and other factors. The Board of Directors scrutinizes these shareholdings once a year and deliberates the reduction of these holdings if they do not meet the above criteria.

As of March 31, 2025, the total amount of strategic shareholdings held by the Holding Company and Recruit Co., Ltd. was 66.0 billion yen, which is 4.1% of the consolidated total equity. In FY2024, the Company sold 9 stocks of strategic shareholdings for a total of 25.5 billion yen.

	The Holding Company		Recruit Co., Ltd.	
	Unlisted	Listed	Unlisted	Listed
Number of issuers	3	7	4	3
Amount on the balance sheet (millions of yen)	553	48,661	1,495	15,347
Number of issuers with decreased shareholdings	-	8	-	1
Total proceeds from sales resulting in a decrease in number of shares held (millions of yen)	-	24,981	-	612

Analysis of Consolidated Financial Position

(In billions of yen)	As of March 31, 2024	As of March 31, 2025	Variance	% change
Assets				
Total current assets	1,762.7	1,470.3	(292.3)	(16.6)%
Total non-current assets	1,381.9	1,301.8	(80.0)	(5.8)%
Total assets	3,144.6	2,772.2	(372.3)	(11.8)%
Liabilities				
Total current liabilities	758.8	802.1	43.3	5.7%
Total non-current liabilities	376.8	342.7	(34.1)	(9.1)%
Total liabilities	1,135.7	1,144.8	9.1	0.8%
Equity				
Total equity attributable to owners of the parent	2,000.9	1,617.5	(383.3)	(19.2)%
Non-controlling interests	7.9	9.7	1.7	22.6%
Total equity	2,008.9	1,627.3	(381.5)	(19.0)%

Total current assets as of March 31, 2025 decreased by 292.3 billion yen compared to the end of FY2024 mainly due to a decrease in cash and cash equivalents resulting from the share repurchases of common stock conducted during FY2024.

The maximum amount of borrowings under overdraft agreements was 113.0 billion yen as of March 31, 2025, and the entire amount remained unused. In addition, committed credit facilities with a total maximum borrowing amount of 200.0 billion yen, for which the Company entered into an agreement on September 29, 2023, remained unused as of March 31, 2025.

Also, the Company has registered a maximum 200.0 billion yen worth of corporate bonds for potential issuances in Japan, the full amount of which is unissued as of March 31, 2025.

The following table presents cash and cash equivalents, investments for available funds on standby for business operations within other financial assets, interest-bearing debt and net cash.

(In billions of yen)	As of March 31, 2024	As of March 31, 2025	Variance	% change
Cash and cash equivalents	1,136.8	808.6	(328.2)	(28.9)%
Investments for available funds on standby for business operations within other financial assets	-	15.1	15.1	-
Interest-bearing debt (excludes lease liabilities)	1.3	1.0	(0.3)	(27.4)%
Net cash	1,135.4	822.7	(312.6)	(27.5)%

Analysis of Consolidated Cash Flows

(In billions of yen)	As of March 31, 2024	As of March 31, 2025	Variance
Net cash flows from operating activities	535.3	610.3	75.0
Net cash flows from investing activities	(68.7)	(61.0)	7.7
Net cash flows from financing activities	(334.6)	(880.4)	(545.8)
Effect of exchange rate changes on cash and cash equivalents	127.5	2.9	(124.6)
Net increase (decrease) in cash and cash equivalents	259.4	(328.2)	(587.7)
Cash and cash equivalents at the beginning of the period	877.3	1,136.8	259.4
Cash and cash equivalents at the end of the period	1,136.8	808.6	(328.2)

Payments for the purchase of treasury stock in Q4 FY2024 and the twelve months ended March 31, 2025 amounted to 184.1 billion yen and 824.4 billion yen, respectively.

2. Consolidated Financial Guidance for FY2025

In FY2025, the Company expects hiring demand to decline year over year in the US and in other regions, including Europe and Australia. In Japan, it is assumed that the current business environment continues and there is no rapid economic downturn.

The foreign exchange rate assumptions for FY2025 are 145 yen per US dollar, 158 yen per Euro and 92 yen per Australian dollar.

The total amount of share-based payment expense for HR technology in FY2025 is expected to be approximately 570 million US dollars.

Based on these assumptions, the full-year consolidated financial guidance and outlook of each segment for FY2025 are as follows.

As of April 1, 2025, HR Solutions of Matching & Solutions was transferred to HR Technology, and Matching & Solutions will be renamed Marketing Matching Technologies from FY2025.

In the following, the full-year results for FY2024 were calculated as pro forma results assuming that the above transfer had taken place at the beginning of FY2024, and the consolidated guidance and outlook for each segment for FY2025 are shown in comparison with the pro forma results for FY2024.

The calculation of pro forma results reflects adjustments to inter-segment internal revenue and corporate overhead costs in Matching & Solutions. As a result, there are slight differences between FY2024 actual results and the pro forma results other than HR Technology Japan and Marketing Matching Technologies.

Consolidated Guidance

(In billions of yen)	FY2024 Actual	FY2024 Pro Forma	FY2025 Guidance	% change relative to FY2024 Pro Forma
Revenue	3,557.4	3,557.4	3,520.0	(1.1)%
Gross Profit	2,085.6	2,085.6	2,076.0	(0.5)%
Adjusted EBITDA	678.8	678.8	697.0	2.7%
Operating income	490.5	490.5	540.0	10.1%
Profit attributable to owners of the parent	408.5	408.5	428.0	4.8%
Basic EPS (yen)	271.44	271.44	295.00	8.7%

HR Technology

	FY2024 Actual	FY2024 Pro Forma	FY2025 Outlook	% change relative to FY2024 Pro Forma
Revenue (in millions of US dollars)				
US	4,886	4,884	4,900	0.3%
Europe and Others	1,716	1,716	1,855	8.1%
Japan	779	2,390	2,448	2.4%
Total	7,382	8,991	9,203	2.4%
Revenue (in billions of yen)				
US	745.6	745.3	710.5	(4.7)%
Europe and Others	261.9	261.9	268.9	2.7%
Japan	118.9	364.9	355.0	(2.7)%
Total	1,126.5	1,372.2	1,334.4	(2.8)%
Adjusted EBITDA (in billions of yen)	404.1	452.8	460.0	1.6%
Adjusted EBITDA margin (%)	35.9%	33.0%	34.5%	-

Staffing

(In billions of yen)	FY2024 Actual	FY2024 Pro Forma	FY2025 Outlook	% change relative to FY2024 Pro Forma
Revenue				
Japan	805.1	805.1	837.0	4.0%
Europe, US, and Australia	861.8	861.8	803.0	(6.8)%
Total	1,666.9	1,666.9	1,640.0	(1.6)%
Adjusted EBITDA	97.4	97.4	92.0	(5.6)%
Adjusted EBITDA margin (%)	5.8%	5.8%	5.6%	-

Marketing Matching Technologies

(In billions of yen)	FY2024 Actual ¹	FY2024 Pro Forma ¹	FY2025 Outlook	% change relative to FY2024 Pro Forma
Revenue	816.0	539.5	567.0	5.1%
Adjusted EBITDA	185.9	137.2	156.0	13.7%
Adjusted EBITDA margin (%)	22.8%	25.4%	27.5%	-

¹ The results for FY2024 are for Matching & Solutions, and the pro forma results for FY2024 are based on the assumption that Matching & Solutions included only Marketing Solutions.

3. Basic Policy on Profit Distribution and Dividends

The Company's primary use of capital is to invest for its long-term business strategy in order to achieve sustainable profit growth and increase enterprise value. The Company believes that this approach will contribute to the common interests of shareholders. The Company also considers the return of capital to its shareholders in the form of dividends to be an important part of its capital allocation strategy. The Company strives to continuously pay stable per-share dividends considering its long-term cash needs and financial position.

The Company may consider implementing share repurchase programs, depending on the capital market environment and the outlook of its financial position.

Total annual dividend for FY2024 is 24.0 yen per share, which consists of an interim dividend of 12.0 yen per share and a year-end dividend of 12.0 yen per share.

The Company basically declares dividends twice a year. Matters stipulated in Article 459, Paragraph 1 of the Companies Act of Japan, including cash dividends, are not resolved at the Annual Meeting of Shareholders, but at Board of Directors meetings, unless otherwise provided by laws and regulations.

Total annual dividend guidance for FY2025 is 25.0 yen per share, which consists of an interim dividend of 12.5 yen per share and a year-end dividend of 12.5 yen per share.

Resolution date at the Board of Directors meetings	Total dividend (In millions of yen)	Dividend per share (In yen)
November 11, 2024	18,696	12.0
May 9, 2025	18,330	12.0

4. Overview of the Company

The Company started in 1960 as a business providing job information to students by placing job advertisements for its clients in university newspapers in Japan. Since then, the Company has consistently created and operated matching platform businesses connecting individual users and business clients.

Currently, the Company provides individual users around the world the best possible choices and supports business clients in improving their operational efficiency by utilizing technology and data, all enabling simpler and faster matching.

In the course of connecting individual users and business clients, the Company positions data security and privacy, including the protection of individual users' privacy, as a material foundation for its corporate activities, and has established appropriate structures and measures to support that position.

The Company operates its businesses through each of its three Strategic Business Units ("SBU"s): HR Technology, Matching & Solutions and Staffing. The Company has established respective SBU Headquarters in order to further reinforce global, swift decision making. This organizational structure enhances the management capabilities of each SBU Headquarters and enables each SBU Headquarters to execute its own strategy. At the same time, each SBU collaborates closely to achieve the Company's three strategic pillars: Simplify Hiring, Help Businesses Work Smarter, and Prosper Together. The SBU structure also enables the Holding Company to focus on and strengthen its holding company functions, including strategic planning and execution as well as group governance and monitoring. Through these positive aspects of the SBU structure, the Company aims to increase its enterprise value.

As of March 31, 2025, the Company had 223 subsidiaries and 8 associates.

As of April 1, 2025, HR Solutions of Matching & Solutions SBU has been transferred to HR Technology SBU, and Matching & Solutions SBU will change its name to Marketing Matching Technologies SBU in FY2025. Statements below are based on the information as of March 31, 2025 before the organization change unless otherwise stated. Brands and services of each SBU are listed based on information as of April 1, 2025 in addition to information as of March 31, 2025.

Business Overview by Segment

HR Technology

HR Technology consists of Indeed, Glassdoor, and other related businesses.

Indeed and Glassdoor are online matching and hiring platforms where people can find jobs and learn about companies. Both Indeed and Glassdoor have missions that are aligned towards achieving success for job seekers - Indeed's mission is to help people get jobs and Glassdoor's mission is to make worklife better, together.

Indeed created the job aggregation and search model and is now transforming into a global two-sided talent marketplace. In doing so, Indeed has become the leading job site in the world¹, with over 610 million job seeker profiles² and 3.3 million employers³ using Indeed to hire in the last year.

Glassdoor has reshaped the way people search for and evaluate jobs and companies while building a community for workplace conversations, increasing workplace transparency for job seekers by bringing together jobs with user-generated employer reviews, conversations, salaries and insights. As a result, Glassdoor has become the recognized leader on insights about jobs and companies, with over 210 million user profiles.⁴

Indeed and Glassdoor offer a suite of tools to help job seekers find and apply to available job opportunities, create profiles, post resumes, research company information and reviews, and schedule and conduct video and phone interviews. For employers, Indeed and Glassdoor offer solutions to recruit and hire qualified talent in an easier and more efficient way. Employers can post and advertise jobs, access candidate profiles and build their company's employment brand across both platforms, reaching a broad and diverse job seeker audience.

Together, Indeed and Glassdoor provide an efficient source of candidates through AI based matching, pay-for-performance and subscription pricing models, and a range of products for employers to source, screen, interact with, and interview candidates. As a result, Indeed and Glassdoor partner to create a global two-sided talent marketplace where job seekers find jobs and employers find great talent.

In Japan, the Company has expanded the job seeker audience further through Indeed PLUS, a job distribution platform which connects a network of Applicant Tracking Systems ("ATS") and job boards, including Recruit's Rikunabi NEXT and TOWNWORK as well as other Recruit and third party sites.

¹ Source: comScore, Total Visits, March 2025

² Internal data, cumulative number of verified job seeker accounts on Indeed through March 31, 2025, worldwide. Job seeker accounts that have a unique, verified email address

³ Internal data, based on the last 12 months of activity as of March 2025, worldwide

⁴ Internal data, cumulative number of Glassdoor registered users for which a profile or resume is available through March 31, 2025, worldwide

Brands	Services
Indeed	Online matching and hiring platform
Indeed PLUS	Job distribution platform
Glassdoor	Online matching and hiring platform

As of April 1, 2025

Brands	Services
Indeed	Online matching and hiring platform
Indeed PLUS	Job distribution platform
Glassdoor	Online matching and hiring platform
Rikunabi	Online matching platform for new graduates
RECRUIT AGENT	Employment placement service for professionals
RECRUIT DIRECT SCOUT	Talent sourcing service for professionals

Matching & Solutions

Matching & Solutions consists of two businesses mainly in Japan, HR Solutions and Marketing Solutions. HR Solutions helps individual users find jobs and helps business clients' hiring activities across a variety of industries. Marketing Solutions offers vertical-specific matching platforms which connect individual users and business clients, and cloud-based Software as a Service ("SaaS") solutions.

Through these matching platforms and SaaS solutions, Matching & Solutions aims to create an "ecosystem" of solutions that support the operations of businesses in Japan to help improve their productivity and profitability.

HR Solutions

HR Solutions supports business clients' recruiting and hiring activities and individual users' job search activities through its job advertising services and placement services. The services include online matching platforms (including job boards of Rikunabi for new graduates, Rikunabi NEXT for mid-career job seekers, and TOWNWORK for part-time job seekers), and placement services including Recruit Agent and RECRUIT DIRECT SCOUT. All job boards in HR Solutions except for Rikunabi are linked to Indeed PLUS of HR Technology, which can reach up to 70% of users¹ at the major job boards in Japan.

Marketing Solutions

Marketing Solutions consists of in the total of each of Beauty, Travel, Dining, and SaaS solutions as lifestyle, Housing & Real Estate and Others which includes other services in Marketing Solutions. The matching platforms for each industry include: SUUMO for Housing & Real Estate, Hot Pepper Beauty for Beauty, Jalan for Travel, Hot Pepper Gourmet for Dining, and Zexy for Bridal, among others. Most matching platforms generate revenue primarily from advertising while Travel and other services generate revenue from transactions. The pricing models vary according to the commercial practices and characteristics of each industry and are continuously updated to ensure they are optimally aligned with the operations of the Company's business clients in order to maintain long-term relationships with its business clients and maximize the lifetime value ("LTV") per client.

Marketing Solutions provides 16 Air BusinessTools, such as AirPAY, a cloud-based payment service, AirREGI, a point of sale (POS) system, and AirWORK ATS, a centralized application management service as well as other SaaS solutions specialized for industries where Matching & Solutions operates matching platforms. The current priority is to increase the number of SaaS accounts.

¹ Values, Inc. Market Share Survey, June 2024 (Percentage of users who use Indeed, Townwork, Travail, Hatalike, From A Navi, Rikunabi NEXT, and Rikunabi Haken among people who use major job sites in Japan at least two days a year. The data was compiled using approximately 60 competing job sites, excluding recruiting and other services, and without taking into account overlap between PCs and smartphones)

	Brands	Services
HR Solutions	Rikunabi	Online matching platform for new graduates
	Rikunabi NEXT	Online matching platform for mid-career job seekers
	RECRUIT AGENT	Employment placement service for professionals
	RECRUIT DIRECT SCOUT	Talent sourcing service for professionals
	TOWNWORK	Online matching platform for part-time and full-time job seekers
Marketing Solutions	SUUMO	Online platform and in-person consultation service for housing and real estate
	Hot Pepper Beauty	Online platform for beauty treatment
	Jalan	Online platform for travel in Japan
	Hot Pepper Gourmet	Online platform for dining
	Air BusinessTools	Cloud-based operational and management support solutions for business clients across an expanding variety of businesses

As of April 1, 2025

Brands	Services
SUUMO	Online platform and in-person consultation service for housing and real estate
Hot Pepper Beauty	Online platform for beauty treatment
Jalan	Online platform for travel in Japan
Hot Pepper Gourmet	Online platform media for dining
Air BusinessTools	Cloud-based operational and management support solutions for business clients across an expanding variety of businesses

Staffing

Staffing consists of two major operations: *Japan* and *Europe, US, and Australia*. Staffing offers temporary staffing and other related services primarily for clerical, manufacturing, light industry and various professional positions across a multitude of industries. The Company selects appropriate temporary staff, based on the skills needed by clients, from a large pool of workers registered with the Company, and then provides those temporary staff to business clients.

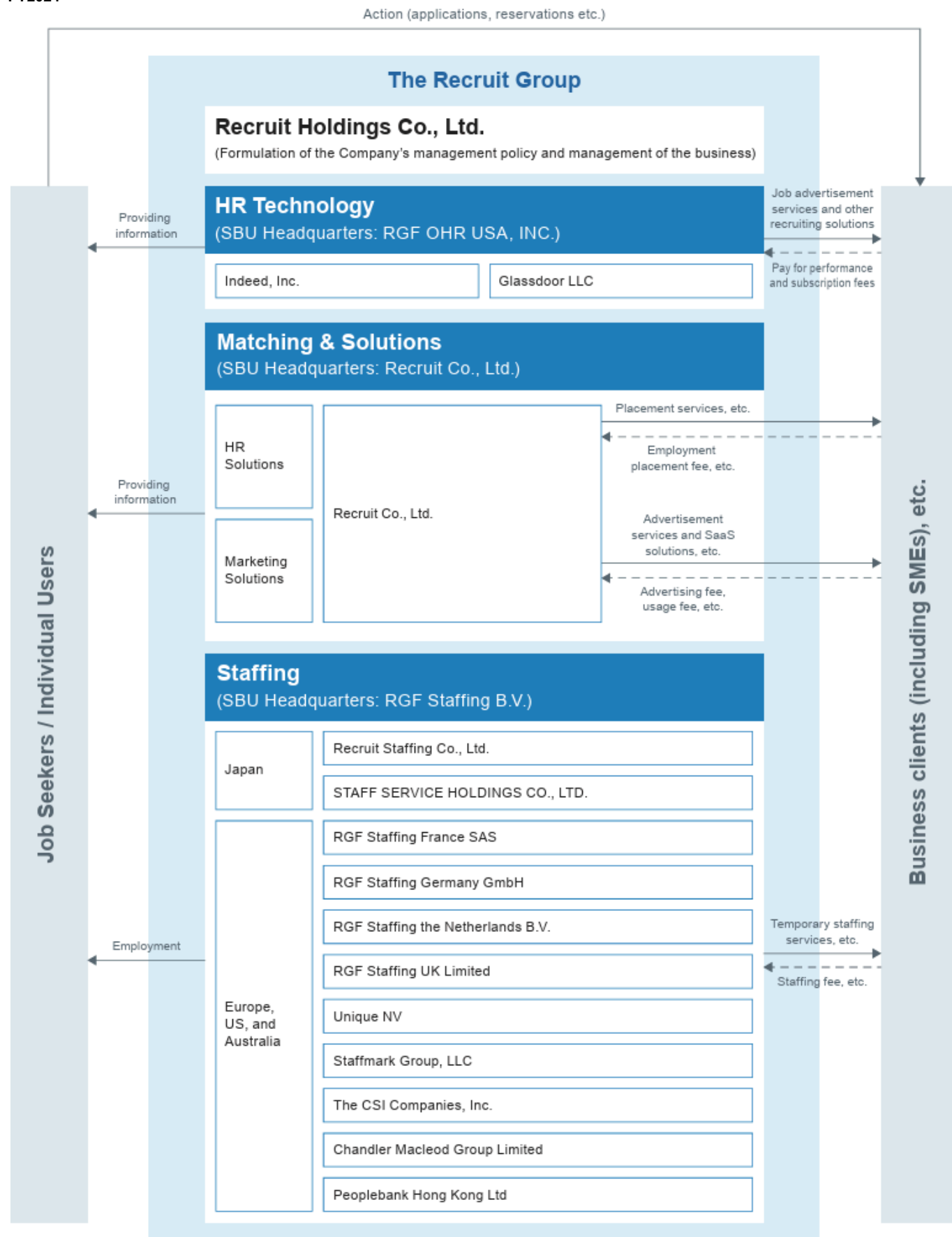
Both *Japan* and *Europe, US, and Australia* operations implement the Unit Management System, which divides an organization into smaller units based on differences in the markets they serve. Each unit is regarded as a distinct company, and the Unit Manager is given authority to make decisions to maximize each unit's profitability.

	Brands	Services
Japan	Recruit Staffing STAFF SERVICE GROUP	Staffing services in Japan
Europe, US, and Australia	Europe: Start People, Unique, USG Professionals, Secretary Plus, Bright Plus, Solvus, Certain Advantage US: Staffmark, CSI Companies Australia: Chandler Macleod, Peoplebank	Staffing services mainly in Europe, US, and Australia

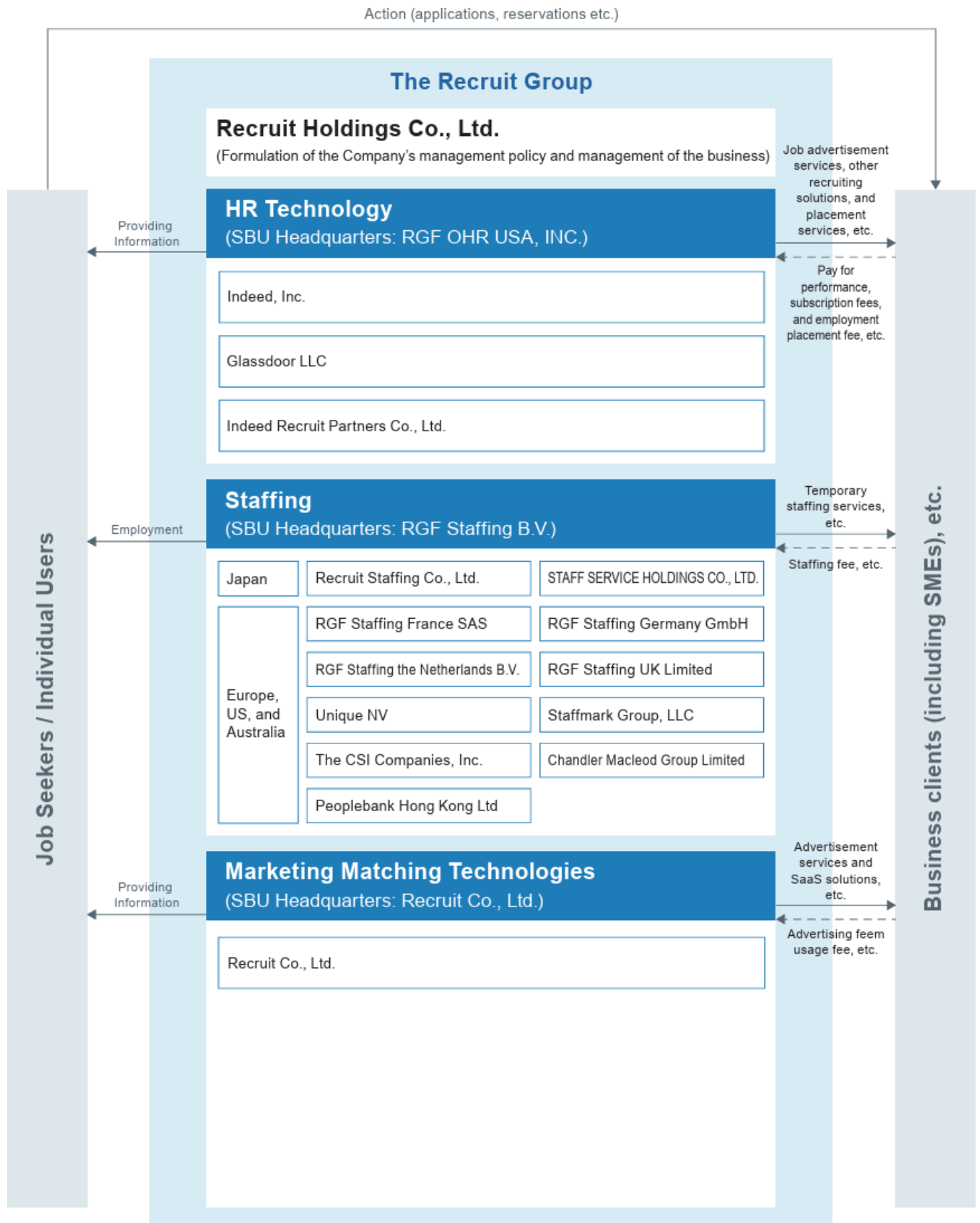
Since Recruit Holdings falls under the category of Specified Listed Company under the insider trading regulations, the criteria for determining the insignificance of material facts relative to the size of the Company with respect to insider trading regulations are decided based on the figures on a consolidated basis.

Operational Chart

FY2024



FY2025



5. Management Philosophy and Strategies

Management Philosophy

Recruit Group Management Philosophy is defined by its Basic Principle, Vision, Mission and Values as follows:

Basic Principle	We are focused on creating new value for our society to contribute to a brighter world where all individuals can live life to the fullest.		
Vision	<p>Follow Your Heart</p> <p>We envision a world where individuals and businesses can focus on what really matters. The more people are free to pursue their passions, the better our future becomes.</p>		
Mission	<p>Opportunities for Life. Faster, Simpler and closer to you.</p> <p>Since our foundation, we have connected individuals and businesses offering both a multitude of choices.</p> <p>In this era of search where information has become available anytime anywhere, we need to focus more on proposing the optimal choice. We seek to provide "Opportunities for Life" much faster, surprisingly simpler and closer than ever before.</p>		
Values			
Wow the World	Bet on Passion	Prioritize Social Value	
What we do isn't a job. We enjoy exploring what is possible for our future. We question the status quo, fail well and overcome with resilience. We are a force for change.	We are a team of people fueled by curiosity. We respect and capitalize on each other's differences. We know that one person's crazy idea, when backed by data and research, can become the best bet.	We, as global citizens, strive to contribute to a sustainable society through all of our corporate activities. Each one of us is committed to seeking out the needs of society and taking action for a better future.	

The Company has aligned its management philosophy through its two-sided marketplace business model, which facilitates the best possible matches for the mutual benefit of both individual users and business clients.

In recent years, the Company has improved matching efficiency, providing better matching outcomes for individual users and improving operational efficiencies for business clients with AI and technological advancement.

Target Management Key Performance Indicators (KPIs)

The Company aims to invest in new businesses, research and development, and mergers and acquisitions (M&A) in order to achieve profitable growth over the long-term, and maximize enterprise value as well as shareholder value. Therefore, the Company has set adjusted EBITDA as target management KPIs. Executive officers' compensation is linked to the achievement level of adjusted EBITDA, to align with shareholder interests.

Business Strategies

This section is based on the information after HR Solutions of the Matching & Solutions SBU has been transferred to HR Technology SBU on April 1, 2025, and Matching & Solutions SBU will change its name to Marketing Matching Technologies SBU in FY2025.

Recruit Group is committed to maximizing enterprise and shareholder value by quickly identifying needs and business opportunities in the global market and making swift decisions in response to the rapidly evolving business environment driven by technological advancements.

Through HR Technology and Staffing in the global HR Matching market as well as through Marketing Matching Technologies for Japan, the Company aims not only to provide online advertising businesses, but also to be a solutions provider that utilizes technology to improve the performance and productivity of clients' businesses.

In an environment of significant uncertainty, the Company is committed to making a positive impact on society and the planet, which is essential to achieving sustainable growth. The Company aims to prosper together with all stakeholders by conducting all corporate activities with a sound governance foundation. Therefore, as part of the Company's corporate strategy, the Company has set specific targets for environmental, social and governance matters which will be monitored by the Board of Directors. The Company will advance these initiatives through ongoing dialogue with its stakeholders.

The Company's business strategies are as follows:

Simplify Hiring - Make it easier and faster for people to get jobs

The HR Matching market includes job advertising & talent sourcing tools, direct hire, retained search, internal recruitment automation, and temporary staffing. The Company is committed to making it easier and faster for people to get jobs, while reducing the cost and time to hire for employers across the HR Matching market.

To achieve the goal of Simplify Hiring, the Company believes it is essential to further strengthen the collaboration between all HR related businesses across Recruit Group and operate them in a unified manner, while targeting the entire HR Matching market. Through Indeed PLUS and continuing with the placement business, which was previously included in HR Solutions in Matching & Solutions and transferred to HR Technology on April 1, 2025, the Company believes that operating these businesses as one will improve hiring efficiency and accelerate our ability to effectively address the global HR Matching market.

The Recruit Group is dedicated to automating many of the steps in the hiring process and to enhancing the quality and speed of matching in all HR Matching markets it operates in. The Company aims to leverage the vast amount of data available in each service combined with AI and machine learning technology to simplify the hiring process and deliver greater value to job seekers and employers. The Company's long term vision is to more quickly, effectively and fairly connect job seekers and employers at the push of a button¹.

At the center of this strategy, HR Technology SBU operates a global two-sided talent marketplace that includes the world's leading online matching and hiring platforms², Indeed and Glassdoor, and the job distribution platform Indeed PLUS. Every day, millions of job seekers connect with millions of employers of all sizes, from small businesses to large enterprises and staffing agencies, directly on Indeed, Indeed PLUS and Glassdoor.

Job seekers can access more than 24 million jobs³ that have been aggregated from public sources, posted via integrations with ATS or posted directly by employers to HR Technology's online matching and hiring platforms and can access billions of company ratings, company reviews and salaries⁴ to help them make informed job and career decisions. Job seekers are provided with a suite of tools and resources that make getting a job simple, fast and more human, including job search and recommendations, profile creation and resume posting, career advice and workplace community conversations, and scheduling and conducting video and phone interviews.

For employers, HR Technology's online matching and hiring platforms offer AI based solutions to recruit and hire qualified talent in a simpler, faster and more human way. Employers can post and advertise jobs and build their company's employment brand across both platforms, reaching a broad and diverse job seeker audience. Indeed and Glassdoor offer a range of products for employers to source, screen, interact with, and interview candidates and together they provide an efficient source of candidates through pay-for-performance and subscription pricing models.

The scale of the two-sided talent marketplace created by Indeed and Glassdoor is evidenced by the 3.3 million employers⁵ that use Indeed each year to hire, the over 610 million verified job seeker profiles⁶ created on Indeed and over 210 million user profiles⁷ created on Glassdoor.

Improving the matching process between job seekers and employers is vital to enhance the efficiency and effectiveness of the two-sided talent marketplace. This involves continuously refining the accuracy and timeliness of the information the Company uses including through the use of generative AI tools, in conjunction with predictive AI and machine learning technology, to provide the most suitable job recommendations and the most qualified candidate pool available. Additionally, an essential element of this effort is to increase engagement with job seekers in the Company's talent marketplace, including through more tailored agentic AI experiences.

By logging in and creating a profile, job seekers provide the Company with a better understanding of their skills and preferences, enabling it to offer more personalized job recommendations that are highly relevant to them. This not only provides a superior user experience but also helps job seekers find suitable opportunities more efficiently.

Furthermore, the Company also believes that it is crucial to understand the factors that drive successful and unsuccessful outcomes for job seekers and employers. The Company's talent marketplace facilitates interactions between job seekers and employers, such as messaging, calls, application submissions, interview requests and RSVPs, offers, and more. Additionally, by expanding integrations with ATSs, the Company aims to improve matching by bringing outcome data from external ATSs into the Indeed platform. By tracking these interactions in the Company's marketplace throughout the hiring process, it gains valuable insights into why job seekers and employers progress from one step to the next.

The Company considers the measured average number of hires per minute⁸ to be a Key Performance Indicator (KPI) that demonstrates its success in simplifying the hiring process. The Company believes this KPI indicates a successful engagement between job seekers and employers, which represents improvements in matching and automation, as well as improvements in employer engagement that help the Company measure more hires. In calendar 2024, based on internal measurement, an average of 27 job seekers were hired on Indeed and Glassdoor every minute.

The Company believes that by fully utilizing the Recruit Group's business client relationships, offline and online data, combined with machine learning and other AI technologies, the Recruit Group's matching engine can be improved significantly, helping to simplify the process for job seekers and make recruiting more efficient across all of Recruit's HR related businesses.

As an example, Indeed PLUS, a job distribution platform available throughout Japan, efficiently matches job seekers and employers by combining the power of the Company's online matching and hiring platforms with the data and insights of its various Japan-based job boards like TOWNWORK and Rikunabi NEXT. All of the job boards in Japan, with the exception of Rikunabi, are now linked to Indeed PLUS, allowing job seekers to choose from a wider range of jobs, and employers to expect to hire the most suitable talent more quickly and efficiently, from a larger pool of candidates.

Additionally, RECRUIT AGENT and RECRUIT DIRECT SCOUT, the placement services, which are part of the HR Technology SBU as of April 1, 2025, utilize the Recruit Group's matching engine to streamline processes like screening resumes, a previously manual process. By combining Indeed's technology, data and scale with more than 60 years of HR matching expertise in the Japanese market, the Company aims to accelerate its Simplify Hiring strategy in Japan.

The Staffing SBU is focused on leveraging the technology developed within the Recruit Group, such as its unparalleled matching engine, to provide superior experiences for both business clients and temporary workers by applying data and automation to the traditional temporary staffing business. The Company aims to improve the speed and quality of matching, and increase retention of temporary workers and automate manual processes with the ultimate goal of becoming the leading, most innovative platform in the temporary staffing market.

In 2024, the Company believes the size of the HR Matching market was roughly 310 billion US dollars⁹, flat compared to the Company's restated estimate¹⁰ for 2023. While the estimated size of the Job Advertising and Talent Sourcing, Direct Hire and Temporary Staffing markets each contracted slightly, this was offset by an increase in the estimated size of the Internal Recruitment Automation market, driven by an increase in the assumed percent of historical spending on internal talent acquisition resources that could be reasonably captured by current technology. The size of the total, and each, addressable market has been updated as of May 9, 2025. Please reference the footnotes for details of the changes.

The Direct Hire and Retained Search markets, as well as the internal recruitment processes that underlie the Internal Recruitment Automation market have historically been characterized as business processes and methods that are highly dependent on manual processes in order to source and screen candidates, schedule interviews, and dispose of candidates. The Company is currently aiming to develop highly efficient solutions for recruiters, hiring managers, and business owners at lower prices compared to the industry average, using data and automation to make getting a job and hiring an employee simpler and faster. As a result, the Company aims to further grow the number of employers it serves and increase the share of employers' recruiting budgets that it can capture.

HR Matching addressable markets (estimated)

(in billions of US dollars)	2023 as of May 15, 2024	2023 as of May 9, 2025	2024
Job Advertising and Talent Sourcing ^{11, 12, 13}	31	34	33
Direct Hire ^{14, 15, 16}	58	74	72
Retained Search ^{14, 15, 16}	37	24	24
Temporary Staffing ^{17, 18, 19}	116	118	111
Internal Recruitment Automation ^{20, 21}	60	60	70
Total Addressable Market ("TAM")²²	302	310	310

Job Advertising and Talent Sourcing: The global job advertising and talent sourcing market is estimated by Staffing Industry Analysts ("SIA") to have been roughly 33 billion US dollars¹³ in terms of annual revenue in 2024.

Direct Hire: The direct hire market, where companies are paid fees for placing permanent workers at employers, is estimated by the Company to have been roughly 72 billion US dollars¹⁶ in terms of annual revenue globally in 2024 and has historically been dominated by traditional relationship-based business models.

Retained Search: The retained search market, where companies are paid to search for employees to fill specific roles, commonly executive roles, is estimated by the Company to have been roughly 24 billion US dollars¹⁶ in terms of annual revenue globally in 2024 and is similarly dominated by traditional relationship-based models.

Temporary Staffing: The temporary staffing market, where companies are paid to find and employ, or facilitate employment of, workers for a temporary period, is estimated by the Company to have been roughly 536 billion US dollars¹⁹ in annual revenue globally in 2024. The total gross profit for all staffing companies, which is calculated by subtracting the amount of salary for temporary staff and related costs from the total revenue, is estimated by the Company to have been roughly 100 billion US dollars¹⁹ in 2024. Additionally, the Company's definition of this market includes the estimated annual revenue globally in 2024 for each of the Talent Platforms²³, Staffing Platforms²⁴ and Vendor/Freelancer Management Systems ("VMS/FMS")²⁵ markets, and an estimated annual spending by employers on Managed Service Provider ("MSP")²⁶ and Recruitment Process Outsourcing ("RPO")²⁷ services that can be reasonably automated and monetized by third parties (including an estimated reduction from historical spending due to cost savings achieved through automation). Given the related nature of these markets and the frequency with which service providers offer some or all of these services, the Company believes that it is appropriate to combine these markets as part of the temporary staffing market. Including these markets, the Company estimates that the temporary staffing market was roughly 111 billion¹⁹ US dollars globally in 2024.

Internal Recruitment Automation: The potential internal recruitment automation market, which the Company has begun to address, is estimated by the Company to have been roughly 70 billion US dollars²¹ in 2024. The size of this market is estimated based on the historical estimated spending by employers on internal talent acquisition resources, and then estimating how much of this spending can be reasonably automated and monetized by third parties (including an estimated reduction from historical spending due to cost savings achieved through automation). Additionally, in order to comprehensively capture the automation tools that are currently used by employers in the recruitment process, the Company's definition of this market includes the estimated annual revenue globally in 2024 for ATS²⁸ and an estimated annual internal spending by employees on Background Checks²⁹ that can be reasonably automated and monetized by third parties.

¹ The Company is aware there may be legal restrictions in this area and so will endeavor that the Company's work meets those requirements.

² Source: comScore, Total Visits, March 2025

³ Internal data, based on the last 12 months daily average number of jobs searchable on Indeed as of December 2024, worldwide

- ⁴ Internal data, cumulative number of company ratings, company reviews and salaries submitted on Indeed (approximately 4.5 billion), worldwide, as of March 31, 2025
- ⁵ Internal data, based on the last 12 months of activity as of March 2025, worldwide
- ⁶ Internal data, cumulative number of verified job seeker accounts on Indeed through March 31, 2025, worldwide. Job seeker accounts that have a unique, verified email address.
- ⁷ Internal data, cumulative number of Glassdoor registered users for which a profile or resume is available through March 31, 2025, worldwide.
- ⁸ Internal data, hires per minute is a calculation of hired signals per year on Indeed and Glassdoor, divided by minutes per year. A hired signal refers to the event when a specific job seeker is hired for a specific job on a specific date. Hired signals are counted either when an employer or job seeker explicitly communicates a hire occurred (e.g., via survey or web form) or when there is other clear evidence from Indeed and Glassdoor data that a hire occurred (e.g., from a resume or an Indeed message) and may not represent all hires facilitated by Indeed and Glassdoor.
- ⁹ Sum of the estimated size of addressable markets for the job advertising & talent sourcing tools market, the direct hire market and the retained search market in terms of annual revenue, the estimated size of the addressable market for the internal recruitment automation market in terms of the amount of current expenses of employers for internal talent acquisition resources that could be reasonably automated and monetized plus the estimated size of the addressable market for the ATS market and the Background Checks market, and the addressable markets for the temporary staffing market in terms of annual gross profit plus the estimated size of the addressable markets for the Talent Platforms, Staffing Platforms, VMS/FMS, MSP, and RPO markets, in each case based on the Company's estimates and third party market data as described in the notes below.
- ¹⁰ The estimated size of the HR Matching market in 2023 has been restated from the Company's initial estimate in the Q4 FY2023 Earnings Release as of May 15, 2024 based on a revision to the methodology used to estimate the job advertising & talent sourcing tools market and information that became available after the publication of such initial estimate pertaining to each market listed in the notes below. As described in detail in the notes below the Company's initial estimate in the Q4 FY2023 Earnings Release as of May 15, 2024 for the job advertising & talent sourcing tools market relied on the Company's estimates using third party reports, internal research and other sources. The updated estimate relies solely on the SIA report Online Job Advertising Market: 2024 Update. The methodologies changed in that the share of the Global Staffing Revenue that is attributed to Placement & Search is changed from the 2023 (as May 15, 2024) and 2023 (restated) and calculated on a regional (Americas, EMEA, APAC) basis rather than applying a single global share percentage. Additionally, as referenced in detail in the notes below, SIA estimated relative composition of the Place & Search market for 2023 between Direct Hire and Retained Search changed significantly from the publication of Global Staffing Market Estimates and Forecast: November 2023 Update and the publication of Global Staffing Market Estimates & Forecasts November 2024.
- ¹¹ Source for 2023 (as of May 15, 2024): Estimated size of the global online Job Advertising and Talent Sourcing Tools Market calculated by adding together the revenue of HR Technology in the relevant year, the Company's estimates for revenue of competing job advertising boards in the Company's target operating markets in the relevant year based on third party reports and internal research, and the Company's estimates for annual revenue of the talent solutions business of LinkedIn in the Company's target operating markets in the relevant year based on publicly available information, sell side analyst models, and internal research and in addition the estimated size of the global offline job advertising market derived based on the proportion of online to offline spending (excluding TV, cinema and radio advertising) in the overall advertising market in the relevant year based on third party reports and the estimated size of global online job advertising and talent sourcing tools market. The numbers in this chart are the sum of the global offline job advertising market and global online job advertising and talent sourcing tools market
- ¹² Source for 2023 (restated): SIA, Online Job Advertising Market: 2024 Update. The Company has determined that, given the small, declining size of the global offline job advertising market, it is no longer useful to disclose the size of the global offline job advertising market.
- ¹³ Source for 2024: SIA, The Evolution of Recruiting: 2025 Update to Estimating the Addressable Market for Recruitment Automation (custom research commissioned by Indeed): January 2025 Update. The Company has determined that, given the small, declining size of the global offline job advertising market, it is no longer useful to disclose the size of the global offline job advertising market.
- ¹⁴ Source for 2023 (as of May 15, 2024): SIA, Global Staffing Market Estimates and Forecast: November 2023 Update. Placement & Search Market is derived by applying 15%, which was Placement & Search's share of 2023 Global Staffing Revenue to 640 billion US dollars, which was estimated 2023 Global Staffing Revenue, derived by applying the estimated 2023 -2% growth rate to the estimated 2022 market of 654 billion US dollars (estimate updated following the May 15th 2023 Earnings Release). Direct Hire Market is defined as a segment of Placement & Search Market, which in turn is a segment of Global Staffing Industry Market. Direct Hire Market segment was derived by applying SIA's Global Staffing Industry Market figure to country-by-country ratios of the relative proportion attributable to this segment within the total market based on proprietary third party market data. Retained Search Market is defined as the portion of Placement & Search Market not attributable to the Direct Hire Market and derived as the difference between these two segments.
- ¹⁵ Source for 2023 (restated): SIA, Global Staffing Market Estimates & Forecasts November 2024. Direct Hire Market is defined as a segment of Placement & Search Market, estimated by SIA to be 98 billion US dollars, which in turn is a segment of Global Staffing Industry Market. The Direct Hire Market segment was derived by applying SIA's Global Staffing Industry Market figure to country-by-country ratios of the relative proportion attributable to this segment within the total market based on proprietary third party market data. Retained Search Market is defined as the portion of Placement & Search Market not attributable to the Direct Hire Market and derived as the difference between these two segments. Updates to the ratios used to attribute the Placement & Search Market between Direct Hire and Retained Search are the primary driver of the change in each of Direct Hire Market and Retained Search Market between the 2023 estimates as of May 15, 2024 and the 2023 updated estimates.
- ¹⁶ Source for 2024: SIA, Global Staffing Market Estimates & Forecasts November 2024. Placement & Search market is derived by applying 15.2%, which was Placement & Search's share of 2023 Global Staffing Revenue, to the sum product (a) of -9% growth rate from SIA, America's Staffing Market Forecast November 2024 applied to 229 billion US dollars, which was America's Total Staffing market in 2023, (b) of -2% growth rate applied to 263 billion US dollars, which was EMEA Total Staffing market in 2023, and (c) of 7% growth rate applied to 159 billion US dollars, which was APAC Total Staffing market in 2023, all from SIA, Global Staffing Market Estimates & Forecasts November 2024. Direct Hire market is defined as a segment of Placement & Search market, which in turn is a segment of Global Staffing Industry Market. Direct Hire Market segment was derived by applying SIA's Global Staffing Industry Market figure to country-by-country ratios of the relative proportion attributable to this segment within the total market based on proprietary third party market data. Retained Search Market is defined as the portion of Placement & Search Market not attributable to the Direct Hire Market and derived as the difference between these two segments.
- ¹⁷ Source for 2023 (as of May 15, 2024): derived by applying a gross profit margin of 19.30%, which was calculated based on the weighted

average of the top 3 publicly traded global staffing companies in terms of revenue in 2023, to 544 billion US dollars, which was the revenue of the temporary staffing market in 2023 from SIA, Global Staffing Market Estimates and Forecast: November 2023 Update by applying the estimated -2% growth rate to the updated estimated 2022 market of 555 billion US dollars.

- ¹⁸ Source for 2023 (restated): derived by applying a gross profit margin of 19.30%, which was calculated based on the weighted average of the top 3 publicly traded global staffing companies in terms of revenue in 2023, to 551 billion US dollars, which was the restated revenue of the temporary staffing market in 2023 from SIA Global Staffing Market Estimates & Forecasts November 2024.
- ¹⁹ Source for 2024: derived by applying a gross profit margin of 18.72%, which was calculated based on the weighted average of the top 3 publicly traded global staffing companies in terms of revenue in 2024, to 536 billion US dollars, which was the estimated revenue of the temporary staffing market in 2024. 536 billion US dollars is a sum product (a) of -9% growth rate of the Total Staffing market from SIA, America's Staffing Market Forecast November 2024 applied to 206 billion US dollars, which was America's Temporary Staffing market in 2023, (b) of -2% growth rate of the Total Staffing market applied to 225 billion US dollars, which was EMEA Temporary Staffing market in 2023, and (c) of 7% growth rate of the Total Staffing market applied to 120 billion US dollars, which was APAC Temporary Staffing market in 2023, all from SIA, Global Staffing Market Estimates & Forecasts November 2024.
- ²⁰ Source for 2023 (as of May 15, 2024) and 2023 (restated): SIA, The Evolution of Recruiting: 2024 Update to Estimating the Addressable Market for Recruitment Automation (custom research commissioned by Indeed): January 2024 Update. SIA's estimates are based on the assumption that 41% of historical spending on internal talent acquisition resources could be reasonably captured by current technology and that technology would result in 37% cost savings from historical spending. In the report, SIA notes given the challenges in making global estimates with incomplete information, and in estimating potential automation and savings, SIA advises readers to think of the estimated market size as a midpoint in a range with a 20% spread. This market estimate includes the addition of the ATS market and the Background Checks market.
- ²¹ Source for 2024: SIA, The Evolution of Recruiting: 2025 Update to Estimating the Addressable Market for Recruitment Automation (custom research commissioned by Indeed): January 2025 Update. SIA's estimates are based on the assumption that 46% of historical spending on internal talent acquisition resources could be reasonably captured by current technology and that technology would result in 37% cost savings from historical spending. In the report, SIA notes given the challenges in making global estimates with incomplete information, and in estimating potential automation and savings, SIA advises readers to think of the estimated market size as a midpoint in a range with a 20% spread. This market estimate includes the addition of the ATS market and the Background Checks market.
- ²² As described above, the estimates of the Job Advertising & Talent Sourcing tools market, the Direct Hire market, the Retained Search market, the Internal Recruitment Automation market and the Temporary Staffing market are based on internal estimates and independent market research in addition to third party market data. Accordingly, the estimates described above may differ materially from the actual size of such markets.
- ²³ The Talent Platforms market, where companies manage marketplaces that facilitate direct contingent work arrangements that enable a legal relationship between companies and workers, is estimated by the Company to have been roughly 2 billion US dollars in 2023 and 2024 in terms of annual revenue globally based on SIA, The Evolution of Recruiting: 2024 Update to Estimating the Addressable Market for Recruitment Automation (custom research commissioned by Indeed): January 2024 Update and SIA, The Evolution of Recruiting: 2025 Update to Estimating the Addressable Market for Recruitment Automation (custom research commissioned by Indeed): January 2025 Update, respectively.
- ²⁴ The Staffing Platforms market, where companies manage marketplaces that facilitate automated match of candidates with relevant temporary assignments, is estimated by the Company to have been roughly 4 billion US dollars in 2023 and 3 billion US dollars in 2024 in terms of annual revenue globally based on SIA, The Evolution of Recruiting: 2024 Update to Estimating the Addressable Market for Recruitment Automation (custom research commissioned by Indeed): January 2024 Update and SIA, The Evolution of Recruiting: 2025 Update to Estimating the Addressable Market for Recruitment Automation (customer research commissioned by Indeed): January 2025 Update, respectively.
- ²⁵ The Vendor/Freelancer Management Systems ("VMS/FMS") market, where companies provide technology used to manage a company's contingent workforce program, is estimated by the Company to have been roughly 3 billion US dollars in 2023 and 2024 in terms of annual revenue globally based on SIA, The Evolution of Recruiting: 2024 Update to Estimating the Addressable Market for Recruitment Automation (custom research commissioned by Indeed): January 2024 Update and SIA, The Evolution of Recruiting: 2025 Update to Estimating the Addressable Market for Recruitment Automation (customer research commissioned by Indeed): January 2025 Update, respectively.
- ²⁶ The Managed Service Provider ("MSP") market, where companies provide services associated with management of all or part of a client's contingent workforce program through the use of automation, is estimated by the Company to have been roughly 1 billion US dollars in 2023 and 2024 in terms of annual spending by employers that can be reasonably automated and monetized by third parties based on SIA, The Evolution of Recruiting: 2024 Update to Estimating the Addressable Market for Recruitment Automation (custom research commissioned by Indeed): January 2024 Update and SIA, The Evolution of Recruiting: 2025 Update to Estimating the Addressable Market for Recruitment Automation (customer research commissioned by Indeed): January 2025 Update, respectively.
- ²⁷ The automated Recruitment Process Outsourcing ("RPO") market, where companies perform the partial or full internal recruitment function for a third party, from sourcing to onboarding through the use of automation, is estimated by the Company to have been roughly 3 billion US dollars in 2023 and 2024 in terms of annual spending by employers that can be reasonably automated and monetized by third parties based on SIA, The Evolution of Recruiting: 2024 Update to Estimating the Addressable Market for Recruitment Automation (custom research commissioned by Indeed): January 2024 Update and SIA, The Evolution of Recruiting: 2025 Update to Estimating the Addressable Market for Recruitment Automation (customer research commissioned by Indeed): January 2025 Update, respectively.
- ²⁸ ATS market, where companies provide software and other tools to facilitate the tracking of applicants through different stages of the recruitment process, is estimated by the Company to have been roughly 2 billion US dollars in terms of annual revenue globally in 2023 and 3 billion US dollars in 2024 based on SIA, The Evolution of Recruiting: 2024 Update to Estimating the Addressable Market for Recruitment Automation (custom research commissioned by Indeed): January 2024 Update and SIA, The Evolution of Recruiting: 2025 Update to Estimating the Addressable Market for Recruitment Automation (custom research commissioned by Indeed): January 2025 Update, respectively.
- ²⁹ The Background Checks market, where companies use digitized methods to verify and vet applicants' background and credentials, is estimated by the Company to have been roughly 1 billion US dollars in terms of annual internal spending by employers that can be reasonably automated and monetized by third parties in 2023 and 2024 based on SIA, The Evolution of Recruiting: 2024 Update to Estimating the Addressable Market for Recruitment Automation (custom research commissioned by Indeed): January 2024 Update and SIA, The Evolution of Recruiting: 2025 Update to Estimating the Addressable Market for Recruitment Automation (custom research commissioned by Indeed): January 2025 Update, respectively.

Help Businesses Work Smarter - Improve performance and productivity for business clients in Japan

Help Businesses Work Smarter aims to contribute to improving productivity and profitability of the Company's business clients in Japan, mainly led by the Marketing Matching Technologies SBU, which provides vertical-specific matching platforms and associated vertical-specific business support SaaS solutions, as well as business support SaaS solutions called Air BusinessTools, which work across all verticals.

The Help Businesses Work Smarter strategy will be achieved by consolidating business clients' operations within a single ecosystem, consisting of vertical matching platforms and SaaS solutions.

In building this ecosystem, the Company has established key performance indicators (KPIs) including "the number of actions by individual users¹," "the number of registered SaaS accounts²," and "the gross payment volume, GPV³."

The number of actions by individual users⁴ in FY2024 was approximately 540 million, an increase of 12.3% year over year. Actions by individual users includes the number of online reservations made on the Company's salon, restaurant, and lodging matching platforms.

An increase in the number of actions in Marketing Matching Technologies may translate into revenue growth for business clients. By utilizing action data and matching technology, the Company aims to improve the convenience of its matching platforms and increase the number of actions across the entire Matching & Solutions SBU.

As of March 31, 2025 the number of registered SaaS accounts was approximately 4.34 million, an increase of 14.7% year over year. The availability of Air BusinessTools that are not restricted to any specific field, especially AirPAY, a cashless payment service, was a primary driver of the increase in the number of accounts. AirPAY extends the Company's services to new businesses outside its existing verticals, such as retailers. In addition, the number of new business clients who use AirWORK ATS, a recruitment management system increased.

The Company estimates that roughly 4.38 million⁵ business locations and stores in Japan are potential users of Air BusinessTools. Assuming each business location uses multiple SaaS solutions, the Company believes there is still significant opportunity to expand. An increase in the number of registered accounts represents the expansion of its customer base. The Company expects the customer base of Air BusinessTools to continue to expand as business clients replace existing manual processes with SaaS solutions.

For FY2024, GPV reached approximately 2.4 trillion yen, an increase of 26.8% year over year. Apart from the increase in the number of AirPAY registered accounts, the growth in payment volumes is also due to the online payment service offered through AirPAY. The online payment service is now available for both Hot Pepper Beauty and Hot Pepper Gourmet, following its introduction on Jalan net. This service enables individual users to make online payments for their salon bookings and restaurant reservations, which enhances payment convenience for individual users, reduces lost revenue opportunities for business clients, and increases the amount of payment transaction volume flowing through the Company's ecosystem.

GPV is important for the future expansion of fintech services, which, the Company believes will become a new potential source of revenue in the long term. An example of a fintech service is AirCASH, a service allowing business clients to receive cash in advance based on their future revenue.

By integrating vertical-specific matching platforms with Air BusinessTools SaaS solutions, the Company creates opportunities to engage with business clients across many business operation services. Additionally, incorporating HR matching services into the Company's offering will complete all business operations within its ecosystem, increasing the recurring use of its various products for business clients and ultimately resulting in greater lifetime value of both individual users and business clients.

¹ The total of the number of applications on Rikunabi NEXT, TOWNWORK, and RECRUIT AGENT, the number of individual users who were referred to the Company's business clients at SUUMO Counter, the number of online reservation on Hot Pepper Beauty, the number of hotel bookings on Jalan, the number of seats reserved on Hot Pepper Gourmet, and the number of payments through AirPAY during the period from April 1, 2024 to March 31, 2025.

² Cumulative number of registered accounts of paid and unpaid SaaS solutions provided by Matching & Solutions SBU in Japan as of March 31, 2025. Registered accounts refer to the number of stores and business locations that have registered for each relevant service including both active and non-active accounts.

³ Total gross payment volume of offline payments through AirPAY terminals, including QR code payments through AirPAY QR, and online payments through AirPAY ONLINE (Since the revenue generated from the payment processing fee the Company collects is based on a very small percentage of total gross payment volume, changes in total gross payment volume are not necessarily proportional to changes in its total revenue).

⁴ The number of individual users retroactively reflects changes in counting methods due to product renewals and other factors.

⁵ The Company estimated the number of business locations and stores that can be potential users of SaaS solutions provided by Matching & Solutions SBU as of March 31, 2025 in Japan by identifying the total number of business locations and stores of small and medium-sized enterprises in Japan (using the definition used by Small and Medium Enterprise Agency) based on the 2021 Economic Census for Business Activity conducted by the Ministry of Internal Affairs and Communications and the Ministry of Economy, Trade and Industry. Considering the solutions (including AirWORK ATS) provided by Matching & Solutions SBU in Japan as of March 31, 2025, the Company now believes it is possible to provide its SaaS solutions to all business locations and stores of small and medium-sized businesses regardless of the industry. Accordingly, the Company decided to count all such business locations and stores as potential users of its SaaS solutions. Matching & Solutions SBU continues to target potential users among small and medium-sized businesses as defined by Small and Medium Enterprise Agency based on the current major target for potential users of SaaS solutions.

Prosper Together - Seek sustainable growth shared by all stakeholders

The Company believes that it can make a positive impact on society through its corporate activities. In doing so, the Company can prosper alongside its stakeholders and take a vital step toward achieving long-term, sustainable growth. As the Company announced in May 2021, environmental, social, and governance goals have become one of the strategic pillars of its corporate strategy. The progress the Company has made toward these goals is outlined below.

Environmental

The Company anticipates achieving its short-term goal of reaching carbon neutrality throughout its business activities in FY2024¹, as it did in the past three fiscal years^{2,3}. The Company's long-term goal is to achieve carbon neutrality across its entire value chain by FY2030². In order to accelerate its efforts toward this FY2030 goal, the Company set a greenhouse gas (GHG) absolute reduction target⁴ based on its SBTi Near-Term Target. The Company is on track to surpass its GHG reduction target across all emissions categories, Scopes 1, 2, and 3^{2,3} in FY2024. One particular focus was to accelerate the reduction of Scope 3 emissions, which account for more than 95%⁵ of the Company's GHG emissions. To achieve this, the Company continues working with the partners in its value chain to refine the measurement of GHG emissions and to identify reduction measures.

In recognition of the Company's environmental actions, for the second consecutive year, the Company was selected as an "A" list company in 2024 for its leadership in performance on climate change and corporate disclosure transparency by the international nonprofit organization CDP⁶.

Social

As a leader in the global HR Matching Market, the Company has set two key goals by FY2030 to drive meaningful social impact, centered around its core business area: work. Work is an indispensable foundation for people's lives, and therefore, the Company is dedicated to opening up access to employment opportunities for all and reducing the time to get hired.

In order to achieve the first goal of reducing the time it takes to get hired by half by FY2030, the Company introduced the employer Time to Hire (TTH) metric in May 2024, and continues to deepen its understanding of factors that influence it. The Company has enhanced its TTH measurement methodology to improve accuracy and actionability—enabling the identification of targeted strategies to reduce TTH at every stage of the employer hiring journey. Based on this improved methodology, which looks at paid and free job listings on Indeed, the average TTH was 42 days as of January 2025, up slightly from 41 days⁷ in December 2023.

The increase in TTH is presumed to be at least partially attributable to United States macroeconomic conditions. Initial findings suggest that the U.S. labor force participation rate⁸ and TTH are correlated. When the labor force participation rate increases, TTH increases. Additionally, the U.S. quits rate⁹ and TTH are inversely correlated. When the quits rate decreases, TTH increases. The Company observed a pronounced decline in the U.S. quits rate in 2024, while labor force participation has been gradually increasing post-pandemic.

However, the Company's research consistently shows that when employers used Indeed's paid solutions, TTH decreased significantly. Indeed's AI-powered features played a key role in accelerating hiring and improving outcomes—even amid a challenging macroeconomic environment.

In a global analysis conducted from January 2024 to January 2025, Sponsored Jobs on Indeed saw a 22% faster TTH compared to those that were not sponsored. More recently, product innovations have contributed to improved hiring speeds. For example, testing of hosted Premium Sponsored Jobs in the U.S. has achieved a 58% faster TTH compared to free hosted job listings¹⁰.

The Company aims to continue to advance TTH by introducing innovative AI solutions, streamlining the hiring process, and increasing automation—making hiring simpler and faster for clients, while supporting sustainable business growth of the Company.

At the same time, traditional hiring practices unintentionally create barriers to employment that cannot be solved by speed and matching improvements alone. In response, the Company set a second goal of helping 30 million job seekers facing barriers get hired by FY2030. To achieve this, the Company has been working to break down six common barriers that affect job seekers globally, including education and disabilities.

Education should not be a limiting factor to employment. However, according to one survey, employers have rejected candidates because they did not have a post-secondary education, even when the candidate had sufficient skills and experience¹¹. In order to overcome this barrier, the Company is working to promote adoption of Skills-First Hiring¹²—an approach that evaluates candidates based on the skills they have gained through training, professional history and other past experience. On Indeed, the Company uses skill information for matching and recommending candidates to employer job postings based on their skills. Through skills-first hiring, job seekers can represent their full skills and capacities, and employers can source and evaluate candidates based on the specific skills required for the job. In the future, the Company plans to expand Skills-First Hiring and leverage AI to enable the Company to offer job seekers personalized career advice, coach them to prepare for interviews, and advocate on their behalf to employers.

Through these efforts, the Company successfully helped a total of approximately 11.8 million job seekers facing barriers get hired¹³ in FY2024. The Company remains committed to reducing barriers in the job market by promoting inclusive and Skills-First Hiring practices.

Since its founding, the Company has valued the individuality of each employee. Betting on the passion and ideas of employees has long been the Company's competitive advantage—which has led to the creation of new businesses and services across the Group. In line with its goal to achieve gender parity in senior executive positions, managerial positions, and total employees by FY2030¹⁴, the Company is working to expand the pool of management candidates, for example, by providing employees opportunities to expand their capacity and skills.

Recruit Co., Ltd, which primarily operates in Japan where the gender gap is notably wide, expanded its managerial candidates through a new coaching-based human capital development program and the clarification of the requirements for management positions. These initiatives significantly increased the proportion of women among managers¹⁵.

Governance

The Company views a well-balanced Board—comprising members with varied skills, experiences, and backgrounds—as critical to transparent and sound governance, and high-quality decision-making.

In particular, Recruit Holdings aspires to achieve gender parity among the members of the Board of Directors and Audit and Supervisory Board by FY2030¹⁶. To achieve the goal, Recruit Holdings continues to consider candidates for the Board of Directors based on the skills and backgrounds needed to realize its medium- and long-term strategies.

- ¹ In this document, the term “FY” refers to Recruit Holdings’ Fiscal Year. “FY” refers to the 12-month period commencing April 1 of the year indicated, ending on March 31 of the following year.
- ² GHG emissions throughout the Company’s business activities are the sum of direct emissions from the use of fuels in owned or controlled sources and are referred to as Scope 1. Indirect emissions from the use of purchased electricity, heat, or steam in owned or controlled sources are referred to as Scope 2. GHG emissions from the value chain are referred to as Scope 3, and comprise indirect emissions other than Scopes 1 and 2. The entire value chain represents the sum of Scopes 1, 2, and 3 GHG emissions. The Company aims to achieve carbon neutrality upon completion of the following steps: measurement of GHG emissions, obtaining an accredited third-party assurance on the amount of GHG emissions, and offsetting of those emissions.
- ³ All GHG emission figures are approximate numbers calculated based on the GHG Protocol. Additionally, independent third-party assurances have been obtained from SOCOTEC Certification Japan for GHG emissions.
- ⁴ The GHG emission reduction target is based on the results from FY2022 to FY2024.
- ⁵ Based on the emissions of FY2023.
- ⁶ CDP is a charity-controlled non-governmental organization (NGO) established in 2000. It owns one of the world’s largest environmental databases, working with large global financial institutions to disclose the environmental impact of companies in the areas of climate change, forests and water security.
- ⁷ An employer metric defined as the days elapsed between when a job is created on Indeed and when the first hire is reported for that job. After refining the data, the baseline previously reported as 55 days in the FY2023 Annual Report is updated to 41 days. 41 days is the mean time to hire (starts from a job creation and ends with the first hire) for measured hires on Indeed in December 2023.
- ⁸ Labor force participation rate is the percentage of the population that is either working or actively looking for work. It measures labor supply, specifically how many are in the system, both employed and unemployed.
- ⁹ Quits rate is the number of quits during the entire month as a percent of employment. It is a measure of how dynamic the labor market is - specifically, of those in the labor market, how many are moving around.
- ¹⁰ US data from Nov 2024 - Mar 2025, for jobs hosted on the Indeed platform. Premium Sponsored Jobs was rolled out as a test product in the U.S. beginning in November 2024. TTH for US hosted paid jobs using Premium Sponsored Jobs is 58% faster than US hosted non-paid jobs. Paid job ads are Sponsored Jobs incurring charges, which happen when a job seeker interacts with the job post, such as by clicking to view the post, or clicking to apply.
- ¹¹ Source: Accenture, Grads of Life, Harvard Business School (2017), “Dismissed by Degrees: How degree inflation is undermining U.S. competitiveness and hurting America’s middle class.”
- ¹² A method of selecting job candidates based on their skillset at an early stage of the hiring process. Unlike the traditional selection method, which first ‘screens out’ candidates based on their academic background, skills-first hiring ‘screens in’ candidates first by evaluating their skills. The aim is to allow employers to hire people with the right skills and abilities to perform their jobs, all in a shorter period of time.
- ¹³ Represents number of hires made on Indeed reported through the Hired Signal measurement, from May 1, 2021 - March 31, 2025, globally for job seekers who faced at least one of the following common job market barriers: education, criminal record, military experience, disability, refugee background or lack of work essentials such as a computer or Internet access.
- ¹⁴ Senior executive positions are defined as Senior Vice Presidents and Corporate Professional Officers of Recruit Holdings and Marketing Matching Technologies SBU, and CEOs of the Company’s major subsidiaries and heads of key functions in the HR Technology and Staffing SBUs. The respective percentages of women in managerial positions and total employees are calculated from Recruit Holdings, SBU Headquarters and the primary operating companies of each SBU. Managerial positions mean those that have subordinate employees.
- ¹⁵ Compared to FY2021, the percentage of women managers at Recruit increased from 26.8% to 35.0%, and the percentage of senior managers increased from 9.1% to 33.3%.
- ¹⁶ The Board of Directors members are defined as Directors and Audit and Supervisory Board members.

Capital Allocation Policy

The Company’s capital allocation policy has the following priorities:

- Investment in product development and marketing expense for existing businesses for future growth
- Continuous payment of stable per-share dividends
- Strategic M&A mainly focused on HR Technology in the HR Matching Market
- Share repurchases, depending on the capital markets environment and the outlook of the Company’s financial position

The Company focuses on achieving capital efficiency by focusing on ROE and applying a hurdle rate exceeding the cost of capital when evaluating each investment opportunity. ROE in FY2024 was 22.6%¹.

¹ ROE = Profit attributable to owners of the parent / average net asset for the fiscal year

6. Basic Rationale for Selection of Accounting Standards

The Company has been actively expanding its business globally, and in order to further accelerate global expansion in the future, the Company believes it is necessary to reinforce the infrastructure of the Company’s operational management and to improve the ease of financial information comparisons for participants in global capital markets. Therefore, the Company adopted IFRS in place of Japanese GAAP at the start of FY2017.

7. Consolidated Financial Statements and Primary Notes

Consolidated Statement of Financial Position

(In millions of yen)	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and cash equivalents	1,136,858	808,625
Trade and other receivables	549,814	565,069
Other financial assets	5,608	18,697
Other assets	70,462	77,985
Total current assets	1,762,744	1,470,378
Non-current assets		
Property and equipment	66,513	54,897
Right-of-use assets	170,366	154,572
Goodwill	510,638	508,133
Intangible assets	185,219	174,977
Investments in associates and joint ventures	26,841	17,476
Other financial assets	210,271	163,102
Deferred tax assets	203,482	217,020
Other assets	8,567	11,693
Total non-current assets	1,381,902	1,301,874
Total assets	3,144,646	2,772,252

(In millions of yen)	As of March 31, 2024	As of March 31, 2025
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	359,856	377,543
Borrowings	374	-
Lease liabilities	44,248	44,453
Other financial liabilities	541	5,011
Income tax payables	37,679	53,235
Provisions	17,214	15,437
Other liabilities	298,965	306,503
Total current liabilities	758,879	802,185
Non-current liabilities		
Borrowings	1,020	1,011
Lease liabilities	175,488	163,476
Other financial liabilities	556	945
Provisions	15,059	15,289
Net liability for retirement benefits	64,943	63,408
Deferred tax liabilities	111,610	90,465
Other liabilities	8,186	8,108
Total non-current liabilities	376,866	342,706
Total liabilities	1,135,746	1,144,892

Equity		
Equity attributable to owners of the parent		
Common stock	40,000	40,000
Retained earnings	1,884,258	1,606,348
Treasury stock	(407,049)	(515,363)
Other components of equity	483,714	486,596
Total equity attributable to owners of the parent	2,000,922	1,617,582
Non-controlling interests	7,977	9,777
Total equity	2,008,900	1,627,360
Total liabilities and equity	3,144,646	2,772,252

Consolidated Statement of Profit or Loss

(In millions of yen, unless otherwise stated)	For the Year Ended March 31,	
	2024	2025
Revenue	3,416,492	3,557,478
Cost of sales	1,451,961	1,471,834
Gross profit	1,964,530	2,085,644
Selling, general and administrative expenses	1,521,355	1,558,654
Other operating income	7,388	3,387
Other operating expenses	48,036	39,834
Operating income	402,526	490,542
Share of profit (loss) of associates and joint ventures	(1,356)	(8,810)
Finance income	55,930	56,037
Finance costs	30,859	10,625
Profit before tax	426,241	527,143
Income tax expense	71,645	118,983
Profit for the year	354,596	408,159
Profit attributable to:		
Owners of the parent	353,654	408,504
Non-controlling interests	942	(344)
Profit for the year	354,596	408,159
Earnings per share attributable to owners of the parent		
Basic earnings per share (yen)	225.99	271.44
Diluted earnings per share (yen)	222.90	268.32

Consolidated Statement of Comprehensive Income

(In millions of yen)	For the Year Ended March 31,	
	2024	2025
Profit for the year	354,596	408,159
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Net change in equity instruments measured at fair value through other comprehensive income	5,396	(17,350)
Remeasurements of defined retirement benefit plans	(1,704)	2,063
Share of other comprehensive income of associates and joint ventures	126	(2,310)
Subtotal	3,819	(17,598)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	197,045	(7,418)
Effective portion of changes in fair value of cash flow hedges	(63)	-
Net change in debt instruments measured at fair value through other comprehensive income	-	(9)
Subtotal	196,981	(7,427)
Other comprehensive income (loss) for the year, net of tax	200,801	(25,025)
Comprehensive income for the year	555,397	383,134
Comprehensive income attributable to:		
Owners of the parent	553,909	383,161
Non-controlling interests	1,488	(27)
Total comprehensive income	555,397	383,134

Consolidated Statement of Changes in Equity

For the Year Ended March 31, 2024

	Equity attributable to owners of the parent					Other components of equity	
	Common stock	Share premium	Retained earnings	Treasury stock	Share-based payments	Exchange differences on translation of foreign operations	Effective portion of changes in fair value of cash flow hedges
(In millions of yen)							
Balance as of April 1, 2023	40,000	33,754	1,711,350	(432,612)	75,595	198,859	63
Profit (loss) for the year			353,654				
Other comprehensive income						196,612	(63)
Comprehensive income for the year	-	-	353,654	-	-	196,612	(63)
Transfer from other components of equity to retained earnings			3,705				
Purchase of treasury stock		(104)		(218,812)			
Disposal of treasury stock		23,720		48,543	(70,750)		
Retirement of treasury stock		(195,832)		195,832			
Transfer from retained earnings to share premium		149,074	(149,074)				
Dividends			(35,377)				
Share-based payments					83,397		
Equity transactions with non-controlling interests		(10,613)					
Transactions with owners - total	-	(33,754)	(180,746)	25,563	12,647	-	-
Balance as of March 31, 2024	40,000	-	1,884,258	(407,049)	88,242	395,471	-

(In millions of yen)	Equity attributable to owners of the parent				Other components of equity		
	Net change in debt instruments measured at fair value through other comprehensive income	Net change in equity instruments measured at fair value through other comprehensive income	Remeasurements of defined retirement benefit plans	Total	Total	Non-controlling interests	Total equity
Balance as of April 1, 2023	-	-	-	274,517	1,627,010	13,939	1,640,949
Profit (loss) for the year				-	353,654	942	354,596
Other comprehensive income	-	5,409	(1,704)	200,254	200,254	546	200,801
Comprehensive income for the year	-	5,409	(1,704)	200,254	553,909	1,488	555,397
Transfer from other components of equity to retained earnings		(5,409)	1,704	(3,705)	-		-
Purchase of treasury stock				-	(218,917)		(218,917)
Disposal of treasury stock				(70,750)	1,514		1,514
Retirement of treasury stock				-	-		-
Transfer from retained earnings to share premium				-	-		-
Dividends				-	(35,377)		(35,377)
Share-based payments				83,397	83,397		83,397
Equity transactions with non-controlling interests				-	(10,613)	(7,450)	(18,064)
Transactions with owners - total	-	(5,409)	1,704	8,941	(179,997)	(7,450)	(187,447)
Balance as of March 31, 2024	-	-	-	483,714	2,000,922	7,977	2,008,900

For the Year Ended March 31, 2025

(In millions of yen)	Equity attributable to owners of the parent					Other components of equity	
	Common stock	Share premium	Retained earnings	Treasury stock	Share-based payments	Exchange differences on translation of foreign operations	Effective portion of changes in fair value of cash flow hedges
Balance as of April 1, 2024	40,000	-	1,884,258	(407,049)	88,242	395,471	-
Profit (loss) for the year			408,504				
Other comprehensive income						(7,484)	-
Comprehensive income for the year	-	-	408,504	-	-	(7,484)	-
Transfer from other components of equity to retained earnings			(17,849)				
Purchase of treasury stock		(563)		(823,674)			
Disposal of treasury stock		28,347		54,655	(82,228)		
Retirement of treasury stock		(660,705)		660,705			
Transfer from retained earnings to share premium		632,921	(632,921)				
Dividends			(35,642)				
Share-based payments					92,605		
Equity transactions with non-controlling interests		-					
Transactions with owners - total	-	-	(686,413)	(108,313)	10,376	-	-
Balance as of March 31, 2025	40,000	-	1,606,348	(515,363)	98,619	387,986	-

(In millions of yen)	Equity attributable to owners of the parent						
	Net change in debt instruments measured at fair value through other comprehensive income	Net change in equity instruments measured at fair value through other comprehensive income	Remeasurements of defined retirement benefit plans	Total	Total	Non-controlling interests	Total equity
Balance as of April 1, 2024	-	-	-	483,714	2,000,922	7,977	2,008,900
Profit (loss) for the year				-	408,504	(344)	408,159
Other comprehensive income	(9)	(19,912)	2,063	(25,343)	(25,343)	317	(25,025)
Comprehensive income for the year	(9)	(19,912)	2,063	(25,343)	383,161	(27)	383,134
Transfer from other components of equity to retained earnings		19,912	(2,063)	17,849	-		-
Purchase of treasury stock				-	(824,238)		(824,238)
Disposal of treasury stock				(82,228)	774		774
Retirement of treasury stock				-	-		-
Transfer from retained earnings to share premium				-	-		-
Dividends				-	(35,642)		(35,642)
Share-based payments				92,605	92,605		92,605
Equity transactions with non-controlling interests				-	-	1,826	1,826
Transactions with owners - total	-	19,912	(2,063)	28,225	(766,500)	1,826	(764,674)
Balance as of March 31, 2025	(9)	-	-	486,596	1,617,582	9,777	1,627,360

Consolidated Statement of Cash Flows

(In millions of yen)	For the Year Ended March 31,	
	2024	2025
Cash flows from operating activities		
Profit before tax	426,241	527,143
Depreciation and amortization	117,481	109,237
Share-based payment expenses	79,368	80,429
Interest and dividend income	(41,410)	(33,044)
(Increase) decrease in trade and other receivables	10,459	(15,784)
Increase (decrease) in trade and other payables	(5,114)	18,963
Other	62,235	7,904
Subtotal	649,262	694,849
Interest and dividends received	41,489	34,676
Interest paid	(5,364)	(5,362)
Income taxes paid	(150,024)	(113,800)
Net cash provided by operating activities	535,362	610,363
Cash flows from investing activities		
Payment for purchase of property and equipment	(11,137)	(7,951)
Payment for purchase of intangible assets	(58,792)	(57,306)
Payment for purchase of investments	(981)	(16,360)
Proceeds from sale and redemption of investments	4,869	26,708
Other	(2,747)	(6,145)
Net cash used in investing activities	(68,789)	(61,054)
Cash flows from financing activities		
Repayments of long-term borrowings	(12,912)	-
Redemption of bonds	(20,000)	-
Repayments of lease liabilities	(46,802)	(44,547)
Payment for purchase of treasury stock	(218,928)	(824,465)
Dividends paid	(35,374)	(35,644)
Payments for acquisition of interests in subsidiaries from non-controlling interests	(18,694)	-
Proceeds from settlement of derivatives	16,528	22,096
Other	1,536	2,080
Net cash used in financing activities	(334,648)	(880,480)
Effect of exchange rate changes on cash and cash equivalents	127,563	2,938
Net increase (decrease) in cash and cash equivalents	259,488	(328,233)
Cash and cash equivalents at the beginning of the year	877,370	1,136,858
Cash and cash equivalents at the end of the year	1,136,858	808,625

Going Concern Assumption

Not applicable.

Notes to Consolidated Financial Statements**1. Operating Segments****(1) Overview of Reportable Segments**

The Company's operating segments are components of the Company for which discrete financial information is available and whose operating results are reviewed regularly by the Board of Directors to decide on the allocation of operating resources and to assess business performance. The Company has three operating segments by type of business, HR Technology, Matching & Solutions, and Staffing, which are also the reportable segments.

HR Technology consists of three operations, the US, Europe and Others and Japan. Matching & Solutions consists of two operations, HR Solutions and Marketing Solutions. Staffing consists of two operations, *Japan*, and *Europe, US and Australia*.

(2) Information on Reportable Segments

Segment profit (loss) denotes adjusted EBITDA (operating income + depreciation and amortization (excluding depreciation of right-of-use assets) + share-based payment expenses ± other operating income/expenses).

Revenue from external customers in Adjustments includes revenue that is not allocated to a specific reportable segment, and segment profit (loss) in Adjustments includes corporate expenses not allocated to any reportable segments. Corporate expenses consist primarily of general and administrative expenses that are not allocable to the segments. Intersegment revenue or transfers are calculated based on a price used in similar transactions with third parties. Segment assets and liabilities are not stated as they are not subject to review for the purpose of deciding on the allocation of operating resources and assessing business performance.

For the Year Ended March 31, 2024

(In millions of yen)	Reportable Segment			Total	Adjustments	Consolidated
	HR Technology	Matching & Solutions	Staffing			
Revenue						
Revenue from external customers	1,009,421	797,032	1,607,694	3,414,149	2,343	3,416,492
Intersegment revenues or transfers	2,398	10,810	26,544	39,752	(39,752)	-
Total	1,011,820	807,842	1,634,239	3,453,901	(37,409)	3,416,492
Segment profit (loss)	344,390	163,665	97,947	606,003	(7,606)	598,397
Depreciation and amortization (Note)						75,854
Share-based payment expenses						79,368
Other operating income						7,388
Other operating expenses						48,036
Operating income						402,526
Share of profit (loss) of associates and joint ventures						(1,356)
Finance income						55,930
Finance costs						30,859
Profit before tax						426,241

Note: Depreciation and amortization exclude depreciation of right-of-use assets.

For the Year Ended March 31, 2025

(In millions of yen)	Reportable Segment			Total	Adjustments	Consolidated
	HR Technology	Matching & Solutions	Staffing			
Revenue						
Revenue from external customers	1,124,281	783,282	1,641,385	3,548,949	8,528	3,557,478
Intersegment revenues or transfers	2,283	32,731	25,608	60,623	(60,623)	-
Total	1,126,565	816,013	1,666,994	3,609,573	(52,095)	3,557,478
Segment profit (loss)	404,113	185,957	97,460	687,531	(8,642)	678,889
Depreciation and amortization (Note)						71,470
Share-based payment expenses						80,429
Other operating income						3,387
Other operating expenses						39,834
Operating income						490,542
Share of profit (loss) of associates and joint ventures						(8,810)
Finance income						56,037
Finance costs						10,625
Profit before tax						527,143

Note: Depreciation and amortization exclude depreciation of right-of-use assets.

2. Treasury Stock

Treasury stock recognized in the Consolidated Statement of Financial Position includes Recruit Holdings' shares held by the BIP trust and the ESOP trust.

The breakdown of treasury stock is as follows:

(In millions of yen, unless otherwise stated)	FY2023		FY2024	
	Number of shares (shares)	Carrying amount	Number of shares (shares)	Carrying amount
Treasury stock directly held by Recruit Holdings	50,413,104	214,070	36,408,381	280,932
Recruit Holdings' shares held by the BIP trust and the ESOP trust	54,788,017	192,979	60,788,181	234,430
Total	105,201,121	407,049	97,196,562	515,363

Note: Changes in the number of shares of treasury stock directly held by Recruit Holdings for FY2024 resulted mainly from the increase of 91,941,000 shares from the purchase of treasury stock, the decrease of 85,929,800 shares from the retirement of treasury stock, and the decrease of 20,000,000 shares from the transfer to the ESOP trust. Changes in the number of Recruit Holdings' shares held by the BIP trust and the ESOP trust for FY2024 resulted from the increase of 500,000 shares from the purchase of Recruit Holdings' shares by such trusts, the increase of 20,000,000 shares due to transfer from treasury stock directly held by Recruit Holdings, and the decrease of 14,499,836 shares from the sale and delivery of Recruit Holdings' shares by such trusts.

3. Per Share Information

(1) The amount of basic earnings per share and the basis for its calculation are as follows:

(In millions of yen, unless otherwise stated)	For the Year Ended March 31,	
	2024	2025
Basic earnings per share (yen)	225.99	271.44
Basis for calculation:		
Profit attributable to owners of the parent	353,654	408,504
Amount not attributable to common shareholders of the parent	-	-
Profit used in the calculation of basic earnings per share	353,654	408,504
Weighted average number of shares of common stock outstanding (thousand shares)	1,564,947	1,504,932

(2) The amount of diluted earnings per share and the basis for its calculation are as follows:

(In millions of yen, unless otherwise stated)	For the Year Ended March 31,	
	2024	2025
Diluted earnings per share (yen)	222.90	268.32
Basis for calculation:		
Profit used in the calculation of diluted earnings per share		
Profit used in the calculation of basic earnings per share	353,654	408,504
Adjustment on profit	-	-
Profit used in the calculation of diluted earnings per share	353,654	408,504
Weighted average number of shares of common stock outstanding used in the calculation of diluted earnings per share		
Weighted average number of shares of common stock outstanding used in the calculation of basic earnings per share (thousand shares)	1,564,947	1,504,932
Effect of dilutive potential common stock (thousand shares)		
Stock options	956	1,765
Board Incentive Plan ("BIP") trust	2,420	2,848
Employee Stock Ownership Plan ("ESOP") trust	18,252	12,913
Weighted average number of shares of common stock outstanding used in the calculation of diluted earnings per share (thousand shares)	1,586,576	1,522,460

4. Significant Subsequent Events

(1) Changes in Reportable Segment Structures

The Company has three operating segments by type of business, HR Technology, Matching & Solutions, and Staffing, which are also the reportable segments. Starting from the fiscal year ending March 31, 2026, in order to accelerate the progress of the Company's business strategy, "Simplify Hiring," HR Technology and the HR Solutions business of Matching & Solutions will be integrated and operated together under HR Technology.

Due to this change in the governance structure, the Company has transferred its HR Solutions business, previously included in Matching & Solutions, into HR Technology, effective April 1, 2025. Matching & Solutions, which was previously composed of two business areas, HR Solutions and Marketing Solutions, will consist solely of Marketing Solutions following this change. Furthermore, from the fiscal year ending March 31, 2026, the segment name of the Matching & Solutions will be changed to Marketing Matching Technologies.

Information on the revenue for each reportable segment for the fiscal year ended March 31, 2025 based on the changed reportable segments is as follows. Information regarding the segment profit or segment loss is currently being calculated.

Information on Reportable Segments

For the Year Ended March 31, 2025

(In millions of yen)	Reportable Segment			Total	Adjustments	Consolidated
	HR Technology	Staffing	Marketing Matching Technologies			
Revenue						
Revenue from external customers	1,368,902	1,641,385	538,662	3,548,949	8,528	3,557,478
Intersegment revenues or transfers	3,350	25,608	856	29,815	(29,815)	-
Total	1,372,252	1,666,994	539,518	3,578,765	(21,287)	3,557,478

(2) Share Repurchase

On February 28, 2025, the Company's Board of Directors resolved to conduct share repurchases of its common stock (the "Purchases"), pursuant to the provisions of Article 156 of the Companies Act as applied by replacing certain terms pursuant to the provisions of Article 165, Paragraph 3 of the said Act, and has conducted the Purchases as follows.

Furthermore, in light of stock market trends, the Company's Board of Directors resolved on April 25, 2025 to revise the total number of shares to be repurchased.

Reasons for the Purchases

The Company's primary use of capital is to invest in its long-term business strategy in order to achieve sustainable profit growth and increase enterprise value.

After considering several factors including the ability to make strategic business investments, the current stock price, market conditions, and the forecast of our financial position, the Company has determined that acquiring its own shares is the best way to further improve capital efficiency and to maximize shareholder returns. This approach is in line with the Company's existing capital allocation policy.

The shares acquired through the Purchases may be used in the future for the delivery of shares upon the exercise of stock acquisition rights, for stock compensation using the Company's common stock for employees of the Company, or for strategic M&A with the Company's common stock as consideration, as well as may be retired.

Details of the resolution by the Board of Directors

(Revised sections are underlined)

	Before revision (Resolution by the Board of Directors on February 28, 2025)	After revision (Resolution by the Board of Directors on April 25, 2025)
Type of shares to be repurchased	Common shares of Recruit Holdings	Common shares of Recruit Holdings
Total number of shares to be repurchased	52,000,000 shares (Maximum)	<u>62,000,000</u> shares (Maximum)
Total purchase price	450,000 million yen (Maximum)	450,000 million yen (Maximum)
Repurchase period	From March 3, 2025 to December 23, 2025	From March 3, 2025 to December 23, 2025
Method of repurchases	(1) Market purchases on Tokyo Stock Exchange, Inc. through an appointed securities dealer with transaction discretion (2) Purchases through Off-Auction Own Share Repurchase Trading System (ToSTNeT-3)	(1) Market purchases on Tokyo Stock Exchange, Inc. through an appointed securities dealer with transaction discretion (2) Purchases through Off-Auction Own Share Repurchase Trading System (ToSTNeT-3)

Details of common shares repurchased on and after April 1, 2025

Type of shares repurchased:	Shares of common stock of Recruit Holdings
Total number of shares repurchased:	26,990,500 shares
Total purchase price:	204,945 million yen
Acquisition period:	From April 1, 2025 to April 30, 2025 (delivery date basis)

Total number of common shares repurchased pursuant to the Board of Directors resolution described above (As of April 30, 2025)

Type of shares repurchased:	Shares of common stock of Recruit Holdings
Total number of shares repurchased:	41,599,200 shares
Total purchase price:	333,315 million yen