Recruit Holdings

Annual Report
FY2025

Translated from *"Yukashouken Houkokusho"*
April 1, 2025 - March 31, 2026

This document has been translated from the original document in Japanese ("*Yukashouken Houkokusho*"), which is legally required for Recruit Holdings as a listed company in Japan to support investment decisions by providing certain information about the Company for the fiscal year ended March 31, 2026 ("FY2025"), under Article 24, Paragraph 1 of the Financial Instruments and Exchange Act of Japan.

The Japanese original document was filed to the Director-General of the Kanto Local Finance Bureau in Japan on June 19, 2026. Please refer to "Note Regarding Reference Translation" below as a general warning for this translation document.

Document Name	Annual Report translated from *Yukashouken Houkokusho*
Filing Date	June 19, 2026
Fiscal Year	FY2025 (From April 1, 2025 to March 31, 2026)
Company Name in English	Recruit Holdings Co., Ltd.
Title and Name of Representative	Hisayuki Idekoba Representative Director, President and Chief Executive Officer
Address of Head Office	1-9-2 Marunouchi, Chiyoda-ku, Tokyo, Japan
Telephone Number	+81-3-3511-6383
Contact Person	Junichi Arai Executive Vice President and Chief Financial Officer
Contact Location	1-9-2 Marunouchi, Chiyoda-ku, Tokyo, Japan

Definition of Abbreviations

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
BIP Trust	Board Incentive Plan Trust
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
FY2026	Fiscal year from April 1, 2026 to March 31, 2027

Definition of EBITDA+S

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

Average Exchange Rate During The Period

(In yen)	FY2024	FY2025
US dollar	144.59	152.62
Euro	156.75	163.88
Australian dollar	95.06	99.60

Supplementary Information

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

The names of the companies in this document are as of March 31, 2026, unless otherwise indicated.

Forward-Looking Statements

This document contains forward-looking statements, which reflect the Company's assumptions, estimates and outlook for the future based on the Company's plans and expectations as of March 31, 2026 unless the context otherwise indicates. There can be no assurance that the relevant forward-looking statements will be achieved. Please note that significant differences between such 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 enterprise 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 depositary 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).

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Company Overview

Key Performance Indicators

The Company - Consolidated Basis

(In millions of yen, unless otherwise stated)

	IFRS				
Fiscal year	FY2021	FY2022	FY2023	FY2024	FY2025
Fiscal year end	March 2022	March 2023	March 2024	March 2025	March 2026
Revenue	2,871,705	3,429,519	3,416,492	3,557,478	3,697,351
Profit before tax	382,749	367,767	426,241	527,143	644,618
Profit for the year	297,722	271,671	354,596	408,159	496,680
Profit attributable to owners of the parent	296,833	269,799	353,654	408,504	496,912
Comprehensive income attributable to owners of the parent	395,869	377,977	553,909	383,161	617,095
Equity attributable to owners of the parent	1,363,776	1,627,010	2,000,922	1,617,582	1,583,321
Total assets	2,423,542	2,793,281	3,144,646	2,772,252	2,789,018
Equity attributable to owners of the parent per share (Yen)	847.45	1,030.33	1,295.40	1,102.86	1,134.01
Basic earnings per share (Yen)	181.68	168.59	225.99	271.44	349.78
Diluted earnings per share (Yen)	180.83	167.44	222.90	268.32	347.59
Ratio of equity attributable to owners of the parent (%)	56.3	58.2	63.6	58.3	56.8
Return on equity attributable to owners of the parent (%)	24.2	18.0	19.5	22.6	31.0
Price earnings ratio (Times)	29.8	21.6	29.7	28.2	18.7
Cash flows from operating activities	439,610	438,193	535,362	610,363	669,431
Cash flows from investing activities	(70,738)	(32,676)	(68,789)	(61,054)	(49,742)
Cash flows from financing activities	(254,371)	(252,060)	(334,648)	(880,480)	(743,478)
Cash and cash equivalents at the end of the year	669,551	877,370	1,136,858	808,625	725,578
Number of employees[2]	51,757	58,493	51,373	49,480	45,586
Average number of contract employees	1,896	1,915	1,952	1,591	1,464

[1] The consolidated financial statements have been prepared based on IFRS as issued by the International Accounting Standards Board.
[2] The number of employees excludes contract employees.

The Holding Company - Standalone Basis

(In millions of yen, unless otherwise stated)

Fiscal year	FY2021	FY2022	FY2023	FY2024	FY2025
Fiscal year end	March 2022	March 2023	March 2024	March 2025	March 2026
Operating revenue	42,029	417,404	153,932	615,773	705,295
Ordinary income	33,978	406,315	139,488	603,655	687,461
Net income	23,996	410,423	126,116	604,616	681,318
Common stock	40,000	40,000	40,000	40,000	40,000
Total number of shares issued (Shares)	1,695,960,030	1,695,960,030	1,649,841,949	1,563,912,149	1,472,504,149
Equity	672,979	926,772	879,782	693,373	735,524
Total assets	1,423,107	1,666,307	1,768,645	1,654,348	1,607,077
Equity per share (Yen)	417.09	585.40	567.58	470.02	523.42
Dividend per share (Yen)	21	22	23	24	25
Interim dividend per share (Yen)	10.5	11.0	11.5	12.0	12.5
Earnings per share (Yen)	14.69	256.47	80.59	401.76	479.59
Diluted earnings per share (Yen)	14.62	254.72	79.49	397.13	476.58
Capital adequacy ratio (%)	47.2	55.5	49.6	41.7	45.5
Return on equity (%)	3.3	51.4	14.0	77.2	95.9
Price earnings ratio (Times)	368.6	14.2	83.2	19.1	13.6
Payout ratio (%)	143.0	8.6	28.5	6.0	5.2
Number of employees[1]	136	128	119	116	130
Average number of contract employees	5	5	5	5	5
Total shareholder return (%)	100.6	68.4	125.4	143.4	123.0
Comparative indicator: TOPIX total return index (%)	102.0	107.9	152.5	150.2	202.2
Highest share price (Yen)[2]	8,180	5,676	6,767	11,895	9,563
Lowest share price (Yen)[2]	4,435	3,284	3,583	6,011	6,040

[1] The number of employees excludes contract employees.
[2] The highest and lowest share prices are those quoted on the First Section of the Tokyo Stock Exchange before April 3, 2022, and on the Prime Market of the Tokyo Stock Exchange after April 4, 2022.

History

Organizational Transitions	The Company was founded in March 1960 in Minato-ku, Tokyo, Japan as the University Newspaper Advertising Company, publishing job advertisements in university newspapers. Following that, we began handling advertising for multiple university newspapers, and in October 1960, we established the University Advertising Co., Ltd. as a corporate organization. In 1962, we launched our publication *Invitation to Companies*, and in April 1963 changed the company name to the Japan Recruitment Center, Inc. In August 1963, the company name was further updated to Japan Recruit Center, Inc, a predecessor to today's Recruit Holdings, Co., Ltd. Please refer to the timeline below for further information regarding organizational transitions.
Business Fields Expansion	Recruit Group was established in 1960 as a job search magazine for university students. In 1962, we developed the "Ribbon Model," our guiding business model in which we create platforms that connect business clients with individual users. With this model, we have since widened our range of HR businesses to meet mid-career recruiting, placement, and staffing needs. We have also expanded into the life events and lifestyle fields to serve the housing, automobile, bridal, travel, dining, and beauty industries. Recently, we have introduced software as a service ("SaaS") business tools to support operations within small and medium-sized enterprises ("SMEs"), such as retailers and restaurants.
Digital Transformation	The Company began using computers at a time when their use was still limited, putting digitization into practice for increased efficiency. Following the introduction of a supercomputer in the 1980s, we transitioned from paper magazines to online media in the 1990s, and then to mobile platforms. Not only did this allow for faster and more convenient delivery of information, but it also transformed how individual users and business clients interact, through the development of groundbreaking tools such as online reservation systems andSaaS solutions.
Globalization	In the 2000s, the Company entered the global market with a bridal business in China. Although this ended with a withdrawal, this experience helped us to shape our mergers and acquisitions ("M&A") strategy, and later succeeded in expanding our staffing businesses to the US, Europe, Australia and beyond. Further, the acquisitions of Indeed, Inc.[1] in 2012 and Glassdoor LLC[1] in 2018 have led to the successful establishment of our HR Technology SBU, spearheading the growth of the Company as a whole and bringing the number of countries and regions we serve to over 60.
Evolution of Matching Platforms	The Company has transformed its business from a traditional advertising-based media model into a technology-driven two-sided marketplace business model, which facilitates the best possible matches for the mutual benefit of both individual users and business clients. Through HR Technology and Staffing, the Company aims to streamline hiring processes under the Simplify Hiring strategy. In Marketing Matching Technologies, under the Help Businesses Work Smarter strategy, the Company builds an ecosystem that supports the operations of corporate clients through matching platforms and SaaS solutions, aiming to enhance their productivity and profitability. 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 developed based on the expertise cultivated within the Recruit Group.

March 1960	Foundation. Started as an advertising agency specializing in job ads in university newspapers.
1962	Published *Invitation to Companies* which consolidated recruitment information for university students and established the two-sided marketplace business model.
August 1963	Japan Recruit Center, Inc. was established, a predecessor to today's Recruit Holdings Co., Ltd.
1968	Introduced the IBM 1130 Computing System, becoming the first company in Japan to use this groundbreaking computer.
1971	Established Recruit Computer Print, a company specializing in digitized pre-production processes focused on adopting leading-edge publishing technologies.
1976	Launched operations in the housing information industry in response to the oil crisis induced recession, and achieved rapid growth.
1980	Launched Travail, Japan's first career change magazine for women, published 5 years prior to Japan's legislative enactment of The Equal Employment Opportunity Law.

April 1984		Changed the company name to Recruit Co., Ltd.
1984		Launched the magazine Car Sensor. It was born from a training program for new employees and focused on the used car market.
1985		Against the backdrop of the privatization of Japan's telecommunications industry, launched Information Network Service operations and Remote Computing Service operations.
1985		Established Recruit U.S.A. Inc. to support Japanese companies with local hiring in the US.
1987		Established the Supercomputer Research Institute, aimed at developing insights into how to meet the challenges and opportunities of the approaching era of a data-driven society.
1990		Launched Jalan, a magazine about travel and leisure optimized for easier booking.
1993		Launched Zexy, a bridal information magazine born from our new internal business proposal system, "Ring."
1995		Launched Mix Juice (Currently[2] ISIZE) marking the start of our online media business.
1996		Digitized our job information magazines and launched RB on the NET (Currently[2] Rikunabi) and Digital B-ing (Currently[2] Rikunabi Next).
2000		While the Company expanded its businesses in the field of life events such as housing and bridal, it also launched lifestyle information magazine HotPepper (Currently[2] Hot Pepper Gourmet) which contains dining guides and coupons.
2000		Launched ISIZE Travel (Currently[2] Jalan net), a platform for making accommodation reservations online.
2004		Launched the bridal information magazine Zexy in China. This experience helped the Company shape M&A strategy for global expansion.
2007		Launched Hot Pepper Beauty, an online beauty salon appointment reservation service.
January 2008		Moved the headquarters to Gran Tokyo SOUTH TOWER (Marunouchi 1-9-2, Chiyoda-ku, Tokyo, Japan)
July 2010		Acquired US-based staffing company, The CSI Companies, Inc.[1] and implemented our Unit Management System. With this acquisition, we began M&A-driven global expansion.
2011		Launched Juken Sapuri (Currently[2] Study Sapuri), an online learning service for college entrance exams, then expanded into languages and other subjects, successfully growing into an affordable high-quality online learning platform.
2011		Acquired Staffmark Group, LLC[1] in October, Advantage Resourcing Europe B.V. in December and expanded our staffing business in the US and Europe.
2012		Developed SALON BOARD, a cloud-based online reservation management system that improves operational efficiency at beauty salons through digitization, replacing paper-based reservation books.
October 2012		Through an incorporation-type split the Company became a holding company, Recruit Holdings Co., Ltd., and established the following companies: - Recruit Sumai Company Ltd. - Recruit Marketing Partners Co., Ltd. - Recruit Lifestyle Co., Ltd. - Recruit Technologies Co., Ltd. Through a joint incorporation-type split by Recruit Office Support Co., Ltd.[1] newly established: - Recruit Administration Co., Ltd. (Currently[2] Recruit Co., Ltd.)[1] Through an absorption-type split, transferred businesses to the following 100% subsidiaries of the Company: - Recruit Career Co., Ltd.(Former Recruit Agent Co., Ltd.) - Recruit Jobs Co., Ltd.(Former Recruit HR Marketing) - Recruit Communications Co., Ltd.(Former Recruit Media Communications Co., Ltd.)

October 2012	Acquired Indeed, Inc.[1] (founded in 2004), a job search engine based in the US. This marked our full entry into the HR technology business, which has since revolutionized the HR industry through disruptive digital innovation.
2013	Released AirREGI, a point of sale (POS) system for SMEs of various industries such as retailers and restaurants, using smartphones and tablets to enhance operational efficiency of their businesses.
October 2014	Listed publicly on the First Section of the Tokyo Stock Exchange.
2015	Expanded AirREGI's functions and also launched AirPAY, a payment system service that accepts various payment methods including credit cards, electronic money, and QR Codes[3].
2015	Established Recruit Institute of Technology (Currently[2] Megagon Labs) to work with external organizations on research and development of AI, machine learning, and other new technologies.
2015	Acquired the staffing companies Peoplebank Australia Ltd[1] in January and Chandler Macleod Group Limited[1] in April, companies with leading market positions and strong business fundamentals in the Australian market.
2016	Launched Indeed Hire, an innovative recruitment service that goes beyond the job advertisement business.
June 2016	Acquired USG People Holdings B.V. (Currently[2] RGF Staffing B.V.)[1], a leading European staffing company with a presence in the Netherlands, France, Germany, and Belgium among other countries, marking our full entry into Europe.
April 2018	Reorganized the Company and established a managing company for each SBU that oversees the operation of its subsidiary companies: - HR Technology SBU: RGF OHR USA, Inc.[1] - Matching & Solutions SBU: Recruit Co., Ltd.[1] (Former Recruit Administration) - Staffing SBU: Recruit Global Staffing B.V. (Currently[2] RGF Staffing B.V.)[1]
2018	Launched AirSHIFT, a system for the management of shift work using a SaaS solution, thereby contributing to operational efficiency in the service industry where labor shortages are a major problem.
June 2018	Acquired Glassdoor, Inc.(Currently[2] Glassdoor LLC)[1], a leading online job and company information site founded in the US in 2007. Glassdoor has developed a database of information and reviews posted by users, bringing transparency to the job seeking process and strengthening our HR Technology business.
2018	Launched Indeed Assessments, a platform that helps employers automate the screening process so they can quickly find candidates with the skills they need.
2020	Launched Indeed Interview, a video interviewing platform designed specifically for interviewing and hiring, which was created to allow employers to quickly adapt to virtual hiring needs during the pandemic so job seekers could interview safely from the convenience of their homes.
2021	Launched Indeed Hiring Platform, a new solution that allows employers to manage the hiring process – from posting through interview – directly on Indeed, with no additional software. Job seekers who meet an employers' objective job criteria can automatically advance to an interview.
April 2021	The following mergers were carried out in the Matching & Solutions business. Integration of seven core operating companies and functional companies into Recruit Co., Ltd., SBU Headquarters. - Recruit Sumai Company Ltd. - Recruit Lifestyle Co., Ltd. - Recruit Marketing Partners Co., Ltd. - Recruit Career Co., Ltd. - Recruit Jobs Co., Ltd. - Recruit Communications Co., Ltd. - Recruit Technologies Co., Ltd.
2021	Launched AirWALLET with COIN+ compatibility, the free and easy-to-use digital account management and payment application that allows users to seamlessly manage, charge, transfer, and withdraw money with COIN+.
2021	Launched AirWORK Applicant Tracking System (ATS), a hiring management system that allows users to create hiring websites and duplicate to Indeed for free.

2021		Announced our sustainability goals in environmental, social, and governance, aiming to achieve them by FY2030. We aim to create a positive impact on society and the environment through all our corporate activities.
2022		Launched AirCASH, a financial service that allows businesses to cash out future sales.
2022		Launched AirINVOICE, an invoice management service that enables users to make payments from their smartphones.
April 2022		In accordance with the Tokyo Stock Exchange's market-segment restructuring, Recruit Holdings' stock was transferred from the First Section to the Prime Market.
July 2022		Changed the registered location of the head office to Gran Tokyo SOUTH TOWER (Marunouchi 1-9-2, Chiyoda-ku, Tokyo, Japan)
2023		Launched AirWORK Payroll, a service that handles monthly payroll transfers.
2023		Launched Indeed Skill Connect, a new product that advances skills-first hiring by helping job seekers better promote their skills and completed training programs to potential employers.
2023		Launched RGF Connect, RGF Staffing's global social program that supports underserved people with education, training, and employment opportunities.
2023		Launched Glassdoor Community to drive real-time workplace conversations.
2024		Launched "Indeed PLUS" in Japan, a platform that automatically distributes job postings based on their job description to the job boards linked to Indeed PLUS that are judged to be the most appropriate.
2024		Launched Indeed Smart Sourcing, a product suite for employers that features AI-powered candidate suggestions, resume search, and automated candidate messaging.
2025		Introduced a digital wage payment service, available to companies using AirWORK Payroll, allowing employees to receive instant wage payments via AirWALLET with Coin+ compatibility.
April 2025		Transferred the HR domain of Matching & Solutions to HR Technology, renamed Matching & Solutions as Marketing Matching Technologies, and made Indeed Recruit Partners Co., Ltd.[1] a consolidated subsidiary.

[1] Consolidated subsidiaries as of March 31, 2026.

[2] "Currently" in the chart above shows the name as of March 31, 2026.

[3] "QR Code" is a registered trademark of DENSO WAVE INCORPORATED.

Business

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, Staffing and Marketing Matching Technologies. 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, 2026, the Company had 218 subsidiaries and 6 associates.

As of April 1, 2025, HR Solutions of the Matching & Solutions SBU has been transferred to the HR Technology SBU, and the Matching & Solutions SBU changed its name to the Marketing Matching Technologies SBU in FY2025.

Business Overview by Segment

HR Technology

HR Technology consists of Indeed,placement services in Japan, and other related businesses.

Indeed is an online matching and hiring platform connecting job seekers and employers, driven by Indeed's mission to help people get jobs.

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 world[1], with over 665 million job seeker profiles[2] and 3.5 million employers[3] using Indeed to hire in the last year.

Indeed offers 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 offers solutions to recruit and hire qualified talent in an easier and more efficient way. Employers can post and advertise jobs, access candidate profiles, interact and engage with candidates, and build their company's employment brand, including on Glassdoor, reaching a broad job seeker audience.

Indeed provides 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 is leveraging extensive proprietary jobs and hiring data 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 job boards - including Recruit's Rikunabi NEXT and TOWNWORK as well as other Recruit and third party sites - and Applicant Tracking Systems ("ATS"), including AirWORK ATS. The services include online matching platforms , and placement services including Recruit Agent. All Recruit job boards except for Rikunabi are linked to Indeed PLUS, which can reach up to 70% of users[4] at the major job boards in Japan.

RECRUIT AGENT, the placement service in Japan, utilizes the Recruit Group's matching engine to streamline processes like screening resumes, a previously manual process.

[1] Source: comScore, Total Visits, March 2026
[2] Internal data, cumulative number of verified job seeker accounts on Indeed through March 31, 2026, 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 2026, worldwide
[4] 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
Indeed	Online matching and hiring platform
Indeed PLUS	Job distribution platform
Glassdoor	Online matching and hiring platform
Rikunabi NEXT	Online matching platform for mid-career job seekers
RECRUIT AGENT	Employment placement service for professionals

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.

Staffing is not just a matching service; rather, it is characterized by the continuous recognition of revenue throughout the duration of the temporary staff's assignment, based on staffing fees that include temporary staff wages and are calculated according to hours worked. Furthermore, since temporary staff generally prefer to work close to where they live, "local matching" is a crucial part of the business model, requiring the establishment of sales offices in various locations to match regional business clients with temporary staff.

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 US: Staffmark, CSI Companies Australia: Chandler Macleod, Peoplebank	Staffing services mainly in Europe, US, and Australia

Marketing Matching Technologies

Marketing Matching Technologies consists of the Lifestyle subsegment, comprising Beauty, Travel, Dining, and SaaS solutions, along with Housing & Real Estate, and Others, which includes Automobile, Bridal, Education, and others. It offers vertical-specific matching platforms which connect individual users and business clients, and cloud-based Software as a Service ("SaaS") solutions.

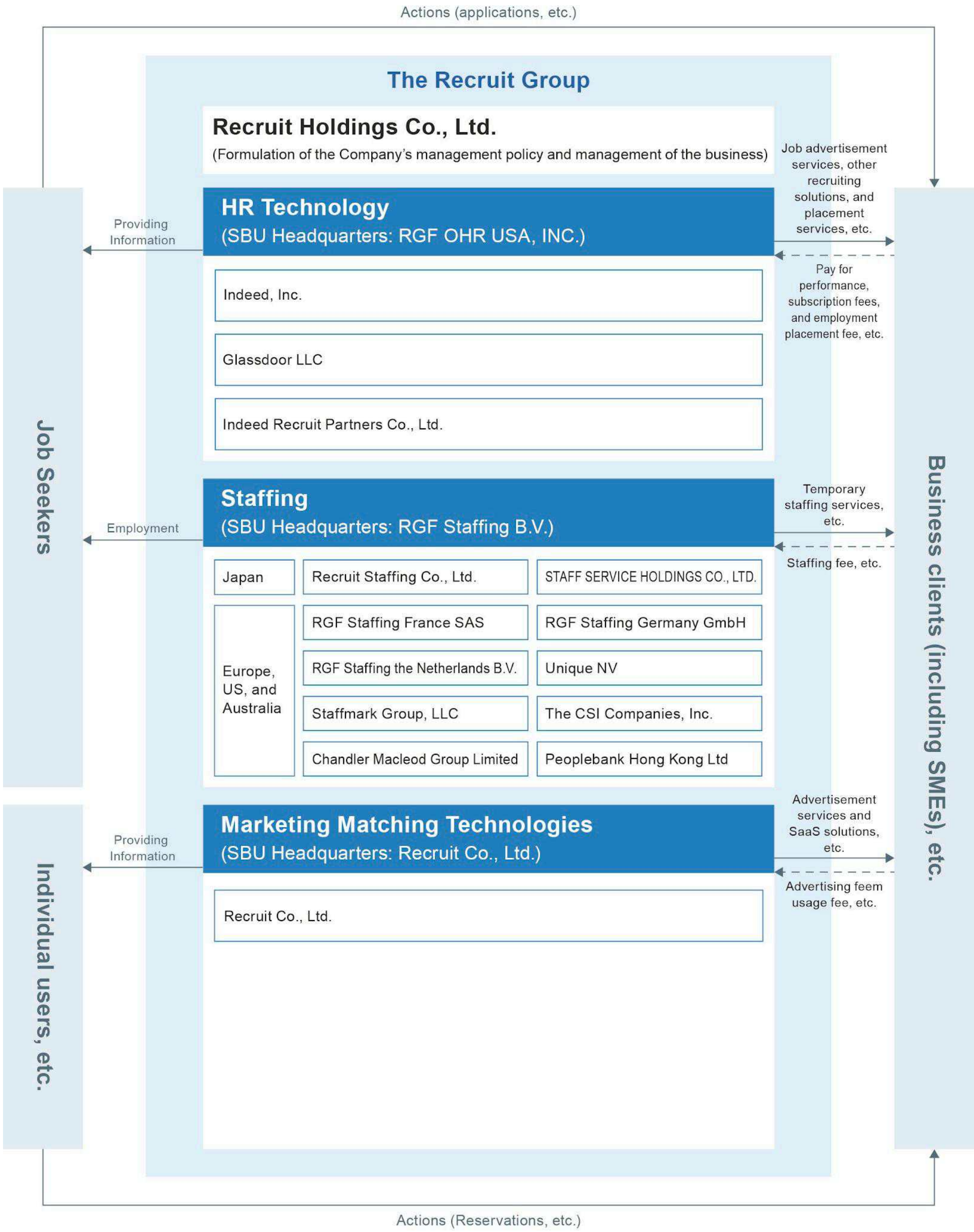
The matching platforms for each vertical include Hot Pepper Beauty for Beauty, Jalan for Travel and Hot Pepper Gourmet for Dining in the Lifestyle subsegment, as well as SUUMO in Housing & Real Estate subsegment. Our business model varies by sector: while Travel operates on a transaction fee basis, other verticals primarily utilize "Expected Action-Tiered Plans." These plans offer pricing scaled to expected user actions and customer acquisition costs. In FY2025, the Company evolved this strategy by introducing a "Gross Merchandise Value (GMV)-Linked Model." This new model launched in Beauty in January 2026, serving as a high-value addition to existing tiered options.

Marketing Matching Technologies provides 13 Air BusinessTools, such as AirPAY, a cloud-based payment service, and AirREGI, a point of sale (POS) system, as well as other SaaS solutions specialized for industries.Through these matching platforms and SaaS solutions, Marketing Matching Technologies aims to create an "ecosystem" of solutions that support the operations of businesses, leveraging AI and data to help improve their profitability and productivity.

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 for dining
Air BusinessTools	Cloud-based operational and management support solutions for business clients across an expanding variety of businesses

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



Major Subsidiaries and Associates

Consolidated subsidiaries

Name	Address	Capital stock or capital	Description of major operations[1]	Ratio of voting rights held (%)	Relationship
RGF OHR USA, INC.	Delaware, United States	10 US dollar	HR Technology	100.0	Concurrent directorships Receipt of dividends
Indeed, Inc.[3,5]	Delaware, United States	10 US dollar	HR Technology	100.0 (100.0)	Concurrent directorships Obligation guarantee
Glassdoor LLC.	Delaware, United States	942,440 thousand US dollar	HR Technology	100.0 (100.0)	Concurrent directorships
Indeed Recruit Partners Co., Ltd.[3]	Chiyoda-ku, Tokyo, Japan	200 million yen	HR Technology	100.0	Concurrent directorships Borrowing of funds Receipt of royalties
RGF Staffing B.V.[3]	Flevoland, Netherlands	1.50 euro	Staffing	100.0	Concurrent directorships Receipt of dividends
Recruit Staffing Co., Ltd.	Chiyoda-ku, Tokyo, Japan	300 million yen	Staffing	100.0 (100.0)	Concurrent directorships Borrowing of funds Receipt of royalties
Staff Service Holdings CO., LTD.	Chiyoda-ku, Tokyo, Japan	500 million yen	Staffing	100.0 (100.0)	Concurrent directorships Borrowing of funds
RGF Staffing France SAS[3]	Moselle, France	26,395 thousand euro	Staffing	100.0 (100.0)	Concurrent directorships
RGF Staffing Germany GmbH	Bayern, Germany	500 thousand euro	Staffing	100.0 (100.0)	Concurrent directorships
RGF Staffing the Netherlands B.V.	Flevoland, Netherlands	1 thousand euro	Staffing	100.0 (100.0)	Concurrent directorships
Unique NV[3]	Antwerp, Belgium	50,082 thousand euro	Staffing	100.0 (100.0)	Concurrent directorships
Staffmark Group, LLC[3]	Ohio, United States	117,514 thousand US dollar	Staffing	100.0 (100.0)	Concurrent directorships
The CSI Companies, Inc.	Florida, United States	2.00 US dollar	Staffing	100.0 (100.0)	Concurrent directorships
Chandler Macleod Group Limited[3]	New South Wales, Australia	191,490 thousand Australian dollar	Staffing	100.0 (100.0)	Concurrent directorships
Peoplebank Hong Kong Ltd.	Hong Kong, China	12 thousand HKD	Staffing	100.0 (100.0)	Concurrent directorships
Recruit Co., Ltd.[3, 5]	Chiyoda-ku, Tokyo, Japan	350 million yen	Marketing Matching Technologies	100.0	Concurrent directorships Loan of funds Borrowing of funds Receipt of royalties Receipt of dividends
RGF TREASURY SERVICES LIMITED[3]	Dublin, Ireland	3.30 US dollar	Company-wide	100.0	Concurrent directorships Loan of funds Borrowing of funds Receipt of dividends
RGF International Recruitment Holdings Limited[3]	Hong Kong, China	836,224 thousand HKD	HR Technology	100.0 (100.0)	-
RYK Capital Partners Limited[3]	Hong Kong, China	324,256 thousand HKD	Marketing Matching Technologies	90.0 (90.0)	-
Staff Service Co., Ltd.[5]	Chiyoda-ku, Tokyo, Japan	300 million yen	Staffing	100.0 (100.0)	-

Name	Address	Capital stock or capital	Description of major operations[1]	Ratio of voting rights held (%)	Relationship
Staffmark Investment, LLC[3]	Ohio, United States	117,514 thousand US dollar	Staffing	100.0 (100.0)	-
Peoplebank Australia Ltd[3]	New South Wales, Australia	68,160 thousand Australian dollar	Staffing	100.0 (100.0)	-
RGF STAFFING ANZ PTY LTD[3]	New South Wales, Australia	440,756 thousand Australian dollar	Staffing	100.0 (100.0)	Concurrent directorships
RGF STAFFING MELBOURNE TWO PTY LTD[3]	New South Wales, Australia	294,892 thousand Australian dollar	Staffing	100.0 (100.0)	Concurrent directorships
194 other companies[4]					

Equity-method Associates

Name	Address	Capital stock or capital	Description of major operations[1]	Ratio of voting rights held (%)	Relationship
51job, Inc.[6]	Cayman Islands, British Overseas Territory	31 thousand RMB	Company-wide	25.1	Concurrent directorships
5 other companies					

1 Segment names are shown in the "Description of major operations" section.
2 The percentages in parentheses in the "Ratio of voting rights held" section are indirect ownership of voting rights.
3 Specified subsidiary as defined by the Financial Instruments and Exchange Act of Japan
4 There are no subsidiaries or associates with significant excess liabilities. For subsidiaries and associates that have borrowings, etc. within Recruit Group, the Company uses the net asset amount after deducting such borrowings to assess whether there are any excess liabilities that have a significant impact.
5 Revenue (excluding intercompany revenues among consolidated companies) from Indeed, Inc., Recruit Co., Ltd., and Staff Service Co., Ltd. each accounts for over 10% of the consolidated revenue. Because all of the following values are non-consolidated financial results, these do not include goodwill, intangible assets, and amortization of intangible assets related to the Company's acquisition of each entity.
6 The Company's ownership ratio of the issued shares of 51job, Inc. is 39.9%.

Major Profit (loss) items	Company name		
	Indeed, Inc. (In millions of US dollar)	Recruit Co., Ltd. (JGAAP) (In millions of yen)	Staff Service Co., Ltd. (JGAAP) (In millions of yen)
Revenue	5,841	583,943	401,612
Ordinary income	-	98,820	25,364
Profit for the year	1,518	72,157	18,835
Total equity	2,539	66,274	28,805
Total assets	3,867	458,044	79,018

Ordinary income for Indeed, Inc. is not stated since the information above is based on IFRS as in "Consolidated Financial Statements" of the "Financial Information" section.

Business Overview

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

Follow Your Heart

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.

Mission

Opportunities for Life.
Faster, simpler and closer to you.

Since our foundation, we have connected individuals and businesses offering both a multitude of choices.

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.

Values

Wow the World

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.

Bet on Passion

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.

Prioritize Social Value

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 developed based on the expertise cultivated within the Recruit Group.

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 EBITDA+S as target management KPIs. Executive officers’ compensation is linked to the achievement level of EBITDA+S, to align with shareholder interests.

Business Strategies

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 AI and 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, the Company believes that operating these businesses as one will improve hiring efficiency and accelerate the 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 button[1].

At the center of this strategy, the HR Technology SBU operates a global two-sided talent marketplace that includes the world's leading online matching and hiring platforms[2], 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 20 million jobs[3] 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. 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 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, reaching a broad job seeker audience. Indeed offers a range of products for employers to source, screen, interact with, and interview candidates providing an efficient source of candidates through pay-for-performance and subscription pricing models.

The scale of the two-sided talent marketplace created by Indeed is evidenced by the 3.5 million employers[4] that use Indeed each year to hire, the over 665 million verified job seeker profiles[5] created on Indeed.

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 predictive AI and machine learning technology, which analyze historical and real-time signals to forecast likely job seeker and employer behavior, 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 and employers in the Company's talent marketplace, including through generative AI tools, which leverage large language models to provide new experiences, such as explaining the rationale behind recommendations.

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 minute[6] 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 2025, based on internal measurement, an average of 31 job seekers were hired on Indeed every minute.

The Company believes that by fully utilizing the Recruit Group's business client relationships, offline and online data, combined with 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, the placement service utilizes 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 2025, the Company believes the size of the HR Matching market was roughly 302 billion US dollars[7], slightly lower compared to the Company's estimate for 2024. The decrease was driven by the continued decline of the Temporary Staffing market, while the other markets were roughly flat. Please reference the footnotes for details of the updates.

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)	2024	2025
Job Advertising and Talent Sourcing [8, 9]	33	34
Direct Hire [10, 11]	72	71
Retained Search [10, 11]	24	24
Temporary Staffing [12, 13]	111	105
Internal Recruitment Automation [14, 15]	70	68
Total Addressable Market ("TAM") [16]	**310**	**302**

Job Advertising and Talent Sourcing: The global job advertising and talent sourcing market is estimated by Staffing Industry Analysts ("SIA") to have been roughly 34 billion US dollars[9] in terms of annual revenue in 2025.

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 71 billion US dollars[11] in terms of annual revenue globally in 2025 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 dollars[11] in terms of annual revenue globally in 2025 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 522 billion US dollars[13] in annual revenue globally in 2025. 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 94 billion US dollars[13] in 2025. Additionally, the Company's definition of this market includes the estimated annual revenue globally in 2025 for each of the Talent Platforms[17], Staffing Platforms[18] and Vendor/Freelancer Management Systems ("VMS/FMS")[19] markets, and an estimated annual spending by employers on Managed Service Provider ("MSP")[20] and Recruitment Process Outsourcing ("RPO")[21] 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 105 billion[13] US dollars globally in 2025.

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 68 billion US dollars[15] in 2025. 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 2025 for ATS[22] and an estimated annual internal spending by employees on Background Checks[23] 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 2026
3 Internal data, based on the last 12 months daily average number of jobs searchable on Indeed as of December 2025, worldwide
4 Internal data, based on the last 12 months of activity as of March 2026, worldwide
5 Internal data, cumulative number of verified job seeker accounts on Indeed through March 31, 2026, worldwide. Job seeker accounts that have a unique, verified email address.

[6] 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.

[7] 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.

[8] 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.

[9] Source for 2025: SIA, The Evolution of Recruiting: 2026 Update to Estimating the Addressable Market for Recruitment Automation (custom research commissioned by Indeed): January 2026 Update.

[10] 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, Americas Staffing Market Forecast November 2024 applied to 229 billion US dollars, which was Americas 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.

[11] Source for 2025:SIA, Global Staffing Market Estimates & Forecasts 2025-2030 Update: November 2025.Placement & Search market is derived by applying 15.5%, which was Placement & Search's share of 2024 Global Staffing Revenue, to the sum product (a) of -2% growth rate from SIA, Americas Staffing Market Estimates & Forecasts November 2025 applied to 202 billion US dollars, which was Americas Total Staffing market in 2024, (b) of -2% growth rate applied to 257 billion US dollars, which was EMEA Total Staffing market in 2024, and (c) of 6% growth rate applied to 159 billion US dollars, which was APAC Total Staffing market in 2024, all from SIA, Global Staffing Market Estimates & Forecasts 2025-2030 Update: November 2025. 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.

[12] 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, Americas Staffing Market Forecast November 2024 applied to 206 billion US dollars, which was Americas 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.

[13] Source for 2025: derived by applying a gross profit margin of 18.17%, which was calculated based on the weighted average of the top 3 publicly traded global staffing companies in terms of revenue in 2025, to 522 billion US dollars, which was the estimated revenue of the temporary staffing market in 2025. 522 billion US dollars is a sum product of (a) -2% growth rate from SIA, Americas Staffing Market Estimates & Forecasts November 2025 applied to 181 billion US dollars, which was Americas temporary staffing market in 2024, of (b) -2% growth rate applied to 222 billion US dollars, which was EMEA temporary staffing market in 2024, and of 6% growth rate applied to 120 billion US dollars, which was APAC temporary staffing market in 2024, all from SIA, Global Staffing Market Estimates & Forecasts 2025-2030 Update: November 2025.

[14] 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.

[15] Source for 2025: SIA, The Evolution of Recruiting: 2026 Update to Estimating the Addressable Market for Recruitment Automation (custom research commissioned by Indeed): January 2026 Update. SIA's estimates are based on the assumption that 43% 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

[16] 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.

[17] 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 2024 and 2025 in terms of annual revenue globally based on SIA, The Evolution of Recruiting: 2025 Update to Estimating the Addressable Market for Recruitment Automation (custom research commissioned by Indeed): January 2025 Update and SIA, The Evolution of Recruiting: 2026 Update to Estimating the Addressable Market for Recruitment Automation (custom research commissioned by Indeed): January 2026 Update, respectively.

[18] 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 3 billion US dollars in 2024 and 2025 in terms of annual revenue globally based on SIA, The Evolution of Recruiting: 2025 Update to Estimating the Addressable Market for Recruitment Automation (custom research commissioned by Indeed): January 2025 Update and SIA, The Evolution of Recruiting: 2026 Update to Estimating the Addressable Market for Recruitment Automation (custom research commissioned by Indeed): January 2026 Update, respectively.

[19] 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 2024 and 2025 in

terms of annual revenue globally based on SIA, The Evolution of Recruiting: 2025 Update to Estimating the Addressable Market for Recruitment Automation (custom research commissioned by Indeed): January 2025 Update and SIA, The Evolution of Recruiting: 2026 Update to Estimating the Addressable Market for Recruitment Automation (custom research commissioned by Indeed): January 2026 Update, respectively.

[20] 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 2024 and 2025 in terms of annual spending by employers that can be reasonably automated and monetized by third parties based on SIA, The Evolution of Recruiting: 2025 Update to Estimating the Addressable Market for Recruitment Automation (custom research commissioned by Indeed): January 2025 Update and SIA, The Evolution of Recruiting: 2026 Update to Estimating the Addressable Market for Recruitment Automation (custom research commissioned by Indeed): January 2026 Update, respectively.

[21] 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 2024 and 2 billion US dollars in 2025 in terms of annual spending by employers that can be reasonably automated and monetized by third parties based on SIA, The Evolution of Recruiting: 2025 Update to Estimating the Addressable Market for Recruitment Automation (custom research commissioned by Indeed): January 2025 Update and SIA, The Evolution of Recruiting: 2026 Update to Estimating the Addressable Market for Recruitment Automation (custom research commissioned by Indeed): January 2026 Update, respectively.

[22] The 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 3 billion US dollars in terms of annual revenue globally in 2024 and 2025 based on SIA, The Evolution of Recruiting: 2025 Update to Estimating the Addressable Market for Recruitment Automation (custom research commissioned by Indeed): January 2025 Update and SIA, The Evolution of Recruiting: 2026 Update to Estimating the Addressable Market for Recruitment Automation (custom research commissioned by Indeed): January 2026 Update, respectively.

[23] 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 2024 and 2025 based on SIA, The Evolution of Recruiting: 2025 Update to Estimating the Addressable Market for Recruitment Automation (custom research commissioned by Indeed): January 2025 Update and SIA, The Evolution of Recruiting: 2026 Update to Estimating the Addressable Market for Recruitment Automation (custom research commissioned by Indeed): January 2026 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. Led by Marketing Matching Technologies (MMT), this strategy focuses on achieving sustainable growth for these clients, which in turn drives the mid- to long-term revenue growth of the Company.

MMT provides vertical-specific matching platforms and associated 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, integrating and completing all business processes related to their economic activities.

MMT's matching platforms facilitate massive and timely matching between individual users, supported by a base of 98.65 million[1] RECRUIT IDs, and approximately 980,000 business clients[2]. Matching is achieved through actions taken by individual users with a RECRUIT ID, such as booking reservations for hair salons or requesting information for new condominiums, enabled by real-time booking availability and service and product information synced by business clients through SaaS solutions. For the small-to-medium-sized business clients who make up the majority of MMT's client base, the platforms serve as essential infrastructure for digital transformation, enabling them to efficiently manage and execute their business operations, from customer attraction to inquiries, reservation management, and payments.

Additionally, the Company provides suggestions for improving service content and pricing using AI-based technology. This is achieved by utilizing not only booking and payment data accumulated through matching platforms and SaaS solutions, but also proprietary offline data such as service history from face-to-face interactions.

Individual users register for a RECRUIT ID and earn RECRUIT POINTS based on their actions on matching platforms. By encouraging the use of this point program, the Company creates synergies across multiple verticals. The cross-use rate[3], which measures the proportion of individual users using multiple vertical platforms, exceeds three-fourths, driving actions based on a strong user base.

As a result, the total number of annual individual user actions[4] increased from approximately 190 million in FY2017 to approximately 400 million in FY2025 (excluding cancellations). Moving forward, by utilizing action data and matching technology, the Company aims to improve the value and convenience of its matching platforms and increase the number of actions.

By combining AI-based suggestions utilizing proprietary data accumulated through the matching platforms with user actions generated from the individual user base with a RECRUIT ID, the Company achieves the maximization of business clients' Gross Merchandise Value (GMV), which is the total value of transactions resulting from matches on the matching platforms.

In many verticals, the Company currently offers business clients "Expected Action-Tiered Plans," which provide monthly fixed pricing options structured around a combination of the number of expected user actions and customer acquisition costs. Moving forward, starting with Beauty, the Company will gradually introduce a "GMV-Linked Model" across multiple verticals, where the Company receives fees based on the business client's GMV. By combining the evolution of the revenue models with the expansion of GMV through AI, the Company aims to leverage the advancement of AI into a key driver of mid- to long-term growth for both business clients and the Company.

The Company will evolve the business model for each vertical by responding to changes in the business environment of each field, the diversifying needs of individual users, and shifts in information gathering and comparison behaviors driven by the widespread use of AI, as well as changes in the value provided to business clients. Through these initiatives, the Company will promote the strategy, Help Businesses Work Smarter, and aim to increase its revenue by enhancing the earning power of business clients all across Japan.

1 The total number of RECRUIT IDs(as of March 2026)
2 The cumulative number of listed stores and business locations as of March, 2026, in Beauty, Travel, Dining, Housing and Real Estate, Automobile, Bridal, and Education verticals, combined with the total number of stores and business locations using SaaS solutions(if a single store uses multiple services, it is counted for each service).
3 Calculated for the period from March 2025 to February 2026 by dividing the number of RECRUIT IDs with a login record on two or more platforms or online services within the applicable verticals by the total number of RECRUIT IDs with a login record on the Company's matching platforms or online services in the Beauty, Travel, Dining, Housing and Real Estate, Automobile, Bridal, Education, and other verticals.
4 The annual aggregate total number of user actions such as reservations at salons, restaurants, or accommodations, etc., or making inquiries or requests for materials regarding listings, services, etc.(excluding cancellations), in the Beauty, Travel, Dining, Housing and Real Estate, Automobile, Bridal, and Education verticals.

Prosper Together - Seek sustainable growth shared by all stakeholders

The Company believes that its corporate activities can make a positive impact on society, and that in doing so, it can prosper alongside its stakeholders and take a vital step toward long-term, sustainable growth. In an environment of heightened uncertainty, the Company is further integrating its business strategy and sustainability initiatives, while advancing efforts tailored to region-specific business environments and social issues. The progress made in FY2025[1] toward the environmental, social, and governance goals for FY2030 is outlined below.

Environment

The Company anticipates achieving its short-term goal of carbon neutrality across all business activities in FY2025, as it has in each of the past four fiscal years[2,3]. Its long-term goal is to achieve carbon neutrality across its entire value chain by FY2030[2].To reach this target, the Company is advancing initiatives to reduce greenhouse gas (GHG) emissions based on its SBTi Near-Term Target[2 4], and expects to exceed its target for FY2025 by a substantial margin.

Scope 3 emissions account for more than 95%[5] of the Company's GHG emissions, and the Company is working with partners to improve the accuracy of their measurement. In Japan, for example, for system development projects, Recruit Co., Ltd. worked with partners to calculate GHG emissions on a project basis, and third-party assurance was obtained for those calculations[6]. Going forward, the Company plans to expand this model case to major partners, improving measurement accuracy across the value chain and advancing emissions reduction efforts.

For the third consecutive year, the Company was recognized as an "A" list company by CDP[7] — the international nonprofit organization — in 2025, in acknowledgment of its leadership in climate change performance and corporate disclosure transparency.

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 the Company is therefore dedicated to opening up access to employment opportunities for all and reducing the time to get hired.

To achieve the first goal of reducing the time it takes for job seekers to get hired by half by FY2030, the Company uses Time to Hire (TTH) on Indeed as a progress metric and is working to reduce that time.In FY2025 updated its measurement methodology from the mean to the median, in line with international best practices[8]. TTH stood at 30 days as of December 2025, up 6 days from December 2024[8]. This increase is presumed to be at least partially attributable to the macroeconomic environment in the United States.

At the same time, the Company's research continues to indicate that certain paid solutions and product innovations can help reduce TTH, even amid a challenging macroeconomic environment. For example, in the U.S., jobs posted directly on Indeed using Premium Sponsored Jobs achieved a 50% faster TTH than non-sponsored jobs[9 10].

To further reduce TTH, the Company is taking targeted actions, including leveraging AI-powered products and other technologies to improve efficiency, enhance matching, and streamline communication between employers and job seekers. For example, the Company offers Indeed Smart Screening, a screening solution that uses employer-defined criteria to help employers identify candidates who meet those requirements earlier in the hiring process. This helps employers focus their evaluation on the most relevant applications, saving time while retaining full control over hiring decisions. Based on early testing in the U.S., employers using this feature on Indeed saw a 20% average reduction in TTH[11]

Through these efforts, the Company aims to make the entire process of getting hired faster, simpler, and more accessible, thereby contributing to society through improved matching between job seekers and employers and supporting the Company's sustainable business growth.

At the same time, labor markets continue to present many barriers that cannot be solved by improving the speed and accuracy of job matching 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 those related to education and disabilities. In particular, the Company is advancing Skills-First Hiring[12] — an approach that evaluates candidates based on skills gained through work, training, and other experience, rather than relying solely on traditional formal qualifications such as educational background.

The Company offers AI-powered tools, such as Job Description Generator and Indeed Smart Sourcing, to support better matching between job seekers and employers based on skills and experience. To supplement these efforts, Indeed partners with organizations globally, including Opportunity@Work, the International Organization for Migration (part of the United Nations), and Hidden Disabilities Sunflower, among others.

Through these efforts, the Company successfully helped a cumulative total of approximately 18.8 million job seekers facing barriers get hired[13 14] by FY2025, and remains committed to reducing barriers in the job market by continuing to promote 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, and one that has driven the creation of new businesses and services across the Group. Building on this belief, the Company is working toward its goal of achieving gender parity in senior executive positions, managerial positions, and total employees across the Group by FY2030[15].

The Company believes that initiatives tailored to region-specific challenges are key to achieving this Group-wide goal. Recruit Co., Ltd., which primarily operates in Japan where the gender gap is notably wide, is expanding its pool of managerial candidates by clarifying the requirements for management positions, and has rolled out a coaching-based human capital development program. As a result, the proportion of women in managerial positions has continued to increase[16].

Governance

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

Recruit Holdings aspires to achieve gender parity among the members of the Board of Directors and Audit and Supervisory Board by FY2030, and 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 Company aims to reduce Scope 1 and 2 GHG emissions by 46.2% by FY2030, using FY2019 as the base year, and to reduce Scope 3 GHG emissions by 30% by FY2030, using FY2019 as the base year.
[5] Based on the emissions of FY2024.
[6] See the joint press release dated April 24, 2026, issued by NTT DATA Group Corporation, NTT DATA Corporation, and Recruit Co., Ltd., regarding the calculation of the carbon footprint of system engineering service contracts and third-party assurance.
[7] CDP is a charity-controlled non-profit organization (NPO) 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.
[8] "Time to Hire" refers to the number of days from the creation of a job posting on Indeed to the reporting of the first hire for that posting. Beginning in FY2025, the methodology was revised to use the median instead of the mean. Both the 30 days as of December 2025 and the 24 days as of December 2024 are based on medians recalculated using the same methodology.
[9] U.S. data from Jan 2026 - Mar 2026, for jobs hosted on the Indeed platform using median.
[10] Premium Sponsored Jobs are sponsored job listings on Indeed that include additional features such as matching tools, candidate outreach functions, and job branding features.
[11] Based on a sample of 1,095 U.S. job postings with Smart Screening enabled, compared with a comparable group of U.S. job postings without Smart Screening, from May through December 2025.
[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, 2026, 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] Beginning in September 2025, the method for identifying job seekers was standardized based on profile information, and the lookback period for hiring signals was revised from 30 days to two years, in order to improve measurement accuracy and ensure consistency in ongoing aggregation.
[15] 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.
[16] Compared to FY2024, the percentage of women managers at Recruit Co., Ltd., rose from 33.9% to 35.0%, and the percentage of women in senior executive positions remained at 33.3%.

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 FY2025 was 31.0%[1].

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

Sustainability Policy and Actions

The Company believes that it can make a positive impact on society and the global environment through its corporate activities and by doing so, prosper together with all its stakeholders and take an essential step toward achieving sustainable growth. Therefore, as part of its business strategy, the Company has integrated its sustainability initiatives and established specific timelines and goals to realize its sustainability goals for FY2030[1], which was set in May 2021.

The forward-looking statements in the text are based on certain assumptions that the Company considers reasonable as of the date of submission of the Annual Report. However, actual results may differ significantly due to various factors.

Our Policy and Actions for Sustainability as a Whole

Governance

The Board of Directors makes the necessary structural arrangements for the Company's efforts to address sustainability and oversees these efforts through deliberations by the Sustainability Committee — one of the Board's advisory bodies. The Sustainability Committee discusses the identification and assessment of sustainability-related impacts, risks and opportunities, as well as policies, strategies and plans for mitigating negative impacts, enhancing positive impacts, reducing risks while seizing opportunities, and the establishing of related metrics and targets. In its oversight process, the Board supervises business plans, investments and loans, including response measures and their progress.

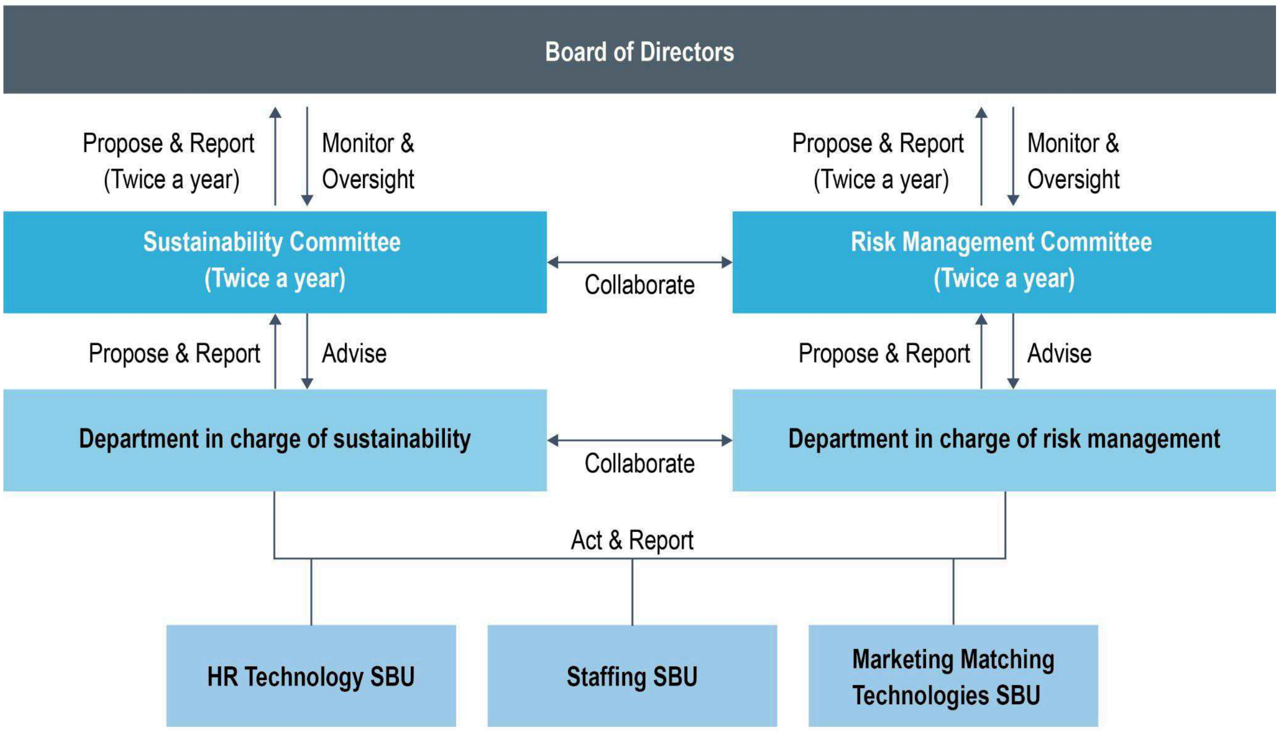
The Executive Vice Presidents who serve as CEOs of each Strategic Business Unit (SBU) and as internal members of the Sustainability Committee collaborate to devise sustainability strategies and plans to mitigate negative impacts and risks while promoting efforts to maximize positive impacts and seize opportunities throughout their business operations.

The Executive Vice President in charge of sustainability is responsible for leading sustainability initiatives and reports to the Board on their progress. Directly under the Executive Vice President, the Company has established a department in charge of driving forward sustainability initiatives. The department is responsible for gathering group-wide sustainability information, identifying and evaluating sustainability impact, risks and opportunities, formulating policies and strategies, implementing and managing action plans, and engaging in dialogue with stakeholders.

Risk Management

Every year, the Company gathers its stakeholder perspectives on sustainability-related themes and analyzes evolving social trends. Utilizing this information, the Sustainability Committee identifies and assesses sustainability-related impacts, risks and opportunities, and deliberates on key issues to be addressed. Sustainability-related risks identified by the Sustainability Committee are integrated into the Company's risk management processes. These risks are centrally and comprehensively evaluated and managed by the Risk Management Committee. Detailed discussions related to mid-to long-term sustainability risks and opportunities are delegated to the Sustainability Committee. The Sustainability Committee, in coordination with the Company's Risk Management Committee, reports the results of these discussions to the Board.

Management framework for sustainability-related impacts, risks and opportunities (roles and meeting bodies)



Please see “Composition of the Board and Committees“ under the chapter “Corporate Governance Overview“ for the Sustainability Committee and the Risk Management Committee.

Refer to “Our Actions on Climate Change, Risk Management” for climate-related risk management and “Our Policies and Actions for Development of Our Organization, Employees and Workplace, Risk Management” for human capital-related risk management.

Strategy

(a) Materiality Assessment Process

In formulating its sustainability strategy, the Company identifies and assesses sustainability-related impacts, risks and opportunities, and determines the material topics. For FY2025, based on the concept of double materiality, under which the Company assesses both the impacts it has on society and the global environment (impact materiality) and the impacts on its financial position (financial materiality), the Company conducted the materiality assessment through the following process.

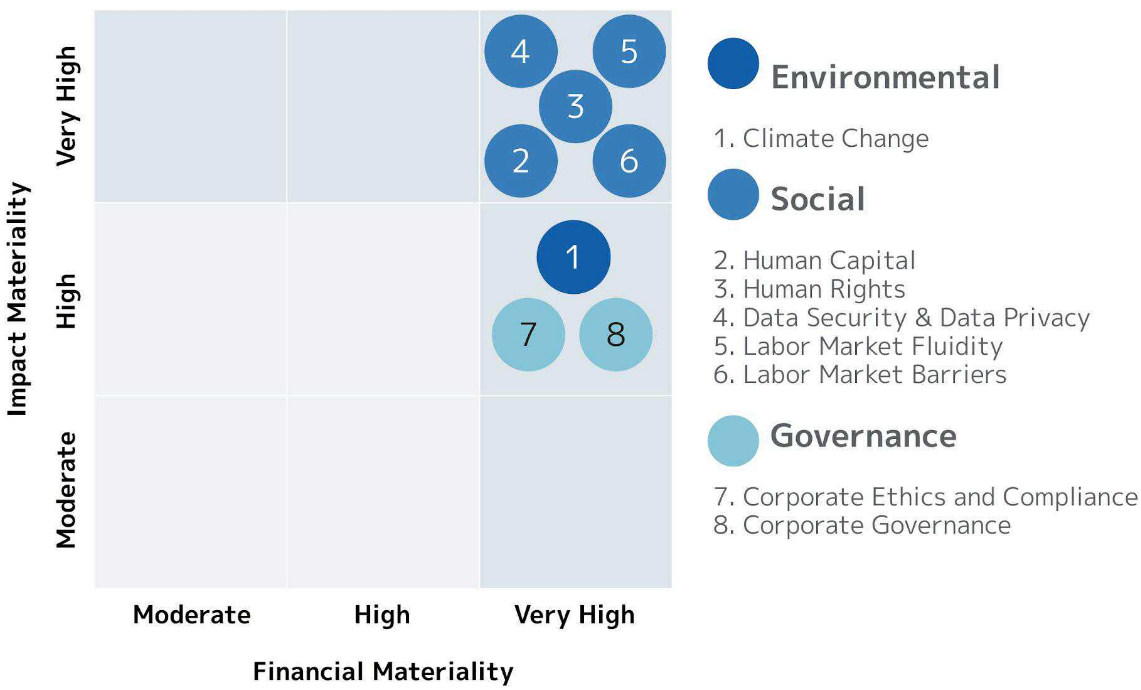
Step 1: Listing of Sustainability Topics
The Company compiled a comprehensive and detailed list of sustainability topics to be assessed, referencing international and industry standards by external organizations[2].

Step 2: Evaluation of Sustainability Topics
For each sustainability topic listed in Step 1, the Company conducted an assessment along two axes – impact on society and the environment and financial implications for the Company – based on the concept of double materiality. In evaluating impact, the Company considered likelihood and severity (scope, scale and irremediability), and for financial impact, we considered likelihood and magnitude, scoring each criterion and ranking each sustainability topic based on the overall score. Feedback obtained through engagement with diverse stakeholders such as employees, individual users, investors, and NGOs/NPOs, etc. informed the scoring. Additionally, the Company referenced information published by international organizations, NGOs/NPOs, etc., to reflect shifts in societal trends, including technological innovations such as AI.

Step 3: Determination of Materiality
In this final step, the CEOs and Executive Vice Presidents in charge of Sustainability for each Strategic Business Unit (SBU) confirmed that the assessment results from Step 2 are aligned with the reality of their respective business. Subsequently, after deliberation by the Sustainability Committee, which includes outside experts, the Board of Directors resolved on the Group’s Materiality.

The sustainability-related impacts, risks and opportunities identified as material through the assessment described above are as follows.

Recruit Group’s Materiality



Material Sustainability-Related Impacts, Risks, and Opportunities

Environmental	Material Impacts, Risks and Opportunities	Affected Areas	Time Horizon[3]	Metrics and Targets
1. Climate Change	**Risk:** International expectations and strengthened regulations related to decarbonization, together with increasing business environment instability due to worsening climate change, may result in financial impacts through changes in the cost structure. **Opportunity:** Changes in labor demand structures associated with climate change adaptation and the transition to a low-carbon economy may expand revenue opportunities through increased matching demand.	Own Operations & Entire Value Chain	Mid- to Long-Term	Carbon Neutrality
Social	**Material Impacts, Risks and Opportunities**	**Affected Areas**	**Time Horizon**	**Metrics and Targets**
2. Human Capital	**Positive Impact:** Fostering an organizational culture based on "Bet on Passion" may have a positive impact on employees' well-being in the workplace and their ability to perform to their full potential. **Opportunity:** Fostering an organizational culture that maximizes individuals' intrinsic motivation may expand revenue opportunities through enhanced productivity and the creation of innovation.	Own Operations	Short-, Mid- & Long-Term	Gender Parity among Employees, Managers, and Senior Executives
3. Human Rights	**Negative Impact:** Insufficient management of human rights in business activities may result in serious human rights violations affecting rights holders across the value chain, including the Company's own employees (including registered temporary staff), individual users, and suppliers. **Risk:** Negative impacts on human rights may result in financial impacts through the incurrence of legal liabilities, remediation costs, and reputational damage.	Own Operations & Entire Value Chain	Mid- to Long-Term	—
4. Data Security & Data Privacy	**Negative Impact:** Personal data breaches or unauthorized access may result in serious infringements of the privacy and rights of individual users. **Risk:** The occurrence of such infringements may result in financial impacts through reputational damage, incurrence of legal liabilities, and regulatory actions.	Own Operations & Downstream Value Chain	Short- to Mid-Term	—
5. Labor Market Fluidity	**Positive Impact:** Enhancing labor market fluidity and enabling optimal matching between labor supply and demand through the use of technology may expand access to employment opportunities and promote the economic independence of individual users. **Opportunity:** Progress in such enhanced fluidity and optimal matching may expand revenue growth opportunities through increased usage and a strengthened market base.	Downstream Value Chain	Mid- to Long-Term	Reduce Time It Takes To Get Hired By Half
6. Labor Market Barriers	**Positive Impact:** Reducing structural barriers in the labor market may expand access to equitable employment opportunities for individual users facing such barriers and promote their economic independence. **Opportunity:** Reductions in structural barriers and advancements in skills-based matching capabilities may expand market size and revenue growth opportunities through a broader user base and improved matching accuracy.	Downstream Value Chain	Mid- to Long-Term	Help 30M People Facing Barriers
Governance	**Material Impacts, Risks and Opportunities**	**Affected Areas**	**Time Horizon**	**Metrics and Targets**
7. Corporate Ethics and Compliance	**Risk:** Fraud or inappropriate decision-making may result in financial impacts through reputational damage, impairment of brand value, and the incurrence of legal liabilities.	Own Operations	Short- to Mid-Term	—

8. Corporate Governance	**Opportunity:** A diverse Board composition in terms of skills, experience, and backgrounds, together with enhanced governance frameworks, may expand opportunities for sustainable corporate value creation through improved quality of strategic decision-making and strengthened risk management capabilities.	Own Operations	Short- to Mid-Term	Gender Parity Among Board of Director Members

(b) Sustainability Initiatives

Based on the sustainability-related impacts, risks and opportunities identified as material through the materiality assessment described above, the Company promotes the development of management frameworks, the formulation of policies, and the planning of strategies and initiatives aimed at mitigating negative impacts, enhancing positive impacts, reducing risks, and seizing opportunities. In addition, initiatives are advanced based on deliberations by the respective committees that serve as advisory bodies to the Board of Directors, and progress is monitored by the Board of Directors.

1. Climate Change

All corporate activities are only made possible by a healthy global environment, which underpins all forms of life. The Company has introduced various initiatives focused on environmental conservation and has highlighted climate change as one of the most important issues to address. The Company has set a group-wide goal to reduce its GHG emissions to achieve carbon neutrality. The progress of this initiative will be monitored by the Board of Directors based on discussions in the Sustainability Committee. Please refer to “Our Actions on Climate Change” for more details.

2. Human Capital

The Company has positioned value creation by its empowered employees as a renewed priority for management, and will take further actions to support inclusion & belonging, workplace wellbeing and human resource development and creation of an environment that intrinsically motivates employees. Please refer to “Our Policies and Actions for Development of Our Organization, Employees and Workplace” in this chapter for more details about the initiatives taken for human capital management of the Company.

3. Human Rights

The Company has formulated the Recruit Group Human Rights Policy, which was approved by the Board of Directors, based on Sustainability Committee discussions. This policy is set to protect all employees, temporary workers — including those who work for its business clients through Staffing SBU — and its senior management. It also includes an aspiration to continuously evolve the Company’s services by pursuing methods to better respect the human rights of individual users.

4. Data Security and Data Privacy

For the Company, safeguarding Data Security and Data Privacy is non-negotiable and the Company places high priority on the measures it takes. The Company has developed a range of appropriate initiatives to protect the data and information in its possession based on the importance and characteristics of such data and information. The Company has also established structures and measures to align with applicable laws and regulations of each country and area in which it operates. The Board of Directors discusses and monitors the initiatives, based on discussions in the Risk Management Committee. Please refer to “Risk Factors” in this document for more details about Data Security and Data Privacy.

5. Labor Market Fluidity

As a global provider of talent matching services, the Company operates in the domain of “work,” which constitutes an essential foundation of people’s lives. The Company aims to create social impact by providing employment opportunities to all job seekers and shortening the time it takes to get hired. While continuously evolving its products through the use of data and technology, the Company advances its initiatives based on deliberations by the Sustainability Committee, with progress monitored and discussed by the Board of Directors. For further details, please refer to "Prosper Together— Seek sustainable growth shared by all stakeholders" of the Business Strategies section.

6. Labor Market Barriers

The Company believes that there are many structural barriers in the labor market that cannot be resolved solely by improving the speed and accuracy of matching between job seekers and jobs. By increasing opportunities for individuals to encounter work that supports a better quality of life, the Company aims to generate more equitable and sustainable social impact. The Company works to reduce these barriers through its own initiatives, including the evolution of its platforms, and advances its initiatives based on deliberations by the Sustainability Committee, with progress monitored and discussed by the Board of Directors. For further details, please refer to "Prosper Together— Seek sustainable growth shared by all stakeholders" of the Business Strategies section.

7. Corporate Ethics and Compliance

The Company views corporate ethics and compliance as fundamental principles underpinning its corporate activities. The Company’s approach to ethics and compliance is to strive to meet society’s expectations and demands through appropriate action, both as a company and as individuals, beyond the framework of purely legal compliance. To ensure strict adherence to corporate ethics, the Company implements measures such as employee training and the establishment of whistleblowing programs. The Board of Directors monitors and discusses corporate ethics and compliance initiatives, based on discussions in the Compliance Committee. Please refer to “Internal Controls and their Operational Status” for more details about corporate ethics and compliance.

8. Corporate Governance

The Company designates the COO, Executive Vice President and Director as a responsible person for corporate governance including sustainability. Based on its initiatives, the Board of Directors confirms the appropriateness of its corporate governance and its compensation structure based on discussions in its advisory bodies such as the Nomination and Governance Committee and the Compensation Committee. Please refer to the “Corporate Governance” section in this document for more information about corporate governance and compensation.

Metrics and Targets

The Company introduced “Prosper Together – Seek sustainable growth shared by all stakeholders” in May 2021, as one of its management strategies, and announced its “Sustainability Goals,” which set out specific indicators and goals to enhance its positive impact on the global environment and society. In particular, “work,” in which the Company is engaged as part of its business, is an essential foundation of people’s lives. Accordingly, through its Sustainability Goals, the Company aims to seize key opportunities especially in the S (Social) pillar by creating impact through its products and services.

Environmental

All corporate activities are only made possible by a healthy global environment, which underpins all forms of life. The Company is committed to reducing greenhouse gas (GHG) emissions as part of its efforts to address climate change.

Aspiration for Climate Action
・Achieving carbon neutrality throughout the Company’s business activities[4] in FY2021
・Achieving carbon neutrality across the Company’s entire value chain[4] by FY2030

In addition, toward achieving carbon neutrality throughout the entire value chain[4] by the end of FY2030, the Company has set three-year reduction targets[5] aligned with the reduction level required by the Paris Agreement adopted in December 2015, which aims to limit the increase in global average temperature to less than 1.5 °C above that of the pre-industrial era. The Company achieved significant emissions reductions against these targets in FY2024, the final year of this three-year reduction target, and is accelerating efforts toward further emissions reductions. The Company also continues to contribute to addressing climate change through its products and services. Refer to “Our Actions on Climate Change” for more details.

Social

According to an OECD study, approximately 40% of people could fall into poverty if they went without income for three months.[6] The Company aims to eliminate the number of people who want to work but are unable to do so by dramatically accelerating the matching of job seekers and jobs, thereby contributing to shorter periods of unemployment.

At the same time, the labor market faces various barriers to employment that cannot be easily resolved solely through more efficient matching. To address this, the Company will leverage technology and partnerships to reduce these barriers, expand employment opportunities for all individuals, and contribute to shortening unemployment periods.

Aspiration for Society
・Reduce the time it takes to get hired by half by FY2030 compared to that of FY2021[7]
・Help 30 million people[8] facing barriers in the labor market around the world get hired by FY2030

The Company's employees have been the source of its value creation from the very beginning. Betting on the passion and ideas of the employees has long been its competitive advantage. This is why its corporate agenda continues to prioritize inclusion & belonging that empowers individuals and fosters innovation. In particular, the Company will prioritize gender issues by establishing group-wide goals and accelerate its efforts to achieve them.

Aspiration for Our People
・Achieving gender parity among senior executives, those in managerial positions and all employee levels[9] by FY2030 across the Company

Refer to “Demographics” in the “Employees” for more details. For the Company’s initiatives for human capital management, refer to “Our Policies and Actions for Development of Our Organization, Employees and Workplace, Governance.”

Governance

A well-balanced board, comprising members with varied skills, experiences, and backgrounds, is critical for high quality decision-making, transparency and soundness in the Company’s governance structure. To support this, a specific gender-related goal has been established.

Aspiration for Our Board Structure
・Aim to achieve gender parity among the Board of Directors members[10] by FY2030

Please refer to "Prosper Together- Seek sustainable growth shared by all stakeholders" of the Business Strategies section for the Company’s FY2025 performance toward its sustainability goals.

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 External organizations references include the European Union's “Corporate Sustainability Reporting Directive” (CSRD) and the Sustainability Accounting Standards Board (SASB)'s "Sustainability Accounting Standards."
3 With respect to the time horizons over which sustainability-related impacts, risks and opportunities could reasonably be expected to occur, the Company defines the following timeframes: short-term (0–12 months), mid-term (1–5 years), and long-term (beyond 5 years). As of the end of the reporting period, these time horizons have been identified and are consistent with the timelines used for the Group’s strategic decision-making.
4 GHG emissions throughout the Company’s business activities are the sum of; Scope 1 (GHG emissions directly from sources that are owned or controlled by a company), and Scope 2 (indirect emissions from the use of purchased electricity, heat, steam, etc., in owned or controlled sources). GHG emissions from the value chain, including the business activities of Recruit Group, are referred to as Scope 3 and comprise indirect emissions other than Scope 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 any remaining emissions.
5 The GHG emission reduction target is for the term from FY2022 to FY2024.
6 The figure is based on data compiled for 28 countries (Source: OECD (2020), How’s Life? 2020: Measuring Well-Being).
7 The period from the time a user starts an active job search on the Indeed job platform to the time the user confirms the receipt of a job offer.
8 The initiatives as of today include providing assistance through the Company’s online matching and hiring job platform, and through partnerships with NPOs and other organizations with whom the Company collaborates. The Company may also aim to reduce other

various barriers, including newly emerging issues in the labor market by FY2030.

[9] Senior executive positions are defined as Senior Vice Presidents and Corporate Professional Officers of Recruit Holdings and Matching & Solutions Strategic Business Unit (SBU), and CEOs of the Company's major subsidiaries and heads of key functions in the HR Technology and Staffing SBUs. The respective percentage 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, including delegated contracting officers.

[10] The Board of Directors members are defined as Directors and Audit and Supervisory Board members.

Our Actions on Climate Change

Protecting the global environment is a critical foundation for the Company's corporate activities in order to prosper together with its stakeholders and ensure sustainable growth. Regarding taking action to combat climate change, the Company set a long-term goal to achieve carbon neutrality across its entire value chain by FY2030[1]. As part of such efforts, the Company endorses the recommendations by TCFD and discloses the climate transition plan to address climate change in line with the TCFD framework[2] in this section.

[1] GHG emissions throughout the Company's business activities are the sum of; Scope 1 (GHG emissions directly from sources that are owned or controlled by a company), and Scope 2 (indirect emissions from the use of purchased electricity, heat, steam, etc., in owned or controlled sources). GHG emissions from the value chain, including the business activities of Recruit Group, are referred to as Scope 3 and comprise indirect emissions other than Scope 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 any remaining emissions.

[2] A framework indicating climate change-related risks and opportunities created by the Task Force on Climate-related Financial Disclosures (TCFD).

Governance

The Company conducts governance on climate change as a component of its aforementioned sustainability-related governance. The Senior Vice President in charge of sustainability reports to the Board on climate change measures, the assessment of climate change risks and opportunities, and actions of managing those risks and seizing opportunities. Directly under this officer, the Company has established a department responsible for gathering group-wide environmental information, managing the progress of reductions in GHG emissions, identifying and evaluating climate-related risks and opportunities, formulating and implementing related action plans, engaging in dialogue with stakeholders, and conducting related research.

Risk Management

As a component of the aforementioned sustainability initiatives, the Company identifies, assesses, and manages risks and opportunities associated with climate change. For more details of the Company's risk management initiatives, please refer to "Our Policy and Actions for Sustainability as a Whole, Risk Management" in this section.

Strategy

a. Strategic Assumptions

The Company understands that a 4℃ increase in average temperature due to climate change would have a significant impact on the world and believes it is critical to limit the average temperature increase to below 1.5℃. Based on multiple climate change scenarios (+4℃ and +1.5℃), the Company analyzes short-, medium- and long-term risks and opportunities through FY2030 and assesses them in terms of likelihood and financial impact. The Board also examines measures to mitigate key risks and seize opportunities. The Company's scenario analysis refers to reports issued by the Intergovernmental Panel on Climate Change (IPCC)[1], the International Energy Agency (IEA) and other international organizations as well as those of similar research agencies.

[1] From Representative Concentration Pathways (RCP) 8.5, RCP1.9 and Shared Socioeconomic Pathways (SSP) 5-8.5, SSP1-1.9.

b. Key Risks Relating to Climate Change

The key risks identified through the Company's scenario analysis, their likelihood and their financial impacts are shown below. The financial impact is calculated for each item, and the figures for carbon taxes are shown here as they are considered relatively definitive.

"⤴" indicates that the likelihood of occurrence is expected to increase toward FY2030, and "→" indicates that the likelihood of occurrence does not change significantly.

	Key Climate Change Risks	Physical / Transition	Likelihood	Financial Impact	Risk Mitigation Measures
1	Increase in price of carbon credits to achieve carbon neutrality	Transition	High⤴	High	Promote GHG emissions reductions by enhancing energy efficiency in offices and switching to renewable energy, promoting remote work, involving in public policy[2], and engaging with partners in key value chains to achieve carbon neutrality throughout the Company's business activities and value chains by FY2030.
2	Introduction of carbon taxes and possible increase in price	Transition	High⤴	Low (approx. 300M yen[1])	
3	Submerged/damaged servers	Physical	Low→	High	Begin monitoring flood or damage risks of areas where the Company's servers are located. Consider relocating servers or substituting them with alternatives if risks exceed a certain level.

[1] The estimated carbon tax in FY2030 is based on the following assumptions:
- Carbon tax price: approximately $300/t-CO2 (Ref. 2024 version, Net Zero 2050 scenario of the NGFS Long-Term Climate Scenarios for Central Banks and Supervisors provided by International Institute for Applied Systems Analysis)
- The Company's GHG emissions throughout its business activities (Scope 1 & 2): Approx. 6,100t-CO2 based on the conservative assumption that there are no further reductions in Scope 1,2 emissions from FY2024.

[2] Recruit Group evaluates the feasibility of all climate-related engagement activities (including partnerships with stakeholders in the value chain, the consideration of trade association memberships, public policy engagement and other related activities) in line with the Paris Agreement and the Company's goals on environmental strategy, which are then approved by the responsible Senior Vice President for execution.

The Company will continue to closely monitor and reassess the impact of climate change on the group under the governance structure described above, as well as enhance its disclosures of relevant information.

c. Key Opportunities Relating to Climate Change

The key opportunities identified by the Company, along with their likelihood of occurrence and financial impact, are as follows.

"⤴" indicates that the likelihood of occurrence is expected to increase toward FY2030.

	Key Climate Change Opportunities	Likelihood	Financial Impact
1	Accommodate workforce shifts as an adaptation for climate change	Medium⤴	High
2	Accommodate employment needs resulting from the societal transition toward lower-carbon emissions	High⤴	Medium

Through the scenario analysis, the Company confirmed that addressing the three strategic pillars of its business strategies (Simplify Hiring, Help Businesses Work Smarter, and Prosper Together) will help enhance its resilience to climate change and mitigate key risks while seizing opportunities. The Company will continue to pay close attention to trends in society and stakeholders related to climate change, with the aim of capturing opportunities from such trends. Through such actions, the Company aims to contribute to building a resilient and sustainable labor market. Refer to "Our Policy and Actions for Sustainability as a Whole, Sustainability Goals" for more details.

Metrics, Goals and Performance

a. Metrics

The Company uses the amount of GHG emissions (absolute emissions in Scope 1, 2, and 3[1,2]) calculated in accordance with GHG Protocol as the metrics to manage climate risks and opportunities.

b. Goals

As a corporate strategy, the Company stated in its sustainability goals which was announced in May 2021 that it aims to achieve carbon neutrality in GHG emissions throughout its business activities by FY2021.[1,3] The Company strives to do the same across its entire value chain[2,3] by FY2030. The Company aims to achieve carbon neutrality by reducing GHG emissions in accordance with the following goals and offsetting the remaining emissions. This reduction goal has been validated by the Science Based Targets initiative (SBTi), confirming that it is in line with the goal of limiting global warming to 1.5°C. [4]

- Scope 1+2[1]: Reduce GHG emissions by 46.2% by FY2030 (base year: FY2019)
- Scope 3[2]: Reduce GHG emissions by 30% by FY2030 (base year: FY2019)

c. Performance

The Company started to base its calculation of GHG emissions on the GHG Protocol in FY2019. The figure for Scope 1+2 in FY2024 was 6,122t-CO2 (-15% year on year).[5] The Company also obtained an independent third-party assurance[6] of its GHG emissions. In addition, the Company achieved its FY2022 goal of carbon neutrality throughout its business activities as planned.

	Base Year FY2019[5] ($t\text{-}CO_2$)	Progress FY2024[7] ($t\text{-}CO_2$)	Reduction Ratio (vs. FY2019, %)
Scope 1	12,268	4,429	-64%
Scope 2 (Market-based)	29,854	1,693	-94%
Scope 1+2 (Market-based)	42,122	6,122	-85%

[1] GHG emissions throughout the Company's business activities are the sum of Scope 1 (GHG emissions directly from sources that are owned or controlled by a company), and Scope 2 (indirect emissions from the use of purchased electricity, heat, steam, etc., in owned or controlled sources).
[2] GHG emissions from the value chain, including the business activities of the Group, are referred to as Scope 3 and comprise indirect emissions other than Scope 1 and 2. The entire value chain represents the sum of Scopes 1, 2 and 3 GHG emissions.
[3] 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 any remaining emissions. The Company achieved carbon neutrality in FY2024 as it did in FY2021, FY2022 and FY2023.
[4] This is a short-term goal defined by the Science Based Targets initiative (SBTi) and established in line with the science-based GHG emission reduction levels required to limit global warming to 1.5°C above pre-industrial levels.
[5] All GHG emissions figures are approximate.
[6] The Company obtained independent third-party assurance of its GHG emissions from SOCOTEC Certification Japan and SCS Global Services.
[7] Refer to the Sustainability Data Book for specific initiatives related to the environment and climate change, as well as data on past GHG emissions etc. (https://recruit-holdings.com/en/sustainability/data/)

Our Policies and Actions for Development of Our Organization, Employees and Workplace

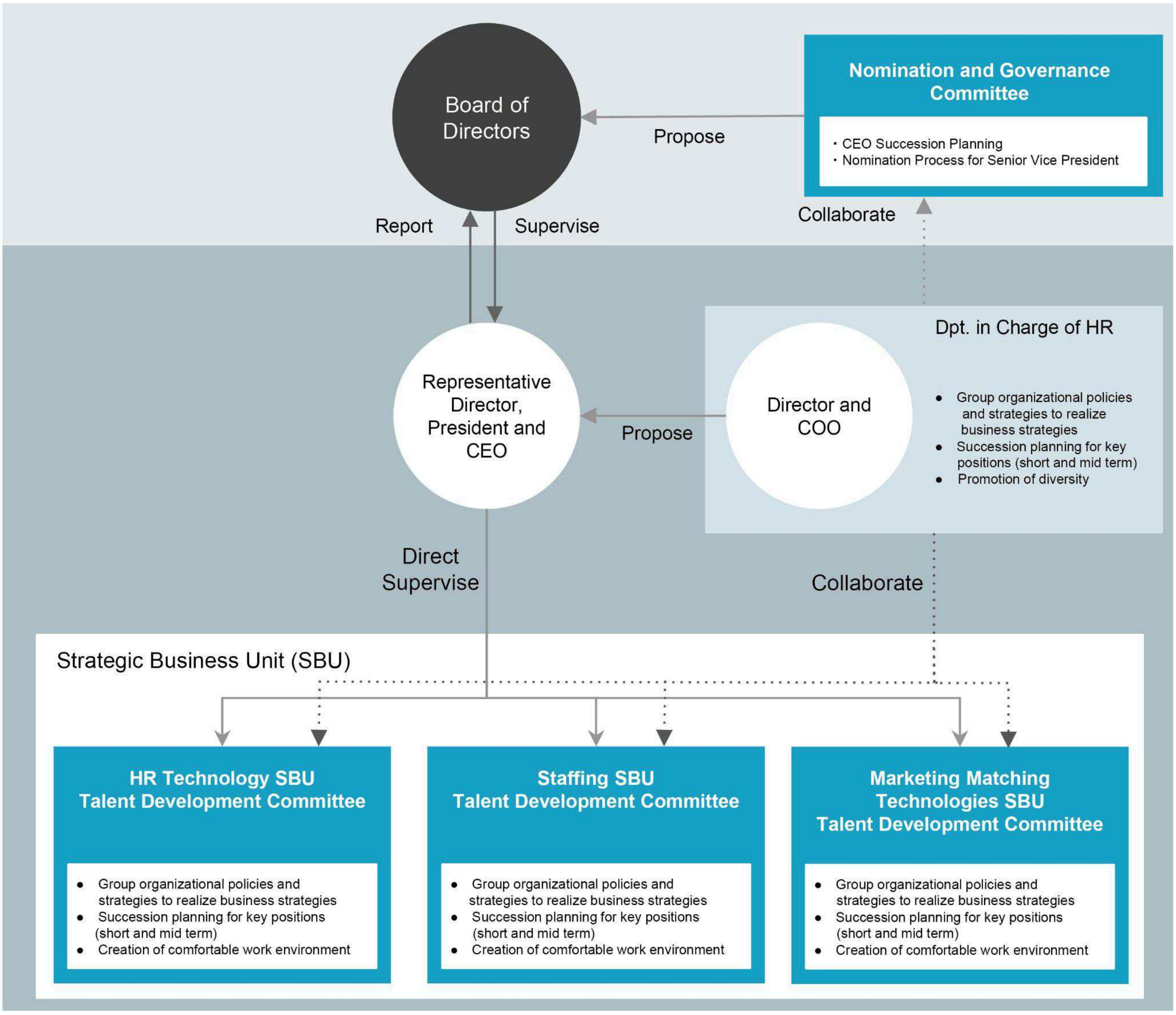
The Company defines strengthening of human capital as the material foundation of its corporate activities, and is working to improve the working environment and developing human resources to enhance its corporate value sustainably.

Governance

Human capital governance is a top priority for the Company, focusing on designing effective group-wide structures, ensuring smooth succession planning for key positions and fostering a positive work culture to achieve inclusion & belonging. The Board of Directors, in consultation with the Nomination and Governance Committee, makes decisions about the key group's structure and personnel to align with the Company's management strategy. The CEO chairs the Human Resources Development Committee which reviews the progress on key personnel succession by each Strategic Business Unit (SBU), including top management positions in major business areas. The Committee defines job requirements, identifies required human resources, shortlists candidates for various timeframes, evaluates their strengths and weaknesses and develops training plans. The Committee conducts an annual progress check on the development status to accelerate these efforts. For more information on employee measures, please refer to Our Policy and Actions for Sustainability as a Whole, Strategy, (b) Material Foundation for Corporate Activities. For the status of employee diversity, please refer to “Demographics” in the “Employees”.

Director and COO reports to the Board of Directors on organizational personnel plans, including risk assessments and opportunities related to human capital and plans to address them. Under the Executive Vice President's supervision, a dedicated department will be established to address optimal group-wide structural and personnel issues that align with the Company’s business strategies. The department will oversee succession planning for key positions and promote initiatives that foster a positive corporate culture focused on promoting inclusion & belonging.

Group-wide Structure to Strengthen Human Capital Development



Risk Management

The Human Resource Development Committee is responsible for discussing mid- to long-term human capital risks and opportunities. It conducts detailed discussions on organizational personnel plans to reduce risks and seize opportunities, and reports the results of these discussions to the Board. Risks related to human capital are shared with the Risk Management Committee and reported to the Board of Directors before being integrated into the Group risk management process to be centrally and comprehensively evaluated and managed by the Risk Management Committee.

Strategies, Metrics and Goals

The Company believes that the success of each business primarily depends on the strong alignment of the business model and strategy with the human capital and organizational strategy, in addition to designing the Group's core organization, proceeding succession of key positions, and governing the policy to increase diversity. Accordingly, the Company has delegated major authority over organizational human resources to each SBU to strengthen the link between human capital and business. While each SBU has established its own human capital indicators and goals based on what is critical to the success of its business, the Company has also established group-wide indicators and goals to accelerate its efforts to foster a positive corporate culture focused on promoting inclusion & belonging, which it considers the highest priority for the Group.

a. Maximize the Curiosity and Passion of the Company's Employee Base

One of the Company's core values since its founding is to "Bet on Passion," a concept centered around valuing the individuality of each employee and creating new businesses and services by investing in the ideas and passions driven by their curiosity. Therefore, the Company believes that its employees' curiosity and passion is the key driver of its competitive advantage, and will continue to develop an internal environment that enhances individuals' intrinsic motivation.

As a basic premise, the Company strives to prevent discrimination and human rights infringements based on class, race, color, sex, language, religion, gender, age, political or other opinion, national or social origin, nationality, property, sexual orientation, gender identity, disability, birth or other status through the "Recruit Group Human Rights Policy." The Company further seeks to promote equal opportunities for all and respect for each individual's own way of living and working. Furthermore, with regard to gender, which is a common issue across the Company, metrics and goals have been established as part of the Company's business strategy. The Board of Directors discusses and monitors the progress of these goals based on discussions of the Sustainability Committee. Refer to Our Policy and Actions for Sustainability as a Whole, Metrics and Targets, for indicators and goals. For more information on employee diversity, refer to "Demographics" in the "Employees".

To foster greater intrinsic motivation among employees, Recruit Holdings and its main domestic consolidated subsidiaries adhere to the principle of "Pay for Performance." The Company determines employees'[1] compensation based on their expected role and the extent of their contributions using a unique compensation structure called "Mission Grade System," regardless of age, year of entry, or any other factor. Every six months, expected outcomes are defined based on the assessment of each individual's capabilities, and the value of the role to be performed is determined accordingly. As "mission grades" are determined based on the value of the role, individuals who take on roles with greater impact, difficulty, and complexity are compensated accordingly across diverse career paths, including highly professional personnel. Through this system, the Company maintains and promotes both agile and flexible talent deployment, as well as an organizational culture that enables each individual to fully demonstrate their capabilities. This constitutes an important foundation supporting the sustainable growth of Recruit Group.

In addition to these systems, the Company continuously fosters an organizational culture that maximizes the intrinsic motives of individuals as part of its investment in human capital and intellectual property. To achieve this, for example, the Company and its respective main subsidiaries around the world conduct employee engagement surveys of all employees, so that the Company can understand the issues it needs to solve to improve employee engagement and implement a cycle of continuously improving organizational culture.

See below for SBU initiatives to foster organizational culture.

<u>HR Technology SBU</u>

HR Technology SBU operates an online matching and hiring platform, utilizing its extensive data and technology resources to optimize job search and recruitment processes. To thrive in this business, attracting talented individuals, including engineers from around the world, and enhancing employees' motivation toward mid- to long-term business growth is crucial.

Therefore, starting in 2021, the SBU implemented an Employee Stock Ownership Plan Trust (ESOP) for executives and employees. This initiative aims to ensure its recruiting competitiveness remains on par with globally operating technology companies listed on stock exchanges and to incentivize our employees to contribute to the long-term growth of the Company. Indeed also provides various training programs to help employees drive their performance, innovation, and career growth. "Indeed Skills Academy" is a learning platform designed to foster a culture of continuous learning. Through the platform, employees can learn from their peers and subject matter experts across diverse fields through cohort expeditions, a community-based learning option, or in a self-paced environment. "Boost Apprenticeship Program" gives non-technical employees pathways to engineering roles through skill training.

Furthermore, Indeed utilizes employee data to enhance the overall employee experience throughout their journey with the company, from recruitment to retirement. It also collaborates with Inclusion Business Resource Groups (IBRGs) which are employee-led groups dedicated to addressing cross-company issues to improve the experiences of employees from a variety of minority groups.

To allow various work styles, Indeed has implemented different systems and mechanisms to promote employee well-being, work-life balance and overall health. For instance, it has introduced an open paid leave system that allows employees to take additional paid time off as needed. The SBU also prioritizes creating a comfortable work environment by providing ergonomic equipment for remote working and offering fitness facilities within its office space.

<u>Staffing SBU</u>

Staffing SBU aims to provide job seekers with employment opportunities, offer flexible labor services to corporate clients and maintain stable operations across various countries, regions and industries by continuously enhancing and maintaining EBITDA+S margins. To successfully maximize EBITDA+S margins in each region and market it operates in, it is crucial to be agile and efficient in decision-making.

To accomplish this, the SBU has implemented a "unit management" approach within its subsidiaries. Under the system, the leaders of each unit are granted the authority to operate their respective units as if they were independent companies. By encouraging autonomy at the unit level, this approach promotes a sense of ownership among the responsible individuals and facilitates prompt and high-quality decision-making. Through this management framework, employees are given the authority to make decisions that impact results, allowing them to enhance their leadership and decision-making skills, and instills high motivation and a sense of responsibility in the workforce.

The SBU places great emphasis on having various talents within its decision-making boards. The SBU has implemented a succession planning process for key positions that prioritizes having a candidate pool with various attributes before discussing hiring and appointments. The SBU has introduced a global mentoring system to nurture various types of leaders across different organizations, transcending company and country boundaries across its SBU.

Furthermore, the SBU has implemented engagement surveys at major subsidiaries in various countries and regions to regularly monitor employee engagement and implement a cycle of continuously improving organizational culture.

Marketing Matching Technologies SBU

Marketing Matching Technologies SBU operates an online platform for sales promotion and SaaS solutions, primarily in the Japanese market. To ensure the success of these businesses, it is crucial to develop products and services that meet market needs and foster an environment that encourages diverse employees to contribute their ideas and passions. Additionally, maximizing the power of teamwork by bringing individuals together who continuously evolve is essential.

To this end, under the basic policy that "people are the source of value," the SBU promotes the autonomous growth of both employees and the organization by establishing the following structure and systems; the "Mission-Grade Scheme," a system that determines roles and rewards for employees irrespective of their age, tenure or experience; a "Will-Can-Must" management method, which supports capability development through work based on employees' own aspirations; the "Talent Development Committee," which discusses opportunities for employee growth across the organization; "Career Web," an internal mobility system that enables employees to proactively apply for job opportunities; "Ring," which fosters the creation of new businesses from employees' identification of social issues or needs; and "Forum," which facilitates the sharing of innovative work and knowledge.

Additionally, the SBU strives to acquire and develop human resources aligned with its business strategy by establishing specific requirements for each position. For both mid-career and new graduate hiring, the SBU conducts role-based recruitment -such as for business growth, product growth, engineering, data specialist, design, and finance- to promote employees' success by leveraging their individual aspirations, skills, and experience.

The SBU promotes employee development by combining on-the-job training (OJT), such as job placements and assignments that enhance employees' skills and capabilities, with off-the-job training (OFF-JT) that supports these efforts.

OFF-JT programs include a variety of initiatives, such as IT boot camps for product developers and transition training designed to support a smooth ramp-up following role changes.

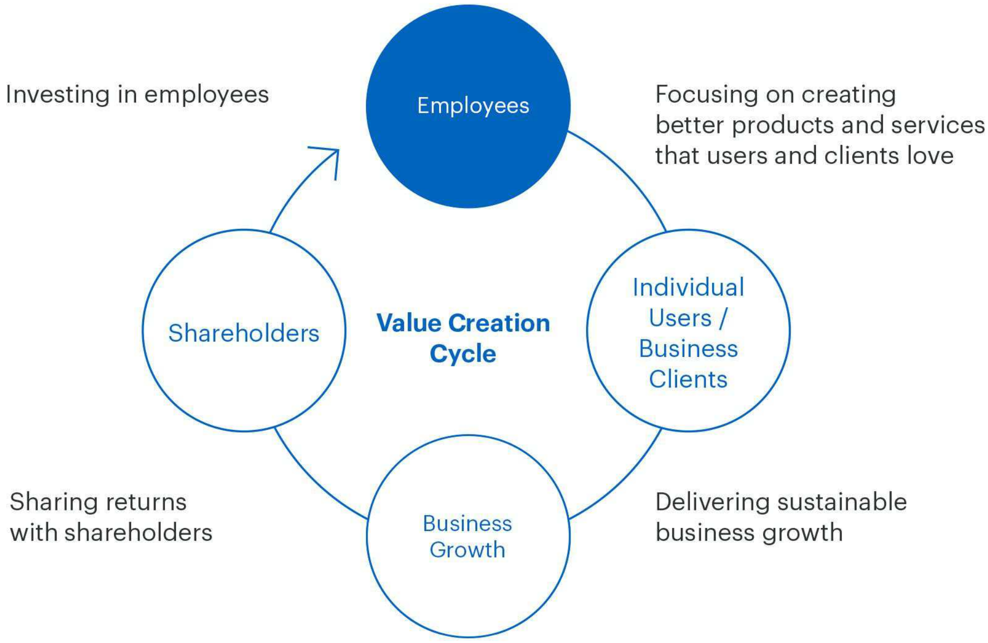
The SBU has embraced a concept called "CO-EN (Park)," which aims to create a space where individual curiosity and passion become the starting point for collaboration and co-creation beyond company boundaries, that connects to value creation. To realize this, the SBU provides a flexible environment to cater to the needs of various work styles, so individuals and teams can work autonomously and productively, and to maximize their creativity. This includes allowing members to have second or side jobs and providing opportunities of re-employment to those who have previously left the Company.

Since 2006, the SBU has been actively developing systems and support structures to enhance the working experience of each employee by establishing a specialized employee inclusion team. Starting in 2021, it is also focusing on improving job satisfaction to promote the activities of each individual. As a first step, the SBU set a gender-related goal for managerial positions, and started its initiative by clarifying requirements for managerial positions previously based on tacit understanding. This effort has led to an increase in the number of men candidates alongside women candidates, signifying a positive evolution in the SBU's management landscape. Additionally, the SBU is intensifying its efforts to strengthen human capital by visualizing it through various employee data, including engagement surveys.

b. Continuous Organizational Transformation for Prioritizing Social Value

The Company has always aimed to "Wow the World" and address pressing issues in society by creating innovative products and services. To continue to achieve this, the Company is constantly transforming its organization to adapt to changes in the market environment. The ability to drive transformation is a crucial skill for all members of the Board of Directors, regardless of whether they are internal or external, as it strengthens the Company's value creation cycle starting with a diverse workforce and enables it to remain agile in the face of challenges. For more information on the required skills for the Board of Directors, refer to Corporate Governance, Corporate Governance Overview of this document. For indicators and goals, refer to Our Policy and Actions for Sustainability as a Whole, Metrics and Targets, Governance.

Recruit Group Value Creation Cycle



For more detailed information on the Company's human capital, refer to the "Human Capital Management" section of Recruit Group Profile. Additionally, for specific data and detailed measures related to human capital, please refer to the "Human Capital" chapter in the “Social” section of the Sustainability Data Book.

Recruit Group Profile
https://recruit-holdings.com/files/sustainability/data/Recruit_insideout2025_en.pdf#page=30

Sustainability Data Book (Scheduled to be renewed twice a year, in July 2026 and January 2027)
https://recruit-holdings.com/en/sustainability/data/

[1] Relevant employees include those with permanent employment and those in certain employment categories under fixed-term employment contracts.

Risk Factors

Risk Management Structure

Internal Regulations for Risk Management

The Holding Company considers risk management to be a key priority to ensure the continuity and stable development of our businesses and endeavors to take an active approach to risk management across our operations. The Holding Company has established the Recruit Group Risk Management Policy, which provides a comprehensive risk management structure and reporting system for the entire group, and the Recruit Group Escalation Rules, which aim to achieve prompt reporting and information sharing related to major issues within the Company.

Risk Management Committee

The Holding Company established the Risk Management Committee, which serves as an advisory body to the Board of Directors, with Directors and Senior Vice Presidents as members. The Committee monitors the status of each of the SBU risk management activities, and engages in comprehensive discussions concerning the risks affecting the Company based on a group-wide risk map addressing the risk items of the Company including each SBU. The Risk Management Committee then selects the high-priority risks of the Company and implements appropriate countermeasures including monitoring policies.

Risk Management Structure in the Holding Company and Each SBU

The Holding Company has established the position of Director in charge of the Risk Management Division, and this Director also serves as our Executive Vice President. Because the Holding Company believes that the viewpoints and perspectives appropriate for responding to such risks differ between Japan and overseas markets, the Holding Company has assigned separate Senior Vice Presidents in charge of Japan (Risk Management Japan) and overseas (Risk Management International) matters to serve under the Risk Management Division of the Holding Company with the aim of responding to the high-priority risks applicable to each relevant region in a manner that is appropriate to the characteristics of such region.

The department in charge of risk management shares information and collaborates with our Internal Audit Department in a timely manner so that our Internal Audit Department can efficiently conduct operational audits of the status of responses to high-priority risks of the Company.

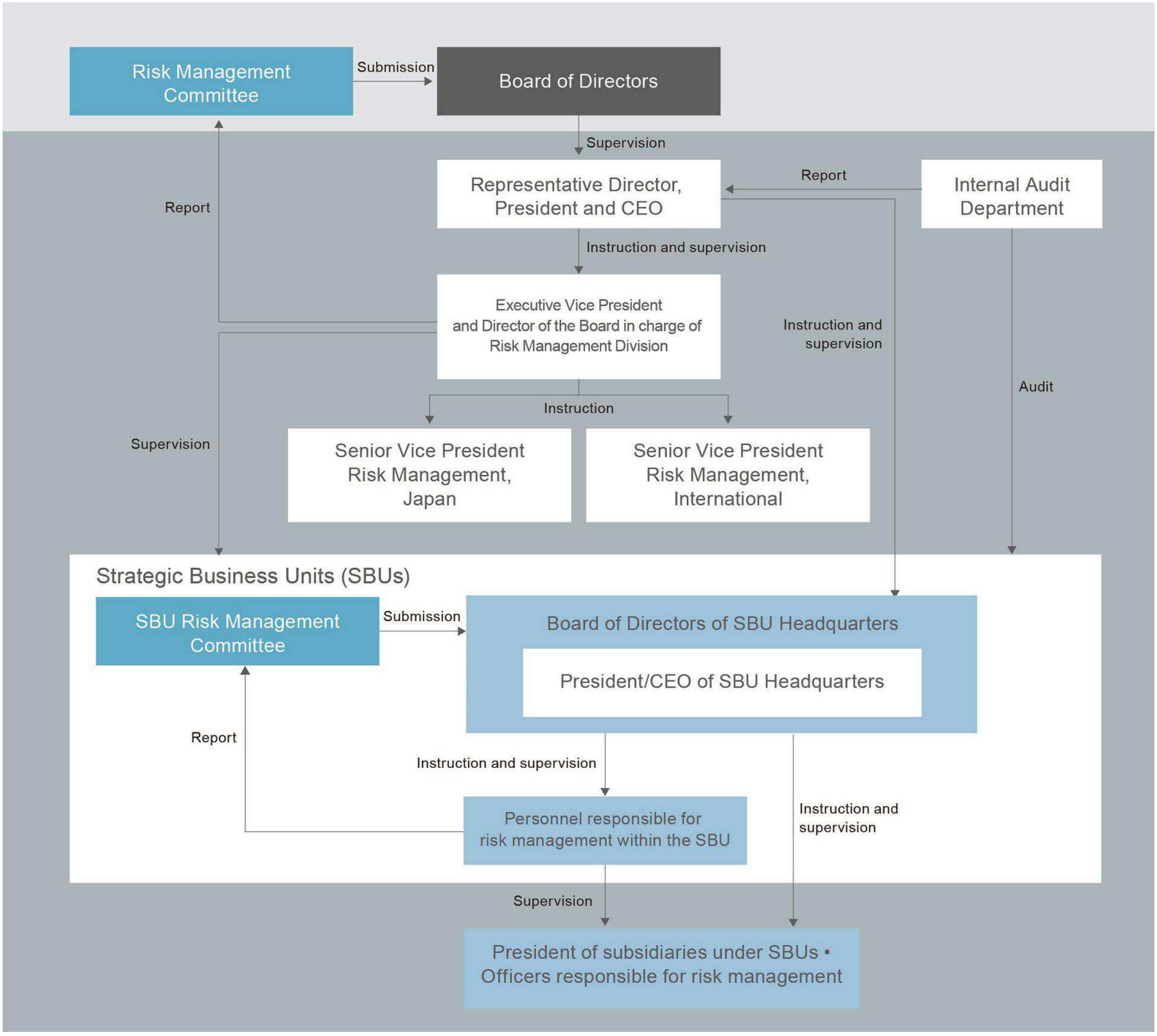
Risk management structure of each SBU is as follows.

a. Subsidiaries of each SBU are required to carry out risk management activities by identifying relevant risks, assessing materiality of such risks, and implementing countermeasures in response to such risks. The SBU Headquarters of each SBU appoints personnel responsible for risk management within the SBU with the task of overseeing the risk management function of the SBU and monitoring the risk management status related to the business of the SBU including its subsidiaries.

b. The SBU Risk Management Committee convenes on a semi-annual basis in order to assess and discuss the risks concerning the businesses operated under the SBU, determine high-priority risks relevant to the SBU and implement countermeasures, and monitor the risk management status of such risks. The Executive Vice President and Director in charge of the Risk Management Division of the Holding Company also participates in the SBU Risk Management Committee meetings to oversee the status of risk management functions in each SBU.

The Risk Management Division of the Holding Company, which oversees the secretariat of the Risk Management Committee, regularly reports on risk management activities to our Board of Directors, and has established a structure and reporting system that enables the Board of Directors to properly monitor the status of risks affecting the Company and the countermeasures in response to such risks.

Our Risk Management Structure



High-Priority Risks and Key Countermeasures

Among the risks that may affect the Company's financial condition, results of operations and cash flows, the high-priority risks that the Directors and Senior Vice Presidents perceive to be of particular importance and require countermeasures are as follows.

For a detailed explanation of risks associated with Data Security and Data Privacy, which is identified as one of the high-priority risks below, please refer to "The Company may be subject to liability and regulatory action or suffer reputational damage if the Company is unable to maintain the security and the privacy of its data or maintain effective policies and procedures for the storage, management, usage and protection of personal, confidential or sensitive information. " under the caption "Risks Related to the Company's Business" below.

High-priority Risks

Risks associated with Data Security and Data Privacy

Risk Awareness

The Company acquires, manages, and utilizes personal information, including the information of a large number of individual users, in each of our SBUs. We believe it is our obligation not only to comply with the laws of each area and country, but also to respect and protect the privacy of individual users in conformity with the expectations of society.

In the unlikely event of an incident involving personal information, this may not only cause disadvantage to individual users, but we may suffer from a loss in the value and reputation of our brand and confidence in our services from our individual users. We are also aware that we may be subject to business suspension orders, fines and other sanctions by the authorities, as well as lawsuits filed by individual users or business clients, which could seriously harm the Company's operating results.

For this reason, the Risk Management Committee of the Holding Company and the Risk Management Committee of each SBU recognize that data security and data privacy are high-priority risks and continue to implement appropriate measures.

Key Countermeasures[1]

Depending on the importance of the data or information in our possession, as well as the characteristics of the data or information to be protected, we have established structures and reporting systems, and measures necessary for each country and area's laws and regulations. For example, we monitor for unauthorized access, detect and block computer viruses, preserve communications and access records that may be used for investigations, and conduct periodic vulnerability tests.

Countermeasures relevant to International

In order to meet industry requirements with regard to data privacy, we have established standards for responding to the laws and regulations in each jurisdiction, such as the GDPR in Europe, CCPA in the State of California, United States, and others. With regard to data security, we have established reference standards such as NIST, ISOs, and CIS20, according to the business and risk characteristics of each SBU.

Countermeasures relevant to Japan

With regard to data privacy, we have formulated a “Personal Data Policy” and established a privacy center. In terms of data security, we have established a robust framework to strengthen defenses against increasingly sophisticated threats by setting up dedicated security departments, such as Recruit-CSIRT. We are implementing initiatives to proactively identify the latest attack tactics and implement preventive measures, as well as to detect damage at an early stage and minimize its impact.

The Company is proceeding with the implementation of the above measures upon consideration of the necessity of such measures as well as the order of priority of implementing various measures with respect to each subsidiary within the Company.

[1] Here, the Company describes the key countermeasures that the Company believes to be effective, as of the date of this document, in mitigating the anticipated impact of our high-priority risks on the performance of our businesses. However, it is possible that such countermeasures may not be effective due to a number of reasons, including information leakage caused by human error or voluntary acts by the Company’s personnel or other parties, or failure of one of our on-line products to perform as anticipated. In addition, even if such countermeasures are appropriately implemented, there is no guarantee that the risks affecting the Company’s businesses will be eliminated. Furthermore, it is possible that the significance or nature of the risks the Company faces may change or that the effectiveness of our measures to address such risks may decrease due to amendments to existing laws and regulations or the introduction of new laws and regulations concerning the handling of personal information in the future, the development of new methods of unauthorized access or computer viruses or other factors.

Risks That May Affect the Company's Financial Condition, Results of Operations and Cash Flows

The Company is subject to a number of risks and uncertainties, including but not limited to those described below. Our business, results of operations, financial condition and cash flows could be materially and adversely affected by any such risks and uncertainties.

The following contains forward-looking statements, which reflect the Company's assumptions, estimates and outlook for the future based on the Company's plans and expectations as of the end of the current consolidated fiscal year unless the context otherwise indicates.

Summary

Risks Related to the Company’s Business

1. The Company’s results of operations could be adversely affected by negative economic, social and geopolitical conditions in the Company’s main operating markets and globally.
2. Competition in the various industries in which the Company operates could reduce its profitability or result in a decrease in its market share.

3. The Company may be unable to innovate and adapt with sufficient speed to meet the rapidly changing needs and preferences of its individual users and business clients.
4. The Company must rapidly advance its technological capabilities.
5. The Company may not succeed in executing its business strategies, and its estimate of the scope and size of its total addressable market may not be correct.
6. The Company's past and future acquisitions, joint ventures and strategic alliances could fail to deliver the anticipated benefits or otherwise have an adverse effect on the Company's businesses and results of operations.
7. The Company's expansive global operations expose it to various risks and challenges.
8. The Company's inability to attract and retain qualified employees and maintain a positive work environment for its employees could harm its business and inhibit its ability to operate, grow and achieve innovation successfully.
9. The Company may be subject to liability and regulatory action or suffer reputational damage if the Company is unable to maintain the security and the privacy of its data or maintain effective policies and procedures for the storage, management, usage and protection of personal, confidential or sensitive information.
10. Information technology systems are a critical part of the Company's operations and any cyberattacks, systems failures or other disruptions affecting these systems could have an adverse effect on its business.
11. The Company's software applications may contain defects.
12. The Company's businesses are subject to various laws and regulations.
13. The Company may be subject to legal and arbitration proceedings and litigation, which could be costly and could materially and adversely affect its brands, reputation, business and results of operations.
14. Our reputation and that of our brands are important to our success, and any damage to them could materially and adversely affect our business, financial condition and results of operations.
15. The Company relies on third-party service providers, such as search engine platforms, data center providers, payment providers, sales agents and Internet service providers in various areas of its business.
16. The Company's advertising, sales and marketing efforts may be ineffective, may lead to increased costs and may negatively affect its revenue and margins.
17. The Company's business operations are exposed to natural disasters, terrorism, pandemics, calamities or other factors.
18. Any impairment of the Company's non-current assets, including goodwill and intangible assets, or fluctuations in the value of its securities holdings, could adversely affect its results of operations or financial condition.
19. The Company may have additional tax liabilities.
20. Fluctuations in currency exchange rates could materially and adversely affect the Company's business, financial condition and results of operations.
21. The Company relies on borrowings to finance its operations, and factors such as increases in interest rates for its borrowings could materially and adversely affect us.
22. The Company's operating results may fluctuate, which makes its results difficult to predict and could cause its results to fall short of expectations.
23. The Company's stock price may be volatile or difficult to predict due to fluctuations in its operating results or other factors.

Detailed Description

1. The Company's results of operations could be adversely affected by negative economic, social and geopolitical conditions in the Company's main operating markets and globally.

The performance of the Company's businesses is generally sensitive to economic, social and geopolitical conditions in its main operating markets, including Japan, the United States, Europe and Australia, as well as global economic conditions more generally.

The Company operates its businesses through each of its three segments: HR Technology, Staffing and Marketing Matching Technologies. In the Company's HR Matching business, which is operated through HR Technology and Staffing, the results of its operations are sensitive to negative developments in the labor and employment market resulting from economic downturns or uncertainty. In times of negative economic conditions, employers may reduce spending on job advertising and other job placement and staffing services or curtail the hiring of employees or temporary staff due to cost-cutting initiatives or increased access to qualified job seekers without the use of advertising or other third-party services. Any such reduction in spending or hiring by employers would in turn reduce demand for the Company's HR Matching business.

In addition, in the Company’s Marketing Matching Technologies, adverse economic conditions may affect its business clients’ demand for its services due to reduction in advertising expenditures and other cost reduction initiatives or changes in consumer spending activity that negatively affect their businesses. Negative economic trends also typically result in lower sales and downward competitive pressure on the pricing of the Company’s services across its businesses, and the Company may be unable to reduce selling and administrative expenses without negatively impacting its market presence, quality of service, infrastructure or capacity to respond to future increases in demand for its services. As a result, the Company’s results of operations have historically been negatively impacted by economic downturns.

The outlook for the economy in the Company’s main operating markets remains highly uncertain and could be adversely affected by a range of economic, social and geopolitical developments.

In addition, with respect to Japan, the economic environment continues to be challenging due to a number of other factors, including rapid inflation in recent periods, changes in monetary policy including the end of the Bank of Japan’s long-standing negative interest rate regime in March 2024 and longer-term challenges surrounding the impact of unfavorable demographic trends such as the declining birthrate and the decline and aging of the overall population. Additionally, political and economic tensions between the United States and China pose challenges. Also, shifts in foreign, trade, and security policies, including economic sanctions, and changes in tariff, immigration, and DEI policies in the United States are creating uncertainty. Any of these regional factors as well as factors outside of the Company’s main operating markets, including the worsening and protracted situation in the Middle East, which has driven up crude oil prices, the impact of the prolonged military conflict between Russia and Ukraine and related international sanctions imposed on Russia, which have caused significant increases in energy prices, volatility in financial markets and other disruptions, as well as uncertainties in the economic outlook in China and the potential escalation of geopolitical risks, including those in the Middle East, such as the situation in Palestine, as well as those related to Taiwan and North Korea, could impact the regional economy and the global economy more generally. If demand for the Company's services declines due to stagnant or worsening economic conditions or the spread of infectious diseases, the Company's business performance may be adversely impacted.

In HR Technology, if there is a decline in demand for hiring by business clients, it could have a negative impact on revenue. In the United States, a 'low-hiring, low-turnover' environment has taken hold, with both hiring and turnover rates persisting at historically low levels. Consequently, businesses are adopting a cautious approach to recruitment. Job openings are also trending downward across many regions outside the US; if this trend continues, there is a possibility that job advertising revenue in HR Technology could be adversely impacted for a long period of time.

Staffing comprises Japan, and Europe, US, and Australia. For Japan, the demand for temporary staff increased in the current consolidated fiscal year. On the other hand, in Europe, US, and Australia, demand for temporary staff is declining due to uncertain economic conditions. In the second half of the current consolidated fiscal year, signs of revenue recovery have begun to emerge in certain regions and job categories. Nonetheless, given the ongoing economic uncertainty, the sustainability of this recovery remains unpredictable. If this trend continues or a similar trend is seen in Japan, revenue of Staffing may decline and this may have an impact on the Company’s operating results.

Marketing Matching Technologies may be impacted by changes in demand arising from mortgage interest rate fluctuations in Japan or fundamental shifts in consumer mindsets regarding everyday spending, such as on travel and dining. The Company’s operating results may be affected by a decline in revenue if business clients temporarily suspend spending on advertising or choose lower-priced advertising packages, or if they experience revenue declines themselves as a result of the weak business environment.

2. ***Competition in the various industries in which the Company operates could reduce its profitability or result in a decrease in its market share.***

The markets in which the Company operates are highly competitive, and competition has generally intensified in recent years across its businesses. In particular, certain of the Company’s operating markets have relatively low barriers to entry, which enables new competitors, including those operating in different industries, to enter these markets relatively easily.
In addition, the Company’s ability to keep pace with increasingly rapid advances in technology is also a key competitive factor in many of its businesses. If the Company fails to adapt to changes in technology or if its competitors develop more advanced technologies than those of the Company, its competitive position and market share could be materially and adversely impacted. The Company may be unable to maintain its competitive position in its operating markets by relying on the strength of its brands, its ability to navigate current laws and regulations, financial resources and individual user and business client bases or other competitive advantages.
The Company’s current and potential competitors include large global technology companies, including platform businesses, and a variety of global and regional companies operating in one or more of its target markets. These companies may have more advanced technological resources, more compelling business models, greater financial resources, more competitive pricing or ability to provide such pricing, greater global or regional brand awareness, larger user bases, stronger relationships with business clients, greater access to potential employees, temporary staff and other personnel or superior service, sales, marketing and other resources than the Company has.
Market shares, particularly in Internet-based services in the Company’s HR Technology and Marketing Matching Technologies, have in the past been subject to significant shifts from time to time due to the relative ease for individual users to switch to other services. As a result, the Company’s ability to compete effectively depends on its ability to achieve continued innovation and to improve the functionality of existing services and introduce compelling new services in order to effectively respond to the evolving needs and preferences of individual users and business clients.
If the Company fails to keep providing services that gain market acceptance among individual users and business clients and are differentiated from services provided by its competitors, or if competitors offer services of the same standard at lower prices than the Company or competitors enhance their competitiveness through mergers and integrations, or if the Company cannot respond to changes in the regulatory environment, the Company’s competitive position and market share could be materially harmed. Also, business clients may establish their own user bases and stop using the Company's services.
The Company’s Marketing Matching Technologies has a strong market position and has achieved the top market share in terms of revenue for many of its core businesses in Japan, which may make future growth for these businesses more challenging relative to other businesses. If the Company is unable to convince its business clients to maintain or increase their spending with it or if the Company is unable to expand its client base, the Company may not be able to continue to grow these businesses. Even if the Company is able to maintain and further increase its market share, the Company’s margins may decrease if the Company is forced to undertake additional advertising and marketing expenditures, lower its pricing for existing services or introduce new services with lower profitability to do so.

3. The Company may be unable to innovate and adapt with sufficient speed to meet the rapidly changing needs and preferences of its individual users and business clients.

The Company's business model depends on its ability to offer individual users and business clients services that meet their respective needs and preferences. Accordingly, maintaining the Company's competitive position and market share requires that the Company adapt quickly to changes in such needs and preferences.

For example, increased use of the Internet, social network platforms, mobile devices and other new technologies has resulted in information being available more rapidly in real time while new technologies have made it relatively easy for new entrants to build user bases relatively quickly without significant investment. In particular, the Company's ability to offer effective mobile applications that provide individual users with an appealing, easy-to-use mobile experience is an increasingly important factor in maintaining and growing its individual user base and direct user traffic for many of its online services. These and other changes in technology and user behavior have in turn resulted in changes in the needs of the Company's business clients.

The Company must invest significant resources to continually enhance and improve its existing services and to introduce new and innovative features and services that are compelling to individual users and business clients and respond effectively to rapidly evolving technology and the way it is used or implemented by individual users or business clients. If the Company is unable to accurately identify and understand the changes in the needs of its individual users and business clients, including the appropriate balance between such changes in the needs and interests of its individual users and business clients, or if the Company fails to improve or develop its products and services to meet the needs of its individual users or business clients and predict or respond to technological changes in a timely and cost effective manner before its competitors, the Company's individual users and business clients may discontinue use of its products and services.

The Company's businesses are also affected by changes in business client preferences and how and to what extent business clients choose to use its services.

A substantial portion of the Company's revenue is generated from business clients advertising on the Company's online platforms in its HR Technology and Marketing Matching Technologies. For certain services, the Company provides more flexible arrangements to meet the needs of business clients including SMEs, and contracts with such business clients are sometimes in the form of relatively short-term advertising arrangements. These short-term arrangements may expose the Company to the risk that its business clients may switch their advertising to competing platforms or reduce the amount of their spending on the Company's platforms, or may not continue to do business with the Company entirely.

In addition, the Company's business clients could decide to reduce or eliminate the budgets they are willing to commit to it if the Company does not provide effective advertising solutions, or if they do not believe that their investment in advertising with it will generate a competitive return relative to other alternatives.

Individual user preferences may change in a manner that increases the Company's costs, such as expenditures required for development of new features or services or increased expectations for user perks or other programs that result in additional costs.

In addition, failing to respond quickly to changes in the needs of individual users and business clients, failing to timely develop or improve services, or failing to balance the interests of both parties—as well as the emergence of competitor services that better meet these needs—could lead to user and client churn. Such attrition could result in reduced market share and revenue, margin compression due to price adjustments, or unsuccessful attempts to adapt the business model. Consequently, this may have an impact on the Company's operating results.

4. The Company must rapidly advance its technological capabilities.

The markets in which the Company competes are characterized by rapidly changing technologies, which in turn impact individual user and business client demands and the competitive environment more generally. The Company accordingly believes it is critical to continuously invest in and improve its technological capabilities, the functionality of its system infrastructure and the reliability of its products and systems in response to technological innovation.

In addition, because many of the Company's services are provided over the Internet, the Company needs to continuously modify and enhance its platform to keep pace with changes in Internet-related hardware, software, communications and database technologies and standards. If the Company is unable to respond in a timely and cost-effective manner to these rapid technological developments and changes in standards, the Company's platform may become less marketable, less competitive, or obsolete, and its operating results will be harmed. In addition, the Company may be required to make significant investments in order to advance its technological capabilities, which could in turn impact its profitability.

The Company also recognizes that new technologies, such as AI and machine learning, have been rapidly evolving in recent years. These technological innovations present significant technical and business challenges and risks, including the following:

- the Company may fail to accurately predict future trends in the areas in which it operates, due to the continuous development of new devices and technologies such as AI and machine learning. As a result, it may invest in technologies or uses of technology that ultimately fail to deliver the benefits it anticipates, or become obsolete or less competitive by the time they are launched or fully implemented;
- the Company must attract, train and retain highly skilled engineers and managers in order to build, maintain and expand its information technology services and achieve innovation, and these engineers and managers may be difficult to recruit and expensive to retain;
- the number of different types of mobile devices in use, or the applicable technical standards, could further diversify including as the result of the adoption of 6G mobile technology across the Company's operating markets, substantially increasing its product development and modification costs, and the Company may be unsuccessful in developing appealing products for these devices;
- the Company may fail to maintain or update its technological infrastructure, products and systems to rapidly changing industry or technical standards;
- the cost of upgrading the Company's technology or implementing and operating new technology may be substantial and such upgrades or implementations may not be cost effective;
- any upgrades to the Company's technology and infrastructure may not achieve the desired results or may otherwise prove ineffective;

- products and services incorporating new technology, such as AI and machine learning, may contain bugs, defects, or other design flaws, resulting in the generation of content that violates laws or social standards, thereby damaging the Company's reputation and brands;
- the Company may face competition from businesses that have developed or implemented new technologies, such as AI and machine learning, faster than it has, or that make better use of such technologies than the Company does; and
- the widespread adoption of horizontal AI services offering high convenience for individual users and business clients could potentially reduce the Company's user base or replace its services, including those Company services reliant on AI tools provided by third-party service providers.

5. ***The Company may not succeed in executing its business strategies, and its estimate of the scope and size of its total addressable market may not be correct.***

In order to achieve further growth of the Company's business, the Company has adopted a number of business strategies as well as its long-term strategic objectives for each SBU. The Company's business strategies entail achieving sustainable growth through the development of a broad, geographically diverse portfolio of businesses and call for the expansion of existing businesses along with entry into and development of new businesses, in part through prudent use of strategic alliances and acquisitions. Furthermore, the Company's strategies may not be effective, or the Company may be forced to change its strategies in the future due to the difficulty of accurately forecasting future performance and market conditions and formulating effective strategies based on these forecasts in the business environment characterized by extremely rapid change and high uncertainty, among various other factors.

The Company has established a number of strategies for each segment that the Company believes will allow it to achieve long-term revenue and profit growth. However, each of these strategies is subject to a number of risks and uncertainties, including the following:

HR Technology

In the Company's HR Technology, the Company intends to pursue continued growth in its global HR matching business including through the Indeed hiring platforms, while expanding its capabilities through continued growth investments including acquisitions. However, the Company's ability to achieve growth may be largely impacted by developments in overall economic and labor market conditions.

In addition to these external factors, revenue growth may also depend on the Company's ability to grow its user and customer base, increase the number of sponsored jobs as well as prices for its hiring services as it automates more of the recruiting process for its customers. Revenue growth of the HR Technology segment will also depend on its ability to capture a larger share of the HR Matching market.

In addition, the Company's recruitment automation solutions may not grow at the pace the Company currently anticipates due to a variety of factors, such as business clients' being less willing to adopt recruitment automation than the Company expects.

Also, the Company may fail to respond promptly to emerging challenges that individual users and business clients face in the recruitment process due to the evolution of technology, such as an increased review burden for business clients caused by mass job applications via AI and bots. The use of new AI technologies in order to alleviate this potential problem has attracted regulatory review and litigation particularly in the United States. In addition to these factors, the Company may fail to capitalize on anticipated market opportunities for a variety of reasons, such as its failure to adopt and utilize new technologies, changes in the needs of individual users and business clients in the employment market and the constantly evolving regulatory and competitive landscape regarding new technologies. As a result, there is no assurance that the Company will be able to achieve growth to the extent the Company expects or at all, or that its investments will achieve the expected benefits.

Staffing

In the Company's Staffing, the Company intends to focus on improving profitability across its global operations. However, the Company may experience decreases in profitability, or be unable to achieve improvements in profitability to the extent the Company expects due to the tightening of regulations in any of its major operating environments, or other factors.

Marketing Matching Technologies

In the Company's Marketing Matching Technologies, the Company operates its online platforms as well as SaaS solutions targeting SMEs. The Company may be unable to grow its business in this segment if SMEs do not adopt its SaaS solutions including Air BusinessTools or its online platforms to the extent or within the timeframe the Company expects, or if the Company is required to incur significant costs to acquire new clients, whether due to its failure to effectively acquire new individual users or SMEs as business clients, or its services being less attractive or innovative than those offered by its competitors.

The Company also intends to invest in expanding its presence in the market for its HR Matching business. While the Company's HR Matching business currently operates in the online job advertising market through its HR Technology and Staffing, the Company also intends to continue expanding technology-driven solutions from its HR Technology that create cost efficiencies through automation of traditional human-driven processes in the job advertising and talent sourcing, direct hire, retained search, internal recruitment automation, and temporary staffing markets.

However, there can be no assurance that the Company will be able to successfully develop and introduce such solutions or adapt to the rapid changes in the labor market or that its solutions will gain market acceptance, and the Company may be unable to achieve a return on its investments in these new solutions. Moreover, although the Company has a long-term vision of offering cloud-based and agentic AI recruitment automation solutions that connect job seekers and employers without traditional human-driven processes, there is no assurance that the Company will be able to realize this vision due to a number of factors, including its failure to develop effective solutions, insufficient demand to support the commercialization of such solutions, or regulatory restrictions. In addition, even if the Company is successful, the introduction or expansion of such solutions may result in competition between the Company's existing businesses, such as its recruitment placement and temporary staffing businesses, and its new or expanded businesses, which may also result in a reduction in the profitability of its existing traditional businesses.

In assessing its market opportunities, the Company estimates the total addressable market for its businesses based in part on third-party data and in part on its own market research and assumptions. However, there can be no assurance that any estimates of the Company's total addressable market are accurate indications of its actual growth opportunities. In particular, the internal recruitment automation market is still in its emerging stages, which makes the opportunities in this market inherently difficult to estimate. As a result, the growth opportunities of the Company's businesses may be less than expected, and the Company may misallocate resources in pursuing such growth opportunities.

As the Company expands its existing services or launches new ones, the Company may face intense competition, greater than expected costs in establishing or expanding services and hiring and training the necessary personnel, difficulties predicting market and individual user and business client trends and the performance of its new businesses, returns from new initiatives that are smaller than expected or slower to materialize, unanticipated costs and difficulties, or other challenges that prevent it from successfully realizing its business goals.

On the other hand, it is also possible that the Company may need to exit from existing businesses or withdraw from planned investments or expansions if the Company determines that such business would not yield the desired impact or the growth potential of such business could not justify the required investment outlay. In these cases, such an exit or withdrawal may cause the Company to incur substantial costs and its business, financial condition and results of operations could be materially and adversely affected.

6. The Company's past and future acquisitions, joint ventures and strategic alliances could fail to deliver the anticipated benefits or otherwise have an adverse effect on the Company's businesses and results of operations.

As part of the Company's business strategy, the Company has actively engaged in acquisitions, minority investments, joint ventures and other strategic alliances with third parties primarily to expand its businesses globally, acquiring new users, to expand its product and service offerings and acquiring related technologies. The Company intends to continue to pursue acquisitions and other strategic investments or alliances in the future if attractive opportunities, as determined by the Company, emerge.

Acquisitions, strategic investments and alliances entail a number of risks, including, among others:

- expenses incurred and difficulties in integrating or assimilating the operations, technology, personnel and culture of acquired businesses;
- the inability to realize the synergy effects, such as technological development, expansion of individual user traffic and business client base or cost reductions, that were anticipated in connection with the transaction;
- the difficulty in ensuring that an acquisition reaches its required regulatory compliance standards;
- the potential disruption of, and the distraction of management from, the Company's regular business operations;
- difficulties and substantial costs in connection with retaining the individual users, business clients, key management or employees of an acquired company;
- the possibility that strategic alliance partners could later become competitors and utilize the know-how and business relationships they developed or acquired while in partnership with the Company;
- the failure to ensure that the companies acquired operate in accordance with the Company's regulatory compliance standards;
- with respect to foreign acquisitions and global expansion, uncertainty regarding, and changes in, foreign laws and regulations, local restrictions on foreign investments and challenges with respect to different employee/employer relationships, labor conditions, existence of workers' councils and labor unions, cultural, linguistic or operational differences and additional risks arising from the local and regional social, political, regulatory and economic environment;
- the possibility of overestimating the value of an acquired company, underestimating its legal or contingent liabilities or receiving insufficient indemnification of liabilities or insufficient escrowed amounts or insurance to secure such indemnities from the seller;
- recording significant goodwill and intangible assets that could be subject to future impairment, as described elsewhere in this section; and
- incurrence of additional debt in connection with financing acquisitions and investments.

As a result of such risks, the Company may not be able to fully realize the benefits that the Company anticipates from any given transaction, including increased revenue and profits and other expected strategic benefits, within the expected timeframe or at all.

Furthermore, for strategic reasons, the Company has in the past acquired and may in the future acquire target companies that are unprofitable, and the consolidation of such target companies into its overall results may materially and adversely affect its consolidated financial condition and results of operations.

Although the Company conducts due diligence reviews of acquisition targets, there can be no assurance that its due diligence process will disclose all relevant risks, legal, compliance or regulatory issues, losses and other liabilities or that its assessment of the target's risks and liabilities will be accurate. In particular, with respect to acquisitions and investments in the technology sector, the Company may have difficulty accurately assessing the future viability and growth trajectory of target companies or technologies, especially where the relevant technologies are in the early stages of development and still relatively untested or are rapidly evolving in ways that are difficult to predict. As a result of these uncertainties, technology companies that the Company acquires may not attain profitability in the timeframe the Company expects or at all, and the Company may be unable to achieve the expected benefits from its investment.

The Company may also face uncertainties when the Company acquires companies with a limited operating history or a management system that requires improvement, which is often the case for early stage companies the Company targets in the technology sector, including potential compliance issues or liabilities that were not identified in due diligence. Accordingly, such risks, losses or other liabilities could have an adverse impact on the Company's business, financial condition and results of operations.

In addition, in cases where the Company acquires non-controlling interests in entities, the Company may not have the capability to effectively monitor or exercise control over the management of the entities in which the Company invests or the direction that the entity will take. As a result, the Company may not be able to cause any companies in which the Company holds non-controlling interests to implement what the Company views as optimal management policies or strategies that would enable it to achieve the expected benefits from strategic investments. This could have an adverse effect on the Company's business, financial condition and results of operations. In addition, joint ventures and other strategic alliances could limit the Company's future flexibility to work with other potential partners.

While the Company intends to continue to explore future opportunities for acquisitions, business alliances and other strategic investments, there is no assurance that the Company will be able to correctly identify attractive opportunities. Even if the Company does correctly identify potential acquisitions, alliances and investments that the Company believes would further its growth strategy, the Company may be unable to negotiate favorable terms with the target company or otherwise be unable to pursue the opportunity due to its inability to secure the necessary financing or obtain necessary regulatory approvals or other reasons.

Furthermore, should any circumstances arise in the future that hinder the collaborative or partnership relationship with any joint venture partner for any reason, this could impact the operating results of the relevant business or render its continuation impossible. In the Company's HR Technology, acquisitions and investments in companies with short operating histories and no history of profitability are expected to increase, with the aim of acquiring innovative technologies and talent. However, the risks described above may be heightened in such acquisitions and investments.

7. The Company's expansive global operations expose it to various risks and challenges.

The Company has operations in a number of countries and regions including Japan, the United States, Europe and Australia, and the Company is working to further expand its businesses globally. However, the performance of its operations in any particular country or region could suffer or might otherwise fail to meet its expectations due to the following factors, among others:

- poor regional or national economic and political conditions that could adversely impact, among other things, the advertising spend of its business clients;
- difficulties complying with legal or regulatory requirements and oversight by local regulators;
- changes in legal or regulatory requirements that could impact its operating strategies, access to global markets, hiring, and profitability;
- differing individual user and business client expectations and preferences;
- lower availability of Internet access and adoption of mobile devices;
- taxation issues;
- difficulties adapting to local market practice or local culture and customs;
- labor disputes or strikes;
- adverse political developments or general political uncertainty;
- linguistic and communication difficulties;
- a worsening of international relations involving any of the countries in which the Company operates;
- seasonal reductions in business activity;
- a higher risk of litigation in certain regions;
- restrictions on share ownership by foreign entities;
- difficulties hiring and retaining highly skilled management personnel, engineers and other staff;
- lower brand name recognition; and
- difficulties in monitoring business the Company conducts across a diverse range of countries and regions.

Unfavorable performance of the Company's global operations for the above reasons or any other factors would have an adverse effect on its businesses and results of operations. In addition, the Company's exposure to the risks discussed above will increase as its global operations continue to expand.

8. The Company's inability to attract and retain qualified employees and maintain a positive work environment for its employees could harm its business and inhibit its ability to operate, grow and achieve innovation successfully.

For the Company's businesses to be successful, many of its employees must have high levels of technical skill and know-how, strong client relationships and client management skills, a thorough understanding of relevant markets and other specialized knowledge, and have a strong drive to innovate, all of which are in high demand in the Company's industries.

In order for it to remain competitive, grow its businesses and adapt its business models to changing markets, the Company needs to attract, develop and retain talented personnel in a number of areas including management, engineering, sales, and other fields and develop a workforce that brings a wide range of unique backgrounds and perspectives to its businesses. The Company must also continually train its employees to respond to changes in the market for its products and services and evolving technology.

In addition, the Company must also maintain a positive and safe work environment that provides the necessary support and flexibility for its employees and temporary staff in its temporary staffing business, including allowing for remote working arrangements where necessary. Any failure to maintain a positive working environment could compromise the physical and mental health and safety of such employees or temporary staff, which could harm the Company's reputation and brands or materially and adversely affect its business, financial condition and results of operations.

Any failure to hire, train, retain, motivate and manage the required workforce may limit the Company's growth, damage its reputation, negatively affect its financial performance, impede its ability to achieve innovation and otherwise harm its business.

In particular, talented and experienced IT and AI engineers have become increasingly important in the Company's HR Technology and Marketing Matching Technologies. Due to the Company's increasing dependence on and the scarcity of such engineers, the Company's success going forward depends in part on its ability to continue to recruit, train, develop and retain such personnel, which could have a negative impact on its profitability if the Company is required to pay higher compensation to secure or retain qualified personnel.

Further, if the decrease in the working population makes it difficult for the Company's business to hire and develop human resources, this may result in the increase of hiring cost and also may have a huge impact on the Company's hiring strategy.

If the Company loses key personnel, including key members of its management team and engineers, to competitors or at a rate greater than the Company anticipates, or if the Company has difficulty attracting new, highly talented employees, the Company's reputation and its business, financial condition and results of operations could be materially and adversely affected. There is also a risk that a former employee could utilize knowledge and business relationships developed while employed with it in a competing business.

9. ***The Company may be subject to liability and regulatory action or suffer reputational damage if the Company is unable to maintain the security and the privacy of its data or maintain effective policies and procedures for the storage, management, usage and protection of personal, confidential or sensitive information.***

Due to the nature of the Company's business operations, and the large number of individual users who utilize its services and transmit and store personal information through its systems, the Company possesses a substantial amount of personal, confidential or otherwise sensitive information with respect to current, past or prospective individual users, business clients, and business partners.

The requirements under the Act on the Protection of Personal Information of Japan (Act No. 57 of 2003, as amended) that apply to the Company's handling and use of personal information in its Japanese operations have become more stringent. The Company is also subject to laws and regulations regarding personal information in the other countries in which the Company operates, such as the General Data Protection Regulation, or the GDPR, in the EU. Furthermore, many individual US states, such as California, which enacted the California Consumer Privacy Act of 2018, or the CCPA, as amended by the California Privacy Rights Act of 2020, or the CPRA, are also increasing regulatory compliance standards regarding the handling and use of personal information.

Certain of these regulations impose fines or direct liability on businesses for data breaches where data security systems are found to be inadequate, in some cases regardless of harm to the affected users, and the potential amount of fines or liability can be substantial. For example, certain violations of the GDPR and the CCPA can result in significant fines or liability, even in some cases where individual users experienced no harm. Compliance with these laws and regulations, the requirements and interpretations of which may differ significantly from country to country, has become more complex in recent years due to the increasing awareness of management of personal, confidential and sensitive information.

Accordingly, the cost of complying with these laws and regulations is substantial and has been increasing. In addition, such laws and regulations related to the handling and use of personal, confidential and sensitive information have become stricter in recent years and may become even more stringent in the future, or the Company may change its policies concerning handling and usage voluntarily or in response to violations of applicable laws and regulations, perceived wrongdoing or for other reasons. As a result, it may become difficult for it to utilize certain information that is critical to the Company's existing products and services or to develop new products and services, which in turn may harm its ability to maintain or grow the number of the Company's individual users or business clients.

Authorities in various countries are considering a number of legislative and regulatory proposals concerning data protection, including measures to ensure that encryption of users' data does not hinder law enforcement agencies' access to that data. In addition, as many consumer and data protection laws and regulations have been in force for a relatively short period, the interpretation and application of consumer and data protection laws and regulations are often uncertain and in flux, and it is possible that these laws and regulations may be interpreted and applied in a manner that is inconsistent with the Company's current data practices.

If the Company fails to comply with any such laws and regulations, the Company could suffer damage to its reputation and its brands, including loss of confidence in its platforms by individual users, business clients or other third parties or in its ability to manage its businesses by current or potential individual users, business clients and business partners. The Company could also be subject to liability or regulatory investigations or legal or other actions from regulators, users or other third parties relating to actual or alleged violations of laws and regulations surrounding data protection and privacy or otherwise. Any new restrictions or limitations relating to data protection and security may result in the deterioration of the quality of the Company's products and services that rely on data and its overall competitive advantage, and possibly result in a loss of individual users or business clients or necessitate a revision or overhaul of its business models and strategies.

The personal and other data the Company collects in connection with its business as well as the technologies the Company uses to manage this data have become increasingly important parts of its business, and the Company relies on the integrity of its systems and security procedures to ensure adequate protection of its data.

However, there can be no assurance that the Company's efforts to ensure the security and proper management of such information will be fully effective. In particular, the Company has in the past experienced cyberattacks of varying degrees targeting its services, and there can be no assurance that such attacks will not occur in the future or that the Company will be able to successfully protect its data from unauthorized access in the event of any future attacks.

In such an event, the number of individual users affected, due to the size of the Company's user base, could be extremely large, potentially resulting in a correspondingly large liability. In addition to cyberattacks, information could be leaked or improperly accessed, used or handled as a result of a range of factors including third-party security breaches, system failures or errors, software bugs, inadequate policies or procedures, employee error, malfeasance, hacking, theft, faulty password management or other irregularity.

Any unauthorized disclosure or use of, or other failures to properly store, manage or protect, personal, confidential or sensitive information, including any failure to obtain valid consent from affected individual users or business clients, could adversely affect the Company's businesses in a number of ways, including legal liability stemming from claims from individual users, business clients, temporary staff or other third parties, or government investigations, actions or sanctions.

The Company may also incur additional expenses associated with updating or strengthening its systems, policies and procedures, either voluntarily or in response to administrative guidance or other regulatory initiatives. In addition, such incidents could create a negative public perception of the Company's operations or harm its reputation and brand, which could in turn decrease its individual users' and its business clients' confidence in it and damage its relationships with them, causing current or potential individual users or business clients to decline to use its services.

10. Information technology systems are a critical part of the Company's operations and any cyberattacks, systems failures or other disruptions affecting these systems could have an adverse effect on its business.

The analysis, storage, retrieval, management and security of large amounts of data is an important part of the Company's business. Any impairment in the reliability or availability of, or any security breach in, the Company's information systems due to cyberattacks, systems failures or other factors could:

- have an adverse effect on its products and services and their continued availability;
- result in negative publicity about it or its brands or harm its brand strength, reputation and relationships with individual users and business clients;
- harm the continued adoption of its services by individual users and business clients or negatively impact accessibility, performance and load times of its services, which could cause a loss of individual user or business client traffic on its services;
- subject it to legal and regulatory risk including litigation, government investigations or other legal actions;
- result in large monetary judgments or a duty to remediate against it, or result in it voluntarily offering monetary or other compensation to affected parties; and
- materially and adversely affect its business, results of operations and financial condition.

Although the Company has implemented policies and procedures to address these risks, no system can be designed to be completely immune to breaches or outages. The Company's systems are not fully redundant and its disaster recovery planning may not be sufficient. System interruptions and malfunctions can occur for a number of reasons, including cyberattacks, hacking, computer viruses, sabotage, human error, natural disasters, power failures, software errors, hardware problems, network failures, terrorism, geopolitical conflict, difficulties with the Company's service providers, overwhelming online traffic and similar factors.

In particular, cybersecurity-related attacks, intrusions and disruptions, including through spyware, viruses, phishing, denial of service and similar attacks by criminal organizations, hackers, foreign governments and terrorists, have become increasingly prevalent in the Company's industry. The Company has in the past experienced cyberattacks of varying degrees targeting its services, and there can be no assurance that such attacks will not occur in the future or that the Company will be able to successfully defend its systems from any future attacks. In addition, the Company has seen, and expects to continue to see, industry-wide vulnerabilities which could affect the Company's and other parties' systems.

Certain of its services have also experienced downtime due to systems disruptions or other outages. As the Company expands its information technology-based offerings to support business clients' workflows, the Company may be more likely to experience malfunctions of this kind despite any preventative measures the Company may take, which may result in legal liability for damages or voluntary compensation or other costs or in damage to its reputation.

For example, as part of its efforts to expand operational and management support services for its business clients including SMEs, the Company launched Air BusinessTools, which includes such cloud-based services as point-of-sale (POS) and payment systems. If the Company experiences systems failures in connection with such services, the Company may be held responsible by its individual users and business clients for losses, and the perception of the reliability of its services and its overall reputation could be negatively impacted.

In addition, the Company depends on third parties to provide and maintain certain of its information systems, and accordingly some system problems and failures may be outside of its control. For example, the Company relies on third-party cloud infrastructure providers to host all of its cloud-based services, and its reliance on cloud infrastructure providers will increase as the Company intends to migrate more of its services and data storage to cloud infrastructure in the future. Potential security breaches to the systems of these third-parties, whether resulting from internal or external sources, could significantly harm its business. Furthermore, the cost of developing, maintaining and expanding its information technology infrastructure could also increase substantially in the future.

11. The Company's software applications may contain defects.

The Company provides certain of its services to individual users and business clients through software applications, and in some cases, such as AirPAY, a payment system service offered through its Marketing Matching Technologies, it also provides hardware devices equipped with highly technical and complex mobile and online applications.

The Company's software applications or hardware devices may contain bugs and other defects that interfere with their intended operation that the Company is unable to detect prior to introducing the relevant service. Any defects the Company does not detect and fix may prevent it from providing its services in a responsive and reliable manner and could cause degradations or interruptions of service, negative experiences for individual users and business clients, repair or remediation costs, delays in the release of new products or versions, difficulties in adequately protecting the data of its individual users and business clients or legal liability from various issues such as loss or leakage of confidential or personal information or under applicable regulatory regimes. In particular, as many of its online services have significant user bases, any defects in the Company's software applications could potentially affect a significant user population.

As a result of any such defects, the Company may suffer damage to its reputation, loss of individual users or business clients, loss of revenue or liability for damages, government investigations, actions or sanctions, any of which could adversely affect its business and financial results.

In addition, in certain of its businesses, the Company provides its business clients with platforms through which they operate key business functions, such as online reservations, POS, cash registers, payments, and attracting and connecting with individual users.

If there is any defect in the software used to provide these platform services, the Company's business clients may experience disruptions in their business operations or losses or leakage of sensitive or personal data relating to their business or their users. As a result of any such defects, the Company may suffer damage to its reputation, loss of individual users or business clients, loss of revenue or liability for damages, government investigations, actions or sanctions, any of which could adversely affect its business and financial results.

12. The Company's businesses are subject to various laws and regulations.

The businesses that the Company currently operates, as well as those that the Company may operate in the future, span many fields and countries and consequently are subject to a variety of laws and government regulations, such as those relating to personal information and data protection, electronic communications, consumer reporting, labor and employment placement, temporary staffing, civil rights and social welfare, anti-bribery, taxation, and competition (antitrust).
Furthermore, the Company is required to obtain government permission or approval or to register for licenses in order to conduct certain of its businesses, and certain of its businesses are subject to supervision and monitoring by regulatory authorities.

Being subject to these laws and regulations exposes its businesses to certain risks. As a general matter, the legal and regulatory structures that apply to the Company's various businesses are complex and even an inadvertent failure to comply with them could result in fines, penalties, losing permission to operate some of its businesses, being ordered to suspend operations, litigation and other legal proceedings and have an adverse effect on its reputation.

Furthermore, future changes in such laws or regulations or entry into new regulated businesses could necessitate costly compliance expenditures and increase the risk that the Company could fail to comply with applicable requirements or miss business opportunities as a result of restrictions imposed or delays caused by responding to such changes in laws or regulations.

Any new or amended laws and regulations may require it to change its business models or practices, or may prevent it from conducting existing businesses or entering into new businesses, which could adversely impact its business and results of operations and impede it from executing its growth strategy as planned.

For example, there have recently been active discussions among companies globally regarding civil rights and social welfare issues, and if the Company is unable to appropriately respond to changes in the laws and regulations concerning such issues, the Company's brand and reputation may be adversely affected. In addition, taxes imposed on the use of social media, digital services or other mobile applications in certain countries, or other actions by governments that may affect the accessibility of its products or users' technology usage patterns in their countries, may cause a decline in its individual users' engagement with its products.

HR Technology

The Company's HR Technology is subject to various laws and regulations. For example, in the United States, the Company's activities may be subject to the Communications Decency Act, the CCPA (as amended by the CPRA), the Telephone Consumer Protection Act, the Wiretap Act, the Stored Communications Act, and the Fair Credit Reporting Act, as well as various state legislation covering the same or similar topics, including regulations involving the use of biometrics. In addition, the Company's HR Technology is, or is expected to be, subject to other regulations, including the GDPR, the Digital Services Act and the Digital Markets Act in the EU, the Act on the Protection of Personal Information and the Employment Security Act in Japan, and similar laws regulating these subjects in the UK and other nations. Noncompliance with the Employment Security Act or other relevant laws could result in the revocation of necessary business licenses or a direct order to improve or suspend operations. Changes to the applicable regulations could affect the pricing of the Company's fees. In addition, worldwide competition and antitrust law apply to the Company's HR Technology which maintains online matching, hiring, and job distribution platforms where employers or agencies or competitive companies may post jobs or integrate. The Company's decisions on which companies to allow onto the platform, in accordance with its rules, may subject the Company to scrutiny as to whether or not it maintains a dominant position in its market and whether it has abused such position. A finding of abuse of dominance carries with it the possibility of fines. Further, the EU has introduced a comprehensive set of AI regulations, the European Artificial Intelligence Act, with certain rules on generative AI being phased in, such as restrictions on prohibited AI practices and regulations for general-purpose AI. In the United States, "The Executive Order on the Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence" was withdrawn, and "Removing Barriers to American Leadership in Artificial Intelligence" has been issued instead. Various US states and cities, such as Colorado and New York City, have enacted or are preparing to enact regulations on AI and AI tools as they apply to employment decisions, and the Company expects this trend of increasing regulation of the use of AI in employment to continue. These regulations may place burdens on the Company's existing or planned operations. In addition, either courts or regulatory agencies in the United States may find that the use of AI screening tools or resume verification tools in employment will subject the user and provider of such tools, such as the Company, to the various US civil rights laws regarding unlawful discrimination, disability protection laws or the Fair Credit Reporting Act. This would create an additional burden on the Company's operations and potentially expose the Company to regulatory actions including fines and lawsuits. Litigation regarding these issues has already commenced against other parties in the United States. As described above, regulation relating to AI, especially as its use pertains to employment decisions, has become more uncertain.

If any new laws and regulations are introduced or enforced, or if existing laws and regulations are amended or interpreted in a manner that is unfavorable to us, the Company's HR Technology operations may become subject to additional restrictions and costs, and it may require significant time and resources to respond to any new or amended laws or regulations. For instance, there is an ongoing discussion in the United States to introduce a new regulation on a federal level, the American Privacy Rights Act, which will grant consumers broad rights to control how platforms use their personal data (including rights to opt out from certain decisions made by AI). In addition, the EEOC has begun to take the position that assessments given by a company might make that company an employment agency, which might lead to new sets of regulations applying to our business which helps matching candidates to jobs.
Additionally, Indeed is considered an "online platform" under the Digital Services Act. This places certain obligations on the Company, such as transparency obligations for advertisements. Moreover, if the number of users increases and exceeds a certain level in the EU region in the future, further requirements on recommendation systems, including the Company's search engine and record keeping etc. would be imposed, and compliance with these obligations may impact the Company's business and results of operations. If current trend continues, Indeed may cross the threshold within the next fiscal year.

There are currently legislative proposals to amend the Communications Decency Act in the United States to significantly increase the Company's potential liability by eliminating or reducing immunities currently available to its platforms which publish material posted by third parties, such as reviews and job solicitations. Other laws may restrict the use of algorithms or background checks regarding potential employee candidates or even the ability to make recommendations regarding candidates, all of which could have a negative impact on its business. In addition, there are a variety of new laws and proposals in the United States on the federal, state and even local levels placing new security and privacy obligations on companies that handle personal data which could place burdens on the Company that may negatively affect its business.

Additionally, legislators are examining companies that maintain digital marketplaces, such as the Indeed search engine, and may place restrictions on companies placing their own products on such marketplaces. The applicable laws and regulations in the technology sector are still evolving, particularly in Europe and the United States, and more stringent laws and regulations concerning the technology sector may be implemented in the future.

For example, if new requirements or restrictions are imposed on the collection, use and analysis of information regarding user behavior in connection with its services, the Company may be restricted from using such information as planned and be forced to change its strategy and business practices.

As a result of any of the foregoing, the business, financial condition and results of operations of its HR Technology may be adversely affected.

Staffing

The Company's Staffing is also subject to a number of laws and regulations relating to temporary staffing and employment.

The Company's Staffing in Japan operates with a license from and under the supervision of the Minister of Health, Labour and Welfare and is also subject to the Act for Securing the Proper Operation of Worker Dispatching Undertakings and Protection of Dispatched Workers of Japan (Act No. 88 of 1985, as amended), or the Staffing Labor Act and related rules and regulations.

Any business that provides staffing services in Japan but does not comply with applicable laws, rules and regulations, including the Staffing Labor Act, is subject to the risk of being issued a business improvement order, losing its permission to operate as a staffing business or being directly ordered to cease its operations. If temporary staff suffer a work-related accident, the Company may be obligated to make compensation payments as the dispatching agency.

The Company's Overseas operations in the Company's Staffing are concentrated in the United States, Europe and Australia. Laws and regulations regarding temporary staffing in these regions may be implemented on a state-by-state (or, in the case of the European Union, member state-by-member state) basis, as well as on a federal, nationwide or region-wide basis. It is also possible that any failure to comply with local laws, rules or regulations in the Company's Overseas operations in its Staffing, whether in the United States, Europe, Australia or elsewhere, could result in it losing permission to operate its businesses in the relevant jurisdiction.

Additionally, the enforcement of the European Artificial Intelligence Act in Europe may subject the Company's Staffing operations to additional restrictions and costs, and it may require significant time and resources to respond to any new laws or regulations.

Further reforms may be proposed in the future that would introduce additional restrictions on permitted staffing in certain industries and provide additional protections for temporary staff, which could negatively impact the Company's business and results of operations.

As a general matter, future changes in employment-related laws and regulations in Japan and overseas could necessitate costly compliance expenditures and increase the risk that the Company could fail to comply with the applicable requirements.
Changes related to any of the above could materially and adversely affect the Company's business, financial condition and results of operations.

Separately, on June 2, 2026, Recruit Staffing Co., Ltd. and Staff Service Co., Ltd., which are subsidiaries within the Japan operations of the Company's staffing business, were subject to an on-site inspection by the Japan Fair Trade Commission on suspicion of violating the Antimonopoly Act. If any illegal conduct is confirmed, depending on the nature of the sanctions imposed and the actions taken by the parties involved, this situation could adversely affect the Company's brands, reputation, business, and results of operations.

Marketing Matching Technologies

In the Company's Marketing Matching Technologies, the Company's various services are subject to a number of laws and regulations. For example, the Company is subject to personal information and data protection laws relating to individual user and business client data stored on its systems. With respect to the Company's payment business, which is offered through AirPAY, a cloud-based payment service, the Company is also subject to regulations under the Installment Sales Act of Japan (Act No. 159 of 1961, as amended), or the Installment Sales Act, and is operating with the registration from and under the supervision of the Minister of Economy, Trade and Industry.

In addition, Recruit MUFG Business Co., Ltd. provides the COIN+ payment service and is registered as both an issuer of prepaid payment instruments and a funds transfer service provider under the Payment Services Act. Failure to meet certain requirements could result in this payment service losing its registered status or being directly ordered to suspend or improve operations. Changes to the applicable regulations could result in restrictions being placed on the Company's services.

13. The Company may be subject to legal and arbitration proceedings and litigation, which could be* costly *and could materially and adversely affect its brands, reputation, business and results of operations.

The Company is subject to litigation and other legal and arbitration proceedings in the ordinary course of its business.

The Company may in the future be subject to claims, allegations, lawsuits, including class action lawsuits, minimum statutory penalties and regulatory investigations regarding antitrust or competition law violations, patents and other intellectual property, the protection of personal information, data privacy and security, consumer protection, regulations as they apply to AI, employment screening tools, tax, labor and employment, commercial disputes, content generated by its individual users, goods and services offered by advertisers or publishers using its platforms, false or deceptive advertising, delivery of services and alleged actions or other issues relating to the monitoring of its temporary staff, among other matters, from individual users, business clients, competitors, regulators and others, including proceedings originally commenced against third parties such as its individual users and business clients. These proceedings can be expensive and disruptive to its normal business operations.

In addition, the Company cannot be certain that its services, products and features do not infringe on the intellectual property rights of others, and the Company may be subject to infringement claims from third parties. In certain countries non-practicing entities have purchased patents for the sole purpose of filing lawsuits based on these patents or obtaining license fees on them. These proceedings are often protracted and costly, regardless of the merit of the claims involved, and the results may be difficult to predict. The Company cannot be certain that it will succeed in defending future claims, that judgments will not be rendered against it or that any reserves the Company set aside or insurance policies will be adequate to cover any such judgments.

A determination adverse to it in any of these legal proceedings could result in significant costs, penalties or fines or require the Company to pay royalty fees and modify its services and products in order to provide non-infringing substitutes or cease the use of certain services, products or features altogether, which could materially and adversely affect its brands, reputation, business and results of operations.

14. ***The Company's reputation and that of its brands are important to its success, and any damage to them could materially and adversely affect the Company's business, financial condition and results of operations.***

The Company believes that the brand identity the Company has developed has significantly contributed to the success of its business and will continue to be a significant competitive factor going forward. The Company depends on its brands and reputation to maintain and expand its user base, which in most businesses comprises mainly general consumers who tend to have a relatively high level of sensitivity to and awareness of our brand and reputation. The Company's business clients, which include a large number of SMEs, are also highly sensitive to our brand and reputation.

The Company's brand and reputation could be harmed due to a number of factors, including defects or errors in its services, cyberattacks and other cybersecurity breaches, failure to adequately protect individual users and business client data, inadequate investments to maintain and enhance its brand and reputation, establishment of more competitive brands by its competitors, circulation of unsubstantiated or unfounded rumors or adverse media coverage on the Internet or social media platforms, regardless of whether such content is true or not, misconduct by its employees or its temporary staff, claims raised by its temporary staff or employees relating to its employment practices, unpermitted use of its brands by a third-party, unfavorable litigation or other factors, regardless of whether such damage was caused by its fault or the fault of others.

Furthermore, as the use of technology and data in its business has become increasingly important, the use of algorithms such as artificial intelligence in its services and its use and management of data on its platforms could lead to negative outcomes or be viewed negatively by individual users and business clients and adversely affect its reputation and brands.

In addition, in the event that the Company, or one of its individual users or business clients in any of its businesses, engage in misconduct or inappropriate behavior or acts through its platforms or engage in illegal activity such as infringement of third-party intellectual property, violation of personal privacy rights, libel or any other illegal act or malfeasance, its reputation and that of its brands could be materially damaged directly or by association due to its relationship with such individual users or business client.

For example, for some of the Company's platforms such as its job search engines that provide content or host advertisements by third parties, its reputation or brands may be negatively affected if its individual users or business clients engage in misconduct, illegal activity or other inappropriate behavior such as web spam, phishing, impersonating other people or organizations or posting false, misleading or inappropriate job information or user generated content (UGC) such as employer information or other information. The Company has limited ability to affect the behavior of individual users and business clients, and even in the event that it is able to do so its proposed solution may not be satisfactory to all affected parties. In such cases, the Company could be subject to claims or legal proceedings, face harm to the Company's reputation and brands, business and results of operations.

The Company is also subject to the risk that third parties could imitate its products or services or use its brands, trademarks, logos or other intellectual property without permission.

Although the Company believes it has in place robust protections for its intellectual property, there can be no assurance that these measures will be successful in preventing others from infringing its intellectual property rights and damaging its reputation and brands. Effective intellectual property protection may not be available in every country in which our products and services are available. In addition, the Company may not be able to discover or determine the extent of any unauthorized use of our proprietary rights, particularly as policing the Internet for improper use of our brands, trademarks and logos increases in difficulty as the Internet expands. Other parties could also initiate claims or legal proceedings alleging that the Company infringes their proprietary rights, which may result in the loss of its ability to use certain brands, trademarks or logos, which could damage our market presence and reputation.

15. ***The Company relies on third-party service providers, such as search engine platforms, data center providers, payment providers, sales agents and Internet service providers in various areas of its business.***

The Company relies on third-party service providers in a number of critical areas of its business. The occurrence of any of the below, including the termination or deterioration of its relationships with such third-party service providers, could materially and adversely affect its competitiveness and its business, financial condition and results of operations.

Some of the Company's services in its HR Technology and Marketing Matching Technologies rely on Internet search engines provided by global technology companies primarily for the purposes of ensuring its individual users access to its online platforms. User traffic on the Company's online platforms can be significantly impacted by changes in the search algorithm of the search engine operators or as a result of actions by its competitors that render online search results through its third-party search providers less favorable to us, which would in turn impact its business and presence among users.

The Company's HR Technology also relies on third-party publisher networks to drive traffic to its platforms by adding its content to their websites. Any failure of such publisher networks to effectively promote its services could result in reduced user traffic and harm to its business and competitive position. Some of the Company's services also rely on third-party large language models and other AI tools to help its AI driven solutions. If such third party provider services degrade, or are restricted in any way from offering services, it is possible that the Company's AI products using such services will be degraded. It is also possible that such providers of AI tools used in the Company's products will become competitors of the Company.

The Company also offers mobile applications through the platforms of third-party global technology companies to enhance the accessibility of its services and expand its individual user traffic. If the Company becomes unable to provide its applications through these platforms, either due to vendor policies, platform updates or otherwise, the Company's ability to expand its mobile user base and increase user traffic on its services would be adversely affected.

Furthermore, the Company relies on third-party data center providers in its operations, and any disruption or interruption to the data center service or deterioration of the network performance of such service, as well as any increase in server usage fees or other additional costs, could materially and adversely affect the Company's competitiveness and its business, financial condition and results of operations.

The Company also relies on third parties to provide certain payment methods and payment processing services, including the processing of credit card transactions. As a general matter, any third party that has access to data on its systems is a potential entry point for unauthorized access, which exposes it to the risk of security breaches of such third-party systems.

The Company also makes use of third-party sales agents or media agencies to manage sales to, and other relationships with, the Company's business clients to enhance its sales ability and maintain a cost structure that allows it to respond more flexibly to economic volatility. However, the Company's reliance on such sales agents involves certain risks. In particular, because the Company generally works closely with these sales agents over long periods of time, the loss of a sales agent reduces the strength of its sales network and could result in the loss of business clients and transfer of know-how to a competitor.

Additionally, the Company exerts less direct control over third-party sales agents compared to its own employees, and the agents' actions in the course of their work for it or otherwise may harm its reputation or expose it to litigation.

The Company's online services also more generally depend on the ability of the Company's individual users and business clients to access its services through the Internet. Currently, this access is provided by companies that have significant market power in the broadband and Internet access marketplace, and these providers may take measures that could degrade, disrupt, or increase the cost of user access to certain of its products by restricting or prohibiting the use of their infrastructure to support or facilitate its offerings, or by charging increased fees to the Company or its users to provide its offerings.
The Company's services may also be subject to government-initiated restrictions or blockages in some jurisdictions. Any such interference or disruption of access to its online services through the Internet could result in a loss of existing individual users and business clients and increased costs, and could impair its ability to attract, maintain or increase the number of users, customers and advertisers, thereby harming its revenues and growth.

Furthermore, any limitation from the Company's third-party Internet access providers on the use of third-party cookies could reduce its ability to provide targeted information to its individual users and negatively impact various areas of its business.

16. ***The Company's advertising, sales and marketing efforts may be ineffective, may lead to increased costs and may negatively affect its revenue and margins.***

As part of its strategy to expand its business, the Company engages in advertising, sales and marketing activities in order to increase recognition of new or existing services and expand its individual user and business client bases. The Company is substantially dependent on its advertising, sales and marketing operations to maintain brand recognition and user traffic on its services and to acquire new business clients and enhance client satisfaction with its services.

In particular, as many Internet users rely on search engines to refer them to products and services, the Company's HR Technology and Marketing Matching Technologies depend in part on various such search engines to generate user traffic on its websites, particularly when the Company expands into new markets or business areas where the Company does not have an established presence. Thus, maintaining a strong search engine ranking is an important factor in the Company's success in those businesses, and the Company may be required to incur expenses to enhance its search engine rankings as the Company seeks to maintain and expand the market presence of certain businesses. However, there is no guarantee that such efforts to enhance its search engine rankings would yield the outcome the Company desires.

The Company may also engage in other advertising including online, television and radio advertising to increase awareness of its services on the Internet and more generally among potential individual users and business clients. In the Company's Staffing, the Company may also rely on advertising to increase registered temporary staff, particularly in markets where there are labor shortages.

Although the Company may undertake significant additional advertising, marketing and sales costs in order to expand certain businesses, the Company's efforts may not be effective in building its brand recognition or expanding its business to the extent the Company expects or at all.

17. The Company's business operations are exposed to natural disasters, terrorism, pandemics, calamities or other factors.

Despite any preparatory measures the Company takes, the Company's business operations, technology infrastructure, employees, and physical assets will remain subject to the risk of fire, earthquakes, tsunamis, typhoons, hurricanes and other natural disasters, blackouts and other power losses, war, acts of terrorism, cyberattacks, pandemics, and other catastrophic events. Any of these events could impact the Company's ability to provide its services or otherwise operate its business, including disruptions affecting the workforce the Company needs to operate its business, such as its employees, employees of its service providers, and its temporary staff, as well as business restrictions under stay-at-home orders and other government measures, or shutdown of or damage to its properties.

In particular, any of these catastrophic events could result in disruptions to its operations, including failure of its information systems or data servers that have not been backed up, and in such circumstances its ability to successfully implement its business continuity plan will be crucial to its recovery. In the event that the Company experiences a system failure or systems delays, particularly if these issues are widespread within its infrastructure, or are unable to fully implement its business continuity plan, the Company may be unable to offer certain products and services, and even if they are available, the Company's Internet-based products and services may experience increased load times or other disruptions.

In such an event, the Company's individual users may become dissatisfied and reduce their usage of its products and services or switch to those of its competitors. In addition, disruptions to the business or information systems of its individual users and business clients could damage its brand and reputation and lead to reduced revenues, errors in the transactions that the Company is involved in, or other problems.

In addition, large-scale natural disasters could have secondary adverse effects, such as the destruction or incapacitation of or other harm to its business clients' business operations or deterioration in economic conditions generally or causing its individual users to refrain from engaging in lifestyle activities.

Any of these outcomes could impair the Company's business operations and materially and adversely affect its business, results of operations and financial condition.

18. Any impairment of the Company's non-current assets, including goodwill and intangible assets, or fluctuations in the value of its securities holdings, could adversely affect its results of operations or financial condition.

The Company may be required to record a significant charge on its consolidated financial statements during the period in which any impairment of its non-current assets is determined. Impairment may result from, among other things, deterioration in performance, adverse market conditions, adverse changes in applicable laws or regulations, including changes that restrict the activities of or affect the products and services the Company provides, challenges to the validity of certain registered intellectual property, disposals of group assets, changes in its strategies, increases in interest rates and a variety of other factors.

Accordingly, any determination of impairment of asset value, including goodwill and other intangible assets, could have a material adverse effect on the Company's results of operations.

Moreover, to the extent that the Company acquires early stage companies that have not achieved profitability, the Company may be subject to impairment risk relating to any goodwill and intangible assets recorded in connection with the acquisition.

In addition to goodwill and intangible assets, the Company's other non-current assets, including property and equipment and investments in associates and joint ventures, are also subject to the risk of impairment.

Furthermore, the Company also holds equity securities of certain companies it considers to be necessary business partners in order to maintain and strengthen business relationships with these companies to support its long-term growth. The Company generally recognizes changes in the fair value of these securities as part of other comprehensive income, which has the effect of increasing or decreasing its retained earnings. Declines in the value of such securities could thus have an adverse effect on its financial condition.

19. The Company may have additional tax liabilities.

The Company is subject to income taxes in Japan and many foreign jurisdictions. Significant judgment is required in determining its worldwide provision for income taxes. In the ordinary course of the Company's business, there are many transactions and calculations where the ultimate tax determination is uncertain. The Company regularly is under audit by tax authorities in different jurisdictions.

Economic and political pressures to increase tax revenue in various jurisdictions may make resolving tax disputes favorably more difficult. Although the Company believes its tax calculations are reasonable, the final determination of tax audits, and any related litigation in the jurisdictions where the Company is subject to taxation could be materially different from its historical tax calculations. The results of an audit or litigation could have a material effect on its consolidated financial statements in the period or periods in which that determination is made.

The Company earns a portion of its operating income from outside Japan, and any repatriation of funds currently held in foreign jurisdictions to Japan may result in higher effective tax rates for the Company. In addition, there is risk that the Company's tax exposure could be adversely affected if, for example, tax related laws and regulations, including the interpretation thereof, change due to political or economic conditions in the jurisdiction in which the Company operates.

Further, because the Company is subject to tax audits by relevant tax authorities on a regular or irregular basis, it is difficult to accurately predict their timing and results. The Company's exposure to the above tax risks could materially and adversely affect its business, results of operations and financial condition.

The Company may also become subject to new taxes applicable to online businesses based on changes in tax laws and regulations and enforcement of such laws and regulations by tax authorities. For example, the Organization for Economic Cooperation and Development (OECD) has been working on a Base Erosion and Profit Shifting (BEPS) initiative that would change various aspects of the existing framework under which tax obligations are determined in many of the countries in which the Company operates. Currently, as we see in the OECD's announcement in connection with BEPS initiative consisting of Pillar One which applies to large multinationals and will reallocate certain amounts of taxable income to market jurisdiction and Pillar Two which sets out a mechanism of global minimum taxation, there is an ongoing discussion regarding the minimum common tax rate across multiple countries and recommended tax allocation rules, with the goal of establishing tax systems that would redistribute a fixed percentage of profits in excess of a certain amount earned by multinational corporations to market countries in which the corporations operate. Current and future Pillars of the BEPS initiative are subject to implementation by each member country and various governments have enacted, or are enacting, legislation codifying elements of the Pillars. However, the timing and ultimate impact of any such changes on the Company's tax obligations are uncertain.

However, there are a number of uncertainties surrounding the actual procedures for applying any of these taxes, and the financial impact of any such taxes on the Company's business and results of operations is unclear.

Any changes to international tax laws could impact the tax treatment of the Company's foreign earnings and adversely impact its effective tax rate. Further, changes to tax laws and additional reporting requirements could increase the complexity, burden and cost of compliance.

Due to the large and expanding scale of the Company's international business activities, any changes in taxation of its activities or the combined effect of tax laws in multiple jurisdictions may increase its worldwide effective tax rate, increase the complexity and costs associated with tax compliance (especially if changes are implemented or interpreted inconsistently across tax jurisdictions), and adversely affect its results of operations and financial condition.

20. Fluctuations in currency exchange rates could materially and adversely affect the Company's business, financial condition and results of operations.

The Company has substantial operations outside Japan and have significantly expanded its global businesses in recent years. The Company principally conducts its global business transactions in foreign currencies, in particular the US dollar, the Euro and the Australian dollar.

In our consolidated financial statements (including the interim financial statements and quarterly financial statements), foreign currency-denominated assets and liabilities are reported in the relevant local currencies and then translated to Japanese yen at the period-end applicable exchange rate, while foreign currency-denominated results of operations are reported in local currencies and then translated to Japanese yen using the spot exchange rate at the date of the transaction or a rate that approximates such rate.

As a result of these factors, fluctuations in foreign currencies against the Japanese yen may adversely affect the impact of favorable results or amplify the impact of unfavorable results at the Company's overseas subsidiaries in our consolidated financial statements (including the interim financial statement and quarterly financial statement).

Although the Company may enter into derivatives transactions to hedge a portion of its foreign currency exchange rate risk, there is no assurance that its hedging efforts will be effective in protecting the Company against exchange rate fluctuations. Depending on the size of the exposures and the relative movements of currency exchange rates, if the Company chooses not to hedge or fail to hedge its exposures effectively, the Company could experience a material adverse effect on its results of operations and financial condition.

Furthermore, volatility in foreign exchange rates could negatively affect economic conditions in the Company's operating markets, potentially leading to decreased advertising spending by its business clients or harm its ability to execute acquisitions or other strategic transactions abroad, which is an important piece of its strategy for growth globally, at an acceptable price.

21. The Company relies on borrowings to finance its operations, and factors such as increases in interest rates for its borrowings could materially and adversely affect it.

Although the Company finances its operations and investment activities primarily through operating cash flows, the Company also obtains financing through loans from banks and other financial institutions and issuing bonds in the capital markets. The Company may incur additional indebtedness in the future depending on the overall funding environment including interest rate trends. Increases in interest rates could substantially increase its financing costs and may impair its ability to borrow necessary funds on a timely basis.

In addition, the Company's creditworthiness may decline in the future due to adverse changes in the Company's financial condition or business, which would negatively affect its ability to obtain additional borrowings in the future on terms that are acceptable to the Company or at all.

The Company may enter into additional borrowings in the future that may subject it to covenants or other restrictions that can impede its ability to manage its operations.

If the Company fails to comply with such covenants, the repayment of the principal of, or accrued interest on, the Company's loans could be accelerated or the Company could be required to post collateral to secure its borrowings. The Company may also have difficulties in obtaining additional financing on acceptable terms to the extent that its credit ratings decline.

In addition, as a holding company with no business operations of its own, the Company relies on cash flows from subsidiaries to meet its obligations, including to service any debt obligations. The Company's subsidiaries may be restricted in their ability to pay cash dividends or to make other distributions to it and therefore, the Company's ability to meet its obligations may be adversely affected by such restrictions.

22. The Company's operating results may fluctuate, which makes its results difficult to predict and could cause its results to fall short of expectations.

The Company's operating results may fluctuate as a result of a number of factors, many of which are outside of its control.

As a result, comparing its operating results on a period-to-period basis may not be meaningful, and you should not rely on its past results as an indication of its future performance. The Company's operating results in future periods may fall below market expectations as well as its internal business objectives or financial targets. For example, although its HR Technology has been a key growth driver in recent years, it is uncertain whether its HR Technology will continue to achieve revenue growth at the expected pace or at all. Any of these events could cause its stock price to fall. Each of the risk factors listed in this section in addition to the following factors may affect the Company's operating results:

- its ability to continue to attract and retain individual users and business clients to its services, including by successfully responding to changes in individual user preferences and business client needs;
- its ability to keep pace with rapid changes in technology;
- the amount of revenues and expenses generated and incurred in currencies other than Japanese yen, and its ability to manage the resulting foreign exchange risk;
- the amount and timing of advertising expenses, other operating expenses and capital expenditures related to the maintenance and expansion of its businesses;
- its focus on long-term goals over short-term results;
- acquisitions and other strategic investments;
- introduction of new businesses, products, services and technologies; and

Because its businesses are changing and evolving, the Company's historical operating results may not be useful to you in predicting its future operating results.

23. The Company's stock price may be volatile or difficult to predict due to fluctuations in its operating results or other factors.

The trading price of its common stock has been, and is likely to continue to be, volatile. In particular, the Company's operating results may fluctuate significantly due to a number of factors, including the various risk factors discussed in this section, which could negatively affect its stock price.

In addition, the trading price of the Company's common stock may fluctuate significantly in response to numerous other factors, many of which are beyond its control, including:

- the financial projections the Company may provide to the public, any changes in these projections or its failure to meet these projections;
- actions of securities analysts who initiate or maintain coverage of the Company, changes in financial estimates by any securities analysts who follow it, or its failure to meet these estimates or the expectations of investors;
- additional shares of its common stock being sold into the market by the Company, its existing stockholders, or in connection with acquisitions, or the anticipation of such sales;
- changes in the Company's shareholder return policy, such as dividends and share repurchases;
- investor sentiment with respect to the Company's competitors, its business partners, and its industry in general;

- announcements by the Company or its competitors of significant products or features, technical innovations, acquisitions, strategic partnerships, joint ventures or capital commitments;
- changes in operating performance and stock market valuations of technology companies in the Company's industry, including its competitors;
- price and volume fluctuations in the overall stock market, including as a result of trends in global political or economic conditions;
- the inclusion, exclusion, or deletion of the Company's stock from any trading indices;
- media reports regarding the Company's business and financial performance;
- lawsuits threatened or filed against the Company, or developments in pending lawsuits;
- developments in anticipated or new legislation or regulatory actions; and
- other events or factors, including those resulting from pandemics, war or incidents of terrorism, or responses to these events.

Broad market and industry fluctuations and general economic, political and market conditions, such as recessions, interest rate changes or foreign currency exchange fluctuations, may negatively impact the market price of the Company's common stock regardless of its actual operating performance.

Management's Discussion and Analysis of Financial Position, Results of Operations, and Cash Flows

The following contains forward-looking statements, which reflect the Company's assumptions, estimates and outlook for the future based on the Company's plans and expectations as of March 31, 2026 unless the context otherwise indicates.

Consolidated Results of Operations for FY2025

Consolidated Results of Operations

Consolidated revenue for FY2025 increased 3.9% year over year to 3,697.3 billion yen. Consolidated revenue increased in all three segments: HR Technology, Staffing, and Marketing Matching Technologies.

Operating income increased 28.5% year over year to 630.5 billion yen. Profit before tax increased 22.3% to 644.6 billion yen, profit for the period increased 21.7% to 496.6 billion yen, profit attributable to owners of the parent increased 21.6% to 496.9 billion yen, and basic EPS increased 28.9% to 349.78 yen.

For FY2025, EBITDA+S margin was 21.5%, and EBITDA+S increased 17.0% year over year to 794.3 billion yen.

Significant accounting policies, estimates, and assumptions

The consolidated financial statements of the Company have been prepared in accordance with IFRS.

The significant accounting policies used for the preparation of the consolidated financial statements are mainly described in "Financial Information, Consolidated Financial Statements and Notes, 3. Material Accounting Policies."

The significant accounting estimates and assumptions used for the preparation of the consolidated financial statements are mainly described in "Financial Information, Consolidated Financial Statements and Notes, 4. Significant Accounting Judgments, Accounting Estimates and Assumptions." Assumptions used for the impairment tests on goodwill are described in "Financial Information, Consolidated Financial Statements and Notes, 11. Goodwill and Intangible Assets."

These estimates and assumptions are based on management's best judgment based on historical experience and various factors deemed to be reasonable. By their nature, however, due to uncertainties in these estimates and assumptions, they may differ from the amounts recognized in the consolidated financial statements of future periods.

Results of Operations by Segment

Matching & Solutions changed its name to Marketing Matching Technologies in FY2025. HR Solutions of the former Matching & Solutions was transferred to HR Technology Japan at the beginning of FY2025.

In the following, the results for FY2025 are compared with those for the previous fiscal year assuming that the above transfer had taken place in the previous fiscal year.

HR Technology
Revenue for FY2025 increased 6.3% to 1,458.4 billion yen, and on a US dollar basis, revenue increased 7.6% to 9.67 billion US dollars.
Revenue in the US increased 7.6% to 801.6 billion yen, and on a US dollar basis, revenue increased 8.8% to 5.31 billion US dollars, as monetization improvements led to a 17% year over year rise in the US Average Revenue per Job Posting on Indeed, or US ARPJ[1], despite stagnant hiring demand.
Revenue in Europe and Others increased 17.8% to 308.5 billion yen, and on a US dollar basis, revenue increased 19.2% to 2.04

billion US dollars.
Revenue in Japan decreased 4.6% to 348.2 billion yen, and on a US dollar basis, revenue decreased 3.2% to 2.31 billion US dollars. EBITDA+S margin for FY2025 was 37.7%, primarily driven by improved operational efficiency, including a decrease in personnel expenses. EBITDA+S increased 21.5% to 549.9 billion yen.

[1] The US Average Revenue per Job Posting on Indeed, or US ARPJ, is calculated by dividing US revenue by the average daily total number of job postings on Indeed in the US, as measured by the Indeed Hiring Lab, the economic research arm of Indeed.

Staffing
Revenue for FY2025 increased 2.2% to 1,703.4 billion yen.

Revenue in Japan increased 5.2% to 846.8 billion yen, and revenue in Europe, US, and Australia decreased 0.6% to 856.5 billion yen. EBITDA+S margin for FY2025 was 5.9%. EBITDA+S increased 2.4% to 99.7 billion yen.

Marketing Matching Technologies
Revenue for FY2025 increased 4.7% to 564.6 billion yen, driven by the Lifestyle subsegment[1] including Beauty.

Revenue in the Lifestyle subsegment increased 6.6% to 293.8 billion yen. Revenue in the Housing & Real Estate subsegment increased 4.5% to 156.9 billion yen, and revenue in the Others subsegment increased 0.2% to 113.8 billion yen.

EBITDA+S margin for FY2025 was 27.4%. EBITDA+S increased 13.0% to 154.9 billion yen.

[1] Lifestyle subsegment consists of the total of Beauty, Travel, Dining, and SaaS solutions including Air BusinessTools.

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, 2026.

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, 2026, 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, 2026. 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, 2026. 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.

Cash Management
In order to maximize overall capital efficiency, the Company prioritizes internal lending and borrowing within the Company over external financing, when it is legally permissible and economically reasonable to do so.

The Company aims to maintain internal liquidity of cash and cash equivalents by consolidating cash management operations to the Holding Company and its subsidiaries, which provide internal treasury management services. Although not all currencies and funds are included in this framework due to capital controls or other restrictions in certain countries and regions, or from the perspective of financial materiality, this does not materially affect the liquidity of the Company.

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.

Analysis of Consolidated Financial Position

The maximum amount of borrowings under overdraft agreements was 113.0 billion yen as of March 31, 2026, 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, 2026.

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, 2026.

Analysis of Consolidated Cash Flows

Payments for the purchase of treasury stock in FY2025 amounted to 678.7 billion yen.

Production, Orders, and Sales

Production and Orders

This information is not disclosed as it does not fit with the nature of the Company’s services.

Sales

This information is stated in “Consolidated Results of Operations for FY2025.”

Material Contracts

There were no material contracts.

Research and Development

Research and development expenses in FY2025 were 145.9 billion yen, consisting primarily of compensation expenses for engineering and other technical employees responsible for the development of new products and enhancement of existing products using new technologies. The majority of research and development expenses were related to HR Technology.

Facilities

Overview of Capital Expenditures

The total amount of capital expenditures for FY2025 was 87.8 billion yen. This was primarily due to an increase in right-of-use assets from the renewal of lease contracts, and the development and acquisition of software.

HR Technology

For FY2025, capital expenditures of 10.0 billion yen were made primarily for the enhancement of various facilities. There were no significant disposals or sales of facilities.

Staffing

For FY2025, capital expenditures of 22.3 billion yen were made primarily due to an increase in right-of-use assets from the renewal of lease contracts and the acquisition of software. There were no significant disposals or sales of facilities.

Marketing Matching Technologies

For FY2025, capital expenditures of 55.5 billion yen were made primarily for the development and acquisition of software. There were no significant disposals or sales of facilities.

Corporate

There were no significant acquisitions, disposals or sales of facilities.

Status of Major Facilities

The Holding Company

Recruit Holdings does not own any major facilities as it is a pure holding company.

Subsidiaries in Japan

As of March 31, 2026

Company name	Office name (Address)	Segment name	Description of facilities	Carrying amount (In millions of yen)					Number of employees[2]
				Buildings and structures	Software	Right-of-use assets	Other[1]	Total	
Recruit Co., Ltd.	Headquarters, etc. (Chiyoda-ku, Tokyo, Japan)	Marketing Matching Technologies	Offices, facilities, etc.	8,473	104,712	57,413	8,785	179,384	11,776 [250]

[1] "Other" under Carrying amount is the total for tools, furniture, and fixtures.

[2] The figures in parentheses in the "Number of employees" section are the annual average number of contract employees.

Overseas Subsidiaries

As of March 31, 2026

Company name	Office name (Address)	Segment name	Description of facilities	Carrying amount (In millions of yen)					Number of employees[4]
				Buildings and structures	Software	Right-of-use assets	Other[1]	Total	
RGF OHR USA, INC.[2]	Headquarters, etc. (Delaware, United States)	HR Technology	Offices, facilities, etc.	25,186	2,938	51,113	6,669	85,908	10,132 [39]
RGF Staffing B.V.[3]	Headquarters, etc. (Flevoland, Netherlands)	Staffing	Offices, facilities, etc.	2,720	6,808	11,467	1,073	22,070	3,256 [457]

[1] "Other" under Carrying amount is the total for tools, furniture, and fixtures.

[2] The figures shown in the table above are the total amounts which include the amounts for RGF OHR USA, INC. and its subsidiaries, etc., as well as Indeed Ireland Operations Limited and its subsidiaries, etc.

[3] The figures shown in the table above are the total amounts which include the amounts for RGF Staffing B.V., RGF Staffing France SAS, RGF Staffing Germany GmbH, RGF Staffing the Netherlands B.V., Unique NV, and 53 other companies.

[4] The figures in parentheses in the "Number of employees" section are the annual average number of contract employees.

Facility Establishment and Disposal Plans

Major Facility Establishment Plans

The Company has no major facility establishment plans.

Major Facility Disposal Plans

The Company has no major facility disposal plans.

Status of Shares, Acquisition of Treasury Stock and Dividend Policy

Status of Shares

Total Number of Shares

Total Number of Authorized Shares

Type	Total number of authorized shares
Common stock	6,000,000,000
Total	6,000,000,000

Total Number of Issued Shares

Type	Number of issued shares as of the end of the current fiscal year (March 31, 2026)	Number of issued shares as of the submission date[2] (June 19, 2026)	Name of the listed financial instruments exchange or registered financial instruments dealers association
Common stock[1]	1,472,504,149	1,472,504,149	Tokyo Stock Exchange Prime Market
Total	1,472,504,149	1,472,504,149	-

[1] The number of shares constituting a unit is 100.

[2] The number of issued shares as of the submission date does not include the number of shares issued from the exercise of stock options from June 1, 2026 to the submission date of this document.

Stock Options

Stock Option Plan

The Company adopts a stock option plan under which stock options are issued based on the Companies Act of Japan.[1]
The number of the grantees of the stock options resolved as of the submission date of this document are as follows.

Resolution Date	Meeting of Resolution	Directors	Senior Vice President and Corporate Professional Officer and senior level personnel
June 20, 2013	Annual Meeting of Shareholders	4	13
June 26, 2014	Annual Meeting of Shareholders	4	13
August 10, 2015	Board of Directors meeting	4	17[2]
July 16, 2019	Board of Directors meeting	5	6
July 8, 2020	Board of Directors meeting	4	5
July 14, 2021	Board of Directors meeting	4	5
July 8, 2022	Board of Directors meeting	3	9
July 11, 2023	Board of Directors meeting	4	5
July 9, 2024	Board of Directors meeting	4	4
July 9, 2025	Board of Directors meeting	4	3

[1] At the Annual Meeting of Shareholders on June 17, 2021, it was resolved to issue stock options for up to 1.4 billion yen per year as compensation for Directors, excluding independent Directors. The maximum number of stock options granted per year shall be 18,000, and the number of shares underlying each option shall be 100 shares.

[2] This includes one Senior Vice President who had already retired as of the allotment date of the stock options, as a stock option as equity compensation had been granted to this Senior Vice President as performance-based compensation for FY2014.

The status of stock options as of the end of March 2026 and the end of May 2026 was as follows.

Stock Options Issued in 2013

Stock Options as equity compensation resolved at the following meetings were issued on August 31, 2013.

- Resolution of the Annual Meeting of Shareholders held on June 20, 2013
- Resolution of the Board of Directors meeting held on July 31, 2013

	As of the end of the current fiscal year (March 31, 2026)	As of the end of the month prior to the submission date (May 31, 2026)
Number of stock options	52[1]	52[1]
Type, details, and number of shares underlying stock options	156,000 shares of common stock[1,3,4]	156,000 shares of common stock[1,3,4]
Amount to be paid in upon exercise of stock options (Yen)	1	Same as left
Exercise period of stock options	September 1, 2013 - August 31, 2033	Same as left
Issue price and amount to be capitalized upon exercise of stock options (Yen)	Issue price: 317[3,4] Amount to be capitalized: 159	Same as left
Conditions for exercise of stock options	A holder of stock options can only exercise their options within 10 days from the date on which they lose their position as Director, Senior Vice President, or Corporate Professional Officer of the Company.	Same as left
Matters concerning transfer of stock options	The acquisition of stock options through transfer shall require the approval of the Board of Directors of the Company.	Same as left
Matters concerning allotment of stock options following reorganization	Please refer to the Note below[2]	Same as left

Stock Options Issued in 2014

Stock Options as equity compensation resolved at the following meetings were issued on December 26, 2014.

- Resolution of the Annual Meeting of Shareholders held on June 26, 2014
- Resolution of the Board of Directors meeting held on November 13, 2014

	As of the end of the current fiscal year (March 31, 2026)	As of the end of the month prior to the submission date (May 31, 2026)
Number of stock options	67[1]	67[1]
Type, details, and number of shares underlying stock options	201,000 shares of common stock[1,4]	201,000 shares of common stock[1,4]
Amount to be paid in upon exercise of stock options (Yen)	1	Same as left
Exercise period of stock options	December 27, 2014 - December 26, 2034	Same as left
Issue price and amount to be capitalized upon exercise of stock options (Yen)	Issue price: 1,016[4] Amount to be capitalized: 508	Same as left
Conditions for exercise of stock options	A holder of stock options can only exercise their options within 10 days from the date on which they lose their position as Director, Senior Vice President, or Corporate Professional Officer of the Company. The successor of a holder of stock options shall be able to exercise their stock options for a period of one year from the date of death of the holder of stock options or until the end of the exercise period prescribed above, whichever is earlier.	Same as left
Matters concerning transfer of stock options	The acquisition of stock options through transfer shall require the approval of the Board of Directors of the Company.	Same as left
Matters concerning allotment of stock options following reorganization	Please refer to the Note below[2]	Same as left

Stock Options Issued in 2015

Stock Options as equity compensation resolved at the Board of Directors meeting held on August 10, 2015 were issued on September 25, 2015.

	As of the end of the current fiscal year (March 31, 2026)	As of the end of the month prior to the submission date (May 31, 2026)
Number of stock options	775[1]	775[1]
Type, details, and number of shares underlying stock options	232,500 shares of common stock[1,4]	232,500 shares of common stock[1,4]
Amount to be paid in upon exercise of stock options (Yen)	1	Same as left
Exercise period of stock options	September 26, 2015 - September 25, 2035	Same as left
Issue price and amount to be capitalized upon exercise of stock options (Yen)	Issue price: 1,061[4] Amount to be capitalized: 531	Same as left
Conditions for exercise of stock options	A holder of stock options can only exercise their options within 10 days from the date on which they lose their position as Director, Senior Vice President, or Corporate Professional Officer of the Company (If a holder of stock acquisition options has retired from all of these positions on the allotment date of the stock options, within one year from the day following the allotment date of the stock options). The successor of a holder of stock options shall be able to exercise their stock options for a period of one year from the date of death of the holder of stock options or until the end of the exercise period prescribed above, whichever is earlier.	Same as left
Matters concerning transfer of stock options	The acquisition of stock options through transfer shall require the approval of the Board of Directors of the Company.	Same as left
Matters concerning allotment of stock options following reorganization	Please refer to the Note below[2]	Same as left

[1] The number of shares underlying each stock option (the "Number of Shares Granted") shall be as follows: 3,000 shares for stock options resolved in 2013 and 2014, and 300 shares for stock options resolved in 2015.

In the event that the Company conducts a stock split (which shall include gratis allotment of shares of common stock of Recruit Holdings; the same shall apply hereinafter for statements concerning a stock split) or reverse stock split of its common stock, the Number of Shares Granted shall be adjusted in accordance with the following formula. Any fractional shares resulting from such adjustments shall be rounded down.

Number of Shares Granted after adjustment	=	Number of Shares Granted before adjustment	×	Ratio of stock split or reverse stock split

If other unavoidable circumstances that require an adjustment of the Number of Shares Granted occur, the Company may adjust the Number of Shares Granted to a reasonable extent.

[2] If the Company implements organizational restructuring, such as a merger in which the Company is dissolved, or share exchange or transfer in which the Company becomes a wholly-owned subsidiary, the holders of remaining stock options at the time the organizational restructuring comes into effect (the "Remaining Stock Options") shall be provided with stock options in the restructured company as described in Article 236, Paragraph 1, Item 8, (a), (d), or (e) of the Companies Act of Japan (the "Restructured Company") based on the following conditions. In this case, the Remaining Stock Options shall become void. However, this shall be limited to cases in which the provision of stock options in the Restructured Company in accordance with the following conditions to provide with stock options in the Restructured Company is stipulated in an absorption-type merger agreement, a consolidation-type merger agreement, a share exchange agreement, or a share transfer plan.

- Number of stock options in the Restructured Company to be granted
  The same number as the number of Remaining Stock Options held by each holder of Remaining Stock Options shall be granted.
- Type of shares of the Restructured Company underlying the stock options
  This shall be shares of common stock of the Restructured Company.
- Number of shares of the Restructured Company underlying the stock options
  This shall be a number based on reasonable adjustments to the number of underlying shares determined in consideration of the conditions of the organizational restructuring (the "Number of Shares After Succession"). Any fractional shares due to such adjustments shall be rounded down.
- Amount of assets to be contributed upon exercise of stock options.
  The amount of assets to be contributed upon exercise of a stock acquisition right shall be the amount calculated by multiplying the amount to be paid in (1 yen per share) for shares to be contributed upon exercise of a stock acquisition right by the Number of Shares Granted.

- Period for exercising the stock options

  This shall be the period from either the commencement date of the period during which the stock options can be exercised as set forth in the "Exercise period of stock options" in the above table, or the effective date of the organizational restructuring, whichever is later, through the final date of the period during which the stock options can be exercised as set forth in the "Exercise period of stock options."

- Matters regarding common stock and legal capital surplus that will be increased due to issuance of shares upon exercise of stock options

  The above matters shall be determined based on the following conditions:

  - The amount of common stock to be increased when shares are issued upon the exercise of stock options shall be half of the maximum amount of common stock to be increased, which is calculated in accordance with Article 17, Paragraph 1 of the Regulation on Corporate Accounting of Japan. Fractions of less than one yen due to the calculation shall be rounded up.
  - The amount of legal capital surplus to be increased when shares are issued upon the exercise of stock options shall be the amount calculated by deducting the amount of common stock to be increased as stated above from the maximum amount of common stock to be increased as stated above.

- Restrictions on the acquisition of stock options by transfer

  The acquisition of stock options by transfer shall require the approval of the Restructured Company.

- Conditions for the acquisition of stock options

  The Company may acquire stock options for no consideration, on a date separately prescribed by the Board of Directors, if one of the following proposals is approved by a resolution of an Annual Meeting of Shareholders of the Company (or if it has been approved by a resolution of the Board of Directors meeting, in case a resolution of the Annual Meeting of Shareholders is not required): a proposal to approve the amendment of the Articles of Incorporation that creates a provision for the Company to acquire all of the shares underlying the stock options by a resolution of an Annual Meeting of Shareholders of the Company; a proposal to approve a merger agreement in which the Company is a dissolving company; or a proposal for a share exchange agreement or share transfer plan in which the Company becomes a wholly-owned subsidiary.

- Conditions for the exercise of stock options

  Conditions for the exercise of stock options shall be determined in accordance with the "Conditions for exercise of stock options" in the above table.

- In cases where the number of shares to be granted to the holder of stock options who had exercised their stock options includes a fraction of less than one share, such fraction shall be rounded down.

[3] The Company implemented a ten-for-one stock split on July 31, 2014. As a result, adjustments were made to the "number of shares underlying stock options" and the "issue price and amount to be capitalized upon issuance of shares through exercise of stock options" for the stock options resolved in 2013. The initial Number of Shares Granted for the stock options resolved in 2014 has been adjusted to reflect the stock split.

[4] The Company implemented a three-for-one stock split on July 1, 2017. As a result, adjustments were made to the "number of shares underlying stock options" and the "issue price and amount to be capitalized upon issuance of shares through exercise of stock options."

Stock Options Issued in 2019

Stock Options as equity compensation resolved at the Board of Directors meeting held on July 16, 2019 were issued on July 31, 2019.

	As of the end of the current fiscal year (March 31, 2026)	As of the end of the month prior to the submission date (May 31, 2026)
Number of stock options	3,291[1]	3,093[1]
Type, details, and number of shares underlying stock options	329,100 shares of common stock[1]	309,300 shares of common stock[1]
Amount to be paid in upon exercise of stock options (Yen)	3,718	Same as left
Exercise period of stock options	July 31, 2019 - July 30, 2029	Same as left
Issue price and amount to be capitalized upon exercise of stock options (Yen)	Issue price: 3,718 Amount to be capitalized: 1,859	Same as left
Conditions for exercise of stock options	Stock options cannot be exercised in fractional portions. If a holder of the stock options (the "Stock Options Holder") loses all of his or her status as a Director and/or Senior Vice President of the Company during the period in which the Stock Options Holder may exercise the stock options, such Stock Options Holder may exercise the stock options only for the period up to the earlier of the day that is three years from the date of such loss of status or the last day of the exercise period of the stock options. A Stock Options Holder is prohibited to pledge or otherwise dispose of the stock options in any way.	Same as left

	Other conditions will be set out in the stock options allotment agreement to be executed between the Company and the Stock Options Holder pursuant to the resolution of the Company's Board of Directors.	
Matters concerning transfer of stock options	The acquisition of stock options through transfer shall require the approval of the Board of Directors of the Company.	Same as left
Matters concerning allotment of stock options following reorganization	Please refer to the Note below[2]	Same as left

Stock Options Issued in 2020

Stock Options as equity compensation resolved at the Board of Directors meeting held on July 8, 2020 were issued on July 27, 2020.

	As of the end of the current fiscal year (March 31, 2026)	As of the end of the month prior to the submission date (May 31, 2026)
Number of stock options	2,520[1]	2,352[1]
Type, details, and number of shares underlying stock options	252,000 shares of common stock[1]	235,200 shares of common stock[1]
Amount to be paid in upon exercise of stock options (Yen)	3,558	Same as left
Exercise period of stock options	July 27, 2020 - July 26, 2030	Same as left
Issue price and amount to be capitalized upon exercise of stock options (Yen)	Issue price: 3,558 Amount to be capitalized: 1,779	Same as left
Conditions for exercise of stock options	Stock options cannot be exercised in fractional portions. If a holder of the stock options (the "Stock Options Holder") loses all of his or her status as a Director and/or Senior Vice President of the Company during the period in which the Stock Options Holder may exercise the stock options, such Stock Options Holder may exercise the stock options only for the period up to the earlier of the day that is three years from the date of such loss of status or the last day of the exercise period of the stock options. A Stock Options Holder is prohibited to pledge or otherwise dispose of the stock options in any way. Other conditions will be set out in the stock options allotment agreement to be executed between the Company and the Stock Options Holder pursuant to the resolution of the Company's Board of Directors.	Same as left
Matters concerning transfer of stock options	The acquisition of stock options through transfer shall require the approval of the Board of Directors of the Company.	Same as left
Matters concerning allotment of stock options following reorganization	Please refer to the Note below[2]	Same as left

Stock Options Issued in 2021

Stock Options as equity compensation resolved at the Board of Directors meeting held on July 14, 2021 were issued on July 29, 2021.

	As of the end of the current fiscal year (March 31, 2026)	As of the end of the month prior to the submission date (May 31, 2026)
Number of stock options	6,882[1]	3,360[1]
Type, details, and number of shares underlying stock options	688,200 shares of common stock[1]	336,000 shares of common stock[1]
Amount to be paid in upon exercise of stock options (Yen)	5,762	Same as left
Exercise period of stock options	April 1, 2022 - July 28, 2031	Same as left
Issue price and amount to be capitalized upon exercise of stock options (Yen)	Issue price: 5,762 Amount to be capitalized: 2,881	Same as left
Conditions for exercise of stock options	Stock options cannot be exercised in fractional portions. If a holder of the stock options (the “Stock Options Holder”) loses all of his or her status as a Director and/or Senior Vice President of the Company during the period in which the Stock Options Holder may exercise the stock options, such Stock Options Holder may exercise the stock options only for the period up to the earlier of the day that is three years from the date of such loss of status or the last day of the exercise period of the stock options. A Stock Options Holder is prohibited to pledge or otherwise dispose of the stock options in any way. Other conditions will be set out in the stock options allotment agreement to be executed between the Company and the Stock Options Holder pursuant to the resolution of the Company’s Board of Directors.	Same as left
Matters concerning transfer of stock options	The acquisition of stock options through transfer shall require the approval of the Board of Directors of the Company.	Same as left
Matters concerning allotment of stock options following reorganization	Please refer to the Note below[2]	Same as left

Stock Options Issued in 2022

Stock Options as equity compensation resolved at the Board of Directors meeting held on July 8, 2022 were issued on July 25, 2022.

	As of the end of the current fiscal year (March 31, 2026)	As of the end of the month prior to the submission date (May 31, 2026)
Number of stock options	4,851[1]	4,851[1]
Type, details, and number of shares underlying stock options	485,100 shares of common stock[1]	485,100 shares of common stock[1]
Amount to be paid in upon exercise of stock options (Yen)	4,700	Same as left
Exercise period of stock options	April 1, 2023 - July 24, 2032	Same as left
Issue price and amount to be capitalized upon exercise of stock options (Yen)	Issue price: 4,700 Amount to be capitalized: 2,350	Same as left
Conditions for exercise of stock options	Stock options cannot be exercised in fractional portions. If a holder of the stock options (the “Stock Options Holder”) loses all of his or her status as a Director and/or Senior Vice President	Same as left

	and/or employees of the Company or its subsidiaries during the period in which the Stock Options Holder may exercise the stock options, such Stock Options Holder may exercise the stock options only for the period up to the earlier of the day that is three years from the date of such loss of status or the last day of the exercise period of the stock options. A Stock Options Holder is prohibited to pledge or otherwise dispose of the stock options in any way. Other conditions will be set out in the stock options allotment agreement to be executed between the Company and the Stock Options Holder pursuant to the resolution of the Company's Board of Directors.	
Matters concerning transfer of stock options	The acquisition of stock options through transfer shall require the approval of the Board of Directors of the Company.	Same as left
Matters concerning allotment of stock options following reorganization	Please refer to the Note below[2]	Same as left

Stock Options Issued in 2023

Stock Options as equity compensation resolved at the Board of Directors meeting held on July 11, 2023 were issued on July 26, 2023.

	As of the end of the current fiscal year (March 31, 2026)	As of the end of the month prior to the submission date (May 31, 2026)
Number of stock options	4,405[1]	4,405[1]
Type, details, and number of shares underlying stock options	440,500 shares of common stock[1]	440,500 shares of common stock[1]
Amount to be paid in upon exercise of stock options (Yen)	4,773	Same as left
Exercise period of stock options	April 1, 2024 - July 25, 2033	Same as left
Issue price and amount to be capitalized upon exercise of stock options (Yen)	Issue price: 4,773 Amount to be capitalized: 2,387	Same as left
Conditions for exercise of stock options	Stock options cannot be exercised in fractional portions. If a holder of the stock options (the "Stock Options Holder") loses all of his or her status as a Director and/or Senior Vice President of the Company during the period in which the Stock Options Holder may exercise the stock options, such Stock Options Holder may exercise the stock options only for the period up to the earlier of the day that is three years from the date of such loss of status or the last day of the exercise period of the stock options. A Stock Options Holder is prohibited to pledge or otherwise dispose of the stock options in any way. Other conditions will be set out in the stock options allotment agreement to be executed between the Company and the Stock Options Holder pursuant to the resolution of the Company's Board of Directors.	Same as left
Matters concerning transfer of stock options	The acquisition of stock options through transfer shall require the approval of the Board of Directors of the Company.	Same as left
Matters concerning allotment of stock options following reorganization	Please refer to the Note below[2]	Same as left

Stock Options Issued in 2024

Stock Options as equity compensation resolved at the Board of Directors meeting held on July 9, 2024 were issued on July 24, 2024.

	As of the end of the current fiscal year (March 31, 2026)	As of the end of the month prior to the submission date (May 31, 2026)
Number of stock options	2,525[1]	2,525[1]
Type, details, and number of shares underlying stock options	252,500 shares of common stock[1]	252,500 shares of common stock[1]
Amount to be paid in upon exercise of stock options (Yen)	8,937	Same as left
Exercise period of stock options	April 1, 2025 - July 23, 2034	Same as left
Issue price and amount to be capitalized upon exercise of stock options (Yen)	Issue price: 8,937 Amount to be capitalized: 4,469	Same as left
Conditions for exercise of stock options	Stock options cannot be exercised in fractional portions. If a holder of the stock options (the “Stock Options Holder”) loses all of his or her status as a Director and/or Senior Vice President of the Company during the period in which the Stock Options Holder may exercise the stock options, such Stock Options Holder may exercise the stock options only for the period up to the earlier of the day that is three years from the date of such loss of status or the last day of the exercise period of the stock options. A Stock Options Holder is prohibited to pledge or otherwise dispose of the stock options in any way. Other conditions will be set out in the stock options allotment agreement to be executed between the Company and the Stock Options Holder pursuant to the resolution of the Company’s Board of Directors.	Same as left
Matters concerning transfer of stock options	The acquisition of stock options through transfer shall require the approval of the Board of Directors of the Company.	Same as left
Matters concerning allotment of stock options following reorganization	Please refer to the Note below[2]	Same as left

Stock Options Issued in 2025

Stock Options as equity compensation resolved at the Board of Directors meeting held on July 9, 2025 were issued on July 24, 2025.

	As of the end of the current fiscal year (March 31, 2026)	As of the end of the month prior to the submission date (May 31, 2026)
Number of stock options	2,169[1]	2,169[1]
Type, details, and number of shares underlying stock options	216,900 shares of common stock[1]	216,900 shares of common stock[1]
Amount to be paid in upon exercise of stock options (Yen)	8,839	Same as left
Exercise period of stock options	April 1, 2026 - July 23, 2035	Same as left
Issue price and amount to be capitalized upon exercise of stock options (Yen)	Issue price: 8,839 Amount to be capitalized: 4,420	Same as left
Conditions for exercise of stock options	Stock options cannot be exercised in fractional portions. If a holder of the stock options (the “Stock Options Holder”) loses all of his or her status as a Director and/or Senior Vice President of the Company during the period in which the Stock Options Holder may exercise the stock options, such Stock Options Holder may exercise the stock options only for the period up to the earlier of the day that is three years from the date of such loss of status or the last day of the exercise period of the stock options. A Stock Options Holder is prohibited to pledge or otherwise dispose of the stock options in any way. Other conditions will be set out in the stock options allotment agreement to be executed between the Company and the Stock Options Holder pursuant to the resolution of the Company’s Board of Directors.	Same as left
Matters concerning transfer of stock options	The acquisition of stock options through transfer shall require the approval of the Board of Directors of the Company.	Same as left
Matters concerning allotment of stock options following reorganization	Please refer to the Note below[2]	Same as left

[1] The number of shares underlying each stock option (the “Number of Shares Granted”) shall be 100.
In the event that the Company conducts a stock split (which shall include gratis allotment of shares of common stock of Recruit Holdings; the same shall apply for statements concerning a stock split) or reverse stock split of its common stock after the allotment date of the stock options (the “Allotment Date”), the Number of Shares Granted shall be adjusted in accordance with the following formula. Any fractional shares resulting from such adjustments shall be rounded down.

Number of Shares Granted after adjustment	=	Number of Shares Granted before adjustment	×	Ratio of stock split or reverse stock split

If after the Allotment Date, a merger or company split, or any other unavoidable circumstances that require an adjustment of the Number of Shares Granted occur, the Company may adjust the Number of Shares Granted to a reasonable extent.

[2] If the Company implements organizational restructuring, such as a merger in which the Company is dissolved, absorption-type company split in which the Company is a splitting company, incorporation-type company split, or share exchange in which the Company becomes a wholly-owned subsidiary, or share transfer, the holders of remaining stock options at the time the organizational restructuring comes into effect (the “Remaining Stock Options”) shall be provided with stock options in the restructured company as described in Article 236, Paragraph 1, Item 8, (a) through (e) of the Companies Act of Japan (the “Restructured Company”) based on the following conditions.
In this case, the Remaining Stock Options shall become void. However, this shall be limited to cases in which the provision of stock options in the Restructured Company in accordance with the following conditions is stipulated in an absorption-type merger agreement, a consolidation-type merger agreement, an absorption-type company split agreement, an incorporation-type company split plan, a share exchange agreement, or a share transfer plan.
- Number of stock options in the Restructured Company to be granted
  The same number as the number of Remaining Stock Options held by each Stock Options Holder shall be granted.

- Type of shares of the Restructured Company underlying the stock options
  This shall be shares of common stock of the Restructured Company.
- Number of shares of the Restructured Company underlying the stock options
  This shall be a number determined in accordance with Note 1 above, in consideration of the conditions of the organizational restructuring.
- Amount of assets to be contributed upon exercise of stock options
  The amount of assets to be contributed upon exercise of the options to be delivered shall be the amount calculated by multiplying the exercise price after the organizational restructuring obtained as a result of the adjustment of the exercise price by the number of shares of the Restructured Company underlying the stock options to be determined pursuant to the above item "Number of shares of the Restructured Company underlying the stock options," in consideration of the conditions of the organizational restructuring.
- Period for exercising the stock options
  This shall be the period from either the commencement date of the period during which the stock options can be exercised as set forth in the "Exercise period of stock options" in the above table, or the effective date of the organizational restructuring, whichever is later, through the last date of the period during which the stock options can be exercised as set forth in the "Exercise period of stock options."
- Matters regarding common stock and legal capital surplus that will be increased due to issuance of shares upon exercise of stock options
  The above matters shall be determined based on the following conditions:
    - The amount of common stock to be increased when shares are issued upon the exercise of stock options shall be half of the maximum amount of common stock, etc. to be increased, which is calculated in accordance with Article 17, Paragraph 1 of the Regulation on Corporate Accounting of Japan. Fractions of less than one yen due to the calculation shall be rounded up.
    - The amount of legal capital surplus to be increased when shares are issued upon the exercise of stock options shall be the amount calculated by deducting the amount of common stock to be increased as stated above from the maximum amount of common stock, to be increased as stated above.
- Restrictions on the acquisition of stock options by transfer
  The acquisition of stock options by transfer shall require the approval of the Restructured Company.
- Conditions for the exercise of stock options
  Conditions for the exercise of stock options shall be determined in accordance with the "Conditions for exercise of stock options" in the above table.
- Matters relating to the acquisition of stock options
  If a stock acquisition right holder becomes unable to exercise the stock options in accordance with the provisions of the "Conditions for exercise of stock options" in the above table or the provisions of the stock options allotment agreement before the exercise of the options, the Company may acquire the relevant stock options for no considerations, on a date separately prescribed by the Board of Directors.
- In cases where the number of shares to be granted to the holder of stock options who had exercised their stock options includes a fraction of less than one share, such fraction shall be rounded down.

Details of the Rights Plan

Not applicable.

Status of Other Stock Acquisition Rights

Not applicable.

Execution Status of Bonds with Stock Acquisition Rights with Exercise Price Adjustment Clause

Not applicable.

Changes in Total Number of Issued Shares, Common Stock and Legal Capital Surplus

Date	Increase (Decrease) in total number of issued shares	Balance of total number of issued shares	Increase (Decrease) in common stock (In millions of yen)	Balance of common stock (In millions of yen)	Increase (Decrease) in legal capital surplus (In millions of yen)	Balance of legal capital surplus (In millions of yen)
March 29, 2024[1]	(46,118,081)	1,649,841,949	-	40,000	-	-
March 24, 2025[1]	(85,929,800)	1,563,912,149	-	40,000	-	-
March 23, 2026[1]	(91,408,000)	1,472,504,149	-	40,000	-	-

[1] Due to retirement of treasury stock.

Shareholders by Category

As of March 31, 2026

Type	Shareholding category (Number of shares per unit: 100)								Number of shares of less than one unit
	Govern-ments and local public bodies	Financial institutions	Financial instrument dealers	Other corpora-tions	Overseas		Individuals, etc.	Total	
					Non-individuals	Individuals			
Number of share-holders	-	108	62	885	1,231	578	60,371	63,235	-
Number of shares owned (Units)	-	4,776,868	207,951	729,898	7,073,301	7,849	1,926,380	14,722,247	279,449
Ratio of shares owned (%)	-	32.44	1.41	4.95	48.03	0.05	13.08	100.00	-

[1] 28,856,988 shares of treasury stock consist of 288,569 units under “Individuals, etc.,” and 88 shares under “Number of shares of less than one unit.”

Status of Major Shareholders

As of March 31, 2026

Name	Address	Number of shares owned (Thousands)	Ratio of ownership against total number of issued shares, excluding treasury stock[1] (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	Akasaka Intercity AIR, 1-8-1 Akasaka, Minato-ku, Tokyo, Japan	271,578	18.81
Custody Bank of Japan, Ltd. (Trust account)	1-8-12 Harumi, Chuo-ku, Tokyo, Japan	103,648	7.17
STATE STREET BANK AND TRUST COMPANY 505001 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	ONE CONGRESS STREET, SUITE 1, BOSTON, MASSACHUSETTS (Shinagawa Intercity Tower A, 2-15-1 Konan, Minato-ku, Tokyo, Japan)	46,875	3.24
THE CHASE MANHATTAN BANK,N.A. LONDONSECS LENDING OMNIBUS ACCOUNT (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	WOOLGATE HOUSE,COLEMAN STREET LONDON EC2P 2HD, ENGLAND (Shinagawa Intercity Tower A, 2-15-1 Konan, Minato-ku, Tokyo, Japan)	38,147	2.64
Nippon Television Network Corporation	1-6-1 Higashi Shimbashi , Minato-ku, Tokyo, Japan	24,400	1.69
The Master Trust Bank of Japan, Ltd. (ESOP Trust account 76576)	Akasaka Intercity AIR, 1-8-1 Akasaka, Minato-ku, Tokyo, Japan	23,745	1.64
GOVERNMENT OF NORWAY(Standing proxy: Citibank, N.A., Tokyo Branch)	BANKPLASSEN 2, 0107 OSLO 1 OSLO 0107 NO (6-27-30 Shinjuku, Shinjuku-ku, Tokyo, Japan)	22,228	1.53
JP MORGAN CHASE BANK 385642 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	25 BANK STREET, CANARY WHARF, LONDON, E14 5JP, UNITED KINGDOM (Shinagawa Intercity Tower A, 2-15-1 Konan, Minato-ku, Tokyo, Japan)	21,401	1.48
JP MORGAN CHASE BANK 385781 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	25 BANK STREET, CANARY WHARF, LONDON, E14 5JP, UNITED KINGDOM (Shinagawa Intercity Tower A, 2-15-1 Konan, Minato-ku, Tokyo, Japan)	20,635	1.42
TOKYO BROADCASTING SYSTEM TELEVISION, INC.	5-3-6 Akasaka , Minato-ku, Tokyo, Japan	15,766	1.09
Total	-	588,423	40.75

[1] The Company’s treasury stock (28,856,988 shares) is excluded in the calculation of the shareholding ratio. Treasury stock does not include the Company’s stock held by the Board Incentive Plan trust (2,918,255 shares) and the equity-settled ESOP trust (44,515,581 shares).

[2] A change report of the Report of Large Volume Holding that was made available for public inspection on September 19, 2025 reports that Sumitomo Mitsui Trust Asset Management Co., Ltd. and its joint holder Amova Asset Management Co., Ltd. hold shares as given below as of September 15, 2025. However, their holdings are not reflected in the status of major shareholders above since the Company was not able to confirm beneficial ownership or the number of shares held as of March 31, 2026.

Overview of the change report is as follows.

Name	Address	Number of shares owned (Thousands)	Holding ratio of share certificates, etc. (%)
Sumitomo Mitsui Trust Asset Management Co., Ltd.	1-1-1 Shibakoen, Minato-ku, Tokyo, Japan	49,088	3.14
Amova Asset Management Co., Ltd.	9-7-1 Akasaka Minato-ku, Tokyo, Japan	39,492	2.53
Total	-	88,580	5.66

[3] A change report of the Report of Large Volume Holding that was made available for public inspection on April 6, 2026 reports that Nomura Asset Management Co., Ltd. holds shares as given below as of March 31, 2026. However, its holding is not reflected in the status of major shareholders above since the Company was not able to confirm beneficial ownership or the number of shares held as of March 31, 2026.

Overview of the change report is as follows.

Name	Address	Number of shares owned (Thousands)	Holding ratio of share certificates, etc. (%)
Nomura Asset Management Co., Ltd.	2-2-1 Toyosu, Koto-ku, Tokyo, Japan	90,302	6.13

[4] A change report of the Report of Large Volume Holding that was made available for public inspection on April 3, 2025 reports that BlackRock Japan Co., Ltd. and its joint holders BlackRock Advisers, LLC, BlackRock Financial Management, Inc., BlackRock (Netherlands) BV, BlackRock Fund Managers Limited, BlackRock Asset Management Canada Limited, BlackRock Asset Management Ireland Limited, BlackRock Fund Advisors, BlackRock Institutional Trust Company, N.A., and BlackRock Investment Management (UK) Limited hold shares as given below as of March 31, 2025. However, their holdings are not reflected in the status of major shareholders above since the Company was not able to confirm beneficial ownership or the number of shares held as of March 31, 2026.

Overview of the change report is as follows.

Name	Address	Number of shares owned (Thousands)	Holding ratio of share certificates, etc. (%)
BlackRock Japan Co., Ltd.	1-8-3 Marunouchi, Chiyoda-ku Tokyo , Japan	34,489	2.21
BlackRock Advisers, LLC	251 Little Falls Drive, Wilmington, Delaware, U.S.A.	2,848	0.18
BlackRock Financial Management, Inc.	251 Little Falls Drive, Wilmington, Delaware, U.S.A.	1,740	0.11
BlackRock (Netherlands) BV	Amstelplein 1, 1096 HA Amsterdam, The Netherlands	5,168	0.33
BlackRock Fund Managers Limited	12 Throgmorton Avenue, London, U.K.	4,514	0.29
BlackRock Asset Management Canada Limited	Suite 2500, 161 Bay Street, Toronto, Ontario, Canada	2,301	0.15
BlackRock Asset Management Ireland Limited	1st Floor, 2 Ballsbridge Park, Ballsbridge, Dublin, Ireland	10,663	0.68
BlackRock Fund Advisors	400 Howard Street, San Francisco, California, U.S.A.	28,117	1.80
BlackRock Institutional Trust Company, N.A.	400 Howard Street, San Francisco, California, U.S.A.	20,456	1.31
BlackRock Investment Management (UK) Limited	12 Throgmorton Avenue, London, U.K.	2,046	0.13
Total	-	112,347	7.18

Status of Voting Rights

Issued Shares

As of March 31, 2026

Type	Number of shares	Number of voting rights	Details
Non-voting shares	-	-	-
Shares with limited voting rights (Treasury stock, etc.)	-	-	-
Shares with limited voting rights (Other)	-	-	-
Shares with full voting rights (Treasury stock)	(Treasury stock) Common stock 28,856,900	-	-
Shares with full voting rights (Other)	Common stock 1,443,367,800	14,433,678	-
Shares of less than one unit	Common stock 279,449	-	-
Total number of issued shares	1,472,504,149	-	-
Voting rights of all shareholders	-	14,433,678	-

Treasury Stock

As of March 31, 2026

Name of owner	Location of owner	Number of shares owned under own name	Number of shares owned under another name	Total number of shares owned	Ratio of ownership against total number of issued shares (%)
(Treasury stock) Recruit Holdings Co., Ltd.	1-9-2 Marunouchi, Chiyoda-ku, Tokyo, Japan	28,856,900	-	28,856,900	1.95
Total	-	28,856,900	-	28,856,900	1.95

[1] The stock described as treasury stock in the consolidated financial statements includes the BIP trust and the equity-settled ESOP Trust in addition to the stock referred to in the above table. The number of treasury stocks as of March 31, 2026 including such stocks as well as shares of less than one unit is 76,290,824 shares.

Details of Share Ownership Plans for Directors, Key Management Personnel, and Employees

- The Company has implemented an Equity Compensation Plan (the "BIP Plan") for Directors and Key Management Personnel of Recruit Holdings and its subsidiaries.
- The Company has also implemented an Equity Incentive Plan (the "ESOP Plan") primarily for HR Technology SBU employees, utilizing the Company’s shares.

Equity Compensation Plan for Directors and Key Management Personnel

Purpose of Implementation

As a long-term incentive scheme for Directors and Key Management Personnel, the BIP Plan aims to emphasize the significance of their contributions toward enhancing the Company’s mid- to long-term enterprise value by more clearly aligning their compensation with the Company’s share price. The BIP Plan was implemented for Directors and Key Management Personnel of Recruit Holdings in 2016 and expanded to include Directors and Key Management Personnel of the Company’s subsidiaries in 2018.

Overview of the BIP Plan

In operating the BIP Plan, the Company adopts the structure of a Board Incentive Plan trust (the “BIP Trust”), under which the Company’s shares and cash equivalent to the value realized upon conversion of the Company’s shares (“Company Shares, etc.”) are delivered or paid (the “Vesting”) to the Directors and Key Management Personnel, according to their rank, and in cases where there are performance linked targets, the level of attainment of such targets; similar to Performance Share plans and Restricted Stock plans in the United States and Europe. The Company plans to continue operating the BIP Plan by establishing a new BIP Trust every year, or by means of amendments to the trust agreement and additional contributions to the existing BIP Trust before the original trust period expires.

Outline of the BIP Trust Agreements

	FY2018 Agreement	FY2024 Agreement[1]	FY2025 Agreement[2]	FY2026 Agreement[3]	FY2020 Agreement	FY2024 Agreement[1]	FY2025 Agreement[4]	FY2026 Agreement[5]
Type of trust	Monetary trust other than a specified solely-administered monetary trust (third-party benefit trust)							
Purpose of trust	Providing long-term incentive to the Directors and Key Management Personnel							
Entruster	Recruit Holdings							
Trustee	Mitsubishi UFJ Trust and Banking Corporation (Joint Trustee: The Master Trust Bank of Japan, Ltd.)							
Beneficiary	The Directors and Key Management Personnel of Recruit Holdings who meet the beneficiary requirements				The Directors and Key Management Personnel of the Company's subsidiaries who meet the beneficiary requirements			
Trust administrator	A third party with no interest in the Company							
Date of agreement	November 14, 2018 (Changed on May 16, 2024)	May 17, 2018 (Changed on May 16, 2024)	November 11, 2016 (Changed on May 12, 2025)	May 15, 2017 (Scheduled to change on June 25, 2026)	May 28, 2020 (Changed on May 18, 2026)	May 17, 2018 (Changed on May 16, 2024)	February 17, 2020 (Changed on May 12, 2025)	May 28, 2020 (Changed on May 18, 2026)
Planned trust term	November 14, 2018 - August 31, 2027	May 17, 2018 - August 31, 2027	November 11, 2016 - August 31, 2028	May 15, 2017 - August 31, 2029	May 28, 2020 - August 31, 2029	May 17, 2018 - August 31, 2027	February 17, 2020 - August 31, 2028	May 28, 2020 - August 31, 2029
Exercise of voting rights	Voting rights will not be exercised							
Class of shares to be acquired	Common stock of Recruit Holdings							
Approximate Amount of trust (including trust fees and trust expenses)	0.2 billion yen	2.2 billion yen (of which 1.4 billion yen for the Directors)	2.0 billion yen (of which 1.4 billion yen for the Directors)	2.3 billion yen (of which 2.3 billion yen for the Directors) (planned)	0.4 billion yen	1.9 billion yen	2.2 billion yen	1.6 billion yen
Date of share acquisition	November 15, 2018	May 21, 2024	May 14, 2025	July 1, 2026 (planned)	May 29, 2020	May 21, 2024	May 14, 2025	May 20, 2026
Method of share acquisition	From the stock market							
Rights holder	Recruit Holdings							
Residual assets	Recruit Holdings, as the rights holder, may receive residual assets within the scope of the reserve for trust expenses after deducting share acquisition funds from trust assets.							

[1] This portion reflects changes and additions made to the May 17, 2018 Trust Agreement.

[2] This portion reflects changes and additions made to the November 11, 2016 Trust Agreement.

[3] This portion reflects changes and additions made to the May 15, 2017 Trust Agreement. Furthermore, the above assumes that Proposal 3 to be submitted to the 66th Annual Meeting of Shareholders scheduled to be held on June 24, 2026 is approved as originally proposed. However, the amendment date of the agreement and date of share acquisition may be changed to an appropriate time in light of applicable laws and regulations, etc. Prior to the 66th Annual Meeting of Shareholders, the amendment date of the agreement was May 18, 2026, the trust term was from May 15, 2017 to August 31, 2029, the approximate amount of trust was 0.5 billion yen (with no portion attributable to Directors of the Company), and the date of share acquisition was May 20, 2026.

[4] This portion reflects changes and additions made to the February 17, 2020 Trust Agreement.

[5] This portion reflects changes and additions made to the May 28, 2020 Trust Agreement.

Amount of Trust Funds to Be Contributed to the BIP Trust and the Number of Company's Shares, Etc. to Be Delivered from the BIP Trust

With the eligible beneficiaries being the Directors (excluding independent Directors) of the Company, the maximum amount of trust funds contributed to the BIP Trust and the total number of Company's shares, etc. delivered from the BIP Trust per fiscal year shall not exceed the amounts as stated below.

- Maximum total amount of trust funds: 3.3 billion yen
- Maximum total number of Company's shares: 1,000,000 shares

[1] The above assumes that Proposal 3 to be submitted to the 66th Annual Meeting of Shareholders scheduled to be held on June 24, 2026 is approved as originally proposed. As of the end of FY2025, the maximum total amount of trust funds was 2 billion yen and the maximum total number of Company's shares was 700,000 shares.

Scope of Parties Who Can Receive Beneficiary Rights and Other Rights under the BIP Plan

Directors and Key Management Personnel of the Company and its subsidiaries who meet the beneficiary requirements.

Reference: The details of the BIP Trust compensation that vested to the Directors during FY2025 are as follows.

Category	Number of Shares	Number of Recipients
Directors (Excluding Independent Directors)	58,700	1
Independent Directors	0	0

Equity Incentive Plan for Employees

Purpose of Implementation

The ESOP Plan was implemented in 2021 with the aim of emphasizing to its employees the significance of their contributions toward enhancing the Company's mid- to long-term enterprise value.

Equity incentive plans have become a standard practice for publicly listed global technology companies. Therefore, the Company believes that the implementation of this plan, whose main beneficiaries are primarily employees in the HR Technology SBU, will be an invaluable tool for recruiting and retaining talent globally.

Overview of the ESOP Plan

The ESOP Plan operates through an Employee Stock Ownership Plan Trust (the "ESOP Trust"). The ESOP Trust is an incentive plan for employees under which the Company's shares acquired by the ESOP Trust are delivered to employees who meet the beneficiary requirements set forth in the plan.

The Company currently anticipates that the Plan will be implemented on an ongoing basis and will continue to consider future acquisitions of the Company's shares through the ESOP Trust.

Outline of the ESOP Trust Agreement

	FY2022 Agreement 1	FY2022 Agreement 2	FY2024 Agreement[1]
Type of trust	Monetary trust other than a specified monetary trust for separate investment. (Third party benefit trust)		
Purpose of trust	To grant equity-based incentives primarily to employees of the HR Technology SBU		
Entruster	Recruit Holdings		
Trustee	Mitsubishi UFJ Trust and Banking Corporation (Joint trustee: The Master Trust Bank of Japan, Ltd.)		
Beneficiaries	Employee recipients of equity grants under the Plan, who primarily belong to the HR Technology SBU		
Trust administrator	A third person who has no conflict of interest with the Company		
Date of agreement	May 24, 2022 (Changed on May 12, 2025)	November 22, 2022 (Changed on May 12, 2025)	May 25, 2021 (Changed on May 23, 2024)
Planned trust term	From May 24, 2022 to May 31, 2028	From November 22, 2022 to November 30, 2028	From May 25, 2021 to May 31, 2027
Exercise of voting rights	Voting rights will not be exercised		
Class of shares to be acquired	Common stock of Recruit Holdings		
Amount of trust	124,179,291,600 yen	157,723,000,000 yen	139,460,500,000 yen
Date of share acquisition	June 1, 2022	November 29, 2022	May 30, 2024
Method of share acquisition	Disposal of treasury stock through third-party allotment		
Rights holder	Recruit Holdings		
Residual assets	Recruit Holdings, as the rights holder, may receive residual assets within the scope of the reserve for trust expenses after deducting share acquisition funds from trust money		

[1] This portion reflects changes and additions made to the May 25, 2021 Trust Agreement.

Eligible Beneficiaries under this Plan

Employees who primarily belong to the HR Technology SBU and meet the beneficiary requirements.

Status of Acquisition of Treasury Stock

The type of treasury stock is common stock, acquired pursuant to Article 155, Items 3 and 7 of the Companies Act of Japan

Status of Acquisition of Treasury Stock Based on Resolution of the Annual Meeting of Shareholders

Not applicable.

Status of Acquisition of Treasury Stock Based on Resolution of the Board of Directors Meeting

Type	Number of shares	Total amount (In millions of yen)
Status of resolution of the Board of Directors meeting held on February 28, 2025, April 25, 2025 and June 26, 2025 (Period of share acquisition: March 3, 2025 to June 26, 2025)	62,000,000	450,000
Acquired treasury stock before the end of FY2024	14,608,700	128,369
Acquired treasury stock during FY2025	41,003,800	321,629
Total number of remaining shares subject to the resolution and the amount thereof	6,387,500	0
Unexercised ratio as of the end of FY2025 (%)	10.30	0.00
Acquired treasury stock from April 1, 2026 to the submission date	-	-
Unexercised ratio as of the submission date (%)	10.30	0.00

[1] The Company resolved at a meeting of the Board of Directors held on April 25, 2025 to expand the limit of the share repurchase from 52,000,000 shares to 62,000,000 shares.

[2] The Company resolved at a meeting of the Board of Directors held on June 26, 2025 to shorten the acquisition period, which had been set from March 3, 2025 to December 23, 2025, to June 26, 2025.

Type	Number of shares	Total amount (In millions of yen)
Status of resolution of the Board of Directors meeting held on August 8, 2025 (Date of share acquisition: August 12, 2025)	5,000,000	45,000
Acquired treasury stock before the end of FY2024	-	-
Acquired treasury stock during FY2025	2,717,000	23,102
Total number of remaining shares subject to the resolution and the amount thereof	2,283,000	21,897
Unexercised ratio as of the end of FY2025 (%)	45.66	48.66
Acquired treasury stock from April 1, 2026 to the submission date	-	-
Unexercised ratio as of the submission date (%)	45.66	48.66

Type	Number of shares	Total amount (In millions of yen)
Status of resolution of the Board of Directors meeting held on September 25, 2025 (Date of share acquisition: September 26, 2025)	15,000,000	130,000
Acquired treasury stock before the end of FY2024	-	-
Acquired treasury stock during FY2025	9,849,000	79,008
Total number of remaining shares subject to the resolution and the amount thereof	5,151,000	50,991
Unexercised ratio as of the end of FY2025 (%)	34.34	39.22
Acquired treasury stock from April 1, 2026 to the submission date	-	-
Unexercised ratio as of the submission date (%)	34.34	39.22

Type	Number of shares	Total amount (In millions of yen)
Status of resolution of the Board of Directors meeting held on October 16, 2025 and February 9, 2026 (Period of share acquisition: October 17, 2025 to February 4, 2026)	38,000,000	250,000
Acquired treasury stock before the end of FY2024	-	-
Acquired treasury stock during FY2025	30,427,000	249,998
Total number of remaining shares subject to the resolution and the amount thereof	7,573,000	1
Unexercised ratio as of the end of FY2025 (%)	19.93	0.00
Acquired treasury stock from April 1, 2026 to the submission date	-	-
Unexercised ratio as of the submission date (%)	19.93	0.00

[1] The Company resolved at a meeting of the Board of Directors held on February 9, 2026 to shorten the acquisition period, which had been set from October 17, 2025 to April 30, 2026, to the acquisition completion date (February 4, 2026).

Type	Number of shares	Total amount (In millions of yen)
Status of resolution of the Board of Directors meeting held on March 31, 2026 (Period of share acquisition: April 1, 2026 to November 30, 2026, or the date on which either the total number of shares to be repurchased or the total purchase amount reaches its maximum limit)	64,000,000	350,000
Acquired treasury stock before the end of FY2024	-	-
Acquired treasury stock during FY2025	-	-
Total number of remaining shares subject to the resolution and the amount thereof	64,000,000	350,000
Unexercised ratio as of the end of FY2025 (%)	100.00	100.00
Acquired treasury stock from April 1, 2026 to the submission date	7,063,300	52,398
Unexercised ratio as of the submission date (%)	88.96	85.03

[1] Acquired treasury stock from April 1, 2026 to the submission date does not include the number of shares repurchased between June 1, 2026 and the submission date of this document.

Status of Acquisition of Treasury Stock Not Based on Resolution of the Annual Meeting of Shareholders or the Board of Directors Meeting

Type	Number of shares	Total amount (In millions of yen)
Acquired treasury stock during FY2025	207	1
Acquired treasury stock from April 1, 2026 to the submission date[1]	97	0

[1] Acquired treasury stock from April 1, 2026 to the submission date does not include the number of shares of less than one unit purchased between June 1, 2026 and the submission date of this document.

Status of Disposal and Ownership of Treasury Stock

Type	FY2025		From April 1 to June 19, 2026	
	Number of shares	Total disposal amount (In millions of yen)	Number of shares	Total disposal amount (In millions of yen)
Treasury stock made available through tender offer	-	-	-	-
Retired treasury stock	91,408,000	724,781	-	-
Treasury stock transferred in relation to merger, share exchange, share delivery, or company split	-	-	-	-
Other (Exercise of stock options)	140,400	1,083	388,800	3,041
Number of treasury stock held at the end of each period	28,856,988	-	35,531,585	-

[1] The number of treasury stock held at June 19, 2026 does not include the number of shares of less than one unit purchased between June 1, 2026 and the submission date of this document.

[2] The stock described as treasury stock in the consolidated financial statements includes the BIP trust and the equity-settled ESOP Trust in addition to the treasury stock referred to in the above footnote. The number of treasury stocks including such stocks as of March 31, 2026 is 76,290,824 shares.

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 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.

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 FY2026 is 26.0 yen per share, which consists of an interim dividend of 13.0 yen per share and a year-end dividend of 13.0 yen per share.

Resolution date at the Board of Directors meetings	Total dividend (In millions of yen)	Dividend per share (In yen)
November 6, 2025	18,425	12.5
May 15, 2026	18,045	12.5

Corporate Governance

Corporate Governance Overview

Basic Policy on Corporate Governance

Guided by Recruit Group Management Philosophy, the Board of Directors prioritizes corporate governance policies and practices that are designed to achieve long-term growth, increased corporate and shareholder value, and benefits for all of our stakeholders. Our stakeholders include employees, individual users and business clients, as well as our shareholders, business partners, non-profit organizations (NPOs) and non-governmental organizations (NGOs), national and other governments, and local communities.

In order to further enhance corporate value in the future, the Company believes it is important to prosper together with all stakeholders through all corporate activities with a sound governance foundation. Therefore, the Company has redefined its sustainability goals, and defines corporate governance as one of our material foundations for our corporate activities, and prioritizes related initiatives.

Corporate Governance Overview

The Company's corporate governance structure is a "Company with an Audit and Supervisory Board" as defined under the Companies Act of Japan. In this structure, Audit and Supervisory Board members appointed by shareholders conduct audits of the execution of the duties by Directors as an independent body from the Board of Directors. This is the foundation for the Company's efforts to ensure and improve transparency, soundness, and efficiency of management.

Under this structure, the Company has appointed multiple Independent Directors and Independent Audit and Supervisory Board members who are highly independent. The Company also has voluntarily established committees to serve as advisory bodies to the Board of Directors, including the Nomination and Governance, Compensation, Compliance, Risk Management, and Sustainability Committees. To enhance independence, the Nomination and Governance Committee and the Compensation Committee are all chaired by Independent Directors and have a majority of independent members.

Annually, the Board of Directors analyzes and assesses its own effectiveness, confirms whether deliberations are conducted properly from the perspective of various stakeholders, and carries out initiatives for improvement.

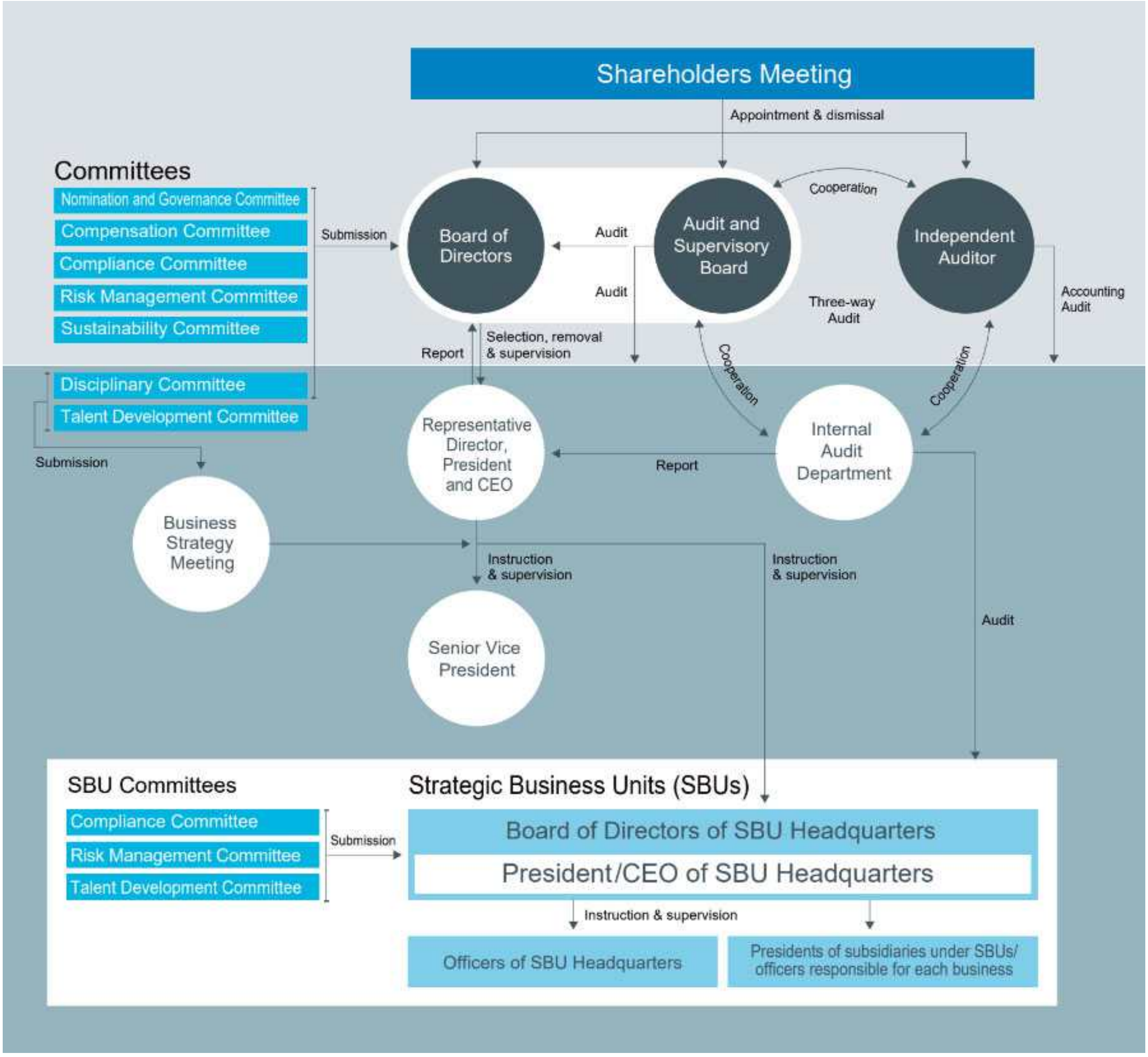
Furthermore, the Company has appointed Senior Vice Presidents, and established the Business Strategy Meeting to serve as an advisory body to the CEO, in order to enhance the Company's decision-making process and execution. The Business Strategy Meeting discusses important matters for the Company and the CEO approves the execution of such matters.

The Company has organized management units called Strategic Business Units ("SBU"). Each SBU has established a managing company, or SBU Headquarters, which manages the subsidiaries of each SBU.

After deciding basic management policies and important matters, and clarifying the scope of responsibilities, the Board of Directors delegates certain decision-making authority to the Business Strategy Meeting, SBU Headquarters, and other relevant bodies.

Through this arrangement, the Company aims to ensure that our corporate governance mechanisms are functioning sufficiently, both in terms of timely decision-making and effective internal control.

Corporate Governance Structure



The following are the SBU Headquarters:

- HR Technology SBU : RGF OHR USA, INC.
- Staffing SBU : RGF Staffing B.V.
- Marketing Matching Technologies SBU: Recruit Co., Ltd.

Important decisions for the SBUs are made by the Board of Directors of each SBU Headquarters. The Board of Directors of each SBU Headquarters is, in principle, composed so that a majority of its members are non-Executive Directors appointed by the Holding Company. President/CEO of SBU Headquarters concurrently serve as Senior Vice Presidents of the Holding Company.

Board of Directors

Role of the Board of Directors

The Board of Directors seeks to increase enterprise and shareholder value in the mid-to long-term. The responsibilities of the Board of Directors include:

- Setting basic management policies to achieve the Company's strategic objectives
- Conducting oversight of operations and management
- Making decisions that could have a major impact on the Company
- Resolving matters required to be resolved by the Board of Directors as stipulated in relevant laws and regulations

Board of Directors meetings are held at least once every three months. The Board of Directors makes decisions on matters which significantly impact the Company's corporate governance and/or the Company's consolidated financial performance, such as investments above a certain threshold and key personnel matters. The Board of Directors delegates authority over other business matters to the Business Strategy Meeting and other decision-making bodies according to their appropriate level of responsibilities.

Criteria for determining organizational decision-making authority are set forth in the rules on decision-making authority. These rules are reviewed at least once per year by the Board of Directors and revised as necessary.

Composition of the Board of Directors

As of June 19, 2026, the Board of Directors is composed of eight Directors and four Audit and Supervisory Board members, including four Independent Directors and two Independent Audit and Supervisory Board members.

The Company recognizes that the Board of Directors should maintain and expand the diversity of its members to include those with varied skills, experiences, and backgrounds to ensure that it sustains the high-quality discussions that drive innovation and the long-term success of the Company.

As for the size of the Board of Directors, the Company believes that the Board of Directors should have an appropriate number of members in order to foster high-quality discussions. Under the Company's Articles of Incorporation, the Board of Directors may have a maximum of eleven Directors.

In addition, the Company has a structure in which different persons serve as the Chairperson of the Board of Directors and the CEO. The Company believes that checks and balances are effective and this structure contributes to the strengthening of governance by separating the roles of the Chairperson of the Board of Directors and the CEO.

Policy for Selecting Directors

The approach to selecting candidates for the Board of Directors is to choose qualified candidates who can fulfill the duties and responsibilities of the position by considering their skills, leadership and professional experience, personal background, judgment, personality, and insight, without discrimination based on attributes of gender, age, nationality or ethnicity. Current Directors who are considered for renomination are evaluated on these criteria as well as their performance on the Board and number of terms of office. These candidates are elected individually at the Annual Meeting of Shareholders.

In order to further improve the quality of management decision-making, the Company believes that it is important to maintain a well-balanced Board comprising members with varied skills, experiences, and backgrounds. The Company has specifically set a target for gender, and aims to propose candidates for election to its Annual Meeting of Shareholders to achieve gender parity among its board members, and audit and supervisory board members. As of June 19, 2026, four of the twelve members of the Board of Directors including Audit and Supervisory Board members are women.

The Company has a policy that at least one third of the Directors are Independent Directors who maintain appropriate separation from management execution. As of June 19, 2026, there are eight Directors, of which four are reported as Independent Directors to the Tokyo Stock Exchange. Independent Directors are selected based on the above criteria as well as their management experience at corporations operating globally and/or that are publicly listed.

The Company expects Independent Directors to play the following roles in addition to supervising the management of the Company:

- To provide the Company with advice based on their management experience in corporations operating globally and/or that are publicly listed, which are necessary for the Company to further enhance its enterprise value and shareholder value in the mid-to long-term period.
- To play a leading role in matters related to selection and dismissal, compensation and evaluation of Directors and Senior Vice Presidents as a chair and/or member of the Nomination and Governance Committee and the Compensation Committee.
- To oversee decision-making in cases where any potential conflict of interest exists between Directors and the Company. The Board of Directors acts as the decision-making body for matters that may cause conflicts of interest by ensuring the decision is delivered under the presence of Independent Directors as well as independent Audit and Supervisory Board members.

In order to ensure that Independent Directors fulfill the above roles, the Company takes the following measures:

- To share and discuss the topics discussed during the Compliance Committee and Risk Management Committee with the Board of Directors for the purpose of creating an environment that allows Directors and Senior Vice Presidents to take appropriate risks when making decisions.
- To share and discuss the topics discussed during the Sustainability Committee as well as the voice of the Company's shareholders with the Board of Directors for the purpose of ensuring the discussions at the Board appropriately reflect the diverse perspectives of its stakeholders.

In addition to the above mentioned Independent Directors, the Board appoints one non-Executive Director who does not execute business operations, but who has in-depth knowledge of and experience in the Internet industry.

At the Annual Meeting of Shareholders to be held on June 24, 2026, "Election of Eight (8) Directors of the Board" will be proposed as Proposal 1 and "Election of One (1) Audit and Supervisory Board Member and One (1) Substitute Audit and Supervisory Board Member" will be proposed as Proposal 2. Even if these proposals are approved and adopted as originally proposed, there will be no changes to the number of Directors, the percentage of female Directors, or the percentage of Independent Outside Directors of the Board of Directors.

Activities of the Board of Directors

The Board of Directors strives to foster an atmosphere that encourages free, open, and constructive discussion and exchange of opinions. The Board of Directors expects Independent Directors to raise issues, actively comment, and advise, on matters in their areas of expertise and experience.

To ensure the Board of Directors has open and constructive discussion, meetings are conducted according to the following procedures:

- Draft versions of Board of Directors meeting materials are distributed to participants at least three business days prior to meetings.
- Along with Board of Directors meeting materials, the administrators provide summaries of the agenda discussion points. The administrators make a concerted effort to deliver the summaries three business days prior to meetings. In addition, the administrators explain to the Chairperson of the Board, Independent and non-Executive Directors the agenda details in advance of the meetings.

- The annual schedule for Board of Directors meetings is decided during the previous fiscal year, and at the beginning of each fiscal year the schedule for important agenda items is confirmed.
- The frequency of meetings, matters for deliberation and time devoted to discussion are reviewed each fiscal year and adjusted as necessary, based on the performance in the prior fiscal year and strategy for subsequent fiscal years.

The Board of Directors also provides opportunities for free discussion among participants outside of regular meetings, spending about the same amount of time as in the Board of Directors meetings, in order to encourage an active exchange of opinions.

Concrete Agenda of the Board of Directors

In addition to monitoring the management execution such as business performance and risks, the Board of Directors mainly discussed the following agenda during FY2025.

- Business portfolio strategy
- Sustainability strategy
- Capital policy and shareholder returns

As for the business portfolio strategy, the Board of Directors discussed the progress and promotion policy of "Simplify Hiring" and "Help Businesses Work Smarter." Please refer to "Business Strategies of the Company" in the "Business Overview" section for more details. In addition, the Board of Directors discussed risks and countermeasures related to the execution of the strategy based on the deliberations of the Risk Management Committee. Please refer to "High-Priority Risks and Key Countermeasures" and "Risks That May Affect the Company's Financial Condition, Results of Operations and Cash Flows" in the "Business Overview" section for more details.

As for the sustainability strategy, the Board of Directors discussed the progress and plans for sustainability activities to achieve the sustainability goals of "Prosper Together" based on the deliberations of the Sustainability Committee. Please refer to "Business Strategies of the Company" in the "Business Overview" section for more details.

As for the capital policy and shareholder returns, in addition to stable and continuous dividends, the Board of Directors discussed and resolved on the share repurchase after considering the capital markets environment and the outlook of the Company’s financial position. Please refer to the following URLs for more details.

https://recruit-holdings.com/en/newsroom/20250425_0001/
https://recruit-holdings.com/en/newsroom/20250808_0001/
https://recruit-holdings.com/en/newsroom/20250925_0001/
https://recruit-holdings.com/en/newsroom/20251016_0001/
https://recruit-holdings.com/en/newsroom/20260331_0001/

Analysis and Evaluation of the Effectiveness of the Board of Directors

Overall comment

The Company analyzes and evaluates the effectiveness of the Board overall annually, and reviews and implements improvement measures for the issues identified. As a result of the analysis and evaluation of the effectiveness of the Board of Directors meetings for FY2025, the Company concluded that the Board played an appropriate role, and the Board exercised its responsibilities appropriately, both in the supervision of, and decision-making over, execution and thus the Board is highly effective. The Board will further improve its effectiveness based on the issues identified through the evaluation process to continue to increase the corporate value and shareholder value as an attractive corporation for all stakeholders.

Method

As a method of the analysis and evaluation, the secretariat of the Board leads the survey of directors and Audit and Supervisory Board members and obtains individual opinions from independent directors and Audit and Supervisory Board members. The result is deliberated at the Board and reflected on the agenda for the following year and various measures. The Company has adopted this method with the understanding that the self-assessment by directors and Audit and Supervisory Board members who have deep understanding of the status of the Company is highly effective.

Survey Questions

- Appropriateness of the role and responsibilities of the Board of Directors
  - i Appropriateness of the role and responsibilities of the Board of Directors
  - ii Appropriateness of deliberations from the perspective of shareholders and other stakeholders
- Appropriateness of Management Structure
  - iii Appropriateness of the organizational structure of the Board of Directors
  - iv Appropriateness of the composition (size/Independent ratio/gender ratio) of the Board of Directors
  - v Appropriateness of the qualities and knowledge of the members of the Board of Directors (Skill Matrix)
- Effectiveness of deliberations by the Board of Directors
  - vi Effectiveness of oversight and advisory functions of independent directors
  - vii Effectiveness of checks, balances and cooperation, and the oversight functions performed by and between the Executive directors
  - viii Appropriateness of the quality and quantity of deliberations by the Board of Directors, and effectiveness of establishment of the environment
- Others
  - ix Other matters to be considered in regards to the effectiveness of the Board of Directors

Initiatives based on the analysis and evaluation for FY2024

Following the previous year's analysis and evaluation, the Board of Directors prioritized several key initiatives. Discussions focused on "Business Portfolio Strategy and Related Risk Management," "Capital Market Strategy," and "Sustainability Transformation," and the following initiatives are currently underway.

- The Company implemented an organizational reorganization in Japan in April 2025. Specifically, HR Solutions business was integrated into HR Technology, and Marketing Solutions business was reorganized into Marketing Matching Technologies. These structural changes accelerated growth in both areas. Additionally, the Board deepened discussions regarding the opportunities and threats that AI advancements pose to the Group's business strategy.
- Based on the capital allocation strategy and net cash target, the Company executed shareholder returns totaling 700 billion yen. This initiative improved capital efficiency and enhanced shareholder returns. As a result, net cash stood at approximately 750 billion yen as of the end of March 2026.
- To promote constructive dialogue with the capital markets and increase the transparency of business strategies, the Company initiated new disclosures including KPIs for HR Technology (such as US ARPJ growth rate) and medium-term targets for EBITDA + S margin in Marketing Matching Technologies.
- Under the sustainability strategy "Prosper Together," the Board monitored progress toward the targets for the FY2030. These targets include reducing GHG emissions and shortening the time to hire. Additionally, in anticipation of future mandatory non-financial information disclosure requirements (such as SSBJ), the Company established internal systems to ensure proper disclosure and assurance.
- The Company consistently held onsite meetings to deepen the entire Board's understanding of business operations. Furthermore, site visits to Austin, USA (Indeed headquarters, etc.) were conducted to strengthen expertise regarding cutting-edge technology trends and frontline realities.

Measures based on analysis and evaluation of the effectiveness of the Board of Directors for FY2025

The Board of Directors has confirmed that it will prioritize the following measures to further improve the effectiveness of the Board of Directors through the effectiveness analysis and evaluation for FY2025.

- Conducting a review of growth strategies in light of changes in the business environment, while deepening deliberations on the key themes of "Business Portfolio Strategy and Related Risk Management," "Capital Market Strategy," and "Sustainability Transformation," as in the previous year.
- Increasing the frequency of on-site meetings to facilitate in-depth, in-person discussions. In addition, continuously providing opportunities for business site visits to enhance the understanding of directors and Audit and Supervisory Board members, thereby enriching the check-and-balance and advisory functions across the Board.
- Fostering seamless collaboration between the Board and the Nomination and Governance Committee to strategically enhance the Board’s composition, thereby ensuring the successful execution of our medium- to long-term growth strategies. Furthermore, both bodies will continue discussions focused on building a stable and effective management structure.

Audit and Supervisory Board

Role of the Audit and Supervisory Board

The Audit and Supervisory Board is responsible for the following:

- Supervising the activities and performance of each Director as well as the Board of Directors as a whole and auditing the maintenance and operational status of internal control policies, procedures, and processes, based on the audit plan.
- Evaluating the appropriateness and performance of the Independent Auditor.

All members of the Audit and Supervisory Board attend the Board of Directors meetings as part of their oversight responsibilities. In addition, one or more standing Audit and Supervisory Board members must attend the Business Strategy Meeting to enhance the oversight function.

The Audit and Supervisory Board generally meets once a month and holds extraordinary meetings as needed.

Composition of the Audit and Supervisory Board

The Audit and Supervisory Board comprises four members, including two independent members. One substitute Audit and Supervisory Board member has been elected, in order to avoid any potential non-compliance with the statutory requirement that at least half of the members of the Audit and Supervisory Board be independent members.

Policy for Selecting Audit and Supervisory Board Members

The approach to selecting candidates for the Audit and Supervisory Board is to select qualified persons with suitable experience and capabilities and with the necessary knowledge in the areas of finance, accounting, and legal affairs, to fulfill the duties and responsibilities as an Audit and Supervisory Board member. The Company has two standing Audit and Supervisory Board members who deeply understand the business of the Company, and two independent Audit and Supervisory Board members, one with expertise in legal affairs and one with expertise in finance and accounting.

All the Audit and Supervisory Board members make efforts to continuously expand their knowledge in order to fulfill their audit function in areas such as finance, accounting, and legal affairs through appropriate training courses funded by the Company. For example, the Audit and Supervisory Board members seek to deepen their understanding of the latest accounting standards and important matters for auditing by taking relevant training and seminars offered by the Japan Audit and Supervisory Board Members Association or by outside audit and assurance firms.

Advisory Bodies to the Board of Directors: Nomination and Governance Committee, and Compensation Committee

The Nomination and Governance Committee, and the Compensation Committee advise the Board of Directors. Each committee has a majority of independent members and is chaired by an Independent Director in order to enhance the transparency and objectivity of the decision-making process.

These committees review and consider the nomination, evaluation, and compensation of Directors and Senior Vice Presidents in each fiscal year. Final decisions are made by resolution of the Board of Directors.

The roles of each committee are as follows:

Nomination and Governance Committee

The matters subject to deliberation by the Nomination and Governance Committee are as follows:

- The appointment or dismissal of the CEO
- CEO succession planning
- The process for appointing or dismissing Director candidates, Senior Vice Presidents, and Corporate Professional Officers
- Director candidates and the requirements for the appointment thereof
- Governance systems such as the Company's organizational structure and the composition of the Board of Directors

In the current fiscal year, the main topics deliberated by the Nomination and Governance Committee were as follows:

The Nomination and Governance Committee deliberated on the appointment or dismissal of the CEO by considering whether the current CEO has effectively performed their role in light of the Company's progress in implementing its mid- to long-term strategy, business performance, and so forth. The Committee then presented a proposal to reappoint the current CEO for the following fiscal year to the Board of Directors. As for the CEO succession plan, the Committee evaluated the appropriateness and implementation progress of the development plan for potential successors, taking into account the talent requirements established based on its corporate strategy and anticipated timing of leadership transitions.

Regarding the process for appointing or dismissing Director candidates, Senior Vice Presidents, and Corporate Professional Officers, the Nomination and Governance Committee discussed the best management structure, taking into account the mid- to long-term governance policy and the timing of planned CEO succession. The Committee deliberated on the adequacy of the aforementioned process from the selection of candidates to the resolutions by the Board of Directors. Additionally, the dismissal of Directors, Senior Vice Presidents and Corporate Professional Officers is considered in cases where significant damage to the Company's corporate value is recognized, such as due to violations of laws and regulations. Regarding the Director candidates and the requirements for the appointment thereof, the Committee identified succession planning for Independent Directors as a priority and deliberated on the key talent criteria and review process.

As for governance systems such as the Company's organizational structure and the composition of the Board of Directors, the Nomination and Governance Committee took into account the outcomes of the evaluation of the effectiveness of the Board of Directors and deliberated on the policy for the mid- to long-term evolution of corporate governance.

Compensation Committee

The matters subject to deliberation by the Compensation Committee are as follows:

- Policies, compensation systems, and evaluation systems relating to the determination of the compensation of Directors and Senior Vice Presidents
- Individual compensation amounts for, and individual evaluations of, Directors
- The process for determining individual compensation amounts for, and individual evaluations of, Senior Vice Presidents other than Directors
- The maximum amount of equity compensation for the Recruit Group as a whole

In the current fiscal year the main topics deliberated by the Compensation Committee were as follows:

Regarding policies, compensation systems, and evaluation systems relating to the determination of the compensation of Directors and Senior Vice Presidents, the compensation level for the following fiscal year was determined by referencing data on the executive compensation in similar-sized companies in the same industry, both domestically and overseas, during the most recent fiscal year and so forth. In this context, it was determined that, in order to continue growing the Company's business in global markets and enhancing the corporate value of the Group, it is important to flexibly secure highly capable personnel with extensive knowledge and management experience in global markets; accordingly, the Committee deliberated on a proposal to be submitted to the Annual Meeting of Shareholders to revise the upper limit of the amount of equity compensation for Directors.

The Compensation Committee conducted the individual performance evaluations for the current fiscal year. The Executive Director under evaluation was not present during the process, and the evaluation was based on the review of the missions established for each individual prior to the start of the fiscal year. For the evaluation of the individual performance of the two Representative Directors, an independent Director serving as the chair of the Committee formulated a draft proposal after conducting interviews with Executive Directors and Standing Audit and Supervisory Board members. As for the individual evaluation criteria of Executive Directors for the following fiscal year, the Committee determined each Executive Director's expected roles, with the individuals in question absent during the process. Furthermore, the Committee confirmed the process for determining individual compensation amounts for, and individual evaluations of, Senior Vice Presidents other than Directors, which are to be determined at the Business Strategy Meeting, in accordance with the compensation and evaluation systems deliberated by the Compensation Committee and resolved by the Board of Directors.

Lastly, the Compensation Committee deliberated on the appropriate maximum amount of equity compensation for the Recruit Group as a whole, taking into account the appropriate scope of beneficiaries to promote the implementation of the Group's mid- to long-term business strategy, as well as the performance outlook for the following fiscal year.

Please refer to the "Compensation" section in this document for more information on the Company's compensation policy and results.

Other Advisory Bodies to the Board of Directors

Compliance Committee

An advisory body to the Board of Directors chaired by the Representative Director, President and CEO. The Committee deliberates on compliance themes and measures of the Company. The Committee determines and evaluates action plans based on the information collected from the Holding Company's administrative departments and subsidiaries. The Compliance Committee's deliberations and decisions are reported to the Board of Directors to promote a strong compliance culture.

Risk Management Committee

An advisory body to the Board of Directors chaired by the Executive Vice President and Director in charge of the Risk Management Division. The Committee deliberates on key risk themes and measures of the Company. The Committee monitors the status of risk management at each SBU as well as identifies and determines the risks deserving of particular attention, which are reported to the Board of Directors.

Sustainability Committee

An advisory body to the Board of Directors chaired by the Executive Vice President and Director in charge of sustainability. The Committee deliberates on the Company's sustainability strategy and monitors its progress. The Committee's participants include the CEO, the Chairperson, the Director in charge of sustainability, Senior Vice Presidents who are in charge of each SBU, and outside experts.

The Committee addresses important sustainability agendas of the Company, such as discussions to achieve the sustainability goals set forth as a management strategy, aiming to prosper together with all stakeholders. Based on the Committee's deliberation, the Board of Directors then resolves the direction and action plans that promote the Company's sustainability activities, and monitors the progress.

The Company held the Sustainability Committee twice in the latest fiscal year. The main topics deliberated were as follows:

- Report and discuss on the sustainability goals
- Update on sustainability issues to be addressed by the Company based on social trends

With regard to current trends in sustainability issues, during the latest fiscal year, the Committee monitored the progress of the sustainability goals, as well as the status of compliance with the sustainability information disclosure regulations, which legislation is under deliberation in Japan and Europe ahead of other countries.

The deliberations were submitted to the Board of Directors for resolution.

Other Advisory Bodies

Business Strategy Meeting

An advisory body to the CEO and chaired by the CEO, the meeting attendees deliberate on matters mainly relating to investments and personnel for which authority has been delegated by the Board of Directors. The meeting consists of Executive Directors, Senior Vice Presidents in charge of corporate functions and standing Audit and Supervisory Board members.

Talent Development Committee

An advisory body to the Business Strategy Meeting with participation by Senior Vice Presidents of the Company, the Committee deliberates on matters concerning the fostering of key talent, including the planning and monitoring of their career development and professional growth.

Disciplinary Committee

An advisory body to the Board of Directors and Business Strategy Meeting, the Committee deliberates on the recommended disciplinary action for the Company's personnel including its employees.

Composition of the Board and Committees as of June 19, 2026

C	Chair	M	Member	O	Observe

Position	Name and surname	Board of Directors	Audit and Supervisory Board	Advisory Body to the Board of Directors					Other Advisory Body
				Nomination and Governance Committee	Compensation Committee	Compliance Committee	Risk Management Committee	Sustainability Committee	Business Strategy Meeting
Representative Director and Chairperson	Masumi Minegishi	C		M		O	O	M	O
Representative Director, President and CEO	Hisayuki Idekoba	M		M	M	C	M	M	C
Internal Directors	Ayano Senaha	M		O	M	M	C	C	M
	Rony Kahan	M							O
Independent Directors	Naoki Izumiya	M		C	M				
	Tsuyoshi Kodera	M		M	M				
	Keiko Honda	M		M	C			M	
	Katrina Lake	M			M				
Standing Audit and Supervisory Board Members	Yukiko Nagashima	M [1]	M			O	O		M
	Takashi Nishimura	M [1]	C			O	O		M
Independent Audit and Supervisory Board Members	Yoichiro Ogawa	M [1]	M	M					
	Katsuya Natori	M [1]	M		M				
Senior Vice Presidents	Junichi Arai					M	M		M
	Keiichi Ushida							M	O
	Rob Zandbergen							M	
	Kanta Arai					M	M		M
	Akihiko Mori					M	M		M
	Tsukasa Yoshizawa					M	M		M
	Lowell Brickman					M	M		M
Outside Experts	Aron Cramer							M	
	Yves Serra							M	

[1] Audit and Supervisory Board members are required to attend the Board of Directors meetings to audit the execution of duties of Directors under the Companies Act of Japan.

[2] If Proposal 1, “Election of Eight (8) Directors of the Board,” and Proposal 2, “Election of One (1) Audit and Supervisory Board Member and One (1) Substitute Audit and Supervisory Board Member,” are approved and adopted as originally proposed at the Annual Meeting of Shareholders to be held on June 24, 2026, the composition of the Board of Directors, Audit and Supervisory Board, Business Strategy Meeting, and each committee will be as stated above.

Attendance for FY2025

Position	Name and surname	Board of Directors	Audit and Supervisory Board	Advisory Body to the Board of Directors: Nomination and Governance Committee	Compensation Committee	Compliance Committee	Risk Management Committee	Sustainability Committee
Representative Director and Chairperson	Masumi Minegishi	10/10		2/2		2/2	2/2	2/2
Representative Director, President and CEO	Hisayuki Idekoba	10/10		2/2	2/2	2/2	2/2	2/2
Internal Directors	Ayano Senaha	10/10		2/2	2/2	2/2	2/2	2/2
	Rony Kahan	10/10						
Independent Directors	Naoki Izumiya	10/10		2/2	2/2			
	Tsuyoshi Kodera	7/7 [1]		2/2 [1]	2/2 [1]			
	Keiko Honda	10/10		2/2	2/2			2/2
	Katrina Lake	9/10			2/2			
Standing Audit and Supervisory Board Members	Yukiko Nagashima	10/10	17/17			2/2	2/2	
	Takashi Nishimura	10/10	17/17			2/2	2/2	
Independent Audit and Supervisory Board Members	Yoichiro Ogawa	10/10	17/17	2/2				
	Katsuya Natori	10/10	17/17		2/2			
Senior Vice Presidents	Junichi Arai					2/2	2/2	
	Keiichi Ushida							2/2
	Rob Zandbergen							2/2
	Kanta Arai					2/2	2/2	
	Akihiko Mori					2/2	2/2	
	Tsukasa Yoshizawa					2/2	2/2	
	Lowell Brickman					2/2	2/2	
Outside Experts	Aron Cramer							2/2
	Yves Serra							2/2

[1] Seven meetings of the Board of Directors, two Nomination and Governance Committees, two Compensation Committees were held since the person was appointed as Director at the Annual Meeting of Shareholders held on June 26, 2025.

Skills Matrix of the Board of Directors

If Proposal 1 “Election of Eight (8) Directors of the Board” and Proposal 2, “Election of One (1) Audit and Supervisory Board Member and One (1) Substitute Audit and Supervisory Board Member,” are approved and adopted as originally proposed at the Annual Meeting of Shareholders to be held on June 24, 2026, the composition of the Board of Directors of the Company, and skills of each of the Directors and Audit and Supervisory Board members will be as follows.

From the perspective of corporate management, the Nomination and Governance Committee of the Company deliberates on skills that are particularly important to achieving its medium- to long-term management strategy, and the Board of Directors resolves on them.

Skills and Expertise	Masumi Minegishi Representative Director and Chairperson	Hisayuki Idekoba Representative Director, President and CEO	Ayano Senaha Director, Executive Vice President and COO	Rony Kahan Director non-Executive	Naoki Izumiya Director Outside Independent	Tsuyoshi Kodera Director Outside Independent	Keiko Honda Director Outside Independent	Katrina Lake Director Outside Independent	Yukiko Nagashima Standing Audit and Supervisory Board Member	Takashi Nishimura Standing Audit and Supervisory Board Member	Yoichiro Ogawa Audit and Supervisory Board Member Outside Independent	Katsuya Natori Audit and Supervisory Board Member Outside Independent
Corporate Management	●	●		●	●	●	●	●	●		●	
Finance							●				●	
Legal/Risk Management			●			●					●	●
Global Business	●	●	●	●	●	●	●	●		●	●	●
Technology	●	●	●	●		●		●		●		●
HR Business	●	●	●	●					●	●		
Sustainability			●		●		●					
Transformation	●	●	●	●	●	●	●	●	●	●	●	●

Independent Independent Director as reported to the Tokyo Stock Exchange

Important Skill and Expertise and Reason for selection

Corporate Management

The Company is listed on the Tokyo Stock Exchange Prime Market and operates a wide range of businesses in more than 60 countries around the world. Therefore, the Company has identified "Corporate Management" as an important skill, as its sustainable growth requires corporate management skills to manage its business portfolio in accordance with the expectations of its diverse stakeholders.

Finance

To maximize long-term corporate and shareholder value, the Company flexibly and proactively invests in new businesses, research and development, cross-border M&A, and other growth investments. The Company has identified "Finance" as an important skill, as finance strategies are critical to the realization of corporate strategy.

Legal/Risk Management

In order to ensure the continuous and stable growth of the Company, it has established a systematic risk management system and is actively engaged in risk management while complying with relevant laws and regulations. The Company has identified "Legal/Risk Management" as an important skill because it is necessary for the Board of Directors to determine and oversee effective risk management policies.

Global Business

The Company operates businesses and services in more than 60 countries and territories around the world. Therefore, the Company has identified "Global Business" as an important skill for making important management decisions.

Technology

The Company aims to further improve and accelerate the efficiency of matching by leveraging technology and data to provide the best options for individual users and to help corporate clients further improve their business efficiency. To this end, the Company has identified "Technology" as an important skill for making critical management decisions.

HR Business

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. Our goal is to automate many of the steps in the hiring process and to improve the quality and speed of matching across all three SBUs. To this end, the Company has identified the "HR business" as an important expertise for making key management decisions on the Board of Directors.

Sustainability

The Company believes that positive impact on society and the global environment through our entire corporate activities and coexistence and co-prosperity with all stakeholders will lead to our sustainable growth, and the company has defined this as one of its management strategies. To this end, the Company has identified "Sustainability" as an important expertise for making important management-related decisions at the Board of Directors.

Transformation

Since our founding, the Company has been committed to "Opportunities for Life" and has achieved sustainable growth by repositioning its business portfolio to eliminate society's disadvantages (dissatisfaction, inconvenience, and anxiety) through the creation of new value. The Company believes that its DNA is to continue transforming itself to create new value, and the Company has identified "Transformation" as a key expertise common to all members of its Board of Directors, both internal and external.

Name	Skills
Masumi Minegishi	**Corporate Management** - As Representative Director, President and CEO of the Company from 2012 to 2020, Masumi Minegishi has achieved business portfolio reorganization by aggressively investing capital in M&A in the global market to transform the Company into a global technology company. In addition, he has a proven track record of evolving the governance of the Company, having taken the Company public on the Tokyo Stock Exchange in 2014. - He has served as an Independent Director of KONICA MINOLTA, INC. and an Independent Outside Director of ANA HOLDINGS Inc. since 2022. **Global Business** - As Representative Director, President and CEO, he led the Company's transformation into a global company by raising the ratio of overseas sales from approximately 4% in FY2012 to approximately 45% in FY2019. **Technology** - As Senior Vice President of the Company, he led the digitalization of the magazine business in the area of sales promotion. After assuming the position of Representative Director, President and CEO, he accelerated digitalization across Japan and led the M&A of a global technology company. **HR Business** - As Representative Director, President and CEO, he led the global expansion of the HR business through acquisitions of job matching and staffing companies such as Indeed, Inc. and Glassdoor LLC. **Transformation** - By strongly promoting the digitalization of our business, he drove the reorganization of our business portfolio. In addition, he has demonstrated and proven his ability to bring the Company to the global stage through IPOs and M&As.

Name	Skills
Hisayuki Idekoba	**Corporate Management** - Hisayuki Idekoba led the acquisition of Indeed Inc. in 2012, after which he led its growth as its CEO. Later, as a Director and Senior Executive Vice President of the Company, he drove the transformation of the entire group. He has served as Representative Director, President and CEO from April 2021. **Global Business** - He led the Company's post-acquisition growth through cross-border M&A to become a global leader in the HR matching market, and since 2018, he has strongly promoted global governance as a director of the SBU Headquarters overseeing the HR technology and staffing businesses. **Technology** - In the area of sales promotion in Japan, he promoted the digitalization of business by transforming the information magazine business using technology and the promotion of online reservations, etc. After the acquisition of Indeed, Inc., he has led the evolution of the global platform business using technology and data. **HR Business** - Aiming to create a "Getting a job with the push of a button" he has conceived and strongly led the evolution of HR matching using technology and data beyond the existing framework of the HR business industry. **Transformation** - In Japan, he led the digital shift of the information magazine business, thereby reorganizing the business portfolio. He has since transformed the Company into a global HR matching company through cross-border M&A and subsequent business growth.
Ayano Senaha	**Legal/Risk Management** - As a Senior Vice President of the Company since 2018, Ayano Senaha has promoted the establishment of a governance structure that balances business strategy and risk management, and has served as the Chairman of the Company's Risk Management Committee since 2021. **Global Business** - As a Director of a UK staffing company since 2013 and Managing Director since 2014, she led the growth of the business after cross-border M&A. Since 2018, as Director of the headquarters of the HR Technology business and its main subsidiaries, she has been driving the strengthening of global governance. - Since 2022, she has been a Member of the Board of Directors of Georg Fischer Ltd, a Swiss listed company. **Technology** - As a Director of the HR Technology headquarters and its main subsidiaries, she is responsible for the evolution of the business through the use of technology and data. **HR Business** - She was in charge of advertising sales for major companies in the HR business in Japan. As a Managing Director of a staffing company in the U.K., she achieved a significant improvement in business performance. In 2018, she became a Director of the HR technology business headquarters and main subsidiaries. She has extensive knowledge and experience in the HR business. **Sustainability** - As a Senior Vice President of the Company, she has been in charge of sustainability since 2018, and in 2021, she integrated our sustainability initiative "Prosper Together" into the Company's corporate strategy, setting goals for 2030. The Company has been recognized as a global advanced level by institutional investors and rating agencies. **Transformation** - In addition to driving the evolution of our globalization and governance, she has made sustainability our group management strategy and established a group-wide promotion system to achieve our sustainable growth by positively impacting society and the global environment through our entire corporate activities.
Rony Kahan	**Corporate Management** - In 1998, Rony Kahan founded a job website for financial professionals, and sold the company in 2003. In 2004, he co-founded Indeed, Inc. and was appointed to the role of President and Chairman, and later served as CEO in 2012 and Chairman in 2013. He has experience and expertise in managing companies in various phases from start-ups to large scale businesses as well as expanding companies into new business areas. **Global Business** - By 2012, he had grown Indeed, Inc., which he co-founded, into the #1 job site in the world that serves more than 50 countries (26 languages). - **Technology** - After starting his first company in the early days of the Internet, he focused on search engine technology that was becoming popular at the time. He founded Indeed, Inc. in 2004 with the goal of creating a job search engine that automatically collects job information regardless of industry, and the company became profitable early. He has extensive knowledge and experience in technology and data-based product development and business operations.

Name	Skills
	HR Business - He has extensive knowledge and experience in the global job matching business and pioneered the "Job seekers first" philosophy at Indeed, Inc. **Transformation** - He has been innovating in the HR matching business at the dawn of the Internet and laid the foundation for the service that became the world's No. 1 job search engine based on the philosophy of "We help people get jobs." After the acquisition of Indeed, he served as Director and Chairman of the Board, furthering the evolution of Indeed, Inc.
Naoki Izumiya	**Corporate Management** - As a President and Representative Director of Asahi Breweries, Ltd. since 2010 and the first President and Representative Director, COO of Asahi Group Holdings, Ltd. since the following year, Naoki Izumiya has led large-scale M&A in Japan and abroad to enhance the corporate value of the group, while evolving the governance of the company. - Since 2018, he has served as an Independent Director of the Company. **Global Business** - Since his appointment as President and Representative Director of Asahi Group Holdings, Ltd. (formerly Asahi Breweries, Ltd.), he has led the company's globalization by significantly expanding its overseas sales ratio through numerous large-scale M&A, particularly in Southeast Asia and Australia. **Sustainability** - He promoted initiatives on advanced sustainability themes at Asahi Breweries, Ltd. such as contributing to the creation of a low-carbon society and preserving biodiversity. He also has experience and expertise in establishing a governance structure through the establishment of the Global Sustainability Committee. **Transformation** - As a President and Representative Director, he established Asahi Group Holdings, Ltd. and led the transition to a pure holding company and the evolution of the group's governance structure. He has also led the company's portfolio restructuring through domestic and international M&A.
Tsuyoshi Kodera	**Corporate Management** - Appointed as President of Sony Network Entertainment International LLC in 2013, and as President and CEO of Sony Interactive Entertainment LLC in 2017, Tsuyoshi Kodera has driven the growth of Sony Group’s Game & Network Services business. He brings extensive knowledge and expertise in corporate management required for leading a globally expanding publicly listed company. - Since 2025, he has served as an Independent Director of the Company. **Legal/Risk Management** - Having overseen information security, as Executive Vice President and CDO of Sony Group Corporation since 2021, and later as Executive Vice President, CDO and CIO from 2023, and Corporate Executive Officer, CDO from 2025, he has deep expertise and experience in this critical area for the Company. **Global Business** - After joining Sony Group Corporation (formerly Sony Corporation), he was assigned to Sony Electronics Inc. in the United States in 1998 and spent 23 years stationed there. Having held key positions, including President of Sony Network Entertainment International LLC and President and CEO of Sony Interactive Entertainment LLC, he possesses extensive and in-depth knowledge and experience in global business operations. **Technology** - He played a pivotal role in the launch and expansion of the globally operated network service PlayStation Network within Sony Group. In 2021, he spearheaded the creation of Sony Data Ocean, a group-wide data utilization platform, and led the Group’s digital transformation initiatives. Currently driving Sony Group’s AI adoption. **Transformation** - Having overseen group-wide digital transformation strategy, as Executive Vice President and CDO of Sony Group Corporation since 2021, and later as Executive Vice President, CDO and CIO from 2023, and Corporate Executive Officer, CDO from 2025, he has a proven track record of leading group-wide DX initiatives and transforming the company into a digital and network-driven enterprise.
Keiko Honda	**Corporate Management** - Keiko Honda is a former Director of the World Bank Group's Multilateral Investment Guarantee Agency (MIGA), which provides guarantees for risks in developing countries, where she served as Executive Vice President since 2013 and CEO and Executive Vice President since 2014, leading the agency until 2019. - She serves as an Outside Director of Mitsubishi UFJ Financial Group, Inc. from 2020 and Independent Director of the Company from 2022. **Finance**

Name	Skills
	- She has led projects related to corporate finance and M&A at financial institutions and consulting firms. She is also a member of the United Nations Investments Committee since 2018 and a member of the Expert Committee on Policy Evaluation of the Japanese Financial Services Agency since 2021. **Global Business** - In addition to her experience in global financial institutions and consulting firms, she has extensive experience in leading businesses, organizations, and people across countries and regions as the CEO and Executive Vice President of the Multilateral Investment Guarantee Agency (MIGA), an institution of the World Bank Group. **Sustainability** - She has extensive knowledge and expertise from her former role as Adjunct Professor and Adjunct Senior Research Scholar at Columbia University's School of International and Public Affairs, specializing in sustainable investments. **Transformation** - She was the first female senior partner in Asia at McKinsey & Company. She has also led an organizational transformation at the Multilateral Investment Guarantee Agency (MIGA), significantly expanding the agency's project portfolio and broadening the expertise and experience represented within its leadership team.
Katrina Lake	**Corporate Management** - While pursuing a graduate degree at Harvard University, Katrina Lake founded Stitch Fix, Inc. in 2011, which is a technology-based platform business. As CEO, she led the company through its listing on the U.S. NASDAQ stock exchange in 2017, and drove business growth. She also has experience and expertise as an Independent Director of several platform companies, including publicly traded companies. - She has served as an Independent Director of the Company since 2023. **Global Business** - Stitch Fix, Inc. operates in the U.S. She has a proven track record of achieving business growth by focusing on the optimal matching of brands and stylists in accordance with the needs of users in each region. **Technology** - Stitch Fix, Inc. offers a service in which AI-selected products are sorted by real, human personal stylists to provide customers with the most suitable clothes. In 2016, she was named one of the "100 Most Creative People in Business" by Fast Company magazine and appeared in Fortune magazine's "40 Under 40" in the U.S.. **Transformation** - She has a proven track record of utilizing technology to develop and expand services with high user demand that transcend the boundaries of existing industries and business models. In November, 2017, the company went public on NASDAQ. She is recognized as the youngest woman to go public and the first woman to lead an initial public offering in the technology sector.
Yukiko Nagashima	**Corporate Management** - As President and Representative Director of Recruit Staffing Co., Ltd., Yukiko Nagashima has promoted a work style that emphasizes productivity and has created employment opportunities for a more diverse range of individuals. - She has served as an Outside Director (Audit & Supervisory Committee Member) (formerly Outside Audit & Supervisory Board Member) of Sumitomo Corporation since 2021. **HR Business** - She has led the recruitment advertising and temporary staffing businesses in Japan for our group companies and has served as a board member of HR business industry associations. She has extensive knowledge and experience in the HR business. **Transformation** - In our group, she promoted the expansion of the business from the job information business to the sales promotion information business, and the transition from information magazines to the Internet. As an Audit and Supervisory Board member, she has a proven track record of supporting the strengthening of governance to help the Company evolve into a global company.
Takashi Nishimura	**Global Business** - In 2013, when the Company strengthened its overseas business development, Takashi Nishimura became the General Manager of the Overseas Business Management Office, and the following year he was appointed Executive Vice President of Recruit USA, Inc. - He later served as a director of Indeed, Inc. and RGF Staffing B.V. (formerly Recruit Global Staffing B.V.), and has a proven track record of promoting the strengthening of group governance on a global scale. **Technology** - As Senior Vice President of Indeed, Inc., a subsidiary of the Company, he was in charge of developing new recruiting solutions and services, and led the product development organization with a focus on

Name	Skills
	technology. **HR Business** - He has extensive knowledge and experience in the HR business, having led the recruitment advertising business in Japan, the staffing business in Japan and overseas, and the global recruiting platform business at a group company. **Transformation** - He was at the forefront of the transformation of our group into a global company. As Senior Vice President of Indeed, Inc., he has a proven track record of creating synergies across SBUs by developing solutions across the HR technology and staffing businesses.
Yoichiro Ogawa	**Corporate Management** - Yoichiro Ogawa has extensive experience and knowledge in leading management as a top corporate executive, having served as Vice Chairman of the Board of Directors of Deloitte Touche Tohmatsu Limited and Representative for the Asia-Pacific region, as well as CEO of Deloitte Tohmatsu Group. - Since 2021, he has served as an Outside Director of Honda Motor Co., Ltd. **Finance** - After joining Deloitte Touche Tohmatsu LLC (formerly Tohmatsu & Awoki Audit Corporation), he registered as a certified public accountant in 1984. After engaging in international accounting at a US accounting firm, he became a partner of the same firm. He has a wide range of knowledge and expertise in accounting and auditing. **Legal/Risk Management** - He has extensive experience in providing client services from a neutral and objective standpoint over a long period of time at audit firms, based on his deep insight into audit work and extensive international experience. **Global Business** - After joining Deloitte Touche Tohmatsu LLC, (formerly Tohmatsu & Awoki Audit Corporation), he provided client services in the United States. In 2015, as the representative for the Asia-Pacific region of Deloitte Touche Tohmatsu Limited, where he led cross-border collaboration across countries and regions. **Transformation** - As CEO of Deloitte Tohmatsu Group, he accelerated the deployment of solutions in the technology domain and promoted the improvement of service quality and sophistication of security response across the Group. In addition, he has a proven track record of leadership development across the Asia-Pacific region, including initiatives that advanced the participation and growth of women within the organization.
Katsuya Natori	**Legal/Risk Management** - Katsuya Natori was admitted to the bar in 1986 and joined Nishimura & Asahi (formerly Masuda and Ejiri Law Office). After graduating from the University of Washington School of Law (LL.M.) in 1990, he gained experience in international legal affairs at several US law firms. Later, he has experience leading the legal departments of several global companies. **Global Business** - He has served as General Counsel of Apple Japan, Inc. (formerly Apple Computer Co., Ltd.), General Counsel of Oracle Information Systems (Japan) G.K. (formerly Sun Microsystems K.K.), General Counsel and Executive Officer of Fast Retailing Co., Ltd., and General Counsel and Vice President of IBM Japan, Ltd. He has extensive experience in leading the management of companies with global operations. **Technology** - In addition to his experience leading the legal department of a global IT company, he also has extensive knowledge and experience in technology, including his role as the head of a technology-driven business process outsourcing business. **Transformation** - He has established a role as a general counsel (GC) in Japan, using his legal expertise to control risk and optimize management. He has also served as an Independent Auditor and chairman of third-party investigation committees for various companies based on his deep knowledge of corporate compliance and governance, and has a proven track record of facilitating the optimization of corporate operations.

Internal Controls and their Operational Status

Important details of the Company's internal control policies, procedures, and processes were approved as follows by resolution of the Board of Directors meeting on March 11, 2026.

Measures to Ensure That Directors and Employees of the Company Comply with Laws and Regulations and the Articles of Incorporation in the Execution of Their Duties

Governance Structure

- A Board of Directors, which must include independent Directors, shall be established at the Company to carry out decision-making on important matters.
- An Audit and Supervisory Board, which shall include independent Audit and Supervisory Board members, shall be established at the Company. The Company's Audit and Supervisory Board members shall audit the execution of duties by the Company's Directors by attending meetings of the Board of Directors and other important meetings and investigating the state of operations and similar matters on the basis of the audit standards established by the Audit and Supervisory Board.
- The Company shall establish a Nomination and Governance Committee and Compensation Committee, each chaired by an independent Director, to conduct deliberations on the nomination, appointment, evaluation and compensation of the Directors and Senior Vice Presidents.
- The Company shall dispatch its Directors to each SBU Headquarters, such that the Company's Directors account for a majority of the Board of Directors of each SBU Headquarters and supervise the management of each SBU Headquarters.

Internal Audit

- An Internal Audit Department shall be established within the Company, under the direct control of the Representative Director, President and CEO, and shall conduct audits of the Company's managers, employees, and similar personnel (collectively, "Recruit Affiliated Persons") and their compliance with laws and regulations, as well as the Articles of Incorporation and company policies.

Code of Ethics and Internal Policies

- The "Recruit Group Code of Ethics" shall be established and all Recruit Affiliated Persons shall be informed thereof.
- While giving due consideration to the autonomy and independence of the Company's subsidiaries, the "Recruit Group Policies" shall be established as shared group-wide policies for Recruit Holdings and its subsidiaries on matters such as decision-making, investment management, finance, human resource management, risk management, and compliance, in order to realize unified group-wide management of the whole Company.

Structure for Compliance

- The Company shall establish the "Recruit Group Compliance Policy" that sets forth basic policies regarding compliance. The Company's Board of Directors shall appoint an individual with ultimate responsibility for compliance, establish a department in charge of compliance, make decisions on basic group-wide compliance policies, and monitor the effectiveness of the compliance measures. The Representative Director, President and CEO, shall convene and serve as chairperson of the Compliance Committee and shall evaluate the effectiveness of each SBU's compliance program and make decisions on the group-wide compliance plan at the Business Strategy Meeting.
- The Board of Directors of each SBU Headquarters shall appoint an individual with ultimate responsibility for compliance at the SBU, make decisions on the SBU's basic compliance policies, and monitor the effectiveness of the SBU's compliance measures. The CEO of each SBU Headquarters shall convene and serve as chairperson of the Compliance Committee for the SBU and shall evaluate the effectiveness of the SBU's compliance and make decisions on and inspections of the SBU Headquarters' operational plans.
- The CEO of each subsidiary of the Company shall appoint an individual with ultimate responsibility for compliance at the subsidiary, evaluate the effectiveness, and make decisions on and inspections of the subsidiary's operational plans of its compliance.

Whistleblowing Policy

- The Holding Company and its subsidiaries shall establish measures, including reporting hotlines for harassment and/or illegal or other improper behavior, to promptly transmit information to the applicable department in charge of compliance within the Company or the relevant subsidiary, in the event that a Recruit Affiliated Person discovers a potential issue related to internal controls. The department in charge of compliance that receives the report shall promptly and thoroughly investigate the matter, decide on response measures in consultation with the related departments, and implement appropriate response measures.

Training

- The Holding Company and its subsidiaries shall plan and conduct necessary training for Recruit Affiliated Persons to ensure compliance with the "Recruit Group Code of Ethics" and internal policies.

Disciplinary Actions

- In the event that a violation of laws, regulations, internal policies, or other compliance rules is discovered, the Holding Company and its subsidiaries shall impose strict measures against any Recruit Affiliated Persons involved in such violation.

Preventing All Relationships with Anti-Social Forces

- The Holding Company and its subsidiaries shall establish procedures to prevent all relationships, including business relationships, with anti-social forces, as defined by the Japanese government.

Policies and Procedures concerning Retention and Management of Information regarding the Execution of Duties by the Company's Directors

- The Holding Company shall establish the "Documents and Contracts Management Policy," providing for the creation and retention of documents and materials related to Directors' execution of their duties, including documents such as the minutes of Annual Meetings of Shareholders, meetings of the Board of Directors, and Business Strategy Meetings.
- The length of time of, and department responsible for, the retention of the documents described in the previous paragraph shall be as set forth in the "Documents and Contracts Management Policy." Documents shall be retained in a manner that allows them to be viewed upon request by Recruit Holdings' Directors and Audit and Supervisory Board members.

Internal Policies and Other Measures concerning Management of Risk of Loss

- The Company shall establish the "Recruit Group Risk Management Policy" and "Recruit Group Risk Escalation Rules" to provide comprehensive, group-wide risk management.
- The Company's Board of Directors shall appoint an individual with ultimate responsibility for group-wide risk management, establish a department in charge of risk management, and make decisions on the basic policies regarding, and monitor the status of, the Company's risk management. In addition, the Risk Management Committee, chaired by the Director responsible for group-wide risk management, shall monitor risk management within each SBU and identify risks. Based on the results of these committee meetings, the Business Strategy Meeting shall identify and determine risks requiring particular attention at the group level and discuss measures to mitigate such risks.
- The Board of Directors of each SBU Headquarters shall appoint an individual with ultimate responsibility for risk management at the SBU and make decisions on basic policies regarding, and monitor the status of, the SBU's risk management. In addition, through the SBU Risk Management Committee attended by those responsible for the respective management functions of each SBU Headquarters, the Board of Directors of each SBU Headquarters shall monitor the status of risk management at each SBU as well as identify and determine the risks deserving of particular attention.
- The CEO of each of the Company's subsidiaries shall be ultimately responsible for risk management at the subsidiary and shall appoint an individual to oversee risk management at the subsidiary, identify risks for the subsidiary and determine the significance of such risks.
- If a serious incident occurs that may affect the Company as a whole, the Company shall establish a crisis management task force to address the situation.

Measures to Ensure the Efficient Execution of Duties by the Company's Directors and Its Subsidiaries

- The Company's Board of Directors or the Business Strategy Meeting shall set group-wide management targets for the Company and shall make these targets widely known within the Company as a whole, while also setting specific targets to be achieved by each function of the Company in order to achieve the group-wide targets. The Company's Senior Vice Presidents in charge of each function shall determine and execute efficient methods of achieving these targets.
- The Company's Board of Directors shall regularly review the Company's progress in achieving these targets and, by promoting improvements such as eliminating or reducing factors that impede efficiency and increase the likelihood of achieving the targets.
- The Company shall establish a Business Strategy Meeting as an advisory body to the CEO and shall carry out discussions on necessary matters regarding management of the Company as a whole.
- In addition, expert committees such as the Sustainability Committee shall be set up as advisory bodies to the Company's Board of Directors or the Business Strategy Meeting.

Policies and Procedures to Ensure the Reliability of Internal Controls for Financial Reporting

The Company shall establish the "J-SOX General Policy," the policy for the Japanese regulatory framework similar to Sarbanes-Oxley (SOX), and a system of internal control for financial reporting based on the internal control reporting system described in the Financial Instruments and Exchange Act of Japan.

Policies and Procedures concerning Reporting to the Holding Company regarding the Execution of Duties by Subsidiaries' Directors and Similar Persons

- The Holding Company shall establish internal divisions to oversee each SBU. Based on requests from such oversight divisions, Directors of the subsidiaries shall regularly report their business results and the status of implementation of their business strategies to their respective oversight divisions.
- The Holding Company and SBU Headquarters shall share information regarding their management activities on a regular basis, and discuss management policies, as needed.
- The Company shall establish the "Group Management Policy of the Recruit Group" and require the Company's subsidiaries to obtain approval of the Holding Company regarding important issues and make a prior confirmation with or subsequent report to the relevant departments of the Company.

Matters concerning Appointment of Employees to Assist Audit and Supervisory Board Members in Their Audit Duties

The Company shall appoint one or more persons as “Assistants to support the Company’s Audit and Supervisory Board members” (“Assistants”) and make an official announcement of the appointment.

Matters relating to Ensuring the Independence of Employees from the Company’s Directors Described in the Preceding Item and the Effectiveness of Instructions Given to the Employees

Assistants shall only follow the directions provided by the Audit and Supervisory Board members in supporting their duties. The opinions of the Audit and Supervisory Board members and the Audit and Supervisory Board shall be respected with regard to the appointment, transfer, evaluation, and discipline of these Assistants.

Procedures concerning Reports to the Company’s Audit and Supervisory Board Members

Recruit Affiliated Persons and the Company’s Independent Auditor shall report to the applicable Audit and Supervisory Board members of the Company on the matters set forth below. Measures shall be put in place to allow for reporting in a timely manner by means of meetings, interviews, telephone, email, and similar methods.

- Material matters regarding business management
- Matters that have the potential to cause significant loss to the Company
- Material matters regarding internal auditing and risk management
- Material violations of laws, regulations, or the Articles of Incorporation
- Any other material matters regarding internal controls

The Company’s Audit and Supervisory Board members and the Internal Audit Department shall cooperate with the Directors and Audit and Supervisory Board members of each SBU Headquarters and its subsidiaries as needed and share information on a regular basis.

Measures to Ensure That Individuals Reporting on Matters Described in the Preceding Item Are Not Unfavorably Treated on the Basis of Such Reporting

The Company shall establish the “Recruit Group Compliance Policy” under which any individual who has made a report described in the preceding item may not be subjected to unfavorable treatment such as dismissal, unjustified transfer, or similar measures due to him or her reporting such matters in good faith.

Matters relating to Policies concerning Procedures for Making Advance Payments or Reimbursements of Expenses Incurred in Connection with the Execution of Duties by the Company’s Audit and Supervisory Board Members and Treatment of Other Expenses or Obligations Associated with the Execution of Duties by These Members

The Company shall bear the costs of the budget requested in advance by the Audit and Supervisory Board members for expenses necessary to execute their duties. In addition, the Company’s Audit and Supervisory Board members may request payment from the Company of expenses incurred in urgent or unexpected circumstances, and the Company shall bear such costs.

Other Measures to Ensure the Effectiveness of Audits by Audit and Supervisory Board Members

The Company’s Audit and Supervisory Board members and Audit and Supervisory Board shall hold regular meetings to exchange opinions with the Representative Director, President and CEO and with the Company’s Independent Auditor, respectively.

Agreement with Directors and Audit and Supervisory Board Members

Agreement for Limitation of Liability of Non-Executive Directors and Audit and Supervisory Board Members

The Company has entered into an agreement with each of the non-Executive Directors and with Audit and Supervisory Board members, to limit their liability under Article 423, Paragraph 1 of the Companies Act of Japan. The maximum amount of liability for damages covered in the agreement is the minimum amount required under applicable laws and regulations. The limitation of liability, however, applies only when the respective personnel has performed their duties in good faith and are not deemed grossly negligent.

Directors and Officers Liability Insurance Contract

Since the Company is promoting global business development, it has entered into a directors and officers liability insurance contract principally to hire and retain outstanding executives globally, who have the knowledge, experience and professional relationships on a high level, and to enable them to execute their duties without fear of failure.

Directors, Audit and Supervisory Board members, and Senior Vice Presidents (including their inheritors) and employees of the Company including its subsidiaries (excluding those whose total assets are more than 25% of the consolidated assets of the Company, or whose securities are publicly traded on any exchanges in the U.S.), among others, are named as the insured of the contract. The Company pays all of the insurance premiums. The insurance contract covers any losses, legal defense costs, etc. caused by the insured persons’ execution of their duties, and which are claimed for during the term of insurance. However, the contract does not cover any losses caused by dishonest or improper conduct such as willful breach of duty or criminal acts.

Items Defined in the Company's Articles of Incorporation

Number of Directors

The Articles of Incorporation provide that the Company shall have no more than 11 Directors.

Requirements for Resolutions on the Appointment of Directors

The Articles of Incorporation provide that resolutions on the appointment of Directors require the attendance of at least one-third of shareholders with voting rights at Shareholders Meeting and approval by the majority of those voting rights. The Articles of Incorporation also provide that resolutions on the appointment of Directors shall not be based on cumulative voting.

Requirements for Special Resolutions of Shareholders Meeting

The Articles of Incorporation provide that special resolutions of Shareholders Meeting (as referred to in Article 309, Paragraph 2 of the Companies Act of Japan) require the attendance of at least one-third of shareholders with voting rights and approval by at least two-thirds of those voting rights. This aims for a smooth operation of Shareholders Meeting by lowering the quorum.

Decision-making Body for Dividends from Surplus

The Articles of Incorporation provide that the matters related to dividends from surplus as referred to in each item of Article 459, Paragraph 1 of the Companies Act of Japan may be decided by a resolution of the Board of Directors without the approval from Shareholders Meeting unless laws and regulations provide for otherwise. This aims for the flexibility in shareholder returns by authorizing the Board of Directors to decide matters related to dividends from surplus.

Share Buyback

Pursuant to Article 165, Paragraph 2 of the Companies Act of Japan, the Articles of Incorporation provide that the Company may buy back its own shares based on a resolution of the Board of Directors. This will enable the Company to buy back the shares through market transactions which will allow for an expeditious execution of capital policies adapting to changes in the business environment.

Liability Exemption for Directors and Audit and Supervisory Board Members

Pursuant to Article 426, Paragraph 1 of the Companies Act of Japan, the Company may, by a resolution of the Board of Directors and to the extent permitted by laws and regulations, exempt Directors (including former Directors) and Audit and Supervisory Board members (including former Audit and Supervisory Board members) from being liable for damages due to their negligence of their duties. This creates an environment where Directors and Audit and Supervisory Board members can maximize their performance and fulfill their expected roles.

Leadership

Board of Directors

If Proposal 1 “Election of Eight (8) Directors of the Board” and Proposal 2 “Election of One (1) Audit and Supervisory Board Member and One (1) Substitute Audit and Supervisory Board Member” are adopted as originally proposed at the Annual Meeting of Shareholders to be held on June 24, 2026, the officers of the Company (Directors and Audit and Supervisory Board members) will be as follows. There are no changes to the number of directors, the percentage of women, or the percentage of independent outside directors.

MASUMI MINEGISHI *Director since 2009*

Representative Director and Chairperson

Age: 62
(Date of Birth: January 24th, 1964)

Number of Company Shares held:
1,016,724

Responsibility:
Chairperson

Meeting body in charge (*Bold: Chairperson):
Board of Directors, Business Strategy Meeting, Nomination and Governance Committee, Compliance Committee, Risk Management Committee, Sustainability Committee

Career summary:

Masumi Minegishi is Representative Director and Chairperson. He has previously served as Representative Director, President and CEO of Recruit Holdings from 2012. He is credited with leading the Company’s transformation into a global tech company. Five years after joining the Company in 1987, Mr. Minegishi was transferred to the new business development office, where he contributed to the launch of Zexy, the bridal magazine. He became Senior Vice President in 2003 and Executive Vice President in 2004. After leading the housing information business and consolidated numerous operations to build the SUUMO brand, he was appointed as a Director and Executive Vice President in 2009.

Term of office

From June 24, 2026 to the conclusion of the Annual Meeting of Shareholders to be held in 2027.

Career summary

Unless otherwise stated, position refers to Recruit Holdings Co., Ltd.
**Current position*

June	2022	Independent Outside Director* of ANA HOLDINGS INC. Independent Director* of KONICA MINOLTA, INC.
April	2021	Representative Director* and Chairperson*
April	2012	Representative Director, President and CEO
April	2011	Director and Senior Executive Vice President
June	2009	Director and Executive Vice President
April	2004	Executive Vice President
April	2003	Senior Vice President
April	1987	Joined the Company

Significant concurrent position(s)

- Independent Director of KONICA MINOLTA, INC.
- Independent Outside Director of ANA HOLDINGS INC.

Reasons for being appointed as a Director

Masumi Minegishi served as CEO of Recruit Holdings Co., Ltd., for nine years, from April 2012 to March 2021 and demonstrated strong leadership as he oversaw the business of the entire group. Mr. Minegishi has served as a Director since 2009 and we believe that he is an appropriate person to sustainably improve the enterprise value of the Company, and should continue to serve as a Director.

Mr. Minegishi's role as Representative Director and Chairperson of the Company chiefly involves carrying out supervision of management. He is not responsible for managing any particular business area, and he has limited involvement in the decision making of day-to-day operations.

HISAYUKI IDEKOBA

Director since 2019

Representative Director, President and Chief Executive Officer

Age: 51
(Date of Birth: April 22nd, 1975)

Number of Company Shares held:
243,585

Responsibilities:
In charge of Corporate Planning Division, and HR Technology

Meeting body in charge (*Bold: Chairperson):
Board of Directors, **Business Strategy Meeting**, Nomination and Governance Committee, Compensation Committee, **Compliance Committee**, Risk Management Committee, Sustainability Committee

Career summary:

Hisayuki "Deko" Idekoba is Representative Director, President and Chief Executive Officer of Recruit Holdings, and President and CEO of Indeed, Inc. He previously served as Executive Vice President, COO overseeing the company's business operations and was appointed as a Director in 2019. Mr. Idekoba has led the digital transformation of the Company's numerous businesses including Jalan, travel service and Hot Pepper Beauty, beauty salon reservation service. He was responsible for transitioning print publications and marketing into online businesses, and making online booking common in the Japan market. In his previous role as Senior Vice President, he led the acquisition of Indeed, Inc. and later served as President and CEO of Indeed, Inc., transforming the Company into the leading global HR technology company it is today.

Term of office

From June 24, 2026 to the conclusion of the Annual Meeting of Shareholders to be held in 2027.

Career summary

Unless otherwise stated, position refers to Recruit Holdings Co., Ltd.
**Current position*

June	2025	President* and CEO* of Indeed, Inc.
April	2025	Director* of Indeed Recruit Partners Co., Ltd.
April	2021	Representative Director*, President* and CEO*, and Head of HR Technology*
April	2020	Director and Senior Executive Vice President in charge of Finance and Operations (COO)
June	2019	Director and Senior Executive Vice President in charge of Corporate Planning (CSO), Administration (CRO), and Operations (COO)
April	2019	Senior Executive Vice President in charge of Corporate Planning (CSO), Administration (CRO), and Operations (COO) Director* of Indeed, Inc.
April	2018	Director* of Recruit Co., Ltd.
January	2018	Senior Executive Vice President CEO* and Director* of RGF OHR USA, INC. Chairman* and Director* of RGF Staffing B.V. (formerly Recruit Global Staffing B.V.)
April	2016	Executive Vice President
October	2015	CEO of Indeed, Inc.
October	2013	President and CEO of Indeed, Inc.
September	2012	Chairman of the Board of Indeed, Inc.
April	2012	Senior Vice President
April	1999	Joined the Company

Significant concurrent position(s)

- CEO and Director of RGF OHR USA, INC.
- President, CEO and Director of Indeed, Inc.
- Director of Indeed Recruit Partners Co., Ltd.
- Chairman and Director of RGF Staffing B.V.
- Director of Recruit Co., Ltd.

Reasons for being appointed as a Director

Hisayuki "Deko" Idekoba has spearheaded major business growth through the strategic use of technology since 2012 in his role as a Senior Vice President. He has played a key role in the steady growth of Indeed and contributed significantly to the globalization of the Company. Mr. Idekoba has served as a Director of the Company since 2019 and we believe that he is an appropriate person to sustainably improve the enterprise value of the Company, and should continue to serve as a Director.

AYANO SENAHA

Director since 2020

Director, Executive Vice President and Chief Operating Officer

Age: 43
(Date of Birth: December 5th, 1982)

Number of Company Shares held:
21,981

Responsibilities:
In charge of Corporate Communications Division,
Human Resources / General Affairs Division,
Risk Management Division,
Group Governance

Meeting body in charge (*Bold: Chairperson):
Board of Directors , Business Strategy Meeting, Nomination and Governance Committee, Compensation Committee, Compliance Committee, **Risk Management Committee**, **Sustainability Committee**

Career summary:

Ayano "Sena" Senaha is Director, Executive Vice President and COO in charge of Corporate Communications Division, Human Resources / General Affairs Division, Risk Management Division, Group Governance in the Corporate Planning Division. She has played a major role in the rapid globalization of the Company, leading and contributing to a series of post-merger integrations. Six years after joining the Company, she was transferred to newly acquired ADVANTAGE GROUP LIMITED in London in 2012. She skillfully turned around its financial performance after being appointed Managing Director in 2014. She became Chief of Staff at Indeed, Senior Vice President in 2018, and Director in 2020. She is credited with aiding the development of a corporate governance structure that neutralizes risks while enabling quick decision-making.

Term of office

From June 24, 2026 to the conclusion of the Annual Meeting of Shareholders to be held in 2027.

Career summary

Unless otherwise stated, position refers to Recruit Holdings Co., Ltd.
**Current position*

September	2025	Chief People Officer* of Indeed, Inc.
April	2025	Director* of Indeed Recruit Partners Co., Ltd.
April	2023	Director* of Recruit Co., Ltd.
July	2022	Director* of Indeed, Inc.
April	2022	Director* of RGF Staffing B.V. Member of the Board of Directors* of Georg Fischer Ltd.
April	2021	Director*, Executive Vice President* and COO*
June	2020	Director and Executive Vice President
April	2020	Executive Vice President
April	2018	Senior Vice President
January	2018	Executive Manager in charge of Corporate Planning and Talent Management Chief of Staff at Indeed, Inc. Director* of RGF OHR USA, INC.
April	2016	Executive Manager in charge of Talent Management
July	2015	Executive Manager in charge of R&D Business Development
January	2014	Managing Director of ADVANTAGE GROUP LIMITED Managing Director of ADVANTAGE PROFESSIONAL UK LIMITED Director of ADVANTAGE XPO LIMITED
April	2006	Joined the Company

Significant concurrent position(s)

- Director of RGF OHR USA, INC.
- Chief People Officer and Director of Indeed, Inc.
- Director of Indeed Recruit Partners Co., Ltd.
- Director of RGF Staffing B.V.
- Director of Recruit Co., Ltd.
- Member of the Board of Directors of Georg Fischer Ltd.

Reasons for being appointed as a Director

Ayano "Sena" Senaha has served as Senior Vice President since 2018. Ms. Senaha has played a major role in the rapid globalization of the Company, having led and contributed to several post-merger integrations and having developed a corporate governance structure which ensures the balance of business strategies and risk management. Ms. Senaha has served as a Director of the Company since 2020 and we believe that she is an appropriate person to sustainably improve the enterprise value of the Company, and should continue to serve as a Director.

RONY KAHAN

Director since 2018

Director (Non-Executive)

Age: 58
(Date of Birth: November 26th, 1967)

Number of Company Shares held:
703,350

Meeting body in charge:
Board of Directors, Business Strategy Meeting

Career summary:

Rony Kahan was appointed Director of Recruit Holdings in 2018. He has also served as Chairman and Director of Indeed since 2013. Rony started his career in the HR industry in 1998 by co-founding jobsinthemoney.com, which became the leading job site for finance professionals. In 2003 he sold the business, and the following year, co-founded Indeed with the mission to help people get jobs. This novel approach to the job search market caught the attention of Recruit Holdings, which acquired Indeed in 2012. Working together with the new leadership team, Mr. Kahan successfully grew Indeed into the world's leading online matching and hiring platform.

Term of office

From June 24, 2026 to the conclusion of the Annual Meeting of Shareholders to be held in 2027.

Career summary

Unless otherwise stated, position refers to Recruit Holdings Co., Ltd.
**Current position*

June	2018	Director*
April	2018	Chairman and Director* of RGF OHR USA, INC.
October	2013	Chairman and Director* of Indeed, Inc.
September	2012	CEO of Indeed, Inc.
November	2004	Co-founder, President, and Chairman of the Board of Indeed, Inc.
August	1998	Co-founder of jobsinthemoney.com, Inc.

Significant concurrent position(s)

- Chairman and Director of RGF OHR USA, INC.
- Chairman and Director of Indeed, Inc.

Reasons for being appointed as a Director

Rony Kahan is a co-founder of Indeed, Inc., a consolidated subsidiary of Recruit Holdings. We are confident that his extensive track record of innovation, his deep expertise and broad connections in the HR technology industry will help us further accelerate the global expansion of our HR technology business. Mr. Kahan has served as a Director of the Company since 2018 and we believe that he is an appropriate person to sustainably improve the enterprise value of the Company, and should continue to serve as non-Executive Director.

NAOKI IZUMIYA

Director since 2018

Independent Director (Non-Executive)

Age: 77
(Date of Birth: August 9th, 1948)

Number of Company Shares held:
1,967

Meeting body in charge (*Bold: Chairperson):
Board of Directors, **Nomination and Governance Committee**, Compensation Committee

Career summary:

Naoki Izumiya, who is Honorary Advisor of Asahi Group Holdings, Ltd., has served as an independent Director of the Recruit Holdings' Board since 2018. Before his role as Chairman of the board, he promoted the growth of Asahi Group companies and spearheaded acquisitions including Calpis Co., Ltd. He expanded the business globally to Oceania, South East Asia and Europe. Mr. Izumiya served in various roles at Asahi Breweries, Ltd. including Senior General Manager of Strategy Planning Headquarters, General Manager of the Tokyo Branch and Public Relations before he was appointed President and Representative Director of Asahi Breweries, Ltd. in 2010.

Term of office

From June 24, 2026 to the conclusion of the Annual Meeting of Shareholders to be held in 2027.

Career summary

**Current position*

March	2021	Honorary Advisor* of Asahi Group Holdings, Ltd.
March	2019	Chairman of the Board of Asahi Group Holdings, Ltd.
June	2018	Independent Director* of Recruit Holdings Co., Ltd.
March	2018	Chairman and Representative Director of Asahi Group Holdings, Ltd.
March	2016	Chairman and Representative Director, CEO of Asahi Group Holdings, Ltd.
March	2014	President and Representative Director, CEO of Asahi Group Holdings, Ltd.
July	2011	President and Representative Director, COO of Asahi Group Holdings, Ltd.
March	2010	President and Representative Director of Asahi Breweries, Ltd.
March	2009	Senior Managing Director and Senior Managing Corporate Officer of Asahi Breweries, Ltd.
March	2006	Managing Director, Managing Corporate Officer, and Senior General Manager of Sales & Marketing Headquarters for Alcoholic Beverages at Asahi Breweries, Ltd.
March	2004	Managing Director of Asahi Breweries, Ltd.
March	2003	Director of Asahi Breweries, Ltd.
September	2001	Executive Officer, Deputy General Manager of Tokyo Metropolitan Headquarters, and General Manager of Tokyo Branch at Asahi Breweries, Ltd.
October	2000	Executive Officer and Senior General Manager of Strategy Planning Headquarters at Asahi Breweries, Ltd.
March	2000	Executive Officer and Senior General Manager of Group Management Strategy Headquarters at Asahi Breweries, Ltd.
April	1972	Joined Asahi Breweries, Ltd.

Significant concurrent position(s)

• Honorary Advisor of Asahi Group Holdings, Ltd.

Reasons for being appointed as a Director

Naoki Izumiya has a strong background in advanced corporate communication strategy, a track record of executive development, and extensive experience enhancing enterprise value through aggressive acquisition and successful synergistic integration of overseas companies. Mr. Izumiya has served as an independent Director of Recruit Holdings since 2018. We believe that he is an appropriate person to advise the Company on overall management and supervise the execution of the business, and should continue to serve as an Independent Director.

The Company expects Independent Directors to play the following roles in addition to supervising the management of the Company:

i. To provide the Company with advice based on their management experience in corporations operating globally and/or that are publicly listed, which are necessary for the Company to further enhance its enterprise value and shareholder value in the mid- to long-term period.

ii. To play a leading role in matters related to selection and dismissal, evaluation and compensation of Directors and Senior Vice Presidents as a chair and/or member of the Nomination and Governance Committee and Compensation Committee.

iii. To oversee decision-making in cases where any potential conflict of interest exists between Directors and the Company. The Board of Directors acts as the decision-making body for matters that may cause conflicts of interest by ensuring the decision is delivered under the presence of Independent Directors as well as Independent Audit and Supervisory Board members.

Independence Criteria

Naoki Izumiya meets both the requirements for independence stipulated by the Tokyo Stock Exchange and those of the Holding Company.

Within the past 10 years, Mr. Izumiya has served as Chairman and Representative Director of Asahi Group Holdings, Ltd., which has a business relationship with the Company.

However, such transactions account for less than 1% of the consolidated revenue of Asahi Group Holdings, Ltd. and Recruit Holdings, respectively, and are thus too small to be material.

Therefore, the Company believes that Mr. Izumiya has sufficient independence where there are no potential conflicts of interests with general shareholders.

TSUYOSHI KODERA

Director since 2025

Independent Director (Non-Executive)

Age: 56
(Date of Birth: October 8th, 1969)

Number of Company Shares held:
0

Meeting body in charge:
Board of Directors, Nomination and Governance Committee, Compensation Committee

Career summary:

Tsuyoshi "John" Kodera has served as an independent Director of the Recruit Holdings' Board since 2025. He is Corporate Executive Officer and CDO of Sony Group Corporation. He brings over three decades of leadership and extensive business experience from Sony Group as well as deep experience in launching global network services and has extensive knowledge in information security.

Mr. Kodera joined Sony Corporation in 1992. He has held key leadership roles including President of Sony Network Entertainment International and President and CEO of Sony Interactive Entertainment. After being appointed Executive Vice President of Sony Corporation in 2018, he has led the digital transformation strategy at Sony Group Corporation since 2019.

In 2021, he became Executive Vice President and Chief Digital Officer (CDO) of Sony Group Corporation, overseeing digital transformation strategy, information systems, and information security. Since 2025, he is additionally overseeing advanced technology, R&D, technology strategy, and quality management.

Earlier in his career, Mr. Kodera was responsible for business planning, consumer AV, and IT products at Sony Electronics based in the United States.

Term of office

From June 24, 2026 to the conclusion of the Annual Meeting of Shareholders to be held in 2027.

Career summary

**Current position*

June	2025	Independent Director* of Recruit Holdings Co., Ltd.
April	2025	Corporate Executive Officer* and CDO* of Sony Group Corporation
July	2023	Executive Vice President, CDO and CIO of Sony Group Corporation
April	2021	Executive Vice President and CDO of Sony Group Corporation
April	2019	Deputy President of Sony Interactive Entertainment LLC Deputy President of Sony Interactive Entertainment Inc.
June	2018	Executive Vice President of Sony Corporation
October	2017	President and Chief Executive Officer of Sony Interactive Entertainment LLC President of Sony Interactive Entertainment Inc.
June	2016	Business Executive of Sony Corporation
April	2016	Deputy President of Sony Interactive Entertainment LLC
April	2013	President of Sony Network Entertainment International LLC
July	2010	SVP of Sony Network Entertainment International LLC
April	2008	VP of Sony Electronics Inc.
April	1992	Joined Sony Corporation (Currently Sony Group Corporation)

Significant concurrent position(s)

• Corporate Executive Officer and CDO of Sony Group Corporation

Reasons for being appointed as a Director

Tsuyoshi Kodera has experience in launching global network services and has extensive knowledge in information security, a critically important field for our company. Mr. Kodera has served as an independent Director of Recruit Holdings since 2025. We believe that he is an appropriate person to advise the Company on overall management and supervise the execution of business, and should serve as an Independent Director.

The Company expects Independent Directors to play the following roles in addition to supervising the management of the Company:

i. To provide the Company with advice based on their management experience in corporations operating globally and/or that are publicly listed, which are necessary for the Company to further enhance its enterprise value and shareholder value in the mid- to long-term period.

ii. To play a leading role in matters related to selection and dismissal, evaluation and compensation of Directors and Senior Vice Presidents as a chair and/or member of the Nomination and Governance Committee and Compensation Committee.

iii. To oversee decision-making in cases where any potential conflict of interest exists between Directors and the Company. The Board of Directors acts as the decision-making body for matters that may cause conflicts of interest by ensuring the decision is delivered under the presence of Independent Directors as well as Independent Audit and Supervisory Board members.

Independence Criteria

Tsuyoshi Kodera meets both the requirements for independence stipulated by the Tokyo Stock Exchange and those of the Holding Company.

Mr. Kodera currently serves as Corporate Executive Officer and CDO of Sony Group Corporation, which has a business relationship with the Company.

However, such transactions account for less than 1% of the consolidated revenue of Sony Group Corporation and Recruit Holdings, respectively, and are thus too small to be material.

Therefore, the Company believes that Mr. Kodera has sufficient independence where there are no potential conflicts of interests with general shareholders.

KEIKO HONDA

Director since 2022

Independent Director (Non-Executive)

Age: 64
(Date of Birth: September 27th, 1961)

Number of Company Shares held:
3,813

Meeting body in charge (*Bold: Chairperson):
Board of Directors, Nomination and Governance Committee, **Compensation Committee**, Sustainability Committee

Career summary:

Keiko Honda has served as an independent Director of the Recruit Holdings' Board since 2022. She is highly experienced in corporate management, financial economics, sustainability, and is currently a Professor at Waseda Business School. Ms. Honda began her career at Bain & Company Japan in 1984. In 1986, she joined Shearson Lehman Brothers Securities Co., Ltd., and later joined McKinsey & Company. Ms. Honda became the first female senior partner in the Asian division, where she advised on corporate strategy and M&A for 24 years since 1989. Ms. Honda was appointed Executive Vice President in 2013, and served as CEO and Executive Vice President of Multilateral Investment Guarantee Agency of the World Bank Group from 2014 to 2019. She served as an Adjunct Professor and Adjunct Senior Research Scholar on sustainable investing at Columbia University School of International and Public Affairs between 2020 and 2024.

Term of office

From June 24, 2026 to the conclusion of the Annual Meeting of Shareholders to be held in 2027.

Career summary

**Current position*

April	2025	Professor* at Waseda Business School
June	2022	Independent Director* of Recruit Holdings Co., Ltd.
June	2020	Independent Board Member* of Mitsubishi UFJ Financial Group, Inc.
October	2019	Retired from Multilateral Investment Guarantee Agency (World Bank Group)
June	2014	CEO and Executive Vice President of Multilateral Investment Guarantee Agency (World Bank Group)
July	2013	Executive Vice President of Multilateral Investment Guarantee Agency (World Bank Group)
July	2007	Senior Partner of McKinsey & Company, Inc. Japan
July	1999	Partner of McKinsey & Company, Inc. Japan
July	1989	Joined McKinsey & Company, Inc. Japan
May	1986	Joined Shearson Lehman Brothers Securities Co., Ltd.
April	1984	Joined Bain & Company Japan, Inc.

Significant concurrent position(s)

- Independent Board Member of Mitsubishi UFJ Financial Group, Inc.(Scheduled to retire in June 2026)
- Professor of Waseda Business School

Reasons for being appointed as a Director

Keiko Honda has served in key roles in both financial institutions and consulting firms at a time when they were expanding their business globally, and has a great wealth of experience and knowledge in management and finance, as well as a high level of expertise with regard to Sustainability issues. Ms. Honda has served as an independent Director of Recruit Holdings since 2022. We believe that she is an appropriate person to advise the Company on overall management and supervise the execution of business, and should continue to serve as an independent Director.

The Company expects an Independent Directors to play the following roles in addition to supervising the management of the Company:

i. To provide the Company with advice based on their management experience in corporations operating globally and/or that are publicly listed, which are necessary for the Company to further enhance its enterprise value and shareholder value in the mid- to long-term period.

ii. To play a leading role in matters related to selection and dismissal, evaluation and compensation of Directors and Senior Vice Presidents as a chair and/or member of the Nomination and Governance Committee and Compensation Committee.

iii. To oversee decision-making in cases where any potential conflict of interest exists between Directors and the Company. The Board of Directors acts as the decision-making body for matters that may cause conflicts of interest by ensuring the decision is delivered under the presence of Independent Directors as well as Independent Audit and Supervisory Board members.

Independence Criteria

Keiko Honda meets both the requirements for independence stipulated by the Tokyo Stock Exchange and those of the Holding Company.

Ms. Honda currently serves as Outside Director of Mitsubishi UFJ Financial Group, which has business relationship with the Company. However, such transactions account for less than 1% of the consolidated revenue of these companies and Recruit Holdings, respectively, and are thus too small to be material.

She also serves as a professor at the Waseda Business School, which has no business relationship with the Company.

She has within the past 10 years served as CEO and Executive Vice President of Multilateral Investment Guarantee Agency (World Bank Group), which has no business relationship with the Company.

Therefore, the Company believes that Ms. Honda has sufficient independence where there are no potential conflicts of interests with general shareholders.

KATRINA LAKE

Director since 2023

Independent Director (Non-Executive)

Age: 43
(Date of Birth: December 24th, 1982)

Number of Company shares held:
0

Meeting body in charge:
Board of Directors, Compensation Committee

Career summary:

Katrina Lake serves as an independent Director of the Recruit Holdings' Board since 2023. Ms. Lake is the Executive Chairperson of the Board of Stitch Fix, Inc., a technology platform based in the U.S. that offers personal online styling service. Ms. Lake brings a wealth of experience and extensive knowledge from serving as an independent director for companies such as Grubhub, Inc., a global food delivery service provider and Glossier, Inc., a cosmetics brand. Ms. Lake joined the EY-Parthenon (formerly The Parthenon Group) in 2005, and in 2011, after working for Leader Ventures, LLC, she founded Stitch Fix, Inc. In 2017, Stitch Fix, Inc. was listed on NASDAQ, making her the youngest female CEO ever to be listed on the stock exchange.

Term of office:

From June 24, 2026 to the conclusion of the Annual Meeting of Shareholders to be held in 2027.

Career summary

**Current position*

June	2023	Independent Director* of Recruit Holdings Co., Ltd. Executive Chairperson* of the Board of Stitch Fix, Inc.
January	2023	CEO and Chairperson of Stitch Fix, Inc.
August	2021	Chairperson of Stitch Fix, Inc.
June	2018	Independent Director of Glossier, Inc.
December	2015	Independent Director of Grubhub, Inc.
January	2011	Founder and CEO of Stitch Fix, Inc.
September	2007	Joined Leader Ventures, LLC
September	2005	Joined EY-Parthenon (formerly The Parthenon Group, LLC)

Significant concurrent position(s)

• Executive Chairperson of the Board of Stitch Fix, Inc.

Reasons for being appointed as a Director

Katrina Lake has a wealth of experience and extensive knowledge gained both from building a technology based platform business in the U.S., and her tenure serving as CEO and Chairperson of an expanding business that is publicly traded on the U.S. stock exchange. She also has experience serving on the Board of Directors of some platform companies, including one that was publicly traded. Ms. Lake has served as an Independent Director of Recruit Holdings since 2023. We believe that she is an appropriate person to advise the Company on overall management and supervise the execution of business, and should continue to serve as an independent Director.

The Company expects Independent Directors to play the following roles in addition to supervising the management of the Company:

i. To provide the Company with advice based on their management experience in corporations operating globally and/or that are publicly listed, which are necessary for the Company to further enhance its enterprise value and shareholder value in the mid- to long-term period.

ii. To play a leading role in matters related to selection and dismissal, evaluation and compensation of Directors and Senior Vice Presidents as a chair and/or member of the Nomination and Governance Committee and Compensation Committee.

iii. To oversee decision-making in cases where any potential conflict of interest exists between Directors and the Company. The Board of Directors acts as the decision-making body for matters that may cause conflicts of interest by ensuring the decision is delivered under the presence of Independent Directors as well as Independent Audit and Supervisory Board members.

Independence Criteria

Katrina Lake meets both the requirements for independence stipulated by the Tokyo Stock Exchange and those of the Holding Company.

Ms. Lake has within the past 10 years served as CEO and Chairperson of Stitch Fix, Inc., which has a business relationship with the Company. However, such transactions account for less than 1% of the consolidated revenue of Stitch Fix, Inc. and Recruit Holdings, respectively, and are thus too small to be material.

Therefore, the Company believes that Ms. Lake has sufficient independence where there are no potential conflicts of interests with general shareholders.

Audit and Supervisory Board Members

YUKIKO NAGASHIMA (Name on family register: YUKIKO WATANABE) *Audit and Supervisory Board Member since 2016*

Standing Audit and Supervisory Board Member

Age: 65
(Date of Birth: April 4th, 1961)

Number of Company shares held:
455,941

Meeting body in charge:
Board of Directors, Audit and Supervisory Board, Business Strategy Meeting, Compliance Committee, Risk Management Committee

Career summary:

Yukiko "Wanko" Nagashima has served as a standing Audit and Supervisory Board Member of Recruit Holdings since 2016. She started out in Recruit Holdings' HR business and transferred to the HR department in 1995, where she led talent management initiatives. In 2002, she spearheaded the growth of Zexy bridal business. In 2006, Ms. Nagashima was appointed Senior Vice President. Two years later, she became President and Representative Director of Recruit Staffing Co., Ltd., where she promoted productivity-focused work styles and diversity and inclusion in the workforce.

Term of office:

From June 20, 2024 to the conclusion of the Annual Meeting of Shareholders to be held in 2028.

Career summary and positions

Unless otherwise stated, position refers to Recruit Holdings Co., Ltd.
**Current position*

June	2025	Outside Director (Audit & Supervisory Committee Member)* of Sumitomo Corporation
April	2025	Standing Audit and Supervisory Board Member* of Indeed Recruit Partners Co., Ltd.
June	2021	Outside Audit & Supervisory Board Member of Sumitomo Corporation
April	2018	Standing Audit and Supervisory Board Member* of Recruit Co., Ltd.
June	2016	Standing Audit and Supervisory Board Member*
April	2016	Advisor
January	2008	President and Representative Director of Recruit Staffing Co., Ltd.
April	2006	Senior Vice President in charge of the Bridal Information Division
April	1985	Joined the Company

Significant concurrent position(s)

・Outside Director (Audit & Supervisory Committee Member) of Sumitomo Corporation

Reasons for being appointed as an Audit and Supervisory Board member

Yukiko Nagashima has served in the management of the Company as Senior Vice President. Ms. Nagashima has a wealth of experience and knowledge in human resources, the bridal related information business and the staffing business operations. She has served as an Audit and Supervisory Board member since 2016, and the Company believes that she is well-suited to supervise the Company's overall management, and should continue to serve as Audit and Supervisory Board member.

TAKASHI NISHIMURA

Audit and Supervisory Board Member since 2022

Standing Audit and Supervisory Board Member

Age: 52
(Date of Birth: October 22nd, 1973)

Number of Company shares held:
136,424

Meeting body in charge (*Bold: Chairperson):
Board of Directors, **Audit and Supervisory Board**, Business Strategy Meeting, Compliance Committee, Risk Management Committee

Career summary:

Takashi Nishimura has served as a Standing Audit and Supervisory Board Member of Recruit Holdings since 2022. He joined the Company in 1997 and has been in charge of promoting and overseeing domestic and international businesses. He has served as Director of Indeed, Inc. since 2014 and as Director of Recruit Global Staffing B.V. (currently RGF Staffing B.V.) since 2018, where he has promoted and overseen businesses across the Group. From 2019 to 2021, Mr. Nishimura served as Senior Vice President and GM of Recruiting Solutions at Indeed, Inc., where he was responsible for the company's new recruiting/staffing solutions and services. He has contributed to new business development across the human resources matching domain that drives the growth of our Group.

Term of office:

From June 24, 2026 to the conclusion of the Annual Meeting of Shareholders to be held in 2030.

Career summary and positions

Unless otherwise stated, position refers to Recruit Holdings Co., Ltd.
**Current position*

April	2025	Standing Audit and Supervisory Board Member* of Indeed Recruit Partners Co., Ltd.
June	2022	Standing Audit and Supervisory Board Member* Standing Audit and Supervisory Board Member* of Recruit Co., Ltd.
January	2019	Senior Vice President and GM of Recruiting Solutions of Indeed, Inc.
January	2018	Director of RGF Staffing B.V. (formerly Recruit Global Staffing B.V.)
April	2016	Head of Business Management Department for Global Online HR SBU
April	2014	Director of Indeed, Inc.
February	2014	Executive Vice President of Recruit USA, Inc.
April	2013	Head of International Business Management Department
April	2012	Company Partner of Business Management Department
April	1997	Joined the Company

Reasons for being appointed as an Audit and Supervisory Board member

Takashi Nishimura has a great wealth of knowledge and experience overseeing and managing Recruit Group's global business. He has served as an Audit and Supervisory Board member since 2022 and the Company believes that he is well-suited to supervise the Company's overall management, and should continue to serve as Audit and Supervisory Board member.

YOICHIRO OGAWA

Audit and Supervisory Board Member since 2020

Independent Audit and Supervisory Board Member

Age: 70
(Date of Birth: February 19th, 1956)

Number of Company shares held:
0

Meeting body in charge:
Board of Directors, Audit and Supervisory Board, Nomination and Governance Committee

Career summary:

Yoichiro Ogawa was appointed as an independent Audit and Supervisory Board Member of Recruit Holdings in 2020. He holds over 30 years of auditing, accounting, and leadership experience with Deloitte Touche Tohmatsu LLC. He served in various roles including Partner, Vice Chairman of the Board of Directors, Asia-Pacific Region Representative, and CEO of Deloitte Tohmatsu Group leading the enhancement of the brand value within Japan, and driving cooperation with countries across regions. Mr. Ogawa founded the Yoichiro Ogawa CPA Office in 2018.

Term of office:

From June 20, 2024 to the conclusion of the Annual Meeting of Shareholders to be held in 2028.

Career summary and positions

**Current position*

June	2021	Outside Director* of Honda Motor Co., Ltd.
June	2020	Independent Audit and Supervisory Board Member* of Recruit Holdings Co., Ltd.
November	2018	Founder* of Yoichiro Ogawa CPA Office
July	2015	CEO of Deloitte Tohmatsu Group
June	2015	Representative of the Asia-Pacific Region at Deloitte Touche Tohmatsu Limited
October	2013	Deputy CEO of Deloitte Touche Tohmatsu LLC
June	2011	Vice Chairman of the Board of Directors at Deloitte Touche Tohmatsu Limited
June	2007	Member of the Board of Directors at Deloitte Touche Tohmatsu Limited
June	1993	Partner at Deloitte Touche Tohmatsu LLC
March	1984	Certified Public Accountant
October	1980	Joined Tohmatsu & Awoki Audit Corporation (currently Deloitte Touche Tohmatsu LLC)

Significant concurrent position(s)

- Chief of Yoichiro Ogawa CPA Office
- Outside Director of Honda Motor Co., Ltd.

Reasons for being appointed as an Audit and Supervisory Board member

Yoichiro Ogawa has international accounting expertise as a certified public accountant and has management experience, having served as CEO of a global accounting firm. Mr. Ogawa brings a neutral and objective perspective supported by deep insight and a wealth of international experience. The Company believes that he is well-suited to supervise the Company's overall management and that he should continue to serve as an independent Audit and Supervisory Board Member.

Independence criteria

Yoichiro Ogawa meets both the requirements for independence stipulated by the Tokyo Stock Exchange and those of the Holding Company.
Mr. Ogawa currently works as Chief of Yoichiro Ogawa CPA Office, which has no material business relationship with the Company.

In addition, he has within the past 10 years worked for Deloitte Touche Tohmatsu Limited, Deloitte Touche Tohmatsu LLC, and the Deloitte Tohmatsu Group, and currently serves as Outside Director of Honda Motor Co., Ltd. These companies have business relationships with the Company.

However, such transactions account for less than 1% of the sales of those companies and Recruit Holdings consolidated revenue, respectively, and are thus too small to be material.

Therefore, the Company believes that Mr. Ogawa has sufficient independence where there are no potential conflicts of interests with general shareholders.

KATSUYA NATORI

Audit and Supervisory Board Member since 2020

Independent Audit and Supervisory Board Member

Age: 67
(Date of Birth: May 15th, 1959)

Number of Company shares held:
1,212

Meeting body in charge:
Board of Directors, Audit and Supervisory Board, Compensation Committee

Career summary:

Katsuya Natori was appointed as an independent Audit and Supervisory Board member of Recruit Holdings in 2020. He previously worked at several law offices and JXTG Nippon Oil & Energy Corporation before joining Apple Japan, Inc. in 1995. In 1998, he became General Counsel at Oracle Information Systems (Japan), and during the mid-2000s, he took on multiple leadership roles at IBM Japan, Ltd. Mr. Natori founded the Natori Law Office in 2012, and in 2026 became Managing Partner of N&O Partners, having previously served at ITN Partners since 2020. He has also served on the Board of Directors of Olympus Corporation and TOYO CONSTRUCTION CO., LTD., and as an Outside Audit and Supervisory Board Member of Hino Motors, Ltd. Currently, he is a Supervisory Director at Global One Real Estate Investment Corporation, Outside Audit and Supervisory Board Member of circlace, Inc., and Outside Director of TOKYO ROPE MFG. CO., LTD.

Term of office

From June 20, 2024 to the conclusion of the Annual Meeting of Shareholders to be held in 2028.

Career summary and positions

**Current position*

January	2026	Managing Partner* of N&O Partners
June	2021	Outside Director* of TOKYO ROPE MFG. CO., LTD.
December	2020	Managing Partner of ITN Partners
June	2020	Independent Audit and Supervisory Board Member* of Recruit Holdings Co., Ltd. Outside Audit and Supervisory Board Member* of Pasona Tquila Inc. (currently circlace Inc.)
April	2016	Supervisory Director* of Global One Real Estate Investment Corp.
February	2012	Founder of Natori Law Office
April	2010	Vice President of Global Process Services at IBM Japan, Ltd.
January	2004	General Counsel at IBM Japan, Ltd.
March	2002	General Counsel and Executive Officer at Fast Retailing Co., Ltd.
January	1998	General Counsel at Sun Microsystems K.K. (currently Oracle Information Systems (Japan) G.K.)
January	1995	General Counsel at Apple Computer Co., Ltd. (currently Apple Japan, Inc.)
July	1993	Counsel at Esso Petroleum Corporation (currently ENEOS Corporation)
July	1992	Visiting Lawyer at Wilmer, Cutler & Pickering
June	1990	Visiting Lawyer at Davis Wright Tremaine LLP
April	1986	Associate Lawyer at Masuda & Ejiri Law Office (currently Nishimura & Asahi)

Significant concurrent position(s)

- Managing Partner of N&O Partners
- Supervisory Director of Global One Real Estate Investment Corp.
- Outside Audit and Supervisory Board Member of circlace Inc.
- Outside Director of TOKYO ROPE MFG. CO., LTD.

Reasons for being appointed as an Audit and Supervisory Board member

Katsuya Natori has developed expertise as a lawyer and has international legal experience, heading the legal department at several global IT companies. Mr. Natori brings a neutral and objective perspective supported by his deep insight and a wealth of international experience. The Company believes that he is well-suited to supervise the Company's overall management and should continue to serve as an independent Audit and Supervisory Board Member.

Independence criteria

Katsuya Natori currently serves as Outside Audit and Supervisory Board Member of circlace, Inc., and Outside Director of TOKYO ROPE MFG. CO., LTD.
These companies have business relationships with the Company. However, such transactions account for less than 1% of the consolidated revenue of these companies and Recruit Holdings, respectively, and are thus too small to be material.
In addition, he serves as Managing Partner of N&O Partners and Supervisory Director of Global One Real Estate Investment Corporation. These companies have no business relationship with the Company.
Therefore, the Company believes that Mr. Natori has sufficient independence where there are no potential conflicts of interests with general shareholders.

[1] The above shares held are as of May 31, 2026 and include a stake in the Recruit Group Officer Stock Ownership Association and a stake in American Depositary Receipt ("ADR"). Other information is based on information available as of June 19, 2026.
[2] The Company reported Naoki Izumiya, Tsuyoshi Kodera, Keiko Honda and Katrina Lake to the Tokyo Stock Exchange as independent Directors, and reported Yoichiro Ogawa and Katsuya Natori as independent Audit and Supervisory Board members as specified by the Tokyo Stock Exchange.

Status of Independent Directors of the Board and Independent Audit and Supervisory Board Members

The Company selects both independent Directors and independent Audit and Supervisory Board members who are independent and have various kinds of experience. The Company believes that each of them serves each function appropriately and fulfills each role sufficiently. None of the independent Directors and independent Audit and Supervisory Board members have been enrolled in Recruit Group.

For our approach to selecting independent Directors and independent Audit and Supervisory Board members, please refer to ”Policy for Selecting Directors” and “Policy for Selecting Audit and Supervisory Board Members” in the “Corporate Governance Overview.”

Activities of Independent Directors and Independent Audit and Supervisory Board Members during FY2025

For the attendance record of each person at the Board of Directors meetings, the Audit and Supervisory Board meetings, and Committees during FY2025, please refer to ”Attendance for FY2025” in the “Corporate Governance Overview.”

Naoki Izumiya, Independent Director

Naoki Izumiya has made statements in the Board of Directors meeting from a practical perspective as an independent Director, based on his deep insight cultivated through his experience as President and Representative Director as well as Chairman of the Board of Asahi Group Holdings, Ltd., a global manufacturing company, and as an outside Director of listed companies.

As Chairman of the Nomination and Governance Committee, he demonstrated strong leadership, in improving the transparency of the selection process of Directors and Senior Vice Presidents, including the CEO. He also served as a member of the Compensation Committee, and contributed to discussions surrounding the compensation and evaluation of Directors of the Board and Senior Vice Presidents.

Tsuyoshi Kodera, Independent Director

Tsuyoshi Kodera has made statements in the Board of Directors meeting from a practical perspective as an independent Director, based on his deep insight cultivated through his experience as Corporate Executive Officer and CDO of Sony Group Corporation, a global company with diversified business portfolios.

He also contributed to discussions improving transparency in the process of appointing Directors and Senior Vice Presidents, including the CEO, as a member of the Nomination and Governance Committee. He also served as a member of the Compensation Committee, and contributed to discussions surrounding the compensation and evaluation of Directors of the Board and Senior Vice Presidents.

Keiko Honda, Independent Director

Keiko Honda has made statements in the Board of Directors meeting from a practical perspective as an independent Director, based on her deep insight cultivated through her experience in key roles in both financial institutions and consulting firms.

As Chairman of the Compensation Committee, she demonstrated strong leadership in discussions on the compensation and evaluation of Directors of the Board and Senior Vice Presidents. She also served as a member of the Nomination and Governance Committee and contributed to discussions and to improving transparency in the process of appointing Directors of the Board and Senior Vice Presidents, including the CEO and contributed to discussions on the evolution of our sustainability strategy as a member of the Sustainability Committee.

Katrina Lake, Independent Director

Katrina Lake has made statements in the Board of Directors meeting from a practical perspective as an independent Director, based on her deep insight cultivated through her experience as CEO and Chairperson of Stitch Fix, Inc., a publicly traded on the U.S. stock exchange, which operates a technology-based platform business.

She also contributed to discussions as a member of the Compensation Committee on the compensation and evaluation of Directors of the Board and Senior Vice Presidents.

Yoichiro Ogawa, Independent Audit and Supervisory Board Member

Yoichiro Ogawa made statements in the Board of Directors meeting from a neutral and objective perspective as an Independent Audit and Supervisory Board member, based on international accounting knowledge gained as a certified public accountant and extensive international experience gained through management experience at a global accounting firm.

For the activities in the Audit and Supervisory Board meetings, please refer to “Status of Audits.”

He also contributed to discussions as a member of the Nomination and Governance Committee and to improving transparency in the process of appointing Directors and Senior Vice Presidents, including the CEO.

Katsuya Natori, Independent Audit and Supervisory Board Member

Katsuya Natori made statements in the Board of Directors meeting from a neutral and objective perspective as an Independent Audit and Supervisory Board member, based on a high level of insight in corporate and international legal affairs cultivated through experience as a lawyer and as head of the legal department of a global IT company.

For the activities in the Audit and Supervisory Board meetings, please refer to “Status of Audits.”

He also contributed to discussions as a member of the Compensation Committee on the compensation and evaluation of Directors of the Board and Senior Vice Presidents.

Independence Criteria of Independent Directors and Independent Audit and Supervisory Board Members

The Company selects Independent Directors and Independent Audit and Supervisory Board members in accordance with the independence standards established by the Tokyo Stock Exchange. In addition, the Company has a policy to select candidates who meet all of the following criteria:

- In case the candidate, or an entity for which the candidate serves as an executive member, is a shareholder of the Company, the voting rights held by the candidate or the entity should not exceed 10%.
- Transactions between the Company and the entity, where the candidate is an executive member, should not exceed 1% of the Company's consolidated revenue during the most recent fiscal year.
- Transactions between the Company and the entity, where the candidate is an executive member, should not exceed 1% of the consolidated revenue of the entity to which the candidate belongs during the most recent fiscal year.

Cooperation between Independent Directors and Independent Audit and Supervisory Board Members with respect to Internal Audits, Audits Conducted by the Audit and Supervisory Board and Audits Conducted by the Independent Auditor

- Independent Directors receive reports from the Internal Audit Department, the Audit and Supervisory Board members, the Independent Auditor, and the internal control divisions at the Board of Directors meetings as appropriate to promote mutual cooperation. In addition, by attending the Nomination and Governance Committee and the Compensation Committee, which are advisory bodies to the Board of Directors, as chairpersons or members, they are able to improve the transparency and fairness of management.
- Independent Audit and Supervisory Board members receive reports from other Audit and Supervisory Board members, the Independent Auditor, and the Internal Audit Department at the Audit and Supervisory Board meetings on the methods and results of their respective audits as appropriate, and individually exchange information with them as appropriate to promote mutual cooperation. In addition, they monitor and evaluate the operational status and the maintenance of internal controls from an independent standpoint in their capacity as independent Audit and Supervisory Board members, and receive reports from the internal control divisions as necessary during the audit process.

Support and Training for Directors and Audit and Supervisory Board Members

Training Policy for Directors and Audit and Supervisory Board Members

At the time of their appointment, new Directors and Audit and Supervisory Board members are provided with an overview of the Company, basic information on matters such as management strategies, financial strategies, risk management policies and high-priority areas for audits. Thereafter, Directors and Audit and Supervisory Board members pursue opportunities to continuously update their knowledge. For instance, outside experts are invited to workshops as necessary, including when changes are made to the Companies Act of Japan or other regulations. In addition, visits to business sites are organized when needed to promote understanding of the business.

Senior Vice Presidents in charge of strategies for principal businesses are asked to provide independent Directors and independent Audit and Supervisory Board members with information to deepen their understanding of the businesses. Opportunities are provided to deepen understanding of the corporate culture, business, and employees through Recruit Group knowledge-sharing events. Directors and Audit and Supervisory Board members also participate as necessary in outside seminars on accounting, finance and risk management and in internal seminars led by invited outside experts.

Support for Independent Directors

The Administrators of the Board of Directors provide various forms of support to ensure independent Directors are able to appropriately oversee the performance of Executive Directors. This support includes advance briefings on agenda items to be discussed at the Board of Directors meetings and the provision of relevant supporting information.

Support for Independent Audit and Supervisory Board Members

Standing Audit and Supervisory Board members and assistants to Audit and Supervisory Board members provide necessary support to independent Audit and Supervisory Board members to ensure the appropriate and prompt conduct of audits. Such support includes sharing materials and agenda items discussed at important meetings that independent Audit and Supervisory Board members did not attend. Subsidiaries with a standing Audit and Supervisory Board member provide reports to the Audit and Supervisory Board of the Company. Furthermore, the Audit and Supervisory Board members themselves visit subsidiaries and interview management to check on business conditions.

Collaboration between Independent Directors and Independent Audit and Supervisory Board Members

These support functions are supplemented by the following established procedures:

- One independent Director is assigned to coordinate with the independent Directors, and to communicate and coordinate with Directors and Senior Vice Presidents and for collaboration with Audit and Supervisory Board members or the Audit and Supervisory Board.
- As necessary, following Board of Directors meetings, separate meetings attended only by independent Directors and independent Audit and Supervisory Board members may be held, in order to more effectively gather information without affecting the independence of each other.
- The Board of Directors approves internal audit plans for the fiscal year prepared by the Internal Audit Department, and internal audit reports are issued biannually to ensure coordination among independent Directors, independent Audit and Supervisory members and the Internal Audit Department.

Senior Vice Presidents

The Company has appointed Senior Vice Presidents. There are ten Senior Vice Presidents including those who have Director responsibility, and their positions and responsibilities as of April 1, 2026 are as follows:

Hisayuki Idekoba
President and
Chief Executive Officer

Corporate Planning Division
Head of HR Technology
RGF OHR USA, Inc. CEO

Junichi Arai
Executive Vice President
and Chief Financial Officer

Financial Management Division

Ayano Senaha
Executive Vice President
and Chief Operating Officer

Corporate Communications Division
Human Resources / General Affairs Division
Risk Management Division
Group Governance

Keiichi Ushida
Executive Vice President

Head of Marketing Matching Technologies
Recruit Co., Ltd.
President and Representative Director

Rob Zandbergen
Executive Vice President

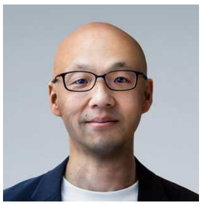
Head of Staffing
RGF Staffing B.V. CEO

Kanta Arai
Senior Vice President

Workplace

Akihiko Mori
Senior Vice President

Treasury, Accounting, Tax



Tsukasa Yoshizawa
Senior Vice President

Public Relations
Risk Management Division, Japan

Lowell Brickman
Senior Vice President

Risk Management Division, International

Masumi Minegishi
Chairperson

Status of Audits

Mutual Cooperation among Internal Audits, Audits by the Audit and Supervisory Board Members and Audits by the Independent Auditor

The Company has adopted a three-way audit through which audits are conducted by the Audit and Supervisory Board members, an audit and assurance firm which serves as an Independent Auditor, and the Company's Internal Audit Department. Audits by Audit and Supervisory Board members and the Independent Auditor are statutory. Internal audits are voluntary, focusing on internal independent evaluations of the internal control structure and prevention of internal misconduct, and carried out under the direction of management.

The Internal Audit Department, Audit and Supervisory Board members, and the Independent Auditor mutually cooperate. Audit and Supervisory Board members request the Independent Auditor and the Internal Audit Department to report on their methods and results as required at the meetings of the Audit and Supervisory Board. In addition, the standing Audit and Supervisory Board members exchange information individually with the Independent Auditor and the Internal Audit Department on a regular basis. The Internal Audit Department reports and shares information when requested by an Audit and Supervisory Board member or the Audit and Supervisory Board, and shares information separately with the Independent Auditor. Furthermore, the Internal Audit Department, Audit and Supervisory Board members, and the Independent Auditor convene to exchange perspectives in joint meetings.

Status of Internal Audits, Audits by the Audit and Supervisory Board Members, and Audits by the Independent Auditor; and the Relationship with the Internal Control Division are as follows:

Internal Audits

Internal audits are conducted by the Internal Audit Department, which consists of twenty members that includes some members with professional qualifications, such as Certified Public Accountant, Certified Internal Auditor, Certified Information System Auditor, and United States Certified Public Accountant as of April 1, 2026 and reports directly to the Representative Director, President and CEO. The main duty of the Internal Audit Department is to conduct audits of operations and internal controls related to financial reporting, based on its annual audit plan. The audit results are reported to the Representative Director, President and CEO as well as the Audit and Supervisory Board and the Board of Directors.

The Internal Audit Department evaluates the operational status and the maintenance of internal controls. When a deficiency is found, the Internal Audit Department notifies the audited divisions and the departments responsible for internal controls to improve the situation. The Internal Audit Department also follows up on the status of improvements to ensure that the business of the Company is conducted appropriately.

Title	Detail
Organization	・Directly supervised by Representative Director, President and CEO ・Twenty members as of April 1, 2026 ・Conducts the audits by cooperating with the internal audit divisions under SBUs
Audit Scope	・Internal control assessment: Evaluation of internal control over financial reporting (J-SOX) ・Risk-themed audits; Cybersecurity audits, data privacy audits and AI governance audits ・Operational audits: Operational audits of group companies selected based on risk assessment ・Monitoring activities:Status checks on highly material risks and themes
Reporting to	・Representative Director, President and CEO, and Representative Director and Chairman of the Board of Directors (as-needed basis) ・Audit and Supervisory Board (as-needed basis) ・Board of Directors (twice a year)

Audits by the Audit and Supervisory Board Members

The Audit and Supervisory Board comprises four members, including two independent members, and meets once a month in principle. The Audit and Supervisory Board determines the auditing policy and the division of duties, and audits the performance of the Directors in accordance with the annual audit plan. The audits focus on the internal controls, compliance and risk management system of the Company.

The Audit and Supervisory Board works to improve effectiveness and efficiency of the audit process. This means ensuring that there is adequate time to conduct audits, engaging in active monitoring, and providing guidance for prevention and handling of cases of misconduct, deficiencies, and other negative issues. This is achieved by communicating and coordinating with the Audit and Supervisory Board members and other officers of subsidiaries and by receiving periodic reports on the audit results of the subsidiaries and associates. The Independent Auditor also provides periodic audit reports.

In order to evaluate Directors' performance of their duties, the Audit and Supervisory Board oversees maintenance and operation of internal controls, and receives reports from the departments responsible for internal controls and the Internal Audit Department. Additionally, the Company has designated Assistants to assist all Audit and Supervisory Board members including independent members in the performance of their duties.

Attendance and Activities at the Audit and Supervisory Board Meetings

During FY2025, the Audit and Supervisory Board meetings were held 17 times.

The attendance record of each Audit and Supervisory Board member at the Audit and Supervisory Board meetings and the activities

Title	Name	Attendance record and activities
Standing Audit and Supervisory Board member	Yukiko Nagashima	Yukiko Nagashima attended all 17 meetings of the Audit and Supervisory Board held during FY2025. She expressed her opinion with her considerable knowledge and insight on the Company's business management, based on her career as a Senior Vice President of the Company, and President and Representative Director of Recruit Staffing Co., Ltd. As a standing Audit and Supervisory Board member, she has interviewed and exchanged opinions with the Representative Director, internal and independent Directors, Senior Vice Presidents and the Independent Auditor.
Standing Audit and Supervisory Board member	Takashi Nishimura	Takashi Nishimura attended all 17 meetings of the Audit and Supervisory Board held during FY2025. He expressed his opinion with his considerable knowledge and insight on business management across the human resources matching domain that drives the growth of the Company, based on his career of managing both domestic and international business of the Company. As a standing Audit and Supervisory Board member, he has interviewed and exchanged opinions with the Representative Director, internal and independent Directors, Senior Vice Presidents and the Independent Auditor.
Independent Audit and Supervisory Board member	Yoichiro Ogawa	Yoichiro Ogawa attended all 17 meetings of the Audit and Supervisory Board held during FY2025. He has served as a Representative of the Asia-Pacific Region at Deloitte Touche Tohmatsu Limited, and CEO of Deloitte Tohmatsu Group. Based on his career and his deep insight of accounting knowledge cultivated as a certified public accountant as well as a wealth of international experience he amassed as CEO of the Deloitte Tohmatsu Group, he made statements from a neutral and objective perspective as an independent Audit and Supervisory Board member.
Independent Audit and Supervisory Board member	Katsuya Natori	Katsuya Natori attended all 17 meetings of the Audit and Supervisory Board held during FY2025. Based on his career and a wealth of international experience he has amassed as a Director at global companies, he made statements from a neutral and objective perspective as an independent Audit and Supervisory Board member. He has served as General Counsel at Apple Japan, Inc., General Counsel at Oracle Information Systems (Japan) G.K., General Counsel and Executive Officer at Fast Retailing Co., Ltd., Vice President of Global Process Services at IBM Japan, Ltd.

Concrete agenda of the Audit and Supervisory Board during FY2025

During FY2025, the Audit and Supervisory Board discussed and exchanged opinions on basic audit matters stipulated in laws and regulations and the Articles of Incorporation. In addition to the basic audit matters, the Audit and Supervisory Board discussed and exchanged the opinion on important matters for auditing based on reports by standing Audit and Supervisory Board members and related departments.

Priority Audit Matters

In addition to the basic audit matters, the Audit and Supervisory Board examined the following three priority audit matters set for FY2025 with the perspective of the Company achieving sustainable growth and increasing enterprise value over the medium to long term.

- Transparency of corporate governance at management level
- Appropriateness of governance at each SBU
- Internal control and progress to the countermeasures for top risks recognized by Recruit Group without overconfidence and prejudgement

Basic Audit Matters

The Audit and Supervisory Board examined issues below including related risks as basic audit matters following the annual audit plan:

- Audit related to the execution of duty by each Director
- Audit related to the monitoring of business execution and Internal Controls
- Audit related to the audit by Independent Auditor

The Audit and Supervisory Board conducted major activities as follows based on basic audit matters above.

Audit related to the execution of duty by each Director
Attending the meetings of the Board of Directors and other committees, confirming the status of execution, requesting explanations as necessary, and expressing opinions.
Communicating and exchanging information with Representative Director and Internal Directors, gathering information and exchanging opinions on the audit items.
Conducting meetings with independent Directors and independent Audit and Supervisory Board members, exchanging information and opinions on the audit items with them.
Reporting on the audit status of priority audit matters to the Board of Directors every six months.

Audit related to the monitoring of business execution and Internal Controls
Attending the Business Strategy Meetings and other important meetings to confirm the status of business execution, requesting explanations as necessary, and expressing opinions.
Communicating and exchanging information with the Senior Vice Presidents and the heads of divisions, and collecting information and exchanging opinions on auditing matters.
Receiving periodic audit reports from Audit and Supervisory Board members and non-Executive Directors of the Company's subsidiaries, collecting information and exchanging opinions on audit matters.
Receiving periodic reports from the departments responsible for internal controls and internal audits, on the status of maintenance and operation of the internal controls, requesting explanations as necessary, and expressing opinions.
Visiting important subsidiaries, interviewing their CEOs and management teams, attending the management meetings and having discussion with the responsible external auditors to confirm the status of business execution and internal controls

Audit related to the audit by Independent Auditor
Confirming the annual audit plan of the Independent Auditor in advance and deliberating the possibility of consent to the fees for the Independent Auditor and other matters. This is based on the policy of unifying the accounting audits of the Company including overseas consolidated subsidiaries with the same accounting firm network and conducting audits including non-statutory voluntary audits.
Interviewing and deliberating the audit opinions and recommendations of the Independent Auditor regarding the quarterly and annual financial statements.
Receiving information on, and exchanging opinions of, important accounting audits performed by the Independent Auditor on the Company including consolidated overseas subsidiaries.
Confirming with the Independent Auditor the potential candidate items for Key Audit Matters ("KAM") and the perception of risk related to each KAM with taking business performance as well as incidents occurred during this fiscal year into the consideration, and exchanging opinions from the perspectives of material events, uncertainty, and audit difficulty.
As part of the annual evaluation of the Independent Auditor, together with the accounting division, investigating and understanding the actual status of the audit work of the Independent Auditor based on the evaluation criteria of quality control system, independence, expertise, understanding of business fields and global expansion, and requesting necessary improvements. Discussing the policy for the selection and dismissal of the Independent Auditor, taking into consideration the period of continuous audit of the audit firm and its Designated Engagement Partners.

Audits by the Independent Auditor

Name of the Independent Auditor

Ernst & Young ShinNihon LLC

Consecutive Auditing Period

Since 1984

Certified Public Accountants Who Performed the Audit

Hitoshi Matsuoka

Takeshi Saida

Ryuichiro Umano

Masashi Motohashi

Composition of Assistants Involved in the Audit Work

19 certified public accountants and 33 other assistants

Policy for the Selection of the Independent Auditor and Reasons for the Selection

The Company has selected Ernst & Young ShinNihon LLC as its Independent Auditor as a result of a comprehensive consideration of relevant factors including its quality control system, independence, expertise, and the understanding of the business areas the Company is engaged in on a global scale.

Evaluation of the Independent Auditor by the Audit & Supervisory Board

The Audit and Supervisory Board evaluates the Independent Auditor in accordance with the policy below.

- The Audit and Supervisory Board of the Company shall dismiss the Independent Auditor upon the consent of all Audit and Supervisory Board members, in the case that the Independent Auditor falls under any of the items prescribed in Article 340, Paragraph 1 of the Companies Act of Japan.
- In cases other than the above, where the conduct of a proper audit is deemed difficult due to factors such as the occurrence of an event damaging the eligibility and independence of the Independent Auditor, the Audit and Supervisory Board shall propose the dismissal or non-reappointment of the Independent Auditor to the Shareholders Meeting.

The Audit and Supervisory Board assesses the appropriateness of the performance of the duties of the Independent Auditor through discussions when receiving regular audit reports from the Independent Auditor. At the same time, the independence and expertise of the Independent Auditor are confirmed by receiving reports on the securing of independence by the Independent Auditor and exchanging opinions on those occasions. In addition, as an annual evaluation of the Independent Auditor, the Audit and Supervisory Board, together with the accounting division of the Company, prepares evaluation standards, investigates and gains an understanding of the status of the audit work of the Independent Auditor, and conducts an evaluation.

Other

The Independent Auditor or engagement partners of the Independent Auditor engaged in the Company's audit have no special interests in the Company. In addition, the Independent Auditor receives an internal control report from the Representative Director, conducts internal control audits, monitors and verifies the development of an internal control and its operational status, and receives reports from the Internal Control Division as necessary in the audit process. At the same time, the Independent Auditor holds discussions with management to understand the general situation such as the nature of the business and trends in the business environment, and to understand management's assessment of internal controls and fraud risk.

Fees for Independent Auditor

Fees for Independent Auditor*

(In millions of yen)

Type	FY2024		FY2025	
	Audit fees	Non-audit fees	Audit fees	Non-audit fees
The Holding Company	633	80	628	31
Consolidated subsidiaries	198	-	248	-
Total	831	80	876	31

Fees for Organizations that Belong to the Same Network (Ernst & Young) as the Independent Auditor (excluding the above *)

(In millions of yen)

Type	FY2024		FY2025	
	Audit fees	Non-audit fees	Audit fees	Non-audit fees
The Holding Company	-	-	-	-
Consolidated subsidiaries	800	186	736	129
Total	800	186	736	129

Non-audit services for the Company and its consolidated subsidiaries include various advisory services.

Fees based on Other Important Audit Certification Services

Not applicable.

Policy to Determine Compensation for the Independent Auditor

Audit fees for the Independent Auditor are determined through a comprehensive consideration based on factors including the contents of audits up to the previous fiscal year and the contents of the auditing plan for the current fiscal year presented by the Independent Auditor.

Reason why the Audit and Supervisory Board Agreed to the Fees for the Independent Auditor

The Audit and Supervisory Board verified the auditing time outlined in the auditing plan, change in the amount of audit fees, and past auditing plans and their performance results. As a result of careful review of the adequacy of the estimated amount of the fees, the Audit and Supervisory Board has approved the fees to be paid to the Independent Auditor, pursuant to the provisions of Article 399, Paragraph 1 of the Companies Act of Japan.

Compensation

Compensation Policies for FY2026

Basic Compensation Policies

The compensation for Directors, Audit and Supervisory Board members and Senior Vice Presidents is determined in accordance with the following policies:

- Set compensation levels that will be attractive to outstanding management talent globally.
- Make compensation plans highly performance-based.
- Connect compensation to mid- to long-term enterprise value.
- Make the compensation decision process highly objective and transparent.

Compensation Levels

Compensation levels are set at a commensurate rate with peer companies, both in Japan and overseas, which are similar in both business and scale.

To set the individual compensation levels for each executive of the Company, we use data from outside database services, etc. regarding compensation levels for equivalent posts at benchmark companies.

We also take into consideration factors relating to each individual such as what the Company expects from each individual to set the most appropriate compensation levels.

This method for determining the compensation level is not only used for the executives of the Company, but is also used to determine the appropriate compensation level for those who occupy important posts in each SBU.

Compensation Elements

The Company's compensation for executives is composed of "Base Salary (Cash)," "Annual Incentive (Cash)," "BIP Trust Long-Term Incentive (Equity)," and "Stock Option Long-Term Incentive (Equity)." The goals of each type of compensation and the method for payout are explained below.

Base Salary (Cash)

This element is aimed at securing excellent management personnel and encouraging sound job performance. The amount is set according to the individual role of each executive and is paid in monthly installments.

Annual Incentive (Cash)

This element is meant to motivate executives to achieve their annual goals. The actual payout amount, based on a set amount according to each role, is linked to the growth rate of EBITDA+S, a key management performance indicator of the Company, and each individual's performance evaluation, the calculation of which is outlined below.

The payment method is payment of the set amount each month in the current fiscal year, and then payment of the additional amount in the following fiscal year, or collection of the modified amount from the executive, in the case of a negative modified amount, monthly, over the following fiscal year. The calculation for the payout of annual incentives is as expressed below.

Payout Amount	=	Set Amount	+	Positive or negative modified amount based on consolidated EBITDA+S[1] growth	+	Positive or negative modified amount based on individual performance evaluation
Positive or negative modified amount based on consolidated EBITDA+S[1] growth	=	Set Amount	×	The growth rate of consolidated EBITDA+S[1] in the current fiscal year divided by the average of the previous 3 years.	×	Coefficient of Approximately 1.3
Positive or negative modified amount based on individual performance evaluation	=	Set Amount	×	Coefficient determined by individual performance evaluation (-1 to 1)		

[1] The definition of EBITDA+S used to calculate the annual incentive payout amount for the evaluation period for FY2026 is as follows:

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

Furthermore, if the forecasted EBITDA+S is lower than the average of the previous 3 years, the Company may choose to determine the amount paid in the current fiscal year by deducting the anticipated negative modified amount from the set amount.

Regarding the individual performance evaluations, before the beginning of each fiscal year, the Compensation Committee sets the expected responsibilities of each role, and then the Compensation Committee reviews and evaluates performance at the end of the fiscal year.

Long-Term Incentive: BIP Trust (Equity)

This element is intended to motivate executives to improve the Company's enterprise value over the mid- to long-term. By giving executives the right to receive shares in the future, we encourage them to contribute to sustainably increasing enterprise value. The amount of shares of the Company equivalent to the set amount, according to the role of each individual executive, will be acquired and stored in a trust account to be delivered, in principle, upon retirement.

Long-Term Incentive: Stock Options (Equity)

This element is intended to motivate executives to increase the Company's enterprise value over the mid- to long-term. By giving executives the right to earn value from their awards only when the stock price rises, we encourage them to contribute to enhance both shareholder value and enterprise value.

By allocating the amount of stock options equivalent to the set amount according to the roles of each individual executive, and allowing them to exercise the stock options after a certain period set by the Board of Directors, the recipient, by exercising the shares, may acquire the shares at the value of the allotment date closing stock price.

The stock options may be exercised within the period that commences one year from the start date of the fiscal year in which the allotment date of the stock acquisition rights occurs and ends within 10 years from the allotment date. In principle, all stock options will be exercisable after three years or more have passed from the start date of the fiscal year in which the allotment date occurs.

The Presidents/CEOs of each SBU headquarters serve as Senior Vice Presidents of the Company. By applying a similar compensation design as above and setting mid- to long-term incentives (equity) as a large proportion of their total compensation, the Company aims to motivate them to improve business performance and increase enterprise value with a long-term perspective.

For the purpose of attracting and retaining outstanding management talent globally, and in cases where personnel were recruited based on standards of markets with significantly different hiring practices and laws and regulations from those of Japan, the Company may adopt a compensation design or policy differing from the one described above.

However, only if the Compensation Committee, which is chaired by an Independent Director and has a majority of independent members, determines that this exception is necessary will a differing compensation design or policy be adopted.

In such a case, under the BIP Trust, the vesting of shares may occur during the recipient's tenure in office; provided, however, that the timing of such vesting shall be after the lapse of three years or more from the start date of the fiscal year in which the recipient is eligible to receive grants[1].

[1] The timing of vesting described above assumes that Proposal 3 to be submitted to the 66th Annual Meeting of Shareholders scheduled to be held on June 24, 2026 is approved as originally proposed. As of the end of FY2025, the terms resolved at the 61st Annual Meeting of Shareholders held on June 17, 2021 remained effective, under which where the vesting happened during the recipient’s tenure in office, the timing was set as after the lapse of two years or more (in cases where the vesting is made in multiple instalments, the average term until completion of all such vesting shall be two years or more) from the start date of the fiscal year in which the recipient is eligible to receive grants.

Ratio of Compensation Elements for FY2026

For FY2026, the following ratios of compensation elements are planned to be paid to Directors and Audit and Supervisory Board members.

In the case of Directors, excluding Independent Directors, the achievement percentage of set targets will be reflected in their compensation relative to a set amount which is determined using benchmark data from outside database services, etc. Their incentive ratio, especially for long-term incentives, increases in line with an increasing role and responsibility.

Compensation for Independent Directors and Audit and Supervisory Board members consists of base salary only, not tied to performance, considering the importance of their role of oversight from an independent and objective standpoint.

The below compensation elements ratios are planned for FY2026:

Executive level	Base Salary (Cash)	Annual Incentive (Cash)	Long-term Incentive (Equity)	
			BIP Trust	Stock Options
Directors excluding Independent Directors[2]	11%	10%	42%	37%
Independent Directors	100%	-	-	-
Audit and Supervisory Board members	100%	-	-	-

[1] The ratio of compensation elements above is based on a model with a target achievement rate of 100%.

[2] The percentage to be paid to Directors excluding Independent Directors is shown as the average for the four applicable Directors.

[3] In FY2025, the ratio of compensation elements for Directors excluding Independent Directors, was Base Salary (Cash) 14%, Annual Incentive (Cash) 11%, BIP Trust (Equity) 51%, and Stock Options (Equity) 24%. The ratio for Independent Directors and Audit and Supervisory Board members was 100% Base Salary (Cash).

Governance

The Company has established a Compensation Committee as an advisory body to the Board of Directors. The Compensation Committee is chaired by an Independent Director and has a majority of Independent members. This committee is established for the purpose of enhancing objectivity and transparency of compensation for Directors and Senior Vice Presidents.

The compensation amount for each Director is determined by the Board of Directors, taking into account reports by the Compensation Committee. The compensation for each Audit and Supervisory Board member is determined by the Audit and Supervisory Board based on consultation among its members.

The Company appoints external compensation consultants to provide objective viewpoints and expertise in compensation practices. With their support, the Company reviews its compensation levels and compensation elements in light of external data, the economic environment, industry trends, the state of business management, and other factors.

In addition, the Company has clawback clauses that limit, or claim the return of part or all of, long-term incentive compensation if there is any malfeasance, misconduct, or any other serious violation of duties or internal rules during the term of office of a Director and Senior Vice Presidents.

The amount of individual compensation for Directors and Audit and Supervisory Board members are determined within compensation ranges approved at the Annual Meeting of Shareholders. Dates and details of resolutions are as follows.

Compensation for Directors

Types of compensation		Resolution date	Applicable recipients	Total amount and shares	Number of applicable recipients at the time of the resolution
Base Salary		June 26, 2023	Directors	Total annual amount not to exceed 1.6 billion yen (of which annual total for Independent Directors not to exceed 300 million yen)	8 Directors, including 4 Independent Directors
Annual Incentive					
Long-term Incentive	BIP Trust[1]	June 24, 2026 (planned)	Directors, excluding Independent Directors	Total annual amount not to exceed 3.3 billion yen Not to exceed 1,000,000 shares annually	4 Directors, excluding Independent Directors
	Stock Options	June 17, 2021	Directors, excluding Independent Directors	Total annual amount not to exceed 1.4 billion yen Annual number of stock options not to exceed 18,000[2]	4 Directors, excluding Independent Directors

[1] The above assumes that Proposal 3 to be submitted to the 66th Annual Meeting of Shareholders scheduled to be held on June 24, 2026 is approved as originally proposed. As of the end of FY2025, the terms resolved at the 61st Annual Meeting of Shareholders held on June 17, 2021 remained effective, under which the total annual amount was not to exceed 2.0 billion yen, the total annual number of shares was not to exceed 700,000, and the number of applicable recipients at the time of the resolution was 4 Directors, excluding Independent Directors.

[2] The target number of shares per one stock option is 100 shares.

Compensation for Audit and Supervisory Board Members

Types of compensation	Resolution date	Applicable recipients	Total amount and shares	Number of applicable recipients at the time of the resolution
Base salary	June 20, 2024	Audit and Supervisory Board members	Total annual amount not to exceed 200 million yen	4 Audit and Supervisory Board members

Compensation Setting Process

Individual compensation amounts for each Director are determined by the Board of Directors taking into account the reports by the Compensation Committee. The compensation amount for each Audit and Supervisory Board member is determined by the Audit and Supervisory Board based on consultation among its members. The amount of individual compensation for Directors and Audit and Supervisory Board members are determined within compensation ranges approved at the Annual Meeting of Shareholders.

The Board of Directors also decides the policy for deciding the compensation of Directors and Senior Vice Presidents, and the details of the compensation structure based on discussions surrounding the calculation logic and exact calculated compensation range, in the Compensation Committee.

Individual compensation amounts for Directors other than the Representative Directors, are approved by the President, CEO who also serves as a Representative Director (Hisayuki Idekoba for FY2025) to ensure efficient Board management. The authority to approve this decision is delegated to the Representative Director, President and CEO following a resolution by the Board of Directors on the condition that the decision is made with respect to the results of the deliberation by the Compensation Committee.

Results for Compensation

Total Compensation Amount in FY2025

(In millions of yen, unless otherwise stated)

Executive level	Total compensation	Amount of compensation by type				Allowance for retirement benefits, etc.	Number of applicable recipients
		Cash compensation		Equity compensation			
				Long-term incentive			
		Base salary	Annual incentive	BIP Trust	Stock Options		
Directors, excluding Independent Directors	2,156	191	246	1,168	550	-	4
Independent Directors	154	154	-	-	-	-	5
Audit and Supervisory Board members, excluding independent members	88	88	-	-	-	-	2
Independent Audit and Supervisory Board members	43	43	-	-	-	-	2

[1] The amounts shown above are calculated based on IFRS.

Detailed Individual Compensation Amounts in FY2025

(In millions of yen)

Name	Company	Total compensation	Amount of compensation by type				Allowance for retirement benefits, etc.
			Cash compensation		Equity compensation		
					Long-term incentive		
			Base salary	Annual incentive	BIP Trust	Stock Options	
Directors, excluding Independent Directors							
Masumi Minegishi	Recruit Holdings Co., Ltd.	304	70	77	96	60	-
Hisayuki Idekoba	Recruit Holdings Co., Ltd.	948	48	78	518	303	-
	RGF OHR USA, Inc.	159	60	99	0	0	-
	Indeed, Inc.	181	25	42	0	113	-
	Total	1,289	134	220	518	416	-
Ayano Senaha	Recruit Holdings Co., Ltd.	361	73	90	129	68	-
	RGF OHR USA, Inc.	68	30	37	0	0	-
	Indeed, Inc.	57	12	15	0	29	-
	Total	487	116	143	129	98	-
Rony Kahan	Recruit Holdings Co., Ltd.	542	0	0	424	117	-
	RGF OHR USA, Inc.	52	52	0	0	0	-
	Indeed, Inc.	7	7	0	0	0	-
	Total	602	60	0	424	117	-
Independent Directors							
Naoki Izumiya	Recruit Holdings Co., Ltd.	38	38	-	-	-	-
Tsuyoshi Kodera	Recruit Holdings Co., Ltd.	30	30	-	-	-	-
Hiroki Totoki	Recruit Holdings Co., Ltd.	8	8	-	-	-	-
Keiko Honda	Recruit Holdings Co., Ltd.	38	38	-	-	-	-
Katrina Lake	Recruit Holdings Co., Ltd.	38	38	-	-	-	-
Audit and Supervisory Board members, excluding independent members							
Yukiko Nagashima	Recruit Holdings Co., Ltd.	44	44	-	-	-	-
Takashi Nishimura	Recruit Holdings Co., Ltd.	44	44	-	-	-	-
Independent Audit and Supervisory Board members							
Yoichiro Ogawa	Recruit Holdings Co., Ltd.	21	21	-	-	-	-
Katsuya Natori	Recruit Holdings Co., Ltd.	21	21	-	-	-	-

[1] The amounts shown above are calculated based on IFRS.

Employees with Director Level Secondments

There are currently no employees with Director level secondments.

Targets for Compensation Paid in FY2025

The target and result of the performance indicator related to annual cash incentives paid in FY2025 are as follows:

(In billions of yen, unless otherwise stated)

Types of compensation	Performance indicators	Target	Actual
Annual Incentive[1]	Consolidated EBITDA+S for FY2024	551.7[2]	678.8

[1] In addition to the above, individual performance evaluations are reflected in annual incentives.

[2] For the annual incentives, since this award is linked to the consolidated EBITDA+S growth compared to the average consolidated EBITDA+S of the previous 3 years, this target value represents the average consolidated EBITDA+S from FY2021 to FY2023.

[3] Definition of EBITDA+S is shown at the beginning of this document.

Target for Compensation to Be Paid in FY2026

The target and result of the performance indicator related to annual cash incentives scheduled to be paid in FY2026 is as follows:

(In billions of yen, unless otherwise stated)

Types of compensation	Performance indicators	Target	Actual
Annual Incentive[1]	Consolidated EBITDA+S for FY2025	607.3[2]	794.3

[1] In addition to the above, individual performance evaluations are reflected in annual incentives.

[2] For the annual incentives, since this award is linked to the consolidated EBITDA+S growth compared to the average consolidated EBITDA+S of the previous 3 years, this target value represents the average consolidated EBITDA+S from FY2022 to FY2024.

[3] Definition of EBITDA+S is shown at the beginning of this document.

Actions of the Board of Directors and Committees in FY2025

The Compensation Committee met two times in FY2025, and all members of the Committee were in attendance. Please refer to the "Corporate Governance Overview" section in this document for further details on the matters deliberated. Of the Board of Directors meetings held in the current fiscal year, discussions were held two times on matters related to executive compensation.

When deciding the details of compensation for Directors, the Compensation Committee conducts a multifaceted examination of the proposal and reports to the Board of Directors. As the report is done in a manner that is consistent with our decision-making policy, the Board of Directors will adopt the proposal in keeping with the results of the report. The Company judges this process to be in keeping with our decision-making policy.

Stocks Held by the Company

Classification of Stocks Held by the Company

The Company classifies stocks for investment into those solely for investment purposes and those for other purposes.

Stocks Held solely for Investment Purposes

Stocks held solely for investment purposes refers to stocks held for the purpose of generating capital gains through changes in stock prices or income through dividends related to the shares.

The Company doesn't hold stocks solely for investment purposes.

Stocks Held for Other Purposes

Stocks held for other purposes are classified as strategic shareholdings, business development shareholdings and deemed shareholdings.

- Strategic shareholdings refer to investment shares held for maintaining or strengthening business relationships important to business strategies such as business partnerships. The Holding Company and Recruit Co., Ltd. hold strategic shareholdings.
- Investment shares held through corporate venture capital are primarily unlisted stocks, and are held for the purpose of creating new businesses and acquiring cutting-edge technologies. Therefore, such investment shares are classified as business development shareholdings, which include the shares held by RYK Capital Partners Limited and other entities.
- The Company doesn't hold deemed shareholdings.

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.

Regarding business development shareholdings, while the Company holds them for purposes such as creating new businesses and acquiring cutting-edge technologies, its policy is to sell them once such holding purposes have been achieved or lost, taking into consideration factors such as the maximization of economic value.

Status of Strategic Shareholdings in the Company

The total amount of strategic shareholdings held by the Holding Company and Recruit Co., Ltd. was 44.0 billion yen, which is 2.8% of total equity as of March 31, 2026. In FY2025, the Company sold 7 stocks of strategic shareholdings for a total of 21.6 billion yen.

Exercising voting rights of strategic shareholdings is to be carried out appropriately upon verifying the agenda item and judging whether or not such proposed item contributes to improvement of shareholder value. If the agenda item significantly damages expected shareholder value, the Company will not judge it positively. If the Company casts a dissenting vote to an agenda item, it will be reported to the Board of Directors and the Company will encourage the investee to improve such item through constructive communication.

If a company that holds shares of the Company as strategic shareholdings indicates the intention to sell the shares, the Company will do nothing to hinder the sale, such as indicating resulting reductions in business transactions between the companies.

Furthermore, the Company does not conduct business transactions that may harm the shared interests of the Company and its shareholders, such as continuing business transactions with companies that are strategic shareholders without adequately verifying the economic rationality of the transactions.

Stocks Held for Purposes Other than Pure Investment by the Holdings Company

The Holding Company holds the largest amount of stocks held by the Company on the Balance Sheet of the Company.

Number of Strategic Shareholding Issuers and their Amount on the Balance Sheet as of March 31, 2026[1]

(In millions of yen, unless otherwise stated)

	The Holding Company	
	Unlisted	Listed
Number of issuers	3	4
Amount on the balance sheet	551	33,204
Number of issuers with increased shareholdings	-	-
Total purchase amount resulting in an increase in number of shares	-	-
Reason for an increase in number of shares	-	-
Number of issuers with decreased shareholdings	-	5
Total proceeds from sales resulting in a decrease in number of shares held	-	19,192

[1] These do not include changes due to initial public offering of shares, consolidation of shares, split of shares, share transfer, share exchange, merger, etc.

Listed Issuers with Strategic Shares Held by the Holdings Company

Name of Issuer	March 31, 2025 Number of shares / Amount on balance sheet (In millions of yen)	March 31, 2026 Number of shares / Amount on balance sheet (In millions of yen)	Purpose and quantitative effect of holding[1], and reason for increase in number of shares	Ownership of Recruit Holdings' shares
Nippon Television Holdings, Inc.	6,454,600	5,160,000	Mainly to maintain and enhance business relationships. An essential partner in promotional activities for television and television based media in various services in Japan, such as television advertising.	No[2]
	19,712	16,290		
TBS HOLDINGS, INC.	2,666,900	2,222,500	Mainly to maintain and enhance business relationships. An essential partner in promotional activities for television and television based media in various services in Japan, such as television advertising.	No[2]
	11,371	12,425		
Yeahka Limited	30,051,196	30,051,196	To build, maintain and enhance business relationships in the Marketing Matching Technologies business. A leading technology platform company in China that provides payment and merchant support services, an essential partner for the Company.	No
	4,614	4,138		
All About, Inc.	984,900	984,900	To develop business opportunities in the Marketing Matching Technologies business in Japan in the future and to build and enhance business alliances and relationships, although there are few business transactions currently.	No
	326	350		
Dentsu Group Inc.	2,465,000	-	-	No
	8,109	-		
TOPPAN Holdings Inc.	776,200	-	-	Yes
	3,146	-		
FUJI MEDIA HOLDINGS, INC.	540,500	-	-	No
	1,379	-		

[1] The Company holds shares in other companies for strategic purposes, that is, maintaining and strengthening business relationships. 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.

[2] This issuer does not hold shares of Recruit Holdings, but its subsidiaries hold shares of Recruit Holdings.

Stocks Held for Other Purposes than Pure Investment by RYK Capital Partners Limited

RYK Capital Partners Limited holds the second largest amount of investment stocks on the Balance Sheet in the Company.

Number of Business Development Shareholding Issuers and their Amount on the Balance Sheet as of March 31, 2026[1]

(In millions of yen, unless otherwise stated)

	RYK Capital Partners Limited	
	Unlisted	Listed
Number of issuers	6	-
Amount on the balance sheet	14,766	-
Number of increased issuers	-	-
Total purchase amount for increase in number of shares	-	-
Reason for increase in number of shares	-	-
Number of decreased issuers	-	-
Total proceeds from sale for decrease in number of shares	-	-

[1] These do not include changes due to initial public offering of shares, consolidation of shares, split of shares, share transfer, share exchange, merger, etc.

Stocks Held for Other Purposes than Pure Investment by Recruit Co., Ltd.

Number of Strategic Shareholding Issuers and their Amount on the Balance Sheet as of March 31, 2026[1]

(In millions of yen, unless otherwise stated)

	Recruit Co., Ltd.	
	Unlisted	Listed
Number of issuers	3	3
Amount on the balance sheet	1,273	9,009
Number of increased issuers	-	-
Total purchase amount for increase in number of shares	-	-
Reason for increase in number of shares	-	-
Number of decreased issuers	1	1
Total proceeds from sale for decrease in number of shares	100	2,363

[1] These do not include changes due to initial public offering of shares, consolidation of shares, split of shares, share transfer, share exchange, merger, etc.

Listed Issuers with Strategic Shares Held by Recruit Co., Ltd.

Name of Issuer	March 31, 2025 Number of shares Amount on balance sheet (In millions of yen)	March 31, 2026 Number of shares Amount on balance sheet (In millions of yen)	Purpose and quantitative effect of holding[1], and reason for increase in number of shares	Ownership of Recruit Holdings' share
freee K.K.	2,277,267 8,050	2,277,267 4,588	Mainly to maintain and enhance business alliances and relationships. One of the leading SaaS companies in Japan providing integrated cloud ERP (Enterprise Resource Planning) for SMEs, and an essential partner in the Marketing Matching Technologies business, functionally integrating its services with Air Business Tools.	No
Premium Group Co., Ltd.	1,800,000 3,744	1,800,000 3,000	Mainly to maintain and enhance business alliances and relationships. A supplier of "Car Sensor After-sale Assurance" and an essential partner in the Marketing Matching Technologies business.	No
Oisix ra daichi Inc.	2,648,000 3,553	1,000,000 1,420	Mainly to maintain and enhance business alliances and relationships. An essential partner in the Marketing Matching Technologies business, functionally integrating its services with Recruit ID.	No

[1] The Company holds shares in other companies for strategic purposes, that is, maintaining and strengthening business relationships. 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.

Employees

Basic Policy on Human Resource Strategy, etc.

Please refer to “Our Policies and Actions for Development of Our Organization, Employees and Workplace” in “Sustainability Policy and Actions” of “Business Overview".

Employees

The Company including Its Consolidated Subsidiaries

As of March 31, 2026

Segment	Number of employees	Number of contract employees
HR Technology	18,005	44
Staffing	13,354	1,019
Marketing Matching Technologies	14,096	396
Holding Company corporate function	131	5
Total	45,586	1,464

[1] The employees include employees that have been assigned to the Company from companies outside the Company and excludes employees that have been assigned to companies outside the Company. It also excludes that of contract employees.
[2] Contract employees represent the average number of contract employees during FY2025.
[3] Contract employees include part-time employees and exclude temporary staff.
[4] “Holding Company corporate function” represents employees in corporate functions of the Holding Company such as finance and risk management.

The Holding Company excluding Its Consolidated Subsidiaries

As of March 31, 2026

Number of employees	Number of contract employees	Average age	Average length of service (years)	Average annual salary (yen)	% Change in average annual salary
130	5	40.2	9.3	11,624,997	1.5

Segment	Number of employees	Number of contract employees
HR Technology	-	-
Staffing	7	-
Marketing Matching Technologies	-	-
Holding Company corporate function	123	5
Total	130	5

[1] The employees include employees that have been assigned to the Holding Company and excludes employees from its subsidiaries. These employees are excluded from the original subsidiary’s count and the count for the number of contract employees.
[2] Contract employees represent the average number of contract employees during FY2025.
[3] Contract employees include part-time employees and exclude temporary staff.
[4] “Holding Company corporate function” represents employees in corporate functions of the Holding Company such as finance and risk management.
[5] The number of employees increased by 14 compared to the end of the previous fiscal year, primarily due to the launch of cross-SBU projects and a transfer of corporate brand management functions.

Main Domestic Consolidated Subsidiary, Recruit Co., Ltd.

As of March 31, 2026

Number of employees	Number of contract employees	Average age	Average length of service (years)	Average annual salary (yen)	% Change in average annual salary
11,776	250	33.7	6.6	7,638,676	3.4

[1] The employees include employees that have been assigned to the Holding Company and excludes employees from its subsidiaries. These employees are excluded from the original subsidiary’s count and the count for the number of contract employees.
[2] Contract employees represent the average number of contract employees during FY2025.
[3] Contract employees include part-time employees and exclude temporary staff.

Labor Unions

No labor union has been formed at the Holding Company, but management and employees have built a strong relationship and no special labor matters are noted.

Stock Option Plans and Equity Compensation Plans

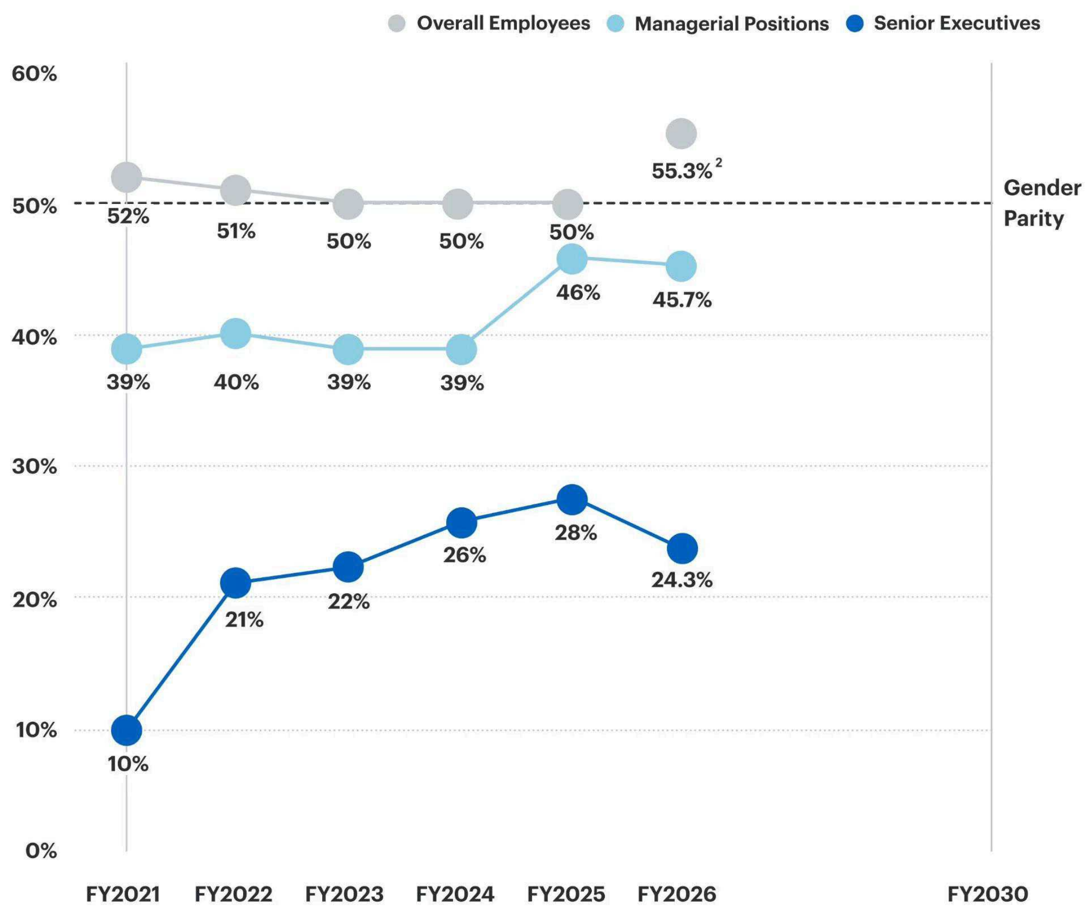
The Group has introduced Stock Option plans and Equity Compensation Plans for Directors and Key Management Personnel. For details of the Stock Option plans, please refer to "Stock Option Plan" in "Stock Options" of "Status of Shares, Acquisition of Treasury Stock and Dividend Policy". Regarding the Equity Compensation Plans, the Group has introduced the Board Incentive Plan (BIP) Trust for Directors and Key Management Personnel, as well as the Employee Stock Ownership Plan (ESOP) Trust primarily for employees of the HR Technology SBU. For details of these plans, please refer to "Details of Share Ownership Plans for Directors, Key Management Personnel, and Employees " in "Status of Shares, Acquisition of Treasury Stock and Dividend Policy".

Demographics

Since its founding, the Company has valued the individuality of each employee. Betting on their passion and ideas fueled by their curiosity has long been the Company's competitive advantage—which has led to the creation of new businesses and services across the Group. Moreover, the Company has established a human rights policy to ensure that no discrimination or human rights violations are committed in its corporate activities. The Company aspires to provide fair opportunities for all individuals and respect their unique life- and work-styles. Please refer to "Sustainability Policy and Actions" in "Business Overview" for more information on the Company's approach and efforts towards human capital and human rights.

Under these policies, the Company strives to create a work environment that is supportive, accommodating and fulfilling for all employees, regardless of personal attributes or employment-related constraints. In May 2021, the Company reaffirmed the importance of creating an environment where all employees are motivated to contribute and grow, making this a key management priority. Since then, the Company has set its policy to pursue gender parity and implemented related initiatives. For updates on the Company's progress, please refer to "Prosper Together - Seek sustainable growth shared by all stakeholders" in "Management Philosophy and Strategies".

Recruit Group's Progress in Women's Representation Across All Levels
(as of the beginning of each Fiscal Year)



As of April 1, 2026, the percentage of women across all levels—i.e., among overall employees, managers, and senior executives—at Recruit Group[1] is as follows:

Company	Employees[2]	Managers[3]	Senior Executives[4]
Recruit Group[1]	55.3	45.7	24.3

[1] For Recruit Group, we have aggregated data from the Holding Company, the SBU Headquarters and major consolidated subsidiaries, both domestic and overseas, under each SBU. The definition of “Managers” and “Senior Executives” is as outlined in table footnotes 3 and 4 respectively, and differs from that of “Managers” (total of workers in managerial positions such as section manager or higher, excluding executives) in the Ministerial Order on the Plan of Action for General Employers under the Act on the Promotion of Women's Active Engagement in Professional Life (hereinafter referred to as “Women’s Active Engagement Act”).

[2] “Employees” includes seconded employees that have been assigned to Recruit Group and excludes employees that have been assigned to companies outside Recruit Group. Furthermore, the scope of aggregation was revised effective April 1, 2026, to better reflect the actual workforce composition and improve consistency and comprehensiveness of disclosures. Previously, the percentage of female employees was calculated primarily based on permanent employees. Following the revision, calculations are based on all employees — including fixed-term employees and others — in addition to permanent employees. The figure for FY2026 is calculated based on the revised definition, which results in an increase from the figure calculated using the previous definition (51.7%).

[3] The definition of “managers” is based on each company’s classification system and refers to all employees who have subordinates, including senior executives under service agreements. In May 2024, Indeed, Inc. and certain subsidiaries within the HR Technology segment that share the same HR framework revised spans of control and management layers to accelerate and simplify decision making. In the process, the definition of managers was changed to one based on job roles. Consequently, some employees mainly in R&D roles were reclassified from managerial to non-managerial. The figures representing the percentage of women in managerial positions as of April 1, 2024 and earlier are thus based on the definition prior to the revision. The percentage as of April 1, 2025 is calculated based on the revised definition.

[4] “Senior Executives” is defined as Senior Vice Presidents and Corporate Professional Officers of Recruit Holdings and Marketing Matching Technologies Strategic Business Unit (SBU), and CEOs of the Company's major subsidiaries and heads of key functions in the HR Technology and Staffing SBUs.

[5] Figures in the graph for the period prior to April 1, 2025, have been partially revised as a result of a detailed review of data previously disclosed on a voluntary basis; however, the impact of these changes is immaterial.

The ratio of women in managerial positions, percentage of men taking childcare leave and gender pay gap in the Holding Company[1] are as follows:

Name	Ratio of women in managerial positions[2]	Percentage of men taking childcare leave[3, 4]	Gender Pay Gap[3, 5]		
			All Employees	Permanent Employees[6]	Part-time and Fixed-term Employees, etc.[7]
Recruit Holdings	55.0	200.0	85.8	86.5	134.6

[1] While the Company bears no legal disclosure obligation under the Women’s Active Engagement Act and the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (hereinafter referred to as “Childcare and Caregiver Leave Act”), we voluntarily disclose this information for reference purposes.

[2] Managerial positions refer to all employees who have subordinates, excluding senior executives under service agreements, as of Apr 1, 2026. It has been calculated in accordance with the Women’s Active Engagement Act, including seconded employees that have been assigned to the Holding Company and excluding employees that have been assigned to companies outside the Holding Company.

[3] The majority of the Holding Company’s workforce consists of seconded employees from Recruit Co., Ltd., whose remuneration is determined based on our established mission grades and criteria. Given these employment and compensation determination circumstances, the calculation provided includes incoming seconded employees assigned to the Holding Company and excludes outgoing seconded employees assigned to other companies. It, therefore, includes incoming seconded employees among those registered in Recruit Co., Ltd.’s roster of workers (hereinafter referred to as “original workers”) for which its calculation is later provided. If calculated for the Company’s original employees, the resulting values would differ.

[4] We have calculated the percentage of men taking childcare leave, etc. as referred to in Article 71-6, item (ii) of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (hereinafter referred to as “Ordinance for Enforcement of the Childcare and Caregiver Leave Act”), pursuant to the provisions of the Childcare and Caregiver Leave Act in the current consolidated fiscal year. Childcare leave, etc. includes both taking childcare leave prescribed by law and benefiting from leave systems, etc. for childbirth and childcare purposes.

[5] Pursuant to the provisions of the Women’s Active Engagement Act, calculations are based on the current consolidated fiscal year.

[6] “Permanent employees” refers to those on indefinite-term contracts.

[7] We estimate the number of part-time and fixed-term employees, etc. based on their working hours as a proportion of the prescribed working hours of permanent employees (8 hours a day).

Additionally, the ratio of women in managerial positions, percentage of men taking childcare leave and gender pay gap in our major domestic consolidated subsidiaries, disclosed under the Women's Active Engagement Act, and the Childcare and Caregiver Leave Act, are as follows:

Name	Main Business[1]	Ratio of women in managerial positions[2]	Percentage of men taking childcare leave[3]	Gender Pay Gap[4]		
				All Workers	Permanent Workers[5]	Part-time and Fixed-term Workers, etc.[6]
Indeed Recruit Partners Co., Ltd.	HR Technology	42.0	113.2	82.6	87.4	73.0
Recruit Staffing Co., Ltd.	Staffing	41.3	70.4	74.6	62.7	79.1
Staff Service Holdings Co., Ltd.	Staffing	29.7	100.0	71.0	74.4	28.6
Recruit Co., Ltd.	Marketing Matching Technologies	35.0	123.0	74.9	77.6	97.9

(23 other companies)[7]

1 Under "Main Business" is the name of the Segment each company belongs to.
2 Managerial positions refer to all employees who have subordinates, excluding senior executives under service agreements, as of Apr 1, 2026. It has been calculated in accordance with the Women's Active Engagement Act, including incoming seconded employees that have been assigned to the respective company and excluding outgoing seconded employees that have been assigned to companies outside the respective company.
3 Calculations are based on each company's original workers. We have calculated the percentage of men taking childcare leave, etc. as referred to in Article 71-6, item (ii) of the Ordinance for Enforcement of the Childcare and Caregiver Leave Act, pursuant to the provisions of the Childcare and Caregiver Leave Act in the current consolidated fiscal year. Childcare leave, etc. includes both taking childcare leave stipulated by law and benefiting from leave systems, etc. for childbirth and childcare purposes.
4 Calculations are based on each company's original workers, including temporary workers dispatched through the respective company to other companies and excluding temporary workers dispatched to the respective company in the current fiscal year. Accordingly, for the Staffing segment, figures include each consolidated subsidiary company's temporary workers, i.e. our clients' temporary workforce (who we payroll on their behalf).
5 "Permanent Workers" refers to those on indefinite-term contracts.
6 We estimate the number of part-time and fixed-term workers, etc. based on their working hours as a proportion of the prescribed working hours of permanent workers (8 hours a day).
7 The respective metrics of consolidated subsidiaries other than those of the major consolidated subsidiaries have been listed in "Other Reference Information."

Recruit Holdings and its main domestic consolidated subsidiaries adhere to the principle of "Pay for Performance." For permanent workers, regardless of age, year of entry, or any other factor, the Company determines their compensation based on their expected role and the extent of their contributions using a unique compensation structure called "Mission Grade System," which ensures that there is no pay gap between men and women at the same Mission Grade and evaluation level.

Therefore, the Company has identified the primary driver of the pay gap between men and women as the low percentage of women in higher Mission Grades and managerial positions. In response, the Company is accelerating efforts to broaden representation in higher Mission Grades, including among highly skilled professionals, as part of our ongoing work toward greater gender parity.

Through these efforts, the Company aims to create a more flexible working environment–one that allows greater choice in where and when people work–while continuing to improve workplace support and fulfillment for all employees. The Company believes these enhancements will help the organization evolve into one where an even broader range of talent can thrive. As a corporate group engaged in business related to "work", the Company is committed to contributing to a society where everyone can maximize their potential, through our services and broader business activities.

Financial Information

Preparation of Consolidated Financial Statements and Non-consolidated Financial Statements

- The consolidated financial statements of the Company have been prepared in accordance with IFRS, based on the provisions set forth in Article 312 of the Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (Ordinance of the Ministry of Finance No. 28 of 1976, the “Ordinance on Consolidated Financial Statements”).
- The non-consolidated financial statements of the Company have been prepared based on the Ordinance on Terminology, Forms, and Preparation Methods of Financial Statements, etc. (Ordinance of the Ministry of Finance No. 59 of 1963, the “Ordinance on Financial Statements, etc.”). Recruit Holdings falls under a Special Company Submitting Financial Statements and prepares the non-consolidated financial statements pursuant to Article 127 of the Ordinance on Financial Statements, etc.

Audit Certificate

Pursuant to the provisions set forth in Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act, the Company’s consolidated financial statements and non-consolidated financial statements for the year ended March 31, 2026 have been audited by Ernst & Young ShinNihon LLC.

Special Efforts to Ensure Appropriateness of Consolidated Financial Statements and Establishment of System for Preparing Consolidated Financial Statements Appropriately Based on IFRS

The Company has taken special efforts to ensure the appropriateness of consolidated financial statements and has worked to establish a system for appropriately preparing consolidated financial statements based on IFRS. The details are as follows:

- In order to properly understand the content of accounting standards and establish a system that can respond appropriately to revisions to accounting standards, the Company has joined the Financial Accounting Standards Foundation and has participated in seminars held by organizations with expertise.
- In order to prepare appropriate consolidated financial statements based on IFRS, the Company works to keep itself updated about the latest IFRS by obtaining press releases and standards disclosed by the International Accounting Standards Board. In addition, the Company develops internal rules and manuals to comply with IFRS and applies them in its accounting treatment.

Consolidated Financial Statements and Notes

Consolidated Statement of Financial Position

(In millions of yen)

	Notes	As of March 31, 2025	As of March 31, 2026
Assets			
Current assets			
Cash and cash equivalents	6	808,625	725,578
Trade and other receivables	7, 27	565,069	639,268
Other financial assets	8, 27	18,697	75,697
Other assets	9, 13	77,985	114,627
Total current assets		**1,470,378**	**1,555,172**
Non-current assets			
Property and equipment	10	54,897	57,178
Right-of-use assets	12	154,572	135,188
Goodwill	11	508,133	553,304
Intangible assets	11	174,977	163,291
Investments in associates and joint ventures		17,476	2,372
Other financial assets	8, 27	163,102	135,323
Deferred tax assets	13	217,020	173,174
Other assets	9	11,693	14,011
Total non-current assets		**1,301,874**	**1,233,845**
Total assets		**2,772,252**	**2,789,018**

(In millions of yen)

	Notes	As of March 31, 2025	As of March 31, 2026
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables	14, 27	377,543	425,541
Lease liabilities	12, 27	44,453	44,020
Other financial liabilities	27	5,011	1,868
Income tax payables		53,235	66,472
Provisions	16	15,437	20,091
Other liabilities	15	306,503	317,320
Total current liabilities		**802,185**	**875,314**
Non-current liabilities			
Borrowings	27	1,011	645
Lease liabilities	12, 27	163,476	141,610
Other financial liabilities	27	945	583
Provisions	16	15,289	19,554
Net liability for retirement benefits	17	63,408	62,716
Deferred tax liabilities	13	90,465	85,559
Other liabilities	15	8,108	8,474
Total non-current liabilities		**342,706**	**319,145**
Total liabilities		**1,144,892**	**1,194,459**
Equity			
Equity attributable to owners of the parent			
Common stock	18	40,000	40,000
Retained earnings	18	1,606,348	1,371,067
Treasury stock	18	(515,363)	(414,455)
Other components of equity		486,596	586,709
Total equity attributable to owners of the parent		**1,617,582**	**1,583,321**
Non-controlling interests		**9,777**	**11,236**
Total equity		**1,627,360**	**1,594,558**
Total liabilities and equity		**2,772,252**	**2,789,018**

Consolidated Statement of Profit or Loss

(In millions of yen, unless otherwise stated)

	Notes	For the Year Ended March 31, 2025	For the Year Ended March 31, 2026
Revenue	20	3,557,478	3,697,351
Cost of sales		1,471,834	1,509,156
Gross profit		**2,085,644**	**2,188,195**
Selling, general and administrative expenses	21	1,558,654	1,527,672
Other operating income		3,387	13,117
Other operating expenses	22	39,834	43,073
Operating income		**490,542**	**630,567**
Share of profit (loss) of associates and joint ventures		(8,810)	(10,135)
Finance income	23	56,037	34,708
Finance costs		10,625	10,521
Profit before tax		**527,143**	**644,618**
Income tax expense	13	118,983	147,938
Profit for the year		**408,159**	**496,680**
Profit attributable to:			
Owners of the parent		408,504	496,912
Non-controlling interests		(344)	(231)
Profit for the year		**408,159**	**496,680**
Earnings per share attributable to owners of the parent			
Basic earnings per share (Yen)	25	271.44	349.78
Diluted earnings per share (Yen)	25	268.32	347.59

Consolidated Statement of Comprehensive Income

(In millions of yen)

	Notes	For the Year Ended March 31, 2025	For the Year Ended March 31, 2026
Profit for the year		408,159	496,680
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	24, 28	(17,350)	2,197
Remeasurements of defined retirement benefit plans	17, 24	2,063	(374)
Share of other comprehensive income of associates and joint ventures	24	(2,310)	(2,398)
Subtotal		**(17,598)**	**(576)**
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	24, 27	(7,418)	120,887
Effective portion of changes in fair value of cash flow hedges	24, 27	-	18
Net change in debt instruments measured at fair value through other comprehensive income	24, 28	(9)	(18)
Subtotal		**(7,427)**	**120,887**
Other comprehensive income (loss) for the year, net of tax		(25,025)	120,311
Comprehensive income for the year		**383,134**	**616,991**
Comprehensive income attributable to:			
Owners of the parent		383,161	617,095
Non-controlling interests		(27)	(103)
Total comprehensive income		**383,134**	**616,991**

Consolidated Statement of Changes in Equity

Statement of Changes in Equity for the Year Ended March 31, 2025

(In millions of yen)

	Notes	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)	-
Purchase of treasury stock	18		(563)		(823,674)			
Disposal of treasury stock	18		28,347		54,655	(82,228)		
Retirement of treasury stock	18		(660,705)		660,705			
Dividends	19			(35,642)				
Share-based payments	26					92,605		
Equity transactions with non-controlling interests								
Transfer from retained earnings to share premium	18		632,921	(632,921)				
Transfer from other components of equity to retained earnings				(17,849)				
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	-

	Notes	Equity attributable to owners of the parent					Non-controlling interests	Total equity
		Other components of equity				Total		
		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			
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
Purchase of treasury stock	18				-	(824,238)		(824,238)
Disposal of treasury stock	18				(82,228)	774		774
Retirement of treasury stock	18				-	-		-
Dividends	19				-	(35,642)		(35,642)
Share-based payments	26				92,605	92,605		92,605
Equity transactions with non-controlling interests					-	-	1,826	1,826
Transfer from retained earnings to share premium	18				-	-		-
Transfer from other components of equity to retained earnings			19,912	(2,063)	17,849	-		-
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

Statement of Changes in Equity for the Year Ended March 31, 2026

(In millions of yen)

	Notes	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, 2025		40,000	-	1,606,348	(515,363)	98,619	387,986	-
Profit (loss) for the year				496,912				
Other comprehensive income							120,896	18
Comprehensive income for the year		-	-	496,912	-	-	120,896	18
Purchase of treasury stock	18		(579)		(677,943)			
Disposal of treasury stock	18		29,234		54,069	(83,537)		
Retirement of treasury stock	18		(724,781)		724,781			
Dividends	19			(35,355)				
Share-based payments	26					62,772		
Equity transactions with non-controlling interests								
Transfer from retained earnings to share premium	18		696,125	(696,125)				
Transfer from other components of equity to retained earnings				(712)				
Transfer to non-financial assets								(18)
Transactions with owners - total		-	-	(732,193)	100,907	(20,765)	-	(18)
Balance as of March 31, 2026		40,000	-	1,371,067	(414,455)	77,854	508,883	-

	Notes	Equity attributable to owners of the parent					Non-controlling interests	Total equity
		Other components of equity				Total		
		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			
Balance as of April 1, 2025		(9)	-	-	486,596	1,617,582	9,777	1,627,360
Profit (loss) for the year					-	496,912	(231)	496,680
Other comprehensive income		(18)	(337)	(374)	120,183	120,183	127	120,311
Comprehensive income for the year		(18)	(337)	(374)	120,183	617,095	(103)	616,991
Purchase of treasury stock	18				-	(678,522)		(678,522)
Disposal of treasury stock	18				(83,537)	(233)		(233)
Retirement of treasury stock	18				-	-		-
Dividends	19				-	(35,355)	(130)	(35,485)
Share-based payments	26				62,772	62,772		62,772
Equity transactions with non-controlling interests					-	-	1,693	1,693
Transfer from retained earnings to share premium	18				-	-		-
Transfer from other components of equity to retained earnings			337	374	712	-		-
Transfer to non-financial assets					(18)	(18)		(18)
Transactions with owners - total		-	337	374	(20,070)	(651,356)	1,562	(649,793)
Balance as of March 31, 2026		(27)	-	-	586,709	1,583,321	11,236	1,594,558

Consolidated Statement of Cash Flows

(In millions of yen)

	Notes	For the Year Ended March 31, 2025	For the Year Ended March 31, 2026
Cash flows from operating activities			
Profit before tax		527,143	644,618
Depreciation and amortization		109,237	107,077
Share-based payment expenses	26	80,429	63,839
Interest and dividend income		(33,044)	(16,587)
(Increase) decrease in trade and other receivables		(15,784)	(46,474)
Increase (decrease) in trade and other payables		18,963	35,940
Other		7,904	(5,817)
Subtotal		**694,849**	**782,596**
Interest and dividends received		34,676	15,924
Interest paid		(5,362)	(6,005)
Income taxes paid		(113,800)	(123,084)
Net cash provided by operating activities		**610,363**	**669,431**
Cash flows from investing activities			
Payment for purchase of property and equipment		(7,951)	(10,702)
Payment for purchase of intangible assets		(57,306)	(51,589)
Payment for purchase of investments		(16,360)	(94,236)
Proceeds from sale and redemption of investments		26,708	95,412
Other		(6,145)	11,373
Net cash used in investing activities		**(61,054)**	**(49,742)**
Cash flows from financing activities			
Repayments of lease liabilities	29	(44,547)	(47,174)
Payment for purchase of treasury stock	18	(824,465)	(678,754)
Dividends paid	19	(35,644)	(35,351)
Proceeds from settlement of derivatives		22,096	13,483
Other		2,080	4,319
Net cash used in financing activities		**(880,480)**	**(743,478)**
Effect of exchange rate changes on cash and cash equivalents		2,938	40,742
Net increase (decrease) in cash and cash equivalents		(328,233)	(83,046)
Cash and cash equivalents at the beginning of the year	6	1,136,858	808,625
Cash and cash equivalents at the end of the year	6	**808,625**	**725,578**

Notes to Consolidated Financial Statements

1 Reporting Entity

Recruit Holdings Co., Ltd. (the "Holding Company" or "Recruit Holdings") is a stock company incorporated under the Companies Act of Japan and domiciled in Japan. The addresses of its registered headquarters and principal business locations are disclosed on its website (https://recruit-holdings.com/). The details of businesses and principal activities of the Holding Company and its subsidiaries (the "Company") are described in "5 Operating Segments."

The consolidated financial statements for the year ended March 31, 2026 were approved on June 18, 2026 by Hisayuki Idekoba, Representative Director, President and CEO, Junichi Arai, Executive Vice President and CFO, and Akihiko Mori, Senior Vice President in charge of Treasury, Accounting and Tax.

2 Basis of Preparation

Compliance with IFRS

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). The Company applies the provisions of Article 312 of the Ordinance on Consolidated Financial Statements as it meets the requirements of the "Specified Company applying Designated IFRS" prescribed in Article 1-2, Paragraph 1 of the same ordinance.

Basis of Measurement

The consolidated financial statements are prepared on a historical cost basis except for certain assets and liabilities, including financial instruments that are measured at fair value as described in "3 Material Accounting Policies."

Functional Currency and Presentation Currency

The consolidated financial statements are presented in Japanese yen, which is the functional currency of the Holding Company, and figures less than one million yen are rounded down to the nearest million yen.

Accounting Standards and Interpretations That Have Been Issued but Not Yet Applied

The main new accounting standards and related interpretations that have been newly issued or revised before the approval date of the consolidated financial statements, but which the Company has not yet applied for the fiscal year ended March 31, 2026, are as follows. The impact of adopting the new IFRSs on the Company is under consideration and cannot be estimated currently.

Accounting standard	Name	Mandatory application date (to be applied to fiscal years beginning on or after)	Company's year of application	Overview of new and revised content
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027	Fiscal year ending March 31, 2028	The new standard replaces International Accounting Standards 1 "Presentation of Financial Statements," which is the current accounting standard that sets out requirements for the presentation and disclosure of information in financial statements.

3 Material Accounting Policies

Unless otherwise indicated, the following accounting policies have been applied to all periods stated in the consolidated financial statements.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and the Company's equity in its associates. In cases where the accounting policies applied by a subsidiary or an associate are different from those applied by the Company, adjustments are made to the subsidiary's or the associate's financial statements as necessary. Intragroup balances of receivables and payables, intragroup transactions, and unrealized gains and losses arising from intragroup transactions are eliminated in preparing the consolidated financial statements.

Subsidiaries

A subsidiary is an entity that is controlled by the Company. Control is achieved if the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Company obtains control of a subsidiary on its acquisition date, and the subsidiary is included in the consolidation from such date until the date on which the Company loses control. A subsidiary with a different closing date is consolidated based on its provisional financial statements as of the consolidated closing date. Changes in the ownership interest of a subsidiary without a loss of control are accounted for as equity transactions. Any difference between the adjustment of non-controlling interests and the fair value of the consideration received is recognized directly in equity as the equity attributable to owners of the parent. Any gain or loss arising from the loss of control is recognized in profit or loss. Comprehensive income of a subsidiary is allocated to the equity attributable to owners of the parent and the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Associates

An associate is an entity over which the Company has significant influence but does not have control or joint control. An associate is accounted for using the equity method from the date on which the Company obtains significant influence until the date on which it loses such influence.

Business Combinations

The Company accounts for each business combination by applying the acquisition method. The consideration transferred in a business combination is measured as the sum of the acquisition-date fair values of the assets transferred, the liabilities incurred by the acquirer to former owners of the acquiree and the equity interests issued by the acquirer, including any contingent consideration, if applicable.

Identifiable assets acquired and liabilities assumed in a business combination are measured at fair value at the acquisition date.

Acquisition-related costs incurred in a business combination are expensed as incurred.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of the Company’s previously held equity interest in the acquiree, over the fair value of the net identifiable assets acquired and liabilities assumed at the acquisition date.

If the initial accounting for a business combination is incomplete by the date of approval of this consolidated financial statements, the Company reports provisional amounts for the items for which the accounting is incomplete. The Company retrospectively adjusts the provisional amounts recognized at the acquisition date as an adjustment during the measurement period when new information about facts and circumstances that existed as of the acquisition date and, if known, would have affected the recognized amounts for the business combination. The measurement period shall not exceed one year from the acquisition date.

Effects of Changes in Foreign Exchange Rates

The Company’s consolidated financial statements are prepared on the basis of the financial statements of each entity based on their respective functional currencies.

Transactions in foreign currencies are translated into each functional currency of the Company at the spot exchange rate on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing at the closing date. Non-monetary assets and liabilities measured at historical cost that are denominated in foreign currencies are translated into the functional currency using the exchange rates at the date of the initial transaction. Non-monetary assets and liabilities measured at fair value that are denominated in foreign currencies are translated into the functional currency using the spot exchange rates at the date when the fair value is determined. Differences arising from the translation and settlement are recognized as profit or loss. When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange difference is also recognized in other comprehensive income.

The assets and liabilities of foreign operations are translated using the spot exchange rate at the closing date, while income and expenses of foreign operations are translated using the spot exchange rate at the date of the transaction or a rate that approximates such rate. The resulting translation differences are recognized as other comprehensive income. In cases where a foreign operation is disposed of, the cumulative amount of translation differences related to the foreign operation is recognized in profit or loss on disposal.

Financial Instruments

Financial Assets

Recognition, Classification and Measurement of Financial Assets

Financial assets are recognized when the Company becomes a party to the contract of the financial instruments. The Company measures all financial assets at fair value at initial recognition and classifies them as financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income (“FVTOCI financial assets”), or financial assets measured at fair value through profit or loss (“FVTPL financial assets”).

Financial Assets Measured at Amortized Cost

The Company classifies financial assets that satisfy the following conditions as financial assets measured at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at amortized cost are initially recognized as the sum of the fair value and transaction costs, and subsequently measured at amortized cost using the effective interest method less impairment losses. Interest income, gains or losses on derecognition, and impairment losses are recognized as finance income or costs in profit or loss.

FVTOCI Financial Assets

FVTOCI Debt Instruments

The Company classifies debt instruments that satisfy the following conditions as debt instruments measured at fair value through other comprehensive income (“FVTOCI debt instruments”):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

FVTOCI debt instruments are initially recognized as the sum of the fair value and transaction costs, and subsequent changes in fair value (other than impairment losses) are recognized in other comprehensive income. The cumulative amount in other comprehensive income is reclassified to profit or loss upon derecognition of the asset. Interest income, gains or losses on derecognition, and impairment losses are recognized as finance income or costs in profit or loss.

FVTOCI Equity Instruments

Of financial assets measured at fair value, the Company classifies equity instruments for which the Company has made an irrevocable election at initial recognition to present subsequent fair value changes in other comprehensive income as equity instruments measured at fair value through other comprehensive income (“FVTOCI equity instruments”). The Company, in principle, designates all equity instruments as FVTOCI equity instruments.

FVTOCI equity instruments are initially recognized as the sum of the fair value and transaction costs. Subsequent changes in fair value as well as gains or losses on derecognition are recognized in other comprehensive income, and their cumulative amount is immediately reclassified to retained earnings after being recognized in other components of equity. Dividends received on FVTOCI equity instruments are recognized as finance income when entitlement to the dividends is established, except for cases where the dividend clearly represents the recovery of part of the cost of the investment.

FVTPL Financial Assets

The Company classifies all financial assets including derivatives as FVTPL financial assets, unless these are measured at amortized cost or at fair value through other comprehensive income as stated above.

FVTPL financial assets are initially recognized at fair value, and any subsequent changes in fair value as well as any gains or losses on disposal are recognized as revenue or finance income or costs in profit or loss.

Impairment of Financial Assets

The Company recognizes a provision for expected credit losses on financial assets measured at amortized cost or FVTOCI debt instruments.

The Company assesses at the end of each reporting period whether credit risk on a financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has increased significantly since initial recognition, the provision for that financial asset is measured at an amount equal to lifetime expected credit losses. If credit risk has not increased significantly, the provision is measured at an amount equal to 12-month expected credit losses. Whether credit risk has increased significantly or not is determined based on changes in default risk.

For trade receivables that do not contain a significant financing component, the provision is measured at an amount equal to lifetime expected credit losses under a simplified approach, based on historical evidence of credit losses, regardless of changes in the credit risk.

Derecognition

The Company derecognizes a financial asset when the contractual rights to cash flows arising from the financial asset expire or substantially all the risks and rewards of ownership of the financial asset are transferred. Interests in a transferred financial asset created or retained by the Company are recognized separately as assets or liabilities.

Financial Liabilities

Recognition, Classification and Measurement of Financial Liabilities

Financial liabilities are recognized when the Company becomes a party to the contract of the financial instruments. The Company measures all financial liabilities at fair value at initial recognition and classifies them as financial liabilities measured at amortized cost or financial liabilities measured at fair value through profit or loss (“FVTPL financial liabilities”).

Financial Liabilities Measured at Amortized Cost

The Company classifies all financial liabilities as financial liabilities measured at amortized cost, except for:

- FVTPL financial liabilities (including derivative liabilities)
- financial guarantee contracts
- contingent consideration recognized in a business combination

Financial liabilities measured at amortized cost are initially recognized as the fair value less transaction costs, and subsequently measured at amortized cost using the effective interest method.

FVTPL Financial Liabilities

FVTPL financial liabilities are initially recognized at fair value and any subsequent changes in fair value are recognized as finance income or costs in profit or loss, unless the hedge accounting criteria are met.

Derecognition

The Company derecognizes financial liabilities when the obligations are discharged, canceled, or expired.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is presented in the consolidated statement of financial position only if there is a currently enforceable legal right to set off the recognized amounts, and there is an intention either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Derivatives and Hedge Accounting

Derivatives

The Company enters into derivative contracts primarily to manage risks arising from fluctuations in interest rates and exchange rates. These derivatives are initially recognized as assets or liabilities at fair value at the date on which the contracts are entered into, and subsequently measured at fair value at the end of the reporting period. The changes in the fair value of derivatives (gains and losses on valuation of derivatives) are immediately recognized in profit or loss if hedge accounting is not applied. The changes in the fair value of derivatives for which the purpose is to hedge foreign currency risks are presented in the consolidated statement of profit or loss after being offset by exchange differences (foreign exchange gains and losses) that arise from changes in foreign exchange rates of monetary items denominated in foreign currencies.

Hedge Accounting

When the hedging relationship qualifies for hedge accounting, the Company classifies and accounts for them as follows:

(a) Cash Flow Hedges

The Company accounts for a part of the derivatives as cash flow hedges. The effective portion of changes in the fair value of derivatives designated as cash flow hedges is recognized in other comprehensive income, and the cumulative amount is recognized in other components of equity. The amount recognized in other components of equity is reclassified to profit or loss in order to offset the effects arising when the hedged item is recognized in profit or loss. The ineffective portion of cash flow hedges is immediately recognized as profit or loss.

(b) Hedges of Net Investments in Foreign Operations

Exchange differences arising from the hedges of net investments in foreign operations are accounted for using the same method as cash flow hedges. Regarding the gains or losses on the hedging instruments, the effective portion is recognized in other comprehensive income, while the ineffective portion is recognized in profit or loss. In cases where a foreign operation that was hedged is disposed of, the cumulative amount of translation differences previously recognized as equity through other comprehensive income is reclassified to profit or loss.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments due within three months from the date of acquisition that are readily convertible to cash and which are subject to an insignificant risk of changes in value.

Property and Equipment

Property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses using the cost model.

The costs of property and equipment include those directly attributable to the acquisition of the asset and the estimate of the costs of dismantlement, removal and restoration.

Property and equipment are depreciated using the straight-line method over the useful life of each significant component of the asset. The depreciation method, useful lives and residual values are reviewed at the end of each fiscal year, and the effects of changes in estimates, if any, are accounted for as changes in accounting estimates prospectively by including them in profit or loss in the period of the change and future periods. Major useful lives of property and equipment are as follows:

- Buildings and structures: 2 to 50 years
- Tools, furniture and fixtures: 2 to 20 years

Intangible Assets

Intangible assets are measured at cost less accumulated amortization and accumulated impairment losses using the cost model.

Intangible assets acquired separately are measured at cost at initial recognition. Identifiable intangible assets acquired through business combinations separately from goodwill are measured at fair value at the date on which the Company obtains control.

Expenditures on research activities are expensed as incurred. Expenditures on development activities are capitalized only if all of the following can be demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale

- the Company’s intention to complete the intangible asset, and use or sell it
- the Company’s ability to use or sell the intangible asset
- how the intangible asset will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- the Company’s ability to measure reliably the expenditure attributable to the intangible asset during its development

Intangible assets with definite useful lives are amortized using the straight-line method over their useful lives. The amortization method and useful lives are reviewed at the end of each fiscal year, and the effects of changes in estimates, if any, are accounted for as changes in accounting estimates prospectively by including them in profit or loss in the period of the change and future periods. Intangible assets with indefinite useful lives are not amortized. Major useful lives of intangible assets are as follows:

- Software: 5 years
- Customer-related assets: 2 to 15 years

Leases

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease based on the substance of the contract.

A lease liability is recognized and measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate at the commencement date of the lease if the interest rate implicit in the lease is not readily determinable. After the commencement date, the lease liability is measured by increasing or reducing the carrying amount to reflect interest on the lease liability and the lease payments made, and remeasuring the carrying amount as necessary to reflect any lease modifications. The lease term is determined as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the option is reasonably certain to be exercised, and periods covered by an option to terminate the lease if the option is reasonably certain not to be exercised.

Right-of-use assets are measured at cost less accumulated depreciation and accumulated impairment losses using the cost model. The cost of a right-of-use asset includes the amount of the initial measurement of the lease liability at the commencement date, any lease payments made at or before the commencement date less lease incentives, and restoration costs required by the lease contract. Right-of-use assets are depreciated using the straight-line method over the lease term. The lease term is reassessed upon the occurrence of a significant event or a significant change in circumstances that affects whether the lessee is reasonably certain to exercise the extension option, or not to exercise the termination option. When the lease term is modified, the lease liability will be remeasured and, in principle, the amount of right-of-use assets will be adjusted. The Company has elected not to recognize right-of-use assets and lease liabilities for leases which are of low value.

Impairment of Non-Financial Assets

At the end of each reporting period, the Company assesses whether there is any indication that its assets may be impaired. If any such indication exists, impairment tests are performed to assess the recoverable amount of the asset or the cash-generating unit (“CGU”) to which it belongs. Intangible assets with indefinite useful lives and those not yet available for use are not amortized, and tested for impairment annually irrespective of whether there is any indication of impairment, or whenever there is an indication of impairment.

The recoverable amount is measured at the higher of an asset or CGU’s fair value less costs of disposal and its value in use. The value in use is calculated by discounting the estimated future cash flows to their present value with a pre-tax discount rate that reflects the time value of money and the risks specific to the asset or CGU.

If the recoverable amount of an individual asset or a CGU is less than its carrying amount, the carrying amount is reduced to the recoverable amount, and an impairment loss is recognized as “Other operating expenses” in the consolidated statement of profit or loss. For assets for which impairment losses were recognized in prior periods, the Company assesses at the closing date whether there is any indication of a reversal of an impairment loss. If there is an indication of a reversal of an impairment loss, and the recoverable amount of an individual asset or a CGU exceeds its carrying amount, the impairment loss is reversed to the lower of its recoverable amount and the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior periods.

Goodwill

Goodwill is measured at cost less accumulated impairment losses. Goodwill is allocated to a CGU or a group of CGUs that is expected to benefit from the synergies of the business combination. A CGU or a group of CGUs to which goodwill is allocated is determined based on the smallest level unit at which the goodwill is monitored for internal management purposes, and no larger than an operating segment.

The Company performs an impairment test for the CGU or the group of CGUs to which goodwill was allocated at a specified point of time in each fiscal year or whenever there is an indication of impairment. If the recoverable amount of a CGU or a group of CGUs is less than its carrying amount in an impairment test, the difference is recognized as an impairment loss, in principle. In recognizing the impairment loss, the carrying amount of goodwill allocated to the CGU or the group of CGUs is reduced, and then the carrying amounts of the other assets in the CGU or the group of CGUs are reduced pro rata on the basis of the carrying amount of each asset. An impairment loss for goodwill is recognized in profit or loss as “Other operating expenses” and is not reversed in a subsequent period.

Non-Current Assets Held for Sale

An asset or asset group for which the value is expected to be recovered through a sale transaction rather than through continuing use is classified as a non-current asset or disposal group held for sale if (i) it is highly probable that the asset or disposal group will be sold within one year, (ii) the asset or disposal group is available for immediate sale in its present condition, and (iii) the Company’s management has made a commitment to sell the asset or disposal group. Non-current assets held for sale are not depreciated or amortized and are measured at the lower of their carrying amount and fair value less costs to sell.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the effect of the time value of money is material, the amount of the provision is measured at the present value of the expenditures expected to be required to settle the obligation. In calculating the present value, the Company uses a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

Post-Employment Benefits

The Company operates defined contribution plans and defined benefit plans as retirement benefit plans for employees.

Defined Contribution Plans

Retirement benefit costs for defined contribution plans are recognized in profit or loss for the period over which the employees render the related services.

Defined Benefit Plans

For each defined benefit plan, the Company calculates the present value of the defined benefit obligations and the related current service cost and past service cost using the projected unit credit method, and recognizes them as an expense. The discount rate is determined by reference to the closing-date market yields on high quality corporate bonds for the period corresponding to the discount period, which is set on the basis of the period until the expected date of benefit payment in each future fiscal year. Net interest on the net defined benefit liability is recorded as cost of sales or selling, general and administrative expenses. Remeasurements of the net defined benefit liability incurred in the current period are recognized as other comprehensive income, and the cumulative amount is immediately reclassified to retained earnings after being recognized in other components of equity.

Equity

Common Stock and Share Premium

For equity instruments issued by the Company, the issue prices are recorded in common stock and share premium, and the transaction cost (net of related tax effects) directly attributable to the issuance is deducted from common stock and share premium proportionally on the basis of the issue price.

Treasury Stock

When shares of treasury stock are acquired, the consideration paid including the transaction cost (net of related tax effects) directly attributable to the acquisition is recognized as a deduction from equity. When shares of treasury stock are sold, the consideration received is recognized as an increase in equity.

Share-Based Payment

The Company has introduced the following equity-settled equity compensation plan.

Equity-Settled Stock Options

The Company grants equity-settled stock options as an incentive plan for the Directors of the Board, Senior Vice Presidents and Corporate Professional Officers (Senior Vice Presidents and Corporate Professional Officers are collectively referred to as “Senior Management”) and senior level personnel of Recruit Holdings. The Company recognizes the services received as consideration for the stock options as an expense, and the corresponding amount is recognized as an increase in equity. The expense is estimated at the fair value of the stock options at the grant date. The fair value is calculated, taking into account the terms and conditions of the options, primarily by using the Black-Scholes model.

Equity-Settled Board Incentive Plan (“BIP”) Trust

The Company has introduced an equity-settled BIP Trust as an incentive plan for the Directors of the Board and Senior Management of Recruit Holdings and its subsidiaries. Consideration for the services received is measured with reference to the fair value of the shares of Recruit Holdings’ common stock at the grant date and is recognized as an expense over its vesting period while the corresponding amount is recognized as an increase in equity.

Equity-Settled Employee Stock Ownership Plan (“ESOP”) Trust

The Company has introduced an equity-settled ESOP Trust as an incentive plan for the employees of its subsidiaries. Consideration for the services received is measured with reference to the fair value of shares of Recruit Holdings’ common stock at the grant date and is recognized as an expense over its vesting period while the corresponding amount is recognized as an increase in equity. The fair value at the grant date is measured at the market price of the shares adjusted for expected dividends.

Revenue Recognition

The Company recognizes revenue based on the following five-step approach. The details of revenue recognition for each segment are described in “20 Revenue.”

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

The incremental costs of obtaining a contract are recognized as an asset (“asset recognized for costs of obtaining contracts”) if those costs are expected to be recoverable. The incremental costs of obtaining a contract are those costs that the Company incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained.

An asset recognized for costs of obtaining contracts is amortized on a systematic basis that is consistent with the transfer to the customer of the services to which the asset relates, unless the amortization period of the asset is one year or less. If the amortization period of the asset is one year or less, the incremental costs of obtaining a contract are expensed when incurred by using the practical expedient in IFRS 15 “Revenue from Contracts with Customers.”

Income Taxes

Income tax expense is the sum of current tax expense and deferred tax expense and is recognized in profit or loss, except for taxes arising from items that are directly recognized in other comprehensive income or in equity and taxes arising from business combinations.

Current Tax Expense

Current tax expense is measured at the amount expected to be paid to or refunded from the taxation authorities using the tax rates (and tax laws) that have been enacted or substantively enacted by the closing date.

Deferred Tax Expense

Deferred tax expense is calculated based on the temporary differences between the tax base for assets and liabilities and their carrying amount for accounting purposes at the closing date. Deferred tax assets are recognized for deductible temporary differences, unused tax credits and unused tax losses to the extent that it is probable that future taxable profit will be available against which they can be utilized. Deferred tax liabilities are recognized, in principle, for all taxable temporary differences.

Deferred tax assets are not recognized for the following temporary differences:

- temporary differences arising from the initial recognition of assets or liabilities in transactions that are not business combinations, that affect neither accounting profit nor taxable profit (tax loss) at the time of transaction and that do not give rise to equal taxable and deductible temporary difference at the time of transaction, and
- deductible temporary differences arising from investments in subsidiaries and associates where it is probable that the temporary difference will not reverse in the foreseeable future or it is not probable that future taxable profit will be available against which the temporary difference can be utilized.

Deferred tax liabilities are not recognized for the following temporary differences:

- temporary differences arising from the initial recognition of goodwill,
- temporary differences arising from the initial recognition of assets or liabilities in transactions that are not business combinations, that affect neither accounting profit nor taxable profit (tax loss) at the time of transaction and that do not give rise to equal taxable and deductible temporary difference at the time of transaction, and
- taxable temporary differences arising from investments in subsidiaries and associates where the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

There are certain cases where assets and liabilities arising from a single transaction are recognized at the same amount. In such transactions, deferred tax liabilities are recognized for taxable temporary differences of the recognized assets, and deferred tax assets are recognized for deductible temporary differences of the recognized liabilities.

Deferred tax assets and liabilities are measured using the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, using the tax rates (and tax laws) that have been enacted or substantively enacted by the closing date. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and the assets and liabilities related to income taxes are levied by the same taxation authority on the same taxable entity or different taxable entities which intend to settle on a net basis.

Furthermore, exceptions are applied with regard to the recognition of deferred tax assets and deferred tax liabilities related to income taxes arising from the jurisdictional implementation of the Pillar Two model rules in accordance with the mandatory temporary exception set forth in IAS 12 “Income Taxes,” as well as the disclosure of corresponding information.

Earnings Per Share

Basic earnings per share is determined by dividing the profit (loss) attributable to the common shareholders of the parent by the weighted average number of shares of common stock outstanding, which is adjusted for shares of treasury stock during the period. Diluted earnings per share is adjusted for the effect of all dilutive potential shares of common stock.

4 Significant Accounting Judgments, Accounting Estimates and Assumptions

In preparing the consolidated financial statements, management makes judgments, accounting estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses.

Estimates and assumptions are based on management's best judgments based on historical performance and various factors considered reasonable. By their nature, however, actual results may differ from the estimates and assumptions made. Estimates and their underlying assumptions are continuously reviewed. The effects of changes in accounting estimates are recognized prospectively by including them in profit or loss in the period of the change and future periods.

Estimates and assumptions that significantly affect the amounts recognized in the consolidated financial statements are as follows:

Method of Fair Value Measurement of Financial Instruments

When measuring the fair values of certain financial instruments, the Company uses a valuation technique that includes unobservable inputs. The unobservable inputs may be affected by changes in uncertain future economic conditions. As of March 31, 2026, such accounting estimates were recognized under "Other financial assets" in the consolidated statement of financial position.

Impairment of Property and Equipment, Right-of-Use Assets, Goodwill and Intangible Assets

The Company tests property and equipment, right-of-use assets, goodwill and intangible assets for impairment in accordance with "3 Material Accounting Policies." Recoverable amounts in impairment tests are measured based on assumptions such as growth rates and discount rates that are used in the estimates of future cash flow projections. These assumptions are determined by management's best estimates and judgments. However, they may be affected by changes in uncertain future economic conditions. As of March 31, 2026, such accounting estimates were recognized under "Property and equipment," "Right-of-use assets," "Goodwill," and "Intangible assets" in the consolidated statement of financial position. The details of goodwill and intangible assets are described in "11 Goodwill and Intangible Assets."

Assessment of Defined Benefit Obligations

The Company operates defined benefit plans as retirement benefit plans. For each defined benefit plan, the present value of defined benefit obligations and the related costs including service cost are determined based on the actuarial assumptions such as discount rates, mortality rates, and other factors. These assumptions are determined by management's best estimates and judgments. However, they may be affected by changes in uncertain future economic conditions. As of March 31, 2026, such accounting estimates were recognized under "Net liability for retirement benefits" in the consolidated statement of financial position.

Recoverability of Deferred Tax Assets

Deferred tax assets are recognized for deductible temporary differences, unused tax credits, and unused tax losses to the extent that it is probable that sufficient future taxable income will be available against which the deductible temporary differences can be utilized. The period in which it is probable that sufficient future taxable income will be available and the amount of the future taxable income are determined by management's best estimates and judgments. However, they may be affected by changes in uncertain future economic conditions. As of March 31, 2026, such accounting estimates were recognized under "Deferred tax assets" in the consolidated statement of financial position.

5 Operating Segments

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, Staffing, and Marketing Matching Technologies, which are also the reportable segments.

HR Technology consists of three operations, the US, Europe and Others, and Japan. Staffing consists of two operations, *Japan* and *Europe, US and Australia*. Marketing Matching Technologies consists of three operations, Lifestyle, Housing & Real Estate, and Others. The details of these segments are described in "20 Revenue."

Due to a 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. Furthermore, from the year ended March 31, 2026, the segment name of Matching & Solutions has been changed to Marketing Matching Technologies. Segment information for the year ended March 31, 2025 reflects this change in reportable segments.

Information about Reportable Segments

Segment profit (loss) denotes EBITDA+S (operating income + depreciation and amortization (excluding depreciation of right-of-use assets) + share-based payment expenses ± other operating income/expenses). The previously disclosed adjusted EBITDA has been renamed to EBITDA+S starting from the year ended March 31, 2026. The calculation formula for EBITDA+S is the same as that for adjusted EBITDA.

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 revenues or transfers are calculated based on a price used in similar transactions with external customers. Segment assets and liabilities are not disclosed as they are not subject to review for deciding on the allocation of operating resources and assessing business performance.

For the Year Ended March 31, 2025

(In millions of yen)

	Reportable Segment				Adjustments	Consolidated
	HR Technology	Staffing	Marketing Matching Technologies	Total		
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
Segment profit (loss)	452,818	97,422	137,180	687,421	(8,532)	678,889
Depreciation and amortization[1]						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

[1] Depreciation and amortization exclude depreciation of right-of-use assets.

For the Year Ended March 31, 2026

(In millions of yen)

	Reportable Segment				Adjustments	Consolidated
	HR Technology	Staffing	Marketing Matching Technologies	Total		
Revenue						
Revenue from external customers	1,454,440	1,679,327	563,584	3,697,351	-	3,697,351
Intersegment revenues or transfers	3,979	24,108	1,078	29,166	(29,166)	-
Total	1,458,419	1,703,436	564,662	3,726,518	(29,166)	3,697,351
Segment profit (loss)	549,995	99,744	154,976	804,716	(10,326)	794,390
Depreciation and amortization[1]						70,027
Share-based payment expenses						63,839
Other operating income						13,117
Other operating expenses						43,073
Operating income						630,567
Share of profit (loss) of associates and joint ventures						(10,135)
Finance income						34,708
Finance costs						10,521
Profit before tax						644,618

[1] Depreciation and amortization exclude depreciation of right-of-use assets.

Information about Products and Services

The classification of products and services are the same as those of the reportable segments. Please refer to Information about Reportable Segments above.

Information about Geographical Areas

Revenue from External Customers

(In millions of yen)

	For the Year Ended March 31, 2025	For the Year Ended March 31, 2026
Japan	1,686,032	1,734,675
United States	987,864	1,022,273
Others	883,580	940,402
Total	3,557,478	3,697,351

[1] Revenue is classified based on the locations where the external customers reside.

Non-Current Assets (excluding Financial Assets and Deferred Tax Assets)

(In millions of yen)

	As of March 31, 2025	As of March 31, 2026
Japan	261,414	249,319
United States	366,285	377,764
Netherlands	201,591	218,841
Others	74,982	77,048
Total	904,274	922,974

Information about Major Customers

There are no revenues from transactions with a single external customer amounting to 10% or more of revenues in the consolidated statement of profit or loss for the years ended March 31, 2025 and 2026.

6 Cash and Cash Equivalents

The breakdown of cash and cash equivalents is as follows:

(In millions of yen)

	As of March 31, 2025	As of March 31, 2026
Cash and deposits	778,946	625,641
Short-term investments	29,679	99,936
Total	808,625	725,578

[1] Cash and cash equivalents are classified as financial assets measured at amortized cost.

7 Trade and Other Receivables

The breakdown of trade and other receivables is as follows:

(In millions of yen)

	As of March 31, 2025	As of March 31, 2026
Accounts receivable - trade[2]	465,723	524,499
Accounts receivable - other	106,407	121,075
Other	2,418	3,170
Loss allowance	(9,480)	(9,476)
Total	565,069	639,268

[1] Trade and other receivables are classified as financial assets measured at amortized cost.

[2] The balance of receivables arising from contracts with customers (accounts receivable - trade) as of April 1, 2024 was 464,510 million yen.

8 Other Financial Assets

The breakdown of other financial assets is as follows:

(In millions of yen)

	As of March 31, 2025	As of March 31, 2026
Equity instruments[1]	124,401	101,549
Debt instruments[2]	19,398	48,595
Derivative assets[3]	352	22,549
Guarantee deposits for leases[4]	20,185	19,510
Other	18,058	19,423
Loss allowance	(594)	(608)
Total	181,800	211,020
Current assets	18,697	75,697
Non-current assets	163,102	135,323
Total	181,800	211,020

[1] Equity instruments are generally classified as financial assets measured at fair value through other comprehensive income.

[2] Regarding Debt instruments, public bonds and others are classified as financial assets measured at fair value through other comprehensive income, and convertible bonds and financial assets acquired through fintech services for business clients as financial assets measured at fair value through profit or loss.

[3] The Company classifies derivative assets as financial assets measured at fair value through profit or loss.

[4] Guarantee deposits for leases are classified as financial assets measured at amortized cost.

Equity Instruments Measured at Fair Value through Other Comprehensive Income

Equity instruments, such as shares, are held mainly for maintaining and strengthening relationships with business partners. These assets are designated as financial assets measured at fair value through other comprehensive income.

The breakdown of equity instruments measured at fair value through other comprehensive income is as follows:

(In millions of yen)

	As of March 31, 2025	As of March 31, 2026
Equity instruments with active markets	64,154	42,214
Equity instruments without active markets	60,246	59,335
Total	124,401	101,549

The names of securities of equity instruments with active markets and their fair values as of March 31, 2025 and 2026 are shown below. Equity instruments without active markets consist primarily of investment in Internet-related industries.

As of March 31, 2025

(In millions of yen)

Name of security	Fair value
Nippon Television Holdings, Inc.	19,712
TBS HOLDINGS, INC.	11,371
Dentsu Group Inc.	8,109
freee K.K.	8,050
Yeahka Limited	4,614
Premium Group Co., Ltd.	3,744
Oisix ra daichi Inc.	3,553

As of March 31, 2026

(In millions of yen)

Name of security	Fair value
Nippon Television Holdings, Inc.	16,290
TBS HOLDINGS, INC.	12,425
freee K.K.	4,588
Yeahka Limited	4,138
Premium Group Co., Ltd.	3,000
Oisix ra daichi Inc.	1,420
All About, Inc.	350

9 Other Assets

The breakdown of other assets is as follows:

(In millions of yen)

	As of March 31, 2025	As of March 31, 2026
Prepaid expenses	45,115	47,340
Contract assets[1]	11,186	13,682
Income taxes receivable	12,955	44,161
Long-term prepaid expenses	11,231	13,916
Other	9,190	9,537
Total	89,679	128,639
Current assets	77,985	114,627
Non-current assets	11,693	14,011
Total	89,679	128,639

[1] Contract assets are related to the Company's rights to receive consideration for which it has satisfied performance obligations but has not yet invoiced. They are reclassified as receivables (accounts receivable - trade) that arise from contracts with customers when the Company's rights become unconditional. Information on the Company's main performance obligations is provided in "20 Revenue." The balance of contract assets as of April 1, 2024 was 9,745 million yen.

10 Property and Equipment

Changes in the carrying amount, acquisition cost, accumulated depreciation and accumulated impairment losses of property and equipment are as follows:

Carrying Amount

(In millions of yen)

	Buildings and structures	Tools, furniture and fixtures	Other	Total
As of April 1, 2024	43,903	20,787	1,822	66,513
Additions	2,277	3,534	2,887	8,699
Depreciation[1]	(7,256)	(7,339)	(423)	(15,019)
Impairment losses	(1,465)	(1,042)	(0)	(2,507)
Reclassification	131	1,642	(1,774)	-
Other	(2,950)	350	(189)	(2,789)
As of March 31, 2025	34,639	17,934	2,323	54,897
Additions	2,817	3,348	5,890	12,056
Depreciation[1]	(6,349)	(6,148)	(406)	(12,904)
Impairment losses	(771)	(416)	-	(1,188)
Reclassification	4,533	1,964	(6,498)	-
Other	4,807	(516)	25	4,316
As of March 31, 2026	39,678	16,165	1,334	57,178

Acquisition Cost

(In millions of yen)

	Buildings and structures	Tools, furniture and fixtures	Other	Total
As of April 1, 2024	128,261	73,741	3,964	205,967
As of March 31, 2025	128,997	74,201	4,111	207,310
As of March 31, 2026	131,746	71,120	3,556	206,423

Accumulated Depreciation and Accumulated Impairment Losses

(In millions of yen)

	Buildings and structures	Tools, furniture and fixtures	Other	Total
As of April 1, 2024	84,357	52,954	2,141	139,454
As of March 31, 2025	94,357	56,267	1,788	152,412
As of March 31, 2026	92,067	54,955	2,221	149,245

[1] Depreciation is mainly included within “Selling, general and administrative expenses” in the consolidated statement of profit or loss.

11 Goodwill and Intangible Assets

Changes in the carrying amount, acquisition cost, accumulated amortization and accumulated impairment losses of goodwill and intangible assets are as follows:

Carrying Amount

(In millions of yen)

	Goodwill	Customer-related assets	Software[1]	Other[2]	Total
As of April 1, 2024	510,638	46,142	117,249	21,828	695,858
Additions	-	-	56,177	461	56,639
Acquisition through business combinations	2,321	2,407	-	209	4,937
Sale or disposal	-	-	(383)	(26)	(410)
Amortization[3]	-	(9,462)	(39,388)	(7,600)	(56,450)
Impairment losses	-	(5,178)	(5,133)	(1,761)	(12,073)
Exchange differences on the translation of foreign operations	(4,826)	(259)	(178)	(55)	(5,319)
Other	-	-	(141)	71	(70)
As of March 31, 2025	508,133	33,649	128,200	13,126	683,110
Additions	-	-	50,194	281	50,476
Acquisition through business combinations	1,461	-	-	-	1,461
Sale or disposal	-	-	(1,652)	(1)	(1,654)
Amortization[3]	-	(8,907)	(41,452)	(6,763)	(57,123)
Impairment losses	-	(5,843)	(3,090)	(111)	(9,045)
Exchange differences on the translation of foreign operations	43,709	3,230	1,887	627	49,454
Other	-	-	(106)	21	(84)
As of March 31, 2026	553,304	22,129	133,981	7,181	716,595

Acquisition Cost

(In millions of yen)

	Goodwill	Customer-related assets	Software[1]	Other[2]	Total
As of April 1, 2024	568,514	181,030	510,505	139,436	1,399,487
As of March 31, 2025	565,282	181,037	543,577	138,730	1,428,628
As of March 31, 2026	616,834	199,259	518,614	147,851	1,482,559

Accumulated Amortization and Accumulated Impairment Losses

(In millions of yen)

	Goodwill	Customer-related assets	Software[1]	Other[2]	Total
As of April 1, 2024	57,875	134,888	393,255	117,608	703,628
As of March 31, 2025	57,149	147,388	415,376	125,603	745,517
As of March 31, 2026	63,529	177,130	384,633	140,669	765,963

[1] Software mainly comprises internally generated software.

[2] Other mainly includes trademark rights.

[3] Amortization is mainly included within “Selling, general and administrative expenses” in the consolidated statement of profit or loss.

[4] Research and development expenses recognized as expenses for the years ended March 31, 2025 and 2026 are 168,384 million yen and 145,920 million yen, respectively.

Significant Intangible Assets

Significant items included in intangible assets are customer-related assets arising from the acquisition of shares in RGF Staffing B.V. (24,855 million yen and 16,538 million yen as of March 31, 2025 and 2026, respectively). The remaining amortization period as of March 31, 2026 is 4 years.

Impairment Tests on Goodwill

The Company groups its assets by CGU, the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows generated from other assets or groups of assets, by considering managerial units of operations, in principle. Goodwill is allocated to each CGU or group of CGUs that is expected to benefit from the synergies of the business combinations at the acquisition date.

In HR Technology, the entire operation is tested for impairment as a single CGU group as it is expected to benefit from the synergies among its entities, and goodwill is monitored for internal management purposes considering that fact. In Staffing, each of the composing entities is tested for impairment as a CGU or a group of CGUs, in principle, in light of their unique business environment.

The balance of goodwill of each CGU or group of CGUs is as follows:

(In millions of yen)

Reportable Segment	CGU or group of CGUs	As of March 31, 2025	As of March 31, 2026
HR Technology	HR Technology	277,114	295,743
Staffing	RGF Staffing B.V.	186,386	211,512
	Other entities	44,631	46,048
Total		508,133	553,304

The Company’s significant goodwill is those relating to HR Technology and those arising from the acquisition of shares in RGF Staffing B.V.

The Company tests goodwill for impairment annually irrespective of whether there are any indications of impairment, or whenever there is an indication of impairment.

An impairment loss on goodwill is recognized when the recoverable amount of the CGU or the group of CGUs is lower than its carrying amount. The recoverable amount is based on the value in use, which is calculated using the present value of estimated pre-tax 5-year future cash flows based on a business plan approved by the management of each CGU.

The estimated 5-year future cash flows are determined based on internal and external sources including market growth rates as well as management’s assessment of future trends in the industry and historical data. For the periods subsequent to the period covered by the estimated future cash flows, the Company calculates the terminal value based on indefinite life by discounting the future cash flows estimated by using a growth rate determined by considering the environment of the country and the industry in which the CGU belongs. The pre-tax discount rate is determined based on the weighted average cost of capital considering the time value of money and the risks specific to the assets.

Key assumptions used in determining the recoverable amount of each CGU or group of CGUs are as follows:

(%)

Reportable Segment	CGU or group of CGUs	As of March 31, 2025		As of March 31, 2026	
		Growth rate	Discount rate	Growth rate	Discount rate
HR Technology	HR Technology	2.1	11.6	2.2	11.7
Staffing	RGF Staffing B.V.	1.9	9.2	1.9	8.7
	Other entities	2.0-2.5	9.9-14.7	2.0-2.5	9.5-14.4

As of March 31, 2026, the recoverable amount of goodwill relating to RGF Staffing B.V. exceeded the carrying amount by 5,024 million yen. The growth rate as of March 31, 2026 is the rate used to estimate cash flow projections subsequent to the period covered by the most recent budgets and forecasts, and a decrease of 0.2% in the growth rate or an increase of 0.1% in the discount rate could result in the recoverable amount being equal to the carrying amount. In addition, the Company projects an average growth of 2.9% over the 5-year forecast period. For goodwill impairment tests for assets other than those of RGF Staffing B.V., the Company has determined that even if the key assumptions used in the impairment tests were to change within a reasonably foreseeable range, the probability of a material impairment occurring is low.

Impairment of Goodwill and Intangible Assets

Impairment losses on goodwill and intangible assets are recorded within “Other operating expenses” in the consolidated statement of profit or loss.

There are no significant impairment losses on goodwill and intangible assets for the years ended March 31, 2025 and 2026.

12 Leases

Overview of Leases

The Company leases office buildings and other assets as a lessee. Some lease contracts have renewal options. There are no significant restrictions imposed by lease contracts (such as restrictions on additional borrowings and additional leases).

The breakdown of expenses related to leases is as follows:

(In millions of yen)

	For the Year Ended March 31, 2025	For the Year Ended March 31, 2026
Depreciation of right-of-use assets		
Buildings and structures	34,199	33,117
Other	3,567	3,931
Total	37,767	37,049
Interest expenses on lease liabilities	4,769	4,527
Expenses on leases of low-value assets[1]	4,230	2,988

[1] For leases for which the underlying asset is of low value, the lease payments are recognized as an expense on a straight-line basis over the lease term.

The breakdown of right-of-use assets is as follows:

(In millions of yen)

	As of March 31, 2025	As of March 31, 2026
Buildings and structures	148,542	126,494
Other	6,029	8,694
Total	154,572	135,188

[1] The increases in right-of-use assets for the years ended March 31, 2025 and 2026 are 37,498 million yen and 28,749 million yen, respectively.

Future Cash Outflows to which the Company is potentially exposed that are not reflected in the Measurement of Lease Liabilities

There are no significant future cash outflows to which the Company is potentially exposed that are not reflected in the measurement of lease liabilities.

Cash Outflows related to Leases

Total cash outflows related to leases for the years ended March 31, 2025 and 2026 are 53,547 million yen and 54,690 million yen, respectively.

13 Income Taxes

Deferred Tax Assets and Deferred Tax Liabilities

The breakdown by major component of deferred tax assets and deferred tax liabilities is as follows:

(In millions of yen)

	As of March 31, 2025	As of March 31, 2026
Deferred tax assets		
Unused tax losses	4,862	16,494
Liabilities related to employee benefits	55,609	59,105
Share-based payment	33,600	20,785
Lease liabilities	55,254	50,039
Research and development expenses	91,646	40,486
Other	51,183	59,095
Total deferred tax assets	292,157	246,005
Deferred tax liabilities		
Investments in subsidiaries and associates	86,715	88,346
Right-of-use assets	43,043	37,447
Property and equipment, goodwill and intangible assets	14,658	13,668
Other	21,185	18,927
Total deferred tax liabilities	165,602	158,390
Net deferred tax assets (liabilities)	126,554	87,615

[1] In recognizing deferred tax assets, the Company takes into account taxable temporary differences, future taxable profit and tax planning.

The breakdown of changes in deferred tax assets and deferred tax liabilities is as follows:

(In millions of yen)

	For the Year Ended March 31, 2025	For the Year Ended March 31, 2026
Net deferred tax assets (liabilities)		
Beginning balance	91,871	126,554
Recognized through profit or loss	22,530	(45,611)
Recognized in other comprehensive income	6,499	(420)
Other[1]	5,652	7,092
Ending balance	126,554	87,615

[1] Other includes exchange differences on the translation of foreign operations.

Deductible Temporary Differences and Unused Tax Losses for which Deferred Tax Assets are not recognized in the Consolidated Statement of Financial Position

(In millions of yen)

	As of March 31, 2025	As of March 31, 2026
Deductible temporary differences	463,170	483,365
Unused tax losses	56,374	66,264

The breakdown by expiration of unused tax losses for which deferred tax assets are not recognized in the consolidated statement of financial position is as follows:

(In millions of yen)

	As of March 31, 2025	As of March 31, 2026
1 year or less	210	256
Over 1 year through 5 years	2,543	2,460
Over 5 years and indefinite period	53,620	63,546
Total	56,374	66,264

Taxable Temporary Differences for which Deferred Tax Liabilities are not recognized in the Consolidated Statement of Financial Position

The amount of taxable temporary differences arising from investments in subsidiaries and associates for which deferred tax liabilities are not recognized is as follows.

Deferred tax liabilities were not recognized for these taxable temporary differences as the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary differences will not reverse in the foreseeable future.

(In millions of yen)

	For the Year Ended March 31, 2025	For the Year Ended March 31, 2026
Taxable temporary differences arising from investments in subsidiaries and associates for which deferred tax liabilities were not recognized	488,197	624,365

Breakdown of Income Tax Expense

(In millions of yen)

	For the Year Ended March 31, 2025	For the Year Ended March 31, 2026
Current tax expense	141,514	102,326
Deferred tax expense	(22,530)	45,611
Total	118,983	147,938

[1] Due to the enactment of US tax law amendments on July 4, 2025, the immediate expensing of domestic research and development expenses was reintroduced in the United States ("Amendments") . For the year ended March 31, 2026, Income Tax Expense includes a decrease in the provision for income taxes resulting from a reduction in taxable income due to the Amendments. Furthermore, Deferred Tax Expense includes an increase due to the reversal of Deferred Tax Assets related to research and development expenses at US subsidiaries. There is no impact on total Income Tax Expense resulting from the Amendments. The right to a tax refund on previously paid taxes arising from the decrease in the provision for income taxes is recognized as income taxes receivable in Other Current Assets.

Reconciliation between Statutory Effective Tax Rates and Actual Effective Tax Rates

(%)

	For the Year Ended March 31, 2025	For the Year Ended March 31, 2026
Statutory effective tax rate	30.6	30.6
(Adjustments)		
Difference from applicable tax rates for subsidiaries	(7.1)	(7.4)
Share of profit (loss) of associates and joint ventures	0.6	0.6
Tax credits	(1.9)	(2.5)
Tax effects related to investments in subsidiaries and associates	1.4	1.0
Changes in the assessment for recoverability of deferred tax assets	0.6	0.0
Other	(1.7)	0.5
Actual effective tax rate	22.6	22.9

[1] The Company is mainly subject to income tax, inhabitant tax and enterprise tax (deductible for tax purposes), based on which the statutory effective tax rates have been calculated at 30.6% for the years ended March 31, 2025 and 2026. The overseas subsidiaries are subject to local income taxes.

14 Trade and Other Payables

The breakdown of trade and other payables is as follows:

(In millions of yen)

	As of March 31, 2025	As of March 31, 2026
Accounts payable - trade	83,663	87,408
Accrued expenses	240,914	282,127
Other	52,964	56,004
Total	377,543	425,541

[1] Trade and other payables are classified as financial liabilities measured at amortized cost.

15 Other Liabilities

The breakdown of other liabilities is as follows:

(In millions of yen)

	As of March 31, 2025	As of March 31, 2026
Contract liabilities[1]	71,362	67,109
Deposits received	37,746	44,981
Accrued consumption taxes	46,808	53,121
Accrued bonuses	65,365	66,544
Accrued paid absences	61,084	65,690
Other	32,243	28,348
Total	314,612	325,794
Current liabilities	306,503	317,320
Non-current liabilities	8,108	8,474
Total	314,612	325,794

[1] Contract liabilities are unsatisfied performance obligations for which consideration has been received. When the Company satisfies the performance obligations under the contract, related revenues are recognized. Information on the Company's main performance obligations is provided in "20 Revenue." Most of the performance obligations related to contract liabilities outstanding as of April 1, 2025 were satisfied and related revenues were recognized in the year ended March 31, 2026. Revenue recognized in the year ended

March 31, 2026 from performance obligations satisfied (or partially satisfied) in previous periods, due to changes in transaction prices or other reasons, is not material. The balance of contract liabilities as of April 1, 2024 was 70,101 million yen.

16 Provisions

The breakdown of and the changes in provisions are as follows:

For the Year Ended March 31, 2026

(In millions of yen)

	Provision for point program[1]	Asset retirement obligations[2]	Other	Total
Beginning balance	9,360	15,688	5,676	30,726
Increase	13,150	5,022	4,978	23,151
Decrease due to utilization	(8,765)	(2,043)	(3,321)	(14,130)
Reversal	(614)	(8)	(868)	(1,491)
Other	7	946	434	1,388
Ending balance	13,139	19,605	6,900	39,645
Current	13,139	1,416	5,534	20,091
Non-current	-	18,188	1,366	19,554
Total	13,139	19,605	6,900	39,645

[1] The Company offers points to users to promote sales, and a provision for point program is recognized for estimated future expenses associated with the redemption of points by users based on historical performance. There is uncertainty about the amount or timing of the use of the points by users.

[2] Asset retirement obligations are recorded for the obligation to restore assets to their original condition, such as those associated with lease contracts for offices used by the Company, at the amount that is expected to be paid in the future primarily based on historical performance and third-party estimates. Expenditure for the restoration is expected to be incurred mainly after one year, but may be affected by future business plans and other factors.

17 Employee Benefits

Post-Employment Benefits

The Company operates lump-sum retirement benefit plans, defined benefit corporate pension plans and defined contribution pension plans as retirement benefit plans.

Lump-sum retirement benefit plans are unfunded plans that are not externally funded but internally funded to pay lump-sum benefits. Lump-sum retirement benefits are paid based on compensation, service period, points earned in each service year and other conditions, pursuant to the provisions of retirement benefits, such as those under the employment rules of the Holding Company and each subsidiary.

Some of the Holding Company's subsidiaries operate defined benefit corporate pension plans which pay lump-sum benefits or pension benefits based on points earned in each service year. Those subsidiaries bear the responsibility for executing operations faithfully to control and manage the funds in compliance with laws and regulations on behalf of the plan participants.

Amounts Recognized Relating to Defined Benefit Plans in the Consolidated Financial Statements

The amount of net defined benefit liability (asset) recognized in the consolidated statement of financial position is as follows:

(In millions of yen)

	As of March 31, 2025	As of March 31, 2026
Present value of defined benefit obligations (funded)	11,317	12,774
Fair value of plan assets	6,518	7,436
Subtotal	4,798	5,338
Present value of defined benefit obligations (unfunded)	58,609	57,378
Total	63,408	62,716
Amount recognized in the consolidated statement of financial position		
Net liability for retirement benefits	63,408	62,716

The weighted average duration of defined benefit obligations is as follows:

(In years)

	As of March 31, 2025	As of March 31, 2026
Weighted average duration	10.2	10.2

Reconciliation of Defined Benefit Obligations

Changes in the present value of defined benefit obligations are as follows:

(In millions of yen)

	For the Year Ended March 31, 2025	For the Year Ended March 31, 2026
Present value of defined benefit obligations at the beginning of the year	71,294	69,927
Current service cost	8,399	8,651
Interest expense	768	1,191
Benefits paid	(7,045)	(10,914)
Differences arising from the remeasurement of the present value of the defined benefit obligations[1]	(3,419)	217
Other	(71)	1,079
Present value of defined benefit obligations at the end of the year	69,927	70,153

[1] The differences arising from the remeasurement of the present value of the defined benefit obligations resulted primarily from changes in financial assumptions.

Effects on Future Cash Flows

Actuarial Assumptions

Significant actuarial assumption (in the form of weighted averages) is as follows:

	As of March 31, 2025	As of March 31, 2026
Discount rate	1.9%	2.7%

Sensitivity Analysis

The effects of a 0.5% increase or decrease in the discount rate on the present value of defined benefit obligations as of the end of the year are as follows:

This analysis assumes that the other variables are constant, but in reality the assumptions do not always change independently.

Negative figures represent a decrease in the present value of defined benefit obligations, while positive figures represent an increase in the present value of defined benefit obligations.

(In millions of yen)

	Changes in assumptions	As of March 31, 2025	As of March 31, 2026
Discount rate	0.5% increase	(2,903)	(2,787)
	0.5% decrease	3,033	2,905

Effects on Defined Contribution Plans

Expenses for contributions to the Company's defined contribution pension plans for the years ended March 31, 2025 and 2026 are 97,179 million yen and 101,091 million yen, respectively, which are recognized as "Cost of sales" and "Selling, general and administrative expenses," in the consolidated statement of profit or loss.

Employee Benefit Expenses

The total amounts of employee benefits expense included in "Cost of sales" and "Selling, general and administrative expenses" in the consolidated statement of profit or loss for the years ended March 31, 2025 and 2026 are 2,092,700 million yen and 2,087,775 million yen, respectively.

18 Equity and Other Equity Items

Number of shares authorized and number of shares issued

Changes in the number of shares authorized and the number of shares issued are as follows:

(Shares)

	Number of shares authorized (No-par value common stock)	Number of shares issued (No-par value common stock)
As of April 1, 2024	6,000,000,000	1,649,841,949
Changes during the period[2]	-	(85,929,800)
As of March 31, 2025	6,000,000,000	1,563,912,149
Changes during the period[3]	-	(91,408,000)
As of March 31, 2026	6,000,000,000	1,472,504,149

[1] The shares issued by the Company are all no-par value common stock with no restrictions on shareholder rights, and all issued shares are fully paid up.

[2] The decrease in the number of shares issued in the year ended March 31, 2025 was due to the retirement of 85,929,800 shares of treasury stock based on the resolution of a Board of Directors meeting held on March 12, 2025.

[3] The decrease in the number of shares issued in the year ended March 31, 2026 was due to the retirement of 91,408,000 shares of treasury stock based on the resolution of a Board of Directors meeting held on March 11, 2026.

Treasury Stock

The treasury stock recorded in the consolidated statement of financial position includes shares of Recruit Holdings held by the BIP Trust and the ESOP Trust.
The breakdown of and changes in treasury stock are as follows:

(Shares)

	Treasury stock held directly by Recruit Holdings	Shares of Recruit Holdings held by the BIP Trust and the ESOP Trust	Total
As of April 1, 2024	50,413,104	54,788,017	105,201,121
Increase from the purchase of treasury stock based on the resolution of the Board of Directors	91,941,000	-	91,941,000
Decrease from the retirement of treasury stock based on the resolution of the Board of Directors	(85,929,800)	-	(85,929,800)
Other	(15,923)	-	(15,923)
Increase from the purchase of the shares of Recruit Holdings by the trusts	-	500,000	500,000
Decrease from the sale and delivery of the shares of Recruit Holdings by the trusts	-	(14,499,836)	(14,499,836)
Contributions to the trusts	(20,000,000)	20,000,000	-
As of March 31, 2025	36,408,381	60,788,181	97,196,562
Increase from the purchase of treasury stock based on the resolution of the Board of Directors	83,996,800	-	83,996,800
Decrease from the retirement of treasury stock based on the resolution of the Board of Directors	(91,408,000)	-	(91,408,000)
Other	(140,193)	-	(140,193)
Increase from the purchase of the shares of Recruit Holdings by the trusts	-	464,500	464,500
Decrease from the sale and delivery of the shares of Recruit Holdings by the trusts	-	(13,818,845)	(13,818,845)
As of March 31, 2026	28,856,988	47,433,836	76,290,824

The breakdown of the carrying amount of treasury stock recorded in the consolidated statement of financial position is as follows:

(In millions of yen)

	As of March 31, 2025	As of March 31, 2026
Treasury stock held directly by Recruit Holdings	280,932	228,809
Shares of Recruit Holdings held by the BIP Trust and the ESOP Trust	234,430	185,646
Total	515,363	414,455

Share Premium

The Companies Act of Japan prescribes that at least one-half of the consideration received on the issuance of shares must be recognized as common stock and the remaining amount must be recognized as legal capital surplus, which is included in share premium. Legal capital surplus may be reclassified to common stock by resolution at the Shareholders Meeting. If the ending balance of capital surplus becomes negative, funds from retained earnings are transferred to bring the capital surplus to zero.

Retained Earnings

The Companies Act of Japan prescribes that 10% of the amount of dividends from distributable profits must be set aside as legal capital surplus or legal retained earnings until the total amount of legal capital surplus and legal retained earnings reaches 25% of the amount of common stock. Legal retained earnings may be utilized to reduce a deficit or be reversed to retained earnings by resolution at the Shareholders Meeting.

19 Dividends

The amounts of dividends paid are as follows:

For the Year Ended March 31, 2025

Resolution	Type of shares	Total amount of dividends (In millions of yen)	Dividend per share (In Yen)	Record date	Effective date
May 15, 2024 Meeting of the Board of Directors[1]	Common stock	18,393	11.5	March 31, 2024	June 21, 2024
November 11, 2024 Meeting of the Board of Directors[2]	Common stock	18,696	12.0	September 30, 2024	December 9, 2024

[1] The total amount of dividends includes dividends of 630 million yen on the shares of Recruit Holdings held by the BIP Trust and the ESOP Trust.

[2] The total amount of dividends includes dividends of 817 million yen on the shares of Recruit Holdings held by the BIP Trust and the ESOP Trust.

For the Year Ended March 31, 2026

Resolution	Type of shares	Total amount of dividends (In millions of yen)	Dividend per share (In Yen)	Record date	Effective date
May 9, 2025 Meeting of the Board of Directors[1]	Common stock	18,330	12.0	March 31, 2025	June 27, 2025
November 6, 2025 Meeting of the Board of Directors[2]	Common stock	18,425	12.5	September 30, 2025	December 15, 2025

[1] The total amount of dividends includes dividends of 729 million yen on the shares of Recruit Holdings held by the BIP Trust and the ESOP Trust.

[2] The total amount of dividends includes dividends of 671 million yen on the shares of Recruit Holdings held by the BIP Trust and the ESOP Trust.

Dividend whose record date is in the year ended March 31, 2026 but whose effective date is in the following fiscal year is as follows:

Resolution	Type of shares	Total amount of dividends (In millions of yen)	Dividend per share (In Yen)	Record date	Effective date
May 15, 2026 Meeting of the Board of Directors[1]	Common stock	18,045	12.5	March 31, 2026	June 25, 2026

[1] The total amount of dividends includes dividends of 592 million yen on the shares of Recruit Holdings held by the BIP Trust and the ESOP Trust.

20 Revenue

Reconciliation of Disaggregated Revenue to Segment Revenue

The reconciliation of revenue disaggregated by major goods/services and operating segments is as follows:

(In millions of yen)

	For the Year Ended March 31, 2025	For the Year Ended March 31, 2026
HR Technology	1,372,252	1,458,419
US	745,340	801,623
Europe and Others	261,936	308,570
Japan	364,975	348,225
Staffing	1,666,994	1,703,436
Japan	805,164	846,884
Europe, US and Australia	861,829	856,551
Marketing Matching Technologies	539,518	564,662
Lifestyle	275,672	293,806
Housing & Real Estate	150,173	156,972
Others	113,672	113,883
Adjustments	(21,287)	(29,166)
Total	3,557,478	3,697,351

The Company has three reportable segments, HR Technology, Staffing, and Marketing Matching Technologies, whose operating results are reviewed regularly by the Board of Directors to decide on the allocation of operating resources and to assess business performance.

As described in “Overview of Reportable Segments” in “5 Operating Segments,” due to a change in the governance structure, the revenue of Marketing Matching Technologies has been disaggregated and presented in three operations effective the year ended March 31, 2026: Lifestyle, Housing & Real Estate, and Others. Additionally, the calculation of revenue for the year ended March 31, 2025 reflects this change in reportable segments and composition of business operations.

Revenues from these businesses are mainly recognized based on contracts with customers. The amount of variable consideration included in revenue is immaterial. Furthermore, the amount of promised consideration does not include any significant financing components.

HR Technology

The Company receives consideration from customers by providing services which enable job seekers to search for opportunities and customers to find candidates by operating an online matching platform. Revenue is recognized when the performance obligation is satisfied, which is when an individual user accesses the customer’s job information through a paid advertisement placed by the customer on the online job search engine site.

The Company also provides employment matching services where it introduces job seekers considering a career change to customers recruiting mid-career professionals, by determining the requirements for successful candidates and then selecting candidates whose work experience, skills and intention meet those requirements. The Company receives referral fees from the customer when the referred job seeker is employed and recognizes revenue at the time of employment. Regarding employment placement services, the Company has an obligation to provide individual employment arrangement services based on a contract. Since the performance obligation is satisfied at the time of employment, revenue is recognized at that point of time.

Furthermore, the Company receives consideration from customers through subscription-based products. These subscriptions provide access to our database of job seeker profiles, candidate messaging tools, and unified branding platforms to manage company presence and analytics across our sites. Since the performance obligation is satisfied over time, revenue is recognized over the contract duration on a straight-line basis.

Staffing

The Company provides staffing services for clerical jobs, manufacturing jobs and light duty works, as well as various specialist positions to customers. For staffing services, the Company has an obligation to provide personnel based on a contract. The Company considers the performance obligation to be satisfied when labor is provided by the temporary employee. Accordingly, revenue is recognized based on the total number of hours worked by the temporary employee during their dispatched period.

Marketing Matching Technologies

The Company receives advertising fees from customers by providing lifestyle information such as beauty, travel and dining as well as housing information through its online platform to prospective users of the services or purchasers of the products.

For online platform advertisement placement services, regarding advertisement-related services with a guaranteed placement period, the Company has an obligation to place an advertisement over a period specified in a contract. Since the performance obligation is satisfied over time, revenue is recognized over the contract duration on a straight-line basis.

The Company also provides transaction-based services where it receives consideration based on the completion of transactions or service usage results. For these services, since the performance obligation is satisfied upon the completion of service provision to the customer or the establishment of the transaction, revenue is recognized at a point in time when such event occurs.

Contract Balances

The details of receivables (accounts receivable - trade) arising from contracts with customers are described in “7 Trade and Other Receivables,” contract assets and contract liabilities arising from contracts with customers are described in “9 Other Assets” and “15 Other Liabilities,” respectively.

Transaction Price Allocated to the Remaining Performance Obligations

The Company does not disclose information on contracts with an individual expected contract duration of one year or less or contracts for which revenue is recognized in the amount to which the Company has a right to invoice directly based on the value of the services performed. The Company has no significant transactions with an individual expected contract duration exceeding one year.

Assets Recognized for Costs of Obtaining or Fulfilling Contracts with Customers

The amount of assets recognized for costs of obtaining or fulfilling contracts with customers in the years ended March 31, 2025 and 2026 are not material.

21 Selling, General and Administrative Expenses

The breakdown of selling, general and administrative expenses is as follows:

(In millions of yen)

	For the Year Ended March 31, 2025	For the Year Ended March 31, 2026
Sales commission	26,444	9,582
Promotion expenses	70,120	74,804
Advertising expenses	247,209	282,096
Employee benefit expenses	750,175	701,983
Service outsourcing expenses	235,354	244,607
Rent expenses	31,614	35,660
Depreciation and amortization	103,834	101,262
Other	93,899	77,674
Total	1,558,654	1,527,672

22 Other Operating Expenses

The breakdown of other operating expenses is as follows:

(In millions of yen)

	For the Year Ended March 31, 2025	For the Year Ended March 31, 2026
Impairment losses	17,303	11,759
Restructuring expenses[1]	16,299	24,801
Loss on retirement of property and equipment and intangible assets	1,040	2,230
Other	5,190	4,281
Total	39,834	43,073

[1] Includes employee benefit expenses of 13,517 million yen on headcount reduction of approximately 1,000 employees, representing about 8% of the segment employees in HR Technology for the year ended March 31, 2025. Includes employee benefit expenses of 18,369 million yen on headcount reduction of approximately 1,300 employees, representing about 6% of the segment employees in HR Technology for the year ended March 31, 2026.

23 Finance Income

The breakdown of finance income is as follows:

(In millions of yen)

	For the Year Ended March 31, 2025	For the Year Ended March 31, 2026
Interest income[1]	31,272	16,004
Foreign exchange gains	22,683	18,115
Other	2,081	588
Total	56,037	34,708

[1] Interest income is primarily derived from financial assets measured at amortized cost.

24 Other Comprehensive Income

The breakdown of other comprehensive income and the tax effects thereof (including non-controlling interests) are as follows:

(In millions of yen)

Category	For the Year Ended March 31, 2025			For the Year Ended March 31, 2026		
	Before tax effects	Tax effects	After tax effects	Before tax effects	Tax effects	After tax effects
Items that will not be reclassified to profit or loss:						
Net change in equity instruments measured at fair value through other comprehensive income						
Amount recognized	(24,780)	7,430	(17,350)	2,798	(600)	2,197
Changes during the year	(24,780)	7,430	(17,350)	2,798	(600)	2,197
Remeasurements of defined retirement benefit plans						
Amount recognized	2,996	(933)	2,063	(557)	182	(374)
Changes during the year	2,996	(933)	2,063	(557)	182	(374)
Share of other comprehensive income of associates and joint ventures						
Amount recognized	(2,310)	-	(2,310)	(2,398)	-	(2,398)
Changes during the year	(2,310)	-	(2,310)	(2,398)	-	(2,398)
Items that may be reclassified subsequently to profit or loss:						
Exchange differences on translation of foreign operations						
Amount recognized	(7,418)	-	(7,418)	122,880	-	122,880
Reclassification adjustment on profit	-	-	-	(1,992)	-	(1,992)
Changes during the year	(7,418)	-	(7,418)	120,887	-	120,887
Effective portion of the change in the fair value of cash flow hedges						
Amount recognized	-	-	-	26	(7)	18
Reclassification adjustment on profit	-	-	-	-	-	-
Changes during the year	-	-	-	26	(7)	18
Net change in debt instruments measured at fair value through other comprehensive income						
Amount recognized	(12)	3	(9)	(24)	5	(18)
Reclassification adjustment on profit	-	-	-	-	-	-
Changes during the year	(12)	3	(9)	(24)	5	(18)
Total other comprehensive income (loss)	(31,525)	6,499	(25,025)	120,731	(420)	120,311

25 Per Share Information

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, 2025	For the Year Ended March 31, 2026
Basic earnings per share (Yen)	271.44	349.78
Basis for calculation:		
Profit attributable to owners of the parent	408,504	496,912
Amount not attributable to common shareholders of the parent	-	-
Profit used in the calculation of basic earnings per share	408,504	496,912
Weighted average number of shares of common stock outstanding (Thousand shares)	1,504,932	1,420,625

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, 2025	For the Year Ended March 31, 2026
Diluted earnings per share (Yen)	268.32	347.59
Basis for calculation:		
Profit used in the calculation of diluted earnings per share		
Profit used in the calculation of basic earnings per share	408,504	496,912
Adjustment on profit	-	-
Profit used in the calculation of diluted earnings per share	408,504	496,912
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)	1,504,932	1,420,625
Effect of dilutive potential common stock (Thousand shares)		
Stock options	1,765	1,479
Board Incentive Plan (“BIP”) Trust	2,848	2,918
Employee Stock Ownership Plan (“ESOP”) Trust	12,913	4,571
Weighted average number of shares of common stock outstanding used in the calculation of diluted earnings per share (Thousand shares)	1,522,460	1,429,594

26 Equity Compensation

Stock Options

Overview

The Company has a stock option plan under which stock options are granted to Directors of the Board, Senior Vice Presidents, Corporate Professional Officers (Senior Vice Presidents and Corporate Professional Officers are collectively referred to as “Senior Management”) and senior level personnel of Recruit Holdings.

Stock options are granted to target individuals as resolved by the Board of Directors of Recruit Holdings based on terms approved by its Shareholders Meeting.

The Company’s stock option plan is accounted for as an equity-settled share-based payment.

The Company implemented a ten-for-one stock split of its common stock effective July 31, 2014 and a three-for-one stock split of its common stock effective July 1, 2017. Number of shares granted for stock options presented in each fiscal year is adjusted to reflect these stock splits.

Equity compensation agreements outstanding as of the year ended March 31, 2026 are as follows:

Type	For the Year Ended March 31, 2014	For the Year Ended March 31, 2015	For the Year Ended March 31, 2016	For the Year Ended March 31, 2020	For the Year Ended March 31, 2021	For the Year Ended March 31, 2022	For the Year Ended March 31, 2023	For the Year Ended March 31, 2024	For the Year Ended March 31, 2025	For the Year Ended March 31, 2026
Grant date	August 31, 2013	December 26, 2014	September 25, 2015	July 31, 2019	July 27, 2020	July 29, 2021	July 25, 2022	July 26, 2023	July 24, 2024	July 24, 2025
Number of shares granted	1,002,000 shares of common stock	876,000 shares of common stock	967,800 shares of common stock	434,900 shares of common stock	282,100 shares of common stock	720,800 shares of common stock	504,400 shares of common stock	460,200 shares of common stock	252,500 shares of common stock	216,900 shares of common stock
Contractual life	20 years	20 years	20 years	10 years	10 years	10 years	10 years	10 years	10 years	10 years
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Vesting conditions	-	-	-	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Exercise period	From September 1, 2013 to August 31, 2033[2, 3]	From December 27, 2014 to December 26, 2034[2, 3]	From September 26, 2015 to September 25, 2035[2, 3]	From July 31, 2019 to July 30, 2029[2, 4]	From July 27, 2020 to July 26, 2030[2, 4]	From April 1, 2022 to July 28, 2031[2, 4]	From April 1, 2023 to July 24, 2032[2, 4]	From April 1, 2024 to July 25, 2033[2, 4]	From April 1, 2025 to July 23, 2034[2, 4]	From April 1, 2026 to July 23, 2035[2, 4]

[1] In principle, vesting conditions require continuous service until the vesting date, and stock options are vested in stages depending on the service period starting from the grant date.

[2] The exercise period is specified in the allotment agreement. If stock options are not exercised within the exercise period, the stock acquisition rights are forfeited.

[3] The stock option holders may exercise their options only within 10 days from the date on which they cease to be Directors of the Board or Senior Management during the exercise period.

[4] The stock option holders, when they cease to be Directors of the Board, Senior Management, or senior level personnel during the exercise period, may exercise their options only for the period up to the earlier of the day that is the last day of the exercise period of the stock options or three years from the date on which they cease to be Directors of the Board, Senior Management, or senior level personnel.

Estimation Method for Fair Value of Unit Price of Stock Options Granted

The fair value of the unit price of the stock options is estimated by applying the Black-Scholes model. The grant date weighted average fair values of the stock options granted during the years ended March 31, 2025 and 2026 are 3,046 yen and 3,247 yen, respectively.

The assumptions used in the Black-Scholes model for valuing the stock options granted during the years are as follows:

	For the Year Ended March 31, 2025			
Vesting period	From July 24, 2024 to April 1, 2025	From July 24, 2024 to April 1, 2026	From July 24, 2024 to April 1, 2027	From July 24, 2024 to April 1, 2028
Remaining life of options	5.5 years	6.0 years	6.5 years	7.0 years
Stock price	8,937 yen	8,937 yen	8,937 yen	8,937 yen
Exercise price	8,937 yen	8,937 yen	8,937 yen	8,937 yen
Volatility[1]	37.968%	37.968%	37.968%	37.968%
Dividend per share	23 yen	23 yen	23 yen	23 yen
Risk-free interest rate	0.644%	0.664%	0.715%	0.765%

[1] Calculated based on historical daily stock prices since going public.

For the Year Ended March 31, 2026				
Vesting period	From July 24, 2025 to April 1, 2026	From July 24, 2025 to April 1, 2027	From July 24, 2025 to April 1, 2028	From July 24, 2025 to April 1, 2029
Remaining life of options	5.5 years	6.0 years	6.5 years	7.0 years
Stock price	8,839 yen	8,839 yen	8,839 yen	8,839 yen
Exercise price	8,839 yen	8,839 yen	8,839 yen	8,839 yen
Volatility[1]	38.473%	38.473%	38.473%	38.473%
Dividend per share	24 yen	24 yen	24 yen	24 yen
Risk-free interest rate	1.174%	1.207%	1.251%	1.295%

[1] Calculated based on historical daily stock prices since going public.

Share-based Payment Expenses

Expenses for the stock option plan, which are included within "Selling, general and administrative expenses" in the consolidated statement of profit or loss, for the years ended March 31, 2025 and 2026 are 938 million yen and 838 million yen, respectively.

Changes in the Number of Stock Options and Weighted Average Exercise Prices thereof

The weighted average share prices upon exercise of stock options during the year are 11,385 yen and 7,791 yen for the years ended March 31, 2025 and 2026, respectively. The weighted average remaining contractual lives as of March 31, 2025 and 2026 were 7.5 years and 6.6 years, respectively.

Changes in the number of stock options and weighted average exercise prices thereof are as follows:

	For the Year Ended March 31, 2025		For the Year Ended March 31, 2026	
	Number of options (Shares)	Weighted average exercise price (Yen)	Number of options (Shares)	Weighted average exercise price (Yen)
Outstanding at the beginning of the year	2,941,100	3,591.43	3,177,300	4,005.10
Granted	252,500	8,937.00	216,900	8,839.00
Exercised	16,300	5,762.00	140,400	1.00
Forfeited	-	-	-	-
Expired at maturity	-	-	-	-
Outstanding at the end of the period	3,177,300	4,005.10	3,253,800	4,500.11
Outstanding and exercisable at the end of the period	2,140,400	3,048.60	2,615,300	3,865.64

Board Incentive Plan Trust

Overview of the Board Incentive Plan Trust

The Company has introduced an equity compensation plan using an equity-settled Board Incentive Plan Trust as an incentive plan for the Directors of the Board and Senior Management of Recruit Holdings and its subsidiaries.

The plan is implemented as a long-term incentive plan for the Directors and Senior Management, and is intended to motivate them to improve the Company's business performance and increase its enterprise value over the mid- to long-term, by clarifying and strengthening the interrelation between their compensation and shareholder value. In the plan, the Directors and Senior Management are granted the Recruit Holdings' shares or receive the monetary equivalent value of such shares according to their ranks or the level of attainment of performance targets when linked to business performances.

The plan is accounted for as an equity-settled share-based payment.

Share-based Payment Expenses

Expenses for the Board Incentive Plan Trust, which are included within "Selling, general and administrative expenses" in the consolidated statement of profit or loss, for the years ended March 31, 2025 and 2026 are 2,473 million yen and 2,406 million yen, respectively.

Method for Measurement of Fair Value of the Recruit Holdings' Shares Granted during the Year Based on the Board Incentive Plan Trust

The weighted average fair value of the Recruit Holdings' shares granted during the year is determined based on the following preconditions:

	For the Year Ended March 31, 2025	For the Year Ended March 31, 2026
Number of shares granted (Shares)	343,358	369,203
Weighted average fair value (Yen)[1]	8,003	9,046
Vesting conditions	(Note 2)	(Note 2)

[1] For shares granted, the fair values are measured based on observable market prices.

[2] In principle, vesting conditions require continuous service until the vesting date.

Equity-settled Employee Stock Ownership Plan Trust

Overview of the Equity-settled Employee Stock Ownership Plan Trust

The Company has introduced an equity-based incentive plan using an equity-settled Employee Stock Ownership Plan Trust as an incentive plan for employees of its subsidiaries.

The plan is implemented as a long-term incentive plan for the employees and is intended to motivate them to improve the Company's business performance and increase its enterprise value over the mid- to long-term, by clarifying and strengthening the interrelation between their compensation and shareholder value. In the plan, the employees are granted the Recruit Holdings' shares or receive the monetary equivalent value of such shares according to the vesting period.

This plan is accounted for as an equity-settled share-based payment.

Share-based Payment Expenses

Expenses for the Employee Stock Ownership Plan Trust, which are included within "Selling, general and administrative expenses" in the consolidated statement of profit or loss, for the years ended March 31, 2025 and 2026 are 77,017 million yen and 60,594 million yen, respectively.

Method for Measurement of Fair Value of the Recruit Holdings' Shares Granted during the Year Based on Equity-settled Employee Stock Ownership Plan Trust

The weighted average fair value of the Recruit Holdings' shares granted during the year is determined based on the following preconditions:

	For the Year Ended March 31, 2025	For the Year Ended March 31, 2026
Number of shares granted (Shares)	16,120,360	12,135,399
Weighted average fair value (Yen)[1]	7,295	7,970
Vesting conditions	(Note 2)	(Note 2)

[1] For shares granted, the fair values are measured based on observable market prices. Expected dividends are incorporated into the measurement of fair value.

[2] In principle, vesting conditions require continuous service until the vesting date.

27 Financial Instruments

Capital Management

Details of capital management are as presented in “Capital Resources and Liquidity” in “Management’s Discussion and Analysis of Financial Position, Results of Operations, and Cash Flows.”

Financial Risk Management

In the course of conducting its business activities, the Company is exposed to financial risks (credit risk, liquidity risk, foreign currency risk, interest rate risk, and price risk). The Company monitors these financial risks in order to avoid or reduce the risks as necessary. The Company uses derivative transactions to hedge foreign currency risk and interest rate risk, and not for speculative purposes.

Credit Risk Management

The Company’s trade receivables such as notes and accounts receivable - trade are exposed to customer credit risk. The Company reviews new clients to understand and mitigate at an early stage the potential uncollectability of receivables due to deterioration in their financial conditions. Regarding trade receivables, the Company manages the due dates and balances of each client and also monitors the financial condition of major clients on a regular basis.

The Company limits its fund management and derivative transactions to transactions with financial institutions with high credit ratings and management of bonds in accordance with internal policies. Furthermore, the Company establishes credit lines for each counterparty, and does not have credit risks that are excessively concentrated on a particular counterparty. Asides from guarantee obligations, the Company’s maximum exposure to credit risk is the carrying amount of the financial assets presented in the consolidated statement of financial position after impairment.

Reconciliation of Loss Allowance

(In millions of yen)

	For the Year Ended March 31, 2025	For the Year Ended March 31, 2026
Beginning balance	10,722	10,075
Increase	9,386	9,544
Decrease (utilization)	(8,286)	(7,513)
Decrease (reversal)	(1,676)	(1,753)
Other	(70)	(267)
Ending balance	10,075	10,084

Assessment of Credit Risk Exposure

Trade and other receivables

The Company is not exposed to credit risk that is excessively concentrated in any single counterparty or group to which it belongs.

Liquidity Risk Management

The Company manages its liquidity risk by preparing and updating a cash management plan at each subsidiary level, ensuring liquidity is available based on estimated revenue and expenditures, and realizing group financing through a cash-pooling system. In addition, the Company has entered into commitment line contracts with financial institutions to further prepare for liquidity risk.

Financial liabilities by maturity are as follows. Contractual cash flows are presented as undiscounted cash flows including interest payments.

As of March 31, 2025

(In millions of yen)

	Carrying amount	Contractual cash flows	1 year or less	Over 1 year through 5 years	Over 5 years
(Financial liabilities other than derivatives)					
Trade and other payables	377,543	377,543	377,543	-	-
Borrowings	1,011	1,150	16	65	1,069
Lease liabilities	207,930	228,235	47,411	117,031	63,792
(Derivatives)					
Derivative liabilities[1]	4,876	4,876	4,876	-	-
Total	591,362	611,806	429,847	117,096	64,861

As of March 31, 2026

(In millions of yen)

	Carrying amount	Contractual cash flows	1 year or less	Over 1 year through 5 years	Over 5 years
(Financial liabilities other than derivatives)					
Trade and other payables	425,541	425,541	425,541	-	-
Borrowings	645	690	6	25	658
Lease liabilities	185,631	201,353	47,607	103,740	50,005
(Derivatives)					
Derivative liabilities[1]	-	-	-	-	-
Total	611,818	627,585	473,155	103,766	50,664

[1] The period in which cash flows are expected to be generated and the period in which those cash flows affect profit or loss are estimated to be almost simultaneous.

Foreign Currency Risk

Foreign Currency Risk Management

The Company's operation is exposed to risks arising from the fluctuation of foreign exchange rates related to foreign currency-denominated receivables and payables, as well as net investments in foreign operations, resulting from global business development.

To mitigate these risks, specifically, the risk of fluctuations in cash flows and fair value arising from foreign currency-denominated receivables and payables, as well as the foreign currency risk associated with net investments in foreign operations, hedging instruments such as forward foreign exchange contracts are utilized as necessary.

Foreign Currency Sensitivity Analysis

The effect of a 1% strengthening of Japanese yen against the US dollar on profit before tax of the Company in each reporting period is as follows. Currencies other than the one used in the analysis are assumed to be constant. In addition, this analysis does not include the effects of translating financial instruments denominated in the functional currency as well as the assets and liabilities of foreign operations into Japanese yen.

A 1% weakening of Japanese yen against the US dollar on profit before tax of the Company will have an opposite effect by the same amount as shown in the following table if all other variables remain constant.

(In millions of yen)

	For the Year Ended March 31, 2025	For the Year Ended March 31, 2026
Profit before tax		
US dollar	86	(120)

Interest Rate Risk

Interest Rate Risk Management

When the interest rate on interest-bearing debt is variable, interest rate swaps are used to fix a portion of or the entire interest expense. For this reason, the impact of changes in interest paid on the Company's profit before tax is minimal.

Price Risk

Price Risk Management

The Company is exposed to market price fluctuation risk associated with equity instruments. Equity instruments are managed by regularly monitoring the market prices and financial condition of issuers and, on an ongoing basis, evaluating the holding status in light of the relationship with issuers.

Price Sensitivity Analysis

Assuming that the fair values of all equity instruments with active markets decrease by 10% at the end of each fiscal year, the effects on other comprehensive income (before tax effects) are as follows:

(In millions of yen)

	For the Year Ended March 31, 2025	For the Year Ended March 31, 2026
Other comprehensive income (before tax effects)	(6,415)	(4,221)

Derivatives and Hedge Accounting

Risk Management Policies

The Company uses derivatives to hedge foreign currency risk and interest rate risk. Derivatives are limited to transactions with actual demand and not entered into for speculative purposes. Where natural hedges cannot be used against market risk, the Company applies hedge accounting by designating such derivatives as hedges based on the risk management policies.

To mitigate interest rate risk and foreign currency risk arising from business operations, cash flow hedges are applied. Additionally, to hedge the foreign currency risk associated with net investments in foreign operations, hedges of a net investment in a foreign operation are applied. For these hedges, the Company generally assesses qualitatively whether the critical terms for the hedged item and the hedging instrument are matched or closely aligned, or quantitatively whether changes in the values of the hedged item and the hedging instrument have an offsetting relationship on the same risk in order to confirm the economic relationship between the hedged item and the hedging instrument. For a hedging relationship in which ineffectiveness is expected to occur, the amount of the ineffectiveness is determined using a quantitative method. The Company implements highly effective hedges, and the amount of hedge ineffectiveness is not material.

Derivatives subject to hedge accounting are managed under the risk management policies, and part or all of the risk is hedged.

Effects of Items Designated as Hedged Items on the Consolidated Statement of Financial Position

(In millions of yen)

Type of hedge	Risk category	Hedging instrument	For the Year Ended March 31, 2025		For the Year Ended March 31, 2026	
			Amount recognized in other components of equity relating to continuing hedge accounting	Amount recognized in other components of equity relating to discontinued hedge accounting	Amount recognized in other components of equity relating to continuing hedge accounting	Amount recognized in other components of equity relating to discontinued hedge accounting
Hedges of a net investment in a foreign operation	Foreign currency risk	Forward foreign exchange contracts	-	-	-	(1,703)

The amounts of the ineffective portion of hedges recognized in profit or loss for the years ended March 31, 2025 and 2026 are not material to the consolidated financial statements.

Effects of Applying Hedge Accounting on the Consolidated Statement of Profit or Loss and the Consolidated Statement of Comprehensive Income

(In millions of yen)

Type of hedge	Risk category	Hedging instrument	For the Year Ended March 31, 2025		For the Year Ended March 31, 2026	
			Gain (loss) on hedge recognized in other comprehensive income	Amount reclassified from other comprehensive income to profit or loss	Gain (loss) on hedge recognized in other comprehensive income	Amount reclassified from other comprehensive income to profit or loss
Cash flow hedges	Foreign currency risk	Forward foreign exchange contracts	-	-	18	-
Hedges of a net investment in a foreign operation	Foreign currency risk	Forward foreign exchange contracts	-	-	(1,703)	-
		Total	-	-	(1,685)	-

28 Fair Value Measurement

Method of Fair Value Measurement

Assets

Since cash and cash equivalents, and trade and other receivables are settled within a short period of time, their carrying amounts approximate their fair values. The fair value of other financial assets other than the following are determined by discounting the future cash flows to their present value by using an interest rate that reflects the remaining term and credit risk of the asset, and their carrying amounts approximate their fair value.

Equity Instruments and Debt Instruments

The fair value of financial instruments included in equity instruments and debt instruments for which active markets exist is determined based on market prices. The fair value of stocks included in equity instruments and debt instruments for which active markets do not exist is assessed mainly based on transaction prices in the latest arm’s length transactions or by the discounted cash flow method.

Derivative Assets

The fair value of derivative assets is determined mainly based on prices presented by financial institutions.

Liabilities

Since trade and other payables are settled within a short period of time, their carrying amounts approximate their fair values. The fair value of long-term borrowings is determined by discounting the future cash flows to the present value by using an interest rate that would be applied to new similar borrowings. The fair value of other financial liabilities other than the following are determined by discounting the future cash flows to the present value by using an interest rate that reflects the remaining term and credit risk of the liability, and their carrying amounts approximate their fair values.

Derivative Liabilities

The fair value of derivative liabilities is determined mainly based on prices presented by financial institutions.

Fair Value Hierarchy

Fair value measurements in the Company are categorized, depending on their observability in the market, into three different levels which are defined as follows:

Level 1: Fair value measured at quoted prices in active markets
Level 2: Fair value determined, either directly or indirectly, by using observable prices other than Level 1
Level 3: Fair value determined using valuation techniques based on significant unobservable inputs

When more than one input is used to measure the fair value, the level of the fair value is determined based on the lowest level input that is significant to the measurement of the overall fair value.

There were no significant transfers between Level 1, Level 2 and Level 3 during the years ended March 31, 2025 and 2026. The Company recognizes transfers between the levels of the hierarchy at the end of the reporting period during which the event causing the transfer occurred.

The Breakdown by Level of Financial Assets and Financial Liabilities Measured at Fair Value on a Recurring Basis

The breakdown by level of the fair value hierarchy of financial instruments is as follows:

As of March 31, 2025

(In millions of yen)

	Carrying amount	Level 1	Level 2	Level 3
Financial assets				
Equity instruments	124,401	64,154	-	60,246
Debt instruments	19,398	15,181	-	4,216
Derivative assets	352	-	-	352
Total	144,152	79,335	-	64,816
Financial liabilities				
Derivative liabilities	4,876	-	4,876	-
Total	4,876	-	4,876	-

As of March 31, 2026

(In millions of yen)

	Carrying amount	Level 1	Level 2	Level 3
Financial assets				
Equity instruments	101,549	42,214	-	59,335
Debt instruments	48,595	42,383	-	6,211
Derivative assets	22,549	-	22,331	218
Total	172,694	84,597	22,331	65,765
Financial liabilities				
Derivative liabilities	-	-	-	-
Total	-	-	-	-

Equity instruments categorized within Level 1 include stocks for which active markets exist. Debt instruments include foreign bonds.

Derivative assets categorized within Level 2 are derivative financial instruments used to manage risks arising from fluctuations in foreign exchange rates.

Equity instruments categorized within Level 3 include unlisted stocks for which active markets do not exist. Debt instruments include convertible bonds for which active markets do not exist as well as financial assets acquired through fintech services for business clients.

Reconciliation from the beginning balance to the ending balance of financial assets and financial liabilities categorized within Level 3 of the fair value hierarchy is as follows:

As of March 31, 2025

(In millions of yen)

	Equity instruments	Debt instruments	Derivative assets (liabilities)
Beginning balance	83,884	9,114	48
Profit or loss[1]	-	(4,898)	290
Other comprehensive income[2]	(22,821)	-	-
Purchase	522	-	-
Sale	(320)	-	-
Other	(1,018)	-	13
Ending balance	60,246	4,216	352
Total unrealized profit or loss recognized as profit or loss for financial assets held as of March 31, 2025	-	(4,898)	290

As of March 31, 2026

(In millions of yen)

	Equity instruments	Debt instruments	Derivative assets (liabilities)
Beginning balance	60,246	4,216	352
Profit or loss[1]	-	(1,744)	(78)
Other comprehensive income[2]	2,951	-	-
Purchase[3]	236	15,803	-
Sale	(2,979)	-	-
Other[4]	(1,119)	(12,063)	(56)
Ending balance	59,335	6,211	218
Total unrealized profit or loss recognized as profit or loss for financial assets held as of March 31, 2026	-	(1,744)	(78)

[1] Related to financial assets measured at fair value through profit or loss and is included in “Revenue,” “Finance income” and “Finance costs” in the consolidated statement of profit or loss.

[2] Related to financial assets measured at fair value through other comprehensive income and is included in "Net change in equity instruments measured at fair value through other comprehensive income" in the consolidated statement of comprehensive income.

[3] Purchase of debt instruments is that of financial assets measured at fair value through profit or loss.

[4] Other for debt instruments is mainly the collection of financial assets measured at fair value through profit or loss.

Financial Assets and Financial Liabilities Measured at Amortized Cost

The Company does not disclose information on the carrying amount and fair value of financial assets and financial liabilities measured at amortized cost as they approximate each other.

29 Cash Flow Information

Reconciliation of Liabilities from Financing Activities

Changes in liabilities from financing activities are as follows:

(In millions of yen)

	Lease liabilities
Balance as of April 1, 2024	219,736
Cash movements	(44,547)
Changes due to new leases, contract modifications	34,192
Effects of changes in foreign exchange rates	(1,451)
Other	-
Balance as of March 31, 2025	207,930
Cash movements	(47,174)
Changes due to new leases, contract modifications	16,856
Effects of changes in foreign exchange rates	8,071
Other	(52)
Balance as of March 31, 2026	185,631

30 Related Party Transactions

Transactions with Related Parties

There are no significant transactions with related parties (except for those eliminated in the consolidated financial statements).

Compensation for Key Management Personnel

Compensation for the Directors of the Board of the Holding Company is as follows:

(In millions of yen)

Type	For the Year Ended March 31, 2025	For the Year Ended March 31, 2026
Annual Incentive	981	976
Share-based payments	1,634	1,861
Total	2,615	2,838

31 Major Subsidiaries

Major subsidiaries of the Holding Company are as follows:

Name	Reportable Segment	Ratio of voting rights held (%)
RGF OHR USA, INC.	HR Technology	100.0
Indeed, Inc.	HR Technology	100.0
Glassdoor LLC	HR Technology	100.0
Indeed Recruit Partners Co., Ltd.	HR Technology	100.0
RGF Staffing B.V.	Staffing	100.0
Recruit Staffing Co., Ltd.	Staffing	100.0
Staff Service Holdings CO., LTD.	Staffing	100.0
RGF Staffing France SAS	Staffing	100.0
RGF Staffing Germany GmbH	Staffing	100.0
RGF Staffing the Netherlands B.V.	Staffing	100.0
Unique NV	Staffing	100.0
Staffmark Group, LLC	Staffing	100.0
The CSI Companies, Inc.	Staffing	100.0
Chandler Macleod Group Limited	Staffing	100.0
Peoplebank Hong Kong Ltd.	Staffing	100.0
Recruit Co., Ltd.	Marketing Matching Technologies	100.0

32 Contingencies

On-site Inspection by the Japan Fair Trade Commission

On June 2, 2026, Recruit Staffing Co., Ltd. and Staff Service Co., Ltd., which are subsidiaries within the Japan operations of the Company's staffing business, were subject to an on-site inspection by the Japan Fair Trade Commission on suspicion of violating the Antimonopoly Act. The Company is currently fully cooperating with the inspection, and it is difficult to reasonably estimate its outcome or amount of its impact at this time.

33 Subsequent Events

Share Repurchase

On March 31, 2026, 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.

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 equity 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 on March 31, 2026

(i) Type of shares to be repurchased	Shares of common stock of Recruit Holdings
(ii) Total number of shares to be repurchased	64,000,000 shares (Maximum)
(iii) Total purchase price	350,000 million yen (Maximum)
(iv) Repurchase period	From April 1, 2026, to the earlier of the following: (1) November 30, 2026 (2) The date on which either the "total number of shares to be repurchased" or the "total purchase price" mentioned above reaches its maximum.
(v) 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)

Status of Repurchase as of May 31, 2026 (Delivery Date Basis)

(i) Type of shares repurchased:	Shares of common stock of Recruit Holdings
(ii) Total number of shares repurchased:	7,063,300 shares
(iii) Total purchase price:	52,398 million yen

On-site Inspection by the Japan Fair Trade Commission

On June 2, 2026, Recruit Staffing Co., Ltd. and Staff Service Co., Ltd., which are subsidiaries within the Japan operations of the Company's staffing business, were subject to an on-site inspection by the Japan Fair Trade Commission on suspicion of violating the Antimonopoly Act. The Company is currently fully cooperating with the inspection, and it is difficult to reasonably estimate its outcome or amount of its impact at this time.

Other

Semi-annual Information for the Year Ended March 31, 2026

(In millions of yen, unless otherwise stated)

	Six-month period	Full year
Revenue	1,793,584	3,697,351
Profit before tax	322,928	644,618
Profit attributable to owners of the parent	248,380	496,912
Basic earnings per share (Yen)	173.12	349.78

Non-consolidated Financial Statements and Notes

Non-consolidated Financial Statements

Balance Sheet

(In millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	173,433	138,538
Accounts receivable - trade	*1 59,727	*1 58,244
Prepaid expenses	232	249
Short-term loans receivable	*1 34,655	*1 72,359
Accounts receivable - other	*1 76	*1 188
Other current assets	*1 407	*1 541
Allowance for doubtful accounts	(493)	(411)
Total current assets	**268,039**	**269,710**
Non-current assets		
Property, plant and equipment		
Buildings	71	64
Machinery and equipment	1	0
Tools, furniture and fixtures	57	56
Total property, plant and equipment	**129**	**122**
Intangible assets		
Software	134	79
Other intangible assets	38	35
Total intangible assets	**172**	**115**
Investments and other assets		
Investment securities	49,163	33,705
Stocks of subsidiaries and associates	1,254,152	1,247,979
Long-term loans receivable	*1 79,009	*1 52,672
Other assets	3,684	2,774
Allowance for doubtful accounts	(3)	(3)
Total investments and other assets	**1,386,005**	**1,337,128**
Total non-current assets	**1,386,308**	**1,337,367**
Total assets	**1,654,348**	**1,607,077**

(In millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Short-term borrowings	*1 633,941	*1 543,092
Accounts payable - other	825	649
Accrued expenses	*1 4,639	*1 7,257
Income taxes payable	5,877	6,222
Deposits received	49	86
Other current liabilities	219	268
Total current liabilities	**645,551**	**557,576**
Long-term liabilities		
Long-term borrowings	*1 200,000	*1 200,000
Provision for retirement benefits for directors (and other officers)	436	437
Provision for Board Incentive Plan Trust	6,135	6,230
Deferred tax liabilities	108,695	107,173
Other long-term liabilities	155	135
Total long-term liabilities	**315,423**	**313,976**
Total liabilities	**960,975**	**871,552**
Equity		
Shareholders' equity		
Common stock	40,000	40,000
Retained earnings		
Legal retained earnings	10,000	10,000
Other retained earnings		
Retained earnings brought forward	1,222,969	1,150,702
Total retained earnings	1,232,969	1,160,702
Treasury stock	(607,401)	(485,200)
Total shareholders' equity	**665,567**	**715,501**
Valuation and translation adjustments		
Unrealized gain (loss) on available-for-sale securities	23,818	17,000
Deferred gain (loss) on hedges	-	(1,703)
Total valuation and translation adjustments	**23,818**	**15,297**
Stock acquisition rights	**3,987**	**4,725**
Total equity	**693,373**	**735,524**
Total liabilities and equity	**1,654,348**	**1,607,077**

Statement of Income

(In millions of yen)

	For the Year Ended March 31, 2025	For the Year Ended March 31, 2026
Operating revenue		
Dividends from subsidiaries and associates	*1 561,477	*1 652,530
Royalty income	*1 54,296	*1 52,765
Total operating revenue	**615,773**	**705,295**
Operating expenses		
Salaries and allowances	4,871	5,064
Business commissions	*1 3,090	*1 2,948
Hiring expenses	*1 222	*1 984
Other	*1 2,481	*1 2,739
Total operating expenses	**10,665**	**11,737**
Operating income	**605,107**	**693,558**
Non-operating income		
Interest income	*1 610	*1 855
Dividend income	2,832	1,850
Other	*1 478	*1 296
Total non-operating income	**3,920**	**3,002**
Non-operating expenses		
Interest expense	*1 3,855	*1 7,671
Foreign exchange losses	492	542
Commission for purchase of treasury shares	743	759
Other	281	*1 125
Total non-operating expenses	**5,372**	**9,098**
Ordinary income	**603,655**	**687,461**
Extraordinary income		
Gain on sales of investment securities	14,497	11,517
Total extraordinary income	**14,497**	**11,517**
Extraordinary losses		
Loss on retirement of non-current assets	0	2
Loss on valuation of stocks of subsidiaries and associates	-	6,173
Total extraordinary losses	**0**	**6,176**
Income before income taxes	**618,151**	**692,803**
Income taxes - current	11,674	11,570
Income taxes - deferred	1,860	(85)
Total income taxes	**13,534**	**11,484**
Net income	**604,616**	**681,318**

Statement of Change in Equity

For the Year Ended March 31, 2025

(In millions of yen)

	Shareholders' equity								
		Capital surplus		Retained earnings					
					Other retained earnings				
	Common stock	Other capital surplus	Total capital surplus	Legal retained earnings	General reserve	Retained earnings brought forward	Total retained earnings	Treasury stock	Total share-holders' equity
Balance as of April 1, 2024	40,000	-	-	10,000	820,909	440,465	1,271,374	(472,674)	838,700
Changes of items during the period									
Cash dividends						(37,089)	(37,089)		(37,089)
Reversal of general reserve					(820,909)	820,909	-		-
Net income						604,616	604,616		604,616
Purchase of treasury stock								(823,674)	(823,674)
Disposal of treasury stock		54,773	54,773					28,241	83,014
Retirement of treasury stock		(660,705)	(660,705)					660,705	-
Transfer from retained earnings to capital surplus		605,932	605,932			(605,932)	(605,932)		-
Net changes in items other than shareholders' equity									-
Total changes of items during the period	-	-	-	-	(820,909)	782,503	(38,405)	(134,727)	(173,132)
Balance as of March 31, 2025	40,000	-	-	10,000	-	1,222,969	1,232,969	(607,401)	665,567

(In millions of yen)

	Valuation and translation adjustments			
	Unrealized gain (loss) on available-for-sale securities	Total valuation and translation adjustments	Stock acquisition rights	Total equity
Balance as of April 1, 2024	38,003	38,003	3,078	879,782
Changes of items during the period				
Cash dividends				(37,089)
Reversal of general reserve				-
Net income				604,616
Purchase of treasury stock				(823,674)
Disposal of treasury stock				83,014
Retirement of treasury stock				-
Transfer from retained earnings to capital surplus				-
Net changes in items other than shareholders' equity	(14,185)	(14,185)	909	(13,276)
Total changes of items during the period	(14,185)	(14,185)	909	(186,409)
Balance as of March 31, 2025	23,818	23,818	3,987	693,373

For the Year Ended March 31, 2026

(In millions of yen)

	Shareholders' equity							
		Capital surplus		Retained earnings				
					Other retained earnings			
	Common stock	Other capital surplus	Total capital surplus	Legal retained earnings	Retained earnings brought forward	Total retained earnings	Treasury stock	Total share-holders' equity
Balance as of April 1, 2025	40,000	-	-	10,000	1,222,969	1,232,969	(607,401)	665,567
Changes of items during the period								
Cash dividends					(36,755)	(36,755)		(36,755)
Net income					681,318	681,318		681,318
Purchase of treasury stock							(677,943)	(677,943)
Disposal of treasury stock		7,952	7,952				75,363	83,315
Retirement of treasury stock		(724,781)	(724,781)				724,781	-
Transfer from retained earnings to capital surplus		716,829	716,829		(716,829)	(716,829)		-
Net changes in items other than shareholders' equity								-
Total changes of items during the period	-	-	-	-	(72,266)	(72,266)	122,201	49,934
Balance as of March 31, 2026	40,000	-	-	10,000	1,150,702	1,160,702	(485,200)	715,501

(In millions of yen)

	Valuation and translation adjustments				
	Unrealized gain (loss) on available-for-sale securities	Deferred gain (loss) on hedges	Total valuation and translation adjustments	Stock acquisition rights	Total equity
Balance as of April 1, 2025	23,818	-	23,818	3,987	693,373
Changes of items during the period					
Cash dividends					(36,755)
Net income					681,318
Purchase of treasury stock					(677,943)
Disposal of treasury stock					83,315
Retirement of treasury stock					-
Transfer from retained earnings to capital surplus					-
Net changes in items other than shareholders' equity	(6,817)	(1,703)	(8,521)	737	(7,783)
Total changes of items during the period	(6,817)	(1,703)	(8,521)	737	42,151
Balance as of March 31, 2026	17,000	(1,703)	15,297	4,725	735,524

Notes to Non-consolidated Financial Statements

Notes to Non-consolidated Financial Statements are as follows;

Significant Accounting Policies

Valuation Standards and Valuation Methods of Assets

Valuation standards and valuation methods of securities

Shares of Subsidiaries and Associates

Stated at cost using the moving-average method

Available-for-sale Securities

- Available-for-sale securities other than those without market value

  Market value method (Valuation differences are directly recorded as equity and cost of securities sold is calculated by the moving-average method)

- Available-for-sale securities without market value

  Stated at cost using the moving-average method

Depreciation and Amortization Methods of Non-current Assets

Property, Plant and Equipment

Straight-line method

The principal useful lives are as follows:

- Buildings: 8 to 18 years
- Tools, furniture and fixtures: 2 to 10 years

Intangible Assets

Straight-line method

The principal years of amortization are as follows:

- Software (for internal use): 5 years (period available for internal use)

Accounting Standards for Allowances and Provisions

Allowance for doubtful accounts

In order to provide for losses due to bad debt, for general receivables, an estimated uncollectible amount is recorded according to the historical bad debt ratio. For specific receivables from companies in financial difficulty, an estimated uncollectible amount is recorded by assessing the collectability of each receivable individually.

Provision for retirement benefits for Directors (and Other Officers)

In order to provide for the payments of retirement benefits to Directors (and other officers), an estimated amount of benefits payable at the end of the fiscal year is recorded in accordance with the internal rules.

Provision for Board Incentive Plan Trust

In order to provide for the grant of shares of the Holding Company to Directors (and other officers), an estimated amount of shares to be granted in proportion to the points awarded to Directors (and other officers) is recorded in accordance with the stock delivery regulations.

Significant Hedge Accounting

Hedge accounting

Deferred hedge accounting is applied.

Hedging instruments and hedged items

(Hedging instruments)	(Hedged items)
Forward foreign exchange contracts	Investments in ownership interests in overseas subsidiaries, etc.

Hedging policy

The Company engages in forward foreign exchange contracts to hedge foreign currency risk.

Methods for evaluating the effectiveness of hedges

Evaluation of effectiveness is performed for the period between the start of hedge and the point of evaluation of effectiveness by comparing the aggregate of cash flow changes of the hedging instrument and the aggregate of cash flow changes of the hedged item.

Standards for Revenue and Expense Recognition

Royalty income

The Holding Company recognizes revenue based on the following five-step approach.

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

The Holding Company earns royalty income as consideration for granting the right to use Recruit brands, to which it has rights, to its subsidiaries. The Holding Company has an obligation to grant rights to use Recruit brands to its subsidiaries over a period specified in a contract. Since the performance obligation is satisfied over time, revenue is recognized over the contract duration.

Dividends from subsidiaries and associates

Dividends from subsidiaries and associates are recognized on the effective date.

Other Important Matters That Form the Basis for Preparing Non-consolidated Financial Statements

Translation of Significant Assets and Liabilities Denominated in foreign currencies into Japanese Yen

Monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the spot exchange rate at the closing date, and translation adjustments are treated as gains or losses.

Significant Accounting Estimates

Valuation of Stocks of Subsidiaries and Associates

Amount on the financial statements

(In millions of yen)

	For the Year Ended March 31, 2025	For the Year Ended March 31, 2026
Stocks of subsidiaries and associates	1,254,152	1,247,979

Information on significant accounting estimates for identified items

Stocks of subsidiaries and associates include investments in RGF Staffing B.V. of 402,140 million yen for the years ended March 31, 2024 and 2025. The Holding Company determines whether there is a significant decline in the value in substance by comparing the value in substance which reflects excess earnings power expected when the Holding Company acquired RGF Staffing B.V. with the carrying amount. The excess earnings power based on the forecast expected at the time of the acquisition of RGF Staffing B.V. and its subsidiaries in staffing business reflects a customer base and brand strength possessed by each company in their respective country, as well as synergies obtained by utilizing know-how accumulated based on the experiences in other subsidiaries in the staffing business in the group.

When the Holding Company assesses if the excess earnings power is impaired, the Holding Company considers the 5-year future cash flow projection based on a business plan, the growth rates for the periods subsequent to the period covered by the business plan, and the discount rates used in the impairment test of goodwill for preparation of its consolidated financial statements. The future cash flow projection is mainly affected by market growth rates (please refer to “Impairment Tests on Goodwill” under “11 Goodwill and Intangible Assets” in “Notes to the Consolidated Financial Statements”).

The assessment as of March 31, 2025 and 2026 shows that the value in substance has not decreased significantly compared with the carrying amount. Therefore, the Holding Company determined that it did not need to impair the shares in RGF Staffing B.V., and recorded no valuation loss on the shares.

The business plan used for determining whether there is a significant decline in the value in substance, which reflects excess earnings power, is prepared based on management’s best estimate.

Changes in Presentation Methods

Matters Related to Statement of Income

Hiring expenses, which were included in Other under Operating expenses for the year ended March 31, 2025, are separately presented for the year ended March 31, 2026, due to its increased materiality. In order to reflect this change in the presentation method, the amount of 222 million yen included in Other under Operating expenses for the year ended March 31, 2025 has been reclassified as Hiring expenses.

Unapplied Accounting standards, etc.

Accounting standards for Leases, etc.

- Accounting Standard for Leases (ASBJ Statement No. 34, September 13, 2024, Accounting Standards Board of Japan)

- Implementation Guidance on Accounting Standard for Leases (ASBJ Guidance No. 33, September 13, 2024, Accounting Standards Board of Japan) and others

Overview

As part of the initiatives to make Japanese accounting standards internationally consistent, the Accounting Standards Board of Japan (ASBJ) has conducted deliberations based on the international accounting standards with the aim of developing an accounting standard relating to leases that will have lessees recognize assets and liabilities for all leases. While the basic policy of the standard is based on the single lessee accounting model of IFRS 16, ASBJ announced the standard aimed to be simple and highly convenient, basically eliminating the need for restatements when applying the provisions of IFRS 16 to non-consolidated financial statements by only adopting the main provisions instead of the whole of IFRS 16.

With regard to accounting treatment for a lessee, the single lessee accounting model is applied to all leases, regardless of whether they are finance leases or operating leases, similar to IFRS 16. Under this model, lessees recognize depreciation expenses for right-of-use assets and the amount equivalent of interests for lease liabilities.

Scheduled date of application

These accounting standards and guidance are scheduled to be applied from the beginning of the fiscal year ending March 31, 2028.

Effect of application of the standards, etc.

The effect of the application of the Accounting Standard for Leases on the financial statements is currently under evaluation.

Additional Information

Board Incentive Plan (“BIP”) Trust

The Company has introduced an equity compensation plan using a Board Incentive Plan (“BIP”) Trust as an incentive plan for the Directors, Senior Vice Presidents and Corporate Professional Officers of Recruit Holdings and its subsidiaries.

Overview of the transaction

Please refer to “26 Equity Compensation” in “Notes to the Consolidated Financial Statements.”

Shares of Recruit Holdings held by the BIP Trust

Shares of Recruit Holdings held by the BIP Trust are recorded as treasury stock in equity at their carrying amount in the trust. The carrying amount and number of shares of the above treasury stock are 13,471 million yen and 2,873,714 shares as of March 31, 2025 and 15,808 million yen and 2,918,255 shares as of March 31, 2026.

Employee Stock Ownership Plan (“ESOP”) Trust

The Company has introduced an equity-based incentive plan using an Employee Stock Ownership Plan (“ESOP”) Trust as an incentive plan for employees of its subsidiaries.

Overview of the transaction

Please refer to “26 Equity Compensation” in “Notes to the Consolidated Financial Statements.”

Shares of Recruit Holdings held by the ESOP Trust

Shares of Recruit Holdings held by the ESOP Trust are recorded as treasury stock in equity at their carrying amount in the trust. The carrying amount and number of shares of the above treasury stock are 312,997 million yen and 57,914,467 shares as of March 31, 2025 and 240,583 million yen and 44,515,581 shares as of March 31, 2026, respectively.

Matters related to Balance Sheets

1 Assets and Liabilities in Relation to Subsidiaries and Associates

Apart from those presented as separate line items are as follows:

(In millions of yen)

	As of March 31, 2025	As of March 31, 2026
Short-term monetary receivables	94,562	90,867
Short-term monetary payables	637,394	549,186
Long-term monetary receivables	79,009	52,672
Long-term monetary payables	200,000	200,000

Contingent Liabilities

The Company guarantees the obligations of the following subsidiaries and associates as stated below:

(In millions of yen)

As of March 31, 2025		As of March 31, 2026	
Indeed, Inc.	124,323	Indeed, Inc.	123,401
Indeed Ireland Operations Limited	46,194	Indeed Ireland Operations Limited	47,085
Glassdoor LLC	16,772	Glassdoor LLC	-
Other	20,131	Other	25,150
Total	207,421	Total	195,637

Overdraft Agreements and Loan Commitment Contracts

The Company has entered into overdraft agreements and loan commitment contracts with financial institutions to secure liquidity and raise operating funds efficiently.

The amount of maximum borrowings available and the balances of outstanding borrowings and unused borrowings under the overdraft agreements and loan commitments at the end of the fiscal year are as follows:

(In millions of yen)

	As of March 31, 2025	As of March 31, 2026
Maximum borrowings available	313,000	313,000
Outstanding borrowings	-	-
Unused borrowings	313,000	313,000

Market Value of Financial Assets Held as Collateral with the Right to Sell or Repledge

(In millions of yen)

	As of March 31, 2025	As of March 31, 2026
Market value of financial assets held as collateral with the right to sell or repledge	-	39,976

Matters related to Statement of Income

1 Transaction Volume with Subsidiaries and Associates

(In millions of yen)

	For the Year Ended March 31, 2025	For the Year Ended March 31, 2026
Transaction volume of operating transactions (revenue)	615,773	705,295
Transaction volume of operating transactions (expenses)	956	1,655
Transaction volume of non-operating transactions (revenue)	483	446
Transaction volume of non-operating transactions (expenses)	3,843	7,612

Matters related to Securities

The market values of stocks of subsidiaries and associates are not disclosed as these stocks have no market prices.
The amounts reported on the balance sheet for stocks of subsidiaries and associates with no market prices are as follows:

(In millions of yen)

Category	As of March 31, 2025	As of March 31, 2026
Stocks of subsidiaries	1,247,564	1,247,564
Stocks of associates	6,588	415
Total	1,254,152	1,247,979

Matters related to Tax Effect Accounting

Breakdown by Major Component of Deferred Tax Assets and Deferred Tax Liabilities

(In millions of yen)

	As of March 31, 2025	As of March 31, 2026
Deferred tax assets		
Stocks of subsidiaries and associates	98,804	100,749
Other	4,871	5,679
Subtotal of deferred tax assets	103,675	106,429
Valuation allowance	(99,488)	(102,006)
Total deferred tax assets	4,186	4,423
Deferred tax liabilities		
Stocks of subsidiaries and associates	(105,572)	(105,572)
Unrealized gain (loss) on available-for-sale securities	(7,308)	(6,021)
Other	(1)	(2)
Total deferred tax liabilities	(112,882)	(111,596)
Net deferred tax assets (liabilities)	(108,695)	(107,173)

Breakdown by Major Component of Significant Differences between the Statutory Effective Tax Rate and the Actual Effective Tax Rate for Income Taxes after Tax Effect Accounting

(%)

	As of March 31, 2025	As of March 31, 2026
Statutory effective tax rate	30.6	30.6
(Adjustments)		
Permanently non-taxable income, including dividend income	(28.7)	(27.7)
Valuation allowance	(0.2)	0.1
Effect of tax rate change	0.5	-
Other	0.0	(1.4)
Actual effective tax rate for income taxes after tax effect accounting	2.2	1.7

Significant Subsequent Events

Share repurchase

The information on share repurchase is described in “33 Subsequent Events” in “Notes to Consolidated Financial Statements.”

Annexed Detailed Schedules

Annexed Detailed Schedule of Property, Plant and Equipment, Etc.

(In millions of yen)

Category	Type of assets	Balance at the beginning of the year	Increase during the year	Decrease during the year	Amortization during the year	Balance at the end of the year	Accumulated depreciation
Property, plant and equipment	Buildings	71	-	-	6	64	22
	Machinery and equipment	1	-	-	0	0	3
	Tools, furniture and fixtures	57	5	0	5	56	537
	Total	129	5	0	12	122	562
Intangible assets	Software	134	-	1	52	79	-
	Other	38	1	0	3	35	-
	Total	172	1	2	56	115	-

Annexed Detailed Schedule of Provisions

(In millions of yen)

Item	Balance at the beginning of the year	Increase during the year	Decrease during the year	Balance at the end of the year
Allowance for doubtful accounts	497	-	82	415
Provision for retirement benefits for directors (and other officers)	436	0	-	437
Provision for Board Incentive Plan Trust	6,135	1,490	1,395	6,230

Components of Major Assets and Liabilities

The information on components of major assets and liabilities is omitted as the Company prepares the consolidated financial statements.

Other

There are no applicable items.

Other Information

Outline of Share-related Administration of the Company

Fiscal year	April 1 to March 31 of the following year
Annual Meeting of Shareholders	June
Record date	March 31
Record date for dividends from surplus	September 30 March 31
Number of shares per trading unit	100 shares
Purchase of fractional shares	
Place of handling	*Special Account* Stock Transfer Agency Department, Mitsubishi UFJ Trust and Banking Corporation, 1-4-5, Marunouchi, Chiyoda-ku, Tokyo Japan
Administrator of shareholder registry	*Special Account* Mitsubishi UFJ Trust and Banking Corporation, 1-4-5, Marunouchi, Chiyoda-ku, Tokyo Japan
Broker	-
Trade commissions	A separately stipulated amount equivalent to the commissions for the entrustment of share trades
Public notification method	The Company uses digital notification as the public notification method. However, if digital notification is not possible due to an accident or other unavoidable circumstances, notification will be made through the Nikkei newspaper. The URL for public notification by the Company is as follows https://recruit-holdings.com/en/ir/resources/public-notice/
Gift to shareholders	None

[1] Shareholders holding fractional shares cannot exercise their rights except for those listed below.

- The rights stipulated in each item of Article 189, Paragraph 2 of the Companies Act of Japan
- The rights to make claims pursuant to Article 166, Paragraph 1 of the Companies Act of Japan
- The rights to receive allotments of shares for subscription and allotments of stock options for subscription based on the number of shares held by the shareholder

Information on the Parent Company of the Holding Company

The Holding Company does not have a parent company, etc. prescribed in Article 24-7 Paragraph1 of the Financial Instruments and Exchange Act of Japan.

Other Reference Information

Documents submitted during the period from April 1, 2025 to the submission date of Yukashouken Houkokusho

Yukashouken Houkokusho for FY2024 and Its Attachments

Submitted to the Director-General of the Kanto Local Finance Bureau in Japan on June 23, 2025.

Internal Control Report and Its Attachments

Submitted to the Director-General of the Kanto Local Finance Bureau in Japan on June 23, 2025 for FY2024.

Semiannual Report for the first half FY2025

- Submitted to the Director-General of the Kanto Local Finance Bureau in Japan on November 6, 2025.

Confirmation Documents

- Submitted to the Director-General of the Kanto Local Finance Bureau in Japan on June 23, 2025 for FY2024.
- Submitted to the Director-General of the Kanto Local Finance Bureau in Japan on November 6, 2025 for the first half FY2025.

Extraordinary Report

- ***Extraordinary report based on Article 19, Paragraph 2, Item 12 (recording of dividends from subsidiaries and associates) of the Cabinet Office Ordinance on the Disclosure of Corporate Affairs***

  Submitted to the Director-General of the Kanto Local Finance Bureau in Japan on April 4, 2025.

- ***Extraordinary report based on Article 19, Paragraph 2, Item 12 (recording of dividends from subsidiaries and associates) of the Cabinet Office Ordinance on the Disclosure of Corporate Affairs***

  Submitted to the Director-General of the Kanto Local Finance Bureau in Japan on May 12, 2025.

- ***Extraordinary report based on Article 19, Paragraph 2, Item 9-2 (results of exercise of voting rights at an annual shareholders meeting) of the Cabinet Office Ordinance on the Disclosure of Corporate Affairs***

  Submitted to the Director-General of the Kanto Local Finance Bureau in Japan on June 27, 2025.

- ***Extraordinary report based on Article 19, Paragraph 2, Item 2-2 (issuance of stock acquisition rights) of the Cabinet Office Ordinance on the Disclosure of Corporate Affairs***

  Submitted to the Director-General of the Kanto Local Finance Bureau in Japan on July 9, 2025.

- ***Extraordinary report based on Article 19, Paragraph 2, Item 3 (change in specified subsidiaries) of the Cabinet Office Ordinance on the Disclosure of Corporate Affairs***

  Submitted to the Director-General of the Kanto Local Finance Bureau in Japan on January 22, 2026.

- ***Extraordinary report based on Article 19, Paragraph 2, Item 12 (recording of dividends from subsidiaries and associates) of the Cabinet Office Ordinance on the Disclosure of Corporate Affairs***

  Submitted to the Director-General of the Kanto Local Finance Bureau in Japan on March 19, 2026..

Amendment Report for Extraordinary Report

- ***Amendment report for the extraordinary report submitted on July 9, 2025***

  Submitted to the Director-General of the Kanto Local Finance Bureau in Japan on July 24, 2025.

- ***Amendment report for the extraordinary report submitted on January 22, 2026***

  Submitted to the Director-General of the Kanto Local Finance Bureau in Japan on March 27, 2026.

Share Buyback Report

Submitted to the Director-General of the Kanto Local Finance Bureau in Japan on July 10, 2025, September 10, 2025, October 10, 2025, November 13, 2025, December 10, 2025, January 15, 2026, February 12, 2026, March 11, 2026, April 10,2026, May 15, 2026 and June 10, 2026.

Amended Shelf Registration Statement (Straight Bonds)

Submitted to the Director-General of the Kanto Local Finance Bureau in Japan on April 4, 2025, May 12, 2025, June 27, 2025, July 9, 2025, July 24, 2025, January 22, 2026, March 19, 2026, and March 27, 2026

Demographics

The ratio of women in managerial positions, percentage of men taking childcare leave and gender pay gap in our domestic consolidated subsidiaries, other than major consolidated subsidiaries, disclosed under the Women's Active Engagement Act, and the Childcare and Caregiver Leave Act, are as follows:

Name	Main Business[1]	Ratio of women in managerial positions[2]	Percentage of men taking childcare leave[3]	Gender Pay Gap[4]		
				All Workers	Permanent Workers[5]	Part-time and Fixed-term Workers, etc.[6]
Indeed Japan K.K.	HR Technology	35.7	102.0	76.5	76.8	41.0
Indeed Recruit Technologies Co., Ltd.	HR Technology	18.2	*7	*7	*7	*7
Indeed Technologies Japan K.K.	HR Technology	16.0	127.0	85.2	85.5	44.9
Recruit R&D Staffing Co., Ltd.	Staffing	11.5	47.5	94.0	93.0	90.2
Recruit Staffing Crafts Co., Ltd.	Staffing	16.7	-	110.2	93.6	108.5
Recruit Staffing Information Services Co., Ltd.	Staffing	16.7	85.7	92.3	91.9	74.3
Staff Service Co., Ltd.	Staffing	33.8	61.5	74.3	76.3	86.8
Staff Service Business Support Co., Ltd.	Staffing	29.4	50.0	96.7	97.2	90.6
Staff Service Cloud Work Co., Ltd.	Staffing	40.0	-	167.4	-	118.0
Staff Service Office Management Co., Ltd.	Staffing	74.1	-	91.4	92.3	106.1
Techno Service Co., Ltd.	Staffing	20.6	61.1	89.8	88.9	90.0
Homepro Co., Ltd.	Marketing Matching Technologies	12.5	100.0	80.4	80.4	-
Nijibox Co., Ltd.	Marketing Matching Technologies	56.3	157.1	95.5	95.5	-
Recruit Career Consulting Co., Ltd.	Marketing Matching Technologies	22.2	40.0	91.9	87.2	98.7
Recruit Carsensor Co., Ltd.	Marketing Matching Technologies	11.4	138.5	74.4	81.7	73.8
Recruit Executive Agent Co., Ltd.	Marketing Matching Technologies	0.0	0.0	64.1	60.5	66.3

Name	Main Business[1]	Ratio of women in managerial positions[2]	Percentage of men taking childcare leave[3]	Gender Pay Gap[4]		
				All Workers	Permanent Workers[5]	Part-time and Fixed-term Workers, etc.[6]
Recruit Lifestyle Okinawa Co., Ltd.	Marketing Matching Technologies	0.0	100.0	102.5	84.4	99.7
Recruit Management Solutions Co., Ltd.	Marketing Matching Technologies	34.4	166.7	80.6	86.4	60.1
Recruit Medical Career Co., Ltd.	Marketing Matching Technologies	41.7	50.0	83.2	83.7	-
Recruit Office Support Co.,Ltd	Marketing Matching Technologies	28.3	80.0	89.7	96.6	98.8
Recruit Zexy Navi Co., Ltd.	Marketing Matching Technologies	100.0	33.3	83.7	90.9	115.3
RGF Talent Solutions Japan K.K.	Marketing Matching Technologies	26.7[8]	28.6	59.6	60.3	67.9
Seanuts Co., Ltd.	Marketing Matching Technologies	30.0	-	87.6	90.6	140.3

[1] Under “Main Business” is the name of the Segment each company belongs to.

[2] Managerial positions refer to all employees who have subordinates, excluding senior executives under service agreements, as of Apr 1, 2026. It has been calculated in accordance with the Women’s Active Engagement Act, including incoming seconded employees that have been assigned to the respective company and excluding outgoing seconded employees that have been assigned to companies outside the respective company.

[3] Calculations are based on each company’s original workers. We have calculated the percentage of men taking childcare leave, etc. as referred to in Article 71-6, item (ii) of the Ordinance for Enforcement of the Childcare and Caregiver Leave Act, pursuant to the provisions of the Childcare and Caregiver Leave Act in the current consolidated fiscal year. Childcare leave, etc. includes both taking childcare leave stipulated by law and benefiting from leave systems, etc. for childbirth and childcare purposes.

[4] Calculations are based on each company’s original workers, including temporary workers dispatched through the respective company to other companies and excluding temporary workers dispatched to the respective company in the current fiscal year. Accordingly, for the Staffing segment, figures include each consolidated subsidiary company’s temporary workers, i.e. our clients’ temporary workforce (who we payroll on their behalf).

[5] “Permanent Workers” refers to those on indefinite-term contracts.

[6] We estimate the number of part-time and fixed-term workers, etc. based on their working hours as a proportion of the prescribed working hours of permanent workers (8 hours a day).

[7] In line with the changes to the Company’s governance structure, effective April 1, 2025, the HR Solutions business within the Matching & Solutions SBU (currently known as Marketing Matching Technologies SBU) was transferred through an absorption-type company split from Recruit Co., Ltd. to Indeed Recruit Partners Co., Ltd. and Indeed Recruit Technologies Co., Ltd., along with a partial transfer of personnel. As there were no affiliated employees during the current consolidated fiscal year, the percentage of men taking childcare leave and gender pay gap have been omitted. In contrast, the percentage of women in managerial positions has been calculated based on the status as of April 1, 2026.

[8] RGF Talent Solutions Japan K.K. was excluded from the scope of consolidation of the Company as of April 1, 2026, due to a share transfer. The percentage of women in managerial positions reflects the actual figures as of December 2025 disclosed by the said company.

[9] The hyphen ("-") denotes situations where the calculation is not possible, i.e. when it is not possible to calculate the percentage of men taking childcare leave due to the absence of childbirth by their spouse during the consolidated fiscal year, or when it is not possible to calculate the gender pay gap, due to there being no eligible male or female employees for assessment throughout the consolidated fiscal year.

Information on the Guarantor of the Holding Company

Not applicable.

(English Translation)

Independent Auditor's Report

June 18, 2026

The Board of Directors

Recruit Holdings Co., Ltd.

Ernst & Young ShinNihon LLC
Tokyo, Japan

Hitoshi Matsuoka
Certified Public Accountant
Designated and Engagement Partner

Takeshi Saida
Certified Public Accountant
Designated and Engagement Partner

Ryuichiro Umano
Certified Public Accountant
Designated and Engagement Partner

Masashi Motohashi
Certified Public Accountant
Designated and Engagement Partner

Audit of Consolidated Financial Statements

Opinion

Pursuant to the first paragraph of Article 193-2 of the Financial Instruments and Exchange Act, we have audited the accompanying consolidated financial statements of Recruit Holdings Co., Ltd. and its subsidiaries (the Company), which comprise the consolidated statement of financial position as of March 31, 2026, and the consolidated statement of profit or loss, comprehensive income, changes in equity, and cash flows for the year then ended, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of March 31, 2026, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) pursuant to the provisions of Article 312 of the Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial statements.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, including those applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th colspan="2">Valuation of goodwill related to RGF Staffing B.V.</th></tr>
<tr><th>Description of Key Audit Matter</th><th>Auditor's Response</th></tr>
<tr><td>As described in Note 11 "Goodwill and Intangible Assets" to the consolidated financial statements, the Company has recognized goodwill of JPY 211,512 million as of March 31, 2026, arising from the acquisition of RGF Staffing B.V., which operates a staffing business across Europe, and discloses the key assumptions used in the impairment test of the goodwill.

In conducting the impairment test, the Company measures the recoverable amount of a cash-generating unit or a group of cash-generating units (collectively "CGU") to which goodwill is allocated based on value in use. Value in use is calculated using the present value of estimated pre-tax 5-year future cash flows based on a business plan approved by management of each CGU. The estimated 5-year future cash flows are determined based on internal and external sources including market growth rates as well as management's assessment of future trends in the industry and historical data. For the periods subsequent to the period covered by the estimated future cash flows, the Company calculated the terminal value based on an indefinite life by discounting the future cash flows estimated using a growth rate assumption determined considering the environment of the country and the industry to which the CGU belongs. The pre-tax discount rate is determined based on the weighted average cost of capital considering the time value of money and the risks specific to the assets.

Key assumptions used in estimating value in use are: market growth rates underlying the estimated future cash flows for the 5-year period covered by the business plans; the growth rate for the periods subsequent to the period covered by the business plans; and the discount rate. The business plans are prepared based on management's best estimate.

The estimates of the market growth rates used in the estimate of future cash flows based on the 5-year business plans and the growth rate for the period beyond the 5-year period used in the impairment test are subject to uncertainties and require management's judgement because those rates are affected by changes in the employment environment driven by changes in the economic conditions. The estimate of the discount rate requires highly specialized knowledge in consideration of its method and inputs. Demand for staffing services continues to weaken against a backdrop of an uncertain economic environment in Europe, and significant uncertainty exists surrounding the estimates of market growth rates underlying the estimated 5-year future cash flows and growth rates for the period beyond the 5-year period. Therefore, we determined the valuation of goodwill to be a key audit matter.</td><td>We performed audit procedures to assess the valuation of goodwill related to RGF Staffing B.V. including:

● We assessed whether the estimated 5-year future cash flows are based on the business plans approved by management. For market growth rates that are a key assumption in estimating future cash flows, we inquired of management regarding the rationale of the rates and compared them to available external data such as forecast of staffing market growth rate per country provided by an external organization, performed trend analysis based on actual past performance, assessed progress toward business plans for the period subsequent to the date of the impairment test, and performed a sensitivity analysis.

● For the growth rate for the period beyond the 5-year period, we inquired of management regarding the rationale for the rate, performed a comparison to economic forecasts published by an external organization, performed trend analysis based on actual past performance, and performed a sensitivity analysis.

● With the involvement of the valuation specialists of our network firm for valuation methodologies for value in use and discount rate, we evaluated the acceptability of the valuation methodologies used by the Company according to the accounting standards and the consistency of the inputs used to calculate the discount rate with publicly available external data. For the discount rate, we performed a sensitivity analysis.</td></tr>
</table>

Other information

The other information consists of the information included in the Annual Report, other than the consolidated financial statements, the financial statements and our auditor's reports thereon. Management is responsible for preparation and disclosure of the other information. Audit and Supervisory Board Members and Audit and Supervisory Board are responsible for overseeing the Group's reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, Audit and Supervisory Board Members and Audit and Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company’s ability to continue as a going concern and disclosing, as required by IFRSs, matters related to going concern.

Audit and Supervisory Board members and Audit and Supervisory Board are responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- In making those risk assessments, we consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with IFRSs.
- Plan and conduct an audit of the consolidated financial statements to obtain sufficient and appropriate audit evidence regarding the financial information of the Company as a basis of forming our opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Board members and Audit and Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Board members and Audit and Supervisory Board with a statement that we have complied with the ethical requirements in Japan regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to have impacts on our independence, and where applicable, related measures in order to eliminate obstruction factors or safeguards to reduce them to an acceptable level.

From the matters communicated with the Audit and Supervisory Board members and Audit and Supervisory Board, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Audit of Internal Control

Opinion

Pursuant to the second paragraph of Article 193-2 of the Financial Instruments and Exchange Act, we have audited the management’s report on internal control over financial reporting of Recruit Holdings Co., Ltd., as of March 31, 2026.

In our opinion, the management’s report on internal control over financial reporting referred to above, which represents that the internal control over financial reporting of Recruit Holdings Co., Ltd. as of March 31, 2026 is effectively maintained, presents fairly, in all material respects, the results of management’s assessment of internal control over financial reporting in conformity with standards for assessment of internal control over financial reporting generally accepted in Japan.

Basis for Opinion

We conducted our internal control audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan, including those applicable to audits of financial statements of public interest entities. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Internal Control Audit section of our report. We are independent of the Company in accordance with the ethical requirements in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management, Audit and Supervisory Board Members and Audit and Supervisory Board for the Management's Report on Internal Control over Financial Reporting

Management is responsible for designing and operating effective internal control over financial reporting and for the preparation and fair presentation of its report on internal control in accordance with standards for assessment of internal control over financial reporting generally accepted in Japan.

Audit and Supervisory Board members and Audit and Supervisory Board are responsible for overseeing and verifying the design and operating effectiveness of internal control over financial reporting.

There is a possibility that misstatements may not be completely prevented or detected by internal control over financial reporting.

Auditor's Responsibilities for the Internal Control Audit

Our responsibility is to obtain reasonable assurance about whether the management's report on internal control over financial reporting is free from material misstatement, and to express an opinion from an independent perspective on an internal control report, based on our internal control audit.

As part of an audit in accordance with auditing standards for internal control over financial reports generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Perform audit procedures to obtain audit evidence for the assessment results for internal control over financial reporting in management's report on internal control. Internal control audit procedures selected and applied depend on the auditor's judgment, taking into account the significance of effects on the reliability of financial reporting.
- Examine representations on the scope, procedures, and results of assessment of internal control over financial reporting made by management, as well as evaluating the overall presentation of management's report on internal control.
- Plan and conduct an audit of the consolidated financial statements to obtain sufficient and appropriate audit evidence regarding the results of assessment of internal control over financial reporting in the management's report on internal control. We are responsible for direction, supervision and review of the audit of management's report on internal control. We remain solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Board members and Audit and Supervisory Board regarding the planned scope and timing of the internal control audit, results of the internal control audit, including identified material weakness which should be disclosed, the results of remediation, and other matters that are required by auditing standards for internal control.

We also provide the Audit and Supervisory Board members and Audit and Supervisory Board with a statement that we have complied with the ethical requirements in Japan regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to have impacts on our independence, and where applicable, related measures in order to eliminate obstruction factors or safeguards to reduce them to an acceptable level.

Compensation Related Information

The amounts of compensation based on audit certification services and compensation based on non-audit services of the Company and its subsidiaries and those belonging to our network are described in "Status of Audits" under "Corporate Governance. "

Conflicts of Interest

We have no interest in the Company which should be disclosed in accordance with the Certified Public Accountants Act.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the Independent Auditor's Report as required by the Financial Instruments and Exchange Act of Japan for the conveniences of the reader.

Notes:

1. The above is a digital version of the matters stated on the original audit report. The original is stored separately by the Holding Company (the company submitting the securities report).
2. XBRL data is not included in the scope of the audit.

(English Translation)

Independent Auditor's Report

June 18, 2026

The Board of Directors

Recruit Holdings Co., Ltd.

Ernst & Young ShinNihon LLC
Tokyo, Japan

Hitoshi Matsuoka
Certified Public Accountant
Designated and Engagement Partner

Takeshi Saida
Certified Public Accountant
Designated and Engagement Partner

Ryuichiro Umano
Certified Public Accountant
Designated and Engagement Partner

Masashi Motohashi
Certified Public Accountant
Designated and Engagement Partner

Audit of Financial Statements

Opinion

Pursuant to the first paragraph of Article 193-2 of the Financial Instruments and Exchange Act, we have audited the accompanying non-consolidated financial statements of Recruit Holdings Co., Ltd. (the Holding Company), which comprise the balance sheet as of March 31, 2026, and the statement of income, the statement of changes in equity, significant accounting policies, the notes to the non-consolidated financial statements and the related supplementary schedules for the year then ended.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position of the Holding Company as of March 31, 2026, and its non-consolidated financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements section of our report. We are independent of the Holding Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, including those applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th colspan="2">Valuation of investment in RGF Staffing B.V.</th></tr>
<tr><th>Description of Key Audit Matter</th><th>Auditor's Response</th></tr>
<tr><td>
As described in the Note Significant Accounting Estimates to the financial statements, the Company has recognized an investment of JPY 402,140 million in RGF Staffing B.V., which operates a staffing business across Europe, and discloses estimation uncertainties related to the valuation of investments in subsidiaries and associates.
The Company determines whether there is a significant decline in value in substance by comparing the value in substance, which reflects excess earnings power expected when the Company acquired RGF Staffing B.V., with the carrying amount. The excess earnings power based on the forecast expected at the time of the acquisition of RGF Staffing B.V. and its subsidiaries in the staffing business reflects a customer base and the brand strength possessed by each company in their respective country, as well as synergies obtained by utilizing know-how accumulated based on the experiences in other subsidiaries in the staffing business in the group. When the Company assesses if the excess earnings power is impaired, the Company considers the 5-year future cash flow projection based on a business plan, the growth rate for the periods subsequent to the period covered by the business plan, and the discount rate used in the impairment test of goodwill for preparation of its consolidated financial statements. The future cash flow projection is mainly affected by market growth rates. The business plan used for determining whether there is a significant decline in the value in substance, which reflects excess earnings power, is prepared based on management's best estimate.
For the valuation of the investment in RGF Staffing B.V., to determine whether there is a significant decline in the value in substance which reflects the excess earnings power, the estimates of the market growth rates used in estimate of future cash flows included in the 5-year business plan which is the same business plan used in the impairment test of goodwill for preparation of consolidated financial statements and the growth rate for the period beyond the 5 year period used in the impairment test are subject to uncertainties and require management's judgement because those rates are affected by changes in the employment environment driven by changes in the economic conditions. The estimate of a discount rate requires highly specialized knowledge in consideration of its method and inputs. Demand for staffing services continues to weaken against a backdrop of an uncertain economic environment in Europe, and significant uncertainty exists surrounding the estimates of market growth rates underlying the estimated 5-year future cash flows and growth rates for the period beyond the 5-year period. Therefore, we determined the valuation of the investment in RGF Staffing B.V. to be a key audit matter.
</td><td>
We performed audit procedures to assess the valuation of the investment in RGF Staffing B.V. including:
● We compared past business plans to actual results to assess if the excess earnings power is impaired. In addition, we primarily performed following procedures regarding matters which the Company considered when it assessed if the excess earnings power is impaired:
- For the market growth rates included in the 5-year cash flow projection based on the business plan which is the same business plan used in the impairment test of goodwill for consolidated financial statements, we inquired of management regarding the rationale for the rates and compared them to available external data such as forecasts of staffing market growth rates per country provided by an external organization, performed trend analysis based on actual past performance, and performed a sensitivity analysis.
- For the growth rate for the periods beyond the 5-year period, we inquired of management regarding the rationale for the rate, performed a comparison to economic forecasts published by an external organization, performed a trend analysis based on actual past performance, and performed a sensitivity analysis.
- With the involvement of the valuation specialists of our network firm for discount rate, we evaluated the consistency of the inputs used to calculate the discount rate with publicly available external data. For the discount rate, we performed a sensitivity analysis.
● We evaluated management's comparison on the value in substance which reflects excess earnings power and the carrying amount.
</td></tr>
</table>

Other information

The other information consists of the information included in the Annual Report, other than the consolidated financial statements, the financial statements and our auditor's reports thereon. Management is responsible for preparation and disclosure of the other information. Audit and Supervisory Board Members and Audit and Supervisory Board are responsible for overseeing the Company's reporting process of the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, Audit and Supervisory Board Members and Audit and Supervisory Board for the Non-Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Holding Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

Audit and Supervisory Board members and Audit and Supervisory Board are responsible for overseeing the Holding Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- In making those risk assessments, we consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the audit of the non-consolidated financial statements is not expressing an opinion on the effectiveness of the Holding Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Holding Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non-consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Holding Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.

We communicate with the Audit and Supervisory Board members and Audit and Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Board members and Audit and Supervisory Board with a statement that we have complied with the ethical requirements in Japan regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to have impacts on our independence, and where applicable, related measures in order to eliminate obstruction factors or safeguards to reduce them to an acceptable level.

From the matters communicated with the Audit and Supervisory Board members and Audit and Supervisory Board, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Compensation Related Information

Compensation related information is included in the audit report of the consolidated financial statements.

Conflicts of Interest

We have no interest in the Holding Company which should be disclosed in accordance with the Certified Public Accountants Act.

Notes to the Readers of Independent Auditor's Report

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