

February 14, 2022

**Recruit Holdings Co., Ltd. (TSE 6098)**  
**Consolidated Financial Results for the Nine Months Ended December 31, 2021 (IFRS, Unaudited)**

Tokyo, February 14, 2022 — Recruit Holdings Co., Ltd. announced today its consolidated financial results for the nine months ended December 31, 2021 (April 1, 2021 to December 31, 2021)

**Consolidated Operating Results**

(Amounts are rounded down to the nearest million yen)

(In millions of yen, unless otherwise stated)	Nine Months Ended December 31,		% change
	2020	2021	
Revenue	1,656,199	2,111,963	27.5%
Adjusted EBITDA	210,941	401,197	90.2%
Operating income	143,318	333,586	132.8%
Profit before tax	146,828	336,507	129.2%
Profit for the period	117,756	249,010	111.5%
Profit attributable to owners of the parent	117,583	248,422	111.3%
Total comprehensive income	134,745	277,075	105.6%
Basic EPS (yen)	71.31	152.01	-
Diluted EPS (yen)	71.20	151.27	-
Adjusted EPS (yen)	75.78	163.45	115.7%

**Consolidated Financial Position**

(In millions of yen, unless otherwise stated)	As of March 31, 2021	As of December 31, 2021
Total assets	2,196,613	2,411,322
Total equity	1,101,289	1,364,553
Equity attributable to owners of the parent	1,091,571	1,352,649
Ratio of equity attributable to owners of the parent (%)	49.7%	56.1%

**Dividends**

(In yen, unless otherwise stated)	FY2020	FY2021	FY2021 (Forecast)
At the end of Q1	-	-	-
At the end of Q2	9.50	10.50	-
At the end of Q3	-	-	-
At the end of Q4	10.50	-	10.50
<b>Total</b>	20.00	-	21.00

**Consolidated Financial Guidance for FY2021**

There is no revision of financial guidance for FY2021 from the figures announced on November 15, 2021 as below.

(In millions of yen, unless otherwise stated)	FY2021 (Forecast)	Year over year % change
Revenue	2,700,000 - 2,800,000	19.0% - 23.4%
Adjusted EBITDA	440,000 - 470,000	82.1% - 94.5%
Operating income	350,000 - 380,000	115.0% - 133.4%
Profit before tax	350,000 - 380,000	107.7% - 125.5%
Profit for the period	259,000 - 279,000	96.7% - 111.9%
Profit attributable to owners of the parent	258,500 - 278,500	96.7% - 112.0%
Adjusted EPS (yen)	172.00 - 184.00	108.3% - 122.9%

**Changes in Significant Subsidiaries Resulting from Change in Scope of Consolidation**

Recruit Career Co., Ltd. was absorbed and merged into Recruit Co., Ltd. and excluded from this reporting period.

**Changes in Accounting Policies and Changes in Accounting Estimates**

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

**Number of Issued Shares - Common Stock**

	As of March 31, 2021	As of December 31, 2021
Number of issued shares including treasury stock	1,695,960,030	1,695,960,030
Number of treasury stock	61,763,564	61,898,146

  

	Nine Months Ended December 31, 2020	Nine Months Ended December 31, 2021
Average number of shares during the period	1,648,788,817	1,634,221,538

**Definition of the Abbreviation**

Abbreviation	Definition
Recruit Holdings, the Holding Company	Recruit Holdings Co., Ltd. on a standalone basis
the Company, Recruit Group, We, Our	Recruit Holdings Co., Ltd. and its consolidated subsidiaries
SBU	Strategic Business Unit
Rent Assistance Program	Rent Assistance Program by The Small and Medium Enterprise Agency of the Ministry of Economy in Japan from Q2 FY2020 to Q4 FY2020
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
FY2020	Fiscal year from April 1, 2020 to March 31, 2021
FY2021	Fiscal year from April 1, 2021 to March 31, 2022

**Definition of the Financial Measures**

Financial Measures	Definition
Adjusted EBITDA	Operating income + depreciation and amortization (excluding depreciation of right-of-use assets) ± other operating income/expenses
Adjusted profit	Profit attributable to owners of the parent ± adjustment items (excluding non-controlling interests) ± tax reconciliation related to certain adjustment items
Adjusted EPS	Adjusted profit / ((number of issued shares at the beginning of the period + number of issued shares at the end of the period)/2 - (number of treasury stock at the beginning of the period + number of treasury stock at the end of the period)/2)
Adjustment items	Amortization of intangible assets arising due to business combinations ± non-recurring income/losses
Non-recurring income/losses	Gains or losses from disposals of shares of associates, expenses relating to company restructuring, gains or losses from the sale or impairment of property and equipment, and income and expense items that the Company believes are unusual or non-recurring in nature which do not reflect the Company's underlying results of operations

Effective from Q1 FY2021, the Company has changed the method of calculating adjusted EPS, but the impact of this change is minor.

**Supplementary Information**

- The US dollar based revenue of the HR Technology segment represents the financial results of operating companies in the HR Technology segment on a US dollar basis, which differ from the consolidated financial results of the Company.
- In the Staffing segment, beginning in Q1 FY2021, the name of the *Japan operations* subsegment has been changed to *Japan*, and the name of the *Overseas operations* subsegment has been changed to *Europe, US, and Australia*.

**Average exchange rate during the period**

(In yen)	FY2020				FY2021		
	Q1	Q2 cumulative	Q3 cumulative	Q4 cumulative	Q1	Q2 cumulative	Q3 cumulative
US dollar	107.63	106.93	106.11	106.10	109.52	109.81	111.14
Euro	118.59	121.34	122.44	123.76	131.94	130.88	130.60
Australian dollar	70.74	73.32	74.35	76.21	84.30	82.61	82.68

The amount of exchange rate effects on revenue for Q3 FY2021 is calculated by deducting the amount of the six month period of FY2021 from the amount of the nine month period of FY2021.

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

#### **Forward-Looking Statements**

This document contains forward-looking statements, which reflect the Company's assumptions and outlook for the future and estimates based on information available to the Company and the Company's plans and expectations as of the date of this document or other date indicated. There can be no assurance that the relevant forecasts and other forward-looking statements will be achieved. Please note that significant differences between the forecasts and other forward-looking statements and actual results may arise due to various factors, including changes in economic conditions, changes in individual users' preferences and business clients' needs, competition, changes in the legal and regulatory environment, fluctuations in foreign exchange rates, 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 the Company operates. 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 – Un-sponsored American Depositary Receipt (“ADR”)**

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

A full set of materials regarding Q3 FY2021 results announcement is posted on <https://recruit-holdings.com/en/ir/financials/>

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**Table of Contents**

<b>1. Management's Discussion and Analysis</b>	<b>5</b>
Q3 FY2021 Highlights	5
Consolidated Results of Operations	6
Results of Operations by Segment	7
Management Actions for Q3 FY2021	9
Analysis of Consolidated Financial Position	9
Analysis of Consolidated Cash Flows	9
<b>2. Qualitative Information on Consolidated Financial Guidance</b>	<b>10</b>
<b>3. Condensed Quarterly Consolidated Financial Statements and Primary Notes</b>	<b>11</b>
Condensed Quarterly Consolidated Statements of Financial Position	11
Condensed Quarterly Consolidated Statements of Profit or Loss	12
Condensed Quarterly Consolidated Statements of Comprehensive Income	13
Condensed Quarterly Consolidated Statements of Changes in Equity	14
Condensed Quarterly Consolidated Statements of Cash Flows	16
Going Concern Assumption	17
Notes to Condensed Quarterly Consolidated Financial Statements	17

## 1. Management's Discussion and Analysis

### Q3 FY2021 Highlights

#### Consolidated:

- Revenue, adjusted EBITDA, and adjusted EBITDA margin increased year over year (YoY) mainly due to the performance of HR Technology.
- Adjusted EPS was 55.26 yen, an increase of 62.8% YoY.

(In billions of yen, unless otherwise stated)	Three Months Ended December 31,			Nine Months Ended December 31,		
	2020	2021	% change	2020	2021	% change
<b>Revenue</b>						
HR Technology	114.5	225.8	97.2%	292.1	624.7	113.9%
Media & Solutions	186.8	168.5	-9.8%	492.6	478.2	-2.9%
Staffing	316.6	357.7	13.0%	889.4	1,028.5	15.6%
Total <sup>1</sup>	611.5	746.0	22.0%	1,656.1	2,111.9	27.5%
<b>Adjusted EBITDA</b>						
HR Technology	26.7	71.9	168.8%	49.3	227.8	361.4%
Media & Solutions	37.8	36.3	-3.8%	99.5	100.2	0.7%
Staffing	24.8	28.6	15.3%	67.1	78.9	17.5%
Total <sup>1</sup>	87.5	134.8	54.1%	210.9	401.1	90.2%
<b>Adjusted EBITDA margin</b>						
HR Technology	23.4%	31.9%	-	16.9%	36.5%	-
Media & Solutions	20.2%	21.6%	-	20.2%	21.0%	-
Staffing	7.8%	8.0%	-	7.6%	7.7%	-
Consolidated	14.3%	18.1%	-	12.7%	19.0%	-
Operating income	68.5	110.6	61.3%	143.3	333.5	132.8%
Profit attributable to owners of the parent	55.0	83.2	51.2%	117.5	248.4	111.3%
Adjusted EPS (yen)	33.95	55.26	62.8%	75.78	163.45	115.7%
<b>Revenue excl. Rent Assistance Program</b>						
Consolidated	580.9	746.0	28.4%	1,596.0	2,111.9	32.3%
Media & Solutions	156.2	168.5	7.9%	432.5	478.2	10.6%
(Reference) Revenue for Rent Assistance Program	30.6	-	-	60.1	-	-

<sup>1</sup> The sum of the three segments does not correspond with consolidated revenue and adjusted EBITDA due to Eliminations and Adjustments, such as intra-group transactions.

#### HR Technology:

- Revenue and US dollar based revenue increased 97.2% and 81.3% YoY, respectively, as a continuation of elevated hiring activity globally led to increased demand for sponsored job advertising.
- Adjusted EBITDA margin was 31.9%, an increase YoY due to a significant increase in revenue while costs increased to a lesser extent.

#### Media & Solutions:

- Revenue decreased 9.8% YoY, however revenue increased 7.9% YoY excluding the Q3 FY2020 revenue from the Rent Assistance Program. Adjusted EBITDA margin was 21.6%.
- Excluding the Rent Assistance Program, revenue in Marketing Solutions decreased YoY as increases in Housing & Real Estate and Beauty were offset by decreases in Travel and Dining, which had been positively impacted by the Go To Travel and Go To Eat campaigns in Q3 FY2020. In HR Solutions, revenue increased YoY in the job advertising business and placement service.

#### Staffing:

- Revenue increased 13.0% YoY (+9.1% excluding exchange rate impact) due to an increase in revenue for both *Japan* and *Europe, US, and Australia*.
- Adjusted EBITDA margin was 8.0%, a similar level to the same period in the prior year, driven by a decrease in adjusted EBITDA margin in *Japan* that was partially offset by an increase in adjusted EBITDA margin in *Europe, US, and Australia*.

#### Revised Financial Guidance for FY2021:

- There is no revision of consolidated financial guidance for FY2021 from the figures announced on November 15, 2021.

### Consolidated Results of Operations

The following table summarizes the consolidated financial results for the three months and the nine months ended December 31, 2020 and 2021.

(In billions of yen, unless otherwise stated)	Three Months		% change	Nine Months		% change
	Ended December 31,			Ended December 31,		
	2020	2021		2020	2021	
<b>Consolidated operating results</b>						
Revenue <sup>1</sup>	611.5	746.0	22.0%	1,656.1	2,111.9	27.5%
Operating income	68.5	110.6	61.3%	143.3	333.5	132.8%
Profit before tax	68.3	112.6	64.9%	146.8	336.5	129.2%
Profit for the period	54.6	83.5	52.9%	117.7	249.0	111.5%
Profit attributable to owners of the parent	55.0	83.2	51.2%	117.5	248.4	111.3%
<b>Management Key Performance Indicators</b>						
Adjusted EBITDA	87.5	134.8	54.1%	210.9	401.1	90.2%
Adjusted EBITDA margin	14.3%	18.1%	-	12.7%	19.0%	-
Adjusted EPS (yen)	33.95	55.26	62.8%	75.78	163.45	115.7%
Revenue excl. Rent Assistance Program	580.9	746.0	28.4%	1,596.0	2,111.9	32.3%
(Reference) Revenue for Rent Assistance Program	30.6	-	-	60.1	-	-

<sup>1</sup> Excluding the positive impact of the exchange rate of 31.3 billion yen, revenue in the three month period increased 16.9%. Excluding the positive impact of the exchange rate of 69.2 billion yen, revenue in the nine month period increased 23.3%.

During Q3 FY2021, economic activity continued to improve resulting in increased hiring demand compared to the previous year in the US and Europe. In Japan, economic activity gradually recovered as the state of emergency and priority preventative measures were lifted at the end of September 2021.

As a result, the Company's consolidated revenue for Q3 FY2021 increased 22.0% year over year due to increased revenue in HR Technology and Staffing, which was partially offset by decreased revenue in Media & Solutions. Excluding the revenue from the Rent Assistance Program in Q3 FY2020, revenue in Media & Solutions increased year over year.

Consolidated adjusted EBITDA margin was 18.1%, an increase year over year primarily due to the increase in adjusted EBITDA margin of HR Technology. Consolidated adjusted EBITDA increased 54.1% year over year, and adjusted EPS was 55.26 yen, an increase of 62.8% year over year.

For the nine month period ended December 31, 2021, consolidated revenue increased 27.5%, consolidated adjusted EBITDA margin was 19.0%, consolidated adjusted EBITDA increased 90.2%, and adjusted EPS was 163.45 yen, an increase of 115.7% year over year.

The following table presents the selling, general and administrative expenses for the three months and the nine months ended December 31, 2020 and 2021.

(In billions of yen, unless otherwise stated)	Three Months		% change	Nine Months		% change
	Ended December 31,			Ended December 31,		
	2020	2021		2020	2021	
Sales commission	7.1	8.1	12.8%	19.2	22.4	16.5%
Promotion expenses	10.6	14.5	36.4%	22.8	33.5	46.9%
Advertising expenses	34.3	57.7	68.1%	77.6	150.1	93.4%
Employee benefit expenses	107.8	143.0	32.7%	323.0	393.6	21.9%
Service outsourcing expenses	27.3	39.4	44.4%	75.0	107.2	42.8%
Rent expenses	4.4	5.6	26.4%	14.6	15.8	8.2%
Depreciation and amortization	28.8	29.4	2.2%	85.9	88.7	3.2%
Other	18.1	18.4	1.8%	55.6	56.0	0.8%
Total	238.8	316.5	32.5%	674.1	867.7	28.7%

Research and development expenses in the three months and the nine months ended December 31, 2021 were 24.9 billion yen and 62.9 billion yen, respectively.

## Results of Operations by Segment

### HR Technology

The following table presents the financial results of the three months and the nine months ended December 31, 2020 and 2021 for the HR Technology segment.

(In billions of yen, unless otherwise stated)	Three Months		% change	Nine Months		% change
	Ended December 31,			Ended December 31,		
	2020	2021		2020	2021	
Revenue	114.5	225.8	97.2%	292.1	624.7	113.9%
Adjusted EBITDA	26.7	71.9	168.8%	49.3	227.8	361.4%
Adjusted EBITDA margin	23.4%	31.9%	-	16.9%	36.5%	-
Revenue in million US dollars (\$)						
US	818	1,464	78.9%	2,093	4,234	102.3%
Non-US	277	521	88.3%	664	1,383	108.2%
Total	1,095	1,986	81.3%	2,758	5,618	103.7%

Revenue for Q3 FY2021 increased 97.2% year over year. On a US dollar basis, revenue increased 81.3% as a prolonged continuation of elevated hiring activity globally led to increased demand for sponsored job advertising. On a US dollar basis, revenue in the US increased 78.9%, supported by both small and medium sized businesses and large enterprises. Revenue outside of the US increased 88.3%, primarily led by Europe and Canada. The limited supply of job seekers looking for work combined with significant hiring demand continued to create competition for talent on Indeed and Glassdoor, and that competition was a significant driver of revenue growth in Q3 FY2021.

Adjusted EBITDA margin for Q3 FY2021 was 31.9%, driven by a significant increase in revenue while costs increased to a lesser extent. HR Technology increased investments in sales and marketing year over year, which had been impacted by cost control measures in Q3 FY2020, while also increasing investments focused on product and technology initiatives, resulting in headcount growth across the SBU. Adjusted EBITDA increased 168.8% year over year.

For the nine month period ended December 31, 2021, revenue increased 113.9%, adjusted EBITDA margin was 36.5%, and adjusted EBITDA increased 361.4% year over year.

### Media & Solutions

The following table presents the financial results of the three months and the nine months ended December 31, 2020 and 2021 for the Media & Solutions segment.

(In billions of yen)	Three Months		% change	Nine Months		% change
	Ended December 31,			Ended December 31,		
	2020	2021		2020	2021	
Revenue						
Marketing Solutions	134.0	102.1	-23.8%	334.9	292.0	-12.8%
HR Solutions	52.1	62.8	20.5%	155.8	176.9	13.5%
Others and Eliminations	0.5	3.5	505.2%	1.8	9.2	397.6%
Total	186.8	168.5	-9.8%	492.6	478.2	-2.9%
Adjusted EBITDA	37.8	36.3	-3.8%	99.5	100.2	0.7%
Adjusted EBITDA margin	20.2%	21.6%	-	20.2%	21.0%	-
Revenue excl. Rent Assistance Program						
Marketing Solutions	103.4	102.1	-1.3%	274.8	292.0	6.3%
Media & Solutions	156.2	168.5	7.9%	432.5	478.2	10.6%

As of April 1, 2021, Media & Solutions integrated seven main core operating and functional subsidiaries, with the new organizational structure expected to enable Media & Solutions to provide business clients the best possible solutions, all faster and simpler. With the new organizational structure, Media & Solutions aims to further build an ecosystem that supports businesses' operations by providing online platforms, which connect individual users and business clients, and SaaS solutions, which are operational and management support tools.

Beginning in Q1 FY2021, the Company has changed Media & Solutions' disclosures to align with the new management and organizational structure. As a result, revenue of each subsegment in Marketing Solutions and HR Solutions will not be disclosed separately. Air BusinessTools will continue to be included in Marketing Solutions, while certain revenue which had been included in each subsegment will be shown in Others and Eliminations.

Revenue in Media & Solutions for Q3 FY2021 decreased 9.8% year over year, as the increase in HR Solutions was offset by a decrease in Marketing Solutions. Excluding the revenue from the Rent Assistance Program for Marketing Solutions in Q3 FY2020, revenue increased 7.9% year over year.

In Marketing Solutions, Housing & Real Estate and Beauty continued to be the primary drivers of revenue growth while revenue in Bridal also increased year over year as economic activity improved with the lifting of the state of emergency and priority preventative measures at the end of September 2021. Revenue in Travel and Dining decreased as revenue in Q3 FY2020 had been positively impacted by the temporary Go To Travel and Go to Eat campaigns initiated by the Japanese government.

In Air Business Tools, the number of AirPAY accounts as of December 31, 2021 increased 39.1% year over year. Of the approximately 260,000 AirPAY registered accounts as of December 31, 2021, approximately 165,000 accounts also subscribed to other Air BusinessTools solutions.

In HR Solutions, revenue in the part-time job advertising business increased year over year as hiring demand recovered, especially in the restaurant sector. Also, revenue in the placement service increased year over year, due to increased hiring demand in many industries which utilize placement services.

Adjusted EBITDA margin in Media & Solutions for Q3 FY2021 was 21.6%. Adjusted EBITDA decreased 3.8% year over year as Media & Solutions executed strategic marketing activities aligned with its business strategy.

For the nine month period ended December 31, 2021, revenue decreased 2.9%, adjusted EBITDA margin was 21.0%, and adjusted EBITDA increased 0.7% year over year.

### Staffing

The following table presents the financial results of the three months and the nine months ended December 31, 2020 and 2021 for the Staffing segment.

(In billions of yen)	Three Months		% change	Nine Months		% change
	Ended December 31,			Ended December 31,		
	2020	2021		2020	2021	
Revenue						
Japan	142.7	155.7	9.1%	427.4	448.3	4.9%
Europe, US, and Australia <sup>1</sup>	173.9	202.0	16.2%	462.0	580.1	25.6%
Total <sup>2</sup>	316.6	357.7	13.0%	889.4	1,028.5	15.6%
Adjusted EBITDA						
Japan	14.1	14.8	5.1%	44.9	43.7	-2.8%
Europe, US, and Australia	10.6	13.7	28.9%	22.1	35.1	58.7%
Total	24.8	28.6	15.3%	67.1	78.9	17.5%
Adjusted EBITDA margin						
Japan	9.9%	9.5%	-	10.5%	9.8%	-
Europe, US, and Australia	6.1%	6.8%	-	4.8%	6.1%	-
Staffing	7.8%	8.0%	-	7.6%	7.7%	-

<sup>1</sup> Excluding the positive impact of the exchange rate of 12.2 billion yen, revenue in the three month period increased 9.1%. Excluding the positive impact of the exchange rate of 39.1 billion yen, revenue in the nine month period increased 17.1%.

<sup>2</sup> Excluding the positive impact of the exchange rate of 12.2 billion yen, revenue in the three month period increased 9.1%. Excluding the positive impact of the exchange rate of 39.1 billion yen, revenue in the nine month period increased 11.2%.

Revenue for Q3 FY2021 increased 13.0% year over year with an increase in revenue for both *Japan* and *Europe, US, and Australia*. Adjusted EBITDA margin for Q3 FY2021 was 8.0% a similar level to the same period in the prior year, due to the decrease in adjusted EBITDA margin in *Japan* that was partially offset by an increase in adjusted EBITDA margin in *Europe, US, and Australia*. Adjusted EBITDA increased 15.3% year over year.

Revenue in *Japan* increased 9.1% as the number of temporary staff on assignment increased year over year. Adjusted EBITDA margin was 9.5%, a slight decrease year over year. Adjusted EBITDA for Q3 FY2021 increased 5.1% year over year.

Revenue in *Europe, US, and Australia* increased 16.2% year over year mainly due to increased demand for temporary staff as businesses continued to seek flexible labor to reopen and expand in an uncertain environment. Along with continued demand for logistics roles to support e-commerce, revenue growth was supported by temporary demand for healthcare roles to support COVID-19 mitigation efforts, particularly in Europe, as new variants emerged. Adjusted EBITDA margin for Q3 FY2021 was 6.8% as revenue increased. Adjusted EBITDA for Q3 FY2021 increased 28.9% year over year.

For the nine month period ended December 31, 2021, revenue increased 15.6%, adjusted EBITDA margin was 7.7%, and adjusted EBITDA increased 17.5% year over year.



## Management Actions for Q3 FY2021

### The Company's Response to the Spread of COVID-19

Amidst the spread of COVID-19, the Company has continued to prioritize the health and safety of its employees, their families, and their communities. The Company has also focused on supporting individual users, enterprise clients, and business partners, and operates its businesses while implementing measures to help prevent the spread of COVID-19. In addition, each SBU has leveraged new and existing tools to continue to support all of their stakeholders facing new and unique challenges during this period. Please find more information regarding the Company's response to COVID-19 on the website: <https://recruit-holdings.com/en/covid19/>

### Analysis of Consolidated Financial Position

(In billions of yen)	As of March 31, 2021	As of December 31, 2021	Variance	% Change
<b>Assets</b>				
Total current assets	927.5	1,196.7	269.2	29.0%
Total non-current assets	1,269.0	1,214.5	(54.5)	-4.3%
<b>Total assets</b>	<b>2,196.6</b>	<b>2,411.3</b>	<b>214.7</b>	<b>9.8%</b>
<b>Liabilities</b>				
Total current liabilities	603.1	641.9	38.7	6.4%
Total non-current liabilities	492.1	404.8	(87.3)	-17.7%
<b>Total liabilities</b>	<b>1,095.3</b>	<b>1,046.7</b>	<b>(48.5)</b>	<b>-4.4%</b>
<b>Equity</b>				
Total equity attributable to owners of the parent	1,091.5	1,352.6	261.0	23.9%
Non-controlling interests	9.7	11.9	2.1	22.5%
<b>Total equity</b>	<b>1,101.2</b>	<b>1,364.5</b>	<b>263.2</b>	<b>23.9%</b>

As of the end of Q3 FY2021, cash and cash equivalents and interest-bearing debt which includes bonds and borrowings, excluding lease liabilities, on a consolidated basis were 719.1 billion yen and 101.6 billion yen, respectively. Net cash, the amount calculated by subtracting interest-bearing debt from cash and cash equivalents, was 617.5 billion yen, an increase of 229.2 billion compared to the end of FY2020.

Total current assets as of the end of Q3 FY2021 increased by 269.2 billion yen compared to the end of FY2020 mainly due to an increase in cash and cash equivalents from increased operating cash flows.

Total non-current liabilities as of the end of Q3 FY2021 decreased by 87.3 billion yen compared to the end of FY2020 mainly due to a decrease in lease liabilities as the Company reassessed accounting lease terms for office buildings in Japan.

The maximum amount of borrowings under overdraft agreements was 113.0 billion yen as of December 31, 2021, 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 March 31, 2021, remained unused as of December 31, 2021.

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 December 31, 2021.

### Analysis of Consolidated Cash Flows

(In billions of yen)	Nine Months Ended December 31,		Variance
	2020	2021	
Net cash flows from operating activities	198.2	332.2	133.9
Net cash flows from investing activities	(48.3)	(54.5)	(6.2)
Net cash flows from financing activities	(100.2)	(79.9)	20.2
Effect of exchange rate changes on cash and cash equivalents	(17.0)	20.4	37.5
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>32.6</b>	<b>218.1</b>	<b>185.4</b>
Cash and cash equivalents at the beginning of the period	421.2	501.0	79.7
<b>Cash and cash equivalents at the end of the period</b>	<b>453.9</b>	<b>719.1</b>	<b>265.2</b>

Cash and cash equivalents as of December 31, 2021 was 719.1 billion yen, an increase of 218.1 billion yen from the end of FY2020.

## **2. Qualitative information on Consolidated Financial Guidance**

There is no revision of consolidated financial guidance for FY2021 from the figures announced on November 15, 2021.

The total number of shares to be purchased through a tender offer (the “Self Tender Offer”), which was announced on January 28, 2022, represents 2.00% of the total number of shares issued and outstanding which will be minimally accretive to adjusted EPS for FY2021.

Please find more information regarding the Self Tender Offer on the website: [https://recruit-holdings.com/en/newsroom/20220128\\_0001/](https://recruit-holdings.com/en/newsroom/20220128_0001/)

### 3. Condensed Quarterly Consolidated Financial Statements and Primary Notes

#### Condensed Quarterly Consolidated Statements of Financial Position

(In millions of yen)	As of March 31, 2021	As of December 31, 2021
<b>Assets</b>		
Current assets		
Cash and cash equivalents	501,043	719,193
Trade and other receivables	342,259	383,986
Other financial assets	39,043	50,440
Other assets	45,170	43,152
<b>Total current assets</b>	<b>927,517</b>	<b>1,196,772</b>
Non-current assets		
Property and equipment	81,290	72,889
Right-of-use assets	283,674	190,454
Goodwill	399,361	414,039
Intangible assets	206,793	201,379
Investments in associates and joint ventures	72,373	81,155
Other financial assets	183,016	169,986
Deferred tax assets	38,350	78,621
Other assets	4,235	6,024
<b>Total non-current assets</b>	<b>1,269,096</b>	<b>1,214,549</b>
<b>Total assets</b>	<b>2,196,613</b>	<b>2,411,322</b>

(In millions of yen)	As of March 31, 2021	As of December 31, 2021
<b>Liabilities and equity</b>		
Liabilities		
Current liabilities		
Trade and other payables	243,905	247,450
Bonds and borrowings	54,673	55,234
Lease liabilities	36,415	34,678
Other financial liabilities	779	399
Income tax payables	20,662	37,672
Provisions	11,509	5,319
Other liabilities	235,224	261,204
<b>Total current liabilities</b>	<b>603,172</b>	<b>641,958</b>
Non-current liabilities		
Bonds and borrowings	58,106	46,443
Lease liabilities	268,574	178,551
Other financial liabilities	895	664
Provisions	11,331	11,158
Net liability for retirement benefits	57,039	59,376
Deferred tax liabilities	71,839	74,723
Other liabilities	24,365	33,892
<b>Total non-current liabilities</b>	<b>492,152</b>	<b>404,810</b>
<b>Total liabilities</b>	<b>1,095,324</b>	<b>1,046,768</b>
Equity		
Equity attributable to owners of the parent		
Common stock	40,000	40,000
Share premium	17,422	17,168
Retained earnings	1,201,573	1,407,610
Treasury stock	(180,148)	(181,960)
Other components of equity	12,723	69,831
<b>Total equity attributable to owners of the parent</b>	<b>1,091,571</b>	<b>1,352,649</b>
Non-controlling interests	9,717	11,904
<b>Total equity</b>	<b>1,101,289</b>	<b>1,364,553</b>
<b>Total liabilities and equity</b>	<b>2,196,613</b>	<b>2,411,322</b>

**Condensed Quarterly Consolidated Statements of Profit or Loss**

For the Nine-Month Period

(In millions of yen, unless otherwise stated)	Nine Months Ended December 31,	
	2020	2021
Revenue	1,656,199	2,111,963
Cost of sales	830,539	903,052
Gross profit	825,660	1,208,911
Selling, general and administrative expenses	674,108	867,709
Other operating income	10,847	1,936
Other operating expenses	19,080	9,552
Operating income	143,318	333,586
Share of profit (loss) of associates and joint ventures	4,168	2,963
Finance income	2,188	2,814
Finance costs	2,847	2,856
Profit before tax	146,828	336,507
Income tax expense	29,071	87,497
Profit for the period	117,756	249,010
Profit attributable to:		
Owners of the parent	117,583	248,422
Non-controlling interests	173	588
Profit for the period	117,756	249,010
Earnings per share attributable to owners of the parent		
Basic earnings per share (yen)	71.31	152.01
Diluted earnings per share (yen)	71.20	151.27

For the Three-Month Period

(In millions of yen, unless otherwise stated)	Three Months Ended December 31,	
	2020	2021
Revenue	611,578	746,056
Cost of sales	304,930	314,468
Gross profit	306,647	431,588
Selling, general and administrative expenses	238,861	316,576
Other operating income	3,723	530
Other operating expenses	2,921	4,884
Operating income	68,588	110,657
Share of profit (loss) of associates and joint ventures	1,102	874
Finance income	720	1,764
Finance costs	2,074	633
Profit before tax	68,337	112,663
Income tax expense	13,701	29,138
Profit for the period	54,635	83,525
Profit attributable to:		
Owners of the parent	55,049	83,252
Non-controlling interests	(413)	273
Profit for the period	54,635	83,525
Earnings per share attributable to owners of the parent		
Basic earnings per share (yen)	33.39	50.95
Diluted earnings per share (yen)	33.34	50.67

**Condensed Quarterly Consolidated Statements of Comprehensive Income**

For the Nine-Month Period

(In millions of yen)	Nine Months Ended December 31,	
	2020	2021
Profit for the period	117,756	249,010
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Net change in financial assets measured at fair value through other comprehensive income	25,992	(7,924)
Remeasurements of defined retirement benefit plans	18	31
Share of other comprehensive income of associates and joint ventures	306	(217)
Subtotal	26,318	(8,110)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	(9,310)	36,178
Effective portion of changes in fair value of cash flow hedges	(19)	(3)
Subtotal	(9,330)	36,175
Other comprehensive income (loss) for the period, net of tax	16,988	28,065
Comprehensive income for the period	134,745	277,075
Comprehensive income attributable to:		
Owners of the parent	134,735	276,316
Non-controlling interests	9	759
Total comprehensive income	134,745	277,075

For the Three-Month Period

(In millions of yen)	Three Months Ended December 31,	
	2020	2021
Profit for the period	54,635	83,525
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Net change in financial assets measured at fair value through other comprehensive income	244	(2,611)
Remeasurements of defined retirement benefit plans	18	31
Share of other comprehensive income of associates and joint ventures	(9)	(252)
Subtotal	253	(2,832)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	(4,464)	22,845
Effective portion of changes in fair value of cash flow hedges	56	34
Subtotal	(4,407)	22,880
Other comprehensive income (loss) for the period, net of tax	(4,153)	20,047
Comprehensive income for the period	50,481	103,572
Comprehensive income attributable to:		
Owners of the parent	50,972	103,180
Non-controlling interests	(490)	392
Total comprehensive income	50,481	103,572

**Condensed Quarterly Consolidated Statements of Changes in Equity**

For the Nine Months Ended December 31, 2020

	Equity attributable to owners of the parent				Other components of equity		
	Common stock	Share premium	Retained earnings	Treasury stock	Share-based payments	Exchange differences on translation of foreign operations	Effective portion of changes in fair value of cash flow hedges
(In millions of yen)							
Balance at April 1, 2020	40,000	18,904	1,067,492	(113,244)	5,584	(30,557)	271
Profit for the period			117,583				
Other comprehensive income						(9,146)	(19)
Comprehensive income for the period	-	-	117,583	--	-	(9,146)	(19)
Transfer from other components of equity to retained earnings			26,318				
Purchase of treasury stock		(27)		(23,986)			
Disposal of treasury stock		(1,226)		3,561	(2,224)		
Dividends			(40,394)				
Share-based payments					1,207		
Equity transactions with non-controlling interests							
Other		(123)	(174)				
Transactions with owners - total	-	(1,377)	(14,250)	(20,424)	(1,017)	-	-
Balance at December 31, 2020	40,000	17,526	1,170,825	(133,669)	4,566	(39,704)	252

	Equity attributable to owners of the parent		Total	Total	Non-controlling interests	Total equity
	Net change in financial assets measured at fair value through other comprehensive income	Remeasurements of defined retirement benefit plans				
Balance at April 1, 2020	-	-	(24,702)	988,449	7,293	995,743
Profit for the period			-	117,583	173	117,756
Other comprehensive income	26,299	18	17,152	17,152	(164)	16,988
Comprehensive income for the period	26,299	18	17,152	134,735	9	134,745
Transfer from other components of equity to retained earnings	(26,299)	(18)	(26,318)	-		-
Purchase of treasury stock			-	(24,014)		(24,014)
Disposal of treasury stock			(2,224)	109		109
Dividends			-	(40,394)		(40,394)
Share-based payments			1,207	1,207		1,207
Equity transactions with non-controlling interests			-	-	2,162	2,162
Other			-	(297)	20	(276)
Transactions with owners - total	(26,299)	(18)	(27,335)	(63,388)	2,183	(61,204)
Balance at December 31, 2020	-	-	(34,885)	1,059,796	9,487	1,069,283

For the Nine Months Ended December 31, 2021

	Equity attributable to owners of the parent				Other components of equity		
	Common stock	Share premium	Retained earnings	Treasury stock	Share-based payments	Exchange differences on translation of foreign operations	Effective portion of changes in fair value of cash flow hedges
(In millions of yen)							
Balance at April 1, 2021	40,000	17,422	1,201,573	(180,148)	8,987	3,548	187
Profit for the period			248,422				
Other comprehensive income						36,015	(3)
Comprehensive income for the period	-	-	248,422	-	-	36,015	(3)
Transfer from other components of equity to retained earnings			(8,117)				
Purchase of treasury stock		(26)		(2,850)			
Disposal of treasury stock		(227)		1,038	(661)		
Dividends			(34,316)				
Share-based payments					21,757		
Equity transactions with non-controlling interests							
Other			48				
Transactions with owners - total	-	(254)	(42,385)	(1,812)	21,095	-	-
Balance at December 31, 2021	40,000	17,168	1,407,610	(181,960)	30,083	39,563	183

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Net change in financial assets measured at fair value through other comprehensive income	Remeasurements of defined retirement benefit plans	Total	Total		
Balance at April 1, 2021	-	-	12,723	1,091,571	9,717	1,101,289
Profit for the period			-	248,422	588	249,010
Other comprehensive income	(8,149)	31	27,894	27,894	170	28,065
Comprehensive income for the period	(8,149)	31	27,894	276,316	759	277,075
Transfer from other components of equity to retained earnings	8,149	(31)	8,117	-		-
Purchase of treasury stock			-	(2,877)		(2,877)
Disposal of treasury stock			(661)	149		149
Dividends			-	(34,316)	(501)	(34,817)
Share-based payments			21,757	21,757		21,757
Equity transactions with non-controlling interests			-	-	1,928	1,928
Other			-	48		48
Transactions with owners - total	8,149	(31)	29,213	(15,238)	1,427	(13,811)
Balance at December 31, 2021	-	-	69,831	1,352,649	11,904	1,364,553

**Condensed Quarterly Consolidated Statements of Cash Flows**

(In millions of yen)	Nine Months Ended December 31,	
	2020	2021
<b>Cash flows from operating activities</b>		
Profit before tax	146,828	336,507
Depreciation and amortization	89,150	92,042
Share-based payment expenses	1,207	19,354
(Increase) decrease in trade and other receivables	21,207	(37,394)
Increase (decrease) in trade and other payables	6,831	3,489
Other	(31,449)	34,014
Subtotal	233,776	448,014
Interest and dividends received	2,115	1,728
Interest paid	(2,569)	(2,711)
Income taxes paid	(35,034)	(114,805)
Net cash provided by operating activities	198,288	332,225
<b>Cash flows from investing activities</b>		
Payment for purchase of property and equipment	(12,472)	(9,041)
Payment for purchase of intangible assets	(32,547)	(38,278)
Other	(3,294)	(7,247)
Net cash used in investing activities	(48,314)	(54,566)
<b>Cash flows from financing activities</b>		
Repayments of long-term borrowings	(12,478)	(12,478)
Repayments of lease liabilities	(27,945)	(32,442)
Payment for purchase of treasury stock	(24,015)	(2,877)
Dividends paid	(40,370)	(34,271)
Other	4,581	2,134
Net cash used in financing activities	(100,228)	(79,936)
Effect of exchange rate changes on cash and cash equivalents	(17,073)	20,427
Net increase (decrease) in cash and cash equivalents	32,671	218,149
Cash and cash equivalents at the beginning of the period	421,253	501,043
Cash and cash equivalents at the end of the period	453,925	719,193



**Going Concern Assumption**

Not applicable.

**Notes to Condensed Quarterly Consolidated Financial Statements**

## 1. Operating Segments

## (1) Overview of Reportable Segments

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

HR Technology consists of the operations of Indeed, Glassdoor and other related businesses. Media & Solutions consists of two business operations, namely, Marketing Solutions and HR Solutions. Staffing consists of two business operations, which are Japan, and Europe, the US and Australia.

## (2) Information on Reportable Segments

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

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

For the Nine Months Ended December 31, 2020

(In millions of yen)	Reportable Segment				Eliminations and Adjustments	Consolidated
	HR Technology	Media & Solutions	Staffing	Total		
<b>Revenue</b>						
Revenue from third party customers	288,367	489,021	878,810	1,656,199	-	1,656,199
Intersegment revenue or transfers	3,783	3,653	10,639	18,076	(18,076)	-
<b>Total</b>	<b>292,151</b>	<b>492,675</b>	<b>889,449</b>	<b>1,674,276</b>	<b>(18,076)</b>	<b>1,656,199</b>
Segment profit (loss)	49,392	99,510	67,169	216,071	(5,130)	210,941
Depreciation and amortization (Note)						59,389
Other operating income						10,847
Other operating expenses						19,080
<b>Operating income</b>						<b>143,318</b>
Share of profit (loss) of associates and joint ventures						4,168
Finance income						2,188
Finance costs						2,847
<b>Profit before tax</b>						<b>146,828</b>

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

For the Nine Months Ended December 31, 2021

(In millions of yen)	Reportable Segment				Eliminations and Adjustments	Consolidated
	HR Technology	Media & Solutions	Staffing	Total		
<b>Revenue</b>						
Revenue from third party customers	620,926	475,157	1,015,879	2,111,963	-	2,111,963
Intersegment revenue or transfers	3,841	3,066	12,652	19,559	(19,559)	-
<b>Total</b>	<b>624,767</b>	<b>478,223</b>	<b>1,028,531</b>	<b>2,131,523</b>	<b>(19,559)</b>	<b>2,111,963</b>
Segment profit (loss)	227,870	100,217	78,923	407,012	(5,814)	401,197
Depreciation and amortization (Note)						59,995
Other operating income						1,936
Other operating expenses						9,552
<b>Operating income</b>						<b>333,586</b>
Share of profit (loss) of associates and joint ventures						2,963
Finance income						2,814
Finance costs						2,856
<b>Profit before tax</b>						<b>336,507</b>

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

For the Three Months Ended December 31, 2020

(In millions of yen)	Reportable Segment				Eliminations and Adjustments	Consolidated
	HR Technology	Media & Solutions	Staffing	Total		
Revenue						
Revenue from third party customers	112,682	185,577	313,317	611,578	-	611,578
Intersegment revenue or transfers	1,874	1,249	3,371	6,495	(6,495)	-
<b>Total</b>	<b>114,557</b>	<b>186,826</b>	<b>316,689</b>	<b>618,073</b>	<b>(6,495)</b>	<b>611,578</b>
Segment profit (loss)	26,774	37,829	24,826	89,430	(1,912)	87,518
Depreciation and amortization (Note)						19,732
Other operating income						3,723
Other operating expenses						2,921
Operating income						68,588
Share of profit (loss) of associates and joint ventures						1,102
Finance income						720
Finance costs						2,074
Profit before tax						68,337

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

For the Three Months Ended December 31, 2021

(In millions of yen)	Reportable Segment				Eliminations and Adjustments	Consolidated
	HR Technology	Media & Solutions	Staffing	Total		
Revenue						
Revenue from third party customers	225,226	167,744	353,086	746,056	-	746,056
Intersegment revenue or transfers	631	756	4,658	6,047	(6,047)	-
<b>Total</b>	<b>225,857</b>	<b>168,501</b>	<b>357,745</b>	<b>752,104</b>	<b>(6,047)</b>	<b>746,056</b>
Segment profit (loss)	71,967	36,375	28,634	136,976	(2,138)	134,838
Depreciation and amortization (Note)						19,826
Other operating income						530
Other operating expenses						4,884
Operating income						110,657
Share of profit (loss) of associates and joint ventures						874
Finance income						1,764
Finance costs						633
Profit before tax						112,663

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

## 2. Significant Subsequent Events

### Share repurchase

The Company resolved, at its Board of Directors meeting held on January 28, 2022, to conduct a share repurchase of its common stock through a tender offer (the "Self Tender Offer") as the specific purchase method pursuant to Article 156, Paragraph 1 of the Companies Act as applied by replacing certain terms pursuant to Article 165, Paragraph 3 of the said Act, and the provisions of the Company's Articles of Incorporation.

#### (1) Reason for the share repurchase

The Company has considered the potential impact on the Company's share price from large uncoordinated sales of shares over a short period, the capacity to pursue strategic business investments, the capital market environment, and the outlook for its financial position, and has decided to acquire its own shares in accordance with the Company's capital allocation policy so that several of its shareholders with an intention to reduce their stakes in the Company's common stock are given an opportunity to sell their shares in a coordinated manner.

With regard to the specific method for purchasing the shares, the Company concluded that the most appropriate method was a purchase through a tender offer, which provides the opportunity for shareholders other than the prospective tendering shareholders to participate in the tender offer based on the market price trend after a certain period of time for consideration. The Company believes this is the most appropriate method from the viewpoint of equitable treatment of shareholders, transparency of transactions, maximizing the certainty to sell the shares by the prospective tendering shareholders through a repurchase at a price representing a certain discount to the market price, as well as minimizing cash outflow of the Company.

In determining the purchase price for the Self Tender Offer, considering that the Company's common stock is listed on financial instrument exchanges, the Company emphasizes the clarity and objectivity of the criteria and has decided to place emphasis on the market price of the Company's common stock. The Company also determined that it was desirable to purchase tendered shares at a price representing a certain discount to the market price, from the perspective of enhancing shareholder value as well as minimizing the cash outflow of the Company as much as possible.

#### (2) Details of the Board resolution on the share repurchase

(i) Type of shares to be repurchased	Common stock
(ii) Total number of shares to be repurchased	34,000,100 shares (maximum) (2.00% of total number of shares issued)
(iii) Total purchase price	155,754 million yen (maximum)
(iv) Repurchase period	January 31, 2022 to March 31, 2022
(v) Method of the purchase	Self Tender Offer

#### (3) Outline of the Self Tender Offer

(i) Total number of shares to be repurchased	34,000,000 shares (maximum)
(ii) Purchase price	4,581 yen per share of common stock
(iii) Self Tender Offer period	January 31, 2022 to March 1, 2022
(iv) Date of public notice of commencement of the Self Tender Offer Bid	January 31, 2022
(v) Settlement commencement date	March 24, 2022