

Notice of Annual Meeting of Shareholders

2022

Request to Shareholders

In holding this year's Annual Meeting of Shareholders, we will place top priority on preventing the spread of COVID-19 to our shareholders. We therefore sincerely request you to refrain from attending the meeting in person and encourage you to exercise your voting rights in writing or via the Internet. We truly appreciate your understanding and cooperation.

For details, please see the attached "Instructions for Attending Annual Meeting of Shareholders."

Deadline for exercising voting rights by mail or via the Internet: 5:30 p.m. JST, June 20, 2022 (Monday)

LETTER TO SHAREHOLDERS

Dear Shareholders,

I am pleased to invite you to participate in our 62nd Annual Shareholders Meeting.

First of all, I want to express that our hearts go out to everyone who has been affected by COVID-19 around the world. I would also like to express my sincere gratitude to medical professionals, who are making every effort to end the global spread of COVID-19.

Looking back on the business environment, it was a year of upheaval against the backdrop of COVID-19, conflicts around the world, inflation, and an extremely tight labor market due to the resumption of the economy.

In such an environment, we have reaffirmed the importance of our mission: “Opportunities for Life. Faster, Simpler and Closer to you,” which means connecting individual users and business clients faster, simpler and closer than ever before. We continued to focus on streamlining the hiring process by connecting people with jobs, faster and easier, helping job seekers and employers match more than ever before.

A few years ago, there seemed to be a lot of pessimism that many current jobs will be replaced by AI due to technological innovation. However, what we overwhelmingly hear today is that business owners face a lack of human resources, so it seems that the evolution of technology has not kept pace with the aging population that developed countries are facing.

Therefore, I believe that in the next 30 years, it will be more important to think about how to maintain and improve the productivity of society by working with AI, rather than worrying about how AI will take our jobs. While technology will be disruptive and some jobs will become obsolete, many new jobs will be created in sectors of the economy we can't even imagine.

We are committed to creating a prosperous future, where people can spend more time doing what they love to do, pursuing their passions both in their work and in their personal lives. Through our HR matching services and SaaS solutions, we aim to contribute further to making this future a reality.

Even in an uncertain and fluid economic and business environment, we believe that our role and responsibility is to continue to provide services and products that connect individual users and business clients faster, simpler and closer than ever before.

By contributing to society and the global environment as a result, it is essential to achieve both a sustainable society and sustainable growth for our company, resulting in mutual prosperity for all stakeholders.

I hope to make steady progress in the execution of our management strategies in parallel with prudent short-term decision-making to respond to sudden changes in the business environment, in order to achieve profitable growth in the long-term and achieve a sustainable increase in our enterprise value.

Thank you for your continued understanding and support.

May 2022



Hisayuki Idekoba
President, CEO, and Representative Director of the Board
Recruit Holdings Co., Ltd.

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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, 2022 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, including changes in economic conditions, changes in individual users' preferences and enterprise 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 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 – 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).

Definition of Abbreviations

In this document, the terms the “Company,” “Recruit Group,” “we,” and “our” refer to Recruit Holdings Co., Ltd. and its consolidated subsidiaries unless the context indicates otherwise. The “Holding Company” refers to Recruit Holdings Co., Ltd. (“Recruit Holdings”) on a standalone basis.

The Company’s fiscal year starts on April 1 and ends on March 31 of each year. Accordingly, “FY2021” refers to the period from April 1, 2021 to March 31, 2022. References to “FY” or “fiscal year” for prior and subsequent are to 12-month periods commencing in each case on April 1 of the year indicated and ending on March 31 of the following year.

Q1 refers to the three-month period from April 1 to June 30, Q2 refers to the three-month period from July 1 to September 30, Q3 refers to the three-month period from October 1 to December 31, and Q4 refers to the three-month period from January 1 to March 31.

For other definitions, please refer to the chart below.

Abbreviation	Definition
SBU	Strategic Business Unit
IFRS	International Financial Reporting Standards
Rent Assistance Program	Rent Assistance Program by The Small and Medium Enterprise Agency of the Ministry of Economy in Japan

Definition of 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 ¹	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 FY2021, the Company has changed the method of calculating adjusted EPS, but the impact of this change is minor.

Change of Company Name

The name of the companies in this document is as of March 31, 2022, unless otherwise indicated. The companies that changed their name during FY2021 are indicated below.

Company Name (prior to the change)	Company Name (as of March 31, 2022)	Date of Change
USG People Holdings B.V.	RGF Staffing the Netherlands B.V.	April 2021
ADVANTAGE RESOURCING UK LIMITED	RGF Staffing UK Limited	June 2021

Average Exchange Rate During the Period

			(In yen)
	FY2020	FY2021	
US dollar	106.10		112.39
Euro	123.76		130.55
Australian dollar	76.21		83.06

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS 2022

TSE code: 6098
May 31, 2022

Dear Shareholders,

We would like to notify you of the 62nd Annual Meeting of Shareholders (the “Meeting”) of Recruit Holdings for FY2021.

After careful consideration of the situation, the Company has decided to hold this Meeting after taking appropriate measures to prevent the infection with COVID-19 while giving top priority to the health and safety of all shareholders.

Accordingly, you are kindly requested to exercise your voting rights by mail or via the Internet and refrain from attending the Meeting in person. Please review the attached Reference Documents for the Annual Meeting of Shareholders and the documents that will be posted on the Company’s website, and exercise your voting rights by 5:30 p.m. JST, June 20, 2022 (Monday).

Thank you very much for your cooperation.

Masumi Minegishi
Chairperson and Representative Director
of the Board

Recruit Holdings Co., Ltd.
8-4-17 Ginza, Chuo-ku,
Tokyo, Japan

Date and Time: June 21, 2022 (Tuesday) at 10:00 a.m. JST (Reception for attendees opens at 9:00 a.m. JST)

Place: 4F Hall, BELLESALLE Onarimon Tower, Sumitomo Fudosan Onarimon Tower (Reception: 4F) 1-1-1 Shibakoen, Minato-ku, Tokyo, Japan

Meeting Agenda:

- Report matters:**
1. The Business Report, the Consolidated Financial Statements and the results of audits of the Consolidated Financial Statements by the Independent Auditor and the Audit & Supervisory Board for FY2021
 2. The Non-consolidated Financial Statements for FY2021

Matters to be acted upon:	Proposal 1:	Election of Seven (7) Directors of the Board
	Proposal 2:	Election of One (1) Audit & Supervisory Board Member and One (1) Substitute Audit & Supervisory Board Member
	Proposal 3:	Proposal to Amend Articles of Incorporation

Instructions for Exercising Voting Rights

1. To vote by mail, please indicate your approval or disapproval of the proposals on the enclosed Voting Form and return the Form to the Company by post to reach us by 5:30 p.m. JST on June 20, 2022 (Monday).
2. To vote via the Internet, please review the “Exercise of Voting Rights via the Internet” on page 2 of “Instructions for Attending Annual Meeting of Shareholders” and register your approval or disapproval of the proposals by 5:30 p.m. JST on June 20, 2022 (Monday).
3. If you vote more than once via the Internet, we will treat only the most recent vote as valid.
4. If you vote both in writing and via the Internet, we will treat only the vote submitted via the Internet as valid.

Voting Information

- * When attending in person on the day of the Meeting, please present the enclosed Voting Form to the reception.
- * In the case of attendance by proxy, a power of attorney is required in addition to the Voting Form. Please note the proxy must be one other shareholder having voting rights in the Company.
- * Of the documents provided with the Notice of Annual Meeting of Shareholders, the “Main Offices,” “Main Lenders,” “Status of Stock Acquisition Rights” and “Internal Controls and Its Operational Status” in the Business Report, the “Consolidated Statements of Changes in Equity” and “Notes to Consolidated Financial Statements” in the Consolidated Financial Statements and the “Statements of Changes in Equity” and “Notes to Non-consolidated Financial Statements” in the Non-consolidated Financial Statements are separately made available on the Company’s website (<https://recruit-holdings.com/en/ir/>) under laws and regulations and Article 15 of the Company’s Articles of Incorporation, and are not detailed in this Notice.
Consolidated and Non-consolidated Financial Statements audited by the Audit & Supervisory Board members and the Independent Auditor comprise the statements specified in this Notice and the “Consolidated Statements of Changes in Equity,” “Notes to Consolidated Financial Statements,” “Statements of Changes in Equity” and “Notes to Non-consolidated Financial Statements” posted on the Company’s above-mentioned website.
- * Any amendments to the Reference Documents for the Annual Meeting of Shareholders, the Business Report, the Consolidated Financial Statements, and the Non-consolidated Financial Statements will be posted on the Company’s website (<https://recruit-holdings.com/en/ir/>).
- * Please note that no gift will be provided for attendees at the Meeting to maintain fairness between the attendees and those shareholders who cannot attend. We appreciate your understanding on this matter.
- * **Instead of mailing the Notice of Resolutions in writing, we will publish the result of resolutions on our website (<https://recruit-holdings.com/en/ir/>) after the Meeting is concluded.**

In order to prevent the infection with COVID-19, we encourage you to refrain from attending the Meeting in person and exercise your voting rights prior to the Meeting. For details, please see the attached “Instructions for Attending Annual Meeting of Shareholders.”

Notice on Dividends of Surplus

Based on a resolution at the Annual Meeting of Shareholders on June 26, 2014, the Company's Articles of Incorporation provides that the Board of Directors decides on the dividends of surplus, etc.

The Board of Directors authorized the payment of year-end dividends for FY2021 at its meeting on May 16, 2022, and under the provisions in the Articles of Incorporation, as follows.

Year-end dividend:	10.50 yen per share
Effective date and date of commencing payment:	June 22, 2022 (Wednesday)

We plan to send "Statements of Payments of Dividends" and "Confirmation of Designated Account for the Payment of Dividends" on June 21, 2022 (Tuesday) for shareholders who have chosen to have dividends sent to bank accounts via direct deposit, or to have dividends allocated to securities company accounts in proportion to the number of shares held in respective accounts.

For any other shareholders not mentioned above, we plan to send "Dividend Receipts" and "Statements of Payments of Dividends" on June 21, 2022. The dividends can be collected at savings counters of nearby Japan Post Bank or post offices within the term for payment (June 22, 2022 to July 29, 2022).

REFERENCE DOCUMENTS FOR THE ANNUAL MEETING OF SHAREHOLDERS

Proposal 1: Election of Seven (7) Directors of the Board

The terms of office will expire for all six (6) Directors of the Board at the conclusion of the Meeting. Accordingly, the Company proposes to increase the number of outside Directors of the Board by one (1) to further strengthen the management and supervision of its overall business operations and elect seven (7) Directors of the Board including three (3) outside Directors of the Board.

The candidates for Directors of the Board are as follows:

Candidate No.	Name	Board Position	Director since	Gender	Attendance at Board of Directors Meeting during FY2021
1	Masumi Minegishi	Chairperson and Representative Director of the Board	2009	Male	Participated in all 13 meetings
2	Hisayuki Idekoba	President, CEO, and Representative Director of the Board	2019	Male	Participated in all 13 meetings
3	Ayano Senaha	Director of the Board	2020	Female	Participated in all 13 meetings
4	Rony Kahan	Director of the Board	2018	Male	Participated in all 13 meetings
5	Naoki Izumiya	Outside Director of the Board, Independent	2018	Male	Participated in all 13 meetings
6	Hiroki Totoki	Outside Director of the Board, Independent	2018	Male	Participated in all 13 meetings
7	Keiko Honda	-	-	Female	-



Chairperson and Representative Director of the Board

Age: 58

(Date of Birth: January 24th, 1964)

Number of Company Shares held: 1,009,931

Career summary:

Masumi Minegishi is Chairperson and Representative Director of the Board. He has previously served as President, CEO, and Representative Director of the Board of Recruit Holdings from 2012 to 2020. 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 Executive Officer in 2003 and Managing Corporate Executive Officer in 2004. After leading the housing information business and consolidated numerous operations to build the SUUMO brand, he was appointed Director of the Board and Managing Corporate Executive Officer in 2009.

Meeting body in charge for the fiscal year ended March 2022 (*Bold: Chairperson)

Board of Directors, Business Strategy Meeting, Nomination Committee, Compliance Committee, Risk Management Committee, Sustainability Committee

Term of office

From June 21, 2022 to the conclusion of the Annual Meeting of Shareholders to be held in 2023.

Career summary, positions and responsibilities

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

April	2021	• Chairperson* and Representative Director of the Board*
April	2019	• Vice Chairman* of KEIZAI DOYUKAI (Japan Association of Corporate Executives)
April	2012	• President, CEO, and Representative Director of the Board
April	2011	• Senior Managing Corporate Executive Officer in charge of Corporate Strategy Office, Business Development, Corporate Planning, Human Resources, and Integrated Marketing Communication(IMC); Director of the Board
April	2010	• Managing Corporate Executive Officer in charge of Customer Action Platform Strategic Business Unit, Business Development, Corporate Planning, and Housing; Director of the Board (Customer Action Platform referring to the travel, dining, beauty, education, and other lifestyle business categories)
June	2009	• Managing Corporate Executive Officer in charge of Business Development, Corporate Planning, and Housing; Director of the Board
April	2004	• Managing Corporate Executive Officer in charge of Important Strategy Control at Sales Promotion Business (formerly the Group-IMC Strategic Business Unit), Housing Division Company, and IMC Division Company
April	2003	• Corporate Executive Officer in charge of Information & Editing Department and IMC Division Company
April	1987	• Joined the Company

Significant concurrent position(s)

- Vice Chairman of KEIZAI DOYUKAI (Japan Association of Corporate Executives)

Reasons for being appointed as a Director of the Board

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

Mr. Minegishi's role as Chairperson and Representative Director of the Board 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.



President, CEO, and Representative Director of the Board

Age: 47
(Date of Birth: April 22nd, 1975)

Number of Company Shares held: 233,599

Career summary:

Hisayuki "Deko" Idekoba is President, CEO, and Representative Director of the Board of Recruit Holdings. He previously served as COO and Executive Vice President overseeing the Company's business operations and was appointed a Director of the Board 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 Corporate Executive Officer, he led the acquisition of Indeed and later served as CEO & President of Indeed, transforming the Company into the leading global HR technology company it is today.

Meeting body in charge for the fiscal year ended March 2022 (***Bold: Chairperson**)

Board of Directors, **Business Strategy Meeting**,
Nomination Committee, Compensation
Committee, **Compliance Committee**, Risk Management
Committee, Sustainability Committee

Term of office

From June 21, 2022 to the conclusion of the Annual Meeting of Shareholders to be held in 2023.

Career summary, positions and responsibilities

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

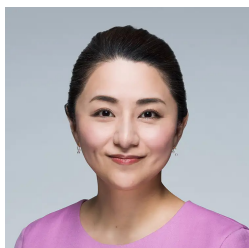
April	2021	• President*, CEO* in charge of Corporate Planning Division, and HR Technology Segment; Representative Director of the Board*
April	2020	• Executive Vice President in charge of Finance and Operations (COO); Director of the Board
June	2019	• Senior Managing Corporate Executive Officer in charge of Corporate Planning (CSO), Administration (CRO), and Operations (COO); Director of the Board
April	2019	• Senior Managing Corporate Executive Officer in charge of Corporate Planning (CSO), Administration (CRO), and Operations (COO); Director of the Board* of Indeed, Inc.
April	2018	• Director of the Board* of Recruit Co., Ltd.
January	2018	• Senior Managing Corporate Executive Officer in charge of Operations (COO); CEO* and Director of the Board* of RGF OHR USA, INC.; Chairman* and Director of the Board* of RGF Staffing B.V. (formerly Recruit Global Staffing B.V.)
April	2016	• Managing Corporate Executive Officer in charge of HR Technology Strategic Business Unit ("SBU") (formerly Global Online HR SBU)
October	2015	• CEO of Indeed, Inc.
October	2013	• CEO and President of Indeed, Inc.
September	2012	• Chairman of the Board of Indeed, Inc.
April	2012	• Corporate Executive Officer in charge of R&D and Asia Job Board at Global Headquarters
April	1999	• Joined the Company

Significant concurrent position(s)

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

Reasons for being appointed as a Director of the Board

Hisayuki "Deko" Idekoba has served as CEO of Recruit Holdings Co. Ltd., since 2021 and oversees the business of the entire group, which has greatly benefitted from his strong leadership. Mr. Idekoba has driven much of the Company's technology-based business growth and has successfully achieved steady growth of Indeed. Mr. Idekoba has served as a member of the Board of Directors of the Company since 2019 and we believe that he is the appropriate person to sustainably improve the enterprise value of the Company, and should continue to serve as a Director of the Board.



COO, Managing Corporate Executive Officer, and Director of the Board

Age: 39
(Date of Birth: December 5th, 1982)

Number of Company Shares held: 20,307

Career summary:

Ayano "Sena" Senaha is COO, Managing Corporate Executive Officer in charge of Human Resources and General Affairs Division, Finance Division, Risk Management Division, and Corporate Planning and Sustainability Transformation in the Corporate Planning Division, and Director of the Board. 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, Corporate Executive Officer in 2018, and Director of the Board in 2020. She is credited with aiding the development of a corporate governance structure that neutralizes risks while enabling quick decision-making.

Meeting body in charge for the fiscal year ended March 2022 (*Bold: Chairperson)

Board of Directors, Business Strategy Meeting, Nomination Committee, Compensation Committee, Compliance Committee, **Risk Management Committee, Sustainability Committee**

Term of office

From June 21, 2022 to the conclusion of the Annual Meeting of Shareholders to be held in 2023.

Career summary, positions and responsibilities

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

April	2022	• Director of the Board* of RGF Staffing B.V. Member of the Board of Directors* of Georg Fischer Ltd.
April	2021	• COO*, and Managing Corporate Executive Officer* in charge of Human Resources and General Affairs Division, Finance Division, Risk Management Division, and Corporate Planning and Sustainability Transformation in the Corporate Planning Division; Director of the Board*
June	2020	• Managing Corporate Executive Officer in charge of Corporate Planning (CSO), Human Resources and General Affairs (CHRO), and Risk Management (CRO) ; Director of the Board
April	2020	• Managing Corporate Executive Officer in charge of Corporate Planning (CSO), Human Resources and General Affairs (CHRO), and Risk Management (CRO)
January	2020	• Director of the Board* of Glassdoor, Inc.
April	2018	• Corporate Executive Officer in charge of Corporate Planning, Corporate Communication, and Human Resources
January	2018	• Executive Manager in charge of Corporate Planning and Talent Management; Chief of Staff at Indeed, Inc.; Director of the Board* 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

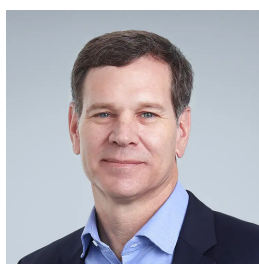
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| January | 2013 | • Director of RGF Staffing UK Limited (formerly ADVANTAGE RESOURCING UK LIMITED);
Director of ADVANTAGE XPO LIMITED |
| April | 2006 | • Joined the Company |

Significant concurrent position(s)

- Director of the Board of RGF OHR USA, INC.
- Director of the Board of RGF Staffing B.V.
- Director of the Board of Glassdoor, Inc.
- Member of the Board of Directors of Georg Fischer Ltd.

Reasons for being appointed as a candidate for Director of the Board

Ayano "Sena" Senaha has served as COO of the Company since 2021 and Corporate Executive Officer 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 member of the Board of Directors of the Company since 2020 and we believe that she is the appropriate person to sustainably improve the enterprise value of the Company, and should continue to serve as a Director of the Board.



**Director of the Board
(Non-Executive)**

Age: 54
(Date of Birth: November 26th, 1967)

**Number of Company Shares held:
183,550**

Career summary:

Rony Kahan was appointed Director of the Board of Recruit Holdings in 2018. He has also served as Chairman and Director of the Board of Indeed since 2013. Mr. Kahan 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 job search engine.

Meeting body in charge for the fiscal year ended March 2022

Board of Directors , Business Strategy Meeting

Term of office

From June 21, 2022 to the conclusion of the Annual Meeting of Shareholders to be held in 2023.

Career summary, positions and responsibilities

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

- June 2018 • Director of the Board*
- April 2018 • Chairman and Director of the Board* of RGF OHR USA, INC.
- October 2013 • Chairman and Director of the Board* 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 the Board of Indeed, Inc.
- Chairman and Director of the Board of RGF OHR USA, INC.

Reasons for being appointed as a candidate for Director of the Board

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 Board of the Company since 2018 and we believe that he is the appropriate person to sustainably improve the enterprise value of the Company, and should continue to serve as non-Executive Director of the Board.



**Outside Director of the Board
(Non-Executive, Independent)**

Age: 73
(Date of Birth: August 9th, 1948)

**Number of Company Shares
held: 1,122**

Career summary:

Naoki Izumiya, who is Honorary Advisor of Asahi Group Holdings, Ltd., has served as an outside Director of the Recruit Holdings' Board since 2018. Before his role as Chairman, 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.

Meeting body in charge for the fiscal year ended March 2022 (*Bold: Chairperson)

*Board of Directors, **Nomination Committee**, Compensation Committee*

Term of office

From June 21, 2022 to the conclusion of the Annual Meeting of Shareholders to be held in 2023.

Career summary, positions and responsibilities

**Current position*

March	2021	• Honorary Advisor* of Asahi Group Holdings, Ltd.
March	2019	• Chairman of the Board of Asahi Group Holdings, Ltd.
June	2018	• Outside Director of the Board* of Recruit Holdings Co., Ltd., and Independent Director* of Obayashi Corporation
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	• Corporate Officer, Deputy General Manager of Tokyo Metropolitan Headquarters, and General Manager of Tokyo Branch at Asahi Breweries, Ltd.
October	2000	• Corporate Officer and Senior General Manager of Strategy Planning Headquarters at Asahi Breweries, Ltd.
March	2000	• Corporate 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.
- Independent Director of Obayashi Corporation

Reasons for being appointed as a candidate for Director of the Board

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 outside Director of the Board of Recruit Holdings since 2018. We believe that he is the appropriate person to advise the Company on overall management and supervise the execution of the business, and should continue to serve as outside Director of the Board.

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 of the Board and Corporate Executive Officers as a chair and/or member of the Nomination, Evaluation, and Compensation Committees.
- 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 outside Audit & 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 in services in the HR Technology business, the Media & Solutions business and the Staffing business. 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.



**Outside Director of the Board
(Non-Executive, Independent)**

Age:57
(Date of Birth: July 17th, 1964)

**Number of Company Shares held:
3,052**

Career summary:

Hiroki Totoki, who is Executive Deputy President, CFO, Representative Corporate Executive Officer, and Director of the Board of Sony Group Corporation, has served as an Outside Director of the Recruit Holdings' Board since 2018. In previous roles at Sony Corporation, he contributed to the launch of Sony Bank, Inc., and led Sony's Business Strategy, Corporate Development, Finance, and New Business Development departments. In 2013, he became Representative Director and CFO of Corporate Executive Officer of Sony Network Communications, Inc. (formerly So-net Entertainment Corporation). In 2014, Mr. Totoki led the structural reformation of the smartphone business as President and CEO of Sony Mobile Communications Inc.

Meeting body in charge for the fiscal year ended March 2022 (*Bold: Chairperson)

**Board of Directors , Nomination Committee,
Compensation Committee**

Term of office

From June 21, 2022 to the conclusion of the Annual Meeting of Shareholders to be held in 2023.

Career summary, positions and responsibilities

**Current position*

April	2021	• Director*, Executive Deputy President* and CFO*, Representative Corporate Executive Officer* of Sony Group Corporation
June	2020	• Director, Executive Deputy President and CFO, Representative Corporate Executive Officer of Sony Corporation
June	2019	• Director of Sony Corporation
June	2018	• Senior Executive Vice President, CFO, and Representative Corporate Executive Officer of Sony Corporation; Outside Director of the Board* of Recruit Holdings Co., Ltd.
April	2018	• Executive Vice President, CFO, and Representative Corporate Executive Officer of Sony Corporation
June	2017	• Executive Vice President, CSO, and Corporate Executive Officer of Sony Corporation
April	2016	• Executive Vice President and Corporate Executive Officer of Sony Corporation; President and Representative Director of Sony Network Communications, Inc. (formerly So-net Corporation)
November	2014	• Group Executive of Sony Corporation; President and CEO of Sony Mobile Communications Inc.
December	2013	• Senior Vice President and Corporate Executive of Sony Corporation
April	2013	• Representative Director, Corporate Executive Officer, Deputy President, and CFO of Corporate Executive Officer of Sony Music Solutions Inc. (formerly So-net Entertainment Corporation)
April	2012	• Representative Director, Corporate Executive Officer and Senior Managing Director of Sony Network Communications, Inc. (formerly So-net Entertainment Corporation)
June	2005	• Director, Corporate Executive Officer and Senior Managing Director of Sony Network Communications, Inc. (formerly Sony Communication Network Corporation)
February	2002	• Representative Director of Sony Bank, Inc.
April	1987	• Joined Sony Corporation

Significant concurrent position(s)

- Director, Executive Deputy President and CFO, Representative Corporate Executive Officer of Sony Group Corporation

Reasons for being appointed as a candidate for Director of the Board

Hiroki Totoki has deep insight, cultivated through years of managing a global company with diversified business portfolios and experience leading technology-based business development. Mr. Totoki has served as an outside Director of the Board of Recruit Holdings since 2018. We believe that he is the appropriate person to advise the Company on overall management and supervise the execution of business, and should continue to serve as outside Director of the Board.

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, evaluation and compensation of Directors of the Board and Corporate Executive Officers as a chair and/or member of the Nomination, and Compensation Committees.
- 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 outside Audit & Supervisory Board members.

Independence Criteria

Hiroki Totoki meets both the requirements for independence stipulated by the Tokyo Stock Exchange and those of the Holding Company. He currently serves as Director, Executive Deputy President and CFO, Representative Corporate Executive Officer of Sony Group Corporation, which has a business relationship with the Company in services in the HR Technology business, Media & Solutions business and the Staffing business. However, such transactions account for less than 1% of Sony Group Corporation consolidated sales and operating revenue and Recruit Holdings consolidated revenue, respectively, and are thus too small to be material. Therefore, the Company believes that Mr. Totoki has sufficient independence where there are no potential conflicts of interests with general shareholders.



**Outside Director of the Board
(Non-Executive, Independent)**

Age: 60

(Date of Birth: September 27th,
1961)

**Number of Company Shares held:
0**

Career summary:

Keiko Honda is highly experienced in corporate management, financial economics, ESG, and is currently an Adjunct Professor and Adjunct Senior Research Scholar on ESG investing at Columbia University School of International and Public Affairs, a position she has held since 2020. 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 as 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.

Term of office

From June 21, 2022 to the conclusion of the Annual Meeting of Shareholders to be held in 2023.

Career summary, positions and responsibilities

**Current position*

June	2020	• Independent Board Member* of Mitsubishi UFJ Financial Group, Inc.
March	2020	• Independent Board Member* of AGC Inc.
January	2020	• Adjunct Professor and Adjunct Senior Research Scholar* at Columbia University School of International and Public Affairs
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)

- Adjunct Professor and Adjunct Senior Research Scholar at Columbia University School of International and Public Affairs
- Independent Board Member of AGC Inc.
- Independent Board Member of Mitsubishi UFJ Financial Group, Inc.

Reasons for being appointed as a candidate for Director of the Board

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 ESG issues. We believe that she is the

appropriate person to advise the Company on overall management and supervise the execution of business, and should serve as outside Director of the Board.

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 of the Board and Corporate Executive Officers as a chair and/or member of the Nomination, and Compensation Committees.
- 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 outside Audit & 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. Within the past 10 years, Ms. Honda had served as CEO and Executive Vice President of Multilateral Investment Guarantee Agency (World Bank Group). However, there are no material transactions between this organization and the Company. Therefore, the Company believes that Ms. Honda has sufficient independence where there are no potential conflicts of interests with general shareholders.

- * Each candidate does not have any special interest in the Company.
- * The above number of shares held by each candidate is as of March 31, 2022, and the shares held include a stake in the Recruit Group Officer Stock Ownership Association and a stake in American Depositary Receipt (ADR) facility (please note that the Company does not support or encourage, and has not consented to, the creation of any unsponsored ADR facilities and this information is being provided as factual reference only). Other information in the Reference Documents for the Annual Meeting of Shareholders is based on information available as of May 16, 2022.
- * The Company has entered into a directors and officers liability insurance contract to insure all Directors of the Board. The contents of the insurance contract are as described on page 53 of the BUSINESS REPORT. If the candidates are reappointed and appointed, they will continue to be named as the insured under the contract. The insurance contract is expected to be renewed during their term of office.
- * The Holding Company has entered into agreements with Messrs. Rony Kahan, Naoki Izumiya and Hiroki Totoki 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 relevant personnel has performed his or her duties in good faith and is not deemed negligent. If the reappointment of each of them is approved as proposed, the agreements will be continued. Also, if the appointment of Ms. Honda is approved as proposed, the agreement will be made between her and the Holding Company.
- * The Company has reported Messrs. Naoki Izumiya and Hiroki Totoki to the Tokyo Stock Exchange as Independent Directors of the Board as specified by the Tokyo Stock Exchange. If they are reappointed as proposed, they will continue to serve as Independent Directors of the Board. Also, the Company plans to report Ms. Honda to the Tokyo Stock Exchange as Independent Director of the Board as specified by the Tokyo Stock Exchange, and if her appointment is approved, she will serve as Independent Director of the Board.

Proposal 2: Election of One (1) Audit & Supervisory Board Member and One (1) Substitute Audit & Supervisory Board Member

The Company proposes to elect an Audit & Supervisory Board Member, as Mr. Akihiko Fujiwara's term of office as Audit & Supervisory Board Member will expire at the conclusion of the Meeting.

The Company also proposes to elect a substitute Audit & Supervisory Board member in preparation for the case in which the number of Audit & Supervisory Board members would fall below the statutory minimum. Up until the time the elected substitute Audit & Supervisory Board member assumes the post, the Board of Directors shall be allowed to resolve to cancel the validity of the substitute Audit & Supervisory Board member's election with the consent of the Audit & Supervisory Board. The Audit & Supervisory Board has consented to the proposal.

The candidates for Audit & Supervisory Board member and substitute Audit & Supervisory Board member are as follows:

TAKASHI NISHIMURA

New Appointment



Audit & Supervisory Board Member

Age: 48
(Date of Birth: October 22nd, 1973)

Number of Company Shares held: 134,551

Career summary:

Takashi Nishimura joined the Company in 1997 and has been in charge of promoting and overseeing domestic and international businesses. He has served as Director of the Board of Indeed, Inc. since 2014 and as Director of the Board 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 staffing solutions and services. He currently contributes to new business development across the human resources matching domain that drives the growth of our Group.

Term of office

From June 21, 2022 to the conclusion of the Annual Meeting of Shareholders to be held in 2026.

Career summary and positions

**Current position*

January	2019	• Senior Vice President and GM of Recruiting Solutions of Indeed, Inc.
January	2018	• Director of the Board* 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 the Board* of Indeed, Inc.
February	2014	• Executive Vice President of Recruit U.S.A.
April	2013	• Head of International Business Management Department
April	2012	• Company Partner of Business Management Department
April	1997	• Joined the Company

Significant concurrent position(s)

Director of the Board of Indeed, Inc. (Scheduled to retire in June 2022)

Director of the Board of RGF Staffing B.V. (Scheduled to retire in June 2022)

Reasons for being appointed as a candidate for substitute Audit & Supervisory Board member

Takashi Nishimura has a great wealth of knowledge and experience overseeing and managing Recruit Group's global business. We believe that he is the appropriate person to supervise the Company's overall management, and should serve as Audit & Supervisory Board member.



Substitute Outside Audit & Supervisory Board Member (Independent)

Age: 47
(Date of Birth: December 1st, 1974)

Number of Company Shares held:
0

Career summary:

Miho Tanaka is a Partner of SHIBA & TANAKA LAW OFFICES (formerly Shiba Management Legal Office), Supervisory Director of Marimo Regional Revitalization REIT, Inc., Outside Audit and Supervisory Board Member of Solasto Corporation and Outside Director of the Board of Tokyo Century Corporation. Her field of expertise is in cross-border business for Japanese and international companies, mergers and acquisitions, finance transactions and corporate governance. Prior to this, she worked at TMI Associates from 2007 to 2015 as a lawyer. Ms. Tanaka started her career in 2004 when she was admitted to Dai-ni Tokyo Bar Association and joined Asahi Koma Law Office (currently Nishimura & Asahi).

Term of office

From June 21, 2022 to the conclusion of the Annual Meeting of Shareholders to be held in 2023.

Career summary and positions

**Current position*

June	2021	• Outside Director of the Board* of Tokyo Century Corporation
June	2020	• Outside Audit and Supervisory Board Member* of Solasto Corporation
February	2016	• Supervisory Director* of Marimo Regional Revitalization REIT, Inc.
July	2015	• Partner* of SHIBA & TANAKA LAW OFFICES (formerly Shiba Management Legal Office)
February	2007	• TMI Associates
October	2004	• Admitted to Dai-ni Tokyo Bar Association, Asahi Koma Law Office (currently Nishimura & Asahi)

Significant concurrent position(s)

- Partner of Shiba Management Legal Office (SHIBA & TANAKA LAW OFFICES)
- Supervisory Director of Marimo Regional Revitalization REIT, Inc.
- Outside Audit and Supervisory Board Member of Solasto Corporation
- Outside Director of the Board of Tokyo Century Corporation

Reasons for being appointed as a candidate for substitute Audit & Supervisory Board member

Miho Tanaka has developed expertise as a lawyer for many years and despite never having been involved directly, has deep knowledge of corporate management. She would bring a neutral and objective perspective supported by her deep insight and a wealth of experience. We believe that she is the appropriate person to supervise the Company's overall management, and should serve as a substitute Audit & Supervisory Board member.

Independence Criteria

Miho Tanaka currently serves as Partner of SHIBA & TANAKA LAW OFFICES, which has no business relationship with the Company. Therefore, the Company believes that Ms. Tanaka has sufficient independence where there are no potential conflicts of interests with general shareholders.

-
- * The candidate does not have any special interest in the Company.
 - * The above number of shares held by the candidate is as of March 31, 2022, and other information in the Reference Documents for the Annual Meeting of Shareholders is based on information available as of May 16, 2022. The shares held by Mr. Nishimura means a stake in the Recruit Group Employees Shareholding Association.
 - * Ms. Tanaka is a candidate for substitute outside Audit & Supervisory Board member.
 - * The Company has entered into a directors and officers liability insurance contract to insure all Audit & Supervisory Board members. The contents of the insurance contract are as described on page 53 of the BUSINESS REPORT. If Mr. Nishimura is elected as Audit & Supervisory Board member and Ms. Tanaka is appointed as outside Audit & Supervisory Board member, they will be named as the insured under the contract. The insurance contract is expected to be renewed during their term of office.
 - * If Mr. Nishimura is elected as Audit & Supervisory Board member and Ms. Tanaka is appointed as outside Audit & Supervisory Board member, the Company plans to enter into an agreement with them to limit their liability under Article 423, Paragraph 1 of the Companies Act of Japan. The maximum amount of liability for damages in the agreement is planned to be the minimum amount required under applicable laws and regulations.
 - * Ms. Tanaka meets both the requirements for independence stipulated by the Tokyo Stock Exchange and those of the Holding Company. Ms. Tanaka currently serves as Partner of SHIBA & TANAKA LAW OFFICES, which has no business relationship with the Company. Therefore, the Company believes that Ms. Tanaka has sufficient independence where there are no potential conflicts of interests with general shareholders.
 - * If Ms. Tanaka is appointed as outside Audit & Supervisory Board member, the Company will report her to the Tokyo Stock Exchange as Independent Audit & Supervisory Board member as specified by the Tokyo Stock Exchange.

Reference Information related to Proposals 1 and 2

Skills Matrix of Directors of the Board after the Conclusion of this Annual Meeting of Shareholders

If Proposals 1 and 2 are approved as proposed at this Annual Meeting of Shareholders, the composition of the Board of Directors and skills of each of the Directors of the Board and Audit & Supervisory Board members will be as follows:

Name	Board Position	Skills and Expertise							
		Corporate Management	Finance	Legal/Risk Management	Global Business	Technology	HR Business	ESG/Sustainability	Transformation
Masumi Minegishi	Representative Director of the Board	●			●	●	●		●
Hisayuki Idekoba	President and Representative Director of the Board	●			●	●	●		●
Ayano Senaha	Director of the Board			●	●	●	●	●	●
Rony Kahan	Director of the Board	non-Executive	●		●	●	●		●
Naoki Izumiya	Outside Director of the Board	Independent	●		●			●	●
Hiroki Totoki	Outside Director of the Board	Independent	●	●	●	●			●
Keiko Honda	Outside Director of the Board	Independent	●	●	●			●	●
Yukiko Nagashima	Standing Audit & Supervisory Board Member		●				●		●
Takashi Nishimura	Standing Audit & Supervisory Board Member				●	●	●		●
Yoichiro Ogawa	Outside Audit & Supervisory Board Member	Independent	●	●	●	●			●
Katsuya Natori	Outside Audit & Supervisory Board Member	Independent			●	●	●		●

Independent Independent Director as reported to the Tokyo Stock Exchange

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, 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.

The total amount of strategic shareholdings held by the Holding Company and Recruit Co., Ltd. was 90.7 billion yen, which was 6.6% of total equity as of March 31, 2022.

(in billions of yen, unless otherwise stated)

	The Holding Company		Recruit Co., Ltd.	
	Unlisted	Listed	Unlisted	Listed
Number of issuers	3	12	4	4
Amount on the balance sheet	1.7	66.6	1.4	20.8
Number of issuers with decreased shareholdings	-	1	-	1
Total proceeds from sales resulting in a decrease in number of shares held	-	0.6	-	0.0

Proposal 3: Proposal to Amend Articles of Incorporation

1. Reason for Proposal

(1) Change in location of head office

On July 1, 2022, the Company will change its headquarters from its current office location in Chuo-ku, Tokyo, Japan to its office in Chiyoda-ku, Tokyo, Japan in order to strengthen and streamline the Company’s office functions. Accordingly, the Company proposes to amend the location of its headquarters in the Company’s Articles of Incorporation with supplementary provisions with respect to the effective date.

(2) Introduction of system to provide materials for the General Meeting of Shareholders in electronic format

The amending provisions set out in the proviso of Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) will be enforced from September 1, 2022, so the Company proposes the following amendments to its Articles of Incorporation in order to prepare for the introduction of the system for providing materials for the General Meeting of Shareholders in electronic format.

- (i) The proposed amended Article 15, Paragraph 1 will stipulate to the effect that measures for provision in electronic format are to be taken in relation to information constituting the contents of reference documents, etc. for the General Meeting of Shareholders.
- (ii) The proposed amended Article 15, Paragraph 2 will establish provisions that limit the scope of matters stated in written documents delivered to shareholders who request delivery of written documents.
- (iii) The provisions of “Disclosure of reference information of General Meeting of Shareholders through the Internet” (Article 15 of the current Articles of Incorporation) will become unnecessary, so those provisions will be deleted.
- (iv) As a consequence of the additions and deletion stated above, supplementary provisions related to the effective date and the like will be established.

2. Details of the Amendments

The details of the amendment are as follows (underlined parts indicate proposed amendment).

Current Articles of Incorporation	Proposed Amendment
<p>3. Location of Head Office</p> <p>The head office of the Company shall be situated at <u>Chuo-ku, Tokyo, Japan.</u></p>	<p>3. Location of Head Office</p> <p>The head office of the Company shall be situated at <u>Chiyoda-ku, Tokyo, Japan.</u></p>
<p><u>15. Disclosure of reference information of General Meeting of Shareholders through the Internet</u></p> <p><u>In convening a General Meeting of Shareholders, the Company may deem to have provided information about matters to be stated or indicated at the General Meeting of Shareholders, the business reports, financial statements and consolidated financial statements by disclosing such information via the Internet in accordance with the applicable laws and regulations of the Ministry of Justice.</u></p>	<p>(Deleted)</p>

(Newly established)

15. Measures for provision in electronic format, etc.

15.1 In convening a General Meeting of Shareholders, the Company shall take measures for provision in electronic format in relation to information constituting the contents of reference documents, etc. for the General Meeting of Shareholders.

15.2 Of the matters subject to measures for provision in electronic format, the Company may forgo stating all or part of the matters stipulated by Ordinance of the Ministry of Justice in written documents delivered to shareholders who have requested delivery of written documents before the record date for voting rights.

(Newly established)

Supplementary Provisions

1. The amendment to Article 3 (Location of Head Office) of the Articles of Incorporation shall become effective on July 1, 2022, and this Article 1 of the Supplementary Provisions shall be deleted after the effective date of the Head Office relocation.

2.1 The amendment to Article 15 of the Articles of Incorporation shall become effective on and from September 1, 2022, which is when the amending provisions set out in the proviso of Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) are enforced (the "Enforcement Date").

2.2 Notwithstanding the provisions of the preceding paragraph, Article 15 of the Articles of Incorporation (Disclosure of reference information of General Meeting of Shareholders through the Internet) shall be effective in relation to a General Meeting of Shareholders whose date falls within six (6) months after the Enforcement Date.

2.3 This Article 2 of the Supplementary Provisions shall be deleted after the later of the day on which six (6) months will have elapsed since the Enforcement Date or the day on which three (3) months will have elapsed since the General Meeting of Shareholders provided for in the preceding paragraph.

BUSINESS REPORT

(April 1, 2021 – March 31, 2022)

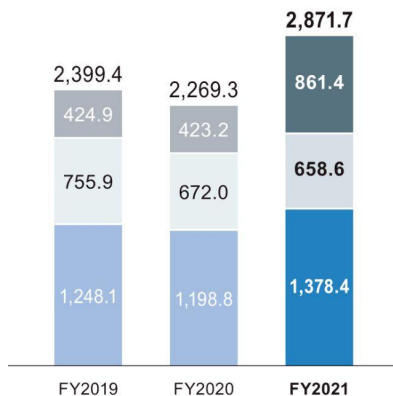
Overview of the Company

Overview of Operations for FY2021

Consolidated Results of Operations for FY2021

Revenue¹ (In billions of yen)

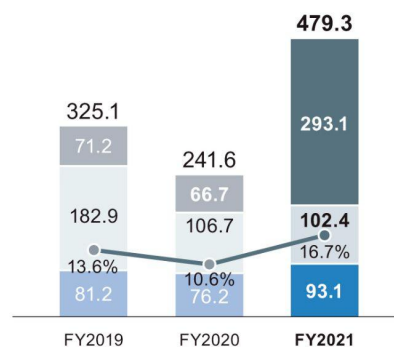
■ HR Technology ■ Media & Solutions ■ Staffing



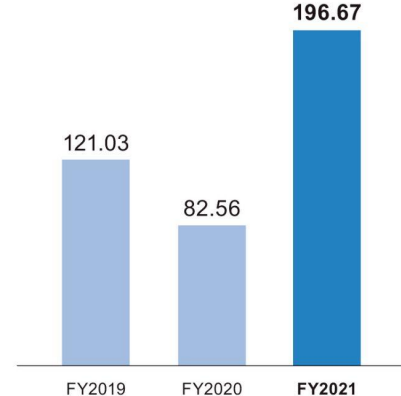
Adjusted EBITDA¹ and Adjusted EBITDA Margin

(In billions of yen/%)

■ HR Technology ■ Media & Solutions ■ Staffing



Adjusted EPS (yen)



¹ The sum of the three segments does not correspond with consolidated figures due to Corporate and Elimination, such as intra-group transactions.

In the US and Europe, the economic activity recovered as vaccine rollouts progressed, resulting in increased hiring demand during FY2021. In Japan economic activity was impacted by the state of emergency and priority preventative measures in Q1 and Q2 of FY2021, but the impact of any COVID-19-related measures in the second half of FY2021 was limited.

Consolidated revenue for FY2021 was 2.87 trillion yen, an increase of 26.5% year over year. Excluding revenue of 79.0 billion yen from the Rent Assistance Program by The Small and Medium Enterprise Agency of the Ministry of Economy in Japan (“Rent Assistance Program”) from the previous fiscal year, consolidated revenue for FY2021 increased 31.1% year over year. The increase is mainly due to the significant revenue growth of HR Technology. Revenue in Media & Solutions also increased excluding the impact of Rent Assistance Program, and revenue in Staffing also increased. Excluding the positive impact of exchange rate movements of 97.6 billion yen, consolidated revenue for FY2021 increased 22.2% year over year.

Consolidated operating income for FY2021 was 378.9 billion yen, an increase of 132.7% year over year.

Profit before tax for FY2021 was 382.7 billion yen, an increase of 127.1% year over year.

Profit for FY2021 was 297.7 billion yen, an increase of 126.1% year over year and profit attributable to owners of the parent for FY2021 was 296.8 billion yen, an increase of 125.9% year over year.

Consolidated adjusted EBITDA margin for FY2021 was 16.7%, an increase from 10.6% for the previous fiscal year, due primarily to a margin growth in HR Technology.

Adjusted EBITDA for FY2021 was 479.3 billion yen, an increase of 98.4% year over year, and adjusted EPS for FY2021 was 196.67 yen, an increase of 138.2% year over year.

Research and development expenses in FY2021 were 85.0 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.

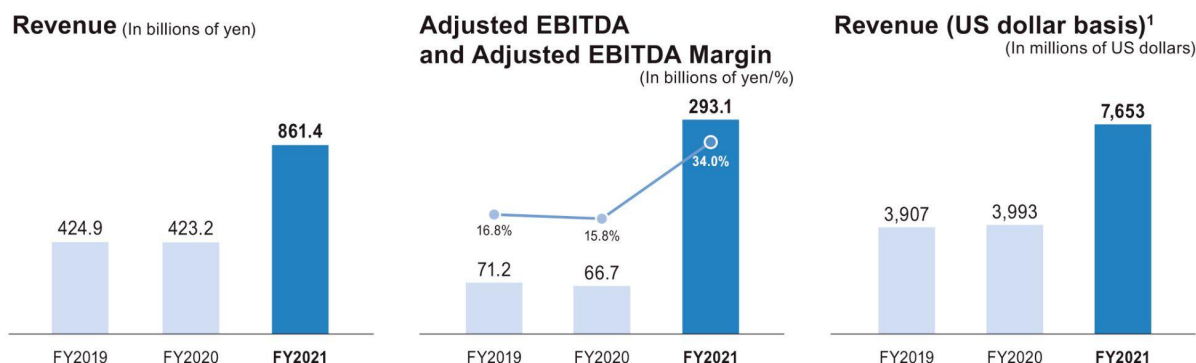
The Company's Response to the COVID-19 situation

The Company has continued to prioritize the prevention of infection with COVID-19 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 infection with 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 on the website: <https://recruit-holdings.com/en/covid19/>

Results of Operations by Segment

HR Technology

· Global job matching platform that offers advertising and other human resources matching solutions



Revenue for FY2021 was 861.4 billion yen, an increase of 103.5% year over year, and on a US dollar basis¹, revenue increased 91.6%. Over the course of the fiscal year, restrictions and measures were put in place to limit the spread of COVID-19 and were variously relaxed, reimposed, or strengthened across the countries where HR Technology operates, having an impact on both employers and job seekers. While hiring demand from employers significantly increased as they reopened, expanded operations, or created new businesses, the growth of job seeker activity was limited due to COVID-19 related causes including fear of contracting COVID-19, childcare responsibilities, spousal employment, and some job seekers having sufficient financial cushions. This imbalance between hiring demand of employers and job seeker activity resulted in increased competition for talent on Indeed and Glassdoor, which was a key driver of revenue growth.

Adjusted EBITDA margin was 34.0%, an increase from 15.8% for FY2020, and adjusted EBITDA for FY2021 was 293.1 billion yen, an increase of 338.9% year over year. Throughout the fiscal year, HR Technology continued to invest in developing new and innovative hiring solutions, primarily through hiring engineering, product, and other technical talent, which accelerated in the second half of FY2021. Additionally, marketing initiatives to drive client and user acquisition in the short-term and to build the Indeed and Glassdoor brands over the long-term were significant cost drivers. Headcount in HR Technology grew approximately 23% year over year, to roughly 13,000 as of March 31, 2022.

¹ The US dollar based revenue reporting represents the financial results of operating companies in this segment on a US dollar basis, which differ from the consolidated financial results of the Company

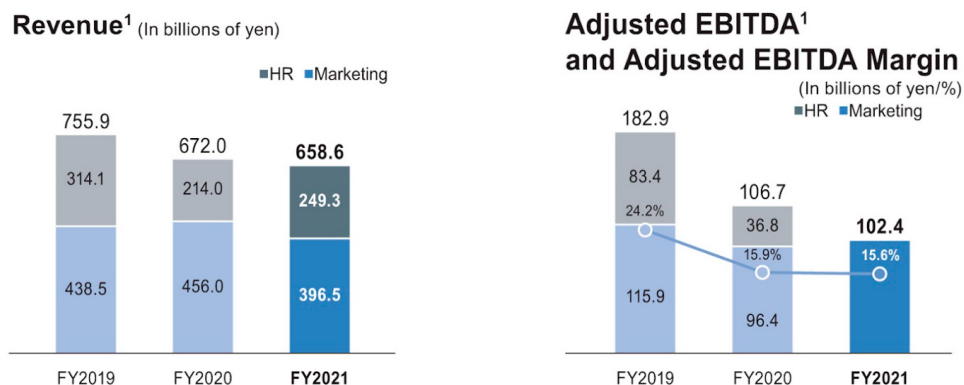
Media & Solutions

Marketing Solutions:

Provides matching platforms in a variety of industries, such as Housing & Real Estate, Beauty, Bridal, Travel, Dining and others, to connect individual users and business clients. Offers cloud-based SaaS solutions to improve business clients' efficiency of operations.

HR Solutions:

A variety of HR services mainly in Japan through online platforms and print media for job seekers and business clients.



¹ The sum of the segments does not correspond with consolidated figures due to Corporate and Elimination, such as intra-group transactions.

Revenue for FY2021 was 658.6 billion yen, a decrease of 2.0% year over year. Excluding revenue of 79.0 billion yen from the Rent Assistance Program in the previous fiscal year, revenue for FY2021 increased 11.1% year over year.

Revenue in Marketing Solutions decreased 13.0% but increased 5.2% when revenue from the Rent Assistance Program from the prior fiscal year is excluded. Revenue in Housing & Real Estate and Beauty, which together account for more than 50% of the revenue of Marketing Solutions, increased year over year and continued to be the primary drivers of revenue growth even under the COVID-19 pandemic. Revenue in Bridal also increased year over year. Although economic activity recovered, revenue in Travel remained flat as revenue in FY2020 had been positively impacted by the temporary Go To Travel campaign initiated by the Japanese government. Revenue in Dining decreased due to the state of emergency and priority preventative measures imposed during the fiscal year.

In Air Business Tools, the number of AirPAY accounts as of March 31, 2022 increased 33.6% year over year. Of the approximately 281,000 AirPAY registered accounts as of March 31, 2022, approximately 176,000 accounts also subscribed to other Air BusinessTools solutions.

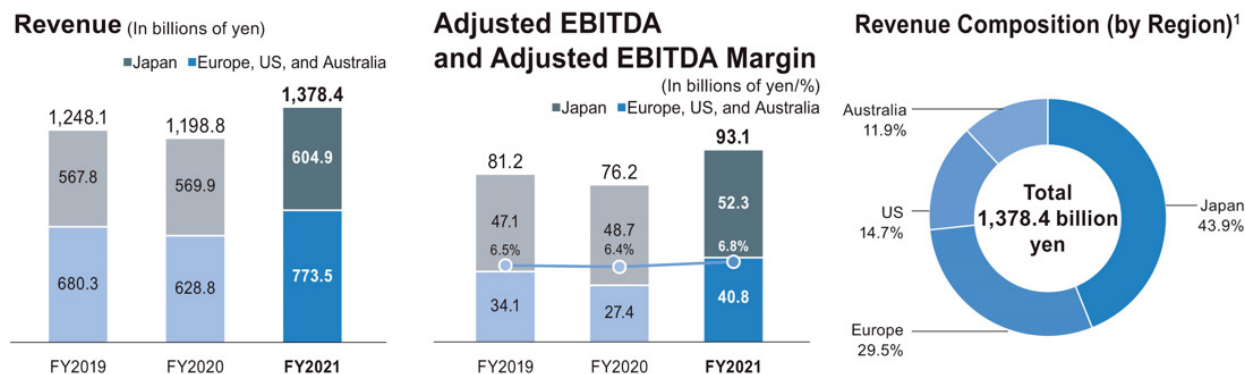
Revenue for HR Solutions increased 16.5% as hiring demand recovered in Japan. Revenue in the part-time job advertising business in which the hospitality sector accounts for a large percentage of job postings, was impacted by the state of emergency and priority preventative measures in the first half of FY2021 but the hiring demand was even more aggressive compared to FY2020. As the measures were lifted at the end of September 2021, the hiring demand increased and resulted in revenue growth. Also, revenue in the placement service increased year over year, due to increased hiring demand in many industries which utilize placement services.

Adjusted EBITDA for FY2021 was 102.4 billion yen, a decrease of 4.0% and adjusted EBITDA margin for FY2021 remained flat at 15.6% as Marketing & Solutions executed strategic marketing activities and hiring in anticipation of future growth.

Staffing

• **Japan**: Staffing services in Japan

• **Europe, US, and Australia**: Staffing services mainly in Europe, US, and Australia



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

Revenue for FY2021 increased 15.0% year over year. Excluding the positive impact of foreign exchange rate movement, revenue increased by 11.1% year over year.

Revenue in *Japan* increased 6.1% as the number of temporary staff increased year over year.

Revenue in *Europe, US, Australia* also increased 23.0%, primarily 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 and healthcare roles to support COVID-19 mitigation efforts particularly in Europe. Excluding the positive impact of foreign exchange rate movement, revenue increased by 15.6% year over year.

Adjusted EBITDA margin for FY2021 was 6.8%, an increase from 6.4% for FY2020, and adjusted EBITDA for FY2021 was 93.1 billion yen, an increase of 22.3% year over year. In *Japan*, adjusted EBITDA increased due to an increase in revenue throughout the fiscal year. Although the cost of staffing business rose in the first half of the year due to a combination of an increase in paid vacation time taken by temporary staff and increased advertising expenses to attract temporary staff, both of which were impacted in the costs, cost control measures based on monitoring of the supply and demand balance in the labor market were taken in the second half. As a result, adjusted EBITDA margin for FY2021 in *Japan* was at the same level as the previous year. In *Europe, US, and Australia*, adjusted EBITDA increased due to an increase in revenue throughout the fiscal year and adjusted EBITDA margin increased compared to the previous year.

The following table presents main brands and services for each reportable segment, as of March 31, 2022.

Segment	Operations	Brands and Services
HR Technology	-	<p>Indeed Online job platform and company information site</p> <p>Glassdoor Online job platform and company information site</p>
Media & Solutions	<p>Marketing Solutions</p> <p>HR Solutions</p>	<p>SUUMO Online platform, print media, and in-person consultation service for housing and real estate</p> <p>Hot Pepper Beauty Online platform and print media for beauty treatment</p> <p>Jalan Online platform and print media for travel in Japan</p> <p>Study Sapuri Online learning service for students and adults</p> <p>Air BusinessTools Cloud-based operational and management support solutions for business clients across an expanding variety of businesses</p> <p>Rikunabi Online matching platform for new graduates</p> <p>Rikunabi NEXT Online matching platform for professionals</p> <p>RECRUIT AGENT Employment placement service for professionals</p> <p>TOWNWORK Online matching platform and print media for part-time and full-time job seekers</p>
Staffing	<p>Japan</p> <p>Europe, US, and Australia</p>	-

Capital expenditures

The total amount of capital expenditures for FY2021 was 86.6 billion yen, excluding consumption tax, etc. This was primarily due to an increase in right-of-use assets from the conclusion of new lease contracts, and the development and acquisition of software.

HR Technology

For FY2021, capital expenditures of 12.2 billion yen were made primarily for office expansion and remodeling and the enhancement of various facilities for the business expansion. There were no significant disposals or sales of facilities.

Media & Solutions

For FY2021, capital expenditures of 57.1 billion yen were made primarily for the development and acquisition of software. There were no significant disposals or sales of facilities.

Staffing

For FY2021, capital expenditures of 17.0 billion yen were made primarily due to an increase in right-of-use assets from the renewal of lease contracts and the enhancement of various facilities for the expansion of business. There were no significant disposals or sales of facilities.

Corporate

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

Financing

Not applicable.

Significant business combination, etc.

Not applicable.

Trends in Assets and Income

(In millions of yen, unless otherwise stated)

Item	FY2018	FY2019	FY2020	FY2021 (current consolidated fiscal year)
Revenue	2,310,756	2,399,465	2,269,346	2,871,705
Profit before tax	239,814	226,149	168,502	382,749
Profit attributable to owners of the parent	174,280	179,880	131,393	296,833
Basic earnings per share (yen)	104.31	108.27	79.83	181.68
Equity attributable to owners of the parent	965,775	988,449	1,091,571	1,363,776
Total assets	1,748,982	1,998,917	2,196,613	2,423,542
Equity attributable to owners of the parent per share (yen)	578.04	599.65	667.96	847.45

¹ The Company prepares its consolidated financial statements based on IFRS.

² Basic earnings per share has been calculated based on the average number of shares during the period less the number of treasury stock, and equity attributable to owners of the parent per share has been calculated based on the number of shares issued at the end of each period less the number of treasury stock.

Significant Subsidiaries (as of March 31, 2022)

Segment	Company	Common stock	Ratio of voting rights held by the Company ¹	Major business
HR Technology				
	RGF OHR USA, INC.	10 US dollars	100.0%	HR Technology Business Headquarters
	Indeed, Inc.	10 US dollars	100.0%	Online job platform and company information site
	Glassdoor, Inc.	10 US dollars	100.0%	Online job platform and company information site
Media & Solutions				
Marketing Solutions				<ul style="list-style-type: none"> - Media & Solutions Business Headquarters - Provides online platform and print media in the housing business - Provides online platform and print media in the bridal, education and automobile businesses, etc.
HR Solutions	Recruit Co., Ltd.	350 million yen	100.0%	<ul style="list-style-type: none"> - Provides online platform and print media in the travel, dining and beauty businesses, etc. - Provides services for recruitment advertisement and employment placement for professionals - Provides mainly part-time and temporary job advertisement service
Staffing				
	RGF Staffing B.V.	1.5 euro	100.0%	Staffing Business Headquarters
Japan	Recruit Staffing Co., Ltd.	1,939 million yen	100.0%	Provides staffing services mainly for clerical jobs in Japan
	STAFF SERVICE HOLDINGS CO., LTD.	500 million yen	100.0%	Provides staffing services mainly for clerical and manufacturing jobs in Japan
Europe, US, and Australia	RGF Staffing France SAS	26,395 thousand euro	100.0%	Provides comprehensive staffing services in France
	RGF Staffing Germany GmbH	500 thousand euro	100.0%	Provides comprehensive staffing services in Germany
	RGF Staffing the Netherlands B.V.	1 thousand euro	100.0%	Provides comprehensive staffing services in the Netherlands
	RGF Staffing UK Limited	11,172 thousand GBP	100.0%	Provides comprehensive staffing services in the United Kingdom
	Unique NV	50,082 thousand euro	100.0%	Provides comprehensive staffing services in Belgium
	Staffmark Group, LLC	117,514 thousand US dollars	100.0%	Provides staffing services mainly for light works in the United States
	The CSI Companies, Inc.	2.0 US dollars	70.0%	Provides staffing services mainly for clerical and IT jobs in the United States
	Chandler Macleod Group Limited	191,490 thousand Australian dollars	100.0%	Provides comprehensive staffing services in Australia

¹ The ratio of voting rights includes indirect holding of voting rights.

Issue to be Addressed

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 developed a two-sided marketplace business model to align with its management philosophy. Through its platforms, the Company facilitates the best possible matches for the mutual benefit of both individual users and business clients. In recent years, technological advancement has enabled the Company to improve matching efficiency, providing better matching outcomes for individual users and improving operational efficiencies for business clients.

Target Management Key Performance Indicators (KPIs)

The Company aims to invest in new businesses, research and development, and mergers and acquisitions (M&A) in order to achieve profitable growth over the long-term, and maximize enterprise value as well as shareholder value. Therefore, the Company has set adjusted EBITDA and adjusted EPS as target management KPIs.

Executive officers' compensation is linked to target management KPIs, especially adjusted EBITDA, to align with shareholder interests. Also, starting from FY2022, the Company has decided to link the level of achievement of ESG targets to the compensation of certain executive officers. For details, please refer to "Prosper Together" in the section "Business Strategies of the Company".

Starting from FY2022, the Company will change adjustment items for adjusted EBITDA and adjusted EPS which are Target Management Key Performance Indicators (KPIs).

For adjusted EBITDA, the Company has decided to include share-based payment expenses as an adjustment item to better reflect its cash flow generation and to enhance comparability with other companies globally.

The Company implemented the equity incentive plan for employees of HR Technology in Q4 FY2020. Share-based payment expenses in FY2021, which also includes the existing Recruit Group directors' plans, was 32.4 billion.

The definition of adjusted EBITDA from FY2022 is set as below:

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

For adjusted EPS, the Company has decided to remove amortization of intangible assets arising due to business combinations as an adjustment item for adjusted profit, which is the numerator in adjusted EPS calculation, and adjust only non-recurring income/losses to present the recurring per-share profitability of the business and to enhance comparability with other companies globally.

Since the Company adopted IFRS in FY2017, goodwill, often a major portion of intangible assets arising due to business combinations, is no longer amortized each period, but instead tested for impairment at least annually. When impairment occurs, it is considered as a non-recurring loss (please refer to the following definition).

The definition of adjusted EPS and related financial measures from FY2022 are set as below:

- 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)
- Adjusted profit = Profit attributable to owners of the parent ± Non-recurring income/losses (excluding non-controlling interests) ± tax reconciliation related to certain non-recurring income/losses
- Non-recurring income/losses are 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

The Company will apply its new definition for adjusted EBITDA and adjusted EPS for FY2021 retroactively in quarterly disclosure for FY2022 in order to provide useful YoY comparisons.

Business Strategies

The Company strives to maximize enterprise value and shareholder value by responding to the rapidly transforming technology and internet landscape and by identifying business opportunities globally.

Through HR Technology, HR Solutions in Media & Solutions and Staffing for the global HR Matching market as well as through Marketing Solutions in Media & Solutions for Japan, the Company aims not only to provide online advertising business but also to be a solution provider to improve the business performance and productivity of clients' businesses by utilizing technology.

In an environment of high uncertainty, the Company believes that making a positive impact on society and this shared planet is key to achieving sustainable growth, and prospering together with all stakeholders through all corporate activities with a sound governance foundation is important. Therefore, the Company has set specific targets for environmental, social and governance (ESG) matters as a corporate strategy and will take initiatives through dialogue with stakeholders.

The Company's business strategies are as follows:

Simplify Hiring - Aim to simplify hiring by connecting people with jobs, faster and easier

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.

By dramatically improving the quality and speed of matching recommendation through the utilization of data, automation and technology, the Company aims to simplify the hiring process to deliver more value to job seekers and employers through collaborations across all three SBUs.

The Company's long term vision is to leverage the combination of years of candidate matching data and new insights about job seeker and employer preferences with AI and machine learning technology to more quickly, effectively and fairly connect job seekers and employers at the push of a button¹.

At the moment, the Company believes the measured average hires per minute² is the KPI that demonstrates our success in simplifying the hiring process. This KPI represents improvements in matching and automation, as well as improvements in employer engagement that help us measure more hires. In Q4 FY2021, based on internal measurement, an average of 20 job seekers were hired on Indeed and Glassdoor every minute, increasing from an average of 10 measured hires in Q4 FY2018.

At the center of this strategy, HR Technology SBU operates a global two-sided talent marketplace that includes the world's leading job and company information platforms³, Indeed and Glassdoor. Each month, millions of job seekers on Indeed and Glassdoor begin their job discovery journey, with more than 250 million and 55 million unique visitors respectively⁴ and millions of employers, from small businesses to large enterprises and staffing agencies, post jobs and search resumes on HR Technology's platforms to attract and hire talent. More than 30 million jobs⁵, that have been aggregated from public sources or posted directly by employers to HR Technology's platforms, are available to be discovered by job seekers each day. Provided with richer data along with AI and machine learning technology, the Company can improve the matching efficiency that gives the ability to make the best job recommendations possible and offer the best candidate pool possible.

The Company is working to automate manual hiring processes and improve matching efficiency. For example, in FY2021, 2 million virtual interviews⁶ between job seekers and employers happened directly on Indeed. Many give job seekers the ability to instantly schedule an interview with a recruiter or hiring manager when they pass certain screener questions or assessments. This means job seekers can find a job using our HR Technology platform, interview with potential employers and share insights about their

work experiences, skills and preferences - all of which feeds additional data to the matching engine.

Also, the HR Technology SBU and the Staffing SBU are working together to improve the job seeker experience for temporary workers by applying data and automation to the traditional temporary staffing business as well as through Indeed Flex which provides access to available jobs, salary choice and a flexible schedule.

In a pilot initiative in Japan, the number of interviews in the placement service in Media & Solutions has increased compared to the previous year as a result of utilizing HR Technology's matching engine in conjunction with technology developed in Media & Solutions to streamline the hiring processes. Collaborations between the SBUs are expected to continue in FY2022 and onwards to simplify hiring across all types of jobs in the HR Matching market.

The Company estimates that the global HR Matching market was roughly 236 billion US dollars⁷ in terms of annual revenue in 2021.

The Company believes that after experiencing a contraction due to the initial impact of the COVID-19 pandemic in 2020, the size of the global HR Matching increased significantly in 2021 due to global labor market conditions as the size of the HR Matching market tends to be highly correlated with overall economic growth and resulting labor market conditions. The Company expects that the HR Matching market will continue growing beyond 2022, but at a slower rate than the rate experienced during 2021 as labor markets, including employer and job seeker activities and expectations, adjust and normalize after a period of significant growth driven by unprecedented labor market conditions.

HR Matching addressable markets (estimated)

(In billions of US dollars)	2019	2020	2021
Job Advertising and Talent Sourcing ^{8, 9}	21	19	26
Direct Hire ^{10, 11, 12}	55	32	45
Retained Search ^{10, 11, 12}		21	31
Temporary Staffing (Net) ^{13, 14, 15}	82	72	88
Sub Total	159	144	192
Internal Recruitment Automation ¹⁶	N/A	N/A	43
Total Addressable Market ("TAM")¹⁷	159	144	236

Job Advertising and Talent Sourcing: The global online job advertising and talent sourcing tools market is estimated by the Company to have been approximately 24 billion US dollars⁸ in terms of annual revenue in 2021. The global offline job advertising market, which the Company estimates was more than 2 billion US dollars⁹ in terms of annual revenue in 2021, is expected to continue to contract as demand in this market flows into online channels.

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 45 billion US dollars¹² in terms of annual revenue globally in 2021 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 31 billion US dollars¹² in terms of annual revenue globally in 2021 and is similarly dominated by traditional relationship-based business models.

Internal Recruitment Automation: The potential internal recruitment automation market is estimated by the Company to be roughly 43 billion US dollars¹⁶ globally in 2021. 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 reasonably be automated and monetized by third parties (including an estimated reduction from historical spending from cost savings achieved through automation).

The **Direct Hire, Retained Search, and Internal Recruitment Automation** markets have business processes and methods that are highly dependent on manual processes in order to source and screen candidates, schedule interviews, and disposition 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.

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 be roughly 473 billion US dollars¹² in annual revenue globally in 2021. 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 88 billion US dollars¹⁵ in 2021. The Company sees near-term opportunities to introduce technology-driven solutions that create efficiencies by automating human-driven processes involved in traditional temporary staffing services and over the long-term seeks to transform the market through these solutions. The Company intends to explore the development of new and innovative solutions in temporary staffing and apply them to new and existing businesses to capture future opportunities by leveraging data and technology.

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 Hires per minute is a calculation of hired signals per quarter on Indeed and Glassdoor, divided by minutes per quarter. 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.

³ Source: comScore, Total Visits, February 2022

⁴ Google Analytics, Unique Visitors, March 2022. Unique visitors is the number of unduplicated (counted only once) visitors to a website over the course of a specified time period.

⁵ Daily average number of jobs searchable on Indeed, worldwide, March 2022

⁶ Over 2 million job seekers have conducted interviews on Indeed between April 1 2021 and March 31 2022 based on internal data.

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, and the addressable markets for the temporary staffing market in terms of annual gross profit, in each case based on the Company's estimates and third party market data as described in the notes below.

⁸ Estimated size of the global online job advertising and talent sourcing tools market calculated by summing the revenue of HR Technology in the relevant year, the Company's estimates for revenue of competing job advertising boards in the Company's target operating markets in the relevant year based on third party reports and internal research, and the Company's estimates for annual revenue of the talent solutions business of LinkedIn in the Company's target operating markets in the relevant year based on publicly available information and internal research.

⁹ Estimated size of the global offline job advertising market derived based on the proportion of online to offline spending (excluding TV, cinema and radio advertising) in the overall advertising market in the relevant year based on third party reports and the estimated size of global online job advertising and talent sourcing tools market. The numbers in this chart are the sum of the global offline job advertising market and global online job advertising and talent sourcing tools market.

¹⁰ Source for 2019: SIA, Global Staffing Industry Market Estimates and Forecast: May 2020 Update. For 2019, we estimated only the size of the addressable market for Placement & Search (comprising the Direct Hire and Retained Search segments) as a whole and did not estimate the size of the addressable markets for the individual segments within the Placement & Search market.

¹¹ Source for 2020: SIA, Global Staffing Market Estimates and Forecast: 21 May 2021. Placement & Search market is derived by applying 12%, which was Placement & Search's share of 2020 Global Staffing Revenue to 445 billion US dollars, which was 2020 Global Staffing Revenue. 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 2021: SIA, Global Staffing Market Estimates and Forecast: November 2021 Update. Placement & Search market is derived by applying 14%, which was Placement & Search's share of 2021 Global Staffing Revenue to 473 billion US dollars, which was estimated 2021 Global Staffing Revenue. 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.
- ¹³ Amount for 2019 derived by applying a gross profit margin of 18.6%, which was calculated based on the weighted average of the top 3 publicly traded global staffing companies in terms of revenue in 2019 to 441 billion US dollars, which was the revenue of the temporary staffing market in 2019 according to SIA (Global Staffing Industry Market Estimates and Forecast, May 2020 Update).
- ¹⁴ Amount for 2020 was derived by applying a gross profit margin of 18.2%, which was calculated based on the weighted average of the top 3 publicly traded global staffing companies in terms of revenue in 2020 to 393 billion US dollars, which was the revenue of the temporary staffing market in 2020 from SIA, Global Staffing Market Estimates and Forecast: 21 May 2021.
- ¹⁵ Amount for 2021 was derived by applying a gross profit margin of 18.68%, which was calculated based on the weighted average of the top 3 publicly traded global staffing companies in terms of revenue in 2021 to 473 billion US dollars, which was the revenue of the temporary staffing market in 2021 from SIA, Global Staffing Market Estimates and Forecast: November 2021 Update by applying the estimated 2021 growth rate of 14% to 415 billion US dollars, the estimated revenue of the temporary staffing market in 2020.
- ¹⁶ Amount derived by applying approximately 5% growth rate estimated by the Company to the estimated 2020 market of roughly 42 billion US dollars based on SIA, The Evolution of Recruiting: Estimating the Addressable Market for Recruitment Automation (custom research commissioned by Indeed): March 2022. SIA's estimates are based on the assumption that 35% of historical spending on internal talent acquisition resources could be reasonably captured by current technology and that technology would result in 35% cost savings from historical spending. In the report, 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.
- ¹⁷ 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.

Help Businesses Work Smarter - Aim to improve the performance and productivity of clients' businesses through SaaS solutions in Japan

Media & Solutions supports the improvement of performance and productivity of business clients in Japan by providing online matching platforms, such as SUUMO, Hot Pepper Beauty, and TOWNWORK in Marketing Solutions and HR Solutions and a wide range of SaaS solutions, to enhance operational efficiency for business operations such as customer acquisition, customer relationship management, hiring, workforce management, and payments.

In the future, Media & Solutions will further expand its SaaS solutions, which are business and management support tools, to create an ecosystem that supports all economic activities related to the operations of our business clients, including financial services.

While building the ecosystem, we believe the number of registered accounts for SaaS solutions in Japan is the most important KPI. In order to increase the number of accounts, the Company focuses on expanding the range of SaaS solutions offerings, leveraging an established network of sales teams, as well as proactive marketing activities.

The Company estimates as of March 31, 2020 there to be approximately 2.9 million business locations and stores¹⁸ in Japan at which the current offerings of SaaS solutions called Air BusinessTools can be used, which we believe represents a sizable market opportunity. The number of AirPAY¹⁹ accounts, which is driving growth in the overall number of registered accounts, was approximately 281,000 as of March 31, 2022, an increase of 33.6% compared to March 31, 2021. The number of AirPAY accounts is the third largest among Air BusinessTools solutions, after AirREGI and AirWORK ATS, which are offered free of charge.

An increasing number of clients are using AirPAY in combination with other Air BusinessTools solutions such as AirREGI. Among the approximately 281,000 AirPAY registered accounts as of March 31, 2022, approximately 176,000 registered accounts were also subscribed to other Air BusinessTools solutions.

During FY2021, new SaaS solutions were developed and launched including AirWALLET, a digital account management application for individual users equipped with Coin+, a cashless payment brand, and AirWORK ATS, an applicant tracking system for recruitment management. In April 2022, the Company began offering AirCASH, a service allowing business clients to receive cash in exchange for their expected Air PAY accounts receivables.

AirWALLET simplifies managing daily spending for consumers by offering free peer-to-peer money transfers and bank deposits and withdrawals at partner banks, while also offering QR Code²⁰ payments via Coin+. Coin+ is a cashless payment brand which is provided through Recruit MUFG Business (RMB), a subsidiary funded by Recruit Co., Ltd. and MUFG Bank, Ltd. For merchants, Coin+ offers a handling fee of 0.99% (pre-tax) to accept cashless payments, which is lower than the industry average, reducing the burden of accepting cashless payments for business clients.

AirWORK ATS is a centralized applicant tracking system which also provides recruitment website design and the posting of job advertisements for free. Job advertisements on AirWORK ATS can be posted on Indeed and other job platforms and sites automatically. The number of AirWORK ATS accounts¹⁵ reached more than 380,000 as of March 31, 2022, an increase of over 100% YoY.



¹⁸ The Company estimated the number of business locations and stores that can use Air BusinessTools by first identifying the total number of business locations and stores of small and medium-sized enterprises in Japan (using the definition used by the Small and Medium Enterprise Agency) based on the 2016 Economic Census for Business Activity conducted by the Ministry of Internal Affairs and Communications and the Ministry of Economy, Trade and Industry. The Company then estimated the number of these business locations and stores that could use Air BusinessTools by aggregating the number of all such business locations and stores operating in all industries in which there were 20 or more existing Air BusinessTools registered accounts (including non-active accounts) as of March 31, 2020. As the Company has estimated such business locations and stores based on data for 2016, it is possible that the estimated number of such business locations and stores would materially differ based on more recent data. In addition, while the estimated number of such business locations and stores that can use Air BusinessTools is based on the number of all business locations and stores in all industries in which there were 20 or more existing Air BusinessTools registered accounts, there can be no assurance that all such business locations and stores would in fact have a need for the solutions offered by Air BusinessTools.

¹⁹ Registered accounts refers to the number of stores and business locations that have registered for the relevant service (including both active and non-active accounts).

²⁰ "QR Code" is a registered trademark of DENSO WAVE INCORPORATED.

Prosper Together - Seek sustainable growth shared by all stakeholders

The Company believes that it can make a positive impact on society and the global environment through its corporate activities. And by doing so, we can prosper together with all our stakeholders and take an essential step toward achieving sustainable growth. As we announced in May 2021, our environmental, social, and governance (ESG) goals have become one of the strategic pillars of our corporate strategy. The progress we have made toward these goals is outlined below.

Environmental (E)

In an effort to take action against climate change, the Company set a short-term goal to achieve carbon neutrality of greenhouse gas emissions (GHG) in its business activities by FY2021. We expect to have achieved this goal as planned, after receiving a third-party assurance in November 2022²¹. The Company also set a long-term goal to achieve carbon neutrality of GHG emissions across its entire value chain by FY2030²¹. In order to reduce GHG emissions and accelerate our efforts towards this goal, the Company has set a three-year reduction target²² starting from FY2022. This target aligns with the science-based 1.5°C pathway,²³ which aims to limit the increase in global average temperature to less than 1.5°C compared to the pre-industrial era.

Alongside this drive toward carbon neutrality, we have conducted scenario analyses of the Company's key risks and opportunities associated with climate change, and plan to disclose them in our annual report for FY2021 translated from "Yukashouken Houkokusho," in line with the TCFD framework²⁴.

Social (S)

The Company has made two commitments to create a significant social impact through its business in the area of work, which is an indispensable foundation for people's lives, and to contribute to reducing the duration of unemployment for all job seekers.

To begin the process of achieving our goal of cutting the time it takes to find a job in half, we analyzed user data on Indeed to identify a baseline. The result highlighted that while the time it takes for individual job seekers to get hired varies, we found that currently, it takes approximately 15 weeks²⁵ until most job seekers get jobs. Additionally, results from a 30-country labor force survey in 2021 indicated that about 50% of respondents experienced a job-search duration longer than their personal financial runway²⁶. We will continue to advance our products on Indeed to identify job seekers on Indeed who need more help than others to find a job faster and shorten hiring time.

In order to meet our goal of supporting employment for a cumulative 30 million job seekers²⁷ facing barriers by FY2030, we will forge partnerships with similarly motivated organizations and focus on reducing barriers to employment. Barriers such as a criminal record²⁸ or a lack of access to resources such as transportation and technology that are critical to finding a job²⁹ are particular challenges contributing to extended periods of unemployment on which we will initially focus. As we make progress towards this goal, we will continue to push for the use of technology to provide support and meet the growing need for inclusive hiring³⁰ among our enterprise clients.

Since its foundation, the Company has created new products and services and provided value to society by respecting the differences of every employee. We have once again positioned maximizing the motivation of our diverse employees to create value as a key management theme and are committed to diversity, equity, and inclusion (DEI).

To strengthen our ongoing DEI efforts, we are focusing on diversifying our management and assigning roles regardless of factors such as gender, nationality, age, and recruitment route. As for gender diversity, we have set a target to achieve an approximately 50% representation of women in senior executive positions, in managerial positions, and total employees within the Company by FY2030³¹.

In FY2021, each SBU studied its gender gap and analyzed the respective root causes of this gap, and proactively promoted women for senior executive positions, which include CEOs of main subsidiaries as well as executive officers of SBUs. As a result, the ratio of women in senior executive positions has increased from approximately 10% to 21% as of April 1, 2022. Starting from FY2022, we will accelerate our efforts to reduce unconscious bias and expand the number of women candidates for all roles by setting a three-year target for women representation²³.

Governance (G)

The Company aims to improve the transparency and soundness of management and raise the quality of decision-making by achieving an approximately 50% ratio of women among the members of the Board of Directors, including Audit & Supervisory Board members³², by FY2030. Recruit Holdings aims to submit a proposal for the election of women members of the Board to the Annual General Meeting of Shareholders to be held in June 2022. If the proposed candidates are elected, the ratio of women on the Board is expected to increase from 20% to approximately 27%³². Starting from FY2022, we have set a three-year target for Board representation by women²³ and will accelerate our efforts to increase the number of women Board candidates.

In addition, the Board of Directors has decided to link the achievement of the three-year targets for reducing GHG emissions and increasing the ratio of women employees to total employees to a portion of long-term incentive compensation³³. Those eligible for this initiative — starting from FY2022 — are executive directors and officers in charge of managing the achievement of these ESG goals.

²¹ GHG emissions throughout business activities are the sum of direct emissions from the use of fuels in owned or controlled sources (Scope 1) and indirect emissions from the use of purchased electricity, heat, or steam in the owned or controlled sources (Scope 2). GHG emissions from the value chain are indirect emissions other than Scope 1 and 2 (Scope 3). The entire value chain represents the total of Scopes 1, 2 and 3. Carbon neutrality includes reducing GHG emissions as well as offsetting the remaining emissions. The Company will have achieved its FY2021 goal of carbon neutrality throughout its business activities upon completion of the following steps: Conducted measurement of FY2021 GHG emissions, obtained an accredited third-party assurance on the amount by November 2022, and offsetting of those emissions.

²² The GHG emission reduction target is based on the results from FY2022 to FY2024, the women representation target for employees is based on the results from April 1, 2022 to April 1, 2025, while the women representation target for members of the Board is based on the results from July 1, 2022 to July 1, 2025.

²³ The GHG emission reduction target established in line with the science-based decarbonizing level of limiting global temperature rise to 1.5 °C compared to the temperature before the Industrial Revolution, which was reported by the Intergovernmental Panel on Climate Change (IPCC).

²⁴ A framework indicating climate change-related risks and opportunities created by the Task Force on Climate-related Financial Disclosures (TCFD).

²⁵ Baseline job search duration calculated as of March 31, 2022. Calculated as the period from the time users started an active job search on the Indeed job platform to the time that 90% of such users had received a job offer (assuming for this purpose that the period it takes for 90% of users to receive a job offer represents a statistically significant value). The job search duration is calculated based on surveyed user data collected between September 2021 and March 2022.

²⁶ A global labor force survey conducted by Indeed between September to December 2021. The survey targeted respondents in 30 countries where Indeed has its business footprint and in 17 languages.

²⁷ The initiative as of today includes providing assistance through the Company's online 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.

²⁸ In the United States, approximately 70 million people (Source: The Sentencing Project) have a criminal record, and the unemployment rate of job seekers with a criminal record is approximately five times higher than the US average (Source: Prison Policy Initiative). However, recidivism rates have been found to drop significantly if an individual finds a job that pays above minimum wage within 2 months of release (Source: The Urban Institute).

²⁹ This indicates barriers that hinder job hunting, such as being unable to connect to the Internet, access job platforms, and/or lack of transportation to interviews and work.

³⁰ Inclusive hiring indicates a company's efforts to realize improved fairness in recruitment in order to achieve a workplace that reflects the diversity of society, as well as ensuring all people have access to economic opportunities.

³¹ Senior executive positions are defined as Corporate Executive Officers and Corporate Professional Officers of Recruit Holdings and Media & 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 primary operating companies of each SBU. Managerial positions mean all of those that have subordinate employees excluding senior executive positions.

³² The Board of Directors members are defined as Directors of the Board and Audit & Supervisory Board members. The ratio of women among the Board of Directors members was 20% as of May 16, 2022.

³³ Compensation based on ESG target achievements is set as a part of BIP trust (stock) compensation. Eligibility to receive this award and the payout amount will depend on whether or not the three-year target is achieved.

In support of the Company's strategies, each SBU's business strategies are as follows:

HR Technology

HR Technology aims to further grow HR Matching revenue globally through Indeed and Glassdoor while the demand for an efficient job seeking experience and hiring process empowered by technology continues to rise.

Media & Solutions

While transforming its business to provide a wider array of services, Media & Solutions' Marketing business aims for long-term revenue growth, by helping business clients attract individual users through online platforms in each industry with its established unique position in each market. Media & Solutions' HR business aims to grow the number of business clients by promoting alliances with HR Technology and through product development. For its SaaS solutions, Media & Solutions focuses on growing the number of business client accounts.

Staffing

Staffing aims to achieve steady financial performance by providing job seekers with flexible working opportunities, and by offering employers a flexible workforce across a wide range of industries. Japan aims to maintain a stable adjusted EBITDA margin while Europe, US, and Australia focus on continuous improvement of adjusted EBITDA margin.

Capital Allocation Policy

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

- 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 repurchase program, depending on the capital markets environment and the outlook of the Company's financial position

The Company's ROE target is approximately 15%. The Company also applies a hurdle rate exceeding the cost of capital when evaluating each investment opportunity, and focuses on achieving capital efficiency above the cost of shareholders' equity on a consolidated basis.

Employees (as of March 31, 2022)

Segment	Number of employees
HR Technology	13,161
Media & Solutions	21,526
Staffing	16,934
Holding Company corporate function	136
Total	51,757

- ¹ The number of employees includes 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 "Holding Company corporate function" represents the number of employees in corporate functions of the Holding Company such as finance and risk management.
- ³ The number of employees increased by 4,957 during FY 2021, mainly due to the expansion of the HR Technology business.

Status of Shares (as of March 31, 2022)

Total Number of Shares Authorized to be Issued	6,000,000,000
Total Number of Shares Issued	1,695,960,030
Number of Shareholders	74,575

Major Shareholders

Shareholder name	Number of shares	Shareholding ratio
The Master Trust Bank of Japan, Ltd. (Trust account)	295,585,700	18.22%
Custody Bank of Japan, Ltd. (Trust account)	101,670,500	6.26%
SSBTC CLIENT OMNIBUS ACCOUNT	38,898,211	2.39%
Dai Nippon Printing Co., Ltd.	38,600,000	2.37%
JP MORGAN CHASE BANK 385632	36,649,626	2.25%
TOPPAN PRINTING CO., LTD.	35,100,000	2.16%
Nippon Television Network Corporation	28,330,000	1.74%
The Recruit Group Employees Shareholding Association	24,311,280	1.49%
TOKYO BROADCASTING SYSTEM TELEVISION, INC.	23,497,500	1.44%
The Dai-ichi Life Insurance Company, Limited	22,950,000	1.41%

¹ The Company's treasury stock (73,947,572 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 (1,714,565 shares) and the equity-settled ESOP trust (11,024,253 shares).

² A Report of Large Volume Holding that was made available for public inspection on November 7, 2019 reports that BlackRock Japan Co., Ltd. and its joint holders BlackRock Advisers, LLC, BlackRock Investment Management LLC, BlackRock Fund Managers 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 October 31, 2019. 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, 2022.

Overview of the Report of Large Volume Holding mentioned above is as follows.

Name	Number of shares	Shareholding ratio
BlackRock Japan Co., Ltd.	23,983,500	1.41%
BlackRock Advisers, LLC	1,710,894	0.10%
BlackRock Investment Management LLC	2,162,802	0.13%
BlackRock Fund Managers Limited	1,934,004	0.11%
BlackRock Asset Management Ireland Limited	5,769,456	0.34%
BlackRock Fund Advisors	19,339,000	1.14%
BlackRock Institutional Trust Company, N.A.	22,294,930	1.31%

Name	Number of shares	Shareholding ratio
BlackRock Investment Management (UK) Limited	8,165,122	0.48%
Total	85,359,708	5.03%

³ A Report of Large Volume Holding that was made available for public inspection on May 11, 2020 reports that Sumitomo Mitsui Trust Asset Management Co., Ltd. and its joint holder Nikko Asset Management Co., Ltd. hold shares as given below as of April 30, 2020. 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, 2022.

Overview of the Report of Large Volume Holding mentioned above is as follows.

Name	Number of shares	Shareholding ratio
Sumitomo Mitsui Trust Asset Management Co., Ltd.	48,135,600	2.84%
Nikko Asset Management Co., Ltd.	37,486,600	2.21%
Total	85,622,200	5.05%

⁴ A change report of the Report of Large Volume Holding that was made available for public inspection on July 21, 2020 reports that Nomura Securities Co., Ltd. and its joint holders NOMURA INTERNATIONAL PLC and Nomura Asset Management Co., Ltd. hold shares as given below as of July 15, 2020. 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, 2022.

Overview of the change report is as follows.

Name	Number of shares	Shareholding ratio
Nomura Securities Co., Ltd.	2,572,647	0.15%
NOMURA INTERNATIONAL PLC	1,812,603	0.11%
Nomura Asset Management Co., Ltd.	83,182,100	4.90%
Total	87,567,350	5.16%

The details of the BIP Trust compensation that was awarded to executives during FY2021 are as follows.

Type	Category	Number of shares	Number of recipients
BIP Trust	Directors (Excluding Outside Directors)	36,400	1
	Outside Directors	0	0

Leadership

Directors of the Board and Audit & Supervisory Board Members (as of March 31, 2022)

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

Board Position	Name	Responsibilities at the Company and significant concurrent positions as of March 31, 2022
Chairperson and Representative Director of the Board	Masumi Minegishi	Chairperson; Vice Chairman of KEIZAI DOYUKAI (Japan Association of Corporate Executives)
President and Representative Director of the Board	Hisayuki Idekoba	CEO; Corporate Planning Division and HR Technology Segment; Director of the Board of Indeed, Inc.; CEO and Director of the Board of RGF OHR USA, INC.; Director of the Board of Recruit Co., Ltd.; Chairman and Director of the Board of RGF Staffing B.V.
Director of the Board	Ayano Senaha	COO; Human Resources and General Affairs Division; Finance Division; Risk Management Division; Corporate Planning and Sustainability Transformation in the Corporate Planning Division; Director of the Board of RGF OHR USA, INC.; Director of the Board of Glassdoor, Inc.
Director of the Board	Rony Kahan	Chairman and Director of the Board of Indeed, Inc.; Chairman and Director of the Board of RGF OHR USA, INC.
Outside Director of the Board (Independent)	Naoki Izumiya	Honorary Advisor of Asahi Group Holdings, Ltd.; Independent Director of Obayashi Corporation
Outside Director of the Board (Independent)	Hiroki Totoki	Director, Executive Deputy President and CFO, Representative Corporate Executive Officer of Sony Group Corporation
Standing Audit & Supervisory Board Member	Yukiko Nagashima (Name in the family register: Yukiko Watanabe)	Outside Director of the Board of Japan Tobacco Inc.; Outside Audit & Supervisory Board Member of Sumitomo Corporation
Standing Audit & Supervisory Board Member	Akihito Fujiwara	External Director, Audit and Supervisory Committee Member of FLECT Co., Ltd.
Outside Audit & Supervisory Board Member (Independent)	Yoichiro Ogawa	Chief of Yoichiro Ogawa CPA Office; Outside Director of Honda Motor Co., Ltd.
Outside Audit & Supervisory Board Member (Independent)	Katsuya Natori	Managing Partner of ITN Partners; Supervisory Director of Global One Real Estate Investment Corp.; Outside Director of TOKYO ROPE MFG. CO., LTD.

- * Audit & Supervisory Board member Yoichiro Ogawa has extensive knowledge of finance and accounting based on his experience as CEO of Deloitte Tohmatsu Group, as well as Representative of the Asia-Pacific Region at Deloitte Touche Tohmatsu Limited.
- * The Company has entered into an agreement with each of the Directors of the Board, excluding Executive Directors, and with Audit & 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 relevant personnel has performed his or her duties in good faith and is not deemed negligent.
- * 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 to execute their duties without obsolescence.

Directors of the Board, Audit & Supervisory Board members, and Corporate Executive Officers (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 US), 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.

Compensation

Compensation Policies for FY2021

Basic Compensation Policies

The compensation for Directors of the Board, Audit & Supervisory Board members and Corporate Executive Officers 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

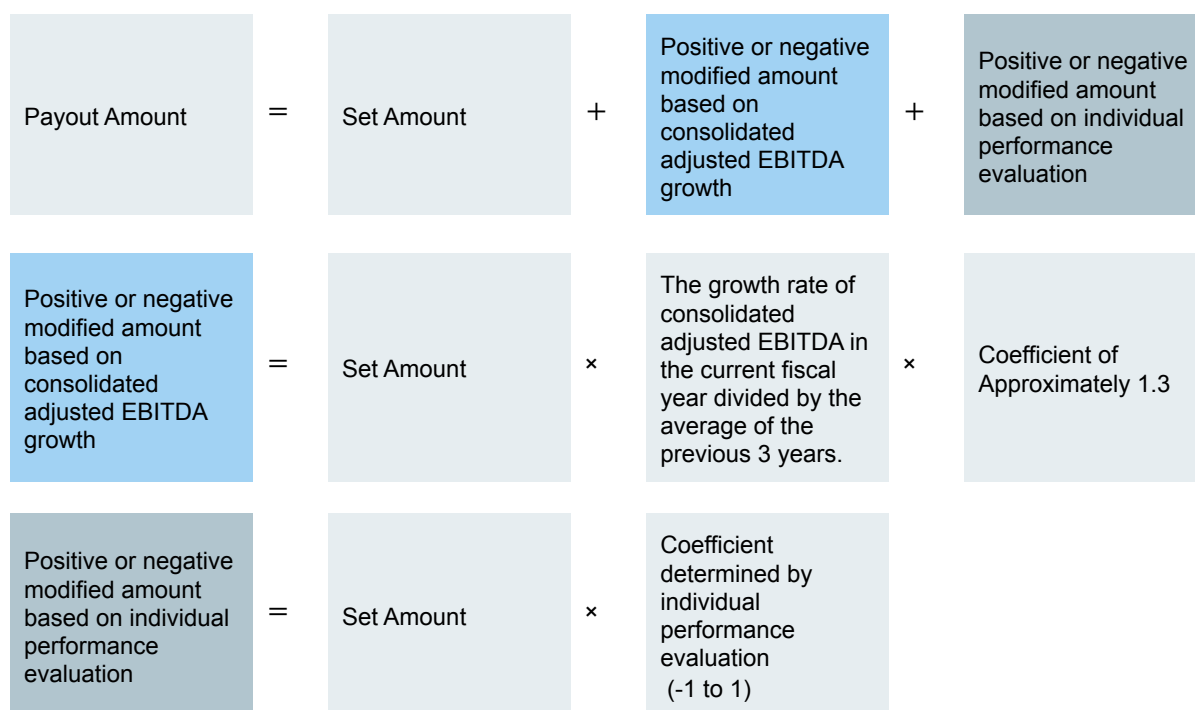
The Company's compensation for executives is composed of "Base Salary (Cash)," "Annual Incentive (Cash)," "BIP Trust Long-term Incentive (Equity)," and "Stock Option Long-term Incentive (Equity)." The goals of each type of compensation and the method for payout are explained below.

Base Salary (Cash)

This element is aimed at securing excellent management personnel and encouraging sound job performance. The amount set according to the individual role of each executive 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 the set amount according to each role, is linked to the growth rate of adjusted EBITDA, which is an important management performance indicator of the Company, and each individual's performance evaluation, the calculation of which is outlined below. The payment method is to pay the set amount every month in the current fiscal year, and then pay the additional amount in the following fiscal year, or collect the amount monthly, in the case of a negative modified amount, over the following fiscal year from the executive following their performance. The calculation for the payout of annual incentives is as expressed below.



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.

The Board of Directors of the Company, in order to prosper together with all stakeholders, has resolved to make a commitment to sustainability, and announced group-wide ESG targets in May of 2021. In keeping with this commitment, beginning in FY2021, the Board of Directors has decided to include initiatives for important ESG themes in their annual evaluation of each Executive Director that will subsequently be reflected in their compensation.

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.

Regarding the calculation method of the payout amount, for and before FY2020, the payment rate was set according to the degree to which consolidated business performance targets were achieved in a single fiscal year. However, for FY2021, in order to encourage executives to contribute to increasing enterprise value over the mid- to long-term, we have decided that we will no longer link the payout to the performance of a single fiscal year, and instead utilize BIP trust compensation as a form of equity compensation linked only to the stock price. The Company will continue to consider an appropriate calculation method in FY2022 that will serve as motivation for executives to increase enterprise value.

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 closing share price of the allotment date.

The President/CEO of each SBU Headquarters serve as Corporate Executive Officers of the Company. By applying the above compensation design and setting 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.

Ratio of Compensation Elements Methods for FY2021

For FY2021, the following percentages of compensation were paid to Directors of the Board and Audit & Supervisory Board members.

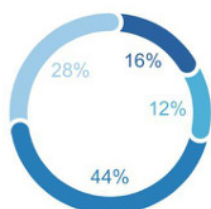
In the case of Directors of the Board, excluding outside Directors, the achievement percentage of set targets will be reflected in their compensation relative to a set amount which is determined using benchmark data from outside database services, etc. Their incentive ratio, especially for long-term incentives, increases in line with increasing role and responsibility.

Compensation for outside Directors of the Board and Audit & 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.

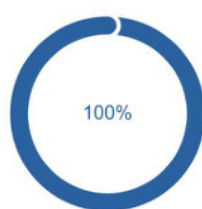
The below compensation elements ratios were paid for FY2021:

	Base Salary (Cash)	Annual Incentive (Cash)	Long-term Incentive (Equity)	
			BIP Trust	Stock Options
Directors of the Board, excluding outside Directors ²	16%	12%	44%	28%
Outside Directors of the Board	100%	-	-	-
Audit & Supervisory Board members	100%	-	-	-

**Directors of the Board
(excluding outside Directors)**



**Outside Directors
of the Board**



**Audit & Supervisory
Board Members**



- Base Salary (Cash)
- Annual Incentive (Cash)
- Long-term Incentive: BIP trust (Equity)
- Long-term Incentive: Stock options (Equity)

¹ The composition above is based on a model with a target achievement rate of 100%.

² The percentage to be paid to Directors of the Board excluding outside Directors is shown as the average for the four applicable Directors.

Governance

The Company has established a Compensation Committee as an advisory body to the Board of Directors. The Compensation Committee is chaired by an outside Director of the Board and has a majority of outside members. This committee is established for the purpose of enhancing objectivity and transparency of compensation for Directors of the Board and Corporate Executive Officers.

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 & Supervisory Board member is determined by the Audit & Supervisory Board based on consultation among its members.

Note that the Company appoints outside compensation consultants with a view to introducing objective viewpoints from outside the Company 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 of the Board, Corporate Executive Officers, or Corporate Professional Officers (Corporate Executive Officers and Corporate Professional Officers are collectively referred to as "Senior Management").

The amount of individual compensation for Directors, Corporate Executive Officers and Audit & 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 of the Board and Senior Management

Types of compensation		Resolution date	Applicable recipients	Total amount and shares	Number of applicable recipients at the time of the resolution
Base Salary Annual Incentive		June 19, 2019	Directors of the Board	Total annual amount not to exceed 1.4 billion yen (of which annual total for outside Directors not to exceed 100 million yen)	7 Directors of the Board (including 2 outside Directors)
Long-term Incentive	BIP Trust	June 17, 2021	Directors of the Board, excluding outside Directors	Total annual amount not to exceed 2.0 billion yen Not to exceed 700,000 shares annually	4 Directors of the Board, excluding outside Directors
	Stock Options	June 17, 2021	Directors of the Board, excluding outside Directors	Total annual amount not to exceed 1.4 billion yen Annual number of stock options not to exceed 18,000*	4 Directors of the Board, excluding outside Directors

* The target number of shares per one stock option is 100 shares.

Compensation for Audit & 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, 2017	Audit & Supervisory Board members	Total monthly amount not to exceed 10 million yen	4 Audit & Supervisory Board members

Compensation Setting Process

Individual compensation amounts for each Director of the Board are determined by the Board of Directors taking into account the reports by the Compensation Committee. The compensation amount for each Audit & Supervisory Board member is determined by the Audit & Supervisory Board based on consultation among its members. The amount of individual compensation for Directors of the Board and Audit & 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 of the Board and Corporate Executive Officers, 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 of the Board other than the Representative Director, are approved by the President, CEO who also serves as a Representative Director (the FY2021 compensation amounts are approved by Masumi Minegishi, and the FY2021 evaluations are approved by Hisayuki Idekoba) to ensure efficient Board management. The authority to approve this decision is delegated to the President, CEO, and Representative Director 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 FY2021

(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			
		Base salary	Annual incentive	Long-term incentive			
				BIP trust	Stock options		
Directors of the Board, excluding outside Directors	1,771	157	232	920	461	-	4
Outside Directors of the Board	52	52	-	-	-	-	2
Audit & Supervisory Board members, excluding outside members	82	82	-	-	-	-	2
Outside Audit & Supervisory Board members	28	28	-	-	-	-	2

* 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 FY2021

The targets and results of the performance indicators related to performance-based annual bonuses paid in cash in FY2021 and long-term incentives granted in equity using the BIP trust scheme are as follows:

(In billions of yen, unless otherwise stated)

	Performance indicators	Target	Actual
Annual Incentive ¹	Adjusted EBITDA for FY2020	232.0	241.6
Long-term Incentive	BIP Trust Adjusted EBITDA for FY2020	232.0	241.6
	Adjusted EPS for FY2020	72.48 yen	82.56 yen

¹ In addition to the above, individual performance evaluations are reflected in annual incentives.

Actions of the Board of Directors and Committees in FY2021

The Compensation Committee met two times in FY2021, and all members of the Committee were in attendance. The main matters for deliberation and resolution are as follows:

- Compensation level and elements for executives
- Evaluation and determination of compensation of individual Directors

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. We judge this process to be in keeping with our decision-making policy.

Relationship between Significant Entities Where Outside Directors of the Board and Outside Audit & Supervisory Board Members Hold Concurrent Positions and the Company

Name	Relationship
<p>Naoki Izumiya (Appointed in June 2018)</p>	<p>Naoki Izumiya has within the past 10 years served as Chairman and Representative Director of Asahi Group Holdings, Ltd., and serves as Independent Director of Obayashi Corporation.</p> <p>These companies have business relationships with the Company in services in the HR Technology business, the Media & Solutions business and the Staffing business. 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.</p> <p>Therefore, the Company believes that Mr. Izumiya has sufficient independence where there are no potential conflicts of interests with general shareholders.</p>
<p>Hiroki Totoki (Appointed in June 2018)</p>	<p>Hiroki Totoki currently serves as Director, Executive Deputy President and CFO, Representative Corporate Executive Officer of Sony Group Corporation, which has a business relationship with the Company in services in the HR Technology business, the Media & Solutions business and the Staffing business. However, such transactions account for less than 1% of Sony Group Corporation consolidated sales and operating revenue and Recruit Holdings consolidated revenue, respectively, and are thus too small to be material.</p> <p>Therefore, the Company believes that Mr. Totoki has sufficient independence where there are no potential conflicts of interests with general shareholders.</p>
<p>Yoichiro Ogawa (Appointed in June 2020)</p>	<p>Yoichiro Ogawa currently works as Chief of Yoichiro Ogawa CPA Office, and serves as Outside Director of Honda Motor Co., Ltd. In addition, he has within the past 10 years worked for Deloitte Touche Tohmatsu Limited, Deloitte Touche Tohmatsu LLC, and the Deloitte Tohmatsu Group. These companies have business relationships with the Company in services in the HR Technology business, the Media & Solutions business and the Staffing business. 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.</p> <p>Therefore, the Company believes that Mr. Ogawa has sufficient independence where there are no potential conflicts of interests with general shareholders.</p>
<p>Katsuya Natori (Appointed in June 2020)</p>	<p>Katsuya Natori currently serves as Managing Partner of ITN Partners, and also serves as Outside Director of TOKYO ROPE MFG. CO., LTD. These companies have business relationships with the Company in services in the HR Technology business, the Media & Solutions business and the Staffing business. 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.</p> <p>In addition, he serves as Supervisory Director of Global One Real Estate Investment Corporation, which does not have a business relationship with the Company.</p> <p>Therefore, the Company believes that Mr. Natori has sufficient independence where there are no potential conflicts of interests with general shareholders.</p>

Independence Criteria of Outside Directors of the Board and Outside Audit & Supervisory Board Members

The Company selects Independent Directors of the Board and Independent Audit & 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.

Relationship with Major Business Partners and Other Specified Associated Service Providers

Not applicable to any of the outside Directors and outside Audit & Supervisory Board members.

Activities of Outside Directors of the Board and Outside Audit & Supervisory Board Members during FY2021

For the attendance record of each person at the Board of Directors meetings, the Audit & Supervisory Board meetings, and Committees during FY2021, please refer to "Composition and Attendance of the Board and Committees as of March 31, 2022" in the "Corporate Governance Overview."

Naoki Izumiya, Outside Director of the Board

Naoki Izumiya has made statements in the Board of Directors meeting from a practical perspective as an outside Director of the Board, 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 Nominating Committee he demonstrated strong leadership, in improving the transparency of the selection process of Directors of the Board and Corporate Executive Officers, including the CEO. He also served as a member of the Compensation Committees, and contributed to discussions surrounding the compensation and evaluation of Directors of the Board and Corporate Executive Officers.

Hiroki Totoki, Outside Director of the Board

Hiroki Totoki has made statements in the Board of Directors meeting from a practical perspective as an outside Director of the Board, based on his deep insight cultivated through his experience as Director, Executive Deputy President and CFO, Representative Corporate Executive Officer of Sony Group Corporation, a global company with diversified business portfolios, and as Director of its group companies.

As Chairman of the Compensation Committee, he demonstrated strong leadership in discussions on the compensation and evaluation of Directors of the Board and Corporate Executive Officers. He also served as a member of the Nomination Committee and contributed to discussions and to improving transparency in the process of appointing Directors of the Board and Corporate Executive Officers, including the CEO.

Yoichiro Ogawa, Outside Audit & Supervisory Board Member

Yoichiro Ogawa made statements in the Board of Directors meeting from a neutral and objective perspective as an outside Audit & 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.

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 outside Audit & Supervisory Board member.

He also contributed to discussions as a member of the Nomination Committee and to improving transparency in the process of appointing Directors of the Board and Corporate Executive Officers, including the CEO.

Katsuya Natori, Outside Audit & Supervisory Board Member

Katsuya Natori made statements in the Board of Directors meeting from a neutral and objective perspective as an outside Audit & 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.

Based on his career and a wealth of international experience he has amassed as a Director of the Board at global companies, he made statements from a neutral and objective perspective as an outside Audit & 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.

He also contributed to discussions as a member of both the Compensation Committee on the compensation and evaluation of Directors of the Board and Corporate Executive Officers.

Independent Auditor

Name

Ernst & Young ShinNihon LLC

Amount of Compensation

Compensation for Audit in FY2021

403 million yen

Total amount of monetary and other financial benefits payable by the Company to the Independent Auditor

591 million yen

- * The audit engagement entered into by the Company and the Independent Auditor does not clearly distinguish the amount of compensation etc. for audits prescribed in the Companies Act of Japan and those prescribed in the Financial Instruments and Exchange Act. Therefore, the compensation for the audit above shows the total amount of such compensation.
- * The Audit & Supervisory Board verified the contents of the audit plan which included the auditing time, change in the amount of audit compensation, as well as the audit plan and its performance results in previous years, and as a result of careful review on the adequacy of the amount of compensation, has approved the amount of compensation, etc. to be paid to the Independent Auditor, pursuant to the provisions of Article 399, Paragraph 1 of the Companies Act of Japan.
- * Some of the consolidated subsidiaries of the Company undergo an audit by audit corporations other than the Independent Auditor of the Company.

Description of Non-audit Business

The Company retains the Independent Auditor for services including various advisory services as non-audit businesses and pays compensation for such services.

Policy regarding Determination of Dismissal or Non-reappointment of Independent Auditor

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, the Audit & Supervisory Board shall dismiss the Independent Auditor upon consent of all Audit & Supervisory Board members. In cases other than 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 & Supervisory Board shall propose the dismissal or non-reappointment of the Independent Auditor to a Shareholders Meeting.

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 commitment to sustainability as well as setting ESG targets, 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 & Supervisory Board" as defined under the Companies Act of Japan. In this structure, Audit & 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 outside Directors of the Board and outside Audit & 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, Compensation, Compliance, Risk Management, and Sustainability Committees. To enhance independence, the Nomination and Compensation Committees are all chaired by Independent Directors of the Board and have a majority of outside 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.

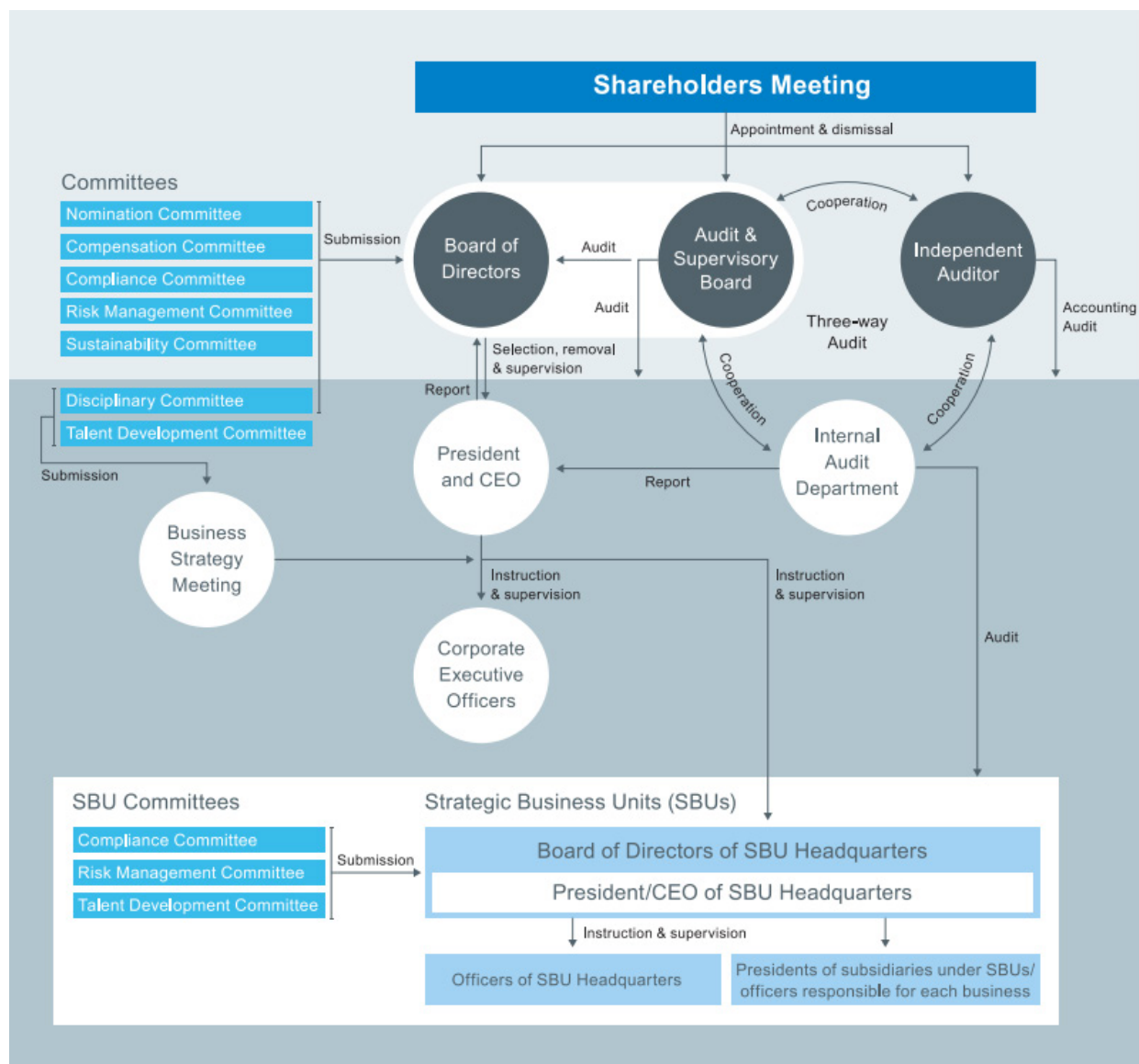
Furthermore, the Company has appointed Corporate Executive Officers, and established the Business Strategy Meeting to serve as an advisory body to the CEO, in order to enhance the Company's decision-making process and execution. The Business Strategy Meeting discusses important matters for the Company 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.
- Media & Solutions SBU : Recruit Co., Ltd.
- Staffing SBU : RGF Staffing B.V.

Important decisions for the SBUs are made by the Board of Directors of each SBU Headquarters. The majority of the Board of Directors of each SBU Headquarters comprises non-Executive Directors of the Board who are appointed by the Holding Company. President/CEO of SBU Headquarters concurrently serve as Corporate Executive Officers 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 annually by the Board of Directors and revised as necessary.

Composition of the Board of Directors

The Board of Directors is composed of six Directors and four Audit & Supervisory Board members, including two Independent Directors and two independent Audit & Supervisory Board members.

As a result of its growth, the Company today operates across many business sectors and geographic locations, engages with a broad universe of individual users and business clients, and employs people from diverse backgrounds. The Company recognizes that the Board of Directors should reflect this diversity 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, we have a structure in which different persons serve as the Chairperson of the Board of Directors and the CEO. We believe 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.

Approach to Selecting Directors of the Board

The approach to selecting candidates for the Board of Directors is to choose qualified personnel from a pool of diverse 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.

In order to further improve the quality of management decision-making, the Company is working to increase the diversity of the Board of Directors. The Company has specifically set a target for gender, and aims to propose candidates for election to its Annual Meeting of Shareholders, to achieve an

approximately 50% ratio of women out of the total number of Directors of the Board and Audit & Supervisory Board members by FY2030. As of May 16, 2022, two of the ten members of the Board of Directors including Audit & Supervisory Board members are women.

The Company has a policy that at least one third of the Directors of the Board are Independent Directors who maintain appropriate separation from management execution. As of May 16, 2022, there are six Directors of the Board, of which two are reported as Independent Directors to the Tokyo Stock Exchange. Outside 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 of the Board and Corporate Executive Officers as a chair and/or member of the Nomination and Compensation Committees.
- 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 outside Audit & 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 Corporate Executive Officers to take appropriate risks when making decisions.
- To share and discuss the topics discussed during the Sustainability Committee as well as the voice of our shareholders with the Board of Directors for the purpose of ensuring the discussions at the Board appropriately reflect the diverse perspectives of our 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.

Audit & Supervisory Board

Role of the Audit & Supervisory Board

The Audit & Supervisory Board is responsible for the following:

- Supervising the activities and performance of each Director of the Board 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 & Supervisory Board attend the Board of Directors meetings as part of their oversight responsibilities. In addition, one or more standing Audit & Supervisory Board members must attend the Business Strategy Meeting to enhance the oversight function.

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

Composition of the Audit & Supervisory Board

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

Approach to Selecting Audit & Supervisory Board Members

The approach to selecting candidates for the Audit & 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 & Supervisory Board member. The Company has two standing Audit & Supervisory Board members who deeply understand the business of the Company, and two outside Audit & Supervisory Board members, one with expertise in legal affairs and one with expertise in finance and accounting.

All the Audit & 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 & 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 & Supervisory Board Members Association or by outside audit and assurance firms.

Advisory Bodies to the Board of Directors: Nomination and Compensation Committees

The Nomination and Compensation Committees advise the Board of Directors. Each committee has a majority of outside members and is chaired by an outside 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 Corporate Executive Officers in each fiscal year. Final decisions are made by resolution of the Board of Directors.

The roles of each committee are as follows:

Nomination Committee

The Committee deliberates and reports to the Board of Directors on the nomination, succession and dismissal of the CEO, and appropriateness of the process for nominating and dismissing candidates for Directors of the Board and Corporate Executive Officers.

Succession planning for the CEO considers the role's desired skills and qualifications, the Company's strategic outlook and the Board's desired governance structure. The appointment of the CEO is approved by the Board of Directors based on the recommendation of the Nomination Committee.

Development plans for successor candidates are formulated based on the expected succession timing of the existing CEO and the Committee monitors the progress of these plans.

If the Company should face poor business performance and it is determined that this is the result of inadequate performance of the CEO, upon deliberation, the Nomination Committee may report its findings and recommend their dismissal to the Board of Directors.

Regarding the nomination of Directors of the Board and Corporate Executive Officers, discussions are held on the best management structure, taking into account the mid-to long-term governance policy and the timing of planned CEO succession. The Committee deliberates on the adequacy of the entire process above including selection of the candidates and resolutions by the Board of Directors.

Directors or Corporate Executive Officers can be dismissed in cases where it is recognized that they have significantly harmed the enterprise value of the Company due to violation of laws and regulations or other

similarly significant reasons. In such cases, the Nomination Committee reviews the individual's conduct and makes a recommendation to the Board of Directors.

In the latest fiscal year the three main topics deliberated by the Nomination Committee were as follows:

- Nomination and succession of the CEO
- Board's desired governance structure and the skills matrix
- Appropriateness of the process for nominating and dismissing candidates for Directors of the Board and Corporate Executive Officers

Compensation Committee

The Compensation Committee deliberates on policies relating to the determination of compensation for Directors and Corporate Executive officers, evaluation procedures, compensation structure, the individual evaluation of Directors of the Board and Corporate Executive Officers, as well as individual compensation amounts.

In the latest fiscal year the two main topics deliberated and approved by the Compensation Committee were as follows:

- The level and elements of executive compensation
- The Directors' individual performance evaluation and compensation

Other Advisory Bodies to the Board of Directors

Compliance Committee

An advisory body to the Board of Directors chaired by the President, CEO, and Representative Director of the Board. The Committee deliberates on compliance themes and measures of the Company. The Committee decides 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 for promoting a compliance mindset.

Risk Management Committee

An advisory body to the Board of Directors chaired by the Managing Corporate Executive Officer and Director of the Board 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 Managing Corporate Executive Officer and Director of the Board 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 of the Board in charge of sustainability, Corporate Executive Officers 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 ESG commitment 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.

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 of the Board, Corporate Executive Officers in charge of corporate functions and standing Audit & Supervisory Board members.

Talent Development Committee

An advisory body to the Business Strategy Meeting with participation by Corporate Executive Officers 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 and Attendance of the Board and Committees as of March 31, 2022

Upper row: Composition as of March 31, 2022

Lower row: Attendance of members as of March 31, 2022 (excluding Business Strategy Meeting)

○ ● ○
 Chair Member Observer

Position	Name and surname	Board of Directors	Audit and Supervisory Board	Business Strategy Meeting ^{*4}	Nomination Committee	Compensation Committee	Compliance Committee	Risk Management committee	Sustainability Committee
Chairperson and Representative Director of the Board	Masumi Minegishi	● 13/13		○	● 2/2		○ 2/2	○ 2/2	● 2/2
President, CEO, and Representative Director of the Board	Hisayuki Idekoba	● 13/13		●	● 2/2	● 2/2	● 2/2	● 2/2	● 2/2
Internal Directors of the Board	Ayano Senaha	● 13/13		●	○ 2/2	● 2/2	● 2/2	● 2/2	● 2/2
	Rony Kahan	● 13/13		○					
Independent Directors of the Board	Naoki Izumiya	● 13/13			● 2/2	● 2/2			
	Hiroki Totoki	● 13/13			● 2/2	● 2/2			
Standing Audit & Supervisory Board Members	Yukiko Nagashima	● *1 13/13	● 16/16	●			○ 2/2	○ 2/2	
	Akihito Fujiwara	● *1 13/13	● 16/16	●			○ 2/2	○ 2/2	
Independent Audit & Supervisory Board Members	Yoichiro Ogawa	● *1 13/13	● 16/16		● 2/2				
	Katsuya Natori	● *1 13/13	● 16/16			● 2/2			
Corporate Executive Officers	Yoshihiro Kitamura			●					● 2/2
	Rob Zandbergen								● 2/2
	Junichi Arai			●			● 2/2	● 2/2	
	Hiroaki Ogata			●					
	Mio Kashiwamura			●			● 2/2	● 2/2	
	Iwaaki Taniguchi			●			● 2/2	● 2/2	
	Takahiro Noguchi			●					
	Kentaro Mori			●			● 2/2	● 2/2	
Lowell Brickman			●			● 2/2	● 2/2		
Outside Experts	Aron Cramer								● 2/2
	Yves Serra								● 2/2
	Keiko Honda								● 2/2

- ¹ Audit & Supervisory Board members are required to attend the Board of Directors meetings to audit the execution of duties of Directors of the Board under the Companies Act of Japan.
- ² Information on attendance is not provided for the Business Strategy Meeting since participants for each meeting vary depending on the content of the proceedings.

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.

The dividend for FY2021 was 21.0 yen per share, which consists of an interim dividend of 10.5 yen per share and a year-end dividend of 10.5 yen per share.

The Company generally 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 applicable laws and regulations.

The forecasted dividend for FY2022 is 22.0 yen per share, which consists of an interim dividend of 11.0 yen per share and a year-end dividend of 11.0 yen per share.

Resolution date at the Board of Directors meetings	Total dividend for FY2021 (In billion yen)	Dividend per share for FY2021 (In yen)
November 15, 2021	17.3	10.5
May 16, 2022	17.0	10.5

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Financial Position

As of March 31, 2022

(In millions of yen)

Description	Amount
Assets	
Current assets	1,182,045
Cash and cash equivalents	669,551
Trade and other receivables	468,032
Other financial assets	1,903
Other assets	42,558
Non-current assets	1,241,496
Property and equipment	73,559
Right-of-use assets	187,060
Goodwill	436,017
Intangible assets	194,129
Investments in associates and joint ventures	86,916
Other financial assets	182,240
Deferred tax assets	76,685
Other assets	4,888
Total assets	2,423,542
Liabilities	
Current liabilities	695,592
Trade and other payables	283,849
Bonds and borrowings	26,236
Lease liabilities	38,433
Other financial liabilities	111
Income tax payables	38,037
Provisions	13,147
Other liabilities	295,776
Non-current liabilities	351,654
Bonds and borrowings	34,400
Lease liabilities	172,355
Other financial liabilities	525
Provisions	11,334
Net liability for retirement benefits	59,994
Deferred tax liabilities	62,592

Other liabilities	10,452
Total liabilities	1,047,247
Equity	
Equity attributable to owners of the parent	1,363,776
Common stock	40,000
Share premium	20,640
Retained earnings	1,464,947
Treasury stock	(298,457)
Other components of equity	136,644
Non-controlling interests	12,518
Total equity	1,376,294
Total liabilities and equity	2,423,542

Consolidated Statement of Profit or Loss

For the year ended March 31, 2022

(In millions of yen)

Description	Amount
Revenue	2,871,705
Cost of sales	1,221,684
Gross profit	1,650,020
Selling, general and administrative expenses	1,250,305
Other operating income	2,257
Other operating expenses	23,043
Operating income	378,929
Share of profit (loss) of associates and joint ventures	5,349
Finance income	2,796
Finance costs	4,326
Profit before tax	382,749
Income tax expense	85,026
Profit for the year	297,722
Profit attributable to:	
Owners of the parent	296,833
Non-controlling interests	889
Profit for the year	297,722

NON-CONSOLIDATED FINANCIAL STATEMENTS

Balance Sheet

As of March 31, 2022

(In millions of yen)

Description	Amount
Assets	
Current assets	365,624
Cash and deposits	256,262
Accounts receivable - trade	46,232
Prepaid expenses	181
Short-term loans receivable	54,270
Accounts receivable - other	7,823
Other current assets	927
Allowance for doubtful accounts	(71)
Non-current assets	1,057,482
Property, plant and equipment	107
Buildings	35
Machinery and equipment	0
Tools, furniture and fixtures	71
Intangible assets	252
Software	210
Other	41
Investments and other assets	1,057,122
Investment securities	67,102
Stocks of subsidiaries and associates	827,403
Long-term loans receivable	158,018
Other assets	4,600
Allowance for doubtful accounts	(3)
Total assets	1,423,107
Liabilities	
Current liabilities	408,347
Short-term borrowings	392,258
Accounts payable - other	1,974
Accrued expenses	1,622
Income taxes payable	12,108
Deposits received	32
Other current liabilities	351

Long-term liabilities	341,780
Bonds payable	20,000
Long-term borrowings	212,478
Provision for retirement benefits for directors (and other officers)	616
Provision for Board Incentive Plan trust	3,706
Deferred tax liabilities	104,581
Other long-term liabilities	396
Total liabilities	750,127
Equity	
Shareholders' equity	641,719
Common stock	40,000
Capital surplus	25,811
Other capital surplus	25,811
Retained earnings	896,549
Legal retained earnings	10,000
Other retained earnings	886,549
General reserve	820,909
Retained earnings brought forward	65,640
Treasury stock	(320,640)
Valuation and translation adjustments	29,491
Unrealized gain (loss) on available-for-sale securities	29,491
Stock acquisition rights	1,768
Total equity	672,979
Total liabilities and equity	1,423,107

Statement of Income

For the year ended March 31, 2022

(In millions of yen)

Description	Amount
Operating revenue	42,029
Royalty income	42,029
Operating expenses	9,066
Salaries and allowances	3,915
Business commissions	2,628
Other	2,522
Operating income	32,962
Non-operating income	2,254
Interest income	532
Dividend income	1,239
Other	482
Non-operating expenses	1,238
Interest expense	1,040
Commitment fees	99
Other	98
Ordinary income	33,978
Extraordinary income	169
Gain on sales of investment securities	169
Other	0
Extraordinary losses	1,883
Loss on retirement of non-current assets	146
COVID-19 related expenses	1,737
Income before income taxes	32,263
Income taxes-current	6,625
Income taxes-deferred	1,641
Net income	23,996

AUDIT REPORTS

(Translation)
Independent Auditor's Report

May 16, 2022

The Board of Directors
Recruit Holdings Co., Ltd.

Ernst & Young ShinNihon LLC
Tokyo, Japan

Yoji Murohashi
Designated Engagement Partner
Certified Public Accountant

Yoshifumi Mitsugi
Designated Engagement Partner
Certified Public Accountant

Takuto Miki
Designated Engagement Partner
Certified Public Accountant

Opinion

Pursuant to Article 444, paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of changes in equity, and notes to the consolidated financial statements of Recruit Holdings Co., Ltd. (the "Company") applicable to the fiscal year from April 1, 2021 to March 31, 2022.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position and results of operations of the Group, which consisted of the Company and its consolidated subsidiaries, applicable to the fiscal year ended March 31, 2022, in accordance with the provisions of the latter part of Article 120, Paragraph 1 of the Rules of Corporate Accounting that permits the omission of certain items required by International Financial Reporting Standards ("IFRSs").

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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, 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.

Other Information

The Other Information comprises the business report and the related supplemental schedule. Management is responsible for the preparation and disclosure of the Other Information. In addition, the Audit & Supervisory Board Members and Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operation of the controls over the Group's reporting process of the Other Information.

Our audit opinion on the consolidated financial statements does not cover the Other Information, and we do not provide an opinion on the Other Information.

Our responsibility in conducting the audit of the consolidated financial statements is to read the Other

Information and, in doing so, consider whether there are material inconsistency between the Other Information and the consolidated financial statements or our knowledge obtained in the audit procedure and to pay attention to whether there are any indication of a material misstatement in the Other Information besides such material differences.

If, based on the work we have performed, we conclude that there is a material misstatement in the Other Information, we are required to report such facts.

We have nothing to report in this regard.

Responsibilities of Management, Audit & Supervisory Board Member and Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the provisions of the latter part of Article 120, Paragraph 1 of the Rules of Corporate Accounting that permits the omission of certain items required by 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 Group's ability to continue as a going concern and disclosing, as required by the provisions of the latter part of Article 120, Paragraph 1 of the Rules of Corporate Accounting that permits the omission of certain items required by IFRSs, matters related to going concern.

Audit & Supervisory Board members and Audit & Supervisory Board are responsible for overseeing the Group'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 Group'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 Group'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 Group 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 the provisions of the latter part of Article 120, Paragraph 1 of the Rules of Corporate Accounting that permits the omission of certain items required by IFRSs.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit & Supervisory Board member and Audit & 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 & Supervisory Board member and Audit & Supervisory Board with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Conflicts of Interest

We have no interest in the Company and its consolidated subsidiaries 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 Companies Act of Japan for the conveniences of the reader.

(Translation)
Independent Auditor's Report

May 16, 2022

The Board of Directors
Recruit Holdings Co., Ltd.

Ernst & Young ShinNihon LLC
Tokyo, Japan

Yoji Murohashi
Designated Engagement Partner
Certified Public Accountant

Yoshifumi Mitsugi
Designated Engagement Partner
Certified Public Accountant

Takuto Miki
Designated Engagement Partner
Certified Public Accountant

Opinion

Pursuant to Article 436, paragraph 2, item 1 of the Companies Act, we have audited the accompanying non-consolidated financial statements, which comprise the balance sheet, the statement of income, the statement of change in equity, the notes to the non-consolidated financial statements, and the related supplementary schedules (the "Financial Statements") of Recruit Holdings Co., Ltd. (the "Company") applicable to the 62nd fiscal year from April 1, 2021 to March 31, 2022.

In our opinion, the Financial Statements present fairly, in all material respects, the financial position and results of operations of the Company for the fiscal year ended March 31, 2022, in conformity 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 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, 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.

Other Information

The Other Information comprises the business report and the related supplemental schedule. Management is responsible for the preparation and disclosure of the Other Information. In addition, the Audit & Supervisory Board Members and Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operation of the controls over the Group's reporting process of the Other Information.

Our audit opinion on the Financial Statements does not cover the Other Information, and we do not provide an opinion on the Other Information.

Our responsibility in conducting the audit of the Financial Statements is to read the Other Information and, in doing so, consider whether there are material inconsistency between the Other Information and the Financial Statements or our knowledge obtained in the audit procedure and to pay attention to whether there are any indication of a material error in the Other Information besides such material differences.

If, based on the work we have performed, we conclude that there is a material misstatement in the Other

Information, we are required to report such facts.

We have nothing to report in this regard.

Responsibilities of Management, Audit & Supervisory Board Member and Audit & Supervisory Board for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 the Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the 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 & Supervisory Board members and Audit & Supervisory Board are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 the 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 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 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 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 Financial Statements, including the disclosures, and whether the 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 & Supervisory Board member and Audit & 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 & Supervisory Board member and Audit & Supervisory Board with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 Companies Act of Japan for the conveniences of the reader.

Audit & Supervisory Board's Report

The Audit & Supervisory Board reports the following reflecting the discussion among its members on the execution of duties of Directors of the Board during the fiscal year 2021, from April 1, 2021 through March 31, 2022. The discussion was made based on audit reports prepared by each Audit & Supervisory Board member.

Procedures and Details of the Audits Conducted by the Audit & Supervisory Board and by Each Member

The Audit & Supervisory Board set the audit policies and division of duties among Audit & Supervisory Board members, and received a report from each Audit & Supervisory Board member. The Audit & Supervisory Board was also reported by Directors of the Board and, the Independent Auditor regarding the execution of their duties, requested explanations as necessary and received responses.

Each Audit & Supervisory Board member conducted the audit in accordance with the audit standards set by the Audit & Supervisory Board, and the audit policies and the division of duties among its members. In its audit activities, each member endeavored to collect information and ensure an appropriate audit environment, by proactively communicating with Directors of the Board, Internal Audit Department, and other employees. The detailed procedures are as follows:

- Each Audit & Supervisory Board member attended the Board of Director meetings and other important meetings. They received reports from Directors of the Board and employees on the status of execution of their duties, and requested explanations as necessary. Each Audit & Supervisory Board member also inspected the important approval documents, etc., and examined the status of operations and of assets at its head office and principal offices. For the audit of its subsidiaries, each Audit & Supervisory Board member communicated and shared information with the Directors of the Board and Audit & Supervisory Board members of the subsidiaries, and received their business reports as necessary.
- Each Audit & Supervisory Board member periodically received reports from Directors of the Board and employees requested explanations as necessary, and expressed his or her opinions on the following matters that are stated in the Business Report.
 - The resolutions by the Board of Directors regarding the establishment of systems necessary to ensure that the execution of duties by Directors of the Board complies with laws and regulations and the Articles of Incorporation.
 - The resolutions by the Board of Directors regarding the establishment of systems stipulated in Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act of Japan, to ensure the properness of operations of the Company.
 - The development and operation of the Internal Controls established based on the resolutions above.
- The Audit & Supervisory Board members monitored and verified that the Independent Auditor maintains its independence and conducts the audits appropriately. The members also received reports on the status of the execution of duties from the Independent Auditor, requested explanations as necessary and received responses. In addition, The Audit & Supervisory Board member were informed by the Independent Auditor that it had arranged the "System for Ensuring Properness in Execution of Duties" (matters stipulated in the items of Article 131 of the Ordinance on Accounting of Companies) in accordance with "Standards for Quality Control of Audits" (Business Accounting Council, October 28, 2005), requested explanations as necessary and received responses. Furthermore, the Audit & Supervisory Board members discussed Key Audit Matters ("KAM") with EY Ernst & Young ShinNihon LLC, received reports on the status of their audit, and requested explanations as necessary.

Based on the procedures mentioned above, The Audit & Supervisory Board reviewed the Business Report and the related supplementary schedules, the Non-consolidated Financial Statements which comprise the Balance Sheet, Statement of Income, Statement of Change in Equity, Notes to the Non-consolidated Financial Statements, and the related supplementary schedules, as well as the Consolidated Financial Statements which comprise the Consolidated Statement of Financial Position, Consolidated Statement of Profit or Loss, Consolidated Statement of Change in Equity, and Notes to the Consolidated Financial Statements for the year ended March 31, 2022.

Audit Results

Audit Results of Business Report and Other Related Reports

The Audit & Supervisory Board acknowledges the followings:

- The Business Report and supplementary schedules present fairly the status of the Company in conformity with related laws, regulations, and the Articles of Incorporation of the Company.
- Regarding the execution of duties by Directors of the Board, there were no instances of misconduct or material matters concerning violation of laws, regulations, or the Articles of Incorporation of the Company.
- The resolution of the Board of Directors regarding the Internal Controls is fair and reasonable. There are no matters or findings to be brought up regarding details stated in the Business Report and the execution of duties by Directors of the Board in relation to such internal controls.

Results of the Audit of Non-consolidated Financial Statements and Supplementary Schedules

The Audit & Supervisory Board acknowledges that the audit methods used and the audit results issued of the Independent Auditor, Ernst & Young ShinNihon LLC are fair and reasonable.

Results of the Audit of Consolidated Financial Statements and Supplementary Schedules

The Audit & Supervisory Board acknowledges that the audit methods used and the audit results issued of the Independent Auditor, Ernst & Young ShinNihon LLC are fair and reasonable.







May 16, 2022

Audit & Supervisory Board of Recruit Holdings Co., Ltd.

Standing Audit & Supervisory Board member	Yukiko Nagashima
Standing Audit & Supervisory Board member	Akihito Fujiwara
Outside Audit & Supervisory Board member	Yoichiro Ogawa
Outside Audit & Supervisory Board member	Katsuya Natori

Reference | ESG Indexes and Recognitions

Recruit Holdings is incorporated into the following ESG related indexes and obtained recognitions.

<p>CDP Climate Change A-: Leadership-level</p> <p>Supplier Engagement Leader A: Leadership-level on SER</p> 	<p>MSCI Japan ESG Select Leaders Index</p> <p>2022 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX</p> <p>MSCI Japan Empowering Women Index</p> <p>2022 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)</p>
<p>FTSE Blossom Japan Sector Relative Index</p>  <p>FTSE Blossom Japan Sector Relative Index</p> <p>FTSE4Good Index Series</p>  <p>FTSE4Good</p> <p>FTSE Blossom Japan Index</p>  <p>FTSE Blossom Japan</p>	<p>Sustainalytics ESG Regional Top Rated company in 2022</p> 
<p>Dow Jones Sustainability Asia Pacific Index</p> <p>Member of Dow Jones Sustainability Indices</p> <p>Powered by the S&P Global CSA</p>	<p>Excellent Integrated Reports selected by GPIF asset managers</p> <p>Recruit Group Profile Inside Out 2021</p> <p>https://recruit-holdings.com/en/sustainability/data/Recruit_insideout2021_en.pdf</p> 

Note:

MSCI ESG Indexes

THE INCLUSION OF Recruit Holdings Co., Ltd. IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF Recruit Holdings Co., Ltd. BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

FTSE Russell confirms that Recruit Holdings Co., Ltd. has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Sector Relative Index. The FTSE Blossom Japan Sector Relative Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.

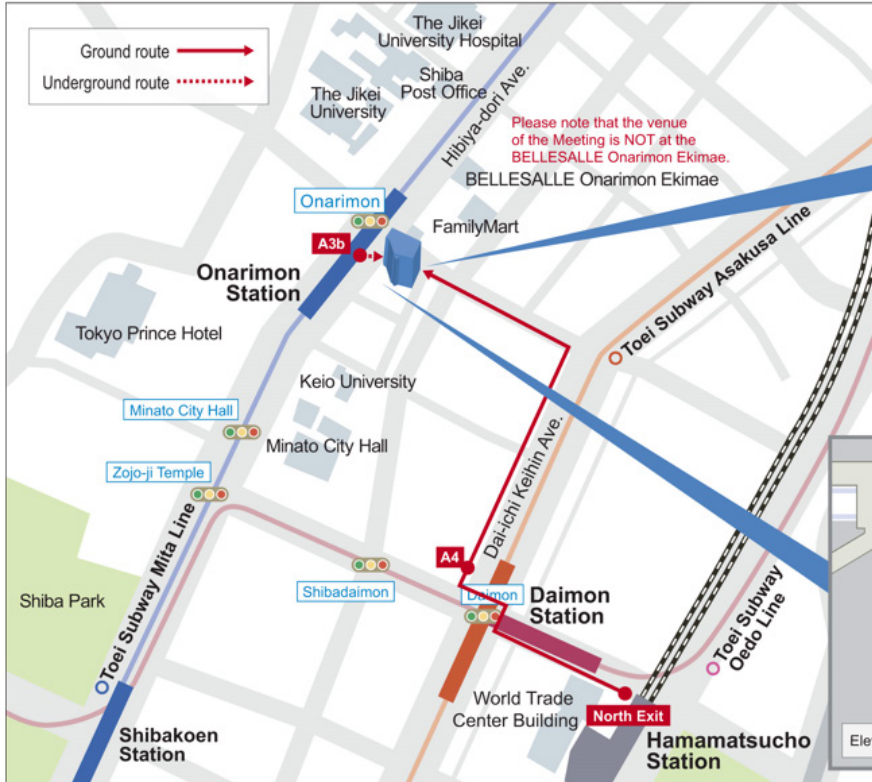
The above contents are based on the latest information available to the Company as of April 2022.

Venue Access Guide for the Shareholders' Meeting

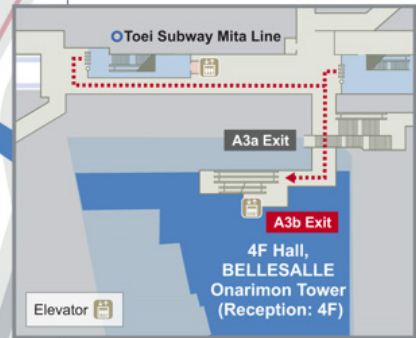
Date and Time 10:00 a.m. JST, June 21, 2022 (Tuesday)
 Reception starts at 9:00 a.m. JST

Venue 4F Hall, BELLESALLE Onarimon Tower,
 Sumitomo Fudosan Onarimon Tower
 (Reception: 4F)

Please note that no gift will be provided for attendees at the Meeting to maintain fairness between the attendees and those shareholders who cannot attend. We appreciate your understanding on this matter.



Sumitomo Fudosan Onarimon Tower
BELLESALLE Onarimon Tower
 1-1-1 Shibakoen, Minato-ku, Tokyo



- Access**
- Toei Subway Mita Line Directly connected through the A3b exit from the Onarimon Station
 - Toei Subway Oedo Line Directly connected through the A4 exit from the Daimon Station
 - Toei Subway Asakusa Line A4 exit from the Daimon Station
 - JR Line Hamamatsucho Station 10 min. walk from the north exit
 - Tokyo Monorail Monorail Hamamatsucho Station 11 min. walk from the north exit

* As there is no parking space available for the attendees on the day of the Meeting, please refrain from coming to the venue by car.

Recruit Holdings Co., Ltd.



Additional Information to Notice of Annual Meeting of Shareholders 2022

This document has been prepared to provide additional information to, and prepared separately from, the Notice of Annual Meeting of Shareholders (the “Notice”).

Under the laws and regulations and Article 15 of the Company’s Articles of Incorporation, the information in the original Japanese version of this document is allowed to be made available on the Company’s website separately from the Notice, while the Japanese original version of the Notice is required to be physically delivered to shareholders under the Companies Act.

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, 2022 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, including changes in economic conditions, changes in individual users' preferences and enterprise 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 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 – 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).

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Main Offices (as of March 31, 2022)

The Holding Company

Company name	Location
Recruit Holdings Co., Ltd.	Chuo-ku, Tokyo, Japan

Main Subsidiaries

Segment	Company name	Location
HR Technology		
	RGF OHR USA, INC.	Delaware, United States
	Indeed, Inc.	Delaware, United States
	Glassdoor, Inc.	Delaware, United States
Media & Solutions		
	Marketing Solutions	
	HR Solutions	
	Recruit Co., Ltd.	Chuo-ku, Tokyo, Japan
Staffing		
	RGF Staffing B.V.	Flevoland, Netherlands
	Japan	
	Recruit Staffing Co., Ltd.	Chuo-ku, Tokyo, Japan
	STAFF SERVICE HOLDINGS CO., LTD.	Chiyoda-ku, Tokyo, Japan
	Europe, US, and Australia	
	RGF Staffing France SAS	Moselle, France
	RGF Staffing Germany GmbH	Bayern, Germany
	RGF Staffing the Netherlands B.V.	Flevoland, Netherlands
	RGF Staffing UK Limited	London, United Kingdom
	Unique NV	Antwerp, Belgium
	Staffmark Group, LLC	Ohio, United States
	The CSI Companies, Inc.	Florida, United States
	Chandler Macleod Group Limited	New South Wales, Australia

Main Lenders (as of March 31, 2022)

Lenders	Amount borrowed (In millions of yen)
MUFG Bank, Ltd.	11,292
Sumitomo Mitsui Banking Corporation	8,507
Mizuho Bank, Ltd.	8,507
Sumitomo Mitsui Trust Bank, Limited	2,785
Resona Bank, Limited.	2,785
Mizuho Trust & Banking Co., Ltd.	1,285
The Bank of Yokohama, Ltd.	1,285
THE HOKURIKU BANK, LTD.	986

Status of Stock Acquisition Rights

Status of Stock Acquisition Rights as of March 31, 2022

Stock acquisition rights issued based on the resolutions of the Annual Meeting of Shareholders held on June 20, 2013 and of the meeting of the Board of Directors held on July 31, 2013.

- Number of stock acquisition rights: 93
- Type and number of shares subject to stock acquisition rights
Common stock: 279,000 shares (3,000 shares per 1 stock acquisition right)
- Issuance price of the stock acquisition right
Stock acquisition rights shall be issued free of charge.
- Amount to be paid upon exercise of the stock acquisition rights: 1 yen
- Period during which stock acquisition rights may be exercised
September 1, 2013 to August 31, 2033
- Terms for exercising stock acquisition rights
Persons allotted with stock acquisition rights can only exercise these rights within 10 days from the date on which they lose their positions as a Director of the Board, Corporate Executive Officer, or Corporate Professional Officer of the Company.
- Status of stock acquisition rights held by the Directors of the Board and Corporate Executive Officers of the Company

	Number of stock acquisition rights	Type of shares subject to stock acquisition rights	Number of shares subject to stock acquisition rights	Number of holders
Directors of the Board (excluding outside Directors of the Board)	52	Common stock	156,000 shares	2
Corporate Executive Officers	41	Common stock	123,000 shares	2

Stock acquisition rights issued based on the resolutions of the Annual Meeting of Shareholders held on June 26, 2014 and of the meeting of the Board of Directors held on November 13, 2014

- Number of stock acquisition rights: 93
- Type and number of shares subject to stock acquisition rights
Common stock: 279,000 shares (3,000 shares per 1 stock acquisition right)
- Issuance price of the stock acquisition right
Stock acquisition rights shall be issued free of charge.
- Amount to be paid upon exercise of the stock acquisition rights: 1 yen
- Period during which stock acquisition rights may be exercised
December 27, 2014 to December 26, 2034
- Terms for exercising stock acquisition rights
Persons allotted with stock acquisition rights can only exercise these rights within 10 days from the date on which they lose their positions as a Director of the Board, Corporate Executive Officer, or Corporate Professional Officer of the Company.
In the event of the death of the Director of the Board, Corporate Executive Officer or Corporate Professional Officer, their heirs may exercise the stock acquisition rights within one year from the time of death or by the final date of the exercise period, whichever comes first.
- Status of stock acquisition rights held by the Directors of the Board and Corporate Executive Officers of the Company

	Number of stock acquisition rights	Type of shares subject to stock acquisition rights	Number of shares subject to stock acquisition rights	Number of holders
Directors of the Board (excluding outside Directors of the Board)	67	Common stock	201,000 shares	2
Corporate Executive Officers	26	Common stock	78,000 shares	2

Stock acquisition rights issued based on the resolution of the meeting of the Board of Directors held on August 10, 2015.

- Number of stock acquisition rights: 972
- Type and number of shares subject to stock acquisition rights
Common stock: 291,600 shares (300 shares per 1 stock acquisition right)
- Issuance price of the stock acquisition right
Stock acquisition rights shall be issued free of charge.
- Amount to be paid upon exercise of the stock acquisition rights: 1 yen
- Period during which stock acquisition rights may be exercised
September 26, 2015 to September 25, 2035
- Terms for exercising stock acquisition rights
Persons allotted with stock acquisition rights can only exercise these rights within 10 days from the date on which they lose their positions as a Director of the Board, Corporate Executive Officer, or Corporate Professional Officer of the Company (if the person allotted with stock acquisition rights had already lost all of the positions on the date of the allotment of stock acquisition rights, said person can exercise these rights within one year from the day following the date of allotment of stock acquisition rights).
In the event of the death of the Director of the Board, Corporate Executive Officer or Corporate Professional Officer, their heirs may exercise the stock acquisition rights within one year from the time of death or by the final date of the exercise period, whichever comes first.
- Status of stock acquisition rights held by the Directors of the Board and Corporate Executive Officers of the Company

	Number of stock acquisition rights	Type of shares subject to stock acquisition rights	Number of shares subject to stock acquisition rights	Number of holders
Directors of the Board (excluding outside Directors of the Board)	667	Common stock	200,100 shares	2
Corporate Executive Officers	305	Common stock	91,500 shares	3

Stock acquisition rights issued based on the resolution of the meeting of the Board of Directors held on July 16, 2019.

- Number of stock acquisition rights: 3,615
- Type and number of shares subject to stock acquisition rights
Common stock: 361,500 shares (100 shares per 1 stock acquisition right)
- Issuance price of the stock acquisition right
Stock acquisition rights shall be issued free of charge.
- Amount to be paid upon exercise of the stock acquisition rights: 3,718 yen
- Period during which stock acquisition rights may be exercised
July 31, 2019 to July 30, 2029
- Terms for exercising stock acquisition rights
Stock acquisition rights cannot be exercised in fractional portions.
If persons allotted with stock acquisition rights (the “Stock Acquisition Right Holder”) lose their positions as a Director of the Board or Corporate Executive Officer of the Company, they may exercise the stock acquisition rights within three years from the date on which they lose their positions or by the final date of the exercise period, whichever comes first.
A Stock Acquisition Right Holder may not pledge or otherwise dispose of the stock acquisition rights.
Other conditions will be set out in the stock acquisition rights allotment agreement to be executed between the Company and the Stock Acquisition Right Holder pursuant to the resolution of the Company’s Board of Directors.
- Status of stock acquisition rights held by the Directors of the Board and Corporate Executive Officers of the Company

	Number of stock acquisition rights	Type of shares subject to stock acquisition rights	Number of shares subject to stock acquisition rights	Number of holders
Directors of the Board (excluding outside Directors of the Board)	2,618	Common stock	261,800 shares	4
Corporate Executive Officers	997	Common stock	99,700 shares	5

Stock acquisition rights issued based on the resolution of the meeting of the Board of Directors held on July 8, 2020.

- Number of stock acquisition rights: 2,760
- Type and number of shares subject to stock acquisition rights
Common stock: 276,000 shares (100 shares per 1 stock acquisition right)
- Issuance price of the stock acquisition right
Stock acquisition rights shall be issued free of charge.
- Amount to be paid upon exercise of the stock acquisition rights: 3,558 yen
- Period during which stock acquisition rights may be exercised
July 27, 2020 to July 26, 2030
- Terms for exercising stock acquisition rights
Stock acquisition rights cannot be exercised in fractional portions.
If persons allotted with stock acquisition rights (the “Stock Acquisition Right Holder”) lose their positions as a Director of the Board or Corporate Executive Officer of the Company, they may exercise the stock acquisition rights within three years from the date on which they lose their positions or by the final date of the exercise period, whichever comes first.
A Stock Acquisition Right Holder may not pledge or otherwise dispose of the stock acquisition rights.
Other conditions will be set out in the stock acquisition rights allotment agreement to be executed between the Company and the Stock Acquisition Right Holder pursuant to the resolution of the Company’s Board of Directors.
- Status of stock acquisition rights held by the Directors of the Board and Corporate Executive Officers of the Company

	Number of stock acquisition rights	Type of shares subject to stock acquisition rights	Number of shares subject to stock acquisition rights	Number of holders
Directors of the Board (excluding outside Directors of the Board)	2,000	Common stock	200,000 shares	4
Corporate Executive Officers	760	Common stock	76,000 shares	5

Stock acquisition rights issued based on the resolution of the meeting of the Board of Directors held on July 14, 2021.

- Number of stock acquisition rights: 7,208
- Type and number of shares subject to stock acquisition rights
Common stock: 720,800 shares (100 shares per 1 stock acquisition right)
- Issuance price of the stock acquisition right
Stock acquisition rights shall be issued free of charge.
- Amount to be paid upon exercise of the stock acquisition rights: 5,762 yen
- Period during which stock acquisition rights may be exercised
April 1, 2022 to July 28, 2031
- Terms for exercising stock acquisition rights
Stock acquisition rights cannot be exercised in fractional portions.
If persons allotted with stock acquisition rights (the “Stock Acquisition Right Holder”) lose their positions as a Director of the Board or Corporate Executive Officer of the Company, they may exercise the stock acquisition rights within three years from the date on which they lose their positions or by the final date of the exercise period, whichever comes first.
A Stock Acquisition Right Holder may not pledge or otherwise dispose of the stock acquisition rights.
Other conditions will be set out in the stock acquisition rights allotment agreement to be executed between the Company and the Stock Acquisition Right Holder pursuant to the resolution of the Company’s Board of Directors.
- Status of stock acquisition rights held by the Directors of the Board and Corporate Executive Officers of the Company

	Number of stock acquisition rights	Type of shares subject to stock acquisition rights	Number of shares subject to stock acquisition rights	Number of holders
Directors of the Board (excluding outside Directors of the Board)	6,244	Common stock	624,400 shares	4
Corporate Executive Officers	964	Common stock	96,400 shares	5

Status of Stock Acquisition Rights Granted in FY2021

Stock acquisition rights issued based on the resolution of the meeting of the Board of Directors held on July 14, 2021.

- Number of stock acquisition rights: 7,208
- Type and number of shares subject to stock acquisition rights
Common stock: 720,800 shares (100 shares per 1 stock acquisition right)
- Issuance price of the stock acquisition right
Stock acquisition rights shall be issued free of charge.
- Amount to be paid upon exercise of the stock acquisition rights: 5,762 yen
- Period during which stock acquisition rights may be exercised
April 1, 2022 to July 28, 2031
- Terms for exercising stock acquisition rights
Stock acquisition rights cannot be exercised in fractional portions.
If persons allotted with stock acquisition rights (the “Stock Acquisition Right Holder”) lose their positions as a Director of the Board or Corporate Executive Officer of the Company, they may exercise the stock acquisition rights within three years from the date on which they lose their positions or by the final date of the exercise period, whichever comes first.
A Stock Acquisition Right Holder may not pledge or otherwise dispose of the stock acquisition rights.
Other conditions will be set out in the stock acquisition rights allotment agreement to be executed between the Company and the Stock Acquisition Right Holder pursuant to the resolution of the Company’s Board of Directors.
- Status of stock acquisition rights held by the Directors of the Board and Corporate Executive Officers of the Company

	Number of stock acquisition rights	Type of shares subject to stock acquisition rights	Number of shares subject to stock acquisition rights	Number of holders
Directors of the Board (excluding outside Directors of the Board)	6,244	Common stock	624,400 shares	4
Corporate Executive Officers	964	Common stock	96,400 shares	5

Internal Controls and Their Operational Status

Internal Controls

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 17, 2021.

Measures to Ensure That Directors of the Board 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 outside Directors, shall be established at the Company to carry out decision-making on important matters.
- An Audit & Supervisory Board, which shall include outside Audit & Supervisory Board members, shall be established at the Company. The Company's Audit & 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 & Supervisory Board.
- The Company shall establish a Nomination Committee and Compensation Committee, each chaired by an outside Director, to conduct deliberations on the nomination, appointment, evaluation and compensation of the Directors and Corporate Executive Officers.
- 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 President, CEO, and Representative Director of the Board, 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 President, CEO, and Representative Director of the Board, 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 Company 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 of the Board

- 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 & 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 of the Board 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 Corporate Executive Officers 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 and 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 of the Board 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 & Supervisory Board Members in Their Audit Duties

- The Company shall appoint one or more persons as “Assistants to support the Company’s Audit & 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 of the Board Described in the Preceding Item and the Effectiveness of Instructions Given to the Employees

- Assistants shall only follow the directions provided by the Audit & Supervisory Board members in supporting their duties. The opinions of the Audit & Supervisory Board members and the Audit & 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 & Supervisory Board Members

- Recruit Affiliated Persons and the Company’s Independent Auditor shall report to the applicable Audit & 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 & Supervisory Board members and the Internal Audit Department shall cooperate with the Directors of the Board and Audit & 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 & 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 & Supervisory Board members for expenses necessary to execute their duties. In addition, the Company’s Audit & 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 & Supervisory Board Members

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

Overview of Operational Status of Internal Controls

The Company endeavors to develop and appropriately operate its internal controls based on the resolution described above by having the Internal Audit Department carry out inspections.

A description of the main points of the operational status of internal controls during FY2021 is as follows.

Compliance Initiatives

- The Company provided compliance training to Recruit Affiliated Persons based on group-wide policies on information management and the prevention of insider trading, in addition to other policies such as the “Recruit Group Code of Ethics” and “Recruit Group Compliance Policy,” to increase awareness of compliance.
- Based on the “Recruit Group Compliance Policy,” the Company has set up a group-wide consultation hotline for the purpose of preventing violations of laws and regulations and other improper activities. The “Recruit Group Compliance Policy” provides that any individual who makes a report through the hotline shall not be subject to unfavorable treatment by the Company on the basis of making such a report. The status of internal reporting and consultations made on the Company’s hotline was reported regularly to the Board of Directors.
- Based on the information collected from the Company’s administrative division and subsidiaries, the status of group-wide compliance was deliberated in the Compliance Committee, after which the Company determined appropriate measures to be taken and reported the measures and their implementation status to the Board of Directors. Based on the determined policies, meetings of the SBU Compliance Committee were held at each SBU.
- Internal audits were performed by the Internal Audit Department, which is under the direct supervision of the President, CEO, and Representative Director of the Board. The Internal Audit Department performed audits of each division of Recruit Holdings and its subsidiaries in accordance with the annual plan approved by the Board of Directors and reported to the President and Representative Director as well as the Board of Directors.

Risk Management Initiatives

- The Company worked to achieve widespread understanding of the “Recruit Group Risk Management Policy,” which defines the risk management objectives, procedures, and methods of managing risk in the Company as a whole, and the “Recruit Group Risk Escalation Rules,” which aim to ensure immediate reporting and sharing of information in the event of a crisis, by posting them on the Company’s intranet, among other measures.
- In accordance with the “Recruit Group Risk Management Policy,” meetings of the SBU Risk Management Committee were held at each SBU. Based on information collected from each committee and the Company’s administrative division, matters concerning risks identified and remedial measures were determined at meetings of the Risk Management Committee, after which the Company reported to the Board of Directors which risks required focused efforts. The progress of remedial measures was confirmed by the same process.

Initiatives to Promote Appropriate and Efficient Execution of Professional Duties

- During FY2021, the Board of Directors of the Company met 13 times. In addition to resolutions on matters reserved for the decision of the Board of Directors pursuant to laws and regulations and the Company’s Articles of Incorporation, the Board of Directors also made decisions on matters that may have a major impact on the Recruit Group Management Philosophy, the Company’s corporate governance, and the Company’s consolidated financial results as well as the reputation of the Company as a whole.
- During FY2021, the Business Strategy Meeting, an advisory body to the Company’s CEO, was held 16 times. The meeting acted as a platform to ascertain the state of business execution by each business division and deliberate on important matters delegated by the Board of Directors, thereby enabling the CEO of the Company to apply a flexible decision-making process.

Management of Subsidiaries

- Based on the “Group Management Policy of the Recruit Group” and similar standards, the Company decided important matters regarding its subsidiaries and received subsequent reports from the subsidiaries regarding such matters.
- The Company’s monthly business results were reported to the Board of Directors, which confirmed and deliberated matters including progress toward achieving the Company’s management targets, management issues, and response measures.

Activities of Audit & Supervisory Board Members

- Reporting and information disclosure to Audit & Supervisory Board members were conducted at important Company meetings by ensuring opportunities for Audit & Supervisory Board members to attend these meetings.
- Audit & Supervisory Board members worked to increase the effectiveness of their audits primarily by holding regular information-sharing meetings with Audit & Supervisory Board members of the Company’s subsidiaries, and Directors of the Board of its subsidiaries in charge of audits. They also held regular meetings with the Internal Audit Department and Independent Auditor of the Company. In addition, Corporate Executive Officers of the Company reported to Audit & Supervisory Board members on business results, the state of business operations, the development of internal controls, and similar matters, to enhance the effectiveness of audits conducted by Audit & Supervisory Board members.
- The President, CEO, and Representative Director of the Board and Audit & Supervisory Board members held regular meetings to exchange opinions.
- The Company has appointed an “Assistant to support the Company Audit & Supervisory Board Members” in their duties. The Company ensures the independence of such Assistants from the Directors of the Board, which includes respecting the opinions of the Audit & Supervisory Board members with regard to the appointment, transfer, evaluation, and discipline of these Assistants.

Consolidated Statement of Changes in Equity

For the year ended March 31, 2022

(In millions of yen)

	Equity attributable to owners of the parent						
	Common stock	Share premium	Retained earnings	Treasury stock	Other components of equity		
					Share-based payments	Exchange differences on translation of foreign operations	Effective portion of the change in the fair value of cash flow hedges
Balance at April 1, 2021	40,000	17,422	1,201,573	(180,148)	8,987	3,548	187
Profit for the year			296,833				
Other comprehensive income						98,361	(134)
Comprehensive income for the year	—	—	296,833	—	—	98,361	(134)
Transfer from other components of equity to retained earnings			809				
Purchase of treasury stock		(64)		(124,503)			
Disposal of treasury stock		3,282		6,194	(9,072)		
Dividends			(34,316)				
Share-based payments					34,767		
Equity transactions with non-controlling interests							
Other			47				
Transactions with owners - total	—	3,218	(33,459)	(118,308)	25,694	—	—
Balance at March 31, 2022	40,000	20,640	1,464,947	(298,457)	34,682	101,909	52

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Other components of equity			Total		
	Net change in financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total			
Balance at April 1, 2021	—	—	12,723	1,091,571	9,717	1,101,289
Profit for the year			—	296,833	889	297,722
Other comprehensive income	1,189	(380)	99,036	99,036	484	99,521
Comprehensive income for the year	1,189	(380)	99,036	395,869	1,374	397,243
Transfer from other components of equity to retained earnings	(1,189)	380	(809)	—		—
Purchase of treasury stock			—	(124,568)		(124,568)
Disposal of treasury stock			(9,072)	404		404
Dividends			—	(34,316)	(501)	(34,817)
Share-based payments			34,767	34,767		34,767
Equity transactions with non-controlling interests			—	—	1,928	1,928
Other			—	47		47
Transactions with owners - total	(1,189)	380	24,885	(123,665)	1,427	(122,237)
Balance at March 31, 2022	—	—	136,644	1,363,776	12,518	1,376,294

Notes to Consolidated Financial Statements

Notes on Important Matters that Form the Basis for Preparing the Consolidated Financial Statements

Standards for Preparing the Consolidated Financial Statements

The Consolidated Financial Statements of the Company are prepared in accordance with International Financial Reporting Standards (“IFRS”), pursuant to Article 120, Paragraph 1 of the Rules of Corporate Accounting. Certain disclosure items required by IFRS are omitted pursuant to the latter part of the same paragraph.

Matters Related to the Scope of Consolidation

Status of consolidated subsidiaries

Number of consolidated subsidiaries: 271

Names of major consolidated subsidiaries

- RGF OHR USA, INC.
- Indeed, Inc.
- Glassdoor, Inc.
- Recruit Co., Ltd.
- RGF Staffing B.V.
- Recruit Staffing Co., Ltd.
- STAFF SERVICE HOLDINGS CO., LTD.
- RGF Staffing France SAS
- RGF Staffing Germany GmbH
- RGF Staffing the Netherlands B.V.
- RGF Staffing UK Limited
- Unique NV
- Staffmark Group, LLC
- The CSI Companies, Inc.
- Chandler Macleod Group Limited

Matters Related to the Application of the Equity Method

Status of equity-method associates

Number of equity-method associates: 8

Names of major companies, etc.

- 51job, Inc.
- kaonavi, inc.

Significant Accounting Policies

Valuation standards and valuation methods of 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.

FVTOCI financial assets

FVTOCI debt financial assets

The Company classifies debt financial assets that satisfy the following conditions as FVTOCI debt financial assets measured at fair value through other comprehensive income:

- 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 financial assets 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 financial assets

Of financial assets measured at fair value, the Company classifies equity financial assets for which the Company has made an irrevocable election at initial recognition to present subsequent fair value changes in other comprehensive income as FVTOCI equity financial assets measured at fair value through other comprehensive income. The Company, in principle, designates all equity financial assets as FVTOCI equity financial assets.

FVTOCI equity financial assets 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 financial assets are recognized as finance income when entitlement to the dividends is determined, except for cases where the dividend clearly represents the collection of the cost of investment.

FVTPL financial assets

The Company classifies all financial assets other than those measured at amortized cost and all debt financial assets that are not classified into FVTOCI debt financial assets or derivatives as FVTPL financial assets.

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 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 financial assets.

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 losses under a simplified approach, based on historical performance, 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 to either settle on a net basis or to realize the asset and settle the liability simultaneously.

Derivatives and hedge accounting

Derivatives

To hedge foreign currency risks and risks of changes in interest rates, the Company enters into derivative contracts, including interest rate swaps, currency swaps and forward foreign exchange contracts. 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 which purpose is to hedge foreign currency risks are presented in the consolidated statements of profit or loss after being offset by exchange rate 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 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 in profit or loss.

Depreciation and amortization methods of significant depreciable assets

Property and equipment

Property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses by 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 any changes in estimates are accounted for as changes in accounting estimates prospectively from the period in which the estimates are changed. 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 by 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 any changes in the estimates are accounted for as changes in accounting estimates, if any, prospectively from the period of the change. 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

Right-of-use assets are measured at cost less accumulated depreciation and accumulated impairment losses by applying the cost model. The acquisition cost 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, 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 low in value.

Accounting standards for significant allowances and 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 the amount of the obligation can be estimated reliably.

Where the effect of the time value of money is material, the amount of provisions is measured at the present value of the expenditures expected to be required to settle the obligations. 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.

Accounting standards for revenue

The Company recognizes revenue based on the following five-step approach. The details of revenue recognition for each segment are described in “Notes on Revenue Recognition.”

- 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

Other important matters that form the basis for preparing consolidated financial statements

Impairment of property and equipment and intangible assets

At the end of each reporting period, the Company assesses whether there is any indication that property and equipment and intangible assets with definite useful lives 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 property and equipment and intangible 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 a 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 subsequent periods.

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

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.

Effects of changes in foreign exchange rates

The Company's consolidated financial statements are presented in Japanese yen, which is the functional currency of the Holding Company. Each entity in the Company determines its own functional currency, and the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are translated into the functional currency of each of the subsidiaries and the associates 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 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 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.

Amounts presented

Amounts presented are rounded down to the nearest million yen.

Notes on Changes in Presentation Methods

Consolidated Statements of Financial Position

"Accounts receivable - other," which was included in "Other financial assets" under "Current assets" for the year ended March 31, 2021, is included in "Trade and other receivables" for the year ended March 31, 2022, due to an increase in its amount. To reflect this change in presentation, the amount of 36,270 million yen included in "Other financial assets" under "Current assets" for the year ended March 31, 2021 has been reclassified to "Trade and other receivables."

Notes on Accounting Estimates

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 in the period of the change. 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, 2022, such accounting estimates were recognized under “other financial assets” in the consolidated statement of financial position.

Impairment of Property and Equipment, Goodwill and Intangible Assets

The Company tests property and equipment, goodwill and intangible assets for impairment in accordance with “Significant Accounting Policies” in “Notes on Important Matters that Form the Basis for Preparing Consolidated Financial Statements.” 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, 2022, such accounting estimates were recognized under “property and equipment,” “goodwill,” and “intangible assets” in the consolidated statement of financial position. The details of goodwill and intangible assets are described in “Notes on Goodwill and Intangible Assets.”

Assessment of Defined Benefit Obligations

The Company has 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, 2022, such accounting estimates were recognized under “net liability for the 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, 2022, such accounting estimates were recognized under “deferred tax assets” in the consolidated statement of financial position.

Notes to Consolidated Statement of Financial Position

Loss allowance directly deducted from assets

Trade and other receivables	11,471 million yen
Other financial assets	532 million yen

Accumulated depreciation and accumulated impairment losses of property and equipment

113,481 million yen

Accumulated depreciation and accumulated impairment losses of right-of-use assets

98,375 million yen

Notes to Consolidated Statement of Changes in Equity

Class and total number of shares issued as of March 31, 2022

Common stock: 1,695,960,030 shares

Class and number of shares of treasury stock as of March 31, 2022

Common stock: 86,686,390 shares

* The Holding Company has introduced the Board Incentive Plan (BIP) trust and the equity-settled ESOP trust. The number of shares of treasury stock as of March 31, 2022 includes 12,738,818 shares in the Holding Company held by the trust.

Matters related to dividends

Amount of dividends paid

Resolution	Source of dividends	Total amount of dividends (in millions of yen)	Dividend per share (yen)	Record date	Effective date
May 17, 2021 Meeting of the Board of Directors (Note 1)	Retained earnings	17,173	10.5	March 31, 2021	June 18, 2021
November 15, 2021 Meeting of the Board of Directors (Note 2)	Retained earnings	17,309	10.5	September 30, 2021	December 10, 2021

Notes: 1. The total amount of dividends includes dividends of 14 million yen on the shares in the Holding Company held by the BIP trust.

2. The total amount of dividends includes dividends of 152 million yen on the shares in the Holding Company held by the BIP trust and the equity-settled ESOP trust.

Dividends whose record date is in the year ended March 31, 2022 but whose effective date is in the following fiscal year

Resolution	Source of dividends	Total amount of dividends (in millions of yen)	Dividend per share (yen)	Record date	Effective date
May 16, 2022 Meeting of the Board of Directors (Note)	Retained earnings	17,031	10.5	March 31, 2022	June 22, 2022

Note: The total amount of dividends includes dividends of 133 million yen on the shares in the Holding Company held by the BIP trust and the equity-settled ESOP trust.

Class and number of shares to be issued upon the exercise of stock acquisition rights as of March 31, 2022 (excluding those for which the first day of the exercise period has not arrived)

Common stock: 2,243,600 shares

Notes on Goodwill and Intangible Assets

Significant Intangible Assets

Significant items included in intangible assets are customer-related assets arising from the acquisition of shares in RGF Staffing B.V. (39,963 million yen as of March 31, 2022). The remaining amortization period as of March 31, 2022 is 8 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 operation, 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 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 are as follows:

(In millions of yen)

Reportable Segment	CGU or group of CGUs	Amount
HR Technology	HR Technology	227,099
Staffing	RGF Staffing B.V.	158,049
	Each of the other entities	50,869
	Total	436,017

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 of 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 by discounting the future cash flows estimated by using a conservative 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.

Notes on Revenue Recognition

Reconciliation of Disaggregated Revenue to Segment Revenue

The reconciliation of revenue disaggregated by major goods/service and operating segments for the year ended March 31, 2022 is as follows:

(In millions of yen)

	Amount
HR Technology	861,400
Media & Solutions	658,616
Marketing Solutions	396,548
HR Solutions	249,358
Other and Elimination	12,709
Staffing	1,378,492
Japan	604,943
Europe, US and Australia	773,549
Corporate and Elimination	(26,804)
Total	2,871,705

Following the integration of seven main core operating and functional subsidiaries under Media & Solutions, the revenue of each subsegment in Media & Solutions, including Housing and Beauty, have been consolidated to align with the business strategy and the new organizational structure from the year ended March 31, 2022.

The Company has three reportable segments, HR Technology, Media & Solutions, and Staffing, whose operating results are reviewed regularly by the Board of Directors to decide on the allocation of operating resources and to assess business performance.

Revenues from these businesses are recognized based on contracts with customers. The amount of variable considerations 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 job platform and company information site. 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.

Media & Solutions

Marketing Solutions

The Company receives advertising fees from customers by providing housing, beauty, travel, bridal and dining related information through its websites and printed media to prospective users of the services or purchasers of the products.

For online 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 period on a straight-line basis.

For advertisement placement services in printed media, the Company provides advertisement-related services without a definite placement period to customers based on a contract, under which it is obliged to place an advertisement on a specific page of a printed media. Accordingly, the Company considers the performance obligation to be satisfied at the issuance date of the printed media, and revenue is

recognized when the media containing the advertisement are displayed at stores and are available for purchase or browsing by consumers, or when they are delivered to subscribers.

HR Solutions

The Company provides employment matching services where it introduces job seekers considering a career change to customers recruiting mid-career professionals, by determining the requirements for a successful candidate 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.

The Company also receives advertising fees from customers who are recruiting new graduates or mid-career professionals by supporting the entire process from recruitment to employment through advertisement placements on its websites and printed media.

For online 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 period on a straight-line basis.

For advertisement placement services in printed media, the Company provides advertisement-related services without a definite placement period to customers based on a contract, under which it is obliged to place an advertisement on a specific page of a printed media. Accordingly, the Company considers the performance obligation to be satisfied at the issuance date of the printed media, and revenue is recognized when the media containing the advertisement are displayed at stores and are available for purchase or browsing by consumers, or when they are delivered to subscribers.

Regarding the sale of a set of services or a series of placements, the Company determines the stand-alone selling price for each underlying service at the inception of the contract, and allocates the transaction price in proportion to those stand-alone selling prices.

Any discount is allocated in proportion to the stand-alone selling prices to each performance obligation in the contract.

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.

Transaction Price Allocated to the Remaining Performance Obligations

Applying the expedient in IFRS 15, the Company does not disclose information on contracts with an individual expected contract period 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 contractual duration exceeding one year.

Notes on Financial Instruments

Matters Related to Status of Financial Instruments

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 those 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

The Company's trade receivables such as notes and accounts receivable - trade are exposed to customer credit risk.

The Company examines new clients to understand and mitigate at an early stage the potential uncollectability of receivables due to deterioration in their financial conditions. With regard to trade receivables, the Company manages due dates and balances for each client and also monitors the financial condition of major clients on a regular basis. In addition, the Company enters into transactions only with financial institutions with high credit ratings to mitigate counterparty risk.

The Company is not exposed to credit risk that is excessively concentrated in a particular counterparty.

Liquidity risk

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 prepare further for liquidity risk.

Market risk

Foreign currency risk

The Company's activities are exposed to the risk of rapid fluctuation of foreign exchange rates.

For certain foreign currency-denominated receivables and payables, the foreign currency fluctuation risk is hedged on an individual basis.

Interest rate risk

Borrowings are appropriated for working capital and funds for capital investment, and since a large portion of borrowings have floating interest rates, they are exposed to interest rate fluctuation risk.

With regard to interest rate fluctuation risk of borrowings, interest rate swaps are used to fix a portion of or all interest expense.

Price risk

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.

Matters Related to Fair Value and Breakdown by Level of Fair Value, etc. of Financial Instruments

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 is determined by discounting the future cash flows to their present value using an interest rate that reflects the remaining term and credit risk of the asset, and their carrying amounts approximate their fair value.

Equity Financial Assets

The fair value of stocks included in equity financial assets for which active markets exist is determined based on market prices. The fair value of stocks for which active markets do not exist is assessed mainly based on transaction prices in the latest arm's length transactions.

Derivative Assets

The fair value of derivative assets is determined based on prices presented by financial institutions.

Liabilities

Since trade and other payables, and short-term borrowings 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 for new similar borrowings.

The fair value of bonds is determined with reference to market prices.

The fair value of other financial liabilities other than the following is determined by discounting the future cash flows to the present value 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 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 year ended March 31, 2022. 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 Liabilities Measured at Fair Value on a Recurring Basis

The breakdown by level of the fair value hierarchy of financial instruments is as follows:

(In millions of yen)

	Carrying amount	Level 1	Level 2	Level 3
Financial assets				
Equity financial assets	153,639	88,156	2,427	63,055
Derivative assets	1,936	—	1,936	—
Total	155,576	88,156	4,364	63,055
Financial liabilities				
Derivative liabilities	0	—	0	—
Total	0	—	0	—

Equity financial assets categorized within Level 1 are mainly stocks for which active markets exist.

Derivative assets and derivative liabilities categorized within Level 2 are mainly derivative financial instruments including interest rate swaps, currency swaps and forward foreign exchange contracts.

Equity financial assets categorized within Level 3 are mainly unlisted stocks for which active markets do not exist.

Reconciliation from the beginning balance to the ending balance of financial instruments categorized within Level 3 of the fair value hierarchy is as follows:

(In millions of yen)

	Amount
Beginning balance	41,825
Other comprehensive income*	19,677
Purchase	9,143
Sale	(2,654)
Other	(4,936)
Ending balance	63,055

* This item is related to financial assets measured at fair value through other comprehensive income and is included in "Net change in financial assets measured at fair value through other comprehensive income."

Financial Assets and Financial Liabilities Measured at Amortized Cost

The carrying amount and fair value of financial assets and financial liabilities measured at amortized cost are as follows:

(In millions of yen)

	Carrying amount	Fair value
Bonds	19,982	19,980

The above table does not include financial assets and financial liabilities measured at amortized cost whose carrying amount approximates their fair value. Long-term borrowings mainly bear interest at floating rate, which reflects market interest rate, and thereby their carrying amount approximates their fair value.

The fair value hierarchy of long-term borrowings is categorized as Level 3.

The fair value hierarchy of bonds is categorized as Level 2.

Notes on Per Share Information

Equity per share attributable to owners of the parent:	847.45 yen
Basic earnings per share:	181.68 yen

- The Holding Company has introduced the Board Incentive Plan (BIP) trust and the equity-settled ESOP trust. The Holding Company's stock held in the trust is recognized as treasury stock in the consolidated financial statements. In line with this, the Holding Company's stock held in the trust is included in treasury stock deducted from the number of shares issued at the end of the period for the calculation of equity per share attributable to owners of the parent. In addition, the Holding Company's stock held in the trust is included in treasury stock deducted in the calculation of the average number of shares during the period for the calculation of basic earnings per share.

The number of treasury stock at the end of the period deducted for the calculation of equity per share attributable to owners of the parent is 12,738,818 shares.

The average number of treasury stock deducted for the calculation of basic earnings per share is 11,959,834 shares in the current fiscal year.

Statement of Changes in Equity

For the year ended March 31, 2022

(In millions of yen)

	Shareholders' equity								
	Common stock	Capital surplus		Legal retained earnings	Retained earnings			Treasury stock	Total shareholders' equity
		Other capital surplus	Total capital surplus		General reserve	Retained earnings brought forward	Total retained earnings		
Balance at beginning of current period	40,000	344	344	7,299	820,909	78,827	907,036	(180,148)	767,232
Changes of items during period									
Cash dividends				2,700		(37,183)	(34,483)		(34,483)
Net income						23,996	23,996		23,996
Purchase of treasury stock								(124,503)	(124,503)
Disposal of treasury stock		25,466	25,466					(15,989)	9,477
Other changes during the period	—	—	—	—	—	—	—	—	—
Total changes of items during period	—	25,466	25,466	2,700	—	(13,187)	(10,487)	(140,492)	(125,512)
Balance at end of current period	40,000	25,811	25,811	10,000	820,909	65,640	896,549	(320,640)	641,719

	Valuation and translation adjustments		Stock acquisition rights	Total equity
	Unrealized gain (loss) on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of current period	36,772	36,772	1,317	805,322
Changes of items during period				
Cash dividends				(34,483)
Net income				23,996
Purchase of treasury stock				(124,503)
Disposal of treasury stock				9,477
Other changes during the period	(7,281)	(7,281)	451	(6,830)
Total changes of items during period	(7,281)	(7,281)	451	(132,343)
Balance at end of current period	29,491	29,491	1,768	672,979

Notes to Non-consolidated Financial Statements

Notes on Matters Related to 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 Noncurrent Assets

Property, plant and equipment:

Straight-line method

The principal useful lives are as follows: Buildings: 2 to 50 years

Tools, furniture and fixtures: 2 to 15 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 principally 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 of the Board (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 for 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.

Exceptional treatment is applied to interest rate swaps that meet the requirements for exceptional treatment. Integrated treatment (exceptional treatment/appropriation treatment) is applied to interest rate and currency swap transactions that meet the requirements for integrated treatment.

Hedging instruments and hedged items

Hedging instruments	Hedged items
Interest rate swap	Interest on borrowings
Interest rate and currency swap	Foreign currency-denominated debt

Hedging policy

The Holding Company engages in interest rate swap transactions and interest rate and currency swap transactions in order to hedge the risks associated with fluctuations in interest rates and foreign exchange rates.

Methods for evaluating the effectiveness of hedges

Evaluation of effectiveness on exceptional treatment for interest rate swaps and integrated treatment for interest rate and currency swaps is omitted.

Standards for Revenue and Expense Recognition

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 rights to use Recruit brands, to which it has rights, to its subsidiaries. The Holding Company is obligated to grant rights to use Recruit brands to its subsidiaries for a period stipulated in the contracts. Revenue is recognized over the contract period as the performance obligations are satisfied over time.

Other Important Matters That Form the Basis for Preparing Non-consolidated Financial Statements

Translation of significant assets or liabilities denominated in foreign currencies into Japanese yen

Monetary receivables and payables denominated in foreign currencies have been translated into Japanese yen at the spot exchange rate at the balance sheet date, and translation adjustments are treated as gains or losses.

Application of the consolidated taxation system

The consolidated taxation system is applied.

Notes on Accounting Estimates

Stocks of subsidiaries and associates recorded by the Holding Company as of the end of the current fiscal year are 827,403 million yen, which mainly consist of shares in RGF Staffing B.V. of 402,140 million yen. The Holding Company determines whether there is a significant decline in the value in substance which reflects excess earnings power expected when the Holding Company acquired RGF Staffing B.V. by comparing the value in substance with the carrying amount. When the Holding Company assesses if the excess earnings power is impaired, the Holding Company considers the budget/forecast, the growth rates and the discount rates used in the impairment test of goodwill for preparation of its consolidated financial statements. The budget/forecast 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. However, it may be affected by changes in uncertain future economic conditions.

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 of the Board, Corporate Executive Officers and Corporate Professional Officers of Recruit Holdings and its subsidiaries.

Overview of the plan

The plan is implemented as a long-term incentive plan for the Directors of the Board and Senior Management, by establishing a strong connection between their compensation and shareholder value. The Company believes this plan results in an increase in their willingness to contribute to business performance and enterprise value over mid-to long-term. In the plan, the Directors of the Board 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.

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 6,363 million yen and 1,714,565 shares as of March 31, 2022.

Equity-settled Employee Stock Ownership Plan ("ESOP") Trust

The Company has introduced an equity-settled ESOP Trust as an incentive plan for employees of its subsidiaries.

Overview of the plan

The plan is implemented as a long-term incentive plan for the employees, by establishing a strong connection between their compensation and stock value. The Company believes this plan results in an increase in their willingness to contribute to business performance and enterprise value over mid-to long-term. 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.

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 54,349 million yen and 11,024,253 shares as of March 31, 2022. Due to the disposal of treasury stock to the trust, treasury stock has increased 25,745 million yen as of March 31, 2022.

Notes to Balance Sheet

Accumulated depreciation of property, plant and equipment: 582 million yen

Guarantee obligation

The Holding Company guarantees the following subsidiaries and associates as stated below:

Indeed, Inc.	70,016 million yen
Indeed Ireland Operations Limited	31,232 million yen
Glassdoor, Inc.	18,245 million yen
Staffmark Group, LLC	10,733 million yen
RGF Staffing B.V.	6,813 million yen
Chandler Macleod Group Limited	747 million yen
Megagon Labs, Inc.	196 million yen
Other	15 million yen
Total	138,001 million yen

Monetary receivables and payables in relation to subsidiaries and associates

Short-term monetary receivables:	108,403 million yen
Short-term monetary payables:	368,104 million yen
Long-term monetary receivables:	158,018 million yen
Long-term monetary payables:	200,000 million yen

Notes to Statement of Income

Transaction volume with subsidiaries and associates

Transaction volume of operating transactions (revenue):	42,029 million yen
Transaction volume of operating transactions (expenses):	899 million yen
Transaction volume of non-operating transactions (revenue):	365 million yen
Transaction volume of non-operating transactions (expenses):	918 million yen

Notes to Statement of Changes in Equity

Class and number of shares of treasury stock as of March 31, 2022

Common stock: 86,686,390 shares

The Holding Company has introduced the Board Incentive Plan (BIP) trust and the equity-settled ESOP trust. The number of shares of the Holding Company held by the trust included in the number of treasury stock as of March 31, 2022 is 12,738,818 shares.

Notes on Tax Effect Accounting

Breakdown by cause of deferred tax assets and deferred tax liabilities

Deferred tax assets

Stocks of subsidiaries and associates	26,033 million yen
Tax losses carry-forward	3,445 million yen
Loss on valuation of investment securities	3,428 million yen
Other	2,197 million yen
Subtotal of deferred tax assets	35,105 million yen
Valuation allowance	(29,152) million yen
Total deferred tax assets	5,953 million yen

Deferred tax liabilities

Stocks of subsidiaries and associates	(102,558) million yen
Unrealized gain (loss) on available-for-sale securities	(7,977) million yen
Total deferred tax liabilities	(110,535) million yen
Net deferred tax liabilities	(104,581) million yen

Notes on Transactions with Related Parties

Subsidiaries and associates, etc.

(In millions of yen)

Attribute	Name of company, etc.	Ownership percentage of voting rights, etc.	Relationship with related parties	Description of transactions	Transaction amount	Account item	Balance at end of the fiscal year
				Loan of funds ¹	—	Long-term loans receivable	158,018
				Collection of funds	26,336	Short-term loans receivable	26,336
Subsidiary	Recruit Co., Ltd.	Ownership Direct 100%	Loan transactions; Interlocking directorate	Borrowing of funds ²	—	Short-term borrowings ³	218,857
				Royalty income ⁴	36,359	Accounts receivable - trade	39,995
Subsidiary	Recruit Staffing Co., Ltd.	Ownership Indirect 100%	Loan transactions; Interlocking directorate	Borrowing of funds ²	—	Short-term borrowings	38,483
				Loan of funds ¹	—	Short-term loans receivable	14,875
Subsidiary	STAFF SERVICE HOLDINGS CO., LTD.	Ownership Indirect 100%	Loan transactions; Interlocking directorate	Collection of funds	14,875		
				Borrowing of funds ²	—	Short-term borrowings	23,860
Subsidiary	Recruit Global Treasury Services Ltd.	Ownership Direct 100%	Loan transactions	Borrowing of funds ⁵	200,000	Long-term borrowings	200,000

Transaction terms and policies for determining transaction terms, etc.

- ¹ The loan rate is reasonably determined based on market rates and other relevant factors.
- ² The Holding Company centrally manages the Company's funds, and intercompany lending and borrowing are settled on a daily basis. Thus, transaction amount is not stated. The interest rate is reasonably determined based on market rates.
- ³ On April 1, 2021, Recruit Co., Ltd., a consolidated subsidiary of the Holding Company, has made an absorption-type merger of seven core operating and functional companies in Japan including Recruit Lifestyle Co., Ltd., with Recruit Co., Ltd. as the surviving company. Accordingly, the balance at the end of the fiscal year for Recruit Co., Ltd., includes the amount received as a result of the merger with the seven core operating and functional companies in Japan.
- ⁴ Royalty income is recognized as a proportion of gross profit, and the rate is determined on a rational basis.
- ⁵ The borrowing rate is reasonably determined based on market rates and other relevant factors.
- ⁶ The amounts of transactions do not include consumption taxes, while the year-end balances include consumption taxes.
- ⁷ Information on guarantee obligations is stated in "Guarantee obligation" under the "Notes to Balance Sheet" section.

Notes on Per Share Information

Equity per share: 417.09 yen

Net income per share: 14.69 yen

The Holding Company has introduced the Board Incentive Plan (BIP) trust and the equity-settled ESOP trust. The Holding Company's stock held in the trust is recognized as treasury stock in the non-consolidated financial statements. In line with this, the Holding Company's stock held in the trust is included in treasury stock deducted from the number of shares issued at the end of the period for the calculation of equity per share. In addition, the Holding Company's stock held in the trust is included in treasury stock deducted in the calculation of the average number of shares during the period for the calculation of net income per share.

The number of shares of treasury stock at the end of the period deducted for the calculation of equity per share is 12,738,818 shares.

The average number of shares of treasury stock deducted for the calculation of net income per share is 11,959,834 shares in the current fiscal year.

Significant Subsequent Events

Partial disposal of the shares of 51job, Inc.

On June 21, 2021, the Holding Company entered into an agreement ("Original Agreement") regarding a going private transaction (the "Transaction") with 51job, Inc. ("51job"), an equity-method associate of the Holding Company in which it owns an approximately 34.8% stake (including in the form of American Depository Receipt). Subsequently, an agreement to partially amend the Original Agreement was reached with the consent of all the relevant parties and concluded on March 1, 2022. The Transaction is executed through the acquisition of 51job by multiple investors (the "Investor Group of the Transaction") and the Company, and this agreement was concluded between the Holding Company and each of 51job and the Investor Group of the Transaction.

The Holding Company, in the belief that the Transaction will contribute to the long-term growth of 51job, will continue to hold the majority of its existing investment in 51job, but as consideration for the partial disposal, received convertible bonds with total par value of 226 million US dollars and cash of 304 million US dollars.

51job obtained approval of the Transaction at the Extraordinary General Meeting of Shareholders held on April 27, 2022 and the Transaction was completed on May 10, 2022. For the financial statements for the fiscal year ending March 31, 2023, while the convertible bonds received will retain their carrying amounts of the shares, a gain on sale of shares of subsidiaries and associates of approximately 36.9 billion yen is expected to be recorded from the cash received. After the completion of the Transaction, the Holding Company's shareholding in 51job is expected to be approximately 39.9% of outstanding shares, and 51job is expected to remain an equity-method associate of the Holding Company.

Notes on Company Subject to Regulation on Consolidated Dividends

The Holding Company is subject to regulation on consolidated dividends.