

November 8, 2023

**Recruit Holdings Co., Ltd. (TSE 6098)**  
**Consolidated Financial Results for the Six Months Ended September 30, 2023 (IFRS, Unaudited)**

Tokyo, November 8, 2023 — Recruit Holdings Co., Ltd. announced today its consolidated financial results for the six months ended September 30, 2023 (April 1, 2023 to September 30, 2023)

**Consolidated Operating Results**

(In billions of yen, unless otherwise stated)	Six Months Ended September 30,		% change
	2022	2023	
Revenue	1,721.6	1,705.9	-0.9%
Adjusted EBITDA	297.6	328.1	10.3%
Operating income	227.9	237.8	4.3%
Profit before tax	230.3	261.0	13.3%
Profit for the period	170.9	213.5	24.9%
Profit attributable to owners of the parent	169.7	213.0	25.5%
Total comprehensive income	348.3	387.8	11.3%
Basic EPS (yen)	105.44	135.44	28.5%
Diluted EPS (yen)	104.99	133.92	27.6%
Adjusted EPS (yen)	108.75	128.41	18.1%

**Consolidated Financial Position**

(In billions of yen, unless otherwise stated)	As of March 31, 2023	As of September 30, 2023
Total assets	2,793.2	3,064.3
Total equity	1,640.9	1,991.0
Equity attributable to owners of the parent	1,627.0	1,974.7
Ratio of equity attributable to owners of the parent (%)	58.2%	64.4%

**Dividends**

(In yen)	FY2022	FY2023	FY2023 (Guidance)
At the end of Q1	-	-	-
At the end of Q2	11.00	11.50	-
At the end of Q3	-	-	-
At the end of Q4	11.00	-	11.50
Total	22.00	-	23.00

**Consolidated Financial Guidance for FY2023**

The Company has revised the financial guidance for FY2023 from the figures announced on August 10, 2023 as below.

(In billions of yen, unless otherwise stated)	FY2023 Q3 Cumulative Outlook	Year over year % change	FY2023 Guidance	Year over year % change
Revenue	2,545.9 - 2,565.9	-2.1% - -1.4%	-	-
Adjusted EBITDA	458.1 - 473.1	+5.1% - +8.5%	-	-

For Q3 FY2023, the Company expects revenue to be 840 to 860 billion yen, a decrease of 4.6% to 2.3% year over year and adjusted EBITDA to be 130 to 145 billion yen, a decrease of 6.0% to an increase of 4.9%.

For FY2023, the Company expects consolidated revenue to decrease year over year as overall hiring activities, and the HR Matching market overall, contract in response to a challenging economic environment in the US and Europe.

Based on the first half performance, and assuming that the current business environment may not significantly deteriorate, adjusted EBITDA is expected to decrease slightly or to be flat compared to FY2022.

Profit attributable to owners of the parent is expected to increase in FY2023 due to the one-time decrease of consolidated income tax rate resulting from the impact of an internal legal entity restructuring in HR Technology, if no significant one-time losses are incurred in the second half of FY2023.

However, the Company is not providing consolidated financial guidance for FY2023 at this time as it is difficult to predict the scale and the duration of the market's contraction and the effect that will have on the Company's financial performance. The Company is providing the outlook for Q3 FY2023 as a range for consolidated revenue and adjusted EBITDA. The Company expects to disclose the consolidated guidance for FY2023 when it becomes reasonably feasible to do so.

Please refer to page 9, Qualitative information on Consolidated Financial Guidance for more details.

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

There was no change in specific subsidiaries accompanying a change in the scope of consolidation.

### Changes in Accounting Policies and Changes in Accounting Estimates

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

### Number of Issued Shares - Common Stock

	As of March 31, 2023	As of September 30, 2023
Number of issued shares including treasury stock	1,695,960,030	1,695,960,030
Number of treasury stock*	116,844,804	130,080,681

	Six Months Ended September 30, 2022	Six Months Ended September 30, 2023
Average number of shares during the period	1,609,940,952	1,573,158,963

\*The number of treasury stock 130,080,681 as of September 30, 2023 includes treasury stock held by the Company (67,868,907 shares) and the Company's stock held in the trust account of the Board Incentive Plan ("BIP") trust and the Employee Stock Ownership Plan ("ESOP") trust (62,211,774 shares).

### Definition of the Abbreviation

Abbreviation	Definition
Recruit Holdings, the Holding Company	Recruit Holdings Co., Ltd. on a standalone basis
the Company, Recruit Group, We, Our	Recruit Holdings Co., Ltd. and its consolidated subsidiaries
SBU	Strategic Business Unit
Q1	Three-month period from April 1 to June 30
Q2	Three-month period from July 1 to September 30
Q3	Three-month period from October 1 to December 31
Q4	Three-month period from January 1 to March 31
FY2022	Fiscal year from April 1, 2022 to March 31, 2023
FY2023	Fiscal year from April 1, 2023 to March 31, 2024

### Definition of the Financial Measures

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

### Supplementary Information

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

### Average exchange rate during the period

(In yen)	FY2022				FY2023	
	Q1	Q2	Q3	Q4	Q1	Q2
US dollar	129.73	138.27	141.38	132.42	137.49	144.63
Euro	138.26	139.26	144.26	142.16	149.58	157.32
Australian dollar	92.69	94.49	92.82	90.58	91.87	94.63

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

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

This document contains forward-looking statements, which reflect the Company's assumptions and outlook for the future and estimates based on information available to the Company and the Company's plans and expectations as of the date of this document or other date indicated. There can be no assurance that the relevant forecasts and other forward-looking statements will be achieved. Please note that significant differences between the forecasts and other forward-looking statements and actual results may arise due to various factors, many of which are outside the Company's control, including changes in economic conditions, changes in individual users' preferences and business clients' needs, competition, changes in the legal and regulatory environment including changes in laws and regulations or guidance, interpretation, enforcement or practice relating to laws and regulations, fluctuations in foreign exchange rates, climate change or other changes in the natural environment, the impact of the spread of COVID-19, the occurrence of large-scale natural disasters, and other factors. Accordingly, readers are cautioned against placing undue reliance on any such forward-looking statements. The Company has no obligation to update or revise any information contained in this document based on any subsequent developments except as required by applicable law or stock exchange rules and regulations.

### ***Note Regarding Reference Translation***

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

### ***Third-Party Information***

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

### ***U.S. Disclaimer – Un-sponsored American Depositary Receipt (“ADR”)***

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

**A full set of materials regarding Q2 FY2023 results announcement is posted on**

<https://recruit-holdings.com/en/ir/financials/>

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## 1. Management's Discussion and Analysis

### Consolidated Results of Operations

The following table summarizes the consolidated financial results for the three months and the six months ended September 30, 2022 and 2023.

(In billions of yen, unless otherwise stated)	Three Months Ended September 30,			Six Months Ended September 30,		
	2022	2023	% change	2022	2023	% change
<i>Consolidated operating results</i>						
Revenue	878.4	855.1	-2.7%	1,721.6	1,705.9	-0.9%
Operating income	108.5	116.1	7.0%	227.9	237.8	4.3%
Profit before tax	110.3	130.7	18.5%	230.3	261.0	13.3%
Profit for the period	85.8	115.2	34.3%	170.9	213.5	24.9%
Profit attributable to owners of the parent	85.2	115.0	34.9%	169.7	213.0	25.5%
Basic EPS (yen)	52.96	73.46	38.7%	105.44	135.44	28.5%
<i>Management Key Performance Indicators</i>						
Adjusted EBITDA	145.3	162.2	11.7%	297.6	328.1	10.3%
Adjusted EBITDA margin	16.5%	19.0%	-	17.3%	19.2%	-
Adjusted EPS (yen)	54.70	64.41	17.8%	108.75	128.41	18.1%

Consolidated revenue for Q2 FY2023 decreased 2.7% as revenue in HR Technology decreased while revenue in Matching & Solutions and Staffing increased. Excluding the positive impact of exchange rate fluctuations of 26.7 billion yen, revenue decreased 5.7%.

Consolidated operating income for Q2 FY2023 was 116.1 billion yen, an increase of 7.0%.

Consolidated profit attributable to owners of the parent for Q2 FY2023 was 115.0 billion, an increase of 34.9% due to an increase of operating income and the impact of an internal legal entity restructuring in HR Technology which resulted in a decrease in income tax rate.

Consolidated adjusted EBITDA margin for Q2 FY2023 increased to 19.0%, consolidated adjusted EBITDA increased 11.7%, and adjusted EPS was 64.41 yen, an increase of 17.8%.

For the six months period ended September 30, 2023, consolidated revenue decreased 0.9%, or 4.0% excluding the positive impact of exchange rate fluctuations of 52.4 billion yen. Consolidated adjusted EBITDA margin was 19.2%, consolidated adjusted EBITDA increased 10.3%, and adjusted EPS was 128.41 yen, an increase of 18.1%.

The following table presents the selling, general and administrative expenses for the three months and the six months ended September 30, 2022 and 2023.

(In billions of yen)	Three Months Ended September 30,			Six Months Ended September 30,		
	2022	2023	% change	2022	2023	% change
Sales commission	8.6	7.8	-9.0%	17.0	16.2	-4.9%
Promotion expenses	19.1	16.3	-15.0%	36.0	32.2	-10.5%
Advertising expenses	69.8	49.8	-28.7%	142.9	100.6	-29.6%
Employee benefit expenses	189.5	179.1	-5.5%	358.8	362.8	1.1%
Service outsourcing expenses	54.7	58.3	6.6%	103.2	113.1	9.6%
Rent expenses	7.3	7.6	4.2%	14.0	15.0	7.5%
Depreciation and amortization	29.4	27.9	-5.1%	58.3	54.7	-6.1%
Other	26.0	23.3	-10.4%	50.3	46.1	-8.3%
Total	404.8	370.4	-8.5%	780.9	741.2	-5.1%

The following table presents the share-based payment expenses as well as research and development expenses for the three months and the six months ended September 30, 2022 and 2023.

(In billions of yen)	Three Months Ended September 30,			Six Months Ended September 30,		
	2022	2023	% change	2022	2023	% change
Share-based payment expenses <sup>1</sup>	16.6	22.3	34.3%	30.0	45.4	51.3%
Research and development expenses <sup>2</sup>	38.1	30.8	-19.0%	69.0	68.8	-0.3%

<sup>1</sup> Included in employee benefit expenses.

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

## Results of Operations by Segment

### HR Technology

The following table presents the financial results for the three months and the six months ended September 30, 2022 and 2023 for the HR Technology segment.

(In billions of yen, unless otherwise stated)	Three Months Ended September 30,			Six Months Ended September 30,		
	2022	2023	% change	2022	2023	% change
Revenue						
US	222.6	178.2	-20.0%	432.6	359.4	-16.9%
Non-US	77.9	79.0	1.5%	151.6	155.7	2.7%
Total	300.5	257.2	-14.4%	584.3	515.1	-11.8%
Adjusted EBITDA	91.2	92.1	1.0%	186.7	190.2	1.9%
Adjusted EBITDA margin	30.4%	35.8%	-	32.0%	36.9%	-
Revenue in million US dollars (\$)						
US	1,610	1,231	-23.5%	3,229	2,549	-21.0%
Non-US	563	547	-2.9%	1,131	1,104	-2.4%
Total	2,173	1,778	-18.2%	4,360	3,654	-16.2%

Revenue for Q2 FY2023 decreased 14.4%. On a US dollar basis, revenue decreased 18.2%. The supply and demand mismatch between job seekers and employers continued to ease, with global labor markets normalizing, particularly in the US. Total job postings on Indeed, composed of free and sponsored jobs postings, declined year over year in many countries where HR Technology operates, including the US, while job seeker activity as measured by traffic to, and applies on, Indeed and Glassdoor increased year over year.

On a US dollar basis, revenue in the US decreased 23.5% driven by a decrease in demand for sponsored jobs year over year. Revenue outside of the US decreased 2.9%.

Adjusted EBITDA margin for Q2 FY2023 increased 5.5 percentage points to 35.8%, primarily due to reductions in advertising expenses and personnel costs while continuing investments in product and technology initiatives for future growth.

For the six month period, revenue decreased 11.8%, adjusted EBITDA margin was 36.9%.

### Matching & Solutions

The following table presents the financial results for the three months and the six months ended September 30, 2022 and 2023 for the Matching & Solutions segment.

(In billions of yen)	Three Months Ended September 30,			Six Months Ended September 30,		
	2022	2023	% change	2022	2023	% change
Revenue						
Marketing Solutions	111.9	123.4	10.3%	216.8	240.1	10.7%
HR Solutions	70.2	74.1	5.5%	142.8	154.9	8.4%
Others and Eliminations	2.9	2.5	-13.7%	5.9	5.0	-14.2%
Total	185.2	200.1	8.1%	365.6	400.1	9.4%
Adjusted EBITDA	27.9	46.2	65.5%	59.2	88.7	49.7%
Adjusted EBITDA margin	15.1%	23.1%	-	16.2%	22.2%	-

Revenue in Matching & Solutions for Q2 FY2023 increased 8.1%.

Revenue in Marketing Solutions increased 10.3% due to growth in Housing & Real Estate, Beauty, Travel, Bridal, and Dining all increased. Housing & Real Estate and Beauty continued to account for more than 50% of revenue in Marketing Solutions.

Revenue in HR Solutions increased 5.5%. Hiring demand continued to increase across many of the industries served, while some business clients began to act cautiously on hiring.

Adjusted EBITDA margin in Matching & Solutions for Q2 FY2023 increased 8.0 percentage points to 23.1% mainly due to cost control measures related to advertising expenses while continuing to invest for future growth. For the six month period, revenue increased 9.4%, adjusted EBITDA margin was 22.2%.

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

The current priority for Air BusinessTools is to increase the number of SaaS registered accounts. As of September 30, 2023, the number of SaaS registered accounts<sup>1</sup>, the number of AirPAY registered accounts and the number of accounts using both AirPAY and another Air BusinessTools solution (cross-use) steadily increased year over year. Revenue from Air BusinessTools is included in Marketing Solutions. The details of SaaS registered accounts are presented in the following table.

(In thousands of accounts) As of	FY2022				FY2023	
	June 30	September 30	December 31	March 31	June 30	September 30
Registered accounts <sup>1</sup>	2,646	2,838	3,009	3,200	3,351	3,469
YoY % Change	34.6%	35.7%	32.9%	30.4%	26.6%	22.2%
AirPAY	304	328	359	394	417	430
YoY % Change	32.8%	36.4%	37.8%	40.2%	37.4%	31.0%
Cross-use of AirPAY and other Air BusinessTools <sup>2</sup>	188	199	211	225	236	233
YoY % Change	29.0%	28.7%	28.1%	28.2%	25.7%	17.4%
AirWORK ATS	449	524	594	639	658	672
YoY % Change	101.9%	97.5%	89.5%	68.3%	46.6%	28.3%

<sup>1</sup> Cumulative number of registered accounts of paid and unpaid SaaS solutions provided by Matching & Solutions SBU in Japan as of September 30, 2023. Registered accounts refer to the number of stores and business locations that have registered for each relevant service including both active and non-active accounts.

<sup>2</sup> Cross-use of AirPAY and other Air BusinessTools accounts that use AirPAY and at least one of the following solutions: AirREGI, AirRESERVE, AirWAIT, AirSHIFT, AirREGI ORDER, or AirMATE.

<sup>3</sup> The number of registered accounts retroactively reflects changes in counting methods due to product renewals and other factors.

### Staffing

The following table presents the financial results for the three months and the six months ended September 30, 2022 and 2023 for the Staffing segment.

(In billions of yen)	Three Months Ended September 30,			Six Months Ended September 30,		
	2022	2023	% change	2022	2023	% change
Revenue						
Japan	166.0	184.0	10.9%	331.2	370.2	11.8%
Europe, US, and Australia	234.2	222.2	-5.1%	454.7	437.4	-3.8%
Total	400.2	406.3	1.5%	786.0	807.7	2.8%
Adjusted EBITDA	27.9	25.3	-9.2%	55.2	52.0	-5.6%
Adjusted EBITDA margin	7.0%	6.2%	-	7.0%	6.4%	-

Revenue for Q2 FY2023 increased 1.5% with an increase in revenue for *Japan* despite a decrease in revenue for *Europe, US, and Australia*. Excluding the positive impact of exchange rate fluctuations of 15.7 billion yen, revenue decreased 2.4%.

Revenue in *Japan* increased 10.9% due to an increase in the number of temporary staff on assignment as demand for staffing services continued to grow.

Revenue in *Europe, US, and Australia* decreased 5.1% as demand for staffing services slowed continuously against the backdrop of an uncertain economic outlook. Excluding the positive impact of exchange rate fluctuations of 15.7 billion yen, revenue decreased 11.8%.

Adjusted EBITDA margin for Q2 FY2023 was 6.2%, a decrease of 0.7 percentage points year over year.

For the six month period, revenue increased 2.8%. Excluding the positive impact of exchange rate fluctuations of 26.8 billion yen, revenue decreased 0.6%. Adjusted EBITDA margin was 6.4%.



## Management Actions for Q2 FY2023

### Completion of the Self Tender Offer

The Company's Board of Directors resolved on October 2, 2023 to conduct a share repurchase of its common stock and the self tender offer was conducted from October 3, 2023 to October 31, 2023. The self tender offer was conducted at the purchase price of 4,148 yen, the total number of shares purchased and the total share repurchase amount as of October 31, 2023 was 10.58 million shares and 43.8 billion yen, respectively. It is expected to be recorded as a decrease in cash and cash equivalents in Q3 FY2023 as the delivery date of the treasury stock is November 24, 2023.

Please find more information on the website:

Recruit Holdings Announces Share Repurchase through Self Tender Offer

[https://recruit-holdings.com/en/newsroom/20231002\\_0001/](https://recruit-holdings.com/en/newsroom/20231002_0001/)

Recruit Holdings Announces Results of Self Tender Offer and Completion of Share Repurchase

[https://recruit-holdings.com/en/newsroom/20231101\\_0001/](https://recruit-holdings.com/en/newsroom/20231101_0001/)

### Analysis of Consolidated Financial Position

(In billions of yen)	As of March 31, 2023	As of September 30, 2023	Variance	% Change
Total current assets	1,465.3	1,665.9	200.6	13.7%
Total non-current assets	1,327.9	1,398.4	70.4	5.3%
Total assets	2,793.2	3,064.3	271.0	9.7%
Total current liabilities	782.7	698.8	-83.9	-10.7%
Total non-current liabilities	369.5	374.5	4.9	1.3%
Total liabilities	1,152.3	1,073.3	-78.9	-6.9%
Total equity attributable to owners of the parent	1,627.0	1,974.7	347.7	21.4%
Non-controlling interests	13.9	16.2	2.3	16.7%
Total equity	1,640.9	1,991.0	350.0	21.3%

Total current assets as of September 30, 2023 increased by 200.6 billion yen compared to the end of FY2022 mainly due to an increase in cash and cash equivalents.

The maximum amount of borrowings under overdraft agreements was 113.0 billion yen as of September 30, 2023, and the entire amount remained unused. In addition, committed credit facilities with a total maximum borrowing amount of 200.0 billion yen, for which the Company entered into an agreement on March 31, 2021 was terminated on September 28, 2023. The Company entered into a new agreement effective as of September 29, 2023 with a total maximum borrowing amount of 200.0 billion yen. The committed credit facilities based on the new agreement remained unused as of September 30, 2023.

Also, the Company has registered a maximum 200.0 billion yen worth of corporate bonds for potential issuances in Japan, the full amount of which remains unissued as of September 30, 2023.

The following table presents cash and cash equivalents, interest-bearing debt and net cash, which is calculated by subtracting interest-bearing debt from cash and cash equivalents.

(In billions of yen)	As of March 31, 2023	As of September 30, 2023	Variance	% Change
Cash and cash equivalents	877.3	1,086.1	208.7	23.8%
Interest-bearing debt (excludes lease liabilities)	35.2	21.5	-13.7	-39.0%
Net cash	842.0	1,064.6	222.5	26.4%

### Analysis of Consolidated Cash Flows

(In billions of yen)	Six Months Ended September 30,		Variance
	2022	2023	
Net cash flows from operating activities	227.2	244.9	17.6
Net cash flows from investing activities	6.4	(34.7)	(41.1)
Net cash flows from financing activities	(52.3)	(111.4)	(59.0)
Effect of exchange rate changes on cash and cash equivalents	116.8	109.9	(6.8)
Net increase (decrease) in cash and cash equivalents	298.1	208.7	(89.3)
Cash and cash equivalents at the beginning of the period	669.5	877.3	207.8
Cash and cash equivalents at the end of the period	967.6	1,086.1	118.4

In Q2 FY2023, payments for the purchase of treasury stock pursuant to the resolution at the Board of Directors meeting held on May 17, 2023 amounted to 62.6 billion yen, which resulted in a significant increase in cash outflows from financing activities.



## 2. Qualitative Information on Consolidated Financial Guidance

For FY2023, the Company expects consolidated revenue to decrease year over year as overall hiring activities, and the HR Matching market overall, contract in response to a challenging economic environment in the US and Europe.

Based on the first half performance, and assuming that the current business environment may not significantly deteriorate, adjusted EBITDA is expected to decrease slightly or to be flat compared to FY2022.

Profit attributable to owners of the parent is expected to increase in FY2023 due to the one-time decrease of consolidated income tax rate resulting from the impact of an internal legal entity restructuring in HR Technology, if no significant one-time losses are incurred in the second half of FY2023.

However, the Company is not providing consolidated financial guidance for FY2023 at this time as it is difficult to predict the scale and the duration of the market's contraction and the effect that will have on the Company's financial performance. The Company is providing the outlook for Q3 FY2023 as a range for consolidated revenue and adjusted EBITDA. The Company expects to disclose the consolidated guidance for FY2023 when it becomes reasonably feasible to do so.

(In billions of yen)	Revenue		Adjusted EBITDA	
		Year over year % change		Year over year % change
FY2023 Q3	840.0 - 860.0	-4.6% - -2.3%	130.0 - 145.0	-6.0% - +4.9%
Nine months ending December 31, 2023	2,545.9 - 2,565.9	-2.1% - -1.4%	458.1 - 473.1	+5.1% - +8.5%
FY2023	-	-	-	-

The foreign exchange rate assumptions for Q3 FY2023 are 145 yen per US dollar, 155 yen per Euro and 94 yen per Australian dollar.

The following are the current assumptions regarding the business environment and the financial outlook for each segment as of November 8, 2023.

### HR Technology

Revenue on a US dollar basis in October decreased approximately 18% year over year. In Q3 FY2023, assuming no sharp deterioration in the economic environment, the Company expects revenue on a US dollar will decline approximately 9% quarter over quarter, which is equal to a decrease of approximately 18%, compared to Q3 last year.

Adjusted EBITDA margin for Q3 is expected to be approximately 27%, as the Company expects operating expenses to remain approximately flat quarter over quarter while revenue declines.

The Company will respond to changes in the business environment and implement cost control measures as needed, while balancing continued strategic investments for long-term growth. As previously mentioned in May, the Company does not prioritize maintaining a certain adjusted EBITDA margin level, such as the level the Company expects for Q3.

For FY2023 outlook, since the Company expects revenue and adjusted EBITDA for the second half of the fiscal year to decrease year over year, there is no change at this time to the previously announced full year outlook for a decrease in revenue and adjusted EBITDA for HR Technology.

### Matching & Solutions

Revenue in Marketing Solutions for Q3 is expected to increase approximately 7% year over year, and revenue in HR Solutions for Q3 is expected to increase approximately 2% year over year. Adjusted EBITDA margin is expected to be approximately 23% in Q3.

For FY2023 outlook, the Company disclosed expected revenue in Marketing Solutions to increase by approximately 4% and in HR Solutions to increase by approximately 6% on May 15.

However, the Company revised the revenue outlook in Marketing Solutions to increase by approximately 8.5% and in HR Solutions to increase by approximately 4.5%. This revised outlook is based on the results of the first half of the current fiscal year and the most recent outlook for each area in the second half of the fiscal year, assuming that Japan's economic environment will not change significantly.

Outlook for adjusted EBITDA margin of approximately 20% remains unchanged as the Company plans significant advertising expenses in Q4 as in previous years.

### Staffing

Revenue in *Japan* for Q3 is expected to increase approximately 11%, and revenue in *Europe, US and Australia* for Q3 is expected to decrease approximately 5% year over year.

Adjusted EBITDA margin is expected to be approximately 7% in Q3.

On May 15, the Company disclosed expected revenue growth for Staffing in *Japan* was approximately 9%, but it is revised upwards to approximately 10% based on the results of the first half of the current fiscal year and the outlook for the second half of the fiscal year. The Company expects demand for temporary staffing services in *Europe, US and Australia* to continue to slow down due to the uncertain economic outlook. Adjusted EBITDA margin for FY2023 of 6% is not revised at this point.

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

#### Condensed Quarterly Consolidated Statements of Financial Position

(In millions of yen)	As of March 31, 2023	As of September 30, 2023
<b>Assets</b>		
Current assets		
Cash and cash equivalents	877,370	1,086,110
Trade and other receivables	527,558	508,585
Other financial assets	6,629	5,769
Other assets	53,784	65,504
<b>Total current assets</b>	<b>1,465,342</b>	<b>1,665,970</b>
Non-current assets		
Property and equipment	70,990	72,564
Right-of-use assets	185,036	171,648
Goodwill	462,977	508,531
Intangible assets	187,634	195,795
Investments in associates and joint ventures	26,967	26,889
Other financial assets	228,326	238,409
Deferred tax assets	161,301	176,826
Other assets	4,704	7,741
<b>Total non-current assets</b>	<b>1,327,939</b>	<b>1,398,405</b>
<b>Total assets</b>	<b>2,793,281</b>	<b>3,064,376</b>

(In millions of yen)	As of March 31, 2023	As of September 30, 2023
<b>Liabilities and equity</b>		
Liabilities		
Current liabilities		
Trade and other payables	349,916	309,025
Bonds and borrowings	33,845	20,053
Lease liabilities	41,167	42,269
Other financial liabilities	408	838
Income tax payables	70,122	46,761
Provisions	9,876	8,065
Other liabilities	277,442	271,818
<b>Total current liabilities</b>	<b>782,777</b>	<b>698,832</b>
Non-current liabilities		
Bonds and borrowings	1,429	1,448
Lease liabilities	178,513	171,254
Other financial liabilities	495	622
Provisions	12,068	12,996
Net liability for retirement benefits	61,244	62,063
Deferred tax liabilities	107,617	116,901
Other liabilities	8,185	9,225
<b>Total non-current liabilities</b>	<b>369,554</b>	<b>374,511</b>
<b>Total liabilities</b>	<b>1,152,332</b>	<b>1,073,343</b>
Equity		
Equity attributable to owners of the parent		
Common stock	40,000	40,000
Share premium	33,754	44,257
Retained earnings	1,711,350	1,914,527
Treasury stock	(432,612)	(476,361)
Other components of equity	274,517	452,335
<b>Total equity attributable to owners of the parent</b>	<b>1,627,010</b>	<b>1,974,759</b>
Non-controlling interests	13,939	16,273
<b>Total equity</b>	<b>1,640,949</b>	<b>1,991,033</b>
<b>Total liabilities and equity</b>	<b>2,793,281</b>	<b>3,064,376</b>

## Condensed Quarterly Consolidated Statements of Profit or Loss

For the Six-Month Period

(In millions of yen, unless otherwise stated)	Six Months Ended September 30,	
	2022	2023
Revenue	1,721,649	1,705,939
Cost of sales	712,079	718,790
Gross profit	1,009,569	987,149
Selling, general and administrative expenses	780,975	741,251
Other operating income	1,511	1,705
Other operating expenses	2,152	9,769
Operating income	227,953	237,833
Share of profit (loss) of associates and joint ventures	73	(139)
Finance income	4,951	26,005
Finance costs	2,579	2,652
Profit before tax	230,398	261,047
Income tax expense	59,442	47,458
Profit for the period	170,955	213,588
Profit attributable to:		
Owners of the parent	169,745	213,074
Non-controlling interests	1,210	514
Profit for the period	170,955	213,588
Earnings per share attributable to owners of the parent		
Basic earnings per share (yen)	105.44	135.44
Diluted earnings per share (yen)	104.99	133.92

For the Three-Month Period

(In millions of yen, unless otherwise stated)	Three Months Ended September 30,	
	2022	2023
Revenue	878,473	855,110
Cost of sales	364,525	363,579
Gross profit	513,947	491,531
Selling, general and administrative expenses	404,871	370,445
Other operating income	564	577
Other operating expenses	1,058	5,485
Operating income	108,582	116,178
Share of profit (loss) of associates and joint ventures	(1,219)	(157)
Finance income	4,317	16,193
Finance costs	1,342	1,430
Profit before tax	110,338	130,783
Income tax expense	24,481	15,504
Profit for the period	85,857	115,279
Profit attributable to:		
Owners of the parent	85,272	115,013
Non-controlling interests	584	265
Profit for the period	85,857	115,279
Earnings per share attributable to owners of the parent		
Basic earnings per share (yen)	52.96	73.46
Diluted earnings per share (yen)	52.73	72.54

## Condensed Quarterly Consolidated Statements of Comprehensive Income

For the Six-Month Period

(In millions of yen)	Six Months Ended September 30,	
	2022	2023
Profit for the period	170,955	213,588
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Net change in financial assets measured at fair value through other comprehensive income	3,237	7,365
Remeasurements of defined retirement benefit plans	-	-
Share of other comprehensive income of associates and joint ventures	125	228
Subtotal	3,363	7,594
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	173,984	166,736
Effective portion of changes in fair value of cash flow hedges	38	(63)
Subtotal	174,022	166,673
Other comprehensive income (loss) for the period, net of tax	177,386	174,268
Comprehensive income for the period	348,341	387,857
Comprehensive income attributable to:		
Owners of the parent	345,809	386,340
Non-controlling interests	2,531	1,516
Comprehensive income for the period	348,341	387,857

## For the Three-Month Period

(In millions of yen)	Three Months Ended September 30,	
	2022	2023
Profit for the period	85,857	115,279
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Net change in financial assets measured at fair value through other comprehensive income	6,954	(1,072)
Remeasurements of defined retirement benefit plans	-	-
Share of other comprehensive income of associates and joint ventures	107	222
Subtotal	7,062	(849)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	55,096	41,911
Effective portion of changes in fair value of cash flow hedges	5	(160)
Subtotal	55,102	41,750
Other comprehensive income (loss) for the period, net of tax	62,164	40,901
Comprehensive income for the period	148,021	156,180
Comprehensive income attributable to:		
Owners of the parent	146,718	155,502
Non-controlling interests	1,303	678
Comprehensive income for the period	148,021	156,180

## Condensed Quarterly Consolidated Statements of Changes in Equity

For the Six Months Ended September 30, 2022

	Equity attributable to owners of the parent				Other components of equity		
	Common stock	Share premium	Retained earnings	Treasury stock	Share-based payments	Exchange differences on translation of foreign operations	Effective portion of changes in fair value of cash flow hedges
(In millions of yen)							
Balance at April 1, 2022	40,000	20,640	1,464,947	(298,457)	34,682	101,909	52
Profit for the period			169,745				
Other comprehensive income						172,981	38
Comprehensive income for the period	-	-	169,745	-	-	172,981	38
Transfer from other components of equity to retained earnings			3,044				
Purchase of treasury stock		(26)		(2,064)			
Disposal of treasury stock		3,258		5,826	(9,146)		
Dividends			(16,897)				
Share-based payments					29,679		
Equity transactions with non-controlling interests		255					
Transactions with owners - total	-	3,486	(13,853)	3,762	20,532	-	-
Balance at September 30, 2022	40,000	24,127	1,620,839	(294,694)	55,215	274,891	91

	Equity attributable to owners of the parent			Other components of equity		Non-controlling interests	Total equity
	Net change in financial assets measured at fair value through other comprehensive income	Remeasurements of defined retirement benefit plans	Total	Total			
Balance at April 1, 2022	-	-	136,644	1,363,776	12,518	1,376,294	
Profit for the period			-	169,745	1,210	170,955	
Other comprehensive income	3,044		176,064	176,064	1,321	177,386	
Comprehensive income for the period	3,044	-	176,064	345,809	2,531	348,341	
Transfer from other components of equity to retained earnings	(3,044)		(3,044)	-		-	
Purchase of treasury stock			-	(2,091)		(2,091)	
Disposal of treasury stock			(9,146)	(60)		(60)	
Dividends			-	(16,897)	(828)	(17,726)	
Share-based payments			29,679	29,679		29,679	
Equity transactions with non-controlling interests			-	255	(435)	(180)	
Transactions with owners - total	(3,044)	-	17,488	10,885	(1,264)	9,620	
Balance at September 30, 2022	-	-	330,198	1,720,470	13,786	1,734,257	

## For the Six Months Ended September 30, 2023

	Equity attributable to owners of the parent				Other components of equity		
	Common stock	Share premium	Retained earnings	Treasury stock	Share-based payments	Exchange differences on translation of foreign operations	Effective portion of changes in fair value of cash flow hedges
<i>(In millions of yen)</i>							
Balance at April 1, 2023	40,000	33,754	1,711,350	(432,612)	75,595	198,859	63
Profit for the period			213,074				
Other comprehensive income						165,857	(63)
Comprehensive income for the period	-	-	213,074	-	-	165,857	(63)
Transfer from other components of equity to retained earnings			7,472				
Purchase of treasury stock		(53)		(66,223)			
Disposal of treasury stock		10,555		22,475	(33,656)		
Dividends			(17,370)				
Share-based payments					45,680		
Equity transactions with non-controlling interests							
Transactions with owners - total	-	10,502	(9,897)	(43,748)	12,024	-	-
Balance at September 30, 2023	40,000	44,257	1,914,527	(476,361)	87,619	364,716	-

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Net change in financial assets measured at fair value through other comprehensive income	Remeasurements of defined retirement benefit plans	Total	Total		
Balance at April 1, 2023	-	-	274,517	1,627,010	13,939	1,640,949
Profit for the period			-	213,074	514	213,588
Other comprehensive income	7,472		173,266	173,266	1,001	174,268
Comprehensive income for the period	7,472	-	173,266	386,340	1,516	387,857
Transfer from other components of equity to retained earnings	(7,472)		(7,472)	-		-
Purchase of treasury stock			-	(66,277)		(66,277)
Disposal of treasury stock			(33,656)	(625)		(625)
Dividends			-	(17,370)		(17,370)
Share-based payments			45,680	45,680		45,680
Equity transactions with non-controlling interests			-	-	817	817
Transactions with owners - total	(7,472)	-	4,551	(38,591)	817	(37,773)
Balance at September 30, 2023	-	-	452,335	1,974,759	16,273	1,991,033



**Condensed Quarterly Consolidated Statements of Cash Flows**

(In millions of yen)	Six Months Ended September 30,	
	2022	2023
<b>Cash flows from operating activities</b>		
Profit before tax	230,398	261,047
Depreciation and amortization	60,555	57,136
Share-based payment expenses	30,007	45,400
(Increase) decrease in trade and other receivables	(27,865)	45,455
Increase (decrease) in trade and other payables	12,061	(52,505)
Other	(13,528)	(41,958)
Subtotal	291,627	314,576
Interest and dividends received	3,861	19,010
Interest paid	(1,962)	(2,467)
Income taxes paid	(66,245)	(86,174)
Net cash provided by operating activities	227,281	244,944
<b>Cash flows from investing activities</b>		
Payment for purchase of property and equipment	(8,944)	(6,528)
Payment for purchase of intangible assets	(25,725)	(28,908)
Proceeds from sales of investments in associates and joint ventures	39,531	-
Other	1,575	726
Net cash provided by (used in) investing activities	6,436	(34,709)
<b>Cash flows from financing activities</b>		
Repayments of long-term borrowings	(12,478)	(12,478)
Repayments of lease liabilities	(21,972)	(23,232)
Payment for purchase of treasury stock	(2,091)	(66,288)
Dividends paid	(16,909)	(17,369)
Other	1,052	7,945
Net cash used in financing activities	(52,399)	(111,425)
Effect of exchange rate changes on cash and cash equivalents	116,805	109,930
Net increase (decrease) in cash and cash equivalents	298,123	208,740
Cash and cash equivalents at the beginning of the period	669,551	877,370
Cash and cash equivalents at the end of the period	967,675	1,086,110we

## Going Concern Assumption

Not applicable.

## Notes to Condensed Quarterly Consolidated Financial Statements

### 1. Operating Segments

#### (1) Overview of Reportable Segments

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

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

#### (2) Information on Reportable Segments

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

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

## For the Six Months Ended September 30, 2022

(In millions of yen)	Reportable Segment				Adjustments	Consolidated
	HR Technology	Matching & Solutions	Staffing	Total		
Revenue						
Revenue from external customers	582,405	362,657	775,709	1,720,772	877	1,721,649
Intersegment revenue or transfers	1,913	3,007	10,317	15,238	(15,238)	-
Total	584,318	365,665	786,027	1,736,011	(14,361)	1,721,649
Segment profit (loss)	186,777	59,273	55,203	301,254	(3,603)	297,650
Depreciation and amortization (Note)						39,048
Share-based payment expenses						30,007
Other operating income						1,511
Other operating expenses						2,152
Operating income						227,953
Share of profit (loss) of associates and joint ventures						73
Finance income						4,951
Finance costs						2,579
Profit before tax						230,398

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

## For the Six Months Ended September 30, 2023

(In millions of yen)	Reportable Segment				Adjustments	Consolidated
	HR Technology	Matching & Solutions	Staffing	Total		
Revenue						
Revenue from external customers	514,284	395,794	795,108	1,705,187	751	1,705,939
Intersegment revenue or transfers	887	4,351	12,619	17,858	(17,858)	-
Total	515,171	400,146	807,727	1,723,045	(17,106)	1,705,939
Segment profit (loss)	190,298	88,751	52,090	331,140	(2,971)	328,169
Depreciation and amortization (Note)						36,871
Share-based payment expenses						45,400
Other operating income						1,705
Other operating expenses						9,769
Operating income						237,833
Share of profit (loss) of associates and joint ventures						(139)
Finance income						26,005
Finance costs						2,652
Profit before tax						261,047

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

## For the Three Months Ended September 30, 2022

(In millions of yen)	Reportable Segment				Adjustments	Consolidated
	HR Technology	Matching & Solutions	Staffing	Total		
Revenue						
Revenue from external customers	299,389	183,703	394,935	878,028	444	878,473
Intersegment revenue or transfers	1,178	1,508	5,328	8,015	(8,015)	-
Total	300,567	185,211	400,264	886,043	(7,570)	878,473
Segment profit (loss)	91,256	27,926	27,907	147,089	(1,775)	145,314
Depreciation and amortization (Note)						19,614
Share-based payment expenses						16,623
Other operating income						564
Other operating expenses						1,058
Operating income						108,582
Share of profit (loss) of associates and joint ventures						(1,219)
Finance income						4,317
Finance costs						1,342
Profit before tax						110,338

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

## For the Three Months Ended September 30, 2023

(In millions of yen)	Reportable Segment				Adjustments	Consolidated
	HR Technology	Matching & Solutions	Staffing	Total		
Revenue						
Revenue from external customers	256,821	197,978	399,945	854,745	365	855,110
Intersegment revenue or transfers	449	2,188	6,370	9,008	(9,008)	-
Total	257,270	200,166	406,316	863,753	(8,642)	855,110
Segment profit (loss)	92,162	46,214	25,337	163,714	(1,460)	162,253
Depreciation and amortization (Note)						18,844
Share-based payment expenses						22,322
Other operating income						577
Other operating expenses						5,485
Operating income						116,178
Share of profit (loss) of associates and joint ventures						(157)
Finance income						16,193
Finance costs						1,430
Profit before tax						130,783

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

## 2. Treasury Stock

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

The breakdown of treasury stock is as follows:

(In millions of yen, unless otherwise stated)	FY2022		Six Months Ended September 30, 2023	
	Number of shares (shares)	Carrying amount	Number of shares (shares)	Carrying amount
Treasury stock directly held by Recruit Holdings	49,041,017	194,804	67,868,907	257,425
Recruit Holdings shares held by the BIP trust and the ESOP trust	67,803,787	237,808	62,211,774	218,935
Total	116,844,804	432,612	130,080,681	476,361

## 3. Significant Subsequent Events

### Share Repurchase

The Holding Company announced that its Board of Directors resolved on October 2, 2023 to conduct a share repurchase of its common stock through a tender offer as the specific purchase method (the "Tender Offer"), pursuant to Article 156, Paragraph 1 of the Companies Act as applied by replacing certain terms pursuant to Article 165, Paragraph 3 of the said Act and the provisions in the Articles of Incorporation of the Company.

The Tender Offer completed on October 31, 2023.

#### (1) Reasons for the share repurchases

The Holding Company has recognized that there has been concern in the capital markets regarding the possibility of uncoordinated sales by its Japanese business shareholders and the potential for downward pressure on its stock price. Previously, when the Holding Company was notified that several of its shareholders intended to reduce their holdings, the Holding Company conducted secondary equity offerings and a self tender offer to provide these shareholders with opportunities to sell a large volume of shares at the same time in a coordinated manner.

Recently, TOPPAN Holdings Inc. ("TOPPAN"), one of the largest Japanese business shareholders of the Holding Company, notified the Holding Company of its intention to reduce some of its ownership stake in the Holding Company's common stock by the end of March 2024. The Holding Company has considered the priorities of TOPPAN, the potential impact on the Holding Company's share price from large uncoordinated sales of shares over a short period, the capacity to pursue strategic business investments, the capital markets environment, and the outlook for its financial position and has determined it is appropriate to acquire its own shares in accordance with the Holding Company's capital allocation policy.

Upon examining multiple transaction alternatives, the Holding Company has decided to acquire the shares from TOPPAN through the self tender offer at the purchase price of 4,148 yen and has entered into a tender offer agreement with TOPPAN pursuant to which the shareholder has agreed to subscribe to tender shares in the self tender offer.

The self tender offer at a discounted price from the market price enables the Holding Company to minimize the cash outflow of acquiring its own shares, while enhancing shareholder value.

#### (2) Details of the Board of Directors resolution concerning the share repurchase

- |   |   |
|---|---|
| (i) Type of shares to be repurchased          | Common shares of Recruit Holdings   |
| (ii) Total number of shares to be repurchased | 13,000,100 shares (Maximum)<br>(up to 0.76% of total number of shares issued and outstanding) |
| (iii) Total purchase price                    | 53,924 million yen (Maximum)  |
| (iv) Repurchase period                        | From October 3, 2023 to November 30, 2023   |
| (v) Method of repurchases                     | Self tender offer   |

#### (3) Details of common stock repurchased pursuant to the Board of Directors resolution described above

- |   |                                   |
|---|-----------------------------------|
| (i) Type of shares repurchased          | Common shares of Recruit Holdings |
| (ii) Total number of shares repurchased | 10,580,722 shares                 |

(iii) Total purchase price	43,888 million yen
(iv) Acquisition period	From October 3, 2023 to October 31, 2023

(4) Overview of the Tender Offer

(i) Number of shares to be purchased	13,000,000 shares (Maximum)
(ii) Purchase price	4,148 yen per common share
(iii) Repurchase period	From October 3, 2023 to October 31, 2023
(iv) Date of public notice of commencement of the Tender Offer	October 3, 2023
(v) Settlement start date	November 24, 2023

(5) Result of the Tender Offer

(i) Number of shares to be purchased	13,000,000 shares
(ii) Expected number of excess shares	-
(iii) Number of shares tendered	10,580,722 shares
(iv) Number of shares purchased	10,580,722 shares