

## Introducing the New Job Distribution Platform “Indeed PLUS”

Recruit Holdings' most important business strategy, “Simplify Hiring”, aims to make it faster and easier to get a job and to make a hire. We are advancing our business in the global HR Matching market by leveraging technology and data, with Indeed, the core business in the HR Technology segment, leading this strategy.

In Japan, the second largest HR Matching market after the US, Indeed launched Indeed PLUS nationwide on January 30, 2024. Indeed PLUS is a job distribution platform that brings more job posting options and efficient job search and recruitment activities to job seekers and employers.

The most important feature of Indeed PLUS is that it automatically distributes job postings based on their job descriptions to the job boards linked to Indeed PLUS (“Indeed PLUS Job Boards”) that are judged to be the most appropriate through an “Application Programming Interface” (“API”).

With the introduction of Indeed PLUS, the existing multiple full-time job boards and part-time job boards in HR Solutions in the Matching & Solutions segment (“HR Solutions”) will join the Indeed PLUS Job Boards. As a partner of Indeed Japan KK (“Indeed Japan”), HR Solutions will now offer Indeed PLUS to its business clients, supporting the sales and marketing activities of Indeed PLUS.

In Japan, HR Solutions and Indeed have been collaborating by leveraging their respective strengths.

In the highly fragmented Japanese job advertising market, where job boards are categorized by type of profession, location, and type of employment, HR Solutions operates leading job boards focused on full-time and part-time jobs including Rikunabi NEXT, TOWNWORK, From A Navi, Hatalike, and Travail based on a “Pay Per Post” (or “PPP”) pricing model. Indeed offers both free and paid job postings for all job types with a “Pay Per Click” (or “PPC”) pricing model, which is an auction-based pay for performance model.

Moving forward, HR Solutions and Indeed will accelerate their collaboration to develop better solutions for job seekers and employers in the Japanese market.

In Japan, job seekers have tended to rely on specialized job boards, resulting in job seekers’ options being limited to jobs only posted directly on these selected job boards. Now, Indeed PLUS automatically distributes job postings based on their job descriptions from Applicant Tracking Systems (“ATS”) linked to Indeed PLUS to the Indeed PLUS Job Boards that are judged to be the most appropriate, improving the job search experience by offering a broader range of jobs.

Employers can now post jobs to an ATS linked to Indeed PLUS, eliminating the need to use multiple job boards for each different job posting. Jobs directly posted on Indeed without an ATS linked to Indeed PLUS will also be distributed to Indeed PLUS Job Boards. This will allow business clients to reach an expanded candidate pool and successfully hire faster and more efficiently. In addition, with Indeed PLUS, employers can take advantage of a PPC pricing model, allowing employers to have greater transparency of cost effectiveness.

Going forward, revenue of Indeed in Japan is expected to increase significantly due to a gradual shift of revenues from HR Solutions’ job advertising services for full-time and part-time job seekers to Indeed Japan. Additionally, we expect revenue of Indeed in Japan to increase further due to the acquisition of new Indeed PLUS business clients, and an increase in average revenue from existing business clients. HR Technology expects that this will help increase revenue in Japan, one of its key non-US markets.

At the same time, HR Solutions believes that having the existing job boards for full-time and part-time job seekers in HR Solutions join the Indeed PLUS Job Boards will enable the seamless transition of the entire job advertising business in Japan from a PPP to PPC pricing model. The quick transition enables HR Solutions to speed up its transformation into an HR technology business.

For the last twelve months ended December 31, 2023, HR Solutions revenue in the job advertising business for full-time and part-time job seekers was approximately 115 billion yen, and Indeed revenue in Japan was approximately 68 billion yen.

## FAQs

### **Q1. What is Indeed PLUS? How is it different from Indeed?**

Indeed PLUS is a job distribution platform which connects multiple job boards used by various job seekers and ATSs linked to Indeed PLUS used by business clients and automatically distributes jobs to the job boards that are judged to be the most appropriate based on the job description.

Indeed PLUS eliminates the need for business clients to use multiple job boards including Indeed for each different job when they post jobs from an ATS linked to Indeed PLUS. Additionally, jobs posted directly to Indeed without using an ATS linked to Indeed PLUS will now be distributed to Indeed PLUS Job Boards.

Until now, distribution of jobs to other job boards by Indeed was limited in Japan. Also, job postings through Airwork ATS, which is a recruitment management system, were posted to a business clients' own website and free or paid job postings on limited job boards including Indeed. With Indeed Plus, when a business client posts paid jobs on either Indeed or Airwork ATS, those jobs will be automatically distributed to the job boards that are judged to be the most appropriate among Indeed PLUS Job Boards and Indeed.

### **Q2. What are the benefits of Indeed PLUS for job seekers?**

In Japan, job boards are segmented by job type and employment type, so many job seekers tend to limit their job search to the job board of their choice.

For example, TOWNWORK is mainly tailored to part-time job seekers while Rikunabi NEXT is specifically tailored to job seekers looking for full-time jobs.

Indeed PLUS, on the other hand, automatically delivers job postings posted from the ATS linked to Indeed PLUS to the Indeed PLUS Job Boards that are judged to be the most appropriate. Therefore, job seekers are able to choose from a larger selection of jobs than ever before.

### **Q3. What are the benefits of Indeed PLUS for employers conducting recruitment activities?**

Previously ATSs utilized by employers could only connect to specific job boards, making the process of posting jobs to other job boards complicated and requiring employers to download data from their ATS and review posting policies for each job board. In addition, employers had to manually select the job boards based on their past experience and practices, resulting in inefficiency in recruiting and lost opportunities, as jobs were not accurately promoted to the talent they seek.

Indeed PLUS connects the ATSs linked to Indeed PLUS with multiple job boards by utilizing an API. This allows business clients to advertise job postings seamlessly and efficiently to the talent they seek.

In addition, the Indeed PLUS algorithm uses machine learning to optimize the experience for job seekers and employers including job distribution, job search, recommendations on job boards, and even budget allocations based on all the data accumulated through Indeed PLUS.

Indeed PLUS promotes experience-based and skills-based hiring by standardizing hiring requirements and application processes, making it easier to compare job applications. This enables employers to hire the best talent from a larger pool of candidates, accurately and quickly.

In addition, Indeed PLUS' pricing model is PPC, meaning clients are being charged based on the number of clicks. Compared to using PPP services, employers can have greater transparency of cost effectiveness.

**Q4. Please tell us the background and goals behind the development and deployment of Indeed PLUS?**

The Company has been contributing to the establishment and expansion of the HR Matching market in Japan over the last 60 years since Recruit started the job advertisement business for new graduate students.

HR Solutions has developed multiple job boards in the full-time and part-time job advertising business, including Rikunabi NEXT, TOWNWORK, FromA navi, Hatalike, and Travail, with a PPP pricing model, to meet the needs of job seekers and employers in Japan. Since the transition period from paper media to online matching platforms to the present, each job board has developed its own unique system, and sales organization to expand its business.

HR Technology utilizes data and a matching engine to provide efficient and high quality matching in the global HR Matching market. Indeed, the core business in HR Technology, has succeeded in efficiently developing its business in the global market, including Japan, by focusing on a single brand and a pay-for-performance pricing model, PPC.

In Japan, in addition to chronic labor shortages due to a decline in the working population, today the HR Matching market is becoming increasingly diverse due to changes in job seeker behavior. In a fragmented HR Matching market, employers must choose the most suitable job board from a large range of options, each offering PPP pricing models. It is now essential to hire who the employer is looking for efficiently and improve the efficiency of the current complicated hiring process.

In such a business environment in Japan, HR Solutions and HR Technology launched a cross-segment project in September 2021 to meet the changing needs of job seekers and employers and to implement the Simplify Hiring strategy in Japan. This common effort resulted in launching a project in April 2022 to develop a new platform, called Indeed PLUS.

HR Solutions will shift the full-time and part-time job advertising business entirely to job posting through Indeed PLUS, thereby ensuring a smooth transition from PPP to PPC while maintaining the existing job boards.

In addition, by integrating the job posting systems of each job board provided by Indeed and HR Solutions into the ATS linked to Indeed PLUS, HR Solutions will be able to achieve higher productivity and more efficient business development which will transition into an HR technology business rapidly.

**Q5. Does this mean that HR Solutions in Matching & Solutions will be integrated into HR Technology?**

HR Solutions will continue to be a part of Matching & Solutions.

HR Solutions will become a partner of Indeed Japan for Indeed PLUS. The job boards for full-time and part-time job seekers will continue to exist as Indeed PLUS Job Boards, and HR Solutions will promote the sales of Indeed PLUS to business clients by offering AirWORK ATS, a recruitment management system that is integrated with Indeed PLUS.

HR Solutions will continue to operate its job board for new graduate students, its placement services, and other businesses operated by its subsidiaries.

**Q6. Will Recruit's job boards such as Rikunabi NEXT, TOWNWORK, FromA Navi, Hatalike, and Travail disappear?**

Indeed PLUS enables job seekers to choose from a larger selection of jobs than ever before, while Indeed PLUS enables employers to hire the best talent from a larger pool of candidates, accurately and quickly.

HR Solutions will maintain its existing job boards with their distinctive brands as Indeed PLUS Job Boards and continue to support job seekers.

**Q7 Which job boards are becoming Indeed PLUS Job Boards? Will the number of Indeed PLUS Job Boards increase in the future?**

As of January 30, 2024, there are three Indeed PLUS Job Boards including Indeed, TOWNWORK, and Rikunabi NEXT. Furthermore, FromA navi, Travail, and Hatalike will become Indeed PLUS Job Boards beginning in March 2024.

In the future, Indeed PLUS intends to collaborate with job boards of other companies outside the Recruit Group to diversify and improve the efficiency of job seeking and recruiting activities in Japan.

**Q8 What will happen to Rikunabi, Recruit's new graduate job board?**

Rikunabi, a job board for new graduate students, will not become an Indeed PLUS Job Board at this time, and remains as it is, continuing to support the job seeking activities of new graduate students.

**Q9 Please explain the impact on revenue and adjusted EBITDA in HR Technology and Matching & Solutions.**

Revenue of Indeed in Japan is expected to increase significantly in the future due to the gradual shift of revenues from the full-time and part-time job advertising services in HR Solutions to Indeed Japan. Additionally, we expect revenue of Indeed in Japan to increase further due to the acquisition of new Indeed PLUS business clients, and an increase in average revenue from existing business clients.

Revenue of Indeed PLUS via agency is recorded as net of agency fees in Indeed Japan, while HR Solutions has recorded revenue via agencies gross of agency fees.

HR Solutions will actively and efficiently carry out marketing activities of Indeed PLUS as a partner of Indeed Japan. HR Solutions will be responsible for sales, marketing, and development, based on the sales agency agreement and the consignment agreement with Indeed. Service fees and related expenses are recorded as revenue for HR Solutions. At the same time, HR Solutions will be focusing on the evolution of Simplify Hiring in Japan by being responsible for developing new services for the Japanese market.

Agency partners with current sales agency contracts with HR Solutions will gradually transition to direct agency contracts with Indeed Japan, and will become essential partners to increase Indeed's revenue in Japan.

**Contact:**

Investor Relations

+81-3-3511-6383

[Recruit\\_HD\\_IR@r.recruit.co.jp](mailto:Recruit_HD_IR@r.recruit.co.jp)

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