

Introduction to Staffing Business

Recruit Holdings Co., Ltd.

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Managing Corporate Executive Officer, Head of Global Staffing Business



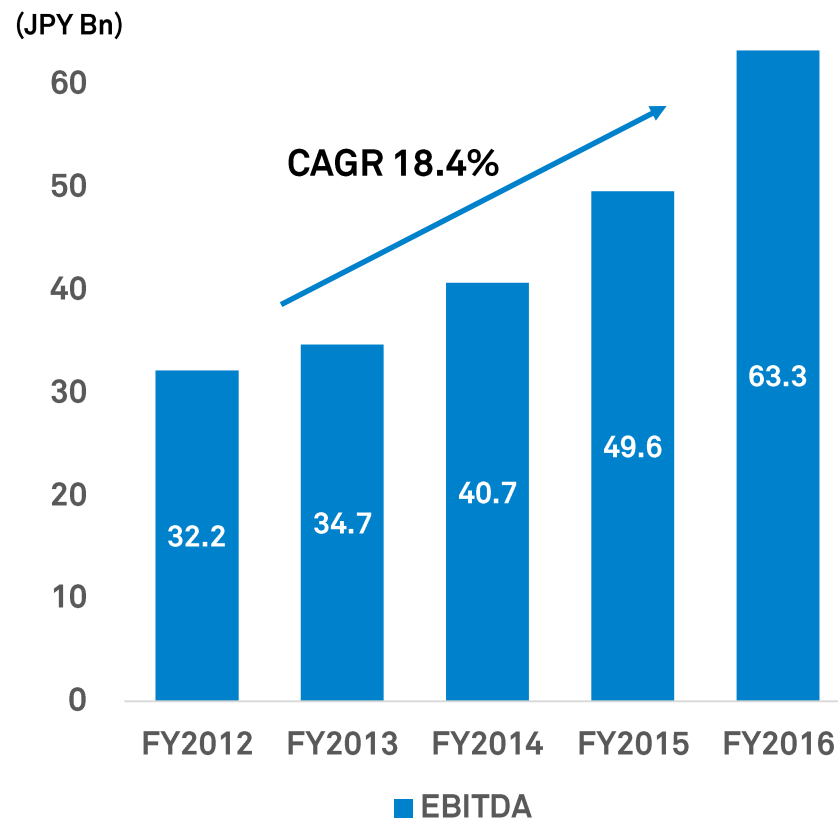
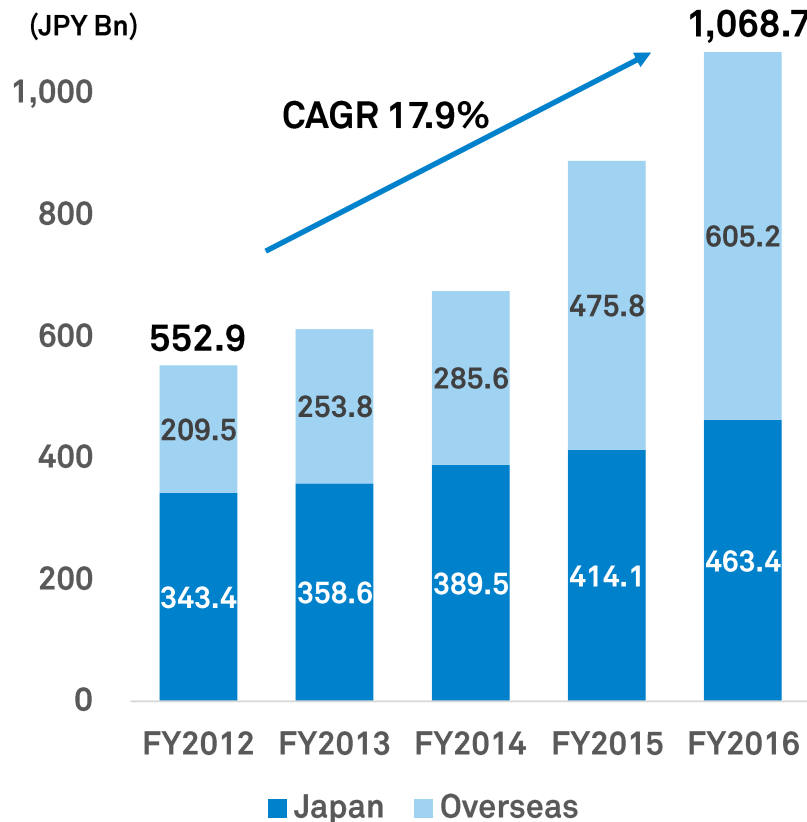
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Staffing Business Earnings Trend



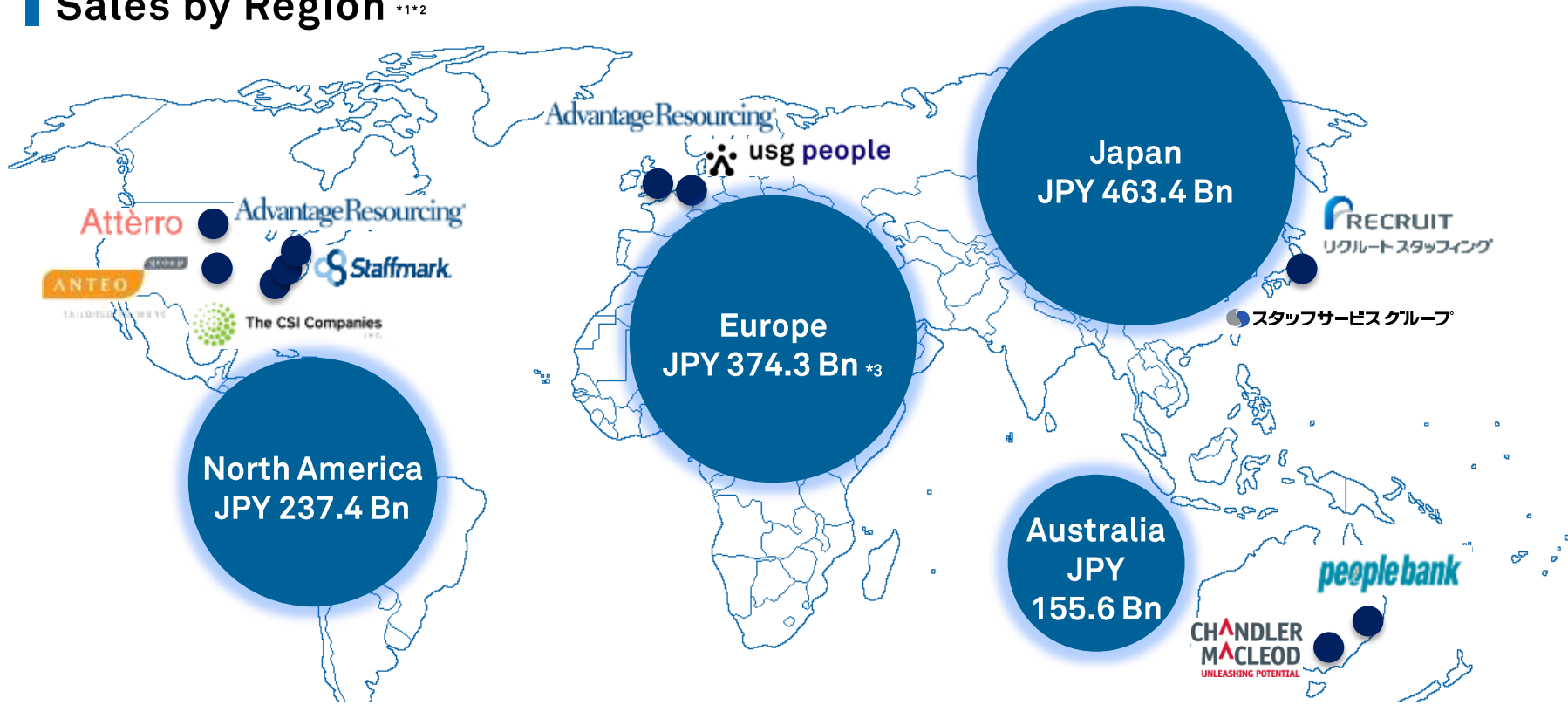
*The figures are based on JGAAP.

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Staffing Business M&A Track Record



Sales by Region ^{*1+2}

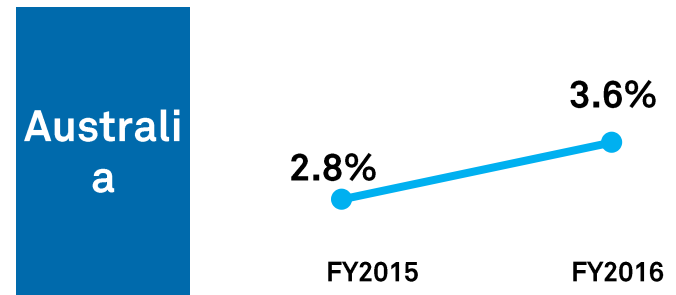
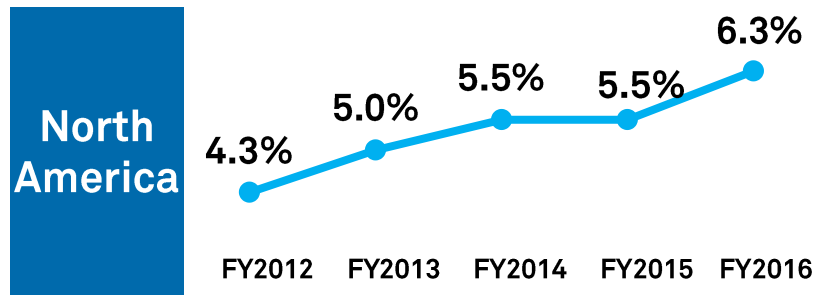
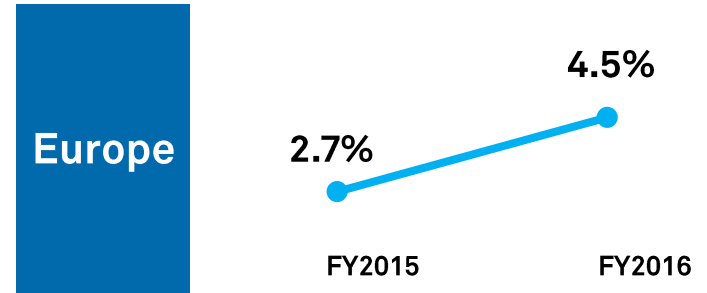
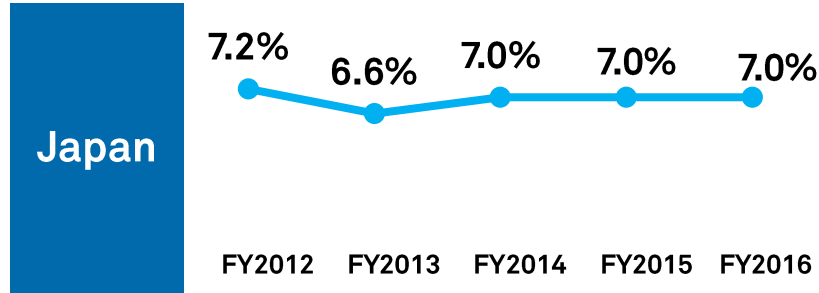


*1. Sum of sales in FY2016

*2. Figures of North America, Europe, and Australia were calculated by simply combining individual subsidiaries

*3. Estimated amount assuming there was a USG People full-year contribution

Improving EBITDA Margin at Subsidiaries of Each Region



* Figures of North America, Europe, and Australia were calculated by simply combining individual subsidiaries

■ Why We Developed Our Unit Management

Staffing Business Features



Difficult to differentiate services



Difficult to reduce cost



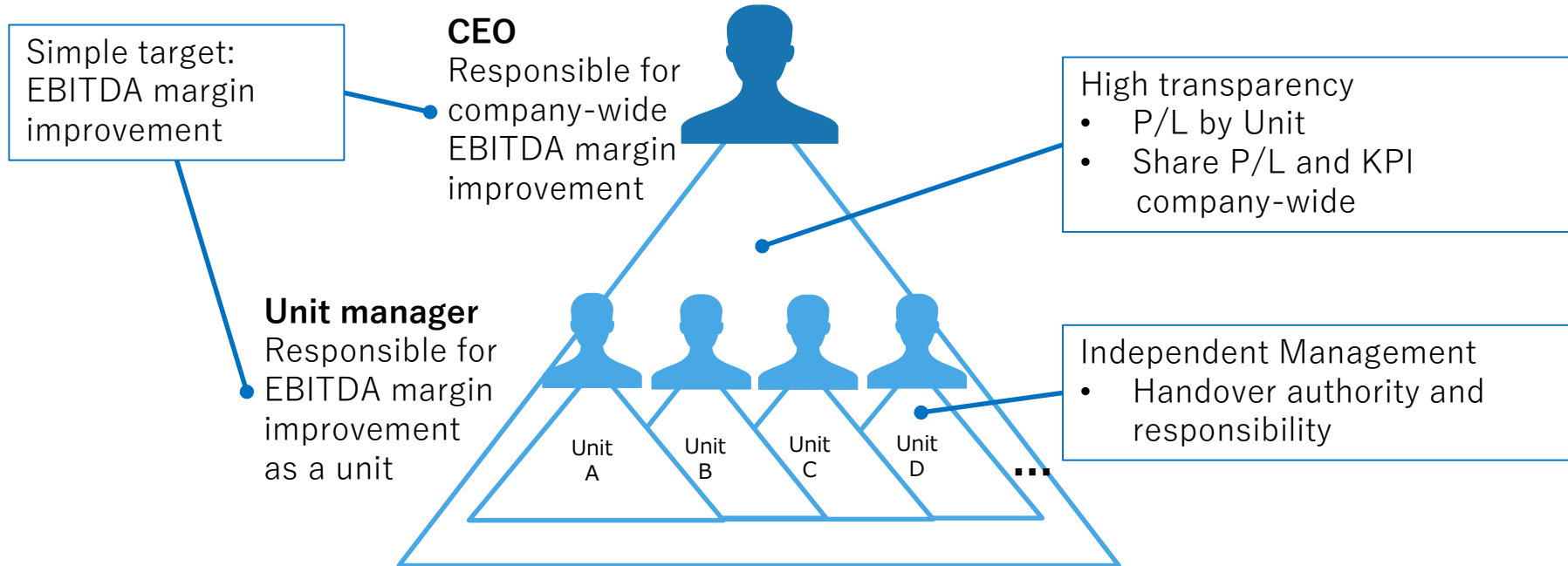
Labor-intensive business



**To secure profit, we have to dedicate to productivity improvement
in a steady and step-by-step manner**

The key to realize it – Originality & Creativity of individual employees

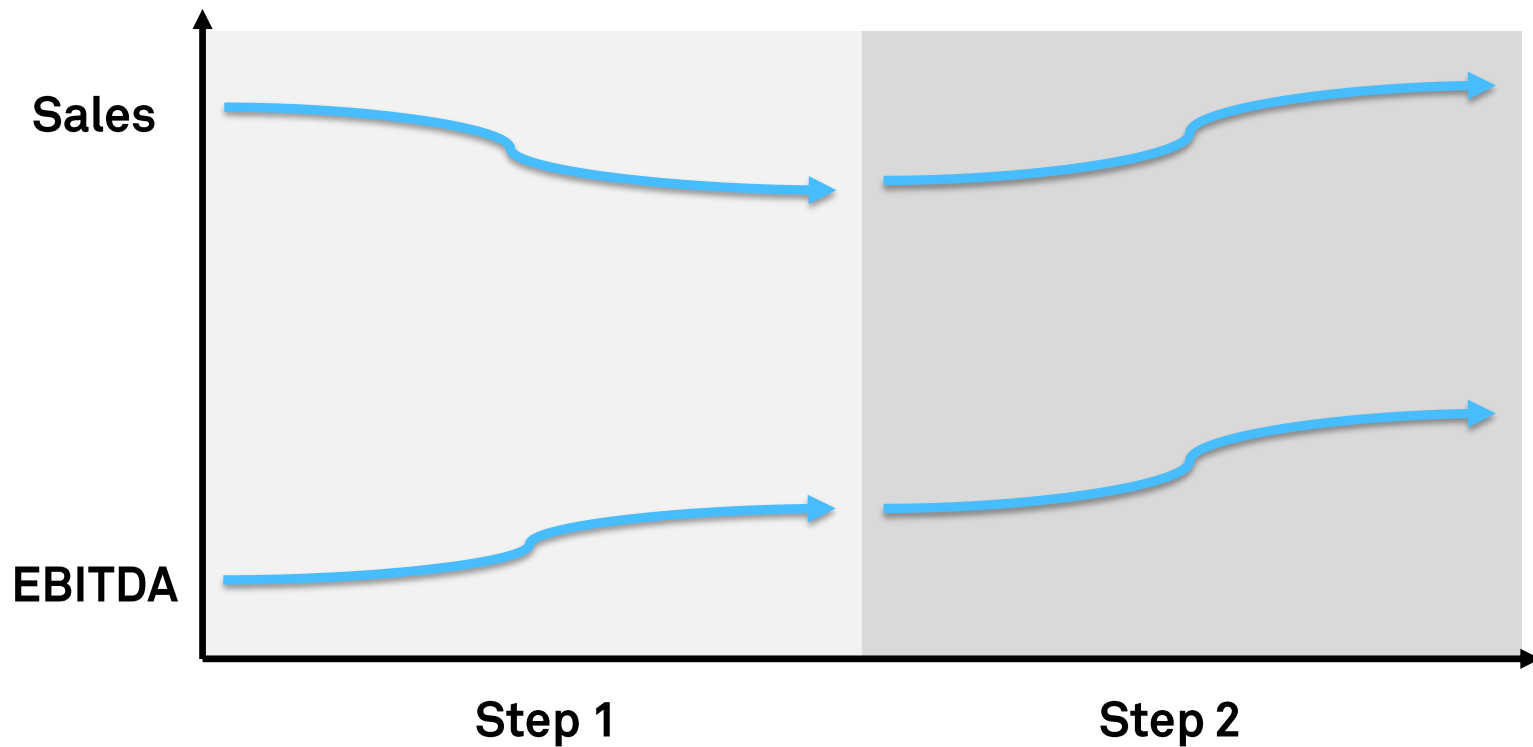
Outline of Unit Management



■ Reasons of Staying Away from Unit Management

- 1 It looks like a “contraction”
- 2 Managers lack the sense of “production”
- 3 People dislike allocating corporate costs
- 4 Top management rarely participates Gemba
- 5 No one join until they really see success
- 6 Can not believe/ Do not like

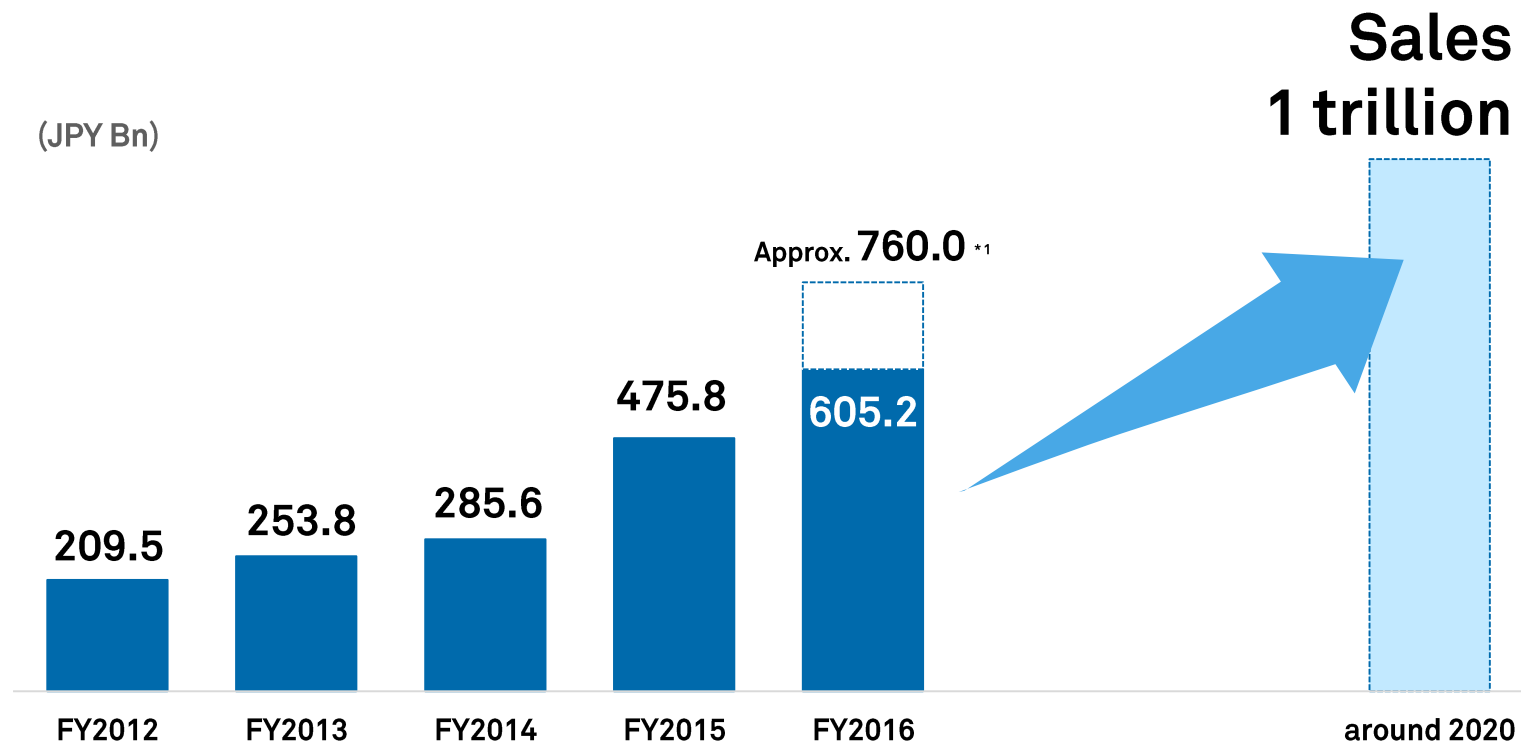
■ Introduction of the Unit Management



■ Reasons of Success in Governing Acquired Companies

- 1 Take the position of chairman or CEO
- 2 Find “Who” can do, not “which company” can do
- 3 Do not assign “watch dogs”
- 4 Keep reporting line very clear
- 5 Minimize interference by HQs functions
- 6 Reward or punish

Mid-term Overseas Sales



*1: Estimated amount assuming there was a USG People full-year contribution

■ What We Realize with Our Staffing Business

Value for temporary workers

- Bridge the skills gap
- Remove time/place limitation
- Take up a post rather than join a company

Value for client company

- Get flexible workforce
- Outsource HR/Labor management
- Total cost reduction

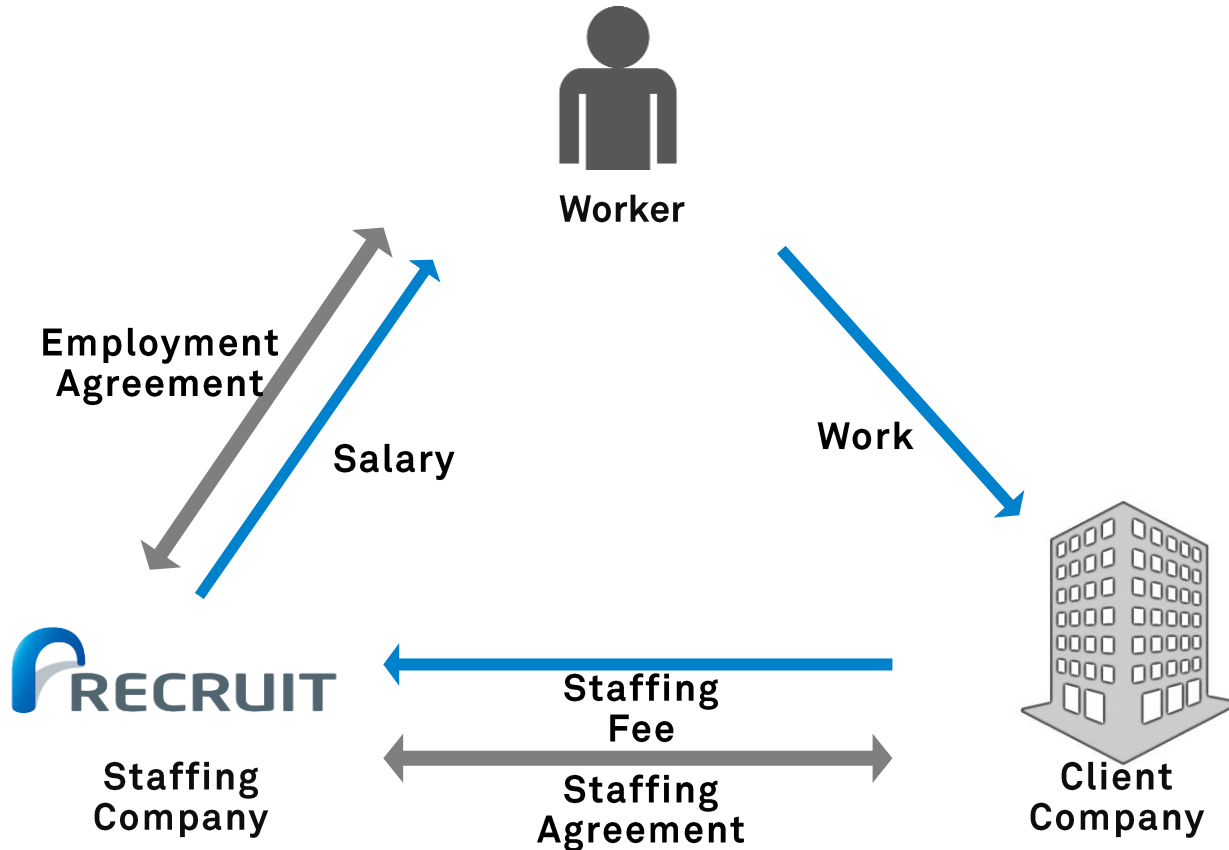


**Job opportunities for 260 thousand workers
in the world**

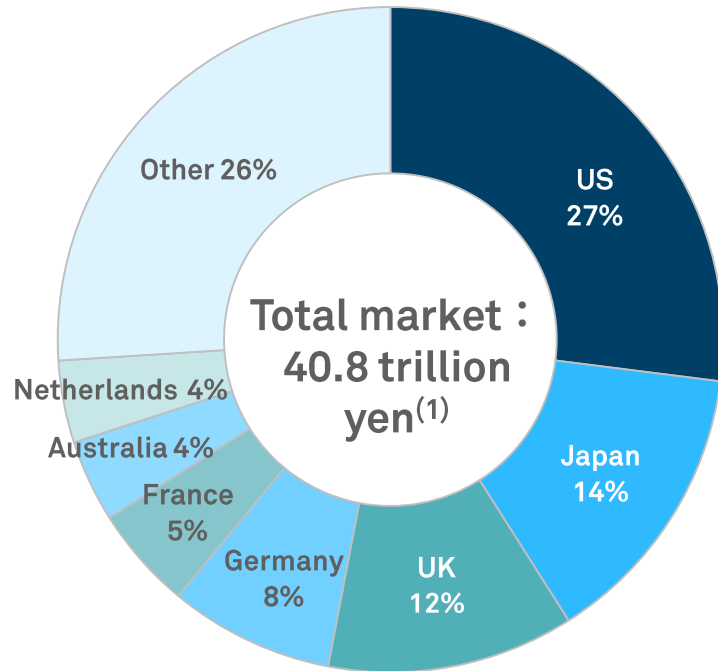


Appendix

■ Staffing Business Model



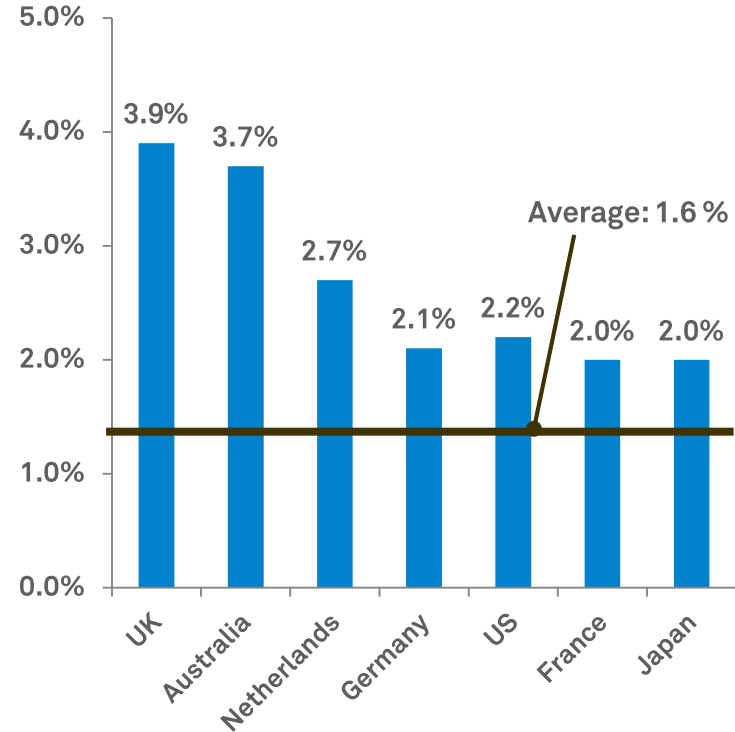
Global Staffing Markets



Source: Ciett Economic Report 2016

*1 Equivalent to 316.6 bn EURO with exchange rate of 129.11 yen (as of July,20, 2017).

Penetration Rate of Staffing Services



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