

May 16, 2022

Recruit Holdings Co., Ltd. (TSE 6098)
Consolidated Financial Results for the Year Ended March 31, 2022 (IFRS, Unaudited)

Tokyo, May 16, 2022 — Recruit Holdings Co., Ltd. announced today its consolidated financial results for the year ended March 31, 2022 (April 1, 2021 to March 31, 2022).

(Amounts are rounded down to the nearest million yen)

Consolidated Operating Results

(In millions of yen, unless otherwise stated)	FY2020	FY2021	% change
Revenue	2,269,346	2,871,705	26.5%
Adjusted EBITDA	241,658	479,370	98.4%
Operating income	162,823	378,929	132.7%
% of revenue	7.2%	13.2%	-
Profit before tax	168,502	382,749	127.1%
Return on assets (%)	8.0%	16.6%	-
Profit attributable to owners of the parent	131,393	296,833	125.9%
% of total equity attributable to owners of the parent	12.6%	24.2%	-
Total comprehensive income	209,011	397,243	90.1%
Basic EPS (yen)	79.83	181.68	-
Diluted EPS (yen)	79.70	180.83	-
Adjusted EPS (yen)	82.56	196.67	138.2%

Reference: Share of profit of associates and joint ventures was 6,468 million yen in FY2020 and 5,349 million yen in FY2021.

Consolidated Financial Position

(In millions of yen, unless otherwise stated)	As of March 31, 2021	As of March 31, 2022
Total assets	2,196,613	2,423,542
Total equity	1,101,289	1,376,294
Equity attributable to owners of the parent	1,091,571	1,363,776
Ratio of equity attributable to owners of the parent (%)	49.7%	56.3%
Equity attributable to owners of the parent per share (yen)	667.96	847.45

Consolidated Cash Flows

(In millions of yen, unless otherwise stated)	FY2020	FY2021
Net cash flows from operating activities	286,597	439,610
Net cash flows from investing activities	(40,373)	(70,738)
Net cash flows from financing activities	(172,713)	(254,371)
Cash and cash equivalents at the end of the year	501,043	669,551

Dividends

(In yen, unless otherwise stated)	FY2020	FY2021	FY2022 (Forecast)
At the end of Q1	-	-	-
At the end of Q2	9.50	10.50	11.00
At the end of Q3	-	-	-
At the end of Q4	10.50	10.50	11.00
Total	20.00	21.00	22.00
Total amount of dividend payment (in millions of yen)	32,855	34,341	-
Payout ratio-consolidated (%)	25.1	11.6	-
Ratio of dividends to total equity attributable to owners of the parent (%)	3.2	2.8	-

Consolidated Financial Guidance for FY2022

The Company provides the guidance of key financial metrics for FY2022 as below:

(In millions of yen, unless otherwise stated)	FY2022 (Forecast)	Year over year % change
Revenue	3,300,000	14.9%
Adjusted EBITDA ¹	520,000	1.6%
Adjusted EPS (yen) ¹	170.65	-9.7%

¹ From FY2022, the Company will change the adjustment items for adjusted EBITDA and adjusted EPS. Year over year % change of adjusted EBITDA and adjusted EPS is calculated based on the guidance for FY2022 and the result of FY2021 under the new definition. For more detail of the change of adjustment items, please refer to page 23, 5. Management Philosophy and Strategies, Target Management Key Performance Indicators (KPIs).

Please refer to page 15, 2. Consolidated Financial Guidance for FY2022 for more details.

Changes in Significant Subsidiaries Resulting from Change in Scope of Consolidation

Recruit Career Co., Ltd. and RGF Staffing Interservices NV were excluded from this reporting period.

Changes in Accounting Policies and Changes in Accounting Estimates

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

Number of Issued Shares - Common Stock

	As of March 31, 2021	As of March 31, 2022
Number of issued shares including treasury stock	1,695,960,030	1,695,960,030
Number of treasury stock	61,763,564	86,686,390

	FY2020	FY2021
Average number of shares during the period	1,645,920,829	1,633,830,987

Definition of the Abbreviation

Abbreviation	Definition
Recruit Holdings, the Holding Company	Recruit Holdings Co., Ltd. on a standalone basis
the Company, Recruit Group, We, Our	Recruit Holdings Co., Ltd. and its consolidated subsidiaries
SBU	Strategic Business Unit
Rent Assistance Program	Rent Assistance Program by The Small and Medium Enterprise Agency of the Ministry of Economy in Japan from Q2 FY2020 to Q4 FY2020
Q1	Three-month period from April 1 to June 30
Q2	Three-month period from July 1 to September 30
Q3	Three-month period from October 1 to December 31
Q4	Three-month period from January 1 to March 31
FY2020	Fiscal year from April 1, 2020 to March 31, 2021
FY2021	Fiscal year from April 1, 2021 to March 31, 2022
FY2022	Fiscal year from April 1, 2022 to March 31, 2023

Definition of the Financial Measures

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

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

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

Supplementary Information

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

Average exchange rate during the period

(In yen)	FY2020				FY2021			
	Q1	Q2 cumulative	Q3 cumulative	Q4 cumulative	Q1	Q2 cumulative	Q3 cumulative	Q4 cumulative
US dollar	107.63	106.93	106.11	106.10	109.52	109.81	111.14	112.39
Euro	118.59	121.34	122.44	123.76	131.94	130.88	130.60	130.55
Australian dollar	70.74	73.32	74.35	76.21	84.30	82.61	82.68	83.06

The amount of exchange rate effects on revenue for Q4 FY2021 is calculated by deducting the amount of the nine month period ended December 31, 2021 from the amount of the twelve month period of FY2021.

Reference: Outline of Non-consolidated Financial Results

Non-consolidated Operating Results

(In millions of yen, unless otherwise stated)	FY2020	FY2021	% change
Revenue	27,324	42,029	53.8%
Operating profit	19,297	32,962	70.8%
Recurring profit	19,574	33,978	73.6%
Net income	14,063	23,996	70.6%
Earnings per share – Basic (yen)	8.54	14.69	-
Earnings per share – Diluted (yen)	8.53	14.62	-

Non-consolidated Financial Position

(In millions of yen, unless otherwise stated)	As of March 31, 2021	As of March 31, 2022
Total assets	1,372,520	1,423,107
Net asset	805,322	672,979
Equity ratio (%)	58.6%	47.2%
Net asset per share	491.99	417.09

Reference: Equity was 804,005 million yen as of March 31, 2021 and 671,210 million yen as of March 31, 2022.

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

Forward-Looking Statements

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

Note Regarding Reference Translation

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

Third-Party Information

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

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

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1. Management's Discussion and Analysis

Q4 FY2021 Highlights

Consolidated:

- Revenue, adjusted EBITDA, and adjusted EBITDA margin increased year over year (YoY) mainly due to the performance of HR Technology.
- Adjusted EPS was 31.98 yen, an increase of 371.7% YoY.

(In billions of yen, unless otherwise stated)	Three Months Ended March 31,			% change	Fiscal Year Ended March 31,		
	2021	2022			2021	2022	% change
Revenue							
HR Technology	131.1	236.6	80.4%	423.2	861.4	103.5%	
Media & Solutions	179.3	180.3	0.6%	672.0	658.6	-2.0%	
Staffing	309.3	349.9	13.1%	1,198.8	1,378.4	15.0%	
Total ¹	613.1	759.7	23.9%	2,269.3	2,871.7	26.5%	
Adjusted EBITDA							
HR Technology	17.3	65.2	275.2%	66.7	293.1	338.9%	
Media & Solutions	7.2	2.2	-69.2%	106.7	102.4	-4.0%	
Staffing	9.0	14.2	57.6%	76.2	93.1	22.3%	
Total ¹	30.7	78.1	154.5%	241.6	479.3	98.4%	
Adjusted EBITDA margin							
HR Technology	13.3%	27.6%	-	15.8%	34.0%	-	
Media & Solutions	4.1%	1.2%	-	15.9%	15.6%	-	
Staffing	2.9%	4.1%	-	6.4%	6.8%	-	
Consolidated	5.0%	10.3%	-	10.6%	16.7%	-	
Operating income	19.5	45.3	132.5%	162.8	378.9	132.7%	
Profit attributable to owners of the parent	13.8	48.4	250.5%	131.3	296.8	125.9%	
Adjusted EPS (yen)	6.78	31.98	371.7%	82.56	196.67	138.2%	
Revenue excl. Rent Assistance Program							
Consolidated	594.2	759.7	27.8%	2,190.3	2,871.7	31.1%	
Media & Solutions	160.4	180.3	12.4%	592.9	658.6	11.1%	
(Reference) Revenue for Rent Assistance Program	18.8	-	-	79.0	-	-	

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

HR Technology:

- Revenue and US dollar based revenue increased 80.4% and 64.7% YoY, respectively as a prolonged period of elevated hiring activity globally led to increased demand for Indeed and Glassdoor's hiring products and services.
- Adjusted EBITDA margin was 27.6%, an increase YoY, due primarily to the increase in revenue, which was partially offset by a significant increase in investments focused on product and technology initiatives and a moderate increase in sales and marketing investments.

Media & Solutions:

- Revenue increased 0.6% YoY, or 12.4% YoY excluding the Q4 FY2020 revenue from the Rent Assistance Program. Adjusted EBITDA margin decreased to 1.2% as a result of increased marketing activities in HR Solutions.
- In Marketing Solutions, revenue increased YoY led by Housing & Real Estate and Beauty, which together account for more than 50% of revenue. Revenue in Travel and Bridal also increased YoY while revenue decreased in Dining due to the impact of the priority preventative measures imposed in certain areas of Japan from January to March 2022. In HR Solutions, revenue increased YoY for both the job advertising business and the placement service.

Staffing:

- Revenue increased 13.1% YoY (10.6% excluding exchange rate impact) due to an increase in revenue in both *Japan and Europe, US and Australia*.
- Adjusted EBITDA margin increased to 4.1% YoY, driven by an increase in adjusted EBITDA margin in *Japan*.

Financial Guidance for FY2022:

- Both revenue and adjusted EBITDA are expected to increase YoY while strategic investments are planned mainly for employee benefit expenses and marketing expenses.
- From FY2022, share-based payment expenses are included as an adjustment item for adjusted EBITDA. Please refer to page 15 for the details.

Consolidated Results of Operations

The following table summarizes the consolidated financial results for the three months and fiscal year ended March 31, 2021 and 2022.

(In billions of yen, unless otherwise stated)	Three Months Ended March 31,		% change	Fiscal Year Ended March 31,		% change
	2021	2022		2021	2022	
Consolidated operating results						
Revenue ¹	613.1	759.7	23.9%	2,269.3	2,871.7	26.5%
Operating income	19.5	45.3	132.5%	162.8	378.9	132.7%
Profit before tax	21.6	46.2	113.3%	168.5	382.7	127.1%
Profit for the period	13.9	48.7	249.6%	131.6	297.7	126.1%
Profit attributable to owners of the parent	13.8	48.4	250.5%	131.3	296.8	125.9%
Management Key Performance Indicators						
Adjusted EBITDA	30.7	78.1	154.5%	241.6	479.3	98.4%
Adjusted EBITDA margin	5.0%	10.3%	-	10.6%	16.7%	-
Adjusted EPS (yen)	6.78	31.98	371.7%	82.56	196.67	138.2%
Revenue excl. Rent Assistance Program	594.2	759.7	27.8%	2,190.3	2,871.7	31.1%
Revenue for Rent Assistance Program	18.8	-	-	79.0	-	-

¹ Excluding the positive impact of exchange rate fluctuations of 28.3 billion yen, revenue in the three month period increased 19.3%. Excluding the positive impact of exchange rate fluctuations of 97.6 billion yen, revenue in FY2021 increased 22.2%.

During Q4 FY2021, economic activity continued to improve in the US and Europe resulting in increased hiring demand compared to the previous year. In Japan, although priority preventative measures were reintroduced from January to March 2022, economic activity was less impacted compared to the first half of FY2021 and hiring activity also gradually recovered compared to Q4 FY2020.

Consolidated revenue for Q4 FY2021 increased 23.9% YoY led by HR Technology while revenue in Media & Solutions and Staffing also increased YoY.

Consolidated adjusted EBITDA margin for Q4 FY2021 increased YoY to 10.3%, consolidated adjusted EBITDA increased 154.5% YoY, and adjusted EPS was 31.98 yen, an increase of 371.7% YoY.

For FY2021, revenue increased 26.5% YoY and operating income increased 132.7% YoY. Adjusted EBITDA margin increased to 16.7%, adjusted EBITDA increased 98.4% and adjusted EPS was 196.67 yen, an increase of 138.2%.

The following table presents the selling, general and administrative expenses for the three months and fiscal year ended March 31, 2021 and 2022.

(In billions of yen, unless otherwise stated)	Three Months Ended March 31,		% change	Fiscal Year Ended March 31,		% change
	2021	2022		2021	2022	
Sales commission	8.3	8.9	6.3%	27.6	31.3	13.4%
Promotion expenses	19.2	24.4	27.1%	42.1	58.0	37.9%
Advertising expenses	64.1	81.0	26.5%	141.7	231.2	63.1%
Employee benefit expenses	125.7	162.3	29.0%	448.8	555.9	23.9%
Service outsourcing expenses	33.3	47.2	41.4%	108.4	154.4	42.4%
Rent expenses	4.0	4.7	18.5%	18.6	20.5	10.4%
Depreciation and amortization	29.4	29.8	1.4%	115.4	118.5	2.7%
Other	24.5	23.9	-2.4%	80.1	80.0	-0.2%
Total	308.9	382.5	23.8%	983.0	1,250.3	27.2%

Research and development expenses in Q4 FY2021 and FY2021 were 22.0 billion yen and 85.0 billion yen, respectively. These expenses consisted 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.

Results of Operations by Segment

HR Technology

The following table presents the financial results for the three months and fiscal year ended March 31, 2021 and 2022 for the HR Technology segment.

(In billions of yen, unless otherwise stated)	Three Months Ended March 31,		% change	Fiscal Year Ended March 31,		% change
	2021	2022		2021	2022	
Revenue	131.1	236.6	80.4%	423.2	861.4	103.5%
Adjusted EBITDA	17.3	65.2	275.2%	66.7	293.1	338.9%
Adjusted EBITDA margin	13.3%	27.6%	-	15.8%	34.0%	-
Revenue in million US dollars (\$)						
US	942	1,487	57.9%	3,035	5,722	88.5%
Non-US	293	547	86.6%	957	1,930	101.6%
Total	1,235	2,034	64.7%	3,993	7,653	91.6%

Revenue for Q4 FY2021 increased 80.4% YoY. On a US dollar basis, revenue increased 64.7% as a prolonged period of elevated hiring activity globally led to increased demand for Indeed and Glassdoor's hiring products and services. On a US dollar basis, revenue in the US increased 57.9%, supported by demand from both small and medium sized businesses and large enterprises. Revenue outside of the US increased 86.6%, primarily led by Europe and Canada. The supply of job seekers in the labor market and active on Indeed and Glassdoor increased, but continued to be unable to fully meet the significant hiring demand from employers, resulting in continued competition for talent on Indeed and Glassdoor in Q4 FY2021.

Adjusted EBITDA margin for Q4 FY2021 was 27.6%. HR Technology significantly increased investments focused on product and technology initiatives, while moderately increasing sales and marketing investments YoY. HR Technology headcount grew approximately 23% YoY, to approximately 13,000 as of March 31, 2022. Adjusted EBITDA increased 275.2% YoY.

For FY2021, revenue increased 103.5%, adjusted EBITDA margin was 34.0%, and adjusted EBITDA increased 338.9% YoY.

Media & Solutions

The following table presents the financial results for the three months and fiscal year ended March 31, 2021 and 2022 for the Media & Solutions segment.

(In billions of yen)	Three Months Ended March 31,		% change	Fiscal Year Ended March 31,		% change
	2021	2022		2021	2022	
Revenue						
Marketing Solutions	121.0	104.5	-13.6%	456.0	396.5	-13.0%
HR Solutions	58.2	72.4	24.4%	214.0	249.3	16.5%
Other and Elimination	0.0	3.4	4,816.2%	1.9	12.7	556.6%
Total	179.3	180.3	0.6%	672.0	658.6	-2.0%
Adjusted EBITDA	7.2	2.2	-69.2%	106.7	102.4	-4.0%
Adjusted EBITDA margin	4.1%	1.2%	-	15.9%	15.6%	-
Revenue excl. Rent Assistance Program						
Marketing Solutions	102.1	104.5	2.3%	376.9	396.5	5.2%
Media & Solutions	160.4	180.3	12.4%	592.9	658.6	11.1%

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

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

Revenue in Media & Solutions for Q4 FY2021 increased 0.6% YoY. Excluding the revenue from the Rent Assistance Program for Marketing Solutions in Q4 FY2020, revenue increased 12.4% YoY.

In Marketing Solutions, Q4 FY2021 revenue in Housing & Real Estate, Beauty, Bridal and Travel increased, while Dining decreased. Housing & Real Estate and Beauty, which together account for more than 50% of the revenue of Marketing Solutions, continued to be the primary drivers of revenue growth. In addition, revenue in Travel and Bridal increased YoY as economic activity improved. On the other hand, revenue in Dining decreased due to the impact of the priority preventative measures imposed in Japan from January to March 2022.

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

In HR Solutions, revenue in the part-time job advertising business increased YoY despite the implementation of the priority preventative measures as hiring demand increased compared to Q4 FY2020 when a state of emergency was put in place in certain areas of Japan. Revenue in the placement service increased YoY, due to increased hiring demand in many industries which utilize placement services.

Adjusted EBITDA margin in Media & Solutions for Q4 FY2021 was 1.2%. Adjusted EBITDA decreased 69.2% YoY as Media & Solutions executed strategic marketing activities especially in HR Solutions in Q4, in anticipation of future growth.

For FY2021, revenue decreased 2.0%, adjusted EBITDA margin was 15.6%, and adjusted EBITDA decreased 4.0% YoY.

Staffing

The following table presents the financial results for the three months and fiscal year ended March 31, 2021 and 2022 for the Staffing segment.

(In billions of yen)	Three Months Ended March 31,		% change	Fiscal Year Ended March 31,		% change
	2021	2022		2021	2022	
Revenue						
Japan	142.5	156.5	9.8%	569.9	604.9	6.1%
Europe, US, and Australia ¹	166.8	193.4	15.9%	628.8	773.5	23.0%
Total²	309.3	349.9	13.1%	1,198.8	1,378.4	15.0%
Adjusted EBITDA						
Japan	3.7	8.6	127.1%	48.7	52.3	7.3%
Europe, US, and Australia	5.2	5.6	7.3%	27.4	40.8	48.8%
Total	9.0	14.2	57.6%	76.2	93.1	22.3%
Adjusted EBITDA margin						
Japan	2.7%	5.5%	-	8.6%	8.7%	-
Europe, US, and Australia	3.1%	2.9%	-	4.4%	5.3%	-
Staffing	2.9%	4.1%	-	6.4%	6.8%	-

¹ Excluding the positive impact of exchange rate fluctuations of 7.7 billion yen, revenue in the three month period increased 11.3%. Excluding the positive impact of exchange rate fluctuations of 46.8 billion yen, revenue in FY2021 increased 15.6%.

² Excluding the positive impact of exchange rate fluctuations of 7.7 billion yen, revenue in the three month period increased 10.6%. Excluding the positive impact of exchange rate fluctuations of 46.8 billion yen, revenue in FY2021 increased 11.1%.

Revenue for Q4 FY2021 increased 13.1% YoY with an increase in revenue for both *Japan* and *Europe, US, and Australia*. Adjusted EBITDA margin for Q4 FY2021 was 4.1% primarily due to an increase in *Japan*, and Adjusted EBITDA increased 57.6% YoY.

Revenue in *Japan* increased 9.8% as the number of temporary staff on assignment increased YoY. Adjusted EBITDA margin for Q4 FY2021 was 5.5% and adjusted EBITDA increased 127.1% YoY.

Revenue in *Europe, US, and Australia* increased 15.9% YoY mainly due to increased demand for temporary staff as businesses continued to seek flexible labor to reopen and expand in an uncertain environment. Along with continued demand for logistics roles to support e-commerce, revenue growth was supported by temporary demand for healthcare roles to support COVID-19 mitigation efforts, particularly in Europe. Adjusted EBITDA margin for Q4 FY2021 was 2.9% and adjusted EBITDA increased 7.3% YoY.

For FY2021, revenue increased 15.0%, adjusted EBITDA margin was 6.8%, and adjusted EBITDA increased 22.3% YoY.

Staffing Revenue by Region for FY2021¹ is as follows.

	Japan	Europe	US	Australia
Revenue	604.9	407.2	202.2	164.0

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

The Outstanding Amount of Goodwill for each SBU as of March 31, 2022

The following table presents the outstanding amount of goodwill for each SBU as of March 31, 2022.

	Outstanding Goodwill
HR Technology	227.0
Media & Solutions	-
Japan	-
Overseas	-
Staffing	208.9
Japan	27.5
US	15.6
Europe	158.0
Australia	7.6
Total	436.0

Management Actions for Q4 FY2021

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/>

Completion of Share Repurchase

The Company's Board of Directors resolved on January 28, 2022 to conduct a share repurchase of its common stock through a tender offer (the "Self Tender Offer") which had been previously agreed with a few Japanese business shareholders who intended to reduce their holdings of the Company's common stock.

The Company 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, and determined it was appropriate to acquire its own shares in accordance with the Company's capital allocation policy.

The Self Tender Offer was conducted from January 31, 2022 to March 1, 2022 pursuant to the resolution of the Board of Directors meeting held on January 28, 2022. With the conclusion of the Self Tender Offer, the share repurchase was completed. The total number of shares purchased and the total share repurchase amount as of March 1, 2022 was 26,555,258 shares and 121,649,636,898 yen respectively. Please find more information on the website: https://recruit-holdings.com/en/newsroom/20220302_0002/

Entering into Agreements Regarding Going Private Transaction of 51job, Inc. and Recording an Extraordinary Gain

The Company had entered into definitive agreements with 51job, Inc. ("51job") and a group of investors regarding the going private transaction of 51job on June 21, 2021, as amended on March 1, 2022, and the Transaction was approved at the extraordinary general meeting of shareholders of 51job on April 27, 2022 and completed on May 10, 2022.

The impact of the Transaction on the Company's consolidated financial results for FY2022 is expected to be immaterial, while the Company is expected to record a gain on the sale of shares of subsidiaries and associates of approximately 36.9 billion yen in the non-consolidated financial results.

After the completion of the Transaction, the Company's shareholding in 51job is approximately 39.9% of outstanding shares and approximately 45.4% on a fully diluted basis including convertible bonds. 51job remains an equity-method associate of the Company. Please find more information on the website: https://recruit-holdings.com/en/newsroom/20220427_0001/

Capital Resources and Liquidity

Basic Policy

The Company's basic policy is to obtain funds from global financial markets utilizing debt financing as necessary, while maintaining appropriate credit ratings and a strong consolidated financial position, in order to secure liquidity required for smooth operations and to invest flexibly for its long-term business strategy that will lead to increasing its enterprise value.

The Company aims to maintain a sufficient level of shareholders' equity while achieving appropriate capital efficiency, in order to respond flexibly to investment opportunities for future growth while at the same time enhancing its ability to address possible risks relating to its business operations and assets.

Use of Capital

The Company allocates its capital mainly to working capital, corporate taxes, mergers and acquisitions, asset acquisitions and capital expenditures by its SBUs as well as repayment of borrowings, payment of interest, payment of dividends, and share repurchases.

Fundraising

The Company's primary source of liquidity for working capital and investments are cash flows from operating activities. However, the Company may consider and execute external financing when various conditions are deemed favorable, such as demand for funds, interest rate trends, repayment amount, redemption period of existing interest-bearing debt, amount to be raised, and financing structure.

For short-term working capital, the Company primarily utilizes borrowings from financial institutions and/or commercial paper. For mid- to long-term needs, the Company will raise funds mainly through borrowings from financial institutions and/or the corporate bond market. To maintain flexible financing capabilities, the Company has registered a maximum 200.0 billion yen of corporate bonds for potential issuances, the full amount of which was unused as of March 31, 2022.

Additionally, the Company has entered into overdraft agreements with four financial institutions to secure liquidity and raise working capital funds efficiently. The maximum amount of borrowings under these overdraft agreements was 113.0 billion yen as of March 31, 2022, and the entire amount remains unused. In addition, the Company entered into a committed credit facility agreement providing for a total commitment amount of 200.0 billion yen. The entire amount available under this credit facility remained unused as of March 31, 2022. The Company maintains these overdraft agreements and this credit facility to ensure sufficient liquidity in the event of significant changes in the business environment.

The table below sets forth a breakdown of the book value of interest-bearing debt by payment due period as of March 31, 2022. Each amount shown is the required cash outflow by payment due period excluding discounts and including interest payments.

(In billions of yen)	Book value	Payment due period		
		1 year or less	Over 1 year through 5 years	Over 5 years
Bonds	19.9	0.0	20.0	-
Borrowings	40.6	26.4	13.2	1.3
Total	60.6	26.5	33.2	1.3

Credit Ratings

The Company has long-term credit ratings of AA- from Rating and Investment Information, Inc. (R&I), A3 from Moody's Japan, and A from S&P Global Rating Japan as of March 31, 2022. The Company has a short-term credit rating of a-1+ from R&I as of March 31, 2022.

Cash Management

In order to maximize overall capital efficiency, the Company prioritizes internal lending and borrowing within the Company over external financing, mainly through a cash management system, when it is legally permissible and economically reasonable to do so.

The Company maintains internal liquidity of cash and cash equivalents by consolidating the cash management operations of all currencies to the Holding Company and its subsidiaries, which provide internal treasury management services.

Fund Management

The Company invests only in principal-guaranteed financial instruments that are deemed safe and efficient, and does not engage in such investments for speculative purposes.

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)

(In billions of yen)	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

Analysis of Consolidated Financial Position

(In billions of yen)	As of March 31, 2021	As of March 31, 2022	Variance	% Change
Assets				
Total current assets	927.5	1,182.0	254.5	27.4%
Total non-current assets	1,269.0	1,241.4	(27.5)	-2.2%
Total assets	2,196.6	2,423.5	226.9	10.3%
Liabilities				
Total current liabilities	603.1	695.5	92.4	15.3%
Total non-current liabilities	492.1	351.6	(140.4)	-28.5%
Total liabilities	1,095.3	1,047.2	(48.0)	-4.4%
Equity				
Total equity attributable to owners of the parent	1,091.5	1,363.7	272.2	24.9%
Non-controlling interests	9.7	12.5	2.8	28.8%
Total equity	1,101.2	1,376.2	275.0	25.0%

As of the end of Q4 FY2021, cash and cash equivalents and interest-bearing debt which includes bonds and borrowings, excluding lease liabilities, on a consolidated basis were 669.5 billion yen and 60.6 billion yen, respectively. Net cash, the amount calculated by subtracting interest-bearing debt from cash and cash equivalents, was 608.9 billion yen, an increase of 220.6 billion compared to the end of FY2020.

Total current assets as of March 31, 2022 increased by 254.5 billion yen compared to the end of FY2020 mainly due to an increase in cash and cash equivalents from increased operating cash flows. Total non-current liabilities as of March 31, 2022 decreased by 140.4 billion yen compared to the end of FY2020 mainly due to a decrease in lease liabilities as the Company reassessed accounting lease terms for office buildings in Japan.

The maximum amount of borrowings under overdraft agreements was 113.0 billion yen as of March 31, 2022, and the entire amount remained unused. In addition, committed credit facilities with a total maximum borrowing amount of 200.0 billion yen, for which the Company entered into an agreement on March 31, 2021, remained unused as of March 31, 2022.

Also, the Company has registered a maximum 200.0 billion yen worth of corporate bonds for potential issuances in Japan, the full amount of which is unissued as of March 31, 2022.

Analysis of Consolidated Cash Flows

(In billions of yen)	FY2020	FY2021	Variance
Net cash flows from operating activities	286.5	439.6	153.0
Net cash flows from investing activities	(40.3)	(70.7)	(30.3)
Net cash flows from financing activities	(172.7)	(254.3)	(81.6)
Effect of exchange rate changes on cash and cash equivalents	6.2	54.0	47.7
Net increase (decrease) in cash and cash equivalents	79.7	168.5	88.7
Cash and cash equivalents at the beginning of the period	421.2	501.0	79.7
Cash and cash equivalents at the end of the period	501.0	669.5	168.5

Cash and cash equivalents as of March 31, 2022 were 669.5 billion yen, an increase of 168.5 billion yen from the end of FY2020, inclusive of the cash outflows of 121.6 billion yen for the share repurchase which was completed on March 1, 2022.

2. Consolidated Financial Guidance for FY2022

Overview

The Company's revenue from its HR Matching business (HR Technology, HR Solutions in Media & Solutions and Staffing) is heavily dependent on business clients' hiring demand and job seeker activity, which may both be impacted by many rapidly changing factors, including changes in global economic conditions. As the Company's business environment continues to evolve, due to a growing number of factors and uncertainties, providing financial forecasts has become increasingly difficult.

The Company remains steadfast in its focus to maximize enterprise value by executing its long-term strategy and will continue to invest in its core business strategies to drive long term growth even in a volatile environment. If economic conditions deteriorate, revenue in HR Matching businesses and Marketing Solutions may both decline sharply. In such cases, the Company is prepared to quickly and strategically implement targeted cost control measures.

Key Performance Indicators

The Company provides full year guidance for revenue and target management KPIs, which are adjusted EBITDA and adjusted EPS.

Beginning in FY2022, the Company will add share-based payment expenses to the adjustment items for adjusted EBITDA to better reflect its cash flow generation capability. For adjusted EPS, the Company will remove amortization of intangible assets arising due to mergers as an adjustment item for adjusted profit, which is the numerator in the adjusted EPS calculation, and adjust only for certain temporary items. We believe these changes in adjustment items will allow both KPIs to be more globally comparable as financial indicators. For more detail, please refer to "Target Management Key Performance Indicators (KPIs)" in the "Management Philosophy and Strategies" section.

Share-based payment expenses for FY2021 were 32.4 billion yen. Applying the new definition with revised adjustment items described above, adjusted EBITDA and adjusted EPS for FY2021 were 511.8 billion yen and 188.94 yen, respectively.

Consolidated Financial Guidance Assumptions

The global HR Matching market includes job advertising & talent sourcing tools, direct hire, retained search, internal recruitment automation, and temporary staffing. FY2022 guidance is based on the assumption that a rapid deterioration of the economic environment will not occur and that business clients' hiring activities will not diminish significantly during the fiscal year.

In the US, the Company has continued to see job seeker activity and job seeker supply increase since the beginning of this calendar year, and so the Company assumes that the imbalance in the labor market in the US will continue to ease gradually throughout the fiscal year. In Japan, the Company assumes that hiring demand from business clients will continue to increase as economic activities recover from COVID-19 related impacts. In much of Europe, similar to the US, there remains an imbalance in the labor market between open roles and job seekers looking for work, however, the Company also expects this imbalance will continue to gradually ease throughout the fiscal year.

Regarding the business environment surrounding Marketing Solutions in Japan, the Company assumes the current recovery trend will continue assuming that business clients' activities will not be impacted significantly by potential reimplementations of COVID-19 related restrictions and changes in global economic trends.

Consolidated Financial Guidance for FY2022

Based on our guidance assumptions,

- Consolidated revenue is expected to be approximately 3.30 trillion yen, an increase of 14.9% year over year, due to an expected increase in revenue of all three segments: HR Technology, Media & Solutions, and Staffing.
- Consolidated adjusted EBITDA is expected to be approximately 520.0 billion yen, an increase of 1.6% year over year, with the new definition of adjusted EBITDA applied retroactively, including planned strategic investments in HR Technology and Media & Solutions. HR Technology plans to make investments consisting of increased employee benefit expenses, excluding share-based payment expenses, due to planned employee growth and increased marketing expenses. Media & Solutions plans to make investments consisting of an increase in marketing expenses for future growth and additional expenses to reinforce its technology infrastructure.
- Share-based payment expenses, a newly added adjustment item for adjusted EBITDA beginning in FY2022, are expected to be approximately 77.5 billion yen.
- Adjusted EPS is expected to be 170.65 yen.

Assumptions for the foreign exchange rates for the consolidated financial guidance for FY2022 are as follows: 120 yen per US dollar, 134 yen per Euro, 90 yen per Australian dollar.

SBU Financial Guidance for FY2022

HR Technology

In FY2022, HR Technology assumes a limited increase in the number of sponsored job advertisements year over year, and the growth rate for revenue will further moderate throughout the fiscal year. Based on these assumptions, revenue in HR Technology, on a US dollar basis, is expected to increase approximately 10% to 20%, primarily due to an increase in revenue per sponsored job advertisement by simplifying the hiring process for business clients.

Revenue from Indeed Flex, a technology driven temporary staffing online platform service within HR Technology that has been testing collaborations with the Staffing SBU, is expected to be approximately 2% to 3% of HR Technology revenue.

In line with HR Technology's long-term business strategy of expanding throughout the HR Matching market, HR Technology plans to significantly increase the number of employees in engineering, product development, and other technical roles in order to strengthen existing products and create new solutions that will help expand services for both job seekers and employers. Additionally, HR Technology will aim to continue to expand its sales force and strengthen marketing activities to attract new users and clients.

HR Technology plans to increase the number of employees by approximately 30% from approximately 13,000 at the end of FY2021 resulting in increased employee benefit expenses. Along with increased marketing expenses, these investments will result in a year over year increase of SG&A expenses excluding share-based payment expenses.

In FY2022, adjusted EBITDA margin for HR Technology, taking into account growth investments in Indeed Flex, is expected to be approximately 30%.

Media & Solutions

In FY2022, revenue in Media & Solutions is expected to recover to a similar level to FY2019.

Revenue in Marketing Solutions is expected to increase approximately 9% to 14% year over year. The Company does not include the impact from any potential new Go To campaigns. Housing & Real Estate and Beauty, which together accounted for more than 50% of revenue in Marketing Solutions in FY2021, are expected to continue stable performance, while Travel, Dining, and Bridal are expected to be slow to recover and are not yet expected to recover to the level of FY2019.

Revenue in HR Solutions is expected to increase approximately 16% to 23% year over year. The Company expects a continued recovery in the part-time job advertising service and growth in the placement service as a result of a recovery in hiring demand from business clients, particularly in the hospitality sector.

In FY2022, adjusted EBITDA margin for Media & Solutions is expected to be approximately 14.5%.

Media & Solutions expects to invest in marketing expenses to strengthen HR Solutions to execute the Simplify Hiring strategy, and in SaaS Solutions to execute the Help Businesses Work Smarter strategy. Media & Solutions also plans to invest to upgrade its technology infrastructure and core systems to enable the future evolution of the overall operations of the SBU. Excluding these incremental strategic investments for long term growth, the expected adjusted EBITDA margin for Media & Solutions in FY2022 would be approximately 20% due to increased revenue.

Staffing

In FY2022, revenue in *Japan* is expected to increase approximately 9% to 12% year over year as the growth in demand that began in the second half of FY2021 is expected to continue through FY2022.

In FY2022, revenue in *Europe, US, and Australia* is expected to increase approximately 5.5% to 7% year over year. The demand related to COVID-19 is expected to subside in FY2022.

Adjusted EBITDA margin for Staffing is expected to be approximately 6%, driven in part by pursuing efficient business operations.

3. 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	Dividend for FY2021 (In billions of yen)	Dividend per share for FY2021 (yen)
November 15, 2021	17.3	10.5
May 16, 2022	17.0	10.5

4. Overview of the Company

The Company started in 1960 as a business providing job information to students by placing job advertisements for its clients in university newspapers in Japan. Since then, the Company has consistently created and operated matching platform businesses connecting individual users and business clients.

Currently, the Company provides individual users around the world the best possible choices and supports business clients in improving their operational efficiency by utilizing technology and data, all enabling simpler and faster matching.

In the course of connecting individual users and business clients, the Company positions data security and privacy, including the protection of individual users' privacy, as a material foundation for its corporate activities, and has established appropriate structures and measures to support that position.

The Company operates its businesses through each of its three Strategic Business Units ("SBU"): HR Technology, Media & Solutions and Staffing and has established respective SBU Headquarters in order to further reinforce global, swift decision making. This organizational structure enhances the management capabilities of each SBU Headquarters and enables each SBU Headquarters to execute its own strategy. At the same time, each SBU collaborates closely to achieve the Company's three strategic pillars: Simplify Hiring, Help Businesses Work Smarter, and Prosper Together. The SBU structure also enables the Holding Company to focus on and strengthen its holding company functions, including strategic planning and execution as well as group governance and monitoring. Through these positive aspects of the SBU structure, the Company aims to increase its enterprise value.

As of March 31, 2022, the Company had 271 subsidiaries and 8 associates.

Business Overview by Segment

HR Technology

HR Technology consists of Indeed, Glassdoor, and other related businesses. Indeed and Glassdoor are online platforms where people can find jobs and learn about companies. Both Indeed and Glassdoor have missions that are aligned towards achieving success for job seekers - Indeed's mission is to help people get jobs and Glassdoor's mission is to help people everywhere find a job and company they love.

Indeed created the job aggregation and search model that transformed the job search process for job seekers, and in doing so has become the leading job search engine in the world¹, attracting over 250 million unique visitors per month². Glassdoor has reshaped the way people search for and evaluate jobs and companies, by increasing workplace transparency for job seekers by bringing together jobs with user-generated employer reviews, salaries and insights. As a result, Glassdoor has become the recognized leader in company reviews and insights attracting over 55 million unique visitors per month².

Indeed and Glassdoor offer a suite of tools for job seekers that includes job search, resume posting, company information and reviews, and scheduling and conducting video and phone interviews. For employers, Indeed and Glassdoor offer solutions to recruit and hire qualified talent in an easier and more efficient way. Employers can post and advertise jobs and build their company's employment brand across both platforms, reaching a broad and diverse job seeker audience. Together, they provide an efficient source of candidates through a pay-for-performance job advertising pricing model and provide a range of products for employers to source, screen, interact with, and interview candidates.

¹ Source: comScore Total Visits, February 2022

² Source: Internal data based on Google Analytics, in March 2022

Media & Solutions

Media & Solutions consists of two businesses mainly in Japan: Marketing Solutions and HR Solutions. Marketing Solutions provides solutions which support business clients' operations such as customer acquisition, customer relationship management, and payments in a variety of industries, such as Housing & Real Estate, Beauty, Bridal, Travel, Dining, and others. HR Solutions helps individual users find jobs and helps business clients' hiring activities across a variety of industries.

Both Marketing Solutions and HR Solutions offer matching platforms which connect individual users and business clients, and cloud-based Software as a Service ("SaaS") solutions that utilize technology and data to improve the efficiency of the day-to-day management and operations of clients' businesses. These SaaS solutions include vertical SaaS solutions which are tailored to the unique requirements of each industry, and horizontal SaaS solutions which are applicable to business clients across a variety of industries.

Media & Solutions respects the privacy of individual users and complies with data utilization in accordance with the "Personal Data Policy," while providing optimal choices through online platforms and print media that individual users can trust and use with peace of mind.

Marketing Solutions

The matching platforms for each industry include: SUUMO for Housing & Real Estate, Hot Pepper Beauty for Beauty, Zexy for Bridal, Jalan for Travel, Hot Pepper Gourmet for Dining, and others. The matching platforms generate revenue primarily from advertising while Travel and other services generate revenue from transactions.

Along with online matching platforms, Marketing Solutions provides industry specialized vertical SaaS solutions; an online property inventory management system in Housing & Real Estate, a cloud-based reservation and CRM system in both Beauty and Dining, and an online booking system and online payment service in Travel as well as Study Sapuri, which is an online learning service for students and working adults.

Marketing Solutions aims to improve clients' business performance and efficiency of business operations by providing SaaS solutions not only with industry specific vertical SaaS solutions, but also with horizontal SaaS solutions such as Air BusinessTools, which aim to solve common operational issues across an expanding variety of businesses.

For example, AirPAY is a cloud-based payment service which enables the use of credit cards, electronic money, and QR Codes¹ at stores in a variety of business areas and environments, meeting the growing demand for cashless payment solutions. In addition, AirREGI, a point of sale (POS) system which provides inventory management and sales analysis and integrates with accounting software and reservation management systems, easily solves business clients' accounting and payment needs.

Other SaaS solutions include AirRESERVE, which allows for centralized management of reservations, including those made by phone, online, or in person and AirWAIT, a reception management system, which simplifies reservation and reception operations. SaaS Solutions generate revenue primarily from subscription and transaction fees.

¹ "QR Code" is a registered trademark of DENSO WAVE INCORPORATED.

HR Solutions

HR Solutions supports business clients' recruiting and hiring activities and individual users' job search activities through its job advertising services and placement services. The services include online matching platforms (Rikunabi for new graduates, Rikunabi NEXT for professionals, and TOWNWORK for part-time job seekers), print media for part-time job seekers, via TOWNWORK, and the placement service, Recruit Agent.

HR Solutions provides cloud-based horizontal SaaS solutions such as AirSHIFT, a worker shift management system, AirWORK ATS, a centralized application management service.

Others in HR Solutions include a human resources and organizational development consultation service in Japan and placement services in Asia.

Staffing

Staffing consists of two major operations: *Japan and Europe, US, and Australia*. Staffing offers temporary staffing and other related services primarily for clerical, manufacturing, light industry and various professional positions across a multitude of industries. The Company selects appropriate temporary staff, based on the skills needed by clients, from a large pool of workers registered with the Company, and then provides those temporary staff to business clients.

Both *Japan and Europe, US, and Australia* operations implement the Unit Management System, which divides an organization into smaller units based on differences in the markets they serve. Each unit is regarded as a distinct company, and the Unit Manager is given authority to make decisions to maximize each unit's profitability.

In *Japan*, the Company has been licensed by the Minister of Health, Labour and Welfare in accordance with the provisions of the Act for Securing the Proper Operation of Worker Dispatching Undertakings and Protection of Dispatched Workers, and operates temporary staffing services primarily through Recruit Staffing Co., Ltd. and STAFF SERVICE HOLDINGS CO., LTD.

In *Europe, US, and Australia*, the Company offers services through RGF Staffing France SAS, RGF Staffing Germany GmbH, RGF Staffing the Netherlands B.V., RGF Staffing UK Limited, Unique NV as well as other companies in Europe, Staffmark Group, LLC and The CSI Companies, Inc. in the US, Chandler Macleod Group Limited mainly in Australia.

Main Companies, Brands and Services for Each Reportable Segment

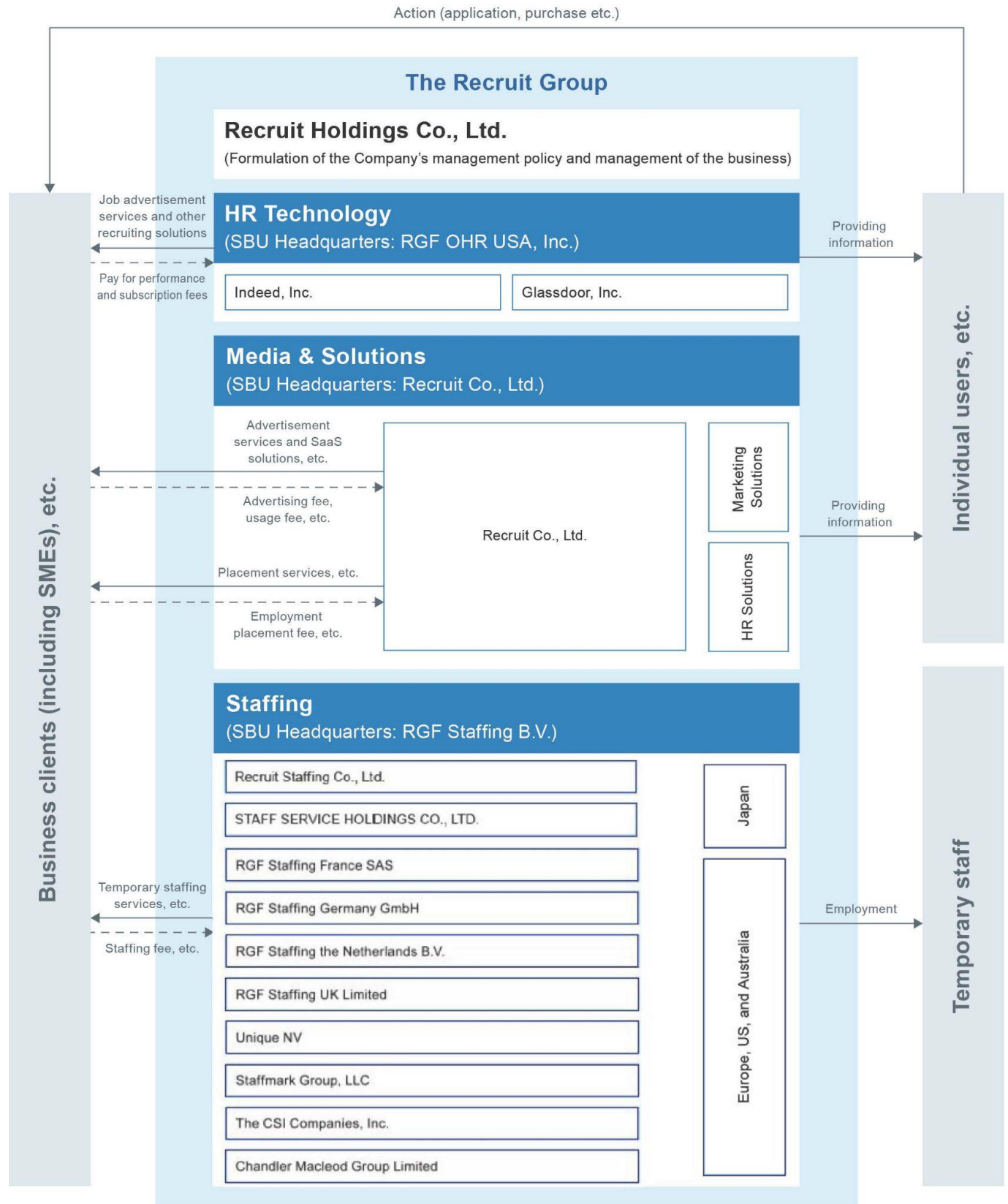
(As of March 31, 2022)

SEGMENT / SBU HEADQUARTERS	OPERATION					
HR Technology / RGF OHR USA, INC.	Global job search platform offering advertising services and recruiting solutions					
	<table border="1"> <thead> <tr> <th>SUBSIDIARIES</th> <th>BRANDS AND SERVICES</th> </tr> </thead> <tbody> <tr> <td>Indeed, Inc.</td> <td>Indeed Online job platform and company information site</td> </tr> <tr> <td>Glassdoor, Inc.</td> <td>Glassdoor Online job platform and company information site</td> </tr> </tbody> </table>	SUBSIDIARIES	BRANDS AND SERVICES	Indeed, Inc.	Indeed Online job platform and company information site	Glassdoor, Inc.
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Glassdoor, Inc.	Glassdoor Online job platform and company information site					
SEGMENT / SBU HEADQUARTERS	OPERATION					
Media & Solutions / Recruit Co., Ltd.	Marketing Solutions					
	<table border="1"> <thead> <tr> <th>BUSINESS DESCRIPTION</th> <th>BRANDS AND SERVICES</th> </tr> </thead> <tbody> <tr> <td>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</td> <td> SUUMO Online platform, print media, and in-person consultation service for housing and real estate Hot Pepper Beauty Online platform and print media for beauty treatment Jalan Online platform and print media for travel in Japan Study Sapuri Online learning service for students and adults Air BusinessTools Cloud-based operational and management support solutions for business clients across an expanding variety of businesses </td> </tr> </tbody> </table>	BUSINESS DESCRIPTION	BRANDS AND SERVICES	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	SUUMO Online platform, print media, and in-person consultation service for housing and real estate Hot Pepper Beauty Online platform and print media for beauty treatment Jalan Online platform and print media for travel in Japan Study Sapuri Online learning service for students and adults Air BusinessTools Cloud-based operational and management support solutions for business clients across an expanding variety of businesses	
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BUSINESS DESCRIPTION	BRANDS AND SERVICES					
A variety of HR services mainly in Japan through online platforms and print media for job seekers and business clients	Rikunabi Online matching platform for new graduates Rikunabi NEXT Online matching platform for professionals RECRUIT AGENT Employment placement service for professionals TOWNWORK Online matching platform and print media for part-time and full-time job seekers					

SEGMENT / SBU HEADQUARTERS	OPERATION
Staffing / RGF Staffing B.V.	<p data-bbox="494 257 558 291">Japan</p> <p data-bbox="494 313 766 347">BUSINESS DESCRIPTION</p> <p data-bbox="494 358 750 392">Staffing services in Japan</p> <p data-bbox="494 414 654 448">SUBSIDIARIES</p> <p data-bbox="494 459 893 515">Recruit Staffing Co., Ltd. STAFF SERVICE HOLDINGS CO., LTD.</p> <p data-bbox="494 526 766 560">Europe, US, and Australia</p> <p data-bbox="494 571 766 604">BUSINESS DESCRIPTION</p> <p data-bbox="494 616 1005 649">Staffing services mainly in Europe, US, and Australia</p> <p data-bbox="494 672 654 705">SUBSIDIARIES</p> <p data-bbox="494 716 829 940">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</p>

Since Recruit Holdings falls under the category of Specified Listed Company under the insider trading regulations, the criteria for determining the insignificance of material facts relative to the size of the Company with respect to insider trading regulations are decided based on the figures on a consolidated basis.

Operational Chart



5. Management Philosophy and Strategies

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 is instead tested for impairment at least annually. When impairment occurs, it is considered 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 disclosures 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.

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- 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 accounts¹⁹ 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.

6. Basic Rationale for Selection of Accounting Standards

The Company has been actively expanding its business globally, and in order to further accelerate global expansion in the future, the Company believes it is necessary to reinforce the infrastructure of the Company's operational management and to improve the ease of financial information comparisons for participants in global capital markets. Therefore, the Company adopted IFRS in place of Japanese GAAP at the start of FY2017.

7. Consolidated Financial Statements and Primary Notes

Consolidated Statements of Financial Position

(In millions of yen)	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and cash equivalents	501,043	669,551
Trade and other receivables	378,529	468,032
Other financial assets	2,772	1,903
Other assets	45,170	42,558
Total current assets	927,517	1,182,045
Non-current assets		
Property and equipment	81,290	73,559
Right-of-use assets	283,674	187,060
Goodwill	399,361	436,017
Intangible assets	206,793	194,129
Investments in associates and joint ventures	72,373	86,916
Other financial assets	183,016	182,240
Deferred tax assets	38,350	76,685
Other assets	4,235	4,888
Total non-current assets	1,269,096	1,241,496
Total assets	2,196,613	2,423,542

(In millions of yen)	As of March 31, 2021	As of March 31, 2022
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	243,905	283,849
Bonds and borrowings	54,673	26,236
Lease liabilities	36,415	38,433
Other financial liabilities	779	111
Income tax payables	20,662	38,037
Provisions	11,509	13,147
Other liabilities	235,224	295,776
Total current liabilities	603,172	695,592
Non-current liabilities		
Bonds and borrowings	58,106	34,400
Lease liabilities	268,574	172,355
Other financial liabilities	895	525
Provisions	11,331	11,334
Net liability for retirement benefits	57,039	59,994
Deferred tax liabilities	71,839	62,592
Other liabilities	24,365	10,452
Total non-current liabilities	492,152	351,654
Total liabilities	1,095,324	1,047,247
Equity		
Equity attributable to owners of the parent		
Common stock	40,000	40,000
Share premium	17,422	20,640
Retained earnings	1,201,573	1,464,947
Treasury stock	(180,148)	(298,457)
Other components of equity	12,723	136,644
Total equity attributable to owners of the parent	1,091,571	1,363,776
Non-controlling interests	9,717	12,518
Total equity	1,101,289	1,376,294
Total liabilities and equity	2,196,613	2,423,542

Consolidated Statements of Profit or Loss

(In millions of yen, unless otherwise stated)	For the Year Ended March 31,	
	2021	2022
Revenue	2,269,346	2,871,705
Cost of sales	1,123,653	1,221,684
Gross profit	1,145,693	1,650,020
Selling, general and administrative expenses	983,076	1,250,305
Other operating income	21,462	2,257
Other operating expenses	21,255	23,043
Operating income	162,823	378,929
Share of profit (loss) of associates and joint ventures	6,468	5,349
Finance income	3,154	2,796
Finance costs	3,944	4,326
Profit before tax	168,502	382,749
Income tax expense	36,812	85,026
Profit for the year	131,690	297,722
Profit attributable to:		
Owners of the parent	131,393	296,833
Non-controlling interests	296	889
Profit for the year	131,690	297,722
Earnings per share attributable to owners of the parent		
Basic earnings per share (yen)	79.83	181.68
Diluted earnings per share (yen)	79.70	180.83

Consolidated Statements of Comprehensive Income

(In millions of yen)	For the Year Ended March 31,	
	2021	2022
Profit for the year	131,690	297,722
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	43,955	1,452
Remeasurements of defined retirement benefit plans	(1,085)	(380)
Share of other comprehensive income of associates and joint ventures	347	(255)
Subtotal	43,217	817
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	34,187	98,838
Effective portion of changes in fair value of cash flow hedges	(84)	(134)
Subtotal	34,103	98,704
Other comprehensive income (loss) for the year, net of tax	77,321	99,521
Comprehensive income for the year	209,011	397,243
Comprehensive income attributable to:		
Owners of the parent	208,633	395,869
Non-controlling interests	377	1,374
Total comprehensive income	209,011	397,243

Consolidated Statements of Changes in Equity

For the Year Ended March 31, 2021

(In millions of yen)	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
Balance at April 1, 2020	40,000	18,904	1,067,492	(113,244)	5,584	(30,557)	271
Profit for the year			131,393				
Other comprehensive income						34,106	(84)
Comprehensive income for the year	—	—	131,393	—	—	34,106	(84)
Transfer from other components of equity to retained earnings			43,217				
Purchase of treasury stock		(132)		(70,504)			
Disposal of treasury stock		(1,226)	(40,394)	3,601	(2,224)		
Dividends							
Share-based payments					5,628		
Equity transactions with non-controlling interests							
Other		(123)	(135)				
Transactions with owners - total	—	(1,482)	2,687	(66,903)	3,403	—	—
Balance at March 31, 2021	40,000	17,422	1,201,573	(180,148)	8,987	3,548	187

	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	Other components of equity		
Balance at April 1, 2020	-	-	(24,702)	988,449	7,293	995,743	
Profit for the year			-	131,393	296	131,690	
Other comprehensive income	44,303	(1,085)	77,239	77,239	81	77,321	
Comprehensive income for the year	44,303	(1,085)	77,239	208,633	377	209,011	
Transfer from other components of equity to retained earnings	(44,303)	1,085	(43,217)	-		-	
Purchase of treasury stock			-	(70,636)		(70,636)	
Disposal of treasury stock			(2,224)	149		149	
Dividends			-	(40,394)		(40,394)	
Share-based payments			5,628	5,628		5,628	
Equity transactions with non-controlling interests			-	-	2,025	2,025	
Other			-	(258)	20	(237)	
Transactions with owners - total	(44,303)	1,085	(39,813)	(105,511)	2,046	(103,465)	
Balance at March 31, 2021	-	-	12,723	1,091,571	9,717	1,101,289	

For the Year Ended March 31, 2022

(In millions of yen)	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
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		Total		
	Net change in financial assets measured at fair value through other comprehensive income	Remeasurements of defined retirement benefit plans					
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	

Consolidated Statements of Cash Flows

(In millions of yen)	For the Year Ended March 31,	
	2021	2022
Cash flows from operating activities		
Profit before tax	168,502	382,749
Depreciation and amortization	119,991	123,169
Share-based payment expenses	5,336	32,446
(Increase) decrease in trade and other receivables	(2,527)	(75,034)
Increase (decrease) in trade and other payables	19,181	33,898
Other	15,366	67,175
Subtotal	325,851	564,404
Interest and dividends received	2,422	2,159
Interest paid	(3,558)	(3,732)
Income taxes paid	(38,117)	(123,221)
Net cash provided by operating activities	286,597	439,610
Cash flows from investing activities		
Payment for purchase of property and equipment	(14,015)	(13,133)
Proceeds from sale of property and equipment	20,209	97
Payment for purchase of intangible assets	(44,299)	(51,252)
Other	(2,267)	(6,449)
Net cash used in investing activities	(40,373)	(70,738)
Cash flows from financing activities		
Repayments of long-term borrowings	(24,957)	(24,957)
Redemption of bonds	-	(30,000)
Repayments of lease liabilities	(40,849)	(42,956)
Payment for purchase of treasury stock	(70,667)	(124,568)
Dividends paid	(40,414)	(34,317)
Other	4,175	2,428
Net cash used in financing activities	(172,713)	(254,371)
Effect of exchange rate changes on cash and cash equivalents	6,280	54,007
Net increase (decrease) in cash and cash equivalents	79,790	168,508
Cash and cash equivalents at the beginning of the year	421,253	501,043
Cash and cash equivalents at the end of the year	501,043	669,551

Going Concern Assumption

Not applicable.

Notes to Consolidated Financial Statements

1. 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.”

Consolidated Statements of Cash Flows:

“Share-based payment expenses,” which was included in “Other” under “Cash flows from operating activities” for the year ended March 31, 2021, is presented separately for the year ended March 31, 2022, due to an increase in its amount. To reflect this change in presentation, the amount of 5,336 million yen included in “Other” under “Cash flows from operating activities” for the year ended March 31, 2021 is reclassified to “Share-based payment expenses.”

2. 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, Media & Solutions, and Staffing, which are also the reportable segments.

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

(2) Information about Reportable Segments

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

Profit (loss) of the Corporate and Elimination segment 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 revenues or transfers are calculated based on a price used in similar transactions with external 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 Year Ended March 31, 2021

(In millions of yen)	Reportable Segment				Corporate and Elimination	Consolidated
	HR Technology	Media & Solutions	Staffing	Total		
Revenue						
Revenue from external customers	417,831	666,663	1,184,852	2,269,346	-	2,269,346
Intersegment revenues or transfers	5,454	5,349	13,996	24,800	(24,800)	-
Total	423,286	672,012	1,198,848	2,294,146	(24,800)	2,269,346
Segment profit (loss)	66,786	106,778	76,211	249,776	(8,117)	241,658
Depreciation and amortization (Note)						79,041
Other operating income						21,462
Other operating expenses						21,255
Operating income						162,823
Share of profit (loss) of associates and joint ventures						6,468
Finance income						3,154
Finance costs						3,944
Profit before tax						168,502

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

For the Year Ended March 31, 2022

(In millions of yen)	Reportable Segment				Corporate and Elimination	Consolidated
	HR Technology	Media & Solutions	Staffing	Total		
Revenue						
Revenue from external customers	855,688	654,163	1,361,853	2,871,705	-	2,871,705
Intersegment revenues or transfers	5,711	4,453	16,639	26,804	(26,804)	-
Total	861,400	658,616	1,378,492	2,898,510	(26,804)	2,871,705
Segment profit (loss)	293,129	102,454	93,170	488,753	(9,383)	479,370
Depreciation and amortization (Note)						79,654
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

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

3. Per Share Information

(1) The amount of basic earnings per share and the basis for its calculation are as follows:

(In millions of yen, unless otherwise stated)	For the Year Ended March 31,	
	2021	2022
Basic earnings per share (yen)	79.83	181.68
Basis for calculation:		
Profit (loss) attributable to owners of the parent	131,393	296,833
Amount not attributable to common shareholders of the parent	-	-
Profit (loss) used in the calculation of basic earnings per share	131,393	296,833
Weighted average number of shares of common stock outstanding (thousand shares)	1,645,920	1,633,830

(2) The amount of diluted earnings per share and the basis for its calculation are as follows:

(In millions of yen, unless otherwise stated)	For the Year Ended March 31,	
	2021	2022
Diluted earnings per share (yen)	79.70	180.83
Basis for calculation:		
Profit (loss) used in the calculation of diluted earnings per share		
Profit (loss) used in the calculation of basic earnings per share	131,393	296,833
Adjustment on profit (loss)	-	-
Profit (loss) used in the calculation of diluted earnings per share	131,393	296,833
Weighted average number of shares of common stock outstanding used in the calculation of diluted earnings per share		
Weighted average number of shares of common stock outstanding used in the calculation of basic earnings per share (thousand shares)	1,645,920	1,633,830
Effect of dilutive potential common stock (thousand shares)		
Stock options	1,202	1,172
Board Incentive Plan ("BIP") trust	1,475	1,570
Equity-settled ESOP trust	-	4,912
Weighted average number of shares of common stock outstanding used in the calculation of diluted earnings per share (thousand shares)	1,648,599	1,641,487

4. Significant Subsequent Events

Not applicable.