November 11, 2024

Recruit Holdings Co., Ltd. (TSE 6098)
Consolidated Financial Results for the Six Months Ended September 30, 2024 (IFRS, Unaudited)

Tokyo, November 11, 2024 — Recruit Holdings Co., Ltd. announced today its consolidated financial results for the six months ended September 30, 2024 (April 1, 2024 to September 30, 2024)

Consolidated Operating Results

(In billions of yen, unless otherwise stated)	Six Months Ended September 30, 2023	Six Months Ended September 30, 2024	% change
Revenue	1,705.9	1,798.7	5.4%
Adjusted EBITDA	328.1	367.2	11.9%
Operating income	237.8	269.7	13.4%
Profit before tax	261.0	297.0	13.8%
Profit for the period	213.5	222.4	4.1%
Profit attributable to owners of the parent	213.0	222.4	4.4%
Total comprehensive income	387.8	136.4	-64.8%
Basic EPS (yen)	135.44	145.64	7.5%
Diluted EPS (yen)	133.92	142.81	6.6%

Adjusted EBITDA: Operating income + depreciation and amortization (excluding depreciation of right-of-use assets) + share-based payment expenses ± other operating income/expenses
Adjusted EPS, which was previously disclosed, will no longer be disclosed starting from the fiscal year ending March 31, 2025, due to a revision of voluntary disclosure indicators.

Consolidated Financial Position

(In billions of yen, unless otherwise stated)	As of March 31, 2024	As of September 30, 2024
Total assets	3,144.6	2,712.9
Total equity	2,008.9	1,648.9
Equity attributable to owners of the parent	2,000.9	1,638.8
Ratio of equity attributable to owners of the parent (%)	63.6	60.4

Dividends

(In yen)	FY2023	FY2024	FY2024 (Guidance)
At the end of Q1	-	-	-
At the end of Q2	11.50	12.00	-
At the end of Q3	-	-	-
At the end of Q4	11.50	-	12.00
Total	23.00	-	24.00

Consolidated Financial Guidance for FY2024

The Company has revised the financial guidance for FY2024 from the figures announced on May 15, 2024 as below.

(In billions of yen, unless otherwise stated)	FY2024 Full-year Revised Guidance	Year over year % change
Revenue	3,468.7 - 3,548.7	+1.5% - +3.9%
Adjusted EBITDA	622.2 - 682.2	+4.0% - +14.0%
Operating income	442.7 - 502.7	+10.0% - +24.9%
Profit attributable to owners of the parent	362.4 - 407.4	+2.5% - +15.2%
Basic EPS (yen)[1]	239.64 - 270.64	+6.0% - +19.8%

[1] Number of issued shares at the end of the period and number of treasury stock at the end of the period are as of October 31, 2024 on a delivery date basis

Please refer to page 10, Qualitative information on Consolidated Financial Guidance for more details.

Significant Changes in Scope of Consolidation

There was no significant change in the scope of consolidation.

Changes in Accounting Policies and Changes in Accounting Estimates

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

Number of Issued Shares - Common Stock

	As of March 31, 2024	As of September 30, 2024
Number of issued shares including treasury stock	1,649,841,949	1,649,841,949
Number of treasury stock[1]	105,201,121	159,917,830

	Six Months Ended September 30, 2023	Six Months Ended September 30, 2024
Average number of shares during the period	1,573,158,963	1,527,689,549

[1] The number of treasury stock 159,917,830 as of September 30, 2024 includes treasury stock held by the Company (91,817,161 shares) and the Company's stock held in the trust account of the Board Incentive Plan ("BIP") trust and the Employee Stock Ownership Plan ("ESOP") trust (68,100,669 shares).

Definition of the Abbreviation

Abbreviation	Definition
Recruit Holdings, the Holding Company	Recruit Holdings Co., Ltd. on a standalone basis
the Company, Recruit Group, We, Our	Recruit Holdings Co., Ltd. and its consolidated subsidiaries
SBU	Strategic Business Unit
Q1	Three-month period from April 1 to June 30
Q2	Three-month period from July 1 to September 30
Q3	Three-month period from October 1 to December 31
Q4	Three-month period from January 1 to March 31
FY2023	Fiscal year from April 1, 2023 to March 31, 2024
FY2024	Fiscal year from April 1, 2024 to March 31, 2025

Average exchange rate during the period

	FY2023				FY2024	
(In yen)	Q1	Q2	Q3	Q4	Q1	Q2
US dollar	137.49	144.63	147.86	148.63	155.85	149.71
Euro	149.58	157.32	159.06	161.33	167.85	164.28
Australian dollar	91.87	94.63	96.25	97.67	102.71	100.18

Earnings releases for the six-month period 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.

U.S. Disclaimer – Unsponsored American Depositary Receipt ("ADR")

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

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

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Table of Contents

1. Management's Discussion and Analysis **5**
Consolidated Results of Operations 5
Results of Operations by Segment 6
Management Actions for the Six Months Ended September 30, 2024 8
Analysis of Consolidated Financial Position 9
Analysis of Consolidated Cash Flows 9
2. Qualitative Information on Consolidated Financial Guidance **10**
3. Condensed Consolidated Financial Statements and Primary Notes for the Six-Month Period **12**
Condensed Consolidated Statement of Financial Position for the Six-Month Period 12
Condensed Consolidated Statement of Profit or Loss for the Six-Month Period 13
Condensed Consolidated Statement of Comprehensive Income for the Six-Month Period 14
Condensed Consolidated Statement of Changes in Equity for the Six-Month Period 15
Condensed Consolidated Statement of Cash Flows for the Six-Month Period 17
Notes to Condensed Consolidated Financial Statements for the Six-Month Period 18

1. Management's Discussion and Analysis

Consolidated Results of Operations

The following table summarizes the consolidated financial results for the three months and the six months ended September 30, 2023 and 2024.

(In billions of yen, unless otherwise stated)	Three Months Ended September 30,		% change	Six Months Ended September 30,		% change
	2023	2024		2023	2024	
Consolidated operating results						
Revenue	855.1	897.1	4.9%	1,705.9	1,798.7	5.4%
Operating income	116.1	141.8	22.1%	237.8	269.7	13.4%
Profit before tax	130.7	155.5	18.9%	261.0	297.0	13.8%
Profit for the period	115.2	116.0	0.7%	213.5	222.4	4.1%
Profit attributable to owners of the parent	115.0	116.0	0.9%	213.0	222.4	4.4%
Basic EPS (yen)	73.46	76.58	4.2%	135.44	145.64	7.5%
Management Key Performance Indicators						
Adjusted EBITDA	162.2	188.1	16.0%	328.1	367.2	11.9%
Adjusted EBITDA margin	19.0%	21.0%	-	19.2%	20.4%	-

Consolidated revenue for Q2 FY2024 increased 4.9% as revenue in HR Technology, Matching & Solutions and Staffing all increased. Excluding the positive impact of exchange rate fluctuations of 19.9 billion yen, revenue increased 2.6%.

Consolidated operating income for Q2 FY2024 was 141.8 billion yen, an increase of 22.1%.

Consolidated profit attributable to owners of the parent for Q2 FY2024 was 116.0 billion, an increase of 0.9%.

Consolidated adjusted EBITDA margin for Q2 FY2024 increased to 21.0%, consolidated adjusted EBITDA increased 16.0%, and basic EPS was 76.58 yen, an increase of 4.2%.

For the six month-period ended September 30, 2024, consolidated revenue increased 5.4%, or 0.9% excluding the positive impact of exchange rate fluctuations of 78.1 billion yen. Consolidated adjusted EBITDA margin was 20.4%, consolidated adjusted EBITDA increased 11.9%, and basic EPS was 145.64 yen, an increase of 7.5%.

The following table presents the selling, general and administrative expenses for the three months and the six months ended September 30, 2023 and 2024.

(In billions of yen)	Three Months Ended September 30,		% change	Six Months Ended September 30,		% change
	2023	2024		2023	2024	
Sales commission	7.8	9.9	26.4%	16.2	18.6	15.0%
Promotion expenses	16.3	16.0	-1.9%	32.2	31.0	-3.8%
Advertising expenses	49.8	56.1	12.6%	100.6	114.0	13.3%
Employee benefit expenses	179.1	188.1	5.0%	362.8	377.1	3.9%
Service outsourcing expenses	58.3	55.3	-5.2%	113.1	111.1	-1.8%
Rent expenses	7.6	7.5	-0.8%	15.0	15.3	1.9%
Depreciation and amortization	27.9	25.8	-7.3%	54.7	52.1	-4.9%
Other	23.3	22.9	-1.8%	46.1	49.6	7.5%
Total	370.4	381.9	3.1%	741.2	796.1	3.8%

The following table presents the share-based payment expenses as well as research and development expenses for the three months and the six months ended September 30, 2023 and 2024.

(In billions of yen)	Three Months Ended September 30,		% change	Six Months Ended September 30,		% change
	2023	2024		2023	2024	
Share-based payment expenses[1]	22.3	25.7	15.5%	45.4	43.4	-4.2%
Research and development expenses[2]	30.8	37.8	22.7%	68.8	80.6	17.1%

[1] Included in employee benefit expenses.
[2] Consisted primarily of compensation expenses for engineering and other technical employees of HR Technology responsible for the development of new products and enhancement of existing products using new technologies, which are accounted for as employee benefit expenses.

Results of Operations by Segment

HR Technology

The following table presents the financial results for the three months and the six months ended September 30, 2023 and 2024 for the HR Technology segment.

(In billions of yen, unless otherwise stated)	Three Months Ended September 30,		% change	Six Months Ended September 30,		% change
	2023	2024		2023	2024	
Revenue						
US	178.2	188.6	5.9%	359.4	383.7	6.8%
Japan	17.0	27.9	63.6%	33.5	52.1	55.2%
Rest of World	61.9	66.4	7.2%	122.1	132.3	8.3%
Total	257.2	283.0	10.0%	515.1	568.2	10.3%
Adjusted EBITDA	92.1	107.0	16.2%	190.2	207.3	9.0%
Adjusted EBITDA margin	35.8%	37.8%	-	36.9%	36.5%	-
Revenue in million US dollars ($)						
US	1,231	1,260	2.4%	2,549	2,512	-1.4%
Japan	118	186	57.5%	238	341	43.3%
Rest of World	428	443	3.5%	866	866	-0.0%
Total	1,778	1,890	6.3%	3,654	3,720	1.8%

Revenue for Q2 FY2024 increased 10.0% and on a US dollar basis, revenue increased 6.3%.

Globally, the supply and demand mismatch between job seekers and employers continued to ease, with labor markets normalizing, particularly in the US. Total job postings on Indeed, composed of free and paid postings, declined year over year in many countries where HR Technology operates.

On a US dollar basis, revenue in the *US* increased 2.4% as the rate of year over year increase in the average revenue per paid job ad exceeded the rate of decrease in the volume of paid job ads. Revenue in *Japan* increased 57.5% as a portion of revenue from the full-time and part-time job advertising services of HR Solutions in Matching & Solutions has been transferred to Indeed Japan through Indeed PLUS. Revenue in *Rest of World* increased 3.5%.

Adjusted EBITDA margin for Q2 FY2024 increased 2.0 percentage points to 37.8%. On a US dollar basis, there was a positive impact of reduced employee benefit expenses due to the headcount reduction implemented in May 2024.

For the six month-period, revenue increased 10.3% and adjusted EBITDA margin was 36.5%.

Matching & Solutions

The following table presents the financial results for the three months and the six months ended September 30, 2023 and 2024 for the Matching & Solutions segment.

(In billions of yen)	Three Months Ended September 30,		% change	Six Months Ended September 30,		% change
	2023	2024		2023	2024	
Revenue						
HR Solutions	74.1	69.5	-6.2%	154.9	144.3	-6.8%
Marketing Solutions	123.4	133.3	8.0%	240.1	258.9	7.8%
Others and Eliminations	2.5	2.7	5.7%	5.0	5.2	3.3%
Total	200.1	205.5	2.7%	400.1	408.5	2.1%
Adjusted EBITDA	46.2	56.2	21.7%	88.7	108.0	21.7%
Adjusted EBITDA margin	23.1%	27.4%	-	22.2%	26.4%	-

Revenue in Matching & Solutions for Q2 FY2024 increased 2.7%.

Revenue in HR Solutions decreased 6.2%. Revenue in the placement service continued to grow steadily in a stable business environment. However, revenue in the job advertising service declined primarily due to the shift of revenue to HR Technology as the integration with Indeed PLUS progressed.

Revenue in Marketing Solutions increased 8.0%. Revenue in the total of Beauty, Travel, and Dining combined with SaaS solutions including Air BusinessTools increased. Additionally, Housing & Real Estate and Others, which includes other services in Marketing Solutions, each increased.

Adjusted EBITDA margin in Matching & Solutions for Q2 FY2024 increased 4.3 percentage points to 27.4% due to cost controls mainly related to service outsourcing expenses, partially offset by costs associated with the integration with Indeed PLUS in the HR Technology segment and continued investments for future growth.

For the six-month period, revenue increased 2.1%, adjusted EBITDA margin was 26.4%.

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

The current priority for Air BusinessTools is to increase the number of SaaS registered accounts[1]. As of September 30, 2024, the number of SaaS registered accounts[2], the number of AirPAY registered accounts and the number of accounts using both AirPAY and another Air BusinessTools solution (cross-use) steadily increased year over year. Revenue from Air BusinessTools is included in Marketing Solutions. The details of SaaS registered accounts are presented in the following table.

(In thousands of accounts)	FY2023				FY2024	
As of	June 30	September 30	December 31	March 31	June 30	September 30
Registered accounts[2]	3,350	3,470	3,600	3,780	3,920	4,050
YoY %	26.8%	22.4%	19.9%	18.2%	17.1%	16.7%
AirPAY	417	430	450	475	491	504
YoY %	37.4%	31.0%	25.4%	20.5%	17.7%	17.0%
Cross-use of AirPAY and other Air BusinessTools[3]	236	245	258	274	289	298
YoY %	25.7%	23.6%	22.5%	21.9%	22.4%	21.7%

[1] The number of registered accounts retroactively reflects changes in counting methods due to product renewals and other factors.
[2] Cumulative number of registered accounts of paid and unpaid SaaS solutions provided by Matching & Solutions SBU in Japan.
Registered accounts refer to the number of stores and business locations that have registered for each relevant service including both active and non-active accounts.
[3] Cross-use of AirPAY and other Air BusinessTools accounts that use AirPAY and at least one of the following solutions: AirREGI, AirRESERVE, AirWAIT, AirSHIFT, or AirREGI ORDER.

Staffing

The following table presents the financial results for the three months and the six months ended September 30, 2023 and 2024 for the Staffing segment.

	Three Months Ended September 30,		% change	Six Months Ended September 30,		% change
(In billions of yen)	2023	2024		2023	2024	
Revenue						
Japan	184.0	197.4	7.2%	370.2	397.6	7.4%
Europe, US, and Australia	222.2	220.3	-0.9%	437.4	442.7	1.2%
Total	406.3	417.7	2.8%	807.7	840.3	4.0%
Adjusted EBITDA	25.3	26.7	5.6%	52.0	55.4	6.4%
Adjusted EBITDA margin	6.2%	6.4%	-	6.4%	6.6%	-

Revenue for Q2 FY2024 increased 2.8%. Excluding the positive impact of exchange rate fluctuations of 9.6 billion yen, revenue increased 0.4%.

Revenue in *Japan* increased 7.2% due to an increase in the number of temporary staff on assignment as demand for staffing services continued to grow.

Revenue in *Europe, US, and Australia* decreased 0.9% as demand for staffing services slowed continuously against the backdrop of an uncertain economic outlook. Excluding the positive impact of exchange rate fluctuations of 9.6 billion yen, revenue decreased 5.2%.

Adjusted EBITDA margin for Q2 FY2024 was 6.4%, an increase of 0.2 percentage points.

For the six-month period, revenue increased 4.0%. Excluding the positive impact of exchange rate fluctuations of 34.2 billion yen, revenue decreased 0.2%. Adjusted EBITDA margin was 6.6%.

Management Actions for the Six Months Ended September 30, 2024

Announcement of Planned Transfer of HR Solutions in the Matching & Solutions SBU to the HR Technology SBU
On September 9, 2024 the Company announced the policy to transfer HR Solutions in the Matching & Solution SBU to the HR Technology SBU and operate the businesses in a unified manner in order to accelerate progress in achieving "Simplify Hiring," one of the Company's three strategic pillars.

HR Solutions in the Matching & Solutions SBU will be transferred to two newly established subsidiaries and operated as part of the HR Technology SBU. The transfer is targeted for April 1, 2025.

Please find more information on the following website:
https://recruit-holdings.com/en/newsroom/20240909_0001/

Resolution of the Share Repurchase at the Company's Board of Directors Meeting on July 9, 2024 and Status of Share Repurchases
The Company's Board of Directors resolved on July 9, 2024 to conduct a share repurchase of its common stock after considering several factors including the ability to make strategic business investments, the current stock price, market conditions, and the forecast of the Company's financial position in accordance with the Company's capital allocation policy. Acquiring its own shares is the most efficient use of capital at this time and the best way to maximize shareholder returns.

The total number of shares to be repurchased is 87.0 million shares (maximum) (up to 5.67% of total number of shares issued and outstanding (excludes treasury stock)), and the total purchase price is 600.0 billion yen (maximum). The repurchase period is from July 10, 2024 to July 9, 2025, and the share repurchase will be conducted as market purchases on Tokyo Stock Exchange, Inc. through an appointed securities dealer with investment discretion and through the off-auction own share repurchase trading system ("ToSTNet-3").

After the Company's Board of Directors resolved to implement the share repurchase of its common stock on July 9, 2024, several Japanese business shareholders notified the Company of their intention to reduce their stake in the Company's common stock. In response, the Company repurchased its shares through the off-auction own share repurchase trading system ("ToSTNet-3") twice during the six months ended September 30, 2024

The first share repurchase through ToSTNeT-3 was on July 10, 2024. The total number of shares repurchased was 8.6 million (0.56% of total number of shares issued and outstanding (excludes treasury stock)) and the total purchase price was 79.1 billion yen.

The second share repurchase through ToSTNeT-3 was on September 3, 2024. The total number of shares repurchased was 27.0 million (1.76% of total number of shares issued and outstanding (excludes treasury stock)) and the total purchase price was 246.5 billion yen.

As of October 31, 2024, through market purchases and the above ToSTNeT-3 transactions, 53.1 million shares have been repurchased at the total price of 478.5 billion yen on an execution date basis.

Please find more information on the following websites:

"Recruit Holdings Announces Share Repurchases" released on July 9, 2024
https://recruit-holdings.com/en/newsroom/20240709_0002/

"Completion of Share Repurchases through Off-Auction Own Share Repurchase Trading System ("ToSTNeT-3")" released on July 10, 2024
https://recruit-holdings.com/en/newsroom/20240710_0001/

"Completion of Share Repurchases through Off-Auction Own Share Repurchase Trading System ("ToSTNeT-3")" released on September 3, 2024
https://recruit-holdings.com/en/newsroom/20240903_0001/

"Status of Share Repurchases" released on November 1, 2024
https://recruit-holdings.com/en/newsroom/20241101_0001/

Completion of Share Repurchase Resolved at the Company's Board of Directors on December 13, 2023
The Company's Board of Directors resolved on December 13, 2023 to conduct a share repurchase of its common stock and the self tender offer was conducted from December 14, 2023 to June 25, 2024. The total number of shares purchased and the total share repurchase amount was 30.8 million shares and 199.9 billion yen.

Please find more information on the website:

"Status and Completion of Share Repurchases" released on June 26, 2024
https://recruit-holdings.com/en/newsroom/20240626_0001/

Sustainability Update: Fireside Chat 2024
On July 2, 2024, the Company presented the progress and challenges of our sustainability commitment “Prosper Together,” one of the Company’s three strategic pillars.

Please find more information on the following website:
https://recruit-holdings.com/en/newsroom/20240702_0001/

Analysis of Consolidated Financial Position

(In billions of yen)	As of March 31, 2024	As of September 30, 2024	Variance	% Change
Total current assets	1,762.7	1408.0	-354.7	-20.1%
Total non-current assets	1,381.9	1304.9	-76.9	-5.6%
Total assets	3,144.6	2712.9	-431.7	-13.7%
Total current liabilities	758.8	726.3	-32.4	-4.3%
Total non-current liabilities	376.8	337.6	-39.2	-10.4%
Total liabilities	1,135.7	1064.0	-71.7	-6.3%
Total equity attributable to owners of the parent	2,000.9	1638.8	-362.0	-18.1%
Non-controlling interests	7.9	10.0	2.0	25.9%
Total equity	2,008.9	1648.9	-359.9	-17.9%

Total current assets as of September 30, 2024 decreased by 354.7 billion yen compared to the end of FY2023 mainly due to a decrease in cash and cash equivalents resulting from the share repurchase of common stock, which was resolved at the Company’s Board of Directors Meeting on July 9, 2024.

The maximum amount of borrowings under overdraft agreements was 113.0 billion yen as of September 30, 2024, and the entire amount remained unused. In addition, the committed credit facilities with a total maximum borrowing amount of 200.0 billion yen, for which the Company entered into an agreement on September 29, 2023, remained unused as of September 30, 2024.

Also, the Company has registered a maximum 200.0 billion yen of corporate bonds for potential issuances in Japan, the full amount of which remains unissued as of September 30, 2024.

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

(In billions of yen)	As of March 31, 2024	As of September 30, 2024	Variance	% Change
Cash and cash equivalents	1,136.8	757.6	-379.1	-33.4%
Interest-bearing debt (excludes lease liabilities)	1.3	1.0	-0.3	-26.6%
Net cash	1,135.4	756.6	-378.7	-33.4%

Analysis of Consolidated Cash Flows

(In billions of yen)	Six Months Ended September 30,		Variance
	2023	2024	
Net cash flows from operating activities	244.9	279.0	34.1
Net cash flows from investing activities	(34.7)	(29.8)	4.8
Net cash flows from financing activities	(111.4)	(597.1)	(485.6)
Effect of exchange rate changes on cash and cash equivalents	109.9	(31.2)	(141.1)
Net increase (decrease) in cash and cash equivalents	208.7	(379.1)	(587.9)
Cash and cash equivalents at the beginning of the period	877.3	1,136.8	259.4
Cash and cash equivalents at the end of the period	1,086.1	757.6	(328.4)

In Q2 FY2024 and the six-month period, payments for the purchase of treasury stock amounted to 436.8 billion yen and 532.5 billion yen, respectively.

2. Qualitative Information on Consolidated Financial Guidance

Based on the results for the first half of FY2024 and the Company's latest foreign exchange rate assumptions for the second half of FY2024, the Company has announced consolidated financial guidance for the second half of FY2024.

As a result, the full-year consolidated financial guidance for FY2024 announced on May 15, 2024 has been revised as below.

(In billions of yen)	FY2024 1H Actual	FY2024 2H Outlook	REVISED FY2024 Guidance (as of Nov. 2024)	ORIGINAL FY2024 Guidance (as of May 2024)
Revenue	1,798.7	1,670.0 - 1,750.0	3,468.7 - 3,548.7	3,300.0 - 3,500.0
YoY % change	+5.4%	-2.4% - +2.3%	+1.5% - +3.9%	-3.4% - +2.4%
Adjusted EBITDA	367.2	255.0 - 315.0	622.2 - 682.2	570.0 - 675.0
YoY % change	+11.9%	-5.6% - +16.6%	+4.0% - +14.0%	-4.7% - +12.8%
Operating income	269.7	173.0 - 233.0	442.7 - 502.7	390.0 - 500.0
YoY % change	+13.4%	+5.0% - +41.5%	+10.0% - +24.9%	-3.1% - +24.2%
Profit attributable to owners of the parent	222.4	140.0 - 185.0	362.4 - 407.4	315.0 - 400.0
YoY % change	+4.4%	-0.4% - +31.6%	+2.5% - +15.2%	-10.9% - +13.1%
Basic EPS (yen)[1]	145.64	94.00 - 125.00	239.64 - 270.64	206.00 - 260.00
YoY % change	+7.5%	+4.3% - +38.7%	+6.0% - +19.8%	-8.8% - +15.0%

[1]Number of issued shares and number of treasury stock for purposes of the guidance calculations are as of October 31, 2024 on a delivery date basis.

The foreign exchange rate assumptions for the second half of FY2024 are 142 yen per US dollar, 157 yen per Euro and 98 yen per Australian dollar.

The following are the current assumptions regarding the business environment and the financial outlook for each segment as of November 11, 2024.

HR Technology

In the second half of FY2024 in the US, the Company expects the number of job openings will continue to gradually decline as initially anticipated, but revenue is expected to increase compared to the prior year due to expected monetization improvements. However, as in previous years, revenue in Q3 FY2024 is expected to be impacted by the typical holiday seasonality in which hiring activities moderate. As a result, revenue in the *US* for the second half is expected to be lower than that for the first half of FY2024.

The outlook for the second half of FY2024 in *Japan* also reflects a slightly slower transition of the HR Solutions job advertising service to Indeed PLUS than initially expected.

Based on the results for the first half of FY2024 and the Company's outlook for the second half of FY2024, the Company has revised the FY2024 full-year outlook announced on May 15, 2024 as below.

	FY2024 1H Actual	FY2024 2H Outlook	REVISED FY2024 Outlook (as of Nov. 2024)	ORIGINAL FY2024 Outlook (as of May 2024)
Revenue (YoY on US dollar basis)				
US	-1.4%	+4.5%±	+1.4%±	-7.0% - +5.0%
Japan	+43.3%	+60.0%±	+52.1%±	+70.0%±
Rest of World	-0.0%	+13.0%±	+6.2%±	+2.0%±
Total	+1.8%	+6.5% - +14.5%	+4.1% - +7.9%	0.0% - +9.5%
Adjusted EBITDA margin (%)	36.5%	31.5% - 35.5%	34.1% - 36.0%	33.0% - 36.0%

The total amount of share-based payment expense in FY2024 is expected to be approximately 550 million US dollars, unchanged from the outlook announced on May 15, 2024.

Matching & Solutions

In the second half of FY2024, revenue in HR Solutions is expected to be negatively impacted as revenue from the full-time and part-time job advertising services of HR Solutions in Matching & Solutions continues to transfer to Indeed Japan through Indeed PLUS.

Regarding our job boards within the HR Solutions business in Matching & Solutions, the Company has decided to discontinue the “Pay Per Post” (PPP) advertising model by the end of FY2024, with the exception of Rikunabi, the new graduate recruitment support platform. From FY2025 onward, the Company will consolidate and integrate the job board operations in HR Solutions under Indeed PLUS within HR Technology.

The outlook for Marketing Solutions for the second half of FY2024 reflects the continued growth in new business clients in Beauty, the continued trend of high unit prices for lodging in Travel, and continued higher advertising prices per unit in Housing & Real Estate, similar to the first half of FY2024.

Based on the results for the first half of FY2024 and the Company’s outlook for the second half of FY2024, the Company has revised the FY2024 full-year outlook announced on May 15, 2024 as below.

	FY2024 1H Actual	FY2024 2H Outlook	REVISED FY2024 Outlook (as of Nov. 2024)	ORIGINAL FY2024 Outlook (as of May 2024)
Revenue (YoY)				
HR Solutions	-6.8%	-18.0% - -8.0%	-12.3% - -7.4%	-23.0% - -10.0%
Marketing Solutions	+7.8%	+3.0% - +9.0%	+5.4% - +8.4%	+1.5% - +9.0%
Total	+2.1%	-4.8% - +2.8%	-1.4% - +2.4%	-7.7% - +1.8%
Adjusted EBITDA margin (%)				
HR Solutions[1]	23.8%	13.0% - 18.0%	18.8% - 21.0%	16.0% - 19.0%
Marketing Solutions[1]	33.6%	25.0% - 28.0%	30.0%±	29.0% - 31.0%
Total	26.4%	16.5% - 20.5%	21.6% - 23.4%	20.0% - 23.0%

[1] Before allocation of corporate overhead costs.

Staffing

Based on the results for the first half of FY2024 and the Company’s outlook for the second half of FY2024, the Company has revised the FY2024 full-year outlook announced on May 15, 2024 as below.

	FY2024 1H Actual	FY2024 2H Outlook	REVISED FY2024 Outlook (as of Nov. 2024)	ORIGINAL FY2024 Outlook (as of May 2024)
Revenue (YoY)				
Japan	+7.4%	+7.0%±	+7.2%±	+5.0%±
Europe, US, and Australia	+1.2%	-9.0% - -7.0%	-3.9% - -2.9%	-4.0% - -2.5%
Total	+4.0%	-1.6% - -0.5%	+1.2% - +1.7%	+0.1% - +0.9%
Adjusted EBITDA margin (%)	6.6%	5.2%±	5.9%±	5.5% - 6.0%

3. Condensed Consolidated Financial Statements and Primary Notes for the Six-Month Period

Condensed Consolidated Statement of Financial Position for the Six-Month Period

(In millions of yen)	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and cash equivalents	1,136,858	757,697
Trade and other receivables	549,814	540,343
Other financial assets	5,608	4,384
Other assets	70,462	105,592
Total current assets	1,762,744	1,408,016
Non-current assets		
Property and equipment	66,513	57,875
Right-of-use assets	170,366	143,793
Goodwill	510,638	490,342
Intangible assets	185,219	182,487
Investments in associates and joint ventures	26,841	25,513
Other financial assets	210,271	185,143
Deferred tax assets	203,482	211,273
Other assets	8,567	8,488
Total non-current assets	1,381,902	1,304,918
Total assets	3,144,646	2,712,935

(In millions of yen)	As of March 31, 2024	As of September 30, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	359,856	325,040
Borrowings	374	49
Lease liabilities	44,248	43,365
Other financial liabilities	541	6,575
Income tax payables	37,679	58,408
Provisions	17,214	10,505
Other liabilities	298,965	282,438
Total current liabilities	758,879	726,383
Non-current liabilities		
Borrowings	1,020	974
Lease liabilities	175,488	151,912
Other financial liabilities	556	631
Provisions	15,059	14,314
Net liability for retirement benefits	64,943	65,630
Deferred tax liabilities	111,610	95,834
Other liabilities	8,186	8,338
Total non-current liabilities	376,866	337,637
Total liabilities	1,135,746	1,064,021
Equity		
Equity attributable to owners of the parent		
Common stock	40,000	40,000
Share premium	-	13,450
Retained earnings	1,884,258	2,067,761
Treasury stock	(407,049)	(912,493)
Other components of equity	483,714	430,148
Total equity attributable to owners of the parent	2,000,922	1,638,867
Non-controlling interests	7,977	10,046
Total equity	2,008,900	1,648,914
Total liabilities and equity	3,144,646	2,712,935

Condensed Consolidated Statement of Profit or Loss for the Six-Month Period

(In millions of yen, unless otherwise stated)	Six Months Ended September 30, 2023	Six Months Ended September 30, 2024
Revenue	1,705,939	1,798,705
Cost of sales	718,790	741,520
Gross profit	987,149	1,057,184
Selling, general and administrative expenses	741,251	769,186
Other operating income	1,705	2,183
Other operating expenses	9,769	20,472
Operating income	237,833	269,708
Share of profit (loss) of associates and joint ventures	(139)	(2,340)
Finance income	26,005	32,974
Finance costs	2,652	3,288
Profit before tax	261,047	297,053
Income tax expense	47,458	74,649
Profit for the period	213,588	222,404
Profit attributable to:		
Owners of the parent	213,074	222,495
Non-controlling interests	514	(91)
Profit for the period	213,588	222,404
Earnings per share attributable to owners of the parent		
Basic earnings per share (yen)	135.44	145.64
Diluted earnings per share (yen)	133.92	142.81

Condensed Consolidated Statement of Comprehensive Income for the Six-Month Period

(In millions of yen)	Six Months Ended September 30, 2023	2024
Profit for the period	213,588	222,404
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	7,365	(19,588)
Remeasurements of defined retirement benefit plans	-	-
Share of other comprehensive income of associates and joint ventures	228	(1,379)
Subtotal	7,594	(20,968)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	166,736	(64,990)
Effective portion of changes in fair value of cash flow hedges	(63)	-
Subtotal	166,673	(64,990)
Other comprehensive income (loss) for the period, net of tax	174,268	(85,959)
Comprehensive income for the period	387,857	136,445
Comprehensive income attributable to:		
Owners of the parent	386,340	136,202
Non-controlling interests	1,516	242
Comprehensive income for the period	387,857	136,445

Condensed Consolidated Statement of Changes in Equity for the Six-Month Period

For the Six Months Ended September 30, 2023

(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, 2023	40,000	33,754	1,711,350	(432,612)	75,595	198,859	63
Profit for the period			213,074				
Other comprehensive income						165,857	(63)
Comprehensive income for the period	-	-	213,074	-	-	165,857	(63)
Transfer from other components of equity to retained earnings			7,472				
Purchase of treasury stock		(53)		(66,223)			
Disposal of treasury stock		10,555		22,475	(33,656)		
Dividends			(17,370)				
Share-based payments					45,680		
Equity transactions with non-controlling interests							
Transactions with owners - total	-	10,502	(9,897)	(43,748)	12,024	-	-
Balance at September 30, 2023	40,000	44,257	1,914,527	(476,361)	87,619	364,716	-

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

For the Six Months Ended September 30, 2024

(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, 2024	40,000	-	1,884,258	(407,049)	88,242	395,471	-
Profit for the period			222,495				
Other comprehensive income						(65,064)	-
Comprehensive income for the period	-	-	222,495	-	-	(65,064)	-
Transfer from other components of equity to retained earnings			(21,228)				
Purchase of treasury stock		(347)		(532,080)			
Disposal of treasury stock		13,797		26,636	(40,096)		
Dividends			(17,763)				
Share-based payments					51,595		
Equity transactions with non-controlling interests							
Transactions with owners - total	-	13,450	(38,991)	(505,443)	11,498	-	-
Balance at September 30, 2024	40,000	13,450	2,067,761	(912,493)	99,741	330,407	-

	Equity attributable to owners of the parent					
	Other components of equity					
	Net change in financial assets measured at fair value through other comprehensive income	Remeasure-ments of defined retirement benefit plans	Total	Total	Non-controlling interests	Total equity
Balance at April 1, 2024	-	-	483,714	2,000,922	7,977	2,008,900
Profit for the period			-	222,495	(91)	222,404
Other comprehensive income	(21,228)	-	(86,292)	(86,292)	333	(85,959)
Comprehensive income for the period	(21,228)	-	(86,292)	136,202	242	136,445
Transfer from other components of equity to retained earnings	21,228		21,228	-		-
Purchase of treasury stock			-	(532,427)		(532,427)
Disposal of treasury stock			(40,096)	337		337
Dividends			-	(17,763)		(17,763)
Share-based payments			51,595	51,595		51,595
Equity transactions with non-controlling interests			-	-	1,826	1,826
Transactions with owners - total	21,228	-	32,727	(498,257)	1,826	(496,431)
Balance at September 30, 2024	-	-	430,148	1,638,867	10,046	1,648,914

Condensed Consolidated Statement of Cash Flows for the Six-Month Period

(In millions of yen)	Six Months Ended September 30, 2023	2024
Cash flows from operating activities		
Profit before tax	261,047	297,053
Depreciation and amortization	57,136	54,670
Share-based payment expenses	45,400	43,476
Interest and dividend income	(19,368)	(19,397)
(Increase) decrease in trade and other receivables	45,455	34
Increase (decrease) in trade and other payables	(52,505)	(29,121)
Other	(22,589)	(26,865)
Subtotal	314,576	319,850
Interest and dividends received	19,010	19,914
Interest paid	(2,467)	(3,237)
Income taxes paid	(86,174)	(57,480)
Net cash provided by operating activities	244,944	279,046
Cash flows from investing activities		
Payment for purchase of property and equipment	(6,528)	(4,303)
Payment for purchase of intangible assets	(28,908)	(28,887)
Other	726	3,314
Net cash used in investing activities	(34,709)	(29,876)
Cash flows from financing activities		
Repayments of long-term borrowings	(12,478)	-
Repayments of lease liabilities	(23,232)	(21,796)
Payment for purchase of treasury stock	(66,288)	(532,566)
(Increase) decrease in deposits for purchase of treasury stock	-	(38,954)
Dividends paid	(17,369)	(17,765)
Proceeds from settlement of derivatives	6,990	11,925
Other	954	2,033
Net cash used in financing activities	(111,425)	(597,122)
Effect of exchange rate changes on cash and cash equivalents	109,930	(31,208)
Net increase (decrease) in cash and cash equivalents	208,740	(379,161)
Cash and cash equivalents at the beginning of the period	877,370	1,136,858
Cash and cash equivalents at the end of the period	1,086,110	757,697

Notes to Condensed Consolidated Financial Statements for the Six-Month Period

1. Going Concern Assumption

Not applicable.

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

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

(2) Information on Reportable Segments

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

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

For the Six Months Ended September 30, 2023

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

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

For the Six Months Ended September 30, 2024

(In millions of yen)	Reportable Segment				Adjustments	Consolidated
	HR Technology	Matching & Solutions	Staffing	Total		
Revenue						
Revenue from external customers	567,422	395,152	827,694	1,790,270	8,434	1,798,705
Intersegment revenue or transfers	822	13,360	12,646	26,829	(26,829)	-
Total	568,244	408,513	840,341	1,817,099	(18,394)	1,798,705
Segment profit (loss)	207,357	108,020	55,405	370,783	(3,542)	367,241
Depreciation and amortization (Note)						35,766
Share-based payment expenses						43,476
Other operating income						2,183
Other operating expenses						20,472
Operating income						269,708
Share of profit (loss) of associates and joint ventures						(2,340)
Finance income						32,974
Finance costs						3,288
Profit before tax						297,053

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

3. Treasury Stock

Treasury stock recognized in the Condensed Consolidated Statement of Financial Position for the Six-Month Period includes Recruit Holdings shares held by the BIP trust and the ESOP trust.

The breakdown of treasury stock is as follows:

(In millions of yen, unless otherwise stated)	As of March 31, 2024		As of September 30,2024	
	Number of shares (shares)	Carrying amount	Number of shares (shares)	Carrying amount
Treasury stock directly held by Recruit Holdings	50,413,104	214,070	91,817,161	650,164
Recruit Holdings shares held by the BIP trust and the ESOP trust	54,788,017	192,979	68,100,669	262,329
Total	105,201,121	407,049	159,917,830	912,493

4. Significant Subsequent Events

Share Repurchase

The Company, by resolution of its Board of Directors on July 9, 2024, implemented the following share repurchase program, pursuant to Article 156 of the Companies Act as applied by replacing certain terms pursuant to Article 165, Paragraph 3 of the said Act.

(1) Details of common stock repurchased on and after October 1, 2024

(i) Type of shares repurchased	Common shares of Recruit Holdings
(ii) Total number of shares repurchased	4,071,800 shares
(iii) Total purchase price	38,121 million yen
(iv) Acquisition period	From October 1, 2024 to October 31, 2024 (delivery date basis)

(2) Details of the purchase resolved by the Board of Directors on July 9, 2024

(i) Type of shares to be repurchased	Common shares of Recruit Holdings
(ii) Total number of shares to be repurchased	87,000,000 shares (Maximum)
(iii) Total purchase price	600,000 million yen (Maximum)
(iv) Repurchase period	From July 10, 2024 to July 9, 2025
(v) Method of repurchases	(1) Market purchases on Tokyo Stock Exchange, Inc. through an appointed securities dealer with transaction discretion (2) Purchases through Off-Auction Own Share Repurchase Trading System (ToSTNeT-3)

(3) Total number of common stock repurchased pursuant to the Board of Directors resolution described above (As of October 31, 2024)

(i) Types of shares repurchased	Common shares of Recruit Holdings
(ii) Total number of shares repurchased	52,778,200 shares
(iii) Total purchase price	474,899 million yen